



# Berry Global Group, Inc. (NYSE: BERY)

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# Company Overview

Berry Global Group, Inc. (NYSE: BERY)



## Business Description

- Berry Global is an international manufacturer of packaging products, primary focusing on transforming resin into packaging products
- Berry also manufactures and supplies non-woven, flexible, and rigid products in consumer and industrial end markets
- Berry operates in 39 countries and has 47,000 employees, 295 facilities and over 100,000 items
- Berry provides a comprehensive packaging product offering for there customers
- Berry is the largest purchaser of resin globally, purchasing 7 billion tones annually

## Key Financial Data

**Ticker** **NYSE: BERY**

Market Cap \$9.9B

Enterprise Value \$19.3B

Stock Price \$73.19

LTM EV/EBITDA 8.7x

LTM Revenue \$13.9B

LTM EBITDA \$2.2B

## Management Team



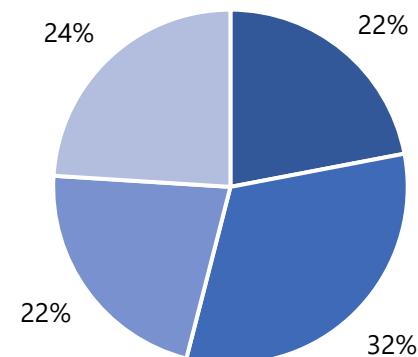
Name	Thomas Salmon	Mark Miles	Jason Greene	Jean-Marc Galvez
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Position	CEO	CFO	EVP	President CPI
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Experience Yrs.	18	20+	11	6
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Market Value of Shareholdings	\$55,213,200	\$41,013,000	\$16,799,580	\$9,072,000
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## Revenue Segments



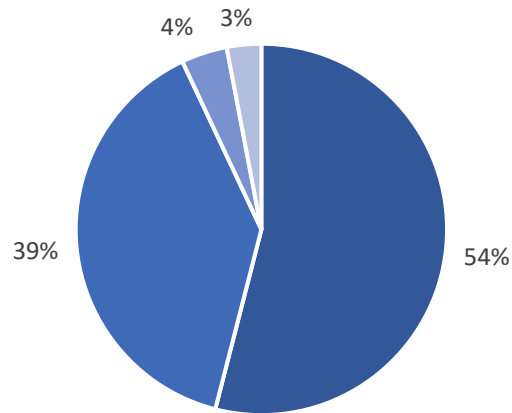
- Consumer Packaging - North America
- Consumer Packaging International
- Engineered Materials
- Health, Hygiene & Specialties

# Company Overview

Berry Global Group, Inc. (NYSE: BERY)

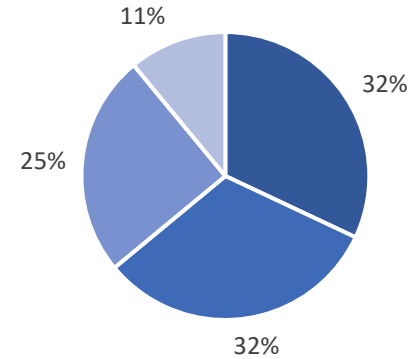


## Revenue by Geography



■ North America ■ EMEA ■ Asia Pacific ■ South America

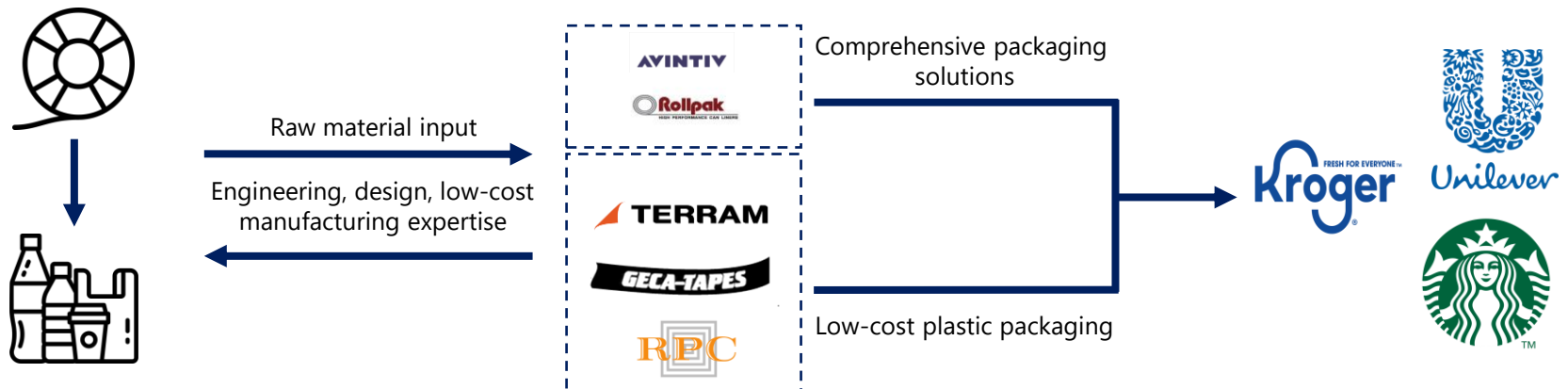
## Revenue by End Market



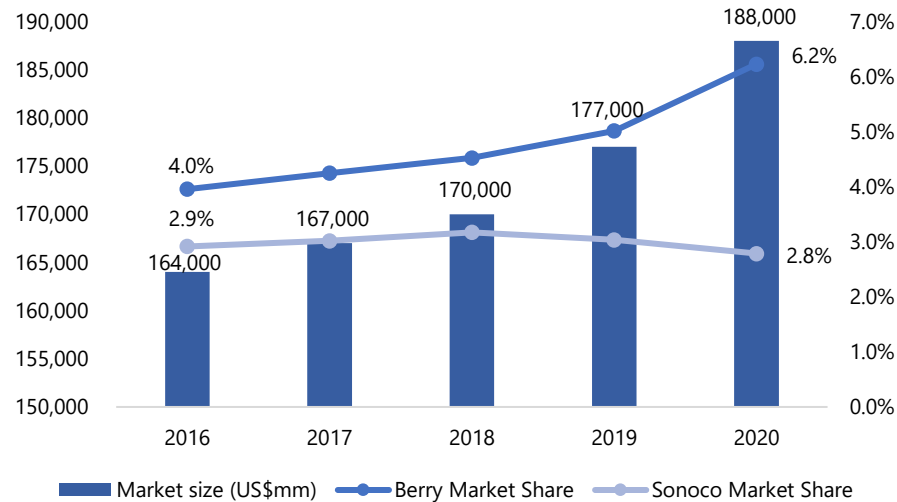
■ Food & beverage ■ Home, Health & Personal Care ■ Specialties ■ Distribution

**70% of Berry's revenue is situated in stable, consumer-oriented end markets**

## Business Model



### Packaging and Labelling - \$188.2B Market



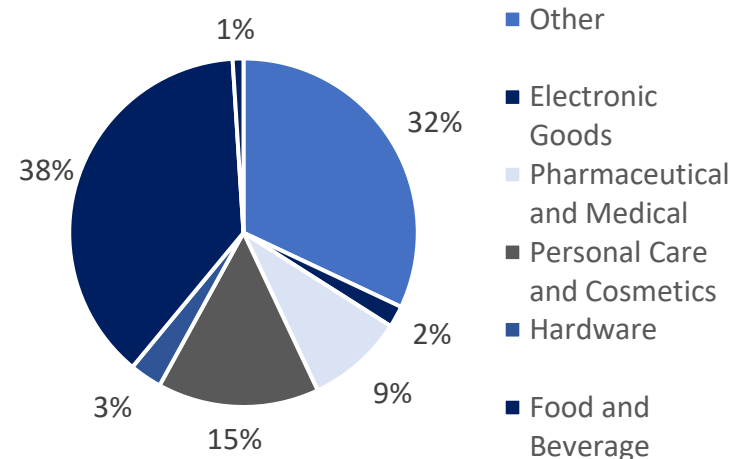
### Macro Trends Creating Tail Winds for Berry

- Growth of the industry has been catapulted to a forecast of 3.5% CAGR from 2021-2026 due to recent trends in the industry such as premiumization, value-added service, and convenience
- Fastest growth markets of health & wellness, e-commerce and food safety/barriers, making up an increasing part of Berry's portfolio, provide it with strong organic growth drivers
- Berry is exposed to extremely stable drivers: population growth, e-commerce sales, technology and opportunities for growth within emerging markets, which makes up 13% of revenue
- Stricter government regulations in packaging are expected to cause more medical, health and pharmaceutical companies to outsource packaging to industry operators

### Increased Demand for Flexible Packaging Benefits Berry

- Flexible plastic packaging solutions demand has been experiencing positive growth across end industry sectors such as food, retail, consumer goods, pharmaceuticals
- This increase in demand is being pushed by continued rise in urbanization levels, large expatriate population and the changing dietary habits of citizens
- The increased penetration of e-commerce due to COVID-19 tailwinds has accelerated growth projections to CAGR of 5.1% for consumer packaging
- The processed and packaged food market in the country is also exhibiting very strong growth, with an annualized growth rate of 1.4% over the next five years

### End Market Segmentation



### Robust Business Model Characteristics

#### Consumer-Staple End Markets

- 70% of Berry's business is based in non-discretionary, defensive end markets, allowing it to pass on rising prices to customers

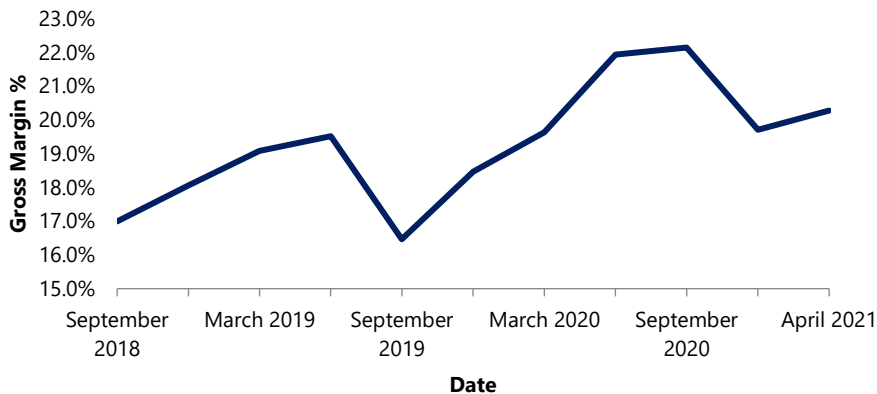
#### Low Buyer Concentration

- Berry's top ten largest customers account for 15% of net sales, minimizing the risk of significant lost sales during recessions

