



PRESS RELEASE

LA DORIA: Board of Directors approves Q1 2020 report

Results for first three months significantly up on the same period of 2019 and ahead of expectations.

Revenues strongly increase due to improved volumes as a result of demand peak on Italian and overseas markets, particularly due to the Covid-19 pandemic in March.

Margins significantly increase, ahead of expectations - thanks to increased production volumes and improved industrial efficiency, with the gradual full rollout of the four-year investment plan launched in 2018, employing total resources of Euro 138 million.

Priority placed in the first quarter on the safety of employees and operational continuity to ensure provision to the markets at a particularly difficult time for Italy and the entire world, in which household food consumption significantly rose.

- **Consolidated revenues up 16.4% to Euro 213.9 million (Euro 183.9 million in Q1 2019).**
- **EBITDA of Euro 15.8 million, up 38.6% (Euro 11.4 million in Q1 2019); EBITDA margin increases from 6.2% to 7.4%;**
- **EBIT of Euro 11.7 million, up 50% (Euro 7.8 million in Q1 2019); EBIT margin increases from 4.2% to 5.5%;**
- **Net profit of Euro 12.1 million (Euro 2.0 million in Q1 2019), partially benefitting from exchange gains;**
- **Net debt of Euro 129 million (Euro 148.8 million at 31.12.2019).**
- **Gearing improves to 0.49, from 0.59 at December 31, 2019.**

Angri (SA), May 13, 2020 - The Board of Directors of La Doria S.p.A., the leading Group in the production of tomato-based products, sauces, pulses and fruit juices for supermarket private labels, today approved in Angri the 2020 First Quarter Report.



In the first quarter, the domestic and international picture has been dominated by the spread of Coronavirus and the resulting restrictive containment measures implemented by the public authorities of the countries affected.

The La Doria Group's priority in the period was therefore the safety of its workforce and its capacity to ensure the provision to the markets of its products at a particularly difficult time for Italy and the entire world, in which household food consumption significantly rose and retail sales of packaged foods saw double-digit increases, partly due to the closure of the HORECA channel imposed since the virus began to spread.

In order to reduce the risk of contagion for employees and ensure at the same time its operational continuity, the company promptly appointed a Crisis Committee, issuing specific provisions and introducing all health safety measures required by the central Government's orders and those of the regions in which the production facilities are located - four of which are in zones at low epidemiological risk. Similar measures have also been taken for the subsidiary LDH (La Doria) Ltd, with headquarters in the UK.

Against this extraordinary backdrop, the Q1 results improved significantly compared to the same period of 2019 and were ahead of expectations.

Sales were up by more than 16% to Euro 213.9 million, thanks to demand peaks among both Italian and overseas customers, while EBITDA grew approx. 40% to Euro 15.8 million.

These results partly owe to the effects from the new coronavirus pandemic which contributed to improved results in the final week of February and the month of March.

In the initial two months of the year, revenues and margins were therefore ahead of expectations, while in March, as a result of the circumstances dictated by the pandemic, an exceptional sales increase was reported which - to differing degrees - was apparent across all regions and product categories.

Overall, the significant increase in consolidated sales in the first quarter of 2020 was driven by strong volume growth, while improved margins stemmed from increased production volumes and the progressive full rollout of the four-year investment plan launched in 2018.

The improved sales performance was apparent in the sauces line with an increase of approx. 30%, while the other categories saw growth of between 11 and 16%.

Specifically, with regards to the industrial operations of the Parent Company La Doria S.p.A. and its subsidiary Eugea Mediterranea S.p.A. saw significant revenue growth (+14.4%), entirely due to the sustained increase in sales volumes, despite prices overall remaining substantially stable. Margins rose significantly thanks to the higher production volumes and improved industrial efficiency, as a result of the above-stated investments and despite the increase in the procurement costs of certain raw materials and higher tomato-based product processing costs during the 2019 summer campaign due to the unfavourable climatic conditions.



The trading activities of the subsidiary LDH (La Doria) Ltd on the English market reported a significant increase in revenues (+14.7%), and of earnings as a result of sustained volume growth.

In Q1 2020 the Group continued to implement its 2018-2021 Investments Plan, deploying total resources of Euro 138 million to allow the La Doria Group to expand in the product categories with the higher added value products with stronger growth rates and better margins, while also making the Group more cost-competitive by leveraging economies of scale and production and logistical streamlining.

