

# The results of H1 2019



VILKYŠKIŲ PIENINĖ  
AB GROUP



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# MAIN EVENTS DURING H1 2019

## PRODUCT NEWS:

- VILKYŠKIŲ Black Cat curd cheeses line was complemented by two news - vanilla and salted caramel curd cheeses, which have many healthy benefits (compared to similar cheeses): even 40% less sugar, more curd - less chocolate putty.
- VILKYŠKIŲ Black Cat yogurt line was complemented by two new yogurts with high - value berries: yogurt with black currants and guarani extract and yogurt with black rowan and Guaran extract. Yogurts were flavored with natural jams!
- From now YOGA's functional yogurts are with less sugar. Also its package was renewed - brighter packaging with a clearly visualized taste and highlighted YOGA name. In addition, the taste of yogurt with pumpkin and quince has been renewed - enriched with valuable and popular amaranth seeds.
- The packages of VILKYŠKIŲ curd spreads were renewed – from now a red hearth shows up the most important competitive advantage of this product (compared to similar spreads) – even 97 % curd.



## EXHIBITIONS:

- In February, for the sixth consecutive years in a row Vilkyškių pieninė AB participated in the international exhibition of food industry “Gulfood 2019” in Dubai, The United Arab Emirates. The main focus was on cheese, cheese products and dry milk/whey products.

## CERTIFICATES:

- 2019 Modest AB, Kelmės pieninė AB Tauragės DevisiŃn, Vilkyškių pieninė AB have extended Halal certificate;
- 2019 The laboratory of Vilkyškių pieninė AB was granted approval by the ”Laboratory conformity permit of food processing subject”;
- 2019 Modest AB Surveillance audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme;
- 2019 Kelmės pieninė AB re-certification audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme.





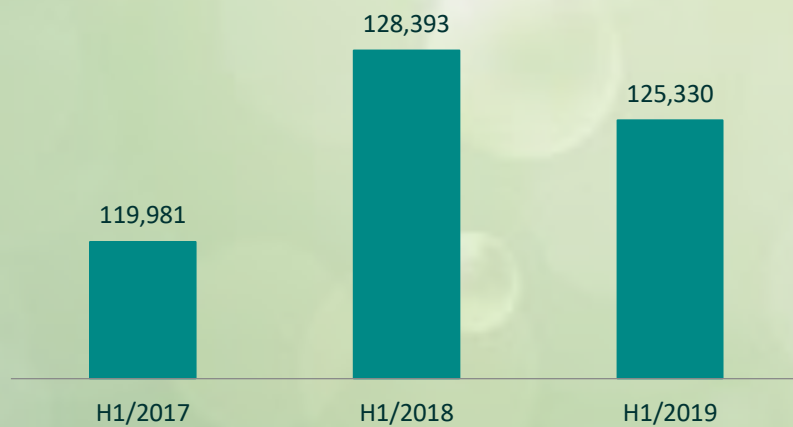
# MAIN FINANCIAL INDICATORS

	H1/2017	H1/2018	H1/2019
Revenue (Thousands EUR)	56,870	47,467	53,581
EBITDA (Thousands EUR)	5,913	2,447	1,208
EBITDA margin (%)	10.4%	5.2%	2.3%
Net profit (loss) (Thousands EUR)	3,818	240	-761
Profit (loss) margin (%)	6.7%	0.5%	-1.4%
Quantity of purchased milk, t	119,981	128,393	125,330
Profit (loss) per share (EUR)	0.32	0.02	-0.06
Net financial debt (Thousands EUR)	30,412	32,987	29,198