#### Fragmented Raw Material Supplier Market

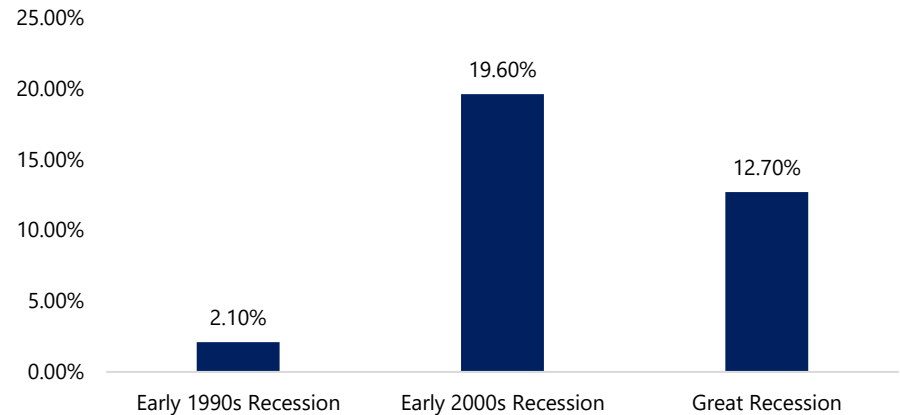
- Berry is the biggest purchaser of resin, purchasing 7 billion tonnes annually, giving them pricing power in a fragmented market

### Increasing Gross Margins During Inflationary Periods



**Gross margins are increasing while raw material costs are increasing**

### Packaging Companies' Recession Performance vs. S&P 500



**Packaging companies have a track record of strong performance during economic downturns**

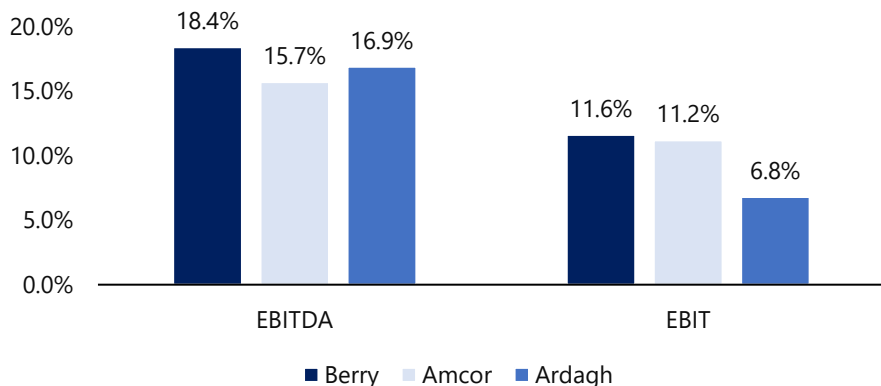
### Raw Material Contract Clauses

- Berry takes advantage of contractual pass-through elevator/de-elevator clauses when sourcing resin, allowing them to keep constant raw material costs relatively constant during price hikes
- These elevator clauses peg the price of resin to an inflation index and adjusts the price to the level of inflation
- 75% of Berry's revenues are subject to the contractual pass-through benefits
- As a result, Berry is able to defend itself from inflationary periods and rising input costs during the COVID-19 pandemic

# Thesis II

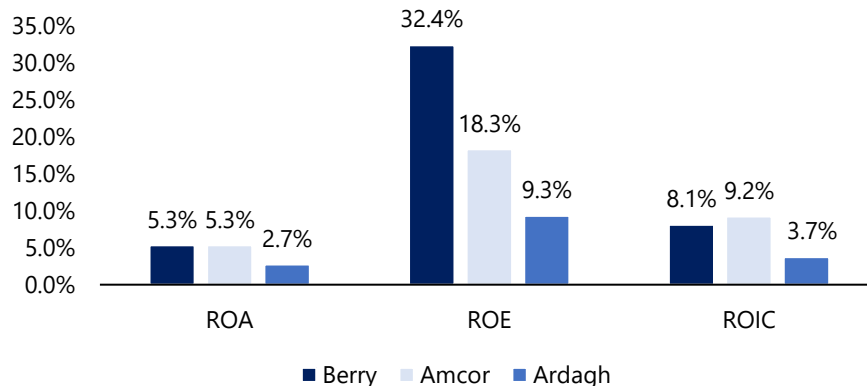
## Strong Track Record of Financial Performance

### Strong Margins



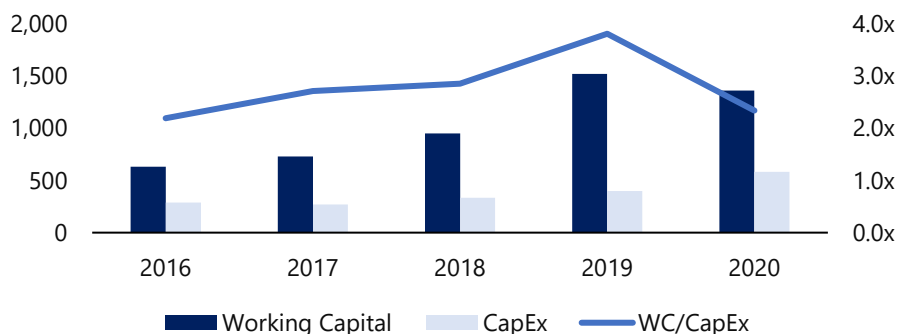
Berry's EBITDA and EBIT margins are both higher than its closest peers by 2.7% and 0.4% respectively

### Attractive Return Portfolio



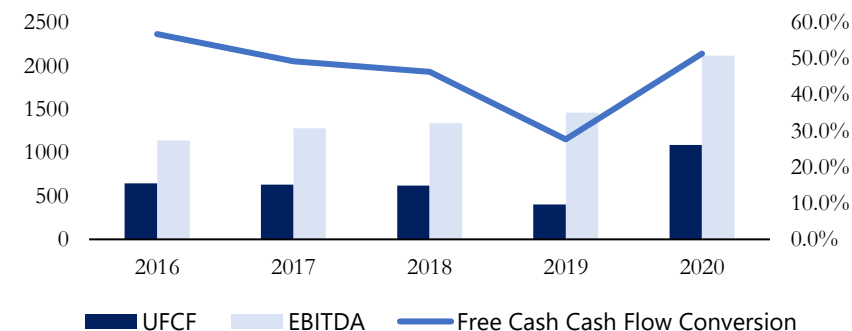
Berry has a comparable ROA to peers and superior ROE due to its ability to effectively lever and de-lever

### Working Capital Flows Funds Growth



Reoccurring purchase orders from customers provides Berry with sufficient FCF to fund growth opportunities

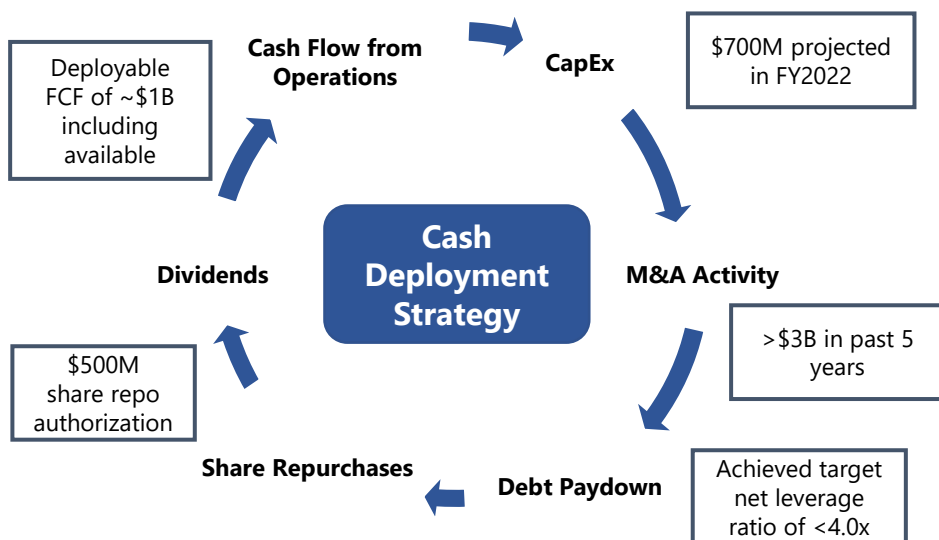
### Strong Free Cash Flow Generation and Conversion



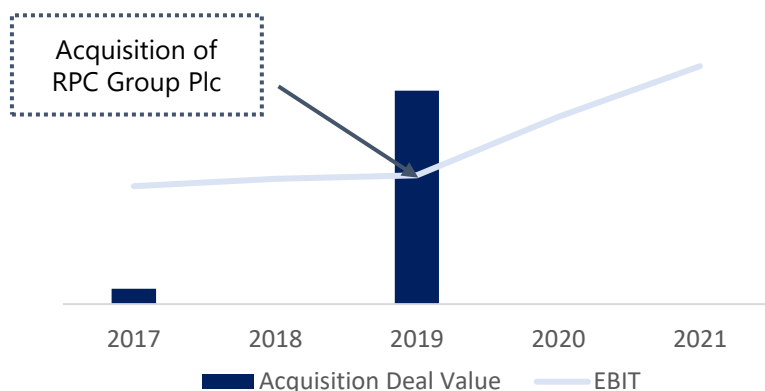
Strong FCF conversion, enables Berry to pursue new investments and meet obligations in a timely manner

**Berry's existing strong track record of financial performance is maintained by the nature of its business model and breadth of organic and inorganic investment opportunities allowing for sequentially higher returns and seamless expansion**

