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Testo del comunicato

Vedi allegato.

PRESS RELEASE

FY 2019 RESULTS

STRONG RISE IN REVENUE €607M, +11.7% AT CURRENT FX
ADJUSTED EBITDA €114M, PROFIT MARGIN 18.7%
NET PROFIT €15M AND OPERATING CASH FLOW €87M
FCF DEDICATED TO DELEVERAGE

- **Group revenue at around €607 million, +11.7% at current exchange rates, organic growth +3.3%[1];**
- **Adjusted EBITDA[2] of €113.5 million, +8.6% at current exchange rates and with a profit margin of 18.7%; on a like-for-like basis (without UCP), the profit margin is 19.7%, up 40 basis points against 2018;**
- **Net profit of €14.7 million compared to €0.1 million pro-form recorded in 2018;**
- **Cash flow from operating activities rose significantly and was €87.1 million, compared to €48.4 million recorded last year;**
- **Net financial debt of €462.5 million, an improvement on the €476.5 million recorded as at 1 January 2019.**

Milan, 12 March 2020. The Board of Directors of Guala Closures S.p.A. - a global leader in the production and sale of plastic and aluminium closures for the beverage industry - **approved the draft financial statements for the year and consolidated financial statements as at 31 December 2019[3].**

COMMENT OF THE GROUP'S CHAIRMAN AND CHIEF EXECUTIVE OFFICER

"2019 confirms the extreme resilience of our company's business - emphasised Marco Giovannini, Chairman and Chief Executive Officer of Guala Closures - *and our great ability to overcome exceptional events. I am referring in particular to the war on customs duties between the USA and Mexico, China and the European Union, in addition to the restrictions imposed by Russia against*

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

the Ukraine; the social unrest that has disrupted France, Spain, Chile and Colombia; the climate changes that have caused widespread drought in the southern part of Africa and that caused the disaster of the fires in Australia. Despite all of the latter, our Group closed 2019 with a growth of 11.7%, a profit margin on a like-for-like basis up at 19.7% and a positive cash flow for the period of €14.0 million.

These results have been achieved thanks to our ability to rapidly and efficiently open new production plants in Belarus and Kenya, to integrate, as demonstrated by the rationalisation of our operations in Scotland following the acquisition of UCP and our technological innovation, which entailed the launch of new closures equipped with legible microchips (NFC) in the United States, which launched the packing digitalisation process.

Given the current situation of the financial markets and although we do have the reserves to distribute a reasonable dividend, the Board of Directors decided to take a prudent approach and to dedicate the entire free cash flow to lowering debt.

Furthermore, we started 2020 with the acquisition of Closurelogic GmbH in Germany, consolidating our leadership in the premium mineral water market; we forecast further growth in this sector thanks to our incremental production capacity.

In addition, in February we acquired a 20% stake in the English company SharpEnd, an agency specialised in innovative technological services, to sustain our strategy to penetrate the digital packaging market, with the intention of extending our services to customers from pure hardware (closures) to an IoT software platform and supply chain management.

We are closely monitoring developments of the global health situation following the spread of COVID-19. Since 22 February, the company has provided its Italian plants with the tools needed to tackle this situation. At present, all of the group's production and sales activities are functioning as usual. Thanks to our diversified geographical footprint, which enables us to best exploit any growth in the consumption of local products as well as having a large number of sources of supply for our raw materials and services, we believe that we can absorb supply chain and demand repercussions, although at the moment it is too early to make forecasts on possible impacts over the coming months."

