



Reconciliation of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. The calculation of these measures, and a reconciliation to previously reported comparable measures calculated in accordance with U.S. generally accepted accounting principles (GAAP) is shown below. The Company believes that this information, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company's financial condition and results of operations. The Company believes that this information should be used in conjunction with the Company's SEC filings.

Reconciliation of Non-GAAP Measures

AptarGroup, Inc.
Reconciliation of Adjusted EBIT and Adjusted EBITDA to Net Income (Unaudited)
(\$ In Thousands)

	Three Months Ended					
	June 30, 2019					
	Consolidated	Beauty + Home	Pharma	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 742,661	342,080	281,939	118,642	-	-
Reported net income	\$ 73,921					
Reported income taxes	28,180					
Reported income before income taxes	102,101	26,813	84,425	12,195	(13,609)	(7,723)
Adjustments:						
Restructuring initiatives	1,737	1,259	(113)	112	479	
Transaction costs related to acquisitions	1,059		1,059			
Purchase accounting adjustments related to acquired companies' inventory	222		222			
Adjusted earnings before income taxes	105,119	28,072	85,593	12,307	(13,130)	(7,723)
Interest expense	8,756					8,756
Interest income	(1,033)					(1,033)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	112,842	28,072	85,593	12,307	(13,130)	-
Depreciation and amortization	47,867	20,673	16,057	8,637	2,500	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	<u>\$ 160,709</u>	<u>\$ 48,745</u>	<u>\$ 101,650</u>	<u>\$ 20,944</u>	<u>\$ (10,630)</u>	<u>\$ -</u>
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	21.6%	14.2%	36.1%	17.7%		

	Three Months Ended					
	June 30, 2018					
	Consolidated	Beauty + Home	Pharma	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 710,608	368,536	241,209	100,863	-	-
Reported net income	\$ 55,781					
Reported income taxes	19,117					
Reported income before income taxes	74,898	10,510	73,607	10,329	(14,105)	(5,443)
Adjustments:						
Restructuring initiatives	18,214	14,631	1,224	1,354	1,005	
Transaction costs related to acquisitions	2,444	574			1,870	
Purchase accounting adjustments related to acquired companies' inventory	119	119				
Adjusted earnings before income taxes	95,675	25,834	74,831	11,683	(11,230)	(5,443)
Interest expense	7,964					7,964
Interest income	(2,521)					(2,521)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	101,118	25,834	74,831	11,683	(11,230)	-
Depreciation and amortization	40,101	20,012	11,522	6,380	2,187	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	<u>\$ 141,219</u>	<u>\$ 45,846</u>	<u>\$ 86,353</u>	<u>\$ 18,063</u>	<u>\$ (9,043)</u>	<u>\$ -</u>
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	19.9%	12.4%	35.8%	17.9%		

Reconciliation of Non-GAAP Measures

AptarGroup, Inc.
Reconciliation of Adjusted EBIT and Adjusted EBITDA to Net Income (Unaudited)
(\$ In Thousands)

