

**Guala Closures Group**

**1H 2020 Results**

**September 7, 2020**



# Disclaimer

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\* \* \*

Pursuant to Article 154-bis, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, Anibal Diaz Diaz, in his capacity as manager responsible for the preparation of the Company's financial reports, declares that the accounting information contained in this Presentation reflects Guala Closures' documented results, financial accounts and accounting records.

# **Guala Closures Group**

## **1H 2020 Results – Highlights**



# 1H 2020 highlights

	OUR TARGETS	OUR DELIVERY
F I N A N C I A L S	Revenues Growth	-3.2% at constant FX, but with 1Q +3,7% and 2Q at -9.7% due to Covid-19 impact  At current FX -6.4%
	Consolidate profitability	Adj. EBITDA -9,8% at constant FX, -12,2% at current FX At constant perimeter and FX, Sales -7,2% & EBITDA -7,6%, with Adj. EBITDA margin in line with 1H 2019 (17,3%)
	Cash flow	Thanks to WC control and Capex reduction, in 2Q 2020 Cash Flow €7m vs. €-1,4m 2Q 2019 NFP €483m, decreasing vs. 1Q20 and 1H19
B U S I N E S S	New Product launch	Three new luxury spirit closures
	New Production	Protective face shields produced leveraging on GLC technology, expertise of its technical staff and international knowhow
	Closurelogic / GCL Deutschland integration	New organization in line with GCL and new GM appointed; litho & decorating lines restored; relevant maintenance capex to improve efficiencies
C O R P O R A T E	Launch of Minority tender offer	On 16 April, Special Packaging Solutions Investment S.à r.l. announced the launch of a minority bid on 20% of GCL voting rights. Final outcome: SPSI bought 4.36% of the ordinary shares and 3.61% of voting rights
	Finalization of GCL Pharma disposal	Cash-in € 9.3m, of which €7.3m on 16 April 2020, with the remainder due within 12 months. Entire amount earmarked to reduce debt

# Q2 2020: launch of new products and awards

## Spirits Closures

### ***Fante Bebidas – Rock's Fante Bebidas – Rock's***

Product: Gin (traditional & strawberry)

Launch date: April 2020

Closure: SuperDeLux / 55 with hot stamping

Developed by: Guala Closures Brazil



### ***Concha & Toro - Pisco Diablo***

Product: Whisky

Launch date: June 2020

Closure: Alusnap

Developed by: Guala Closures Chile + Ukraine



### ***Campari Group -Tequila Espolòn Cristalino***

Product: Tequila

Launch date: June 2020

Closure: Wood & Kate NR, finished varnished (42x18mm)

Developed by: Guala Closures Mexico



### ***Alufoil Trophy 2020***

May 2020

Guala Closures Group has received the prestigious award, Alufoil Trophy 2020 in the "Marketing + Design" category for its Savin Prestige, the premium screwcap for the wine market. The competition was organized by EAFA (European Aluminum Foil Association) and rewards the main innovations in the use of aluminum for packaging. The project allows a unique design customization made according to the wine makers' marketing needs thanks to the use of different materials such as fabric, wood, resins, combined with aluminum, with material effects as well as embossed or negative finishes, hot printed or laser engraved.



# 1H 2020: production of face shields during Covid-19

From the end of March, with the Covid-19 pandemic reaching global levels, GCL decided to contribute its technology, the expertise of its technical staff and its international knowhow preventing contamination by producing protective face shields.

The models of face shield produced:

- The first models were made according to a standard 3D design and assembled in-house.
- Following numerous requests, the production was industrialized and a new face shield in two different sizes were produced: the GCL Vision ONE model. Each visor is sold disassembled in an "assembly kit" (plastic support, clear visor, elastic and assembly instructions). Part of the production was also sold to consumers in some hypermarkets in Luxembourg.
- Lastly, protective visors adaptable to construction site helmets were created: GCL Vision PRO.

In the past few months, numerous face shields have been donated to hospitals and healthcare facilities, as well as supplying them to companies and public entities that needed face shields to protect their employees and customers, in many countries such as Luxembourg, Italy, Spain.



# Update on Closurelogic / Guala Closures Deutschland

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Acquisition in line with the Group's strategy to consolidate the glass bottle mineral water

Rational: significantly increase our presence in Germany, consolidate leadership in the world beverage and glass bottle water market and acquire further production capacity

In 1H 2020, Covid-19 impacted significantly the German HORECA market. Despite all that, in July GCL Deutschland signed an important commercial contract with Adelholzener Alpenquellen, to supply around 1 billion mineral water aluminum closures in 3 years.

Achievements so far:

- 🌐 New organization structure in line with the Group; General Manager appointed by GCL
- 🌐 Aligned reporting and KPIs in line with GCL
- 🌐 Restore Litho & Decorating lines for aluminum sheets
- 🌐 Relevant maintenance capex to improve KPIs, efficiencies and scrap

As part of the purchase of Closurelogic's assets, on 4 September 2020, GCL acquired the Turkish company Closurelogic Ambalaj Ve kapak Sistemleri, for €315k. Rational: further increase the group's capacity (300m closures/year), serve Middle East with a dedicated sales force and asset acquired at very interesting price.

# **Guala Closures Group**

## **1H 2020 Financial Results**

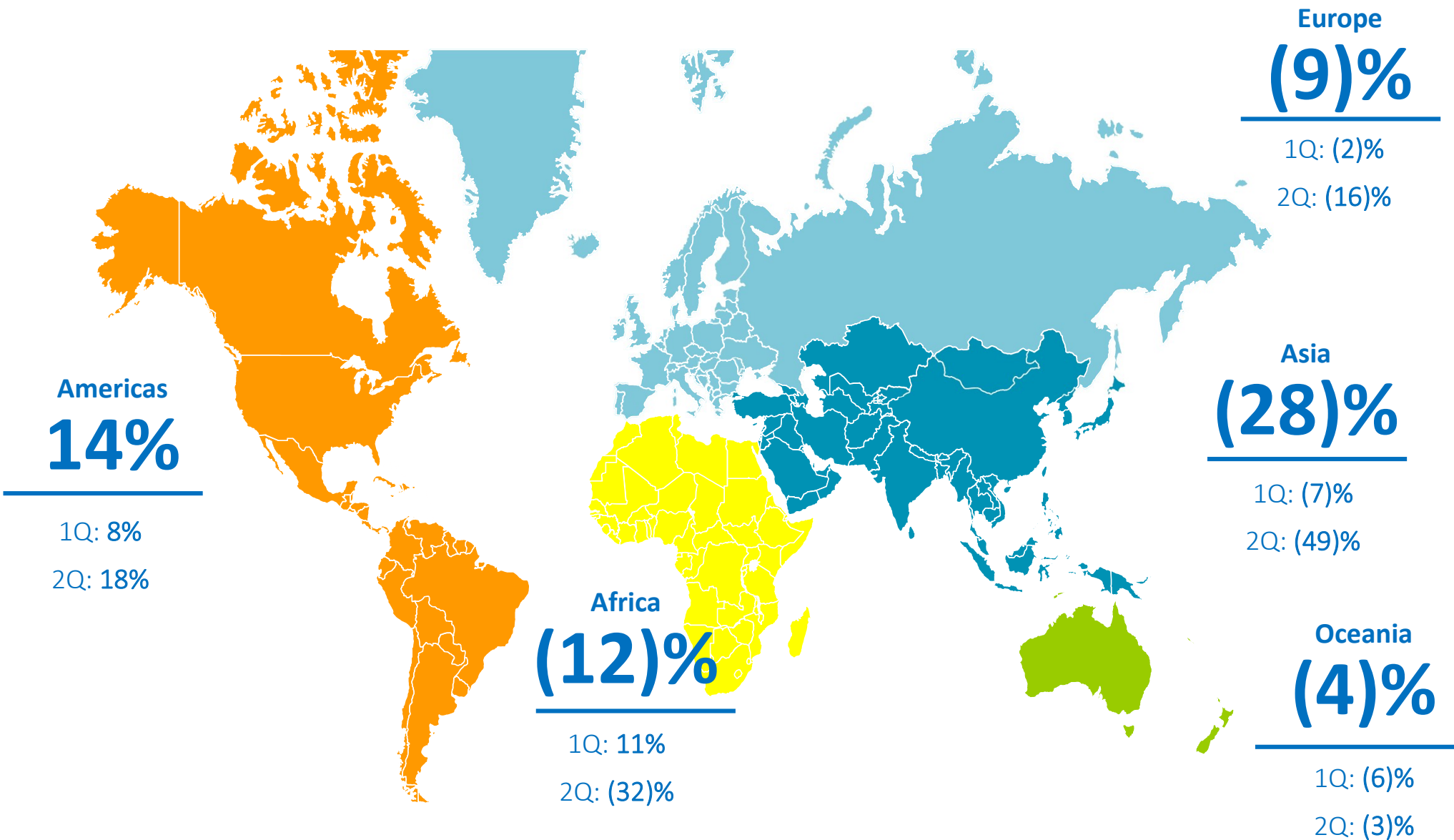




# Covid-19 lockdown impacted our business mainly in 2Q

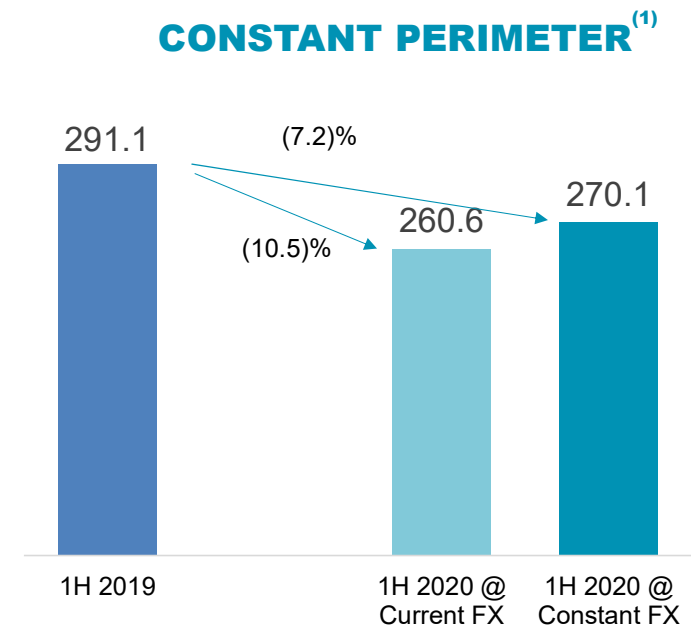
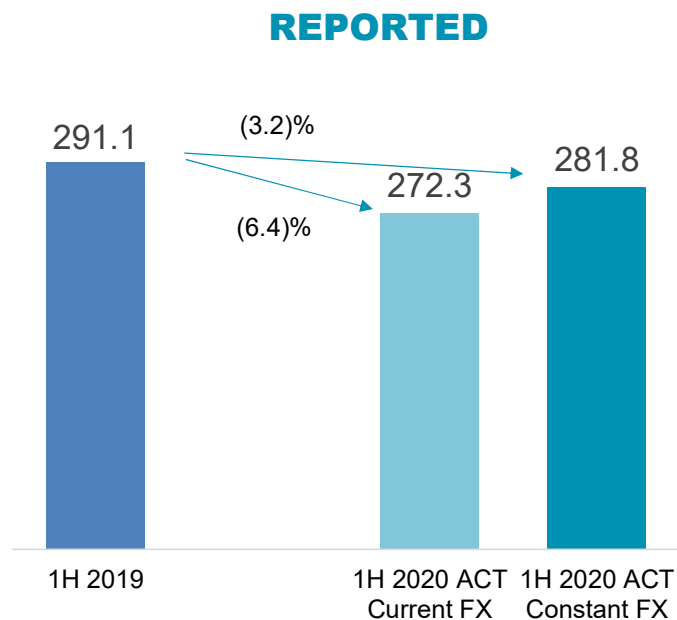
Organic net sales growth at constant FX:

1H: (7.2)%; 1Q: (0.8)%; 2Q: (13.3)%

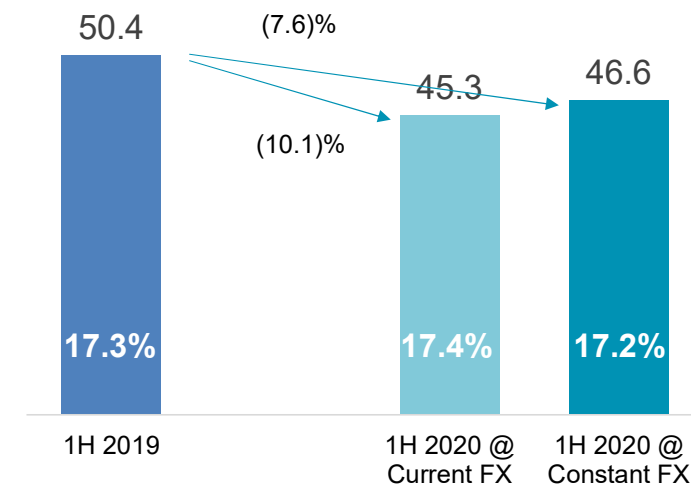
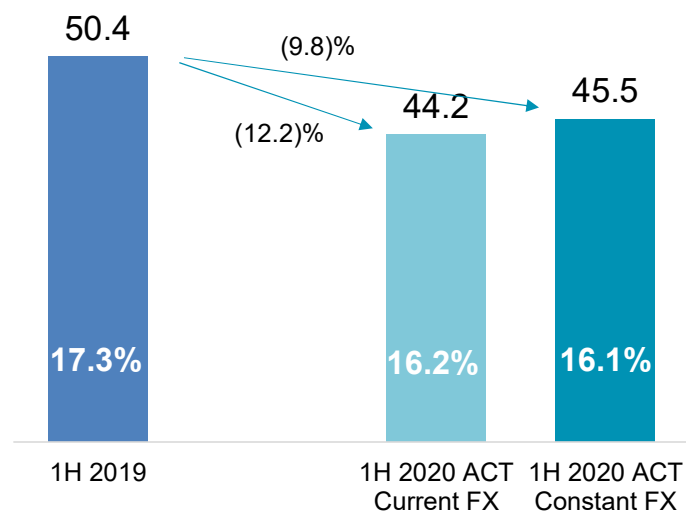


