



# Acquisition of Signode: Global Leader In Transit Packaging

December 19, 2017

# Forward Looking Statement

- *Except for historical information, all other information in this presentation consists of forward-looking statements within the meaning of federal securities law. These forward-looking statements involve a number of risks, uncertainties and other factors, that may cause actual results to be materially different from those expressed or implied in the forward-looking statements, including whether the Company will realize estimated levels of free cash flow; the Company's ability to close the transaction in the first quarter of 2018, or at all; whether the transaction will be approved by the regulatory authorities; whether the transaction will be accretive to the Company's earnings; whether the transaction will enhance the Company's EBITDA margins and/or free cash flow; whether the transaction will create significant shareholder value; whether the operations of Signode can be successfully integrated into the Company's operations; the Company's ability to deleverage following the acquisition of Signode; and whether the Company will be able to generate synergies and savings from the transaction and the extent of any synergies or savings realized. Important factors that could cause the statements made in this presentation or the actual results of operations or financial condition of the Company to differ are discussed under the caption "Forward Looking Statements" in the Company's Form 10-K Annual Report for the year ended December 31, 2016 and in subsequent filings made prior to or after the date hereof. The Company does not intend to review or revise any particular forward-looking statement in light of future events.*
- *Adjusted EBITDA, free cash flow and net debt are not defined terms under U.S. generally accepted accounting principles (non-GAAP measures). Non-GAAP measures should not be considered in isolation or as a substitute for net income, cash flow or total debt data prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies. Adjusted EBITDA, free cash flow and net debt are derived from the Company's Consolidated Statements of Operations and Cash Flows and Consolidated Balance Sheets, respectively, or the Signode historical financial statements, as applicable, and reconciliations to non-GAAP measures, including adjusted EBITDA, free cash flow and net debt, can be found in the Appendix to this presentation or in the "For Investors" section of the Company's website at [www.crowncork.com](http://www.crowncork.com)*

# Crown Overview

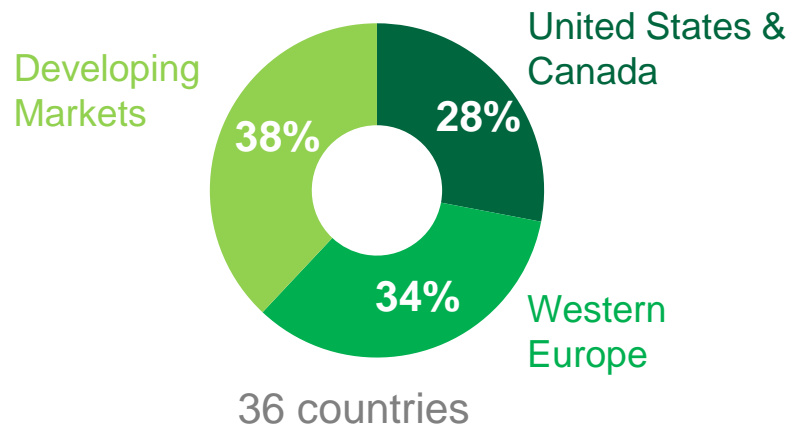
## Company Highlights

- Leading global producer of aerosol, beverage and food cans
- 2016 Sales: \$8.3 billion
- 2016 Adjusted EBITDA: \$1,333 million
- 24,000 employees in 36 countries
- 146 manufacturing facilities

