

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2023**

Or  **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **1-12139**

**SEALED AIR CORPORATION**

(Exact name of registrant as specified in its charter)

|  |   |
|--|---|
| <b>Delaware</b><br>(State or other jurisdiction of<br>incorporation or organization) | <b>65-0654331</b><br>(I.R.S. Employer<br>Identification Number) |
| <b>2415 Cascade Pointe Boulevard</b>   |   |
| <b>Charlotte North Carolina</b><br>(Address of principal executive offices)          | <b>28208</b><br>(Zip Code)                                      |

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

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of Each Class</u>               | <u>Trading Symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|--|--------------------------|--|
| Common Stock, par value \$0.10 per share | SEE                      | New York Stock Exchange                          |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large Accelerated Filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 144,435,614 shares of the registrant's common stock, par value \$0.10 per share, issued and outstanding as of October 31, 2023.

# SEALED AIR CORPORATION AND SUBSIDIARIES

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## Cautionary Notice Regarding Forward-Looking Statements

This report 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, results of operations and cash flows. The Securities and Exchange Commission (“SEC”) encourages companies to disclose forward-looking statements so that investors can better understand a company’s future prospects and make informed investment decisions. 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 “anticipate,” “believe,” “plan,” “assume,” “could,” “should,” “estimate,” “expect,” “intend,” “potential,” “seek,” “predict,” “may,” “will” and similar references to future periods. All statements other than statements of historical facts included in this report 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 future impacts resulting from the Liquibox (as defined in Note 5 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this report) acquisition, 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, including recessionary and inflationary pressures, currency translation and devaluation effects, changes in raw material pricing and availability, competitive conditions, the success of new product offerings, failure to realize synergies and other financial benefits from the acquisition of Liquibox within the expected time frames, greater than expected costs or difficulties related to the integration of Liquibox, consumer preferences, the effects of animal and food-related health issues, the effects of epidemics or pandemics, including the Coronavirus Disease 2019 (COVID-19), negative impacts related to the ongoing conflict between Russia and Ukraine and related sanctions, export restrictions and other counteractions thereto, uncertainties relating to existing or potential increased hostilities in the Middle East, changes in energy costs, environmental matters, the success of our restructuring activities, the success of our merger, acquisition and equity investment strategies, 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 Note 18 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this report), regulatory actions and legal matters, and the other information referenced in Part I, Item 1A, “Risk Factors”, of our Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the SEC, and in any of our subsequent SEC filings. 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 statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

SEALED AIR CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets  
(Unaudited)

(In USD millions, except share and per share data)

|  | September 30, 2023 | December 31, 2022 |
|--|--------------------|-------------------|
| <b>ASSETS</b>  |                    |                   |
| Current assets:  |                    |                   |
| Cash and cash equivalents  | \$ 281.3           | \$ 456.1          |
| Trade receivables, net of allowance for credit losses of \$13.9 in 2023 and \$11.5 in 2022   | 479.8              | 592.4             |
| Income tax receivables   | 46.8               | 40.3              |
| Other receivables  | 86.0               | 91.5              |
| Advances and deposits (Note 17) and (Note 18)  | 198.7              | 12.7              |
| Inventories, net of inventory reserves of \$39.6 in 2023 and \$28.9 in 2022 (Note 7)   | 834.2              | 866.3             |
| Current assets held for sale   | 1.0                | —                 |
| Prepaid expenses and other current assets  | 195.0              | 57.5              |
| Total current assets   | 2,122.8            | 2,116.8           |
| Property and equipment, net (Note 8)   | 1,386.2            | 1,275.9           |
| Goodwill (Note 9)  | 2,913.3            | 2,174.5           |
| Identifiable intangible assets, net (Note 9)   | 445.8              | 138.4             |
| Deferred taxes   | 119.5              | 141.5             |
| Operating lease right-of-use-assets (Note 4)   | 86.0               | 70.2              |
| Other non-current assets   | 294.1              | 297.4             |
| <b>Total assets</b>  | <b>\$ 7,367.7</b>  | <b>\$ 6,214.7</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                    |                   |
| Current liabilities:   |                    |                   |
| Short-term borrowings (Note 13)  | \$ 211.6           | \$ 6.6            |
| Current portion of long-term debt (Note 13)  | 28.1               | 434.0             |
| Current portion of operating lease liabilities (Note 4)  | 29.3               | 24.0              |
| Accounts payable   | 746.1              | 865.6             |
| Accrued restructuring costs (Note 12)  | 22.4               | 14.7              |
| Income tax payable   | 19.8               | 19.9              |
| Other current liabilities  | 662.6              | 717.0             |
| Total current liabilities  | 1,719.9            | 2,081.8           |
| Long-term debt, less current portion (Note 13)   | 4,630.9            | 3,237.9           |
| Long-term operating lease liabilities, less current portion (Note 4)   | 64.5               | 49.6              |
| Deferred taxes   | 58.3               | 33.4              |
| Other non-current liabilities  | 485.7              | 467.9             |
| <b>Total liabilities</b>   | <b>6,959.3</b>     | <b>5,870.6</b>    |
| Commitments and contingencies (Note 18)  |                    |                   |
| Stockholders' equity:  |                    |                   |
| Preferred stock, \$0.10 par value per share, 50,000,000 shares authorized; no shares issued in 2023 and 2022   | —                  | —                 |
| Common stock, \$0.10 par value per share, 400,000,000 shares authorized; shares issued: 234,012,500 in 2023 and 233,233,456 in 2022; shares outstanding: 144,426,208 in 2023 and 144,672,113 in 2022 | 23.4               | 23.3              |
| Additional paid-in capital   | 2,167.8            | 2,155.3           |
| Retained earnings  | 3,293.7            | 3,163.4           |
| Common stock in treasury, 89,586,292 shares in 2023 and 88,561,343 shares in 2022  | (4,076.0)          | (4,019.1)         |
| Accumulated other comprehensive loss, net of taxes (Note 20)   | (1,000.5)          | (978.8)           |
| <b>Total stockholders' equity</b>  | <b>408.4</b>       | <b>344.1</b>      |
| <b>Total liabilities and stockholders' equity</b>  | <b>\$ 7,367.7</b>  | <b>\$ 6,214.7</b> |

See accompanying Notes to Condensed Consolidated Financial Statements.

## SEALED AIR CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations  
(Unaudited)

| <i>(In USD millions, except per share data)</i>                                 | Three Months Ended September 30, |                 | Nine Months Ended September 30, |                 |
|---|----------------------------------|-----------------|---------------------------------|-----------------|
|   | 2023                             | 2022            | 2023                            | 2022            |
| Net sales   | \$ 1,381.8                       | \$ 1,400.4      | \$ 4,111.4                      | \$ 4,236.0      |
| Cost of sales   | 968.5                            | 966.8           | 2,875.0                         | 2,887.1         |
| Gross profit  | 413.3                            | 433.6           | 1,236.4                         | 1,348.9         |
| Selling, general and administrative expenses                                    | 181.8                            | 196.0           | 582.6                           | 605.6           |
| (Loss) Gain on disposal of businesses and property and equipment, net           | (48.7)                           | (0.3)           | (55.2)                          | 5.1             |
| Amortization expense of intangible assets                                       | 15.4                             | 8.7             | 46.0                            | 27.0            |
| Restructuring charges <a href="#">(Note 12)</a>                                 | 9.8                              | 0.6             | 9.2                             | 4.6             |
| Operating profit  | 157.6                            | 228.0           | 543.4                           | 716.8           |
| Interest expense, net   | (70.1)                           | (40.9)          | (196.6)                         | (119.3)         |
| Other expense, net <a href="#">(Note 21)</a>                                    | (9.6)                            | (3.1)           | (33.0)                          | (47.4)          |
| Earnings before income tax provision  | 77.9                             | 184.0           | 313.8                           | 550.1           |
| Income tax provision <a href="#">(Note 17)</a>                                  | 20.3                             | 51.4            | 99.4                            | 153.5           |
| Net earnings from continuing operations   | 57.6                             | 132.6           | 214.4                           | 396.6           |
| (Loss) Gain on sale of discontinued operations, net of tax                      | (1.0)                            | 1.6             | 3.2                             | 0.7             |
| <b>Net earnings</b>   | <b>\$ 56.6</b>                   | <b>\$ 134.2</b> | <b>\$ 217.6</b>                 | <b>\$ 397.3</b> |
| Basic:  |                                  |                 |                                 |                 |
| Continuing operations   | \$ 0.40                          | \$ 0.91         | \$ 1.49                         | \$ 2.71         |
| Discontinued operations   | (0.01)                           | 0.01            | 0.02                            | 0.01            |
| <b>Net earnings per common share - basic <a href="#">(Note 22)</a></b>          | <b>\$ 0.39</b>                   | <b>\$ 0.92</b>  | <b>\$ 1.51</b>                  | <b>\$ 2.72</b>  |
| Diluted:  |                                  |                 |                                 |                 |
| Continuing operations   | \$ 0.40                          | \$ 0.91         | \$ 1.48                         | \$ 2.68         |
| Discontinued operations   | (0.01)                           | 0.01            | 0.02                            | 0.01            |
| <b>Net earnings per common share - diluted <a href="#">(Note 22)</a></b>        | <b>\$ 0.39</b>                   | <b>\$ 0.92</b>  | <b>\$ 1.50</b>                  | <b>\$ 2.69</b>  |
| Weighted average number of common shares outstanding: <a href="#">(Note 22)</a> |                                  |                 |                                 |                 |
| <b>Basic</b>  | <b>144.5</b>                     | <b>145.2</b>    | <b>144.3</b>                    | <b>146.3</b>    |
| <b>Diluted</b>  | <b>144.9</b>                     | <b>146.6</b>    | <b>144.8</b>                    | <b>147.8</b>    |

See accompanying Notes to Condensed Consolidated Financial Statements.

SEALED AIR CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income  
(Unaudited)

| (In USD millions)  | Three Months Ended September 30, |          |         |           |          |          | Nine Months Ended September 30, |          |          |           |           |          |
|--|----------------------------------|----------|---------|-----------|----------|----------|---------------------------------|----------|----------|-----------|-----------|----------|
|  | 2023                             |          |         | 2022      |          |          | 2023                            |          |          | 2022      |           |          |
|  | Gross                            | Taxes    | Net     | Gross     | Taxes    | Net      | Gross                           | Taxes    | Net      | Gross     | Taxes     | Net      |
| <b>Net earnings</b>  |                                  |          | \$ 56.6 |           |          | \$ 134.2 |                                 |          | \$ 217.6 |           |           | \$ 397.3 |
| Other comprehensive income (loss):   |                                  |          |         |           |          |          |                                 |          |          |           |           |          |
| Recognition of pension items   | \$ 1.3                           | \$ (0.3) | 1.0     | \$ 1.2    | \$ (0.3) | 0.9      | \$ 4.1                          | \$ (1.0) | 3.1      | \$ 4.0    | \$ (1.0)  | 3.0      |
| Unrealized gains (losses) on derivative instruments for net investment hedge | 6.0                              | (1.5)    | 4.5     | 25.2      | (6.3)    | 18.9     | (8.9)                           | 2.2      | (6.7)    | 60.5      | (15.1)    | 45.4     |
| Unrealized gains (losses) on derivative instruments for cash flow hedge      | 1.2                              | (0.3)    | 0.9     | 4.3       | (1.1)    | 3.2      | (1.7)                           | 0.4      | (1.3)    | 6.8       | (1.8)     | 5.0      |
| Foreign currency translation adjustments                                     | (49.3)                           | —        | (49.3)  | (90.2)    | —        | (90.2)   | (16.8)                          | —        | (16.8)   | (149.0)   | —         | (149.0)  |
| Other comprehensive (loss)   | \$ (40.8)                        | \$ (2.1) | (42.9)  | \$ (59.5) | \$ (7.7) | (67.2)   | \$ (23.3)                       | \$ 1.6   | (21.7)   | \$ (77.7) | \$ (17.9) | (95.6)   |
| <b>Comprehensive income, net of taxes</b>                                    |                                  |          | \$ 13.7 |           |          | \$ 67.0  |                                 |          | \$ 195.9 |           |           | \$ 301.7 |

See accompanying Notes to Condensed Consolidated Financial Statements.

SEALED AIR CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity

| (In USD millions)  | (Unaudited)    |                            |                   |                          |  |                            |
|--|----------------|----------------------------|-------------------|--------------------------|--|----------------------------|
|  | Common Stock   | Additional Paid-in Capital | Retained Earnings | Common Stock in Treasury | Accumulated Other Comprehensive Loss, Net of Taxes | Total Stockholders' Equity |
| Balance at June 30, 2023                                   | \$ 23.4        | \$ 2,156.3                 | \$ 3,266.3        | \$ (4,076.0)             | \$ (957.6)   | \$ 412.4                   |
| Effect of share-based incentive compensation               | —              | 11.5                       | —                 | —                        | —  | 11.5                       |
| Recognition of pension items, net of taxes                 | —              | —                          | —                 | —                        | 1.0  | 1.0                        |
| Foreign currency translation adjustments                   | —              | —                          | —                 | —                        | (49.3)   | (49.3)                     |
| Unrealized gain on derivative instruments, net of taxes    | —              | —                          | —                 | —                        | 5.4  | 5.4                        |
| Net earnings   | —              | —                          | 56.6              | —                        | —  | 56.6                       |
| Dividends on common stock (\$0.20 per share)               | —              | —                          | (29.2)            | —                        | —  | (29.2)                     |
| <b>Balance at September 30, 2023</b>                       | <b>\$ 23.4</b> | <b>\$ 2,167.8</b>          | <b>\$ 3,293.7</b> | <b>\$ (4,076.0)</b>      | <b>\$ (1,000.5)</b>                                | <b>\$ 408.4</b>            |
| Balance at December 31, 2022                               | \$ 23.3        | \$ 2,155.3                 | \$ 3,163.4        | \$ (4,019.1)             | \$ (978.8)   | \$ 344.1                   |
| Effect of share-based incentive compensation               | 0.1            | 11.6                       | —                 | —                        | —  | 11.7                       |
| Stock issued for profit sharing contribution paid in stock | —              | 0.9                        | —                 | 23.0                     | —  | 23.9                       |
| Repurchases of common stock                                | —              | —                          | —                 | (79.9)                   | —  | (79.9)                     |
| Recognition of pension items, net of taxes                 | —              | —                          | —                 | —                        | 3.1  | 3.1                        |
| Foreign currency translation adjustments                   | —              | —                          | —                 | —                        | (16.8)   | (16.8)                     |
| Unrealized loss on derivative instruments, net of taxes    | —              | —                          | —                 | —                        | (8.0)  | (8.0)                      |
| Net earnings   | —              | —                          | 217.6             | —                        | —  | 217.6                      |
| Dividends on common stock (\$0.60 per share)               | —              | —                          | (87.3)            | —                        | —  | (87.3)                     |
| <b>Balance at September 30, 2023</b>                       | <b>\$ 23.4</b> | <b>\$ 2,167.8</b>          | <b>\$ 3,293.7</b> | <b>\$ (4,076.0)</b>      | <b>\$ (1,000.5)</b>                                | <b>\$ 408.4</b>            |
| Balance at June 30, 2022                                   | \$ 23.3        | \$ 2,134.2                 | \$ 2,993.6        | \$ (3,989.1)             | \$ (962.3)   | \$ 199.7                   |
| Effect of share-based incentive compensation               | —              | 11.0                       | —                 | —                        | —  | 11.0                       |
| Repurchase of common stock                                 | —              | —                          | —                 | (30.0)                   | —  | (30.0)                     |
| Recognition of pension items, net of taxes                 | —              | —                          | —                 | —                        | 0.9  | 0.9                        |
| Foreign currency translation adjustments                   | —              | —                          | —                 | —                        | (90.2)   | (90.2)                     |
| Unrealized gain on derivative instruments, net of taxes    | —              | —                          | —                 | —                        | 22.1   | 22.1                       |
| Net earnings   | —              | —                          | 134.2             | —                        | —  | 134.2                      |
| Dividends on common stock (\$0.20 per share)               | —              | —                          | (29.5)            | —                        | —  | (29.5)                     |
| <b>Balance at September 30, 2022</b>                       | <b>\$ 23.3</b> | <b>\$ 2,145.2</b>          | <b>\$ 3,098.3</b> | <b>\$ (4,019.1)</b>      | <b>\$ (1,029.5)</b>                                | <b>\$ 218.2</b>            |
| Balance at December 31, 2021                               | \$ 23.2        | \$ 2,123.4                 | \$ 2,790.7        | \$ (3,754.7)             | \$ (933.9)   | \$ 248.7                   |
| Effect of share-based incentive compensation               | 0.1            | 14.9                       | —                 | —                        | —  | 15.0                       |
| Stock issued for profit sharing contribution paid in stock | —              | 6.9                        | —                 | 15.8                     | —  | 22.7                       |
| Repurchases of common stock                                | —              | —                          | —                 | (280.2)                  | —  | (280.2)                    |
| Recognition of pension items, net of taxes                 | —              | —                          | —                 | —                        | 3.0  | 3.0                        |
| Foreign currency translation adjustments                   | —              | —                          | —                 | —                        | (149.0)  | (149.0)                    |
| Unrealized gain on derivative instruments, net of taxes    | —              | —                          | —                 | —                        | 50.4   | 50.4                       |
| Net earnings   | —              | —                          | 397.3             | —                        | —  | 397.3                      |
| Dividends on common stock (\$0.60 per share)               | —              | —                          | (89.7)            | —                        | —  | (89.7)                     |
| <b>Balance at September 30, 2022</b>                       | <b>\$ 23.3</b> | <b>\$ 2,145.2</b>          | <b>\$ 3,098.3</b> | <b>\$ (4,019.1)</b>      | <b>\$ (1,029.5)</b>                                | <b>\$ 218.2</b>            |

See accompanying Notes to Condensed Consolidated Financial Statements.

SEALED AIR CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows  
(Unaudited)

| (In USD millions)  | Nine Months Ended September 30, |                   |
|--|---------------------------------|-------------------|
|  | 2023                            | 2022              |
| <b>Net earnings</b>  | \$ 217.6                        | \$ 397.3          |
| Adjustments to reconcile net earnings to net cash provided by operating activities   |                                 |                   |
| Depreciation and amortization  | 174.7                           | 137.8             |
| Share-based incentive compensation   | 31.4                            | 39.9              |
| Profit sharing expense   | 19.1                            | 20.5              |
| Loss on debt redemption and refinancing activities                                   | 4.9                             | 11.2              |
| Provision for allowance for credit losses on trade receivables                       | 3.6                             | 6.5               |
| Provisions for inventory obsolescence  | 14.9                            | 13.6              |
| Deferred taxes, net  | (41.3)                          | (1.0)             |
| Net loss (gain) on disposal/sale of businesses                                       | 52.6                            | (1.1)             |
| Impairment loss on equity investments  | —                               | 31.6              |
| Other non-cash items   | 19.8                            | 5.7               |
| Changes in operating assets and liabilities:   |                                 |                   |
| Trade receivables, net   | 18.1                            | (65.7)            |
| Inventories, net   | 60.2                            | (289.0)           |
| Accounts payable   | (132.7)                         | 4.8               |
| Customer advance payments  | (9.8)                           | 7.0               |
| Income tax receivable/payable  | (9.9)                           | 12.9              |
| Tax deposit  | (175.0)                         | —                 |
| Other assets and liabilities   | (55.7)                          | (11.2)            |
| <b>Net cash provided by operating activities</b>                                     | <b>\$ 192.5</b>                 | <b>\$ 320.8</b>   |
| Cash flows from investing activities:  |                                 |                   |
| Capital expenditures   | (185.0)                         | (183.5)           |
| Proceeds related to sale of business and property and equipment, net                 | 1.9                             | 9.2               |
| Businesses acquired in purchase transactions, net of cash acquired                   | (1,162.9)                       | (9.7)             |
| Proceeds (Payments) associated with debt, equity and equity method investments       | 3.3                             | (2.6)             |
| Settlement of foreign currency forward contracts                                     | 15.1                            | 2.8               |
| Proceeds from cross-currency swaps   | 1.6                             | —                 |
| <b>Net cash used in investing activities</b>   | <b>\$ (1,326.0)</b>             | <b>\$ (183.8)</b> |
| Cash flows from financing activities:  |                                 |                   |
| Net proceeds from short-term borrowings  | 206.6                           | 1.5               |
| Proceeds from long-term debt   | 1,411.4                         | 423.2             |
| Payments of long-term debt   | (433.2)                         | (425.0)           |
| Payments of debt modification/extinguishment costs and other                         | (14.1)                          | (15.1)            |
| Dividends paid on common stock   | (88.9)                          | (89.5)            |
| Impact of tax withholding on share-based compensation                                | (21.3)                          | (26.2)            |
| Repurchases of common stock  | (79.9)                          | (280.2)           |
| Principal payments related to financing leases                                       | (6.4)                           | (7.7)             |
| <b>Net cash provided by (used in) financing activities</b>                           | <b>\$ 974.2</b>                 | <b>\$ (419.0)</b> |
| <b>Effect of foreign currency exchange rate changes on cash and cash equivalents</b> | <b>\$ (15.5)</b>                | <b>\$ (30.2)</b>  |
| <b>Cash Reconciliation:</b>  |                                 |                   |
| Cash and cash equivalents  | 456.1                           | 561.0             |
| Restricted cash and cash equivalents   | —                               | —                 |
| <b>Balance, beginning of period</b>  | <b>\$ 456.1</b>                 | <b>\$ 561.0</b>   |
| <b>Net change during the period</b>  | <b>(174.8)</b>                  | <b>(312.2)</b>    |
| Cash and cash equivalents  | 281.3                           | 248.8             |
| Restricted cash and cash equivalents   | —                               | —                 |
| <b>Balance, end of period</b>  | <b>\$ 281.3</b>                 | <b>\$ 248.8</b>   |
| Supplemental Cash Flow Information:  |                                 |                   |
| Interest payments, net of amounts capitalized  | \$ 201.7                        | \$ 128.7          |
| Income tax payments, net of cash refunds   | \$ 310.1                        | \$ 133.6          |
| Restructuring payments including associated costs                                    | \$ 12.4                         | \$ 19.1           |
| Non-cash items:  |                                 |                   |
| Transfers of shares of common stock from treasury for profit-sharing contributions   | \$ 23.9                         | \$ 22.7           |

See accompanying Notes to Condensed Consolidated Financial Statements.



## Notes to Condensed Consolidated Financial Statements (unaudited)

**Note 1 Organization and Basis of Presentation****Organization**

We are a leading global provider of packaging solutions integrating high-performance materials, automation, equipment, and services. Sealed Air Corporation designs and delivers packaging solutions that preserve food, protect goods, automate packaging processes, and enable e-commerce and digital connectivity for packaged goods. Our packaging solutions help customers automate their operations to be increasingly touchless and more resilient, safer, less wasteful, and enhance brand engagement with consumers. We deliver our packaging solutions to an array of end markets including fresh proteins, foods, fluids, medical and healthcare, e-commerce, logistics and omnichannel fulfillment operations, and industrials.

Our portfolio of packaging solutions includes CRYOVAC® brand food packaging, LIQUIBOX® fluids and liquids systems, SEALED AIR® brand protective packaging, AUTOBAG® brand automated systems, BUBBLE WRAP® brand packaging, SEE Touchless Automation™ solutions and prismatic™ digital packaging and printing. We have established leading market positions through our differentiated packaging solutions, well-established customer relationships, iconic brands, and global scale and market access.

We conduct substantially all of our business through two wholly-owned subsidiaries, Cryovac, LLC and Sealed Air Corporation (US). Throughout this report, when we refer to “Sealed Air,” “SEE,” the “Company,” “we,” “our,” or “us,” we are referring to Sealed Air Corporation and all of our subsidiaries, except where the context indicates otherwise.

**Basis of Presentation**

Our Condensed Consolidated Financial Statements include all of the accounts of the Company and our subsidiaries. We have eliminated all significant intercompany transactions and balances in consolidation. In management’s opinion, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of our Condensed Consolidated Balance Sheet as of September 30, 2023 and our Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022 have been made. The results set forth in our Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and in our Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 are not necessarily indicative of the results to be expected for the full year. The Condensed Consolidated Balance Sheet as of December 31, 2022 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. Some prior period amounts have been reclassified to conform to the current year presentation. These reclassifications, individually and in the aggregate, did not have a material impact on our condensed consolidated financial condition, results of operations or cash flows. All amounts are in millions, except per share amounts, and approximate due to rounding. All amounts are presented in U.S. dollar, unless otherwise specified.

Our Condensed Consolidated Financial Statements were prepared in accordance with the interim reporting requirements of the SEC. As permitted under those rules, annual footnotes or other financial information that are normally required by U.S. GAAP have been condensed or omitted. The preparation of Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ from these estimates.

We are responsible for the unaudited Condensed Consolidated Financial Statements and notes included in this report. As these are condensed financial statements, they should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (“2022 Form 10-K”), which was filed with the SEC on February 21, 2023, and with the information contained in our other publicly available filings with the SEC.

When we cross reference to a “Note,” we are referring to our “Notes to Condensed Consolidated Financial Statements,” unless the context indicates otherwise.

There were no significant changes to our significant accounting policies as disclosed in “Note 2 – Summary of Significant Accounting Policies and Recently Issued Accounting Standards” of our audited consolidated financial statements and notes thereto included in our 2022 Form 10-K.

## *Impact of Highly Inflationary Economy*

### **Argentina**

Economic and political events in Argentina have continued to expose us to heightened levels of foreign currency exchange risk. As of July 1, 2018, Argentina was designated as a highly inflationary economy under U.S. GAAP, and the U.S. dollar replaced the Argentine peso as the functional currency for our subsidiaries in Argentina. All Argentine peso-denominated monetary assets and liabilities were remeasured into U.S. dollars using the current exchange rate available to us. The impact of any changes in the exchange rate are reflected within Other expense, net on the Condensed Consolidated Statements of Operations. The Company recorded \$4.9 million and \$10.6 million of remeasurement losses for the three and nine months ended September 30, 2023, respectively, and \$2.3 million and \$6.0 million of remeasurement losses for the three and nine months ended September 30, 2022, respectively, related to our subsidiaries in Argentina.

## **Note 2 Recently Adopted and Issued Accounting Standards**

### ***Recently Adopted Accounting Standards***

In September 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-04, Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations ("ASU 2022-04"). ASU 2022-04 requires the buyer in a supplier finance program to disclose qualitative and quantitative information about the program. The Company adopted ASU 2022-04 on January 1, 2023, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. The adoption did not materially impact the Company's Condensed Consolidated Financial Statements.

We facilitate a voluntary supply chain financing program to provide some of our suppliers with the opportunity to sell receivables due from us (our accounts payables) to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. This program is administered by participating financial institutions. When a supplier utilizes the supply chain financing program, the supplier receives a payment in advance of agreed payment terms from the financial institution, net of a discount charged. Our responsibility is limited to making payments to the respective financial institutions on the terms originally negotiated with our supplier. No assets are pledged as collateral by the Company or any of our subsidiaries under the program. The majority of suppliers using the program are on 120 day payment terms after the end of the month in which the invoice was issued. We monitor our days payable outstanding relative to our peers and industry trends in order to assess our conclusion that the program continues to be a trade payable program and not indicative of a borrowing arrangement. The liabilities continue to be presented as Accounts payable in our Condensed Consolidated Balance Sheets until they are paid, and they are reflected as Cash flows from operating activities when settled. At September 30, 2023 and December 31, 2022, our accounts payable balances included \$157.3 million and \$139.7 million, respectively, related to invoices from suppliers participating in the program.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08"). The new guidance requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with Topic 606, Revenue from Contracts with Customers. The standard will not impact acquired contract assets or liabilities from business combinations occurring prior to the adoption date. The Company adopted ASU 2021-08 on January 1, 2023. The adoption did not have a material impact on the Company's Condensed Consolidated Financial Statements.

## **Note 3 Revenue Recognition, Contracts with Customers**

### ***Description of Revenue Generating Activities***

We employ sales, marketing and customer service personnel throughout the world who sell and market our equipment and systems, products, and services to and/or through a large number of distributors, fabricators, converters, e-commerce and mail order fulfillment firms, and contract packaging firms as well as directly to end-users such as food processors, food service businesses, supermarket retailers, pharmaceutical companies, healthcare facilities, medical device manufacturers, and other manufacturers.

As discussed in Note 6, "Segments," our reporting segments are Food and Protective. Our Food applications are largely sold directly to end customers, while our Protective products are sold through business supply distributors and directly to end customers.

#### *Food:*

Food solutions are sold to food processors in fresh red meat, smoked and processed meats, poultry, seafood, plant-based, fluids and liquids, and cheese markets worldwide. Food offers integrated packaging materials and automated equipment solutions to increase food safety, extend shelf life, reduce food waste, automate processes and optimize total cost. Its materials, automated equipment and service enables customers to reduce costs and enhance their brands in the marketplace.

Food solutions are utilized by food service businesses (such as restaurants and entertainment venues) (“food service”) and food retailers (such as grocery stores and supermarkets) (“food retail”), among others. Solutions serving the food service market include products such as barrier bags and pouches, and are primarily marketed under the CRYOVAC® trademark and other highly recognized trade names including CRYOVAC® brand Barrier Bags, CRYOVAC® brand Form-Fill-Seal Films, CRYOVAC® brand Auto Pouch Systems and LIQUIBOX® fluids and liquids systems. Solutions serving the food retail market include products such as barrier bags, film, and trays, and are primarily marketed under the CRYOVAC® trademark and other highly recognized trade names including CRYOVAC® brand Grip & Tear™, CRYOVAC® brand Darfresh®, OptiDure™, Simple Steps®, and CRYOVAC® brand Barrier Bags.

#### *Protective:*

Protective packaging solutions are utilized across many global markets to protect goods during transit and are especially valuable to e-commerce, consumer goods, pharmaceutical and medical devices and industrial manufacturing. Protective solutions are designed to increase our customers' packaging velocity, minimize packaging waste, reduce labor dependencies and address dimensional weight challenges.

