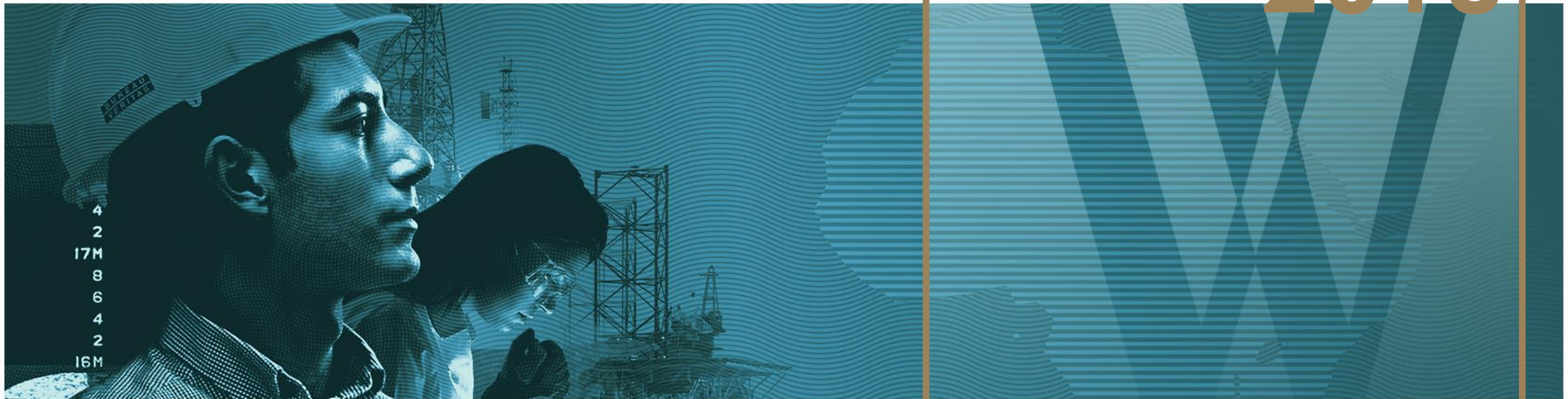


Constantia Flexibles



2018

LONG-TERM INVESTOR



WENDEL

2015 - WENDEL ACQUIRED CONSTANTIA FLEXIBLES

Initial investment: €640m / c.73%

- **Long-term single digit resilient growth business**
- #2 in Europe / #4 in the World
- Partnership with founding family

Syndication of 11% of Constantia's share capital

- Long-term co-investors: MCP backed by RAG Foundation

€2.3bn

Entreprise
value

c.9x
2014
EBITDA

Acquisition
multiple

c.4.74x
2014 EBITDA

Leverage



€540m equity invested
61% equity stake

TRANSFORMATION

- New **management team**
- **6 bolt-on acquisitions** in Europe, Africa and Asia representing c. €265m additional sales
- **€31m additional investment** of Wendel to finance external growth
- **Accelerated R&D and strategic growth capex spendings**
- **1 non core disposal**: folding carton in Mexico
- **1 strategic disposal**: Labels business for an EV of €1.15bn i.e. ca. 11x 2016 EBITDA
- **Debt renegotiation**

NEW CONSTANTIA FLEXIBLES



- Operations fully **refocused on flexibles packaging**
- Largest shareholder (16.5% equity stake) of **MCC** (Global #2 in labels industry)
- Value creation program: **FOCUS21**
- Leverage: **2.4x EBITDA**
Incl. MCC shares: leverage @ c.1.5x EBITDA



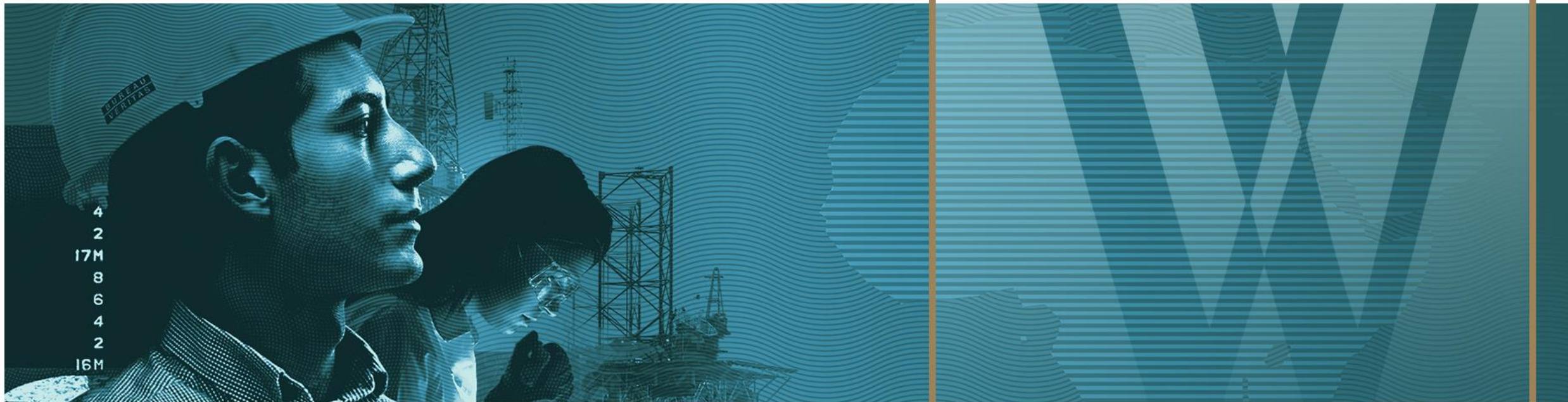
€565m equity invested
60.6% equity stake



- **Constantia Flexible's CEO since June 2015**
- **20+ years of packaging industry experience**
- Extensive experience in **sales & marketing** activities, **plant operations**, **restructuring** and **growth strategies**
- Before joining Constantia Flexibles in October 2015, he was **President for Europe of the Beauty & Home Aptargroup** division. Here he played a significant role in leading the Beauty & Home reorganization and developing and implementing a European manufacturing strategy. He has previously worked for Germany's STI Group and Austria's Mayr-Melnhof Group.
- He is a graduate of Wirtschaftsuniversität in Vienna.

