

# **GCL Holdings Group**

## **Company presentation 9M 2014 results**

Alessandria, November 27, 2014

# 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.

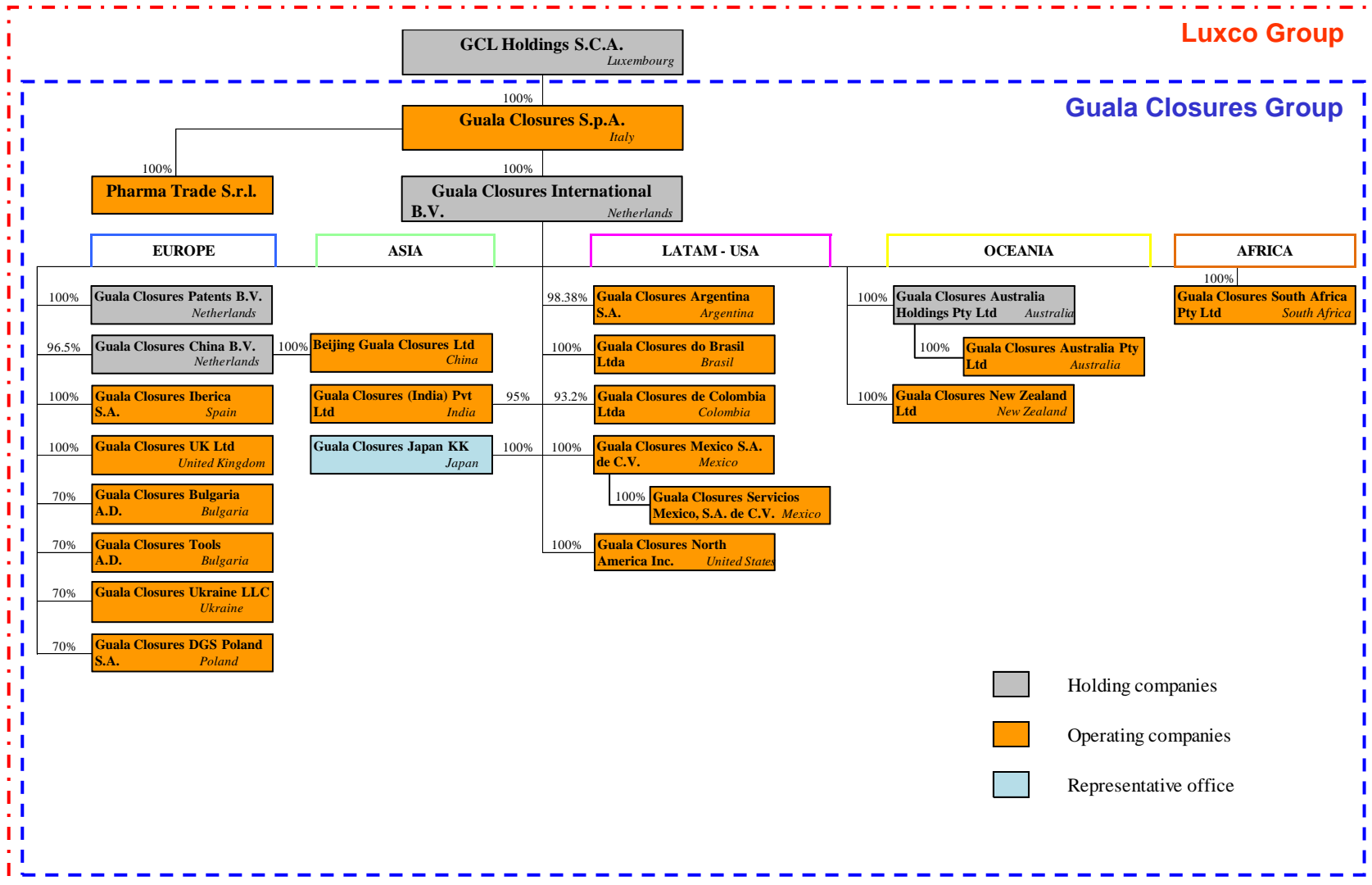
By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

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.

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# Group chart as at September 30, 2014







# 2014 Key financial events



## **FEB**

-  Incorporation of Guala Closures Japan KK (representative office)

## **MAY**

-  Acquisition of 16% minority interest in Guala Closures Argentina:
  -  Total price: AR\$ 17,920 k;
  -  Already paid as at September 30, 2014: AR\$ 4,597 k;
  -  To be paid in next months: AR\$ 13,323 k.

## **SEP**

-  Inauguration of operating plant in Guala Closures North America
-  Closing of negotiation with trade unions for Torre d'Isola (Italy) site closing

## Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 9M13	Average 9M14	Var % vs 9M13
US Dollar	1.3172	1.3554	2.9%
GB Pounds	0.8522	0.8122	(4.7%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	10.6586	15.1404	42.0%
Poland Zloty	4.2011	4.1755	(0.6%)
China Renmimbi	8.1240	8.3579	2.9%
Indian Rupia	75.6927	82.3003	8.7%
Argentinian Peso	6.9533	10.8219	55.6%
Brazilian Real	2.7898	3.1043	11.3%
Colombian Peso	2442.43	2634.44	7.9%
Mexican Peso	16.7078	17.7799	6.4%
Australian Dollar	1.3466	1.4766	9.6%
New Zealand Dollar	1.6121	1.6010	(0.7%)
South Africa Rand	12.4950	14.5397	16.4%

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



Revaluation of euro vs main group currencies compared to 9M 2013 (except GBP, PLN and NZD)

## Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2013	Sep 30, 2014	Var % vs Dec 13
US Dollar	1.3791	1.2583	(8.8%)
GB Pounds	0.8337	0.7773	(6.8%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	11.3292	16.3000	43.9%
Poland Zloty	4.1543	4.1776	0.6%
China Renmimbi	8.3491	7.7262	(7.5%)
Indian Rupia	85.3660	77.8564	(8.8%)
Argentinian Peso	8.9891	10.6506	18.5%
Brazilian Real	3.2576	3.0821	(5.4%)
Colombian Peso	2664.42	2546.93	(4.4%)
Mexican Peso	18.0731	16.9977	(6.0%)
Australian Dollar	1.5423	1.4442	(6.4%)
New Zealand Dollar	1.6762	1.6209	(3.3%)
South Africa Rand	14.5660	14.2606	(2.1%)

