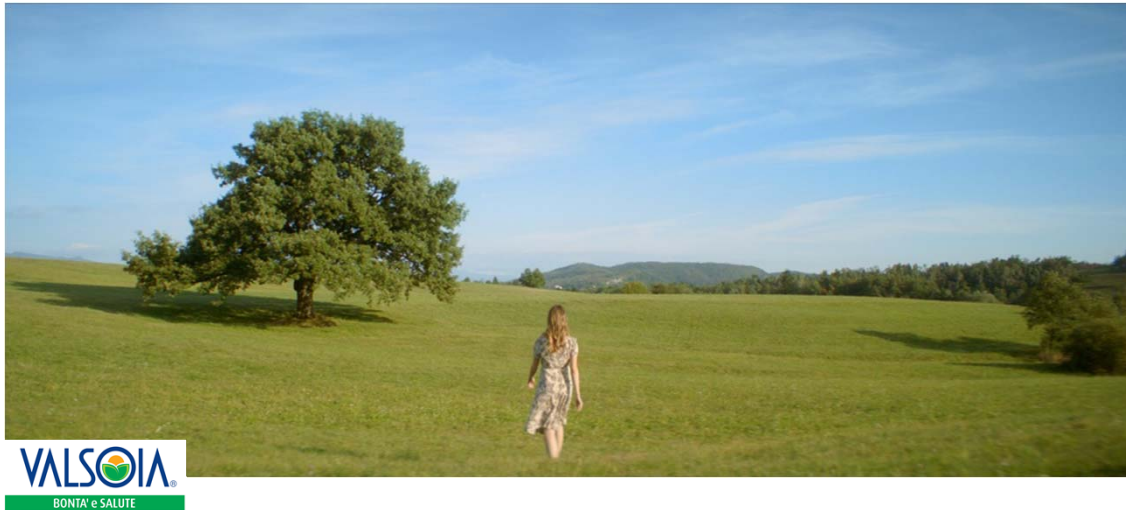




Corporate Presentation  
H1 2019

A thin, dark blue diagonal line is positioned to the right of the text, extending from the top right towards the bottom right.



## Company Overview

Market

Competitive Landscape

Strategy & Outlook

Financials

# Valsoia at a glance

## COMPANY

Valsoia is the pioneer for non-dairy, plant-based products in the Italian market.

## MISSION

Valsoia's mission is to provide **healthy, functional, nutritionally-balanced** products that are **tasty and enjoyable**, drawing on traditional Italian expertise and culinary culture. Valsoia's **from-breakfast-to-dinner** range.

## BRANDS



## FIGURES



+12 k PoS  
Worldwide



Over 7 million  
families



9 product  
categories



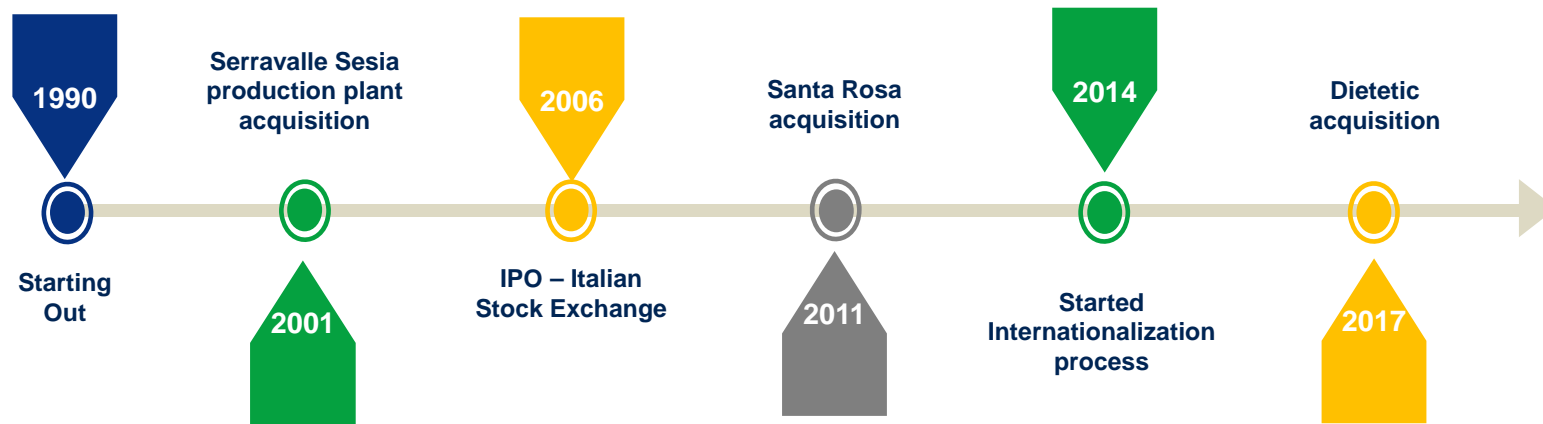
€2.3m  
turnover in  
FY 2018



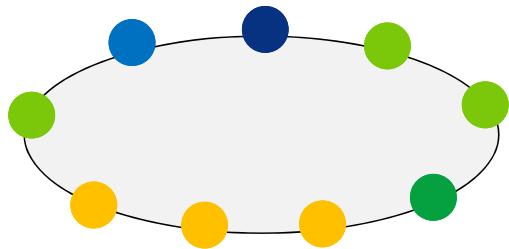
R&D for  
Product  
innovation

Founded in 1990 by neurologist Lorenzo Sassoli and listed on the Italian stock market since 2006.

Today **Valsoia** is expanding in the domestic and international markets, through product innovation and acquisitions



## Board of Directors



Lorenzo Sassoli  
● *Chairman*

Susanna Zucchelli  
● *Independent Director*

Furio Burnelli  
● *Deputy Chairman*

Francesca Postacchini  
● *Independent Director*

Ruggero Ariotti  
● *Deputy Chairman*

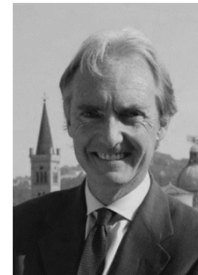
Camilla Chiusoli  
● *Independent Director*

