



# Third Quarter 2013

Earnings Conference Call Supplement  
(Unaudited Results)

Jerome A. Peribere – President & CEO

Carol P. Lowe – Senior Vice President & CFO

# Safe Harbor and Regulation G Statement

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans to,” “will” and similar expressions. These statements reflect our beliefs and expectations as to future events and trends affecting our business, our consolidated financial position and our results of operations. Examples of these forward-looking statements include expectations regarding our anticipated effective income tax rate, the potential cash tax benefits associated with the W.R. Grace settlement, potential volume, revenue and operating growth for future periods, expectations and assumptions associated with our restructuring programs, availability and pricing of raw materials, success of our growth initiatives, economic conditions, and the success of pricing actions. A variety of factors may cause actual results to differ materially from these expectations, including general domestic and international economic and political conditions; changes in our raw material and energy costs; credit ratings; the success of restructuring plans; currency translation and devaluation effects, including Venezuela; the competitive environment; the effects of animal and food-related health issues; environmental matters; and regulatory actions and legal matters. For more extensive information, see “Risk Factors” and “Cautionary Notice Regarding Forward-Looking Statements,” which appear 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. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, whether as a result of new information, future events, or otherwise.

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 the use of such financial measures and information may be useful to investors. 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. For important information on our use of non-U.S. GAAP financial measures and information, including reconciliations of such non-U.S. GAAP financial measures and information to comparable U.S. GAAP measures and information, please refer to the financial tables and information provided in our earnings release.



**Jerome A. Peribere**  
President & CEO

# Key Takeaways

## Q3 Performance Summary

- Sales \$1.9B
  - Up 2.0% as reported
  - Up 2.9% constant currency
  - Volume increased 1.4%
  - Price/mix favorable 1.5%
- Adj. EBITDA: \$282M, 14.5% of sales
- Adj. EPS \$0.39; Reported EPS of \$0.18

### *Excluding SARs expense:*

- Q3 2013 Adj. EBITDA: \$290.7M, 15.0% of sales
- Q3 2012 Adj. EBITDA: \$277.5M, 14.6% of sales
  
- Q3 2013 Adj. EPS: \$0.43
- Q3 2012 Adj. EPS: \$0.29

- **Delivered year over year constant currency sales growth in all regions except for Europe**
- **Developing regions constant currency sales increased 9%, accounting for 26% of total net sales**
- **Favorable product price/mix across all divisions and all regions, except Europe**
- **EBITDA margin expansion due to higher volumes and cost savings initiatives**
  
