



# Fourth Quarter 2021 Earnings Supplemental Data

March 9, 2022



# Disclaimer

---

## **Forward-Looking Statements:**

This presentation and the related conference call includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements reflect the current expectations of Diversey Holdings, Ltd. and its subsidiaries (the "Company") and projections with respect to, among other things, its financial condition, results of operations, plans, objectives, future performance, business, strategy, guidance, long term margins and other financial goals and value creation algorithms. These statements may be preceded by, followed by, include or otherwise be identified by the words "anticipate," "estimate," "expect," "project," "plan," "potential," "predict," "intend," "believe," "may," "might," "will," "would," "should", "can have," "could," "continue," "contemplate," "target," "likely" and the negatives thereof and other words and terms of similar meaning. Forward-looking statements include all statements that are not historical facts. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith beliefs and assumptions as of that time with respect to future events. There is no assurance that any forward-looking statements will materialize. Such forward-looking statements involve unknown risks and uncertainties and other important factors that may cause performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of the date of this presentation. Statements in this presentation speak only as of the date they were made, and the Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

## **Market and Industry Data:**

This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as the Company's own estimates and research. The Company's estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company's knowledge of its industry, which the Company believes to be reasonable. The independent industry publications used in this presentation were not prepared on the Company's behalf. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The Company has not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, the Company makes no representations as to the accuracy or completeness of that data nor does it undertake to update such data after the date of this presentation.

## **Non-GAAP Measures:**

This presentation contains financial measures, including Adjusted EBITDA and EBITDA, which are not recognized under generally accepted accounting principles in the United States ("GAAP"). The Company believes that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly-titled non-GAAP measures used by other companies. Adjusted EBITDA and EBITDA have limitations as analytical tools, and you should not consider these measures either in isolation or as a substitute for other methods of analyzing the results as reported under GAAP. For a reconciliation of historical non-GAAP financial measures to the most closely comparable GAAP measures, see the appendix to this presentation.

# Strong Fourth Quarter Despite Challenging Operating Environment

---

## Delivered Solid Financial Results, Consistent With Expectations

- Revenues +1% versus prior year quarter
- Adjusted EBITDA Margin 16.3% or +190 bps versus prior year quarter
- Adjusted EBITDA \$109.5M or +13.7% versus prior year quarter
- Industry leading adjusted EBITDA growth of 20.7% versus 2019 pre-pandemic baseline

## Exit 2021 With Solid Progress on Strategic Growth Drivers

- Strong Value Proposition + Retention Rates
- Positive New Customer Win Rates Across All Segments
- Robust New Business + Innovation Pipeline

## Good Progress on Margins

- Adjusted EBITDA Margins +40 bps FY 2021
- Continued Progress on Procurement + Productivity Initiatives
- Pricing Actions Activated 4%+ in Q4; Expect 6%+ in 2022

