

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

June 8, 2020

Date of Report (Date of earliest event reported)



O-I GLASS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9576
(Commission
File Number)

22-2781933
(IRS Employer
Identification No.)

One Michael Owens Way
Perrysburg, Ohio
(Address of principal executive offices)

43551-2999
(Zip Code)

(567) 336-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$.01 per share	OI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

ITEM 7.01. REGULATION FD DISCLOSURE.

On June 8, 2020, O-I Glass, Inc. (the “Company”) issued a press release providing a business update in conjunction with a scheduled presentation at the Deutsche Bank 2020 Global Industrials and Materials Summit (the “Conference”). Chief Executive Officer Andres Lopez and Chief Financial Officer John Haudrich are scheduled to make a presentation at the Conference on Tuesday, June 9, 2020 at 3:00 p.m., Eastern Time.

A copy of the press release is being furnished as Exhibit 99.1 hereto, and incorporated herein by reference. A live webcast of the presentation will be available at the following link: https://event.webcasts.com/starthere.jsp?ei=1322361&tp_key=cb29e998c3. The replay from the conference will be posted within 24 hours of the presentation and will be archived through this link for 90 days. A copy of the presentation slides, which will be discussed at the Conference, is attached hereto as Exhibit 99.2 and will also be available on the Company’s website, www.o-i.com/investors.

The information contained in this Item 7.01 and in Exhibits 99.1 and 99.2 hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**(d) Exhibits.**

Exhibit No.	Description
99.1	Press Release dated June 8, 2020
99.2	Deutsche Bank 2020 Global Industrials and Materials Summit Slides
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

O-I GLASS, INC.

Date: June 8, 2020

By: /s/ John A. Haudrich

Name: John A. Haudrich

Title: Senior Vice President and Chief Financial Officer



FOR IMMEDIATE RELEASE

For more information, contact:

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 Vice President of Investor Relations
 567-336-2600
 Chris.Manuel@o-i.com

O-I GLASS SECOND QUARTER 2020 BUSINESS UPDATE

PERRYSBURG, Ohio (June 8, 2020) – O-I Glass, Inc. (NYSE: OI) today provided a business update in advance of the company’s attendance at the Deutsche Bank 2020 Global Industrials and Materials Summit on June 9, 2020.

“O-I continues to take actions to safely supply our customers while actively managing our business in response to the evolving dynamics caused by the Covid-19 pandemic. As expected, the second quarter has been negatively impacted by temporarily lower shipment levels and production curtailment as we balance supply with demand and comply with governmental health decrees in certain markets. While quarter-to-date shipments were consistently down through mid-May, volume trends have gradually improved over the past few weeks as markets have begun to reopen. Amid a challenging backdrop and elevated curtailment levels, the actions we have taken under our turnaround initiatives have enabled high operating efficiency levels across most of our manufacturing footprint and helped accelerate cost reduction. In addition to these efforts, we have implemented a number of specific measures to partially mitigate the financial impact of the pandemic. As a result, we have delivered positive segment operating results for the quarter through May and cash flows remained comparable to the prior year. Likewise, liquidity remains very strong and May’s refinancing activities have improved O-I’s financial flexibility and balance sheet health. As the company navigates these challenging times, O-I remains committed to its strategy focused on optimizing its structure, turning around performance and revolutionizing glass,” said Andres Lopez, CEO.

Second quarter 2020 business update comments:

- **Employee health and safety is a top priority:** O-I continues to implement measures to protect the health and safety of all employees in alignment with the recommendations put forth by the World Health Organization, U.S. Centers for Disease Control and Prevention, or other local authorities based on location.
- **Shipment levels gradually improving as markets begin to reopen:** Globally, O-I’s daily shipments in tons were down approximately 18 percent quarter-to-date through May compared to the prior year period, principally due to the pandemic. Starting in mid-May, sales volume trends have improved as many markets gradually start to reopen while Mexico and the Andean countries have just begun to reopen. Excluding Mexico and the Andean countries, daily shipment levels were down low double digits since mid-May. Following the initial onset of the pandemic, O-I has taken swift action to balance supply with lower demand which has resulted in capacity curtailment during the second quarter consistent with lower demand. Over time, the company is shifting curtailment from primarily line closures to more indefinite furnace and plant downtime to reduce the cost absorption related to curtailment. O-I remains agile and will adjust capacity to serve its customers as markets recover. While the situation remains fluid, O-I continues to expect full year 2020 volumes will decline in a range of 5 – 10 percent compared to the prior year.

