

Massimo Zanetti

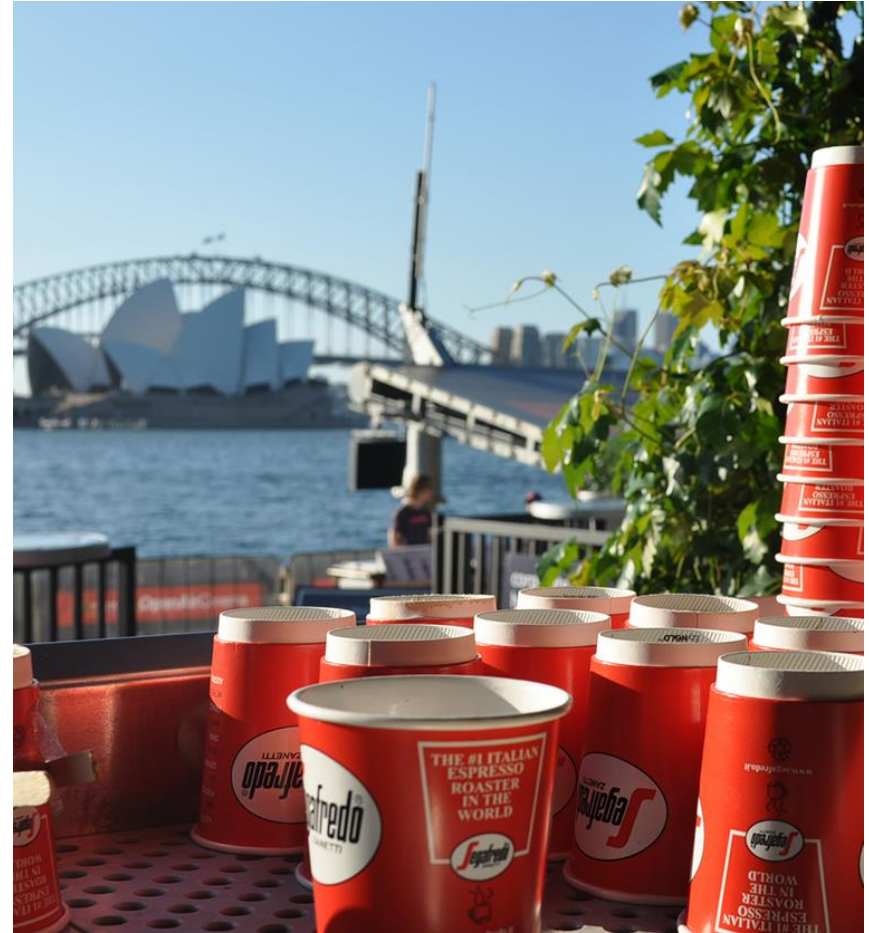
MASSIMO ZANETTI
BEVERAGE GROUP

FY 2017 Results
Massimo Zanetti Beverage Group
February 28, 2018



FY 2017 KEY FACTS

- Positive contribution from foodservice and single serve to revenues increase
- Merger of Nutricafès and Segafredo Zanetti Portugal successfully implemented
- Cost control and efficiency improvements beginning to show a positive trend
- Strong free cash flow generation



FY 2017 RESULTS HIGHLIGHTS

- Total revenues: Euro 956.1 million, +4.2% YoY (+5.3% at constant FX)
- Volume substantially stable: -1.3% YoY, channel mix improved
- Gross Profit: Euro 397.4 million, + 3.1% YoY
- EBITDA Adjusted*: Euro 75.0 million, +9.7% YoY
- Net income: Euro 18.1 million, +8.0% YoY
- Net debt: Euro 191.0 million vs 220.9 million as of December 31, 2016
- Dividend per share proposed: Euro 0.17, payout 32.5%

* Before non-recurring items of Euro 6.3 million, related to the organizational review of resources in Portugal and in Italy

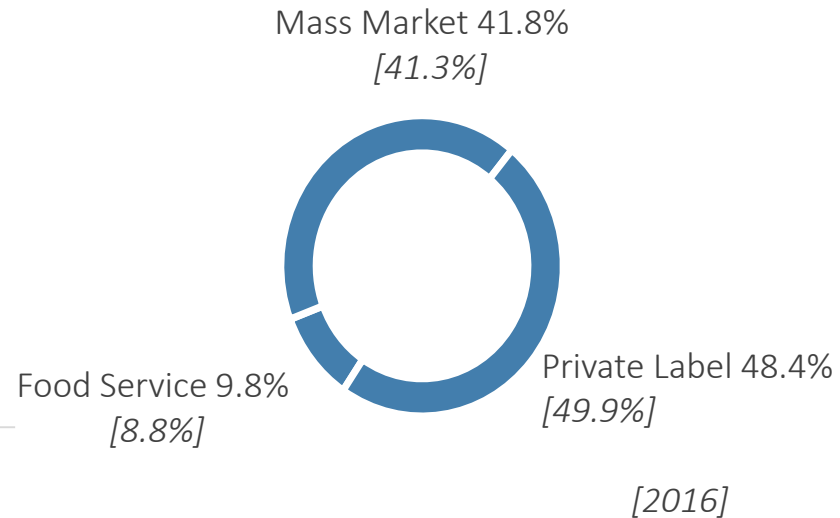
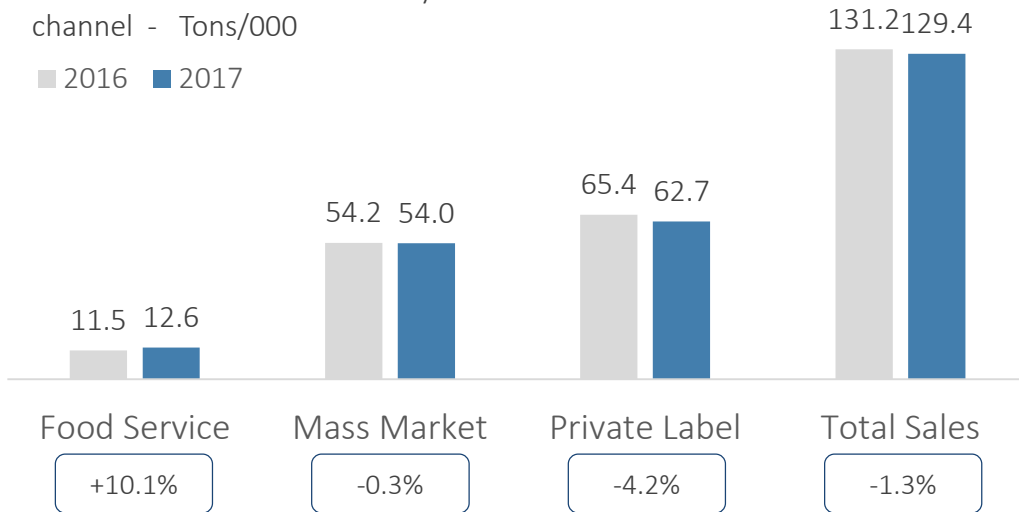


