



PRESS RELEASE

GUALA CLOSURES GAINS GROUND IN THE SPIRITS SECTOR FOLLOWING THE ACQUISITION OF UNITED CLOSURES AND PLASTICS (UCP), HISTORIC MANUFACTURER OF CLOSURES FOR WHISKY

- **UCP, with revenues of around GBP 44 million, will enable the Group to expand trade relations with prestigious Scottish brands, particularly with Johnnie Walker**
- **UCP's non-audited EBITDA LTM at 31 October 2018 is GBP 2.9 million. The integration of UCP will lead to cost synergies in excess of GBP 700 K per year.**
- **The inclusion of UCP's products in Guala Closures commercial offer will also extend the Group's offer portfolio**
- **The transaction is worth GBP 19.1 million, the equivalent of around Euro 21.1 million¹ (enterprise value)**
- **Guala Closures financial commitment, equal to GBP 17.8 million, was financed by the use of the Group's multicurrency RCF and available funds**
- **The transaction confirms the effectiveness of Guala Closures strategy to grow through a mix of organic and selective external growth, preserving a sound financial position**

Alessandria, 13 December 2018 – Guala Closures S.p.A., the world leader in the production and sale of plastic and aluminium closures for the beverages industry, has acquired from the British group RPC the entire share capital of United Closures and Plastics ("UCP"), a Scottish closure manufacturer specialized in the spirits sector.

Rational of the transaction

This transaction allows the Guala Closures Group to expand its footprint in the Scottish market, extending trade opportunities as well as innovation and production processes.

The Group will now be able to consolidate its partnerships with the spirits multinationals that operate in Scotland and with whisky producers in particular, which represent one of the most important segments in the spirits market. The transaction will also speed up the process launched by the Group in 2018 to reorganise its industrial infrastructure with a view to achieving better production efficiency.

"Following the completion of the corporate transactions that involved Guala Closures in 2018 and the strengthening of the capital structure through refinancing, the Group can now focus on its core business, working both to sustain the growth trend in revenues and to improve profitability and, through this, generate cash" emphasises Marco Giovannini, Group CEO. "This transaction is in line with the Group's strategy to selectively consolidate the market".

¹ Exchange rate EURO/GBP 0.90135 at the date of 12 December 2018



United Closures and Plastics (UCP)

Historic manufacturer specialized in the production of spirits closures, UCP has always supplied Johnnie Walker Red and Black and boasts solid relationships with other important labels such as Buchanan's, Beefeater and Captain Morgan.

With around 330 employees, UCP is able to produce 1.3 billion pieces per year, of which 1.2 billion closures and 0.1 billion PET bottles, thanks to the Bridge of Allan production plant close to Edinburgh, which is the subject of this transaction.

In FY 2018², UCP recorded revenues of GBP 44.8 million, up 9.3% against GBP 40.9 million recorded in the previous year, with an Adjusted EBITDA³ for 2018 of GBP 3.5 million.

The integration process

The process of integrating UCP into Guala Closures will develop focussing on two different objectives: extending the Group's product range and boosting production capacity in the United Kingdom.

More specifically, this will entail merging the raw materials purchasing departments, aluminium in particular, bringing UCP's production processes in line with Guala Closures Group best practices and rationalising organisational structures, which will lead to annual cost synergies in excess of GBP 700 thousand, the initial benefits of which, amounting to around GBP 500 thousand, will be enjoyed from 2019.

The transaction

The closing of the transaction took place on 12 December, and the financial commitment of GBP 17.8 million was financed through the use of GBP 10 million of the multi-currency RCF made available to the Group and not yet drawn down and, for the remaining amount, with available funds.

Marco Giovannini
Group Chairman

A handwritten signature in blue ink, appearing to read "M. Giovannini", written over a light blue grid background.

Anibal Diaz
Group CFO

A handwritten signature in blue ink, appearing to read "Anibal Diaz", written over a light blue grid background.

² The 2018 financial year refers to the period from 1 April 2017 to 31 March 2018

³ EBITDA adjusted to exclude the effect of non-recurring costs



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