MASSIMO ZANETTI
BEVERAGE GROUP

9M 2017 Results
Massimo Zanetti Beverage Group

Villorba, 9th of November, 2017

Safe Harbour Statement

This document, and in particular the section entitled “2017 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,

Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements to reflect events or circumstances occurring after the date hereof, Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with Borsa Italiana S,p,A, and CONSOB,

This document does not constitute an offer to sell or the solicitation of an offer to buy the Company’s securities, nor shall the document for the basis of or be relied on in connection with any contract or investment decision relating thereto, or constitute a recommendation regarding the securities of the Company, The Company’s securities referred to in this document have not been and will not be registered under the U,S, Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements,

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

9 Months 2017 Key Highlights

- Another strong quarter for our **Food Service channel**, up almost 15% YoY;
- Merger of **Nutricafés and Segafredo Zanetti Portugal** successfully completed;
- **Cost reductions and efficiency improvements** beginning to show a positive trend in Opex reduction;

- **9M Revenue grew 6%** despite some unfavourable market conditions as some major economies grapple with stagnating growth;
- Positive contribution from price mix more than offset decline in volumes;
- Adjusted EBITDA increased by 6.6% YoY reaching € 49.2 million
- **Net income** at € 8.2 million;
- Slight revision of FY Outlook in terms of Volumes

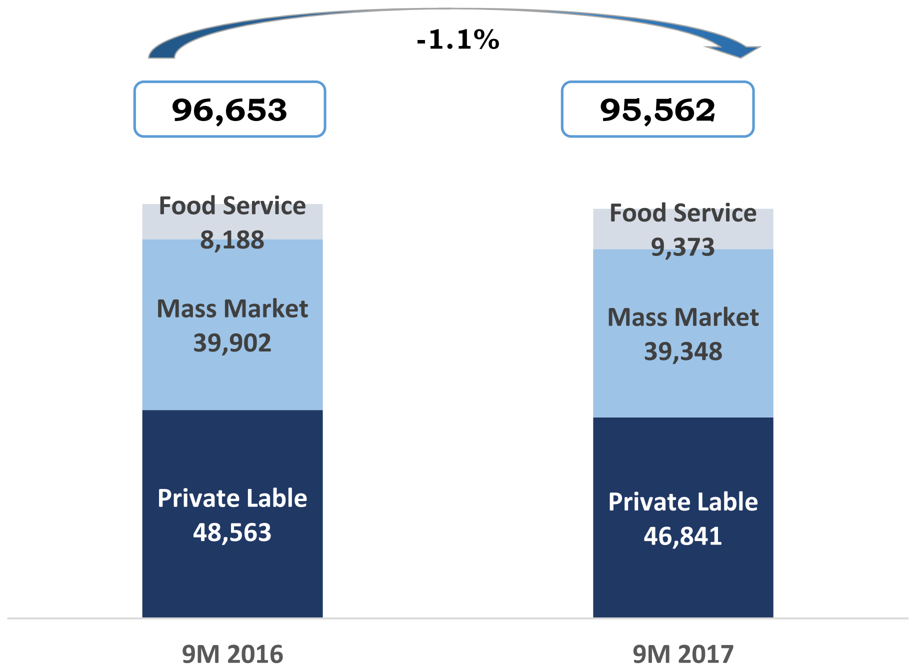
Financial Highlights

Volumes	95,562 tons	**-1.1%**
	Food Service: +14.5% Mass Market: - 1.4% Private Label: - 3.5%	
Revenue	€ 708.5M	**+5.6%**
	Food Service growth +11.0%	
Gross Profit	€ 292.1M	**+2.9%**
ADJ. EBITDA*	€ 49.2M	**+6.6%**
NET DEBT	€ 240.8M **vs**	**€ 220.9M**

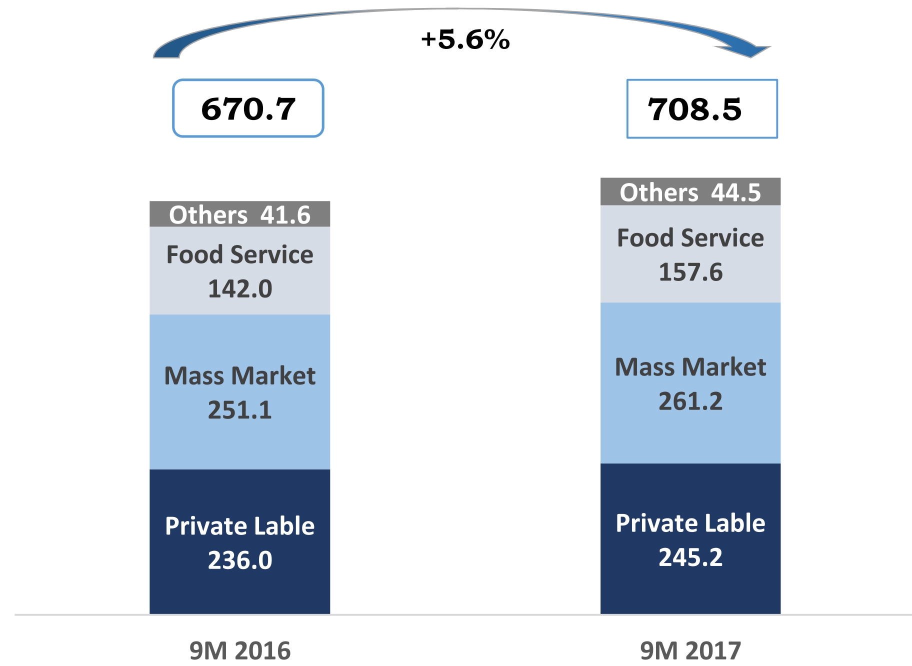
** EBITDA as reported € 47.4M +2.8%*

Volumes and Revenue by Channel: Mix Improving

Roasted coffee volumes sold by distribution channel (in Tons)



Revenue by distribution channel (in Euro M.)



