

Aptar 

# Investor Relations Presentation



# Forward Looking Statements & Non-GAAP Financial Measures

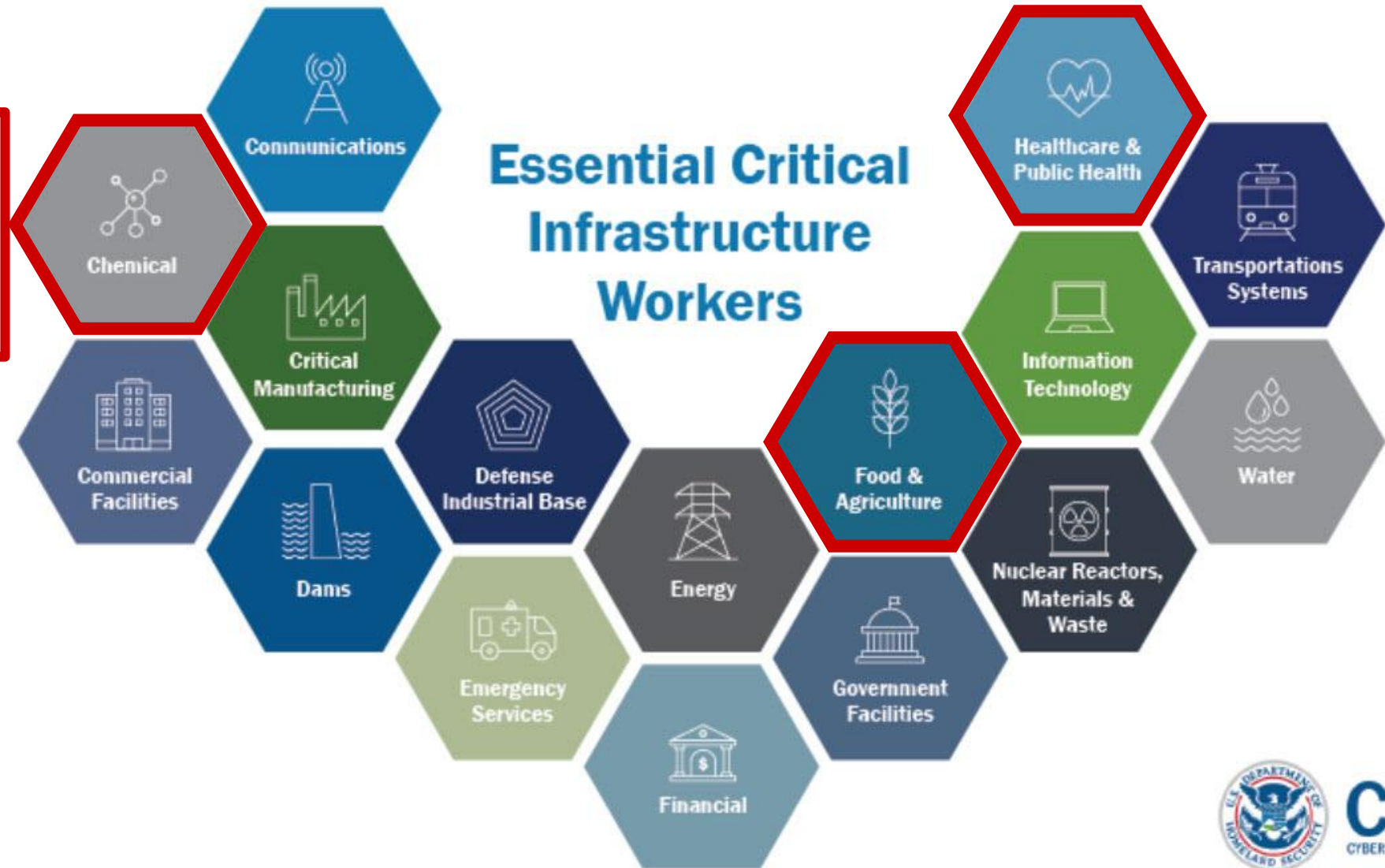
This presentation includes forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are based on management's beliefs and assumptions in light of information 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](#)).

# Aptar is Part of Essential Critical Infrastructure

- Basic chemicals
- Specialty chemicals
- Agricultural chemicals
- **Pharmaceuticals**
- **Consumer products**





