

# J.P.Morgan

Industrials Conference



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## Investor Relations Company Overview – March 15, 2021

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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, 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 February 9, 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)**

We routinely post important information for investors on our website, [www.sealedair.com](http://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.





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





# SEE Solutions for Critical Packaging Challenges

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



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



Red Meat 23%   Poultry 8%   Cheese 7%   Seafood 2%   Medical, Life Sciences 4%   Industrials 11%   Retail & Consumer Goods 13%  
Smoked & Processed 10%   \* Other Foods 6%   Liquids & Fluids 3%   Electronics 6%   Transportation & Other 5%   Logistics 2%

2020 Sales by Region | **64%** Americas   **21%** Europe, Middle East & Africa   **15%** Asia Pacific

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

# 2020 YoY Financial Results

Reinvent SEE business transformation exceeded 2020 commitments

Net Sales \$4.9B; +2%, +4% constant dollar

Adjusted EBITDA \$1.05B; +9%

**Operating Leverage<sup>1</sup> ( $\Delta P / \Delta G$ ) 77%**

Adjusted EPS \$3.19; +13%

Free Cash Flow \$556M; +73%

**ROIC<sup>2</sup> 15%**

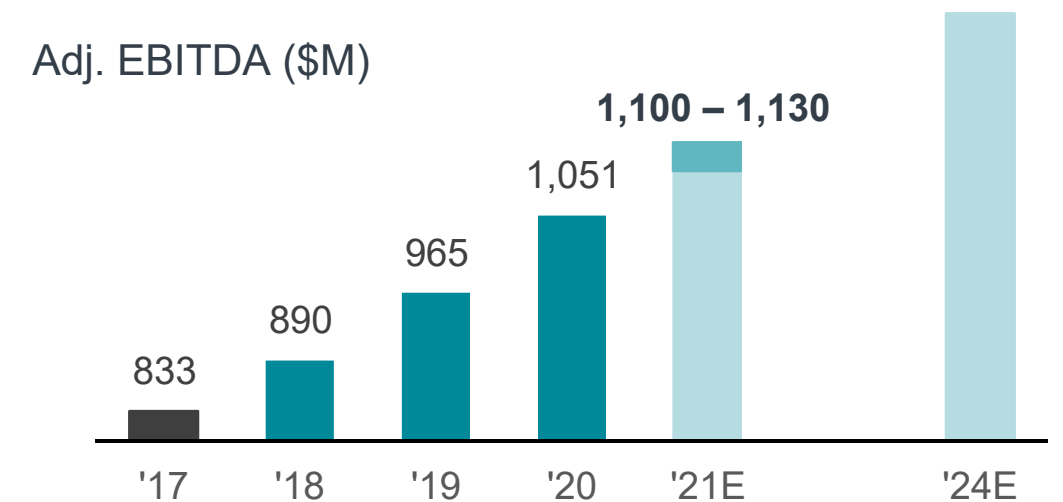
## SEE Operating Model '22 – '24

**Organic Sales Growth**

3 – 5% / year

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

> 30% / year



**Driving Sustainable Earnings Power**

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

Fueled by Reinvent SEE business transformation

<sup>1</sup> Operating Leverage (Profit / Growth ratio) year-over-year change in Adj EBITDA / year-over-year change in Net Sales    <sup>2</sup> 2020 ROIC ~ 15%, calculation in appendix

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

Next phase of SEE business model transformation, > \$5B growth opportunity over life cycle

