

Sede Legale: Via Filadelfia 220 • 10137 Torino • P.IVA IT01934250018 • Cod. Fisc. 01934250018
R.E.A. TO-520409 • Registro Imprese di Torino nr. 631/1977 • Capitale Sociale € 28.840.041,20 interamente versato
Tel +39.011.3240200 • Fax +39.011.3240300 • www.centralelatteitalia.com • pec: mail@pec.centralelatteitalia.com
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PRESS RELEASE

CENTRALE DEL LATTE D'ITALIA S.P.A. APPROVES THE INTERIM REPORT AS AT 31 MARCH 2023

- **Revenues: € 81.8 million (+14.7% vs. € 71.3 million at 31.03.2022)**
- **EBITDA: € 7.4 million (+16.5% vs. € 6.3 million at 31.03.2022)**
- **Net profit: € 1.6 million (+3.6% vs. € 1.5 million at 31.03.2022)**
- **Net financial debt (before IFRS 16) equal to € -56.1 million, compared to € -58.7 million at the end of 2022**

Turin, 12 May 2023 - The Board of Directors of Centrale del Latte d'Italia S.p.A. ("CLI" or the "**Company**") – the third Italian operator in the fresh and long-life milk market, listed on the STAR segment of the Italian Stock Exchange – which met today, under the chairmanship of Angelo Mastrolia, approved the results as at 31 March 2023.

The Company recorded **revenues of € 81.8 million** in the first quarter of 2023, compared to € 71.3 million in the same period of 2022, with a growth of **+14.7%** year on year.

EBITDA as at 31 March 2023 amounted to **€ 7.4 million**, with an increase of **+16.5%** compared to the figure recorded in the first quarter of last year, equal to € 6.3 million. The **EBITDA margin of 9%** increased compared to the EBITDA margin reported in the first quarter of 2022.

EBIT in the first quarter of 2023 is equal to **€ 3.1 million**, compared to € 2.5 million recorded in the same period of the previous year.

CLI recorded, as a **pre-tax result**, **€ 2.3 million**, compared to € 2.1 million in the first quarter of last year.

Net profit was **€ 1.6 million**, recording a growth of **+3.6%** compared to € 1.5 million in the first quarter of 2022.

The **net financial position** improved compared to 2022, going from € -58.7 million, as at 31 December 2022, to **€ -56.1 million**, as at 31 March 2023, thanks to the Company's ability to generate cash from operating activities during the first quarter.

The results obtained by the Company show, once again, how the difficulties recorded in previous years have been largely overcome especially thanks to the synergies created with the entry into the Newlat Group, which improved profitability and cash flows. The comparison with the business plan highlights a very positive trend, beyond expectations, which bodes well for the end of the year.

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Analysis of revenues

For a more correct and homogeneous representation of the business, the revenues shown are compared with the results at 31 March 2022.

As at 31 March 2023, CLI achieved revenues of € 81.8 million, as follows broken down by business lines:



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Revenues by business unit

(€ thousand and percentage)	At 31 March	
	2023	2022
Milk products	67,501	59,496
Dairy products	11,169	9,077
Other products	3,176	2,777
Revenues from client's contracts	81,845	71,351

Revenues relating to the **Milk Products** segment are on the increase due to an increase in average sales prices linked to an increase in demand, particularly in the large-scale retail channel, normal trade and B2B. Revenues relating to the **Dairy Products** segment are on the rise as a result of an increase in sales volumes and the acquisition of new customers, particularly in the private label and normal trade channel. The revenues relating to the **Other products** segment increased compared to the same period of the previous year.

Revenues by distribution channel

(€ thousand and percentage)	At 31 March	
	2023	2022
Large retailers	52,294	47,545
B2B partners	3,122	2,654
Normal trade	18,831	14,678
Private labels	4,033	3,584
Food services	3,566	2,890
Revenues from client's contracts	81,845	71,351

Revenues relating to the **Large retailers** channel increased mainly due to an increase in the average selling price and an increase in sales volumes. Revenues relating to the **B2B partners** channel recorded an increase compared to the same period of the previous year due to an increase in the average selling price. Revenues relating to the **Normal trade** channel recorded a strong increase thanks to a recovery in demand in the more traditional sector. Revenues relating to the **Private label** channel recorded an increase compared to the same period of the previous year due to an increase in the average sales price. Revenues relating to the **Food services** channel recorded a strong increase thanks to a recovery in demand in the more traditional sector linked to Ho.re.ca.

Revenues by geographic area

(€ thousand and percentage)	At 31 March	
	2023	2022
Italy	75,298	66,214
Germany	3,274	2,087
Other Countries	3,274	3,050
Revenues from client's contracts	81,845	71,351

Revenues relating to **Italy** increased mainly due to an increase in the average selling price and sales volumes.



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Revenues relating to **Germany** increased mainly due to an increase in the average selling price and sales volumes.

Revenues relating to **Other Countries** are substantially in line with the same period of the previous year.

