



## 9M 2024 Results Presentation

12 November 2024

# 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 Newlat Food shall not be taken as a representation or indication that such performance will continue in the future.

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# The taste



# of growing



# About us

We are an Italian company whose core business is carried out in the food & beverage sector.

We provide the market with indisputably high-quality products every day, thanks to our historical brands across various categories.

We are leaders in the agri-food sector and one of Europe's leading producers of:

- Pasta and baked goods
- Milk and dairy products
- Canned fish
- Canned foods
- Canned tomatoes and sauces
- Drinks
- Edible oils
- Ready meals & Home baking
- Specialised nutrition and baby food



# The group at a glance

- **4 Core markets**
- **Over 30 main brands** across **10 categories**
- **More than 30,000 clients** among the most important retailers in Europe
- **€2.8 bn** revenue in 2023\*
- More than **8,800** employees
- Export to more than **60 countries**
- **31 facilities** across Italy, UK, Germany, France, Poland and Mauritius.

\* Revenues are proforma including Princes Limited and its subsidiaries.





## 9M 2024 Combined Financials

The Group's financial figures consolidate Princes as of 1<sup>st</sup> of August. As Princes' fiscal year ends 31<sup>st</sup> March, its reporting period will be aligned to Newlat Food's with year end to be shifted to 31<sup>st</sup> December. For this reason, the current fiscal year of Princes will be consisting of 9 months, ending 31<sup>st</sup> December 2024.

The financial data as at 30<sup>th</sup> September 2024 presents combined figures (and therefore not 'proforma') to deliver a comprehensive and transparent view of the group's performance post-acquisition. This approach ensures stakeholders have a complete understanding of the impact of Princes on our overall financial performance.

Additionally, individual business units of both Newlat Food and Princes Limited have been detailed within this presentation. Starting from the next year, these divisions will be integrated into a more cohesive and lean structure. This change will aim to streamline reporting, facilitate more efficient analysis and enhance comparability across future financial statements.

# 9M 2024 Highlights





## 9M 2024 key financial highlights\*

### Revenues

- € 2.03 bn vs. € 2.08 bn in 9M 2023
- The third quarter of the year shows a steady improvement (-1% Q3'24 vs. -17% Q2'24) in all the main Newlat business units.
- Positive performance of dairy +14.7%, fish +6.6% and drinks +2.3%.

### EBIT

- 2024 combined EBIT\*\* € 191.5 m vs. € 164.2 M

### Free Cash Flow

- Combined Free Cash Flow: > € 120 million.
- Excellent performance of FCF thanks to good operational results and first important efficiency actions on Princes' NWC.

### EBITDA

- Adj. comb. EBITDA €127.8 m; Adj. comb. EBITDA margin 6.3%
- EBITDA performance expected to be back-loaded for the current fiscal year due to challenging comparison base in Princes' 1H and new contracts coming in Q4.
- FY2024 Exp. Combined EBITDA: €175-180 million

### Net Income

- Combined NI\*\* € 153.4 m vs. NI 133.3 m at 9M 2023

### Net Financial Position

- Net Debt (ex. IFRS 16 lease liabilities): € 332.7 million vs. € 354.2 m at end of August 2024.
- Net Debt (incl. IFRS 16): € 436.8 million vs. € 444.2 m in at the end of August.

\*Cash conversion is defined as: (EBITDA – CAPEX)/EBITDA.

\*\* Combined EBIT and Net Income include €158 million of income from business combination

# 9M 2024 SALES BREAKDOWN AND ANALYSIS

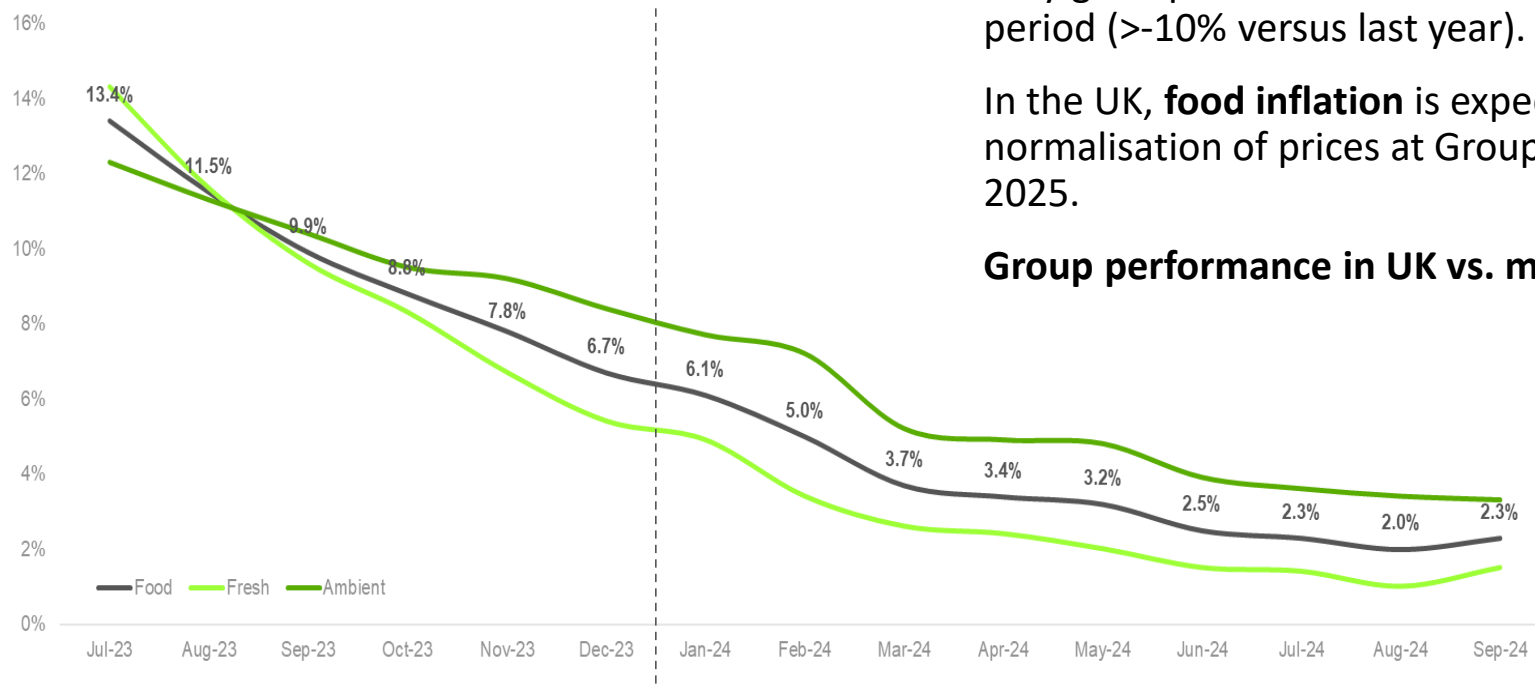




# The Group shows a good performance vs general market conditions

**Very strong Q3 performance** compared to Q2 (-17% for Newlat standalone vs. -1% Q3). In 1H, lower revenues were driven by a significant decrease in selling prices compared to 2023 due to the deflationary market conditions.

