**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**

**November 28, 2023**
Date of Report (Date of earliest event reported)

# O-I GLASS, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **1-9576** | **22-2781933** |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|---|
| **One Michael Owens Way** **Perrysburg, Ohio** | **43551-2999** |
| (Address of principal executive offices) | (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, $.01 par value | OI | The 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.**

O-I Glass, Inc.'s (the "Company") Chief Executive Officer Andres Lopez and Chief Financial Officer John Haudrich are scheduled to present at the Citi 2023 Basic Materials Conference (the "Conference") on Wednesday, November 29, 2023 at 10:15 a.m., Eastern Time.

A live webcast of the presentation will be available at the following link: https://kvgo.com/citi/o-i-glass-inc-november-2023. The replay from the conference will be posted within 24 hours of the presentation and will be archived through this link for one year following the completion of the Conference. A copy of the presentation slides, which will be discussed at the Conference, is attached hereto as Exhibit 99.1 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 Exhibit 99.1 hereto is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, 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 | 4Q23 Capital Markets Presentation |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

**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: November 28, 2023

| | |
|---|---|
| By: | /s/ John A. Haudrich |
| Name: | John A. Haudrich |
| Title: | Senior Vice President and Chief Financial Officer |

Exhibit 99.1

# 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, as amended. 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 general political, economic and competitive conditions in markets and countries where the Company has operations, including uncertainties related to economic and social conditions, disruptions in the supply chain, competitive pricing pressures, inflation or deflation, changes in tax rates and laws, war, civil disturbance or acts of terrorism, natural disasters, and weather, (2) cost and availability of raw materials, labor, energy and transportation (including impacts related to the current conflicts between Ukraine-Russia and Israel-Hamas and disruptions in supply of raw materials caused by transportation delays), (3) the impact of the COVID-19 pandemic and the various governmental, industry and consumer actions related thereto, (4) competitive pressures, consumer preferences for alternative forms of packaging or consolidation among competitors and customers, (5) the Company's ability to improve its glass melting technology, known as the MAGMA program, and implement it within the timeframe expected, (6) unanticipated operational disruptions, including higher capital spending, (7) the failure of the Company's joint venture partners to meet their obligations or commit additional capital to the joint venture, (8) 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, and achieving cost savings, (9) 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, (10) the Company's ability to generate sufficient future cash flows to ensure the Company's goodwill is not impaired, (11) the Company's ability to achieve its strategic plan, (12) unanticipated expenditures with respect to data privacy, environmental, safety and health laws, (13) 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, (14) changes in capital availability or cost, including interest rate fluctuations and the ability of the Company to refinance debt on favorable terms, (15) foreign currency fluctuations relative to the U.S. dollar, (16) changes in tax laws or U.S. trade policies, (17) risks related to recycling and recycled content laws and regulations, (18) risks related to climate-change and air emissions, including related laws or regulations and increased environmental, social and governance ("ESG") scrutiny and changing expectations from stakeholders and the other risk factors discussed in the Company's 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 of operations and financial condition, the Company does not assume any obligation to update or supplement any particular forward-looking statements contained in this document.

