

# **GCL Holdings Group**

## **Company presentation 1Q 2016 results**

May 26, 2016

# 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.

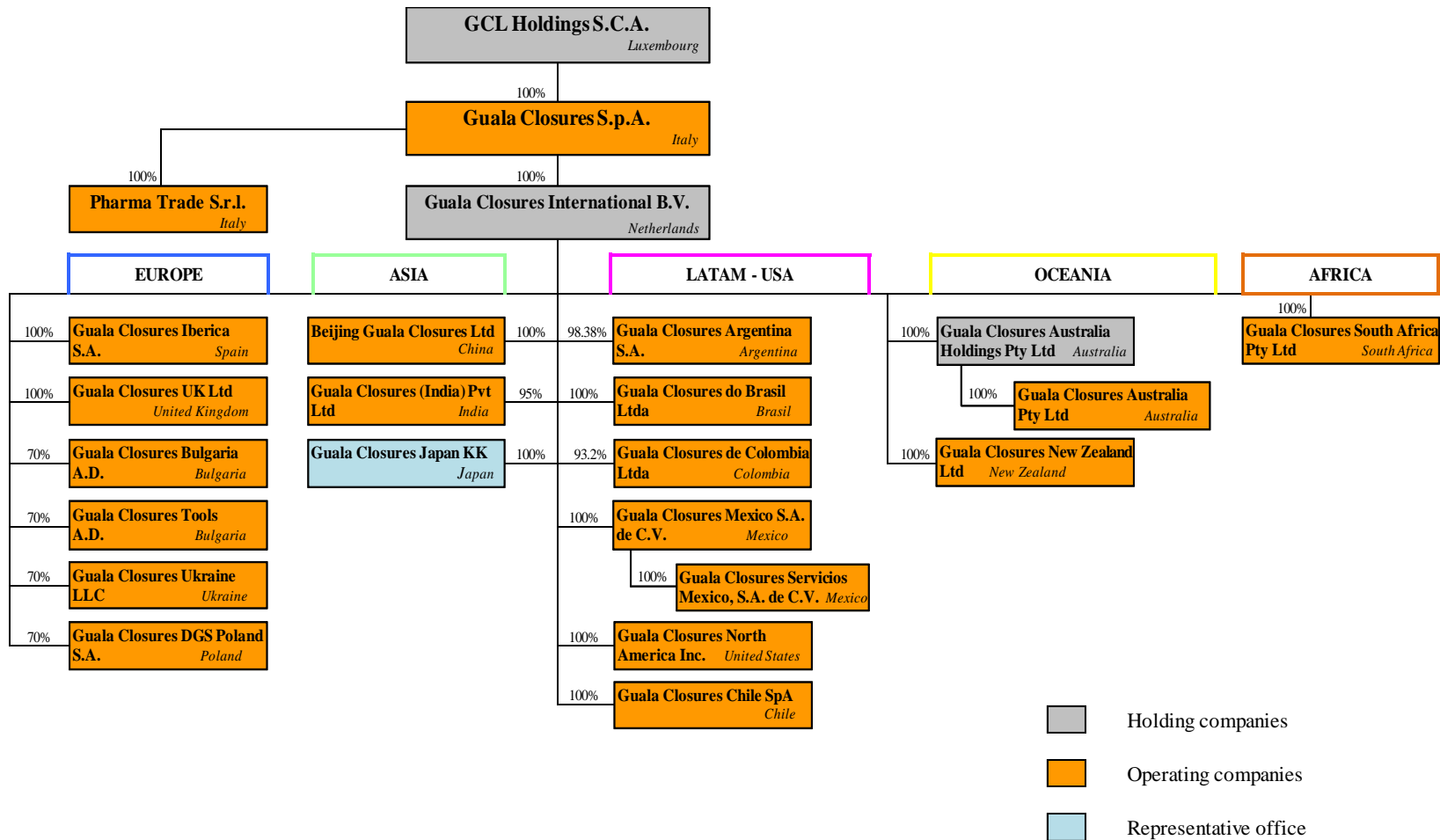
By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

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, 2016



# Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 1Q15	Average 1Q16	Var % vs 1Q15
US Dollar	1.1270	1.1017	(2.2%)
GB Pounds	0.7436	0.7701	3.6%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	23.9846	28.3188	18.1%
Poland Zloty	4.1934	4.3659	4.1%
China Renmimbi	7.0284	7.2090	2.6%
Indian Rupia	70.1295	74.4075	6.1%
Argentinian Peso	9.7857	15.9135	62.6%
Brazilian Real	3.2204	4.3056	33.7%
Colombian Peso	2780.69	3590.19	29.1%
Mexican Peso	16.8344	19.8936	18.2%
Australian Dollar	1.4322	1.5296	6.8%
New Zealand Dollar	1.4985	1.6622	10.9%
South Africa Rand	13.2295	17.4600	32.0%
Japan Yen	134.1887	127.0183	(5.3%)
Chilean Peso	n.a.	773.3443	n.a.

