



# SPAFID CONNECT

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Nome utilizzatore : GUALASPANSS01 - Claudia Banfi  
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*Testo del comunicato*

Vedi allegato.



PRESS RELEASE

**GUALA CLOSURES S.p.A.**

**GUALA CLOSURES 9M 2018: STRONG 10.5% REVENUES GROWTH (AT CONSTANT FX) FUELLED BY OUTPERFORMANCE IN THE ASIAN AND AMERICAN MARKETS AND BY LUXURY SEGMENT**

Alessandria, November 14, 2018. **The Board of Director's of Guala Closures S.p.A.**, the global leader in the production and sale of plastic and aluminium closures for the beverage industry, **approved the condensed interim consolidated financial statements for the period ended September 30, 2018.** Here below are shown the proforma consolidated figures of Guala Closures Group (after the business combination between Space4 S.p.A. and the previous "Guala Closures S.p.A.") for the period ended September 30, 2018 vs 9 months 2017:

- **Group revenues at constant FX growth of +10.5% to Euro 397.0 million (+2.2% at current FX).**
- **Growth by region particularly strong in Asia and America at +29% and +22% respectively at constant FX.**
- **Adjusted EBITDA at constant FX growth of +1.2% to Euro 73.5 million (-6.2% at current FX).**
- **NFP decreased from €552.5 ml at December 31, 2017 to €461.6 ml at September 30, 2018 as a result of the initial net capital injection from Space4 (€145.7 ml) and the cash flow of the period (€-54.8 ml).**

- *"We are pleased with the results achieved so far this year and of the significant growth we have obtained in key geographic areas and sectors, despite market volatility and WTO uncertainties. These uncertainties are impacting the Group results in the short term but we expect them to be mitigated by the continued innovation, technological leadership and the leaner financial structure of the Group.*

*On this basis, we expect to achieve for the full year 2018, Sales of Euro 520–535 million and an Adjusted EBITDA of Euro 105–109 million (which mean -5%/-8% compared to the guidelines provided to the market on August 6, including an estimated FX negative impact of Euro 24 million on sales and Euro 5 million on Adjusted EBITDA) and an expected year end net financial position in the range of Euro 414 - 417 million.*

*We remain confident on the future perspectives of the Group and strongly committed to our growth programs both organically and through acquisitions."*



**GUALA CLOSURES S.p.A.:**

proforma consolidated figures: 9M 2018 vs 9M 2017:

- **Net revenues:** Euro 397.0 million, +10.5% at constant FX (+2.2% at current FX)
- **Adjusted EBITDA:** Euro 73.5 million, +1.2% at constant FX (-6.2% at current FX)
- **EBITDA:** Euro 58.3 million, -23.0% at constant FX (-15.4% at current FX)
- **Operating profit (EBIT):** Euro 33.9 million, -35.8%
- **Net result for the period:** loss of Euro 3.1 million, -156.5%
- **Net financial indebtedness:** Euro 461.6 million, decreased from Euro 552.5 million (Euro -90.9 million) as a result of the initial net capital injection from Space4 (Euro 145.7 million) and the cash flow of the period (Euro -54.8 million).

The following comments refer to the proforma consolidated figures of Guala Closures S.p.A.:

The consolidated **net revenues** for 9M 2018 show an increase of Euro 8.5 million to Euro 397.0 million, showing an impressive growth at constant FX of 10.5% on 9M 2017, mainly due to the increase in sale volume/mix (Euro 26.0 million), the selling price increase (Euro 5.7 million) and the effect of the integration of the acquisition of Axiom Propack Pvt Ltd and ICESA's activities (Euro 6.5 million) completed in last quarter of 2017. Organically (same perimeter and constant FX) the growth of consolidated net revenues for 1H 2018 was equal to 8.9%.

Asia and Americas regions recorded the strongest organic growth at constant FX over the period, equal to 29.1% and 22.1% respectively. Sales in Oceania (-11.4% at constant FX) were negatively impacted by contingent factors mainly due to local climate conditions affecting the domestic wine production and bottling.