VOLUME BY CHANNEL

Mix improving, growth led by food service and single serve

Roasted coffee volumes sold by distribution channel - Tons/000

■ 2016 ■ 2017



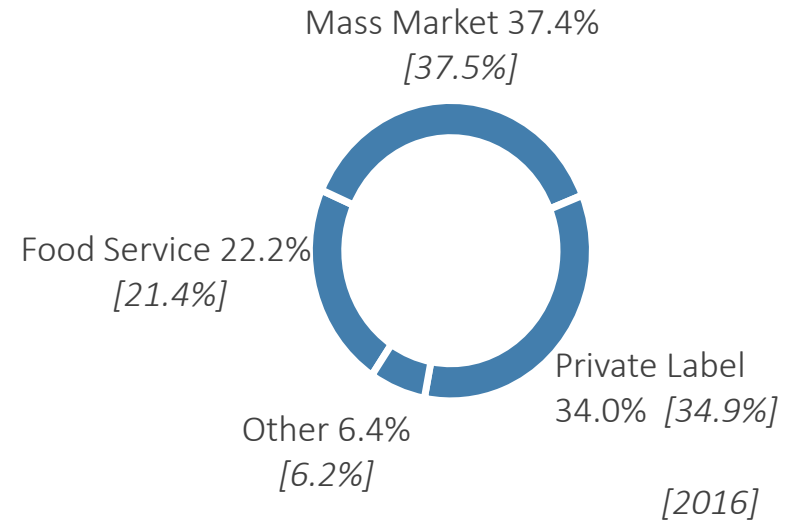
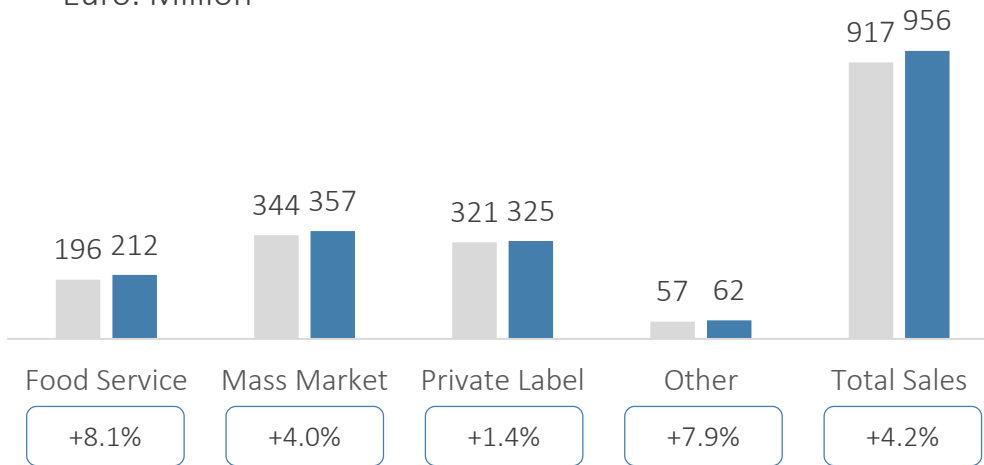
- Food Service: +10.1%, growing in all regions
- Mass Market: -0.3%, driven by softness in the Americas offset by the growth recorded in Europe and Apac
- Private Label: -4.2% led by the expected performance in US
- Single Serve: Volumes +37.9%

REVENUES BY CHANNEL

Mix improving, growth led by food service and single serve - positive contribution from price mix more than offset decline in volumes

■ 2016 ■ 2017

Euro. Million

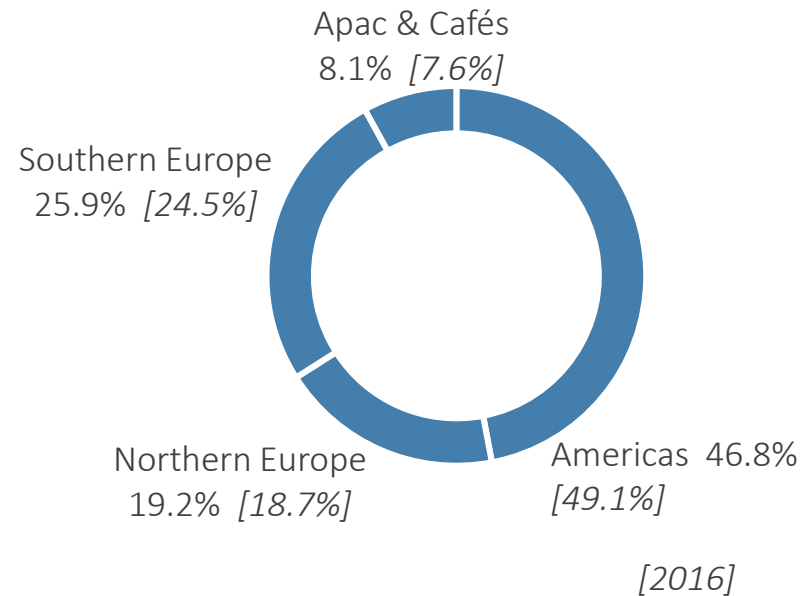
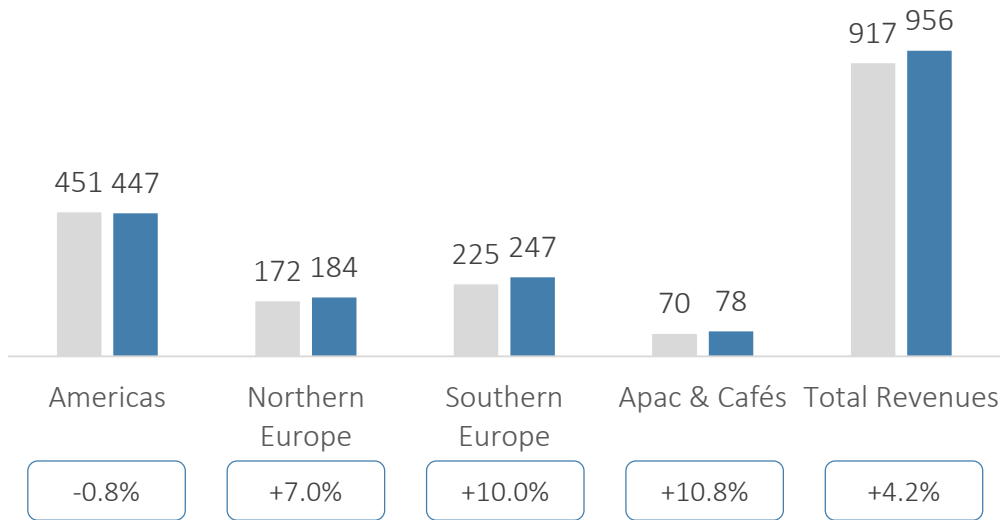


- Food Service: +8.1%, with all markets making a positive contribution
- Mass Market: +4.0%, thanks to the increase of premium products with a higher average sale price
- Private Label: +1.4% with stable performance in Americas and growth in other geographical areas
- Other: +7.9% driven by the growth of coffee machines in Apac
- The single serve segment is up 27.3%