ANALYSIS OF THE RESULTS FOR FY 2019

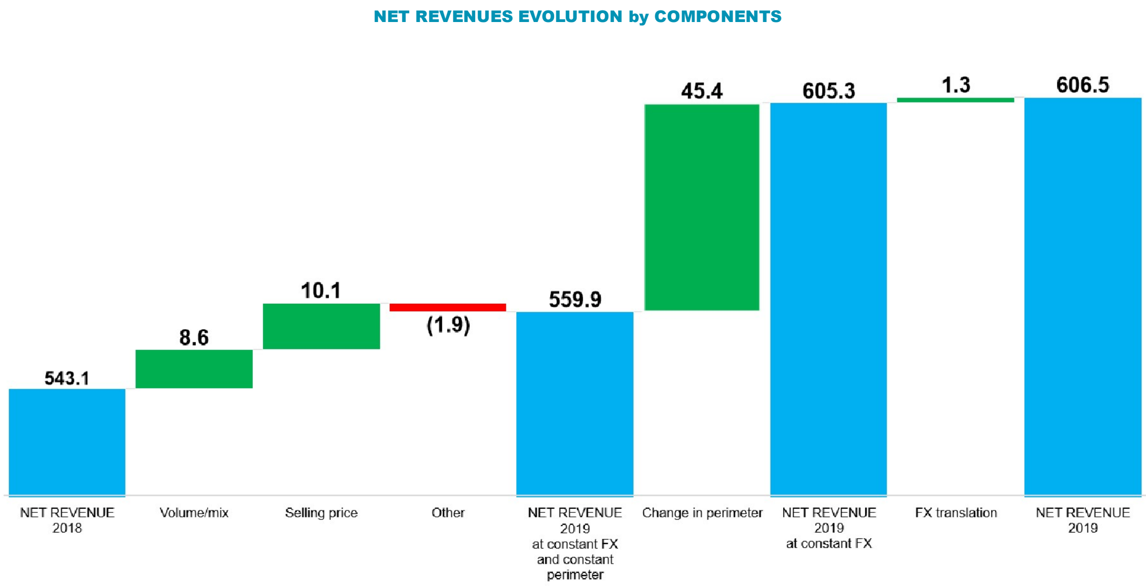
Consolidated operational highlights

In 2019, the Group recorded net consolidated revenues of €606.5 million, up by €63.4 million (+11.7%) against 2018, of which +€1.3 million (+0.2%) due to the positive effect of exchange rate trends.

At constant exchange rates, net revenues rose by €62.2 million (+11.4%) against 2018. This increase breaks down as follows:

- €10.1 million (+1.9%) relates to higher sales prices;
- €8.6 million (+1.6%) regards the higher volumes/sales mix in Europe (Poland, United Kingdom and Spain) and in the Americas (Chile, Mexico and North America), due to the growth of “specialty closures” (safety and luxury) and to the continuing transition from corks to aluminium closures for wine bottles;
- €45.4 million (+8.4%) relates to the consolidation of Guala Closures UCP following the acquisition on 12 December 2018.

The change in net revenues between 2018 and 2019 is shown in the growth below:



With regard to the different growth components, in geographic terms, excellent performance was recorded by the Americas and Europe, while in terms of product type, specialty closures (Safety and Luxury segments) and Roll-ons were the top performing categories. The tables below provide the relative details.

Breakdown of revenue growth by geographic area:

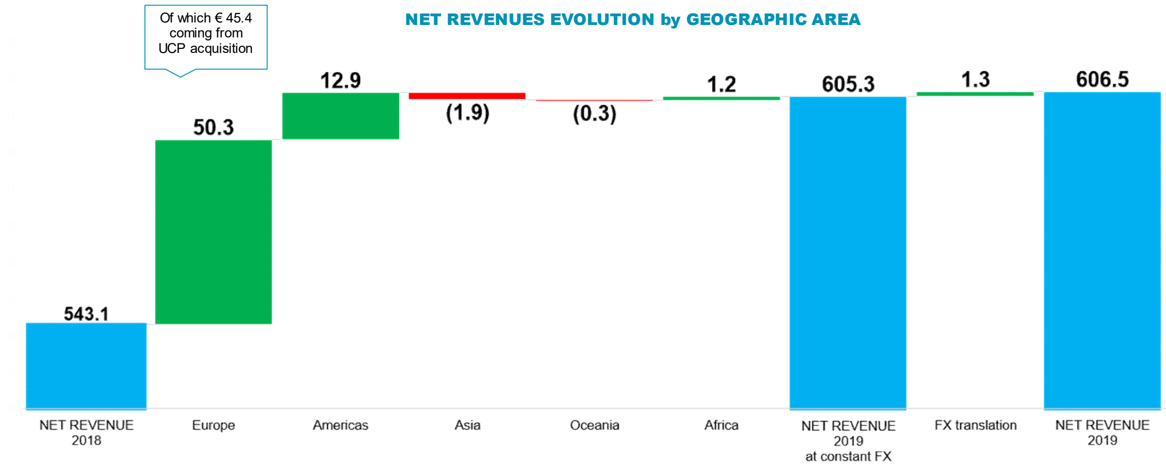
NET REVENUES BY GEOGRAPHICAL SEGMENT				
	2018	2019	Variation %	
			Current FX rates	Constant FX rates
Europe	303.7	358.2	18.0%	16.6%
% of Group Net Revenues	*55.9%*	*59.1%*		
Latin and North America	100.5	109.8	9.2%	12.9%
% of Group Net Revenues	*18.5%*	*18.1%*		
Asia	80.3	80.1	(0.2%)	(2.4%)
% of Group Net Revenues	*14.8%*	*13.2%*		
Oceania	40.9	40.1	(2.0%)	(0.7%)
% of Group Net Revenues	*7.5%*	*6.6%*		
Africa	17.7	18.3	3.4%	6.5%
% of Group Net Revenues	*3.3%*	*3.0%*		
Total Group Net revenues	**543.1**	**606.5**	**11.7%**	**11.4%**

In Europe, net revenues rose by €54.6 million, increasing from €303.7 million in 2018 (55.9% of net revenues) to €358.2 million in 2019 (59.1%), of which +€4.3 million due to positive exchange rate trends.
The change in this area is mainly due to the consolidation of Guala Closures UCP (change in scope of €45.4 million) and to the increases recorded in the United Kingdom mainly in the luxury sector and in Spain and Italy in the aluminium closures for water sector.

