
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

Date of Report (Date of earliest event reported): **November 1, 2018**

SEALED AIR CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other
Jurisdiction of Incorporation)

1-12139
(Commission
File Number)

65-0654331
(IRS Employer
Identification No.)

2415 Cascade Pointe Boulevard
Charlotte, North Carolina
(Address of Principal Executive Offices)

28208
(Zip Code)

Registrant's telephone number, including area code: **(980)-221-3235**

Not Applicable

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

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 2.02 Results of Operations and Financial Condition.

On November 1, 2018, Sealed Air Corporation (the “Company,” “we” or “our”) issued a press release announcing our financial results for the quarter ended September 30, 2018. We have attached the press release as Exhibit 99.1 of this Form 8-K, which is incorporated herein by reference. Following the issuance of this earnings release, the Company hosted an earnings call in which its financial results for the quarter ended September 30, 2018 were discussed.

The information included in this item, including Exhibit 99.1, is hereby furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release of Sealed Air Corporation dated November 1, 2018

SIGNATURE

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.

SEALED AIR CORPORATION

By: /s/ William G. Stiehl
Name: William G. Stiehl
Title: Senior Vice President and Chief Financial Officer

Dated: November 1, 2018

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release of Sealed Air Corporation dated November 1, 2018



For release: November 1, 2018

Sealed Air Reports Third Quarter Results

- Net Sales from Continuing Operations increased year-over-year to \$1.2 billion (up 5%)
- Net Earnings from Continuing Operations \$76 million (up 21%) or \$0.48 per diluted share (up 45%)
- Adjusted Earnings from Continuing Operations per diluted share of \$0.61 (up 33%)
- Reaffirm 2018 Outlook provided on October 17, 2018
- Existing restructuring program expected to realize annualized savings of \$40 million in 2018 and an additional \$25 million in 2019

CHARLOTTE, N.C., November 1, 2018 – Sealed Air Corporation (NYSE: SEE) today announced financial results for the third quarter 2018.

"Net sales of \$1.2 billion and Adjusted EBITDA of \$219 million increased 8% and 4% in constant dollars, respectively. Adjusted EBITDA fell short of our expectations due to currency headwinds and higher than expected raw material and freight costs. More specifically to Product Care, we experienced higher absorption costs due to lower global volume in our utility business, which accounts for 30% of the division's sales. We expect these challenges to continue into year-end, which is reflected in our full year 2018 outlook," said Ted Doheny, Sealed Air's President and CEO.

"Given recent business and market dynamics, we accelerated actions under our existing restructuring program. As a result, we now expect annualized savings of \$40 million in 2018, \$10 million above prior expectations, and an additional \$25 million in annualized savings in 2019. Furthermore, we are identifying additional opportunities to redesign our operating model and improve our performance. We expect to announce a more detailed plan before year-end.

We clearly see the power of our iconic brands, differentiated technology, leading market positions and deep customer relationships with more value to be captured in existing and adjacent markets. We remain committed to an ROIC-focused capital allocation approach and creating long-term value for our customers, employees and shareholders."

Unless otherwise stated, all results compare third quarter 2018 results to third quarter 2017 results from continuing operations. Year-over-year financial discussions present operating results from continuing operations as reported, on an organic basis and on a constant dollar basis. Organic refers to changes in unit volume and price/mix performance and excludes acquisition and divestiture activity and the impact of currency translation. Constant dollar refers to changes in unit volume, price/mix performance and acquisition and divestiture activity and excludes the impact of currency translation. Additionally, non-U.S. GAAP adjusted financial measures, such as Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), Adjusted Net Earnings, Adjusted Diluted Earnings Per Share ("Adjusted EPS") and Adjusted Tax Rate, exclude the impact of specified items ("Special Items"), such as restructuring charges, charges related to the sale of Diversey, gains and losses related to acquisition and divestiture of businesses, special tax items ("Tax Special Items") and certain other infrequent or one-time items. Please refer to the supplemental information included with this press release for a reconciliation of U.S. GAAP to Non-U.S. GAAP financial measures.

Business Highlights

Food Care third quarter net sales of \$727 million increased 1% as reported. Currency fluctuations had a negative impact on Food Care net sales of 5%, or \$33 million. On a constant dollar basis, net sales increased 6%, including favorable price/mix of over 3% and volume growth of 3%. Adjusted EBITDA increased 4% to \$145 million or 20% of net sales. Adjusted EBITDA performance was primarily due to favorable mix and price/cost spread, higher volumes and restructuring savings, partially offset by higher operating costs. Currency fluctuations had an \$8 million unfavorable impact on Adjusted EBITDA.

Product Care third quarter net sales of \$459 million increased 11% as reported. Currency fluctuations had a negative impact on Product Care net sales of 1%, or \$6 million. On a constant dollar basis, net sales increased 12%, including 10%, or \$42 million, from acquisitions and approximately 4% from favorable price/mix, partially offset by a 2% decline in volume. Adjusted EBITDA decreased to \$76 million or 17% of net sales. Adjusted EBITDA was primarily impacted by lower volumes and higher operating costs, partially offset by favorable mix and price/cost spread and restructuring savings. Currency fluctuations had a \$1 million unfavorable impact on Adjusted EBITDA.

