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<<Dan Rizzo, Analyst, Jefferies LLC>>

Good morning. I'm Dan Rizzo from Jefferies equity research. Up next, we have Berry Global will do a quick presentation followed by Q&A. With that, turn it over. Thanks.

<<Tom Salmon, Chief Executive Officer & Chairman of the Board>>

Good morning, everybody. My name is Tom Salmon, and I'm the Chairman and CEO at Berry Global, proud to be joined with my CFO, Mark Miles, and our Investor Relations head, Dustin Stilwell. As you heard from Dan, we will walk you through a series of slides this morning, but more importantly, give you guys the opportunity to ask questions about our business. But we're thrilled to be here.

Just a snapshot, many of you know, but those of you who don't, who's Berry? We're a company that's guided by a mission of always advancing to protect what's important. And we are a leading provider of what we believe are value added protective solutions around the globe. $8 billion in revenue, and 135 sites around the world. The premier list of blue-chip customers, over 13,000 in total and over 19,000 different SKUs that we sell on a worldwide basis.

With Berry, we do believe, and we continue to invest in the fact, that we are a low-cost producer, making products that people consume every single day. The track record of performance inside our company, from a standpoint of consistent and predictable cash flow, has been unmatched. And we have historically used M&A as a key driver of creating shareholder value. And we continue to believe that the pipeline of opportunity to support our future growth, both domestically and around the world, will continue to be supported by what is a very fragmented industry, supported by what is Berry's core competency of a company that can identify acquisitions with a disciplined approach, integrate them effectively and maximize synergies.

Our business is broken up into three specific segments: our Engineered Materials business, $2.7 billion in revenue, serving predominantly consumer and industrial flexible packaging, industrial specialty tapes, can liners and various film substrates. Health, hygiene and specialties, the most global business inside our portfolio. $2.9 billion in revenue, serving everything from adult incontinence products, baby diapers, fem care, medical garments, disinfectant wipes, dryer sheets and filtration. Lastly, our Consumer Packaging business. 30% of the company's revenue, $2.4 billion, $441 million in EBITDA, serving everything from closures to drink cups, bottles, prescription vials, containers and tubes.

Why Berry? Well, leadership position in terms of our scale, our consistent track record of performance, both in terms of cash, revenue and EBITDA growth. We've been able to supplement our organic growth with a strong track record in history of acquisition, identification and integration.

Margin stability through various cycles of inflationary periods. And we serve markets that are incredibly stable with products that people consume every day. We're basically continuing to do what we've always done. We're not telling this group or our investors things that we've never done, we're continuing to do those things that we've always executed against.

Our scale. 4.5 billion pounds procured annually from a resin perspective. We have a number one or number two position in terms of leadership across 75% of our portfolio. And we're clearly a low-cost manufacturer. People often ask, how do you know that? We know that based on the 44 acquisitions we've done, because we always have an opportunity to cross reference how they buy, how they operate, the processes. And a cornerstone to what we do is steal shamelessly the great ideas from the acquisitions that we've done and deploy those across our entire portfolio.

Consistent flat cash flow, a 5-year cash flow CAGR of 25%. We've exceeded free cash flow guidance in every year since our IPO. And our LTM free cash flow yield 9%, well above our industry peers, something we're very proud of and we continue to be committed to continuously improve that. Financially, you can see the arrows are all going in the right direction, in terms of revenue, operating EBITDA, adjusted earnings per diluted share and shareholder return. This proven track record of both net sales, earnings, and shareholder return is something that we are proud of, but by no means, are we satisfied.

Our pipeline. It's robust. We've completed 44 acquisitions to date. We average 5% cost synergies on the acquired assets. And as you can see, is our belief that we have a pipeline of opportunity that's going to last for decades, continue to be an incredibly fragmented space that we operate in, but no one thing. We will remain disciplined. Discipline is the cornerstone to our success from an M&A perspective, and we'll continue to demonstrate it. And today, we're looking at a very robust pipeline.

