



# Multi-Color Corporation

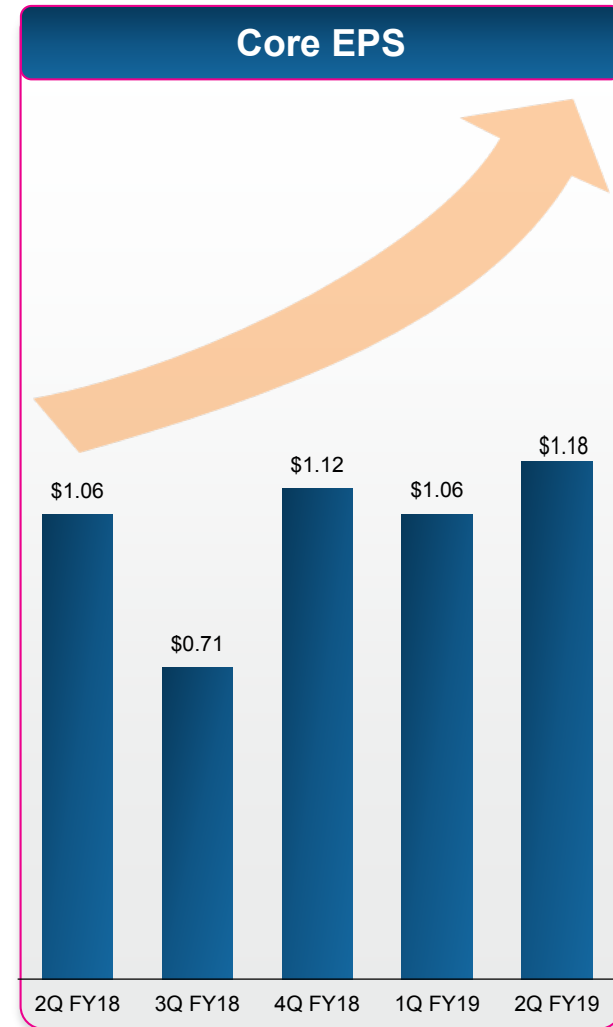
## Second Quarter FY2019 Webcast

Nasdaq: LABL  
[www.mcclabel.com](http://www.mcclabel.com)



# Q2 FY19 Results

- **Core diluted EPS increased 11% to \$1.18 over prior year quarter**
- **Core operating income increased 60% or \$18.8 million over prior year quarter**
  - Core SG&A expenses increased to 8.5% from 8.2% of revenues
- **Core EBITDA increased to \$72.7 million for the quarter**
- **Core other expense of \$1.9m**
  - Release of foreign indemnification receivable of \$3.1 million, with offsetting tax expense reduction (no net impact on EPS)
  - Balance was foreign exchange
- **Interest expense of \$18.7 million**
  - FY19 forecast \$77 million
- **Core effective tax rate was 17% in the quarter or 25% excluding release of indemnification receivable**
  - FY19 forecast 21% or 23% excluding release of indemnification receivable



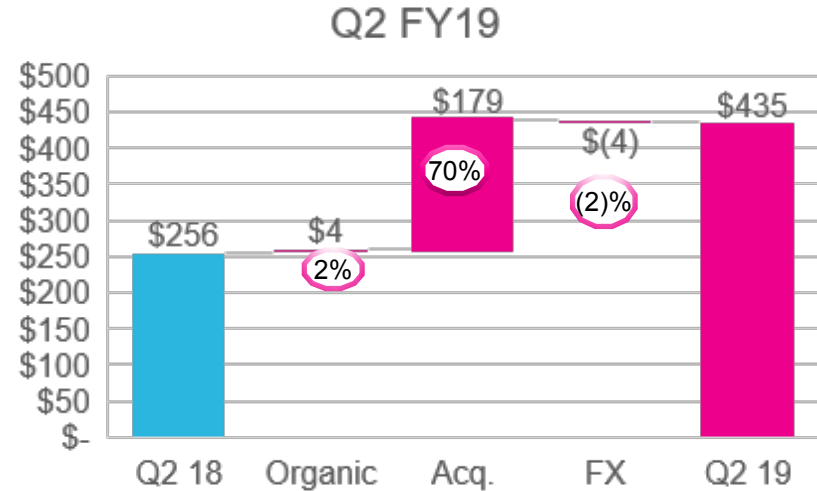
# Net Revenues (\$ in millions)

- Net revenues increased 70% or \$178.9 million over the prior year quarter

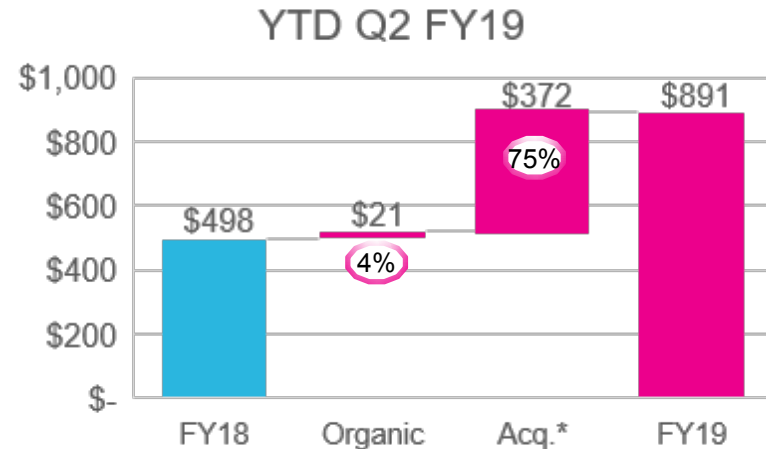
- Organic growth of 2%
- Acquisitions increased revenues by 70%
- Currency fluctuations decreased revenues by 2%

