



PRESS RELEASE

1Q 2019 RESULTS

+17.5% NET REVENUE AT CONSTANT EXCHANGE RATE, CASH FLOWS AND NET RESULT IMPROVEMENT OF EURO 14 MILLION AND EURO 3.5 MILLION RESPECTIVELY

- Group net revenue totalled about Euro 144 million at constant exchange rates (+17.5%), +7.1% organic growth¹ and about Euro 142 million at current exchange rates (+15.7%);
- Adjusted EBITDA² totalled about Euro 23 million both at constant exchange rates (+12.2%) and at current exchange rates (+11.8%); Adjusted EBITDA margin in 1Q 2019 at constant exchange rates and at constant perimeter improved by 50 basis points compared to 1Q 2018;
- Group Net result equal to a profit of Euro 1.9 million in 1Q 2019, compared to a loss of Euro 1.6 million in 1Q 2018;
- Lower cash absorption, despite the typical seasonality of the period, with an improvement in cash flows of about Euro 14 million;
- Net financial indebtedness as of March 31, 2019 totalled about Euro 477 million, compared to about Euro 453 million as of December 31, 2018, mainly due to the non-cash impact of IFRS 16 adoption (Euro 17 million).

Alessandria, May 15, 2019. The Board of Directors of Guala Closures S.p.A., the global leader in the production and sale of plastic and aluminium closures for the beverage industry, approved the 2019 first quarter report as at March 31, 2019³.

COMMENT OF THE GROUP CHAIRMAN AND CEO

"In the first quarter" - underlines Marco Giovannini, Chairman and CEO of Guala Closures - "the Group has recorded solid results in terms of growth, profitability and cash generation dynamics

¹ Please refer to the final section of this document for the definitions of growth at "constant exchange rates" and "organic growth"

² Please refer to the final section of this document for the definitions of "adjusted"

³ The proforma data included in this press release are the consolidated data of the Guala Closures Group following the Business Combination between Space4 S.p.A. and the previous "Guala Closures S.p.A."

due to an effective innovation strategy, product diversification, geographical penetration and careful monitoring of industrial costs components and good growth trend of our end customers.

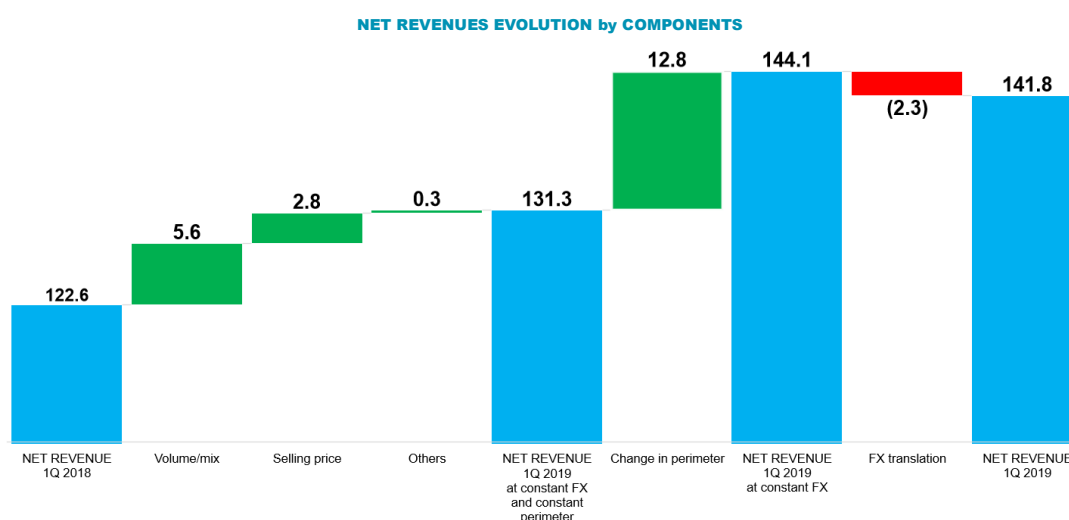
The results of the first quarter of 2019 allow us to look at the current year with optimism, despite the commercial tensions between the main world economies and the effects of the variable climatic conditions that are affecting the southern hemisphere.