Cesare Doria de Zuliani  
● *Honorary Chairman*

Gregorio Sassoli  
● *Director*

Andrea Panzani  
● *Chief Executive Officer*

## Top Management



**Chairman**  
 Lorenzo Sassoli

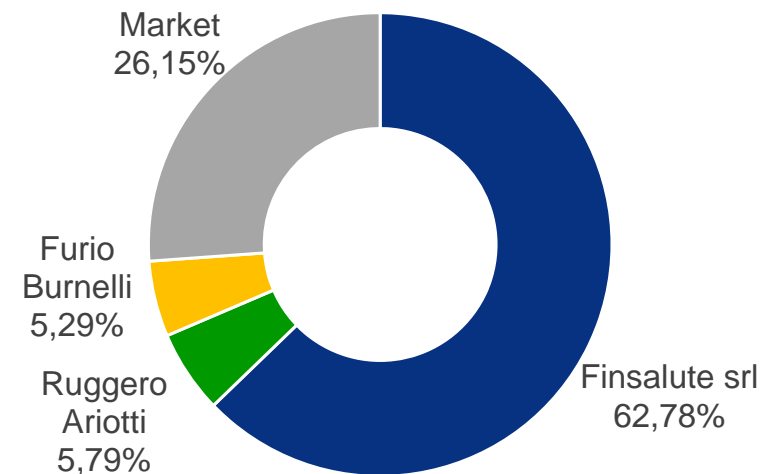


**CEO**  
 Andrea Panzani

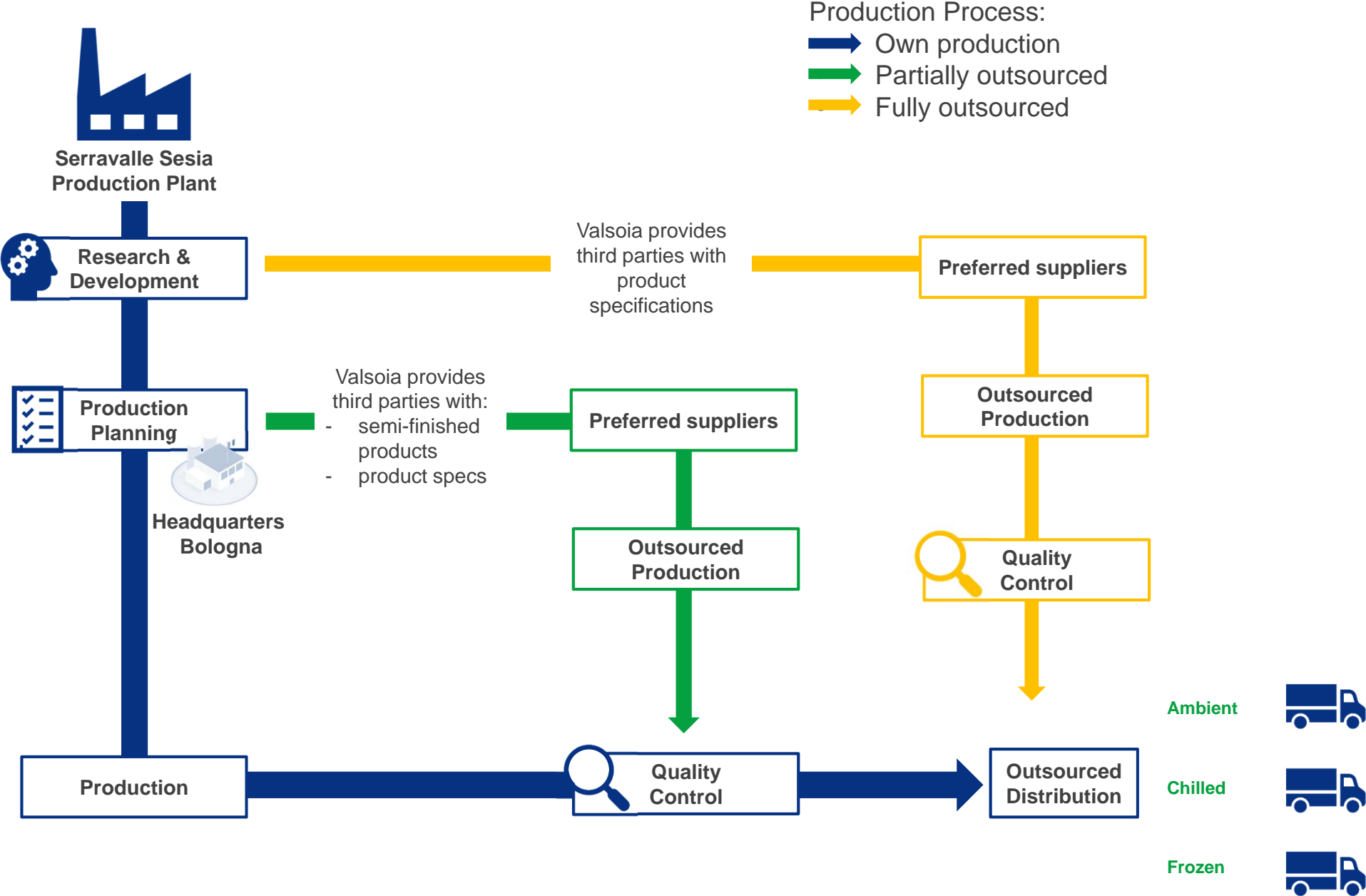


**CFO**  
 Nicola Mastacchi

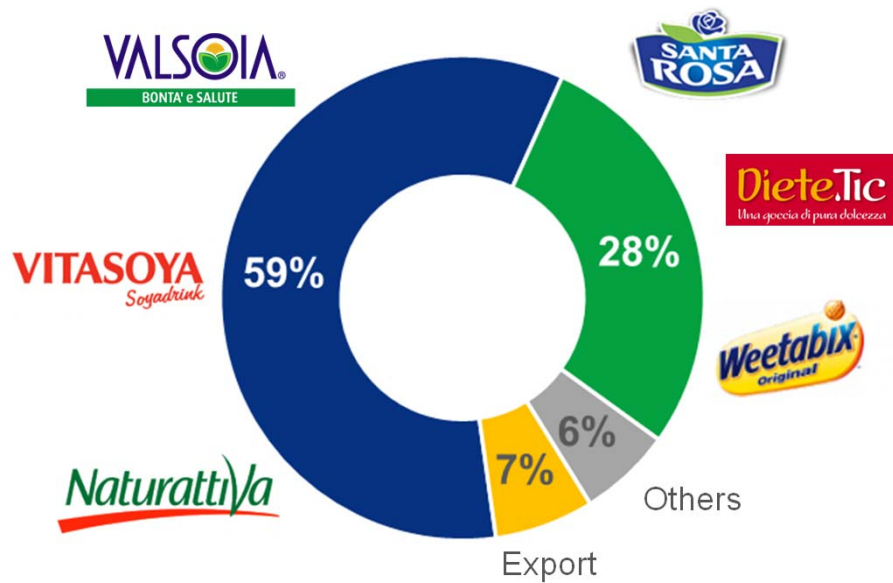
## Shareholder Structure as at May 2018



# Business Operation Model



## Revenues Breakdown H1 2019



## Healthy products

- The healthy products segment corresponds to Valsoia Bontà e Salute, Vitasoy and Naturattiva.
- It accounts for about 59% of sales

## Food

- Our food segment products include Santa Rosa, Diete.Tic, and Weetabix distribution
- Food products account for 28% of sales



Valsoia Bontà & Salute offers a wide variety of tasty, natural and healthy products. Valsoia's from-breakfast-to-dinner offer is ideal for every age group

<p><b>Non-dairy drink</b></p>	<p><b>Non-dairy yogurt</b></p>	<p><b>Non-dairy Ice cream</b></p>	<p><b>Non-dairy dessert</b></p>	<p><b>Non-dairy cheese</b></p>	<p><b>Meat Alternatives</b></p>
<p><b>Vegan meals And pizza</b></p>	<p><b>Non-dairy spread</b></p>	<p><b>Vegan snacks</b></p>	<p><b>Vegan dressing</b></p>	<p><b>Others</b></p>	
<p><b>Other Brands</b></p>	<p><b>VITASOYA</b> High quality soyadrink  <b>Naturattiva</b> Organic products</p>				





Santa Rosa, purchased in 2011, is a historic brand in the Italian food tradition, offers high quality standard jams, choosing only the highest quality fruit through strict purchasing specifications.



Diete.Tic, purchased in 2017, is a liquid sweetener, sugar substitute, with a unique and patented process. Completely calorie-free, it does not alter the taste of food or drinks and is highly soluble.



Valsoia distributes Weetabix in Italy. A range of whole grains for a wellness breakfast. Produced by the Weetabix Food Company. They are unique, loved and appreciated all over the world.



Valsoia is the brand licensee for BlueNyx. It is a dietary supplement with an exclusive MGTS 3 ACTION formula that promotes the natural and regenerating path of one's sleep. Thanks to the presence of vitamins and mineral salts, it contributes positively to the energy metabolism, to reduce the sense of tiredness and to maintain the functionality of the immune system.