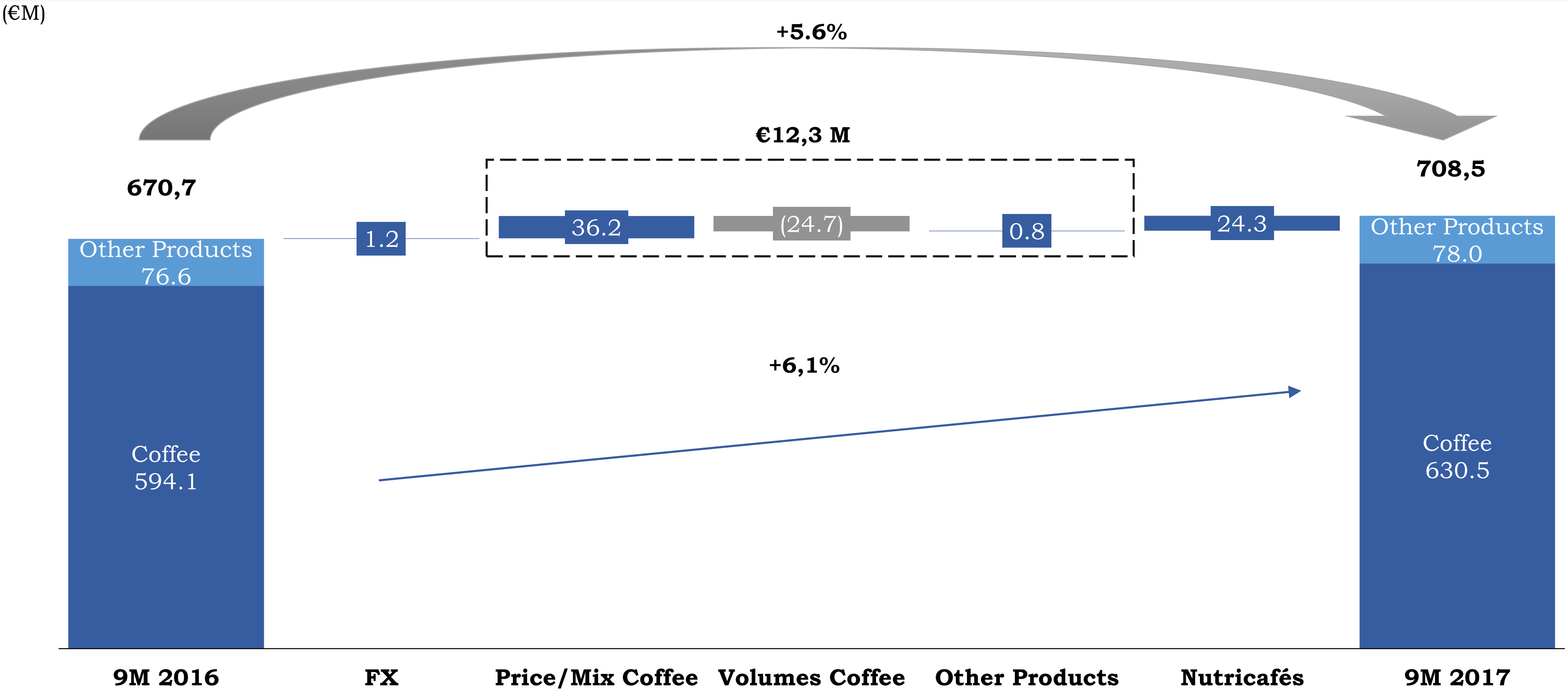
Single Serve: Volumes +56.6%

- **Food Service: +14.5%,** driven by solid growth growth in Europe and Asia. Food service accounts for 9.8% of total volumes.
- **Mass Market: -1.4%,** mainly driven by softness in America. Mass Market accounts for 41.2% of total volumes.
- **Private Label: -3.5%** mainly led by the US customer loss. Private Label accounts for 49.0% of total volumes.

Single Serve: Revenue +34.2%

- **Food Service: +11.0%**
- **Mass Market: +4.0%**
- **Private Label: +3.9%**

Revenue Bridge: Branded Revenues Increase



- Price/Mix and channel growth more than offsets softness in volumes

Americas

KEY FACTS

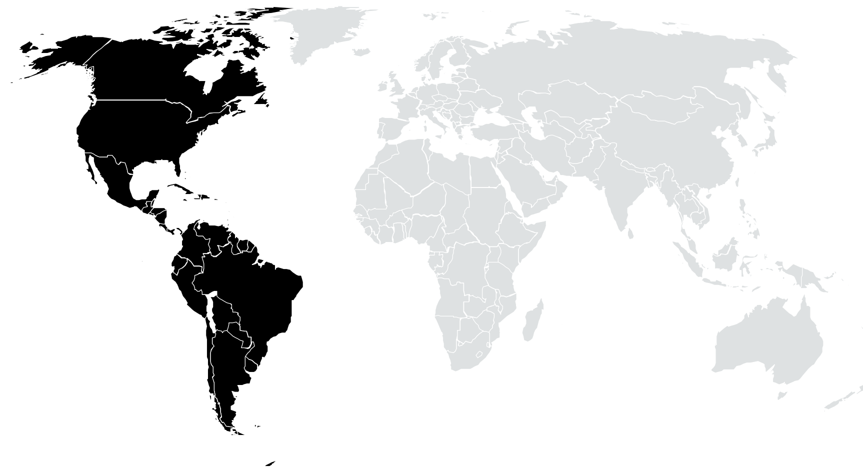
	9M 2017	9M 2016	Delta %
Volume - Tons	56,412	59,740	-5.6%
Revenue – Euro M	334.8	331.5	+1.0%

- Volumes impacted from Private Label YoY customer changes;
- Food Service branded volume and revenues up 6% in key National and OCS accounts;
- Mass Market consumption trends unfavorable in Q3 as consumers shifts more spending to Food Service segments;
- Single Serve growth continues its positive trend and is outpacing the market;
- Central America volumes and revenues benefiting from new product placements and a relaunch with major customers;
- Improving compostable distribution of single serve in Canada

UPDATES

- Launched Chock Full o' Nuts Cuban roast
- E-commerce new platform implemented with revenues up 35%
- Segafredo "Coffee Now Crafted Here" program launched with premium range of products;
- New Segafredo Café concept opened at strategic customer headquarters
- New, multiple "Cold Brew" products to be presented in Q4
- New line of Estate Coffee line currently launching in Costa Rica

MARKET: 59.0% of total volume



NEW LAUNCHES

Northern Europe

KEY FACTS

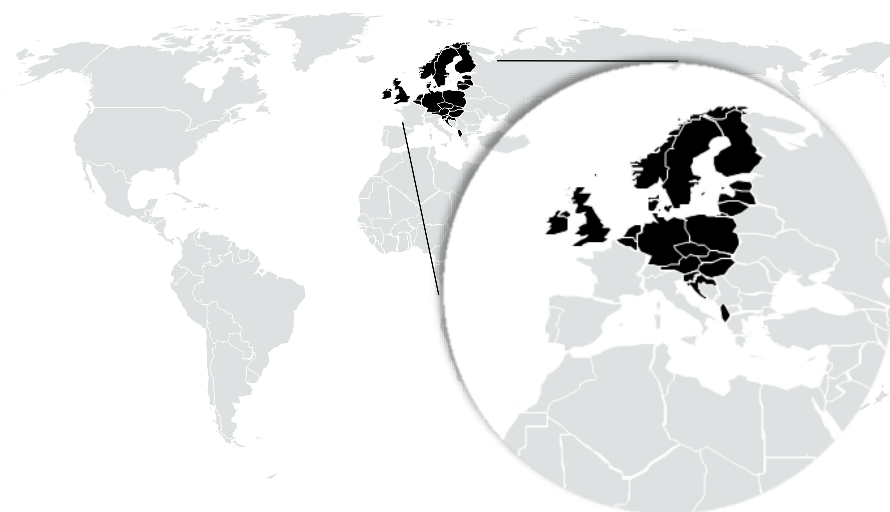
	9M 2017	9M 2016	Delta %
Volume – Tons	15,326	15,318	+0,1%
Revenue – Euro M	134.7	128.4	+4.9%

