



Always Advancing to Protect What's Important

Fiscal 2020 - Third Quarter

Friday, July 31, 2020

Berry Earnings Conference Call Supplement

(Unaudited Results)

Thomas E. Salmon – Chairman and CEO

Mark W. Miles – CFO

Safe Harbor Statements and Important Information



Forward-Looking Statements

Statements in this presentation that are not historical, including statements relating to the expected future performance of the Company, are considered “forward looking” within the meaning of the federal securities laws and are presented pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “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. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

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

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

Non-GAAP Financial Measures

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

No profit forecast

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

Website Information

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

LTM Information

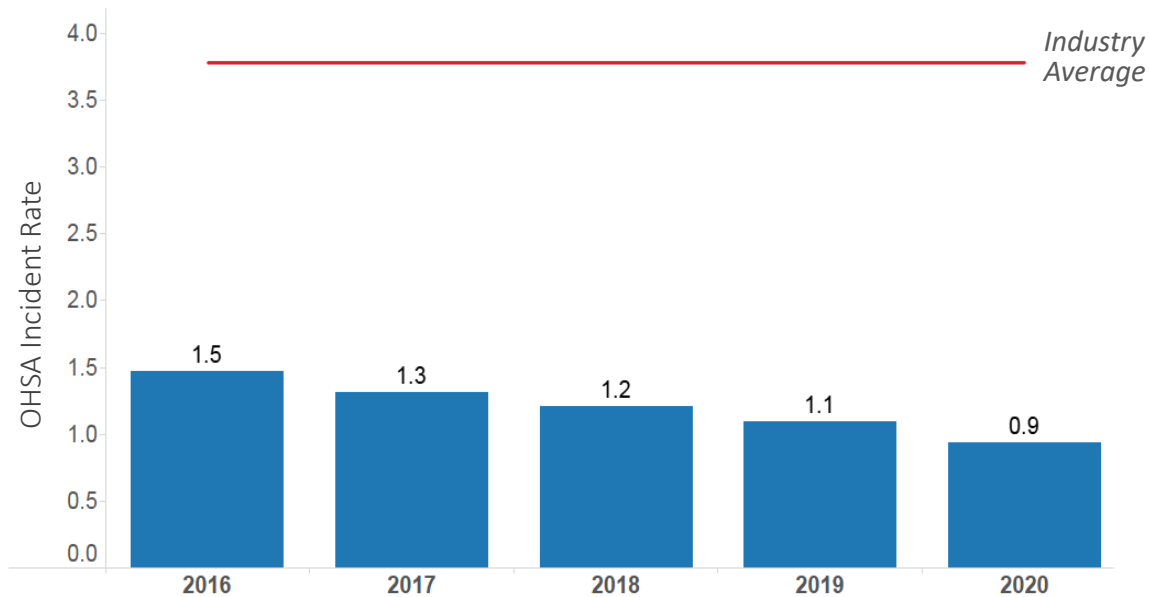
LTM information presented herein is the Last Twelve Months of reported information as of the date represented.

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



To our employees across the globe: “Thank You!”

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











- 20% reduction in number of injuries
- 41% of sites injury free

Never Ending Commitment to Identifying, Managing, and Eliminating Risk



Environmental Advantages

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

Packaging Characteristic Advantages

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

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



Hygiene/Safety



Cleaning



Food



Medicines



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



1. Strong quarterly financial results
2. Organic volume growth of +2%
3. RPC synergy realization ahead of schedule from a timing perspective
4. De-leveraging is pacing better than plan; 4.5x net debt/Adj. EBITDA at the end of fiscal Q3
5. Increased free cash flow guidance to \$830 million

	Fiscal Third Quarter		YoY%
	2020	2019	
Net Sales	\$ 2,910	\$ 1,937	50%
Operating Income	347	215	61%
Operating EBITDA	581	348	67%
EPS-diluted	1.42	0.10	1320%
Adjusted EPS-diluted	1.52	0.90	69%
Cash Flow from Operations	446	240	86%
Free Cash Flow	290	136	113%