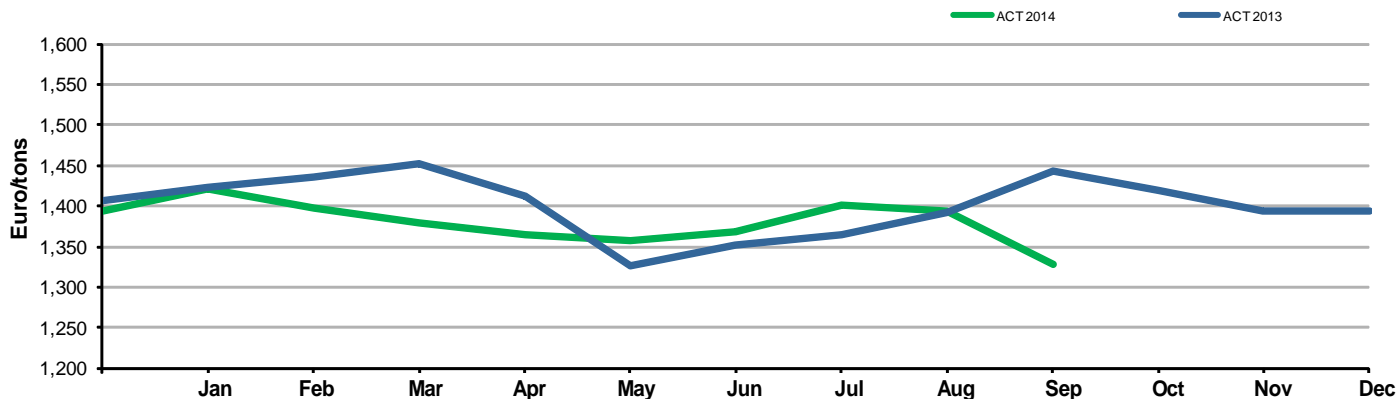
LEGEND: Var % + EUR revaluation vs other group currencies; Var % - EUR devaluation vs other group currencies



Devaluation of euro vs main group currencies compared to 2013 (except UAH, PLN and ARS)

# Key trends: raw materials – plastics – Europe

## Plastic price trend - High density polyethylene

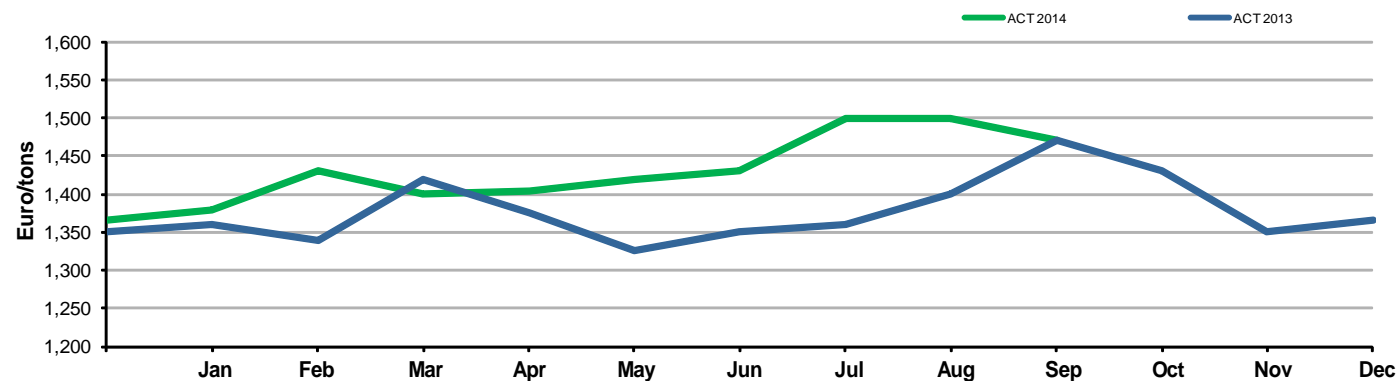


HDPE Var % vs 9M 2013: (1.5%)

