



# 2020 Fourth Quarter & Full Year Earnings

February 9, 2021

Conference Call Supplement (Unaudited Results)

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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.

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Sealed Air®

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

# Q4 & 2020 YoY Financial Results

Reinvent SEE business transformation delivered on 2020 commitments

## Q4 2020

Net Sales \$1.3B; +3% as reported and in constant dollar

Adjusted EBITDA \$279M; +3%

Adjusted EPS \$0.89; +14%

## FY 2020

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

Adjusted EBITDA \$1.05B; +9%

Adjusted EPS \$3.19; +13%

Free Cash Flow \$556M; +73%

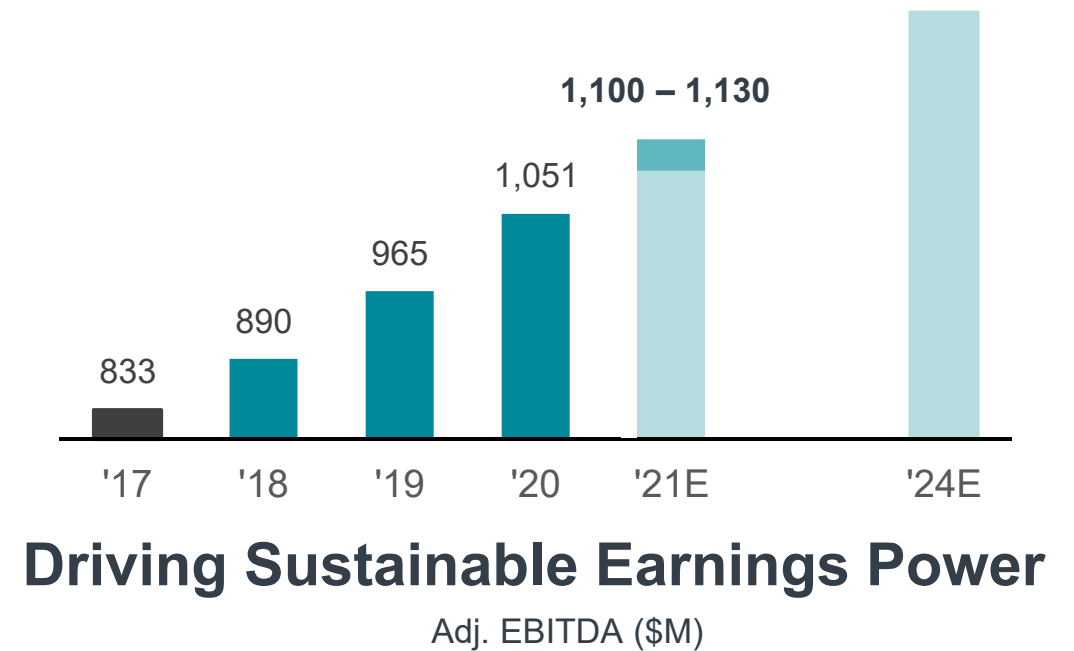
### SEE Operating Model '22 – '24

**Organic Sales Growth**

3 – 5% / year

**Operating Leverage  $\Delta P / \Delta G$  \***

> 30% / year



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

Fueled by Reinvent SEE business transformation

\* Operating Leverage defined as year-over-year change in Adj EBITDA / year-over-year change in Net Sales

