



# 2021 First Quarter Earnings

May 4, 2021

Conference Call Supplement (Unaudited Results)

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Ted Doheny, President & CEO

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# Safe Harbor and Regulation G Statement

## **Forward-looking Statements**

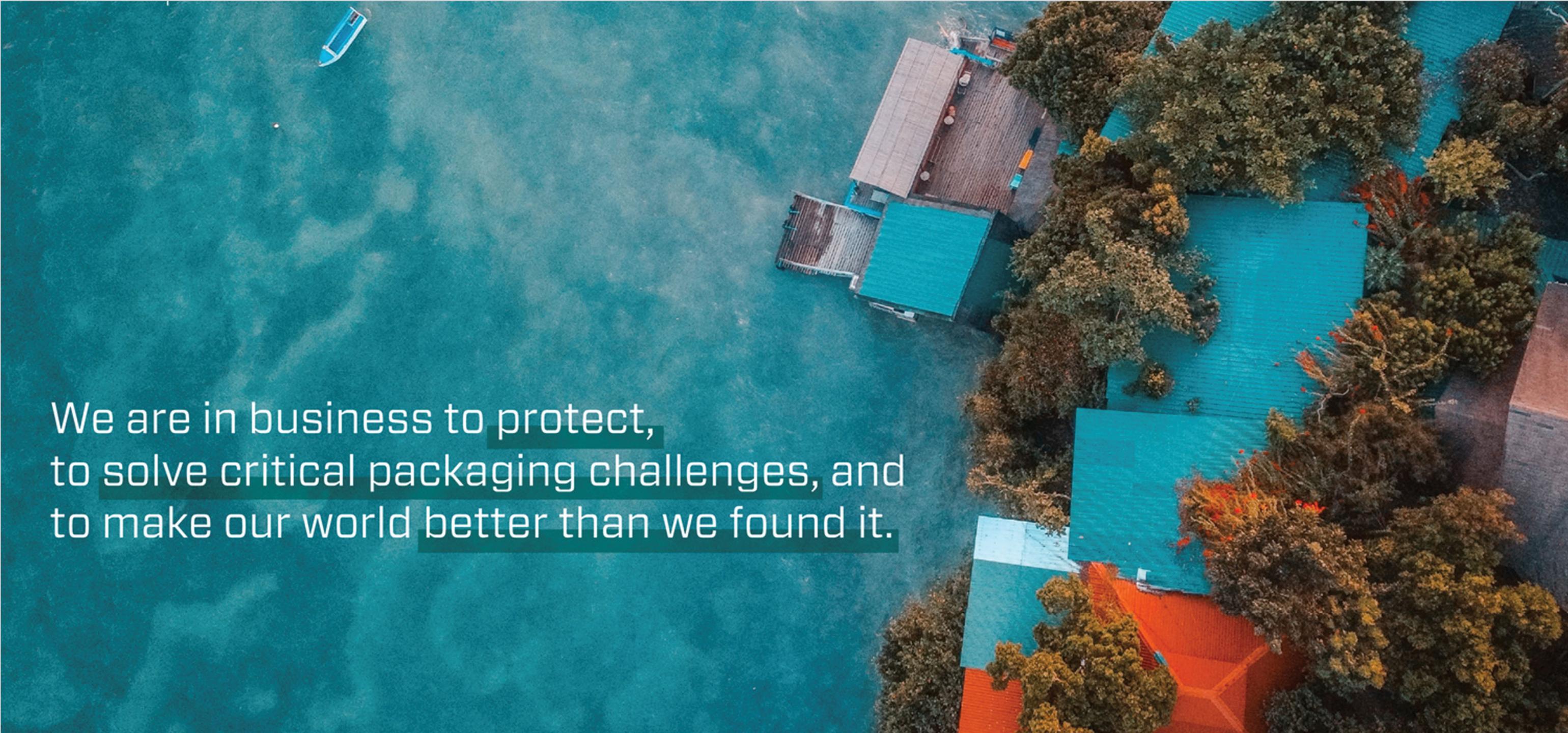
This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this presentation regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding expected future operating results (including the SEE Operating Model), expectations regarding the results of restructuring and other programs, expectations regarding the results of business strategies and transformations, anticipated levels of capital expenditures and expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings. Forward-looking statements are subject to risks and uncertainties, many of which are outside our control, which could cause actual results to differ materially from these statements. For information about some of those risks and uncertainties, see the “Risk Factors” section appearing in our most recent Annual Report on Form 10-K, and as revised and updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to publicly update such statement.

## **Non-U.S. GAAP Financial Measures**

Our management uses non-U.S. GAAP financial measures to evaluate the Company’s performance, which exclude items we consider unusual or special items. We believe that the use of non-U.S. GAAP measures helps investors to gain a better understanding of core operating results and future prospects, consistent with how management measures and forecasts the Company’s performance, especially when comparing such results to previous periods or forecasts. Please see Sealed Air’s May 4, 2021 earnings press release and the appendix of this presentation for important information about the use of non-U.S. GAAP financial measures relevant to this presentation, including applicable reconciliations to U.S. GAAP financial measures. Information reconciling forward-looking U.S. GAAP measures to non-U.S. GAAP measures is not available without unreasonable effort. Values in this presentation are approximate due to rounding. Additionally, the individual components of bridges or the individual quarterly components presented in the current or prior quarter earnings presentation may not sum to the full year amount due to rounding.

