

The results of 9 months of 2019



VILKYŠKIŲ PIENINĖ
AB GROUP

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MAIN EVENTS DURING 9 MONTHS OF 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.



NEW MARKETS:

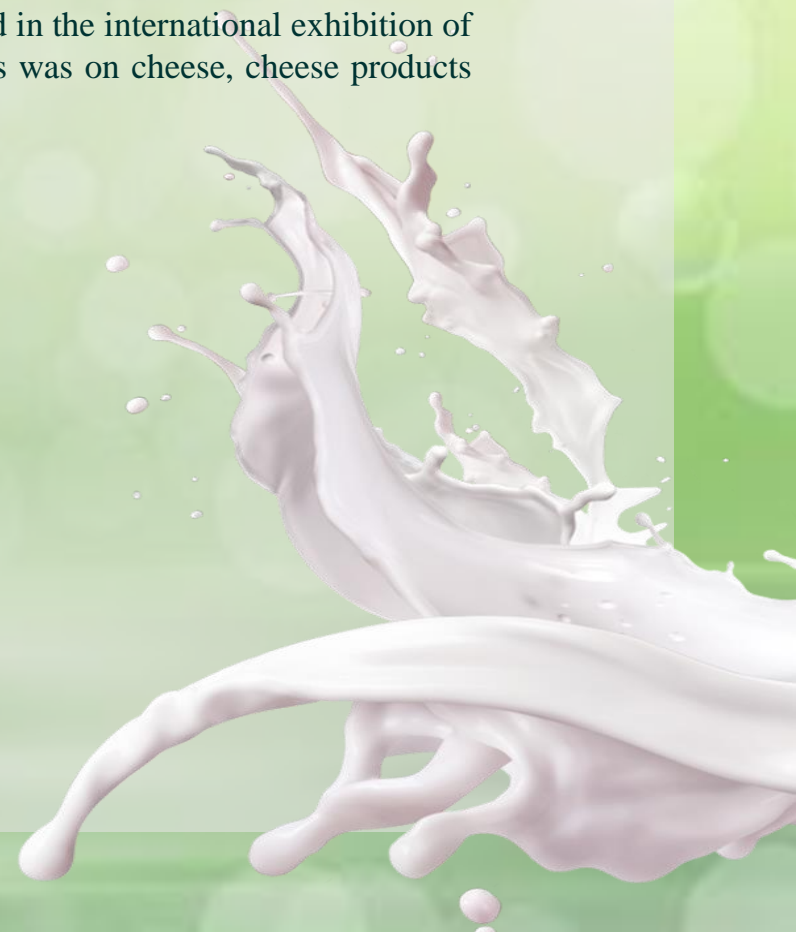
- Consistent work with customers in the European Union has helped build their confidence, which has led to sales growth. Sales have increased significantly in Italy by attracting new customers and also by proceeding to cooperate with one of the largest buyers of dry dairy products in the UK
- 2019 were focused on exploring new markets in Asia, South and Central America. Successful launches in South Korea, Chile, Mexico, as well as active negotiations with potential Colombian partners.

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 Division, 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 and Kelmės pieninė AB Tauragės Division have Surveillance audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme;
- 2019 Kelmės pieninė AB and Vilkyškių pieninė AB have re-certification audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme.



MAIN FINANCIAL INDICATORS

	9 months of 2017	9 months of 2018	9 months of 2019
Revenue (Thousands EUR)	87,075	76,165	82,262
EBITDA (Thousands EUR)	9,488	3,898	2,586
EBITDA margin (%)	10.9%	5.1%	3.1%
Net profit (loss) (Thousands EUR)	6,276	513	-421
Profit (loss) margin (%)	7.2%	0.7%	-0.5%
Quantity of purchased milk, t	188,764	199,062	195,798
Profit (loss) per share (EUR)	0.53	0.04	-0.04
Net financial debt (Thousands EUR)	29,167	31,599	29,283

At first nine months of 2019, **sales revenue** came to EUR 82.3m (8 percent more than in 9 months of 2018).