Continued action to mitigate business impact of Covid-19: As expected, the pandemic has negatively impacted O-I's financial results given the rapid reduction in sales and production volumes. Despite these temporary challenges, the company's actions to manage costs and proactively align capacity have resulted in segment operating results which were modestly profitable quarter-to-date through May. The company's turnaround initiatives initiated in 2019 have progressed well and both safety performance and plant quality and efficiency have been at the highest levels in over a year with strong improvement at the eight focus factories. O-I has taken preemptive actions to partially mitigate the impact of the pandemic as it continues to align supply with evolving demand trends, accelerate cost reduction, reduce capital expenditures and manage working capital levels. The company has implemented its previously announced temporary salary reduction program for certain executives and directors as well as a wage deferral program for other salaried employees. The company recently conducted a reduction-in-force program as part of its enhanced SG&A reduction initiative which will help simplify the organization and improve decision making. Furthermore, O-I has suspended its dividend and share repurchase programs amid Covid-19 to focus cash flows on debt reduction.

Cash flows remain consistent with the prior year and liquidity remains strong: O-I's cash flows quarter-to-date through May were comparable to the same period in 2019 despite the challenges of the pandemic reflecting lower capital expenditures and the suspension of asbestos-related claims payments. Additionally, liquidity remained strong and stable. Following recent refinancing activities, the company has improved its financial flexibility with no significant bond maturities until 2023.

About O-I Glass

At O-I Glass, Inc. (NYSE: OI), we love glass and we're proud to make more of it than any other glass bottle or jar producer in the world. We love that it's beautiful, pure and completely recyclable. With global headquarters in Perrysburg, Ohio, we are the preferred partner for many of the world's leading food and beverage brands. Working hand and hand with our customers, we give our passion and expertise to make their bottles iconic and help build their brands around the world. With more than 27,500 people at 78 plants in 23 countries, O-I has a global impact, achieving revenues of \$6.7 billion in 2019. For more information, visit o-i.com.

The company routinely posts important information on its website – www.o-i.com/investors.

Forward-Looking Statements

This press release contains "forward-looking" statements related to O-I Glass, Inc. ("O-I Glass" or the "company") within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933. Forward-looking statements reflect the company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward-looking statements.

It is possible that the company's future financial performance may differ from expectations due to a variety of factors including, but not limited to the following: (1) the company's ability to obtain the benefits it anticipates from the Corporate Modernization, (2) risks inherent in, and potentially adverse developments related to, the Chapter 11 bankruptcy proceeding involving the company's wholly owned subsidiary Paddock, that could adversely affect the company and the company's liquidity or results of operations, including the impact of deconsolidating Paddock from the company's financials, risks from asbestos-related claimant representatives asserting claims against the company and potential for litigation and payment demands against us by such representatives and other third parties, (3) the amount that will be necessary to fully and finally resolve all of Paddock's asbestos-related claims and the company's obligations to make payments to resolve such claims under the terms of its support agreement with Paddock, (4) the company's ability to manage its cost structure, including its success in implementing restructuring or other plans aimed at improving the company's operating efficiency and working capital management, achieving cost savings, and remaining well-positioned to address the company's legacy liabilities, (5) the company's ability to acquire or divest businesses, acquire and expand plants, integrate operations of acquired businesses and achieve expected benefits from acquisitions, divestitures or expansions, (6) the company's ability to achieve its strategic plan, (7) foreign currency fluctuations relative to the U.S. dollar, (8) changes in capital availability or cost, including interest rate fluctuations and the ability of the company to refinance debt at favorable terms, (9) the general political, economic and competitive conditions in markets and countries where the company has operations, including uncertainties related to Brexit, economic and social conditions, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, changes in tax rates and laws, natural disasters, and weather; (10) the impact of Covid-19 and the various governmental, industry and consumer actions relate thereto, (11) the company's ability to generate sufficient future cash flows to ensure the company's goodwill is not impaired, (12) consumer preferences for alternative forms of packaging, (13) cost and availability of raw materials, labor, energy and transportation, (14) consolidation among competitors and customers, (15) unanticipated expenditures with respect to data privacy, environmental, safety and health laws, (16) unanticipated operational disruptions, including higher capital spending, (17) the company's ability to further develop its sales, marketing and product development capabilities, (18) the failure of the company's joint venture partners to meet their obligations or commit additional capital to the joint venture, (19) the ability of the company and the third parties on which it relies for information technology system support to prevent and detect security breaches related to cybersecurity and data privacy, (20) changes in U.S. trade policies, and the other risk factors discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Report on form 10-Q for the quarterly period ended March 31, 2020 and any subsequently filed Annual Report on Form 10-K, Quarterly Reports on Form 10-Q or the company's other filings with the Securities and Exchange Commission.

