UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 3, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number 001-35672

BERRY GLOBAL GROUP, INC.

A Delaware corporation	101 Oakley Street, Evansville, Indiana, 47710 (812) 424-2904	IRS employer identification number 20-5234618

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	BERY	New York Stock Exchange LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 135.3 million shares of common stock outstanding at August 5, 2021.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Information included in or incorporated by reference in Berry Global Group, Inc.'s filings with the U.S. Securities and Exchange Commission (the "SEC") and press releases or other public statements, contain or may contain forward-looking statements. This report includes "forward-looking" statements with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. These statements contain words such as "believes," "expects," "may," "will," "should," "would," "could," "seeks," "approximately," "intends," "plans," "estimates," "project", "outlook," "anticipates" or "looking forward" or similar expressions that relate to our strategy, plans, intentions, or expectations. 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, 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. 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.

Additionally, we caution readers that the list of important factors discussed in our most recent Form 10-K in the section titled "Risk Factors" may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, readers should not place undue reliance on those statements.

Berry Global Group, Inc.
Form 10-Q Index
For Quarterly Period Ended July 3, 2021

Part I. Financial Information

Item 1. Financial Statements

Berry Global Group, Inc.
Consolidated Statements of Income
(Unaudited)
(in millions of dollars, except per share amounts)

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Net sales	**$ 3,675**	$ 2,910	**$ 10,181**	$ 8,701
Costs and expenses:				
Cost of goods sold	**3,049**	2,272	**8,273**	6,959
Selling, general and administrative	**207**	198	**668**	631
Amortization of intangibles	**72**	74	**219**	226
Restructuring and transaction activities	**4**	19	**41**	55
Operating income	**343**	347	**980**	830
Other expense, net	**14**	(7)	**45**	6
Interest expense, net	**76**	110	**257**	339
Income before income taxes	**253**	244	**678**	485
Income tax expense	**59**	53	**173**	121
Net income	**$ 194**	$ 191	**$ 505**	$ 364
Net income per share:				
Basic	**$ 1.44**	$ 1.44	**$ 3.76**	$ 2.75
Diluted	**1.40**	1.42	**3.67**	2.71

Consolidated Statements of Comprehensive Income
(Unaudited)
(in millions of dollars)

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Net income	**$ 194**	$ 191	**$ 505**	$ 364
Other comprehensive income (loss), net of tax:				
Currency translation	**91**	11	**196**	(54)
Pension	**—**	—	**—**	(1)
Derivative instruments	**(2)**	(13)	**69**	(109)
Other comprehensive income (loss)	**89**	(2)	**265**	(164)
Comprehensive income	**$ 283**	$ 189	**$ 770**	$ 200

See notes to consolidated financial statements.

Berry Global Group, Inc.
Consolidated Balance Sheets
(in millions of dollars)

	July 3, 2021 (Unaudited)	September 26, 2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 804**	$ 750
Accounts receivable, net	**1,851**	1,469
Finished goods	**913**	708
Raw materials and supplies	**822**	560
Prepaid expenses and other current assets	**198**	168
Assets held for sale	**—**	162
Total current assets	**4,588**	3,817
Noncurrent assets:		
Property, plant, and equipment	**4,731**	4,561
Goodwill and intangible assets	**7,599**	7,670
Right-of-use assets	**577**	562
Other assets	**82**	91
Total assets	**$ 17,577**	$ 16,701
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	**$ 1,556**	$ 1,115
Accrued employee costs	**327**	324
Other current liabilities	**771**	644
Current portion of long-term debt	**225**	75
Liabilities held for sale	**—**	25
Total current liabilities	**2,879**	2,183
Noncurrent liabilities:		
Long-term debt, less current portion	**9,469**	10,162
Deferred income taxes	**546**	601
Employee benefit obligations	**354**	368
Operating lease liabilities	**480**	464
Other long-term liabilities	**896**	831
Total liabilities	**14,624**	14,609
Stockholders' equity:		
Common stock (135.4 and 133.6 million shares issued, respectively)	**1**	1
Additional paid-in capital	**1,125**	1,034
Retained earnings	**2,113**	1,608
Accumulated other comprehensive loss	**(286)**	(551)
Total stockholders' equity	**2,953**	2,092
Total liabilities and stockholders' equity	**$ 17,577**	$ 16,701

See notes to consolidated financial statements.

Berry Global Group, Inc.
Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)
(in millions of dollars)

Quarterly Period Ended	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at April 3, 2021	$ 1	$ 1,101	$ (375)	$ 1,919	$ 2,646
Net income	—	—	—	194	194
Other comprehensive income	—	—	89	—	89
Share-based compensation	—	6	—	—	6
Proceeds from issuance of common stock	—	18	—	—	18
Balance at July 3, 2021	**$ 1**	**$ 1,125**	**$ (286)**	**$ 2,113**	**$ 2,953**
Balance at March 28, 2020	$ 1	$ 976	$ (548)	$ 1,222	$ 1,651
Net income	—	—	—	191	191
Other comprehensive loss	—	—	(2)	—	(2)
Share-based compensation	—	4	—	—	4
Proceeds from issuance of common stock	—	3	—	—	3
Acquisition [(a)]	—	22	—	—	22
Balance at June 27, 2020	$ 1	$ 1,005	$ (550)	$ 1,413	$ 1,869

Three Quarterly Periods Ended	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at September 26, 2020	$ 1	$ 1,034	$ (551)	$ 1,608	$ 2,092
Net income	—	—	—	505	505
Other comprehensive income	—	—	265	—	265
Share-based compensation	—	34	—	—	34
Proceeds from issuance of common stock	—	57	—	—	57
Balance at July 3, 2021	**$ 1**	**$ 1,125**	**$ (286)**	**$ 2,113**	**$ 2,953**
Balance at September 28, 2019	$ 1	$ 949	$ (386)	$ 1,054	$ 1,618
Net income	—	—	—	364	364
Other comprehensive loss	—	—	(164)	—	(164)
Share-based compensation	—	28	—	—	28
Proceeds from issuance of common stock	—	6	—	—	6
Acquisition [(a)]	—	22	—	—	22
Adoption of lease accounting standard	—	—	—	(5)	(5)
Balance at June 27, 2020	$ 1	$ 1,005	$ (550)	$ 1,413	$ 1,869

(a) *Represents noncontrolling interest*

See notes to consolidated financial statements.

Berry Global Group, Inc.
Consolidated Statements of Cash Flows
(Unaudited)
(in millions of dollars)

	Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020
Cash Flows from Operating Activities:		
Net income	**$ 505**	$ 364
Adjustments to reconcile net cash provided by operating activities:		
Depreciation	**420**	412
Amortization of intangibles	**219**	226
Non-cash interest	**26**	18
Deferred income tax	**(53)**	30
Share-based compensation expense	**34**	28
Other non-cash operating activities, net	**60**	23
Changes in working capital	**(278)**	(93)
Changes in other assets and liabilities	**(21)**	(29)
Net cash from operating activities	**912**	979
Cash Flows from Investing Activities:		
Additions to property, plant and equipment, net	**(520)**	(419)
Divestitures	**165**	—
Settlement of net investment hedges	**—**	281
Other	**—**	(14)
Net cash from investing activities	**(355)**	(152)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	**2,716**	1,202
Repayments on long-term borrowings	**(3,287)**	(1,859)
Proceeds from issuance of common stock	**57**	6
Debt financing costs	**(20)**	(16)
Net cash from financing activities	**(534)**	(667)
Effect of exchange rate changes on cash	**31**	(4)
Net change in cash	**54**	156
Cash and cash equivalents at beginning of period	**750**	750
Cash and cash equivalents at end of period	**$ 804**	$ 906

See notes to consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements of Berry Global Group, Inc. ("the Company," "we," or "Berry") have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In preparing financial statements in conformity with GAAP, we must make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates. The Company's U.S. based results for fiscal 2021 and fiscal 2020 are based on a fifty-three and fifty-two week period, respectively. The extra week in fiscal 2021 occurred in the first quarter. In October 2020, the Company reorganized portions of its four operating segments in order to better align our various businesses for future growth. The Company has recast all prior period amounts to conform to this new reporting structure. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included, and all subsequent events up to the time of the filing have been evaluated. For further information, refer to the Company's most recent Form 10-K filed with the Securities and Exchange Commission.

2. Recent Accounting Pronouncements

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326) and issued subsequent amendments to the initial guidance. The new standard requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model, which includes historical experience, current conditions, and reasonable and supportable forecasts. The new standard also requires enhanced disclosure. The Company adopted the new standard beginning fiscal 2021 with no material impact to the Company's consolidated financial statements. See Note 3. Revenue and Accounts Receivable.

