



*Always Advancing To Protect What's Important*

## ***Fiscal 2018 Third Quarter***

**Friday, August 3, 2018**

**Earnings Conference Call Supplement**  
*(Unaudited Results)*

**Thomas E. Salmon – Chief Executive Officer**  
**Mark W. Miles – Chief Financial Officer**

# Safe Harbor Statements

## Forward-Looking Statements

Statements in this presentation that are not historical, including statements relating to the expected future performance of the Company, are considered "forward looking" and are presented pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "would," "could," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," "outlook," or "looking forward," or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management team, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under "Risk Factors" and elsewhere in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, including, without limitation, in conjunction with the forward-looking statements included in this release. All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include: (1) risks associated with our substantial indebtedness and debt service; (2) changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices on a timely basis; (3) the impact of potential changes in interest rates; (4) performance of our business and future operating results; (5) risks related to our acquisition strategy and integration of acquired businesses; (6) reliance on unpatented know-how and trade secrets; (7) increases in the cost of compliance with laws and regulations, including environmental, safety, and production and product laws and regulations; (8) risks related to disruptions in the overall economy and the financial markets may adversely impact our business; (9) catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (10) risks of competition, including foreign competition, in our existing and future markets; (11) general business and economic conditions, particularly an economic downturn; (12) potential failure to realize the intended benefits of recent acquisitions, including the inability to realize the anticipated cost synergies in the anticipated amounts or within the contemplated timeframes or cost expectations; (13) risks related to international business, including foreign currency exchange rate risk and the risks of compliance with applicable export controls, sanctions, anti-corruption laws and regulations; (14) ability of our insurance to fully cover potential exposures; and (15) the other factors discussed under the heading "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this release. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto included in our public filings.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures such as operating EBITDA, adjusted EBITDA, adjusted net income, and adjusted free cash flow intended to supplement, not substitute for, comparable measures under generally accepted accounting principles (GAAP). Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in our earnings release, presentations, and SEC filings. For further information about our non-GAAP measures, please see our earnings release, SEC filings and supplemental data at the end of this presentation.

# Fiscal 2018 Third Quarter Highlights

	Fiscal Third Quarter		YoY%
	2018	2017	
Net Sales	\$ 2,072	\$ 1,906	9%
Operating Income	216	212	2%
Operating EBITDA	374	364	3%
Net Income Per Diluted Share	0.81	0.79	3%
Adjusted Net Income Per Diluted Share	0.96	0.90	7%

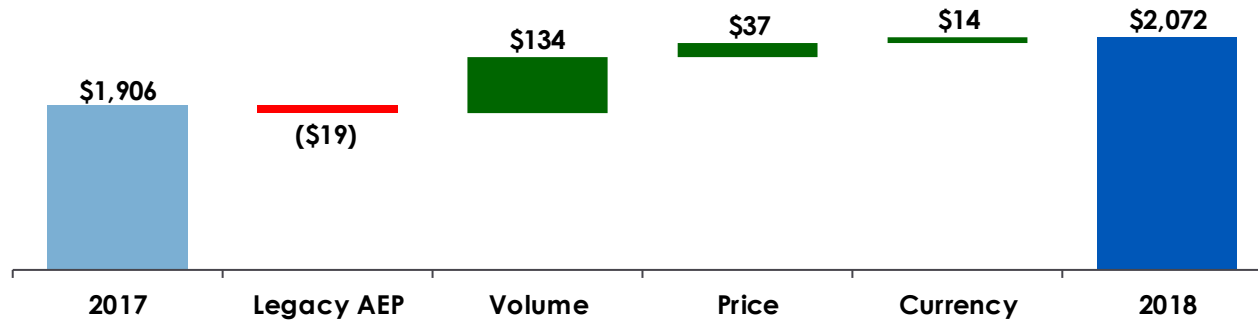
## Other Quarterly Highlights and Notes

- Net sales quarterly record of **\$2.1 billion**; overall organic volume growth of **1%**
- Operating EBITDA quarterly record of **\$374 million**
- Adjusted net income per diluted share quarterly record of **\$0.96**, up **7%** versus prior year quarter
- Announced new \$500 million share repurchase authorization program

