

Årsredovisning

PWS Nordic AB

Org.nr 556812-4407

Räkenskapsår 2021-10-01 - 2022-09-30

Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen för moderbolaget samt koncernresultaträkningen och koncernbalansräkningen har fastställts på årsstämma den 27/3 2023.
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Perstorp den 27/3 2023



Förvaltningsberättelse

Information om verksamheten

PWS Nordic AB är moderbolag i PWS gruppen. Gruppen marknadsför och utvecklar produkter för rationell avfallshantering från hushåll, industri, offentliga institutioner samt bostadsbolag. Koncernen äger tillgångar för framställning av produkter som legotillverkas huvudsakligen inom formsprutnings-branschen. Huvudmarknaden är främst i Norden.

Väsentliga händelser under räkenskapsåret.

Under 2021/2022 fortsatte organisationen att genomföra ett flertal projekt med fokus på cirkulär ekonomi då uttjänta plastkärl återvinns. Det återvunna materialet kommer senare efter tvättning och kvalitetskontroll att användas för produktion av nya behållare. Produktion av kärl bedrivs delvis i Sverige (Perstorp) där underleverantörer producerar åt bolaget. Under senare delen av året har det noterats att råvarupriser ökat signifikant samt att fortsatt ökning av transportpriser och energipriser.

Under året har spridningen av coronaviruset påverkat företagets verksamhet, ställning och resultat framförallt det första halvåret i form av minskade antal projekt medan daglig verksamhet har ökat. Företaget har inte tagit del av de statliga stöd som delats ut med anledning av coronapandemin.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer

PWS Nordic AB är moderbolag i PWS gruppen, som består av dotterbolagen PWS Danmark AS och PWS Finland OY, som marknadsför och utvecklar rationella och miljöanpassade produkter för avfallshantering med Norden som marknad. PWS produkter är anpassade för avfall från hushåll, industri, bostadsbolag samt offentlig verksamhet. Produktportföljen innefattar allt från 2 liters mjukplastinsamlare till 5 m³ underjordiska behållare. Ett ökat intresse för cirkulär ekonomi tillsammans med tilltagande sortering av avfallet i fler fraktioner samt en växande befolkning kommer på sikt att vara gynnsamt för PWS. Bolaget utvecklar tillsammans med sina uppdragsgivare kundspecifika lösningar för att få en hållbar och rationell avfallshantering som passar alla.

Bolaget ser ljus på framtiden med möjlighet till stärkt marknadsposition. Under året har Regeringen tagit beslut om att kommunerna tar över ansvaret för att samla in förpackningsavfall från och med 2024, från alla hushåll i Sverige. Den Fastighetsnära Insamlingen (FNI) innebär att fastighetsägare ansvarar för att iordningsställa återvinningskärl för de boende senast 2027.

Utifrån den kunskap styrelse och ledning har gällande bolagets verksamhet under det kommande året föreligger det inga väsentliga risker eller osäkerheter.

Hållbarhetsrapport

I enlighet med ÄRL 6 kap 10-11§§ har PWS Nordic AB upprättat hållbarhetsrapporten som en ifrån årsredovisningen avskild rapport. Hållbarhetsrapporten finns tillgänglig på www.pwsab.se/hem/haallbarhet. Hållbarhetsrapporten har rapporterats till revisorn inom samma tid som årsredovisningen.

Ägarförhållanden

PWS Nordics moderbolag är ESE Sweden Holding AB. org.nummer 559025-2234, med säte i Perstorp vilket bolag i ägs av RPC Pisces Holdings Ltd., org.nummer 09304955 med säte i Rushden, Northamptonshire, UK. RPC Pisces Holdings Ltd, ägs i sin tur av Berry Global Inc, USA. reg nr 20-5234618 vars koncernredovisning finns under <https://ir.berryglobal.com/news-releases/news-release-details/berry-global-group-inc-reports-fourth-quarter-and-fiscal-year-3>

Flerårsöversikt

	2021/2022	2020/2021	2019/2020	2018/2019
	(12 månader)	(12 månader)	(18 månader)	(12 månader)
Nettoomsättning (tkr)	456 546	528 976	789 659	498 715
Resultat efter finansiella poster (tkr)	89 157	124 567	160 495	132 219
Rörelsemarginal (%)	15,0%	25,2%	17,2%	23,9%
Avkastning på eget kapital (%)	32,7%	33,0%	34,2%	35,9%
Balansomslutning (tkr)	416 290	346 672	809 660	695 140
Soliditet (%)	74,2%	68,3%	64,2%	60,2%
Antal anställda	27	25	25	22

Nyckeltalsdefinitioner, se not 1.

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Förändringar i eget kapital

	Aktie- kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	50	15 285	84 077	99 412
Överföring resultat föregående år enligt beslut på årsstämma		84 077	-84 077	0
Årets resultat			60 779	60 779
Belopp vid årets utgång	50	99 362	60 779	160 191

Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel

Balanserat resultat		99 361 353
Årets resultat		60 779 262
	Kronor	<u>160 140 615</u>
disponeras så att		
i ny räkning överföres		160 140 615
	Kronor	<u>160 140 615</u>

Resultaträkning

	Not	2021-10-01 -2022-09-30	2020-10-01 -2021-09-30
TKR			
Nettoomsättning	2, 3	456 546	528 976
Övriga rörelseintäkter		12 731	23 491
		469 277	552 467
<i>Rörelsens kostnader</i>			
Handelsvaror	3	-301 241	-297 979
Övriga externa kostnader	4, 5	-68 837	-80 172
Personalkostnader	6	-30 122	-35 745
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	7	-452	-5 016
Övriga rörelsekostnader		0	0
		-400 652	-418 912
Rörelseresultat		68 625	133 555
<i>Resultat från finansiella poster</i>			
Övriga ränteintäkter och liknande resultatposter	8	20 562	14 699
Räntekostnader och liknande resultatposter	9	-30	-23 687
		20 532	-8 988
Resultat efter finansiella poster		89 157	124 567
Bokslutsdispositioner	10	-12 116	-16 959
Resultat före skatt		77 041	107 608
Skatt på årets resultat	11	-16 262	-23 531
Årets resultat		60 779	84 077

Balansräkning

TKR

Not 2022-09-30 2021-09-30

TILLGÅNGAR

Anläggningstillgångar

Immateriella anläggningstillgångar

Goodwill

12 0 0
0 0

Materiella anläggningstillgångar

Inventarier, verktyg och installationer

13 544 878
544 878

Finansiella anläggningstillgångar

Andelar i koncernföretag

14 672 672
672 672

Summa anläggningstillgångar

1 216 1 550

Omsättningstillgångar

Varulager m.m.

Varor under tillverkning

272 487

Färdiga varor och handelsvaror

28 362 24 396

Förskott till leverantörer

451 898

29 085 25 781

Kortfristiga fordringar

Kundfordringar

63 644 60 743

Fordringar hos koncernföretag

286 929 231 671

Aktuell skattefordran

11 996 11 891

Förutbetalda kostnader och upplupna intäkter

15 2 720 2 649

365 289 306 954

Kassa och bank

20 700 12 387

Summa omsättningstillgångar

415 074 345 122

SUMMA TILLGÅNGAR

416 290 346 672

Balansräkning

	Not	2022-09-30	2021-09-30
EGET KAPITAL OCH SKULDER			
<i>Eget kapital</i>	16		
<i>Bundet eget kapital</i>			
Aktiekapital (500 aktier)		50	50
		50	50
<i>Fritt eget kapital</i>			
Balanserat resultat		99 362	15 285
Årets resultat		60 779	84 077
		160 141	99 362
		160 191	99 412
<i>Obeskattade reserver</i>	17	187 146	175 030
<i>Kortfristiga skulder</i>			
Leverantörsskulder		26 664	20 659
Skulder till koncernföretag		21 538	16 990
Övriga skulder		4 519	7 800
Upplupna kostnader och förutbetalda intäkter	18	16 232	26 781
		68 953	72 230
SUMMA EGET KAPITAL OCH SKULDER		416 290	346 672

Kassaflödesanalys

	2021-10-01 -2022-09-30	2020-10-01 -2021-09-30
Den löpande verksamheten		
Rörelseresultat	68 625	133 555
Justeringar för poster som inte ingår i kassaflödet		
Avskrivningar och nedskrivningar	452	5 118
	69 077	138 673
Erhållen ränta mm	9 768	14 699
Erlagd ränta mm	-30	-1 952
Betald inkomstskatt	-16 367	-38 163
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	62 448	113 257
<i>Förändringar i rörelsekapital</i>		
Förändring av varulager	-3 304	6 426
Förändring av rörelsefordringar	-58 230	464 749
Förändring av rörelseskulder	-3 277	-181 283
Kassaflöde från den löpande verksamheten	-2 363	403 149
<i>Investeringsverksamheten</i>		
Förvärv av materiella anläggningstillgångar	-118	0
Kassaflöde från investeringsverksamheten	-118	0
<i>Finansieringsverksamheten</i>		
Utbetald utdelning	0	-380 000
Kassaflöde från finansieringsverksamheten	0	-380 000
Årets kassaflöde	-2 481	23 149
Likvida medel vid årets början	12 387	10 973
Kursdifferens och andra värdeförändringar i likvida medel	10 794	-21 735
Likvida medel vid årets slut	20 700	12 387

Tilläggsupplysningar

Not 1 Redovisnings- och värderingsprinciper

Allmänna redovisningsprinciper

PWS Nordic AB:s årsredovisning har upprättats enligt årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 *Årsredovisning och koncernredovisning (K3)*.

Bedömningar och uppskattningar

Årsredovisningen innehåller inte några bedömningar som har en betydande effekt på redovisade belopp.

Koncernredovisning

Koncernredovisning har ej upprättats med hänvisning till Årsredovisningslagen 7 kap § 2.

Bolagets verksamhet ingår i den koncernredovisning som upprättas av Berry Global Group Inc. med reg nummer 20-5234618.

Intäktsredovisning

Försäljning av varor

Intäkten redovisas till verkligt värde av vad som erhållits eller kommer att erhållas. Det innebär att intäkten redovisas till nominellt värde (fakturabelopp) om ersättning erhålls i likvida medel direkt vid leveransen. Avdrag görs för moms och rabatter.

Försäljning av varor redovisas när väsentliga risker och fördelar övergår från säljare till köpare i enlighet med försäljningsvillkoren.

Räntor och utdelning

Ränta redovisas som intäkt enligt den s.k. effektivräntemetoden.

Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.

Leasingavtal

Leasingavtal där de ekonomiska fördelar och risker som är hänförliga till leasingobjektet i allt väsentligt kvarstår hos leasegivaren, klassificeras som operationell leasing. Betalningar, inklusive en första förhöjd hyra, enligt dessa avtal redovisas som kostnad linjärt över leasingperioden.

Ersättningar till anställda

Ersättningar till anställda avser alla typer av ersättningar som koncernen lämnar till de anställda. Koncernens ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Koncernen har förmånsbestämda pensionsplaner som finansieras via Alecta, vilka redovisas som avgiftsbestämda planer då det

Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.

Koncernbidrag redovisas som bokslutsdispositioner. Koncernbidrag som lämnas till ett dotterföretag redovisas dock som en ökning av andelens redovisade värde.

Skatt

Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Fordringar och skulder netto redovisas endast när det finns en legal rätt till kvittning.

Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. I sådana fall redovisas även skatteeffekten i eget kapital.

Omräkning av poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Anläggningstillgångar

Immateriella tillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. Goodwill skrivs av linjärt över den beräknade nyttjandeperioden.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.

När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar

Goodwill 10-15 år

Materiella anläggningstillgångar

Inventarier, verktyg och installationer

Formverktyg 3-7 år

Inventarier 3-5 år

Datorer 3 år

Aktier och andelar i dotterföretag

Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Varulager

Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärdet avses varornas beräknade försäljningspris, minskat med försäljningskostnader.

Fordringar, skulder och avsättningar

Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Obeskattade reserver

Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Nyckeltal

Rörelsemarginal

Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital

Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital

Resultat efter finansiella poster i procent av justerat eget kapital.

Soliditet

Justerat eget kapital i procent av balansomslutning

Moderföretag

PWS Nordics moderbolag är ESE Sweden Holding AB, org.nummer 559025-2234, med säte i Perstorp vilket bolag i ägs av RPC Pisces Holdings Ltd., org.nummer 09304955 med säte i Rushden, Northamptonshire, UK. RPC Pisces Holdings Ltd, ägs i sin tur av Berry Global Inc, USA.

En konsoliderad rapport för Berry Global Inc. kan laddas ner på <https://ir.berryglobal.com/news-releases/news-release-details/berry-global-group-inc-reports-fourth-quarter-and-fiscal-year-3>

Not 2 Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:

	2021/2022	2020/2021
Sverige	333 040	437 955
Norden exklusive Sverige	118 583	87 889
Övriga marknader	4 923	3 132
	456 546	528 976

Not 3 Inköp och försäljning mellan koncernföretag

	2021/2022	2020/2021
Andel av årets totala inköp som skett från andra företag inom koncernen	68,0%	71,0%
Andel av årets totala försäljning som skett till andra företag inom koncernen	8,5%	8,3%

Not 4 Arvode till revisorer

	2021/2022	2020/2021
<i>Öhrlings PriceWaterhouseCoopers AB</i>		
Revisionsuppdraget	363	398
Skatterådgivning	45	44
Övriga tjänster	28	25
	436	467

Not 5 Leasingavtal - leasetagare

Operationell leasing

	2021/2022	2020/2021
Framtida minimileaseavgifter som ska erläggas avseende ej uppsägningsbara operationella leasingavtal		
Förfaller till betalning inom 1 år	1 206	1 118
Förfaller till betalning senare än 1 år men inom 5 år	1 206	2 935
Förfaller till betalning senare än 5 år	0	0
	2 412	4 053
Kostnadsförda leasingavgifter avseende operationella leasingavtal (lokalhyra och tjänstbilar)	1 495	1 534

Förutom hyra av lokaler, avser avtalen leasing av bilar för transportändamål. Bilar leasas på tre år med möjlighet till utköp. Bolaget har inga finansiella leasingavtal. Företaget har inte ingått några väsentliga leasingavtal under året.

Not 6 Anställda och personalkostnader

<i>Medelantalet anställda</i>	2021/2022	2020/2021
Män	16	14
Kvinnor	11	11
	27	25

Löner och andra ersättningar

Styrelse och verkställande direktör	1 701	1 598
Övriga anställda	16 959	21 104
	18 660	22 702

Tantien till styrelse och verkställande direktör ingår med 336 295

Pensions- och övriga sociala kostnader

Pensionskostnader för styrelse och verkställande direktör	194	191
Pensionskostnader för övriga anställda	3 558	3 400
Övriga sociala kostnader enligt lag och avtal	6 947	8 384
	10 699	11 975

Företagets utestående pensionsförpliktelser till styrelse och verkställande direktör uppgår till 0 (f.å. 0).

Not 6 Anställda och personalkostnader, fortsättning

Könsfördelning bland ledande befattningshavare

	2022-09-30	2021-09-30
Andel kvinnor i styrelsen	33%	0%
Andel män i styrelsen	67%	100%
Andel kvinnor bland övriga ledande befattningshavare	33%	0%
Andel män bland övriga ledande befattningshavare	67%	100%

Uppgifterna avser förhållandet på balansdagen.

Not 7 Avskrivningar

Avskrivningar av materiella anläggningstillgångar uppgår till 452 tkr (1 031 tkr). Avskrivningar av immateriella anläggningstillgångar uppgår till 0 tkr (3 986 tkr).