Six Months Ended June 30, 2019						
Consolidated	Beauty + Home	Pharma	Food + Beverage	Corporate & Other	Net Interest	
Net Sales	\$ 1,487,121	709,739	554,640	222,742	-	-
Reported net income	\$ 136,920					
Reported income taxes	55,180					
Reported income before income taxes	192,100	50,994	165,683	19,911	(29,299)	(15,189)
Adjustments:						
Restructuring initiatives	11,267	9,528	213	622	904	
Transaction costs related to acquisitions	1,059		1,059			
Purchase accounting adjustments related to acquired companies' inventory	222		222			
Adjusted earnings before income taxes	204,648	60,522	167,177	20,533	(28,395)	(15,189)
Interest expense	17,970					17,970
Interest income	(2,781)					(2,781)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	219,837	60,522	167,177	20,533	(28,395)	-
Depreciation and amortization	95,356	41,414	31,830	17,102	5,010	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	<u>\$ 315,193</u>	<u>\$ 101,936</u>	<u>\$ 199,007</u>	<u>\$ 37,635</u>	<u>\$ (23,385)</u>	<u>\$ -</u>
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	21.2%	14.4%	35.9%	16.9%		
Six Months Ended June 30, 2018						
Consolidated	Beauty + Home	Pharma	Food + Beverage	Corporate & Other	Net Interest	
Net Sales	\$ 1,413,958	746,709	471,336	195,913	-	-
Reported net income	\$ 115,069					
Reported income taxes	41,046					
Reported income before income taxes	156,115	37,217	141,899	16,255	(28,006)	(11,250)
Adjustments:						
Restructuring initiatives	24,150	19,647	1,588	1,669	1,246	
Transaction costs related to acquisitions	2,444	574		1,870		
Purchase accounting adjustments related to acquired companies' inventory	119	119				
Adjusted earnings before income taxes	182,828	57,557	143,487	17,924	(24,890)	(11,250)
Interest expense	16,019					16,019
Interest income	(4,769)					(4,769)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	194,078	57,557	143,487	17,924	(24,890)	-
Depreciation and amortization	81,276	41,424	22,706	12,878	4,268	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	<u>\$ 275,354</u>	<u>\$ 98,981</u>	<u>\$ 166,193</u>	<u>\$ 30,802</u>	<u>\$ (20,622)</u>	<u>\$ -</u>
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	19.5%	13.3%	35.3%	15.7%		

Reconciliation of Non-GAAP Measures

AptarGroup, Inc. Reconciliation of Adjusted Earnings Per Diluted Share (Unaudited)

(In Thousands, Except Per Share Data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Income before Income Taxes	\$ 102,101	\$ 74,898	\$ 192,100	\$ 156,115
<u>Adjustments:</u>				
Restructuring initiatives	1,737	18,214	11,267	24,150
Transaction costs related to acquisitions	1,059	2,444	1,059	2,444
Purchase accounting adjustments related to acquired companies' inventory	222	119	222	119
Foreign currency effects (1)		(4,103)		(9,596)
Adjusted Income before Income Taxes	<u>\$ 105,119</u>	<u>\$ 91,572</u>	<u>\$ 204,648</u>	<u>\$ 173,232</u>
Provision for Income Taxes	\$ 28,180	\$ 19,117	\$ 55,180	\$ 41,046
<u>Adjustments:</u>				
Restructuring initiatives	488	4,923	3,166	6,528
Transaction costs related to acquisitions	53	628	53	628
Purchase accounting adjustments related to acquired companies' inventory	42	41	42	41
Foreign currency effects (1)		(1,191)		(2,595)
Adjusted Provision for Income Taxes	<u>\$ 28,763</u>	<u>\$ 23,518</u>	<u>\$ 58,441</u>	<u>\$ 45,648</u>
Net Income Attributable to Noncontrolling Interests	\$ (6)	\$ (6)	\$ (1)	\$ 6
Net Income Attributable to AptarGroup, Inc.	\$ 73,915	\$ 55,775	\$ 136,919	\$ 115,075
<u>Adjustments:</u>				
Restructuring initiatives	1,249	13,291	8,101	17,622
Transaction costs related to acquisitions	1,006	1,816	1,006	1,816
Purchase accounting adjustments related to acquired companies' inventory	180	78	180	78
Foreign currency effects (1)		(2,912)		(7,001)
Adjusted Net Income Attributable to AptarGroup, Inc.	<u>\$ 76,350</u>	<u>\$ 68,048</u>	<u>\$ 146,206</u>	<u>\$ 127,500</u>
Average Number of Diluted Shares Outstanding	66,232	64,850	65,842	64,640
Net Income Attributable to AptarGroup, Inc. Per Diluted Share	\$ 1.12	\$ 0.86	\$ 2.08	\$ 1.78
<u>Adjustments:</u>				
Restructuring initiatives	0.02	0.20	0.12	0.27
Transaction costs related to acquisitions	0.01	0.03	0.02	0.03
Purchase accounting adjustments related to acquired companies' inventory	-	-	-	-
Foreign currency effects (1)		(0.04)		(0.11)
Adjusted Net Income Attributable to AptarGroup, Inc. Per Diluted Share	<u>\$ 1.15</u>	<u>\$ 1.05</u>	<u>\$ 2.22</u>	<u>\$ 1.97</u>

