PRESS RELEASE

FIRST HALF 2019 RESULTS

REVENUE +14.1% AT CONSTANT EXCHANGE RATES, CASH FLOW AND PROFIT UP STEADILY, LAUNCH OF CONNECTED CLOSURES WITH BÖEN WINE AND MALIBU RUM

- **Group revenue: approx. €295 million, +14.1% at constant exchange rates (organic growth: +5.2%)[1], and €291.1 million at current exchange rates, +12.5%;**
- **Adjusted[2] EBITDA: €50.4 million, +7.8% at constant and current exchange rates, with margins in line with the prior-year period;**
- **Profit for the year ex. PPA: €4.4 million, compared to €0.2 million in the first half of 2018;**
- **Cash flow from operating activities up steadily to €24.8 million from €0.6 million in the first half of 2018;**
- **Net financial debt: €486 million, compared to €476 million at 1 January 2019—largely because of seasonality.**

Milan, 13 September 2019. **The Board of Directors of Guala Closures S.p.A.**—a global leader in the manufacturing and selling of plastic and aluminum closures for the beverage industry—**approved the Interim Financial Report at 30 June 2019[3].**

COMMENT OF THE GROUP'S CHAIR AND CHIEF EXECUTIVE OFFICER

"Following a strong start to the year, the Group consolidated its positive business performance during the second quarter—stressed Marco Giovannini, Guala Closures Chair and CEO—*as it continued delivering robust results in terms of growth, profitability, and cash flows.*

At the industrial level, in the second quarter we continued integrating UCP into our organization and worked on several projects to streamline and optimise our operations in the UK to achieve the

[1] Please see the closing section of this document for the definitions of growth at "constant exchange rates" and "organic growth".
[2] Please see the closing section of this document for the definition of "adjusted"
[3]The pro forma information in this press release corresponds to the consolidated amounts of the Guala Closures Group following the Business Combination between Space4 S.p.A. and the former "Guala Closures S.p.A".

estimated synergies. This acquisition has led to the restructuring of the PET sector, as the Group sold part of its Spanish assets and relocated the remainder to the United Kingdom.
In Kenya, after setting up the company in November 2018, starting manufacturing operations in February, and achieving outstanding results in the first quarter, we decided to double our production capacity.
Finally, in early September we set up a new entity in Belarus to better serve the local market as well as Russia, where we plan to start production operations by the end of the year.

It is with great satisfaction that the Group has participated as partner/supplier in the launch of two new products with NFC-enabled closures since June: Malibu Rum of the Pernod Ricard Group, and the famous Californian wine brand Böen. Our range of NFC-enabled closures offer several benefits: for brand owners, the acquisition of marketing data, control over production, and logistical improvements; for consumers, mostly bottle certification and engagement with the brand.

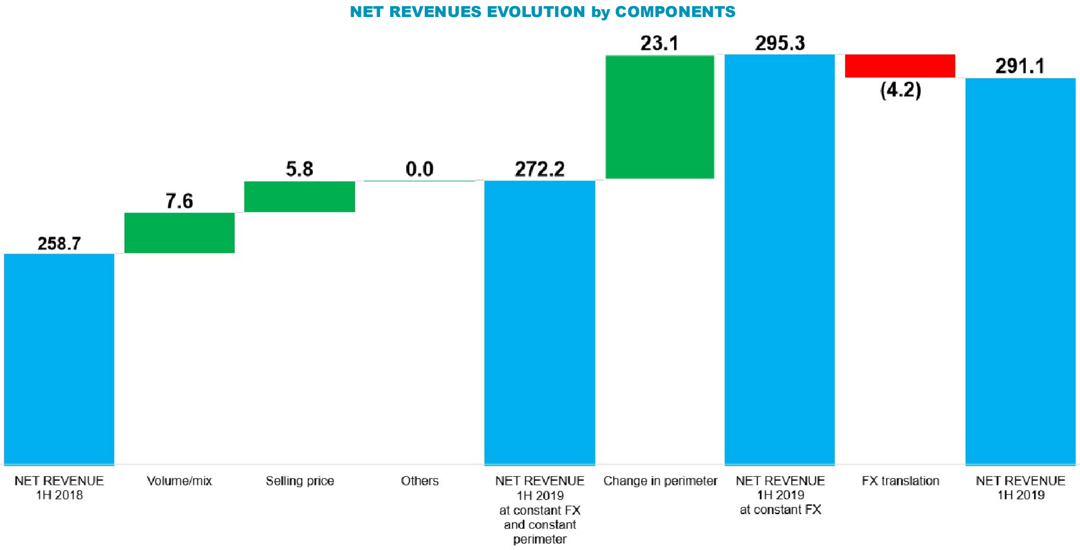
The results for the first six months of 2019 allow us to confidently look forward to the second half of the year. We are closely monitoring trade tensions between the world's largest economies, but to date we do not anticipate significant impacts thanks to the Group's industrial organization and broad product range."