Not 8 Övriga ränteintäkter och liknande resultatposter

	2021/2022	2020/2021
Ränteintäkter från koncernföretag	9 768	14 699
Kursdifferenser	10 794	0
	20 562	14 699

Not 9 Räntekostnader och liknande resultatposter

	2021/2022	2020/2021
Räntekostnader till koncernföretag	0	1 901
Övriga räntekostnader	30	51
Kursdifferenser	0	21 735
	30	23 687

Not 10 Bokslutsdispositioner

	2021/2022	2020/2021
Aterföring från periodiseringsfond	14 199	19 693
Avsättning till periodiseringsfond	-26 315	-36 652
	-12 116	-16 959

Not 11 Skatt på årets resultat

	2021/2022	2020/2021
Aktuell skatt	16 262	23 531
Summa redovisad skatt	16 262	23 531
Genomsnittlig effektiv skattesats	21,1%	21,9%
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	77 041	107 608
Skatt på redovisat resultat enligt gällande skattesats (20,6%/21,4%):	15 870	23 028
Skatteeffekt av:		
Ej avdragsgill avskrivning på goodwill	0	853
Övriga ej avdragsgilla kostnader	392	309
Koncernkvittning ränta	0	-659
Redovisad skatt	16 262	23 531
Effektiv skattesats	21,1%	21,9%

Not 12 Goodwill

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	165 557	165 557
Utgående ackumulerade anskaffningsvärden	165 557	165 557
Ingående avskrivningar	-165 557	-161 571
Årets avskrivningar	0	-3 986
Utgående ackumulerade avskrivningar	-165 557	-165 557
Utgående redovisat värde	0	0

Not 13 Inventarier, verktyg och installationer

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	19 886	19 886
Årets anskaffningar	118	0
Utgående ackumulerade anskaffningsvärden	20 004	19 886
Ingående avskrivningar	-19 008	-17 977
Årets avskrivningar	-452	-1 031
Utgående ackumulerade avskrivningar	-19 460	-19 008
Utgående redovisat värde	544	878

Not 14 Andelar i koncernföretag

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	672	672
Utgående ackumulerade anskaffningsvärden	672	672
Utgående redovisat värde	672	672

Specifikation av andelar i koncernföretag

Namn	Kapital- andel	Rösträtts- andel	Bokfört	Bokfört
			värde 2022-09-30	värde 2021-09-30
PWS Danmark A/S	100%	100%	629	629
PWS Finland Oy	100%	100%	43	43
			672	672

	Org.nr.	Säte	Eget kapital	Årets resultat
PWS Danmark A/S	31482631	Danmark	207 039	53 034
PWS Finland Oy	2568160-7	Finland	12 652	208

Not 15 Förutbetalda kostnader och upplupna inäkter

	2022-09-30	2021-09-30
Förutbetalda hyreskostnader	657	76
Förutbetalda projektkostnader	206	7
Övriga förutbetalda kostnader	1 857	2 566
	2 720	2 649

Not 16 Eget kapital

Bolaget har 500 aktier med ett kvotvärde på 100 kr.

Not 17 Obeskattade reserver

	2022-09-30	2021-09-30
Periodiseringsfond avsatt 2015	0	14 199
Periodiseringsfond avsatt 2016	35 122	35 122
Periodiseringsfond avsatt 2017/2018	9 209	9 209
Periodiseringsfond avsatt 2018/2019	41 610	41 610
Periodiseringsfond avsatt 2019/2020	38 238	38 238
Periodiseringsfond avsatt 2020/2021	36 652	36 652
Periodiseringsfond avsatt 2021/2022	26 315	0
	187 146	175 030

Not 18 Upplupna kostnader och förutbetalda intäkter

	2022-09-30	2021-09-30
Upplupna löner	5 950	10 289
Upplupna sociala avgifter	3 651	5 400
Övriga upplupna kostnader	6 631	11 092
	16 232	26 781

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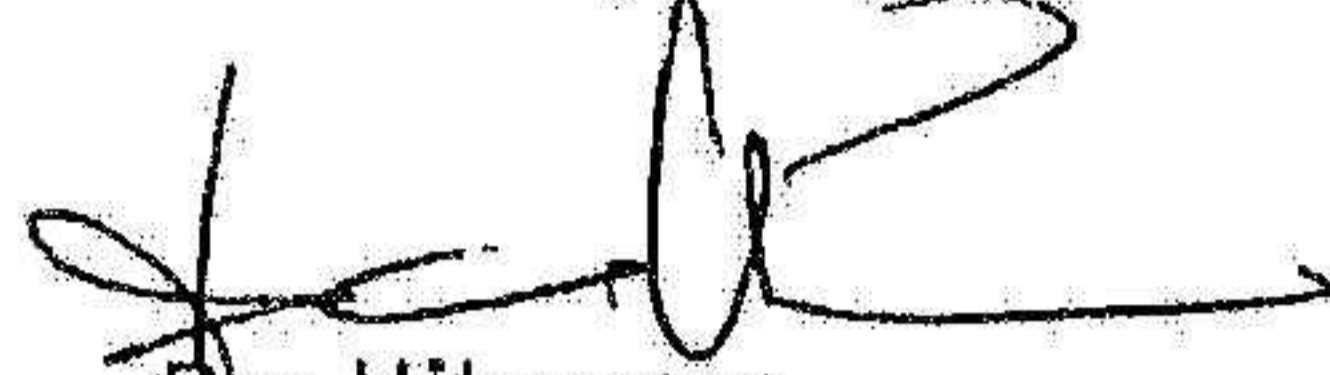
PWS Nordic AB
556812-4407

Not 19 Händelser efter räkenskapsårets utgång

Det har inte inträffat några händelser efter den 30 september 2022 som har påverkat företagets ställning.

Perstorp

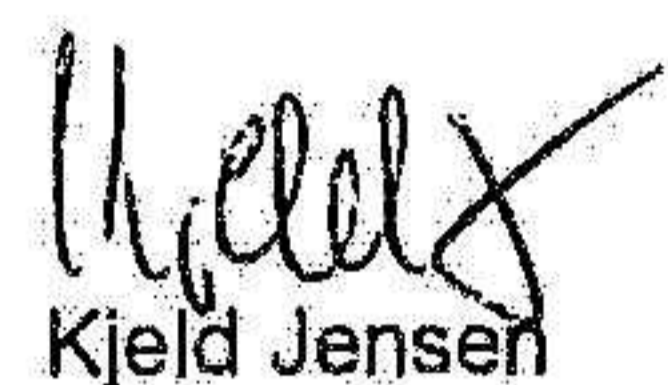
2023-03-14



Dan Håkansson
Verkställande direktör, ordförande



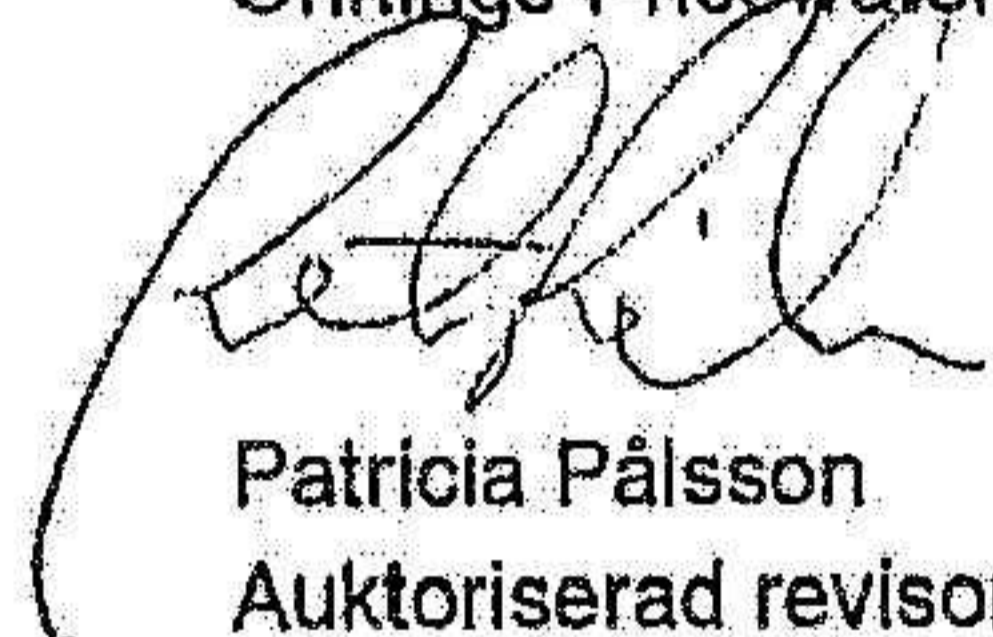
Danica Palm



Kjeld Jensen

Vår revisionsberättelse har lämnats 2023-03-21

Öhrlings PricewaterhouseCoopers AB



Patricia Pålsson
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i PWS Nordic AB, org.nr 556812-4407

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för PWS Nordic AB för räkenskapsåret 1 oktober 2021 till 30 september 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av PWS Nordic ABs finansiella ställning per den 30 september 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för PWS Nordic AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till PWS Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för PWS Nordic AB för räkenskapsåret 1 oktober 2021 till 30 september 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till PWS Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.


Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Helsingborg den 21 mars 2023

Öhrlings PricewaterhouseCoopers AB



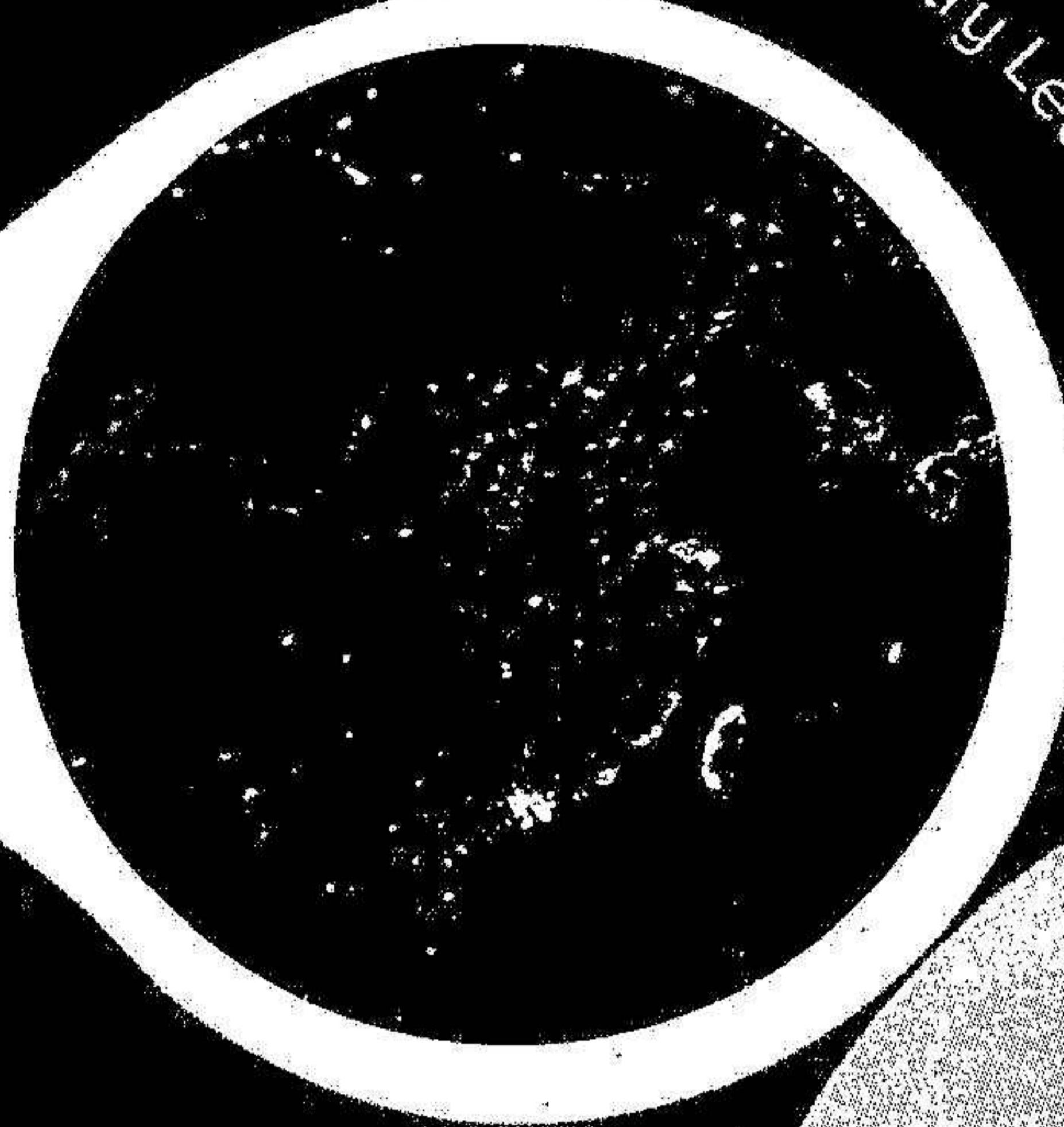
Patricia Pålsson
Auktoriserad revisor

2022

Annual Report

2023051118215

A Global Industry Leader



Proven Growth Platform



A Leader in Sustainability



Stable End Markets with Favorable Long-term Dynamics



INNOVATION FOR THE WORLD
SOLUTIONS FOR YOU



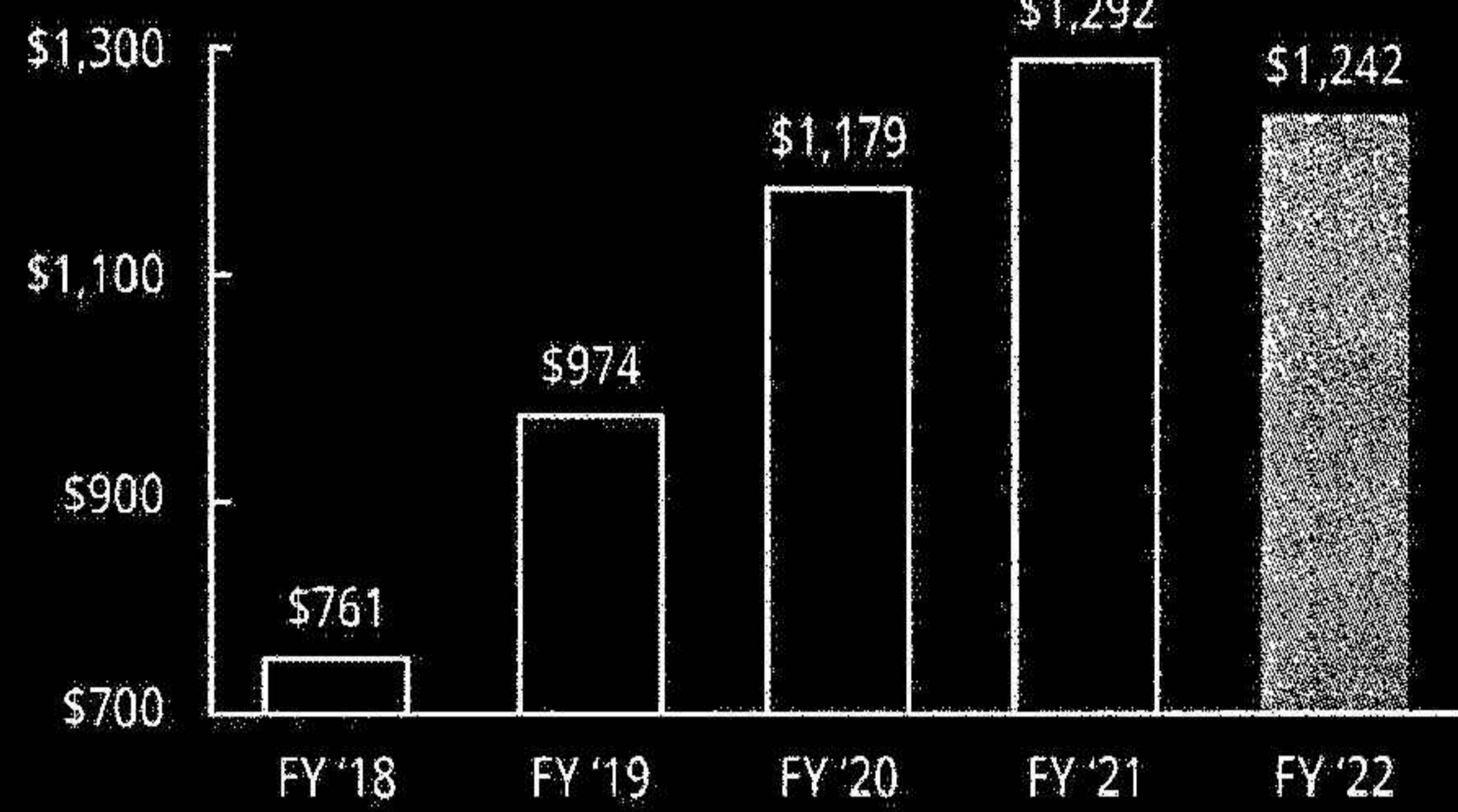
2022 Fiscal Review*

FISCAL YEARS ENDED	OCTOBER 1, 2022	OCTOBER 2, 2021	% CHANGE	COMPARABLE BASIS % CHANGE
Net sales	\$14,495	\$13,850	5%	10%
Operating income	1,242	1,292	-4%	-
Operating EBITDA	2,101	2,224	-6%	-1%
Adjusted EPS	7.40	7.21	3%	7%

