

GCL Holdings Group

Company presentation 1H 2015 results

September 11, 2015

Forward-looking Statements

This presentation may include, and the Company and its representatives may from time to time make, written or verbal statements which constitute “forward – looking statements”, including but not limited to all statements other than statements of historical facts, including statements regarding our intentions, belief or expectations concerning our future financial condition and performance, results of operations, strategy, prospects, and future developments in the markets in which we operate and plan to operate.

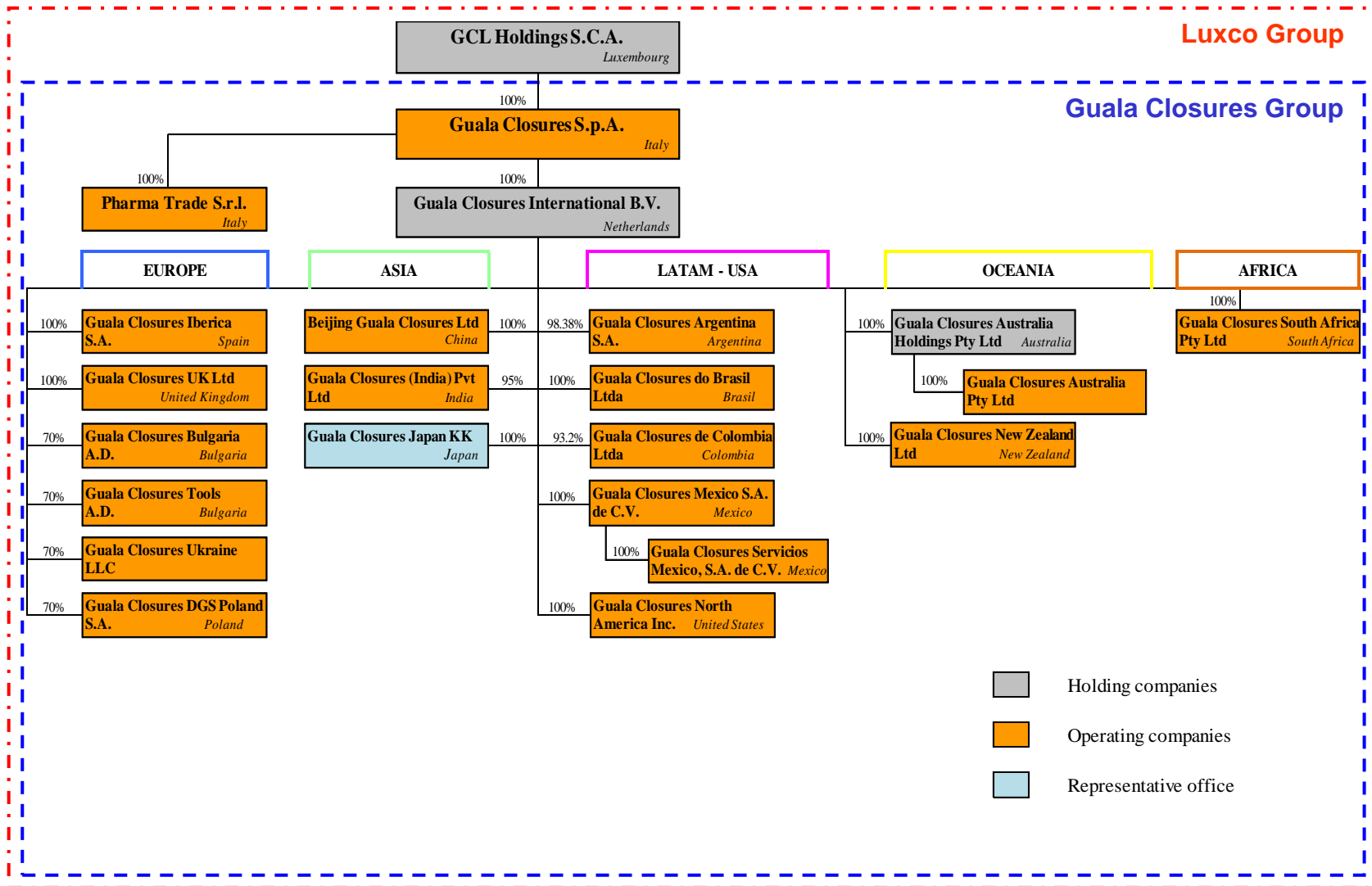
By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

We caution you that forward – looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this presentation.

In addition even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.


The Company undertakes no obligation to publicly update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written or verbal forward-looking statements attributable to the Company or to persons acting on the Company’s behalf are qualified in their entirety by the cautionary statements referred to above.

Group chart as at June 30, 2015




2015 Key financial events

FEB

-  Merger between Guala Closures International B.V. and Guala Closures China B.V., with retroactive effects from January 1, 2015

JUN

-  Merger between Guala Closures International B.V. and Guala Closures Patents B.V., with retroactive effects from January 1, 2015.

Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 1H14	Average 1H15	Var % vs 1H14
US Dollar	1.3705	1.1158	(18.6%)
GB Pounds	0.8214	0.7324	(10.8%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	14.3626	23.9009	66.4%
Poland Zloty	4.1755	4.1397	(0.9%)
China Renmimbi	8.4517	6.9411	(17.9%)
Indian Rupia	83.2930	70.1224	(15.8%)
Argentinian Peso	10.7407	9.8389	(8.4%)
Brazilian Real	3.1495	3.3076	5.0%
Colombian Peso	2686.95	2770.36	3.1%
Mexican Peso	17.9766	16.8861	(6.1%)
Australian Dollar	1.4987	1.4260	(4.9%)
New Zealand Dollar	1.6148	1.5055	(6.8%)
South Africa Rand	14.6763	13.2991	(9.4%)
Japan Yen	140.3905	134.1648	(4.4%)

LEGEND: Var % + EUR revaluation vs other group currencies; Var % - EUR devaluation vs other group currencies



Devaluation of euro vs main group currencies compared to 1H 2014 (except UAH, BRL and COP)

Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2014	Jun 30, 2015	Var % vs Dec 14
US Dollar	1.2141	1.1189	(7.8%)
GB Pounds	0.7789	0.7114	(8.7%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	19.2060	23.5406	22.6%
Poland Zloty	4.2732	4.1911	(1.9%)
China Renmimbi	7.5358	6.9366	(8.0%)
Indian Rupia	76.7190	71.1873	(7.2%)
Argentinian Peso	10.2755	10.1653	(1.1%)
Brazilian Real	3.2207	3.4699	7.7%
Colombian Peso	2892.26	2896.45	0.1%
Mexican Peso	17.8679	17.5332	(1.9%)
Australian Dollar	1.4829	1.4550	(1.9%)
New Zealand Dollar	1.5525	1.6548	6.6%
South Africa Rand	14.0353	13.6416	(2.8%)
Japan Yen	145.2300	137.0100	(5.7%)

LEGEND: Var % + EUR revaluation vs other group currencies; Var % - EUR devaluation vs other group currencies

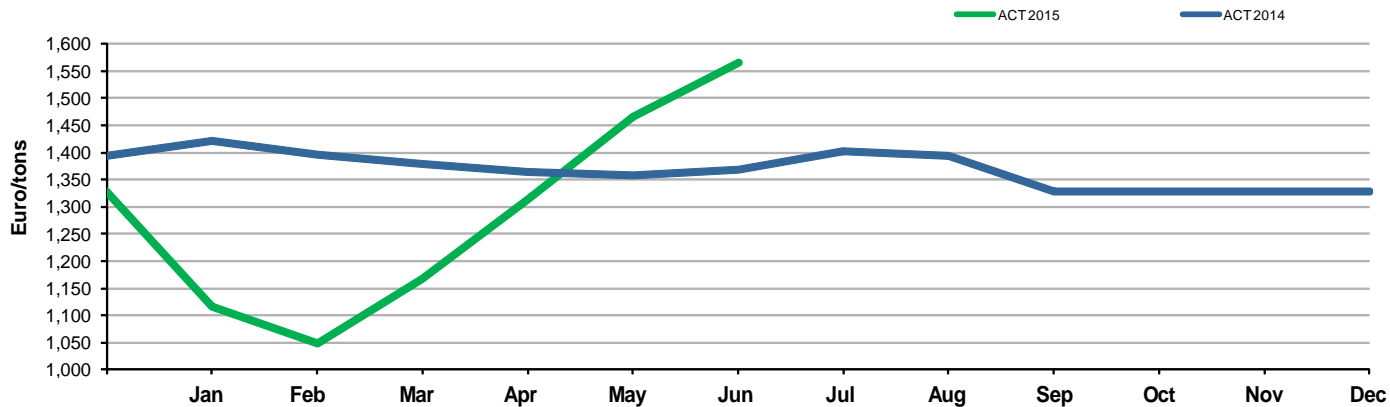


Devaluation of euro vs main group currencies compared to 2014 (except UAH, BRL, COP and NZD)

Key trends: raw materials – plastics – Europe

Plastic price trend - High density polyethylene

HDPE Var % vs 1H 2014: (7.4%)