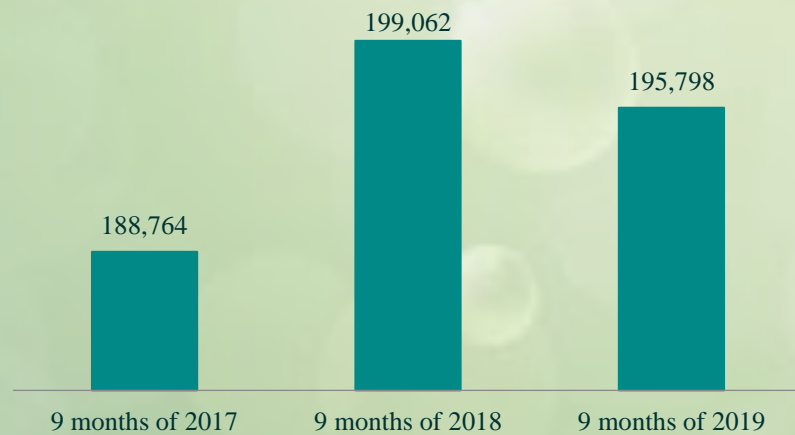
At reporting period **EBITDA** was EUR 2.6m or EUR 1.3m less than in previous year same period.

In 9 months of 2019 **net loss** was EUR 0.4m or EUR 0.9m less than same period of 2018.

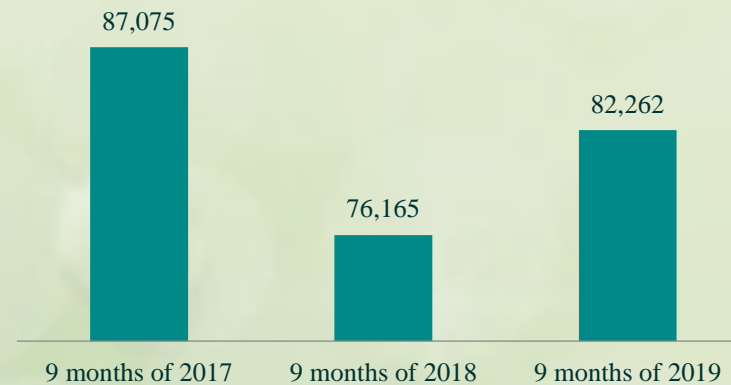
In 9 months of 2019, a total of 196 t tones of **milk** was **purchased**, and decrease by 1.6 percent as compared with 9 months of 2018.



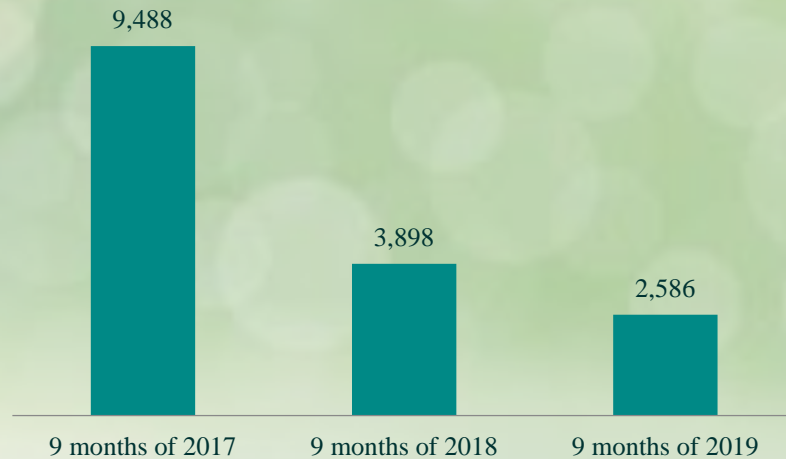
QUANTITY OF PURCHASED MILK, T



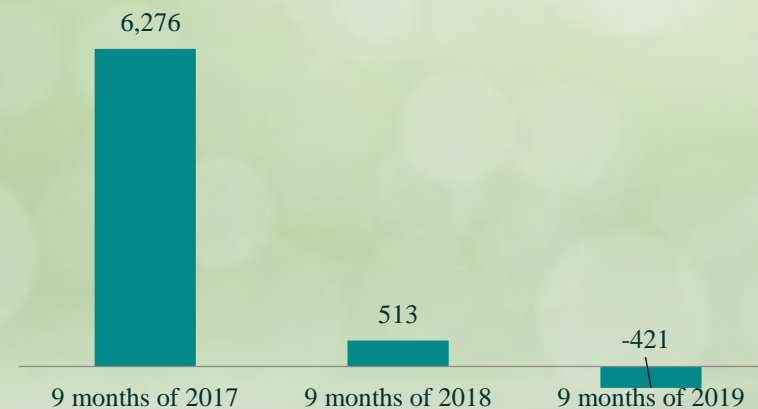
REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR

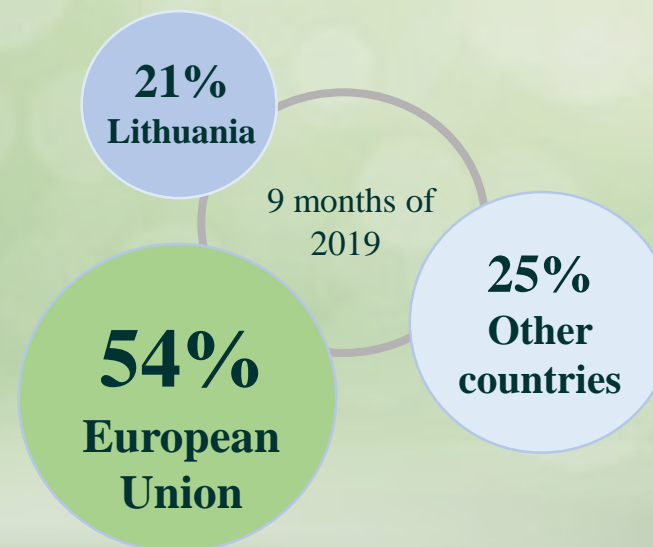
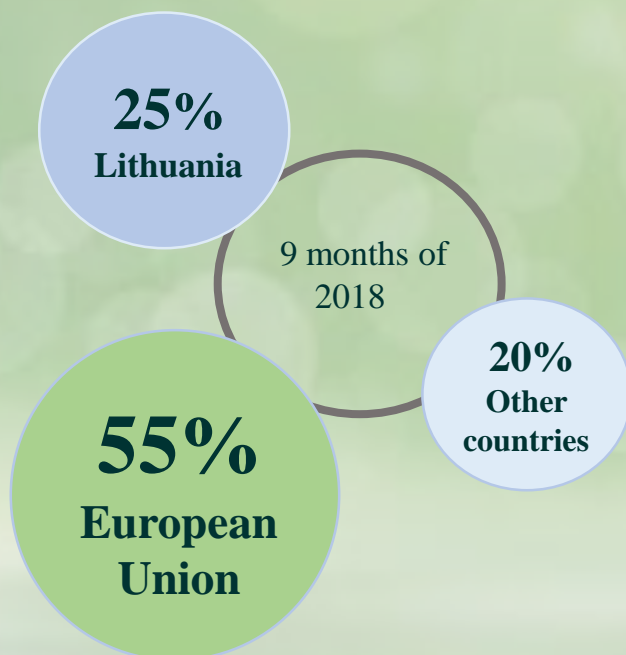


NET PROFIT (LOSS), THOUSANDS EUR



SALES REVENUE BY MARKETS

(Thousand EUR)	9 months of 2018		9 months of 2019	
Lithuania	19,617	25%	16,905	21%
European Union	41,631	55%	44,817	54%
Other countries	14,917	20%	20,540	25%
Total revenue:	76,165		82,262	



SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	9 months of 2018		9 months of 2019	
Cheese, cheese products and other	56,962	75%	58,165	71%
Dry milk products	3,864	5%	10,527	13%
Fresh milk products	15,339	20%	13,570	16%
Total:	76,165		82,262	

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	2019.09.30	2018.12.31
ASSETS		
Property, plant and equipment	50,011	51,310
Intangible assets	6,938	6,933
Non-current amounts receivable	277	314
Non-current assets	57,226	58,557
Inventories	13,992	15,228
Trade and other receivable	10,072	7,347
Prepayments	524	746
Cash and cash equivalents	378	407
Current assets	24,966	23,728
Total assets	82,192	82,285
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,486	2,579
Retained earnings	21,825	22,153
Total equity attributable to owners of the Company	31,075	31,496
Non-controlling interest	51	51
Total equity	31,126	31,547
LIABILITIES		
Borrowings and financial lease liabilities	13,735	14,900
Government grants	5,387	5,824
Deferred income tax liability	124	844
Non-current liabilities	19,246	21,568
Borrowings and financial lease liabilities	15,548	12,924
Income tax payable	-	-
Trade and other payables	16,272	16,246
Current liabilities	31,820	29,170
Total liabilities	51,066	50,738
Total equity and liabilities	82,192	82,285