## O-I: AT A GLANCE

**ATTRACTIVE PRODUCT PORTFOLIO**
**33%** beer **21%** wine **17%** food **15%** NAB **14%** spirits

**DIVERSE CUSTOMER BASE**
**6,000+** direct customers

**GLASS IS THE MOST SUSTAINABLE PACKAGE**
all natural, endlessly recyclable, NEVER trash

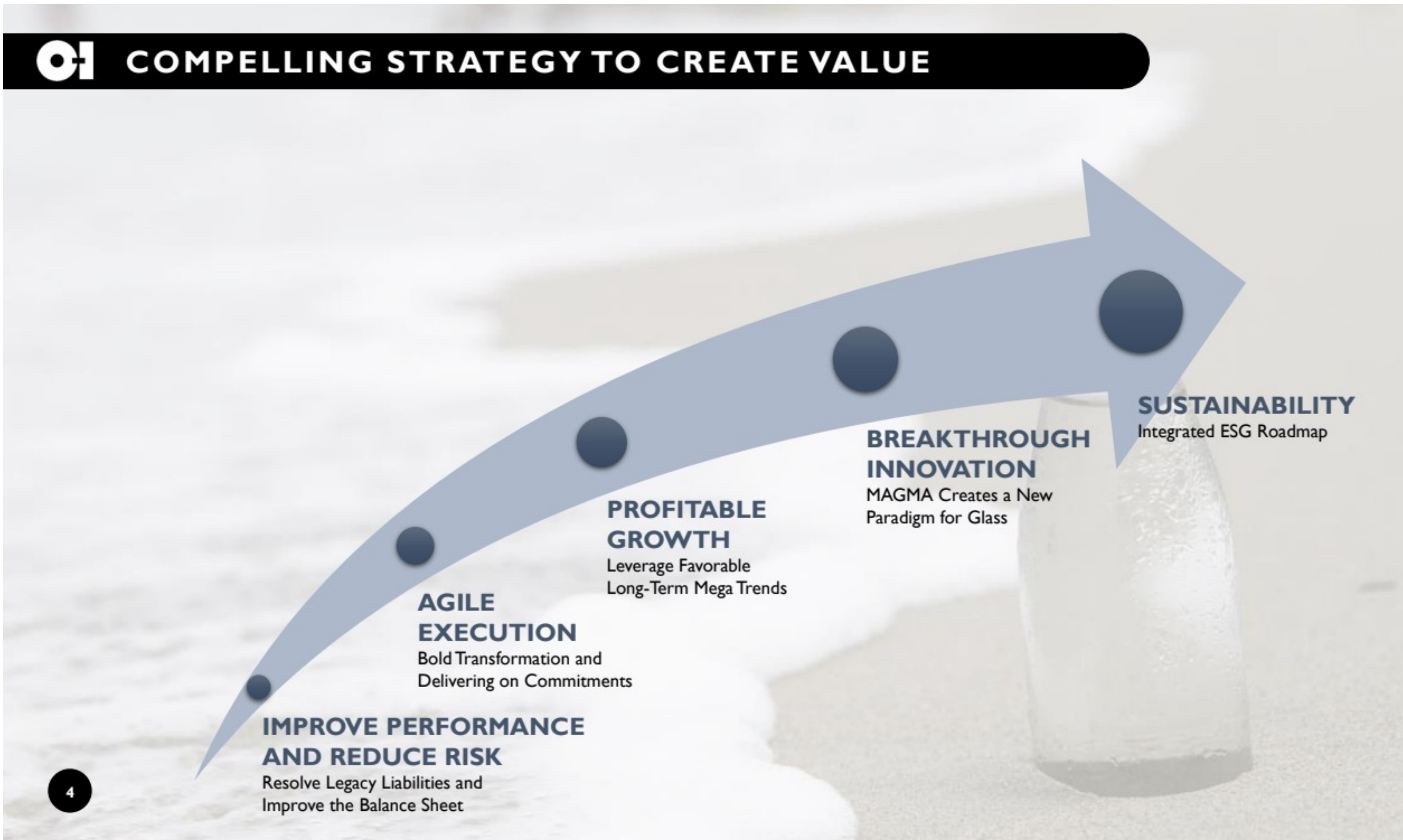
**MAGMA**
reimagines glass making to support customer aspirations and enable profitable growth

**UNPARALLELED PRODUCTION NETWORK**
**69** factories **19** countries

**#1 LEADER IN GLASS PACKAGING**
**$6.9 billion** in net sales

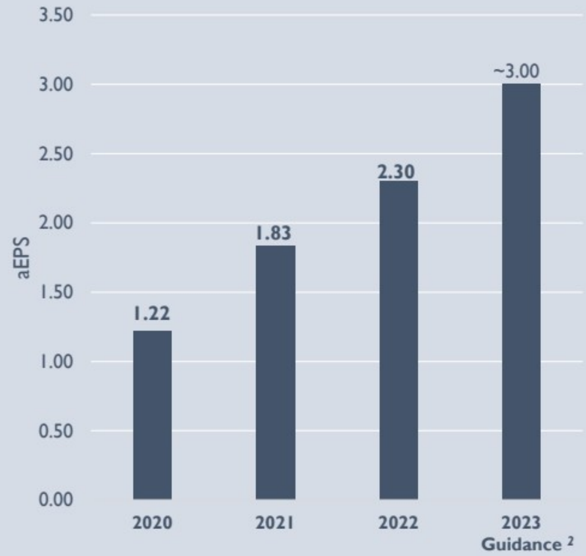
**DEDICATED & ENGAGED TEAM**
**24,000+** associates

*Note: based on 2022 annual report*

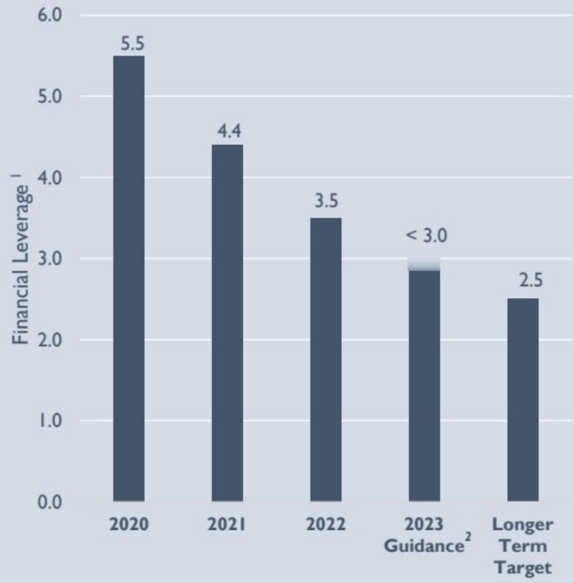

COMPELLING STRATEGY TO CREATE VALUE
IMPROVE PERFORMANCE AND REDUCE RISK
Resolve Legacy Liabilities and Improve the Balance Sheet
AGILE EXECUTION
Bold Transformation and Delivering on Commitments
PROFITABLE GROWTH
Leverage Favorable Long-Term Mega Trends
BREAKTHROUGH INNOVATION
MAGMA Creates a New Paradigm for Glass
SUSTAINABILITY
Integrated ESG Roadmap
4