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



Revaluation of euro vs main group currencies compared to 1Q 2015 (except USD and JPY)

# Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2015	Mar 31, 2016	Var % vs Dec 15
US Dollar	1.0887	1.1385	4.6%
GB Pounds	0.7340	0.7916	7.8%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	26.1587	29.8440	14.1%
Poland Zloty	4.2639	4.2576	(0.1%)
China Renmimbi	7.0608	7.3514	4.1%
Indian Rupia	72.0215	75.4298	4.7%
Argentinian Peso	14.0972	16.6170	17.9%
Brazilian Real	4.3117	4.1174	(4.5%)
Colombian Peso	3456.01	3419.24	(1.1%)
Mexican Peso	18.9145	19.5903	3.6%
Australian Dollar	1.4897	1.4807	(0.6%)
New Zealand Dollar	1.5923	1.6411	3.1%
South Africa Rand	16.9530	16.7866	(1.0%)
Japan Yen	131.0700	127.9000	(2.4%)
Chilean Peso	772.7130	763.8563	(1.1%)

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

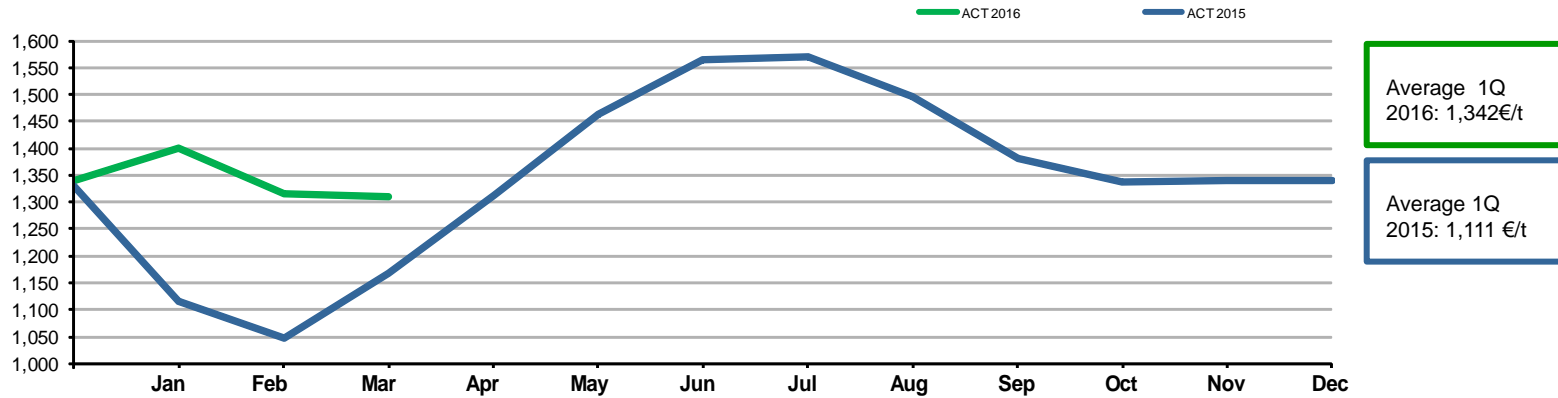


Revaluation of euro vs main group currencies compared to 2015 (except PLN, BRL, COP, AUD, ZAR, JPY and CLP)

# Key trends: raw materials – plastics – Europe

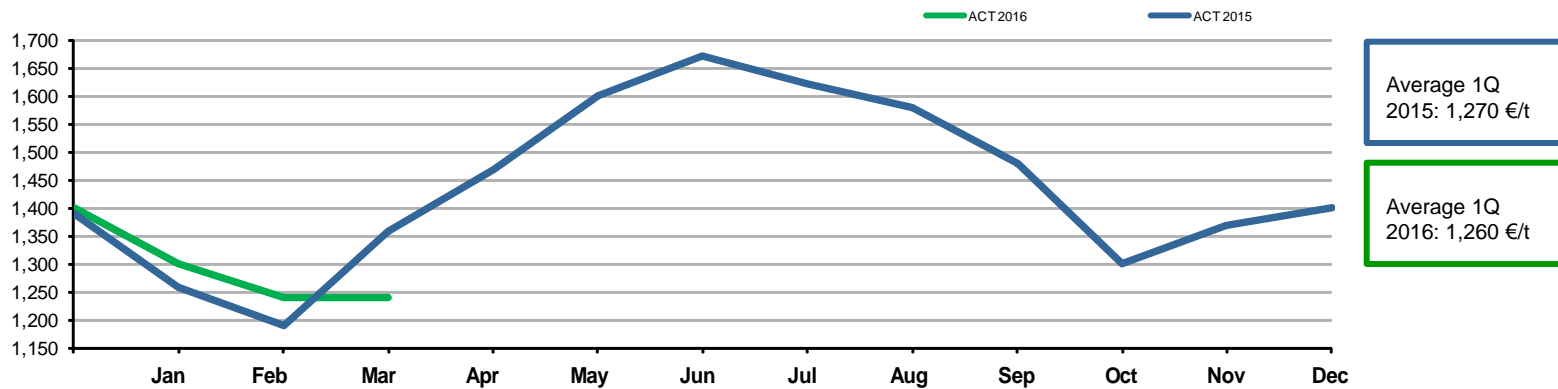
## Plastic price trend - High density polyethylene

