



A multibrand company

Sede Centrale: Via J. F. Kennedy, 16 – 42124 Reggio Emilia – Telefono: 0522.7901 Fax: 0522.790266

Cap. Soc € 40.780.482,00 i.v. – REA di RE n° 277595 – P.IVA e Cod. Fis. 00183410653

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

## PRESS RELEASE

### GOOD REVENUE GROWTH IN THE FIRST TWO MONTHS OF THE YEAR THANKS TO THE MARKET POSITIONING AND THE NON-CYCLICAL PROFILE OF THE GROUP

Reggio Emilia, March 9, 2020 – In light of the relevant social and economic negative impacts linked to the global diffusion of the coronavirus, and in particular considering the situation in Italy, Newlat Food S.p.A. (“Newlat Food” or the “Company”) deems it important – despite the still high level of uncertainty on the future evolution of the phenomenon – to inform the market about the current trading development and to highlight key characteristics of its business model.

- In consideration of the Prime Minister’s Decree which extends the coronavirus ‘red zone’ to cover the entire Lombardy region and 14 other Italian provinces, Newlat Food informs that its production plants located in such areas **continue their operations without limitations**. It is specified that the Company generates around 75% of its revenues in production plants which are located outside the above-mentioned areas, of which 30% in Germany.
- **Current Trading: In the first two months of the year**, which usually contribute less to the full year performance, Newlat Food reached an organic revenue growth of **+2% in Italy and +3% in Germany**. In the first week of March all Business Units recorded a growth for a total **average revenue increase of +32% compared to the same period in 2019**.
- **Product and geographic exposure:** the Company generates **52% of revenues in Italy**, mainly in the **Central and Southern regions**, of which **80% in the *Milk and Dairy* business units**, which are characterized by an anti-cyclical profile as well as being at the basis of the general eating habits of Italian consumers. Around 28% of revenues are generated in Germany by the Pasta business. Newlat Food keeps a leading positioning in this market, with 16% of market share (vs. 18% of the #1 player). The remaining 20% of revenues are generated in other diversified countries of which the UK, France, Russia and Canada are among the top 5.
- **Distribution channels:** Newlat Food distributes **73% of revenues** (63% own brands, 10% private label) through the **modern trade channel**, 12% of revenues are generated in the B2B channel (Baby Food products) with long-term contracts with major **MNCs**, while only 11% is linked to traditional trade, mainly in the South-Central regions. The Ho.Re.Ca. channel, which accounts for less than 5% of total revenues, has been impacted the most by the drop in tourist and local traffic around Italy in the past few weeks.



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- **Sourcing:** On the basis of the **raw material procurement structure** of the Group, which mainly sources raw materials domestically, and also considering the current availability levels of such raw materials, the **management does not believe that the COVID-19 emergency could have a material impact.**

On this basis, the management of Newlat Food remains focused, confident and committed on the execution of its organic and external growth plan and confirms the FY19 results presentation scheduled on March 19<sup>th</sup> 2020.

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This press release is available on the Company's website [www.newlat.it](http://www.newlat.it) and on the authorised storage mechanism eMarketstorage at the following address [www.emarketstorage.com](http://www.emarketstorage.com).

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## The Newlat Group

The Newlat Group is a relevant multinational, multi-brand 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 Italian and German markets and sale products in more than 60 countries. The Newlat Group is mainly active in the pasta, dairy, bakery and special products sectors, and in particular in the health & wellness, gluten free and baby food sectors.

For more information, visit our website [www.newlat.it](http://www.newlat.it).



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