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Societa' : MASSIMO ZANETTI BEVERAGE GROUP  
Identificativo : 138973  
Informazione  
Regolamentata  
Nome utilizzatore : MZBGROUPN01 - Cargnello  
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Oggetto : Massimo Zanetti Beverage Group S.p.A. -  
the BoD approves 9M 2020 results

*Testo del comunicato*

Vedi allegato.



## PRESS RELEASE

### MASSIMO ZANETTI BEVERAGE GROUP SPA: THE BOARD OF DIRECTORS APPROVES THE NINE MONTHS 2020 RESULTS

**MASSIMO ZANETTI, THE GROUP'S CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SAID:** "The results for the first nine months of 2020 have been considerably affected by the global measures aimed at containing the spread of Covid-19. In particular, most markets with a strong presence in the Food Service channel suffered an abrupt slowdown beginning in March and subsequently recorded gradual improvements despite the still complex global scenario. Forecasts on the evolution of the public health crisis, whose impact and size remain to be defined, are uncertain, especially in the light of the recent increase in contagion, which has already led to new selective closures in several markets. Meanwhile, we are implementing all the initiatives necessary to preserve the Group's solidity and carrying out cost containment actions in all geographical areas".

- **VOLUMES** STABLE COMPARED TO THE FIRST NINE MONTHS 2019 (-6.1% ON A COMPARABLE BASIS\*)
- **REVENUES:** EURO 610.6 MILLION COMPARED TO EURO 666.9 MILLION OF FIRST NINE MONTHS 2019; -8.4% AT CURRENT EXCHANGE RATES, -7.6% AT CONSTANT EXCHANGE RATES, -9.7% ON A COMPARABLE BASIS
- **GROSS PROFIT:** EURO 256.7 MILLION COMPARED TO EURO 300.0 MILLION OF THE FIRST NINE MONTHS 2019 WITH THE MARGIN ON REVENUES OF 42.0% COMPARED TO 45.0% OF THE FIRST NINE MONTHS 2019
- **EBITDA ADJUSTED:** EURO 28.3 MILLION, COMPARED TO EURO 58.2 MILLION OF THE FIRST NINE MONTHS 2019
- **NET RESULTS:** EURO -20,5 MILLION, COMPARED TO EURO EURO 8,1 OF THE FIRST NINE MONTHS 2019
- **NET DEBT:** EURO 299.3 MILLION COMPARED TO EURO 266.5 MILLION AT DECEMBER 31, 2019.

Villorba, November 9, 2020. 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, listed on the Milan Stock Exchange (MZB.MI), approved today the first nine months of 2020 results..

*(\*) comparable basis: at constant forex and LFL (like-for-like, at the same perimeter, excluding acquisitions of Café Pacaembu completed in October 2019 and Bean Alliance Group, completed at the end of January 2019)*



## VOLUMES

*The first nine months of the year has been characterized by the progressive reduction in volumes in the Food Service channel, impacted by the measures adopted by governments worldwide to combat the spread of the virus Covid-19, with the full closure of all non-core activities, in most of the country around the world for several weeks.*

*As the restrictions were gradually eased, the Group saw a recovery that was increasingly robust despite the continuing complex contest.*

In the first nine months of 2020, the roasted coffee sales volumes of Massimo Zanetti Beverage Group (“Group” or “MZB Group”) were equal to 94.0 thousand tons, stable compared with the first nine months 2019, -6.1% on a comparable basis.

At the geographical level, the Americas recorded 6.7% growth on the first nine months of 2019, driven by the positive performance *Mass Market* and *Food Service*; on a comparable basis, volumes declined slightly, by 3.8%. Northern Europe recorded an increase in volumes of 0.6% on the first nine months of 2019 due to the positive performance of the *Mass Market* channel, which offset the decline recorded in the *Food Service* channel. Southern Europe, with a decline in volumes of 15.1% compared to the first nine months of 2019, was particularly impacted by the weak performance of the *Food Service* and *Private Label* channels. The Asia-Pacific and Cafés area was down by 19.0% (-22.0% on a comparable basis) compared to the first nine months of 2019, due to the *Food Service* and *Private Label* channels, partially offset by the growth of the *Mass Market* channel.