From July 1, 2018 through October 31, 2018, Sealed Air repurchased approximately \$121 million or 3.0 million shares bringing the total year to date share repurchases to approximately \$603 million or 13.5 million shares. The Company has approximately \$820 million remaining under the current share repurchase authorization.

The Company committed to a sustainability and plastics pledge to deliver 100% recyclable and reusable offerings by 2025 and became signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.

Third Quarter 2018 U.S. GAAP Summary

Net sales of \$1.2 billion increased 5% on an as reported basis. Currency had a negative impact on total net sales of 3%, or \$39 million.

Net earnings from continuing operations on an as reported basis was \$76 million, or \$0.48 per diluted share, which was unfavorably impacted by \$21 million of special items, primarily related to \$9 million of charges related to the sale of Diversey, \$7 million of restructuring charges and other associated costs and \$5 million related to acquisition and divestiture activity. This compares to net earnings in the third quarter 2017 of \$63 million, or \$0.33 per diluted share, which was unfavorably impacted by \$24 million of special items, including \$9 million of restructuring and other associated costs, \$7 million related acquisition and divestiture activity and \$5 million of Tax Special Items.

The effective tax rate in the third quarter of 2018 was 30.6%, compared to 41.1% in the third quarter of 2017. The 2017 rate was negatively affected by tax expense related to the sale of Diversey.

Third Quarter 2018 Non-U.S. GAAP Summary

On a constant dollar basis, net sales increased 8% reflecting favorable price/mix of 4%, contribution from acquisitions of 4% and an increase in volume of 1%. By region, constant dollar sales increased 24% in Latin America, 18% in Asia Pacific, 6% in North America and 2% in EMEA.

Adjusted EBITDA was \$219 million, or 18.5% of net sales in the third quarter of 2018 compared to \$217 million, or 19.2% in 2017. Currency fluctuations had an unfavorable \$7 million, or 3%, impact on Adjusted EBITDA in the third quarter of 2018.

Adjusted earnings per diluted share was \$0.61 for the third quarter 2018 compared to \$0.46 in the third quarter 2017. The Adjusted Tax Rate was 27.8% in the third quarter 2018, compared to 30.7% in the third quarter 2017.

Cash Flow and Net Debt

Cash flow provided by operating activities for the nine months ended September 30, 2018 was an inflow of \$150 million, which includes the previously announced one-time payment of \$42 million in lieu of future royalty payments and \$45 million of payments related to the sale of Diversey and efforts to address related stranded costs.

Capital expenditures were \$115 million for the nine months ended September 30, 2018. Free Cash Flow, defined as net cash provided by operating activities less capital expenditures and excluding payments related to the sale of Diversey and efforts to address related stranded costs, was an inflow of \$80 million in the nine months ended September 30, 2018.

During the nine months ended September 30, 2018, the Company had cash used in financing activities of \$534 million related to share repurchases and cash dividends of \$79 million.

Net Debt, defined as total debt less cash and cash equivalents, increased to \$3.4 billion as of September 30, 2018 from \$2.7 billion as of December 31, 2017. The increase in Net Debt resulted from a use of cash related to working capital, acquisition activity and share repurchases.

Outlook for Full Year 2018

As provided on October 17, 2018, for the full year 2018, Sealed Air anticipates net sales to be approximately \$4.7 billion, a constant dollar growth rate of approximately 6%. The Company expects Adjusted EBITDA from continuing operations to be in the range of \$870 million to \$880 million, a constant dollar growth rate of approximately 6% compared to the prior year. The forecast for Adjusted EPS is in the range of \$2.40 to \$2.45, which is based on 161 million shares outstanding and an anticipated Adjusted Tax Rate of 27%.

Currency headwinds are expected to negatively impact net sales and Adjusted EBITDA by \$40 million and \$10 million, respectively.

Free Cash Flow is expected to be approximately \$350 million, assuming cash tax payments of \$165 million.

Conference Call Information

Date: Thursday, November 1, 2018
Time: 10:00 a.m. (ET)
Webcast: www.sealedair.com/investors
Conference Dial In: (855) 472-5411 (domestic)
(330) 863-3389 (international)
Participant Code: 4695619

A supplemental presentation will be available on the Company's website at www.sealedair.com/investors.

Conference Call Replay Information

Date: Thursday, November 1, 2018 at 1:00 p.m. (ET) through
Saturday, December 1, 2018 at 12:00 p.m. (ET)
Webcast: www.sealedair.com/investors
Conference Dial In: (855) 859-2056 (domestic)
(404) 537-3406 (international)
Participant Code: 4695619

Business

Sealed Air Corporation is a knowledge-based company focused on packaging solutions that help our customers achieve their sustainability goals in the face of today's biggest social and environmental challenges. Our portfolio of widely recognized brands, including Cryovac® brand food packaging solutions and Bubble Wrap® brand cushioning, enable a safer and less wasteful food supply chain and protect valuable goods shipped around the world. Sealed Air generated \$4.5 billion in sales in 2017 and has approximately 15,000 employees who serve customers in 122 countries. To learn more, visit www.sealedair.com.