# SEE Solving Critical Packaging Challenges

Market driven sustainable solutions positioned for growth

2020 Sales  
by End Market

**63%** Protein, Foods, Liquids & Fluids,  
Medical & Life Sciences

**37%** eCommerce, Retail, Pet Care, Industrials,  
Transportation, Logistics, Electronics

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%



**Cryovac**® Barrier Bags

Pouches

Bag In Box

FlexPrep®

Medical Films

Automated Mailer Systems

**Autobag**® Bagging Systems

Instapak®

Darfresh® Vacuum Skin

**Bubble Wrap**® On-demand

**Bubble Wrap**® Inflatables

Korrvu®

**Paper** Systems

StealthWrap®

Cold Chain / Specialty Foams



\* Other Foods includes frozen foods, produce, pantry items and meal kits

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

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

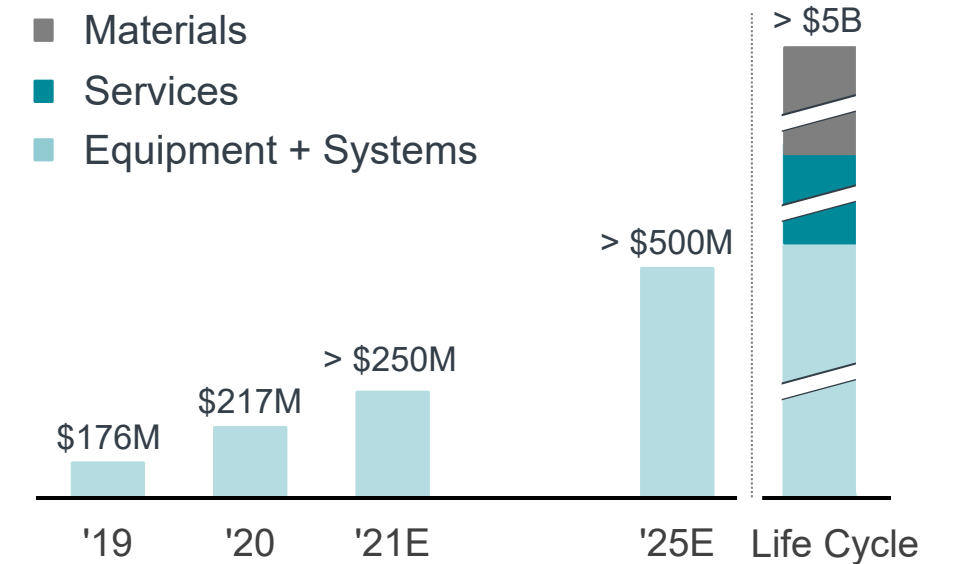
## Solving Customers' Automation Needs

... Savings Pay for System

## 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

*Best solutions • right price • make them sustainable*

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

# 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**  
Tracking to 2025 **Sustainability Pledge**



**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

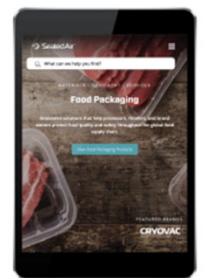


SEE™ Mark – Smart Packaging Patent Pending



Vacuum Gripping Tool Patent Pending

SealedAir.com



*Leading to a “new normal,” digitally enabling “touchless” packaging*

# Q4 2020 YoY Regional Sales Performance

Favorable constant dollar growth across all regions

	* North America	South America	Europe, Middle East & Africa	Asia Pacific
As Reported Change	2%	(11)%	5%	9%
Constant Dollar Change	3%	13%	1%	4%
% of Sales	58%	4%	22%	16%

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Q4 2020 Net Sales: \$1.3B

As Reported Change: 3%

Constant Dollar Change: 3%

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\* North America includes U.S., Canada, Mexico and Central America



# 2020 YoY Regional Sales Performance

Favorable constant dollar growth across all regions

	* North America	South America	Europe, Middle East & Africa	Asia Pacific
As Reported Change	4%	(11)%	2%	2%
Constant Dollar Change	4%	17%	2%	2%
% of Sales	60%	4%	21%	15%

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2020 Net Sales: \$4.9B

As Reported Change: 2%

Constant Dollar Change: 4%

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\* North America includes U.S., Canada, Mexico and Central America

