

# Reconciliation of Non-GAAP Financial Measures

April 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 March 31, 2021					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
<b>Net Sales</b>	<b>\$ 776,754</b>	313,832	346,948	115,978	-	-
<b>Reported net income</b>	<b>\$ 83,939</b>					
<b>Reported income taxes</b>	<b>16,949</b>					
<b>Reported income before income taxes</b>	<b>100,888</b>	87,670	9,688	10,010	554	(7,034)
Adjustments:						
Restructuring initiatives	3,672	35	1,096	(79)	2,620	
Net investment gain	(16,809)				(16,809)	
<b>Adjusted earnings before income taxes</b>	<b>87,751</b>	87,705	10,784	9,931	(13,635)	(7,034)
Interest expense	7,415					7,415
Interest income	(381)					(381)
<b>Adjusted earnings before net interest and taxes (Adjusted EBIT)</b>	<b>94,785</b>	87,705	10,784	9,931	(13,635)	-
Depreciation and amortization	57,438	20,779	24,572	10,059	2,028	-
<b>Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>	<b>\$ 152,223</b>	<b>\$ 108,484</b>	<b>\$ 35,356</b>	<b>\$ 19,990</b>	<b>\$ (11,607)</b>	<b>\$ -</b>
<b>Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)</b>	<b>19.6%</b>	34.6%	10.2%	17.2%		

	Three Months Ended March 31, 2020					
	Consolidated	Pharma	Beauty + Home	Food + Beverage	Corporate & Other	Net Interest
<b>Net Sales</b>	<b>\$ 721,553</b>	297,196	324,560	99,797	-	-
<b>Reported net income</b>	<b>\$ 55,250</b>					
<b>Reported income taxes</b>	<b>22,786</b>					
<b>Reported income before income taxes</b>	<b>78,036</b>	89,854	7,108	5,962	(16,675)	(8,213)
Adjustments:						
Restructuring initiatives	4,839	(31)	4,907	103	(140)	
Transaction costs related to acquisitions	1,384		1,384			
Purchase accounting adjustments related to acquisitions and investments	1,390	1,128	262			
<b>Adjusted earnings before income taxes</b>	<b>85,649</b>	90,951	13,661	6,065	(16,815)	(8,213)
Interest expense	8,388					8,388
Interest income	(175)					(175)
<b>Adjusted earnings before net interest and taxes (Adjusted EBIT)</b>	<b>93,862</b>	90,951	13,661	6,065	(16,815)	-
Depreciation and amortization	50,808	17,891	20,586	9,342	2,987	-
Purchase accounting adjustments included in Depreciation and amortization above	(500)	(500)				
<b>Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>	<b>\$ 144,168</b>	<b>\$ 108,342</b>	<b>\$ 34,247</b>	<b>\$ 15,407</b>	<b>\$ (13,828)</b>	<b>\$ -</b>
<b>Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)</b>	<b>20.0%</b>	36.5%	10.6%	15.4%		

# Reconciliation of Non-GAAP Measures

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



	Three Months Ended	
	March 31,	
	<u>2021</u>	<u>2020</u>
<b>Income before Income Taxes</b>	<b>\$ 100,888</b>	<b>\$ 78,036</b>
<u>Adjustments:</u>		
Restructuring initiatives	3,672	4,839
Net investment gain	(16,809)	-
Transaction costs related to acquisitions	-	1,384
Purchase accounting adjustments related to acquisitions and investments	-	1,390
Foreign currency effects (1)		5,656
<b>Adjusted Earnings before Income Taxes</b>	<b>\$ 87,751</b>	<b>\$ 91,305</b>
<b>Provision for Income Taxes</b>	<b>\$ 16,949</b>	<b>\$ 22,786</b>
<u>Adjustments:</u>		
Restructuring initiatives	841	1,200
Net investment gain	(3,866)	-
Transaction costs related to acquisitions	-	208
Purchase accounting adjustments related to acquisitions and investments	-	299
Foreign currency effects (1)		1,651
<b>Adjusted Provision for Income Taxes</b>	<b>\$ 13,924</b>	<b>\$ 26,144</b>
<b>Net Loss Attributable to Noncontrolling Interests</b>	<b>\$ 13</b>	<b>\$ 3</b>
<b>Net Income Attributable to AptarGroup, Inc.</b>	<b>\$ 83,952</b>	<b>\$ 55,253</b>
<u>Adjustments:</u>		
Restructuring initiatives	2,831	3,639
Net investment gain	(12,943)	-
Transaction costs related to acquisitions	-	1,176
Purchase accounting adjustments related to acquisitions and investments	-	1,091
Foreign currency effects (1)		4,005
<b>Adjusted Net Income Attributable to AptarGroup, Inc.</b>	<b>\$ 73,840</b>	<b>\$ 65,164</b>
<b>Average Number of Diluted Shares Outstanding</b>	<b>67,648</b>	<b>66,111</b>
<b>Net Income Attributable to AptarGroup, Inc. Per Diluted Share</b>	<b>\$ 1.24</b>	<b>\$ 0.84</b>
<u>Adjustments:</u>		
Restructuring initiatives	0.04	0.05
Net investment gain	(0.19)	-
Transaction costs related to acquisitions	-	0.02
Purchase accounting adjustments related to acquisitions and investments	-	0.02
Foreign currency effects (1)		0.06
<b>Adjusted Net Income Attributable to AptarGroup, Inc. Per Diluted Share</b>	<b>\$ 1.09</b>	<b>\$ 0.99</b>