Average 9M  
2013: 1,400 €/t

Average 9M  
2014: 1,379€/t

## Plastic price trend – Polypropylene, homopolymer



PP Var % vs 9M 2013: 4.3%

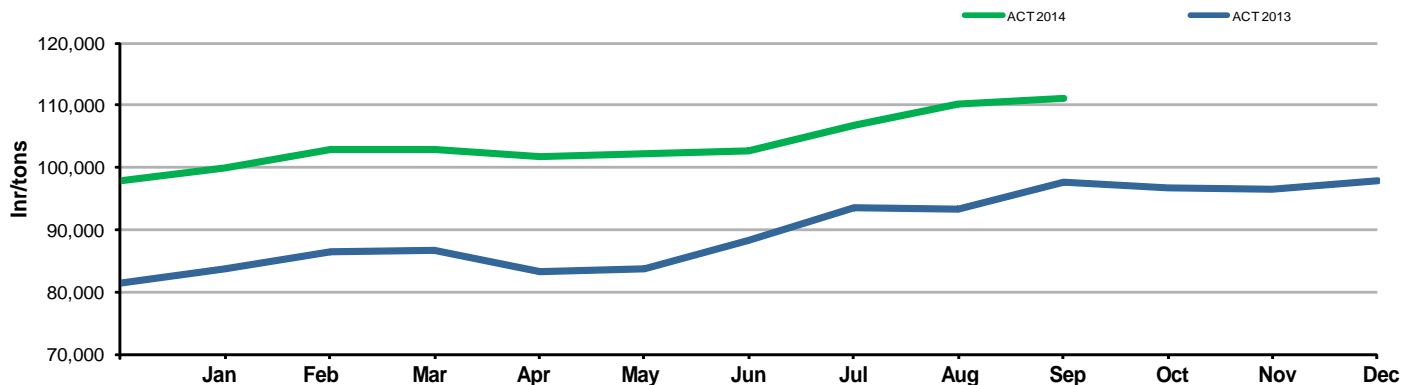
Average 9M  
2014: 1,437 €/t

Average 9M  
2013: 1,378 €/t

# Key trends: raw materials – plastics - India

## Plastic price trend - High density polyethylene

HDPE Var % vs 9M 2013: 18 %

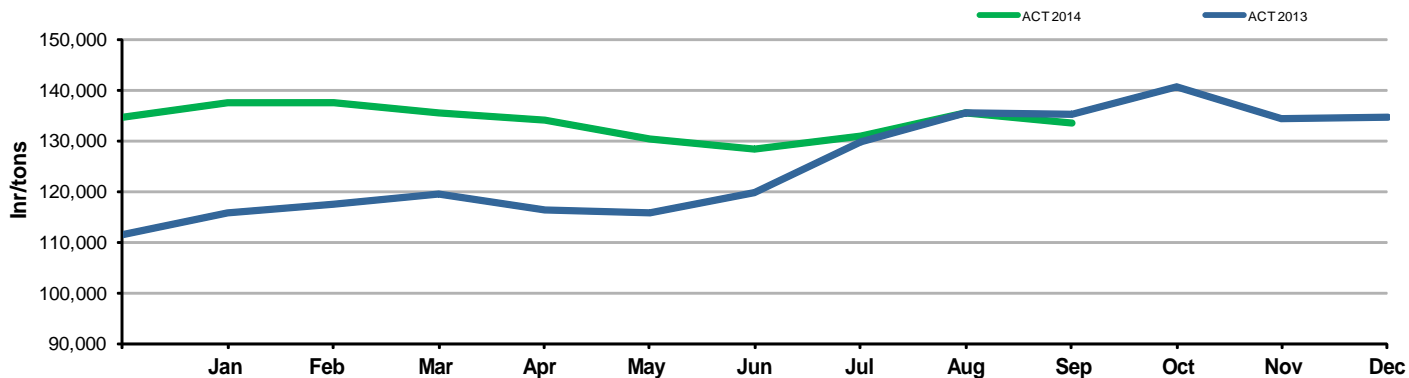


Average 9M 2014:  
104,503 INR/t

Average 9M 2013:  
88,550 INR/t

## Plastic price trend – Polystyrene

PS Var % vs 9M 2013: 8.9%



Average 9M 2014:  
133,656 INR/t

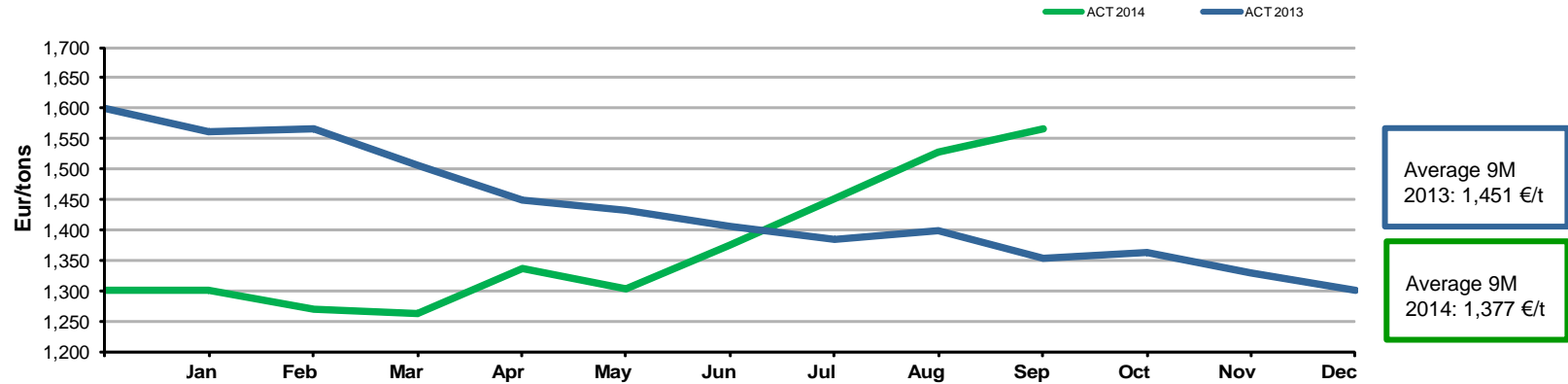
Average 9M 2013:  
122,750 INR/t



# Key trends: raw materials - aluminum

Aluminum price trend (LME €/tons)

LME Var % vs 9M 2013: (5.1%)



# 9M 2014 – Financial snapshot

€ / ml	1Q 13	2Q 13	3Q 13	9M 13	1Q 14	2Q 14	3Q 14	9M 14	Var % 9M 14 vs 9M 13
Revenues	110.6	120.6	128.6	359.8	105.9	116.1	132.6	354.7	(1.4%)
EBITDA	18.1	23.5	29.8	71.5	17.5	22.0	23.2	62.6	(12.4%)
% margin	16.4%	19.5%	23.2%	19.9%	16.5%	18.9%	17.5%	17.7%	
Adjusted EBITDA	18.4	23.5	30.0	71.9	17.8	22.4	27.2	67.4	(6.3%)
% margin	16.6%	19.5%	23.3%	20.0%	16.8%	19.3%	20.5%	19.0%	
EBIT	8.0	13.3	20.4	41.8	8.2	11.9	13.7	33.9	(19.0%)
% margin	7.3%	11.1%	15.9%	11.6%	7.8%	10.3%	10.3%	9.5%	
Net result	(5.8)	(6.8)	4.0	(8.6)	(6.1)	(1.9)	0.2	(7.8)	9.7%
% margin	(5.2%)	(5.7%)	3.1%	(2.4%)	(5.8%)	(1.6%)	0.2%	(2.2%)	

€ / ml	As at Dec 31, 2012	As at Mar 31, 2013	As at Jun 30, 2013	As at Sep 30, 2013
NWC	101.0	103.9	105.8	110.3
NWC days	65	85	79	77
Net debt	460.8	471.5	488.1	492.5