## IMPROVED PERFORMANCE AND BALANCE SHEET

### HIGHER EARNINGS




### LOWER FINANCIAL LEVERAGE [1]






*1 Management defines Financial Leverage as the sum of total debt less cash, plus Support for Paddock and unfunded pension liability divided by Adjusted EBITDA. See the appendix for further disclosure.*
*2 Latest guidance from 3Q23 Earnings Call on November 1, 2023.*


AGILE EXECUTION
BOLD TRANSFORMATION AND
DELIVERING ON COMMITMENTS
INCREASE SUPPLY
CHAIN EFFICIENCY
ENABLE A MORE FLEXIBLE AND
SUSTAINABLE PRODUCTION CAPABILITY
INCREASE COST COMPETITIVENESS
OPTIMIZE BUSINESS PORTFOLIO
AND STRUCTURE
BUILD A SIMPLE, AGILE AND
EFFECTIVE ORGANIZATION
6

## MAGMA: BREAKTHROUGH INNOVATION

# MAGMA

MODULAR ADVANCED GLASS MANUFACTURING ASSET

## CREATES A NEW PARADIGM FOR GLASS

- **EXPAND RIGHT TO WIN** WITH RAPID COLOR, SHAPE & SIZE CHA
- **GROW WITH THE MARKET** WITH SCALABLE CAPACITY
- **ENTER NEW MARKETS** WITH SCALABILITY & LOWER CAPITAL
- **COST EFFICIENT** WITH MORE VARIABLE COST STRUCTURE
- **AGILE** THROUGH ECONOMIC CYCLES & SEASONALITY
- **LOWER CAPITAL INTENSITY** WITH EXTENDED ASSET LIFE
- **SUPPLY CHAIN EFFICIENT** WITH CO/NEAR LOCATION
- **CONVENIENT** PACKAGE WITH LOWER WEIGHT CONTAINER
- **SUSTAINABLE** PRODUCTION WITH LOWER EMISSIONS

# FIRST MAGMA GREENFIELD COMMISSIONING MID-2024

*First MAGMA Greenfield in Bowling Green, Kentucky will be a Showcase Plant*

**MAGMA MELTER**
Small, Incremental Growth, Flexibility, Sustainability

**CUSTOMER ENGAGEMENT CENTER**
Customer Intimacy, Collaborative Innovation

**MODULAR BATCH SYSTEM**
Fast and Agile for Greenfield Deployment

**NEAR-LOCATED**
Supply Chain Efficient in Heart of Bourbon Co

Target Mid-2024

**PILOT FORMING MACHINE**
Quality, Efficiency

**SCALABLE**
Line 1 2024 (GEN 2)
Line 2 2026 (GEN 3 Pilot)
Line 3 Capable

**DIGITALIZATION**
Industry 4.0, Smart Manufacturing, Integration

Status Oct 2023

**ULTRA**
Light-Weighting Capability, Sustainability

**HIGH-PERFORMANCE OPERATIONS**
World Class Safety, Quality and Efficiency

**SUSTAINABLE**
Gas-Oxy Combustion, Bio-Fuel Capable, Recycling Ecosystem, Efficient and Safe

*See new MAGMA & ULTRA video at:*

*More on Innovation at O-I:*



Documents, videos or information on our website or from other sites referenced here are expressly not incorporated by reference into this Presentation.

# SOLID PROGRESS ON ROBUST ESG GOALS

| | Emissions | Energy | Recycled Content |
|---|---|---|---|
| **OUR COMMITMENT** | SBTi target to reduce GHG emissions 25% by 2030 (interim target of 10% by 2025) | Reach 40% renewable electricity use by 2030 and reduce total energy consumption by 9% | Increase recycled content to 50% average by 2030 |
| **OUR 2022 PERFORMANCE** | Reduced scope 1 & 2 emissions by 18% from 2017 base year | 30% renewable energy use, a 16% increase from 2020 | Total external cullet by tons packed is 38% on average |

*More details in the appendix*

**RECENT RECOGNITION**

*Gold Rating by EcoVadis*
*ESG Regional Top-Rated by Sustainalytics*
*Inclusion in America's Most Responsible Companies by Newsweek*



Note: Documents, videos or information on our website or from other sites referenced here are expressly not incorporated by reference into this Presentation.