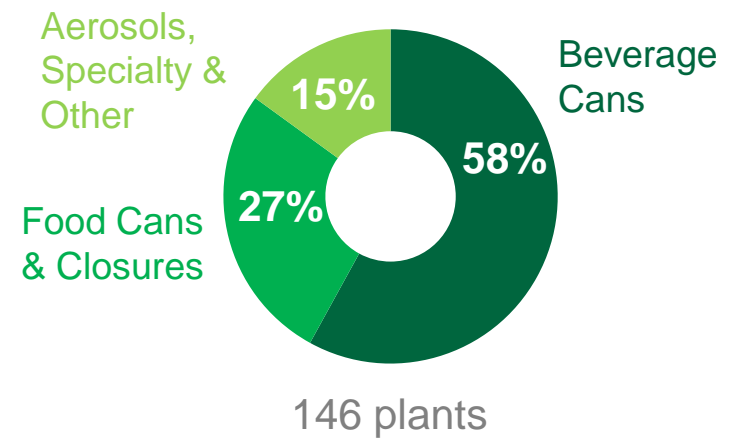
## Product Offering



## 2016 Sales By Region



## By Product



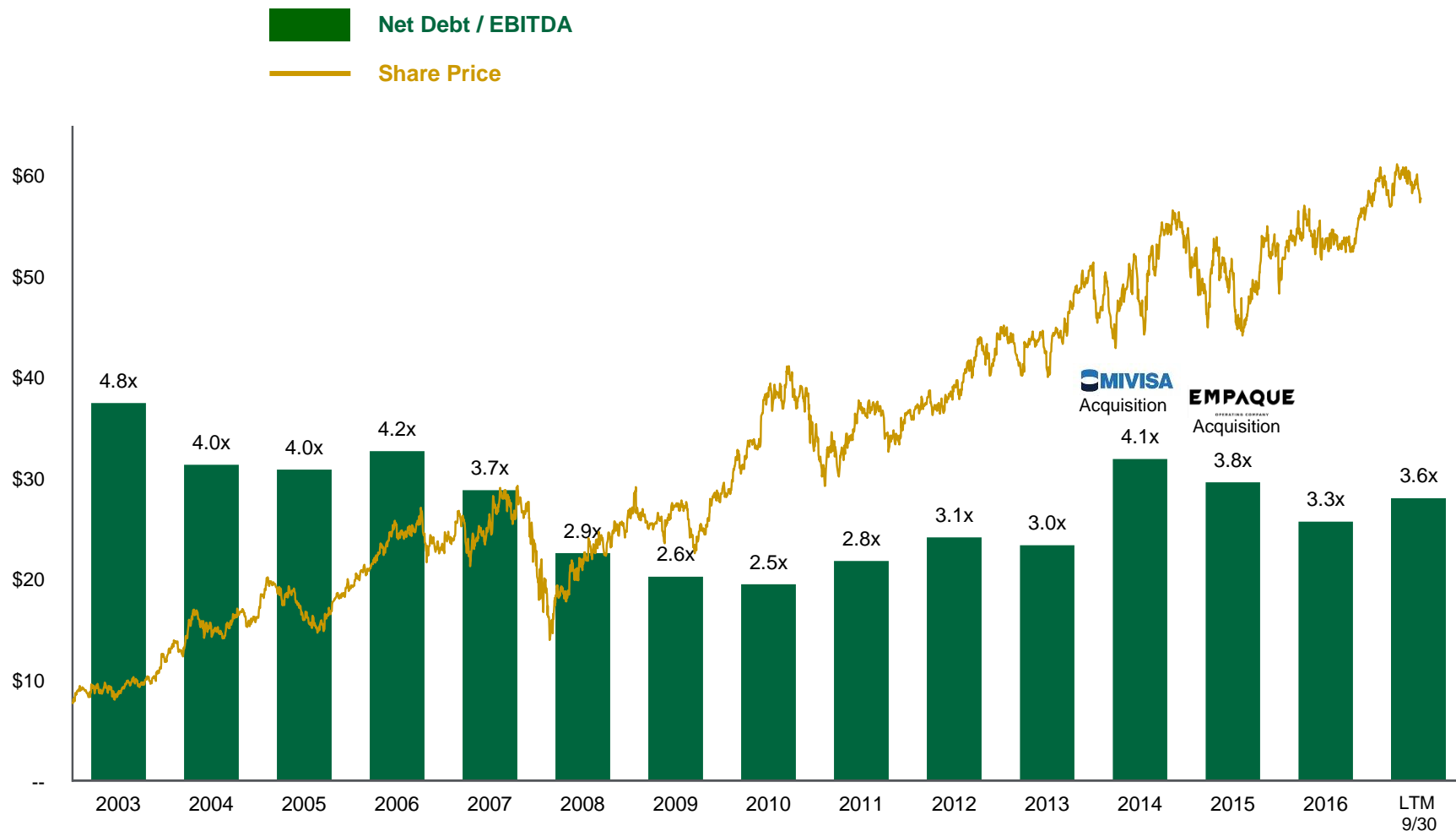
# Our Strengths

- Scale and Worldwide Reach
- Franchise Businesses
- Successful Execution in Developed & Emerging Markets
- Proven Track Record of Successful Acquisitions and Integrations
- Strong Returns Driven by Efficient Capital Allocation