ANALYSIS OF THE RESULTS FOR THE 1ST HALF OF 2019

Consolidated operational highlights

In the 1st half of 2019, consolidated **net revenue** totaled €291.1 million, up 14.1% at constant exchange rates (+12.5% at current exchange rates) from €258.7 million in the 1st half of 2018. The organic growth of 5.2% was magnified by the contribution (+8.9%) from the acquisition of UCP, closed in late 2018.

Organic growth was driven by the increased sales volumes/mix—especially in Europe and the Americas—as well as higher prices.



As for the different components of growth, the best-performing geographies were the Americas and Europe, while specialty closures (Safety and Luxury segments) represented the top-performing product category. For more details, please see the following tables.

Breakdown of revenue by geography:

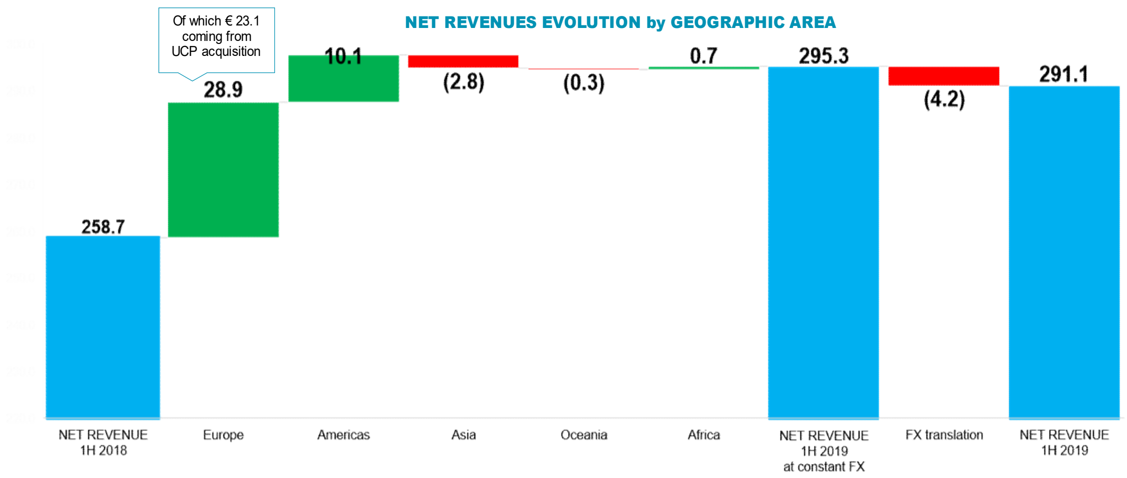
NET REVENUES BY GEOGRAPHICAL SEGMENT				
	1H 2018	**1H 2019**	**Variation %**	
			Current FX rates	Constant FX rates
Europe	144.5	174.2	20.6%	20.0%
% of Group Net Revenues	*55.9%*	*59.9%*		
Latin and North America	46.6	52.3	12.3%	21.6%
% of Group Net Revenues	*18.0%*	*18.0%*		
Asia	39.8	37.1	(6.7%)	(7.1%)
% of Group Net Revenues	*15.4%*	*12.7%*		
Oceania	19.7	19.2	(2.6%)	(1.4%)
% of Group Net Revenues	*7.6%*	*6.6%*		
Africa	8.2	8.3	0.9%	8.1%
% of Group Net Revenues	*3.2%*	*2.8%*		
Total Group Net revenues	**258.7**	**291.1**	**12.5%**	**14.1%**

In **Europe**, the Group's core geography, the United Kingdom and Poland delivered particularly positive results. In the UK, in addition to the impact of the acquisition, the Group increased its sales by growing organically in the safety and luxury segment as it consolidated the new closure launched in 2018, which allowed it to the enter the Single Malt Whisky market, and benefited from the expanding market for wine.
The acquisition of UCP added €23.1 million to the Group's revenue in the first half of 2019.

