

# SEALED AIR CORPORATION

Earnings Conference Call Supplement  
Second Quarter 2013  
(Unaudited Results)

August 2, 2013

Jerome A. Peribere – President & Chief Executive Officer

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# Safe Harbor and Regulation G Statement

- This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans to,” “will” and similar expressions. Examples of these forward-looking statements include 2013 financial expectations and assumptions associated with our restructuring programs, availability and pricing of raw materials, success of our growth programs, economic conditions, and the success of pricing actions. These statements reflect our beliefs and expectations as to future events and trends affecting our business, our consolidated financial position and our results of operations. A variety of factors may cause actual results to differ materially from these expectations, including general domestic and international economic and political conditions affecting packaging utilization; changes in our raw material and energy costs; credit ratings; competitive conditions and contract terms; currency translation and devaluation effects, including Venezuela; the success of our financial growth, profitability and manufacturing strategies and our cost reduction and productivity efforts; the effects of animal and food-related health issues; pandemics; environmental matters; regulatory actions and legal matters; and the successful integration of Diversey. For more extensive information, see “Risk Factors” and “Cautionary Notice Regarding Forward-Looking Statements,” which appear in our most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and as revised and updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, whether as a result of new information, future events, or otherwise.
- Our management uses non-U.S. GAAP financial measures to evaluate the Company’s performance, which exclude items we consider unusual or special items. We believe the use of such financial measures and information may be useful to investors. We believe that the use of non-U.S. GAAP measures helps investors to gain a better understanding of core operating results and future prospects, consistent with how management measures and forecasts the Company’s performance, especially when comparing such results to previous periods or forecasts. For important information on our use of non-U.S. GAAP financial measures and information, including reconciliations of such non-U.S. GAAP financial measures and information to comparable U.S. GAAP measures and information, please refer to the financial tables and information provided in our earnings release.

# Key Takeaways

Second Quarter 2013

## Q2 Performance Summary

- Sales \$2.0B
  - Up 1.9% as reported
  - Up 3.2% constant currency
  - Volume increased 2.4%
  - Price/mix favorable 0.8%
- Adj. EBITDA: \$276.3M, 14.1% of sales
- Adj. EPS \$0.35; Reported EPS of \$0.26

### **Excluding SARs expense:**

- Q2 2013 Adj. EBITDA: \$276.4M, 14.1% of sales
- Q2 2012 Adj. EBITDA: \$218.4M, 11.3% of sales
- Q2 2013 Adj. EPS: \$0.35
- Q2 2012 Adj. EPS: \$0.13

- All divisions reported top line growth despite global economic challenges
- Strong growth in AMAT & Latin America, modest growth in NA; offset by continued weakness in Europe and Japan/ANZ
- F&B and I&L delivered EBITDA margin expansion
- Seeing benefits from pricing initiatives, cost synergies & operating efficiency improvements
- Core Tax Rate of 23.8%