Company Overview

**Market**

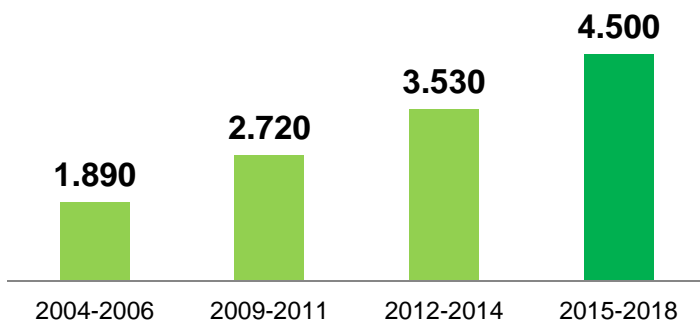
Competitive Landscape

Strategy & Outlook

Financials

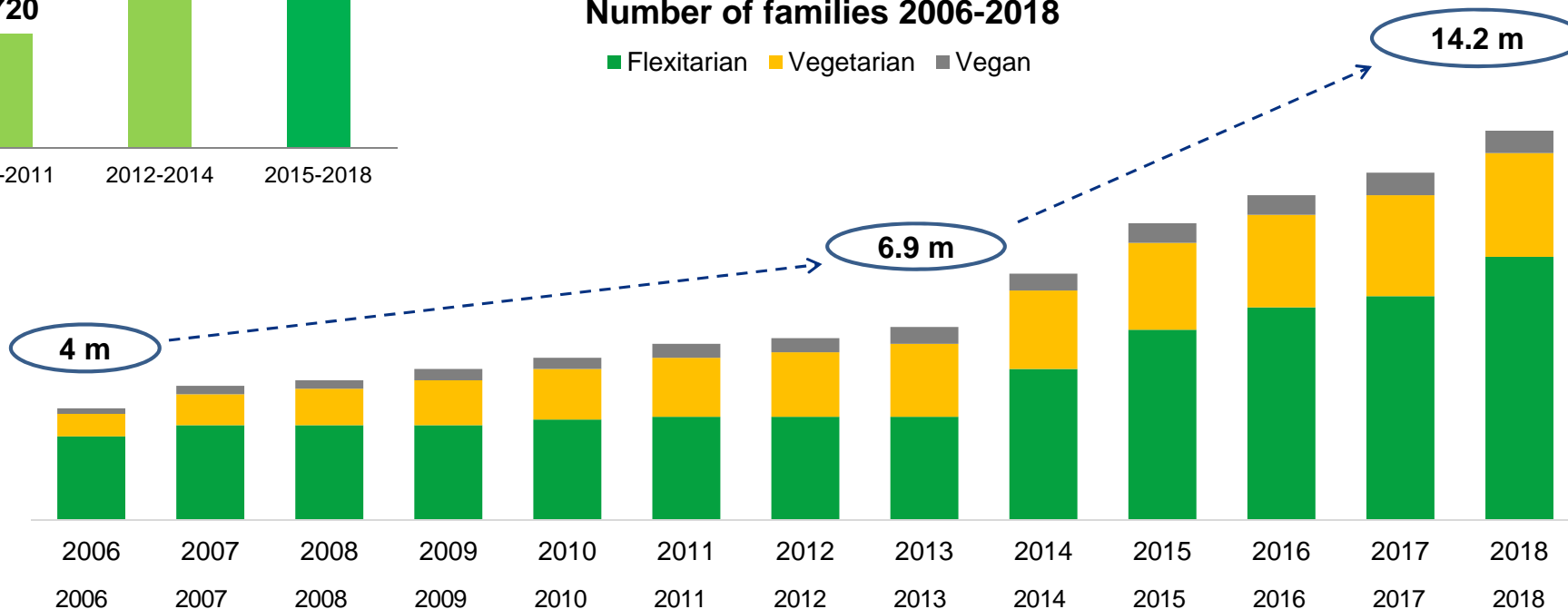
# Non-dairy and plant-based alternatives market trend and number of families

Families purchasing Valsoia products



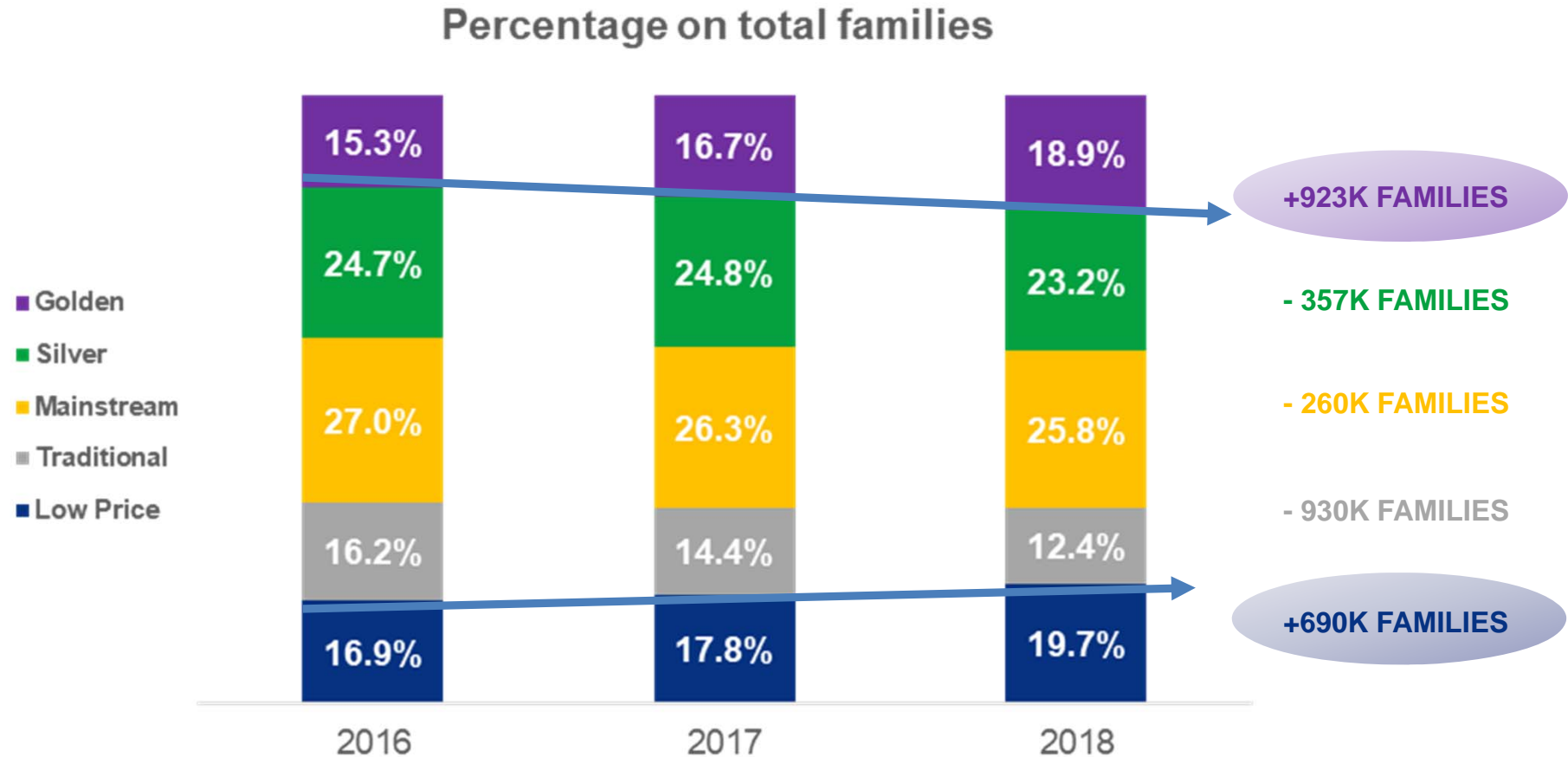
Number of families 2006-2018

■ Flexitarian ■ Vegetarian ■ Vegan



<b>Total Vegetable purchases</b>	4.0	4.8	5.0	5.4	5.8	6.3	6.5	6.9	8.8	10.6	11.6	12.4	14.2
<b>% Market penetration on total families</b>	16%	19%	20%	22%	23%	25%	26%	28%	35%	43%	47%	50%	57%

