

Reconciliation of Non-GAAP Financial Measures

July 2021

Aptar 



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, 2021					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 811,032	325,343	360,246	125,443	-	-
Reported net income	\$ 55,274					
Reported income taxes	19,020					
Reported income before income taxes	74,294	81,806	12,122	9,691	(22,774)	(6,551)
Adjustments:						
Restructuring initiatives	4,876	38	1,457	117	3,264	
Net investment loss	1,611				1,611	
Transaction costs related to acquisitions	2,434	2,434				
Adjusted earnings before income taxes	83,215	84,278	13,579	9,808	(17,899)	(6,551)
Interest expense	7,175					7,175
Interest income	(624)					(624)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	89,766	84,278	13,579	9,808	(17,899)	-
Depreciation and amortization	57,790	21,701	24,331	9,818	1,940	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 147,556	\$ 105,979	\$ 37,910	\$ 19,628	\$ (15,959)	\$ -
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	18.2%	32.6%	10.5%	15.6%		

	Three Months Ended June 30, 2020					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 699,305	301,259	299,786	98,260	-	-
Reported net income	\$ 41,860					
Reported income taxes	18,808					
Reported income before income taxes	60,668	85,467	(12,755)	8,519	(12,004)	(8,559)
Adjustments:						
Restructuring initiatives	7,331	(111)	7,324	75	43	
Transaction costs related to acquisitions	3,207		3,207			
Purchase accounting adjustments related to acquisitions and investments	3,252	293	2,959			
Adjusted earnings before income taxes	74,458	85,649	735	8,594	(11,961)	(8,559)
Interest expense	8,734					8,734
Interest income	(175)					(175)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	83,017	85,649	735	8,594	(11,961)	-
Depreciation and amortization	56,429	18,617	25,939	9,191	2,682	-
Purchase accounting adjustments included in Depreciation and amortization above	(2,867)	(167)	(2,700)			
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 136,579	\$ 104,099	\$ 23,974	\$ 17,785	\$ (9,279)	\$ -
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	19.5%	34.6%	8.0%	18.1%		

Reconciliation of Non-GAAP Measures

	Six Months Ended					
	June 30, 2021					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 1,587,786	639,175	707,192	241,419	-	-
Reported net income	\$ 139,213					
Reported income taxes	35,969					
Reported income before income taxes	175,182	169,476	21,810	19,701	(22,220)	(13,585)
Adjustments:						
Restructuring initiatives	8,548	73	2,553	38	5,884	
Net investment gain	(15,198)				(15,198)	
Transaction costs related to acquisitions	2,434	2,434				
Adjusted earnings before income taxes	170,966	171,983	24,363	19,739	(31,534)	(13,585)
Interest expense	14,590					14,590
Interest income	(1,005)					(1,005)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	184,551	171,983	24,363	19,739	(31,534)	-
Depreciation and amortization	115,228	42,480	48,903	19,877	3,968	-
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 299,779	\$ 214,463	\$ 73,266	\$ 39,616	\$ (27,566)	\$ -
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	18.9%	33.6%	10.4%	16.4%		

	Six Months Ended					
	June 30, 2020					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
Net Sales	\$ 1,420,858	598,455	624,346	198,057	-	-
Reported net income	\$ 97,110					
Reported income taxes	41,594					
Reported income before income taxes	138,704	175,321	(5,647)	14,481	(28,679)	(16,772)
Adjustments:						
Restructuring initiatives	12,170	(142)	12,231	178	(97)	
Transaction costs related to acquisitions	4,591		4,591			
Purchase accounting adjustments related to acquisitions and investments	4,642	1,421	3,221			
Adjusted earnings before income taxes	160,107	176,600	14,396	14,659	(28,776)	(16,772)
Interest expense	17,122					17,122
Interest income	(350)					(350)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	176,879	176,600	14,396	14,659	(28,776)	-
Depreciation and amortization	107,235	36,508	46,525	18,533	5,669	-
Purchase accounting adjustments included in Depreciation and amortization above	(3,367)	(667)	(2,700)			
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 280,747	\$ 212,441	\$ 58,221	\$ 33,192	\$ (23,107)	\$ -
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	19.8%	35.5%	9.3%	16.8%		