In the **Americas**, the steady growth seen in the last quarter of 2018 continued into the first half of 2019: Mexico was the most important driver, thanks to the significant rise in safety closures for the tequila market. In addition, please note that our production operations in Chile have now reached full capacity.

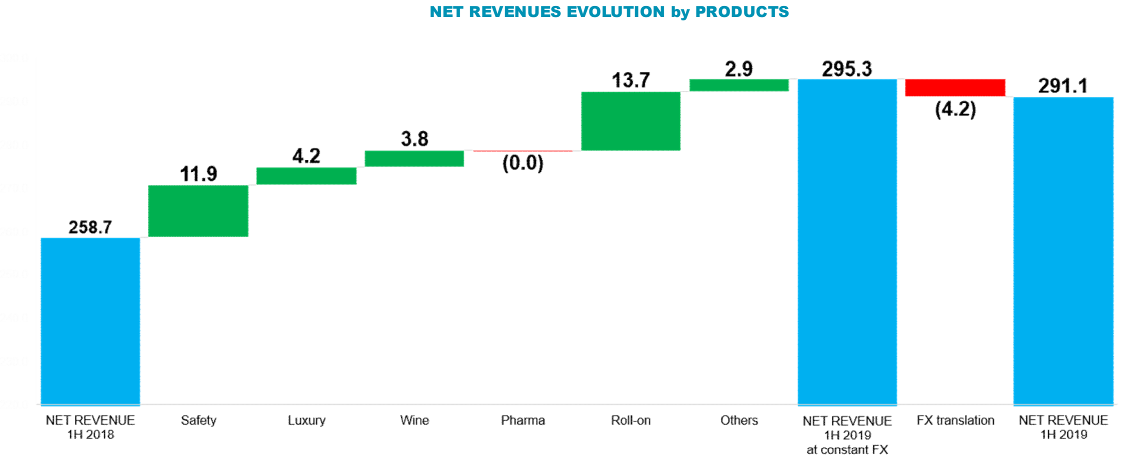
In **Asia**, the decline in sales was attributable to softness in China and India, as the domestic market contracted, and the start of our operations in Kenya, where part of the volumes was relocated.

In **Oceania,** following the market weakness in the first three months of the year, when the impact of adverse weather conditions on vintages caused an increase in sales of bulk wine to Europe, revenue stabilised in the second quarter.



Breakdown of revenue by operating segment:

NET REVENUES BY PRODUCT					
		1H 2018	1H 2019	Variation %	
				Current FX rates	Constant FX rates
Specialty Closures	Safety	106.9	117.7	10.1%	11.1%
	% of Group Net Revenues	*41.3%*	*40.4%*		
	Luxury	9.4	14.1	49.5%	44.7%
	% of Group Net Revenues	*3.6%*	*4.8%*		
	Roll on	75.9	88.5	16.6%	18.1%
	% of Group Net Revenues	*29.3%*	*30.4%*		
	Wine	53.3	55.1	3.5%	7.2%
	% of Group Net Revenues	*20.6%*	*18.9%*		
	Pharma	4.5	4.4	(1.0%)	(0.6%)
	% of Group Net Revenues	*1.7%*	*1.5%*		
	PET	1.6	3.5	123.2%	123.2%
	% of Group Net Revenues	*0.6%*	*1.2%*		
	Other revenues	7.2	7.8	8.1%	14.1%
	% of Group Net Revenues	*2.8%*	*2.7%*		
	Total Group Net revenues	**258.7**	**291.1**	**12.5%**	**14.1%**



