



## The recapitalization of Exopack Holding Corp.

### Background

- Exopack Holding Corp. (“Exopack” or the “Company”), an affiliate of Sun Capital Partners, Inc. (“Sun Capital”), was initially formed through the acquisition and consolidation of three flexible packaging companies.
- Mesirow Financial advised on the acquisitions of Exopack Holding Corporation, Cello-Foil Products, Inc. and The Packaging Group, as well as the Company’s most recent acquisition of the cheese and meat barrier extrusion packaging operations from Bemis Company.
- The Company is a leading North American flexible packaging converter and provider of paper and plastic packaging solutions for the food, industrial and medical industries, and has the number one market share for reclosable pouches in pet food and bagged charcoal.
- The Company operates 19 manufacturing facilities across the United States and Canada and serves approximately 1,800 customers, including Procter & Gamble, Kellogg’s, Sara Lee, ConAgra, Clorox and Cargill.
- At its time of inception in 2005, Exopack had revenue and EBITDA of \$609 million and \$46 million, respectively; for the twelve months ended March 31, 2011 the Company had revenue and EBITDA of \$837 million and \$113.5 million, respectively.
- Mesirow Financial was engaged by Exopack to act as co-manager and co-documentation agent in the Company’s recapitalization of its existing capital structure.

### Challenge

- Exopack was looking to find a way to lower the Company’s cost of capital, provide additional liquidity and extend its existing debt maturities.
- Given the Company’s history of growth, it was critical to develop a capital structure that could accommodate significant future external and organic growth.

### Action

- Mesirow Financial advised Exopack on the successful completion of its recapitalization, which included a \$350 million senior secured term loan facility maturing in 2017, a \$235 million senior note offering at 10% maturing in 2018 and a \$75 million revolving line of credit maturing in 2016.

### Result

- The Company used the proceeds from the recapitalization to repay its existing \$320 million senior notes at 11.25% due in 2014, to repay its existing revolving line of credit, to pay its shareholders a dividend of \$150 million and to pay customary closing fees.
- The new capital structure extends the maturity of Exopack’s debt, reduces its cost of capital, increases its liquidity and provides significant availability under its revolving line of credit. Additionally, the recapitalization affords Exopack the financial flexibility for continued growth through investment in leading-edge equipment and innovative technologies, as well as the ability to pursue future complementary acquisitions.



Exopack

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**Investment Management** Institutional money manager in the areas of hedge fund strategies, private equity, currency and commodity management, real estate, U.S. value and international equities and fixed income, as well as investment advisory services for private clients and retirement plan sponsors

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### **About Mesirow Financial**

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