## **Website Information - Please visit our website [Sealedair.com](http://Sealedair.com)**

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We are in business to protect,  
to solve critical packaging challenges, and  
to make our world better than we found it.

 | Automation

**CRYOVAC**<sup>®</sup>  
BRAND FOOD PACKAGING

**Autobag**<sup>®</sup>  
BRAND AUTOMATED SYSTEMS

  
**BubbleWrap**<sup>®</sup>  
BRAND PACKAGING

**Sealed Air**<sup>®</sup>  
BRAND PROTECTIVE PACKAGING

# Q1 Financial Results

Performance driven by volume growth & Reinvent SEE

Net Sales \$1.3B; +8%, +6% constant dollar

Adjusted EBITDA \$268M; +6%

Adjusted EPS \$0.78; +7%

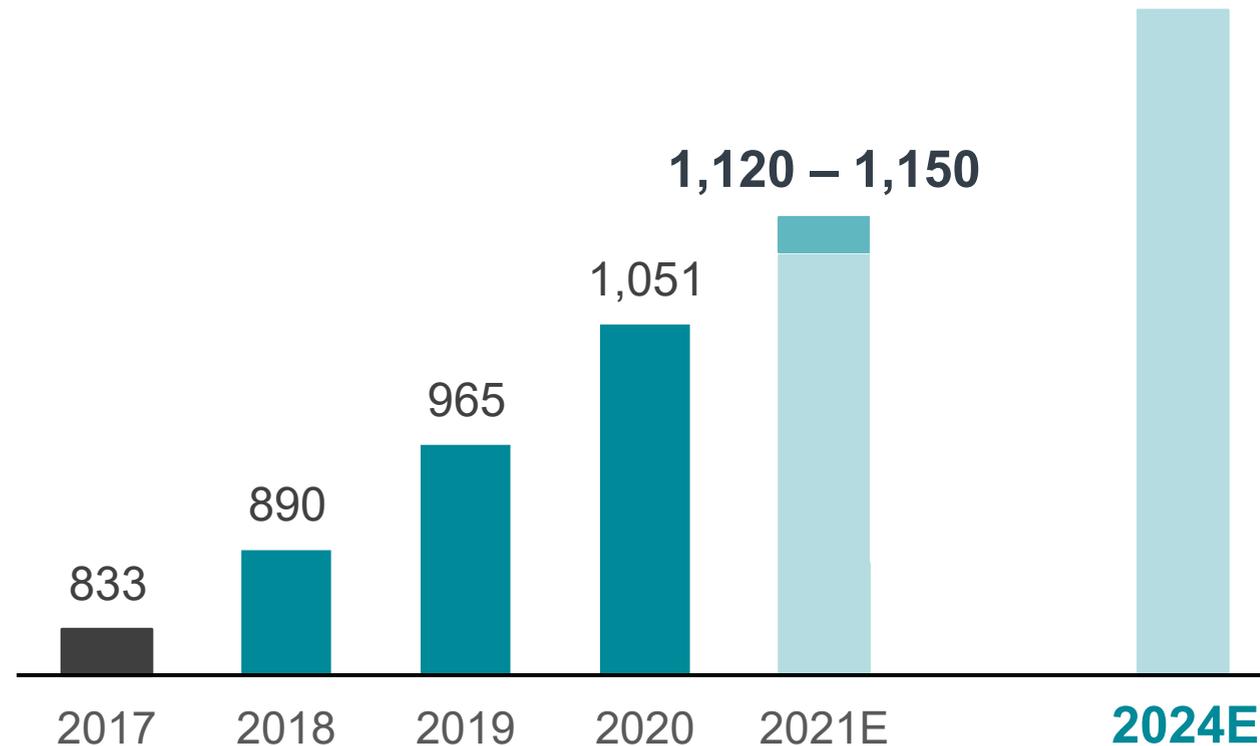
Free Cash Flow \$36M vs (\$8M) in Q1 2020

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*Raising 2021 Outlook for Sales, Earnings & FCF*

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## Adjusted EBITDA (\$M)



## Organic Sales

3 - 5% growth YoY

## Earnings

Adjusted EBITDA 5 - 7% growth YoY

Operating Leverage  $\Delta P / \Delta G$  <sup>1</sup> >30%

## Earnings per Share

Adjusted EPS >10% growth YoY

## Cash Generation

>50% Free Cash Flow conversion <sup>2</sup>

ROIC > WACC

*Automation, Digital & Sustainability driving 2021 growth & beyond*

SEE Operating Engine delivering earnings power

<sup>1</sup> Operating Leverage (Profit / Growth ratio) YoY change in Adj. EBITDA / YoY change in Net Sales

<sup>2</sup> FCF Conversion: Free Cash Flow / Adj. EBITDA

# SEE Solutions for Critical Packaging Challenges

Market driven solutions: automation, digital and sustainability powering global growth

Q1 2021  
Sales

**62%** Americas

**22%** Europe, Middle East & Africa

**16%** Asia Pacific

**Cryovac**® Barrier Bags   **Darfresh**® On Tray/Board Vacuum Skin   Medical   **Sealed Air**® Korrvu®   **Bubble Wrap**® Pick Pack Mailers   **Autobag**® StealthWrap®   **Sealed Air**® Instapak®  
**Cryovac**® Auto Pouch System   **Cryovac**® Bag In Box   **Bubble Wrap**® Inflation Systems   **Sealed Air**® Paper Systems   **Autobag**® Bagging Systems   Cold Chain   Specialty Foams



Red Meat 22%   Poultry 7%   Cheese 7%   Seafood 2%   Medical, Life Sciences 5%   Industrials 12%   Retail & Consumer Goods 12%  
 Smoked & Processed 9%   \* Other Foods 6%   Liquids & Fluids 3%   Electronics 7%   Transportation & Other 5%   Logistics 3%