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SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING PERIOD

After 31 March 2023, there were no atypical or unusual transactions that require changes to the interim management report Q1 2023.

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BUSINESS OUTLOOK

Considering the short period of time historically covered by the Company's order book and the difficulties and uncertainties of the current global economic situation, it is not easy to formulate forecasts for the end of the year, which in any case appears positive considering the policies implemented by the Company (price increases and modification of the main conditions of sale).

The Company will continue to pay particular attention to cost control and financial management, in order to maximize the generation of free cash flow to be allocated both to organic growth and external growth as well as to the remuneration of Shareholders.

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DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE CORPORATE ACCOUNTING DOCUMENTS

The manager in responsible for preparing the corporate accounting documents Fabio Fazzari declares, pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree no. 58 of 1998, that the information contained in this press release corresponds to the document results, books and accounting records.

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The document "Interim Management Report at 31 March 2023" is available on the Company's website at <https://centralelatteitalia.com/investor-relations/bilanci-e-relazioni/>, as well as at the authorized storage mechanism eMarket Storage at www.emarketstorage.com.

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CHANGES TO THE FINANCIAL CALENDAR

Lastly, CLI informs that – in partial variation to what is indicated in the press release of 11 November 2022 – relating to the 2023 financial calendar, the 2023 Half Year Financial Report and the Interim Management Report at 30 September 2023 will be examined by the Board of Directors of the Company, respectively, in the meeting of 11 September 2023 and 13 November 2023, instead of 8 September 2023 and 10 November 2023.

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This press release is available on the Company's website <https://centralelatteitalia.com/financial/investor-relations/press-release-and-notification/> and on the authorised storage mechanism eMarket Storage at the following address www.emarketstorage.com.

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The Centrale del Latte d'Italia Group and Newlat Food, majority shareholder since 1 April 2020, today represent the third Italian operator in the Milk & Dairy sector.

Newlat Food is a successful industrial Group, leader in the agri-food sector, present in 60 countries with dairy products, pasta and bakery, gluten-free products and baby food.

With 7 factories and circa 650 employees, Centrale del Latte d'Italia Group produces and sells more than 120 products, ranging from milk and milk products to yogurt and drinks of plant origin and dairy distributed by traditional shops and large retail chains in the pertinent areas under several brands names TappoRosso, Polenghi, Mukki, Tigullio, Vicenza, Giglio, Salerno, Matese, Ala, Torre in Pietra, Optimus, Fior di Salento.





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Statement of Financial Position

(In Euro)	At 31 March 2023	At 31 December 2022
Non-current assets		
Property, plant and equipment	110,671,973	112,226,207
Right of use	11,383,615	11,918,240
<i>of which towards related parties</i>	<i>6,187,818</i>	<i>7,073,877</i>
Intangible assets	19,541,596	19,546,574
Investments in associated companies	1,396,719	1,396,719
Non-current financial assets valued at fair value with impact on I/S	703,424	703,424
Deferred tax assets	1,894,939	1,956,618
Total non-current assets	145,592,266	147,747,782
Current assets		
Inventory	27,442,509	25,289,328
Account receivables	25,758,019	33,176,442
<i>of which related parties</i>	<i>3,092,610</i>	<i>2,525,912</i>
Current tax assets	247,662	251,150
Other receivables and current assets	9,766,190	14,452,426
<i>of which towards related parties</i>	<i>5,823,947</i>	<i>5,823,947</i>
Current financial assets valued at fair value with impact on I/S	1,068	1,068
Financial receivables valued at amortized cost	3,024,652	3,024,652
<i>Of which towards related parties</i>	<i>3,024,652</i>	<i>3,024,652</i>
Cash and cash equivalents	20,219,845	26,622,652
<i>Of which towards related parties</i>	<i>8,482,497</i>	<i>17,326,604</i>
Total current assets	86,459,944	102,817,718
TOTAL ASSETS	232,052,210	250,565,500
Equity		
Share capital	28,840,041	28,840,041
Reserves	34,837,521	34,683,215
Net income	1,560,785	154,306
Total equity	65,238,347	63,677,562
Non-current liabilities		
Provisions for employees	6,039,386	6,279,039
Provisions for risks and charges	1,267,118	1,236,423
Deferred tax liabilities	6,024,472	6,220,506
Non-current financial liabilities	45,994,449	48,340,489
Non-current lease liabilities	5,839,994	6,185,211
<i>Of which towards related parties</i>	<i>3,528,360</i>	<i>3,678,913</i>
Total non-current liabilities	65,165,418	68,261,669
Current liabilities		
Account payables	63,144,168	74,111,274
<i>Of which towards related parties</i>	<i>15,729,263</i>	<i>14,845,521</i>
Current financial liabilities	18,594,058	25,290,729
<i>Of which towards related parties</i>	<i>4,308,720</i>	<i>7,996,518</i>
Current lease liabilities	8,937,203	8,515,822
<i>Of which towards related parties</i>	<i>5,929,115</i>	<i>6,410,766</i>
Current tax liabilities	701,222	-
Other current liabilities	10,271,794	10,708,445
<i>Of which towards related parties</i>	<i>666,139</i>	<i>665,467</i>
Total current liabilities	101,648,445	118,626,269
TOTAL EQUITY AND LIABILITIES	232,052,210	250,565,500