## CONSOLIDATED REVENUES

The Group’s consolidated revenues amounted to Euro 610.6 million showing a decrease of Euro 56.3 million (-8.4% at current exchange rates, -7.6% at constant exchange rates) compared to the first nine months of 2019. This decline is mainly due to the decrease of roasted coffee sales price (-6.7%) impacted by (i) the measures adopted by governments worldwide to limit the Covid-19 pandemic which heavily penalised the mix in products and sales channels, and by (ii) the decrease of the cost of raw material (green coffee).

Revenues on a comparable basis (at constant forex and with the same perimeter) decreased 9.7% compared to the first nine months of 2019.

## REVENUES BY CHANNEL

The revenues from the *Food Service* channel were down 32.4% at constant FX (-33.5% on a comparable basis) compared with the first nine months of 2019 as a result of the complete closure of all non-essential activities in all countries to limit the spread of Covid-19.



Mass Market increased 9.4% at constant FX (+7.1% on a comparable basis) compared with the first nine months of 2019 and showed positive performance of all countries.

The Private Label revenues decreased 6.1% at constant FX (-8.8% on a comparable basis).

| <i>(in Thousand of Euro)</i> | First nine months ended September 30, |               |                |               | Change       |              |
|------------------------------|---------------------------------------|---------------|----------------|---------------|--------------|--------------|
|                              | 2020                                  |               | 2019           |               | Current FX   | Constant FX  |
| Foodservice                  | 106,909                               | 17.5%         | 160,335        | 24.0%         | -33.3%       | -32.4%       |
| Mass Market                  | 256,670                               | 42.0%         | 236,849        | 35.5%         | 8.4%         | 9.4%         |
| Private Label                | 207,556                               | 34.0%         | 222,677        | 33.4%         | -6.8%        | -6.1%        |
| Other                        | 39,420                                | 6.5%          | 47,006         | 7.1%          | -16.1%       | -15.4%       |
| <b>Total</b>                 | <b>610,555</b>                        | <b>100.0%</b> | <b>666,867</b> | <b>100.0%</b> | <b>-8.4%</b> | <b>-7.6%</b> |

#### REVENUES BY REGION

Revenue in the Americas, at Euro 295.1 million in the first nine months of 2020, was up 2.6% at constant exchange rates (-1.9% on a comparable basis) compared with the first nine months of 2019, attributable to a positive performance of the *Mass Market* channel.

Revenue generated in Northern Europe, decreased 6.5% at constant exchange rates compared to the first nine months of 2019, showing a decrease of sales of the Food Service channel partially offset by a solid growth of the Mass Market channel.

Revenue in Southern Europe decreased 21.8% compared to the first nine months of 2019 due to the negative performance of the Food Service channel.

Revenues from Asia Pacific, which also include those from the international network of cafés, amount to Euro 58.2 million, a decrease of 18.8% on a comparable basis, due to the decline of the Food Service channel, partially offset by the growth of *Mass Market* channel.

| <i>(in Thousand of Euro)</i> | First nine months ended September 30, |               |                |               | Change       |              |
|------------------------------|---------------------------------------|---------------|----------------|---------------|--------------|--------------|
|                              | 2020                                  |               | 2019           |               | Current FX   | Constant FX  |
| Americas                     | 295,088                               | 48.3%         | 292,119        | 43.8%         | 1.0%         | 2.6%         |
| Northern Europe              | 125,458                               | 20.6%         | 134,749        | 20.2%         | -6.9%        | -6.5%        |
| Southern Europe              | 131,776                               | 21.6%         | 168,470        | 25.3%         | -21.8%       | -21.8%       |
| Asia-Pacific and Cafés       | 58,233                                | 9.5%          | 71,529         | 10.7%         | -18.6%       | -17.5%       |
| <b>Total</b>                 | <b>610,555</b>                        | <b>100.0%</b> | <b>666,867</b> | <b>100.0%</b> | <b>-8.4%</b> | <b>-7.6%</b> |



## GROSS PROFIT

Gross Profit at Euro 256.7 million in the first first nine months of 2020 shows a decrease of Euro 43.3 million compared with the first nine months of 2019 (-14.4%). This is mainly explained by the decline of Gross Profit resulting from the sales of roasted coffee and by the impact of the exchange rates (-0.8%).

