

# The results of 12 months of 2018



VILKYŠKIŲ PIENINĖ AB  
GROUP

# CONTENT

- MAIN EVENTS DURING 12 MONTHS OF 2018
- MAIN FINANCIAL INDICATORS
- SALES REVENUE BY MARKETS
- SALES REVENUE BY PRODUCTS
- CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- CONSOLIDATED INCOME STATEMENT
- CONSOLIDATED STATEMENT OF CASH FLOW
- ABOUT THE COMPANY
- COMPANIES OF THE GROUP
- SHORT HISTORY OF THE COMPANY
- SHAREHOLDERS
- SHARE PRICE DATA
- CONTACTS

# MAIN EVENTS IN 12 MONTHS OF 2018

## PRODUCT NEWS

- AB Vilkyškių pieninė introduced to market renewed product - “Vilkyškių” line curd in new packaging. “Vilkyškių” 500 g curd differentiates itself with very comfortable packaging. The packaging can be opened and closed multiple times therefore the product remains fresh longer even if it is not consumed from the first time. The new product will allow the Company to occupy a larger local market share in the cottage cheese category.
- GymON product line was complemented by 2 new products: 100% pure, highly soluble protein suitable for both sport and daily nutritional enrichment. This product will extend not only product consumption situations, target audiences, but also marketing channels. A new tropical flavor was added to the blue line (cocktails with flavors). According to 2018 tastes, this taste is one of the most popular in both product updates and consumer choice.”
- Drink yogurts of VILKYŠKIAI was complemented by new taste of black currants. Many people already like curd cheese of VILKYŠKIAI with black currants and now it will be possible to try combination of these rich and valuable Lithuanian berries with a mild yogurt!
- With regards to the changing customer expectations and flavour changes, we decided to soften the consistency of curd cheese of VILKYŠKIAI and make it more crumble. Also renewed package of VILKYŠKIAI curd cheese.
- Curd cheeses of “Murr” have been renewed and the pastel colors have been changed to more intense and bright.
- The Memel Blue cheese, which is made by the hands of the masters of Vilkyškių pieninė, was renewed with its expressive taste - now without lactose.

## ACHIEVEMENTS:

- The most significant event during 2018 - Vilkyškių pieninė AB Group was awarded as “Lithuanian Export Prize 2017” winner. The Company was recognized as the most contributing to the growth of the economy and exports.
- The results of Lithuanian competition “Most Popular Product 2017” were published in 2018, in which Vilkyškių pieninė AB was awarded in three dairy product categories. Vilkyškių curd spread with greenery in curd spread category, Vilkyškių strawberry drink yogurt 750 g in drink yogurt category and Memel Blue cheese 100 g in cheese with mould category. Experts confirmed that products marked with label “Most Popular Product 2017” are absolutely safe and high quality. The prizes are awarded to products that have the highest sales in supermarkets Maxima, IKI, RIMI and Norfa.
- On December 6, Vilkyškių Pieninė AB was announced the winner of the prestigious Golden Phoenix Award and won the “Culture of the Year” nomination for active cultural activities.

## CERTIFICATES:

- 2018 Kelmės Pieninė AB Tauragė Division was certified according to the ISO 22000: 2005 / FSSC 22000 Certification Scheme.
- 2018 AB Modest re-certification audit according to the ISO 22000: 2005/FSSC 22000 Certification Scheme.
- 2018 Kelmės Pieninė AB Surveillance audit according to the ISO 22000: 2005/FSSC 22000 Certification Scheme.
- 2018 AB Vilkyškių Pieninė AB, Modest AB and Kelmės Pieninė AB Tauragė Division were certified for Halal.