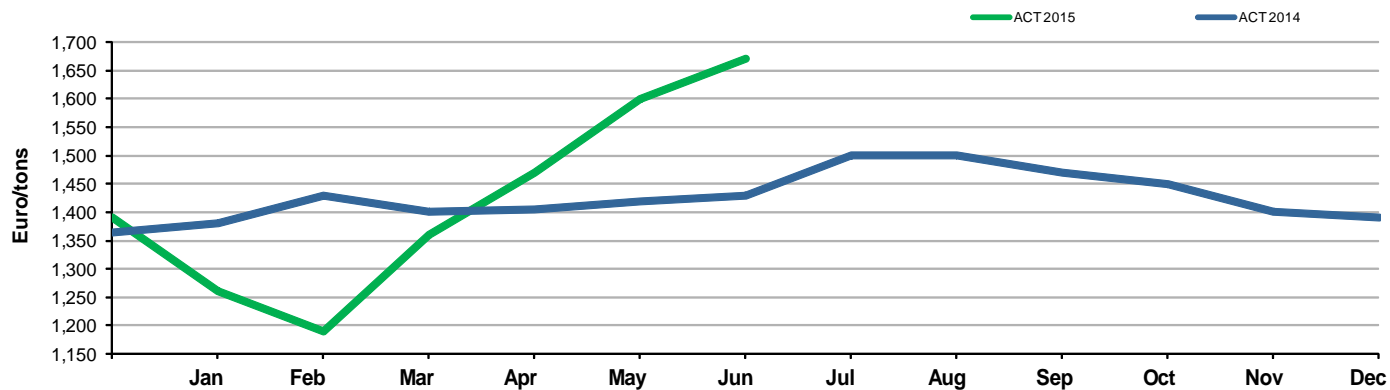


Average 1H
2014: 1,381 €/t

Average 1H
2015: 1,279€/t

Plastic price trend – Polypropylene, homopolymer

PP Var % vs 1H 2014: 1.0%



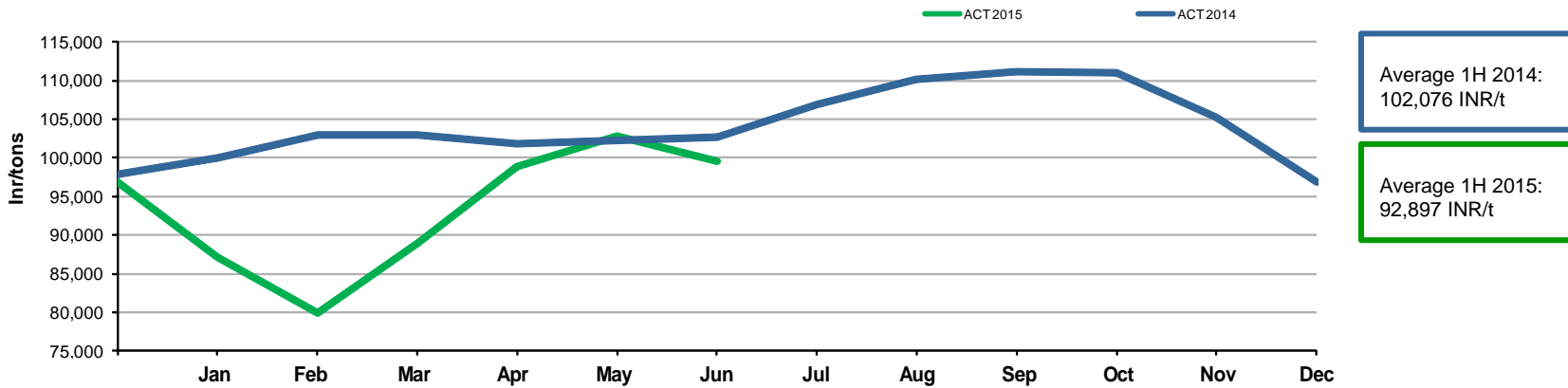
Average 1H
2015: 1,425 €/t

Average 1H
2014: 1,411 €/t

Key trends: raw materials – plastics - India

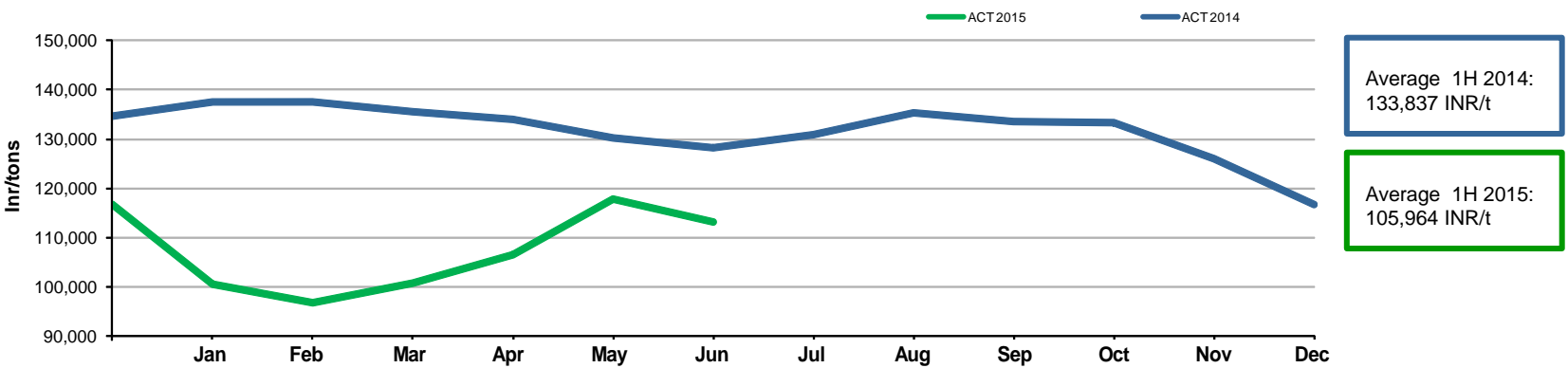
Plastic price trend - High density polyethylene

HDPE Var % vs 1H 2014: (9.0%)



Plastic price trend – Polystyrene

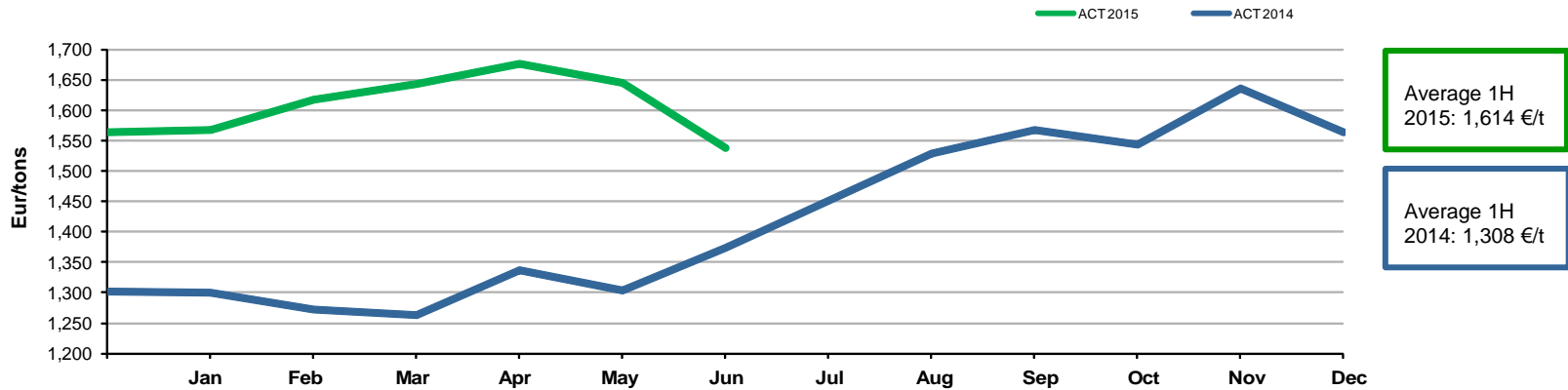
PS Var % vs 1H 2014: (20.8%)



