

Bit Market Services

Informazione Regolamentata n. 1719-5-2016	Data/Ora Ricezione 10 Marzo 2016 15:06:50	MTA - Star
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Societa' : MASSIMO ZANETTI BEVERAGE GROUP
Identificativo : 70491
Informazione
Regolamentata
Nome utilizzatore : MZBGROUPN01 - Zuffi
Tipologia : IRAG 01
Data/Ora Ricezione : 10 Marzo 2016 15:06:50
Data/Ora Inizio : 10 Marzo 2016 15:21:51
Diffusione presunta
Oggetto : Draft Separate and Consolidated Financial
Statements as of December 31, 2015

Testo del comunicato

Vedi allegato.



MASSIMO ZANETTI
BEVERAGE GROUP

PRESS RELEASE

Massimo Zanetti Beverage Group: the Board of Directors Approves the Draft Separate and Consolidated Financial Statements as of December 31, 2015.

In 2015, sales of roasted coffee by volume amounted to approximately 127,418 tons, up 1.8% compared to the previous year.

- **Consolidated turnover for 2015 reached € 941.7 million (+20.5%)**
- **Consolidated gross profit was € 365.2 million (+11.8%)**
- **Consolidated (adj.) EBITDA amounted to € 65,0 million (+0.6%)**
- **Consolidated Net profit amounted to € 11.6 million**

Outlook for 2016

- **Sales volume growth in a range from +2% to +3%**
- **Gross Profit up in a range from +4% to +6%**
- **EBITDA growth in a range from +4% to +6%**
- **Net financial debt below € 170.0 million**

Dividend Proposal: € 0.09 per share

Today, the Board of Directors of Massimo Zanetti Beverage Group S.p.A., a world leader in the production, processing and distribution of roasted coffee and other selected categories of colonial goods, approved the draft Separate and Consolidated Financial Statements as of December 31, 2015, prepared in accordance with Article 154-ter of Italy's Consolidate Law on Finance (TUF).

Sales volume

In 2015, Massimo Zanetti Beverage Group's sales volume of roasted coffee grew by 1.8% compared to the previous year to about 127,418 tons. This increase was reported by all of the Group's sales channels, with a particularly positive performance in the Foodservice channel (+10.4%).

With reference to individual distribution channels, Mass Market accounted for 41% of sales volume, the Private Label channel for 51% and Foodservice for 8%.

Sales volumes slightly decreased in the U.S. market (-1.7%), whereas all other markets reported growth, particularly France (+5.5%) and Italy (+4.5%).



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Revenues

Group's consolidated revenues for 2015 amounted to € 941.7 million, up 20.5% compared to the previous year. This significant increase mainly reflects the change in exchange rates due to the translation of the Group companies' financial statements denominated in currencies other than the euro, especially USD (+9.8%), the growth in sales of roasted coffee (+6.5%), the contribution of Boncafé (acquired in August 2014) for the first seven months of 2015 (+3.1%), and the above-mentioned increase in roasted coffee sales volume (+1.1%).

With reference to distribution channels, Mass Market accounted for 36% of consolidated revenues, whereas the Private Label and Foodservice channels accounted for 37.5% and 19.8%, respectively. The United States confirmed its position as the Group's main market of reference, accounting for 49.3% of its turnover; France ranked second (10.8%), followed by Italy (9.5%).

Gross Profit

Consolidated Gross Profit for 2015 amounted to € 365.2 million, growing sharply (11.8%) compared to the year ended December 31, 2014. This increase was attributable to the above-mentioned EUR/USD exchange rate trend and the contribution of Boncafé companies acquired in August 2014, as well to organic growth due to both volumes to price and product mix.

Adjusted EBITDA

Adjusted EBITDA at December 31, 2015 amounted to € 65.0 million, virtually in line with the previous year (+0.6%). Beside what has been said above about gross profit, this result was influenced by the increase of advertising and promotion expenses incurred at global and local level to strengthen brand awareness, and investments for the development and growth of Boncafé operations in Asia and Ceca in Costa Rica, as well as the development of the single serve business in the United States.