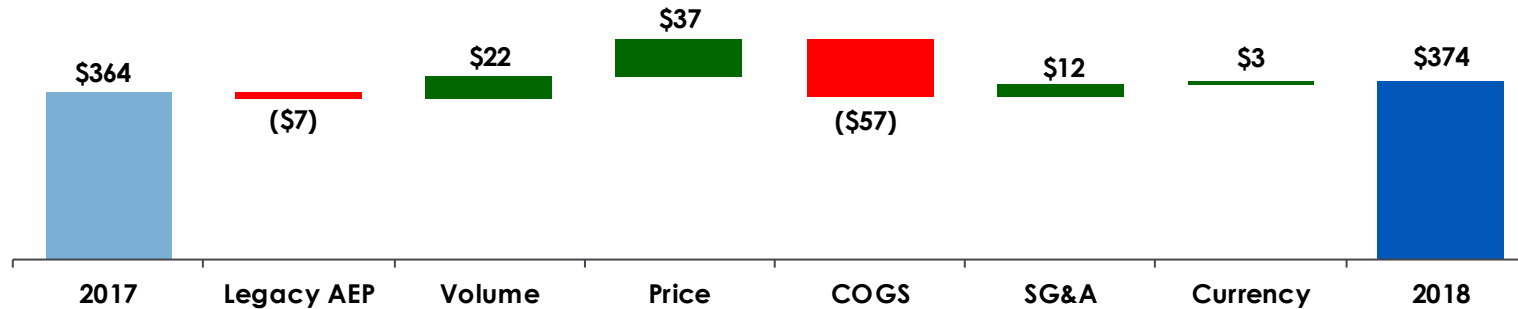
***Reaffirmed Fiscal Year 2018 Adjusted Free Cash Flow Guidance of \$630 million***

# Fiscal Q3 2018 Net Sales and Operating EBITDA Bridge

## Net Sales



## Operating EBITDA

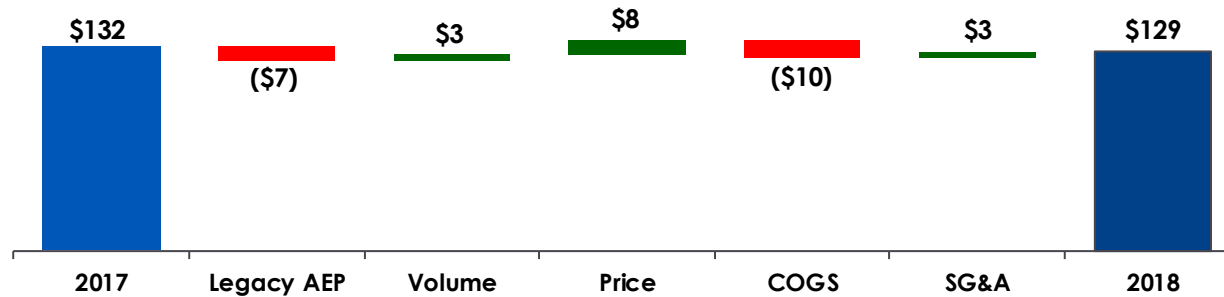


Note: All dollar amounts in millions  
 Volume in net sales and operating EBITDA includes current quarter acquisition volume of approximately \$125 million and \$20 million, respectively, related to our Adchem and Clopay acquisitions.

