

# Massimo Zanetti

MASSIMO ZANETTI  
BEVERAGE GROUP



## FY 2016 Results Massimo Zanetti Beverage Group

Villorba, 1st of March, 2017



BONCAFÉ

restaurant  
BONcaféVino

BONCHOCO™

BONTEA  
SIGNATURE COLLECTION



Café Mag



Chock  
full o' Nuts



HILLS  
BROS.  
CAPPUCCINO

KAUAI  
COFFEE

Kultā  
Katriina

meira



Puccino's™



MEIRAN  
Reilu  
KAHVI

Saludo



# Safe Harbour Statement

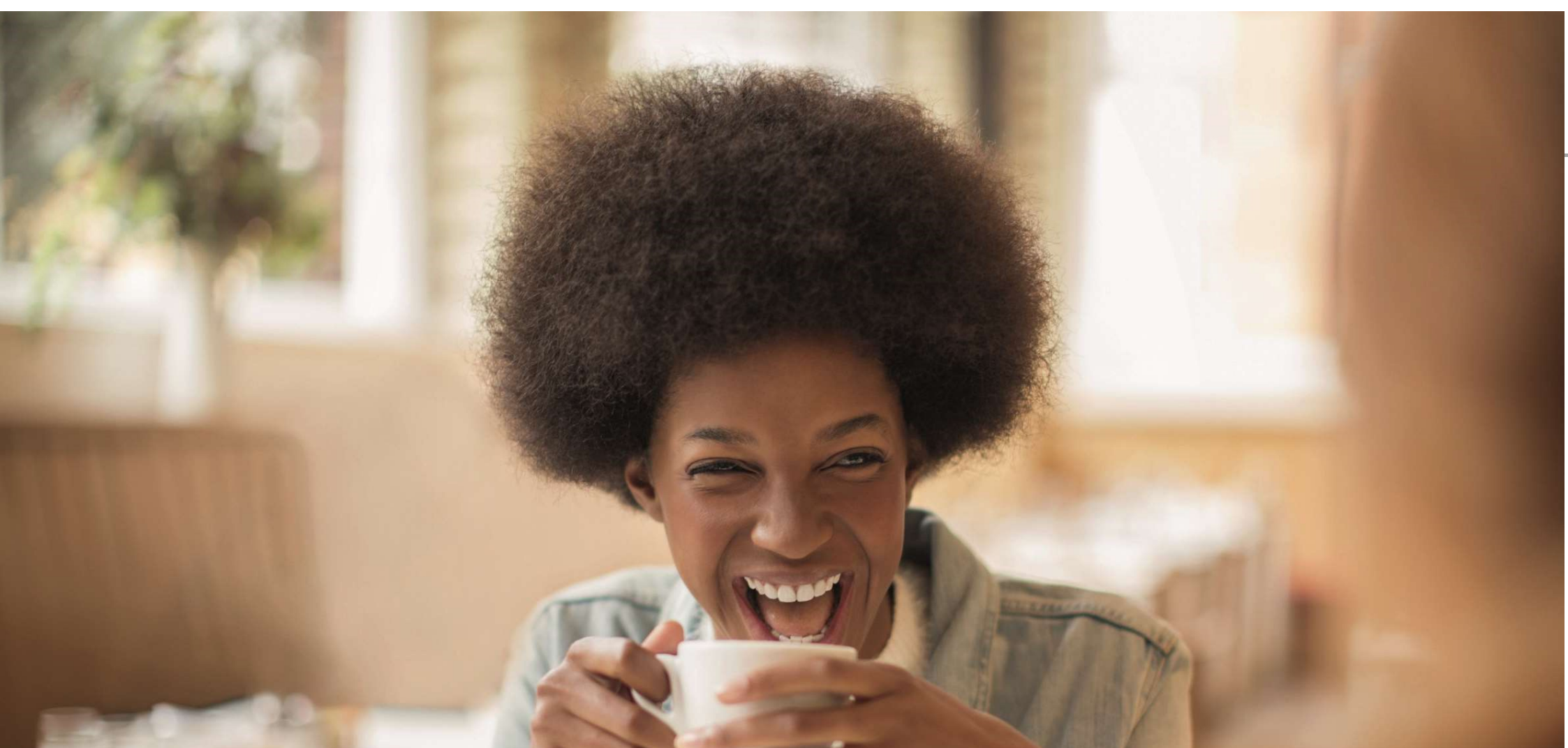
This document, and in particular the section entitled “2016 Outlook”, contains forward-looking statements, which reflect current views of the management of Massimo Zanetti Beverage Group S.p.A. (the “**Company**”) with respect to future events and financial and operational performance of the Company and its subsidiaries (the “**Group**”). These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Company’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Any reference to past performance or trends or activities of the Group shall not be taken as a representation or indicate performance, trends or activities will continue in the future.

Actual results may differ materially from those expressed in or implied by such statements as a result of a variety of factors, including: the Group’s ability to preserve and enhance the value of its brands; changes in client preferences and trends; changes in the general economic environment; the Group’s ability to successfully carry out its growth strategy and, particularly, the Group’s ability to grow its presence in emerging market countries; competition in the coffee industry; increases in commodity costs, disruptions of supply or shortages raw materials; disruptions at the Group’s manufacturing facilities; the Group’s ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others; product recalls and liability claims; exchange rate fluctuations, interest rate changes, credit risk and other market risks; potential conflicts of interest due to director and officer overlaps with the Group’s largest shareholders and other factors discussed elsewhere in this document.

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Massimo Zuffi, the manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein corresponds to document results, books and accounting records.



## 1. Key messages



# FY 2016 Key Highlights

## FY RESULTS MEETS GUIDANCE

- Strong Performance in Net Profit : +44.1%
- EBITDA Adjusted : 68.3MM (+5.1%)
- NFP below € 225 MM target
- Coffee Gross Profit per kg improved 6 cent YoY – despite increases in raw material prices
- Profitability improving across the board (ROE, ROIC, EPS)
- Single serve up 33.7% in volumes and 23.5% in Revenue

## TRACK RECORD IN M&A

- Nutricafés: strong results in 4 months: +1,496 tons
- Cafè Montana ahead of plan
- Boncafè volumes up 8.3%
- Leveraging Club Coffee innovation

## UPDATE

- Debt reorganization completed
- DPS Proposed Euro 0,15 cent: *dividend payout* 31.2%
- 2017 Outlook





# Delivering our 2016 strategy

*“In FY16 the positive benefits of lower raw material and packaging costs in addition to operational efficiencies will be utilized to invest in brands, organization and systems.”*

**Strengthen  
market  
position**

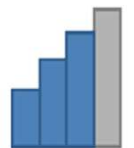
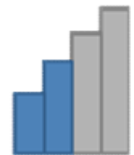
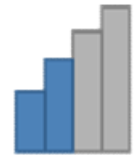
## BRAND AWARENESS

- Trek Segafredo Partnership renewal until 2020
- Cafès Development continuing as planned

## PRODUCT MIX

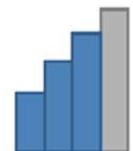
- New **branded products driving higher margins:**
  - North America: 100% compostable capsules (PūrPod100™) - Chock Full O’Nuts, Kauai and Hills Bros;
  - In Europe: Nespresso compatible capsules under Segafredo Brand and Caffè Nicola brand; Mio Caffè compatibles «Dolce Gusto» system;
- Expanded national accounts (Accor **hotel chains**, Canteen **restaurants** Airlines)

**CHANNEL MIX: highest growth in Food Service, followed by Mass Market**



**Exploit Asian  
opportunities**

- Established direct presence of Boncafé in Vietnam through acquisition of distributor
- Adding significant new customers leveraging production capacity in the vietamese factory

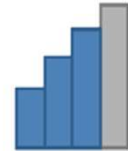


# Delivering our 2016 strategy

*“In FY16 the positive benefits of lower raw material and packaging costs in addition to operational efficiencies will be utilized to invest in brands, organization and systems.”*

## M&A

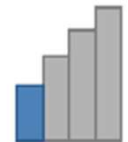
- Club Coffee
- Nutricafès



## Operational efficiency

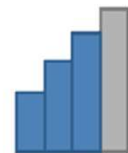
### SUPPLY CHAIN

- Consolidated manufacturing in Central America following acquisition
- Selected new N.A. transportation partner reducing overall distribution costs
- Capital improvements in production lines increased line efficiencies and yields
- Rebalanced manufacturing volumes to lowest cost production sites
- Implemented new green coffee tracking system



### ORGANIZATION & SYSTEMS

- Implemented new Organizational Structure to provide strong regional leadership
- Expanded and improved Management Reporting System to align information systems with key measures



# Delivering our 2016 strategy: Global Brand Awareness

## In FY2016 :

- 44 races on 4 continents
- 11 major markets: Belgium, France, Germany, Italy, Netherlands, Spain, UK and US, Japan, Australia, UAE
- **WEB : 292M impressions Segafredo brand**
- 9,833 hours of coverage
- TV Exposure: 100h Segafredo Brand

## Trek-Segafredo

- Three-year co-title sponsorship renewed until 2020
- 27 riders, 14 nationalities
- Trek bicycles are marketed in over 90 countries worldwide



**Leveraging Trek-Segafredo Shop in Shop:** branded corners in the official Trek stores located in UK, France, Germany, Italy, Denmark, China



**TREK**  
**Segafredo**  
ZANETTI

Nothing in the world goes better with cycling than coffee

Segafredo Zanetti and Trek Bicycle Store are proud to welcome back the TREK - SEGAFREDO Racing Team during the Dubai Tour, from 31 January - 4 February and the Abu Dhabi Tour, from 23 - 26 February 2017

Join us for an event after the races at TREK Bicycle Store Dubai on **Saturday 4 February** and meet the TREK - SEGAFREDO Racing Team in person!

Get your photo taken with the pros, enjoy a flavoursome cup of Segafredo coffee and win fabulous prizes.

