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PRESS RELEASE

Massimo Zanetti Beverage Group S.p.A.: The BoD approves the draft Separate and Consolidated Financial Statements at December 31, 2016.

In a year that was particularly challenging in the second half, the results for 2016 were in line with company expectation and guidance provided to the market.

- **Roasted coffee sales volumes up 2.9% to 131,161 tons**
- **Consolidated turnover of Euro 917.5 million**
- **Consolidated Gross profit up 5.6% to Euro 385.5 million**
- **Consolidated Adjusted EBITDA up 5.1% to Euro 68.3 million**
- **Consolidated Operating profit of Euro 34.8 million up 28.6%**
- **Profit for the period up 44.1% totalling of Euro 16.8 million**
- **Earnings per share up 33.3% to 0.48 Euro cents**
- **Net financial indebtedness was Euro 220.9 million**

2017 Outlook

- **Volumes up between 2% - 4%**
- **Gross profit up between 5% - 7%**
- **EBITDA up between 10% - 12%**
- **Net financial indebtedness below Euro 210.0 million**

Proposed dividend of 0,15 Euro cents per share, with dividend pay-out of 31.2%

Villorba (Treviso, Italy), March 1, 2017 - Today, the Board of Directors of Massimo Zanetti Beverage Group S,p,A. ("MZBG" or the "Company") approved the draft separate and consolidated financial statements at December 31, 2016, prepared in accordance with Article 154-ter of the Italian Consolidated Law on Finance.

Group's highlights at December 31, 2016

	Year ended December 31, 2016	**Year ended December 31, 2015**	**% Delta**
Sales volumes	**131,161**	**127,418**	**+2.9%**
Revenue	**917.5**	**941.7**	**-2.6%**
Gross profit	**385.5**	**365.2**	**+5.6%**
Adjusted EBITDA	**68.3**	**65.0**	**+5.1%**
Operating Profit	**34.8**	**27.0**	**+28.6%**
Profit for the period	**16.8**	**11.6**	**+44.1%**
Earnings per share	**0.48**	**0.36**	**+33.3%**
	As of December 31, 2016	**As of December 31, 2015**	**Change in € Mln**
Net financial indebtedness	**220.9**	**185.7**	**+35.2**

Figures in millions of Euros, except for sales volumes expressed in tons of roasted coffee sold and EPS expressed in Euro cents.
Starting from the interim report as of 31 March 2016, the MZB Group will show Revenue and Volumes of coffee roasted sold by geographical area in order to reflect the new organisational structure, previously announced

Volumes

In 2016, the MZB Group's **roasted coffee sales volumes** increased by 2.9% versus the same period of last year to a total of **131,161 tons.** The increase occurred across all the MZB Group's distribution channels, and Food Service in particular in line with the company's strategy. Excluding the positive impact of the 4 months of Nutricafés, the roasted coffee sales volumes rose by 1.8%.

In 2016 the **Food Service** channel rose by **8.9%**, to **11,490 tons**. The increase was spread across all geographical areas. Excluding the impact of Nutricafés, the Food Service channel grew by 4.1%. The Food Service channel accounted for 8.8% of the Group's total volumes.

In 2016, the **Mass Market channel** grew + **3.4%,** coming to **54,224 tons**, mainly driven by the sustained double digit growth in Northern Europe, especially in Finland, the Netherlands, Germany and Poland, as well as by growth in Southern Europe. Excluding the impact of Nutricafés, the Mass Market channel grew by 2.8%. The Mass Market channel accounted for 41.3% of MZB Group's total volumes.

The **Private Label** channel posted growth of **1.6%,** to **65,447 tons,** mainly driven by the strong performance in Southern and Northern Europe. Excluding the impact of Nutricafés, the Private Label channel grew by 0.5%. The Private Label channel accounted for 49.9% of the Group's total volumes.

The **Single Serve** channel **grew by 33.7%** versus Fiscal Year 2015, driven by the 27.6% increase in the Americas, also thanks to the local advertising campaigns and was mainly attributable to the brands Segafredo, Hills Bros, Chock full o'Nuts and Kauai. Hill Bros, Kauai and Chock Full O'Nuts brand launched the first capsule 100% compostable thanks to the investment in the Club Coffee technology. Very strong performance was also recorded in Southern Europe, which grew 52.1% on 2015, also driven by the Cafè Nicola and Chave d'Ouro brands.

