



Fourth Quarter and Annual 2017 Review

February 13, 2018

Aptargroup 

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 on the Investor's page (click on [Events & Presentations / Presentations](#)).

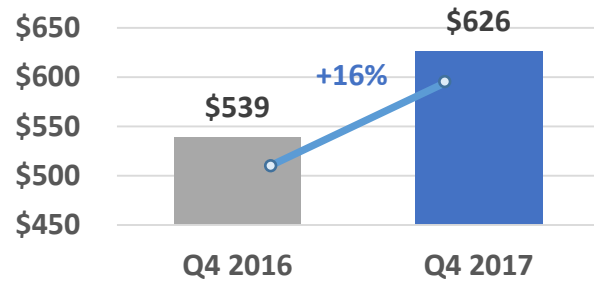
Agenda

- **Fourth Quarter 2017 Results**
- **Annual 2017 Results**
- **Transformation Plan Highlights**
- **First Quarter 2018 Outlook**
- **Key Takeaways**

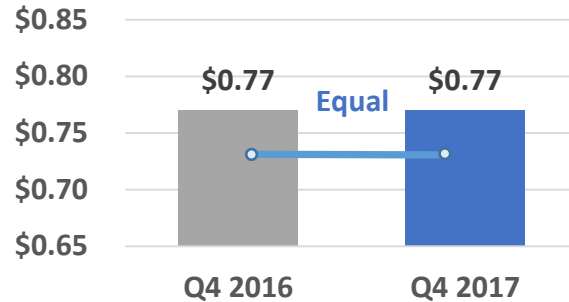
Fourth Quarter 2017 Results

Reported Q4 Sales

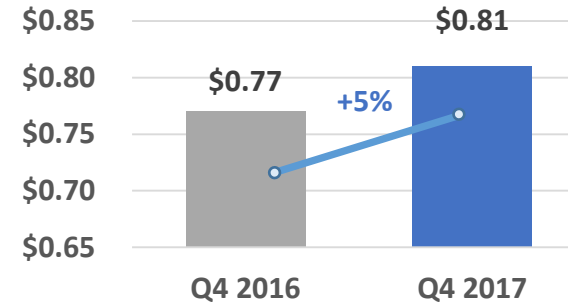
(in millions \$)