€ / ml	As at Dec 31, 2013	As at Mar 31, 2014	As at Jun 30, 2014	As at Sep 30, 2014
NWC	97.8	111.6	125.6	132.7
NWC days	65	95	97	90
Net debt	481.0	510.5	525.8	530.8

# 9M 2014 – Operating and financial review

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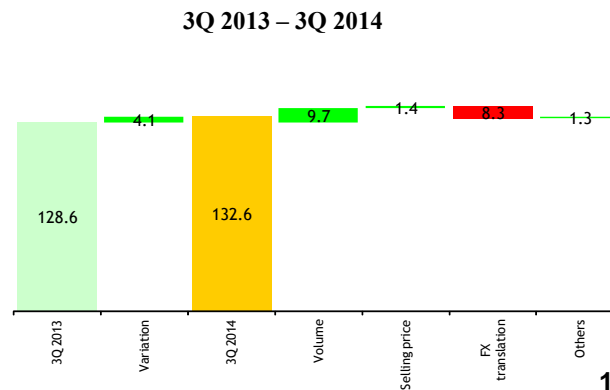
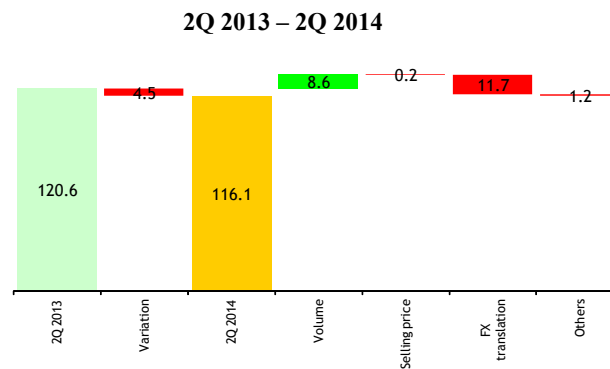
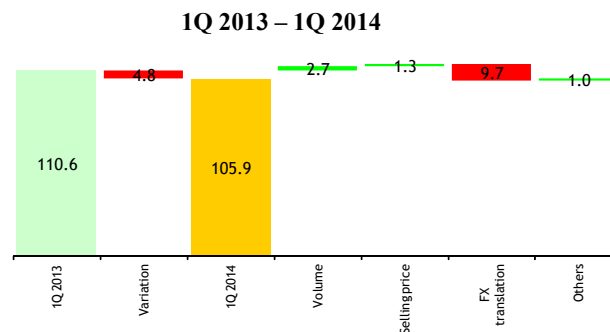
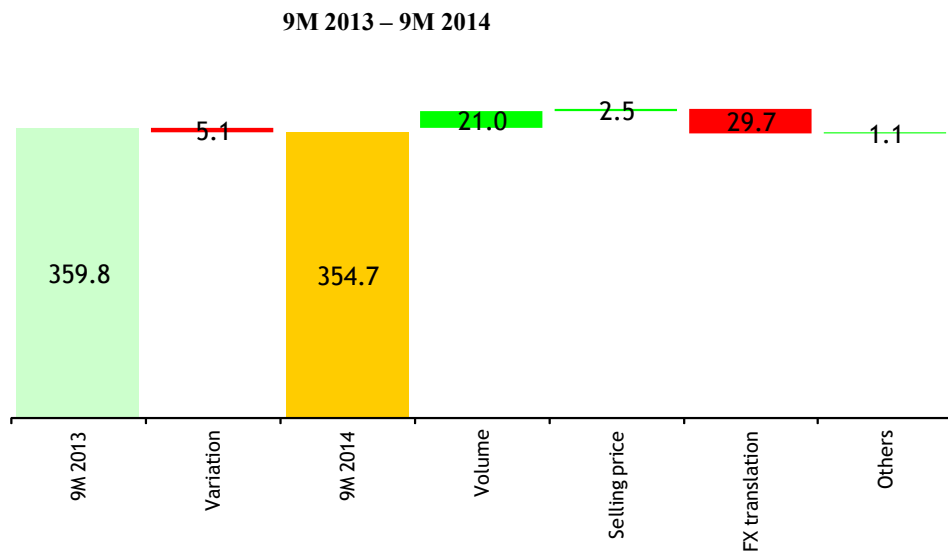
## NET REVENUE

- 🌐 Net revenue down €5.1 million (-1.4%) vs 9M 2013 due to €29.7 ml negative translation impact
- 🌐 At constant FX rates, net revenue up €24.5 million (+6.8%) vs 9M 2013
- 🌐 Increase in sales volumes/selling price in Ukraine, India, Argentina, Brazil, China, Colombia and UK

## ADJUSTED EBITDA

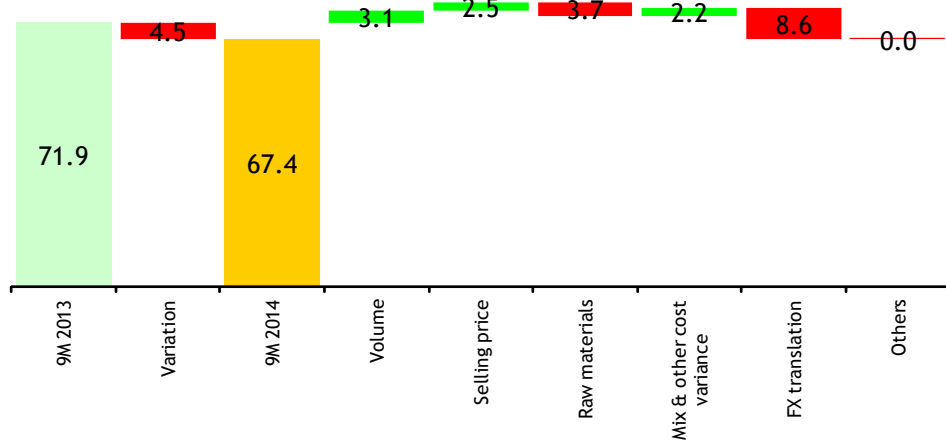
- 🌐 Adjusted EBITDA down €4.5 million (-6.3%) vs 9M 2013 due to €8.6 million negative translation impact
- 🌐 At constant FX rates, Adjusted EBITDA up €4.1 million (+5.6%) vs 9M 2013
- 🌐 EBITDA 9M 2014 adjusted by €4.7 million (€0.2 million for M&A activities and € 4.5 million of rationalization and other costs)
- 🌐 9M 2014: positive impact from sales volume growth and selling price renegotiation while negative impact from translation. The positive mix and other cost variance partially offset the increase in raw material costs.

