



SPAFID CONNECT

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9M Newlat Food

Testo del comunicato

Vedi allegato.



A multibrand company

Sede Centrale: Via J. F. Kennedy, 16 – 42124 Reggio Emilia – Telefono: 0522.7901 Fax: 0522.790266

Cap. Soc € 39.700.000,00 i.v. – REA di RE n° 277595 – P.IVA e Cod. Fis. 00183410653

Società soggetta all'attività di direzione e coordinamento da parte di Newlat Group S.A. ai sensi degli artt. 2497 ss. del codice civile.

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AS AT 30 SEPTEMBER 2019

- Consolidated aggregate revenues of € 222.6 million (€ 227.4 million proforma), up 4.2% compared to € 213.6 million in the first nine months of the year 2018.
- Consolidated aggregate EBITDA of € 18.7 million (€ 19.2 million proforma), up 11.7% compared to € 16.7 million in the first nine months of the previous year.
- Aggregated NFP improved by € 3.5 million compared to the first half of the year 2019.

Reggio Emilia, 15 November 2019 - the Board of Directors of Newlat Food S.p.A. ("Newlat Food" or the "Company"), which met today under the chairmanship of Angelo Mastrolia, examined and approved the Interim Report of the Company as at 30 September 2019.

The first nine months of 2019 confirm a positive trend in the main aggregated economic and financial data of Newlat Food.

The Company's consolidated revenues amounted to € 222.6 million in the first nine months of the current year, up 4.2%¹ compared to the first nine months of the year 2018. In particular, the Dairy products business unit recorded a solid 10% growth, confirming the strong positive trend of previous years. The Food Service channel recorded a growth of 26.1%.

The Company's EBITDA in the first nine months of 2019 was equal to € 18.7 million, an increase of 11.7% compared to the first nine months of 2018.

Net income was € 5.3 million compared to € 4.3 million of the first nine months of the previous year.

The net financial position also showed an improvement, equal to € 3.5 million compared to the first six months of the current reporting period.

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The Chairman of the Board, analyzing the trend in the third quarter of 2019, expresses great satisfaction about the solid organic growth of the business, up 4,2% compared to the previous period, with a double-digit performance in the dairy sector, up 10 %, and with growth also in the various distribution channels which, in food service, reaches a record figure up 26%.

The other individual business units also show organic growth that is consistent with company forecasts and significantly higher compared to market trends.

¹ Organic growth equals 2.7% net of the acquisition of Delverde Industrie Alimentari S.p.A.





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These numbers well bode for the end of the year and constitute a solid base for the development of the guidelines of the industrial plan for 2020.

The growth figures by geographical area are also encouraging, where 4.2%, adjusted for Delverde Industrie Alimentari SpA, performs much better than the market.

The financial data also show a business capable of constantly generating cash with an EBITDA up 8.4%, with an NFP improving by 3.5 million euros compared to June 2019 and with a cash conversion of 83% .

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Analysis of consolidated revenues

In the first nine months of 2019, Newlat Food achieved consolidated aggregate revenues of € 222.6 million, up 4.2% compared to € 213.6 million in the first nine months of the previous year.

Revenue breakdown by Business Unit

| <i>(In € thousand and in percentage)</i> | At 30 September | | | | Change | |
|--|-----------------|---------------|----------------|---------------|---------------|-------------|
| | 2019 | % | 2018 | % | 2019 vs. 2018 | % |
| Pasta | 91,168 | 41.0% | 85,736 | 40.1% | 5,432 | 6.3% |
| Milk Products | 51,507 | 23.1% | 50,651 | 23.7% | 855 | 1.7% |
| Bakery Products | 26,002 | 11.7% | 25,736 | 12.1% | 266 | 1.0% |
| Dairy Products | 20,004 | 9.0% | 18,185 | 8.5% | 1,819 | 10.0% |
| Special Products | 21,410 | 9.6% | 20,525 | 9.6% | 885 | 4.3% |
| Other activities | 12,448 | 5.6% | 12,724 | 6.1% | (276) | (2.2%) |
| Revenues from clients' contracts | 222,539 | 100.0% | 213,557 | 100.0% | 8,981 | 4.2% |

In the first nine months of the year, Newlat Food recorded good growth and linearity in all business units, confirming its expectations.