Protective solutions are sold through a strategic network of distributors as well as directly to our customers, including, but not limited to, fabricators, original equipment manufacturers, contract manufacturers, logistics partners and e-commerce/fulfillment operations. Protective solutions are marketed under SEALED AIR® brand, BUBBLE WRAP® brand, AUTOBAG® brand and other highly recognized trade names and product families including BUBBLE WRAP® brand inflatable packaging, SEALED AIR® brand performance shrink films, AUTOBAG® brand bagging systems, Instapak® polyurethane foam packaging solutions and Korrvu® suspension and retention packaging. In addition, we provide a temperature assurance packaging solution under the TempGuard™ brand.

#### *Other Revenue Recognition Considerations:*

Charges for rebates and other allowances are recognized as a deduction from revenue on an accrual basis in the period in which the associated revenue is recorded. Revenue recognized from performance obligations satisfied in previous reporting periods was an increase of \$1.1 million and \$2.5 million for the three and nine months ended September 30, 2023, respectively, and a reduction of \$2.0 million and \$1.8 million for the three and nine months ended September 30, 2022, respectively.

The Company does not adjust consideration in contracts with customers for the effects of a significant financing component if the Company expects that the period between transfer of a good or service and payment for that good or service will be one year or less. This is expected to be the case for the majority of the Company's contracts.

Lease components within contracts with customers are recognized in accordance with Accounting Standards Codification (“ASC”) Topic 842.

### Disaggregated Revenue

For the three and nine months ended September 30, 2023 and 2022, revenues from contracts with customers summarized by Segment and Geography were as follows:

| (In millions)   | Three Months Ended<br>September 30, 2023 |                 |                   | Nine Months Ended<br>September 30, 2023 |                   |                   |
|---|--|-----------------|-------------------|---|-------------------|-------------------|
|   | Food                                     | Protective      | Total             | Food                                    | Protective        | Total             |
| Americas  | \$ 589.9                                 | \$ 309.1        | \$ 899.0          | \$ 1,732.1                              | \$ 935.2          | \$ 2,667.3        |
| EMEA  | 180.2                                    | 103.7           | 283.9             | 529.1                                   | 332.6             | 861.7             |
| APAC  | 114.2                                    | 73.7            | 187.9             | 337.2                                   | 212.4             | 549.6             |
| <b>Topic 606 Segment Revenue</b>                          | <b>884.3</b>                             | <b>486.5</b>    | <b>1,370.8</b>    | <b>2,598.4</b>                          | <b>1,480.2</b>    | <b>4,078.6</b>    |
| Non-Topic 606 Revenue (Leasing: Sales-type and Operating) | 9.1                                      | 1.9             | 11.0              | 28.7                                    | 4.1               | 32.8              |
| <b>Total</b>  | <b>\$ 893.4</b>                          | <b>\$ 488.4</b> | <b>\$ 1,381.8</b> | <b>\$ 2,627.1</b>                       | <b>\$ 1,484.3</b> | <b>\$ 4,111.4</b> |

| (In millions)   | Three Months Ended<br>September 30, 2022 |                 |                   | Nine Months Ended<br>September 30, 2022 |                   |                   |
|---|--|-----------------|-------------------|---|-------------------|-------------------|
|   | Food                                     | Protective      | Total             | Food                                    | Protective        | Total             |
| Americas  | \$ 547.9                                 | \$ 376.6        | \$ 924.5          | \$ 1,603.5                              | \$ 1,187.5        | \$ 2,791.0        |
| EMEA  | 165.0                                    | 109.9           | 274.9             | 499.9                                   | 353.6             | 853.5             |
| APAC  | 110.9                                    | 82.3            | 193.2             | 321.8                                   | 246.3             | 568.1             |
| <b>Topic 606 Segment Revenue</b>                          | <b>823.8</b>                             | <b>568.8</b>    | <b>1,392.6</b>    | <b>2,425.2</b>                          | <b>1,787.4</b>    | <b>4,212.6</b>    |
| Non-Topic 606 Revenue (Leasing: Sales-type and Operating) | 6.0                                      | 1.8             | 7.8               | 18.1                                    | 5.3               | 23.4              |
| <b>Total</b>  | <b>\$ 829.8</b>                          | <b>\$ 570.6</b> | <b>\$ 1,400.4</b> | <b>\$ 2,443.3</b>                       | <b>\$ 1,792.7</b> | <b>\$ 4,236.0</b> |

### Contract Balances

The time when a performance obligation is satisfied and the time when billing and payment occur are generally closely aligned, subject to agreed payment terms, with the exception of equipment accruals, which can be used to purchase both automated and standard range equipment. An equipment accrual is a contract offering, whereby a customer is incentivized to use a portion of the materials transaction price for future equipment purchases. Long-term contracts that include an equipment accrual create a timing difference between when cash is collected and when the performance obligation is satisfied, resulting in a contract liability (unearned revenue). The following contract assets and liabilities are included within Prepaid expenses and other current assets and Other current liabilities, or Other non-current liabilities on our Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022:

| (In millions)        | September 30, 2023 | December 31, 2022 |
|----------------------|--------------------|-------------------|
| Contract assets      | \$ 0.3             | \$ 0.5            |
| Contract liabilities | \$ 18.1            | \$ 18.2           |

The contract liability balances represent deferred revenue, primarily related to equipment accruals. Revenue recognized in the three and nine months ended September 30, 2023 that was included in the contract liability balance at the beginning of the period was \$4.4 million and \$12.5 million, respectively, and \$2.7 million and \$10.9 million in the three and nine months ended September 30, 2022, respectively. This revenue was driven primarily by equipment performance obligations being satisfied.

### Remaining Performance Obligations

The following table summarizes the estimated transaction price from contracts with customers allocated to performance obligations or portions of performance obligations that have not yet been satisfied as of September 30, 2023 and December 31,

2022, as well as the expected timing of recognition of that transaction price.

| <i>(In millions)</i>                          | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---|---------------------------|--------------------------|
| Short-Term (12 months or less) <sup>(1)</sup> | \$ 12.5                   | \$ 13.0                  |
| Long-Term                                     | 5.6                       | 5.2                      |
| <b>Total transaction price</b>                | <b>\$ 18.1</b>            | <b>\$ 18.2</b>           |

<sup>(1)</sup> Our enforceable contractual obligations tend to be short term in nature. The table above does not include the transaction price of any remaining performance obligations that are part of the contracts with expected durations of one year or less.

## **Note 4 Leases**

### **Lessor**

SEE has contractual obligations as a lessor with respect to some of our automated and equipment solutions including "free on loan" equipment and leased equipment, both sales-type and operating. The consideration in a contract that contains both lease and non-lease components is allocated based on the standalone selling price.

Our contractual obligations for operating leases can include termination and renewal options. Our contractual obligations for sales-type leases tend to have fixed terms and can include purchase options. We utilize the reasonably certain threshold criteria in determining which options our customers will exercise.

All lease payments are primarily fixed in nature and therefore captured in the lease receivable. Our sales-type lease receivable balances at September 30, 2023 and December 31, 2022 were as follows:

| <i>(In millions)</i>           | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------|---------------------------|--------------------------|
| Short-Term (12 months or less) | \$ 7.2                    | \$ 6.5                   |
| Long-Term                      | 28.5                      | 18.6                     |
| <b>Lease receivables</b>       | <b>\$ 35.7</b>            | <b>\$ 25.1</b>           |

Sales-type and operating lease revenue was less than 1% of net trade sales for the nine months ended September 30, 2023 and year ended December 31, 2022.

### **Lessee**

SEE has contractual obligations as a lessee with respect to warehouses, offices and manufacturing facilities, IT equipment, automobiles, and material production equipment.

The following table details our lease obligations included in our Condensed Consolidated Balance Sheets.

| <i>(In millions)</i>  | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---|---------------------------|--------------------------|
| <b>Other non-current assets:</b>                                    |                           |                          |
| Finance leases - ROU assets   | \$ 60.4                   | \$ 55.0                  |
| Finance leases - Accumulated depreciation                           | (32.7)                    | (31.7)                   |
| <b>Operating lease right-of-use-assets:</b>                         |                           |                          |
| Operating leases - ROU assets                                       | 186.9                     | 156.7                    |
| Operating leases - Accumulated depreciation                         | (100.9)                   | (86.5)                   |
| <b>Total lease assets</b>   | <b>\$ 113.7</b>           | <b>\$ 93.5</b>           |
| <b>Current portion of long-term debt:</b>                           |                           |                          |
| Finance leases  | \$ (6.4)                  | (7.6)                    |
| <b>Current portion of operating lease liabilities:</b>              |                           |                          |
| Operating leases  | (29.3)                    | (24.0)                   |
| <b>Long-term debt, less current portion:</b>                        |                           |                          |
| Finance leases  | (22.5)                    | (16.1)                   |
| <b>Long-term operating lease liabilities, less current portion:</b> |                           |                          |
| Operating leases  | (64.5)                    | (49.6)                   |
| <b>Total lease liabilities</b>                                      | <b>\$ (122.7)</b>         | <b>\$ (97.3)</b>         |

At September 30, 2023, estimated future minimum annual rental commitments under non-cancelable real and personal property leases were as follows:

| <i>(In millions)</i>                      | <b>Finance leases</b> | <b>Operating leases</b> |
|---|-----------------------|-------------------------|
| Remainder of 2023                         | \$ 2.7                | \$ 9.0                  |
| 2024                                      | 7.0                   | 30.9                    |
| 2025                                      | 5.3                   | 24.1                    |
| 2026                                      | 4.0                   | 18.2                    |
| 2027                                      | 3.1                   | 10.4                    |
| Thereafter                                | 16.9                  | 13.4                    |
| <b>Total lease payments</b>               | <b>39.0</b>           | <b>106.0</b>            |
| Less: Interest                            | (10.1)                | (12.2)                  |
| <b>Present value of lease liabilities</b> | <b>\$ 28.9</b>        | <b>\$ 93.8</b>          |

The following lease cost is included in our Condensed Consolidated Statements of Operations:

| <i>(In millions)</i>            | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                |
|---------------------------------|-------------------------------------|----------------|------------------------------------|----------------|
|                                 | 2023                                | 2022           | 2023                               | 2022           |
| <b>Lease cost<sup>(1)</sup></b> |                                     |                |                                    |                |
| Finance leases                  |                                     |                |                                    |                |
| Amortization of ROU assets      | \$ 2.3                              | \$ 2.6         | \$ 7.1                             | \$ 7.9         |
| Interest on lease liabilities   | 0.4                                 | 0.3            | 1.2                                | 1.0            |
| Operating leases                | 10.8                                | 7.3            | 29.4                               | 23.6           |
| Short-term lease cost           | 0.9                                 | 0.9            | 2.2                                | 2.2            |
| Variable lease cost             | 2.1                                 | 1.9            | 4.9                                | 5.3            |
| <b>Total lease cost</b>         | <b>\$ 16.5</b>                      | <b>\$ 13.0</b> | <b>\$ 44.8</b>                     | <b>\$ 40.0</b> |

<sup>(1)</sup> With the exception of Interest on lease liabilities, we record lease costs to Cost of sales or Selling, general and administrative expenses on the Condensed Consolidated Statements of Operations, depending on the use of the leased asset. Interest on lease liabilities is recorded to Interest expense, net on the Condensed Consolidated Statements of Operations.

The following table details cash paid related to operating and finance leases included in our Condensed Consolidated Statements of Cash Flows and new right-of-use ("ROU") assets included in our Condensed Consolidated Balance Sheets:

| <i>(In millions)</i>  | Nine Months Ended<br>September 30, |         |
|---|------------------------------------|---------|
|   | 2023                               | 2022    |
| <b>Other information:</b>   |                                    |         |
| Cash paid for amounts included in the measurement of lease liabilities: |                                    |         |
| Operating cash flows - finance leases                                   | \$ 3.5                             | \$ 4.2  |
| Operating cash flows - operating leases                                 | \$ 27.5                            | \$ 22.4 |
| Financing cash flows - finance leases                                   | \$ 6.4                             | \$ 7.7  |
| ROU assets obtained in exchange for new finance lease liabilities       | \$ 11.6                            | \$ 5.4  |
| ROU assets obtained in exchange for new operating lease liabilities     | \$ 46.6                            | \$ 29.7 |
|   |                                    |         |
|   |                                    |         |
| <b>Weighted average information:</b>                                    |                                    |         |
| <b>Finance leases</b>   |                                    |         |
| Remaining lease term (in years)   | 7.8                                | 5.9     |
| Discount rate   | 6.6 %                              | 4.7 %   |
| <b>Operating leases</b>   |                                    |         |
| Remaining lease term (in years)   | 4.2                                | 4.4     |
| Discount rate   | 5.7 %                              | 4.7 %   |

## Note 5 Acquisitions

### *LB Holdco, Inc. Acquisition*

On February 1, 2023, SEE acquired 100% of the outstanding shares of capital stock of LB Holdco, Inc., the parent company of Liquibox, Inc. (collectively, "Liquibox"), a pioneer, innovator and manufacturer of Bag-in-Box fluids & liquids packaging and dispensing solutions for fresh food, beverage, consumer goods and industrial end-markets. The acquisition is included in our Food reporting segment. This acquisition accelerates our Fluids & Liquids business.

Consideration paid was approximately \$1.17 billion in cash, subject to customary adjustments. We financed the consideration paid and related fees and expenses through borrowings under our senior secured credit facility, proceeds from the issuance of senior notes, and cash on hand. See Note 13, "Debt and Credit Facilities," for additional details. For the three and nine months ended September 30, 2023, acquisition related expenses recognized for the Liquibox acquisition were \$0.1 million and \$12.1 million, respectively. These expenses are included within Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

The following table summarizes the consideration transferred to acquire Liquibox and the preliminary allocation of the purchase price among the assets acquired and liabilities assumed. The allocation of purchase price is still preliminary as the Company finalizes the final purchase price adjustment with the seller and finalizes other aspects of the valuation including deferred taxes and intangible valuations. Preliminary estimates are expected to be finalized within one year of the date of acquisition.

| <i>(In millions)</i>  | Preliminary Allocation<br>As of February 1, 2023 | Measurement Period<br>Adjustments | Preliminary Allocation<br>September 30, 2023 |
|---|--|-----------------------------------|--|
| Total consideration transferred                             | \$ 1,169.2                                       | \$ —                              | \$ 1,169.2                                   |
| <b>Assets acquired:</b>                                     |  |                                   |  |
| Cash and cash equivalents                                   | 21.2   | —                                 | 21.2   |
| Trade receivables   | 48.6   | (0.5)                             | 48.1   |
| Inventories   | 61.6   | (1.2)                             | 60.4   |
| Prepaid expenses and other current assets                   | 15.8   | (1.0)                             | 14.8   |
| Property and equipment                                      | 101.1  | —                                 | 101.1  |
| Identifiable intangible assets                              | 342.1  | (1.5)                             | 340.6  |
| Operating lease right-of-use-assets                         | 15.1   | —                                 | 15.1   |
| Other non-current assets                                    | 9.5  | —                                 | 9.5  |
| <b>Total assets acquired</b>                                | <b>\$ 615.0</b>                                  | <b>\$ (4.2)</b>                   | <b>\$ 610.8</b>                              |
| <b>Liabilities assumed:</b>                                 |  |                                   |  |
| Accounts payable  | 27.0   | (1.4)                             | 25.6   |
| Current portion of long-term debt                           | 0.1  | —                                 | 0.1  |
| Current portion of operating lease liabilities              | 3.7  | —                                 | 3.7  |
| Other current liabilities                                   | 28.4   | 2.4                               | 30.8   |
| Long-term debt, less current portion                        | 5.1  | —                                 | 5.1  |
| Long-term operating lease liabilities, less current portion | 11.4   | —                                 | 11.4   |
| Deferred taxes  | 92.2   | —                                 | 92.2   |
| Other non-current liabilities                               | 6.6  | (2.7)                             | 3.9  |
| <b>Total liabilities assumed</b>                            | <b>\$ 174.5</b>                                  | <b>\$ (1.7)</b>                   | <b>\$ 172.8</b>                              |
| <b>Net assets acquired</b>                                  | <b>440.5</b>                                     | <b>(2.5)</b>                      | <b>438.0</b>                                 |
| <b>Goodwill</b>   | <b>\$ 728.7</b>                                  | <b>\$ 2.5</b>                     | <b>\$ 731.2</b>                              |

The following table summarizes the identifiable intangible assets and their useful lives.

|  | Amount<br><i>(In millions)</i> | Useful life<br><i>(In years)</i> |
|--|--------------------------------|----------------------------------|
| Customer relationships                             | \$ 180.7                       | 11.0                             |
| Trademarks and tradenames                          | 26.0                           | 10.0                             |
| Software   | 3.7                            | 2.0                              |
| Technology   | 130.2                          | 12.0                             |
| <b>Total intangible assets with definite lives</b> | <b>\$ 340.6</b>                |                                  |



Goodwill is a result of the expected synergies that are expected to originate from the combination of Cryovac and Liquibox solutions for the Company, as well as growth of our sustainable packaging portfolio. Goodwill is not deductible for tax purposes. The goodwill balance associated with Liquibox is included in the Food reportable segment.

### **Liquibox Supplemental Information**

The following table presents the amounts of net sales and net earnings (loss) attributed to Liquibox since the acquisition date that are included in our Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023:

| <i>(In millions)</i> | <b>Three Months Ended<br/>September 30, 2023</b> |      | <b>February 1, 2023 through<br/>September 30, 2023</b> |       |
|----------------------|--|------|--|-------|
| Net sales            | \$   | 82.2 | \$   | 214.8 |
| Net earnings (loss)  | \$   | 2.4  | \$   | (1.9) |

### **Pro Forma Financial Information**

The following table presents the Company's unaudited pro forma financial information for the three and nine months ended September 30, 2023 and 2022, assuming the acquisition of Liquibox had occurred on January 1, 2022. The information below reflects pro forma adjustments based on available information and certain assumptions that SEE believes are factual and supportable. The unaudited pro forma information is not necessarily indicative of the results that might have occurred had the transaction actually taken place on January 1, 2022 and is not intended to be a projection of future results and gives no effect to any future synergistic benefits that may result from the combination or the costs of integrating the acquired operations with those of the Company.

| <i>(In millions)</i> | <b>Three Months Ended<br/>September 30,</b> |             | <b>Nine Months Ended<br/>September 30,</b> |             |
|----------------------|---|-------------|--|-------------|
|                      | <b>2023</b>                                 | <b>2022</b> | <b>2023</b>                                | <b>2022</b> |
| Net sales            | \$ 1,381.8                                  | \$ 1,497.1  | \$ 4,137.0                                 | \$ 4,513.5  |
| Net earnings         | \$ 56.7                                     | \$ 112.7    | \$ 227.6                                   | \$ 308.1    |

The unaudited pro forma financial information includes, where applicable, adjustments for (i) additional expense from the fair value step-up of inventory, (ii) additional amortization expense related to acquired intangible assets, (iii) additional depreciation expense related to acquired property and equipment, (iv) transaction costs and other one-time non-recurring costs, (v) additional interest expense for borrowings related to the acquisition and amortization associated with fair value adjustments of debt assumed, and (vi) associated tax-related impacts of adjustments.

### **Acquisition of Foxpak Flexibles Ltd.**

On February 2, 2022, SEE acquired Foxpak Flexibles Ltd. ("Foxpak"), a privately-owned Irish packaging solutions company. Foxpak is a digital printing pioneer that partners with brands to deliver highly decorated packaging solutions; stand-up and spout pouches, and sachets that serve a variety of markets including food retail, pet food, seafood, and snacks. This transaction resulted in a purchase price paid of \$9.7 million, including the final purchase price adjustments that were recorded in the second and fourth quarters of 2022. The Company allocated the consideration transferred to the fair value of assets acquired and liabilities assumed, resulting in an allocation to goodwill of \$5.2 million and an allocation to identifiable intangible assets of \$2.7 million. The acquisition is included in our Food reporting segment. Goodwill is not deductible for tax purposes. A deferred tax liability of \$0.3 million on identifiable intangible assets was recorded on the opening balance sheet. The Foxpak acquisition was not material to our Condensed Consolidated Financial Statements.

### **Other 2023 Acquisition Activity**

During the second quarter of 2023, Food had other acquisition activity resulting in a total purchase price paid of \$14.9 million. The Company allocated the consideration transferred to the fair value of assets acquired, resulting in an allocation to goodwill of \$7.9 million. In the third quarter of 2023, the final purchase price adjustments resulted in an insignificant decrease to goodwill. There were no other identifiable intangible assets acquired. This acquisition activity is expected to supplement our developmental efforts for sustainable packaging and accelerate our speed to market for certain sustainable solutions. This acquisition activity was not material to our Condensed Consolidated Financial Statements.

## Note 6 Segments

The Company's segment reporting structure consists of two reportable segments as follows and a Corporate category:

- Food
- Protective

The Company's Food and Protective segments are considered reportable segments under FASB ASC Topic 280. Our reportable segments are aligned with similar groups of products. Corporate includes certain costs that are not allocated to the reportable segments. The Company evaluates performance of the reportable segments based on the results of each segment. The performance metric used by the Company's chief operating decision maker to evaluate performance of our reportable segments is Segment Adjusted EBITDA. The Company allocates expense to each segment based on various factors including direct usage of resources, allocation of headcount, allocation of software licenses or, in cases where costs are not clearly delineated, costs may be allocated on portion of either net trade sales or an expense factor such as cost of sales.

We allocate and disclose depreciation and amortization expense to our segments, although depreciation and amortization are not included in the segment performance metric Segment Adjusted EBITDA. We also allocate and disclose restructuring charges by segment, although they are not included in the segment performance metric Segment Adjusted EBITDA since restructuring charges are categorized as Special Items (as identified below). The accounting policies of the reportable segments and Corporate are the same as those applied to the Condensed Consolidated Financial Statements.

The following tables show Net sales and Segment Adjusted EBITDA by reportable segment:

| <i>(In millions)</i>                    | <b>Three Months Ended<br/>September 30,</b> |                   | <b>Nine Months Ended<br/>September 30,</b> |                   |
|---|---|-------------------|--|-------------------|
|   | <b>2023</b>                                 | <b>2022</b>       | <b>2023</b>                                | <b>2022</b>       |
| <b>Net sales:</b>                       |   |                   |  |                   |
| Food                                    | \$ 893.4                                    | \$ 829.8          | \$ 2,627.1                                 | \$ 2,443.3        |
| <i>As a % of Consolidated net sales</i> | 64.7 %                                      | 59.3 %            | 63.9 %                                     | 57.7 %            |
| Protective                              | 488.4                                       | 570.6             | 1,484.3                                    | 1,792.7           |
| <i>As a % of Consolidated net sales</i> | 35.3 %                                      | 40.7 %            | 36.1 %                                     | 42.3 %            |
| <b>Consolidated Net sales</b>           | <b>\$ 1,381.8</b>                           | <b>\$ 1,400.4</b> | <b>\$ 4,111.4</b>                          | <b>\$ 4,236.0</b> |
|   |   |                   |  |                   |
| <i>(In millions)</i>                    | <b>Three Months Ended<br/>September 30,</b> |                   | <b>Nine Months Ended<br/>September 30,</b> |                   |
|   | <b>2023</b>                                 | <b>2022</b>       | <b>2023</b>                                | <b>2022</b>       |
| <b>Segment Adjusted EBITDA:</b>         |   |                   |  |                   |
| Food                                    | \$ 194.3                                    | \$ 185.3          | \$ 580.1                                   | \$ 553.4          |
| <i>Adjusted EBITDA Margin</i>           | 21.7 %                                      | 22.3 %            | 22.1 %                                     | 22.6 %            |
| Protective                              | 95.0  | 109.5             | 271.3                                      | 363.2             |
| <i>Adjusted EBITDA Margin</i>           | 19.5 %                                      | 19.2 %            | 18.3 %                                     | 20.3 %            |
| <b>Total Segment Adjusted EBITDA</b>    | <b>\$ 289.3</b>                             | <b>\$ 294.8</b>   | <b>\$ 851.4</b>                            | <b>\$ 916.6</b>   |

The following table shows a reconciliation of Segment Adjusted EBITDA to Earnings before income tax provision:

| <i>(In millions)</i>  | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                 |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
|   | 2023                                | 2022            | 2023                               | 2022            |
| Food Adjusted EBITDA  | \$ 194.3                            | \$ 185.3        | \$ 580.1                           | \$ 553.4        |
| Protective Adjusted EBITDA  | 95.0                                | 109.5           | 271.3                              | 363.2           |
| Corporate Adjusted EBITDA   | (4.6)                               | (2.2)           | (19.1)                             | (3.6)           |
| Interest expense, net   | (70.1)                              | (40.9)          | (196.6)                            | (119.3)         |
| Depreciation and amortization, net of adjustments <sup>(1)</sup>    | (64.6)                              | (59.4)          | (187.1)                            | (179.0)         |
| <i>Special Items:</i>   |                                     |                 |                                    |                 |
| Liquibox intangible amortization <sup>(2)</sup>                     | (7.4)                               | —               | (19.9)                             | —               |
| Liquibox inventory step-up expense                                  | —                                   | —               | (10.8)                             | —               |
| Restructuring charges <sup>(3)</sup>                                | (9.8)                               | (0.6)           | (9.2)                              | (4.6)           |
| Other restructuring associated costs <sup>(4)</sup>                 | (34.6)                              | (1.6)           | (34.5)                             | (8.5)           |
| Foreign currency exchange loss due to highly inflationary economies | (4.9)                               | (2.2)           | (10.6)                             | (5.9)           |
| Loss on debt redemption and refinancing activities                  | —                                   | —               | (4.9)                              | (11.2)          |
| Impairment loss on equity investments                               | —                                   | —               | —                                  | (31.6)          |
| Contract terminations <sup>(5)</sup>                                | (15.3)                              | —               | (15.3)                             | —               |
| Charges related to acquisition and divestiture activity             | (2.8)                               | (0.3)           | (24.5)                             | 0.8             |
| Other Special Items <sup>(6)</sup>                                  | 2.7                                 | (3.6)           | (5.1)                              | (3.6)           |
| Pre-tax impact of Special Items                                     | (72.1)                              | (8.3)           | (134.8)                            | (64.6)          |
| <b>Earnings before income tax provision</b>                         | <b>\$ 77.9</b>                      | <b>\$ 184.0</b> | <b>\$ 313.8</b>                    | <b>\$ 550.1</b> |

<sup>(1)</sup> Depreciation and amortization by segment were as follows:

| <i>(In millions)</i>   | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                 |
|--|-------------------------------------|----------------|------------------------------------|-----------------|
|  | 2023                                | 2022           | 2023                               | 2022            |
| Food   | \$ 48.1                             | \$ 34.4        | \$ 135.8                           | \$ 103.7        |
| Protective   | 23.9                                | 25.0           | 71.2                               | 75.3            |
| <b>Total Company depreciation and amortization<sup>(1)</sup></b> | <b>\$ 72.0</b>                      | <b>\$ 59.4</b> | <b>\$ 207.0</b>                    | <b>\$ 179.0</b> |
| Liquibox intangible amortization                                 | (7.4)                               | —              | (19.9)                             | —               |
| <b>Depreciation and amortization, net of adjustments</b>         | <b>\$ 64.6</b>                      | <b>\$ 59.4</b> | <b>\$ 187.1</b>                    | <b>\$ 179.0</b> |

<sup>(1)</sup> Includes share-based incentive compensation of \$12.1 million and \$32.3 million for the three and nine months ended September 30, 2023, respectively, and \$12.7 million and \$41.3 million for the three and nine months ended September 30, 2022, respectively.

<sup>(2)</sup> Beginning in 2023, the Company redefined Special Items to include amortization of the Liquibox acquired intangibles. The change is prospective and only applies to the amortization of Liquibox acquired intangibles.

<sup>(3)</sup> Restructuring charges by segment were as follows:

| <i>(In millions)</i>                       | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |               |
|--|-------------------------------------|---------------|------------------------------------|---------------|
|  | 2023                                | 2022          | 2023                               | 2022          |
| Food                                       | \$ 5.7                              | \$ 0.6        | \$ 6.3                             | \$ 3.1        |
| Protective                                 | 4.1                                 | —             | 2.9                                | 1.5           |
| <b>Total Company restructuring charges</b> | <b>\$ 9.8</b>                       | <b>\$ 0.6</b> | <b>\$ 9.2</b>                      | <b>\$ 4.6</b> |

<sup>(4)</sup> Other restructuring associated costs for the three and nine months ended September 30, 2023 primarily consists of impairment of property and equipment and inventory obsolescence charges related to business closure activity.

- (5) Contract terminations for the three and nine months ended September 30, 2023 primarily relates to charges associated with business closure activity.
- (6) Other Special Items for the three months ended September 30, 2023 primarily relate to a gain associated with a legal settlement. Other Special Items for the nine months ended September 30, 2023 primarily relate to a one-time, non-cash cumulative translation adjustment loss recognized due to the wind-up of one of our legal entities, partially offset by a gain associated with a legal settlement. Other Special Items for the three and nine months ended September 30, 2022 relate to fees paid for professional services, including legal fees, directly associated with Special Items of events that are considered one-time or infrequent in nature. For the nine months ended September 30, 2022, the professional fees are offset primarily due to a one-time gain on the disposal of land in the United Kingdom (UK).

