

Refresco acquires the bottling activities of Cott Corporation for U.S.D 1.25 billion

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Cott's bottling activities are comprised of a leading beverage platform with a full portfolio of non-alcoholic beverages, focused on retailer brands and contract manufacturing. According to media reports, it is a profitable business with healthy margins and strong free cash flow, with 2016 revenues of US\$1.7 billion, adjusted EBITDA of US\$136.5 million and customer relationships with over 500 leading retailers.

The purchase price of US\$1.25 billion includes a tax asset of US\$75 million. Excluding the tax asset, the purchase price represents a multiple of 8.6 times the adjusted EBITDA of Cott's bottling activities realised in 2016.

Refresco is projecting significant synergy potential of around €47 million to be attained within three years of closing. The deal is subject to customary conditions, including anti-trust approval in various jurisdictions and Refresco shareholder approval.

Integration will start immediately after closing with the UK, representing around 30% of Cott's business, being integrated into Refresco Europe and the North American organisation being combined with Refresco US.

"This transaction marks a step change in the industry that reinforces Refresco's position as a leading independent bottler for retailers and A-brands. Last year in September we acquired Whitlock Packaging, marking our entrance into the North American market and the start of our second platform for growth. This is a truly transformational deal, right at the heart of our buy & build strategy. Being able to acquire Cott's bottling activities is an opportunity we have been studying for the last decade, and today, having grown the company through many successful acquisitions, we have the size, track record and

execution power to take this significant leap forward," said Mr. Hans Roelofs, CEO, Refresco in a press release.

He further added "The bottling activities of Cott are a perfect strategic fit to our current activities. With the acquisition we create nationwide coverage in the US, the largest single soft drinks market globally, while adding significant capacity and extending our broad product portfolio in the UK. A total of 29 production sites, producing a volume of over 4 billion liters of products, will be added to our already extensive manufacturing footprint and upon completion; Refresco will produce approximately 12 billion liters for all leading retailers and A-brands. Combining these two great companies we add high quality management, employees and assets to the Group and we create a new industry leader with continued potential for further value creation. I am excited about the future ahead."

Mr. Jerry Fowden, Cott's CEO said in the release that "This transaction provides a unique opportunity for Cott Beverages to become an integral part of a larger beverage manufacturing company creating a business that will have a broader portfolio of products as well as expanded facility capabilities and geographic presence which will create new and exciting opportunities for its employees and customers alike. With the sale of this business we will continue to focus on growing our water, coffee, tea and filtration services businesses."