# Aptar's Products Are Critical During this Time

## Medicines



## Sanitizers & Cleaners



## Food & Beverage



Engaging with customers and suppliers to ensure the supply chain



## BROAD PRODUCT PORTFOLIO



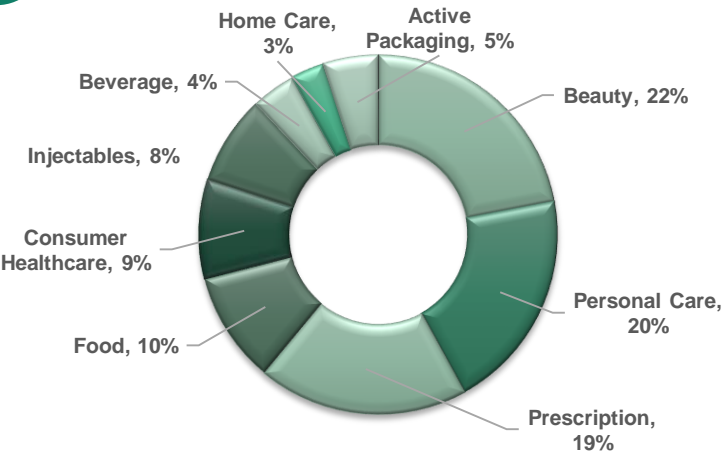
## DIVERSE CUSTOMER BASE



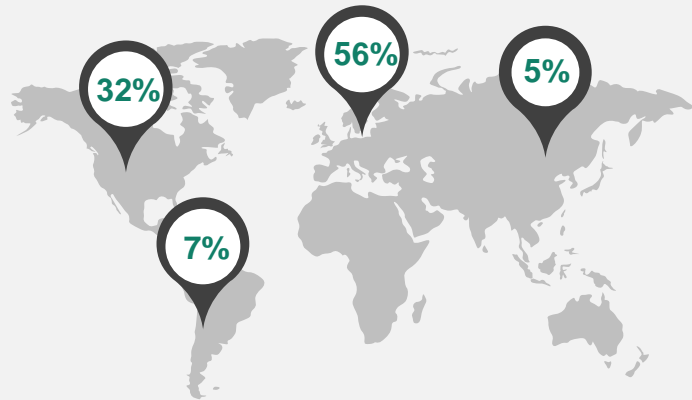
A sample of Aptar's 5,000+ global customers



## SALES BY MARKET



## SALES BY REGION



# Consolidated Financial Targets

Metric	3 Year Average	2019	Q1 2020	Long-term Target
Core sales growth <sup>1</sup>	5%	3%	-2%	4-7%
Adj. EBITDA <sup>2</sup> /Sales %	20%	21%	20%	20-22%
ROIC <sup>3</sup>	13%	11%	11%	13-15%
Dividend Payout Ratio	36%	36%	39%	30-40%
Leverage Ratio	≈ 2X	≈ 2X	≈ 2X	1-3X

1 – Excludes acquisitions and currency effects.

2 – Adjusted EBITDA (earnings before net interest, taxes, depreciation and amortization) excludes restructuring costs, acquisition costs, non-recurring purchase accounting adjustments.

3 – Return on invested capital = adjusted earnings before net interest and taxes, less tax effect / average capital (average of beginning of year and end of year capital) [capital = equity plus debt less cash].

4 – Cash dividends paid / adjusted earnings per share.

# Q1 Segment Recap and New Product Launches



## Aptar Pharma

Core sales growth across each end market; particularly strong growth in our injectables and active packaging businesses

Over 150 projects identified as a result of the COVID-19 pandemic

First commercial launch with PureHale respiratory device for Breathe Free Essentials

US FDA EUA Request for N95 Respirator Decontamination using ActivShield™



## Aptar Beauty + Home

Negatively impacted by reduced orders from customers providing prestige beauty products, mainly in travel retail and standard retail

Increased demand for hand sanitizers and cleaners was not enough to offset declines in other personal care categories

Spray actuator featured on Lysol Neutra Air Disinfectant Spray and PCR closures and spray pumps featured on a line of Wildwash pet care products



## Aptar Food + Beverage

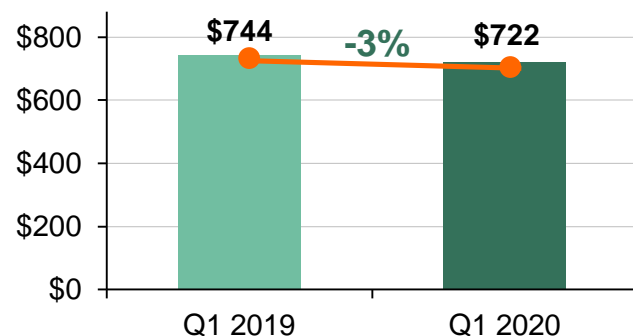
Negatively impacted by the passing on of lower resin costs as well as lower food service and beverage closure sales, which seem to be related to the COVID-19 crisis

Supported Coca-Cola's Powerade product line with a new zero-sugar beverage that features our sport closure

# First Quarter 2020 Reported Results

## Reported Q1 Sales

(in millions \$)