Jointly organized by:

**Segafredo** ZANETTI

**TREK** BICYCLE STORE

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# Delivering our 2016 strategy

## Global Brand Awareness

Cafes: continue to rollout openings of our various concepts - 28 openings worldwide





A man with dark hair and glasses, wearing a light blue button-down shirt and a dark tie, is looking down at a white coffee cup on a saucer he is holding. He is standing on a balcony with a metal railing, and a city skyline is visible in the background under bright sunlight.

## 2. FY 2016 Results

# FY 2016 Financial Highlights

## Financial Results\*

Volumes	131,161 Tons	<b>+2.9%</b>
	Foodservice +8.9%	
	Mass Market +3.4%	
	Private Label +1.6%	
Gross Profit	€ 385.5M	<b>+5.6%</b>
EBITDA Adjusted	€ 68.3M	<b>+5.1%</b>
NET DEBT	€ 220.9M	<b>+€ 35.2</b>
EPS	€ 0.48 cent	<b>+33.3%</b>
DPS Proposal	€ 0.15 cent	Payout <b>31.2%</b>

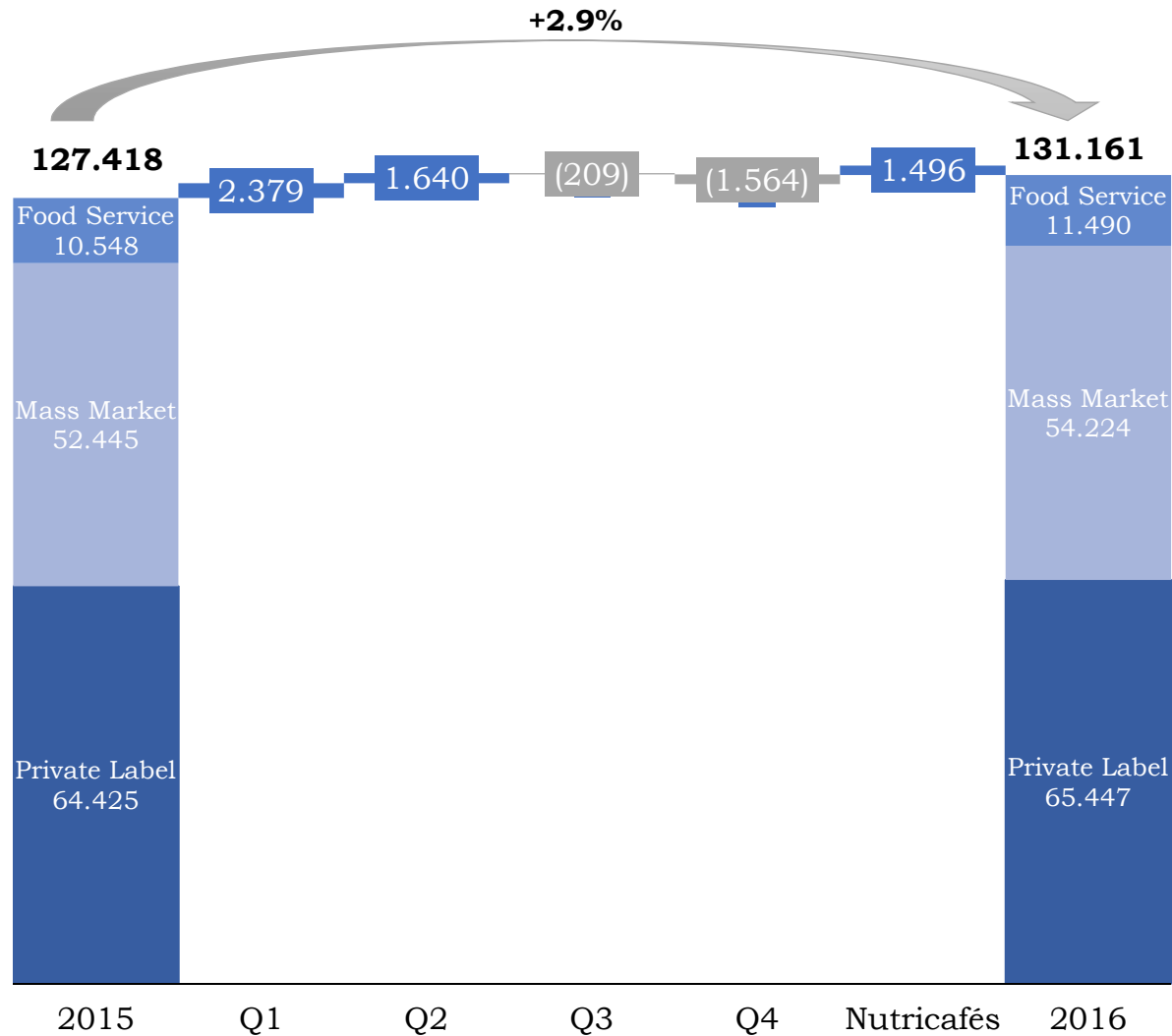


\* Includes 4 months of Nutricafés S.A.



# FY 2016 Volumes Channel: Food Service leads the Growth

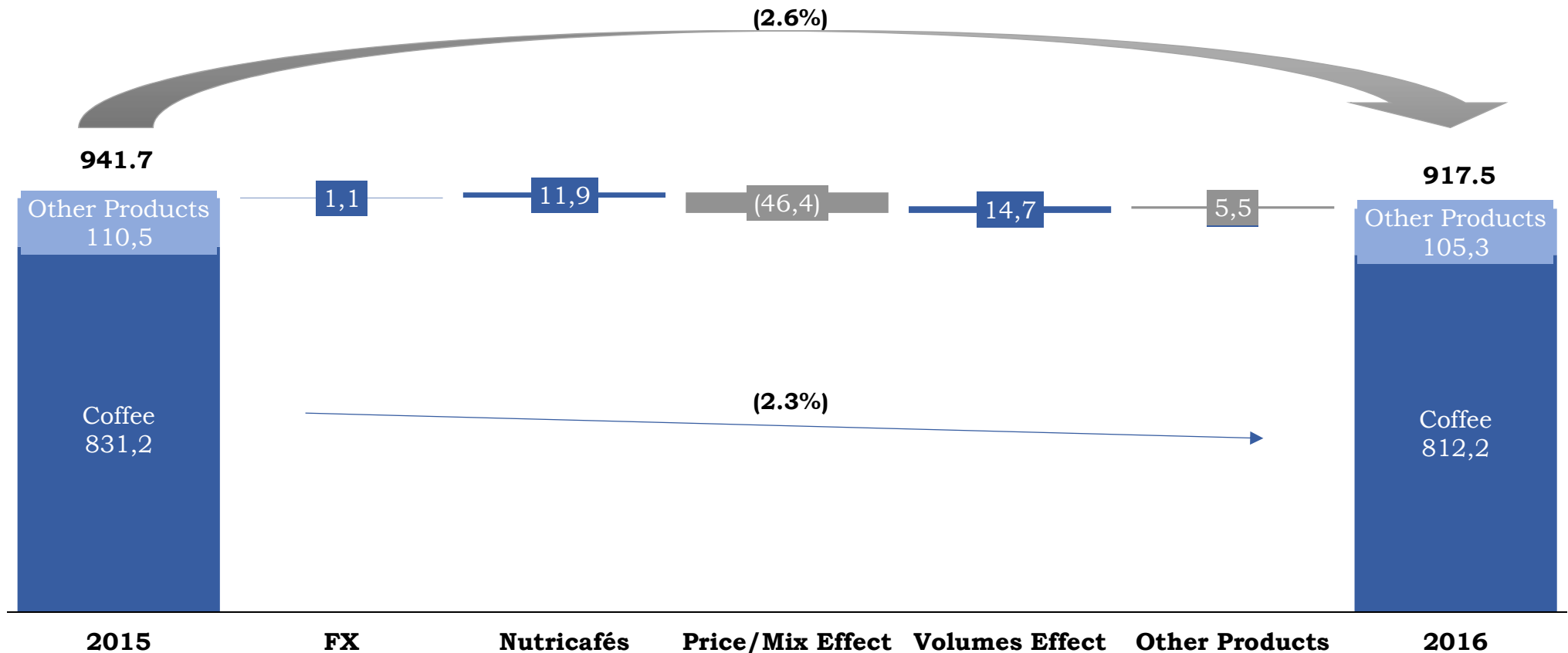
Roasted coffee volumes sold by distribution channel (in Tons)



- **Volumes up 2.9%** with positive performance in all distribution channels. Excluding Nutricafés impact, volumes **up 1.8%**
- **Food Service 8.9%**, with positive performance in all regions. Excluding Nutricafés up by 4.1%. Food service accounts for 8.8% of total volumes.
- **Mass Market: +3.4%**, led by double digit growth in Northern Europe thanks to promotional activities and high single digit growth in Southern Europe. Excluding Nutricafés, volumes up by 2.8%. Mass Market accounts for 41.3% of total volumes.
- **Private Label +1.6%**, Excluding Nutricafés, volumes up 0.5%. It accounts for 49.9% of total volumes.
- **Capsules increased by 33.7%** mainly in US market and Southern Europe.