It is not possible to foresee or identify all such factors. Any forward-looking statements in this document are based on certain assumptions and analyses made by the company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. While the company continually reviews trends and uncertainties affecting the company's results or operations and financial condition, the company does not assume any obligation to update or supplement any particular forward-looking statements contained in this document.



INVESTOR PRESENTATION
JUNE 8, 2020 UPDATE

SAFE HARBOR COMMENTS

Forward-Looking Statements

This presentation contains "forward-looking" statements related to O-I Glass, Inc. ("O-I Glass" or the "company") within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933. Forward-looking statements reflect the company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward-looking statements.

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O-I AT A GLANCE

LEADING GLOBAL
glass container supplier



\$6.7 BILLION
in net sales in 2019



6000+
direct customers



FOUNDED IN 1903
As Owens Bottle Company



MAGMA
revolutionize
glass making



78 factories
23 countries



OPERATING IN 3 REGIONS:
Americas, Europe and Asia-Pacific



71% OF NET SALES
from non-US operations



GLASS IS THE MOST
sustainable packaging option

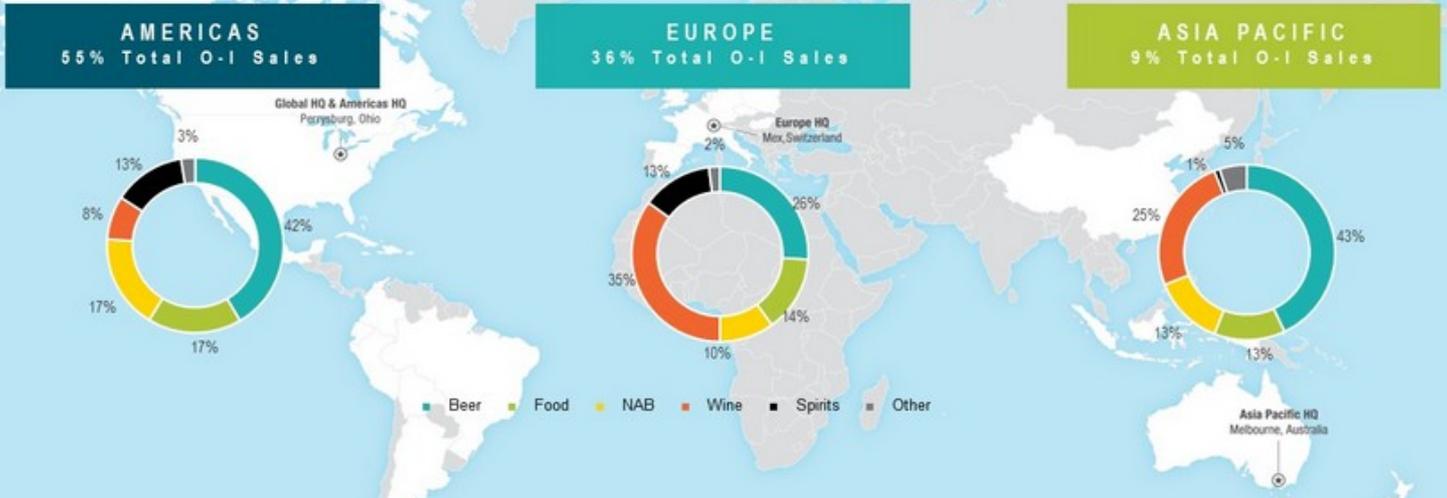


2019 PRODUCT PORTFOLIO:

35% beer, 21% wine, 16% food, 14% NAB, 12% spirits

STRONG MARKET POSITION

STABLE, BALANCED FOOD AND BEVERAGE PORTFOLIO



Globally, approximately 20-25% of products packaged in glass are consumed on-premise, while 75-80% are used at home (Euromonitor, O-I est.)



EXECUTING O-I GLASS INVESTMENT THESIS

BOLD STRUCTURAL ACTIONS TO CHANGE O-I'S BUSINESS FUNDAMENTALS

1

TURNAROUND INITIATIVES

STRONG OPERATING PERFORMANCE
AND COST EFFICIENCIES

2

REVOLUTIONIZE GLASS

CREATE A NEW BUSINESS MODEL
FOR GLASS PACKAGING

3

OPTIMIZE STRUCTURE

REBALANCE BUSINESS PORTFOLIO
AND IMPROVE BALANCE SHEET

TURNAROUND INITIATIVES

DRIVE STRONG OPERATING PERFORMANCE AND COST EFFICIENCIES

Health and Safety

- Top priority
- Protective measures aligned with recommendations of WHO, CDC, local authorities

Turnaround Initiatives

- Factory Performance: Excellent progress with ~ \$14M 1Q20 benefit at focus plants
- Cost Transformation: Augmenting and accelerating to mitigate Covid-19
- Revenue and Mix Optimization: Primarily focused on mix