Reconciliation of Non-GAAP Measures

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



	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Income before Income Taxes	\$ 74,294	\$ 60,668	\$ 175,182	\$ 138,704
<u>Adjustments:</u>				
Restructuring initiatives	4,876	7,331	8,548	12,170
Net investment loss (gain)	1,611	-	(15,198)	-
Transaction costs related to acquisitions	2,434	3,207	2,434	4,691
Purchase accounting adjustments related to acquisitions and investments	-	3,252	-	4,642
Foreign currency effects (1)	-	4,640	-	10,298
Adjusted Earnings before Income Taxes	\$ 83,215	\$ 79,098	\$ 170,966	\$ 170,403
Provision for Income Taxes	\$ 19,020	\$ 18,808	\$ 35,969	\$ 41,594
<u>Adjustments:</u>				
Restructuring initiatives	1,144	1,503	1,985	2,702
Net investment loss (gain)	370	-	(3,496)	-
Transaction costs related to acquisitions	442	481	442	889
Purchase accounting adjustments related to acquisitions and investments	-	727	-	1,028
Foreign currency effects (1)	-	1,440	-	3,089
Adjusted Provision for Income Taxes	\$ 20,976	\$ 22,959	\$ 34,900	\$ 49,100
Net Income Attributable to Noncontrolling Interests	\$ 2	\$ (21)	\$ 15	\$ (18)
Net Income Attributable to AptarGroup, Inc.	\$ 55,276	\$ 41,839	\$ 139,228	\$ 97,092
<u>Adjustments:</u>				
Restructuring initiatives	3,732	5,828	6,563	9,468
Net investment loss (gain)	1,241	-	(11,702)	-
Transaction costs related to acquisitions	1,992	2,728	1,992	3,902
Purchase accounting adjustments related to acquisitions and investments	-	2,525	-	3,616
Foreign currency effects (1)	-	3,200	-	7,207
Adjusted Net Income Attributable to AptarGroup, Inc.	\$ 62,241	\$ 56,118	\$ 136,081	\$ 121,285
Average Number of Diluted Shares Outstanding	68,086	66,384	67,869	66,246
Net Income Attributable to AptarGroup, Inc. Per Diluted Share	\$ 0.81	\$ 0.63	\$ 2.05	\$ 1.47
<u>Adjustments:</u>				
Restructuring initiatives	0.05	0.09	0.10	0.14
Net investment loss (gain)	0.02	-	(0.17)	-
Transaction costs related to acquisitions	0.03	0.04	0.03	0.06
Purchase accounting adjustments related to acquisitions and investments	-	0.04	-	0.05
Foreign currency effects (1)	-	0.05	-	0.11
Adjusted Net Income Attributable to AptarGroup, Inc. Per Diluted Share	\$ 0.91	\$ 0.85	\$ 2.01	\$ 1.83

(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)

	2018	2019	2020
Reported Net Sales	2,764,761	2,859,732	2,929,340
Reported Net Income	194,766	242,227	214,090
Reported Income Taxes	71,254	99,842	87,065
Reported Income before Income Taxes	266,020	342,069	301,155
Adjustments:			
Transaction costs related to acquisitions	9,598	3,927	4,812
Purchase accounting adjustments related to acquisitions and investments	14,172	1,202	4,642
Restructuring initiatives	63,829	20,472	26,492
Adjusted earnings before income taxes	353,619	367,670	337,101
Interest Expense	32,626	35,489	33,244
Interest Income	(7,056)	(4,174)	(958)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	379,189	398,985	369,387
Depreciation and Amortization	171,747	194,552	220,300
Purchase accounting adjustments included in Depreciation and amortization above	-	(1,202)	(3,367)
Adjusted earnings before net interest, taxes, depreciation, amortization, and unusual items. (Adjusted EBITDA)	550,936	592,335	586,320
Adjusted EBITDA / Sales %	20%	21%	20%