CONSOLIDATED INCOME STATEMENT

Thousand EUR	2019.01.01- 2019.09.30	2018.01.01- 2018.09.30	2019.07.01- 2019.09.30	2018.07.01- 2018.09.30
Revenue	82,262	76,165	28,681	28,698
Cost of sales	-77,377	-69,880	-26,468	-26,342
Gross profit (loss)	4,885	6,285	2,213	2,356
Other operating income	271	240	76	95
Distribution costs	-3,312	-3,605	-1,157	-1,288
Administrative expenses	-2,033	-1,961	-688	-721
Other operating expenses	-107	-123	-28	-43
Results of operating activities	-296	836	416	399
Finance income	18	3	3	1
Finance costs	-863	-702	-304	-207
Net finance costs	-845	-699	-301	-206
Profit before income tax	-1,141	137	115	193
Income tax expenses	720	376	225	80
Profit (loss) for the period	-421	513	340	273
Attributable to:				
Owners of the Company	-421	511	339	273
Non-controlling interest	0	2	1	0
Profit (loss) for the year	-421	513	340	273
Basic earnings per share (EUR)	-0.04	0.04	0.03	0.02



CONCOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2019.01.01- 2019.09.30	2018.01.01- 2018.09.30
Cash flows from operating activities		
Profit (loss) for the year	-421	513
Adjustments for:		
Depreciation of property, plant and equipment	3,310	3,462
Amortization of intangible assets	9	29
Amortization and write-off of grants	-437	-429
Change in the decrease value of inventories	-894	-1,311
Gain (loss) from disposal of property, plant and equipment	-55	-25
Income tax expenses	-720	-376
Interest expenses, net	845	699
	1,637	2,562
Change in inventories	2,128	-4,958
Change in non-current amounts receivable	37	63
Change in trade and other receivables and prepayments	-3,024	1,175
Change in trade and other payables	-258	1,106
	520	-52
Interest paid	-601	-555
Income tax paid	-8	-32
Net cash flows generated from operating activities	-89	-639
Cash flows from investing activities		
Payments for acquisition of plant and equipment	-1,710	-798
Payments for acquisition of intangible assets	-14	-2
Proceeds from sale of plant and equipment	114	54
Government grants received	376	6
Loans recovered	103	-
Net cash flows used in investing activities	-1,131	-740
Cash flows from financing activities		
Loans received	5,755	6,713
Repayments of borrowings	-4,564	-3,809
Funds for payment of dividends	-	-1,672
Net cash flows generated from financing activities	1,191	-1,232
Net increase (decrease) in cash and cash equivalents	-29	-147
Cash and cash equivalents at 1 January	407	317
Cash and cash equivalents at 30 September	378	170



ADDITIONAL INFORMATION



ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 30th of September 2019 the Group had 839 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)

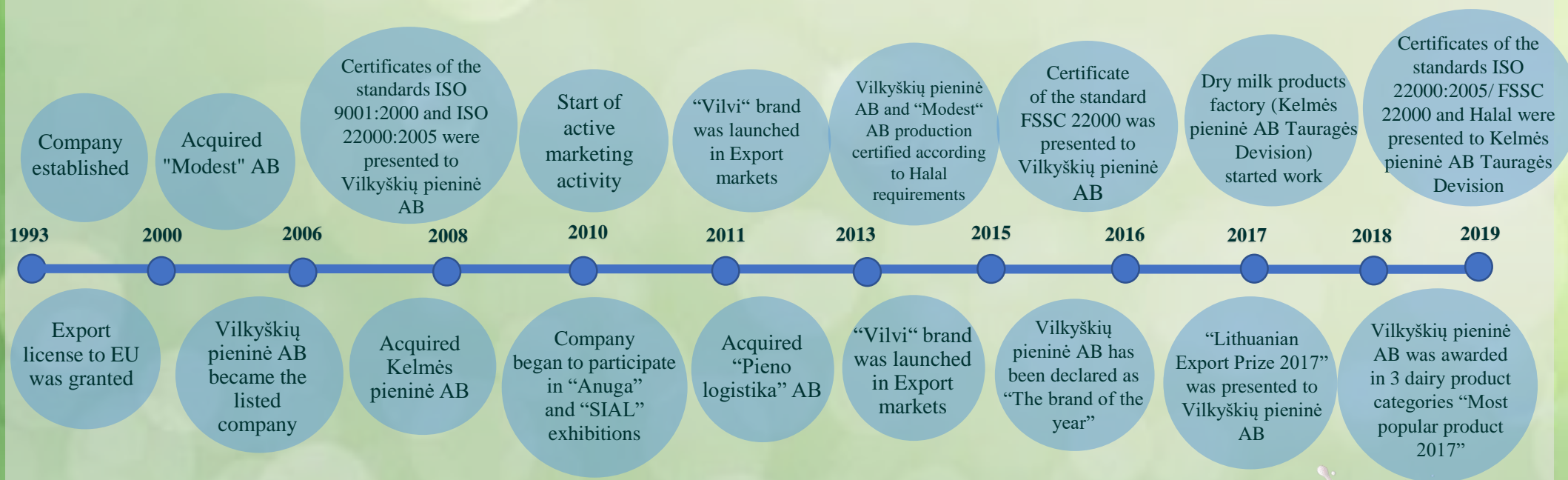
“PIENO LOGISTIKA“ AB

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 %
Capital in total:	11 943 000	100%