# 2020 YoY Sales Trends

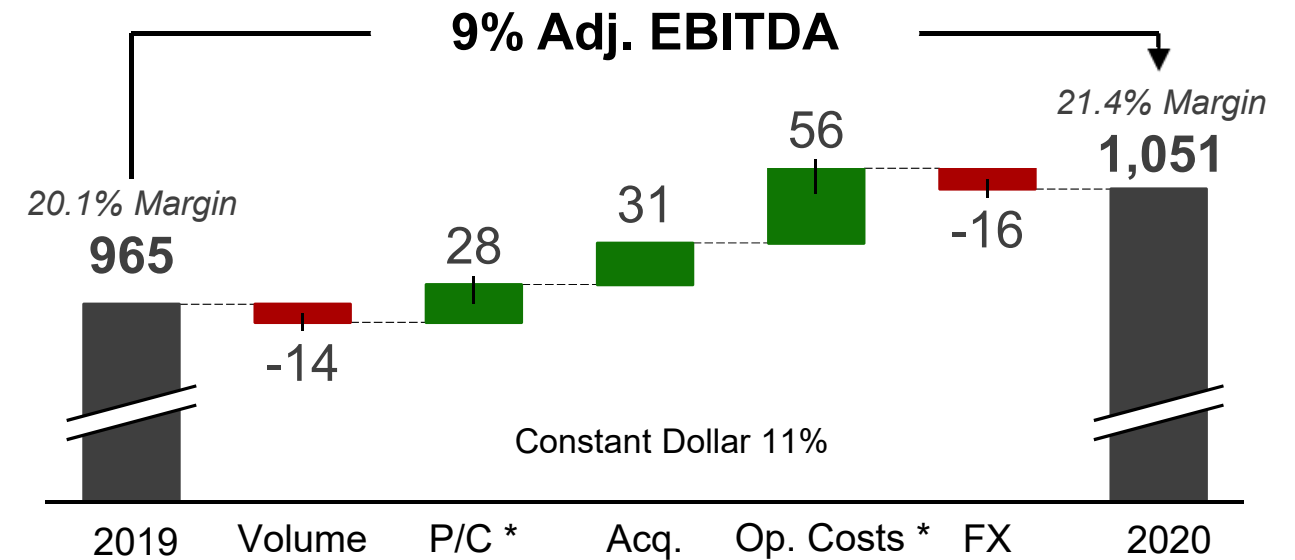
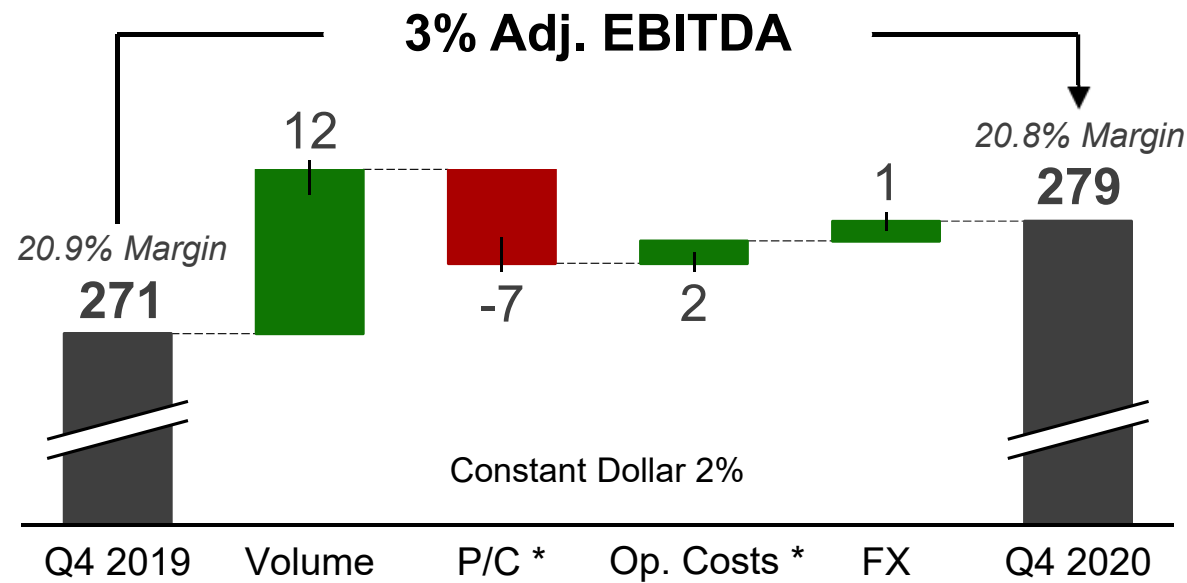
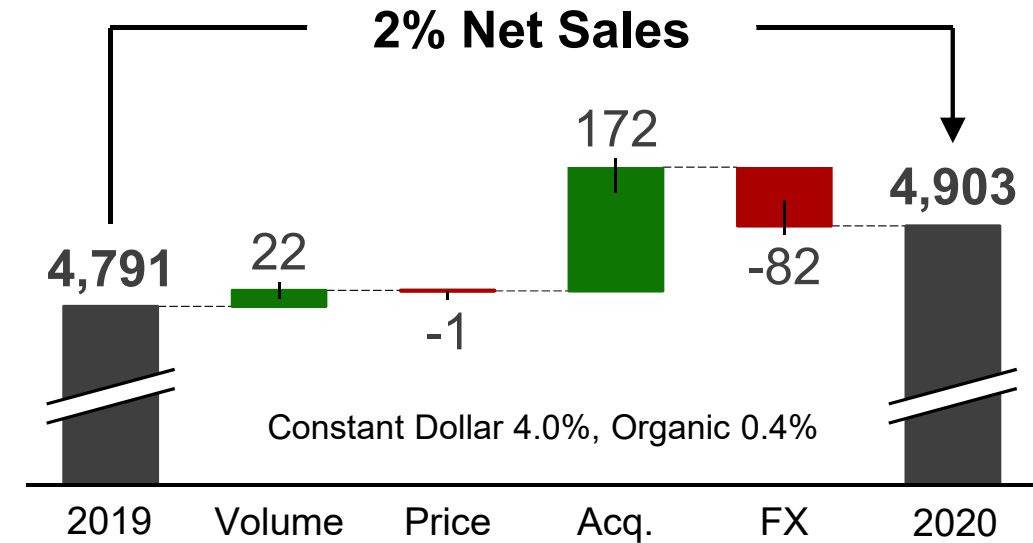
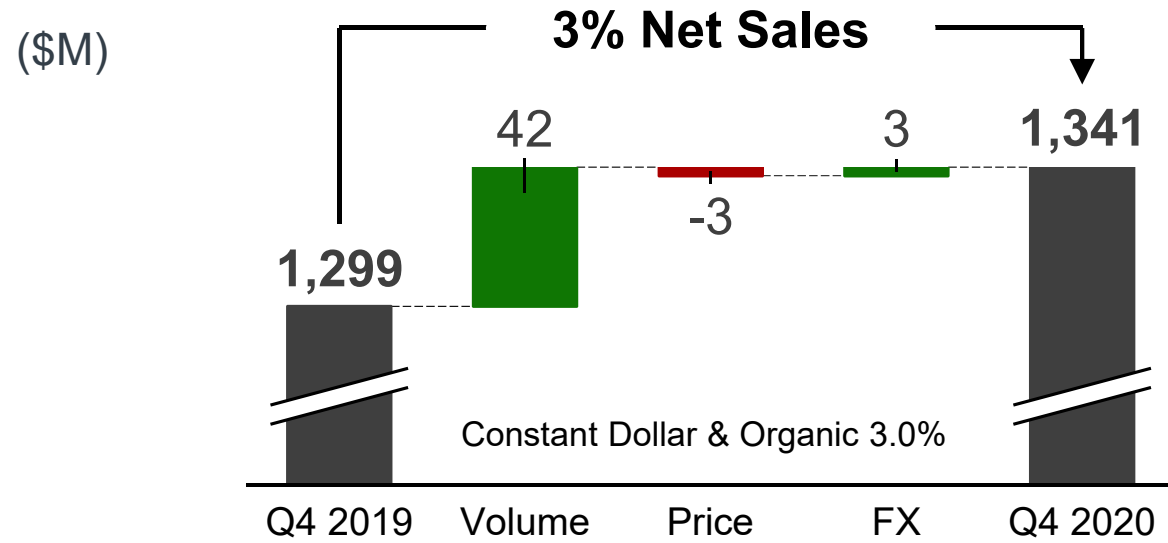
Q4 volume growth led by strength in Americas & APAC

	Growth % As Reported					Growth % Constant Dollar					Volume % Excluding Acquisitions					Price % Excluding Acquisitions				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Food	2	(5)	(3)	(0.3)	(2)	5	(0.3)	(1)	0.5	1	5	(2)	(2)	0.3	0.2	(0.2)	1	1	0.2	0.5
Protective	12	6	9	8	9	13	8	8	7	9	(2)	(8)	4	7	1	(1)	(1)	(1)	(1)	(1)
<b>SEE</b>	<b>6</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>(4)</b>	<b>1</b>	<b>3</b>	<b>0.4</b>	<b>(0.5)</b>	<b>1</b>	<b>0</b>	<b>(0.2)</b>	<b>0</b>
NA	9	1	2	2	4	10	2	3	3	4	3	(6)	2	4	1	(2)	(0.2)	(1)	(1)	(1)
SA	(3)	(15)	(16)	(11)	(11)	24	18	13	13	17	7	(1)	(3)	4	2	16	19	16	9	15
EMEA	4	(3)	2	5	2	7	0.3	(0.1)	1	2	1	(5)	(2)	0.1	(1)	(0.3)	(0.3)	0.4	1	0.2
APAC	(5)	1	4	9	2	(1)	4	1	4	2	(2)	3	1	4	2	(0.3)	(0.4)	(0.1)	0.1	(0.1)
<b>SEE</b>	<b>6</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>(4)</b>	<b>1</b>	<b>3</b>	<b>0.4</b>	<b>(0.5)</b>	<b>1</b>	<b>0</b>	<b>(0.2)</b>	<b>0</b>

