



Guidance Update and Fabri-Kal Acquisition

September 2021



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Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA from continuing operations, which is a non-GAAP financial measure. We define Adjusted EBITDA from continuing operations as our net income (loss) from continuing operations calculated in accordance with GAAP, plus the sum of income tax (benefit) expense, net interest expense, depreciation and amortization and further adjusted to exclude certain items of a significant or unusual nature, including but not limited to related party management fees, foreign exchange gains or losses on cash, unrealized gains or losses on derivatives, gains or losses on the sale of businesses and non-current assets, restructuring, asset impairment and other related charges, operational process engineering-related consultancy costs, non-cash pension income or expense, strategic review and transaction-related costs and executive transition charges.

The Company defines Free Cash Flow as Adjusted EBITDA from continuing operations less capital expenditures.

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Guidance for fiscal 2021 is provided on a non-GAAP basis, which we will continue to identify as we report our future financial results. We cannot reconcile to expected Adjusted EBITDA to expect Net income (loss) from continuing operations without unreasonable effort because certain items that impact net income (loss) from continuing operations and other reconciling metrics are outside of our control and /or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on our GAAP financial results.

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Business and 2021 Outlook Update

Updated FY 2021 Adj. EBITDA: \$550M

- The continued increase in raw materials costs, particularly resins, and higher transportation costs has pushed out our ability to recover these costs into 2022
- Unprecedented weather including hurricanes, tropical storms and floods continue to slow mill operations recovery
- Labor shortage is expected to impact volumes by constraining manufacturing's ability to increase production

Continued Focus Areas

- Servicing our customers
- Pricing initiatives to recover higher inflation
- Volume and optimal production out of plants
- Recruitment initiatives to improve labor shortages
- Exit of coated groundwood paper business
- Mill operational improvements



Transaction Multiple based on TTM 6/30/21 : ~7x pre-synergy, <5x post-synergy

Financing: All cash transaction supported by cash on hand and proceeds from financing

Timing and Approvals:

Transaction completion is not subject to approval by Fabri-Kal or Pactiv Evergreen shareholders



Acquisition Rationale

Strategic Rationale:

- Solidify our position in Foodservice, a recession-resilient, growing customer end market
- Further expansion of sustainable packaging product offerings and customer base
- Complementary geographic footprint
- Diversify our substrate capabilities

Financial Rationale:

- All cash acquisition at an implied valuation below PTVE's current Enterprise Value/EBITDA multiple, pre synergies
- Net deleveraging transaction including synergies
- Immediately Free Cash Flow accretive on a pre and post synergy basis

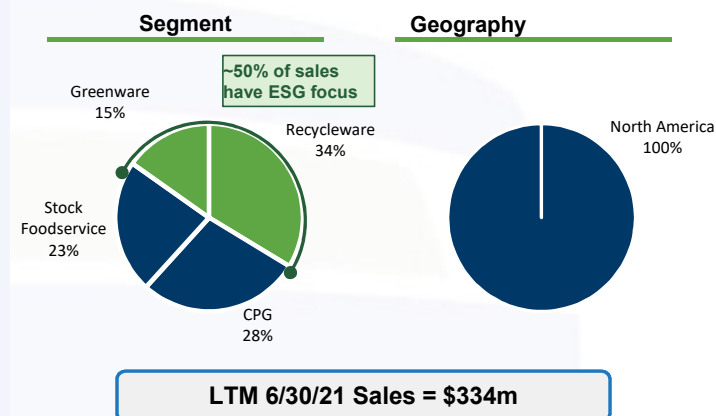


Fabri-Kal Overview

Business overview

- Leading provider of foodservice and custom thermoformed packaging solutions
 - Primarily focused on foodservice (~72% of sales)
- Manufactures **thermoformed plastic packaging products** through Recycleware, CPG, Stock Foodservice and Greenware segments
- Serves **recession resilient** end markets including consumer and institutional food, with strong **sustainable product offering**
- Maintains **4** patents and **22** trademarks
- Operates **4** plants in North America, with approximately **1,000** employees

2020A Sales breakdown



Select products

Recycleware



CPG



Stock Foodservice

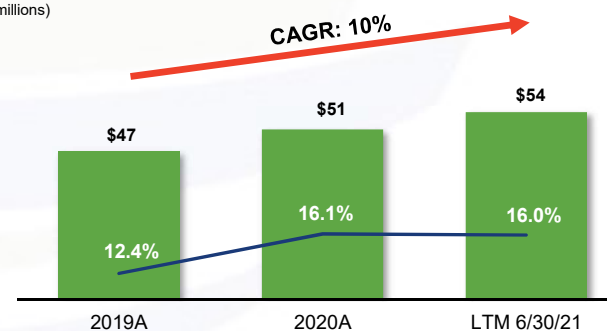


Greenware



Historical Pro Forma Adj. EBITDA growth and margin expansion

(\$ in millions)



Summary

- Revised 2021 EBITDA guidance of \$550M updated for recent weather impacts, continued pressures from further escalating raw materials and labor shortages.

- Announcement of acquisition of Fabri-Kal in all cash transaction for \$380M.
 - Complementary geographic footprint with existing customer base expansion
 - Further expansion of ecofriendly products
 - Transaction valuation below existing PTVE Valuation
 - Immediately cash flow accretive pre synergies
 - Compelling synergy potential
 - Transaction to be funded with cash on hand and financing





Conclusion & Q&A



Appendix

Fabri-Kal reconciliation of net income to Adjusted EBITDA

	Twelve months ended June 30, 2021	Year ended December 31, 2020	Year ended December 31, 2019
	(in millions)		
Net income (GAAP)	\$ 34	\$ 30	\$ 21
Income Tax Expense	-	-	-
Interest expense, net	-	-	-
Depreciation and amortization	18	18	21
Pension expense	1	1	1
COVID-19 incremental expenses	-	2	-
Medical expense	1	-	(1)
Headcount considerations	-	-	1
Light weighting cost savings	-	-	2
Loss on sale of assets	-	-	2
Adjusted EBITDA (Non-GAAP)	<u>\$ 54</u>	<u>\$ 51</u>	<u>\$ 47</u>