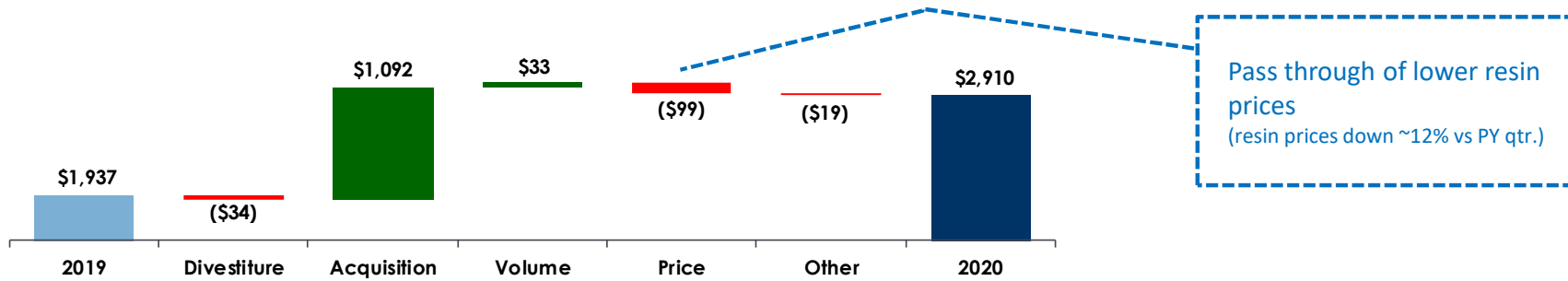
Note: All dollar amounts in millions.



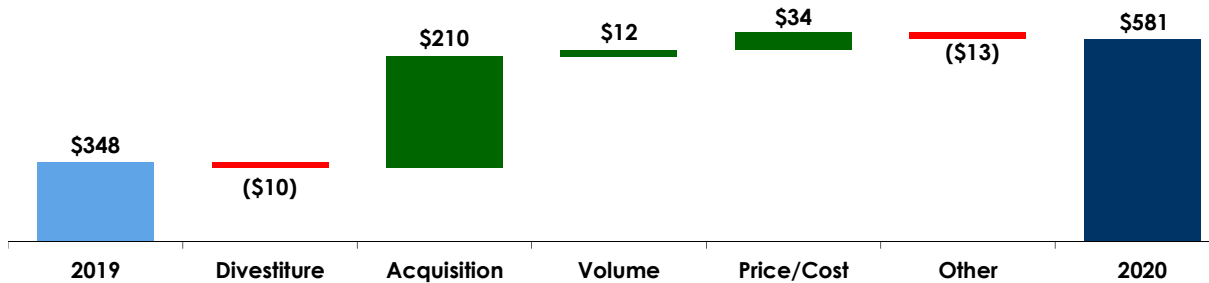
Fiscal Q3 Net Sales and Operating EBITDA Bridge



Net Sales



Operating EBITDA



Note: All dollar amounts in millions



Segment Highlights



Consumer Packaging - International (CPI)

	Fiscal Third Quarter		YoY%
	2020	2019	
Net Sales	\$ 1,020	\$ 52	Nm
Operating Income	89	(1)	Nm
Operating EBITDA	184	9	Nm

- Volumes down 7%, primarily related to the impact of COVID-19; excluding COVID-19 volumes flat
- Synergy realization and integration ahead of schedule

Consumer Packaging - North America (CPNA)

	Fiscal Third Quarter		YoY%
	2020	2019	
Net Sales	\$ 718	\$ 652	10%
Operating Income	93	73	27%
Operating EBITDA	159	126	26%

- Flat volumes; excluding COVID-19 volumes up LSD

Health, Hygiene, & Specialties (HH&S)

	Fiscal Third Quarter		YoY%
	2020	2019	
Net Sales	\$ 608	\$ 603	1%
Operating Income	84	60	40%
Operating EBITDA	129	101	28%

- Volumes up 14%; excluding COVID-19 volumes up HSD

Engineered Materials (EM)