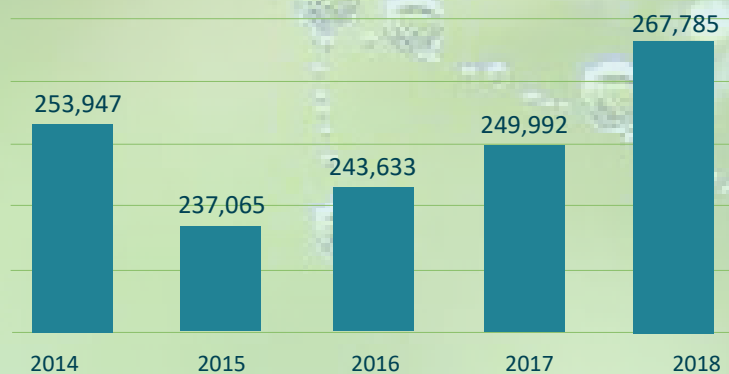
## EXHIBITIONS

- In February the Company traditionally took part in the international exhibition of food industry “Gulfood 2018” in Dubai, The United Arab Emirates.
- In April, GymON protein products for athletes were presented in the international sport exhibition in Germany, Frankfurt - FIBO 2018. GymON star Žydrūnas Savickas met with fans, GymON products were presented and tasted, new customer search was conducted.
- On May 8 - 10 Vilkyškių pieninė AB participated in exhibition “Food West Africa” for the first time. The company was searching for new partners during it.
- On May 16-18 for the fourth consecutive years in a row the company participated in the largest Asian food exhibition in Shanghai “SIAL China 2018”. The main focus was on mozzarella cheese and milk/whey powder.
- On May 24 - 26, “Agrobalt”, the traditional, taking place every second year exhibition was held. Vilkyškių pieninė AB presented well known to Lithuanian market Murr curd cheeses in it.
- On May 29 - 30 Vilkyškių pieninė AB participated in the exhibition in Amsterdam “PLMA’s World of Private Label” for the first time.
- In June, Vilkyškių pieninė AB participated in exhibition Food Taipei 2018 in Taiwan for the first time. At the exhibition hosted meetings with current and future customers, mozzarella cheese was presented for new partners.
- On October 21-25, Vilkyškių pieninė AB participated in the one of the largest food exhibition - “SIAL Paris 2018”.

## MAIN FINANCIAL INDICATORS

	2014	2015	2016	2017	2018
Revenue, thousand EUR	109,660	84,445	90,490	113,939	103,176
EBITDA, thousand EUR	6,218	3,876	8,413	10,882	4,328
EBITDA margin (%)	5.7%	4.6%	9.3%	9.5%	4.2%
Net profit, thousand EUR	3,212	1,168	4,455	6,686	-101
Profit margin (%)	2.9%	1.4%	5.0%	5.9%	-0.1%
Quantity of purchased milk, t	253,947	237,065	243,633	249,992	267,785
Profit (loss) per share (EUR)	0.27	0.10	0.37	0.56	-0.01
Net financial debt, thousand EUR	16,181	22,215	30,308	28,097	27,823

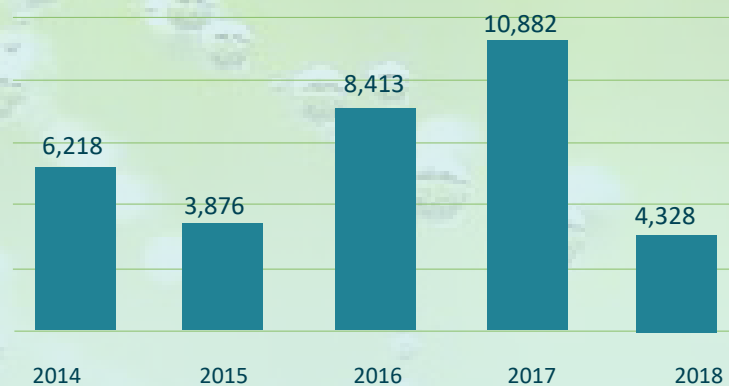
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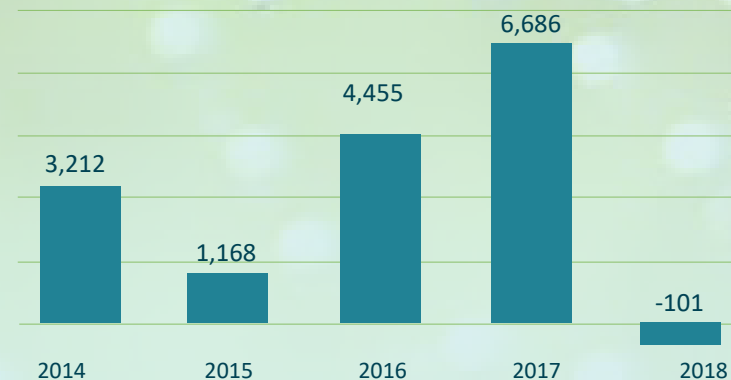
### REVENUE, THOUSAND EUR



