



# SPAFID CONNECT

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## PRESS RELEASE

### MASSIMO ZANETTI BEVERAGE GROUP SPA - 2017 RESULTS

- **REVENUES:** EURO 956.1 MILLION +4.2% COMPARED TO EURO 917.5 MILLION IN 2016, DRIVEN BY THE POSITIVE PERFORMANCE OF THE FOOD SERVICE CHANNEL (+8.1%); SINGLE SERVE SEGMENT IS ALSO GROWING “DOUBLE DIGIT”. VOLUMES SUBSTANTIALLY STABLE
- **GROSS PROFIT:** EURO 397.4 MILLION, +3.1% COMPARED TO EURO 385.5 MILLION IN 2016
- **EBITDA ADJUSTED** (\*): EURO 75.0 MILLION, +9.7% COMPARED TO EURO 68.3 MILLION IN 2016
- **NET PROFIT:** EURO 18.1 MILLION, +8.0% COMPARED TO EURO 16.8 MILLION IN 2016
- **NET DEBT:** EURO 191.0 MILLION COMPARED TO EURO 220.9 MILLION AT DECEMBER 31, 2016
- THE BOARD HAS PROPOSED AN ANNUAL **DIVIDEND OF EURO 0.17** PER SHARE

Villorba, February 28, 2018. The Board of Directors of Massimo Zanetti Beverage Group S.p.A., one of the leading brands worldwide in the production, processing and marketing of roasted coffee and other selected categories of colonial products, listed on the Milan Stock Exchange (MZB.MI), approved today the 2017 financial results.

**MASSIMO ZANETTI, THE GROUP’S CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SAID:** “I am satisfied with the results achieved in 2017, which show an increase in revenues and profitability. Turnover rose by 4.2% thanks, in particular, to the growth in the Food Service channel (+8.1%). Moreover, the capsule segment continued to perform well (+27.3%).

The strong performance of Northern Europe and Asia drove this growth and, in general, the product mix continued to improve with a composition providing greater profitability.

The business trend and efficient working capital management enabled the Group to generate cash flows of over Euro 40 million, net of investments of Euro 35 million.

Based on the results achieved and the positive expectations for the current year, the Board proposed the distribution of a dividend of Euro 0.17 per share.”

(\*) Before non-recurring costs of Euro 6.3 million



## VOLUMES

In 2017, the roasted coffee sales volumes of Massimo Zanetti Beverage Group S.p.A. remained substantially in line with the previous year (129.4 thousand tons) down by 1.3% on 2016.

This trend is due to the already known decrease in the Private Label channel (-4.2%) and the stable volumes of the Mass Market channel (-0.3%), while the Food Service channel performed well (+10.1%), in line with the Group's strategy which focuses on a product mix based on highly-profitable products.

On a like-for-like basis, i.e., excluding Nutricafés' contribution to the results for the first eight months of 2017, roasted coffee sales volumes amount to 126.5 thousand tons (-3.2%). This trend mainly concerned the Private Label channel and, to a lesser extent, the Mass Market channel, while the Food Service sector recorded a positive trend. As for the geographical areas, Southern Europe and the Americas reported a decrease, in both cases led by the Private Label channel and the Mass Market. On the other hand, both Northern Europe and the Asia-Pacific area and Cafés registered a solid increase, with double-digit growth.

## CONSOLIDATED REVENUES

The Group's consolidated revenues for 2017 totaled Euro 956.1 million, compared to Euro 917.5 million in 2016, up by 4.2% and 5.3% at current and constant exchange rates, respectively.

All distribution channels increased, also recording a positive trend of the price/product mix.

Specifically, the 4.2% increase in revenues is mainly due to:

- the satisfactory growth of roasted coffee sales price (+5.8%);
- Nutricafés' contribution to the results for the first eight months of 2017 (+2.7%);
- the decrease in roasted coffee sales volumes on a like-for-like basis (-3.2%), as described above; and
- the exchange rate impact, mainly due to the US dollar fluctuations (-1.1%).

## REVENUES BY CHANNEL

Revenues from the Food Service channel, which account for 22.2% of the Group's revenues, amount to Euro 211.8 million, up by 8.1%, thanks to the strong performance recorded in all major markets.

