

PRESS RELEASE

The Board of Directors of Valsoia S.p.A. approves the Half Year Report at 30 June 2018

EBITDA and Net Profit improvement Export growth trend continues Positive Net Financial Position

Bologna, 2 August 2018

The Board of Directors of Valsoia S.p.A. met today under the chairmanship of Mr. Lorenzo Sassoli de Bianchi, and approved the **2018 Half Year Report**.

- Sales revenues (a): € 42.627 mln (€ 43.150 mln at 30 June 2017 -1.2%);
- EBITDA (b): € 5.908 mln (€ 5.857 mln at 30 June 2017 +0.9%);
- EBIT: € 4.867 mln (€ 4.903 mln at 30 June 2017% -0.7%);
- Net Profit: € 3.475 mln (€ 3.407 mln at 30 June 2017 +2.0%);
- Net Financial Position: positive at € 15.192 mln (€ 15.119 mln at 31 December 2017, € 18.212 mln at 30 June 2017);
- The month of July recorded increasing sales revenues both in Italy and abroad. In particular, exports continue the sustained growth trend in line with the first half.

(a) Income statement data with retrospective application of IFRS 15 starting from 1 January 2018. In order to provide a better comparison of the income statement figures, the data for the first half of 2017 has been reclassified according to the new accounting standards.

(b) Intermediate result not defined as an accounting measure within the IFRS accounting standards and therefore the criteria for defining this parameter may not be the same as those adopted by other companies.

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The Chairman Lorenzo Sassoli de Bianchi commented on the results, *"The results confirm the consolidation of the Company's turnover in a very competitive environment and the significant growth in export sales. The company's profitability is increasing in the first half."*

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MAIN ECONOMIC AND FINANCIAL FIGURES

Income Statement Ratios (Euro 000)	June 30, 2018		June 30, 2017		Change	
	Euros	%	Euros	%	Euros	%
Sales revenues s(a)	42,627	100	43,150	100	(523)	(1.2)
Value of Production	42,586	99.9	42,981	99.6	(395)	(0.9)
Gross operating result (Ebitda) (b)	5,908	13.9	5,857	13.6	51	0.9
Operating result (Ebit)	4,867	11.4	4,903	11.4	(36)	(0.7)
Pre-tax profit	4,773	11.2	4,734	11.0	39	0.8
Net profit for the period	3,475	8.2	3,407	7.9	68	2.0

Net Financial Position (Euro 000) (*)	Value			Change at 06.30.2018	
	06.30.18	12.31.17	06.30.17	Vs 12.31.17	Vs 06.30.17
Net Financial Position positive (c)	15,192	15,119	18,212	73	(3,020)

(c) For more details please refer to the following paragraph.

OPERATING PERFORMANCE

In the first half of 2018, the Company recorded sales revenues of € 42.6 million (already reported according to the new IFRS 15 standard), a slight decrease of € 0.5 million (-1.2% vs. the same period of 2017). This trend is a consequence of overall consumption declining in the last 6 months in the health markets managed by Valsoia, together with a less favorable weather season for ice cream sales compared to the same period of the previous year. These market performances are part of a context of total grocery consumption in stagnation since the beginning of 2018: -1.5% in the first half of 2017 (source of Nielsen total of iper+super+libero servizio Italia).

The health division recorded a decrease in sales revenues (-2.4 million euros) compared to the first half of 2017, in particular due to the delay in the Meal Solutions and *Gelato* lines. In particular, for the latter, the trend is a

consequence of the recent entry of numerous competitors in the vegetable alternatives and lactose-free markets which were only marginally present in the first half of 2017. There is also a climate situation in the first half of 2018, unfavorable to the consumption of ice cream with an effect on sell-out of the alternative vegetable market estimated at around -10%.

The result of the Food Division was positive in the first half, reaching a total of € 13.4 million (+ 9.9% vs. the first half of 2017).

The very positive performance of sales abroad continued, + 19.5% vs the same period in 2017 both on the European and US markets. The growth recorded to date mainly concerns the *Gelato* lines which, thanks to their international growth, at least partially offset the aforementioned decline in Italy.

The EBITDA for the first half amounted to € 5.9 million, an increase of 0.9% compared to the same period of 2017 and an improvement of the EBITDA margin equal to 13.9% compared to 13.6% in the same period last year. During the period, the cost of sales and logistics costs decreased as a result of a "cost saving" project carried out in 2017, in addition to a more favorable sales mix.

The Company has continued the policy of strong Consumer and Trade Marketing activities, optimizing the related costs with equal effectiveness.

The structural costs are increasing for about 400 thousand euros deriving from, other than a physiological increase, from the strengthening of the organization and from higher costs resulting from the reorganization of the commercial structure implemented at the beginning of the year.

As a result, the Net Profit for the period amounted to 3.5 million euros, up compared to the same period in 2017 (+ 2%).