## BRC-NielsenIQ Shop Price Index Year on year % changes in shop prices



Compared to the considerable decrease in average selling prices of over 5% YoY, overall, **9M 2024 revenues had a positive performance showing only a slight contraction of -2.7%**, confirming a **resilient volume demand** in the period.

Very good performance in the **UK** compared to change in shop price index in the period (>-10% versus last year).

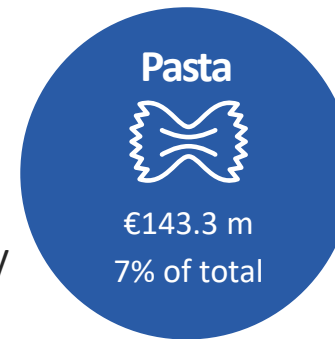
In the UK, **food inflation** is expected to **plateau** in the coming quarter, hence a normalisation of prices at Group level is expected for the end of the year and 2025.

**Group performance in UK vs. market index: >7%**

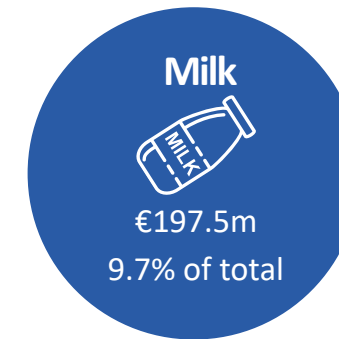
# Revenue breakdown by business unit (Newlat)

Q3 saw a positive performance in most business units, showing an improvement of sales performance at the end of September 2024 as opposed to 1H 2024.

- **Pasta:** Revenue down compared to 9M'23 due to a combination of lower average selling prices and a slight drop in volumes, particularly in Germany, B2B, and Private Label. However performance has improved from 1H'24. (-12.1%)
- **Milk** was slightly down compared to last year, however a very good performance was recorded in Q3 (+8% compared to Q3'23).
- **Ready meals** decreased driven by lower prices and lower volumes in UK. Talks with main retailers to reposition brands currently underway.
- **Bakery Products** sales decreased following lower prices and some promotional shifts.
- **Dairy Products:** Revenue grew by 14.7% to €44.4 million, reflecting a robust rise in volumes as well as an increase in average selling prices compared to 9M 2023.
- **Special Products** showing an improvement in the last quarter (+5.5% vs. Q3'23) thanks to a slow re-introduction of volumes after the investments at the Ozzano Taro plant.



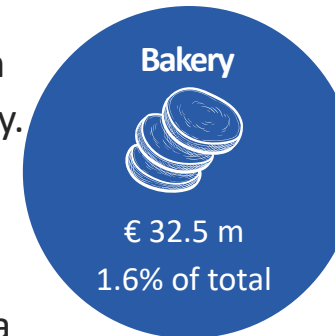
+2% vs. 1H24



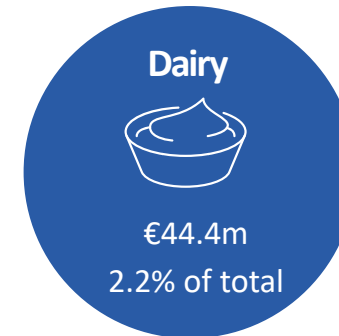
+5% vs. 1H24



-1.5% vs. 1H24



-0.4% vs. 1H24



+1.3% vs. 1H24



+11.4% vs. 1H24



# Revenue breakdown by business unit (Princes)

The first 9 months of the year showed good sales for the Princes categories. In particular:

- **Foods:** Revenue decline mainly driven by a fall in volume due to a challenging comparison vs. the extraordinary performance of last year in baked beans, a softer market demand due to the seasonality of products (summer months usually weakest of the year). Lower selling prices compared to 2023 also affected the performance of foods.
- **Drinks:** Growth from improved net selling prices (+4%), despite volume declines in carbonates, juice and milder summer weather vs. last year impacting overall category sales. New projects from Autumn 2024 expected to drive volume growth in the category.
- **Fish:** Revenue growth driven by strong volume performance in frozen categories in both Princes BV (B2B) and UK (Industrial) and inflation recovery through higher selling prices.
- **Italian Products:** flat performance following higher net selling prices offsetting volume losses from a rationalization of non-performing contracts (first step of the shake up plan).
- **Oils:** slight decrease primarily due to weaker performance in Poland, offset by strong UK olive oil performance and new contracts.

Canned beans and pulses, canned ready meals, canned soups



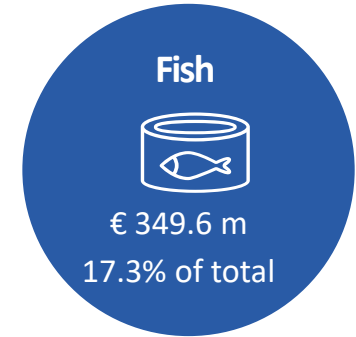
**-5.7% YoY**

Juice and juice concentrate, carbonated soft drinks



**+2.1% YoY**

Canned fish, particularly tuna, frozen fish



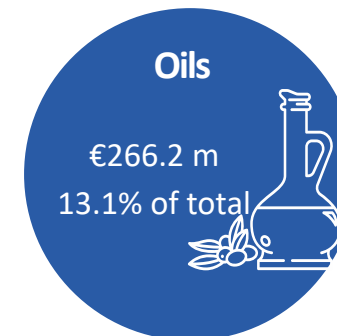
**+6.6% YoY**

Tomato products, Napolina products including pasta



**-0.3% YoY**

Edible oils



**-2.9% YoY**

**Good sales performance expected for the Princes categories with several multi-year contracts achieved / extended across drinks, foods and oils**

# Significant progress in delivering our Drinks growth strategy

## Strategic project: Capri Sun Partnership

### Long term contract



**Started in Oct'24**

5-year co-pack contract for Capri Sun.

