

GCL Holdings Group

Company presentation 9M 2017 results

November 28, 2017

Forward-looking Statements

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.

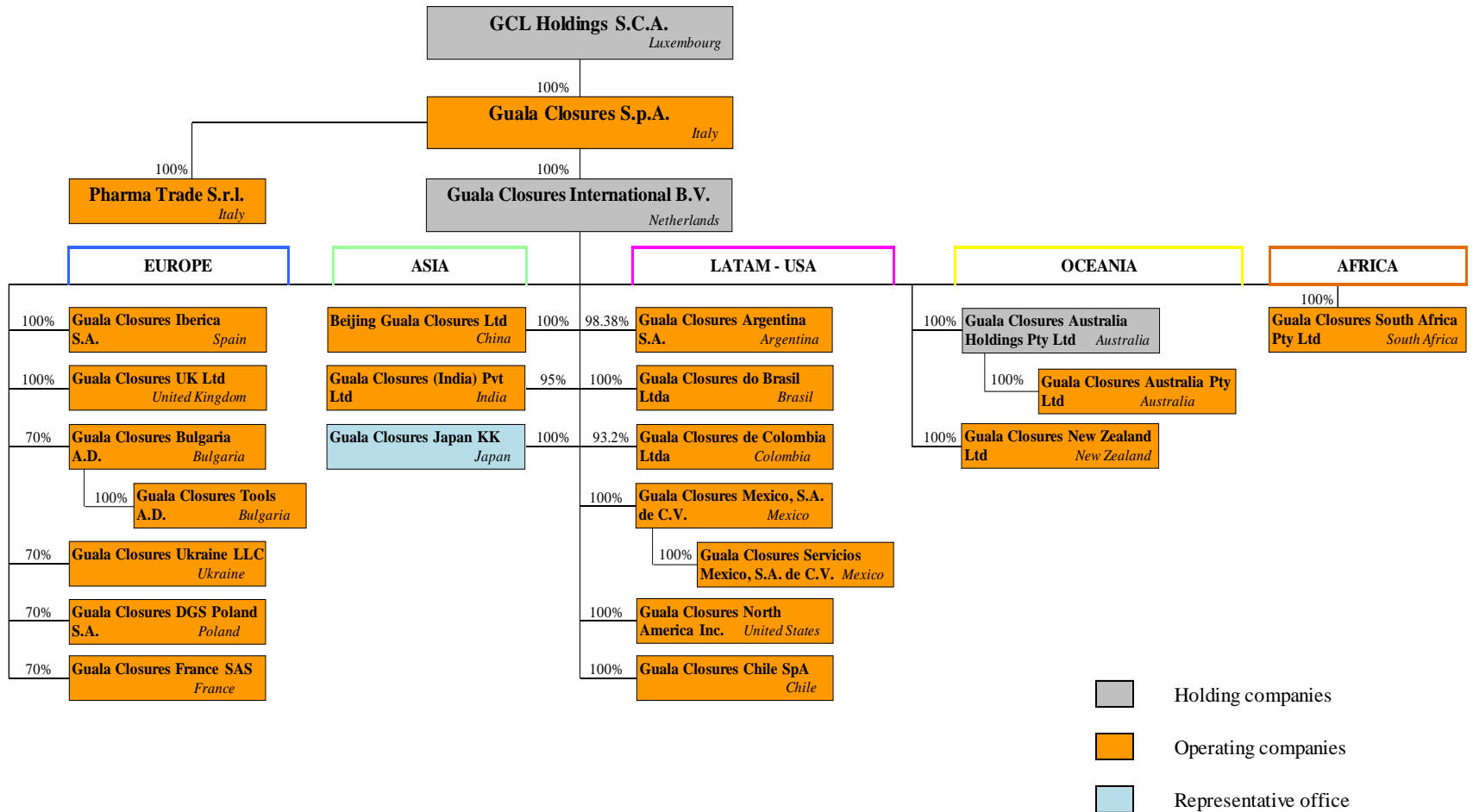
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We caution you that forward – looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this presentation.

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Group chart as at September 30, 2017




Key events

ACQUISITION OF THE ACTIVITY OF LIMAT S.A. de C.V. :

-  On July 13, the Group acquired the activity of LIMAT S.A. de C.V., a Mexican company specialised in the manufacturing of wood overcaps for top-range spirit bottles, for € 1.2 million + VAT;
-  The activity of Limat is based in Mexico City and in 2016 recorded a turnover of approximately € 1 million;
-  With this acquisition the Group continues its production integration, to develop its products to the top of the spirits range, especially Tequila.

ACQUISITION OF THE RESIDUAL 30% NON-CONTROLLING INTEREST IN GUALA CLOSURES TOOLS A.D.:




-  On September 11, the Group acquired the residual 30% non-controlling interest in Guala Closures Tools A.D. for € 1.1 million

SUBSEQUENT EVENTS

ACQUISITION OF AXIOM PROPACK:

-  The Group signed an agreement for the purchase of 100% of shares of Axiom Propack Pvt Ltd, an Indian company active in the production of safety closures for spirits; the completion of the deal occurred on October 13, 2017.
-  The total consideration transfer is € 5.9 million; the acquired subsidiary also includes € 5.4 million of financial indebtedness.
-  Axiom has a production unit in Karnataka, is serving the Indian IMFL (Indian Made Foreign Liquors) market and its activity started in 2016 with a first year turnover of about € 6 million.
-  With this acquisition the Group aims to reinforce its position in the area and to increase its production capacity in order to properly answer to the growing demand of protection against products' counterfeiting.

ACQUISITION OF THE ACTIVITY OF THE CHILEAN COMPANY ICSA:

-  On October 17, 2017, the Group acquired the screw caps activity of ICSA (Industria Corchera S.A.), the Chilean company specialised in promoting and selling packaging products for the wine Industry in South-America.
-  The acquired activity of ICSA, based in Santiago de Chile, recorded a turnover of approximately € 4 million in 2016; this deal increases the Group local production capacity to face the growing demands of South American wines.
-  The total consideration transfer for this acquisition is around € 4.5 million.

Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 09M16	Average 09M17	Var % vs 09M16
US Dollar	1.1158	1.1132	(0.2%)
GB Pounds	0.8022	0.8725	8.8%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	28.3868	29.4568	3.8%
Poland Zloty	4.3588	4.2648	(2.2%)
China Renmimbi	7.3432	7.5721	3.1%
Indian Rupia	74.8991	72.5875	(3.1%)
Argentinian Peso	16.2205	18.0920	11.5%
Brazilian Real	3.9642	3.5311	(10.9%)
Colombian Peso	3420.23	3272.32	(4.3%)
Mexican Peso	20.4135	20.9970	2.9%
Australian Dollar	1.5053	1.4530	(3.5%)
New Zealand Dollar	1.6138	1.5556	(3.6%)
South Africa Rand	16.7020	14.7003	(12.0%)
Japan Yen	121.1071	124.5623	2.9%
Chilean Peso	758.9897	727.4333	(4.2%)

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



Devaluation of euro vs main group currencies compared to 9M 2016 (except GBP, UAH, CNY, ARS, MXP and JPY)

Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2016	Sep 30, 2017	Var % vs Dec 16
US Dollar	1.0541	1.1806	12.0%
GB Pounds	0.8562	0.8818	3.0%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	28.7386	31.3975	9.3%
Poland Zloty	4.4103	4.3042	(2.4%)
China Renmimbi	7.3202	7.8534	7.3%
Indian Rupia	71.5935	77.0690	7.6%
Argentinian Peso	16.7488	20.6633	23.4%
Brazilian Real	3.4305	3.7635	9.7%
Colombian Peso	3169.49	3468.37	9.4%
Mexican Peso	21.7719	21.4614	(1.4%)
Australian Dollar	1.4596	1.5075	3.3%
New Zealand Dollar	1.5158	1.6354	7.9%
South Africa Rand	14.4570	15.9440	10.3%
Japan Yen	123.4000	132.8200	7.6%
Chilean Peso	704.9452	751.6360	6.6%

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

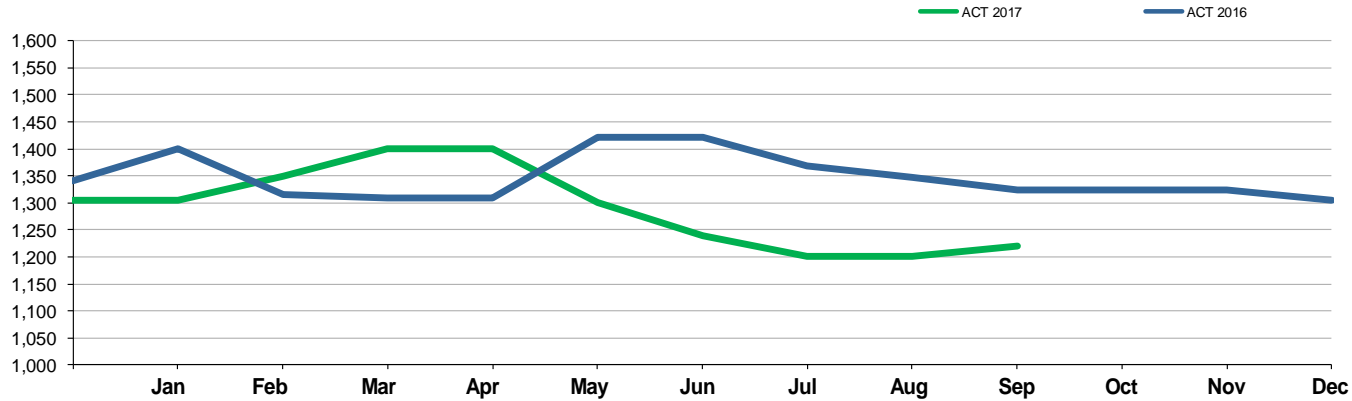


Revaluation of euro vs main group currencies compared to 2016 (except PLN and MXP)

Key trends: raw materials – plastics – Europe

Plastic price trend - High density polyethylene

HDPE Var % vs 9M 2016: (4.9%)