***Generated >\$2.7 billion in Free Cash Flow over last five years***



# Track Record of Deleveraging and Value Creation



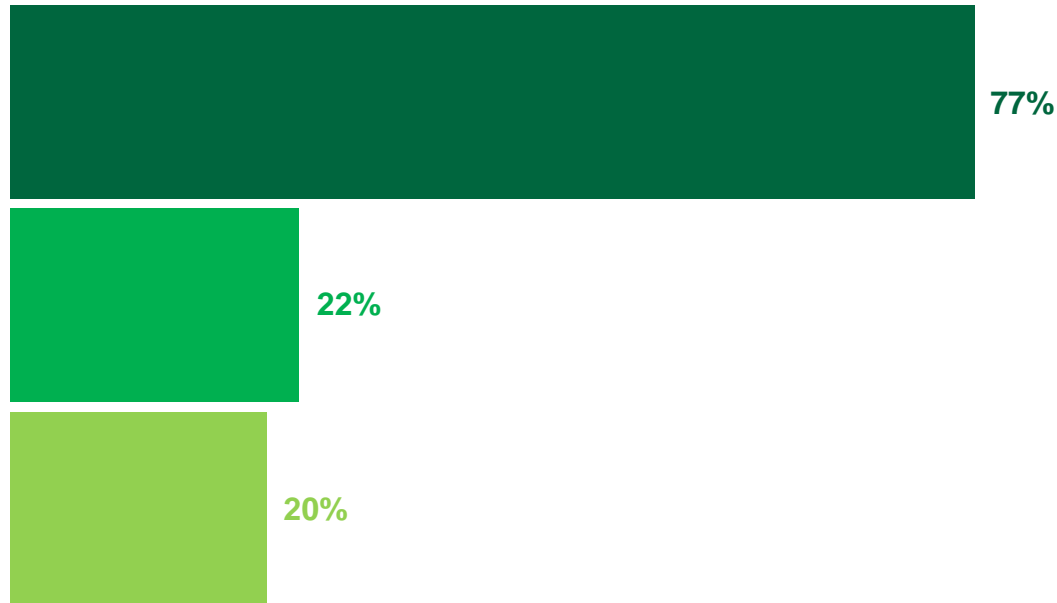
# We Deliver Superior Results

## EPS Growth (10-Year Period)<sup>(1)</sup>



Packaging  
Peers

S&P 500



*Industry leading earnings growth driven by high efficiency  
and strategic capital deployment*



# Signode is the Premier Global Transit Packaging Company

## Signode Highlights

- Products used to contain, unitize and protect goods during manufacturing, transport and warehousing
- Serves a very diverse customer base across many end use sectors
- Beneficiary of general industrial / economic expansion and not dependent on any one end use sector
- Platform for growth
  - Strategic enhancements to existing platform
  - Adjacencies to complement current “protective” packaging platform



## Key Pro Forma Crown Figures

**\$11 billion**  
Sales

**\$1.75 billion**  
Adj. EBITDA

**~\$165 million**  
Incremental Free Cash Flow  
*(\$1.21 per share<sup>(1)</sup>)*

**Signode presents a unique opportunity for Crown to enhance cash flow, earnings and shareholder value while at the same time creating a new growth platform**

# Overview of Signode

## Key Signode Figures

**\$2.3 Billion**  
Sales

**\$384 Million**  
Adj. EBITDA

**16.7%**  
EBITDA Margin

**\$35 Million**  
Capex

**\$349 Million**  
EBITDA - Capex

**91%**  
Cash Conversion<sup>(1)</sup>

**83%+**  
Consumable-Driven Demand

**93**  
**Manufacturing Facilities**  
In 23 Countries

**~7,000**  
Employees

## Business Overview

### Differentiated Global Leader in Transit Packaging

- Best-in-class provider of strap, stretch, and protective solutions used in bundling, palletizing, and transporting goods during transit
- No.1 or No.2 position in 85% of its businesses

### Razor/Razorblade Business Model

- Solutions provider offering full spectrum of equipment, parts, service, and consumables
- Recurring revenue business with vast majority of sales from consumables

### Attractive Position in Value Chain

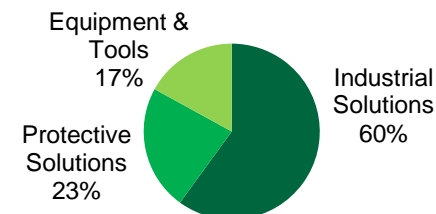
- Last machine in assembly line protecting high value goods
- Low cost consumables relative to value of goods packaged
- High cost of failure: Risk/reward trade-off favors Signode's high quality, premium solutions

### Best-in-class, Consumable-driven, Transit Packaging Platform

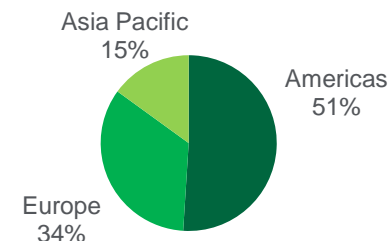
- Attractive EBITDA and EBITDA - Capex margins
- Strong free cash flow conversion
- Leading market positions in every geography

## Business Overview

### By Segment



### By Geography





# Evolution of Signode

- Leading transit packaging business since 1913
- Long history of growth through acquisitions
- Previously a division of Illinois Tool Works (NYSE: ITW)
- Acquired by Carlyle in 2014 in corporate carve out
- Experienced management team with track record of execution
- Consistent significant free cash flow generation

