



Always Advancing to Protect What's Important

Fiscal 2020 Second Quarter

Friday, May 1, 2020
Earnings Conference Call Supplement
(Unaudited Results)

Thomas E. Salmon – Chairman and CEO
Mark W. Miles – CFO

Safe Harbor Statements and Important Information



Forward-Looking Statements

Statements in this release that are not historical, including statements relating to the expected future performance of the Company, are considered “forward looking” within the meaning of the federal securities laws and are presented pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” “outlook,” or “looking forward,” or similar expressions that relate to our strategy, plans, or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates, and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management team, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under “Risk Factors” and elsewhere in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, including, without limitation, in conjunction with the forward-looking statements included in this release. All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include: (1) risks associated with our substantial indebtedness and debt service; (2) changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices to our customers on a timely basis; (3) risks related to acquisitions or divestitures and integration of acquired businesses and their operations, and realization of anticipated cost savings and synergies; (4) risks related to international business, including as a result of the RPC transaction, including foreign currency exchange rate risk and the risks of compliance with applicable export controls, sanctions, anti-corruption laws and regulations; (5) uncertainty regarding the United Kingdom’s withdrawal from the European Union and the outcome of future arrangements between the United Kingdom and the European Union; (6) reliance on unpatented proprietary know-how and trade secrets; (7) risks related to the phase-out of the London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with a different reference rate or modification of the method used to calculate LIBOR; (8) increases in the cost of compliance with laws and regulations, including environmental, safety, and production and product laws and regulations; (9) employee shutdowns or strikes or the failure to renew effective bargaining agreements; (10) risks related to disruptions in the overall economy and the financial markets that may adversely impact our business; (11) risk of catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (12) risks related to the failure of, inadequacy of, or attacks on our information technology systems and infrastructure; (13) risks related to market acceptance of our developing technologies and products; (14) general business and economic conditions, particularly an economic downturn; (15) risks that our restructuring programs may entail greater implementation costs or result in lower cost savings than anticipated; (16) ability of our insurance to fully cover potential exposures; (17) risks related to future write-offs of substantial goodwill; (18) risks of competition, including foreign competition, in our existing and future markets; (19) new legislation or new regulations and the Company’s corresponding interpretations of either may affect our business and consolidated financial condition and results of operations; (20) risks related to the impact of business, travel and safety restrictions related to the COVID-19 pandemic, including on our internal controls over financial reporting and the ongoing process of implementing standardized internal control procedures within the recently acquired RPC Group business; and (21) the other factors discussed under the heading “Risk Factors” in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this presentation. All forward-looking statements are made only as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto included in our public filings.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures such as operating EBITDA, adjusted EBITDA, adjusted net income, and free cash flow intended to supplement, not substitute for, comparable measures under generally accepted accounting principles (GAAP). Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in our earnings release, presentations, and SEC filings. For further information about our non-GAAP measures, please see our earnings release, SEC filings and supplemental data at the end of this presentation.

No profit forecast

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of RPC or the combined business following the completion of the combination, unless otherwise stated.

Website Information

We often post important information for investors on our website, www.berryglobal.com, in the “Investor Relations” section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations, and webcasts. The information contained on, or that may be accessed through our website, is not incorporated by reference into, and is not a part of this document.

