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approval

Testo del comunicato

Vedi allegato.

Head office: Via J. F. Kennedy, 16 – 42124 Reggio Emilia – Telephone: 0522.7901 Fax: 0522.790266

Share Capital € 43,935,050.00 fully paid-up – Economic and Administrative Index of Reggio Emilia (REA) no. 277595 – VAT and Tax ID 00183410653
Company subject to management and coordination by Newlat Group S.A. pursuant to articles 2497 et seq. of the Italian Civil Code.

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES

THE INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2021

- Consolidated net profit: € 11.5 million, +9.3% compared to the same period of the previous year, net of the exceptional income from business combination.
- Consolidated net revenues (which include Symington's starting from 1 August 2021): € 383.2 million, a marked improvement over the same period of the previous year.
- Organic growth in turnover: recovering sharply to -1.7% growth from -3.9%, reported in the first half of 2021, thanks to the +3% growth reported in the third quarter.
- EBITDA: € 43.5 million, down 4.3% vs. € 45.4 million in the first nine months of 2020, under the same consolidation perimeter.
- FCF equals € 9.8 million, with 66% EBITDA conversion ratio¹.
- Consolidated Net Financial Position at 30 September 2021 equal to € -72.7 million vs. € -83 million at 31 December 2020, within the same consolidation perimeter.

Reggio Emilia, 12 November 2021 – 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 Financial Report as at 30 September 2021.

Introduction to the Interim Management Report

Below are detailed the proforma economic figures of Newlat Group as at 30 September 2021 and as at 30 September 2020, which include, under the new consolidation perimeter, the Symington's Group and Centrale del Latte d'Italia starting from 1 January 2020, for the purpose of better understanding of the business and the economic performance of the Group.

In the first nine months, the Group's **revenues** were equal to € 452.5 million, down 2.2% compared to the first nine months of 2020, with the same consolidation perimeter (the revenues at 30 September 2020 were equal to € 462.9).

The Group's **EBITDA** was equal to € 43.5 million vs. € 45.1 million, compared to the same period of 2020, within the same consolidation perimeter, with a decrease of 4.3%, while the pro-forma **EBITDA margin** is in line with the same period of the previous year (9.6% at 30 September 2021 vs. 9.8% as at 30 September 2020).

EBIT was equal to € 18 million compared to an adjusted figure of € 21.4 million at 30 September 2020 – including the income from business combination of € 19.3, EBIT was equal to Euro 40.7 in 2020.

¹ Conversion ratio: (EBITDA-Investments)/EBITDA



The **pro forma net financial position** went from € -83 million at 31 December 2020 to **€ -72.7 million** at 30 September 2021, thanks to the Group's ability to generate cash flows from operating activities. The net financial position reflects the purchase of own shares for a total amount of € 7.6 million

Net income was equal to **€ 11.9 million** compared to an adjusted figure of € 13.6 million at 30 September 2020 – including the income from business combination of € 19.3, net income was equal to Euro 32.9 in 2020.

* * *

The Chairman Angelo Mastrolia commented: *“The third quarter of 2021 confirmed the expectations of an important recovery in organic turnover across all business lines, laying the foundations for a further increase in the last three months of the year. Despite the volatility that characterized the first nine months of 2021 both in terms of turnover, given the exceptional comparative basis of 2020, and in terms of costs with the exceptional leap of all raw materials, the Newlat Group has shown great solidity, managing to maintain marginality levels substantially unchanged compared to the first nine months of 2020. The sudden price adjustment of our products following the inflationary wave also proved the important relationships that Newlat has developed with its customers and the importance of its brands in the reference markets. The increase in prices also allows us to look to the end of the year with tranquility, without diverting attention from the integration process of Symington's, which in 2022 will be able to generate the first important synergies both on the commercial front and on the cost side. M & A remains of primary importance in the Group's strategy, supported by great financial flexibility. We predict that 2022 will be the year we reach the important milestone of one billion euros in turnover.”*