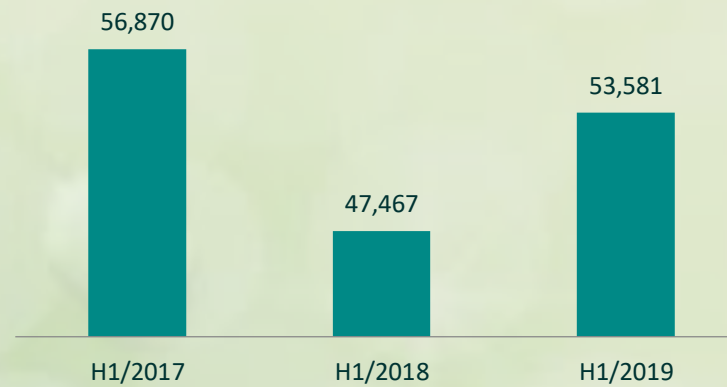
At first half of 2019, **sales revenue came** to EUR 53.6m (12.9 percent more than in 6 months of 2018). At reporting period **EBITDA** was EUR 1.2m or 2 times less than in previous year same period. At first half of 2019 **net profit** was EUR -0.76m or EUR 1m less than same period of 2018. In 6 months of 2019, a total of 125 tho tonnes of milk was purchased, and decrease by 2.4 percent as compared with 6 months of 2018.



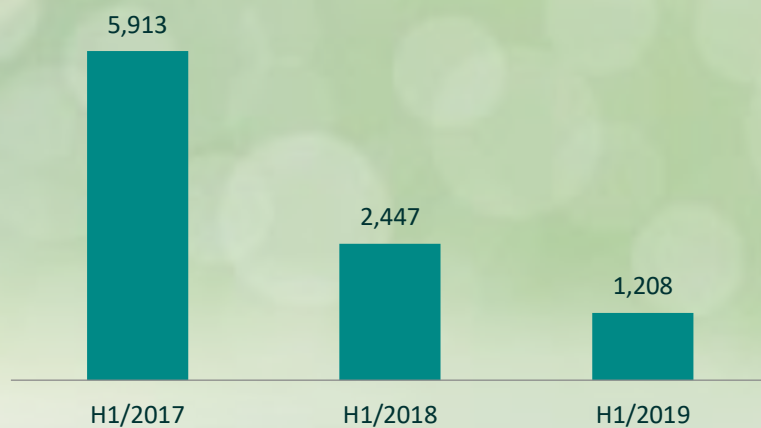
QUANTITY OF PURCHASED MILK, T



REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR

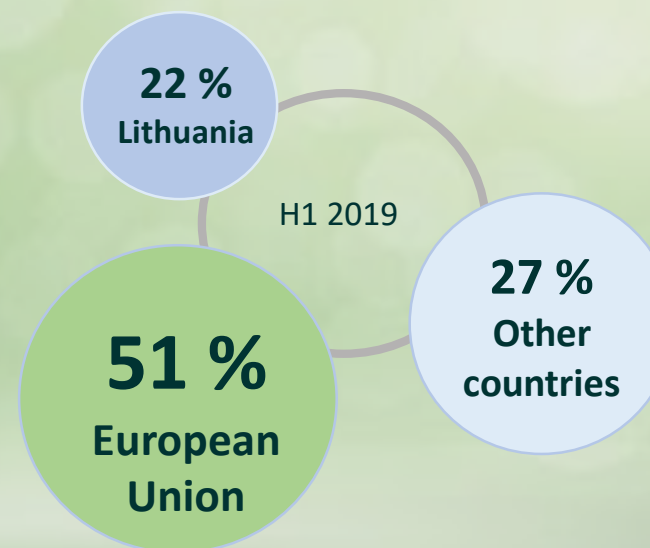
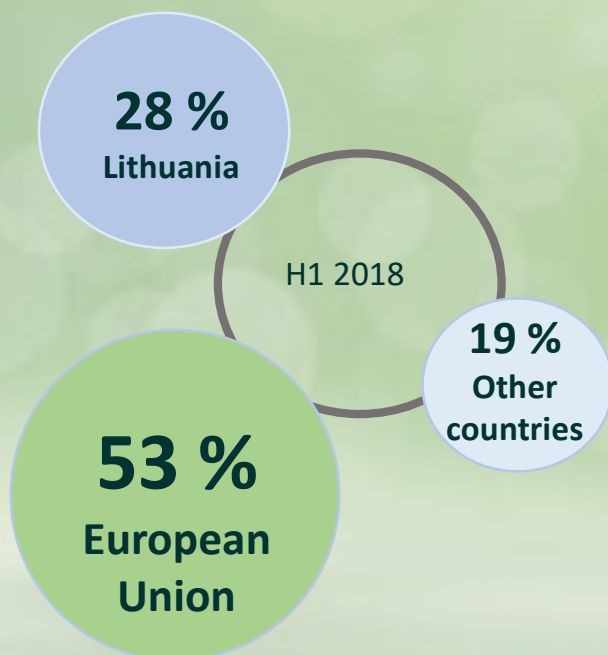