# Revenue FY 15 – FY 16: branded revenues increase

(€M)



- Food Service up by 6,0% ; Mass Market up by 1,3%
- Overall roasted coffee revenues down by 2,3% driven by pass through of raw material cost decrease to PL customers
- Positive volumes increase has been offset by lower ASP

# FY 2016 Highlights: Americas

## KEY FACTS

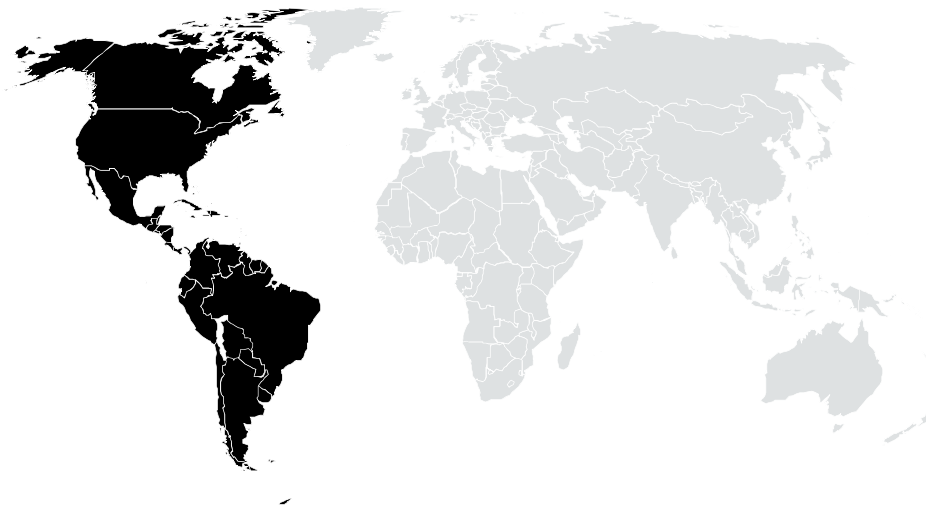
	FY 2016	FY 2015	Delta %
Volume - Tons	80,260	80,984	-0.9%
Revenue – Eur M	450.6	487.5	-7.6%

- Private label almost flat YoY.
- Food Service up double digits due to strong growth in both Segafredo & CFON brands with our strategic partners Compass/Canteen and Sysco
- Revenue follows green coffee market which slightly decreased in ASP and green coffee sales
- Single Serve YOY +27.6%% growth driven by *Kauai*, *Hills Bros* and *Chock Full o' Nuts*;
- Major PL relationship extended through 2020
- Café Montaña and Brasil performed ahead of the plan.

## UPDATES

- Hills Bros, Kauai and Chock Full O' Nuts Certified 100% Compostable Single-Serve Pods in market
- 2016 Hills Bros. Cappuccino Packaging Refresh
- Hills Bros. Hot Cocoa Single Serve
- New Chock full o' Nuts packaging coming this Fall
- E-commerce revenue growing 27% YOY

## MARKET: 62% of total volume



## NEW LAUNCHES





# FY 2016 Highlights: Northern Europe

## KEY FACTS

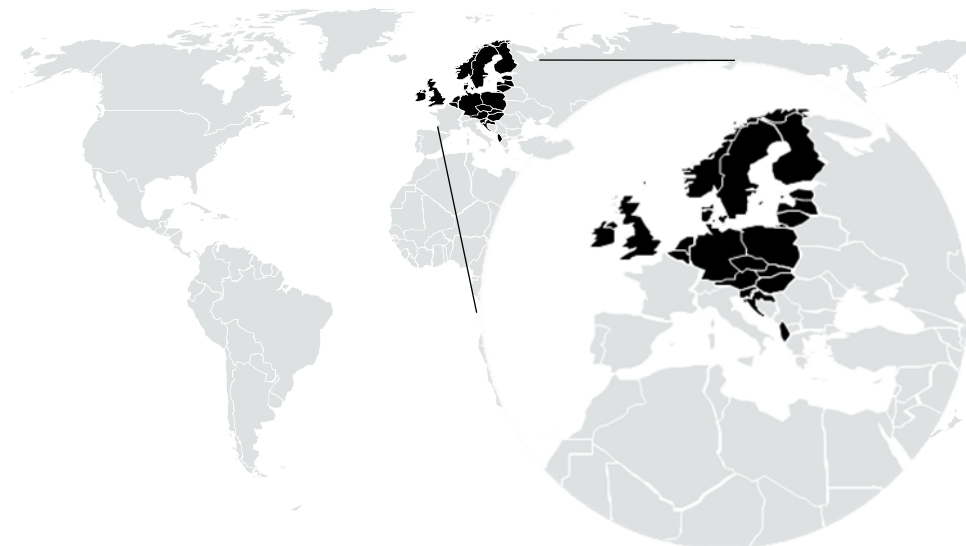
	FY 2016	FY 2015	Delta %
Volume - Tons	20,275	18,390	+10.3%
Revenue – Eur M	171.2	167.2	+2.7%

- Volumes strongly up adding 1,885 tons versus YoY across the region;
- Mass Market driving strong volume and revenue growth:
  - Finland led the growth thanks to the Kulta Katriina relaunch (new advertisement & packaging and TV promo activities). Market share up to 25%;
  - Netherlands is benefitting from the overall trend in top accounts (Albert Heijn and Jumbo) and promo activities;
  - Germany and Austria performed well ahead of plan driven by promo activities;
  - Poland more than doubled its volumes thanks to both existing and new key accounts (Biedronka, Tesco and Kaufland)
- Food Service is growing in every country driving existing customers as well as new acquisitions.
- Revenue up 2.9% driven by faster growth of lower ASP in Mass Market Channel

## UPDATES

- Kulta Katriina new advertisement and packaging all variants
- Focus on acquisition of new higher value Food service customers; ENI Contract renewal in Germany
- Accor contract started in Austria, Germany and UK.
- Driving efficiency and value premiumization on existing customers through cross-selling and innovation.

## MARKET: 15.5% of total volumes



## NEW LAUNCHES



# FY 2016 Highlights: Southern Europe

## KEY FACTS

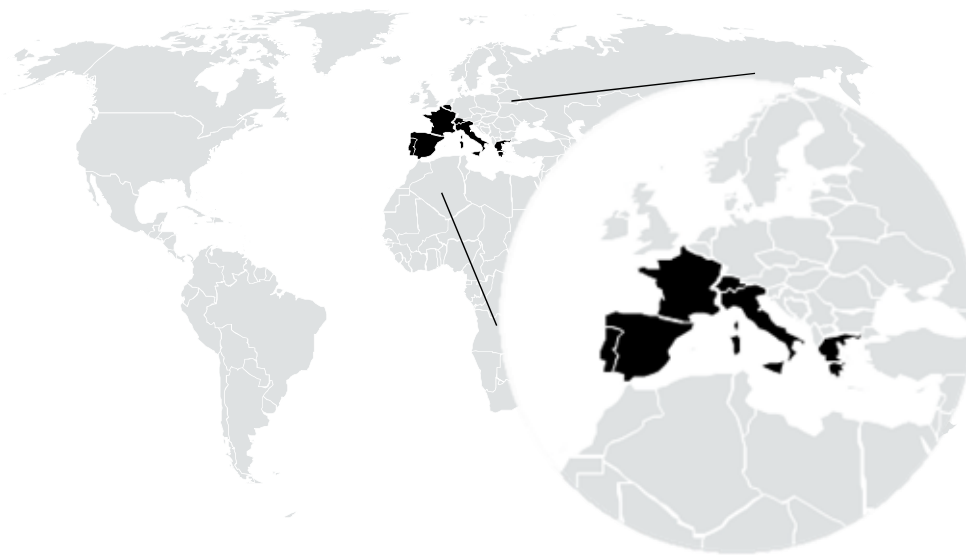
	FY 2016	FY 2015	Delta %
Volume - Tons	28.461	25.957	+9,6%
Revenue - Eur M	225,6	216,2	+4,3%

- Volumes up in all distribution channels
- France and Italy led volumes growth
- Nutricafés contribution 1.496 tons in Portugal
- Single serve volumes up 52% thanks to Nutricafés impact, France and Italy
- Revenue up mainly driven by Food Service growth

## UPDATES

- Strong launch plan in *Segafredo* Single Serve: *Espresso per Te* compatibles with «Nespresso» system and *Mio Caffè* compatibles with «Dolce Gusto» system
- Consolidation of leadership position in Single Serve Portuguese market, driven by introduction and promo activation of *Nicola* compatibles with «Dolce Gusto» and *Nicola Alma* mono origin range compatibles with “Nespresso” systems
- New important contracts signed with Accor Hotel Chain across Europe and Air France Airline
- *Segafredo* awarded Official partner in “Giro d’Italia” biking race
- Introduction of *Terramia* blend and *Tiktak Organic Dark Roast* in Italian Food Service
- Launch of *Allora Moka* selection in Italian Mass Market, supported by media investment on TV and social media starting from May
- Launch of *San Marco Selezione* metal can in France

## MARKET: 22% of total volumes



## NEW LAUNCHES



# FY 2016 Highlights: Asia, Pacific and Cafés

## KEY FACTS

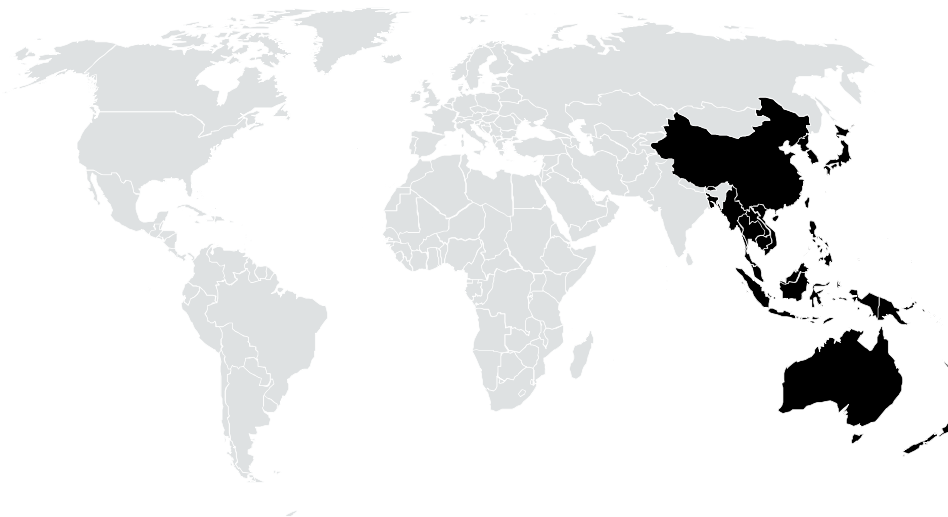
	FY 2016	FY 2015	Delta %
Volume - Tons	2,165	2,087	+3.7%
Revenue – Eur M	70.2	72.8	-3.6%

- Volumes up led by Food Service recovering 1H softness;
- Boncafé volume up 8.3% led by Thailand, Middle East and Singapore;
- Revenue has been impacted mainly from lower machines and equipment sales in Middle East;
- Single serve up 14% driven by Boncafé and Segafredo capsules;
- Café performance in line with previous year.