# The polarization of preferences: Favorable to the target of plant-based product markets



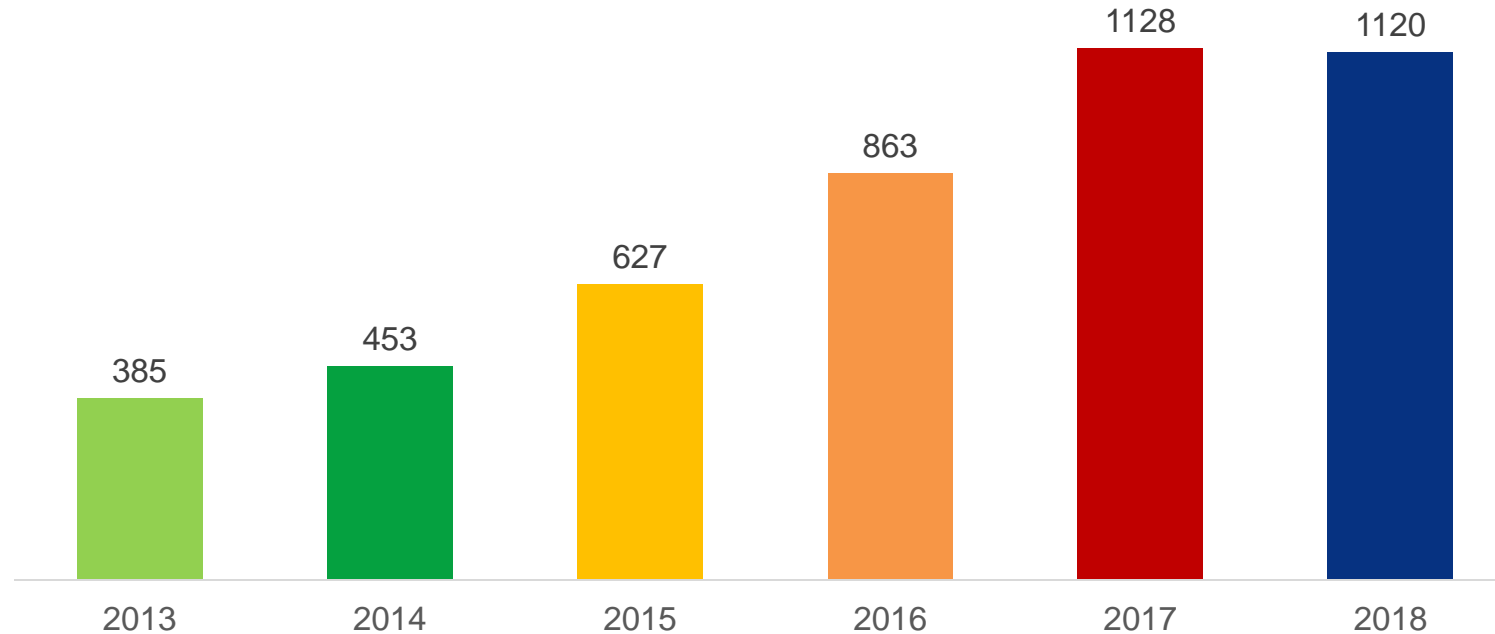
Purchase habits are changing, customers preferences are polarizing on the higher and lower range of price. It means that **Valsoia's target segment is growing** through the years.

"Golden consumers" are the most likely to spend on healthy eating habits.

# Italy healthy food consumer trends (Sell out value)

	Var. % April 2014 – April 2018	Var. % January 2018 – December 2018
Lactose Free	+9.3%	+6.0%
Gluten Free	+15.5%	+4.5%
Animal Protein Substitutes	+14.1%	-4.7%
Dietary	+2.8%	+0.6%
Supplements		+4.2%

SKU 2013 – 2018 (MD)



The market is becoming increasingly competitive with a growing number of SKU's on shelves leading to a risk of overcrowding. Starting in 2018 a small dip can be identified with the beginnings of a rationalization process



Company Overview

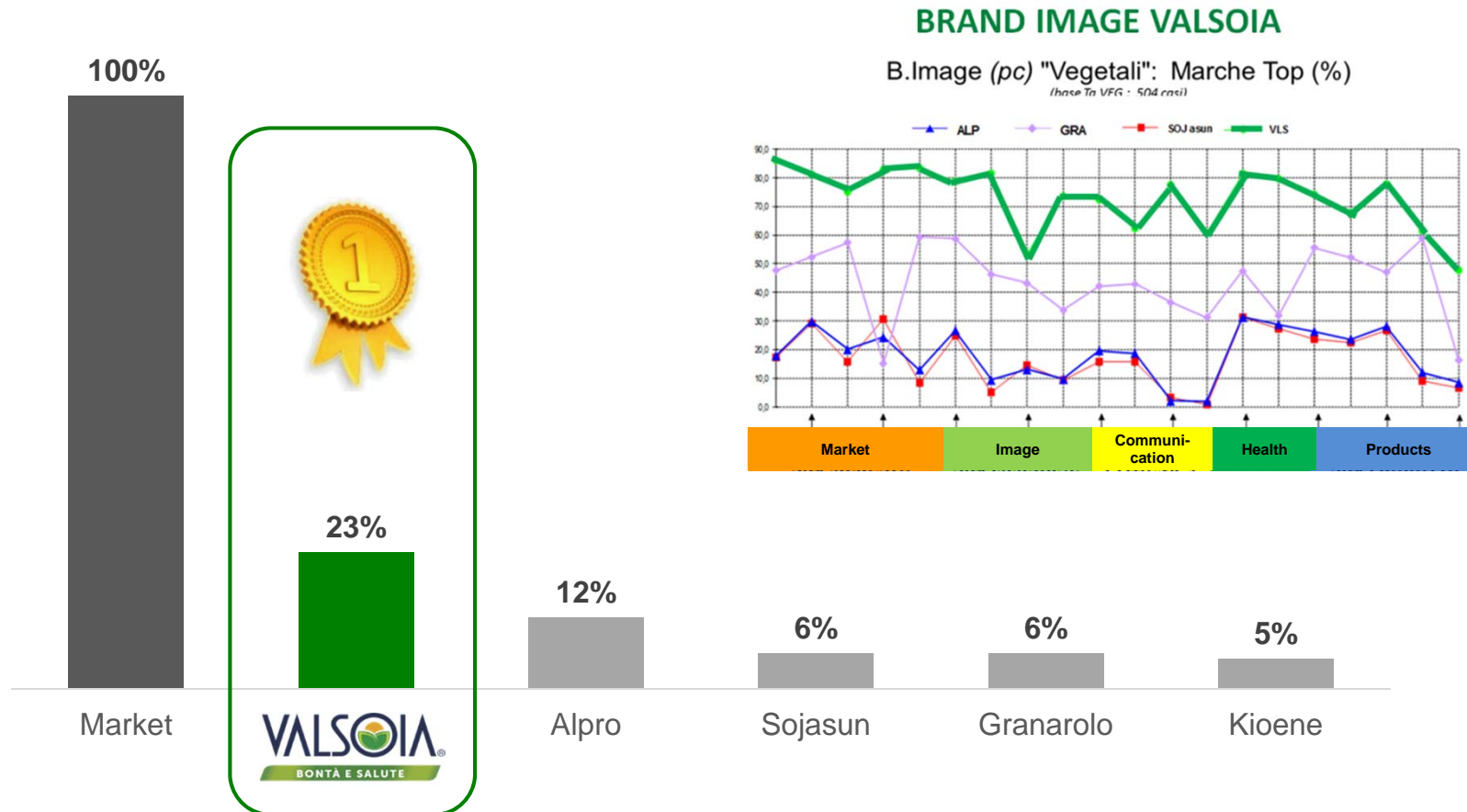
Market

**Competitive Landscape**

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## Plant-based products Market share in Italy As of February 2019

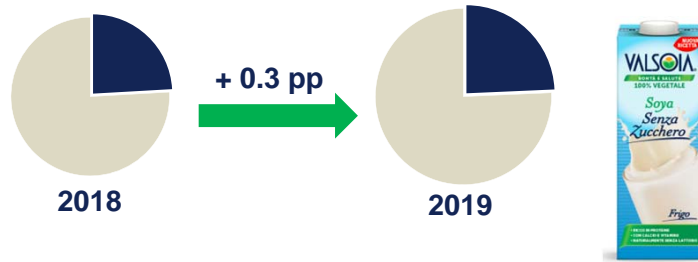


Valsoia continues to hold the largest market share in Italy.

