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*Always Advancing To Protect What's Important*

# *Fiscal 2018 Second Quarter*

**Thursday, May 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 and (14) ability of our insurance to fully cover potential exposures; and (15) the other factors discussed in the 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 Second Quarter Highlights*

| | Fiscal Second Quarter 2018 | Fiscal Second Quarter 2017 | YoY% |
|---|---|---|---|
| Net Sales | **$ 1,967** | $ 1,806 | 9% |
| Operating Income | **188** | 175 | 7% |
| Operating EBITDA | **350** | 336 | 4% |
| Net Income Per Diluted Share | **0.66** | 0.54 | 22% |
| Adjusted Net Income Per Diluted Share | **0.84** | 0.75 | 12% |

## Other Quarterly Highlights and Notes

- Net sales quarterly record of **$2 billion**; highlighted by organic volume growth in our nonwovens, tapes, and foodservice products
- Operating EBITDA March quarterly record of **$350 million**
- Adjusted net income per diluted share March quarterly record of **$0.84**, up **12%** versus prior year quarter
- Increased annual cost synergies for the Clopay acquisition from $20 million to **$40 million**
- Continued investment with advantaged products in targeted markets

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

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



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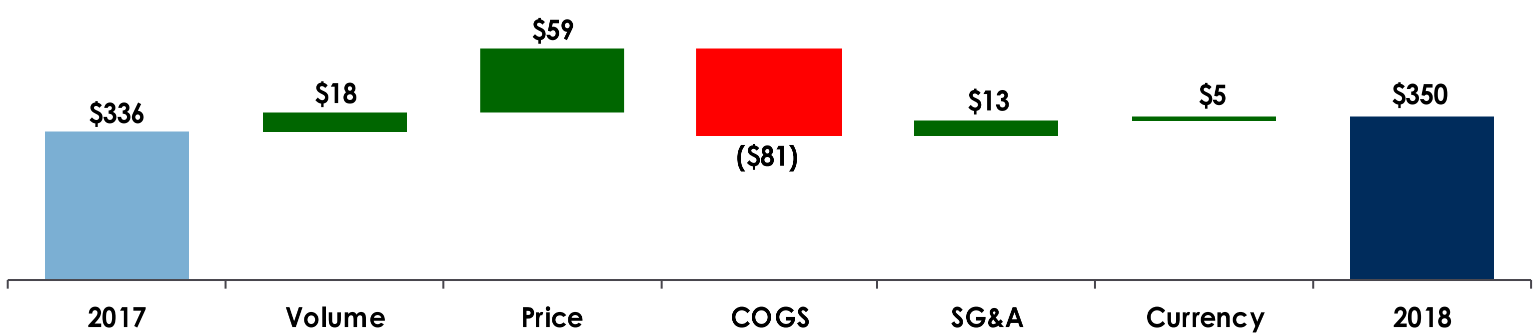
# Fiscal Q2 2018 Net Sales and Operating EBITDA Bridge

## Net Sales


## Operating EBITDA




*Note: All dollar amounts in millions*
*Volume in net sales and operating EBITDA includes current quarter acquisition volume of $106 million and $25 million, respectively, related to our AEP, Adchem, and Clopay acquisitions*



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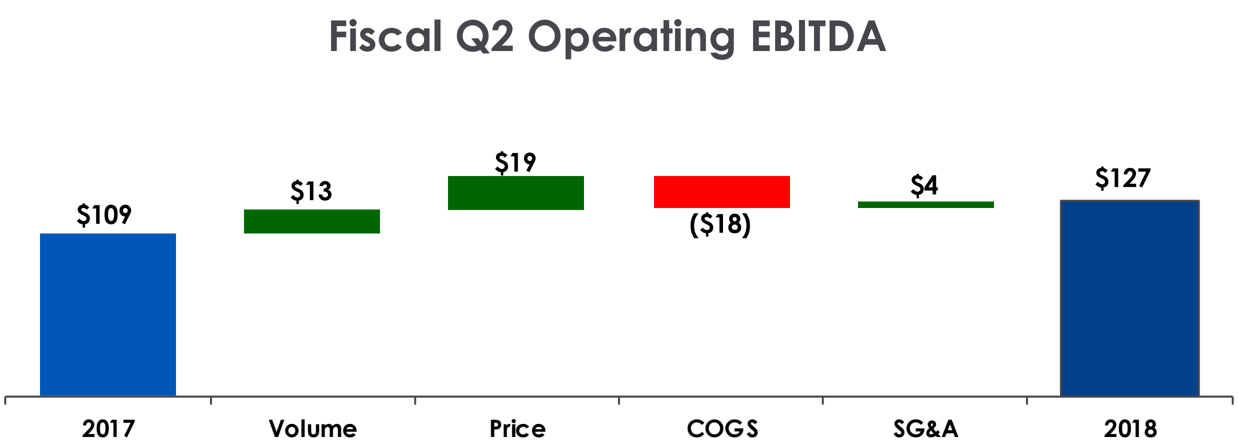
# *Engineered Materials (EM)*