## UPDATES

- Boncafé awarded by Singapore Airlines and Emirates
- Adapting the Segafredo products packaging to enhance business opportunities in Mass Market of Middle East, North Africa and Gulf countries
- Q4 signed new distribution agreements with key partners in Saudi Arabia and Algeria
- Established direct presence of Boncafé in Vietnam through acquisition of distributor

## MARKET: 1.7% of total volumes

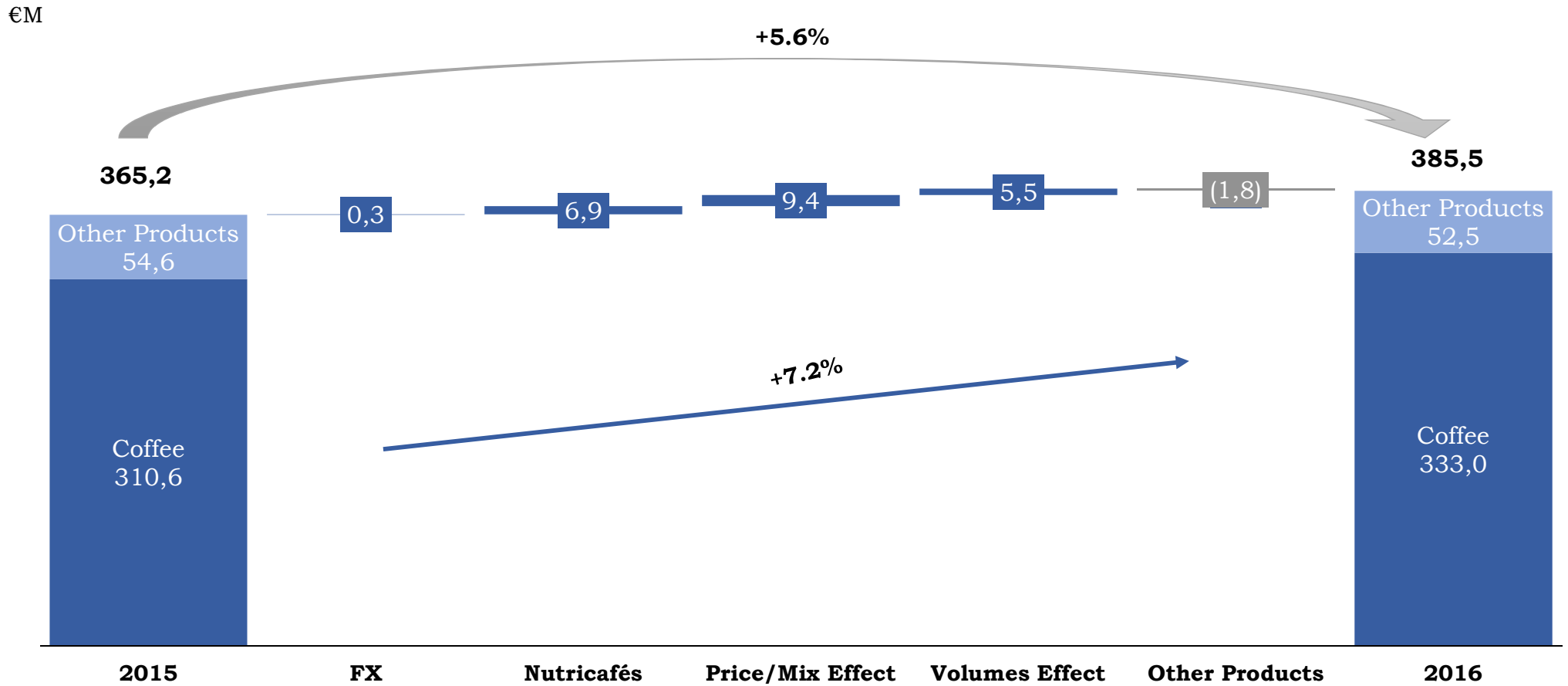


## NEW LAUNCHES





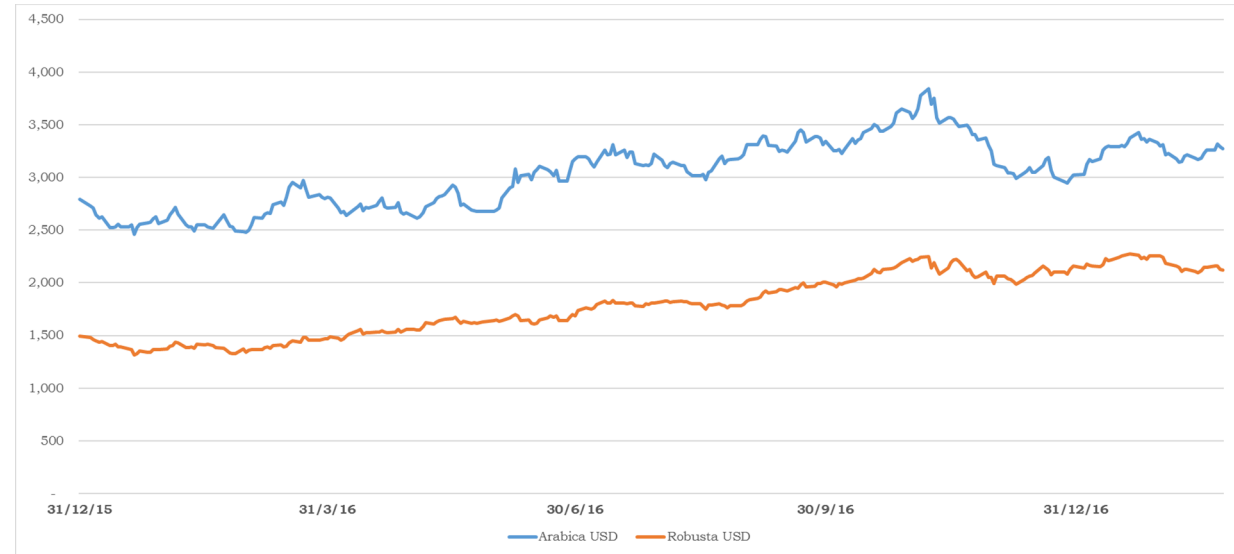
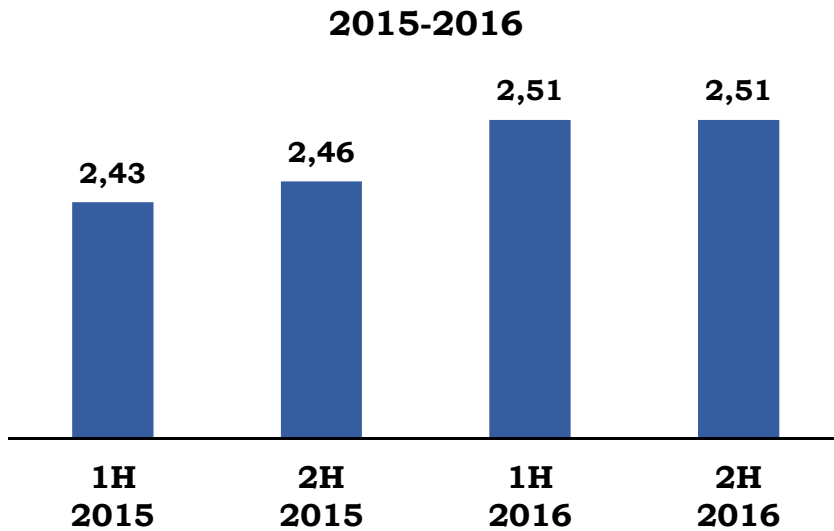
# Gross Profit FY 2015 – FY 2016: an healthy growth



- The positive price/mix effect reflects the Group ability to improve channel and product mix driven by increased brand penetration

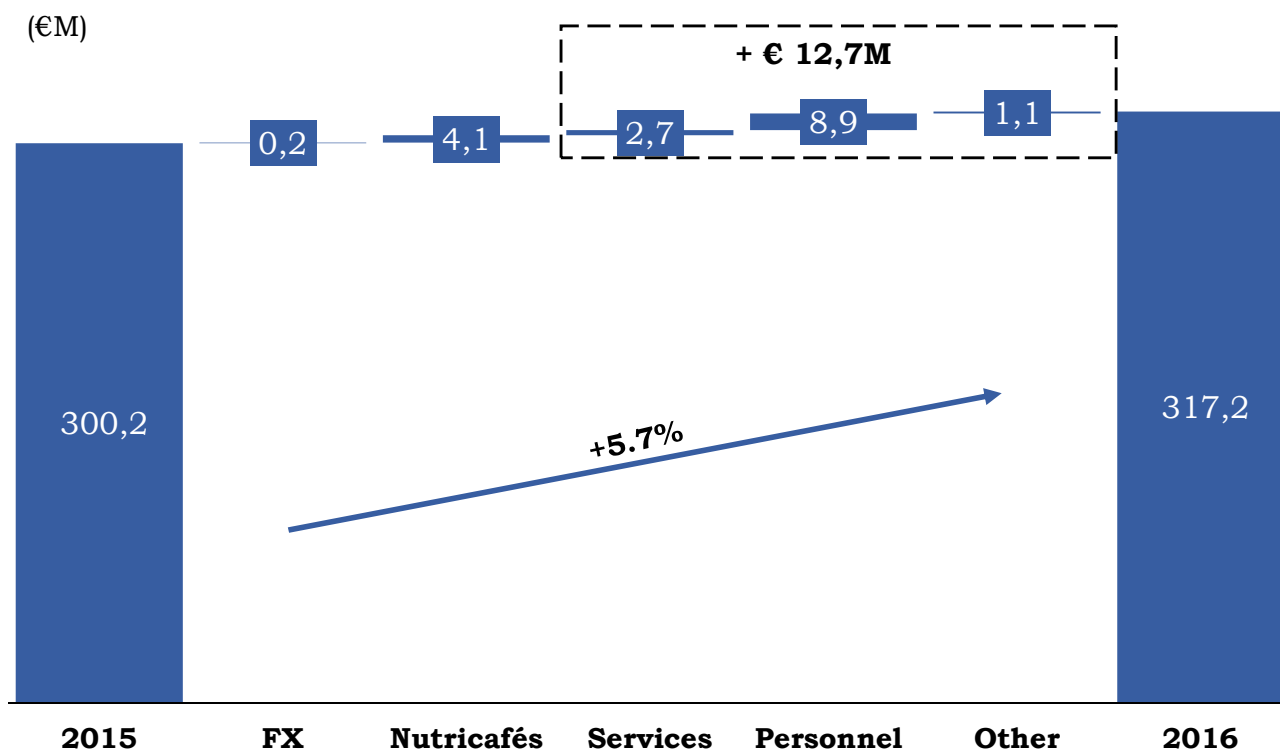
# Organic Gross Profit FY 2015 – FY 2016

Organic Gross Profit (€/kg)



- Gross Profit per kg up 6 cent on annual basis (from 2,45 to 2,51 or +2,5%) notwithstanding the upward trend in Q4 where the increase in Average Purchase Price (APP) was not yet fully reflected in Average Selling Price (ASP).