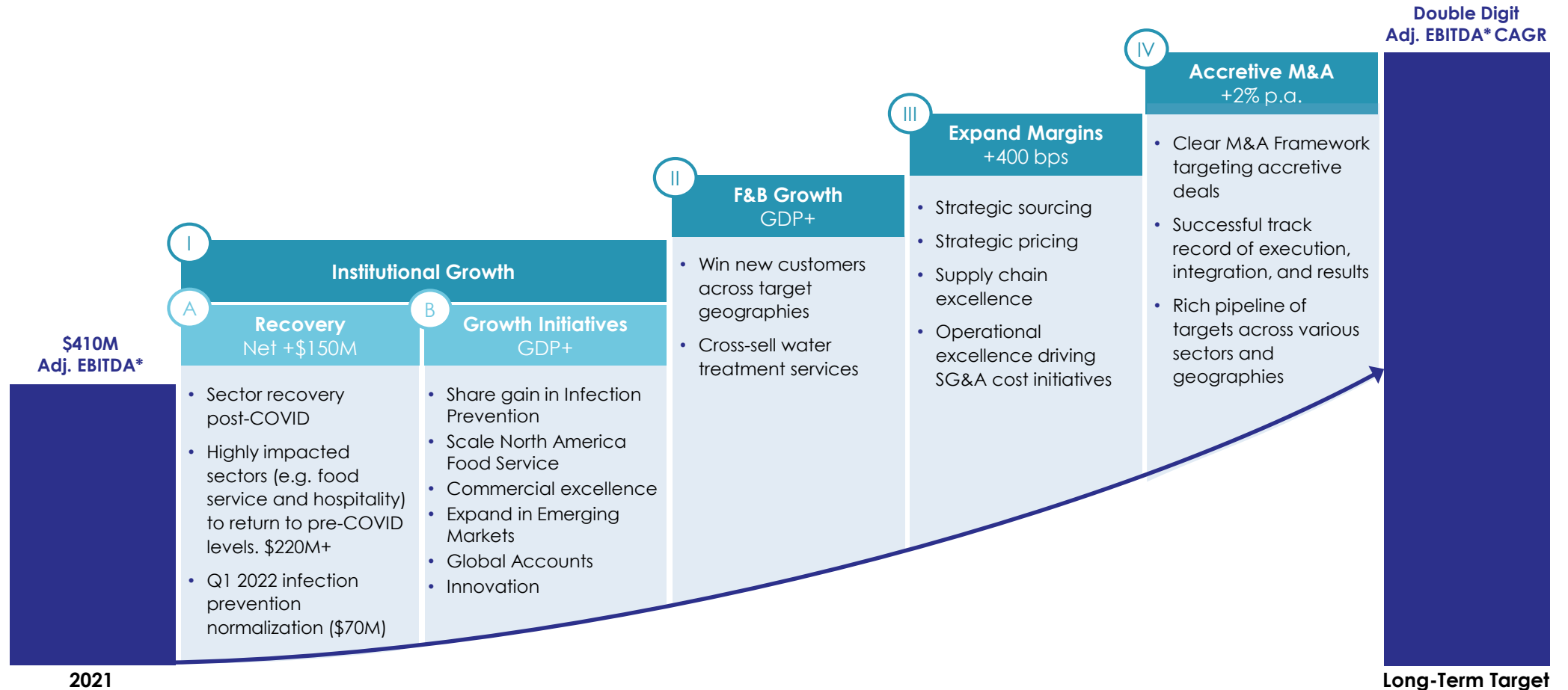
## Proven M&A Model

- Successful Integration + Synergy Capture
- Pipeline of Potential Tuck In Acquisitions






## Strong Broad Based Top Line Momentum

- Food & Beverage FY 2021 + 10%; Grew Share
- Base Institutional (excl. Infection Prevention) FY 2021 +15%; \$220M+ recovery remaining to capture
- Infection Prevention +20% vs. 2019 Pre-Pandemic Baseline

# Value Creation Thesis Intact to Deliver Long Term Double Digit Earnings Growth



# Accretive Acquisitions Complimenting Organic Growth

Company					
Type	Acquisition	Acquisition	Acquisition	Acquisition	Acquisition
Segment	F&B	F&B, Institutional	Institutional	F&B	Institutional
Synergies	Medium	High	Medium	Medium	High
Strategic Rationale	Geography	Supply Chain	Geography	Geography, Supply Chain	Geography

- Acquiring great tuck-in businesses from the large and fragmented markets in which we operate
- All five acquisitions made in the last 15 months fit targeted multiple range of 6X to 10x
- All acquisitions expected to achieve post-synergy multiples of less than 6x as integrated



# Financial Overview





# Resilient Business Model Drives Strong Results

(\$ in millions)**	Q4 2021	Prior Year		Pre-COVID Baseline	
		Q4 2020	Δ vs. Q4 2020	Q4 2019	Δ vs. Q4 2019
<b>Total Company Net Sales</b>	<b>\$672</b>	<b>\$667</b>	<b>0.7%</b>	<b>\$659</b>	<b>2.1%</b>
<b>Total Company Adj. EBITDA*</b>	<b>\$110</b>	<b>\$96</b>	<b>13.7%</b>	<b>\$94</b>	<b>16.1%</b>
<b>Total Company Adj. EBITDA Margin</b>	<b>16.3%</b>	<b>14.4%</b>	<b>190 bps</b>	<b>14.3%</b>	<b>200 bps</b>
Institutional Net Sales	\$487	\$505	(3.5)%	\$499	(2.4)%
Institutional Adj. EBITDA*	\$86	\$83	3.7%	\$85	1.5%
<i>Institutional Adj. EBITDA Margin</i>	<i>17.7%</i>	<i>16.5%</i>	<i>120 bps</i>	<i>17.0%</i>	<i>70 bps</i>
Food & Beverage Net Sales	\$186	\$163	14.0%	\$159	16.4%
Food & Beverage Adj. EBITDA*	\$32	\$28	15.8%	\$28	14.1%
F&B Adj. EBITDA Margin	17.5%	17.2%	30 bps	17.8%	(30) bps
<i>Net Sales Memo:</i>					
<i>Institutional Base</i>	<i>\$411</i>	<i>\$350</i>	<i>17.5%</i>	<i>\$437</i>	<i>(5.8%)</i>
<i>Institutional Infection Prevention</i>	<i>\$75</i>	<i>\$154</i>	<i>(51.2%)</i>	<i>\$62</i>	<i>21.4%</i>