BALANCE SHEET DATA

As of June 30th, the Company's overall net financial position was positive, in line with December 31, 2017. The reduction in the Net Financial Position compared to the same period last year is essentially due to cash disbursements deriving from the acquisition of the company branch Diète.Tic finalized in the second part of the previous year. In the first half of 2018 current operations continued the positive cash flow generation with a primary operating cash flow of € 5.8 million. In the same period, the increase in net working capital, considering the seasonality of the activities related to ice cream, absorbed 1.2 million euros liquidity and made investments equal to 817 thousand euros. Valsaia, in line with its own policy, distributed dividends equal to 3.5 million euros in the period.

It should also be noted that in order to be able to rapidly address any investment opportunities and in light of the current level of interest rates, the Company has stipulated a medium / long-term unsecured loan for 10 million euros with primary Credit Institute.

Significant events following the closing of First Half 2018 and Outlook

In July, total sales in Italy are up compared to the same period of the previous year. International sales also

continued the sustained growth trend in line with the first semester.

On 2 July 2018, Valsoia S.p.A signed an agreement with Conserve Italia Soc. coop. agricola, leader in the fruit and vegetable preserves in Europe, for the exclusive license of the Pomodorissimo - Santa Rosa brand, which Valsoia S.p.A retains ownership. The agreement will be effective from 1 November 2018, with an extendable three-year duration. This alliance allows the strengthening of the Pomodorissimo brand through the partnership with an important operator specialized in the sector, and allows Valsoia, while substantially maintaining its marginality, to focus on its core business

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The Manager Responsible for Preparing the Company's Financial Reports, Carlo Emiliani, hereby declares, pursuant to Article 154 bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information contained in this press release matches the documentary results, books and accounting records.

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Valsoia S.p.A. (www.valsoiaspa.it) founded in 1990, has developed the Italian market of soy-based vegetable products, growing from an initial turnover of around €350,000 million (1990) to the current €111.9 million¹ and is now the leading company in the healthfood market in Italy. For consumers, the Valsoia brand represents innovation and attention to health through products that are tasty, natural and healthy. In 2011 Valsoia acquired Santa Rosa, a historical brand in the segments of jams and tomato preserves. On 14 July 2006, Valsoia S.p.A. was listed on the MTA stock exchange organised and managed by Borsa Italiana S.p.A.

For more information

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¹ Source: 2017 Financial Statements

Attachments:

- Balance Sheet
- Income Statement
- Comprehensive income statement
- Statement of Cash Flows
- Statement of changes in Shareholders' Equity

ACCOUNTING STATEMENTS

IN EUROS

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2017	December 31, 2017 redefined
CURRENT ASSETS			
Cash and cash equivalents	(1)	25,999,113	15,937,063
Trade receivables	(2)	18,064,176	14,413,518
Inventories	(3)	8,369,490	7,984,850
Other current assets	(4)	881,896	1,742,813
Total current assets		53,314,675	40,078,244
NON-CURRENT ASSETS			
Goodwill	(5)	8,198,307	8,198,307
Intangible assets	(6)	23,941,665	24,117,605
Property, plan and equipment	(7)	10,249,559	10,303,041
Financial assets	(8)	110,000	110,000
Deferred tax assets	(9)	0	0
Other non-current assets	(10)	153,116	153,015
Total non-current assets		42,652,647	42,881,968
TOTAL ASSETS		95,967,322	82,960,212

STATEMENT OF FINANCIAL POSITION

Notes

June 30, 2018

December 31, 2017 redefined

Current liabilities

Current payables due to banks	(11)	720,252	100,492
Trade payables	(12)	20,446,053	17,870,683
Tax payables	(13)	506,864	456,170
Provision for risks	(14)	90,775	230,901
Other current liabilities	(15)	2,424,555	2,498,546
Total current liabilities		24,188,499	21,156,792

NON-CURRENT LIABILITIES

Non-current payables due to banks	(16)	10,086,432	717,819
Provisions for deferred taxes	(17)	1,273,621	567,690
Provisions for post-employment benefits	(18)	436,153	507,050
Total non-current liabilities		11,796,206	1,792,559

SHAREHOLDERS' EQUITY**(19)**

Share Capital		3,503,025	3,503,025
Legal Reserve		700,605	690,082
Revaluation reserve		16,765,093	16,765,093
Other IAS/IFRS adjustments reserve		(1,202,290)	(1,202,290)
Other reserves		36,741,404	33,263,296
Profit		3,474,780	6,991,655
Total Shareholders' Equity		59,982,617	60,010,861