REVENUES BY REGION

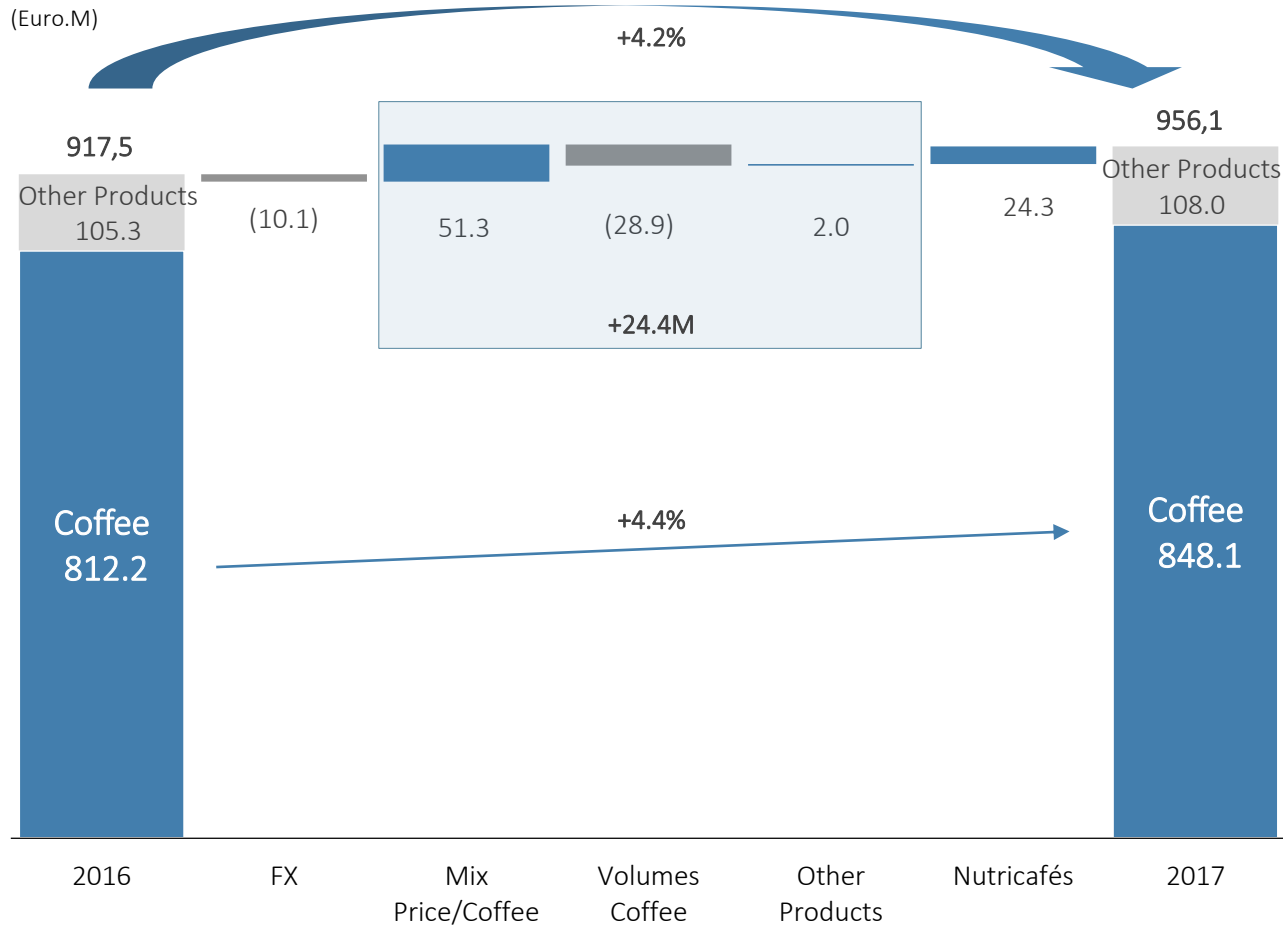
New markets and brands are delivering expected results

■ 2016 ■ 2017
Euro. Million



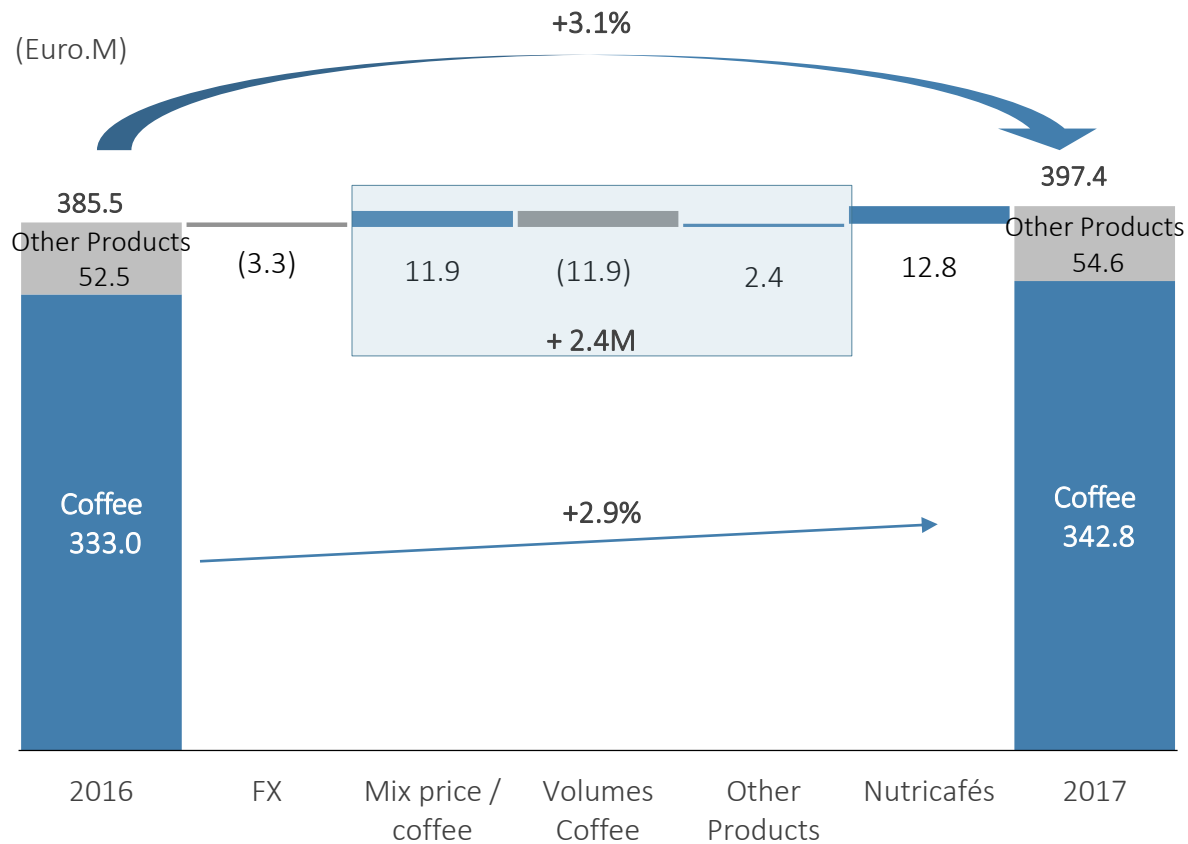
- Americas: -0.8% at current FX, +1.3% at constant FX. The increase, at constant exchange rates, is explained by a slight decrease of the Mass Market channel while Food Service and Private Label channels are growing
- Northern Europe: +7.0%, showing a positive contribution in all channels
- Southern Europe: +10.0%, with a positive performance in all channels and a solid growth of the single serve segment. Stable performance on a like-for-like basis (i.e. excluding the impact of Nutricafés)
- Apac & Cafés: +10.8% (+11.9% at Constant FX), showing a positive contribution in all channels