Institutional Base versus Infection Prevention provided as a one-time disclosure to provide additional transparency



\* See non-GAAP definitions and reconciliations in appendix

\*\* Results in table are as reported

# Resilient Business Model Drives Strong Results

(\$ in millions)**	YTD 2021	Prior Year		Pre-COVID Baseline	
		YTD 2020	Δ vs. YTD 2020	YTD 2019	Δ vs. YTD 2019
<b>Total Company Net Sales</b>	<b>\$2,619</b>	<b>\$2,629</b>	<b>(0.4)%</b>	<b>\$2,624</b>	<b>(0.2)%</b>
<b>Total Company Adj. EBITDA*</b>	<b>\$410</b>	<b>\$401</b>	<b>2.2%</b>	<b>\$340</b>	<b>20.7%</b>
<b>Total Company Adj. EBITDA Margin</b>	<b>15.7%</b>	<b>15.3%</b>	<b>40 bps</b>	<b>13.0%</b>	<b>270 bps</b>
Institutional Net Sales	\$1,918	\$1,995	(3.9)%	\$1,979	(3.1)%
Institutional Adj. EBITDA*	\$320	\$336	(4.9)%	\$296	7.9%
<i>Institutional Adj. EBITDA Margin</i>	<i>16.7%</i>	<i>16.9%</i>	<i>(20) bps</i>	<i>15.0%</i>	<i>170 bps</i>
Food & Beverage Net Sales	\$701	\$634	10.5%	\$645	8.6%
Food & Beverage Adj. EBITDA*	\$134	\$112	19.5%	\$102	31.4%
<i>F&amp;B Adj. EBITDA Margin</i>	<i>19.1%</i>	<i>17.7%</i>	<i>140 bps</i>	<i>15.8%</i>	<i>330 bps</i>
<i>Net Sales Memo:</i>					
<i>Institutional Base</i>	<i>\$1,532</i>	<i>\$1,336</i>	<i>14.7%</i>	<i>\$1,744</i>	<i>(12.1)%</i>
<i>Institutional Infection Prevention</i>	<i>\$386</i>	<i>\$660</i>	<i>(41.5)%</i>	<i>\$235</i>	<i>64.1%</i>

Institutional Base versus Infection Prevention provided as a one-time disclosure to provide additional transparency