# Engineered Materials (EM)

	Fiscal Third Quarter		YoY%
	2018	2017	
Net Sales	\$ 687	\$ 686	0%
Operating Income	94	99	-5%
Operating EBITDA	129	132	-2%

## Fiscal Q3 Operating EBITDA

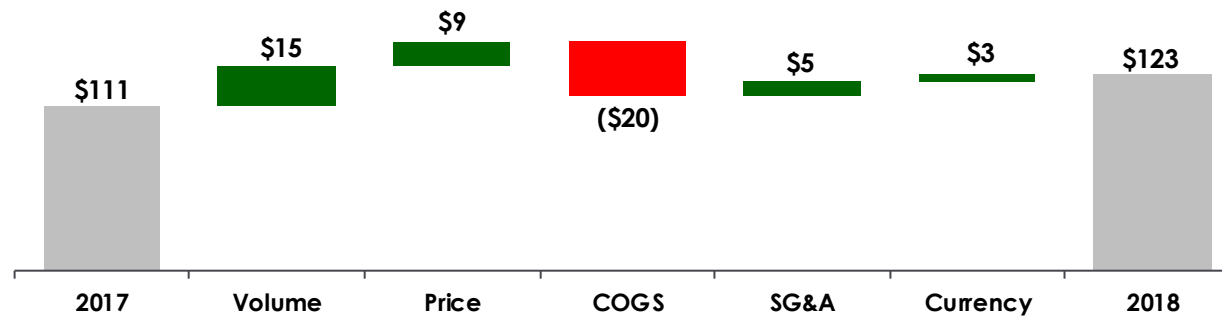


Note: All dollar amounts in millions  
 Volume in operating EBITDA includes current quarter acquisition volume of \$2 million related to the Adchem acquisition.

# Health, Hygiene, & Specialties (HH&S)

	Fiscal Third Quarter		YoY%
	2018	2017	
Net Sales	\$ 726	\$ 606	20%
Operating Income	62	53	17%
Operating EBITDA	123	111	11%

## Fiscal Q3 Operating EBITDA

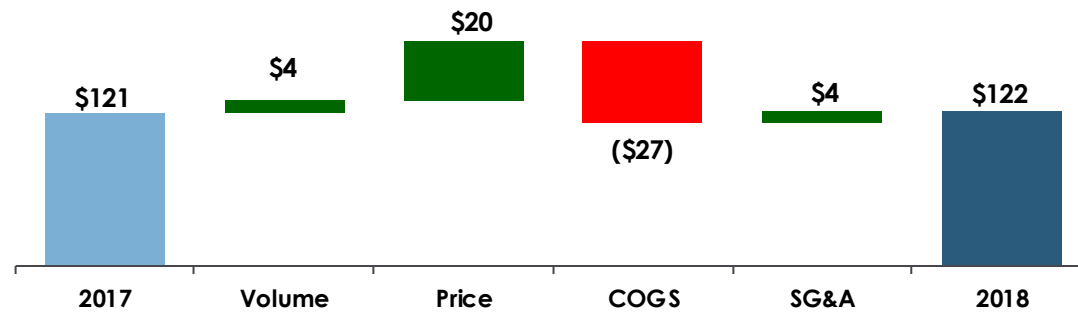


Note: All dollar amounts in millions  
 Volume in operating EBITDA includes current quarter acquisition volume of \$19 million related to the Clopay acquisition.

# Consumer Packaging (CP)

	Fiscal Third Quarter		YoY%
	2018	2017	
Net Sales	\$ 659	\$ 614	7%
Operating Income	60	60	0%
Operating EBITDA	122	121	1%

## Fiscal Q3 Operating EBITDA



Note: All dollar amounts in millions

# Condensed Income Statement

	Quarterly Period Ended	
	June 30, 2018	July 1, 2017
Net sales	<b>\$2,072</b>	\$1,906
Costs and expenses	<b>1,856</b>	1,694
Operating income	<b>216</b>	212
Other expense (income), net	<b>3</b>	(1)
Interest expense, net	<b>67</b>	68
Income before income taxes	<b>146</b>	145
Income tax expense	<b>36</b>	38
Net income	<b>\$110</b>	\$107
Net income per share:		
Diluted	<b>\$ 0.81</b>	\$ 0.79
Adjusted Diluted	<b>\$ 0.96</b>	\$ 0.90

