

# **VISKASE<sup>®</sup>**



**Lender Presentation & Investor Call  
Year-to-date June 30, 2018**

October 4, 2018

# List of Presenters

Thomas Davis	Chairman, President and Chief Executive Officer
Mark Cole	Vice President and Chief Financial Officer
Michael Blecic	Chief Accounting Officer and Treasurer
Michael Schenker	General Counsel, Chief Administrative Officer, and Executive Vice President

## Disclaimer

These slides contain (and the accompanying oral discussion will contain) forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of Viskase Companies, Inc. (“Viskase” or the “Company”) to differ materially from the results expressed or implied by such statements, including risks and uncertainties relating to general economic and business conditions including pricing pressures and changes in material and energy costs, conditions affecting the Company’s customers and suppliers, competitor responses to the Company’s products and services, the overall market acceptance of such products and services, the identification, completion and integration of acquisitions and other factors. Consequently such forward looking statements should be regarded as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revision to the forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

## Financial Highlights – Year to date 6/30/18

- YTD June 30, 2018 Net Sales grew by 2.0% versus 2017 on constant currency basis
  - Growth driven by higher NOJAX<sup>®</sup> and Plastics revenue, up 2.8% and 11.3%, respectively vs 2017
  - Favorable NOJAX<sup>®</sup> sales volume was partially offset by lower price/mix, including an unfavorable R\$ devaluation impact on Brazilian pricing, plus a 2 weeks nationwide truckers strike in May.
  - US Hotdog consumption slightly down compared to 2016/2017
  - Market trends indicate an increase in demand for higher value sliceable cold and roast meat products in line with Viskase's strategy to increase market share outside of Nojax casings
  - Continue to move finishing to emerging markets to support growth and reduce labor cost
  
- YTD June 30, 2018 EBITDA declined by (0.5)% versus 2017 on constant currency basis
  - Decline driven by higher input and labor costs and slightly lower price/mix
  - Unfavorable R\$ devaluation impact on Brazilian pricing
  - Partially offset by higher NOJAX<sup>®</sup> demand and higher plant efficiency
  - First half EBITDA is favorable 2.1% vs 2017, excluding the impact of the R\$ devaluation on Brazilian pricing, Brazilian trucker strike and one-time integration costs
  - Continue to invest in structural improvements, quality, and new products to support future growth

## Other Highlights – Year to date 6/30/18

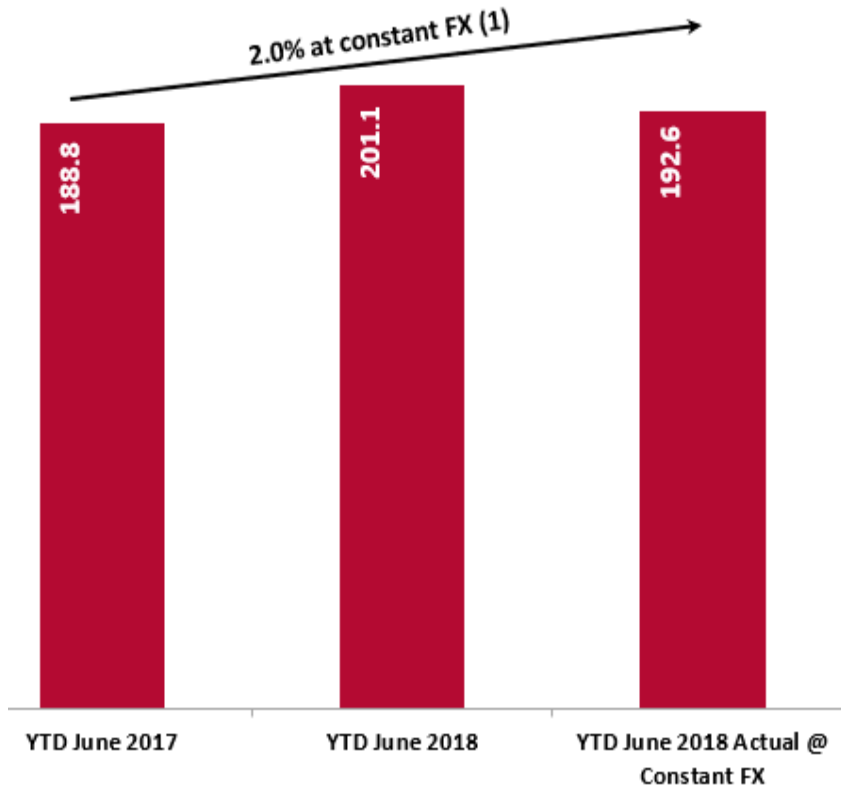
- Integration synergies are \$1.4MM compared to zero in 2017
  - Favorable impact from eliminating redundant administrative staff
  - Shut down of unprofitable Warsaw Operations
  - Benefits from global procurement contracts and plant optimization
- Viskase Excellence Program, which focuses on improving processes and reducing waste, continues to deliver significant cost savings to partially offset higher cost inflation
- Continue to invest in new products, innovation, and diversifying portfolio beyond small diameter cellulose, and costs related to Netting JV
- Cash increased \$29.6mm resulting from \$50mm equity rights offering completed in January, partially offset by increase in cash used for early vendor payments to take advantage of discounted terms, repayment of short term debt, and higher capex for strategic growth projects.