NET PROFIT (LOSS), THOUSANDS EUR



# SALES REVENUE BY MARKETS

(Thousand EUR)	H1 2018		H1 2019	
Lithuania	13,124	28%	11,776	22%
European Union	25,171	53%	27,227	51%
Other countries	9,172	19%	14,578	27%
<b>Total revenue:</b>	<b>47,467</b>		<b>53,581</b>	



# SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	H1 2018		H1 2019	
Cheese, cheese products and other	35,021	74%	37,265	70%
Dry milk products	1,537	3 %	6,492	12%
Fresh milk products	10,909	23 %	9,824	18%
<b>Total:</b>	<b>47,467</b>		<b>53,581</b>	

## THE SEGMENT COMPRISES:

- **Cheese, cheese products and other.** Cheese, cheese products, cream, and liquid whey that stays during the process of cheese production.
- **Dry milk products.** WPC, skimmed-milk, permeate and whey powder produced by the subsidiaries.
- **Fresh milk products.** Fresh milk products produced by the subsidiaries (milk, kephir, yoghurt, sour milk, butter, curd products).





# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2019.06.30	2018.12.31
<b>ASSETS</b>		
Property, plant and equipment	50,805	51,310
Intangible assets	6,927	6,933
Non-current amounts receivable	305	314
<b>Non-current assets</b>	<b>58,037</b>	<b>58,557</b>
Inventories	14,642	15,228
Trade and other receivable	9,234	7,347
Prepayments	406	746
Cash and cash equivalents	365	407
<b>Current assets</b>	<b>24,647</b>	<b>23,728</b>
<b>Total assets</b>	<b>82,684</b>	<b>82,285</b>
<b>EQUITY</b>		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,517	2,579
Retained earnings	21,455	22,153
<b>Total equity attributable to owners of the Company</b>	<b>30,736</b>	<b>31,496</b>
<b>Non-controlling interest</b>	<b>50</b>	<b>51</b>
<b>Total equity</b>	<b>30,786</b>	<b>31,547</b>
<b>LIABILITIES</b>		
Borrowings and financial lease liabilities	14,435	14,900
Government grants	5,532	5,824
Deferred income tax liability	348	844
<b>Non-current liabilities</b>	<b>20,315</b>	<b>21,568</b>
Borrowings and financial lease liabilities	14,763	12,924
Income tax payable	-	-
Trade and other payables	16,820	16,246
<b>Current liabilities</b>	<b>31,583</b>	<b>29,170</b>
<b>Total liabilities</b>	<b>51,898</b>	<b>50,738</b>
<b>Total equity and liabilities</b>	<b>82,684</b>	<b>82,285</b>