***Generated in excess of \$1.3 billion of cumulative  
EBITDA - Capex since 2014***

# Overview of Signode Segments

	Industrial Solutions	Protective Solutions	Equipment and Tools
% of Total Sales <sup>(1)</sup>	60%	23%	17%
Products	<ul style="list-style-type: none"> <li>Steel strap consumables</li> <li>Plastic strap consumables</li> <li>Industrial stretch film</li> <li>Other related consumables, such as woven strap and seals</li> </ul>	<ul style="list-style-type: none"> <li>Edge protectors</li> <li>Airbags</li> <li>Honeycomb products</li> <li>Container liners</li> <li>Protective cornerboard</li> </ul>	<ul style="list-style-type: none"> <li>Automatic and semi-automatic end-of-line manufacturing equipment</li> <li>Automatic and manual tools</li> <li>Aftermarket parts and maintenance service</li> </ul>
Product Breakdown <sup>(1)</sup>	<p>Steel Strap 23%</p> <p>Plastic Strap 19%</p> <p>Contract Packaging 6%</p> <p>Stretch Film 20%</p> <p>Other 4%</p> <p>Equipment/Tools/Parts 13%</p> <p>Other Consumables 15%</p>	<p>Edge Protectors 25%</p> <p>Airbags 23%</p> <p>Honeycomb/Corrugated 20%</p> <p>Other 33%</p>	<p>Equipment 47%</p> <p>Parts 19%</p> <p>Tools 17%</p> <p>Other 11%</p> <p>Service 7%</p>
Key End Use Sectors	<ul style="list-style-type: none"> <li>Metals</li> <li>Distribution</li> <li>Construction</li> <li>Food/beverage</li> <li>Corrugated</li> <li>Container/beverage</li> <li>Agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Food/consumer</li> <li>Distribution</li> <li>Industrial</li> <li>Construction</li> <li>Chemicals</li> <li>Lumber</li> <li>Transport</li> <li>Metals</li> </ul>	<ul style="list-style-type: none"> <li>Food/beverage</li> <li>Corrugated</li> <li>Agriculture</li> <li>Construction</li> <li>Metals</li> <li>General Industrial</li> </ul>
Key Brands	<p>SIGNODE®</p> <p>Fleetwood</p> <p>muller</p> <p>MIMA FILMS</p>	<p>Angleboard</p> <p>MW MULTI-WALL PACKAGING</p> <p>DOWN RIVER</p> <p>Shippers PRODUCTS</p>	<p>HALILA</p> <p>LOVESHAW</p> <p>ORGAPACK</p> <p>Lachenmeier</p> <p>SIGNODE®</p>

# Leading Market Positions

## Commentary

- Signode is the leading manufacturer in the \$14 billion strap, stretch, and protective consumables and related equipment industry
- Pioneer in transit packaging sector with a 100-year history of innovation
- Grown organically and through strategic consolidation across fragmented market landscape
- Well known brand recognition with reputation for quality and customer service

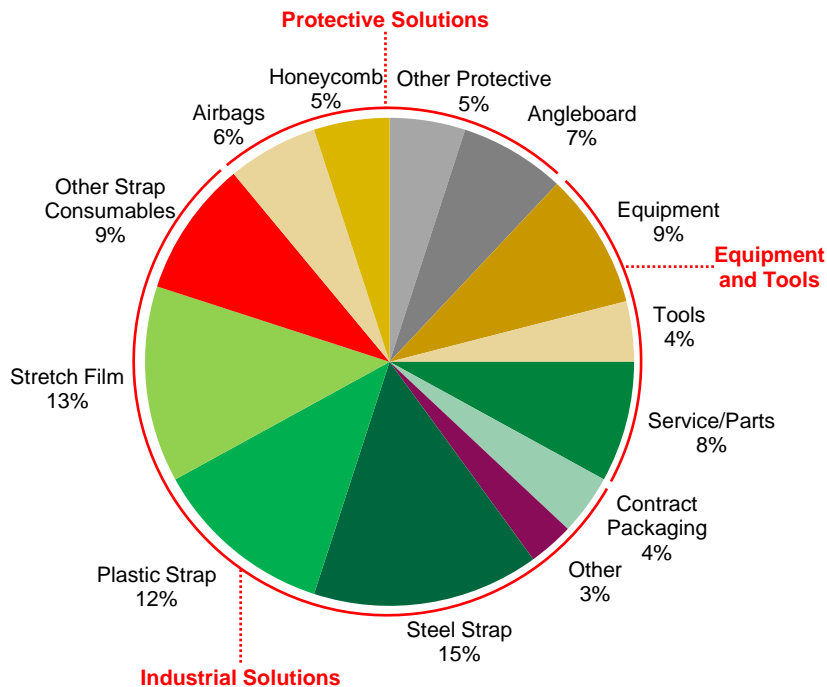
Segment	Key Growth Driver	Products	
<b>Industrial Solutions</b> Global #1	Industrial Activity	<b>Strap Consumables</b>  Steel Strap  PET Plastic Strap	<b>Stretch Consumables</b>  Conventional Film  Silage Film Niche Focus
<b>Protective Solutions</b> Global #1	Regional / Global Trade	<b>Protective Solutions</b>  Edge Protectors  Honeycomb	<b>Other</b> <ul style="list-style-type: none"> <li>■ Airbags</li> <li>■ Container liners</li> </ul> 
<b>Equipment and Tools</b> Global #1	Automation	<b>Strap Equipment</b>  General Purpose Machine  Battery Powered Hand Tool	<b>Stretch Equipment</b>  Ring Machine  Rotary Arm Machine #2 Position

# Broad and Innovative Portfolio

## Overview

- Broad product offering across industrial packaging equipment, consumables, and services
- Track record of system selling and cross selling
- History of ongoing product innovation