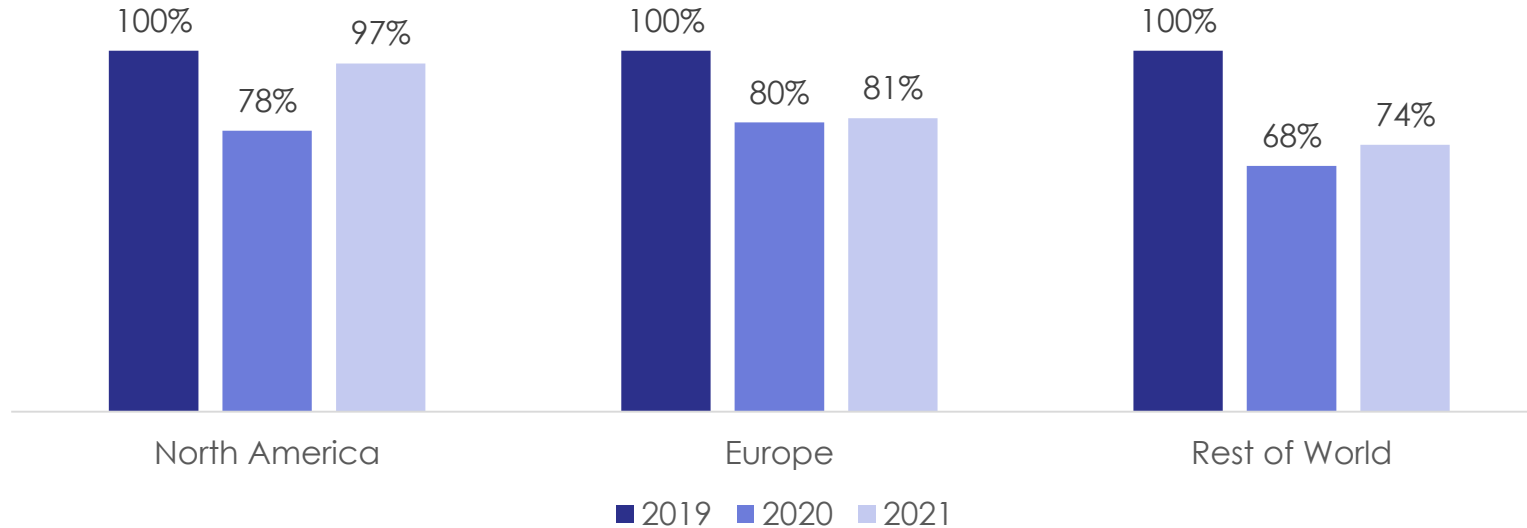
\* See non-GAAP definitions and reconciliations in appendix

\*\* Results in table are as reported



# Institutional: Meaningful Base Volume Recovery\*

**\$220M+ Recovery Remaining**



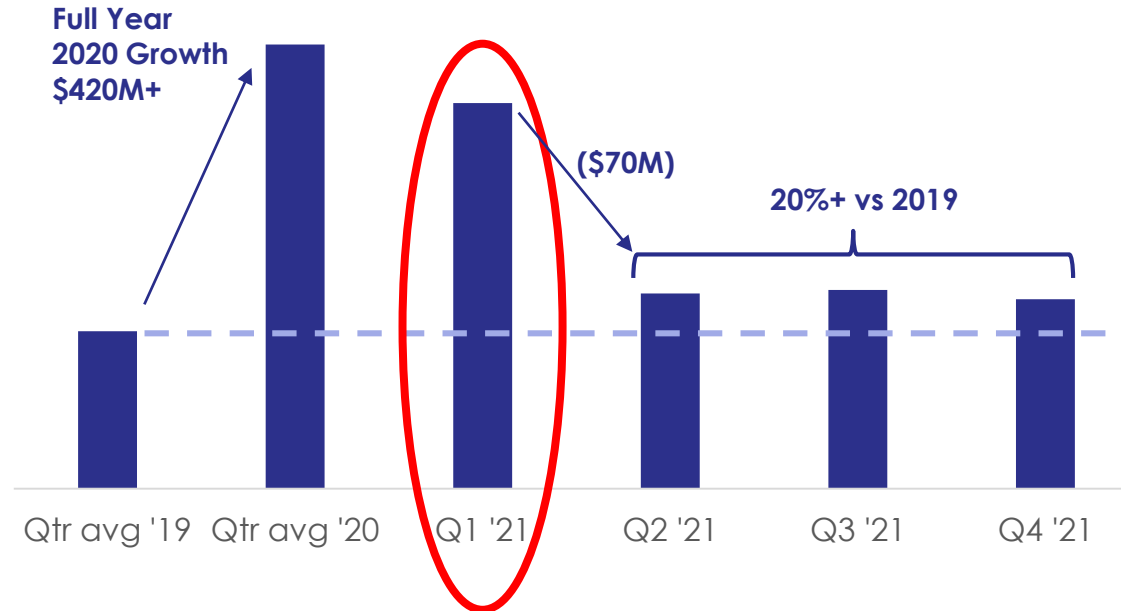
- Base is expected to fully recover as markets open up, similar to North America
- At least \$220 million base recovery remaining to get back to 2019 levels
- Additional growth is likely with a new level of focus on cleaning and hygiene from the pandemic



\* Institutional base revenue excludes infection prevention and is adjusted for currency and price