HDPE Var % vs 1Q 2015: 20.8%



## Plastic price trend – Polypropylene, homopolymer

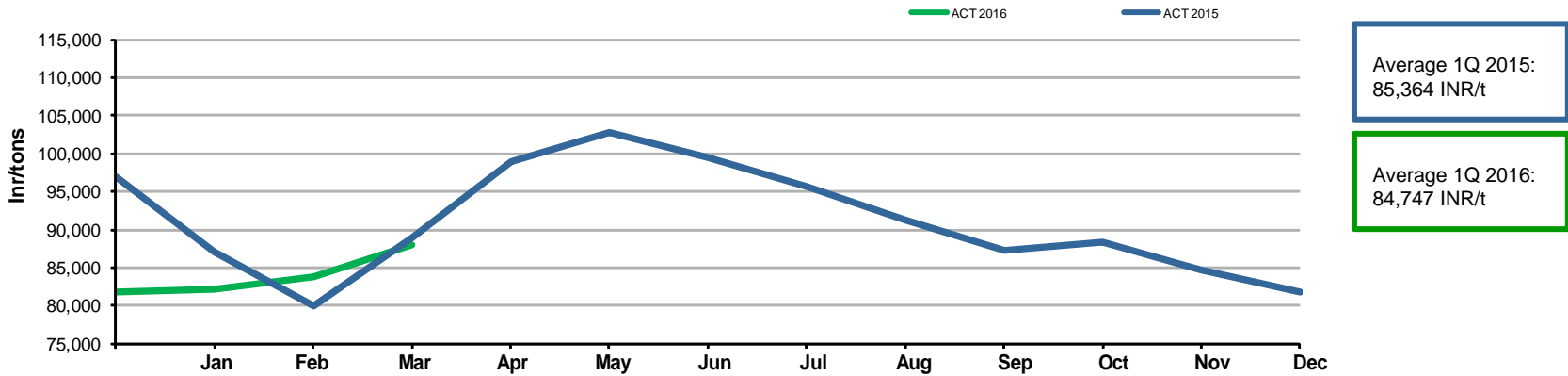
PP Var % vs 1Q 2015: (0.8%)



# Key trends: raw materials – plastics - India

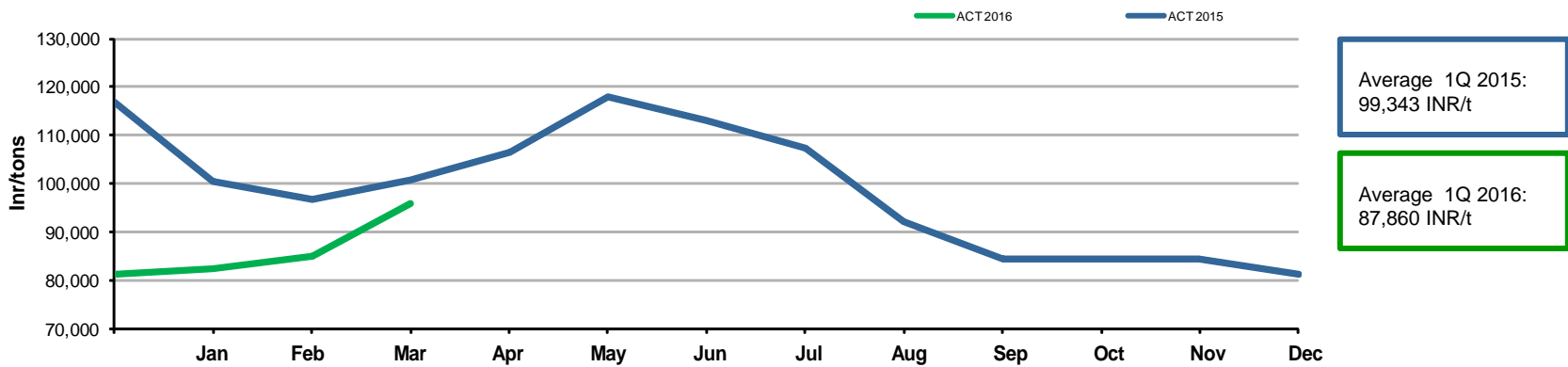
## Plastic price trend - High density polyethylene

HDPE Var % vs 1Q 2015: (0.7%)



## Plastic price trend – Polystyrene

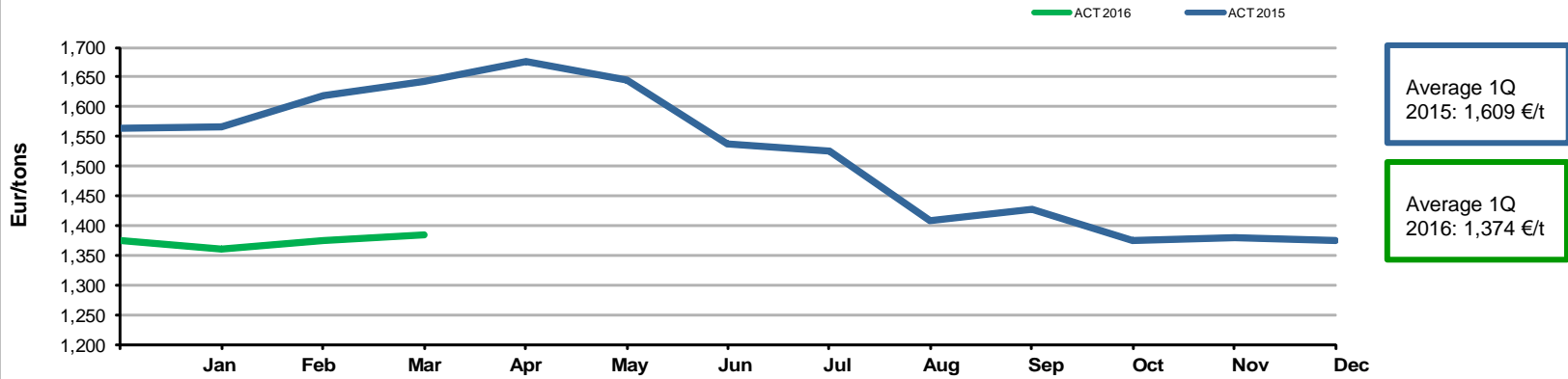
PS Var % vs 1Q 2015: (11.6%)



