



## **PRESS RELEASE**

### **THE BOARD OF DIRECTORS OF CENTRALE DEL LATTE D'ITALIA APPROVES THE HALF-YEAR RESULTS:**

- **Revenues at € 136.0 million (+46.2% vs. € 93.0 million at 30 June 2020)**
- **EBITDA at € 13.0 million (+34% vs. € 9.7 million at 30 June 2020)**
- **EBIT was € 4.5 million (+7.1% vs. €4.2 million at 30 June 2020)**
- **Net profit at €6.8 million (+183.3% vs. €2.4 million at 30 June 2020)**

Turin, 10 September 2021 – The Board of Directors of Centrale del Latte d'Italia S.p.A. (“**CLI**” or the “**Company**”) - a company listed on the Star segment of Borsa Italiana and today the third Italian player in the fresh and long-life milk market, has approved the Half Year Financial Report as at 30 June 2021.

The Company recorded **revenues** of **€ 136.0 million** in the first half of 2021, compared to € 93.0 million at 30 June 2020, an increase of 46.2%, thanks to the contribution of the milk & dairy branch leased from the parent company Newlat Food S.p.A.

The **EBITDA** of the first half stands at **€ 13.0 million**, against the € 9.7 million at 30/06/2020, with a marked increase of **+34%**, while **EBIT** is equal to **€ 4.5 million**, with an improvement compared to € 4.2 million as at 30/06/2020 (+7.1%). The increase is due to the contribution of the milk & dairy branch leased from the parent company Newlat Food S.p.A.

As a result of these significant performances, the Company recorded, in the first half of 2021, an after tax **net profit** of **€ 6.8 million**, against € 2.4 million at 30/06/2020, a great improvement compared to what is indicated in the Business Plan 2022 approved on 10 February and positively influenced by the release of deferred taxes amounting to € 5.1 million, relating to the redemption of the misalignments resulting from the merger, as required by law decree 102/2020 (“August Decree”).

The **net financial position** of CLI as at 30/06/2021 improves by € 4.9 million, as it went from -61.9 million at 31/12/2021 to **-€ 57.0 million**, thanks to the Company's ability to generate cash from operations.

The aforementioned results are clearly better than those indicated in the last approved Business Plan and compared to the consolidated figure in the same period of the previous year.

In the current healthcare context, the Company has confirmed that it has great ability to keep its margins unchanged, a trend already clear since the past year with particular evidence of the synergies created by joining the Newlat Food Group.

Furthermore, on the cost side, CLI recorded a sharp decrease in some costs for the procurement of goods and services, first of all that relating to the cost of raw materials, thanks to a review of contracts.

The salient aspects that characterized the semester are:

1. the signing of the aforementioned lease agreement for the milk & dairy business unit with the parent company Newlat Food S.p.A.;
2. the comparison with the approved industrial plan - which set itself the objective of overcoming the difficulties experienced in previous years, improving profitability with the entry into force of the new customer price list - highlights a very positive trend, beyond expectations thanks to the further boost coming from the entry into the Newlat Food Group;
3. in a highly unstable context, and in general with a very weak internal market, it was found that the comparison with the same period of the previous semester, with the same scope of comparison, therefore



considering the data of the Branch as at 30 June 2020, shows a substantially linear trend in margins (EBITDA equal to € 13.0 million, or 9.5% against €14.4 million at 30 June 2020, equal to 9.7%).

This result is more impactful if we consider that it was achieved despite a decrease in turnover (-8.3% compared to 30 June 2020), caused by a decrease in demand, related to the reduction of the restriction measures ("lockdown") subsequent to the so-called "First wave" of the COVID-19 pandemic, from a greater promotional push, thanks above all to economies of scale in terms of procurement of raw materials, services and personnel costs.

4. The block of activities in the HO.RE.CA. sector became evident with the advancement of the tourist season; the more traditional normal trade channel continues in a state of managerial and economic weakness.