### EBITDA, THOUSAND EUR

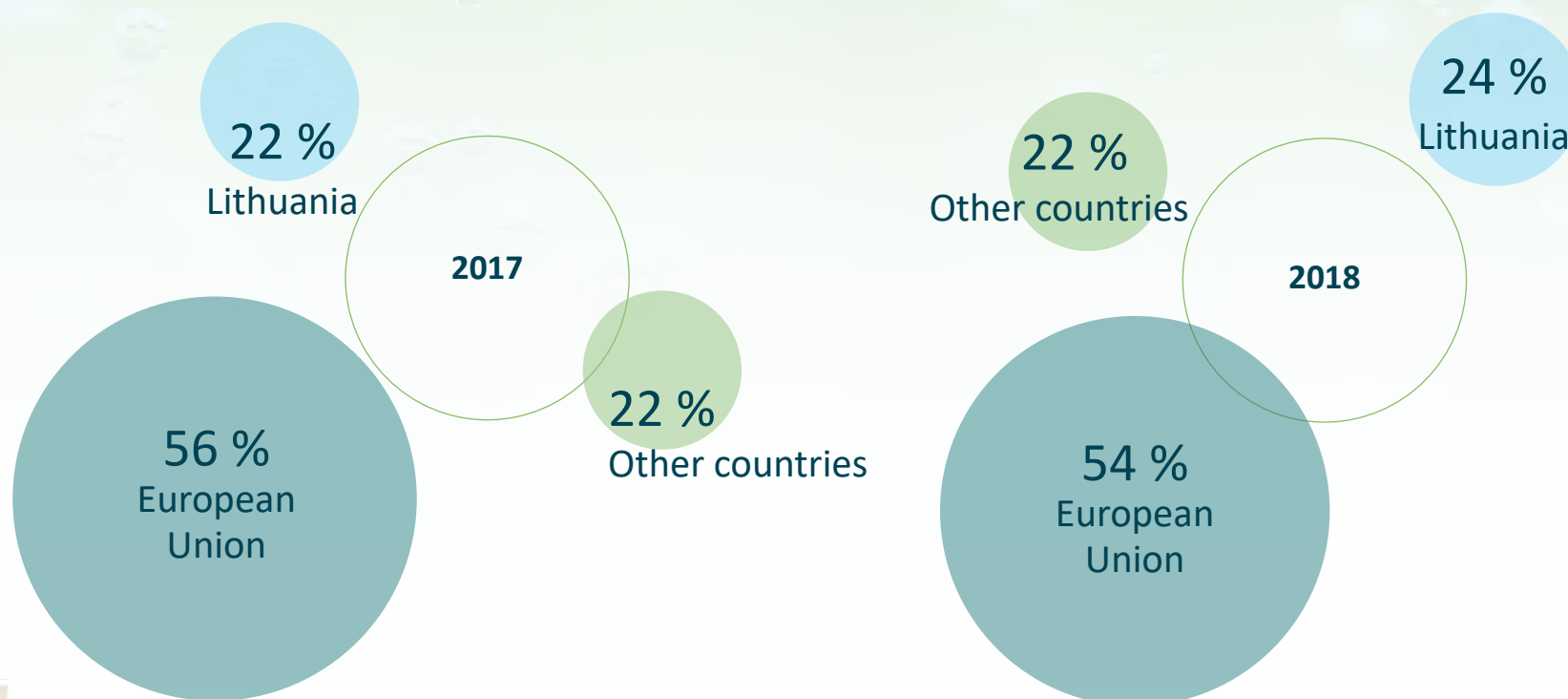


### NET PROFIT (LOSS), THOUSAND EUR



## SALES REVENUE BY MARKETS (Thousand EUR)

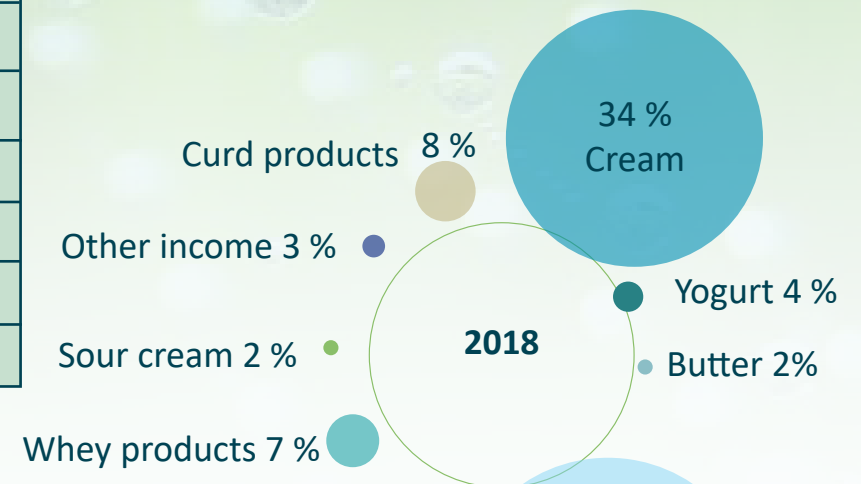
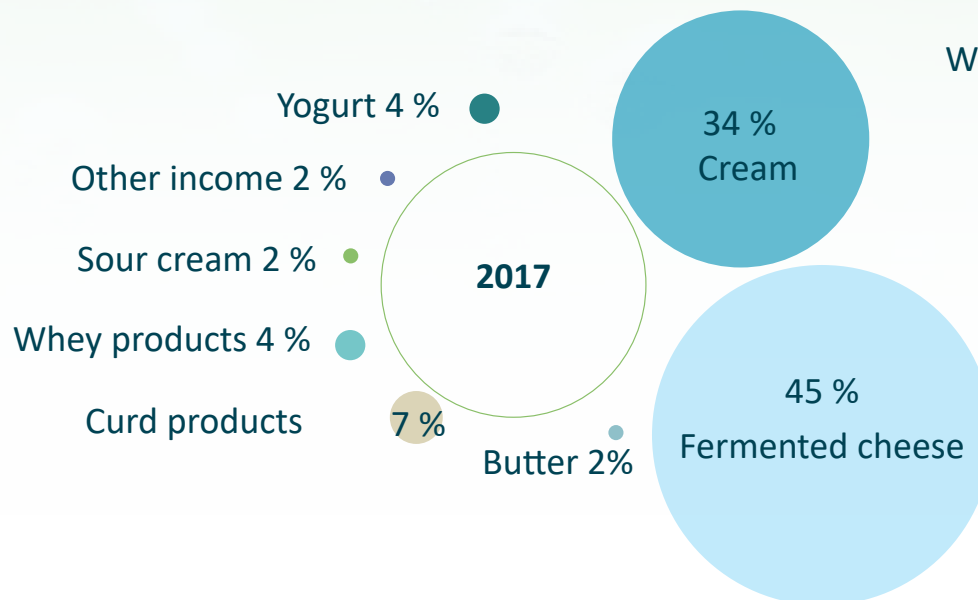
	2017		2018	
Lithuania	24,891	22%	24,585	24%
European Union	63,531	56%	55,865	54%
Other countries	25,517	22%	22,726	22%
	113,939		103,176	





## SALES REVENUE BY PRODUCTS (Thousand EUR)

	2017		2018	
Fermented cheese	51,427	45%	41,213	40%
Cream	38,255	34%	34,726	34%
Whey products	5,105	4%	7,776	7%
Sour cream	1,999	2%	2,216	2%
Curd products	8,168	7%	8,238	8%
Yogurt	4,036	4%	4,073	4%
Butter	1,884	2%	2,026	2%
Other income	3,065	2%	2,908	3%
Total income:	113,939		103,176	



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2018.12.31	2017.12.31
<b>ASSETS</b>		
Property, plant and equipment	51,310	54,447
Intangible assets	6,933	6,961
Long-term receivables	314	254
<b>Non-current assets</b>	<b>58,557</b>	<b>61,662</b>
Inventories	16,125	9,656
Trade and other receivables	7,404	8,491
Prepayments	720	1,005
