

# The results of 12 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 three news – vanilla, mango and salted caramel curd cheeses, which have many healthy benefits (compared to similar cheeses): even 40% less sugar, more curd - less chocolate putty.
- New Cappuccino curd cheese was added to the "MURR" product line.
- 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:

- Sales growth was driven by consistent work with European Union customers and sales growth in Asia, Africa, South and Central America.
- Cheese sales have increased significantly in EU by attracting new customers from Italy, Slovakia and Portugal. Successful launches in South Korea, Chile, Mexico, as well as active negotiations with potential Colombian partners.
- With the increased dry dairy production, 2019 we have been actively looking for markets in Europe, Asia and Africa. Proceeding to cooperate with one of the largest buyers of dry dairy products in the UK, successful launches in Russia, Egypt, United Arab Emirates, Saudi Arabia, Republic of South Africa and etc.

## 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.
- In October, Vilkyškių pieninė AB traditionally participated in the exhibition “ANUGA 2019” in Cologne, Germany. It is titled as the largest exhibition in Europe where Vilkyškių pieninė AB presented cheese and dry milk products;
- In October, Vilkyškių pieninė AB took part in ‘Gulfood Manufacturing’, in Dubai, The United Arab Emirates. The main focus was on our dry milk products.
- In November Vilkyškių pieninė AB participated in the exhibition „FHC China 2019” in Shanghai in China. The mozzarella cheese and dry milk products were presented to Chinese market.
- In December Vilkyškių pieninė AB introduced dry milk products in the exhibition ‘Food Ingredients 2019’ in Paris, France. The exhibition is titled as the largest exhibition in industrial products sector.





## CERTIFICATES in 2019:

- “Modest” AB, Kelmės pieninė AB Tauragės Division, Vilkyškių pieninė AB have extended Halal certificate;
- The laboratory of Vilkyškių pieninė AB was granted approval by the “Laboratory conformity permit of food processing subject”;
- “Modest” AB and Kelmės pieninė AB Tauragės Division have Surveillance audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme;
- Kelmės pieninė AB and Vilkyškių pieninė AB have re-certification audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme.



# MAIN FINANCIAL INDICATORS

	2015	2016	2017	2018	2019
Revenue (Thousands EUR)	84,445	90,490	113,939	103,162	114,634
EBITDA (Thousands EUR)	3,876	8,413	10,882	3,140	3,811
EBITDA margin (%)	4.6%	9.3%	9.5%	3.0%	3.3%
Net profit (loss) (Thousands EUR)	1,168	4,455	6,686	-1,186	-311
Profit (loss) margin (%)	1.4%	5.0%	5.9%	-1.1%	-0.3%
Quantity of purchased milk, t	237,065	243,633	249,992	267,785	268,555
Profit (loss) per share (EUR)	0.10	0.37	0.56	-0.10	-0.03
Net financial debt (Thousands EUR)	22,215	30,308	28,097	27,824	26,940

At 12 months of 2019, **sales revenue** came to 114.6 MEUR(11.1 percent more than in 12 months of 2018).

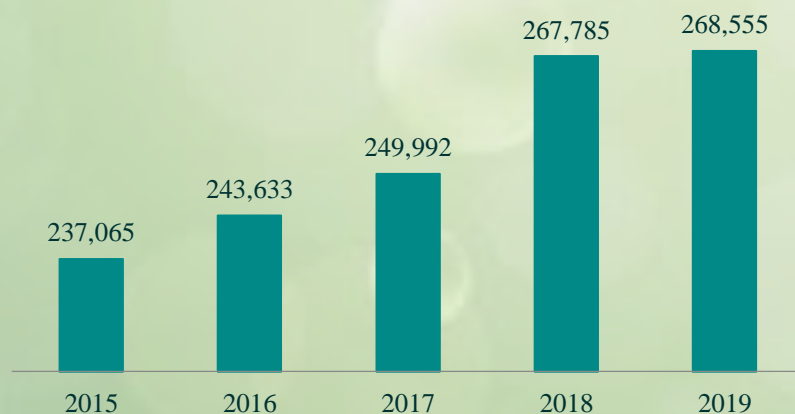
At reporting period **EBITDA** was 3.8 MEUR or 21.4 percent more than in previous year.

In 12 months of 2019 **net loss** was 0.3 MEUR or 0.9 MEUR less than same period of 2018.