Key trends: raw materials - aluminum

Aluminum price trend (LME €/tons)

LME Var % vs 1H 2014: 23.4%



1H 2015 – Financial snapshot

€ / ml	1Q 14	2Q 14	1H 14	1Q 15	2Q 15	1H 15	Var % 1H 15 vs 1H 14
Revenues	105.9	116.1	222.0	119.7	128.1	247.8	11.6%
EBITDA	17.5	22.0	39.4	24.2	24.6	48.8	23.8%
<i>% margin</i>	16.5%	18.9%	17.8%	20.2%	19.2%	19.7%	
Adjusted EBITDA	17.8	22.4	40.2	24.5	24.9	49.4	22.9%
<i>% margin</i>	16.8%	19.3%	18.1%	20.4%	19.4%	19.9%	
EBIT	8.2	11.9	20.2	14.9	15.0	29.9	48.2%
<i>% margin</i>	7.8%	10.3%	9.1%	12.4%	11.7%	12.1%	
Net result	(6.1)	(1.9)	(8.0)	2.4	(2.9)	(0.4)	94.6%
<i>% margin</i>	(5.8%)	(1.6%)	(3.6%)	2.0%	(2.2%)	(0.2%)	

€ / ml	As at Dec 31, 2013	As at Mar 31, 2014	As at Jun 30, 2014	As at Mar 31, 2015	As at Jun 30, 2015
NWC	97.8	111.6	125.6	112.5	118.8
<i>NWC days</i>	65	95	97	85	83
Net debt	481.0	510.5	525.8	518.0	523.9

1H 2015 – Operating and financial review

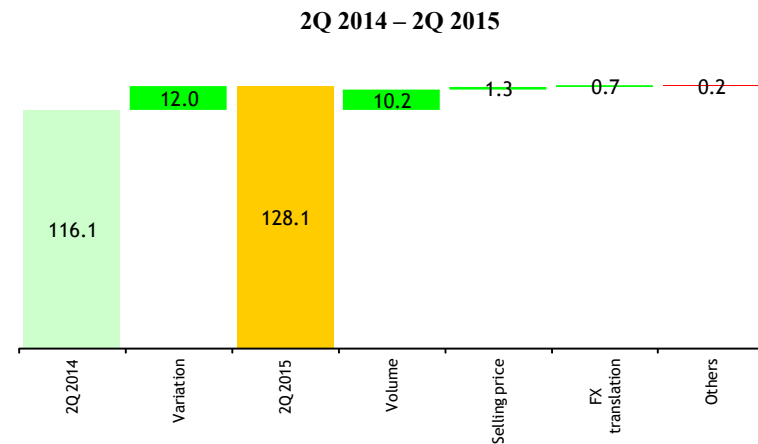
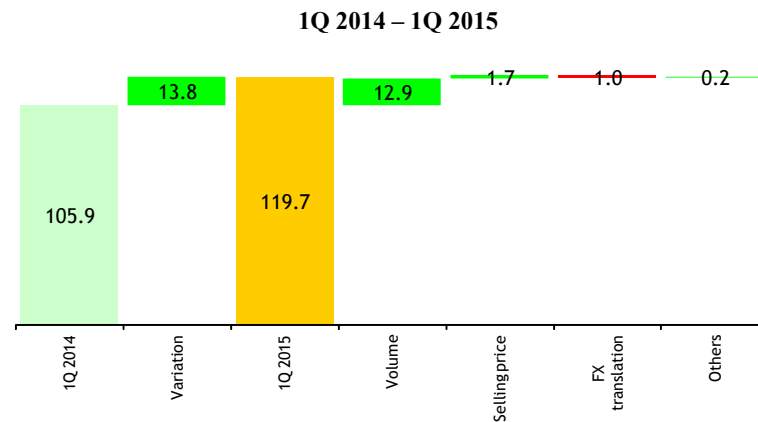
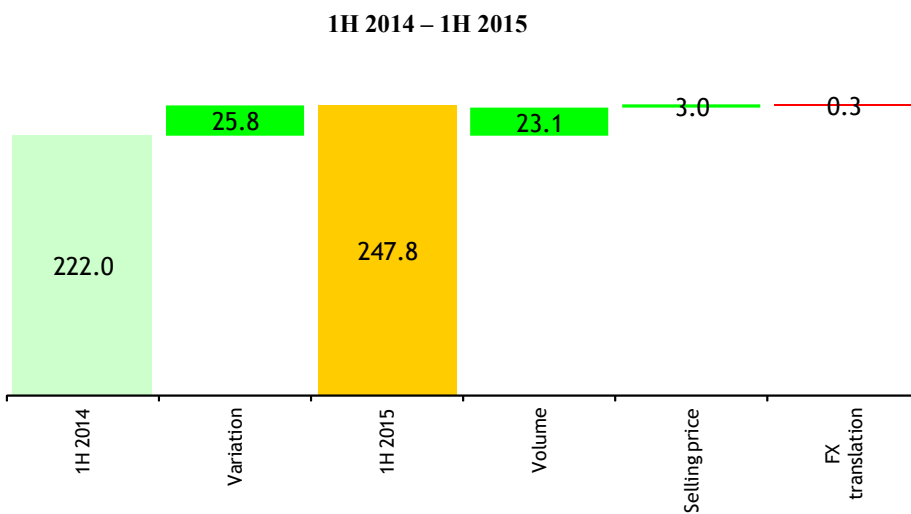
NET REVENUE