Our acquisition model. Identify the acquisition, focus on real synergy realization that we can execute against and then integrate those members of the acquired company as part of the Berry team. 60% of my staff is a product of an acquisition. I'm a product of an acquisition. So relative to our people embracing being acquired? Of course they would. They have a chance to run the company. We are going to steal shamelessly always the best ideas, processes and people from the acquired companies and put them into roles that we ultimately can better execute with, them in the leadership roles they'd ultimately take on.

As I said, the market continue tends to be fragmented. One only has to go to the upcoming PACK EXPO in October, and you'll see the level of fragmentation inside this space. We're excited about that, because we can take full advantage of that fact that it is so fragmented. Resin, as we said, we're a very large scale buyer of the primary raw material that we consume. Even in periods of incredible volatility, Berry has been able to maintain margins in the range of 18% to 19%, showing our ability to ultimately offset that inflation with price and cost reduction. 75% of our pounds sold are ultimately managed through, resin pass-throughs.

And we believe that we're located today, in a low-cost region of the world in North America with the billions of dollars and investments in polyolefins to support this growth industry. Growth.

They wouldn't be investing the billions of dollars in North America and around the world, if this industry wasn't growing and didn't have huge prospects to grow. Plastics offers, and it is continuing be, the most flexible raw material on the planet. And we believe it's future is very bright. Opportunity trends inside of our business. For Engineered Materials, e-commerce, the films that we sell, and ultimately, sell in market the custom converters with facilities located inside the major distribution hubs around the world is a competitive opportunity for us and an advantage.

To offer competitive customized package, reducing costs while at the same time, protecting the contents, is something that we're keenly focused on. Material science is another component. For us to find ways to ultimately make and create feature benefits and materials at lower costs, by using science as a key core competency to do that. We're actually facilitated by the number of acquisitions that we do because we have an opportunity to see competitive formulations and then leverage those across our entire portfolio. And lastly, load management inside the space. We're clearly in a period of inflation.

Inflation around freight, but people continue to seek alternatives to lower the cost of their packaging in total, our unique films ultimately offer that to provide enhanced load management capability and weight reduction. Health and hygiene, very excited about the space with the rise of a middle-class around the world, the expectations people have around health and wellness continues to rise.

The dynamic in the space are also supported by an aging population. It's irrefutable, the world is aging, and they're living longer. And the expectations that they have for a better quality of life while they age, will advantage this place. Lastly, Consumer Packaging, there's been a lot of talk about plastics and the impact of plastics and are things ultimately going to be regulated. We actually inside of consumer packaging have taken more share from competitive substrates than we've been impacted negatively.

It's a wonderful opportunity because the flexible nature of the raw material, our ability to present and provide our end customers cost reductions through weight reductions while preserving the structural integrity of the plastics is a key attribute of this business. Also food waste, the amount of waste around the world, right now, is staggering. Our ability to offer competitive solutions to keep fresh foods, fresh longer around the globe with longer shipping cycles, is a key area of opportunity inside this business.

Again, the focus in all three of these businesses, advantage products in targeted markets. Lastly, the slide on cash deployment. We are five years into our maturation if you will, as a publicly-traded company. And there's a number of opportunities now that we have to deploy our cash. We generate $1 billion in terms of cash flow from operations.

We can deploy our capital against innovative targeted capital allocations to support growth, M&A, debt reduction, share repurchases, and possibly in the future, dividends. So the future is very bright for our company. Our balance sheet is as strong as it's ever been. We're excited about the growth prospects, the M&A opportunities, and we're happy to take your questions.

Q&A

<Q>: I buy a lot of diapers, not for myself but thank you for all that you do. Can you talk a little bit about why you think, the stock is down so much this year? Seems like you're executing well. And with the stock down this much, how does that impact your ability to make future acquisitions and grow inorganically?

