



PRESS RELEASE

LA DORIA: BOARD OF DIRECTORS APPROVES Q1 2021 REPORT

Very strong Q1 results, with further revenue and operating margin growth on the excellent Q1 2020 performance.

Continued focus again in Q1 2021 on employee safety and operating continuity to ensure supply to the market in a period still impacted by the health emergency.

Highlights:

- **Consolidated revenues up 3.9% to Euro 222.3 million (Euro 213.9 million in Q1 2020);**
- **EBITDA of Euro 20.2 million, up 27.9% (Euro 15.8 million in Q1 2020); EBITDA margin rises from 7.4% to 9.1%;**
- **EBIT of Euro 15.3 million, up 30.8% (Euro 11.7 million in Q1 2020); EBIT margin rises from 5.5% to 6.9%;**
- **Net Profit of Euro 6.7 million (Euro 12.1 million in Q1 2020), this year impacted by currency losses;**
- **Net debt decreases to Euro 125.6 million (Euro 140.2 million at 31.12.2020).**
- **Gearing improves to 0.42x, from 0.48x at December 31, 2020.**

Angri (SA), May 14, 2021 - 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 2021 First Quarter Report.

The domestic and international environment continued to be impacted in the first quarter of 2021 by the pandemic emergency and the continued restrictions to prevent the spread of the virus.

Ensuring market supply and employee safety were again the La Doria Group's priorities in the quarter. In this latter regard, in accordance with the provisions issued by the competent authorities, all measures to reduce infection risk were maintained.

The company also expressed its willingness to be involved in the COVID-19 vaccination campaign for its employees by using specially dedicated company areas.



Amid this still extraordinary environment, the operating-financial results for Q1 2021 appear very strong.

Revenue grew 4%, despite the gradual normalisation of domestic food consumption in comparison to the peaks of Q1 2020 in which, with the outbreak of the pandemic and the HORECA channel closure - particularly in March - demand sharply rose alongside packaged food product retail sales.

From an earning's viewpoint, the Group reports EBITDA growth of 28%, following on from a strong result also in Q1 2020, thanks to a favourable negotiating environment as a result of continually sustained demand and low sector stock levels, particularly for certain products. The improved margin was achieved across all production categories and particularly on the "Red line".

With regards to the Group's business macro-areas (industrial and trading), the manufacturing activity of the parent company La Doria S.p.A. and the subsidiary Eugea Mediterranea S.p.A. performed in line with forecasts, with a 7.3% revenue decline due to the reduction in sales volumes - a decrease which reflects its comparison with the initial phase of the epidemic. Margins improved considerably, mainly thanks to buoyant sales prices for the reasons outlined above.

The trading activities carried out by the subsidiary LDH (La Doria) Ltd on the UK market saw however revenues improve significantly (+11%), due to the sustained sales volumes growth which for certain product categories, such as "ready-made" sauces, continued to see strong percentage gains. The "red line" and the "other lines" also grew.

The UK company's margins were slightly down on Q1 2020, due to higher inventory costs as a result of the build-up of high stock levels in the final quarter of the previous year - which will normalise during the second quarter - to deal with the potential risk of a hard Brexit, which was subsequently averted in December 2020 with the signing of the trade and cooperation agreement between the EU and the UK.

Commenting on the results, **the Chairman Antonio Ferraioli** stated *"the La Doria Group reports for Q1 2021 very strong results. Revenues and EBITDA have improved even further on the excellent 2020 performance. The second quarter will be more challenging as compared with the acute phase of the epidemic - although overall we confirm the 2021 targets indicated on publication of the 2020 results and the 2021-2023 Business Plan, i.e. revenues down on the previous year and an improving Ebitda margin.*

The coming months and years will see us highly-engaged in pursuing our objective to consolidate our international leadership in the private labels packaged vegetable products sector, leveraging, as always, on economies of scale, industrial and procurement efficiencies and the commercial strength of our Group. Our Group's equity and financial solidity also allows us to assess new acquisition-led growth opportunities, so as to expand the Group and strengthen our position, while gaining access to new markets and distribution channels".



Consolidated results – Q1 2021

Consolidated revenues were Euro 222.3 million, up 3.9% on Euro 213.9 million in the same period of the previous year. At like-for-like exchange rates, revenues would amount to Euro 224.3 million (+4.9%).

Consolidated sales saw a slight increase in volumes, thanks to the contribution of trading activities and rising sales prices.

The improved sales performance was apparent for tomato-based products (+11%), followed by ready-made sauces which grew 3%. Fruit line revenues were stable and pulses declined 5%. Finally, the “Other lines”, i.e. products purchased from third parties and sold by the subsidiary LDH (La Doria) Ltd also performed very strongly, with sales up over 9%.

Group revenues were generated by “Pulses and vegetables” for 26%, “Tomato-based products” for 22%, “Sauces” for 14%, “Fruit” for 8% and “Other lines” (trading) for 30%.

Exports account for 84% of sales, with the domestic market accounting for 16%. International market sales rose 7%, while the Italian market declined 10.3%.