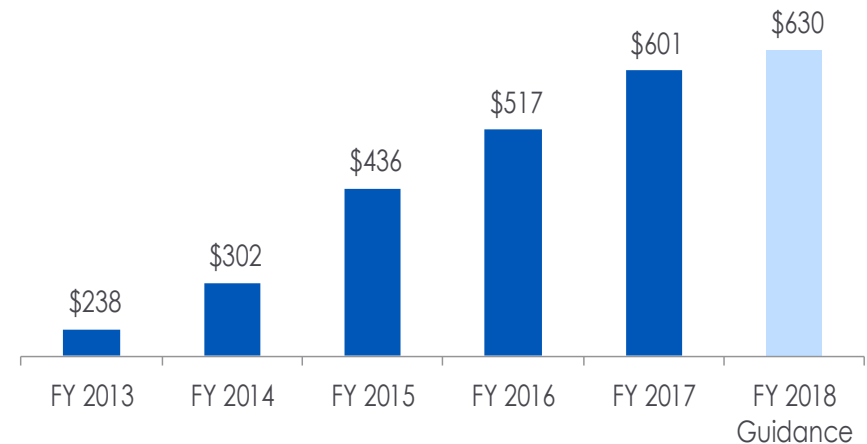
Note: All dollar amounts in millions, except per share amounts



# Adjusted Free Cash Flow

	LTM Jun. '18
<b>Operating EBITDA</b>	<b>\$ 1,384</b>
Capital expenditures	(334)
Cash interest expense	(252)
Taxes <sup>(1)</sup>	(212)
Working capital	(29)
Restructuring and other <sup>(2)</sup>	(27)
<b>Adjusted free cash flow</b>	<b>\$ 530</b>

## Adjusted Free Cash Flow by Year



**Reaffirmed Fiscal Year 2018 Adjusted Free Cash Flow Guidance of \$630 million**

Note: All dollar amounts in millions

(1) Includes tax receivable agreement payments made in LTM June 2018 of \$88 million along with other cash taxes

(2) Includes integration expenses and other business optimization costs

# Financial Outlook

## Fiscal Year 2018 Adjusted Free Cash Flow Guidance

<b>Cash flow from operations</b>	<b>\$987</b>
Less: capital expenditures	(320)
Less: tax receivable agreement <sup>(1)</sup>	(37)
<b>Adjusted free cash flow</b>	<b><u><u>\$630</u></u></b>

Note: All dollar amounts in millions

(1) Includes tax receivable payment of \$37 million made in the December 2017 quarter



# Q&A

***Fiscal 2018 Third Quarter***  
Earnings Conference Call



# Non-GAAP Financial Measures

	Actual					Guidance
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cash flow from operations	\$464	\$530	\$637	\$857	\$975	\$987
Capital expenditures, net	(221)	(196)	(162)	(283)	(263)	(320)
Payment of tax receivable agreement	(5)	(32)	(39)	(57)	(111)	(37)
<b>Adjusted free cash flow</b>	<b>\$238</b>	<b>\$302</b>	<b>\$436</b>	<b>\$517</b>	<b>\$601</b>	<b>\$630</b>

# Non-GAAP Reconciliation

## Quarterly Period Ended June 30, 2018

	Consumer Packaging	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$659	\$726	\$687	\$2,072
Operating income	\$60	\$62	\$94	\$216
Depreciation and amortization	59	51	26	136
Restructuring and impairment charges	1	4	2	7
Other non-cash charges <sup>(1)</sup>	2	2	3	7
Business optimization costs <sup>(2)</sup>	-	4	4	8
Operating EBITDA	\$122	\$123	\$129	\$374

## Quarterly Period Ended July 1, 2017

	Consumer Packaging	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$614	\$606	\$686	\$1,906
Operating income	\$60	\$53	\$99	\$212
Depreciation and amortization	56	46	30	132
Restructuring and impairment charges	2	4	2	8
Other non-cash charges <sup>(1)</sup>	3	3	1	7
Business optimization costs <sup>(2)</sup>	-	5	-	5
Operating EBITDA	\$121	\$111	\$132	\$364

Note: All dollar amounts in millions. Unaudited

(1) Other non-cash charges in the June 2018 quarter includes \$6 million of stock compensation expense and other non-cash charges. Other non-cash charges in the June 2017 quarter primarily includes \$5 million of stock compensation expense and other non-cash charges.