The trend in Gross Profit from the sale of roasted coffee is mainly due to the effect of the aforementioned pandemic on the mix sold in 2020, in addition to the trends in sales and purchase prices respectively of roasted and green coffee (-13.2%).

In percent of revenues the Gross Profit is 42.0% compared with 45.0% of the first nine months of 2019.

## EBITDA ADJUSTED

EBITDA adjusted amounts to Euro 28.3 million in the first nine months 2020, compared with Euro 58.2 million of the first nine months 2019. In addition to the factors commented on at the level of gross profit, this change was influenced by the positive impact of exchange rate fluctuations of Euro 2.1 million and by the decrease in operating costs of Euro 11.2 million. This decrease refers to the reduction of service costs (mainly travelling expenses, agent fees and maintenance) and payroll costs partially compensated by the increase of bad debt provision and other operative costs.

Adjusted EBITDA excludes non-recurring costs incurred, amounting to Euro 4.6 million primarily related to:

- efficiency projects in America
- the resolution of a litigation with an American client;
- as well as the accrual to the bad debt provision made exceptionally to take into account the likely impacts of potential credit loss due to the Covid-19 pandemic.

## OPERATING INCOME (EBIT)

Operating income (EBIT) is equal to Euro -12.4 million, a decrease of Euro 34.3 million compared to the first nine months of 2019. In addition to that disclosed about EBITDA, the decrease is attributable to the increase in amortization and depreciation, for Euro 2.1 million.

## NET RESULT

Net result is equal to Euro -20.5 million in the first nine months 2020, a decrease of Euro 28.6 million compared to the first nine months of 2019. This performance, in addition to what was previously described for the operating profit, is also due to the combined effect of:

- the decrease in the shares of losses of companies accounted for using the equity method, amounting to Euro 0.6 million;
- the increase in net finance costs for Euro 0.3 million;
- the decrease in income taxes for Euro 5.4 million, mainly due to lower profit before taxes compared with the same period of 2019.



## NET DEBT

Net debt before IFRS 16 effect is equal to Euro 254.9 million as of September 30, 2020, compared with Euro 219.4 million as of December 31, 2019. The adoption of IFRS 16 accounting standard increased the net debt of Euro 44.4 million as of September 30, 2020 and Euro 47.2 million as of December 31, 2019.

Net debt (including IFRS 16 effect) is equal to Euro 299.3 million at September 30, 2020 an increase of Euro 32.8 million compared to December 31, 2019. This increase is mainly due to the following:

- Free Cash Flow negative for Euro 18.1 million
- Dividend paid for Euro 6.5 million
- Interest paid of Euro 4.9 million
- the Euro/USD foreign currency exchange rate impact and other items.

## FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS - UPDATE IN RELATION TO COVID-19 IMPACTS

The Covid-19 public health emergency which characterized the first nine months of 2020 with a significant impact on markets and the national and world economy, continues to affect the current context. Despite the signs of recovery shown in the third quarter, the recent increase in contagion, which has already resulted in selective closures in several markets and could lead to further and more far-reaching closures, creates further uncertainty about the possible developments in the public health crisis and the global economic outlook.

The potential future impacts of the Covid-19 pandemic on the Group appear attributable to an increase in uncertainty regarding certain elements, such as: *i)* the development of business and turnover in the Food Service channel; *ii)* the recoverability of receivables, with particular regard to the Food Service channel; and *iii)* liquidity management.

Since the outbreak of the health emergency, the Group has intensified its monitoring of these areas in order to ensure that risk profiles are promptly identified, and corrective measures are assessed. Based on this new and strong pandemic phase, the public health emergency and the operational restrictions necessary to contain Covid spread may have a significant effect on the last quarter of the year. Consequently, any forecast as to the foreseeable outlook would be extremely complex.



## 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.

## CONFERENCE CALL TO PRESENT FINANCIAL RESULTS

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Conference call to present Financial results will not be held today. For more information please see below.