REVENUE BRIDGE

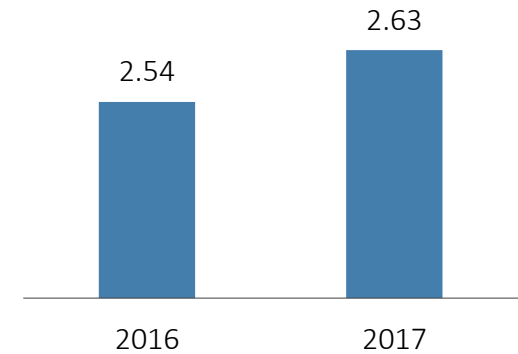


- Food service and single serve led the increase of revenues
- Overall Price/Mix and channel mix led the increase of revenues (+51.3 million)

GROSS PROFIT



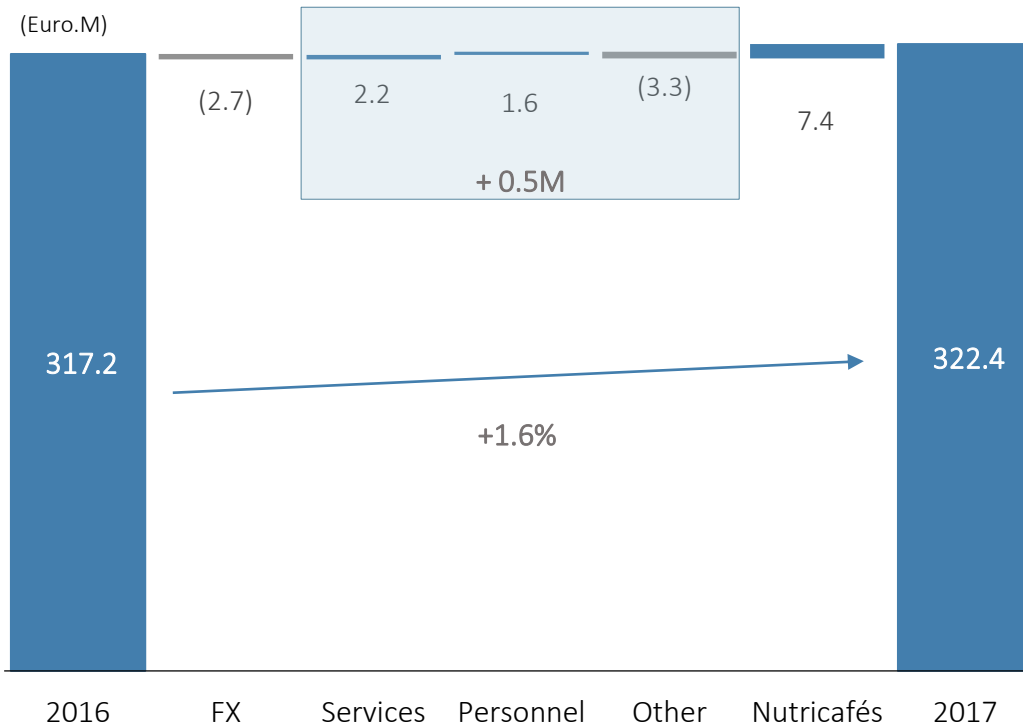
Organic* Coffee Gross profit (€/kg)



- Increase of Gross Profit in 4Q thanks to favourable raw material cost

* Excluding the impact of Nutricafés and FX

OPERATING EXPENSES

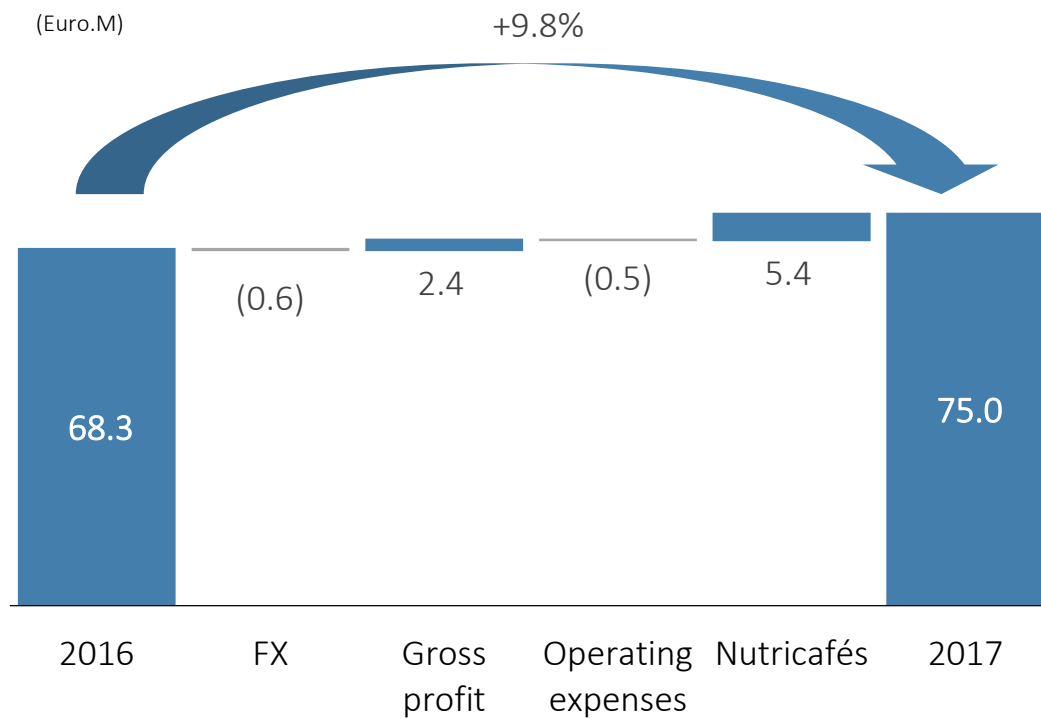


ORGANIC* OPEX – VAR YoY	2017		
	1H	2H	FY
Services	2.5	(0.3)	2.2
Personnel	(0.4)	2.0	1.6
Other costs	(1.0)	(2.3)	(3.3)
TOTAL	1.1	(0.6)	0.5

- Continuing to improve the brand support
- Holding the personnel cost in line with inflation
- Improved credit management

* Excluding the impact of Nutricafés, FX and non recurring items of Euro 6.3 million

EBITDA ADJUSTED



- Minimal FX impact
- Positive influence in channel mix drove gross profit performance
- Operating expenses stabilizing
- Nutricafés contribution as expected

- Ebitda adjusted excludes non recurring items of Euro 6.3 million mainly due to:
 - Merger of Nutricafés and Segafredo Zanetti Portugal SA (Euro 2.4 million)
 - Organizational review of resources in Italy (Euro 3.8 million)

INCOME STATEMENT

Euro/000	2017		2016	
Revenues	956.1	100.0%	917.5	100.0%
Purchases of Goods	-558.7	-58.4%	-532.0	-58.0%
Gross Profit	397.4	41.6%	385.5	42.0%
Services, leases and rentals	-183.1	-19.2%	-175.1	-19.1%
Personnel costs	-145.6	-15.2%	-138.7	-15.1%
Other operating cost	1.8	0.2%	0.7	0.1%
Impairment	-1.8	-0.2%	-4.1	-0.4%
EBITDA	68.7	7.2%	68.3	7.4%
Non recurring items	6.3	0.7%	-	
EBITDA Adjusted	75.0	7.8%	68.3	7.4%
D&A	-36.9	-3.9%	-33.5	-3.7%
EBIT	31.7	3.3%	34.8	3.8%
Net finance income (costs)	-8.0	-0.8%	-7.6	-0.8%
Profit (loss) on equity consolidated companies	-0.8	-0.1%	-0.1	0.0%
Profit Before Tax	23.0	2.4%	27.1	3.0%
Income Tax expense	-4.9	-0.5%	-10.3	-1.1%
Net Income	18.1	1.9%	16.8	1.8%

