



A multibrand company

FY 2021 RESULTS

18 MARCH 2022

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.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy Newlat's securities, nor shall the document form the basis of or be relied on in connection with any contract or investment decision relating thereto, or constitute a recommendation regarding the securities of Newlat Food.

Newlat's securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Statement

Rocco Sergi, the Manager responsible for preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

2021 OVERVIEW

2021 highlights

Acquisition of Symington's: greater international presence with UK becoming largest core market after Italy

Better product diversification: new, high-growth product categories added in 2021 (instant hot snacks, home baking, traditional cooking sauces, croutons, flavoured cous cous)

Gained local UK distribution and sales channel through Symington's: a competitive advantage vs. other Italian producers

Successful issue of €200 million bond in February 2021 → Further strengthening of financial flexibility with over €300 million of cash available for M&A deals

Built a dedicated Green Team and Sustainability Committee to help set and pursue sustainability goals

Ranked amongst top 100 environmentally-conscious Italian companies by Corriere della Sera and Statista

Increased investment in young people and upskilling the organisation

More investment in own brands (social media, tv advertising, etc.)

FY 2021 KEY FINANCIAL HIGHLIGHTS*

PROFORMA REVENUES

€625.2m, -2.6% vs. FY 2020

growth in *dairy* (+18.8%), *pasta* (+1%), *bakery* (+1%) and *special products* (+2.3%)

Germany: +4% organic growth

EBITDA

Adj. EBITDA €58.0m, vs. €60.2m FY 2020

Adj. EBITDA margin 9.3% vs. 9.4% FY 2020

with double-digit margins in bakery, dairy and special products.

FREE CASH FLOW

FCF: € 41.8 million. EBITDA FCF conversion: 72.2%,
confirming the Company's ability to generate free cash flow.

EBIT

Normalised EBIT equal to € 11.1 million vs.
normalised € 10.1 million in FY2020

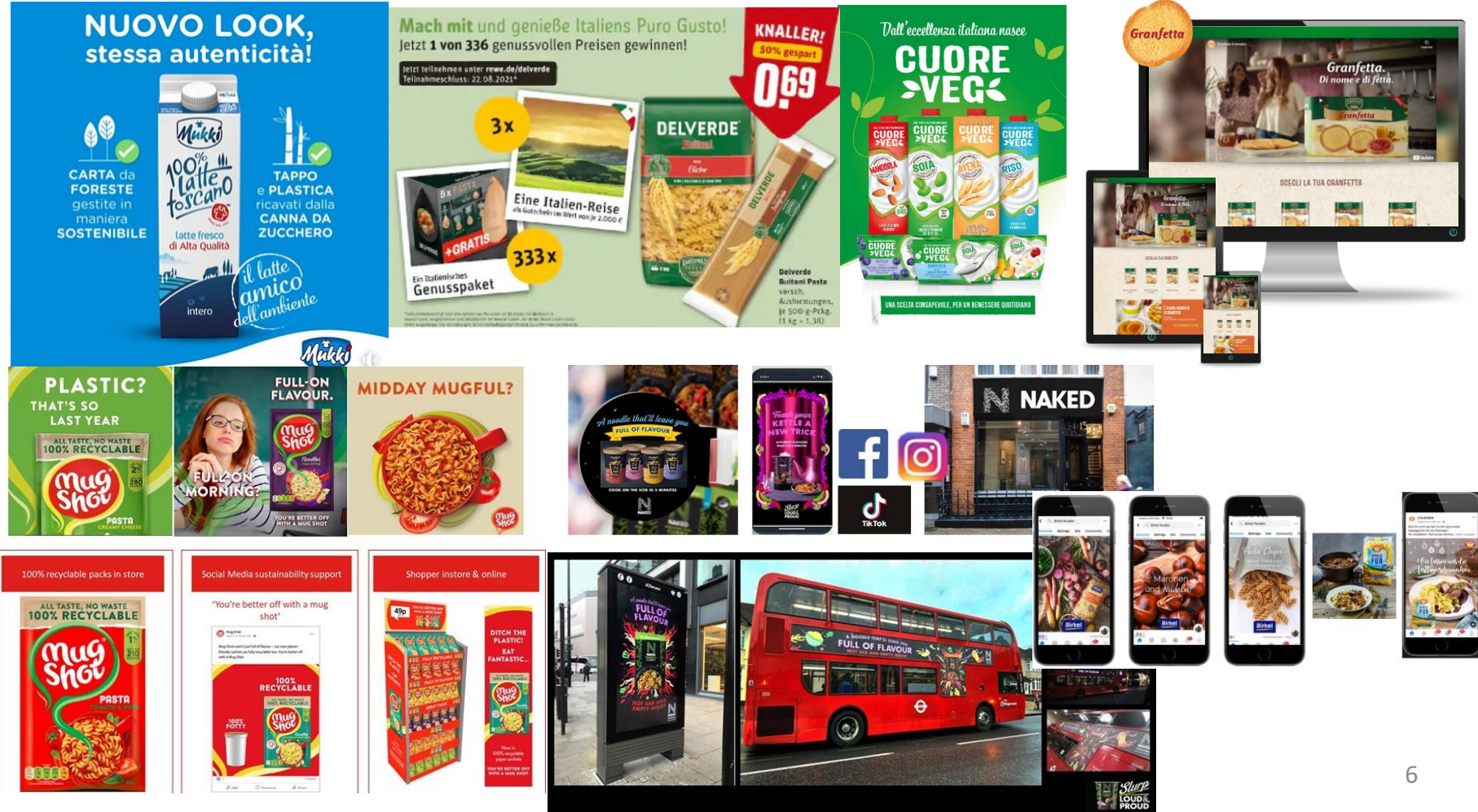
NET FINANCIAL POSITION

Proforma Net Debt € 52.9 million vs. € 83.5 m in 2020

Excluding IFRS 16 lease liabilities, ND is € 13.8 million vs.
€ 38.8 m in 2020.