- 🌐 Net revenue up €25.8 million (+11.6%) vs 1H 2014, despite €0.3 ml negative translation impact
- 🌐 At constant FX rates, net revenue up €26.1 million (+11.8%) vs 1H 2014
- 🌐 Increase in sales volumes/selling price mainly in Ukraine, Mexico, Colombia, Brazil and South Africa

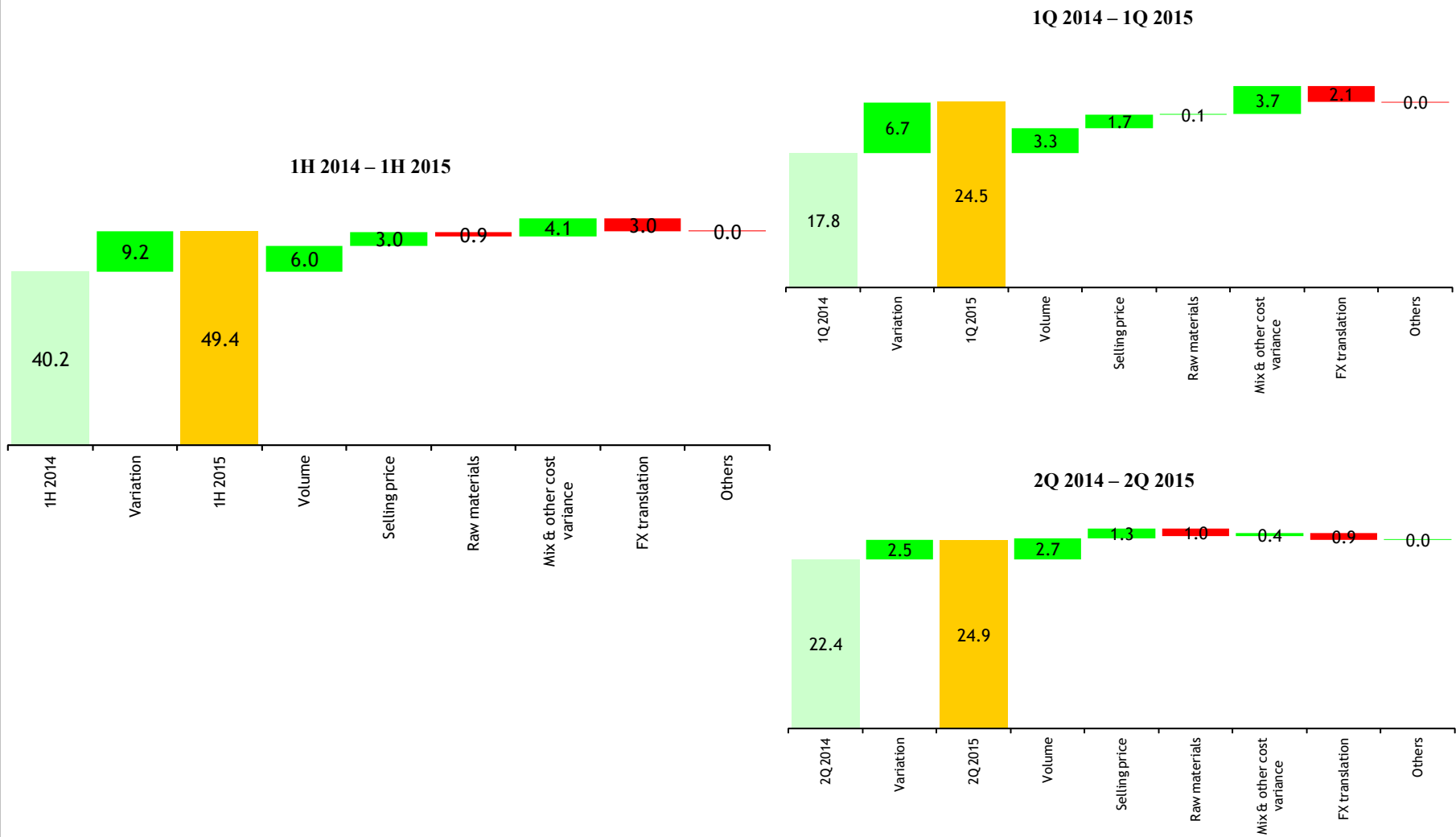
ADJUSTED EBITDA

- 🌐 Adjusted EBITDA up €9.2 million (+22.9%) vs 1H 2014, despite €3.0 million negative translation impact
- 🌐 At constant FX rates, Adjusted EBITDA up €12.2 million (+30.3%) vs 1H 2014
- 🌐 EBITDA 1H 2015 adjusted by €0.6 million for rationalization and other costs
- 🌐 Adjusted EBITDA margin at 19.9% (18.1% in 1H 2014)
- 🌐 1H 2015: positive impact from sales volume growth, selling price renegotiation and R&R impact.