### Reported U.S. GAAP Measures

Q2-13 Net Sales: \$1.96B; Operating Profit: \$169M; Net Income: \$56M

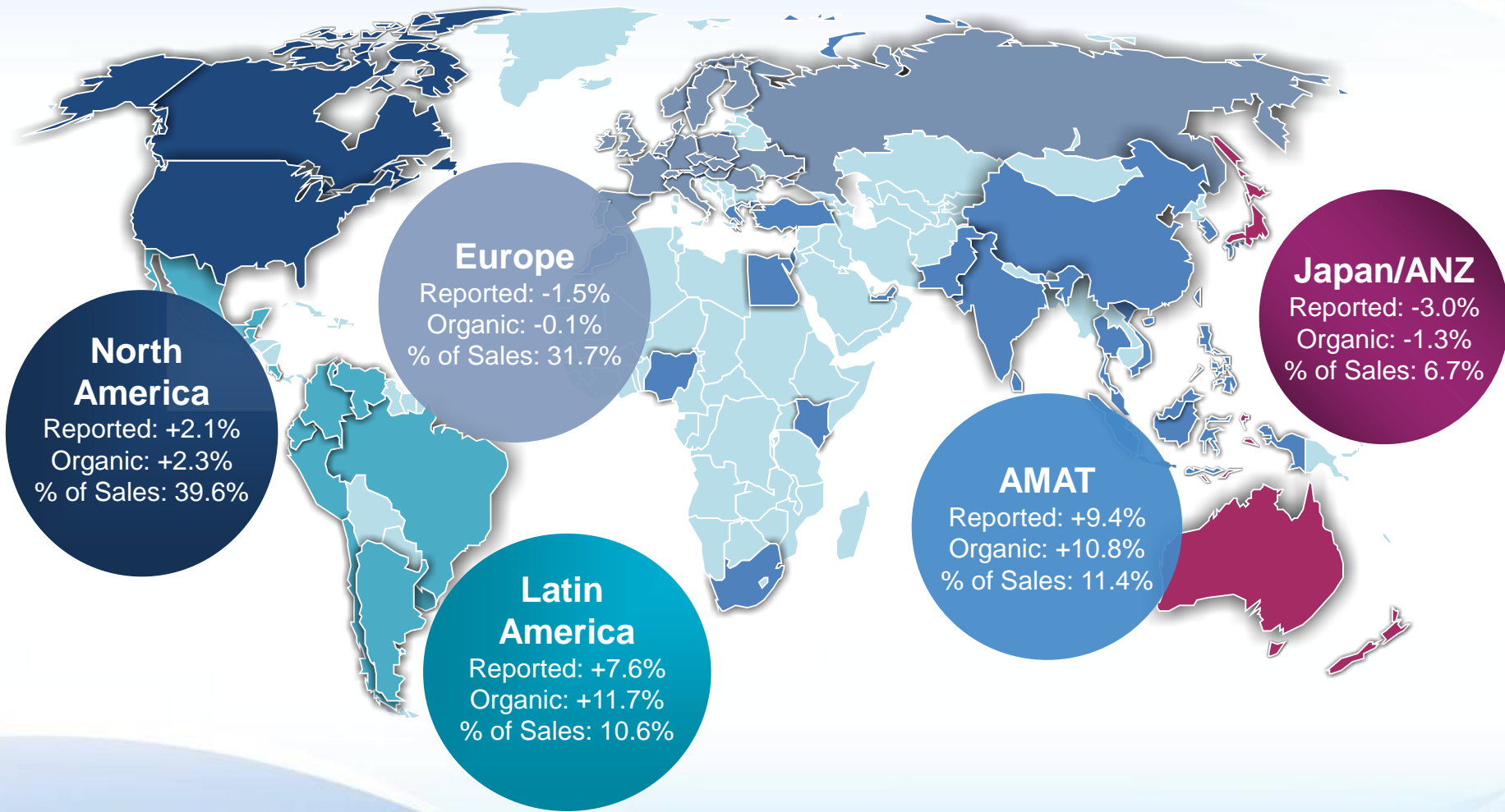
Q2-12 Net Sales: \$1.92B; Operating Profit: \$108M; Net Loss: \$21M

Q2-13 Effective tax rate: 25.1%

*Please see Sealed Air's August 2, 2013 earnings press release for important information about the use of non-U.S. GAAP financial measures, including applicable reconciliations to U.S. GAAP financial measures. All numbers reflect continuing operations, excluding the impact of the sale of Diversey Japan.*