\* Other Foods includes frozen foods, produce, pantry items, meal kits and plant-based proteins

# SEE™ Automation Solutions: Equipment System • Service • Materials

Growth opportunity over life cycle >\$5B

## Solving Customers' Automation Needs

Automation “Touchless Systems” targeting multi-million \$ customer savings

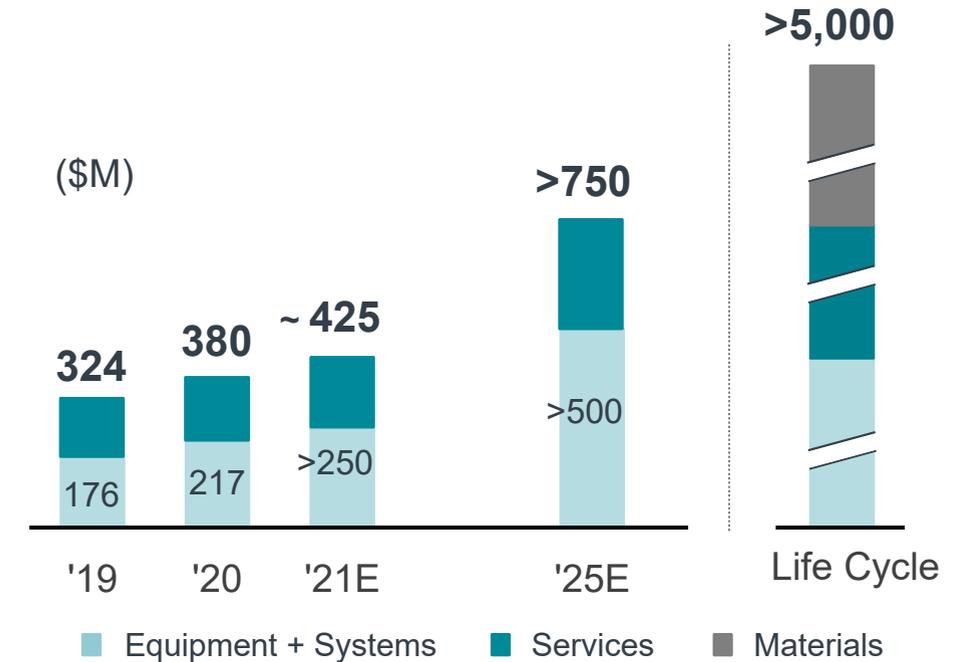
Targeting **customer payback < 3 years**

## SEE™ Automation Branded Solutions to Create References

Q1 2021 Equipment, Systems & Services up 18% YoY, on track to ~\$425M

## Enhanced Service Models to Improve Life Cycle Value

## Drive Materials & Service Sales via Integrated Solution Model



**3x+ Solutions Multiple**  
over Equipment Life Cycle

Modeling life cycle opportunity at 10 years  
Fleet life cycle between 3 and 30 years

## “Touchless Systems”

Eliminate waste → simplify the process → remove people from harm’s way → automate “touchless”

***Best solutions • right price • make them sustainable***

# Leadership Actions through COVID-19 Pandemic

Accelerating transformation to a stronger and better company

## Lead through crisis



## Accelerate transformation



## Stronger post crisis

Keep people out of harm's way  
Supporting peak customer demands  
Activated **crisis management**  
Global leadership collaboration

Keep people out of harm's way  
Reinvent SEE 4P'S based playbook  
Innovation speed; **"at the table" now online**  
Capital allocation strategy to create Economic Value

Transforming operations into touchless & zero-harm  
Flexible workplace, eCommerce platform  
**Automation solutions:** Equipment, service, materials  
**2025 Plastics Pledge & 2040 Net Zero Carbon**



**Autobag**® brand Bagging Systems



**Sealed Air**® brand **Kevothermal**® Cold Chain packaging solutions for vaccine distribution



**Cryovac**® brand **Darfresh**® On Tray



**Bubble Wrap**® brand Inflation Systems



**Sealed Air**® brand **Paper** Systems

SEE Mark™ – Smart Packaging Patent Pending



SEE Automation

SealedAir.com



Vacuum Gripping Tool Patent Pending



*Leading to digitally enabling "touchless systems"*

# Q1 2021 YoY Sales Performance

(\$M)	SEE	Segments		Regions		
		Food	Protective	Americas*	EMEA	Asia Pacific
Sales	<b>\$1,267</b>	\$702	\$565	\$788	\$281	\$198
As Reported Change	<b>8%</b>	2%	17%	3%	14%	23%
Constant Dollar Change	<b>6%</b>	-	14%	4%	7%	12%
% of Sales	100%	55%	45%	62%	22%	16%