Website Information

We routinely post important information for investors on our website, www.sealedair.com, in the Investors section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

Non-U.S. GAAP Information

In this press release and supplement, we have included several non-U.S. GAAP financial measures, including Net Debt, Adjusted Net Earnings and Adjusted EPS, net sales on an "organic" and a "constant dollar" basis, Free Cash Flow, Adjusted EBITDA and Adjusted Tax Rate, as our management believes these measures are useful to investors. We present results and guidance, adjusted to exclude the effects of Special Items and their related tax impact that would otherwise be included under U.S. GAAP, to aid in comparisons with other periods or prior guidance. In addition, non-U.S. GAAP measures are used by management to review and analyze our operating performance and, along with other data, as internal measures for setting annual budgets and forecasts, assessing financial performance, providing guidance and comparing our financial performance with our peers and may also be used for purposes of determining incentive compensation. The non-U.S. GAAP information has limitations as an analytical tool and should not be considered in isolation from or as a substitute for U.S. GAAP information. It does not purport to represent any similarly titled U.S. GAAP information and is not an indicator of our performance under U.S. GAAP. Non-U.S. GAAP financial measures that we present may not be comparable with similarly titled measures used by others. Investors are cautioned against placing undue reliance on these non-U.S. GAAP measures. For a reconciliation of these U.S. GAAP measures to non-U.S. GAAP measures and other important information on our use of non-U.S. GAAP financial measures, see the attached supplementary information entitled "Condensed Consolidated Statements of Cash Flows" (under the section entitled "Non-U.S. GAAP Free Cash Flow"), "Reconciliation of Net Earnings and Net Earnings Per Common Share to Non-U.S. GAAP Adjusted Net Earnings and Non-U.S. GAAP Adjusted Net Earnings Per Common Share," "Reconciliation of Net Earnings to Non-U.S. GAAP Total Company Adjusted EBITDA," "Components of Change in Net Sales by Segment" and "Components of Change in Net Sales by Region." Information reconciling forward-looking U.S. GAAP measures to non-U.S. GAAP measures is not available without unreasonable effort.

We have not provided guidance for the most directly comparable U.S. GAAP financial measures, as they are not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain Special Items, including restructuring charges, gains and losses related to acquisition and divestiture of businesses, the ultimate outcome of certain legal or tax proceedings, and other unusual gains and losses. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with U.S. GAAP.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 concerning our business, consolidated financial condition

and results of operations. 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. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “should,” “estimates,” “expects,” “intends,” “potential,” “seek,” “predict,” “may,” “will” and similar references to future periods. All statements other than statements of historical facts included in this press release 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, expectations regarding the results of restructuring and other programs, 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.

The following are important factors that we believe could cause actual results to differ materially from those in our forward-looking statements: global economic and political conditions, currency translation and devaluation effects, changes in raw material pricing and availability, competitive conditions, the success of new product offerings, consumer preferences, the effects of animal and food-related health issues, pandemics, changes in energy costs, environmental matters, the success of our restructuring activities, the success of our financial growth, profitability, cash generation and manufacturing strategies and our cost reduction and productivity efforts, changes in our credit ratings, the tax benefit associated with the Settlement agreement (as defined in our 2017 Annual Report on Form 10-K), regulatory actions and legal matters and the other information referenced in the “Risk Factors” section appearing in our most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and as revised and updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement made by us is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether because of new information, future developments or otherwise.

Sealed Air Corporation
Supplemental Information
Condensed Consolidated Statements of Operations⁽¹⁾

<i>(In millions, except per share data)</i>	Three Months Ended September 30, (unaudited)		Nine Months Ended September 30, (unaudited)	
	2018	2017	2018	2017
Net sales	\$ 1,186.2	\$ 1,131.3	\$ 3,472.4	\$ 3,233.8
Cost of sales ⁽²⁾⁽³⁾	820.7	770.6	2,369.4	2,194.2
Gross profit	365.5	360.7	1,103.0	1,039.6
Selling, general and administrative expenses ⁽²⁾	192.1	207.9	578.9	608.2
Amortization expense of intangible assets acquired	3.6	3.1	10.9	9.2
Restructuring and other charges	6.6	6.2	22.3	9.2
Operating profit	163.2	143.5	490.9	413.0
Interest expense, net	(44.8)	(49.1)	(131.3)	(143.4)
Other (expense) income, net ⁽²⁾⁽³⁾	(9.4)	11.8	(20.3)	4.7
Earnings before income tax provision	109.0	106.2	339.3	274.3
Income tax provision	33.4	43.7	388.4	236.5
Net earnings (loss) from continuing operations	75.6	62.5	(49.1)	37.8
Gain on sale of discontinued operations, net of tax	3.4	699.3	41.9	699.3
Net earnings from discontinued operations, net of tax	—	25.7	—	111.3
Net earnings (loss)	\$ 79.0	\$ 787.5	\$ (7.2)	\$ 848.4
Basic:				
Continuing operations	\$ 0.48	\$ 0.33	\$ (0.31)	\$ 0.20
Discontinued operations	0.02	3.86	0.26	4.22
Net earnings (loss) per common share - basic	\$ 0.50	\$ 4.19	\$ (0.05)	\$ 4.42
Diluted:				
Continuing operations	\$ 0.48	\$ 0.33	\$ (0.31)	\$ 0.19
Discontinued operations	0.02	3.82	0.26	4.18
Net earnings (loss) per common share - diluted	\$ 0.50	\$ 4.15	\$ (0.05)	\$ 4.37
Dividends per common share	\$ 0.16	\$ 0.16	\$ 0.48	\$ 0.48
Weighted average number of common shares outstanding:				
Basic	157.2	186.9	160.8	190.9
Diluted	158.0	188.9	160.8	192.9

