



Guala Closures Group

Guala Corporate Presentation

Roadshow meeting | 26 November 2018



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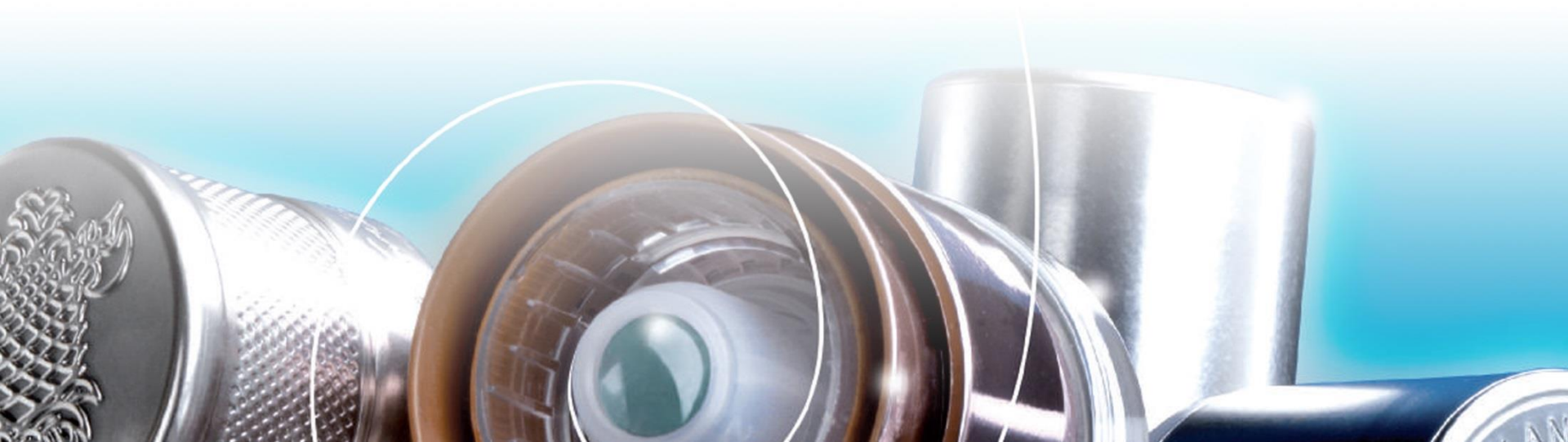
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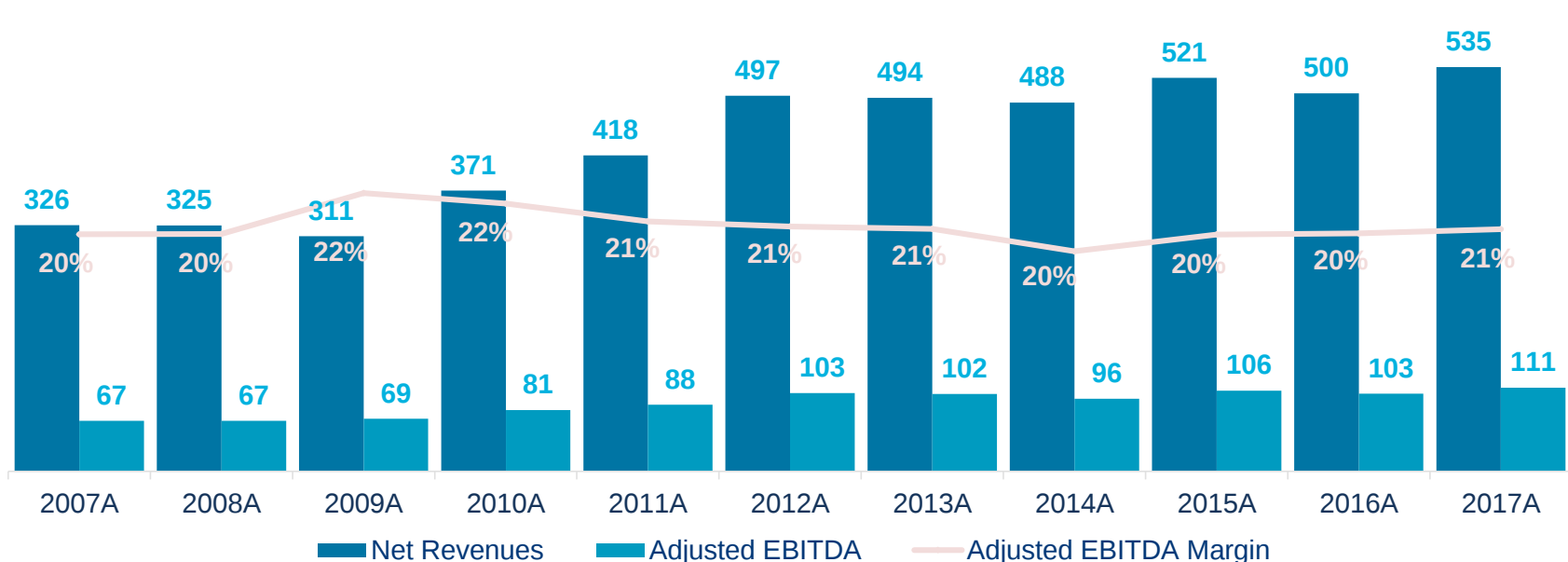
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Executive summary

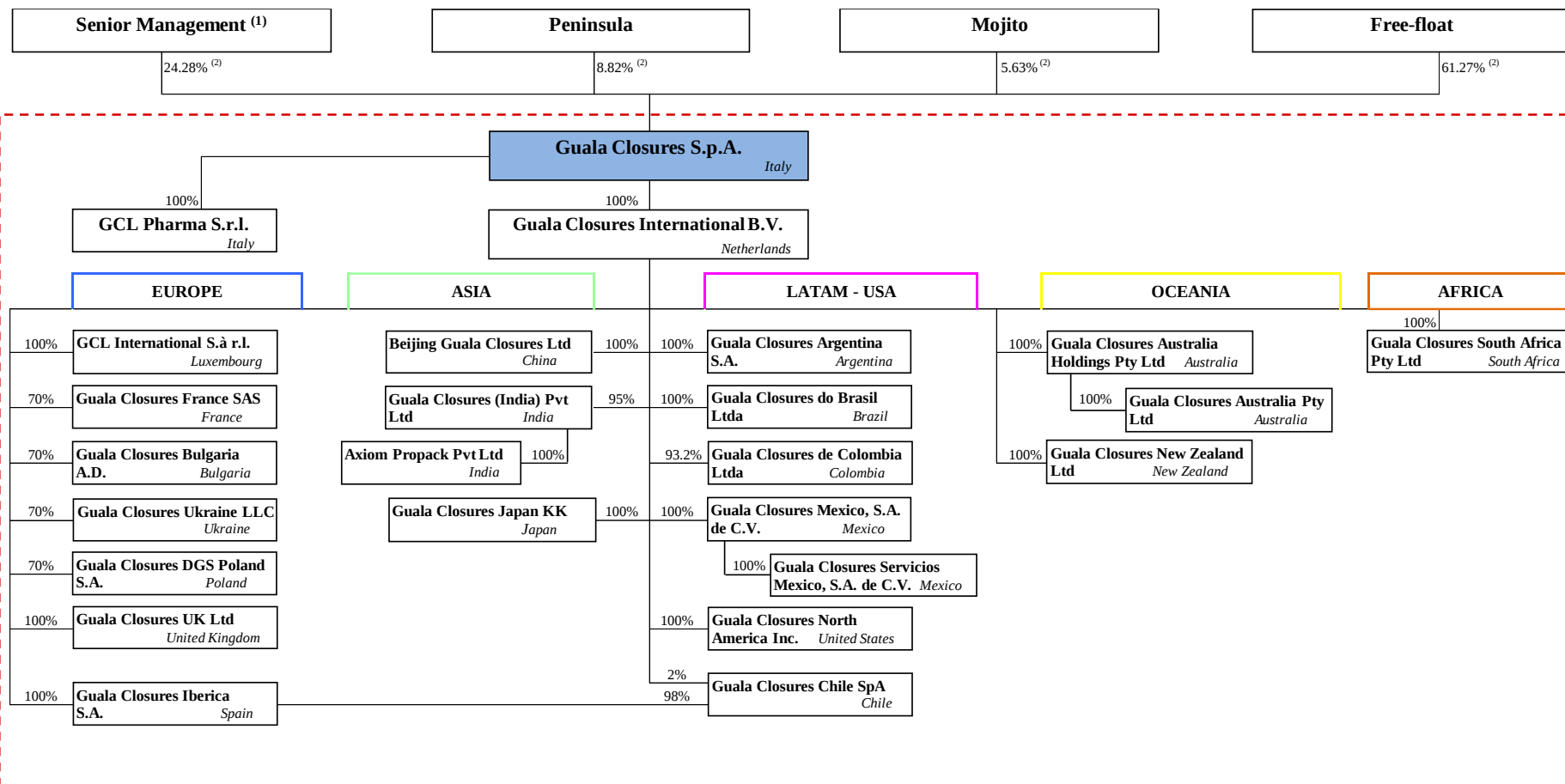


Guala Closures at a glance

- The Global leading producer of specialty closures for the spirits and wine industry with almost €600m turnover
- A business model driven by unique technology & innovation capabilities, supported by an R&D DNA and by a state-of-the-art manufacturing footprint with 27 production sites across 5 continents
- A trusted partner to most global and local spirits and wine producers for the last 40 years
- A resilient story of growth over the past years with margins consistently at 20%+ over the years:
 - + 5.1% Net revenue CAGR 2007 -2017 (at current FX)
 - + 5.2% Adjusted EBITDA CAGR 2007-2017 (at current FX)
- A natural consolidator in a fragmented market space, ready for additional expansion opportunities
- An entrepreneurial management with a long-lasting experience in the sector and deeply invested in the business



Corporate structure chart



(1) Holds 14.24% of shares and 24.28% of voting rights through GCL Holdings, which is majority-owned and controlled by Marco Giovannini, through which he, Francesco Bove, Anibal Diaz and Paolo Ferrari and their related parties hold their investments.

(2) Voting rights

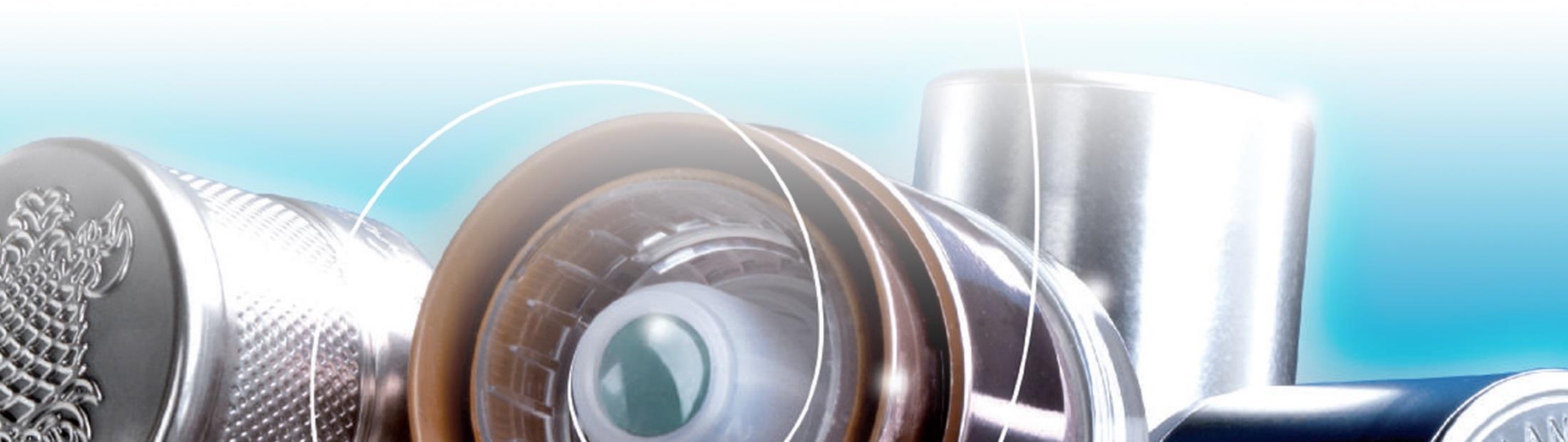
Our Mission



- **Protect your brand**
- **Create your value**



1. Company overview



Why Guala Closures

1

Market leader in speciality closures for spirits and wines with attractive industry dynamics