| | Fiscal Second Quarter | | |
|---|---|---|---|
| | **2018** | **2017** | **YoY%** |
| Net Sales | **$ 655** | $ 620 | 6% |
| Operating Income | **94** | 67 | 40% |
| Operating EBITDA | **127** | 109 | 17% |

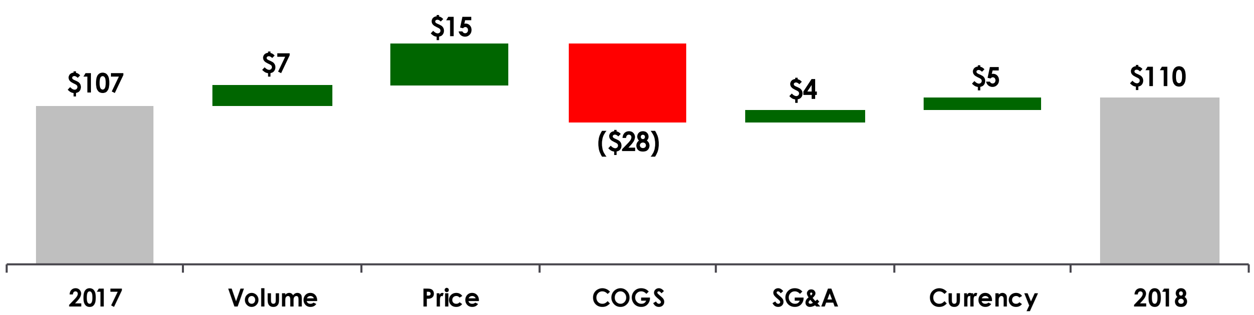



*Note: All dollar amounts in millions*
*Volume in operating EBITDA includes current quarter acquisition volume of $17 million in fiscal Q2 related to our AEP and Adchem acquisitions*

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

| | Fiscal Second Quarter | | | | |
|---|---|---|---|---|---|
| | 2018 | | 2017 | | YoY% |
| Net Sales | $ | 706 | $ | 597 | 18% |
| Operating Income | | 41 | | 52 | -21% |
| Operating EBITDA | | 110 | | 107 | 3% |

## Fiscal Q2 Operating EBITDA

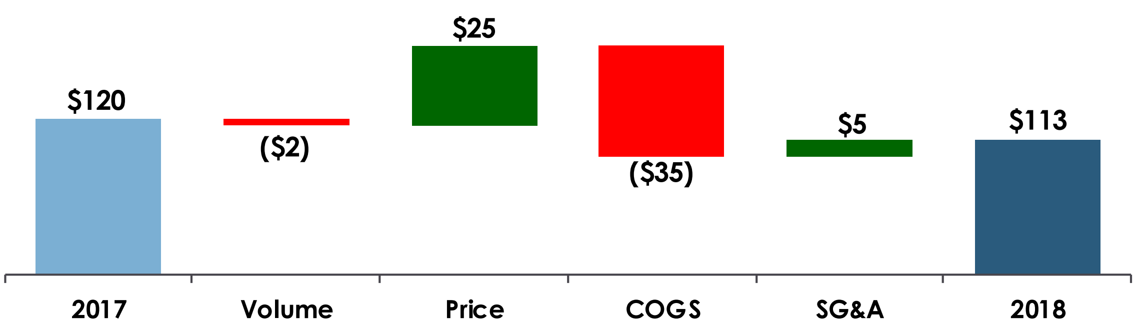



*Note: All dollar amounts in millions*
*Volume in operating EBITDA includes current quarter acquisition volume of $8 million in fiscal Q2 related to the Clopay acquisition*