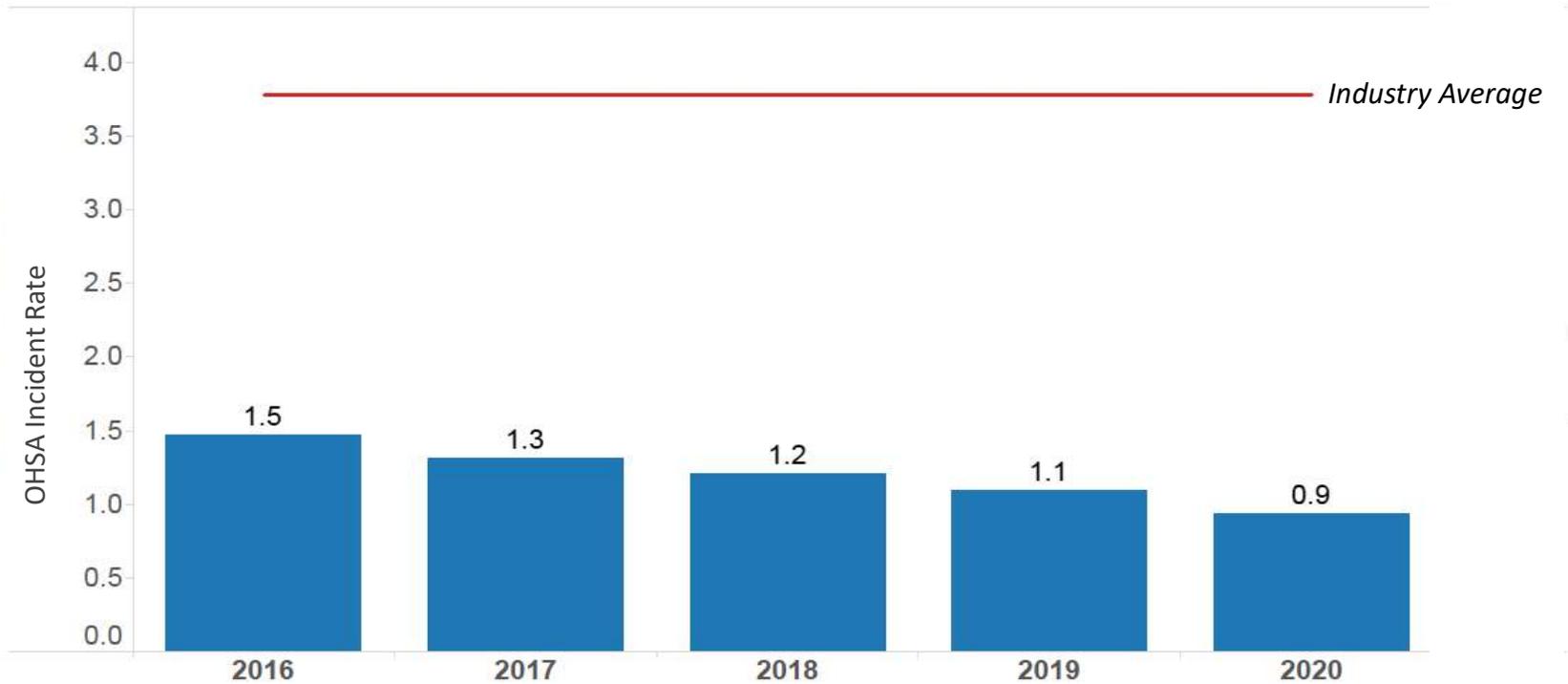
LTM Information

LTM information presented herein is the Last Twelve Months of reported information as of the date represented.

Certain information included in this presentation has been sourced from third parties. Berry does not make any representations regarding accuracy, completeness or timeliness of such third party information. Permission to cite such information has neither been sought nor obtained.



Our #1 priority and core value is the health and safety of our people



Never Ending Commitment to Identifying, Managing, and Eliminating Risk



Hygiene/Safety



Cleaning



Food



Medicines



Never Has Our Mission of 'Always Advancing to Protect What's Important' Been More Critical



Key Topics for Today

1. Solid quarter results
2. Organic volume growth of +2%, highlighted by HHS of +3% and EM of +2%:
(We estimate the net impact of COVID-19 on overall volumes in the quarter was ~+1%)
3. RPC integration remains on track
4. Free cash flow guidance of at least \$800 million





Fiscal 2020 Second Quarter Highlights



	Fiscal Second Quarter		YoY%
	2020	2019	
Net Sales	\$ 2,975	\$ 1,950	53%
Operating Income	284	185	54%
Operating EBITDA	539	354	52%
EPS-diluted	0.94	0.55	71%
Adjusted EPS-diluted	1.19	0.84	42%
Cash Flow from Operations	315	170	85%
Free Cash Flow	200	78	156%

Segment Highlights

- Overall organic volume growth in the March quarter of **+2%**
- Health, Hygiene & Specialties organic volumes up **+3%**, inflecting positive a full quarter ahead of our expectation
- Engineered Materials organic volumes up **+2%**, led by continued share regain and next generation advantaged investments
- We estimate that the net impact of COVID-19 on overall volumes in the quarter **~+1%**
- Free cash flow for the four quarters ended March 28, 2020 of **\$886 million**

Note: All dollar amounts in millions.