Thanks to our technological leadership and to 3 years of development, we are the only ones in the world able to design and produce an intelligent closure equipped with a microchip, the e-Wak[®]. The protected digitalization of packaging has become reality and will be used by important wine and spirits brands with multiple application possibilities starting from June”.

ANALYSIS OF 1Q 2019 RESULTS

Economic consolidated results

The consolidated **net revenues** in 1Q 2019 was equal to Euro 141.8 million, showing a growth at constant exchange rates of 17.5% (+15.7% at current exchange rates) compared to Euro 122.6 million in 1Q 2018. The organic growth of 7.1% was reinforced by the contribution (+10.4%) of the acquisition of UCP made at the end of 2018.



In relation to the various growth components, we highlight the excellent performance of the American and European areas in geographical terms and of the specialty closures (Safety and Luxury segments) in terms of product segment. The following tables show the relative details.

Breakdown of the evolution of net revenues by geographical areas:

NET REVENUES BY GEOGRAPHICAL SEGMENT				
	1Q 2018	1Q 2019	Variation %	
			Current FX rates	Constant FX rates
Europe	67.4	85.2	26.4%	25.6%
<i>% of Group Net Revenues</i>	<i>55.0%</i>	<i>60.1%</i>		
Latin and North America	20.4	24.1	18.2%	29.4%
<i>% of Group Net Revenues</i>	<i>16.7%</i>	<i>17.0%</i>		
Asia	19.8	18.5	(6.6%)	(5.7%)
<i>% of Group Net Revenues</i>	<i>16.1%</i>	<i>13.0%</i>		
Oceania	10.5	10.1	(4.0%)	(3.0%)
<i>% of Group Net Revenues</i>	<i>8.6%</i>	<i>7.1%</i>		
Africa	4.5	3.9	(13.3%)	(6.3%)
<i>% of Group Net Revenues</i>	<i>3.6%</i>	<i>2.7%</i>		
Total Group Net revenues	122.6	141.8	15.7%	17.5%

In **Europe**, the main geographical area in which the Group operates, particularly positive results were registered in the United Kingdom and in Spain. In the UK, in addition to the impact of the acquisition, the Group increased sales thanks to the organic growth of safety and luxury closures through the consolidation of the new closure launched in 2018 which allowed the Group to enter the Single Malt Whiskey market and benefitted from the growth of the wine market.

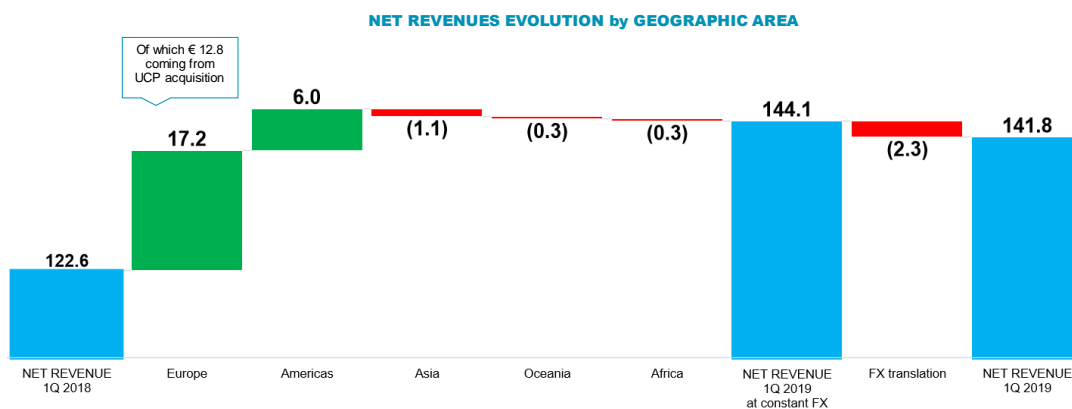
Spain benefitted from an increase of sales in spirits and mineral water segments.

The impact of UCP acquisition contributed on net revenues of the Group for a total amount of Euro 12.8 million in the 1Q 2019.

In the **Americas** the excellent growth trend recorded in the last quarter of the previous year continued also in the first part of 2019. Mexico is the most important driver of this result, thanks to the significant increase recorded in the market of safety closure for tequila.