Defined Benefit Plans

In August 2018, the FASB issued ASU 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans. The new standard removes requirements to disclose the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year and the effects of a one-percentage-point changes in assumed health care cost trend rates. The standard also adds requirements to disclose the reasons for significant gains and losses related to changes in the benefit obligations for the period and the accumulated benefit obligation ("ABO") for plans with ABOs in excess of plan assets. The new standard will be effective for the Company beginning fiscal 2022. The Company is currently evaluating the impact of the adoption of this standard to our disclosures.

Income Taxes

In December 2019, the FASB issued ASU 2019-12, Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740). The new guidance eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. The new standard will be effective for the Company beginning fiscal 2022. The Company is currently evaluating the impact of the adoption of this standard to the Company's consolidated financial statements.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform - Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848). This standard provides temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates, such as SOFR. ASU 2020-04 is effective upon issuance and generally can be applied through the end of calendar year 2022. The Company is currently evaluating the impact and whether it plans to adopt the optional expedients and exceptions provided under this new standard.

3. Revenue and Accounts Receivable

Our revenues are primarily derived from the sale of plastic packaging products to customers. Revenue is recognized when performance obligations are satisfied, in an amount reflecting the consideration to which the Company expects to be entitled. We consider the promise to transfer products to be our sole performance obligation. If the consideration agreed to in a contract includes a variable amount, we estimate the amount of consideration we expect to be entitled to in exchange for transferring the promised goods to the customer using the most likely amount method. Our main source of variable consideration is customer rebates. There are no material instances where variable consideration is constrained and not recorded at the initial time of sale. Generally, our revenue is recognized at a point in time for standard promised goods at the time of shipment, when title and risk of loss pass to the customer. The accrual for customer rebates was $103 million and $104 million at July 3, 2021 and September 26, 2020, respectively, and is included in Other current liabilities on the Consolidated Balance Sheets. The Company disaggregates revenue based on reportable business segment, geography, and significant product line. Refer to Note 10. Segment and Geographic Data for further information.

Accounts receivable, net are presented net of allowance for credit losses of $22 million and $25 million at July 3, 2021 and September 26, 2020, respectively. The Company records its current expected credit losses based on a variety of factors including historical loss experience and current customer financial condition. The changes to our current expected credit losses, write-off activity, and recoveries were not material for any of the periods presented.

The Company has entered into various qualifying factoring agreements to sell certain receivables to third-party financial institutions. The transfer of receivables is accounted for as a sale, without recourse. Net sales available under qualifying U.S. based programs were $290 million and $242 million for the quarterly periods ended July 3, 2021 and June 27, 2020, respectively. Net sales available under qualifying U.S. based programs were $794 million and $700 million for the three quarterly periods ended July 3, 2021 and June 27, 2020, respectively. There were no amounts outstanding from financial institutions related to these programs. The fees associated with the transfer of receivables for all programs were not material for any of the periods presented.

4. Dispositions

During fiscal 2021, the Company completed the sale of its U.S. Flexible Packaging Converting business which was primarily operated in the Engineered Materials segment for net proceeds of $140 million and its non-core Czech Republic Reaction Injection Molding business which was operated in the Consumer Packaging International segment for net proceeds of $22 million. A net pretax loss on the divestitures of $22 million was recorded in fiscal 2021 within Restructuring and transaction activities on the Consolidated Statements of Income. The U.S. Flexible Packaging Converting business and the Czech Republic Reaction Injection Molding business recorded net sales during fiscal 2020 of $203 million and $41 million, respectively.

5. Restructuring and Transaction Activities

The table below includes the significant components of restructuring and transaction activities, by reporting segment:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Consumer Packaging International	**$ 3**	$ 14	**$ 44**	$ 37
Consumer Packaging North America	**—**	2	**1**	6
Health, Hygiene & Specialties	**—**	1	**—**	6
Engineered Materials	**1**	2	**(4)**	6
Consolidated	**$ 4**	$ 19	**$ 41**	$ 55

The table below sets forth the activity with respect to the restructuring and transaction activities accrual at July 3, 2021:

	Restructuring				
	Employee Severance and Benefits	**Facility Exit Costs**	**Non-cash Impairment Charges**	**Transaction Activities**	**Total**
Balance as of September 26, 2020	$ 10	$ 7	$ —	$ —	$ 17
Charges	**7**	**2**	**1**	**31**	**41**
Non-cash items	**—**	**—**	**(1)**	**(30)**	**(31)**
Cash	**(14)**	**(3)**	**—**	**(1)**	**(18)**
Balance as of July 3, 2021	**$ 3**	**$ 6**	**$ —**	**$ —**	**$ 9**

6. Leases

The Company leases certain manufacturing facilities, warehouses, office space, manufacturing equipment, office equipment, and automobiles.

We recognize right-of-use assets and lease liabilities for leases with original lease terms greater than one year based on the present value of lease payments over the lease term using our incremental borrowing rate on a collateralized basis. Short-term leases, with original lease terms of less than one year, are not recognized on the balance sheet. We are party to certain leases, namely for manufacturing facilities, which offer renewal options to extend the original lease term. Renewal options are included in the right-of-use asset and lease liability based on our assessment of the probability that the options will be exercised.

Supplemental lease information is as follows:

Leases	**Classification**	**July 3, 2021**	September 26, 2020
Operating leases:			
Operating lease right-of-use assets	Right-of-use assets	**$ 577**	$ 562
Current operating lease liabilities	Other current liabilities	**114**	115
Noncurrent operating lease liabilities	Operating lease liability	**480**	464
Finance leases:			
Finance lease right-of-use assets	Property, plant, and equipment, net	**$ 62**	$ 78
Current finance lease liability	Current portion of long-term debt	**16**	17
Noncurrent finance lease liabilities	Long-term debt, less current portion	**41**	59

Cash paid for amounts included in lease liabilities	**Three Quarterly Periods Ended July 3, 2021**	Three Quarterly Periods Ended June 27, 2020
Operating cash flows from operating leases	**$ 85**	$ 86
Operating cash flows from finance leases	**2**	3
Financing cash flows from finance leases	**19**	25

Right-of-use assets obtained in exchange for new operating lease liabilities were $19 million and $53 million for the quarterly and three quarterly periods ended July 3, 2021, respectively.

7. Long-Term Debt

Long-term debt consists of the following:

Facility	Maturity Date	July 3, 2021	September 26, 2020
Term loan	July 2026	$ **3,440**	4,208
Revolving line of credit	May 2024	**—**	—
0.95% First Priority Senior Secured Notes	February 2024	**800**	—
1.00% First Priority Senior Secured Notes [(a)]	July 2025	**829**	814
1.57% First Priority Senior Secured Notes	January 2026	**1,525**	—
4.875% First Priority Senior Secured Notes	July 2026	**1,250**	1,250
1.65% First Priority Senior Secured Notes	January 2027	**400**	—
1.50% First Priority Senior Secured Notes [(a)]	July 2027	**445**	436
5.125% Second Priority Senior Secured Notes	July 2023	**200**	300
4.50% Second Priority Senior Secured Notes	February 2026	**300**	500
5.625% Second Priority Senior Secured Notes	July 2027	**500**	500
Debt discounts and deferred fees		**(81)**	(85)
Finance leases and other	Various	**86**	121
Retired debt	Various	**—**	2,193
Total long-term debt		**9,694**	10,237
Current portion of long-term debt		**(225)**	(75)
Long-term debt, less current portion		$ **9,469**	10,162

(a) Euro denominated

In fiscal 2021, the Company issued $800 million aggregate principal amount of 0.95% first priority senior secured notes due 2024, $1,525 million aggregate principal amount of 1.57% first priority senior secured notes due 2026, and $400 million aggregate principal amount of 1.65% first priority senior secured notes due 2027. The proceeds were used to prepay a portion of the outstanding Term loans.

Debt extinguishment costs of $26 million, primarily comprised of deferred debt discount and financing fees, were recorded in Other expense, net on the Consolidated Statements of Income upon the extinguishment of a portion of the Term loans and prepayments on the notes.

Debt discounts and deferred financing fees are presented net of Long-term debt, less the current portion on the Consolidated Balance Sheets and are amortized to Interest expense, net on the Consolidated Statements of Income through maturity.

8. Financial Instruments and Fair Value Measurements

In the normal course of business, the Company is exposed to certain risks arising from business operations and economic factors. The Company may use derivative financial instruments to help manage market risk and reduce the exposure to fluctuations in interest rates and foreign currencies. These financial instruments are not used for trading or other speculative purposes.