## Other Highlights

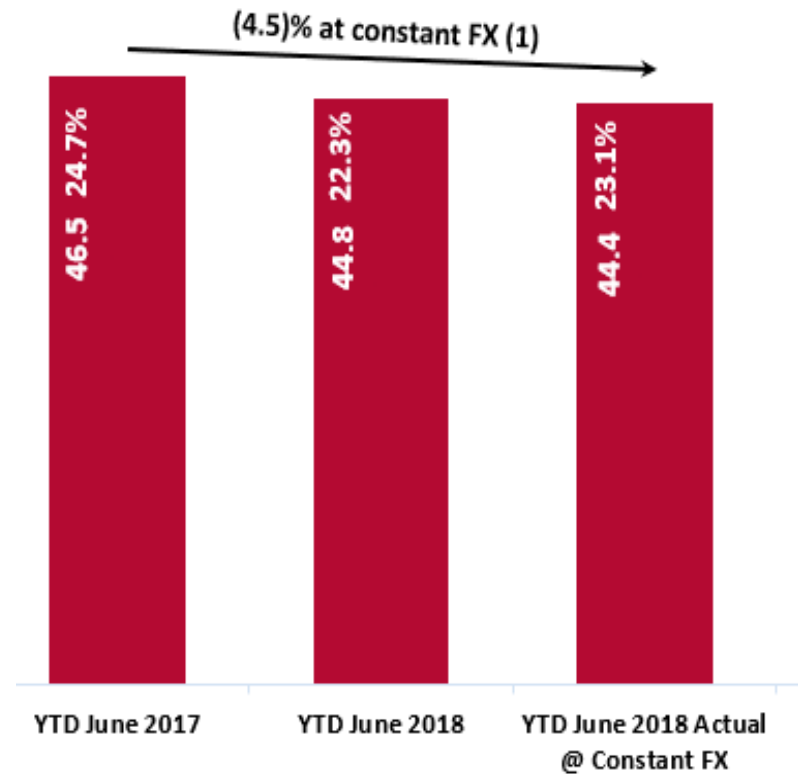
- Phase I of our global new (ViskaseOne) SAP implementation go-live planned for Q1 2019
- In formal discussions with works councils and unions on plant operation and administrative restructuring actions in France and Germany
  - Cost savings from these restructuring actions will not impact EBITDA until 2019
- Price increases have been announced and are being implemented across all product lines and geographies to offset rising raw material and logistics costs and to improve profitability

# Financial Highlights – Year to date 6/30/18

YTD June Net Sales (\$ mm)