Revenues from the Mass Market channel account for 37.4% of the Group's revenues and amount to Euro 357.5 million, up by 4.0% thanks, in particular, to the increase of premium products with a higher average selling price.



Revenues from the Private Label channel account for 34.0% of the Group's revenues and amount to Euro 325.2 million, up by +1.4%. These reflect the stable performance of the Americas and the growth of the other regions.

<i>(in thousands of Euro)</i>	2017		2016		2017-2016	
Foodservice	211,850	22.2%	196,023	21.4%	15,827	8.1%
Mass Market	357,467	37.4%	343,857	37.5%	13,610	4.0%
Private Label	325,197	34.0%	320,562	34.9%	4,635	1.4%
Other	61,551	6.4%	57,033	6.2%	4,518	7.9%
<b>Total</b>	<b>956,065</b>	<b>100.0%</b>	<b>917,475</b>	<b>100.0%</b>	<b>38,590</b>	<b>4.2%</b>

#### REVENUES BY REGION

Revenues from the Americas amount to Euro 447.4 million (46.8% of the Group's revenues), a 0.8% reduction but increasing 1.3% at constant exchange rates. The increase, at constant exchange rates, is explained by a slight decrease of the Mass Market channel while Food Service and Private Label channels are growing.

Revenues from Northern Europe amount to Euro 183,8 million (19.2% of the Group's revenues) and are up by 7.0%, with a positive performance of all channels.

Revenues from Southern Europe, which accounts for 25.9% of the Group's revenues, amount to Euro 247.2 million, up by 10.0%. On a like-for-like basis, i.e., excluding Nutricafès' impact, the performance was stable.

Revenues from Asia Pacific, which also include those from the international network of cafés, amount to Euro 77.7 million, up by 10.8% (+ 11.9% at constant exchange rates).

<i>(in thousands of Euro)</i>	2017		2016		2017-2016	
Americas	447,407	46.8%	450,920	49.1%	(3,513)	-0.8%
Northern Europe	183,785	19.2%	171,724	18.7%	12,061	7.0%
Southern Europe	247,163	25.9%	224,668	24.5%	22,495	10.0%
Asia-Pacific and Cafés	77,710	8.1%	70,163	7.6%	7,547	10.8%
<b>Total</b>	<b>956,065</b>	<b>100.0%</b>	<b>917,475</b>	<b>100.0%</b>	<b>38,590</b>	<b>4.2%</b>



## GROSS PROFIT

Gross profit amounts to Euro 397.4 million. The 3.1% increase is due to Nutricafés' contribution (+3.3%) and the unfavorable impact of exchange rates, mainly caused by the fluctuations of the US dollar (-0.8%).

On a like-for-like basis (excluding currency and Nutricafés), gross profit increased by Euro 2.4 million (+0.6%). The increase is due to the positive performance of the other products (+0.6%), while the above-mentioned decrease in roasted coffee volumes (-3.1%) was entirely offset by the trends of sales prices and purchase costs of roasted coffee and green coffee, respectively (+3.1%), given the different mix in distribution channels.

## OPERATING COSTS

Operating costs rose by Euro 5.2 million. However, on a like-for-like exchange rate basis (which had a positive effect of Euro 2.7 million) and on a like-for-like basis (as per Nutricafés' contribution of Euro 7.4 million), the increase fell to Euro 0.5 million.

This slight increase of Euro 0.5 million is due to increase in advertising costs, personnel expenses and maintenance cost. It was mostly offset by a better credit management.

## ADJUSTED EBITDA

EBITDA adjusted to reflect non-recurring costs, amounts to Euro 75.0 million (7.8% on sales), compared to Euro 68.3 million in 2016 (7.4% on sales), up by 9.7%.

As already announced during nine months results, in the last quarter of the year, the Group launched some reorganization projects, notably in Portugal and Italy, which will enable the Group to achieve significant synergies in the next few years. Specifically, Nutricafes SA and Segafredo Zanetti Portugal SA merged and formed MZB Iberia SA. The merger will improve the effectiveness of the Group's presence in Portugal and will support the development of the Spanish market. Furthermore, Segafredo Zanetti S.p.A. launched a reorganization project aimed at improving the presence of the sales force and logistic/distribution activities in order to enable the Group to achieve important benefits in the next few years.