# OPEX FY 2015 – FY 2016



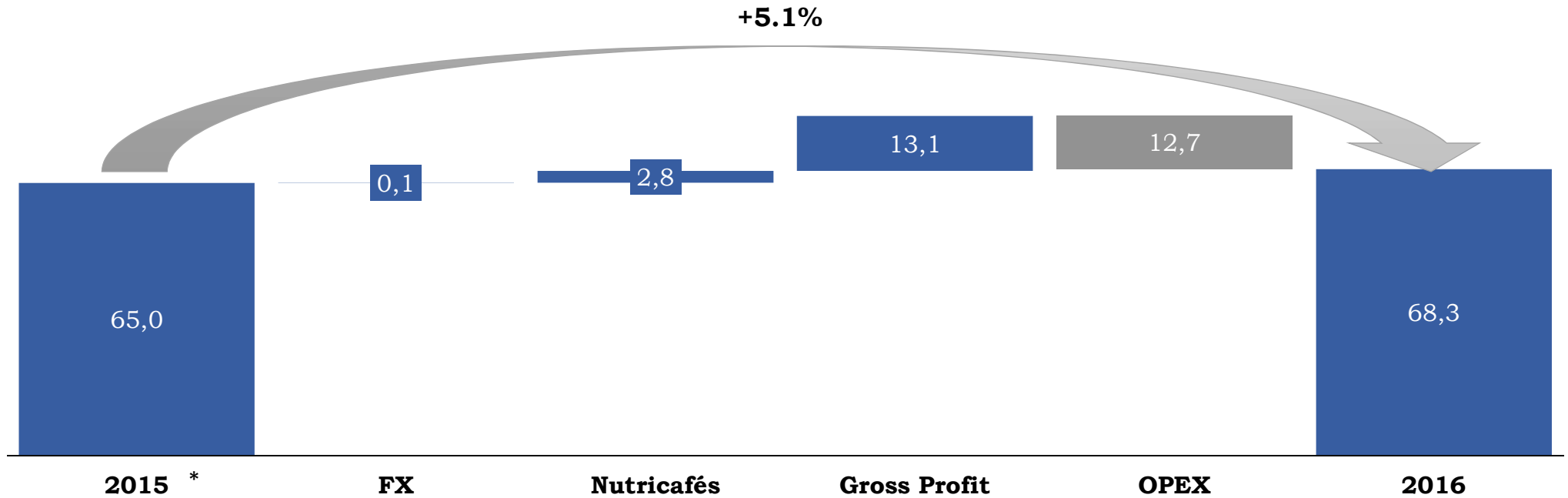
Organic Opex	2016			
	1H	Q3	Q4	TOT
Services	2.3	2.0	(1.6)	2.7
Personnel	7.0	2.8	(0.9)	8.9
Other costs/(rev.)	0.8	-	0.3	1.1
<b>Total</b>	<b>10.1</b>	<b>4.8</b>	<b>(2.2)</b>	<b>12.7</b>

- Opex increased by € 17.0MM (+5.7%) YoY; the Opex organic growth has been of € 12.7 MM (+4.2%)
- In Q4 Opex decreased by € 2.2 MM vs Q4 2015 reversing the trend of the previous quarters



# Adjusted EBITDA FY 2015 – FY 2016

(€M)



\* Adjusted EBITDA

- Adj EBITDA increased by € 3,3M (+5,1%)
- Improvement in Gross Profit margin reinvested in brand awareness and organizational development

# FY 2016 Free Cash Flow

(€M)	2015	2016		
		9M	Q4	YTD
EBITDA	65,0*	46,2	22,1	68,3
Change in NWC	(12,6)	21,1	7,3	28,4
Capex	(26,4)	(21,7)	(7,8)	(29,5)
Tax paid	(7,6)	(4,4)	(3,3)	(7,7)
Other	(5,0)**	3,6	0,7	4,3
<b>FREE CASH FLOW</b>	<b>13,4</b>	<b>44,8</b>	<b>19,0</b>	<b>63,8</b>

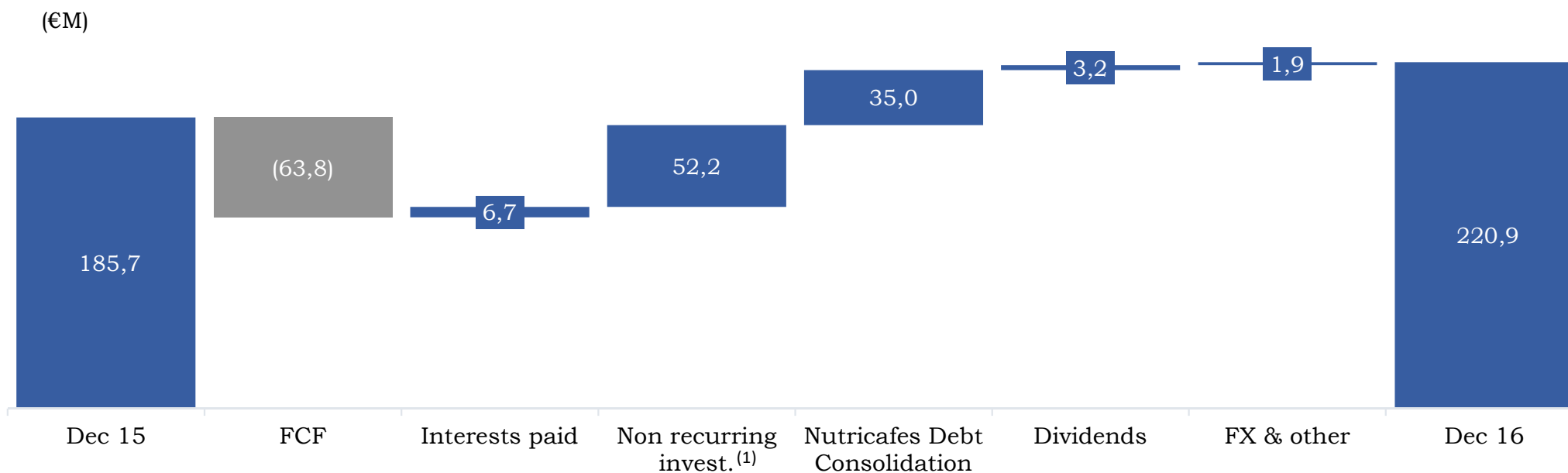
(€M)	2015	2016		
		9M	Q4	YTD
Change in Inventory	(1,2)	8,0	(1,1)	6,9
Change in Receivables	4,8	(15,7)	7,1	(8,6)
Change in Payables	(2,8)	27,0	6,6	33,6
Change other credit/debts	(13,4)	1,8	(5,3)	(3,5)
<b>Change NWC</b>	<b>(12,6)</b>	<b>21,1</b>	<b>7,3</b>	<b>28,4</b>

\* **EBITDA Adjusted**

\*\*including non cash and non recurring costs

- 2016 FCF € 63,8MM (+€ 50,4MM vs2015)
- Change in NWC + € 41.0 MM vs 2015
- Positive change in Payables due to one-time payment terms renegotiation with raw material supplier
- Capex in line with last year

# FY 2016 Net Debt Evolution



Debt profile	December 2015	December 2016
Fixed Interest Rate <sup>(2)</sup>	41%	11%
Variable Interest Rate	59%	89%
Euro	70%	84%
USD	30%	16%

- NFP increased by € 35,2MM driven by net effect of Nutricafes acquisition
- Debt reorganization process continued into Q4

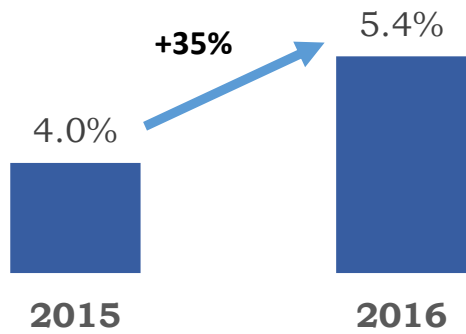
(1) Mainly related to Nutricafés S.A., Club Coffee LP and Segafredo Zanetti WW Italia SpA