Safety, Luxury and Roll-on closures segments recorded the highest growth at constant FX over the period, equal to 10.1%, 54.9% and 10.6% respectively, while growth in the wine closures segment was flat (+2.4%) as negatively impacted by the reduction in volumes in Oceania due to negative climate conditions.

At current FX the growth in consolidated revenues was 2.2% versus 9M 2017, due to the negative translation impact of Euro 32.4 million following the Euro's appreciation versus the main currencies in which the Group operates.

The consolidated **adjusted EBITDA** for 9M 2018 was Euro 73.5 million up 1.2% versus 9M 2017 at constant FX, mainly due to the sales volume/mix (Euro 4.4 million), the effect of selling



price increase (Euro 5.7 million) which compensated the increase in raw materials (Euro 5.8 million) and to the change in perimeter which positively impacted by Euro 1.1 million. At current FX rates, 9M 2018 adjusted EBITDA shows a decrease of Euro 4.8 million or 6.2% on 9M 2017, mainly due to Euro 5.8 million negative translation impact following the Euro's appreciation versus the main currencies in which the Group operates.

The adjustment on 9M 2018 EBITDA concerns extraordinary charges of approx. Euro 15.1 million, mainly including extraordinary fees and expenses related to the Business Combination process occurred in the period.

**Net financial expenses in 9M 2018** were equal to Euro 26.3 million over the period decreasing versus 9M 2017 (Euro 31.0 million), mainly as a result of the positive impact of the change in fair value of Market Warrants and of the reduction in net interests expenses which offset the exceptional costs for debt restructuring and the increase in net FX losses .

**Net result** in 9M 2018 was equal to a loss of Euro 3.1 million versus a profit of Euro 5.5 million in 9M 2017 due to the decrease in EBITDA and in particular to the extraordinary costs related to the business combination.

**Cash flows generated by operating activities** net of the investments in the period were equal to an outflow of Euro 13.0 million, increasing by Euro 5.0 million compared to the same period in 9M 2017, mainly due to the decrease in EBITDA.

**Net financial indebtedness** decreased from Euro 552.5 million at December 31, 2017 to Euro 461.6 million at September 30, 2018 (Euro -90.9 million) as a result of the initial net capital injection from Space4 (Euro 145.7 million) and the cash flow of the period (Euro -54.8 million) which is impacted by the business seasonality. A significant reduction of the NWC with related impact on NFP is expected in the last quarter of the year.

## **END 2018 OUTLOOK**

Considering the 9M 2018 actual financial performance of the Group and the outlook for the last quarter of the year, we expect to achieve for the full year 2018 Sales of Euro 520–535 million and an Adjusted EBITDA of Euro 105–109 million (which mean -5% / -8% compared to the guidelines provided to the market on August 6, including an estimated FX negative impact of Euro 24 million on sales and Euro 5 million on Adjusted EBITDA) and an expected year end net financial position in the range of Euro 414 - 417 million.



## **Events occurred in the period**

### **FINANCIAL INDEBTEDNESS**

On August 1, 2018 Guala Closures has fully repaid the Euro 510 million Bond issued in 2016 and the Revolving Credit Facility using the proceeds of a Euro 552.5 million intercompany loan granted by Space4 further to the execution by the latter of a Bridge Facility Agreement entered into with UniCredit Bank, as agent, and the original bridge lenders (Credit Suisse, Banca IMI, Banco BPM, Barclays Bank and UniCredit) for an amount equal to Euro 450 million, which shall be repaid within one year from its first utilization.

On July 20, 2018, Space4 also entered into with the original lenders (Credit Suisse, Banco BPM., Barclays Bank, Intesa Sanpaolo and Unicredit) a new Revolving Credit Facility Agreement, for a maximum amount of Euro 80 million. The New RCF will expire five years and six months after the first utilization of the bridge financing described above.