Manufacturing for UK and Ireland transferred from CCEP to Princes

250m pouches per annum  
Supporting logistics to customers  
Range includes all 200ml & 330ml pouches

### Production transfer



Transfer and installation into Bradford

Phase 1: Two lines commissioned Autumn '24 – ON TRACK

Phase 2: Two lines commissioned Spring '25 – ON TRACK

## Future Growth

### Rebalanced mix

Channel	Volume 2024	Volume 2029
Private label	90%	70%
Co-pack	7%	25%
Princes' brands	3%	5%

Continued private label focus with accelerated co-manufactured growth

### Accelerated Innovation

Win with kids

Functional Beverages

Squash excitement

Low & No alcohol

Increased focus on “Healthy” hydration

Whilst also continue to minimize our environmental footprint



# Commercial Highlights – Tinned Fish

## PRINCES WINS: MSC SEAFOOD BRAND OF THE YEAR



We are proud to be recognised as the **MSC Seafood Brand of the Year**, a testament to our commitment to sourcing 100% MSC-certified tuna by 2025.

This award highlights our ongoing collaboration with suppliers, customers, and the MSC, who are working together to deliver products that are sustainable for the future of our oceans and a product that consumers can trust.



# Commercial Highlights – Foods



## CONSUMER CHAMPION WHICH? HAILS BRANSTON AS BEST BUY BAKED BEAN!

30,000 REVIEWERS – SEPTEMBER 2024

- Branston has been awarded the prestigious accolade alongside Aldi's Bramwells product.
- Blind taste tests conducted by Which? with consumers who regularly buy and consume baked beans. Scoring based on:
  - Flavour
  - Appearance
  - Aroma
  - Texture
- Brand leader Heinz's sauce considered too thin for 35% of consumers!

### Which? Ranking:

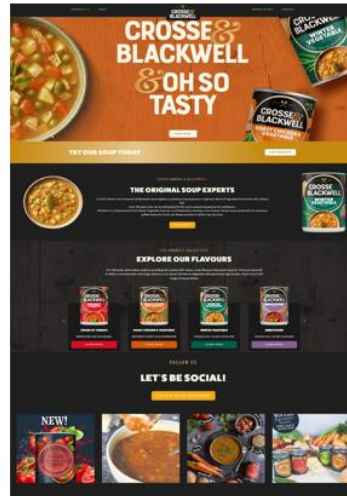
1. Aldi Bramwells Baked Beans (Best Buy)
2. Branston's Baked Beans (Best Buy)
3. Co-op Baked Beans in Tomato Sauce
4. Asda Baked Beans in a Rich Tomato Sauce
=5. Heinz Beanz
=5. Waitrose Essential Baked Beans in Tomato Sauce
7. Sainsbury's Baked Beans in Tasty Tomato Sauce
8. Tesco Baked Beans in Tomato Sauce
9. Morrisons Baked Beans in Tomato Sauce
10. M&S Baked Beans in a Rich Tomato Sauce

Which?  
Best Buy

**Which?** is a United Kingdom brand name that promotes informed consumer choice in the purchase of goods and services by testing products, highlighting inferior products or services, raising awareness of consumer rights, and offering independent advice.

**Branston** was the leading brand in a taste test of **Baked Beans**. The leading Customer Owned Brands (COB) products are also **supplied via Princes**.

## Crosse & Blackwell Relunched Ready for Winter



The new Crosse & Blackwell website has launched!

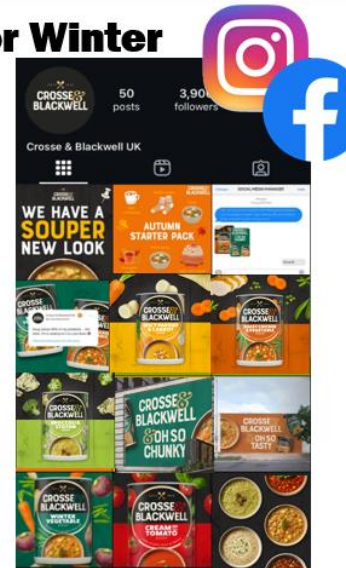
Showcasing our new packaging design and includes a specific 'Where to Buy' page.

Crosse & Blackwell digital plans include:

- Social activity on Instagram and Facebook.
- Paid digital adverts.
- Pay per click (PPC) Google Ads.

Follow us on Instagram:

@crosseandblackwell\_uk



ESTD 1819  
**CROSSE & BLACKWELL**



# Revenue breakdown by distribution channel

Distribution channels saw an overall improvement in sales compared to 1H results partially thanks to a better performance of Newlat products in Q3 and a positive contribution of Princes categories into some channels.