- Positive Volume and ASP trend in key Countries driven by both Food Service and Mass Market;
- Food Service continues to track strongly thanks to new Traditional Customer acquisitions;
- Key Food Service customer running coffee chain in UK up and running in record time;
- For Mass Market another strong Quarter driven by Finland activations in Coffee and Spices

UPDATES

- Continued development and expansion of sustainable platform via Segafredo Organic and TikTak Double certificate;
- Driving 'Take on Value' opportunity via Speciale line relaunch;
- Leveraging Barista Schools network;
- Strong traction of New Products in Finland with Kulta Katrina Darker Dark and Fair Trade;
- Segafredo Selezione Crema and Espresso relaunch in Austria, Germany and Netherland and introduction in Poland;
- Introduction of new Segafredo Selezione Organica in all markets

MARKET: 16.0% of total volumes



NEW LAUNCHES

Southern Europe

KEY FACTS

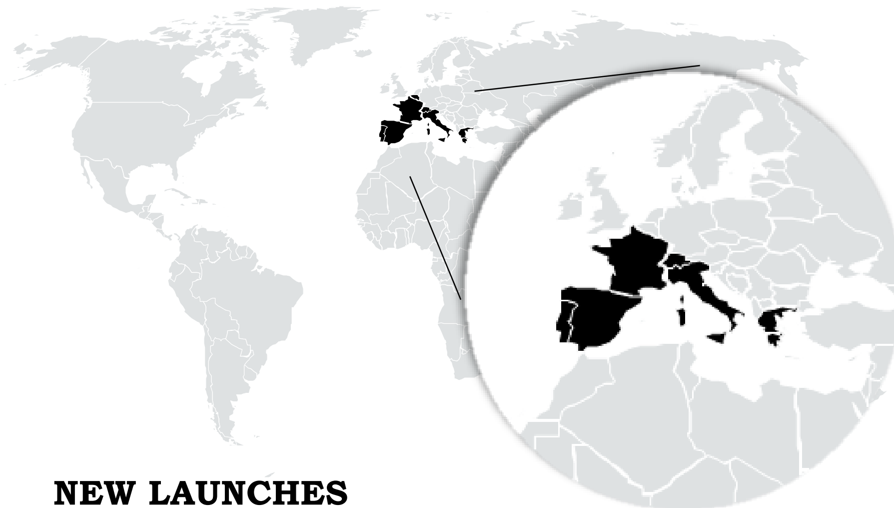
	9M 2017	9M 2016	Delta %
Volume – Tons	21,908	20,038	+9.3%
Revenue – Euro M	182.7	159.8	+14.4%

- Volumes up 9.3% in all distribution channels, driven mainly by Food Service growing at +29.6%;
- ASP up 6.8% vs PY;
- Remarkable growth of single serve: +123% vs PY; of which 80 Million capsules sold in Portugal only;
- Mass Market volumes slightly down in Italy, whilst Segafredo brand up + 4.7%, smooth organization structure planned – mainly at sales and logistic level; some actions in terms of efficiency improvements undertaken

UPDATES

- Segafredo Zanetti Portugal and Nutricafés merge finalized and new MZB Iberia established in September;
- Launch of Nicola «*Dolce Gusto*» compatibles in Sonae (20% of MM);
- National launch of Chave d'Ouro "*Dolce Gusto*" compatibles;
- The newly created low cost airline by the major French airline company, has selected Segafredo Bio for on its board service;
- In France continues our "premiumization" in Food Service: Theodore restaurant under Paul Bocuse supervision.

MARKET: 22.9% of total volumes



NEW LAUNCHES

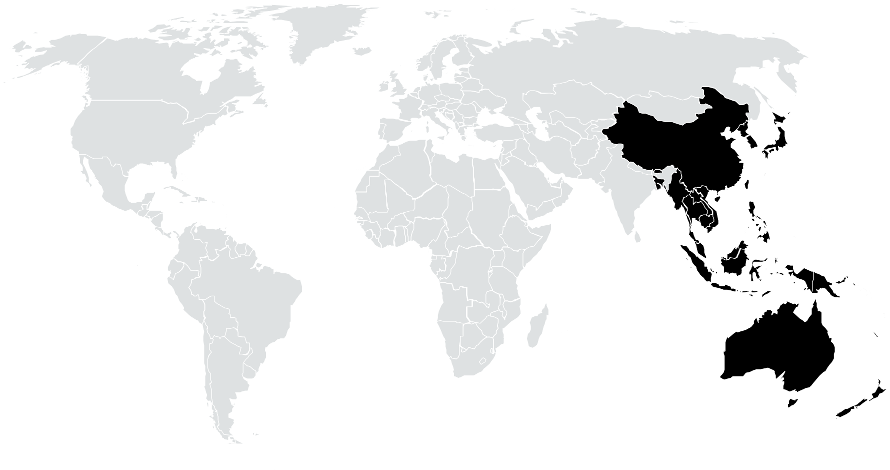
Asia, Pacific and Cafés

KEY FACTS

	9M 2017	9M 2016	Delta %
Volume - Tons	1,916	1,557	+23.1%
Revenue – Euro M	56.4	51.0	+10.5%

- **Volumes** up in all distribution channels:
  - Food Service up led by Thailand and Cambodia;
  - Mass Market double digit growth thanks to Middle East and Hong Kong;
  - Single serves continue to grow;
- **Coffee Revenues** growth despite of price pressure;
- **Coffee Machines** sales up thanks to Cambodia Thailand and Australia.