# Key trends: raw materials - aluminum

Aluminum price trend (LME €/tons)

LME Var % vs 1Q 2015: (14.6%)





# 1Q 2016 – Financial snapshot

€ / ml	1Q 15	2Q 15	3Q 15	4Q 15	12M 15	1Q 16	Var % 1Q 16 vs 1Q 15
Revenues	119.7	128.1	139.0	133.7	520.5	112.7	(5.8%)
EBITDA	24.2	24.6	29.5	25.0	103.3	20.6	(15.0%)
<i>% margin</i>	20.2%	19.2%	21.2%	18.7%	19.8%	18.2%	
Adjusted EBITDA	24.5	24.9	31.0	26.0	106.4	20.7	(15.5%)
<i>% margin</i>	20.4%	19.4%	22.3%	19.5%	20.4%	18.3%	
EBIT	14.9	15.0	20.4	15.4	65.7	12.0	(19.7%)
<i>% margin</i>	12.4%	11.7%	14.7%	11.5%	12.6%	10.6%	
Net result	2.4	(2.9)	(0.1)	(4.2)	(4.7)	(2.7)	(209.2%)
<i>% margin</i>	2.0%	(2.2%)	(0.0%)	(3.1%)	(0.9%)	(2.4%)	
€ / ml	As at Dec 31, 2014	As at Mar 31, 2015	As at Jun 30, 2015	As at Sep 30, 2015	As at Dec 31, 2015	As at Mar 31, 2016	
NWC	102.1	112.5	118.8	119.9	87.0	97.2	
<i>NWC days</i>	69	85	83	78	59	78	
Net debt	507.7	518.0	523.9	526.0	497.6	518.5	

# 1Q 2016 – Operating and financial review

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## NET REVENUE

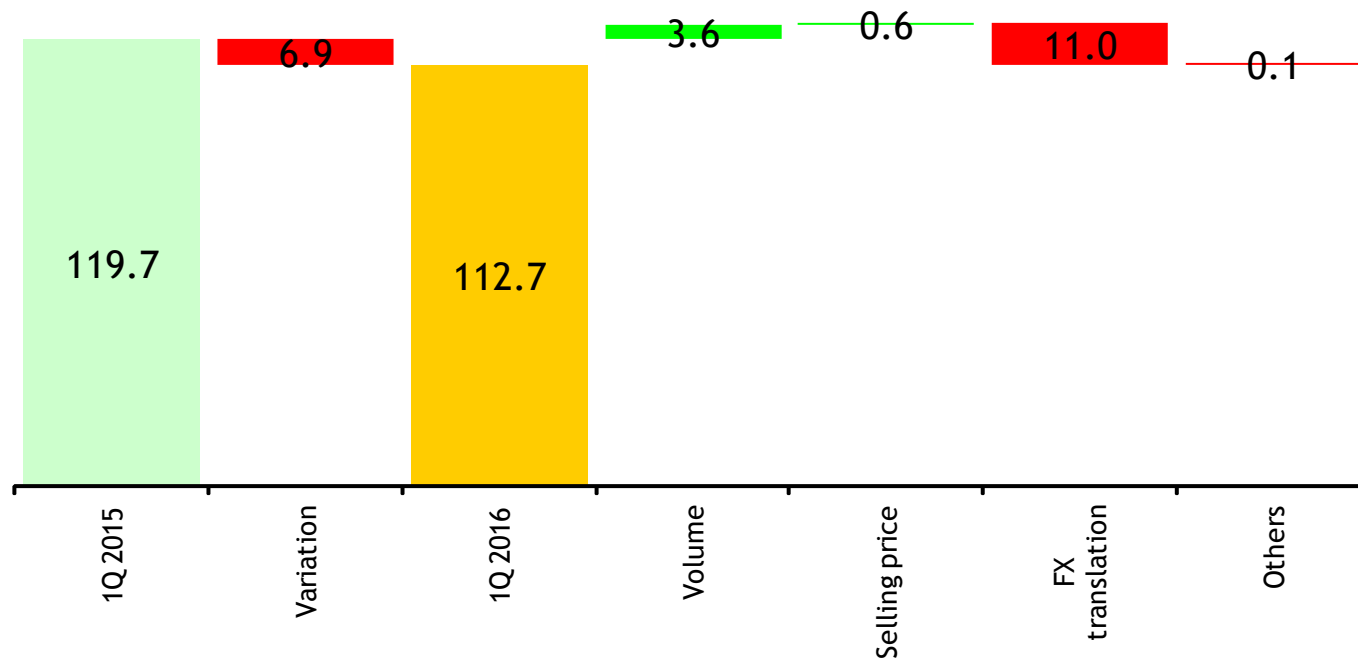
- 🌐 Net revenue down €6.9 million (5.8%) vs 1Q 2015 due €11.0 ml negative translation impact
- 🌐 At constant FX rates, net revenue up €4.1 million (+3.4%) vs 1Q 2015
- 🌐 Increase in sales volumes/selling price mainly in Mexico, Ukraine, Argentina, Spain and India