# Regional Sales Performance Second Quarter 2013



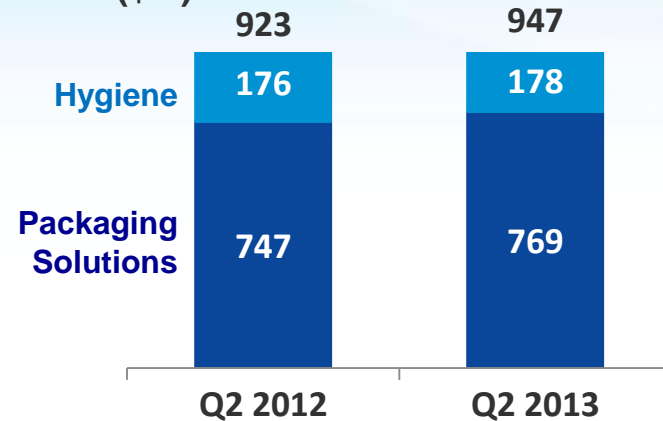
\* Organic sales refers to unit volume and price/mix performance and excludes the impact of currency translation

# Food and Beverage: Achieved Sales and Adj. EBITDA Growth

- Q2 Net Sales: +2.6%; organic growth: +3.9%
  - Volume increased 2.5%; Price/mix favorable 1.4%
  - Food Packaging organic sales increased 4.0%
  - Hygiene organic sales increased 3.4%
- Q2 Adj. EBITDA Margin: 14.7%
  - Adjusted EBITDA growth of 24.2%
  - Excluding impact of SARs, growth of 26.9%
  - Key drivers: manufacturing efficiencies, cost synergies and favorable product mix
- Q2 Volume Trends by region vs. PY
  - North America: +1.4%
  - Europe: -1.0%
  - Latin America: +8.1%
  - AMAT: +16.3%
  - JANZ: -0.5%
- Largest growth drivers:** Fresh red meat and equipment sales, particularly in Latin America; customer acceptance of new products and solutions
- Challenges:** European macro economy; Beef volume in North America and Europe

Reported U.S. GAAP Measures:  
 Q2-13 F&B Operating Profit: \$103.7M  
 Q2-12 F&B Operating Profit: \$69.8M

Net Sales (\$M)



Adjusted EBITDA (\$M)



\* Other includes: Q2 2012 unfavorable Argentina labor settlement and facility closures, consolidations & start-up costs



# Institutional and Laundry: Achieved Sales and Adj. EBITDA Growth

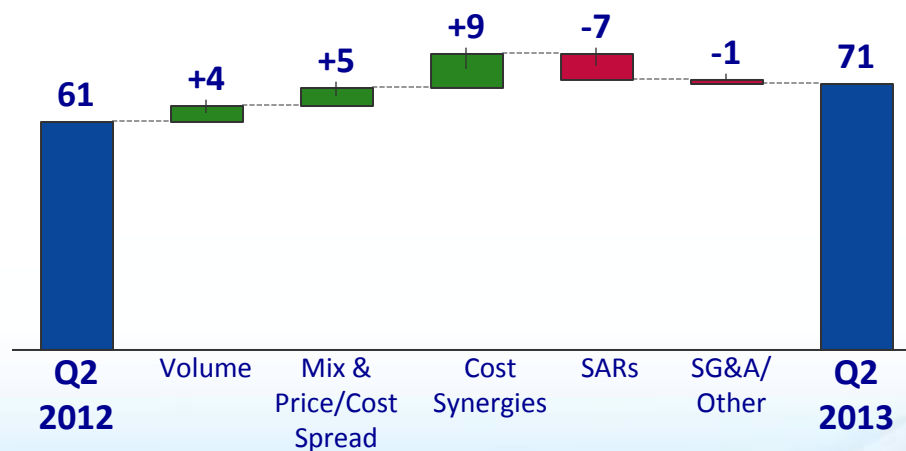
- Q2 Net Sales: +1.7%; +3.0% organic growth
  - Volume & Price both increased 1.5%
  - Double-digit organic sales growth in LA & AMAT
  - NA organic sales increased 2.5%
  - Europe organic sales declined 1.2%
- Q2 Adj. EBITDA Margin: 12.4%
  - Adjusted EBITDA growth of 16.6%
  - Excluding impact of SARs, growth of 31.4%
  - Key drivers: Volume growth, cost containment & cost synergies
- Q2 Volume Trends by region vs. PY
  - North America: +0.5%
  - Europe: -1.7%
  - Latin America: +7.4%
  - AMAT: +8.3%
  - ANZ: +1.3%
- **Largest Growth Drivers:** New customer wins & account penetration in LA & AMAT; gaining traction in U.S. with TASKI® floorcare machine launch & new customers wins
- **Challenges:** Exposure to European macro economy