In **Asia** the negative evolution of turnover is attributable to the weakness of the results in China and the Indian subsidiary Axiom, due to a process of destocking in progress and to a downturn in the market in northern India.

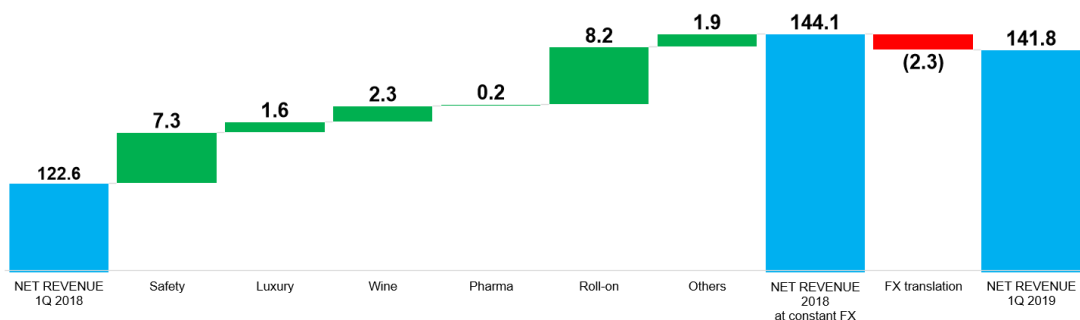
In **Oceania** the weakness of the market remains, in which grape harvests affected by unfavourable weather conditions accentuate the trend of bulk wine sales to Europe. The global presence of the Group, and in particular its strength in Europe, make it possible to mitigate the impact of this local trend at a consolidated level.



Breakdown of the evolution of net revenues by product segments:

NET REVENUES BY PRODUCT						
		1Q 2018	1Q 2019	Variation %		
				Current FX rates	Constant FX rates	
Specialty Closures	↗	Safety	49.9	56.5	13.2%	14.6%
		<i>% of Group Net Revenues</i>	40.7%	39.8%		
	↘	Luxury	4.4	6.1	40.1%	35.7%
		<i>% of Group Net Revenues</i>	3.6%	4.3%		
		Roll on	35.6	43.1	21.2%	23.1%
		<i>% of Group Net Revenues</i>	29.0%	30.4%		
		Wine	26.8	28.0	4.5%	8.5%
		<i>% of Group Net Revenues</i>	21.9%	19.8%		
		Pharma	2.0	2.2	9.5%	10.1%
		<i>% of Group Net Revenues</i>	1.6%	1.5%		
		PET	0.6	1.8	189.7%	189.7%
		<i>% of Group Net Revenues</i>	0.5%	1.3%		
	Other revenues	3.4	4.1	21.0%	22.7%	
	<i>% of Group Net Revenues</i>	2.8%	2.9%			
	Total Group Net revenues	122.6	141.8	15.7%	17.5%	

NET REVENUES EVOLUTION by PRODUCTS



Net revenues related to **Safety** closures, the main segment of the Group, grew by 14.6% at constant exchange rates compared to 1Q 2018, mainly thanks to the growth recorded in Mexico in the tequila market and to the growth in the UK, also due to the contribution of the new consolidated company UCP.

Revenues from sale in the **Luxury** segment recorded an increase of 35.7% at constant exchange rates compared to 1Q 2018. This increase is mainly due to recent investments made in UK and in Mexico to support the sector.