- **Core Tax Rate of 23.3%**

### Reported U.S. GAAP Measures

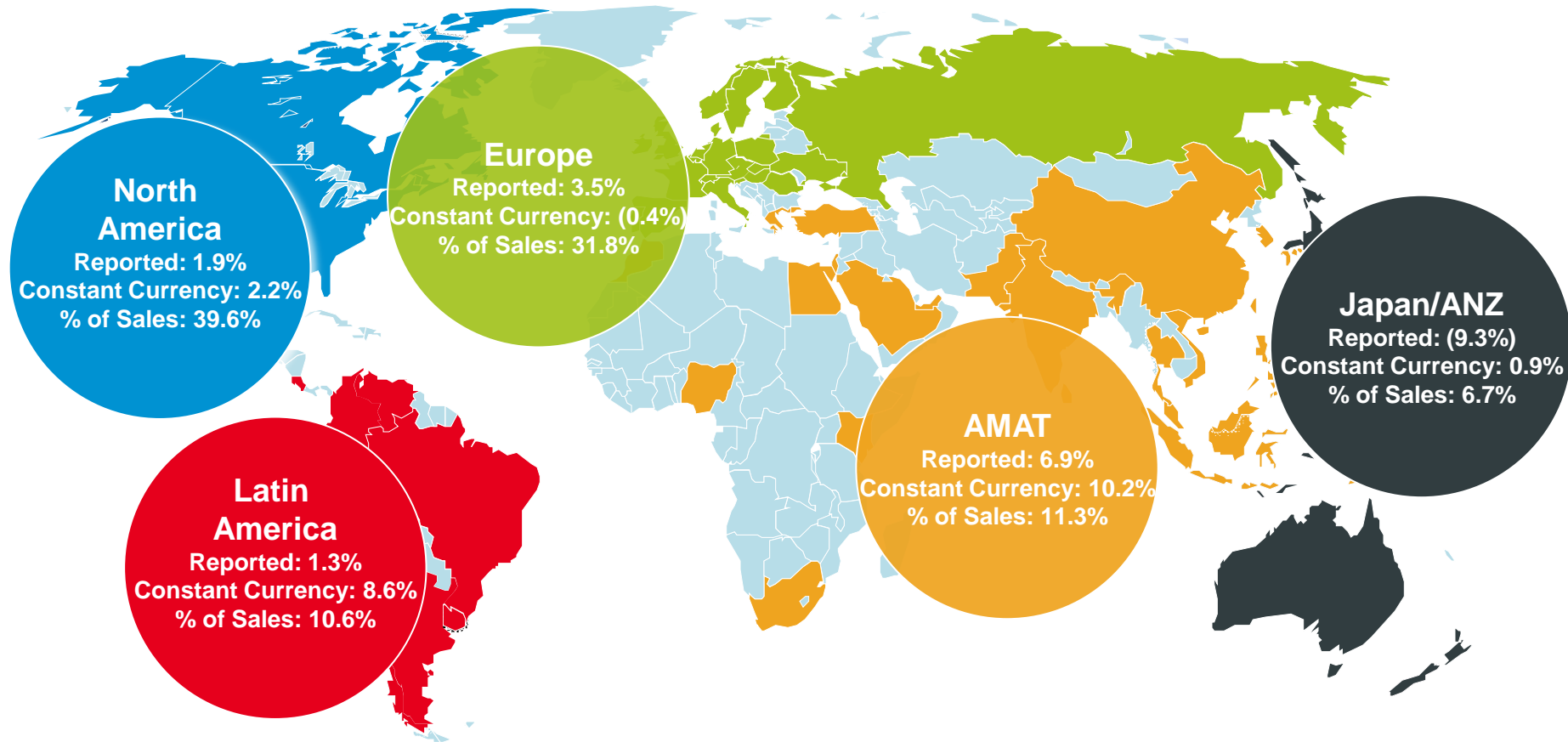
Q3-13 Net Sales: \$1.9B; Operating Profit: \$140M; Net Income: \$38M

Q3-12 Net Sales: \$1.9B; Operating Loss\*: (\$1.2B); Net Loss: (\$1.2B)

Q3-13 Effective tax rate: 24.6%

*\*Includes impairment of goodwill and certain intangible assets associated with the Diversey acquisition*

# Regional Sales Performance



\* Constant currency refers to unit volume and price/mix performance and excludes the impact of currency translation