Reported U.S. GAAP Measures:  
 Q2-13 I&L Operating Profit: \$37.2M  
 Q2-12 I&L Operating Profit: \$20.9M

Net Sales (\$M)



Adjusted EBITDA (\$M)

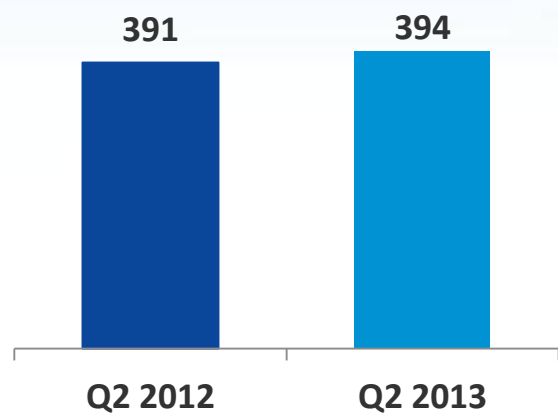


# Protective Packaging: Volume Increased, Price/Mix Unfavorable

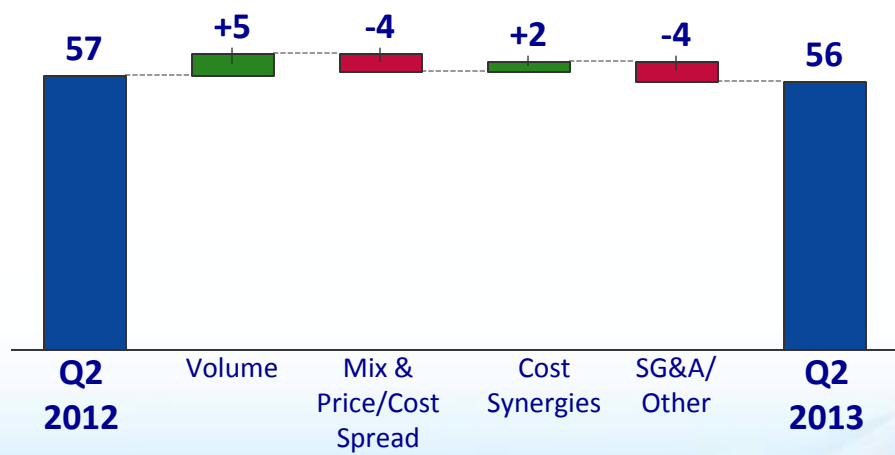
- Q2 Net Sales: +0.9%; +1.8% organic change
  - Volume increased 3.8%; Price/mix unfavorable 2.0%
  - NA organic sales increased 2.6%
  - Europe organic sales declined 0.7%
- Q2 Adjusted EBITDA Margin: 14.2%
  - Adjusted EBITDA declined 2.1%
  - Key drivers: Unfavorable product mix, global economy, raw material costs
- Q2 Volume Trends by region v. PY
  - North America: +3.5%
  - Europe: +2.2%
  - Latin America: +11.3%
  - AMAT: +11.0%
  - JANZ: +0.7%
- **Largest growth drivers:** E-commerce, retail, packaging systems
- **Challenges:** Global economic weakness, raw material volatility

Reported U.S. GAAP Measures:  
 Q2-13 Protective Packaging Operating Profit: \$44.0M  
 Q2-12 Protective Packaging Operating Profit: \$46.7M

Net Sales (\$M)



Adjusted EBITDA (\$M)