### Assets by Reportable Segments

The following table shows assets allocated by reportable segment. Assets allocated by reportable segment include: trade receivables, net; inventory, net; property and equipment, net; goodwill; intangible assets, net; and leased systems, net.

| <i>(In millions)</i>                 | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--------------------------------------|---------------------------|--------------------------|
| <b>Assets allocated to segments:</b> |                           |                          |
| Food                                 | \$ 3,452.7                | \$ 2,342.6               |
| Protective                           | 2,693.4                   | 2,795.7                  |
| <b>Total segments</b>                | <b>6,146.1</b>            | <b>5,138.3</b>           |
| <b>Assets not allocated:</b>         |                           |                          |
| Cash and cash equivalents            | \$ 281.3                  | \$ 456.1                 |
| Current assets held for sale         | 1.0                       | —                        |
| Income tax receivables               | 46.8                      | 40.3                     |
| Other receivables                    | 86.0                      | 91.5                     |
| Advances and deposits                | 198.7                     | 12.7                     |
| Deferred taxes                       | 119.5                     | 141.5                    |
| Other                                | 488.3                     | 334.3                    |
| <b>Total</b>                         | <b>\$ 7,367.7</b>         | <b>\$ 6,214.7</b>        |

### Note 7 Inventories, net

The following table details our inventories, net.

| <i>(In millions)</i> | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|----------------------|---------------------------|--------------------------|
| Raw materials        | \$ 180.9                  | \$ 229.9                 |
| Work in process      | 193.0                     | 187.1                    |
| Finished goods       | 460.3                     | 449.3                    |
| <b>Total</b>         | <b>\$ 834.2</b>           | <b>\$ 866.3</b>          |

## Note 8 Property and Equipment, net

The following table details our property and equipment, net.

| <i>(In millions)</i>                      | September 30, 2023 | December 31, 2022 |
|---|--------------------|-------------------|
| Land and improvements                     | \$ 46.1            | \$ 44.1           |
| Buildings                                 | 809.3              | 783.1             |
| Machinery and equipment                   | 2,732.5            | 2,612.3           |
| Other property and equipment              | 141.7              | 124.5             |
| Construction-in-progress                  | 230.7              | 222.4             |
| Property and equipment, gross             | 3,960.3            | 3,786.4           |
| Accumulated depreciation and amortization | (2,574.1)          | (2,510.5)         |
| <b>Property and equipment, net</b>        | <b>\$ 1,386.2</b>  | <b>\$ 1,275.9</b> |

In the three and nine months ended September 30, 2023, we recorded approximately \$25.8 million of property and equipment impairment within (Loss) Gain on disposal of businesses and property and equipment, net on the Condensed Consolidated Statements of Operations, related to closure activity of the Kevothermal and plant-based rollstock businesses. See Note 12, "Restructuring Activities," for further details related to the business closure activity.

The following table details our interest cost capitalized and depreciation and amortization expense for property and equipment and finance lease ROU assets.

| <i>(In millions)</i>                                 | Three Months Ended<br>September 30, |         | Nine Months Ended<br>September 30, |          |
|--|-------------------------------------|---------|------------------------------------|----------|
|  | 2023                                | 2022    | 2023                               | 2022     |
| Interest cost capitalized                            | \$ 3.5                              | \$ 2.4  | \$ 9.3                             | \$ 6.1   |
| Depreciation and amortization expense <sup>(1)</sup> | \$ 44.5                             | \$ 38.0 | \$ 128.7                           | \$ 110.7 |

<sup>(1)</sup> Includes amortization expense of finance lease ROU assets of \$2.3 million and \$7.1 million for the three and nine months ended September 30, 2023, respectively, and \$2.6 million and \$7.9 million for the three and nine months ended September 30, 2022, respectively.

## Note 9 Goodwill and Identifiable Intangible Assets, net

### Goodwill

We review goodwill for impairment on a reporting unit basis annually during the fourth quarter of each year and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Since the date of our last annual goodwill impairment assessment, we have not identified any changes in circumstances that would indicate the carrying value of goodwill is impaired.

### Allocation of Goodwill to Reporting Segment

The following table shows our goodwill balances by reportable segment:

| <i>(In millions)</i>                        | Food              | Protective        | Total             |
|---|-------------------|-------------------|-------------------|
| Gross Carrying Value at December 31, 2022   | \$ 572.2          | \$ 1,792.0        | \$ 2,364.2        |
| Accumulated amortization <sup>(1)</sup>     | (49.0)            | (140.7)           | (189.7)           |
| <b>Carrying Value at December 31, 2022</b>  | <b>\$ 523.2</b>   | <b>\$ 1,651.3</b> | <b>\$ 2,174.5</b> |
| Acquisitions <sup>(2)</sup>                 | 739.1             | —                 | 739.1             |
| Currency translation                        | 0.5               | (0.8)             | (0.3)             |
| <b>Carrying Value at September 30, 2023</b> | <b>\$ 1,262.8</b> | <b>\$ 1,650.5</b> | <b>\$ 2,913.3</b> |

<sup>(1)</sup> There was no change to our accumulated amortization balance during the nine months ended September 30, 2023.

<sup>(2)</sup> Represents amounts allocated to goodwill resulting from acquisitions, primarily for Liquibox. See Note 5, "Acquisitions," for further details.

### Identifiable Intangible Assets, net

The following tables summarize our identifiable intangible assets, net with definite and indefinite useful lives. As of September 30, 2023, there were no impairment indicators present.

| (In millions)                                      | September 30, 2023   |                          |                 | December 31, 2022    |                          |                 |
|--|----------------------|--------------------------|-----------------|----------------------|--------------------------|-----------------|
|  | Gross Carrying Value | Accumulated Amortization | Net             | Gross Carrying Value | Accumulated Amortization | Net             |
| Customer relationships                             | \$ 279.7             | \$ (62.1)                | \$ 217.6        | \$ 99.5              | \$ (47.1)                | \$ 52.4         |
| Trademarks and tradenames                          | 56.7                 | (18.1)                   | 38.6            | 30.8                 | (14.4)                   | 16.4            |
| Software   | 162.2                | (124.0)                  | 38.2            | 147.7                | (111.3)                  | 36.4            |
| Technology   | 197.1                | (55.9)                   | 141.2           | 67.0                 | (44.3)                   | 22.7            |
| Contracts  | 11.4                 | (10.1)                   | 1.3             | 11.4                 | (9.8)                    | 1.6             |
| <b>Total intangible assets with definite lives</b> | <b>707.1</b>         | <b>(270.2)</b>           | <b>436.9</b>    | <b>356.4</b>         | <b>(226.9)</b>           | <b>129.5</b>    |
| Trademarks and tradenames with indefinite lives    | 8.9                  | —                        | 8.9             | 8.9                  | —                        | 8.9             |
| <b>Total identifiable intangible assets, net</b>   | <b>\$ 716.0</b>      | <b>\$ (270.2)</b>        | <b>\$ 445.8</b> | <b>\$ 365.3</b>      | <b>\$ (226.9)</b>        | <b>\$ 138.4</b> |

The following table shows the remaining estimated future amortization expense at September 30, 2023.

| Year              | Amount<br>(In millions) |
|-------------------|-------------------------|
| Remainder of 2023 | \$ 17.8                 |
| 2024              | 60.7                    |
| 2025              | 54.6                    |
| 2026              | 42.7                    |
| 2027              | 38.9                    |
| Thereafter        | 222.2                   |
| <b>Total</b>      | <b>\$ 436.9</b>         |

Expected future cash flows associated with the Company's intangible assets are not expected to be materially affected by the Company's intent or ability to renew or extend the arrangements. Based on our experience with similar agreements, we expect to continue to renew contracts held as intangibles through the end of their remaining useful lives.

## Note 10 Accounts Receivable Securitization Programs

### U.S. Accounts Receivable Securitization Program

We and a group of our U.S. operating subsidiaries maintain an accounts receivable securitization program under which they sell eligible U.S. accounts receivable to a wholly-owned subsidiary that was formed for the sole purpose of entering into this program. The wholly-owned subsidiary in turn may sell an undivided fractional ownership interest in these receivables to two banks and issuers of commercial paper administered by these banks. The wholly-owned subsidiary retains the receivables it purchases from the operating subsidiaries. Any transfers of fractional ownership interests of receivables under the U.S. receivables securitization program to the two banks and issuers of commercial paper administered by these banks are considered secured borrowings with the underlying receivables as collateral and will be classified as Short-term borrowings on our Condensed Consolidated Balance Sheets. These banks do not have any recourse against the general credit of the Company. The net trade receivables that served as collateral for these borrowings are reclassified from Trade receivables, net to Prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets. There were \$50.0 million of borrowings or corresponding net trade receivables maintained as collateral as of September 30, 2023. As of December 31, 2022, there were no borrowings or corresponding net trade receivables maintained as collateral.

As of September 30, 2023, the maximum purchase limit for receivable interests was \$50.0 million, subject to the availability limits described below.

The amounts available from time to time under this program may be less than \$50.0 million due to a number of factors, including but not limited to our credit ratings, trade receivable balances, the creditworthiness of our customers and our receivables collection experience. As of September 30, 2023, the amount available to us under the program before utilization was \$50.0 million. Although we do not believe restrictions under this program presently materially restrict our operations, if an additional event occurs that triggers one of these restrictive provisions, we could experience a decline in the amounts available to us under the program or termination of the program.

The program expires annually and is renewable.

#### ***European Accounts Receivable Securitization Program***

We and a group of our European subsidiaries maintain an accounts receivable securitization program with a special purpose vehicle, or SPV, two banks, and issuers of commercial paper administered by these banks. The European program is structured to be a securitization of certain trade receivables that are originated by certain of our European subsidiaries. The SPV borrows funds from the banks to fund its acquisition of the receivables and provides the banks with a first priority perfected security interest in the accounts receivable. We do not have an equity interest in the SPV. We concluded the SPV is a variable interest entity because its total equity investment at risk is not sufficient to permit the SPV to finance its activities without additional subordinated financial support from the bank via loans or via the collections from accounts receivable already purchased. Additionally, we are considered the primary beneficiary of the SPV since we control the activities of the SPV and are exposed to the risk of uncollectible receivables held by the SPV. Therefore, the SPV is consolidated in our Condensed Consolidated Financial Statements. Any activity between the participating subsidiaries and the SPV is eliminated in consolidation. Loans from the banks to the SPV will be classified as Short-term borrowings on our Condensed Consolidated Balance Sheets. The net trade receivables that served as collateral for these borrowings are reclassified from Trade receivables, net to Prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets. There were €78.5 million (\$82.9 million equivalent at September 30, 2023) of borrowings or corresponding net trade receivables maintained as collateral as of September 30, 2023. As of December 31, 2022, there were no borrowings or corresponding net trade receivables maintained as collateral.

As of September 30, 2023, the maximum purchase limit for receivable interests was €80.0 million (\$84.5 million equivalent at September 30, 2023), subject to availability limits. The terms and provisions of this program are similar to our U.S. program discussed above. As of September 30, 2023, the amount available under this program before utilization was €80.0 million (\$84.5 million equivalent as of September 30, 2023).

This program expires annually and is renewable.

#### ***Utilization of Our Accounts Receivable Securitization Programs***

As of September 30, 2023, there were \$50.0 million and €78.5 million (\$82.9 million equivalent at September 30, 2023) of outstanding borrowings under our U.S. and European programs, respectively. As of December 31, 2022, there were no outstanding borrowings under our U.S. or European programs. We continue to service the trade receivables supporting the programs, and the banks are permitted to re-pledge this collateral. The total interest paid for these programs was \$1.7 million and \$4.4 million for the three and nine months ended September 30, 2023, respectively, and there was \$0.1 million of interest paid for these programs in the three and nine months ended September 30, 2022.

Under limited circumstances, the banks and the issuers of commercial paper can end purchases of receivables interests before the above expiration dates. A failure to comply with debt leverage or various other ratios related to our receivables collection experience could result in termination of the receivables programs. We were in compliance with these ratios at September 30, 2023.

#### **Note 11 Accounts Receivable Factoring Agreements**

The Company has entered into factoring agreements and customers' supply chain financing arrangements to sell certain trade receivables to unrelated third-party financial institutions. These programs are entered into in the normal course of business. We account for these transactions in accordance with ASC 860, "Transfers and Servicing" ("ASC 860"). ASC 860 allows for the ownership transfer of accounts receivable to qualify for true-sale treatment when the appropriate criteria is met, which permits the Company to present the balances sold under the program to be excluded from Trade receivables, net on the Condensed Consolidated Balance Sheets. Receivables are considered sold when (i) they are transferred beyond the reach of the Company and its creditors, (ii) the purchaser has the right to pledge or exchange the receivables, and (iii) the Company has no continuing

involvement in the transferred receivables. In addition, the Company provides no other forms of continued financial support to the purchaser of the receivables once the receivables are sold.

Gross amounts factored under this program for the nine months ended September 30, 2023 and 2022 were \$563.7 million and \$497.7 million, respectively. The fees associated with transfer of receivables for all programs were approximately \$3.1 million and \$9.3 million for the three and nine months ended September 30, 2023, respectively, and \$1.7 million and \$4.6 million for the three and nine months ended September 30, 2022, respectively.

## Note 12 Restructuring Activities

In December 2018, the Board of Directors approved our Reinvent SEE business transformation, including the related restructuring program (“Program”), which concluded as of the end of calendar year 2022. For the three and nine months ended September 30, 2023, restructuring charges and other associated costs related to the Program were not material.

On August 7, 2023, the Board of Directors approved a new 3-year cost take-out to grow restructuring program (the “CTO2Grow Program”) as part of Reinvent SEE 2.0. The total cash cost of this program is estimated to be in the range of \$140 to \$160 million.

For the three and nine months ended September 30, 2023, the Company incurred cash expense including \$15.3 million of costs associated with contract terminations, \$11.0 million of Restructuring charges and nominal other associated costs for the CTO2Grow Program. For the three and nine months ended September 30, 2023, the Company incurred non-cash expense of approximately \$34.3 million of other associated costs primarily related to the impairment of property and equipment and inventory obsolescence charges associated with the Kevothermal and plant-based rollstock business closures for the CTO2Grow Program.

CTO2Grow Program restructuring spend is estimated to be incurred as follows:

| <i>(In millions)</i>  | <b>Total Restructuring Program Range</b> |               | <b>Less Program to Date</b> | <b>Remaining Restructuring</b> |               |
|---|--|---------------|-----------------------------|--------------------------------|---------------|
|   | <i>Low</i>                               | <i>High</i>   |                             | <i>Low</i>                     | <i>High</i>   |
| Costs of reduction in headcount as a result of reorganization | \$ 90                                    | \$ 95         | \$ (11)                     | \$ 79                          | \$ 84         |
| Other associated costs  | 20                                       | 25            | —                           | 20                             | 25            |
| Contract terminations   | 25                                       | 30            | (15)                        | 10                             | 15            |
| <b>Total cash expense</b>                                     | <b>135</b>                               | <b>150</b>    | <b>(26)</b>                 | <b>109</b>                     | <b>124</b>    |
| Capital expenditures  | 5  | 10            | —                           | 5                              | 10            |
| <b>Total estimated cash cost<sup>(1)</sup></b>                | <b>\$ 140</b>                            | <b>\$ 160</b> | <b>\$ (26)</b>              | <b>\$ 114</b>                  | <b>\$ 134</b> |
| <b>Total estimated non-cash expense<sup>(2)</sup></b>         | <b>\$ 34</b>                             | <b>\$ 34</b>  | <b>\$ (34)</b>              | <b>\$ —</b>                    | <b>\$ —</b>   |
| <b>Total estimated expense<sup>(3)</sup></b>                  | <b>\$ 169</b>                            | <b>\$ 184</b> | <b>\$ (60)</b>              | <b>\$ 109</b>                  | <b>\$ 124</b> |

<sup>(1)</sup> Total estimated cash cost excludes the impact of proceeds expected from the sale of property and equipment and foreign currency impact.

<sup>(2)</sup> Reflects actual expenses that have been incurred. Ranges associated with future non-cash expenses related to the CTO2Grow Program are difficult to estimate and are not available without unreasonable efforts, as these typically relate to exit and disposal activities.

<sup>(3)</sup> Total estimated expense excludes capital expenditures.

The Company also has a restructuring program related to acquisitions. We recorded \$0.7 million of income and \$0.3 million of expense within Restructuring charges, respectively, during the three and nine months ended September 30, 2023. See Note 5, "Acquisitions," for additional information related to our 2023 Liquibox acquisition.

The following table details our aggregate restructuring activities as reflected in the Condensed Consolidated Statements of Operations.



| <i>(In millions)</i>   | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |                |
|------------------------|-------------------------------------|---------------|------------------------------------|----------------|
|                        | 2023                                | 2022          | 2023                               | 2022           |
| Other associated costs | \$ 34.6                             | \$ 1.6        | \$ 34.5                            | \$ 8.5         |
| Contract terminations  | 15.3                                | —             | 15.3                               | —              |
| Restructuring charges  | 9.8                                 | 0.6           | 9.2                                | 4.6            |
| <b>Total charges</b>   | <b>\$ 59.7</b>                      | <b>\$ 2.2</b> | <b>\$ 59.0</b>                     | <b>\$ 13.1</b> |
| Capital expenditures   | \$ —                                | \$ 3.3        | \$ —                               | \$ 9.1         |

The aggregate restructuring accrual, spending and other activity for the nine months ended September 30, 2023 and the accrual balance remaining at September 30, 2023 was as follows:

| <i>(In millions)</i>   |                |
|--|----------------|
| Restructuring accrual at December 31, 2022                       | \$ 14.7        |
| Headcount accrual and accrual adjustments                        | 9.2            |
| Contract termination accrual and adjustments                     | 11.2           |
| Cash payments during 2023  | (12.5)         |
| Effect of changes in foreign currency exchange rates             | (0.2)          |
| <b>Restructuring accrual at September 30, 2023<sup>(1)</sup></b> | <b>\$ 22.4</b> |

<sup>(1)</sup> Excludes \$4.0 million of remaining lease obligations on terminated contracts included in Current portion of operating lease liabilities and Long-term operating lease liabilities, less current portion on our Condensed Consolidated Balance Sheets.

We expect to pay \$22.4 million of the accrual balance remaining at September 30, 2023 within the next twelve months. This amount is included in Accrued restructuring costs on the Condensed Consolidated Balance Sheets at September 30, 2023.

The CTO2Grow Program was approved by our Board of Directors as a consolidated program benefiting both Food and Protective, and accordingly the expected program spend by reporting segment is not available. However, of the total restructuring accrual of \$22.4 million as of September 30, 2023, \$17.9 million was attributable to Food and \$4.5 million was attributable to Protective.

### **Business Closures**

In July 2023, the Board of Directors approved a plan to cease operating the Kevothermal temperature assurance business, which resulted in the closure of both the Albuquerque, New Mexico and Hereford, United Kingdom facilities. The decision to cease operations of the Kevothermal business, which is reported in our Protective segment, was triggered by lower volumes and declining financial performance.

In September 2023, the Board of Directors approved a plan to cease operating the plant-based rollstock business and line located in Simpsonville, South Carolina. The decision to cease operations for the plant-based rollstock business, which is reported in our Food segment, was triggered by lower demand for our product due to competitive alternatives in the market. We expect to cease full manufacturing operations by February 2024.

For the three and nine months ended September 30, 2023, we recorded \$51.3 million of closure charges associated with Kevothermal and the plant-based rollstock business, including \$25.8 million of impairment related to property and equipment, \$15.3 million of contract terminations, \$7.7 million of inventory obsolescence charges and \$2.5 million of severance and other closure related costs. The closure charges, excluding the severance related costs, are reflected within (Loss) Gain on disposal of businesses and property and equipment, net on the Condensed Consolidated Statements of Operations. The severance related charges are reflected in Restructuring charges on the Condensed Consolidated Statements of Operations. Of the \$51.3 million of closure charges, \$34.3 million are non-cash. We expect the majority of the cash charges to be paid in 2024.

## Note 13 Debt and Credit Facilities

Our total debt outstanding consisted of the amounts set forth in the following table:

| <i>(In millions)</i>  | <b>Interest rate</b> | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---|----------------------|---------------------------|--------------------------|
| Short-term borrowings <sup>(1)</sup>                            |                      | \$ 211.6                  | \$ 6.6                   |
| Current portion of long-term debt <sup>(2)</sup>                |                      | 28.1                      | 434.0                    |
| <b>Total current debt</b>                                       |                      | <b>239.7</b>              | <b>440.6</b>             |
| Term Loan A due March 2027                                      |                      | 1,126.2                   | 506.6                    |
| Senior Notes due December 2024                                  | 5.125 %              | 424.1                     | 423.5                    |
| Senior Notes due September 2025                                 | 5.500 %              | 399.0                     | 398.7                    |
| Senior Secured Notes due October 2026                           | 1.573 %              | 596.7                     | 596.0                    |
| Senior Notes due December 2027                                  | 4.000 %              | 422.4                     | 421.9                    |
| Senior Notes due February 2028                                  | 6.125 %              | 764.2                     | —                        |
| Senior Notes due April 2029                                     | 5.000 %              | 421.6                     | 421.2                    |
| Senior Notes due July 2033                                      | 6.875 %              | 446.6                     | 446.4                    |
| Other <sup>(2)</sup>  |                      | 30.1                      | 23.6                     |
| <b>Total long-term debt, less current portion<sup>(3)</sup></b> |                      | <b>4,630.9</b>            | <b>3,237.9</b>           |
| <b>Total debt<sup>(4)</sup></b>                                 |                      | <b>\$ 4,870.6</b>         | <b>\$ 3,678.5</b>        |

<sup>(1)</sup> Short-term borrowings of \$211.6 million at September 30, 2023, were comprised of \$82.9 million under our European securitization program, \$75.0 million under our revolving credit facility, \$50.0 million under our U.S. securitization program, and \$3.7 million of short-term borrowings from various lines of credit. Short-term borrowings of \$6.6 million at December 31, 2022, were comprised of various lines of credit.

<sup>(2)</sup> As of September 30, 2023, Current portion of long-term debt included finance lease liabilities of \$6.4 million. As of December 31, 2022, Current portion of long-term debt included 4.500% senior notes due September 2023 of \$426 million and finance lease liabilities of \$7.6 million. Other debt includes long-term liabilities associated with our finance leases of \$22.5 million and \$16.1 million at September 30, 2023 and December 31, 2022, respectively. See Note 4, "Leases," for additional information on finance and operating lease liabilities.

<sup>(3)</sup> Amounts are shown net of unamortized discounts and issuance costs of \$35.6 million as of September 30, 2023 and \$18.9 million as of December 31, 2022.

<sup>(4)</sup> As of September 30, 2023, our weighted average interest rate on our short-term borrowings outstanding was 6.0% and on our long-term debt outstanding was 5.4%. As of December 31, 2022, our weighted average interest rate on our short-term borrowings outstanding was 2.8% and on our long-term debt outstanding was 4.6%.

### Lines of Credit

The following table summarizes our available lines of credit and committed and uncommitted lines of credit, including our revolving credit facility, and the amounts available under our accounts receivable securitization programs.

| <i>(In millions)</i>                                 | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--|---------------------------|--------------------------|
| Used lines of credit <sup>(1)</sup>                  | \$ 211.6                  | \$ 6.6                   |
| Unused lines of credit                               | 1,038.7                   | 1,261.0                  |
| <b>Total available lines of credit<sup>(2)</sup></b> | <b>\$ 1,250.3</b>         | <b>\$ 1,267.6</b>        |

<sup>(1)</sup> Includes total borrowings under the accounts receivable securitization programs, the revolving credit facility and borrowings under lines of credit available to several subsidiaries.

<sup>(2)</sup> Of the total available lines of credit, \$1,119.2 million was committed as of September 30, 2023.

### Amended and Restated Senior Secured Credit Facility

#### 2023 Activity

On February 1, 2023, the Company used proceeds from the new incremental term facility, as described below, to finance the Liquibox acquisition. We incurred \$11.0 million of lender and third party fees included in carrying amounts of outstanding debt. See Note 5, "Acquisitions," for further details related to the Liquibox acquisition.

#### *2022 Activity*

On December 8, 2022, the Company and certain of its subsidiaries entered into an amendment to the fourth amended and restated syndicated facility agreement and incremental assumption agreement ("the Amendment") further amending its existing senior secured credit facility (the "Fourth Amended and Restated Credit Agreement"), as described below. The Amendment provides for a new incremental term facility in an aggregate principal amount of \$650.0 million, to be used, in part, to finance the Company's acquisition of Liquibox. See Note 5, "Acquisitions," for further details related to the Liquibox acquisition.

On March 25, 2022, the Company and certain of its subsidiaries entered into the Fourth Amended and Restated Credit Agreement with Bank of America, N.A., as agent, and the other financial institutions party thereto. The changes include (i) the refinancing of the term loan A facilities and revolving credit facilities with a new U.S. dollar term loan A facility in an aggregate principal amount of approximately \$475.0 million, a new pounds sterling term loan A facility in an aggregate principal amount of approximately £27.2 million, and revolving credit facilities of \$1.0 billion (including revolving facilities available in U.S. dollars, euros, pounds sterling, Canadian dollars, Australian dollars, Japanese yen, New Zealand dollars and Mexican pesos), (ii) the conversion of the facilities rate from a London Interbank Offered Rate-based rate to a Secured Overnight Financing Rate ("SOFR")-based rate, (iii) improved pricing terms which will range from 100 to 175 basis points (bps) in the case of SOFR loans, subject to the achievement of certain leverage tests, (iv) the extension of the final maturity of the term loan A facilities and revolving credit commitment to March 25, 2027, (v) the release of all non-U.S. collateral previously pledged by the Company's subsidiaries and the release of all existing guarantees for non-U.S., non-borrower Company subsidiaries, (vi) the adjustment of certain covenants to provide flexibility to incur additional indebtedness and take other actions and (vii) other amendments.

As a result of the Fourth Amended and Restated Credit Agreement, we recognized a \$0.7 million loss on debt redemption and refinancing activities in Other expense, net in our Condensed Consolidated Statements of Operations during the first quarter of 2022. This amount includes \$0.4 million of accelerated amortization of original issuance discount related to the term loan A and lender and non-lender fees related to the entire credit facility. Also included in the loss on debt redemption and refinancing activities was \$0.3 million of non-lender fees incurred in connection with the Fourth Amended and Restated Credit Agreement. In addition, we incurred \$1.2 million of lender and third-party fees that are included in the carrying amounts of the outstanding debt under the credit facility. We also capitalized \$3.0 million of fees that are included in Other assets on our Condensed Consolidated Balance Sheets. The amortization expense related to original issuance discount and lender and non-lender fees is calculated using the effective interest rate method over the lives of the respective debt instruments.

Total amortization expense related to the senior secured credit facility was \$0.9 million and \$2.5 million for the three and nine months ended September 30, 2023, respectively, and \$0.3 million and \$1.0 million for the three and nine months ended September 30, 2022, respectively, and is included in Interest expense, net in our Condensed Consolidated Statements of Operations.

#### **Senior Notes**

##### *2023 Activity*

On January 31, 2023, the Company issued \$775.0 million aggregate principal amount of 6.125% senior notes due 2028 (the "2028 Notes"). The 2028 Notes will mature on February 1, 2028. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2023. The 2028 Notes are guaranteed on a senior unsecured basis by each of the Company's existing and future wholly-owned domestic subsidiaries that guarantee its senior secured credit facilities, subject to release under certain circumstances. We capitalized \$12.2 million of fees incurred in connection with the 2028 Notes, which are included in Long-term debt, less current portion on our Condensed Consolidated Balance Sheets.

We may redeem the 2028 Notes, in whole or in part, at any time prior to February 1, 2025, at a redemption price equal to 100% of the principal amount of the 2028 Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a "make-whole premium". On or after February 1, 2025, we may redeem the 2028 Notes, in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, to, but not including the redemption date. In addition, at any time prior to February 1, 2025, we may redeem up to 40% of the 2028 Notes using the proceeds of certain equity offerings.

The net proceeds from the 2028 Notes offering were used (i) together with a borrowing under the Company's incremental term loan facility and cash on hand, to finance the acquisition of all of the issued and outstanding shares of capital stock of Liquibox, including related fees and expenses, (ii) to repurchase all of the Company's outstanding 4.500% senior notes due 2023 (the "2023 Euro Notes") pursuant to the tender offer commenced by the Company on January 27, 2023 and satisfy and discharge all of the Company's outstanding 2023 Euro Notes in accordance with the terms of the indenture governing the 2023 Euro Notes and to pay related premiums, fees and expenses in connection therewith and (iii) to the extent of any remaining proceeds after giving effect to the foregoing transactions, for general corporate purposes. We recognized a pre-tax loss of \$4.9 million on the repurchase and cancellation of the 2023 Euro Notes, including a premium of \$4.5 million and accelerated amortization of non-lender fees of \$0.4 million, within Other expense, net on our Condensed Consolidated Statements of Operations during the first quarter of 2023. See Note 5, "Acquisitions," for further details related to the Liquibox acquisition.

#### *2022 Activity*

On April 19, 2022, the Company issued \$425.0 million aggregate principal amount of 5.000% senior notes due 2029 (the "2029 Notes"). The 2029 Notes will mature on April 15, 2029. Interest is payable on April 15 and October 15 of each year, commencing on October 15, 2022. The 2029 Notes are guaranteed on a senior unsecured basis by each of the Company's existing and future wholly owned domestic subsidiaries that guarantee its senior secured credit facilities, subject to release under certain circumstances. We also capitalized \$4.2 million of fees incurred in connection with the 2029 Notes, which are included in Long-term debt, less current portion on our Condensed Consolidated Balance Sheets.

We may redeem the 2029 Notes, in whole or in part, at any time prior to April 15, 2025, at a redemption price equal to 100% of the principal amount of the 2029 Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a "make-whole premium". On or after April 15, 2025, we may redeem the 2029 Notes, in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, to, but not including the redemption date. In addition, at any time prior to April 15, 2025, we may redeem up to 40% of the 2029 Notes using the proceeds of certain equity offerings.

The net proceeds from the 2029 Notes offering were used to repurchase the 5.250% senior notes due 2023 (the "2023 Notes") tendered pursuant to the tender offer commenced by the Company on April 5, 2022 and satisfy and discharge all remaining 2023 Notes in accordance with the terms of the indenture governing the 2023 Notes. The aggregate repurchase price was \$435.9 million, which included the principal amount of \$425.0 million, a premium of \$9.6 million and accrued interest of \$1.3 million. We recognized a pre-tax loss of \$10.5 million on the extinguishment, including the premium mentioned above and \$0.9 million of accelerated amortization of non-lender fees, included within Other expense, net on our Condensed Consolidated Statements of Operations during the second quarter of 2022.

#### **Covenants**

Each issue of our outstanding senior notes imposes limitations on our operations and those of specified subsidiaries. Our Senior Secured Credit Facility contains customary affirmative and negative covenants for credit facilities of this type, including limitations on our indebtedness, liens, investments, restricted payments, mergers and acquisitions, dispositions of assets, transactions with affiliates, amendment of documents and sale leasebacks, and a covenant specifying a maximum leverage ratio to EBITDA. We were in compliance with the above financial covenants and limitations at September 30, 2023.