# Institutional: Infection Prevention Volume\*

Normalizing at 20%+ Growth Above Pre-COVID 2019 level



- Infection prevention revenue has been steady for the last three quarters of 2021
- After one more tough comparison (\$70M), expect to be fully normalized starting in the second quarter
- Good growth prospects after Q1 2022:
  - Recent and shortly to be launched new products allow an expanded reach into additional end markets
  - Expanded distribution agreement with Reckitt Benckiser in emerging markets

# Strong Balance Sheet and Growing Cash Flow Provide Meaningful Support for Future Growth

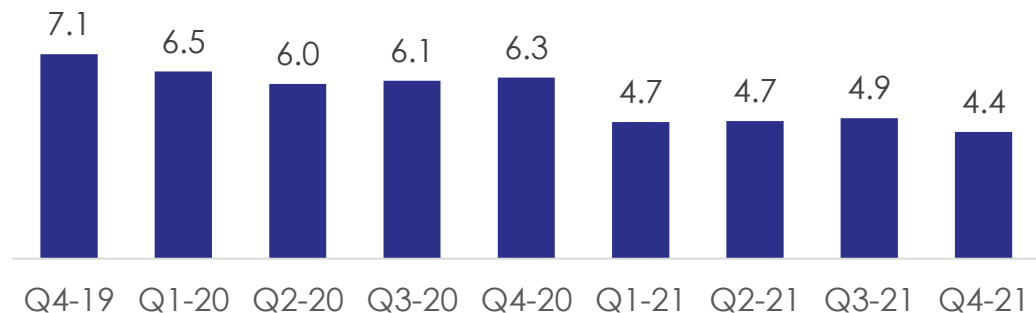
## Key Cash Flow & Balance Sheet Items

- Free cash flow\* of (\$27M) in fourth quarter 2021 versus \$35M in 2020
  - Chose to increase inventory by \$17M in order to service customers as the supply chain environment unexpectedly worsened in fourth quarter
  - Receivables increase of \$30M due to regional mix and decision to end European factoring program
  - \$32M of Operational CapEx primarily related to the US manufacturing site build
- Opportunities to improve working capital and expand securitization could be tailwinds in 2022
- \$215M of net cash raised through primary share issuance of 15M shares
- \$650M liquidity at quarter-end
  - Revolver availability \$442M, Cash on Hand \$208M

## Fourth Quarter 2021 Capital Structure

Instrument	\$ millions
US Term Loan (extended to 2028)	\$1,500
US Bonds (extended to 2029)	\$500
Revolver	\$0
Other *	(\$5)
<b>Total Debt</b>	<b>\$1,995</b>
Cash Balance	\$208
<b>Net Debt *</b>	<b>\$1,787</b>

## Net Debt Leverage Evolution \*



# 2022 Outlook

## First Quarter 2022 Guidance

**Net Sales** Approximately flat versus 2021

**Adjusted EBITDA\*** \$56M - \$60M

- Revenue reflects post-COVID recovery, pricing, accelerating new business and M&A, offset by infection prevention normalization and currency
- Assumes no further changes to current environment
- Final year-over-year quarter comparison challenge of approx. \$70M normalization of infection prevention revenue and approx. \$30M Adj EBITDA
- Reflects 7% to 15% Adjusted EBITDA growth over 2019 baseline

## Full Year 2022 Guidance

**Net Sales** Upper single digit % growth

**Adjusted EBITDA\*** \$380M - \$420M

- Revenue growth reflects post-COVID recovery, pricing, accelerating new business and M&A, partially offset by currency and infection prevention normalization in first quarter
- Inclusive of an additional \$25-35M for estimated adverse impact of oil prices on the business
- Inclusive of approx. \$30M Adjusted EBITDA headwind in first quarter related to normalization of approx. \$70M infection prevention revenue
- Positioned to maintain long-term goal of double-digit percentage Adjusted EBITDA growth after inflation stabilizes



\* See non-GAAP definitions and reconciliations in appendix

The Diversey logo is a white oval with a blue border. Inside the oval, the word "Diversey" is written in a white, sans-serif font. To the right of the text is a stylized white leaf icon. A small "TM" trademark symbol is located at the top right of the oval.

Diversey™

A photograph of an elderly woman with short, light-colored hair, wearing a light-colored cardigan over a dark top and a pearl necklace. She is standing at a black hand sanitizer station, looking down at her hands which are clasped together. The background shows a bright, indoor setting with other people seated at tables.