In the Americas, net revenues rose by €9.2 million, increasing from €100.5 million in 2018 to €109.8 million in 2019 (% of net revenues 18.5% and 18.1% respectively), despite the negative effect of exchange rate trends of -€3.7 million. At constant exchange rates, net revenues in this area would have risen by €12.9 million (+12.9%) against 2018.
The change in this area is mainly attributable to the significant increase recorded in Mexico and North America in the tequila safety closures market.

In Asia, net revenues fell from €80.3 million in 2018 (14.8% of net revenues) to €80.1 million in 2019 (13.2%), despite positive exchange rate trends (+€1.8 million). At constant exchange rates, the net revenues of this area would have fallen by €1.9 million: this downtrend is due to the weak results recorded in China and the fall in the revenues of the Indian subsidiary, mostly due to the start-up of operations of the company in Kenya, where part of the production of the Indian company has been moved.

In Oceania, net revenues fell by €0.8 million, dropping from €40.9 million in 2018 (7.5% of net revenues) to €40.1 million in 2019 (6.6%), of which -€0.5 million was due to negative exchange rate trends. At constant exchange rates, net revenues in this area would have fallen by €0.3 million (-0.7%) against 2018.

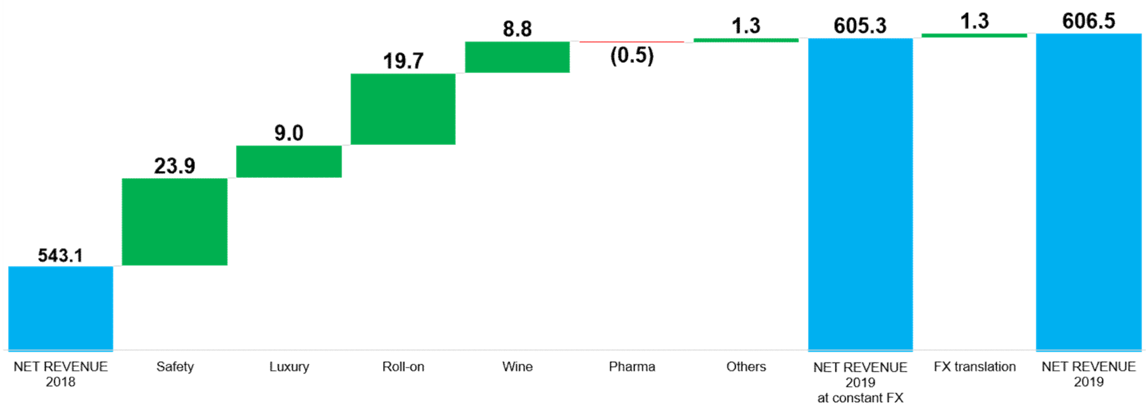


Breakdown of revenue growth by operating segment:

Specialty Closures ↗ ↘

NET REVENUES BY PRODUCT				
	2018	2019	Variation %	
			Current FX rates	Constant FX rates
Safety	229.2	256.1	11.8%	10.4%
% of Group Net Revenues	*42.2%*	*42.2%*		
Luxury	22.8	32.8	44.0%	39.4%
% of Group Net Revenues	*4.2%*	*5.4%*		
Roll on	159.4	179.3	12.5%	12.3%
% of Group Net Revenues	*29.3%*	*29.6%*		
Wine	101.7	108.3	6.5%	8.6%
% of Group Net Revenues	*18.7%*	*17.8%*		
Pharma	8.7	8.2	(5.5%)	(5.3%)
% of Group Net Revenues	*1.6%*	*1.3%*		
PET	2.8	5.5	97.3%	97.3%
% of Group Net Revenues	*0.5%*	*0.9%*		
Other revenues	18.6	16.3	(12.2%)	(7.6%)
% of Group Net Revenues	*3.4%*	*2.7%*		
Total Group Net revenues	**543.1**	**606.5**	**11.7%**	**11.4%**