Constantia Flexibles

Alexander Baumgartner, CEO



LONG-TERM INVESTOR



W E N D E L

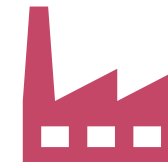
The NEW Constantia Flexibles



#2
in Europe



#3
globally



39
production sites
in 18 countries



Headquarters
in Austria
(Vienna)



2 business segments
Consumer (~75%)
Pharma (~25%)
+ 16.5% stake in MCC



~ 9,100
employees



Shareholders
Wendel (~61%)
AREPO Foundation (~27%)
Maxburg Capital Partners
(~11%)



Sales by region
65% Europe
16% America (USA/Mexico)
7% Middle East/Africa
12% Asia/Pacific

46%
Film-based



52%
Foil

2%
Paper-based

Success story to continue

From a leading European supplier...

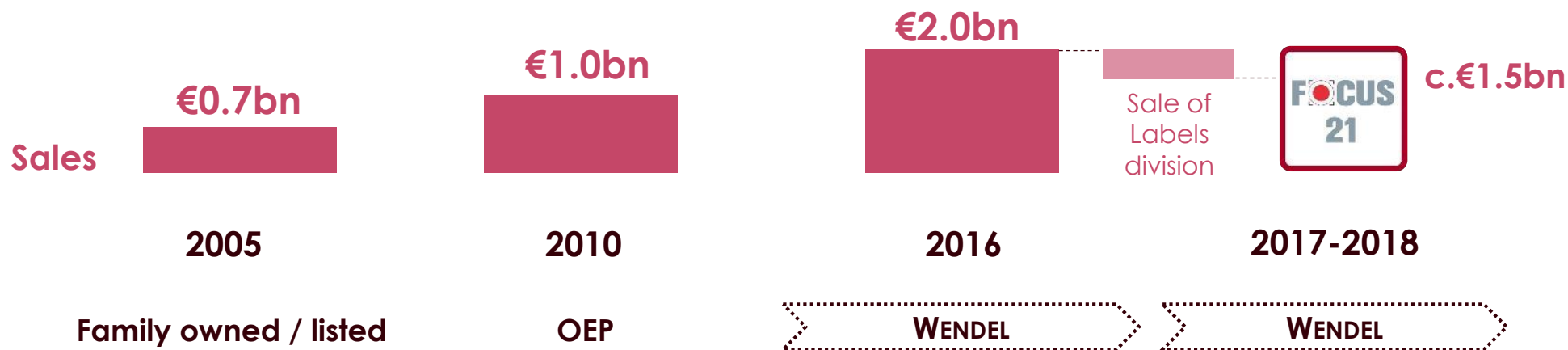
- Network of medium-sized companies
- Business focus on Europe
- Mainly export sales
- Supplier of packaging materials with focus on aluminum

... to a global player...

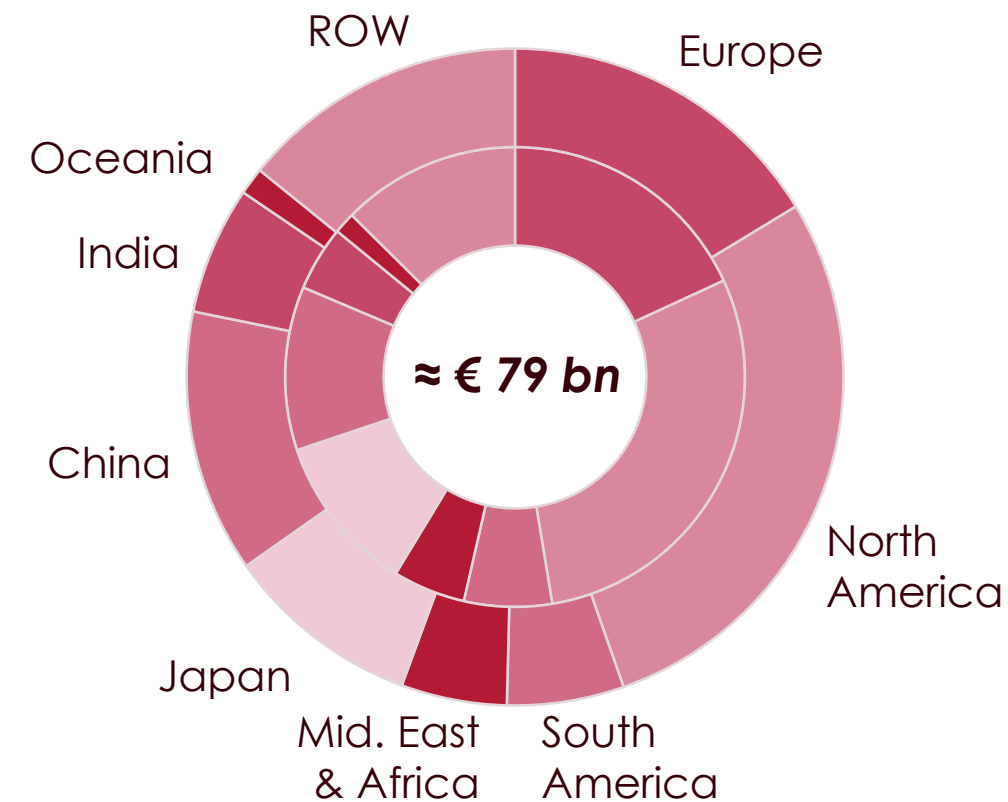
- A group with a mission and a clear strategy
- Realizing global growth opportunities
- Multi-domestic production
- Solution provider with comprehensive material competence

... and now a global pure play flexible packaging group

- After sale of Labels division
- With a focus on selective end-markets in attractive regions with our customers
- Now #3 player in the fast growing India film flexibles market