#### **Note 14 Derivatives and Hedging Activities**

We report all derivative instruments on our Condensed Consolidated Balance Sheets at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes.

As a global organization, we face exposure to market risks, such as fluctuations in foreign currency exchange rates and interest rates. To manage the volatility relating to these exposures, we enter into various derivative instruments from time to time under our risk management policies. We designate derivative instruments as hedges on a transaction basis to support hedge accounting. The changes in fair value of these hedging instruments offset in part or in whole corresponding changes in the fair value or cash flows of the underlying exposures being hedged. We assess the initial and ongoing effectiveness of our hedging relationships in accordance with our policy. We do not purchase, hold or sell derivative financial instruments for trading purposes. Our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring.

We record the fair value positions of all derivative financial instruments on a net basis by counterparty for which a master netting arrangement is utilized.

### ***Foreign Currency Forward Contracts Designated as Cash Flow Hedges***

The primary purpose of our cash flow hedging activities is to manage the potential changes in value associated with the amounts receivable or payable on equipment and raw material purchases that are denominated in foreign currencies in order to minimize the impact of the changes in foreign currencies. We record gains and losses on foreign currency forward contracts qualifying as cash flow hedges in Accumulated Other Comprehensive Loss ("AOCL") to the extent that these hedges are effective and until we recognize the underlying transactions in net earnings, at which time we recognize these gains and losses in Cost of sales, on our Condensed Consolidated Statements of Operations. Cash flows from derivative financial instruments designated as cash flow hedges are classified as Cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

Net unrealized after-tax gains/losses related to cash flow hedging activities that were included in AOCL were a \$0.9 million gain and \$1.2 million loss for the three and nine months ended September 30, 2023, respectively, and a \$3.1 million gain and a \$4.9 million gain for the three and nine months ended September 30, 2022, respectively. The unrealized amount in AOCL will fluctuate based on changes in the fair value of open contracts during each reporting period.

We estimate that \$1.1 million of net unrealized gains related to cash flow hedging activities included in AOCL will be reclassified into earnings within the next twelve months.

### ***Foreign Currency Forward Contracts Not Designated as Hedges***

Our subsidiaries have foreign currency exchange exposure from buying and selling in currencies other than their functional currencies. The primary purposes of our foreign currency hedging activities are to manage the potential changes in value associated with the amounts receivable or payable on transactions denominated in foreign currencies and to minimize the impact of the changes in foreign currencies related to foreign currency-denominated interest-bearing intercompany loans and receivables and payables. The changes in fair value of these derivative contracts are recognized in Other expense, net, on our Condensed Consolidated Statements of Operations and are largely offset by the remeasurement of the underlying foreign currency-denominated items indicated above. Cash flows from derivative financial instruments not designated as hedges are classified as Cash flows from investing activities in the Condensed Consolidated Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

### ***Interest Rate Swaps***

From time to time, we may use interest rate swaps to manage our fixed and floating interest rates on our outstanding indebtedness. At September 30, 2023 and December 31, 2022, we had no outstanding interest rate swaps.

### ***Net Investment Hedge***

In February 2023, the €400.0 million 4.500% senior notes issued in June 2015 that were previously designated as a net investment hedge, hedging a portion of our net investment in a certain European subsidiary against fluctuations in foreign exchange rates, were repaid, which settled the net investment hedge. See Note 13, "Debt and Credit Facilities," for additional information about the repayment of the notes.

In the first quarter of 2023, we entered into a series of cross-currency swaps with a combined notional amount of \$432.8 million. Each of these cross-currency swaps were designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a fixed rate of Euro-based interest and receives a fixed rate of U.S. dollar interest. The Company has elected the spot method for assessing the effectiveness of these contracts. The maturity date for this series of cross-currency swaps is February 1, 2028. The fair value of this hedge as of September 30, 2023 was a \$2.5 million loss and is included within Other non-current liabilities on our Condensed Consolidated Balance Sheets. We recognized \$0.8 million and \$2.1 million of interest income within Interest expense, net on the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023, respectively, related to these contracts.

For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, changes in fair values of the derivative instruments are recognized in unrealized net gain or loss on derivative instruments for net investment hedge, a component of AOCL, net of taxes, to offset the changes in the values of the net investments being hedged. Any portion of the net investment hedge that is determined to be ineffective is recorded in Other expense, net on the Condensed Consolidated Statements of Operations.

### Other Derivative Instruments

We may use other derivative instruments from time to time to manage exposure to foreign exchange rates and to access international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency.

### Fair Value of Derivative Instruments

See Note 15, "Fair Value Measurements, Equity Investments and Other Financial Instruments," for a discussion of the inputs and valuation techniques used to determine the fair value of our outstanding derivative instruments.

The following table details the fair value of our derivative instruments included on our Condensed Consolidated Balance Sheets.

| (In millions)                                     | Cash Flow Hedge    |                   | Net Investment Hedge |                   | Non-Designated as Hedging Instruments |                   | Total              |                   |
|---|--------------------|-------------------|----------------------|-------------------|---------------------------------------|-------------------|--------------------|-------------------|
|   | September 30, 2023 | December 31, 2022 | September 30, 2023   | December 31, 2022 | September 30, 2023                    | December 31, 2022 | September 30, 2023 | December 31, 2022 |
| <b>Derivative Assets</b>                          |                    |                   |                      |                   |                                       |                   |                    |                   |
| Foreign currency forward contracts                | \$ 1.5             | \$ 2.1            | \$ —                 | \$ —              | \$ 1.3                                | \$ 5.8            | \$ 2.8             | \$ 7.9            |
| <b>Total Derivative Assets</b>                    | <b>\$ 1.5</b>      | <b>\$ 2.1</b>     | <b>\$ —</b>          | <b>\$ —</b>       | <b>\$ 1.3</b>                         | <b>\$ 5.8</b>     | <b>\$ 2.8</b>      | <b>\$ 7.9</b>     |
| <b>Derivative Liabilities</b>                     |                    |                   |                      |                   |                                       |                   |                    |                   |
| Foreign currency forward contracts                | \$ (0.5)           | \$ (0.8)          | \$ —                 | \$ —              | \$ (7.3)                              | \$ (2.4)          | \$ (7.8)           | \$ (3.2)          |
| Cross-currency swaps                              | —                  | —                 | (2.5)                | —                 | —                                     | —                 | (2.5)              | —                 |
| <b>Total Derivative Liabilities<sup>(1)</sup></b> | <b>\$ (0.5)</b>    | <b>\$ (0.8)</b>   | <b>\$ (2.5)</b>      | <b>\$ —</b>       | <b>\$ (7.3)</b>                       | <b>\$ (2.4)</b>   | <b>\$ (10.3)</b>   | <b>\$ (3.2)</b>   |
| <b>Net Derivatives<sup>(2)</sup></b>              | <b>\$ 1.0</b>      | <b>\$ 1.3</b>     | <b>\$ (2.5)</b>      | <b>\$ —</b>       | <b>\$ (6.0)</b>                       | <b>\$ 3.4</b>     | <b>\$ (7.5)</b>    | <b>\$ 4.7</b>     |

<sup>(1)</sup> Excludes €400.0 million of euro-denominated debt that was repaid in February 2023 (\$426.0 million equivalent at December 31, 2022), which was designated as a net investment hedge. See Note 13, "Debt and Credit Facilities," for additional details.

<sup>(2)</sup> The following table reconciles gross positions without the impact of master netting agreements to the balance sheet classification:

| (In millions)  | Other Current Assets |                   | Other Current Liabilities |                   | Other Non-current Liabilities |                   |
|--|----------------------|-------------------|---------------------------|-------------------|-------------------------------|-------------------|
|  | September 30, 2023   | December 31, 2022 | September 30, 2023        | December 31, 2022 | September 30, 2023            | December 31, 2022 |
| Gross position   | \$ 2.8               | \$ 7.9            | \$ (7.8)                  | \$ (3.2)          | \$ (2.5)                      | \$ —              |
| Impact of master netting agreements  | (1.0)                | (1.1)             | 1.0                       | 1.1               | —                             | —                 |
| <b>Net amounts recognized on the Condensed Consolidated Balance Sheets</b> | <b>\$ 1.8</b>        | <b>\$ 6.8</b>     | <b>\$ (6.8)</b>           | <b>\$ (2.1)</b>   | <b>\$ (2.5)</b>               | <b>\$ —</b>       |

The following table details the effect of our derivative instruments on our Condensed Consolidated Statements of Operations.

| <i>(In millions)</i>                                      | Location of Gain (Loss)<br>Recognized on<br>Condensed Consolidated<br>Statements of Operations | Amount of Gain (Loss) Recognized in<br>Earnings on Derivatives |               |                                    |                |
|---|--|--|---------------|------------------------------------|----------------|
|   |  | Three Months Ended<br>September 30,                            |               | Nine Months Ended<br>September 30, |                |
|   |  | 2023   | 2022          | 2023                               | 2022           |
| <b>Derivatives designated as hedging instruments:</b>     |  |  |               |                                    |                |
| <i>Cash Flow Hedges:</i>                                  |  |  |               |                                    |                |
| Foreign currency forward contracts                        | Cost of sales  | \$ 1.0   | \$ 3.1        | \$ 2.9                             | \$ 7.4         |
| Treasury locks  | Interest expense, net  | —  | —             | 0.1                                | 0.1            |
| <b>Sub-total cash flow hedges</b>                         |  | <b>1.0</b>   | <b>3.1</b>    | <b>3.0</b>                         | <b>7.5</b>     |
| <b>Derivatives not designated as hedging instruments:</b> |  |  |               |                                    |                |
| Foreign currency forward contracts                        | Other expense, net   | (1.1)  | 1.7           | 5.6                                | 3.8            |
| <b>Total</b>  |  | <b>\$ (0.1)</b>  | <b>\$ 4.8</b> | <b>\$ 8.6</b>                      | <b>\$ 11.3</b> |

## Note 15 Fair Value Measurements, Equity Investments and Other Financial Instruments

### Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three levels to the fair value hierarchy as follows:

*Level 1* - observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

*Level 2* - inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

*Level 3* - unobservable inputs for which there is little or no market data, which may require the reporting entity to develop its own assumptions.

The fair value, measured on a recurring basis, of our financial instruments, using the fair value hierarchy under U.S. GAAP, are included in the table below.

| <i>(In millions)</i>  | September 30, 2023 |          |          |         |
|---|--------------------|----------|----------|---------|
|   | Total Fair Value   | Level 1  | Level 2  | Level 3 |
| Cash equivalents  | \$ 33.5            | \$ 33.5  | \$ —     | \$ —    |
| Derivative financial and hedging instruments net liability: |                    |          |          |         |
| Foreign currency forward contracts                          | \$ (5.0)           | \$ —     | \$ (5.0) | \$ —    |
| Cross-currency swaps  | \$ (2.5)           | \$ —     | \$ (2.5) | \$ —    |
| <b>December 31, 2022</b>                                    |                    |          |          |         |
| <i>(In millions)</i>  | Total Fair Value   | Level 1  | Level 2  | Level 3 |
| Cash equivalents  | \$ 122.5           | \$ 122.5 | \$ —     | \$ —    |
| Derivative financial and hedging instruments net asset:     |                    |          |          |         |
| Foreign currency forward contracts                          | \$ 4.7             | \$ —     | \$ 4.7   | \$ —    |

*Cash equivalents* - Our cash equivalents consisted of bank time deposits. Since these are short-term, highly liquid investments with remaining maturities of 3 months or less, they present negligible risk of changes in fair value due to changes in interest rates and are classified as Level 1 financial instruments.

*Derivative financial instruments* - Our foreign currency forward contracts, foreign currency options, interest rate swaps and cross-currency swaps are recorded at fair value on our Condensed Consolidated Balance Sheets using a discounted cash flow analysis that incorporates observable market inputs. These market inputs include foreign currency spot and forward rates, and various interest rate curves, and are obtained from pricing data quoted by various banks, third-party sources and foreign currency dealers involving identical or comparable instruments. Such financial instruments are classified as Level 2.

Counterparties to these foreign currency forward contracts have at least an investment grade rating. Credit ratings on some of our counterparties may change during the term of our financial instruments. We closely monitor our counterparties' credit ratings and, if necessary, will make any appropriate changes to our financial instruments. The fair value generally reflects the estimated amounts that we would receive or pay to terminate the contracts at the reporting date.

Foreign currency forward contracts are included in Prepaid expenses and other current assets and Other current liabilities on the Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022.

### **Equity Investments**

SEE maintains equity investments in companies which are accounted for under the measurement alternative described in ASC 321-10-35-2 ("ASC 321") for equity investments that do not have readily determinable fair values. We do not exercise significant influence over these companies. The following carrying value of these investments were included within Other non-current assets in our Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022:

| <i>(In millions)</i>                       | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--|---------------------------|--------------------------|
| Carrying value at the beginning of period  | \$ 13.3                   | \$ 45.8                  |
| Purchases                                  | —                         | —                        |
| Impairments or downward adjustments        | —                         | (31.6)                   |
| Upward adjustments                         | —                         | —                        |
| Currency translation on investments        | (0.1)                     | (0.9)                    |
| <b>Carrying value at the end of period</b> | <b>\$ 13.2</b>            | <b>\$ 13.3</b>           |

We hold an equity investment in an investee that was valued at \$31.6 million as of December 31, 2021. The investment is accounted for under the measurement alternative in accordance with ASC 321. It is made up of cash investments of \$7.5 million and \$9.0 million made in 2018 and 2021, respectively, and an upward fair value adjustment of \$15.1 million, which was recorded in the fourth quarter of 2020 based on the valuation of additional equity issued by the investee that was deemed to be an observable transaction of a similar investment under ASC 321. During the first quarter of 2022, we recorded a \$15.5 million impairment on the equity investment arising from the announced termination of a planned merger between the investee and a special purpose acquisition company ("SPAC") due to unfavorable capital market conditions. This impairment loss was recorded within Other expense, net on the Condensed Consolidated Statements of Operations. In connection with our second quarter 2022 review of the investee's financial performance, we obtained the investee's latest financial forecast, which showed deterioration across several key operating and liquidity metrics. This was deemed to be a triggering event for potential impairment. Accordingly, we performed a quantitative impairment test as of June 30, 2022 to determine the fair value of the equity investment. Based on discounted cash flow and market participant data as of June 30, 2022, and our projections related to the investee's ability to remain a going concern, we concluded that the fair value of the investment was zero. SEE recorded an impairment loss of \$16.1 million equal to the difference between the fair value of the investment as of June 30, 2022 and its carrying value at March 31, 2022. The \$16.1 million impairment loss was recorded within Other expense, net on the Condensed Consolidated Statements of Operations during the second quarter of 2022.

As of September 30, 2023, cumulative upward adjustments to our equity investments were \$21.7 million and cumulative impairments or downward adjustments were \$31.6 million, resulting in net cumulative impairments or downward adjustments of \$9.9 million. As of December 31, 2022, cumulative upward adjustments to our equity investments were \$21.7 million and there were \$31.6 million cumulative impairments or downward adjustments.

### **Other Financial Instruments**



The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) trade receivables, net, (2) certain other current assets, (3) accounts payable and (4) other current liabilities. The carrying amounts reported on our Condensed Consolidated Balance Sheets for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

Other liabilities that are recorded at carrying value on our Condensed Consolidated Balance Sheets include our credit facilities and senior notes. We utilize a market approach to calculate the fair value of our senior notes. Due to their limited investor base and the face value of some of our senior notes, they may not be actively traded on the date we calculate their fair value. Therefore, we may utilize prices and other relevant information generated by market transactions involving similar securities, reflecting U.S. Treasury yields to calculate the yield to maturity and the price on some of our senior notes. These inputs are provided by an independent third party and are considered to be Level 2 inputs.

We derive our fair value estimates of our various other debt instruments by evaluating the nature and terms of each instrument, considering prevailing economic and market conditions, and examining the cost of similar debt offered at the balance sheet date. We also incorporated our credit default swap rates and currency specific swap rates in the valuation of each debt instrument, as applicable.

These estimates are subjective and involve uncertainties and matters of significant judgment, and therefore we cannot determine them with precision. Changes in assumptions could significantly affect our estimates.

The table below shows the carrying amounts and estimated fair values of our debt, excluding our lease liabilities.

| <i>(In millions)</i>                           | Interest rate | September 30, 2023 |                   | December 31, 2022 |                   |
|--|---------------|--------------------|-------------------|-------------------|-------------------|
|  |               | Carrying Amount    | Fair Value        | Carrying Amount   | Fair Value        |
| Term Loan A due March 2027 <sup>(1)</sup>      |               | \$ 1,147.9         | \$ 1,147.9        | \$ 506.6          | \$ 506.6          |
| Senior Notes due September 2023 <sup>(1)</sup> | 4.500 %       | —                  | —                 | 426.0             | 427.3             |
| Senior Notes due December 2024                 | 5.125 %       | 424.1              | 418.0             | 423.5             | 419.7             |
| Senior Notes due September 2025                | 5.500 %       | 399.0              | 391.8             | 398.7             | 398.6             |
| Senior Secured Notes due October 2026          | 1.573 %       | 596.7              | 522.3             | 596.0             | 521.7             |
| Senior Notes due December 2027                 | 4.000 %       | 422.4              | 379.6             | 421.9             | 386.6             |
| Senior Notes due February 2028                 | 6.125 %       | 764.2              | 749.2             | —                 | —                 |
| Senior Notes due April 2029                    | 5.000 %       | 421.6              | 381.9             | 421.2             | 400.2             |
| Senior Notes due July 2033                     | 6.875 %       | 446.6              | 436.4             | 446.4             | 448.8             |
| Other foreign borrowings <sup>(1)</sup>        |               | 86.6               | 86.6              | 6.6               | 6.6               |
| Other domestic borrowings                      |               | 132.5              | 131.9             | 7.9               | 7.9               |
| <b>Total debt<sup>(2)</sup></b>                |               | <b>\$ 4,841.6</b>  | <b>\$ 4,645.6</b> | <b>\$ 3,654.8</b> | <b>\$ 3,524.0</b> |

<sup>(1)</sup> Includes borrowings denominated in currencies other than U.S. dollars.

<sup>(2)</sup> The carrying amount and estimated fair value of debt exclude lease liabilities.

Included among our non-financial assets and liabilities that are not required to be measured at fair value on a recurring basis are inventories, property and equipment, goodwill, intangible assets and asset retirement obligations.

## Note 16 Defined Benefit Pension Plans and Other Post-Employment Benefit Plans

The following tables show the components of net periodic benefit cost (income) for our defined benefit pension plans for the three and nine months ended September 30, 2023 and 2022:

| <i>(In millions)</i>                              | Three Months Ended<br>September 30, 2023 |               |               | Three Months Ended<br>September 30, 2022 |               |                 |
|---|--|---------------|---------------|--|---------------|-----------------|
|   | U.S.                                     | International | Total         | U.S.                                     | International | Total           |
| Components of net periodic benefit cost (income): |  |               |               |  |               |                 |
| Service cost                                      | \$ 0.1                                   | \$ 0.8        | \$ 0.9        | \$ 0.1                                   | \$ 1.1        | \$ 1.2          |
| Interest cost                                     | 1.8                                      | 5.2           | 7.0           | 1.0                                      | 2.9           | 3.9             |
| Expected return on plan assets                    | (1.8)                                    | (5.3)         | (7.1)         | (2.2)                                    | (5.0)         | (7.2)           |
| Amortization of net prior service cost            | —  | 0.1           | 0.1           | —  | 0.1           | 0.1             |
| Amortization of net actuarial loss                | 0.4                                      | 0.8           | 1.2           | 0.5                                      | 1.0           | 1.5             |
| <b>Net periodic cost (income)</b>                 | <b>0.5</b>                               | <b>1.6</b>    | <b>2.1</b>    | <b>(0.6)</b>                             | <b>0.1</b>    | <b>(0.5)</b>    |
| Settlement cost (credit)                          | —  | —             | —             | —  | —             | —               |
| <b>Total benefit cost (income)</b>                | <b>\$ 0.5</b>                            | <b>\$ 1.6</b> | <b>\$ 2.1</b> | <b>\$ (0.6)</b>                          | <b>\$ 0.1</b> | <b>\$ (0.5)</b> |

| <i>(In millions)</i>                              | Nine Months Ended<br>September 30, 2023 |               |               | Nine Months Ended<br>September 30, 2022 |               |                 |
|---|---|---------------|---------------|---|---------------|-----------------|
|   | U.S.                                    | International | Total         | U.S.                                    | International | Total           |
| Components of net periodic benefit cost (income): |   |               |               |   |               |                 |
| Service cost                                      | \$ 0.1                                  | \$ 2.4        | \$ 2.5        | \$ 0.1                                  | \$ 3.4        | \$ 3.5          |
| Interest cost                                     | 5.4                                     | 15.6          | 21.0          | 3.1                                     | 8.9           | 12.0            |
| Expected return on plan assets                    | (5.4)                                   | (15.9)        | (21.3)        | (6.7)                                   | (15.0)        | (21.7)          |
| Amortization of net prior service cost            | —                                       | 0.2           | 0.2           | —                                       | 0.2           | 0.2             |
| Amortization of net actuarial loss                | 1.2                                     | 2.4           | 3.6           | 1.3                                     | 2.9           | 4.2             |
| <b>Net periodic cost (income)</b>                 | <b>1.3</b>                              | <b>4.7</b>    | <b>6.0</b>    | <b>(2.2)</b>                            | <b>0.4</b>    | <b>(1.8)</b>    |
| Settlement cost (credit)                          | —                                       | 0.1           | 0.1           | —                                       | (0.1)         | (0.1)           |
| <b>Total benefit cost (income)</b>                | <b>\$ 1.3</b>                           | <b>\$ 4.8</b> | <b>\$ 6.1</b> | <b>\$ (2.2)</b>                         | <b>\$ 0.3</b> | <b>\$ (1.9)</b> |

The following table shows the components of net periodic benefit cost for our other post-employment benefit plans for the three and nine months ended September 30, 2023 and 2022:

| <i>(In millions)</i>                     | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |               |
|--|-------------------------------------|---------------|------------------------------------|---------------|
|  | 2023                                | 2022          | 2023                               | 2022          |
| Components of net periodic benefit cost: |                                     |               |                                    |               |
| Interest cost                            | \$ 0.4                              | \$ 0.2        | \$ 1.2                             | \$ 0.6        |
| Amortization of net prior service credit | (0.1)                               | —             | (0.2)                              | (0.2)         |
| Amortization of net actuarial gain       | —                                   | (0.1)         | (0.1)                              | (0.1)         |
| <b>Net periodic benefit cost</b>         | <b>\$ 0.3</b>                       | <b>\$ 0.1</b> | <b>\$ 0.9</b>                      | <b>\$ 0.3</b> |

## Note 17 Income Taxes

### U.S. Legislation

The Inflation Reduction Act ("IRA") was signed into law on August 16, 2022. The IRA includes climate and energy provisions and introduces a 15% corporate alternative minimum tax, among other items. The enactment of the IRA did not result in any adjustments to our income tax provision for the three and nine months ended September 30, 2023.

## ***Effective Income Tax Rate and Income Tax Provision***

For interim tax reporting, we estimate one annual effective tax rate for tax jurisdictions not subject to a valuation allowance and apply that rate to the year-to-date ordinary income/(loss). Tax effects of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

Compared to the U.S. statutory rate of 21.0%, state income taxes, foreign earnings subject to higher tax rates and non-deductible expenses increase the Company's effective income tax rate, whereas research and development credits decrease the Company's effective tax rate.

Our effective income tax rate was 26.1% and 31.7% for the three and nine months ended September 30, 2023, respectively. In addition to the above referenced items, the three and nine-month periods were unfavorably impacted by accruals for uncertain tax positions and favorably impacted by the benefit associated with excess foreign tax credits.

Our effective income tax rate was 27.9% for the three and nine months ended September 30, 2022. In addition to the above referenced items, the three-month period was unfavorably impacted by accruals for uncertain tax positions and enacted state law changes. The nine-month period was favorably impacted by share price accretion in equity compensation, and unfavorably impacted by accruals for uncertain tax positions, nonrecurring intercompany dividend distributions and enacted state law changes.

There was no significant change in our valuation allowance for the three and nine months ended September 30, 2023 and 2022.

Net increases in unrecognized tax positions of \$3.7 million and \$15.0 million for the three and nine months ended September 30, 2023, respectively, and \$3.8 million and \$12.7 million for the three and nine months ended September 30, 2022, respectively, were primarily related to interest accruals on existing uncertain tax positions. We are not currently able to reasonably estimate the amount by which the liability for unrecognized tax positions may increase or decrease as a result of future tax controversy developments or resolution. Interest and penalties on tax assessments are included in Income tax provision on our Condensed Consolidated Statements of Operations.

The IRS completed its field examination of the U.S. federal income tax returns for the 2011-2014 tax years in the third quarter of 2020. As previously disclosed, the IRS has proposed to disallow, for the 2014 taxable year, the entirety of the deduction of the approximately \$1.49 billion settlement payment made pursuant to the Settlement agreement (as defined in Note 18, "Commitments and Contingencies") and the resulting reduction of our U.S. federal tax liability by approximately \$525 million. The proposed disallowance is being reviewed by the IRS Independent Office of Appeals ("Appeals"). Although we believe we have meritorious defenses to the proposed disallowance, we have reached a tentative agreement to settle this matter with the IRS, which is subject to further review, approval and execution of a definitive agreement by both parties. There can be no assurance that a definitive agreement will be executed and we cannot predict the outcome of this matter or when it will be concluded. We have revised our uncertain tax position to reflect the tentative agreement. On April 20, 2023, we deposited \$175 million with the IRS based on an estimate of the federal tax and interest anticipated to be due associated with the tentative agreement and during the second quarter of 2023, the Company recorded an asset of \$175 million in Advances and deposits on the Condensed Consolidated Balance Sheets. Our final settlement amount could differ from the \$175 million deposited. Future developments in this matter could have a material impact on the Company's uncertain tax position balances and results of operations, including cash flows, within the next twelve months.

There is no outstanding liability with respect to the one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries provision associated with the Tax Cuts and Jobs Act of 2017.

## **Note 18 Commitments and Contingencies**

### ***Settlement Agreement Tax Deduction***

On March 31, 1998, the Company completed a multi-step transaction (the "Cryovac transaction") involving W.R. Grace & Co. ("Grace") which brought the Cryovac packaging business and the former Sealed Air's business under the common ownership of the Company. As part of that transaction, Grace and its subsidiaries retained all liabilities arising out of their operations before the Cryovac transaction (including asbestos-related liabilities), other than liabilities relating to Cryovac's operations, and agreed to indemnify the Company with respect to such retained liabilities. Beginning in 2000, we were served with a number of lawsuits alleging that the Cryovac transaction was a fraudulent transfer or gave rise to successor liability or both, and that, as a result, we were responsible for alleged asbestos liabilities of Grace and its subsidiaries. On April 2, 2001, Grace and a number of its subsidiaries filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court

for the District of Delaware (the "Bankruptcy Court"). In connection with Grace's Chapter 11 case, the Bankruptcy Court granted the official committees appointed to represent asbestos claimants in Grace's Chapter 11 case (the "Committees") permission to pursue against the Company and its subsidiary Cryovac, Inc. fraudulent transfer, successor liability, and other claims based upon the Cryovac transaction. In November 2002, we reached an agreement in principle with the Committees to resolve all current and future asbestos-related claims made against us and our affiliates, as well as indemnification claims by Fresenius Medical Care Holdings, Inc. and affiliated companies, in each case, in connection with the Cryovac transaction. A definitive settlement agreement was entered into in 2003 and approved by the Bankruptcy Court in 2005 (such agreement, the "Settlement agreement"). The Settlement agreement was subsequently incorporated into the plan of reorganization for Grace (the "Plan") and the Plan was confirmed by the Bankruptcy Court in 2011 and the U.S. District Court in 2012.

On February 3, 2014 (the "Effective Date"), the Plan implementing the Settlement agreement became effective with Grace emerging from bankruptcy and the injunctions and releases provided by the Plan becoming effective. On the Effective Date, the Company's subsidiary, Cryovac, Inc., made the payments contemplated by the Settlement agreement, consisting of aggregate cash payments in the amount of \$929.7 million to the WRG Asbestos PI Trust (the "PI Trust") and the WRG Asbestos PD Trust (the "PD Trust") and the transfer of 18 million shares of Sealed Air common stock (the "Settlement Shares") to the PI Trust, in each case, reflecting adjustments made in accordance with the Settlement agreement.

The IRS completed its field examination of our U.S. federal income tax returns for the years 2011 through 2014 in the third quarter of 2020. As previously disclosed, the IRS has proposed to disallow for the 2014 taxable year the entirety of the deduction of the approximately \$1.49 billion settlement payments made pursuant to the Settlement agreement and the resulting reduction of our U.S. federal tax liability by approximately \$525 million. The proposed disallowance is being reviewed by the IRS Independent Office of Appeals ("Appeals"). Although we believe we have meritorious defenses to the proposed disallowance, we have reached a tentative agreement to settle this matter with the IRS, which is subject to further review, approval and execution of a definitive agreement by both parties. There can be no assurance that a definitive agreement will be executed and we cannot predict the outcome of this matter or when it will be concluded. We have revised our uncertain tax position to reflect the tentative agreement. On April 20, 2023, we deposited \$175 million with the IRS based on an estimate of the federal tax and interest anticipated to be due associated with the tentative agreement and during the second quarter of 2023, the Company recorded an asset of \$175 million in Advances and deposits on the Condensed Consolidated Balance Sheets. Our final settlement amount could differ from the \$175 million deposited. Future developments in this matter could have a material impact on the Company's uncertain tax position balances and results of operations, including cash flows, within the next twelve months.

