



# Fourth Quarter and Full Year 2018 Review

February 21, 2019



Delivering solutions,  
shaping the future.

Beauty + Home

Food + Beverage

Pharma

# Forward Looking Statements & Non-GAAP Financial Measures

This presentation includes forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are based on management's beliefs and assumptions in light of information currently available to management. Accordingly, the Company's actual results may differ materially from those expressed or implied in such forward-looking statements due to known or unknown risks and uncertainties that exist in the Company's operations and business environment, including, among other factors, those described in documents filed by the Company with the Securities and Exchange Commission, specifically its Form 10-Ks and 10-Qs. The Company does not assume any obligation to update, amend or clarify such statements to reflect new events, information or circumstances after the date of this presentation.

During the course of this presentation, certain non-GAAP financial information will be presented.

A reconciliation of those numbers to GAAP financial measures is available on the company's website at [www.aptar.com](http://www.aptar.com) on the Investor's page (click on [Events & Presentations / Presentations](#)).

- **Introduction**
  - **Sustainability and Innovation**
  - **Fourth Quarter 2018 Results**
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  - **Key Takeaways**
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# Sustainability

- Sustainability leader in our industry, committed to accelerate our efforts
- Better measuring the impacts of our existing products
- Identifying new material opportunities for future products
- Partnering with global organizations working toward a circular economy
- One of Barron's Top 100 Most Sustainable U.S. Companies (2019 Ranking)



Closures made with post-consumer recycled resin



Pumps for Loop program (a circular e-commerce platform)

# Innovation – Products and Technologies



## Recent Aptar Launches

Airless system for indie brand (North America)

QuickStart™ Injectables online ready-to-order vial and stopper complete solution (Marketing Globally)

Closure with SimpliSqueeze valve for inverted sour cream dispensing (North America)

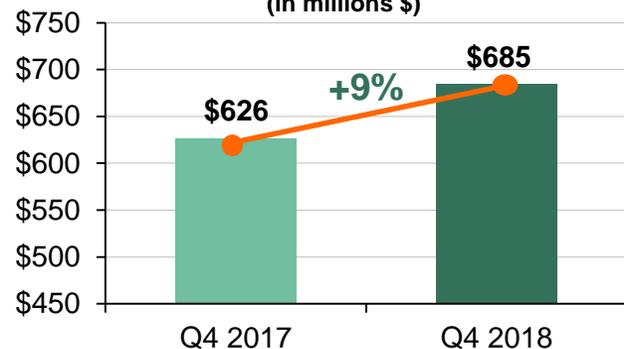
Luxury drop-by-drop applicator for perfume oil (Europe)

Sport cap for bottled water (Middle East)

# Fourth Quarter 2018 Results

## Reported Q4 Sales

(in millions \$)



**+7%**  
Core Sales Growth\*

**-4%**  
Currency Effects

**+6%**  
Acquisitions

## Reported Q4 EPS



**35%**  
Q4 2017  
Reported Effective Tax Rate

**31%**  
Q4 2018  
Reported Effective Tax Rate

## Adjusted Q4 EPS\*



**24%**  
Q4 2017  
Effective Tax Rate Adjusted Earnings\*

**29%**  
Q4 2018  
Effective Tax Rate Adjusted Earnings\*

Prior year's adjusted EPS would have been approximately \$0.06 lower had our current tax rate been applied (vs the 24% effective tax rate on adjusted EPS)

## Q4 Highlights

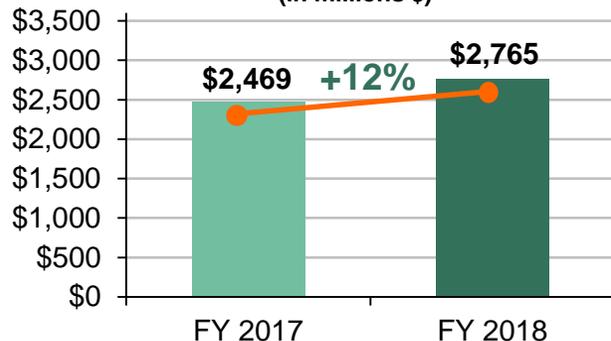
- Core sales growth in two of our three business segments
- Pharma segment had another excellent quarter while our Beauty + Home segment performed well and our Food + Beverage segment underperformed in the Chinese beverage market
- Remain diligent in our cost pass-through and turnaround efforts
- Implemented price increases to pass-along certain raw material cost increases but continued to face cost headwinds and some operational challenges in our Beauty + Home segment

\* See accompanying slide titled: Forward Looking Statements & Non-GAAP Financial Measures.