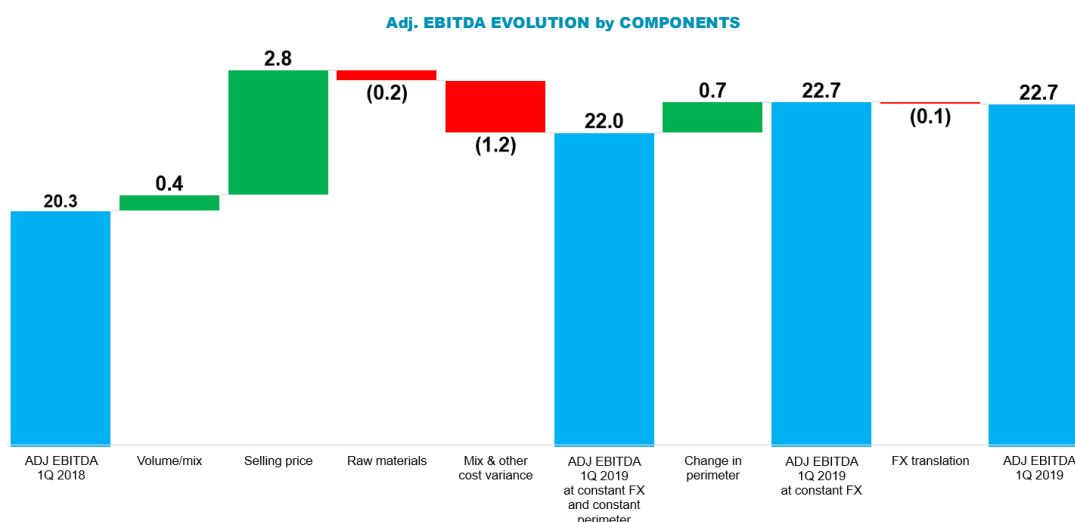
Revenues from sale of **Roll-on** closures recorded an increase of 23.1% at constant exchange rates compared to 1Q 2018, mainly thanks to Italy, following the investments made in the mineral water segment, and to Mexico in the tequila segment.

Revenues related to **Wine** closures recorded an increase of 8.5% at constant exchange rates, compared to 1Q 2018.

Revenues from sale of **Pharma** closures recorded an increase of 10.1% at constant exchange rates compared to 1Q 2018.

Other revenues, which include PET and non-core sales not included in the previous categories, recorded an increase of 48.2% at constant exchange rates compared to 1Q 2018, mainly thanks to the increase of sales in PET segment, caused by the consolidation of UCP.

Breakdown of the evolution of Adjusted EBITDA:



In 1Q 2019 consolidated **Adjusted EBITDA** was equal to Euro 22.7 million, up 12.2% at constant exchange rates (+11.8% at current exchange rates) compared to Euro 20.3 million of the 1Q 2018. The increase in selling price had more than offset the increase in raw material prices and the negative effects in mix and other costs variance.

The other changes include a positive effect due to the application of IFRS 16 (Euro 1.3 million), partially offset by the accrual of Euro 0.6 million relating to the Long-term incentive plan.

The result for the period was also positively impacted by the effect deriving from the consolidation of UCP (Euro 0.7 million).

The EBITDA adjustments relate to non-recurring charges of about Euro 2.3 million, which mainly refer for approximately Euro 1.2 million to restructuring costs accrued in 1Q 2019, and for Euro 1.0 million to the relevant impairment of property, plant and equipment.

Consolidated **EBITDA** was equal to Euro 20.4 million, increasing by 9.6% at constant exchange rates (+9.2% at current exchange rates), compared to Euro 18.7 million in the 1Q 2018.

Amortization and depreciation were equal to Euro 10.0 million compared to Euro 7.7 million in 1Q 2018: the increase is mainly due to the impact of IFRS 16 (Euro 1.4 million) and to the change in perimeter following UCP acquisition (Euro 0.7 million).

The consolidated adjusted **EBIT** for 1Q 2019 was equal to Euro 12.7 million (+1.7% at constant exchange rates and +1.1% at current exchange rates), compared to Euro 12.5 million in 1Q 2018.

The consolidated **EBIT** for 1Q 2019 was equal to Euro 10.4 million, decreasing by 4.2% at constant exchange rates (and by 4.9% at current exchange rates), compared to Euro 10.9 million in 1Q 2018.



Net **financial expense** decreased significantly, from Euro 9.1 million in 1Q 2018 to Euro 4.4 million in 1Q 2019: this decrease reflects the benefit deriving from the activities occurred in the previous year - the capital increase following the Business Combination and the refinancing - which allowed both a debt reduction and an improvement of its conditions. Consequently, net interest expense decreased to Euro 5.5 million from Euro 7.3 million in the 1Q 2018.

In 1Q 2019, there was also a positive effect (Euro 2.6 million) deriving from net exchange rate gains which more than offset the lower income (Euro 0.9 million) deriving from the change in the fair value of the Market Warrants compared to what was recorded in the first quarter of 2018.