NET REVENUES EVOLUTION by PRODUCTS



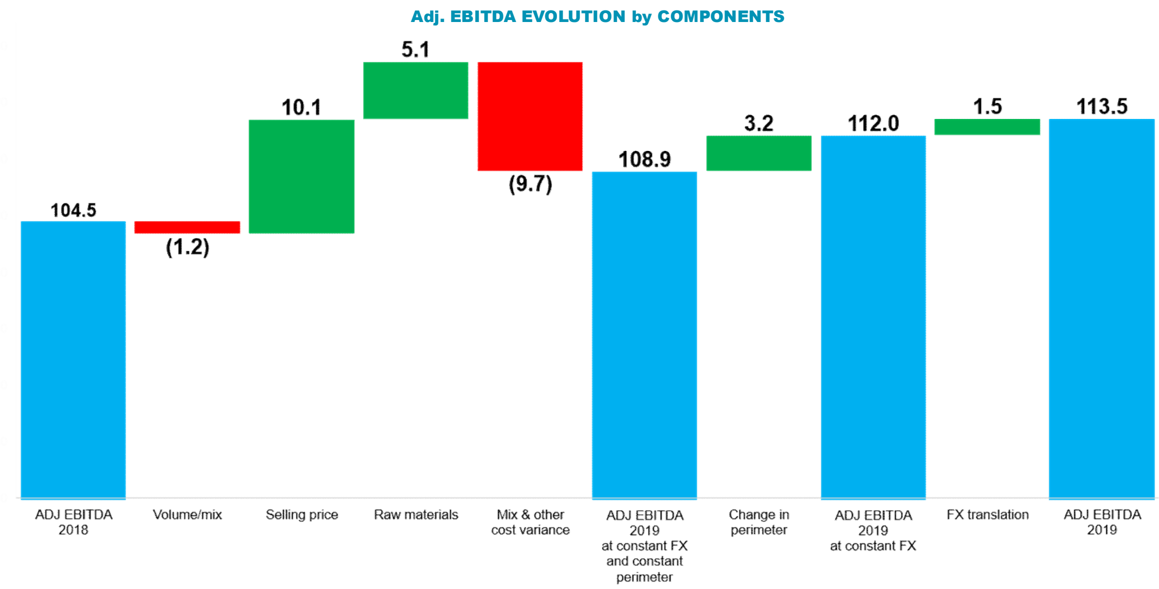
Revenues from the sale of **Safety** closures rose by €27.0 million, increasing from €229.2 million in 2018 (42.2% of net revenues) to €256.1 million in 2019 (unchanged at 42.2%), of which +€3.1 million due to positive exchange rate trends.
At constant exchange rates, net revenues would have risen by €23.9 million (+10.4% against 2018) due to the growth recorded in the United Kingdom by virtue of the contribution of the newly-consolidated Guala Closures UCP (increase of €24.3 million).

Revenues from the sale of **Luxury** closures rose by €10.0 million, increasing from €22.8 million in 2018 (4.2% of net revenues) to €32.8 million in 2019 (5.4%), of which +€1.1 million due to positive exchange rate trends.
At constant exchange rates, net revenues in this segment would have risen by €9.0 million (+39.4%) against 2018, above all due to increases recorded in Mexico, United Kingdom and North America.

Revenues from the sale of **Roll-on** closures rose by €19.9 million, increasing from €159.4 million in 2018 (29.3% of net revenues) to €179.3 million in 2019 (29.6%), exchange rate trends did not have a significant impact. The increase is mainly due to the consolidation of Guala Closures UCP (€20.5 million).

Revenues from the sale of **Wine** closures recorded an increase of €6.6 million, rising from €101.7 million in 2018 (18.7% of net revenues) to €108.3 million in 2019 (17.8%), despite negative exchange rate trends (-€2.2 million).
At constant exchange rates, net revenues in this segment would have risen by €8.8 million, corresponding to +8.6% against 2018, due mostly to increases recorded in Chile, Poland, Spain and Italy.

Breakdown of changes in adjusted EBITDA:



In 2019, consolidated **adjusted EBITDA** amounted to €113.5 million, recording an increase of €9.0 million (+8.6%) against 2018.
At constant exchange rates, adjusted EBITDA would have risen by €7.5 million (+7.2%) against 2018.
In terms of profit margins, in 2019 Adjusted EBITDA represented 18.7% of net revenues compared to 19.2% in 2018; the fall in the profit margin is mainly due to the dilutive effect of the consolidation of UCP acquired in December 2018. On a like-for-like basis with 2018, the profit margin for 2019 was 19.7%, up compared to 2018 (19.3%).