# Full Year 2018 Results

## Reported FY Sales

(in millions \$)

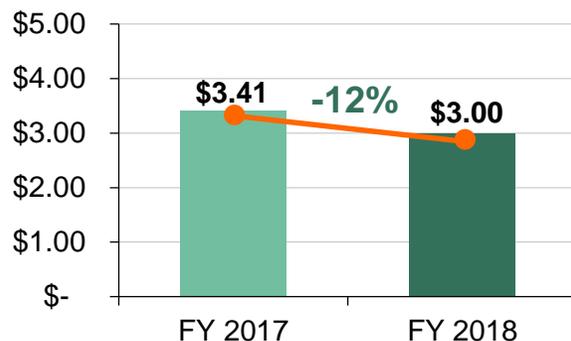


**+8%**  
Core Sales Growth\*

**+2%**  
Currency Effects

**+2%**  
Acquisitions

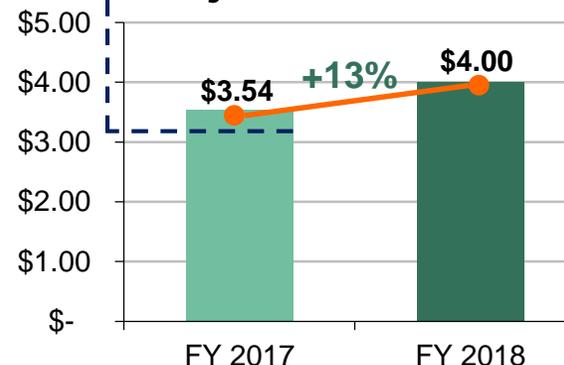
## Reported FY EPS



**25%**  
FY 2017  
Reported Effective Tax Rate

**27%**  
FY 2018  
Reported Effective Tax Rate

## Adjusted FY EPS\*



**23%**  
FY 2017  
Effective Tax Rate Adjusted Earnings\*

**27%**  
FY 2018  
Effective Tax Rate Adjusted Earnings\*

Prior year's adjusted EPS would have been approximately \$0.18 lower had our current tax rate been applied (vs the 23% effective tax rate on adjusted EPS)

## FY Highlights

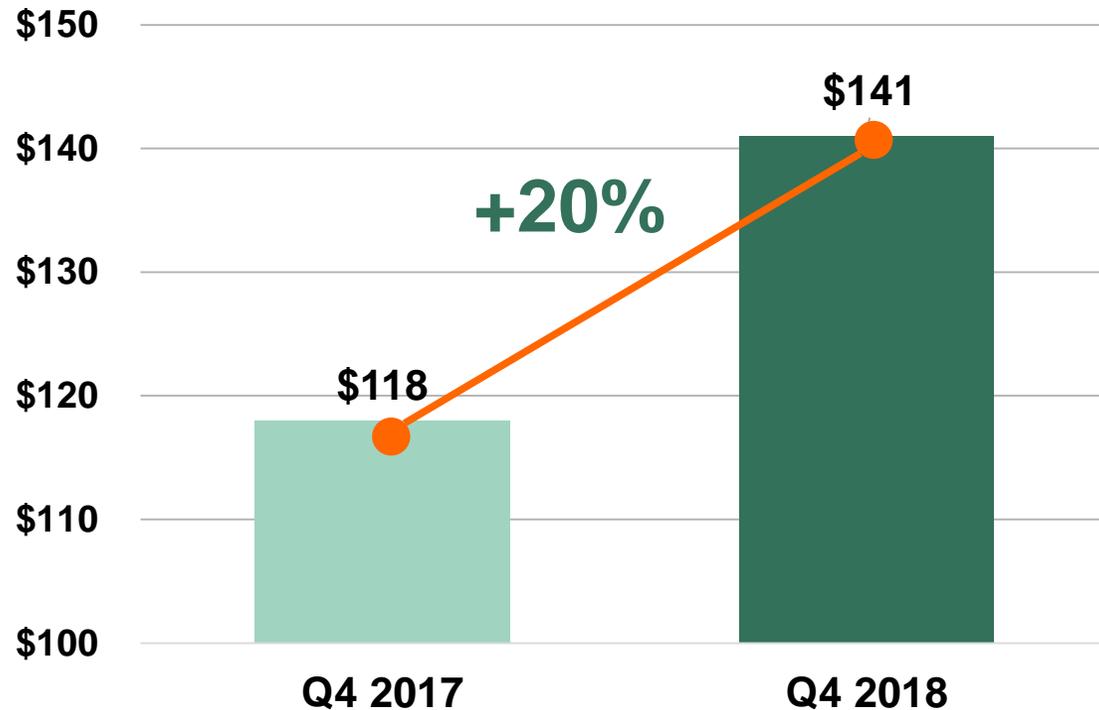
- Robust growth across each segment, each geographic region and in all end markets other than beverage
- Excluding restructuring and acquisition costs, we have also delivered strong operating results for the year to date
- Inflationary cost increases had a negative effect on profitability