## ADJUSTED EBITDA

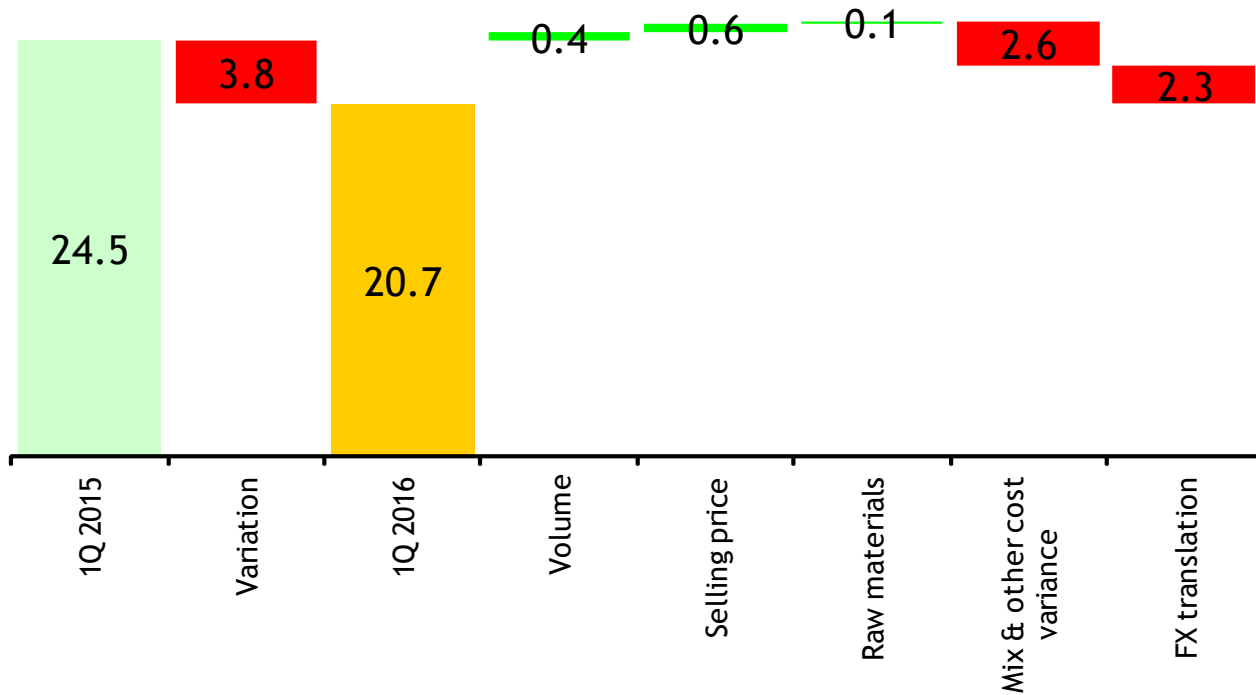
- 🌐 Adjusted EBITDA down €3.8 million (15.5%) vs 1Q 2015, of which €2.3 million negative translation impact
- 🌐 At constant FX rates, Adjusted EBITDA down €1.5 million (6.0%) vs 1Q 2015, mainly due to the further deterioration in the chinese and brasilian markets
- 🌐 Adjusted EBITDA margin at 18.3% (20.4% in 1Q 2015)
- 🌐 1Q 2016: positive impact from sales volume growth and selling price renegotiation

# 1Q 2016 - Sales Bridges

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# 1Q 2016 – Adjusted EBITDA Bridge