# Q2 Net Sales Bridge

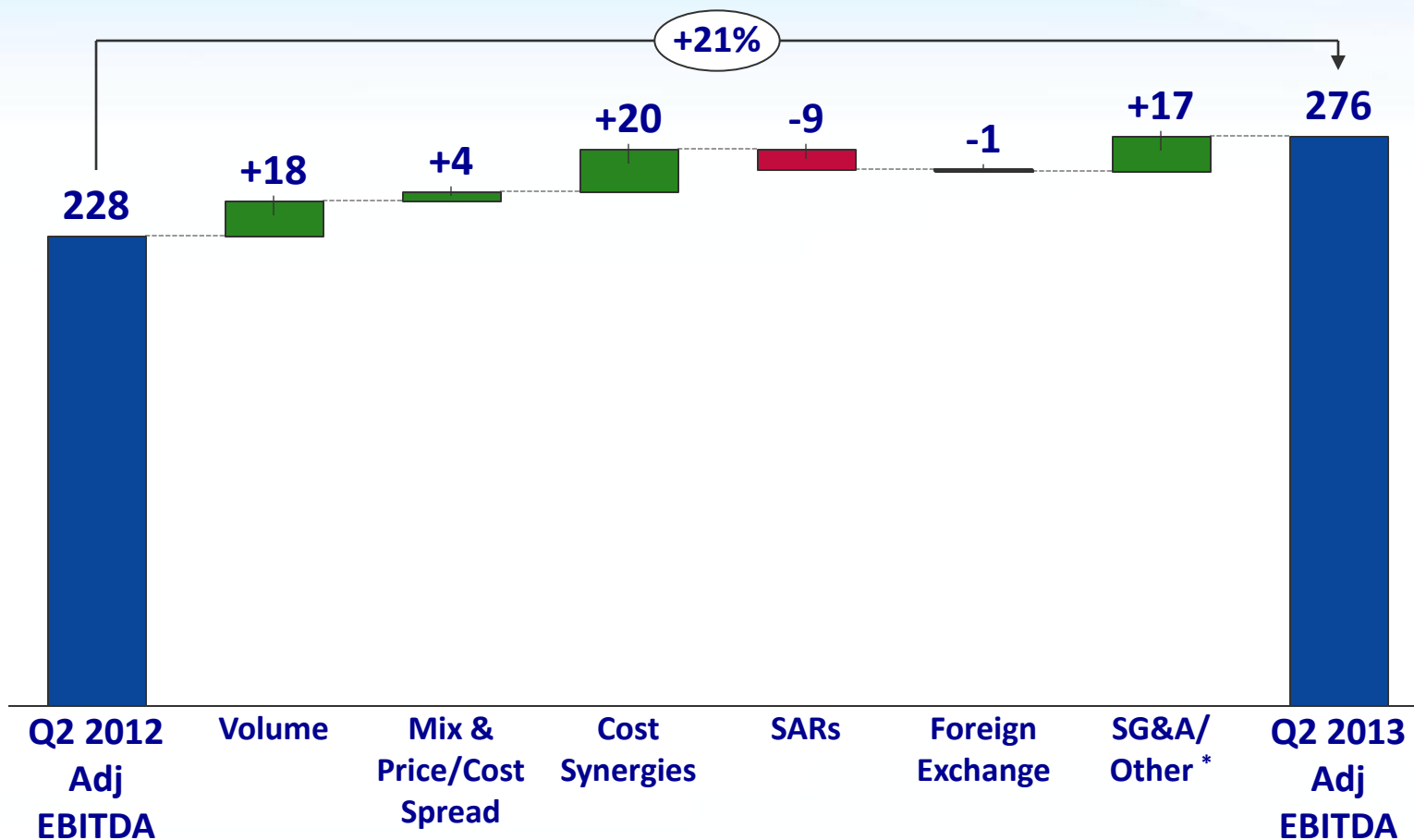
(\$ in millions)





