

# **GCL Holdings Group**

## **Company presentation 1Q 2017 results**

May 29, 2017

# Forward-looking Statements

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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.

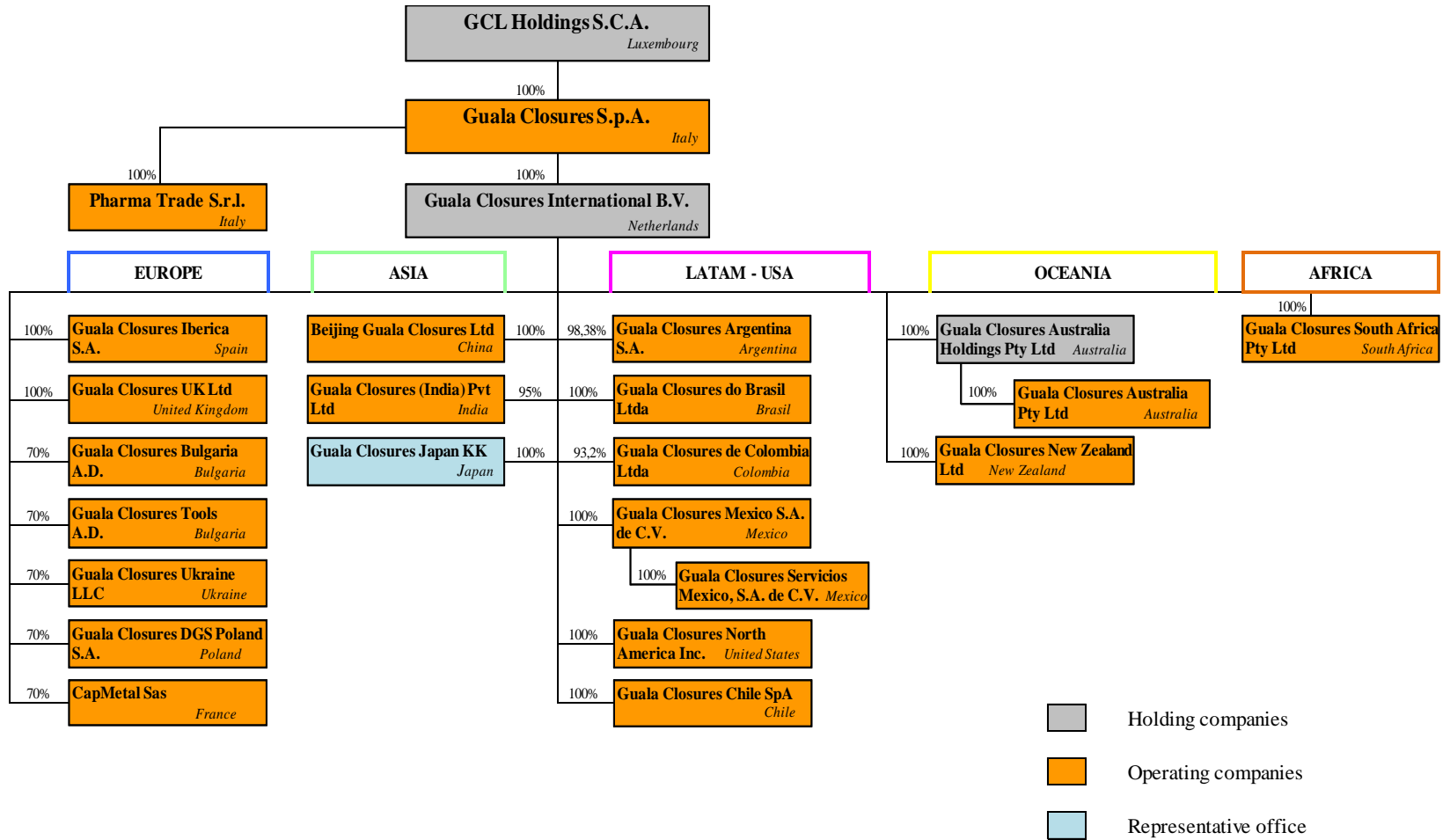
By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

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 March 31, 2017



# Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 1Q16	Average 1Q17	Var % vs 1Q16
US Dollar	1.1017	1.0647	(3.4%)
GB Pounds	0.7701	0.8598	11.6%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	28.3188	28.8346	1.8%
Poland Zloty	4.3659	4.3208	(1.0%)
China Renmimbi	7.2090	7.3341	1.7%
Indian Rupia	74.4075	71.2990	(4.2%)
Argentinian Peso	15.9135	16.6902	4.9%
Brazilian Real	4.3056	3.3455	(22.3%)
Colombian Peso	3590.19	3109.98	(13.4%)
Mexican Peso	19.8936	21.6312	8.7%
Australian Dollar	1.5296	1.4052	(8.1%)
New Zealand Dollar	1.6622	1.4970	(9.9%)
South Africa Rand	17.4600	14.0842	(19.3%)
Japan Yen	127.0183	120.9933	(4.7%)
Chilean Peso	773.3443	697.5890	(9.8%)

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



Devaluation of euro vs main group currencies compared to 1Q 2016 (except GBP, UAH, CNY, ARS and MXP)

# Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2016	Mar 31, 2017	Var % vs Dec 16
US Dollar	1.0541	1.0691	1.4%
GB Pounds	0.8562	0.8555	(0.1%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	28.7386	28.9209	0.6%
Poland Zloty	4.4103	4.2265	(4.2%)
China Renmimbi	7.3202	7.3642	0.6%
Indian Rupia	71.5935	69.3965	(3.1%)
Argentinian Peso	16.7488	16.4589	(1.7%)
Brazilian Real	3.4305	3.3800	(1.5%)
Colombian Peso	3169.49	3088.45	(2.6%)
Mexican Peso	21.7719	20.0175	(8.1%)
Australian Dollar	1.4596	1.3982	(4.2%)
New Zealand Dollar	1.5158	1.5309	1.0%
South Africa Rand	14.4570	14.2404	(1.5%)
Japan Yen	123.4000	119.5500	(3.1%)
Chilean Peso	704.9452	711.4796	0.9%

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

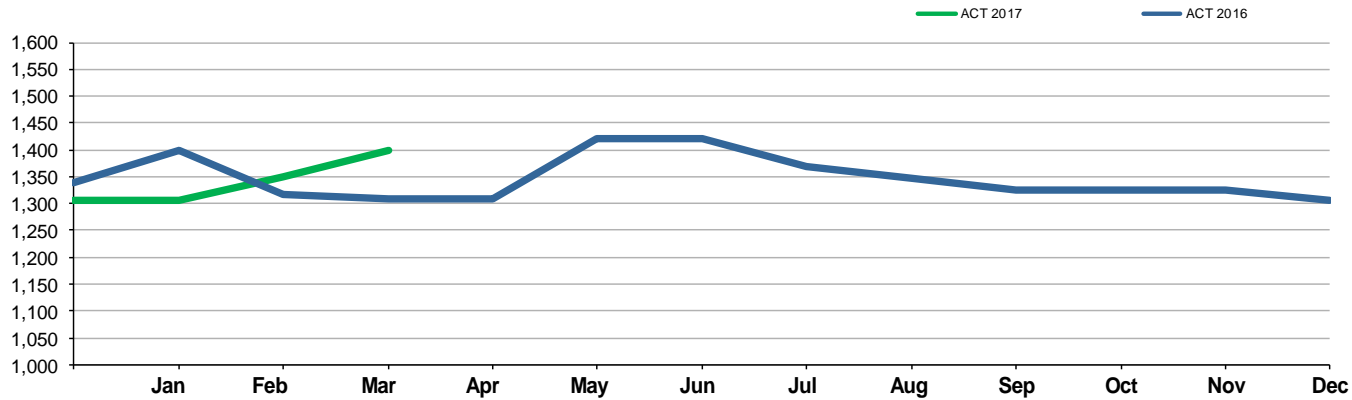


Devaluation of euro vs main group currencies compared to 2016 (except USD, UAH, CNY, NZD and CLP)