Net Sales



Operating Income



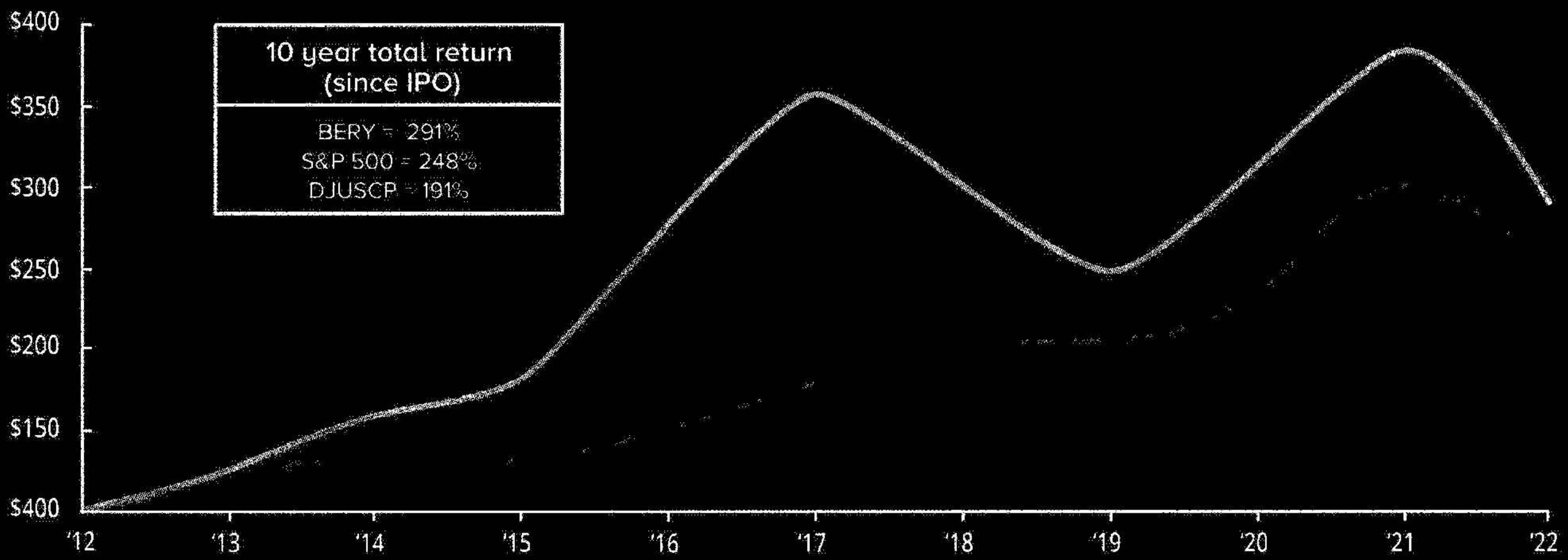
Operating EBITDA



Adjusted EPS



Stock Performance**



Berry Global Group, Inc.

Dow Jones US Containers & Packaging Index

S&P 500 Index

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

FORM 10-K

2023051118216

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended October 1, 2022

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 Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	BERY	New York Stock Exchange LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 Small 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 has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).
Yes No

The aggregate market value of the common stock of the registrant held by non-affiliates was approximately \$8.0 billion as of April 2, 2022, the last business day of the registrant's most recently completed second fiscal quarter. The aggregate market value was computed using the closing sale price as reported on the New York Stock Exchange. As of November 18, 2022, there were 124.1 million shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Berry Global Group, Inc.'s Proxy Statement for its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this report.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Information included in or incorporated by reference in this Form 10-K and other filings with the U.S. Securities and Exchange Commission (the "SEC") and the Company's press releases or other public statements, contains 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 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.

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Item 1. BUSINESS

(In millions of dollars, except as otherwise noted)

General

Berry Global Group, Inc. (“Berry,” “we,” or the “Company”) is a leading global supplier of a broad range of innovative rigid, flexible and non-woven products. We sell our products predominantly into stable, consumer-oriented end markets, such as healthcare, personal care, and food and beverage. Our customers consist of a diverse mix of leading global, national, mid-sized regional and local specialty businesses. The size and scope of our customer network allows us to introduce new products we develop or acquire to a vast audience that is familiar with our business. For the fiscal year ended October 1, 2022 (“fiscal 2022”), no single customer represented more than 5% of net sales and our top ten customers represented 15% of net sales. We believe our manufacturing processes, manufacturing footprint and our ability to leverage our scale to reduce costs, positions us as a low-cost manufacturer relative to our competitors.

Additional financial information about our segments is provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the “Notes to Consolidated Financial Statements,” which are included elsewhere in this Form 10-K.

Segment Overview

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 improved service, drive future growth, and to optimize costs.

Consumer Packaging International

The Consumer Packaging International segment is a manufacturer of rigid products that primarily services non-North American markets. Product groups within the segment include Closures and Dispensing Systems, Pharmaceutical Devices and Packaging, Bottles and Canisters, Containers, and Technical Components. In fiscal 2022, Consumer Packaging International accounted for 30% of our consolidated net sales.

Consumer Packaging North America

The Consumer Packaging North America segment is a manufacturer of rigid products that primarily services North American markets. Product groups within the segment include Containers and Pails, Foodservice, Closures, Bottles and Prescription Vials, and Tubes. In fiscal 2022, Consumer Packaging North America accounted for 24% of our consolidated net sales.

Engineered Materials

The Engineered Materials segment is a manufacturer of flexible products that services primarily North American and European markets. Product groups within the segment include Stretch and Shrink Films, Converter Films, Institutional Can Liners, Food and Consumer Films, Retail Bags, and Agriculture Films. In fiscal 2022, Engineered Materials accounted for 24% of our consolidated net sales.

Health, Hygiene & Specialties

The Health, Hygiene & Specialties segment is a manufacturer of non-woven and related products that services global markets. Product groups within the segment include Healthcare, Hygiene, Specialties, and Tapes. In fiscal 2022, Health, Hygiene & Specialties accounted for 22% of our consolidated net sales.

Marketing, Sales, and Competition

We reach our large and diversified customer base through a direct sales force of dedicated professionals and the strategic use of distributors. Our scale enables us to dedicate certain sales and marketing efforts to particular products or customers, when applicable, which enables us to develop expertise that we believe is valued by our customers.

The major markets in which the Company sells its products are highly competitive. Areas of competition include service, innovation, quality, and price. This competition is significant as to both the size and the number of competing firms. Competitors include but are not limited to Amcor, Silgan, Aptar, Pactiv Evergreen, 3M, and Fitesa.

Raw Materials

Our primary raw material is polymer resin. 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. While temporary industry-wide shortages of raw materials have occurred, we have historically been able to manage the supply chain disruption by working closely with our suppliers and customers. Changes in the price of raw materials are generally passed on to customers through contractual price mechanisms over time, during contract renewals and other means.

Patents, Trademarks and Other Intellectual Property

We customarily seek patent and trademark protection for our products and brands while seeking to protect our proprietary know-how. While important to our business in the aggregate, sales of any one individually patented product is not considered material to any specific segment or the consolidated results.

Environmental and Sustainability

We believe there will always be a leading role for Berry's product offerings due to our ability to promote customer brands by providing superior clarity, protection, design versatility, consumer safety, convenience, cost efficiency, barrier properties, and environmental performance. We collaborate with customers, suppliers, and innovators to create industry-leading solutions which offer lighter weight products, enable longer shelf-life, and protect products throughout supply chains.

Sustainability is comprehensively embedded across our business, from how we run our manufacturing operations more efficiently to the investments we are making in sustainable packaging. We believe responsible packaging is the answer to achieving less waste and that responsible packaging requires four things — innovative design, continued development of renewable and advanced raw materials, waste management infrastructure, and consumer participation. Berry is committed to responsible packaging and has (1) targeted 100% reusable, recyclable, or compostable packaging by 2025, (2) significantly increased our use of circular materials by entering into offtake agreements for both mechanically recycled and advanced recycled materials as well as expanded our own recycling operations in North America and Europe in order to meet our targeted 10% recycled content by 2025, and (3) worked to drive greater recycling rates around the world. With our global scale, deep industry experience, and strong capabilities, we are uniquely positioned to assist our customer in the design and development of more sustainable packaging.

We also work globally on continuous improvement of employee safety, energy usage, water efficiency, waste reduction, recycling and reducing our Green house Gas (GHG) emissions. Our teams focus on improving the circularity and reducing the carbon footprint of our products. We anticipate higher demand for products with lower emissions intensity where polymer resin based products are inherently well positioned since they typically have lower GHG emissions per functional unit compared to heavier alternatives such as paper, metal and glass. Additionally, there is also significant work being done on the use of recycled and bio-based content, which typically has lower associated GHG emissions compared to other virgin materials.

Human Capital and Employees

Overview

Berry's mission of 'Always Advancing to Protect What's Important' has never been more critical as we are proud to work alongside our customers to supply products that are essential to everyday life. We continue to prioritize the health and well-being of the communities we serve as well as our employees and their families, as our global teams remain dedicated to continuingly working with our business partners to ensure critical key supply chains remain uninterrupted and operational.

Health and Safety

Employee safety is our number one core value. We believe when it comes to employee safety, our best should always be our standard. It is through the adherence to our global Environment, Health, and Safety principles we have been able to identify and mitigate operational risks and drive continuous improvement, resulting in an OSHA incident rate below 1.0 which is significantly lower than the industry average.

Talent and Development

We seek to attract, develop and retain talent throughout the company. Our succession management strategy focuses on a structured succession framework and multiple years of performance. Our holistic approach to developing key managers and identifying future leaders includes challenging assignments, formal development plans and professional coaching. Resources to support employee development include operational programs, university partnerships, internal e-learning requirements, tuition reimbursement programs, and apprenticeships.

Employee Engagement

We seek to ensure that everyone is motivated to perform every day. To further that objective, our engagement approach focuses on clear communication and recognition. We communicate through regular employee meetings, at both the corporate and operating division levels, with business and market updates and information on production, safety, quality and other operating metrics. We have many recognition-oriented awards throughout our company and conduct company-wide engagement surveys which have generally indicated high levels of engagement and trust in Berry's leadership.

Inclusion and Diversity

We strive to build a safe and inclusive culture where employees feel valued and treated with respect. We believe inclusion helps drive engagement, innovation and organizational growth. Our focus to date has been on providing training for our global workforce and increasing awareness about the importance of having a culture of inclusion.

Ethics

Our employees are expected to act with integrity and we maintain a Global Code of Business Ethics which is attested by every Berry employee and provides the Company's framework for ethical business. We provide targeted annual training across the globe to reinforce our commitment to ethics and drive adherence to the laws in each jurisdiction in which we operate.

Available Information

We make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments, if any, to those reports through our internet website as soon as reasonably practicable after they have been electronically filed with the SEC. Our internet address is www.berryglobal.com. The information contained on our website is not being incorporated herein.

Item 1A. RISK FACTORS

Operational Risks

Global Economic Conditions, including inflation and supply chain disruptions, may negatively impact our business operations and financial results.

Challenging current and future global economic conditions, including inflation and supply chain disruptions may negatively impact our business operations and financial results. The Russia-Ukraine conflict has increased volatility in world economies. Current global economic challenges, including relatively high inflation and supply chain constraints may continue to put pressure on our business.

When challenging economic conditions exist, our customers may delay, decrease or cancel purchases from us, and may also delay payment or fail to pay us altogether. Suppliers may have difficulty filling our orders and distributors may have difficulty getting our products to customers, which may affect our ability to meet customer demands, and result in a loss of business. Weakened global economic conditions may also result in unfavorable changes in our product prices, product mix and profit margins. Although we take measures to mitigate the impact of inflation, including through pricing actions and productivity programs, if these actions are not effective our cash flow, financial condition, and results of operations could be adversely impacted. In addition, there could be a time lag between recognizing the benefit of our mitigating actions and when the inflation occurs and there is no assurance that our mitigating measures will be able to fully mitigate the impact of inflation.

Political volatility may also contribute to the general economic conditions and regulatory uncertainty in regions in which we operate. Future unrest and changing policies could result in an adverse impact to our financial condition. Political developments can also disrupt the markets we serve and the tax jurisdictions in which we operate and may affect our business, financial condition and results of operations.

Raw material inflation or shortage of available materials could harm our financial condition and results of operations.

Raw materials are subject to price fluctuations and availability, due to external factors, such as the Russia-Ukraine conflict, weather-related events, or other supply chain challenges, which are beyond our control. Temporary industry-wide shortages of raw materials have occurred in the past, which can lead to increased raw material price volatility. Additionally, our suppliers could experience cost increases to produce raw material due to increases in carbon pricing. Historically we have been able to manage the impact of higher costs by increasing our selling prices. We have generally been well positioned to capture additional market share as our primarily raw material, polymer resin, is typically a lower cost and more versatile substrate compared to alternatives. However, raw material shortages or our inability to timely pass-through increased costs to our customers may adversely affect our business, financial condition and results of operations.

Weather related events could negatively impact our results of operations.

Weather related events could adversely impact on our business and those of our customers, suppliers, and partners. Such events may have a physical impact on our facilities, inventory, suppliers, and equipment and any unplanned downtime at any of our facilities could result in unabsorbed costs that could negatively impact our results of operations for the period in which it experienced the downtime. Longer-term changes in climate patterns could alter future customer demand, impact supply chains and increase operating costs. However, any such changes are uncertain and we cannot predict the net impact from such events.

We may not be able to compete successfully and our customers may not continue to purchase our products.

We compete with multiple companies in each of our product lines on the basis of a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. Our products also compete with various other substrates. Some of these competitive products are not subject to the impact of changes in resin prices, which may have a significant and negative impact on our competitive position versus substitute products. Additionally, consumer views on environmental considerations could potentially impact demand for our products that utilize fossil fuel based materials in their manufacturing. Our competitors may have financial and other resources that are substantially greater than ours and may be better able than us to withstand higher costs. Competition and product preference changes could result in our products losing market share or our

having to reduce our prices, either of which could have a material adverse effect on our business, financial condition and results of operations. In addition, since we do not have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly.

We may pursue and execute acquisitions or divestitures, which could adversely affect our business.

As part of our growth strategy, we consider transactions that either complement or expand our existing business and create economic value. Transactions involve special risks, including the potential assumption of unanticipated liabilities and contingencies as well as difficulties in integrating acquired businesses or carving-out divested businesses, which may result in substantial costs, delays or other problems that could adversely affect our business, financial condition and results of operations. Furthermore, we may not realize all of the synergies we expect to achieve from our current strategic initiatives due to a variety of risks. If we are unable to achieve the benefits that we expect to achieve from our strategic initiatives, it could adversely affect our business, financial condition and results of operations.

In the event of a catastrophic loss of one of our key manufacturing facilities, our business would be adversely affected.

While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster, pandemic or otherwise, whether short or long-term, could result in future losses.

Employee retention, labor cost inflation or the failure to renew collective bargaining agreements could disrupt our business.

Our relations with employees under collective bargaining agreements remain satisfactory and there have been no significant work stoppages or other labor disputes during the past three years. However, we may not be able to maintain constructive relationships with labor unions or trade councils and may not be able to successfully negotiate new collective bargaining agreements on satisfactory terms in the future.

Labor is subject to cost inflation, availability and workforce participation rates, all of which could be impacted by factors beyond our control. As a result, there can be no assurance we will be able to recruit, train, assimilate, motivate and retain employees in the future. The loss of a substantial number of these employees or a prolonged labor dispute could disrupt our business and result in future losses.

We depend on information technology systems and infrastructure to operate our business, and increased cybersecurity threats, system inadequacies, and failures could disrupt our operations, compromise customer, employee, vendor and other data which could negatively affect our business.

We rely on the efficient and uninterrupted operation of information technology systems and networks. These systems and networks are vulnerable to increased threats and more sophisticated computer crime, energy interruptions, telecommunications failures, breakdowns, natural disasters, terrorism, war, computer malware or other malicious intrusions.

We also maintain and have access to data and information that is subject to privacy and security laws, regulations, and customer controls. Despite our efforts to protect such information, breaches, misplaced or lost data and programming damages could result in a negative impact on the business. While we have not had material system interruptions historically associated with these risks, there can be no assurance from future interruptions that could result in future losses.

Financial and Legal Risks

Our substantial indebtedness could affect our ability to meet our obligations and may otherwise restrict our activities.

We have a significant amount of indebtedness, which requires significant interest payments. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations. Additionally, servicing the interest obligations of our existing indebtedness could limit our ability to respond to business opportunities, including growing our business through acquisitions or increased levels of capital expenditures.

Goodwill and other intangibles represent a significant amount of our net worth, and a future write-off could result in lower reported net income and a reduction of our net worth.