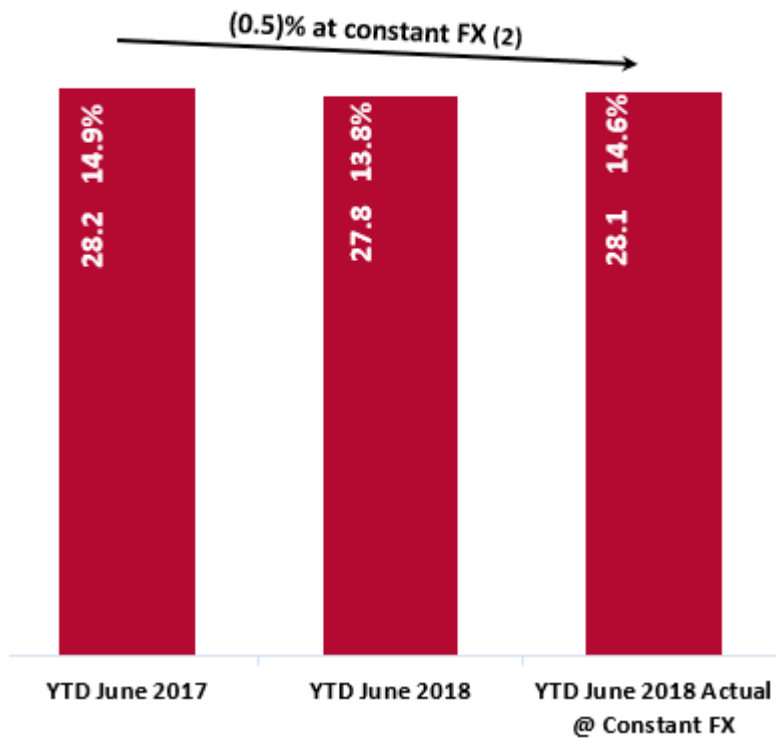
YTD June Gross Margin (\$ mm) & % Sales



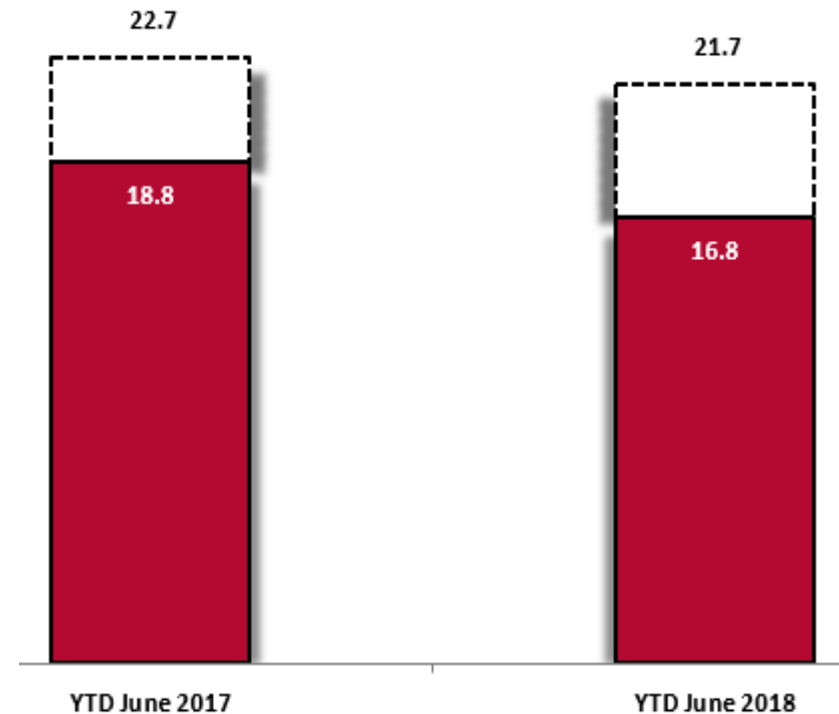
1. Ex-Forex percentage growth compared to prior year is based on 2018 results as 2017 exchange rates.