It should be noted that the income related to positive change in fair value of the market warrants did not generate any monetary impact.

Income taxes recorded in the profit or loss statement went from Euro 3.5 million in 1Q 2018 to Euro 4.1 million in 1Q 2019: the increase of Euro 0.6 million is mainly due to the increase in the profit before taxation.

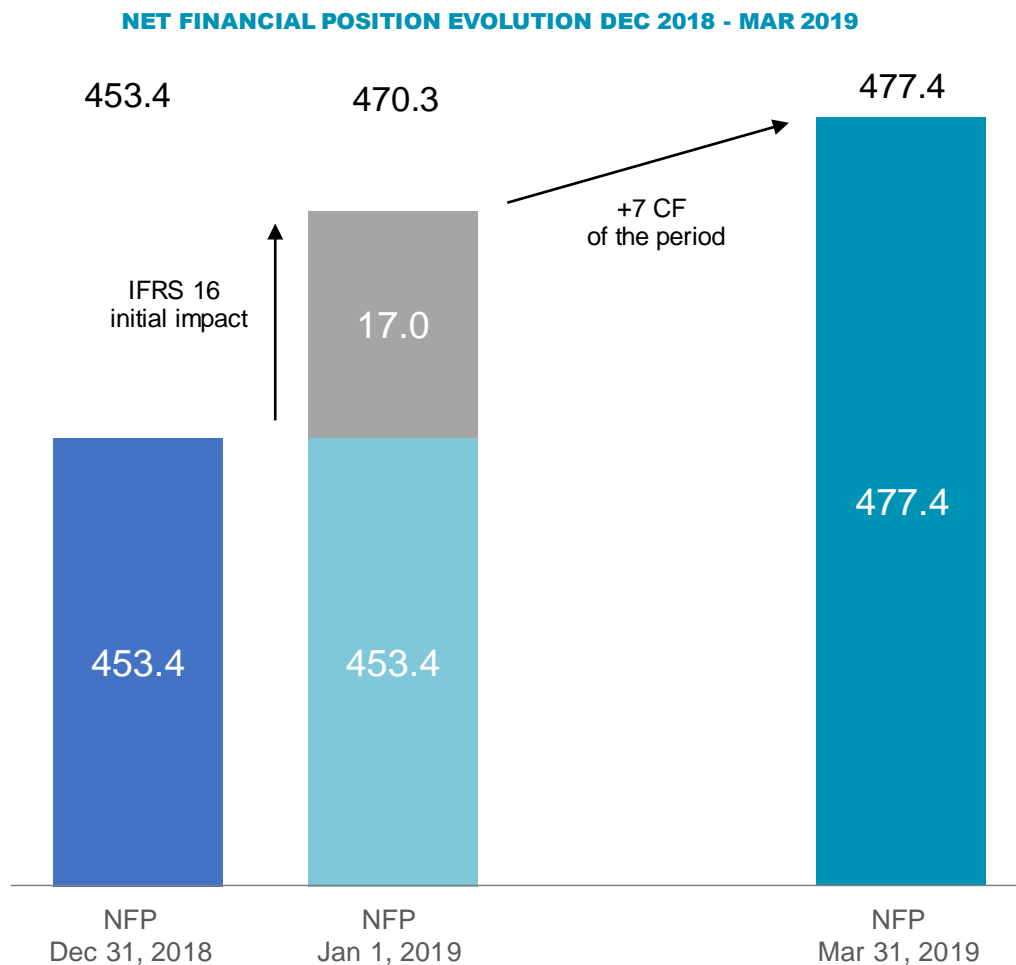
The **net result** increased by Euro 3.5 million, going from a loss of Euro 1.6 million in 1Q 2018 to a profit of Euro 1.9 million in 1Q 2019: the increase of adjusted EBITDA and the lower net financial expense had more than offset the increase of amortization and depreciation and of income taxes.