*Strength in eComm, fulfillment & automated equipment offsetting food service softness*

# SEE Q4 & 2020 Net Sales & Adjusted EBITDA

Q4 growth largely driven by strength in Protective & Reinvent SEE



\* Q4 Reinvent SEE benefits \$17M: \$2M Price Cost Spread (P/C); \$15M Operating Costs, including \$6M Restructuring Savings

\* 2020 Reinvent SEE benefits \$118M: \$14M Price Cost Spread (P/C); \$104M Operating Costs, including \$33M Restructuring Savings

# Reinvent SEE Creating Structural & Cultural Change

Growth workstream accelerating innovation and penetrating adjacent markets

(\$M) '18 & '19 2020

## Total YoY Benefits

\$172 \$118

## Reinventing how we innovate to solve

## Price / Cost Spread YoY Benefits

\$37 \$14

- Logistics rate improvements
- Strategic value capture
- Non-market price movements
- Procurement savings

## Total Operating Costs YoY Benefits

\$135 \$104

## Operating Costs YoY Benefits

\$64 \$71

- SG&A efficiency and savings on indirect spend
- Manufacturing network efficiencies
- Yield improvements and gauge optimization
- Material substitution & alternate raw material qualifications

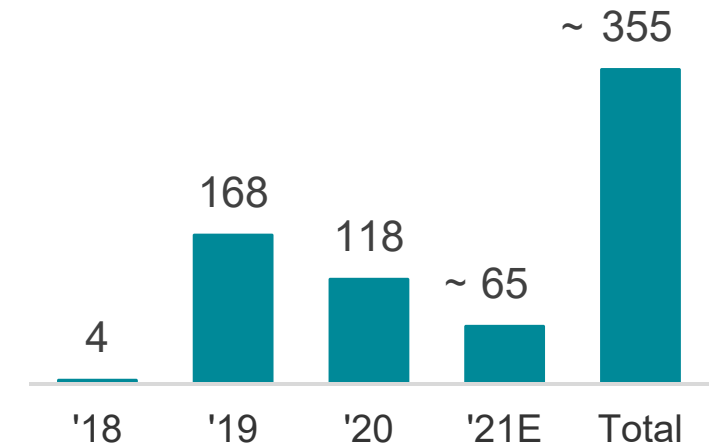
## Restructuring YoY Savings

\$71 \$33

- Delaying & simplifying organization

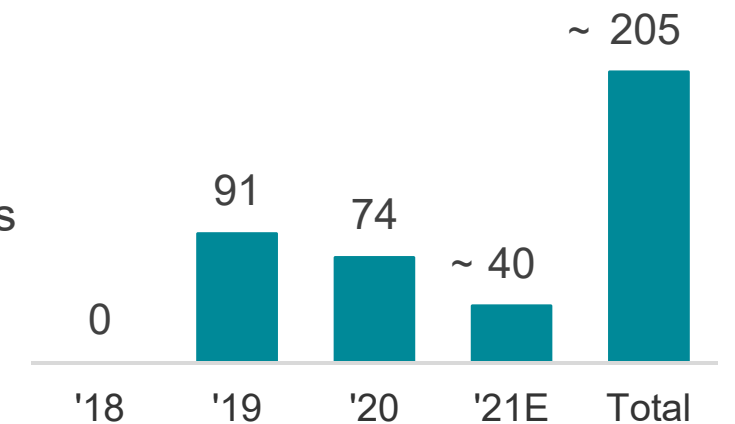
## Reinvent SEE Benefits

(Adj. EBITDA, \$M)



## Reinvent SEE Cash Payments

(\$M)