* * *

Analysis of consolidated revenues

In the first nine months of 2021, Newlat Food achieved consolidated results equal to **€ 452.5 million**. The revenues were split as follows:

Revenues by Business Unit

(In € thousand and in percentage)	Ended September				Changes	
	2021	%	2020	%	2021 vs 2020	%
Pasta	105,321	23.3%	104,706	22.6%	615	1%
Milk Products	173,020	38.2%	183,863	39.7%	(10,843)	-6%
Bakery Products	28,890	6.4%	29,229	6.3%	(340)	-1%
Dairy Products	24,624	5.4%	20,334	4.4%	4,290	21%
Special Products	23,683	5.2%	23,850	5.2%	(167)	-1%
Other products	10,652	2.4%	10,682	2.3%	(31)	0%
Instant noodles	86,327	19.1%	90,209	19.5%	(3,882)	-4%
Revenues from clients' contracts	452,516	100.0%	462,873	100.0%	(10,357)	(2.2%)

Revenues relating to the **Pasta** segment show a slight increase compared to the same period of the previous year due to a combined effect of an increase in sales volumes in the German market and a decrease in the domestic market (B2B) and other countries (private label) following a contraction in demand returned to pre-covid levels considered normal.



Revenues relating to the **Milk Products** segment decreased, due to lower sales volumes and an increase in promotional activity which led to a decrease in average prices, in particular with reference to the subsidiary Centrale del Latte d'Italia S.p.A. However, the third quarter saw a substantial recovery in volumes in the dairy sector compared to the third quarter of 2020.

Revenues relating to the **Bakery Products** segment were substantially in line with the same period of the previous year.

Revenues relating to the **Dairy Products** segment increased, as a consequence of an increase in sales volumes and acquisition of new customers.

Revenues relating to the **Special Products** segment were substantially in line with the same period of the previous year.

Revenues relating to the **Other Products** segment were in line with the same period of the previous year.

Revenues relating to the **Instant noodles** segment went down as a result of demand returning to pre-covid levels of normality.

Revenues by Distribution Channel

<i>(In € thousand and in percentage)</i>	At 30 September				Changes	
	2021	%	2020	%	2021 vs 2020	%
Large retailers	263,685	58.3%	270,419	58.4%	(6,734)	-2%
B2B partners	41,486	9.2%	43,009	9.3%	(1,523)	-4%
Normal trade	60,822	13.4%	61,310	13.2%	(488)	-1%
Private labels	77,312	17.1%	77,866	16.8%	(554)	-1%
Food service	9,211	2.0%	10,270	2.1%	(1,059)	-10%
Revenues from clients' contracts	452,516	100.0%	462,873	100,0%	(10,357)	(2.2%)

Revenues relating to the **Large retailers** channel decreased, mainly due to a decrease in demand linked to the dairy sector. However, their incidence is in line with 2020.

Revenues relating to the **B2B partner** channel were down, mainly due to a decrease in demand linked to the pasta sector.

Revenues relating to the **Normal trade** channel were substantially in line with the same period of the previous year.

Revenues relating to the **Private label** channel recorded a decrease, due to a decrease in sales volumes in the pasta sector.

Revenues relating to the **Food services** channel decreased, due to a decrease in sales volumes linked to the dairy sector. The Food Services sector is still suffering due to the pandemic but there are signs of recovery.



Revenues by Geography

<i>(In € thousand and in percentage)</i>	At 30 September				Changes	
	2021	%	2020	%	2021 vs 2020	%
Italy	242,555	53.6%	251,381	54.3%	(8,826)	-4%
Germany	79,135	17.5%	75,660	16.3%	3,475	5%
Other countries	130,825	28.9%	135,832	29.3%	(5,007)	-4%
Revenues from clients' contracts	452,515	100%	462,873	100,0%	-10,358	(2.2%)

Revenues relating to **Italy** decreased, mainly due to a decrease in demand linked to the dairy and pasta sectors.

Revenues relating to **Germany** increased, due to the increase in volumes in the Pasta sector.