In line with the Plan objectives, resources were principally allocated to boosting production capacity in the ready-made sauces area in order to handle increasing sauce demand from customers, in addition to the “packaging area” for the production of metal containers to support commercial development also in the tomato-based product and pulses categories.

Within the Group’s plan, significant investments also continued in the United Kingdom, implemented by the subsidiary LDH for the building of a major highly automated logistics platform for the stocking and movement of goods to be distributed on the English market. This platform, which will be operated from the third quarter of the current year, shall be fully operational from 2021, boosting logistics efficiency and cutting company costs, making it more competitive on an extremely competitive market due to the high level of Major Distributor concentration and the unstoppable growth of the Discounts.

Commenting upon the results, the Chairman Antonio Ferraioli, stated *“In these difficult months we have not let up, continuing to work with extraordinary commitment to ensure that our products are provided to our clients and consumers. Thanks to the sense of responsibility of all our employees, we are able to ensure the continuity of production for such an essential chain as the agro-food chain”*.

Consolidated results – Q1 2020

Consolidated revenues were Euro 213.9 million, up 16.4% on Euro 183.8 million in the same period of the previous year. At like-for-like exchange rates, revenues would amount to Euro 212.4 million (+15.5%).

The exceptional increase in sales concerned, to varying degrees, all geographical areas and all product categories.

The best performance was seen in the sauces line, up 28.9%. Excellent performances also for the other lines, up 15.6% for the “Pulses and vegetables line”, +11.4% for the “Red line” and +13.5% for the “Fruit line”. “Other line” (trading) sales also significantly increased (+16.4%).

Group revenues were generated by “Pulses and vegetables” for 28%, “Tomato-based products” for 21%, “Sauces” for 14%, “Fruit” for 8% and “Other lines” (trading) for 29%.

Exports account for 81.6% of sales, with the domestic market accounting for 18.4%. Double-digit growth was seen on the international markets, up 14.8%, with the Italian market returning an excellent performance (+24%).



The principal profit margins at consolidated level were:

- **EBITDA** was Euro 15.8 million, up 38.6% on Euro 11.4 million in Q1 2019. EBITDA margin of 7.4%, from 6.2% in Q1 2019;
- **EBIT** of Euro 11.7 million, up 50% on Euro 7.8 million in Q1 2019. EBIT margin of 5.5% compared to 4.2% in Q1 2019;
- **the pre-tax profit** of Euro 16.1 million was up significantly on Euro 3.4 million in Q1 2019;
- The **Net profit** of Euro 12.1 million rose significantly on Euro 2.0 million in the first quarter of 2019, with currency gains contributing for Euro 4.7 million (Euro 4 million of currency losses in the same quarter of the previous year).

The key balance sheet figures at consolidated level were:

- The **net financial position** was a debt position of Euro 129 million, compared to Euro 148.8 million at December 31, 2019 (Euro 122 million at March 31, 2019). The financial payables at March 31, 2020 concern, for Euro 30.8 million, the payable on the put options in favour of the minority shareholders of the subsidiary LDH (La Doria) Ltd. Therefore, operating financial payables at 31.03.2019 amounted to Euro 98.2 million.
- **net equity** of Euro 264.8 million, a decrease on Euro 253.4 million at December 31, 2019 (Euro 241.1 million at March 31, 2019).
- **Debt/Equity ratio** of 0.49, from 0.59 at December 31, 2019 (0.51 at March 31, 2019).

Outlook

It is expected that the significant increase in packaged food product demand reported in the first quarter of 2020 following the Covid-19 pandemic shall partially be reabsorbed in the remaining part of the year, although sales of food products on the retail channel may continue to grow also as a result of an extension to the containment measures adopted by the various governments and the gradual opening of the HORECA channel as families may reasonably continue to prefer “home” consumption rather than “eating out”.

Although amid a level of general uncertainty, whose development and relative effects are not foreseeable, revenues are expected to increase in the current year, alongside margins - both against 2019 and forecasts.

However, taking account of the extraordinary circumstances, the potential effects of the pandemic on the financial statements are currently not foreseeable and shall be consequently monitored for the remainder of the year.