### Shareholder-friendly deployment a catalyst for stock re-rating



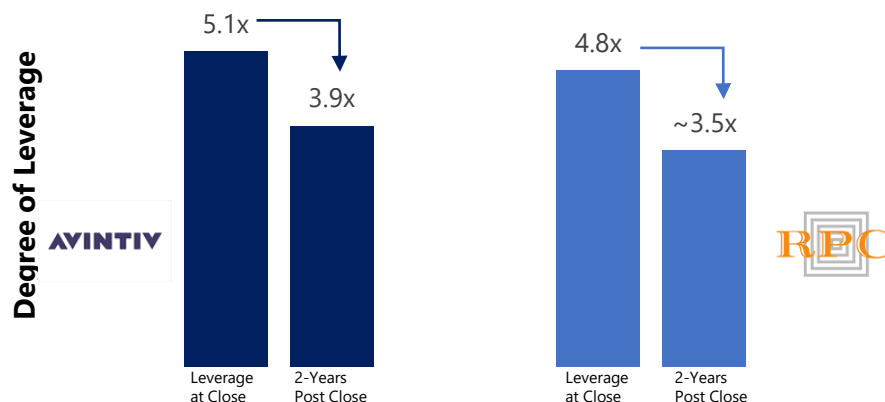
### Recent acquisitions have been accretive to profitability



**Berry's largest acquisition in RPC has already beaten estimates for annual synergies, yielding 64% higher operating income than analyst estimates.**

### Ability to rapidly de-lever post acquisition

**Berry is able to achieve strong balance sheet recovery post acquisition.**



### Expanding product mix creates cost and benefit synergies

- RPC Acquisition increased Berry's market share by 4%, expanding their global reach into Europe
- Realizing an average 5% of target's revenue in cost synergies across all 47 acquisitions completed
- Average pre-synergy multiple of 7.0x EV/EBITDA and post-synergy multiple of 5.2x EV/EBITDA, ensuring targets strengthen financial position

**Berry Global is in great position to continue making bolt-on acquisitions that expand their product mix and create cost synergies, whilst keeping a controlled balance sheet.**



# Comparable Company Analysis

Berry Global Group, Inc. (NYSE: BERY)

CCA highlights the strong EBITDA and Revenue growth Berry offers at relatively low trading multiples

	Market Cap (\$M)	EV (\$M)	P/E	EV/EBITDA		EV/EBIT		EV/UFCF
				LTM	NTM	LTM	NTM	LTM
Crown Holdings, Inc.	\$13,807	\$20,161	22.1x	9.7x	10.6x	12.8x	12.5x	-
CCL Industries Inc.	\$11,882	\$13,193	24.2x	11.6x	10.9x	15.9x	15.0x	25.4x
Silgan Holdings Inc.	\$4,685	\$8,540	16.0x	10.4x	9.3x	14.7x	13.0x	33.1x
Avery Dennison Corporation	\$17,655	\$20,633	28.9x	16.0x	14.4x	18.9x	18.2x	27.6x
AptarGroup, Inc.	\$8,141	\$9,224	38.7x	15.2x	14.1x	24.7x	22.5x	55.3x
Reynolds Consumer Products Inc.	\$6,725	\$8,818	24.2x	14.6x	14.2x	17.9x	17.8x	100.5x
Amcor plc	\$25,424	\$34,349	36.6x	16.7x	0.0x	23.5x	0.0x	29.4x
Sonoco Products Company	\$5,741	\$7,342	NM	36.1x	9.1x	-	13.3x	46.7x
Sealed Air Corporation	\$9,734	\$13,214	24.7x	13.1x	10.9x	15.9x	13.5x	29.1x
Median	\$9,734	\$13,193	24.4x	14.6x	10.9x	16.9x	13.5x	31.3x
Mean	\$11,533	\$15,053	26.9x	16.0x	10.4x	18.1x	14.0x	43.4x

Berry Global Group, Inc.	\$9,927	\$19,329	16.5x	8.7x	8.4x	14.2x	12.4x	16.2x
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	Gross Profit Margin	EBITDA Margin	Revenue CAGR		EBITDA CAGR		ROIC
	LTM	LTM	3YR	5YR	3YR	5YR	LTM
Crown Holdings, Inc.	20.9%	16.0%	7.0%	9.1%	8.7%	9.4%	15.7%
CCL Industries Inc.	28.4%	20.3%	3.4%	8.5%	4.2%	8.9%	11.9%
Silgan Holdings Inc.	16.6%	15.0%	7.7%	8.5%	10.0%	12.2%	9.2%
Avery Dennison Corporation	28.0%	15.7%	4.9%	6.5%	11.6%	12.8%	19.5%
AptarGroup, Inc.	36.0%	19.1%	5.3%	6.2%	5.3%	5.0%	9.5%
Reynolds Consumer Products Inc.	24.8%	17.6%	0.0%	0.0%	0.0%	0.0%	8.9%
Amcor plc	20.7%	15.6%	12.2%	7.0%	15.3%	8.2%	9.5%
Sonoco Products Company	19.4%	3.7%	1.2%	2.4%	(34.7%)	(20.9%)	(0.9%)
Sealed Air Corporation	30.5%	18.9%	4.4%	1.9%	6.5%	4.9%	17.5%

Median	24.8%	16.0%	4.9%	6.5%	6.5%	8.2%	9.5%
Mean	25.0%	15.8%	5.1%	5.6%	3.0%	4.5%	11.2%

Berry Global Group, Inc.	18.0%	16.0%	20.7%	16.4%	18.3%	14.2%	8.2%
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# Discounted Cash Flow Analysis

Berry Global Group, Inc. (NYSE: BERY)

## DCF Valuation Assumptions

- **Organic vs. Acquisitive Growth**
  - Organic growth: historical average YoY growth of 3%
  - Acquisitive Growth: acquiring 1 company per year with \$250mm of EBITDA at 9.0x EV/EBITDA, implying a total purchase price of \$2.25b
- **Gross Profit**
  - COGS tied to revenue with inflation and transmission mechanism considered
- **Operating Expenses**
  - Operating expenses tied to revenue with inflation considered
- **Additional reinvestments**
  - Reinvestment projected using analyst estimates and management guidance

Gordon Growth Method	
PV Sum of FCF	8,037
Discount Rate	10.00%
<b>Terminal Value</b>	
Terminal Year UFCF	3,038
Perpetuity Growth Rate	2.00%
<b>Terminal Value</b>	<b>38,740</b>
<b>PV of Terminal Value</b>	<b>14,936</b>
<b>Enterprise Value</b>	<b>22,973</b>
(+) Cash	1,091
(-) Debt	(10,493)
(-) Preferred Equity	0
(-) Minority Interest	0
<b>Equity Value</b>	<b>13,571</b>
Fully Diluted Shares Outstanding	138.30
<b>Implied Share Price</b>	<b>\$98.13</b>
Current Share Price	\$73.19
<b>Implied Margin of Safety</b>	<b>34.07%</b>

Berry Global Inc.													
DCF - In \$MM USD	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	CAGR
<b>Revenue</b>	<b>11,709</b>	<b>13,850</b>	<b>12,522</b>	<b>15,553</b>	<b>18,675</b>	<b>21,890</b>	<b>25,202</b>	<b>28,613</b>	<b>32,126</b>	<b>35,745</b>	<b>39,472</b>	<b>39,743</b>	<b>11%</b>
COGS	(9,301)	(11,352)	(9,893)	(12,256)	(14,678)	(17,162)	(19,708)	(22,318)	(24,994)	(27,738)	(30,551)	(30,682)	10%
<b>Gross Profit</b>	<b>2,408</b>	<b>2,498</b>	<b>2,630</b>	<b>3,297</b>	<b>3,996</b>	<b>4,728</b>	<b>5,494</b>	<b>6,295</b>	<b>7,132</b>	<b>8,007</b>	<b>8,921</b>	<b>9,061</b>	<b>14%</b>
Gross Margin	21%	18%	21%	21%	21%	22%	22%	22%	22%	22%	23%	23%	2%
Opex	(1380)	(1415)	(1306)	(1610)	(1922)	(2244)	(2575)	(2917)	(3268)	(3631)	(4004)	(4245)	12%
<b>EBIT</b>	<b>1028.0</b>	<b>1083.0</b>	<b>1323.2</b>	<b>1687.5</b>	<b>2074.2</b>	<b>2484.3</b>	<b>2918.6</b>	<b>3378.0</b>	<b>3863.6</b>	<b>4376.3</b>	<b>4917.2</b>	<b>4816.4</b>	<b>16%</b>
EBIT Margin	9%	8%	11%	11%	11%	11%	12%	12%	12%	12%	12%	12%	4%
(-) Tax	(241)	(253)	(310)	(395)	(485)	(581)	(683)	(790)	(904)	(1024)	(1151)	(1127)	16%
<b>NOPAT</b>	<b>787</b>	<b>830</b>	<b>1,014</b>	<b>1,293</b>	<b>1,589</b>	<b>1,903</b>	<b>2,236</b>	<b>2,588</b>	<b>2,960</b>	<b>3,352</b>	<b>3,767</b>	<b>3,689</b>	<b>16%</b>
Add: D&A	545	566	501	622	747	876	1,008	1,145	1,285	1,430	1,579	1,590	11%
Less: Capex	(583)	(689)	(855)	(1,027)	(1,204)	(1,386)	(1,574)	(1,767)	(1,966)	(2,171)	(2,186)	(2,201)	12%
Less: Change in WC	(4)	2	(272)	(434)	(447)	(808)	(525)	(541)	(431)	(559)	(575)	(39)	-
<b>Unlevered Free Cash Flow</b>	<b>745</b>	<b>709</b>	<b>387</b>	<b>454</b>	<b>685</b>	<b>585</b>	<b>1,145</b>	<b>1,425</b>	<b>1,847</b>	<b>2,052</b>	<b>2,584</b>	<b>3,038</b>	<b>16%</b>
Discount Period	-	-	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	-
<b>PV UFCF</b>	<b>745</b>	<b>709</b>	<b>351.97</b>	<b>375</b>	<b>515</b>	<b>399</b>	<b>711</b>	<b>804</b>	<b>948</b>	<b>957</b>	<b>1,096</b>	<b>1,171</b>	<b>5%</b>

**Our DCF Valuation implies a \$98.13 target price, implying ~34% upside to Berry's current share price**

Regulations and consumer outlook around packaging and sustainability can create either headwinds or tailwinds according to the stance that Berry takes on its future company outlook

## Risks

**Shift in regulations** As governments and consumers take greater notice of the impact of the plastic packaging, stricter regulations can be put forward that may adversely affect Berry's cost and profits if they do not position themselves properly

**New technologies** As the packaging industry adapts to shifting consumer preferences, new technologies can be developed to satisfy demand, threatening Berry's traditional business

**Intolerance Towards Plastics** A wider consumer recognition of global sustainability threatens the packaging industry and Berry's customer base