Reported Q4 EPS



Adjusted Q4 EPS*



+10%

Core Sales Growth*

+6%

Currency Effects

19%

Q4 2016
Reported
Effective
Tax Rate

35%

Q4 2017
Reported
Effective
Tax Rate

24%

Q4 2016
Effective Tax
Rate Adjusted
Earnings*

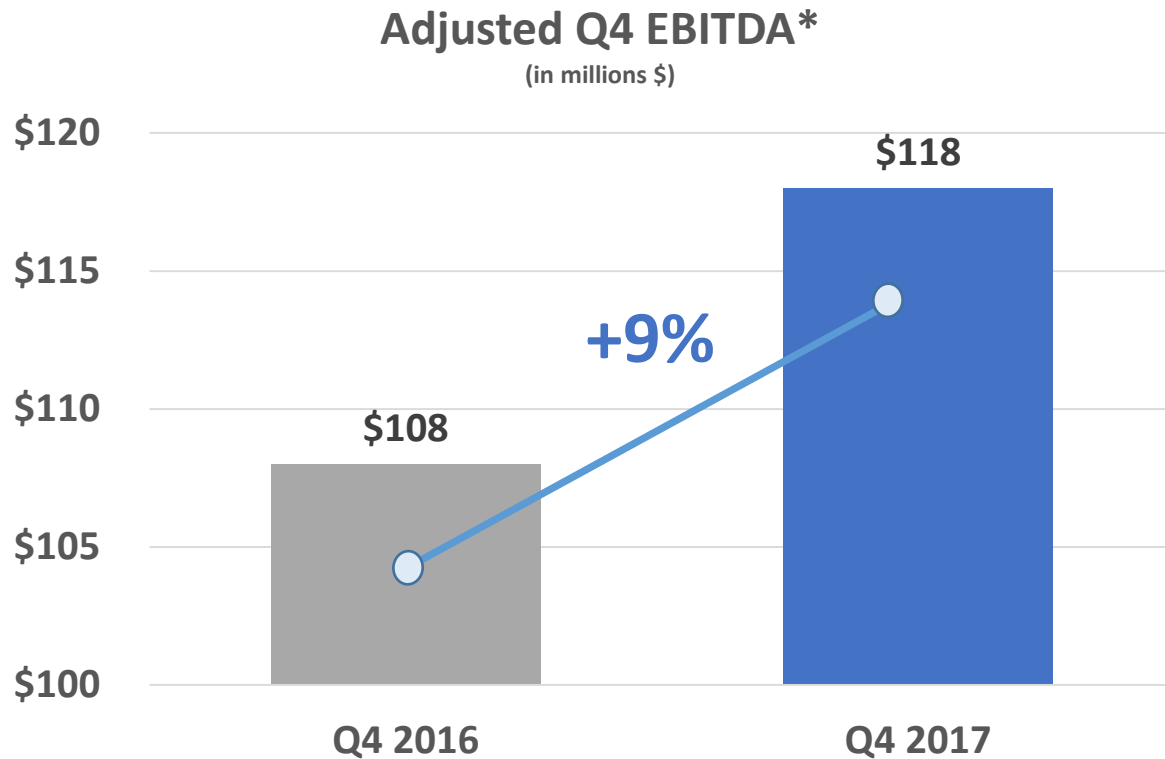
23%

Q4 2017
Effective Tax
Rate Adjusted
Earnings*

Q4 Highlights

- Sales increased in each segment, each region and each market
- Recovery in beauty market
- Solid demand in Rx and CHC markets
- Balanced strong growth in beverage and food
- Higher raw material costs
- Higher interest expense due to debt prepayment

Fourth Quarter Adjusted EBITDA



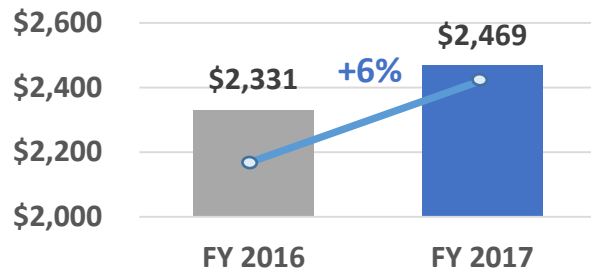
Fourth Quarter Adjusted EBITDA

- Increased 9% over prior year primarily due to the positive effects of sales growth and efficiencies, which were partially offset by headwinds coming from higher raw material costs, professional fees and corporate/other expenses
- Adjustments:
 - 2016: None
 - 2017:
 - Gain on Insurance Recovery: \$10.6 mil
 - Transformation plan charges: \$2.2 mil

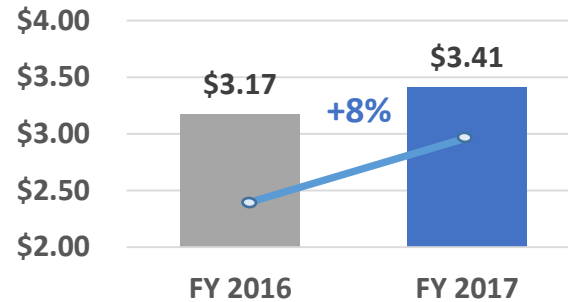
Annual 2017 Results

Reported Annual Sales

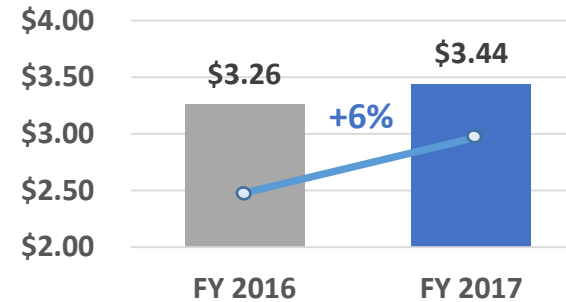
(in millions \$)