# 1H 2020 – Key highlights

## 1H 2020 NET REVENUE (Million Euro)



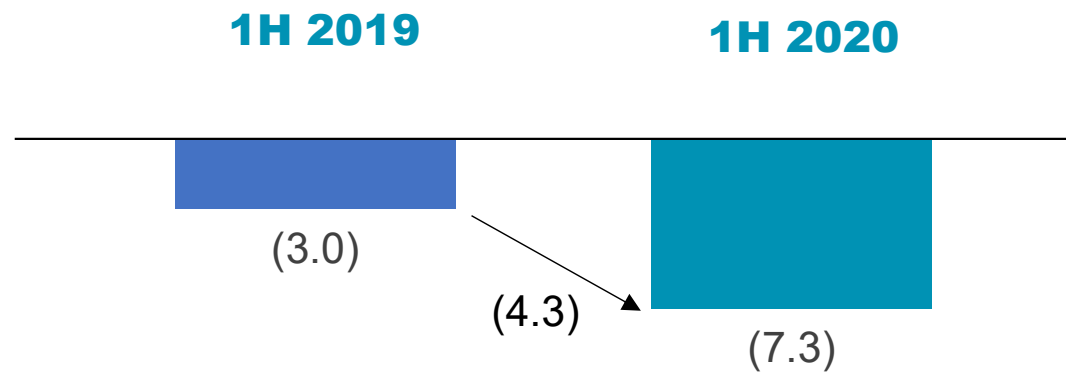
## 1H 2020 ADJ. EBITDA (Million Euro)



<sup>(1)</sup> Excluding Closurelogic acquisition, PET rationalization and GCL Pharma disposal

# 1H 2020 – Key highlights – net result <sup>(1)</sup> <sup>(2)</sup>

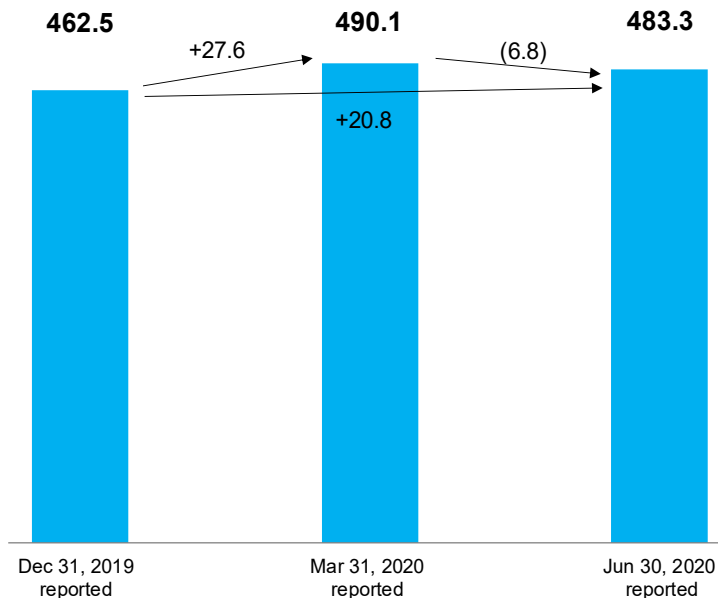
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- €4.3m decrease in net result 1H 2020 vs 1H 2019, mainly due to the decrease in EBITDA (€0.3m), the increase of net financial expense (€6.0m, of which exchange rate losses for €6.9m) and D&A (€0.7m), partially compensated by the decrease of income taxes for €2.7m.

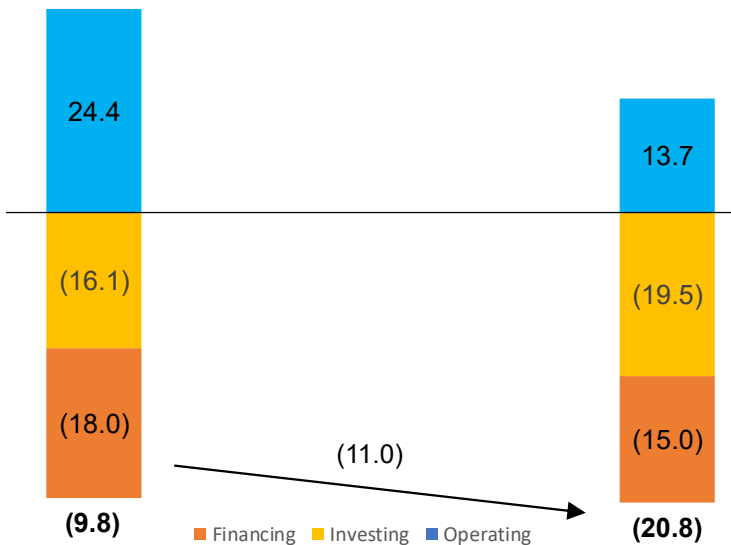
# 1H 2020 – Highlights – Net financial debt and cash flow <sup>(1)</sup>

## NET FINANCIAL DEBT



- Net debt at €483.3 million, €2.9 million lower than net debt at June 30, 2019
- €6.8m decrease in net financial debt compared to end of March 2020
- €20.8m total increase in net financial debt compared to end of 2019

## CASH FLOW

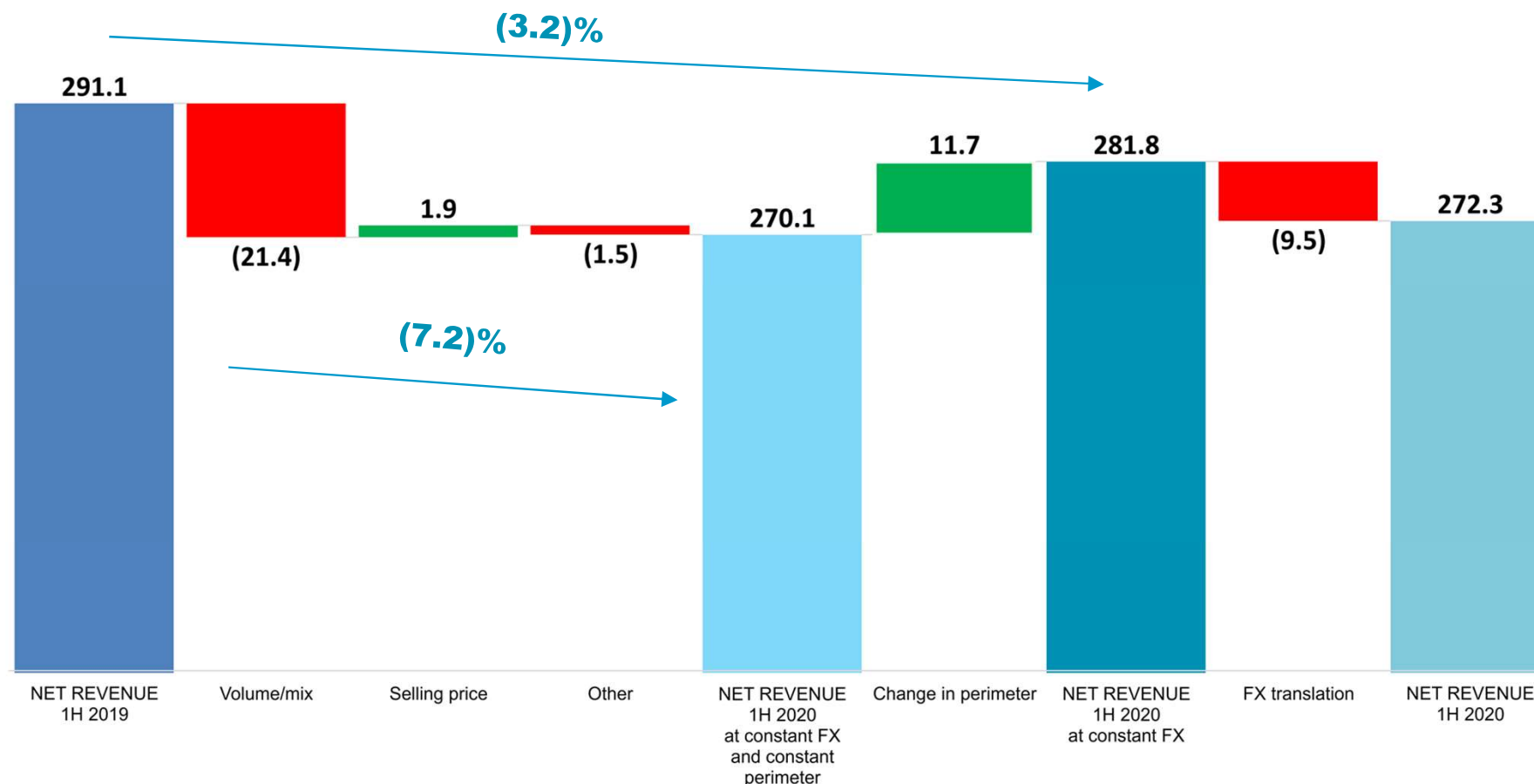


- Although in 1H 2020 Group posted a cash absorption for €20.8m, in 2Q 2020 Group Cash Flow generation was €6.8m vs. €-1.4m in 2Q 2019.
- 1Q 2020 CF absorption was basically in line with 1Q 2019 and the normal seasonality, excluding Closurelogic acquisition & consolidation impact

<sup>(1)</sup> Million Euro

# Revenue impacted by Covid-19, 2Q lockdown offset good 1Q

## 1H 2020 NET REVENUES EVOLUTION by COMPONENTS <sup>(1)</sup>



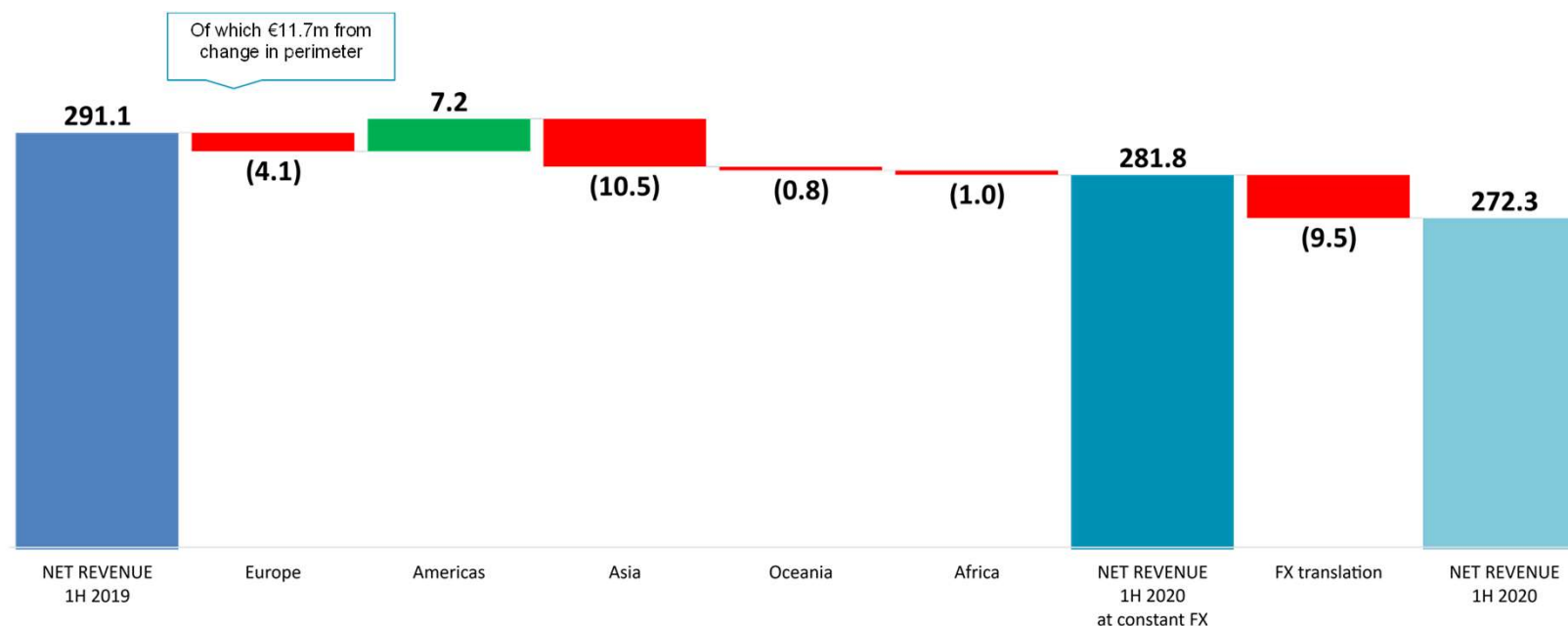
### 🌐 (3.2)% decrease in net revenue at constant FX, of which organic performance (7.2)%

- Volumes reduced by €21.4m, with an estimated Covid-19 impact for around €30m
- Geography: Americas (+13.7%) best market performer; Europe includes €11.7 million change in perimeter (acquisition of German assets - Closurelogic)
- Products: Safety closures for spirits severely impacted from COVID-19, mostly due to India lockdown and UK exposure to global groups and duty free market

