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Testo del comunicato

Vedi allegato.

PRESS RELEASE

MASSIMO ZANETTI BEVERAGE GROUP SPA - 2018 RESULTS

NET PROFIT UP 10%, DIVIDEND INCREASED BY 12%

- **REVENUES**: EURO 891.2 MILLION COMPARED TO EURO 956.1 MILLION IN 2017, -6.8% AT CURRENT EXCHANGE RATES, -3.9% ON A COMPARABLE BASIS*
- **GROSS PROFIT**: EURO 388.8 MILLION, -2.2% COMPARED TO EURO 397.4 MILLION IN 2017
- **EBITDA ADJUSTED** (**): EURO 73.7 MILLION, -1.6% COMPARED TO EURO 75.0 MILLION IN 2017, STABLE ON A COMPARABLE BASIS*
- **NET PROFIT**: EURO 19.9 MILLION, +9.9% COMPARED TO EURO 18.1 MILLION IN 2017
- **NET DEBT**: EURO 174.7 MILLION COMPARED TO EURO 191.0 MILLION AT DECEMBER 31, 2017
- THE BOARD HAS PROPOSED AN ANNUAL **DIVIDEND OF EURO 0.19** PER SHARE, +12% COMPARED TO LAST YEAR

Villorba, February 28, 2019. 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, approved today the 2018 financial results.

MASSIMO ZANETTI, THE GROUP'S CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SAID: "2018 ended with a slight decline in revenues, mainly due to the raw material price trend, but with a more profitable mix which allowed us to obtain an increase in net profit of 10%.
It was also a year rich in initiatives aimed at laying the foundations for a new period of growth in all regions: notably in Asia, with the opening of the new branch in China, a stronger presence in Thailand and Indonesia, and the latest acquisition in Australia. New projects were launched also in other markets, to catch new trends, with increasing attention paid to the sustainability issue: compostable capsules, which have recently been awarded the title of product of the year in France, one of the most mature markets for the coffee sector; fairtrade, rainforest and organic products; and the important non-GMO certification obtained by our plantation in Kauai, Hawaii.
2019 will also be a year rich in projects, in which we expect to reap the rewards of the initiatives launched this year, in order to achieve profitable and lasting growth.
Business performance and efficient management of working capital allowed the Group to generate cash flows of over 60 million, before investments equal to Euro 32 million.
Based on the results obtained and the positive expectations for the current year, we propose to the next Shareholders' Meeting the distribution of a gross dividend of Euro 0.19 per share, up by 12% compared to last year."

(*) *on a comparable basis: at constant exchange rates and with the retrospective application of IFRS 15 on 2017 revenue. For additional information, please refer to the annex of this press release.*
(**) *before non-recurring costs of Euro 2.5 million in 2018 and Euro 6.3 million in 2017.*

VOLUMES

In 2018, the roasted coffee sales volumes of Massimo Zanetti Beverage Group S.p.A. remained substantially in line with the previous year (127.3 thousand tons) down by 1.6% on 2017.

This trend is due to the decrease in the Americas (-3.6% compared to 2017) in the Mass Market and Private Label channels; Southern Europe was substantially flat (-0.6% compared with 2017), Northern Europe was up +3.0% compared with 2017, and Asia Pacific and Cafés was up +8.0% compared to 2017.

Food Service channel increased +2.3%, compared with 2017, mainly due to a positive performance of Americas and Apac and a substantially stable performance in Europe.

CONSOLIDATED REVENUE

The Group's consolidated revenue amounts to Euro 891.2 million in 2018, compared to Euro 956.1 million of 2017, a decrease of 6.8% at current exchange rates, - 4.3% at constant exchange rates compared to 2017.

Revenue, on a comparable basis*, decreased -3.9% compared to the previous year, mainly due to:

- the decrease in roasted coffee sales volumes, as explained before (-1.6% compared to 2017);
- the decrease of roasted coffee sales price resulting from the decrease in the average purchase price of green coffee which was partially offset by the positive effects of a different mix in the sales channels in 2018 and 2017.

(*) comparable basis: at constant exchange rates and with the retrospective application of IFRS 15 on 2017 revenue. For additional information, please refer to the annex of this press release.

REVENUE BY CHANNEL

Revenue from the Food Service channel, which accounts for 23.4% of the Group's revenue, amount to Euro 208.8 million, stable on last year on a comparable basis, with volume growth recorded in Americas and Apac and a slight decrease in Europe.