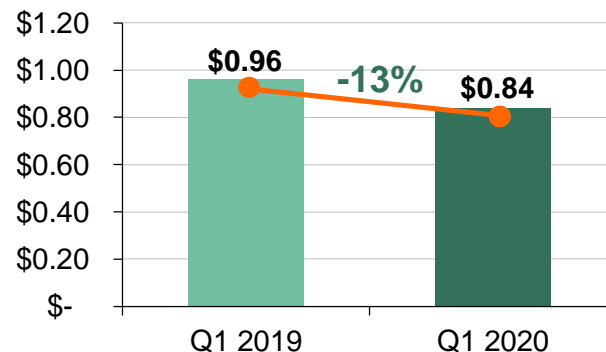


**-2%**  
Core Sales  
Growth\*

**-2%**  
Currency  
Effects

**+1%**  
Acquisitions

## Reported Q1 EPS



**30%**  
Q1 2019  
Reported  
Effective Tax  
Rate

**29%**  
Q1 2020  
Reported  
Effective Tax  
Rate

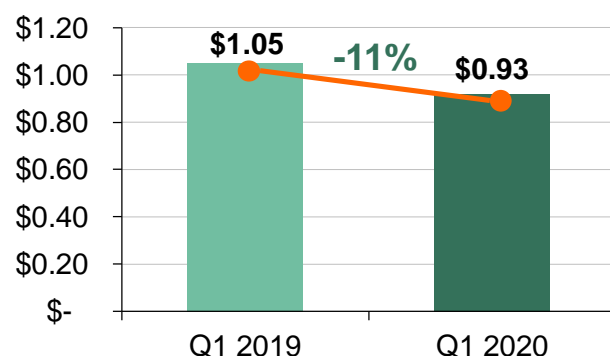
## Q1 Highlights

- Reported sales and earnings per share were negatively impacted by:
  - Currency exchange rates
  - Timing of passing on lower resin costs
  - COVID-19 pandemic
- Another solid performance by our Pharma segment with core sales growth across each end market with particularly strong growth in our injectables and active packaging businesses
- Beauty + Home was negatively impacted by sales declines in each end market, principally due to COVID-19
- Food + Beverage was negatively impacted by the passing on of lower resin costs as well as COVID-19 related softness



# First Quarter 2020 Adjusted EPS and Adjusted EBITDA

## Adjusted Q1 EPS\*



**28%**

**Q1 2019**

Effective Tax  
Rate Adjusted  
Earnings\*

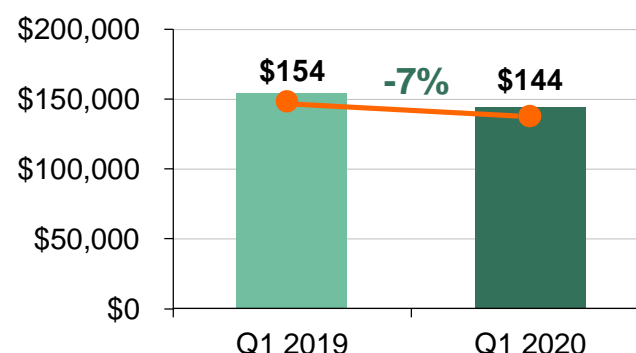
**29%**

**Q1 2020**

Effective Tax  
Rate Adjusted  
Earnings\*

## Adjusted Q1 EBITDA

(in millions \$)



### Adjustments:

- 2019: Restructuring initiatives of \$9.5 mil
- 2020: Restructuring initiatives of \$4.8 mil; Transaction costs related to acquisitions of \$1.4 mil; Purchase accounting adjustments of \$1.4 mil

## Q1 Adjusted EPS and Adjusted EBITDA Highlights

- Adjusted EPS and Adjusted EBITDA were negatively impacted by:
  - Reduced volumes and related absorption costs in our Beauty + Home and Food + Beverage segments
  - Currency exchange rates
  - \$3.6 million pretax charge for Thank You Awards