2

Unique global platform for growth across regions and products

3

Long-standing trusted partnerships with world's leading spirits and wine companies

4

Proprietary engineered product portfolio underpinned by leading technology and innovation capabilities

5

Proven M&A track record focused on creating long-term value

6

Best-in-class financial profile with proven resilience over the years despite FX and raw materials fluctuations

7

Experienced and committed Management team

The world's leading specialty closures producer

A global champion - Euro 535m sales in FY17

#1 player in high value-added closures for spirits and wine

Partner to global and local beverages players

Pioneer in closures technology

Proven track record of growth



Safety



Luxury



Wine

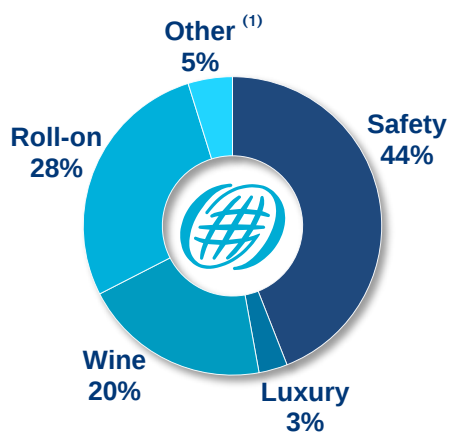


Roll-on

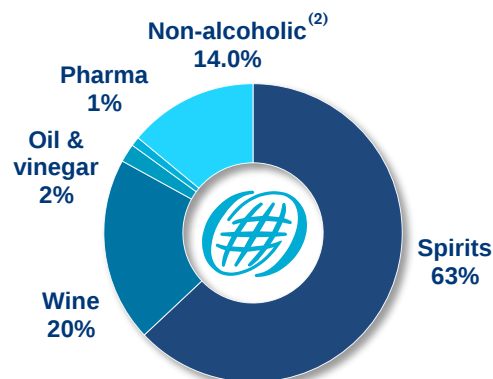


Others

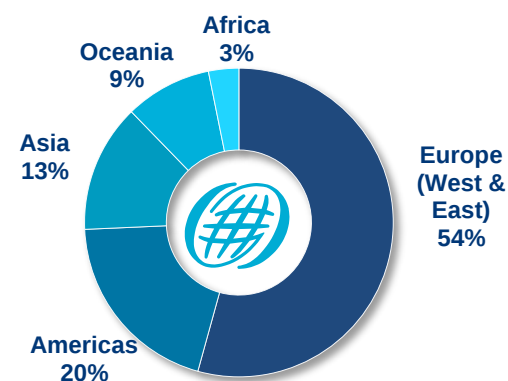
Sales breakdown by product



Sales breakdown by destination market



Sales breakdown by geography⁽³⁾



Source: Guala Closures information

Other includes Pharma, PET and other revenues

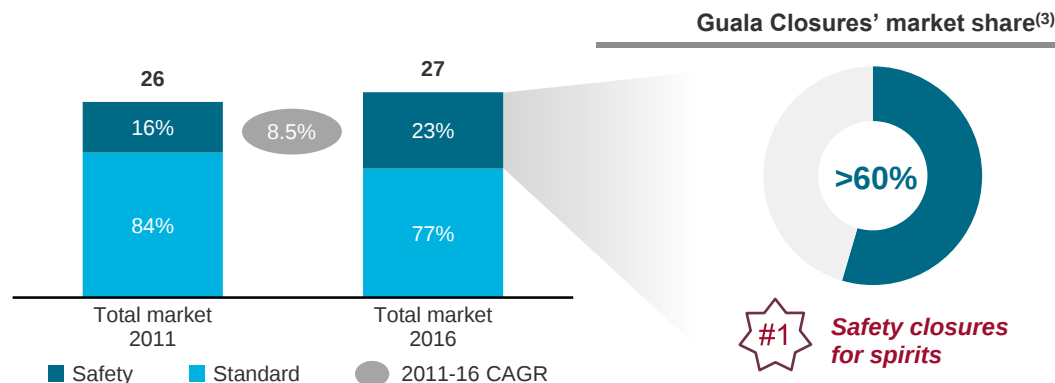
Non-alcoholic includes mineral water, beverage, other markets, PET and other revenues

Revenues breakdown refer to countries from which the product is sold

Leading market positions in fast growing end markets...

#1 globally in sophisticated / safety closures market⁽¹⁾

(Billion units)



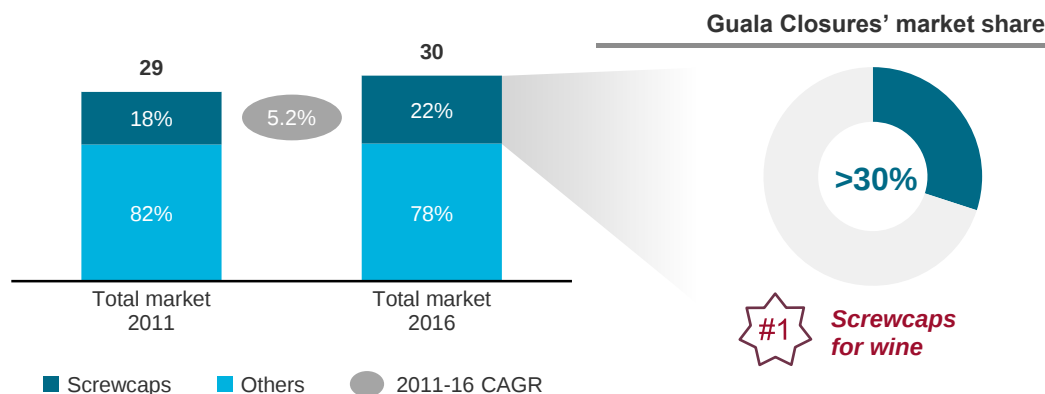
Selected competitors



6 times higher market share than next competitor

#1 globally in wine screwcap closures market⁽²⁾

(Billion units)



Selected competitors



Guala Closures is the clear market leader

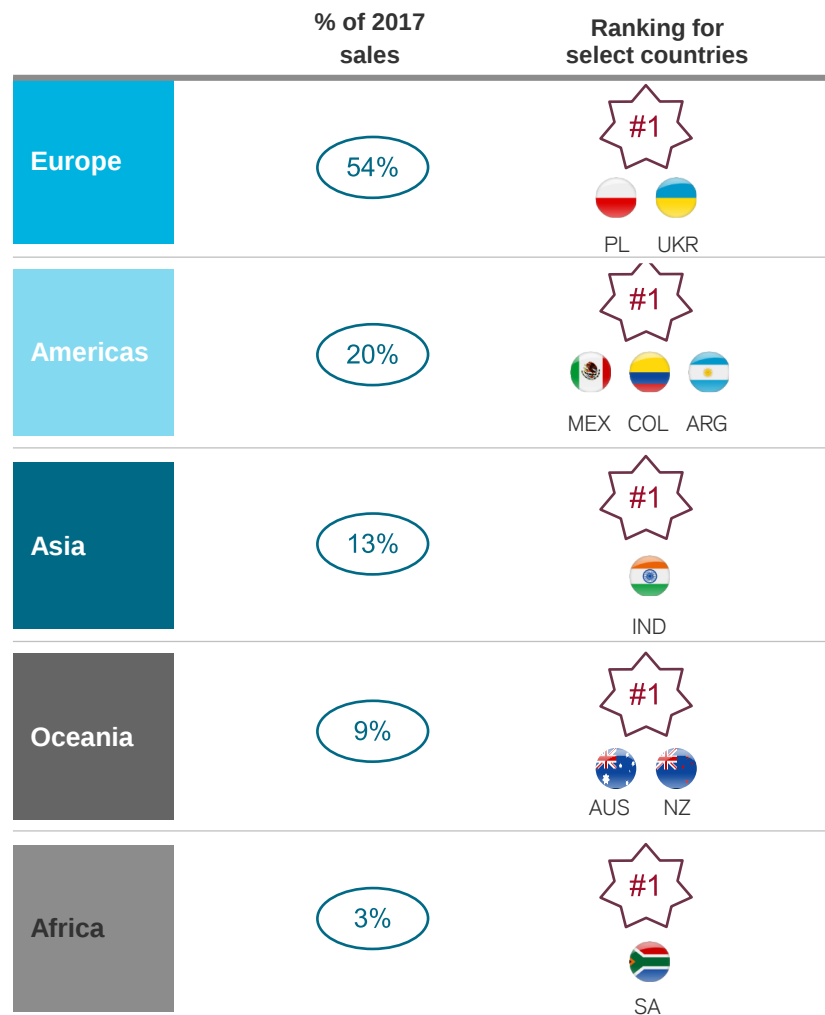
(1) Guala Closures reference market, i.e. the market that Guala Closures was historically competing in. It includes metal screw and cork closures on metal or glass bottles while excluding Russia "grey market" and plastic and ceramic closures. The 34 billion units in 2016 includes metal screw and cork closures on all pack types.

(2) Still / sparkling wine.

(3) Represents market share by volume.

...supported by leadership positions in high growth markets

Guala Closures is strategically positioned in growth markets...

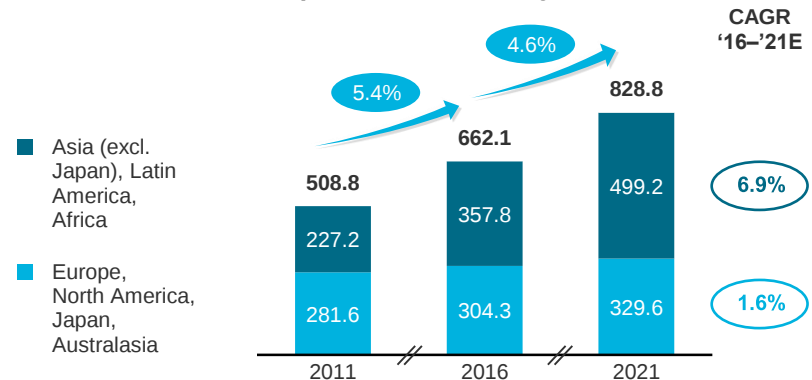


Source: Guala Closures information, GlobalData.

... and is well placed to continue to grow at an attractive pace

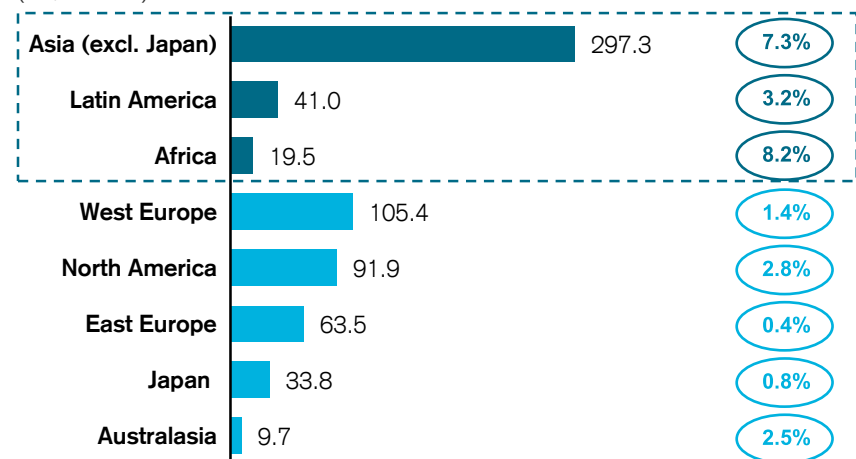
(US\$ in billions)