(2) After considering the effect of interest rate swap

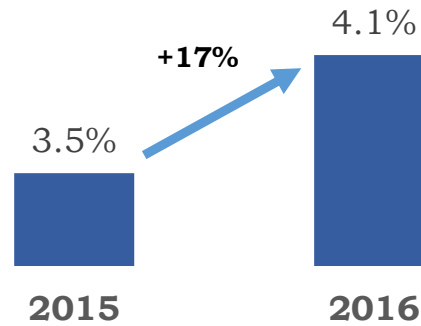


# Financial metrics: creating value to shareholders

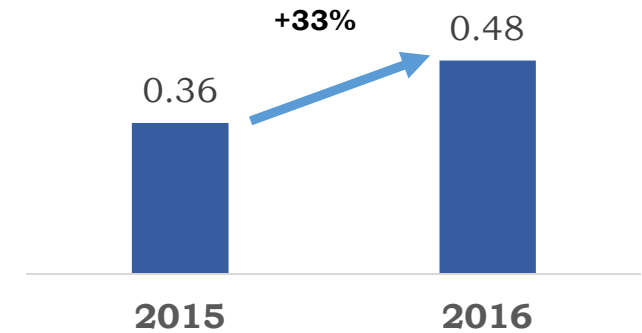
## ROE



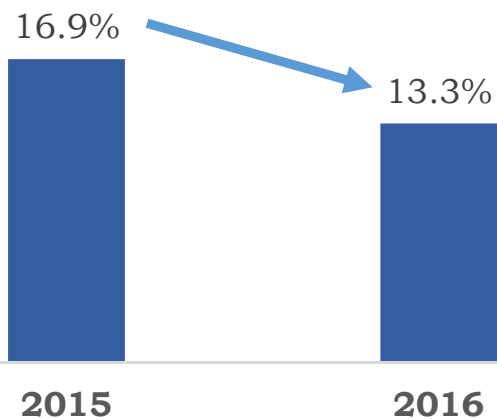
## ROIC



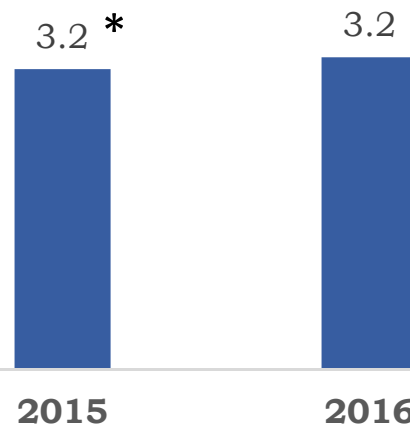
## EPS



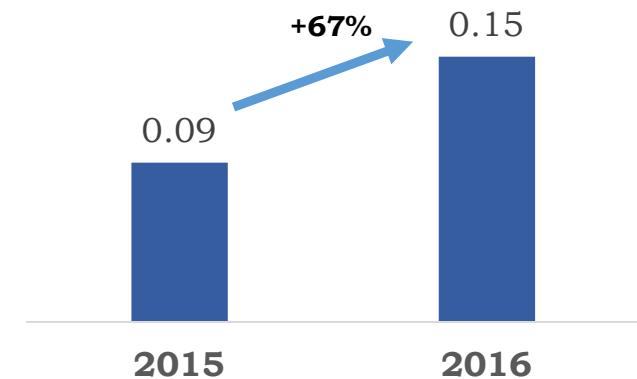
## Working Capital/Revenue



## NET DEBT/EBITDA



## DPS



\* based on unadjusted EBITDA.

## VALUE GENERATION PILLARS

- Higher Brand Awareness
- Café development & expansion



- Higher Sales

- Channel and Product Mix
- Added Value Innovation



- Higher ASP and Gross Margin

- Operational efficiencies
- Target Operating Model



- Improving EBITDA margin



**Higher Value**

## 2016 Financial Results

Volumes +2.9%

Gross Profit +5.6%

EBITDA Adj. +5.1%

NET DEBT €220.9 M

## 2017 Outlook\*

Volumes ~+2.0% - ~+4.0%

Gross Profit ~ +5.0% - ~+7.0%

EBITDA Adj. ~ +10.0% - ~ +12.0%

NET DEBT €< 210.0 M

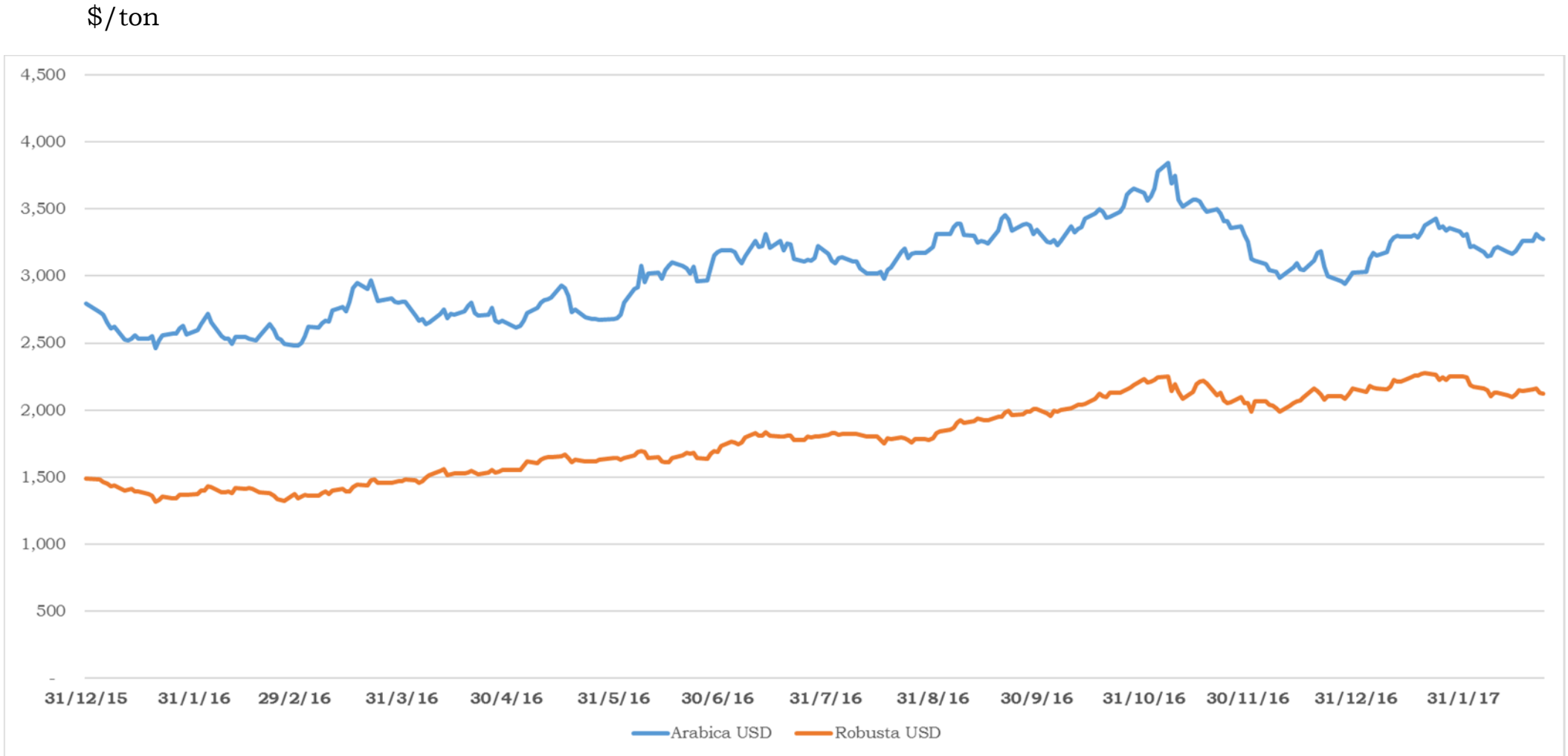
- This guidance does not include any M&A activity as well as any extraordinary events



