

PRESS RELEASE

NEWLAT FOOD PRESENTS NEW 2024-2030 BUSINESS PLAN FOLLOWING THE AGREEMENT TO ACQUIRE PRINCES LIMITED

NEW PRINCES GROUP'S GOAL: TO REACH € 5 BILLION REVENUES BY 2030

Reggio Emilia, 4 June 2024 - Newlat Food S.p.A. ("**Newlat Food**" or the "**Company**"), following the announcement last May 27th concerning its intention to acquire 100% of the share capital of Princes Limited ("**Princes**"), a historic food group based in the United Kingdom, will present this morning the Group's business plan to 2030.

New Princes Group, the new group resulting from the intended acquisition of Princes Limited by Newlat Food, will have a **turnover of € 2.8 billion**, a global operating network of **31 plants and around 8,800 employees and 30 brands**.

The Group will double its product category offering to its customers, becoming one of the leading multi-brand and multi-product food companies in Europe.

The closing of the transaction, which is subject to obtaining antitrust approvals from the relevant authorities and consultation with the European and Dutch works councils within the Princes group, **is expected by the end of July 2024**.

The business plan to 2030 of the new group envisages an **organic revenue growth with a CAGR of 3% between 2024 and 2030**, reaching **€ 3.34 billion in 2030**. Further contributions to growth may come from operational and commercial synergies between Princes and Newlat Food, **while the target revenue of € 5 billion will be linked to the contribution of further M&A**.

In this conservative scenario, profitability is projected to increase by 270 bps, reaching an **EBITDA of € 317 million and an EBITDA margin of 9.5% in 2030**, driven by commercial synergies, improved product mix, an increased contribution from proprietary brands and operating leverage. The cost and integration synergies are projected to be €36 million, with additional commercial synergies potentially boosting margin growth to **exceed 10% by 2030**.

Net profit is expected to exceed € 100 million by 2030, while for the current year, the pro-forma 2024 net profit (with Princes consolidated for 12 months) is already expected to surpass € 300 million due to a badwill of € 288 million. Against this extraordinary item and in view of the shareholder loan of € 200 million, **the group's equity is expected to exceed € 700 million**.

The quality of the results will be evident through cash generation. The group expects a **Free Cash Flow** level of **€ 172 million in 2030**, resulting from a more efficient management of Working Capital, an optimisation of the operating structure and consequent reduction of CAPEX, as well as from the progressive reduction of interest costs linked to a virtuous triangle of: i) improving EBITDA; ii) reduction of the average spread; iii) progressive reduction of the average amount of debt.





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Società soggetta all'attività di direzione e coordinamento da parte di Newlat Group S.A. ai sensi degli artt. 2497 ss. del codice civile.

Management plans to rapidly complete the deleveraging process, aiming for a **net debt/EBITDA** ratio of **less than 1x by the end of 2026**.

This **financial flexibility** will allow New Princes Group to look at **further strategic M&A** activities to reach **€ 5 billion** in revenues in **2030**.

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LINK TO LIVE STREAMING PRESENTATION

It will be possible to follow the '**Princes Limited Acquisition - Integration and Growth Plan**' presentation, which will be held today from 10:30 A.M. CEST in Milan, by visiting the following [link](#).

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This press release is available on the Company's website at www.newlat.it, as well as at the authorized storage mechanism eMarket Storage at www.emarketstorage.com.

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A MULTIBRAND COMPANY

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The Newlat Group

The Newlat Group is a relevant multinational, multi-brand, multi-product and multi-channel player in the Italian and European agri-food sector, having a large portfolio of products and brands well known in Italy and internationally. The Newlat Group holds a consolidated positioning in the domestic market, as well as a significant presence on the UK and German markets, with its products being sold in more than 60 countries. The Newlat Group is mainly active in the pasta, *milk&dairy*, instant noodles, cake mixes and baking kits, bakery and special products sectors, as well as in the health & wellness, gluten free and baby food sectors.

For more information, visit our website www.newlat.it.

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This press release contains “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts, and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections, and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of the Company. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. Consequently, the Company makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable laws.