(1) Foreign currency effects are approximations of the adjustment necessary to state the prior year earnings and earnings per share using current period foreign currency exchange rates.

Reconciliation of Non-GAAP Measures

Reconciliation of Adjusted EBIT and Adjusted EBITDA to Net Income (Unaudited) (In Thousands)

	2016	2017	2018
Reported Net Sales	2,330,934	2,469,283	2,764,761
Reported Net Income	205,604	220,029	194,766
Reported Income Taxes	74,893	74,796	71,254
Reported Income before Income Taxes	280,497	294,825	266,020
Adjustments:			
Transaction costs related to acquisitions	5,640	-	9,598
Purchase accounting adjustments related to acquired companies' inventory	2,577	-	14,172
Gain on insurance recovery	-	(10,648)	-
Restructuring initiatives	-	2,208	63,829
Adjusted earnings before income taxes	288,714	286,385	353,619
Interest Expense	35,237	40,597	32,626
Interest Income	(2,643)	(5,470)	(7,056)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	321,308	321,512	379,189
Depreciation and Amortization	154,802	153,094	171,747
Adjusted earnings before net interest, taxes, depreciation, amortization, and unusual items. (Adjusted EBITDA)	476,110	474,606	550,936
Adjusted EBITDA / Sales %	20%	19%	20%

Reconciliation of Non-GAAP Measures

AptarGroup, Inc.
Reconciliation of Adjusted EBIT and Adjusted EBITDA to Net Income (Unaudited)
(\$ In Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Sales	\$ 1,601,385	\$ 1,892,167	\$ 2,071,685	\$ 1,841,616	\$ 2,076,719	\$ 2,337,183	\$ 2,331,036	\$ 2,520,013	\$ 2,597,809	\$ 2,317,149	\$ 2,330,934	\$ 2,469,283	\$ 2,764,761
Reported net income	\$ 102,896	\$ 139,507	\$ 153,501	\$ 124,597	\$ 173,589	\$ 183,630	\$ 162,420	\$ 171,926	\$ 191,624	\$ 199,295	\$ 205,604	\$ 220,029	\$ 194,766
Reported income taxes	45,410	60,488	73,225	59,461	80,796	91,312	78,953	92,457	94,677	95,276	74,893	74,796	71,254
Reported income before income taxes	148,306	199,995	226,726	184,058	254,385	274,942	241,373	264,383	286,301	294,571	280,497	294,825	266,020
Adjustments:													
Restructuring initiatives		2,232		7,563	93	(71)	4,678	14,525				2,208	63,829
Transaction costs related to acquisitions							5,381			1,892	5,640		9,598
Purchase accounting adjustments related to acquired companies' inventory							4,305				2,577		14,172
Gain on insurance recovery										(2,900)		(10,648)	
Change in inventory valuation method										(7,427)			
Adjusted earnings before income taxes	148,306	202,227	226,726	191,621	254,478	274,871	255,737	278,908	286,301	286,136	288,714	286,385	353,619
Interest expense	16,985	19,492	18,687	16,485	14,371	17,300	18,950	20,514	21,029	34,615	35,237	40,597	32,626
Interest income	(4,214)	(8,918)	(13,120)	(3,333)	(3,248)	(5,722)	(2,996)	(3,233)	(4,797)	(5,596)	(2,643)	(5,470)	(7,056)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	161,077	212,801	232,293	204,773	265,601	286,449	271,691	296,189	302,533	315,155	321,308	321,512	379,189
Depreciation and amortization	114,606	123,466	131,145	133,013	132,959	134,243	147,231	135,446	152,218	138,893	154,802	153,094	171,747
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 275,683	\$ 336,267	\$ 363,438	\$ 337,786	\$ 398,560	\$ 420,692	\$ 418,922	\$ 431,635	\$ 454,751	\$ 454,048	\$ 476,110	\$ 474,606	\$ 550,936
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	17.2%	17.8%	17.5%	18.3%	19.2%	18.0%	18.0%	17.1%	17.5%	19.6%	20.4%	19.2%	19.9%