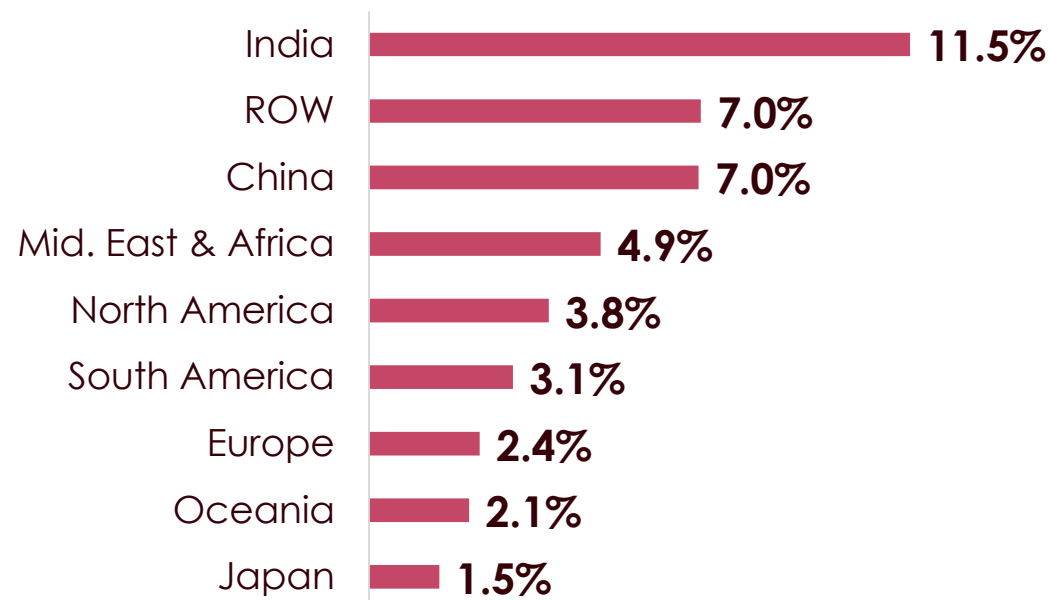


Total Flexible Packaging Market: Size & Growth by Region



Inner ring: 2017
Outer ring: 2022

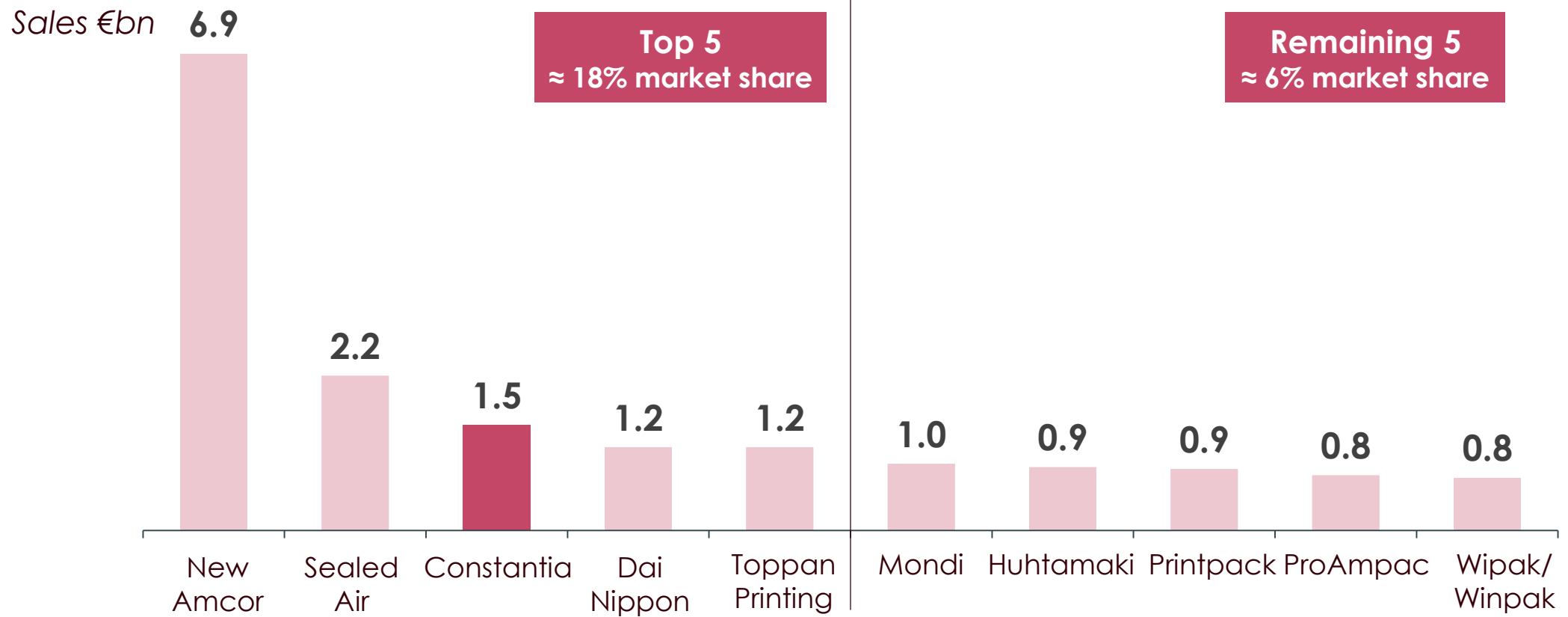
Global flex. Packaging market CAGR (2017 - 2022)



Emerging Markets account for > 60% of global flex. pack. Growth till 2022; both India and China account for >30% of this growth in question (absolute value)