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Income Statement

(In Euro)	At 31 March	
	2023	2022
Revenue from clients' contracts	81,845,329	71,350,727
<i>Of which towards related parties</i>	<i>1,142,498</i>	
Cost of goods sold	(65,740,243)	(54,954,875)
<i>Of which towards related parties</i>	<i>(1,325,519)</i>	<i>(8,827,566)</i>
Gross profit	16,105,085	16,395,852
Sales and distribution costs	(11,787,870)	(12,430,919)
Administrative expenses	(1,866,778)	(1,838,259)
<i>Of which towards related parties</i>	<i>(83,000)</i>	<i>(33,000)</i>
Net impairment losses on financial assets	(150,000)	(57,441)
Other income	1,377,965	1,080,065
Other operational costs	(577,551)	(636,272)
EBIT	3,100,852	2,513,026
Financial income	130,441	11,475
<i>Of which towards related parties</i>	<i>125,326</i>	
Financial expense	(969,287)	(435,256)
<i>Of which towards related parties</i>	<i>(46,171)</i>	<i>(21,097)</i>
EBT	2,262,007	2,089,244
Gross income tax	(701,222)	(582,899)
Net Income	1,560,785	1,506,345
Basic EPS	0.11	0.11
Diluted EPS	0.11	0.11

Statement of Comprehensive Income

(In Euro)	At 31 March	
	2023	2022
Net Profit (A)	1,560,785	1,506,345
a) Other comprehensive income that will not be reclassified to profit or loss		
Actuarial gains / (losses)	-	5,250
Total other comprehensive income that will not be reclassified to profit or loss	-	5,250
Total comprehensive income for the period (A)+(B)	1,560,785	1,511,595



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Statement of Changes in Equity

(In Euro)	Share capital	Reserves	Net Income	Group Total Equity
Ended 31 December 2021	28,840,041	32,003,349	2,293,598	63,136,988
Income allocation of the previous year		2,293,598	(2,293,598)	-
Net Income				
Actuarial gains/(losses) net of tax			1,506,345	1,506,345
Income allocation of the previous year		5,250		5,250
Total comprehensive income for the period	-	2,298,848	(1,506,345)	1,511,595
Ended 31 March 2022	28,840,041	34,302,197	1,506,345	64,648,583
Net Income			(1,352,039)	(1,352,039)
Actuarial gains/(losses) net of tax		381,018		381,018
Total comprehensive income for the period	-	381,018	(1,352,039)	(971,021)
Ended 31 December 2022	28,840,041	34,683,215	154,306	63,677,562
Income allocation of the previous year		154,306	(154,306)	-
Net Income			1,560,785	1,560,785
Total comprehensive income for the period	-	-	1,560,785	1,560,785
Ended 31 March 2023	28,840,041	34,837,521	1,560,785	65,238,347





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Cash Flow Statement

(In Euro)	At 31 March	
	2023	2022
Profit before income tax	2,262,007	2,089,244
- <i>Adjustments:</i>		
Depreciation and amortization	4,259,321	3,807,155
Financial Interest / (Income)	838,846	423,781
<i>Of which towards related parties</i>	46,171	21,097
Cash flow from operating activities before changes in net working capital	7,360,174	6,320,181
Changes in inventory	(2,153,181)	(1,180,007)
Changes in trade receivables	7,268,423	(8,036,070)
Changes in trade payables	(10,967,106)	(12,587,727)
Changes in other assets and liabilities	4,249,586	(5,795,709)
Uses of employee benefit obligations and provisions for risks and charges	(208,958)	(192,524)
Income tax paid	(130,867)	(27,900)
Net cash flow provided by / (used in) operating activities	5,418,070	(21,499,756)
Investments in property, plant and equipment	(655,032)	(466,586)
Investments of financial assets	-	-
Divestments of financial assets	-	-
Net cash flow provided by / (used in) investing activities	(655,032)	(466,586)
Proceeds from long-term borrowings	(9,042,711)	(5,337,694)
Repayment of <i>lease liabilities</i>	(1,284,289)	(1,473,627)
<i>Of which towards related parties</i>	(685,000)	(673,000)
Net financial expenses paid	(838,846)	(423,781)
Net cash flow provided by / (used in) financing activities	(11,165,846)	(7,235,102)
Total cash flow provided / (used) in the year	(6,402,807)	(29,201,443)
Cash and cash equivalents at the beginning of the period	26,622,652	57,371,558
<i>Of which towards related parties</i>	17,326,604	18,398,792
Total change in cash and cash equivalents	(6,402,807)	(29,201,443)
Cash and cash equivalents at the end of the period	20,219,845	28,170,117
<i>Of which towards related parties</i>	8,482,497	4,071,290