### ***Securities Class Action***

On November 1, 2019, purported Company stockholder UA Local 13 & Employers Group Insurance Fund filed a putative class action complaint in the United States District Court for the Southern District of New York against the Company and certain of its current and former officers. On June 4, 2020, the complaint was amended to remove all individual defendants other than the Company's former CFO and to add a plaintiff, and on July 13, 2020, the complaint was further amended to identify a total of four plaintiffs. The complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 thereunder based on allegedly false and misleading statements and omissions concerning the Company's hiring of Ernst & Young LLP as its independent auditors and concerning the Company's corporate policies and procedures. The plaintiffs sought to represent a class of purchasers of the Company's common stock between November 17, 2014 and June 20, 2019. The complaint sought, among other things, unspecified compensatory damages, including interest, and attorneys' fees and costs. On September 4, 2020, the Company filed a motion to dismiss the complaint, and on June 1, 2021, the court issued a ruling that granted in part and denied in part the motion to dismiss. The Company filed its answer to the complaint on July 15, 2021. On September 9, 2022, the parties signed a settlement agreement including a proposed settlement amount of \$12.5 million, and on September 14, 2022, the Court issued an order preliminarily approving such settlement. The settlement was funded by the Company's insurance carriers. In the third quarter of 2022, the Company recorded a liability of \$12.5 million in Other current liabilities and a corresponding \$12.5 million insurance receivable in Other receivables on the Condensed Consolidated Balance Sheets. On October 14, 2022, the Company's insurance carriers funded the \$12.5 million settlement via an escrow account established on behalf of the settlement class. On January 20, 2023, the Court certified a settlement class and issued an order granting final approval of the settlement. Accordingly, in the first quarter of 2023, the Company reversed the \$12.5 million in Other current liabilities and the corresponding insurance receivable in Other receivables on the Condensed Consolidated Balance Sheets that was recorded in the third quarter of 2022.

### ***Environmental Matters***

We are subject to loss contingencies resulting from environmental laws and regulations, and we accrue for anticipated costs associated with investigatory and remediation efforts when an assessment has indicated that a loss is probable and can be

reasonably estimated. These accruals are not reduced by potential insurance recoveries, if any. We do not believe that it is reasonably possible that our liability in excess of the amounts that we have accrued for environmental matters will be material to our Condensed Consolidated Balance Sheets or Statements of Operations. Environmental liabilities are reassessed whenever circumstances become better defined or remediation efforts and their costs can be better estimated.

We evaluate these liabilities periodically based on available information, including the progress of remedial investigations at each site, the current status of discussions with regulatory authorities regarding the methods and extent of remediation and the apportionment of costs among potentially responsible parties. As some of these issues are decided (the outcomes of which are subject to uncertainties) or new sites are assessed and costs can be reasonably estimated, we adjust the recorded accruals, as necessary. We believe that these exposures are not material to our Condensed Consolidated Balance Sheets or Statements of Operations. We believe that we have adequately reserved for all probable and estimable environmental exposures.

### ***Guarantees and Indemnification Obligations***

We are a party to many contracts containing guarantees and indemnification obligations. These contracts primarily consist of:

- indemnities in connection with the sale of businesses, primarily related to the sale of Diversey in 2017. Our indemnity obligations under the relevant agreements may be limited in terms of time, amount or scope. As it relates to certain income tax related liabilities, the relevant agreements may not provide any cap for such liabilities, and the period in which we would be liable would lapse upon expiration of the statute of limitation for assessment of the underlying taxes. Because of the conditional nature of these obligations and the unique facts and circumstances involved in each particular agreement, we are unable to reasonably estimate the potential maximum exposure associated with these items;
- product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products will conform to specifications. We generally do not establish a liability for product warranty based on a percentage of sales or other formula. We accrue a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and annual expense related to product warranties are immaterial to our consolidated financial position and results of operations; and
- licenses of intellectual property by us to third parties in which we have agreed to indemnify the licensee against third-party infringement claims.

As of September 30, 2023, the Company has no reason to believe a loss exceeding amounts already recognized would be incurred.

### ***Other Matters***

We are also involved in various other legal actions incidental to our business. We believe, after consulting with counsel, that the disposition of these other legal proceedings and matters will not have a material effect on our consolidated financial condition or results of operations including potential impact to cash flows.

## **Note 19 Stockholders' Equity**

### ***Repurchase of Common Stock***

On August 2, 2021, the Board of Directors approved a new share repurchase program of \$1.0 billion. This current program has no expiration date and replaced all previous authorizations. It does not obligate us to repurchase any specified amount of shares and remains subject to the discretion of the Board of Directors. As of September 30, 2023, there was \$536.5 million remaining under the current authorized program. Share repurchases made prior to August 2, 2021 were under previous Board of Directors share repurchase authorizations, specifically the \$1.5 billion authorization made in July 2015, the \$1.5 billion authorization made in March 2017, and the \$1.0 billion authorization made in May 2018.

During the three months ended September 30, 2023, no shares were repurchased. During the nine months ended September 30, 2023, we repurchased 1,529,575 shares, for approximately \$79.8 million, at an average share price of \$52.20.

During the three and nine months ended September 30, 2022, we repurchased 614,190 and 4,527,887 shares, for approximately \$30.0 million and \$280.1 million, at an average share price of \$48.81 and \$61.86, respectively.

These repurchases were made under open market transactions, including through plans complying with Rule 10b5-1 of the Exchange Act, and pursuant to the share repurchase program previously authorized by our Board of Directors.

### **Dividends**

On February 22, 2023, our Board of Directors declared a quarterly cash dividend of \$0.20 per common share, or \$28.9 million, which was paid on March 24, 2023, to stockholders of record at the close of business on March 10, 2023.

On May 18, 2023, our Board of Directors declared a quarterly cash dividend of \$0.20 per common share, or \$28.9 million, which was paid on June 23, 2023, to stockholders of record at the close of business on June 9, 2023.

On August 24, 2023, our Board of Directors declared a quarterly cash dividend of \$0.20 per common share, or \$28.9 million, which was paid on September 22, 2023, to stockholders of record at the close of business on September 8, 2023.

On October 20, 2023, our Board of Directors declared a quarterly cash dividend of \$0.20 per common share, which will be paid on December 15, 2023, to stockholders of record at the close of business on December 1, 2023.

The dividends paid during the nine months ended September 30, 2023 were recorded as a reduction to Cash and cash equivalents and Retained earnings on our Condensed Consolidated Balance Sheets. Our senior secured credit facilities contain covenants that restrict our ability to declare or pay dividends. However, we do not believe these covenants are likely to materially limit the future payment of quarterly cash dividends on our common stock. From time to time, we may consider other means of returning value to our stockholders based on our Condensed Consolidated Statements of Operations. There is no guarantee that our Board of Directors will declare any future dividends.

### **Share-based Compensation**

In 2014, the Board of Directors adopted, and our stockholders approved, the 2014 Omnibus Incentive Plan (“Omnibus Incentive Plan”). Under the Omnibus Incentive Plan, the maximum number of shares of Common Stock authorized was 4,250,000, plus total shares available to be issued as of May 22, 2014 under the 2002 Directors Stock Plan and the 2005 Contingent Stock Plan (collectively, the “Predecessor Plans”). The Omnibus Incentive Plan replaced the Predecessor Plans and no further awards were granted under the Predecessor Plans. The Omnibus Incentive Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, performance share units known as PSU awards, other stock awards and cash awards to officers, non-employee directors, key employees, consultants and advisors.

In 2018, the Board of Directors adopted, and our shareholders approved, an amendment and restatement to the Omnibus Incentive Plan. The amendment added 2,199,114 shares of common stock to the share pool previously available under the Omnibus Incentive Plan.

Additionally, in 2021, the Board of Directors adopted, and our shareholders approved, an additional amendment and restatement to the Omnibus Incentive Plan. The amended plan added 2,999,054 shares of common stock to the share pool previously available under the Omnibus Incentive Plan.

We record share-based incentive compensation expense in Selling, general and administrative expenses and Cost of sales on our Condensed Consolidated Statements of Operations for both equity-classified and liability-classified awards. We record a corresponding credit to Additional paid-in capital within stockholders’ equity for equity-classified awards, and to either Other current liabilities or Other non-current liabilities for liability-classified awards based on the fair value of the share-based incentive compensation awards at the date of grant. Total expense for the liability-classified awards continues to be remeasured to fair value at the end of each reporting period. We recognize an expense or credit reflecting the straight-line recognition, net of estimated forfeitures, of the expected cost of the awards. The number of PSUs earned may equal, exceed, or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed, or not met.

The table below shows our total share-based incentive compensation expense:

| <i>(In millions)</i>  | <b>Three Months Ended<br/>September 30,</b> |                | <b>Nine Months Ended<br/>September 30,</b> |                |
|---|---|----------------|--|----------------|
|   | <b>2023</b>                                 | <b>2022</b>    | <b>2023</b>                                | <b>2022</b>    |
| <b>Total share-based incentive compensation expense<sup>(1)</sup></b> | <b>\$ 12.1</b>                              | <b>\$ 12.7</b> | <b>\$ 32.3</b>                             | <b>\$ 41.3</b> |

- <sup>(1)</sup> The amounts presented above do not include the expense related to our U.S. profit sharing contributions made in the form of our common stock. However, the amounts include the expense related to share-based awards that are settled in cash.

### Performance Share Units ("PSU") Awards

During the first 90 days of each year, the People and Compensation Committee (formerly the Organization and Compensation Committee, "P&C Committee") of our Board of Directors approves PSU awards for our executive officers and other selected employees, which include for each participant a target number of shares of common stock and the performance goals and measures that will determine the percentage of the target award that is earned following the end of the three-year performance period. Following the end of the performance period, in addition to shares earned, participants will also receive a cash payment in the amount of the dividends (without interest) that would have been paid during the performance period on the number of shares that they have earned. Each PSU is subject to forfeiture if the recipient terminates employment with the Company prior to the end of the three-year award performance period for any reason other than death, disability or retirement. In the event of death, disability or retirement, a participant will receive a prorated payment based on such participant's number of days of service during the award performance period, further adjusted based on the achievement of the performance goals during the award performance period. PSUs are classified as equity in the Condensed Consolidated Balance Sheets, with the exception of awards that are required by local laws or regulations to be settled in cash. These are classified as either Other current liabilities or Other non-current liabilities in the Condensed Consolidated Balance Sheets.

### 2023 Three-year PSU Awards

During the first quarter of 2023, the P&C Committee approved awards with a three-year performance period beginning January 1, 2023 and ending December 31, 2025 for executive officers and other selected employees. The P&C Committee established performance goals, which are (i) three-year cumulative average growth rate ("CAGR") of consolidated Adjusted EBITDA weighted at 50%, and (ii) Return on Invested Capital ("ROIC") weighted at 50%. Calculation of final achievement on each performance metric is subject to an upward or downward adjustment of up to 25% of the overall combined achievement percentage, based on the results of a relative total shareholder return ("TSR") modifier. The comparator group for the relative TSR modifier is S&P 500 component companies as of the beginning of the performance period. Shareholder return in the top quartile of the comparator group increases overall achievement of performance metrics by 25%, while shareholder return in the bottom quartile of the comparator group decreases overall achievement of the performance metrics by 25%. The total number of shares to be issued for these awards, including the modifier, can range from zero to 250% of the target number of shares.

The target number of PSUs granted and the grant date fair value of the PSUs are shown in the following table:

|                                     | Adjusted EBITDA<br>CAGR | ROIC     |
|-------------------------------------|-------------------------|----------|
| <i>February 21, 2023 grant date</i> |                         |          |
| Number of units granted             | 93,343                  | 93,343   |
| Fair value on grant date (per unit) | \$ 48.46                | \$ 48.46 |
| <i>March 1, 2023 grant date</i>     |                         |          |
| Number of units granted             | 22,963                  | 22,963   |
| Fair value on grant date (per unit) | \$ 49.05                | \$ 49.05 |

The assumptions used to calculate the grant date fair value of the PSUs are shown in the following table:

|                           | February 21, 2023<br>grant date | March 1, 2023<br>grant date |
|---------------------------|---------------------------------|-----------------------------|
| Expected price volatility | 32.9 %                          | 31.7 %                      |
| Risk-free interest rate   | 4.4 %                           | 4.6 %                       |

### 2023 Five-year ESG Awards

During the first quarter of 2023, the P&C Committee approved awards with a five-year performance period beginning January 1, 2023 and ending December 31, 2027 for certain of our executive officers. The P&C Committee established performance goals, which are aligned with the Company's environmental, social, and governance ("ESG") commitments. A total of 75% of the target awards are weighted towards sustainability goals, including increased recycled and/or renewable content offerings and reductions in greenhouse gas intensity. The remaining 25% of the target awards are weighted towards social goals, including global gender representation, and belonging and inclusion. Calculation of final achievement on the

awards is subject to upward adjustments in the event that (i) specified levels of SEE Automation and prismiq™ sales are realized and/or (ii) the target performance level for all goals is met. The total number of shares to be issued for these awards can range from zero to 187.5% of the target number of shares, inclusive of upward adjustments.

During the second quarter of 2023, ESG awards were granted to one additional executive officer. The performance period and performance goals are identical to those described above.

For the three and nine months ended September 30, 2023, we recognized share-based compensation expense associated with the ESG awards of \$1.1 million and \$3.3 million, respectively. This expense is included within Cost of sales and Selling, general and administrative expenses on our Condensed Consolidated Statements of Operations.

The target number of PSUs granted and the grant date fair value of the PSUs are shown in the following table:

|                                     | <b>Environmental Goals</b> | <b>Social Goals</b> |
|-------------------------------------|----------------------------|---------------------|
| <i>February 21, 2023 grant date</i> |                            |                     |
| Number of units granted             | 204,172                    | 78,528              |
| Fair value on grant date (per unit) | \$ 48.55                   | \$ 48.55            |
| <i>April 18, 2023 grant date</i>    |                            |                     |
| Number of units granted             | 20,811                     | 8,005               |
| Fair value on grant date (per unit) | \$ 46.85                   | \$ 46.85            |

#### 2020 Three-year PSU Awards

In February 2023, the P&C Committee reviewed the performance results for the 2020-2022 PSUs. Performance goals for these PSUs were based on Adjusted EBITDA CAGR, ROIC, and the Company's TSR ranking relative to a group of peer companies. Based on overall performance for 2020-2022 PSUs, these awards paid out at 172.4% of target or 457,461 units. Of this, 183,654 units were withheld to cover employee tax withholding and 914 units were designated as cash-settled awards, resulting in net share issuances of 272,893.



## Note 20 Accumulated Other Comprehensive Loss

The following table provides details of comprehensive income (loss) for the nine months ended September 30, 2023 and 2022:

| <i>(In millions)</i>   | Unrecognized<br>Pension Items | Cumulative<br>Translation<br>Adjustment <sup>(1)</sup> | Unrecognized<br>(Losses) Gains on<br>Derivative<br>Instruments for<br>net investment<br>hedge | Unrecognized<br>Gains on<br>Derivative<br>Instruments<br>for cash flow hedge | Accumulated Other<br>Comprehensive<br>Loss, Net of<br>Taxes |
|--|-------------------------------|--|---|--|---|
| Balance at December 31, 2022   | \$ (126.3)                    | \$ (837.5)   | \$ (18.3)   | \$ 3.3   | \$ (978.8)  |
| Other comprehensive income (loss) before reclassifications           | 0.4                           | (16.8)   | (6.7)   | 0.8  | (22.3)  |
| Less: amounts reclassified from accumulated other comprehensive loss | 2.7                           | —  | —   | (2.1)  | 0.6   |
| Net current period other comprehensive income (loss)                 | 3.1                           | (16.8)   | (6.7)   | (1.3)  | (21.7)  |
| <b>Balance at September 30, 2023</b>                                 | <b>\$ (123.2)</b>             | <b>\$ (854.3)</b>                                      | <b>\$ (25.0)</b>  | <b>\$ 2.0</b>  | <b>\$ (1,000.5)</b>   |
| Balance at December 31, 2021   | \$ (137.5)                    | \$ (760.5)   | \$ (38.3)   | \$ 2.4   | \$ (933.9)  |
| Other comprehensive income (loss) before reclassifications           | —                             | (149.0)  | 45.4  | 10.8   | (92.8)  |
| Less: amounts reclassified from accumulated other comprehensive loss | 3.0                           | —  | —   | (5.8)  | (2.8)   |
| Net current period other comprehensive income (loss)                 | 3.0                           | (149.0)  | 45.4  | 5.0  | (95.6)  |
| <b>Balance at September 30, 2022</b>                                 | <b>\$ (134.5)</b>             | <b>\$ (909.5)</b>                                      | <b>\$ 7.1</b>   | <b>\$ 7.4</b>  | <b>\$ (1,029.5)</b>   |

<sup>(1)</sup> Includes gains and losses on intra-entity foreign currency transactions. The intra-entity currency translation adjustment was \$3.2 million and \$55.4 million for the nine months ended September 30, 2023 and 2022, respectively.

The following table provides detail of amounts reclassified from AOCL:

| <i>(In millions)</i>  | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |               | Location of Amount<br>Reclassified from AOCL |
|---|-------------------------------------|---------------|------------------------------------|---------------|--|
|   | 2023                                | 2022          | 2023                               | 2022          |  |
| Defined benefit pension plans and other post-employment benefits: |                                     |               |                                    |               |  |
| Net settlement (cost) credit                                      | \$ —                                | \$ —          | \$ (0.1)                           | \$ 0.1        |  |
| Prior service cost  | —                                   | (0.1)         | —                                  | —             |  |
| Actuarial losses  | (1.2)                               | (1.4)         | (3.5)                              | (4.1)         |  |
| Total pre-tax amount  | (1.2)                               | (1.5)         | (3.6)                              | (4.0)         | Other expense, net                           |
| Tax benefit   | 0.3                                 | 0.4           | 0.9                                | 1.0           |  |
| Net of tax  | (0.9)                               | (1.1)         | (2.7)                              | (3.0)         |  |
| Net gains on cash flow hedging derivatives: <sup>(1)</sup>        |                                     |               |                                    |               |  |
| Foreign currency forward contracts                                | 1.0                                 | 3.1           | 2.9                                | 7.4           | Cost of sales                                |
| Treasury locks  | —                                   | —             | 0.1                                | 0.1           | Interest expense, net                        |
| Total pre-tax amount  | 1.0                                 | 3.1           | 3.0                                | 7.5           |  |
| Tax expense   | (0.3)                               | (0.8)         | (0.9)                              | (1.7)         |  |
| Net of tax  | 0.7                                 | 2.3           | 2.1                                | 5.8           |  |
| <b>Total reclassifications for the period</b>                     | <b>\$ (0.2)</b>                     | <b>\$ 1.2</b> | <b>\$ (0.6)</b>                    | <b>\$ 2.8</b> |  |

<sup>(1)</sup> These accumulated other comprehensive components are included in our derivative and hedging activities. See Note 14, "Derivatives and Hedging Activities," for additional details.

## Note 21 Other Expense, net

The following table provides details of Other expense, net:

| <i>(In millions)</i>  | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                  |
|---|-------------------------------------|-----------------|------------------------------------|------------------|
|   | 2023                                | 2022            | 2023                               | 2022             |
| Net foreign exchange transaction loss                               | \$ (1.3)                            | \$ (0.2)        | \$ (9.8)                           | \$ (0.9)         |
| Bank fee expense  | (1.2)                               | (1.4)           | (4.0)                              | (4.0)            |
| Pension (cost) income other than service costs                      | (2.2)                               | 0.7             | (6.2)                              | 3.3              |
| Fair value impairment loss on equity investments <sup>(1)</sup>     | —                                   | —               | —                                  | (31.6)           |
| Foreign currency exchange loss due to highly inflationary economies | (4.9)                               | (2.2)           | (10.6)                             | (5.9)            |
| Loss on debt redemption and refinancing activities                  | —                                   | —               | (4.9)                              | (11.2)           |
| Other income  | 2.0                                 | 1.6             | 7.5                                | 8.0              |
| Other expense   | (2.0)                               | (1.6)           | (5.0)                              | (5.1)            |
| <b>Other expense, net</b>   | <b>\$ (9.6)</b>                     | <b>\$ (3.1)</b> | <b>\$ (33.0)</b>                   | <b>\$ (47.4)</b> |

<sup>(1)</sup> See Note 15, "Fair Value Measurements, Equity Investments and Other Financial Instruments," for further details.

## Note 22 Net Earnings Per Common Share

The following table shows the calculation of basic and diluted net earnings per common share:

| <i>(In millions, except per share amounts)</i>   | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                 |
|--|-------------------------------------|-----------------|------------------------------------|-----------------|
|  | 2023                                | 2022            | 2023                               | 2022            |
| <b>Basic Net Earnings Per Common Share:</b>  |                                     |                 |                                    |                 |
| Numerator:   |                                     |                 |                                    |                 |
| Net earnings   | \$ 56.6                             | \$ 134.2        | \$ 217.6                           | \$ 397.3        |
| Distributed and allocated undistributed net earnings to unvested restricted stockholders   | —                                   | —               | —                                  | —               |
| <b>Net earnings available to common stockholders</b>                                       | <b>\$ 56.6</b>                      | <b>\$ 134.2</b> | <b>\$ 217.6</b>                    | <b>\$ 397.3</b> |
| Denominator:   |                                     |                 |                                    |                 |
| Weighted average number of common shares outstanding - basic                               | 144.5                               | 145.2           | 144.3                              | 146.3           |
| Basic net earnings per common share:   |                                     |                 |                                    |                 |
| <b>Basic net earnings per common share</b>   | <b>\$ 0.39</b>                      | <b>\$ 0.92</b>  | <b>\$ 1.51</b>                     | <b>\$ 2.72</b>  |
| <b>Diluted Net Earnings Per Common Share:</b>  |                                     |                 |                                    |                 |
| Numerator:   |                                     |                 |                                    |                 |
| <b>Net earnings available to common stockholders</b>                                       | <b>\$ 56.6</b>                      | <b>\$ 134.2</b> | <b>\$ 217.6</b>                    | <b>\$ 397.3</b> |
| Denominator:   |                                     |                 |                                    |                 |
| Weighted average number of common shares outstanding - basic                               | 144.5                               | 145.2           | 144.3                              | 146.3           |
| Effect of dilutive stock shares and units  | 0.4                                 | 1.4             | 0.5                                | 1.5             |
| <b>Weighted average number of common shares outstanding - diluted under treasury stock</b> | <b>144.9</b>                        | <b>146.6</b>    | <b>144.8</b>                       | <b>147.8</b>    |
| <b>Diluted net earnings per common share</b>   | <b>\$ 0.39</b>                      | <b>\$ 0.92</b>  | <b>\$ 1.50</b>                     | <b>\$ 2.69</b>  |

## Note 23 Subsequent Events

### Leadership Transition

On October 23, 2023, SEE announced that the Board of Directors and Edward L. Doheny II mutually agreed to transition leadership. Mr. Doheny stepped down as President and Chief Executive Officer and as a member of the Board of Directors,

effective immediately. The Company also announced the appointments of Emile Chammas, Senior Vice President and Chief Operating Officer, and Dustin Semach, Chief Financial Officer, as Interim Co-Presidents and Co-Chief Executive Officers upon Mr. Doheny's departure, in addition to their previous roles.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

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The information in our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read together with our Condensed Consolidated Financial Statements and related notes set forth in Item 1 of Part I of this Quarterly Report on Form 10-Q, our MD&A set forth in Item 7 of Part II of our 2022 Form 10-K and our Consolidated Financial Statements and related notes set forth in Item 8 of Part II of our 2022 Form 10-K. See “Cautionary Notice Regarding Forward-Looking Statements” above, and the information referenced therein, for a description of risks that we face and important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. All amounts and percentages are approximate due to rounding and all dollars are in millions, except per share amounts or where otherwise noted. When we cross-reference to a “Note,” we are referring to our “Notes to Condensed Consolidated Financial Statements,” unless the context indicates otherwise.

### **Recent Events and Trends**

#### **Market Pressures**

The Company has experienced softness in our end markets through the first nine months of 2023. We expect these market pressures to remain throughout the fourth quarter of 2023. In Food, we have seen declines in the food retail market and Protective has continued to be impacted from market pressures and destocking in the industrial and fulfillment sectors.

#### **Non-U.S. GAAP Information**

We present financial information that conforms to U.S. GAAP. We also present financial information that does not conform to U.S. GAAP, as our management believes it is useful to investors. In addition, non-U.S. GAAP financial 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. Non-U.S. GAAP financial measures also provide management with additional means to understand and evaluate the core operating results and trends in our ongoing business by eliminating certain expenses and/or gains (which may not occur in each period presented) and other items that management believes might otherwise make comparisons of our ongoing business with prior periods and peers more difficult, obscure trends in ongoing operations or reduce management’s ability to make useful forecasts. Non-U.S. GAAP information does not purport to represent any similarly titled U.S. GAAP information and is not an indicator of our performance under U.S. GAAP. Investors are cautioned against placing undue reliance on these non-U.S. GAAP financial measures. Further, investors are urged to review and consider carefully the adjustments made by management to the most directly comparable U.S. GAAP financial measure to arrive at these non-U.S. GAAP financial measures, described below.

The non-U.S. GAAP financial metrics exclude certain specified items (“Special Items”), including restructuring charges and restructuring associated costs, amortization of intangible assets and inventory step-up expense related to the acquisition of Liquibox, adjustments in the valuation of our “SEE Ventures” portfolio (which may include debt, equity method or equity investments), and other charges related to acquisitions and divestitures, gains and losses related to acquisitions and divestitures, special tax items or tax benefits (collectively, “Tax Special Items”) and certain other items. We evaluate unusual or Special Items on an individual basis. Our evaluation of whether to exclude an unusual or special item for purposes of determining our non-U.S. GAAP financial measures considers both the quantitative and qualitative aspects of the item, including among other things (i) its nature, (ii) whether or not it relates to our ongoing business operations, and (iii) whether or not we expect it to occur as part of our normal business on a regular basis. Beginning in 2023, the Company is now including adjustments for amortization-related expense related to the Liquibox acquired intangibles. The change will be prospective and will not impact previously presented results. This change was made to better align the Company’s definitions of Special Items with those of its peers, to better reflect the Company’s operating performance, and to increase the usefulness of such measures for our stakeholders.

When we present non-U.S. GAAP forward-looking guidance, we do not also provide 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 gains and losses on the disposition of businesses, the ultimate outcome of certain legal or tax proceedings, foreign currency gains or losses resulting from the volatile currency market in Argentina, 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.

### Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is defined as Earnings before Interest Expense, Taxes, Depreciation and Amortization, adjusted to exclude the impact of Special Items. Management uses Adjusted EBITDA as one of many measures to assess the performance of the business. Additionally, Adjusted EBITDA is the performance metric used by the Company's chief operating decision maker to evaluate performance of our reportable segments. Adjusted EBITDA is also a metric used to determine performance in the Company's Annual Incentive Plan. We do not believe there are estimates underlying the calculation of Adjusted EBITDA, other than those inherent in our U.S. GAAP results of operations, which would render the use and presentation of Adjusted EBITDA misleading. While the nature and amount of individual Special Items vary from period to period, we believe our calculation of Adjusted EBITDA is applied consistently to all periods and, in conjunction with other U.S. GAAP and non-U.S. GAAP financial measures, Adjusted EBITDA provides a useful and consistent comparison of our Company's performance to other periods.

The following table shows a reconciliation of U.S. GAAP Net Earnings from continuing operations to non-U.S. GAAP Consolidated Adjusted EBITDA from continuing operations:

| (In millions)  | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                 |
|--|-------------------------------------|-----------------|------------------------------------|-----------------|
|  | 2023                                | 2022            | 2023                               | 2022            |
| <b>Net earnings from continuing operations</b>                               | \$ 57.6                             | \$ 132.6        | \$ 214.4                           | \$ 396.6        |
| Interest expense, net  | 70.1                                | 40.9            | 196.6                              | 119.3           |
| Income tax provision   | 20.3                                | 51.4            | 99.4                               | 153.5           |
| Depreciation and amortization, net of adjustments <sup>(1)</sup>             | 64.6                                | 59.4            | 187.1                              | 179.0           |
| <b>Special Items:</b>  |                                     |                 |                                    |                 |
| Liquibox intangible amortization <sup>(2)</sup>                              | 7.4                                 | —               | 19.9                               | —               |
| Liquibox inventory step-up expense   | —                                   | —               | 10.8                               | —               |
| Restructuring charges  | 9.8                                 | 0.6             | 9.2                                | 4.6             |
| Other restructuring associated costs <sup>(3)</sup>                          | 34.6                                | 1.6             | 34.5                               | 8.5             |
| Foreign currency exchange loss due to highly inflationary economies          | 4.9                                 | 2.2             | 10.6                               | 5.9             |
| Loss on debt redemption and refinancing activities                           | —                                   | —               | 4.9                                | 11.2            |
| Impairment loss on equity investments  | —                                   | —               | —                                  | 31.6            |
| Contract terminations <sup>(4)</sup>   | 15.3                                | —               | 15.3                               | —               |
| Charges related to acquisition and divestiture activity                      | 2.8                                 | 0.3             | 24.5                               | (0.8)           |
| Other Special Items <sup>(5)</sup>   | (2.7)                               | 3.6             | 5.1                                | 3.6             |
| Pre-tax impact of Special Items  | 72.1                                | 8.3             | 134.8                              | 64.6            |
| <b>Non-U.S. GAAP Consolidated Adjusted EBITDA from continuing operations</b> | <b>\$ 284.7</b>                     | <b>\$ 292.6</b> | <b>\$ 832.3</b>                    | <b>\$ 913.0</b> |

<sup>(1)</sup> Includes depreciation and amortization adjustments of \$7.4 million and \$19.9 million for the three and nine months ended September 30, 2023, respectively.

<sup>(2)</sup> Beginning in 2023, the Company redefined Special Items to include amortization of the Liquibox acquired intangibles. The change is prospective and only applies to the amortization of Liquibox acquired intangibles.

<sup>(3)</sup> Other restructuring associated costs for the three and nine months ended September 30, 2023 primarily consists of impairment of property and equipment and inventory obsolescence charges related to business closure activity.

<sup>(4)</sup> Contract terminations for the three and nine months ended September 30, 2023 primarily relates to charges associated with business closure activity.