*Strong growth across all regions*

\* Americas includes North and South America

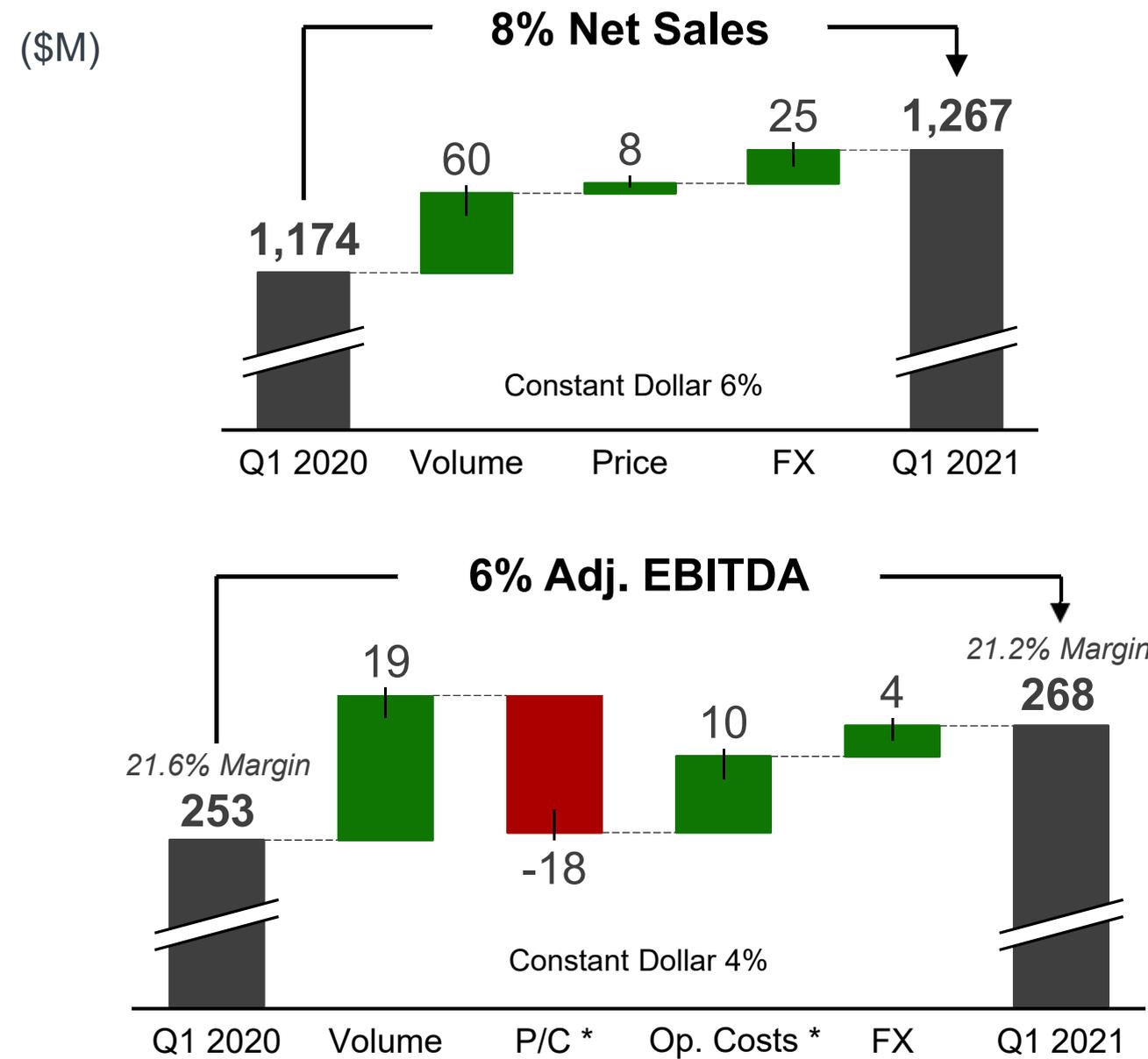
# YoY Sales Trends

Q1 volume up in all regions led by double-digit growth in Protective

	2020					2021					2020					2021				
	Growth % As Reported					Growth % Constant Dollar					Volume % Excluding Acquisitions					Price % Excluding Acquisitions				
	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1
Food	2	(5)	(3)	-	2	5	-	(1)	-	-	5	(2)	(2)	-	-	-	1	1	-	1
Protective	12	6	9	8	17	13	8	8	7	14	(2)	(8)	4	7	13	(1)	(1)	(1)	(1)	1
<b>SEE</b>	<b>6</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>(4)</b>	<b>1</b>	<b>3</b>	<b>5</b>	-	-	-	-	<b>1</b>
Americas	8	-	1	1	3	11	3	4	4	4	3	(6)	1	4	3	(1)	1	-	(1)	1
EMEA	4	(3)	2	5	14	7	-	-	1	7	1	(5)	(2)	-	7	-	-	-	1	-
APAC	(5)	1	4	9	23	(1)	4	1	4	12	(2)	3	1	4	13	-	-	-	-	(1)
<b>SEE</b>	<b>6</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>(4)</b>	<b>1</b>	<b>3</b>	<b>5</b>	-	-	-	-	<b>1</b>

*Strength in eComm, automation, industrials and food retail offset by food service declines*

# SEE Q1 Net Sales & Adjusted EBITDA



*Growth largely driven by strength in Protective & Reinvent SEE benefits*

\* Q1 Reinvent SEE benefits \$14M: \$1M Price Cost Spread (P/C); \$13M Operating Costs, including \$4M Restructuring Savings

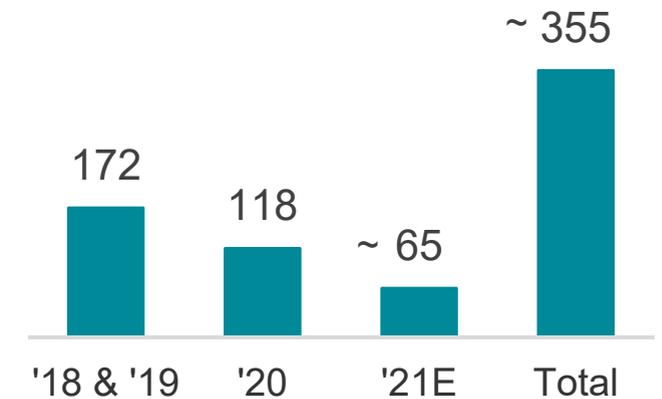
# Reinvent SEE Creating Structural & Cultural Change