<A – Tom Salmon>: So that's a multi-pronged question right there. We do believe we're a well ran company. Clearly, I think, the perception has been inflation is a big core component that's impacting the stock as well as organic growth. I think the company in the absence of M&A, many investors look to Berry and say, can you grow on your own organically? The success inside our Consumer Packaging space that we talked about in the last call, I think, is indicative of what we can do.

That's a business that hasn't been impacted by M&A in the last five years. We've invested organically in targeted applications with anchor customers in a customer-linked way, right, where they can pull that application through when successful and is demonstrating positive growth. There's other opportunities in other aspects of our business as well to do just that. From an M&A perspective, we still believe, right now based on what we know today, we can operate comfortably below four times leverage and still do M&A. And we believe also, the opportunity deck is very robust for us, both domestically as well as internationally right now for the company.

<Q>: If I may, one. Yesterday, we had Lyondell speak here. Could you talk about what you think the impact of the Dow spinoff is going to be on resin prices for you? Or resin prices in general, and how that may impact you?

<A – Tom Salmon>: I will say this, Berry is a company is not tied to one resin supplier or the other. We have an incredible amount of flexibility. We have no long-term agreements with the resin companies that we do business with. And we've designed the company so we can easily interchange between various competitors. So wish them luck. If they bring greater value in terms of innovation, design, differentiation, terrific. As they continue to invest in our industry and add capacity, that's terrific. So I'm a fan. More questions.

<Q>: You mentioned on the call, getting closer to your customers to reduce freight cost. Do that involve retooling plans or some sort of repurposing to kind of to achieve that goal?

<A – Tom Salmon>: That's a great question. Berry has 135 plants around the world. Mark and I were just in a facility in Greenville, South Carolina, that their number one customer was five miles from the loading dock door, producing bottles, a true competitive advantage. And we're looking for more opportunities that, where that is an opportunity around another customer's

converting locations. Equip that plant, or if already has the capability, qualify those machines to produce those products in a closer proximity. So, happens every day. We think it’s a competitive advantage for us in terms of logistics supply. More questions please.

<Q>: Going forward, are you going to be changing things at these plans to kind of meet the need? I know you’re already there. But I thought that that’s more of a push going forward? And I was wondering if there’s going to be some CapEx spend to achieve that?

<A – Tom Salmon>: No specific CapEx allocated for today. We would look to deploy it just at a site that already had that capability, just in a different part of the company.

<Q>: And then, there’s a lot of talk, and you mentioned briefly about the ban in single-use plastic in Europe and just a change in design in packaging. I know you’re not really down in the single-use plastics business, but I was wondering if the change in design, is it an opportunity, or how it changes things for Berry?

<A – Tom Salmon>: Yes, listen, absolutely, our design prowess now is an absolute capability. As an example, with the trend in some instances around strawless lids. We designed those strawless lids. We sit on the councils of two of the major food service companies that are driving some of that change, to ultimately provide our suggestions on the appropriate design to accommodate the customer need they’re trying to serve.

So in all those instances, it’s an opportunity. When we talk about recent capital allocations in Evansville, and the success that we’ve had in food service, it’s because, it’s an advantaged product that’s anywhere between 10% to 15% lighter weight, and fully recyclable. So those are advantages that ultimately we’re going to capitalize and continue grow. Not many people are growing in the 12% to 14% range inside of food service. And we’re doing it because we’re bringing a differentiated product, to those end customers meeting their end customer needs. So big opportunity there for us.

<Q>: You called 5% as your historical cost savings in your integrations. Is that something – is that a number you strive for at 5%? It seems like it could be much higher in some of these…

<A – Tom Salmon>: Average, we just gave you an average – some acquisitions are going to be higher, some are going to be lower. It’s just the average number that we noted.

<Q>: In terms of the share repurchases, any thoughts regarding the timing of that? And then also the dividend idea, what would lead you to initiate a dividend?

<A – Tom Salmon>: First things first, first share for repurchase that we’ve announced as a company. And we wanted because the strength of the balance sheet to have the flexibility as another opportunity for value creation for our shareholders. And clearly, we’ll look if there’s dislocation in the market or opportunities based on M&A timings, and versus the share price is to make that allocation.

