



LAVAZZA GROUP: THE BOARD OF DIRECTORS APPROVES THE DRAFT ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019¹

***Unprecedented results for the Group
Revenues up +18% to €2.2 billion, plus an increase in both EBITDA (+47%)
and Net Profit (+45%)***

Positive business performance at international level and across all channels, with investments to support future development.

- **Revenues:** €2.2 billion, up +18% on €1.87 billion in 2018
- **EBITDA:** €290.6 million, up +47% on €197.3 million in 2018, with an **EBITDA margin** rising to 13.2% against 10.6% in 2018
- **EBIT:** €156.0 million, up +41% on €110.7 million in 2018, with an **EBIT margin** rising 7.1% against 5.9% in 2018
- **Net profit:** €127.4 million, up +45% on €87.9 million in 2018
- **Net financial position:** a positive €82.1 million against €15.0 million in 2018

Turin, March 25, 2020 – The **Board of Directors of Lavazza Group** has examined and approved the draft Annual and Consolidated Financial Statements at December 31, 2019, **prepared in accordance with International Financial Reporting Standards (IFRS)**.

Antonio Baravalle, Lavazza Group CEO, commented: *“2019 closed with very positive results and all indicators reporting an upward trend in terms of both revenues and margins. All this has been made possible by excellent performance reported in all business segments and the full integration of Lavazza Professional. These results confirm the effectiveness of our business model and our strategy, driving growth even against the backdrop of a shrinking market.”*

Consolidated revenues stand at €2.2 billion, an increase of +18% on €1.87 billion the previous year, with 70% of turnover generated on international markets. This growth is the result of both the integration of Lavazza Professional and positive business performance reported across the Group (+3.9% by volume), with double-digit growth in North America (+15.2%), Northern Europe (+13%) and Eastern Europe (+23%), mainly in Russian and Poland.

In 2019, Lavazza Group reported growth across all channels, on an organic basis, and particularly in the Single Serve (+5.2% by volume) and Roast & Ground (+3.8%) segments. Lavazza also entered the ready-to-drink market,

¹ The consolidated results at December 31, 2019 fully reflect the acquisition of Lavazza Professional (formerly Mars Drinks, in a deal closed on December 27, 2018).



which is reporting significant global growth, through a partnership agreement signed with PepsiCo that taps into a younger target and new forms of consumption with a premium, high-quality product. First launched in the United Kingdom, in 2020 the Lavazza ready-to-drink range will be launched in other areas of Europe too.

In addition to the good economic and financial results, 2019 saw Lavazza in 38th place in the *Global RepTrak* ranking of the world's 100 most reputable brands. In the same study addressed to Corporate Responsibility, Lavazza is one of the top ten companies globally and leads the field in Italy and the world in the Food sector. Lavazza also confirms its position as *Top Employer* in Italy, while in France Carte Noire is *Best Place to Work*.

Lavazza Group **EBITDA** stands at **€290.6 million**, a rise of +47% on €197.3 million the previous year, with an EBITDA margin of 13.2% (10.6% in 2018).

The **operating result (EBIT)** stands at **€156.0 million**, up +41% on €110.7 million in 2018, with an EBIT margin of 7.1% (5.9% in 2018).

Net profit of **€127.4 million** represents +45% growth on €87.9 million in 2018.

The **Net Financial Position** stands at a positive **€82.1 million** against €15.0 million in 2018, driven by positive cash generation despite the negative effect deriving from the application of the IFRS16 - Leases accounting standard.

Turning to 2020, *"the situation today is strongly conditioned by the ongoing health emergency, making it difficult to predict what will happen at macroeconomic level in the coming months. We are tackling this unprecedented situation of uncertainty with a proactive, concrete approach and from the position of strength that derives from the results reported for the recently closed financial year and from the Group's solid capital structure,"* commented **Lavazza Group CEO Antonio Baravalle**. *"Following the spread of the coronavirus pandemic, we immediately introduced all the necessary measures to ensure the maximum possible safety of our employees, customers, suppliers and consumers. We are confident that the concrete and prompt action taken by our Group and many other Italian entrepreneurs and businesses will allow Italy to return to business as usual."*

Lavazza Group

Established in 1895 in Turin, the Italian coffee company has been owned by the Lavazza family for four generations. Among the world's most important roasters, the Group currently operates in more than 140 countries through subsidiaries and distributors, with 70% of revenues coming from markets outside of Italy. Lavazza employs a total of over 4,000 people. Companies that form part of the Lavazza Group include France's Carte Noire and ESP (acquired in 2016 and 2017 respectively), Denmark's Merrild (2015), North America's Kicking Horse Coffee (2017), Italy's Nims (2017), and the business of Australia's Blue Pod Coffee Co (2018). At the end of 2018, following an acquisition, the Lavazza Professional Business Unit was created, which includes the leading Office Coffee Service (OCS) systems Flavia and Vending brand Klix.

For more information

IMAGE BUILDING

Simona Raffaelli: 335.1245191

Giulia Rampinelli: 331.5741385

Emilia Pezzini: 331.1787169

E-mail: lavazza@imagebuilding.it

LAVAZZA GROUP MEDIA RELATIONS

Marilù Brancato | marilu.brancato@lavazza.com

Edoardo Fulio Bragoni | edoardo.fuliobragoni@lavazza.com

+39 011 234 8377