Cross-Currency Swaps

The Company is party to certain cross-currency swaps to hedge a portion of our foreign currency risk. The swap agreements mature May 2022 (€250 million), June 2024 (€1,625 million) and July 2027 (£700 million). In addition to cross-currency swaps, we hedge a portion of our foreign currency risk by designating foreign currency denominated long-term debt as net investment hedges of certain foreign operations. As of July 3, 2021, we had outstanding long-term debt of €785 million that was designated as a hedge of our net investment in certain euro-denominated foreign subsidiaries. When valuing cross-currency swaps the Company utilizes Level 2 inputs (substantially observable).

Interest Rate Swaps

The primary purpose of the Company's interest rate swap activities is to manage interest expense variability associated with our outstanding variable rate term loan debt. When valuing interest rate swaps the Company utilizes Level 2 inputs (substantially observable).

During fiscal 2021, the Company issued various fixed rate first priority senior secured notes and used the proceeds to prepay a portion of its variable rate Term loans. As a result, the Company de-designated a $1 billion interest rate swap transaction that was set to expire in June 2026. The amounts included in Accumulated other comprehensive loss at the date of de-designation are being amortized to Interest expense through the term of the original swap.

As of July 3, 2021, the Company effectively had (i) a $450 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.398%, with an expiration in June 2026, (ii) a $400 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.916% with an expiration in June 2026, (iii) a $884 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.857%, with an expiration in June 2024, and (iv) a $473 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 2.050%, with an expiration in June 2024.

The Company records the fair value positions of all derivative financial instruments on a net basis by counterparty for which a master netting arrangement is utilized. Balances on a gross basis are as follows:

Derivative Instruments	**Hedge Designation**	**Balance Sheet Location**	**July 3, 2021**	September 26, 2020
Cross-currency swaps	Designated	Other long-term liabilities	**$ 419**	$ 270
Interest rate swaps	Designated	Other long-term liabilities	**92**	226
Interest rate swaps	Not designated	Other long-term liabilities	**53**	—

The effect of the Company's derivative instruments on the Consolidated Statements of Income is as follows:

		Quarterly Period Ended		**Three Quarterly Periods Ended**	
Derivative Instruments	**Statements of Income Location**	**July 3, 2021**	June 27, 2020	**July 3, 2021**	June 27, 2020
Cross-currency swaps	Interest expense, net	**$ (2)**	$ (2)	**$ (6)**	$ (5)
Interest rate swaps	Interest expense, net	**18**	13	**52**	17

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis when impairment indicators are present or when the Company completes an acquisition. The Company adjusts certain long-lived assets to fair value only when the carrying values exceed the fair values. The categorization of the framework used to value the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. These assets that are subject to our annual impairment analysis primarily include our definite lived and indefinite lived intangible assets, including Goodwill and our property, plant and equipment. The Company reviews Goodwill and other indefinite lived assets for impairment as of the first day of the fourth fiscal quarter each year and more frequently if impairment indicators exist. The Company determined Goodwill and other indefinite lived assets were not impaired in our annual fiscal 2020 assessment. No impairment indicators were identified in the current quarter.

Included in the following table are the major categories of assets measured at fair value on a non-recurring basis as of July 3, 2021 and September 26, 2020, along with the impairment loss recognized on the fair value measurement during the period:

	As of July 3, 2021				
	Level 1	**Level 2**	**Level 3**	**Total**	**Impairment**
Indefinite-lived trademarks	**$ —**	**$ —**	**$ 248**	**$ 248**	**$ —**
Goodwill	**—**	**—**	**5,265**	**5,265**	**—**
Definite lived intangible assets	**—**	**—**	**2,086**	**2,086**	**—**
Property, plant, and equipment	**—**	**—**	**4,731**	**4,731**	**1**
Total	**$ —**	**$ —**	**$ 12,330**	**$ 12,330**	**$ 1**

	As of September 26, 2020				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite-lived trademarks	$ —	$ —	$ 248	$ 248	$ —
Goodwill	—	—	5,173	5,173	—
Definite lived intangible assets	—	—	2,249	2,249	—
Property, plant, and equipment	—	—	4,561	4,561	2
Total	$ —	$ —	$ 12,231	$ 12,231	$ 2

The Company’s financial instruments consist primarily of cash and cash equivalents, long-term debt, interest rate and cross-currency swap agreements, and finance lease obligations. The fair value of our marketable long-term indebtedness exceeded book value by $126 million as of July 3, 2021. The Company’s long-term debt fair values were determined using Level 2 inputs (substantially observable).

9. Income Taxes

In comparison to the statutory rate, the higher effective tax rate for the quarter and year-to-date was negatively impacted by state taxes and global intangible low-taxed income provisions.

10. Segment and Geographic Data

The Company’s operations are organized into four reporting segments: Consumer Packaging International, Consumer Packaging North America, Engineered Materials, and Health, Hygiene & Specialties. The structure is designed to align us with our customers, provide optimal service, drive future growth, and to facilitate synergies realization. In October 2020, the Company realigned portions of our operating segments. As a result of these organizational realignments, we have recast prior period segment amounts resulting in the following Net sales movements for the three quarterly periods ended June 27, 2020: (1.) Tapes business: $199 million from Engineered Materials to Health, Hygiene & Specialties, (2.) North American Healthcare: $216 million from Consumer Packaging North America to Consumer Packaging International and (3.) European Films: $537 million from Consumer Packaging International to Engineered Materials.

Selected information by reportable segment is presented in the following tables:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Net sales:				
Consumer Packaging International	**$ 1,095**	$ 904	**$ 3,143**	$ 2,804
Consumer Packaging North America	**847**	644	**2,264**	1,888
Health, Hygiene & Specialties	**828**	669	**2,349**	1,923
Engineered Materials	**905**	693	**2,425**	2,086
Total net sales	**$ 3,675**	$ 2,910	**$ 10,181**	$ 8,701
Operating income:				
Consumer Packaging International	**$ 79**	$ 80	**$ 214**	$ 176
Consumer Packaging North America	**76**	78	**212**	191
Health, Hygiene & Specialties	**113**	95	**323**	208
Engineered Materials	**75**	94	**231**	255
Total operating income	**$ 343**	$ 347	**$ 980**	$ 830
Depreciation and amortization:				
Consumer Packaging International	**$ 88**	$ 78	**$ 258**	$ 239
Consumer Packaging North America	**53**	58	**164**	174
Health, Hygiene & Specialties	**43**	45	**130**	138
Engineered Materials	**28**	28	**87**	87
Total depreciation and amortization	**$ 212**	$ 209	**$ 639**	$ 638

Selected information by geographical region is presented in the following tables:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Net sales:				
United States and Canada	**$ 1,937**	$ 1,430	**$ 5,342**	$ 4,648
Europe	**1,308**	1,172	**3,658**	3,156
Rest of world	**430**	308	**1,181**	897
Total net sales	**$ 3,675**	$ 2,910	**$ 10,181**	$ 8,701

Selected information by product line is presented in the following tables:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 3, 2021	June 27, 2020	**July 3, 2021**	June 27, 2020
Net sales:				
Packaging	**81**	83	**80**	82
Non-packaging	**19**	17	**20**	18
Consumer Packaging International	**100%**	100%	**100%**	100%
Rigid Open Top	**58**	54	**56**	55
Rigid Closed Top	**42**	46	**44**	45
Consumer Packaging North America	**100%**	100%	**100%**	100%
Health	**19**	19	**19**	16
Hygiene	**47**	47	**46**	48
Specialties	**34**	34	**35**	36
Health, Hygiene & Specialties	**100%**	100%	**100%**	100%
Core Films	**66**	64	**63**	62
Retail & Industrial	**34**	36	**37**	38
Engineered Materials	**100%**	100%	**100%**	100%

11. Contingencies and Commitments

The Company is party to various legal proceedings involving routine claims which are incidental to its business. Although the Company's legal and financial liability with respect to such proceedings cannot be estimated with certainty, we believe that any ultimate liability would not be material to our financial statements.

The Company has various purchase commitments for raw materials, supplies, and property and equipment incidental to the ordinary conduct of business.

12. Share Repurchase Program

No shares were repurchased during the three quarterly periods ended July 3, 2021. Authorized share repurchases of $393 million remain available to the Company.

13. Basic and Diluted Net Income Per Share

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net income per share is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. For purposes of this calculation, stock options are considered to be common stock equivalents and are only included in the calculation of diluted net income per share when their effect is dilutive. No shares were excluded from the diluted net income per share calculation for the quarterly and three quarterly periods ended July 3, 2021. For the quarterly and three quarterly periods ended June 27, 2020, 7.1 million and 7.1 million shares, respectively, were excluded from the diluted net income per share calculation as their effect would be anti-dilutive.