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

⁽²⁾ Due to the adoption of ASU 2017-07, certain amounts related to defined benefit and other post-employment benefit plans were reclassified from cost of sales and selling, general and administrative expenses to other (expense) income, net. The total impact for the three and nine months ended September 30, 2017 was \$14.5 million and \$15.9 million, respectively.

⁽³⁾ As part of our review of costs included in the corporate segment, amounts related to division operations were identified and reclassified out of other (expense) income, net to cost of sales. This resulted in a reclassification of \$2.1 million and \$5.3 million for the three and nine months ended September 30, 2017, respectively.

Sealed Air Corporation
Supplemental Information
Condensed Consolidated Balance Sheets⁽¹⁾

<i>(In millions)</i>	September 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 191.3	\$ 594.0
Trade receivables, net	508.8	552.4
Income tax receivables	32.7	85.1
Other receivables	88.7	90.2
Inventories, net	605.4	506.8
Current assets held for sale	0.6	4.0
Prepaid expenses and other current assets	167.9	33.9
Total current assets	1,595.4	1,866.4
Property and equipment, net	1,022.0	998.4
Goodwill	1,951.9	1,939.8
Identifiable intangible assets, net	102.3	83.6
Deferred taxes	113.6	176.2
Other non-current assets	211.8	215.9
Total assets	\$ 4,997.0	\$ 5,280.3
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term borrowings	\$ 308.3	\$ 25.3
Current portion of long-term debt	5.1	2.2
Accounts payable	775.3	723.8
Current liabilities held for sale	—	2.2
Accrued restructuring costs	19.3	15.4
Income tax payable	58.6	47.3
Other current liabilities	400.0	562.0
Total current liabilities	1,566.6	1,378.2
Long-term debt, less current portion	3,242.5	3,230.5
Deferred taxes	18.5	28.5
Other non-current liabilities	615.1	490.8
Total liabilities	5,442.7	5,128.0
Stockholders' equity:		
Preferred stock	—	—
Common stock	23.2	23.0
Additional paid-in capital	2,043.2	1,939.6
Retained earnings	1,646.7	1,735.2
Common stock in treasury	(3,288.1)	(2,700.6)
Accumulated other comprehensive loss, net of taxes	(870.7)	(844.9)
Total stockholders' (deficit) equity	(445.7)	152.3
Total liabilities and stockholders' (deficit) equity	\$ 4,997.0	\$ 5,280.3

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

Calculation of Net Debt⁽¹⁾

	September 30, 2018 (unaudited)	December 31, 2017
Short-term borrowings	\$ 308.3	\$ 25.3
Current portion of long-term debt	5.1	2.2
Long-term debt, less current portion	3,242.5	3,230.5
Total debt	3,555.9	3,258.0
Less: cash and cash equivalents	(191.3)	(594.0)
Net Debt	\$ 3,364.6	\$ 2,664.0

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

Sealed Air Corporation
Supplemental Information
Condensed Consolidated Statements of Cash Flows⁽¹⁾

<i>(In millions)</i>	Nine Months Ended September 30, (unaudited)	
	2018	2017
Net (loss) earnings	\$ (7.2)	\$ 848.4
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities ⁽²⁾	173.7	(332.7)
Changes in operating assets and liabilities:		
Trade receivables, net	(31.0)	(87.5)
Inventories	(113.2)	(100.5)
Accounts payable	45.0	135.2
Other assets and liabilities	82.7	(130.4)
Net cash provided by operating activities	\$ 150.0	\$ 332.5
Cash flows from investing activities:		
Capital expenditures	(114.8)	(126.5)
Proceeds, net from sale of business and property and equipment	6.6	4.4
Business acquired, net of cash acquired	(67.8)	(25.4)
Impact of sale of Diversey ⁽³⁾	(19.6)	2,025.5
Investment in cost method investments	(7.5)	—
Settlement of foreign currency forward contracts	(5.5)	(1.1)
Other investing activities	(2.6)	—
Net cash (used in) provided by investing activities⁽³⁾	\$ (211.2)	\$ 1,876.9
Cash flows from financing activities:		
Changes in short term borrowings	293.3	(21.5)
Payments of borrowings	—	(369.5)
Payments of debt modification/extinguishment costs	(6.1)	—
Proceeds from cross currency swap	—	17.4
Dividends paid on common stock	(79.3)	(92.4)
Acquisition of common stock for tax withholding	(7.8)	(21.9)
Repurchases of common stock	(534.3)	(757.3)
Net cash used in financing activities⁽³⁾	\$ (334.2)	\$ (1,245.2)
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ (7.3)	\$ (18.9)
Cash and cash equivalents	594.0	333.7
Restricted cash and cash equivalents ⁽³⁾	—	52.9
Balance, beginning of period	\$ 594.0	\$ 386.6
Net change during the period	\$ (402.7)	\$ 945.3
Cash and cash equivalents	191.3	1,304.7
Restricted cash and cash equivalents ⁽³⁾	—	27.2
Balance, end of period	\$ 191.3	\$ 1,331.9
Non-U.S. GAAP Free Cash Flow:		
Cash flow from operating activities	\$ 150.0	\$ 332.5
Capital expenditures for property and equipment	(114.8)	(126.5)
Free Cash Flow⁽⁴⁾	\$ 35.2	\$ 206.0
Supplemental Cash Flow Information:		
Interest payments, net of amounts capitalized	\$ 137.4	\$ 156.5
Income tax payments, net of cash refunds	\$ 137.5	\$ 126.6
Payments related to the sale of Diversey and efforts to address related stranded costs ⁽⁴⁾	\$ 44.9	\$ 61.2
Restructuring payments including associated costs	\$ 7.4	\$ 48.7