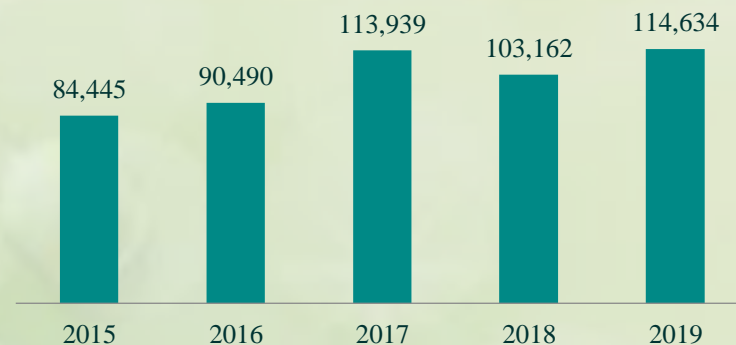
In 12 months of 2019, a total of 269 t tones of **milk** was **purchased**, and increase by 0.3 percent as compared with 12 months of 2018.



QUANTITY OF PURCHASED MILK, T



REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR

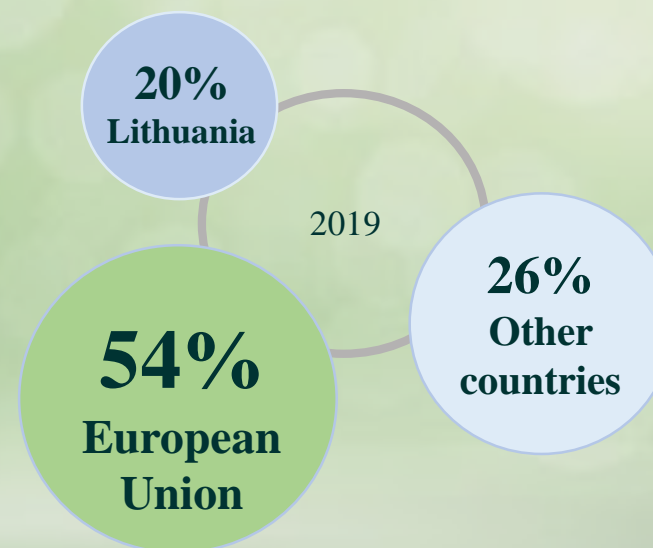
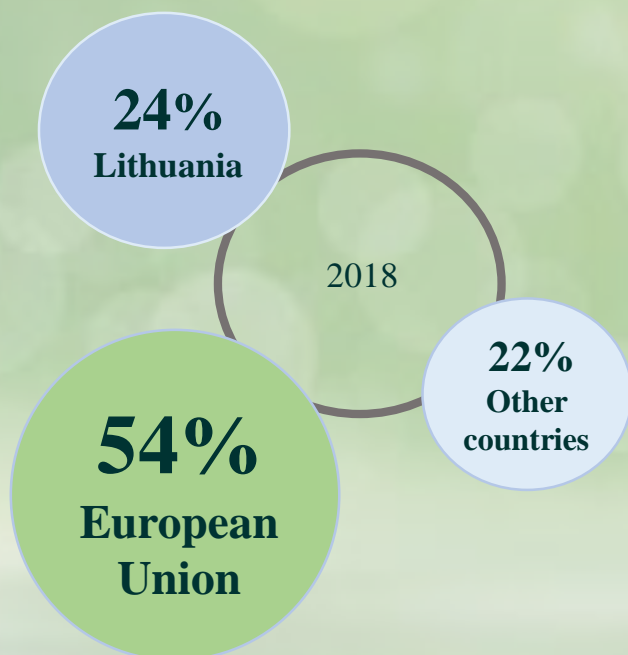


NET PROFIT (LOSS), THOUSANDS EUR



# SALES REVENUE BY MARKETS

(Thousand EUR)	2018		2019	
Lithuania	24,585	24%	22,526	20%
European Union	55,865	54%	61,645	54%
Other countries	22,712	22%	30,463	26%
<b>Total revenue:</b>	<b>103,162</b>		<b>114,634</b>	





# SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	2018		2019	
Cheese, cheese products and other	76,870	75%	81,960	71%
Dry milk products	7,571	7%	14,869	13%
Fresh milk products	18,721	18%	17,805	16%
<b>Total:</b>	<b>103,162</b>		<b>114,634</b>	

