

Results in 9 months of 2018



VILKYŠKIŲ PIENINĖ AB
GROUP

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SIGNIFICANT EVENTS DURING 9 MONTHS OF 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 part in the cottage cheese 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!
- With regards to the changing customer expectations and flavour changes, we decided to soften the consistency of curd cheese of VILKYŠKIAI and make it more crumble. Also renewed package of Vilkyškiai curd cheese.

ACHIEVEMENTS:

- The most significant event during 2018 - Vilkyškių pieninė AB Group was awarded as “Lithuanian Export Prize 2017” winner. The Company was recognized as the most contributing to the growth of the economy and exports.
- The results of Lithuanian competition “Most Popular Product 2017” was published 2018, in which 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 Modest re-certification audit according to the ISO 22000: 2005/FSSC 22000 Certification Scheme.
- 2018 Kelmės Pieninė AB Surveillance audit 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 sport 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 for the fourth consecutive years in a row the company 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 to Lithuania market 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

	9 months 2016	9 months 2017	9 months 2018
Revenue (Thousands EUR)	64,402	87,075	76,165
EBITDA (Thousands EUR)	4,533	9,488	3,898
EBITDA margin (%)	7.0%	10.9%	5.1%
Net profit (loss) (Thousands EUR)	2,240	6,276	513
Profit (loss) margin (%)	3.5%	7.2%	0.7%
Quantity of purchased milk, t	181,131	188,764	199,062
Profit (loss) per share (EUR)	0.19	0.53	0.04
Net financial debt (Thousands EUR)	29,003	29,167	31,599

QUANTITY OF PURCHASED MILK (T)



REVENUE (THOUSANDS EUR)



EBITDA (THOUSANDS EUR)