# Financial Highlights – Year to date 6/30/18

**YTD June Operational EBITDA  
(\$ mm) & % Sales (1)**



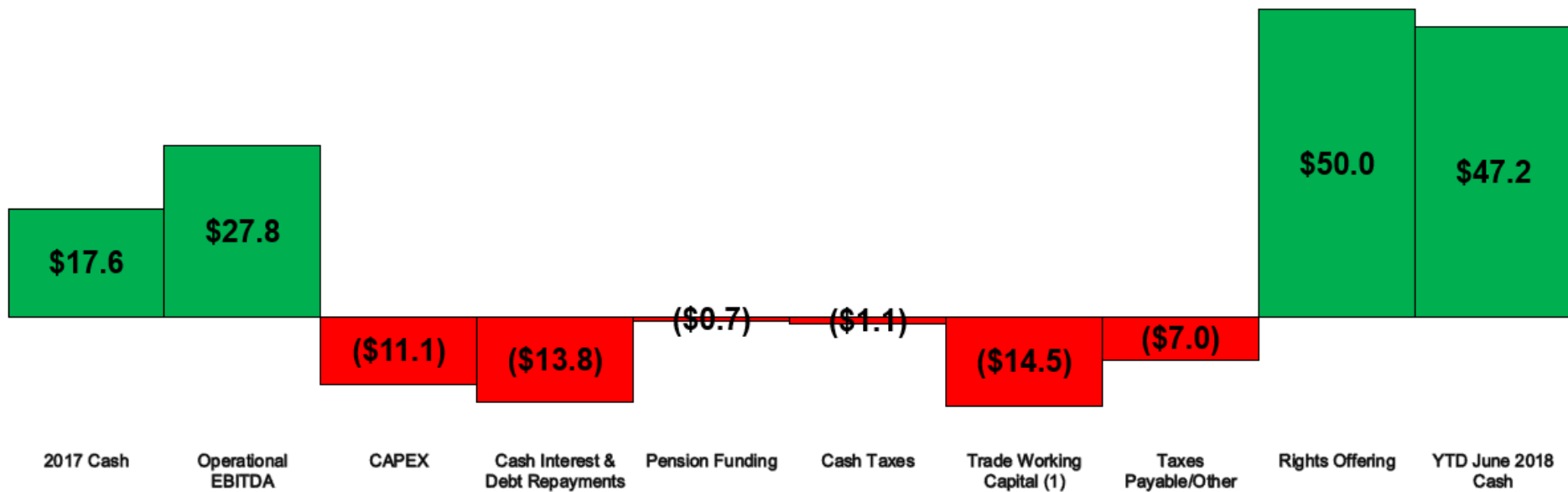
**YTD June Free Cash Flow (\$ mm) (3),(4)**



1. Operational EBITDA defined as operating income + depreciation + amortization + Pension expense + one time non-recurring expenses.
2. Ex-Forex percentage growth compared to prior year is based on 2018 results at 2017 exchange rates.
3. Operational EBITDA less capital expenditures
4. Dashed boxes represent Operational EBITDA less maintenance capital expenditures



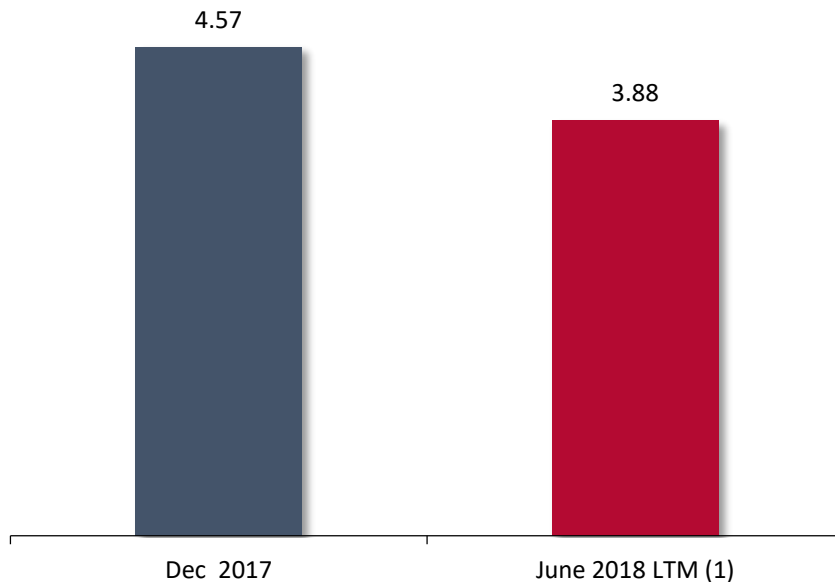
# Cash Flow (\$ mm) – Year to date 6/30/18



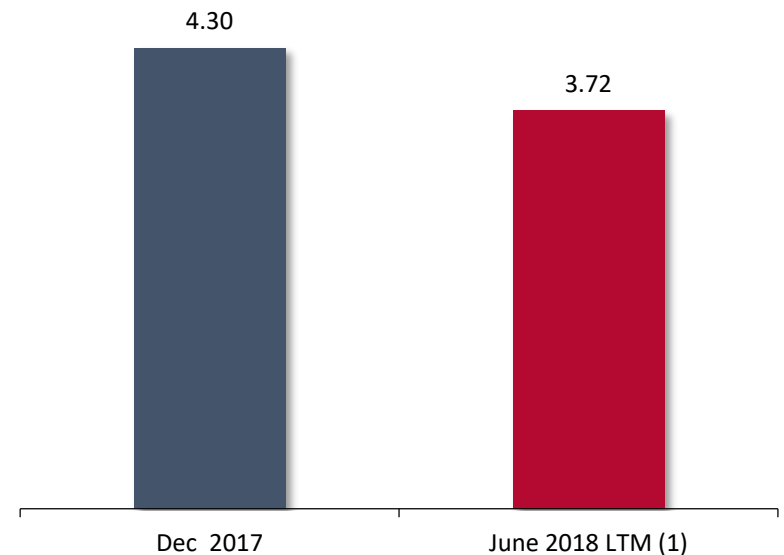
1. Trade Payable decrease (\$6) mm - Early vendor payments to take advantage of discounted terms