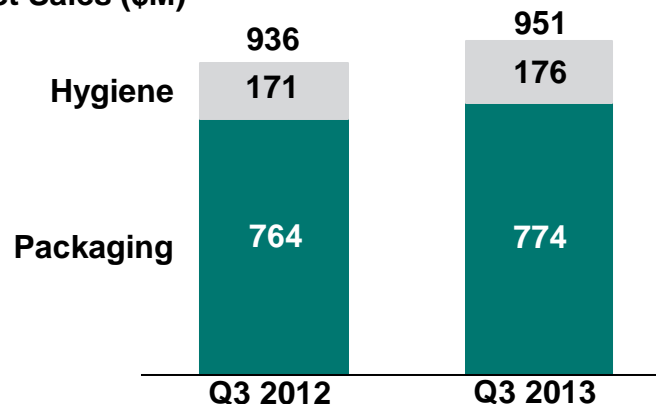
# ACHIEVED SALES & ADJ. EBITDA GROWTH

## Food Care

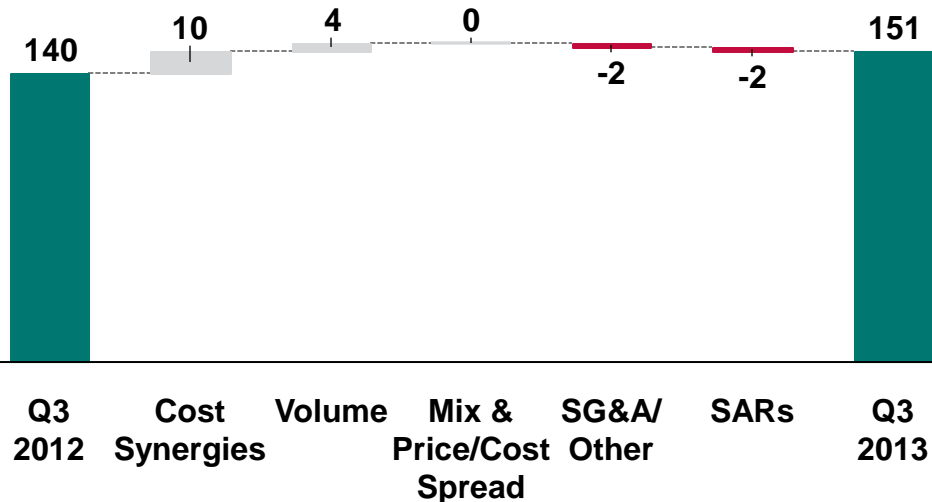


- **Q3 Net Sales:** 1.7%; constant currency: 3.2%
  - Volume growth 1.5%; Price/mix favorable 1.7%
  - Packaging constant currency sales increased 2.9%
  - Hygiene constant currency sales increased 3.8%
- **Q3 Adj. EBITDA Margin:** 15.8%
  - Adjusted EBITDA increased 7.4%
  - Excluding impact of SARs, increased 8.5%
  - Key drivers: cost synergies, manufacturing efficiencies & higher volumes
- **Q3 Volume Trends by region vs. PY**
  - North America: 1.0%
  - Europe: 1.0%
  - Latin America: 2.2%
  - AMAT: 9.9%
  - JANZ: (1.9%)
- **Largest growth drivers:** Strength in AMAT & Latin America; modest growth in NA; customer acceptance of new products & solutions
- **Challenges:** European macro economy; Beef volume declines in North America and Europe

Net Sales (\$M)



Adjusted EBITDA (\$M)



Reported U.S. GAAP Measures:

Q3-13 Food Care Operating Profit: \$115M

Q3-12\* Food Care Operating Profit: (\$228M)

\*Includes impairment of goodwill and certain intangible assets associated with the Diversey acquisition

Please see Sealed Air's October 30, 2013 earnings press release for important information about the use of non-U.S. GAAP financial measures, including applicable reconciliations to U.S. GAAP financial measures. The sum of the amounts may not equal the total amounts due to rounding.

# Diversey Care

- Q3 Net Sales:** 1.4%; constant currency: 1.6%
  - Volume essentially flat; Price/mix favorable 1.8%
  - Double digit constant currency sales growth in Eastern Europe, Latin America & AMAT
  - Low single digit constant currency sales declines in NA and Europe
- Q3 Adj. EBITDA Margin:** 9.4%
  - Adjusted EBITDA decreased 13%
  - Excluding impact of SARs, decreased 5.5%
  - Key drivers: Higher SG&A expenses, partially offset by cost synergies
- Q3 Volume Trends by region vs. PY**
  - North America: (5.4%)      - AMAT: 7.4%
  - Europe: (1.4%)              - ANZ: (2.5%)
  - Latin America: 6.1%
- Largest Growth Drivers:** Strong performance in developing regions, better pricing disciplines
- Challenges:** Exposure to European macro economy; Distribution channel destocking & weaker floor care sales in NA