We’re not going to comment on what we’re buying, when we’re buying, that obviously will come out at the end of our every quarter. But it’s something that we’re committed to. And we actually put no expiration on it to preserve maximum flexibility. And listen, in terms of dividend, I think, as the company continues to mature, that will be something that ultimately becomes part of this profile. But, make no mistake, the number one value creator for our company historically has been M&A.

We’re simply supplementing that now with a greater focus and a more customer centric approach around capital expenditures in terms of new capabilities that demonstrate our ability to grow organically. It’s supplementing that right now. M&A is not going away, it’s a cornerstone of what we do, it’s a core competency of what we do, but we’re not going to stop doing it in a disciplined approach and disciplined manner.

<Q>: Can you talk a little bit more about what you look for in M&A? Kind of what the industrial logic is for the transactions you decide to execute versus your entire pipeline? And I know resin is a big deal, but aside from that, kind of, what the logic is?

<A – Tom Salmon>: So clearly, common raw material stream is always something interesting. In industry, we have some knowledge or understanding of, is also a key component. And we also look for adjacencies. Listen, this whole theme around healthcare, around wellness. And if you consider where Berry ultimately plays in the continuum of an aging population, health and wellness, we literally can take care of a customer from cradle to grave between hygiene products, for diapers, fem care, various substrates for wellness in terms of all the package rigid process that we provide, adult incontinence products as well. So we’re looking across that entire continuum that would make sense to the marketplace, and that’s why the list is so robust. We also look culturally. Is it the right cultural fit for our company?

The amount of attrition that we experience in M&A is much lower than others. It’s amazing. People come and they like it. We make it certain that we focus on in the first 24 hours, shaking hands with 100% of the population of whoever we acquired around the world. We’ll deploy those teams. We want them to feel part of our family and that they can contribute immediately. So culture is a piece of it as well. But that value and discipline is also one. If we think that there’s stuff broken, that’s within our real house to fix. We’re excited to do so. Mark?

<A – Mark Miles>: I would agree.

<Q>: Mark of the $80 million or so of cost increases or over price. How much of that you think you can recoup by timing or contractually getting that back next year?

<A – Mark Miles>: Yes, I think, obviously, it depends on what happens with resin costs. But to the extent resin costs flatten, we would recover somewhere in the neighborhood of $10 million to $20 million of that just due to pass-through and the timing. To the extent resin goes down, that number would increase, and if it goes up, it would decrease.

<Q>: And so the other part of that, Mark, is us having to push price over – is that – the rest is freight cost and other cost that we have to negotiate with the customer? Maybe just talk about that, if you don't mind?

<A – Mark Miles>: Yes, sure. Some of that gets commingled, right because price is price, and cost is cost, we're not separating price between the various categories. So I would say, a little bit of that, David, gets commingled. We've had periods, every three or four years, where price/cost is negative, but certainly, the exception rather than norm. And I'm not aware of any situation where we've had two years in a row of negative price cost spread so we would expect recovery of that as we approach Fiscal 2019.

And I'd say, our agreements, 75% of them covered resin pass through mechanically, the other 25% is spot. And the other raws are not typically not covered by an index move. And so we've got to recover those in the market, whether or not it's a spot business or contractual business as those agreements continue to mature. And I think, as Tom pointed out early in the presentation, we've got 13,000 customers, so these agreements are not all expiring on April 1^{st} or May 1^{st} they're continually coming up. And we've got to revisit price in those renegotiations of the agreements.

<Q>: You mentioned earlier, scale matters, and that's predominantly with regards to resins. Can talk about how scale matters for others things, for transportation costs, for your customers? Kind of other ways where your completive advantage is compound as you get bigger.