## 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	2019.12.31	2018.12.31
<b>ASSETS</b>		
Property, plant and equipment	49,534	51,310
Intangible assets	6,936	6,933
Accrued rent income	221	-
Non-current amounts receivable	358	314
Deferred tax asset	135	-
<b>Non-current assets</b>	<b>57,184</b>	<b>58,557</b>
Inventories	11,261	15,228
Trade and other receivable	9,611	7,347
Prepayments	663	746
Cash and cash equivalents	298	407
<b>Current assets</b>	<b>21,833</b>	<b>23,728</b>
<b>Total assets</b>	<b>79,017</b>	<b>82,285</b>
<b>EQUITY</b>		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,455	2,579
Retained earnings	21,967	22,153
<b>Total equity attributable to owners of the Company</b>	<b>31,186</b>	<b>31,496</b>
<b>Non-controlling interest</b>	<b>50</b>	<b>51</b>
<b>Total equity</b>	<b>31,236</b>	<b>31,547</b>
<b>LIABILITIES</b>		
Borrowings and financial lease liabilities	12,950	14,900
Government grants	5,243	5,824
Deferred income tax liability	-	844
<b>Non-current liabilities</b>	<b>18,193</b>	<b>21,568</b>
Borrowings and financial lease liabilities	13,990	12,924
Income tax payable	-	-
Trade and other payables	15,598	16,246
<b>Current liabilities</b>	<b>29,588</b>	<b>29,170</b>
<b>Total liabilities</b>	<b>47,781</b>	<b>50,738</b>
<b>Total equity and liabilities</b>	<b>79,017</b>	<b>82,285</b>



# CONSOLIDATED INCOME STATEMENT

Thousand EUR	2019.01.01- 2019.12.31	2018.01.01- 2018.12.31	2019.10.01- 2019.12.31	2018.10.01- 2018.10.31
Revenue	114,634	103,162	32,372	26,997
Cost of sales	-107,316	-97,389	-29,939	-27,509
<b>Gross profit (loss)</b>	<b>7,318</b>	<b>5,773</b>	<b>2,433</b>	<b>-512</b>
Other operating income	321	326	50	86
Distribution costs	-4,573	-4,317	-1,261	-712
Administrative expenses	-2,967	-2,517	-934	-556
Other operating expenses	-149	-149	-42	-26
<b>Results of operating activities</b>	<b>-50</b>	<b>-884</b>	<b>246</b>	<b>-1,720</b>
Finance income	20	13	2	10
Finance costs	-1,260	-999	-397	-297
<b>Net finance costs</b>	<b>-1,240</b>	<b>-986</b>	<b>-395</b>	<b>-287</b>
<b>Profit (loss) before income tax</b>	<b>-1,290</b>	<b>-1,870</b>	<b>-149</b>	<b>-2,007</b>
Income tax expenses	979	684	259	308
<b>Profit (loss) for the period</b>	<b>-311</b>	<b>-1,186</b>	<b>110</b>	<b>-1,699</b>
Attributable to:				
Owners of the Company	-311	-1,186	110	-1,697
Non-controlling interest	-	-	-	-2
<b>Profit (loss) for the year</b>	<b>-311</b>	<b>-1,186</b>	<b>110</b>	<b>-1,699</b>
Basic earnings (losses) per share ( EUR)	-0.03	-0.10	0.01	-0.14





# CONCOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2019.01.01- 2019.12.31	2018.01.01- 2018.12.31
<b>Cash flows from operating activities</b>		
Profit (loss) for the year	-311	-1,186
Adjustments for:		
Depreciation of property, plant and equipment	4,430	4,632
Amortization of intangible assets	12	32
Amortization and write-off of grants	-581	-640
Change in the decrease value of inventories	-894	-413
Gain (loss) from disposal of property, plant and equipment	-56	-62
Other operating income	-	-21
Income tax expenses	-979	-684
Interest expenses, net	1,240	986
	<b>2,861</b>	<b>2,644</b>
Change in inventories	4,859	-5,164
Change in non-current amounts receivable	-44	317
Change in trade and other receivables and prepayments	-2,576	1,462
Change in trade and other payables	-1,234	4,893
	<b>3,866</b>	<b>4,152</b>
Interest paid	-833	-790
Income tax paid	-8	-40
<b>Net cash flows generated from operating activities</b>	<b>3,025</b>	<b>3,322</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of plant and equipment	-2,066	-1,441
Payments for acquisition of intangible assets	-15	-4
Proceeds from sale of plant and equipment	118	69
	-150	-103
Government grants received	376	791
Loans recovered	103	-
<b>Net cash flows used in investing activities</b>	<b>-1,634</b>	<b>-688</b>
<b>Cash flows from financing activities</b>		
Loans received	4,215	4,257
Repayments of borrowings	-5,658	-5,129
Financial lease	-57	-
Funds for payment of dividends	-	-1,672
<b>Net cash flows generated from financing activities</b>	<b>-1,500</b>	<b>-2,544</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-109</b>	<b>90</b>
Cash and cash equivalents at 1 January	407	317
<b>Cash and cash equivalents at 31 December</b>	<b>298</b>	<b>407</b>



