



Cott

**Cott to Acquire S&D Coffee, Inc.
Non-GAAP Reconciliations
August 2016**

COTT CORPORATION

2015 EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)

NON-GAAP

Unaudited



(\$ in millions)

For the Year Ended January 2, 2016

	<u>Traditional Cott</u>	<u>DS Services ⁽¹⁾</u>	<u>Total Cott</u>	<u>Eden Springs ^{(2) (3)}</u>	<u>S&D⁽²⁾</u>	<u>Combined</u>
Operating income	\$60.4	\$39.0	\$99.4	\$7.3	\$12.1	\$118.8
Other income	8.3	1.2	9.5	-	-	9.5
EBIT	68.7	40.2	108.9	7.3	12.1	128.3
Depreciation & amortization	103.9	119.9	223.8	38.1	16.8	278.7
EBITDA	\$172.6	\$160.1	\$332.7	\$45.4	\$28.9	\$407.0
Facility reorganization costs	3.0	-	3.0	-	-	3.0
Acquisition and integration costs, net	3.9	16.7	20.6	-	-	20.6
Purchase accounting adjustments, net	-	4.2	4.2	-	-	4.2
Unrealized commodity hedging gain, net	(1.2)	-	(1.2)	-	-	(1.2)
Unrealized foreign exchange and other gains, net	(9.7)	(1.2)	(10.9)	-	-	(10.9)
Loss on disposal of property, plant & equipment	1.6	5.3	6.9	-	-	6.9
Other adjustments	1.6	0.1	1.7	-	-	1.7
53 rd Week Adjustment	-	(1.4)	(1.4)	-	-	(1.4)
Eden Springs adjustments	-	-	-	23.1	-	23.1
S&D adjustments	-	-	-	-	7.3	7.3
Adjusted EBITDA	\$171.8	\$183.8	\$355.6	\$68.5	\$36.2	\$460.3

(1) Adjusted to be on a 52 week basis

(2) 2015 reported results (prior to acquisition by Cott)

(3) Eden Springs figures converted at EUR:USD rate of 1.10

S&D COFFEE, INC.

PF 2016E EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)

NON-GAAP

Unaudited



(\$ in millions)

	PF 2016E
Operating Income	\$16.3
Depreciation & amortization	16.8
Reported EBITDA (Unadjusted)	\$33.1
Shareholder expenses	4.7
Acquisition, integration and restructuring costs	0.4
Donations	0.5
Reported Adjusted EBITDA	\$38.7
Pro forma adjustments ⁽¹⁾	1.4
Pro forma Adjusted EBITDA	\$40.1

(1) Represents adjustments to compensation plan

COTT CORPORATION
2016E – PF 2019E ADJUSTED FREE CASH FLOW
NON-GAAP
Unaudited



	<u>2016E</u> ⁽²⁾	<u>PF 2019E</u>
Cash flow from operations	\$255 - \$265	\$395 - \$435
Capital expenditures	120 - 125	160 - 170
Adjusted free cash flow ⁽¹⁾	\$135 - \$145	\$225 - \$275

(1) Excludes integration, acquisition and transaction costs
(2) Excludes the impact of the Eden Springs and S&D transactions

COTT CORPORATION
ESTIMATED NET LEVERAGE
NON-GAAP
Unaudited



Total Debt ⁽¹⁾	\$2,295.0
Less: Cash ⁽¹⁾	<u>(70.0)</u>
Net Debt	<u><u>\$2,225.0</u></u>
Estimated Combined Adjusted EBITDA⁽²⁾	\$460.3
Estimated Leverage (Net Debt / Combined Estimated Adjusted EBITDA)	4.8x

(1) Estimated debt and cash balances following S&D closing (projected August 2016)

(2) See slide 1

COTT CORPORATION

PF 2016E ESTIMATED ADJUSTED EBITDA PURCHASE MULTIPLE OF S&D COFFEE, INC

NON-GAAP

Unaudited



Pro Forma 2016E Adjusted EBITDA ⁽¹⁾	\$40.1
Approximate purchase price	355.0
Pro Forma 2016E Adjusted EBITDA run rate multiple	~8.8x
Expected synergies (four-year capture)	\$12.0
Pro Forma 2016E Adjusted EBITDA ⁽¹⁾	40.1
Synergized Pro Forma 2016E Adjusted EBITDA	\$52.1
Approximate purchase price	355.0
Synergized Pro Forma 2016E Adjusted EBITDA run rate multiple	~6.8x

(1) See slide 2 – S&D pro forma adjusted EBITDA reconciliation