Environmental Advantages

<u>Plastic</u>	<u>Alternative Packaging Materials</u>
 Alternatives would require 2x as much energy as plastics	
 Alternatives would require 6x as much water as plastics	
 Alternatives would generate 5x as much solid waste as plastics	
 Alternatives would generate 4x as much greenhouse gas emissions as plastics	

Packaging Characteristic Advantages

<u>Influential Trend</u>	<u>Winning Characteristic</u>
At-home Consumption	<ul style="list-style-type: none"> • Shelf stability • Multi-use • Protection
Increased e-Commerce Adoption	<ul style="list-style-type: none"> • Strength/protection • Spoilage assurance • Lightweight
Elevated Focus on Health & Hygiene	<ul style="list-style-type: none"> • Versatile options • Adaptable
Sustainability	<ul style="list-style-type: none"> • Closable & reusable • Lightweight

Plastics Has a Lower Carbon Footprint and Provides All of the Necessary Winning Characteristics



Fiscal Q2 Net Sales and Operating EBITDA Bridge

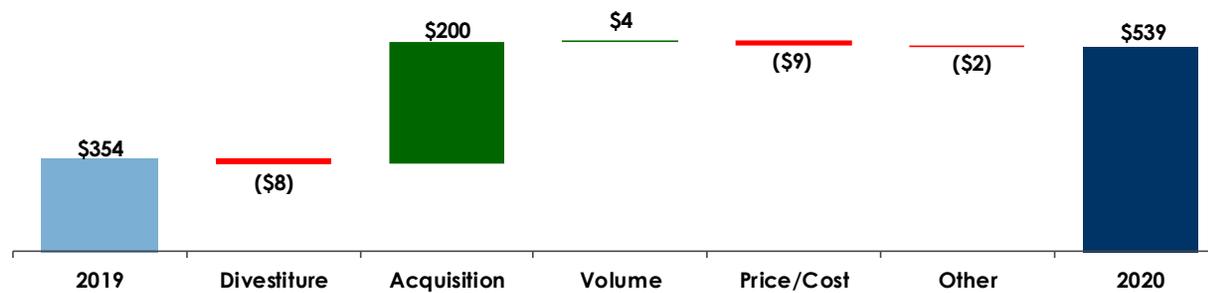


Net Sales



Pass through of lower resin prices
(resin prices down ~13% vs PY qtr.)

Operating EBITDA



Note: All dollar amounts in millions



Consumer Packaging - International (CPI)



	Fiscal Second Quarter		YoY%
	2020	2019	
Net Sales	\$ 1,095	\$ 50	Nm
Operating Income	61	(5)	Nm
Operating EBITDA	175	7	Nm

- Volumes improved sequentially
- Volumes down (2%) primary related to the impact of COVID-19 in Asia and weakness in European industrial partially offset by growth in grocery, pharmaceutical and hygiene markets
- Integration and synergy realization on track

*Note: All dollar amounts in millions
FQ2 '19 represents realignment operating EBITDA from legacy Berry businesses.*



Consumer Packaging - North America (CPNA)



	Fiscal Second Quarter		YoY%
	2020	2019	
Net Sales	\$ 706	\$ 639	10%
Operating Income	83	62	34%
Operating EBITDA	151	124	22%

- Eight consecutive quarters of flat to positive organic volume growth, delivering flat volumes in current March quarter
- Operating EBITDA growth of 22% driven primarily by contributions from the RPC acquisition and synergies

*Note: All dollar amounts in millions
Includes acquisition operating EBITDA from RPC's North American rigid business.*



Health, Hygiene, & Specialties (HH&S)



	Fiscal Second Quarter		YoY%
	2020	2019	
Net Sales	\$ 576	\$ 642	-10%
Operating Income	52	54	-4%
Operating EBITDA	97	111	-13%

- Organic volume growth was +3% during the quarter, inflecting positive a full quarter ahead of our expectations; Net sales decline primarily related to lower resin prices
- Estimated impact of COVID-19 ~+1% in the quarter.
- We anticipate mid to high-single digit volume growth in the back half of fiscal 2020
- Operating EBITDA lower in the quarter was consistent with our expectation; the decline was primarily related to resin timing lag benefits received in the prior year quarter and the sale of our Seal For Life business

*Note: All dollar amounts in millions
Restated Fiscal Q2 '19 operating EBITDA includes \$6 million related to business realignment out of Health, Hygiene, & Specialties segment into the Consumer Packaging – International segment. Related net sales were \$41 million.*



Engineered Materials (EM)



	Fiscal Second Quarter		YoY%
	2020	2019	
Net Sales	\$ 598	\$ 619	-3%
Operating Income	88	74	19%
Operating EBITDA	116	112	4%

- Organic volume growth of **+2%** in the quarter; net sales decline primarily driven by lower resin prices
- Operating EBITDA increase better than expected with price/cost inflection
- Continued share regain along with on-boarding our robust growth pipeline

