

Ardagh Group S.A.
Second Quarter 2019 Results

July 25, 2019

Disclaimer

Forward-Looking Statements

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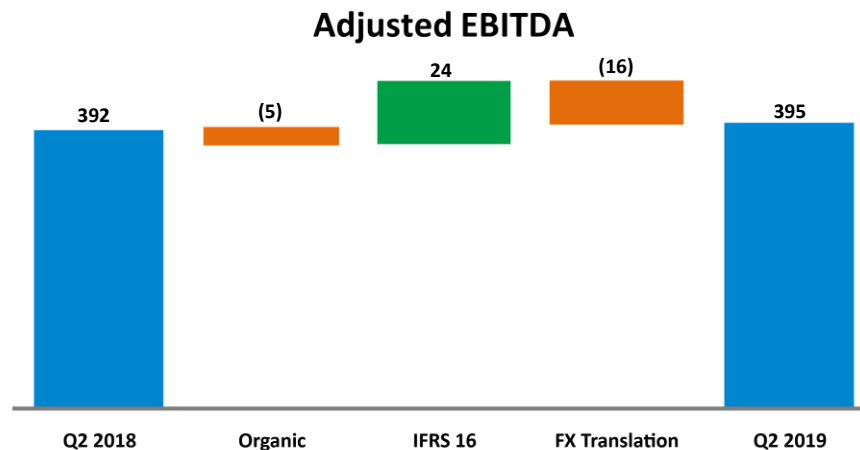
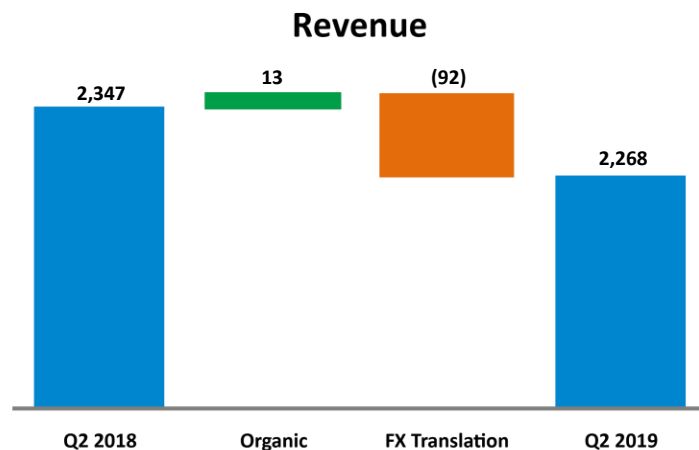
Highlights

- Revenue of \$2,268 million increased by 1% on a constant currency basis;
- Adjusted EBITDA of \$395 million increased by 5% at constant exchange rates;
- Earnings per share for the quarter of \$0.29 cent per share, an increase of 16%;
- Adjusted earnings per share of \$0.48 (2018: \$0.51);
- Adjusted EBITDA growth in three of four segments, led by Metal Packaging Americas and Glass Packaging Europe. Cost reductions offset lower volumes in Glass Packaging North America, while Metal Packaging Europe was impacted by increased input costs;
- Global beverage can volume growth of 1% with volume/mix growth of 6%;
- Metal Packaging Food & Specialty (“Food & Specialty”) to combine with Exal Corporation to form Trivium Packaging (“Trivium”), a new global leader in metal packaging jointly owned with Ontario Teachers’. Ardagh will hold a 43% stake in Trivium and will receive cash proceeds of \$2,500 million, to be used for debt reduction at Ardagh Group S.A.;
- Full year 2019 outlook⁽ⁱ⁾ re-iterated, with third quarter Adjusted EBITDA of \$410-\$420 million.

(i) 2019 Adjusted EBITDA of at least \$1.5 billion, before divestment of Food and Specialty to Trivium.
Pro Forma for divestment, Adjusted EBITDA of at least \$1.15 billion.

Second Quarter 2019

	June 30, 2019	June 30, 2018	Change %	Change CCY
	(\$m except per share data)			
Revenue	2,268	2,347	(3%)	1%
Adjusted EBITDA	395	392	1%	5%
Adjusted earnings per share	0.48	0.51	(6%)	(4%)
Operating cash flow	101	204		
Adjusted free cash flow	(50)	43		



Net Debt and Liquidity

(\$ millions)	June 30, 2019	Leverage
Total Debt	8,564	
Cash & Cash Equivalents	(374)	
Net Debt	8,190	5.3x⁽ⁱⁱ⁾
Net Secured Debt⁽ⁱⁱⁱ⁾	2,788	1.9x⁽ⁱⁱⁱ⁾
Cash and Available Liquidity	876	

(ii) Net 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 six months ended December 31, 2018. The LTM Adjusted EBITDA on a reported basis, excluding the effects of IFRS 16 for the six months ended December 31, 2018 was \$1,496 million and the corresponding net debt to LTM Adjusted EBITDA was 5.5x (December 31, 2018: 5.0x).

(iii) Net secured leverage of 1.9x at June 30, 2019 compares with 3.5x limit under the Group's credit agreements and excludes IFRS 16 leases effects.

2019 Outlook

Full Year – Unchanged ^(iv)

- Adjusted EBITDA
- Adjusted earnings per share
- Adjusted free cash flow

2019

At least \$1.5 billion

\$1.60 - \$1.75

approximately \$450 million ^(v)

Third Quarter

- Adjusted EBITDA

2019

\$410 - \$420 million

(iv) 2019 Adjusted EBITDA of at least \$1.5 billion, before divestment of Food and Specialty to Trivium.
Pro Forma for divestment, Adjusted EBITDA of at least \$1.15 billion.

(v) Before short payback projects.

Combination of Food & Specialty with Exal

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^(vi)
- 5 To the extent any proceeds remain, call 6.750% Senior Notes due 2024 at the applicable redemption price

(vi) Assumes tender offer not accepted.