Swisspartners Versicherung AG
Zweigniederlassung Österreich

51%

Other
shareholders

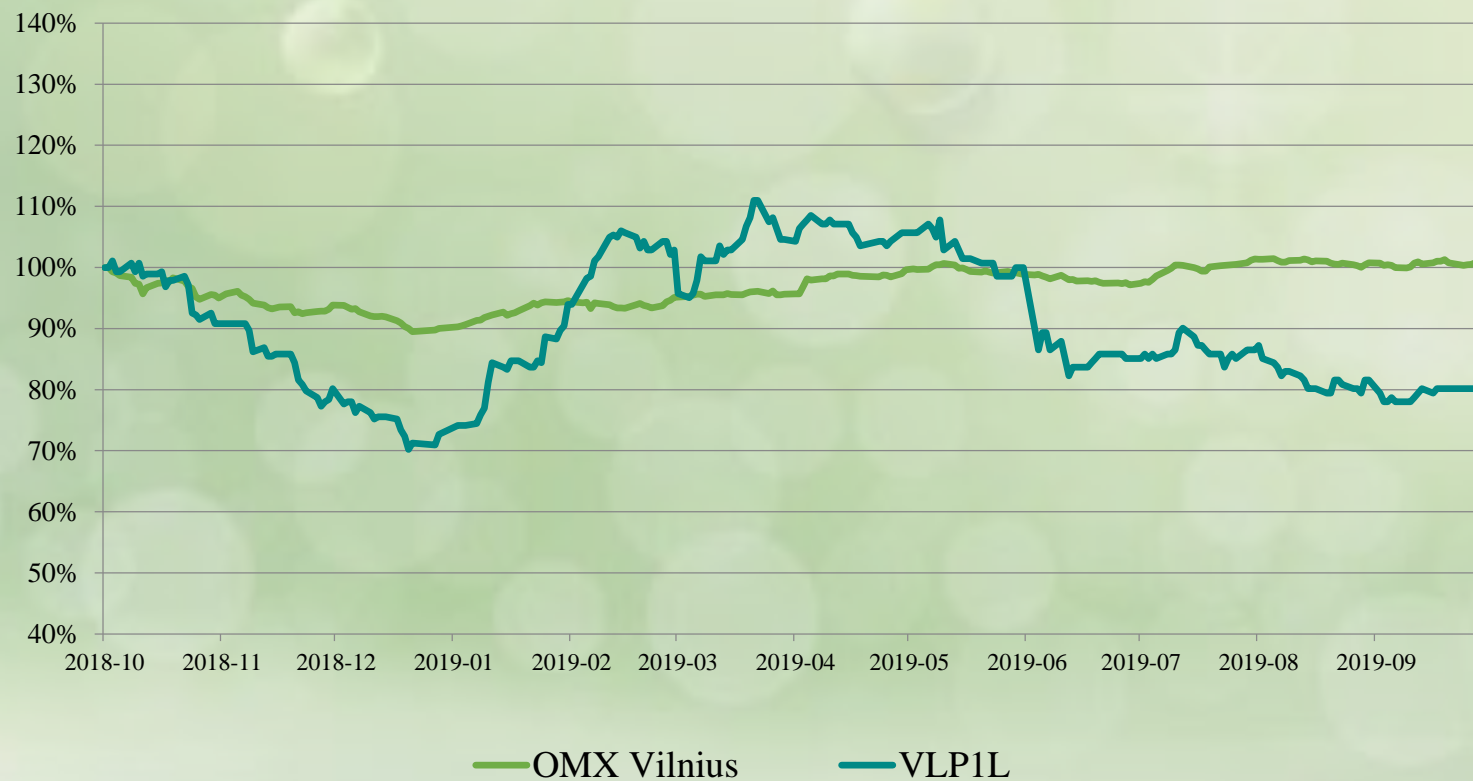
32%

17%

Multi Asset
Selection Fund



Vilkyškių pieninė AB share price and OMX Vilnius indexes comparison 2018 October - 2019 September





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