Non-cash items:

Transfers of shares of common stock from treasury for 2017 and 2016 profit-sharing contributions	\$	23.8	\$	22.3
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- (1) The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.
- (2) 2018 adjustments primarily consists of depreciation and amortization of \$98 million, deferred taxes of \$51 million, share based compensation expense of \$23 million and profit sharing expense of \$16 million partially offset by a gain on the sale of Diversey of \$42 million. 2017 primarily consists of \$699 million related to the gain on sale from Diversey partially offset by \$161 million of deferred taxes, depreciation and amortization \$114 million, share based compensation expense of \$39 million and profit sharing expense of \$19 million.
- (3) The Company adopted ASU 2016-18, Restricted Cash, in 2018 As a result, for the nine months ended September 30, 2017, there was an increase in cash flows from financing activities of \$1.8 million due to the reclassification of restricted cash and a decrease in cash flows from investing activities of \$27.5 million due to the reclassification of restricted cash sold in the sale of Diversey to change in the total cash balance.
- (4) Free cash flow was an inflow of \$80 million in 2018 excluding the payment of charges related to the sale of Diversey and efforts to address related stranded costs of \$45 million. Free cash flow was an inflow of \$267 million in 2017 excluding the payment of charges related to the sale of Diversey of \$61 million.

Sealed Air Corporation
Supplemental Information⁽¹⁾
Reconciliation of Net Earnings and Net Earnings Per Common Share to Non-U.S. GAAP Adjusted
Net Earnings and Non-U.S. GAAP Adjusted Net Earnings Per Common Share
(Unaudited)

<i>(In millions, except per share data)</i>	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018		2017		2018		2017	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
U.S. GAAP net earnings (loss) and diluted EPS from continuing operations⁽²⁾	\$ 75.6	\$ 0.48	\$ 62.5	\$ 0.33	\$ (49.1)	\$ (0.31)	\$ 37.8	\$ 0.19
Special Items ⁽³⁾	20.5	0.13	24.1	0.13	333.0	2.07	201.7	1.05
Non-U.S. GAAP adjusted net earnings and adjusted diluted EPS from continuing operations	\$ 96.1	\$ 0.61	\$ 86.6	\$ 0.46	\$ 283.9	\$ 1.76	\$ 239.5	\$ 1.24
Weighted average number of common shares outstanding - Diluted	158.0		188.9		160.8		192.9	

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

⁽²⁾ Net earnings (loss) per common share is calculated under the two-class method.

⁽³⁾ Special Items include the following:

<i>(In millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Special Items:				
Restructuring and other charges	\$ (6.6)	\$ (6.2)	\$ (22.3)	\$ (9.2)
Other restructuring associated costs	(0.7)	(2.9)	(2.5)	(12.7)
Debt modification/extinguishment costs	(1.5)	—	(1.9)	—
Charges related to acquisition and divestiture activity	(4.8)	(6.7)	(10.0)	(4.8)
Charges due to the sale of Diversey	(8.7)	(13.7)	(21.3)	(47.6)
Gain from class-action litigation settlement	—	—	12.6	—
Settlement/curtailment benefits related to retained Diversey retirement plans	—	13.5	—	13.5
Other Special Items ⁽ⁱ⁾	(1.8)	(2.8)	(3.3)	(0.2)
Pre-tax impact of Special Items	(24.1)	(18.8)	(48.7)	(61.0)
Tax impact of Special Items and Tax Special Items ⁽ⁱⁱ⁾	3.6	(5.3)	(284.3)	(140.7)
Net impact of Special Items	\$ (20.5)	\$ (24.1)	\$ (333.0)	\$ (201.7)
Weighted average number of common shares outstanding - Diluted	158.0	188.9	160.8	192.9
Loss per share impact from Special Items	\$ (0.13)	\$ (0.13)	\$ (2.07)	\$ (1.05)

⁽ⁱ⁾ Other Special Items for the three and nine months ended September 30, 2018, primarily included fees related to professional services. Other Special Items for the three and nine months ended September 30, 2017, primarily included transaction fees related to various divestitures and acquisitions.