### Analysis of revenues

In the first half of 2021, CLI achieved revenues of € 136.0 million, as follows broken down by business lines:

#### Revenues by Business Unit

<i>(In € thousand)</i>	Ended 30 June	
	2021	2020 – Proforma
<i>Milk products</i>	113,171	126,370
<i>Dairy products</i>	15,669	14,127
<i>Other Products</i>	7,102	7,716
<b>Revenues from client's contracts</b>	<b>135,942</b>	<b>148,213</b>

Revenues relating to the **Milk Products** segment were down due to lower sales volumes and a decrease in average prices due to a greater promotional boost.

Revenues relating to the **Dairy Products** segment increased as a result of an increase in sales volumes.

Revenues relating to the **Other products** segment fell sharply in the periods under review as a result of a decrease in sales volumes linked to the traditional food services sector still heavily penalized by COVID-19.

#### Revenues by distribution channel

<i>(In € thousand)</i>	Ended 30 June	
	2021	2020 – Proforma
Large retailers	84,086	93,394
B2B partners	5,405	6,713
<i>Normal trade</i>	32,948	34,979
<i>Private label</i>	7,328	6,277
<i>Food service</i>	6,175	6,849
<b>Revenues from client's contracts</b>	<b>135,942</b>	<b>148,213</b>

Revenues relating to the **Large retails** channel decreased mainly due to a decrease in demand and a reduction in the average selling price.

Revenues relating to the **B2B partners** channel decreased due to a decrease in demand as a result of a managerial policy of withdrawing from some low-margin contracts.

Revenues relating to the **Normal trade** channel are decreasing due to a decrease in demand as a result of the post-COVID-19 effect.

Revenues relating to the **Private label** channel recorded an increase due to an increase in sales volumes in the Dairy sector.

Revenues relating to the **Food services** channel decreased due to a decrease in sales volumes in the "other products" category of the HO.RE.CA. sector. still heavily penalized by COVID-19.



## Revenues by geography area

(In € thousand)	Ended 30 June	
	2021	2020 – Proforma
Italy	124,140	136,456
Germany	3,570	3,507
Other countries	8,232	8,250
<b>Revenues from client's contracts</b>	<b>135,942</b>	<b>148,213</b>

Revenues relating to **Italy** decrease due to the aforementioned greater promotional boost.

Revenues relating to **Germany** are substantially in line with the same period of the previous year.

Revenues relating to the **Other Countries** are substantially in line with the same period of the previous year.

## Events occurred after 30 June 2021

After 30 June 2021, there were no atypical or unusual transactions that require changes to the interim separate financial statements closed at 30 June 2021.

## Declaration of the manager responsible for preparing the corporate accounting documents

The manager in responsible for preparing the corporate accounting documents Fabio Fazzari 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.

\* \* \*

*The Centrale del Latte d'Italia Group and Newlat Food, majority shareholder since 1 April 2020, today represent the third Italian operator in the Milk & Dairy sector.*

*Newlat Food is a successful industrial Group, leader in the agri-food sector, present in 60 countries with dairy products, pasta and bakery, gluten-free products and baby food.*

*With 4 factories and some 415 employees, Centrale del Latte d'Italia Group produces and sells more than 120 products, ranging from milk and milk products to yogurt and drinks of plant origin, distributed in over 16,000 traditional shops and large retail chains in the pertinent areas under the brand names TappoRosso, Mukki, Tigullio and Vicenza.*

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This press release is available on the Company's website at <http://centralelatteitalia.com/> and on the authorized storage mechanism eMarket Storage at the following address [www.emarketstorage.com](http://www.emarketstorage.com).

The "Half-Year Financial Report" will be available on the Company's website at <http://centralelatteitalia.com/> and on the authorized storage mechanism eMarket Storage at the following address [www.emarketstorage.com](http://www.emarketstorage.com).