## 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, distributed in about 110 countries. The Group manages the different activities, from procurement to consumption, operating 20 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 professional coffee machines "La San Marco" 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>                                      | Nine months ended September 30, |              |                |              | Change          |                   |
|--|---------------------------------|--------------|----------------|--------------|-----------------|-------------------|
|  | 2020                            |              | 2019           |              | 2020-2019       |                   |
| Revenue  | 610,555                         | 100.0%       | 666,867        | 100.0%       | (56,312)        | -8.4%             |
| Raw, ancillary, and consumable materials and goods                 | (353,864)                       | -58.0%       | (366,878)      | -55.0%       | 13,014          | -3.5%             |
| <b>Gross Profit</b>  | <b>256,691</b>                  | <b>42.0%</b> | <b>299,989</b> | <b>45.0%</b> | <b>(43,298)</b> | <b>-14.4%</b>     |
| Purchases of services, leases and rentals                          | (115,867)                       | -19.0%       | (127,333)      | -19.1%       | 11,466          | -9.0%             |
| Personnel costs  | (111,479)                       | -18.3%       | (114,812)      | -17.2%       | 3,333           | -2.9%             |
| Other operating costs, net   | (2,967)                         | -0.5%        | (739)          | -0.1%        | (2,228)         | >100%             |
| Impairment   | (2,659)                         | -0.4%        | (1,233)        | -0.2%        | (1,426)         | >100%             |
| <b>EBITDA</b>  | <b>23,719</b>                   | <b>3.9%</b>  | <b>55,872</b>  | <b>8.4%</b>  | <b>(32,153)</b> | <b>-57.5%</b>     |
| Non-recurring items  | 4,554                           | 0.7%         | 2,352          | 0.4%         | 2,201           | 93.6%             |
| <b>Adjusted EBITDA</b>   | <b>28,273</b>                   | <b>4.6%</b>  | <b>58,224</b>  | <b>8.7%</b>  | <b>(29,952)</b> | <b>-51.4%</b>     |
| Depreciation and amortization                                      | (36,159)                        | -5.9%        | (34,020)       | -5.1%        | (2,139)         | 6.3%              |
| <b>Operating result</b>  | <b>(12,440)</b>                 | <b>-2.0%</b> | <b>21,852</b>  | <b>3.3%</b>  | <b>(34,292)</b> | <b>&lt; -100%</b> |
| Net finance costs  | (7,361)                         | -1.2%        | (7,061)        | -1.1%        | (300)           | 4.2%              |
| Share of losses of companies accounted for using the equity method | (402)                           | -0.1%        | (986)          | -0.1%        | 584             | -59.2%            |
| <b>Result before tax</b>   | <b>(20,203)</b>                 | <b>-3.3%</b> | <b>13,805</b>  | <b>2.1%</b>  | <b>(34,008)</b> | <b>&lt; -100%</b> |
| Income tax expense   | (260)                           | 0.0%         | (5,688)        | -0.9%        | 5,428           | -95.4%            |
| <b>Result for the period</b>                                       | <b>(20,463)</b>                 | <b>-3.4%</b> | <b>8,117</b>   | <b>1.2%</b>  | <b>(28,580)</b> | <b>&lt; -100%</b> |

(\*) For a better presentation, the temporary worker cost has been reclassified from services cost to personnel costs.





## RECLASSIFIED CONSOLIDATED BALANCE SHEET

| <i>(in thousands of Euro)</i>                              | As at September 30 | As at December 31 |
|--|--------------------|-------------------|
|  | 2020               | 2019              |
| <b>Investments:</b>  |                    |                   |
| Intangible assets  | 214,201            | 227,016           |
| Property, plant and equipment and investment properties    | 256,724            | 270,370           |
| Investments in joint ventures and associates               | 10,295             | 11,166            |
| Non-current trade receivables                              | 2,853              | 2,949             |
| Deferred tax assets and other non-current assets           | 37,968             | 35,423            |
| <b>Non-current assets (A)</b>                              | <b>522,041</b>     | <b>546,924</b>    |
| <b>Net working capital (B)</b>                             | <b>106,983</b>     | <b>103,790</b>    |
| Employee benefits  | (10,195)           | (10,491)          |
| Other non-current provisions                               | (2,987)            | (3,039)           |
| Deferred tax liabilities and other non-current liabilities | (31,250)           | (33,250)          |
| <b>Non-current liabilities (C)</b>                         | <b>(44,432)</b>    | <b>(46,780)</b>   |
| <b>Net invested capital (A+B+C)</b>                        | <b>584,592</b>     | <b>603,934</b>    |
| <b>Sources:</b>  |                    |                   |
| Equity   | 285,266            | 337,407           |
| Net Debt   | 299,326            | 266,527           |
| <b>Sources of financing</b>                                | <b>584,592</b>     | <b>603,934</b>    |