Performance of the Mass Market channel and Private Label channels, equal to 36.7% and 33.1% respectively of the Group's revenue, is due to the decline in volumes of the Americas and the slight decrease of roasted coffee sales price as a consequence of the reduction of the cost of green coffee, as explained before.

					Change		
(in Thousand of Euro)	2018		2017		Current FX	Constant FX	Comparable basis: Constant FX and IFRS 15
Foodservice	208,784	23.4%	211,850	22.2%	-1.4%	+0.3%	**+0.2%**
Mass Market	327,362	36.7%	357,467	37.4%	-8.4%	-6.5%	**-5.4%**
Private Label	294,875	33.1%	325,197	34.0%	-9.3%	-5.7%	**-5.7%**
Other	60,182	6.8%	61,551	6.4%	-2.2%	+0.2%	**+0.2%**
Total	**891,203**	**100.0%**	**956,065**	**100.0%**	**-6.8%**	**-4.3%**	**-3.9%**

REVENUE BY REGION

Revenue from the Americas amounts to Euro 396.8 million (44.5% of the Group's revenue) a 6.5% reduction on last year on a comparable basis. This performance is explained by the decrease of the Mass Market and Private Label channels, as already explained.

Revenue from Europe are slightly negative mainly due to the reduction in sales prices as a consequence of the decrease in the purchase price of green coffee.

Revenue from Asia-Pacific, which also include those from the international network of cafés, amount to Euro 78.9 million, up by 4.2% on a like for like basis, compared to 2017.

					Change		
(in Thousand of Euro)	2018		2017		Current FX	Constant FX	Comparable basis: Constant FX and IFRS15
Americas	396,794	44.5%	447,407	46.8%	-11.3%	-6.5%	-6.5%
Northern Europe	180,564	20.3%	183,785	19.2%	-1.8%	-1.7%	-2.5%
Southern Europe	234,950	26.4%	247,163	25.9%	-4.9%	-4.9%	-2.8%
Asia-Pacific and Cafés	78,895	8.9%	77,710	8.1%	1.5%	+4.2%	+4.2%
Total	**891,203**	**100.0%**	**956,065**	**100.0%**	**-6.8%**	**-4.3%**	**-3.9%**

GROSS PROFIT

Gross profit amounts to Euro 388.8 million, and on a comparable basis, increased by Euro 4.0 million (+1.0% compared to 2017), mainly due to the sale of roasted coffee (+1.6% compared to 2017).

On a reported basis gross profit decreased by Euro 8.6 million explained by the unfavorable effect of exchange rates (with an impact of Euro 8.5 million, compared to 2017) and by the effect of IFRS 15.

The increase in Gross Profit from the sale of roasted coffee is in turn mainly due to the positive impact of the trends in sales and purchase prices respectively of roasted and green coffee and to the positive effect of the different mix in the sales channels in 2018 and 2017 (+3.3% compared to 2017), partially offset by the decrease in roasted coffee volumes (-1.7% compared to 2017).

In percent of revenue the Gross Profit increased 200 basis points (from 41.6% of revenue to 43.6%).

OPERATING COSTS

Operating costs decreased by Euro 7.4 million, mainly as a result of the positive effect of exchange rate (which had a positive effect of Euro 7.3 million).

On a comparable basis operating costs increased by Euro 4.0 million mainly due to:

i) growth initiatives with investments in management and structures also for the start-up of new branches, as in China, Indonesia and Thailand
ii) strengthening of the sales and marketing structure, mainly in Northern Europe

EBITDA ADJUSTED

EBITDA adjusted amounts to Euro 73.7 million (8.3% on revenue) compared with 75.0 million of 2017 (7.8% on revenues) a decrease of 1.6% at current FX. Excluding the negative impact of exchange rate fluctuations for Euro 1.2 million, EBITDA adjusted was stable compared with 2017.

In the third and fourth quarter, the Group launched different projects aimed at further streamlining of business operations in Europe, which generated non-recurring charges of Euro 2.5 million. Notably, the Group implemented measures to reorganize the productive and logistics structure of the Portuguese subsidiary Massimo Zanetti Beverage Iberia, aimed at increasing the efficiency and productive capacity of roasting systems at the local plant, to meet the growing European demand, also in the capsule sector.