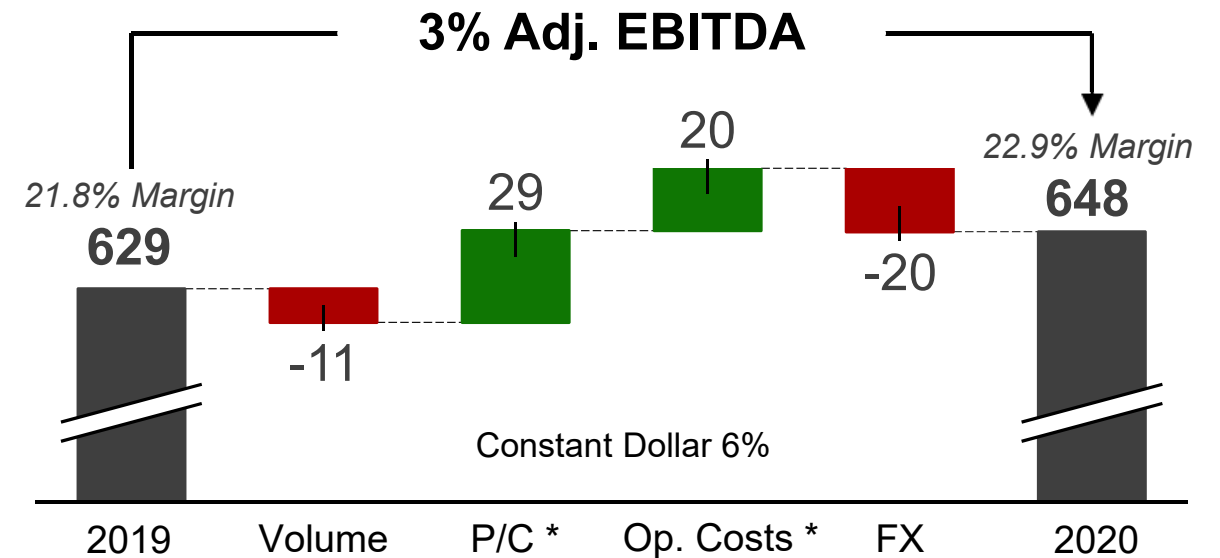
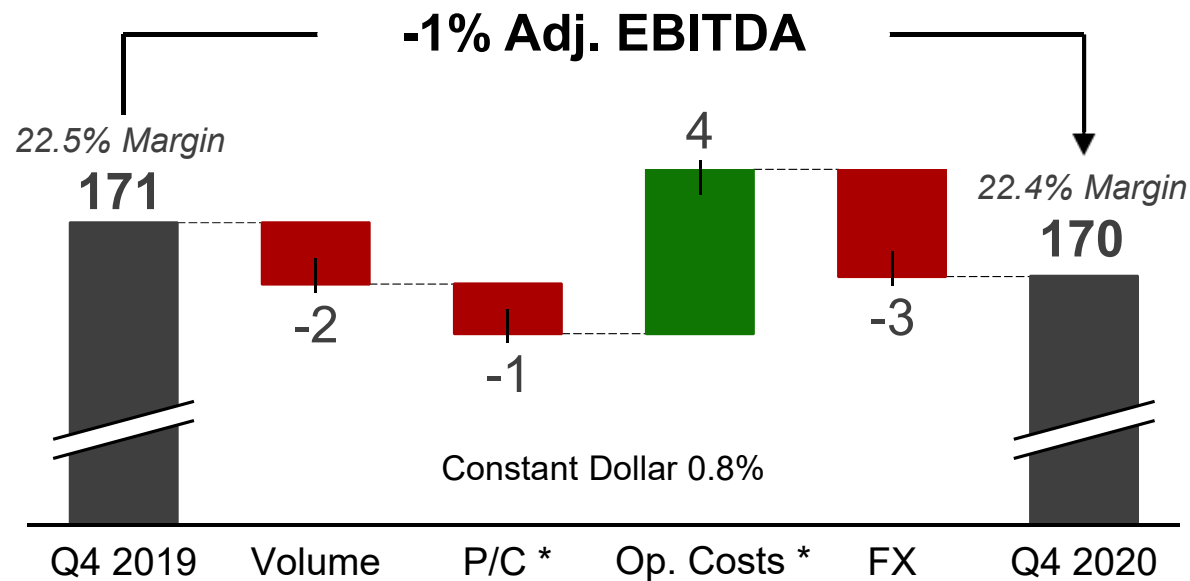
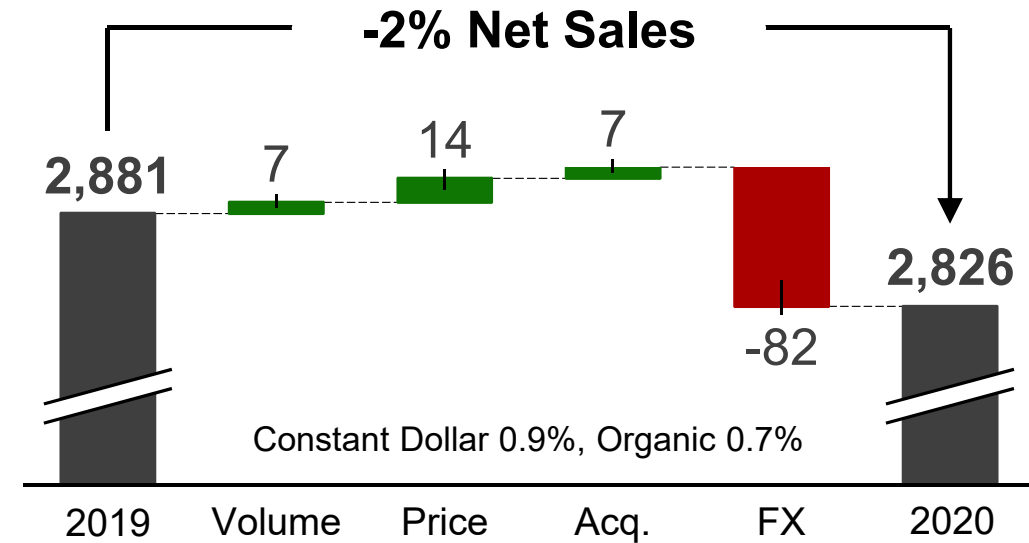
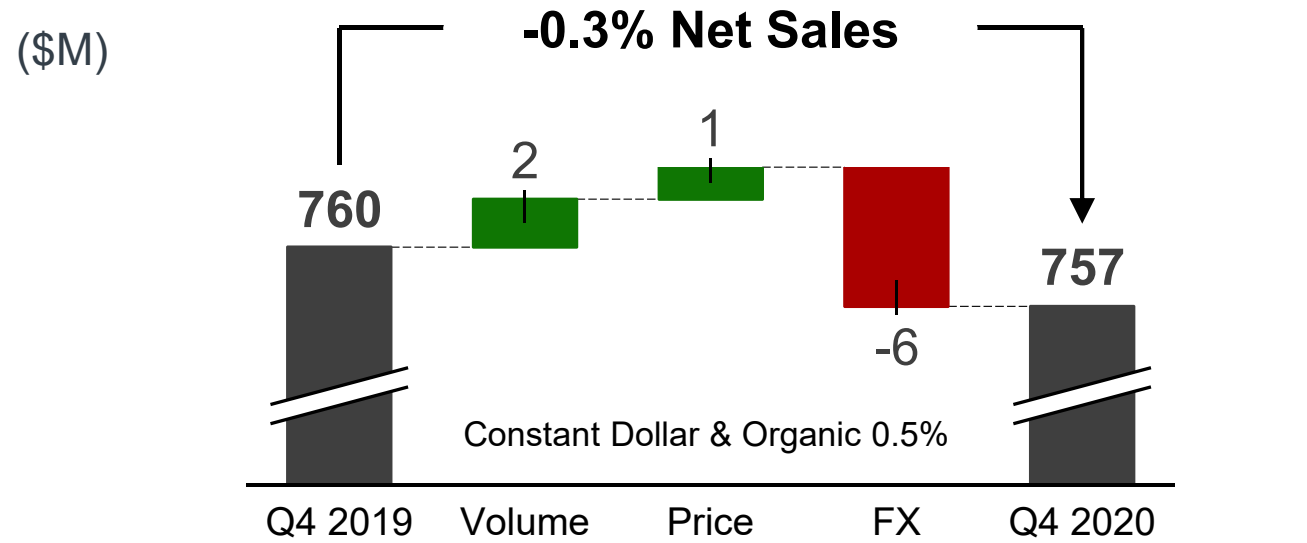


