



PRESS RELEASE

LA DORIA - Board of Directors approves the Interim Report at 30 September 2020.

Results for first nine months significantly up on the same period of 2019 and far ahead of expectations. After an excellent performance in the first half of the year, the Group continued to grow strongly in Q3.

Revenues significantly increase due to higher volumes as a result of the demand peak on Italian and overseas markets, particularly as a result of - from March and in Q2 - the acute phase of the COVID-19 pandemic, which improved sector results.

Margins significantly increase, thanks to increased production volumes and improved industrial efficiency, with the gradual full rollout of the investment plan launched in 2018 and almost completed, which earmarks resources totalling Euro 138 million.

Priority placed in the first nine months of 2020 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 due to the restrictions adopted by many governments.

In summary:

- **Consolidated revenues up 18.9% in 9M 2020 to Euro 633.4 million (Euro 532.9 million in 9M 2019). Q3 consolidated revenues of Euro 191.6 million, +9.9% compared to Q3 2019.**
- **9M EBITDA of Euro 56.5 million, up 40.5% on Euro 40.2 million in 9M 2019); EBITDA margin increases from 7.6% to 8.9%.
Q3 EBITDA up 31.8% to Euro 22.4 million (Euro 17 million in Q3 2019), with EBITDA margin rising from 9.7% to 11.7%.**
- **9M 2019 EBIT of Euro 43.5 million, also significantly up (+61%) on Euro 27 million in 9M 2019; EBIT margin increases from 5.1% to 6.9%.
Q3 EBIT up 46.7% to Euro 17.6 million (Euro 12 million in Q3 2019), with EBIT margin increasing from 6.9% to 9.2%.**
- **9M net profit of Euro 36.6 million, a marked increase from Euro 19.1 million in 9M 2019), partially benefitting from exchange gains.
Quarterly net profit of Euro 10.9 million, up on Euro 9.2 million for Q3 2019, despite impact of exchange losses;**



- **Net debt of Euro 105.2 million (Euro 89.2 million at 30.06.2020 and Euro 148.8 million at 31.12.2019).**
- **Gearing at 0.38, from 0.33 at June 30, 2020 (0.59 at December 31, 2019).**

Angri (SA), November 12, 2020 - The Board of Directors of La Doria S.p.A., leader in the production of tomato-based products, ready-made sauces, pulses and fruit juices for supermarket private labels, today approved in Angri the additional voluntary financial reporting presented as the Interim Report at 30 September 2020.

The domestic and international picture has been heavily impacted since the initial months of 2020 by the effects of the COVID-19 health crisis and the resulting severe restrictions introduced by the public authorities across the world, particularly during the acute phase of the pandemic.

From the initial outbreak of the virus, the La Doria Group's priority has been 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 for a number of months in a range of countries.

In order to reduce the risk of infection for employees and ensure at the same time its operational continuity, the company issued specific provisions and introduced all health safety measures required by the central Government's orders and those of the regions in which the production facilities are located. Similar measures have also been taken for the subsidiary LDH (La Doria) Ltd, with headquarters in the UK.

Against this extraordinary backdrop, the 9M results improved significantly compared to the same period of 2019 and were far ahead of expectations.

Sales were up 18.9% to Euro 633.4 million, thanks to demand peaks among both Italian and overseas customers, particularly in the second quarter, while EBITDA grew 40.5% to Euro 56.5 million.

The results in the first nine months of the year were largely shaped by the impacts of the coronavirus pandemic, which had positive effects in this regard for the sector from the last week of February and particularly in the most acute phase of the virus's circulation.

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

Overall, the significant increase in consolidated revenues in the first nine months of 2020 was driven by strong sales volume growth, while improved margins stemmed from the optimised industrial



efficiency thanks to increased production volumes and the progressive full roll-out of the major investment plan launched in 2018.

Specifically, with regards to the Group's industrial operations, the Parent Company La Doria S.p.A. and its subsidiary Eugea Mediterranea S.p.A. saw significant revenue growth (+15%), mostly due to the sustained increase in sales volumes. The margin was significantly up thanks to the greater quantities produced and improved industrial efficiencies, also stemming from the above-stated investments. This was achieved despite the increase in the procurement costs of certain raw materials and higher tomato-based product processing costs during the 2019 summer campaign.

The trading activities of the subsidiary LDH on the English market reported a significant increase in revenues (+25.9%) and in earnings compared to the first nine months of the previous year, mainly as a result of sustained volume growth, which for certain product categories - such as ready-made sauces - reached approx. 140%, thanks also to the acquisition of new contracts with strategic clients, in line with the sustained growth objective for this category.

The above plan was substantially complete at 30.09.2020, deploying total financial 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 demand for this product from customers, in addition to the "packaging area" for the internal 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 was launched in the fourth quarter of the current year and which shall be fully operational from 2021, boosts logistics efficiency and cuts company costs, making it more competitive on an extremely competitive market due to the high level of Major Distributor concentration and the growth of the Discounts.

