



First Quarter 2020
Earnings Presentation

May 7, 2020



Forward-Looking Statements and Other Information

This presentation contains statements reflecting our views about our future performance that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including our fiscal year 2020 guidance. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K.

For additional information on these and other factors that could cause our actual results to materially differ from those set forth herein, please see our filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

We use non-GAAP financial measures “Adjusted EBITDA,” “Adjusted Net Income,” “Adjusted Earnings Per Share,” “Net Debt” and Adjusted Cash Flow From Operations” in evaluating our past results and future prospects. We define Adjusted EBITDA as net income calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and further adjusted to exclude unrealized gains and losses on derivatives, factoring discounts (pre-IPO), the allocated related party management fee (pre-IPO) and IPO transaction-related costs. We define Adjusted Net Income and Adjusted Earnings Per Share as Net Income and Earnings Per Share calculated in accordance with GAAP, plus the sum of IPO transaction-related costs, the impact of tax legislation changes under the CARES Act enacted March 27, 2020 and any unrealized gains or losses on derivatives. We define Net Debt as the current portion of long term debt plus long term debt less cash and cash equivalents. We define Adjusted Cash Flow From Operations as cash flow from operations less the change in related party receivables, change in related party payables, change in related party accrued interest payable, interest expense from related party borrowings and the repurchase of accounts receivable in conjunction with the IPO.

We present Adjusted EBITDA because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. In addition, our chief operating decision maker uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments. We use Adjusted Net Income and Adjusted Earnings Per Share as supplemental metrics to evaluate our business’ performance in a way that also considers our ability to generate profit without the impact of certain items. We use Net Debt as we believe it is a more representative measure of our liquidity. We use Adjusted Cash Flow From Operations when evaluating our cash flow as it provides a more meaningful and comparable cash flow measure without the impact of certain items. Accordingly, we believe presenting these metrics provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP financial measures presented by other companies.

Guidance for fiscal year 2020, where adjusted, is provided on a non-GAAP basis, which the Company will continue to identify as it reports its future financial results. The Company cannot reconcile its expected Adjusted EBITDA to expected Net Income under “Fiscal Year 2020 Outlook” without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company’s GAAP financial results. In addition, the Company cannot reconcile its expected Net Debt to expected total debt without reasonable effort because certain items that impact total debt and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company’s GAAP financial results.

Please see reconciliations of Non-GAAP measures used in this presentation (with the exception of our 2020 Adjusted EBITDA outlook and Net Debt as described above) to the most directly comparable GAAP measures in the appendix of this presentation.

Trademarks

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

Our deepest condolences and prayers go out to those affected by the coronavirus, and a gratitude of the utmost sincerity to those who are working on the front lines.

Our Employees

The Healthcare Community

Essential Workers

Our Retail and Supply Chain Partners

Our Customers

Those Working to Keep Us Safe

We Thank You

Deep Cleaning

Implemented rigorous cleaning processes in all of our facilities, including manufacturing plants and corporate offices

Social Distancing

Reorganized workplaces to facilitate social distancing, along with physical reminders

Sick Leave

Providing up to 14 days paid sick leave for employees with COVID-19 symptoms or those self-isolating if they were in close contact with a COVID-19 patient

Protective Gear

Providing face masks and additional hand sanitizing and washing stations throughout workplaces

Absence Policies

Amended hourly absence policies for child care and other family needs

Healthcare Support

Waiving co-pays for all telemedicine healthcare visits

Eliminating Touch Points

Removed places of contact where possible such as time clocks, ice scoops, door handles, etc.

First Quarter Results Exceeded Expectations



\$730m

Net Revenues

\$135m

Adj. EBITDA

18%

Adj. EBITDA margin

for the first quarter ended 3/31/2020

	Cooking products		Waste & Storage products			Tableware		
Segments	Reynolds Cooking & Baking		Hefty Waste & Storage		Presto Products	Hefty Tableware		
First Quarter Ended 3/31/20	Net Revenues	\$243m	Net Revenues	\$192m	Net Revenues	\$127m	Net Revenues	\$178m
	Adj. EBITDA	\$40m	Adj. EBITDA	\$55m	Adj. EBITDA	\$23m	Adj. EBITDA	\$35m
	% margin	16%	% margin	29%	% margin	18%	% margin	20%
Description	Branded and store brand foil, parchment paper, oven bags, wax and freezer paper, disposable aluminum pans and slow cooker liners		Branded and store brand slider food storage bags, Hefty brand trash bags and large volume store brand trash bags		Store brand food storage bags, trash bags, plastic wrap and containers	Branded and store brand disposable dishes, plates, bowls, platters, cups and cutlery		
Selected products								

RCP Focus – Our “North Star”




Our focus leads to strong cash flow generation, return on investment and value creation



We win in attractive categories with branded and store brand products



Our brands and manufacturing footprint are strategic barriers



We are a category advisor to 29 of our retail partners



We have a long history of product innovation



We have a clear focus on ESG – sustainability across our business



Our Revolution culture is embedded in our organization



We generate significant free cash flow to invest, create value for shareholders, and delever