# Debt, Credit, and Liquidity Metrics – Year to date 6/30/18

**Total Net Leverage Ratio  
(Total Net Debt/Consolidated  
EBITDA)**



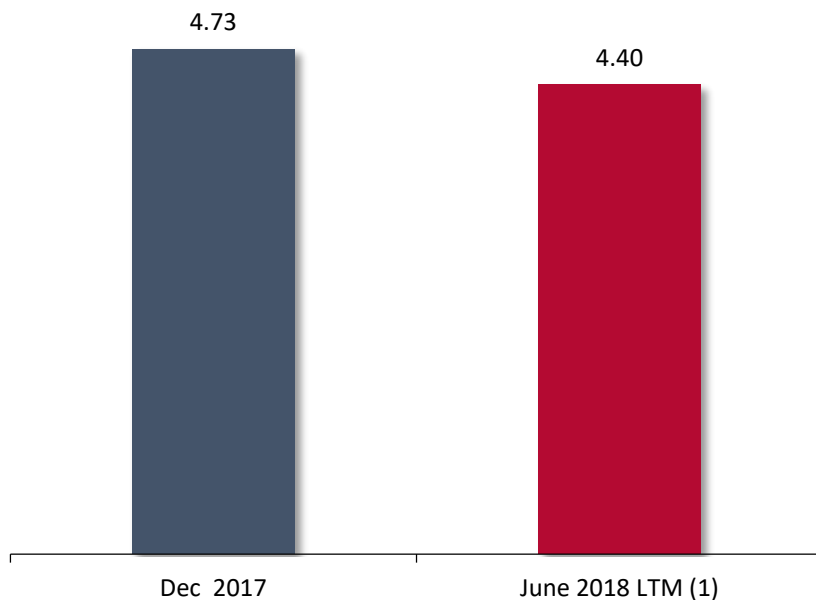
**First Lien Net Leverage Ratio  
( First Lien Net Debt/Consolidated  
EBITDA)**



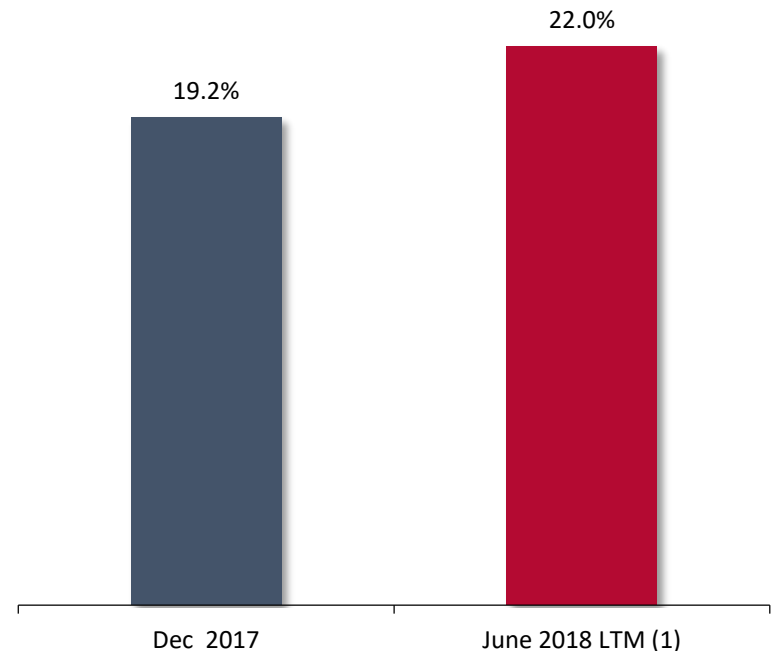
1. Reflects \$50 mm rights offering

# Debt, Credit, and Liquidity Metrics – Year to date 6/30/18

## Consolidated EBITDA/Cash Interest Expense



## Free Cash Flow/First Lien Net Debt



1. Reflects \$50 mm rights offering