Overall, the reorganization activities carried out by the Group in the second half of the year generated non-recurring costs of Euro 6.3 million (of which Euro 2.4 million and Euro 3.8 million related to the reorganization in Portugal and Italy, respectively).

### OPERATING INCOME (EBIT)

Operating income (EBIT) is equal to Euro 31.7 million compared to Euro 34.8 million in 2016. In addition to that disclosed about adjusted EBITDA, the decrease is mainly attributable to i) the above non-recurring costs of Euro 6.3 million and ii) the Euro 3.4 million increase in amortization and depreciation essentially due to Euro 2.8 million contribution by Nutricafés for the first eight months of 2017.

### NET PROFIT

The net profit for the year of Euro 18.1 million, improved by 8.0% on 2016. In addition to what disclosed above, the increase is mainly due to:

- an increase in net financial charges of Euro 0.4 million, mainly due to lower net foreign exchange gains and lower fair value gains on derivative contracts only partially offset by the decrease in interest expense, equal to Euro 1.3 million;
- the reduction in income taxes, mainly as a consequence of the changes in the tax legislation introduced by the US government.

### NET DEBT

Net debt amounting to Euro 191.0 million at December 31, 2017, is down by Euro 29.9 million compared to December 31, 2016. This improvement is due to the cash flows generated by the business and the positive performance of net working capital. Furthermore, the net recurring investments of the year amount to Euro 34.9 million, compared to Euro 29.5 million in 2016. Dividends totaling Euro 5.3 million were paid (Euro 3.2 million in 2016).



## FINANCIAL STATEMENT OF THE PARENT COMPANY AND OTHER RESOLUTIONS

The Board of Directors also approved the financial statements of the parent company, Massimo Zanetti Beverage Group S.p.A., the annual report on corporate governance and ownership structure and the document reporting non-financial information (d. Lgs. n. 245/2016).

The Board of Directors also approved the long-term incentive plan "LTIP" for the 2018-2020 period, for members of the Board of Directors holding managerial positions as well as some managers with strategic responsibilities qualified as such pursuant to the Corporate Governance Code.

Revenues of the parent company amount to Euro 8.1 million compared to Euro 6.6 million in 2016. The net profit for the year is Euro 6.7 million compared to Euro 8.2 million in 2016.

Equity amounts Euro 158.1 million compared to Euro 156.6 million at December 31, 2016. Net debt is Euro 156.5 million (Euro 161.1 million at December 31, 2016).

## PROPOSED DIVIDEND AND CALLING OF THE SHAREHOLDERS' MEETING

Based on the net profit for 2017, the Board of directors resolved to propose that the shareholders distribute a gross dividend of Euro 0.17 per ordinary share, for a total of approximately Euro 5,831,000.

Furthermore, the Board of directors resolved to call the ordinary shareholders' meeting to approve the 2017 separate financial statements and submit the 2017 consolidated financial statements on April 10, 2018.

If approved, the dividend will be paid as of May 23, 2018 (with coupon detachment date on May 21 and record date on May 22). The shareholders will also be called to discuss the company's remuneration policy.



## FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

In view of the results achieved in 2017 and considering current trends as well as assuming a substantial stability of exchange rates and the absence of extraordinary transactions, management expectations relating to the Group's performance for 2018 are as follows:

- an increase in revenues of approximately 2.0% - 4.0%, as a consequence of
  - i) the improvement in the product and channel mix, which is one of the Group's strategic objectives;
  - ii) the growth in volumes in line with market trends;
- an increase in adjusted EBITDA of approximately 5.0% - 8.0%, mainly driven by the positive impact on profits of the above channel/product mix and a substantial stability of the Group's ability to absorb its fixed costs; and
- a reduction in net debt to below Euro 180 million through the generation of cash flows from operating activities.

## CONFERENCE CALL TO PRESENT 2017 FINANCIAL RESULTS

The Group's 2017 results will be presented during the conference call to be held today, February 28, at 5:45 CET. To access the call, please use one of the following dial-in numbers: +1 718 705 8794 (US and 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 8 days, dialling the following numbers: +1 718 705 8797 (US and Canada), +39 02 72495 (Italy), +44 1 212 818 005 (UK) with the following passcode: 902#

The presentation will be available before the conference call on the company website [www.mzb-group.com](http://www.mzb-group.com) and on the storage system ([www.emarketstorage.com](http://www.emarketstorage.com)). The recording file will be available on the company website.