We have a substantial amount of goodwill. Future changes in market multiples, cost of capital, expected cash flows, or other external factors, may adversely affect our business and cause our goodwill to be impaired, resulting in a non-cash charge against results of operations to write off goodwill or indefinite lived intangible assets for the amount of impairment. If a future write-off is required, the charge could result in significant losses.

Our international operations pose risks to our business that may not be present with our domestic operations.

We are subject to foreign exchange rate risk, both transactional and translational, which may negatively affect our financial performance. Exchange rates between transactional currencies may change rapidly due to a variety of factors. Translational foreign exchange exposures result from exchange rate fluctuations in the conversion of entity functional currencies to U.S. dollars, our reporting currency, and may affect the reported value of our assets and liabilities and our income and expenses. In particular, our translational exposure may be impacted by movements in the exchange rate of the euro or the British pound sterling against the U.S. dollar.

Foreign operations are also subject to certain risks that are unique to doing business in foreign countries including shipping delays and supply chain challenges, disruption of energy, changes in applicable laws, including assessments of income and non-income related taxes, reduced protection of intellectual property, inability to readily repatriate cash to the U.S. effectively, and regulatory policies and various trade restrictions including potential changes to export taxes or countervailing and anti-dumping duties for exported products from these countries. Any of these risks could disrupt our business and result in significant losses. We are also subject to the Foreign Corrupt Practices Act and other anti-bribery and anti-corruption laws that generally bar bribes or unreasonable gifts to foreign governments or officials. We have implemented safeguards, training and policies to discourage these practices by our employees and agents. However, our existing safeguards, training and policies to assure compliance and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies, we may be subject to regulatory sanctions. Violations of these laws or regulations could result in sanctions including fines, debarment from export privileges and penalties and could adversely affect our business, financial condition and results of operations.

Current and future environmental and other governmental requirements could adversely affect our financial condition and our ability to conduct our business.

While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites or newly discovered information) could result in additional compliance or remediation costs or other liabilities.

In addition, federal, state, local, and foreign governments could enact laws or regulations concerning environmental matters, such as greenhouse gas (carbon) emissions, that increase the cost of producing, or otherwise adversely affect the demand for, packaging products. Additionally, several governmental bodies in jurisdictions where we operate have introduced, or are contemplating introducing, regulatory change to address the potential impacts of changes in climate and global warming, which may have adverse impacts on our operations or financial results. We believe that any such laws promulgated to date have not had a material adverse effect on us, as we have historically been able to manage the impact of higher costs by increasing our selling prices. However, there can be no assurance that future legislation or regulation would not have a material adverse effect on us.

Changes in tax laws or changes in our geographic mix of earnings could have a material impact on our financial condition and results of operation.

We are subject to income and other taxes in the many jurisdictions in which we operate. Tax laws and regulations are complex and the determination of our global provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. We are subject to routine examinations of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. Our future income taxes could also be negatively impacted by our mix of earnings in the jurisdictions in which we operate being different than anticipated given differences in statutory tax rates in the countries in which we operate. In addition, tax policy efforts to raise global corporate tax rates could adversely impact our tax rate and subsequent tax expense.

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We may not be successful in protecting our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including confidentiality agreements with employees and consultants, customers and suppliers to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Furthermore, no assurance can be given that we will not be subject to claims asserting the infringement of the intellectual property rights of third parties seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products. Any such litigation could be protracted and costly and could result in significant losses.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Our primary manufacturing facilities by geographic area were as follows:

<u>Geographic Region</u>	<u>Total Facilities</u>	<u>Leased Facilities</u>
US and Canada	107	19
Europe	119	23
Rest of world	41	24

Item 3. LEGAL PROCEEDINGS

Berry is party to various legal proceedings involving routine claims which are incidental to our business. Although our 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 the business, financial condition, results of operations or cash flows.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock "BERY" is listed on the New York Stock Exchange. As of the date of this filing there were fewer than 500 active record holders of the common stock, but we estimate the number of beneficial stockholders to be much higher as a number of our shares are held by brokers or dealers for their customers in street name. During fiscal 2021 and 2022, we did not declare or pay any cash dividends on our common stock.

Issuer Purchases of Equity Securities

The following table summarizes the Company's repurchases of its common stock during the Quarterly Period ended October 1, 2022.

<u>Fiscal Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Programs</u>	<u>Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)^(a)</u>
July	132,000	\$55.00	132,000	\$407
August	716,963	57.13	716,963	366
September	440,850	54.54	440,850	342
Total	<u>1,289,813</u>	<u>\$56.02</u>	<u>1,289,813</u>	<u>\$342</u>

(a) All open market purchases during the quarter were made under the fiscal 2022 authorization from our board of directors to purchase up to \$1 billion of shares of common stock. (See Note 9. Stockholders' Equity and Note 12. Subsequent Events)

Item 6. RESERVED

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Outlook

The Company is affected by general economic and industrial growth, raw material availability, cost inflation, supply chain disruptions, and general industrial production. 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. Despite global macro-economic challenges in the short-term attributed to continued rising inflation, supply chain disruptions, currency devaluation and general market softness, in part because of the Russia-Ukraine conflict, 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 by providing advantaged products in targeted markets. For fiscal 2023, we project cash flow from operations between \$1.4 to \$1.5 billion and free cash flow between \$800 million to \$900 million. Projected fiscal 2023 free cash flow assumes \$600 million of capital spending. For the definition of free cash flow and further information related to free cash flow as a non-GAAP financial measure, see "Liquidity and Capital Resources."

Recent Dispositions

During fiscal 2022, the Company completed the sale of its rotational molding business, which was operated in the Consumer Packaging International segment for net proceeds of \$111 million. A pretax gain of \$8 million was recorded in fiscal 2022 within Restructuring and transaction activities on the Consolidated Statements of Income. In fiscal 2021, the rotational molding business recorded net sales of \$146 million.

Discussion of Results of Operations for Fiscal 2022 Compared to Fiscal 2021

The Company's U.S. based results for fiscal 2022 and fiscal 2021 are based on a fifty-two and fifty-three week period, respectively. Business integration expenses consist of restructuring and impairment charges, divestiture related costs, and other business optimization costs. Tables present dollars in millions. A discussion and analysis regarding our results of operations for fiscal year 2021 compared to fiscal year 2020 can be found on Form 10-K, filed with the SEC on November 18, 2021.

Consolidated Overview

	Fiscal Year		\$ Change	% Change
	2022	2021		
Net sales	\$14,495	\$13,850	\$645	5%
Cost of goods sold	12,123	11,352	771	7%
Other operating expenses	1,130	1,206	(76)	(6)%
Operating income	\$ 1,242	\$ 1,292	\$(50)	(4)%

Net sales: The net sales growth is primarily attributed to increased selling prices of \$1,650 million due to the pass through of inflation, partially offset by a \$420 million unfavorable impact from foreign currency, a 2% organic volume decline, a \$131 million decrease from extra shipping days in fiscal 2021, and fiscal 2021 divestiture sales of \$118 million. The volume decline is primarily attributed to supply chain disruptions, general market softness and the moderation of advantaged products related to the COVID-19 pandemic.

Cost of goods sold: The cost of goods sold increase is primarily attributed to product mix and inflation of \$1,618 million, partially offset by a \$352 million favorable impact from foreign currency, the 2% volume decline, extra shipping days in fiscal 2021, and fiscal 2021 divestiture cost of goods sold of \$93 million.

Other operating expenses: The other operating expense decrease is primarily attributed to a \$36 million impact from foreign currency, a \$22 million decrease in amortization expense and fiscal 2021 divestiture other operating expenses.

Operating Income: The operating income decrease is primarily attributed to a \$32 million unfavorable impact from foreign currency, a \$49 million decrease from the organic volume decline, a \$22 million decrease from extra shipping days in fiscal 2021, and fiscal 2021 divestiture operating income of \$16 million. These decreases are partially offset by a \$36 million decrease in business integration expense and a \$30 million favorable impact from price cost spread and product mix.

Consumer Packaging International

	Fiscal Year		\$ Change	% Change
	2022	2021		
Net sales	\$4,293	\$4,242	\$51	1%
Operating income	\$ 346	\$ 317	\$29	9%

Net sales: The net sales growth is primarily attributed to increased selling prices of \$498 million due to the pass through of inflation, partially offset by a \$299 million unfavorable impact from foreign currency and fiscal 2021 divestiture sales of \$84 million.

Operating Income: The operating income increase is primarily attributed to a \$46 million decrease in business integration activities, a \$26 million favorable impact from price cost spread. These increases were partially offset by a \$24 million impact from foreign currency, and fiscal 2021 divestiture operating income of \$10 million.

Consumer Packaging North America

	Fiscal Year		\$ Change	% Change
	2022	2021		
Net sales	\$3,548	\$3,141	\$407	13%
Operating income	\$ 338	\$ 276	\$ 62	22%

Net sales: The net sales growth is primarily attributed to increased selling prices of \$470 million due to the pass through of inflation, partially offset by a \$40 million decrease from extra shipping days in fiscal 2021.

Operating Income: The operating income increase is primarily attributed to a \$72 million favorable impact from price cost spread, and a \$10 million decrease in depreciation and amortization, partially offset by extra shipping days in fiscal 2021 and higher business integration expense.

Engineered Materials

	<u>Fiscal Year</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2021</u>		
Net sales	\$3,488	\$3,309	\$179	5%
Operating income	\$ 328	\$ 301	\$ 27	9%

Net sales: The net sales growth is primarily attributed to increased selling prices of \$500 million due to the pass through of inflation, partially offset by a 5% organic volume decline, a \$72 million impact from foreign currency, a \$44 million decrease from extra shipping days in fiscal 2021, and fiscal 2021 divestiture sales of \$34 million. The volume decline is primarily attributed to general market softness, product mix and supply chain disruptions.

Operating Income: The operating income increase is primarily attributed to a \$76 million favorable impact from price cost spread, partially offset by a \$22 million decrease from the volume decline, fiscal 2021 divestiture operating income of \$13 million and extra shipping days in fiscal 2021.

Health, Hygiene & Specialties

	<u>Fiscal Year</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2021</u>		
Net sales	\$3,166	\$3,158	\$ 8	0%
Operating income	\$ 230	\$ 398	\$(168)	(42)%

Net sales: The net sales growth is primarily attributed to increased selling prices of \$180 million due to the pass through of inflation, partially offset by a 3% organic volume decline, a \$49 million impact from foreign currency, and a \$42 million decrease from extra shipping days in fiscal 2021. The volume decline is primarily attributed to the moderation of advantaged products related to the COVID-19 pandemic.

Operating Income: The operating income decrease is primarily attributed to a \$138 million unfavorable impact from price cost spread and negative product mix, a \$14 million decline from the volume decline, and extra shipping days in fiscal 2021.

Other expense, net

	<u>Fiscal Year</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2021</u>		
Other expense, net	\$22	\$51	\$(29)	(57)%

The Other expense decrease is primarily attributed to foreign currency changes related to the remeasurement of non-operating intercompany balances and debt extinguishment expense in fiscal 2021.

Interest expense, net

	<u>Fiscal Year</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2021</u>		
Interest expense, net	\$286	\$336	\$(50)	(15)%

The interest expense decrease is primarily the result of foreign currency changes and repayments on long-term borrowings and refinancing activities in fiscal 2021.

Income tax expense

	<u>Fiscal Year</u>			
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Income tax expense	\$168	\$172	\$(4)	(2)%

Our effective tax rate for fiscal 2022 was 18% and was positively impacted by 2% from a deferred rate revalue, 2% from federal and state tax credits, and 2% from lapse in uncertain tax positions. These favorable items were partially offset by other discrete items. See Note 6. Income Taxes.

Comprehensive Income

	<u>Fiscal Year</u>			
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Comprehensive Income	\$659	\$988	\$(329)	(33)%

The decrease in comprehensive income is primarily attributed to a \$425 million unfavorable change in currency translation, partially offset by a \$77 million favorable change in the fair value of interest rate hedges and a \$33 million increase in net income. Currency translation losses are primarily related to non-U.S. subsidiaries with a functional currency other than the U.S. dollar 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 was primarily attributed to locations utilizing the euro, British pound sterling, and Chinese renminbi as their functional currency. As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company's floating-rate borrowings and records changes to the fair value of these instruments in Accumulated other comprehensive income (loss). The change in fair value of these instruments in fiscal 2022 versus fiscal 2021 is primarily attributed to a change in the forward interest curve 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 our business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international cash balances. We have a \$1,050 million asset-based revolving line of credit that matures in May 2024. At the end of fiscal 2022, the Company had no outstanding balance on the revolving credit facility. The Company was in compliance with all covenants at the end of fiscal 2022. See Note 3. Long-Term Debt.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased \$17 million from fiscal 2021 primarily attributed to working capital inflation, partially offset by derivatives settlements.

Cash Flows from Investing Activities

Net cash used in investing activities decreased \$28 million from fiscal 2021 primarily attributed to the settlement of net investment hedges, partially offset by fewer proceeds for the divestiture of business compared to fiscal 2021.

Cash Flows from Financing Activities

Net cash used in financing activities decreased \$37 million from fiscal 2021 primarily attributed to lower net repayments on long-term borrowings, partially offset by fiscal 2022 repurchases of common stock.

Dividends

In November 2022, the Company's Board of Directors authorized a quarterly cash dividend of \$0.25 per share (See Note 12. Subsequent Events).

Share Repurchases

During fiscal 2022, the Company repurchased approximately 12.2 million shares for \$709 million. The Company did not have any share repurchases in fiscal 2021 or 2020. As of October 1, 2022, authorized share repurchases of

\$342 million remained available to the Company under the prior Board authorization. In November 2022, the Board approved an additional \$700 million in authorized share repurchases (See Note 12. Subsequent Events).

Free Cash Flow

We define “free cash flow” as cash flow from operating activities less net additions to property, plant and equipment. Based on our definition, our consolidated free cash flow is summarized as follows:

	<u>Fiscal years ended</u>	
	<u>October 1, 2022</u>	<u>October 2, 2021</u>
Cash flow from operating activities	\$1,563	\$1,580
Additions to property, plant and equipment, net	<u>(687)</u>	<u>(676)</u>
Free cash flow	<u>\$ 876</u>	<u>\$ 904</u>

We use free cash flow as a supplemental measure of liquidity as it assists us in assessing our ability to fund growth through generation of cash. Free cash flow may be calculated differently by other companies, including other companies in our industry or peer group, limiting its usefulness. Free cash flow is not a generally accepted accounting principles (“GAAP”) financial measure and should not be considered as an alternative to any other measure determined in accordance with GAAP.

Liquidity Outlook

At the end of fiscal 2022, our cash balance was \$1,410 million, of which approximately 50% was located outside the U.S. We believe our existing and future 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 short-term and long-term liquidity needs with the exception of funds needed to cover all long-term debt obligations which we intend to refinance prior to maturity. The Company has the ability to repatriate the cash located outside the U.S. to the extent not needed to meet operational and capital needs without significant restrictions. Our unremitted foreign earnings were \$1.7 billion at the end of fiscal 2022. The computation of the deferred tax liability associated with unremitted earnings is not practicable.

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 the 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 the 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.

	<u>Year Ended October 1, 2022</u>
Net sales	\$7,654
Gross profit	1,581
Earnings from continuing operations	506
Net income ^(a)	\$ 506

(a) Includes \$39 million of income associated with intercompany activity with non-guarantor subsidiaries.

	<u>October 1, 2022</u>	<u>October 2, 2021</u>
Assets		
Current assets	\$ 2,432	\$ 2,293
Noncurrent assets	6,137	5,979
Liabilities		
Current liabilities	\$ 1,536	\$ 1,533
Intercompany payable	634	629
Noncurrent liabilities	10,630	11,083

Critical Accounting Policies and Estimates

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in the first note to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates under different assumptions or conditions.

Pensions. The accounting for our pension plans requires us to recognize the overfunded or underfunded status of the pension plans on our balance sheet. We believe that the accounting estimates related to our pension plans are critical accounting estimates because they are highly susceptible to change from period to period based on the performance of plan assets, actuarial valuations, market conditions and contracted benefit changes. See Note 1. Basis of Presentation and Summary of Significant Accounting Policies and Note 7. Retirement Plans.

Deferred Taxes and Effective Tax Rates. We estimate the effective tax rate (“ETR”) and associated liabilities or assets for each of our legal entities in accordance with authoritative guidance. We utilize tax planning to minimize or defer tax liabilities to future periods. In recording ETRs and related liabilities and assets, we rely upon estimates, which are based upon our interpretation of U.S. and local tax laws as they apply to our legal entities and our overall tax structure. Audits by local tax jurisdictions, including the U.S. Government, could yield different interpretations from our own and cause the Company to owe more taxes than originally recorded. See Note 1. Basis of Presentation and Summary of Significant Accounting Policies and Note 6. Income Taxes.