*2021 Reinvent SEE benefits ~ \$65M, ~ 50% flow through from 2020 actions*

Business operating system to continue driving productivity above inflation beyond 2021

# Food Q4 & 2020 Net Sales & Adjusted EBITDA

Retail and equipment strength largely offset by ongoing food service weakness

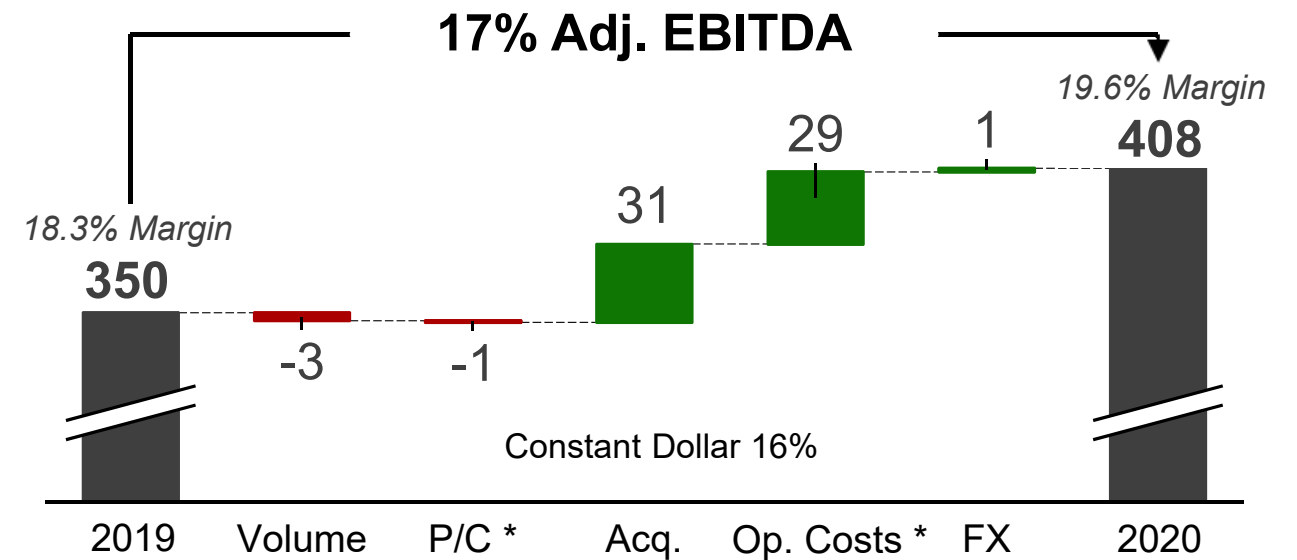
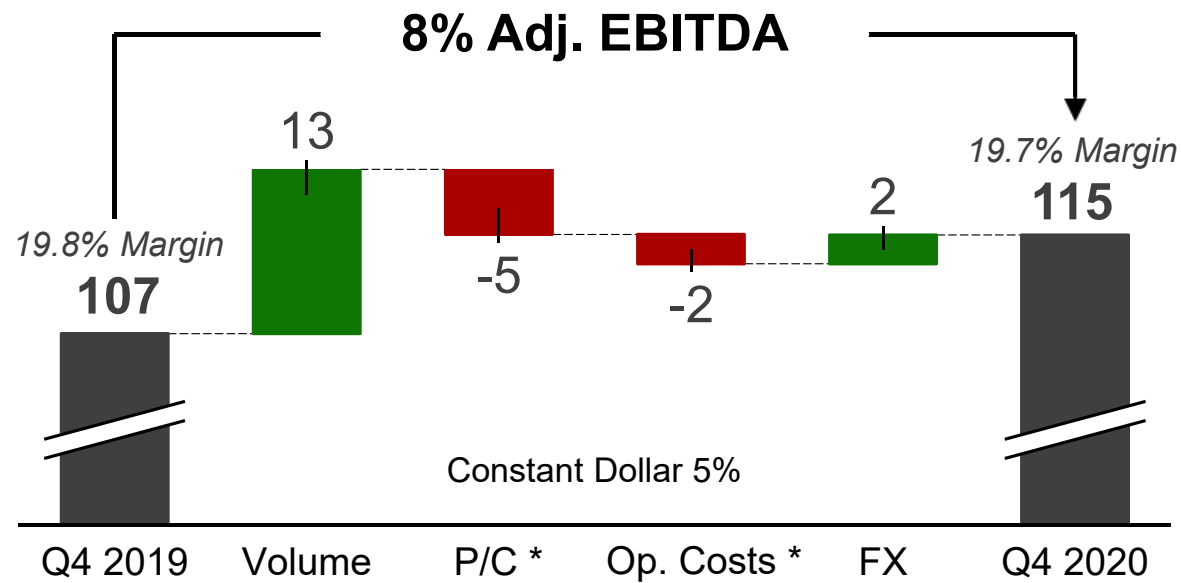
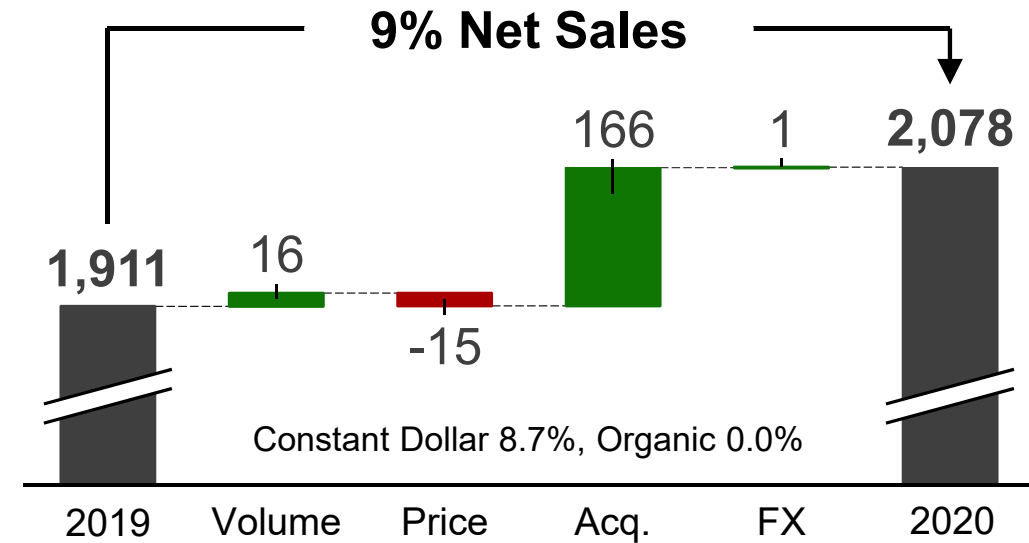
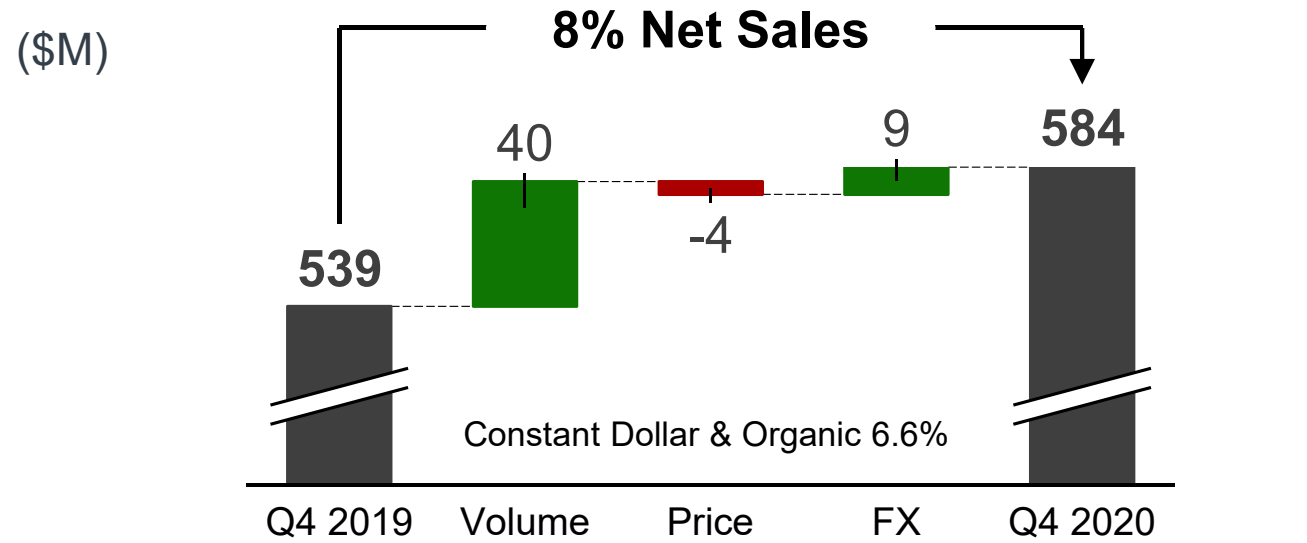


\* Q4 Reinvent SEE benefits \$11M: \$1M Price Cost Spread (P/C); \$10M Operating Costs, including \$4M Restructuring Savings

\* 2020 Reinvent SEE benefits \$79M: \$10M Price Cost Spread (P/C); \$69M Operating Costs, including \$21M Restructuring Savings

# Protective Q4 & 2020 Net Sales & Adjusted EBITDA

Q4 strength driven by eComm & fulfillment and pockets of growth in industrial



\* Q4 Reinvent SEE benefits \$6M: \$1M Price Cost Spread (P/C); \$5M Operating Costs, including \$2M Restructuring Savings

\* 2020 Reinvent SEE benefits \$39M: \$5M Price Cost Spread (P/C); \$34M Operating Costs, including \$12M Restructuring Savings

# Free Cash Flow

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

(\$M)	Twelve Months Ended Dec. 31,	
	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