Reported Annual EPS



Adjusted Annual EPS*



+4%

Core Sales Growth*

+2%

Currency + M&A Effects

27%

FY 2016 Reported Effective Tax Rate

25%

FY 2017 Reported Effective Tax Rate

28%

FY 2016 Effective Tax Rate Adjusted Earnings*

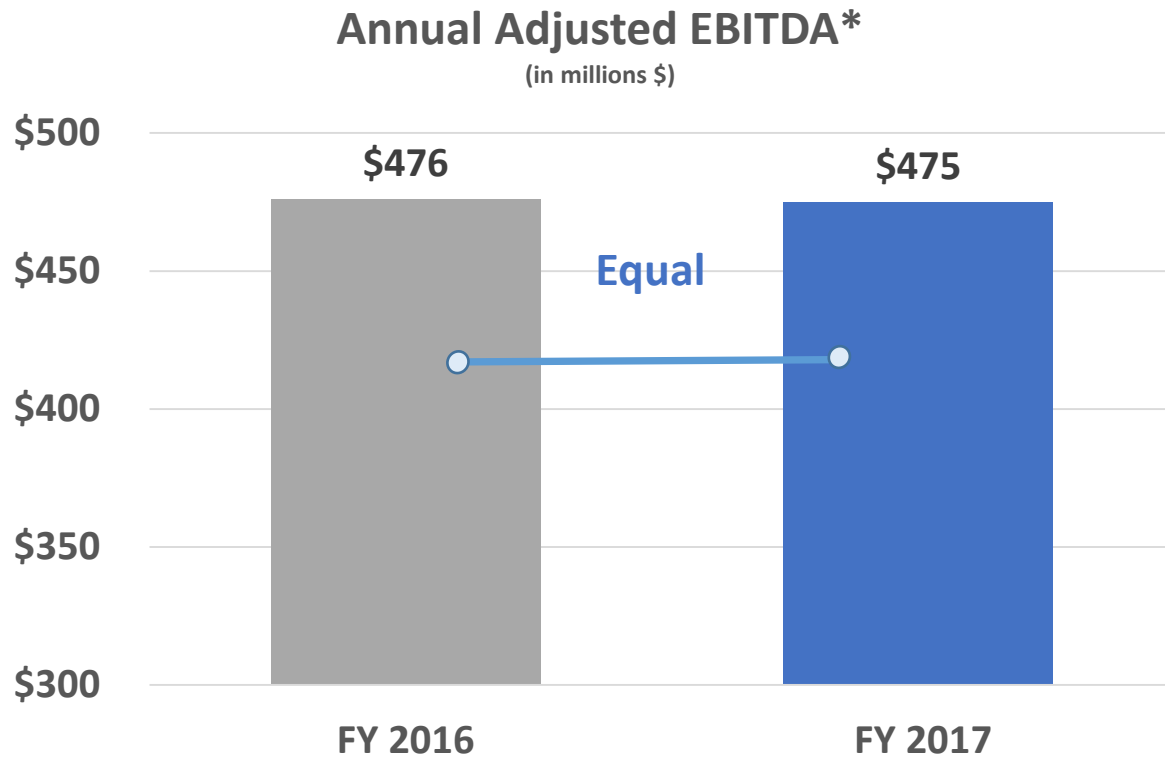
22%

FY 2017 Effective Tax Rate Adjusted Earnings*

Full-Year Highlights

- Sales increased in each segment, each region and each market (other than home care)
- Pharma and Food + Beverage had an excellent year
- Beauty + Home returned to positive growth in second half of the year

Annual Adjusted EBITDA



Annual Adjusted EBITDA

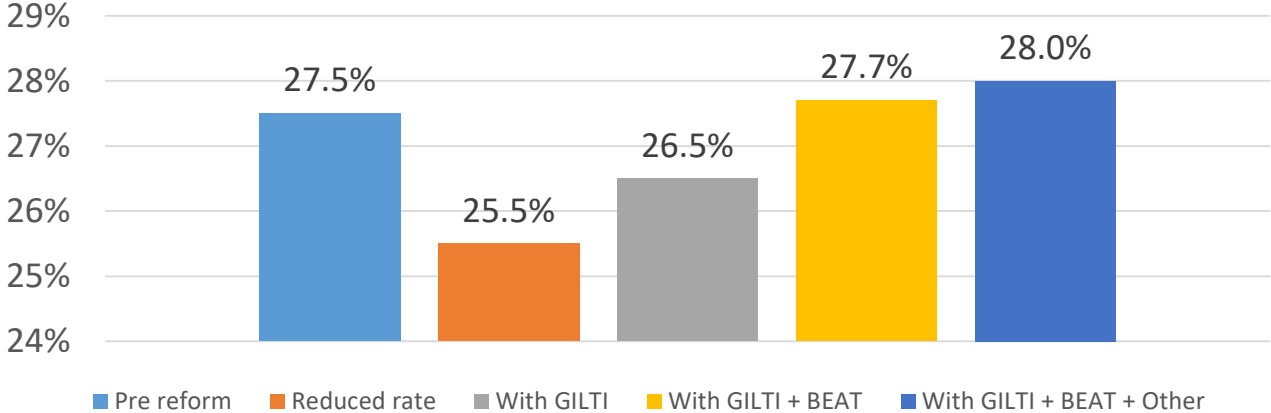
- Increases in Pharma and Food + Beverage Adjusted EBITDA were offset by a decrease in Beauty + Home Adjusted EBITDA relating to operational challenges at our decorative facility, higher raw material costs and higher corporate/other expenses
- Adjustments:
 - 2016:
 - Acquisition transaction costs: \$5.6 mil
 - Acquisition accounting effects: \$2.6 mil
 - 2017:
 - Gain on Insurance Recovery: \$10.6 mil
 - Transformation plan charges: \$2.2 mil