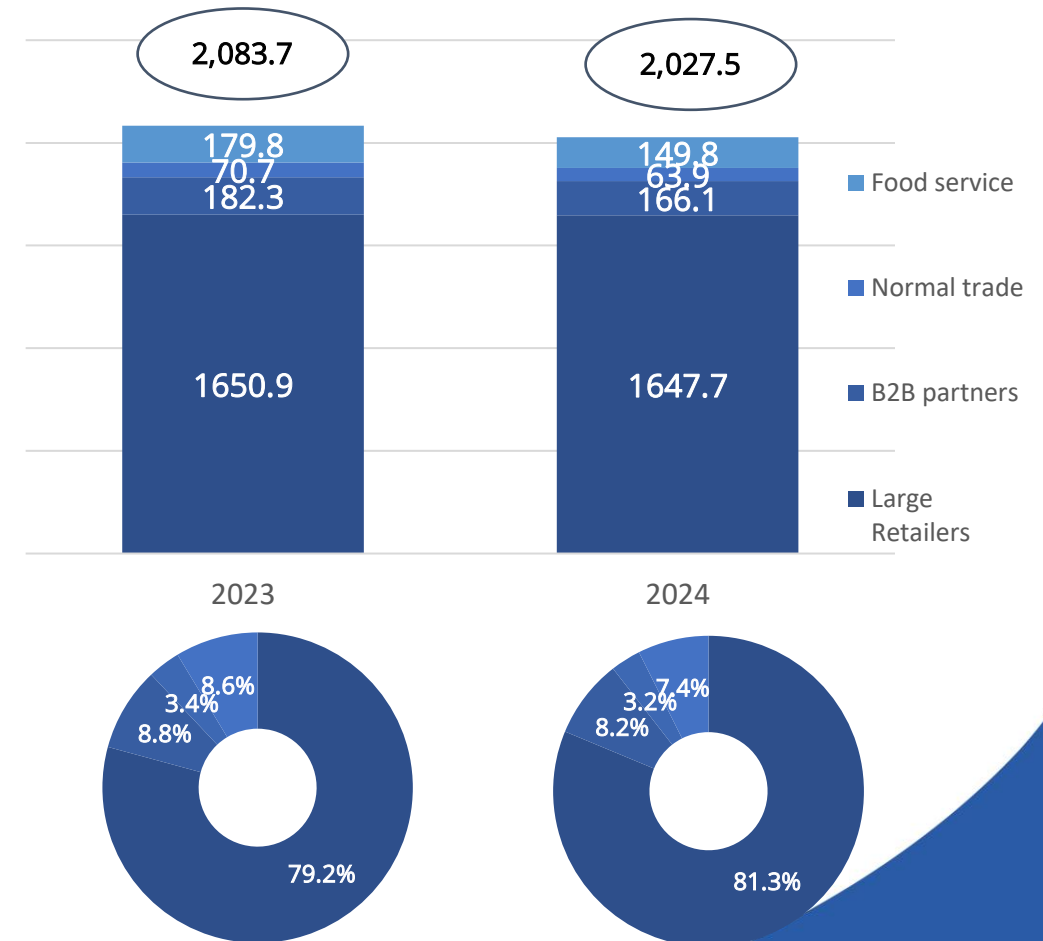
The large retailers channel had a good performance in the period thanks a mix of better results of some categories (dairy, milk, fish and drinks) however some negative impact from lower volumes in the Foods category was recorded.

**B2B** partners' revenues was down following a decrease in the pasta, special and foods category.

Food service had a decline particularly as a result of lower sales in the Foods category.

In general, channels were mostly impacted by lower average selling prices with a stable performance of volumes across categories.

## Revenue breakdown (€m)



## Revenue breakdown by geography

All the main regions were impacted by the deflationary situation, however a clear improvement was marked in the last quarter thanks to the Princes contribution as well as a good performance of Newlat's divisions in Q3.

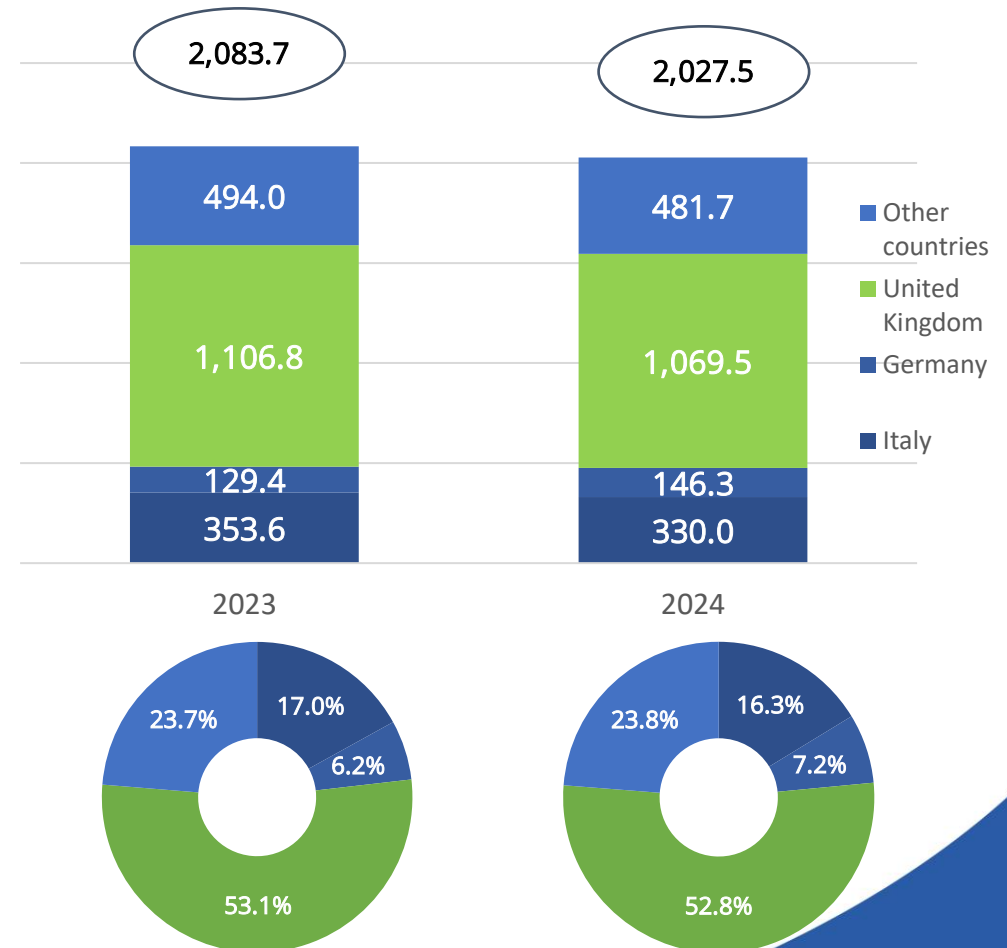
Sales in Italy were mostly impacted by a contraction in revenues coming from the Pasta and Bakery sectors, however a better performance of Milk, Dairy and Special products was recorded in Q3. (+3.3% vs. 1H 2024)

In Germany, a very positive performance of +13% was recorded thanks to higher sales volumes in the Dairy and Italian Products divisions.

In the UK, revenue was slightly impacted by the decrease in sales of the Foods segment.

In other countries, the slight decrease was a consequence of lower sales in the Pasta and Oils segments.