## Product Diversity



## Select Products and Brands

### Industrial Solutions

**SIGNODE**

**muller**  
load containment solutions

**MIMA FILMS**

**Fleetwood**



### Protective Solutions

**MULTI-WALL**  
PACKAGING CORPORATION  
Protective Packaging Solutions

**Angleboard**

**DOWN RIVER**  
PROTECTIVE SOLUTIONS

**Shippers**  
PRODUCTS



### Equipment and Tools

**SIGNODE**

**HALOLA**

**ORGAPACK**

**LOVESHAW**

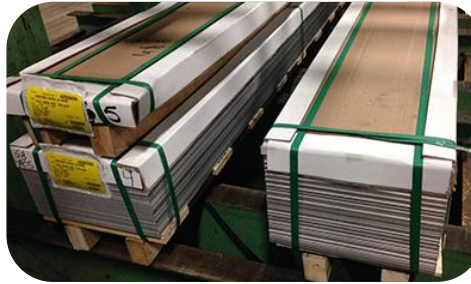
**Lachenmeier**  
Lachenmeier



# Signode Consumables Protect High Value Goods



Steel Strapping



Plastic Strapping



Stretch Film



Honeycomb and Airbags

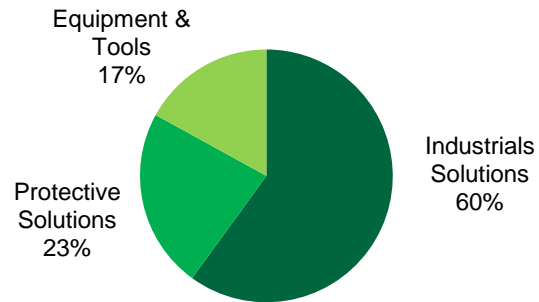


Angleboard

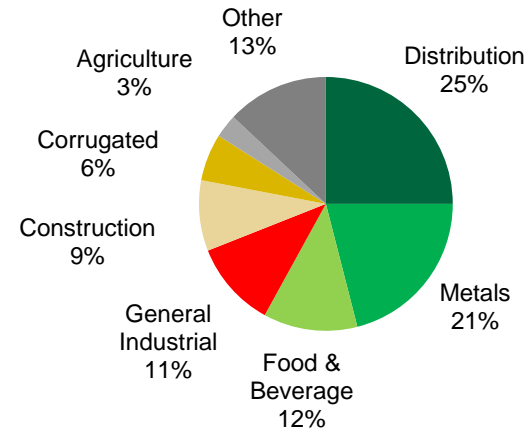
***Cost of Signode solutions de minimis relative  
to value of customer's goods***

# Diversified Global Business

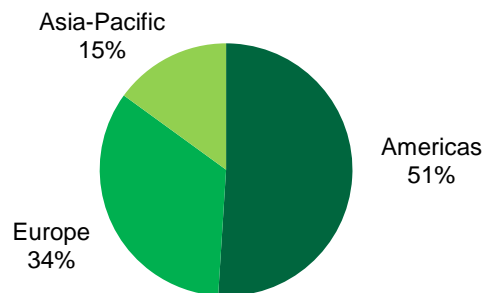
By Segment



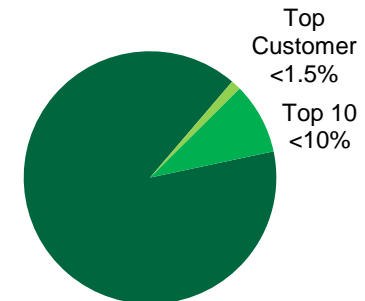
By End Use Sector



By Geography



High Customer Diversification





# Large Blue-Chip Customer Base



# Attractive Customer Value Proposition

- Trusted supply chain partner to global blue-chip customers
- Mission critical products with high cost of failure
- Products provide critical protection in transit
- Essential partner protecting high volume, high value goods
- Average cost of Signode solution de minimis relative to value
- Well invested asset base with close proximity to customers
- Global footprint enables Signode to serve multi-national customers

# Compelling Acquisition Rationale

## High Quality Franchise Business

- Clear leader in attractive global transit packaging market
- Razor-razorblade business model
- Recurring revenue driven by significant installed machine base

## Attractive Financial Profile

- Stable top line serving growing global market
- Broad, diverse customer base
- Consistent cash flow generation with low capex requirements

## Immediate Benefits to Crown

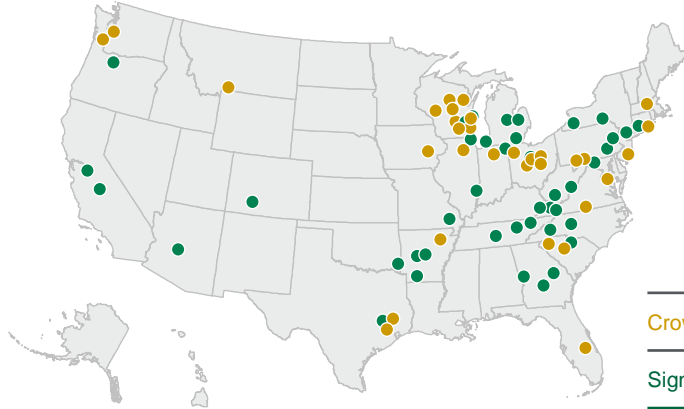
- Significant accretion to margins, earnings, and Free Cash Flow per share
- Incremental ~\$165 million of Free Cash Flow
- Rapid deleveraging from robust Free Cash Flow generation