# Strategic Priorities



Organic  
Growth



Talent &  
Leadership



Excellence  
Pillars



Transformation

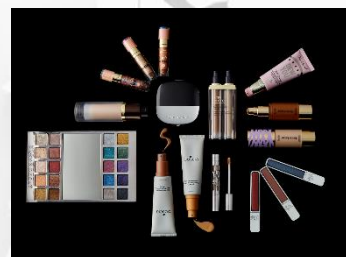


Acquisitions &  
Partnerships

Asia



Beauty + Home



FUSIONPKG



Food + Beverage



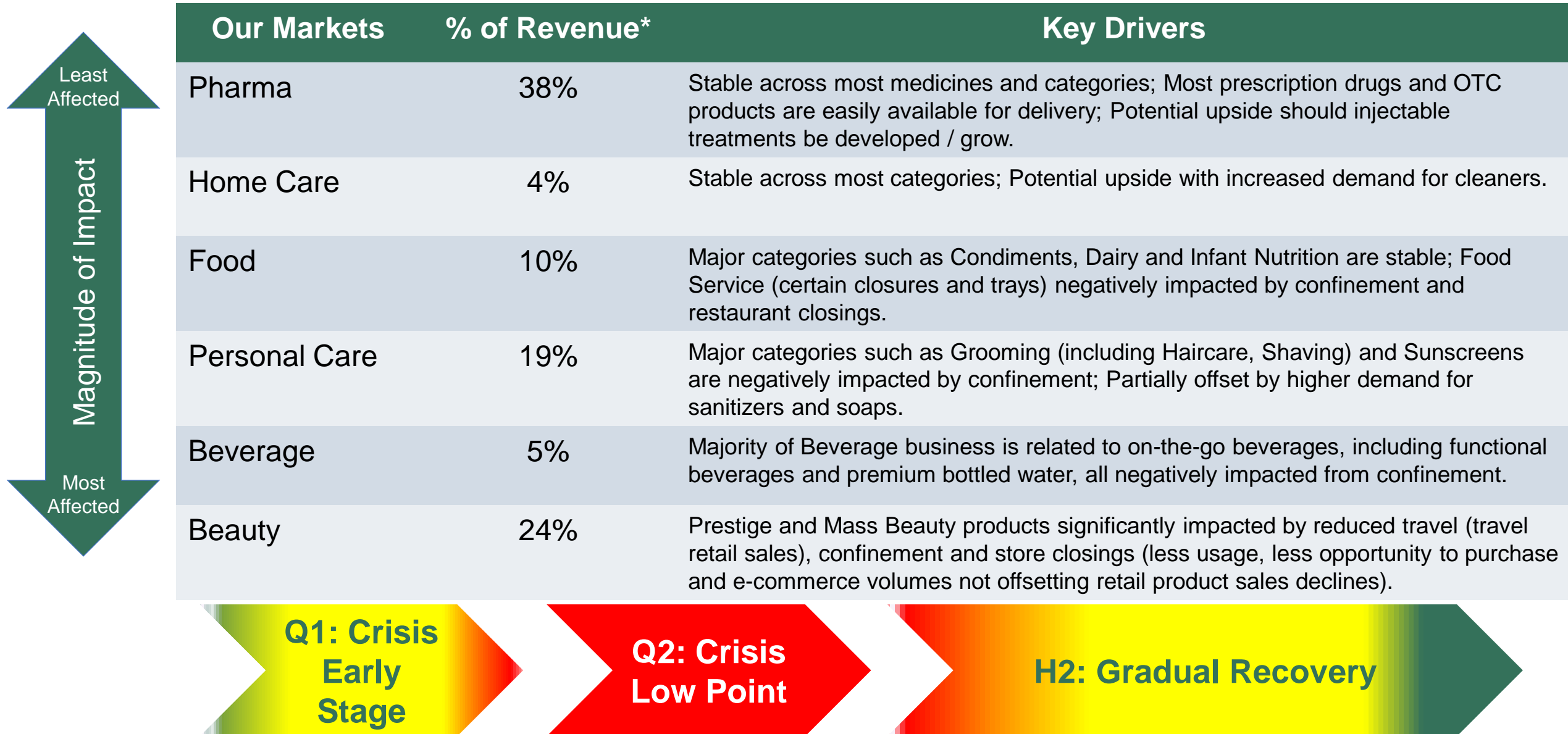
Aptar

Pharma



ActivShield™

# Revenue Near-term Sensitivity



## Cost Containment Actions

- Reducing temporary labor headcount
- Pulling in subcontracted work
- Modifying production schedules
- Regional and site-specific furloughs and wage reductions
- Vacation time being taken
- Eliminated business travel
- Reduced all non-essential spending
- Passing through price adjustm



# Liquidity

<b>Debt Structure</b>	<ul style="list-style-type: none"> <li>• Total debt of \$1.4 billion as of March 31, 2020</li> <li>• Comprised of mainly private placement agreements</li> <li>• Average interest rate = 2.6%</li> <li>• Fixed / variable = 85% / 15%</li> </ul>
<b>Near-term Maturities</b>	\$56 million maturing in 2020 and 2021 related to our outstanding term loan
<b>Financial Covenants*</b>	<p>Net Debt/EBITDA = 1.7x → maximum 3.5X</p> <p>EBITDA/Interest Payable = 16.3x → minimum 3x</p> <p>Other covenants based on subsidiary debt levels</p>
<b>Liquidity</b>	<ul style="list-style-type: none"> <li>• \$411 million in cash and equivalents as of March 31, 2020 (less than half earmarked for FusionPKG acquisition which closed on April 1, 2020)</li> <li>• \$100 million capacity (undrawn) on US Revolving Credit Facility</li> <li>• €150m capacity (undrawn) on EUR Revolving Credit Facility</li> </ul>
<b>Working Capital Focus</b>	<p>AP – much closer management of purchases to mirror any reduction in demand from customers and adherence to supplier payment terms. Ongoing supplier payment term negotiations.</p> <p>AR – close monitoring of customer due dates and terms</p>

\* See Aptar's SEC filings for details about Debt Covenants.

# Sustainability Initiatives

**Sustainability leader** in our industry, committed to accelerate our efforts

One of Barron's  
**Top 100 Most Sustainable U.S. Companies**  
(2019, 2020)

**ESG rating of "A"**  
by MSCI ESG Research LLC



Better measuring the impacts of **existing products**

Partnering with global organizations working toward a **circular economy**

Better identifying **new material opportunities** for future products

We invite you to read our [2018 Corporate Sustainability Report](#) on our website.

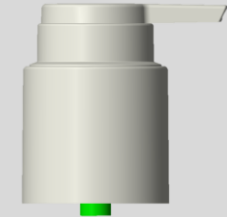
# Sustainable Solutions



**Stock Black Closure Portfolio (PCR)**



**Designed to Recycle**



**Mono Material**



**Stay-with / Tethered**



**Circular Economy**



**Post Consumer Recycled (Food grade)**



# Appendix

- Purpose & Core Values
- Segment Results
- Balanced Capital Allocation
- Relative Performance During Last Recession





**We reimagine packaging solutions to improve everyday life for people everywhere.**



**VISION**



**We partner with our customers to help them win with differentiated solutions.**

**We access the expertise of the world to innovate.**

**We care for our planet.**

**We have talented, passionate, diverse people who thrive in our inclusive culture.**

**We always live our Core Values.**



**We respect and trust people.**

**We believe in the self-worth of individuals regardless of their status.**

**We strive for relationships that are based on openness, honesty, and feedback.**

**We promote teamwork and cooperation at all levels.**

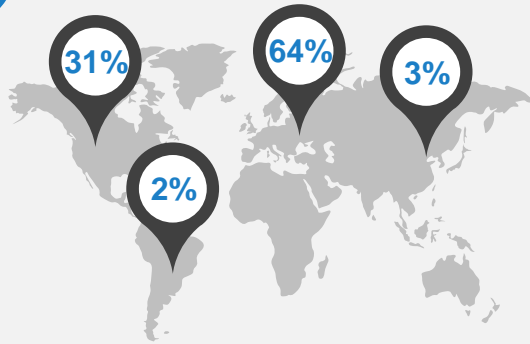
**We challenge people to develop their potential and to take initiative.**