### Revenue breakdown (€m)





# EBITDA breakdown by business unit (Newlat)

Adj. combined EBITDA for 9M 2024 was equal to **€127.8 million**, with an EBITDA margin of 6.3%. In general, the Newlat business units had a very good performance in terms of marginality (average >10% excluding Princes.)

Pasta continued to record a double digit margin, reaching 11.3%.

Milk increased both in terms of nominal EBITDA and in terms of margin (9.8%).

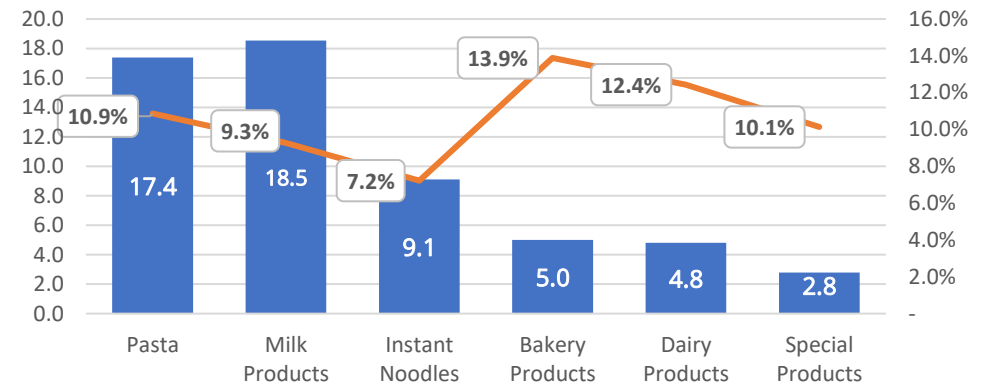
Instant Noodles & Home Baking kept its upward trend shown in 1H, with an increase of 50bps in margin (7.7%) and in EBITDA (€8.5m) thanks to better management of resources and mix contribution in the UK in particular with the removal from the market of lower margin products.

The Bakery Products segment also performed well with EBITDA margin rising from 13.9% in 2023 to 16.9% in 2024.

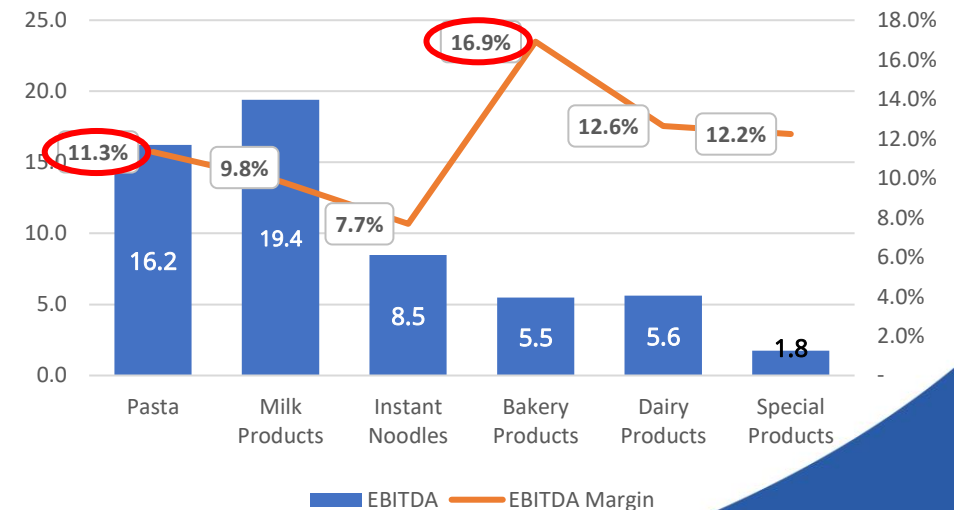
Dairy had a good performance with margins increasing slightly to 12.6%

Despite the ongoing investments, the Special Products segment kept good margins with 12.2% and a lower nominal figure reflecting lower sales.

## Adj. EBITDA (€m) and EBITDA margin (%) 9M 2023



## Adj. EBITDA (€m) and EBITDA margin (%) 9M 2024



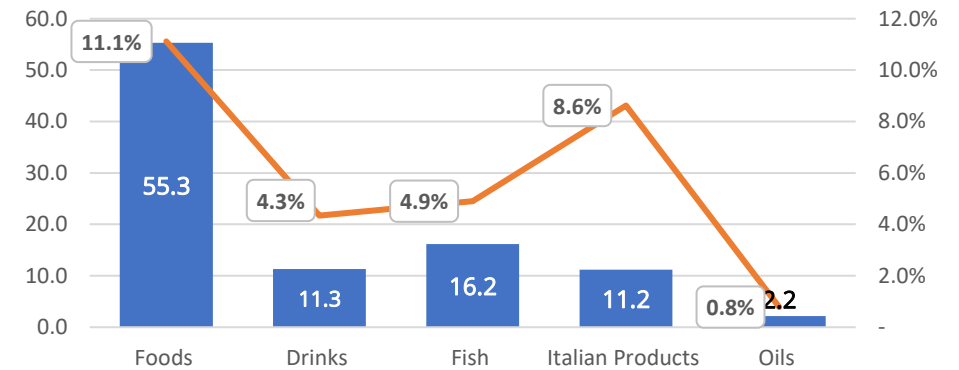
## EBITDA breakdown by business unit (Princes)

Princes achieved a strong EBITDA performance despite a challenging first half and impacts from fixed energy contracts, with new contract contributions expected in Q4. After a softer start at the beginning of the year, all divisions saw solid EBITDA improvements post-closing.