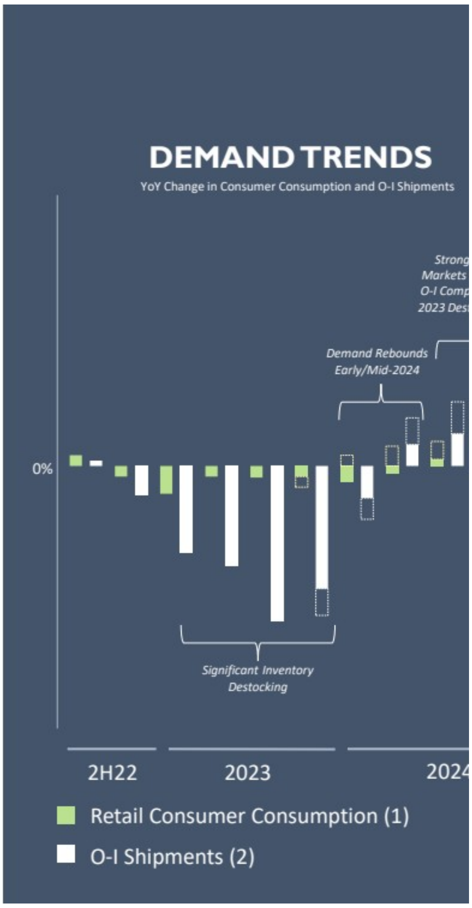
## *Demand Impacted by Significant Destocking and Modestly Lower Consumption Expect Rebound Early/Mid-2024*

### SOFT YTD GLASS DEMAND

- Significant inventory destocking as global supply chains rebalance
- LSD/MSD lower consumer consumption started 2H22 – varies by market/category
- Minor market share shift and temporary trade-down (mega beer)

### EXPECT LSD/MSD SALES VOLUME GROWTH IN 2024

- Recent trends are temporary – destocking and macroeconomic
- Expect demand will rebound early/mid-2024
  - Will vary by geography and category
  - Likely quicker rebound in beer/NAB/food and later for wine/spirits




(1) Nielsen global retail category consumption data (2Q22-3Q23); Current Management/Euromonitor estimates (4Q23-4Q24)
(2) O-I YoY shipment trends in tons (2Q22-3Q23); Current Management estimates (4Q23-4Q24)

# AGILITY IN ACTION

*Taking Action to Improve Performance*

## TEMPORARY PRODUCTION CURTAILMENT

- Concentrated in 4Q23 to reduce inventory heading into 2024

## ACCELERATE PLANNED NORTH AMERICA NETWORK OPTIMIZATION

- Closed plant in Waco, TX
- Potentially further NA network optimization as we evaluate future opportunities

## ENHANCE MARGIN EXPANSION INITIATIVES

- Accelerating plant automation initiatives
- Organization restructuring

## REDUCE CAPEX

- No change to MAGMA Bowling Green line (Mid-2024)
- Defer several expansion projects; Reinitiate projects as asset utilization improves

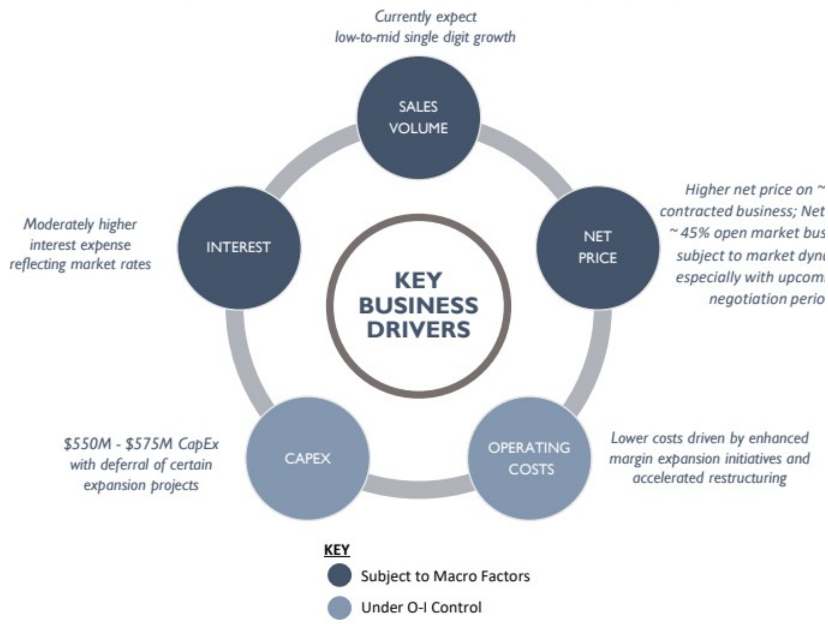
## STRUCTURAL APPROACH TO IMPROVED AGILITY

## *aEPS Up More Than 30% From 2022 and Strongest aEPS Performance in 15 Years*

### FY23 GUIDANCE

| | |
|---|---|
| Sales Volume Growth (in Tons) | ▼ DD |
| Adjusted EBITDA ($M) | > $1,450 |
| Adjusted Earnings Per Share | ~$3.00 |
| Free Cash Flow ($M) | *FCF:* $100-$150<br>*aFCF:* $400-$450 |
| Net Debt Leverage | < 3.0x |