	Fiscal Third Quarter		YoY%
	2020	2019	
Net Sales	\$ 564	\$ 630	-10%
Operating Income	81	83	-2%
Operating EBITDA	109	112	-3%

- Volumes down 8%, primarily driven by COVID-19; excluding COVID-19 volumes up LSD

*Note: All dollar amounts in millions
 FQ3 '19 represents realignment operating EBITDA from legacy Berry businesses.*



Condensed Income Statement



	Quarterly Period Ended	
	June 27, 2020	June 29, 2019
Net sales	\$2,910	\$1,937
Costs and expenses	2,563	1,722
Operating income	347	215
Other (income) expense, net	(7)	136
Interest expense, net	110	71
Income before income taxes	244	8
Income tax expense (benefit)	53	(5)
Net income	\$191	\$13
Net income per share:		
Diluted	\$1.42	\$0.10
Adjusted Diluted	\$1.52	\$0.90

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



Free Cash Flow

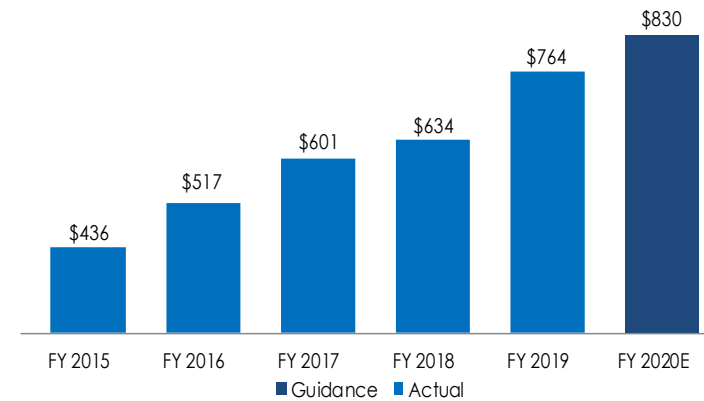


	Four Quarters Ended June '20	
Operating EBITDA	\$	2,068
Capital expenditures		(547)
Cash interest expense		(445)
Taxes		(156)
Working capital, restructuring & other ⁽¹⁾		120
Free cash flow	\$	1,040

	Fiscal Third Quarter	
	2020	2019
Cash flow from operations	\$ 446	\$ 240
Capital expenditures (net)	(156)	(104)
Free Cash Flow	\$ 290	\$ 136

Ample Liquidity

- \$900 million cash on hand
- \$850 undrawn ABL Revolver
~\$1.8 billion total liquidity
- No financial maintenance covenants
- No near-term debt maturities



Exceeded Free Cash Flow Guidance Every Year

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



Financial Outlook & Strategy



Fiscal Year 2020

Free Cash Flow Guidance & Assumptions

Cash flow from operations	\$ \$1,450
Less: capital expenditures	(620)
Free cash flow	\$ \$830

Free cash flow	\$ 830
Capital expenditures	620
Cash interest expense	430
Taxes	170
Working capital & other costs	50
Operating EBITDA	\$ 2,100

Capital Allocation Strategy

- Deleveraging– targeting leverage below 4x
- Organic growth investments

Fiscal Q4 Volume Assumptions

- HHS - up low-double digits
- CPNA - up low-single digits
- CPI - down low-single digits
- EM - down mid-single digits

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

Note: All dollar amounts in millions.

We have not provided guidance for the most directly comparable U.S. GAAP financial measure because such information is not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain items, including tax accruals, restructuring charges, gains and losses related to acquisition and divestiture of businesses, the ultimate outcome of certain legal or tax proceedings and other unusual gains and losses. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with U.S. GAAP.