MARKET: 2.0% of total volumes

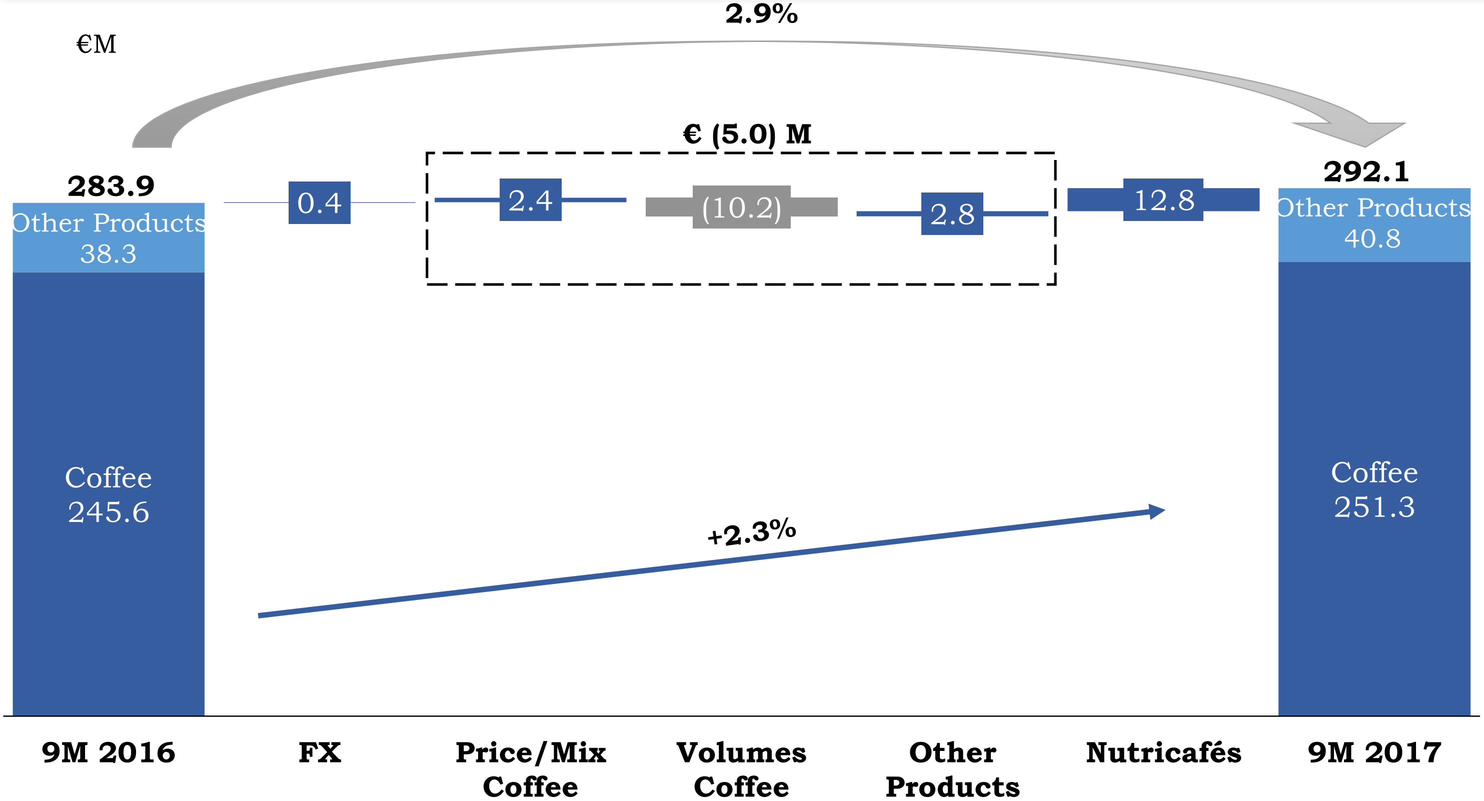


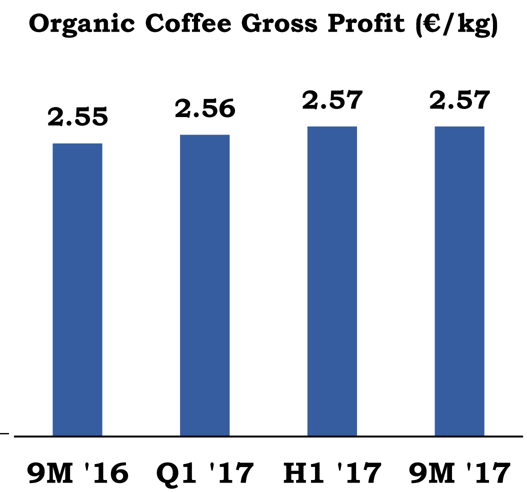
UPDATES

- **M&A**: Boncafe Group acquired last 1st September PT Caswell's Indonesia in Jakarta;
- **Asian Sustainable Coffee Distribution**: Mocha Java and Java Arabica new coffee products developed;
- **Cafè**: New openings at Cairo International Airport, Thailand –Phuket- and London -West Hampstead Railway