# Q2 2013 Adjusted EBITDA Bridge

(\$ millions)

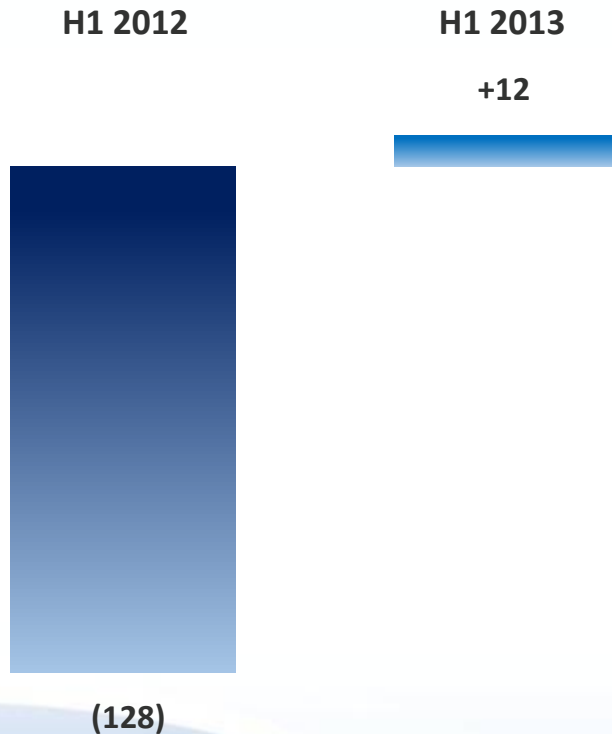


\* Other includes: Q2 2012 unfavorable Argentina labor settlement and facility closures, consolidations & start-up costs

# H1 2013 Free Cash Flow Improved \$140 million

(\$ in millions)

## Free Cash Flow Performance



Free Cash Flow	Six Months Ended June 30,	
	2012	2013
U.S. GAAP Cash Flow from Operating Activities *	\$ (62)	\$ 63
Capital Expenditures	(66)	(51)
<b>Free Cash Flow</b>	<b>\$ (128)</b>	<b>\$ 12</b>

\*Six months ended 2012 & 2013, net of restructuring & SARs payments of \$63M

### H1 2013 vs. H1 2012 Improvement

- Higher net earnings
- Lower Capital Expenditures

# Outlook for Full Year 2013

## Management's full year outlook includes:

- Net Sales approximately \$7.7 billion to \$7.9 billion (No Change)
- Adjusted EBITDA tracking toward high-end of previously given guidance of approximately \$1.01 billion to \$1.03 billion
- Earnings Per Share tracking toward high-end of previously guidance of approximately \$1.10 to \$1.20 per share
- Free Cash Flow approximately \$275 million to \$325 million (No Change)
  - Includes estimated cash costs of \$65 million for earnings quality improvement program and \$70 million for the 2011-2014 Integration and Optimization Program
  - Includes 2013 estimated capital expenditures of \$160 million
  - Includes higher SARs payments
  - 2012 Free Cash Flow was \$280 million and was net of \$81 million of Integration and Optimization cash payments, \$125 million of capital expenditures and \$24 million of SARs payments

Adjusted EPS guidance excludes the impact of special items. It also excludes the payment of the W. R. Grace settlement, as the exact timing of the settlement is unknown. Final payment of the W. R. Grace settlement is expected to be accretive to adjusted EPS by approximately \$0.13 annually following the payment date under the assumption of using a substantial portion of cash on hand for the payment and ceasing to accrue interest on the settlement amount. Additionally, guidance excludes any non-operating gains or losses that may be recognized in 2013 due to currency fluctuations in Venezuela.