U.S. Tax Reform Effects

- More than 70% of our business is outside of the U.S.
- Our reported Q4 income tax expense includes discrete items related to the U.S. tax reform:
 - Additional charges related to unremitted foreign earnings
 - Benefit related to deferred tax balances
- Actions taken in Q4:
 - Made an additional discretionary pension contribution of \$20 million (full year contribution = \$40 mil)
 - Prepaid approximately \$160 million in debt resulting in additional interest expense of approximately \$5 million
- Looking ahead, in addition to considering the lower U.S. corporate tax rate, there are other considerations when applying the new law (GILTI, BEAT taxes, etc.)
- We expect a neutral impact in the near-term when all things are considered

Near-Term Tax Reform Effects

Near-term Projected Effective Tax Rate



Near-Term Projected Tax Rate

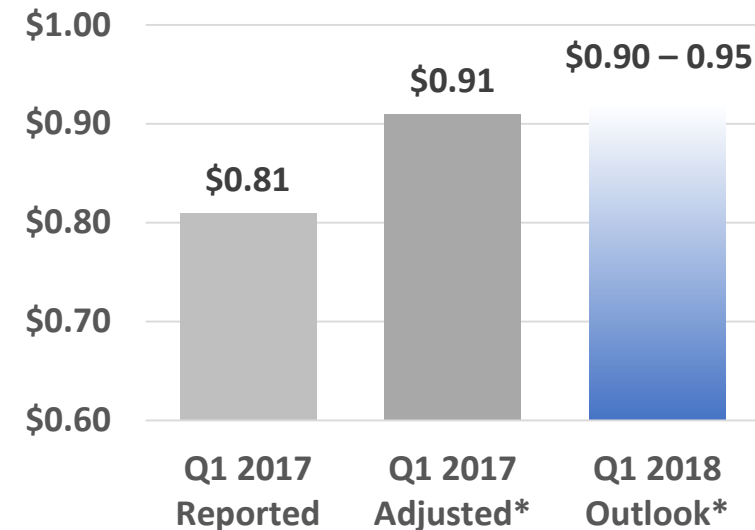
- Reduction in U.S. corporate tax rate offset by GILTI and BEAT additional taxes
 - GILTI – U.S. tax on foreign earnings. Limits use of tax credits
 - BEAT – U.S. minimum corporate tax on global earnings that is related to payments to non-U.S. affiliates
- Due to reduction in U.S. corporate tax rate, benefit from stock option exercises is greatly reduced

Outlook

Outlook Highlights

- Core sales growth over the prior year expected for each business segment
- Tax rate range includes estimated impacts of recent tax reform legislation
- Capital expenditures estimate for 2018 includes estimates for transformation

Earnings Per Share



27-29%

Q1 expected tax rate range
(prior year Q1 tax rate = 25%)