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# Centrale del Latte d'Italia



## FOR FURTHER INFORMATION

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# Centrale del Latte d'Italia



## FINANCIAL STATEMENTS



## Statement of Financial Position as at 30 June 2021

(In €)	Ended 30 June 2021	Ended 31 December 2020
<b>Non-current assets</b>		
Property, plant and equipment	118,856,433	119,747,897
Right of use	11,003,880	4,077,642
<i>of which towards related parties</i>	6,338,519	
Intangible assets	19,588,840	19,634,199
Investments in associated companies	1,400,878	1,396,719
Non-current financial assets valued at fair value with impact on I/S	703,174	703,762
Deferred tax assets	579,081	1,519,312
<b>Total non-current assets</b>	<b>152,132,286</b>	<b>147,079,533</b>
<b>Current assets</b>		
Inventory	18,056,875	10,336,765
Account receivables	32,069,870	22,926,224
<i>of which related parties</i>	4,460,757	2,710,754
Current tax assets	129,899	129,899
Other receivables and current assets	13,145,594	6,571,409
<i>of which towards related parties</i>	5,584,912	-
Current financial assets valued at fair value with impact on I/S	1,068	-
Cash and cash equivalents	71,083,496	46,821,800
<i>Of which towards related parties</i>	21,327,808	13,031,281
<b>Total current assets</b>	<b>134,486,801</b>	<b>86,786,097</b>
<b>TOTAL ASSETS</b>	<b>286,619,087</b>	<b>233,865,631</b>
<b>Equity</b>		
Share capital	28,840,041	28,840,041
Reserves	31,982,478	28,113,442
Net income	6,840,509	4,132,036
<b>Total equity</b>	<b>67,663,028</b>	<b>61,085,519</b>
<b>Non-current liabilities</b>		
Provisions for employees	7,512,284	4,729,842
Provisions for risks and charges	1,120,799	126,172
Deferred tax liabilities	631,773	6,099,421
Non-current financial liabilities	66,601,409	69,150,140
Non-current <i>lease</i> liabilities	5,639,914	1,946,999
<i>Of which towards related parties</i>	3,201,297	-
<b>Total non-current liabilities</b>	<b>81,506,179</b>	<b>82,052,574</b>
<b>Current liabilities</b>		
Account payables	70,134,646	45,578,043
<i>Of which towards related parties</i>	12,455,502	124,838
Current financial liabilities	49,328,846	35,521,272
<i>Of which towards related parties</i>	31,992,426	-
Current lease liabilities	6,549,180	2,084,298
<i>Of which towards related parties</i>	4,069,799	-
Current tax liabilities	785,259	271,960
Other current liabilities	10,651,947	7,271,965
<b>Total current liabilities</b>	<b>137,449,878</b>	<b>90,727,538</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>286,619,087</b>	<b>233,865,631</b>

## Income Statement at 30 June 2021

(In €)	Half Year Ended 30 June	
	2021	2020
Revenue from clients' contracts	135,941,584	93,036,707
<i>Of which towards related parties</i>	1,186,996	417,000
Cost of goods sold	(105,118,573)	(66,224,525)
<i>Of which towards related parties</i>	13,040,167	(177,000)
<b>Gross profit</b>	<b>30,823,010</b>	<b>26,812,182</b>
Sales and distribution costs	(22,282,207)	(16,015,655)
Administrative expenses	(4,153,790)	(6,466,802)
<i>Of which towards related parties</i>	(22,000)	-
Net impairment losses on financial assets	(676,168)	(296,147)
Other income	2,409,116	1,320,990
Other operational costs	(1,665,387)	(1,110,535)
<b>EBIT</b>	<b>4,454,573</b>	<b>4,244,034</b>
Financial income	91,905	164,151
Financial expense	(1,100,387)	(897,119)
<i>Of which towards related parties</i>	(43,682)	-
<b>EBT</b>	<b>3,446,091</b>	<b>3,511,066</b>
Gross income tax	3,394,418	(1,127,947)
<b>Net Income</b>	<b>6,840,509</b>	<b>2,383,119</b>
Basic EPS	0,24	0,08
Diluted EPS	0,24	0,08