## Solving Customers' Automation Needs

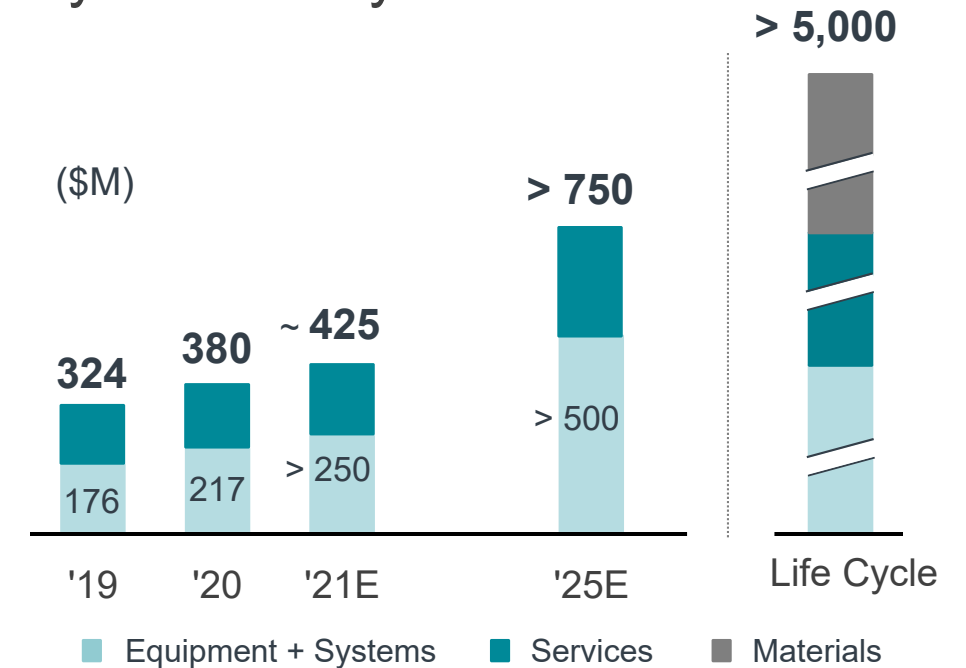
Automation “Touchless Systems” targeting multi-million \$ customer savings

Targeting **customer payback < 3 years**

## SEE™ Automation Branded Solutions to Create References

## 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***



# SEE Automation Solutions for Proteins

**Packaging Challenge** *Improve efficiency by addressing complexity, product & packaging waste, and labor shortages*

**SEE Automation Solution** *Automated bag loader, patented robotics, vision systems, Digital Printing, SEE Smart Packaging*

## Increased Productivity

- > 30% cost savings from continuous flow systems
- > 80% improvement in inventory velocity

## Zero Harm, “Touchless” Automation

- > 70% labor productivity gains

## Sustainable & Flawless

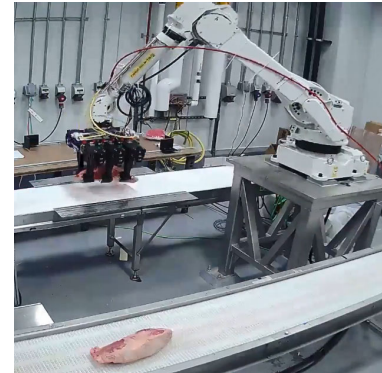
Reduce food waste with high-performance **Cryovac®** materials

- > 50% reduction in defects with vision systems & SEE Smart Service

**Significant Carbon footprint reduction over existing operations**

SEE Smart Packaging, Digital Printing, Enhanced Product Display

Customer branding, tracing, counterfeit protection, vision systems



Vacuum Gripping Tool Patent Pending



**Cryovac®**



## New **Autobag®** “Touchless System”

*Integrated system with Autobag loading, robotics, vision & digital printing technologies*



**SEE Mark™** – Smart Packaging Patent Pending



**Cryovac®** brand Barrier Bags  
designed for recycling  
30% lighter

**Automation driving > 30%+ operational savings with < 3-year payback**

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

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

# SEE Automation Solutions for eCommerce Fulfillment

**Packaging Challenge** *Increase throughput in packing goods, address labor shortages, improve dimensional weight*

**SEE Automation Solution** *Autobag® brand equipment and high-performance materials, SEE Smart Packaging*

Autobag® brand Flowrap system



## High throughput eCommerce Fulfillment Solutions

- > 7x Pack rate improvement, 25 bags/minute
- > 145% Increase of packages fulfilled per square foot
- > 65% Reduction of packaging SKUs by eliminating various bag sizes
- > 85% Labor productivity gains
- 100% How2Recycle compliant and recyclable via Store Drop-Off