The following tables provide a reconciliation of the numerator and denominator of the basic and diluted net income per share calculations.

	Quarterly Period Ended		Three Quarterly Periods Ended	
(in millions, except per share amounts)	**July 3, 2021**	June 27, 2020	**July 3, 2021**	June 27, 2020
Numerator				
Consolidated net income	**$ 194**	$ 191	**$ 505**	$ 364
Denominator				
Weighted average common shares outstanding - basic	**135.1**	132.5	**134.3**	132.4
Dilutive shares	**3.4**	1.7	**3.4**	1.9
Weighted average common and common equivalent shares outstanding - diluted	**138.5**	134.2	**137.7**	134.3
Per common share income				
Basic	**$ 1.44**	$ 1.44	**$ 3.76**	$ 2.75
Diluted	**$ 1.40**	$ 1.42	**$ 3.67**	$ 2.71

14. Accumulated Other Comprehensive Loss

The components and activity of Accumulated other comprehensive loss are as follows:

Quarterly Period Ended	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at April 3, 2021	$ (173)	$ (116)	$ (86)	$ (375)
Other comprehensive income (loss) before reclassifications	**91**	**—**	**(5)**	**86**
Net amount reclassified from accumulated other comprehensive loss	**—**	**—**	**3**	**3**
Balance at July 3, 2021	**$ (82)**	**$ (116)**	**$ (88)**	**$ (286)**

	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at March 28, 2020	$ (344)	$ (57)	$ (147)	$ (548)
Other comprehensive loss before reclassifications	11	—	(23)	(12)
Net amount reclassified from accumulated other comprehensive loss	—	—	10	10
Balance at June 27, 2020	$ (333)	$ (57)	$ (160)	$ (550)

Three Quarterly Periods Ended	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at September 26, 2020	$ (278)	$ (116)	$ (157)	$ (551)
Other comprehensive income before reclassifications	**196**	**—**	**62**	**258**
Net amount reclassified from accumulated other comprehensive loss	**—**	**—**	**7**	**7**
Balance at July 3, 2021	**$ (82)**	**$ (116)**	**$ (88)**	**$ (286)**

	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at September 28, 2019	$ (279)	$ (56)	$ (51)	$ (386)
Other comprehensive loss before reclassifications	(54)	(1)	(126)	(181)
Net amount reclassified from accumulated other comprehensive loss	—	—	17	17
Balance at June 27, 2020	$ (333)	$ (57)	$ (160)	$ (550)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Summary

Business. The Company's operations are organized into four operating segments: Consumer Packaging International, Consumer Packaging North America, Health, Hygiene & Specialties, and Engineered Materials in order to better align our various businesses for future growth. The structure is designed to align us with our customers, provide improved service, drive future growth, and to facilitate synergies realization. The Consumer Packaging International segment primarily consists of containers, closures, dispensing systems, pharmaceutical devices and packaging, and technical components. The Consumer Packaging North America segment primarily consists of containers, foodservice items, closures, overcaps, bottles, and tubes. The Health, Hygiene & Specialties segment primarily consists of nonwoven specialty materials, tapes and adhesives, and films used in hygiene, infection prevention, personal care, industrial, construction, and filtration applications. The Engineered Materials segment primarily consists of polyethylene-based film products, and can liners.

Acquisitions and Dispositions. Our acquisition strategy is focused on improving our long-term financial performance, enhancing our market positions, and expanding our existing and complementary product lines. We seek to obtain businesses for attractive post-synergy multiples, creating value for our stockholders from synergy realization, leveraging the acquired products across our customer base, creating new platforms for future growth, and assuming best practices from the businesses we acquire. While the expected benefits on earnings is estimated at the commencement of each transaction, once the execution of the plan and integration occur, we are generally unable to accurately estimate or track what the ultimate effects have been due to system integrations and movements of activities to multiple facilities. As historical business combinations and restructuring plans have not allowed us to accurately separate realized synergies compared to what was initially identified, we estimate the synergy realization based on the overall segment profitability post integration.

During fiscal 2021, the Company completed the sale of its U.S. Flexible Packaging Converting business which was primarily operated in the Engineered Materials segment for net proceeds of $140 million and its non-core Czech Republic Reaction Injection Molding business which was operated in the Consumer Packaging International segment for net proceeds of $22 million. A net pretax loss on the divestitures of $22 million was recorded in fiscal 2021 within Restructuring and transaction activities on the Consolidated Statements of Income. The U.S Flexible Packaging Converting business and the Czech Republic Reaction Injection Molding business recorded net sales during fiscal 2020 of $203 million and $41 million, respectively.

Raw Material Trends. Our primary raw material is plastic resin. Due to differences in the timing of passing through resin cost changes to our customers on escalator/de-escalator programs, segments are negatively impacted in the short term when plastic resin costs increase and are positively impacted when plastic resin costs decrease. This timing lag and competitor behaviors related to passing through raw material cost changes could affect our results as plastic resin costs fluctuate. In addition, we use other materials such as butyl rubber, adhesives, paper and packaging materials, linerboard, rayon, polyester fiber, and foil, in various manufacturing processes. These raw materials are available from multiple sources and we purchase from a variety of global suppliers. While temporary shortages of raw materials can occur, we expect to continue to successfully manage raw materials supplies without significant supply interruptions.

Outlook. The Company is affected by general economic and industrial growth, plastic resin availability and affordability, and general industrial production. The COVID-19 pandemic has resulted in both advantaged and disadvantaged products within all segments. Our results are affected by both the duration certain products remain advantaged and timing of when disadvantaged products normalize. Our business has both geographic and end market diversity, which reduces the effect of any one of these factors on our overall performance. Our results are affected by our ability to pass through raw material and other cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. In the near term, inflation will create a headwind for the Company, which we believe will be offset by the continued favorable product mix associated with pivoting our assets to produce advantaged products in targeted markets. We continue to believe our underlying long-term demand fundamental in all divisions will remain strong as we focus on delivering protective solutions that enhance consumer safety and execute on the Company's mission of "Always Advancing to Protect What's Important." For fiscal 2021, we project cash flow from operations of $1,575 million and $700 million of capital spending.

Results of Operations

Comparison of the Quarterly Period Ended July 3, 2021 (the "Quarter") and the Quarterly Period Ended June 27, 2020 (the "Prior Quarter")

Business integration expenses consist of restructuring and impairment charges, acquisition and divestiture related costs, and other business optimization costs. Tables present dollars in millions.

Consolidated Overview

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 3,675**	$ 2,910	$ 765	26%
Cost of goods sold	**3,049**	2,272	777	34%
Other operating expenses	**283**	291	(8)	(3)%
Operating income	**$ 343**	$ 347	$ (4)	(1)%

Net Sales: The net sales growth is primarily attributed to increased selling prices of $533 million due to the pass through of inflation, organic volume growth of 5%, and a $147 million favorable impact from foreign currency changes. These increases were partially offset by Prior Quarter divestiture sales of $62 million. The organic volume growth was primarily due to organic growth investments and continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, and an increase from foreign currency changes. These increases were partially offset by Prior Quarter divestiture cost of goods sold of $51 million.

Other operating expenses: The other operating expenses decrease is primarily attributed to a decrease in business integration expense and Prior Quarter divestiture operating expenses, partially offset by an increase in selling, general, and administrative expense.

Operating Income: The operating income decrease is primarily attributed to a $42 million unfavorable impact from price cost spread, and a $12 million increase in selling, general, and administrative expense, partially offset by a $24 million increase from the organic volume growth, and a $23 million favorable impact from foreign currency.

Consumer Packaging International

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 1,095**	$ 904	$ 191	21%
Cost of goods sold	**894**	694	200	29%
Other operating expenses	**122**	130	(8)	(6)%
Operating income	**$ 79**	$ 80	$ (1)	(1)%

Net Sales: The net sales growth in the Consumer Packaging International segment is primarily attributed to increased selling prices of $69 million due to the pass through of inflation, organic volume growth of 5%, and an $87 million favorable impact from foreign currency changes. The organic volume growth was primarily due to organic growth investments and continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, and an increase from foreign currency changes.

Other operating expenses: The other operating expenses decrease is primarily attributed to a decrease in business integration activities.

Operating Income: The operating income decrease is primarily attributed to a $24 million unfavorable impact from price cost spread and an increase in depreciation and amortization, partially offset by a $17 million favorable impact from foreign currency change, a $10 million decrease in business integration activities, and organic volume growth.