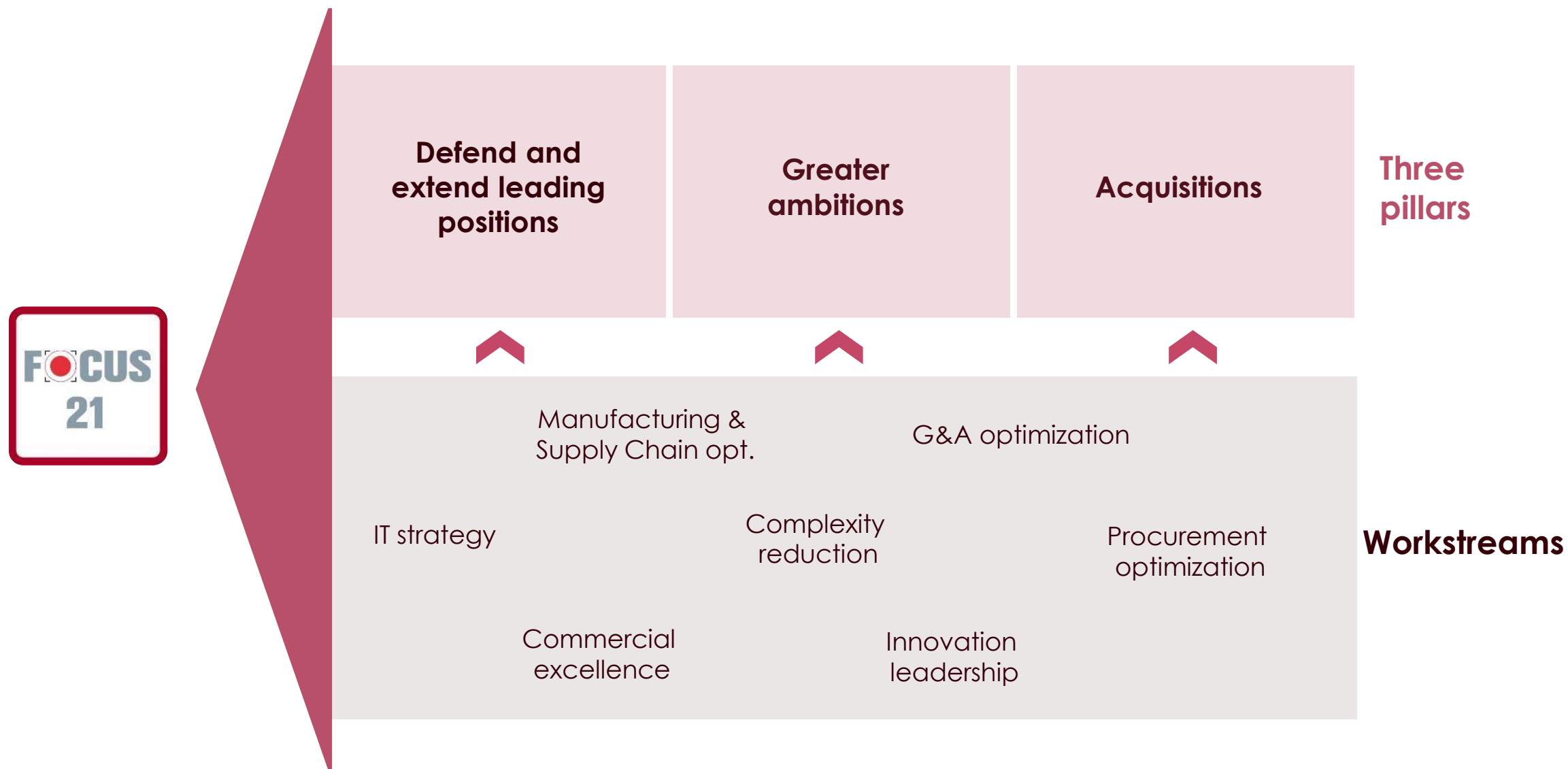
Source: PCI + internal adjustments (global figure excludes the unorganized market in India, estimated at c.a. 1.7 bn)

Fragmented Flexible Packaging industry (201)



Unique opportunity for Constantia to augment portfolio

*Sources: company annual reports, PCI reports and internal information. Sales excl. labels and industrials.
Sales represent global sales.*



FOCUS21: Defend and Extend Leading Positions

Consumer



Europe

- 1 Dairy yoghurt lidding foil & film
- 1 Confectionery foil
- 1 Processed meat foil (alu-container systems)

North America

- 1 Confectionery foil
- 1 Processed meat foil
- 1 Snacks (Mexico)

Rest of the world

- 1 Dairy yoghurt lidding foil & film (Russia)
- 1 Confectionery foil (Russia)
- 1 Confectionery film (Turkey)