The increase in product sales prices and the fall in the cost of raw materials more than offset the impact of the mix and other cost changes.
The negative effect of "Mix and other cost changes" is due to a number of factors, including higher labour costs which includes, in addition to the inflationary increase of wages, also provisions of €1.1 million relating to the long-term incentive plan for Managers with strategic responsibilities, higher energy and transport costs, the increase of costs relating to strengthening the Group's organisational structure also linked to the Group's status as a listed company and the impact resulting from the reorganisation of production and the start-up of new production plants.
The above-mentioned negative impacts were partly offset by +€5.4 million due to the application of IFRS 16.
Lastly, note that the Adjusted EBITDA figure for the period was positively impacted by the consolidation of Guala Closures UCP (€3.2 million) and by exchange rates (€1.5 million).

In 2019, Group EBITDA reached €108.1 million (17.8% of net revenues), recording an increase of €23.6 million (+27.9%) against 2018.
2018 EBITDA included non-recurring costs of €20.0 million, mainly relating to costs for services for the Group listing process, while in 2019 EBITDA included non-recurring costs of €5.4 million, mainly relating to the process of reorganisation in France, Spain/UK (PET) and China (see the paragraph entitled "Alternative performance indicators Guala Closures Group" for specific details of non-recurring costs).
In 2019, Group EBITDA benefited from €3.2 million due to the consolidation of UCP and €5.4 million due to the application of IFRS 16, partly offset by provisions for the long-term incentive plan for Managers with strategic responsibilities (€1.1 million).

Depreciation and amortisation rose by €21.5 million, increasing from €41.4 million in 2018 (7.6% of net revenues) to €62.9 million in 2019 (10.4%).
This significant increase is due mostly to the impact of the PPA process resulting from the business combination between the pre-merger Guala Closures Group and Space 4 S.p.A. and to the impact of the PPA process relating to the acquisition of UCP. 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 statement for 2019 showed amortisation relating to said allocation process of €20.1 million. The pro-forma comparative information for 2018 included depreciation and amortisation relating to the above allocation process of €7.2 million insofar as only five months of depreciation and amortisation were considered, namely the period between the reference date of the PPA process (31 July 2018) and 31 December 2018. Amortisation and depreciation also increased due to the change in the scope of consolidation following the acquisition of UCP (€2.3 million), the application of IFRS 16 (€5.8 million) and investments made in the period.

Consolidated **EBIT** in 2019 was €45.2 million, up 7.5% against €43.2 million in 2018.

Net financial charges fell from €30.2 million in 2018 to €28.4 million in 2019. The decrease of €1.8 million is mainly due to the following factors:
a) the positive effect of a fall in net interest expense (€4.7 million) thanks to a decrease of debt and of the interest rate due to refinancing in the second half of 2018;
b) lower losses on exchange rates of €6.1 million;
c) lower financial charges of €0.8 million generated by the change in fair value of financial liabilities to minority shareholders (put options);
d) the non-recognition in 2019 of €8.0 million recorded in 2018 and related to the transaction costs of a previous loan.
The above-cited positive impacts were partly offset by lower financial income due to changes in the fair value of Market Warrants (€17.1 million).

Income taxes fell by €10.8 million, dropping from €12.9 million in 2018 (2.4% of net revenues) to €2.1 million in 2019 (0.4%) mainly due to the following positive factors:
- a) the positive effect of €3.5 due to the release of deferred tax relating to 2019, recognised in light of the gains arising from the PPA process with respect to the release relating to 2018;
- b) €4.0 million due to the release of deferred tax recognised on the gains arising from the PPA process allocated to Guala Closures India as a result of the new tax rate approved by the Indian government authority in September 2019 and applicable retroactively from 1 April 2019, which reduced the tax rate from 35% to 25% of taxable income;
- c) €7.9 million due to the recognition of deferred tax assets relating to the estimated prior tax losses of Guala Closures S.p.A., which will be used to offset future taxable income.
The above positive effects were partly offset by the negative effect of €2.0 million resulting from the adjustment of the deferred tax liabilities of Guala Closures S.p.A. due to the new IRAP tax rate (5.57% against the previous 3.90%) applicable in the years in which the cumulative temporary differences on which the deferred taxes are recognised, following the future "industrial status" of Guala Closures S.p.A. and the relative tax regime envisaged, which will be applicable from the date of approval of the financial statements for FY 2019.