# Key trends: raw materials – plastics – Europe

## Plastic price trend - High density polyethylene

HDPE Var % vs 1Q 2016: 0.7%

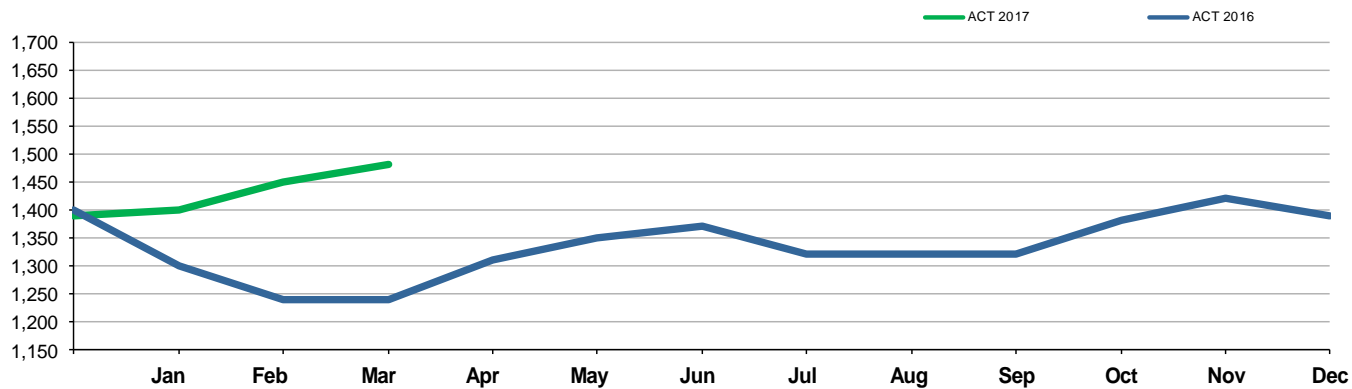


Average 1Q  
2017: 1,352€/t

Average 1Q  
2016: 1,342 €/t

## Plastic price trend – Polypropylene, homopolymer

PP Var % vs 1Q 2016: 14.6%



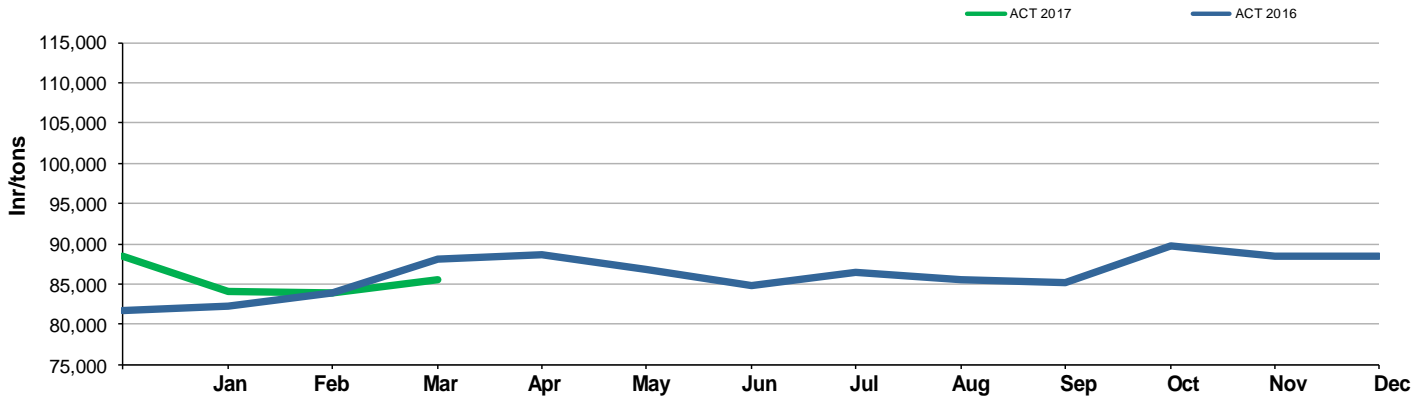
Average 1Q  
2017: 1,443 €/t

Average 1Q  
2016: 1,260 €/t

# Key trends: raw materials – plastics - India

## Plastic price trend - High density polyethylene

HDPE Var % vs 1Q 2016: (0.3%)

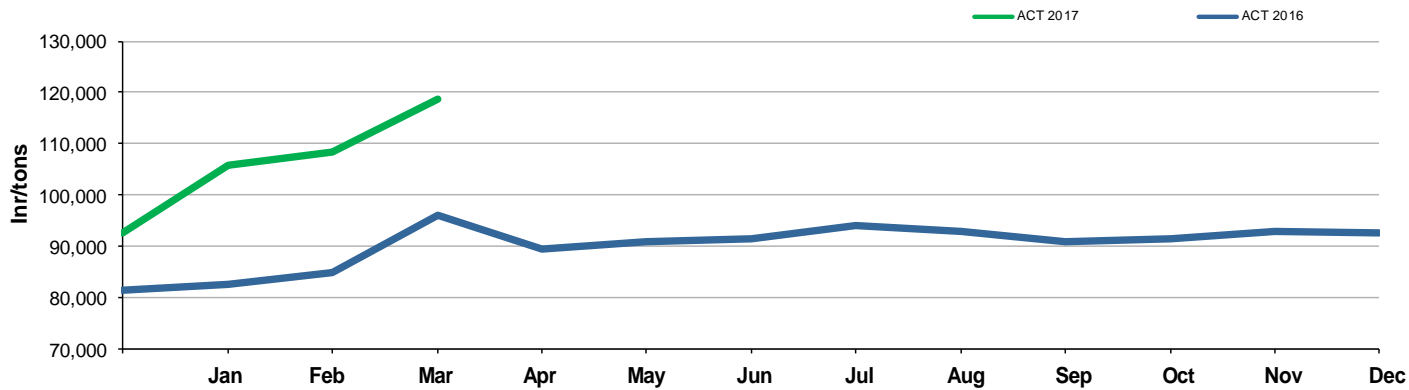


Average 1Q 2016:  
84,747 INR/t

Average 1Q 2017:  
84,509 INR/t

## Plastic price trend – Polystyrene

PS Var % vs 1Q 2016: 26.3%



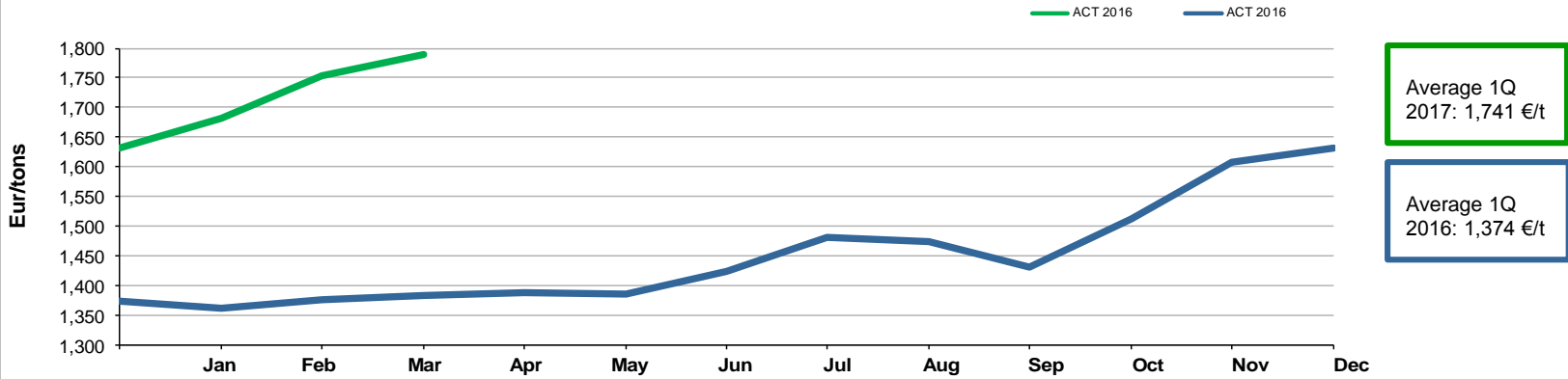
Average 1Q 2017:  
110,967 INR/t

Average 1Q 2016:  
87,860 INR/t

# Key trends: raw materials - aluminum

Aluminum price trend (LME €/tons)