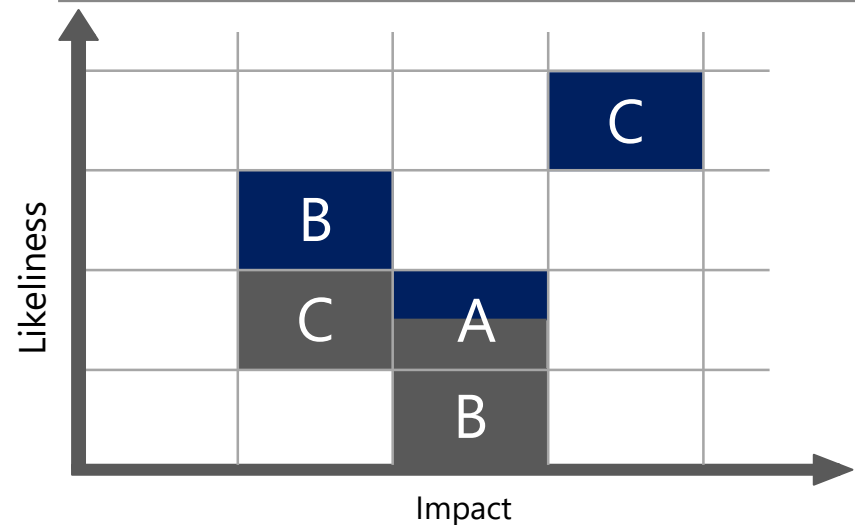
## Catalysts

**Growth of Substrates Exceeds Expectations:** Plastic packaging is expected to make up more than 40% of the global packaging market, compared to less than 30% in 2000. Flexible plastic will see a 4.7% growth rate while rigid will see 3.1%, both substantially higher than paper, metal and glass. If growth exceeds these expectation, Berry will be uniquely positioned to benefit from this improvement.

**Forefront of Sustainability:** The shift to sustainability in the packaging industry is a huge growth factor. If Berry can position itself at the forefront of this shift, they will be able to effectively benefit from this long-term trend that is here to stay.

**Health, Hygiene and Specialties:** This segment poses the highest potential organic growth, spearheaded by robust end markets amidst the pandemic. A 22% increase in revenue over the '20FY and '21FY demonstrates the large potential this segment has as a catalyst for Berry.

## Risks & Catalyst Matrix



### Risks

- A Shift in Regulation
- B New Technology
- C Intolerance Towards Plastics

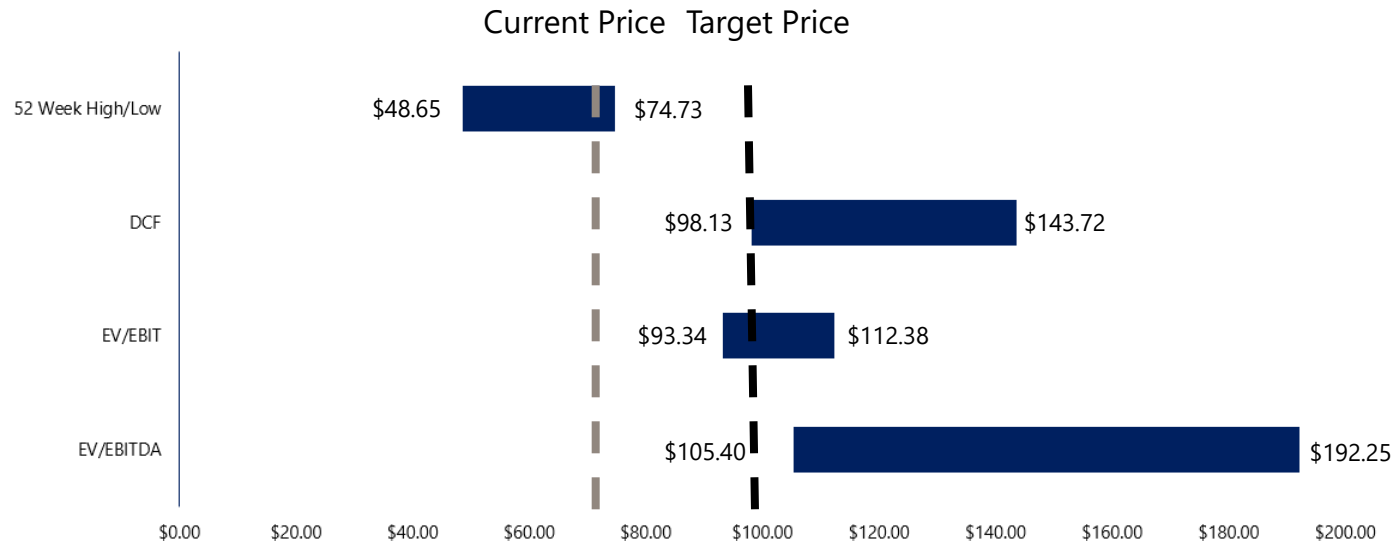
### Catalysts

- A Growth of Substrates Exceeds Expectations
- B Forefront of Sustainability
- C Health, Hygiene and Specialties

# Recommendation

Berry Global Group, Inc. (NYSE: BERY)

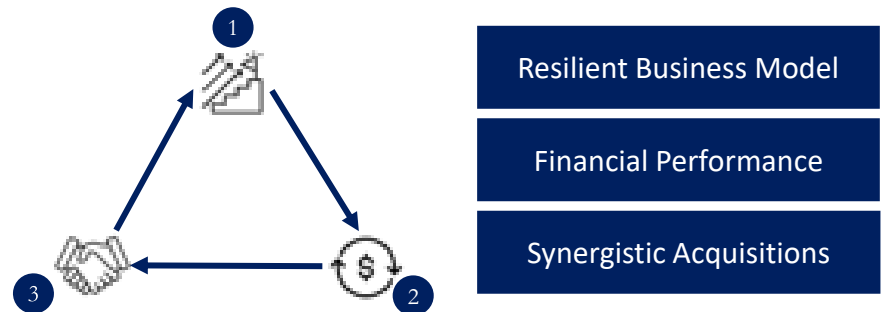
Football Field - Buy Rating with a Target Price of \$98.13



## Recommendation Summary

- We recommend a Buy rating for Berry with a target price of \$98.13
- We believe Berry is an excellent business with a defensible value proposition and competitive advantage
- The company has a resilient business model that performs well through various economic cycles and inflationary periods due to its contract transmission mechanism and exposure to customer-oriented end markets which provide stability in times of uncertainty
- Favourable macro conditions and tailwinds are projected to help Berry pursue a variety of organic and inorganic growth opportunities enabling the company to increase its scale and carve out additional market share

## Thesis Summary



**At today's market price, Berry offers investors a chance to participate in the appreciation of a company with a resilient business model and favourable tailwinds**

# Appendices

Berry Global Group, Inc.



**INVESTA**  
INSIGHTS

# Appendices

Berry Global Group, Inc. (NYSE: BERY)