Consumer Packaging North America

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 847**	$ 644	$ 203	32%
Cost of goods sold	**716**	511	205	40%
Other operating expenses	**55**	55	—	—
Operating income	**$ 76**	$ 78	$ (2)	(3)%

Net Sales: The net sales growth in the Consumer Packaging North America segment is primarily attributed to increased selling prices of $164 million due to the pass through of inflation and organic volume growth of 6%. The organic volume growth was primarily due to continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation and organic volume growth.

Operating Income: The operating income decrease is primarily attributed to a $12 million negative impact from price cost spread, partially offset by the organic volume growth.

Health, Hygiene & Specialties

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 828**	$ 669	$ 159	24%
Cost of goods sold	**664**	522	142	27%
Other operating expenses	**51**	52	(1)	(2)%
Operating income	**$ 113**	$ 95	$ 18	19%

Net Sales: The net sales growth in the Health, Hygiene & Specialties segment is primarily attributed to organic volume growth of 1%, increased selling prices of $134 million due to the pass through of inflation, and a $28 million favorable impact from foreign currency changes.

Cost of goods sold: The cost of goods sold increase is attributed to inflation and an increase from foreign currency changes.

Operating Income: The operating income increase is primarily attributed to a $15 million favorable impact from price cost spread.

Engineered Materials

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 905**	$ 693	$ 212	31%
Cost of goods sold	**775**	545	230	42%
Other operating expenses	**55**	54	1	2%
Operating income	**$ 75**	$ 94	$ (19)	(20)%

Net Sales: The net sales growth in the Engineered Materials segment is primarily attributed to increased selling prices of $166 million due to the pass through of inflation, organic volume growth of 8%, and a $32 million favorable impact from foreign currency changes, partially offset by Prior Quarter divestiture sales of $41 million. The organic volume growth was primarily due to organic growth investments and continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, and an increase from foreign currency changes. These increases were partially offset by Prior Quarter divestiture cost of goods sold of $33 million.

Operating Income: The operating income decrease is primarily attributed to a $21 million negative impact from price cost spread, partially offset by the organic volume increase.

Other expense, net

	Quarter	Prior Quarter	$ Change	% Change
Other expense, net	**$ 14**	$ (7)	$ 21	(300)%

The other expense in the Quarter is primarily attributed to debt extinguishment costs compared to a benefit from foreign currency changes related to the remeasurement of non-operating intercompany balances in the Prior Quarter.

Interest expense, net

	Quarter	Prior Quarter	$ Change	% Change
Interest expense, net	**$ 76**	$ 110	$ (34)	(31)%

The interest expense decrease is primarily the result of repayments on long-term borrowings and recent refinancing activities (see Note 7).

Changes in Comprehensive Income

The $94 million improvement in comprehensive income from the Prior Quarter was primarily attributed to a $3 million improvement in net income, an $11 million favorable change in the fair value of derivative instruments, net of tax, and an $80 million favorable change in currency translation. As part of the overall risk management, the Company uses derivative instruments to (i) reduce our exposure to changes in interest rates attributed to the Company's borrowings and (ii) reduce foreign currency exposure to translation of certain foreign operations. The Company records changes to the fair value of these instruments in Accumulated other comprehensive loss. The change in fair value of these instruments in fiscal 2021 versus fiscal 2020 is primarily attributed to the change in the forward interest and foreign exchange curves between measurement dates.

Comparison of the Three Quarterly Periods Ended July 3, 2021 (the "YTD") and the Three Quarterly Periods Ended June 27, 2020 (the "Prior YTD")

The Company's U.S. based results for the YTD and Prior YTD are based on a forty and thirty-nine week period, respectively. Business integration expenses consist of restructuring and impairment charges, acquisition and divestiture related costs, and other business optimization costs. Tables present dollars in millions.

Consolidated Overview

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 10,181**	$ 8,701	$ 1,480	17%
Cost of goods sold	**8,273**	6,959	1,314	19%
Other operating expenses	**928**	912	16	2%
Operating income	**$ 980**	$ 830	$ 150	18%

Net Sales: The net sales growth is primarily attributed to organic volume growth of 5%, increased selling prices of $714 million due to the pass through of inflation, a $289 million favorable impact from foreign currency changes, and a $131 million increase from extra shipping days in the YTD. These increases were partially offset by Prior YTD divestiture sales of $130 million. The organic volume growth was primarily due to organic growth investments, continued recovery of certain markets that had previously been facing COVID-19 headwinds, and higher demand in our advantaged health and hygiene products as the result of COVID-19.

Cost of goods sold: The cost of goods sold increase is attributed to organic volume growth, product mix, inflation, an increase from foreign currency changes, and an increase from extra shipping days in the YTD. These increases were partially offset by Prior YTD divestiture cost of goods sold of $106 million.

Operating Income: The operating income increase is primarily attributed to an $105 million increase from the organic volume growth, a $46 million favorable impact from foreign currency, and a $22 million benefit from extra shipping days in the YTD, partially offset by a $28 million increase in selling, general, and administrative expenses.

Consumer Packaging International

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 3,143**	$ 2,804	$ 339	12%
Cost of goods sold	**2,528**	2,229	299	13%
Other operating expenses	**401**	399	2	1%
Operating income	**$ 214**	$ 176	$ 38	22%

Net Sales: The net sales growth in the Consumer Packaging International segment is primarily attributed to organic volume growth of 4% and a $202 million favorable impact from foreign currency changes. The organic volume growth was primarily due to organic growth investments and continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to organic volume growth, an increase from foreign currency changes, and an increase in depreciation.

Operating Income: The operating income increase is primarily attributed to a $25 million increase from the organic volume growth, a $35 million favorable impact from foreign currency, and a decrease in business integration activities, partially offset by a $19 million increase in depreciation and amortization and an $18 million unfavorable impact from price cost spread.

Consumer Packaging North America

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 2,264**	$ 1,888	$ 376	20%
Cost of goods sold	**1,871**	1,528	343	22%
Other operating expenses	**181**	169	12	7%
Operating income	**$ 212**	$ 191	$ 21	11%

Net Sales: The net sales growth in the Consumer Packaging North America segment is primarily attributed to organic volume growth of 6%, increased selling prices of $220 million, and a $40 million increase from extra shipping days in the YTD. The organic volume growth was primarily due to recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, and an increase from extra shipping days in the YTD, partially offset by a decrease in depreciation.

Other operating expenses: The other operating expenses increase is primarily attributed an increase in selling, general, and administrative expense.

Operating Income: The operating income increase is primarily attributed to a $29 million increase from the organic volume growth and a $10 million decrease in depreciation and amortization, partially offset by an $18 million unfavorable impact from price cost spread and a $13 million increase in selling, general, and administrative expense.

Health, Hygiene & Specialties

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 2,349**	$ 1,923	$ 426	22%
Cost of goods sold	**1,846**	1,535	311	20%
Other operating expenses	**180**	180	—	—
Operating income	**$ 323**	$ 208	$ 115	55%

Net Sales: The net sales growth in the Health, Hygiene & Specialties segment is primarily attributed to organic volume growth of 8%, increased selling prices of $224 million due to the pass through of inflation, a $42 million increase from extra shipping days in the YTD, and a $33 million favorable impact from foreign currency changes. The organic volume growth was primarily due to organic growth investments and higher demand in our advantaged health and hygiene products as the result of COVID-19.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, an increase from extra shipping days in the YTD, and an increase from foreign currency changes.

Operating Income: The operating income increase is primarily attributed to a $38 million increase from the organic volume growth, and a $62 million favorable impact from price cost spread.

Engineered Materials

		YTD		Prior YTD		$ Change	% Change
Net sales	**$**	**2,425**	$	2,086	$	339	16%
Cost of goods sold		**2,028**		1,667		361	22%
Other operating expenses		**166**		164		2	1%
Operating income	**$**	**231**	$	255	$	(24)	(9)%

Net Sales: The net sales growth in the Engineered Materials segment is primarily attributed to increased selling prices of $249 million due to the pass through of inflation, a $44 million increase from extra shipping days in the YTD, organic volume growth of 4%, and a $54 million favorable impact from foreign currency changes, partially offset by Prior YTD divestiture sales of $95 million. The organic volume growth was primarily due to organic growth investments and continued recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, an increase from foreign currency changes, and an increase from extra shipping days in the YTD. These increases were partially offset by Prior YTD divestiture cost of goods sold of $78 million.

Operating Income: The operating income decrease is primarily attributed to a $36 million unfavorable impact from price cost spread, partially offset by a $13 million improvement from the organic volume growth.

Other expense, net

		YTD		Prior YTD		$ Change	% Change
Other expense, net	**$**	**45**	$	6	$	39	650%

The other expense increase is primarily attributed to debt extinguishment costs and foreign currency changes related to the remeasurement of non-operating intercompany balances.