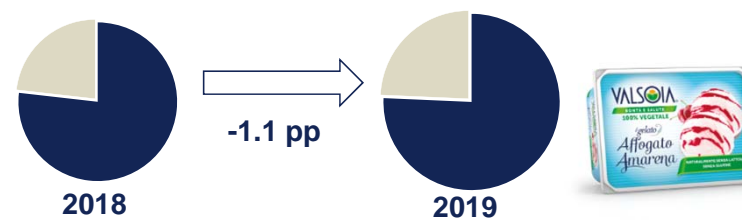


# Market Shares

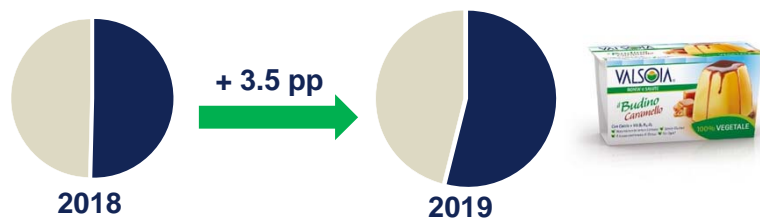
## Soy Milk



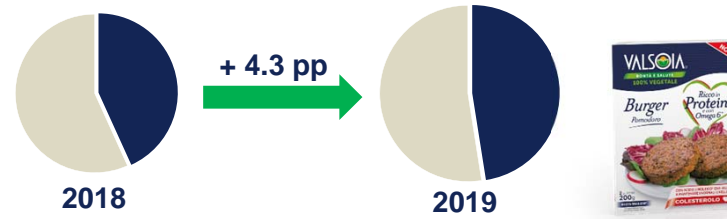
## Vegan Ice Cream (No amando)



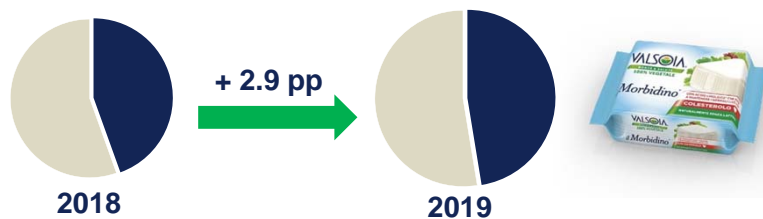
## Vegan Desserts



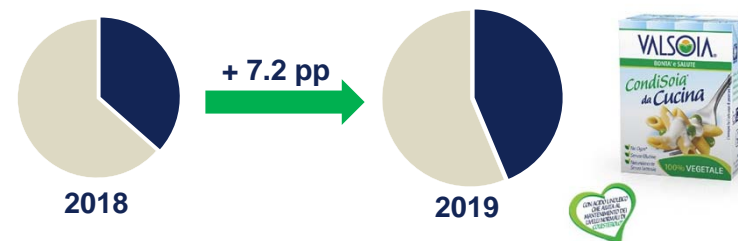
## Vegan Frozen Meals



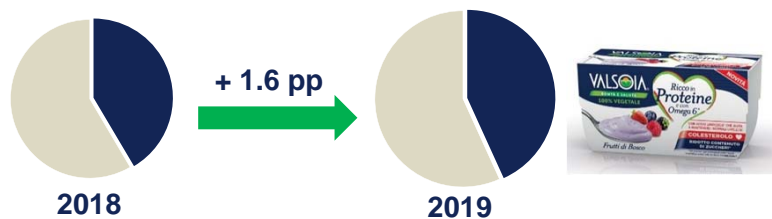
## Vegan Cheese



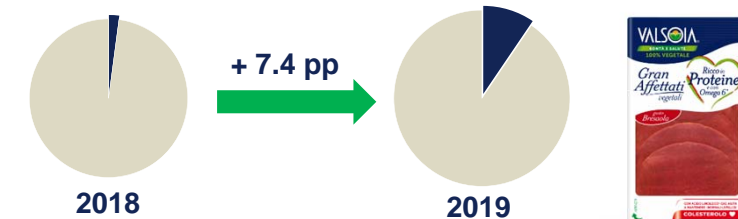
## Vegan Cream (Condiment)



## Vegan Yogurt



## Meat Alternative Coldcuts



The **Reputation Institute** analysis is based on:

- An **annual** study since 2006
- A sample of **30,000 subjects** in Italy
- The perimeter studied regards **388 companies** operating in Italy

7 rational dimensions explain reputation and tell you where to focus your actions

---

**1. Products/Services**

Offers high quality products and services, which are excellent and reliable

**2. Innovation**

Is an innovative company, offers innovative products/services or is innovative in the way it acts

**3. Workplace**

Has an attractive workplace, offers equal opportunities, fairly rewards its employees

**4. Governance**

Is fair in the way it operates, behaves ethically, is open and transparent

**5. Citizenship**

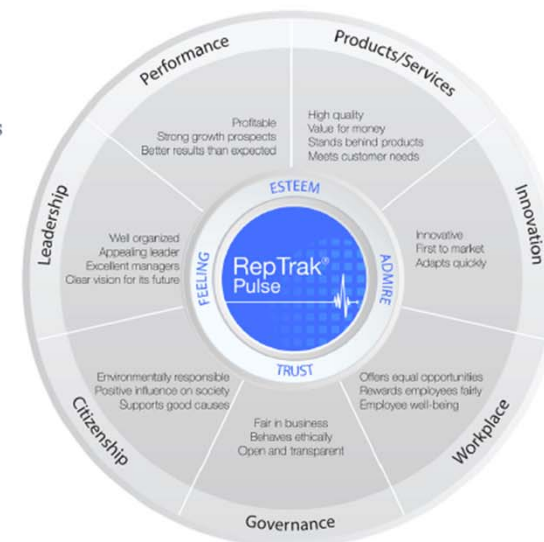
Has a positive influence on society, support good causes and protect the environment

**6. Leadership**

Has a strong leadership, has a clear vision of its future, is a well organized company

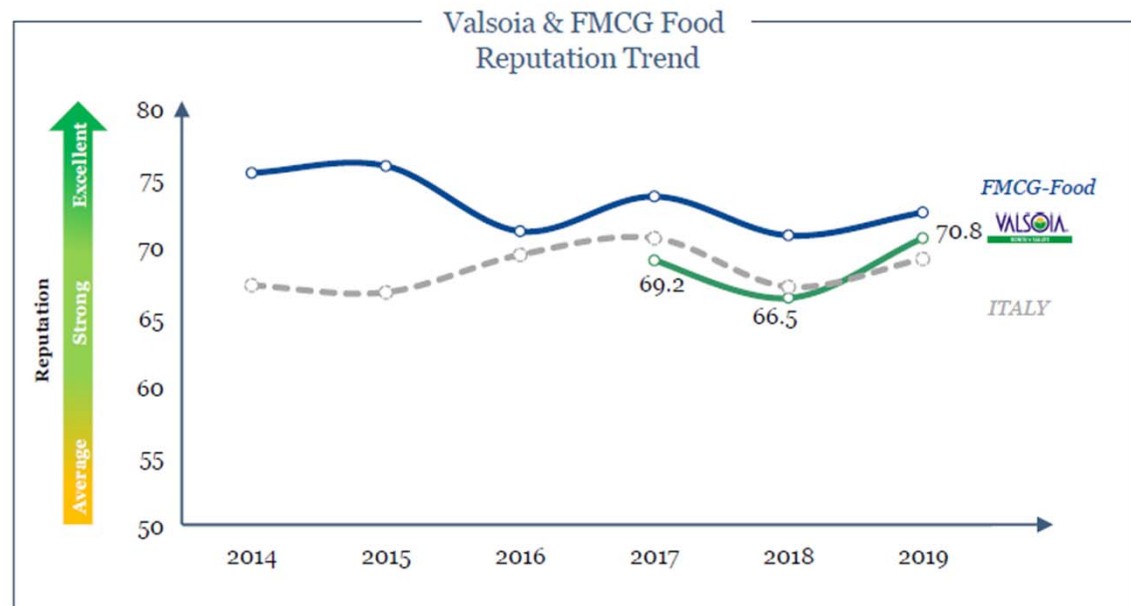
**7. Performance**

Deliver better than expected financial results, is a profitable company, shows strong prospects for future growth