Consolidated statement of financial position

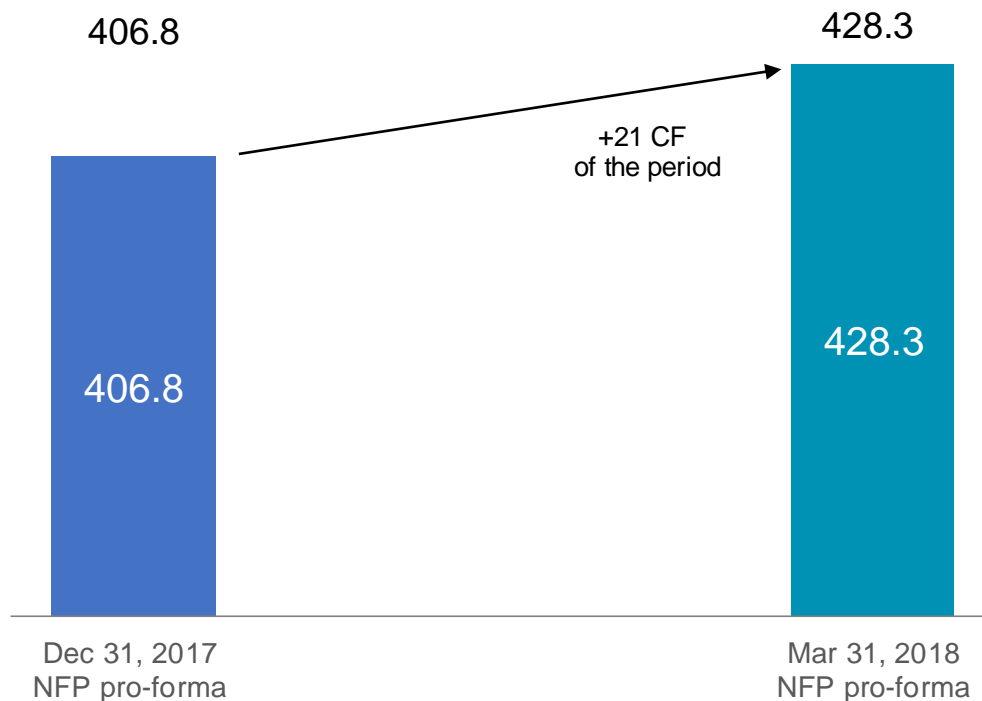
Net financial indebtedness as of March 31, 2019 was equal to Euro 477.4 million compared to Euro 453.4 million as of December 31, 2018. The increase of Euro 24.0 million is due for Euro 17 million to the non-cash impact coming from the application of the new accounting standard IFRS 16 and for Euro 7 million to the cash flows of the period.

This cash flows improved by Euro 14 million compared to the cash flows in 1Q 2018, mainly due to: a higher consolidated EBITDA (Euro 1.7 million), a contribution from a higher net working capital (Euro 5.3 million), a lower cash absorption due to financial and tax charges (respectively Euro 2.0 and Euro 1.9 million) and lower investments (Euro 2.2 million).

The following charts show the determinants of the change in net financial indebtedness in the 1Q 2019 and in the 1Q 2018:



NET FINANCIAL POSITION EVOLUTION DEC 2017 - MAR 2018



The "IFRS 16 initial impact" represents the initial impact on the net financial debt of the financial liabilities related to the introduction, starting from January 1, 2019, of the new accounting standard IFRS 16. In particular, this accounting standard states that a financial liability equal to the discounted cash flows of operating leases and rentals should be recorded against an asset for right of use.

* * *

The additional financial information for the period ended March 31, 2019, together with the presentation slides, are available to the public at the company's registered office and on the website www.gualaclosures.com, section "Investor Relations – Documents – Financial Statements" and on the authorized storage mechanism eMarket STORAGE at www.emarketstorage.com.

A conference call will be held today at 6:15 p.m. CEST. The details to follow the conference call are available on website www.gualaclosures.com, section "Investor Relations".

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Statement of the Manager in charge of financial reporting pursuant to art. 154-bis comma 2 of Legislative decree no. 58 of 24 February 1998 (“Testo Unico della Finanza”)

The Manager in charge of financial reporting of Guala Closures S.p.A., Anibal Diaz Diaz, state that pursuant to art. 154-bis 2 of Legislative decree no. 58 of 24 February 1998 (“Testo Unico della Finanza”) the accounting information included in the current press release is consistent with the accounting records and entries.