<sup>(5)</sup> Other Special Items for the three months ended September 30, 2023 primarily relate to a gain associated with a legal settlement. Other Special Items for the nine months ended September 30, 2023 primarily relate to a one-time, non-cash cumulative translation adjustment loss recognized due to the wind-up of one of our legal entities, partially offset by a gain associated with a legal settlement. Other Special Items for the three and nine months ended September 30, 2022 relate to fees paid for professional services, including legal fees, directly associated with Special Items of events that are considered

one-time or infrequent in nature. For the nine months ended September 30, 2022, the professional fees are offset primarily due to a one-time gain on the disposal of land in the UK.

The Company may also assess performance using Adjusted EBITDA Margin. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by net sales. We believe that Adjusted EBITDA Margin is a useful measure to assess the profitability of sales made to third parties and the efficiency of our core operations.

#### *Adjusted Net Earnings and Adjusted Earnings Per Share*

Adjusted Net Earnings and Adjusted Earnings Per Share (“Adjusted EPS”) are also used by the Company to measure total company performance. Adjusted Net Earnings is defined as U.S. GAAP net earnings from continuing operations excluding the impact of Special Items. Adjusted EPS is defined as our Adjusted Net Earnings divided by the number of diluted shares outstanding. We believe that Adjusted Net Earnings and Adjusted EPS are useful measurements of Company performance, along with other U.S. GAAP and non-U.S. GAAP financial measures, because they incorporate non-cash items of depreciation and amortization, including share-based compensation, which impact the overall performance and net earnings of our business. Additionally, Adjusted Net Earnings and Adjusted EPS reflect the impact of our Adjusted Tax Rate and interest expense on a net and per share basis. While the nature and amount of individual Special Items vary from period to period, we believe our calculation of Adjusted Net Earnings and Adjusted EPS is applied consistently to all periods and, in conjunction with other U.S. GAAP and non-U.S. GAAP financial measures, Adjusted Net Earnings and Adjusted EPS provide a useful and consistent comparison of our Company's performance to other periods.

The following table shows a reconciliation of U.S. GAAP Net Earnings and Diluted Earnings per Share from continuing operations to non-U.S. GAAP Adjusted Net Earnings and Adjusted EPS from continuing operations.

|  | Three Months Ended September 30, |                |                 |                | Nine Months Ended September 30, |                |                 |                |
|--|----------------------------------|----------------|-----------------|----------------|---------------------------------|----------------|-----------------|----------------|
|  | 2023                             |                | 2022            |                | 2023                            |                | 2022            |                |
|  | Net Earnings                     | Diluted EPS    | Net Earnings    | Diluted EPS    | Net Earnings                    | Diluted EPS    | Net Earnings    | Diluted EPS    |
| <i>(In millions, except per share data)</i>  |                                  |                |                 |                |                                 |                |                 |                |
| <b>U.S. GAAP Net earnings and diluted EPS from continuing operations</b>                       | \$ 57.6                          | \$ 0.40        | \$ 132.6        | \$ 0.91        | \$ 214.4                        | \$ 1.48        | \$ 396.6        | \$ 2.68        |
| Special Items <sup>(1)</sup>   | 53.9                             | 0.37           | 10.4            | 0.07           | 119.5                           | 0.83           | 63.3            | 0.43           |
| <b>Non-U.S. GAAP Adjusted net earnings and adjusted diluted EPS from continuing operations</b> | <u>\$ 111.5</u>                  | <u>\$ 0.77</u> | <u>\$ 143.0</u> | <u>\$ 0.98</u> | <u>\$ 333.9</u>                 | <u>\$ 2.31</u> | <u>\$ 459.9</u> | <u>\$ 3.11</u> |
| <b>Weighted average number of common shares outstanding - Diluted</b>                          |                                  | <u>144.9</u>   |                 | <u>146.6</u>   |                                 | <u>144.8</u>   |                 | <u>147.8</u>   |

<sup>(1)</sup> Includes pre-tax Special Items, plus/less Tax Special Items and the tax impact of Special Items as seen in the following calculation of non-U.S. GAAP Adjusted income tax rate.

#### *Adjusted Tax Rate*

We also present our adjusted income tax rate (“Adjusted Tax Rate”). The Adjusted Tax Rate is a measure of our U.S. GAAP effective tax rate, adjusted to exclude the tax impact from the Special Items that are excluded from our Adjusted Net Earnings and Adjusted EPS metrics as well as expense or benefit from any special taxes or Tax Special Items. The Adjusted Tax Rate is an indicator of the taxes on our core business. The tax circumstances and effective tax rate in the specific countries where the Special Items occur will determine the impact (positive or negative) to the Adjusted Tax Rate. While the nature and amount of Tax Special Items vary from period to period, we believe our calculation of the Adjusted Tax Rate is applied consistently to all periods and, in conjunction with our U.S. GAAP effective income tax rate, the Adjusted Tax Rate provides a useful and consistent comparison of the impact that tax expense has on our Company's performance.

The following table shows our calculation of the non-U.S. GAAP Adjusted income tax rate:

| <i>(In millions)</i>  | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                 |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
|   | 2023                                | 2022            | 2023                               | 2022            |
| U.S. GAAP Earnings before income tax provision from continuing operations                     | \$ 77.9                             | \$ 184.0        | \$ 313.8                           | \$ 550.1        |
| Pre-tax impact of Special Items   | 72.1                                | 8.3             | 134.8                              | 64.6            |
| <b>Non-U.S. GAAP Adjusted Earnings before income tax provision from continuing operations</b> | <b>\$ 150.0</b>                     | <b>\$ 192.3</b> | <b>\$ 448.6</b>                    | <b>\$ 614.7</b> |
| U.S. GAAP Income tax provision from continuing operations                                     | \$ 20.3                             | \$ 51.4         | \$ 99.4                            | \$ 153.5        |
| Tax Special Items <sup>(1)</sup>  | 1.4                                 | (3.6)           | (10.6)                             | (13.4)          |
| Tax impact of Special Items <sup>(2)</sup>  | 16.8                                | 1.5             | 25.9                               | 14.7            |
| <b>Non-U.S. GAAP Adjusted Income tax provision from continuing operations</b>                 | <b>\$ 38.5</b>                      | <b>\$ 49.3</b>  | <b>\$ 114.7</b>                    | <b>\$ 154.8</b> |
| U.S. GAAP Effective income tax rate   | 26.1 %                              | 27.9 %          | 31.7 %                             | 27.9 %          |
| Non-U.S. GAAP Adjusted income tax rate  | 25.7 %                              | 25.6 %          | 25.6 %                             | 25.2 %          |

<sup>(1)</sup> For the three and nine months ended September 30, 2023, Tax Special Items reflect accruals for uncertain tax positions and utilization of excess foreign tax credits. For the three months ended September 30, 2022, Tax Special Items reflect accruals for uncertain tax positions. For the nine months ended September 30, 2022, Tax Special Items reflect accruals for uncertain tax positions and nonrecurring intercompany dividend distributions.

<sup>(2)</sup> The tax rate used to calculate the tax impact of Special Items is based on the jurisdiction in which the item was recorded.

#### *Organic and Constant Dollar Measures*

In our “Net Sales by Geographic Region,” “Net Sales by Segment,” and in some of the discussions and tables that follow, we exclude the impact of foreign currency translation when presenting net sales information, which we define as “constant dollar”, and we exclude acquisitions in the first year after closing, divestiture activity from the time of sale, and the impact of foreign currency translation when presenting net sales information, which we define as “organic.” Changes in net sales excluding the impact of foreign currency translation and/or acquisition and divestiture activity are non-U.S. GAAP financial measures. As a worldwide business, 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 analyzes our financial results including performance metrics such as sales, cost of sales or selling, general and administrative expense, to measure the core performance of our business, we may 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 investors.

Refer to these specific tables presented later in our MD&A for reconciliations of these non-U.S. GAAP financial measures to their most directly comparable U.S. GAAP measures.

#### *Free Cash Flow*

In addition to net cash provided by operating activities, we use free cash flow as a useful measure of performance and an indication of the strength and ability of our operations to generate cash. We define free cash flow as cash provided by operating activities less capital expenditures (which is classified as an investing activity). Free cash flow is not defined under U.S. GAAP. Therefore, free cash flow should not be considered a substitute for net income or cash flow data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. Free cash flow does not represent residual cash available for discretionary expenditures, as certain debt servicing requirements or other non-discretionary expenditures are not deducted from this measure.

Refer to the specific tables presented later in our MD&A under *Analysis of Historical Cash Flow* for reconciliations of this non-U.S. GAAP financial measure to its most directly comparable U.S. GAAP measure.

### Net Debt

In addition to total debt, we use Net Debt, which we define as total debt less cash and cash equivalents, as a useful measure of our total debt exposure. Net Debt is not defined under U.S. GAAP. Therefore, Net Debt should not be considered a substitute for amounts owed to creditors or other balance sheet information prepared in accordance with U.S. GAAP, and it may not be comparable to similarly titled measures used by other companies.

Refer to the specific table presented later in our MD&A under *Outstanding Indebtedness* for reconciliation of this non-U.S. GAAP financial measure to its most directly comparable U.S. GAAP measure.

## Highlights of Financial Performance

Below are the highlights of our financial performance for the three and nine months ended September 30, 2023 and 2022:

| (In millions, except per share amounts)   | Three Months Ended<br>September 30, |                 | %<br>Change    | Nine Months Ended<br>September 30, |                 | %<br>Change    |
|---|-------------------------------------|-----------------|----------------|------------------------------------|-----------------|----------------|
|   | 2023                                | 2022            |                | 2023                               | 2022            |                |
| Net sales   | \$ 1,381.8                          | \$ 1,400.4      | (1.3)%         | \$ 4,111.4                         | \$ 4,236.0      | (2.9)%         |
| Gross profit  | \$ 413.3                            | \$ 433.6        | (4.7)%         | \$ 1,236.4                         | \$ 1,348.9      | (8.3)%         |
| As a % of net sales   | 29.9 %                              | 31.0 %          |                | 30.1 %                             | 31.8 %          |                |
| Operating profit  | \$ 157.6                            | \$ 228.0        | (30.9)%        | \$ 543.4                           | \$ 716.8        | (24.2)%        |
| As a % of net sales   | 11.4 %                              | 16.3 %          |                | 13.2 %                             | 16.9 %          |                |
| Net earnings from continuing operations   | \$ 57.6                             | \$ 132.6        | (56.6)%        | \$ 214.4                           | \$ 396.6        | (45.9)%        |
| (Loss) Gain on sale of discontinued operations,<br>net of tax                           | (1.0)                               | 1.6             | #              | 3.2                                | 0.7             | #              |
| <b>Net earnings</b>   | <b>\$ 56.6</b>                      | <b>\$ 134.2</b> | <b>(57.8)%</b> | <b>\$ 217.6</b>                    | <b>\$ 397.3</b> | <b>(45.2)%</b> |
| Basic:  |                                     |                 |                |                                    |                 |                |
| Continuing operations   | \$ 0.40                             | \$ 0.91         | (56.0)%        | \$ 1.49                            | \$ 2.71         | (45.0)%        |
| Discontinued operations   | (0.01)                              | 0.01            | #              | 0.02                               | 0.01            | #              |
| <b>Net earnings per common share - basic</b>  | <b>\$ 0.39</b>                      | <b>\$ 0.92</b>  | <b>(57.6)%</b> | <b>\$ 1.51</b>                     | <b>\$ 2.72</b>  | <b>(44.5)%</b> |
| Diluted:  |                                     |                 |                |                                    |                 |                |
| Continuing operations   | \$ 0.40                             | \$ 0.91         | (56.0)%        | \$ 1.48                            | \$ 2.68         | (44.8)%        |
| Discontinued operations   | (0.01)                              | 0.01            | #              | 0.02                               | 0.01            | #              |
| <b>Net earnings per common share - diluted</b>  | <b>\$ 0.39</b>                      | <b>\$ 0.92</b>  | <b>(57.6)%</b> | <b>\$ 1.50</b>                     | <b>\$ 2.69</b>  | <b>(44.2)%</b> |
| Weighted average number of common shares<br>outstanding:                                |                                     |                 |                |                                    |                 |                |
| Basic   | 144.5                               | 145.2           |                | 144.3                              | 146.3           |                |
| Diluted   | 144.9                               | 146.6           |                | 144.8                              | 147.8           |                |
| Non-U.S. GAAP Consolidated Adjusted<br>EBITDA from continuing operations <sup>(1)</sup> | \$ 284.7                            | \$ 292.6        | (2.7)%         | \$ 832.3                           | \$ 913.0        | (8.8)%         |
| Non-U.S. GAAP Adjusted EPS from continuing<br>operations <sup>(2)</sup>                 | \$ 0.77                             | \$ 0.98         | (21.4)%        | \$ 2.31                            | \$ 3.11         | (25.7)%        |

# Denotes where percentage change is not meaningful.

<sup>(1)</sup> See "Non-U.S. GAAP Information" for a reconciliation of U.S. GAAP Net earnings from continuing operations to non-U.S. GAAP Consolidated Adjusted EBITDA from continuing operations.

<sup>(2)</sup> See "Non-U.S. GAAP Information" for a reconciliation of U.S. GAAP Net earnings and diluted earnings per share from continuing operations to non-U.S. GAAP Adjusted Net Earnings and Adjusted EPS from continuing operations.



## Foreign Currency Translation Impact on Condensed Consolidated Financial Results

Since we are a U.S. domiciled company, we translate our foreign currency-denominated financial results into U.S. dollars. Due to the 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. Historically, the most significant currencies that have impacted the translation of our condensed consolidated financial results are the euro, the Australian dollar, the Mexican peso, the Canadian dollar, the British pound, the Chinese Renminbi, the Brazilian real and the New Zealand dollar.

The following table presents the approximate favorable or (unfavorable) impact that foreign currency translation had on certain components of our condensed consolidated financial results:

| <i>(In millions)</i>                         | <b>Three Months Ended<br/>September 30, 2023</b> | <b>Nine Months Ended<br/>September 30, 2023</b> |
|--|--|---|
| Net sales                                    | \$ (14.2)  | \$ (76.5)                                       |
| Cost of sales                                | 12.7   | 60.9  |
| Selling, general and administrative expenses | (0.8)  | 4.3   |
| Net earnings                                 | 6.9  | 6.8   |
| Non-U.S. GAAP Adjusted EBITDA                | 9.6  | 8.1   |

## Net Sales by Geographic Region

The following table presents the components of the change in net sales by geographic region for the three and nine months ended September 30, 2023 compared with 2022.

| <i>(In millions)</i>                         | Three Months Ended September 30, |                |                 |              |                 |                |                   |                |
|--|----------------------------------|----------------|-----------------|--------------|-----------------|----------------|-------------------|----------------|
|  | Americas                         |                | EMEA            |              | APAC            |                | Total             |                |
| 2022 Net sales                               | \$ 930.4                         | 66.4 %         | \$ 276.0        | 19.7 %       | \$ 194.0        | 13.9 %         | \$ 1,400.4        | 100.0 %        |
| Price  | (14.3)                           | (1.5) %        | 5.1             | 1.8 %        | 4.9             | 2.5 %          | (4.3)             | (0.3) %        |
| Volume <sup>(1)</sup>                        | (53.0)                           | (5.7) %        | (16.9)          | (6.1) %      | (12.3)          | (6.3) %        | (82.2)            | (5.9) %        |
| Total organic change (non-U.S. GAAP)         | (67.3)                           | (7.2) %        | (11.8)          | (4.3) %      | (7.4)           | (3.8) %        | (86.5)            | (6.2) %        |
| Acquisition                                  | 60.8                             | 6.5 %          | 13.9            | 5.1 %        | 7.4             | 3.8 %          | 82.1              | 5.9 %          |
| Total constant dollar change (non-U.S. GAAP) | (6.5)                            | (0.7) %        | 2.1             | 0.8 %        | —               | — %            | (4.4)             | (0.3) %        |
| Foreign currency translation                 | (15.9)                           | (1.7) %        | 7.3             | 2.6 %        | (5.6)           | (2.9) %        | (14.2)            | (1.0) %        |
| <b>Total change (U.S. GAAP)</b>              | <b>(22.4)</b>                    | <b>(2.4) %</b> | <b>9.4</b>      | <b>3.4 %</b> | <b>(5.6)</b>    | <b>(2.9) %</b> | <b>(18.6)</b>     | <b>(1.3) %</b> |
| <b>2023 Net sales</b>                        | <b>\$ 908.0</b>                  | 65.7 %         | <b>\$ 285.4</b> | 20.7 %       | <b>\$ 188.4</b> | 13.6 %         | <b>\$ 1,381.8</b> | 100.0 %        |

| <i>(In millions)</i>                         | Nine Months Ended September 30, |                |                 |              |                 |                |                   |                |
|--|---------------------------------|----------------|-----------------|--------------|-----------------|----------------|-------------------|----------------|
|  | Americas                        |                | EMEA            |              | APAC            |                | Total             |                |
| 2022 Net Sales                               | \$ 2,808.7                      | 66.3 %         | \$ 856.7        | 20.2 %       | \$ 570.6        | 13.5 %         | \$ 4,236.0        | 100.0 %        |
| Price  | (1.1)                           | — %            | 47.9            | 5.6 %        | 21.2            | 3.7 %          | 68.0              | 1.6 %          |
| Volume <sup>(1)</sup>                        | (221.7)                         | (7.9) %        | (74.8)          | (8.7) %      | (34.9)          | (6.1) %        | (331.4)           | (7.8) %        |
| Total organic change (non-U.S. GAAP)         | (222.8)                         | (7.9) %        | (26.9)          | (3.1) %      | (13.7)          | (2.4) %        | (263.4)           | (6.2) %        |
| Acquisition                                  | 154.1                           | 5.5 %          | 39.4            | 4.6 %        | 21.8            | 3.8 %          | 215.3             | 5.1 %          |
| Total constant dollar change (non-U.S. GAAP) | (68.7)                          | (2.4) %        | 12.5            | 1.5 %        | 8.1             | 1.4 %          | (48.1)            | (1.1) %        |
| Foreign currency translation                 | (44.4)                          | (1.6) %        | (5.3)           | (0.7) %      | (26.8)          | (4.7) %        | (76.5)            | (1.8) %        |
| <b>Total change (U.S. GAAP)</b>              | <b>(113.1)</b>                  | <b>(4.0) %</b> | <b>7.2</b>      | <b>0.8 %</b> | <b>(18.7)</b>   | <b>(3.3) %</b> | <b>(124.6)</b>    | <b>(2.9) %</b> |
| <b>2023 Net Sales</b>                        | <b>\$ 2,695.6</b>               | 65.6 %         | <b>\$ 863.9</b> | 21.0 %       | <b>\$ 551.9</b> | 13.4 %         | <b>\$ 4,111.4</b> | 100.0 %        |

<sup>(1)</sup> Our volume reported above includes the net impact of changes in unit volume as well as the period-to-period change in the mix of products sold.

## Net Sales by Segment

The following table presents the components of change in net sales by reportable segment for the three and nine months ended September 30, 2023 compared with 2022.

| <i>(In millions)</i>                         | Three Months Ended September 30, |               |                 |                 |                   |                |
|--|----------------------------------|---------------|-----------------|-----------------|-------------------|----------------|
|  | Food                             |               | Protective      |                 | Total Company     |                |
| 2022 Net Sales                               | \$ 829.8                         | 59.3 %        | \$ 570.6        | 40.7 %          | \$ 1,400.4        | 100.0 %        |
| Price  | 7.6                              | 0.9 %         | (11.9)          | (2.1) %         | (4.3)             | (0.3) %        |
| Volume <sup>(1)</sup>                        | (6.8)                            | (0.8) %       | (75.4)          | (13.2) %        | (82.2)            | (5.9) %        |
| Total organic change (non-U.S. GAAP)         | 0.8                              | 0.1 %         | (87.3)          | (15.3) %        | (86.5)            | (6.2) %        |
| Acquisition                                  | 82.1                             | 9.9 %         | —               | — %             | 82.1              | 5.9 %          |
| Total constant dollar change (non-U.S. GAAP) | 82.9                             | 10.0 %        | (87.3)          | (15.3) %        | (4.4)             | (0.3) %        |
| Foreign currency translation                 | (19.3)                           | (2.3) %       | 5.1             | 0.9 %           | (14.2)            | (1.0) %        |
| <b>Total change (U.S. GAAP)</b>              | <b>63.6</b>                      | <b>7.7 %</b>  | <b>(82.2)</b>   | <b>(14.4) %</b> | <b>(18.6)</b>     | <b>(1.3) %</b> |
| <b>2023 Net Sales</b>                        | <b>\$ 893.4</b>                  | <b>64.7 %</b> | <b>\$ 488.4</b> | <b>35.3 %</b>   | <b>\$ 1,381.8</b> | <b>100.0 %</b> |

  

| <i>(In millions)</i>                         | Nine Months Ended September 30, |               |                   |                 |                   |                |
|--|---------------------------------|---------------|-------------------|-----------------|-------------------|----------------|
|  | Food                            |               | Protective        |                 | Total Company     |                |
| 2022 Net Sales                               | \$ 2,443.3                      | 57.7 %        | \$ 1,792.7        | 42.3 %          | \$ 4,236.0        | 100.0 %        |
| Price  | 64.2                            | 2.6 %         | 3.8               | 0.2 %           | 68.0              | 1.6 %          |
| Volume <sup>(1)</sup>                        | (29.6)                          | (1.2) %       | (301.8)           | (16.8) %        | (331.4)           | (7.8) %        |
| Total organic change (non-U.S. GAAP)         | 34.6                            | 1.4 %         | (298.0)           | (16.6) %        | (263.4)           | (6.2) %        |
| Acquisition                                  | 215.3                           | 8.8 %         | —                 | — %             | 215.3             | 5.1 %          |
| Total constant dollar change (non-U.S. GAAP) | 249.9                           | 10.2 %        | (298.0)           | (16.6) %        | (48.1)            | (1.1) %        |
| Foreign currency translation                 | (66.1)                          | (2.7) %       | (10.4)            | (0.6) %         | (76.5)            | (1.8) %        |
| <b>Total change (U.S. GAAP)</b>              | <b>183.8</b>                    | <b>7.5 %</b>  | <b>(308.4)</b>    | <b>(17.2) %</b> | <b>(124.6)</b>    | <b>(2.9) %</b> |
| <b>2023 Net Sales</b>                        | <b>\$ 2,627.1</b>               | <b>63.9 %</b> | <b>\$ 1,484.3</b> | <b>36.1 %</b>   | <b>\$ 4,111.4</b> | <b>100.0 %</b> |

<sup>(1)</sup> Our volume reported above includes the net impact of changes in unit volume as well as the period-to-period change in the mix of products sold.

The following net sales discussion is on a reported and constant dollar basis.

### Food

#### Three Months Ended September 30, 2023 Compared with the Same Period in 2022

As reported, net sales increased by \$64 million, or 8%, in 2023 compared with 2022. Foreign currency had a negative impact of \$19 million, or 2%. On a constant dollar basis, net sales increased by \$83 million, or 10%, compared with 2022, primarily due to the following:

- \$82 million related to the Liquibox acquisition; and
- favorable price of \$8 million, with increases in the EMEA and APAC regions in response to the current inflationary environment, and impacts from formula pass-throughs and U.S. dollar-based pricing in Latin America.

These increases were partially offset by:

- lower volumes of \$7 million, due to food retail market declines partially offset by growth in our food automation solutions.

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

As reported, net sales increased by \$184 million, or 8%, in 2023 compared to 2022. Foreign currency had a negative impact of \$66 million, or 3%. On a constant dollar basis, net sales increased by \$250 million, or 10%, in 2023 as compared with 2022, primarily due to the following:

- \$215 million related to the Liquibox acquisition; and
- favorable price of \$64 million, with increases across all regions in response to the current inflationary environment, including impacts from formula pass-throughs and U.S. dollar-based pricing in Latin America.

These increases were partially offset by:

- lower volumes of \$30 million, primarily due to food retail market declines and the adverse impact from prior supply disruptions partially offset by growth in our food automation solutions.

### **Protective**

### *Three Months Ended September 30, 2023 Compared with the Same Period in 2022*

As reported, net sales decreased by \$82 million, or 14%, in 2023 as compared to 2022. Foreign currency had a favorable impact of \$5 million, or less than 1%. On a constant dollar basis, net sales decreased by \$87 million, or 15%, in 2023 compared with 2022, primarily due to the following:

- lower volumes of \$75 million across all regions, primarily due to continued market pressures and destocking in the industrial and fulfillment sectors; and
- unfavorable price of \$12 million.

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

As reported, net sales decreased \$308 million, or 17%, in 2023 as compared to 2022. Foreign currency had a negative impact of \$10 million, or less than 1%. On a constant dollar basis, net sales decreased by \$298 million, or 17%, in 2023 compared with 2022, primarily due to the following:

- lower volumes of \$302 million across all regions, primarily due to continued market pressures and destocking in the industrial and fulfillment sectors.

This decrease was partially offset by:

- favorable price of \$4 million.

## **Cost of Sales**

Cost of sales for the three and nine months ended September 30, 2023 and 2022 were as follows:

| <i>(In millions)</i> | <b>Three Months Ended<br/>September 30,</b> |             | <b>%<br/>Change</b> | <b>Nine Months Ended<br/>September 30,</b> |             | <b>%<br/>Change</b> |
|----------------------|---|-------------|---------------------|--|-------------|---------------------|
|                      | <b>2023</b>                                 | <b>2022</b> |                     | <b>2023</b>                                | <b>2022</b> |                     |
| Cost of sales        | \$ 968.5                                    | \$ 966.8    | 0.2 %               | \$ 2,875.0                                 | \$ 2,887.1  | (0.4)%              |
| As a % of net sales  | 70.1 %                                      | 69.0 %      |                     | 69.9 %                                     | 68.2 %      |                     |

### *Three Months Ended September 30, 2023 Compared with the Same Period in 2022*

As reported, cost of sales increased by \$2 million, or less than 1%, in 2023 compared to 2022. Cost of sales was impacted by favorable foreign currency translation of \$13 million. As a percentage of net sales, cost of sales increased by 110 basis points, from 69.0% to 70.1%, primarily driven by cost under absorption from lower sales volume as well as the impact of the Liquibox acquisition.

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

As reported, cost of sales decreased by \$12 million, or less than 1%, in 2023 as compared to 2022. Cost of sales was impacted by favorable foreign currency translation of \$61 million. As a percentage of net sales, cost of sales increased by 170 basis points, from 68.2% to 69.9%, primarily driven by cost under absorption from lower sales volume as well as the impact of the Liquibox acquisition.

## Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) for the three and nine months ended September 30, 2023 and 2022 were as follows:

| (In millions)                                | Three Months Ended<br>September 30, |          |  | %<br>Change | Nine Months Ended<br>September 30, |          |  | %<br>Change |
|--|-------------------------------------|----------|--|-------------|------------------------------------|----------|--|-------------|
|  | 2023                                | 2022     |  |             | 2023                               | 2022     |  |             |
| Selling, general and administrative expenses | \$ 181.8                            | \$ 196.0 |  | (7.2)%      | \$ 582.6                           | \$ 605.6 |  | (3.8)%      |
| As a % of net sales                          | 13.2 %                              | 14.0 %   |  |             | 14.2 %                             | 14.3 %   |  |             |

### Three Months Ended September 30, 2023 Compared with the Same Period in 2022

As reported, SG&A expenses decreased by \$14 million, or 7%, in 2023 compared to 2022. SG&A expenses were unfavorably impacted by foreign currency translation of approximately \$1 million. On a constant dollar basis, SG&A expenses decreased by \$15 million, or 8%. The decrease in SG&A expenses was primarily due to lower incentive compensation expenses.

### Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

As reported, SG&A expenses decreased by \$23 million, or 4%, in 2023 as compared to 2022. SG&A expenses were impacted by favorable foreign currency translation of \$4 million. On a constant dollar basis, SG&A expenses decreased by \$19 million, or 3%. The decrease in SG&A expenses was primarily due to lower incentive compensation expenses, partially offset by the impact of acquisition and divestiture activity.

## Amortization Expense of Intangible Assets

Amortization expense of intangible assets for the three and nine months ended September 30, 2023 and 2022 was as follows:

| (In millions)                             | Three Months Ended<br>September 30, |        |  | %<br>Change | Nine Months Ended<br>September 30, |         |  | %<br>Change |
|---|-------------------------------------|--------|--|-------------|------------------------------------|---------|--|-------------|
|   | 2023                                | 2022   |  |             | 2023                               | 2022    |  |             |
| Amortization expense of intangible assets | \$ 15.4                             | \$ 8.7 |  | 77.0 %      | \$ 46.0                            | \$ 27.0 |  | 70.4 %      |
| As a % of net sales                       | 1.1 %                               | 0.6 %  |  |             | 1.1 %                              | 0.6 %   |  |             |

### Three and Nine Months Ended September 30, 2023 Compared with the Same Periods in 2022

Amortization expense of intangible assets increased \$7 million and \$19 million in the three and nine months ended September 30, 2023, respectively, compared to 2022. These increases were primarily due to the amortization of Liquibox intangible assets.

## CTO2Grow Program

See Note 12, “Restructuring Activities” for additional details regarding the Company’s restructuring programs discussed below.

In August 2023, the Sealed Air Board of Directors approved a new 3-year CTO2Grow Program as part of Reinvent SEE 2.0. The CTO2Grow Program aims to drive annualized savings in the range of \$140 to \$160 million by the end of 2025. The total cash cost of the CTO2Grow Program is estimated to be in the range of \$140 to \$160 million, which we expect to be incurred primarily in 2024 and 2025.

For the three and nine months ended September 30, 2023, the Company incurred cash expense of \$15 million associated with contract terminations, \$11 million of Restructuring charges and nominal other associated costs for the CTO2Grow Program. For the three and nine months ended September 30, 2023, the Company incurred non-cash expense of approximately \$34 million primarily related to the impairment of property and equipment and inventory obsolescence charges associated with the Kevothermal and plant-based rollstock business closures for the CTO2Grow Program.