Interest expense, net

		YTD		Prior YTD		$ Change	% Change
Interest expense, net	**$**	**257**	$	339	$	(82)	(24)%

The interest expense decrease is primarily the result of repayments on long-term borrowings and recent refinancing activities (see Note 7).

Changes in Comprehensive Income

The $570 million improvement in comprehensive income from the Prior YTD was primarily attributed to a $141 million improvement in net income, a $250 million favorable change in currency translation, and a $178 million favorable change in the fair value of derivative instruments, net of tax. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. dollars whereby assets and liabilities are translated from the respective functional currency into U.S. dollars using period-end exchange rates. The change in currency translation in the YTD was primarily attributed to locations utilizing the euro, British pound sterling, Brazilian real, Canadian dollar, Chinese renminbi and Mexican peso as the functional currency. As part of the overall risk management, the Company uses derivative instruments to (i) reduce our exposure to changes in interest rates attributed to the Company's borrowings and (ii) reduce foreign currency exposure to translation of certain foreign operations. The Company records changes to the fair value of these instruments in Accumulated other comprehensive loss. The change in fair value of these instruments in fiscal 2021 versus fiscal 2020 is primarily attributed to the change in the forward interest and foreign exchange curves between measurement dates.

Liquidity and Capital Resources

Senior Secured Credit Facility

We manage our global cash requirements considering (i) available funds among the many subsidiaries through which we conduct business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international cash balances. At the end of the Quarter, the Company had no outstanding balance on its $850 million asset-based revolving line of credit that matures in May 2024. The Company was in compliance with all covenants at the end of the Quarter. (see Note 7)

Cash Flows

Net cash from operating activities decreased $67 million from the Prior YTD primarily attributed to changes in working capital from organic growth and inflation, partially offset by improved net income prior to non-cash activities.

Net cash used in investing activities increased $203 million from the Prior YTD primarily attributed to increased capital expenditures and proceeds from the settlement of cross-currency derivatives in the Prior YTD, partially offset by proceeds from the divestiture of business in the YTD.

Net cash used in financing activities decreased $133 million from the Prior YTD primarily attributed to lower net debt repayments, and higher proceeds from issuance of common stock.

Share Repurchases

No shares were repurchased during the quarter. Authorized share repurchases of $393 million remain available to the Company.

Liquidity Outlook

At July 3, 2021, our cash balance was $804 million, of which approximately 64% was located outside the U.S. We believe our existing U.S. based cash and cash flow from U.S. operations, together with available borrowings under our senior secured credit facilities, will be adequate to meet our liquidity needs over the next twelve months. We do not expect our free cash flow to be sufficient to cover all long-term debt obligations and intend to refinance these obligations prior to maturity.

Summarized Guarantor Financial Information

Berry Global, Inc. (“Issuer”) has notes outstanding which are fully, jointly, severally, and unconditionally guaranteed by its parent, Berry Global Group, Inc. (for purposes of this section, “Parent”) and substantially all of Issuer’s domestic subsidiaries. Separate narrative information or financial statements of the guarantor subsidiaries have not been included because they are 100% owned by Parent and the guarantor subsidiaries unconditionally guarantee such debt on a joint and several basis. A guarantee of a guarantor subsidiary of the securities will terminate upon the following customary circumstances: the sale of the capital stock of such guarantor if such sale complies with the indentures, the designation of such guarantor as an unrestricted subsidiary, the defeasance or discharge of the indenture or in the case of a restricted subsidiary that is required to guarantee after the relevant issuance date, if such guarantor no longer guarantees certain other indebtedness of Issuer. The guarantees of the guarantor subsidiaries are also limited as necessary to prevent them from constituting a fraudulent conveyance under applicable law and any guarantees guaranteeing subordinated debt are subordinated to certain other of the Company’s debts. Parent also guarantees Issuer’s term loans and revolving credit facilities. The guarantor subsidiaries guarantee our term loans and are co-borrowers under our revolving credit facility.

Presented below is summarized financial information for the Parent, Issuer and guarantor subsidiaries on a combined basis, after intercompany transactions have been eliminated.

	Three Quarterly Periods Ended July 3, 2021
Net sales	$ 5,135
Gross profit	928
Earnings from continuing operations	273
Net income	$ 273

Includes $17 million of income associated with intercompany activity with non-guarantor subsidiaries.

	July 3, 2021	September 26, 2020
Assets		
Current assets	**$ 2,034**	$ 1,417
Noncurrent assets	**5,778**	6,153
Liabilities		
Current liabilities	**$ 1,470**	$ 841
Intercompany payable	**858**	572
Noncurrent liabilities	**11,247**	11,936

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates primarily through our senior secured credit facilities. Our senior secured credit facilities are comprised of (i) $3.4 billion term loans and (ii) a $850 million revolving credit facility with no borrowings outstanding. Borrowings under our senior secured credit facilities bear interest at a rate equal to an applicable margin plus LIBOR. The applicable margin for LIBOR rate borrowings under the revolving credit facility ranges from 1.25% to 1.50%, and the margin for term loans is 1.75% per annum. As of period end, the LIBOR rate of approximately 0.10% was applicable to the term loans. A 0.25% change in LIBOR would increase our annual interest expense by $3 million on variable rate term loans.

We seek to minimize interest rate volatility risk through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. These financial instruments are not used for trading or other speculative purposes. At period end, the Company effectively had (i) a $450 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.398%, with an expiration in June 2026, (ii) a $400 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.916% with an expiration in June 2026, (iii) a $884 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.857%, with an expiration in June 2024, and (iv) a $473 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 2.050%, with an expiration in June 2024.

Foreign Currency Risk

As a global company, we face foreign currency risk exposure from fluctuating currency exchange rates, primarily the U.S. dollar against the euro, British pound sterling, Brazilian real, Chinese renminbi, Canadian dollar and Mexican peso. Significant fluctuations in currency rates can have a substantial impact, either positive or negative, on our revenue, cost of sales, and operating expenses. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. dollars whereby assets and liabilities are translated from the respective functional currency into U.S. dollars using period-end exchange rates and impact our Comprehensive income. A 10% decline in foreign currency exchange rates would have had a $29 million unfavorable impact on our Net income for the three quarterly periods ended July 3, 2021.

The Company is party to certain cross-currency swaps to hedge a portion of our foreign currency risk. The swap agreements mature May 2022 (€250 million), June 2024 (€1,625 million) and July 2027 (£700 million). In addition to cross-currency swaps, we hedge a portion of our foreign currency risk by designating foreign currency denominated long-term debt as net investment hedges of certain foreign operations. As of July 3, 2021, we had outstanding long-term debt of €785 million that was designated as a hedge of our net investment in certain euro-denominated foreign subsidiaries.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Under applicable Securities and Exchange Commission regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the company's "disclosure controls and procedures," which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the commission (such as this Form 10-Q) is recorded, processed, summarized, and reported on a timely basis.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

There have been no material changes in legal proceedings from the items disclosed in our Form 10-K filed with the Securities and Exchange Commission.

Item 1A. Risk Factors

Before investing in our securities, we recommend that investors carefully consider the risks described in our most recent Form 10-K filed with the Securities and Exchange Commission, including those under the heading “Risk Factors”. Realization of any of these risks could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Additionally, we caution readers that the list of risk factors discussed in our most recent Form 10-K may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, readers should not place undue reliance on those statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Repurchases of Equity Securities

During the quarter, the Company did not repurchase any shares. As of July 3, 2021, $393 million of authorized shares remained available to purchase under the program.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
4.1	Indenture, among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 1.65% First Priority Senior Secured Notes due 2027, dated June 14, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 14, 2021).
4.2	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.65% First Priority Senior Secured Notes due 2027 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 14, 2021).
22*	Subsidiary Guarantors
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.
32.1**	Section 1350 Certification of the Chief Executive Officer.
32.2**	Section 1350 Certification of the Chief Financial Officer.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Date File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Berry Global Group, Inc.

August 5, 2021

By: /s/ Mark W. Miles
Mark W. Miles
Chief Financial Officer

EXHIBIT 22

Guaranteed Securities

The following securities (collectively, the "Berry Global Senior Secured Notes") issued by Berry Global, Inc., a Delaware corporation and wholly-owned subsidiary of Berry Global Group, Inc., a Delaware corporation (the "Company"), were outstanding as of July 3, 2021.