* * *

Attached below some detailed tables, such as pro-forma consolidated statement of profit and loss and the pro-forma consolidated statement of cash flows, in addition to the consolidated statement of profit and loss and of financial position and the consolidated statement of cash flows

Marco Giovannini
Group Chairman

A handwritten signature in blue ink, appearing to read "M. Giovannini", with a long horizontal stroke extending to the right.

Anibal Diaz
Group CFO

A handwritten signature in black ink, appearing to read "Anibal Diaz", with a long horizontal stroke extending to the right.

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May 15, 2019



DEFINITIONS

Growth at constant exchange rates

The growth at constant exchange rates is calculated by applying the exchange rates of the previous year to the same items of the same period of the current year and making the comparison.

Organic growth in revenues

The organic growth in revenues is calculated adjusting the revenues of the two considered periods by acquisitions, by sales and by exchange rate effects (converting the revenues of the same period of the current year to the exchange rates of the previous year) and making the comparison

EBITDA

Result before interests, taxes, depreciation and amortization.

EBIT

Result before interests and taxes.

ADJUSTED EBITDA – ADJUSTED EBIT

“Adjusted”: alternative performance measure determined excluding certain revenue or cost items in order to improve the interpretation of the Group's normalized profitability of the year.

ESMA net financial indebtedness

The net financial indebtedness determined excluding the impact of the market warrants and of the non-current financial assets in accordance with the provisions of the CONSOB communication No. DEM / 6064293 of July 28, 2006 and in compliance with the ESMA / 2013/319 Recommendations



Guala Closures S.p.A. – condensed consolidated statement of profit or loss for the three months ended March 31, 2019 (compared to proforma for the three months ended March 31, 2018)

<i>(Thousands of Euros)</i>	For the three months ended March 31,	
	2018 Pro Forma	2019
Net revenue	122,618	141,817
Change in inventories of finished goods and semi-finished products	6,965	7,132
Other operating income	747	1,354
Work performed by the Group and capitalised	995	994
Costs for raw materials	(59,103)	(69,037)
Costs for services	(24,871)	(27,656)
Personnel expense	(25,350)	(30,660)
Other operating expense	(3,206)	(2,544)
Impairment	(139)	(1,018)
Gross operating profit (EBITDA)	18,656	20,381
Amortization	(7,724)	(9,980)
Operating profit	10,933	10,401
Financial income	1,946	5,097
Financial expense	(11,024)	(9,538)
Net financial expense	(9,078)	(4,441)
Profit before taxation	1,855	5,959
Income taxes	(3,477)	(4,057)
Profit (loss) for the period	(1,622)	1,902
Gross operating profit adjusted (Adjusted EBITDA)	20,260	22,652
<i>% on net revenue</i>	<i>16.5%</i>	<i>16.0%</i>



Guala Closures S.p.A. - condensed consolidated statement of financial position as at March 31, 2019

	December 31, 2018	March 31, 2019
Thousands of Euros		
Intangible assets	806,104	806,197
Property, plant and equipment	205,984	193,322
Right-of-use assets	-	27,933
Contract costs	29	24
Net working capital	124,732	132,125
Contract assets	25	25
Net financial derivative assets/(liabilities)	88	(297)
Employee benefits	(6,461)	(6,672)
Other net liabilities	(34,131)	(30,526)
Net invested capital	1,096,370	1,122,132
<i>Financed by:</i>		
Net financial liabilities	478,319	496,390
Financial liabilities - non-controlling investors	18,500	17,452
Market Warrants	4,338	4,261
Cash and cash equivalents	(47,795)	(40,739)
Net financial indebtedness	453,362	477,364
Consolidated equity	643,008	644,768
Sources of financing	1,096,370	1,122,132

Guala Closures S.p.A. – condensed consolidated statement of cash flows for the three months ended March 31, 2019 (compared to proforma for the three months ended March 31, 2018)