⁽ⁱⁱ⁾ Refer to Note 1 to the table below for a description of Special Items related to tax.

The calculation of the non-U.S. GAAP Adjusted income tax rate is as follows:

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
U.S. GAAP Earnings before income tax provision from continuing operations	\$ 109.0	\$ 106.2	\$ 339.3	\$ 274.3
Pre-tax impact of special items	24.1	18.8	48.7	61.0
Non-U.S. GAAP Adjusted Earnings before income tax provision from continuing operations	<u>\$ 133.1</u>	<u>\$ 125.0</u>	<u>\$ 388.0</u>	<u>\$ 335.3</u>
U.S. GAAP Income tax provision from continuing operations	\$ 33.4	\$ 43.7	\$ 388.4	\$ 236.5
Tax Special Items ⁽¹⁾	(1.1)	(0.4)	(295.0)	(150.3)
Tax impact of Special Items	4.7	(4.9)	10.7	9.6
Non-U.S. GAAP Adjusted Income tax provision from continuing operations	<u>\$ 37.0</u>	<u>\$ 38.4</u>	<u>\$ 104.1</u>	<u>\$ 95.8</u>
U.S. GAAP Effective income tax rate	30.6%	41.1%	114.5%	86.2%
Non-U.S. GAAP Adjusted income tax rate	27.8%	30.7%	26.8%	28.6%

⁽¹⁾ For the nine months ended September 30, 2018, the Tax Special Items included \$290 million of provisional tax expense for one-time tax on unrepatriated foreign earnings pursuant to the Tax Cut and Jobs Act ("TCJA"). For the nine months ended September 30, 2017, the Tax Special Items included \$145 million of tax expense recorded in accordance with the pending sale of Diversy.

Sealed Air Corporation
Supplemental Information⁽¹⁾
Components of Change in Net Sales by Segment
(Unaudited)

<i>(In millions)</i>	Three Months Ended September 30,					
	Food Care		Product Care		Total Company	
2017 Net Sales	\$ 716.0	63.3 %	\$ 415.3	36.7 %	\$ 1,131.3	
Volume - Units	19.2	2.7 %	(8.3)	(2.0)%	10.9	1.0 %
Price/mix ⁽²⁾	25.1	3.5 %	15.3	3.7 %	40.4	3.6 %
Total organic change (Non-U.S. GAAP) ⁽³⁾	44.3	6.2 %	7.0	1.7 %	51.3	4.6 %
Acquisitions	—	— %	42.4	10.2 %	42.4	3.7 %
Total constant dollar change (Non-U.S. GAAP) ⁽³⁾	44.3	6.2 %	49.4	11.9 %	93.7	8.3 %
Foreign currency translation	(33.1)	(4.6)%	(5.7)	(1.4)%	(38.8)	(3.4)%
Total change (U.S. GAAP)	11.2	1.6 %	43.7	10.5 %	54.9	4.9 %
2018 Net Sales	\$ 727.2	61.3 %	\$ 459.0	38.7 %	\$ 1,186.2	

<i>(In millions)</i>	Nine Months Ended September 30,					
	Food Care		Product Care		Total Company	
2017 Net Sales	\$ 2,051.1	63.4 %	\$ 1,182.7	36.6%	\$ 3,233.8	
Volume - Units	45.2	2.2 %	4.0	0.3%	49.2	1.5%
Price/mix ⁽²⁾	53.0	2.6 %	44.8	3.8%	97.8	3.0%
Total organic change (Non-U.S. GAAP) ⁽³⁾	98.2	4.8 %	48.8	4.1%	147.0	4.5%
Acquisitions	—	— %	87.2	7.4%	87.2	2.7%
Total constant dollar change (Non-U.S. GAAP) ⁽³⁾	98.2	4.8 %	136.0	11.5%	234.2	7.2%
Foreign currency translation	(12.8)	(0.6)%	17.2	1.5%	4.4	0.1%
Total change (U.S. GAAP)	85.4	4.2 %	153.2	13.0%	238.6	7.3%
2018 Net Sales	\$ 2,136.5	61.5 %	\$ 1,335.9	38.5%	\$ 3,472.4	

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly report on Form 10-Q with the Securities and Exchange Commission.

⁽²⁾ Our price/mix reported above includes the net impact of our pricing actions and rebates as well as the period-to-period change in the mix of products sold. Also included in our reported price/mix is the net effect of some of our customers purchasing our products in non-U.S. dollar or euro-denominated countries at selling prices denominated in U.S. dollars or euros. This primarily arises when we export products from the U.S. and euro-zone countries.

⁽³⁾ Total organic change is a non-U.S. GAAP financial measure which excludes acquisition and divestiture activity and the impact of foreign currency translation. Total constant dollar change is a non-U.S. GAAP financial measure which excludes the impact of foreign currency translation. Since we are a U.S. domiciled company, we translate our foreign currency denominated financial results into U.S. dollars. Due to changes in the value of foreign currencies relative to the U.S. dollar, translating our financial results from foreign currencies to U.S. dollars may result in a favorable or unfavorable impact. It is important that we consider the effects of foreign currency translation when we view our results and plan our strategies. Nonetheless, we cannot control changes in foreign currency exchange rates. Consequently, when our management looks at our financial results to measure the core performance of our business, we exclude the impact of foreign currency translation by translating our current period results at prior period foreign currency exchange rates. We also may exclude the impact of foreign currency translation when making incentive compensation determinations. As a result, our management believes that these presentations are useful internally and may be useful to our investors.