## NET WORKING CAPITAL

| <i>(in thousands of Euro)</i> | As at September 30 | As at December 31 |
|-------------------------------|--------------------|-------------------|
|                               | 2020               | 2019              |
| Inventories                   | 161,708            | 154,525           |
| Trade receivables             | 93,042             | 114,635           |
| Income tax assets             | 3,224              | 3,512             |
| Other current assets          | 13,536             | 20,594            |
| Trade payables                | (126,924)          | (155,238)         |
| Income tax liabilities        | (1,384)            | (2,531)           |
| Other current liabilities     | (36,219)           | (31,707)          |
| <b>Net working capital</b>    | <b>106,983</b>     | <b>103,790</b>    |



## RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

| <i>(in thousands of Euro)</i>                             | Nine months ended September 30, |               |
|---|---------------------------------|---------------|
|   | 2020                            | 2019          |
| EBITDA Adjusted   | 28,273                          | 58,224        |
| Non-recurring Items                                       | (2,822)                         | (2,830)       |
| Changes in Net Working Capital                            | (19,979)                        | (18,226)      |
| Net recurring investments                                 | (23,345)                        | (23,569)      |
| Income tax paid   | (3,064)                         | (6,456)       |
| Other operating items                                     | 2,858                           | 1,815         |
| <b>Free Cash Flow</b>                                     | <b>(18,079)</b>                 | <b>8,958</b>  |
| Net non-recurring investments                             | (1,616)                         | (22,460)      |
| Investments in financial receivables                      | (3,542)                         | 1,875         |
| Interest paid   | (4,932)                         | (5,239)       |
| Net cash generated from financing activities              | 25,038                          | 29,240        |
| Cash outflow from leasing accounted under IFRS 16         | (7,918)                         | (7,713)       |
| Dividends paid  | (6,517)                         | (6,657)       |
| Exchange gains/(losses) on cash and cash equivalents      | (2,659)                         | 1,750         |
| <b>Net increase in cash and cash equivalents</b>          | <b>(20,225)</b>                 | <b>(246)</b>  |
| Cash and cash equivalents at the beginning of the period  | 94,846                          | 93,491        |
| <b>Cash and cash equivalents at the end of the period</b> | <b>74,621</b>                   | <b>93,245</b> |

## CHANGES IN NET WORKING CAPITAL

| <i>(in thousands of Euro)</i>         | Nine months ended September 30, |                 |
|---------------------------------------|---------------------------------|-----------------|
|                                       | 2020                            | 2019            |
| Changes in inventories                | (9,672)                         | (21,236)        |
| Changes in trade receivables          | 17,952                          | 2,000           |
| Changes in trade payables             | (26,188)                        | 3,017           |
| Changes in other assets/liabilities   | (1,513)                         | (1,582)         |
| Payments of employee benefits         | (558)                           | (425)           |
| <b>Changes in net working capital</b> | <b>(19,979)</b>                 | <b>(18,226)</b> |