<i>(Thousands of Euros)</i>	For the three months ended March 31,	
	2018 Pro Forma	2019
Opening net financial indebtedness	(552,513)	(453,362)
Opening net cash from Space4 (net of the acquisition)	145,666	-
Initial impact of IFRS 16 accounting	-	(16,962)
A) Opening net financial indebtedness Pro Forma	(406,848)	(470,324)
B) Cash flows from operating activities		
Profit before taxation	1,855	5,959
Amortization and depreciation	7,724	9,980
Net finance costs	9,078	4,441
Change in:		
Receivables, payables and inventory	(9,954)	(4,654)
Other	(4,343)	(166)
VAT and indirect tax assets/liabilities	(2,493)	(1,064)
Income taxes paid	(5,198)	(4,685)
Total B) Net cash from operating activities	(3,332)	9,812
C) Cash flows used in investing activities		
Acquisitions of property, plant and equipment and intangibles	(10,058)	(7,932)
Proceeds from sale of property, plant and equipment and intangibles	10	57
Deferred payment on acquisition of Axiom Propack Pvt Ltd (India)	-	(554)
Total C) Net cash used in investing activities	(10,048)	(8,429)
D) Cash flows used in financing activities		
Financial income and expense	(7,583)	(5,618)
Change in fair value of Market Warrants	1,000	77
Other financial items	(341)	586
Dividends paid	(1,181)	(3,137)
Effect of exchange rate fluctuation	79	(331)
Total D) Net cash used in financing activities	(8,026)	(8,423)
E) Net cash flows used in the period (B+C+D)	(21,405)	(7,040)
F) Closing net financial indebtedness (A+E)	(428,253)	(477,364)



Guala Closures S.p.A. – condensed consolidated statement of profit or loss for the three months ended March 31, 2019

<i>(Thousands of Euros)</i>	For the three months ended March 31	
	2018	2019
<i>Net revenue</i>	-	141,817
Change in inventories of finished goods and semi-finished products	-	7,132
Other operating income	-	1,354
Work performed by the Group and capitalised	-	994
Costs for raw materials	-	(69,037)
Costs for services	(2,247)	(27,656)
Personnel expense	(16)	(30,660)
Other operating expense	-	(2,544)
Impairment	-	(1,018)
Gross operating profit (EBITDA)	(2,264)	20,381
Amortization	-	(9,980)
Operating profit	(2,264)	10,401
Financial income	1,195	5,097
Financial expense	-	(9,538)
Net financial expense	1,195	(4,441)
Profit before taxation	(1,069)	5,959
Income taxes	-	(4,057)
Profit (loss) for the period	(1,069)	1,902
Gross operating profit adjusted (Adjusted EBITDA)	(1,069)	22,652
<i>% on net revenue</i>	<i>n.a.</i>	<i>16.0%</i>



Guala Closures S.p.A. – condensed consolidated statement of cash flows for the three months ended March 31, 2019

<i>(Thousands of Euros)</i>	For the three months ended March 31,	
	2018	2019
A) Opening Cash and cash equivalent	512,206	47,795
B) Cash flows from operating activities		
Profit before taxation	(1,069)	5,959
Amortization and depreciation	-	9,980
Net finance costs	(1,095)	4,441
Change in:		
Receivables, payables and inventory	(683)	(5,062)
Other	(127)	725
VAT and indirect tax assets/liabilities	-	(1,064)
Income taxes paid	-	(4,685)
Total B) Net cash from operating activities	(3,073)	10,295
C) Cash flows used in investing activities		
Acquisitions of property, plant and equipment and intangibles	-	(7,932)
Proceeds from sale of property, plant and equipment and intangibles	-	57
Deferred payment on acquisition of Axiom Propack Ltd (India)	-	(554)
Total C) Net cash used in investing activities	-	(8,429)
D) Cash flows used in financing activities		
Interests received	195	1,610
Interests paid	-	(7,154)
Payment of transaction cost on Bonds issued in 2018	-	(483)
Other financial items	-	(462)
Dividends paid	-	(3,137)
Proceeds from new borrowings and bonds	-	2,390
Repayment of borrowings and bonds	-	(1,146)
Repayment of finance leases	-	(1,406)
Change in financial assets	-	367
Total D) Net cash used in financing activities	195	(9,421)
E) Net cash flows used in the period (B+C+D)	(2,879)	(7,555)
F) Effect of exchange rate fluctuations on cash held	-	(500)
G) Closing Cash and cash equivalent (A+E+F)	509,327	40,739