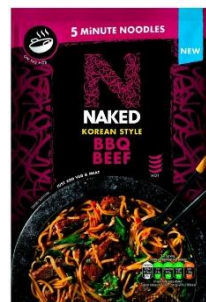
*All 2020 and 2021 figures are proforma and include CLI and Symington's from 1st January 2020

A quick look at some 2021 marketing initiatives



2021-2022 product launches

Launched in 2021



First launch
in Italy and
Germany
in 1H 2022



Launch
in Italy
in 1H
2022



Launch
in Germany
in 1H
2022



Commercial and marketing strategy for 2022

Naked international launch

- Naked to be listed in 3 major Italian retailers and German retailers by 1H 2022 + initiating export

Premiumise Bakery category in Italy

- Crostino Dorato range extension in Italy to drive further growth and increase margins in Bakery
- Granfetta redesign and repositioning to premiumise category

More focus on brand

- Increase spending on TV advertising, social media, billboards, etc.
- R&D: New product launches under existing brands

Penetration of UK retailers

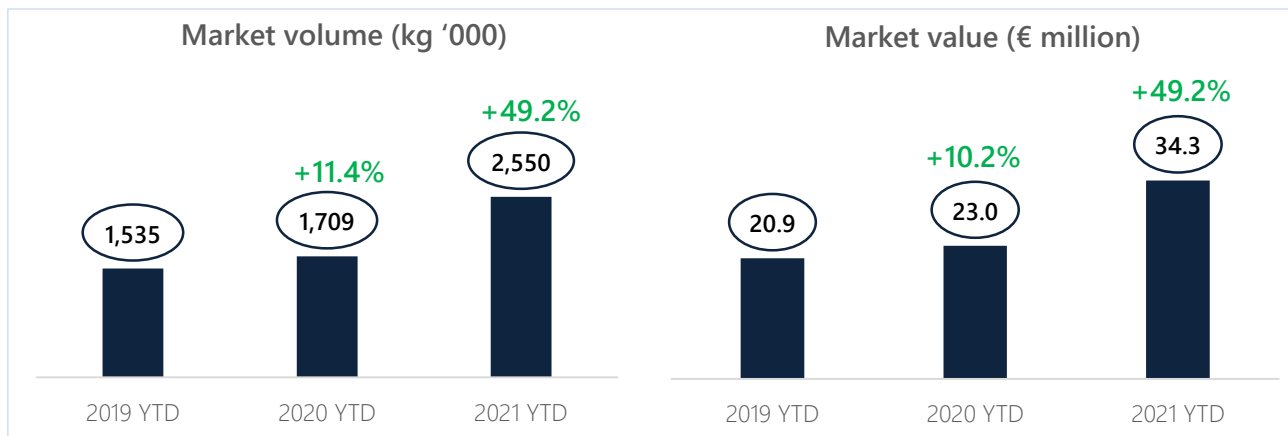
- Various Newlat brands to be introduced at top UK retailers thanks to Symington's commercial team

Range extension of UK brands

- Range extension of UK brands (Ragu, Mug Shot, Chicken Tonight) through Newlat's existing production and third party producers

The Italian and German instant noodle markets

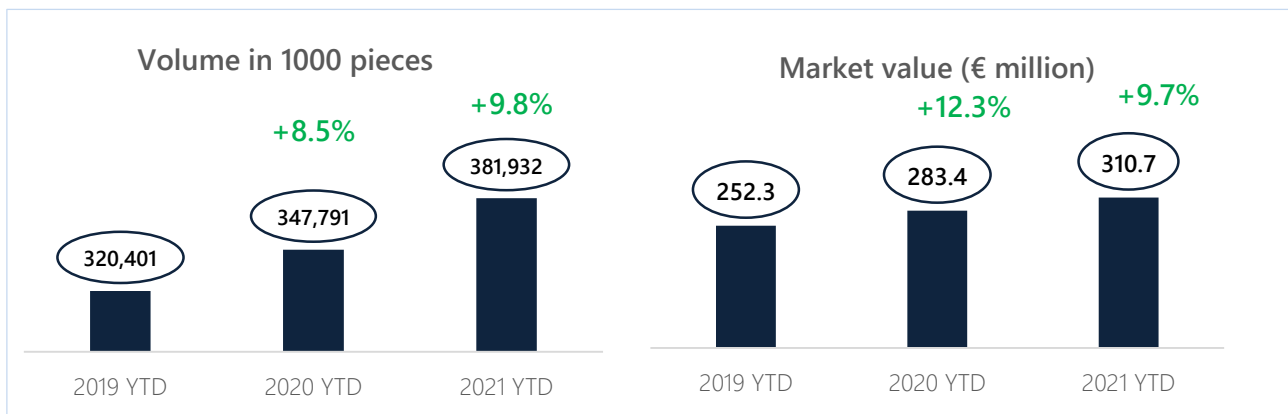
ITALIAN INSTANT NOODLE MARKET GROWTH



The instant noodle market in Italy has been growing exponentially in the last three years (**+49.2% YoY in 2021**) and represents a big opportunity for **Naked**:

There is **only one market leader** with over 70% of market share (Star's Saikebon) followed by Nestlé's Maggi (ca. 21% market share)

GERMAN INSTANT NOODLE MARKET GROWTH



The instant noodle market in Germany increased **+10% YoY in 2021**.

The market is dominated by Nestlé's Maggi (38% of market share).