Pharma



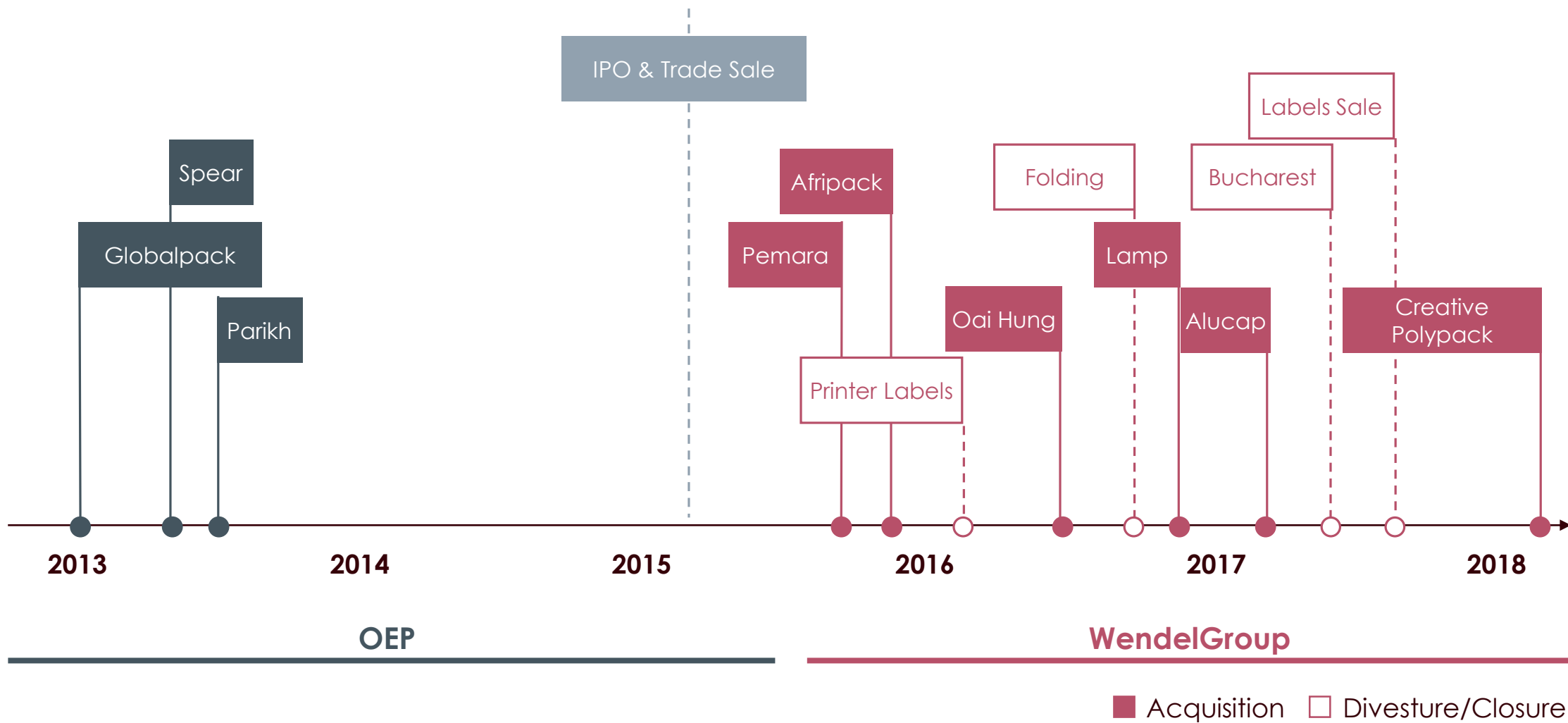
- 1 Blister lidding foil
- 2 Pharma laminates
- 2 Cold form foil

- 2 Blister lidding foil
- 2 Cold form foil

FOCUS21: Develop promising positions through investments worldwide

	Europe	North America	Rest of the world
Consumer	<ul style="list-style-type: none">• Confectionery film• Processed food coffee foil• Processed food dry/wet (pouches)• Processed meat film• Snacks film• Coffee film laminates• Personal & household hygiene• Hard cheese lidding film	<ul style="list-style-type: none">• Dairy yoghurt lidding foil• Dairy yoghurt lidding film• Confectionery film• Processed food coffee foil• Processed food dry	<ul style="list-style-type: none">• Confectionery film• Processed food film• Snacks film
Pharma		<ul style="list-style-type: none">• Pharma laminates / specials• Home & Personal Care (HPC) sachets specialties	<ul style="list-style-type: none">• Blister lidding foil• Cold form foil

— M&A TRACK RECORD: since 2015, €265 MN added sales



Recent acquisitions – Creative Polypack Case Study

Consumer



Summary

- Creation of a top 3 player in India
- One of fastest growing flexible packaging markets globally
- Gives geographic coverage across whole of India
- Sales of approx. EUR 75m (financial year ended 31 March 2018)

Investment thesis

- Perfectly compliment to existing regional coverage in Western India – access now to all main manufacturing regions in India with a network of 10 plants
- Access to local champions previously not served and obtain a strategic position with Unilever in India
- Strong position in health & personal care market

Deal structure

- Acquired 70% stake in March 2018
- Founding family will remain as shareholder for next two years (put/call options in place) to help transition into the Constantia Group
- EV/EBITDA multiple at acquisition <8x¹

Current status & developments

- EUR 15m greenfield investment at Parikh (existing plant) will support growth in India going forward
- Synergies from joint sourcing and optimized regional coverage
- Recent increases in raw material putting temporary pressure on gross margins
- Attractive basis for further M&A in still highly fragmented market

¹ calculated as gross equity value plus net debt at first closing

— Outstanding financial structure

Healthier balance sheet gives more room to maneuver for M&A

Net debt to EBITDA ratio

Before sale of Labels	~4.1x ⁽¹⁾
After sale of Labels	~2.4x ⁽²⁾
Mid-term target range	~3.0 – 3.5x
Cash conversion ⁽³⁾	~60%