Discipline and Agility

- Quickly aligning supply with shifting demand
- Optimizing network to mitigate cost impact of downtime
- Protecting assets while managing period of volatility

TURNAROUND INITIATIVES EXCEEDING MANAGEMENT EXPECTATIONS
PROVIDING CONFIDENCE IN ABILITY TO EXECUTE



REVOLUTIONIZING GLASS

A NEW BUSINESS MODEL FOR GLASS PACKAGING

MAGMA reinvents how glass is made, creating a new and more profitable future business model for glass

- New capacity at lower capital commitment and intensity
- Total cost of ownership below legacy
- Increased scalability
- Rapid new capacity deployment and asset portability
- Competitively enter new markets at lower risk
- Production flexibility to support diversified offerings
- Superior sustainability profile
- Securing customer commitments for future deployment

In a world where **SUSTAINABILITY** is more important than ever, we are proud to make an inherently sustainable product

- Made from natural, readily available raw materials
- 100 percent endlessly recyclable into new food-safe glass packaging
- Reusable over and over again
- Does not impact the product's taste or integrity
- Only food contact material 'Generally Recognized as Safe' by U.S. Food and Drug Administration

MAGMA Development (2019 – 2022+)

Generation 1

MAGMA Melter

7 Limited Locations

Generation 2

Modular end-to-end system
(melter, forming, etc)

Expanded Number
of Locations

Generation 3

Optimized modular
end-to-end system
(automation,
digitization, etc)

Anywhere



OPTIMIZE STRUCTURE

REBALANCE BUSINESS PORTFOLIO AND IMPROVE BALANCE SHEET



DIVESTITURES

- Strategic Portfolio Review temporarily halted amid Covid-19
- Tactical divestitures proceeding at slower pace



RESOLVE ASBESTOS-RELATED LIABILITIES

- Paddock Chapter 11 filing from Jan 2020 proceeding as expected



DE-RISK BALANCE SHEET

- Debt reduction is top priority
- Recent refinancing improved financial flexibility
- Suspended dividend and share repurchase program amid Covid-19



2Q20 BUSINESS UPDATE

SUCCESSFULLY ADAPTING TO COVID-19 WITH SPEED AND AGILITY

Shipments gradually improving as markets begin to reopen

- Daily shipments down ~ 18% QTD through May (Mexico/Andean down ~ 35%)
 - Trends improved starting mid-May in most markets; Mexico/Andean reopening early June
 - Excluding Mexico/Andean, O-I daily shipments down ~ 13% since mid-May
- Continue to expect FY2020 volumes down 5-10% (+/- given fluid situation)