\* See accompanying slide titled: Forward Looking Statements & Non-GAAP Financial Measures.

# Adjusted EBITDA

### Adjusted Q4 EBITDA\*

(in millions \$)



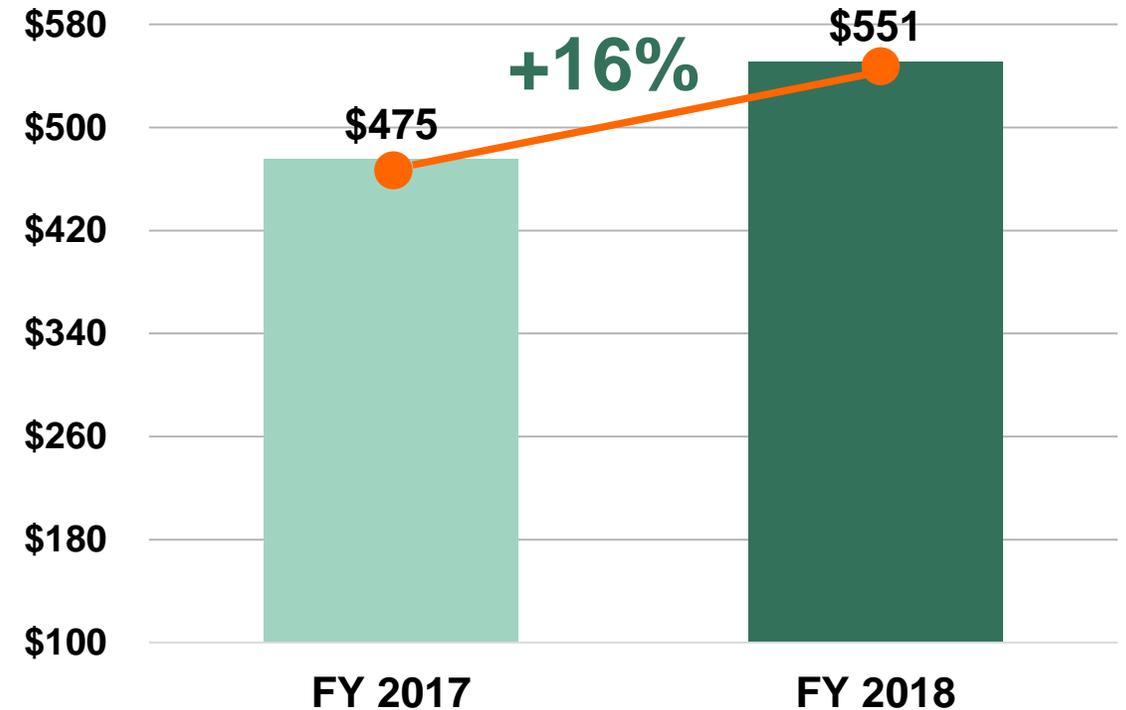
#### Adjustments:

- 2017: Gain on Insurance Recovery of \$10.6 mil; Restructuring initiatives of \$2.2 mil
- 2018: Restructuring initiatives of \$15.8 mil; Acquisition-related costs of \$0.1 mil; Purchase accounting adjustments related to inventory of \$10.8 mil

\* See accompanying slide titled: Forward Looking Statements & Non-GAAP Financial Measures.