Revenues related to the **Pasta** segment were up 6.3%; net of the Delverde contribution, there would have been a substantial linearity in sales volumes.

Revenues related to the **Milk Products** segment increased by 1.7%, mainly due to the increase in sales volumes.





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The revenues from the **Bakery Products** segment were substantially in line with the periods under review with an increase of 1%.

Revenues from the **Dairy Products** segment increased by 10%, mainly due to the increase in sales of mascarpone.

Revenues relating to the **Special Products** segment increased by 4.3% mainly due to the renegotiation of the price lists with Kraft-Heinz, as well as a result of the addition of new customers.

Revenues from the **Other Products** segment decrease by 2.2% compared to the first nine months of the previous year.

Revenue breakdown by distribution channel

| | At 30 September | | | | Change | |
|--|-----------------|---------------|----------------|---------------|---------------|-------------|
| | 2019 | % | 2018 | % | 2019 vs. 2018 | % |
| <i>(In € thousand and in percentage)</i> | | | | | | |
| Large-scale retailers | 134,201 | 60.3% | 128,718 | 60.3% | 5,483 | 4.3% |
| B2B partners | 29,384 | 13.2% | 28,974 | 13.6% | 410 | 1.4% |
| Normal trade | 26,826 | 12.1% | 25,242 | 11.8% | 1,584 | 6.3% |
| Private label | 24,371 | 11.0% | 24,471 | 11.5% | (100) | (0.4%) |
| Food service | 7,758 | 3.5% | 6,153 | 2.9% | 1,605 | 26.1% |
| Revenues from clients' contracts | 222,539 | 100.0% | 213,557 | 100.0% | 8,981 | 4.2% |

Revenues relating to the **large-scale retail** channel increased by 4.3% due to the contribution of Delverde, net of which there would have been a substantial linearity.

The revenues from the **B2B partners** channel increased by 1.4%.

Revenues related to the **Normal trade** channel increased by 6.3%, mainly due to the increase in sales volumes of the Milk Products and Other Products segments.

Revenues relating to the **Private label** channel were in slight decrease of 0.4%.

Food service channel revenues increased by 26.1% due to the increase in sales of the Dairy Products segments, mainly mascarpone.

Revenue breakdown by geography





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| (In € thousand and in percentage) | At 30 September | | | | Change | |
|---|-----------------|---------------|----------------|---------------|---------------|-------------|
| | 2019 | % | 2018 | % | 2019 vs. 2018 | % |
| Italy | 117,622 | 52.9% | 110,372 | 51.7% | 7,250 | 6.6% |
| Germany | 66,088 | 29.7% | 64,898 | 30.4% | 1,191 | 1.8% |
| Other countries | 38,830 | 17.5% | 38,288 | 18.0% | 542 | 1.4% |
| Revenues from clients' contracts | 222,539 | 100.0% | 213,557 | 100.0% | 8,982 | 4.2% |

Revenues in **Italy** increased by 6.6%, mainly due to the contribution of Delverde and the increase in sales volumes recorded in the Dairy Products segment and Milk products.

Revenues in **Germany** were up by 1.8% compared to the previous year due to higher sales volumes of the Dairy segment.

Revenues relating to **Other Countries** increased by 1.4% in the periods under review.

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On October 29, 2019, Newlat Food SpA was admitted to trading on the Mercato Telematico Azionario, STAR segment, managed by Borsa Italiana. 12,700,000 Shares were placed on the market at the offer price set at Euro 5.80 per Share, which were subject to the Institutional Placement. Following the aforementioned subscription of shares, the share capital consists of 39,700,000 shares for a value of € 39,700,000.

Considering the good performance of the third quarter of 2019 and the prospects for the fourth quarter, it is expected to close the year 2020 in line with the Group's expectations.

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OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors also approved, at the same meeting on November 15, 2019, the regulations of the Remuneration and Appointments Committee; (ii) Control and Risk Committee; and (iii) Committee for Related Party Transactions, in relation to which the independent directors expressed a favorable opinion at the meeting held on November 13, 2019.