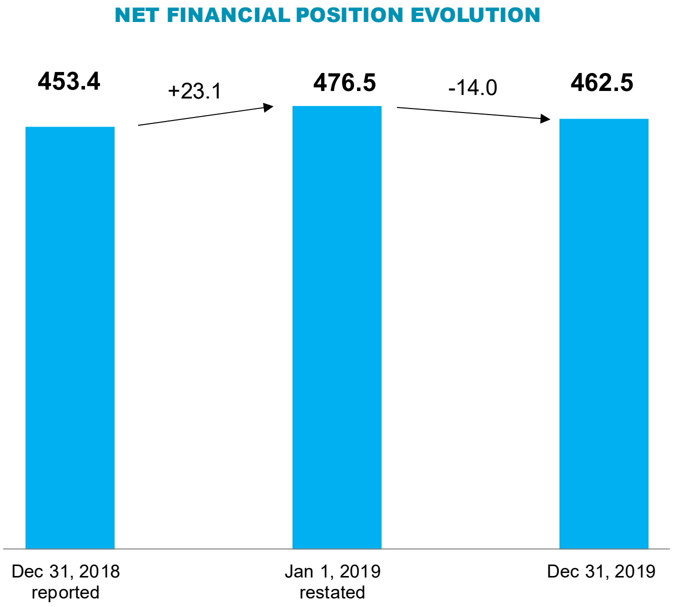
The **net result** for the year improved by €14.6 million, rising from a profit of €0.1 million in 2018 to a profit of €14.7 million in 2019.
The improvement of €14.6 million is due to the following positive factors:

- the increase of EBITDA (€23.6 million, of which €7.4 million refers to the PPA process, which led to the recognition of inventory as at 31 July 2018 at its fair value and consequently penalised the EBITDA for 2018 due to the sale of said inventory recognised at a revalued amount);
- the reduction of net financial charges (€1.8 million);
- the reduction of income tax (€10.8 million, of which €3.5 million relates to the deferred tax effect of the PPA process, €4.0 million to the release of deferred tax following the change in the tax rate in India, €7.9 million relates to the recognition of deferred tax assets on the tax losses of Guala Closures S.p.A., offset by the adjustment of deferred tax liabilities of -€2.0 million for Guala Closures S.p.A. following the increase of the IRAP tax rate consequent to the status of industrial holding);

partly offset by the increase of amortisation and depreciation (€21.5 million, €12.9 million of which resulting from the PPA process).

Consolidated financial highlights

The graph below shows the change in net financial debt in 2019:



At 31 December 2019, **net financial debt** was €462.5 and rose in 2019 due to the following:

- €23.1 million relating to the increase of net financial debt at the beginning of 2019 for two reasons:
  - €6.1 million associated with the restatement of the comparative information from 2018 following the end of the Purchase Price Allocation and the consequent impact on the recognition of the business combination, which took place on 31 July 2018, in the accounts;
  - €17 million arising from the adoption of international accounting standard IFRS 16 and the ensuing recognition of lease liabilities with respect to operating leases;
- €14 million associated with the cash flow for the period.

Please be reminded that, as of 31 December 2019, net financial debt includes €30.8m, related to financial liabilities booked regarding the buy options for minority interests and market warrants.

The **cash flow** for 2019 corresponded to a reduction in net financial debt of €14.0 million, an improvement of €66.6 million on the cash flow for 2018 (increase of net financial debt of €52.7 million).
The cash flow of €14.0 million for FY 2019 originates from a positive cash flow generated by operating activities of €86.7 million, partly offset by a cash flow used in investments of €36.0 million and by a negative change in net financial debt following financing activities of €36.7 million.

The cash flow from operating activities rose in 2019 by €38.4 million, increasing from a cash flow of €48.2 million in 2018 to a cash flow of €86.7 million in 2019.
This increase is largely attributable to the €23.6 million improvement in EBITDA, to €10.1 million resulting from a positive change in net working capital and to €3.5 million relating to a lower negative cash flow for taxes.

The cash flow used in investing activities in 2019 fell by €16.3 million, dropping from €52.3 million in 2018 to €36.0 million in 2019.
In addition to net investments for the period (€35.4 million in 2019 against €35.8 million in 2018), the change was mainly due to the following:

- in 2019, €0.6 million for the payment of the deferred consideration for the acquisition made in 2017 of the Indian company Propack;
- in 2018, €18.6 million for the payment of the consideration for the acquisition of UCP, net of acquired cash, partly offset by €2.1 million by the gain made on the disposal of the Torre d'Isola plant.

A negative change in net financial debt of €36.7 million was recorded, following financing activities in 2019, and mainly relates to interest expense of €21.5 million, to the payment of a dividend to minority shareholders of €8.6 million, a change in the fair value of financial liabilities of €1.8 million (€2.3 million of which relates to a negative change of financial liabilities for a put option on the purchase of minority shareholdings, offset by a positive change of €0.5 million in the market value of Market Warrants) and to an increase in liabilities of €4.6 million for new rights of use.