Prudently matching supply with lower demand

- Managing downtime to reduce impact of cost absorption from curtailment
- Shifting curtailment from primarily line closures to more furnace/plant downtime
 - Cash cost absorption sensitivity: ~ 50% @ lines, ~ 20-30% @ furnaces, <10% @ plants

Successful actions to aggressively managing costs

- Lower CapEx spending
- Accelerating SG&A reduction: reduction in force, salary reduction/deferrals

Segment results modestly profitable QTD through May

- Despite incurring the brunt of the pandemic

Continued strong liquidity and cash flow comparable with PY

- Lower CapEx and suspended asbestos related payments

2020 Guiding Principles

Preserve Strong Liquidity

- Maintain liquidity > \$1.25B each quarter of 2020

Maximize Free Cash Flow

- Balance supply with demand – IDS below FYE19
- CapEx spend < \$300M in 2020
- Significantly reduce operating costs

Manage FYE20 Net Debt At/Below FYE19 (~\$5B)

- No significant bond maturities until 2023



FOCUSED ON NAVIGATING COVID-19 AND CREATING LONG TERM VALUE

1

NAVIGATE COVID-19

- ▶ FOCUS ON LIQUIDITY, FCF AND DEBT REDUCTION
- ▶ ALIGN SUPPLY WITH DEMAND AND REDUCE WORKING CAPITAL
- ▶ AGGRESSIVELY MANAGE COSTS: CAPEX AND SG&A
- ▶ SUSPEND DIVIDEND AND PAUSE SHARE REPURCHASES

2

CREATE LONG-TERM VALUE

- ▶ TURNAROUND INITIATIVES
- ▶ REVOLUTIONIZE GLASS
- ▶ OPTIMIZE STRUCTURE



FINANCIAL APPENDIX

NON-GAAP FINANCIAL MEASURES

The company uses certain non-GAAP financial measures, which are measures of its historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. Management believes that its presentation and use of certain non-GAAP financial measures, including adjusted free cash flow, provide relevant and useful supplemental financial information, which is widely used by analysts and investors, as well as by management in assessing both consolidated and business unit performance. These non-GAAP measures are reconciled to the most directly comparable GAAP measures and should be considered supplemental in nature and should not be considered in isolation or be construed as being more important than comparable GAAP measures.

Free cash flow relates to cash provided by continuing operating activities less additions to property, plant and equipment. Adjusted free cash flow relates to cash provided by continuing operating activities less additions to property, plant and equipment plus asbestos-related payments. Management has historically used adjusted free cash flow to evaluate its period-over-period cash generation performance because it believes this has provided a useful supplemental measure related to its principal business activity. Free cash flow and adjusted free cash flow may be useful to investors to assist in understanding the comparability of cash flows generated by the company's principal business activity. It should not be inferred that the entire adjusted free cash flow amount is available for discretionary expenditures, since the company has mandatory debt service requirements and other non-discretionary expenditures that are not deducted from the measure. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensation payments.

The Company routinely posts important information on its website at www.o-i.com/investors.



RECONCILIATION FOR NET DEBT

\$ in millions	Year ended December 31, 2019
Cash and cash equivalents	551
Long-term debt	5,435
Short-term loans and long-term debt due within one year	<u>124</u>
Net Debt (non-GAAP)	<u>\$ 5,008</u>



FX IMPACT ON EARNINGS

APPROXIMATE ANNUAL TRANSLATION IMPACT ON EPS FROM 10% FX CHANGE	
EUR	\$0.12
MXN	\$0.05
BRL	\$0.03
COP	\$0.02
AUD	\$0.02

FX RATES AT KEY POINTS			
	May 31, 2020	AVG 2019	AVG 2Q19
EUR	1.11	1.12	1.12
MXN	22.17	19.32	19.26
BRL	5.33	3.95	3.91
COP	3,727	3,299	3,270
AUD	0.67	0.70	0.70