### PRELIMINARY VIEW ON FY24 BUSINESS DRIVERS






Note: Refer to Appendix for key reconciliations from O-I 3Q23 Earnings Call on November 1, 2023

# CAPITAL ALLOCATION PRIORITIES

## IMPROVE CAPITAL STRUCTURE

- < 3.0x net debt leverage (*2023 guidance*)
- Glide path to ~ 2.5x leverage
- Elim. net unfunded pension

## FUND PROFITABLE GROWTH

- $630M expansion program (2022-2024)
  - Partially deferred until capacity utilization improves
- Continued portfolio optimization

## RETURN VALUE TO SHAREHOLDERS

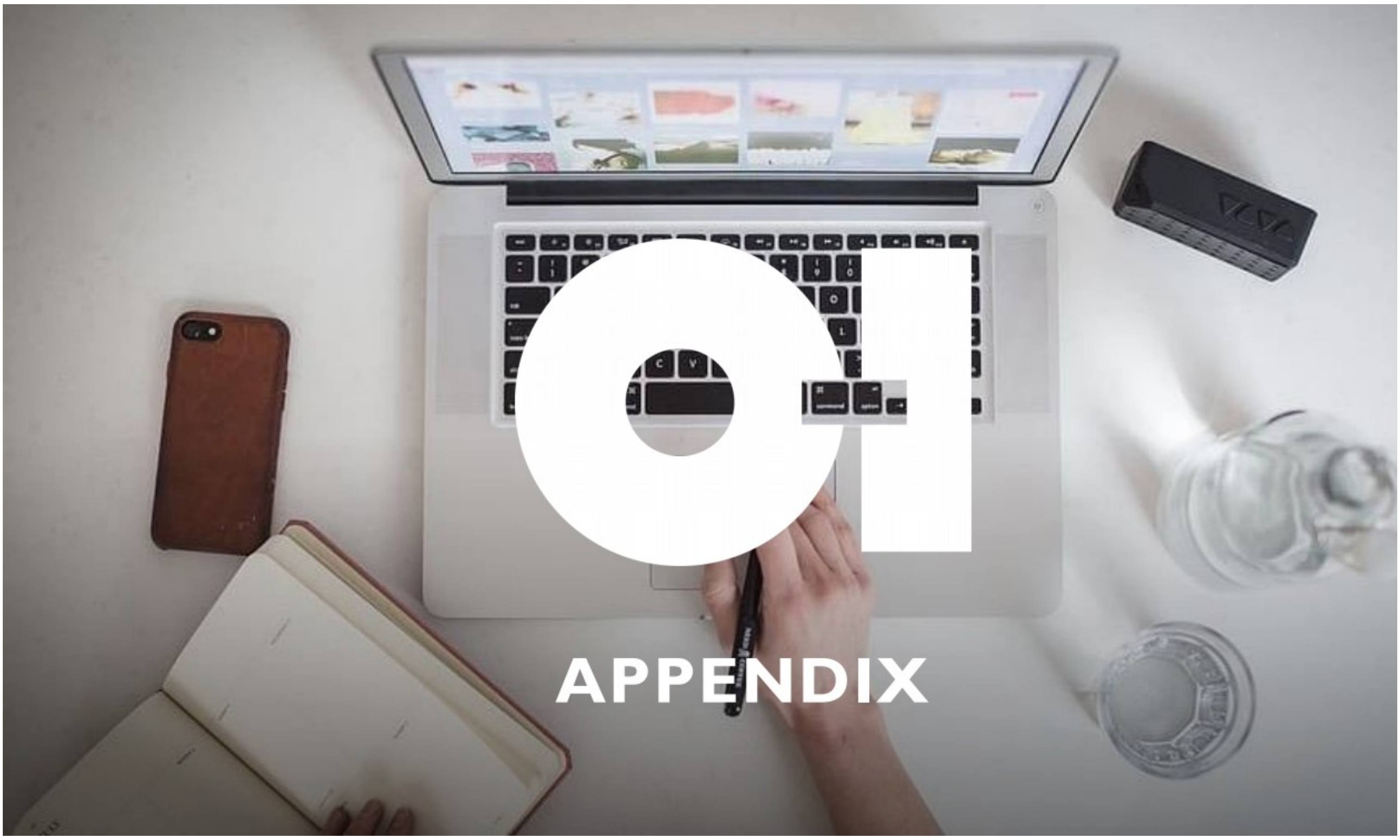
- Anti-dilutive repurchases
- Evaluate dividend
- Evaluate additional repurchase

# CONCLUSION

- 2023 EXPECTED TO HAVE BEST aEARNINGS IN 15 YEARS
- CONTINUED RESILIENCE AMID ELEVATED MACRO VOLATILITY
- IMPROVING CAPITAL STRUCTURE AND EVALUATING INCREMENTAL SHAREHOLDER RETURN OVER TIME
- DISRUPTIVE INNOVATION ON-TRACK FOR START-UP MID-2024
- DRIVE PROFITABLE GROWTH IN KEY MARKETS FROM CURRENT EXPANSION PROGRAM AS MACROS RECOVER
- O-I REPRESENTS AN ATTRACTIVE INVESTMENT OPPORTUNITY