<A – Tom Salmon>: Yes, it's all of the above. And I think, the biggest piece of what we've done from M&A is, people and process, right? So Berry is not a big user of consultants. And we've always been of the believe that we don't have to because we have the visibility to M&A that we do to see different practices, the kind of rates we're actually able to secure, how we leverage those, how we process optimize, how we create different HR policies, management processes, stage gate processes and the like.

So I think it's all-inclusive. But it's because we go in there, and wanting to work collaborate. We don't go in there with the idea that, our way is the best way. If we see something else, we're going to steal it shamelessly, but we're going to deploy it across all 135 sites. And that's unique. Sometimes that's a regional play, sometimes, it's a one hit. We like to think that we'll continue to see synergy opportunities over the life of that acquisition, until which point in time we know one another and we've shared the best practices to the extent they can't be shared anymore.

But know one thing, the first thing that we do, when we do an acquisition, we embrace the fact and let folks know we are a continuous improvement culture. We expect every single employee to come to work every day, first and foremost, knowing that they're safe. Secondly, knowing that we expect them to do their job somewhat better every day. And we've got equip them with better training, better tools to do that, but also the opportunity to voice their opinion.

So for example, when I'm in a plant in Greenville, South Carolina, I'm not asking the plant manager how he can run a machine better. I'm asking the guy on the floor, how can you run your machine better? What are you ultimately being held back by? How do you want yourself set up, so it’s most comfortable for you? What are other opportunities you see, with your 35 years’ experience in this plant, to drive change? It’s a grassroots effort at every plant, try to embrace everybody in our company. There’s 25,000 people, and it’s a tremendous opportunity. We try to push more and more down the floor to get that feedback, to get those ideas.

And it’s one of the real blessings of the acquisitions that we do in many instances, those processes and just, and that cultural opportunity to create profit centers at every single plant that we run. And that’s often unique for us because many of the companies we buy, those plants are looked at as cost centers. And we expect our plant managers to be entrepreneurs. Their expectations going into the year is to do it better and to make more money. But to do it on the guidelines of safety first, quality, service, meeting the customer expectations.

<Q>: Could you quantify though what the actual monetary benefits are in terms of reduced freight costs for having 135 facilities closer to your customers? You know, what’s the right way to think about that?

<A – Mark Miles>: I don’t know how to quantify it. I’d say it’s case-by-case. I mean, freight is about – in that specific example is about 5% of our cost structure, resin’s about half the cost.

<Q>: Tom, can you just address the health and hygiene segment? Why are volumes been lackluster recently and what can we do to turn those around?

<A – Tom Salmon>: Great question. When we acquired the legacy AVINTIV, our model basically said, we’d invest about 100 million a year in that business. And we made, basically, no investment the first two years. So we’re playing catch up inside that space. We also said to generate higher growth rates inside our HHS business we had to have access to the highest growth regions of the world.

The majority of our capital investment, right now, is in China to support premium hygiene space, as well as air filtration and the industrial white space. And so we’ve been – we’re a little late, but we’re also slightly pivoting. Where we’re looking to offset some of the focus that we have on baby hygiene to ultimately balance that out with adult incontinence.

We’re a leader in that space, and create second generation, third generation products, as well as premium hygiene products for fem care. Because as we see, aging populations as well as growing populations in different regions of world, and as their incomes rise the need requirement for fem hygiene continues to grow. So we’re parlaying a lot more resources inside that space right now. We’re also partnered with the major consumer packaging companies in the world. And we’re working with them on how they ultimately can reduce their supplier base, so that we have more of an unfair share of their spend to support the capital allocation that we make to support that business.

<Q>: The pivot from baby hygiene, the customers aren’t doing well? It’s more competitive? Better returns in other segments, maybe discuss. And what percentage of the share is that today? Thank you.

<A – Tom Salmon>: So baby is not – so baby birth, right, we don't control, right? That's something that is out of our hands if you will. So the trend I'd ask you to think about is, health and wellness in the aging publishing. The global population continues to age around the world. And as they age, they're living longer, and they have more money in their pockets than a previous generation.