*(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
<b>Reported Net Sales</b>	<b>2,764,761</b>	<b>2,859,732</b>	<b>2,929,340</b>
<b>Reported Net Income</b>	<b>194,766</b>	<b>242,227</b>	<b>214,090</b>
<b>Reported Income Taxes</b>	<b>71,254</b>	<b>99,842</b>	<b>87,065</b>
<b>Reported Income before Income Taxes</b>	<b>266,020</b>	<b>342,069</b>	<b>301,155</b>
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
<b>Net Sales</b>	\$ 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
<b>Reported net income</b>	\$ 183,630	\$ 162,420	\$ 171,926	\$ 191,624	\$ 199,295	\$ 205,604	\$ 220,029	\$ 194,766	\$ 242,227	\$ 214,090
<b>Reported income taxes</b>	91,312	78,953	92,457	94,677	95,276	74,893	74,796	71,254	99,842	87,065
<b>Reported income before income taxes</b>	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)					
<b>Adjusted earnings before income taxes</b>	274,871	255,737	278,908	286,301	286,136	288,714	286,385	353,619	367,670	337,101
<b>Interest expense</b>	17,300	18,950	20,514	21,029	34,615	35,237	40,597	32,626	35,489	33,244
<b>Interest income</b>	(5,722)	(2,996)	(3,233)	(4,797)	(5,596)	(2,643)	(5,470)	(7,056)	(4,174)	(958)
<b>Adjusted earnings before net interest and taxes (Adjusted EBIT)</b>	286,449	271,691	296,189	302,533	315,155	321,308	321,512	379,189	398,985	369,387
<b>Depreciation and amortization</b>	134,243	147,231	135,446	152,218	138,893	154,802	153,094	171,747	194,552	220,300
<b>Purchase accounting adjustments included in Depreciation and amortization above</b>									(1,202)	(3,367)
<b>Adjusted earnings before net interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>	\$ 420,692	\$ 418,922	\$ 431,635	\$ 454,751	\$ 454,048	\$ 476,110	\$ 474,606	\$ 550,936	\$ 592,335	\$ 586,320
<b>Adjusted EBITDA margins (Adjusted EBITDA / Reported Net Sales)</b>	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
<b>Income before Income Taxes</b>	\$ 274,342	\$ 241,323	\$ 264,383	\$ 285,381	\$ 294,571	\$ 288,437	\$ 294,825	\$ 265,828	\$ 342,863	\$ 384,455
<b>Adjustments:</b>										
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)					
<b>Adjusted Earnings before Income Taxes</b>	\$ 274,271	\$ 255,757	\$ 278,908	\$ 285,381	\$ 286,196	\$ 288,714	\$ 285,385	\$ 353,613	\$ 387,678	\$ 397,381
<b>Provision for Income Taxes</b>	\$ 34,342	\$ 28,353	\$ 32,457	\$ 34,677	\$ 35,276	\$ 24,833	\$ 24,296	\$ 24,254	\$ 33,842	\$ 37,865
<b>Adjustments:</b>										
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)					
<b>Adjusted Provision for Income Taxes</b>	\$ 34,286	\$ 30,741	\$ 25,633	\$ 34,677	\$ 32,474	\$ 28,538	\$ 23,872	\$ 33,884	\$ 39,595	\$ 34,312
<b>Net Income Attributable to Manufacturing Interevents</b>	\$ 53	\$ 132	\$ 68	\$ 34	\$ 53	\$ (44)	\$ 1	\$ (24)	\$ (25)	\$ (58)