OPERATING INCOME (EBIT)

Operating income (EBIT) amounts to Euro 36.4 million, an increase of +14.6% compared to Euro 31.7 million of 2017. In addition, as previously described for EBITDA, this increase is attributable to the decrease in amortization and depreciation, amounting to Euro 2.1 million, positively impacted by foreign exchange fluctuations for Euro 0.6 million.

NET PROFIT

The net profit amounts to Euro 19.9 million, up 9.9% compared to 2017.

In addition to as previously described for operating income, the increase is also due to the combined effect of:

- the decrease in net finance costs of Euro 0.7 million (-9.2% compared with 2017), mainly due to lower interest charges, equal to Euro 0.5 million;
- the increase in income taxes of Euro 3.5 million (+72.1% compared to 2017), due mainly to higher deferred taxes. In this regard, it should be noted that, in 2017, the Group had benefited from the tax reforms introduced by the US government.

NET DEBT

Net debt is equal to Euro 174.7 million, compared to 191.0 million at December 31, 2017. During 2018, the net recurring investments amount to Euro 31.6 million compared to Euro 34.9 million of 2017. During the period, Euro 6.0 million dividends were distributed, compared with Euro 5.3 million of the same period of 2017.

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 2018 Consolidated non-financial statement (pursuant to Italian d. Lgs. n. 245/2016).

Revenues of the parent company amount to Euro 10.6 million compared to Euro 8.1 million in 2017. The net profit for the year is Euro 7.8 million compared to Euro 6.7 million in 2017.

Equity amounts to Euro 160.1 million compared to Euro 158.1 million at December 31, 2017. Net debt is Euro 150.8 million (Euro 156.5 million at December 31, 2017).

PROPOSED DIVIDEND AND CALLING OF THE SHAREHOLDERS' MEETING

The Board of directors resolved to propose to shareholders the distribution of a gross dividend of Euro 0.19 per ordinary share, for a total of approximately Euro 6,517,000.

Furthermore, the Board of directors resolved to call the ordinary shareholders' meeting to approve the 2018 separate financial statements and submit the 2018 consolidated financial statements on April 10, 2019.

If approved, the dividend will be paid on May 22, 2019 (ex-dividend date on May 20 and record date on May 21).

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

In view of the results achieved in 2018 and considering current developments, the expectations relating to the performance of the Group for 2019, assuming the absence of extraordinary transactions, are as follows:

- slight increase in revenues* driven by:
    - the improvement in product and channel mix
    - growth in volumes in line with market trends
- increase in EBITDA adjusted * of approximately 3%- 5%
- taking into account the extraordinary transactions already announced in the first quarter of 2019, net debt is expected to be around Euro 195 million

(*) at constant exchange rates

These forecasts exclude the impact of the application of IFRS 16.

CONFERENCE CALL TO PRESENT 2018 FINANCIAL RESULTS

The Group's 2018 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: 907#

The presentation will be available before the conference call on the company website www.mzb-group.com and on the storage system (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

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.

Self-Assessment of the Board of Statutory Auditors

In compliance with rule Q.1.1. of the "Rules of conduct of the board of statutory auditors of listed companies" (April 2018), issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (association of chartered accountants), the Board of Statutory Auditors carried out an internal self-assessment process, reviewing the ability of its members to meet the eligibility requirements on an ongoing basis and its own correct and effective operation. The self-assessment process, which was concluded successfully, was recorded by the Board of Statutory Auditors and its outcome was formalised in a special report, sent to the Board of Directors on 6 February 2019.

For more information

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Massimo Zanetti Beverage Group S.p.A.

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.