Asian-inspired recipes have been driving growth in the last few years

Naked represents a healthier alternative vs. market leaders



kJ	359
Kcal	85
Fat	0.3 g
of which saturates	0.2 g
Carbohydrate	17 g
of which sugars	1.7 g
Fibre	1.2 g
Protein	2.9 g
Salt	0.53 g

kJ	938
Kcal	224
Fat	10 g
of which saturates	4.7 g
Carbohydrate	28 g
of which sugars	3.7 g
Fibre	1.5 g
Protein	4.7 g
Salt	1.2 g

kJ	1916
Kcal	456
Fat	18 g
of which saturates	1.3 g
Carbohydrate	63 g
of which sugars	2.4 g
Fibre	2.6 g
Protein	9.9 g
Salt	3.1 g

Note: nutritional values as consumed per 100g of product

Some ESG milestones in 2021



ENVIRONMENT

Newlat Food recognised by Statista as one of the «100 most environmentally-conscious companies» for its commitment to climate action

Implementation of a workplace travel plan to encourage efficient and environmentally friendly methods for travelling to work

PACKAGING

Switch from Classic to Tetra Rex Plant Based and rPET packaging for most of the products with important impact on the environment:

- Only 19g CO₂-eq/litre for Tetra Rex pack
- Reduction of approx. 25% of CO₂ emission on milk products
- Reduction of plastic yearly utilization by 10%
- From 2021 the plant based package utilized are certified "Carbon Trust – Zero emission"

LOGISTICS

- Starting from 2020 Newlat avoided at least 1072 tons of CO₂ emission by transporting cargo via train from Italy to Germany



SOCIAL

INNOVATION

Partnerships with Universities and Research Institutes and R&D investments to increase product quality, safety and digestibility:

R&D investments to increase digestibility and product quality:

- Launch of special milk only from Farms with "Animal Welfare" certification and only with beta-casein protein A2 increasing (naturally) digestibility.
- Development of unique plant based special formulas in Baby Food

SERVICE

Collaboration with "Banco Alimentare" and other local charity organizations to manage the product surplus

Support to families in need through > 1 ton of pasta (baby food) supply thanks to European funds

Pasta Pezzullo partnered with Rete 100% Campania: transport boxes made from paper and cardboard recycled by companies and families from Campania region



GOVERNANCE

BOARD OF DIRECTORS

- Three important independent members: Eric Sandrin – Kering General Counsel, Valentina Montanari – CFO Ferrovie Nord, Mariacristina Zoppo Director and member of the Control Committee of IntesaSanpaolo
- Three women directors out of seven board members.
- Four out of seven board members are not linked to Mastrolia family – founder's and major shareholder's family

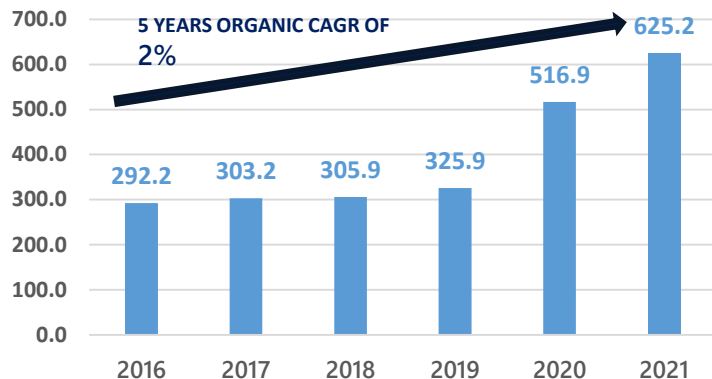
ESG COMMITTEE

- Committee coordinator with multi-year "big4" experience and seven managers involved covering: Operations, HR, Finance, IR, Quality and R&D, purchasing and marketing.