Appendix

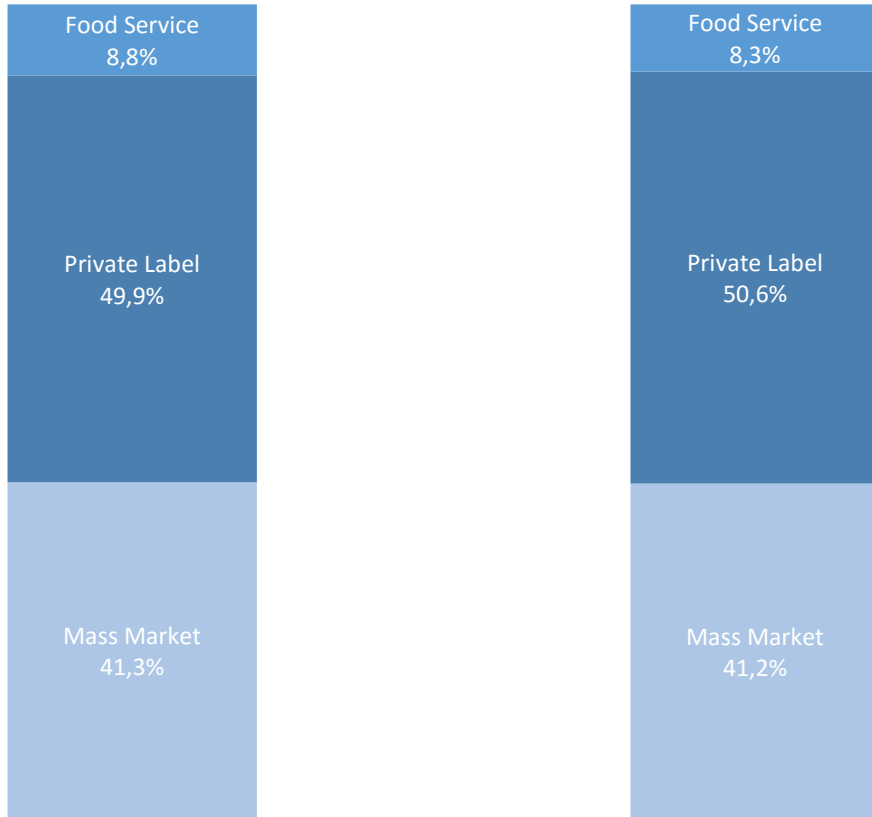


# Green Coffee Price 2016



# FY 2016 Volume Breakdown

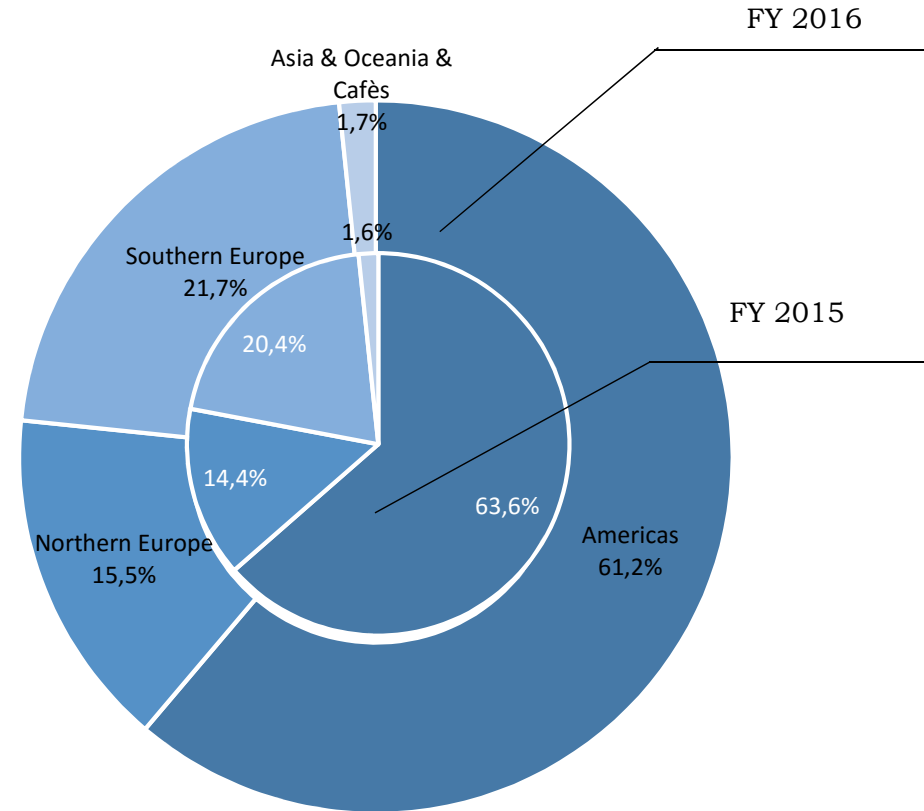
**By Channel (%)**



FY 2016

FY 2015

**By geography (%)**

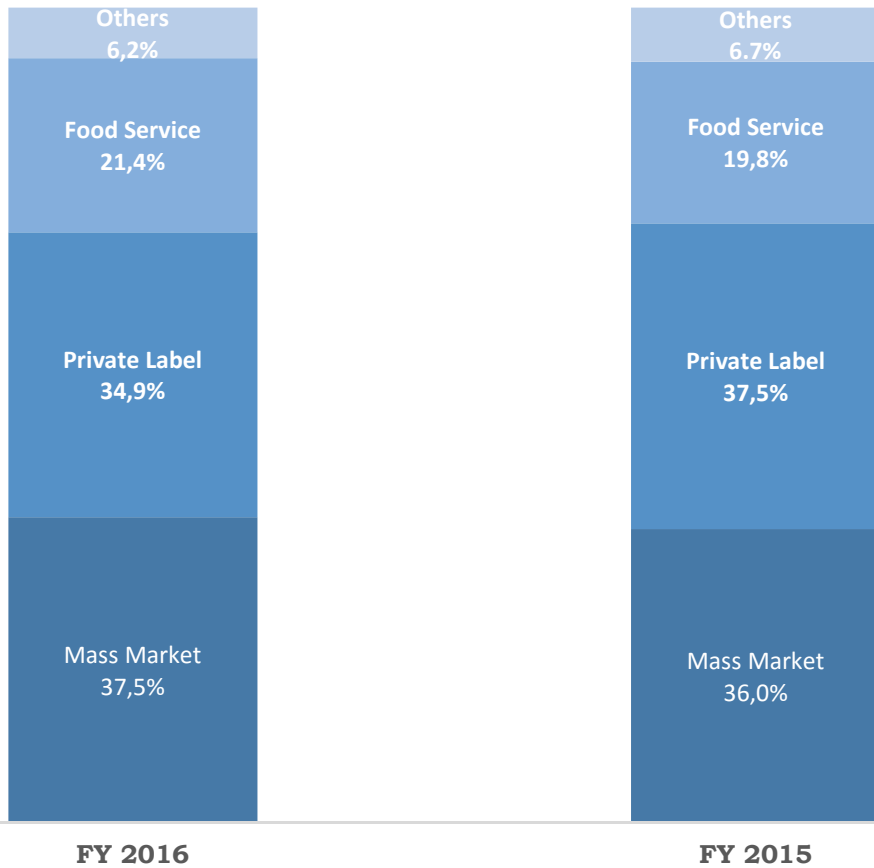


FY 2016

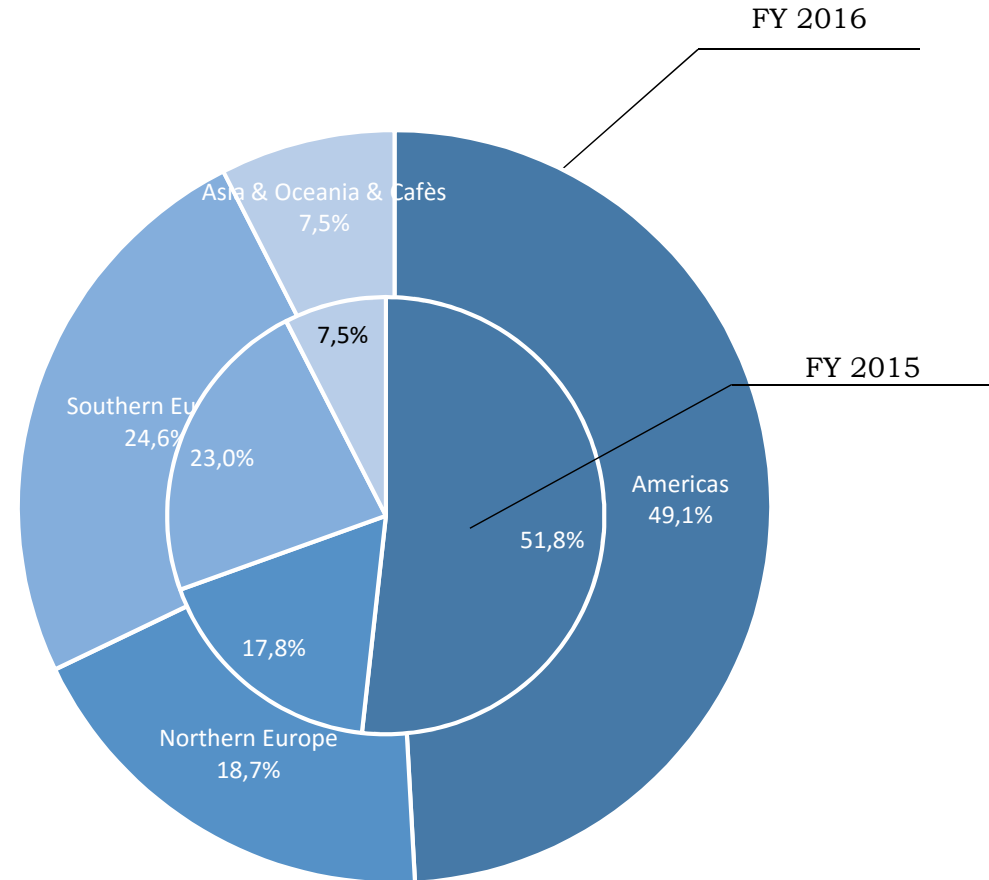
FY 2015

# FY 2016 Revenue Breakdown

**By Channel (%)**

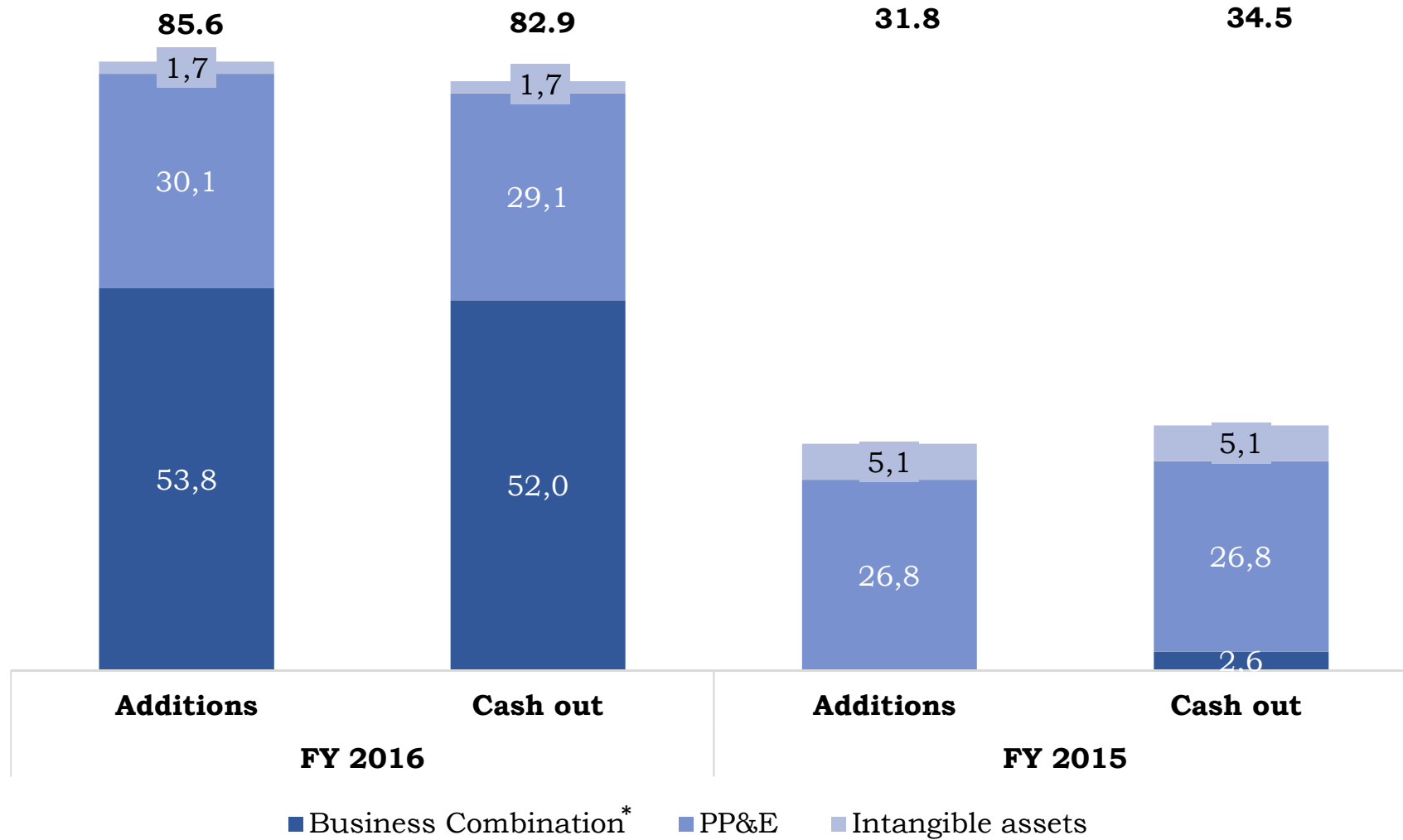


**By geography (%)**



# FY 2016 Capex Profile

(€M)