Sealed Air Corporation
Supplemental Information⁽¹⁾
Components of Change in Net Sales by Region
(Unaudited)

Three Months Ended September 30,

<i>(In millions)</i>	North America		EMEA ⁽²⁾		Latin America		APAC ⁽³⁾		Total	
2017 Net Sales	\$ 623.2	55.1 %	\$ 247.9	21.9 %	\$ 101.4	9.0 %	\$ 158.8	14.0 %	\$ 1,131.3	
Volume - Units	(4.4)	(0.7)%	4.0	1.6 %	7.5	7.4 %	3.8	2.4 %	10.9	1.0 %
Price/mix ⁽⁴⁾	23.1	3.7 %	1.5	0.6 %	16.1	15.9 %	(0.3)	(0.2)%	40.4	3.6 %
Total organic change (Non-U.S. GAAP) ⁽⁵⁾	18.7	3.0 %	5.5	2.2 %	23.6	23.3 %	3.5	2.2 %	51.3	4.6 %
Acquisitions	17.0	2.7 %	—	— %	0.5	0.5 %	24.9	15.7 %	42.4	3.7 %
Total constant dollar change (Non-U.S. GAAP) ⁽⁵⁾	35.7	5.7 %	5.5	2.2 %	24.1	23.8 %	28.4	17.9 %	93.7	8.3 %
Foreign currency translation	(1.4)	(0.2)%	(6.2)	(2.5)%	(23.6)	(23.3)%	(7.6)	(4.8)%	(38.8)	(3.4)%
Total change (U.S. GAAP)	34.3	5.5 %	(0.7)	(0.3)%	0.5	0.5 %	20.8	13.1 %	54.9	4.9 %
2018 Net Sales	\$ 657.5	55.4 %	\$ 247.2	20.8 %	\$ 101.9	8.6 %	\$ 179.6	15.1 %	\$ 1,186.2	

Nine Months Ended September 30,

<i>(In millions)</i>	North America		EMEA ⁽²⁾		Latin America		APAC ⁽³⁾		Total	
2017 Net Sales	\$ 1,777.9	55.0%	\$ 706.7	21.9%	\$ 294.2	9.1 %	\$ 455.0	14.1 %	\$ 3,233.8	
Volume - Units	(0.7)	—%	14.8	2.1%	25.2	8.6 %	9.9	2.2 %	49.2	1.5%
Price/mix ⁽⁴⁾	66.8	3.8%	8.4	1.2%	23.7	8.1 %	(1.1)	(0.2)%	97.8	3.0%
Total organic change (Non-U.S. GAAP) ⁽⁵⁾	66.1	3.8%	23.2	3.3%	48.9	16.7 %	8.8	2.0 %	147.0	4.5%
Acquisitions	20.8	1.2%	—	—%	1.4	0.5 %	65.0	14.3 %	87.2	2.7%
Total constant dollar change (Non-U.S. GAAP) ⁽⁵⁾	86.9	5.0%	23.2	3.3%	50.3	17.2 %	73.8	16.3 %	234.2	7.2%
Foreign currency translation	1.7	0.1%	37.0	5.2%	(36.8)	(12.5)%	2.5	0.5 %	4.4	0.1%
Total change (U.S. GAAP)	88.6	5.1%	60.2	8.5%	13.5	4.7 %	76.3	16.8 %	238.6	7.3%
2018 Net Sales	\$ 1,866.5	53.8%	\$ 766.9	22.1%	\$ 307.7	8.9 %	\$ 531.3	15.3 %	\$ 3,472.4	

(1) The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

(2) EMEA consists of Europe, Middle East, Africa and Turkey.

(3) APAC refers collectively to our Asia Pacific region. This region consists of i) Greater China, ii) India/Southeast Asia and iii) Australia, New Zealand, Japan and Korea.

(4) Our price/mix reported above includes the net impact of our pricing actions and rebates as well as the period-to-period change in the mix of products sold. Also included in our reported price/mix is the net effect of some of our customers purchasing our products in non-U.S. dollar or euro-denominated countries at selling prices denominated in U.S. dollars or euros. This primarily arises when we export products from the U.S. and euro-zone countries.

(5) Total organic change is a non-U.S. GAAP financial measure which excludes acquisition and divestiture activity and the impact of foreign currency translation. Total constant dollar change is a non-U.S. GAAP financial measure which excludes the impact of foreign currency translation. Since we are a U.S. domiciled company, we translate our foreign currency denominated financial results into U.S. dollars. Due to changes in the value of foreign currencies relative to the U.S. dollar, translating our financial results from foreign currencies to U.S. dollars may result in a favorable or unfavorable impact. It is important that we take into account the effects of

foreign currency translation when we view our results and plan our strategies. Nonetheless, we cannot control changes in foreign currency exchange rates. Consequently, when our management looks at our financial results to measure the core performance of our business, we exclude the impact of foreign currency translation by translating our current period results at prior period foreign currency exchange rates. We also may exclude the impact of foreign currency translation when making incentive compensation determinations. As a result, our management believes that these presentations are useful internally and may be useful to our investors.