Reconciliation of Non-GAAP Measures

AptarGroup, Inc.
Reconciliation of Adjusted Earnings Per Diluted Share (Unaudited)
(In Thousands, Except Per Share Data)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Income before Income Taxes	\$ 226,726	\$ 184,058	\$ 254,385	\$ 274,942	\$ 241,373	\$ 264,383	\$ 286,301	\$ 294,571	\$ 280,497	\$ 294,825	\$ 266,020
<u>Adjustments:</u>											
Restructuring initiatives		7,563	93	(71)	4,678	14,525				2,208	63,829
Transaction costs related to acquisitions					5,381			1,892	5,640		9,598
Purchase accounting adjustments related to acquired companies' inventory					4,305				2,577		14,172
Gain on insurance recovery								(2,900)		(10,648)	
Change in inventory valuation method								(7,427)			
Adjusted Income before Income Taxes	<u>\$ 226,726</u>	<u>\$ 191,621</u>	<u>\$ 254,478</u>	<u>\$ 274,871</u>	<u>\$ 255,737</u>	<u>\$ 278,908</u>	<u>\$ 286,301</u>	<u>\$ 286,136</u>	<u>\$ 288,714</u>	<u>\$ 286,385</u>	<u>\$ 353,619</u>
Provision for Income Taxes	\$ 73,225	\$ 59,461	\$ 80,796	\$ 91,312	\$ 78,953	\$ 92,457	\$ 94,677	\$ 95,276	\$ 74,893	\$ 74,796	\$ 71,254
<u>Adjustments:</u>											
Net effect of items included in the Provision for Income Taxes						(6,821)			3,295	(7,900)	
Restructuring initiatives		2,443	28	(26)	1,258	2,930				642	17,936
Transaction costs related to acquisitions					1,961			640	1,483		1,475
Purchase accounting adjustments related to acquired companies' inventory					1,569				859		3,219
Gain on insurance recovery								(1,022)		(3,666)	
Change in inventory valuation method								(2,420)			
Adjusted Provision for Income Taxes	<u>\$ 73,225</u>	<u>\$ 61,904</u>	<u>\$ 80,824</u>	<u>\$ 91,286</u>	<u>\$ 83,741</u>	<u>\$ 88,566</u>	<u>\$ 94,677</u>	<u>\$ 92,474</u>	<u>\$ 80,530</u>	<u>\$ 63,872</u>	<u>\$ 93,884</u>
Net Income Attributable to Noncontrolling Interests	\$ (6)	\$ 26	\$ (108)	\$ 53	\$ 192	\$ 68	\$ 34	\$ 53	\$ (14)	\$ 1	\$ (21)
Net Income Attributable to AptarGroup, Inc.	\$ 153,495	\$ 124,623	\$ 173,481	\$ 183,683	\$ 162,612	\$ 171,994	\$ 191,658	\$ 199,348	\$ 205,590	\$ 220,030	\$ 194,745
<u>Adjustments:</u>											
Net effect of items included in the Provision for Income Taxes						6,821			(8,268)	7,900	
Restructuring initiatives		5,120	65	(45)	3,420	11,595				1,566	45,893
Transaction costs related to acquisitions					3,420			1,252	4,157		8,123
Purchase accounting adjustments related to acquired companies' inventory					2,736				1,718		10,953
Gain on insurance recovery								(1,878)		(6,982)	
Change in inventory valuation method								(5,007)			
Adjusted Net Income Attributable to AptarGroup, Inc.	<u>\$ 153,495</u>	<u>\$ 129,743</u>	<u>\$ 173,546</u>	<u>\$ 183,638</u>	<u>\$ 172,187</u>	<u>\$ 190,410</u>	<u>\$ 191,658</u>	<u>\$ 193,715</u>	<u>\$ 203,197</u>	<u>\$ 222,514</u>	<u>\$ 259,714</u>
Average Number of Diluted Shares Outstanding	70,518	69,785	69,815	69,274	68,395	68,208	65,009	62,585	64,849	64,596	64,958
Net Income Attributable to AptarGroup, Inc. Per Diluted Share	\$ 2.18	\$ 1.79	\$ 2.48	\$ 2.65	\$ 2.38	\$ 2.52	\$ 2.85	\$ 3.09	\$ 3.17	\$ 3.41	\$ 3.00
<u>Adjustments:</u>											
Net effect of items included in the Provision for Income Taxes						0.10			(0.13)	0.12	-
Restructuring initiatives		0.07			0.05	0.17				0.02	0.71
Transaction costs related to acquisitions					0.05			0.02	0.06		0.12
Purchase accounting adjustments related to acquired companies' inventory					0.04				0.03		0.17
Gain on insurance recovery								(0.03)		(0.11)	
Change in inventory valuation method								(0.08)			
Foreign currency effects (1)											
Adjusted Net Income Attributable to AptarGroup, Inc. Per Diluted Share	<u>\$ 2.18</u>	<u>\$ 1.86</u>	<u>\$ 2.48</u>	<u>\$ 2.65</u>	<u>\$ 2.52</u>	<u>\$ 2.79</u>	<u>\$ 2.85</u>	<u>\$ 3.00</u>	<u>\$ 3.13</u>	<u>\$ 3.44</u>	<u>\$ 4.00</u>