**We practice business relationships that are based on responsibility and on long-term and mutual interests to all stakeholders.**

# Aptar Pharma Today



## SALES BY REGION (2020)



## CUSTOMERS (Approx. 1500)



## PATENTS

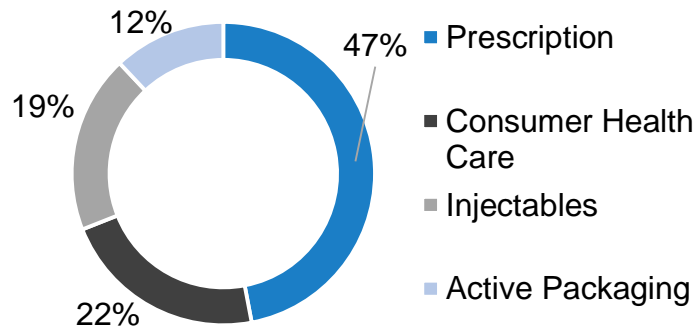
Approximately

**700**

Patent Families



## SALES BY MARKET (2020)



## PATIENT / CONSUMER EXPERIENCE

Over

**8 Billion**

Solutions per Year

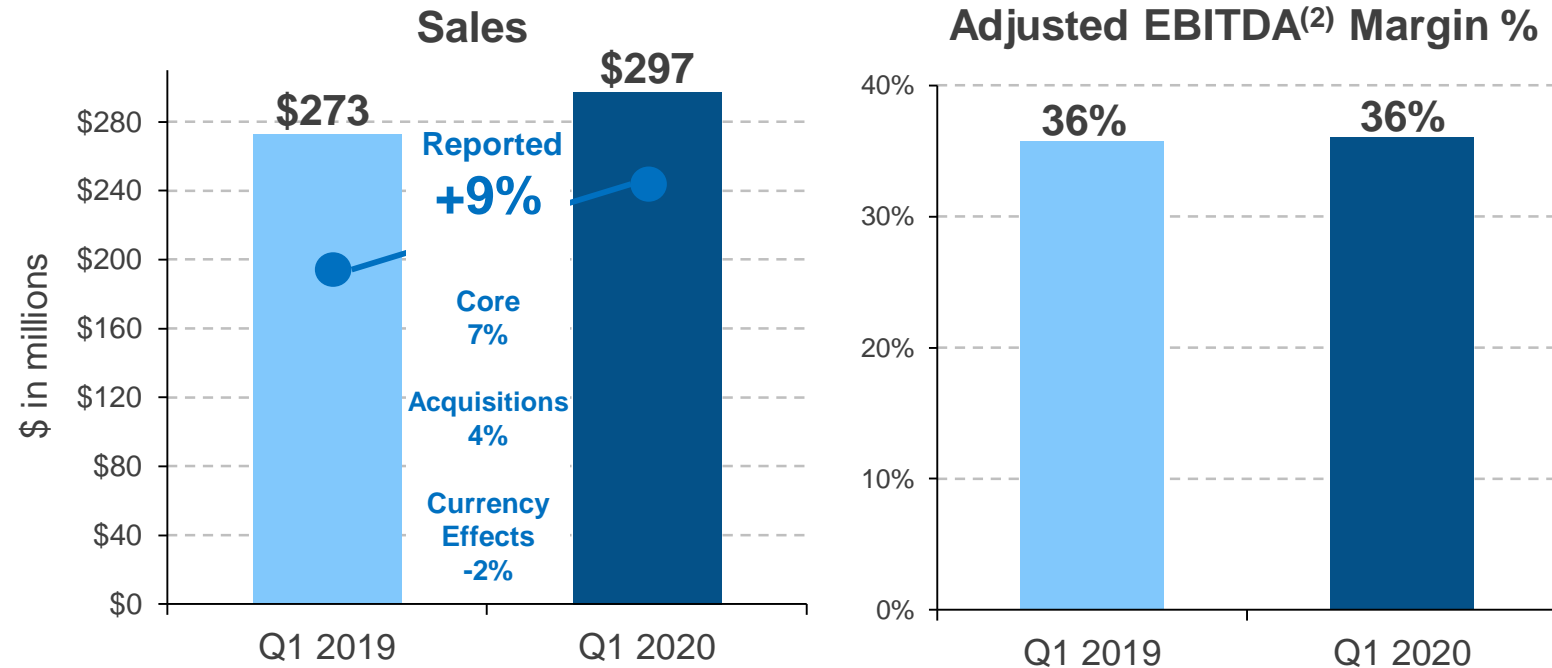


## INNOVATIVE SOLUTIONS



Supporting more than 150 submissions  
(IND/ANDA/NDA)

# Aptar Pharma Q1 2020 Results



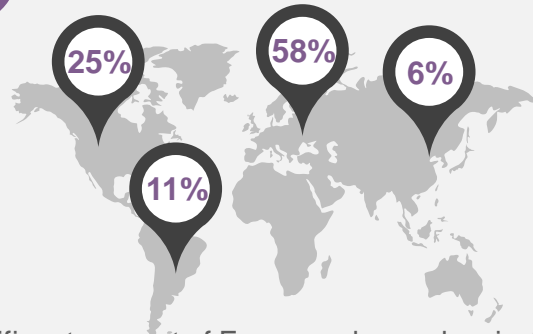
Metric	3 Year Average	2020	Long-term Target
Core sales growth <sup>1</sup>	10%	7%	6-10%
Adj. EBITDA <sup>2</sup> margin	35%	37%	32-36%

(1) Excludes acquisitions and currency effects.  
(2) Adjusted EBITDA (earnings before net interest, taxes, depreciation and amortization) excludes restructuring costs, acquisition costs, non-recurring purchase accounting adjustments.