## Long-term Benefits to Crown

- Attractive new franchise packaging business in growing global category
- Significant opportunity for future consolidation in fragmented market
- Long term stability from diversified earnings base

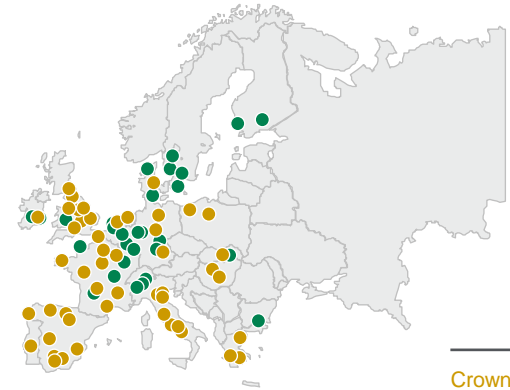
# Leverages Track Record of Global Execution

## US



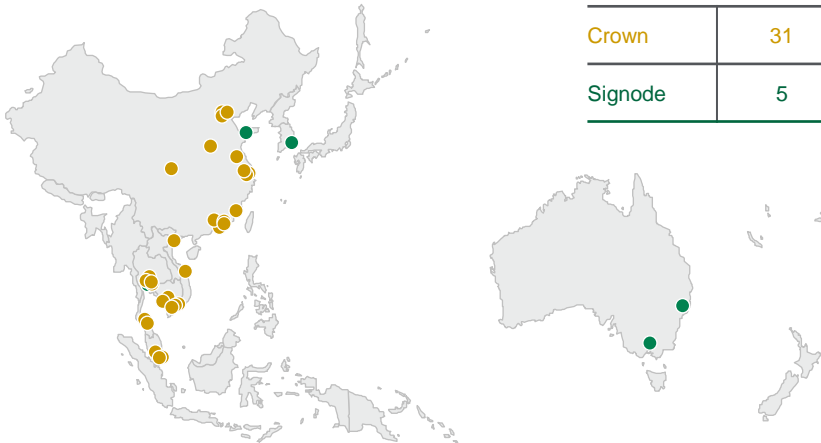
Facilities	
Crown	32
Signode	42

## Europe



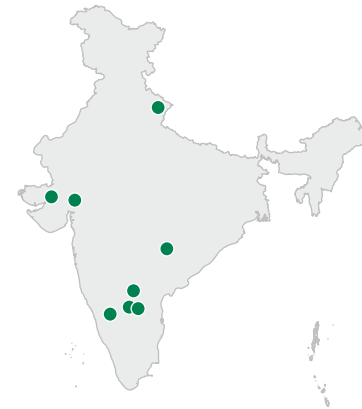
Facilities	
Crown	49
Signode	30

## Asia Pacific



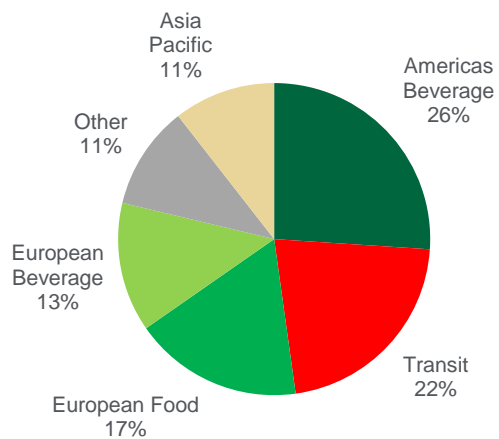
Facilities	
Crown	31
Signode	5

## India

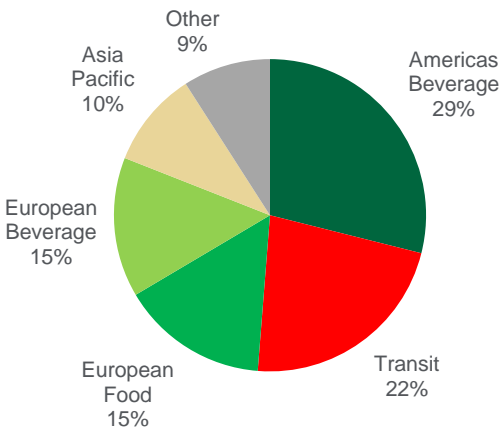


Facilities	
Crown	--
Signode	8

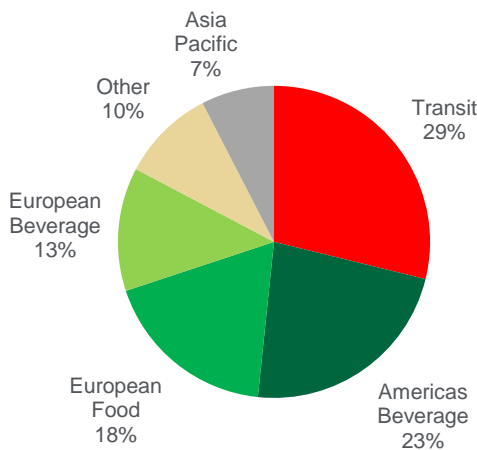
# Compelling Addition to Crown's Existing Franchise Segments



