

Results of H1 2018



VILKYŠKIŲ PIENINĖ AB
GROUP

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SIGNIFICANT EVENTS DURING H1 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 curd 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 will be 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.

ACHIEVEMENTS:

- The most significant event during Q1 2018 - Vilkyškių pieninė AB Group was awarded “Lithuanian Export Prize 2017”. The Company was recognized as the most contributing to the growth of the economy and exports.
- In Lithuanian competition “Most Popular Product 2017” 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.

CERTIFICATES:

- 2018 Kelmės Pieninė AB Tauragė Division was certified 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.

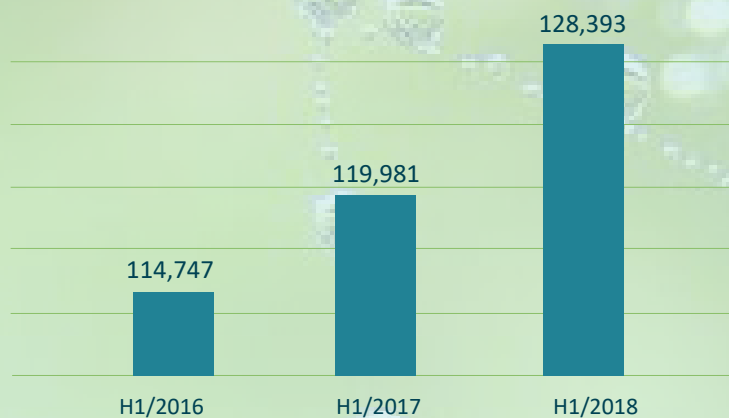
EXHIBITIONS

- 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 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 the company traditionally 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 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.

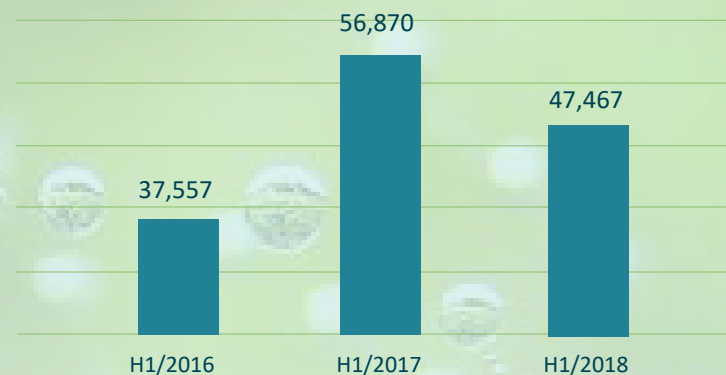
MAIN FINANCIAL INDICATORS

	H1/2016	H1/2017	H1/2018
Revenue (Thousands EUR)	37,557	56,870	47,467
EBITDA (Thousands EUR)	785	5,913	2,447
EBITDA margin (%)	2.1%	10.4%	5.2%
Net profit (loss) (Thousands EUR)	-536	3,818	240
Profit (loss) margin (%)	-1.4%	6.7%	0.5%
Quantity of purchased milk, t	114,747	119,981	128,393
Profit (loss) per share (EUR)	-0.04	0.32	0.02
Net financial debt (Thousands EUR)	31,337	30,412	32,987