**Automation driving > 5x productivity < 2-year payback**

*Eliminate waste → simplify the process → remove people from harm's way → automate "touchless"*

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

Autobag® brand 650H system



## Work cell automation in eCommerce fulfillment

- > 200% Labor productivity gains with only 1 operator per automated system
- ~ 300% Increase in speed per pack, 8 bags per minute per operator
- > 30% Footprint reduction, seamless installation with Warehouse Mgt. System readiness
- ~ 10% Cost savings by eliminating adhesive labeling; Autobag prints directly on bag
- 100% How2Recycle compliant and recyclable via Store Drop-Off



# Sustainable Solutions: Source of Competitive Advantage



Differentiated with automation, high performance materials, advancing circularity, ESG goals

## High Performance



**Cryovac® brand Barrier Bags**  
designed for recycle  
30% lower gauge

## Waste Reduction



**AutoPouch™ System**  
2-5% yield improvement,  
reducing food waste by >20%

## Renewable Materials



**Sealed Air® brand Paper Systems**  
recycled content,  
100% curbside recyclable

## Recycled Content



**Autobag® brand EarthAware® Inflatable Pillows**  
90%+ recycled

## Weight & Freight Savings



**Autobag® brand Stealthwrap® Automated System**  
Up to 60% cube reduction,  
95% lighter than boxes



**Cryovac® brand Darfresh® On Tray/On Board Systems**  
Zero film-scrap and  
30 - 40% less film usage,  
Post consumer recyclable tray



**Sealed Air® brand Korrvu® retention packaging**  
minimal waste  
100% curbside recyclable



**Cryovac® brand Darfresh® On Tray/On Board Plant-based**  
~ 90% renewable/recycled



**Integrated Fabrication**  
>80% waste reduction  
100% recycled content



**Autobag® brand Bagging System**  
Optimal footprint, minimal waste  
100% recyclable via Store Drop-Off

**Bubble Wrap® brand On-Demand Inflatable Cushioning**  
Up to 90% space savings, 97% less truckloads

# 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

All out of harm's way **Digital • SMART • Connected**

Flexible workplace, eCommerce platform

Equipment, service, materials, **automated solutions**

**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  
On-Demand Systems



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

**SEE Mark™** – Smart Packaging Patent Pending



Vacuum Gripping Tool Patent Pending

**SealedAir.com**



*Leading to digitally enabling “touchless systems”*

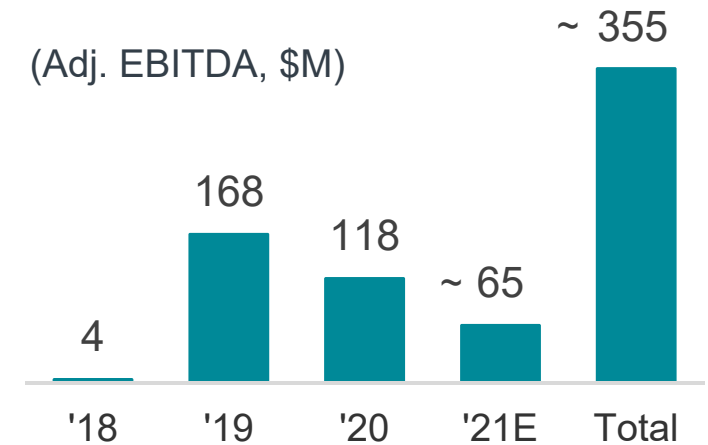


# Reinvent SEE Creating Structural & Cultural Change

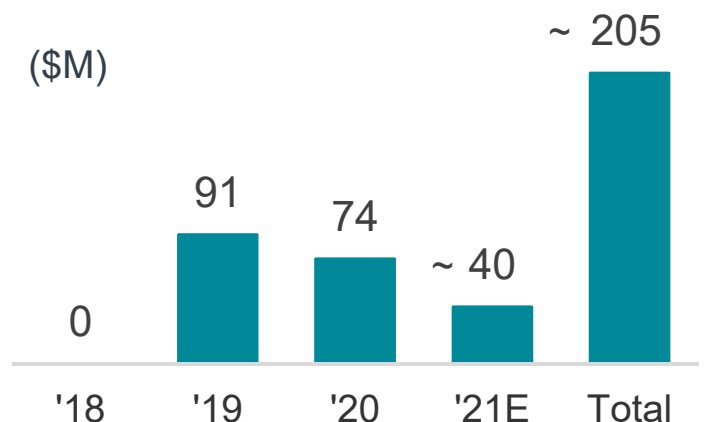
Growth workstream accelerating innovation and penetrating adjacent markets