At geographical level, in 2016 the **Americas** came to **80,260 tons**, with **a decline of 0.9%** compared to 2015. The Food Service channel recorded a double-digit growth, mainly driven by the global brand Segafredo and by Chock Full O'Nuts and Kauai. Private Label channel was stable. The **Americas** accounted for **61.1% of the Group's total volumes.**

Southern Europe in 2016 reached total **volumes** of **28,461 tons**, with a strong increase of **9.6%** in all the distribution channels. Nutricafés had a positive impact, contributing with 1,496 tons of roasted coffee sold. Excluding this impact, Southern Europe rose by 3,9%.
Southern Europe accounted for **21.7%** of the **Group's total volumes**.

Northern Europe posted strong growth, with a **10,3% increase** in volumes, totalling **20,275 tons** for **2016** compared to the previous fiscal year, mainly driven by double-digit growth in the Mass Market channel. In Finland, Kulta Katriina leads the growth thanks to the relaunching of the brand with new variants and packaging, while in the Netherlands growth continues following agreements with top customers and promotional activities. The Private Label channel continued its strong growth despite its relatively small size, as well as the Food Service channel. At geographical level, Poland more than doubled its roasted coffee sales volumes, thanks to the agreement with major distribution channels. **Northern Europe** confirms to be the Group's third largest geographical area in terms of volumes, with about **15.5% of the total**.

Roasted coffee sales volumes in the **Asia, Pacific and Cafès** division came to **2,165 tons** in 2016, **up 3.7%** on 2015. **Boncafè** confirmed its sustained positive trend with a **volume growth of 8.3%.** Asia, Pacific and Cafès accounted for **1.6%** of the Group's **total volumes.**

Consolidated revenue

MZB Group's **consolidated revenue for 2016** totalled **Euro 917.5 million**, down 2.6% on 2015. The increase in volumes described above has been mainly impacted by the decrease in the average sales prices of roasted coffee, following the decrease in the average purchase price of green coffee happened in the first half of the year.
With regard to the distribution channels, the **Food Service channel grew by 5.0%** compared to the same period of the previous year and contributed 21.4% of the Group's consolidated revenue. The **Mass Market** channel contributed **37.5%** of the consolidated revenue, with **an increase of 1,4%** versus the previous year. The **Private Label** channel contributed **34.9%** with a decrease of 9.3% serving the greater strength of brand products.

Revenue for the Single Serve channel grew by 23,5% during the year.

The Americas remain the main geographical area in terms of revenue, accounting for **49.1%** of the Group's turnover. with the USA confirming its position as the MZB Group's main market. **Southern Europe** is the Group's second geographical area. with a contribution of **24.5%**, and with France confirming its position as the Group's main market in this region. **Northern Europe** accounted for **18.7%** of the Group's revenue led by Finland, while **Asia, Pacific and Cafés**[1]accounted for **7.6%.**

Excluding the positive contribution of Nutricafés, the company's consolidated revenue came to Euro 905.6 million, down 3.8% on 2015.

Gross profit

Consolidated **Gross Profit grew by 5.6%** on 2015, to **Euro 385.5 million**, benefiting from the positive contribution of Euro 6.9 million from Nutricafés. Excluding this contribution, the Gross Profit for the period rose by 3.6%. Consolidated Gross Profit solely for roasted coffee sales grew by 7.2%. The trend of Gross Profit was positively impacted by both increased in volumes sold and by the favourable dynamics in the sales and purchase prices of roasted and green coffee, attributable to a different mix in the channels in 2016 and 2015 and with an improvement of the margin per kg of 6 Euro cents compared to **Euro/kg 2.51** at current exchange rates for the same period of the previous year with an increase of 2.4%

The *Gross Margin* was 42.0% compared to 38.8% recorded in 2015.

Adjusted EBITDA

Adjusted EBITDA for the period came to **Euro 68.3 million**, up **5.1%** on 2015. Excluding the positive contribution of Nutricafés, amounting to Euro 2.8 million, adjusted EBITDA on a like-for-like basis rose by 0.8%.

This positive result mainly reflected the combined effect of an increase in Gross Profit partially offset by the increase in operating costs. These costs were mainly attributable to the increase in expenditure to support brand awareness and the strengthening of the workforce in line with company strategy.