Global spirits market size by value

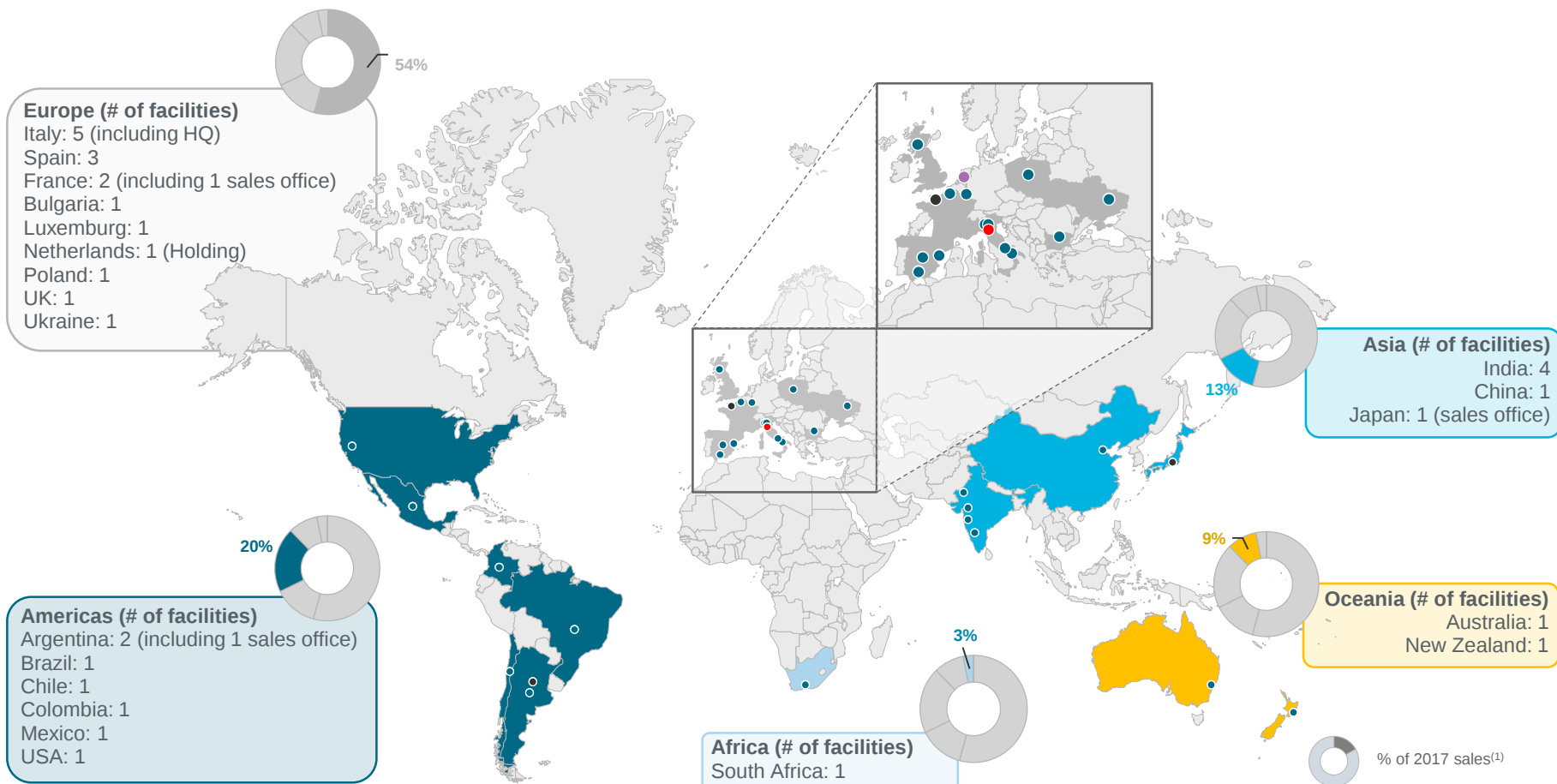


Top regions spirits market size by value - 2016

(US\$ in billions)



Global footprint with state-of-the-art facilities to tap growth potential across products and geographies



Presence in 21 countries across 5 continents with 27 production plants and 3 sales offices

(1) Based on country from which the product is sold.

Long-standing trusted partnerships with world's leading spirits and wine companies

Global players

Regional champions

Spirits



Wine



Other (F&B, Pharma)



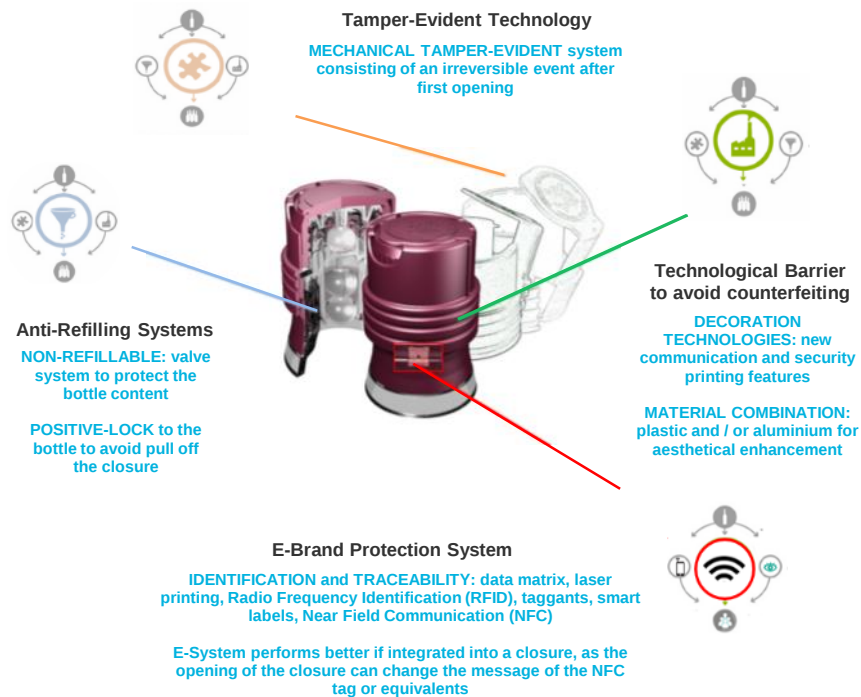
Source: Guala Closures information.

30% of the market

70% of the market

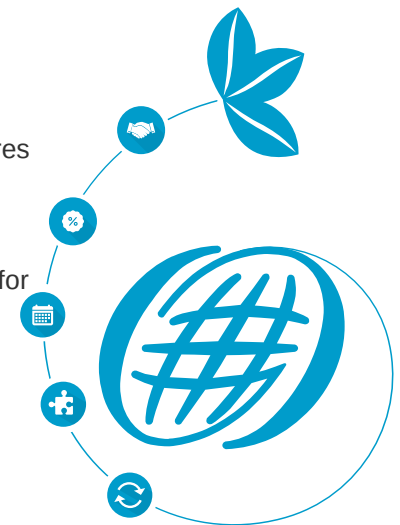
Proprietary engineered product portfolio and over 140 active patents⁽¹⁾ across all categories...

Highly engineered spirits' closures for safety / sophisticated concepts...



...protected by strong R&D and patents

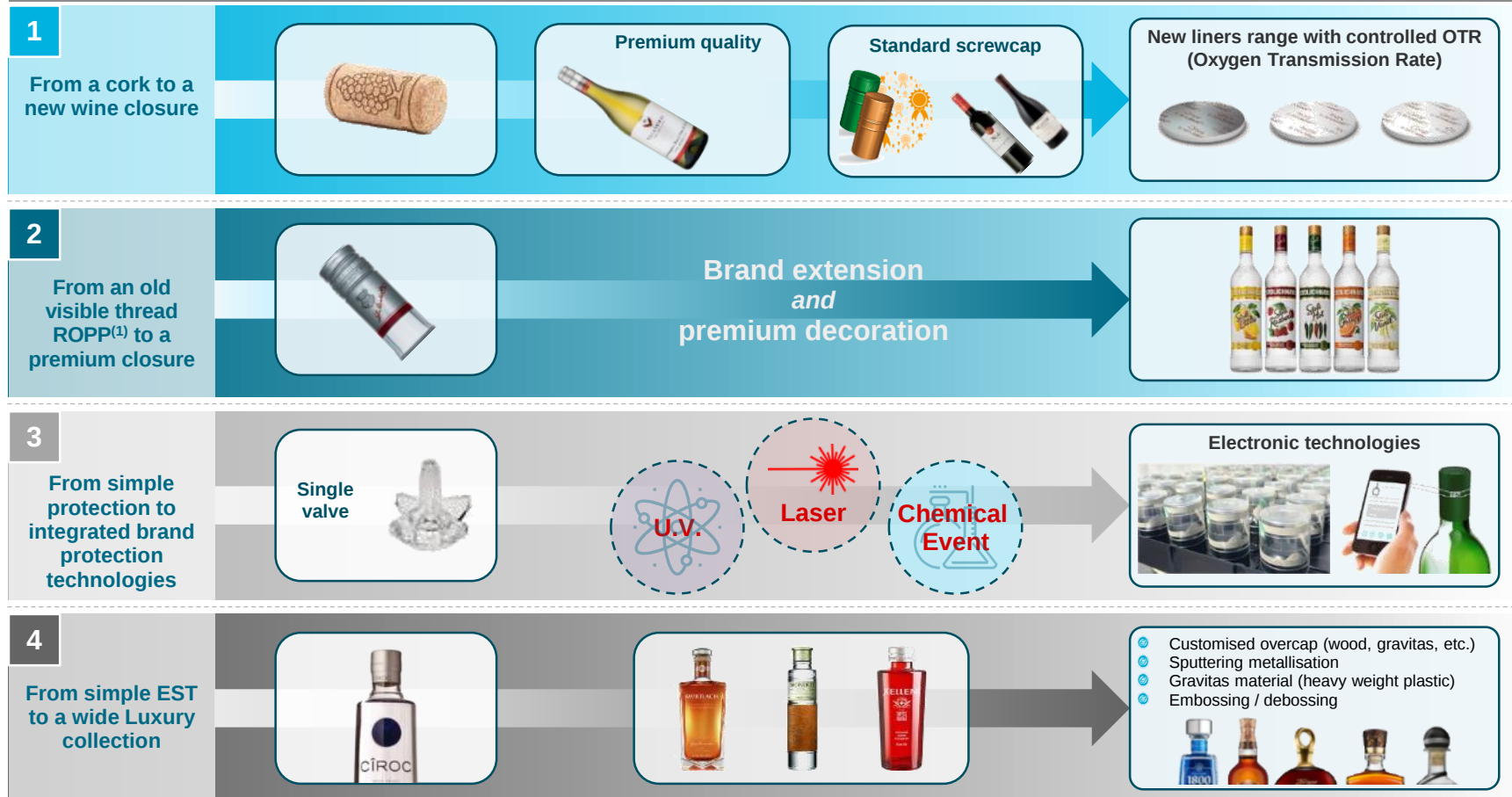
- The largest R&D centre for safety closures
- R&D units in Italy, Luxembourg, Mexico, UK and Ukraine
- Dedicated service to protect closures and defend customers' interests
- Close relationship with customers for joint product development
- More than 20 new products in the last 3 years
- Multi-component assembly at high speed



(1) Active patents include patents, industrial designs and utility models.

...underpinned by leading technology and innovation capabilities

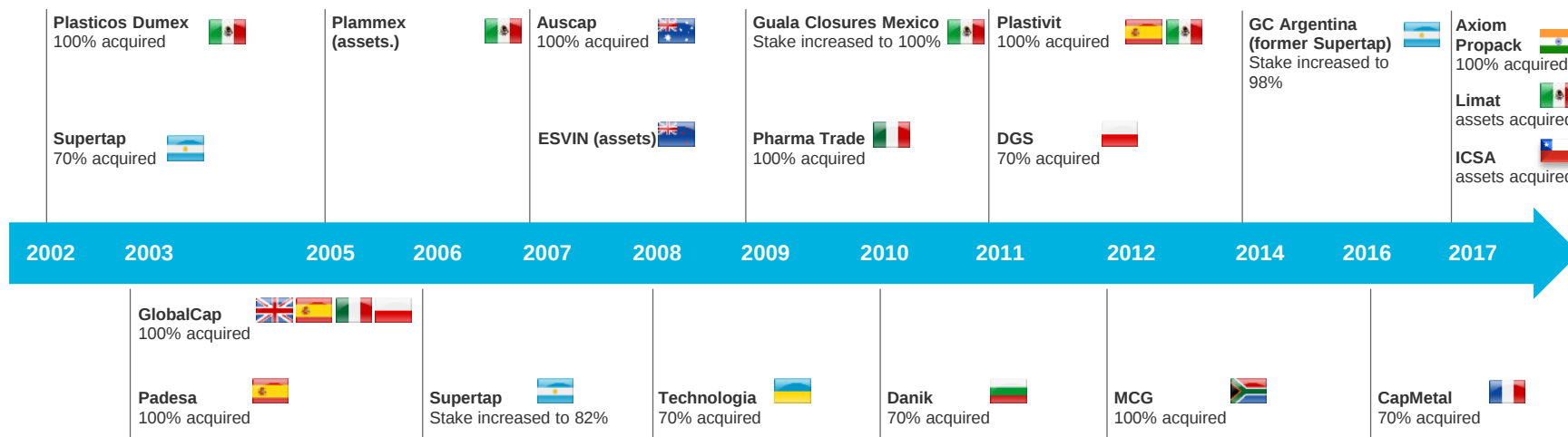
Examples of creating added value in closures



(1) Roll-On Pilfer Proof.