I – Margins Across  
Segments

II – Revenue Growth and  
FCF

III – EBITDA Growth

IV – ROIC

V – P/V Chart

VI – Management

VII – Compensation

VIII – COVID Impacts

IX – Customers

X – Products

XI – Acquisition Timeline

XII – Capital Deployment  
and Acquisitions

XIII – Supplier and Customer  
Concentration

XIV – Margins, Profitability,  
Efficiency

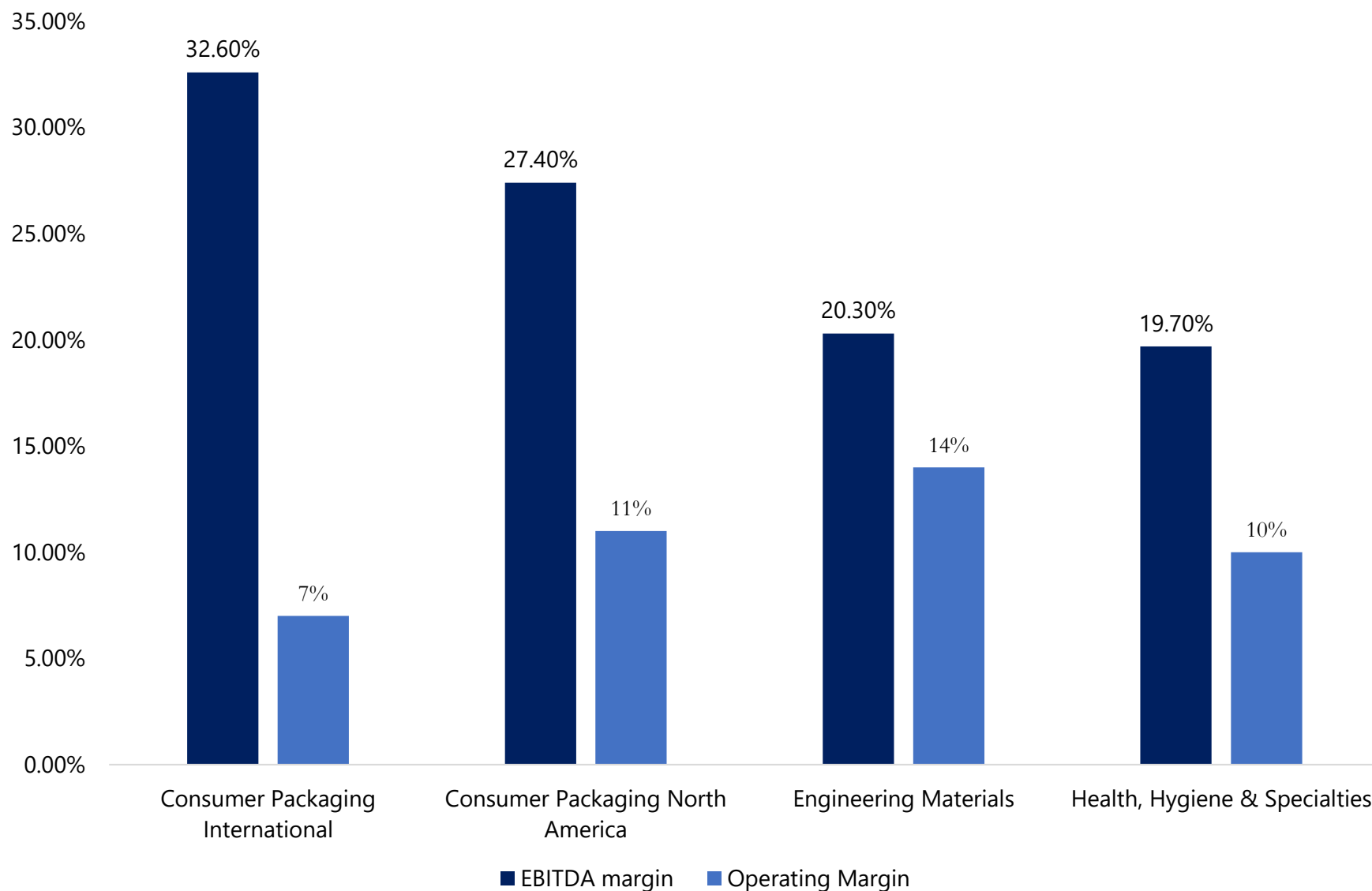
XV – DCF Assumptions

XVI – DCF Assumptions  
Cont'd

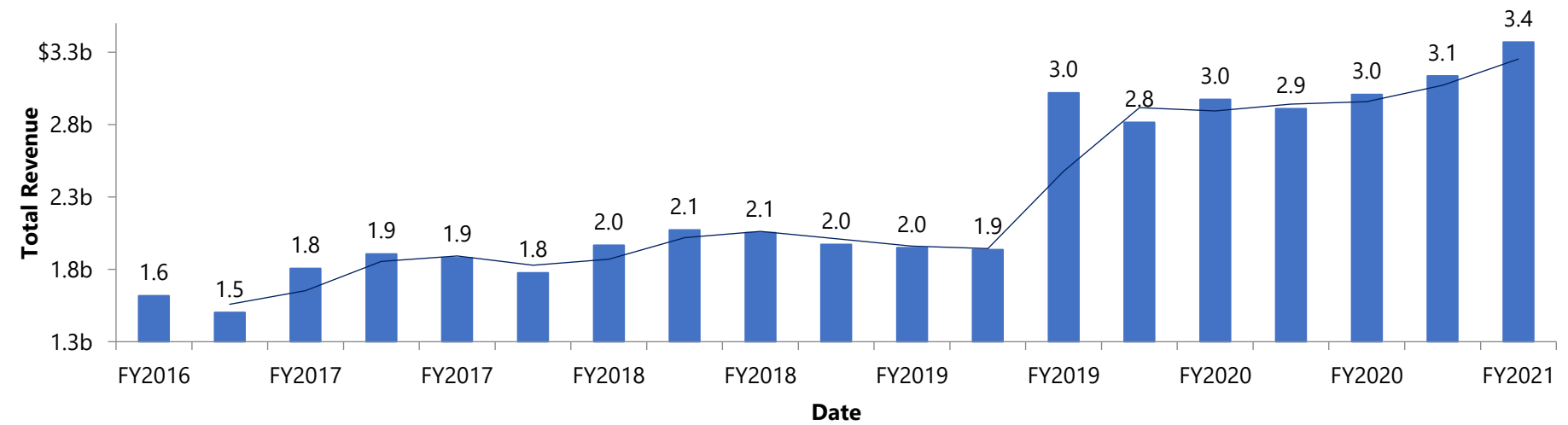
XVII – DCF Assumptions  
Cont'd

XVIII – DCF Acquisition  
Assumptions

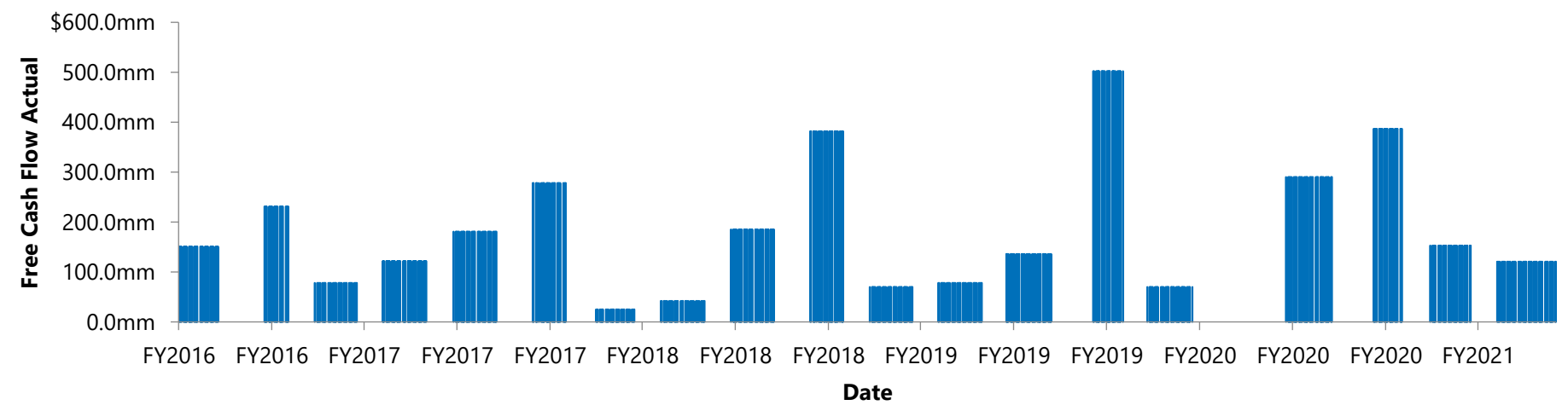
XIX - Sustainability



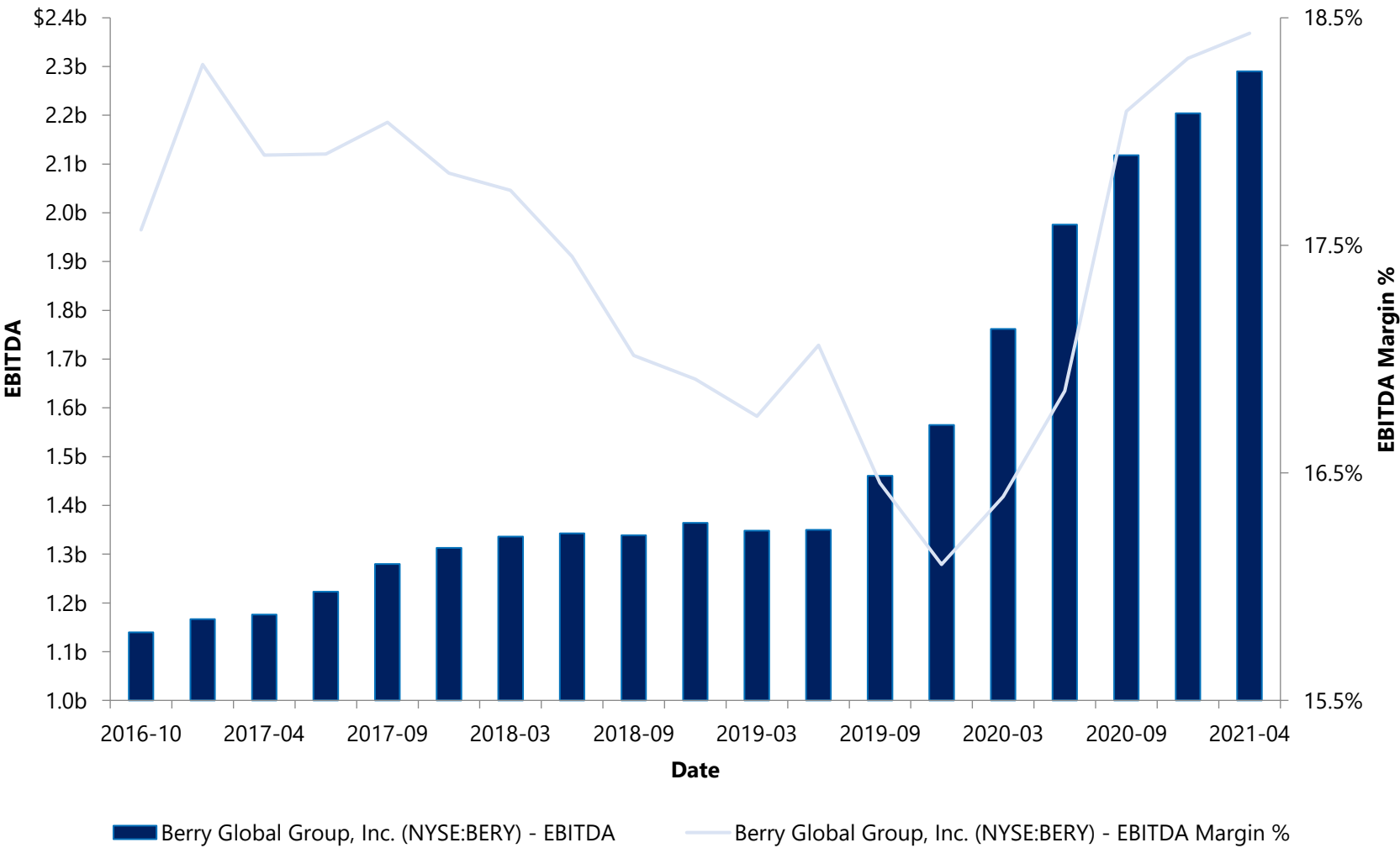
Revenue Growth

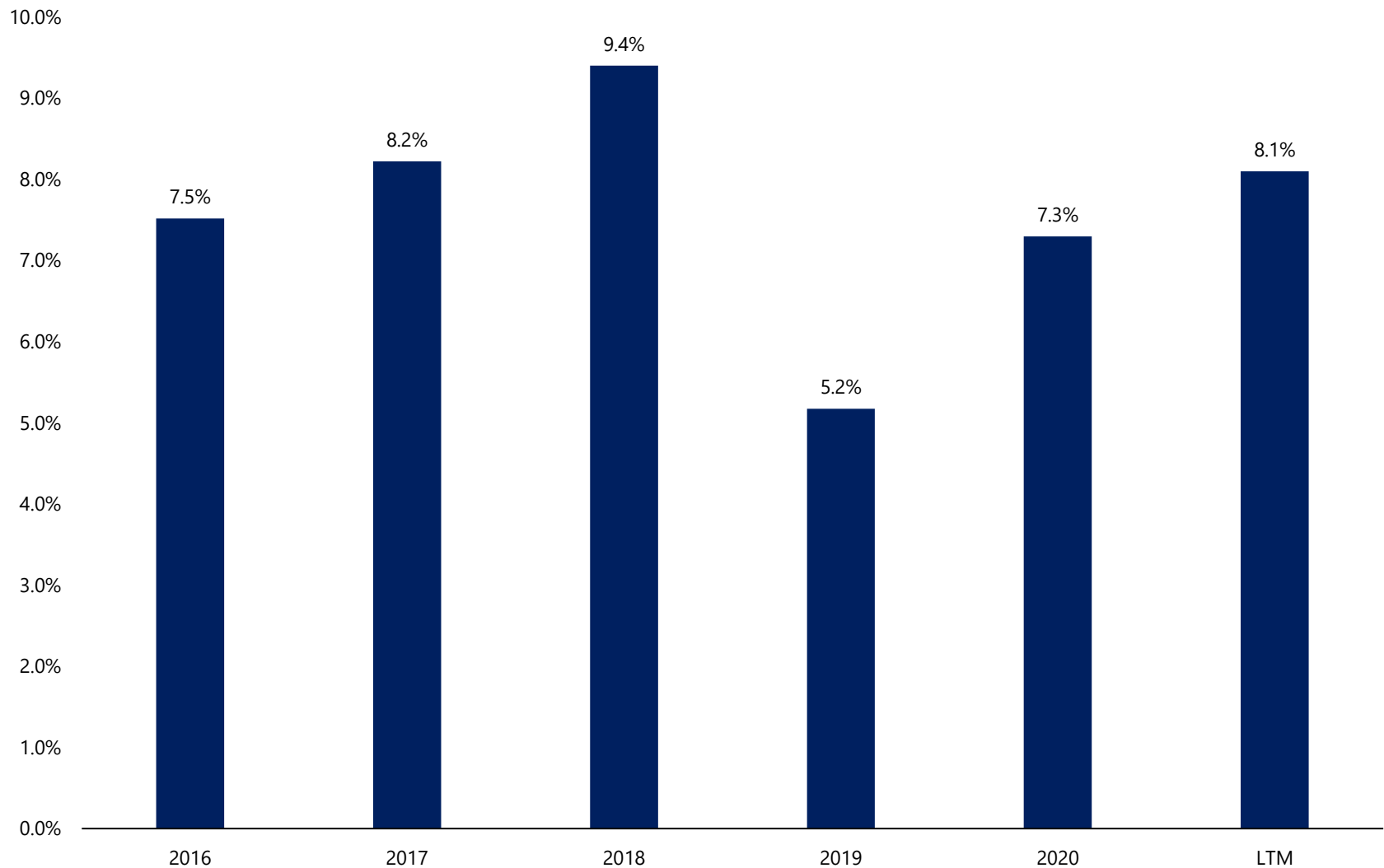


Free Cash Flow

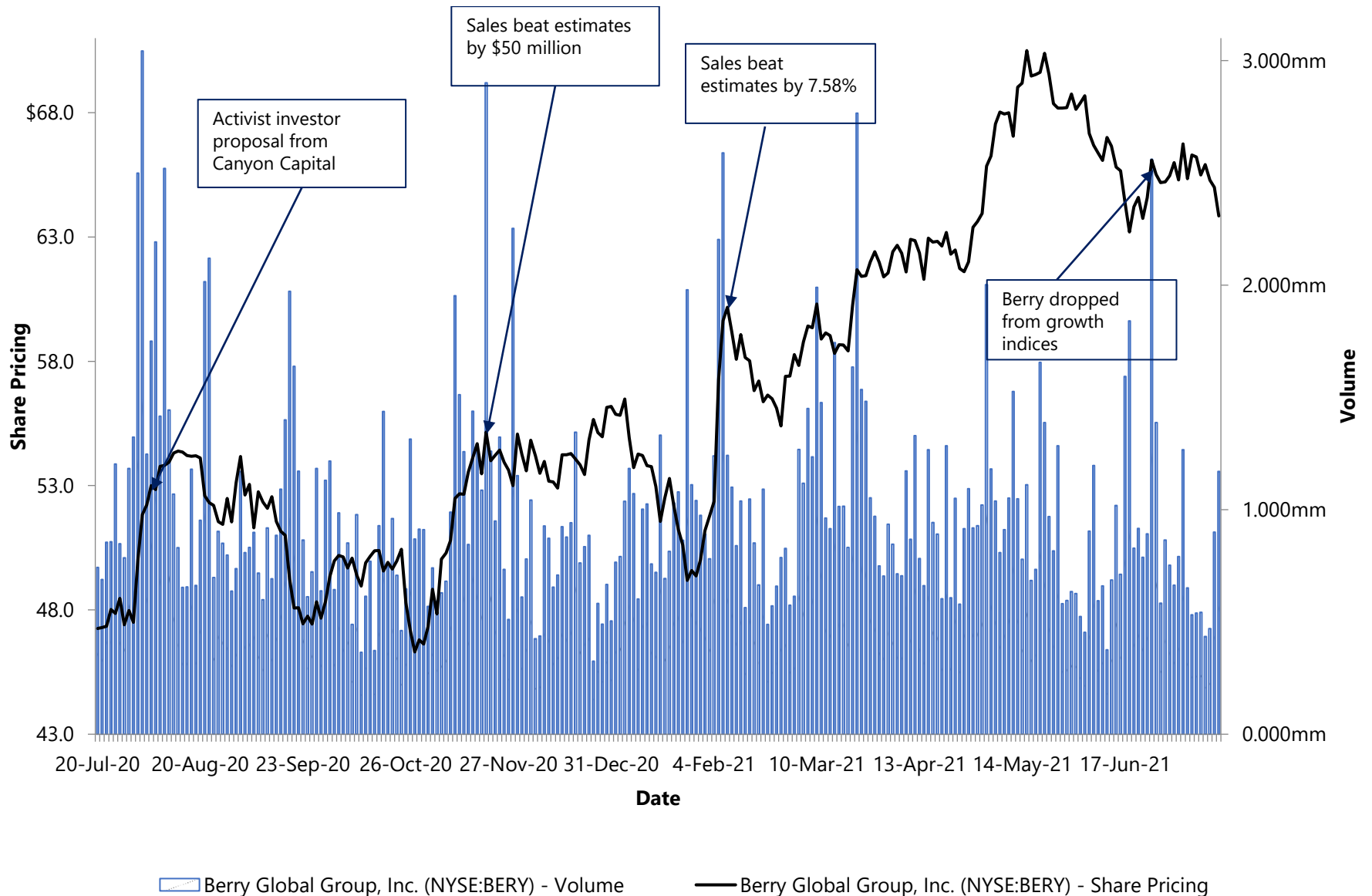








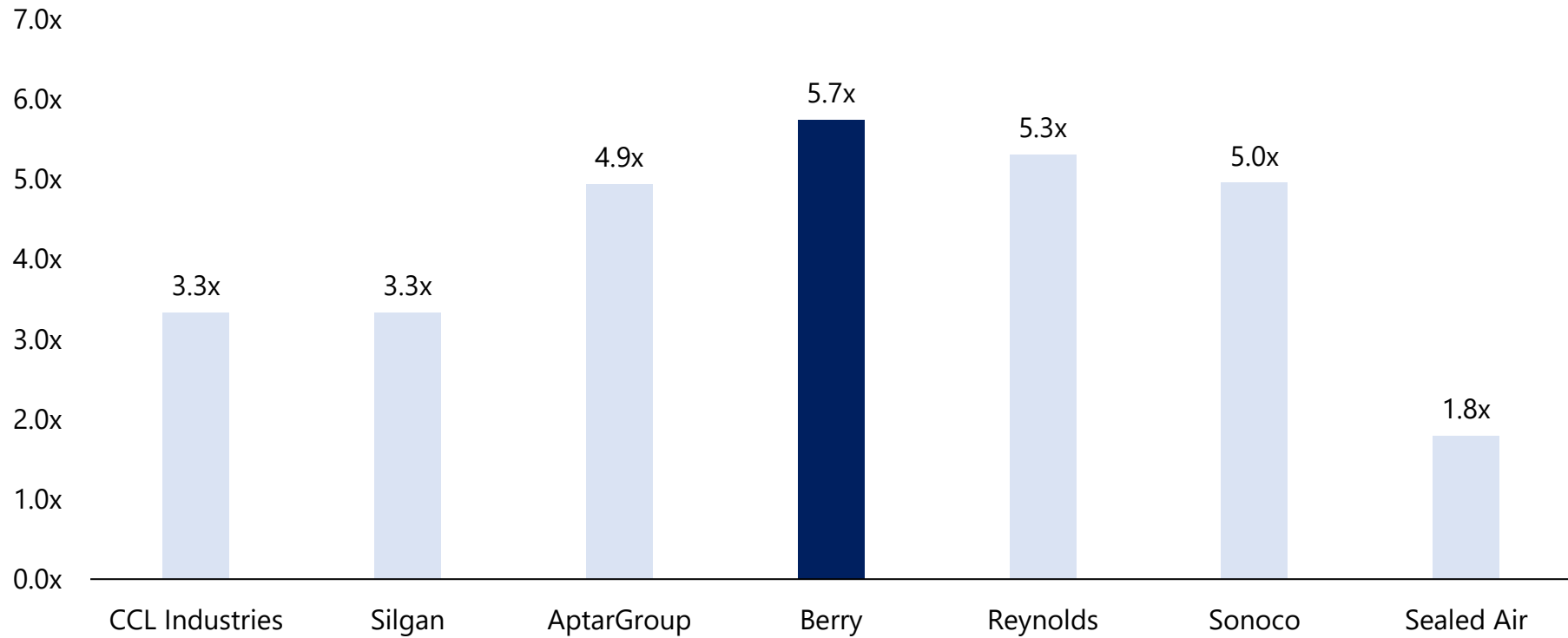


**Berry typically exhibits higher ROIC in years after an acquisition, after they have de-levered and have realized a significant portion of revenue and costs synergies**



				
Name	Thomas E. Salmon	Mark W. Miles	Jason K. Greene	Jean-Marc Galvez
Position	CEO and Chairman	Chief Financial Officer & Treasurer	Executive VP, Chief Legal Officer	President – Consumer Packaging International
Years exp. with company	18	20+	11	6
Company track record	Served as CEO since 2017, and has held director positions of different divisions since 2001	Appointed to CFO in 2014 and served as the EVP Corporate Controller for many years	Joining Berry in 2010 he served as the Deputy General Counsel until becoming the EVP in 2016	Served as President of different divisions since 2015
Employment history	Has been the head of different divisions within Berry Global for over 20 years	Was an Audit Manager at Ernst & Young as well as being a Controller at USA group	Holds a Bachelor of Accounting, Master of Accounting and Juris Doctor from University of Florida	Worked at AVINTIV as the president of EMEIA Global B&G until being acquired by Berry in 2015
Total Compensation	\$10,078,611	\$3,252,462	\$2,417,217	\$3,138,697
Market Value of Shareholdings	\$55,213,200	\$41,013,000	\$16,799,580	\$9,072,000