Revenues relating to the **Other Countries** decreased mainly due to a decrease in demand of instant noodles and partially of pasta.

* * *

BUSINESS OUTLOOK

Considering the short period of time historically covered by the Group's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to formulate detailed forecasts on the expected trend in the last quarter of 2021, which is however expected to be positive. The Group will continue to pay particular attention to cost control and financial management, in order to maximize the generation of free cash flow, to be used for both organic and external growth.

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2022 FINANCIAL CALENDAR

Furthermore, the Board of Directors approved, pursuant to Article 2.6.2 of the Rules of the Markets organised and managed by Borsa Italiana S.p.A., the calendar of corporate events for the year 2022 as follows:

Friday, 18 March 2022	Board of Directors' Meeting (*) : Approval of the draft financial statements and consolidated financial statement for the year 2021
Thursday, 28 April 2022	Shareholders' Meeting (first call)
Thursday, 5 May 2022	Shareholders' Meeting (second call)
Friday, 13 May 2022	Board of Directors' Meeting (*) : Approval of the interim management report as at 31 March 2022



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Friday, 9 September 2022	Board of Directors' Meeting (*) : Approval of the half-year financial statements as at 30 June 2022
Friday, 11 November 2022	Board of Directors' Meeting (*) : Approval of the interim management report as at 30 September 2022

(*) Following the meetings of the Board of Directors, the presentation of the accounting data to the financial analysts is expected. Times will be communicated as soon as established.

Any changes to the above dates will be promptly communicated to the market.

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CONFERENCE CALL ON THE 9M 2021 RESULTS OF THE NEWLAT FOOD GROUP

The 9M 2021 results of the Newlat Food Group will be illustrated during the conference call to be held today at 16:00 (CET). Below are the dial-in numbers to participate in the *conference call* (Meeting number: 2373 914 5619; Meeting password: MgCvmgwx428 or 64286499 from telephone and video systems):

- Italy: +39-069-974-8087
- France: +33-1-7091-8646
- Germany: +49-619-6781-9736
- Switzerland: +41-2256-75905
- United Kingdom: +44-20-7660-8149

others global numbers: newlatfoodspa.my.webex.com

or – to follow the presentation live broadcast – connect at the link:
<https://newlatfoodspa.my.webex.com/newlatfoodspa.my/j.php?MTID=m944aa33692672a0ec4f31f7b60649f5c>

The presentation will available on the Company's website at www.newlat.it, as well as at the authorized storage mechanism eMarket Storage at www.emarketstorage.com, about 30 minutes before the beginning of the conference. The recording in MP3 files will also be available on the Company's website starting from 15 November 2021.

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DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE CORPORATE ACCOUNTING DOCUMENTS

The manager in 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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This press release is available on the Company's website at www.newlat.it, as well as at the authorized storage mechanism eMarket Storage at www.emarketstorage.com.

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The “Interim Management Report as at 30 September 2021” is available on the Company's website at www.newlat.it as well as at the authorized storage mechanism eMarket Storage at www.emarketstorage.com.

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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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FINANCIAL STATEMENTS



Head office: Via J. F. Kennedy, 16 – 42124 Reggio Emilia – Telephone: 0522.7901 Fax: 0522.790266

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Consolidated Statement of Financial Position as at 30 September 2021