## Statement of Comprehensive Income at 30 June 2021

(In €)	Half Year Ended 30 June	
	2021	2020
<b>Net Profit (A)</b>	<b>6,840,509</b>	<b>2,383,119</b>
<b>a) Other comprehensive income that will not be reclassified to profit or loss</b>		
Actuarial gains / (losses) on post-employment benefit obligations	-	(70,000)
Tax effects on profit/(actuarial losses)	-	21,000
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>	<b>-</b>	<b>(49,000)</b>
<b>Total other comprehensive income for the period, net of tax (B)</b>	<b>-</b>	<b>(49,000)</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>6,840,509</b>	<b>2,334,119</b>



# Centrale del Latte d'Italia



## Statement of Changes in Equity

<i>(In €)</i>	Share capital	Reserves	Net Income	Total Equity
<b>Ended 31 December 2019</b>	<b>28,840</b>	<b>34,741</b>	<b>(6,511)</b>	<b>57,070</b>
Income allocation of the previous year	-	(6,511)	6,511	-
Net Income	-	-	2,383	2,383
Actuarial gains/(losses) net of tax	-	(48)	-	(48)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(6,559)</b>	<b>8,894</b>	<b>2,335</b>
<b>Ended 30 June 2020</b>	<b>28,840</b>	<b>28,182</b>	<b>2,383</b>	<b>59,405</b>
Net Income	-	-	1,749	1,749
Actuarial gains/(losses) net of tax	-	(110)	-	(110)
Other movimentations	-	42	-	42
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(68)</b>	<b>1,749</b>	<b>1,681</b>
<b>Ended 31 December 2020</b>	<b>28,840</b>	<b>28,114</b>	<b>4,132</b>	<b>61,086</b>
Income allocation of the previous year	-	4,132	(4,132)	-
Net Income	-	-	6,841	6,841
Actuarial gains/(losses) net of tax	-	-	-	-
Other movimentations	-	(263)	-	(263)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(263)</b>	<b>6,841</b>	<b>6,578</b>
<b>Ended 30 June 2021</b>	<b>28,840</b>	<b>27,851</b>	<b>10,973</b>	<b>67,664</b>



## Cash Flow Statement at 30 June 2021

(In €)	Ended 30 June 2021	Ended 30 June 2020
Profit before income tax	3,446,091	3,511,066
- <i>Adjustments:</i>		
Depreciation and amortization	8,513,969	5,410,147
Financial Interest / (Income)	1,008,482	732,968
<i>Of which towards related parties</i>	<i>(18,189)</i>	-
<b>Cash flow from operating activities before changes in net working capital</b>	<b>12,968,542</b>	<b>9,654,181</b>
Changes in inventory	(7,720,110)	(522,000)
Changes in trade receivables	(15,404,726)	342,000
Changes in trade payables	24,556,603	973,000
Changes in other assets and liabilities	(3,194,200)	3,800,000
Uses of employee benefit obligations and provisions for risks and charges	3,777,070	(843,000)
Income tax paid	(983,701)	(97,000)
<b>Net cash flow provided by / (used in) operating activities</b>	<b>19,584,392</b>	<b>13,307,181</b>
Investments in property, plant and equipment	(3,113,092)	(1,200,000)
Investments of financial assets	(4,639)	
<b>Net cash flow provided by / (used in) investing activities</b>	<b>(3,117,732)</b>	<b>(1,200,000)</b>
Proceeds from long-term borrowings	11,258,843	
Changes in current financial liabilities		(1,645,000)
Repayment of <i>lease liabilities</i>	(2,455,324)	(1,753,212)
<i>Of which towards related parties</i>	<i>(1,762,172)</i>	
Net financial expenses paid	(1,008,482)	(732,968)
<b>Net cash flow provided by / (used in) financing activities</b>	<b>7,795,036</b>	<b>(4,131,180)</b>
<b>Total cash flow provided / (used) in the year</b>	<b>24,261,696</b>	<b>7,976,001</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46,821,800</b>	<b>18,951,000</b>
<i>Of which towards related parties</i>	<i>13,031,281</i>	
Total change in cash and cash equivalents	24,261,696	7,976,001
<b>Cash and cash equivalents at the end of the period</b>	<b>71,083,496</b>	<b>26,927,000</b>
<i>Of which towards related parties</i>	<i>21,327,808</i>	