The *Adj EBITDA* Margin for the year was 7.4% compared to 6.2% posted in 2015.

Operating Profit

MZB Group operating profit for 2016 came to **Euro 34.8 million**, up 7.7 million (**+28.6%**) on 2015, In addition to the factors mentioned regarding the Adjusted EBITDA, this increase was attributable to the non-recurring costs of Euro 6.7 million incurred in the previous

[1] This geographic area includes the revenue generated by the international network of cafés

year, as well as to the increase in the item "Amortisation/Depreciation", partly related to the acquisition of Nutricafés.

Profit for the period

Profit for the period for 2016 came to **Euro 16.8 million, up sharply (+44.1%)** compared to the same period of 2015, when the figure was Euro 11.6 million, In addition to the factors mentioned above with regard to operating profit, this improvement was driven by the combined effect of the reduction in net finance expenses of Euro 0,5 million, due to the process of reorganisation of non-current financial indebtedness started in the second half of 2016, partially offset by lower net exchange gains and the increase in the income tax expense of Euro 3.0 million mainly attributable to the improvement of Group's results.

Earnings per share increased considerably from Euro cent 0.36 per share for 2015 to **Euro cent 0.48** per share for 2016

Net financial indebtedness

Net financial indebtedness at December 31, 2016 was **Euro 220.9 million**, **up by Euro 35.2 million** from December 31, 2015, but with a decrease compared to the amount posted at September 30, 2016. The increase was mainly attributable to the acquisition of Nutricafés consolidated last September and to the investment minority stake in the Canadian company Club Coffee LP. The reduction in indebtedness at December 31, 2016 compared to the previous quarter was achieved thanks to the positive contribution of the Free Cash Flow generated during the period. In fiscal year 2016 Free cash flow amounted to Euro 63.8 million thanks to the improvements in change in working capital.

Starting from the third quarter, the Group started a process for the reorganisation of its non-current financial indebtedness, in order to extend repayment plans and optimise the cost of debt. This was done by signing new long-term financing agreements at better conditions than those of the previous ones, for which gradual early repayment has been scheduled. This process was successfully completed in January 2017.

Outlook 2017

In view of the results achieved in the year ended December 31, 2016 and based on the market trends observed until today, the management expects a volume growth in a range from 2% to 4%, an increase of gross profit between 5 % and 7%, an increase of adjusted EBITDA between 10% and 12%.

With this scenario, the management also forecasts a further decrease in net financial indebtedness below Euro 210 million.

Dividend proposal and call of the General Shareholders' Meeting

In light of the 2016 results, the Board of Directors decided to submit to General Shareholders' Meeting a proposal for the distribution of a gross dividend of Euro 0,15 per ordinary share.

Moreover, the Board of Directors has resolved to call the General Shareholders' Meeting next 11 April 2017, for the approval of the 2016 statutory financial statements and the presentation of the 2016 consolidated financial statements.

The dividend shall be payable as of May 17, 2017, with e*x*-date on May 15 (coupon n.2), 2017 (in compliance with the Borsa Italiana S,p,A.'s calendar) and record date on May 16, 2017.

The General Shareholders' Meeting shall also be called to examine the remuneration policy of the Company and to renewal the current Board of Directors and Statutory Board and to resolve upon determination of the compensation of the Board of Directors and Statutory Board for the 2017 fiscal year.

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The Group's full year 2016 results will be presented during the conference call to be held today, Wednesday, March 1, at 18:00 CET.

To access the call, please use one of the following dial-in numbers: +1 718 705 8794 (U,S, e Canada)), +39 02 805 88 11 (Italy), +44 121 281 8003 (UK) ; +33 170 918 703 (France) and +39 02 805 88 27 (Press)

Digital Playback service will be available for 7 days, dialing the following numbers: +1 718 705 8797 (Usa and Canada), +39 02 72495 (Italy), +44 1 212 818 005 (UK) with the following passcode: 914#
The presentation will be available on the corporate website (www,mzb-group,com) and on the storage system (www,emarketstorage,com),

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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,

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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.