<i>(€ thousand)</i>	Ended 30 September 2021	Ended 31 December 2020
Non-current assets		
Property, plant and equipment	156,624	151,541
Right of use	39,205	18,452
<i>of which towards related parties</i>	4,737	6,708
Intangible assets	91,902	51,058
Investments in associated companies	1,401	1,397
Non-current financial assets valued at fair value with impact on I/S	741	746
Financial assets stated at amortized cost	801	801
<i>of which towards related parties</i>	735	735
Deferred tax assets	7,347	5,466
Total non-current assets	298,021	229,461
Current assets		
Inventory	64,781	41,347
Account receivables	64,324	71,268
<i>of which related parties</i>	19	606
Current tax assets	1,786	1,888
Other receivables and current assets	14,731	11,003
<i>of which related parties</i>	17	
Current financial assets valued at fair value with impact on I/S	1	4
Cash and cash equivalents	345,088	182,127
<i>of which related parties</i>	85,592	69,351
Total current assets	490,711	307,637
TOTAL ASSETS	788,732	537,099
Equity		
Share capital	43,935	43,935
Reserves	90,588	61,134
Currency reserve translation	(445)	
Net income	8,268	37,556
Total equity	142,345	142,626
Equity attributable to non-controlling interest	16,557	13,431
Total consolidated equity	158,902	156,057
Non-current liabilities		
Provisions for employees	14,525	15,411
Provisions for risks and charges	1,619	1,587
Deferred tax liabilities	6,738	12,081
Non-current financial liabilities	281,832	94,811
Non-current <i>lease</i> liabilities	30,985	12,436
<i>of which related parties</i>	2,220	4,144
Total non-current liabilities	335,699	136,326
Current liabilities		
Account payables	165,234	151,388
<i>of which related parties</i>	161	213
Current financial liabilities	97,459	63,121
<i>of which related parties</i>	24,043	981
Current lease liabilities	7,565	6,570
<i>of which related parties</i>	2,634	2,812
Current tax liabilities	5,478	3,438
Other current liabilities	18,394	20,200
Total current liabilities	294,129	244,717
TOTAL EQUITY AND LIABILITIES	788,732	537,099



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Consolidated Income Statement at 30 September 2021

(<i>€ thousand</i>)	Ended 30 September	
	2021	2020
Revenue from clients' contracts	383,152	325,686
Cost of goods sold	(298,626)	(254,038)
<i>Of which towards related parties</i>	(2,069)	(2,040)
Gross profit	84,526	71,647
Sales and distribution costs	(48,827)	(39,061)
Administrative expenses	(18,229)	(16,319)
<i>Of which towards related parties</i>	(145)	(90)
Net impairment losses on financial assets	(1,108)	(927)
Other income	6,120	5,428
Income from <i>business combination</i>	0	20,296
Other operational costs	(5,856)	(3,767)
EBIT	16,627	29,809
Financial income	776	447
<i>Of which towards related parties</i>		167
Financial expense	(6,272)	(2,411)
<i>Of which towards related parties</i>	(106)	(157)
EBT	11,132	35,334
Gross income tax	329	(4,555)
Net Income	11,461	30,780
Net income attributable to non-controlling interest	3,193	799
Group Net Income	8,268	29,980
Basic EPS	0.19	0.72
Diluted EPS	0.19	0.72

Consolidated Statement of Comprehensive Income at 30 September 2021

(<i>€ thousand</i>)	Ended 30 September	
	2021	2020
Net profit (A)	11,461	30,780
a) Other comprehensive income that will not be reclassified to profit or loss		
Actuarial gains / (losses) on post-employment benefit obligations		(575)
Tax effects on profit/(actuarial losses)	-	181
Currency translation	(445)	
Total other comprehensive income that will not be reclassified to profit or loss	(445)	(394)
Total other comprehensive income for the period, net of tax (B)	(445)	(394)
Total comprehensive income for the period (A)+(B)	11,016	30,387
Net income attributable to non-controlling interest	3,193	690
Group Net Income	7,823	29,695



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Consolidated Statement of Changes in Equity