SEE's vision to become a world-class company, partnering with our customers on automation, digital and sustainable packaging solutions, is expected to be accelerated through the CTO2Grow Program by:

- Shifting our go-to-market approach from product to solutions-focused, driving commercial excellence and enhancing customer experience to deliver a durable profitable growth engine;
- Optimizing our portfolio across automated protective solutions, fluids & liquids and consumer ready while reducing speed to market on innovations; and
- Streamlining our supply chain footprint and SG&A cost to drive further operating leverage and improve business agility and overall profitability.

The actual timing of future costs and cash payments related to the CTO2Grow Program described above are subject to change due to a variety of factors that may cause a portion of the costs, spending and benefits to occur later than expected. In addition, changes in foreign exchange rates may impact future costs, spending, benefits and cost synergies.

## Interest Expense, net

Interest expense, net includes the interest expense on our outstanding debt, as well as the net impact of capitalized interest, interest income, the effects of terminated interest rate swaps and the amortization of capitalized senior debt issuance costs and credit facility fees, bond discounts, and terminated treasury locks.

Interest expense, net for the three and nine months ended September 30, 2023 and 2022 was as follows:

| (In millions)   | Three Months Ended<br>September 30, |                |                | Nine Months Ended<br>September 30, |                 |                |
|---|-------------------------------------|----------------|----------------|------------------------------------|-----------------|----------------|
|   | 2023                                | 2022           | Change         | 2023                               | 2022            | Change         |
| Interest expense on our various debt instruments:       |                                     |                |                |                                    |                 |                |
| Term Loan A due August 2022                             | \$ —                                | \$ —           | \$ —           | \$ —                               | \$ 1.4          | \$ (1.4)       |
| Term Loan A due July 2023                               | —                                   | —              | —              | —                                  | 0.2             | (0.2)          |
| Term Loan A due March 2027 <sup>(1)</sup>               | 8.9                                 | 4.5            | 4.4            | 24.4                               | 7.4             | 17.0           |
| Term Loan A2 due March 2027 <sup>(2)</sup>              | 12.7                                | —              | 12.7           | 31.8                               | —               | 31.8           |
| Revolving credit facility due July 2023                 | —                                   | —              | —              | —                                  | 0.3             | (0.3)          |
| Revolving credit facility due March 2027 <sup>(1)</sup> | 3.4                                 | 0.3            | 3.1            | 7.4                                | 0.5             | 6.9            |
| 5.250% Senior Notes due April 2023 <sup>(3)</sup>       | —                                   | —              | —              | —                                  | 6.9             | (6.9)          |
| 4.500% Senior Notes due September 2023                  | —                                   | 4.7            | (4.7)          | 1.7                                | 14.8            | (13.1)         |
| 5.125% Senior Notes due December 2024                   | 5.6                                 | 5.7            | (0.1)          | 16.9                               | 16.9            | —              |
| 5.500% Senior Notes due September 2025                  | 5.6                                 | 5.6            | —              | 16.8                               | 16.8            | —              |
| 1.573% Senior Secured Notes due October 2026            | 2.7                                 | 2.6            | 0.1            | 7.9                                | 7.8             | 0.1            |
| 4.000% Senior Notes due December 2027                   | 4.4                                 | 4.4            | —              | 13.2                               | 13.2            | —              |
| 6.125% Senior Notes due February 2028 <sup>(4)</sup>    | 12.5                                | —              | 12.5           | 33.1                               | —               | 33.1           |
| 5.000% Senior Notes due April 2029 <sup>(3)</sup>       | 5.4                                 | 5.5            | (0.1)          | 16.3                               | 9.8             | 6.5            |
| 6.875% Senior Notes due July 2033                       | 7.8                                 | 7.8            | —              | 23.4                               | 23.4            | —              |
| Other interest expense <sup>(5)</sup>                   | 8.0                                 | 4.0            | 4.0            | 22.5                               | 10.9            | 11.6           |
| Less: capitalized interest                              | (3.5)                               | (2.4)          | (1.1)          | (9.3)                              | (6.1)           | (3.2)          |
| Less: interest income                                   | (3.4)                               | (1.8)          | (1.6)          | (9.5)                              | (4.9)           | (4.6)          |
| <b>Total</b>  | <b>\$ 70.1</b>                      | <b>\$ 40.9</b> | <b>\$ 29.2</b> | <b>\$ 196.6</b>                    | <b>\$ 119.3</b> | <b>\$ 77.3</b> |

<sup>(1)</sup> On March 25, 2022, the Company and certain of its subsidiaries entered into the Fourth Amended and Restated Credit Agreement with Bank of America, N.A., as agent, and the other financial institutions party thereto, which extended the maturity of the Term Loan A facilities and revolving credit commitment to March 2027. See Note 13, "Debt and Credit Facilities," for further details.

- <sup>(2)</sup> On December 8, 2022, the Company and certain of its subsidiaries entered into an amendment to the Fourth Amended and Restated Credit Agreement whereby the Company's existing senior secured credit facility was amended and provided for a new \$650 million incremental term facility. On February 1, 2023, the Company used proceeds from the new incremental term facility to finance the Liquibox acquisition.
- <sup>(3)</sup> On April 19, 2022, the Company issued \$425 million of 5.000% senior notes due April 2029. The proceeds were used to repurchase the Company's 5.250% senior notes due April 2023. See Note 13, "Debt and Credit Facilities," for further details.
- <sup>(4)</sup> On January 31, 2023, the Company issued \$775 million of 6.125% senior notes due February 2028. The proceeds were used in part to finance the Liquibox acquisition. See Note 13, "Debt and Credit Facilities," for further details.
- <sup>(5)</sup> Other includes expense associated with borrowings under our U.S. and European accounts receivable securitization programs, accounts receivable factoring agreements, and borrowings under various lines of credit.

## **Other Expense, net**

### *Fair value impairment loss on equity investments*

SEE recorded impairment losses of none and \$32 million for the three and nine months ended September 30, 2022, respectively, related to SEE Ventures equity investments. See Note 15, "Fair Value Measurements, Equity Investments and Other Financial Instruments," for further details.

### *Loss on debt redemption and refinancing activities*

SEE recorded losses on debt redemption and refinancing activities of none and \$5 million for the three and nine months ended September 30, 2023, respectively, and none and \$11 million for the three and nine months ended September 30, 2022, respectively. See Note 13, "Debt and Credit Facilities," for further details.

See Note 21, "Other Expense, net," for the remaining components of Other expense, net.

## **Income Taxes**

Our effective income tax rate for the three and nine months ended September 30, 2023 was 26% and 32%, respectively. The three and nine-month periods were unfavorably impacted by accruals for uncertain tax positions and favorably impacted by the benefit associated with excess foreign tax credits.

Our effective income tax rate for the three and nine months ended September 30, 2022 was 28%. The three-month period was unfavorably impacted by accruals for uncertain tax positions and enacted state law changes. The nine-month period was favorably impacted by share price accretion in equity compensation, and unfavorably impacted by accruals for uncertain tax positions, nonrecurring intercompany dividend distributions and enacted state law changes.

The actual annual effective tax rate could vary as a result of many factors, including but not limited to the following:

- The actual mix of earnings by jurisdiction, which could fluctuate from the Company's projection;
- The tax effects of other discrete items, including accruals related to tax contingencies, the resolution of worldwide tax matters, tax audit settlements, statute of limitations expirations and changes in tax regulations, which are reflected in the period in which they occur; and
- Any future legislative changes, and any related additional tax optimization to address these changes.

Our effective income tax rate depends upon the realization of our net deferred tax assets. We have deferred tax assets related to accruals not yet deductible for tax purposes, state and foreign net operating loss carryforwards and tax credits, employee benefit items, intangible assets and other items.

The IRS completed its field examination of our U.S. federal income tax returns for the years 2011 through 2014 in the third quarter of 2020. As previously disclosed, the IRS has proposed to disallow for the 2014 taxable year the entirety of the deduction of the approximately \$1.49 billion settlement payments made pursuant to the Settlement agreement (as defined in Note 18, "Commitments and Contingencies") and the resulting reduction of our U.S. federal tax liability by approximately \$525 million. The proposed disallowance is being reviewed by the IRS Independent Office of Appeals ("Appeals"). Although we

believe we have meritorious defenses to the proposed disallowance, we have reached a tentative agreement to settle this matter with the IRS, which is subject to further review, approval and execution of a definitive agreement by both parties. There can be no assurance that a definitive agreement will be executed and we cannot predict the outcome of this matter or when it will be concluded. We have revised our uncertain tax position to reflect the tentative agreement. On April 20, 2023, we deposited \$175 million with the IRS based on an estimate of the federal tax and interest anticipated to be due associated with the tentative agreement and during the second quarter of 2023, the Company recorded an asset of \$175 million in Advances and deposits on the Condensed Consolidated Balance Sheets. Our final settlement amount could differ from the \$175 million deposited. Future developments in this matter could have a material impact on the Company's uncertain tax position balances and results of operations, including cash flows, within the next twelve months.

We have established valuation allowances to reduce our deferred tax assets to an amount that is more likely than not to be realized. Our ability to utilize our deferred tax assets depends in part upon our ability to carryback any losses created by the deduction of these temporary differences, the future income from existing temporary differences, and the ability to generate future taxable income within the respective jurisdictions during the periods in which these temporary differences reverse. If we are unable to generate sufficient future taxable income in the U.S. and certain foreign jurisdictions, or if there is a significant change in the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets. Conversely, if we have sufficient future taxable income in jurisdictions where we have valuation allowances, we may be able to reduce those valuation allowances.

There was no significant change in our valuation allowance for the three and nine months ended September 30, 2023 and 2022.

Net increases in unrecognized tax positions of \$4 million and \$15 million for the three and nine months ended September 30, 2023, respectively, and \$4 million and \$13 million for the three and nine months ended September 30, 2022, respectively, were primarily related to interest accruals on existing uncertain tax positions. We are not currently able to reasonably estimate the amount by which the liability for unrecognized tax positions may increase or decrease during the next 12 months as a result of future tax controversy developments or resolution. Interest and penalties on tax assessments are included in Income tax provision on our Condensed Consolidated Statements of Operations.

## Net Earnings from Continuing Operations

Net earnings from continuing operations for the three and nine months ended September 30, 2023 and 2022 are included in the table below.

| <i>(In millions)</i>                    | Three Months Ended<br>September 30, |          | %       | Nine Months Ended<br>September 30, |          | %       |
|---|-------------------------------------|----------|---------|------------------------------------|----------|---------|
|   | 2023                                | 2022     |         | 2023                               | 2022     |         |
| Net earnings from continuing operations | \$ 57.6                             | \$ 132.6 | (56.6)% | \$ 214.4                           | \$ 396.6 | (45.9)% |

### Three Months Ended September 30, 2023 Compared with the Same Period in 2022

Net earnings in 2023 were unfavorably impacted by \$54 million of Special Items, primarily due to:

- restructuring and other restructuring associated costs of \$44 million (\$33 million, net of taxes);
- contract terminations related to business closure activity of \$15 million (\$11 million, net of taxes);
- Liquibox intangible amortization of \$7 million (\$6 million, net of taxes); and
- foreign currency loss on highly inflationary economies of \$5 million (\$5 million, net of taxes).

Net earnings in 2022 were unfavorably impacted by \$10 million of Special Items, primarily due to:

- one-time tax expenses ("Tax Special Items") of \$4 million;
- restructuring and other restructuring associated costs of \$2 million (\$2 million, net of taxes); and
- foreign currency loss on highly inflationary economies of \$2 million (\$2 million, net of taxes).



*Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

For the nine months ended September 30, 2023, net earnings were unfavorably impacted by \$120 million of Special Items. Special Items were primarily comprised of:

- restructuring and other restructuring associated costs of \$44 million (\$33 million, net of taxes);
- charges related to acquisition and divestiture activity of \$25 million (\$22 million, net of taxes);
- Liquibox intangible amortization of \$20 million (\$15 million, net of taxes);
- contract terminations related to business closure activity of \$15 million (\$11 million, net of taxes);
- \$11 million of Tax Special Items, including accruals for uncertain tax positions and utilization of excess foreign tax credits;
- Liquibox inventory step-up expense of \$11 million (\$8 million, net of taxes); and
- foreign currency loss on highly inflationary economies of \$11 million (\$11 million, net of taxes).

For the nine months ended September 30, 2022, net earnings were unfavorably impacted by \$63 million of Special Items. Special Items were primarily comprised of:

- \$32 million (\$24 million, net of taxes) impairment of an equity investment;
- \$13 million of Tax Special Items, including accruals for open items subject to tax audits and nonrecurring intercompany dividend distributions;
- \$13 million (\$10 million, net of taxes) of restructuring and other restructuring associated costs in support of the Reinvent SEE business transformation; and
- \$11 million (\$8 million, net of taxes) loss on debt redemption and refinancing activities.

## Adjusted EBITDA by Segment

The Company evaluates performance of the reportable segments based on the results of each segment. The performance metric used by the Company's chief operating decision maker to evaluate the performance of our reportable segments is Segment Adjusted EBITDA. We allocate and disclose depreciation and amortization expense to our segments, although depreciation and amortization are not included in the segment performance metric Segment Adjusted EBITDA. We also allocate and disclose restructuring and other charges and impairment of goodwill and other intangible assets by segment, although these items are not included in the segment performance metric Segment Adjusted EBITDA since restructuring and other charges and impairment of goodwill and other intangible assets are categorized as Special Items. The accounting policies of the reportable segments and Corporate are the same as those applied to the Condensed Consolidated Financial Statements.

See "Non-U.S. GAAP Information" for a reconciliation of U.S. GAAP net earnings from continuing operations to non-U.S. GAAP Consolidated Adjusted EBITDA from continuing operations.

The table below sets forth the Segment Adjusted EBITDA for the three and nine months ended September 30, 2023 and 2022.

| <i>(In millions)</i>                              | Three Months Ended<br>September 30, |                 | %              | Nine Months Ended<br>September 30, |                 | %              |
|---|-------------------------------------|-----------------|----------------|------------------------------------|-----------------|----------------|
|   | 2023                                | 2022            |                | 2023                               | 2022            |                |
| <b>Food</b>                                       | \$ 194.3                            | \$ 185.3        | 4.9 %          | \$ 580.1                           | \$ 553.4        | 4.8 %          |
| <i>Adjusted EBITDA Margin</i>                     | 21.7 %                              | 22.3 %          |                | 22.1 %                             | 22.6 %          |                |
| <b>Protective</b>                                 | 95.0                                | 109.5           | (13.2) %       | 271.3                              | 363.2           | (25.3) %       |
| <i>Adjusted EBITDA Margin</i>                     | 19.5 %                              | 19.2 %          |                | 18.3 %                             | 20.3 %          |                |
| <b>Corporate</b>                                  | (4.6)                               | (2.2)           | #              | (19.1)                             | (3.6)           | #              |
| <b>Non-U.S. GAAP Consolidated Adjusted EBITDA</b> | <b>\$ 284.7</b>                     | <b>\$ 292.6</b> | <b>(2.7) %</b> | <b>\$ 832.3</b>                    | <b>\$ 913.0</b> | <b>(8.8) %</b> |
| <i>Adjusted EBITDA Margin</i>                     | 20.6 %                              | 20.9 %          |                | 20.2 %                             | 21.6 %          |                |

# Denotes where percentage change is not meaningful.

The following is a discussion of the factors that contributed to the change in Segment Adjusted EBITDA during the three and nine months ended September 30, 2023, as compared to the same period in 2022.

### **Food**

#### *Three Months Ended September 30, 2023 Compared with the Same Period in 2022*

On a reported currency basis, Segment Adjusted EBITDA increased by \$9 million in 2023 compared to 2022. Segment Adjusted EBITDA was impacted by unfavorable foreign currency translation of \$3 million. On a constant dollar basis, Segment Adjusted EBITDA increased by approximately \$12 million, or 7%, in 2023 compared to 2022, primarily as a result of:

- contributions from the Liquibox acquisition of \$17 million; and
- lower operating costs of \$7 million primarily driven by productivity savings and lower incentive compensation.

These increases were partially offset by:

- lower volume/mix of \$7 million; and
- unfavorable net price realization (which includes price realization less inflation on direct material, non-material and labor costs) of \$5 million.

#### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

On a reported currency basis, Segment Adjusted EBITDA increased by \$27 million in 2023 as compared to 2022. Segment Adjusted EBITDA was impacted by unfavorable foreign currency translation of \$11 million. On a constant dollar basis, Segment Adjusted EBITDA increased by \$38 million, or 7%, in 2023 compared to 2022, primarily as a result of:

- contributions from the Liquibox acquisition of \$49 million; and
- lower operating costs of \$9 million primarily driven by productivity savings and lower incentive compensation.

These increases were partially offset by:

- unfavorable net price realization of \$18 million; and
- lower volume/mix of \$2 million.

### **Protective**

#### *Three Months Ended September 30, 2023 Compared with the Same Period in 2022*

On a reported currency basis, Segment Adjusted EBITDA decreased by \$15 million in 2023 compared to 2022. Segment Adjusted EBITDA was impacted by favorable foreign currency translation of \$1 million. On a constant dollar basis, Segment Adjusted EBITDA decreased by \$16 million, or 15%, in 2023 compared to 2022, primarily as a result of:

- the unfavorable impact from volume/mix of \$31 million.

This decrease was partially offset by:

- lower operating costs of \$13 million primarily driven by productivity savings and lower incentive compensation; and
- favorable net price realization of \$2 million.

#### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

On a reported currency basis, Segment Adjusted EBITDA decreased by \$92 million in 2023 as compared to 2022. Segment Adjusted EBITDA was impacted by unfavorable foreign currency translation of \$1 million. On a constant dollar basis, Segment Adjusted EBITDA decreased by \$91 million, or 25%, in 2023 compared to 2022, primarily as a result of:

- the unfavorable impact from volume/mix of \$129 million.

This decrease was partially offset by:

- lower operating costs of \$27 million, including lower incentive compensation; and
- favorable net price realization of \$11 million.

## Corporate

### Three Months Ended September 30, 2023 Compared with the Same Period in 2022

On a reported basis, Corporate Adjusted EBITDA decreased by \$2 million in 2023 compared with the same period in 2022, driven by foreign currency losses and higher pension expense.

### Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

On a reported basis, Corporate Adjusted EBITDA decreased by \$16 million in 2023 compared with the same period in 2022, primarily driven by foreign currency losses and higher pension expense.

## Liquidity and Capital Resources

### Principal Sources of Liquidity

Our primary sources of cash are the collection of trade receivables generated from the sales of our products and services to our customers and amounts available under our existing lines of credit, including our senior secured credit facility, our accounts receivable securitization programs and access to the capital markets. Our primary uses of cash are payments for operating expenses, investments in working capital, capital expenditures, interest, taxes, stock repurchases, dividends, debt obligations, restructuring expenses and other long-term liabilities. We believe that our current liquidity position and future cash flows from operations will enable us to fund our operations, including all of the items mentioned above, in the next twelve months. We may seek to access the capital markets as we deem appropriate, market conditions permitting.

As of September 30, 2023, we had cash and cash equivalents of \$281 million, of which approximately \$237 million, or 84%, was located outside of the U.S. We believe our U.S. cash balances and committed liquidity facilities available to U.S. borrowers are sufficient to fund our U.S. operating requirements and capital expenditures, current debt obligations and dividends. The Company does not expect that, in the near term, cash located outside of the U.S. will be needed to satisfy our obligations, dividends and other demands for cash in the U.S. Of the cash balances located outside of the U.S., approximately \$8 million are in the Company's subsidiaries in Russia and Ukraine. We have no other material cash balances deemed to be trapped as of September 30, 2023.

### Cash and Cash Equivalents

The following table summarizes our accumulated cash and cash equivalents:

| <i>(In millions)</i>      | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---------------------------|---------------------------|--------------------------|
| Cash and cash equivalents | \$ 281.3                  | \$ 456.1                 |

See “Analysis of Historical Cash Flow” below.

### Accounts Receivable Securitization Programs

At September 30, 2023, we had total availability of \$135 million and total outstanding borrowings of \$133 million under our U.S. and European accounts receivable securitization programs. At December 31, 2022, we had \$135 million available to us and no outstanding borrowings under the such programs.

Our trade receivable securitization programs represent borrowings secured by outstanding customer receivables. Therefore, the use and repayment of borrowings under such programs are classified as financing activities in our Condensed Consolidated Statements of Cash Flows. We do not recognize the cash flow within operating activities until the underlying invoices have been paid by our customer. The trade receivables that served as collateral for these borrowings are reclassified from Trade receivables, net to Prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets. See Note 10, “Accounts Receivable Securitization Programs,” for further details.

### Accounts Receivable Factoring Agreements

We account for our participation in our customers' supply chain financing arrangements and our trade receivable factoring program in accordance with ASC Topic 860, which allows the ownership transfer of accounts receivable to qualify for sale treatment when the appropriate criteria are met. As such, the Company excludes the balances sold under such programs from

Trade receivables, net on the Condensed Consolidated Balance Sheets. We recognize cash flow from operating activities at the point the receivables are sold under such programs. See Note 11, “Accounts Receivable Factoring Agreements,” for further details.

Gross amounts received under these programs for the nine months ended September 30, 2023 were \$564 million, of which \$173 million was received in the third quarter. Gross amounts received under these programs for the nine months ended September 30, 2022 were \$498 million, of which \$144 million was received in the third quarter. If these programs had not been in effect for the nine months ended September 30, 2023, we would have been required to collect the invoice amounts directly from the relevant customers in accordance with the agreed payment terms. Approximately \$132 million in incremental trade receivables would have been outstanding at September 30, 2023 if collection on such invoice amounts were made directly from our customers on the invoice due date and not through our customers' supply chain financing arrangements or our factoring program.

### ***Lines of Credit***

At September 30, 2023 and December 31, 2022, we had a \$1.0 billion revolving credit facility, with \$985 million available to us, before utilization, as part of our senior secured credit facility. We had \$75 million and no outstanding borrowings under the facility at September 30, 2023 and December 31, 2022, respectively. There was \$4 million and \$7 million outstanding under various lines of credit extended to our subsidiaries at September 30, 2023 and December 31, 2022, respectively. See Note 13, “Debt and Credit Facilities,” for further details.

### ***Covenants***

At September 30, 2023, we were in compliance with our financial covenants and limitations, as discussed in “Covenants” within Note 13, “Debt and Credit Facilities,” which require us, among other things, to maintain a maximum leverage ratio of debt to EBITDA of 5.00 to 1.00 when following the consummation of a material acquisition. In accordance with the terms of the Fourth Amended and Restated Credit Agreement, our leverage ratio of debt to EBITDA will reduce to 4.50 to 1.00 in the second quarter of 2024. At September 30, 2023, as calculated under the covenant, our leverage ratio was 3.74 to 1.00. We expect to be in continued compliance with our debt covenants, including the covenant leverage ratio, over the next 12 months.

### ***Supply Chain Financing Programs***

As part of our ongoing efforts to manage our working capital and improve our cash flow, we work with suppliers to optimize our purchasing terms and conditions, including extending payment terms. We also facilitate a voluntary supply chain financing program to provide some of our suppliers with the opportunity to sell receivables due from us (our accounts payables) to participating financial institutions at the sole discretion of both the suppliers and the financial institutions.

At September 30, 2023 and December 31, 2022, our accounts payable balances included \$157 million and \$140 million, respectively, related to invoices from suppliers participating in the program. The cumulative amounts settled through the supply chain financing program for the nine months ended September 30, 2023 were \$265 million, compared to \$351 million for the nine months ended September 30, 2022. The program did not significantly impact our cash flow from operating activities or free cash flow for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. See Note 2, “Recently Adopted and Issued Accounting Standards” for further details.

### ***Debt Ratings***

Our cost of capital and ability to obtain external financing may be affected by our debt ratings, which the credit rating agencies review periodically. Below is a table that details our credit ratings by the various types of debt by rating agency.

|                         | <b>Moody’s Investors<br/>Service</b> | <b>Standard<br/>&amp; Poor’s</b> |
|-------------------------|--------------------------------------|----------------------------------|
| Corporate Rating        | Ba1                                  | BB+                              |
| Senior Unsecured Rating | Ba2                                  | BB+                              |
| Senior Secured Rating   | Baa2                                 | BBB-                             |
| Outlook                 | Negative                             | Stable                           |

In September 2023, Moody's Investors Service changed our Outlook from Stable to Negative.

These credit ratings are considered to be below investment grade (with the exception of the Baa2 and BBB- Senior Secured Rating from Moody's Investors Service and Standard & Poor's, respectively, which are classified as investment grade). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. Each rating should be evaluated independently of any other rating.

### Outstanding Indebtedness

At September 30, 2023 and December 31, 2022, our total debt outstanding and our non-U.S. GAAP net debt consisted of the amounts set forth in the following table.

| <i>(In millions)</i>                                      | September 30, 2023 | December 31, 2022 |
|---|--------------------|-------------------|
| Short-term borrowings                                     | \$ 211.6           | \$ 6.6            |
| Current portion of long-term debt                         | 28.1               | 434.0             |
| Total current debt  | 239.7              | 440.6             |
| Total long-term debt, less current portion <sup>(1)</sup> | 4,630.9            | 3,237.9           |
| <b>Total debt</b>   | <b>4,870.6</b>     | <b>3,678.5</b>    |
| Less: Cash and cash equivalents                           | (281.3)            | (456.1)           |
| <b>Non-U.S. GAAP net debt</b>                             | <b>\$ 4,589.3</b>  | <b>\$ 3,222.4</b> |

<sup>(1)</sup> Amounts are net of unamortized discounts and debt issuance costs of \$36 million and \$19 million at September 30, 2023 and December 31, 2022, respectively. See Note 13, "Debt and Credit Facilities," for further details.

### Analysis of Historical Cash Flow

The following table shows the changes in our Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022.

| <i>(In millions)</i>  | Nine Months Ended<br>September 30, |          | Change     |
|---|------------------------------------|----------|------------|
|   | 2023                               | 2022     |            |
| Net cash provided by operating activities                                     | \$ 192.5                           | \$ 320.8 | \$ (128.3) |
| Net cash used in investing activities   | (1,326.0)                          | (183.8)  | (1,142.2)  |
| Net cash provided by (used in) financing activities                           | 974.2                              | (419.0)  | 1,393.2    |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | (15.5)                             | (30.2)   | 14.7       |

In addition to net cash from operating activities, we use free cash flow as a useful measure of performance and an indication of the strength and ability of our operations to generate cash. We define free cash flow as cash provided by operating activities less capital expenditures (which is classified as an investing activity). Free cash flow is not defined under U.S. GAAP. Therefore, free cash flow should not be considered a substitute for net income or cash flow data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. Free cash flow does not represent residual cash available for discretionary expenditures, as certain debt servicing requirements or other non-discretionary expenditures are not deducted from this measure. We historically have generated the majority of our annual free cash flow in the second half of the year. Below are the details of non-U.S. GAAP free cash flow for the nine months ended September 30, 2023 and 2022.

| <i>(In millions)</i>                       | Nine Months Ended<br>September 30, |                 | Change            |
|--|------------------------------------|-----------------|-------------------|
|  | 2023                               | 2022            |                   |
| Cash flow provided by operating activities | \$ 192.5                           | \$ 320.8        | \$ (128.3)        |
| Capital expenditures                       | (185.0)                            | (183.5)         | (1.5)             |
| <b>Non-U.S. GAAP free cash flow</b>        | <b>\$ 7.5</b>                      | <b>\$ 137.3</b> | <b>\$ (129.8)</b> |

## **Operating Activities**

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

Net cash provided by operating activities was \$193 million in the nine months ended September 30, 2023, compared to \$321 million in 2022. The decrease in cash flow from operating activities was primarily driven by the \$175 million tax deposit related to a tentative agreement to settle with the IRS that was made in the second quarter of 2023 and lower earnings and adjustments to reconcile net earnings to net cash provided by operating activities ("non-cash adjustments") recorded in 2023 compared to the same period in 2022. Net earnings plus non-cash adjustments was a source of cash of \$497 million in the nine months ended September 30, 2023 compared to \$662 million in 2022.

Other assets and liabilities unfavorably impacted cash flow by \$45 million compared to 2022. This was primarily due to the impact of incentive compensation, including higher cash payments made during the first quarter 2023, as compared to the prior year, coupled with a lower accrual as of September 30, 2023, as compared to the prior year.

This was partially offset by higher net cash provided by our working capital accounts (inventories, trade receivables and accounts payable), which was \$296 million favorable in 2023 compared to 2022. There was a lower use of cash for inventory of \$349 million compared to 2022, primarily due to planned stock build in 2022 compared to inventory reduction efforts in 2023. The impact of trade receivables on cash flow from operating activities was \$84 million favorable compared to 2022, as a result of the year over year impact of our accounts receivable factoring program and an increase in collections from our customers. The favorable cash flow impact of trade receivables and inventory was partially offset by accounts payable, which was unfavorable by \$138 million compared to 2022, primarily due to lower purchases related to the current year inventory reduction efforts and lower sales volume.

## **Investing Activities**

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

Net cash used in investing activities was \$1,326 million in 2023 compared to a use of \$184 million in 2022.

The increase in net cash used in investing activities was primarily due to acquisition activities of \$1,163 million. During the first quarter of 2023, we completed the acquisition of Liquibox for \$1,148 million, net of cash acquired, and during the second quarter of 2023, we had additional acquisition activity of \$15 million. See Note 5, "Acquisitions," for further details.

Additionally, the settlement of foreign currency contracts generated \$15 million in 2023 as compared to \$3 million in 2022.

Proceeds received from the disposal of property and equipment was \$7 million lower in 2023 as compared to 2022, primarily due to the sale of land in the UK in the prior year.

## **Financing Activities**

### *Nine Months Ended September 30, 2023 Compared with the Same Period in 2022*

Net cash provided by financing activities was \$974 million in 2023, compared to a use of \$419 million in 2022. During the nine months ended September 30, 2023, the increase in cash flows from financing activities were primarily due to debt related activities, which generated \$1,171 million of cash in 2023, including the issuance of \$775 million 6.125% Senior Notes due 2028, less \$12 million in capitalized issuance costs, \$650 million of proceeds from Term Loan A due 2027, less \$11 million in capitalized issuance costs and \$207 million of net proceeds from short-term borrowings, partially offset by the extinguishment of 4.500% Senior Notes due 2023, resulting in cash outflow of \$437 million (including the early payment premium of \$5 million).