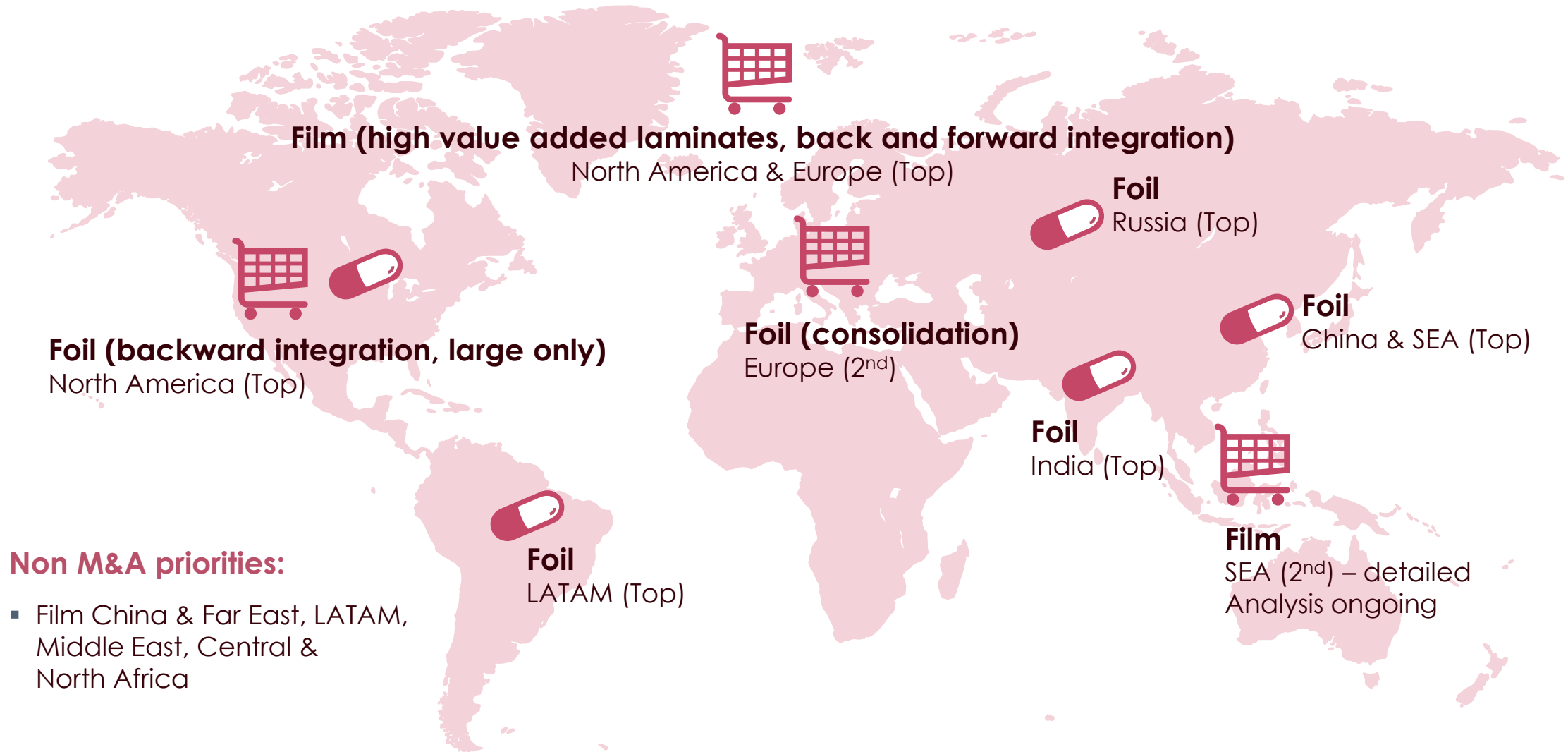
¹ as of September 2017

² estimate as of 30 Sept 2018 based on 30 Sept LTM EBITDA, source: Constantia Flexibles

³ EBITDA – Capex / EBITDA,

MCC shares not included for purposes of calculating net debt

Focused M&A in flexible packaging



— How we manage FX & raw materials volatility

FX volatility

- **Two main FX risks:**
 - **Translational** (mainly USD, ZAR, RUB, INR, VND)
 - **Transactional** (mainly in USD, TRY, MXN)
- **Main risk management tools** for Transactional risks are either
 - **Natural hedges** (e.g. income and expense by currency as far as possible, particularly USD/EUR)
 - **Hedging where possible** (e.g. in South Africa)
 - **Pass through** of effects to customers, where possible

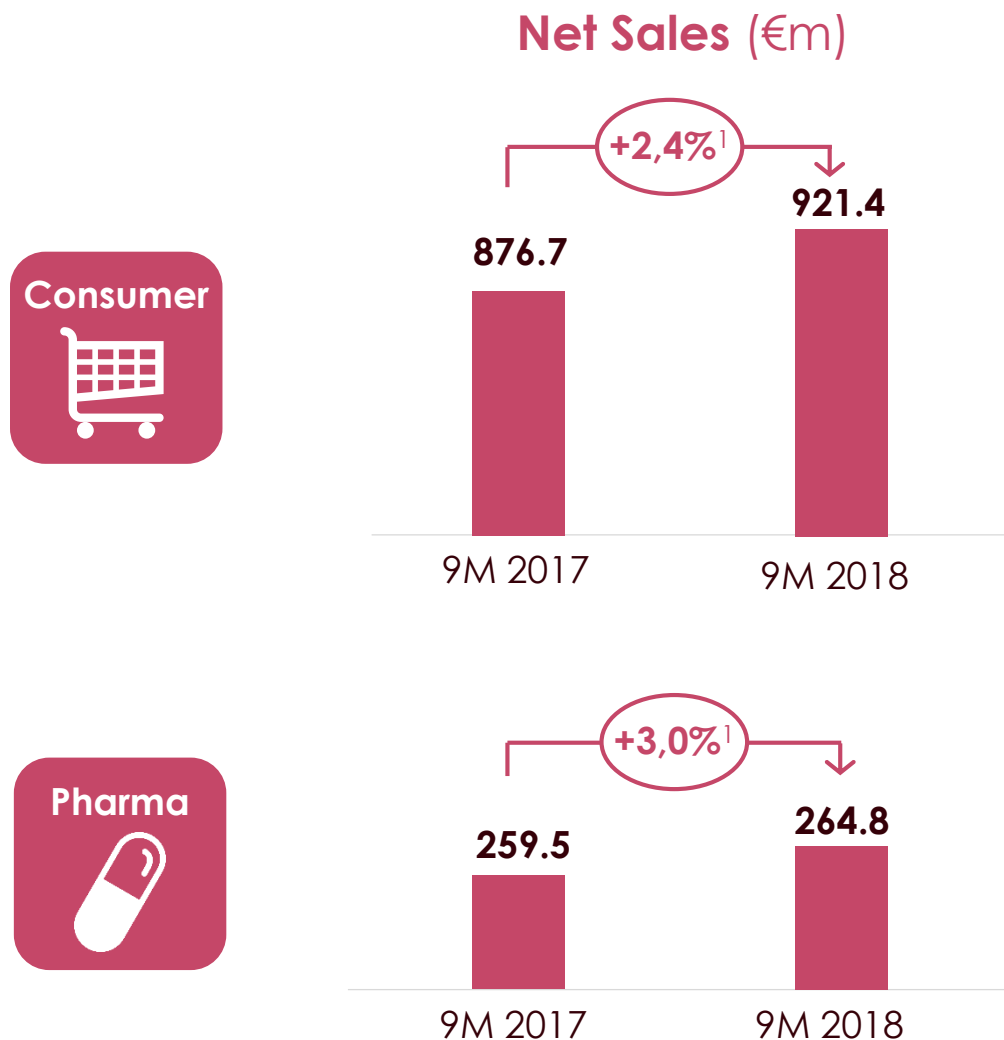
FX can only be hedged to a limited extent, where possible natural hedges are in place