# CONSOLIDATED INCOME STATEMENT

Thousand EUR	2019.01.01- 2019.06.30	2018.01.01- 2018.06.30	2019.04.01- 2019.06.30	2018.04.01- 2018.06.30
Revenue	53,581	47,467	26,167	26,492
Cost of sales	-50,909	-43,538	-24,301	-24,343
<b>Gross profit (loss)</b>	<b>2,672</b>	<b>3,929</b>	<b>1,866</b>	<b>2,149</b>
Other operating income	195	145	75	69
Distribution costs	-2,155	-2,317	-1,035	-1,267
Administrative expenses	-1,345	-1,240	-689	-761
Other operating expenses	-79	-80	-37	-43
<b>Results of operating activities</b>	<b>-712</b>	<b>437</b>	<b>180</b>	<b>147</b>
Finance income	15	2	5	1
Finance costs	-559	-495	-286	-286
<b>Net finance costs</b>	<b>-544</b>	<b>-493</b>	<b>-281</b>	<b>-285</b>
<b>Profit before income tax</b>	<b>-1,256</b>	<b>-56</b>	<b>-101</b>	<b>-138</b>
Income tax expenses	495	296	160	254
<b>Profit (loss) for the period</b>	<b>-761</b>	<b>240</b>	<b>59</b>	<b>116</b>
Attributable to:				
Owners of the Company	-760	238	59	114
Non-controlling interest	-1	2	0	2
<b>Profit (loss) for the year</b>	<b>-761</b>	<b>240</b>	<b>59</b>	<b>116</b>
Basic earnings per share ( EUR)	-0.06	0.02	0.00	0.01



# CONCOLIDATED STATEMENT OF CASH FLOW

Thousand EUR	2019.01.01- 2019.06.30	2018.01.01- 2018.06.30
<b>Cash flows from operating activities</b>		
Profit (loss) for the year	-761	240
Adjustments for:		
Depreciation of property, plant and equipment	2,206	2,274
Amortisation of intangible assets	6	25
Amortisation and write-off of grants	-292	-289
Gain (loss) from disposal of property, plant and equipment	-54	-1
Income tax expenses	-495	-296
Interest expenses, net	544	493
	<b>1,154</b>	<b>2,446</b>
Change in inventories	582	-5,585
Change in non-current amounts receivable	9	19
Change in trade and other receivables and prepayments	-2,056	-1,078
Change in trade and other payables	334	1,355
	<b>23</b>	<b>-2,843</b>
Interest paid	-340	-384
Income tax paid	-8	-24
<b>Net cash flows generated from operating activities</b>	<b>-325</b>	<b>-3,251</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of plant and equipment	-1,416	-359
Payments for acquisition of intangible assets	-	-3
Proceeds from sale of plant and equipment	113	25
Government grants received	376	6
Loans recovered	103	-
<b>Net cash flows used in investing activities</b>	<b>-824</b>	<b>-331</b>
<b>Cash flows from financing activities</b>		
Loans received	4,654	6,936
Repayments of borrowings	-3,547	-2,645
Funds for payment of dividends	-	-922
<b>Net cash flows generated from financing activities</b>	<b>1,107</b>	<b>3,369</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-42</b>	<b>-213</b>
Cash and cash equivalents at 1 January	407	317
<b>Cash and cash equivalents at 30 June</b>	<b>365</b>	<b>104</b>





# ADDITIONAL INFORMATION



# ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 30th of June 2019 the Group had 873 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 3.5 million Eur

The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.

The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.

Standards: ISO 22000:2005 and FSSC 22000



# COMPANIES OF THE GROUP

## **VILKYŠKIŲ PIENINĖ AB**

Established in  
1993

The production of  
fermented cheese,  
cream, whey  
products

## **“MODEST“ AB**

Established in  
1992

The production of  
melt, smoked cheese,  
mould cheese,  
mozzarella, other  
cheese products

## **KELMĖS PIENINĖ AB**

Established in  
1993

The production of  
fresh dairy products  
and dry milk products  
(WPC, SMP,  
permeate, whey  
powder)

## **“PIENO LOGISTIKA“ AB**

Established in  
2013

Rental of buildings





# SHORT HISTORY OF THE COMPANY



# SHAREHOLDERS

Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6.067.206	51 %
Multi Asset Selection Fund	2.035.729	17 %
Other shareholders	3.840.065	32 %
<b>Capital in total:</b>	<b>11.943.000</b>	<b>100%</b>