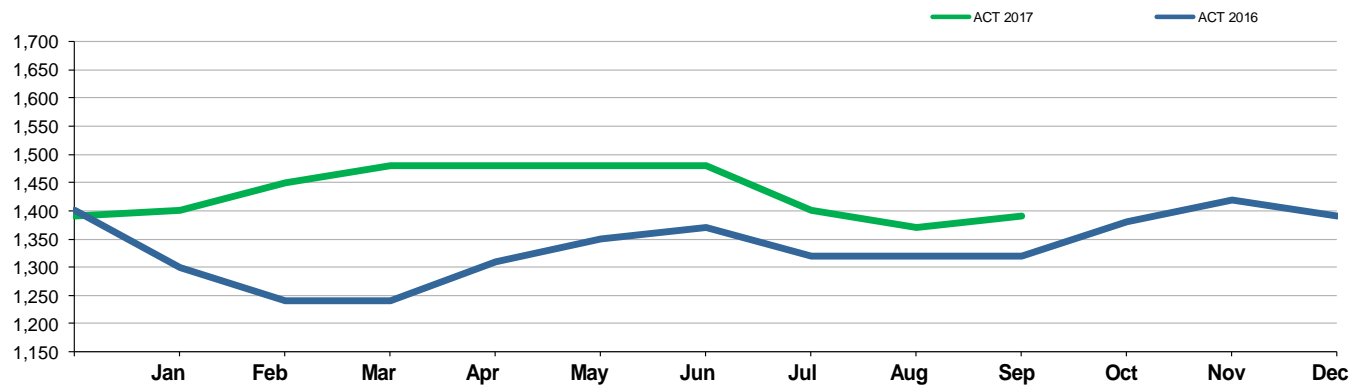


Average 9M
2016: 1,357 €/t

Average 9M
2017: 1,291€/t

Plastic price trend – Polypropylene, homopolymer

PP Var % vs 9M 2016: 9.9%



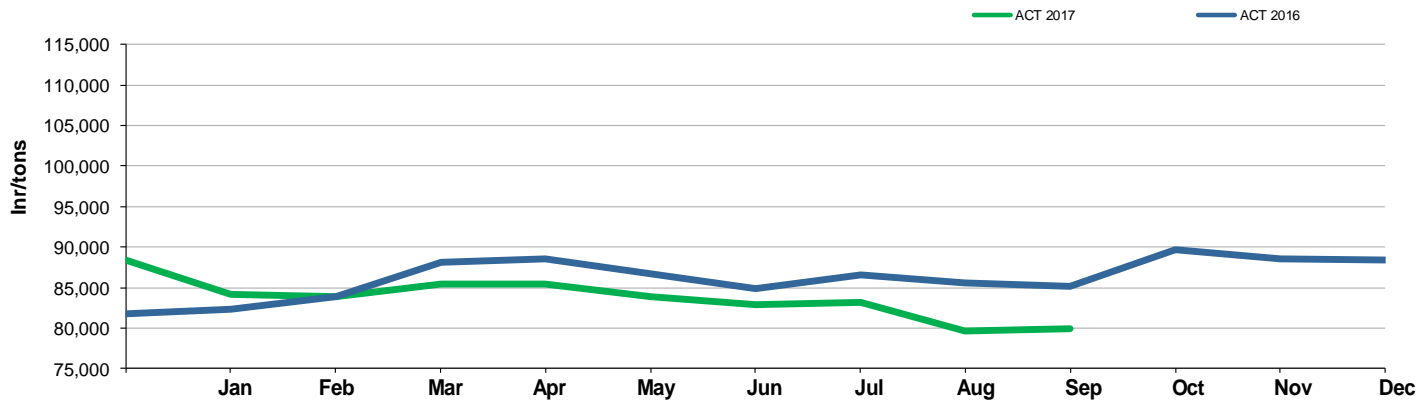
Average 9M
2017: 1,437 €/t

Average 9M
2016: 1,308 €/t

Key trends: raw materials – plastics - India

Plastic price trend - High density polyethylene

HDPE Var % vs 9M 2016: (3.0%)

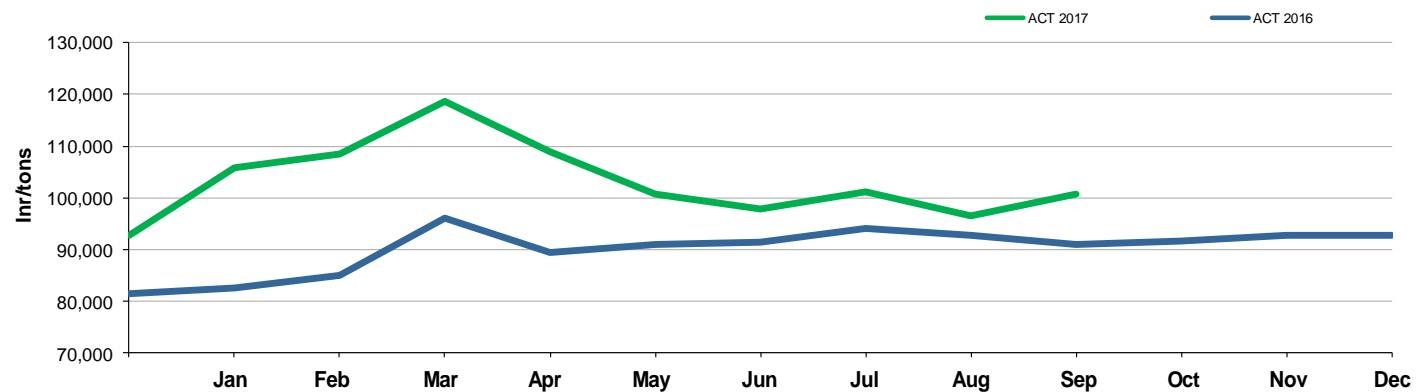


Average 9M 2016:
85,740 INR/t

Average 9M 2017:
83,152 INR/t

Plastic price trend – Polystyrene

PS Var % vs 9M 2016: 15.5%



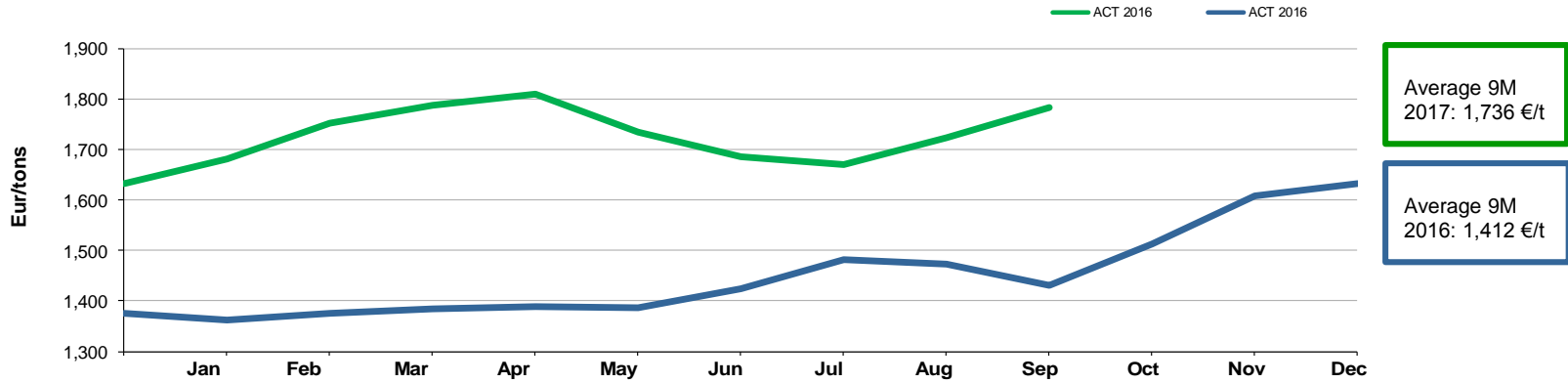
Average 9M 2017:
104,322 INR/t

Average 9M 2016:
90,345 INR/t

Key trends: raw materials - aluminum

Aluminum price trend (LME €/tons)

LME Var % vs 9M 2016: 23.0%



9M 2017 – Operating and financial review

NET REVENUE



- Net revenue up €19.7 million (+5.3%) vs 9M 2016
- At constant FX rates, net revenue up €20.4 million (+5.5%) vs 9M 2016, of which:
 - +3.7% organic growth
 - +1.8% from the acquisition of Guala Closures France SAS (formerly Capmetal SAS)
- Increase in sales volume/mix mainly in Italy, Ukraine, Mexico and Argentina
- € 8.0 million negative non-recurring impact in 9M 2017 due to the change in Indian local rules and to business interruption due to a production accident in Italy
- Excluding the non-recurring impacts, net revenue in 9M 2017 would be € 396.5 million (+7.5% vs 9M 2016)