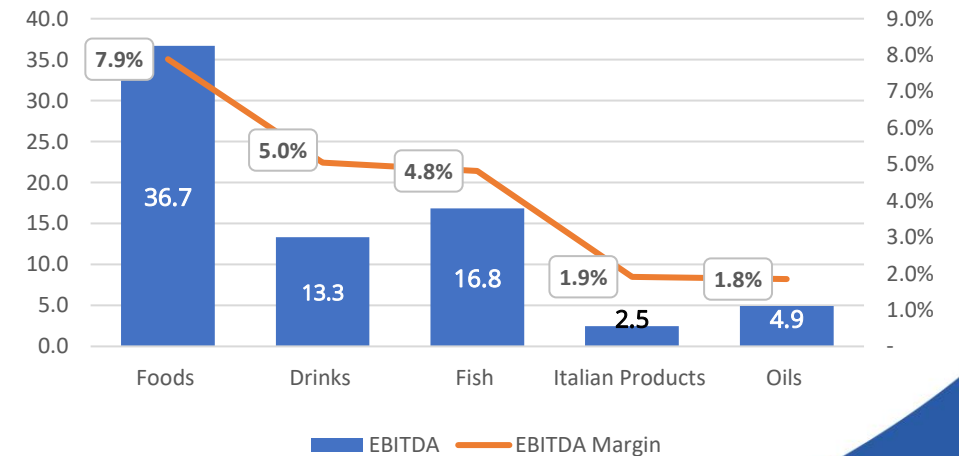
### Main highlights:

- The **Drinks** segment is expected to recover margins from year end thanks to the integration of new contracts, particularly with Capri Sun and Vimto.
- Italian Products** had a visible decrease in margins following:
  - 1) Difficult comparison as a result of a total of €2 million provisions put aside last year. Therefore the adjusted EBITDA in 2024 would have been €4.4 million;
  - 2) the year 2023 had a positive contribution from the sale of stock produced in 2022 when purchase price was more favourable than 2023 prices;
  - and 3) early restructuring impacts, including the rationalization of low-profit contracts, temporarily affecting operating leverage

### Adj. EBITDA (€m) and EBITDA margin 9M 2023



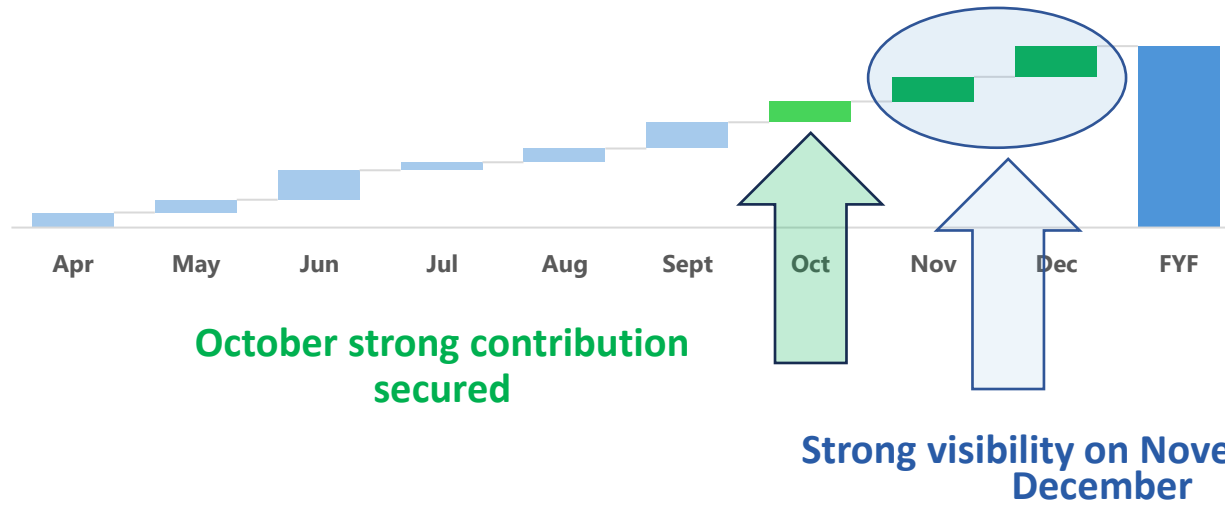
### Adj. EBITDA (€m) and EBITDA margin 9M 2024





# EBITDA Performance - Princes

## PRINCES EBITDA BRIDGE 2024



We expect the strong Princes performance will drive the **combined pro-forma EBITDA** (Jan-Dec 2024) **between 175 and 180 million Euro** at the end of December 2024.

## PRINCES' BUDGET INCLUDES A STRONGER PERFORMANCE IN THE SECOND HALF OF THE YEAR

### Challenging comparison vs. last year's first half due to:

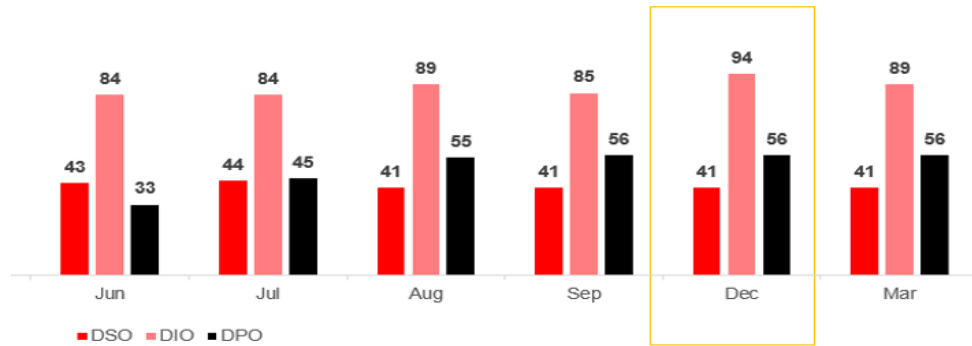
- **Timing of the transaction** (commitment to maximize EBITDA in 1H 23);
- **Price increase actions** concentrated in the first part of last year;
- **Some fixed energy contracts** diluted profitability in the first half of the year

### Significant performance in the second half of the year driven by:

- **Easier comparison base**
- **New contracts** in drinks (Capri Sun, Vimto and other private label contracts)
- **Supply Chain and Procurement improvement**