MASSIMO ZANETTI
BEVERAGE GROUP

DISCLAIMER

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

	For the year ended December 31,				Change	
(in thousands of Euro)	2018		2017		2018-2017	
Revenue	891,203	100.0%	956,065	100.0%	(64,862)	-6.8%
Raw, ancillary, and consumable materials and goods	(502,407)	-56.4%	(558,693)	-58.4%	56,286	-10.1%
Gross Profit	**388,796**	**43.6%**	**397,372**	**41.6%**	**(8,576)**	**-2.2%**
Purchases of services, leases and rentals	(174,125)	-19.5%	(183,140)	-19.2%	9,015	-4.9%
Personnel costs	(142,316)	-16.0%	(145,640)	-15.2%	3,324	-2.3%
Other operating costs, net	640	0.1%	1,849	0.2%	(1,209)	-65.4%
Impairment	(1,743)	-0.2%	(1,767)	-0.2%	24	-1.4%
EBITDA	**71,252**	**8.0%**	**68,674**	**7.2%**	**2,578**	3.8%
Non-recurring charges	2,494	0.3%	6,292	0.7%	(3,798)	-60.4%
Adjusted EBITDA	**73,746**	**8.3%**	**74,966**	**7.8%**	**(1,220)**	**-1.6%**
Depreciation and amortization	(34,862)	-3.9%	(36,927)	-3.9%	2,065	-5.6%
Operating profit	**36,390**	**4.1%**	**31,747**	**3.3%**	**4,643**	**14.6%**
Net finance expense	(7,259)	-0.8%	(7,996)	-0.8%	737	-9.2%
Share of losses of companies accounted for using the equity method	(879)	-0.1%	(787)	-0.1%	(92)	11.7%
Profit before tax	**28,252**	**3.2%**	**22,964**	**2.4%**	**5,288**	**23.0%**
Income tax expense	(8,355)	-0.9%	(4,854)	-0.5%	(3,501)	72.1%
Profit for the period	**19,897**	**2.2%**	**18,110**	**1.9%**	**1,787**	**9.9%**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

	As at December 31,	
(in thousands of Euro)	2018	2017
Investments:		
Intangible assets	182,799	183,231
Property, plant and equipment and investment properties	219,898	217,717
Investments in joint ventures and associates	10,404	9,616
Non-current trade receivables	2,542	3,076
Deferred tax assets and other non-current assets	25,183	23,913
Non-current assets (A)	**440,826**	**437,553**
Net working capital (B)	**94,437**	**92,199**
Employee benefits	(8,822)	(8,987)
Other non-current provisions	(3,190)	(2,986)
Deferred tax liabilities and other non-current liabilities	(29,885)	(25,942)
Non-current liabilities (C)	**(41,897)**	**(37,915)**
Net invested capital (A+B+C)	**493,366**	**491,837**
Sources:		
Equity	318,648	300,882
Net Financial Indebtedness	174,718	190,955
Sources of financing	**493,366**	**491,837**

NET WORKING CAPITAL

	As at December 31,	
(in thousands of Euro)	2018	2017
Inventories	131,649	127,997
Trade receivables	120,832	123,405
Income tax assets	3,271	1,975
Other current assets	15,603	15,868
Trade payables	(144,292)	(139,329)
Income tax liabilities	(1,664)	(1,433)
Other current liabilities	(30,962)	(36,284)
Net working capital	**94,437**	**92,199**

Reclassified Consolidated cash flow statement

(in thousands of Euro)	For the year ended December 31, 2018	2017
Adjusted EBITDA	73,746	**74,966**
Non-recurring items paid	(4,198)	(2,758)
Changes in Net Working Capital	(3,516)	10,527
Net recurring investments	(31,567)	(34,911)
Income tax paid	(8,340)	(6,029)
Other operating items	2,622	1,674
Free cash flow	**28,747**	**43,469**
Net non-recurring investments	(1,200)	(3,360)
Investments (Disposals) in financial receivables	(1,363)	1,718
Interest paid	(5,688)	(6,477)
Net cash generated from financing activities	(12,031)	16,987
Net cash from discontinuing operations	(5,999)	(5,305)
Exchange gains/(losses) on cash and cash equivalents	1,431	(2,605)
Net increase in cash and cash equivalents	**3,897**	**44,427**
Cash and cash equivalents at the beginning of the period	89,594	45,167
Cash and cash equivalents at the end of the period	**93,491**	**89,594**

Changes in Net working capital

(in thousands of Euro)	For the year ended December 31, 2018	2017
Changes in inventories	(1,378)	(1,811)
Changes in trade receivables	(832)	(8,699)
Changes in trade payables	2,245	23,011
Changes in other assets/liabilities	(2,775)	(1,351)
Payments of employee benefits	(776)	(623)
Changes in net working capital	**(3,516)**	**10,527**