ADJUSTED EBITDA

- Adjusted EBITDA up €2.9 million (+3.9%) vs 9M 2016
- At constant FX rates, Adjusted EBITDA up €2.5 million (+3.3%) vs 9M 2016
- Adjusted EBITDA margin at 20.2% (20.4% in 9M 2016)
- 9M 2017: positive impact mainly from sales volume/mix growth and raw materials
- € 2.4 million negative non-recurring impact in 9M 2017 due to the change in Indian local rules and to business interruption due to a production accident in Italy
- Excluding the non-recurring impacts, adjusted EBITDA in 9M 2017 would be € 80.7 million (+7.1% vs 9M 2016), with margin of 20.4%

9M 2017 – Non recurring impacts

€ million	Sales	EBITDA ADJ
9M 2017 - reported figures	388.5	78.3
<i>India - impact from change in local rules</i>	6.2	1.6
<i>Italy - loss of margin due to production accident</i>	1.8	0.8
<i>Non recurring impacts</i>	8.0	2.4
9M 2017 - after non-recurring	396.5	80.7
<u>Margin</u>		<u>20.4%</u>

- 
 Guala Closures India has been negatively impacted in the first 9 months of 2017 by the Indian Supreme Court ruling designed to reduce the sale of liquor near roads due the number of alcohol fuelled accidents. The ruling was helpfully clarified at the end of August and Guala Closures India order book is now back to the high levels seen historically.
- 
 Guala Closures Italy has been negatively impacted by a production accident occurred on 30 January 2017, which caused a temporary production stop in the period February – April 2017 with loss of supply which consequently caused a loss of margin in addition to the negative effect of extraordinary costs (already excluded from adjusted EBITDA). The production recommenced in May and the line is now operating normally.

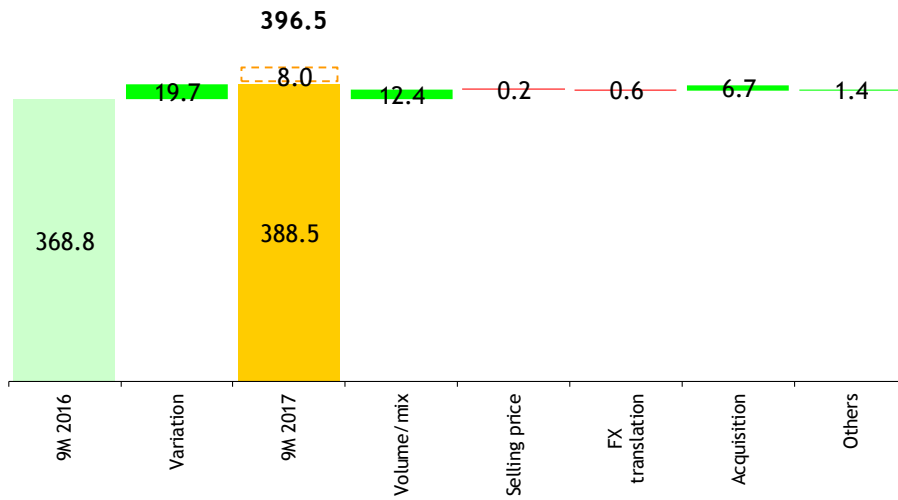
9M 2017 – Financial snapshot

€ / ml	1Q 16	2Q 16	3Q 16	9M 16	4Q 16	12M 16	1Q 17	2Q 17	3Q 17	9M 17	Var % 9M 17 vs 9M 16
Revenues	112.7	122.7	133.4	368.8	131.5	500.3	122.2	128.9	137.5	388.5	5.3%
EBITDA	20.6	25.6	28.4	74.5	26.1	100.7	22.2	24.5	29.5	76.2	2.3%
<i>% margin</i>	18.2%	20.9%	21.3%	20.2%	19.9%	20.1%	18.2%	19.0%	21.5%	19.6%	
Adjusted EBITDA	20.7	25.7	29.0	75.4	27.1	102.5	22.6	24.9	30.8	78.3	3.9%
<i>% margin</i>	18.3%	21.0%	21.7%	20.4%	20.6%	20.5%	18.5%	19.3%	22.4%	20.2%	
EBIT	12.0	19.0	21.1	52.1	17.6	69.7	14.5	16.4	21.9	52.8	1.4%
<i>% margin</i>	10.6%	15.5%	15.8%	14.1%	13.4%	13.9%	11.9%	12.7%	15.9%	13.6%	
Net result	(2.7)	3.6	4.8	5.7	(9.4)	(3.7)	3.8	(2.9)	4.6	5.5	(4.4%)
<i>% margin</i>	(2.4%)	2.9%	3.6%	1.6%	(7.1%)	(0.7%)	3.1%	(2.3%)	3.3%	1.4%	

€ / 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	As at Jun 30, 2017	As at Sep 30, 2017
NWC	87.0	97.2	105.2	116.1	90.8	102.3	112.3	124.7
<i>NWC days</i>	59	78	77	78	62	75	78	82
Net debt	497.6	518.5	524.6	529.7	514.8	533.5	546.1	555.8

9M 2017 - Sales Bridges

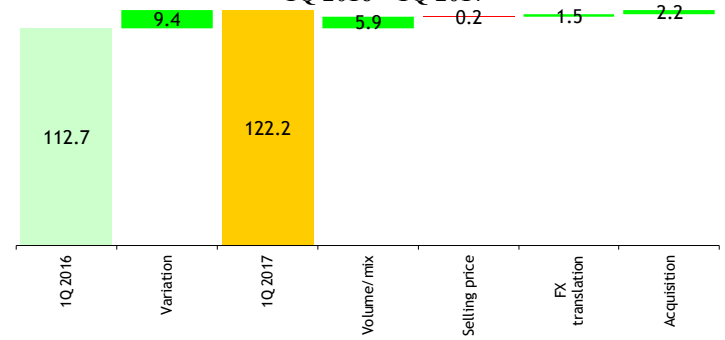
9M 2016 – 9M 2017



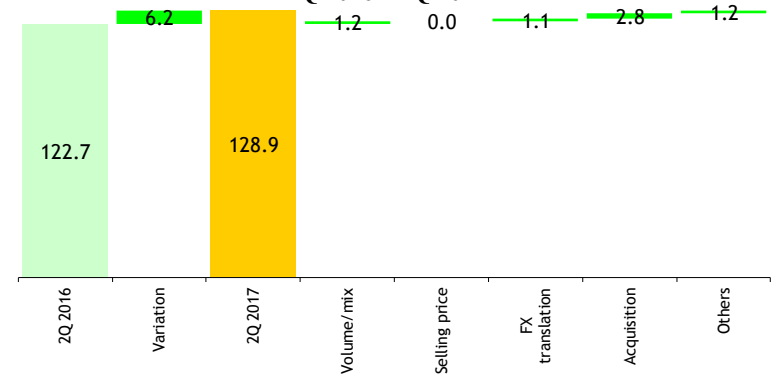
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Non-recurring impacts in 9M 2017 due to the change in local rules in India and to a production accident in Italy