NEW LAUNCHES

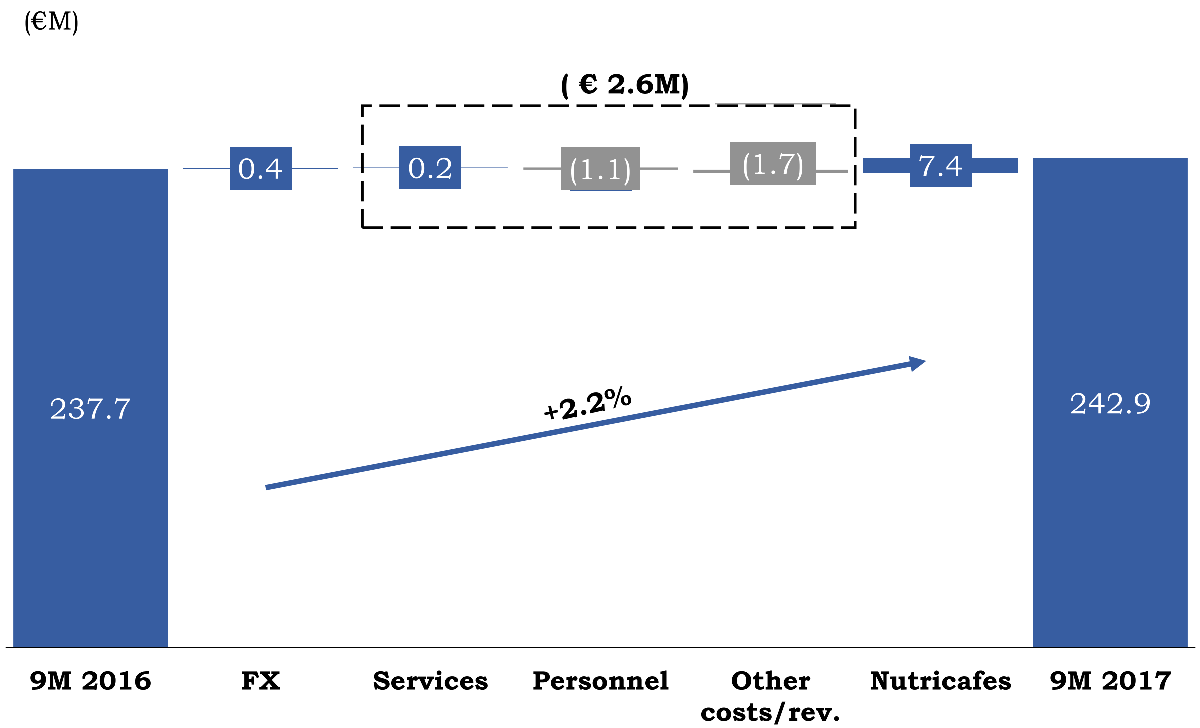
Gross Profit: €/kg stabilizing





- Organic Coffee GP €/Kg is in line with 1H results

OPEX: decreasing like for like

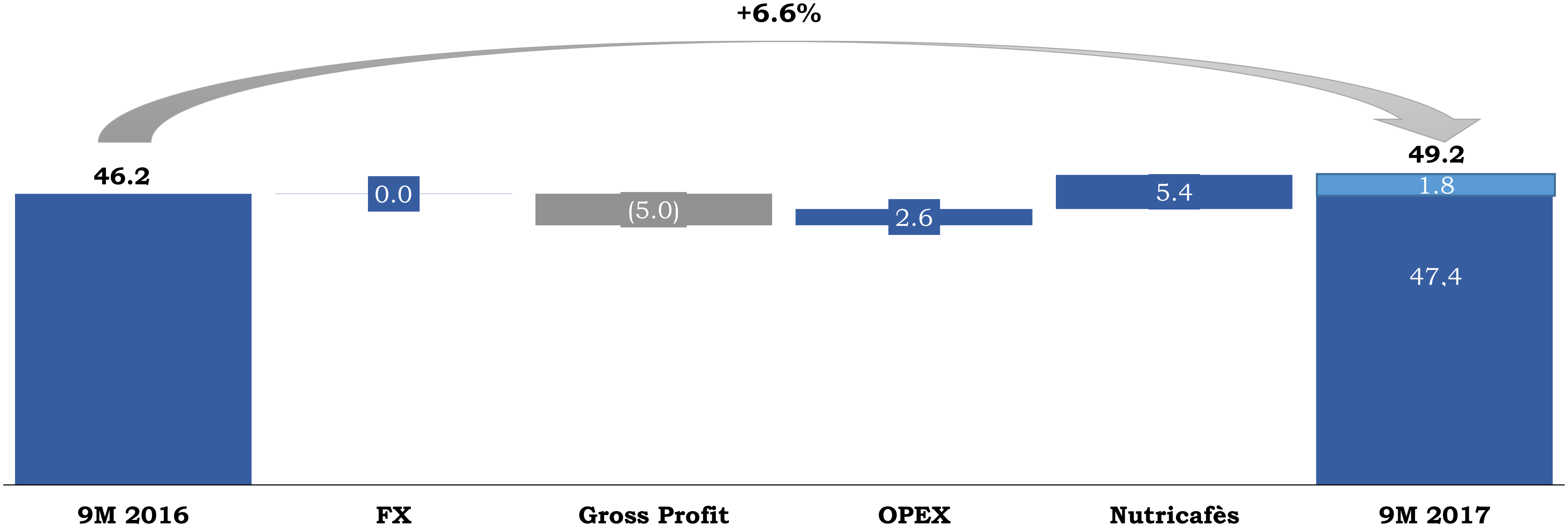


Organic Opex	H1 17	Q3 17	9M 17
Services	2.5	(2.3)	0.2
Personnel	(0.4)	(0.7)	(1.1)
Other costs/ (revenues)	(1.0)	(0.7)	(1.7)
Total	**1.1**	**(3.7)**	**(2.6)**

- Organic OPEX down € 2.6M mainly related to personnel and other costs/ revenues

ADJ EBITDA

(€M)



- ADJ EBITDA € + 3.0M.
- Non recurring cost of € 1.8M related to the reorganization in the Iberia peninsula

Free Cash Flow

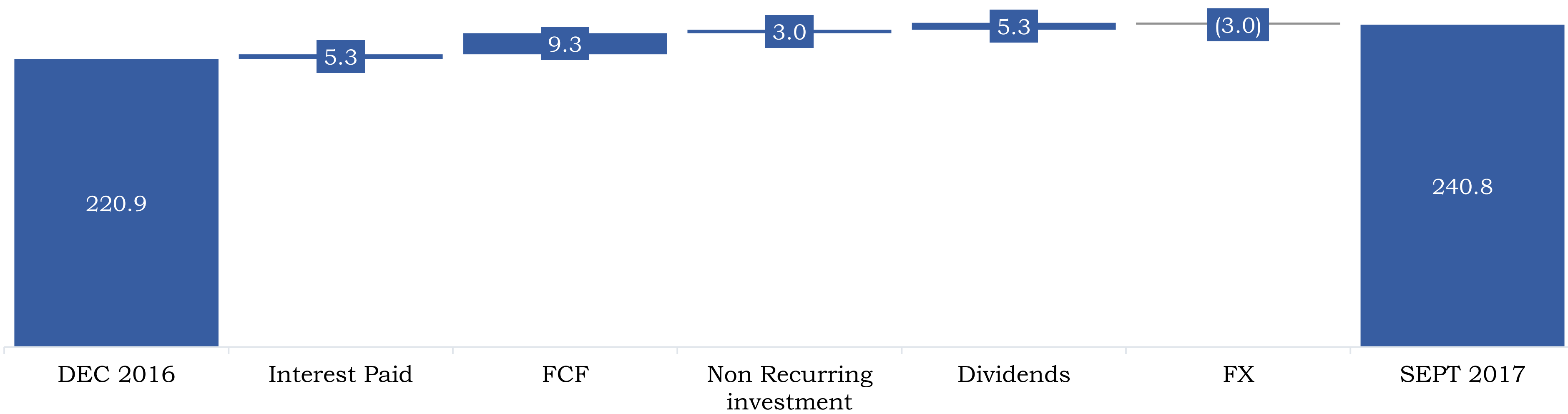
(€M)	9M 2016	H1 2017	9M 2017
EBITDA	46.2	29.1	49.2
Change in NWC	21.2	(25.2)	(28.6)
CAPEX	(21.8)	(19.1)	(26.2)
Taxes	(4.4)	(2.8)	(4.0)
Others	3.6	1.9	0.3
FREE CASH FLOW	**44.8**	**(16.1)**	**(9.3)**

(€M)	9M 2016	2017	
		H1	9M
Change in Inventory	8.0	(15.4)	(17.5)
Change in Trade Receivables	(15.7)	(13.0)	(11.5)
Change in Trade Payables	27.0	2.5	1.2
Change in other Assets/Liabilities	1.9	0.7	(0.8)
Change in Net Working Capital	**21.2**	**(25.2)**	**(28.6)**

- FCF improved vs H1 2017 although still affected by change in NWC

Net Financial Position

(€M)



Debt Profile	December 2016	Sept 2017
Fixed Interest Rate (1)	11%	44%
Variable Interest Rate	89%	56%
EURO	84%	87%
USD	16%	13%