# 9M 2014 - Sales Bridges

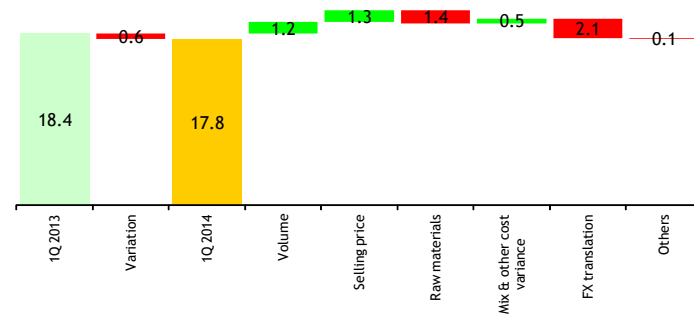


# 9M 2014 – Adjusted EBITDA Bridge

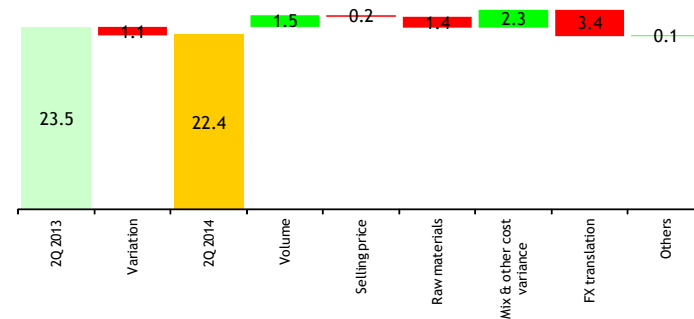
## 9M 2013 – 9M 2014



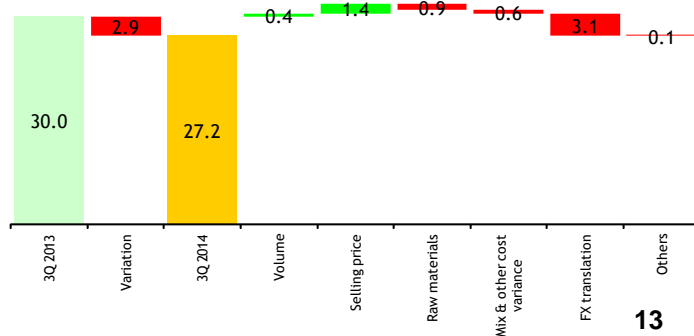
## 1Q 2013 – 1Q 2014



## 2Q 2013 – 2Q 2014



## 3Q 2013 – 3Q 2014



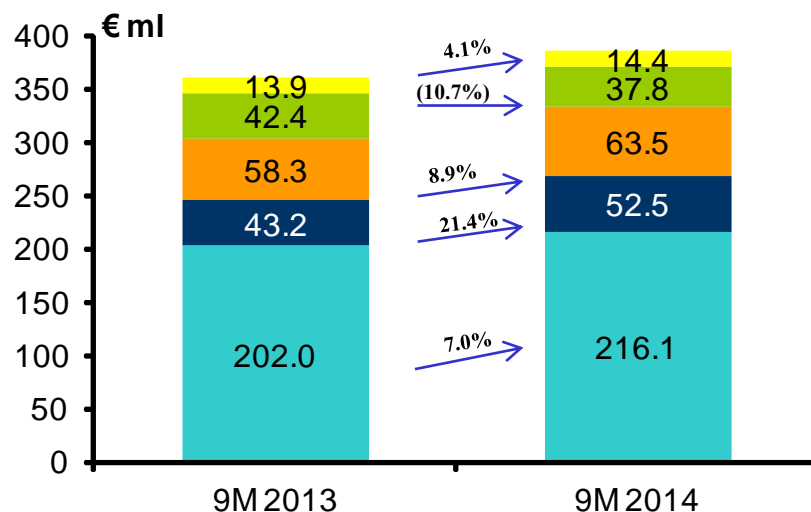
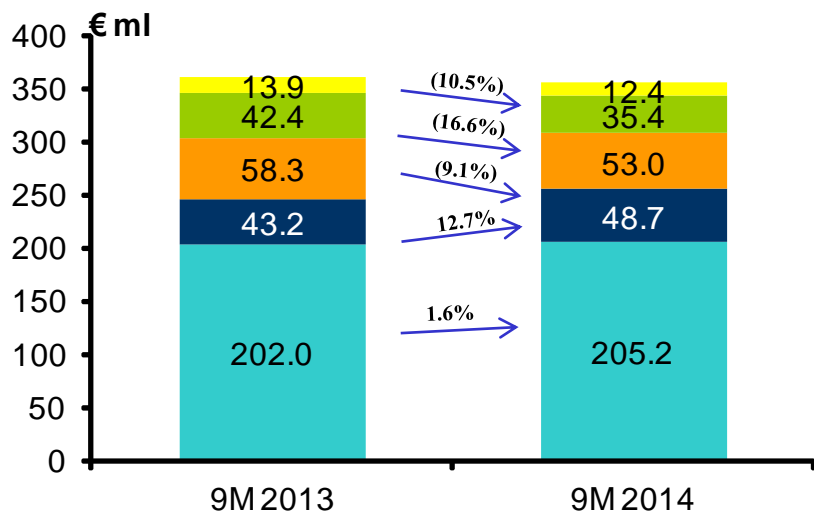
# Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2013