The negative change in net financial debt following financing activities in 2019 is lower than the change in 2018 by €11.9 million due to the following positive factors:

- the lack of the impact, recorded in 2018, of the business combination and refinancing (€23.0 million);
- lesser change of financial liabilities for put options (€5.5 million);
- lower net interest expense (+€4.3 million) due to the fall of the interest rate and the amount of debt following the refinancing made in the second half of 2018;
- lower negative impact on derivatives and other financial items of €2.9 million;

partly offset by the following negative factors:

- lesser positive change in the market value of the Market Warrants (€17.1 million);
- increase of financial liabilities following the recognition of new rights of use in the accounts in 2019 of €4.6 million;
- larger payment of dividends to minority shareholders (€3.0 million).

* * *

The additional financial information for the period ended December 31, 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 reports" and on the authorised storage mechanism eMarket STORAGE at www.emarketstorage.com.

A conference call will be held today at 6:00 p.m during which the management of Guala Closures will present the results for FY of 2019. The details to follow the conference call are available on website 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, hereby states 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 the reclassified consolidated statements of profit and loss compared with the pro-forma statement for the full year period ending 31 December 2019 and the consolidated statement of cash flows compared to the pro-forma statement for the full year period ending 31 December 2018, as well as the statement of profit and loss, balance sheet and consolidated statement of cash flows.

Marco Giovannini
Chairman e CEO del Gruppo

Anibal Diaz
CFO del Gruppo

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12 March 2020

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. – consolidated financial statement of profit or loss at December 31, 2019 (compared to proforma at December 31, 2018)

(Thousands of Euros)	**2018 Pro Forma**	**2019**
Net revenue	**543,100**	**606,546**
Change in inventories of finished goods and semi-finished products	(2,675)	1,929
Other operating income	9,886	4,945
Work performed by the Group and capitalised	6,293	5,087
Costs for raw materials	(248,212)	(263,706)
Costs for services	(107,183)	(109,874)
Personnel expense	(104,830)	(125,316)
Other operating expense	(11,624)	(10,895)
Impairment	(213)	(599)
Gross operating profit (EBITDA)	**84,540**	**108,117**
Amortization	(41,356)	(62,909)
Operating profit (EBIT)	**43,184**	**45,208**
Financial income	24,763	11,263
Financial expense	(54,943)	(39,683)
Net financial expense	**(30,180)**	**(28,420)**
Profit before taxation	**13,004**	**16,788**
Income taxes	(12,917)	(2,129)
Profit (loss) for the period	**86**	**14,659**
Gross operating profit adjusted (Adjusted EBITDA)	**104,520**	**113,543**
% on net revenue	*19.2%*	*18.7%*

Guala Closures S.p.A. - consolidated statement of financial position as at December 31, 2019

Thousands of Euros	December 31, 2018 (*)	December 31, 2019
Intangible assets	883,533	872,035
Property, plant and equipment	242,644	228,911
Right-of-use assets	-	27,630
Contract costs	29	130
Net working capital	124,732	127,880
Contract assets (liabilities)	25	(273)
Net financial derivative assets (liabilities)	88	(162)
Employee benefits	(6,461)	(6,599)
Other net liabilities	(140,077)	(121,979)
Net invested capital	**1,104,513**	**1,127,572**
Financed by:		
Net financial liabilities	472,224	468,378
Financial liabilities - IAS 17 / IFRS 16 effect	6,095	20,358
Financial liabilities – put option to non-controlling investors	24,647	26,958
Market Warrants	4,338	3,873
Cash and cash equivalents	(47,795)	(57,056)
Net financial indebtedness	**459,509**	**462,511**
Consolidated equity	**645,004**	**665,060**
Sources of financing	**1,104,513**	**1,127,572**

(*) 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. – consolidated statement of cash flows for 2019 (compared to proforma for 2018)