1H 2015 - Sales Bridges



1H 2015 – Adjusted EBITDA Bridge



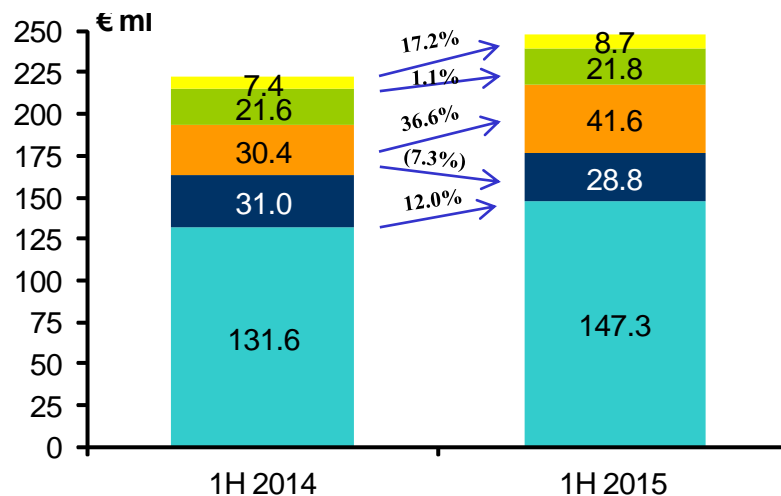
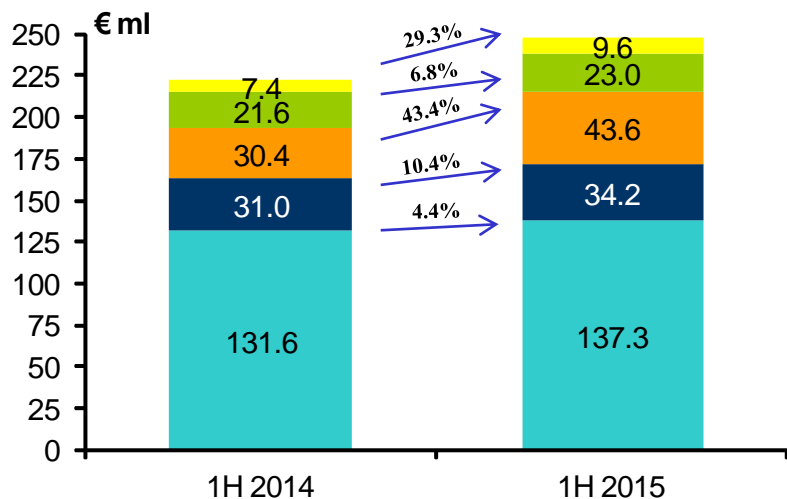
Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2014

222.0 **+11.6%** 247.8

222.0 **+11.8%** 248.2



■ Europe
 ■ Asia
 ■ Latin and North America
 ■ Oceania
 ■ South Africa

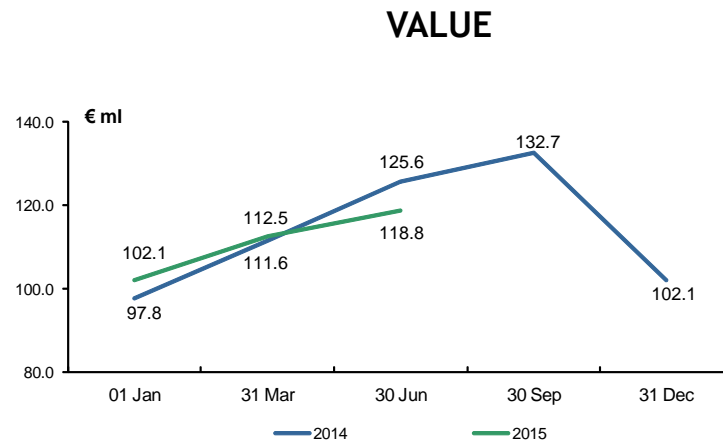
Cash Flow – sources and uses of funds

€ / mln	1Q 2014	2Q 2014	1H 2014	1Q 2015	2Q 2015	1H 2015
Opening cash and cash equivalents	41.2	31.2	41.2	35.3	34.3	35.3
Cash flows generated by/(used in) operating activities	(6.9)	9.4	2.5	8.9	10.7	19.6
Cash flows used in investing activities	(11.6)	(9.0)	(20.6)	(8.1)	(5.1)	(13.2)
Cash flows generated by/(used in) financing activities	8.2	(11.0)	(2.8)	(1.8)	(12.0)	(13.8)
Net cash flows for the period	(10.3)	(10.6)	(20.9)	(1.0)	(6.3)	(7.3)
Effect of exchange rate fluctuation on cash held	0.3	(0.3)	0.0	0.0	0.1	0.1
Closing cash and cash equivalents	31.2	20.4	20.4	34.3	28.0	28.0

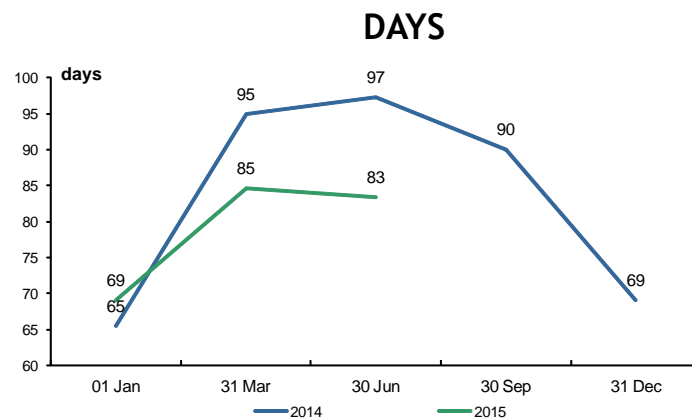
- CF operating: +€17.1 million vs 1H 2014 mainly due to higher EBITDA generated in 1H 2015 (€9.4 million) and to the lower absorption from the variation in net working capital (€ 13.3 million).
- CF investing: +7.5 million due to lower investments compared to 1H 2014.
- CF Financing: -€11.0 million vs 1H 2014 mainly due to lower proceeds from new borrowings (net of repayment of borrowings) for € 14.2 million, partly compensated by lower dividends paid to non-controlling interest (€ 2.7 million).