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# Q&A

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# Appendix

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## 2Q 2013 Adjusted EPS Calculation

<b>Adjusted EBITDA</b>	<b>\$ 276.3</b>
Depreciation and amortization <sup>(1)</sup>	(82.6)
Write down of non-strategic assets, including D&A	4.8
Interest expense	(89.7)
Non-cash profit sharing expense <sup>(2)</sup>	(10.0)
<b>Adjusted pre-tax earnings</b>	<b>\$ 98.8</b>
Core taxes (23.8%)	(23.5)
<b>Adjusted net earnings</b>	<b>\$ 75.3</b>
Diluted Shares	213.6
<b>Adjusted EPS</b>	<b>\$ 0.35</b>

(1) Comprised of \$44M of property and equipment depreciation, \$32M of amortization of Intangibles and \$7M of share-based compensation

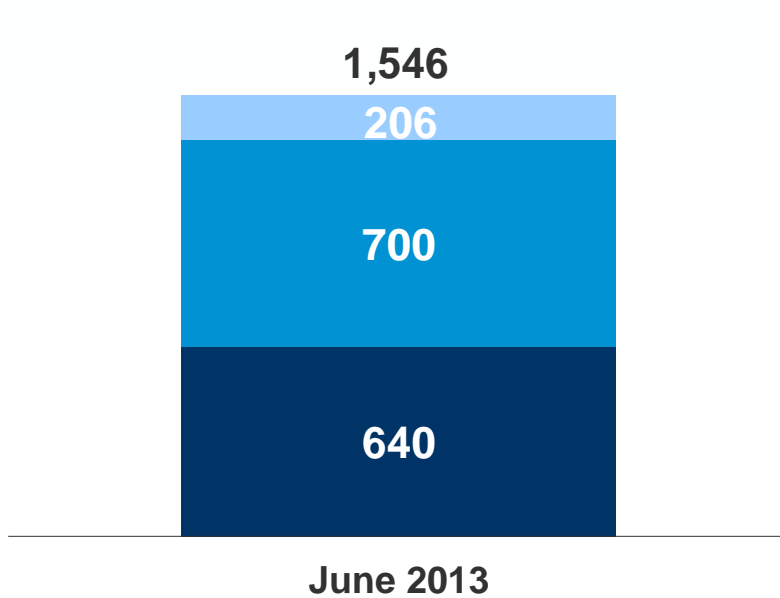
(2) Contributions to be made in Sealed Air common stock

Reported U.S. GAAP Measures :  
Q2 2013 Operating Income: \$168.9M; Net Income \$56.3M

# Liquidity & Net Debt

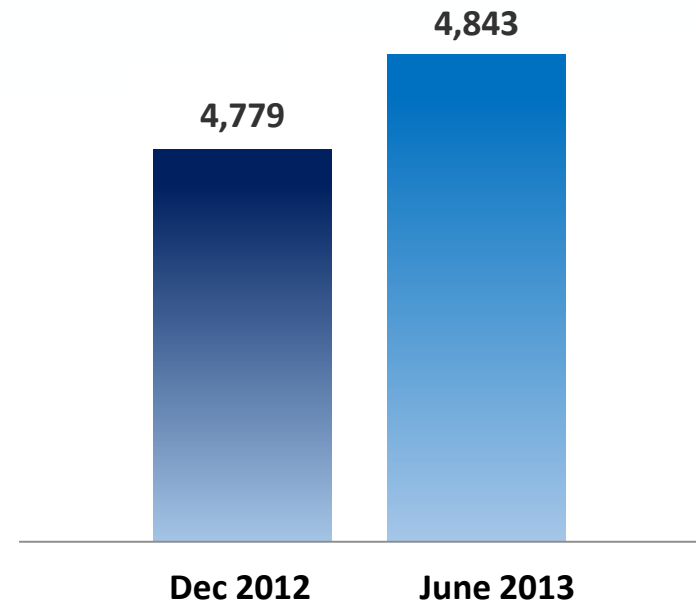
(\$ in millions)

## Liquidity Position



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

## Net Debt



### Higher net debt as a result of:

- Seasonal inventory growth
- Certain annual incentive compensation payments
- Financing activities