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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,

Media Relations:
Barabino&Partners
Federico Vercellino
f,vercellino@barabino,it
mob: +39 331,57,45,171

Investor Relations:
Massimo Zanetti Beverage Group
Letizia Chiarucci
investors@mzb-group,com
+39 0422 312611

Tables Follow

MASSIMO ZANETTI
BEVERAGE GROUP

Consolidated Income Statement

(in thousands of Euro)	For the year ended December 31 2016	2015
Revenue	917,475	941,680
Other income	7,270	6,109
Purchases of goods	(531,965)	(576,523)
Purchases of services, leases and rentals	(175,054)	(169,967)
Personnel costs	(138,749)	(127,777)
Other operating costs	(6,558)	(11,529)
Amortization, depreciation and impairment	(37,649)	(34,963)
Operating profit	**34,770**	**27,030**
Finance income	267	179
Finance costs	(7,841)	(8,257)
Profit/(loss) on equity consolidated companies	(110)	(2)
Profit before tax	**27,086**	**18,950**
Income tax expense	(10,322)	(7,317)
Profit for the period	**16,764**	**11,633**
Profit attributable to:		
Non-controlling interests	178	138
Owners of the parent	16,586	11,495
Earnings per share basic / diluted (in Euro)	**0.48**	**0.36**

MASSIMO ZANETTI
BEVERAGE GROUP

Consolidated Statement of Financial Position		
	As at December 31	
(in thousands of Euro)	**2016**	**2015**
Intangible assets	189,423	117,834
Property, plant and equipment	220,173	208,871
Investment properties	4,319	4,422
Investments in joint venture	10,943	138
Advance and non-current trade receivables	13,302	13,783
Deferred tax assets	9,799	11,046
Other non-current assets	6,863	5,865
Total non-current assets	**454,822**	**361,959**
Inventories	132,858	134,807
Trade receivables	126,081	115,950
Income tax assets	1,611	3,242
Other current assets	18,007	12,464
Cash and cash equivalents	45,167	25,574
Total current assets	**323,724**	**292,037**
Total assets	**778,546**	**653,996**
Share capital	34,300	34,300
Other reserves	124,738	121,803
Retained earnings	149,057	135,786
Equity attributable to owners of the parent	**308,095**	**291,889**
Non-controlling interests	1,849	1,797
Total equity	**309,944**	**293,686**
Non-current borrowings	192,117	98,338
Employee benefits	9,268	9,624
Other non-current provisions	3,949	2,258
Deferred tax liabilities	29,069	24,008
Other non-current liabilities	3,345	5,881
Total non-current liabilities	**237,748**	**140,109**
Current borrowings	77,430	113,100
Trade payables	122,209	80,745
Income tax liabilities	644	620
Other current liabilities	30,571	25,736
Total current liabilities	**230,854**	**220,201**
Total liabilities	**468,602**	**360,310**
Total equity and liabilities	**778,546**	**653,996**

MASSIMO ZANETTI
BEVERAGE GROUP

Consolidated Statement of Cash Flows		
	For the Year ended December 31	
(in thousands of Euro)	**2016**	**2015**
Profit before tax	**27,086**	**18,950**
Adjustments for:		
Depreciation, amortization and impairment	37,649	34,963
Provisions for employee benefits and other charges	1,050	383
Finance expense	7,574	8,080
Other non-monetary items	(782)	(2,413)
Net cash generated from operating activities before changes in working capital	**72,577**	**59,963**
Decrease/(increase) in inventory	6,913	(1,222)
Decrease/(increase) in trade receivables	(8,560)	4,776
Decrease in trade payables	33,640	(2,750)
(Increase)/decrease in other assets/liabilities	(2,547)	(12,808)
Payments of employee benefits	(1,032)	(566)
Interest paid	(6,736)	(8,696)
Income tax paid	(7,753)	(7,566)
Net cash (used in) generated from operating activities	**86,502**	**31,131**
Acquisition of subsidiary, net of cash acquired	(39,292)	(2,640)
Acquisition of subsidiary under common control, net of cash acquired	(2,624)	-
Purchase of property, plant and equipment	(29,106)	(26,786)
Purchase of intangible assets	(1,698)	(5,059)
Proceeds from sale of property, plant and equipment	1,266	722
Proceeds from sale of intangible assets	55	894
Investment in joint ventures/associates	(10,139)	-
Changes in financial receivables	(3,403)	(24)
Interest received	32	249
Net cash used in investing activities	**(84,909)**	**(32,644)**
Proceeds from borrowings	154,233	43,448
Repayment of borrowings	(94,227)	(94,930)
Decrease in short-term loans	(38,929)	(7,621)
Proceeds from sale of shares	-	67,903
Dividends paid to non-controlling interests	(3,211)	(102)
Net cash generated from financing activities	**17,866**	**8,698**
Exchange gains on cash and cash equivalents	134	87
Net increase in cash and cash equivalents	**19,593**	**7,272**
Cash and cash equivalents at the beginning of the period	25,574	18,302
Cash and cash equivalents at the end of the period	**45,167**	**25,574**