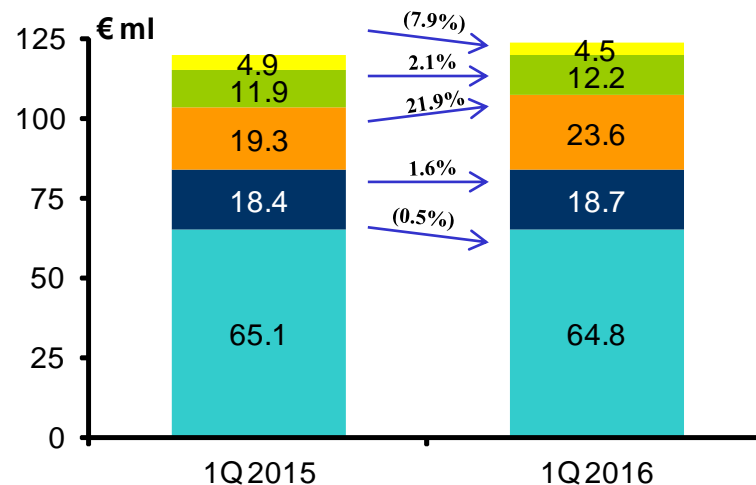
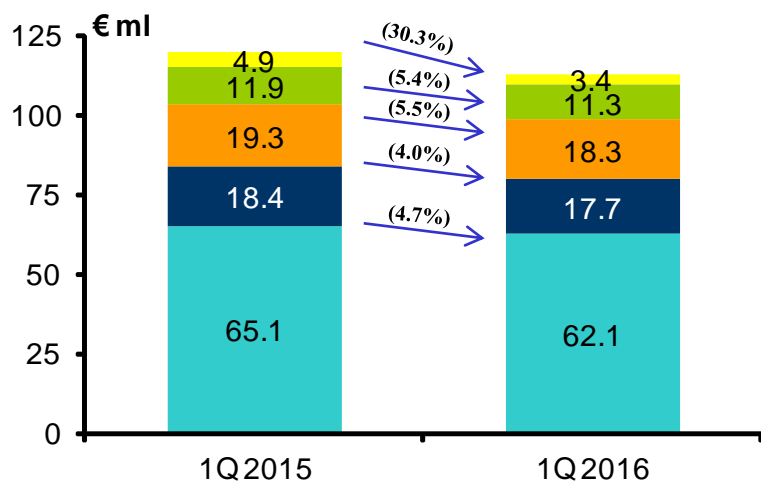
# Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2015

119.7 (5.8%) 112.7




119.7 +3.4% 123.8



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

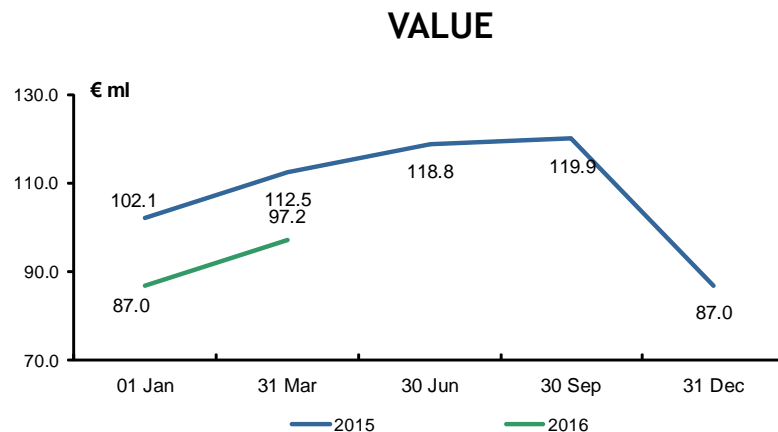
# Cash Flow – sources and uses of funds

€ / mln	1Q 2015	2Q 2015	3Q 2015	4Q 2015	12M 2015	1Q 2016
<b>Opening cash and cash equivalents</b>	<b>35.3</b>	<b>34.3</b>	<b>28.0</b>	<b>34.3</b>	<b>35.3</b>	<b>61.9</b>
Cash flows generated by/(used in) operating activities	8.9	10.7	15.6	50.8	86.1	(0.3)
Cash flows used in investing activities	(8.1)	(5.1)	(4.7)	(4.7)	(22.6)	(8.4)
Cash flows generated by/(used in) financing activities	(1.8)	(12.0)	(4.5)	(16.1)	(34.3)	(9.3)
<b>Net cash flows for the period</b>	<b>(1.0)</b>	<b>(6.3)</b>	<b>6.5</b>	<b>30.0</b>	<b>29.1</b>	<b>(17.9)</b>
Effect of exchange rate fluctuation on cash held	0.0	0.1	(0.2)	(2.3)	(2.5)	(1.6)
<b>Closing cash and cash equivalents</b>	<b>34.3</b>	<b>28.0</b>	<b>34.3</b>	<b>61.9</b>	<b>61.9</b>	<b>42.4</b>

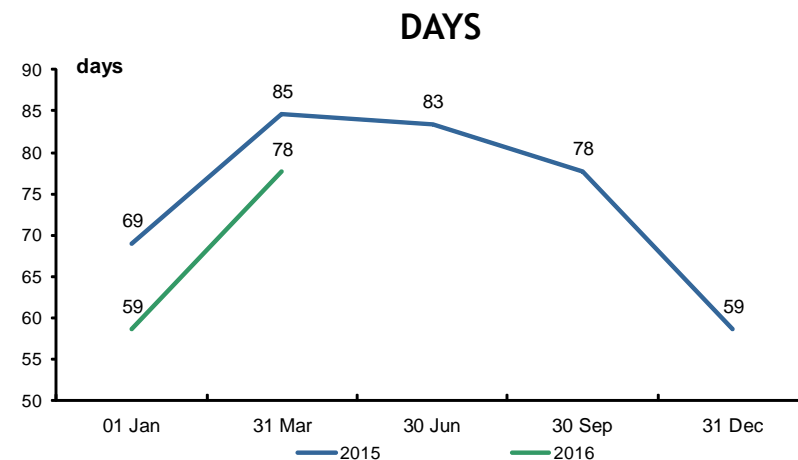
-  CF operating: -€9.1 million vs 1Q 2015 mainly due to lower EBITDA generated in 1Q 2016 (€3.6 million) and to the higher absorption from the variation in net working capital (€5.1 million)
-  CF investing: -0.3 million due to higher investments compared to 1Q 2015.
-  CF Financing: -€7.5 million vs 1Q 2015 mainly due to higher repayment of borrowings (net of proceeds of new borrowings) for € 8.1 million and to higher dividends paid to non-controlling interest (€ 0.6 million), partly compensated by lower cash out flows for interest (€ 1.7 million).