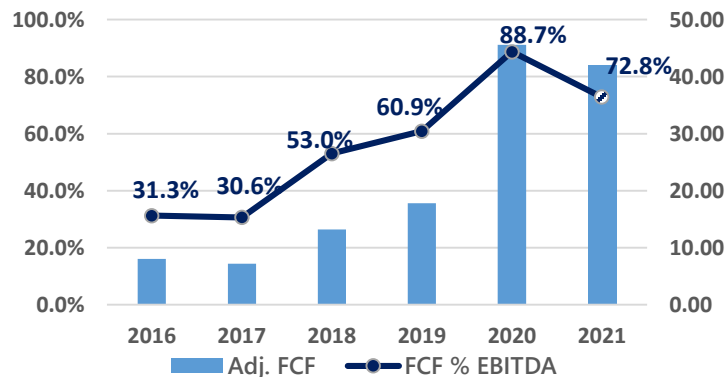
OPERATIONAL OVERVIEW

Operational highlights

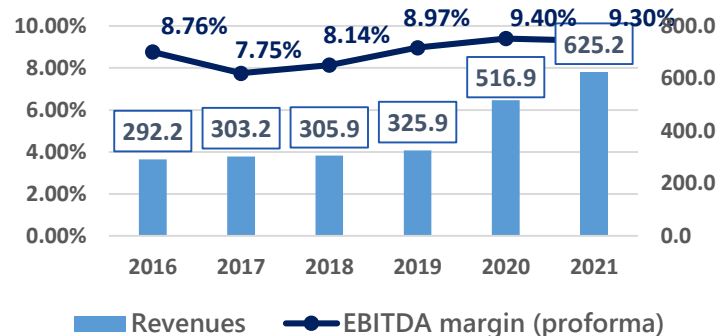
Revenues organic growth



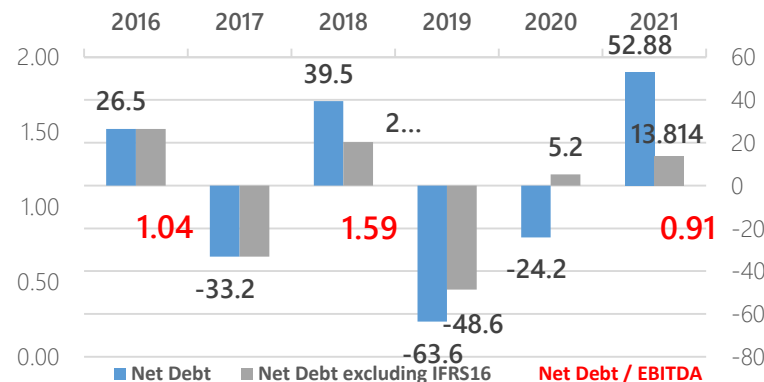
Strong Cash Conversion



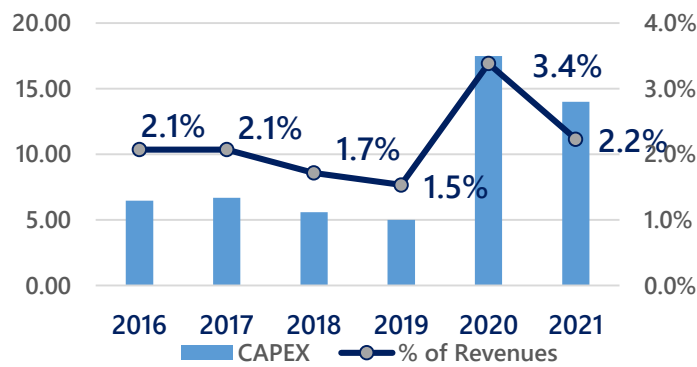
Profitability Improvement



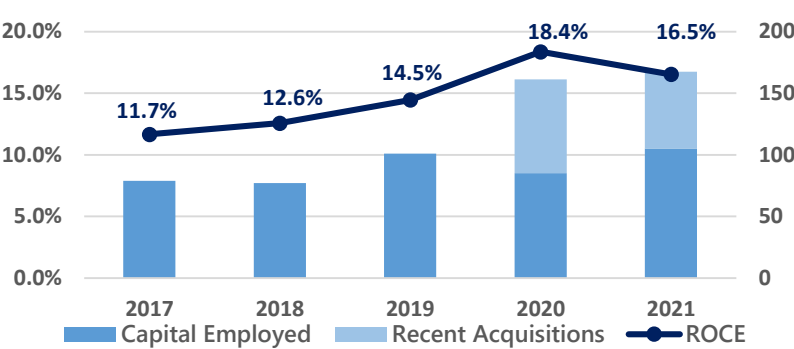
Healthy and flexible financial structure



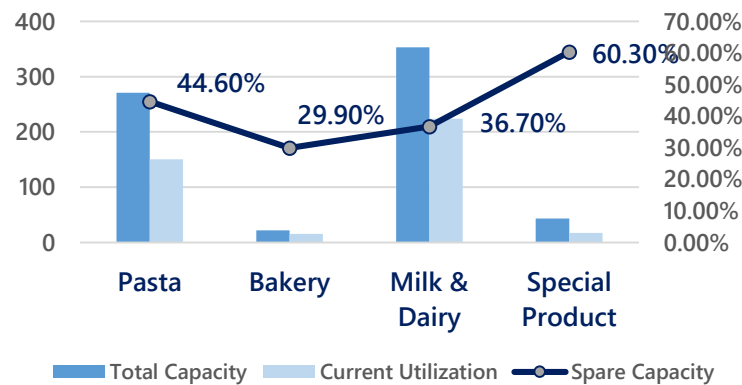
CAPEX Investments



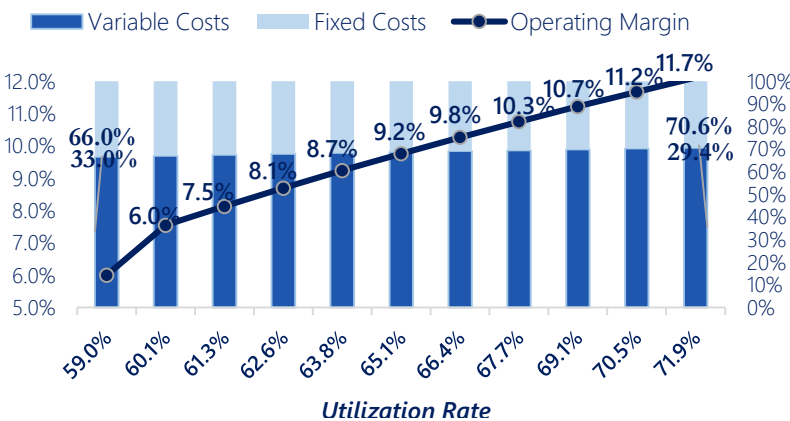
Return on Capital Employed



Spare Capacity



Operating Leverage Opportunity



FY 2021 SALES

BREAKDOWN AND ANALYSIS

FY21 PRO-FORMA REVENUE HIGHLIGHTS

2021 saw a decrease in sales of **-2.6%**. This slight decrease was a result of two main factors:

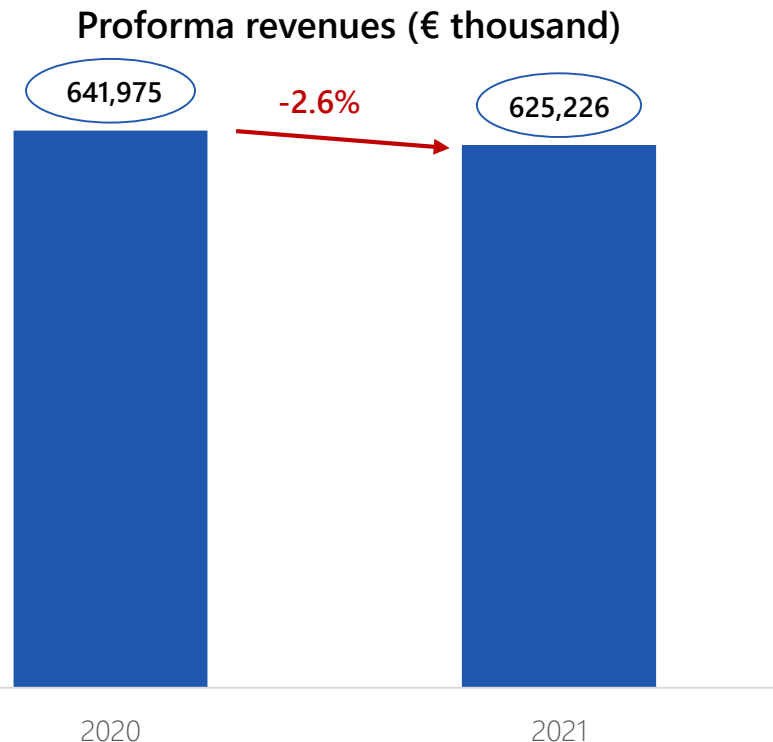
1. **Normalisation of sales** across most food categories and **change in consumer buying behaviour vs. 2020.**
2. **Rationalisation** of sales in order to **keep margins stable** as a result of:
 - Higher promotional pressure in the first half of the year;
 - Increase in raw material prices in the second half of the year

In the **first two months of 2022**, all business units recorded a **positive organic growth** vs. last year:

- +8% in milk;
- +7% in dairy;
- +5% in pasta;
- +5% in bakery;
- +5% in instant noodles.