359.8 (1.4%) 354.7

359.8 +6.8% 384.4



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

# Cash Flow – sources and uses of funds

€ / mln	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M
	2013	2013	2013	2013	2014	2014	2014	2014
<b>Opening cash and cash equivalents</b>	<b>58.5</b>	<b>53.7</b>	<b>31.9</b>	<b>58.5</b>	<b>41.2</b>	<b>31.2</b>	<b>20.4</b>	<b>41.2</b>
Cash flow generated by/(used in) operating activities	8.4	9.8	17.4	35.6	(6.9)	9.4	14.7	17.3
Cash flow used in investing activities	(7.0)	(7.9)	(8.7)	(23.6)	(11.6)	(9.0)	(8.4)	(29.0)
Cash flow generated by/(used in) financing activities	(6.8)	(22.0)	(2.7)	(31.5)	8.2	(11.0)	(6.0)	(8.8)
<b>Net cash flows for the period</b>	<b>(5.4)</b>	<b>(20.1)</b>	<b>6.0</b>	<b>(19.6)</b>	<b>(10.3)</b>	<b>(10.6)</b>	<b>0.4</b>	<b>(20.5)</b>
Effect of exchange rate fluctuation on cash held	0.6	(1.7)	(0.7)	(1.8)	0.3	(0.3)	(0.2)	(0.1)
<b>Closing cash and cash equivalents</b>	<b>53.7</b>	<b>31.9</b>	<b>37.2</b>	<b>37.2</b>	<b>31.2</b>	<b>20.4</b>	<b>20.6</b>	<b>20.6</b>

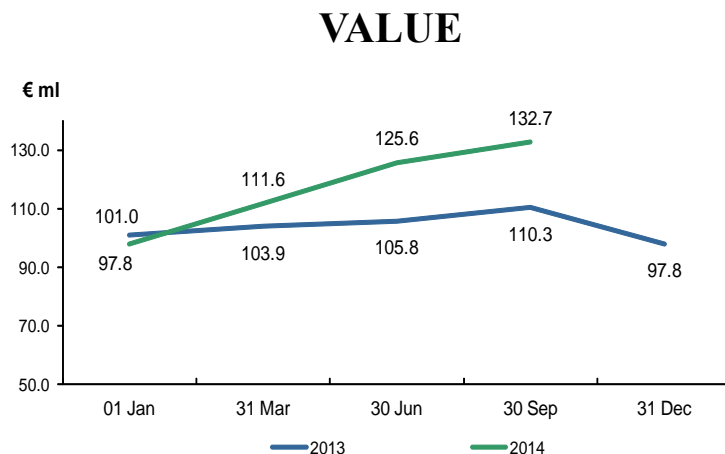
CF operating: -€18.3 million vs 9M 2013 due to lower EBITDA generated in 9M 2014 (€8.8 million) and to higher negative variation in net working capital (€ 18.6 million), partly compensated by the lower cash flow for taxes (€ 2.1 million) and for other operating items (€ 7.0 million). The impact of other operating items comes mainly from the accrual for the residual liability for the acquisition of the non-controlling interest in Guala Closures Argentina and from the accrual of the restructuring costs to be paid in following months.

CF investing: -€5.4 million vs 9M 2013 due to the higher level of investments paid in 9M 2014.

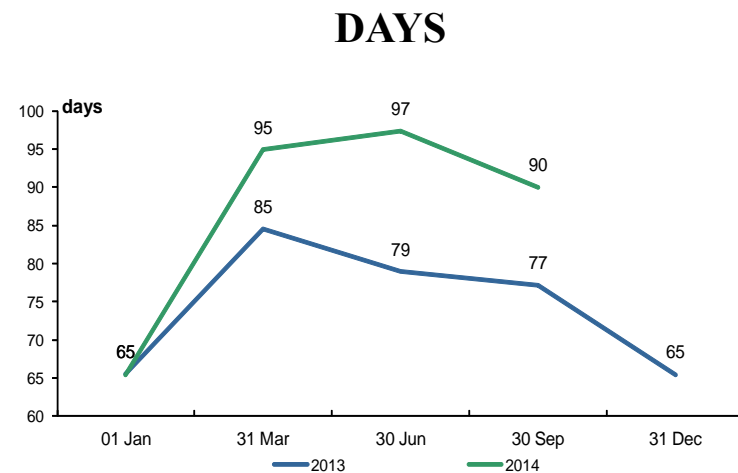
CF Financing: +€22.7 million vs 9M 2013 mainly due to: a) higher proceeds from new borrowings (net of repayment of borrowings) for € 17.9 million; b) lower financial expense for debt restructuring (€ 3.2 million in the previous period); c) lower dividends paid to minority (€2.7 million); d) higher net interest expense (€ 0.8 million); e) payment for the acquisition of the non-controlling interest in Guala Closures Argentina (€ 0.4 ml).

# Net Working Capital

€ / ml	VALUE				
	As at 31/12/12	As at 30/09/13	As at 31/12/13	As at 30/06/14	As at 30/09/14
Trade receivables	99.6	99.9	93.1	100.9	110.4
Inventories	63.6	76.2	71.5	87.9	82.3
Trade payables	(62.3)	(65.8)	(66.8)	(63.2)	(60.0)
<b>NWC value</b>	<b>101.0</b>	<b>110.3</b>	<b>97.8</b>	<b>125.6</b>	<b>132.7</b>