## NET DEBT

| <i>(in thousands of Euro)</i> |                                      | As of September, 30 | As of December, 31 |
|-------------------------------|--------------------------------------|---------------------|--------------------|
|                               |                                      | 2020                | 2019               |
| A                             | Cash and cash equivalents            | (972)               | (1,108)            |
| B                             | Cash at bank                         | (73,649)            | (93,738)           |
| C                             | Securities held for trading          | -                   | -                  |
| <b>D</b>                      | <b>Liquidity (A+B+C)</b>             | <b>(74,621)</b>     | <b>(94,846)</b>    |
| <b>E</b>                      | <b>Current financial receivables</b> | <b>(5,505)</b>      | <b>(1,994)</b>     |
| F                             | Current loans                        | 78,728              | 61,699             |
| G                             | Current portion of non-current loans | 62,117              | 66,230             |
| H                             | Other current financial payables     | 15,097              | 15,569             |
| <b>I</b>                      | <b>Current debt (F+G+H)</b>          | <b>155,942</b>      | <b>143,498</b>     |
| <b>J</b>                      | <b>Net current debt (I+E+D)</b>      | <b>75,816</b>       | <b>46,658</b>      |
| K                             | Non-current medium/long-term loans   | 185,676             | 175,001            |
| L                             | Issued bonds                         | -                   | -                  |
| M                             | Other non-current financial payables | 37,834              | 44,868             |
| <b>N</b>                      | <b>Non-current debt (K+L+M)</b>      | <b>223,510</b>      | <b>219,869</b>     |
| <b>O</b>                      | <b>Net debt (J+N)</b>                | <b>299,326</b>      | <b>266,527</b>     |



## CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

| <i>(in thousands of Euro)</i>                                      | Nine months ended September 30, |               |
|--|---------------------------------|---------------|
|  | 2020                            | 2019*         |
| Revenue  | 610,555                         | 666,867       |
| Other income   | 3,308                           | 3,864         |
| Raw, ancillary, and consumable materials and goods                 | (353,864)                       | (366,878)     |
| Purchases of services, leases and rentals                          | (115,867)                       | (127,333)     |
| Personnel costs  | (111,479)                       | (114,812)     |
| Other operating costs  | (6,275)                         | (4,603)       |
| Amortization, depreciation and impairment                          | (38,818)                        | (35,253)      |
| <b>Operating result</b>  | <b>(12,440)</b>                 | <b>21,852</b> |
| Finance income   | 465                             | 529           |
| Finance costs  | (7,826)                         | (7,590)       |
| Share of losses of companies accounted for using the equity method | (402)                           | (986)         |
| <b>Result before tax</b>   | <b>(20,203)</b>                 | <b>13,805</b> |
| Income tax expense   | (260)                           | (5,688)       |
| <b>Result for the period</b>                                       | <b>(20,463)</b>                 | <b>8,117</b>  |
| <i>Profit attributable to:</i>                                     |                                 |               |
| <i>Non-controlling interests</i>                                   | (129)                           | 127           |
| <i>Owners of the parent</i>  | (20,334)                        | 7,990         |
| <b>Basic/diluted earnings per share (in Euro)</b>                  | <b>(0.59)</b>                   | <b>0.23</b>   |



## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

| <i>(in thousands of Euro)</i>                            | As of September, 30 | As of December 31 |
|--|---------------------|-------------------|
|  | 2020                | 2019              |
| Intangible assets  | 214,201             | 227,016           |
| Property, plant and equipment                            | 251,884             | 265,436           |
| Investment properties                                    | 4,840               | 4,934             |
| Investments in joint ventures and associates             | 10,295              | 11,166            |
| Non-current trade receivables                            | 2,853               | 2,949             |
| Deferred tax assets                                      | 14,838              | 12,908            |
| Non-current contract assets                              | 8,515               | 7,505             |
| Other non-current assets                                 | 14,615              | 15,010            |
| <b>Total non-current assets</b>                          | <b>522,041</b>      | <b>546,924</b>    |
| Inventories  | 161,708             | 154,525           |
| Trade receivables  | 93,042              | 114,635           |
| Income tax assets  | 3,224               | 3,512             |
| Current contract assets                                  | 2,601               | 3,317             |
| Other current assets                                     | 16,440              | 19,271            |
| Cash and cash equivalents                                | 74,621              | 94,846            |
| <b>Total current assets</b>                              | <b>351,636</b>      | <b>390,106</b>    |
| <b>Total assets</b>                                      | <b>873,677</b>      | <b>937,030</b>    |
| Share capital  | 34,300              | 34,300            |
| Other reserves   | 79,337              | 103,914           |
| Retained earnings  | 169,903             | 197,308           |
| <b>Total equity attributable to owners of the Parent</b> | <b>283,540</b>      | <b>335,522</b>    |
| Non-controlling interests                                | 1,726               | 1,885             |
| <b>Total equity</b>                                      | <b>285,266</b>      | <b>337,407</b>    |
| Non-current borrowings                                   | 223,510             | 219,869           |
| Employee benefits  | 10,195              | 10,491            |
| Other non-current provisions                             | 2,987               | 3,039             |
| Deferred tax liabilities                                 | 26,891              | 29,205            |
| Non-current contract liabilities                         | 353                 | 418               |
| Other non-current liabilities                            | 4,006               | 3,627             |
| <b>Total non-current liabilities</b>                     | <b>267,942</b>      | <b>266,649</b>    |
| Current borrowings                                       | 155,942             | 143,498           |
| Trade payables   | 126,924             | 155,238           |
| Income tax liabilities                                   | 1,384               | 2,531             |
| Current contract liabilities                             | 1,058               | 1,817             |
| Other current liabilities                                | 35,161              | 29,890            |
| <b>Total current liabilities</b>                         | <b>320,469</b>      | <b>332,974</b>    |
| <b>Total liabilities</b>                                 | <b>588,411</b>      | <b>599,623</b>    |
| <b>Total equity and liabilities</b>                      | <b>873,677</b>      | <b>937,030</b>    |



## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW

| <i>(in thousands of Euro)</i>   | Nine months ended September 30, |                 |
|---|---------------------------------|-----------------|
|   | 2020                            | 2019            |
| <b>Profit before tax</b>  | <b>(20,203)</b>                 | <b>13,805</b>   |
| <b>Adjustments for:</b>   |                                 |                 |
| Amortization, depreciation and impairment   | 38,818                          | 35,253          |
| Provisions for employee benefits and other charges  | 359                             | 469             |
| Finance costs   | 7,361                           | 7,061           |
| Other non-monetary items  | 1,974                           | 621             |
| <b>Net cash generated from operating activities before changes in net working capital</b> | <b>28,309</b>                   | <b>57,209</b>   |
| Decrease/(Increase) in inventories  | (9,672)                         | (21,236)        |
| Decrease/(Increase) in trade receivables  | 17,952                          | 2,000           |
| Increase/(Decrease) in trade payables   | (26,188)                        | 3,017           |
| Changes in other assets/liabilities   | (1,513)                         | (1,582)         |
| Payments of employee benefits   | (558)                           | (425)           |
| Interest paid   | (4,932)                         | (5,239)         |
| Income tax paid   | (3,064)                         | (6,456)         |
| <b>Net cash generated from / (used in) operating activities</b>                           | <b>334</b>                      | <b>27,288</b>   |
| Acquisition of subsidiary, net of cash acquired   | (1,616)                         | (20,960)        |
| Purchase of property, plant and equipment   | (21,159)                        | (20,199)        |
| Purchase of intangible assets   | (3,140)                         | (3,994)         |
| Proceeds from sale of property, plant and equipment                                       | 947                             | 608             |
| Proceeds from sale of intangible assets   | 7                               | 16              |
| Investments in joint ventures and associates  | -                               | (1,500)         |
| Changes in financial receivables  | (3,571)                         | 1,774           |
| Interest received   | 29                              | 101             |
| <b>Net cash used in investing activities</b>  | <b>(28,503)</b>                 | <b>(44,154)</b> |
| Proceeds from long-term borrowings  | 45,405                          | 61,232          |
| Repayment of long-term borrowings   | (37,342)                        | (33,545)        |
| Increase / (decrease) in short-term borrowings  | 16,975                          | 1,553           |
| Repayment of lease liabilities  | (7,918)                         | (7,713)         |
| Dividends paid  | (6,517)                         | (6,657)         |
| <b>Net cash generated from / (used in) financing activities</b>                           | <b>10,603</b>                   | <b>14,870</b>   |
| Exchange gains/(losses) on cash and cash equivalents                                      | (2,659)                         | 1,750           |
| <b>Net increase (decrease) in cash and cash equivalents</b>                               | <b>(20,225)</b>                 | <b>(246)</b>    |
| Cash and cash equivalents at the beginning of the period                                  | 94,846                          | 93,491          |
| <b>Cash and cash equivalents at the end of the period</b>                                 | <b>74,621</b>                   | <b>93,245</b>   |

Fine Comunicato n.1719-53

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