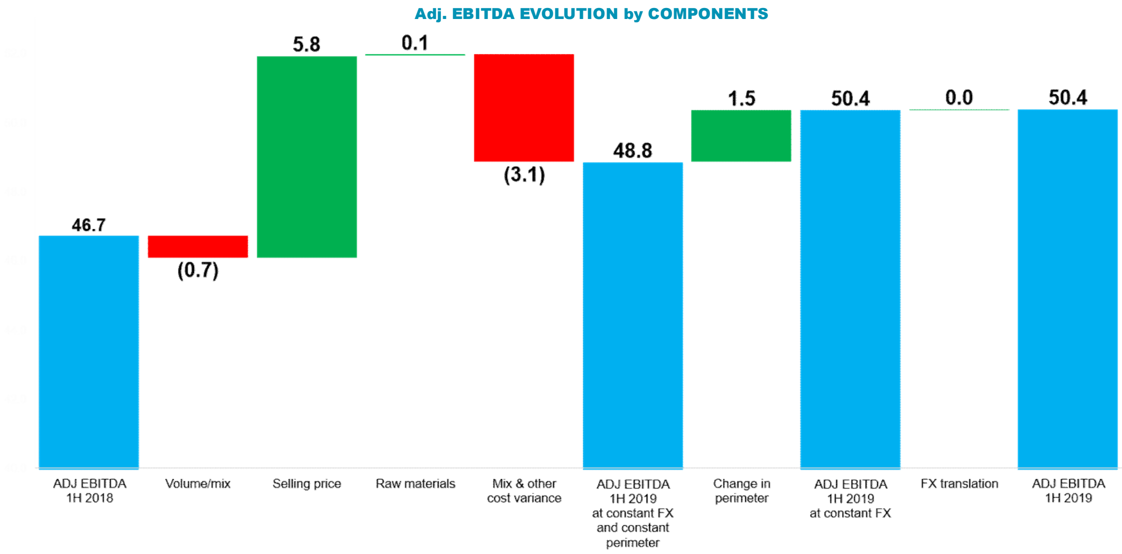
Revenue associated with **Safety** closures, which represent the Group's core segment, were up 11.1% at constant exchange rates year-on-year thanks to the expanding tequila market in Mexico and the growth in the United Kingdom—also due to the contribution from the newly consolidated entity Guala Closures UCP.

Revenue from sales in the **Luxury** segment climbed 44.7% at constant exchange rates compared to the first half of 2018 because of the recent investments made in the United Kingdom and Mexico to support this segment.

Revenue from sales of **Roll-on** closures rose by 18.1% at constant exchange rates year-on-year—largely due to the consolidation of Guala Closures UCP as well as the growth in the water segment in Italy.

Revenue from **Wine** closures was up 7.2% at constant exchange rates compared to the prior-year period.

Analysis of Adjusted EBITDA:



In the first six months of the year, consolidated **Adjusted EBITDA** totalled €50.4 million, up 7.8% at both constant and current exchange rates from €46.7 million in the first half of 2018. Margins rose slightly to 18.2% on a like-for-like basis and at current exchange rates from 18.1% in the prior-year period.
Rising selling prices more than offset the impact of volumes, the sales mix, and other changes in costs. “Mix and other changes in costs” included the €2.5 million positive impact from the adoption of IFRS 16, partially offset by the €1.2 million set aside for the long-term incentive plan.
In addition, the result for the period benefited from the consolidation of Guala Closures UCP (€1.5 million).

The adjustments to EBITDA related to nearly €4.4 million in one-off charges, including €2.9 million in restructuring costs for which the Group set aside provisions in the first half of the year: these comprised €1.5 million relating to the restructuring of the PET segment of Guala Closures Iberica, €1.2 million associated with the restructuring of Guala Closures France, and €1.0 million in write-downs of property, plant and equipment subject to said restructuring processes.

Consolidated **EBITDA** amounted to €46.0 million, up 11.8% at constant exchange rates (11.9% at current exchange rates) from €41.1 million in the first half of 2018.

Depreciation and amortisation totaled €31.4 million, compared to €15.9 million in the prior-year period. The considerable increase was largely attributable to the PPA arising from the business combination between the pre-merger Guala Closures Group and Space 4 S.p.A. Specifically, because of the recognition of assets with finite useful lives in place of assets with indefinite useful lives (goodwill), the Group's consolidated profit or loss for the first half of 2019 showed an approximately €10.3 million increase in depreciation and amortization compared to the pro-forma comparative information for the first six months of 2018, including €1.2 million relating to the amortisation of the Guala Closures brand, €2.4 million associated with the amortization of patents, €5.1 million referring to the amortization of business relationships with customers, and €1.6 million relating to the depreciation of plants and equipment. The "pro-forma" comparative information reported in the Group's consolidated income statement for the first six months of 2018 showed no impact from the PPA, as the business combination occurred on 31 July 2018.
The change in the scope of consolidation following the acquisition of Guala Closures UCP (€1.4 million) and the adoption of IFRS 16 (€2.0 million) also contributed to the rise in depreciation and amortization.