LME Var % vs 1Q 2016: 26.7%





# 1Q 2017 – Financial snapshot

€ / ml	1Q 16	2Q 16	3Q 16	4Q 16	12M 16	1Q 17	Var % 1Q 17 vs 1Q 16
Revenues	112.7	122.7	133.4	131.5	500.3	122.2	8.4%
EBITDA	20.6	25.6	28.4	26.1	100.7	22.2	8.0%
<i>% margin</i>	18.2%	20.9%	21.3%	19.9%	20.1%	18.2%	
Adjusted EBITDA	20.7	25.7	29.0	27.1	102.5	22.6	9.1%
<i>% margin</i>	18.3%	21.0%	21.7%	20.6%	20.5%	18.5%	
EBIT	12.0	19.0	21.1	17.6	69.7	14.5	21.3%
<i>% margin</i>	10.6%	15.5%	15.8%	13.4%	13.9%	11.9%	
Net result	(2.7)	3.6	4.8	(9.4)	(3.7)	3.8	243.1%
<i>% margin</i>	(2.4%)	2.9%	3.6%	(7.1%)	(0.7%)	3.1%	

€ / ml	As at Dec 31, 2015	As at Mar 31, 2016	As at Jun 30, 2016	As at Sep 30, 2016	As at Dec 31, 2016	As at Mar 31, 2017
NWC	87.0	97.2	105.2	116.1	90.8	102.3
<i>NWC days</i>	59	78	77	78	62	75
Net debt	497.6	518.5	524.6	529.7	514.8	533.5

# 1Q 2017 – Operating and financial review

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## NET REVENUE

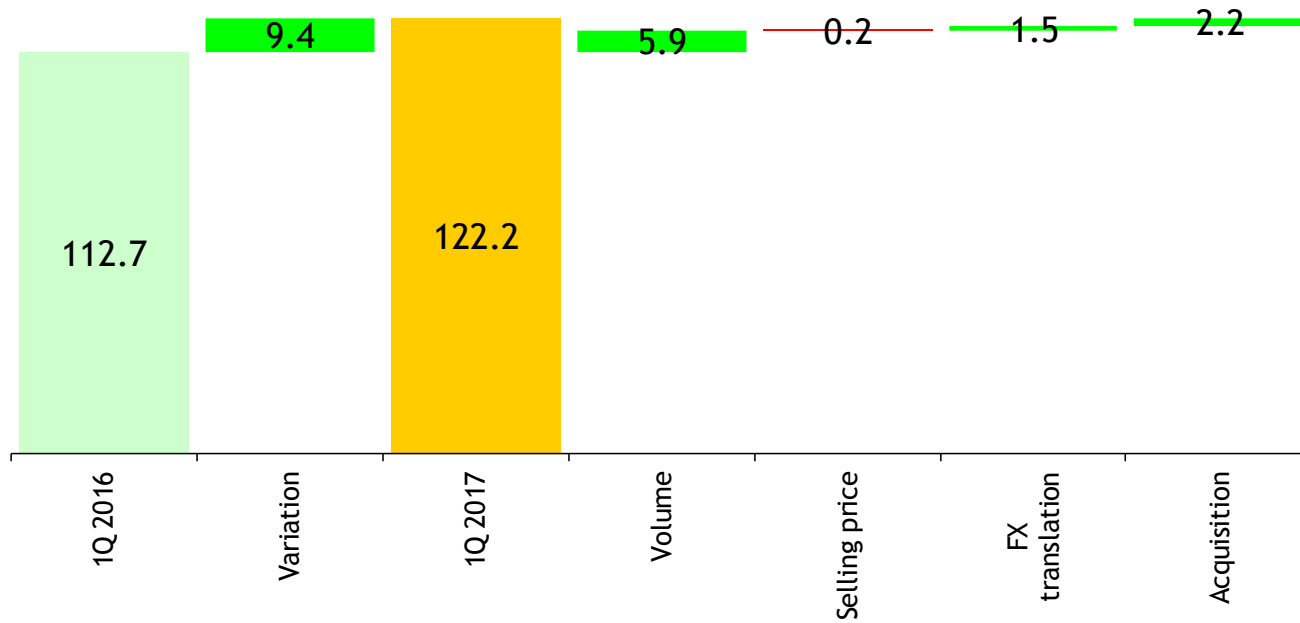
- 🌐 Net revenue up €9.4 million (+8.4%) vs 1Q 2016
- 🌐 At constant FX rates, net revenue up €7.9 million (+7.0%) vs 1Q 2016, of which:
  - +5.1% organic growth
  - +2% from the acquisition of Capmetal SAS
- 🌐 Increase in sales volumes mainly in Ukraine, Italy, North America