- Net Debt impacted by Free Cash Flow and M&A

(1) After considering the effect of Interest Rate Swap

2017 Outlook

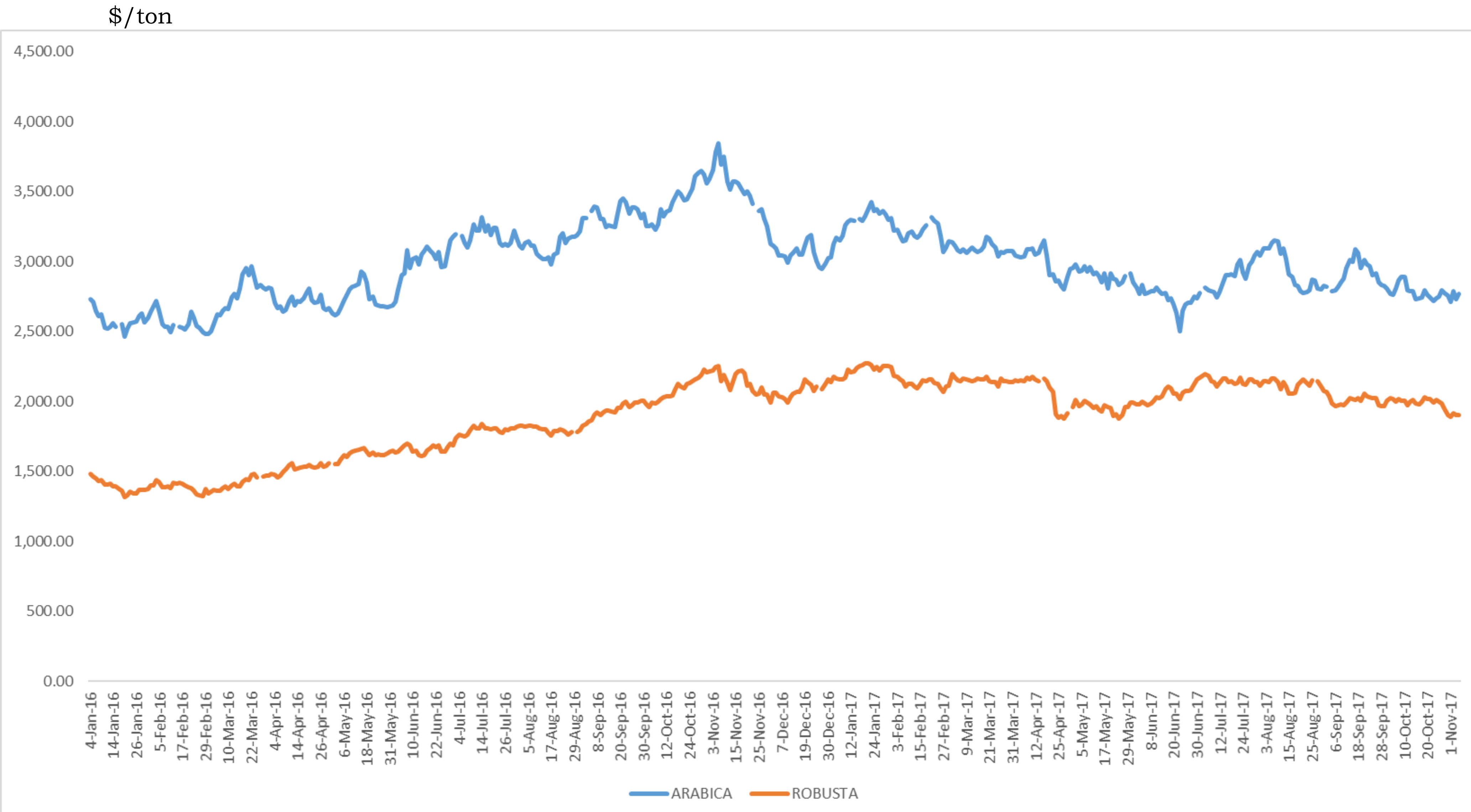
9M 2017 Financial Results		2017 New Outlook*	
Volumes	-1.1% vs 9M 2016	Volumes	Stable vs 2016 (Prior : +2.0% +4.0%)
Gross Profit	+2.9% vs 9M 2017	Gross Profit	+5.0% - +7.0%
Adj EBITDA	+6.6% vs 9m 2016	Adj EBITDA	+10.0% - +12.0%
NET DEBT	€240.6 M	NET DEBT	€< 210.0 M

- This guidance does not include any M&A activity as well as any extraordinary events
- Adj EBITDA does not include non recurring costs and/or extraordinary expenses

(1)* Assuming FX consistent with current market conditions

Appendix

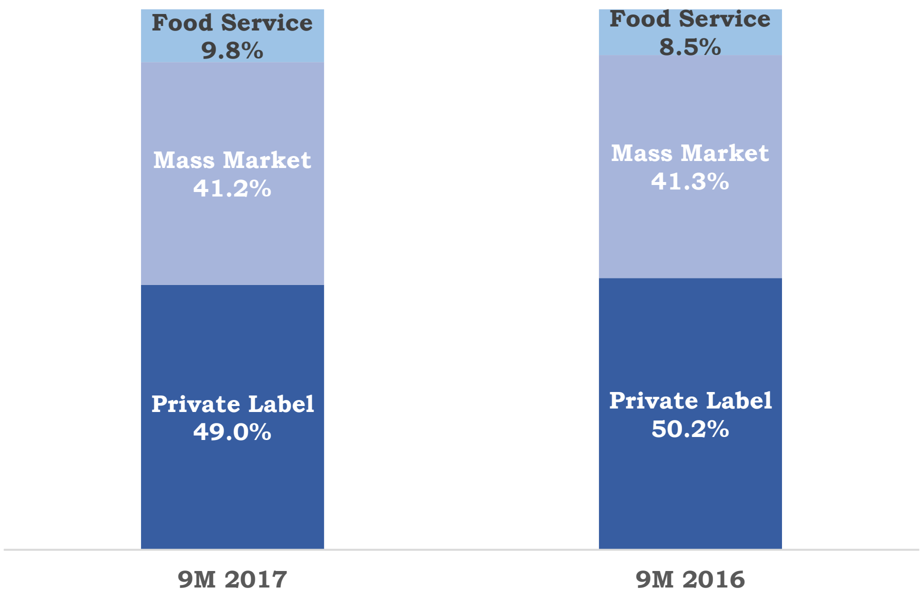
Green Coffee Price



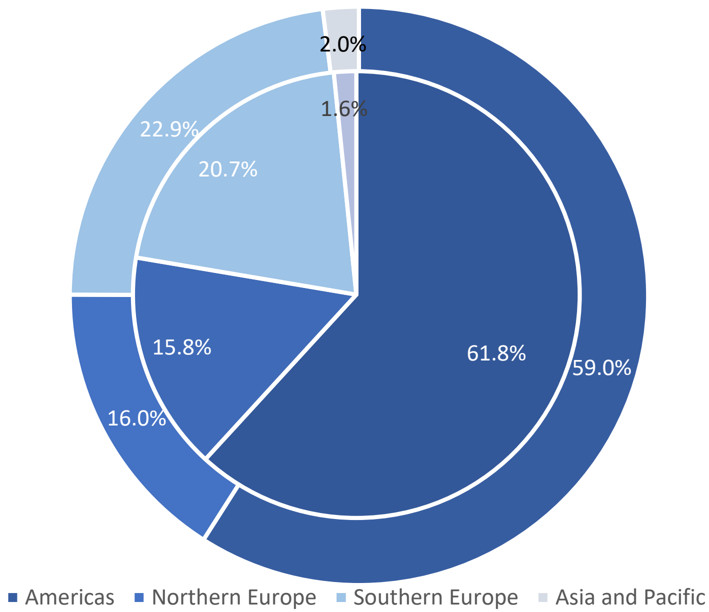
Source: Thomson Reuters Eikon

Volume Breakdown

By Channel (%)