Proven M&A track record focused on creating long-term value

Timeline



Highly-focused tack-on acquisitions

Expanded presence in new markets, e.g. Australia, Poland, Ukraine, Africa

Expanded presence in new segments, e.g. wine, pharma



Consolidated market position and captured further market share

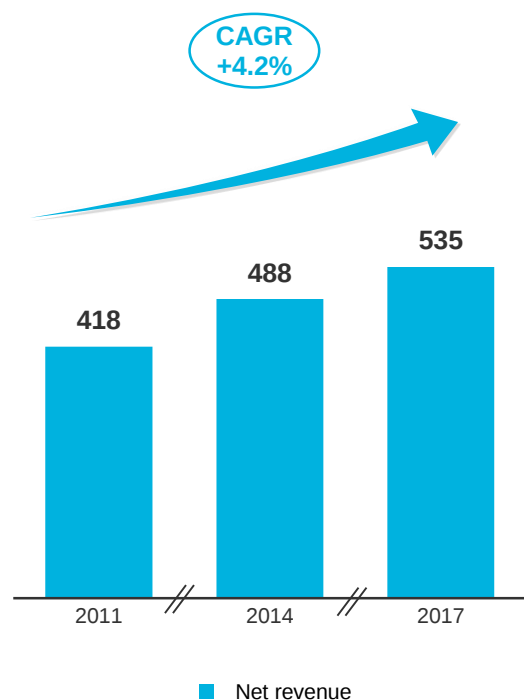


Track record of successful integration resulting in substantial growth and cost synergies

Best-in-class financial profile...

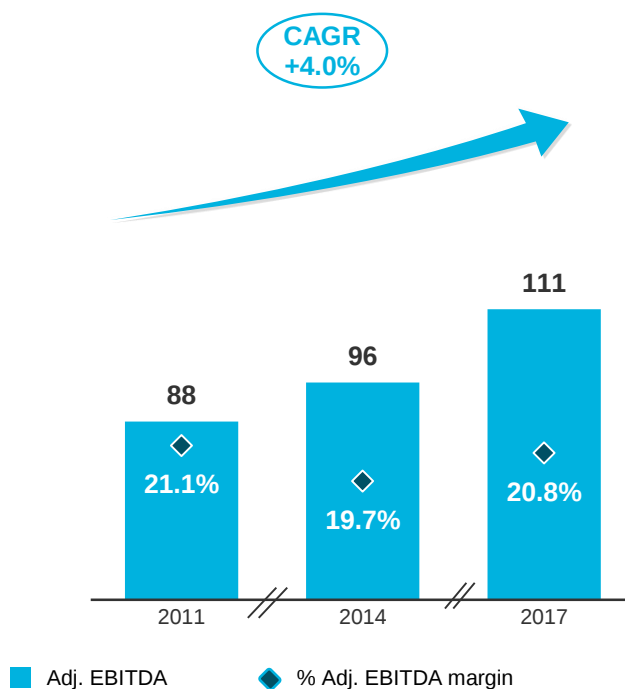
Solid growth ..

(Net revenue, € in millions)



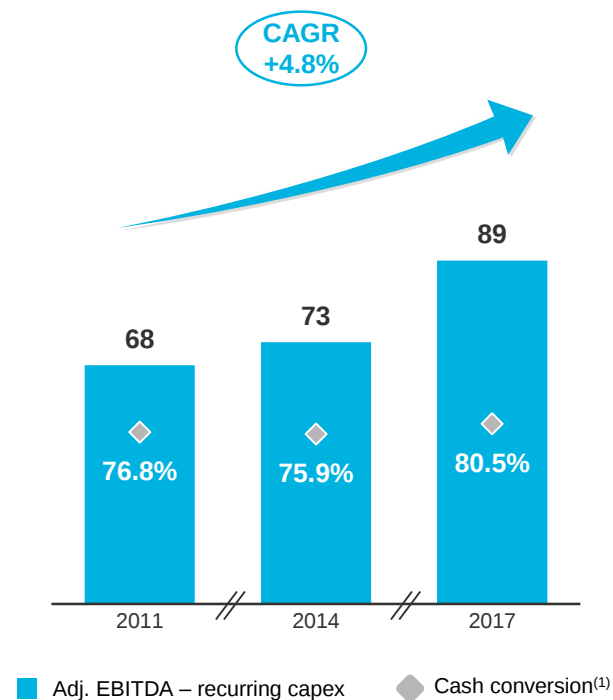
... and increasing profitability

(Adj. EBITDA, € in millions; Adj. EBITDA margin, %)



Strong cash flow

(Adj. EBITDA – recurring capex, € in millions; Adj. EBITDA – recurring capex conversion, %)



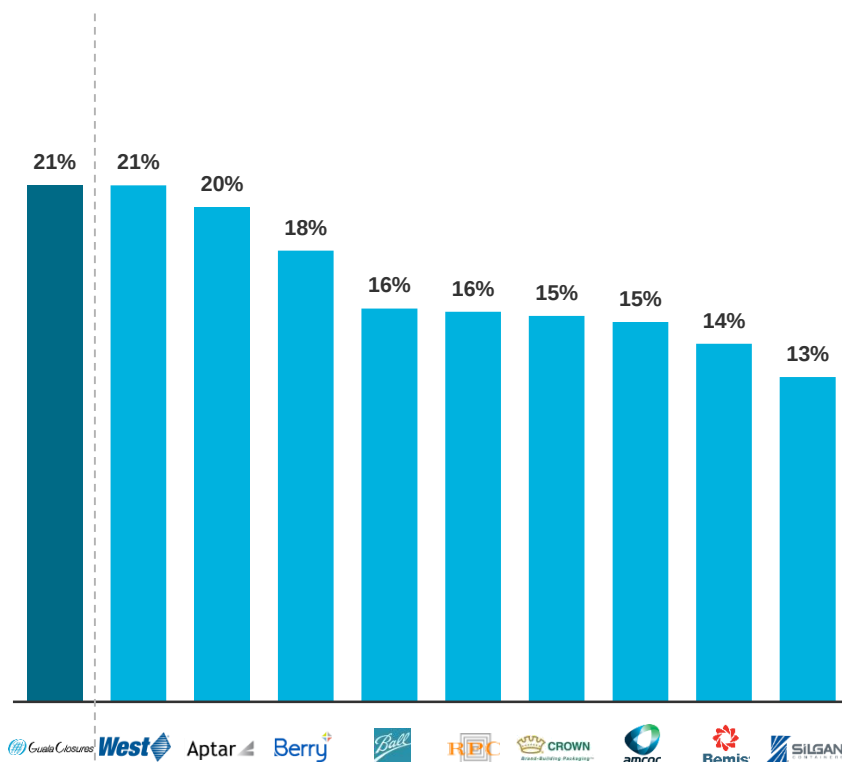
Source: Company information.

(1) Calculated as (Adj. EBITDA – recurring capex) / Adj. EBITDA.

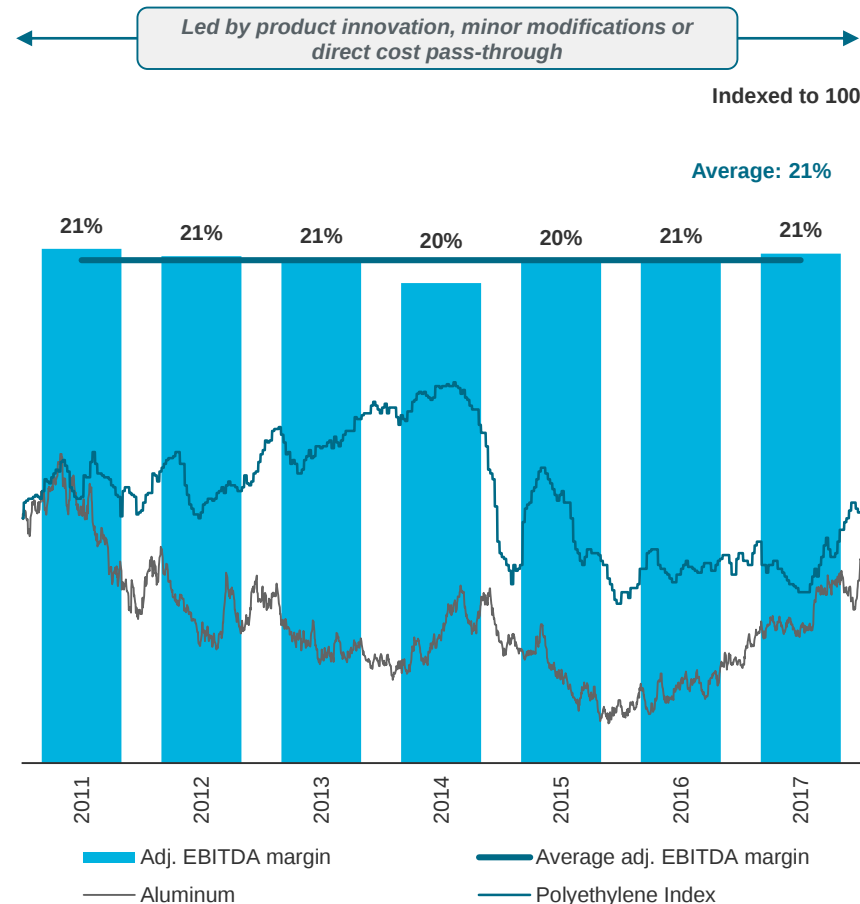
...with superior margins and proven resilience over the years despite FX and raw materials fluctuations

EBITDA margin benchmarking

(Adj. EBITDA margin, 2015-17 average)



Margin stability despite fluctuating FX and raw material inputs⁽¹⁾⁽²⁾



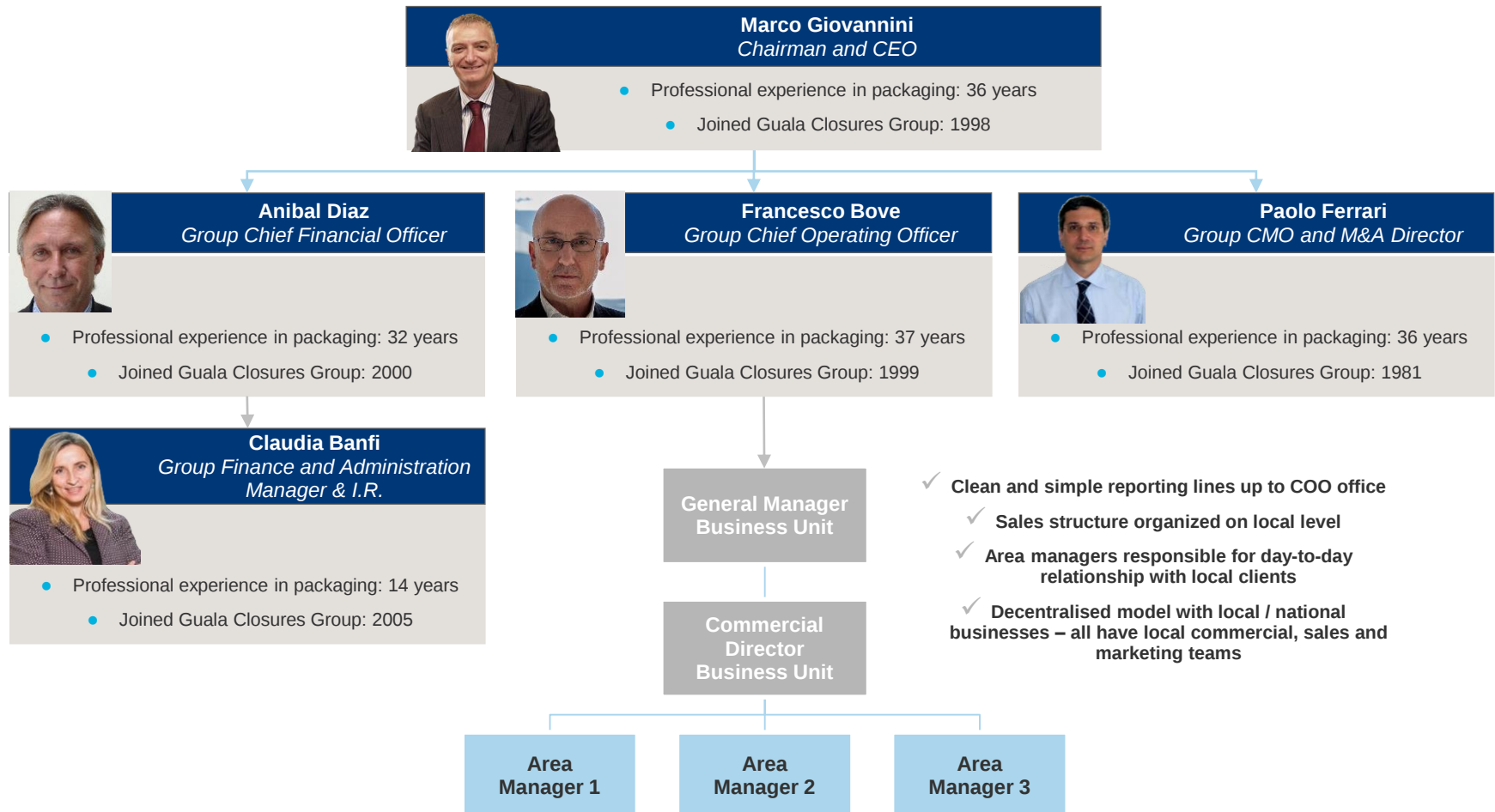
Source: Company information, Factset, Bloomberg.