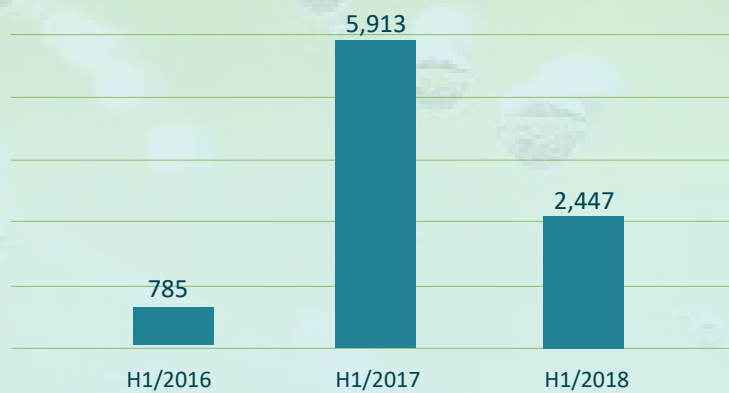
QUANTITY OF PURCHASED MILK, T



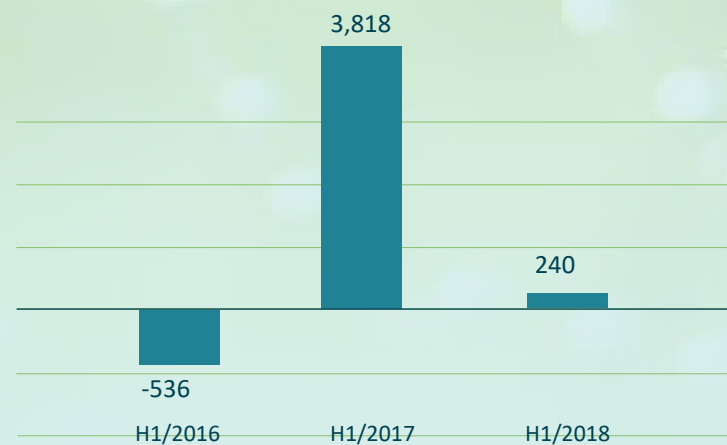
REVENUE (THOUSANDS EUR)



EBITDA (THOUSANDS EUR)

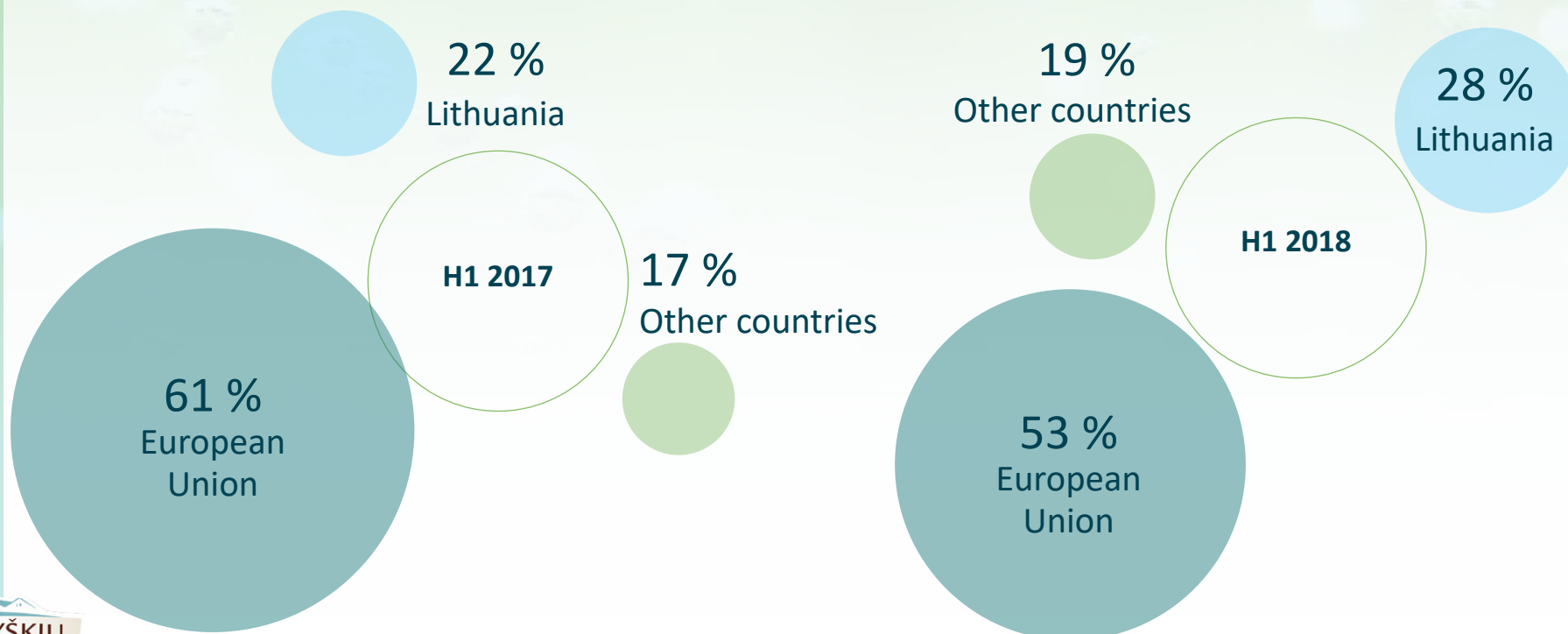


NET PROFIT (LOSS), (THOUSAND EUR)