Item 7A. 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. As of October 1, 2022, our senior secured credit facilities are comprised of (i) \$3.4 billion term loans and (ii) a \$1,050 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 the term loans is 1.75% per annum. As of October 1, 2022, the LIBOR rate of approximately 3.14% 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 manage interest rate fluctuations 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. (See Note 4, Financial Instruments and Fair Value Measurements)

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, and Chinese renminbi. 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 an \$18 million unfavorable impact on fiscal 2022 Net income. (See Note 4, Financial Instruments and Fair Value Measurements)

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Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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All schedules have been omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Form 10-K, management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of October 1, 2022. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of October 1, 2022.

Management's Report on Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal controls over financial reporting were effective as of October 1, 2022.

The effectiveness of our internal control over financial reporting as of October 1, 2022, has been audited by the Company's independent registered public accounting firm, as stated in their report, which is included herein.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended October 1, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth below, the information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders.

We have a Global Code of Business Ethics that applies to all directors and employees, including our Chief Executive Officer and senior financial officers. We also have adopted a Supplemental Code of Ethics, which is in addition to the standards set by our Global Code of Business Ethics, in order to establish a higher level of expectation for the most senior leaders of the Company. Our Global Code of Business Ethics and Supplemental Code of Ethics can be obtained, free of charge, by contacting our corporate headquarters or can be obtained from the Corporate Governance section of the Investors page on the Company's internet site. In the event that we make changes in, or provide waivers from, the provision of the Code of Business Ethics that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website within four business days following the date of such amendment or waiver.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item, is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders.

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PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements

The financial statements listed under Item 8 are filed as part of this report.

2. Financial Statement Schedules

Schedules have been omitted because they are either not applicable or the required information has been disclosed in the financial statements or notes thereto.

3. Exhibits

The exhibits listed on the Exhibit Index immediately following the signature page of this annual report are filed as part of this report.

Item 16. FORM 10-K SUMMARY

None.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Berry Global Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Berry Global Group, Inc. (the Company) as of October 1, 2022 and October 2, 2021, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended October 1, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 1, 2022 and October 2, 2021, and the results of its operations and its cash flows for each of the three years in the period ended October 1, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 1, 2022, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosure to which it relates.

United Kingdom Defined Benefit Pension Obligation

Description of the Matter

At October 1, 2022 the aggregate United Kingdom (UK) defined benefit pension obligation was \$480 million and exceeded the fair value of pension plan assets, resulting in an underfunded defined benefit pension obligation. As disclosed in Notes 1 and 7 to the consolidated financial statements, the Company recognizes the overfunded or underfunded status of its pension plans in the consolidated balance sheet. The obligations for these plans are actuarially determined and affected by assumptions, including discount rates and mortality rates.

Auditing the UK defined benefit pension obligation is complex and required the involvement of our actuarial specialists due to the highly judgmental nature of actuarial assumptions (e.g., discount rates and mortality rates) used in the measurement process. These assumptions have a significant effect on the projected benefit obligation.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the measurement and valuation of the UK defined benefit pension obligation. This included management's review of the UK defined benefit pension obligation calculations and the significant actuarial assumptions used by management.

To test the UK defined benefit pension obligation, we performed audit procedures that included, among others, evaluating the methodology used and the significant actuarial assumptions described above. We involved our actuarial specialists to assist with our audit procedures. We compared the actuarial assumptions used by management to historical trends and evaluated the change in the defined benefit pension obligation from prior year due to the change in service cost, interest cost, actuarial gains and losses, benefit payments, contributions and other activities. In addition, we evaluated management's methodology for determining the discount rate that reflects the maturity and duration of the benefit payments and is used to measure the defined benefit pension obligation. As part of this assessment, we compared management's selected discount rate to an independently developed range of reasonable discount rates. To evaluate the mortality rate assumption, we assessed whether the information is consistent with publicly available information, and whether any market data adjusted for entity-specific factors were applied.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1991.

Indianapolis, Indiana
November 18, 2022

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Berry Global Group, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Berry Global Group, Inc.'s internal control over financial reporting as of October 1, 2022, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Berry Global Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of October 1, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of October 1, 2022 and October 2, 2021, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended October 1, 2022, and the related notes and our report dated November 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Indianapolis, Indiana
November 18, 2022

Berry Global Group, Inc.
Consolidated Statements of Income
(in millions of dollars)

	Fiscal years ended		
	October 1, 2022	October 2, 2021	September 26, 2020
Net sales	\$14,495	\$13,850	\$11,709
Costs and expenses:			
Cost of goods sold	12,123	11,352	9,301
Selling, general and administrative	850	867	850
Amortization of intangibles	257	288	300
Restructuring and transaction activities	23	51	79
Operating income	<u>1,242</u>	<u>1,292</u>	<u>1,179</u>
Other expense	22	51	31
Interest expense	286	336	435
Income before income taxes	<u>934</u>	<u>905</u>	<u>713</u>
Income tax expense	168	172	154
Net income	<u>\$ 766</u>	<u>\$ 733</u>	<u>\$ 559</u>
Net income per share (see Note 11):			
Basic	\$ 5.87	\$ 5.45	\$ 4.22
Diluted	\$ 5.77	\$ 5.30	\$ 4.14

Berry Global Group, Inc.
Consolidated Statements of Comprehensive Income
(in millions of dollars)

	Fiscal years ended		
	October 1, 2022	October 2, 2021	September 26, 2020
Net income	\$ 766	\$733	\$ 559
Currency translation	(301)	124	1
Pension and postretirement benefits	35	49	(60)
Derivative instruments	159	82	(106)
Other comprehensive (loss) income	<u>(107)</u>	<u>255</u>	<u>(165)</u>
Comprehensive income	<u>\$ 659</u>	<u>\$988</u>	<u>\$ 394</u>

See notes to consolidated financial statements.

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

	<u>October 1, 2022</u>	<u>October 2, 2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,410	\$ 1,091
Accounts receivable	1,777	1,879
Inventories	1,802	1,907
Prepaid expenses and other current assets	175	217
Total current assets	<u>5,164</u>	<u>5,094</u>
Property, plant and equipment	4,342	4,677
Goodwill and intangible assets	6,685	7,434
Right-of-use assets	521	562
Other assets	244	115
Total assets	<u><u>\$16,956</u></u>	<u><u>\$17,882</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,795	\$ 2,041
Accrued employee costs	253	336
Other current liabilities	783	788
Current portion of long-term debt	13	21
Total current liabilities	<u>2,844</u>	<u>3,186</u>
Long-term debt	9,242	9,439
Deferred income taxes	707	568
Employee benefit obligations	160	276
Operating lease liabilities	429	466
Other long-term liabilities	378	767
Total liabilities	<u>13,760</u>	<u>14,702</u>
Stockholders' equity:		
Common stock (124.2 and 135.5 shares issued, respectively)	1	1
Additional paid-in capital	1,177	1,134
Retained earnings	2,421	2,341
Accumulated other comprehensive loss	(403)	(296)
Total stockholders' equity	<u>3,196</u>	<u>3,180</u>
Total liabilities and stockholders' equity	<u><u>\$16,956</u></u>	<u><u>\$17,882</u></u>

See notes to consolidated financial statements.

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

	Fiscal years ended		
	October 1, 2022	October 2, 2021	September 26, 2020
Cash Flows from Operating Activities:			
Net income	\$ 766	\$ 733	\$ 559
Adjustments to reconcile net cash from operating activities:			
Depreciation	562	566	545
Amortization of intangibles	257	288	300
Non-cash interest expense	6	32	27
Share-based compensation expense	39	40	33
Deferred income tax	(48)	(73)	(96)
Other non-cash operating activities, net	(22)	49	42
Settlement of derivatives	201	—	11
Changes in operating assets and liabilities:			
Accounts receivable	(86)	(331)	49
Inventories	(3)	(639)	48
Prepaid expenses and other assets	11	(30)	(12)
Accounts payable and other liabilities	(120)	945	24
Net cash from operating activities	<u>1,563</u>	<u>1,580</u>	<u>1,530</u>
Cash Flows from Investing Activities:			
Additions to property, plant and equipment, net	(687)	(676)	(583)
Divestiture of businesses	128	165	—
Acquisition of business and purchase price derivatives	—	—(14)	—
Settlement of net investment hedges	76	—	281
Net cash from investing activities	<u>(483)</u>	<u>(511)</u>	<u>(316)</u>
Cash Flows from Financing Activities:			
Proceeds from long-term borrowings	—	2,716	1,202
Repayment of long-term borrowings	(22)	(3,496)	(2,436)
Proceeds from issuance of common stock	27	60	30
Repurchase of common stock	(709)	—	—
Debt financing costs	—	(21)	(16)
Net cash from financing activities	<u>(704)</u>	<u>(741)</u>	<u>(1,220)</u>
Effect of currency translation on cash	(57)	13	6
Net change in cash and cash equivalents	319	341	—
Cash and cash equivalents at beginning of period	<u>1,091</u>	<u>750</u>	<u>750</u>
Cash and cash equivalents at end of period	<u>\$1,410</u>	<u>\$ 1,091</u>	<u>\$ 750</u>

See notes to consolidated financial statements.

Berry Global Group, Inc.

Consolidated Statements of Changes in Stockholders' Equity
(in millions of dollars)

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	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at September 28, 2019	\$ 1	\$ 949	\$(386)	\$1,054	\$1,618
Net income	—	—	—	559	559
Other comprehensive loss	—	—	(165)	—	(165)
Share-based compensation	—	33	—	—	33
Proceeds from issuance of common stock	—	30	—	—	30
Acquisition ^(a)	—	22	—	—	22
Adoption of ASC 842	—	—	—	(5)	(5)
Balance at September 26, 2020	<u>\$ 1</u>	<u>\$1,034</u>	<u>\$(551)</u>	<u>\$1,608</u>	<u>\$2,092</u>
Net income	—	—	—	733	733
Other comprehensive income	—	—	255	—	255
Share-based compensation	—	40	—	—	40
Proceeds from issuance of common stock	—	60	—	—	60
Balance at October 2, 2021	<u>\$ 1</u>	<u>\$1,134</u>	<u>\$(296)</u>	<u>\$2,341</u>	<u>\$3,180</u>
Net income	—	—	—	766	766
Other comprehensive loss	—	—	(107)	—	(107)
Share-based compensation	—	39	—	—	39
Proceeds from issuance of common stock	—	27	—	—	27
Common stock repurchased and retired	—	(23)	—	(686)	(709)
Balance at October 1, 2022	<u><u>\$ 1</u></u>	<u><u>\$1,177</u></u>	<u><u>\$(403)</u></u>	<u><u>\$2,421</u></u>	<u><u>\$3,196</u></u>

(a) Represents noncontrolling interest

See notes to consolidated financial statements.

Berry Global Group, Inc.
Notes to Consolidated Financial Statements
(in millions of dollars, except as otherwise noted)

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

Berry Global Group, Inc.'s ("Berry," "we," or the "Company") consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commissions. Periods presented in these financial statements include fiscal periods ending October 1, 2022 ("fiscal 2022"), October 2, 2021 ("fiscal 2021"), and September 26, 2020 ("fiscal 2020"). The Company's U.S. based results for fiscal 2022 and fiscal 2020 are based on a fifty-two week period. Fiscal 2021 was based on a fifty-three week period. The Company has evaluated subsequent events through the date the financial statements were issued.

The consolidated financial statements include the accounts of Berry and its subsidiaries, all of which includes our wholly owned and majority owned subsidiaries. The Company has certain foreign subsidiaries that report on a calendar period basis which we consolidate into our respective fiscal period. Intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition and Accounts Receivable

Our revenues are primarily derived from the sale of non-woven, flexible and rigid 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 sources of variable consideration are 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 October 1, 2022 and October 2, 2021, 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. See Note 10. Segment and Geographic Data.

Accounts receivable are presented net of allowance for credit losses of \$18 million and \$21 million at October 1, 2022 and October 2, 2021, 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 factoring agreements, including customer-based supply chain financing programs, to sell certain receivables to third-party financial institutions. Agreements which result in true sales of the transferred receivables, which occur when receivables are transferred without recourse to the Company, are reflected as a reduction of trade receivables, net on the consolidated balance sheets and the proceeds are included in the cash flows from operating activities in the consolidated statements of cash flows. The fees associated with transfer of receivables for all programs were not material for any of the periods presented.

Research and Development

Research and development costs are expensed when incurred. The Company incurred research and development expenditures of \$81 million, \$90 million, and \$79 million in fiscal 2022, 2021, and 2020, respectively.

Share-Based Compensation

The Company recognized total share-based compensation expense of \$39 million, \$40 million, and \$33 million for fiscal 2022, 2021, and 2020, respectively. The share-based compensation plan is more fully described in Note 9. Stockholders' Equity.

Foreign Currency

For the non-U.S. subsidiaries that account in a functional currency other than U.S. dollars, assets and liabilities are translated into U.S. dollars using period-end exchange rates. Sales and expenses are translated at the average exchange rates in effect during the period. Foreign currency translation gains and losses are included as a component of Accumulated other comprehensive loss within Stockholders' equity. Gains and losses resulting from foreign currency transactions are included in the Consolidated Statements of Income.

Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less from the time of purchase are considered to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or net realizable value and are valued using the first-in, first-out method. Management periodically reviews inventory balances, using recent and future expected sales to identify slow-moving and/or obsolete items. The cost of spare parts is charged to cost of goods sold when purchased. We evaluate our reserve for inventory obsolescence on a quarterly basis and review inventory on-hand to determine future salability. We base our determinations on the age of the inventory and the experience of our personnel. We reserve inventory that we deem to be not salable in the quarter in which we make the determination. We believe, based on past history and our policies and procedures, that our net inventory is salable. Inventory as of fiscal 2022 and 2021 was:

	<u>2022</u>	<u>2021</u>
Inventories:		
Finished goods	\$1,010	\$ 960
Raw materials	<u>792</u>	<u>947</u>
	<u>\$1,802</u>	<u>\$1,907</u>

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets ranging from 15 to 40 years for buildings and improvements, 2 to 20 years for machinery, equipment, and tooling, and over the term of the agreement for capital leases. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the lease term. Repairs and maintenance costs are charged to expense as incurred. Property, plant and equipment as of fiscal 2022 and 2021 was:

	<u>2022</u>	<u>2021</u>
Property, plant and equipment:		
Land, buildings and improvements	\$ 1,602	\$ 1,699
Equipment and construction in progress	<u>6,916</u>	<u>6,800</u>
	8,518	8,499
Less accumulated depreciation	<u>(4,176)</u>	<u>(3,822)</u>
	<u>\$ 4,342</u>	<u>\$ 4,677</u>

Long-lived Assets

Long-lived assets, including property, plant and equipment and definite lived intangible assets are reviewed for impairment in accordance with ASC 360, "Property, Plant and Equipment," whenever facts and circumstances indicate that the carrying amount may not be recoverable. Specifically, this process involves comparing an asset's carrying value to the estimated undiscounted future cash flows the asset is expected to generate over its remaining life. If this process were to result in the conclusion that the carrying value of a long-lived asset would not be recoverable, a write-down of the asset to fair value would be recorded through a charge to operations.

Goodwill

The changes in the carrying amount of goodwill by reportable segment are as follows:

	<u>Consumer Packaging International</u>	<u>Consumer Packaging North America</u>	<u>Engineered Materials</u>	<u>Health, Hygiene & Specialties</u>	<u>Total</u>
Balance as of fiscal 2020	\$1,999	\$1,540	\$700	\$934	\$5,173
Foreign currency translation adjustment	36	1	(1)	2	38
Dispositions	(19)	—	—	—	(19)
Balance as of fiscal 2021	<u>\$2,016</u>	<u>\$1,541</u>	<u>\$699</u>	<u>\$936</u>	<u>\$5,192</u>
Foreign currency translation adjustment	(250)	(1)	(37)	(18)	(306)
Dispositions	(54)	—	—	—	(54)
Balance as of fiscal 2022	<u><u>\$1,712</u></u>	<u><u>\$1,540</u></u>	<u><u>\$662</u></u>	<u><u>\$918</u></u>	<u><u>\$4,832</u></u>

In fiscal year 2022, the Company completed a qualitative analysis to evaluate impairment of goodwill and concluded that it was more likely than not that the fair value for each reporting unit exceeded the carrying amount. We reached this conclusion based on the strong valuations within the packaging industry and operating results of our reporting units, in addition to leveraging the quantitative test performed in fiscal 2020. As a result of our annual impairment evaluations the Company concluded that no impairment existed in fiscal 2022.