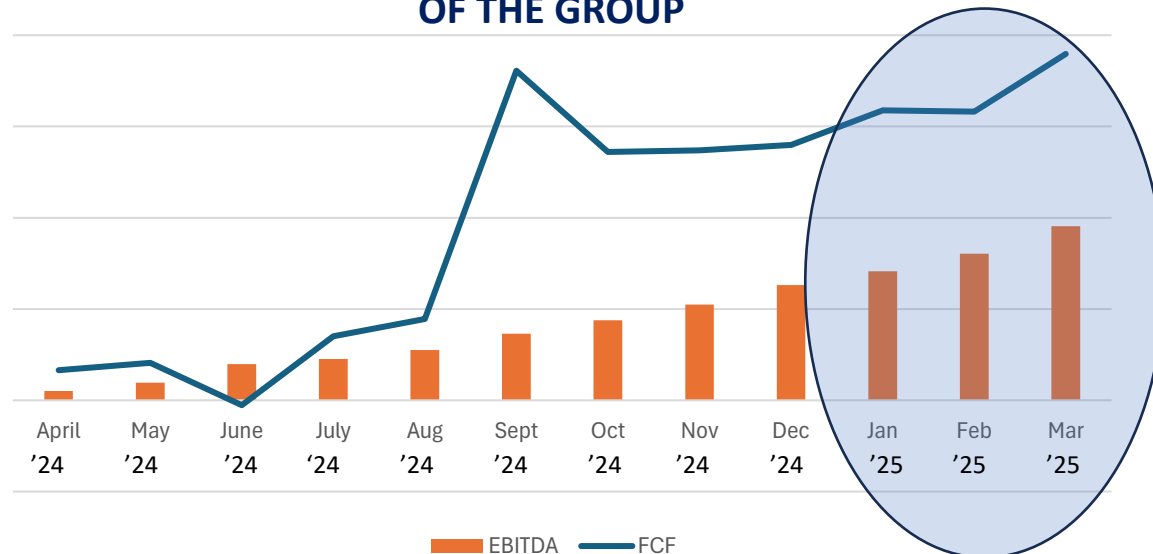
# Net Working Capital & Deleverage - Princes

## NWC in days



FY24-25

## STRONG CASH FLOW GENERATION IS DRIVING THE DELEVERAGE OF THE GROUP



**First actions on DPO and Inventories** giving a strong contribution to FCF generation thanks to the material **reduction from 110 to 70 days YoY at the end of September 2024** compared to September 2023.

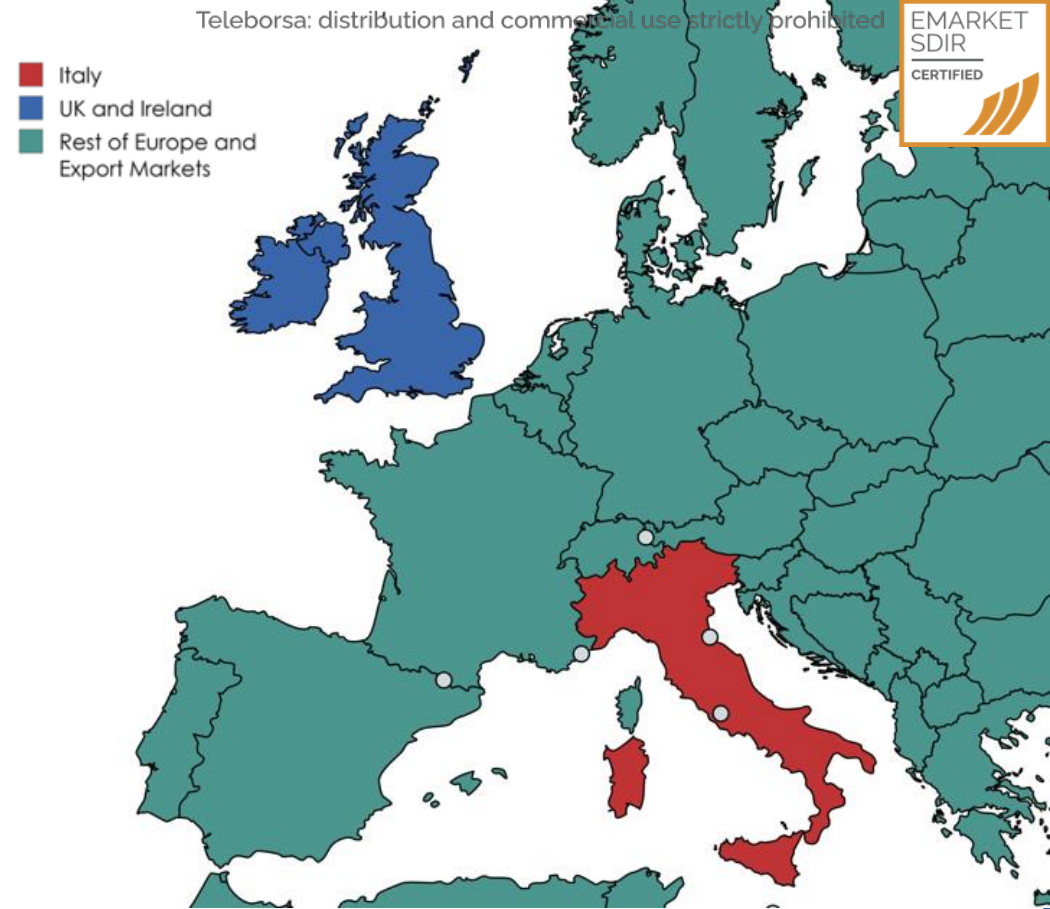
Lower inventory compared to the usually high level of the year recorded between September and December.

The strong cash generation should drive the **Net Debt / EBITDA combined ratio below 2.5x** at the end of FY 2024.

Moreover, the **strong EBITDA contribution** expected at the beginning of 2025 should **drive additional strong steps in deleveraging in the first half of the year.**

# Company integration

- **As of 1<sup>st</sup> October, Group Procurement** has been centralised under Angelo Mastrolia's leadership.
- **The Group's Business Units** have been divided into three macro areas: the **UK and Ireland, Italy and rest of Europe and export markets.**
- **Progress is underway** to integrate **Princes Italia** (tomato processing) with Newlat Food's existing business consisting of pasta, bakery products and special products to improve efficiency and coordination between departments by 1<sup>st</sup> of January 2025.
- **Full integration of Symington's business** with Princes underway. Responsibility of Symington's has already been given to Simon Harrison. This integration will be completed by 31<sup>st</sup> March, aligning with the usual fiscal year-end of UK retailers.





# Collaboration since day 1 between the teams with some broader synergies to be unlocked in the next few months

## *Broader synergies being explored post 'day 1'*



**INNOVATION**



**BRAND REPUTATION**



**CROSS SELLING**



**PROCUREMENT**

- **Innovation:** NPD currently under analysis to produce Princes branded products at Symington's sites.
- **Brand Reputation:** collaboration between sales teams to improve retailer relationship in the UK thanks to Princes' footprint.
- **Cross selling:** introduction of Princes brands to Newlat's existing European customers.
- **Procurement:** deeper analysis of raw material and procurement underway to maximise savings at group level.