\$200 mil

2018 projected capital expenditures

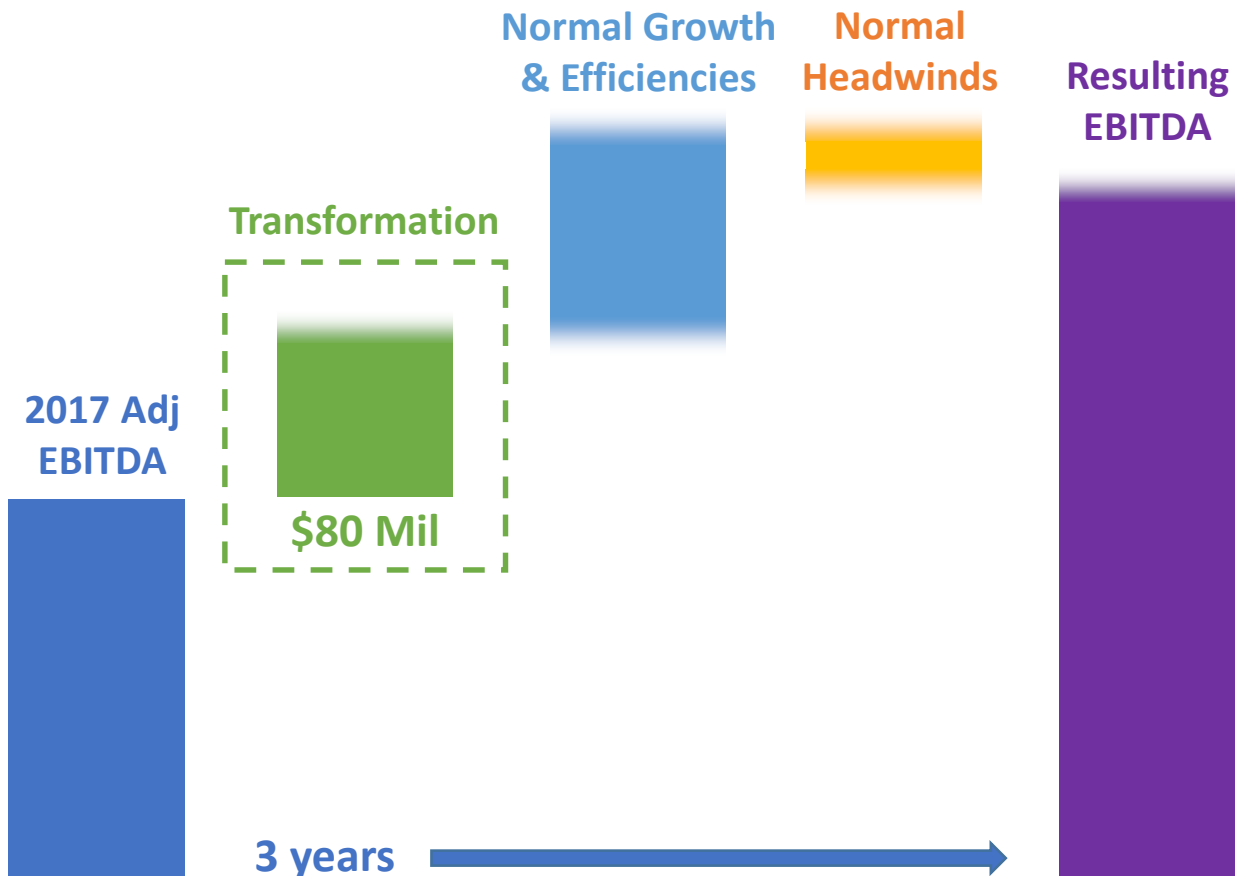
\$170 mil

2018 projected depreciation & amortization

Guidance Fx Rates = January 31, 2018, Spot Rates
(Euro Rt = 1.24)

Transformation Plan Highlights

Adjusted EBITDA



Highlights

- Reigniting entrepreneurial spirit throughout the entire organization
- Customer centricity
- Principally impacts Beauty + Home and specific G&A functions
- Incremental EBITDA driven by specific, granular projects spanning across:
 - Commercial
 - Procurement
 - Operations
 - G&A
- Costs to implement approx. \$90 million
- Capital investments funded by improvements in working capital
- Improved organizational health

Long-Term Targets Affirmed

Net Sales Growth (core, excluding acquisitions and changes in current rates):

Beauty + Home	3-6%
Pharma	6-10%
Food + Beverage	6-10%
Total Aptar	4-7%

Adjusted EBITDA Margins

Beauty + Home	15-17%
Pharma	32-36%
Food + Beverage	18-21%
Total Aptar	20-22%

Key Takeaways

- **Return to Core Sales Growth**
- **Transformation is re-energizing customer-centric approach and creating opportunities**
- **U.S. tax reform near-term effect = neutral**
- **Positive outlook on First Quarter 2018**

Market and consumer research.
Award-winning solutions.