(1) Magenta purchases coil and supplies 70% of the Group's needs for aluminium sheets.

(2) The figures presented are above from the audited financial statements of the Issuer. Prior to the Acquisition, the Group's financial consolidation was performed at the level of GCL Holdings S.C.A. and certain R&D-related net revenue and expenses are not reflected in the data presented in this graphic.

Experienced and committed Management Team

A close-knit team working together more than 20 years
Structured organization chart ready to sustain the future growth



...with sound business and financial strategy

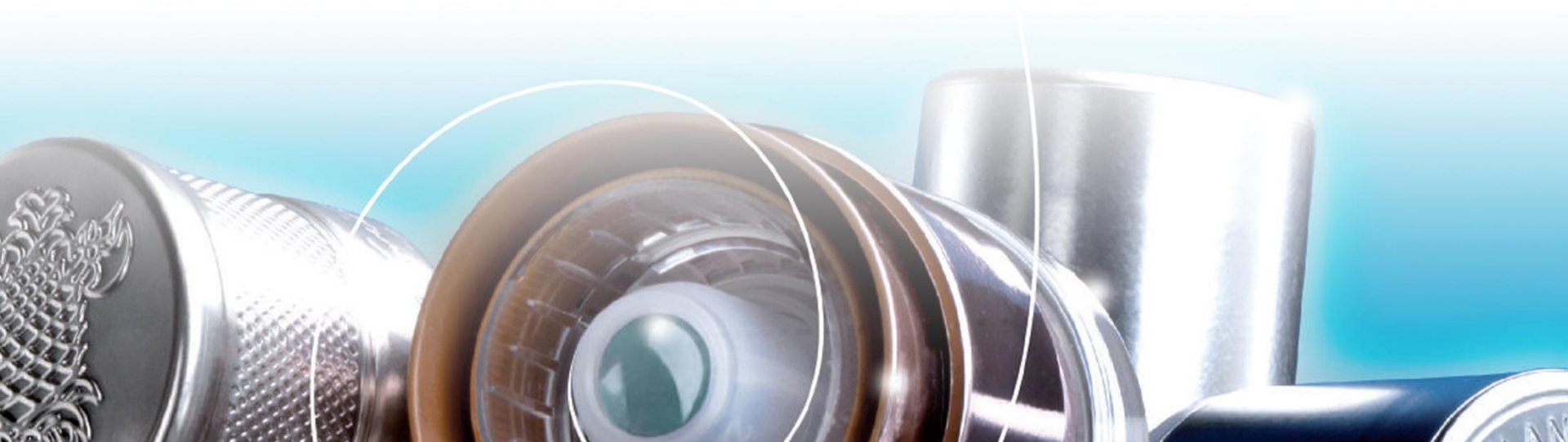
Business strategy

- Drive top-line growth
 - Continued volume growth in emerging markets and switch to safety closures
 - Ongoing new product innovation and customer upselling
 - Benefit from sustained growth in winecap market
- Targeted strategy of market consolidation through small tuck-in acquisitions in core or adjacent markets
- Continued optimisation of manufacturing and supply chain network
- Retain flexible cost base, reacting to changes in market conditions (e.g. raw materials)

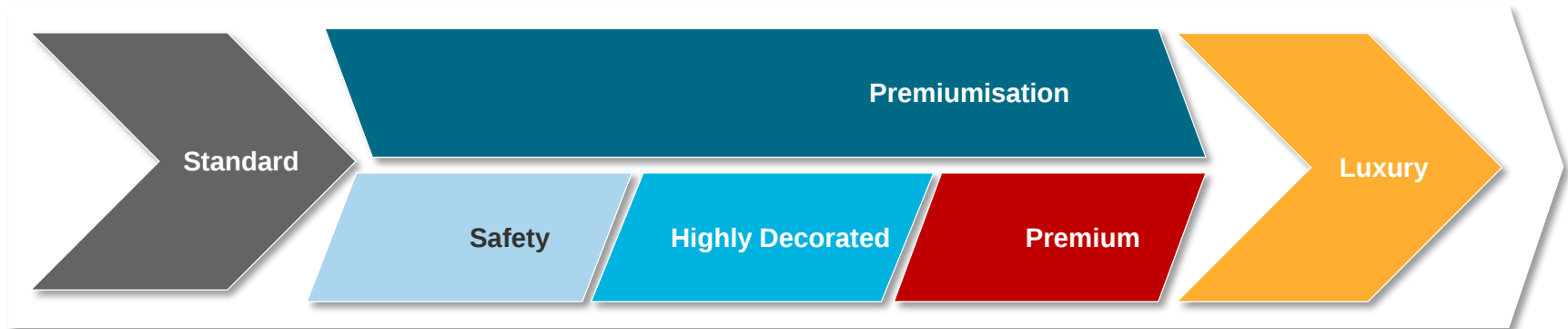
Financial strategy

- Maintain strong financial liquidity and de-leveraging due to strong cash flow generation
- Ongoing working capital management
- Ability to manage capex needs depending on market conditions
- Prudent aluminium hedging strategy
- Limited transactional FX exposure

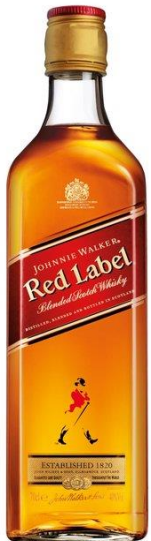
2. Business overview by product



Reinventing closures: from commodity to high value-added



€15



€70



€250



€125



€700



€2,200

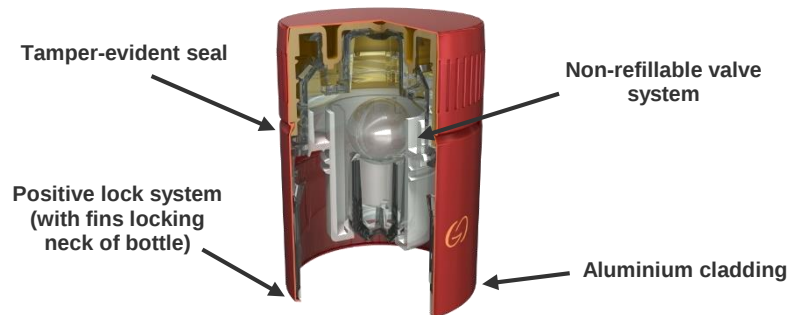


JOHNNIE WALKER

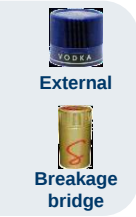
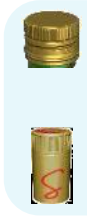
Safety closures

(44% of 2017 revenue)

- Production of safety closures which are fitted with a special device to limit counterfeiting of the end-product, such as non-refillable devices
 - Almost exclusively for spirits
 - Primarily sold to premium and local brands in emerging markets, where risk of counterfeiting is highest
- Product complexity prevents imitation by competitors
 - Safety closures have a complex structure that generally comprises from 2 to 12 components, made of plastic (with some aluminium mix)
- Current product portfolio comprises over 30 models, all of which can be customised to meet the customer's requirements



Key technologies

Non-refillable systems		A series of internal valve systems of varying complexity offer basic or advanced protection to prevent the bottle from being refilled
Tamper-evident systems	 Internal Tear-off  External Breakage bridge	Different types of Tamper-Evident (TE) systems are available to enable the consumer to see if the bottle has been opened
Capping systems	 "Roll-on"  "Snap-on"  "Screw-on"	Capping systems range from "Screw-on" to "Snap-on" to "Roll-On", depending on client needs
Smart packaging		Highly sophisticated systems, such as laser applications, microchips, matrix data codes, RFID and NFC provide information on the product and its traceability by interacting with the final consumer

A pioneer in multicomponent non-refillable systems



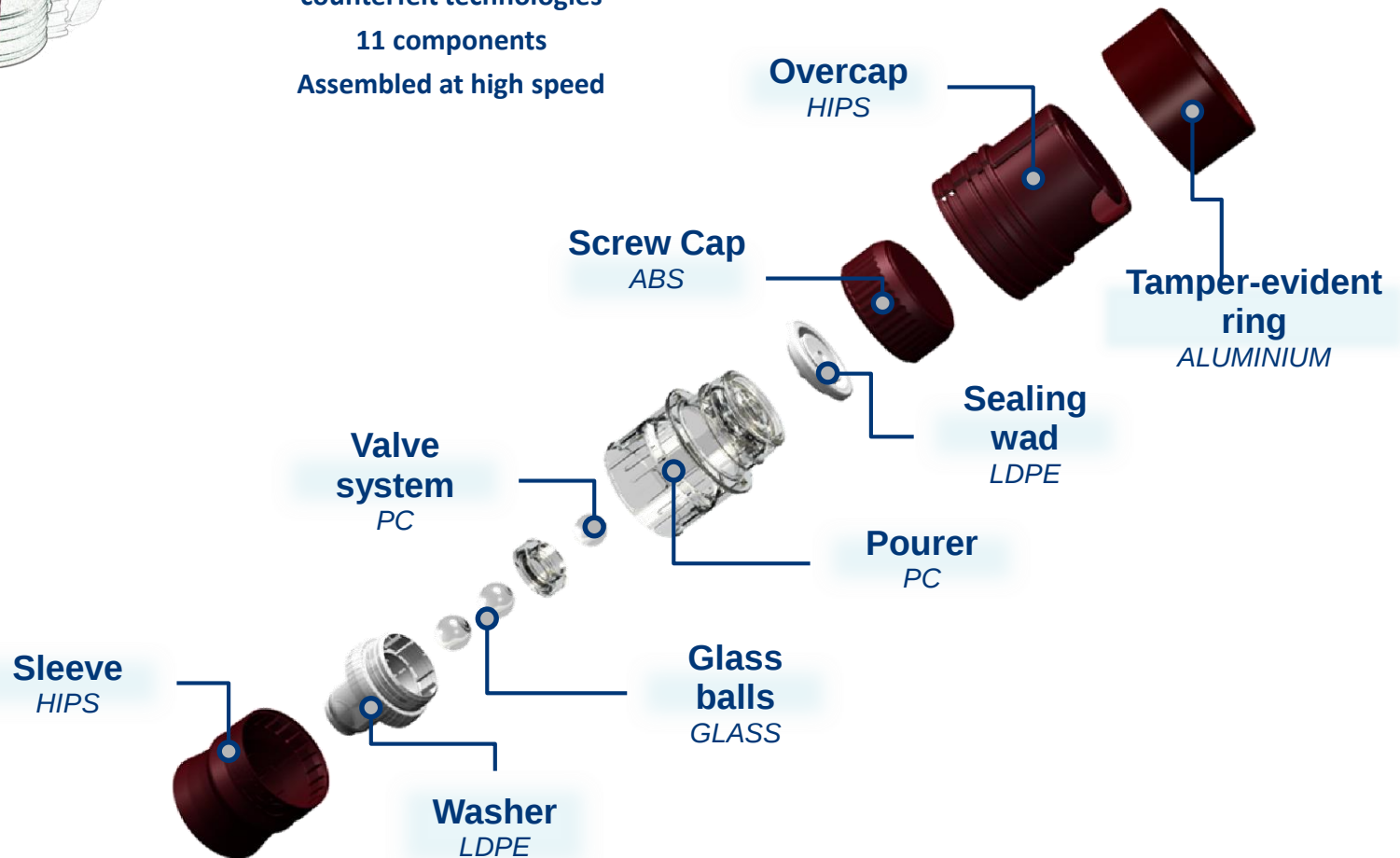
Model 1612A safety closure:

High protection closure

Includes covert and overt anti-counterfeit technologies

11 components

Assembled at high speed



Roll-on closures

(28% of 2017 revenue)

- Guala Closures is the global leader in roll-on closures selling 6.9 billion roll-on closures in 2017
- Portfolio ranges from the simplest screwcap to the more complex versions equipped with components in different materials with particular aesthetic or safety features
- Guala Closures also uses the most advanced decoration techniques, such as lithography, hot-foil, relief or bas-relief punching, to provide customised closures to its customers
- The product line includes:
 - Long and short aluminium closures with a thread enabling them to be screwed directly onto the bottle neck
 - Aluminium closures with plastic components enabling special functions, such as anti-drop spouts (mainly designed for olive oil bottles) or flow controllers (mostly designed for vinegar bottles)
- Upsell customers from standard roll-on closures to higher value-added safety closures through continuous customer promotion towards brand protection through product innovation

Key technologies

Model	Component Material	Number of Components	Key End-products
Spring	Aluminium and Plastic	3	Mineral water: San Pellegrino, San Benedetto, Norda, Borjomi
30x35	Aluminium	2	Spirits: New Amsterdam, Smirnoff, Gilbey's, Kenya Cane
31, 5x24	Aluminium	2	Spirits & Oil: Vermouth Martini for spirits, Carli and Salvadori for oil
31, 5x50	Aluminium	2	Spirits: Amaro Ramazzotti
30x60	Aluminium and Plastic	2	Wine and Spirits: Bacardi Rhum range, Campari, Bailey's, Jacob's Creek
35x24	Aluminium and Plastic	3	Olive oil: Deoleo, Bertolli, Monini, Farchioni
31, 5x44	Aluminium and Plastic	2/3	Spirits and Oil/ Vinegar: Eristoff & Aperol, Ponti and Unilever



Wine closures

(20% of 2017 revenue)

- ☉ Guala Closures has developed the widest range of screwcaps for the wine market
- ☉ Screwcaps do not suffer from natural cork taint issues and therefore do not spoil the wine contained in the bottle, avoiding the recall of the bottles for retailers
- ☉ Screwcaps represent approximately 22% of the total bottled wines worldwide
- ☉ Guala Closures is a clear market leader in the wine screwcap closures market, with a market share of over 30%
- ☉ Products incorporate a number of technical features such as controlled Oxygen Transmission Rate (OTR) liners
- ☉ In addition, Guala Closures is equipped with the most advanced decoration techniques of silk screening, hot-foiling, off-setting, lithography and embossing

Key technologies

Screwcaps

The widest range of screwcaps for wine



Liners

Liners by Oenoseal® developed in partnership with MGJ⁽¹⁾

Onyx	Aluminium layer to ensure maximum impermeability to oxygen
Ivory	Enables the amount of free SO ₂ to be reduced when bottling
Coral	Reduces evaporation of wines with high tannin



(1) Manufacture Générale de Joints

Other product segments (8% of 2017 revenue)⁽¹⁾

Luxury Closures (3% of revenue)

- Luxury closures are made of aluminium, plastic and wood, and are typically designed for high-end spirits that are produced in small quantities
- Closures are designed to give a distinctive character to customers' brands and to improve the aesthetical appeal of their end-products
- The closure can be designed to suit all brand / market requirements including EST, push-on and non-refillable versions with the most advanced decoration techniques including 3D embossing and metal sputtering

Close to your Tradition

Premium T-cork closures, from different heavyweight materials



Close to your Mood

Completely customisable safety (anti-counterfeiting) closures



Close to your Party

Specifically intended for brands, particularly vodka and gin, in the on-Trade channel



Close to your Fantasy

Design-led closures ideal for limited edition products and featuring super-luxury finishes



Pharma Closures and PET (2% of revenue)

- Guala Closures entered the pharmaceutical packaging market in 2009 through the acquisition of Pharma Trade
- Guala Closures' products, mainly for injectables, include plastic and aluminium closures, rubber caps, single-dose vials and containers in PET in a broad range of colours, shapes, sizes and materials
- Guala Closures adheres to the highest quality standards which is consistent with the requirements of the pharmaceutical industry

Stoppers

Stoppers are made of Butyl compound in Standard or Lio configuration



Drinkable

Special PFP aluminium caps combined with a plastic overcaps



Infusion

Central and level tear-off aluminium caps, Flip Off central tear-off and ring caps



Injection

Flip Off central tear-off and ring caps



Rink neck

Suitable for all types of aluminium or plastic caps, droppers and Biphasic Kit



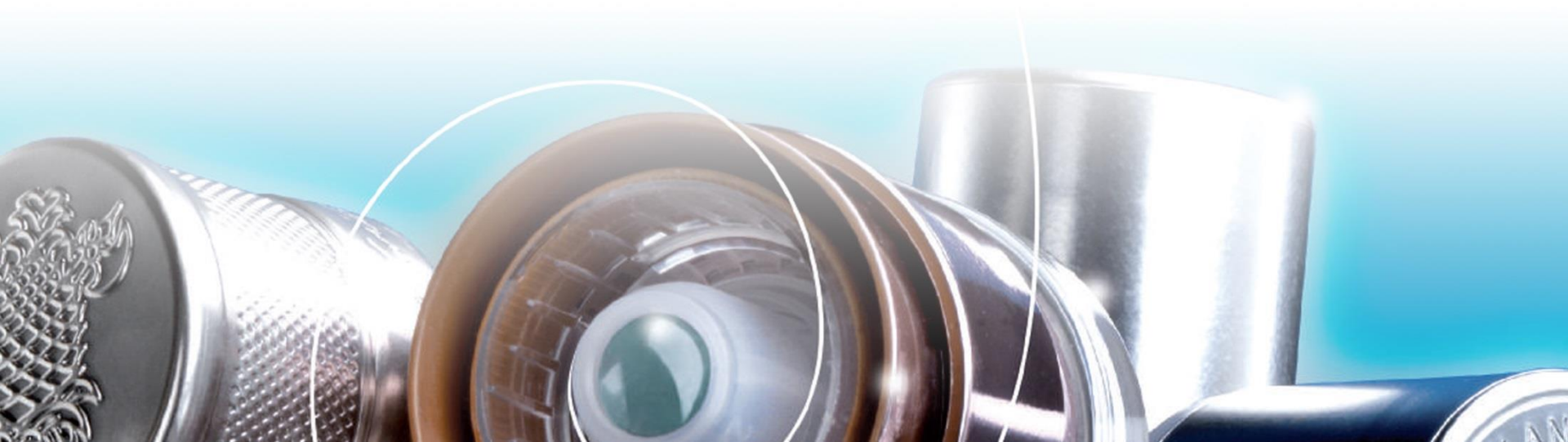
Screw neck

Suitable for all types of aluminium or plastic caps, filler caps and droppers



(1) Includes other revenue (3% of 2017 revenue).

3. Main trends in destination markets



Spirits: global counterfeiting never ends



SPIRITS ARE THE **4TH LARGEST
COUNTERFEITED PRODUCT
CATEGORY**

**30% OF THE ALCOHOL CONSUMED
IN THE WORLD IS UNREGISTERED**

* source Olajide Oyewole

Percentage of
counterfeit
products in total
manufactured
goods:

25% Audiovideo

21% Fashion

20%

Pharmaceutical

12% Spirits

12% Toys

10% Perfumery

5% Watches

* source INDICAM

*“Illicit spirits are a huge social problem in India, both in terms of
yearly deaths and support to the illegal economy”*

– Former manager, United Spirits

Spirits: western markets - new consumer aspirations

PREMIUMISATION

CRAFT

FLAVOURING

WELLNESS

ETHICAL

INTERNET



Spirits: new emerging markets - consumer aspirations

AFFORDABLE SMALL
PACKS

FRIENDLY TO USE

SAFETY

GLOBAL BRAND
LOOK-LIKE



Spirits: premiumisation race boosts luxury closures offer

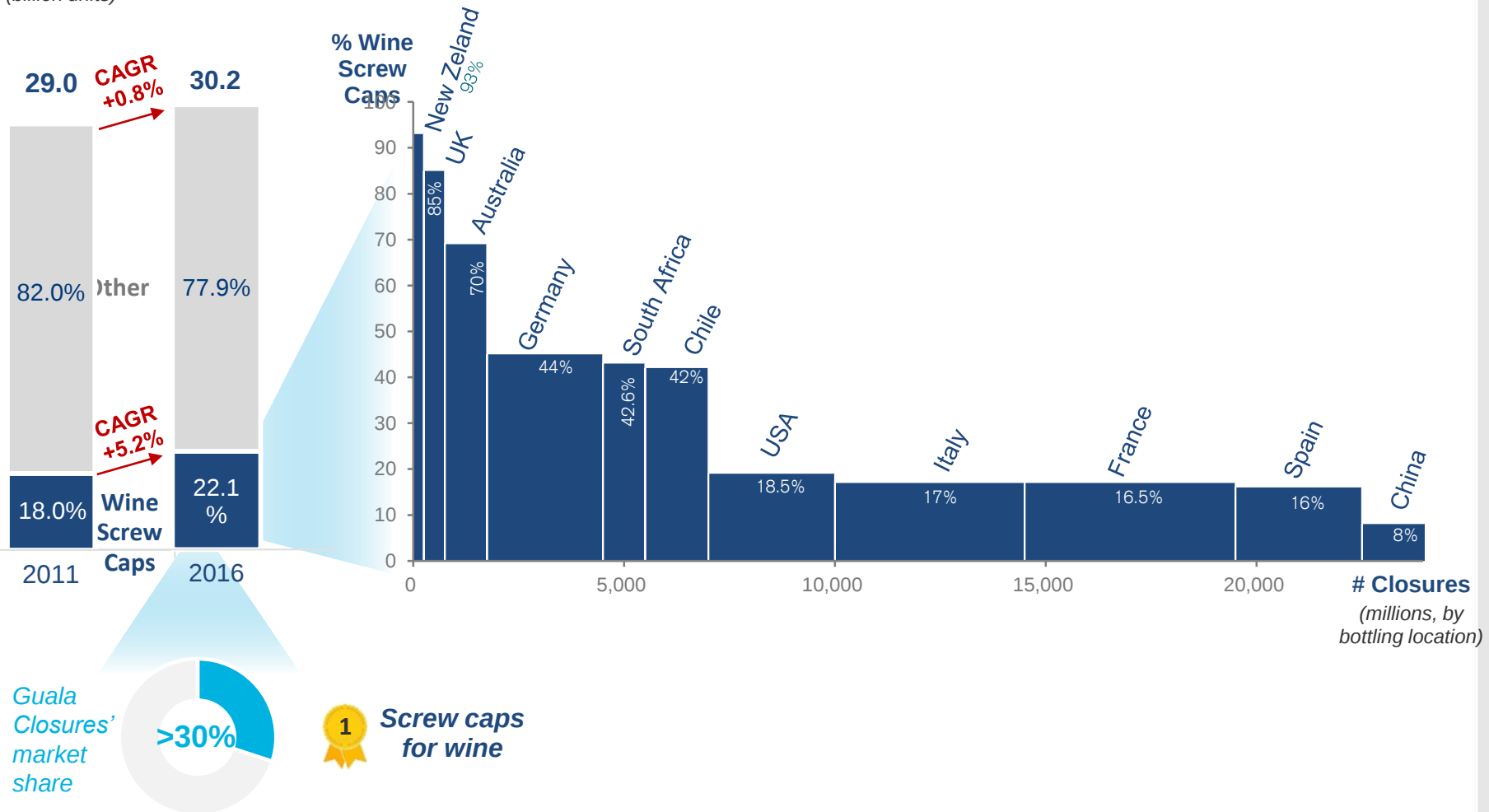


Wine: increasing screw caps penetration

Wine screw caps global market

Total market
(billion units)

Penetration across Still & Sparkling Wines
(excludes Other)



Wine: shift from cork to screw caps



€40

€90



FT
FINANCIAL TIMES

February 2018

The appliance of science

Jancis Robinson
Wine



Most of us associate wine with play and relaxation, but for a few hundred scientists around the world, it is what they spend the working day studying, in sometimes headache-inducing detail. The most cited articles listed by the American Journal of Enology and Viticulture, for instance, include "Colorimetry of Total Phenolics with Phosphomolybdic-Phosphotungstic Acid Reagents" and "Measurement of Polymeric Pigments in Grape Berry Extracts and Wines Using a Protein Precipitation Assay Combined with Dialysis Bleaching". A rather long way from "a glass of red, please" – but all aimed at improving the quality of that red, or white, or rose.