## DECLARATION BY THE MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS

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

## FOR MORE INFORMATION

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## MASSIMO ZANETTI BEVERAGE GROUP S.P.A.

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Massimo Zanetti Beverage Group S.p.A. 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, Massimo Zanetti Beverage Group completes the range of its products through the sale of coffee machines and complementary products, such as tea, cocoa, chocolate and top-quality spices.

## DISCLAIMER

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This document includes forward-looking statements, relative to future events and income and financial operating results of the Massimo Zanetti Beverage Group. These forecasts, by their nature, include an element of risk and uncertainty, since they depend on the outcome of future events and developments. The actual results may differ even quite significantly from those stated due to a multiplicity of factors.

ANNEX

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	2017		2016		2017-2016	
Revenues	956,065	100.0%	917,475	100.0%	38,590	4.2%
Purchases of Goods	(558,693)	-58.4%	(531,965)	-58.0%	(26,728)	5.0%
<b>Gross Profit</b>	<b>397,372</b>	<b>41.6%</b>	<b>385,510</b>	<b>42.0%</b>	<b>11,862</b>	<b>3.1%</b>
Services, leases and rentals	(183,140)	-19.2%	(175,054)	-19.1%	(8,086)	4.6%
Personnel costs	(145,640)	-15.2%	(138,749)	-15.1%	(6,891)	5.0%
Other operating cost	1,849	0.2%	712	0.1%	1,137	>100%
Impairment	(1,767)	-0.2%	(4,112)	-0.4%	2,345	-57.0%
<b>EBITDA</b>	<b>68,674</b>	<b>7.2%</b>	<b>68,307</b>	<b>7.4%</b>	<b>367</b>	<b>0.5%</b>
Non-recurring items	6,292	0.7%	-	0.0%	6,292	100.0%
<b>EBITDA Adjusted</b>	<b>74,966</b>	<b>7.8%</b>	<b>68,307</b>	<b>7.4%</b>	<b>6,659</b>	<b>9.7%</b>
D&A	(36,927)	-3.9%	(33,537)	-3.7%	(3,390)	10.1%
<b>EBIT</b>	<b>31,747</b>	<b>3.3%</b>	<b>34,770</b>	<b>3.8%</b>	<b>(3,023)</b>	<b>-8.7%</b>
Net finance income (costs)	(7,996)	-0.8%	(7,574)	-0.8%	(422)	5.6%
Profit (loss) on equity consolidated companies	(787)	-0.1%	(110)	0.0%	(677)	> 100%
<b>Profit Before Tax</b>	<b>22,964</b>	<b>2.4%</b>	<b>27,086</b>	<b>3.0%</b>	<b>(4,122)</b>	<b>-15.2%</b>
Income Tax expense	(4,854)	-0.5%	(10,322)	-1.1%	5,468	-53.0%
<b>Net Income</b>	<b>18,110</b>	<b>1.9%</b>	<b>16,764</b>	<b>1.8%</b>	<b>1,346</b>	<b>8.0%</b>



## RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in thousands of Euro)</i>	2017	2016
Intangible assets	183,231	190,943
Property, plant and equipment and investment properties	217,717	224,492
Investments in joint ventures and associates	9,616	10,943
Non-current advances and trade receivables	3,076	4,129
Deferred tax assets and other non-current assets	23,913	26,315
<b>Non-current assets</b>	<b>437,553</b>	<b>456,822</b>
<b>Net working capital</b>	<b>92,199</b>	<b>119,638</b>
Employee benefits	(8,987)	(9,268)
Other non-current provisions	(2,986)	(3,949)
Deferred tax liabilities and other non-current liabilities	(25,942)	(32,414)
<b>Non-current liabilities</b>	<b>(37,915)</b>	<b>(45,631)</b>
<b>Net Invested Capital</b>	<b>491,837</b>	<b>530,829</b>
Equity	300,882	309,944
Net debt	190,955	220,885
<b>Sources of financing</b>	<b>491,837</b>	<b>530,829</b>