Raw material volatility

- Typically, **contractual agreements** with customers allowing **key raw material prices variations** to be 'passed-through' on a regular basis
- **Aluminium (c.37% of total raw material costs)**, represents **largest category** and can be **hedged** based on back to back agreements with customers
- **Resins & Films (c.28% of total raw material costs)** are the other major category – not hedged
- Pass-through arrangements with customers **typically take time lag of 3-6 months**
- **Overtime, gross profits have been stable**, although **percentage margins fluctuates** in rising raw material price environment
- Over the **last 12-18 months, unusual volatility in raw material prices** took place, however **prices have started to ease** lately

Risk mitigated via hedging (aluminum) and via customer agreements, although time lag to pass through raw material prices

— 9M 2018 – Despite difficult market environment, organic growth above prior year level



- Ongoing raw material volatility
 - Strong organic sales growth in emerging markets overall, in the US and in GMT cluster (German, Mexico, Turkey) in Consumer division
 - Creative Polypack consolidated since April 2018 and trading well, despite short term challenges from rising raw material prices
-
- Pharma market driven by growth in Blister Lidding and Cold form
 - Strong increase in contact lense business (Pharma)

¹ Organic sales growth 2018 YTD - adjusted for FX translation impacts

— Focus on innovation along 9 key innovation themes.... with a longterm revenue potential of **550 Mio€**

Innovation KPIs

Total pipeline value	550 m€
Total pipeline volume	37% of sales
Innovation Sales	4% of sales
R&D spending	0.6% of sales

Overarching packaging trends



Sustainable packaging



Interactive packaging



Product safety

Key functionalities



High-end graphics



Easy open & reclose



Pouches & Bags

Underlying Technologies



Performance packaging



Digital printing



Value engineering

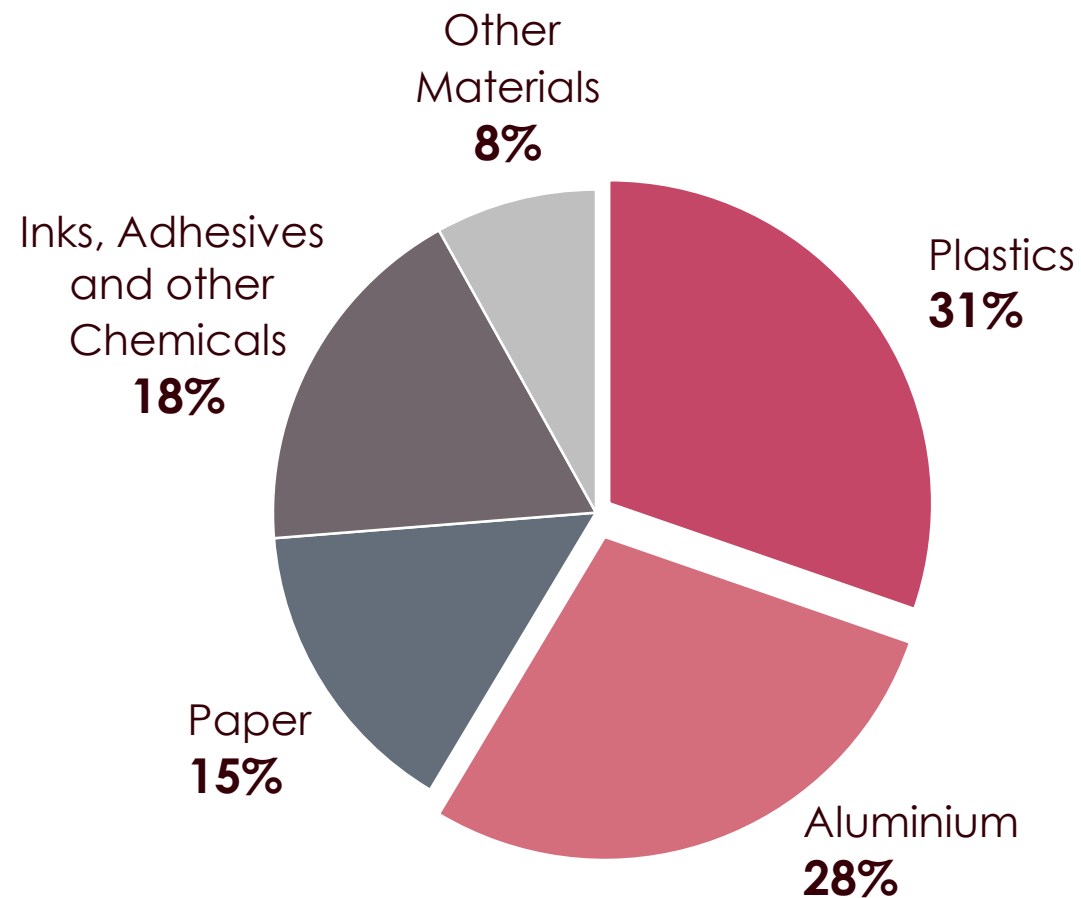
**Rest to 548 Mio€ is assigned to Innovation them "other"*

Sustainability Pledge

“Constantia Flexibles pledges that 100% of its consumer and pharma packaging will be recyclable by 2025. As a global flexible packaging producer and a company being committed to sustainability, Constantia Flexibles recognizes the importance of actively contributing to the circular economy.”