# Aptar Beauty + Home Today



## SALES BY REGION (2020)



A significant amount of Europe sales end up in Asia in luxury and travel



## CUSTOMERS (6,000+)



## PATENTS

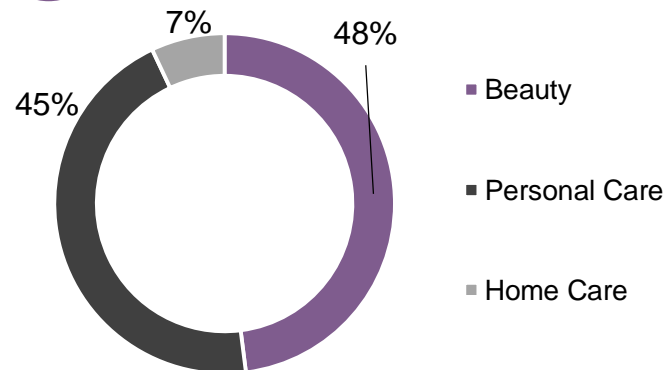
Over

400

Patent Families



## SALES BY MARKET (2020)



## CONSUMER EXPERIENCE

Over

16 Billion

Solutions per year

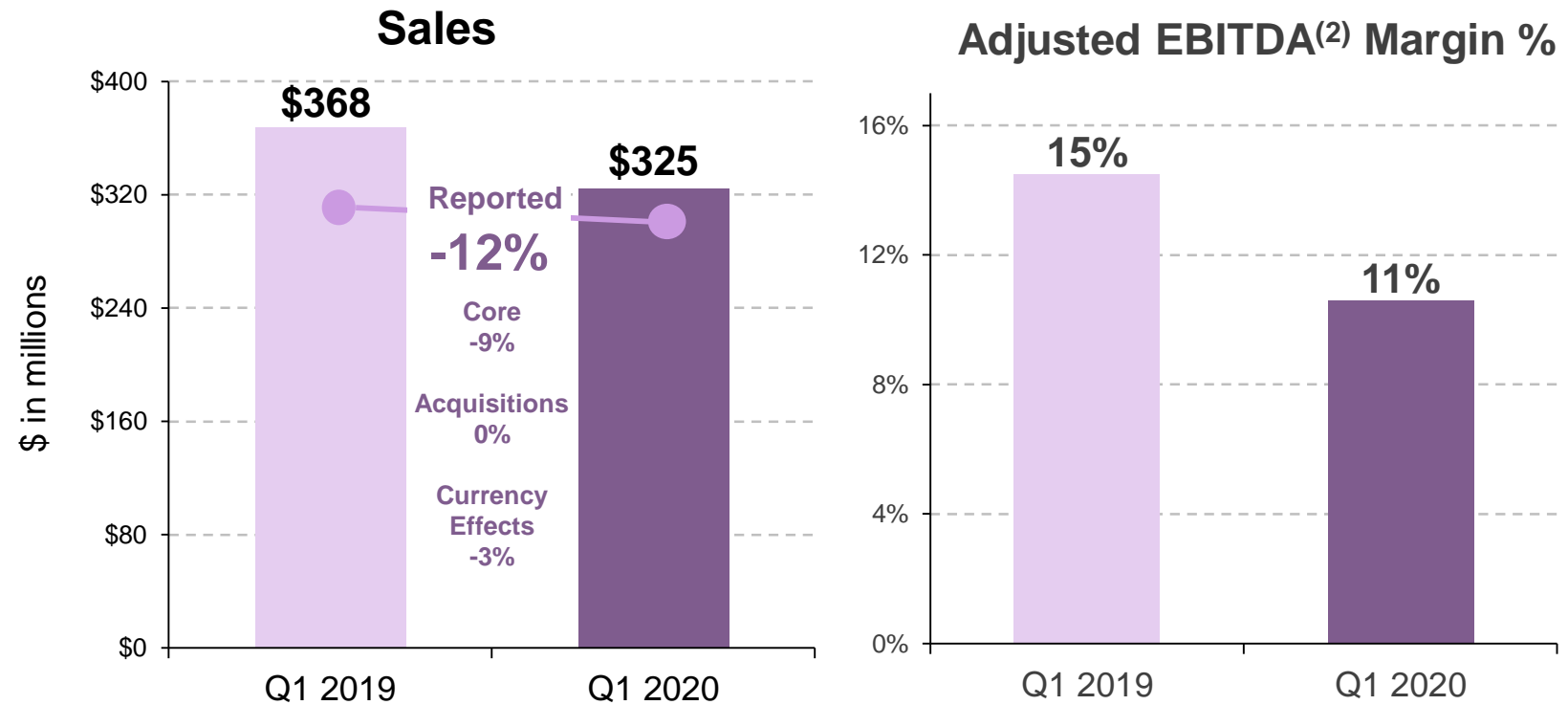


## INNOVATIVE SOLUTIONS





# Aptar Beauty + Home Q1 2020 Results



Metric	3 Year Average	2020	Long-term Target
Core sales growth <sup>(1)</sup>	3%	-9%	3-6%
Adj. EBITDA <sup>(2)</sup> margin	13%	11%	15-17%

(1) Excludes acquisitions and currency effects.  
 (2) Adjusted EBITDA (earnings before net interest, taxes, depreciation and amortization) excludes restructuring costs, acquisition costs, non-recurring purchase accounting adjustments.