Net Working Capital

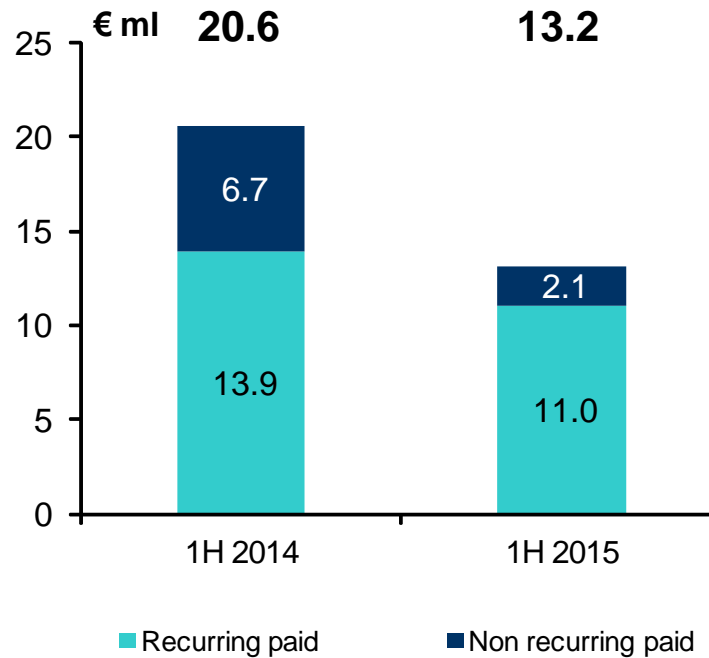
€ / ml	VALUE				
	As at 31/12/13	As at 30/06/14	As at 31/12/14	As at 31/03/15	As at 30/06/15
Trade receivables	93.1	100.9	92.1	98.7	102.7
Inventories	71.5	87.9	64.3	74.8	83.4
Trade payables	(66.8)	(63.2)	(54.3)	(61.0)	(67.2)
NWC value	97.8	125.6	102.1	112.5	118.8



	DAYS				
	As at 31/12/13	As at 30/06/14	As at 31/12/14	As at 31/03/15	As at 30/06/15
Trade receivables	62	78	62	74	72
Inventories	48	68	43	56	59
Trade payables	(45)	(49)	(37)	(46)	(47)
NWC days	65	97	69	85	83



1H 2015 - Net Capex paid



NON RECURRING 2014:

🌐 New product: Brasil (Super DeLuxe + Wave)	€ 2.4 ml
🌐 New technology: Ukraine (T.E. Cork)	€ 1.4 ml
🌐 New technology: Sputtering (Uk, Ukraine):	€ 1.2 ml
🌐 New technology: Colombia (Bi-inj):	€ 0.6 ml
🌐 New building: Poland	€ 0.5 ml
🌐 New technology: North America (Design Studio)	€ 0.4 ml
🌐 New building: Mexico	€ 0.1 ml
🌐 Other:	€ 0.1 ml

NON RECURRING 2015:

🌐 New technology: Sputtering (Mexico, Italy)	€ 0.8 ml
🌐 New technology: Italy (BPA project)	€ 0.4 ml
🌐 New building: Mexico	€ 0.2 ml
🌐 New building: Poland	€ 0.1 ml
🌐 New technology: Ukraine (T.E. Cork)	€ 0.1 ml
🌐 Other:	€ 0.5 ml

Appendix

P&L – 1H 2015

Thousands of €	1Q 2014	2Q 2014	1H 2014	3Q 2014	4Q 2014	12M 2014	1Q 2015	2Q 2015	1H 2015
Net revenue	105,883	116,148	222,031	132,647	133,117	487,794	119,680	128,146	247,825
Change in invent. of finish. and semi-fin. products	9,210	5,734	14,944	(5,519)	(8,402)	1,023	5,465	4,546	10,011
Other operating income	2,508	2,851	5,359	1,795	2,820	9,974	3,165	1,949	5,114
Costs for raw materials	(53,014)	(55,554)	(108,568)	(56,545)	(54,069)	(219,182)	(56,355)	(60,394)	(116,749)
Costs for services	(21,978)	(21,801)	(43,778)	(21,392)	(20,982)	(86,152)	(22,257)	(23,467)	(45,724)
Personnel expense	(22,837)	(22,868)	(45,705)	(22,748)	(22,266)	(90,719)	(23,059)	(23,717)	(46,776)
Other operating expense	(2,318)	(2,535)	(4,853)	(5,044)	(2,398)	(12,295)	(2,447)	(2,429)	(4,876)
Gross operating profit (EBITDA)	17,455	21,974	39,429	23,193	27,820	90,442	24,191	24,633	48,824
Amortization, depreciation and impairment losses	(9,218)	(10,027)	(19,246)	(9,511)	(10,640)	(39,396)	(9,293)	(9,628)	(18,921)
Operating profit	8,237	11,947	20,184	13,682	17,180	51,046	14,898	15,005	29,903
Exchange rate	(709)	1,495	786	209	(2,135)	(1,140)	2,808	(1,956)	852
Derivatives and other financial items	566	(706)	(140)	1,502	(2,785)	(1,423)	725	(662)	63
Net interest expenses	(10,614)	(10,970)	(21,584)	(10,889)	(11,020)	(43,493)	(10,622)	(10,653)	(21,274)
Profit (loss) before taxation	(2,521)	1,766	(755)	4,505	1,239	4,990	7,810	1,734	9,544
Income taxes	(3,603)	(3,663)	(7,266)	(4,277)	(10,899)	(22,441)	(5,375)	(4,606)	(9,981)
Profit (loss) for the period	(6,124)	(1,896)	(8,020)	228	(9,659)	(17,452)	2,435	(2,871)	(436)
Gross operating profit (EBITDA) - ADJUSTED	17,806	22,392	40,198	27,153	28,403	95,754	24,472	24,922	49,394
<i>EBITDA ADJUSTED % on Net revenue</i>	16.8%	19.3%	18.1%	20.5%	21.3%	19.6%	20.4%	19.4%	19.9%