Indeed, the AWRI, working closely with the Australian wine industry, faithfully logs every request it receives to advise on a fermentation that comes to a sticky halt halfway through because the yeasts responsible for converting sugar into alcohol are simply overwhelmed. This was particularly common after 2016's hot vintage, much less so in cooler 2017. Adding water to the fermentation vat is not necessarily evil; it can mean a better-balanced wine. Even the great Ridge Vineyard has been known to do it. But we must hope that Australia's less quality-minded producers will not take advantage of this new concession.

Adding water to the fermentation vat is not necessarily evil; it can mean a better-balanced wine.

That same report is telling in how enthusiastically the Australian wine industry is covering China, now its most important customer by value and the world's fourth-biggest importer of wine. The Australians have been studying which wine attributes appeal to the Chinese palate by evaluating the

is billed as "the first self-mustering, zero-carbon teaching and research facility in the world".

California wine production has recently been hit by drought as severe as that currently being experienced in the southern hemisphere – notably South Africa – and in California there has been considerable focus on recycling winery waste. But to judge from the AWRI report, Australians are still very much focused on efficiency, and apologetically not a dirty word. With so many options for wine-bottle closures, the number of studies of their relative performance is not surprising. French researchers looked at the effect of their life 6 alternatives to natural cork. Eighteen months on, taken as the effective maximum.

Of particular interest to us mere wine consumers, perhaps, is the 10-year project during which 100,000 entries in the International Wine Challenge in London were monitored to compare the performance of corks and screwcaps. The results, reported in this latest AWRI report, were that the rejection rate for bottles stoppered by a cork (which sort was unspecified) was a rather horrifying 4.7 per cent, whereas that for screwcapped bottles was "only" 1.6 per cent, with about half of these faults being reduction, the cabbagey aroma that can result from a wine that hasn't been exposed to enough oxygen. The reduction rate of cork-stoppered bottles was apparently exactly the same, 0.81 per cent, even though screwcaps have popularly been associated with reduction.

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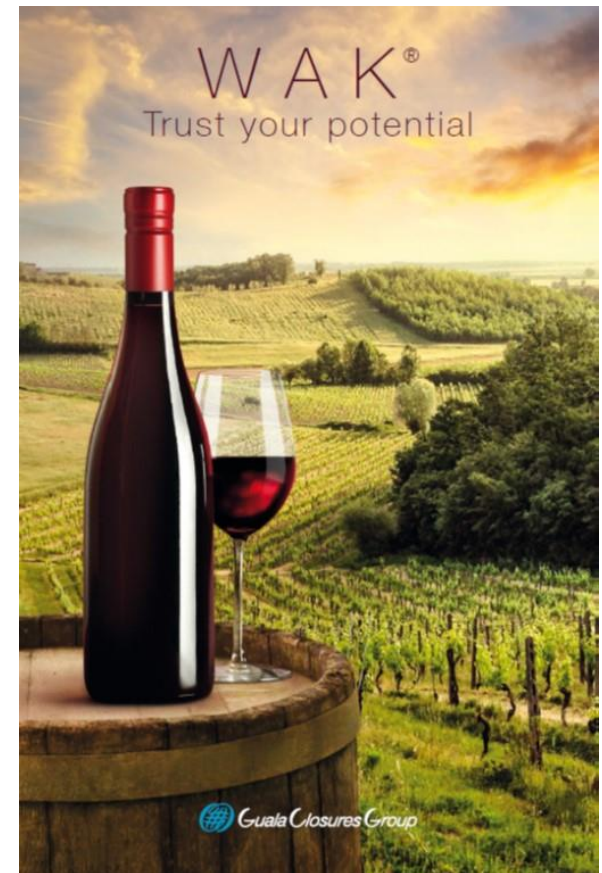
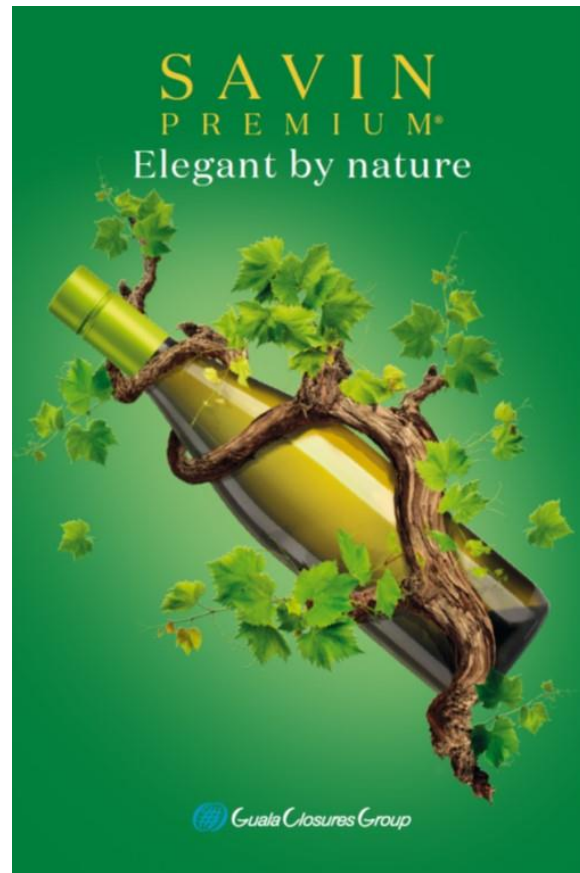
Is it the closure or the wine?

Overall impact of different closures on wine quality



More than 5 years ageing

Screw caps: from easy-to-use to value added



Wine screw caps growth drivers

Market trends

Growth in export

Globalization

Growth in new emerging markets

Cost saving

Screw caps competitive advantages

Quality Guarantor

Industrial Approach

Supply Proximity

Widespread acceptance

Superior value Proposition



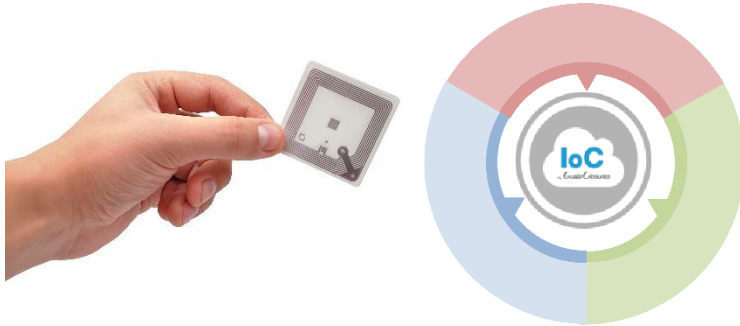
the driving force behind screw cap market expansion

Water: growing luxury trend in the bottled mineral water segment



Bringing smart-security solutions to the Spirits and Wine market

Guala Closures partnered with NXP Semiconductors to develop the first “**Internet-of-Closures system**”



Internet-of-Closure system (IoC)

is the first NFC (i.e. Near Field Communication) chip integrated closure ever developed, that will allow the brands, the consumers and the Guala itself to receive/share information about the products.

A smart-closure systems that offers plenty of advantages



For Brands

- Improve brand experience
- Supply chain control
- Story telling
- Store locator



For Consumers

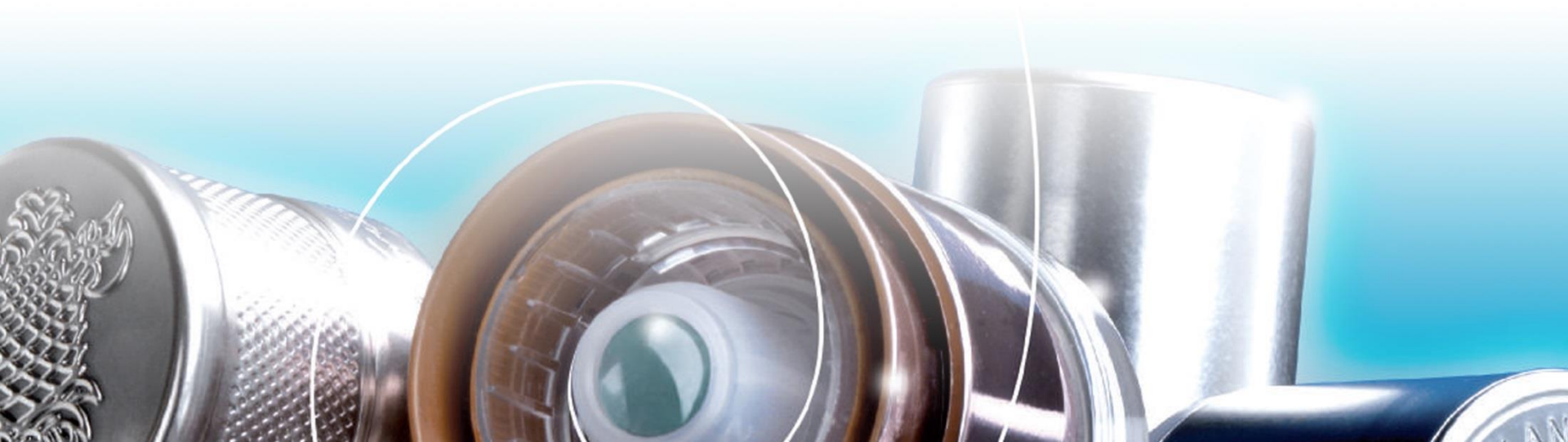
- Product authentication
- Tamper evident
- Channel authentication
- Tasting and recipes



For Guala Closures

- Disruptive technology
- First-mover advantage
- Keep track of the market
- Potential for higher margin