Growth workstream accelerating innovation and penetrating adjacent markets

(\$M)	'18 & '19	2020	Q1 '21	
<b>Total YoY Benefits</b>	<b>172</b>	<b>118</b>	<b>14</b>	<b>Reinventing how we innovate to solve</b>
<b>Price / Cost Spread YoY Benefits</b>	<b>37</b>	<b>14</b>	<b>1</b>	Logistics rate improvements Strategic value capture Non-market price movements Procurement savings
<b>Total Operating Costs YoY Benefits</b>	<b>135</b>	<b>104</b>	<b>13</b>	SG&A efficiency and savings on indirect spend Manufacturing network efficiencies
<b>Operating Costs YoY Benefits</b>	<b>64</b>	<b>71</b>	<b>9</b>	Yield improvements and gauge optimization Material substitution & alternate raw material
<b>Restructuring YoY Savings</b>	<b>71</b>	<b>33</b>	<b>4</b>	Delaying & simplifying organization

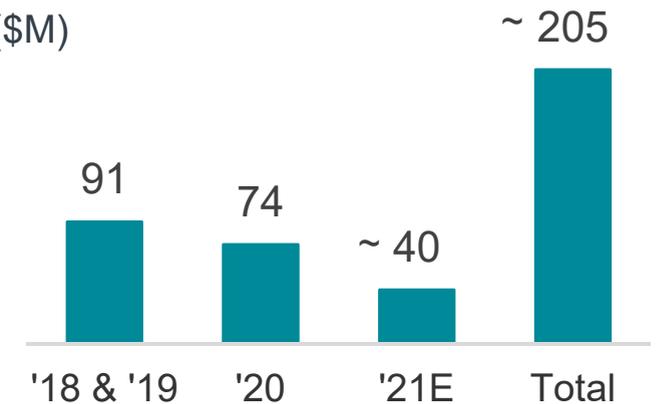
## Reinvent SEE Benefits

(Adj. EBITDA, \$M)



## Reinvent SEE Cash Payments

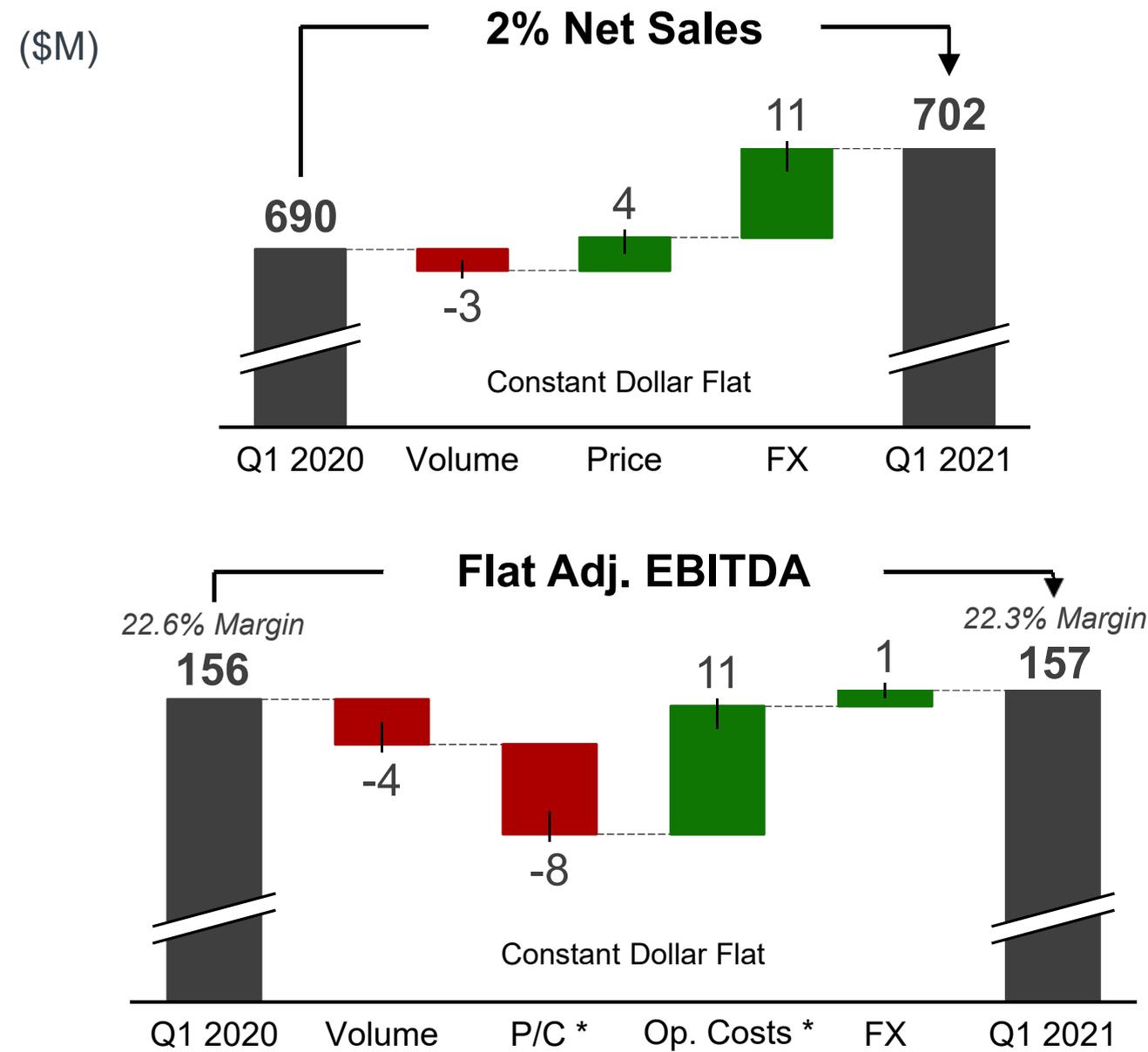
(\$M)