Swisspartners Versicherung AG  
Zweigniederlassung Österreich

**51 %**

Other  
shareholders

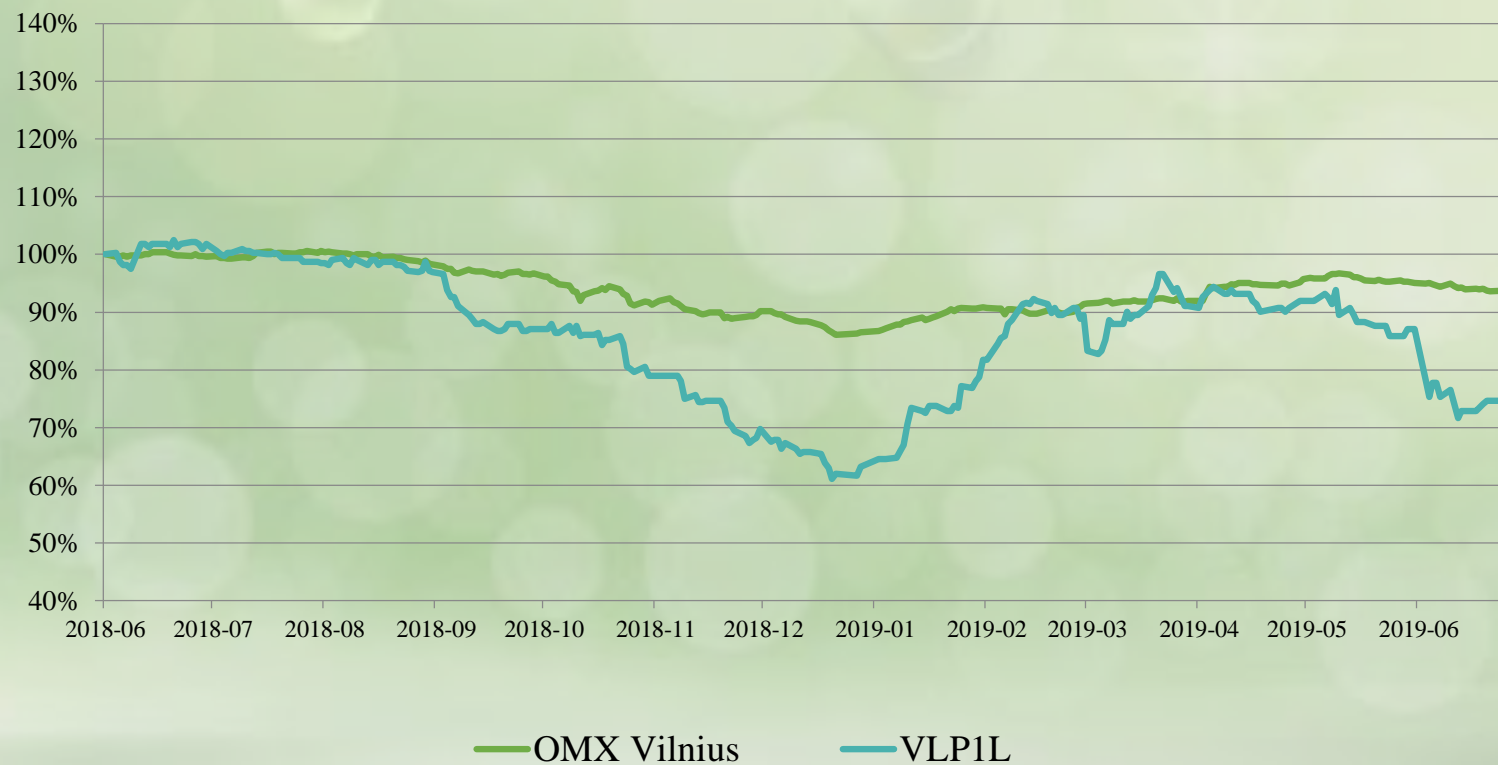
**32%**

**17 %**

Multi Asset  
Selection Fund



## Vilkyškių pieninė AB share price and OMX Vilnius indexes comparison 2018 June - 2019 June







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