APPENDIX A

---

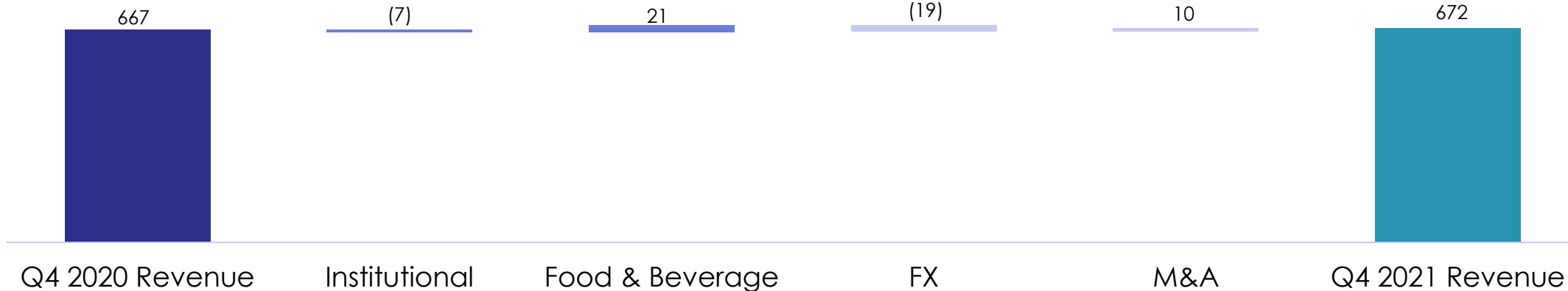
## Financial Reconciliations

A large, faint, light blue leaf graphic is positioned in the bottom right corner of the page, partially overlapping the dark blue background.

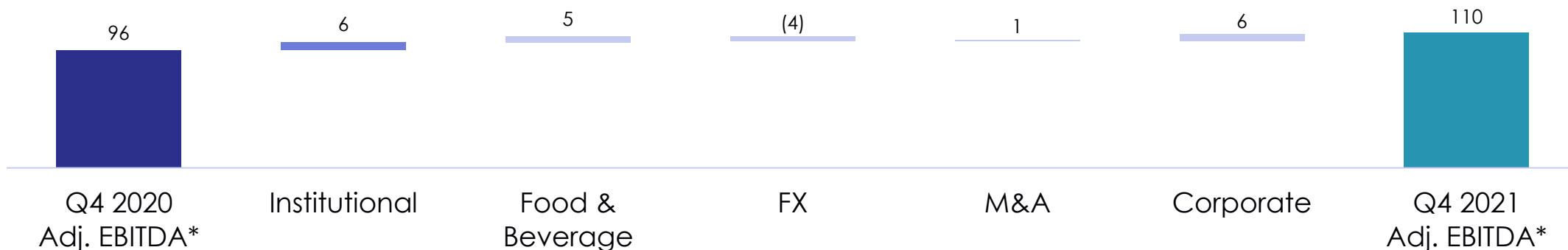
# Fourth Quarter 2021 versus 2020 Bridges