# Net Working Capital

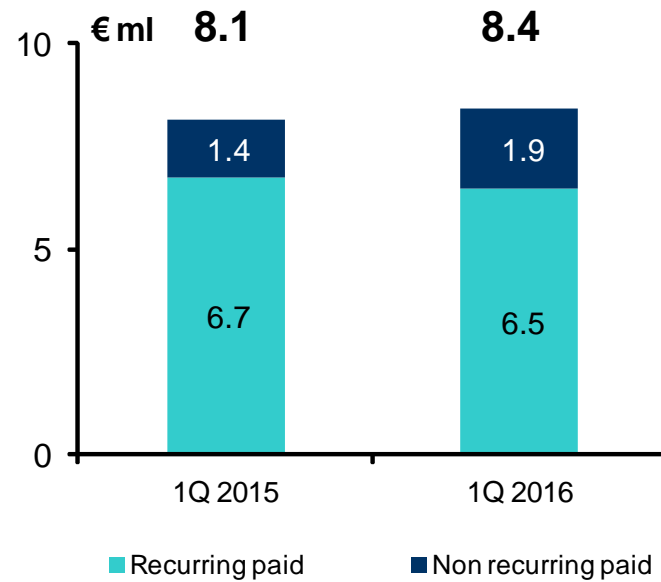
€ / ml	VALUE				
	As at 31/03/15	As at 30/06/15	As at 30/09/15	As at 31/12/15	As at 31/03/16
Trade receivables	98.7	102.7	104.9	86.9	85.5
Inventories	74.8	83.4	79.5	67.3	73.0
Trade payables	(61.0)	(67.2)	(64.5)	(67.1)	(61.3)
<b>NWC value</b>	<b>112.5</b>	<b>118.8</b>	<b>119.9</b>	<b>87.0</b>	<b>97.2</b>



	DAYS				
	As at 31/03/15	As at 30/06/15	As at 30/09/15	As at 31/12/15	As at 31/03/16
Trade receivables	74	72	68	58	68
Inventories	56	59	51	45	58
Trade payables	(46)	(47)	(42)	(45)	(49)
<b>NWC days</b>	<b>85</b>	<b>83</b>	<b>78</b>	<b>59</b>	<b>78</b>



# 1Q 2016 - Net Capex paid



## NON RECURRING 2015:

🌐 New technology: Sputtering (Mexico, Italy)	€ 0.6 ml
🌐 New technology: Italy (BPA project)	€ 0.3 ml
🌐 New building: Poland	€ 0.1 ml
🌐 New technology: Ukraine (T.E. Cork)	€ 0.1 ml
🌐 Other:	€ 0.3 ml

## NON RECURRING 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



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# Appendix

# P&L – 1Q 2016

Thousands of €	1Q 2015	2Q 2015	3Q 2015	4Q 2015	12M 2015	1Q 2016
<b>Net revenue</b>	119,680	128,146	139,010	133,697	520,533	112,734
Change in invent. of finish. and semi-fin. products	5,465	4,546	(1,652)	(5,293)	3,066	4,336
Other operating income	3,165	1,949	2,157	2,432	9,703	2,239
Costs for raw materials	(56,355)	(60,394)	(60,381)	(56,205)	(233,336)	(51,678)
Costs for services	(22,257)	(23,467)	(22,927)	(22,431)	(91,083)	(21,459)
Personnel expense	(23,059)	(23,717)	(23,229)	(24,031)	(94,036)	(23,397)
Other operating expense	(2,447)	(2,429)	(3,502)	(3,199)	(11,577)	(2,215)
<b>Gross operating profit (EBITDA)</b>	<b>24,191</b>	<b>24,633</b>	<b>29,475</b>	<b>24,970</b>	<b>103,269</b>	<b>20,561</b>
Amortization, depreciation and impairment losses	(9,293)	(9,628)	(9,078)	(9,584)	(37,583)	(8,594)
<b>Operating profit</b>	<b>14,898</b>	<b>15,005</b>	<b>20,397</b>	<b>15,386</b>	<b>65,686</b>	<b>11,967</b>
Exchange rate	2,808	(1,956)	(5,619)	877	(3,889)	(1,028)
Derivatives and other financial items	725	(662)	327	(3,516)	(3,126)	(280)
Net interest expenses	(10,622)	(10,653)	(10,483)	(9,872)	(41,629)	(9,566)
<b>Profit (loss) before taxation</b>	<b>7,810</b>	<b>1,734</b>	<b>4,622</b>	<b>2,876</b>	<b>17,042</b>	<b>1,094</b>
Income taxes	(5,375)	(4,606)	(4,691)	(7,074)	(21,745)	(3,752)
<b>Profit (loss) for the period</b>	<b>2,435</b>	<b>(2,871)</b>	<b>(69)</b>	<b>(4,198)</b>	<b>(4,703)</b>	<b>(2,658)</b>
<b>Gross operating profit (EBITDA) - ADJUSTED</b>	<b>24,472</b>	<b>24,922</b>	<b>30,977</b>	<b>26,033</b>	<b>106,404</b>	<b>20,677</b>
<i>EBITDA ADJUSTED % on Net revenue</i>	<i>20.4%</i>	<i>19.4%</i>	<i>22.3%</i>	<i>19.5%</i>	<i>20.4%</i>	<i>18.3%</i>