*Note: All dollar amounts in millions
Restated Fiscal Q2 '19 operating EBITDA includes ~\$1 million related to business realignment out of the Engineered Materials segment into the Consumer Packaging - International segment. Related net sales were \$9 million.*



Condensed Income Statement



	Quarterly Period Ended	
	March 28, 2020	March 30, 2019
Net sales	\$2,975	\$1,950
Costs and expenses	2,691	1,765
Operating income	284	185
Other expense, net	-	23
Interest expense, net	111	66
Income before income taxes	173	96
Income tax expense	47	22
Net income	\$126	\$74
Net income per share:		
Diluted	\$0.94	\$0.55
Adjusted Diluted	\$1.19	\$0.84

Note: All dollar amounts in millions, except per share amounts



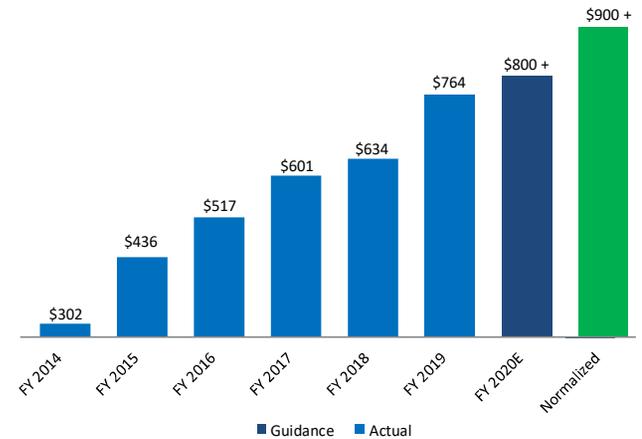
Free Cash Flow



	Four Quarters Ended March '20	
Operating EBITDA	\$	1,835
Capital expenditures		(495)
Cash interest expense		(415)
Taxes		(130)
Working capital, restructuring & other ⁽¹⁾		91
Free cash flow	\$	886

Ample Liquidity

- \$953 million cash on hand
- \$850 undrawn ABL Revolver
\$1.8 billion total liquidity
- No financial maintenance covenants
- No near-term debt maturities



Exceeded Free Cash Flow Guidance Every Year

Note: All dollar amounts in millions
 (1) Includes working capital, integration expenses, tax receivable payments and other business optimization costs



Financial Outlook & Strategy



Fiscal Year 2020

Free Cash Flow Guidance & Assumptions

Free cash flow	\$800
Capital expenditures	600
Cash interest expense	430
Taxes	150
Working capital & other costs	50
Cash flow from operations	\$1,400
Less: capital expenditures	<u>(600)</u>
Free cash flow	<u>\$800</u>

Capital Allocation Strategy

- Debt paydown – targeting leverage below 4x
- Organic growth investments

- Anticipate low-single digit negative volume in the back half of FY '20, driven by the COVID-19 pandemic
- Assumes COVID-19 related restrictions, such as shelter-in-place, remain through back half of FY '20

Strong, Dependable, and Consistent Cash Flows Allow Capital Allocation Flexibility

Note: All dollar amounts in millions



Earnings Call - Key Takeaways



- Solid quarter overall, with over 40% adjusted EPS growth
 - Overall organic volumes +2%; with Health, Hygiene, & Specialties +3% and Engineered Materials +2%
- RPC integration on track – expect to realize \$75 million of cost synergies in FY '20
- Reaffirming FY '20 free cash flow guidance of at least \$800 million
 - Anticipate a low-single digit organic base volume decline in the back half of FY '20, driven by COVID-19
 - The net negative impact we are anticipating related to COVID-19 on volumes and earnings are transitory
- Committed to sustainable, profitable organic volume growth – pipeline remains strong
- Continued focus on sustainability through redesign, light-weighting, collaboration, and innovation



Berry

Q&A

Fiscal 2020 Second Quarter
Earnings Conference Call



Non-GAAP Financial Measures



	Actual						Guidance
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cash flow from operations	\$530	\$637	\$857	\$975	\$1,004	\$1,201	\$1,400
Capital expenditures, net	(196)	(162)	(283)	(263)	(333)	(399)	(600)
Payment of tax receivable agreement	(32)	(39)	(57)	(111)	(37)	(38)	-
Free cash flow	\$302	\$436	\$517	\$601	\$634	\$764	\$800