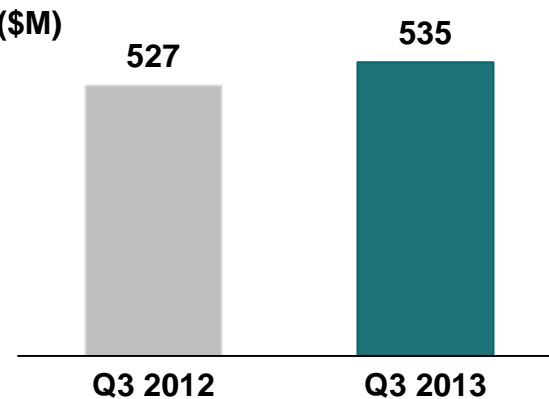
Reported U.S. GAAP Measures:

Q3-13 Diversey Care Operating Profit: \$18M

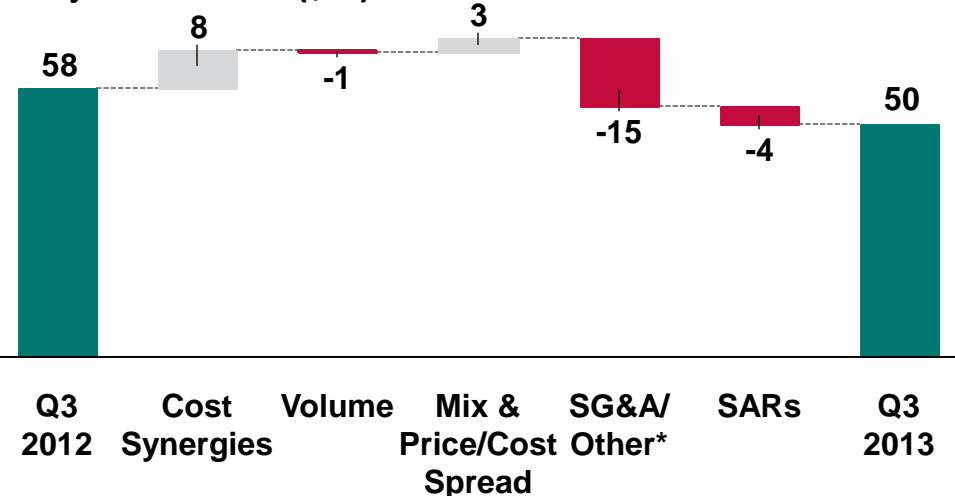
Q2-12\* Diversey Care Operating Profit: (\$976M)

\*Includes impairment of goodwill and certain intangible assets associated with the Diversey acquisition

Net Sales (\$M)



Adjusted EBITDA (\$M)



\* SG&A/Other: Includes salary inflation of \$4M, bad debt allowance for large customer in AMAT of \$3.8M and increased inventory obsolescence of \$2.5M