### Adjusted FY EBITDA\*

(in millions \$)

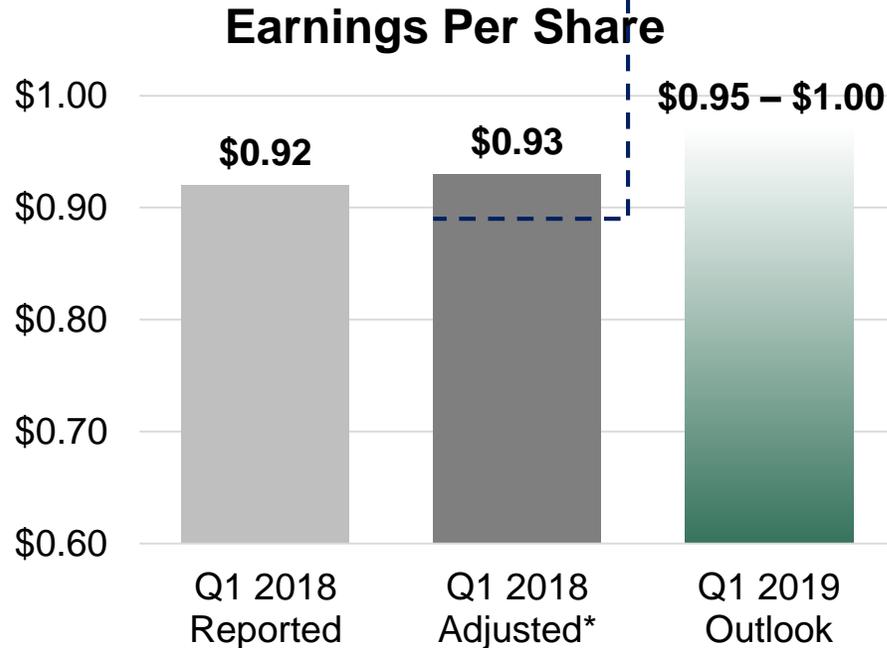


#### Adjustments:

- 2017: Gain on Insurance Recovery of \$10.6 mil; Restructuring initiatives of \$2.2 mil
- 2018: Restructuring initiatives of \$63.8 mil; Acquisition-related costs of \$9.6 mil; Purchase accounting adjustments related to inventory of \$14.2 mil

# Outlook

Prior year's adjusted EPS would have been approximately \$0.04 lower had our current guidance tax rate range been applied (vs the 27% effective tax rate on adjusted EPS)



**29-31%**  
Q1 expected tax rate range (prior year Q1 Adj. EPS effective tax rate = 27%)

## Outlook Highlights

- Core sales growth over the prior year expected for each business segment
- Capital expenditures estimated range for 2019 is \$230 - \$250 million
- Depreciation & amortization estimate for 2019 is \$195 million

**Guidance Fx Euro Rate = 1.14**

\* See accompanying slide titled: Forward Looking Statements & Non-GAAP Financial Measures.

# Presentation Key Takeaways

- Good fourth quarter caps a solid annual performance
- Significant progress on our strategic priorities
- For the year, excellent top line improvement with Beauty + Home and Pharma finishing ahead of their long-term targets and Food + Beverage slightly below
- Adjusted EBITDA grew 16% for the year
- Investing for growth and building our talent base
- Successful year for acquisitions and equity investments
- 2018 was our 25<sup>th</sup> consecutive year of paying an increased dividend
- Strong balance sheet and diversified business model provides resilience in case of potential economic slowdown