



*Cott*

**Non-GAAP to GAAP Reconciliation**

DSS Modeling November 2014

# LTM September 30, 2014 Adjusted EBITDA

## Supplementary Information – Non-GAAP – Earnings Before Interest, Taxes, Depreciation & Amortization

| (\$ in millions)                                    | LTM 9/30/2014  |                |                |
|---|----------------|----------------|----------------|
|   | Cott           | DSS            | Pro Forma      |
| Net Income (Loss)                                   | (\$21.0)       | (\$15.4)       | (\$36.4)       |
| Interest Expense, Net                               | 39.0           | 60.2           | 99.2           |
| Income Tax Expense (Benefit)                        | 3.0            | (9.4)          | (6.4)          |
| Depreciation & Amortization                         | 105.0          | 112.6          | 217.6          |
| Net Income Attributable to Non-Controlling Interest | 5.0            | –              | 5.0            |
| Aimia Pro Forma EBITDA                              | 13.0           | –              | 13.0           |
| <b>EBITDA</b>                                       | <b>\$144.0</b> | <b>\$148.0</b> | <b>\$292.0</b> |
| Restructuring                                       | \$4.0          | \$1.7          | \$5.7          |
| Bond Redemption and Other Financing Costs           | 38.0           | –              | 38.0           |
| Foreign Regulatory Adjustment                       | 2.0            | –              | 2.0            |
| Acquisition Costs and Adjustments                   | 2.0            | 1.3            | 3.3            |
| Refinance-related Costs                             |                | 5.6            | 5.6            |
| Loss on Disposal of Assets                          |                | 2.1            | 2.1            |
| Stock-Based Compensation                            |                | 2.7            | 2.7            |
| Legal Settlement Costs                              |                | 2.5            | 2.5            |
| Monitoring Fees                                     |                | 2.4            | 2.4            |
| Class Action Legal Costs                            |                | 1.6            | 1.6            |
| Strike-related Costs                                |                | 1.2            | 1.2            |
| Pro Forma Acquisition Costs                         |                | 1.0            | 1.0            |
| IPO Costs   |                | 0.3            | 0.3            |
| Other (Primarily Acquisition Travel)                |                | 0.2            | 0.2            |
| Other Income / Expense                              |                | (0.2)          | (0.2)          |
| <b>Adjusted EBITDA</b>                              | <b>\$190.0</b> | <b>\$170.3</b> | <b>\$360.3</b> |
| <b>Adjusted EBITDA Margin</b>                       | <b>9.3%</b>    | <b>17.6%</b>   | <b>12.0%</b>   |
| Adjusted EBIT                                       | \$85.0         | \$57.7         | \$142.7        |

# DSS Historical Adjusted EBITDA

## Supplementary Information – Non-GAAP – Earnings Before Interest, Taxes, Depreciation & Amortization

| (\$ in millions)                  | Year Ended December |                |                 |
|-----------------------------------|---------------------|----------------|-----------------|
|                                   | 2011                | 2012           | 2013            |
| <b>Net Income (Loss)</b>          | <b>\$22.0</b>       | <b>(\$1.1)</b> | <b>(\$35.7)</b> |
| Income Tax Expense (Benefit)      | 11.9                | (0.3)          | (20.0)          |
| Interest Expense, Net             | 20.3                | 55.2           | 92.7            |
| Depreciation & Amortization       | 63.3                | 71.1           | 86.7            |
| <b>EBITDA</b>                     | <b>\$117.4</b>      | <b>\$125.0</b> | <b>\$123.7</b>  |
| Other Expense (Income)            | (1.9)               | 1.4            | 5.4             |
| Stock Option Compensation Expense | 1.9                 | 1.6            | 2.4             |
| Acquisition Costs and Adjustments | 4.2                 | 5.9            | 5.8             |
| Refinance Related Costs           | 1.8                 | 4.0            | 19.1            |
| Other Adjustments                 | 5.1                 | 10.3           | 3.5             |
| Adjusted ESC fee                  | –                   | 4.5            | –               |
| Adjusted Business Exit Costs      | –                   | 1.2            | 0.1             |
| Management Fee to Sponsor         | –                   | –              | 0.7             |
| <b>Total Adjustments</b>          | <b>\$11.1</b>       | <b>\$28.9</b>  | <b>\$36.9</b>   |
| <b>Adjusted EBITDA</b>            | <b>\$128.6</b>      | <b>\$153.9</b> | <b>\$160.6</b>  |
| <b>Revenue</b>                    | <b>\$765.2</b>      | <b>\$894.6</b> | <b>\$925.6</b>  |
| <i>Adjusted EBITDA (% Margin)</i> | <i>16.8%</i>        | <i>17.2%</i>   | <i>17.4%</i>    |