## ADJUSTED EBITDA

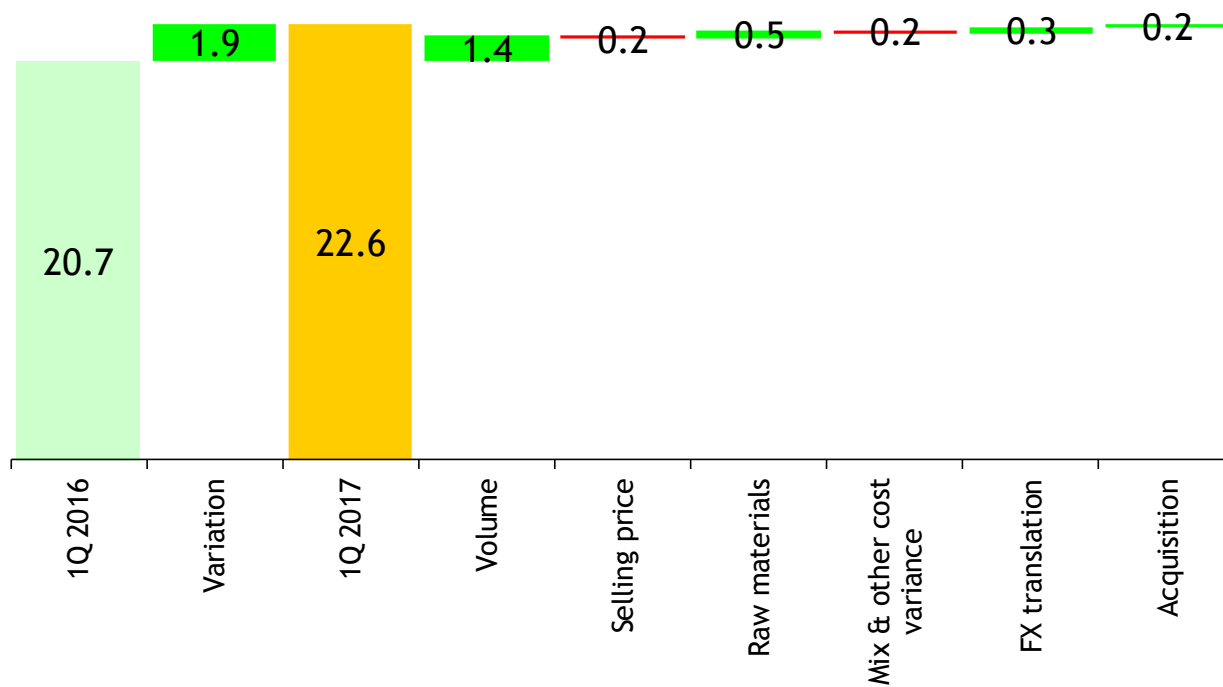
- 🌐 Adjusted EBITDA up €1.9 million (+9.1%) vs 1Q 2016
- 🌐 At constant FX rates, Adjusted EBITDA up €1.5 million (+7.4%) vs 1Q 2016, of which €0.2 million from change in perimeter
- 🌐 Adjusted EBITDA margin at 18.5% (18.3% in 1Q 2016)
- 🌐 1Q 2016: positive impact mainly from sales volume growth

# 1Q 2017 - Sales Bridges

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# 1Q 2017 – Adjusted EBITDA Bridge



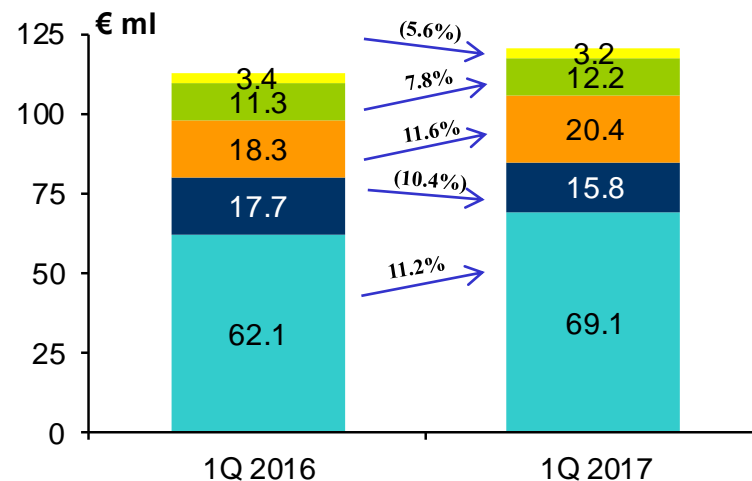
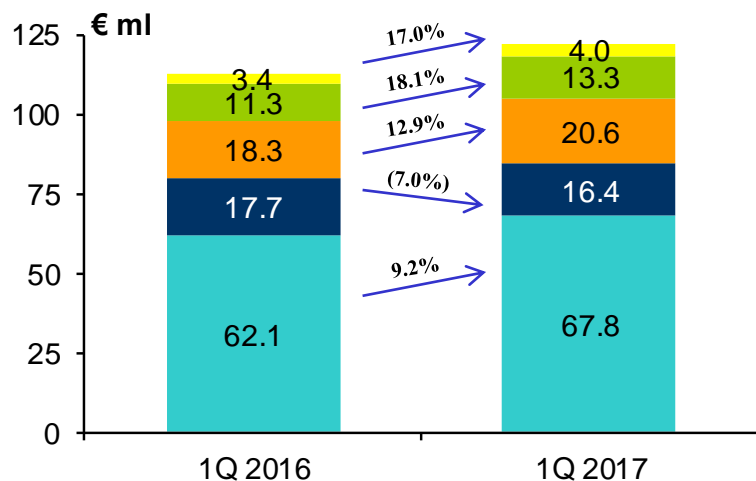
# Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2016