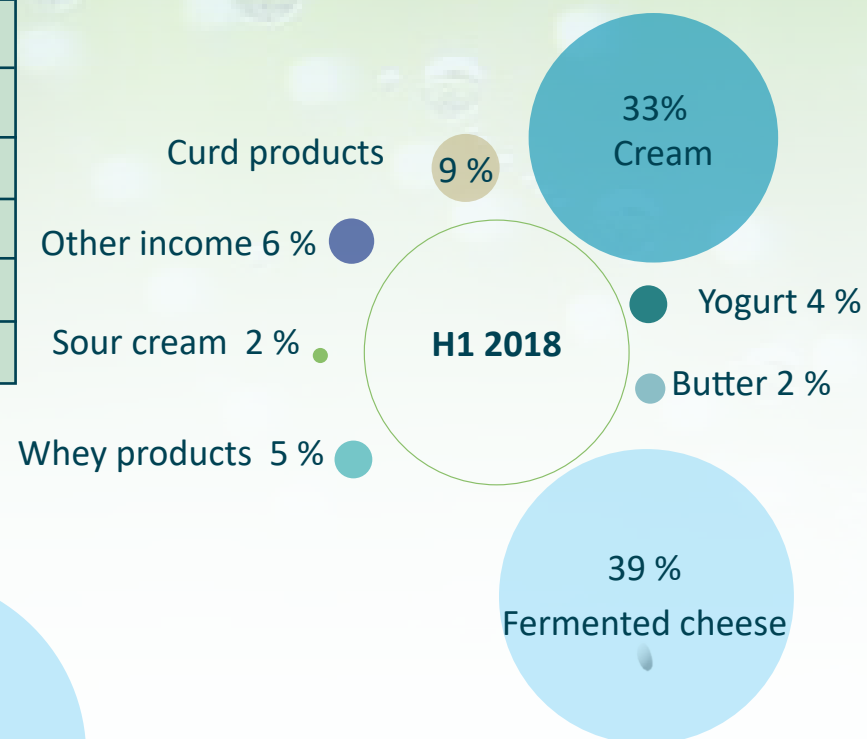
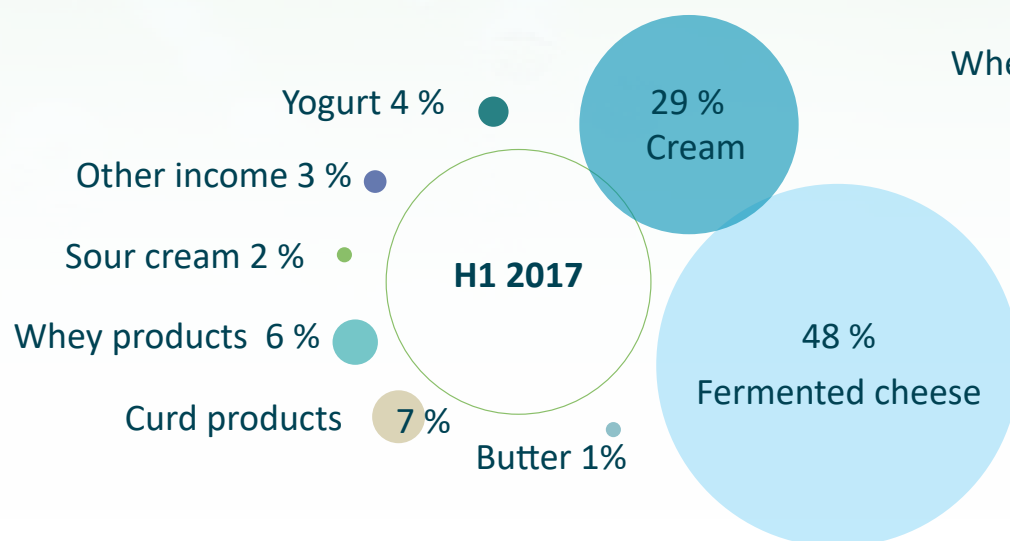
SALES REVENUE BY MARKETS

(Thousands EUR)	H1/2017		H1/2018	
Lithuania	12,491	22%	13,124	28%
European Union	34,878	61%	25,171	53%
Other countries	9,501	17%	9,172	19%
	56,870		47,467	