Balance Sheet – as at June 30, 2015

Thousands of €	As at December 31, 2013	As at June 30, 2014	As at December 31, 2014	As at June 30, 2015
Intangible assets	397,418	391,079	385,554	381,751
Property, plant and equipment	205,878	206,653	202,825	198,428
Net working capital	97,775	125,621	102,070	118,785
Net financial derivative liabilities	(4,982)	(3,511)	(2,970)	(2,249)
Employee benefits	(6,835)	(7,392)	(7,318)	(7,140)
Other assets/liabilities	(32,548)	(35,310)	(36,435)	(35,272)
Net invested capital	656,705	677,140	643,727	654,303
<i>Financed by:</i>				
Net financial liabilities	522,168	546,154	542,931	551,964
Cash and cash equivalents	(41,197)	(20,373)	(35,273)	(28,049)
Net financial indebtedness	480,972	525,781	507,658	523,915
Consolidated equity	175,734	151,359	136,069	130,388
Sources of financing	656,705	677,140	643,727	654,303

Cash Flow – 1H 2015

Thousands of €	1Q 2014	2Q 2014	1H 2014	3Q 2014	4Q 2014	12M 2014	1Q 2015	2Q 2015	1H 2015
Opening cash and cash equivalents	41,197	31,221	41,197	20,373	20,599	41,197	35,273	34,250	35,273
A) Cash flows generated by operating activities									
Profit (loss) before taxation	(2,521)	1,766	(755)	4,505	1,239	4,990	7,810	1,734	9,544
Amortization, depreciation and impairment	9,218	10,027	19,246	9,511	10,640	39,396	9,293	9,628	18,921
Net finance costs	10,757	10,182	20,939	9,176	15,941	46,056	7,089	13,270	20,359
Change in:									
Receivables, payables and inventory	(17,032)	(12,860)	(29,892)	(5,442)	25,789	(9,544)	(7,872)	(8,708)	(16,580)
Other	(1,234)	3,468	2,233	2,683	(5,085)	(169)	540	777	1,317
VAT and indirect tax assets/liabilities	(1,425)	1,145	(280)	(450)	2,347	1,616	(1,756)	259	(1,496)
Income taxes paid	(4,630)	(4,312)	(8,943)	(5,256)	(7,008)	(21,207)	(6,217)	(6,230)	(12,446)
TOTAL A)	(6,867)	9,416	2,549	14,726	43,863	61,138	8,887	10,732	19,619
B) Cash flows used in investing activities									
Acquisitions of property, plant and equipment and intangible assets	(11,837)	(8,807)	(20,645)	(8,477)	(4,726)	(33,848)	(8,128)	(5,075)	(13,204)
Proceeds from sale of property, plant and equipment and intangibles	189	(183)	6	120	223	350	6	23	28
Change in non-current assets classified as held for sale		8	8	-	-	8		-	
TOTAL B)	(11,648)	(8,982)	(20,630)	(8,357)	(4,503)	(33,490)	(8,123)	(5,053)	(13,175)
C) Cash flows generated by/used in financing activities									
Acquisition of non-controlling interest in Guala Closures China					(224)	(224)	-	-	-
Acquisition of non-controlling interest in Guala Closures Argentina		(81)	(81)	(341)	(609)	(1,030)	-	(319)	(319)
Financial income and expense	(5,916)	(14,301)	(20,218)	(6,259)	(14,595)	(41,072)	(5,893)	(14,018)	(19,911)
Other financial items	(384)	(351)	(735)	317	542	123	57	(189)	(132)
Dividends paid	(454)	(2,925)	(3,378)	(563)	(2,614)	(6,555)	(206)	(519)	(725)
Proceeds from new borrowings	16,242	7,845	24,087	2,156	9,078	35,320	5,889	4,781	10,670
Repayment of borrowings	(1,251)	(1,179)	(2,430)	(1,335)	(16,513)	(20,277)	(1,680)	(1,565)	(3,245)
Change in financial assets	(5)	(10)	(15)	42	36	63	44	(170)	(127)
TOTAL C)	8,232	(11,001)	(2,769)	(5,983)	(24,900)	(33,653)	(1,789)	(11,999)	(13,789)
D) Net cash flows for the period (A+B+C)	(10,283)	(10,567)	(20,850)	385	14,460	(6,005)	(1,025)	(6,320)	(7,345)
Effect of exchange rate fluctuation on cash held	307	(281)	26	(159)	214	81	2	119	121
Closing cash and cash equivalents	31,221	20,373	20,373	20,599	35,273	35,273	34,250	28,049	28,049