Earnings Call - Key Takeaways



- Strong quarter overall; adjusted EPS growth over 65%
 - Overall organic volumes +2%
- Committed to sustainable, profitable organic volume growth; pipeline remains strong
 - As already proven in CP-NA, EM, and HH&S
- RPC integration and synergies ahead of plan as we now expect to realize \$85 million of cost synergies in FY '20
- Increased our implied Operating EBITDA guidance by \$70 million, to \$2.1 billion
- Continued focus on sustainability through redesign, light-weighting, collaboration, and innovation
- Increased FY '20 free cash flow guidance to \$830 million
- Through three quarters, we've reduced debt by over \$600 million, lowered annual interest costs by \$100+ million, and reduced leverage from 4.9x to 4.5x



Q&A

Fiscal 2020 - Third Quarter
Earnings Conference Call



Non-GAAP Financial Measures



	Actual					Guidance
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cash flow from operations	\$637	\$857	\$975	\$1,004	\$1,201	\$1,450
Capital expenditures, net	(162)	(283)	(263)	(333)	(399)	(620)
Payment of tax receivable agreement	(39)	(57)	(111)	(37)	(38)	-
Free cash flow	\$436	\$517	\$601	\$634	\$764	\$830

Note: All dollar amounts in millions



Non-GAAP Reconciliation



Quarterly Period Ended June 27, 2020

	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$1,020	\$718	\$608	\$564	\$2,910
Operating income	\$89	\$93	\$84	\$81	\$347
Depreciation and amortization	79	62	43	25	209
Restructuring and transaction activities ⁽¹⁾	14	2	1	2	19
Other non-cash charges ⁽²⁾	2	2	1	1	6
Operating EBITDA	\$184	\$159	\$129	\$109	\$581

Quarterly Period Ended June 29, 2019

	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$52	\$652	\$603	\$630	\$1,937
Operating income	(\$1)	\$73	\$60	\$83	\$215
Depreciation and amortization	4	50	46	27	127
Restructuring and transaction activities ⁽¹⁾	6	2	(8)	-	-
Other non-cash charges ⁽²⁾	-	1	3	2	6
Operating EBITDA	\$9	\$126	\$101	\$112	\$348

Note: All dollar amounts in millions. Unaudited

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

(2) Other non-cash charges for the June 2020 quarter primarily includes \$5 million of stock compensation expense. Other non-cash charges for the June 2019 quarter includes \$4 million of stock compensation expense.

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



Non-GAAP Reconciliation



	Quarterly Period Ended	
	June 27, 2020	June 29, 2019
Net income	\$191	\$13
Add: other expense (income), net	(7)	136
Add: interest expense, net	110	71
Add: income tax expense (benefit)	53	(5)
Operating income	\$347	\$215
Add: non-cash amortization from 2006 private sale	6	7
Add: restructuring and transaction activities ⁽²⁾	19	-
Add: other non-cash charges ⁽¹⁾	6	6
Adjusted operating income ⁽⁵⁾	\$378	\$228
Add: depreciation	135	89
Add: amortization of intangibles ⁽³⁾	68	31
Operating EBITDA ⁽⁵⁾	\$581	\$348
Net income per diluted share	\$1.42	\$0.10
Other expense (income), net	(0.05)	1.01
Non-cash amortization from 2006 private sale	0.04	0.05
Restructuring and transaction activities	0.14	-
Income tax impact on items above ⁽⁴⁾	(0.03)	(0.26)
Adjusted net income per diluted share ⁽⁵⁾	\$1.52	\$0.90

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



Non-GAAP Reconciliation (continued)



- (1) Other non-cash charges for the June 2020 quarter includes \$5 million of stock compensation expense. Other non-cash charges for the June 2019 quarter includes \$4 million of stock compensation expense.
- (2) The current quarter primarily includes transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes transaction activities related to the Clopay, RPC and AEP acquisitions.
- (3) Amortization excludes non-cash amortization from the 2006 private sale of \$6 million for the June 2020 quarter and \$7 million in the June 2019 quarter.
- (4) Income tax effects on adjusted net income is calculated using 25 percent for both the June 2020 and June 2019 quarters, respectively. The rates used represents the Company's expected effective tax rate for each respective period.
- (5) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. Organic sales growth excludes the impact of currency translation effects and acquisitions. These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Berry's management believes that Adjusted net income and other non-GAAP financial measures are useful to our investors because they allow for a better period-over-period comparison of operating results by removing the impact of items that, in management's view, do not reflect our core operating performance.

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

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



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