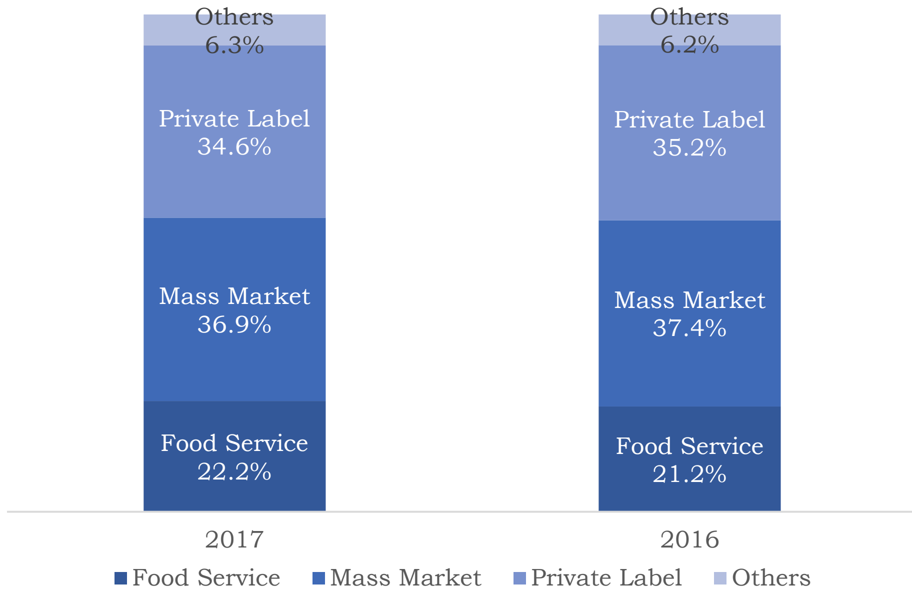
By geography (%)



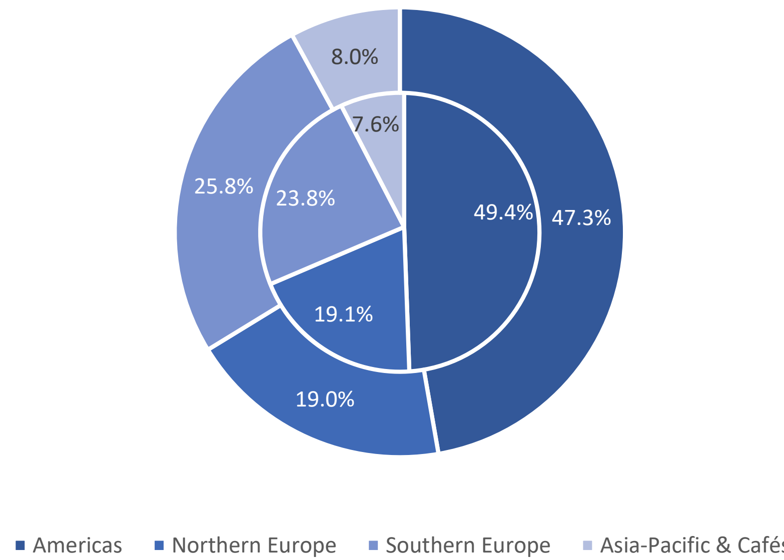
Internal pie: 9M 2016 data
External pie: 9M 2017 data

Revenue Breakdown

By Channel (%)



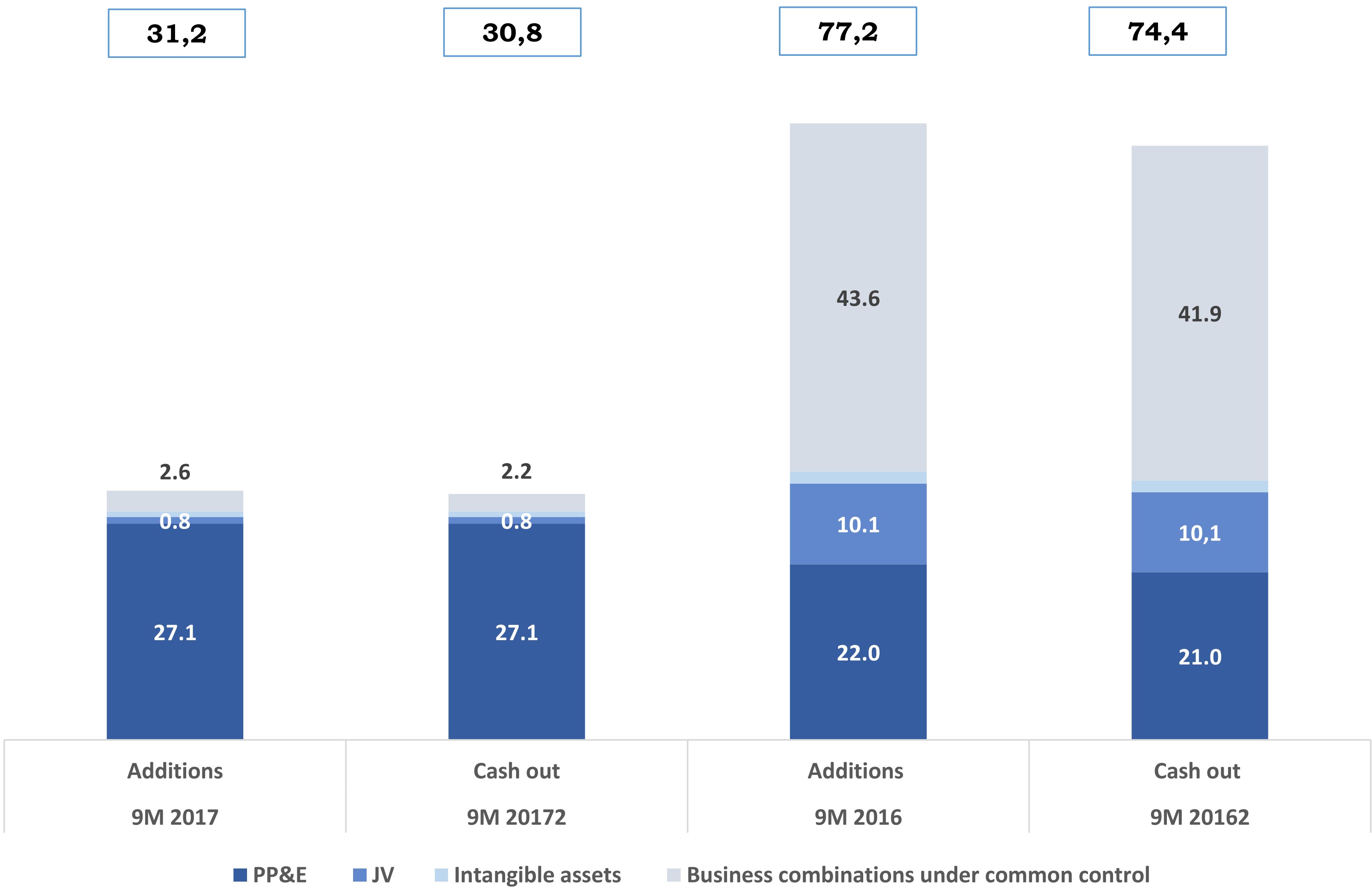
By geography (%)



Internal pie: 9M 2016 data
External pie: 9M 2017 data

Capex Profile

(€M)