Reconciliation of Non-GAAP Measures



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Sales	\$ 2,337,183	\$ 2,331,036	\$ 2,520,013	\$ 2,597,809	\$ 2,317,149	\$ 2,330,934	\$ 2,469,283	\$ 2,764,761	\$ 2,859,732	\$ 2,929,340
Reported net income	\$ 183,630	\$ 162,420	\$ 171,926	\$ 191,624	\$ 199,295	\$ 205,604	\$ 220,029	\$ 194,766	\$ 242,227	\$ 214,090
Reported income taxes	91,312	78,953	92,457	94,677	95,276	74,893	74,796	71,254	99,842	87,065
Reported income before income taxes	274,942	241,373	264,383	286,301	294,571	280,497	294,825	266,020	342,069	301,155
Adjustments:										
Restructuring initiatives	(71)	4,678	14,525				2,208	63,829	20,472	26,492
Transaction costs related to acquisitions		5,381			1,892	5,640		9,598	3,927	4,812
Purchase accounting adjustments related to acquisitions and investments		4,305				2,577		14,172	1,202	4,642
Gain on insurance recovery					(2,900)		(10,648)			
Change in inventory valuation method					(7,427)					
Adjusted earnings before income taxes	274,871	255,737	278,908	286,301	286,136	288,714	286,385	353,619	367,670	337,101
Interest expense	17,300	18,950	20,514	21,029	34,615	35,237	40,597	32,626	35,489	33,244
Interest income	(5,722)	(2,996)	(3,233)	(4,797)	(5,596)	(2,643)	(5,470)	(7,056)	(4,174)	(958)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	286,449	271,691	296,189	302,533	315,155	321,308	321,512	379,189	398,985	369,387
Depreciation and amortization	134,243	147,231	135,446	152,218	138,893	154,802	153,094	171,747	194,552	220,300
Purchase accounting adjustments included in Depreciation and amortization above									(1,202)	(3,367)
Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)	\$ 420,692	\$ 418,922	\$ 431,635	\$ 454,751	\$ 454,048	\$ 476,110	\$ 474,606	\$ 550,936	\$ 592,335	\$ 586,320
Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)	18.0%	18.0%	17.1%	17.5%	19.6%	20.4%	19.2%	19.9%	20.7%	20.0%