Deferred Financing Fees

Deferred financing fees are amortized to interest expense using the effective interest method over the lives of the respective debt agreements. Pursuant to ASC 835-30, the Company presents \$60 million and \$77 million as of fiscal 2022 and fiscal 2021, respectively, of debt issuance and deferred financing costs on the balance sheet as a deduction from the carrying amount of the related debt liability, instead of a deferred charge.

Intangible Assets

The changes in the carrying amount of intangible assets are as follows:

	<u>Customer Relationships</u>	<u>Trademarks</u>	<u>Other Intangibles</u>	<u>Accumulated Amortization</u>	<u>Total</u>
Balance as of fiscal 2020	\$3,323	\$522	\$129	\$(1,477)	\$2,497
Foreign currency translation adjustment	32	4	(1)	(2)	33
Amortization expense	—	—	—	(288)	(288)
Netting of fully amortized intangibles	(26)	(1)	(6)	33	—
Balance as of fiscal 2021	<u>\$3,329</u>	<u>\$525</u>	<u>\$122</u>	<u>\$(1,734)</u>	<u>\$2,242</u>
Foreign currency translation adjustment	(172)	(31)	(1)	66	(138)
Amortization expense	—	—	—	(257)	(257)
Additions	—	—	6	—	6
Balance as of fiscal 2022	<u><u>\$3,157</u></u>	<u><u>\$494</u></u>	<u><u>\$127</u></u>	<u><u>\$(1,925)</u></u>	<u><u>\$1,853</u></u>

Customer relationships are being amortized using an accelerated amortization method which corresponds with the customer attrition rates used in the initial valuation of the intangibles over the estimated life of the relationships which range from 5 to 17 years. Definite lived trademarks are being amortized using the straight-line method over the estimated life of the assets which are not more than 15 years. Other intangibles, which include technology and licenses, are being amortized using the straight-line method over the estimated life of the assets which range from 5 to 14 years. The Company has trademarks that total \$247 million that are indefinite lived and we test annually for impairment on the first day of the fourth quarter. We completed the annual impairment test of our indefinite lived trade names utilizing the qualitative method in 2022 and 2021 and the relief from royalty method in fiscal 2020 and noted no impairment.

Future amortization expense for definite lived intangibles as of fiscal 2022 for the next five fiscal years is \$232 million, \$220 million, \$207 million, \$194 million, and \$161 million each year for fiscal years ending 2023, 2024, 2025, 2026, and 2027, respectively.

Insurable Liabilities

The Company records liabilities for the self-insured portion of workers' compensation, health, product, general and auto liabilities. The determination of these liabilities and related expenses is dependent on claims experience. For most of these liabilities, claims incurred but not yet reported are estimated based upon historical claims experience.

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. See Note 5. Commitments, Leases and Contingencies.

At October 1, 2022, annual lease commitments were as follows:

Fiscal Year	Operating Leases	Finance Leases
2023	\$ 111	\$11
2024	96	9
2025	85	6
2026	75	8
2027	65	1
Thereafter	<u>205</u>	<u>3</u>
Total lease payments	637	38
Less: Interest	<u>(100)</u>	<u>(5)</u>
Present value of lease liabilities	<u>\$ 537</u>	<u>\$33</u>

Income Taxes

The Company accounts for income taxes under the asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequence of events that have been recognized in the Company's financial statements or income tax returns. Income taxes are recognized during the period in which the underlying transactions are recorded. Deferred taxes, with the exception of non-deductible goodwill, are provided for temporary differences between amounts of assets and liabilities as recorded for financial reporting purposes and such amounts as measured by tax laws. If the Company determines that a deferred tax asset arising from temporary differences is not likely to be utilized, the Company will establish a valuation allowance against that asset to record it at its expected realizable value. The Company recognizes uncertain tax positions when it is more likely than not that the tax position will be sustained upon examination by relevant taxing authorities, based on the technical merits of the position. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company's effective tax rate is dependent on many factors including: the impact of enacted tax laws in jurisdictions in which the Company operates; the amount of earnings by jurisdiction, due to varying tax rates in each country; and the Company's ability to utilize foreign tax credits related to foreign taxes paid on foreign earnings that will be remitted to the U.S.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of net income and other comprehensive income (loss). Other comprehensive income (loss) includes net unrealized gains or losses resulting from currency translations of foreign subsidiaries, changes in the value of our derivative instruments and adjustments to the pension liability.

The accumulated balances related to each component of other comprehensive income (loss), net of tax before reclassifications were as follows:

	<u>Currency Translation</u>	<u>Defined Benefit Pension and Retiree Health Benefit Plans</u>	<u>Derivative Instruments</u>	<u>Accumulated Other Comprehensive Loss</u>
Balance as of fiscal 2019	\$(279)	\$ (56)	\$ (51)	\$(386)
Other comprehensive income (loss)	1	3	(137)	(133)
Net amount reclassified from accumulated other comprehensive income (loss)	<u>—</u>	<u>(63)</u>	<u>31</u>	<u>(32)</u>
Balance as of fiscal 2020	\$(278)	\$(116)	\$(157)	\$(551)
Other comprehensive income (loss)	124	(5)	70	189
Net amount reclassified from accumulated other comprehensive income (loss)	<u>—</u>	<u>54</u>	<u>12</u>	<u>66</u>
Balance as of fiscal 2021	\$(154)	\$ (67)	\$ (75)	\$(296)
Other comprehensive income (loss)	(301)	32	158	(111)
Net amount reclassified from accumulated other comprehensive income (loss)	<u>—</u>	<u>3</u>	<u>1</u>	<u>4</u>
Balance as of fiscal 2022	<u>\$(455)</u>	<u>\$ (32)</u>	<u>\$ 84</u>	<u>\$(403)</u>

Pension

The accounting for our pension plans requires us to recognize the overfunded or underfunded status of the pension plans on our balance sheet. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation, as well as independent studies of trends performed by our actuaries. Pension benefit costs include assumptions for the discount rate, mortality rate, retirement age, and expected return on plan assets. Retiree medical plan costs include assumptions for the discount rate, retirement age, and health-care-cost trend rates. We review annually the discount rate used to calculate the present value of pension plan liabilities. The discount rate used at each measurement date is set based on a high-quality corporate bond yield curve, derived based on bond universe information sourced from reputable third-party indices, data providers, and rating agencies. In countries where there is no deep market in corporate bonds, we have used a government bond approach to set the discount rate. In evaluating other assumptions, the Company considers many factors, including an evaluation of expected return on plan assets and the health-care-cost trend rates of other companies; historical assumptions compared with actual results; an analysis of current market conditions and asset allocations; and the views of advisers.

Net Income Per Share

The Company calculates basic net income per share based on the weighted-average number of outstanding common shares. The Company calculates diluted net income per share based on the weighted-average number of outstanding common shares plus the effect of dilutive securities.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make extensive use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of sales and expenses. Actual results could differ materially from these estimates. Changes in estimates are recorded in results of operations in the period that the event or circumstances giving rise to such changes occur.

Recently Issued Accounting Pronouncements

Reference Rate Reform

In 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 plans to adopt this standard in fiscal 2023. We do not expect a material change to our consolidated financial statements or disclosures.

2. Dispositions

During fiscal 2022, the Company completed the sale of its rotational molding business, which was operated in the Consumer Packaging International segment for net proceeds of \$111 million. A pretax gain of \$8 million was recorded in fiscal 2022 within Restructuring and transaction activities on the Consolidated Statements of Income. In fiscal 2021, the rotational molding business recorded net sales of \$146 million.

3. Long-Term Debt

Long-term debt consists of the following:

Facility	Maturity Date	2022	2021
Term loan	July 2026	\$3,440	\$3,440
Revolving line of credit	May 2024	—	—
0.95% First Priority Senior Secured Notes	February 2024	800	800
1.00% First Priority Senior Secured Notes ^(a)	July 2025	686	810
1.57% First Priority Senior Secured Notes	January 2026	1,525	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	400
1.50% First Priority Senior Secured Notes ^(a)	July 2027	367	434
4.50% Second Priority Senior Secured Notes	February 2026	298	300
5.625% Second Priority Senior Secured Notes	July 2027	500	500
Debt discounts and deferred fees		(60)	(77)
Finance leases and other	Various	49	78
Total long-term debt		9,255	9,460
Current portion of long-term debt		(13)	(21)
Long-term debt, less current portion		<u>\$9,242</u>	<u>\$9,439</u>

(a) Euro denominated

Berry Global, Inc. Senior Secured Credit Facility

Our wholly owned subsidiary Berry Global, Inc.'s senior secured credit facilities consist of \$3.4 billion of term loans and a \$1,050 million asset-based revolving line of credit. The availability under the revolving line of credit is the lesser of \$1,050 million or based on a defined borrowing base which is calculated based on available accounts receivable and inventory.

The term loan facility is payable upon maturity. The Company may voluntarily repay outstanding loans under the senior secured credit facilities at any time without premium or penalty, other than customary "breakage" costs with respect to eurodollar loans. All obligations under the senior secured credit facilities are unconditionally guaranteed by the Company and, subject to certain exceptions, each of the Company's existing and future direct and indirect domestic subsidiaries. The guarantees of those obligations are secured by substantially all of the Company's assets as well as those of each domestic subsidiary guarantor.

Despite not having financial maintenance covenants, our debt agreements contain certain negative covenants. We are in compliance with all covenants as of October 1, 2022. The failure to comply with these negative covenants could restrict our ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness.

Future maturities of long-term debt as of fiscal year end 2022 are as follows:

<u>Fiscal Year</u>	<u>Maturities</u>
2023	\$ 13
2024	810
2025	692
2026	6,523
2027	1,269
Thereafter	8
	<u>\$9,315</u>

Interest paid was \$289 million, \$318 million, and \$430 million in fiscal 2022, 2021, and 2020, respectively.

4. 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 exposure to fluctuations in interest rates and foreign currencies. These financial instruments are not used for trading or other speculative purposes. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

To the extent hedging relationships are found to be effective, changes in the fair value of the derivatives are offset by changes in the fair value of the related hedged item and recorded to Accumulated other comprehensive loss. Changes in the fair value of a derivative not designated as a hedge, are recorded to the Consolidated Statements of Income.

Cross-Currency Swaps

The Company is party to certain cross-currency swaps to hedge a portion of our foreign currency risk. The Company settled its €250 million swap agreement which matured May 2022 for proceeds of \$6 million. During fiscal 2022, the Company entered into additional transactions to cash settle existing cross-currency swaps and received proceeds of \$70 million. The swap settlement impact has been included as a component of Currency translation within Accumulated other comprehensive loss. Following the settlement of the existing cross-currency swaps, we entered into new cross-currency swaps with matching notional amounts and maturity dates of the original swaps.

As of October 1, 2022, the swap agreements mature 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 October 1, 2022, 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 fluctuations associated with our outstanding variable rate term loan debt. When valuing interest rate swaps the Company utilizes Level 2 inputs (substantially observable).

During fiscal 2022, the Company elected to cash settle existing interest rate swaps and received net proceeds of \$201 million. The offset is included in Accumulated other comprehensive loss and is being amortized to Interest expense through the term of the original swaps. Following the settlement of the interest rate swaps, we entered into interest rate swaps with matching notional amounts and maturity dates of the original swaps.

As of October 1, 2022, 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 4.128%, with an expiration date 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

4.117% with an expiration date in June 2026, (iii) an \$884 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 3.573%, 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 4.370%, 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:

<u>Derivative Instruments</u>	<u>Hedge Designation</u>	<u>Balance Sheet Location</u>	<u>2022</u>	<u>2021</u>
Cross-currency swaps	Designated	Other assets	\$147	\$ —
Cross-currency swaps	Designated	Other long-term liabilities	—	323
Interest rate swaps	Designated	Other assets	11	—
Interest rate swaps	Designated	Other long-term liabilities	3	82
Interest rate swaps	Not designated	Other long-term liabilities	117	49

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

<u>Derivative instruments</u>	<u>Statements of Income Location</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cross-currency swaps	Interest expense	\$(21)	\$(8)	\$(25)
Interest rate swaps	Interest expense	40	69	32

The amortization related to unrealized losses in Accumulated other comprehensive loss is expected to be \$27 million in the next 12 months. The Company's financial instruments consist primarily of cash and cash equivalents, long-term debt, interest rate swap agreements, cross-currency swap agreements and capital lease obligations. The book value of our long-term indebtedness exceeded fair value by \$561 million as of fiscal 2022, and fair value of our long-term indebtedness exceeded book value by \$133 million as of fiscal 2021. The Company's long-term debt fair values were determined using Level 2 inputs as other significant observable inputs were not available.

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.

Included in the following tables are the major categories of assets and their current carrying values that were measured at fair value on a non-recurring basis in the current year, along with the impairment loss recognized on the fair value measurement for the fiscal years then ended:

	<u>2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Impairment</u>
Indefinite lived trademarks	\$—	\$—	\$ 247	\$ 247	\$—
Goodwill	—	—	4,832	4,832	—
Definite lived intangible assets	—	—	1,606	1,606	—
Property, plant and equipment	—	—	4,342	4,342	—
Total	<u>\$—</u>	<u>\$—</u>	<u>\$11,027</u>	<u>\$11,027</u>	<u>\$—</u>
	<u>2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Impairment</u>
Indefinite lived trademarks	\$—	\$—	\$ 248	\$ 248	\$—
Goodwill	—	—	5,192	5,192	—
Definite lived intangible assets	—	—	1,994	1,994	—
Property, plant and equipment	—	—	4,677	4,677	1
Total	<u>\$—</u>	<u>\$—</u>	<u>\$12,111</u>	<u>\$12,111</u>	<u>\$ 1</u>

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

5. Commitments, Leases and Contingencies

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

Collective Bargaining Agreements

At the end of fiscal 2022, we employed approximately 46,000 employees, and approximately 20% of those employees were covered by collective bargaining agreements. The majority of these agreements are due for renegotiation annually.

Leases

Supplemental lease information is as follows:

Leases	Classification	2022	2021
Operating leases:			
Operating lease right-of-use assets	Right-of-use asset	\$521	\$562
Current operating lease liabilities	Other current liabilities	108	113
Noncurrent operating lease liabilities	Operating lease liability	429	466
Finance leases:			
Finance lease right-of-use assets	Property, plant, and equipment, net	\$ 38	\$ 57
Current finance lease liabilities	Current portion of long-term debt	9	14
Noncurrent finance lease liabilities	Long-term debt, less current portion	24	38

Lease Type	Cash Flow Classification	Lease Expense Category	2022	2021
Operating leases	Operating cash flows	Lease cost	\$132	\$127
Finance leases	Operating cash flows	Interest expense	2	2
Finance leases	Financing cash flows	—	19	23
Finance leases	—	Amortization of right-of-use assets	9	14

	2022	2021
Weighted-average remaining lease term – operating leases	7 years	8 years
Weighted-average remaining lease term – finance leases	3 years	4 years
Weighted-average discount rate – operating leases	4.5%	4.5%
Weighted-average discount rate – finance leases	4.5%	4.1%

Right-of-use assets obtained in exchange for new operating lease liabilities were \$38 million for fiscal 2022.

Litigation

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, the Company believes that any ultimate liability would not be material to its financial position, results of operations or cash flows.

6. Income Taxes

The Company is being taxed at the U.S. corporate level as a C-Corporation and has provided U.S. Federal, State and foreign income taxes. Significant components of income tax expense for the fiscal years ended are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current			
U.S.			
Federal	\$ 87	\$ 56	\$ 84
State	20	14	12
Non-U.S.	<u>109</u>	<u>175</u>	<u>154</u>
Total current	<u>216</u>	<u>245</u>	<u>250</u>
Deferred:			
U.S.			
Federal	4	17	(29)
State	(7)	(6)	(13)
Non-U.S.	<u>(45)</u>	<u>(84)</u>	<u>(54)</u>
Total deferred	<u>(48)</u>	<u>(73)</u>	<u>(96)</u>
Expense for income taxes	<u>\$168</u>	<u>\$172</u>	<u>\$154</u>

U.S. income from continuing operations before income taxes was \$449 million, \$276 million, and \$206 million for fiscal 2022, 2021, and 2020, respectively. Non-U.S. income from continuing operations before income taxes was \$485 million, \$629 million, and \$507 million for fiscal 2022, 2021, and 2020, respectively. The Company paid cash taxes of \$186 million, \$200 million, and \$243 million in fiscal 2022, 2021, and 2020, respectively.