# Balance Sheet – as at March 31, 2016

Thousands of €	As at December 31, 2014	As at March 31, 2015	As at December 31, 2015	As at March 31, 2016
Intangible assets	385,554	383,656	376,656	374,348
Property, plant and equipment	202,825	205,858	186,144	182,429
Net working capital	102,070	112,524	87,042	97,229
Net financial derivative liabilities	(2,970)	(2,262)	(1,071)	(1,092)
Employee benefits	(7,318)	(7,149)	(5,745)	(5,768)
Other assets/liabilities	(36,435)	(32,669)	(30,381)	(23,151)
<b>Net invested capital</b>	<b>643,727</b>	<b>659,959</b>	<b>612,644</b>	<b>623,995</b>
<i>Financed by:</i>				
Net financial liabilities	542,931	552,217	559,546	560,917
Cash and cash equivalents	(35,273)	(34,250)	(61,944)	(42,436)
<b>Net financial indebtedness</b>	<b>507,658</b>	<b>517,967</b>	<b>497,601</b>	<b>518,481</b>
<b>Consolidated equity</b>	<b>136,069</b>	<b>141,992</b>	<b>115,043</b>	<b>105,515</b>
<b>Sources of financing</b>	<b>643,727</b>	<b>659,959</b>	<b>612,644</b>	<b>623,995</b>

# Cash Flow – 1Q 2016

Thousands of €	1Q 2015	2Q 2015	3Q 2015	4Q 2015	12M 2015	1Q 2016
<b>Opening cash and cash equivalents</b>	<b>35,273</b>	<b>34,250</b>	<b>28,049</b>	<b>34,265</b>	<b>35,273</b>	<b>61,944</b>
<b>A) Cash flows generated by operating activities</b>						
Profit (loss) before taxation	7,810	1,734	4,622	2,876	17,042	1,094
Amortization, depreciation and impairment	9,293	9,628	9,078	9,584	37,583	8,594
Net finance costs	7,089	13,270	15,776	12,509	48,645	10,873
Change in:						
Receivables, payables and inventory	(7,872)	(8,708)	(6,509)	33,714	10,626	(12,954)
Other	540	777	(337)	(2,144)	(1,164)	(621)
VAT and indirect tax assets/liabilities	(1,756)	259	(1,785)	716	(2,565)	(2,709)
Income taxes paid	(6,217)	(6,230)	(5,211)	(6,455)	(24,112)	(4,534)
<b>TOTAL A)</b>	<b>8,887</b>	<b>10,732</b>	<b>15,634</b>	<b>50,800</b>	<b>86,053</b>	<b>(257)</b>
<b>B) Cash flows used in investing activities</b>						
Acquisitions of property, plant and equipment and intangible assets	(8,128)	(5,075)	(4,767)	(4,771)	(22,742)	(8,400)
Proceeds from sale of property, plant and equipment and intangibles	6	23	39	49	116	6
<b>TOTAL B)</b>	<b>(8,123)</b>	<b>(5,053)</b>	<b>(4,729)</b>	<b>(4,722)</b>	<b>(22,626)</b>	<b>(8,394)</b>
<b>C) Cash flows generated by/used in financing activities</b>						
Acquisition of non-controlling interest in Guala Closures China	-	-	-	-	-	-
Acquisition of non-controlling interest in Guala Closures Argentina	-	(319)	(371)	-	(689)	-
Financial income and expense	(5,893)	(14,018)	(5,684)	(13,879)	(39,474)	(4,224)
Other financial items	57	(189)	(572)	(445)	(1,148)	(376)
Dividends paid	(206)	(519)	(1,906)	(1,226)	(3,858)	(799)
Proceeds from new borrowings	5,889	4,781	5,083	3,980	19,733	8,081
Repayment of borrowings and finance leases	(1,680)	(1,565)	(994)	(4,488)	(8,727)	(11,967)
Change in financial assets	44	(170)	(7)	2	(132)	16
<b>TOTAL C)</b>	<b>(1,789)</b>	<b>(11,999)</b>	<b>(4,452)</b>	<b>(16,055)</b>	<b>(34,296)</b>	<b>(9,270)</b>
<b>D) Net cash flows for the period (A+B+C)</b>	<b>(1,025)</b>	<b>(6,320)</b>	<b>6,453</b>	<b>30,024</b>	<b>29,132</b>	<b>(17,921)</b>
Effect of exchange rate fluctuation on cash held	2	119	(237)	(2,344)	(2,460)	(1,588)
<b>Closing cash and cash equivalents</b>	<b>34,250</b>	<b>28,049</b>	<b>34,265</b>	<b>61,945</b>	<b>61,945</b>	<b>42,436</b>