<b>Net Income Attributable to Aptar Group, Inc.</b>	\$ 183,633	\$ 162,642	\$ 174,334	\$ 191,658	\$ 193,348	\$ 285,538	\$ 228,838	\$ 194,745	\$ 242,282	\$ 244,848
<b>Adjustments:</b>										
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)					
<b>Adjusted Net Income Attributable to Aptar Group, Inc.</b>	\$ 183,633	\$ 172,187	\$ 181,118	\$ 191,658	\$ 193,715	\$ 285,197	\$ 222,514	\$ 253,714	\$ 261,327	\$ 242,733
<b>Average Number of Diluted Shares Outstanding</b>	63,274	68,335	68,288	65,883	62,585	64,843	64,536	64,358	66,458	66,657
<b>Net Income Attributable to Aptar Group, Inc. Per Diluted Share</b>	\$ 2.85	\$ 2.38	\$ 2.52	\$ 2.85	\$ 3.03	\$ 3.47	\$ 3.41	\$ 3.88	\$ 3.86	\$ 3.29
<b>Adjustments:</b>										
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)					
<b>Adjusted Net Income Attributable to Aptar Group, Inc. Per Diluted Share</b>	\$ 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
<b>Reported Net Income</b>	<b>205,604</b>	<b>220,029</b>	<b>194,766</b>	<b>242,227</b>	<b>214,090</b>
<b>Reported Income Taxes</b>	<b>74,893</b>	<b>74,796</b>	<b>71,254</b>	<b>99,842</b>	<b>87,065</b>
<b>Reported Income before Income Taxes</b>	<b>280,497</b>	<b>294,825</b>	<b>266,020</b>	<b>342,069</b>	<b>301,155</b>
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
<b>Total AptarGroup Inc Stockholders' Equity</b>	<b>1,173,950</b>	<b>1,311,738</b>	<b>1,422,556</b>	<b>1,571,916</b>	<b>1,850,389</b>
<b>Long-term Obligations</b>	<b>772,737</b>	<b>1,191,146</b>	<b>1,125,993</b>	<b>1,085,453</b>	<b>1,054,998</b>
<b>Notes Payable</b>	<b>169,213</b>	<b>4,336</b>	<b>101,293</b>	<b>44,259</b>	<b>52,200</b>
<b>Current Maturities of Long-Term Obligations</b>	<b>4,603</b>	<b>61,833</b>	<b>62,678</b>	<b>65,988</b>	<b>65,666</b>
	<b>2,120,503</b>	<b>2,569,053</b>	<b>2,712,520</b>	<b>2,767,616</b>	<b>3,023,253</b>
<b>Less:</b>					
<b>Cash and Equivalents and St Investments</b>	<b>466,287</b>	<b>712,640</b>	<b>261,823</b>	<b>241,970</b>	<b>300,380</b>
<b>Total Capital</b>	<b>1,654,216</b>	<b>1,856,413</b>	<b>2,450,697</b>	<b>2,525,646</b>	<b>2,722,873</b>
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
<b>Total Capital</b>	<b>1,654,216</b>	<b>1,856,413</b>	<b>2,450,697</b>	<b>2,525,646</b>	<b>2,722,873</b>



# Reconciliation of Non-GAAP Measures



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

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

# Reconciliation of Non-GAAP Measures

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

	Three Months Ended	
	March 31,	
	<u>2021</u>	<u>2020</u>
<b>Net Cash Provided by Operations</b>	<b>\$ 72,185</b>	<b>\$ 85,033</b>
<b>Less:</b>		
<b>Capital Expenditures</b>	<b>\$ 63,884</b>	<b>\$ 61,625</b>
<b>Free Cash Flow</b>	<b>\$ 8,301</b>	<b>\$ 23,408</b>

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

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