Following the Merger (as defined below), the intercompany loan has been set off, Euro 146 million of new capital has been contributed as effect of the Business combination with Space4, substantially recapitalizing the Group, and Guala Closures will be liable for all the obligations arising under the Bridge Facility Agreement and the New RCF. This stronger capital structure will allow Guala Closure to accelerate its organic and acquisition growth strategy and to reduce its cost of financing.

### **CLOSING OF BUSINESS COMBINATION OF GUALA CLOSURES S.P.A. WITH SPACE4 AND ADMISSION TO LISTING**

On July 31, 2018 (closing date of the Business Combination) the acquisition of the 61,200,000 ordinary shares of Guala Closures (equal to 78.13% of its share capital) has been completed with the transfer by GCL Holdings S.C.A. of the ordinary shares of Guala Closures to Space4, PII G S.à r.l. and Quaestio Capital SGR S.p.A.

On the same date Guala Closures and Space4 executed the merger deed, the effects of which have been conditioned to the approval by Consob (the Italian supervisory authority) of the prospectus for the listing of Guala Closures post-merger (the "Prospectus").

Further to the approval by Consob of the Prospectus, the merger of Guala Closures into Space4 became effective on August 6, 2018 (the "Merger"). The company resulting from the Merger adopted the corporate name of "Guala Closures S.p.A." and its ordinary shares and market warrant have been traded starting from August 6, 2018 on the Italian Stock Exchange (Mercato Telematico Azionario), within the Star Segment.



### **Subsequent events**

#### **FINANCIAL INDEBTEDNESS**

On October 3, 2018 Guala Closures has fully repaid the Euro 450 million of a Bridge Facility Agreement entered into with UniCredit Bank, as agent, and the original bridge lenders (Credit Suisse, Banca IMI, Banco BPM, Barclays Bank and UniCredit) initially drawn on August 1, 2018, by issuing the new Senior Secured Floating Rate Notes with an expiry date on April 2024, for an amount equal to Euro 455 million.

The full year impact of the refinancing of the Group will be around €10 ml of lower interest charges (including also savings on RCF, undrawn as at September 30, 2018) with direct impact on Net Results and CF generation.



The financial statements for the period ended September 30, 2018, together with the presentation slides, are available to the public at the company's registered office and on the website [www.gualaclosures.com](http://www.gualaclosures.com), section "Investor Relations – Documents – Financial Statements" and on the authorized storage mechanism eMarket STORAGE at [www.emarketstorage.com](http://www.emarketstorage.com).

A conference call will be held today at 02:30 p.m. CET. The details to connect to the conference call are available on website [www.gualaclosures.com](http://www.gualaclosures.com), section "Investor Relations".

\* \* \*

**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 of financial position 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

**Marco Giovannini**  
Group Chairman

A handwritten signature in blue ink, appearing to read "M. Giovannini", written over a light blue grid background.

**Anibal Diaz**  
Group CFO

A handwritten signature in blue ink, appearing to read "Anibal Diaz", written over a light blue grid background.



**For information:**

**Guala Closures S.p.A.**

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November 14, 2018





**Guala Closures S.p.A. – proforma condensed consolidated statement of profit or loss for the nine months ended September 30, 2018**