SALES REVENUE BY PRODUCTS

(Thousand EUR)	H1/2017		H1/2018	
Fermented cheese	27,452	48%	18,429	39%
Cream	16,423	29%	15,659	33%
Whey products	3,325	6%	2,118	5%
Sour cream	1,021	2%	1,013	2%
Curd products	4,019	7%	4,209	9%
Yogurt	2,087	4%	2,063	4%
Butter	882	1%	1,153	2%
Other income	1,661	3%	2,823	6%
Total income:	56,870		47,467	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2018.06.30	2017.12.31
ASSETS		
Property, plant and equipment	53,154	54,447
Intangible assets	6,939	6,961
Long-term receivables	235	254
Non-current assets	60,328	61,662
Inventories	15,237	9,656
Trade and other receivables	9,857	8,491
Prepayments	687	1,005
Cash and cash equivalents	104	317
Current assets	25,885	19,469
Total assets	86,213	81,131
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,583	5,105
Retained earnings	23,512	22,367
Total equity attributable to the shareholders of the Company	32,859	34,236
Non-controlling interest	53	51
Total equity	32,912	34,287
LIABILITIES		
Interest-bearing loans and lease liabilities	20,126	20,123
Derivative financial instruments	-	-
Government grants	5,403	5,686
Deferred tax liabilities	1,232	1,528
Non-current liabilities	26,761	27,337
Interest-bearing loans and lease liabilities	12,861	7,974
Current tax liabilities	-	121
Derivative financial instruments	61	118
Trade and other payables, including derivatives	13,618	11,294
Current liabilities	26,540	19,507
Total liabilities	53,301	46,844
Total equity and liabilities	86,213	81,131

CONSOLIDATED INCOME STATEMENT

Thousand EUR	2018.01.01- 2018.06.30	2017.01.01- 2017.06.30	2018.04.01- 2018.06.30	2017.04.01- 2017.06.30
Revenue	47,467	56,870	26,492	29,052
Cost of sales	-43,538	-48,864	-24,343	-23,935
Gross profit	3,929	8,006	2,149	5,117
Other operating income	145	133	69	69
Distribution expenses	-2,317	-1,938	-1,267	-1,021
Administrative expenses	-1,240	-1,544	-761	-860
Other operating costs	-80	-76	-43	-15
Result from operating activities	437	4,581	147	3,290
Finance income	2	22	1	13
Finance costs	-495	-295	-286	-184
Net finance expenses	-493	-273	-285	-171
Profit before income tax	-56	4,308	-138	3,119
Income tax expense (deferred)	296	-490	254	-343
Profit for the period	240	3,818	116	2,776
Attributable to:				
Shareholders of the Group	238	3,817	114	2,775
Non-controlling interest	2	1	2	1
Net profit (loss) for the year	240	3,818	116	2,776
Basic earnings per share (EUR)	0.02	0.32	0.01	0.23

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2018.01.01- 2018.06.30	2017.01.01- 2017.06.30
Cash flows from operating activities		
Profit for the year	240	3,818
Adjustments:		
Depreciation of property, plant and equipment	2,274	1,510
Amortization of intangible assets	25	41
Amortization and write down of grants	-289	-219
Profit (loss) from disposal of property, plant and equipment	-1	-4
Income tax expense	-296	490
Interest expenses, net	493	273
	2,446	5,909
Change in inventories	-5,585	3,358
Change in long-term receivables	19	-33
Change in trade and other receivables and prepayments	-1,078	-4,849
Change in trade and other payables	1,355	1,190
	-2,843	5,575
Paid interest	-384	-400
Paid profit tax	-24	-69
Other financial expenses	-	-31
Net cash from operating activities	-3,251	5,075
Cash flows from investing activities		
Acquisition of plant and equipment	-359	-3,675
Acquisition of intangible assets	-3	-10
Proceeds from sale of plant and equipment	25	49
Acquisition of the subsidiary's shares	-	-
Government grants received	-	-
Loans repaid	-	-
Interest received	-	-
Net cash flows used in investing activities	-337	-3,636
Cash flows from financing activities		
Loans received	6,936	2,079
Repayment of borrowings	-2,645	-2,708
Funds for payment of dividends	-922	-989
Government grants received	6	45
Net cash flows from financing activities	3,375	-1,573
Increase (decrease) in cash and cash equivalents	-213	-134
Cash and cash equivalents at 1 January	317	229
Cash and cash equivalents at 30 June	104	95

ADDITIONAL INFORMATION



ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 30th of June 2018 the Group had 971 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