Note: All dollar amounts in millions



Non-GAAP Reconciliation



	Quarterly Period Ended March 28, 2020				
	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$1,095	\$706	\$576	\$598	\$2,975
Operating income	\$61	\$83	\$52	\$88	\$284
Depreciation and amortization	80	64	44	25	213
Restructuring and transaction	14	3	1	1	19
Other non-cash charges ⁽²⁾	20	1	-	2	23
Operating EBITDA	\$175	\$151	\$97	\$116	\$539

	Quarterly Period Ended March 30, 2019				
	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$50	\$639	\$642	\$619	\$1,950
Operating income	(\$5)	\$62	\$54	\$74	\$185
Depreciation and amortization	4	53	46	29	132
Restructuring and transaction	8	4	6	4	22
Other non-cash charges ⁽²⁾	-	5	5	5	15
Operating EBITDA	\$7	\$124	\$111	\$112	\$354

Note: All dollar amounts in millions. Unaudited

(1) The current quarter primarily includes transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes restructuring and transaction related costs related to the Clopay, RPC and AEP acquisitions.

(2) Other non-cash charges for the March 2020 quarter primarily includes a \$19 million inventory step-up related to the RPC acquisition and \$5 million of stock compensation expense. Other non-cash charges for the March 2019 quarter includes \$14 million of stock compensation expense.

* Prior year has been restated to match our current structure.



Non-GAAP Reconciliation



	Quarterly Period Ended	
	March 28, 2020	March 30, 2019
Net income	\$126	\$74
Add: other expense (income), net	-	23
Add: interest expense, net	111	66
Add: income tax expense (benefit)	47	22
Operating income	\$284	\$185
Add: non-cash amortization from 2006 private sale	6	7
Add: restructuring and transaction activities ⁽²⁾	19	22
Add: other non-cash charges ⁽¹⁾	23	15
Adjusted operating income ⁽⁶⁾	\$332	\$229
Add: depreciation	136	93
Add: amortization of intangibles ⁽³⁾	71	32
Operating EBITDA ⁽⁶⁾	\$539	\$354
Net income per diluted share	\$0.94	\$0.55
Other expense (income), net	-	0.17
Non-cash amortization from 2006 private sale	0.05	0.05
Restructuring and transaction activities	0.14	0.17
Other non-cash charges ⁽⁴⁾	0.14	0.00
Income tax impact on items above ⁽⁵⁾	(0.08)	(0.10)
Adjusted net income per diluted share ⁽⁶⁾	\$1.19	\$0.84

Note: All dollar amounts in millions, except per share data. Unaudited
* See next page for footnote disclosures



Non-GAAP Reconciliation (continued)



- (1) Other non-cash charges for the March 2020 quarter includes \$5 million of stock compensation expense. Other non-cash charges for the March 2019 quarter includes \$4 million of stock compensation expense.
- (2) The current quarter primarily includes transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes transaction activities related to the Clopay, RPC and AEP acquisitions.
- (3) Amortization excludes non-cash amortization from the 2006 private sale of \$6 million for the March 2020 quarter and \$7 million in the March 2019 quarter.
- (4) An adjustment was made only for a \$19 million inventory step up charge related to the RPC acquisition. No adjustments were made for stock compensation expense or any other non-cash charges to net income per diluted share for the March 2020 quarter or prior year quarter.
- (5) Income tax effects on adjusted net income is calculated using 25 percent for both the March 2020 and March 2019 quarters, respectively. The rates used represents the Company's expected effective tax rate for each respective period.
- (6) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. Organic sales growth excludes the impact of currency translation effects and acquisitions. These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Berry's management believes that Adjusted net income and other non-GAAP financial measures are useful to our investors because they allow for a better period-over-period comparison of operating results by removing the impact of items that, in management's view, do not reflect our core operating performance.

We define "free cash flow" as cash flow from operating activities less additions to property, plant, and equipment and payments under the tax receivable agreement. We believe free cash flow is useful to an investor in evaluating our liquidity because free cash flow and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's liquidity. We also believe free cash flow is useful to an investor in evaluating our liquidity as it can assist in assessing a company's ability to fund its growth through its generation of cash.

Adjusted EBITDA is used by our lenders for debt covenant compliance purposes. We also use Adjusted EBITDA and Operating EBITDA among other measures to evaluate management performance and in determining performance-based compensation. Adjusted EBITDA and Operating EBITDA and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's performance. We also believe EBITDA and Adjusted net income are useful to an investor in evaluating our performance without regard to revenue and expense recognition, which can vary depending upon accounting methods.



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