112.7 **+8.4%** 122.2




112.7 **+7.0%** 120.7



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

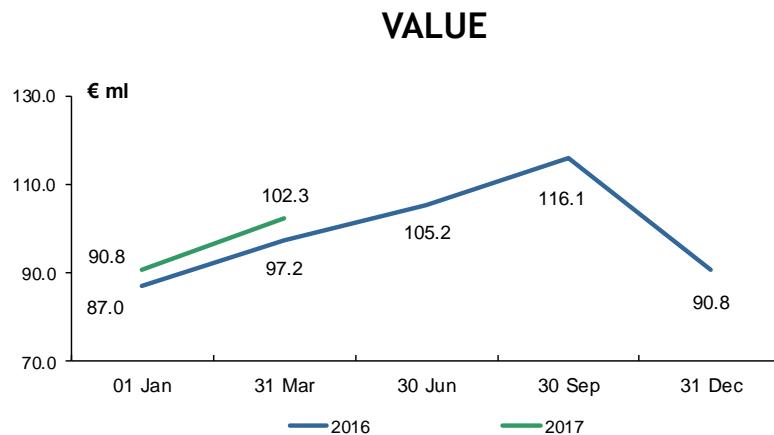
# Cash Flow – sources and uses of funds

€ / mln	1Q 2016	2Q 2016	3Q 2016	4Q 2016	12M 2016	1Q 2017
<b>Opening cash and cash equivalents</b>	<b>61.9</b>	<b>42.4</b>	<b>34.7</b>	<b>37.0</b>	<b>61.9</b>	<b>54.7</b>
Cash flows generated by/(used in) operating activities	(0.3)	12.7	12.7	46.2	71.4	2.6
Cash flows used in investing activities	(8.4)	(8.2)	(6.2)	(9.5)	(32.3)	(10.4)
Cash flows generated by/(used in) financing activities	(9.3)	(13.5)	(3.7)	(19.1)	(45.6)	(11.7)
<b>Net cash flows for the period</b>	<b>(17.9)</b>	<b>(9.0)</b>	<b>2.9</b>	<b>17.6</b>	<b>(6.4)</b>	<b>(19.5)</b>
Effect of exchange rate fluctuation on cash held	(1.6)	1.3	(0.7)	0.2	(0.8)	0.5
<b>Closing cash and cash equivalents</b>	<b>42.4</b>	<b>34.7</b>	<b>37.0</b>	<b>54.7</b>	<b>54.7</b>	<b>35.6</b>

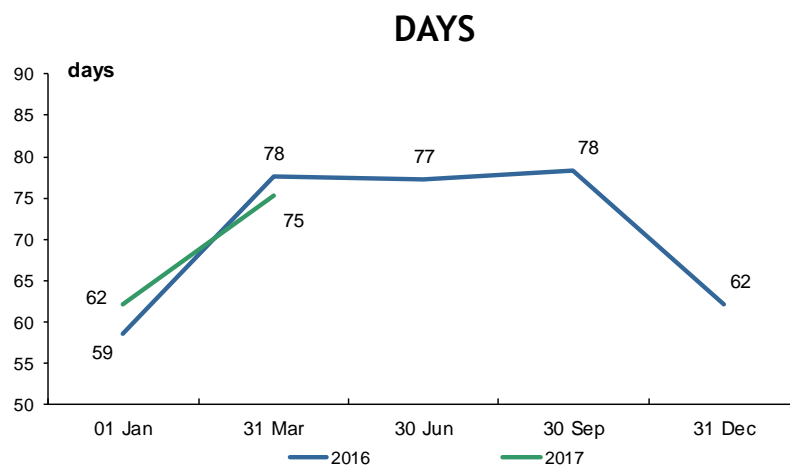
-  **CF operating:** +€2.8 million vs 1Q 2016 mainly due to higher EBITDA generated in 1Q 2017 (€1.6 million) and to lower absorption from the variation in net working capital (€3.2 million), partly compensated by higher cash out for taxes (€1.6 million).
-  **CF investing:** -€2.0 million due to higher investments compared to 1Q 2016.
-  **CF Financing:** -€2.5 million vs 1Q 2016 mainly due to higher cash out flows for interest (€2.9 million) due to different timing, to the payment of residual transaction costs on Refinancing occurred in November 2016 (€3.1 million) and to higher dividends paid to non-controlling interest (€ 0.4 million), partly compensated by lower repayment of borrowings (€3.0 million) and by a capital increase received from the minority shareholder of Capmetal SAS (€0.8 million).