# HIGHER VOLUME & COST SYNERGIES OFFSET RAW MATERIAL INCREASE

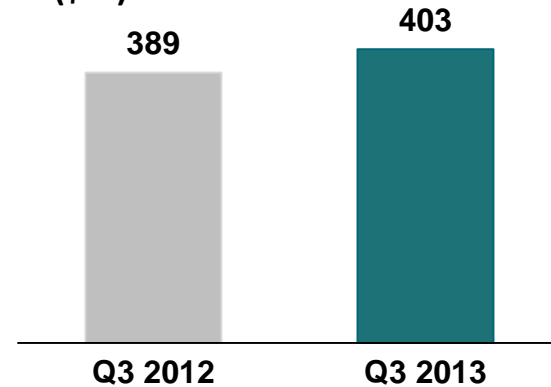


## Product Care

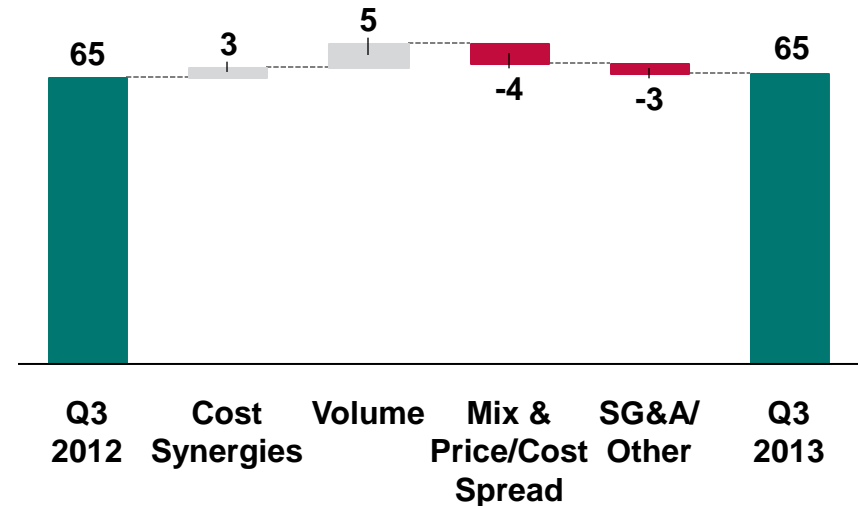
- Q3 Net Sales:** 3.6%; constant currency: 4.0%
  - Volume increased 3.4%; Price/mix favorable 0.6%
  - Constant currency sales increased 3.6% in NA & 2.7% in Europe
- Q3 Adjusted EBITDA Margin:** 16.2%
  - Adjusted EBITDA increased 1.4%
  - Key drivers: Higher volumes and cost synergies offsetting raw material increases
- Q3 Volume Trends by region v. PY**
  - North America: 2.5%
  - Europe: 4%
  - Latin America: (5%)
  - AMAT: 7.8%
  - JANZ: 11.1%
- Largest growth drivers:** E-commerce, retail, packaging systems
- Challenges:** Global economic weakness, increases in raw material costs

Reported U.S. GAAP Measures:  
Q3-13 & Q2-12 Product Care Operating Profit: \$53M

Net Sales (\$M)



Adjusted EBITDA (\$M)