# Strategic Steps to Strengthen Our Beauty Business



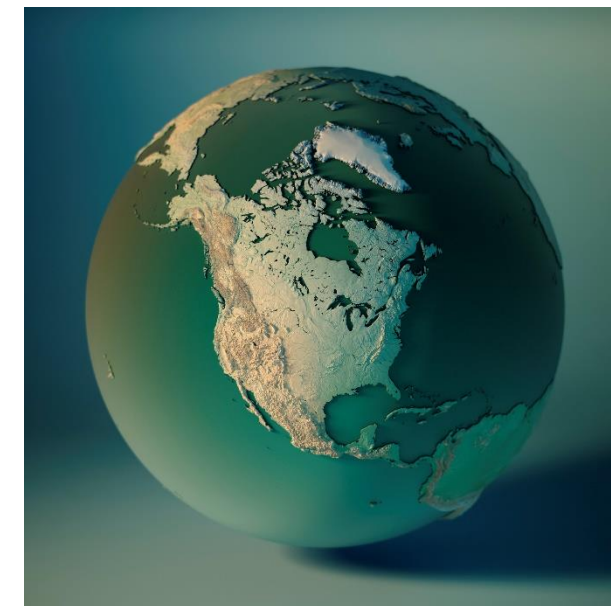
## BTY

- Closed on our agreement to acquire a 49% equity interest in BTY
- Leading Chinese manufacturer of high quality, decorative metal components, metal-plastic sub-assemblies, and complete color cosmetics packaging solutions for the beauty industry



## FusionPKG

- Binding agreement to acquire FusionPKG, leader in high quality, prestige airless and color cosmetics packaging, with conception-to-launch and turnkey solutions for the North American beauty market
- Proven creativity, engineering, formulation and fast go-to-market capabilities – ‘fast-beauty’
- Existing relationships with both global cosmetic and skin care customers and with many indie brands
- Potential to scale this beyond North America to other regions



## North America Footprint Consolidation

- Closing our Stratford and Torrington, Connecticut sites and will absorb and rationalize production capacities into other North American facilities
- Transfer of production is planned to be completed by the end of the year
- Better positions us to serve our North American Beauty + Home customers and focus on long-term, profitable growth
- Continuation of other steps we have made to streamline our Beauty + Home footprint

# Aptar Food + Beverage Today



## SALES BY REGION (2020)



## CUSTOMERS

(>200 clients with top 20 representing 65% of sales)