## Total Compensation/Base Salary Multiple



## Short-Term Impacts

- Robust growth in consumer packaging and health, hygiene & specialties
- Large spurts in growth in specific end market Berry serves, ex: pharmaceutical and health care grew 12.7% in 2021
- Low cost of capital due to low interest rates make large investment opportunities more attractive

## Long-Term Impacts

- Berry's production facilities have implemented additional PPE and health and safety protocols
- Long-term growth projected in many of the end markets that Berry serves: food and beverage (4.% CAGR from 2021-2028), personal care 2020-2025 (5.1% CAGR from 2021-2025), pharmaceutical and healthcare (9.0% CAGR from 2021-2025), household cleaning (4.5% CAGR from 2020-2028), causing an overall 3.5% CAGR in the packaging and labelling industry from 2021-2026)
- Digitization and e-commerce channel growth of key industries for Berry: food and beverage, cosmetics, hardware materials, healthcare, etc.
- Additional consumer awareness of environmental impacts; Berry has invested in many new sustainability and alternative packaging partnerships and projects
- Continue to hire new employees to support the long-term growth of the company fueled by the COVID-19 pandemic
  - Helps to identify new geographic regions to expand their reach

## Consumer Packaging International



## Consumer Packaging NA



## Health, Hygiene & Specialties



## Engineered Materials



## Consumer Packaging



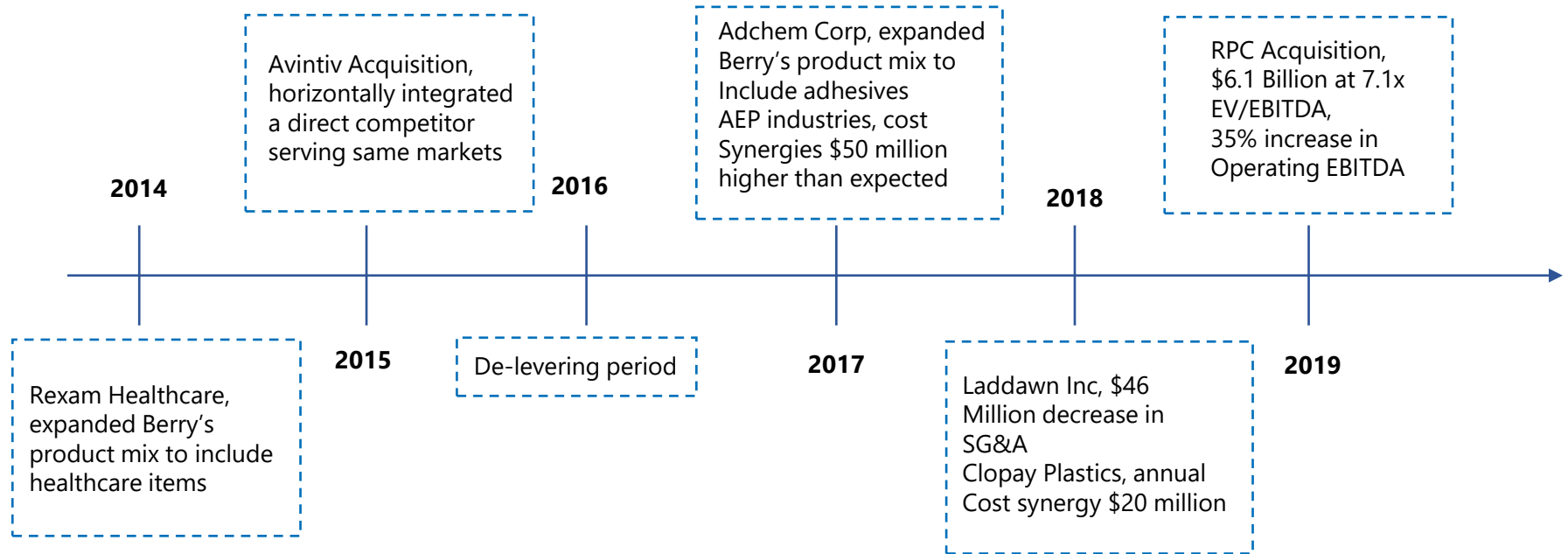
## Health, Hygiene & Specialties



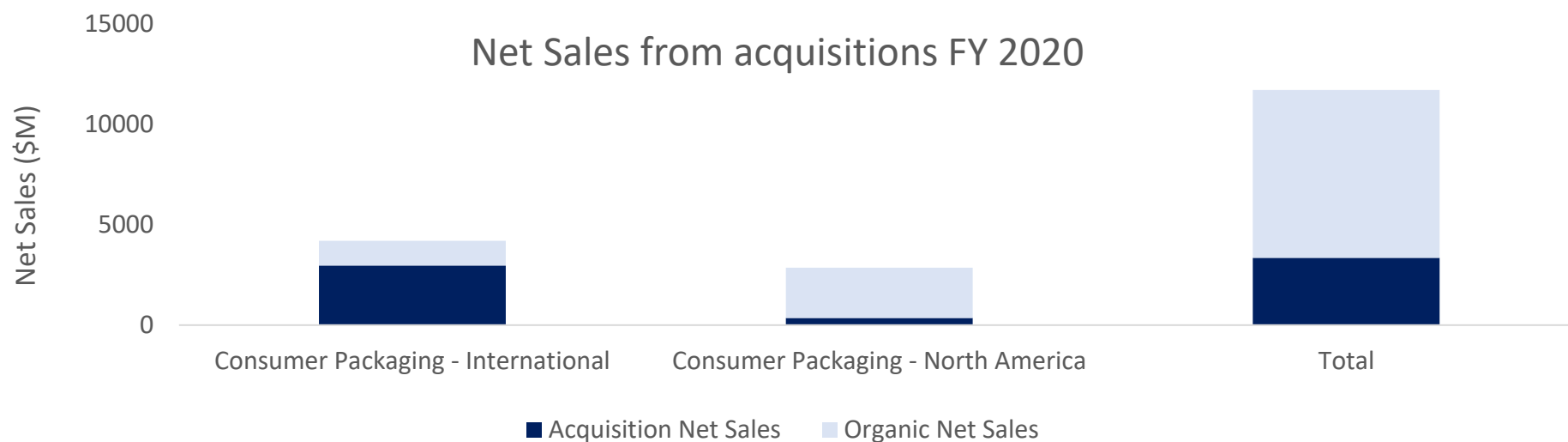
## Engineered Materials







Revenue increasing thanks to acquisitions



A focused approach to M&A with FCF to catalyze a higher valuation multiple

### Berry's buying criteria

1. Long-term financial performance
2. Enhancing and broadening their market positions
3. Leveraging their existing and introducing complementary product lines

### Targeting post-synergy multiples

1. Leverage acquired products
2. Create new platforms
3. Assuming targets' best practices

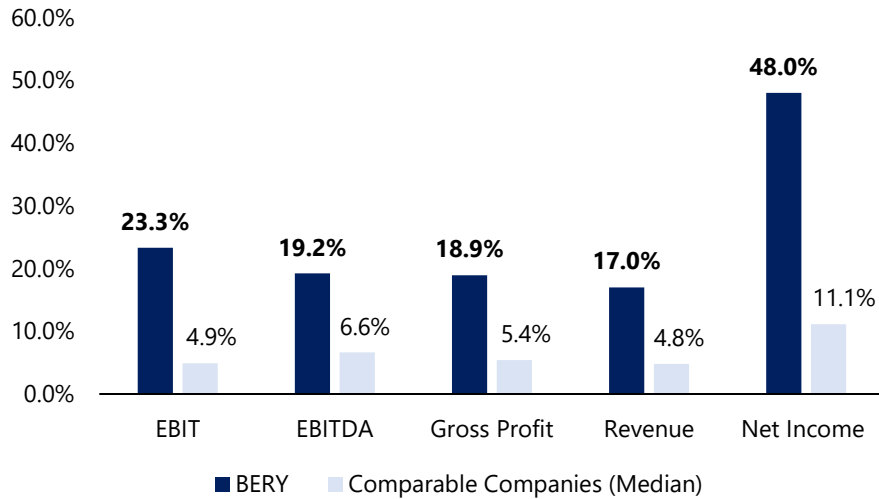
## Suppliers (as a % of COGS)



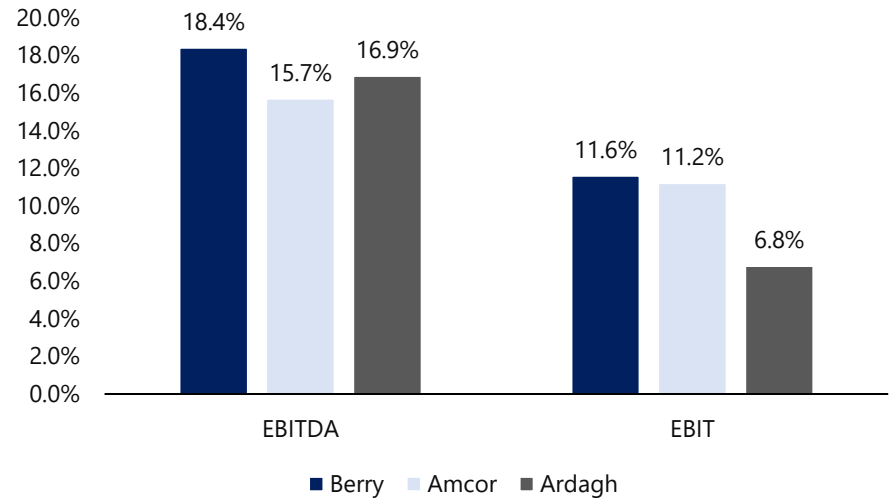
## Customers (as a % of Revenue)