So our view is that as people age, as we ultimately create that second generation, third generation AI product, it ultimately gives us the opportunity to take advantage of that growth rate that's happening on its own. It doesn't require any intervention, as much as we all may try to slow the aging process, you can't. You're aging and people are getting older around the world and we're going to find opportunities, both, in terms of AI as well as wellness products to support that.

<Q>: You talked about how on average you get about 5% margin improvement of an acquisition. How different is that for North-America based acquisitions versus international ones? And how does the pipeline look for the two different segments?

<A – Tom Salmon>: Most of the acquisitions that we've done, of the 44, have been in the U.S. Our ability to generate significant synergies through scale in North America is higher than it would be in another region of the world. As we do the due diligence for an acquisition in another regions of the world, it's going to put a higher premium on growth. And that's how it's ultimately going to balance out. The HHS business in China has been a widely successful business that we're thrilled to have, that we're investing behind, because it's got an existing management team.

And that's one of the attributes that the acquisition will then have provided our company, because we didn't have, historically, deployed assets around the world that could integrate and implement the acquisitions that we did. Now we do, and the pipeline is consistent. It's around the world, it's a global portfolio, but that's always taken into consideration. We very rarely – we always try to discount as much as we can on things that haven't already happened, right?

And that's part of that disciplined approach, and that's not going to change. You won't quote see us "taking a flier" on something because we think. The company would have had to have demonstrated consistent growth and have a value proposition that we truly believe in.

<Q>: About your comment on not "taking a flier". I think Versalite largely is viewed as a flop, and your most recent QSR investment is a wild of success. Can you talk about some of the institutional changes you've made in order to make sure that you have more successes and a higher hit rate?

<A – Tom Salmon>: Customer, link, commercialization. We have to have a defined committed end customer that's going to pull that through. If there's any lack of linkage or support, or if you can't identify that individual at that end-user that's ultimately going to be promoted or fired based on the success of that project, it should give you some cause for pause. And you can measure that based on various levels of penetration that we'll have the accounts.

But to me, singularly, that’s the most important thing that we can do. No one’s going to hit 100% on every opportunity that they pursue. But clearly, when you have an industry leader, that is speaking of an unmet need that they want you to fulfill and they provide you a letter of intent that when you do it, it will generate X, do it. Because people want to be fast followers of those who’ve had success. And that, from a corner stone, is important.

Secondly, our internal stakeholders are held accountable for the ROI and the capital investments they make in their business. So if they are projecting a growth rate X and that growth rate of X was the primary driver of the ROI, and it doesn’t happen, it means that person, that group is probably going to be more scrutinized relative to future capital investment. Mark will tell you, Dustin will tell you, we are blessed as an organization to have as idea rich an environment that we work in as we do.

I think those are two of the big components for me that are significant and important to making sure that you have higher success rates in those targeted capital investments that make sense. Now relative to the cost reduction, part of normal course, we’re investing more in automation today. Why? We want to ultimately reduce dependence on the human fly wheel so we can ultimately deploy that human intelligence toward more value added opportunities inside our factories. And that’s going to be a trend that goes on for some time now. Does that help?

<Q>: So just to confirm, was that not the process when you were launching – or when Berry was launching Versalite?

<A – Tom Salmon>: I’m not going to talk about the past. But going forward, we’re going to have strong customer linkage on any significant capital expenditure tied to growth.

<Q>: To follow up, if you don’t mind, so grow that product, is that an exclusive with one customer, Tom? Or secondly, do you need to increase capa – capital – spend capital to increase capacity to grow that product line? Or is it enough space?

<A – Tom Salmon>: It is what – it’s what is called a platform technology, so it’s translatable. And we’re looking at other QSRs that we’ll translate that success to and towards. And there will be modest capital required to increase capacity, which we’re happy to do as long as the growth hits, right.

<<Tom Salmon, Chief Executive Officer & Chairman of the Board>>

Anything else? Thanks for your time. Appreciate you guys, very much.