مجموعة العوجان القابضة  
Aujan Group Holding



## PATENTS

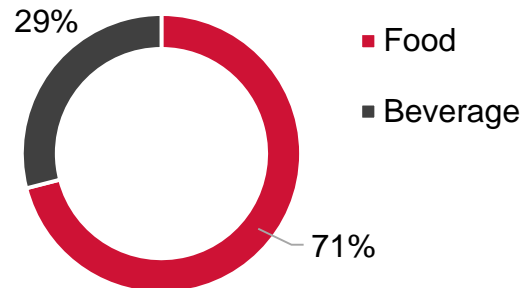
Over

150

Patent Families



## SALES BY MARKET (2020)



## CONSUMER EXPERIENCE

Over

7 Billion

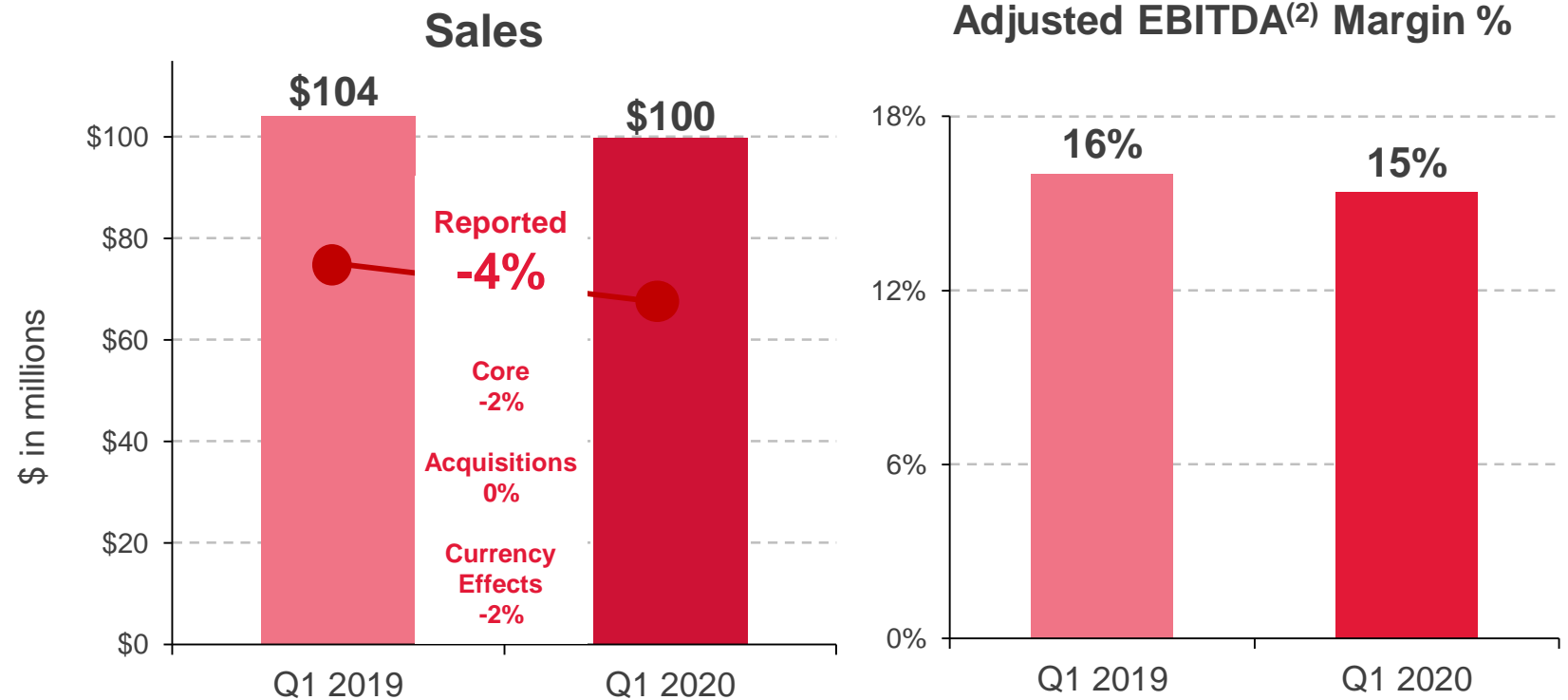
Solutions per Year



## INNOVATIVE SOLUTIONS



# Aptar Food + Beverage Q1 2020 Results



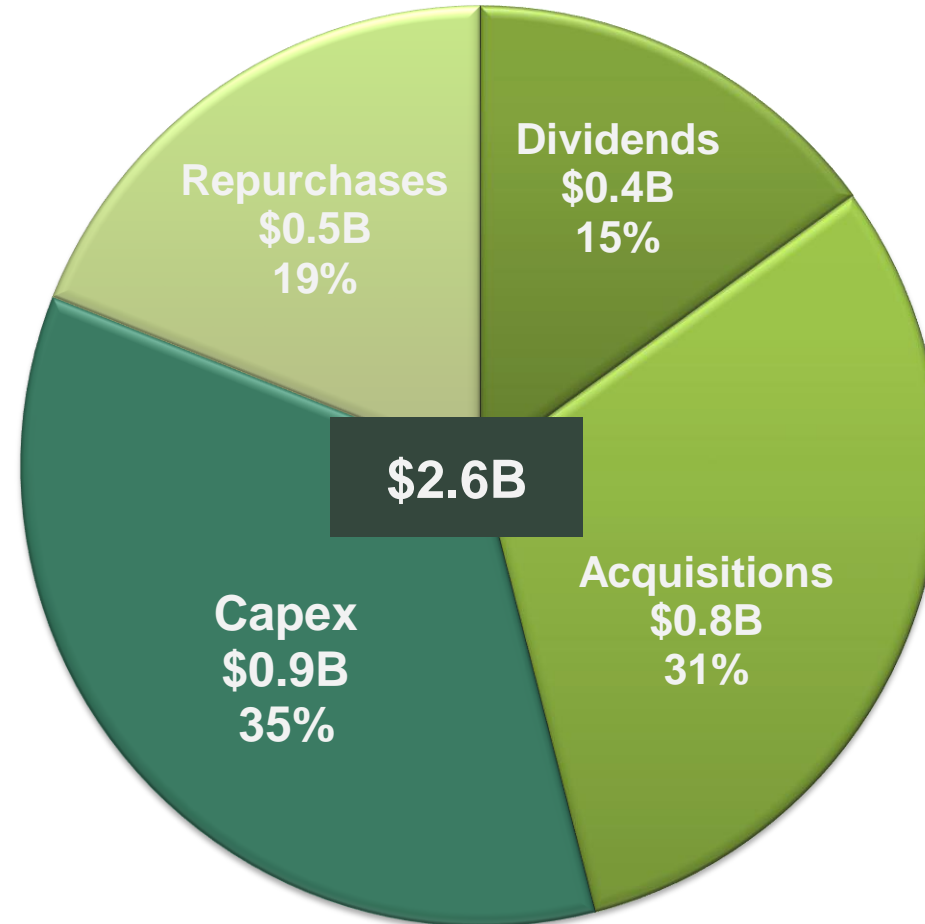
Metric	3 Year Average	2020	Long-term Target
Core sales growth <sup>(1)</sup>	5%	-2%	6-10%
Adj. EBITDA <sup>(2)</sup> Margin	16%	15%	18-21%

(1) Excludes acquisitions and currency effects.  
 (2) Adjusted EBITDA (earnings before net interest, taxes, depreciation and amortization) excludes restructuring costs, acquisition costs, non-recurring purchase accounting adjustments.

# Balanced Capital Allocation

Investing in our business and returning value to shareholders

2015 - 2019  
Capital Allocation





## Relative Performance During Last Recession

- Fragrance market tends to be our most economically sensitive
- Strong balance sheet
- Pharma segment is a greater % of our overall business