<i>(€ thousand)</i>	Share capital	Reserves	Net Income	Group Total Equity	Equity attributable to non-controlling interest	Total
Ended 31 December 2019	40,780	43,593	7,173	91,544		91,544
Income allocation of the previous year		7,173	(7,173)	-		-
Centrale del Latte d'Italia S.p.A. acquisition	2,221	9,101		11,322	19,817	31,139
OPAS and acquisition of minority interests in Centrale del Latte d'Italia S.p.A.	934	3,617		4,551	(7,354)	(2,803)
Costs for capital increase for OPAS		(693)		(693)		(693)
Tax effect on OPAS costs		208		208		208
Total costs for capital increase	3,155	12,233	-	15,388	12,463	27,851
Own shares		(211)		(211)		(211)
Total own shares	-	(211)	-	(211)	-	(211)
Net Income			29,980	29,980	799	30,779
Actuarial gains/(losses) net of tax		(272)		(272)	(109)	(381)
Total comprehensive income for the period		(272)	29,980	29,708	690	30,398
At 30 September 2020	43,935	62,516	29,980	136,429	13,153	149,582
Own shares		(711)		(711)		(711)
Total own shares		(711)		(711)		(711)
Net Income			7,497	7,497	289	7,787
Actuarial gains/(losses) net of tax		(590)		(590)	(11)	(601)
Total comprehensive income for the period		(590)	7,497	6,907	278	7,186
						-
At 31 December 2020	43,935	61,215	37,477	142,626	13,431	156,057
Income allocation of the previous year		37,477	(37,477)			
Own shares		(7,554)		(7,554)		(7,554)
Total own shares		(7,554)		(7,554)		(7,554)
Currency reserve translation		(445)		(445)		(445)
Net Income			8,268	8,268	3,193	11,460
Other movimentations		(549)		(549)	(67)	(616)
Actuarial gains/(losses) net of tax			0	0	0	-
Total comprehensive income for the period		(549)	8,268	7,719	3,126	10,844
At 30 September 2021	43,935	90,143	8,268	142,345	16,557	158,902



Consolidated Cash Flow Statement at 30 September 2021

(<i>€ thousand</i>)	Ended 30 September	
	2021	2020
Profit before income tax	11,132	35,334
- <i>Adjustments:</i>		
Depreciation and amortization	19,381	17,188
Capital gain / (loss) from disposal of assets	-	(5)
Financial Interest / (Income)	5,495	1,964
<i>Of which towards related parties</i>	<i>(106)</i>	<i>(10)</i>
Other non-monetary movements from business combination	-	(20,296)
Other non-monetary movements	-	(15)
Cash flow from operating activities before changes in net working capital	36,008	34,170
Changes in inventory	(6,496)	(7,380)
Changes in trade receivables	11,523	6,224
Changes in trade payables	(7,309)	4,381
Changes in other assets and liabilities	(1,659)	6,789
Uses of employee benefit obligations and provisions for risks and charges	(853)	(461)
Income tax paid	(2,664)	(2,036)
Net cash flow provided by / (used in) operating activities	35,935	41,687
Investments in property, plant and equipment	(6,546)	(3,908)
Investments in intangible assets	(1,763)	(338)
Investments of financial assets	4	56
Deferred consideration for acquisitions	(600)	-
Aggregation of Centrale del Latte d'Italia S.p.A.		19,760
Symington's acquisition	(63,631)	
Net cash flow provided by / (used in) investing activities	(72,536)	15,570
Proceeds from long-term borrowings	36,532	63,500
Repayment of long-term borrowings	(13,607)	(47,801)
Bond issue	198,434	
Repayment of <i>lease liabilities</i>	(8,682)	(5,337)
<i>Of which towards related parties</i>	<i>(2,102)</i>	<i>(2,232)</i>
Net financial expenses paid	(5,495)	(1,964)
Acquisition of third party interests	(67)	(2,803)
Share Buy Back	(7,554)	(211)
Net cash flow provided by / (used in) financing activities	199,561	5,384
Total cash flow provided / (used) in the year	162,960	62,642
Cash and cash equivalents at the beginning of the period	182,127	100,884
<i>Of which towards related parties</i>	<i>35,814</i>	<i>45,338</i>
Total change in cash and cash equivalents	162,960	62,642
Cash and cash equivalents at the end of the period	345,088	163,527
<i>Of which towards related parties</i>	<i>85,592</i>	<i>35,814</i>



Fine Comunicato n.2195-98

Numero di Pagine: 13