This result is particularly positive considering that in the period Jan-Feb, consumer spending in food is lower than in the other parts of the year.

→ Consolidated figures (excl. Symington's): **5-year CAGR : +2%**



REVENUE BREAKDOWN BY BUSINESS UNIT

- **Pasta** sales increased **+1.04%** vs. FY 2020 thanks to an increase in sales volumes in the private label and B2B sector and stabilization in the German market.

- Revenues relating to **Milk Products** recorded a decrease due to lower volumes and greater promotional pressure leading to a decrease in the average sales price.

- The **Instant Noodles** segment recorded a decrease due to a contraction in demand as a result of a return of pre-covid demand in the UK and a greater incidence of promotional activity.

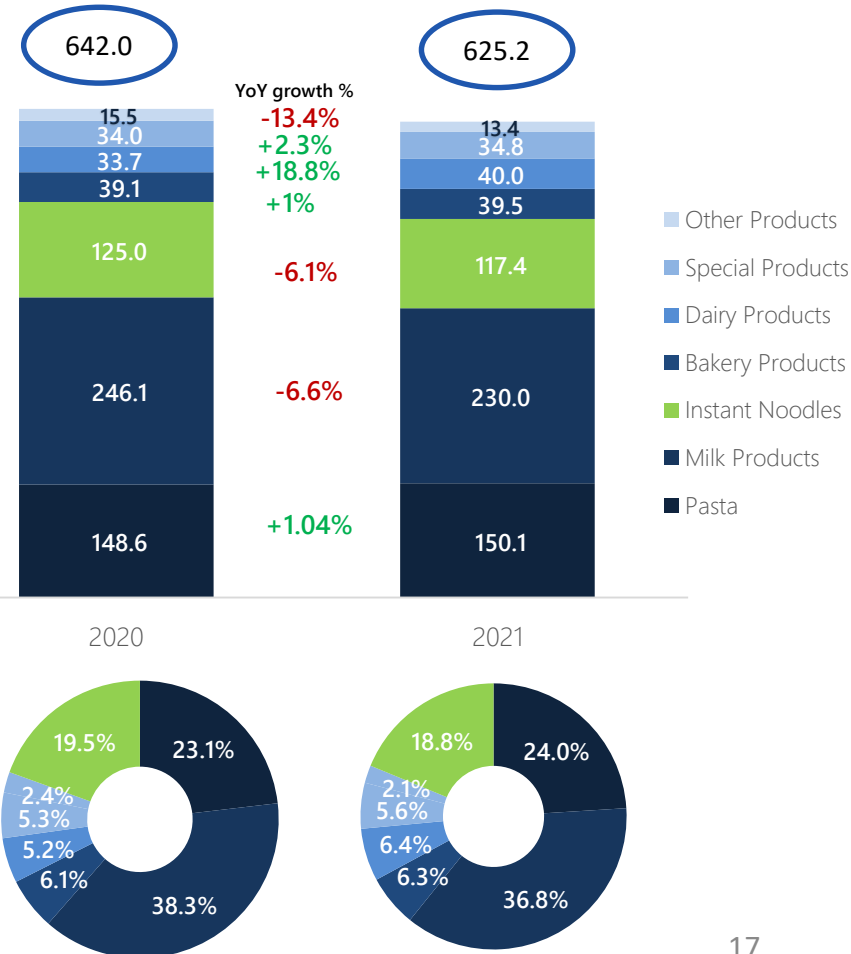
- **Bakery Products** sales increased by **+1%** thanks to higher sales volumes.

- The **Dairy Products** segment grew **+18.8%** thanks to an increase in sales volumes, especially of mascarpone.

- **Special Products** recorded an increase of **+2%** compared to the previous year as a result of initiation of new contracts in baby food in 2H 2021.

- Revenues relating to the **Other Products** segment recorded a decrease due to a decrease in sales volumes linked to the effects of the COVID-19 pandemic in the Food Service and Ho.Re.CA channels.

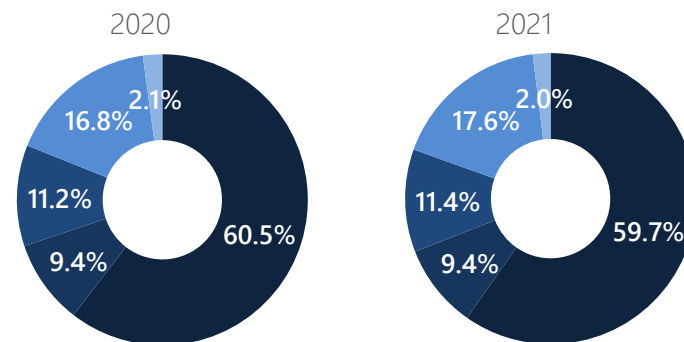
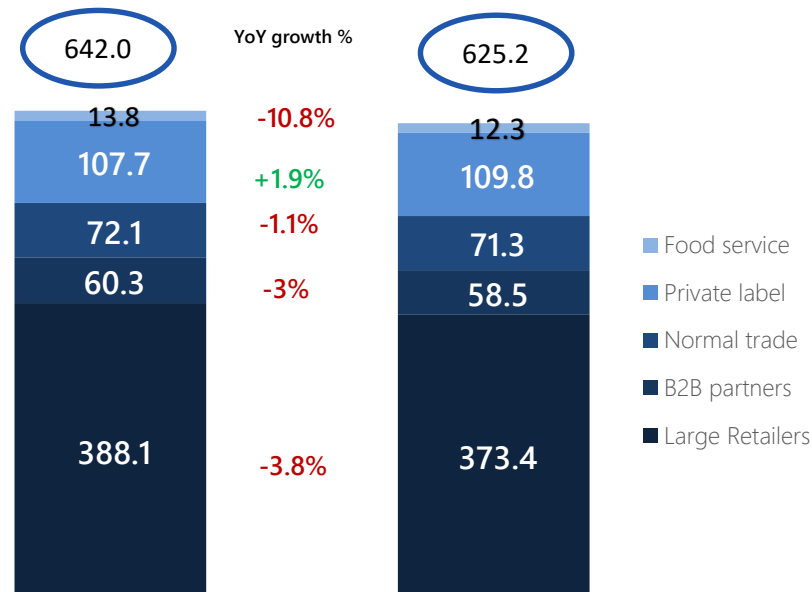
Revenue breakdown (€m)