- Net revenues increased 79% or \$392.6 million over the six months ended September 30, 2017

- Organic growth of 4%
- Acquisitions increased revenues by 75%



% Increase over prior year quarter

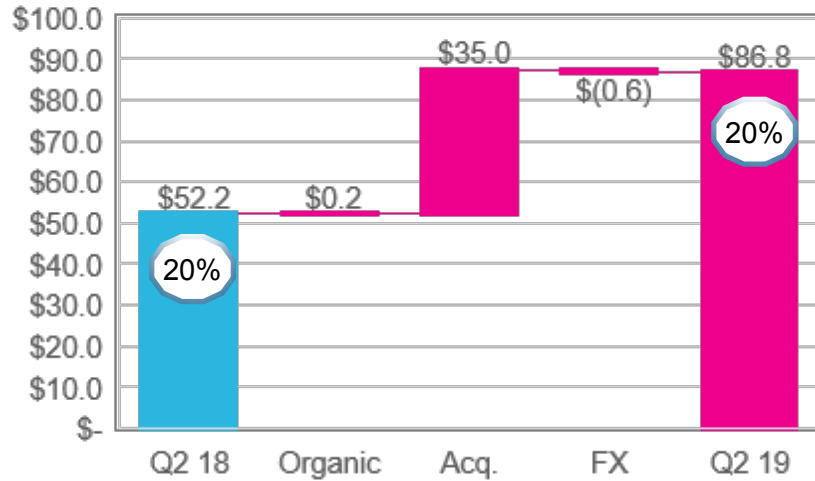


\*Net of divestitures

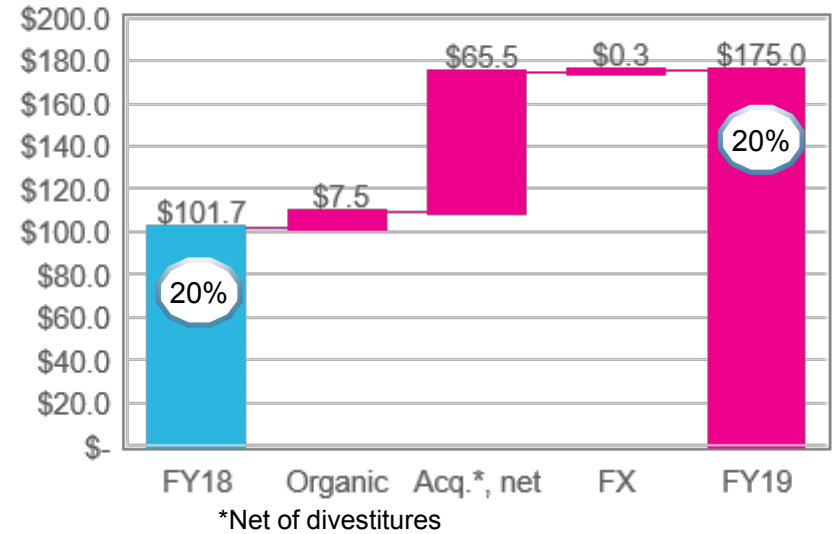
% Increase over prior year

# Core Gross Margin (\$ in millions)

Q2 FY19



YTD Q2 FY19



% Core gross margin

% Core gross margin

**Q2 and YTD FY19 core gross margins were 20%**

# Free Cash Flow (\$ in millions)

Increased Operating Cash Flow						
	Q2 19	Q2 18	Δ%	Q2 19 YTD	Q2 18 YTD	Δ%
Core EBITDA	\$73	\$44	Δ 66%	\$151	\$83	Δ 82%
Interest (cash paid)	(11)	(2)		(42)	(12)	
Acq & int (cash paid)	(3)	(4)		(6)	(5)	
Tax expense	(3)	(7)		(10)	(11)	
Working capital	26	(2)		13	(11)	
<b>Operating cash</b>	<b>82</b>	<b>29</b>	Δ 183%	<b>106</b>	<b>44</b>	Δ 141%
Cap ex	(20)	(16)		(54)	(26)	
<b>Free cash flow (non-GAAP)</b>	<b>62</b>	<b>13</b>		<b>52</b>	<b>18</b>	

- No bond interest paid in Q2 resulting in a \$9 million benefit to free cash flow in the quarter.
- \$8 million of bond interest was paid in excess of expense incurred in FY19 YTD.
- Increased interest payments relate to financing of the Q3 FY18 acquisition of Constantia Labels.
- Capital expenditure forecast at \$90 million in FY19.
- Working capital increase forecast in the \$10 million per annum range.

# Debt Profile (\$ in millions)

## Balance Sheet

	Q2 19
Debt	\$1,566
Cash	75
Net debt	\$1,491

- Blended interest rate of 4.8%
- Free cash flow priority is debt reduction

## Debt Profile

	Q2 19
Fixed / floating-interest rate ratio*	75% fixed
Undrawn committed facilities (Revolver)	\$339

## Debt Structure

\$400m Revolver matures 2022
\$144m Term A matures 2022
\$496m Term B matures 2024
\$250m Bond matures 2022
\$600m Bond matures 2025 (€400m swapped)

\*In FY20, \$100M Forward starting swap increases fixed debt to 80%



# Thank you for your interest In Multi-Color Corporation

Nasdaq: LABL  
[www.mcclabel.com](http://www.mcclabel.com)