## Valsoia and the industry trend in Italy

Rank	Industries	Reputation
1	Luxury Products	74,63
2	Electrical & Electronics	72,67
3	FMCG – Food	72,65
4	Automotive	72,56
5	Streetwear	72,39
6	Industrial	71,53
7	FMCG - Home & Personal Care	71,50
8	FMCG – Beverage	71,31
9	Financial – Diversified	70,96
10	Entertainment – Media	70,43
11	Retail	69,38
12	Logistic	68,66
13	Pharmaceutical	67,91
14	Tourism	64,11
15	Financial – Insurance	63,96
16	Telco	61,70
17	Energy & Utilities	60,51
18	Financial – Bank	59,14
19	Entertainment – Gambling	58,08



0-33 Poor 40-53 Weak 60-65 Average 70-75 Strong 80+ Excellent

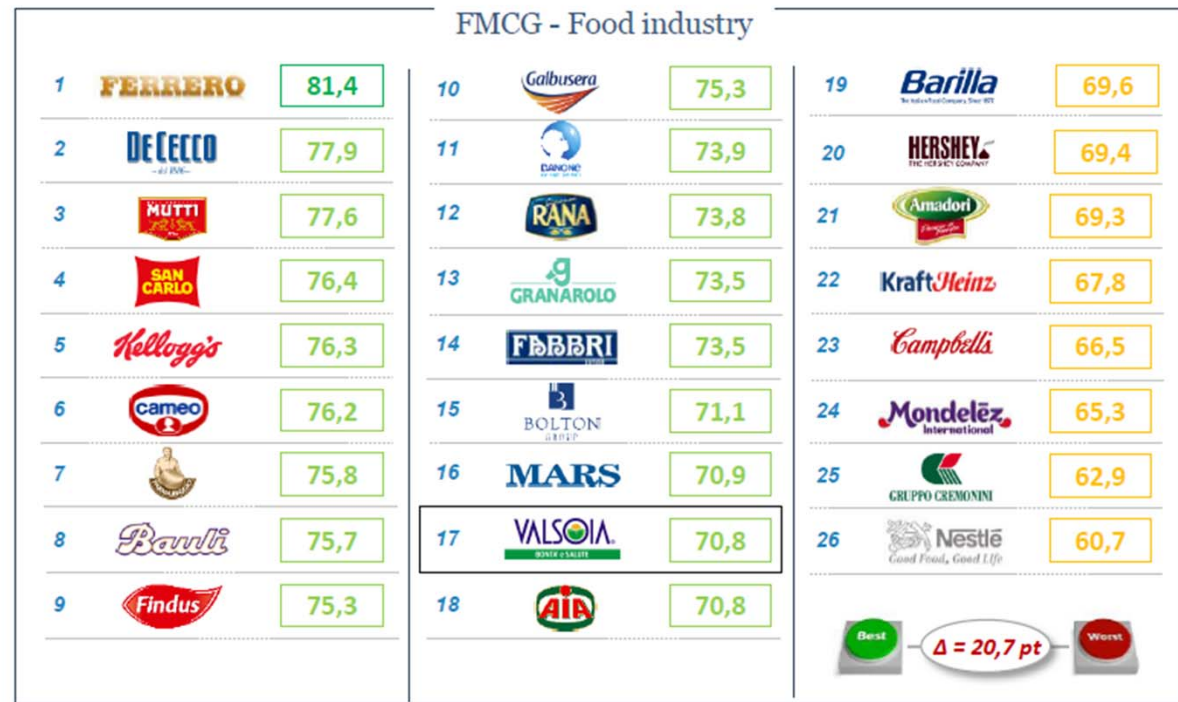
Source: Reputation Institute – Italy RepTrak® Pulse 2014- 2019

# Reputation Institute Analysis (3/3)

Within the FMCG – Food Category Valsoia ranks 17<sup>th</sup>

## What's your Reputation context?

Rank	Industries	Reputation
1	Luxury Products	74,63
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0-39 Poor 40-59 Weak 60-69 Average 70-79 Strong 80+ Excellent

Source: Reputation Institute – Italy RepTrak® Pulse 2019





## THE WORLD IS BECOMING VEGETARIAN AND SUSTAINABLE

Valsoia is at the center of some of the most heavily discussed issues of the 21<sup>st</sup> century.

The New York Times

Opinion

TURNING POINTS

### Six Ways We Can Adapt to Climate Change

THE NEW AGE OF MEAT: NO ANIMAL REQUIRED

Panorama

Il business è in crescita esponenziale: gli analisti di Barclays stimano che il mercato delle carni alternative a base vegetale – quelle, per intenderci, totalmente uguali alla carne vera, con tanto di effetto sangue e crosticina - potrebbe crescere, nei prossimi 10 anni, del 1.000 per cento, toccando i 140 miliardi di dollari. Numeri giganteschi ma verosimili, se si pensa che ai primi di

la Repubblica

### 2050, tutti vegetariani ecco la dieta del futuro

Entro quarant'anni la popolazione mondiale aumenterà di due miliardi e le risorse idriche scarseggeranno. Secondo un team di studiosi svedesi, per evitare carestie dovremo mangiare frutta e verdura anziché bistecche

VN

New York City to Phase out Processed Meat and Slash Beef Consumption by 50%

by Roxanne Libatique · 04/23/2019

Il Sole 24 ORE

Vegani, carnivori o onnivori? Ecco il futuro dell'alimentazione



Company Overview

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## Head

Valsoia top-level brand image



## Mouth

Leadership in perceived quality (80% of products have been successfully tested, and are successful compared to competitors)



## Innovation

Highly focused on innovation through R&D: 75% of new products are still on the shelves after 3 years



## Execution

A strengthened and highly qualified sales force, improve collaboration with retailers



## International Expansion

In progress, largely successful



## M&A

Targeting companies in Italy and abroad

- Valsoia is market leader with consolidated strong brand image and brand awareness due to high investments in advertising and consumer marketing
- 2018 has seen **several new marketing campaigns** focusing on contests promoting the consumption of healthy products



## Key Messages:

- 100% vegetable, tasty, natural, non-dairy
- Respect for animals and the environment
- A healthy diet for the whole family
- A brand you can trust



## Key Messages:

- Through the “Lezioni di Etichetta” campaign Valsoia teaches the general public how to identify products with greater ease



- Significant investments in advertising continues in 2019
- Enlarging the coverage from Italy to international countries (USA and Germany)
- Digital campaigns also play a large and increasing role

**Valsoia leader, with a share of voice of over 45%**



## Consumer evolution

### NATIVE 1.0

Lactose Intolerance  
Vegetarians  
Vegans

Looking for:

- Solutions / benefits (health driven purchase)
- No Cholesterol
- Proteins

### 2.0

Flexitarians  
Vegetarians  
Vegans  
No Soy

Looking for:

- Good Taste
- Not looking for a conventional protein alternative

### 3.0

Lactose Intolerance  
Vegetarians  
Flexitarians / Vegans  
No Soy

Looking for:

- Solutions / benefits (health driven purchase)
- Proteins
- No cholesterol
- Good Taste



# Focus on 3.0



## New Valsoia line:

From Valsoia's own research facilities:

A complete line of exclusive products to offer consumers the maximum benefits in terms of Goodness and Health.

- Proteins
- Omega 6
- Low sugar
- No cholesterol



Low Sugar Content

CON ACIDO LINOLEICO CHE AIUTA A MANTENERE I NORMALI LIVELLI DI  
**COLESTEROLO** ♥



In line with the current world trends, Valsoia is the first player in Italy to present a Sugar-free rice-based and oat-based milk.