Signed by >250 companies across the world including retailers, brand owner, packaging suppliers and infrastructure providers under New Plastics Economy Global Commitment lead by Ellen McArthur Foundation

Material Input in tonnage



Plastics include Polyethylene (PE), Polypropylene (PP), Polyamide (PA), Polyester (PET) e.a.

Ready for a sustainable future

We will meet the future need for a more planet-friendly future by...

- Promote existing and revolutionary sustainable packaging solutions developed by Constantia Flexibles under Ecolutions (focus on recycle-ready material)
- Finalize construction of our **Greenfield factory** in India fully dedicated to sustainable packaging solutions
- Focus on complex structures with high-functionality and barrier requirements (Constantia Flexibles USP)



Key takeways



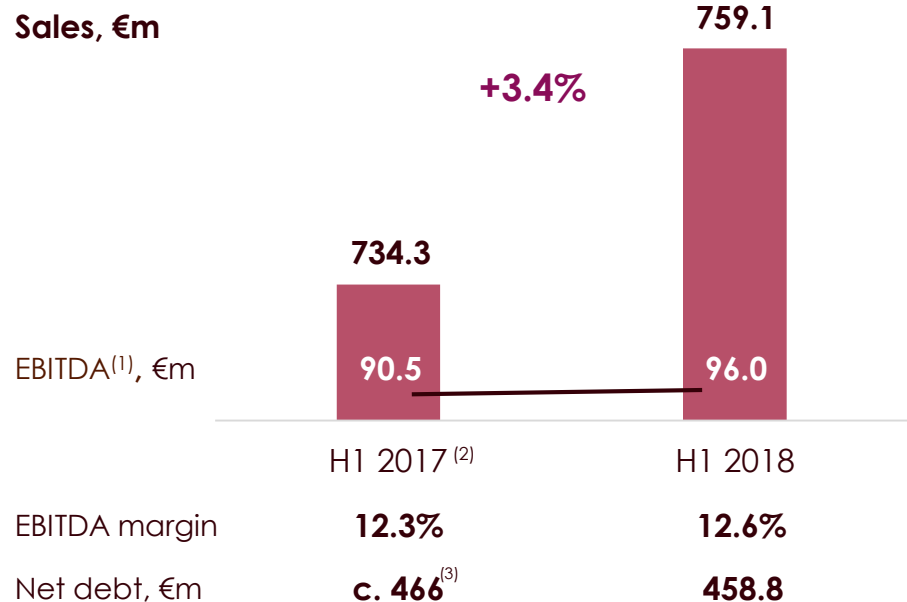
PEOPLE	PASSION	PACKAGING	
Global Market Leader <ul style="list-style-type: none">• #2 in Europe / #3 Globally• 60% of sales with #1 or #2 position• Strong platform in fast-growing emerging markets<ul style="list-style-type: none">• #1 in Turkey• #2 in South Africa• #2 in Mexico• #3 in India• #3 in Russia	Technology & Innovation <ul style="list-style-type: none">• Leader in foil with distinct competitive advantage• Extending differentiation to film• Robust innovation pipeline with turnover potential of ~€550MM• ~4% of 2018 sales from new products• Unique intimacy with customers collaborating on innovations / bespoke solutions	Entrepreneurial Culture <ul style="list-style-type: none">• Well-diversified loyal employee base<ul style="list-style-type: none">• Avg. employee tenure of ~12 years• Entrepreneurial mind-set• Ability to deliver the “Constantia Standard” globally<ul style="list-style-type: none">• Building trust• Supplying security and quality	Proven Growth Platform <ul style="list-style-type: none">• History of outgrowing market and peers<ul style="list-style-type: none">• 2015-17 CAGR of 6%• Long-term organic growth of 4%• Successful platform M&A investments• 7 deals since 2013 with €360MM of sales• Robust M&A pipeline to further accelerate growth ambitions

Source: Company Information

A photograph of an industrial warehouse or factory floor. In the foreground, several large, shiny, metallic coils of material are stacked on wooden pallets. The coils are arranged in a row, receding into the background. In the background, a yellow forklift is visible, with a person operating it. The floor is polished and reflects the overhead lights. A semi-transparent dark blue horizontal band is overlaid across the middle of the image, containing the word 'Appendix' in white serif font. A thin white line starts from the left edge of this band and points towards the word.

Appendix

Constantia Flexibles H1 2018 figures



Sales breakdown by division (third-party sales only)



+3.4% total growth: +3.0% organic growth, +4.1% scope, -2.7% FX impact and -1.1% IFRS 15 impact

- Good organic growth driven by price/mix effect (+4.6%) overcompensating volume decrease (-1.6%)
- Creative Polypack Ltd. (India) acquisition closed in April 2018 (€24.2 million YTD sales impact)
- Negative FX effects mainly driven by USD, RUB and INR

EBITDA margin up 30bps

- Positive mix effects due to growth in high margin Pharma products and lower volumes in lower margin Consumer products
- Increase in material and production costs partially offset by price increases and lower SG&A

Leverage @ 2.3x LTM EBITDA (excl. MCC shares)

- Low leverage level providing firepower to pursue external growth strategy and play a significant role in the flexible packaging market consolidation.

(1) EBITDA before goodwill allocation entries, management fees and non-recurring items

(2) In accordance with IFRS 5, Labels activities in 2017 are presented in the income statement under « Net income from discontinued operations and operations held for sale »

(3) Including Labels activities disposal on a pro forma basis and restated from the c.€ 800m cash proceeds received upon deal completion.

Digital: Leveraging digital to enhance customer experience & improve products/processes



- Pure Image recognition – no codes
- Augmented Reality consumer experience
- User-friendly content management
- Direct link to consumer
- Data management

1. Download „Constantia Interactive Demo“ App
2. Scan the actual product or directly here...

Digital printing



Ultrashort Runs



Variable data



Viable alternative to inhouse printing