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It should also be noted that at the meeting of November 13, 2019, the Committee for Transactions with Related Parties expressed a favorable opinion on the Procedure for the regulation of Transactions





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with Related Parties, previously approved by the Company's Board of Directors on September 6, 2019. The procedure it is available on the Company's website (www.newlat.it).

* * *

CONFERENCE CALL ON THE 9M 2019 RESULTS OF THE NEWLAT FOOD GROUP

The results of the Newlat Food Group as at 30 September 2019 will be illustrated during the conference call to be held today at 15:00 (CET). To participate in the *conference call* it is necessary to connect, at least 10 minutes before the beginning, to the following numbers: (i) for Italy: +39 028058811; (ii) for the United Kingdom: + 44 1212518003; (iii) for Germany: +49 69255114451; (iv) for France: +33 170918703.

The presentation will be available on the Company's website (www.newlat.it) as well as at the authorized storage mechanism eMarketstorage at www.emarketstorage.com before the conference call begins. Moreover, the MP3 file of the call will be available on the Company's website starting from November 16, 2019.

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DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE CORPORATE ACCOUNTING DOCUMENTS

The manager responsible for preparing the corporate accounting documents Rocco Sergi declares, pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree no. 58 of 1998, that the information contained in this press release corresponds to the document results, books and accounting records.

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DISCLAIMER

This presentation might contain certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Newlat Food S.p.A.'s current expectations and projections about future events.

Any reference to past performance of the Newlat Group shall not be taken as a representation or indication that such performance will continue in the future.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy Newlat's securities, nor shall the document form 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 Newlat Food.

Newlat'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.





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This press release is available on the Company's website at www.newlat.it as well as at the authorized storage mechanism eMarketstorage at www.emarketstorage.com.

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The document “Interim management report at 30 September 2019” will be available on the Company's website at www.newlat.it as well as at the authorized storage mechanism eMarketstorage at www.emarketstorage.com.

FOR MORE INFORMATION:

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The Newlat Group

The Newlat Group is a relevant multinational, multi-*brand* and multi-channel player in the Italian and European agri-food sector, having a large portfolio of products and brands well known in Italy and internationally. The Newlat Group holds a consolidated positioning in the Italian and German markets and sale products in more than 60 countries. The Newlat Group is mainly active in the pasta, dairy, bakery and special products sectors, and in particular in the *health & wellness*, *gluten free* and *baby food* sectors.

For more information, visit our website www.newlat.it.





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Consolidated Aggregate Income Statement

| <i>(In € thousand)</i> | Ended 30 September | Ended 30 September | Ended 30 September |
|--|--------------------|--------------------|--------------------|
| | 2019 | 2018 | Proforma 2019 |
| Revenues from clients' contracts | 222,539 | 213,557 | 227,438 |
| Cost of goods sold | (183,914) | (177,376) | (188,019) |
| Gross margin | 38,624 | 36,181 | 39,418 |
| Sales and distribution expenses | (20,507) | (20,147) | (21,134) |
| Administrative expenses | (10,060) | (9,325) | (10,447) |
| Net write-offs of financial activities | (903) | (807) | (0,926) |
| Other income and revenues | 3,438 | 3,493 | 3,572 |
| Other operating costs | (2,120) | (2,280) | (2,244) |
| EBIT | 8,473 | 7,116 | 8,240 |
| Financial income | 339 | 968 | 0,375 |
| Financial expenses | (1,095) | (1,399) | (1,199) |
| EBT | 7,717 | 6,685 | 7,416 |
| Taxes | (2,393) | (2,375) | (2,521) |
| Net Income | 5,325 | 4,310 | 4,896 |
| EPS | 0.20 | 0.16 | 0.18 |
| Diluted EPS | 0.20 | 0.16 | 0.18 |
| EBITDA | 18,668 | 16,707 | 19,231 |

Consolidated Aggregate Balance Sheet

(In € thousand)