## NET WORKING CAPITAL

<i>(in thousands of Euro)</i>	2017	2016
Inventories	127,997	132,858
Trade receivables	123,405	120,074
Income tax assets	1,975	1,611
Other current assets	15,868	18,519
Trade payables	(139,329)	(122,209)
Income tax liabilities	(1,433)	(644)
Other current liabilities	(36,284)	(30,571)
<b>Net working capital</b>	<b>92,199</b>	<b>119,638</b>

### RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of Euro)</i>	<b>2017</b>	<b>2016</b>
EBITDA Adjusted	<b>74,966</b>	<b>68,307</b>
Non-recurring Items	(2,758)	-
Change in Net Working Capital	10,527	28,414
Net recurring investments	(34,911)	(29,483)
Income tax paid	(6,029)	(7,753)
Other operating items	1,674	4,270
<b>Free Cash Flow</b>	<b>43,469</b>	<b>63,755</b>
Net non-recurring investments	(3,360)	(52,055)
Investments in financial receivables	1,718	(3,371)
Interest paid	(6,477)	(6,736)
Net cash generated from financing activities	11,682	17,866
Exchange gains on cash and cash equivalents	(2,605)	134
<b>Net increase in cash and cash equivalents</b>	<b>44,427</b>	<b>19,593</b>
Cash and cash equivalents at the beginning of the year	45,167	25,574
<b>Cash and cash equivalents at the end of the year</b>	<b>89,594</b>	<b>45,167</b>

### CHANGES IN NET WORKING CAPITAL

<i>(in thousands of Euro)</i>	<b>2017</b>	<b>2016</b>
Changes in inventories	(1,811)	6,913
Changes in trade receivables	(8,699)	4,620
Changes in trade payables	23,011	33,640
Changes in other assets/liabilities	(1,351)	(15,727)
Payments of employee benefits	(623)	(1,032)
<b>Changes in net working capital</b>	<b>10,527</b>	<b>28,414</b>

NET FINANCIAL DEBT

<i>(in thousands of Euro)</i>		<b>2017</b>	<b>2016</b>
A	Cash and cash equivalent	(803)	(931)
B	Cash at bank	(88,791)	(44,236)
C	Securities held for trading	-	-
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>(89,594)</b>	<b>(45,167)</b>
<b>E</b>	<b>Current financial receivables</b>	<b>(2,327)</b>	<b>(3,495)</b>
F	Current loans	53,014	50,870
G	Current portion of non-current loans	24,259	24,952
H	Other current financial payables	1,459	1,608
<b>I</b>	<b>Current Indebtedness (F+G+H)</b>	<b>78,731</b>	<b>77,430</b>
<b>J</b>	<b>Net current indebtedness (I+E+D)</b>	<b>(13,190)</b>	<b>28,768</b>
K	Non-current loans	201,453	189,393
L	Issued Bonds	-	-
M	Other non-current financial payables	2,692	2,724
<b>N</b>	<b>Non-current indebtedness (K+L+M)</b>	<b>204,145</b>	<b>192,117</b>
<b>O</b>	<b>Net financial debt (J+N)</b>	<b>190,955</b>	<b>220,885</b>

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	<b>2017</b>	<b>2016</b>
Revenues	956,065	917,475
Other income	8,560	7,270
Purchases of goods	(558,693)	(531,965)
Purchases of services, leases and rentals	(183,140)	(175,054)
Personnel costs	(145,640)	(138,749)
Other operating costs	(6,711)	(6,558)
Amortization, depreciation and impairment	(38,694)	(37,649)
<b>Operating profit</b>	<b>31,747</b>	<b>34,770</b>
Finance income	299	267
Finance costs	(8,295)	(7,841)
Share of losses of companies accounted for using the equity method	(787)	(110)
<b>Profit before tax</b>	<b>22,964</b>	<b>27,086</b>
Income tax expense	(4,854)	(10,322)
<b>Profit for the year</b>	<b>18,110</b>	<b>16,764</b>
<i>Profit attributable to:</i>		
<i>Non-controlling interest</i>	174	178
<i>Owners of the parent</i>	17,936	16,586
<b>Earnings per share basic /diluted (in Euro)</b>	<b>0.52</b>	<b>0.48</b>