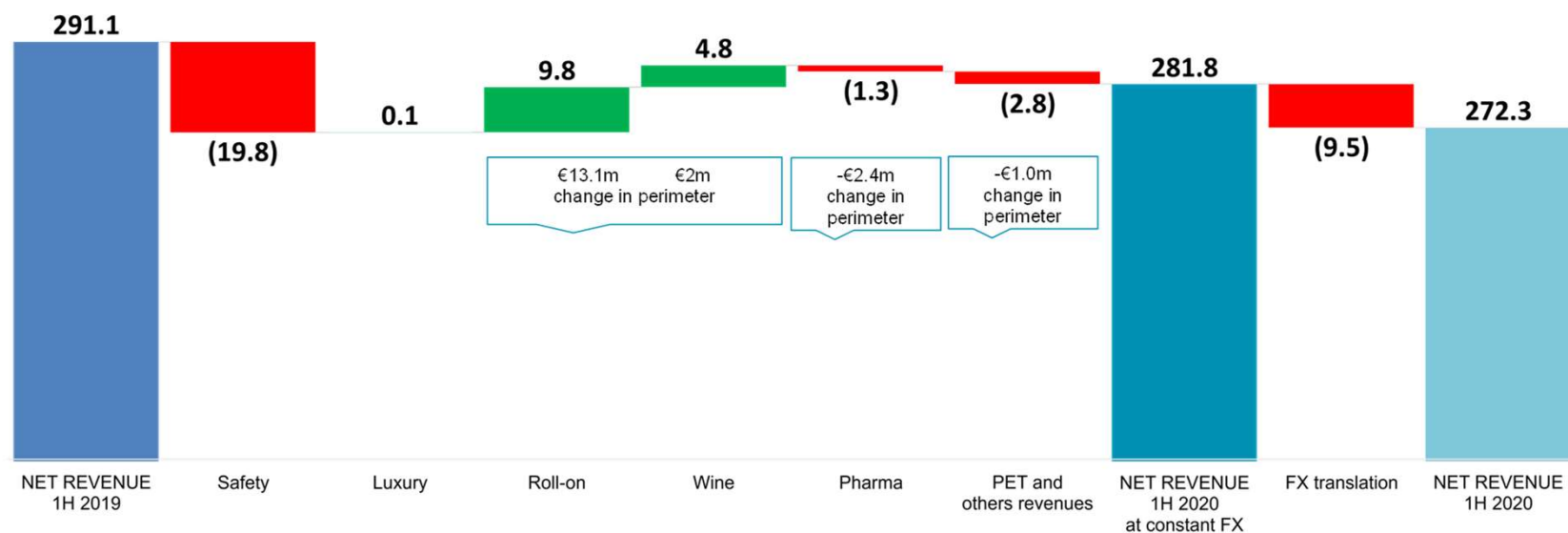
<sup>(1)</sup> Million Euro

# 1H 2020 – Net revenue – Americas and Roll-on closures as drivers <sup>(1)</sup>

## 1H 2020 NET REVENUES EVOLUTION by GEOGRAPHIC AREA

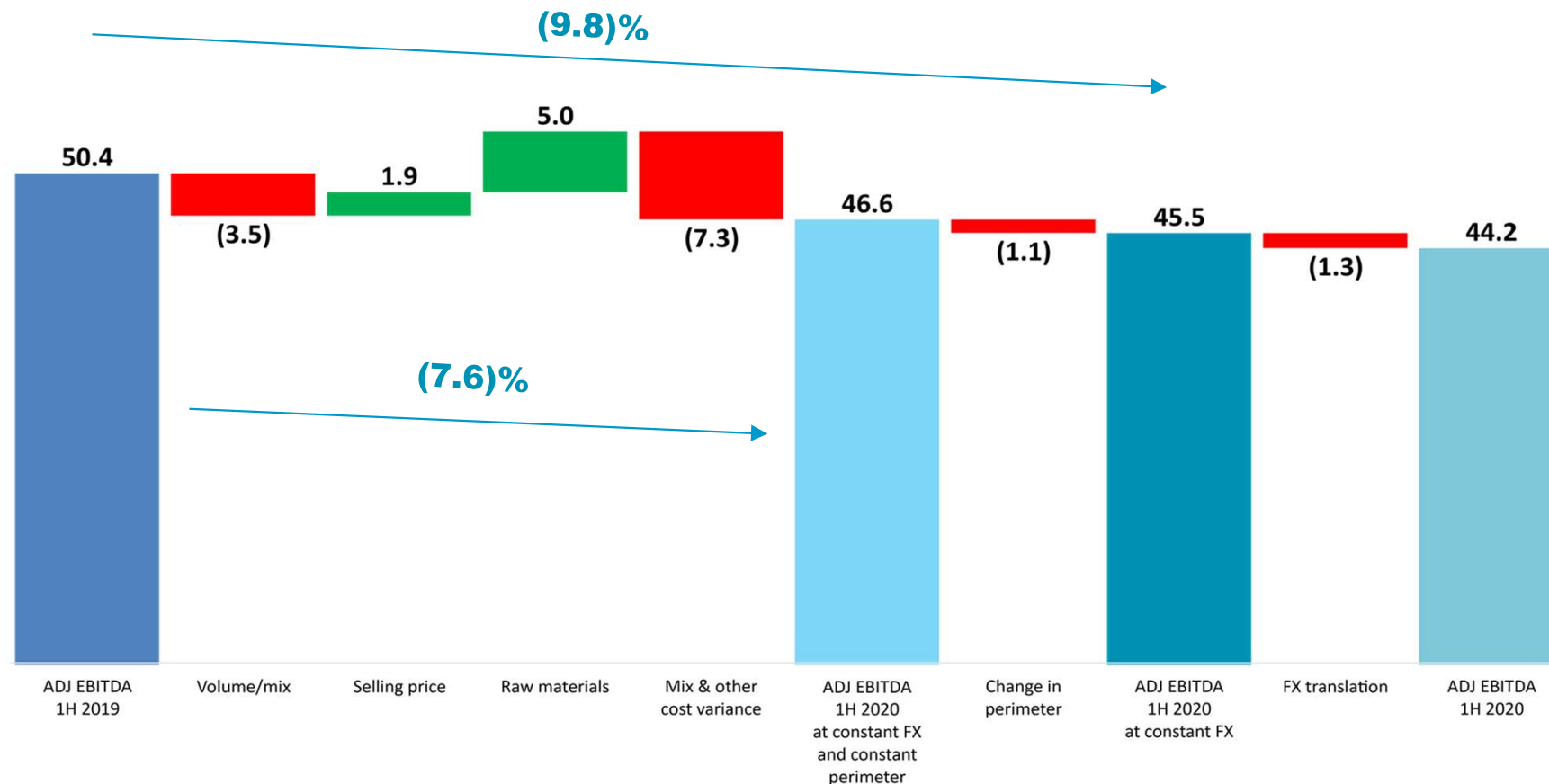


## 1H 2020 NET REVENUES EVOLUTION by PRODUCT



<sup>(1)</sup> Million Euro

# Our cost management mitigated Covid impact on EBITDA reduction <sup>(1)</sup>



**9.8% decrease in adj EBITDA at constant FX, of which organic performance -7.6%**

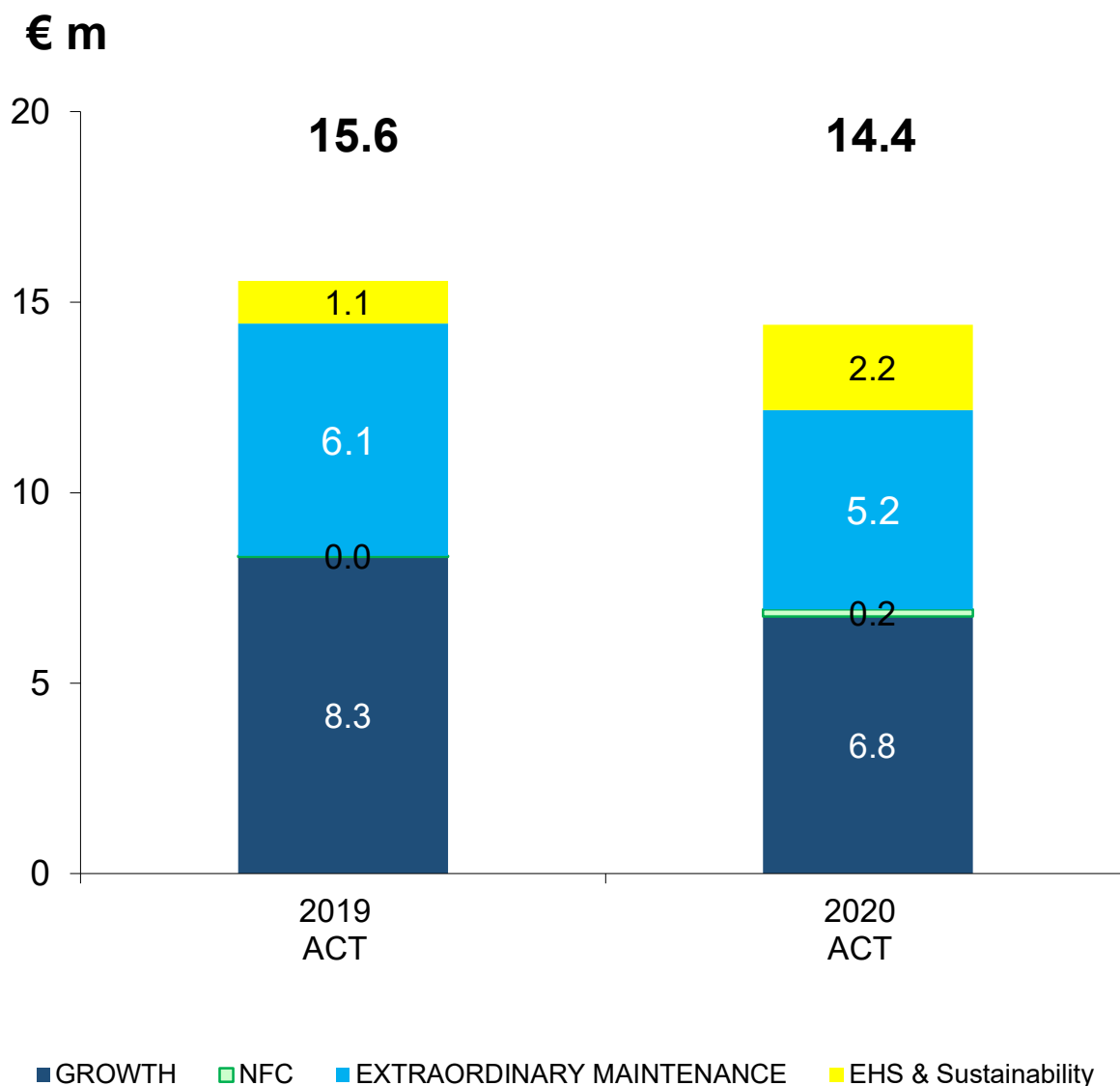
**Selling price increase and positive impact from raw materials**

**Negative impacts from:**

- 1) volume/mix due to the consequences of COVID-19 in terms of decreased sales
- 2) "Mix & other cost variance" mostly related to additional costs to ensure the safety of facilities and employees and lower production efficiency, partially offset by measures to contain personnel costs, lower travel expenses and Government incentives

<sup>(1)</sup> Million Euro

# 1H 2020 – Capex

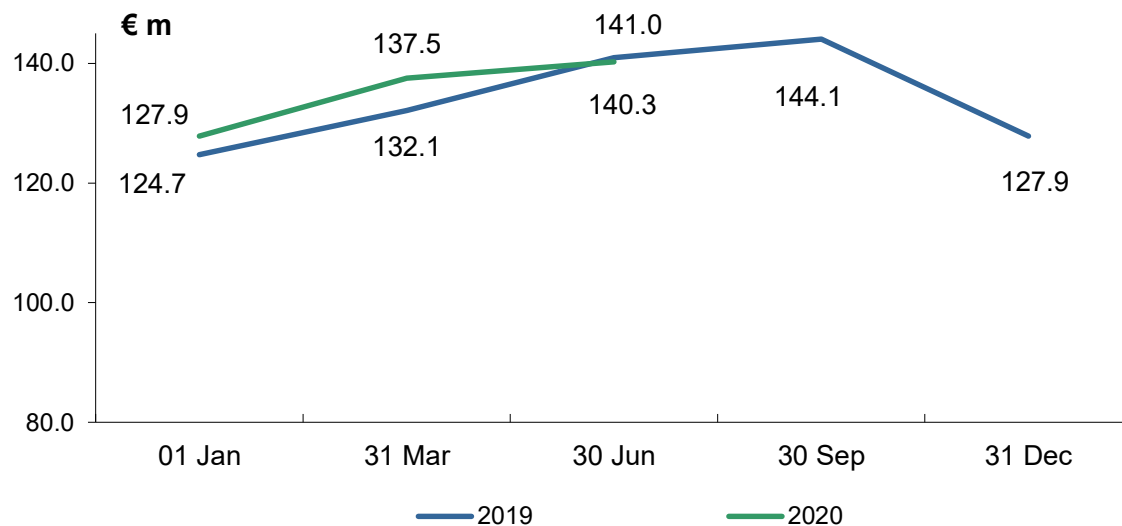


- Strong decrease in 2Q 2020 total Capex at €4.9m vs. €7.8m in 2Q 2019
- 1H 2020 Growth Capex mainly relate to investments for capacity increase and new products mostly due to:
  - initial investment in Kenya doubling capacity (now delayed)
  - investments in new spirit closures for vodka (mainly Ukraine and Italy)
  - increased capacity for mineral water (Italy) and for wine market in Europe



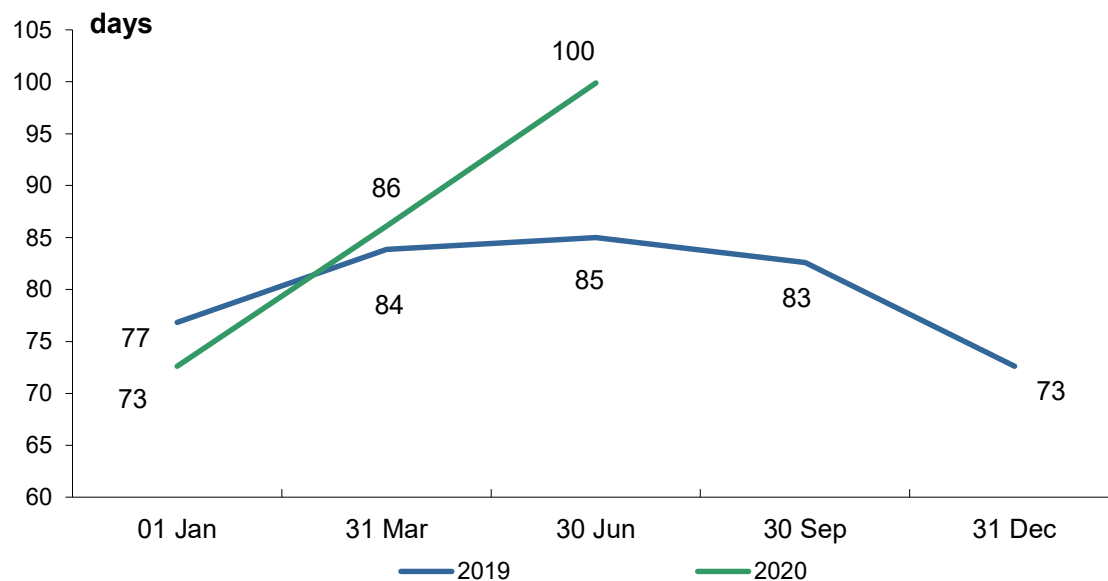
# 1H 2020 – NWC

## Value



- At end of 1H 2020, NWC €140.3m, lower vs end 1H 2019, despite the increase due to German assets acquisition (more than €9m).
- NWC increase in 1H due to business seasonality and to change in perimeter.