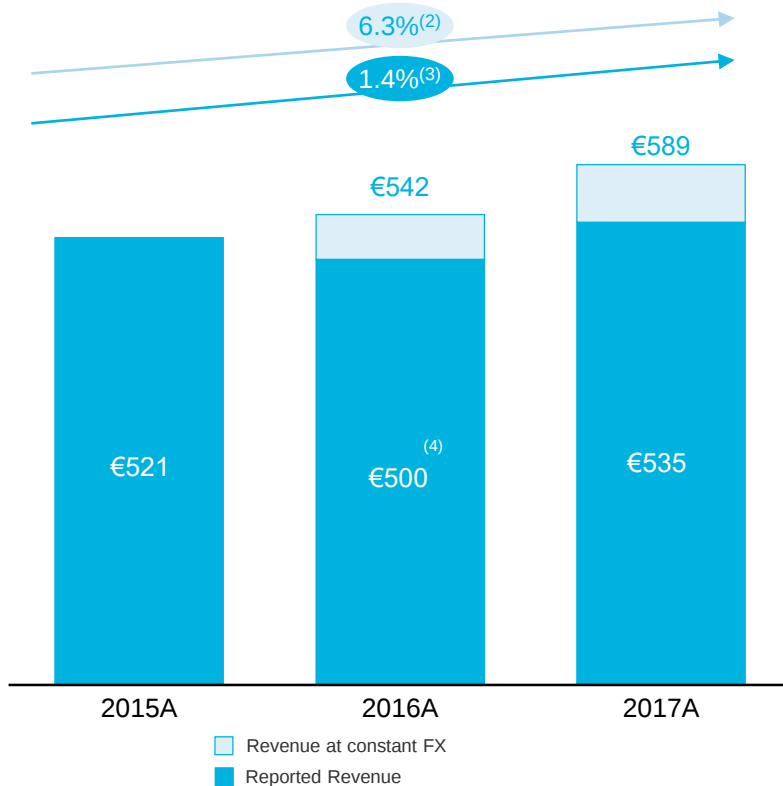
4. Historical financial performance



Stable revenue and profitability notwithstanding FX headwinds

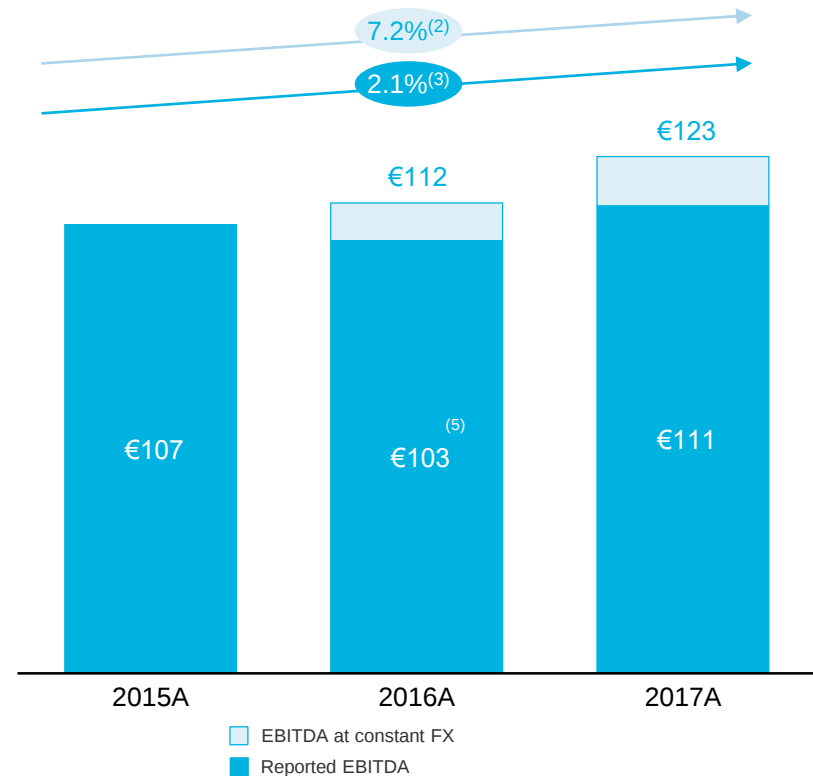
Revenue

(€ in millions)



Adjusted EBITDA⁽¹⁾

(€ in millions)



Note: FY figures are calculated at constant 2015 FX rates.

(1) The figures presented are above from the audited financial statements of the Issuer. Prior to the Acquisition, the Group's financial consolidation was performed at the level of GCL Holdings S.C.A. and certain R&D-related net revenue and expenses are not reflected in the data presented in this graphic. See the section "Risks related to our presentation of financial information" in the offering memorandum.

(2) CAGR has been calculated for the period 2015A - 2017A at constant 2015 FX rates.

(3) CAGR has been calculated for the period 2015A - 2017A on reported basis.

(4) Including €10m acquisition impact.

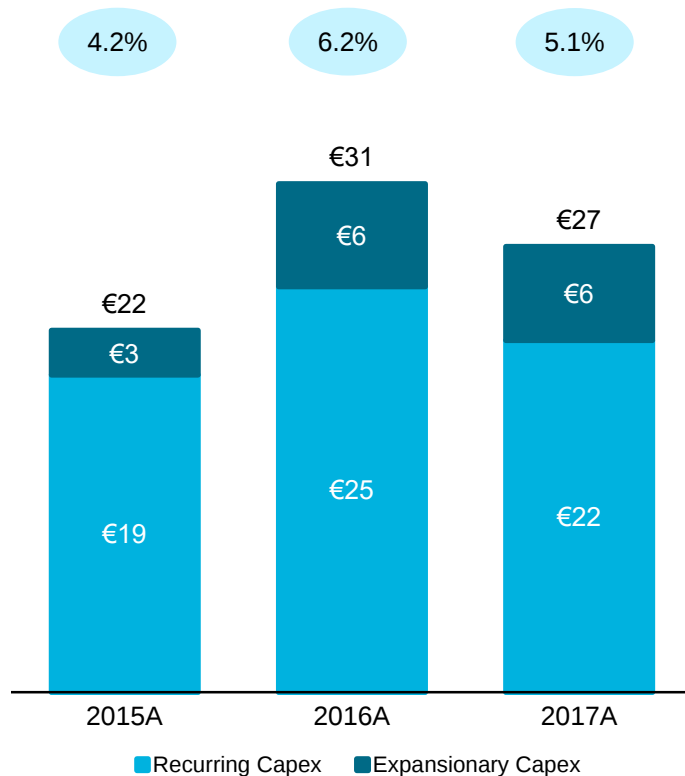
(5) Including €0.5m acquisition impact.

Prudent capital expenditures

Net capex⁽¹⁾

(€ in millions)

% of net revenue



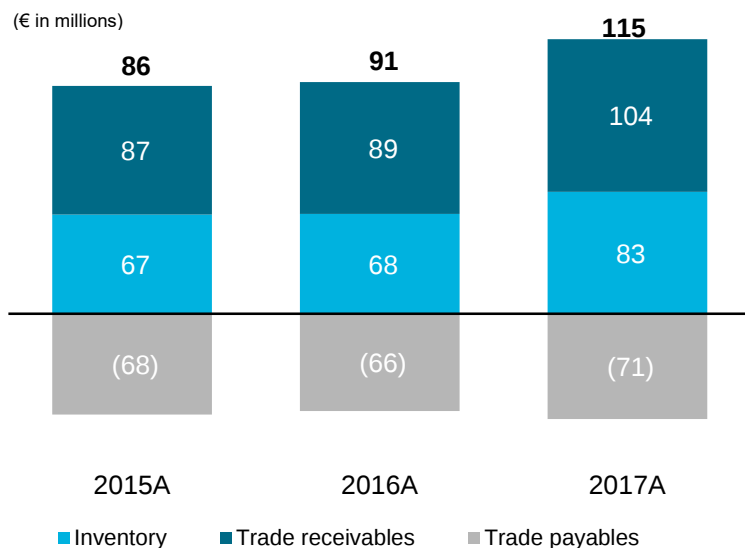
Commentary

- Capex requirements mainly relate to recurring and expansionary investments
- Total capex is stable at 4–7% of net revenues, with recurring capex representing above c.79%
- Recurring capex includes ongoing maintenance of existing plants and machinery as well as investments in machinery to service new contracts
 - In 2017, recurring capex primarily related to European subsidiaries
- Expansionary capex mainly refers to investment in new facilities and technological expansion
 - In 2017, expansionary capex included new product investments such as Nip Cap 2 2nd step in India and a new closure technology

(1) The capital expenditures presented above do not include the amounts related to the R&D activity operated by GCL Holdings S.C.A. for the periods under review which in 2017 was equivalent to €1.1. million. See "Presentation of Financial and Other Information" in the offering memorandum for more information.

Ongoing working capital management

Net working capital



Days	2015A	2016A	2017A
Inventory	45	46	51
Trade receivables	59	61	64
Trade payables	(46)	(45)	(44)
Net working capital	58	63	71

Commentary

NWC recorded a large increase in 2017 mainly attributed to:

- 1** Higher DSO (+10 days)
 - Influenced by year-end holiday calendar with a shift of some payments from customers to the beginning of January
 - 2** Increase in inventories
 - Higher aluminium stock at year-end as well as higher finished and semi-finished products, driven by business growth in some of the main countries
 - The production accident in Italy, affecting the production and supplies in the first half of the year
 - Overestimates on raw materials supplies related to certain types of aluminium closures
 - 3** New acquisitions
 - Axiom and ICESA assets were acquired in October 2017 with a NWC of c.€0.9m and €0.7m⁽¹⁾, respectively
 - Limat net assets, acquired in July 2017, included NWC of c.€1.0m⁽¹⁾
- Typical seasonal increase in working capital experienced from March to October and a drop in December
- Increase in DPO at year-end when purchases slow down, especially from key suppliers with shorter payment terms

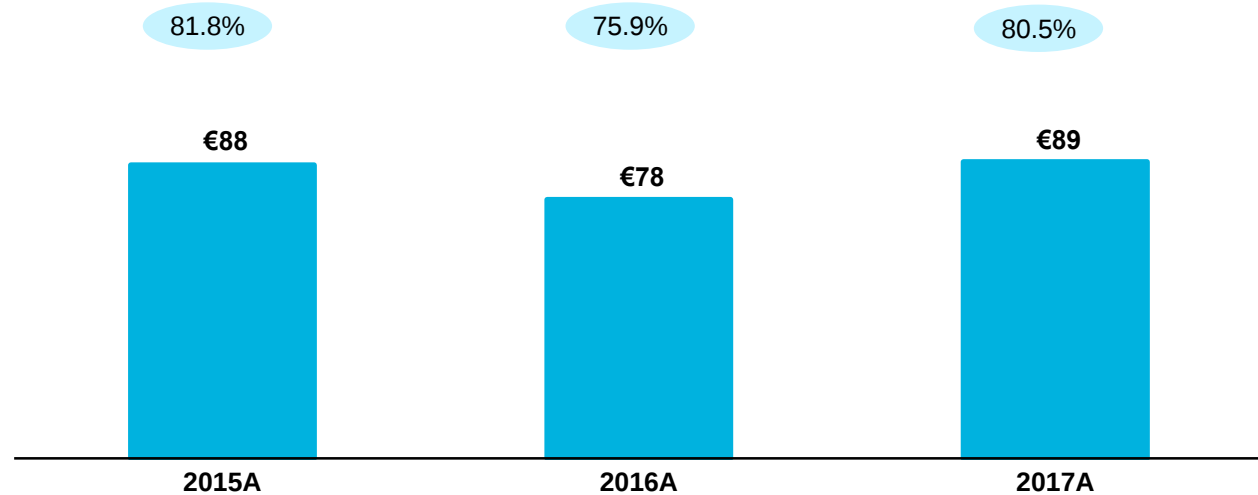
(1) As of 31 December 2017.

Consistent cash generation

Cash flow profile

(€ in millions)

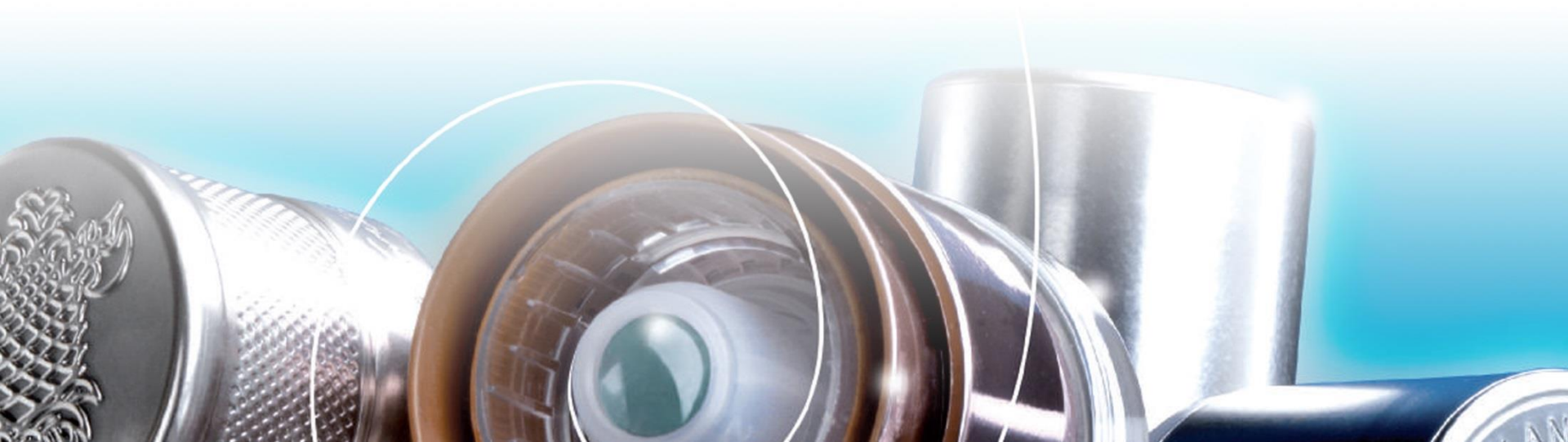
Conversion %:



Adjusted EBITDA	€107	€103	€111
Less: Recurring Capex ⁽¹⁾	(€19)	(€25)	(€22)
Operating cash flow	€88	€78	€89
<i>Conversion %</i>	81.8%	75.9%	80.5%

(1) The capital expenditures presented above do not include (i) expansionary capital expenditures and (ii) amounts related to the R&D activity operated by GCL Holdings S.C.A. for the periods under review which in 2017 was equivalent to €1.1 million.

5. Strategy



A clear growth strategy as a listed entity