Description of Notes
0.95% First Priority Senior Secured Notes due 2024
1.00% First Priority Senior Secured Notes due 2025
4.875% First Priority Senior Secured Notes due 2026
1.57% First Priority Senior Secured Notes due 2026
1.50% First Priority Senior Secured Notes due 2027
1.65% First Priority Senior Secured Notes due 2027
5.125% Second Priority Senior Secured Notes due 2023
4.500% Second Priority Senior Secured Notes due 2026
5.625% Second Priority Senior Secured Notes due 2027

Obligors

As of July 3, 2021, the obligors under the Berry Global Senior Secured Notes consisted of the Company, as a guarantor, and its subsidiaries listed in the following table:

Name	Jurisdiction	Obligor Type
AeroCon, LLC	Delaware	Guarantor
AVINTIV Acquisition Corporation	Delaware	Guarantor
AVINTIV Inc.	Delaware	Guarantor
AVINTIV Specialty Materials Inc.	Delaware	Guarantor
Berry Film Products Acquisition Company, Inc.	Delaware	Guarantor
Berry Film Products Company, Inc.	Delaware	Guarantor
Berry Global Films, LLC	Delaware	Guarantor
Berry Global, Inc.	Delaware	Issuer
Berry Plastics Acquisition Corporation V	Delaware	Guarantor
Berry Plastics Acquisition Corporation XII	Delaware	Guarantor
Berry Plastics Acquisition Corporation XIII	Delaware	Guarantor
Berry Plastics Acquisition LLC X	Delaware	Guarantor
Berry Plastics Design, LLC	Delaware	Guarantor
Berry Plastics Filmco, Inc.	Delaware	Guarantor
Berry Plastics IK, LLC	Delaware	Guarantor
Berry Plastics Opco, Inc.	Delaware	Guarantor
Berry Plastics SP, Inc.	Delaware	Guarantor
Berry Plastics Technical Services, Inc.	Delaware	Guarantor
Berry Specialty Tapes, LLC	Delaware	Guarantor
Berry Sterling Corporation	Delaware	Guarantor
BPRex Brazil Holding Inc.	Delaware	Guarantor
BPRex Closure Systems, LLC	Delaware	Guarantor
BPRex Closures Kentucky Inc.	Delaware	Guarantor
BPRex Closures, LLC	Delaware	Guarantor
BPRex Delta Inc.	Delaware	Guarantor
BPRex Healthcare Brookville Inc.	Delaware	Guarantor
BPRex Healthcare Packaging Inc.	Delaware	Guarantor
BPRex Plastic Packaging Inc.	Delaware	Guarantor
BPRex Plastics Services Company Inc.	Delaware	Guarantor
BPRex Product Design and Engineering Inc.	Minnesota	Guarantor
BPRex Specialty Products Puerto Rico Inc.	New Jersey	Guarantor
Caplas LLC	Delaware	Guarantor
Caplas Neptune, LLC	Delaware	Guarantor
Captive Plastics Holdings, LLC	Delaware	Guarantor
Captive Plastics, LLC	Delaware	Guarantor
Cardinal Packaging, Inc.	Delaware	Guarantor
Chicopee, Inc.	Delaware	Guarantor
Chocksett Road Limited Partnership	Massachusetts	Guarantor
Chocksett Road Realty Trust	Massachusetts	Guarantor
Covalence Specialty Adhesives LLC	Delaware	Guarantor
Covalence Specialty Coatings LLC	Delaware	Guarantor
CPI Holding Corporation	Delaware	Guarantor
Dominion Textile (USA), L.L.C.	Delaware	Guarantor
Dumpling Rock, LLC	Massachusetts	Guarantor
Estero Porch, LLC	Delaware	Guarantor
Fabrene, L.L.C.	Delaware	Guarantor
Fiberweb GEOS, Inc.	Virginia	Guarantor
Fiberweb, LLC	Delaware	Guarantor
Global Closure Systems America 1, Inc.	Delaware	Guarantor
Grafco Industries Limited Partnership	Maryland	Guarantor
Kerr Group, LLC	Delaware	Guarantor
Knight Plastics, LLC	Delaware	Guarantor
Laddawn, Inc.	Massachusetts	Guarantor
Lamb's Grove, LLC	Delaware	Guarantor
Letica Corporation	Michigan	Guarantor
Letica Resources, Inc.	Michigan	Guarantor
M&H Plastics, Inc.	Virginia	Guarantor
Millham, LLC	Delaware	Guarantor
Old Hickory Steamworks, LLC	Delaware	Guarantor
Packerware, LLC	Delaware	Guarantor
Pescor, Inc.	Delaware	Guarantor
PGI Europe, Inc.	Delaware	Guarantor
PGI Polymer, Inc.	Delaware	Guarantor
Pliant International, LLC	Delaware	Guarantor
Pliant, LLC	Delaware	Guarantor
Poly-Seal, LLC	Delaware	Guarantor
Pristine Brands, LLC	Delaware	Guarantor
Providencia USA, Inc.	North Carolina	Guarantor
Rollpak Corporation	Delaware	Guarantor
RPC Bramlage, Inc.	Pennsylvania	Guarantor
RPC Leopard Holdings, Inc.	Delaware	Guarantor
RPC Packaging Holdings (US), Inc.	Delaware	Guarantor
RPC Promens Inc.	Delaware	Guarantor
RPC Superfos US, Inc.	Delaware	Guarantor
RPC Zeller Plastik Libertyville, Inc.	Delaware	Guarantor
Saffron Acquisition, LLC	Delaware	Guarantor
Setco, LLC	Delaware	Guarantor
Sugden, LLC	Delaware	Guarantor
Sun Coast Industries, LLC	Delaware	Guarantor

Uniplast Holdings, LLC	Delaware	Guarantor
Uniplast U.S., Inc.	Delaware	Guarantor
Venture Packaging Midwest, Inc.	Delaware	Guarantor
Venture Packaging, Inc.	Delaware	Guarantor

Pledged Security Collateral

As of July 3, 2021, the obligations under the Berry Global Senior Secured Notes were secured by pledges of the capital stock of the following affiliates of the Company:

Name	Country	State	Owned by	Percentage of Outstanding Shares/ Membership/ Partnership Interests	Percentage of Owned Interests Pledged
AEP Canada Inc.	Canada		Berry Global Films, LLC	100.00%	65%
AEP Industries Finance Inc.	USA	DE	Berry Global Films, LLC	100.00%	100%
AeroCon, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Aspen Industrial S.A. de C.V.	Mexico		Pliant, LLC and Pliant Corporation International (1 share)	100.00%	65%
AVINTIV Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
AVINTIV Acquisition Corporation	USA	DE	AVINTIV Inc.	100.00%	100%
AVINTIV Specialty Materials, Inc.	USA	DE	AVINTIV Acquisition Corporation	100.00%	100%
Berry Film Products Acquisition Company, Inc. (f/k/a Clopay Plastic Products Acquisition Company, Inc.)	USA	DE	Berry Film Products Company, Inc. (f/k/a Clopay Plastic Products Company, Inc.)	100.00%	100%
Berry Film Products Company, Inc. (f/k/a Clopay Plastic Products Company, Inc.)	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Global Films, LLC (f/k/a Berry Plastics Acquisition Corporation XV, LLC)	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Global International Financing Limited	UK		AVINTIV Inc.	100.00%	65%
Berry Global, Inc. (f/k/a Berry Plastics Corporation)	USA	DE	Berry Plastics Group, Inc.	100.00%	100%
Berry Plastics Acquisition Corporation V	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Acquisition Corporation XII	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Acquisition Corporation XIII	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Acquisition Corporation XIV, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Acquisition LLC II	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Acquisition LLC X	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Canada, Inc.	Canada		Berry Global, Inc.	100.00%	65%
Berry Plastics de Mexico, S. de R.L. de C.V.	Mexico		Berry Plastics Acquisition Corporation V	100.00%	65%
Berry Plastics Design, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Escrow Corporation	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Escrow, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Filmco, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics IK, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics International C.V.	Netherlands		Pliant, LLC (1%) and Berry Global, Inc. (99%)	100.00%	65%
Berry Plastics Opco, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics SP, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Plastics Technical Services, Inc.	USA	DE	Venture Packaging, Inc.	100.00%	100%
Berry Specialty Tapes, LLC (f/k/a Berry Plastics Acquisition Corporation XI)	USA	DE	Berry Global, Inc.	100.00%	100%
Berry Sterling Corporation	USA	DE	Berry Global, Inc.	100.00%	100%
Berry UK Holdings Limited	UK		AVINTIV Inc.	100.00%	65%
Bonlam, S.A. DE C.V.	Mexico		Pristine Brands, LLC	99.90%	65%[1]
Bonlam, S.A. DE C.V.	Mexico		Chicopee, Inc.	0.01%	
BP Parallel, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex Brazil Holding Inc.	USA	DE	BPRex Healthcare Brookville, Inc.	100.00%	100%
BPRex Closure Systems, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex Closures Kentucky Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex Closures, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex de Mexico S.A. de R.L. de CV	Mexico		Berry Global, Inc. and Berry Plastics Acquisition LLC X (1 share)	100.00%	65%
BPRex Delta Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex Healthcare Brookville Inc.	USA	DE	BPRex Plastic Packaging, Inc.	100.00%	100%
BPRex Healthcare Packaging, Inc.	USA	DE	BPRex Plastic Packaging, Inc.	100.00%	100%
BPRex Plastic Packaging de Mexico S.A. de C.V.	Mexico		Berry Global, Inc.	50.00%	65%[2]
BPRex Plastic Packaging de Mexico S.A. de C.V.	Mexico		BPRex Plastics Services Company Inc.	0.002%	
BPRex Plastic Packaging de Mexico S.A. de C.V.	Mexico		BPRex Healthcare Packaging, Inc.	49.998%	
BPRex Plastic Packaging, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
BPRex Plastic Services Company Inc.	USA	DE	BPRex Plastic Packaging, Inc.	100.00%	100%
BPRex Product Design & Engineering Inc.	USA	MN	BPRex Healthcare Brookville, Inc.	100.00%	100%
BPRex Specialty Products Puerto Rico Inc.	USA	NJ	BPRex Plastic Packaging, Inc.	100.00%	100%
Caplas LLC	USA	DE	Captive Plastics LLC	100.00%	100%
Caplas Neptune, LLC	USA	DE	Captive Plastics LLC	100.00%	100%
Captive Plastics Holdings, LLC	USA	DE	Berry Plastics SP, Inc.	100.00%	100%
Captive Plastics, LLC	USA	DE	Berry Plastics SP, Inc.	100.00%	100%
Cardinal Packaging, Inc.	USA	DE	CPI Holding Corporation	100.00%	100%
Chicopee Asia, Limited	Hong Kong		Chicopee, Inc.	100.00%	65%
Chicopee Holdings B.V.	Netherlands		PGI Europe, Inc.	100.00%	65%
Chicopee, Inc.	USA	DE	PGI Polymer, Inc.	100.00%	100%
Chocksett Road Limited Partnership	USA	MA	Berry Global, Inc.	98% Limited Partnership Interests 2% General Partnership Interests	100%
Chocksett Road Realty Trust	USA	MA	Chocksett Road Limited Partnership	Sole Beneficiary	100%
Berry Europe GmbH	Germany		Berry Film Products Company, Inc. (f/k/a Clopay Plastic Products Company, Inc.)	100.00%	65%
Berry Holding Company do Brasil Ltda.	Brazil		Berry Film Products Company, Inc. (f/k/a Clopay Plastic Products Company, Inc.)	99.99%	65%[3]
Berry Holding Company do Brasil Ltda.	Brazil		Berry Global, Inc.	00.01%	
Berry Trading (Shanghai) Co., Ltd.	China		Berry Plastic Products Acquisition Company, Inc.	100.00%	65%
Covalence Specialty Adhesives LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Covalence Specialty Coatings LLC	USA	DE	Berry Global, Inc.	100.00%	100%
CPI Holding Corporation	USA	DE	Berry Global, Inc.	100.00%	100%
CSM Mexico SPV LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Dominion Textile (USA), L.L.C.	USA	DE	Chicopee, Inc.	100.00%	100%
DT Acquisition Inc.	Canada		AVINTIV Specialty Materials, Inc.	100.00%	65%
Dumpling Rock, LLC	USA	MA	Berry Global, Inc.	100.00%	100%
Estero Porch, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Fabrene, L.L.C.	USA	DE	PGI Europe, Inc.	100.00%	100%
Fiberweb Geos, Inc.	USA	VA	PGI Europe, Inc.	100.00%	100%
Fiberweb, LLC f/k/a Fiberweb, Inc.	USA	DE	PGI Europe, Inc.	100.00%	100%
Global Closure Systems America 1, Inc.	USA	DE	RPC Packaging Holdings (US), Inc.	100.00%	100%
Grafco Industries Limited Partnership	USA	MD	Caplas LLC	99.00%	100%
Grafco Industries Limited Partnership	USA	MD	Caplas Neptune, LLC	1.00%	100%
Grupo de Servicios Berpla, S. de R.L. de C.V.	Mexico		Berry Plastics Acquisition Corporation V	65.00%	65%
Kerr Group, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Knight Plastics, LLC	USA	DE	Berry Plastics SP, Inc.	100.00%	100%
Laddawn, Inc.	USA	MA	Berry Global, Inc.	100.00%	100%

Lamb’s Grove, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Letica Corporation	USA	DE	RPC Leopard Holdings, Inc.	100.00%	100%
Letica Resources, Inc.	USA	DE	RPC Leopard Holdings, Inc.	100.00%	100%
M&H Plastics, Inc.	USA	VA	AVINTIV Inc.	100.00%	100%
Millham, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Old Hickory Steamworks, LLC	USA	DE	Fiberweb, LLC	100.00%	100%
Packerware, LLC	USA	DE	Berry Plastics SP, Inc.	100.00%	100%
Pescor, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%
PGI Acquisition Limited	UK		PGI Europe, Inc.	100.00%	65%
PGI Europe, Inc.	USA	DE	Chicopee, Inc.	100.00%	100%
PGI Nonwovens (Mauritius)	Netherlands		PGI Polymer, Inc.	100.00%	65%
PGI Polymer, Inc.	USA	DE	Avintiv Specialty Materials, Inc.	100.00%	100%
Pliant de Mexico S.A. de C.V.	Mexico		Pliant, LLC	36.03%	65%
Pliant International, LLC	USA	DE	Pliant, LLC	100.00%	100%
Pliant, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Poly-Seal, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Pristine Brands, LLC	USA	DE	PGI Europe, Inc.	100.00%	100%
Providencia USA, Inc.	USA	NC	Chicopee, Inc.	100.00%	100%
Rollpak Corporation	USA	DE	Berry Global, Inc.	100.00%	100%
RPC Bramlage, Inc.	USA	PA	RPC Packaging Holdings (US), Inc.	100.00%	100%
RPC Leopard Holdings, Inc.	USA	DE	RPC Packaging Holdings (US), Inc.	100.00%	100%
RPC Packaging Holdings (US), Inc.	USA	DE	AVINTIV Inc.	100.00%	100%
RPC Promens Inc.	USA	DE	RPC Packaging Holdings (US), Inc.	100.00%	100%
RPC Superfos US, Inc.	USA	DE	RPC Packaging Holdings (US), Inc.	100.00%	100%
RPC Zeller Plastik Libertyville, Inc.	USA	DE	Global Closure Systems America 1, Inc.	100.00%	100%
Saffron Acquisition, LLC	USA	DE	Kerr Group, LLC	100.00%	100%
Setco, LLC	USA	DE	Kerr Group, LLC	100.00%	100%
Sugden, LLC	USA	DE	Berry Global, Inc.	100.00%	100%
Sun Coast Industries, LLC	USA	DE	Saffron Acquisition, LLC	100.00%	100%
Berry Film Products Co., Ltd.	China		Berry Film Products Acquisition Company, Inc.	100.00%	65%
Uniplast Holdings, LLC	USA	DE	Pliant, LLC	100.00%	100%
Uniplast U.S., Inc.	USA	DE	Uniplast Holdings, Inc.	100.00%	100%
Venture Packaging Midwest, Inc.	USA	DE	Venture Packaging, Inc.	100.00%	100%
Venture Packaging, Inc.	USA	DE	Berry Global, Inc.	100.00%	100%

1 65% of the aggregate stock of Bonlam, S.A. DE C.V. is pledged.
2 65% of the aggregate stock of BPRex Plastic Packaging de Mexico S.A. de C.V. is pledged.
3 65% of the aggregate stock of Berry Holding Company do Brasil Ltda. is pledged.

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Thomas E. Salmon, Chief Executive Officer of Berry Global Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Berry Global Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 5, 2021

By: /s/ Thomas E. Salmon
Thomas E. Salmon
Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Mark W. Miles, Chief Financial Officer of Berry Global Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Berry Global Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 5, 2021

By: /s/ Mark W. Miles
Mark W. Miles
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Berry Global Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended July 3, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Salmon, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Thomas E. Salmon
Thomas E. Salmon
Chief Executive Officer

Date: August 5, 2021

EXHIBIT 32.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Berry Global Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended July 3, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. Miles, the Chief Financial Officer and Treasurer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mark W. Miles
Mark W. Miles
Chief Financial Officer

Date: August 5, 2021