# Consumer Packaging (CP)

| | Fiscal Second Quarter | | |
|---|---|---|---|
| | 2018 | 2017 | YoY% |
| Net Sales | **$ 606** | $ 589 | 3% |
| Operating Income | **53** | 56 | -5% |
| Operating EBITDA | **113** | 120 | -6% |

## Fiscal Q2 Operating EBITDA




*Note: All dollar amounts in millions*

# *Condensed Income Statement*

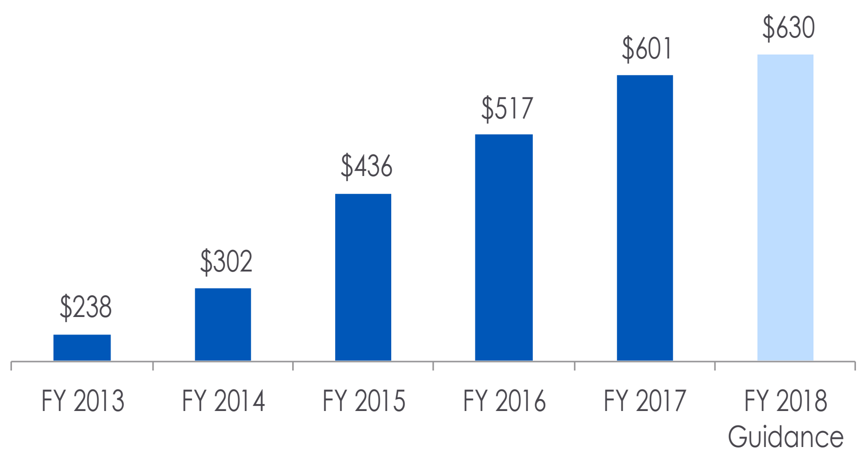
| | Quarterly Period Ended | |
|---|---|---|
| | **March 31, 2018** | April 1, 2017 |
| Net sales | **$1,967** | $1,806 |
| Costs and expenses | **1,779** | 1,631 |
| Operating income | **188** | 175 |
| Other expense (income), net | **5** | 20 |
| Interest expense, net | **66** | 67 |
| Income before income taxes | **117** | 88 |
| Income tax expense | **27** | 16 |
| Net income | **$90** | $72 |
| Net income per share: | | |
| Diluted | **$ 0.66** | $ 0.54 |
| Adjusted Diluted | **$ 0.84** | $ 0.75 |

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

# Adjusted Free Cash Flow

| | | LTM Mar. '18 |
|---|---|---|
| **Operating EBITDA** | **$** | **1,374** |
| Capital expenditures | | (313) |
| Cash interest expense | | (253) |
| Taxes [(1)] | | (182) |
| Working capital | | (48) |
| Restructuring and other [(2)] | | (52) |
| **Adjusted free cash flow** | **$** | **526** |

## 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 March 2018 of $88 million along with other cash taxes*
*(2) Includes integration expenses and other business optimization costs*



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# FY 2018 Financial Outlook

**Fiscal Year 2018 Adjusted Free Cash Flow Guidance**

| | |
|---|---|
| **Cash flow from operations** | **$1,007** |
| Less: capital expenditures | (340) |
| Less: tax receivable agreement [1] | (37) |
| **Adjusted free cash flow** | **$630** |

**Underlying Assumptions**

| | |
|---|---|
| Cash interest expense | 250 |
| Taxes [1] | 130 |
| Restructuring & other | 50 |
| Working capital | 40 |

*Note: All dollar amounts in millions*
*FY 2018 guidance does include the most recently closed acquisition of Clopay*
*(1) Includes tax receivable payment of $37 million made in the December 2017 quarter*

# Q&A

***Fiscal 2018 Second 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 | $1,007 |
| Capital expenditures, net | (221) | (196) | (162) | (283) | (263) | (340) |
| Payment of tax receivable agreement | (5) | (32) | (39) | (57) | (111) | (37) |
| **Adjusted free cash flow** | $238 | $302 | $436 | $517 | $601 | $630 |

| | Guidance |
|---|---|
| | FY 2018 |
| Interest expense (per income statement) | $255 |
| Less: non-cash interest expense (per CF) | (5) |
| Cash interest expense | $250 |