Excluding the impact of Nutricafés, FX and non recurring items of Euro 6.3 million, operating expenses increased by Euro 0.5million



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FREE CASH FLOW AND CHANGE IN NET WORKING CAPITAL

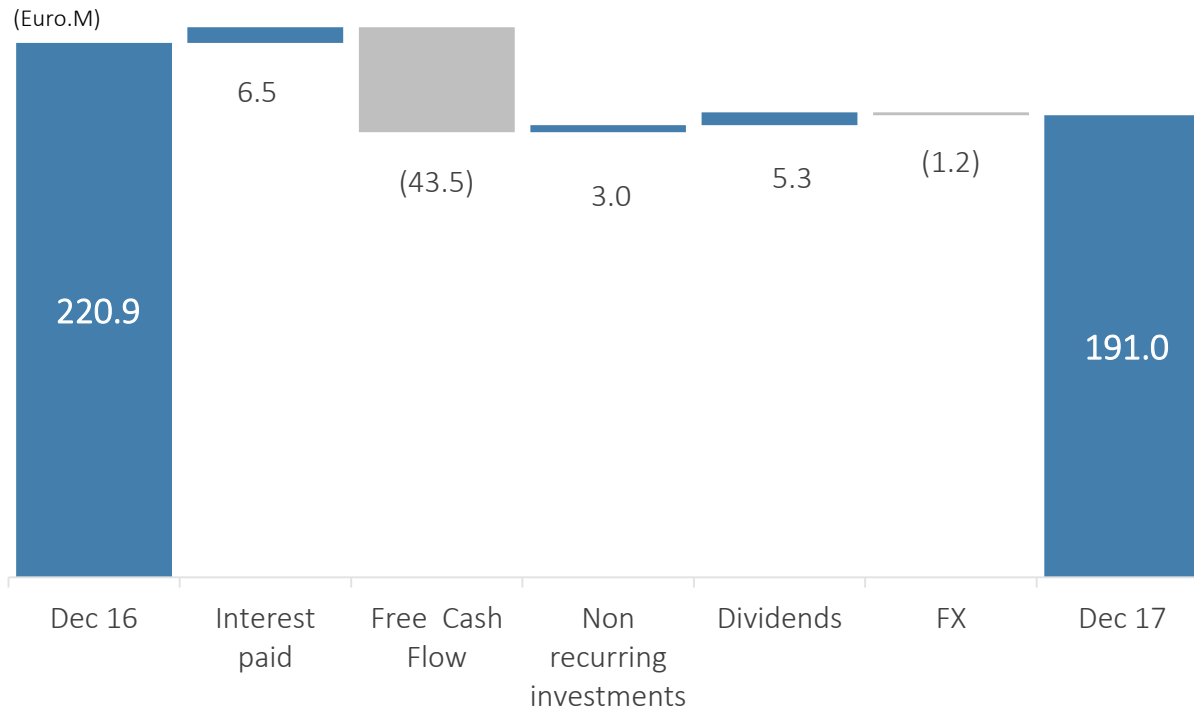
(Euro. M)	2016			
		1H	2H	TOT
EBITDA Adj.	68.3	29.1	45.9	75.0
Special Items (Cash effect)	-	-	(2.8)	(2.8)
Change in NWC	28.4	(25.2)	35.7	10.5
CAPEX	(29.5)	(19.1)	(15.8)	(34.9)
Taxes	(7.8)	(2.8)	(3.2)	(6.0)
Others	4.3	2.0	(0.4)	1.7
FREE CASH FLOW	63.8	(16.1)	59.5	43.5



(Euro. M)	2016	2017		
		1H	2H	TOT
Change in Inventories	6.9	(15.4)	13.6	(1.8)
Change in Trade Receivables	4.6	(13.0)	4.3	(8.7)
Change in Trade Payables	33.6	2.5	20.5	23.0
Change in Other Asset/Liabilities	(16.8)	0.6	(2.6)	(2.0)
Change in Net Working Capital	28.4	(25.2)	35.7	10.5

- Executed strategy to better align North America raw material supplier terms of payment to current market condition
- Capital expenditures increase due to Nutricafés and to the commercial investment to sustain Food Service development

NET DEBT



Debt Profile	December 2017	December 2016
Fixed Interest Rate	45%	11%
Variable Interest Rate	55%	89%
EURO	88%	84%
USD	12%	16%

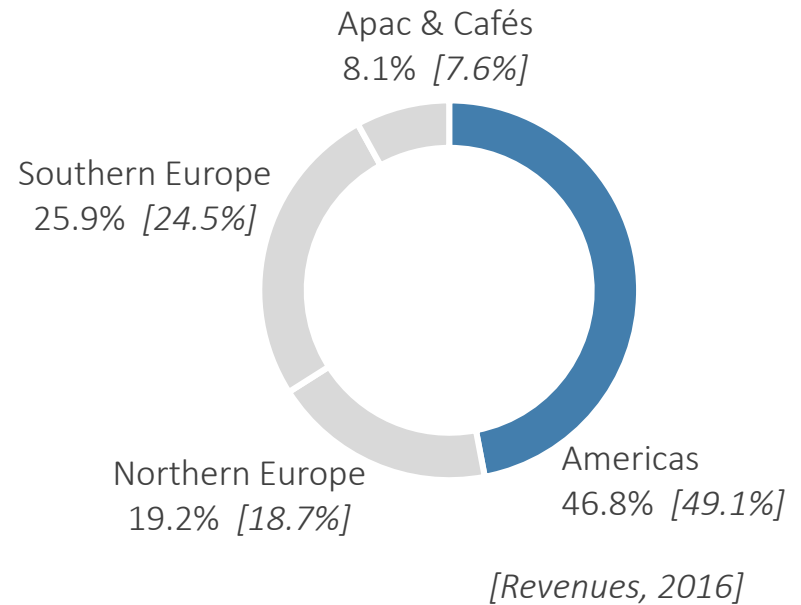
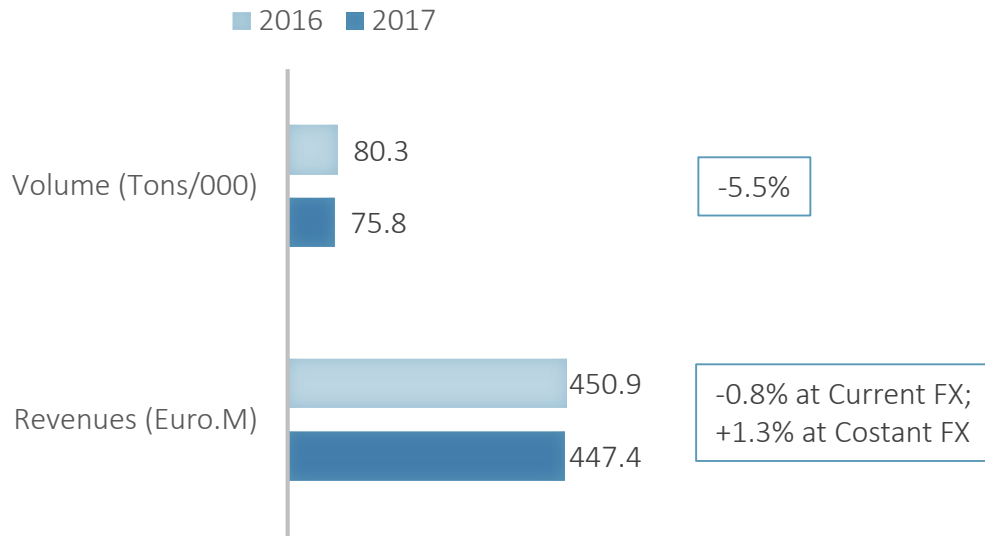
OUTLOOK - 2018

- 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 (M&A), 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 EBITDA adjusted 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.