# ADDITIONAL INFORMATION



# ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 31th of December 2019 the Group had 828 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%
Šiaulių Bankas AB	2 035 729	17 %
Other shareholders	3 840 065	32 %
<b>Capital in total:</b>	<b>11 943 000</b>	<b>100%</b>

Swisspartners Versicherung AG  
Zweigniederlassung Österreich

**51%**

Other  
shareholders

**32%**

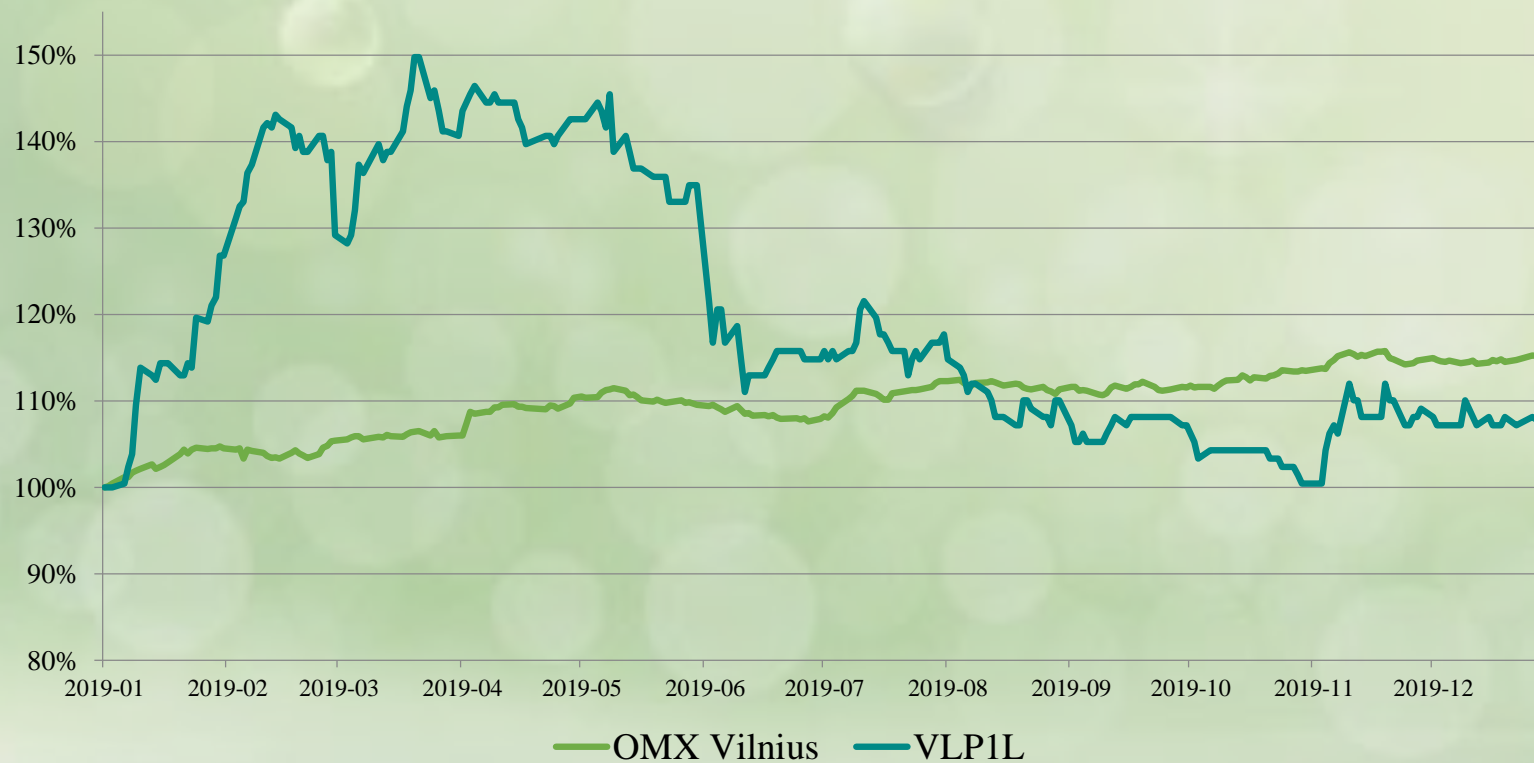
**17%**

Multi Asset  
Selection Fund





## Vilkyškių pieninė AB share price and OMX Vilnius indexes comparison 2019 January - 2019 December





## VILKYŠKIŲ PIENINĖ AB

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