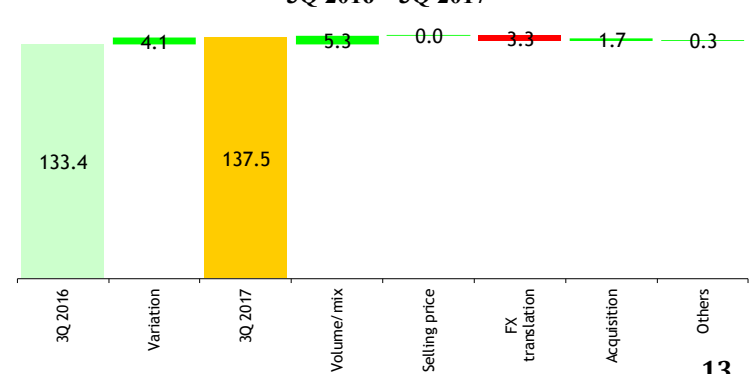
1Q 2016 – 1Q 2017



2Q 2016 – 2Q 2017

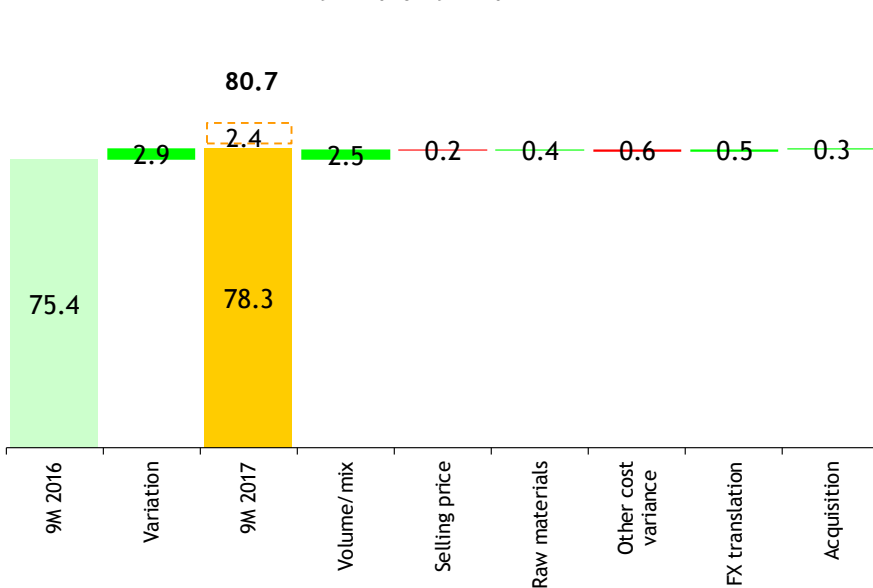


3Q 2016 – 3Q 2017



9M 2017 – Adjusted EBITDA Bridge

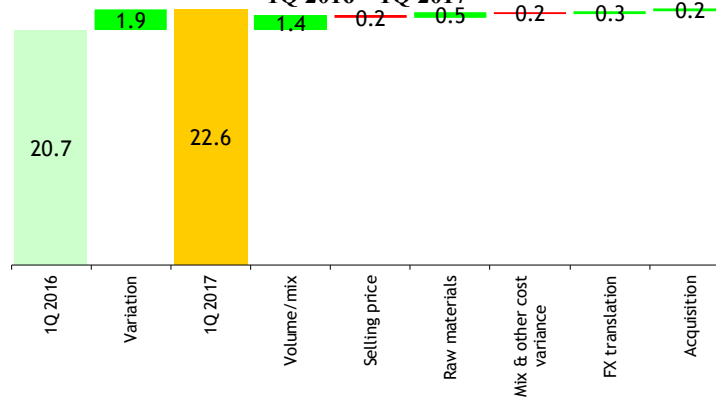
9M 2016 – 9M 2017



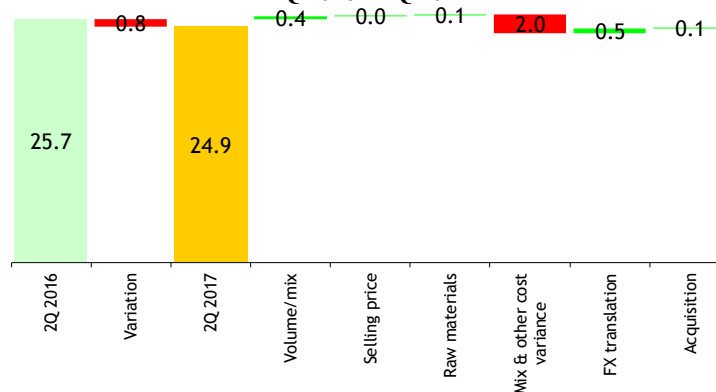
2.4

Non-recurring impacts in 9M 2017 due to loss of sales for the change in local rules in India and for a production accident in Italy