In the first six months of the year, consolidated **EBIT** totaled €14.6 million, down 42.9% at constant exchange rates (42.0% at current exchange rates) from €25.1 million in the first half of 2018. The decline was entirely attributable to the increase in depreciation and amortisation due to the PPA.

Net borrowing costs fell steadily from €17.8 million in the first half of 2018 to €13.3 million in the first half of 2019: this was largely due to the benefits from the initiatives implemented in the prior year—the capital increase as part of the Business Combination and the refinancing—which allowed to reduce the Group's debts as well as improve the relevant terms and conditions. Net interest expense thus declined to €10.8 million from €14.8 million in the prior-year period, and also foreign exchange losses were down from €6.6 million to €0.1 million—partially offset by the decrease in finance income relating to the changes in the Fair Value of Market Warrants and the financial liabilities arising from the options to buy non-controlling interests.

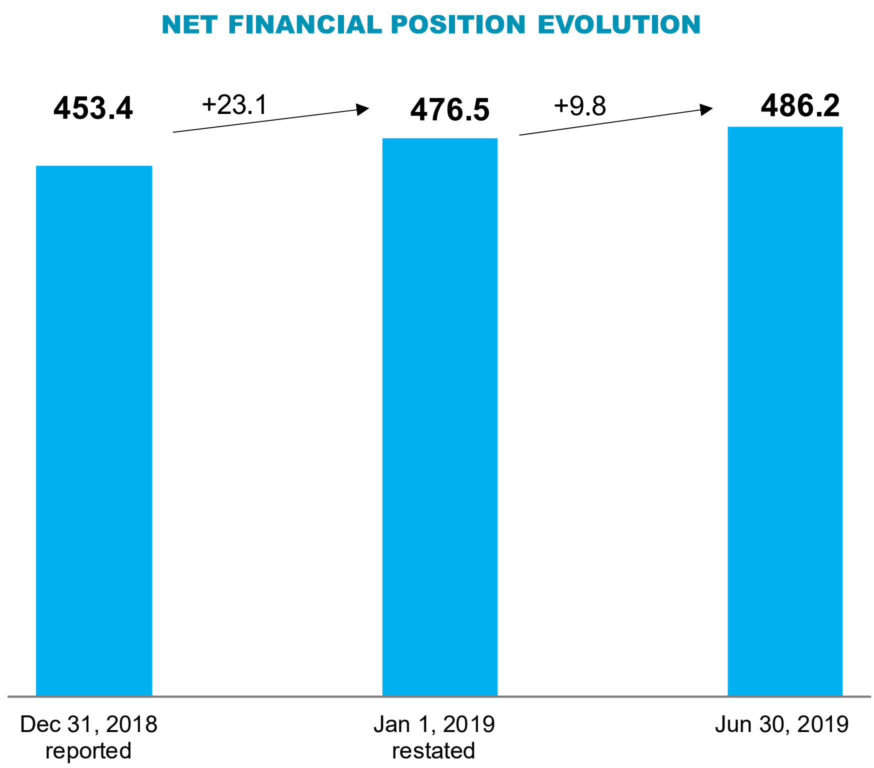
The Group's income **tax expense** was down €2.7 million from €7.1 million in the first half of 2018 (2.7% of net revenue) to €4.4 million in the first six months of 2019 (1.5%) because of the reversal of deferred tax assets at 31 July 2018—the date of the business combination between the pre-merger Guala Closures Group and Space 4 S.p.A.—in light of the surpluses arising from the PPA.

The Group posted a €3.2 million **loss for the period**, down €3.4 million compared to €0.2 million in profit in the first half of 2018, because of the accounting impact of the PPA, which required recognising a €7.5 million charge in consolidated profit or loss—the result of a €10.3 million increase in depreciation and amortization less the relevant deferred tax assets, totaling €2.7 million.

Excluding the accounting impact of the PPA, the Group posted a €4.4 million **profit for the period**, driven by the rise in EBITDA and the decline in net borrowing costs.