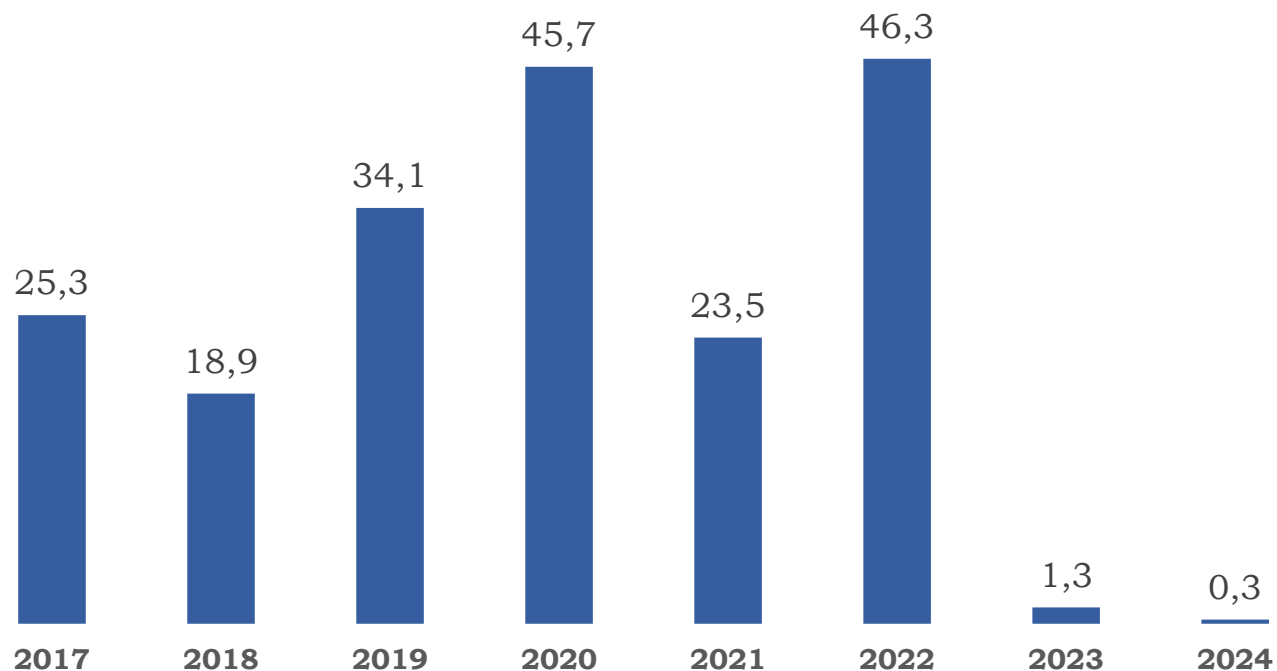
\*Business combination includes investment in JV/associates



# Debt Maturity Profile

Euro/M

## Euro denominated debt



	spread
Line 1	1,05%
Line 2	1,35%
Line 3	1,00%
Line 4	0,80%
Line 5	0,75%
Line 6	0,90%
Line 7	0,90%

- Long term debt as a percentage of total debt moved from 58% in 2015 to 81% in 2016
- US team reviewing new credit facilities

# 2016 Consolidated Income Statement

<i>(in thousands of euro)</i>	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)
<b>Operating profit</b>	<b>34,770</b>	<b>27,030</b>
Finance income	267	179
Finance costs	(7,841)	(8,257)
Profit/(loss) on equity consolidated companies	(110)	(2)
<b>Profit before tax</b>	<b>27,086</b>	<b>18,950</b>
Income tax expense	(10,322)	(7,317)
<b>Profit for the period</b>	<b>16,764</b>	<b>11,633</b>
Profit attributable to:		
<i>Non-controlling interests</i>	178	138
<i>Owners of the parent</i>	16,586	11,495
<b>Earnings per share basic / diluted (in Euro)</b>	<b>0.48</b>	<b>0.36</b>

# 2016 Consolidated Statement of Financial Position

<i>(in thousands of euro)</i>	As of December 31 <sup>st</sup>	
	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/associates	10.943	138
Non-current trade receivables	13.302	13.783
Deferred tax assets	9.799	11.046
Other non-current assets	6.863	5.865
<b>Total non-current assets</b>	<b>454.822</b>	<b>361.959</b>
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
<b>Total current assets</b>	<b>323.724</b>	<b>292.037</b>
<b>Total assets</b>	<b>778.546</b>	<b>653.996</b>
Share capital	34.300	34.300
Other reserves	124.738	121.803
Retained earnings	149.057	135.786
<b>Equity attributable to owners of the parent</b>	<b>308.095</b>	<b>291.889</b>
Non-controlling interests	1.849	1.797
<b>Total equity</b>	<b>309.944</b>	<b>293.686</b>
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
<b>Total non-current liabilities</b>	<b>237.748</b>	<b>140.109</b>
Current borrowings	77.430	113.100
Trade payables	122.209	80.745
Income tax liabilities	644	620
Other current liabilities	30.571	25.736
<b>Total current liabilities</b>	<b>230.854</b>	<b>220.201</b>
<b>Total liabilities</b>	<b>468.602</b>	<b>360.310</b>
<b>Total equity and liabilities</b>	<b>778.546</b>	<b>653.996</b>



# 2016 Consolidated Statement of Cash Flows

<i>(in thousands of Euro)</i>	As of December 31 <sup>st</sup>	
	2016	2015
<b>Profit before tax</b>	<b>27.086</b>	<b>18.950</b>
<b>Adjustments for:</b>		
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)
<b>Net cash generated from operating activities before changes in working capital</b>	<b>72.577</b>	<b>59.963</b>
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)
<b>Net cash (used in) generated from operating activities</b>	<b>86.502</b>	<b>31.131</b>
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
<b>Net cash used in investing activities</b>	<b>(84.909)</b>	<b>(32.644)</b>
Proceeds from borrowings	154.233	43.448
Repayment of borrowings	(94.227)	(94.930)
Increase in short-term loans	(38.929)	(7.621)
Proceeds from sale of shares	-	67.903
Dividends paid to non-controlling interests	(3.211)	(102)
<b>Net cash generated from financing activities</b>	<b>17.866</b>	<b>8.698</b>
Exchange gains on cash and cash equivalents	134	87
<b>Net increase in cash and cash equivalents</b>	<b>19.593</b>	<b>7.272</b>
Cash and cash equivalents at the beginning of the period	25.574	18.302
<b>Cash and cash equivalents at the end of the period</b>	<b>45.167</b>	<b>25.574</b>



# Non-GAAP Measure Reconciliation

<i>((in thousands of Euro))</i>	Year Ended 31 December,	
	2016	2015
Profit for the period	16,764	11,633
Income tax expense	10,322	7,317
Profit/(loss) on equity consolidated companies	110	2
Finance costs	7,841	8,257
Finance Income	(267)	(179)
Amortization, depreciation and impairment(1)	33,537	31,237
<b>EBITDA (2)</b>	<b>68,307</b>	<b>58,267</b>
IPO costs	-	3,053
German Antitrust fine	-	3,700
<b>Adjusted EBITDA (2)</b>	<b>68,307</b>	<b>65,020</b>

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

(2) Non-GAAP Measures

# Non-GAAP Measure Reconciliation

<i>((in thousands of Euro))</i>	Year Ended 31 December,	
	2016	2015
Profit for the period	16,764	11,633
Total Equity	309,944	293,686
<b>Return On Equity</b>	<b>5,4%</b>	<b>4,0%</b>

<i>((in thousands of Euro))</i>	Year Ended 31 December,	
	2016	2015
Profit Before Taxes	27,086	18,950
Income Taxes	10,322	7,317
Tax Rate	38,1%	38,6%
Operating Profit	34,770	27,030
<b>NOPAT = Operating Profit x (1-tax rate)</b>	<b>21,523</b>	<b>16,596</b>
Total Equity	309,944	293,686
Net Debt	220,885	185,672
<b>Capital Invested (C.I.)</b>	<b>530,829</b>	<b>479,358</b>
<b>ROIC = NOPAT/C.I.</b>	<b>4,1%</b>	<b>3,5%</b>

# Non-GAAP Measure Reconciliation

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

# Non-GAAP Measure Reconciliation

<b>Net Working Capital</b>	<b>At December 31st</b>	<b>At December 31 st</b>
<i>(in thousands of Euro)</i>	<b>2016</b>	<b>2015</b>
<b>Inventories</b>	132,858	134,807
<b>Trade receivables</b>	126,081	115,950
<b>Income tax assets</b>	1,611	3,242
<b>Other current assets</b>	14,512	12,272
<b>Trade payables</b>	(122,209)	(80,745)
<b>Income tax liabilities</b>	(644)	(620)
<b>Other current liabilities</b>	(30,571)	(25,736)
<b>Net working capital</b>	<b>121,638</b>	<b>159,170</b>



# Massimo Zanetti

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## Q&A Session