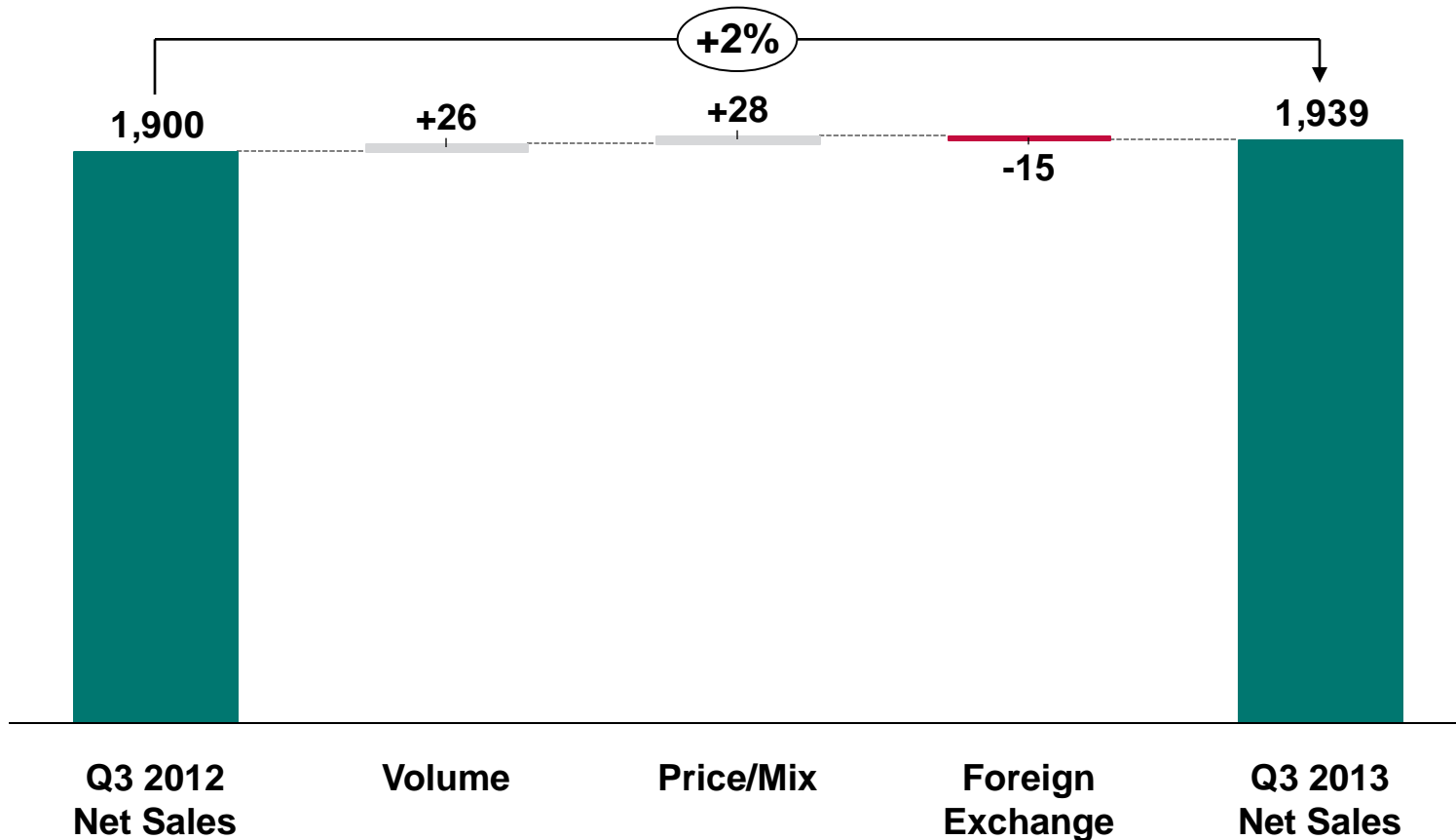




**Carol P. Lowe**  
Senior Vice President & CFO

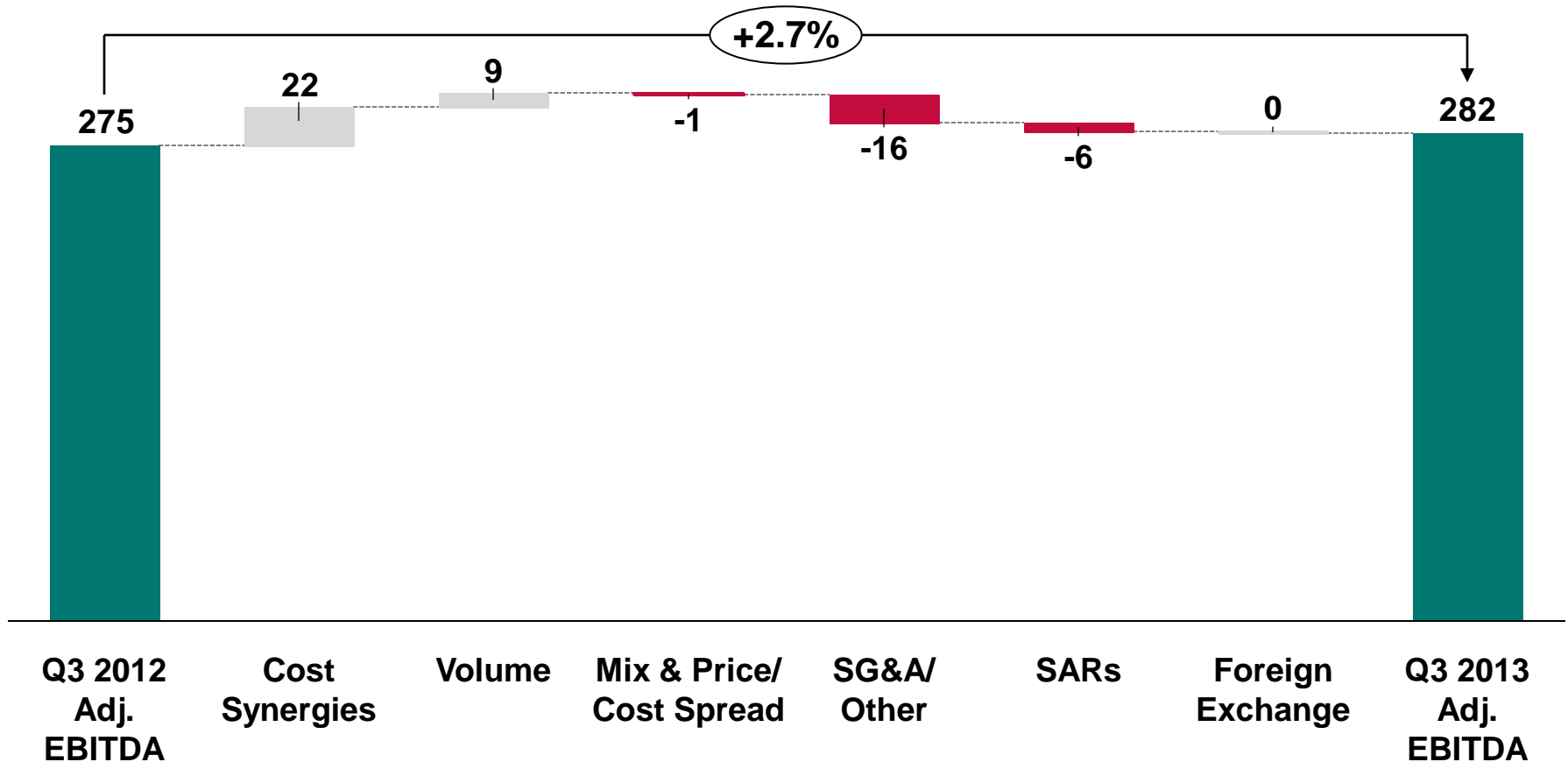
# Q3 2013 Net Sales Bridge

(\$ in millions)



# Q3 2013 Adj. EBITDA Bridge

(\$ in millions)



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# SIGNIFICANT YoY IMPROVEMENT

# YTD Free Cash Flow



(\$ in millions)

**Nine Months Ended September 30**

**2012**

**2013**

**\$195**

**(\$33)**

(\$ in millions)	Nine Months Ended September 30,	
	2012	2013
<b>Free Cash Flow</b>		
U.S. GAAP Cash Flow from Operating Activities	\$ 65	\$ 275
Capital Expenditures	(98)	(80)
<b>Free Cash Flow</b>	<b>\$ (33)</b>	<b>\$ 195</b>

## Year-Over-Year Improvement

- Higher net earnings
- Net Improvement in working capital metrics
- Lower Capital Expenditures

# 2013 Outlook

**Net Sales: Approx. \$7.7B or 1% YoY Growth**

(Includes Approx. 1% unfavorable FX)

**Adjusted EBITDA: Approx. \$1.055B**

(D&A: \$310M; Interest Expense: \$355M; Non-cash profit sharing: \$40M)

**Adjusted EPS: \$1.25 – \$1.30**

(Anticipated core tax rate of approx. 20% to 23% in FY2013)

**Free Cash Flow: Approx. \$375M**

(Assumes: \$140M cash restructuring; \$130M capex; \$290M cash interest expense )

*Note: Adjusted EBITDA, EPS and D&A guidance excludes the impact of special items.*