*2021 Reinvent SEE benefits ~\$65M, ~50% flow through from 2020 actions*

One SEE Operating Engine to continue driving productivity above inflation beyond 2021

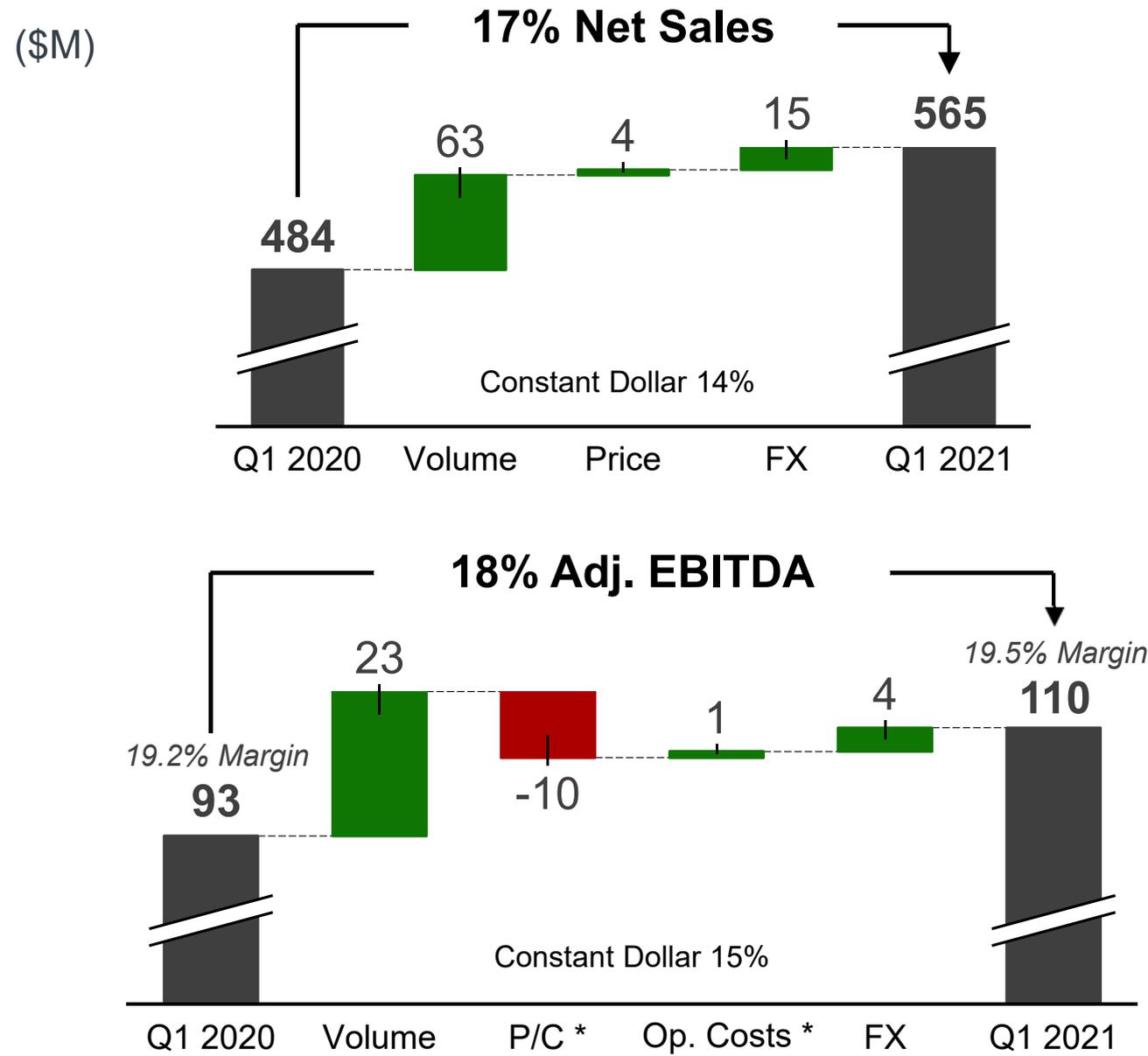
# Food Q1 Net Sales & Adjusted EBITDA



*Retail and automation strength offset food service softness*

\* Q1 Reinvent SEE benefits \$10M: \$1M Price Cost Spread (P/C); \$9M Operating Costs, including \$2M Restructuring Savings

# Protective Q1 Net Sales & Adjusted EBITDA



*Strong growth across geographies led by eCommerce & automation*

\* Q1 Reinvent SEE benefits \$4M: \$0M Price Cost Spread (P/C); \$4M Operating Costs, including \$2M Restructuring Savings

# Free Cash Flow

Growth largely driven by higher Adj. EBITDA and lower tax & restructuring payments

(\$M)	Three Months Ended Mar. 31,	
	2021	2020
Adjusted EBITDA	268	253
Interest payments, net of interest income	(41)	(47)
Income tax payments, net of refunds	2	(16)
Reinvent SEE, restructuring & assoc. payments	(5)	(26)
Change in trade working capital, net <sup>1</sup>	(55)	(56)
Change in other assets/liabilities	(89)	(67)
Cash flow provided by operating activities	80	41
Capital expenditures	(44)	(49)
<b>Free Cash Flow</b>	<b>36</b>	<b>(8)</b>