Bringing innovation to the **Food segment** through Santa Rosa:

- Only fruit sugars
- Only natural ingredients
- Less sugar than the Jams market average: - 50%
- Less kcal than the Jams market average (from - 49% to -54% depending on the reference)
- Made 65% of fruit



Expanding R&D beyond the Food and Healthy segments through **BlueNyx**:

- New supplement that promotes the natural and regenerating path of sleep.
- Born from Valsoia research, tested in Italy, Germany, UK and USA for an International launch that will take place at the beginning of 2019.

# 2019 Launches



1Q			2Q			3Q			4Q		
----	--	--	----	--	--	----	--	--	----	--	--

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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Development and improvement of Trade Marketing (sales policies and marketing at POS) by structure, tools and working methods



Subdivision of the sales force focused on healthy food and regular food



Restructuring of sales force in 2018 with the entry of sales key account with experience in multinational companies

The execution capacity includes POS management through a dedicated Team monitored with KPIs

# Execution example



## Shelves in Italy



## Our Benchmark Abroad



## Coming soon to Italy



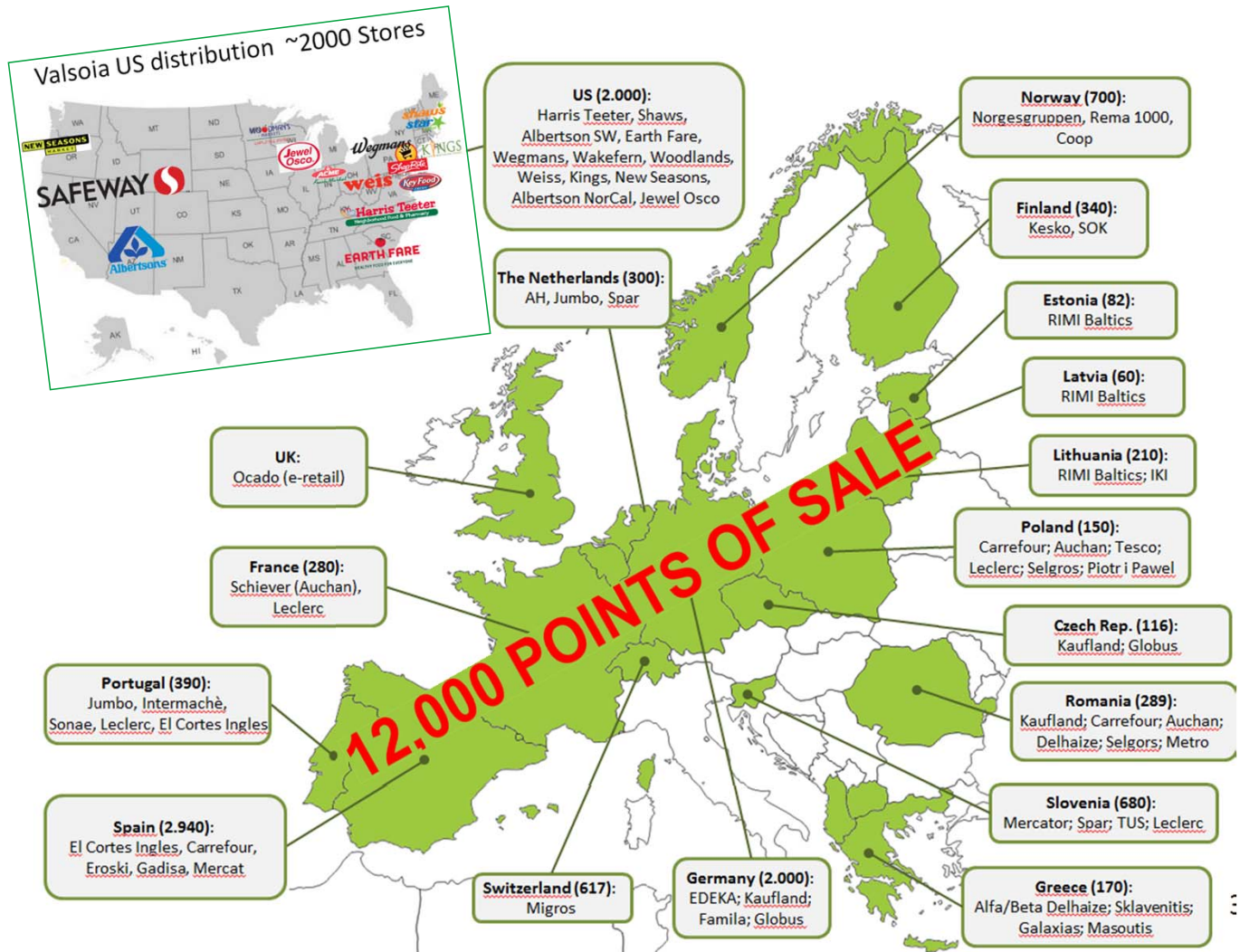
# Focus on export

- Currently present in 19 countries (Europe and United States) with an eye on China and Russia
- Turnover from exports, excluding Germany, continue to grow
- Ice cream is the main export product:

Dairy-free ice cream



- Company's main expansion drive currently focused on:
  - USA
  - Germany
  - Spain