| <i>(Thousands of Euros)</i>  | <b>For the nine months ended September 30,</b> |                 |
|--|--|-----------------|
|  | <b>2017</b>                                    | <b>2018</b>     |
| <i>Net revenue</i>   | <b>388,521</b>                                 | <b>397,008</b>  |
| Change in inventories of finished goods and semi-finished products | 12,711   | 9,625           |
| Other operating income   | 2,593  | 2,714           |
| Work performed by the Group and capitalised                        | 3,950  | 4,014           |
| Costs for raw materials  | (176,900)                                      | (185,661)       |
| Costs for services   | (71,683)                                       | (85,599)        |
| Personnel expense  | (75,297)                                       | (74,883)        |
| Other operating expense  | (8,109)  | (8,869)         |
| <b>Gross operating profit (EBITDA)</b>                             | <b>75,785</b>                                  | <b>58,349</b>   |
| Amortization and depreciation                                      | (22,959)                                       | (24,447)        |
| <b>Operating profit</b>  | <b>52,826</b>                                  | <b>33,902</b>   |
| Financial income   | 2,047  | 16,945          |
| Financial expense  | (33,038)                                       | (43,200)        |
| <b>Net Interest expense</b>  | <b>(30,991)</b>                                | <b>(26,255)</b> |
| <b>Profit before taxation</b>                                      | <b>21,835</b>                                  | <b>7,646</b>    |
| Income taxes   | (16,379)                                       | (10,726)        |
| <b>Profit (loss) for the period</b>                                | <b>5,456</b>                                   | <b>(3,080)</b>  |
| <b>Gross operating profit adjusted (Adjusted EBITDA)</b>           | <b>78,299</b>                                  | <b>73,472</b>   |
| <i>% on net revenue</i>  | <i>20.2%</i>                                   | <i>18.5%</i>    |



**Guala Closures S.p.A. – proforma condensed consolidated statement of financial position as at September 30, 2018**

|   | December 31, 2017 | September 30, 2018 |
|---|-------------------|--------------------|
| <b>Thousands of Euros</b>                         |                   |                    |
| Intangible assets                                 | 832,777           | 818,837            |
| Property, plant and equipment                     | 190,688           | 187,645            |
| Contract costs                                    | -                 | 23                 |
| Non-current assets classified as held for sale    | 2,130             | -                  |
| Net working capital                               | 109,044           | 143,043            |
| Contract assets                                   | -                 | 25                 |
| Net financial derivative liabilities              | (220)             | (90)               |
| Employee benefits                                 | (6,376)           | (6,553)            |
| Other assets (liabilities)                        | (33,060)          | (32,402)           |
| <b>Net invested capital</b>                       | <b>1,094,983</b>  | <b>1,110,528</b>   |
| <i>Financed by:</i>                               |                   |                    |
| Net financial liabilities                         | 588,831           | 476,221            |
| Financial liabilities - non-controlling investors | 16,800            | 17,850             |
| Cash and cash equivalents                         | (198,783)         | (32,456)           |
| <b>Net financial indebtedness</b>                 | <b>406,848</b>    | <b>461,615</b>     |
| <b>Consolidated equity</b>                        | <b>688,135</b>    | <b>648,913</b>     |
| <b>Sources of financing</b>                       | <b>1,094,983</b>  | <b>1,110,528</b>   |



**Guala Closures S.p.A. – proforma condensed consolidated statement of cash flows for the nine months ended September 30, 2018**