Consolidated financial highlights

The chart below shows the change in net financial debt for the first six months of 2019:



At 30 June 2019, **net financial debt** amounted to €486.2, up year-on-year because of the following:

- the €23.1 million increase in net financial debt at the beginning of 2019, attributable to two factors:
  - €6.1 million associated with the restatement of the comparative information from 2018 following the end of the Purchase Price Allocation and the relevant impact on the accounting for the business combination occurred on 31 July 2018;
  - €17 million arising from the adoption of the accounting standard IFRS 16 and the ensuing recognition of lease liabilities with respect to operating leases
- €9.8 million associated with the cash flow for the period.

Despite the seasonality of the business and steadily rising sales, the cash flow for the first half of 2019 (-€9.8 million) marked an improvement of €18 million compared to the prior-year period (-€27.8 million)—largely because of the cash flow from operating activities, which climbed €24.2 million from €0.6 million in the first half of 2018 to €24.8 million in the first six months of 2019. This increase was attributable to the improved EBITDA, the policies implemented by the Group to optimise net working capital, the decrease in outflows associated with other operating items, and the declining tax expense.

The cash flow from investing activities was up €1.6 million from -€14.9 million in the first half of 2018 to -€16.5 million in the first half of 2019. Besides the investments for the period (€16 million), the

cash flow for the first half of 2019 included the deferred consideration for the acquisition of the Indian company Axiom Propack in 2017 (€0.6 million).
The change in net financial debt as a result of financing activities rose by €4.6 million from -€13.4 million in the first half of 2018 to -€18.1 million in the first half of 2019. Said increase occurred in spite of the €4.3 million decline in net interest expense following the refinancing concluded in the first half of 2018, and was largely attributable to the change in the fair value of market warrants, the greater dividends paid during the first six months of 2019 to non-controlling interests, and other financial items.

The purchase price allocation (PPA) procedure

Following the above-mentioned reorganisation and in accordance with IFRS 3, the group recognised and measured the identifiable assets acquired and liabilities assumed, the non-controlling interests and the goodwill acquired as part of the business combination in its consolidated financial statements.
These condensed interim consolidated financial statements show the first effects of the PPA procedure, which was completed within a year starting from the acquisition date as required by IFRS 3.
Consequently, the 2018 comparative figures and those for the first half of 2019 reflect these effects as of the date of the business combination (July 31, 2018).
Following the group's careful allocation procedure, part of the provisionally-recognised goodwill was allocated to the following identified assets:

- the Guala Closures trademark;
- the commercial relationships with customers;
- patents;
- plant and machinery;
- and inventories.

Therefore, these condensed interim consolidated financial statements include significant assets with a finite useful life, instead of the provisionally-recognised assets with an indefinite useful life (goodwill) included in the previous consolidated financial statements and the related deferred tax effects.
Following the recognition of assets with a finite useful life, amortisation and depreciation in the group's statement of profit or loss and other comprehensive income for the six months ended June 30, 2019 increased compared to the pro forma comparative figures for the first half of 2018 and the related deferred tax liabilities were released.
Since the business combination took place on July 31, 2018, the pro forma comparative figures of the group's statement of profit or loss and other comprehensive income for the six months ended June 30, 2018 included in this directors' report are not affected by the PPA procedure. Conversely, those of the group's statement of financial position as at December 31, 2018 reflect the effects of the PPA procedure for the period from July 31 to December 31, 2018.
Finally, these condensed interim consolidated financial statements show the remeasurement of the equity attributable to non-controlling interests to account for the proportional amounts arising from the group's PPA procedure.

* * *

The additional financial information for the period ended June 30, 2019, together with the presentation slides, are available to the public at the company's registered office and on the website www.gualaclosures.com, section "Investor Relations – Documents – Financial Statements" and on the authorized storage mechanism eMarket STORAGE at www.emarketstorage.com.
A conference call will be held today at 6:00 p.m. CEST. The details to follow the conference call are available on website www.gualaclosures.com, section "Investor Relations".

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Statement of the Manager in charge of financial reporting pursuant to art. 154-bis comma 2 of Legislative decree no. 58 of 24 February 1998 ("*Testo Unico della Finanza")*

The Manager in charge of financial reporting of Guala Closures S.p.A., Anibal Diaz Diaz, state that pursuant to art. 154-bis 2 of Legislative decree no. 58 of 24 February 1998 ("Testo Unico della Finanza") the accounting information included in the current press release is consistent with the accounting records and entries.