In addition, cash used for share repurchases was \$80 million, compared to \$280 million in the prior year.

## Changes in Working Capital

| <i>(In millions)</i>  | <u>September 30, 2023</u> | <u>December 31, 2022</u> | <u>Change</u> |
|---|---------------------------|--------------------------|---------------|
| Working capital (current assets less current liabilities)                     | \$ 402.9                  | \$ 35.0                  | \$ 367.9      |
| Current ratio (current assets divided by current liabilities)                 | 1.2x                      | 1.0x                     |               |
| Quick ratio (current assets, less inventories divided by current liabilities) | 0.7x                      | 0.6x                     |               |

The \$368 million, or 1,051%, increase in working capital during the nine months ended September 30, 2023 was primarily due the following:

- decrease in current portion of long-term debt of \$406 million, primarily due to the repurchase of \$426 million 4.500% Senior Notes due September 2023;
- increase in advances and deposits of \$186 million, primarily related to the IRS tax deposit;
- increase in prepaid expenses and other current assets of \$138 million, primarily related to the reclassification of trade receivables that serve as collateral for borrowings in our accounts receivable securitization programs;
- decrease in accounts payable of \$120 million; and
- decrease in other current liabilities of \$54 million, reflecting the payment of performance-based compensation and profit sharing in the first quarter 2023, offset by current year accruals, as well as lower volume rebate accruals.

The increases in working capital were partially offset by:

- increase in short-term borrowings of \$205 million;
- decrease in cash and cash equivalents of \$175 million;
- decrease in trade receivables, net of \$113 million, primarily due to the reclassification to prepaid expenses and other current assets related to our accounts receivable securitization programs; and
- decrease in inventories, net of \$32 million, due to inventory reduction efforts in 2023, partially offset by inventory acquired in the Liquibox acquisition.

## Changes in Stockholders' Equity

The \$64 million, or 19%, increase in stockholders' equity in the nine months ended September 30, 2023 was primarily due to the following:

- net earnings of \$218 million;
- stock issued for profit sharing contribution paid in stock of \$24 million;
- the effect of share-based incentive compensation of \$12 million, including the impact of share-based compensation expense and netting of shares to cover the employee tax withholding amounts; and
- the recognition of pension items within Accumulated Other Comprehensive Loss of \$3 million.

These increases were partially offset by:

- dividends paid on our common stock and dividend equivalent accruals related to unvested equity awards of \$87 million;
- repurchases of 1,529,575 shares of our common stock for \$80 million, including commissions paid (See Note 19, "Stockholders' Equity," for further details);
- cumulative translation adjustment loss of \$17 million; and
- unrealized losses on derivative instruments of \$8 million.

## Derivative Financial Instruments

### *Interest Rate Swaps*

The information set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 14, “Derivatives and Hedging Activities,” under the caption “Interest Rate Swaps” is incorporated herein by reference.

### *Net Investment Hedge*

The information set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 14, “Derivatives and Hedging Activities,” under the caption “Net Investment Hedge” is incorporated herein by reference.

### *Other Derivative Instruments*

The information set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 14, “Derivatives and Hedging Activities,” under the caption “Other Derivative Instruments” is incorporated herein by reference.

### *Foreign Currency Forward Contracts*

At September 30, 2023, we were party to foreign currency forward contracts, which did not have a significant impact on our liquidity.

The information set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 14, “Derivatives and Hedging Activities,” under the caption “Foreign Currency Forward Contracts Designated as Cash Flow Hedges” and “Foreign Currency Forward Contracts Not Designated as Hedges” is incorporated herein by reference. For further discussion about these contracts and other financial instruments, see Part I, Item 3, “Quantitative and Qualitative Disclosures About Market Risk.”

## **Recently Issued Statements of Financial Accounting Standards, Accounting Guidance and Disclosure Requirements**

We are subject to recently issued statements of financial accounting standards, accounting guidance and disclosure requirements. Note 2, “Recently Adopted and Issued Accounting Standards” which is contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, describes these new accounting standards and is incorporated herein by reference.

## **Critical Accounting Policies and Estimates**

There have been no material changes in our critical accounting policies and estimates from those disclosed in our 2022 Form 10-K. For a discussion of our critical accounting policies and estimates, refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates” in Part II, Item 7 of our 2022 Form 10-K.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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We are exposed to market risk from changes in the conditions in the global financial markets, interest rates, foreign currency exchange rates and commodity prices and the creditworthiness of our customers and suppliers, which may adversely affect our consolidated financial condition and results of operations. We seek to minimize these risks through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not purchase, hold or sell derivative financial instruments for trading purposes.

### **Interest Rates**

From time to time, we may use interest rate swaps, collars or options to manage our exposure to fluctuations in interest rates. At September 30, 2023, we had no outstanding interest rate swaps, collars or options.

The information set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 14, “Derivatives and Hedging Activities,” under the caption “Interest Rate Swaps,” is incorporated herein by reference.

See Note 15, “Fair Value Measurements, Equity Investments and Other Financial Instruments,” for details of the methodology and inputs used to determine the fair value of our fixed rate debt. The fair value of our fixed rate debt varies with changes in



interest rates. Generally, the fair value of fixed rate debt will increase as interest rates fall and decrease as interest rates rise. A hypothetical 10% increase in interest rates would result in a decrease of \$82 million in the fair value of the total debt balance at September 30, 2023. These changes in the fair value of our fixed rate debt do not alter our obligations to repay the outstanding principal amount or any related interest of such debt.

## **Foreign Exchange Rates**

### ***Operations***

As a large global organization, we face exposure to changes in foreign currency exchange rates. These exposures may change over time as business practices evolve and could materially impact our consolidated financial condition and results of operations in the future. See Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," above for the impacts that foreign currency translation had on our operations.

### ***Argentina***

Economic events in Argentina, including the default on some of its international debt obligations, which have subsequently been renegotiated, exposed us to heightened levels of foreign currency exchange risks. Despite some recent debt restructuring, fluctuations in foreign exchange rates on the Argentine Peso continue to impact our financial results. As of July 1, 2018, Argentina was designated as a highly inflationary economy. We recognized a net foreign currency exchange loss of \$5 million and \$11 million in the three and nine months ended September 30, 2023, respectively, and \$2 million and \$6 million in the three and nine months ended September 30, 2022, respectively, within Other expense, net on the Condensed Consolidated Statements of Operations, related to the designation of Argentina as a highly inflationary economy under U.S. GAAP. See Note 1, "Organization and Basis of Presentation," for additional information. As of September 30, 2023, approximately 1% of our consolidated net sales were derived from our products sold in Argentina and our net assets include \$11 million of cash and cash equivalents domiciled in Argentina. Also, as of September 30, 2023, our Argentina subsidiaries had cumulative translation losses of \$22 million.

### ***Russia***

Recent fluctuations of the ruble have exposed us to heightened levels of foreign currency exchange risks. As of September 30, 2023, approximately 1% of our consolidated net sales were derived from products sold in Russia. Assets include \$5 million of cash and cash equivalents domiciled in Russia. Also, as of September 30, 2023, our Russia subsidiary had cumulative translation losses of \$50 million.

### ***Brazil***

Recent economic events in Brazil, including changes in the benchmark interest rate set by the Brazilian Central Bank, have exposed us to heightened levels of foreign currency exchange risks. However, as of September 30, 2023, we do not anticipate these events will have a material impact on our 2023 results of operations. As of September 30, 2023, approximately 3% of our consolidated net sales were derived from products sold in Brazil and net assets include \$22 million of cash and cash equivalents domiciled in Brazil. Also, as of September 30, 2023, our Brazil subsidiaries had cumulative translation losses of \$62 million.

## **Foreign Currency Forward Contracts**

We use foreign currency forward contracts to fix the amounts payable or receivable on some transactions denominated in foreign currencies. A hypothetical 10% adverse change in foreign exchange rates at September 30, 2023 would have caused us to pay approximately \$46 million to terminate these contracts. Based on our overall foreign exchange exposure, we estimate this change would not materially affect our financial position and liquidity. The effect on our results of operations would be substantially offset by the impact of the hedged items.

Our foreign currency forward contracts are described in Note 14, "Derivatives and Hedging Activities," which is incorporated herein by reference.

## **Net Investment Hedge**

In February 2023, the €400.0 million 4.500% senior notes issued in June 2015 that were previously designated as a net investment hedge, hedging a portion of our net investment in a certain European subsidiary against fluctuations in foreign exchange rates, were repaid.

In the first quarter of 2023, we entered into a series of cross-currency swaps with a combined notional amount of \$433 million. Each of these cross-currency swaps were designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a fixed rate of Euro-based interest and receives a fixed rate of U.S. dollar interest. The Company has elected the spot method for assessing the effectiveness of these contracts. The maturity date for this series of cross-currency swaps is February 1, 2028. The fair value of this hedge as of September 30, 2023 was a \$3 million loss and is included within Other non-current liabilities on our Condensed Consolidated Balance Sheets. For the three and nine months ended September 30, 2023, we recorded less than \$1 million and \$2 million of interest income related to these contracts, respectively, which is reflected in Interest expense, net on the Condensed Consolidated Statements of Operations.

For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, settlements and changes in fair values of the derivative instruments are recognized in unrealized gains (losses) on derivative instruments for net investment hedge, a component of AOCL, net of taxes, to offset the changes in the values of the net investments being hedged. Any portion of the net investment hedge that is determined to be ineffective is recorded in Other expense, net on the Condensed Consolidated Statements of Operations.

## **Other Derivative Instruments**

We may use other derivative instruments from time to time to manage exposure to foreign exchange rates and to access international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency.

## **Outstanding Debt**

Our outstanding debt is generally denominated in the functional currency of the borrower. We believe that this enables us to better match operating cash flows with debt service requirements and to better match the currency of assets and liabilities. The U.S. dollar equivalent amount of outstanding debt denominated in a functional currency other than the U.S. dollar was \$121 million and \$467 million at September 30, 2023 and December 31, 2022, respectively.

## **Customer Credit**

We are exposed to credit risk from our customers. In the normal course of business, we extend credit to our customers if they satisfy pre-defined credit criteria. We maintain an allowance for credit losses on trade receivables for estimated losses resulting from the failure of our customers to make required payments. An additional allowance may be required if the financial condition of our customers deteriorates. Our customers may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons.

## **Item 4. Controls and Procedures**

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### **Disclosure Controls and Procedures**

We maintain disclosure controls and procedures, as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that our employees accumulate this information and communicate it to our management, including our Interim Co-Chief Executive Officers (our principal executive officers) and our Chief Financial Officer (our principal financial officer), as appropriate, to allow timely decisions regarding the required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only "reasonable assurance" of achieving the desired control objectives, and management necessarily must apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures under Rule 13a-15. Our management, including our Interim Co-Chief Executive Officers and Chief Financial Officer, supervised and participated in this evaluation. Based upon that evaluation and as of the end of the period covered by this report, our Interim Co-Chief Executive Officers and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the "reasonable assurance" level.

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The information set forth in Item 1 of Part I of this Quarterly Report on Form 10-Q in Note 18, “Commitments and Contingencies” under the captions “Settlement Agreement Tax Deduction” and “Environmental Matters” is incorporated herein by reference. See also Part I, Item 3, “Legal Proceedings,” of our 2022 Form 10-K, as subsequently updated by our Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors

Reference is made to Part I, Item 1A, “Risk Factors,” in our 2022 Form 10-K for information concerning risks that may materially affect our business, financial condition or results of operations. The “Risk Factors” in the Company’s 2022 Form 10-K should be read in conjunction with the additional risk factor below.

*If we are unable to successfully manage leadership transition, our consolidated financial condition or results of operations may be adversely affected, or we may not be able to execute our strategies.*

Leadership transitions can be inherently difficult to manage, and failure to timely or successfully implement transitions may cause disruption to our Company. The execution and success of our business plan and strategy depends largely on the efforts and abilities of our management team. Changes in our organization as a result of executive management transition may have a disruptive impact on our ability to implement our strategy and could have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### (c) Issuer Purchases of Equity Securities

The table below sets forth the total number of shares of our common stock, par value \$0.10 per share, that we repurchased in each month of the quarter ended September 30, 2023, the average price paid per share and the maximum approximate dollar value of shares that may yet be purchased under our publicly announced plans or programs.

| Period                                       | Total Number of Shares Purchased <sup>(1)</sup> | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Announced Plans or Programs | Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs <sup>(1)</sup> |
|--|---|------------------------------|---|---|
| Balance as of June 30, 2023                  |   |                              |   | \$ 536,509,713  |
| July 1, 2023 through July 31, 2023           | —   | \$ —                         | —   | 536,509,713   |
| August 1, 2023 through August 31, 2023       | —   | \$ —                         | —   | 536,509,713   |
| September 1, 2023 through September 30, 2023 | —   | \$ —                         | —   | 536,509,713   |
| <b>Total</b>                                 | <b>—</b>  |                              | <b>—</b>  | <b>\$ 536,509,713</b>   |

<sup>(1)</sup> On August 2, 2021, the Board of Directors approved a new share repurchase program of \$1.0 billion. This program has no expiration and replaced the previous authorization. It does not obligate us to repurchase any specified amount of shares and remains subject to the discretion of the Board of Directors. As of September 30, 2023, there was \$537 million remaining under the currently authorized repurchase program. From time to time we acquire shares by means of open-market transactions, including through plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, and privately negotiated transactions, including accelerated share repurchase programs, or other methods, pursuant to our publicly announced program described above, subject to market or other conditions, covenants in our senior secured credit facility and applicable regulatory requirements. In addition, we have historically withheld shares from awards under our Omnibus Incentive Plan pursuant to the provision thereof that permits tax withholding obligations or other legally required charges to be satisfied by having us withhold shares from an award under that plan. During the three months ended September 30, 2023, no shares were withheld pursuant to this provision.

## **Item 5. Other Information**

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During the three months ended September 30, 2023, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits

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| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| 3.1                   | <a href="#"><u>Unofficial Composite Amended and Restated Certificate of Incorporation of the Company as currently in effect. (Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-108544, is incorporated herein by reference.)</u></a>                          |
| 3.2                   | <a href="#"><u>Amended and Restated By-Laws of the Company as currently in effect. (Exhibit 3.1 to the Company's Current Report on Form 8-K, Date of Report October 19, 2023, File No. 1-12139, is incorporated herein by reference.)</u></a>  |
| 10.1                  | <a href="#"><u>Amendment No. 2 to Fourth Amended and Restated Syndicated Facility Agreement, dated February 1, 2023, by and among Sealed Air Corporation, on behalf of itself and certain of subsidiaries, Bank of America, N.A., as agent and other financial institutions party thereto.</u></a> |
| 31.1                  | <a href="#"><u>Certification of Emile Z. Chammas pursuant to Rule 13a-14(a), dated November 2, 2023.</u></a>   |
| 31.2                  | <a href="#"><u>Certification of Dustin J. Semach pursuant to Rule 13a-14(a), dated November 2, 2023.</u></a>   |
| 32                    | <a href="#"><u>Certification of Emile Z. Chammas and Dustin J. Semach pursuant to 18 U.S.C. § 1350, dated November 2, 2023.</u></a>  |
| 101.INS               | Inline XBRL Instance Document  |
| 101.SCH               | Inline XBRL Taxonomy Extension Schema  |
| 101.CAL               | Inline XBRL Taxonomy Extension Calculation Linkbase  |
| 101.LAB               | Inline XBRL Taxonomy Extension Label Linkbase  |
| 101.PRE               | Inline XBRL Taxonomy Extension Presentation Linkbase   |
| 101.DEF               | Inline XBRL Taxonomy Extension Definition Linkbase   |
| 104                   | Cover Page Interactive Data File (formatted as Inline XBRL and contained within Exhibit 101)   |

**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 thereunto duly authorized.

Sealed Air Corporation

Date: November 2, 2023

By: /S/ Dustin J. Semach  
Dustin J. Semach  
Interim Co-President and Co-Chief Executive Officer,  
Chief Financial Officer  
(Duly Authorized Officer)

## AMENDMENT NO. 2 TO FOURTH AMENDED AND RESTATED SYNDICATED FACILITY AGREEMENT

This AMENDMENT NO. 2 TO FOURTH AMENDED AND RESTATED SYNDICATED FACILITY AGREEMENT, dated as of February 1, 2023 (this “**Amendment**”), is made by and among SEALED AIR CORPORATION, a Delaware corporation (the “**Company**”), for and on behalf of itself and, in its capacity as the Borrower Representative, for and on behalf of, each other Borrower, BANK OF AMERICA, N.A., as agent for and on behalf of the Lenders and other secured parties thereunder (in such capacity, the “**Agent**”), and the undersigned Lenders. Capitalized terms used but not defined herein have the meaning assigned thereto in the Amended Facility Agreement (as defined below).

### PRELIMINARY STATEMENTS

**WHEREAS**, reference is made to that certain Fourth Amended and Restated Syndicated Facility Agreement, dated as of March 25, 2022 (as amended by Amendment No. 1 to Fourth Amended and Restated Syndicated Facility Agreement and Incremental Assumption Agreement, dated as of December 8, 2022, and as otherwise amended, amended and restated, supplemented, refinanced, replaced or modified from time to time prior to the date hereof, the “**Existing Facility Agreement**”), made by and among the Company, the other Borrowers (as defined therein) party thereto, the lenders from time to time party thereto (the “**Lenders**”), the Agent, and the other parties referred to therein;

**WHEREAS**, the Company and the Agent have agreed that it would be advisable for certain amendments be made to the Existing Facility Agreement to address a technical drafting discrepancy that could, under certain circumstances, result in an unintended inconsistency in the treatment of Cash Management Obligations and Swap Obligations, as between the Existing Facility Agreement and the Pari Passu Intercreditor Agreement, and also within the Pari Passu Intercreditor Agreement, as set forth herein; and

**WHEREAS**, each Lender party to this Amendment, which Lenders constitute the Required Lenders as of the Amendment Effective Date (as defined below), agrees to the make the amendments to the Existing Facility Agreement set forth herein, on the terms and subject to the conditions set forth herein;

**NOW THEREFORE**, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows:

**SECTION 1. Amendments to Existing Facility Agreement.** The Existing Facility Agreement is, effective as of the Amendment Effective Date and subject to the satisfaction or waiver in writing of the conditions precedent set forth in Section 3, hereby amended (the Existing Facility Agreement, as so amended by this Amendment, the “**Amended Facility Agreement**”) by:

(i) in Section 1.01 thereof, adding a new definition of “Pari Passu Intercreditor Agreement”, in the correct alphabetical order, as follows:

“Pari Passu Intercreditor Agreement” means the Pari Passu Intercreditor Agreement, dated as of September 29, 2021, made by and among the Company, the other Grantors (as defined therein) from time to time party thereto, the Agent, and U.S. Bank National Association, and each Additional Agent (as defined therein), from time to time



party thereto, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.”

(ii) in Section 1.01 thereof, amending and restating the definition of “Loan Documents” as follows:

““Loan Documents” means this Agreement, the Notes, the Collateral Documents, each Reaffirmation Agreement, any Letter of Credit (except as to Section 9.01), the Fee Letter (except as to Section 9.01), the 2022 Incremental Term Amendment Agreement, the Pari Passu Intercreditor Agreement, any Incremental Assumption Agreement and the Subsidiary Guaranties.”

(iii) in Section 1.01 thereof, amending and restating the definition of “Obligations” as follows:

““Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Advance or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, that, with respect to, and for all purposes of, the Pari Passu Intercreditor Agreement, this term “Obligations” shall also include (i) the obligations of the Company or of any Subsidiary thereof under any Swap Obligations, (ii) any Cash Management Obligations of the Company or any Subsidiary thereof, and (iii) the Obligations of any Loan Party under each Guaranty and the other Loan Documents to which it is a party in respect of any of the Obligations described in the preceding clauses (i) and (ii); provided, further, that, as to any Subsidiary Guarantor, the “Obligations” thereof shall exclude any Excluded Swap Obligations.”

**SECTION 2. Representations and Warranties.** The Borrower Representative (for and on behalf of itself and the other Borrowers) hereby represents and warrants, on and as of each of the Amendment Effective Date, to the Agent and the Lenders, that:

(a) The Company (i) is duly incorporated, validly existing and in good standing, under the laws of the jurisdiction of its incorporation, (ii) has the corporate power and authority to execute, deliver and perform its obligations under this Amendment, and perform its obligations under the Amended Facility Agreement and (iii) is in good standing in each jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification, except with respect to this clause (iii) where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

(b) The Company has duly executed and delivered this Amendment, and the Amendment and the Amended Facility Agreement constitute the legal, valid and binding obligation of the Company and each other Borrower, enforceable against each such Person, in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors’ rights and to equitable principles (regardless of whether enforcement is sought in equity or at law).

**SECTION 3. Conditions to Effectiveness of the Amendment.** The Amendments set forth in Section 1 hereof shall become effective as of the first date when, and only when, the following conditions have been satisfied, or waived in accordance with the provisions of the Existing Facility Agreement (the “**Amendment Effective Date**”):

(a) **Execution and Delivery.** The Agent shall have received this Amendment, duly executed and delivered by the Borrower Representative, the Agent, and Lenders constituting the Required Lenders.

(b) **Representations and Warranties.** The representations and warranties contained in Section 2 of this Amendment shall, in each case, be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Amendment Effective Date; except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date and except to the extent that such representations and warranties are already qualified as to materiality or Material Adverse Effect, in which case such qualified representations and warranties shall be true and correct in all respects.

**SECTION 4. Reference to and Effect on the Loan Documents.**

(a) On and after the Amendment Effective Date, each reference in the Amended Facility Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Existing Facility Agreement, and each reference in the other Loan Documents to “the Facility Agreement”, “the Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Existing Facility Agreement, shall mean and be a reference to the Existing Facility Agreement as amended and modified by this Amendment.

(b) The Existing Facility Agreement, as specifically amended and modified by this Amendment, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents to the extent provided in the Collateral Documents.

(c) Save as expressly provided herein, the execution, delivery and effectiveness of this Amendment (i) shall not operate as a waiver of any right, power, privilege or remedy of any Lender, any Issuing Bank, any Swing Line Lender or the Agent under any of the Loan Documents and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or other agreements contained in the any of the Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Company, any other Loan Party or any other Person to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or other agreements contained in the Amended Facility Agreement or any other Loan Document in similar or different circumstances after the date hereof.

**SECTION 5. Execution in Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment and any document, amendment, approval, consent, information,

notice, certificate, request, statement, disclosure or authorization related to this Amendment (each a “**Communication**”), including Communications required to be in writing, may be in the form of an Electronic Record (as defined below) and may be executed using Electronic Signatures (as defined below). The Company agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on the Company to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Company enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Agent of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Agent may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“**Electronic Copy**”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Agent has agreed to accept such Electronic Signature, the Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Company without further verification and (b) upon the request of the Agent or any Secured Party, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, “**Electronic Record**” and “**Electronic Signature**” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

**SECTION 6. Expenses.** The Company agrees to reimburse the Agent for its reasonable and documented out-of-pocket costs and expenses incurred in connection with this Amendment, in accordance with the provisions of Section 9.04(a) of the Amended Facility Agreement (and without duplication of such provision or any provision of this Amendment).

**SECTION 7. Miscellaneous.** The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Amendment shall be binding upon and inure to the benefit of the parties hereto and to the Amended Facility Agreement and the other Loan Documents and their respective successors and permitted assigns. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**SECTION 8. Loan Document.** Each of the parties hereto hereby agrees that this Amendment shall be a Loan Document for all purposes of the Amended Facility Agreement and the other Loan Documents, and the definition of “Loan Documents” set forth in the Amended Facility Agreement shall be deemed to have been amended to include this Amendment therein.

**SECTION 9. GOVERNING LAW.**

(a) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO

CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY RIGHT TO ANY OTHER JURISDICTION THAT IT MAY HAVE BY REASON OF DOMICILE OR ANY OTHER REASON AND OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Fourth Amended and Restated Syndicated Facility Agreement to be duly executed and delivered as of the day and year first above written.

**SEALED AIR CORPORATION,**  
as the Company and as Borrower Representative (for and on behalf of itself and for and on  
behalf of each other Borrower)

By: /s/ Shuxian (Susan) Yang  
Name: Shuxian (Susan) Yang  
Title: Treasurer

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**BANK OF AMERICA, N.A.,  
as Agent**

By: /s/ Liliana Claar  
Name: Liliana Claar  
Title: Vice President

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**BANK OF AMERICA, N.A.,  
as a Lender**

By: /s/ Erron Powers  
Name: Erron Powers  
Title: Director

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**BANCO DE SABADELL, S.A., MIAMI BRANCH**  
**as a Lender**

By: /s/ Enrique Castillo  
Name: Enrique Castillo  
Title: Head of Corporate Banking

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**The Bank of East Asia, Limited, New York Branch,  
as a Lender**

By: /s/ James Hua  
Name: James Hua  
Title: SVP

By: /s/ Chong Tan  
Name: Chong Tan  
Title: SVP

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**BNP PARIBAS**

**as a Lender**

By: /s/ Richard Pace  
Name: Richard Pace  
Title: Managing Director

By: /s/ Michael Lefkowitz  
Name: Michael Lefkowitz  
Title: Director

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**CITIBANK N.A.**

**as a Lender**

By: /s/ David Jaffe  
Name: David Jaffe  
Title: Vice President

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**Citizens Bank, N.A.,**  
**as a Lender**

By: /s/ Marc C. Van Horn  
Name: Marc C. Van Horn  
Title: Vice President

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**COMPEER FINANCIAL, PCA,  
as a Lender**

By: /s/ Sarah Fleet  
Name: Sarah Fleet  
Title: Director, Capital Markets

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**COÓPERATIEVE RABOBANK U.A., NEW YORK BRANCH,  
as a Lender**

By: /s/ Claire Laury  
Name: Claire Laury  
Title: Executive Director

By: /s/ Drew Prather  
Name: Drew Prather  
Title: Vice President

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**Credit Agricole Corporate and Investment Bank,  
as a Lender**

By: /s/ Gordon Yip  
Name: Gordon Yip  
Title: Director

By: /s/ Paul Arens  
Name: Paul Arens  
Title: Director

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**Crédit Industriel et Commercial, New York Branch  
as a Lender**

By: /s/ Clifford Abramsky  
Name: Clifford Abramsky  
Title: Managing Director

By: /s/ Garry Weiss  
Name: Garry Weiss  
Title: Managing Director

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]



**First Hawaiian Bank,  
as a Lender**

By: /s/ Christopher Yasuma  
Name: Christopher Yasuma  
Title: Vice President

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**First Horizon Bank,  
as a Lender**

By: /s/ Terence J Dolch  
Name: Terence J Dolch  
Title: Senior Vice President

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**GOLDMAN SACHS BANK USA,  
as a Lender**

By: /s/ Keshia Leday  
Name: Keshia Leday  
Title: Authorized Signatory

**GOLDMAN SACHS LENDING PARTNERS LLC,  
as a Lender**

By: /s/ Keshia Leday  
Name: Keshia Leday  
Title: Authorized Signatory

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**The Huntington National Bank,  
as a Lender**

By: /s/ Martin H. McGinty  
Name: Martin H. McGinty  
Title: Director

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**JPMORGAN CHASE BANK, N.A.,  
as a Lender**

By: /s/ James Shender  
Name: James Shender  
Title: Executive Director

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**Mizuho Bank, Ltd.,  
as a Lender**

By: /s/ Donna DeMagistris  
Name: Donna DeMagistris  
Title: Executive Director

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**Morgan Stanley Bank, N.A.,  
as a Lender**

By: /s/ Atu Koffie-Lart  
Name: Atu Koffie-Lart  
Title: Authorized Signatory

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**The Northern Trust Company,  
as a Lender**

By: /s/ Andrew D. Holtz  
Name: Andrew D. Holtz  
Title: Senior Vice President

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**OLD NATIONAL BANK,  
as a Lender**

By: /s/ Michael Trunck  
Name: Michael Trunck  
Title: Senior Vice President

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**Santander Bank, N.A.,**  
**as a Lender**

By: /s/ Irv Roa  
Name: Irv Roa  
Title: Managing Director

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**SUMITOMO MITSUI BANKING CORPORATION,  
as a Lender**

By: /s/ Rosa Pritsch  
Name: Rosa Pritsch  
Title: Director

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**Truist Bank,  
as a Lender**

By: /s/ Christian Jacobsen  
Name: Christian Jacobsen  
Title: Director

[SIGNATURE PAGE - SEALED AIR: AMENDMENT NO. 2]

**Trustmark National Bank,  
as a Lender**

By: /s/ Mark Stubblefield  
Name: Mark Stubblefield  
Title: Senior Vice President

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**Wells Fargo Bank, National Association,  
as a Lender**

By: /s/ Andrew Payne  
Name: Andrew Payne  
Title: Managing Director

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## CERTIFICATIONS

I, Emile Z. Chammas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sealed Air Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ EMILE Z. CHAMMAS

Emile Z. Chammas

*Interim Co-President and Co-Chief Executive Officer, Chief  
Operating Officer*

Date: November 2, 2023

## CERTIFICATIONS

I, Dustin J. Semach, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sealed Air Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ DUSTIN J. SEMACH

\_\_\_\_\_  
Dustin J. Semach

*Interim Co-President and Co-Chief Executive Officer, Chief  
Financial Officer*

Date: November 2, 2023



**Certification Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Sealed Air Corporation (the "Company") for the quarterly period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Emile Z. Chammas, as Interim Co-President and Co-Chief Executive Officer, Chief Operating Officer of the Company, and Dustin J. Semach, as Interim Co-President and Co-Chief Executive Officer, Chief Financial Officer of the Company, each hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his/her knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
  
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:

/S/ EMILE Z. CHAMMAS

Emile Z. Chammas

*Interim Co-President and Co-Chief Executive Officer, Chief Operating Officer*

Date: November 2, 2023

By:

/S/ DUSTIN J. SEMACH

Dustin J. Semach

*Interim Co-President and Co-Chief Executive Officer, Chief Financial Officer*

Date: November 2, 2023