# Net Working Capital

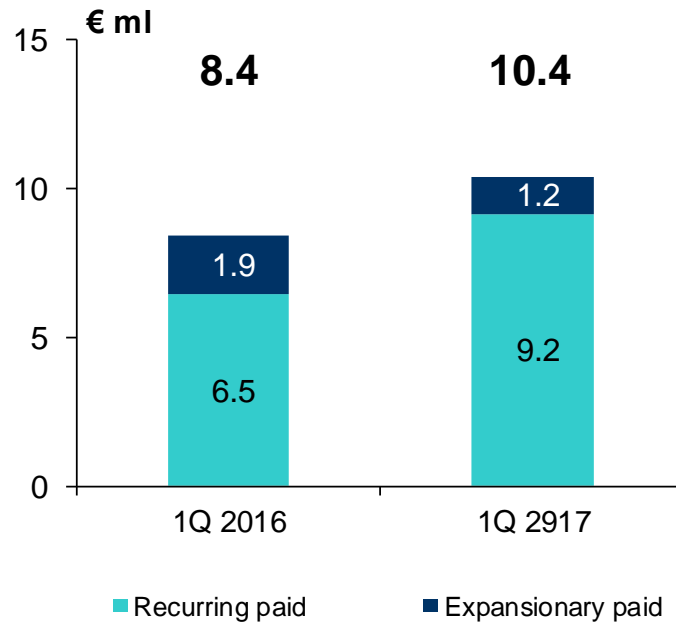
€ / ml	VALUE				
	As at 31/03/16	As at 30/06/16	As at 30/09/16	As at 31/12/16	As at 31/03/17
Trade receivables	85.5	93.2	102.3	89.1	92.5
Inventories	73.0	82.7	78.9	67.9	83.2
Trade payables	(61.3)	(70.7)	(65.1)	(66.2)	(73.3)
<b>NWC value</b>	<b>97.2</b>	<b>105.2</b>	<b>116.1</b>	<b>90.8</b>	<b>102.3</b>







	DAYS				
	As at 31/03/16	As at 30/06/16	As at 30/09/16	As at 31/12/16	As at 31/03/17
Trade receivables	68	68	69	61	68
Inventories	58	61	53	46	61
Trade payables	(49)	(52)	(44)	(45)	(54)
<b>NWC days</b>	<b>78</b>	<b>77</b>	<b>78</b>	<b>62</b>	<b>75</b>









# 1Q 2017 - Net Capex paid



## EXPANSIONARY CAPEX 2016:

-  New technology: Sputtering (Italy, Poland, UK) € 1.5 ml
-  New technology: Ukraine (Khortytza Project) € 0.2 ml
-  New product: Brasil (DeLuxe) € 0.1 ml
-  New building: Mexico € 0.1 ml

## EXPANSIONARY CAPEX 2017:

-  New technology: UK (Macallan) € 0.3 ml
-  New product: China (Emperador) € 0.3 ml
-  New product: Ukraine (Siena d.32) € 0.2 ml
-  New product: Spain (Sherry) € 0.2 ml
-  New technology: Luxembourg € 0.1 ml
-  New building: Mexico € 0.1 ml



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# Appendix

# P&L – 1Q 2017

Thousands of €	1Q 2016	2Q 2016	3Q 2016	4Q 2016	12M 2016	1Q 2017
<b>Net revenue</b>	112,734	122,651	133,415	131,468	500,268	122,172
Change in invent. of finish. and semi-fin. products	4,336	6,770	(4,876)	(4,951)	1,279	8,142
Other operating income	975	673	749	1,197	3,595	1,067
Work performed by the Group and capitalised	1,264	1,405	920	3,027	6,615	1,434
Costs for raw materials	(51,678)	(57,033)	(54,774)	(54,951)	(218,436)	(58,712)
Costs for services	(21,459)	(21,978)	(22,096)	(22,945)	(88,478)	(24,081)
Personnel expense	(23,397)	(24,091)	(22,792)	(23,526)	(93,806)	(25,480)
Other operating expense	(2,215)	(2,813)	(2,145)	(3,189)	(10,361)	(2,338)
<b>Gross operating profit (EBITDA)</b>	<b>20,561</b>	<b>25,584</b>	<b>28,402</b>	<b>26,130</b>	<b>100,676</b>	<b>22,203</b>
Amortization, depreciation and impairment losses	(8,594)	(6,553)	(7,306)	(8,511)	(30,964)	(7,689)
<b>Operating profit</b>	<b>11,967</b>	<b>19,030</b>	<b>21,096</b>	<b>17,619</b>	<b>69,713</b>	<b>14,514</b>
Exchange rate	(1,028)	(1,855)	(1,218)	1,640	(2,462)	1,187
Derivatives and other financial items	(280)	(82)	(33)	(1,993)	(2,389)	-
Net interest expenses	(9,566)	(9,575)	(9,527)	(20,286)	(48,954)	(7,430)
<b>Profit (loss) before taxation</b>	<b>1,094</b>	<b>7,517</b>	<b>10,318</b>	<b>(3,021)</b>	<b>15,908</b>	<b>8,271</b>
Income taxes	(3,752)	(3,909)	(5,550)	(6,352)	(19,563)	(4,466)
<b>Profit (loss) for the period</b>	<b>(2,658)</b>	<b>3,609</b>	<b>4,768</b>	<b>(9,373)</b>	<b>(3,654)</b>	<b>3,805</b>
<b>Gross operating profit (EBITDA) - ADJUSTED</b>	<b>20,677</b>	<b>25,729</b>	<b>28,974</b>	<b>27,104</b>	<b>102,484</b>	<b>22,554</b>
<i>EBITDA ADJUSTED % on Net revenue</i>	18.3%	21.0%	21.7%	20.6%	20.5%	18.5%