Cash and cash equivalents	407	317
<b>Current assets</b>	<b>24,656</b>	<b>19,469</b>
<b>Total assets</b>	<b>83,213</b>	<b>81,131</b>
<b>EQUITY</b>		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,579	5,105
Retained earnings	23,237	22,367
<b>Total equity attributable to the shareholders of the Company</b>	<b>32,580</b>	<b>34,236</b>
<b>Non-controlling interest</b>	<b>52</b>	<b>51</b>
<b>Total equity</b>	<b>32,632</b>	<b>34,287</b>
<b>LIABILITIES</b>		
Interest-bearing loans and lease liabilities	17,397	20,123
Derivative financial instruments	-	-
Government grants	5,829	5,686
Deferred tax liabilities	945	1,528
<b>Non-current liabilities</b>	<b>24,171</b>	<b>27,337</b>
Interest-bearing loans and lease liabilities	10,426	7,974
Current tax liabilities	-	121
Derivative financial instruments	-	118
Trade and other payables, including derivatives	15,984	11,294
<b>Current liabilities</b>	<b>26,410</b>	<b>19,507</b>
<b>Total liabilities</b>	<b>50,581</b>	<b>46,844</b>
<b>Total equity and liabilities</b>	<b>83,213</b>	<b>81,131</b>