Reconciliation of Non-GAAP Measures

Reconciliation of Adjusted EBIT After Taxes to Net Income (Unaudited)

(In Thousands)

	2014	2015	2016	2017	2018
Reported Net Income	191,624	199,295	205,604	220,029	194,766
Reported Income Taxes	94,677	95,276	74,893	74,796	71,254
Reported Income before Income Taxes	286,301	294,571	280,497	294,825	266,020
Adjustments:					
Change in inventory valuation methods (from LIFO to FIFO)	-	(7,427)	-	-	-
Transaction costs related to acquisitions	-	1,892	5,640	-	9,598
Purchase accounting adjustments related to acquired companies' inventory	-	-	2,577	-	14,172
Gain on insurance recovery	-	(2,900)	-	(10,648)	-
Restructuring initiatives	-	-	-	2,208	63,829
Adjusted earnings before income taxes	286,301	286,136	288,714	286,385	353,619
Interest Expense	21,029	34,615	35,237	40,597	32,626
Interest Income	(4,797)	(5,596)	(2,643)	(5,470)	(7,056)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	302,533	315,155	321,308	321,512	379,189
Effective income tax rate (reported income taxes / reported income before taxes)	33.1%	32.3%	26.7%	25.4%	26.8%
Taxes on Adjusted EBIT	100,138	101,795	85,789	81,664	101,623
Adjusted EBIT After Taxes	202,395	213,360	235,519	239,848	277,566

Reconciliation of Non-GAAP Measures

Reconciliation of Capital to Stockholders' Equity (Unaudited) (In Thousands)