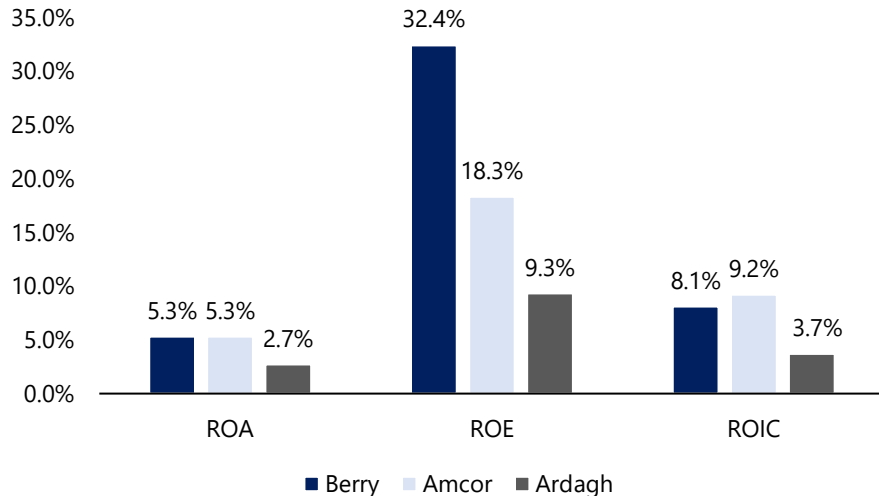
## 5-Yr Compound Annual Growth Rate



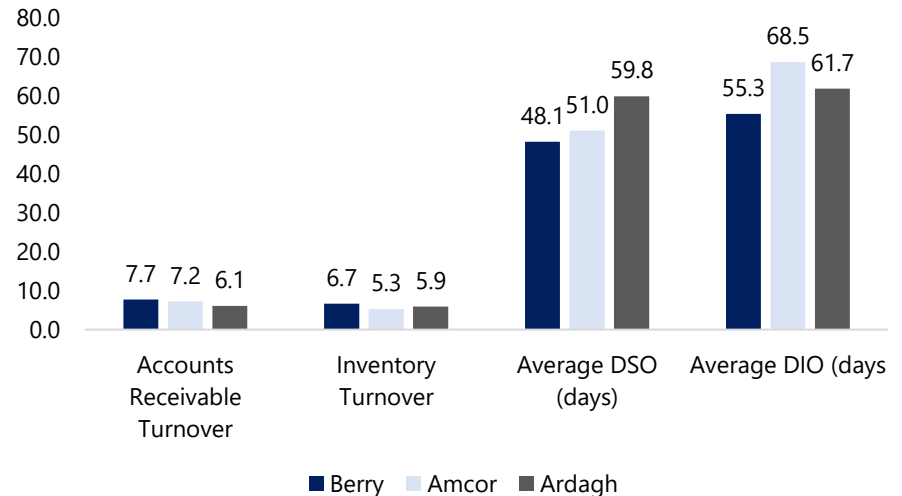
## Margin Profiles



## Profitability Ratios



## Efficiency Ratios



# APPENDIX XV | DCF Assumptions

Berry Global Inc.											
Assumptions - In \$MM USD	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
<b>Revenue Build</b>											
<b>Total Revenue</b>	13850	12,522	15,553	18,675	21,890	25,202	28,613	32,126	35,745	39,472	39,743
% growth	18.3%	-9.6%	24.2%	20.1%	17.2%	15.1%	13.5%	12.3%	11.3%	10.4%	0.7%
% Organic		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
% from acquisitions			22.5%	18.7%	16.0%	14.1%	12.6%	11.4%	10.5%	9.7%	0.0%
<b>Revenue from Acquisitions</b>	2,655	5,390	8,206	11,108	14,096	17,174	20,344	23,609	26,972	30,437	30,437
<b>Organic Revenue</b>	6,925	7,133	7,347	7,567	7,794	8,028	8,269	8,517	8,772	9,036	9,307
<b>P&amp;L</b>											
<b>COGS</b>	11,352	9,893	12,256	14,678	17,162	19,708	22,318	24,994	27,738	30,551	30,682
% of revenue	82.0%	79.0%	78.8%	78.6%	78.4%	78.2%	78.0%	77.8%	77.6%	77.4%	77.2%
Case 1:											
Case 2:		79.0%	78.8%	78.6%	78.4%	78.2%	78.0%	77.8%	77.6%	77.4%	77.2%
Case 3:											
<b>SG&amp;A</b>	849	806	988	1,175	1,368	1,567	1,772	1,983	2,201	2,425	2,655
% of revenue	6.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Case 1:											
Case 2:		7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Case 3:											
<b>Depreciation &amp; Amortization</b>	566.0	500.9	622.1	747.0	875.6	1,008.1	1,144.5	1,285.0	1,429.8	1,578.9	1,589.7
<b>Depreciation &amp; Amortization</b>	566.0	500.9	509.5	630.9	756.1	884.9	1,017.7	1,154.4	1,295.3	1,440.3	1,589.7
% of revenue	4.09%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Case 1:											
Case 2:		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Case 3:											
<b>Accumulated Depreciation</b>	3822	4,322.9	4,832.4	5,463.3	6,219.4	7,104.3	8,122.0	9,276.4	10,571.7	12,012.0	13,601.7

Berry Global Inc.											
Assumptions - In \$MM USD	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
<b>Balance Sheet</b>											
<b>Accounts Receivable</b>	1,879.0	1,627.9	2,021.9	2,427.7	2,845.7	3,276.2	3,719.6	4,176.4	4,646.8	5,131.4	5,166.6
as a % of revenue	14%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
<b>Inventory</b>	1,907	1,484	1,838	2,202	2,574	2,956	3,348	3,749	4,161	4,583	4,602
as a % of COGS	17%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
<b>Prepaid expenses</b>	217.0	197.9	245.1	293.6	343.2	394.2	446.4	499.9	554.8	611.0	613.6
as a % of COGS	2%	2.0%	2%	2%	2%	2%	2%	2%	2%	2%	2%
<b>Other Current Assets</b>	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0
as a % of revenue	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
<b>Accounts Payable</b>	2,041.0	1,090.7	1,351.2	1,618.3	1,544.6	1,773.7	2,008.6	2,374.4	2,635.1	2,902.4	2,914.8
as a % of COGS	18%	11%	11%	11%	9%	9%	9%	10%	10%	10%	10%
<b>Accrued Expenses</b>	440.0	423.1	524.1	627.8	734.0	842.8	954.5	1,068.9	1,186.3	1,306.6	1,312.2
as a % of COGS	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
<b>Unearned revenue, current</b>	-	-	-	-	-	-	-	-	-	-	-
as a % of revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Current Income Taxes Payable</b>	-	-	-	-	-	-	-	-	-	-	-
as a % of revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Other Current Liabilities</b>	132.0	132.0	132.0	132.0	132.0	132.0	132.0	132.0	132.0	132.0	132.0
as a % of COGS	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
<b>NWC</b>	1,552	1,826	2,260	2,707	3,515	4,040	4,581	5,012	5,571	6,146	6,186
<b>% of revenue</b>		14.58%	14.53%	14.50%	16.06%	16.03%	16.01%	15.60%	15.59%	15.57%	15.56%
Change in NWC	(2)	272	434	447	808	525	541	431	559	575	39
% of increase in revenue											

Berry Global Inc.											
Assumptions - In \$MM USD	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
<b>Short Term Borrowings</b>	-	-	-	-	-	-	-	-	-	-	-
as a % of revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>PP&amp;E, net</b>	5,239.0	5,310.8	5,656.8	6,053.0	6,500.8	7,002.0	7,558.0	8,170.5	8,841.2	9,571.8	10,168.0
% of revenue	37.8%	42.4%	36.4%	32.4%	29.7%	27.8%	26.4%	25.4%	24.7%	24.2%	25.6%
<b>PP&amp;E, gross</b>	9061.0	6,500	7,022	7,711	8,461	9,273	10,149	11,092	12,102	13,183	13,944
% of revenue	65%	52%	45%	41%	39%	37%	35%	35%	34%	33%	35%
<b>Cash Flow</b>											
<b>Capex</b>	-676	(688.7)	(855.4)	(1,027.1)	(1,203.9)	(1,386.1)	(1,573.7)	(1,766.9)	(1,966.0)	(2,171.0)	(2,185.9)
% of revenue	4.88%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

## Summary - In \$MM USD

Total \$ Deployed	22,500
10-Year IRR	7%
Payback in Years	0
Historic 4-Yr Avg. Spend	

## Berry Global Inc. Acquisition Criteria - In \$MM USD

EBITDA	250.00
Acquisitions per year	1
EV/EBITDA Multiple	9.0x
Revenue	2,655
Capital Deployed/Year	2,250
Marginal Tax Rate:	28.79%

## Forecasted Acquisition Activity

In \$MM USD	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Capital Deployed/Year	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
EV/EBITDA										

## Income Statement

Revenue	2,655	5,390	8,206	11,108	14,096	17,174	20,344	23,609	26,972	30,437
COGS	(2,108)	(4,279)	(6,516)	(8,819)	(11,192)	(13,636)	(16,153)	(18,746)	(21,416)	(24,167)
Gross Profit	547	1,110	1,691	2,288	2,904	3,538	4,191	4,863	5,556	6,270
SG&A	(297)	(464)	(636)	(813)	(995)	(1,183)	(1,376)	(1,575)	(1,780)	(1,992)
EBITDA	250	647	1,055	1,476	1,909	2,355	2,815	3,288	3,776	4,278
Depreciation	(106.2)	(215.6)	(328.3)	(444.3)	(563.8)	(686.9)	(813.8)	(944.4)	(1,078.9)	(1,217.5)
Amortization	-	-	-	-	-	-	-	-	-	-
EBIT	144	431	727	1,031	1,345	1,668	2,001	2,344	2,697	3,061



## Custom Sustainable Packaging Partnerships

- Agreement with Mondelez international to produce Philadelphia cream cheese packaging using recycled content from waste in other packaging processes
- Closed loop plastic film recycling partnership with Georgia-Pacific recycling
- New custom plastic solution for Booster-S spray, manufactured using only recyclable materials
- Partnered with Bhoomi in the development of a 100% sugar-cane based bottle

## Sustainability Focused Certifications

- Received ISCC+ certification. At 9 facilities, demonstrated traceability of recycled and bio-based polymers across supply chain
- Ranked in the 13th percentile by Sustainalytics in ESG



## “Impact 2025” Sustainability Plan Progress

- Reduce landfill waste 5% year, met expectations
- Reduce energy and water consumption by 1% per year, achieved 10% reduction from 2018-2020
- Designing 100% packaging to be reusable, recyclable or compostable, set a new record for annual usage of post consumer plastics
- Achieve 10% recycled content across fast-moving CPG markets, creating more closed loop partnerships,

## Leading Circular Economy



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