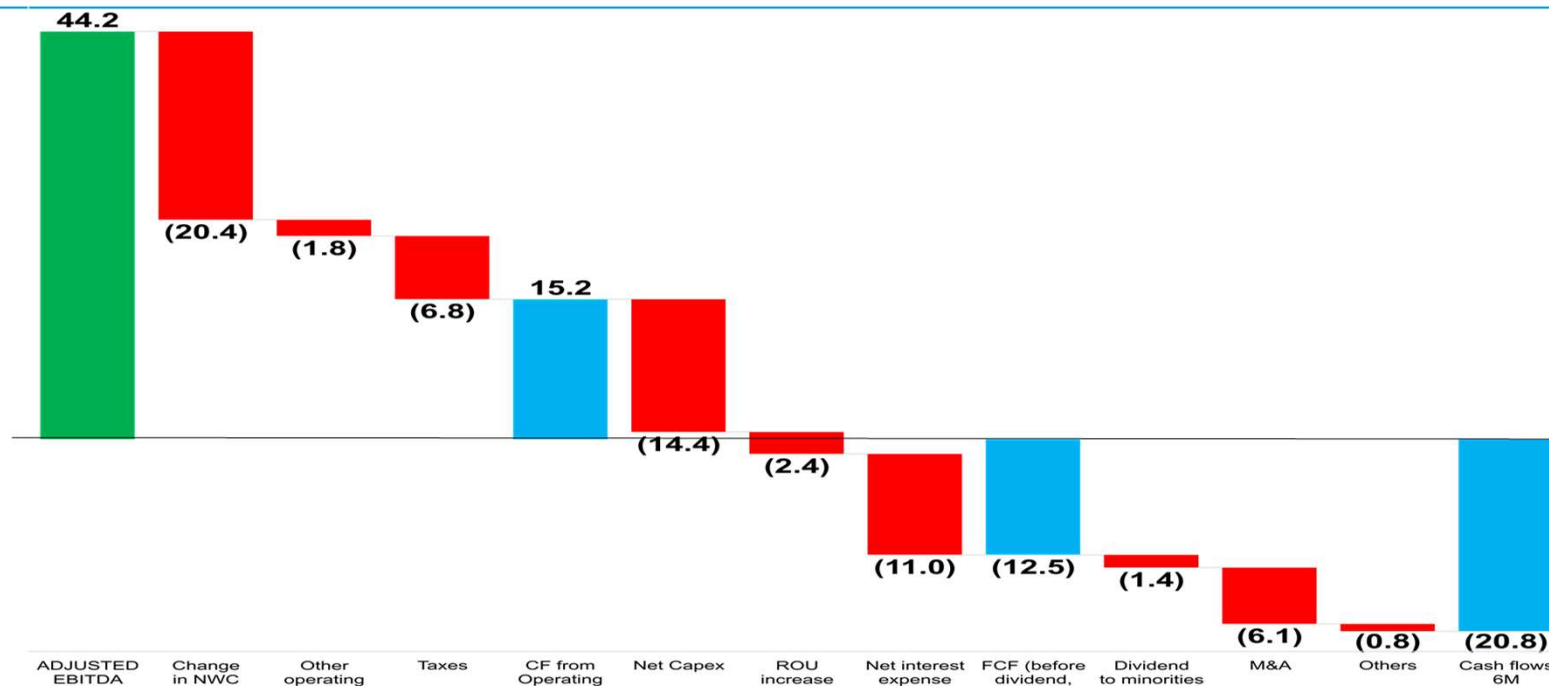
## Days



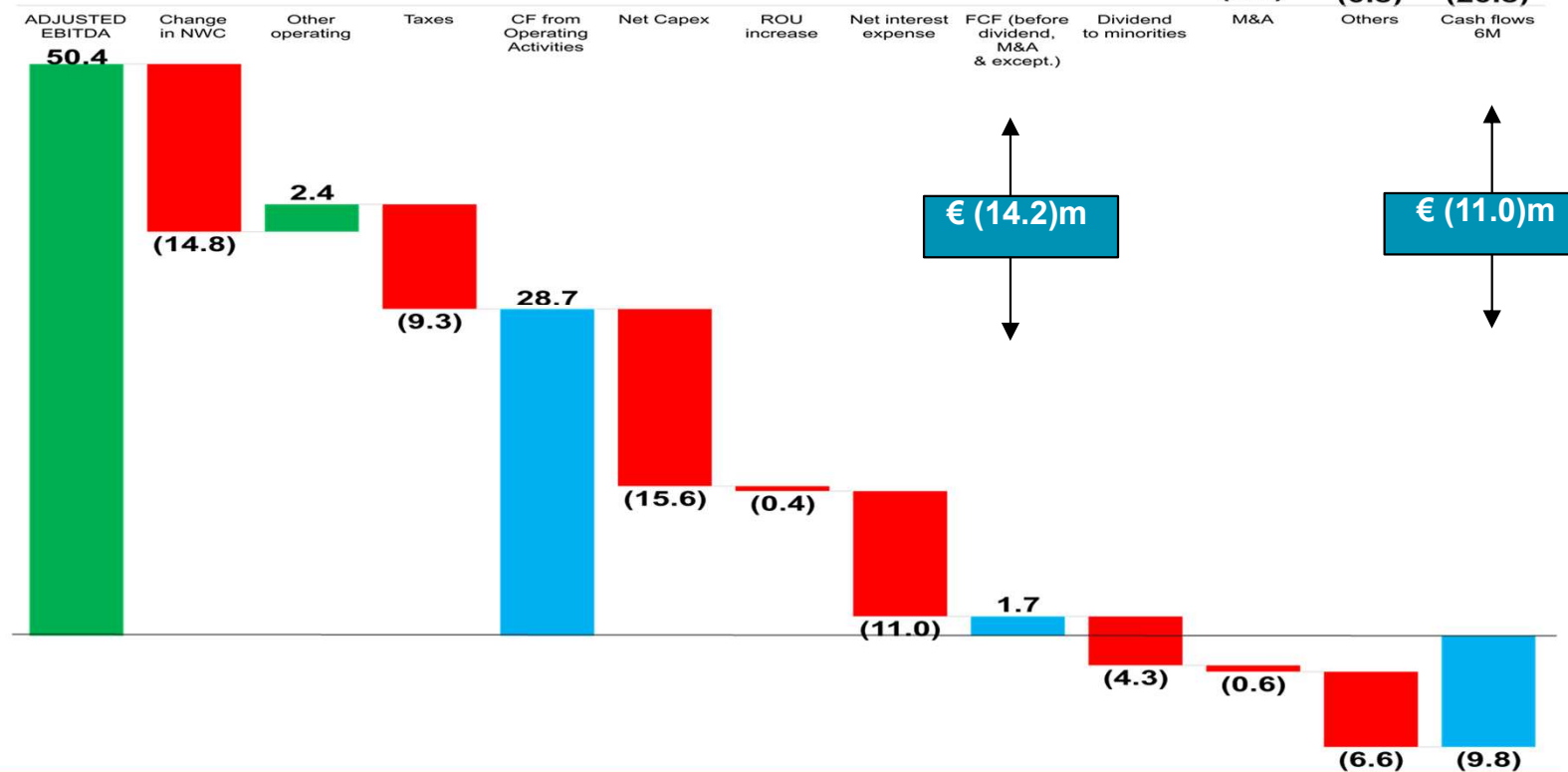
- +15 days vs June 2019 mainly due to increase in inventories, to avoid difficulties in raw materials procurement due to possible lockdowns, which is going to be reabsorbed from beginning of 3Q 2020; DSO in line with June 2019.
- There were no significant delays or extensions in customer payments due to COVID-19.

# 1H 2020 – Cash flow <sup>(1)</sup>

1H 2020

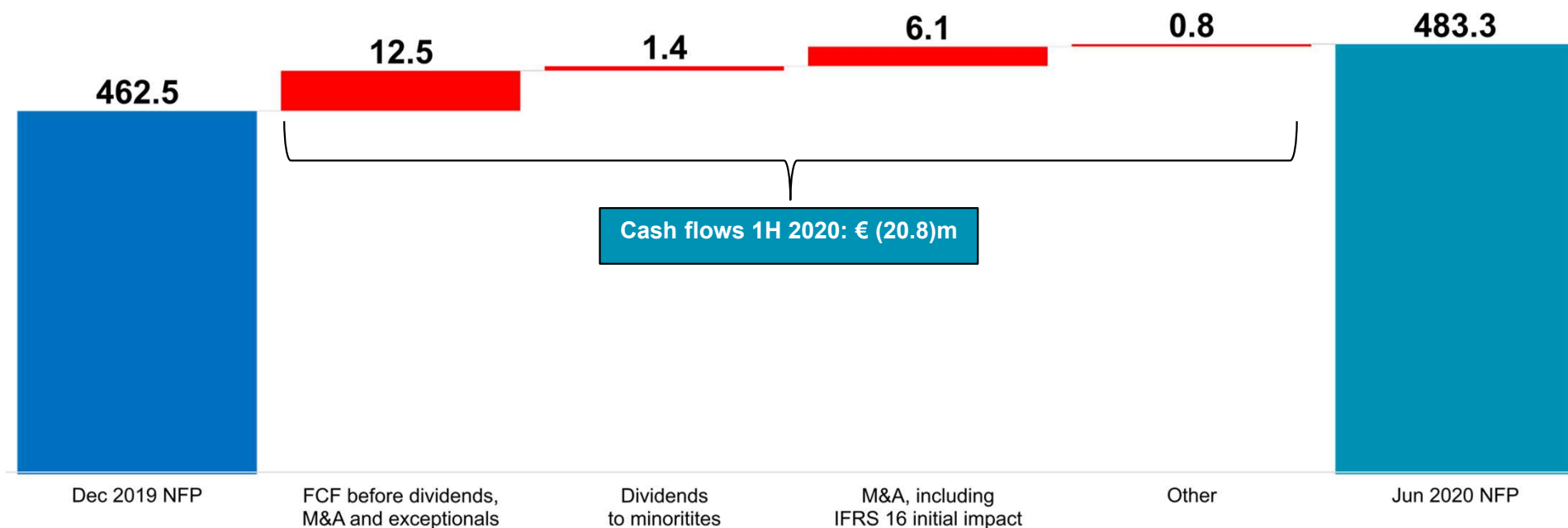


1H 2019



<sup>(1)</sup> Million Euro

# 1H 2020 – Net financial debt evolution <sup>(1)</sup>



- 🌐 **Cash flows 1H 2020:** net debt increase of €20.8m mainly due to the following:
- **FCF:** -€12.5m
  - **Dividends to minorities:** -€1.4m
  - **M&A:** -€6.1m which includes -€13.5m related to the acquisition of Closurelogic assets (Germany), partially offset by €7.4m for the disposal of GCL Pharma S.r.l.
  - **OTHER:** -€0.8m which includes mainly -€1.7m impact from change in FV of Market Warrants, -€1.5m for the payment of non-recurring items partially offset by +€2.5m impact from FX

- 🌐 Excluding M&A and consolidation impact of German assets, increase in net financial debt in 1H 2020 in line with 1H 2019

<sup>(1)</sup> Million Euro

# **Guala Closures Group**

## **Closing Remarks**



## Closing Remarks

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- 🌐 Strong business resilience to Covid-19 confirmed thanks to geographic, product and client diversification - serving both top global clients and numerous regional and local customers - and recognized market leadership
- 🌐 1H 2020 saw the continuation of Research and Innovation activities both in sustainable products and in response to clients' requests, that began preparing repacks of major world brands for 2021 and 2022
- 🌐 Sustainability will be one of our main driving forces for the innovation of products and processes, a fundamental driver of the resilience and success of our company
- 🌐 In 2H 2020 we will continue to focus on
  - Stringent health & safety measures to protect employees and business partners
  - Internal costs control
  - Production performance
  - Cashflow & liquidity management
- 🌐 Outlook: starting from 3Q 2020, the performance of the business, most impacted in 2Q by the spread of Covid-19, has embarked on a path of recovery, with a marked improvement in volumes curve

# **Guala Closures Group**









## **1H 2020 Financial Results**

**Annex**  
**Definitions and 1H 2020 Financial Results**  
**details**



# Definitions

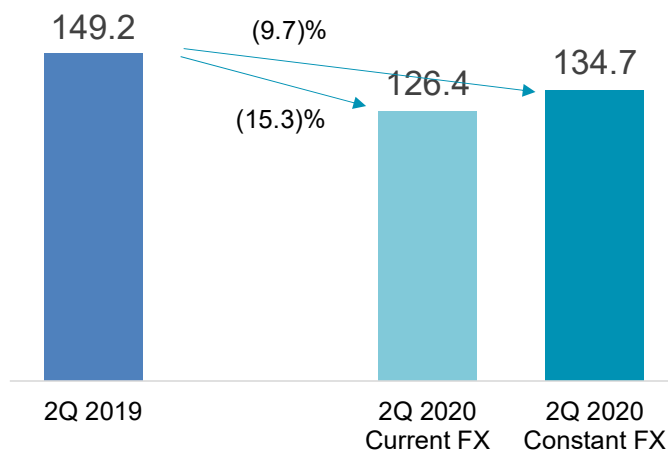
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 CONSTANT EXCHANGE RATES CHANGE	Constant currency basis restates the current year results to the prior year's average exchange rates
 ORGANIC GROWTH	Growth at constant perimeter, excluding impact of acquired entities
 EBITDA	Earnings before Depreciation and Amortization, Net Financial Income (Charges) and Income Taxes
 ADJUSTED EBITDA	Performance indicator calculated by adjusting the EBITDA of some non-operational components, such as: i) restructuring expenses, ii) operating expenses related to discontinued plant, iii) costs related to significant production accidents, iv) due diligence charges, v) merger and acquisition ("M&A") expenses, vi) contingent tax penalties and related consultancy fees
 EBIT	Earnings before Net Financial Income (Charges) and Income Taxes
 CAPEX	Capital Expenditure, net of asset disposals, excluding Investments in Financial Fixed Assets and Equity Investments
 NET INVESTED CAPITAL	Non-Current Assets plus Current Assets less Current Liabilities less Other Non-Current non Financial Assets and Liabilities
 NCI	Non-controlling interests