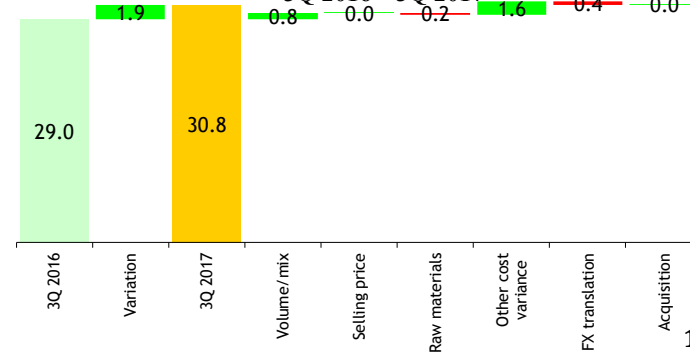
1Q 2016 – 1Q 2017



2Q 2016 – 2Q 2017



3Q 2016 – 3Q 2017



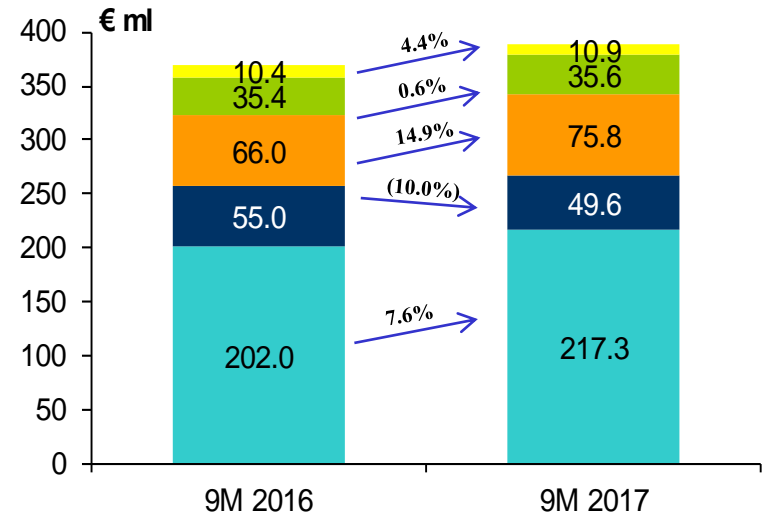
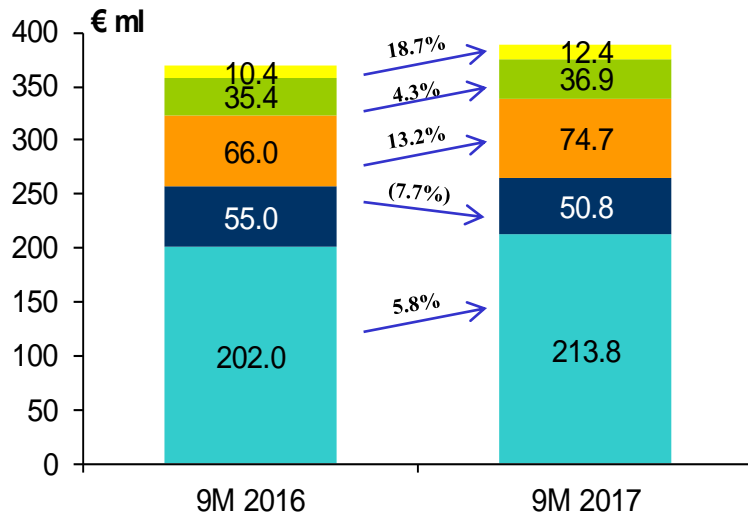
Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2016

368.8 **+5.3%** 388.5




368.8 **+5.5%** 389.2



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

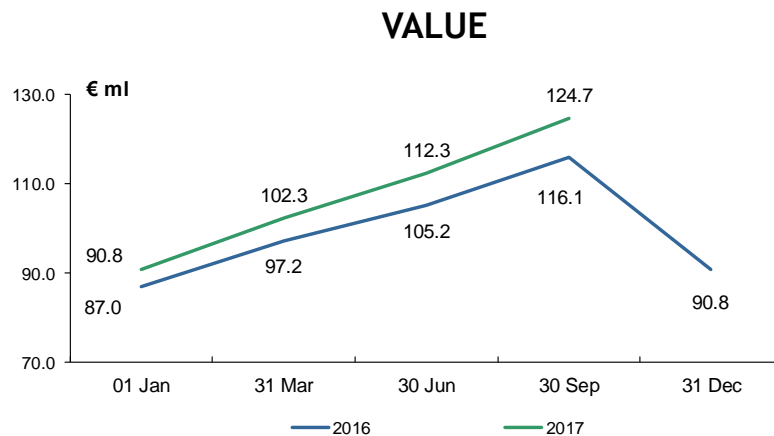
Cash Flow – sources and uses of funds

€ / mln	1Q	2Q	3Q	9M	4Q	12M	1Q	2Q	3Q	9M
	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017
Opening cash and cash equivalents	61.9	42.4	34.7	61.9	37.0	61.9	54.7	35.6	29.0	54.7
Cash flows generated by/(used in) operating activities	(0.3)	12.7	12.7	25.2	46.2	71.4	2.6	5.8	8.0	16.3
Cash flows used in investing activities	(8.4)	(8.2)	(6.2)	(22.8)	(9.5)	(32.3)	(10.4)	(7.0)	(6.9)	(24.4)
Cash flows generated by/(used in) financing activities	(9.3)	(13.5)	(3.7)	(26.5)	(19.1)	(45.6)	(11.7)	(4.6)	(1.0)	(17.3)
Net cash flows for the period	(17.9)	(9.0)	2.9	(24.0)	17.6	(6.4)	(19.5)	(5.8)	0.1	(25.3)
Effect of exchange rate fluctuation on cash held	(1.6)	1.3	(0.7)	(1.0)	0.2	(0.8)	0.5	(0.8)	(0.3)	(0.6)
Closing cash and cash equivalents	42.4	34.7	37.0	37.0	54.7	54.7	35.6	29.0	28.8	28.8