\$ millions

## Revenue



## Adj. EBITDA\*



\* See non-GAAP definitions and reconciliations in appendix

# Non-GAAP Financial Measures

(in millions)	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Net income (loss)	(35.7)	(42.1)	(1.3)	\$ (95.7)	\$ (71.8)	\$ 13.0	\$ 16.4	\$ 3.9	\$ (44.6)	\$ (7.1)	\$ (12.8)	\$ (44.5)
Income tax provision (benefit)		19.2	(9.8)	(2.4)	(14.7)	7.1	5.6	11.2	30.1	(1.2)	4.8	(1.0)
Income (loss) before income tax provision (benefit)	(17.4)	(22.9)	(11.1)	(98.1)	(86.5)	20.1	22.0	15.1	(14.5)	(8.3)	(8.0)	(45.5)
Interest expense	28.9	25.8	27.9	43.7	32.9	32.4	30.8	31.6	36.0	34.0	36.9	34.1
Interest income	(7.0)	(0.8)	(1.2)	(0.9)	(1.3)	(1.2)	(1.2)	(2.2)	(2.4)	(1.8)	(1.7)	(1.6)
Amortization expense of intangible assets	24.1	24.2	24.1	24.3	24.2	24.8	24.6	24.6	25.1	22.8	22.9	22.9
Depreciation expense included in cost of sales	20.7	20.4	20.8	20.8	25.1	21.4	21.2	21.8	22.9	20.8	21.0	19.7
Depreciation expense included in selling, general and administrative expenses	1.2	2.9	2.0	2.0	1.7	2.3	1.9	2.0	3.1	1.4	1.6	1.3
<b>EBITDA</b>	<b>50.5</b>	<b>49.6</b>	<b>62.5</b>	<b>(8.2)</b>	<b>(3.9)</b>	<b>99.8</b>	<b>99.3</b>	<b>92.9</b>	<b>70.2</b>	<b>68.9</b>	<b>72.7</b>	<b>30.9</b>
Transition and transformation costs and non-recurring costs	19.2	7.5	10.2	15.4	22.5	11.2	3.8	5.0	15.3	12.6	10.2	14.7
Restructuring costs	5.0	19.8	2.1	0.5	20.3	2.0	1.9	1.4	10.1	4.8	4.9	-
Foreign currency loss related to Argentina subsidiaries	0.6	(2.9)	2.2	(2.0)	1.3	(0.3)	(0.3)	0.9	4.7	1.5	4.2	1.0
Adjustment to tax indemnification asset	5.5	0.1	1.3	-	1.4	0.1	1.3	-	6.2	0.7	0.2	-
Merger and acquisition-related cost	1.2	-	-	-	0.1	0.9	-	-	0.3	-	-	-
Acquisition accounting adjustments	-	-	-	-	-	-	-	-	-	0.5	0.7	0.7
Bain Capital management fee	-	-	-	19.4	1.9	1.8	1.9	1.9	1.9	1.8	1.9	1.9
Non-cash pension and other post-employment benefit plan	(3.7)	(4.3)	(3.9)	(3.8)	(5.6)	(3.5)	(3.1)	(3.1)	(1.8)	(2.3)	(2.3)	(2.4)
Unrealized foreign currency exchange loss (gain)	7.7	(2.4)	1.7	5.9	(7.5)	(8.8)	(0.5)	(8.3)	(1.1)	10.3	(2.7)	4.3
Factoring and securitization fees	1.1	1.4	1.2	1.0	1.1	1.3	1.2	0.7	0.6	1.0	0.9	0.9
Share-based incentive compensation	15.9	16.0	19.8	63.5	66.4	0.5	0.3	0.3	3.0	-	-	-
Tax receivable agreement adjustments	(14.2)	-	4.1	-	-	-	-	-	-	-	-	-
Gain on sale of business and investments	-	-	-	-	-	-	-	-	(13.0)	-	-	-
Loss on extinguishment of debt	-	15.6	-	-	-	-	-	-	-	-	-	-
Realized foreign currency loss on refinancing of debt	-	4.5	-	-	-	-	-	-	-	-	-	-
Inventory reserves	13.9	-	-	-	-	-	-	-	-	-	-	-
Other items	6.8	1.7	0.1	1.0	(1.7)	1.8	0.1	0.5	(2.1)	4.8	(1.9)	0.1
<b>Non-GAAP Consolidated Adjusted EBITDA</b>	<b>\$ 109.5</b>	<b>\$ 106.6</b>	<b>\$ 101.3</b>	<b>\$ 92.7</b>	<b>\$ 96.3</b>	<b>\$ 106.8</b>	<b>\$ 105.9</b>	<b>\$ 92.2</b>	<b>\$ 94.3</b>	<b>\$ 104.6</b>	<b>\$ 88.8</b>	<b>\$ 52.1</b>