Consolidated Income Statement

(in thousands of euro)	Nine months ended Sept 30, 2017	2016
Revenue	708,514	670,696
Other income	5,376	4,420
Purchases of goods	(416,457)	(386,840)
Purchases of services, leases and rentals	(134,908)	(130,360)
Personnel costs	(107,849)	(103,610)
Other operating costs	(5,175)	(4,965)
Amortization, depreciation and impairment	(29,698)	(27,186)
Operating profit	**19,803**	**22,155**
Finance income	205	200
Finance costs	(6,191)	(5,240)
Profit/(loss) on equity consolidated companies	(469)	(82)
Profit before tax	**13,348**	**17,033**
Income tax expense	(5,140)	(6,491)
Profit for the period	**8,208**	**10,542**
Profit attributable to:		
Non-controlling interests	*144*	*138*
Owners of the parent	*8,064*	*10,404*
Earnings per share basic / diluted (in Euro)	**0.24**	**0.30**

Consolidated Statement of Financial Position

(in thousands of Euro)	As at September 30 2017	As at December 31 2016 *
Intangible assets	184,092	190,943
Property, plant and equipment	214,292	220,173
Investment properties	4,241	4,319
Investments in joint ventures and associates	10,153	10,943
Non-current trade receivables	3,745	4,129
Deferred tax assets	12,196	10,279
Other non-current assets	15,470	16,036
Total non-current assets	**444,189**	**456,822**
Inventories	144,204	132,858
Trade receivables	125,753	120,074
Income tax assets	2,423	1,611
Other current assets	19,327	22,014
Cash and cash equivalents	54,884	45,167
Total current assets	**346,591**	**321,724**
Total assets	**790,780**	**778,546**
Share capital	34,300	34,300
Other reserves	99,601	124,738
Retained earnings	156,571	149,057
Equity attributable to owners of the Parent	290,472	308,095
Non-controlling interests	2,060	1,849
Total equity	**292,532**	**309,944**
Non-current borrowings	209,740	192,117
Employee benefits	9,251	9,268
Other non-current provisions	3,218	3,949
Deferred tax liabilities	28,068	29,069
Other non-current liabilities	3,569	3,345
Total non-current liabilities	253,846	237,748
Current borrowings	89,382	77,430
Trade payables	119,693	122,209
Income tax liabilities	1,542	644
Other current liabilities	33,785	30,571
Total current liabilities	244,402	230,854
Total liabilities	**498,248**	**468,602**
Total equity and liabilities	**790,780**	**778,546**

*The items of current and non-current receivables from clients, intangible assets and deferred tax assets have been reclassified to improve comparability with the corresponding balances as at 30 September 2017

MASSIMO ZANETTI BEVERAGE GROUP

Consolidated Statement of Cash Flows

	Nine months ended September 30	
(in thousands of euro)	2017	2016
Profit before tax	**13,348**	**17,033**
Adjustements for:		
Depreciation, amortization and impairment	29,698	27,186
Provisions for employee benefits and other charges	590	421
Finance expenses	5,986	5,122
Other non-monetary items	(157)	(37)
Net cash generated from operating activities before changes in working capital	**49,465**	**49,725**
Decrease/(Increase) in inventory	(17,445)	7,974
Decrease/(Increase) in trade receivables	(11,520)	(15,717)
(Decrease)/Increase in trade payables	1,156	26,995
Changes in other assets/liabilities	(348)	2,755
Payments of employee benefits	(401)	(851)
Interest paid	(5,309)	(5,164)
Income tax paid	(4,047)	(4,358)
Net cash generated from operating activities	**11,551**	**61,359**
Acquisition of subsidiary, net of cash acquired	(2,583)	(39,288)
Acquisition under common control, net of cash acquired	-	(2,624)
Purchase of property, plant and equipment	(27,078)	(20,956)
Purchase of intangible assets	(656)	(1,457)
Proceeds from sale of property, plant and equipment	1,561	528
Proceeds from sale of intangible assets	6	122
Investment in join venture and associates	(840)	(10,139)
Increase in financial receivables	419	(278)
Interest received	69	9
Net cash used in investing activities	**(29,102)**	**(74,083)**
Proceeds from long-term borrowings	41,681	129,000
Repayment of long-term borrowings	(23,524)	(65,531)
Increase/(decrease) in short-term loans	15,259	(26,669)
Share capital increase	-	-
Dividend paid	(5,305)	(3,087)
Net cash generated (absorbed) from financing activities	**28,111**	**33,713**
Exchange gains/(losses) on cash and cash equivalents	(843)	(192)
Net increase in cash and cash equivalents	**9,717**	**20,797**
Cash and cash equivalents at the beginning of the year	45,167	25,574
Cash and cash equivalents at the end of the year	**54,884**	**46,371**

Non-GAAP Measure Reconciliation

	Nine months ended September 30,				Change	
(in thousands of Euro)	**2017**	**(*)**	**2016**	**(*)**	**2017-2016**	
Profit for the period	8,208	1.2%	10,542	1.6%	(2,334)	-22.1%
Income tax expense	5,140	0.7%	6,491	1.0%	(1,351)	-20.8%
Finance costs	6,191	0.9%	5,240	0.8%	951	18.1%
Finance income	(205)	0.0%	(200)	0.0%	(5)	2.5%
Share of losses of companies accounted for using the equity method	469	0.1%	82	0.0%	387	> 100%
Depreciation and amortization	27,643	3.8%	24,000	3.6%	3,643	15.2%
EBITDA	**47,446**	**6.7%**	**46,155**	**7.0%**	**1,291**	**2.8%**

	Nine months ended September 30,				Change	
(in thousands of Euro)	**2017**	**(*)**	**2016**	**(*)**	**2017-2016**	
EBITDA	**47,446**	**6.7%**	**46,155**	**6.9%**	**1,291**	**2.8%**
Costs associated with reorganisation	1,754	0.2%	-	0.0%	1,754	100.0%
Adjusted EBITDA	**49,200**	**6.9%**	**46,155**	**6.9%**	**3,045**	**6.6%**

Non-GAAP Measure Reconciliation

	NET DEBT	At Sept, 30 th 2017	At Dec, 31 st 2016
(in thousands of Euro)			
A	Cash and cash equivalents	(747)	(931)
B	Cash at bank	(54,137)	(44,236)
C	Securities held for trading	-	-
D	**Liquidity (A+B+C)**	**(54,884)**	**(45,167)**
E	Current financial receivables	(3,482)	(3,495)
F	Current loans	66,030	50,870
G	Current portion of non-current loans	22,173	24,952
H	Other current financial payables	1,179	1,608
I	**Current indebtedness (F+G+H)**	**89,382**	**77,430**
J	**Net current indebtedness (I+E+D)**	**31,016**	**28,768**
K	Non-current loans	206,695	189,393
L	Issued bonds	-	-
M	Other non-current financial payables	3,045	2,724
N	**Non-current indebtedness (K+L+M)**	**209,740**	**192,117**
O	**Net financial indebtedness (J+N)**	**240,756**	**220,885**

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Q&A Session