Net profit

Net profit for 2015 amounted to € 11.6 million, with a 7.6% decrease compared to 2014 due to the non recurring costs relating to the IPO costs amounting to €3.1 million and to the fine assessed to the German Subsidiary amounting to € 3.7 million.

Net financial debt at December 31, 2015

Net financial debt was € 185.7 million at December 31, 2015, decreasing by € 57.7 million compared to December 31, 2014.

Outlook for 2016

For 2016, management is planning to launch optimisation initiatives to generally strengthen key financial ratios.

As a result, sales volume is expected to grow in a range from 2% to 3%, gross profit from 4% to 6%, adjusted EBITDA from 4% to 6%.

Against this background, the Board of Directors also forecasts a further net financial debt decrease to below € 170 million.

Dividend proposal and call of the General Shareholders' Meeting

In light of the 2015 results, the Board of Directors decided to submit to General Shareholders' Meeting a proposal for the distribution of a gross dividend of € 0.09 per ordinary share

Moreover, the Board of Directors has resolved to call the General Shareholders' Meeting for the approval of the 2015 statutory financial statements and the presentation of the 2015 consolidated financial statements.

The dividend shall be payable as of May 18, 2016, with ex date on May 16, 2016 (in compliance with the Borsa Italiana S.p.A.'s calendar) and record date on May 17, 2016.

The General Shareholders' Meeting shall also be called to examine the remuneration policy of the Company and to resolve upon determination of the compensation of the Board of Directors for the 2016 fiscal year.

Appointment of the Group's Investor Relator

By resolution adopted on March 8, 2016, the Board of Directors appointed Letizia Chiarucci as Group's Investor Relator. Letizia Chiarucci assumed her position as of March 8, 2016.



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The Group's 2015 results will be presented during the conference call to be held today, Thursday, March 10, at 5.30pm CET. The presentation will be available on the corporate website (www.mzb-group.com) and on the storage system (www.emarketstorage.com).

The Manager in charge of the Company's financial reports, Massimo Zuffi, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance (TUF), declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Disclaimer

This press release contains forward-looking statements related to: investment plans, future management performance, growth objectives in terms of revenues and results, both at global level and by business area, net financial position and other aspects of the Group's business. Forward-looking statements involve risks and uncertainties inasmuch as they depend on the occurrence of future events and circumstances. Actual results may therefore differ materially from those announced herein due to several factors.

Massimo Zanetti Beverage Group is a world leader in the production, processing and marketing of roasted coffee and other selected categories of colonial products, distributed in about 110 countries. The Group manages the different activities, from procurement to consumption, operating 18 facilities across Europe, Asia and the Americas, and through a global network of about 400 coffee shops in 50 countries. Moreover, MZBG completes the range of its products through the sale of coffee makers and complementary products, such as tea, cocoa, chocolate and top quality spices.

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Villorba (Treviso, Italy), March 10, 2016



MASSIMO ZANETTI
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Consolidated Income Statement

<i>(in thousands of euro)</i>	Year ended December 31,	
	2015	2014*
Revenue	941.680	781.455
Other income	6.109	5.907
Purchases of goods	(576.523)	(454.715)
Purchases of services, leases and rentals	(169.967)	(145.776)
Personnel costs	(127.777)	(112.298)
Other operating costs	(11.529)	(5.949)
Amortization, depreciation and impairment	(34.963)	(31.454)
Operating profit	27.030	37.170
Finance income	179	411
Finance costs	(8.259)	(10.421)
Profit before tax	18.950	27.160
Income tax expense	(7.317)	(11.034)
Profit for the year from continuing operations	11.633	16.126
Loss for the year from discontinued operations	-	(3.538)
Profit for the year	11.633	12.588
<i>Profit attributable to:</i>		
<i>Non-controlling interests</i>	<i>138</i>	<i>168</i>
<i>Owners of the parent</i>	<i>11.495</i>	<i>12.420</i>
Earnings per share basic / diluted (in euro)	0,36	0,44
<i>From continuing operations</i>	<i>0,36</i>	<i>0,57</i>
<i>From discontinued operations</i>	<i>-</i>	<i>(0,13)</i>