ANNEX

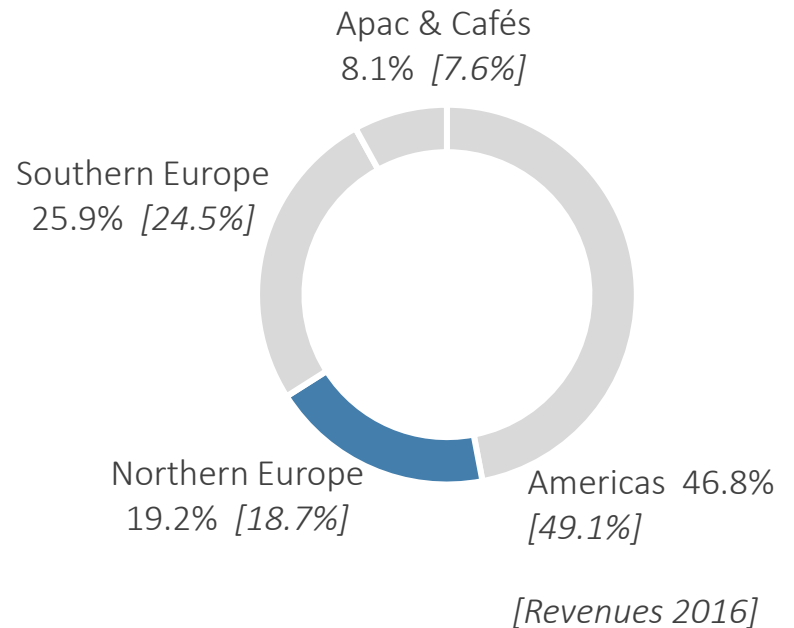
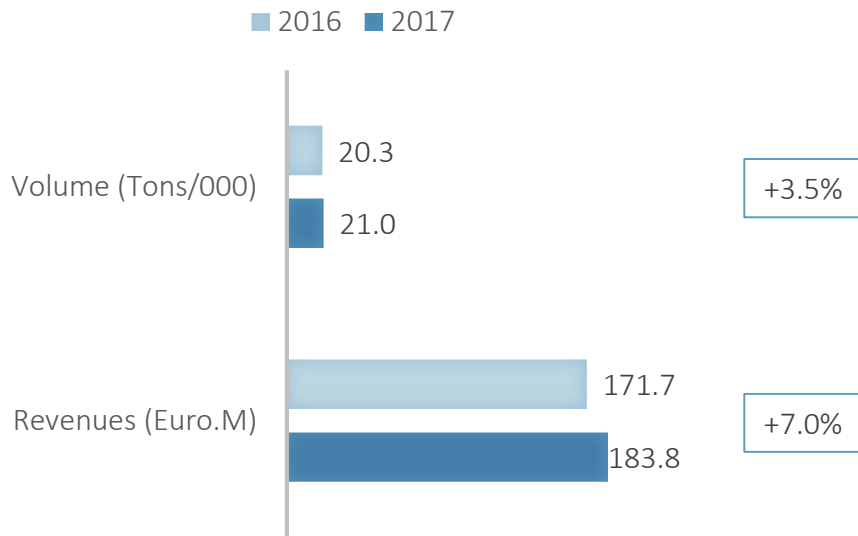


FOCUS ON AMERICAS



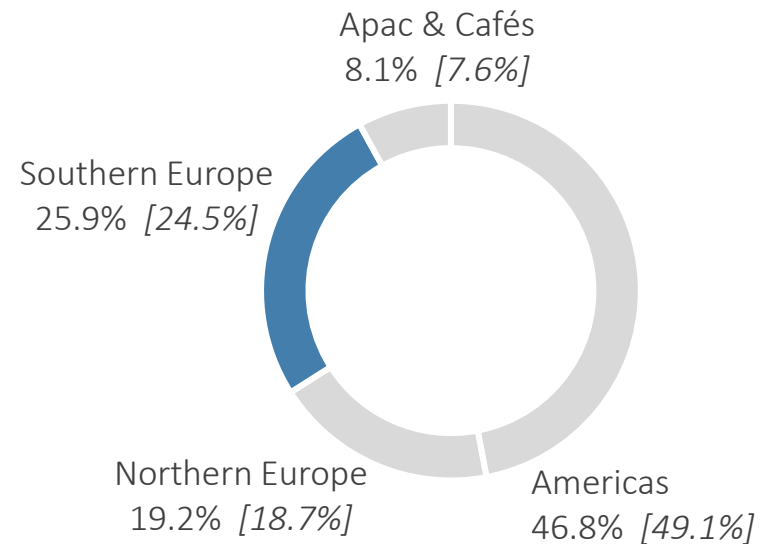
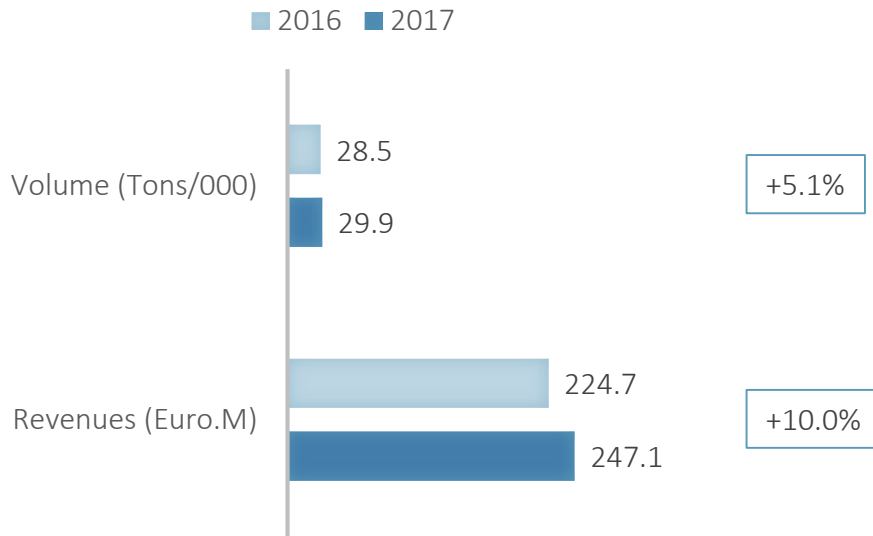
- Food Service Volume grew across the region with expansion in commercial and work place segments lead by new customers utilizing the group proprietary OCS systems (office coffee system)
- North America mass market volume down low to mid single digit but our main stream can coffee outperformed the segment which was down by close to 10% YOY
- Central America volumes and revenues grew across all channels with a particular focus on premium and estate coffees
- Revenues: -0.8% at Current FX, +1.3% at Constant FX: solid mid single digit in increase in average selling price offset the decline in volumes, mainly related to private label channel
- Effective cost control and efficiency improvements drove savings across the region to offset volume shortfalls and competitive pricing