## Guidance 2024-2025

### 2024

- **Combined EBITDA between € 175m-180 m**
- **ND/EBITDA (combined) to be < 2.5X**
- **Combined revenues around €2.7 bn**

### 2025

- **Consolidated revenues over €2.8 bn**
- **Consolidated EBITDA between € 210 and € 220 m**
- **Adj. Consolidated ND between €300 and €330 m**
- **ND/EBITDA between 1.36X and 1.57X based on the lower end EBITDA figure**



# Q&A



# Appendix

# Consolidated Income Statement

<i>(€ thousand)</i>	At 30 September	
	2024	2023
Revenue from clients' contracts	896,307	600,666
Cost of goods sold	(729,578)	(491,968)
<b>Gross profit</b>	<b>166,729</b>	<b>108,698</b>
Sales and distribution costs	(85,295)	(64,317)
Administrative expenses	(49,310)	(15,716)
Net impairment losses on financial assets	(439)	(586)
Other revenues and income	9,384	6,712
Income from business combination	158,028	1,685
Other operational costs	(4,670)	(4,666)
<b>EBIT</b>	<b>194,427</b>	<b>31,81</b>
Financial income	9,075	6,788
Financial expense	(25,624)	(13,447)
<b>EBT</b>	<b>177,879</b>	<b>25,152</b>
Gross income tax	(7,031)	(6,977)
<b>Net Income</b>	<b>170,848</b>	<b>18,175</b>
<b>Net income attributable to non-controlling interest</b>	<b>2,405</b>	<b>2,187</b>
<b>Group Net Income</b>	<b>168,439</b>	<b>15,988</b>
Basic EPS	3.84	0.37
Diluted EPS	3.84	0.37

# Balance sheet

<i>In € thousand</i>	30 September 2024	31 December 2023
Non-current assets		
Property, plant and equipment	564,523	164,732
Right of use	100,678	43,773
Intangible assets	121,013	91,548
Investments in associated companies	64,118	1,401
Non-current financial assets valued at fair value with impact on I/S	785	777
Financial assets stated at amortized cost	803	800
Deferred tax assets	8,589	6,362
<b>Total non-current assets</b>	<b>860,509</b>	<b>309,392</b>
Current assets		
Inventory	504,27	74,099
Account receivables of which related parties	338,929	84,634
	5,638	2,493
Current tax assets	5,644	1,323
Other receivables and current assets	59,157	22,529
Current financial assets valued at fair value with impact on I/S	1,532	69
Financial receivables valued at amortized	258,366	13,099
Cash and cash equivalents	334,54	312,459
<b>Total current assets</b>	<b>1,502,438</b>	<b>508,212</b>
<b>TOTAL ASSETS</b>	<b>2,362,946</b>	<b>817,604</b>

<i>In € thousand</i>	30 September 2024	31 December 2023
<b>Equity</b>		
Share capital	43,935	43,935
Reserves	130,755	102,079
Currency reserve translation	1,193	(1,703)
Net income	168,439	14,325
<b>Total equity</b>	<b>344,322</b>	<b>158,636</b>
Equity attributable to non-controlling interest	63,104	16,022
<b>Total consolidated equity</b>	<b>407,426</b>	<b>174,658</b>
<b>Non-current liabilities</b>		
Provisions for employees	15,081	10,951
Provisions for risks and charges	2,459	2,337
Deferred tax liabilities	47,631	22,868
Non-current financial liabilities	614,809	290,466
Non-current lease liabilities	83,748	37,16
Shareholder loans	203,19	-
<b>Total non-current liabilities</b>	<b>966,918</b>	<b>363,783</b>
Current liabilities		
Account payables	460,431	172,198
Current financial liabilities	312,955	64,653
Current lease liabilities	20,361	7,694
Current tax liabilities	6,669	2,988
Other current liabilities	188,186	31,630
<b>Total current liabilities</b>	<b>988,692</b>	<b>279,163</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,362,946</b>	<b>817,604</b>



# Cash flow statement

(In € thousand)	30 September	
	2024	2023
Profit before income tax	177,879	25,152
<i>- Adjustments:</i>		
Depreciation and amortization	37,860	26,968
Capital gain / (loss) from disposal of assets	16,549	6,659
Other non-monetary changes from business combination	(158,028)	(1,685)
Other non-monetary changes	-	-
<b>Cash flow from operating activities before changes in net working capital</b>	<b>74,259</b>	<b>57,094</b>
Changes in inventory	(33,582)	5,548
Changes in trade receivables	(8,629)	20,298
Changes in trade payables	88,952	(29,252)
<i>Changes in other assets and liabilities</i>	37,032	6,408
Uses of employee benefit obligations and provisions for risks and charges	(2,084)	(1,156)
Income tax paid	(5,342)	(3,163)
<b>Net cash flow provided by / (used in) operating activities</b>	<b>150,607</b>	<b>55,777</b>
Investments in property, plant and equipment	(19,358)	(11,804)
Investments in intangible assets	(1,481)	(1,092)
Investments of financial assets	(11,089)	(3,096)
Net cash acquired from Princes Limited	4,415	(1,000)
<b>Net cash flow provided by / (used in) investing activities</b>	<b>(27,513)</b>	<b>(16,992)</b>

(In € thousand)	30 September	
	2024	2023
Proceeds from long-term borrowings	578,000	19,500
Repayment of long-term borrowings	(660,000)	(28,420)
Repayment of lease liabilities	(11,403)	(7,341)
Net financial expenses paid	(16,549)	(6,659)
Share Buy Back	8,936	20,085
<b>Net cash flow provided by / (used in) financing activities</b>	<b>(101,014)</b>	<b>(2,835)</b>
Total cash flow provided / (used) in the year	22,079	35,950
<b>Cash and cash equivalents at the beginning of the period</b>	<b>312,459</b>	<b>287,820</b>
Offsetting of cash and cash equivalents	-	(3,025)
Total change in cash and cash equivalents	22,079	35,950
<b>Cash and cash equivalents at the end of the period</b>	<b>334,540</b>	<b>320,744</b>



## UPCOMING EVENTS



17 March 2025

FY 2024 Approval

28 April 2025

Ordinary Shareholder's meeting

## INVESTOR RELATIONS CONTACTS

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