# Strengthening our Balance Sheet

Well positioned to grow business through pandemic environment

## Q4 2020 Net Debt / LTM Adjusted EBITDA 3.1x

Reduced net leverage from 3.6x in Q4 2019

## \$1.7B of liquidity available, including:

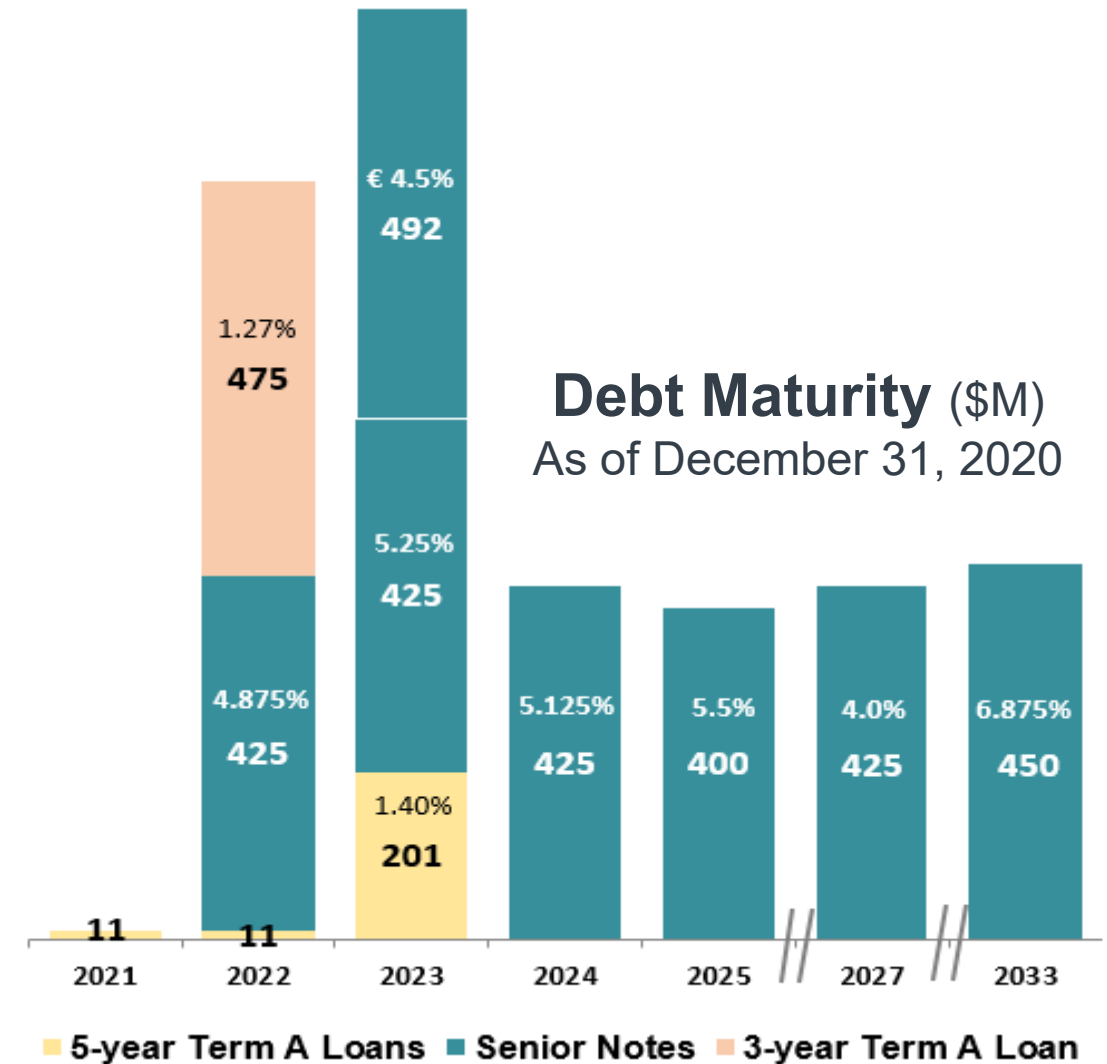
Cash \$549M, undrawn, committed credit facilities \$1.15B

Maximum leverage covenant in credit facility 4.5x for Q4 2020

Q4 2020 covenant leverage 2.8x

## No debt maturities until August 2022

Weighted average cost of debt 4.4%



*Strong liquidity and maturity profile provide financial flexibility*



# Capital Allocation Strategy

Expanding cash generation capacity through innovation and differentiated technology investments

## Investing for Innovation & Growth:

### Attractive markets, disruptive solutions & technologies

Platforms for automation, equipment systems and service

Sustainable solutions

eCommerce, smart packaging and digital printing

Convert rigids to sustainable flexibles, fluids & liquids packaging

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

### 2020 Capital Expenditures \$181M

Investing in breakthrough processes, automation & digital

~ 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%

### Share Repurchase

Repurchased 821K shares for \$33M in 2020

\$675M remaining under current authorization

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*Driving Industry Leading Economic Value with ROIC<sup>3</sup> ~ 15%,*  
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> ROIC 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>

Emerge stronger post crisis: focus on Zero Harm, business continuity, accelerate innovations for growth

**Performance:** World-class

**People:** One SEE high performance culture

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

**Processes:** One SEE Operational Excellence culture

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



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

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# Appendix

U.S. GAAP Summary & Reconciliations

# 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>

# ROIC Calculation FY 2020

			Year Ended Dec. 31, 2020
	(\$M, except tax rate data)		
			1,051
			<u>(217)</u>
			835
			24.5%
			<u>(205)</u>
			<b>630</b>
			Average: '19 & '20
	Q4 '19	Q4 '20	
	(196)	172	(12)
			3,872
	761	759	760
	<u>(279)</u>	<u>(549)</u>	<u>(414)</u>
	<b>4,191</b>	<b>4,221</b>	<b>4,206</b>
			<b>15%</b>

<sup>1</sup> Refer to previous slide for reconciliation of Adjusted Tax Rate

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