FOCUS ON NORTHERN EUROPE



- Positive Volume and average selling price trend in key Countries driven by both Food Service and Mass Market
- In particular sales growth has been driven by:
 - Finland (Meira) which represents around 45% of Northern Europe sales increased high single digit
 - Germany, around 20% of Northern Europe sales, increased low teens
 - Austria (8% of sales) increased mid teens
 - Netherland (TikTak) (8% of sales) increased mid single digit
 - All the other countries increased mid single digit
- Continued expansion in all markets of fair trade and organic products. In particular in Finland Kulta Katrina is among the leader on organic segment; in Netherland TikTak fair trade and Brodies in UK
- Overall increased the proportion of premium products (Selezione)

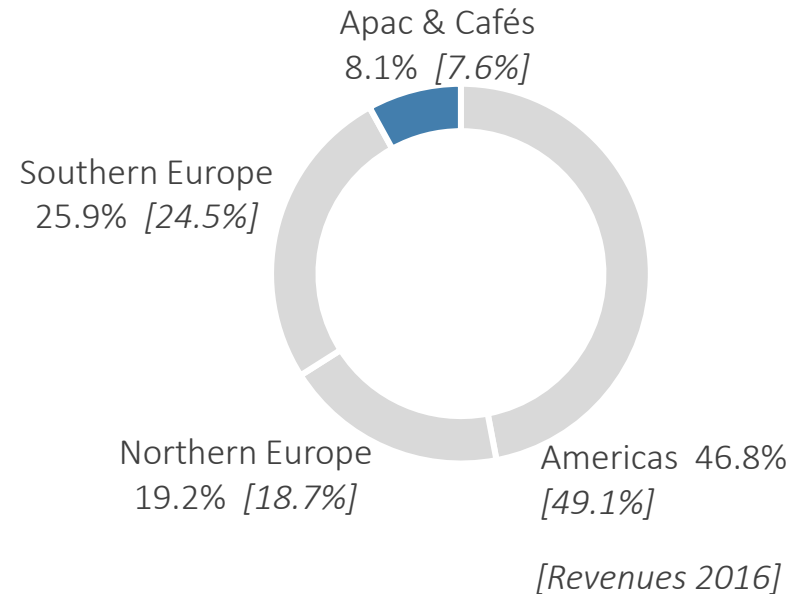
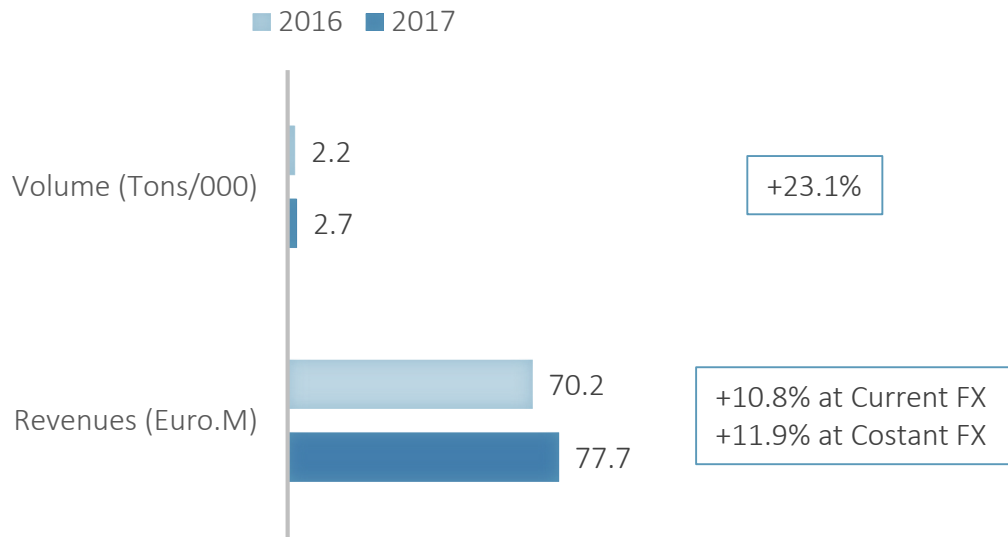
FOCUS ON SOUTHERN EUROPE



[Revenues 2016]

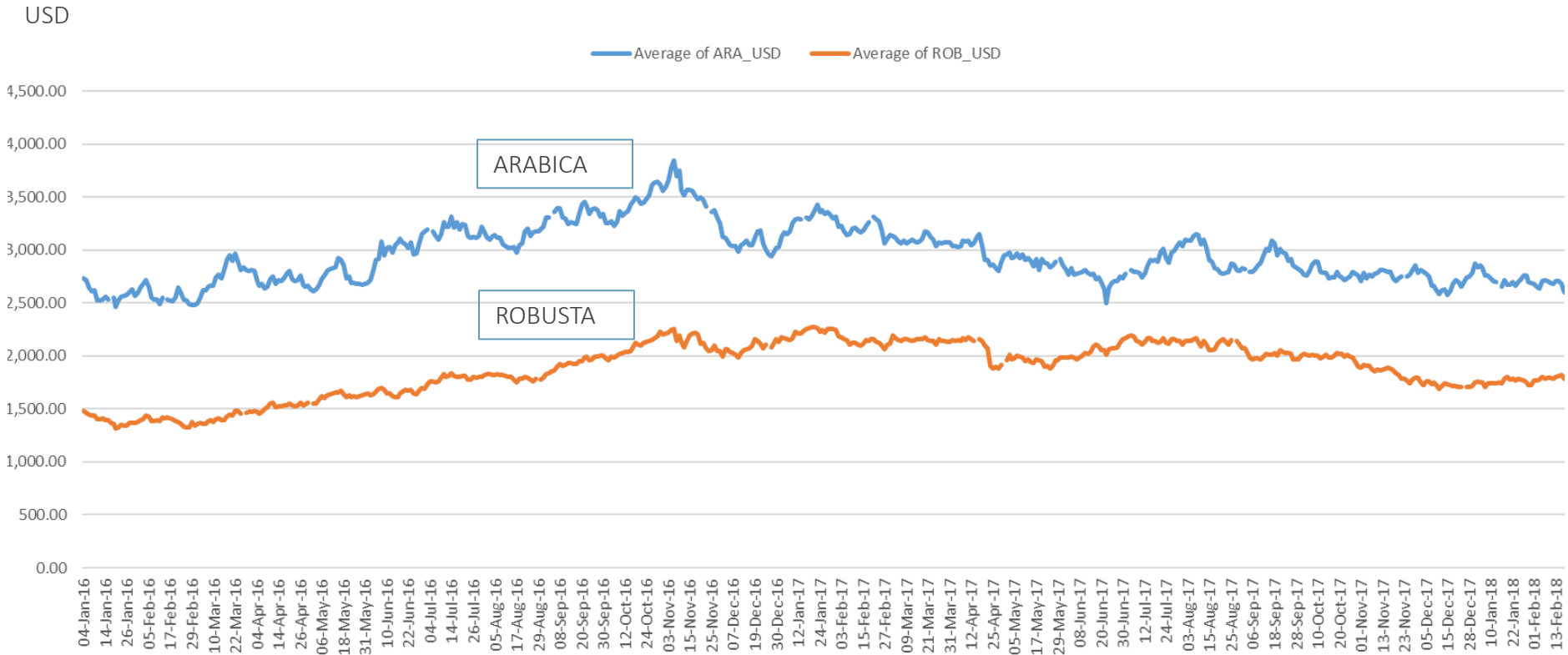
- Volumes growth in all distribution channels, driven mainly by Food Service thanks to the Nutricafés acquisition
- Average selling price increased mid single digit
- Remarkable growth of single serve, strong double digit
- Italy: right sizing of the commercial organization has been implemented
- Segafredo Zanetti Portugal and Nutricafés merge finalized and new MZB Iberia established in September: as a result the commercial organization has been strengthened and is focused on Food Service and Mass Market channel