(\$M)	'18 & '19	2020	
<b>Total YoY Benefits</b>	<b>\$172</b>	<b>\$118</b>	<b>Reinventing how we innovate to solve</b>
<b>Price / Cost Spread YoY Benefits</b>	<b>\$37</b>	<b>\$14</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>	SG&A efficiency and savings on indirect spend Manufacturing network efficiencies
Operating Costs YoY Benefits	\$64	\$71	Yield improvements and gauge optimization
Restructuring YoY Savings	\$71	\$33	Material substitution & alternate raw material Delaying & simplifying organization

## Reinvent SEE Benefits



## Reinvent SEE Cash Payments



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

Business operating system to continue driving productivity above inflation beyond 2021

# Capital Allocation to Create Economic Value

Expanding cash generation capacity through innovation and differentiated technology investments

## Investing for Strategic Growth:

### Attractive markets, innovate faster & disruptive technology

Solution platforms for automation, equipment systems and service

Sustainability to deliver our plastics and net zero carbon pledges

Smart packaging and digital printing, eCommerce

Convert rigids to sustainable flexibles, fluids & liquids packaging

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

### 2020 Capital Expenditures \$181M

Focusing on breakthrough processes, automation, digital, sustainability

Investing ~20% in circularity and net zero carbon goals

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

## Returning Capital to Shareholders:

### 2020 Net Leverage, FCF Conversion

Net Debt / Adj. EBITDA 3.1x

FCF Conversion<sup>1</sup> 53%

### 2020 Dividends

Cash dividend \$100M or \$0.64 per share

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

### 2020 Share Repurchase

Repurchased 821K shares for \$33M

\$675M remaining under current authorization

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

while returning capital to shareholders and maintaining a strong balance sheet

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<sup>1</sup> FCF Conversion: Free Cash Flow / Adj. EBITDA

<sup>2</sup> Dividend payout ratio: annual dividend per share / Adj. EPS

<sup>3</sup> 2020 ROIC ~ 15%, calculation in appendix



# 2021 Outlook

Automation, Digital & Sustainability driving growth: Fueled by Reinvent SEE

## Net Sales

**\$5.1 to \$5.2B**

As Reported 4.5 – 6.5%

Favorable Currency ~ 2%

Constant Dollar 2.5 – 4.5%

Food 2 – 4%, Protective 3 – 5%

## Adj. EBITDA

**\$1,100 to \$1,130M**

As Reported 4.5 – 7.5%

Favorable Currency ~ 2%

Margin ~ 21.6%

## Adj. EPS

**\$3.25 to \$3.40**

As Reported 2 – 7%

D&A ~ \$235M

Int. Exp., Net ~ \$170M

Adj. Tax Rate 26 – 27%

## Free Cash Flow

**\$500 to \$550M**

Capex ~ \$210M

Restr. Payments ~ \$40M

## 2020 Results

**\$4.9B**

As Reported 2%

Unfavorable Currency (\$82M)

Constant Dollar Growth 4%

Food 1%, Protective 9%

**\$1.05B**

As Reported 9%

Unfavorable Currency (\$16M)

Margin 21.4%

**\$3.19**

As Reported 13%

D&A \$217M

Int. Exp., Net \$174M

Adj. Tax Rate 24.5%

**\$556M**

Capex \$181M

Restr. Payments \$74M

# 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

Outperform the markets we serve, **One SEE Operating Model**

**Best service, “at the table” and “On-line” with our customers**, creating references

ROIC > cost of capital, industry-leading operating leverage

## People: SEE high performance culture

Power of operating as **One SEE driving productivity, swarming opportunities**

Value creation drives rewards; talent strategies to develop, retain and attract the best and brightest