**PF Sales**



**PF EBITDA**



**PF EBITDA - Capex**

# Highly Accretive Acquisition

## LTM 9/30/2017 Financials

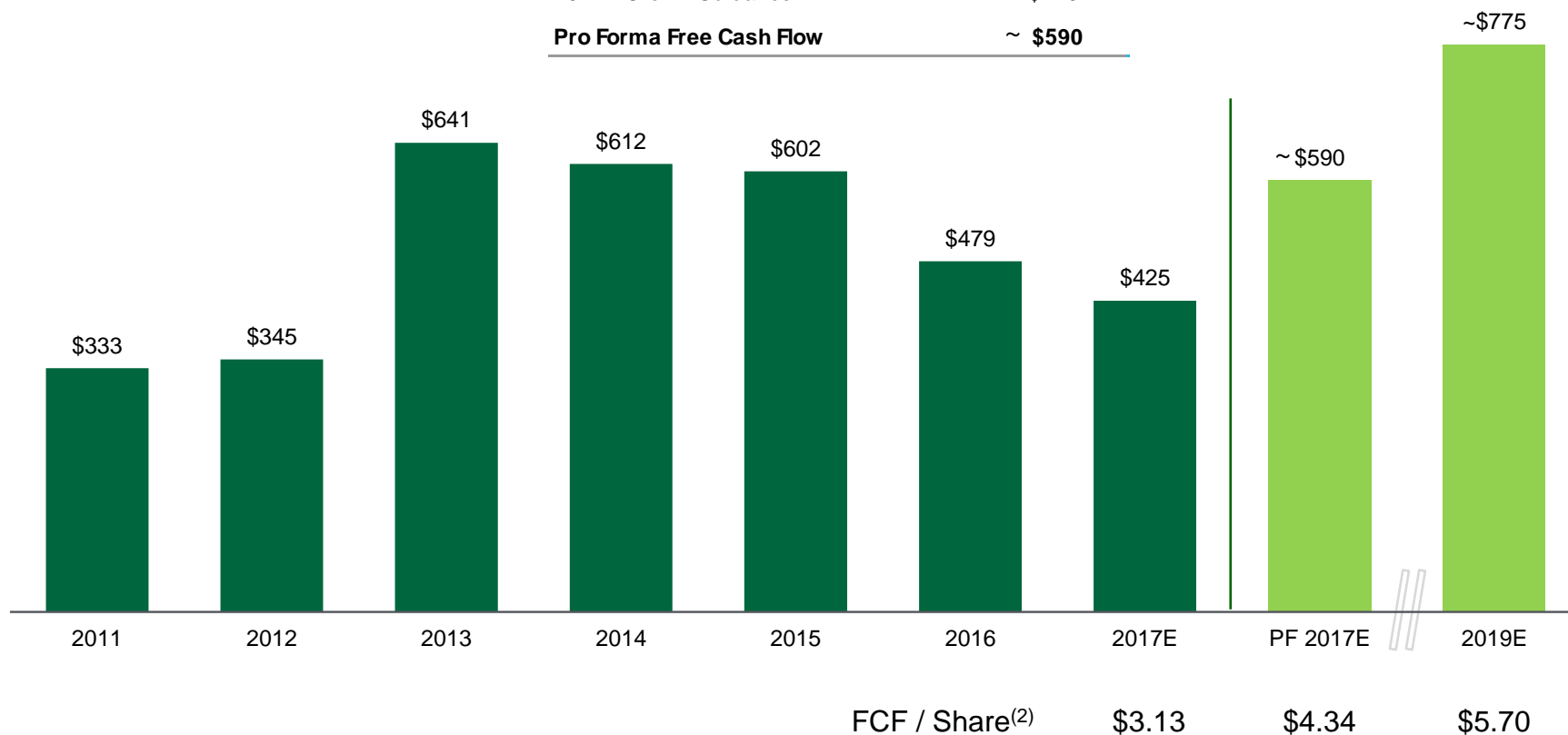
(\$ in millions)	Crown	+	Signode	=	Pro Forma Crown	Significant improvement on every metric
						<b>Change</b>
Sales	\$8,453		\$2,303		\$10,756	+ 27%
EBITDA	1,361		384 <sup>(1)</sup>		1,745	+ 28%
% Margin	16.1%		16.7%		16.2%	+ 12 bps
EBITDA - Capex	\$850		\$349		\$1,199	+ 41%
% Margin	10.1%		15.1%		11.1%	+ 109 bps
% Cash Conversion <sup>(2)</sup>	62%		91%		69%	+ 625 bps
EPS					Immediately Accretive	