| <i>(Thousands of Euros)</i>   | <b>For the nine months ended September 30,</b> |                  |
|---|--|------------------|
|   | <b>2017</b>                                    | <b>2018</b>      |
| <b>Opening net financial indebtedness</b>                           | <b>(514,799)</b>                               | <b>(552,513)</b> |
| <b>Opening net cash from Space4 (net of the acquisition)</b>        | <b>-</b>                                       | <b>145,666</b>   |
| <b>A) Opening net financial indebtedness Pro Forma</b>              | <b>(514,799)</b>                               | <b>(406,848)</b> |
| <b>B) Cash flows from operating activities</b>                      |  |                  |
| Profit before taxation  | 21,835   | 10,423           |
| Amortization and depreciation                                       | 22,959   | 24,447           |
| Net finance costs   | 30,991   | 23,479           |
| Change in:  |  |                  |
| Receivables, payables and inventory                                 | (38,716)                                       | (31,861)         |
| Other   | (2,027)  | (2,452)          |
| VAT and indirect tax assets/liabilities                             | 375  | 1,694            |
| Income taxes paid   | (19,067)                                       | (15,387)         |
| <b>Total B) Net cash from operating activities</b>                  | <b>16,350</b>                                  | <b>10,344</b>    |
| <b>C) Cash flows used in investing activities</b>                   |  |                  |
| Acquisitions of property, plant and equipment and intangibles       | (23,220)                                       | (25,520)         |
| Proceeds from sale of property, plant and equipment and intangibles | 84   | 52               |
| Proceeds from sale of assets held for sale                          | -  | 2,130            |
| Acquisition of Limat activities (Mexico)                            | (1,226)  | -                |
| <b>Total C) Net cash used in investing activities</b>               | <b>(24,362)</b>                                | <b>(23,339)</b>  |
| <b>D) Cash flows used in financing activities</b>                   |  |                  |
| Acquisition of non-controlling interest in Guala Closures Argentina | -  | (114)            |
| Acquisition of non-controlling interest in Guala Closures Tools     | (1,050)  | -                |
| Withdrawal of previous shareholders                                 | -  | (31,323)         |
| Financial income and expense  | (22,959)                                       | (20,426)         |
| Exceptional financial costs for debt restructuring                  | -  | (7,995)          |
| Payment of transaction cost on Bonds and Revolving Credit Facility  | (3,768)  | -                |
| Initial issuance of Market Warrants                                 | -  | (9,367)          |
| Change in fair value of Market Warrants                             | -  | 11,794           |
| Other financial items   | 508  | (5,675)          |
| Dividends paid  | (6,249)  | (4,605)          |
| Proceeds from capital increases                                     | 924  | 25,000           |
| Effect of exchange rate fluctuation                                 | (301)  | 938              |
| <b>Total D) Net cash used in financing activities</b>               | <b>(32,895)</b>                                | <b>(41,773)</b>  |
| <b>E) Net cash flows used in the period (B+C+D)</b>                 | <b>(40,907)</b>                                | <b>(54,768)</b>  |
| <b>F) Closing net financial indebtedness (A+E)</b>                  | <b>(555,705)</b>                               | <b>(461,615)</b> |



**Guala Closures S.p.A. – condensed consolidated statement of profit or loss for the nine months ended September 30, 2018**

| <i>(Thousands of Euros)</i>  | <b>For the nine months ended September 30,</b> |                |
|--|--|----------------|
|  | <b>2017</b>                                    | <b>2018</b>    |
| <i>Net revenue</i>   | -  | <b>91,326</b>  |
| Change in inventories of finished goods and semi-finished products | -  | (796)          |
| Other operating income   | -  | 687            |
| Work performed by the Group and capitalised                        | -  | 510            |
| Costs for raw materials  | -  | (40,396)       |
| Costs for services third parties                                   | (9)  | (22,283)       |
| Costs for services related parties                                 | -  | (1,219)        |
| Personnel expense  | -  | (15,868)       |
| Other operating expense  | -  | (1,689)        |
| <b>Gross operating profit (EBITDA)</b>                             | <b>(9)</b>                                     | <b>10,273</b>  |
| Amortization and depreciation                                      | -  | (5,443)        |
| <b>Operating profit</b>  | <b>(9)</b>                                     | <b>4,830</b>   |
| Financial income   | -  | 13,693         |
| Financial expense  | -  | (15,745)       |
| <b>Net Financial expense</b>                                       | <b>-</b>                                       | <b>(2,052)</b> |
| <b>Profit before taxation</b>                                      | <b>(9)</b>                                     | <b>2,778</b>   |
| Income taxes   | -  | (2,135)        |
| <b>Profit (loss) for the period</b>                                | <b>(9)</b>                                     | <b>643</b>     |
| <b>Gross operating profit adjusted (Adjusted EBITDA)</b>           | <b>(9)</b>                                     | <b>18,738</b>  |
| <i>% on net revenue</i>  | <i>-%</i>                                      | <i>20.5%</i>   |