FOCUS ON ASIA PACIFIC AND CAFÉS



- Volume and sales increased in all distribution channels
- In particular sales growth has been driven by:
 - Food Service: mid single digit growth led by Thailand and Cambodia
 - Mass Market: double digit growth thanks to Middle East and Hong Kong
 - Single serves continue to grow
 - Coffee Machines sales up mid teens thanks to Thailand, Australia, Cambodia and New Zealand
- M&A: the 2017 strategic acquisitions (Caswell's Indonesia in Jakarta and one important Australian distributor) are delivering results in line with expectations
- Cafés: 47 new openings during the year
- APAC main countries are: Thailand (around 30%), Australia (16%), Japan (15%), Singapore (11%) Middle east (10%)

GREEN COFFEE PRICE



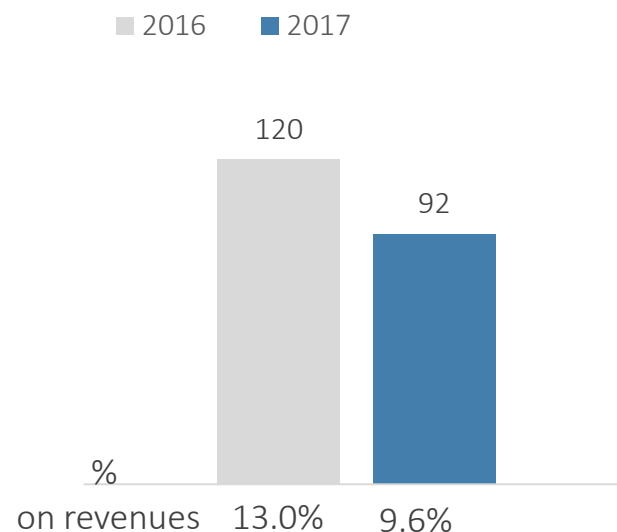
ASSET & LIABILITIES

<i>Euro.million</i>	2017	2016
Intangible assets	183.2	190.9
Property, plant and equipment and investment properties	217.7	224.5
Investments in joint ventures and associates	9.6	10.9
Non current advances and trade receivables	3.1	4.1
Deferred tax assets and other non current assets	23.9	26.3
Non current assets	437.6	456.8
Net working capital	92.2	119.6
Employee benefits	(9.0)	(9.3)
Other non current provisions	(3.0)	(3.9)
Deferred tax liabilities and other non current liabilities	(25.9)	(32.4)
Non current liabilities	(37.9)	(45.6)
Net Invested Capital	491.8	530.8
Equity	300.9	309.9
Net debt	191.0	220.9
Sources of financing	491.8	530.8

NET WORKING CAPITAL

<i>Euro.million</i>	2017	2016
Inventories	128.0	132.9
Trade receivables	123.4	120.1
Income tax assets	2.0	1.6
Other current assets	15.9	18.5
Trade payables	(139.3)	(122.2)
Income tax liabilities	(1.4)	(0.6)
Other current liabilities	(36.3)	(30.6)
Net working capital	92.2	119.6
% on revenues	9.6%	13.0%

Net working capital
Euro.million



- Executed strategy to better align North America raw material supplier terms of payment to current market condition

CASH FLOW

<i>Euro.million</i>	2017	2016
EBITDA Adjusted	75.0	68.3
Non recurring Items	(2.8)	-
Change in Net Working Capital	10.5	28.4
Net recurring investments	(34.9)	(29.5)
Income tax paid	(6.0)	(7.8)
Other operating items	1.7	4.3
Free Cash Flow	43.5	63.8
Net non recurring investments	(3.4)	(52.1)
Investments in financial receivables	1.7	(3.4)
Interest paid	(6.5)	(6.7)
Net cash generated from financing activities	11.7	17.9
Exchange gains on cash and cash equivalent	(2.6)	0.1
Net increase in cash and cash equivalent	44.4	19.6
Cash and cash equivalents at the beginning of the year	45.2	25.6
Cash and cash equivalent at the end of the year	89.6	45.2

Includes Dividends for Euro 5.3 million in 2017 (3.2 million in 2016)



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NET DEBT

<i>Euro.million</i>		2017	2016
Cash and cash equivalent	A	(0.8)	(0.9)
Cash at bank	B	(88.8)	(44.2)
Securities held for trading	C	-	-
Liquidity (A+B+C)	D	(89.6)	(45.2)
Current financial receivables	E	(2.3)	(3.5)
Current loans	F	53.0	50.9
Current portion of non current loans	G	24.3	25.0
Other current financial payables	H	1.5	1.6
Current Indebtedness (F+G+H)	I	78.7	77.4
Net current indebtedness (I+E+D)	J	(13.2)	28.8
Non current loans	K	201.5	189.4
Issued Bonds	L	-	-
Other non current financial payables	M	2.7	2.7
Non current indebtedness (K+L+M)	N	204.1	192.1
Net debt (J+N)	O	191.0	220.9



MASSIMO ZANETTI
BEVERAGE GROUP

ONE OF THE LARGEST COFFEE PLAYERS WORLDWIDE



Strong foundation for further growth

- Pure global coffee player in a growing market selling products in c. 110 countries
- Strong portfolio of leading brands positioned in growing countries
- Fully integrated across the value chain and well positioned across all channels to drive growth

NOTE AND DISCLAIMER

Figures are reported under IAS/IFRS. Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward looking statements. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Massimo Zanetti Beverage Group S.p.A. shares. Any reference to past performance is not a guide to future performance.

BOARD OF DIRECTORS

Chairman and CEO	Massimo Zanetti
Director	Matteo Zanetti
Director	Laura Zanetti
Director	Massimo Mambelli
Director	Lawrence L. Quier
Director	Maria Pilar Braga
Independent Director	Sabrina Delle Curti
Independent Director	Mara Vanzetta
Independent Director	Giorgio Valerio

INVESTOR RELATIONS

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Viale G.G. Felissent, 53 31020 Villorba (Treviso)

SHAREHOLDERS

M. ZANETTI INDUSTRIES SA	68.047%	23,339,963
Market	31.953%	10,960,037
Total N. of Shares	100.000%	34,300,000

CORPORATE REPORTING MANAGER

Leonardo Rossi leonardo.rossi@mzb-group.com

2018 FINANCIAL CALENDAR

February 28	FY 2017
April 10	Shareholders' Meeting
May 10	First Quarter 2018
August 8	First Half 2018
November 8	Nine Months 2018