

Ardagh Food & Specialty to  
Combine with Exal Corporation to  
Form Trivium Packaging (“Trivium”)

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# Disclaimer

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The Company routinely posts important information on its website – <https://www.ardaghgroup.com/corporate/investors>

# Transaction Summary

- Ardagh and Ontario Teachers' Pension Plan Board ("OTPP") to form a joint venture, Trivium Packaging B.V. ("Trivium"), combining Ardagh's Food & Specialty Metal Packaging ("F&S") with Exal, with OTPP owning 57% and **Ardagh 43% of Trivium**
  - Trivium will result in a leading global metal packaging business with LTM 3/31/2019 revenues and PF Supplemental Adj. EBITDA of \$2.7 billion and \$469 million, respectively
    - Net combination benefits of ~\$40 million expected over the next few years through commercial and operational excellence
  - Paul Coulson, Chairman and CEO of Ardagh, will be Chairman of Trivium. Michael Mapes, CEO of Exal, will be CEO of Trivium and will lead a highly experienced team drawn from both F&S and Exal
- Trivium, Netherlands headquartered, will operate 57 plants, principally in Europe and the Americas
  - Well placed to benefit from increasing sustainability focus
  - Serves stable end markets: food, seafood, pet food, nutrition, beauty & personal care
  - Serves diversified mix of blue chip customers – long standing relationships with multi-year contracts
- **Ardagh will receive a \$2.5 billion cash payment – to be used for debt repayment**
  - Ardagh will de-lever from 5.2x net leverage at March 2019 to 4.7x PF for this transaction

# Transaction Rationale

- Creates leading global metal packaging producer, with complementary geographies, materials and processes
- Retains significant ownership (43%) in Trivium, a higher growth business than F&S standalone
- Retains full ownership of Beverage Can and Glass businesses
- Ardagh de-levers 0.5x at closing

# Ardagh Use of Proceeds

## Repayment Plan

Ardagh plans to use the **\$2,500 million of cash** received from the transaction as follows:

- 1 Repay outstanding ABL drawings (and permanently reduce commitments) by \$150 million
- 2 Option to pay down \$5-10 million of out-of-the money swaps
- 3 Call 4.625% Senior Secured Notes due 2023 and 4.125% Senior Secured Notes due 2023 at the applicable redemption prices (total of ~\$1.55 billion)
- 4 Offer to repurchase 4.250% Senior Secured Notes due 2022 and 2.750% Senior Secured Notes due 2024 at Par on a pro rata basis<sup>(1)</sup>
- 5 To the extent any proceeds remain, call 6.750% Senior Notes due 2024 at the applicable redemption price

Source: Company information (ARD disclosure).

Note: Repayments including assumed \$73 million of pre-payment costs.

(1) Assumes tender offer not accepted.

(2) Net of derivative financial assets and deferred debt issue costs.

(3) Net (secured) debt to LTM Pro Forma EBITDA has been presented as Supplemental Pro Forma Non-GAAP information in order to reflect the impact of IFRS 16, Leases, following its adoption effective January 1, 2019, for the nine months ended December 31, 2018.

## Ardagh Capitalization Table

| (\$ in millions)                                           | 3/31/2019      | Adj.    | PF<br>3/31/2019 |
|------------------------------------------------------------|----------------|---------|-----------------|
| Cash and Cash Equivalents                                  | \$416          | --      | \$416           |
| <b>Secured Debt:</b>                                       |                |         |                 |
| Global ABL Facility due 2022 (USD)                         | \$270          | (\$150) | \$120           |
| 4.625% Senior Secured Notes due 2023 (USD)                 | 1,000          | (1,000) | --              |
| 4.125% Senior Secured Notes due 2023 (EUR)                 | 494            | (494)   | --              |
| 2.750% Senior Secured Notes due 2024 (EUR)                 | 843            | --      | 843             |
| 4.250% Senior Secured Notes due 2022 (USD)                 | 715            | --      | 715             |
| Lease Obligations                                          | 432            | (88)    | 344             |
| <b>Total Senior Secured Debt</b>                           | <b>\$3,754</b> |         | <b>\$2,022</b>  |
| <b>Unsecured Debt:</b>                                     |                |         |                 |
| 4.750% Senior Notes due 2027 (GBP)                         | \$524          | --      | \$524           |
| 7.250% Senior Notes due 2024 (USD)                         | 1,650          | --      | 1,650           |
| 6.750% Senior Notes due 2024 (EUR)                         | 843            | (783)   | 60              |
| 6.000% Senior Notes due 2025 (USD)                         | 1,695          | --      | 1,695           |
| Other Borrowings / Credit Lines                            | 13             | --      | 13              |
| <b>Total Senior Unsecured Debt</b>                         | <b>\$4,725</b> |         | <b>\$3,942</b>  |
| <b>Total Ardagh Debt</b>                                   | <b>\$8,479</b> |         | <b>\$5,964</b>  |
| Deferred Debt Issue Costs                                  | (51)           | 15      | (36)            |
| Derivative Financial Assets                                | 65             | --      | 65              |
| <b>Total Ardagh Debt, Net of Deferred Debt Issue Costs</b> | <b>\$8,493</b> |         | <b>\$5,993</b>  |
| <b>Net Ardagh Secured Debt</b>                             | <b>\$3,403</b> |         | <b>\$1,671</b>  |
| <b>Net Ardagh Debt<sup>(2)</sup></b>                       | <b>8,077</b>   |         | <b>5,577</b>    |
| <b>Total Ardagh Debt<sup>(2)</sup></b>                     | <b>8,493</b>   |         | <b>5,993</b>    |
| <b>Credit Metrics:</b>                                     | <b>Current</b> |         | <b>PF</b>       |
| Net Secured Debt / EBITDA <sup>(3)</sup>                   | 2.2x           |         | 1.4x            |
| <b>Net Ardagh Debt / EBITDA<sup>(3)</sup></b>              | <b>5.2x</b>    |         | <b>4.7x</b>     |