**Leadership for diversity, equity and inclusion; environmental, social, governance (ESG) excellence**

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

**Leading solutions partner integrating equipment • service • materials • automated systems**

SEE Automation “**Touchless Systems**” : doing more with less by investing and working smarter

Double innovation vitality, **SEE Ventures** investments on disruptive technologies and business models

## Processes: SEE Operational Excellence culture

**Zero Harm**, on-time every time, productivity > inflation, **flawless quality**

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

Data → Information → Direction → Results ... “**what gets measured, gets done**”

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

Driving environmental, social and governance (ESG) excellence

**Pledged 100% recyclable or reusable, 50% average recycled or renewable content by 2025**

**SEE leading industry with bold goal to reach net zero carbon emissions by 2040**



SealedAir.com







# Appendix

# Free Cash Flow

Growth driven by higher Adj. EBITDA, lower restructuring and 2019 legal settlement

		Twelve Months Ended Dec. 31,	
(\$M)		2020	2019
	Adjusted EBITDA	1,051	965
	Interest payments, net of interest income	(178)	(183)
	Income tax payments	(102)	(95)
	Reinvent SEE, restructuring & assoc. payments	(74)	(91)
	Change in trade working capital, net <sup>1</sup>	14	16
	Change in other assets/liabilities <sup>2</sup>	26	(101)
	Cash flow provided by operating activities	737	511
	Capital expenditures	(181)	(190)
	<b>Free Cash Flow</b>	<b>556</b>	<b>321</b>

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*2020 Adjusted EBITDA to Free Cash Flow conversion 53%*

Cash Conversion Cycle <sup>3</sup> YoY improvement ~ 2 days

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

<sup>2</sup> Change in other assets/liabilities in 2019 includes a \$59M legal settlement to Novipax

<sup>3</sup> Cash Conversion Cycle defined as the respective days outstanding of inventory days plus receivables days minus payables days minus customer advance days



# U.S. GAAP Summary & Reconciliations

## Q4 and YTD Performance

(\$M, except per share data)	Three Months Ended Dec. 31,				Year Ended Dec. 31,			
	2020		2019		2020		2019	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
U.S. GAAP net earnings and diluted EPS from continuing operations	137.5	\$ 0.88	124.4	\$ 0.80	484.1	\$ 3.10	293.7	\$ 1.89
Special Items	2.1	0.01	(2.9)	(0.02)	14.3	0.09	145.0	0.93
Non-U.S. GAAP Adj net earnings and adj diluted EPS from cont. ops.	<u>139.6</u>	<u>\$ 0.89</u>	<u>121.5</u>	<u>\$ 0.78</u>	<u>498.4</u>	<u>\$ 3.19</u>	<u>438.7</u>	<u>\$ 2.82</u>
Weighted average number of common shares outstanding - Diluted		156.0		155.0		156.0		155.2

### Q4 2020 Net Debt Calculation (\$M)

Total Debt	3,761
Less: cash and cash equivalents	<u>(549)</u>
Net Debt	<u>3,212</u>

### Adjusted Tax Rate Calculation (\$M)

	Year Ended Dec. 31, 2020
U.S. GAAP Earnings before income tax provision	626.2
Pre-tax impact of Special items	<u>34.0</u>
Non-U.S. GAAP Adj. Earnings before income tax provision	<u>660.2</u>
U.S. GAAP Income tax provision	142.1
Tax Special Items	12.1
Tax impact of Special Items	<u>7.6</u>
Non-U.S. GAAP Adj. Income tax provision	<u>161.8</u>
U.S. GAAP Effective income tax rate	22.7%
Non-U.S. GAAP Adj. income tax rate	24.5%