We participate in large and stable categories with durable long-term demand



Cooking products



Large addressable market with attractive long-term growth

Staple products, resilient to economic cycles

Waste & Storage products



Positioned to benefit from new household formation driven by millennials and increasing household spending due to high household penetration

Opportunities to grow categories via expanding usage occasions

Tableware



Across the majority of categories, branded and store brand share has remained stable

Products well suited for growing E-Commerce channel where existing penetration is relatively low

For the Quarter Ended March 31
(\$ in millions)

	2020	2019
Cash from operations	(\$255)	(\$96)
Change in related party receivables	(9)	88
Change in related party payables	20	18
Change in related party accrued interest payable	18	(53)
Interest expense, net, related party borrowings	5	42
Repurchase of Accounts Receivable in conjunction with IPO	240	-
Adjusted cash flow from operations⁽¹⁾	\$19	(\$1)

Observations

- Historical net cash provided by operating activities includes related party items that will not exist going forward
- Adjusted cash flow from operations removes the impact of these related party items
- Strong cash flow supports our capital allocation priorities

(1) Adjusted cash flow from operations is a non-GAAP financial measure.

Fiscal Year 2020 Guidance



Net Income	\$335 million to \$355 million
EPS	\$1.60 to \$1.69
Adjusted EBITDA	\$695 million to \$715 million
Adjusted Net Income	\$388 million to \$403 million
Adjusted EPS	\$1.85 to \$1.92
Net Debt ¹	\$1.9 billion to \$2.1 billion

(1) By December 31, 2020

Our go-forward strategy



Champion our categories and grow with our customers



Continued investment behind our market-leading brand portfolio



Strengthen presence across distribution channels



Drive growth through new and innovative products



Systematically improve operational efficiency and reduce cost



Drive shareholder returns through balanced capital allocation

Appendix



Reynolds Consumer Products Inc.
Reconciliation of Net Income to Adjusted EBITDA
(amounts in millions)

	Three months ended	
	March 31,	
	2020	2019
Net income – GAAP	\$ 26	\$ 17
Income tax expense	39	5
Interest expense, net	27	68
Depreciation and amortization	24	21
Factoring discount	-	5
Allocated related party management fee	-	2
IPO transaction-related costs	14	-
Unrealized losses (gains) on derivatives	4	(7)
Other	1	(1)
Adjusted EBITDA (Non-GAAP)	\$ 135	\$ 110

Adjusted Net Income and EPS Reconciliation



Reynolds Consumer Products Inc.
Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS
(amounts in millions except per share data)

	Three Months Ended March 31, 2020		
	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	26	189	\$ 0.14
Assume full period impact of IPO shares ⁽¹⁾	-	21	\$ -
	26	210	0.12
Adjustments:			
Impact of tax legislation change from CARES Act	23	210	0.11
IPO transaction-related costs ⁽²⁾	11	210	0.05
Unrealized loss on derivatives ⁽²⁾	3	210	0.02
Adjusted (Non-GAAP)	\$ 63	210	\$ 0.30

⁽¹⁾ Represents incremental shares required to adjust the weighted average shares outstanding for the period to the actual shares outstanding as of March 31, 2020. The Company utilizes the shares outstanding at period end as if they had been outstanding for the full period rather than weighted average shares outstanding over the course of the period as it is a more meaningful calculation that provides consistency in comparability.

⁽²⁾ Amounts are after tax calculated using a tax rate of 25%, which is the Company's effective tax rate excluding the one-time discrete expense associated with the legislation change from the CARES Act.

Adjusted Net Income and EPS 2020 Guidance Reconciliation



Reynolds Consumer Products Inc.
Reconciliation of 2020 Net Income and EPS guidance to Adjusted Net Income and Adjusted EPS guidance
(amounts in millions except per share data)

	Net Income		Diluted shares outstanding ⁽³⁾	Diluted Earnings Per Share	
	low	high		low	high
Fiscal Year 2020 - Guidance	\$ 335	\$ 355	210	\$ 1.60	\$ 1.69
Adjustments:					
IPO transaction-related costs ⁽²⁾	\$ 30	\$ 25	210	\$ 0.14	\$ 0.12
Impact of tax legislation change from CARES Act	\$ 23	\$ 23	210	\$ 0.11	\$ 0.11
Fiscal Year 2020 - Adjusted Guidance	\$ 388	\$ 403	210	\$ 1.85	\$ 1.92

⁽²⁾ Amounts are after tax calculated using a tax rate of 25%, which is the Company's effective tax rate excluding the one-time discrete expense associated with the legislation change from the CARES Act.

⁽³⁾ The Company has assumed the actual shares outstanding at March 31, 2020 to be outstanding for the full period rather than the weighted average shares outstanding over the course of the period as it provides a more meaningful calculation that provides consistency in comparability.