## COMPELLING INVESTMENT TH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APPENDIX

# 2023 STRATEGIC INITIATIVE SCORECARD

*Increasing Margins, Enabling Long-Term Profitable Growth with New Disruptive Technology and Improving Capital Stru*

| PRIORITIES | 2023 OBJECTIVES | 3Q23 PROGRESS |
|---|---|---|
| MARGIN EXPANSION | ▪ ≥ $150M net price realization (excl. margin expansion initiatives)<br>▪ ≥ $100M margin expansion initiative benefits | ▲ $523M YTD net price realization ($479M excl. margin expansion initiative<br>▲ $89M YTD initiative benefits |
| PROFITABLE GROWTH | ▪ Complete Canada and Colombia capacity expansion projects<br>▪ Advance Brazil, Peru and Scotland capacity expansion projects<br>▪ Advance first MAGMA greenfield in Bowling Green, KY | ▲ Canada and Colombia expansion are now operational<br>► Deferring Brazil, Peru and Scotland expansion projects until markets rec<br>▲ Bowling Green MAGMA Gen 2 Greenfield on track for mid-2024 go live |
| MAGMA/ ULTRA DEVELOPMENT | ▪ Enable MAGMA commercialization: Gen 2 (mid-2024); Gen 3 (mid-2025)<br>▪ Successful ULTRA qualification in Colombia | ▲ Gen 2 on track for start-up mid-2024; Gen 3 development proceeding we<br>▲ Successful initial qualification of ULTRA in Colombia; Expanded testing un |
| ADVANCE ESG AND GLASS ADVOCACY | ▪ Accelerate use of key tech. in GHG reduction roadmap/recycling initiatives<br>▪ Glass advocacy to prioritize B2B connections; ≥ 600M impressions @ 11x | ▲ 18% GHG reduction (vs 2017 baseline); 30% global renewable electricity<br>► Minimizing until markets recover |
| IMPROVE CAPITAL STRUCTURE | ▪ < 3.0x net debt leverage ratio at FYE23 (was 3.3x at FYE22) | ▲ 2.8x YTD net debt leverage ratio at 3Q23 (2.9x total financial leverage ra |

## ESG GOALS AND PERFORMANCE

| | Emissions | Energy | Recycled Content | Waste | Water | Supply Chain Sustainability | R&D Transformation | Diversity, Equity & Inclusion | Health & Safety | Social Impa |
|---|---|---|---|---|---|---|---|---|---|---|
| **OUR COMMITMENT** | SBTi target to reduce GHG emissions 25% by 2030 (interim target of 10% by 2025) | Reach 40% renewable electricity use by 2030 and reduce total energy consumption by 9% | Increase recycled content to 50% average by 2030 | Drive towards a "Zero Waste" organization | Reduce our global water usage 25% by 2030 | Align our supply chain with our 2030 sustainability vision and goals | Reinvent and reimagine glassmaking | Increase all aspects of diversity, equity and inclusion across our team | Make a 50% improvement in our Total Recordable Incident Rate (TRIR) by 2030 | Make glass recycling available in 100% of our locations |
| **OUR PERFORMANCE** | Scopes 1 & 2 reduction by 18% from 2017 base year | Global renewable electricity volume was 30% for 2022, a 16% increase from 2020 | Total external cullet by tons packed is 38% on average | Developed Waste Sustainability Roadmap | Water risk screening using the WRI Aqueduct tool. Developed a Water Reduction Roadmap | As of 2022, our in-scope, critical and strategic spend suppliers assessed by EcoVadis increased from 17% to 48% | Operating a MAGMA prototype, pilot, and manufacturing line. | Female representation in global O-I workforce was 17% in 2022 | The TRIR for O-I employees was 1.70 in 2022, a 40% decrease from 2019 base year | 96% of the communitie in which our plants operate have access to glass recycling |

*Excerpts from O-I's Updated Sustainability Report Which is Available at O-*
*Performance data is as of 2*

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

Adjusted earnings relates to net earnings attributable to the company, exclusive of items management considers not representative of ongoing operations and ot adjustments because such items are not reflective of the company's principal business activity, which is glass container production. Adjusted earnings are divided weighted average shares outstanding (diluted) to derive adjusted earnings per share. Adjusted EBITDA refers to net earnings, excluding gains or losses from discontinu operations, interest expense, net, provision for income taxes, depreciation and amortization of intangibles, exclusive of items management considers not representative ongoing operations and other adjustments. Total financial leverage refers to the sum of total debt less cash, plus unfunded pension liability, plus the asbestos liability Paddock liability divided by Adjusted EBITDA. Net debt leverage refers to total debt less cash divided by Adjusted EBITDA. Management uses adjusted earnings, adjust earnings per share, Adjusted EBITDA, total financial leverage and net debt leverage to evaluate its period-over-period operating performance because it believes th provide useful supplemental measures of the results of operations of its principal business activity by excluding items that are not reflective of such operations. The ab non-GAAP financial measures may be useful to investors in evaluating the underlying operating performance of the company's business as these measures eliminate ite that are not reflective of its principal business activity.