# Further Enhances Free Cash Flow

## Free Cash Flow (\$ in millions)

(\$ in millions)	2017E
Adjusted EBITDA	\$384
CapEx	(\$35)
Interest, Taxes & Other <sup>(1)</sup>	(\$184)
<b>Incremental Free Cash Flow</b>	<b>~ \$165</b>
2017E Crown Guidance	\$425
<b>Pro Forma Free Cash Flow</b>	<b>~ \$590</b>



# Transaction Overview

Total Enterprise Value	<ul style="list-style-type: none"><li>• \$3,910 million</li></ul>	
Transaction Multiples	<ul style="list-style-type: none"><li>• 10.2x Adj. EBITDA of \$384 million</li><li>• 11.2x Adj. EBITDA - Capex of \$349 million</li></ul>	<i>Highly attractive cash flow multiple in today's market environment</i>
Form of Consideration	<ul style="list-style-type: none"><li>• 100% Cash</li><li>• Committed debt financing in place</li></ul>	
Financial Impact	<ul style="list-style-type: none"><li>• Earnings and Cash Flow accretive</li><li>• Pro Forma Net Leverage of 5.1x</li></ul>	<i>Immediately accretive to both earnings and free cash flow</i>
Closing	<ul style="list-style-type: none"><li>• Closing expected in Q1 2018</li><li>• Subject to customary regulatory approvals</li></ul>	













# Financing Overview

- Acquisition financing of \$4 billion of new debt
- Financing package has been fully committed by Citigroup
- Pro Forma Net Leverage will be 5.1x as of 9/30/2017

*Anticipate net leverage to decrease by ~0.5x per year*

# Acquisition of Signode Plays to Our Strengths

## Strengths

	Crown	Signode
■ Scale		
■ Franchise Business		
■ Diversified Sales / Customer / Geographic Mix		
■ Leading equipment offerings		
■ Success in Emerging Markets		
■ Future Consolidation Opportunities		



**Platform for  
Long-Term  
Shareholder Value  
Creation**

# Acquisition Assessment

**Consistent with Strategy**



**Returns Above Cost of Capital**



**Enhances Free Cash Flow Generation**



**Low Integration Risk**



**Creates Significant Shareholder Value**





**CROWN**

*Brand-Building Packaging™*

**125**

1892 **YEARS** 2017

**Q&A**





**CROWN**

*Brand-Building Packaging™*

**125**

1892 **YEARS** 2017

# Appendix

# Crown EBITDA Reconciliation

(\$ in millions)	2015A	2016A	LTM 9/30/17
Net Income	\$393	\$496	\$477
Noncontrolling Interests	68	87	105
(Benefit)/Provision for Income Taxes	178	186	213
Net Interest Expense	259	231	235
EBIT	\$898	\$1,000	\$1,030
D&A	237	247	242
<b>EBITDA</b>	<b>\$1,135</b>	<b>\$1,247</b>	<b>\$1,272</b>
Translation and Foreign Exchange Adjustments	20	(16)	10
Loss From Early Extinguishments of Debt	9	37	7
Restructuring and Other	66	44	51
Provision for Asbestos	26	21	21
<b>Adjusted EBITDA</b>	<b>\$1,256</b>	<b>\$1,333</b>	<b>\$1,361</b>

# Pro Forma Crown Capitalization

<i>(\$ in millions)</i>	<b>PF Crown 2016A</b>	<b>PF Crown 9/30/17</b>
Cash and Equivalents	\$559	\$374
Existing Crown Debt	\$4,911	\$5,232
Transaction Debt	4,000	4,000
Total Debt	<u>\$8,911</u>	<u>\$9,232</u>
Net Debt	\$8,362	\$8,868
<b><u>Pro Forma Credit Statistics</u></b>		
Total Debt / LTM EBITDA	5.2x	5.3x
Net Debt / LTM EBITDA	4.9x	5.1x

# Signode EBITDA Reconciliation

<i>(\$ in millions)</i>	LTM 9/30/2017	
Net income (loss)	\$8	
<b>Adjustments:</b>		
Interest expense	127	
Interest income	(1)	
Income tax provision (benefit)	12	
Depreciation	49	
Intangible amortization	117	
<b>EBITDA</b>	<b>\$312</b>	
<b>Adjustments:</b>		
Net loss on foreign exchange transactions	19	
Impairment charges	17	
Stock based compensation and other	9	
Sponsor management fee	3	
Other adjustments	11	
<b>Adjusted EBITDA</b>	<b>\$371</b>	<b>LTM 11/30/2017 \$376</b>
<i>Constant Currency Adjustments</i>	8	8
<b>Pro Forma Adjusted EBITDA</b>	<b>\$379</b>	<b>\$384</b>

Source: Crown and Signode