TOTAL**95,967,322****82,960,212**

ACCOUNTING STATEMENTS

IN EUROS

INCOME STATEMENT	Notes	June 30, 2018	December 31, 2017 redefined
VALUE OF PRODUCTION	(20)		
Revenue from sales and services		42,626,826	43,149,785
Changes in inventories of finished products		(235,716)	(348,987)
Other revenue and income		195,246	179,793
Total Value of production		42,586,356	42,980,591
OPERATING COSTS	(21)		
Purchases		(21,898,996)	(22,197,100)
Services		(9,488,580)	(10,027,767)
Cost of use of assets owned by other, of third party assets		(275,025)	(245,157)
Labour costs		(4,868,044)	(4,539,275)
Changes in raw materials inventory		456,824	448,332
Other overheads		(604,831)	(563,115)
Totale operating costs		(36,678,652)	(37,124,082)
GROSS OPERATING RESULT (EBITDA)		5,907,704	5,856,509
Amortisation and depreciation	(22)	(1,040,381)	(953,579)
Net operating result (EBIT)		4,867,323	4,902,930
Net financial income/(changes)	(23)	(94,459)	
PRE-TAX PROFIT (LOSS)		4,772,864	4,734,160
TAXES	(24)		
Income taxes		(592,153)	(815,790)
Taxes - non-recurring effects		(705,931)	(511,138)
Total Taxes		(1,298,084)	(1,326,928)
PROFIT (LOSS) FOR THE PERIOD		3,474,780	3,407,232
Basic EPS	(25)	0.327	0.323
Diluted EPS	(25)	0.327	0.322

ACCOUNTING STATEMENTS

IN EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes (26)	June 30, 2018	December 31, 2017 redefined
PROFIT(LOSS) FOR THE PERIOD		3,474,780	3,407,232
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD		0	0
Total		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)		3,474,780	3,407,232

ACCOUNTING STATEMENTS

IN EUROS

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT	June 30, 2018	June 30, 2017
(FIGURES IN THOUSANDS OF EUROS)		
A Opening short-term net cash	15,836,571	19,287,042
B Cash flow from operating activities for the period		
. Profit (loss) for the period	3,474,780	3,407,231
. Net financial income/(charges) and income taxes	1,392,542	1,495,698
. Amortisation, depreciation and impairment losses Fixed assets	1,040,381	953,579
. (gain)-loss on sold assets	6,366	388
. SOP Charges	0	97,055
. Net change in provision and other non-monetary items	(111,027)	(14,018)
- <i>Cash flow from operating activities before changes in work capital</i>	5,803,042	5,939,933
(Increase) / Decrease in trade receivables	(3,651,282)	(4,781,941)
(Increase) / Decrease in inventories	(413,115)	(215,917)
Increase / (Decrease) in trade payables	2,575,371	5,322,074
Net change in other current assets/liabilities	245,469	(1,898,596)
- <i>Change in Working Capital</i>	(1,243,557)	(1,574,380)
- <i>Changes in other operating assets/liabilities</i>	(70,898)	(74,507)
Total (B)	4,488,587	4,291,046
C Taxes paid during the period	0	(317,647)
D Cash flow used in investement activities		
- Net increases in property, plant and equipment	(759,492)	(555,990)
- Net increases in intangible assets	(57,833)	(26,640)
- Changes in other non-operating assets/liabilities	(100)	10,052
Total (D)	(817,425)	(572,578)
E Cash flow used in financial activities		
Increased/(decrease) in payables Non- current financing and net financial income/(changes)	9,368,612	24,807
Net financial income/(charges)	(94,459)	(168,770)
Dividends	(3,503,025)	(3,503,025)
Total (E)	5,771,128	(3,646,988)
F Cash flow for the period (B+C+D+E)	9,442,290	(246,167)
G Closing short term net cash (A+F)	25,278,861	19,040,875

ACCOUNTING STATEMENTS

IN EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	December 31, 2017 redefined	ADJ.RESERVE IAS/IFRS	OTHER RESERVES	PROFIT/(LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AT JANUARY 1, 2017	3,503,025	690,082	13,595,782	(1,001,591)	31,287,264	8,793,866	56,868,428
FTA IFRS 15 adj				(200,699)			(200,699)
BALANCE AT JANUARY 1, 2017 REDEFINED	3,503,025	690,082	13,595,782	(1,202,290)	31,287,264	8,793,866	56,667,729
Changes in 1st half of 2017							
Allocation of 2016 profit					5,290,841	(5,290,841)	0
Dividends						(3,503,025)	(3,503,025)
2016-2019 SOP charges					97,055		97,055
Allocation subst.tax reserve			3,169,311		(3,169,311)		0
Comprehensive income (loss)							
- Result of the period						3,407,231	3,407,231
Balance at June 30, 2017	3,503,025	690,082	16,765,093	(1,202,290)	33,505,849	3,407,231	56,668,990
Balance at January 1, 2018	3,503,025	690,082	16,765,093	(1,001,591)	33,263,297	6,923,462	60,143,368
FTA IFRS 15 adj				(200,699)		68,193	(132,506)
BALANCE AT JANUARY 1, 2018 REDEFINED	3,503,025	690,082	16,765,093	(1,202,290)	33,263,297	6,991,655	60,010,862
Changes in 1st half of 2018							
Allocation of 2017 profit		10,523			3,409,914	(3,420,437)	0
Dividends						(3,503,025)	(3,503,025)
FTA IFRS 15 adj on 2017 profit					68,193	(68,193)	0
Comprehensive income (loss)							
- Result of the period						3,474,780	3,474,780
Balance at June 30, 2018	3,503,025	700,605	16,765,093	(1,202,290)	36,741,404	3,474,780	59,982,617