## CONSOLIDATED INCOME STATEMENT

Thousand EUR	2018.01.01- 2018.12.31	2017.01.01- 2017.12.31	2018.10.01- 2018.12.31	2017.10.01- 2017.12.31
Revenue	103,176	113,939	27,011	26,864
Cost of sales	-96,489	-97,451	-26,609	-25,550
<b>Gross profit</b>	<b>6,687</b>	<b>16,488</b>	<b>402</b>	<b>1,314</b>
Other operating income	326	390	86	192
Distribution expenses	-4,053	-4,087	-448	-650
Administrative expenses	-2,506	-4,434	-545	-86
Other operating costs	-152	-244	-29	-133
<b>Result from operating activities</b>	<b>302</b>	<b>8,113</b>	<b>-534</b>	<b>637</b>
Finance income	13	27	10	3
Finance costs	-999	-580	-297	-163
<b>Net finance expenses</b>	<b>-986</b>	<b>-553</b>	<b>-287</b>	<b>-160</b>
<b>Profit before income tax</b>	<b>-684</b>	<b>7,560</b>	<b>-821</b>	<b>477</b>
Income tax expense	583	-874	207	-67
<b>Profit for the period</b>	<b>-101</b>	<b>6,686</b>	<b>-614</b>	<b>410</b>
Attributable to:				
Shareholders of the Group	-102	6,680	-613	407
Non-controlling interest	1	6	-1	3
<b>Net profit (loss) for the year</b>	<b>-101</b>	<b>6,686</b>	<b>-614</b>	<b>410</b>
Basic earnings per share (EUR)	-0.01	0.56	-0.05	0.03

# CONSOLIDATED STATEMENT OF CASH FLOW

Thousand EUR	2018.01.01- 2018.12.31	2017.01.01- 2017.12.31
<b>Cash flows from operating activities</b>		
Profit for the year	-101	6,686
Adjustments:		
Depreciation of property, plant and equipment	4,633	3,118
Amortization of intangible assets	32	81
Amortization and write down of grants	-639	-430
Profit (loss) from disposal of property, plant and equipment	-63	-34
Income tax expense	-21	-
Interest expense, net	-583	874
	986	553
	<b>4,244</b>	<b>10,848</b>
Change in inventories	-6,473	718
Change in long-term receivables	321	88
Change in trade and other receivables and prepayments	1,430	-2,163
Change in trade and other payables	4,631	-177
	<b>4,153</b>	<b>9,314</b>
Paid interest	-790	-786
Paid profit tax	-40	-13
Other financial expenses	-	-54
<b>Net cash from operating activities</b>	<b>3,323</b>	<b>8,461</b>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	-1,441	-7,004
Acquisition of intangible assets	-4	-22
Proceeds from sale of plant and equipment	69	100
Acquisition of the subsidiary's shares	-	-
Loans granted	791	3,174
Loans repaid	-103	-
Interest received	-	-
<b>Net cash flows used in investing activities</b>	<b>-688</b>	<b>-3,752</b>
<b>Cash flows from financing activities</b>		
Loans received	4,257	5,345
Repayment of borrowings	-5,130	-8,533
Dividends paid	-1,672	-1,433
Government grants received	-	-
<b>Net cash flows from financing activities</b>	<b>-2,545</b>	<b>-4,621</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>90</b>	<b>88</b>
Cash and cash equivalents at 1 January	317	229
<b>Cash and cash equivalents at 31 December</b>	<b>407</b>	<b>317</b>

# ADDITIONAL INFORMATION





## ABOUT THE COMPANY

Vilkyškių pieninė AB was established in 1993 m.