	2014	2015	2016	2017	2018
Total AptarGroup Inc Stockholders' Equity	1,103,407	1,149,411	1,173,950	1,311,738	1,422,556
Long-term Obligations	588,245	760,848	772,737	1,191,146	1,125,993
Notes Payable	233,284	5,083	169,213	4,336	101,293
Current Maturities of Long-Term Obligations	18,681	51,884	4,603	61,833	62,678
	1,943,617	1,967,226	2,120,503	2,569,053	2,712,520
Less:					
Cash and Equivalents and St Investments	399,762	519,717	466,287	712,640	261,823
Total Capital	1,543,855	1,447,509	1,654,216	1,856,413	2,450,697
Average Capital	1,603,799	1,495,682	1,550,863	1,755,315	2,153,555
Adjusted EBIT After Taxes	202,395	213,360	235,519	239,848	277,566
ROIC (Adjusted EBIT After Taxes/Average Capital)	13%	14%	15%	14%	13%
Capital by Segment					
Beauty + Home	865,456	769,797	936,787	1,015,823	994,090
Pharma	400,492	392,653	624,066	647,830	1,129,657
Food + Beverage	201,226	205,209	206,657	229,012	412,965
Corporate and Other	76,681	79,850	(113,294)	(36,252)	(86,015)
Total Capital	1,543,855	1,447,509	1,654,216	1,856,413	2,450,697

Reconciliation of Non-GAAP Measures

Reconciliation of Free Cash Flow to Net Cash Provided by Operations (Unaudited) (In Thousands)

	2014	2015	2016	2017	2018
Net Cash Provided by Operations	316,329	323,759	325,299	324,729	313,628
Less:					
Capital Expenditures	161,940	149,323	128,986	156,624	211,252
Free Cash Flow	154,389	174,436	196,313	168,105	102,376

Supplemental Information

Annual Components of Reported Sales Growth

(rounded to the nearest whole percent) □

	Beauty +		Food +	Total
	Home	Pharma	Beverage	AptarGroup
2016				
Core Sales Growth	(2%)	5%	1%	--
Acquisitions	4%	1%	--	3%
Currency Effects ⁽¹⁾	(3%)	(2%)	(2%)	(2%)
Total Reported Sales Growth	(1%)	4%	(1%)	1%
2017				
Core Sales Growth	2%	8%	6%	4%
Acquisitions	1%	--	--	1%
Currency Effects ⁽¹⁾	1%	1%	--	1%
Total Reported Sales Growth	4%	9%	6%	6%
2018				
Core Sales Growth	7%	12%	5%	8%
Acquisitions	1%	4%	4%	2%
Currency Effects ⁽¹⁾	1%	2%	1%	2%
Total Reported Sales Growth	9%	18%	10%	12%
3 Year Average Percentage				
Core Sales Growth	2%	8%	4%	4%
Acquisitions	2%	2%	1%	2%
Currency Effects ⁽¹⁾	--	--	--	--
Total Reported Sales Growth	4%	10%	5%	6%

Quarterly 2019 Components of Reported Sales Growth

(rounded to the nearest whole percent)

First Quarter Segment Sales Analysis (Change over Prior Year)	Beauty +		Food +	Total
	Home	Pharma	Beverage	AptarGroup
Core Sales Growth	3%	15%	3%	7%
Acquisitions	1%	13%	11%	6%
Currency Effects ⁽¹⁾	(7%)	(9%)	(4%)	(7%)
Total Reported Sales Growth	(3%)	19%	10%	6%
Second Quarter Segment Sales Analysis (Change over Prior Year)	Beauty +		Food +	Total
	Home	Pharma	Beverage	AptarGroup
Core Sales Growth	(3%)	10%	10%	4%
Acquisitions	1%	13%	11%	6%
Currency Effects ⁽¹⁾	(5%)	(6%)	(3%)	(5%)
Total Reported Sales Growth	(7%)	17%	18%	5%

(1) - Currency effects are approximated by translating last year's amounts at this year's foreign exchange rates.

(1) - Currency effects are approximated by translating last year's amounts at this year's foreign exchange rates.