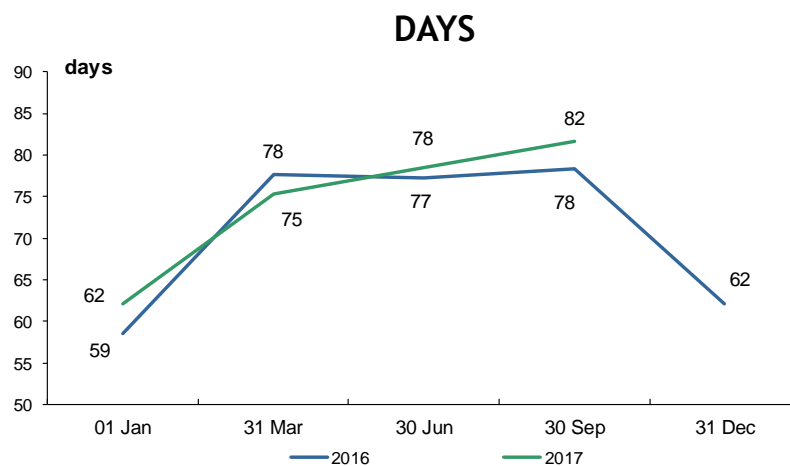
-  **CF operating:** -€8.9 million vs 9M 2016 mainly due to higher absorption from the variation in net working capital (€6.6 million) and higher cash out for taxes (€1.5 million), partly compensated by higher EBITDA generated in 9M 2017 (€1.7 million).
-  **CF investing:** -€1.6 million mainly due to the acquisition of assets of the Mexican company Limat (€1.2 million).
-  **CF Financing:** +€9.2 million vs 9M 2016 mainly due to higher proceeds and lower repayment of borrowings (€14.2 million), to a capital increase received from the minority shareholders of Guala Closures France SAS (formerly Capmetal SAS) (€0.8 million) and to lower cash out flows for interest (€0.7 million), partly compensated by the payment of residual transaction costs on the Refinancing occurred in November 2016 (€3.8 million), by higher dividends paid to non-controlling interest (€2.2 million) and by the acquisition of non-controlling interest in the Bulgarian company Guala Closures Tools (€1.1 million).

Net Working Capital

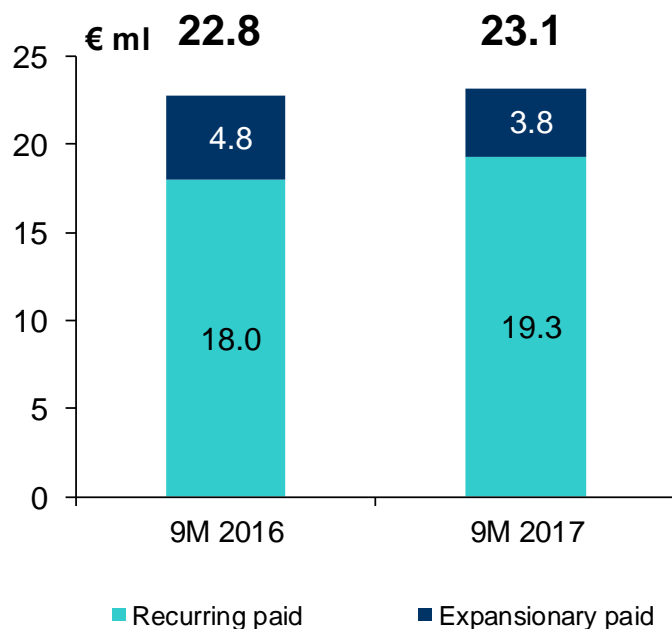
€ / ml	VALUE					
	As at 31/12/15	As at 30/09/16	As at 31/12/16	As at 31/03/17	As at 30/06/17	As at 30/09/17
Trade receivables	86.9	102.3	89.1	92.5	97.9	107.7
Inventories	67.3	78.9	67.9	83.2	90.1	90.7
Trade payables	(67.1)	(65.1)	(66.2)	(73.3)	(75.7)	(73.6)
NWC value	87.0	116.1	90.8	102.3	112.3	124.7








	DAYS					
	As at 31/12/15	As at 30/09/16	As at 31/12/16	As at 31/03/17	As at 30/06/17	As at 30/09/17
Trade receivables	58	69	61	68	68	70
Inventories	45	53	46	61	63	59
Trade payables	(45)	(44)	(45)	(54)	(53)	(48)
NWC days	59	78	62	75	78	82



9M 2017 - Net Capex paid



EXPANSIONARY CAPEX 9M 2016:

 New technology: Sputtering (Italy, Poland, UK)	€ 2.7 ml
 New technology: Ukraine (Khortytza Project)	€ 1.5 ml
 New building: Mexico	€ 0.4 ml
 New product: Brasil (DeLuxe)	€ 0.1 ml
 Other	€ 0.1 ml

EXPANSIONARY CAPEX 9M 2017:

 New technology: UK	€ 1.1 ml
 New technology: Ukraine (Siena d.32)	€ 0.5 ml
 New technology: Poland (metalization)	€ 0.5 ml
 New technology: Luxembourg	€ 0.5 ml
 New product: Spain (Sherry)	€ 0.5 ml
 New product: China	€ 0.3 ml
 New building: Mexico	€ 0.1 ml
 Other	€ 0.3 ml

Numerous New Projects underway involving New Technologies and Products

Appendix

P&L – 9M 2017

Thousands of €	1Q 2016	2Q 2016	3Q 2016	9M 2016	4Q 2016	12M 2016	1Q 2017	2Q 2017	3Q 2017	9M 2017
Net revenue	112,734	122,651	133,415	368,800	131,468	500,268	122,172	128,864	137,485	388,521
Change in invent. of finish. and semi-fin. products	4,336	6,770	(4,876)	6,230	(4,951)	1,279	8,142	6,151	(1,582)	12,711
Other operating income	975	673	749	2,398	1,197	3,595	1,067	952	574	2,593
Work performed by the Group and capitalised	1,264	1,405	920	3,589	3,027	6,615	1,434	1,691	825	3,950
Costs for raw materials	(51,678)	(57,033)	(54,774)	(163,485)	(54,951)	(218,436)	(58,712)	(60,481)	(57,708)	(176,900)
Costs for services	(21,459)	(21,978)	(22,096)	(65,533)	(22,945)	(88,478)	(24,081)	(24,083)	(23,510)	(71,674)
Personnel expense	(23,397)	(24,091)	(22,792)	(70,280)	(23,526)	(93,806)	(25,480)	(25,653)	(24,164)	(75,297)
Other operating expense	(2,215)	(2,813)	(2,145)	(7,172)	(3,189)	(10,361)	(2,338)	(2,936)	(2,388)	(7,662)
Gross operating profit (EBITDA)	20,561	25,584	28,402	74,547	26,130	100,676	22,203	24,507	29,532	76,242
Amortization, depreciation and impairment losses	(8,594)	(6,553)	(7,306)	(22,453)	(8,511)	(30,964)	(7,689)	(8,114)	(7,603)	(23,406)
Operating profit	11,967	19,030	21,096	52,094	17,619	69,713	14,514	16,393	21,929	52,835
Exchange rate	(1,028)	(1,855)	(1,218)	(4,101)	1,640	(2,462)	1,187	(6,661)	(2,558)	(8,032)
Derivatives and other financial items	(280)	(82)	(33)	(395)	(1,993)	(2,389)	-	5	(5)	-
Net interest expenses	(9,566)	(9,575)	(9,527)	(28,668)	(20,286)	(48,954)	(7,430)	(7,758)	(7,771)	(22,959)
Profit before taxation	1,094	7,517	10,318	18,929	(3,021)	15,908	8,271	1,979	11,595	21,845
Income taxes	(3,752)	(3,909)	(5,550)	(13,210)	(6,352)	(19,563)	(4,466)	(4,911)	(7,001)	(16,379)
Profit (loss) for the period	(2,658)	3,609	4,768	5,719	(9,373)	(3,654)	3,805	(2,932)	4,593	5,466
Gross operating profit (EBITDA) - ADJUSTED	20,677	25,729	28,974	75,380	27,104	102,484	22,554	24,909	30,835	78,299
<i>EBITDA ADJUSTED % on Net revenue</i>	<i>18.3%</i>	<i>21.0%</i>	<i>21.7%</i>	<i>20.4%</i>	<i>20.6%</i>	<i>20.5%</i>	<i>18.5%</i>	<i>19.3%</i>	<i>22.4%</i>	<i>20.2%</i>