(2) Includes integration expenses and other business optimization costs

# Non-GAAP Reconciliation

	Quarterly Period Ended	
	June 30, 2018	July 1, 2017
<b>Net income</b>	<b>\$110</b>	<b>\$107</b>
Add: other expense (income), net	3	(1)
Add: interest expense, net	67	68
Add: income tax expense (benefit)	36	38
<b>Operating income</b>	<b>\$216</b>	<b>\$212</b>
Add: non-cash amortization from 2006 private sale	7	8
Add: restructuring and impairment	7	8
Add: other non-cash charges <sup>(1)</sup>	7	7
Add: business optimization costs <sup>(2)</sup>	8	5
<b>Adjusted operating income <sup>(6)</sup></b>	<b>\$245</b>	<b>\$240</b>
Add: depreciation	96	92
Add: amortization of intangibles <sup>(3)</sup>	33	32
<b>Operating EBITDA <sup>(6)</sup></b>	<b>\$374</b>	<b>\$364</b>
Net income per diluted share	<b>\$0.81</b>	\$0.79
Other expense (income), net	0.02	(0.01)
Non-cash amortization from 2006 private sale	0.05	0.06
Restructuring and impairment	0.05	0.06
Other non-cash charges <sup>(4)</sup>	0.01	0.01
Business optimization costs <sup>(2)</sup>	0.06	0.04
Income tax impact on items above <sup>(5)</sup>	(0.04)	(0.05)
<b>Adjusted net income per diluted share <sup>(6)</sup></b>	<b>\$0.96</b>	<b>\$0.90</b>

Note: All dollar amounts in millions, except per share data. Unaudited  
 \* See next page for footnote disclosures

## Non-GAAP Reconciliation (continued)

- (1) Other non-cash charges in the June 2018 quarter includes \$6 million of stock compensation expense and other non-cash charges. Other non-cash charges in the June 2017 quarter primarily includes \$5 million of stock compensation expense along with other non-cash charges.
- (2) Includes integration expenses and other business optimization costs.
- (3) Amortization excludes non-cash amortization from the 2006 private sale of \$7 million and \$8 million for the June 2018 and June 2017 quarters, respectively.
- (4) Other non-cash charges excludes \$6 million and \$5 million of stock compensation expense for the quarter ended June 30, 2018 and July 1, 2017, respectively.
- (5) Income tax effects on adjusted net income is calculated using 25% for the March 2018 quarter and 32% for the March 2017 quarter. The rates used for each represents the Company's expected effective tax rate for each respective period.
- (6) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures.

We define "adjusted free cash flow" as cash flow from operating activities less additions to property, plant, and equipment and payments under the tax receivable agreement. We believe adjusted free cash flow is useful to an investor in evaluating our liquidity because adjusted free cash flow and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's liquidity. We also believe adjusted cash flow is useful to an investor in evaluating our liquidity as it can assist in assessing a company's ability to fund its growth through its generation of cash.

Adjusted EBITDA is used by our lenders for debt covenant compliance purposes. We also use Adjusted EBITDA and Operating EBITDA among other measures to evaluate management performance and in determining performance-based compensation. Adjusted EBITDA and Operating EBITDA and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's performance. We also believe EBITDA and adjusted net income are useful to an investor in evaluating our performance without regard to revenue and expense recognition, which can vary depending upon accounting methods.