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe group of entities



MASSIMO ZANETTI
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Consolidated Statement of Financial Position

<i>(in thousands of euro)</i>	As of December	
	2015	2014*
Intangible assets	117.834	112.607
Property, plant and equipment	208.871	203.226
Investment properties	4.422	4.525
Investments in joint venture	138	128
Non-current trade receivables	13.783	15.079
Deferred tax assets	11.046	10.311
Other non-current assets	5.865	5.521
Total non-current assets	361.959	351.397
Inventories	134.807	139.302
Trade receivables	115.950	119.903
Income tax assets	3.242	510
Other current assets	12.464	19.042
Cash and cash equivalents	25.574	18.302
Total current assets	292.037	297.059
Total assets	653.996	648.456
Share capital	34.300	28.000
Other reserves	121.803	51.708
Retained earnings	135.786	126.567
Equity attributable to owners of the parent	291.889	206.275
Non-controlling interests	1.797	1.759
Total equity	293.686	208.034
Non-current borrowings	98.338	145.731
Employee benefits	9.624	9.743
Other non-current provisions	2.258	2.291
Deferred tax liabilities	24.008	26.228
Other non-current liabilities	5.881	4.178
Total non-current liabilities	140.109	188.171
Current borrowings	113.100	116.504
Trade payables	80.745	92.576
Income tax liabilities	620	2.084
Other current liabilities	25.736	41.087
Total current liabilities	220.201	252.251
Total liabilities	360.310	440.422
Total equity and liabilities	653.996	648.456

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe group of entities



MASSIMO ZANETTI
BEVERAGE GROUP

Consolidated Statement of Cash Flows

<i>(in thousands of euro)</i>	Year Ended December 31	
	2015	2014*
Profit before tax	18.950	27.160
Adjustements for:		
Depreciation, amortization and impairment	34.963	31.454
Provisions for employee benefits and other charges	383	1.478
Finance expenses	8.080	10.010
Other non-monetary items	(2.413)	(386)
Net cash generated from operating activities before changes in working capital	59.963	69.716
Increase in inventory	(1.222)	(16.213)
Decrease/(Increase) in trade receivables	4.776	(27.361)
(Decrease)/Increase in trade payables	(2.750)	18.159
Decrease/(Increase) in other assets/liabilities	(12.808)	5.226
Payments of employee benefits	(566)	(211)
Interest paid	(8.696)	(8.811)
Income tax paid	(7.566)	(6.335)
Net cash generated from operating activities	31.131	34.170
Acquisition of subsidiary, net of cash acquired	(2.640)	(60.731)
Acquisition under common control, net of cash acquired	-	(16)
Purchase of property, plant and equipment	(26.786)	(28.593)
Purchase of intangible assets	(5.059)	(1.647)
Proceeds from sale of property, plant and equipment	722	908
Proceeds from sale of intangible assets	894	92
Increase in financial receivables	(24)	(572)
Interest received	249	270
Net cash used in investing activities	(32.644)	(90.289)
Proceeds from borrowings	43.448	71.684
Repayment of borrowings	(94.930)	(15.884)
Increase/(decrease) in short-term loans	(7.621)	628
Share capital increase	67.903	-
Dividends paid to non-controlling interests	(102)	(220)
Net cash generated from financing activities	8.698	56.208
Exchange gains/(losses) on cash and cash equivalents	87	868
Net increase in cash and cash equivalents	7.272	957
Net cash used from operating activities of discontinued operations	-	(15.376)
Net cash used in investing activities of discontinued operations	-	(537)
Net cash generated from financing activities of discontinued operations	-	13.402
Net cash used from discontinued operations	-	(2.511)
Total net increase / (decrease) in cash and cash equivalents	7.272	(1.554)
Cash and cash equivalents at the beginning of the year	18.302	19.856
Cash and cash equivalents at the end of the year	25.574	18.302

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe group of entities

Fine Comunicato n.1719-5

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