# Balance Sheet – as at March 31, 2017

Thousands of €	As at December 31, 2015	As at March 31, 2016	As at December 31, 2016	As at March 31, 2017
Intangible assets	376,656	374,348	373,990	374,526
Property, plant and equipment	186,144	182,429	189,932	195,880
Net working capital	87,042	97,229	90,768	102,306
Net financial derivative liabilities	(1,071)	(1,092)	100	348
Employee benefits	(5,745)	(5,768)	(6,246)	(6,356)
Other assets/liabilities	(30,381)	(23,151)	(30,242)	(22,602)
<b>Net invested capital</b>	<b>612,644</b>	<b>623,995</b>	<b>618,303</b>	<b>644,101</b>
<i>Financed by:</i>				
Net financial liabilities	559,546	560,917	569,502	569,088
Cash and cash equivalents	(61,944)	(42,436)	(54,703)	(35,625)
<b>Net financial indebtedness</b>	<b>497,601</b>	<b>518,481</b>	<b>514,799</b>	<b>533,463</b>
<b>Consolidated equity</b>	<b>115,043</b>	<b>105,515</b>	<b>103,504</b>	<b>110,638</b>
<b>Sources of financing</b>	<b>612,644</b>	<b>623,995</b>	<b>618,303</b>	<b>644,101</b>

# Cash Flow – 1Q 2017

Thousands of €	1Q 2016	2Q 2016	3Q 2016	4Q 2016	12M 2016	1Q 2017
<b>Opening cash and cash equivalents</b>	<b>61,944</b>	<b>42,436</b>	<b>34,744</b>	<b>36,966</b>	<b>61,944</b>	<b>54,703</b>
<b>A) Cash flows generated by operating activities</b>						
Profit before taxation	1,094	7,517	10,318	(3,021)	15,908	8,271
Amortization, depreciation and impairment	8,594	6,553	7,306	8,511	30,964	7,689
Net finance costs	10,873	11,513	10,778	20,640	53,804	6,243
Change in:						
Receivables, payables and inventory	(12,954)	(7,699)	(11,468)	24,350	(7,770)	(9,773)
Other	(621)	270	363	732	743	(975)
VAT and indirect tax assets/liabilities	(2,709)	79	638	1,569	(422)	(4,807)
Income taxes paid	(4,534)	(5,487)	(5,201)	(6,597)	(21,818)	(4,068)
<b>TOTAL A)</b>	<b>(257)</b>	<b>12,748</b>	<b>12,734</b>	<b>46,184</b>	<b>71,409</b>	<b>2,581</b>
<b>B) Cash flows used in investing activities</b>						
Acquisitions of property, plant and equipment and intangible assets	(8,400)	(8,194)	(6,224)	(8,460)	(31,277)	(10,441)
Proceeds from sale of property, plant and equipment and intangibles	6	0	44	30	80	39
Acquisition of Capmetal SAS	-	-	-	(1,057)	(1,057)	-
<b>TOTAL B)</b>	<b>(8,394)</b>	<b>(8,194)</b>	<b>(6,180)</b>	<b>(9,486)</b>	<b>(32,253)</b>	<b>(10,403)</b>
<b>C) Cash flows generated by/used in financing activities</b>						
Financial income and expense	(4,224)	(13,661)	(4,168)	(16,538)	(38,591)	(7,149)
Payment of Redemption premium on Senior Notes due 2018	-	-	-	(4,688)	(4,688)	-
Payment of transaction cost on Bond and RCF	-	-	-	(8,332)	(8,332)	(3,056)
Other financial items	(376)	(32)	48	(820)	(1,180)	(243)
Dividends paid	(799)	(1,293)	(1,937)	(2,273)	(6,302)	(1,185)
Proceeds from minority for Capmetal SAS capital increase	-	-	-	-	-	824
Proceeds from new borrowings	8,081	3,273	2,494	549,163	563,010	1,941
Repayment of borrowings and finance leases	(11,967)	(1,809)	(111)	(535,556)	(549,443)	(2,844)
Change in financial assets	16	(19)	16	(83)	(70)	(11)
<b>TOTAL C)</b>	<b>(9,270)</b>	<b>(13,542)</b>	<b>(3,657)</b>	<b>(19,127)</b>	<b>(45,596)</b>	<b>(11,721)</b>
<b>D) Net cash flows for the period (A+B+C)</b>	<b>(17,921)</b>	<b>(8,988)</b>	<b>2,897</b>	<b>17,571</b>	<b>(6,441)</b>	<b>(19,543)</b>
Effect of exchange rate fluctuation on cash held	(1,588)	1,296	(675)	166	(801)	466
<b>Closing cash and cash equivalents</b>	<b>42,436</b>	<b>34,744</b>	<b>36,966</b>	<b>54,703</b>	<b>54,703</b>	<b>35,625</b>