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*Raising Free Cash Flow Outlook \$520 to \$570M*

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<sup>1</sup> Includes cash from trade receivables, inventory, customer advance payments, and accounts payable net

## Investing for Strategic Growth:

### Attractive markets, innovate faster & disruptive technology

Solution platforms for automation, equipment systems and service

Sustainability to deliver our plastics & net-zero carbon emission pledges

Smart packaging and digital printing, eCommerce

Convert rigids to sustainable flexibles, fluids & liquids packaging

**SEE Ventures:** early-stage disruptive technology / businesses

### 2021 Capital Expenditures ~\$210M

Focusing on breakthrough processes, automation, digital, sustainability

Investing ~25% in circularity & net-zero carbon emission goals

~40% growth ~45% maintenance ~15% cost/productivity

## Returning Capital to Shareholders:

### Net Leverage, FCF Conversion

Q1 2021 Net Debt / LTM Adj. EBITDA 3.2x

2021 FCF Conversion<sup>1</sup> Outlook ~48%

### Dividends

Q1 2021 Cash dividend \$26M or \$0.16 per share

Dividend payout ratio<sup>2</sup> 20%

### Share Repurchase

Q1 2021 Repurchased 4M shares for \$177M

~\$500M remaining under current authorization

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***Driving Industry Leading ROIC<sup>3</sup> with Economic Value Added***

Financial policy leverage ratio change to '3.5x or below' from '3.5 to 4x'

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# 2021 Outlook

## Net Sales

**\$5.25 to \$5.35B**

As Reported 7 – 9%

Favorable Currency ~1.5%

Constant Dollar 6 – 8%

Food 4 – 6%, Protective 8 – 10%

## Adj. EBITDA

**\$1.12 to \$1.15B**

As Reported 7 – 9%

Favorable Currency ~1.5%

Margin ~21.4%

## Adj. EPS

**\$3.40 to \$3.55**

As Reported 6 – 11%

D&A ~\$235M

Int. Exp., Net ~\$170M

Adj. Tax Rate 26 – 27%

## Free Cash Flow

**\$520 to \$570M**

Capex ~\$210M

Restr. Payments ~\$40M

## Outlook Range Variables

- Food service recovery
- Material inflation & supply dynamic
- + Equipment, eComm, Food Retail strength
- + Industrial rebound accelerates
- + SEE Operating Engine outperforms

*Raising guidance to reflect business momentum acceleration*

Previous Guidance (Feb 2021)

Net Sales

\$5.1 to \$5.2B

Adj. EBITDA

\$1.10 to \$1.13B

Adj. EPS

\$3.25 to \$3.40

Free Cash Flow

\$500 to \$550M

# Our 4P'S<sup>SM</sup> of Reinvent SEE<sup>TM</sup>

Transformation focused on Zero Harm, automation, digital, and sustainability for growth

**Performance:** World-class **One SEE Operating Engine**

**People:** **SEE** high performance culture

**Products:** Best **solutions**, right price, make them sustainable

**Processes:** **SEE** Operational Excellence culture

**Sustainability:** In everything we do, ESG fueling our growth

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*We are in business to protect,  
to solve critical packaging challenges,  
and to make our world better than we found it.*

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# Appendix

U.S. GAAP Summary & Reconciliations

# U.S. GAAP Summary & Reconciliations

	Three Months Ended March 31,	
	2021	2020
(\$M, except tax rate and per share data)		
Net Sales	\$ 1,267.1	\$ 1,173.9
Pre-tax Earnings from Continuing Operations	160.4	147.2
Net Earnings from Continuing Operations	105.8	114.5
EPS from Continuing Operations (Diluted)	\$ 0.68	\$ 0.74
Effective Tax Rate	34.0%	22.2%
Operating Cash Flow	\$ 79.9	\$ 41.0

Q1 '21 Net Debt / Adjusted EBITDA	
(\$ millions)	
Non-U.S. GAAP Total Company Adj EBITDA (LTM)	\$ 1,066
Total Debt	\$ 3,737
Less: cash and cash equivalents	370
Net Debt	\$ 3,367
Net Debt / Adjusted EBITDA	<u>3.2</u>

(\$M, except per share data)

## U.S. GAAP net earnings and diluted EPS from continuing operations

Special Items<sup>(1)</sup>

## Non-U.S. GAAP Adjusted net earnings and adjusted diluted EPS

Weighted average number of common shares outstanding - Diluted

Three Months Ended March 31,			
2021		2020	
Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
\$ 105.8	\$ 0.68	\$ 114.5	\$ 0.74
16.0	0.10	(1.1)	(0.01)
<u>\$ 121.8</u>	<u>\$ 0.78</u>	<u>\$ 113.4</u>	<u>\$ 0.73</u>
	155.4		154.8

<sup>1</sup> Special Items for the three months ended March 31, 2021 includes \$7.8 million in pre-tax Special Items, a \$(0.9) million tax benefit on those items, and \$9.1 million in Tax Special Items.

Special Items for the three months ended March 31, 2020 includes \$10.1 million in pre-tax Special Items, a \$(2.6) million tax benefit on those items, and \$(8.6) million in Tax Special Items.

