IVL to Acquire Custom Polymers
PET Recycling Facility in the US
December 24, 2018
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2018 – Enhancing Value with M&A

- **Corpus Christi JV**
  - Expected start-up in 2020, subject to regulatory approval in 4Q18
  - Mar 21, 2018

- **EIPET JV**
  - Production started in Aug 2018
  - Jun 15, 2018

- **Medco**
  - Completed Nov 14, 2018
  - Jul 19, 2018

- **Schoeller**
  - Completed Nov 24, 2018
  - Oct 1, 2018

- **UTT**
  - Expected closing in 1Q19
  - Dec 11, 2018

- **Custom Polymers**
  - Expected closing in 1Q19
  - Dec 24, 2018

- **M&G PET Brazil**
  - Completed May 24, 2018
  - Mar 16, 2018

- **Avgol**
  - Completed Jul 25, 2018
  - May 14, 2018

- **Kordarna**
  - Completed Oct 30, 2018
  - Jun 29, 2018

- **Sorepla**
  - Completed Jul 31, 2018
  - Jul 31, 2018

- **M&G Fibras**
  - Expected closing in 4Q18
  - Nov 2, 2018

- **Invista Germany**
  - Expected closing in 1Q19
  - Dec 20, 2018
2018 - Stepping Up Our Investment in 100% Recyclable PET

Custom Polymers will contribute as strong platform for future growth

Custom Polymers (expected closing in 1Q19)
- Auriga Polymers
- AlphaPet
- Indorama Polymers
- EcoMex

Wellman, France (Completed: Jul 2018)
Wellman, Ireland (Completed: Apr 2018)
Wellman, Netherlands (Completed: Sep 2018)
IPI, Thailand
Sorepla, France (Completed: Jul 2018)
## Custom Polymers - Transaction Highlights

### Acquisition
- IVL to acquire PET recycling facility in Alabama, USA, from Custom Polymers PET, LLC
- Custom Polymers supplies Recycled PET Flakes (rPET Flakes) to IVL, and is located next to IVL’s PET facility in Decatur, Alabama
- Two production lines: rPET Flakes and food-grade Recycled PET Pellets (rPET Pellets), with a combined capacity of 31 kt

### Strategic Rationale
- Enhances capability to drive closed loop sustainable solutions and embraces the Circular Economy
- Opens up new avenues to meet ever increasing demand for more sustainable packaging solutions
- Enhances supply chain synergies for IVL’s recycled resin business in North America

### Timelines
- Transaction closing expected in 1Q19
- Clear and well-defined business integration steps
- The acquisition leads to strong future growth in the sustainable recycling business
Custom Polymers – Strong Strategic Fit with IVL

Growing Market Demand for 100% Recyclable PET

- Brand owners have started setting the roadmap for providing sustainable solutions for next 5-10 years

![Coca-Cola](image)  
Targeting to increase rPET usage in US from current ~3% to ~10% in 2019 and 50% by 2030

![PepsiCo](image)  
Targeting to increase rPET usage in US to ~10% by 2019 and 40% by 2030

Compelling Commercial Case and Synergy Opportunity

Cost Synergies
- Supply chain synergies
- Management and SG&A

Revenue Synergies
- Customer synergies
- Broadens product offering

People Synergies
- Best practice emulation & cross fertilization

Secures Feedstock Supply and Expands Product Offering

- 100% rPET Pellets
- rPET Flakes
- PET resin with Recycle Content

Attractive Platform for Strong Future Growth

- Helps to continue to promote the circular economy and environmental sustainability globally
- Provides a platform for strong future growth in the sustainable recycling business
Firmly on Track to Delivering Long-Term Value

+45% Core LTM 3Q18 EBITDA growth driven by structural shifts in our industry

$1,037m LTM 3Q18 Operating Cash Flow, strengthening balance sheet and enabling value accretive capex

Solid 9M18 Performance provides confidence in the resilience of our business model

2019 Guidance Reaffirmed on strong visibility of earnings and cash flows while industry fundamentals remain favorable
For information on acquisition of Custom Polymers and more, contact us on:

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