The reconciliation between U.S. Federal income taxes at the statutory rate and the Company's benefit for income taxes on continuing operations for fiscal years ended are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
U.S. Federal income tax expense at the statutory rate	\$196	\$190	\$150
Adjustments to reconcile to the income tax provision:			
U.S. state income tax expense	20	11	6
Federal and state credits	(15)	(10)	(14)
Share-based compensation	(3)	(8)	(4)
Tax law changes	(17)	11	—
Withholding taxes	6	13	15
Changes in foreign valuation allowance	(5)	(14)	(8)
Foreign income taxed in the U.S.	8	12	9
Rate differences between U.S. and foreign	(8)	(8)	(6)
Sale of subsidiary	—	16	—
Permanent foreign currency differences	—	(30)	—
Other	<u>(14)</u>	<u>(11)</u>	<u>6</u>
Expense for income taxes	<u>\$168</u>	<u>\$172</u>	<u>\$154</u>

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the net deferred income tax liability as of fiscal years ended are as follows:

	<u>2022</u>	<u>2021</u>
Deferred tax assets:		
Accrued liabilities and reserves	\$ 75	\$ 101
Inventories	11	13
Net operating loss carryforward	235	273
Interest expense carryforward	107	58
Derivatives	—	105
Lease liability	134	144
Research and development credit carryforward	13	13
Federal and state tax credits	9	13
Other	48	49
Total deferred tax assets	<u>632</u>	<u>769</u>
Valuation allowance	<u>(104)</u>	<u>(126)</u>
Total deferred tax assets, net of valuation allowance	<u>528</u>	<u>643</u>
Deferred tax liabilities:		
Property, plant and equipment	450	430
Intangible assets	471	563
Derivatives	94	—
Leased asset	131	139
Other	24	13
Total deferred tax liabilities	<u>1,170</u>	<u>1,145</u>
Net deferred tax liability	<u>\$ (642)</u>	<u>\$ (502)</u>

The Company had \$65 million of net deferred tax assets recorded in Other assets, and \$707 million of net deferred tax liabilities recorded in Deferred income taxes on the Consolidated Balance Sheets.

As of October 1, 2022, the Company has recorded deferred tax assets related to federal, state, and foreign net operating losses, interest expense, and tax credits. These attributes are spread across multiple jurisdictions and generally have expiration periods beginning in 2021 while a portion remains available indefinitely. Each attribute has been assessed for realization and a valuation allowance is recorded against the deferred tax assets to bring the net amount recorded to the amount more likely than not to be realized. The valuation allowance against deferred tax assets was \$104 million and \$126 million as of the fiscal years ended 2022 and 2021, respectively, related to the foreign and U.S. federal and state operations.

The Company is permanently reinvested except to the extent the foreign earnings are previously taxed or to the extent that we have sufficient basis in our non-U.S. subsidiaries to repatriate earnings on an income tax free basis.

Uncertain Tax Positions

The following table summarizes the activity related to our gross unrecognized tax benefits for fiscal years ended:

	2022	2021
Beginning unrecognized tax benefits	\$159	\$168
Gross increases – tax positions in prior periods	2	9
Gross decreases – tax positions in prior periods	(19)	(6)
Gross increases – current period tax positions	13	6
Settlements	(9)	(4)
Lapse of statute of limitations	(25)	(14)
Ending unrecognized tax benefits	<u>\$121</u>	<u>\$159</u>

As of fiscal year end 2022, the amount of unrecognized tax benefit that, if recognized, would affect our effective tax rate was \$104 million and we had \$34 million accrued for payment of interest and penalties related to our uncertain tax positions. Our penalties and interest related to uncertain tax positions are included in income tax expense.

As a result of global operations, we file income tax returns in the U.S. federal, various state and local, and foreign jurisdictions and are routinely subject to examination by taxing authorities throughout the world. Excluding potential adjustments to net operating losses, the U.S. federal and state income tax returns are no longer subject to income tax assessments for years before 2018. With few exceptions, the major foreign jurisdictions are no longer subject to income tax assessments for year before 2015.

7. Retirement Plans

The Company sponsors defined contribution retirement plans covering substantially all employees. Contributions are based upon a fixed dollar amount for employees who participate and percentages of employee contributions at specified thresholds. Contribution expense for these plans was \$42 million, \$45 million, and \$40 million for fiscal 2022, 2021, and 2020, respectively.

The majority of the North American and UK defined benefit pension plans, which cover certain manufacturing facilities, are closed to future entrants. The assets of all the plans are held in a separate trustee administered fund to meet long-term liabilities for past and present employees. The majority, \$61 million, of Mainland Europe's total underfunded status relates to non-contributory pension plans within our German operations. There is no external funding for these plans although they are secured by insolvency insurance required under German law. In general, the plans provide a fixed retirement benefit not related to salaries and are closed to new entrants.

The net amount of liability recognized is included in Employee Benefit Obligations on the Consolidated Balance Sheets. The Company uses fiscal year end as a measurement date for the retirement plans.

Change in Projected Benefit Obligations (PBO)	2022				2021			
	North America	UK	Mainland Europe	Total	North America	UK	Mainland Europe	Total
Beginning of period	\$338	\$ 888	\$196	\$1,422	\$361	\$888	\$192	\$1,441
Service cost	—	1	5	6	—	1	4	5
Interest cost	8	17	2	27	8	15	1	24
Currency	(1)	(152)	(30)	(183)	1	48	2	51
Actuarial loss (gain)	(77)	(244)	(37)	(358)	(12)	(28)	9	(31)
Benefit settlements	—	—	(5)	(5)	(3)	—	(5)	(8)
Benefits paid	(16)	(30)	(7)	(53)	(17)	(36)	(7)	(60)
End of period	<u>\$252</u>	<u>\$ 480</u>	<u>\$124</u>	<u>\$ 856</u>	<u>\$338</u>	<u>\$888</u>	<u>\$196</u>	<u>\$1,422</u>

Change in Fair Value of Plan Assets	2022				2021			
	North America	UK	Mainland Europe	Total	North America	UK	Mainland Europe	Total
Beginning of period	\$286	\$ 828	\$ 53	\$1,167	\$268	\$769	\$ 54	\$1,091
Currency	(1)	(146)	(7)	(154)	1	41	1	43
Return on assets	(41)	(225)	(2)	(268)	36	28	3	67
Contributions	—	19	8	27	1	26	7	34
Benefit settlements	—	—	(5)	(5)	(3)	—	(5)	(8)
Benefits paid	(16)	(30)	(7)	(53)	(17)	(36)	(7)	(60)
End of period	\$228	\$ 446	\$ 40	\$ 714	\$286	\$828	\$ 53	\$1,167
Underfunded status	\$ (24)	\$ (34)	\$ (84)	\$ (142)	\$ (52)	\$ (60)	\$ (143)	\$ (255)

At the end of fiscal 2022, the Company had \$65 million of net unrealized losses recorded in Accumulated other comprehensive loss on the Consolidated Balance Sheets. The Company expects \$1 million to be realized in fiscal 2023.

The following table presents significant weighted-average assumptions used to determine benefit obligation and benefit cost for the fiscal years ended:

(Percentages)	2022		
	North America	UK	Mainland Europe
Weighted-average assumptions:			
Discount rate for benefit obligation	5.1	5.2	3.6
Discount rate for net benefit cost	2.5	2.1	1.0
Expected return on plan assets for net benefit costs	6.1	4.2	2.1
(Percentages)	2021		
	North America	UK	Mainland Europe
Weighted-average assumptions:			
Discount rate for benefit obligation	2.5	2.2	1.0
Discount rate for net benefit cost	2.2	1.6	0.8
Expected return on plan assets for net benefit costs	6.1	4.1	2.0

In evaluating the expected return on plan assets, Berry considered its historical assumptions compared with actual results, an analysis of current market conditions, asset allocations, and the views of advisors. The return on plan assets is derived from target allocations and historical yield by asset type. A one quarter of a percentage point reduction of expected return on pension assets, mortality rate or discount rate applied to the pension liability would result in an immaterial change to the Company's pension expense.

In accordance with the guidance from the FASB for employers' disclosure about postretirement benefit plan assets the table below discloses fair values of each pension plan asset category and level within the fair value hierarchy in which it falls. There were no material changes or transfers between level 3 assets and the other levels.

Fiscal 2022 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 14	\$ —	\$ —	\$ 14
U.S. large cap comingled equity funds	69	—	—	69
U.S. mid cap equity mutual funds	35	—	—	35
U.S. small cap equity & Corporate bond mutual funds	4	—	—	4
International equity mutual funds	9	99	—	108
Real estate equity investment funds	4	26	94	124
Corporate bonds	—	128	56	184
International fixed income funds	5	130	—	135
International insurance policies	—	—	41	41
Total	\$140	\$383	\$191	\$714
Fiscal 2021 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 55	\$ —	\$ —	\$ 55
U.S. large cap comingled equity funds	84	—	—	84
U.S. mid cap equity mutual funds	50	—	—	50
U.S. small cap equity & Corporate bond mutual funds	8	—	—	8
International equity mutual funds	14	271	—	285
Real estate equity investment funds	7	86	101	194
Corporate bonds	—	157	40	197
International fixed income funds	81	161	—	242
International insurance policies	—	—	52	52
Total	\$299	\$675	\$193	\$1,167

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the fiscal year end:

	North America	UK	Mainland Europe	Total
2023	\$19	\$ 27	\$ 7	\$ 53
2024	18	28	8	54
2025	18	28	6	52
2026	19	29	6	54
2027	19	30	8	57
2028 – 2032	90	164	43	297

Net pension expense is recorded in Cost of goods sold and included the following components as of fiscal years ended:

	2022	2021	2020
Service cost	\$ 6	\$ 5	\$ 1
Interest cost	27	24	26
Amortization of net actuarial loss	3	9	5
Expected return on plan assets	(51)	(51)	(46)
Net periodic benefit expense (income)	\$(15)	\$(13)	\$(14)

Our defined benefit pension plan asset allocations as of fiscal years ended are as follows:

Asset Category	2022	2021
Equity securities and equity-like instruments	47%	53%
Debt securities and debt-like	45	38
International insurance policies	6	4
Other	2	5
Total	<u>100%</u>	<u>100%</u>

The Company's retirement plan assets are invested with the objective of providing the plans the ability to fund current and future benefit payment requirements while minimizing annual Company contributions. The retirement plans held \$31 million of the Company's stock at the end of fiscal 2022. The Company re-addresses the allocation of its investments on a regular basis.

8. Restructuring and Transaction Activities

The Company has announced various restructuring plans in the last three fiscal years which included shutting down facilities. In all instances, the majority of the operations from rationalized facilities was transferred to other facilities within the respective segment. During fiscal 2020, 2021, and 2022, the Company did not shut down any facilities with significant net sales.

The table below sets forth the significant components of the restructuring and transaction activity charges recognized for the fiscal years ended, by segment:

	2022	2021	2020
Consumer Packaging International	\$10	\$56	\$58
Consumer Packaging North America	5	—	10
Engineered Materials	2	(4)	6
Health, Hygiene & Specialties	6	(1)	5
Consolidated	<u>\$23</u>	<u>\$51</u>	<u>\$79</u>

The table below sets forth the activity with respect to the restructuring charges and the impact on our accrued restructuring reserves:

	Restructuring				Total
	Employee Severance and Benefits	Facility Exit Costs	Non-cash Impairment Charges	Transaction Activities	
Balance as of fiscal 2020	\$ 10	\$ 7	\$—	\$ —	\$ 17
Charges	11	7	1	32	51
Non-cash asset impairment	—	—	(1)	—	(1)
Cash	(15)	(9)	—	(32)	(56)
Balance as of fiscal 2021	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$—</u>	<u>\$ —</u>	<u>\$ 11</u>
Charges	7	9	—	7	23
Cash	(11)	(11)	—	(7)	(29)
Balance as of fiscal 2022	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$—</u>	<u>\$ —</u>	<u>\$ 5</u>

Since 2020, cumulative costs attributed to restructuring programs total \$80 million.

9. Stockholders' Equity

Share Repurchases

During fiscal 2022, the Company repurchased approximately 12.2 million shares for \$709 million, at an average price of \$58.30. No shares were repurchased during fiscal 2021 and 2020. Authorized repurchases of \$342 million remain

available to the Company. All share repurchases were immediately retired. Common stock was reduced by the number of shares retired at \$0.01 par value per share. The Company allocates the excess purchase price over par value between additional paid-in capital and retained earnings.

Equity Incentive Plans

The Company has shareholder-approved stock plans under which options and restricted stock units have been granted to employees at the market value of the Company's stock on the date of grant. In fiscal 2021, the Company amended the 2015 Berry Global Group, Inc. Long-Term Incentive Plan to authorize the issuance of 20.8 million shares, an increase of 8.3 million shares from the previous authorization. The intrinsic value of options exercised in fiscal 2022 was \$10 million.

Information related to the equity incentive plans as of the fiscal years ended are as follows:

	2022		2021	
	Number of Shares (in thousands)	Weighted Average Exercise Price	Number of Shares (in thousands)	Weighted Average Exercise Price
Options outstanding, beginning of period	11,302	\$44.54	11,460	\$40.84
Options granted	1,192	66.47	1,946	54.22
Options exercised	(752)	35.31	(1,961)	32.23
Options forfeited or cancelled	(86)	51.72	(143)	48.72
Options outstanding, end of period	<u>11,656</u>	<u>\$47.33</u>	<u>11,302</u>	<u>\$44.54</u>
Option price range at end of period	\$16.00 – 66.47		\$10.24 – 54.33	
Options exercisable at end of period	6,718		5,260	
Weighted average fair value of options granted during period	\$ 20.73		\$ 16.36	

Generally, options vest annually in equal installments commencing one year from the date of grant and have a vesting term of either four or five years, depending on the grant date, and an expiration term of 10 years from the date of grant. The fair value for options granted has been estimated at the date of grant using a Black-Scholes model, generally with the following weighted average assumptions:

	2022	2021	2020
Risk-free interest rate	1.3%	0.5%	1.7%
Dividend yield	0.0%	0.0%	0.0%
Volatility factor	29.7%	30.4%	27.2%
Expected option life	6.0 years	6.0 years	6.5 years

The following table summarizes information about the options outstanding as of fiscal 2022:

Intrinsic Value of Outstanding (in millions)	Weighted Remaining Contractual Life	Weighted Exercise Price	Number Exercisable (in thousands)	Intrinsic Value of Exercisable (in millions)	Unrecognized Compensation (in millions)	Weighted Recognition Period
\$46	6.1 years	\$47.33	6,718	\$42	\$30	1.3 years

The Company's issued restricted stock units generally vest in equal installments over four years. Compensation cost is recorded based upon the fair value of the shares at the grant date.

	2022		2021	
	Number of Shares (in thousands)	Weighted Average Grant Price	Number of Shares (in thousands)	Weighted Average Grant Price
Awards outstanding, beginning of period	196	\$54.22	—	\$ —
Awards granted	232	66.47	203	54.22
Awards vested	(64)	54.70	(2)	54.22
Awards forfeited or cancelled	(10)	60.30	(5)	54.22
Awards outstanding, end of period	<u>354</u>	<u>\$61.99</u>	<u>196</u>	<u>\$54.22</u>

The Company had equity incentive shares available for grant of 7.1 million and 8.5 million as of October 1, 2022 and October 2, 2021, respectively.

10. Segment and Geographic Data

Berry'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 improved service, and drive future growth in a cost efficient manner.