*Note: All dollar amounts in millions. Unaudited*

# Non-GAAP Reconciliation

| | Quarterly Period Ended March 31, 2018 | | | |
|---|---|---|---|---|
| | Consumer Packaging | Health, Hygiene & Specialties | Engineered Materials | Total |
| Net Sales | $606 | $706 | $655 | $1,967 |
| Operating income | $53 | $41 | $94 | $188 |
| Depreciation and amortization | 56 | 49 | 27 | 132 |
| Restructuring and impairment charges | 1 | 12 | 2 | 15 |
| Other non-cash charges (1) | 3 | 8 | 4 | 15 |
| Operating EBITDA | $113 | $110 | $127 | $350 |

| | Quarterly Period Ended April 1, 2017 | | | |
|---|---|---|---|---|
| | Consumer Packaging | Health, Hygiene & Specialties | Engineered Materials | Total |
| Net Sales | $589 | $597 | $620 | $1,806 |
| Operating income | $56 | $52 | $67 | $175 |
| Depreciation and amortization | 59 | 46 | 26 | 131 |
| Restructuring and impairment charges | 2 | 2 | 2 | 6 |
| Other non-cash charges (1) | 3 | 5 | 8 | 16 |
| Business optimization costs (2) | - | 2 | 6 | 8 |
| Operating EBITDA | $120 | $107 | $109 | $336 |

*Note: All dollar amounts in millions. Unaudited*
*(1) Other non-cash charges in the March 2018 quarter includes $10 million of stock compensation expense, a $3 million inventory step up charge related to the Clopay acquisition and other non-cash charges. Other non-cash charges in the March 2017 quarter primarily includes $8 million of stock compensation expense, a $5 million inventory step-up charge related to the AEP acquisition along with other non-cash charges.*
*(2) Includes integration expenses and other business optimization costs*



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# Non-GAAP Reconciliation

| | Quarterly Period Ended | |
|---|---|---|
| | **March 31, 2018** | April 1, 2017 |
| **Net income** | **$90** | $72 |
| Add: other expense (income), net | **5** | 20 |
| Add: interest expense, net | **66** | 67 |
| Add: income tax expense (benefit) | **27** | 16 |
| **Operating income** | **$188** | $175 |
| Add: non-cash amortization from 2006 private sale | **7** | 8 |
| Add: restructuring and impairment | **15** | 6 |
| Add: other non-cash charges [1] | **15** | 16 |
| Add: business optimization costs [2] | - | 8 |
| **Adjusted operating income** [7] | **$225** | $213 |
| Add: depreciation | **94** | 91 |
| Add: amortization of intangibles [3] | **31** | 32 |
| **Operating EBITDA** [7] | **$350** | $336 |
| | | |
| Net income per diluted share | **$0.66** | $0.54 |
| Other expense (income), net [4] | **0.04** | 0.08 |
| Non-cash amortization from 2006 private sale | **0.05** | 0.06 |
| Restructuring and impairment | **0.11** | 0.05 |
| Other non-cash charges [5] | **0.04** | 0.06 |
| Business optimization costs [2] | **-** | 0.06 |
| Income tax impact on items above [6] | **(0.06)** | (0.10) |
| **Adjusted net income per diluted share** [7] | **$0.84** | $0.75 |

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



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# Non-GAAP Reconciliation *(continued)*

(1) Other non-cash charges in the March 2018 quarter includes $10 million of stock compensation expense, a $3 million inventory step up charge related to the Clopay acquisition and other non-cash charges. Other non-cash charges in the March 2017 quarter primarily includes $8 million of stock compensation expense, a $5 million inventory step-up charge related to the AEP acquisition along with other non-cash charges. For the four quarters ended March 2018 other non-cash charges primarily includes $23 million of stock compensation expense, a $3 million inventory step up charge related to the Clopay acquisition and 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 March 2018 and March 2017 quarters, respectively.
(4) Other expense (income), net of adjusted net income per diluted share purposes for the April 1, 2017 quarter excludes $9 million of tax reclassification offset in tax expense.
(5) Other non-cash charges excludes $10 million and $8 million of stock compensation expense for the quarter ended March 31, 2018 and April 1, 2017, respectively.
(6) 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.
(7) 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. We believe cash interest expense is useful to investors by providing information regarding interest expense without regard to non-cash interest expense recognition which may vary based on financing structure and accounting methods.

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.