NET FINANCIAL DEBT

(in thousands of Euro)		As at December 31, 2018	As at December 31, 2017
A	Cash and cash equivalents	(964)	(803)
B	Cash at bank	(92,527)	(88,791)
C	Securities held for trading	-	-
D	**Liquidity (A+B+C)**	**(93,491)**	**(89,594)**
E	**Current financial receivables**	**(3,728)**	**(2,327)**
F	Current loans	49,651	53,014
G	Current portion of non-current loans	45,243	24,259
H	Other current financial payables	1,743	1,459
I	**Current indebtedness (F+G+H)**	**96,637**	**78,731**
J	**Net current indebtedness (I+E+D)**	**(582)**	**(13,190)**
K	Non-current loans	172,796	201,453
L	Issued bonds	-	-
M	Other non-current financial payables	2,504	2,692
N	**Non-current indebtedness (K+L+M)**	**175,300**	**204,145**
O	**Net financial indebtedness (J+N)**	**174,718**	**190,955**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	For the year ended December 31, 2018	2017
Revenue	891,203	956,065
Other income	6,954	8,560
Raw, ancillary, and consumable materials and goods	(502,407)	(558,693)
Purchases of services, leases and rentals	(174,125)	(183,140)
Personnel costs	(142,316)	(145,640)
Other operating costs	(6,314)	(6,711)
Amortization, depreciation and impairment	(36,605)	(38,694)
Operating profit	**36,390**	**31,747**
Finance income	337	299
Finance costs	(7,596)	(8,295)
Share of losses of companies accounted for using the equity method	(879)	(787)
Profit before tax	**28,252**	**22,964**
Income tax expense	(8,355)	(4,854)
Profit for the year	**19,897**	**18,110**
Profit attributable to:		
Non-controlling interests	*105*	*174*
Owners of the parent	*19,792*	*17,936*
Basic/diluted earnings per share (in Euro)	**0.58**	**0.52**

CONSOLIDATED BALANCE SHEET

	As at December 31,	
(in thousands of Euro)	**2018**	**2017**
Intangible assets	182,799	183,231
Property, plant and equipment	215,127	212,830
Investment properties	4,771	4,887
Investments in joint ventures and associates	10,404	9,616
Non-current trade receivables	2,542	3,076
Deferred tax assets	11,828	10,244
Non-current contract assets	6,781	-
Other non-current assets	6,574	13,669
Total non-current assets	**440,826**	**437,553**
Inventories	131,649	127,997
Trade receivables	120,832	123,405
Income tax assets	3,271	1,975
Current contract assets	3,759	-
Other current assets	15,572	18,195
Cash and cash equivalents	93,491	89,594
Total current assets	**368,574**	**361,166**
Total assets	**809,400**	**798,719**
Share capital	34,300	34,300
Other reserves	99,396	98,162
Retained earnings	183,069	166,443
Total equity attributable to owners of the Parent	**316,765**	**298,905**
Non-controlling interests	1,883	1,977
Total equity	**318,648**	**300,882**
Non-current borrowings	175,300	204,145
Employee benefits	8,822	8,987
Other non-current provisions	3,190	2,986
Deferred tax liabilities	26,863	22,895
Non-current contract liabilities	483	-
Other non-current liabilities	2,539	3,047
Total non-current liabilities	**217,197**	**242,060**
Current borrowings	96,637	78,731
Trade payables	144,292	139,329
Income tax liabilities	1,664	1,433
Current contract liabilities	946	-
Other current liabilities	30,016	36,284
Total current liabilities	**273,555**	**255,777**
Total liabilities	**490,752**	**497,837**
Total equity and liabilities	**809,400**	**798,719**

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended December 31,	
(in thousands of Euro)	2018	2017
Profit before tax	**28,252**	**22,964**
Adjustments for:		
Amortization, depreciation and impairment	36,605	38,694
Provisions for employee benefits and other charges	1,102	561
Net finance expense	7,259	7,996
Other non-monetary items	(1,048)	3,667
Net cash generated from operating activities before changes in net working capital	**72,170**	**73,882**
Changes in inventories	(1,378)	(1,811)
Changes in trade receivables	(832)	(8,699)
Changes in trade payables	2,245	23,011
Changes in other assets/liabilities	(2,775)	(1,351)
Payments of employee benefits	(776)	(623)
Interest paid	(5,688)	(6,477)
Income tax paid	(8,340)	(6,029)
Net cash generated from operating activities	**54,626**	**71,903**
Acquisition of subsidiary, net of cash acquired	-	(2,583)
Purchase of property, plant and equipment	(29,806)	(35,394)
Purchase of intangible assets	(2,784)	(1,222)
Proceeds from sale of property, plant and equipment	1,005	1,699
Proceeds from sale of intangible assets	18	6
Investments in joint ventures and associates	(1,200)	(777)
Changes in financial receivables	(1,528)	1,575
Interest received	165	143
Net cash used in investing activities	**(34,130)**	**(36,553)**
Proceeds from long-term borrowings	15,360	67,433
Repayment of long-term borrowings	(24,235)	(52,257)
Increase / (decrease) in short-term borrowings	(3,156)	1,811
Dividends paid	(5,999)	(5,305)
Net cash generated from financing activities	**(18,030)**	**11,682**
Exchange gains/(losses) on cash and cash equivalents	1,431	(2,605)
Net increase/(decrease) in cash and cash equivalents	**3,897**	**44,427**
Cash and cash equivalents at the beginning of the period	89,594	45,167
Cash and cash equivalents at the end of the period	**93,491**	**89,594**