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

	2022	2021	2020
Net sales			
Consumer Packaging International	\$ 4,293	\$ 4,242	\$ 3,789
Consumer Packaging North America	3,548	3,141	2,560
Engineered Materials	3,488	3,309	2,766
Health, Hygiene & Specialties	3,166	3,158	2,594
Total	<u>\$14,495</u>	<u>\$13,850</u>	<u>\$11,709</u>
Operating income			
Consumer Packaging International	\$ 346	\$ 317	\$ 273
Consumer Packaging North America	338	276	275
Engineered Materials	328	301	336
Health, Hygiene & Specialties	230	398	295
Total	<u>\$ 1,242</u>	<u>\$ 1,292</u>	<u>\$ 1,179</u>
Depreciation and amortization			
Consumer Packaging International	\$ 317	\$ 341	\$ 315
Consumer Packaging North America	214	224	230
Engineered Materials	112	112	117
Health, Hygiene & Specialties	176	177	183
Total	<u>\$ 819</u>	<u>\$ 854</u>	<u>\$ 845</u>
		<u>2022</u>	<u>2021</u>
Total assets:			
Consumer Packaging International		\$ 6,993	\$ 7,800
Consumer Packaging North America		3,992	3,861
Engineered Materials		2,236	2,331
Health, Hygiene & Specialties		3,735	3,890
Total assets		<u>\$16,956</u>	<u>\$17,882</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net sales:			
United States and Canada	\$ 7,907	\$ 7,351	\$ 6,250
Europe	5,065	4,898	4,223
Rest of world	1,523	1,601	1,236
Total net sales	<u>\$14,495</u>	<u>\$13,850</u>	<u>\$11,709</u>
		<u>2022</u>	<u>2021</u>
Long-lived assets:			
United States and Canada		\$ 6,826	\$ 6,682
Europe		3,616	4,574
Rest of world		1,350	1,532
Total long-lived assets		<u>\$11,792</u>	<u>\$12,788</u>

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

(in percentages)	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net sales:			
Packaging	76%	81%	80%
Non-packaging	24	19	20
Consumer Packaging International	<u>100%</u>	<u>100%</u>	<u>100%</u>
Rigid Open Top	62%	57%	55%
Rigid Closed Top	38	43	45
Consumer Packaging North America	<u>100%</u>	<u>100%</u>	<u>100%</u>
Core Films	59%	63%	58%
Retail & Industrial	41	37	42
Engineered Materials	<u>100%</u>	<u>100%</u>	<u>100%</u>
Health	14%	18%	18%
Hygiene	51	47	47
Specialties	35	35	35
Health, Hygiene & Specialties	<u>100%</u>	<u>100%</u>	<u>100%</u>

11. Net Income per Share

Basic net income or earnings per share ("EPS") 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 EPS includes the effects of options and restricted stock units, if dilutive.

The following tables provide a reconciliation of the numerator and denominator of the basic and diluted EPS calculations:

<u>(in millions, except per share amounts)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Numerator			
Consolidated net income	<u>\$ 766</u>	<u>\$ 733</u>	<u>\$ 559</u>
Denominator			
Weighted average common shares outstanding – basic	130.6	134.6	132.6
Dilutive shares	<u>2.2</u>	<u>3.7</u>	<u>2.5</u>
Weighted average common and common equivalent shares outstanding – diluted	<u>132.8</u>	<u>138.3</u>	<u>135.1</u>
Per common share earnings			
Basic	\$ 5.87	\$ 5.45	\$ 4.22
Diluted	\$ 5.77	\$ 5.30	\$ 4.14

1 million and 7 million shares were excluded from the fiscal 2022 and 2020 diluted EPS calculation, respectively, as their effect would be anti-dilutive. No shares were excluded from the fiscal 2021 calculation.

12. Subsequent Events

In November 2022, the Company’s Board of Directors authorized a quarterly cash dividend of \$0.25 per share. The first fiscal quarter payment will be paid on December 15, 2022 to shareholders of record as of December 1, 2022.

In November 2022, the Company announced an incremental board authorized \$700 million of share repurchases. Share repurchases will be made through open market purchases, privately negotiated transactions, Rule 10b5-1 plans, or other transactions in accordance with applicable securities laws and in such amounts at such times as the Company deems appropriate based upon prevailing market and business conditions and other factors. The expanded share repurchase program has no expiration date and may be suspended at any time.

Exhibit No	Description of Exhibit
2.1	Rule 2.7 Announcement, dated as of March 8, 2019 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 14, 2019).
2.2	Co-Operation Agreement, dated as of March 8, 2019, by and among Berry Global Group, Inc., Berry Global International Holdings Limited and RPC Group Plc (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 14, 2019).
3.1	Amended and Restated Certificate of Incorporation of Berry Global Group, Inc., as amended through March 6, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on May 2, 2019).
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Berry Global Group, Inc., dated February 24, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 25, 2021).
3.3	Amended and Restated Bylaws of Berry Global Group, Inc., as amended and restated effective as of February 24, 2021 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on February 25, 2021).
4.1	Form of common stock certificate of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 4.27 of Amendment No. 5 to the Company's Registration Statement on Form S-1 filed on September 19, 2012).
4.2	Indenture, by and between Berry Global Escrow Corporation and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 4.875% First Priority Senior Secured Notes due 2026, dated June 5, 2019 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 6, 2019).
4.2A	Supplemental Indenture, among Berry Global Group, Inc., Berry Global, Inc., Berry Global Escrow Corporation, each of the parties identified as a Subsidiary Guarantor thereon, and U.S. Bank National Association, as Trustee, relating to the 4.875% First Priority Senior Secured Notes due 2026, dated July 1, 2019 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 2, 2019).
4.3	Indenture, by and between Berry Global Escrow Corporation and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 5.625% Second Priority Senior Secured Notes due 2027, dated June 5, 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 6, 2019).
4.3A	Supplemental Indenture, among Berry Global Group, Inc., Berry Global, Inc., Berry Global Escrow Corporation, each of the parties identified as a Subsidiary Guarantor thereon, and U.S. Bank National Association, as Trustee, relating to the 5.625% Second Priority Senior Secured Notes due 2027, dated July 1, 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on July 2, 2019).
4.4	Indenture, among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, and Elavon Financial Services DAC, as Paying Agent, Transfer Agent and Registrar, relating to the 1.00% First Priority Senior Secured Notes due 2025 and 1.50% First Priority Senior Secured Notes due 2027, dated January 2, 2020 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 2, 2020).
4.5	Indenture among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 1.57% First Priority Senior Secured Notes due 2026, dated December 22, 2020 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 23, 2020).

Exhibit No	Description of Exhibit
4.5A	First Supplemental Indenture, among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 1.57% First Priority Senior Secured Notes due 2026, dated March 4, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 4, 2021).
4.6	Indenture among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 0.95% First Priority Senior Secured Notes due 2024, dated January 15, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 15, 2021).
4.7	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).
4.8	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.57% First Priority Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 23, 2020).
4.9	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 0.95% First Priority Senior Secured Notes due 2024 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on January 15, 2021).
4.10	Registration Rights Agreement, dated March 4, 2021, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.57% First Priority Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 5, 2021).
4.11	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).
4.12	Description of Securities (incorporated by reference to Exhibit 4.9 to the Company's Annual Report on Form 10-K filed on November 11, 2019).
10.1	\$850,000,000 Third Amended and Restated Revolving Credit Agreement, dated as of May 1, 2019, by and among Berry Global, Inc., Berry Global Group, Inc., the lenders party thereto, Bank of America, N.A., as collateral agent and administrative agent, and the financial institutions party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 6, 2019).
10.2	U.S. \$1,200,000,000 Second Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Berry Plastics Corporation formerly known as Berry Plastics Holding Corporation, Berry Plastics Group, Inc., Credit Suisse, Cayman Islands Branch, as collateral and administrative agent, the lenders party thereto from time to time, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1(b) to Berry Plastics Corporation's Current Report on Form 8-K filed on April 10, 2007).

Exhibit No	Description of Exhibit
10.3	Second Amended and Restated Intercreditor Agreement, dated as of February 5, 2008, by and among Berry Plastics Group, Inc., Berry Plastics Corporation, certain subsidiaries identified as parties thereto, Bank of America, N.A. and Credit Suisse, Cayman Islands Branch as first lien agents, and U.S. Bank National Association, as successor in interest to Wells Fargo Bank, N.A., as trustee (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on November 23, 2015).
10.4	U.S. \$1,147,500,000 and \$814,375,000 Incremental Assumption Agreement, dated as of February 10, 2017 by and among Berry Plastics Group, Inc., Berry Plastics Corporation and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term K lender and Citibank, N.A., as incremental term L lender therein. (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K filed on November 21, 2017).
10.5	U.S. \$1,644,750,000 and \$498,750,000 Incremental Assumption Agreement, dated as of August 10, 2017, by and among Berry Plastics Group, Inc., Berry Plastics Corporation and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Wells Fargo Bank, National Association, as initial Term M lender and Wells Fargo Bank, National Association, as initial Term N lender therein (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on November 21, 2017).
10.6	U.S. \$900,000,000 and \$814,375,000 Incremental Assumption Agreement, dated as of November 27, 2017, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term O Lender, and Citibank, N.A., as initial Term P Lender therein. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on February 7, 2018).
10.7	U.S. \$1,644,750,000 and \$496,250,000 Incremental Assumption Agreement and Amendment, dated as of February 12, 2018, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term Q lender, and Citibank, N.A., as initial Term R lender therein (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2018).
10.8	U.S. \$800,000,000 and \$814,375,000 Incremental Assumption Agreement, dated as of May 16, 2018, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term S lender, and Citibank, N.A., as initial Term T lender therein (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 3, 2018).
10.9	Incremental Assumption Agreement and Amendment, among Berry Global Group, Inc., Berry Global, Inc. and certain subsidiaries of Berry Global, Inc., as Loan Parties, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent, Goldman Sachs Bank USA, as Initial Term U Lender, and Goldman Sachs Bank USA, as Initial Term V Lender, dated as of July 1, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2019).
10.10	Amendment and Waiver to Equipment Lease Agreement, dated as of January 19, 2011, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.16 to AVINTIV Specialty Materials Inc.'s Registration Statement Form S-4 filed on October 25, 2011).
10.11	Second Amendment to Equipment Lease Agreement, dated as of October 7, 2011, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.17 to AVINTIV Specialty Materials Inc.'s Registration Statement Form S-4 filed on October 25, 2011).

Exhibit No	Description of Exhibit
10.12	Third Amendment to Equipment Lease Agreement, dated as of February 28, 2012, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.1 to AVINTIV Specialty Materials Inc.'s Quarterly Report on Form 10-Q filed on May 15, 2012).
10.13	Fourth Amendment to Equipment Lease Agreement, dated as of March 22, 2013, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.1 to AVINTIV Specialty Materials Inc.'s Quarterly Report on Form 10-Q filed on May 9, 2013).
10.14†	2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.15†	Amendment No. 2 to the Berry Plastics Group, Inc., 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.16†	Amendment No. 3 to Berry Plastics Group, Inc. 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.17†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.18†	Omnibus amendment to awards granted under the Berry Plastics Group, Inc., 2006 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.19†	Form of Performance-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.9 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.20†	Form of Accreting Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.10 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.21†	Form of Time-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.11 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.22†	Form of Performance-Based Stock Appreciation Rights Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.12 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.23†	Employment Agreement of Thomas E. Salmon (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 6, 2017).
10.24†	Berry Plastics Group, Inc. Executive Bonus Plan, amended and restated December 22, 2015, effective as of September 27, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 28, 2015).
10.25†	Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K filed on December 17, 2012).
10.26†	Amendment No. 1 to the Berry Plastics Group, Inc., 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.27†	Omnibus amendment to awards granted under the Berry Plastics Group, Inc., 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K filed on December 11, 2013).

Exhibit No	Description of Exhibit
10.28†	Amendment No. 2 to the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.29†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.30†	2015 Berry Plastics Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.31†	First Amendment to 2015 Berry Plastics Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 6, 2018).
10.32†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2015 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.33†	Fourth Amended and Restated Stockholders Agreement, by and among Berry Plastics Group, Inc., and the stockholders of the Corporation listed on schedule A thereto, dated as of January 15, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 30, 2015).
10.34†	Employment Agreement, dated January 1, 2002, between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.35†	Amendment No. 1 to Employment Agreement, dated as of September 13, 2006, by and between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.36†	Amendment No. 2 to Employment Agreement, dated December 31, 2008, by and between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.37†	Amendment No. 3 to Employment Agreement, dated August 1, 2010, by and between the Berry Plastics Corporation and Curtis L. Begle (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.38†	Amendment No. 4 to Employment Agreement, dated December 16, 2011, by and between the Berry Plastics Corporation and Curtis L. Begle (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.39†	Employment Agreement, dated February 28, 1998, between Berry Plastics Corporation and Mark Miles, together with amendments dated February 28, 2003, September 13, 2006, December 31, 2008, and December 31, 2011 (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K filed on November 30, 2016).
10.40†	Form of Amendment to Employment Agreement by and between Berry Plastics Corporation and each of Curtis L. Begle, Mark W. Miles, and Thomas E. Salmon (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.41†	Senior Executive Employment Contract dated as of September 30, 2015 by and between PGI Specialty Materials Inc. and Jean Marc Galvez, together with the International Assignment Letter dated December 18, 2016 from Berry Global, Inc. (f/k/a Berry Plastics Corporation) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on February 7, 2018).

Exhibit No	Description of Exhibit
10.42†	Employment Agreement, dated December 16, 2010, between Berry Plastics Corporation and Jason Greene, together with amendments dated December 31, 2011 and July 20, 2016 (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K filed on November 23, 2020).
10.43†	Amended and Restated Berry Global Group, Inc. 2015 Long-Term Incentive Plan, effective February 24, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 25, 2021).
10.44†	Form of Employee Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 30, 2020).
10.45†	Form of Employee Performance-Based Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 30, 2020).
10.46†	Form of Director Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on November 30, 2020).
21.1*	Subsidiaries of the Registrant.
22.1*	List of Subsidiary Guarantors.
23.1*	Consent of Independent Registered Public Accounting Firm.
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 or furnished herewith, as applicable.

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 18th day of November, 2022.

BERRY GLOBAL GROUP, INC.

By /s/ Thomas E. Salmon

Thomas E. Salmon
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Thomas E. Salmon</u> Thomas E. Salmon	Chief Executive Officer and Chairman of the Board of Directors and Director (Principal Executive Officer)	November 18, 2022
<u>/s/ Mark W. Miles</u> Mark W. Miles	Chief Financial Officer (Principal Financial Officer)	November 18, 2022
<u>/s/ James M. Till</u> James M. Till	Executive Vice President and Controller (Principal Accounting Officer)	November 18, 2022
<u>/s/ B. Evan Bayh</u> B. Evan Bayh	Director	November 18, 2022
<u>/s/ Jonathan F. Foster</u> Jonathan F. Foster	Director	November 18, 2022
<u>/s/ Idalene F. Kesner</u> Idalene F. Kesner	Director	November 18, 2022
<u>/s/ Jill A. Rahman</u> Jill A. Rahman	Director	November 18, 2022
<u>/s/ Carl J. Rickertsen</u> Carl J. Rickertsen	Director	November 18, 2022
<u>/s/ Paula Sneed</u> Paula Sneed	Director	November 18, 2022
<u>/s/ Robert A. Steele</u> Robert A. Steele	Director	November 18, 2022
<u>/s/ Stephen E. Sterrett</u> Stephen E. Sterrett	Director	November 18, 2022
<u>/s/ Scott B. Ullem</u> Scott B. Ullem	Director	November 18, 2022

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Non-GAAP Financial Measures*

Operating EBITDA and adjusted earnings per share, as presented in this document, are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). Reconciliations of such measures to GAAP financial measures are provided below. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. For further information, see the accompanying Form 10-K.

	2018	2019	2020	2021	2022
U.S. GAAP Operating income	\$761	\$974	\$1,179	\$1,292	\$1,242
Add: depreciation and amortization	538	613	845	854	819
Add: restructuring and impairment	36	(126)	79	51	23
Add: business optimization and other expense	45	69	54	27	17
Operating EBITDA	\$1,380	\$1,530	\$2,157	\$2,224	\$2,101

	2018	2019	2020	2021	2022
Net income per diluted share	\$3.67	\$3.00	\$4.14	\$5.30	\$5.77
Other expense	0.18	1.15	0.23	0.37	0.17
Restructuring & transaction activities	0.40	(0.93)	0.58	0.37	0.17
Amortization of intangibles from acquisition	0.93	1.23	2.04	2.08	1.94
Non-comparable items (tax & other)	(0.88)	0.29	(0.01)	(0.24)	(0.13)
Income tax impact on items above	(0.08)	(0.41)	(0.58)	(0.67)	(0.52)
Adjusted net income per diluted share	\$4.22	\$4.33	\$6.40	\$7.21	\$7.40

Stockholder Information

Corporate Headquarters

Berry Global Group, Inc.
101 Oakley Street
Evansville, Indiana 47710
812.424.2904
berryglobal.com

Investor Relations Contact

Dustin Stilwell
812.306.2964
ir@berryglobal.com

Annual Meeting of Shareholders

February 15, 2023, at 10:00 a.m. Central Time,
Bally's Evansville Executive Conference Center—Room Walnut D
450 NW Riverside Dr., Evansville, Indiana 47708

Registrar and Transfer Agent

Computershare
P.O. Box 505000
Louisville, KY 40233
800.962.4284

Independent Registered Public Accounting Firm

Ernst & Young LLP

Additional Information

You can access financial and other information about Berry Global Group, Inc. at ir.berryglobal.com, including press releases, Forms 10-K, 10-Q, and 8-K as filed with the Securities and Exchange Commission; and information on Corporate Governance such as charters of Board Committees, our Global Code of Business Ethics, and Corporate Governance Guidelines. You can also request that any of these materials be mailed to you at no charge by writing us at the address above.



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