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income before Income Taxes	\$ 274,342	\$ 241,373	\$ 264,383	\$ 285,381	\$ 294,571	\$ 288,437	\$ 294,825	\$ 265,828	\$ 342,853	\$ 384,455
Adjustments:										
Reevaluating intangibles	(71)	4,678	14,525				2,288	63,823	28,472	25,432
Transaction costs related to acquisitions		5,381			1,832	5,648		3,538	3,327	4,812
Parasitic accounting adjustments related to acquisitions and intangibles		4,385				2,577		14,172	1,282	4,642
Gain on insurance recovery					(2,388)		(18,648)			
Change in insurance valuation method					(2,427)					
Adjusted Earnings before Income Taxes	\$ 274,271	\$ 255,737	\$ 278,908	\$ 285,381	\$ 286,196	\$ 288,714	\$ 285,385	\$ 353,613	\$ 367,678	\$ 397,381
Provision for Income Taxes	\$ 34,342	\$ 78,353	\$ 32,457	\$ 34,677	\$ 35,276	\$ 74,833	\$ 74,296	\$ 74,254	\$ 33,842	\$ 87,865
Adjustments:										
Net effect of items included in the Provision for Income Taxes			(6,824)			3,235	(7,388)			
Reevaluating intangibles	(25)	1,258	2,338				642	17,336	5,753	5,588
Transaction costs related to acquisitions		1,364			648	1,483		1,475	585	743
Parasitic accounting adjustments related to acquisitions and intangibles		1,563				853		3,243	218	1,826
Gain on insurance recovery					(1,822)		(3,666)			
Change in insurance valuation method					(2,428)					
Adjusted Provision for Income Taxes	\$ 34,286	\$ 83,741	\$ 88,566	\$ 34,677	\$ 32,474	\$ 88,538	\$ 63,872	\$ 33,884	\$ 186,318	\$ 34,312
Net Income Attributable to Noncontrolling Interests	\$ 53	\$ 132	\$ 68	\$ 34	\$ 53	\$ 144	\$ 1	\$ 124	\$ 125	\$ 158
Net Income Attributable to Aptar Group, Inc.	\$ 189,638	\$ 162,642	\$ 174,394	\$ 191,658	\$ 193,348	\$ 205,538	\$ 228,838	\$ 194,745	\$ 242,282	\$ 244,848
Adjustments:										
Net effect of items included in the Provision for Income Taxes			6,824			(8,268)	7,388			
Reevaluating intangibles	(45)	3,428	14,535				1,566	45,833	14,713	28,384
Transaction costs related to acquisitions		3,428			1,252	4,457		8,123	3,422	4,833
Parasitic accounting adjustments related to acquisitions and intangibles		2,736				1,718		18,353	384	3,616
Gain on insurance recovery					(1,878)		(6,382)			
Change in insurance valuation method					(5,887)					
Adjusted Net Income Attributable to Aptar Group, Inc.	\$ 189,638	\$ 172,187	\$ 178,418	\$ 191,658	\$ 193,715	\$ 205,137	\$ 222,514	\$ 253,714	\$ 261,327	\$ 242,733
Average Number of Diluted Shares Outstanding	63,274	68,335	68,288	65,883	62,585	64,843	64,536	64,358	65,458	66,657
Net Income Attributable to Aptar Group, Inc. Per Diluted Share	\$ 2.85	\$ 2.38	\$ 2.52	\$ 2.85	\$ 3.03	\$ 3.17	\$ 3.41	\$ 3.88	\$ 3.66	\$ 3.24
Adjustments:										
Net effect of items included in the Provision for Income Taxes			0.18			(0.13)	0.12			
Reevaluating intangibles		0.05	0.17				0.02	0.71	0.22	0.32
Transaction costs related to acquisitions		0.05			0.02	0.06		0.12	0.05	0.06
Parasitic accounting adjustments related to acquisitions and intangibles		0.04				0.03		0.17	0.02	0.05
Gain on insurance recovery					(0.03)		(0.11)			
Change in insurance valuation method					(0.08)					
Adjusted Net Income Attributable to Aptar Group, Inc. Per Diluted Share	\$ 2.85	\$ 2.52	\$ 2.73	\$ 2.85	\$ 3.08	\$ 3.13	\$ 3.44	\$ 4.08	\$ 3.95	\$ 3.64

Reconciliation of Non-GAAP Measures

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

(In Thousands)

	2016	2017	2018	2019	2020
Reported Net Income	205,604	220,029	194,766	242,227	214,090
Reported Income Taxes	74,893	74,796	71,254	99,842	87,065
Reported Income before Income Taxes	280,497	294,825	266,020	342,069	301,155
Adjustments:					
Transaction costs related to acquisitions	5,640	-	9,598	3,927	4,812
Purchase accounting adjustments related to acquisitions and investments	2,577	-	14,172	1,202	4,642
Gain on insurance recovery	-	(10,648)	-	-	-
Restructuring initiatives	-	2,208	63,829	20,472	26,492
Adjusted earnings before income taxes	288,714	286,385	353,619	367,670	337,101
Interest Expense	35,237	40,597	32,626	35,489	33,244
Interest Income	(2,643)	(5,470)	(7,056)	(4,174)	(958)
Adjusted earnings before net interest and taxes (Adjusted EBIT)	321,308	321,512	379,189	398,985	369,387
Effective income tax rate (reported income taxes / reported income before taxes)	26.7%	25.4%	26.8%	29.2%	28.9%
Taxes on Adjusted EBIT	85,789	81,664	101,623	116,504	106,753
Adjusted EBIT After Taxes	235,519	239,848	277,566	282,481	262,634