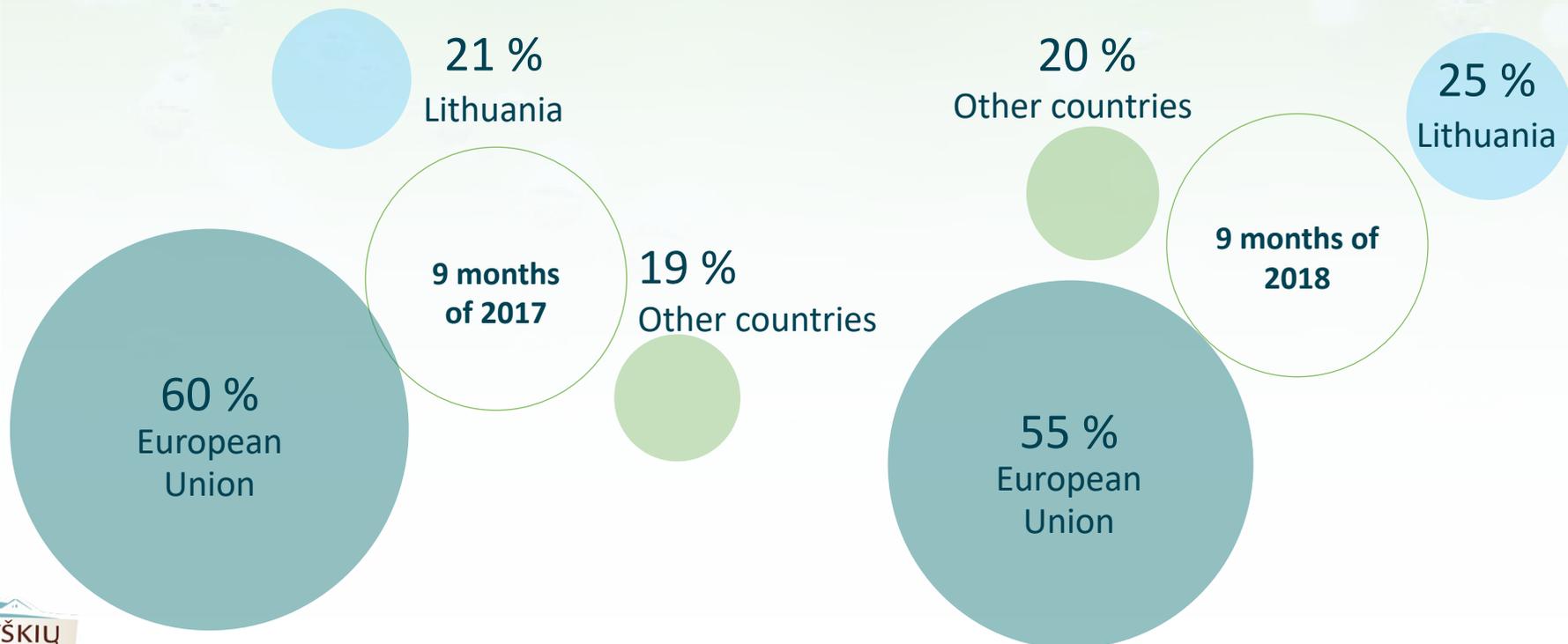


NET PROFIT (LOSS), (THOUSANDS EUR)



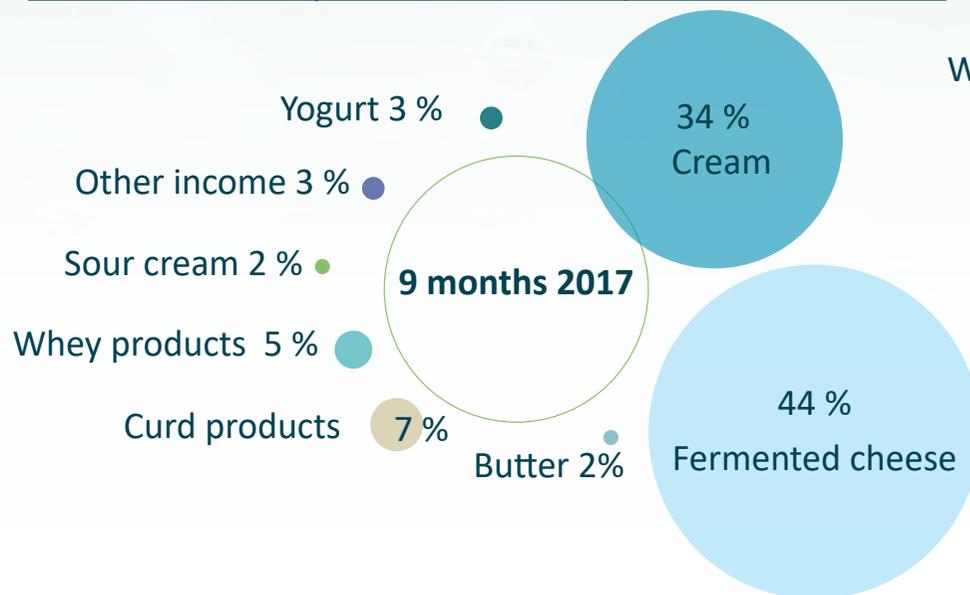
SALES REVENUE BY MARKETS

(Thousands EUR)	9 months of 2017		9 months of 2018	
Lithuania	18,731	21%	19,617	25%
European Union	51,997	60%	41,631	55%
Other countries	16,347	19%	14,917	20%
	87,075		76,165	



SALES REVENUE BY PRODUCTS (THOUSANDS EUR)

(Thousand EUR)	9 months of 2017		9 months of 2018	
Fermented cheese	38,519	44%	30,552	40%
Cream	29,394	34%	25,772	34%
Whey products	4,563	5%	3,299	5%
Sour cream	1,571	2%	1,651	2%
Curd products	6,097	7%	6,218	8%
Yogurt	3,096	3%	3,094	4%
Butter	1,447	2%	1,633	2%
Other income	2,388	3%	3,946	5%
Total income:	87,075		76,165	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2018.09.30	2017.12.31
ASSETS		
Property, plant and equipment	52,336	54,447
Intangible assets	6,934	6,961
Long-term receivables	191	254
Non-current assets	59,461	61,662
Inventories	15,920	9,656
Trade and other receivables	7,502	8,491
Prepayments	785	1,005
Cash and cash equivalents	170	317
Current assets	24,377	19,469
Total assets	83,838	81,131
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,550	5,105
Retained earnings	23,818	22,367
Total equity attributable to the shareholders of the Company	33,132	34,236
Non-controlling interest	53	51
Total equity	33,185	34,287
LIABILITIES		
Interest-bearing loans and lease liabilities	18,762	20,123
Derivative financial instruments	-	-
Government grants	5,263	5,686
Deferred tax liabilities	1,152	1,528
Non-current liabilities	25,177	27,337
Interest-bearing loans and lease liabilities	12,837	7,974
Current tax liabilities	-	121
Derivative financial instruments	61	118
Trade and other payables, including derivatives	12,578	11,294
Current liabilities	25,476	19,507
Total liabilities	50,653	46,844
Total equity and liabilities	83,838	81,131