# U.S. GAAP Summary & Reconciliations

## Q4 and YTD Performance

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,			
	2020	2019	2020	2019	2018	2017
(\$M, except tax rate and per share data)						
Net Sales	1,340.9	1,298.9	4,903.2	4,791.1	4,732.7	4,461.6
Pre-tax Earnings from Continuing Operations	184.9	135.5	626.2	370.3	457.8	393.3
Net Earnings from Cont. Ops.	137.5	124.4	484.1	293.7	150.3	62.8
EPS from Cont. Ops. (Diluted)	\$ 0.88	\$ 0.80	\$ 3.10	\$ 1.89	\$ 0.94	\$ 0.33
Effective Tax Rate	25.6%	8.2%	22.7%	20.7%	67.2%	84.0%
Operating Cash Flow	326.8	259.9	737.0	511.1	428.0	424.4
U.S. GAAP Net earnings from Cont. Ops.	137.5	124.4	484.1	293.7	150.3	62.8
Interest expense, net	43.7	47.5	174.4	184.1	177.9	184.2
Income tax provision	47.4	11.1	142.1	76.6	307.5	330.5
Depreciation and amortization, net of adjustments	55.4	53.1	216.5	184.5	159.0	158.3
<i>Special items</i>						
Restructuring charges	(0.7)	(1.7)	11.0	41.9	47.8	12.1
Other restructuring associated costs	4.5	9.5	19.5	60.3	15.8	14.3
FX loss on high inflationary economies	1.5	1.2	4.7	4.6	2.5	-
Loss on debt redemption and refinancing activities	-	16.1	-	16.1	1.9	-
Increase in fair value of equity investments	(15.1)	-	(15.1)	-	-	-
Novipax settlement agreement	-	-	-	59.0	-	-
Acquisitions and divestitures charges	2.0	5.7	7.1	14.9	34.2	84.1
Other Special Items	2.5	4.3	6.8	29.1	(7.4)	(13.0)
Pre-tax impact of Special Items	(5.3)	35.1	34.0	225.9	94.8	97.5
<b>Non-U.S. GAAP Adj EBITDA from Cont. Ops.</b>	<b>278.7</b>	<b>271.2</b>	<b>1,051.1</b>	<b>964.8</b>	<b>889.5</b>	<b>833.3</b>
<b>Operating Leverage (Profit / Growth ratio) *</b>			<b>77%</b>			
<b>YoY Δ Net Earnings / YoY Δ Net Sales</b>			<b>170%</b>			

\* Operating Leverage (Profit / Growth ratio) defined as year-over-year change in Adj EBITDA / year-over-year change in Net Sales.



# ROIC Calculation FY 2020

(\$M, except tax rate data)		Year Ended Dec. 31, 2020	
Adjusted EBITDA (Non-GAAP)		1,051	
Less: Depreciation and Amortization		<u>(217)</u>	
Adjusted Operating Profit		835	
Adjusted Tax Rate (Non-GAAP) <sup>1</sup>		24.5%	
Tax on Adjusted Operating Profit		<u>(205)</u>	
<b>Net Adjusted Operating Profit After Tax</b>		<b>630</b>	
		Average:	
	Q4 '19	Q4 '20	'19 & '20
Book value of Equity (Total Stockholders' (Deficit) Equity)	(196)	172	(12)
Current and Long-Term Debt and Op. Leases <sup>2</sup>	3,906	3,838	3,872
Other Long-Term Liabilities (Deferred taxes; Other non-current liabilities)	761	759	760
Less: Non-Operating Assets (Cash/equivalents; Marketable Securities; Current Assets Held for Sale)	<u>(279)</u>	<u>(549)</u>	<u>(414)</u>
<b>Total Capital</b>	<b>4,191</b>	<b>4,221</b>	<b>4,206</b>
<b>Return on Invested Capital</b>		<b>15%</b>	

<sup>1</sup> Refer to previous slide for Adjusted Tax Rate   <sup>2</sup> Short-term borrowings, Long-term Debt (Current and non-current); and Operating Lease Liabilities (Current and Non-current)

Q4 2020 Sealed Air Earnings Conference Call Presentation:

<https://ir.sealedair.com/events/event-details/q4-2020-sealed-air-earnings-conference-call>