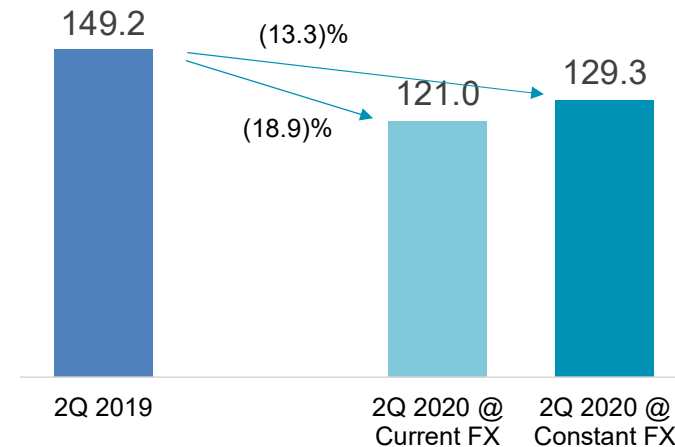
# 2Q 2020 – Key highlights

## REPORTED

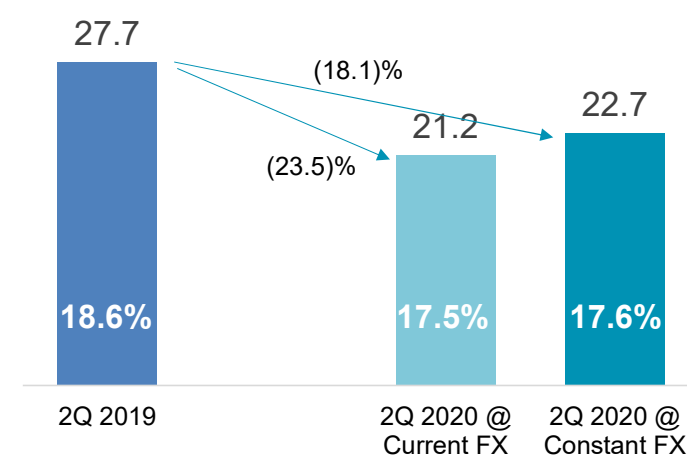
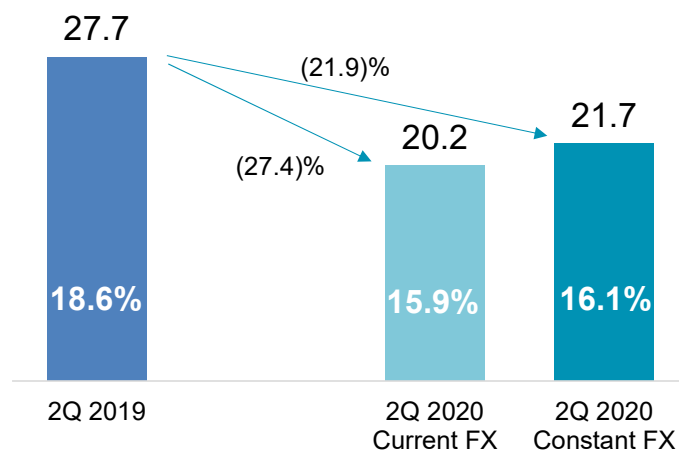
### 2Q 2020 NET REVENUE (Million Euro)



## CONSTANT PERIMETER<sup>(1)</sup>



### 2Q 2020 ADJ. EBITDA (Million Euro)



<sup>(1)</sup> Excluding Closurelogic acquisition, PET rationalization and GCL Pharma disposal



# 1H 2020 - Financial snapshot

€ / m	1Q 19	2Q 19	1H 19	1Q 20	2Q 20	1H 20	Var % 1H 20 vs 1H 19
Net revenue	141.8	149.2	291.1	145.9	126.4	272.3	(6.4%)
EBITDA	20.4	25.6	46.0	23.6	22.1	45.6	(0.7%)
% margin	14.4%	17.1%	15.8%	16.2%	17.4%	16.8%	
Adjusted EBITDA	22.7	27.7	50.4	24.1	20.2	44.2	(12.2%)
% margin	16.0%	18.6%	17.3%	16.5%	15.9%	16.2%	
EBIT	5.4	9.4	14.8	7.3	6.4	13.8	(7.0%)
% margin	3.8%	6.3%	5.1%	5.0%	5.1%	5.1%	
Net result	(3.2)	0.2	(3.0)	(6.1)	(1.2)	(7.3)	(145.6%)
% margin	(2.2%)	0.1%	(1.0%)	(4.2%)	(1.0%)	(2.7%)	

€ / m	As at Mar 31, 2019	As at Jun 30, 2019	As at Mar 31, 2020	As at Jun 30, 2020
NWC	132.1	141.0	137.5	140.3
NWC days	84	85	86	100
Net financial position	484.9	486.2	490.1	483.3

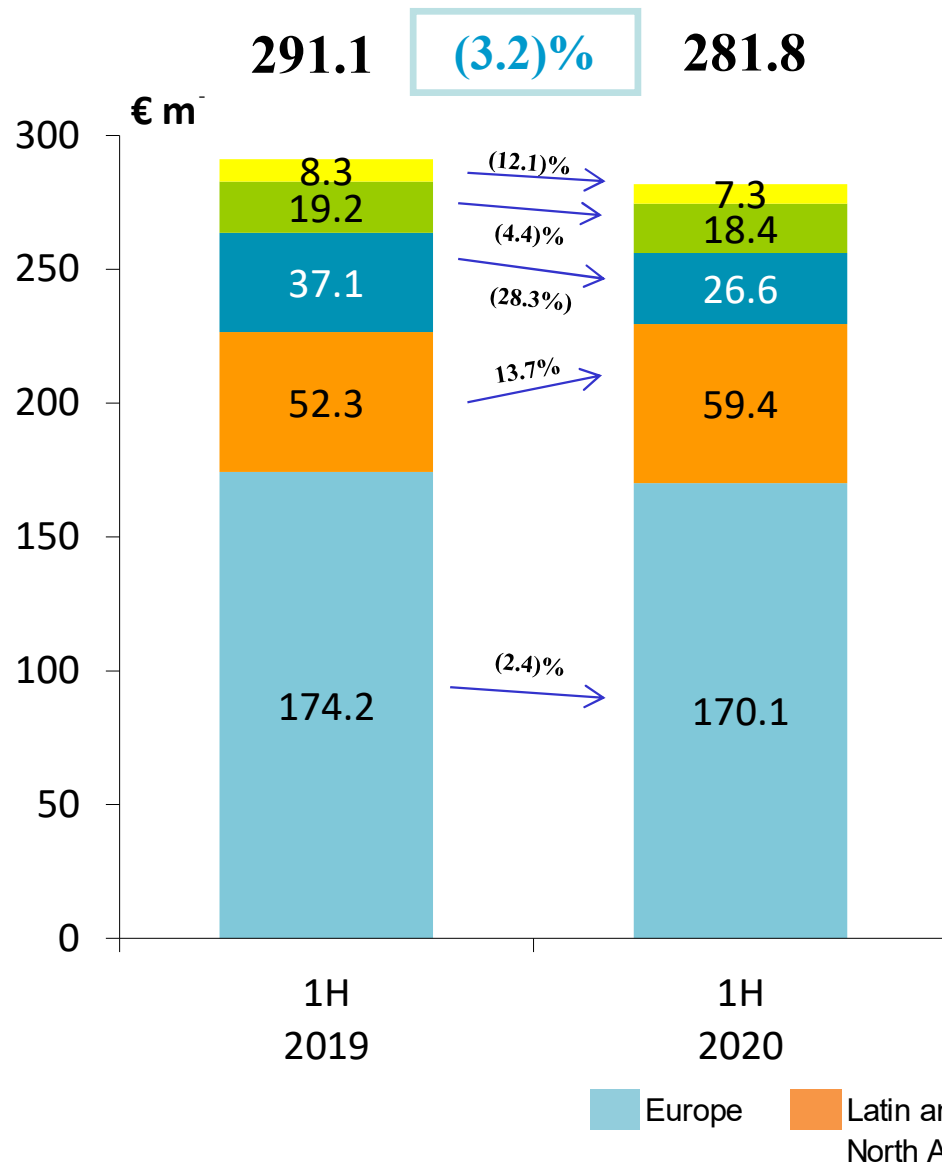
# 1H 2020 Financial results – P&L

Thousands of €	1Q 2019	2Q 2019	1H 2019	1Q 2020	2Q 2020	1H 2020	Delta 1H 2020 vs 1H 2019
<b>Net revenue</b>	141,817	149,239	291,056	145,882	126,410	272,293	(18,763)
Change in invent. of finish. and semi-fin. products	7,132	5,665	12,797	8,352	8,334	16,686	
Other operating income	1,354	491	1,844	1,172	666	1,839	
Work performed by the Group and capitalised	994	1,331	2,325	849	977	1,826	
Costs for raw materials	(69,037)	(66,935)	(135,972)	(65,609)	(58,896)	(124,505)	
Costs for services	(26,683)	(27,955)	(54,638)	(30,083)	(25,937)	(56,020)	
Personnel expense	(31,634)	(32,625)	(64,259)	(34,631)	(30,065)	(64,696)	
Other operating expense	(2,544)	(3,633)	(6,177)	(2,344)	(2,265)	(4,609)	
Impairment	(1,018)	10	(1,009)	(0)	(0)	(0)	
Gains on sales of equity investments	-	-	-	-	2,830	2,830	
<b>Gross operating profit (EBITDA)</b>	<b>20,381</b>	<b>25,587</b>	<b>45,968</b>	<b>23,589</b>	<b>22,054</b>	<b>45,643</b>	<b>(324)</b>
Amortization and depreciation	(14,999)	(16,181)	(31,180)	(16,266)	(15,618)	(31,885)	(705)
<b>Operating profit</b>	<b>5,382</b>	<b>9,406</b>	<b>14,788</b>	<b>7,323</b>	<b>6,436</b>	<b>13,759</b>	<b>(1,029)</b>
Financial income	4,049	1,214	5,263	7,843	2,472	10,315	
Financial expense	(9,899)	(8,673)	(18,573)	(18,426)	(11,224)	(29,650)	
<b>Net financial expense</b>	<b>(5,850)</b>	<b>(7,459)</b>	<b>(13,309)</b>	<b>(10,582)</b>	<b>(8,752)</b>	<b>(19,334)</b>	<b>(6,025)</b>
<b>Profit (loss) before taxation</b>	<b>(469)</b>	<b>1,947</b>	<b>1,479</b>	<b>(3,259)</b>	<b>(2,316)</b>	<b>(5,576)</b>	
Income taxes	(2,705)	(1,748)	(4,454)	(2,829)	1,099	(1,730)	2,724
<b>Profit (loss) for the period</b>	<b>(3,174)</b>	<b>199</b>	<b>(2,975)</b>	<b>(6,088)</b>	<b>(1,217)</b>	<b>(7,305)</b>	<b>(4,331)</b>
<b>Gross operating profit (EBITDA) - ADJUSTED</b>	<b>22,652</b>	<b>27,738</b>	<b>50,390</b>	<b>24,070</b>	<b>20,150</b>	<b>44,220</b>	<b>(6,170)</b>
<i>EBITDA ADJUSTED % on Net revenue</i>	<i>16.0%</i>	<i>18.6%</i>	<i>17.3%</i>	<i>16.5%</i>	<i>15.9%</i>	<i>16.2%</i>	

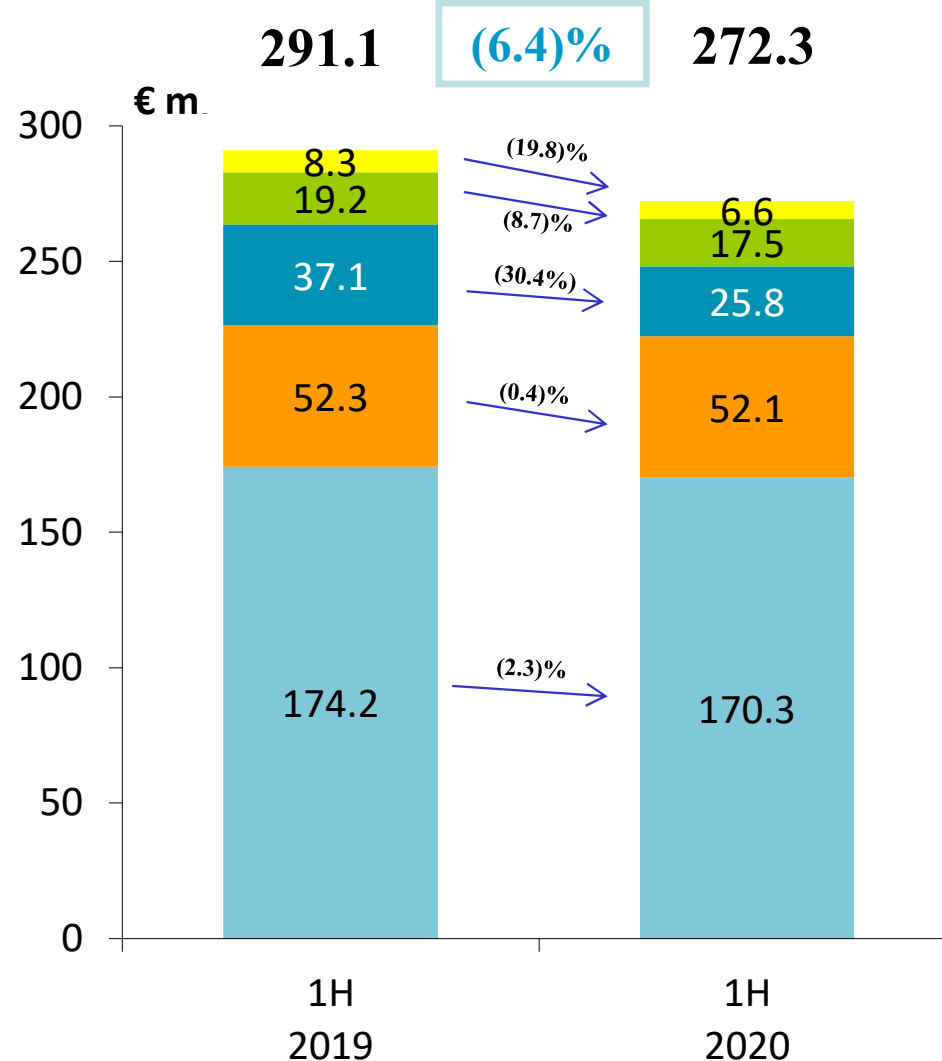
# 1H 2020 Financial results – P&L – Net revenues