Sealed Air Corporation
Supplemental Information⁽¹⁾
Segment Information
Reconciliation of Net Earnings to Non-U.S. GAAP Total Company Adjusted EBITDA
(Unaudited)

To accelerate productivity improvements and elimination of operational redundancies, the Company implemented a change in allocation of Corporate expenses, effective January 1, 2018. These expenses are now allocated to Food Care and Product Care segments. For comparison purposes, the Company presented 2017 results to reflect the revised allocation of these costs. This segment reporting change has no impact on Total Company Adjusted EBITDA.

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Sales:				
Food Care	\$ 727.2	\$ 716.0	\$ 2,136.5	\$ 2,051.1
<i>As a % of Total Company net sales</i>	<i>61.3%</i>	<i>63.3%</i>	<i>61.5%</i>	<i>63.4%</i>
Product Care	459.0	415.3	1,335.9	1,182.7
<i>As a % of Total Company net sales</i>	<i>38.7%</i>	<i>36.7%</i>	<i>38.5%</i>	<i>36.6%</i>
Total Company Net Sales	\$ 1,186.2	\$ 1,131.3	\$ 3,472.4	\$ 3,233.8

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Adjusted EBITDA from continuing operations:				
Food Care	\$ 145.4	\$ 139.6	\$ 415.5	\$ 393.4
<i>Adjusted EBITDA Margin</i>	<i>20.0%</i>	<i>19.5%</i>	<i>19.4%</i>	<i>19.2%</i>
Product Care	76.4	77.9	233.3	210.6
<i>Adjusted EBITDA Margin</i>	<i>16.6%</i>	<i>18.8%</i>	<i>17.5%</i>	<i>17.8%</i>
Corporate	(2.9)	(0.7)	(7.6)	(9.0)
Non-U.S. GAAP Total Company Adjusted EBITDA from continuing operations	\$ 218.9	\$ 216.8	\$ 641.2	\$ 595.0
<i>Adjusted EBITDA Margin</i>	<i>18.5%</i>	<i>19.2%</i>	<i>18.5%</i>	<i>18.4%</i>

⁽¹⁾ The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
U.S. GAAP Net earnings (loss) from continuing operations	\$ 75.6	\$ 62.5	\$ (49.1)	\$ 37.8
Interest expense, net	(44.8)	(49.1)	(131.3)	(143.4)
Income tax provision	33.4	43.7	388.4	236.5
Depreciation and amortization ⁽²⁾	(41.1)	(42.7)	(122.3)	(116.3)
Depreciation and amortization adjustments	0.1	—	0.4	—
<i>Special Items:</i>				
Restructuring and other charges ⁽³⁾	(6.6)	(6.2)	(22.3)	(9.2)
Other restructuring associated costs	(0.7)	(2.9)	(2.5)	(12.7)
Debt modification/extinguishment costs	(1.5)	—	(1.9)	—
Charges related to acquisition and divestiture activity	(4.8)	(6.7)	(10.0)	(4.8)
Charges incurred due to the sale of Diversey	(8.7)	(13.7)	(21.3)	(47.6)
Gain from class-action litigation settlement	—	—	12.6	—
Settlement/curtailment benefits related to retained Diversey retirement plans	—	13.5	—	13.5
Other Special Items ⁽⁴⁾	(1.8)	(2.8)	(3.3)	(0.2)
Pre-tax impact of Special items	(24.1)	(18.8)	(48.7)	(61.0)
Non-U.S. GAAP Total Company Adjusted EBITDA from continuing operations	\$ 218.9	\$ 216.8	\$ 641.2	\$ 595.0

(1) The supplementary information included in this press release for 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

(2) The depreciation and amortization previously reclassified to the Corporate segment has been allocated to the divisions. Depreciation and amortization by segment are as follows:

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Food Care	\$ 25.6	\$ 29.8	\$ 79.8	\$ 80.3
Product Care	15.5	12.9	42.5	36.0
Total Company depreciation and amortization⁽¹⁾	\$ 41.1	\$ 42.7	\$ 122.3	\$ 116.3

(1) Includes share-based incentive compensation of \$8.3 million and \$23.6 million for the three and nine months ended September 30, 2018, respectively, and \$12.3 million and \$31.2 million for the three and nine months ended September 30, 2017, respectively.

(3) Restructuring and other charges by segment is as follows:

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Food Care	\$ 2.3	\$ 3.9	\$ 8.4	\$ 5.8
Product Care	4.3	2.3	13.9	3.4
Total Company restructuring and other charges	\$ 6.6	\$ 6.2	\$ 22.3	\$ 9.2

(4) Other Special Items for the three and nine months ended September 30, 2018, primarily included fees related to professional services. Other Special Items for the three and nine months ended September 30, 2017, primarily included transaction fees related to various divestitures and acquisitions.