**Jerome A. Peribere**  
President & CEO



# Q&A

Earnings Conference Call  
Third Quarter 2013



# Appendix



# 3Q 2013 Adjusted EPS Calculation

(\$ in millions, except Adjusted EPS and share count)

<b>Adjusted EBITDA</b>	<b>\$ 282.0</b>
Depreciation and amortization <sup>(1)</sup>	(73.4)
Interest expense	(88.9)
Non-cash profit sharing expense <sup>(2)</sup>	(9.7)
<b>Adjusted pre-tax earnings</b>	<b>\$ 110.0</b>
Core taxes (23.3%)	(25.6)
<b>Adjusted net earnings</b>	<b>\$ 84.4</b>
Diluted Shares	213.7
<b>Adjusted EPS</b>	<b>\$ 0.39</b>

(1) Comprised of \$38.6M of property and equipment depreciation, \$29.5M of amortization of Intangibles and \$5.4M of share-based compensation, net of \$0.1 million special items

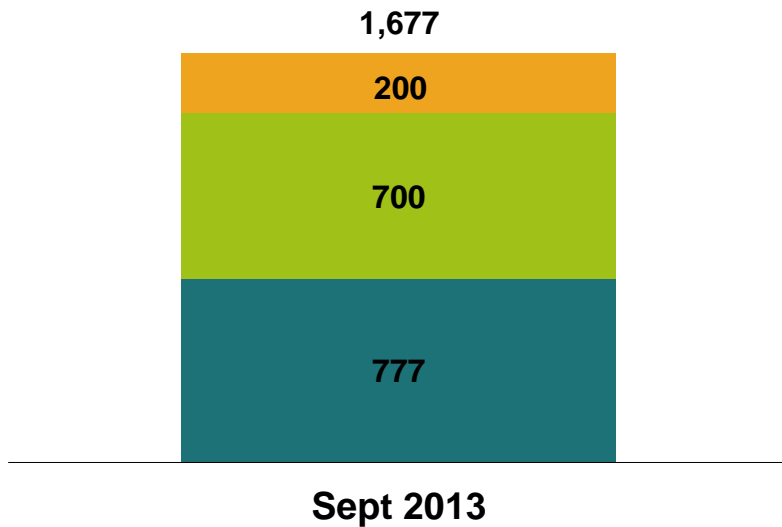
(2) 2013 contributions to be made in Sealed Air common stock

Reported U.S. GAAP Measures :  
Q3 2013 Operating Income: \$140M; Net Income \$38M

# Liquidity & Net Debt

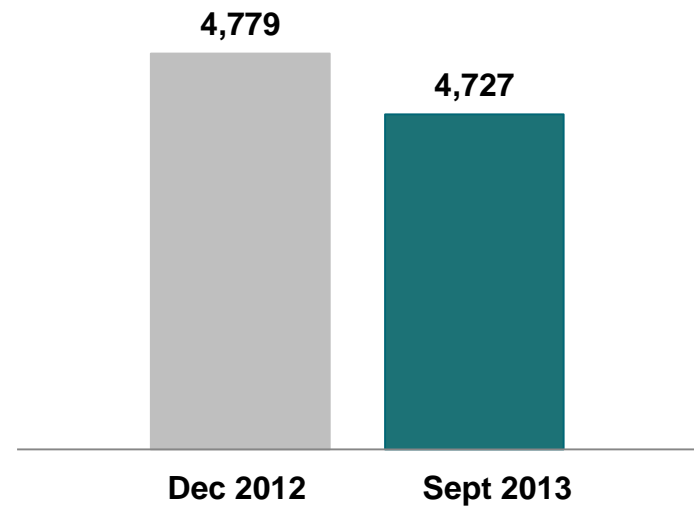
(\$ in millions)

## Liquidity Position



- A/R Securitization
- Revolving Credit Facility
- Cash & Cash Equivalents

## Net Debt



Lower net debt as a result of cash generated from operating activities, partially offset by dividend payments