* * *

Attached below some detailed tables, such as pro-forma consolidated statement of profit and loss and the pro-forma consolidated statement of cash flows, in addition to the consolidated statement of profit and loss and of financial position and the consolidated statement of cash flows.

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13 September 2019

DEFINITIONS

Growth at constant exchange rates

The growth at constant exchange rates is calculated by applying the exchange rates of the previous year to the same items of the same period of the current year and making the comparison.

Organic growth in revenues

The organic growth in revenues is calculated adjusting the revenues of the two considered periods by acquisitions, by sales and by exchange rate effects (converting the revenues of the same period of the current year to the exchange rates of the previous year) and making the comparison

EBITDA

Result before interests, taxes, depreciation and amortization.

EBIT

Result before interests and taxes.

ADJUSTED EBITDA – ADJUSTED EBIT

"Adjusted": alternative performance measure determined excluding certain revenue or cost items in order to improve the interpretation of the Group's normalized profitability of the year.

Guala Closures S.p.A. – condensed interim consolidated financial statement of profit or loss for the six months ended June 30, 2019 (compared to proforma for the six months ended June 30, 2018)

(Thousands of Euros)	**For the six months ended June 30,**	
	2018 Pro Forma	**2019**
Net revenue	**258,715**	**291,056**
Change in inventories of finished goods and semi-finished products	11,909	12,797
Other operating income	1,763	1,844
Work performed by the Group and capitalised	2,905	2,325
Costs for raw materials	(124,235)	(135,972)
Costs for services	(52,575)	(56,720)
Personnel expense	(50,870)	(62,177)
Other operating expense	(6,239)	(6,177)
Impairment	(306)	(1,009)
Gross operating profit (EBITDA)	**41,066**	**45,968**
Amortization	(15,941)	(31,405)
Operating profit	**25,126**	**14,562**
Financial income	7,531	5,263
Financial expense	(25,338)	(18,573)
Net financial expense	**(17,807)**	**(13,309)**
Profit before taxation	**7,319**	**1,253**
Income taxes	(7,086)	(4,415)
Profit (loss) for the period	**233**	**(3,162)**
Gross operating profit adjusted (Adjusted EBITDA)	**46,728**	**50,390**
% on net revenue	*18.1%*	*17.3%*

Guala Closures S.p.A. - condensed interim consolidated statement of financial position as at June 30, 2019

Thousands of Euros	December 31, 2018 (*)	June 30, 2019
Intangible assets	883,533	877,686
Property, plant and equipment	239,851	223,226
Right-of-use assets	-	26,775
Contract costs	29	17
Non-current assets classified as held for sale	-	520
Net working capital	124,732	140,968
Contract assets (liabilities)	25	(113)
Net financial derivative assets	88	11
Employee benefits	(6,461)	(6,807)
Other net liabilities	(139,328)	(135,984)
Net invested capital	**1,102,468**	**1,126,300**
Financed by:		
Net financial liabilities	472,224	472,060
Financial liabilities - IAS 17 / IFRS 16 effect	6,095	20,162
Financial liabilities – put option to non-controlling investors	24,647	25,935
Market Warrants	4,338	5,036
Cash and cash equivalents	(47,795)	(36,956)
Net financial indebtedness	**459,509**	**486,236**
Consolidated equity	**642,959**	**640,064**
Sources of financing	**1,102,468**	**1,126,300**

(*) The comparative figures at December 31, 2018 were restated to reflect the effects of the business combination which took place on July 31, 2018. Guala Closures Group has applied IFRS 16 starting from January 1, 2019 and elected to adopt the modified retrospective approach under which the comparative figures are not restated and there were no FTA effects in the reserves at January 1, 2019.

Guala Closures S.p.A. – condensed interim consolidated statement of cash flows for the six months ended June 30, 2019 (compared to proforma for the six months ended June 30, 2018)