REVENUE BREAKDOWN BY DISTRIBUTION CHANNEL

- Revenues relating to the **large retailers** channel went down mainly due to a decrease in sales volumes in the milk sector. The contribution of the large-scale retail channel went from 60.5% to 59.7%
- **B2B partner** sales decrease due to a decrease in sales volumes. The contribution to the revenues of the B2B partners channel remains substantially unchanged.
- The **Normal trade** channel remained substantially in line with the previous year.
- The **private label** channel recorded an increase of **+1.9%** in sales volumes in the dairy sector. The contribution of 17.6% is essentially due to the inclusion of Symington's in the new consolidation area.
- **Food service** sales decreased due to lower sales volumes as a consequence of the COVID-19 pandemic.

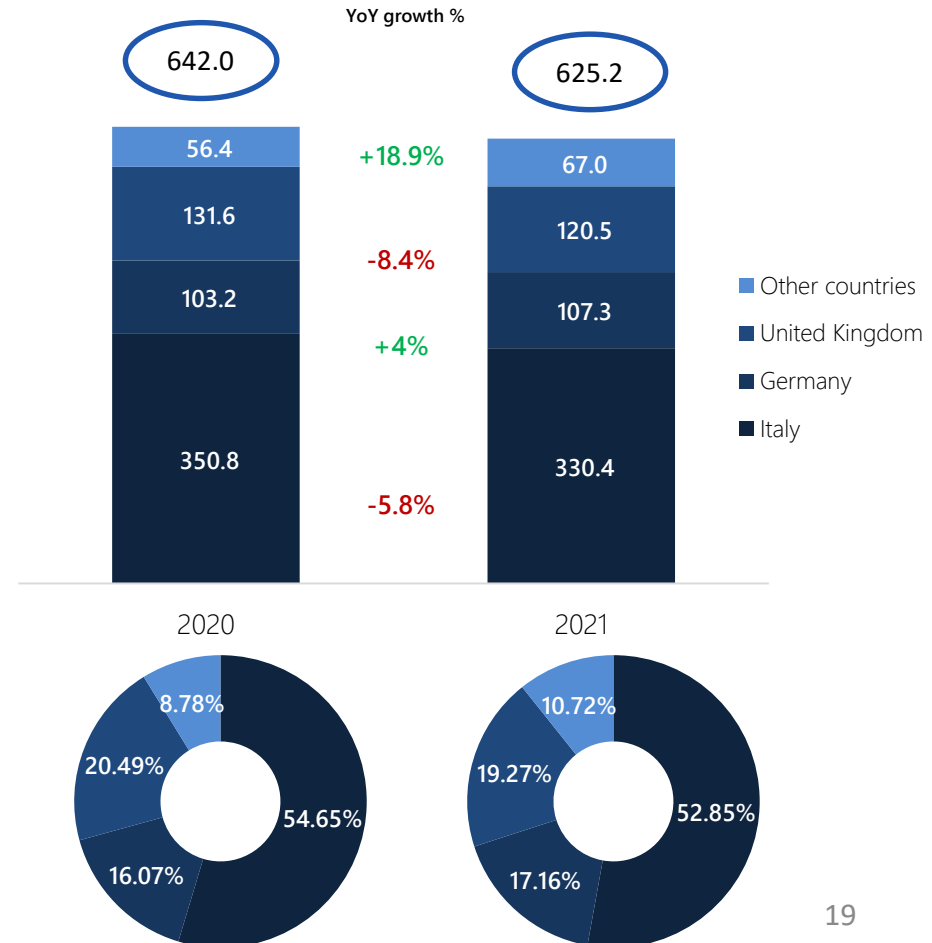
Revenue Breakdown (€m)



REVENUE BREAKDOWN BY GEOGRAPHY

- Revenues in **Italy** decreased due to a decrease in sales volumes compared to an exceptional growth in 2020.
- Sales in **Germany** increased **+4%** due to an increase in sales volumes, especially in the dairy sector.
- In the **United Kingdom**, sales decreased due to a decrease in sales volumes following a “back to normalcy” lifestyle in the U.K., which affected the instant noodles and pasta segments.
- Revenues generated in **Other Countries** increased by **+18.9%** due to an increase in sales volumes especially in the Dairy and Pasta sector.

Revenue Breakdown (€ m)



EBITDA BREAKDOWN BY BUSINESS UNIT

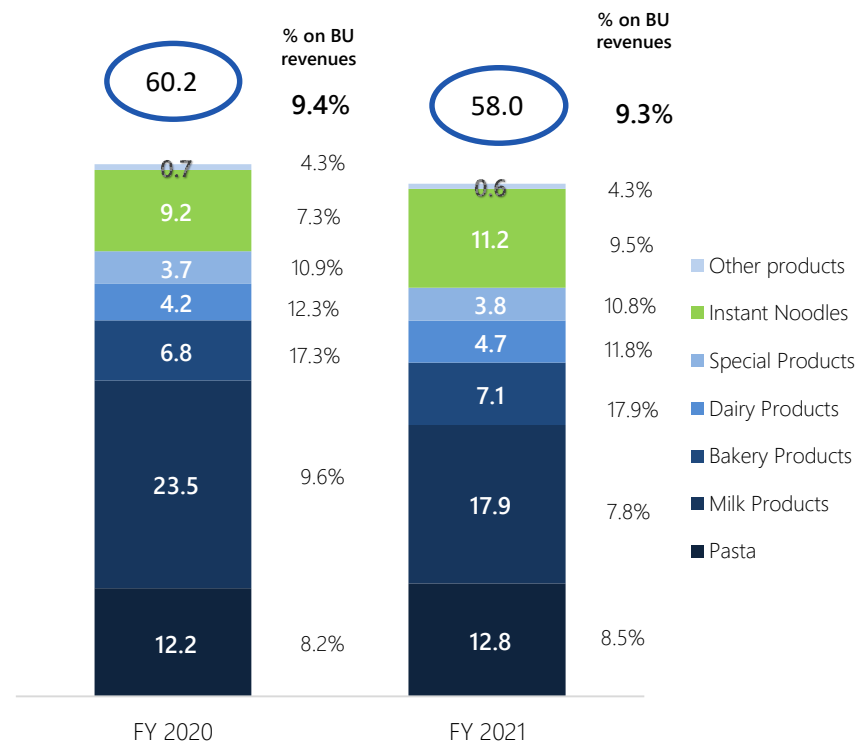
Adj. EBITDA was **€58m** in **2021**, a decrease compared to €60.2 million in 2020, following a natural decrease in sales vs. 2020. However, **EBITDA margin remains stable**.