The principal profit margins at consolidated level were:

- **EBITDA** was Euro 20.2 million, up 27.9% on Euro 15.8 million in Q1 2020. EBITDA margin of 9.1%, from 7.4% in Q1 2020;
- **EBIT** of Euro 15.3 million, up 30.8% on Euro 11.7 million in Q1 2020. EBIT margin up to 6.9%, from 5.5% for Q1 2020;
- **the pre-tax profit** of Euro 9.9 million decreased on Euro 16.1 million in Q1 2020. It was impacted by exchange losses of Euro 5.4 million (in the same period of the previous year exchange gains of Euro 4.7 million were reported).
- **the net profit** of Euro 6.7 million also declined on the Euro 12.1 million for Q1 2020, as a result of the above-stated exchange losses.

The key balance sheet figures at consolidated level were:

- **net financial debt** of Euro 125.6 million, compared to Euro 140.2 at December 31, 2020 (Euro 129 million at 31.03.2020). The payables at March 31, 2021 concern, for Euro 31.3 million, the potential payable on the put options in favour of the minority shareholders of the subsidiary LDH (La Doria) Ltd. Therefore, operating financial payables amount to Euro 94.3 million at March 31, 2020.
- **net equity** of Euro 298.1 million compared to Euro 291.5 million at December 31, 2020 (Euro 264.8 million at March 31, 2020).
- **the debt/equity ratio** of Euro 0.42x decreased from 0.48x at 31.12.2020 (0.49x at March 31, 2020).



Outlook

The packaged food sector outlook remains favourable for 2021 despite, with the acceleration of the vaccination campaign and the easing of restrictions, the expected gradual normalisation of domestic food consumption, partly supported by the HORECA channel, although levels are expected to remain high.

In view of the strong Q1 results, although assuming that “eating out” will gradually reabsorb the heightened domestic food product demand and against a more challenging comparative base from Q2 onwards compared to 2020, the La Doria Group forecasts for 2021 improved margins and a substantial confirmation of the 2021 Plan objectives, despite the expected drop in sales. This is due to its strong competitive positioning, the better negotiating environment and further benefits from the Investment Plan - in particular the entry into full operation of the new LDH logistics platform in the UK which started up in the latter months of 2020.

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.

2020 revenues totalled Euro 848.1 million, of which 97% generated by the private labels segment (distribution chain brands) with the major domestic and international retailers.

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 31.03.2021 (unaudited data).

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LA DORIA GROUP - condensed consolidated balance sheet

In accordance with EU/IFRS in thousands of Euros

	31/03/2021	31/12/2020	31/03/2020
Trade receivables	142.003	126.141	139.315
Inventories	221.130	247.215	194.787
Other current accounts receivable	10.319	9.062	13.752
Total current assets	373.452	382.418	347.854
Trade payables	131.247	138.381	139.841
Other current accounts payable	42.245	33.786	25.121
Total current payables	173.492	172.167	164.962
WORKING CAPITAL	199.960	210.251	182.892
Intangible assets - net	7.626	7.507	4.964
Property, plant and equipment-net	219.926	219.475	219.587
Equity investments in associates	829	729	610
Other assets	20.521	19.131	17.769
TOTAL NON-CURRENT ASSETS	248.902	246.842	242.930
Non current liabilities	15.914	15.857	20.163
Reserve for employee termination benefit and other reserves	9.219	9.568	11.891
Total non current liabilities	25.133	25.425	32.054
NET INVESTED CAPITAL	423.729	431.668	393.768
Cash and cash equivalents	(33.975)	(51.085)	(45.662)
Short-term borrowings	76.754	104.024	72.191
Medium and long-term borrowings	82.819	87.275	102.455
NET CASH POSITION	125.598	140.214	128.984
Group Shareholders' Equity	298.034	291.384	264.717
Shareholders' Equity pertaining to minority interest	97	70	67
SHAREHOLDERS' EQUITY	298.131	291.454	264.784



LA DORIA GROUP - reclassified consolidated income statement

In accordance with EU/IFRS in thousands of Euros

	31/03/2021		31/03/2020		31/12/2020	
Revenues	222.282	100,0%	213.873	100,0%	848.133	100,0%
Changes in inventories of work in progress and semi-finished and finished goods	(36.003)	-16,2%	(29.207)	-13,7%	31.598	3,7%
Other income	4.309	1,9%	3.140	1,5%	14.025	1,7%
Production value	190.588	85,7%	187.806	87,8%	893.756	105,4%
Operative expenses	157.824	71,0%	159.543	74,6%	752.487	88,7%
Value added	32.764	14,7%	28.263	13,2%	141.269	16,7%
Labour costs	12.563	5,7%	12.465	5,8%	58.158	6,9%
EBITDA	20.201	9,1%	15.798	7,4%	83.111	9,8%
Amortisation and depreciation expenses	4.883	2,2%	4.084	1,9%	18.333	2,2%
EBIT	15.318	6,9%	11.714	5,5%	64.778	7,6%
Financial income and expenses, net	(110)	0,0%	(348)	-0,2%	(1.477)	-0,2%
Exchange gains (losses)	(5.352)	-2,4%	4.716	2,2%	4.927	0,6%
Profit/(loss) from operating activities	9.856	4,4%	16.082	7,5%	68.228	8,0%
Gain on discontinued operations	0	0,0%	0	0,0%	0	0,0%
Profit (loss) before tax	9.856	4,4%	16.082	7,5%	68.228	8,0%
Income taxes	3.171	1,4%	3.968	1,9%	11.545	1,4%
Net profit (loss)	6.685	3,0%	12.114	5,7%	56.683	6,7%
of which Group	6.694	3,0%	12.118	5,7%	56.684	6,7%
of which minority interest	(9)	0,0%	(4)	0,0%	(1)	0,0%