Balance Sheet – as at September 30, 2017

Thousands of €	As at December 31, 2015	As at September 30, 2016	As at December 31, 2016	As at September 30, 2017
Intangible assets	376,656	373,634	373,990	372,119
Property, plant and equipment	186,144	185,239	189,932	188,860
Net working capital	87,042	116,055	90,768	124,685
Net financial derivative liabilities	(1,071)	(123)	100	(208)
Employee benefits	(5,745)	(6,323)	(6,246)	(6,440)
Other assets/liabilities	(30,381)	(27,656)	(30,242)	(27,655)
Net invested capital	612,644	640,826	618,303	651,361
<i>Financed by:</i>				
Net financial liabilities	559,546	566,712	569,502	584,629
Cash and cash equivalents	(61,944)	(36,966)	(54,703)	(28,824)
Net financial indebtedness	497,601	529,746	514,799	555,805
Consolidated equity	115,043	111,080	103,504	95,556
Sources of financing	612,644	640,826	618,303	651,361

Cash Flow – 9M 2017

Thousands of €	1Q 2016	2Q 2016	3Q 2016	9M 2016	4Q 2016	12M 2016	1Q 2017	2Q 2017	3Q 2017	9M 2017
Opening cash and cash equivalents	61,944	42,436	34,744	61,944	36,966	61,944	54,703	35,625	29,023	54,703
A) Cash flows generated by operating activities										
Profit before taxation	1,094	7,517	10,318	18,929	(3,021)	15,908	8,271	1,979	11,595	21,845
Amortization, depreciation and impairment	8,594	6,553	7,306	22,453	8,511	30,964	7,689	8,114	7,603	23,406
Net finance costs	10,873	11,513	10,778	33,164	20,640	53,804	6,243	14,413	10,334	30,991
Change in:										
Receivables, payables and inventory	(12,954)	(7,699)	(11,468)	(32,120)	24,350	(7,770)	(9,773)	(13,767)	(15,189)	(38,729)
Other	(621)	270	363	12	732	743	(975)	(32)	(1,464)	(2,471)
VAT and indirect tax assets/liabilities	(2,709)	79	638	(1,991)	1,569	(422)	(4,807)	3,083	2,099	375
Income taxes paid	(4,534)	(5,487)	(5,201)	(15,221)	(6,597)	(21,818)	(4,068)	(7,987)	(7,013)	(19,067)
TOTAL A)	(257)	12,748	12,734	25,226	46,184	71,409	2,581	5,804	7,965	16,350
B) Cash flows used in investing activities										
Acquisitions of property, plant and equipment and intangible assets	(8,400)	(8,194)	(6,224)	(22,818)	(8,460)	(31,277)	(10,441)	(7,018)	(5,761)	(23,220)
Proceeds from sale of property, plant and equipment and intangibles	6	0	44	50	30	80	39	5	40	84
Acquisition of Limat	-	-	-	-	-	-	-	-	(1,226)	(1,226)
Acquisition of Capmetal SAS	-	-	-	-	(1,057)	(1,057)	-	-	-	-
TOTAL B)	(8,394)	(8,194)	(6,180)	(22,768)	(9,486)	(32,253)	(10,403)	(7,013)	(6,946)	(24,362)
C) Cash flows generated by/used in financing activities										
Acquisition of non-controlling interest in Guala Closures Tools	-	-	-	-	-	-	-	-	(1,050)	(1,050)
Financial income and expense	(4,224)	(13,661)	(4,168)	(22,053)	(16,538)	(38,591)	(7,149)	(7,020)	(7,190)	(21,359)
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)	(712)	-	(3,768)
Other financial items	(376)	(32)	48	(360)	(820)	(1,180)	(243)	654	63	474
Dividends paid	(799)	(1,293)	(1,937)	(4,029)	(2,273)	(6,302)	(1,185)	(3,151)	(1,913)	(6,249)
Proceeds from minority for Capmetal SAS capital increase	-	-	-	-	-	-	824	-	-	824
Proceeds from new borrowings	8,081	3,273	2,494	13,847	549,163	563,010	1,941	6,673	9,567	18,181
Repayment of borrowings and finance leases	(11,967)	(1,809)	(111)	(13,887)	(535,556)	(549,443)	(2,844)	(1,070)	(106)	(4,020)
Change in financial assets	16	(19)	16	12	(83)	(70)	(11)	(3)	(329)	(343)
TOTAL C)	(9,270)	(13,542)	(3,657)	(26,469)	(19,127)	(45,596)	(11,721)	(4,630)	(958)	(17,309)
D) Net cash flows for the period (A+B+C)	(17,921)	(8,988)	2,897	(24,011)	17,571	(6,441)	(19,543)	(5,838)	61	(25,321)
Effect of exchange rate fluctuation on cash held	(1,588)	1,296	(675)	(967)	166	(801)	466	(764)	(261)	(558)
Closing cash and cash equivalents	42,436	34,744	36,966	36,966	54,703	54,703	35,625	29,023	28,824	28,824