In particular, we highlight:

- **Pasta:** increased to **8.5%** vs. 8.2%, visibly increases despite the spike in durum wheat prices (>50% increase vs. last year)
- **Instant noodles:** **9.5%** vs. 7.3% especially thanks to a strong focus on the **NAKED** brand.

The **Bakery (17.9%)**, **dairy (11.8%)** and **special products (10.8%)** EBITDA margins remain **particularly high**, confirming the Company's ability to optimise costs and increase prices thanks to its unique product offering.

Adj. EBITDA Breakdown (€m)



OPTIMISATION OF NWC and CCC

- **Improvement in NTWC vs. 2020** thanks to higher **trade payables** as a result of better payment conditions with suppliers. Cash conversion cycle was also improved thanks to better **DSO** agreed with customers. DSO reached 49 days (vs. 42 last year) thanks to the **strong focus on client portfolio and the strong relationship** built in the past years **also thanks to the company's ability to deliver products on time to all customers.**
- **Inventories** increased as a result of the Symington's more capital intensive structure due to product complexities (different spices coming from Asia with long delivery times).
- **NWC** equal to **€(55.8)m** vs. €(49.5)m in 2020 confirmed an ongoing NWC improvement.

NTWC (€ thousand)

71,574	38	70,349	39
41,347	37	63,881	48
(151,694)	68	(182,189)	84
FY 2020		FY 2021	

DSO

DIO

DPO

In € millions	FY 2020	FY 2021
Inventory	41.35	63.88
Trade Receivables	71.57	70.35
Trade Payables	(151.69)	(182.19)
NTWC	(38.77)	(48.96)
Other current assets	12.89	14.59
Other current liabilities	(23.64)	(21.45)
NWC	(49.52)	(55.82)

Newlat Food confirmed in 2021 its **capability to convert in cash more than 70% of EBITDA** despite the increase of interest costs due to the interest linked to the bond issued in February 2021 and the extraordinary level of CAPEX in relation to the completion of the investments in CLI, already in place before the acquisition.

All the divisions, including Symington's gave a positive contribution in terms of Net Working Capital.

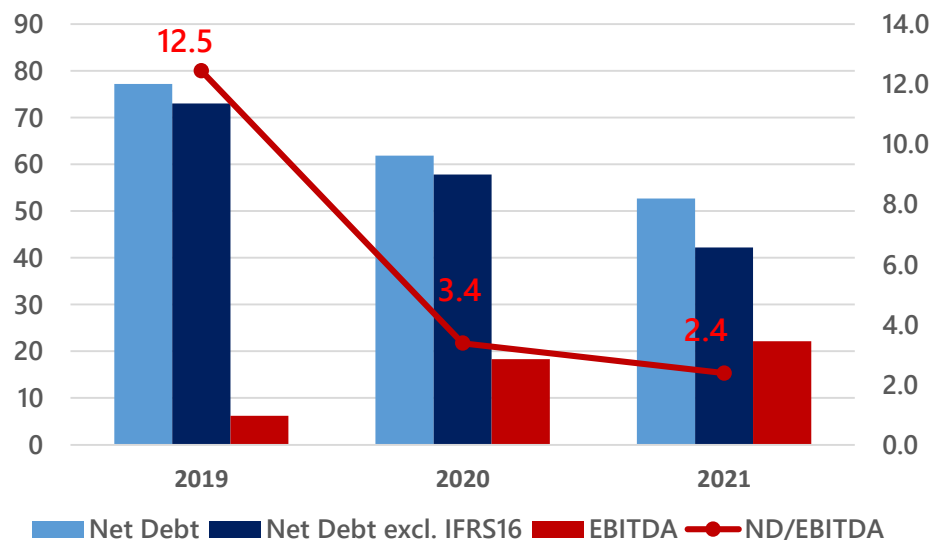
CASH FLOW STATEMENT €mn	Newlat Food FY21
Adj. EBITDA	57.9
Net Interest costs	-7.6
Δ NWC	18.6
TAX & Others	-4.5
Other	-0.7
(A) Cash flow from operating activities	63.7
Capex	-13.3
Proceeds from sale of property	0.0
IFRS16 CAPEX	-8.7
Acquisition of businesses	-64.2
(B) Cash flow from investing activities	-86.2
Recurring FCF (Oper. CF-CAPEX-non contr.min.)	41.8
Recurring FCF % of EBITDA	72.2%

During 2021, Newlat Food **bought back 2.6 million of shares** with an implicit **return of 6%** for each shareholder.

FY2021 confirmed the important **deleveraging process** in place for Centrale del Latte d'Italia (CLI), thanks to the company's cash generation.

After only 21 months from the acquisition, **CLI materially reduced its Net Financial Debt** (excluding IFRS 16 leasing obligations) from the € 73 m reported at the end of 2019 to **€ 42 million** at the end of 2021.

The **ND/EBITDA ratio decreased from the 12.5X at the end of 2019 to 2.4x** at the end of 2021.



The first months of 2022 have been characterised by a high level of uncertainty mainly driven by the general **inflationary wave** and the **war in Ukraine**.