Reconciliation of Non-GAAP Measures



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

	2016	2017	2018	2019	2020
Total AptarGroup Inc Stockholders' Equity	1,173,950	1,311,738	1,422,556	1,571,916	1,850,389
Long-term Obligations	772,737	1,191,146	1,125,993	1,085,453	1,054,998
Notes Payable	169,213	4,336	101,293	44,259	52,200
Current Maturities of Long-Term Obligations	4,603	61,833	62,678	65,988	65,666
	2,120,503	2,569,053	2,712,520	2,767,616	3,023,253
Less:					
Cash and Equivalents and St Investments	466,287	712,640	261,823	241,970	300,380
Total Capital	1,654,216	1,856,413	2,450,697	2,525,646	2,722,873
Average Capital	1,550,863	1,755,315	2,153,555	2,488,172	2,624,260
Adjusted EBIT After Taxes	235,519	239,848	277,566	282,481	262,634
ROIC (Adjusted EBIT After Taxes/Average Capital)	15%	14%	13%	11%	10%
Capital by Segment					
Pharma	624,066	647,830	1,129,657	1,050,846	1,107,325
Beauty + Home	936,787	1,015,823	994,090	1,005,769	1,196,212
Food + Beverage	206,657	229,012	412,965	412,342	417,039
Corporate and Other	(113,294)	(36,252)	(86,015)	56,689	2,297
Total Capital	1,654,216	1,856,413	2,450,697	2,525,646	2,722,873

Reconciliation of Non-GAAP Measures



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

	2016	2017	2018	2019	2020
Net Cash Provided by Operations	325,299	324,729	313,628	514,457	570,153
Less:					
Capital Expenditures	128,986	156,624	211,252	242,276	245,954
Free Cash Flow	196,313	168,105	102,376	272,181	324,199

Reconciliation of Non-GAAP Measures

AptarGroup, Inc.
Reconciliation of Free Cash Flow to Net Cash Provided by Operations (Unaudited)
(In Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net Cash Provided by Operations	\$ 103,396	\$ 142,653	\$ 175,581	\$ 227,686
Less:				
Capital Expenditures	\$ 73,155	\$ 61,361	\$ 137,039	\$ 122,986
Free Cash Flow	\$ 30,241	\$ 81,292	\$ 38,542	\$ 104,700

Supplemental Information

Annual Components of Reported Sales Growth (rounded to the nearest whole percent)

	2018	Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth		12%	7%	5%	8%
Acquisitions		4%	1%	4%	2%
Currency Effects ⁽¹⁾		2%	1%	1%	2%
Total Reported Sales Growth		18%	9%	10%	12%
	2019	Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth		10%	(1%)	3%	3%
Acquisitions		9%	--	7%	4%
Currency Effects ⁽¹⁾		(5%)	(4%)	(2%)	(4%)
Total Reported Sales Growth		14%	(5%)	8%	3%
	2020	Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth		9%	(7%)	(1%)	--
Acquisitions		2%	4%	--	3%
Currency Effects ⁽¹⁾		1%	(1%)	(2%)	(1%)
Total Reported Sales Growth		12%	(4%)	(3%)	2%
3 Year Average Percentage		Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth		10%	--	2%	4%
Acquisitions		5%	2%	4%	3%
Currency Effects ⁽¹⁾		0%	(2%)	(1%)	(1%)
Total Reported Sales Growth		15%	--	5%	6%

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

Quarterly 2021 Components of Reported Sales Growth (rounded to the nearest whole percent)

First Quarter Segment Sales Analysis

(Change over Prior Year)

Core Sales Growth

Acquisitions

Currency Effects⁽¹⁾

Total Reported Sales Growth

	Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth	0%	(3%)	14%	1%
Acquisitions	0%	6%	0%	2%
Currency Effects ⁽¹⁾	6%	4%	2%	5%
Total Reported Sales Growth	6%	7%	16%	8%

Second Quarter Segment Sales Analysis

(Change over Prior Year)

Core Sales Growth

Currency Effects⁽¹⁾

Total Reported Sales Growth

	Pharma	Beauty + Home	Food + Beverage	Total AptarGroup
Core Sales Growth	2%	13%	23%	10%
Currency Effects ⁽¹⁾	6%	7%	5%	6%
Total Reported Sales Growth	8%	20%	28%	16%

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