La Doria, a company listed on the STAR segment of Borsa Italiana, is the leading European producer of processed pulses and peeled and chopped tomatoes on the retail channel and among the leading Italian producers of fruit juices and beverages. La Doria is also the leading producer in Europe of private label ready-made sauces.

Revenues in 2019 totalled Euro 717.6 million, of which approximately 95% generated by the private label segment (retail chain brands), with customers such as Carrefour, Selex and Conad



in Italy and Tesco, Sainsbury, Morrisons and Waitrose on foreign markets, which represent the main commercial outlet for the Group.

The executive officer for financial reporting, Dr. Alberto Festa, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Attached to the present press release are the reclassified balance sheet and income statement of the La Doria Group at 31.03.2020 (unaudited data).

Contact: Patrizia Lepere
Investor & Media Relations Manager
La Doria S.p.A.
Tel. 081/5166260
Cell.: 340/9673931
Email: patrizia.lepere@gruppoladoria.it
Website: www.gruppoladoria.it



LA DORIA GROUP - condensed consolidated balance sheet

In accordance with EU/IFRS in thousands of Euros

	31/03/2020	31/12/2019	31/03/2019
Trade receivables	139.315	109.824	131.195
Inventories	194.787	219.051	184.329
Other current accounts receivable	13.752	13.513	16.719
Total current assets	347.854	342.388	332.243
Trade payables	139.841	127.391	123.571
Other current accounts payable	25.121	26.496	26.472
Total current payables	164.962	153.887	150.043
WORKING CAPITAL	182.892	188.501	182.200
Intangible assets - net	4.964	5.134	6.946
Property, plant and equipment-net	219.587	221.636	185.492
Equity investments in associates	610	1.260	880
Other assets	17.769	18.013	21.319
TOTAL NON-CURRENT ASSETS	242.930	246.043	214.637
Non current liabilities	20.163	20.281	21.498
Reserve for employee termination benefit and other reserves	11.891	11.883	12.227
Total non current liabilities	32.054	32.164	33.725
NET INVESTED CAPITAL	393.768	402.380	363.112
Cash and cash equivalents	(45.662)	(42.044)	(87.572)
Short-term borrowings	72.191	92.669	77.413
Medium and long-term borrowings	102.455	98.177	132.174
NET CASH POSITION	128.984	148.802	122.015
Group Shareholders' Equity	264.717	253.507	241.031
Shareholders' Equity pertaining to minority interest	67	71	66
SHAREHOLDERS' EQUITY	264.784	253.578	241.097



LA DORIA GROUP - reclassified consolidated income statement

In accordance with EU/IFRS in thousands of Euros

	31/03/2020		31/03/2019		31/12/2019	
Revenues	213.873	100,0%	183.839	100,0%	717.650	100,0%
Changes in inventories of work in progress and semi-finished and finished goods	(29.207)	-13,7%	(24.755)	-13,5%	12.518	1,7%
Other income	3.140	1,5%	2.179	1,2%	11.255	1,6%
Production value	187.806	87,8%	161.263	87,7%	741.423	103,3%
Operative expenses	159.543	74,6%	137.727	74,9%	627.952	87,5%
Value added	28.263	13,2%	23.536	12,8%	113.471	15,8%
Labour costs	12.465	5,8%	12.154	6,6%	57.459	8,0%
EBITDA	15.798	7,4%	11.382	6,2%	56.012	7,8%
Amortisation and depreciation expenses	4.084	1,9%	3.622	2,0%	21.458	3,0%
EBIT	11.714	5,5%	7.760	4,2%	34.554	4,8%
Financial income and expenses, net	(348)	-0,2%	(346)	-0,2%	(1.811)	-0,3%
Exchange gains (losses)	4.716	2,2%	(3.998)	-2,2%	(5.028)	-0,7%
Profit/(loss) from operating activities	16.082	7,5%	3.416	1,9%	27.715	3,9%
Gain on discontinued operations	0	0,0%	0	0,0%	0	0,0%
Profit (loss) before tax	16.082	7,5%	3.416	1,9%	27.715	3,9%
Income taxes	3.968	1,9%	1.461	0,8%	7.864	1,1%
Net profit (loss)	12.114	5,7%	1.955	1,1%	19.851	2,8%
of which Group	12.118	5,7%	1.959	1,1%	19.850	2,8%
of which minority interest	(4)	0,0%	(4)	0,0%	1	0,0%