Commenting on the results, Chairman Antonio Ferraioli confirmed that stated on approving the half-year results *"the results we have achieved in the first half of the year are the fruit of an exceptional increase in volumes sold, of increased industrial efficiency achieved in part thanks to the realisation of the investments made in recent years, and the extraordinary commitment and sense of responsibility displayed by all our staff. These results were made possible also thanks to the consolidated partnerships which La Doria has been able to build over the years with the major domestic and international large supermarket chains and the considerable efforts made - both from a production and logistical point of view - to satisfy the exceptional demand peak emerging from customers and consumers. We hope to capitalise on these in the future, through a further*



consolidation of commercial relations with the Retailers who greatly appreciated the reliability and excellent performance of the Group in a time of major difficulty.”

Consolidated Results - 9M 2020

Consolidated revenues were Euro 633.4 million, up 18.9% on Euro 532.9 million in the same period of the previous year.

The best performance was seen in the sauces line, up 24%. There were also excellent performances in the other production lines, up 17% for the “Red line”, +15% for the “Pulses and vegetables line” and +5.3% for the “Fruit line”. “Other line” (trading) sales also significantly increased (+26.3%).

Group revenues were generated by “Pulses and vegetables” for 27.2%, “Tomato-based products” for 20.4%, “Sauces” for 13.5%, “Fruit” for 8.8% and “Other lines” (trading) for 30.1%.

Exports accounted for 83% of sales, increasing 21.5%, with the domestic market accounting for 17% and an 7.5% increase in revenues.

The principal profit margins at consolidated level were:

- **EBITDA** of Euro 56.5 million, significantly up (+40.5%) on Euro 40.2 million in 9M 2019. EBITDA margin of 8.9%, compared to 7.6% in 9M 2019;
- **EBIT** of Euro 43.5 million also grew significantly (+61.1%) compared to Euro 27 million in 9M 2019. EBIT margin up to 6.9% from 5.1% for 9M 2019;
- **pre-tax profit**, which totalled Euro 48.9 million, up from Euro 26 million in 9M 2019, partly due to exchange gains for Euro 6.5 million (Euro 244 thousand in 9M 2019);
- **net profit** of Euro 36.6 million, a significant increase from Euro 19.1 million in 9M 2019.

The key balance sheet figures at consolidated level were:

- **the net financial position** was a debt position of Euro 105.2 million, increasing on Euro 89.2 million at June 30, 2020 due to increased working capital requirements, mainly owing to seasonal production and decreasing on Euro -148.8 million at 31.12.2019, thanks to the resources generated by operating activities.

The debt of Euro 105.2 million includes for Euro 29.9 million the payable for the potential acquisition of the minority share in the subsidiary LDH (La Doria) Ltd on the basis of the put and call options under the existing Shareholders’ Agreement and, therefore, operating financial payables amount to Euro 75.3 million.



- **debt/equity ratio** of 0.38, from 0.33 at June 30, 2020 (0.59 at December 31, 2019).

Consolidated Results – Q3 2020

Consolidated sales amounted to Euro 191.3 million, increasing 9.9% on Euro 174.3 million in the same period of 2019.

EBITDA was Euro 22.4 million, increasing 31.8% on Euro 17 million in the third quarter of 2019, while **EBIT** totalled Euro 17.6 million (+46.7%), also increasing on Euro 12 million in Q3 2019. The EBITDA margin was therefore 11.7%, against 9.7% in the same period of the previous year. The EBIT margin increased from 6.9% to 9.2%.

The **net profit** in the quarter was Euro 10.9 million, up 18.5% on Euro 9.2 million in the same period of the previous year, although impacted by exchange losses of Euro 1.9 million (in Q3 2019 exchange gains of Euro 1.1 million were reported).

Outlook

After a containment phase of the COVID-19 pandemic during the summer, from October 2020 - particularly in Europe - there was an upsurge of the virus, with consequent new restrictions and sometimes partial or total lockdowns in certain areas.

In this environment, it may be stated that - also in view of Group sales in October - packaged food product demand in the fourth quarter may pick up on the preceding quarter in which infections slowed - and not return to prior levels as feared - as households may reasonably continue to favour “at home” consumption over “eating outside”, also considering the partial reclosure of the HORECA channel and more remote working.

For the La Doria Group, although within a highly uncertain environment, whose development and impacts are unpredictable, on the basis of the results for the first nine months of the present year, the continued benefits from the investments launched in 2018 which shall be fully on stream in 2021 and the forecast that retail channel food product sales shall likely continue to grow, it is expected that revenues will significantly rise in 2020, alongside margins, compared to 2019 and against expectations.

***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, among others, Carrefour, Selex and



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

The executive officer for financial reporting, Mr. 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 30.09.2020 (unaudited data).