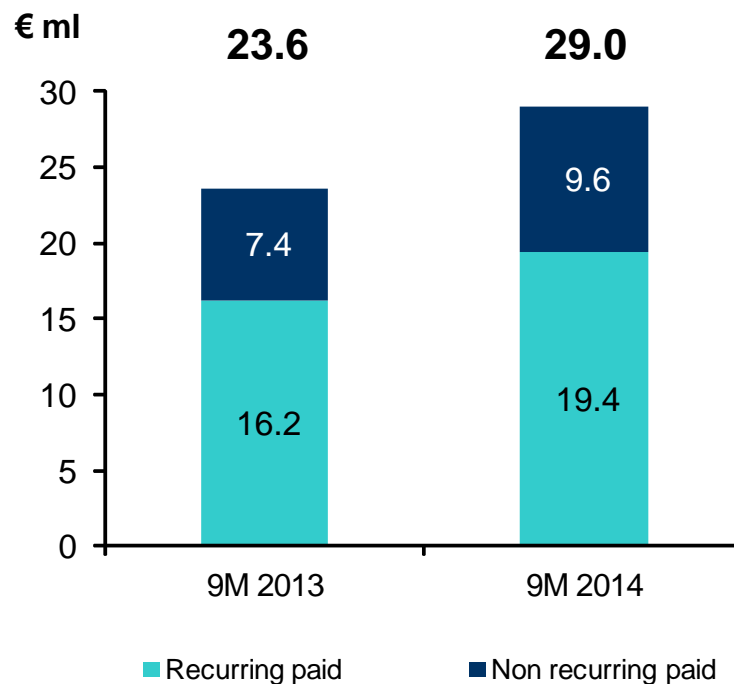


	DAYS				
	As at 31/12/12	As at 30/09/13	As at 31/12/13	As at 30/06/14	As at 30/09/14
Trade receivables	65	70	62	78	75
Inventories	41	53	48	68	56
Trade payables	(40)	(46)	(45)	(49)	(41)
<b>NWC days</b>	<b>65</b>	<b>77</b>	<b>65</b>	<b>97</b>	<b>90</b>





# 9M 2014 - Net Capex paid



## NON RECURRING 2013:

🌐 New technology: Sputtering Techn.:	€ 2.8 ml
🌐 New technology: Colombia (Bi-inj) :	€ 1.8 ml
🌐 New building: Mexico	€ 0.5 ml
🌐 New building: Ukraine	€ 0.3 ml
🌐 New building: India	€ 0.1 ml
🌐 Other:	€ 1.9 ml

## NON RECURRING 2014:

🌐 New product: Brasil (DeLuxe – MLI)	€ 2.6 ml
🌐 New building: Poland	€ 2.1 ml
🌐 New technology: Sputtering (Italy, Uk, Ukraine, Mexico):	€ 2.0 ml
🌐 New technology: Ukraine	€ 1.6 ml
🌐 New technology: North America (Design Studio)	€ 0.6 ml
🌐 New technology: Colombia (Bi-inj):	€ 0.5 ml
🌐 New building: Mexico	€ 0.2 ml
🌐 Other:	€ 0.1 ml

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# Appendix

# P&L – 9M 2014

Thousands of €	1Q 2013	2Q 2013	3Q 2013	9M 2013	4Q 2013	12M 2013	1Q 2014	2Q 2014	3Q 2014	9M 2014
<b>Net revenue</b>	110,635	120,609	128,578	359,822	134,454	494,276	105,883	116,148	132,647	354,677
Change in invent. of finish. and semi-fin. products	4,146	4,205	569	8,920	(5,018)	3,902	9,210	5,734	(5,519)	9,425
Other operating income	1,835	1,972	6,115	9,922	3,240	13,161	2,508	2,851	1,795	7,154
Costs for raw materials	(49,017)	(53,877)	(56,219)	(159,113)	(54,090)	(213,203)	(53,014)	(55,554)	(56,545)	(165,113)
Costs for services	(23,989)	(24,072)	(23,942)	(72,003)	(22,669)	(94,673)	(21,978)	(21,801)	(21,392)	(65,171)
Personnel expense	(22,996)	(23,273)	(22,837)	(69,106)	(23,048)	(92,154)	(22,837)	(22,868)	(22,748)	(68,453)
Other operating expense	(2,510)	(2,045)	(2,429)	(6,984)	(3,279)	(10,263)	(2,318)	(2,535)	(5,044)	(9,897)
<b>Gross operating profit (EBITDA)</b>	<b>18,104</b>	<b>23,519</b>	<b>29,835</b>	<b>71,459</b>	<b>29,589</b>	<b>101,048</b>	<b>17,455</b>	<b>21,974</b>	<b>23,193</b>	<b>62,622</b>
Amortization, depreciation and impairment losses	(10,069)	(10,191)	(9,388)	(29,647)	(9,662)	(39,309)	(9,218)	(10,027)	(9,511)	(28,756)
<b>Operating profit</b>	<b>8,036</b>	<b>13,329</b>	<b>20,447</b>	<b>41,811</b>	<b>19,927</b>	<b>61,739</b>	<b>8,237</b>	<b>11,947</b>	<b>13,682</b>	<b>33,866</b>
Exchange rate	(161)	(6,076)	(1,851)	(8,088)	(5,369)	(13,457)	(709)	1,495	209	995
Derivatives and other financial items	469	(1,097)	655	27	(661)	(635)	566	(706)	1,502	1,362
Net interest expenses	(10,419)	(10,551)	(10,650)	(31,621)	(10,844)	(42,465)	(10,614)	(10,970)	(10,889)	(32,473)
<b>Profit (loss) before taxation</b>	<b>(2,076)</b>	<b>(4,395)</b>	<b>8,600</b>	<b>2,129</b>	<b>3,053</b>	<b>5,183</b>	<b>(2,521)</b>	<b>1,766</b>	<b>4,505</b>	<b>3,750</b>
Income taxes	(3,697)	(2,424)	(4,639)	(10,760)	(6,049)	(16,809)	(3,603)	(3,663)	(4,277)	(11,542)
<b>Profit (loss) for the period</b>	<b>(5,773)</b>	<b>(6,819)</b>	<b>3,961</b>	<b>(8,631)</b>	<b>(2,996)</b>	<b>(11,626)</b>	<b>(6,124)</b>	<b>(1,896)</b>	<b>228</b>	<b>(7,792)</b>
<b>Gross operating profit (EBITDA) - ADJUSTED</b>	<b>18,393</b>	<b>23,481</b>	<b>30,011</b>	<b>71,886</b>	<b>30,129</b>	<b>102,015</b>	<b>17,806</b>	<b>22,392</b>	<b>27,153</b>	<b>67,351</b>
<i>EBITDA ADJUSTED % on Net revenue</i>	16.6%	19.5%	23.3%	20.0%	22.4%	20.6%	16.8%	19.3%	20.5%	19.0%