**More than 25% of Gelato and Chocolate Spread Revenues come from Exports**

**Pioneers in health-food market**

**Established strong brands**

**Leader in quality and taste in a high-growth worldwide market**

**Proven and highly skilled management team**

**Excellent track record for innovation**

**Strong cash generation and positive NFP**

**Dividend Distribution with a payout ratio of ~40%**





Company Overview

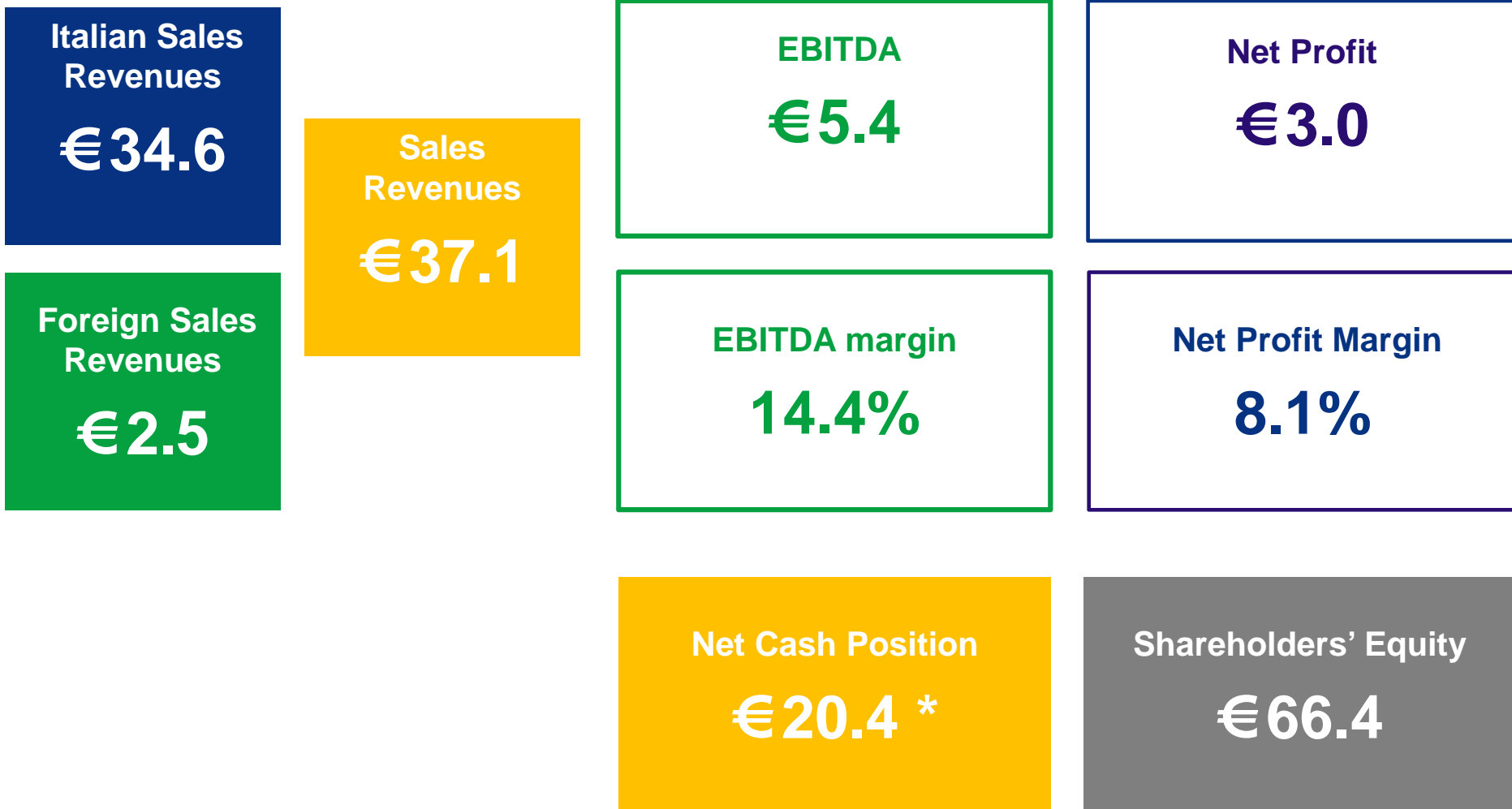
Market

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# H1 2019 Highlights



# Profit & Loss

€000	H1 2019	H1 2018 (*)
Sales Revenues (Like for like)	37,074	39,709
Sales Revenues (Pomodorissimo Santa Rosa) (**)	(3)	2,918
<b>Total Sales Revenues</b>	<b>37,071</b>	<b>42,627</b>
Changes in inventories of finished products	998	(236)
Other Revenue and income	582	195
<b>TOTAL VALUE OF PRODUCTION</b>	<b>38,651</b>	<b>42,586</b>
Purchases	(19,466)	(21,899)
Services	(8,652)	(9,489)
Other Operating Costs	(5,178)	(5,291)
<b>EBITDA</b>	<b>5,355</b>	<b>5,908</b>
<i>EBITDA margin</i>	14.4%	13.9%
Amortisation and depreciation	(1,172)	(1,040)
<b>EBIT</b>	<b>4,183</b>	<b>4,867</b>
<i>EBIT margin</i>	11.3%	11.4%
Net financial income/(charges)	(80)	(94)
<b>EBT</b>	<b>4,103</b>	<b>4,773</b>
Taxes	(1,101)	(1,298)
<b>NET PROFIT/(LOSS)</b>	<b>3,002</b>	<b>3,475</b>
<i>Net Profit margin</i>	8.1%	8.2%

- Like for like sales revenues decreased 6.6% vs. the same period of 2018 due to a negative performance in the vegetable alternatives market
- Despite the negative scenario “Valsoia Bontà e Salute” continues to gain market share with a sustained growth in the number of families.
- Positive Food Division sales performance. Consumption remains stable
- Exports, excluding Germany, continue to increase
- EBITDA margin increased from 13.9% to 14.4%

(\*) The Company adopted IFRS 16 on 1 January 2019 using the modified retroactive application method, the comparative information has not been restated.

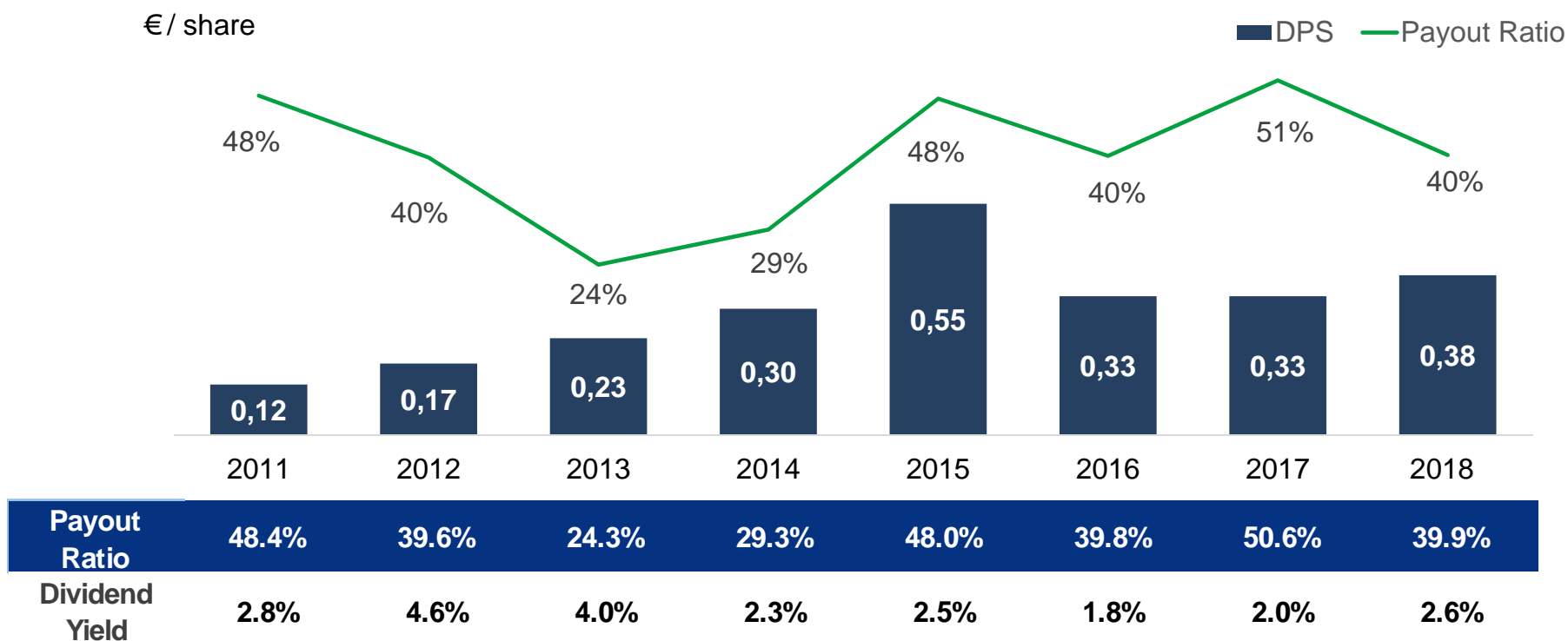
(\*\*) The company has stopped sales of the “Pomodorissimo Santa Rosa” Line starting from November 2018 following the Licensing concession to third parties of the relevant Brand

# Balance Sheet

€000	30-06-19	31-12-18
Current Non-financial Assets	24,562	18,840
Current Non-financial Liabilities	(21,299)	(15,032)
<b>Net Working Capital</b>	<b>3,263</b>	<b>3,808</b>
Other Net Operating Assets/(Liabilities)	(222)	(94)
Total Non-current Assets	42,963	42,067
<b>Total Investments</b>	<b>46,004</b>	<b>45,781</b>
<b>Shareholders' Equity</b>	<b>66,437</b>	<b>67,355</b>
Current Net Financial Position (cash)	(28,357)	(30,319)
Non-current loans and borrowing	7,924	8,745
<b>Net Financial Position (Cash)</b>	<b>(20,433)</b>	<b>(21,574)</b>
<b>Total Sources</b>	<b>46,004</b>	<b>45,781</b>

- Valsoia boasts a strong cash generation and positive NFP
- At June 30, 2019, taking into account the € 956 thousand resulting from the application of IFRS 16, the NFP was in line with December 31, 2018
- Shareholders' Equity amounted to €66.4M

# Dividend Payment



**Dividends have consistently been distributed every year**

Note: DPS refer to the fiscal year and not the year they were paid in.

# Statement of Cash Flows

€000	H1 2019	H1 2018
Opening Short-term Net Cash	30,319	15,837
Cash Flow from Operating Activities	5,044	4,489
Taxes Paid	0	0
Cash Flow from Investment Activities	(1,115)	(817)
Cash Flow from Financial Activities	(5,356)	5,771
Cash Flow for the Period	(1,427)	9,442
Closing Short-term Net Cash	28,892	25,279

- The primary operating cash flow in H1 2019 was €5.3M.

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