Further, free cash flow relates to cash provided by operating activities plus cash payments to fund the Paddock 524(g) trust and related expenses less cash payments property, plant and equipment. Adjusted free cash flow relates to cash provided by operating activities plus cash payments to fund the Paddock 524(g) trust a related expenses less cash payments for property, plant and equipment plus cash payments for property, plant and equipment related to strategic or expansi projects. Management has historically used free cash flow and adjusted free cash flow to evaluate its period-over-period cash generation performance because it belie these have provided useful supplemental measures related to its principal business activity. It should not be inferred that the entire free cash flow or adjusted free c flow amount is available for discretionary expenditures, since the company has mandatory debt service requirements and other non-discretionary expenditures that not deducted from these measures. Management uses non-GAAP information principally for internal reporting, forecasting, budgeting and calculating compensati payments.

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

# RECONCILIATION TO ADJUSTED EARNINGS

The reconciliation below describes the items that management considers not representative of ongoing operations.
Unaudited

| $ millions | Year ended December 31 2022 | 2021 | 2020 |
|---|---|---|---|
| Net earnings attributable to the Company | $ 584 | $ 142 | $ 249 |
| Items impacting equity earnings (losses): | | | |
| Restructuring, asset impairment and other charges | | | 36 |
| Items impacting other income (expense), net: | | | |
| Charges for deconsolidation of Paddock | | | 14 |
| Strategic transaction and corporate modernization costs | | | 8 |
| Charge related to Paddock support agreement liability | | 154 | |
| Restructuring, asset impairment and other charges | 53 | 35 | 106 |
| Gain on sale of divested businesses and miscellaneous assets | (55) | (84) | (275) |
| Gain on sale leasebacks | (334) | | |
| Brazil indirect tax credit | | (71) | |
| Pension settlement charges | 20 | 74 | 26 |
| Items impacting interest expense: | | | |
| Charges for note repurchase premiums and write-off of finance fees and related charges | 26 | 13 | 44 |
| Items impacting income tax: | | | |
| Tax charge recorded for certain tax adjustments | 2 | 5 | |
| Net expense (benefit) for income tax on items above | 41 | 27 | (13) |
| Items impacting net earnings attributable to noncontrolling interests: | | | |
| Net impact of noncontrolling interests on items above | 29 | (1) | (1) |
| Total adjusting items (non-GAAP) | $ (218) | $ 152 | $ (55) |
| Adjusted earnings (non-GAAP) | $ 366 | $ 294 | $ 194 |
| Diluted average shares (thousands) | 158,985 | 160,309 | 158,785 |
| Net earnings per share (diluted) | $ 3.67 | $ 0.88 | $ 1.57 |
| Adjusted earnings per share (non-GAAP) | $ 2.30 | $ 1.83 | $ 1.22 |

The Company is unable to present a quantitative reconciliation of its forward-looking non-GAAP measure, adjusted earnings and adjusted earnings per share, for the periods ending on and after December 31, 2023, to directly comparable GAAP financial measure, net earnings attributable to the Company, because management cannot reliably predict all of the necessary components of this GAAP financial measure without unreasonable effo earnings attributable to the Company includes several significant items, such as restructuring charges, asset impairment charges, charges for the write-off of finance fees, and the income tax effect on such items. The decisi events that typically lead to the recognition of these and other similar items are complex and inherently unpredictable, and the amount recognized for each item can vary significantly. Accordingly, the Company is unable to p reconciliation of adjusted earnings and adjusted earnings per share to earnings attributable to the Company or address the probable significance of the unavailable information, which could be material to the Company's future results.