# Non-GAAP Financial Measures

(in millions)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
<b>Senior Secured Credit Facilities</b>									
2021 U.S. Dollar Term Loan	\$ 1,500.0	\$ 1,500.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 U.S. Dollar Term Loan	-	-	868.5	870.8	873.0	875.2	877.5	879.8	882.0
U.S. Dollar Incremental Loan	-	-	-	-	149.6	150.0	150.0	-	-
Euro Term Loan	-	-	543.6	607.9	1,146.9	1,096.5	1,061.0	1,055.9	1,062.5
Revolving Credit Facility	-	-	-	-	-	-	-	128.0	120.0
2021 Senior Notes	500.0	500.0	-	-	-	-	-	-	-
2017 Senior Notes	-	-	537.1	530.7	548.5	523.1	504.8	501.1	503.0
Short-term borrowings	10.7	16.5	3.2	0.4	0.4	0.1	0.4	0.7	0.6
Finance lease obligations	4.4	3.9	4.1	4.5	5.2	14.5	14.5	14.5	2.2
Financing obligations	23.1	23.5	23.9	22.5	22.5	5.9	5.9	6.0	-
Unamortized deferred financing costs	(35.3)	(40.6)	(25.2)	(28.6)	(39.6)	(40.9)	(42.1)	(42.4)	(44.6)
Unamortized original issue discount	(8.3)	(9.0)	(1.6)	(2.0)	(6.2)	(6.5)	(6.8)	(3.2)	(3.4)
<b>Total debt</b>	<b>1,994.6</b>	<b>1,994.3</b>	<b>1,953.6</b>	<b>2,006.2</b>	<b>2,700.3</b>	<b>2,617.9</b>	<b>2,565.2</b>	<b>2,540.4</b>	<b>2,522.3</b>
Less: Cash and cash equivalents	(207.6)	(68.8)	(70.7)	(113.0)	(192.9)	(172.5)	(171.8)	(91.1)	(126.1)
<b>Net debt</b>	<b>\$ 1,787.0</b>	<b>\$ 1,925.5</b>	<b>\$ 1,882.9</b>	<b>\$ 1,893.2</b>	<b>\$ 2,507.4</b>	<b>\$ 2,445.4</b>	<b>\$ 2,393.4</b>	<b>\$ 2,449.3</b>	<b>\$ 2,396.2</b>

## Non-GAAP Financial Measures

---

(in millions)	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
<b>Cash used in operating activities</b>	<b>\$ 22.2</b>	<b>\$ 53.0</b>
Collection of deferred factored receivables	-	12.4
Dosing and dispensing equipment	(16.8)	(13.1)
Capital expenditures for property and equipment	(32.4)	(17.0)
<b>Free Cash Flow</b>	<b>\$ (27.0)</b>	<b>\$ 35.3</b>

# Non-GAAP Financial Measures

(in millions)	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Institutional	\$ 486.9	\$ 487.2	\$ 476.4	\$ 467.9	\$ 504.7	\$ 522.5	\$ 474.8	\$ 493.4	\$ 499.1	\$ 504.6	\$ 515.3	\$ 460.1
Food & Beverage	185.5	177.7	173.7	163.6	162.7	158.6	151.0	161.5	159.4	163.0	164.6	157.8
<b>Total</b>	<b>\$ 672.4</b>	<b>\$ 664.9</b>	<b>\$ 650.1</b>	<b>\$ 631.5</b>	<b>\$ 667.4</b>	<b>\$ 681.1</b>	<b>\$ 625.8</b>	<b>\$ 654.9</b>	<b>\$ 658.5</b>	<b>\$ 667.6</b>	<b>\$ 679.9</b>	<b>\$ 617.9</b>

## Adjusted EBITDA by Segment

	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Institutional	\$ 86.3	\$ 84.3	\$ 78.1	\$ 71.1	\$ 83.2	\$ 89.2	\$ 83.0	\$ 81.0	\$ 85.0	\$ 87.0	\$ 79.3	\$ 45.1
Food & Beverage	32.4	34.3	35.1	31.9	28.0	26.4	31.6	25.9	28.5	27.3	24.3	21.9
<b>Total Segment Adjusted EBITDA</b>	<b>118.7</b>	<b>118.6</b>	<b>113.2</b>	<b>103.0</b>	<b>111.2</b>	<b>115.6</b>	<b>114.6</b>	<b>106.9</b>	<b>113.5</b>	<b>114.3</b>	<b>103.6</b>	<b>67.0</b>
Corporate Costs	(9.2)	(12.0)	(11.9)	(10.3)	(14.9)	(8.8)	(8.7)	(14.7)	(19.2)	(9.7)	(14.8)	(14.9)
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 109.5</b>	<b>\$ 106.6</b>	<b>\$ 101.3</b>	<b>\$ 92.7</b>	<b>\$ 96.3</b>	<b>\$ 106.8</b>	<b>\$ 105.9</b>	<b>\$ 92.2</b>	<b>\$ 94.3</b>	<b>\$ 104.6</b>	<b>\$ 88.8</b>	<b>\$ 52.1</b>