## BREAKDOWN by GEOGRAPHIC AREA

AT COSTANT FX RATE 1H 2019



REPORTED

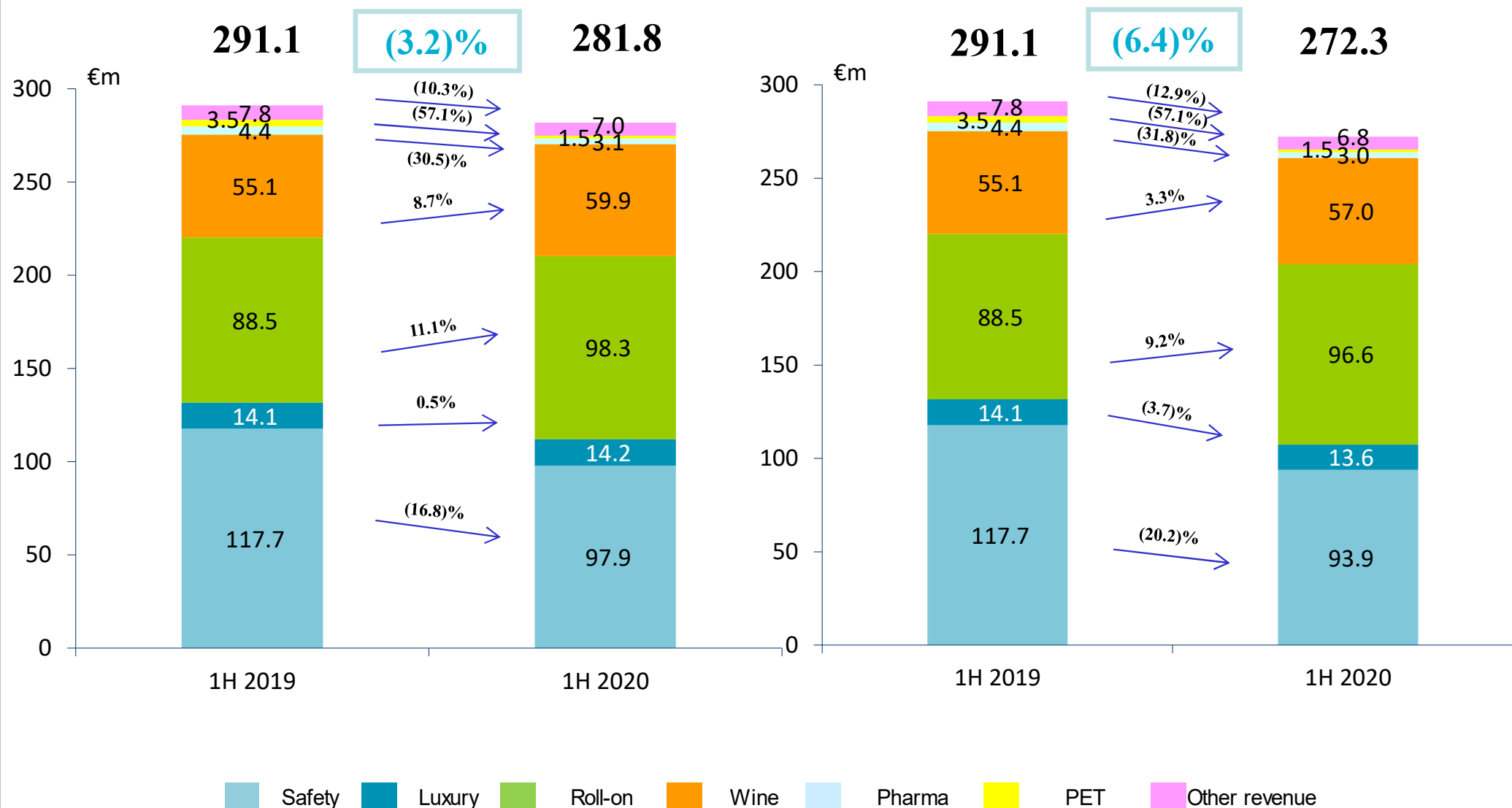


# 1H 2020 Financial results – P&L – Net revenues

## BREAKDOWN by PRODUCT

AT COSTANT FX RATE 1H 2019

REPORTED



# 1H 2020 Financial results – P&L – Net revenues

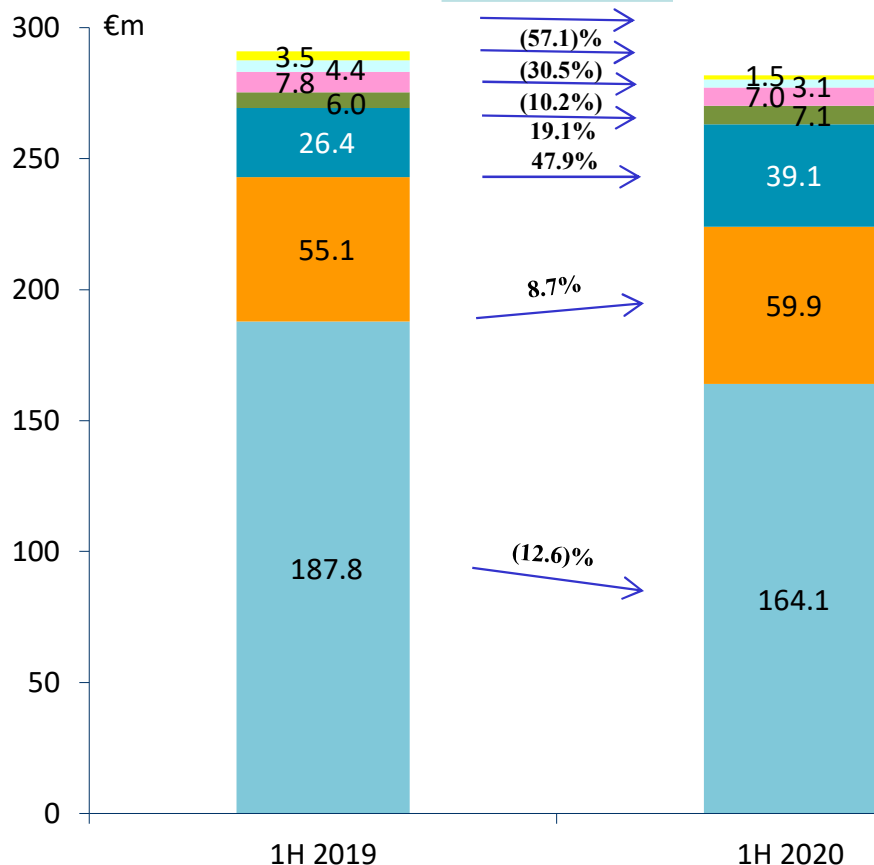
## BREAKDOWN by MARKET

AT COSTANT FX RATE 1H 2019

291.1

(3.2)%

281.8

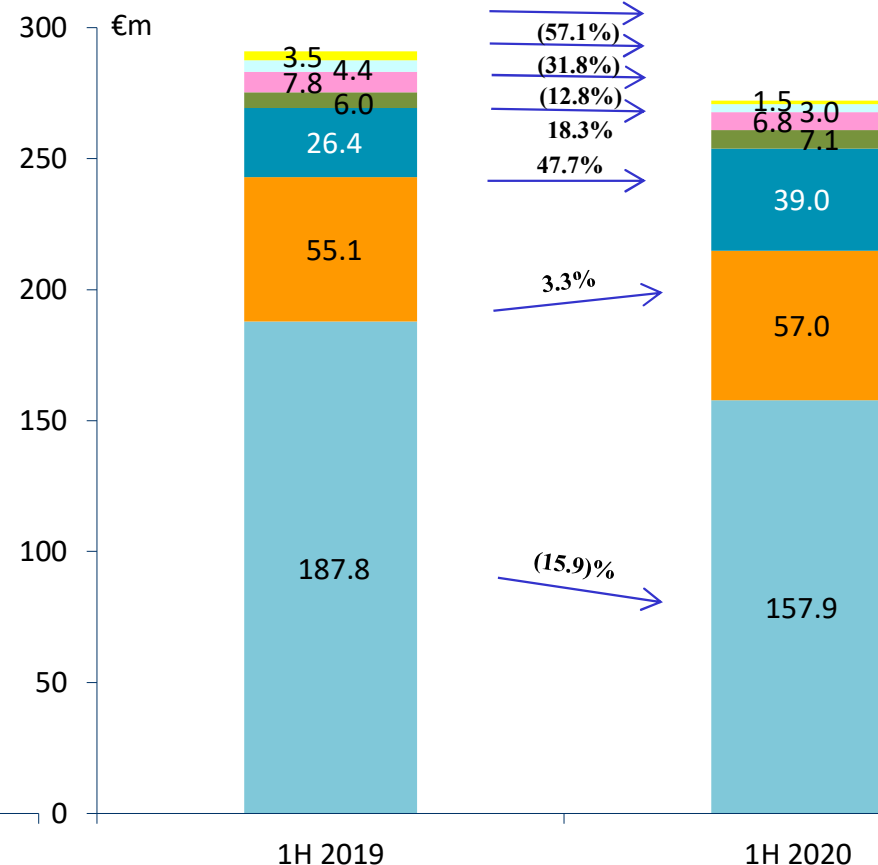


REPORTED

291.1

(6.4)%

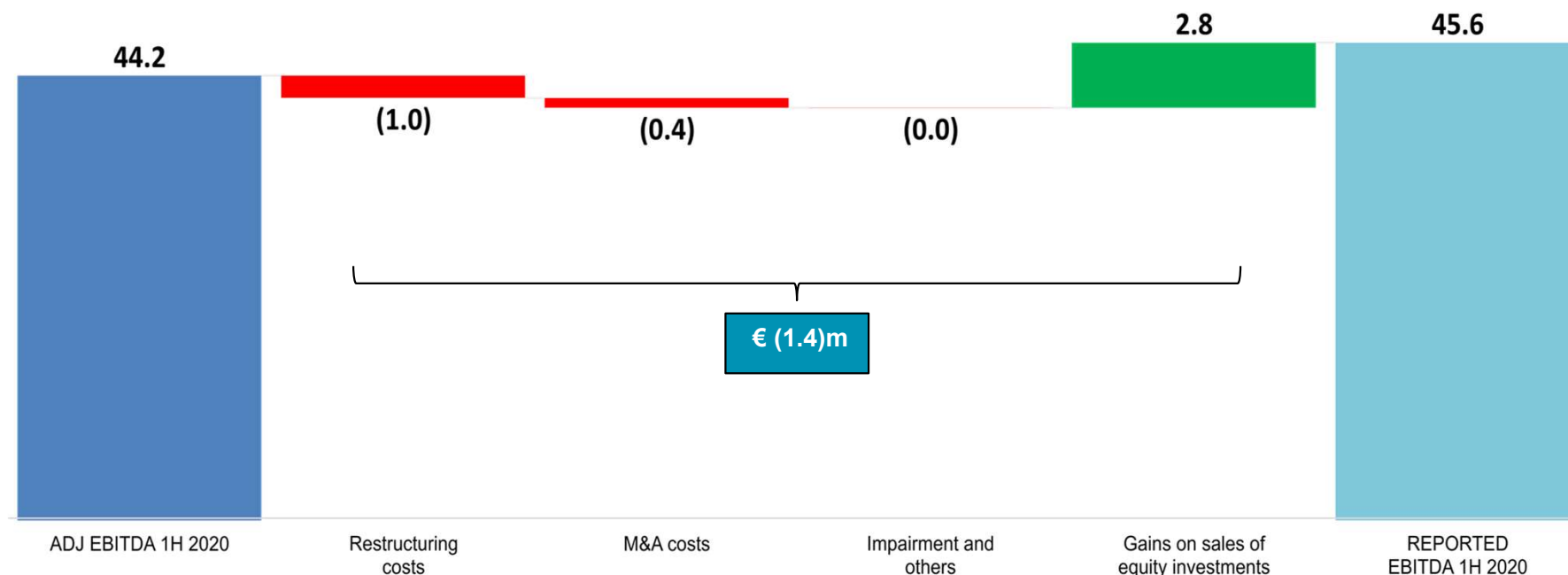
272.3



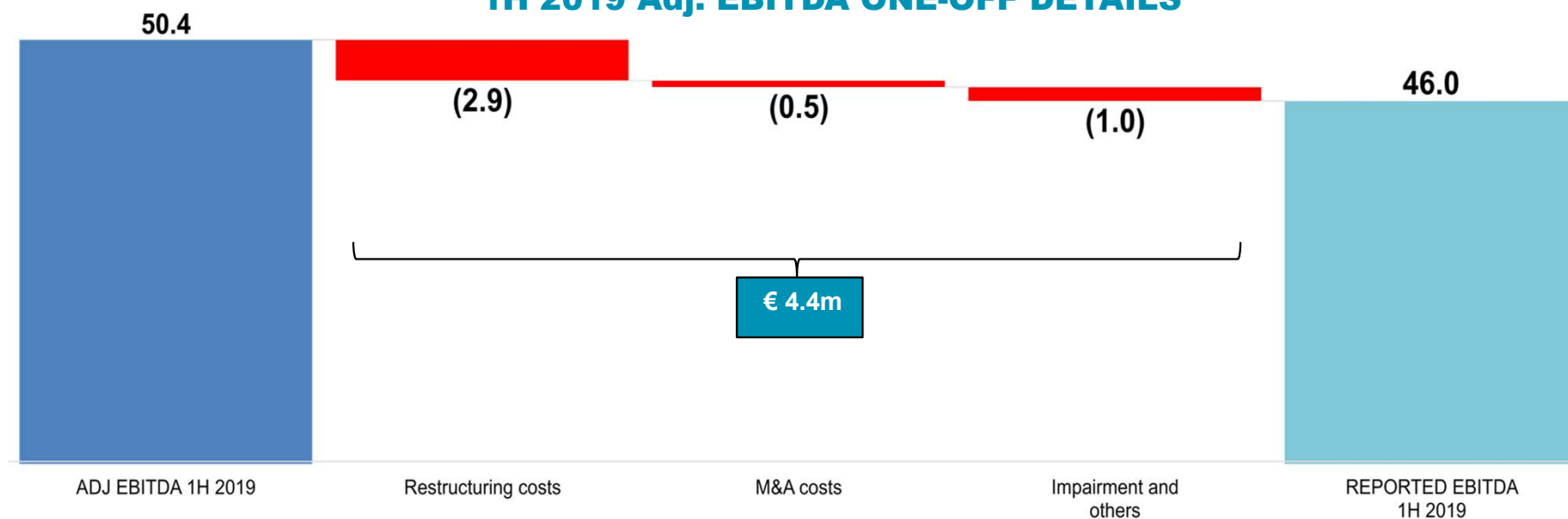
■ Spirits 
 ■ Wine 
 ■ Other markets 
 ■ Oil & Vinegar 
 ■ Other revenues 
 ■ Pharma 
 ■ PET