(Thousands of Euros)	2018 Pro Forma	2019
Opening net financial indebtedness	**(552,513)**	**(459,509)**
Opening net cash	**145,666**	**-**
Effects of IFRS 16 FTA	**-**	**(16,962)**
A) Opening net financial indebtedness Pro Forma	**(406,848)**	**(476,471)**
B) Cash flows from operating activities		
Gross operating profit (EBITDA)	84,540	108,117
Bargain UCP acquisition	(5,490)	-
PPA – fair value inventory	7,424	-
Gains on disposals of fixed assets	(155)	(404)
Change in net working capital	(9,105)	991
Other operating items	(6,504)	(3,064)
Taxes	(22,463)	(18,989)
Total B) Net cash from operating activities	**48,248**	**86,651**
C) Cash flows used in investing activities		
Net investments	(35,828)	(33,093)
Change in liabilities for investments	(10)	(2,344)
Proceeds from sale of assets held for sale	2,130	-
Contingent consideration for the acquisition of Axiom Propack (India)	-	(554)
Acquisition of U.C.P. (UK) (net of cash acquired)	(18,616)	-
Total C) Cash flows used in investing activities	**(52,324)**	**(35,991)**
D) Change in net financial indebtedness due to financing activities		
Increases in rights of use assets	-	(4,604)
Net interests expense	(25,880)	(21,533)
Dividends paid	(5,609)	(8,643)
Change on the liability for put option	(7,847)	(2,311)
Fair value gains on market warrants	17,529	465
Acquisition of non-controlling interest in Guala Closures Argentina	(114)	-
Derivatives and other financial items	(3,724)	(778)
Effect of exchange rate fluctuation	745	1,423
Effects deriving from business combination and refinancing:		
Withdrawal	*(31,323)*	-
Financial expense related to transaction costs on the previous bond issue and revolving facility	*(7,995)*	*(718)*
Market Warrants opening impact	*(9,367)*	-
Capital increases	*25,000*	-
Total effects deriving from business combination and refinancing	*(23,685)*	*(718)*
Total D) Change in net financial indebtedness due to financing activities	**(48,585)**	**(36,700)**
E) Total change in net financial indebtedness (B+C+D)	**(52,661)**	**13,960**
F) Closing net financial indebtedness (A+E)	**(459,509)**	**(462,511)**

Guala Closures S.p.A. – consolidated financial statement of profit or loss at December 31, 2019

(Thousands of Euros)	2018	2019
Net revenue	**237,419**	**606,546**
Change in inventories of finished goods and semi-finished products	(13,097)	1,929
Other operating income	7,858	4,945
Work performed by the Group and capitalised	2,789	5,087
Costs for raw materials	(102,946)	(263,706)
Costs for services	(47,643)	(109,874)
Personnel expense	(43,258)	(125,316)
Other operating expense	(4,753)	(10,895)
Impairment	95	(599)
Gross operating profit (EBITDA)	**36,464**	**108,117**
Amortization	(22,352)	(62,909)
Operating profit (EBIT)	**14,112**	**45,208**
Financial income	21,410	11,263
Financial expense	(28,388)	(39,683)
Net financial expense	**(6,977)**	**(28,420)**
Profit before taxation	**7,135**	**16,788**
Income taxes	(4,326)	(2,129)
Profit (loss) for the period	**2,809**	**14,659**
Gross operating profit adjusted (Adjusted EBITDA)	**49,785**	**113,543**
% on net revenue	*21.0%*	*18.7%*

Guala Closures S.p.A. – consolidated statement of cash flows for 2019

(Thousands of Euros)	**2018**	**2019**
A) Opening Cash and cash equivalent	**512,206**	**47,795**
B) Cash flows from operating activities		
Profit before taxation	7,135	16,788
Amortization and depreciation	22,352	62,909
Net finance costs	6,977	28,421
Bargain UCP acquisition	(5,490)	-
Gains on disposals of fixed assets	(118)	(404)
Change in:		
Receivables, payables and inventory	25,578	991
Other	(4,247)	(3,064)
VAT and indirect tax assets/liabilities	(1,070)	(565)
Income taxes paid	(11,480)	(18,424)
Total B) Net cash from operating activities	**39,637**	**86,652**
C) Cash flows used in investing activities		
Acquisitions of property, plant and equipment and intangibles	(15,608)	(36,453)
Proceeds from sale of property, plant and equipment and intangibles	610	1.015
Deferred payment on acquisition of Axiom Propack Ltd (India)	-	(554)
Acquisition of Guala Closures Group, net of cash acquired	(306,374)	-
Acquisition of U.C.P. (UK), net of cash acquired	(18,616)	-
Total C) Net cash used in investing activities	**(339,988)**	**(35,991)**
D) Cash flows used in financing activities		
Withdrawal of previous shareholders	(31,323)	-
Interests received	1,832	2,914
Interests paid	(10,135)	(22,298)
Payment of transaction cost on Bonds issued in 2018	(14,633)	(718)
Other financial items	(5,457)	(831)
Dividends paid	(1,134)	(8,643)
Proceeds from new borrowings and bonds	916,985	2,276
Repayment of borrowings and bonds	(1,019,028)	(8,917)
Repayment of finance leases	(1,000)	(7,293)
Change in financial assets	261	(151)
Total D) Net cash used in financing activities	**(163,632)**	**(43,660)**
E) Net cash flows used in the period (B+C+D)	**(463,983)**	**7,001**
F) Effect of exchange rate fluctuations on cash held	(428)	2,261
G) Closing Cash and cash equivalent (A+E+F)	**47,795**	**57,056**

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