Breakdown of revenue by sales channel

	Year Ended 31 December,				Change	
(in thousands of Euro)	**2016**	**(*)**	**2015**	**(*)**	**2016-2015**	
Mass Market	343,857	37.5%	339,056	36.0%	4,801	1.4%
Foodservice	196,023	21.4%	186,690	19.8%	9,333	5.0%
Private Label	320,562	34.9%	353,450	37.5%	(32,888)	-9.3%
Others	57,033	6.2%	62,484	6.7%	(5,451)	-8.7%
Total	**917,475**	**100.0%**	**941,680**	**100.0%**	**(24,205)**	**-2.6%**

(*) Percentage of revenue

Breakdown of revenue by geographical area

	Year Ended 31 December,				Change	
(in thousands of Euro)	**2016**	**(*)**	**2015**	**(*)**	**2016-2015**	
Americas	450,920	49.1%	487,203	51.7%	(36,283)	-7.4%
Europa del Nord	171,724	18.7%	166,919	17.7%	4,805	2.9%
Europa del Sud	224,668	24.5%	214,783	22.8%	9,885	4.6%
Asia-Pacific and Cafés**	70,163	7.6%	72,774	7.7%	(2,611)	-3.6%
Total	**917,475**	**100.0%**	**941,680**	**100.0%**	**(24,205)**	**-2.6%**

(*) Percentage of revenue

(**) This geographical area includes also revenue related cafés,

EBITDA Reconciliation

	Year Ended 31 December,				**Change**	
((in thousands of Euro)	**2016**	**(*)**	**2015**	**(*)**	**2016-2015**	
Profit for the period	16,764	1.80%	11,633	1.2%	5,131	44.10%
Income tax expense	10,322	1.10%	7,317	0.8%	3,005	41.10%
Finance costs	7,841	0.90%	8,257	0.9%	(416)	-5.00%
Finance Income	(267)	0.00%	(179)	0.0%	(88)	49.20%
Profit/(loss) on equity consolidated companies	110	0.00%	2	0.0%	108	>100%
Amortization, depreciation and impairment (1)	33,537	3.60%	31,237	3.3%	2,300	7.40%
EBITDA (2)	**68,307**	**7.40%**	**58,267**	**6.2%**	**10,040**	**17.20%**
IPO costs	-	0.00%	3,053	0.3%	(3,053)	-100%
German Antitrust fine	-	0.00%	3,700	0.4%	(3,700)	-100%
Adjusted EBITDA (2)	**68,307**	**7.40%**	**65,020**	**6.9%**	**3,287**	**5.1%**

(*) Percentage of revenue

(1) Amortization of intangible assets, property, plant and equipment and investment properties.

(2) Non-GAAP Measures

Net financial indebtedness of the Group at December 31 2016 and 2015

(in thousands of Euro)		As at December 31 2016	2015
A	Cash and cash equivalents	(931)	(811)
B	Cash at bank	(44,236)	(24,763)
C	Securities held for trading	-	-
D	**Liquidity (A+B+C)**	**(45,167)**	**(25,574)**
E	**Current financial receivables**	**(3,495)**	**(192)**
F	Current loans	50,870	87,739
G	Current portion of non-current loans	24,952	25,291
H	Other current financial payables	1,608	70
I	**Current indebtedness (F+G+H)**	**77,430**	**113,100**
J	**Net current indebtedness (I+E+D)**	**28,768**	**87,334**
K	Non-current loans	189,393	97,787
L	Issued bonds	-	-
M	Other non-current financial payables	2,724	551
N	**Non-current indebtedness (I+E+D)**	**192,117**	**98,338**
O	**Net financial indebtedness (J+N)**	**220,885**	**185,672**

Fine Comunicato n.1719-5	Numero di Pagine: 14