**Guala Closures S.p.A. – condensed consolidated statement of financial position as at September 30, 2018**

|   | December 31, 2017 | September 30, 2018 |
|---|-------------------|--------------------|
| <b>Thousands of Euros</b>                         |                   |                    |
| Intangible assets                                 | -                 | 818,837            |
| Property, plant and equipment                     | -                 | 187,645            |
| Contract costs                                    | -                 | 23                 |
| Non-current assets classified as held for sale    | -                 | -                  |
| Net working capital                               | (4,490)           | 143,043            |
| Contract assets                                   | -                 | 25                 |
| Net financial derivative liabilities              | -                 | (90)               |
| Employee benefits                                 | -                 | (6,553)            |
| Other assets (liabilities)                        | 31                | (32,402)           |
| <b>Net invested capital</b>                       | <b>(4,460)</b>    | <b>1,110,528</b>   |
| <i>Financed by:</i>                               |                   |                    |
| Net financial liabilities                         | 12,500            | 476,221            |
| Financial liabilities - non-controlling investors | -                 | 17,850             |
| Cash and cash equivalents                         | (512,206)         | (32,456)           |
| <b>Net financial indebtedness</b>                 | <b>(499,706)</b>  | <b>461,615</b>     |
| <b>Consolidated equity</b>                        | <b>495,246</b>    | <b>648,913</b>     |
| <b>Sources of financing</b>                       | <b>(4,460)</b>    | <b>1,110,528</b>   |



**Guala Closures S.p.A. – condensed consolidated statement of cash flows for the nine months ended September 30, 2018**

| <i>(Thousands of Euros)</i>   | <b>For the nine months ended September 30,</b> |                  |
|---|--|------------------|
|   | <b>2017</b>                                    | <b>2018</b>      |
| <b>A) Opening Cash and cash equivalent</b>                          | -  | <b>512,206</b>   |
| <b>B) Cash flows from operating activities</b>                      |  |                  |
| Profit before taxation  | (9)  | 2,778            |
| Amortization and depreciation                                       | -  | 5,443            |
| Net finance costs   | -  | 2,052            |
| Change in:  |  |                  |
| Receivables, payables and inventory                                 | 13   | (4,602)          |
| Other   | (3)  | (628)            |
| VAT and indirect tax assets/liabilities                             | -  | 181              |
| Income taxes paid   | -  | (3,959)          |
| <b>Total B) Net cash from operating activities</b>                  | <b>(0)</b>                                     | <b>1,264</b>     |
| <b>C) Cash flows used in investing activities</b>                   |  |                  |
| Acquisitions of property, plant and equipment and intangibles       | -  | (4,639)          |
| Proceeds from sale of property, plant and equipment and intangibles | -  | 53               |
| Acquisition of Guala Closures Group, net of cash acquired           | -  | (306,374)        |
| <b>Total C) Net cash used in investing activities</b>               | <b>-</b>                                       | <b>(310,960)</b> |
| <b>D) Cash flows used in financing activities</b>                   |  |                  |
| Withdrawal of previous shareholders                                 | -  | (31,323)         |
| Interests received  | -  | 1,036            |
| Interests paid  | -  | (5,933)          |
| Payment of transaction cost on Bonds and Revolving Credit Facility  | -  | (12,468)         |
| Other financial items   | -  | (5,599)          |
| Dividends paid  | -  | (130)            |
| Proceeds from capital increases                                     | 100  | 25,000           |
| Proceeds from new borrowings and bonds                              | -  | 451,105          |
| Repayment of borrowings and bonds                                   | -  | (566,767)        |
| Repayment of finance leases   | -  | (392)            |
| Change in financial assets  | -  | 858              |
| <b>Total D) Net cash used in financing activities</b>               | <b>100</b>                                     | <b>(169,614)</b> |
| <b>E) Net cash flows used in the period (B+C+D)</b>                 | <b>100</b>                                     | <b>(479,310)</b> |
| F) Effect of exchange rate fluctuations on cash held                | -  | (440)            |
| <b>G) Closing Cash and cash equivalent (A+E+F)</b>                  | <b>100</b>                                     | <b>32,456</b>    |

Fine Comunicato n.2043-75

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