$ millions

| | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | LTM (as of 9/30/2023) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| Net earnings | 15 | 210 | 113 | 56 | 394 | 264 | 165 | 627 |
| Interest expense (net) | 64 | 68 | 118 | 78 | 328 | 265 | 216 | 239 |
| Provision for income taxes | 14 | 60 | 41 | 26 | 141 | 89 | 167 | 178 |
| Depreciation | 91 | 90 | 96 | 100 | 377 | 369 | 356 | 352 |
| Amortization of intangibles | 25 | 25 | 25 | 24 | 99 | 99 | 93 | 102 |
| **EBITDA (non-GAAP)** | 209 | 453 | 393 | 284 | 1,339 | 1,086 | 997 | 1,498 |
| Adjustments to EBITDA: | | | | | | | | |
| Restructuring, asset impairment, pension settlement and other charges | 47 | | | 81 | 128 | 168 | 109 | 73 |
| Gain on sale of ANZ Business | | | | | 0 | (275) | | |
| Gain on sale leaseback | | | | | 0 | | | (334) |
| Gain on sale of divested business or misc. assets | | | | | 0 | | (84) | (55) |
| Charge related to Paddock support agreement liability | | | | | 0 | | 154 | |
| Brazil indirect tax credit | | | | | 0 | | (71) | |
| Strategic transactions and Corporate Modernization costs | | | | | 0 | 8 | | |
| **Adjusted EBITDA (non-GAAP)** | 256 | 453 | 393 | 365 | 1,467 | 1,001 | 1,105 | 1,182 |
| **Total debt** | | | | | $ 4,913 | $ 5,142 | $ 4,825 | $ 4,716 |
| **Less cash** | | | | | $ 792 | $ 563 | $ 725 | $ 773 |
| **Net debt (non-GAAP)** | | | | | $ 4,121 | $ 4,579 | $ 4,100 | $ 3,943 |
| **Net debt divided by adjusted EBITDA** | | | | | 2.8 | 4.6 | 3.7 | 3.3 |
| **Unfunded Pension Liability** | | | | | $ 170 | $ 464 | $ 141 | $ 170 |
| **Unfunded Pension Liability divided by Adjusted EBITDA** | | | | | 0.1 | 0.5 | 0.1 | 0.1 |
| **Asbestos / Paddock Liability** | | | | | $ - | $ 471 | $ 625 | $ - |
| **Asbestos / Paddock Liability divided by Adjusted EBITDA** | | | | | 0.0 | 0.5 | 0.6 | 0.0 |
| **Financial Leverage ((Net Debt + Unfunded Pension Liability + Asbestos / Paddock Liability)/Adjusted EBITDA)** | | | | | 2.9 | 5.5 | 4.4 | 3.5 |

## RECONCILIATION FOR ADJUSTED EBITDA

For the year ending December 31, 2023, the Company is unable to present a quantitative reconciliation of its forward-looking non-GAAP measure, adjusted EBITDA, to its most directly comparable U.S. GAAP fi measure, net earnings, because management cannot reliably predict all of the necessary components of this U.S. GAAP financial measure without unreasonable efforts. Earnings before income taxes includes s significant items, such as restructuring, asset impairment and other charges, charges for the write-off of finance fees, and the income tax effect on such items. The decisions and events that typically lead to the recog of these and other similar non-GAAP adjustments are inherently unpredictable as to if and when they may occur. The inability to provide a reconciliation is due to that unpredictability and the related difficulties in ass the potential financial impact of the non-GAAP adjustments. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to the Com future financial results.

## RECONCILIATION FOR TOTAL FINANCIAL LEVERAGE AND NET DEBT LEVERAGE RATI

For the periods ending on or after December 31, 2023, the Company is unable to present a quantitative reconciliation of its forward-looking non-GAAP measures, total financial leverage ratio and net debt leverage which are defined as the sum of total debt less cash, unfunded pension liability and asbestos/Paddock liability divided by Adjusted EBITDA and total debt less cash divided by Adjusted EBITDA, respectively, to its directly comparable U.S. GAAP financial measure, Net earnings, because management cannot reliably predict all of the necessary components of this U.S. GAAP financial measure without unreasonable effort earnings includes several significant items, such as restructuring, asset impairment and other charges, charges for the write-off of finance fees, and the income tax effect on such items. The decisions and events that ty lead to the recognition of these and other similar non-GAAP adjustments are inherently unpredictable as to if and when they may occur. The inability to provide a reconciliation is due to that unpredictability a related difficulties in assessing the potential financial impact of the non-GAAP adjustments. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which co material to the Company's future financial results.

## RECONCILIATION TO FCF AND ADJUSTED FCF

| $ millions | | Forecast for Year Ended December 31, 2023 |
|---|---|---|
| Cash provided by operating activities | $ | 800 to 850 |
| Addback: Funding of Paddock 524(g) trust and related expenses | | - |
| Cash payments for property, plant and equipment | | (700) |
| Free cash flow (non-GAAP) | $ | 100 to 150 |
| Addback: Cash payments for property, plant and equipment - strategic/expansion only (non-GAAP) | | 300 |
| Adjusted free cash flow (non-GAAP) | $ | 400 to 450 |

| APPROXIMATE ANNUAL IMPACT ON EPS FROM 10% FX CHANGE | |
|---|---|
| EUR | 0.33 |
| MXN | 0.07 |
| BRL | 0.03 |
| COP | 0.02 |

Current Business Outlook is Based on FX Rates as of October 30, 2023

**FX RATES AT KEY POINTS**

| | Oct 30, 2023 | AVG 3Q23 | AVG 3Q22 |
|---|---|---|---|
| EUR | 1.06 | 1.08 | 1.00 |
| MXN | 18.05 | 16.99 | 20.19 |
| BRL | 5.04 | 4.88 | 5.23 |
| COP | 4,066 | 4,023 | 4,434 |