IMPACTS FROM NEW ACCOUNTING STANDARDS

IFRS 15

Under IFRS 15, an entity shall account for consideration payable to a customer as a reduction of revenue unless the payment to the customer is in exchange for a distinct good or service received from the customer and measured at fair value. Therefore, as of January 1, 2018, the Group has reclassified this type of consideration from "purchases of services, leases and rentals" to a decrease in "revenue". The application of IFRS 15 have implied in 2018 a reclassification from "Purchase of services, leases and rentals" to "Revenues" of Euro 4,624 thousand Tables below show the effect of the application of IFRS 15 on December 31, 2018 revenues:

	For the year ended December 31, 2018		
(in thousands of Euro)	Reported Figures	Reclassification	Restated Figures
Foodservice	208,784	(188)	208,596
Mass Market	327,362	4,617	331,979
Private Label	294,875	195	295,070
Other	60,182		60,182
Total	**891,203**	**4,624**	**895,827**

	For the year ended December 31, 2018		
(in thousands of Euro)	Reported Figures	Reclassification	Restated Figures
Americas	396,794		396,794
Northen Europe	180,564	(1,168)	179,396
Southern Europe	234,950	5,792	240,742
Asia-Pacific and Cafés	78,895		78,895
Total	**891,203**	**4,624**	**895,827**

Under IFRS 15, contract assets and liabilities shall be presented separately in the statement of financial position. Therefore the Group has reclassified some contract assets and liabilities (e.g., the discounts granted to the Foodservice channel customers and advances from customers) which are currently included in "other current assets", "other non-current assets" and "other current liabilities" and "other non-current liabilities". For these assets and liabilities it has been given separate evidence of those related to "contracts" with customers, as shown in the following table.

(in thousands of Euro)	For the year ended December 31, 2018		
	Reported Figures	IFRS 15	Data without the impact of IFRS 15
Asset			
Current and non current contract assets	10.540	(10.540)	-
Other current and non current assets	22.146	10.540	32.686
Liabilities			
Current and non-current contract liabilities	1.429	(1.429)	-
Other current and non-current liabilities	32.555	1.429	33.984

IFRS 9

Under the new impairment model applicable to financial assets, the accruals to the allowance for impairment are based on expected losses rather than on the losses already incurred as set out in IAS 39.

The Group has applied the simplified approach envisaged by IFRS9 in order to asses the recoverability of its own trade receivables. The adjustment to the estimates done before, as shown in the following table with values as at January 1 2018, takes into account the default risk in trade receivables, through a differentiated " expected default rate" which is applied to classes of trade receivables homogeneous in terms of risk profile and maturity or, for those in arrears, in terms of the actions taken to recover the credit. Please see also Note 3 "Management of Financial Risks".

As mentioned above, when reporting the impact from the first adoption of IFRS 9, the Group has used the "*modified retrospective method*". According to this method, the cumulated effects related to the implementation of the new standard are recorded in the "Retained Earnings" as at January 1 2018, without presenting the comparative amounts, as shown in the following table:

(in thousands of Euro)	As of December 31 2017	IFRS 9 effect	As of January First 2018
Asset			
Current and non current trade receivables	126,481	(3,791)	122,690
Deferred tax assets and liabilities	10,244	821	11,065
Liabilities			
Retained earnings	166,443	(2,953)	163,490
Equity attributable to non-controlling interests	1,977	(17)	1,960

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