# Balance Sheet – as at September 30, 2014

Thousands of €	As at December 31, 2012	As at September 30, 2013	As at December 31, 2013	As at September 30, 2014
Intangible assets	405,927	398,528	397,418	389,138
Property, plant and equipment	219,467	208,809	205,878	208,961
Net working capital	100,965	110,291	97,775	132,665
Net financial derivative liabilities	(6,393)	(4,540)	(4,982)	(2,329)
Employee benefits	(8,429)	(7,108)	(6,835)	(7,501)
Other assets/liabilities	(43,333)	(34,926)	(32,548)	(36,014)
<b>Net invested capital</b>	<b>668,203</b>	<b>671,055</b>	<b>656,705</b>	<b>684,920</b>
<i>Financed by:</i>				
Net financial liabilities	519,257	529,644	522,168	551,366
Cash and cash equivalents	(58,474)	(37,169)	(41,197)	(20,599)
<b>Net financial indebtedness</b>	<b>460,784</b>	<b>492,475</b>	<b>480,972</b>	<b>530,766</b>
<b>Consolidated equity</b>	<b>207,420</b>	<b>178,581</b>	<b>175,734</b>	<b>154,154</b>
<b>Sources of financing</b>	<b>668,203</b>	<b>671,055</b>	<b>656,705</b>	<b>684,920</b>

# Cash Flow – 9M 2014

## Statement of cash flows

Thousands of €	1Q	2Q	3Q	9M	4Q	12M	1Q	2Q	3Q	9M
	2013	2013	2013	2013	2013	2013	2014	2014	2014	2014
<b>Opening cash and cash equivalents</b>	<b>58,474</b>	<b>53,669</b>	<b>31,903</b>	<b>58,474</b>	<b>37,169</b>	<b>58,474</b>	<b>41,197</b>	<b>31,221</b>	<b>20,373</b>	<b>41,197</b>
<b>A) Cash flows generated by operating activities</b>										
Profit (loss) before taxation	(2,076)	(4,395)	8,600	2,129	3,053	5,183	(2,521)	1,766	4,505	3,750
Amortization, depreciation and impairment	10,069	10,191	9,388	29,647	9,662	39,309	9,218	10,027	9,511	28,756
Net finance costs	10,111	17,724	11,847	39,682	16,874	56,556	10,757	10,182	9,176	30,115
Change in:										
Receivables, payables and inventory	(1,728)	(8,154)	(6,882)	(16,764)	10,040	(6,724)	(17,032)	(12,860)	(5,442)	(35,334)
Other	(1,755)	(810)	443	(2,122)	(2,956)	(5,077)	(1,234)	3,468	2,683	4,917
VAT and indirect tax assets/liabilities	(2,145)	53	(1,242)	(3,334)	1,364	(1,970)	(1,425)	1,145	(450)	(730)
Income taxes paid	(4,100)	(4,787)	(4,793)	(13,679)	(5,234)	(18,912)	(4,630)	(4,312)	(5,256)	(14,199)
<b>TOTAL A)</b>	<b>8,377</b>	<b>9,822</b>	<b>17,361</b>	<b>35,560</b>	<b>32,804</b>	<b>68,364</b>	<b>(6,867)</b>	<b>9,416</b>	<b>14,726</b>	<b>17,276</b>
<b>B) Cash flows used in investing activities</b>										
Acquisitions of property, plant and equipment and intangible assets	(7,001)	(9,117)	(8,002)	(24,120)	(7,059)	(31,179)	(11,837)	(8,807)	(8,477)	(29,122)
Proceeds from sale of property, plant and equipment and intangibles	(3)	6	506	509	129	638	189	(183)	120	126
Change in non-current assets classified as held for sale	-	-	-	-	-	-	-	8	-	8
Acquisition of South Africa					(2,933)	(2,933)				
Subsequent measurement DGS acquisition		1,177	(1,177)							
<b>TOTAL B)</b>	<b>(7,004)</b>	<b>(7,934)</b>	<b>(8,672)</b>	<b>(23,611)</b>	<b>(9,863)</b>	<b>(33,474)</b>	<b>(11,648)</b>	<b>(8,982)</b>	<b>(8,357)</b>	<b>(28,987)</b>
<b>C) Cash flows generated by/used in financing activities</b>										
Acquisition of non-controlling interest in Guala Closures Argentina								(81)	(341)	(421)
Financial income and expense	(5,483)	(14,360)	(5,868)	(25,710)	(14,423)	(40,133)	(5,916)	(14,301)	(6,259)	(26,477)
Payment of transaction cost on Bond	(1,786)	(1,401)	(23)	(3,210)	0	(3,210)	-	-	-	-
Other financial items	109	(207)	(467)	(564)	(92)	(656)	(384)	(351)	317	(418)
Dividends paid	(499)	(4,579)	(1,534)	(6,612)	(239)	(6,851)	(454)	(2,925)	(563)	(3,941)
Proceeds from new borrowings	2,161	(161)	8,411	10,411	-	10,411	16,242	7,845	2,156	26,242
Repayment of borrowings	(1,243)	(1,340)	(3,252)	(5,835)	(4,120)	(9,955)	(1,251)	(1,179)	(1,335)	(3,764)
Change in financial assets	(29)	53	(3)	21	125	146	(5)	(10)	42	27
<b>TOTAL C)</b>	<b>(6,771)</b>	<b>(21,994)</b>	<b>(2,735)</b>	<b>(31,500)</b>	<b>(18,748)</b>	<b>(50,248)</b>	<b>8,232</b>	<b>(11,001)</b>	<b>(5,983)</b>	<b>(8,753)</b>
<b>D) Net cash flow for the period (A+B+C)</b>	<b>(5,398)</b>	<b>(20,106)</b>	<b>5,953</b>	<b>(19,551)</b>	<b>4,193</b>	<b>(15,358)</b>	<b>(10,283)</b>	<b>(10,567)</b>	<b>385</b>	<b>(20,465)</b>
Effect of exchange rate fluctuation on cash held	594	(1,660)	(687)	(1,754)	(164)	(1,918)	307	(281)	(159)	(133)
<b>Closing cash and cash equivalents</b>	<b>53,669</b>	<b>31,903</b>	<b>37,169</b>	<b>37,169</b>	<b>41,197</b>	<b>41,197</b>	<b>31,221</b>	<b>20,373</b>	<b>20,599</b>	<b>20,599</b>