# 1H 2020 Financial results – P&L – Adj. EBITDA One-off details <sup>(1)</sup>

## 1H 2020 Adj. EBITDA ONE-OFF DETAILS



## 1H 2019 Adj. EBITDA ONE-OFF DETAILS



<sup>(1)</sup> Million Euro

# 1H 2020 Financial results – P&L – Net financial charges

€ / m	2Q 2019	1H 2019	2Q 2020	1H 2020
Bonds	(4.0)	(8.0)	(4.0)	(8.1)
Bank Debt	(1.4)	(3.0)	(1.1)	(2.3)
<b>Interest Expense On Debt</b>	<b>(5.5)</b>	<b>(11.0)</b>	<b>(5.1)</b>	<b>(10.4)</b>
Interest Income	0.1	0.2	0.1	0.2
<b>Interest Expense, net</b>	<b>(5.3)</b>	<b>(10.8)</b>	<b>(5.1)</b>	<b>(10.1)</b>
Net Exchange rate (losses) gains	(0.7)	(0.1)	(0.0)	(7.1)
Change in FV of Market Warrants	(0.8)	(0.7)	(2.3)	(1.7)
Change in FV on NCI	(0.9)	(1.3)	(1.1)	0.1
Net Other financial expense	0.3	(0.4)	(0.2)	(0.5)
<b>NET FINANCIAL CHARGES</b>	<b>(7.5)</b>	<b>(13.3)</b>	<b>(8.8)</b>	<b>(19.3)</b>



No cash impact from: change in FV of Market Warrants and change in FV on NCI

# 1H 2020 Financial results – Balance sheet

Thousands of €	As at December 31, 2018 (*)	As at June 30, 2019	As at December 31, 2019	As at June 30, 2020
Intangible assets	883,533	877,686	872,035	846,841
Property, plant and equipment	242,644	226,232	228,911	214,398
Right of Use Assets	-	26,775	27,630	27,094
Current and non-current net assets classified as held for sale	-	520	0	0
Net working capital	124,732	140,968	127,880	140,276
Net financial derivative liabilities	88	11	(162)	2
Employee benefits	(6,461)	(6,807)	(6,600)	(8,716)
Other assets/liabilities	(140,023)	(136,865)	(122,123)	(110,678)
<b>Net invested capital</b>	<b>1,104,513</b>	<b>1,128,522</b>	<b>1,127,572</b>	<b>1,109,218</b>
<b>Financed by:</b>				
Net financial liabilities	507,304	523,192	519,567	536,536
Cash and cash equivalents	(47,795)	(36,956)	(57,056)	(53,211)
<b>Net financial indebtedness</b>	<b>459,509</b>	<b>486,236</b>	<b>462,511</b>	<b>483,325</b>
<b>Consolidated equity</b>	<b>645,004</b>	<b>642,285</b>	<b>665,060</b>	<b>625,893</b>
<b>Sources of financing</b>	<b>1,104,513</b>	<b>1,128,522</b>	<b>1,127,572</b>	<b>1,109,218</b>

(\*) Figures as at December 31, 2018 have been restated following PPA adjustments

Net financial indebtedness as at December 31, 2018 do not include the impact of leasing (€17.0m) due to the first adoption of IFRS16 occurred on January 1, 2019. Net financial indebtedness as at January 1, 2019 amount to €476.5m



## 1H 2020 – Net financial position details

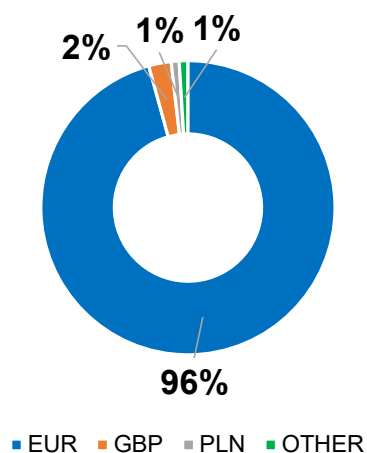
€ Million	DEC 2019	JUN 2020
Cash and cash equivalents	57.1	53.2
Financial assets	1.1	2.1
Gross Financial debt	(469.5)	(485.9)
Leasing as per IFRS 16 accounting	(20.4)	(20.2)
<b>Net debt relating to operating activities</b>	<b>(431.7)</b>	<b>(450.8)</b>
Liabilities vs minorities	(27.0)	(26.9)
Fair value Market Warrant Guala Closures S.p.A.	(3.9)	(5.6)
<b>Total reported Net financial debt</b>	<b>(462.5)</b>	<b>(483.3)</b>

# 1H 2020 – Gross financial debt components

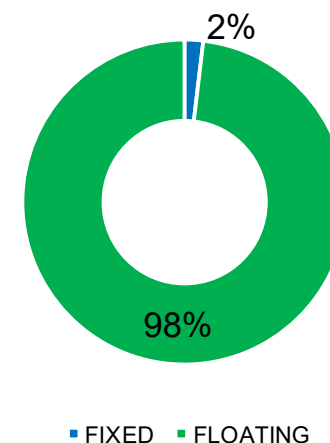
## Gross financial debt composition as of June 30, 2020

Entity	Issue date	Maturity	Type	Currency	Coupon	June 30, 2020 € million	As % of total
Guala Closures S.p.A.	2018	2024	Senior Bond	EUR	Euribor 3M+3.50%	455.0	91.7%
Guala Closures S.p.A.	2018	2024	Revolving Credit Facility	EUR / GBP	Euribor / Libor GBP 3M+2.50%	29.1	5.9%
Guala Closures Mexico	2017	2023	Bank loan	USD / MXP	n.a.	3.3	0.7%
Guala Closures DGS Poland	n.a.	n.a.	Bank overdraft	PLN	Wibor 1M	4.1	0.8%
Guala Closures India	2017	2020	Bank loan and bank overdraft	INR	9.70%	1.2	0.2%
Guala Closures Argentina	2015	2020	Bank loan	ARS	n.a.	0.0	0.0%
Guala Closures do Brasil	2017	2020	Bank loan	BRL	n.a.	0.0	0.0%
Guala Closures Chile	2017	2020	Bank loan	CLP	7.56%	0.1	0.0%
Accrued interests	2020	2020	Interests	EUR	n.a.	3.5	0.7%
<b>Total net financial debt</b>						<b>496.3</b>	<b>100.0%</b>
Guala Closures S.p.A.	2018	2024	Transaction costs on BOND and RCF	EUR	n.a.	(10.3)	
<b>Total gross financial debt</b>						<b>485.9</b>	

Breakdown by CURRENCY



Breakdown by COUPON



# 1H 2020 Financial results – Cash flow statement<sup>(1)</sup>

(Thousands of €)	1Q 2019	2Q 2019	1H 2019	1Q 2020	2Q 2020	1H 2020
Opening net financial indebtedness	(459,509)	(484,920)	(459,509)	(462,511)	(490,167)	(462,511)
Effects of IFRS 16 FTA	(16,962)	-	(16,962)	-	-	-
<b>A) Opening pro forma net financial indebtedness</b>	<b>(476,471)</b>	<b>(484,920)</b>	<b>(476,471)</b>	<b>(462,511)</b>	<b>(490,167)</b>	<b>(462,511)</b>
Gross operating profit (EBITDA)	20,381	25,587	45,968	23,589	22,054	45,643
Gains on sales of equity investments	-	-	-	-	(2,830)	(2,830)
Net (Gains) / losses on disposals of fixed assets	45	(9)	36	(13)	(10)	(23)
Variation:						
Receivables, payables and inventories	(5,062)	(9,728)	(14,790)	(18,992)	(1,422)	(20,415)
Other operating items	242	2,214	2,455	(161)	(1,637)	(1,798)
Income taxes paid	(5,748)	(3,565)	(9,313)	(6,288)	(552)	(6,840)
<b>TOTAL B) Net Cash flows from operating activities</b>	<b>9,857</b>	<b>14,499</b>	<b>24,356</b>	<b>(1,865)</b>	<b>15,603</b>	<b>13,738</b>
Net acquisitions of property, plant and equipment and intangible assets	(7,846)	(7,717)	(15,563)	(9,515)	(4,890)	(14,405)
Deferred payment on acquisition of Axiom Propack Ltd (India)	(554)	-	(554)	-	-	-
Acquisition of Closureslogic GmbH assets (Germany)	-	-	-	(12,187)	-	(12,187)
Disposal of GCL Pharma Srl (net of cash sold)	-	-	-	-	7,088	7,088
<b>TOTAL C) Cash flows used in investing activities</b>	<b>(8,400)</b>	<b>(7,717)</b>	<b>(16,117)</b>	<b>(21,702)</b>	<b>2,198</b>	<b>(19,504)</b>
Right of Use asset increase	(74)	(356)	(430)	(1,110)	(1,259)	(2,369)
Net interests expense	(5,618)	(5,389)	(11,007)	(5,413)	(5,540)	(10,952)
Dividends paid	(3,137)	(1,162)	(4,299)	(769)	(614)	(1,383)
Initial Impact of IFRS 16 accounting from Closurelogic acquisition	-	-	-	(1,270)	-	(1,270)
Lease liabilities transferred as part of the sale of GCL Pharma Srl	-	-	-	-	264	264
Change in fair value of Market Warrants	77	(775)	(697)	583	(2,326)	(1,743)
Derivatives and other financial items	(823)	(658)	(1,482)	1,084	(1,208)	(124)
Effect of exchange rate fluctuation	(331)	242	(89)	2,806	(277)	2,529
<b>TOTAL D) Change in net financial indebtedness due to financing activities</b>	<b>(9,906)</b>	<b>(8,098)</b>	<b>(18,005)</b>	<b>(4,088)</b>	<b>(10,960)</b>	<b>(15,048)</b>
<b>E) Total change in net financial indebtedness (B+C+D)</b>	<b>(8,449)</b>	<b>(1,317)</b>	<b>(9,765)</b>	<b>(27,655)</b>	<b>6,841</b>	<b>(20,814)</b>
<b>F) Closing net financial indebtedness (A+E)</b>	<b>(484,920)</b>	<b>(486,237)</b>	<b>(486,237)</b>	<b>(490,167)</b>	<b>(483,325)</b>	<b>(483,325)</b>
<b>G) Reclass to net assets held for sale</b>	-	-	-	69	-	-
<b>H) Closing net financial indebtedness as per financial statement (F+G)</b>	<b>(484,920)</b>	<b>(486,237)</b>	<b>(486,237)</b>	<b>(490,098)</b>	<b>(483,325)</b>	<b>(483,325)</b>

<sup>(1)</sup> As change of NFP

# 1H 2020 – Balance sheet statement – NWC details

	VALUE						
€ / m	As at 31/03/19	As at 30/06/19	As at 30/09/19	As at 31/12/19		As at 31/03/20	As at 30/06/20
Trade receivables	105.1	113.2	114.5	104.1		102.9	95.9
Inventories	103.2	111.9	109.0	100.3		108.9	121.7
Trade payables	(76.2)	(84.1)	(79.4)	(76.6)		(74.3)	(77.4)
NWC value	132.1	141.0	144.1	127.9		137.5	140.3

	DAYS						
	As at 31/03/19	As at 30/06/19	As at 30/09/19	As at 31/12/19		As at 31/03/20	As at 30/06/20
Trade receivables	67	68	66	59		64	68
Inventories	65	67	62	57		68	87
Trade payables	(48)	(51)	(46)	(43)		(47)	(55)
NWC days	84	85	83	73		86	100

# **Guala Closures Group**

## **1H 2020 Financial Results**

**Annex**  
**Market Data**



# 1H 2020 - Currencies evolution

🌐 Euro revaluated against average FX of the following main currencies: Argentinian Peso (62.2%); Brazilian Real (24.8%); Chilean Peso (17.4%); South African Rand (14.3%); Colombian Peso (12.9%); Mexican Peso (10.2%); Australian Dollar (4.8%); New Zealand Dollar (4.7%); Indian Rupia (3.2%) respectively.

🌐 Euro devaluated against average FX of the following main currencies: Ukraine Hryvnia (5.9%); US Dollar (2.5%) respectively.