On the 31th of December 2018 the Group had 934 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 3,45 million. Eur

Shares issued by the Company have been included into the Official List of AB NASDAQ OMX Vilnius.

Standards: ISO 22000:2005 and FSSC 22000



## COMPANIES OF THE GROUP

### **Vilkyškių pieninė AB**

Parent Company  
Established in 1993

The production of  
cheese, cream, whey

### **“Modest” AB**

The subsidiary  
Company  
Established in 1992

The production of  
melted smoked  
cheese, cheese with  
mould, mozzarella,  
other kinds of cheese

### **Kelmės pieninė AB**

The subsidiary  
Company  
Established in 1993

The production of  
fresh dairy products

Since 2018 production  
of dry products: whey  
and milk powder (in  
Taurage)

### **“Pieno logistika” AB**

The subsidiary  
Company  
Established in 2013

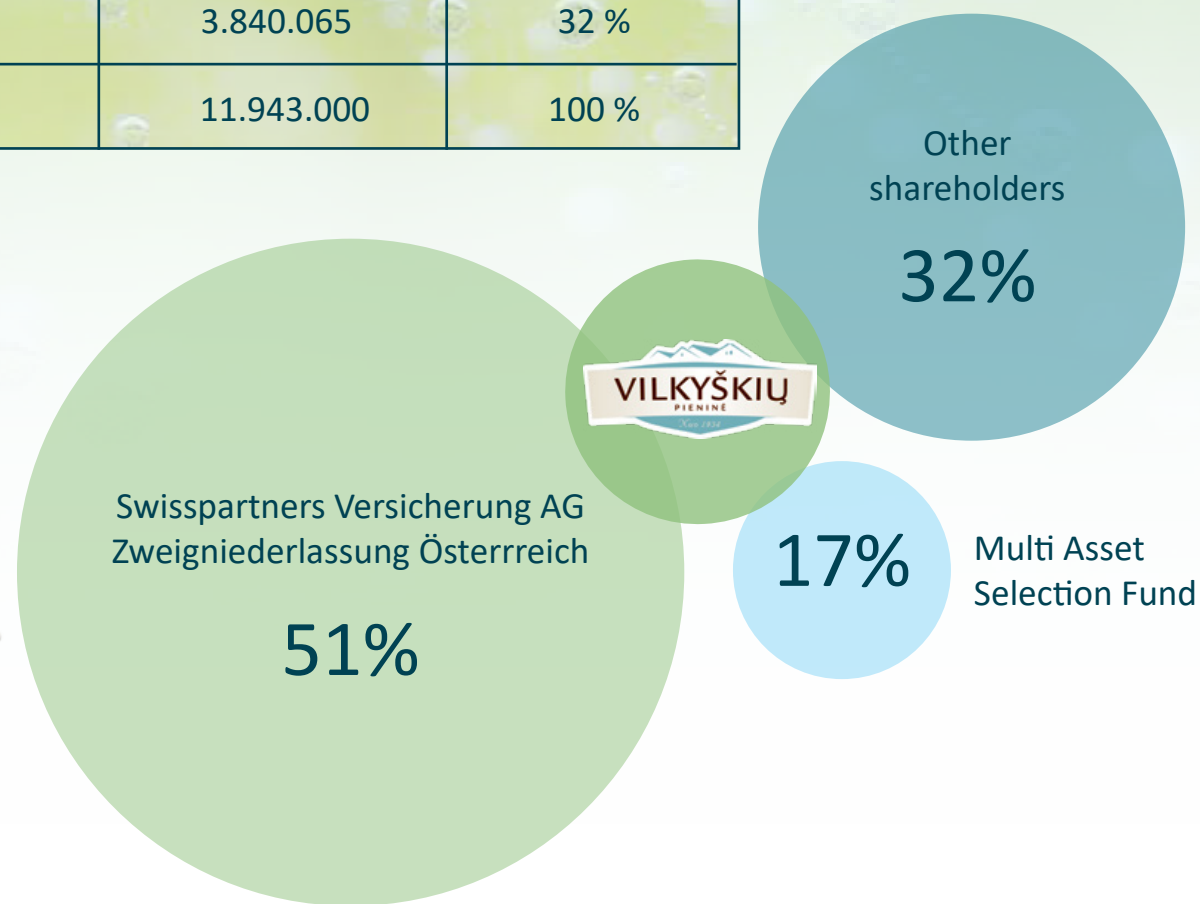
Rental of buildings

# SHORT HISTORY OF THE COMPANY

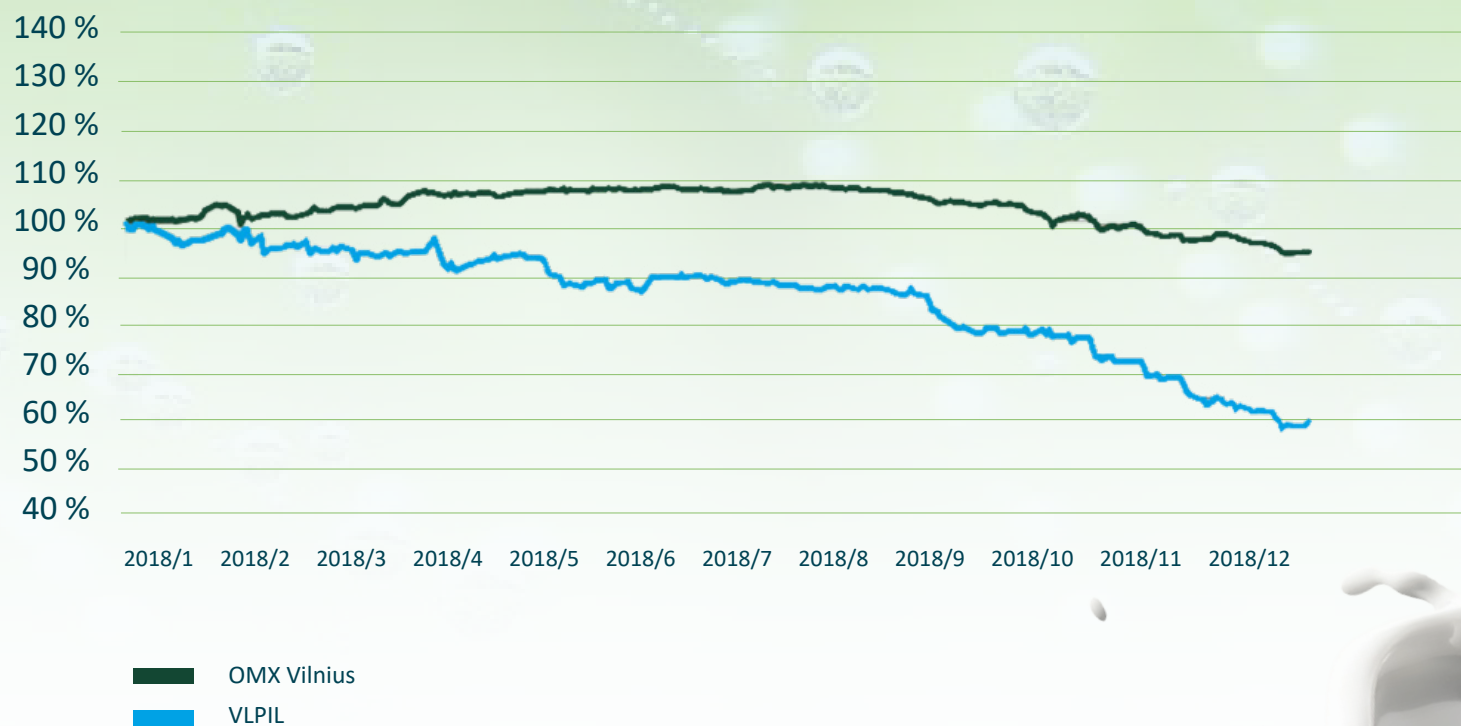


## SHAREHOLDERS

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 %
Capital in total:	11.943.000	100 %



## VILKYŠKIŲ PIENINĖ AB SHARE PRICE VARIATION AND OMX VILNIUS INDEXES COMPARING 2018 JANUARY - 2018 DECEMBER







## VILKYŠKIŲ PIENINĖ AB

Vilkyškiai, Pagėgių sav.

277160980

tel. +370 441 55330

fax. +370 441 55242

info@vilvi.eu

www.vilkyskiu.lt

### Contacts

Gintaras Bertašius

Director General

tel. +370 441 55330

gintaras.bertasius@vilvi.eu

Vilija Milaševičiutė

Economics and Finance Director

tel. +370 441 55102

vilija.milaseviciute@vilvi.eu