# Cott 2013 Quarterly Adjusted EBITDA

## Supplementary Information – Non-GAAP – Earnings Before Interest, Taxes, Depreciation & Amortization

|  | Q1 2013        | Q2 2013        | Q3 2013        | Q4 2013        |
|--|----------------|----------------|----------------|----------------|
| <b>Net income attributed to Cott Corporation</b>     | \$ -           | \$ 16.5        | \$ 12.0        | \$ (11.5)      |
| Interest expense, net                                | 13.3           | 12.8           | 13.3           | 12.2           |
| Income tax expense (benefit)                         | 0.5            | 1.7            | 0.1            | (0.1)          |
| Depreciation & amortization                          | 24.7           | 24.9           | 25.1           | 26.1           |
| Net income attributable to non-controlling interests | <u>1.0</u>     | <u>1.6</u>     | <u>1.3</u>     | <u>1.1</u>     |
| <b>EBITDA</b>  | \$ 39.5        | \$ 57.5        | \$ 51.8        | \$ 27.8        |
| Restructuring and asset impairments                  | -              | 2.0            | -              | -              |
| Bond redemption costs                                | -              | -              | -              | 12.7           |
| Tax reorganization and regulatory costs              | -              | -              | 0.5            | 0.9            |
| Acquisition and integration                          | 0.6            | 1.2            | 1.2            | 1.1            |
| Other  | -              | -              | -              | -              |
| <b>Adjusted EBITDA</b>                               | <u>\$ 40.1</u> | <u>\$ 60.7</u> | <u>\$ 53.5</u> | <u>\$ 42.5</u> |

# DS Services 2013 Quarterly Adjusted EBITDA

## Supplementary Information – Non-GAAP – Earnings Before Interest, Taxes, Depreciation & Amortization

|                                      | Q1 2013 |       | Q2 2013 |      | Q3 2013 |        | Q4 2013 |       |
|--------------------------------------|---------|-------|---------|------|---------|--------|---------|-------|
| <b>Net income (loss)</b>             | \$      | (1.6) | \$      | 3.1  | \$      | (30.7) | \$      | (6.5) |
| Income tax (benefit)                 |         | (1.2) |         | 1.9  |         | (16.6) |         | (4.1) |
| Interest expense and financing costs |         | 15.3  |         | 15.1 |         | 47.0   |         | 15.3  |
| Depreciation and amortization        |         | 18.6  |         | 19.0 |         | 21.4   |         | 27.7  |
| <b>EBITDA</b>                        | \$      | 31.1  | \$      | 39.1 | \$      | 21.0   | \$      | 32.4  |
| Other expense (income)               |         | 0.5   |         | 0.5  |         | 3.0    |         | 1.5   |
| Stock option compensation expense    |         | 0.3   |         | 0.3  |         | 1.8    |         | -     |
| Acquisition adjustments              |         | 1.6   |         | 1.0  |         | 2.6    |         | 0.6   |
| Transaction and refinance expense    |         | 0.2   |         | 0.1  |         | 16.6   |         | 2.2   |
| Other adjustments                    |         | (0.9) |         | 2.0  |         | -      |         | 2.4   |
| Adjusted ESC fee                     |         | -     |         | -    |         | -      |         | -     |
| Adjusted business exit costs         |         | -     |         | -    |         | -      |         | 0.1   |
| Management fee to Sponsor            |         | -     |         | -    |         | -      |         | 0.7   |
| <b>Adjusted EBITDA</b>               | \$      | 32.8  | \$      | 43.0 | \$      | 45.0   | \$      | 39.9  |