CONSOLIDATED BALANCE SHEET

<i>(in thousands of Euro)</i>	2017	2016
Intangible assets	183,231	190,943
Property, plant and equipment	212,830	220,173
Investment properties	4,887	4,319
Investments in joint ventures and associates	9,616	10,943
Advances and non-current trade receivables	3,076	4,129
Deferred tax assets	10,244	10,279
Other non-current assets	13,669	16,036
<b>Total non-current assets</b>	<b>437,553</b>	<b>456,822</b>
Inventories	127,997	132,858
Trade receivables	123,405	120,074
Income tax assets	1,975	1,611
Other current assets	18,195	22,014
Cash and cash equivalents	89,594	45,167
<b>Total current assets</b>	<b>361,166</b>	<b>321,724</b>
<b>Total assets</b>	<b>798,719</b>	<b>778,546</b>
Share capital	34,300	34,300
Other reserves	98,162	124,738
Retained earnings	166,443	149,057
<b>Equity attributable to owners of the parent</b>	<b>298,905</b>	<b>308,095</b>
Non-controlling interest	1,977	1,849
<b>Total equity</b>	<b>300,882</b>	<b>309,944</b>
Non-current borrowings	204,145	192,117
Employee benefits	8,987	9,268
Other non-current provisions	2,986	3,949
Deferred tax liabilities	22,895	29,069
Other non-current liabilities	3,047	3,345
<b>Total non-current liabilities</b>	<b>242,060</b>	<b>237,748</b>
Current borrowings	78,731	77,430
Trade payables	139,329	122,209
Income tax liabilities	1,433	644
Other current liabilities	36,284	30,571
<b>Total current liabilities</b>	<b>255,777</b>	<b>230,854</b>
<b>Total liabilities</b>	<b>497,837</b>	<b>468,602</b>
<b>Total equity and liabilities</b>	<b>798,719</b>	<b>778,546</b>

CONSOLIDATED STATEMENT OF CASH FLOW

<i>(in thousands of Euro)</i>	2017	2016
<b>Profit before tax</b>	<b>22,964</b>	<b>27,086</b>
<b>Adjustments for:</b>		
Amortization, depreciation and impairment	38,694	37,649
Provisions for employee benefits and other charges	561	1,050
Finance costs	7,996	7,574
Other non-monetary items	3,667	(782)
<b>Net cash generated from operating activities before changes in net working capital</b>	<b>73,882</b>	<b>72,577</b>
Decrease/(increase) in inventories	(1,811)	6,913
Decrease/(increase) in trade receivables	(8,699)	4,620
Decrease/(increase) in trade payables	23,011	33,640
Changes in other assets/liabilities	(1,351)	(15,727)
Payments of employee benefits	(623)	(1,032)
Interest paid	(6,477)	(6,736)
Income tax paid	(6,029)	(7,753)
<b>Net cash generated from operating activities</b>	<b>71,903</b>	<b>86,502</b>
Acquisition of subsidiaries, net of cash acquired	(2,583)	(39,292)
Acquisition under common control, net of cash acquired	-	(2,624)
Purchase of property, plant, equipment	(35,394)	(29,106)
Purchase of intangible assets	(1,222)	(1,698)
Proceeds from sale of property, plant and equipment	1,699	1,266
Proceeds from sale of intangible assets	6	55
Investments in joint venture and associates	(777)	(10,139)
Increase in financial receivables	1,575	(3,403)
Interest received	143	32
<b>Net cash used in investing activities</b>	<b>(36,553)</b>	<b>(84,909)</b>
Proceeds from long-term borrowings	67,433	154,233
Repayment of long-term borrowings	(52,257)	(94,227)
Decrease in short-term borrowings	1,811	(38,929)
Dividends paid	(5,305)	(3,211)
<b>Net cash generated from financing activities</b>	<b>11,682</b>	<b>17,866</b>
Exchange gains on cash and cash equivalents	(2,605)	134
<b>Net increase in cash and cash equivalents</b>	<b>44,427</b>	<b>19,593</b>
Cash and cash equivalents at the beginning of the period	45,167	25,574
<b>Cash and cash equivalents at the end of the period</b>	<b>89,594</b>	<b>45,167</b>



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