(Thousands of Euros)	For the six months ended June 30, 2018 Pro Forma	2019
Opening net financial indebtedness	**(552,513)**	**(459,509)**
Opening net cash from Space4 (net of the acquisition)	**145,666**	**-**
Initial impact of IFRS 16 accounting	**-**	**(16,962)**
A) Opening net financial indebtedness Pro Forma	**(406,848)**	**(476,471)**
B) Cash flows from operating activities		
Profit before taxation	7,318	1,253
Amortization and depreciation	15,941	31,405
Net finance costs	17,807	13,309
Change in:		
Receivables, payables and inventory	(22,806)	(14,411)
Other	(5,454)	2,559
VAT and indirect tax assets/liabilities	(1,665)	(1,225)
Income taxes paid	(10,584)	(8,088)
Total B) Net cash from operating activities	**557**	**24,803**
C) Cash flows used in investing activities		
Acquisitions of property, plant and equipment and intangibles	(17,171)	(15,599)
Proceeds from sale of property, plant and equipment and intangibles	173	72
Increases in rights of use assets	-	(430)
Change in non-current assets classified as held for sale	2,130	-
Deferred payment on acquisition of Axiom Propack Pvt Ltd (India)	-	(554)
Total C) Net cash used in investing activities	**(14,868)**	**(16,511)**
D) Cash flows used in financing activities		
Acquisition of non-controlling interest in Guala Closures Argentina	(57)	-
Financial income and expense	(15,311)	(11,007)
Payment of transaction cost on Bond and RCF	-	(483)
Change in fair value of Market Warrants	4,000	(697)
Other financial items	(139)	(1,482)
Dividends paid	(3,443)	(4,299)
Effect of exchange rate fluctuation	1,464	(89)
Total D) Net cash used in financing activities	**(13,485)**	**(18,057)**
E) Net cash flows used in the period (B+C+D)	**(27,797)**	**(9,765)**
F) Closing net financial indebtedness (A+E)	**(434,645)**	**(486,236)**

Guala Closures S.p.A. – condensed interim consolidated financial statement of profit or loss for the six months ended June 30, 2019

(Thousands of Euros)	For the six months ended June 30	
	2018	**2019**
Net revenue	**-**	**291,056**
Change in inventories of finished goods and semi-finished products	-	12,797
Other operating income	-	1,844
Work performed by the Group and capitalised	-	2,325
Costs for raw materials	-	(135,972)
Costs for services	(3,161)	(56,720)
Personnel expense	(33)	(62,177)
Other operating expense	-	(6,177)
Impairment	-	(1,009)
Gross operating profit (EBITDA)	**(3,194)**	**45,968**
Amortization	-	(31,405)
Operating profit	**(3,194)**	**14,562**
Financial income	4,632	5,263
Financial expense	-	(18,573)
Net financial expense	**4,632**	**(13,309)**
Profit before taxation	**1,438**	**1,253**
Income taxes	-	(4,415)
Profit (loss) for the period	**1,438**	**(3,162)**
Gross operating profit adjusted (Adjusted EBITDA)	**1,438**	**50,390**
% on net revenue	*n.a.*	*17.3%*

Guala Closures S.p.A. – condensed interim consolidated statement of cash flows for the six months ended June 30, 2019

(Thousands of Euros)	For the six months ended June 30, 2018	2019
A) Opening Cash and cash equivalent	**512.206**	**47.795**
B) Cash flows from operating activities		
Profit before taxation	1.438	1.253
Amortization and depreciation	-	31.405
Net finance costs	(4.632)	13.309
Change in:		
Receivables, payables and inventory	(1.521)	(14.411)
Other	(737)	2.559
VAT and indirect tax assets/liabilities	-	(1.225)
Income taxes paid	-	(8.088)
Total B) Net cash from operating activities	**(5.453)**	**24.803**
C) Cash flows used in investing activities		
Acquisitions of property, plant and equipment and intangibles	-	(16.029)
Proceeds from sale of property, plant and equipment and intangibles	-	72
Deferred payment on acquisition of Axiom Propack Ltd (India)	-	(554)
Total C) Net cash used in investing activities	**-**	**(16.511)**
D) Cash flows used in financing activities		
Interests received	632	1.268
Interests paid	-	(11.496)
Payment of transaction cost on Bonds issued in 2018	-	(483)
Other financial items	-	(221)
Dividends paid	-	(4.299)
Proceeds from new borrowings and bonds	-	2.508
Repayment of borrowings and bonds	-	(3.214)
Repayment of finance leases	-	(2.901)
Change in financial assets	-	(373)
Total D) Net cash used in financing activities	**632**	**(19.211)**
E) Net cash flows used in the period (B+C+D)	**(4.821)**	**(10.919)**
F) Effect of exchange rate fluctuations on cash held	-	80
G) Closing Cash and cash equivalent (A+E+F)	**507.385**	**36.956**