# Unlevered Free Cash Flow

## Supplementary Information – Non-GAAP – Unlevered Free Cash Flow

|                                  | 2014LTM            | 2015E               | 2016E                |
|----------------------------------|--------------------|---------------------|----------------------|
| <b>Cash flow from operations</b> | \$90 - \$100       | \$110 - \$120       | \$125 - \$130        |
| Less capex                       | (69) - (74)        | (70) - (75)         | (65) - (70)          |
| Plus interest                    | 55 - 60            | 55 - 60             | 55 - 60              |
| <b>Unlevered free cash flow</b>  | <u>\$80 - \$90</u> | <u>\$95 - \$105</u> | <u>\$115 - \$120</u> |

# 2018E Pro Forma EBITDA

## Supplementary Information – Non-GAAP – Earnings Before Interest, Taxes, Depreciation & Amortization

| (\$ in millions)                                    | 2018E          |
|---|----------------|
| <b>Net Income</b>                                   | <b>\$76.9</b>  |
| Net Income Attributable to Non-Controlling Interest | 5.0            |
| Income Tax Expense                                  | 4.0            |
| Foreign Exchange Adjustment                         | 1.0            |
| Interest Expense, Net                               | 118.2          |
| Depreciation & Amortization                         | 210.5          |
| <b>Pro Forma EBITDA<sup>(1)</sup></b>               | <b>\$415.6</b> |

(1) Pro forma EBITDA includes synergies of \$25 million.

# 2018E Pro Forma Adjusted Free Cash Flow Per Share

## Supplementary Information – Non-GAAP – Free Cash Flow Per Share

(\$ in millions, except for per share amount)

|   | <u>2018E</u>   |
|---|----------------|
| <b>Pro Forma EBITDA<sup>(1)</sup></b>                     | <b>\$415.6</b> |
| Interest Expense, Net                                     | (118.2)        |
| Cash Taxes  | (4.0)          |
| Change in Net Working Capital                             | (4.6)          |
| Capital Expenditures                                      | (123.8)        |
| Plus: Amortization of Financing Fees                      | 4.7            |
| Less: M-T-M Amortization of DSS 10% Notes                 | (5.3)          |
| Less: Net Income Attributable to Non-Controlling Interest | (5.0)          |
| Less: Foreign Exchange Adjustment                         | (1.0)          |
| <b>Pro Forma Unlevered Free Cash Flow</b>                 | <b>\$158.4</b> |
| Pro Forma Shares Outstanding                              | 96.0           |
| <b>Pro Forma Adjusted Free Cash Flow per Share</b>        | <b>\$1.65</b>  |

(1) Pro forma EBITDA includes synergies of \$25 million.



# 2018E Net Debt / Adjusted EBITDA

## Supplementary Information – Non-GAAP – Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization

| (\$ in millions)                         | <u>2018E</u>     |
|--|------------------|
| Total Debt                               | \$1,504.6        |
| Less: Cash                               | 138.1            |
| <b>Net Debt</b>                          | <b>\$1,366.5</b> |
| Pro Forma Adjusted EBITDA <sup>(1)</sup> | \$415.6          |
| <b>Net Debt / Adjusted EBITDA</b>        | <b>3.3x</b>      |

(1) Pro forma EBITDA includes synergies of \$25 million.

# Cott 2014E Adjusted Free Cash Flow Per Share

## Supplementary Information – Non-GAAP – Adjusted Free Cash Flow Per Share

|   | <u>2014E</u>   |
|---|----------------|
| (\$ in millions, except for per share amount) |                |
| Adjusted EBITDA <sup>(1)</sup>                | <b>\$182.0</b> |
| Less: Interest Expense, Net                   | <b>(36.0)</b>  |
| Less: Cash Taxes                              | <b>(5.7)</b>   |
| Less: Capital Expenditures                    | <b>(53.7)</b>  |
| Less: Change in Net Working Capital           | <b>(7.0)</b>   |
| <b>2014E Adjusted Free Cash Flow</b>          | <b>\$79.6</b>  |
| Common Shares Outstanding                     | 94.5           |
| <b>Adjusted Free Cash Flow per Share</b>      | <b>\$0.84</b>  |

(1) Bloomberg Consensus as of October 2014.