Despite this challenging environment, the measures already put in place by our Group since the beginning of September 2021 are giving us enough flexibility to confirm our aim to reach by **FY 2022**:

- **Low to mid single digit organic revenues growth**
- **Stable profitability**
- **Cash flow generation**: enough to drive the Group back to a **net cash position** (excluding M&A) by the end of the year.

On the basis of the negotiations we have in place, we are in the position to confirm our aim to get to:

- **€ 1 billion consolidated revenues** (pro forma, including the 12 month revenues of the target) by the end of 2022.

Q&A

Appendix

PROFORMA INCOME STATEMENT

(In € thousand)	31 December	
	PF 2021	PF 2020
Revenue from clients' contracts	625,226	641,975
Cost of goods sold	(497,520)	(504,226)
Gross margin	127,706	137,749
Sales and distribution expenses	(82,231)	(76,953)
Administrative expenses	(26,414)	(33,549)
Net write-offs of financial activities	(1,201)	(1,677)
Other income	9,908	8,970
Income from business combination	0	23,839
Other operational costs	(7,295)	(7,992)
EBIT	20,473	50,388
Financial income	1,157	586
Financial expenses	(9,210)	(4,657)
EBT	12,420	46,317
Income tax	(4,453)	(6,585)
Net profit	7,967	39,732

CONSOLIDATED INCOME STATEMENT

<i>(In € thousand)</i>	Ended 31 December	
	2021	2020
Revenue from clients' contracts	555,863	469,827
Cost of goods sold	(440,414)	(370,189)
Gross margin	115,450	99,638
Sales and distribution expenses	(74,137)	(54,372)
Administrative expenses	(22,460)	(22,724)
Net write-offs of financial activities	(1,201)	(1,509)
Other income	7,839	8,057
Income from business combination	0	24,864
Other operational costs	(8,437)	(5,236)
EBIT	17,055	48,718
Financial income	1,157	536
Financial expenses	(8,658)	(3,851)
EBT	9,555	45,404
Income tax	(3,316)	(6,761)
Net profit	6,239	38,643
Net income attributable to third parties	1,106	1,088
Group Net Income	5,133	37,555
Basic EPS	0.12	0.63
Diluted EPS	0.12	0.63

BALANCE SHEET

In € thousand	31 December 2021	31 December 2020	In € thousand	31 December 2021	31 December 2020
Non-current assets			Equity		
Property, plant and equipment	157,417	151.541	Share capital	43,935	43.935
Right of use	38,572	18.452	Reserves	89,654	61.134
Intangible assets	97,824	51.058	Currency translation reserve	(478)-	
Investments measured with equity method	1,401	1.397	Net Income	5,134	37.556
Non-current financial assets valued at fair value with impact on I/S	731	746	Total Group Equity	138,245	142.626
Financial assets stated at amortized cost	801	801	Equity attributable to non-controlling interests	14,470	13.431
Deferred tax asset	7,575	5.466	Total Consolidated Equity	152,715	156.057
Total non-current assets	304,321	229.461	Non-current liabilities		
Current assets			Provisions for employees	14,223	15.411
Inventory	63,881	41.347	Provisions for risks and charges	2,030	1.587
Account receivables	70,349	71.268	Deferred tax liabilities	19,097	12.081
Current tax assets	3,324	1.888	Non-current financial liabilities	287,216	94.811
Other receivables and current assets	11,262	11.003	Non-current lease liabilities	31,175	12.436
Current financial assets valued at fair value with impact on I/S	35	4	Other non-current liabilities	-	-
Cash and cash equivalents	393,094	182.127	Total non-current liabilities	353,741	136.326
Total current assets	541,944	307.637	Current liabilities		
TOTAL ASSETS	846,265	537.099	Account payables	182,189	151.388
			Current financial liabilities	127,280	63.121
			Current lease liabilities	7,887	6.57
			Current tax liabilities	3,364	3.438
			Other current liabilities	19,087	20.2
			Total current liabilities	339,808	244.717
			TOTAL EQUITY AND LIABILITIES	846,265	537.099

CASH FLOW STATEMENT

(In € thousand)	31 December	
	2021	2020
Earnings before tax	9,555	45,404
- <i>Adjustments for:</i>		
Depreciation and amortization	30,843	21,392
Net loss/(gain) on disposal of intangible fixed assets	-	(5)
Financial expenses/(income)	7,500	3,315
Other non-monetary charges from business combinations	-	(24,865)
Other non-monetary charges	-	(15)
Cash flow from operating activities before changes in NWC	47,898	45,226
Change in inventory	(4,413)	(4,721)
Change in account receivables	11,683	3,104
Change in account payables	8,480	26,175
Change in other assets and liabilities	2,872	3,019
Use of provisions for risks and charges and employees	(744)	(624)
Tax paid	(4,539)	(3,562)
Cash flow from operating activities	61,235	68,617

(In € thousand)	31 December	
	2021	2020
Investments in PPE	(12,874)	(13,776)
Investments in intangible assets	(380)	(588)
Divestments of PPE	-	-
Investments in financial assets	(19)	-
Deferred considerations for acquisitions	(600)	(1,500)
Business combination of Centrale del Latte d'Italia	-	19,760
Symington's acquisition	(63,914)	-
Cash flow from investing activities	(77,787)	3,896
Proceeds from long-term debt	26,738	65,079
Repayments of long-term debt	31,372	(42,000)
Bond issue	198,455	-
Principal repayments of lease obligations	(13,865)	(7,309)
Net interest paid	(7,562)	-
Dividend paid	-	(3,315)
Purchase of minority interest	(67)	(2,803)
Own shares	(7,554)	(922)
Cash flow from financing activities	227,517	8,730
Net change in cash and cash equivalents	210,965	81,243
Cash and cash equivalents at the beginning of the period	182,127	100,884
Total net change in cash and cash equivalents	210,965	81,243
Cash and cash equivalents at the end of the period	393,092	182,127

UPCOMING EVENTS

- **22-23 March**
STAR Conference in Milan
- **28 April**
Shareholders' Meeting
- **13 May**
1Q 2022 Results

INVESTOR RELATIONS CONTACTS

Tel: +390522790450

Mob: +393319559164

investors@newlat.com



A multibrand company