# LTM Adjusted EBITDA and Adjusted Tax Rate

	(\$M)	Three months ended				
		Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
<b>U.S. GAAP Net earnings from continuing operations</b>		<b>105.8</b>	<b>137.5</b>	<b>131.8</b>	<b>100.3</b>	<b>114.5</b>
Interest expense, net		43.1	43.7	43.0	43.3	44.4
Income tax provision		54.6	47.4	17.4	44.6	32.7
Depreciation and amortization		56.9	55.4	56.2	53.4	51.5
<i>Special Items:</i>						
Restructuring charges		-	(0.7)	1.0	10.1	0.6
Other restructuring associated costs		5.3	4.5	7.2	3.8	4.0
Foreign currency exchange loss due to high inflationary economies		1.4	1.5	1.1	1.2	0.9
Increase in fair value of equity investment		-	(15.1)	-	-	-
Charges related to acquisition and divestiture activity		0.3	2.0	1.0	1.2	2.9
Other special items		0.8	2.5	0.6	2.0	1.7
Pre-tax impact of special items		7.8	(5.3)	10.9	18.3	10.1
<b>Non-U.S. GAAP Total Company Adjusted EBITDA</b>		<b>268.2</b>	<b>278.7</b>	<b>259.3</b>	<b>259.9</b>	<b>253.2</b>
<b>Last twelve months Adjusted EBITDA</b>		<b>1,066.2</b>				
U.S. GAAP Earnings before income tax provision		160.4	184.9	149.2	144.9	147.2
Pre-tax impact of Special items		7.8	(5.3)	10.9	18.3	10.1
<b>Non-U.S. GAAP Adjusted Earnings before income tax provision</b>		<b>168.2</b>	<b>179.6</b>	<b>160.1</b>	<b>163.2</b>	<b>157.3</b>
U.S. GAAP Income tax provision		54.6	47.4	17.4	44.6	32.7
Tax Special Items		(9.1)	(5.9)	12.6	(3.2)	8.6
Tax impact of Special Items		0.9	(1.5)	3.0	3.5	2.6
<b>Non-U.S. GAAP Adjusted Income Tax Provision</b>		<b>46.4</b>	<b>40.0</b>	<b>33.0</b>	<b>44.9</b>	<b>43.9</b>
U.S. GAAP Effective income tax rate		34.0%	25.6%	11.7%	30.8%	22.2%
Non-U.S. GAAP Adjusted income tax rate		27.6%	22.3%	20.6%	27.5%	27.9%

# ROIC Calculation LTM March 31, 2021

Q1 2021 Trailing Twelve Months

(\$M, except tax rate data)

Adjusted EBITDA (Non-GAAP)	1,066
Less: Depreciation and Amortization	<u>(222)</u>
Adjusted Operating Profit	844
Adjusted Tax Rate (Non-GAAP) <sup>1</sup>	24%
Tax on Adjusted Operating Profit	<u>(207)</u>
<b>Net Adjusted Operating Profit After Tax</b>	<b>637</b>

	Q1 '20	Q1 '21	Avg: '20 & '21
Book value of Equity (Total Stockholders' (Deficit) Equity)	(182)	101	(40)
Current and Long-Term Debt and Operating Leases <sup>2</sup>	3,958	3,810	3,884
Other Long-Term Liabilities (Deferred taxes; Other non-current liabilities)	738	736	737
Less: Non-Operating Assets (Cash/equivalents; Marketable Securities; Current Assets Held for Sale)	<u>(278)</u>	<u>(370)</u>	<u>(324)</u>
<b>Total Capital</b>	<b>4,236</b>	<b>4,277</b>	<b>4,257</b>
<b>Returned on Invested Capital</b>			<b>15%</b>

<sup>1</sup> Adjusted Tax Rate represents blended average over last 12 months; refer to previous slide for Adjusted Tax Rate reconciliation by quarter.

<sup>2</sup> Short-term borrowings, Long-term Debt (Current and non-current); and Operating Lease Liabilities (Current and Non-current)

# U.S. GAAP Summary & Reconciliations

## Full Year Historical Performance

	Twelve Months Ended Dec. 31,			
	2020	2019	2018	2017
(\$ millions, except tax rate and per share data)				
Net Sales	\$ 4,903.2	\$ 4,791.1	\$ 4,732.7	\$ 4,461.6
Pre-tax Earnings from Continuing Operations	626.2	370.3	457.8	393.3
Net Earnings from Cont. Ops.	484.1	293.7	150.3	62.8
EPS from Cont. Ops. (Diluted)	\$ 3.10	\$ 1.89	\$ 0.94	\$ 0.33
Effective Tax Rate	22.7%	20.7%	67.2%	84.0%
Operating Cash Flow	\$ 737.0	\$ 511.1	\$ 428.0	\$ 424.4
(\$ millions)				
U.S. GAAP Net earnings from Cont. Ops.	\$ 484.1	\$ 293.7	\$ 150.3	\$ 62.8
Interest expense, net	174.4	184.1	177.9	184.2
Income tax provision	142.1	76.6	307.5	330.5
Depreciation and amortization, net of adjustments	216.5	184.5	159.0	158.3
<i>Special items</i>				
Restructuring charges	11.0	41.9	47.8	12.1
Other restructuring associated costs	19.5	60.3	15.8	14.3
FX loss on high inflationary economies	4.7	4.6	2.5	-
Loss on debt redemption and refinancing activities	-	16.1	1.9	-
Increase in fair value of equity investments	(15.1)	-	-	-
Novipax settlement agreement	-	59.0	-	-
Acquisitions and divestitures charges	7.1	14.9	34.2	84.1
Other Special Items	6.8	29.1	(7.4)	(13.0)
Pre-tax impact of Special Items	34.0	225.9	94.8	97.5
<b>Non-U.S. GAAP Adj EBITDA from Cont. Ops.</b>	<b>\$ 1,051.1</b>	<b>\$ 964.8</b>	<b>\$ 889.5</b>	<b>\$ 833.3</b>