Average exchange rate			
Exchange rate (1 € = x FC)	Average 6M 2019	Average 6M 2020	Var % vs 6M 2019
US Dollar	1.1298	1.1015	(2.5%)
GB Pounds	0.8736	0.8743	0.1%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	30.4148	28.6202	(5.9%)
Belarus Ruble	n.a.	2.5758	n.a.
Poland Zloty	4.2920	4.4136	2.8%
China Renmimbi	7.6670	7.7481	1.1%
Indian Rupia	79.1182	81.6766	3.2%
Japan Yen	124.2933	119.2072	(4.1%)
Argentinian Peso	48.5678	78.7859	62.2%
Brazilian Real	4.3407	5.4169	24.8%
Colombian Peso	3601.60	4066.17	12.9%
Mexican Peso	21.6539	23.857	10.2%
Chilean Peso	763.1283	895.6300	17.4%
Australian Dollar	1.6002	1.6775	4.8%
New Zealand Dollar	1.6815	1.7604	4.7%
South Africa Rand	16.0439	18.3318	14.3%
Kenian Shilling	114.1291	114.7876	0.6%

Period end exchange rate			
Exchange rate (1 € = x FC)	Dec 31, 2019	Jun 30, 2020	Var % vs Dec 19
US Dollar	1.1234	1.1198	(0.3%)
GB Pounds	0.8508	0.9124	7.2%
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	26.7195	29.8985	11.9%
Belarus Ruble	2.3687	2.7013	14.0%
Poland Zloty	4.2568	4.4560	4.7%
China Renmimbi	7.8205	7.9219	1.3%
Indian Rupia	80.1870	84.6235	5.5%
Japan Yen	121.9400	120.6600	(1.0%)
Argentinian Peso	67.2749	78.7859	17.1%
Brazilian Real	4.5157	6.1118	35.3%
Colombian Peso	3688.66	4203.45	14.0%
Mexican Peso	21.2202	25.9470	22.3%
Chilean Peso	844.8600	918.7200	8.7%
Australian Dollar	1.5995	1.6344	2.2%
New Zealand Dollar	1.6653	1.7480	5.0%
South Africa Rand	15.7773	19.4425	23.2%
Kenian Shilling	113.8986	119.3140	4.8%

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

# 1H 2020 - Raw material evolution – Aluminium

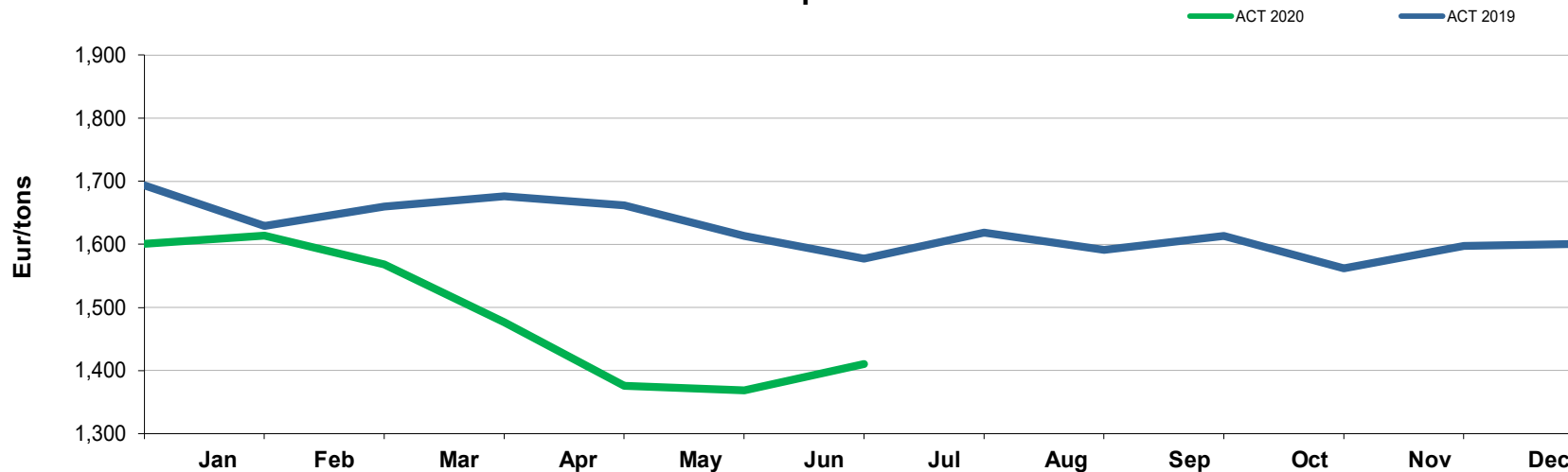


Aluminum prices (LME Euro/tons) were lower on average by 10.2% vs 1H 2019 and equal to Euro/ton 1,469 (vs Euro/ton 1,636 in 1H 2019)

## ALUMINIUM PRICE EVOLUTION (LME €/tons)

1H 2020 vs. 1H 2019: (10.2)%


Aluminium price Lme Eur/tons



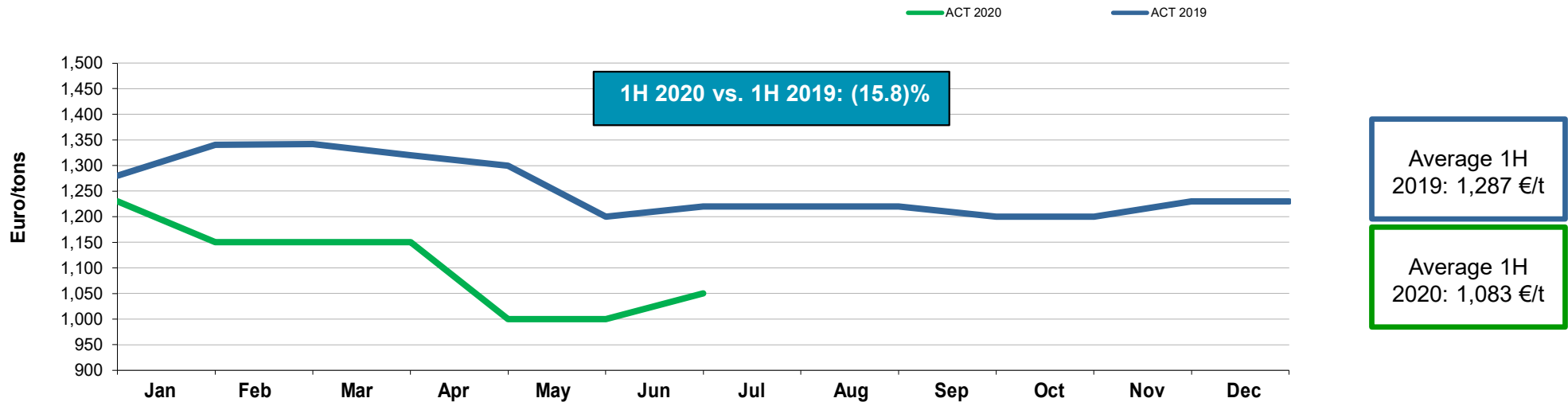
Average 1H 2019:  
1,636 €/t

Average 1H 2020:  
1,469 €/t

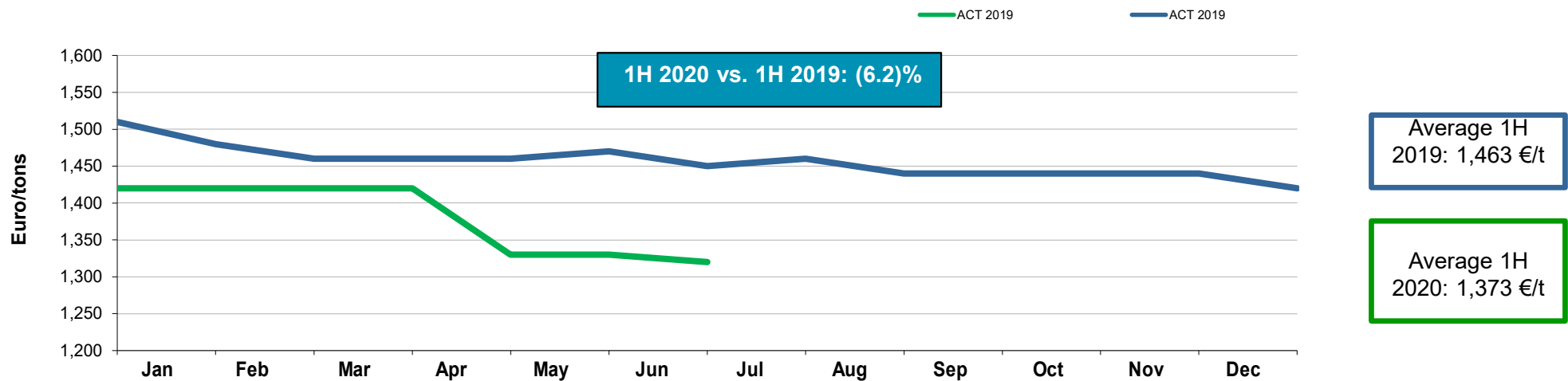
# 1H 2020 - Raw material evolution – Plastic – Europe

 In Europe, high density polyethylene price and polypropylene and homopolymer price were lower on average vs 1H 2019 by 15.8% and 6.2% respectively

## PLASTIC PRICE EVOLUTION HIGH DENSITY POLYETHYLENE




## PLASTIC PRICE EVOLUTION POLYPROPYLENE, HOMOPOLYMER

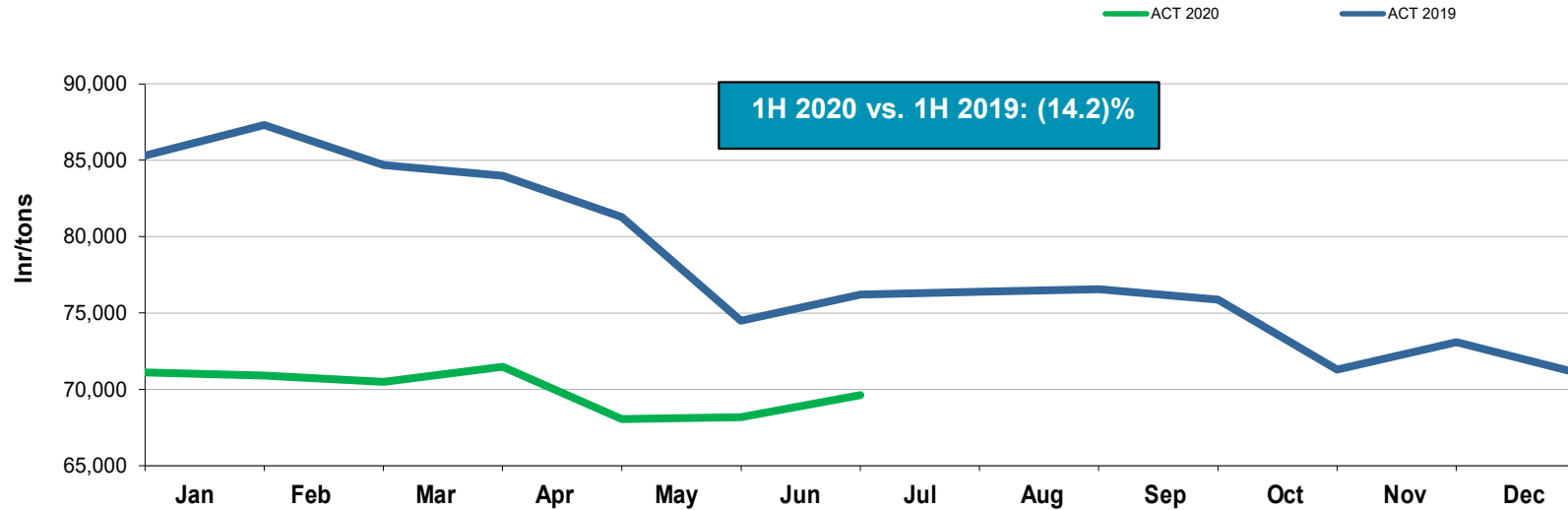




# 1H 2020 - Raw material evolution – Plastic – India

 In India high density polyethylene and polystyrene prices were lower on average vs 1H 2019 by 14.2% and 6.8% respectively

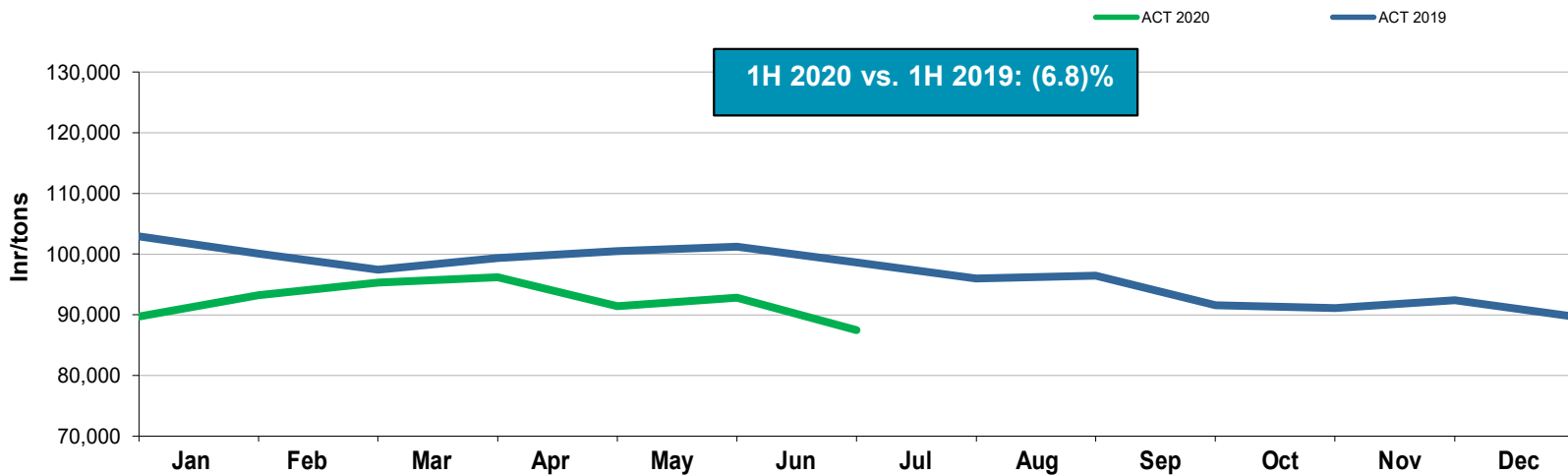
## PLASTIC PRICE EVOLUTION HIGH DENSITY POLYETHYLENE



Average 1H 2019:  
81,327 INR/t

Average 1H 2020:  
69,800 INR/t

## PLASTIC PRICE EVOLUTION POLYSTYRENE



Average 1H 2019:  
99,541 INR/t

Average 1H 2020:  
92,754 INR/t

# Contact us

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