Ended 30 September

Ended 30 September

Non-current assets





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| | | |
|--|----------------|----------------|
| Property, plant and equipment | 32,107 | 30,669 |
| Right of use | 19,629 | 18,577 |
| Intangible assets | 25,188 | 25,713 |
| Non-current financial assets valued at fair value with impact on I/S | 41 | 32 |
| Financial assets stated at amortized cost | 868 | 858 |
| Deferred tax assets | 3,858 | 4,844 |
| Total non-current assets | 81,692 | 80,693 |
| Current assets | | |
| Inventory | 30,006 | 25,251 |
| Account receivables | 58,657 | 53,869 |
| Current tax assets | 562 | 775 |
| Other receivables and current assets | 3,527 | 14,440 |
| Current financial assets valued at fair value with impact on I/S | 4 | 4 |
| Cash and cash equivalents | 50,143 | 61,786 |
| Total current assets | 142,899 | 156,125 |
| TOTAL ASSETS | 224,591 | 236,818 |
| Equity | | |
| Share capital | 27,000 | 27,000 |
| Reserves | (8,829) | 30,588 |
| Net Income | 5,325 | 5,952 |
| Total Equity | | |
| Non-current liabilities | | |
| Provisions for employees | | |
| Provisions for risks and charges | 10,879 | 11,038 |
| Deferred tax liabilities | 1,363 | 1,008 |
| Non-current financial liabilities | 3,854 | 3,850 |





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| | | |
|--------------------------------------|----------------|----------------|
| Non-current <i>lease</i> liabilities | - | 1,778 |
| Other non-current liabilities | 14,374 | 14,110 |
| Total non-current liabilities | 2,118 | 3,121 |
| Current liabilities | 32,588 | 34,905 |
| Account payables | | |
| Current financial liabilities | 97,367 | 92,221 |
| Current <i>lease</i> liabilities | 48,774 | 27,163 |
| Current tax liabilities | 5,663 | 5,087 |
| Other current liabilities | 287 | 410 |
| Total current liabilities | 16,416 | 13,492 |
| | 168,506 | 138,373 |
| TOTAL EQUITY AND LIABILITIES | 224,591 | 236,818 |

Consolidated aggregate Cash Flow statement

| <i>(In € thousand)</i> | Ended 30 September | |
|--|--------------------|---------------|
| | 2019 | 2018 |
| Earnings before tax | 7,717 | 6,685 |
| - <i>Adjustments for:</i> | | |
| Depreciation and amortization | 9,292 | 8,783 |
| Net loss/(gain) on disposal of intangible fixed assets | (14) | (24) |
| Financial expenses/(income) | 756 | 431 |
| Other non-monetary charges | 711 | (4,963) |
| Cash flow from operating activities before changes in NWC | 18,462 | 10,912 |
| Change in inventory | (1,961) | (1,946) |
| Change in account receivables | (3,217) | 1,165 |





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| | | |
|---|-----------------|----------------|
| Change in account payables | 880 | (6,805) |
| Change in other assets and liabilities | 12,595 | 3,514 |
| Use of provisions for risks and charges and employees | (988) | 128 |
| Tax paid | (1,198) | (937) |
| Cash flow from operating activities | 24,572 | 6,031 |
| Investments in PPE | (3,066) | (4,194) |
| Investments in intangible assets | (136) | (355) |
| Disposal of PPE | 19 | 24 |
| Divestments of financial assets | - | 276 |
| Deferred considerations for acquisitions | (950) | (1,502) |
| Acquisition of Delverde Industrie Alimentari S.p.A. net of cash acquired and others | (1,607) | - |
| Business combination of Newlat Deutschland | (45,000) | - |
| Cash flow from investing activities | (50,740) | (5,751) |
| Proceeds from long-term debt and others | - | - |
| Repayments of long-term debt and others | (1,077) | (1,303) |
| Change in short-term debt | 20,307 | 19,318 |
| Principal repayments of lease obligations | (4,031) | (3,584) |
| Net interest paid | (676) | (361) |
| Cash flow from financing activities | 14,523 | 14,070 |
| Net change in cash and cash equivalents | (11,644) | 14,350 |
| Cash and cash equivalents beginning of period | 61,786 | 72,060 |
| Total net change in cash and cash equivalents | (11,644) | 14,350 |
| Cash and cash equivalents end of period | 50,142 | 86,410 |



Fine Comunicato n.2195-11

Numero di Pagine: 12