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LA DORIA GROUP - condensed consolidated balance sheet

In accordance with EU/IFRS in thousands of Euros

| | 30/09/2020 | 30/06/2020 | 31/12/2019 |
|---|----------------|----------------|----------------|
| Trade receivables | 117.739 | 129.821 | 109.824 |
| Inventories | 246.733 | 183.431 | 219.051 |
| Other current accounts receivable | 12.339 | 18.744 | 13.513 |
| Total current assets | 376.811 | 331.996 | 342.388 |
| Trade payables | 175.272 | 149.102 | 127.391 |
| Other current accounts payable | 32.458 | 35.341 | 26.496 |
| Total current payables | 207.730 | 184.443 | 153.887 |
| WORKING CAPITAL | 169.081 | 147.553 | 188.501 |
| Intangible assets - net | 7.209 | 6.768 | 5.134 |
| Property, plant and equipment-net | 218.560 | 218.293 | 221.636 |
| Equity investments in associates | 609 | 620 | 1.260 |
| Other assets | 18.043 | 17.377 | 18.013 |
| TOTAL NON-CURRENT ASSETS | 244.421 | 243.058 | 246.043 |
| Non current liabilities | 19.832 | 19.981 | 20.281 |
| Reserve for employee termination benefit and other reserves | 9.383 | 11.513 | 11.883 |
| Total non current liabilities | 29.215 | 31.494 | 32.164 |
| NET INVESTED CAPITAL | 384.287 | 359.117 | 402.380 |
| Cash and cash equivalents | (53.834) | (63.634) | (42.044) |
| Short-term borrowings | 75.283 | 62.902 | 92.669 |
| Medium and long-term borrowings | 83.794 | 89.906 | 98.177 |
| NET CASH POSITION | 105.243 | 89.174 | 148.802 |
| Group Shareholders' Equity | 278.978 | 269.882 | 253.507 |
| Shareholders' Equity pertaining to minority interest | 66 | 61 | 71 |
| SHAREHOLDERS' EQUITY | 279.044 | 269.943 | 253.578 |



| LA DORIA GROUP - reclassified consolidated income statement | | | | | | | | |
|---|------------------|---------------|------------------|---------------|----------------|---------------|----------------|---------------|
| In accordance with EU/IFRS in thousands of Euros | | | | | | | | |
| | 3rd Quarter 2020 | | 3rd Quarter 2019 | | at 30/09/2020 | | at 30/09/2019 | |
| Revenues | 191.638 | 100,0% | 174.250 | 100,0% | 633.448 | 100,0% | 532.902 | 100,0% |
| Changes in inventories of work in progress and semi-finished and finished goods | 72.171 | 37,7% | 56.957 | 32,7% | 31.339 | 4,9% | 26.280 | 4,9% |
| Other income | 5.565 | 2,9% | 3.226 | 1,9% | 11.199 | 1,8% | 8.871 | 1,7% |
| Production value | 269.374 | 140,6% | 234.433 | 134,5% | 675.986 | 106,7% | 568.053 | 106,6% |
| Operative expenses | 228.485 | 119,2% | 198.222 | 113,8% | 574.377 | 90,7% | 483.722 | 90,8% |
| Value added | 40.889 | 21,3% | 36.211 | 20,8% | 101.609 | 16,0% | 84.331 | 15,8% |
| Labour costs | 18.515 | 9,7% | 19.227 | 11,0% | 45.060 | 7,1% | 44.089 | 8,3% |
| EBITDA | 22.374 | 11,7% | 16.984 | 9,7% | 56.549 | 8,9% | 40.242 | 7,6% |
| Amortisation and depreciation expenses | 4.798 | 2,5% | 5.022 | 2,9% | 13.061 | 2,1% | 13.237 | 2,5% |
| EBIT | 17.576 | 9,2% | 11.962 | 6,9% | 43.488 | 6,9% | 27.005 | 5,1% |
| Financial income and expenses, net | (298) | -0,2% | (324) | -0,2% | (1.095) | -0,2% | (1.227) | -0,2% |
| Exchange gains (losses) | (1.906) | -1,0% | 1.135 | 0,7% | 6.458 | 1,0% | 244 | 0,0% |
| Profit/(loss) from operating activities | 15.372 | 8,0% | 12.773 | 7,3% | 48.851 | 7,7% | 26.022 | 4,9% |
| Gain on discontinued operations | 0 | 0,0% | 0 | 0,0% | 0 | 0,0% | 0 | 0,0% |
| Profit (loss) before tax | 15.372 | 8,0% | 12.773 | 7,3% | 48.851 | 7,7% | 26.022 | 4,9% |
| Income taxes | 4.493 | 2,3% | 3.567 | 2,0% | 12.221 | 1,9% | 6.970 | 1,3% |
| Net profit (loss) | 10.879 | 5,7% | 9.206 | 5,3% | 36.630 | 5,8% | 19.052 | 3,6% |
| of which Group | 10.874 | 5,7% | 9.202 | 5,3% | 36.635 | 5,8% | 19.055 | 3,6% |
| of which minority interest | 5 | 0,0% | 4 | 0,0% | (5) | 0,0% | (3) | 0,0% |