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

Vilkyškių pieninė AB became winner in competition
“Most popular product 2017”

2018

“Lithuanian Export Prize 2017” was presented to Vilkyškių pieninė AB

2017

The end of investment project for whey drying factory

Certificate of the standard FSSC 22000 was presented
to Vilkyškių pieninė AB

2016

Beginning of investment project for whey drying factory

Vilkyškių pieninė AB has been declared as
“The brand of the year”

2015

Vilkyškių pieninė AB has been declared as
“The brand of the year”

2013

Acquired “Pieno logistika” AB

„Vilvi“ brand was launched in Export markets

2011

Company began to participate in “Anuga” and “SIAL” exhibitions

Start of active marketing activity

2010

Certificates of the standards ISO 9001:2000 and
ISO 22000:2005 were presented to Vilkyškių pieninė AB

2008

Acquired Kelmės pieninė AB

Acquired “Modest” AB

2006

Vilkyškių pieninė AB became the listed company

Export license to EU was granted

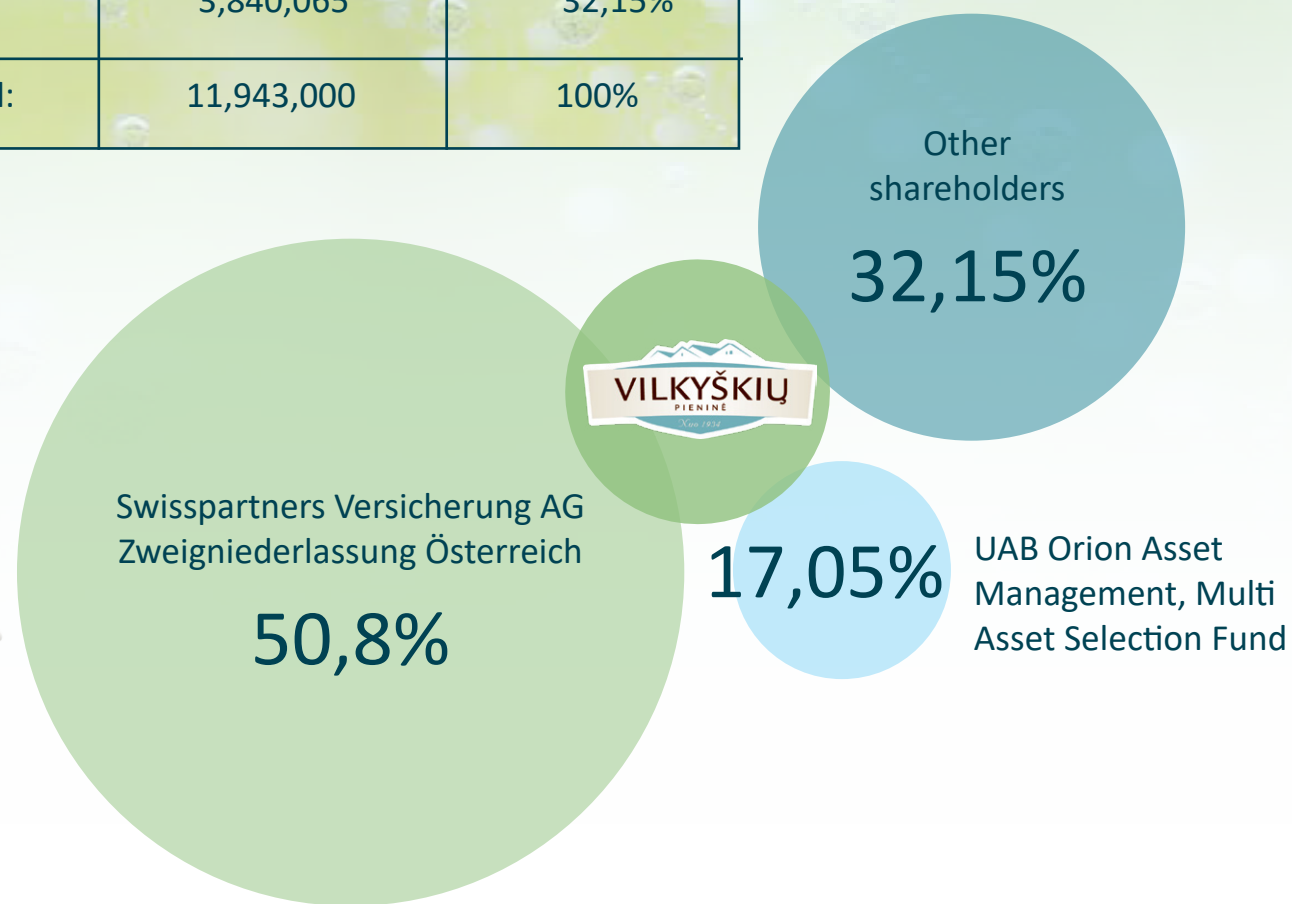
2000

Company established

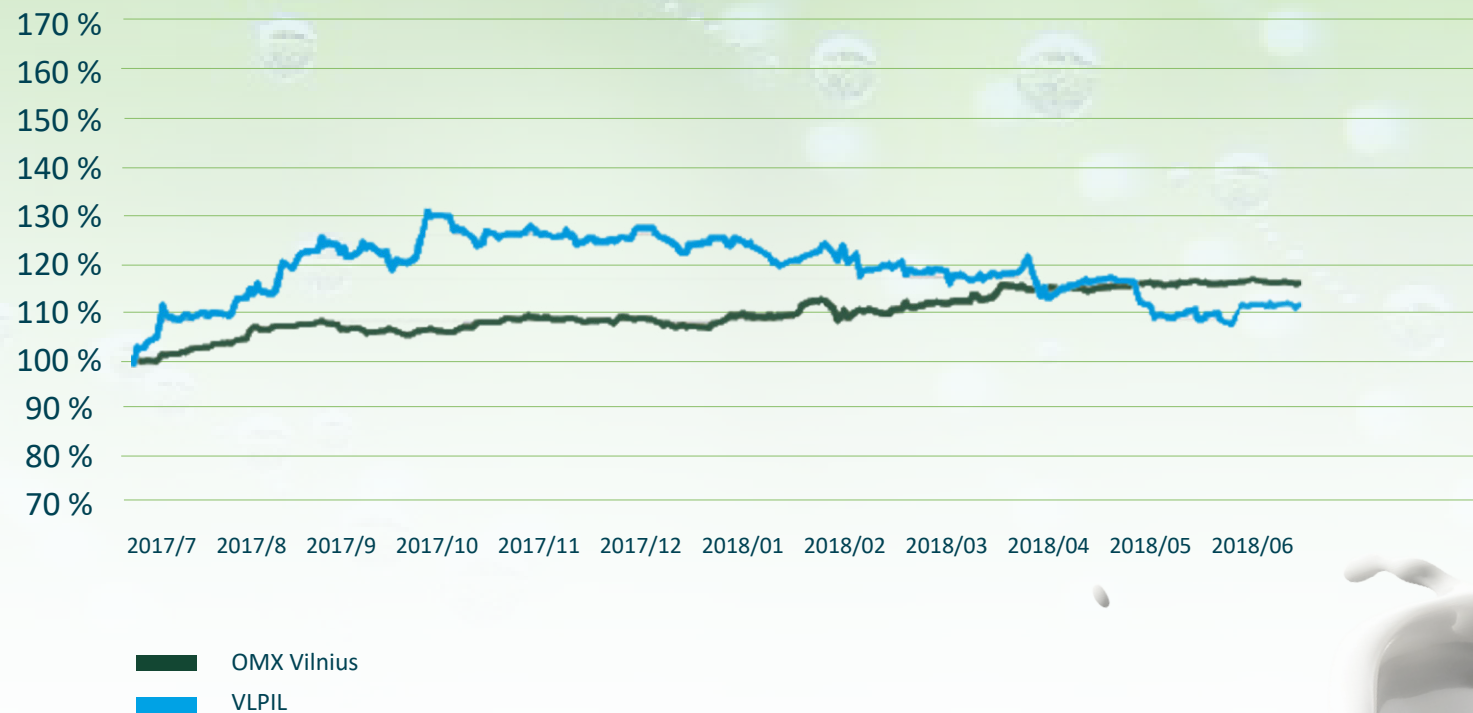
1993

SHAREHOLDERS

Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6,067,206	50,8%
UAB Orion Asset Management, Multi Asset Selection Fund	2,035,729	17,05%
Other shareholders	3,840,065	32,15%
Capital in total:	11,943,000	100%



AB VILKYŠKIŲ PIENINĖ SHARE PRICE AND OMX VILNIUS INDEXES COMPARISON 2017 JULY - 2018 JUNE





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