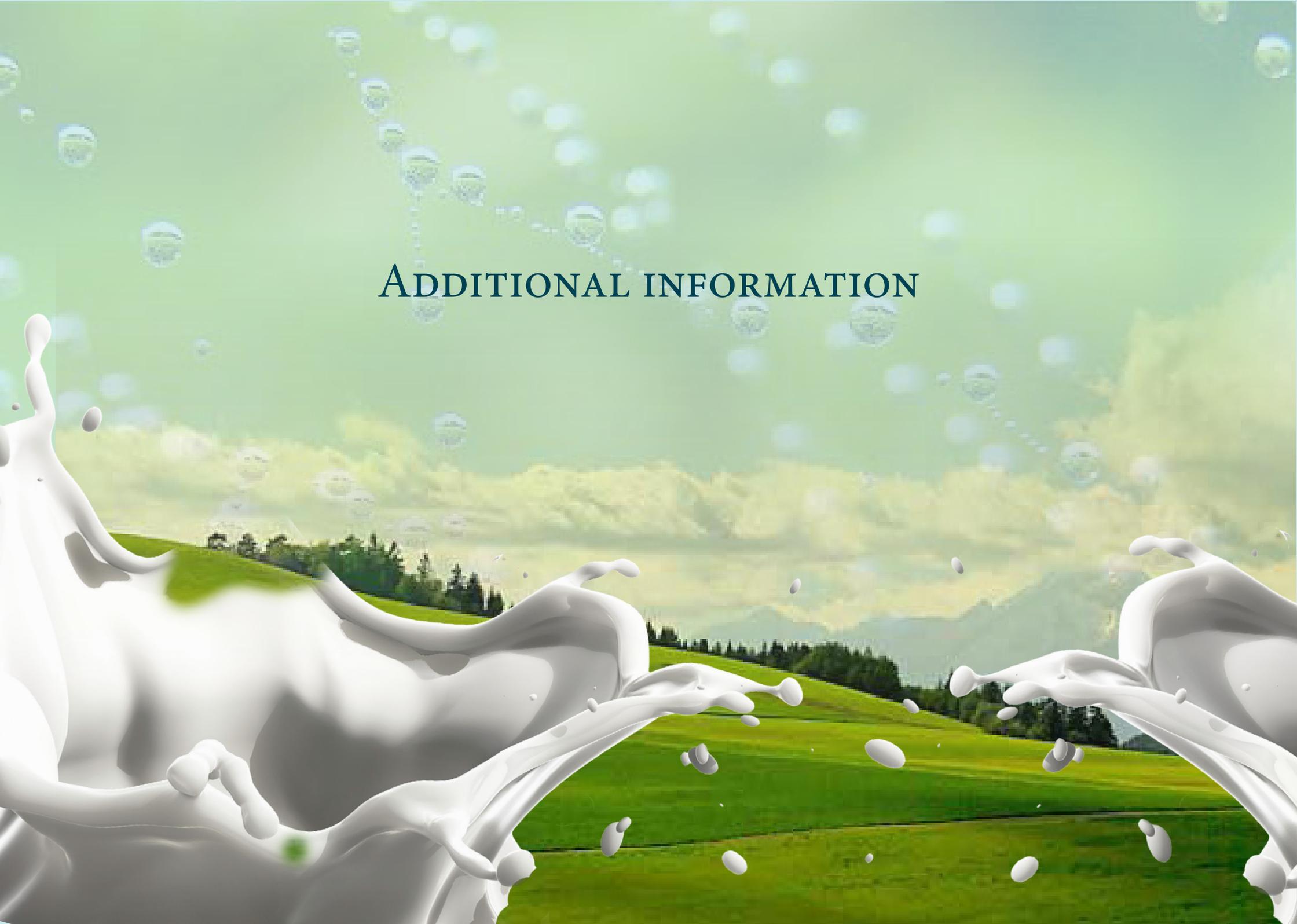
CONSOLIDATED INCOME STATEMENT

Thousand EUR	2018.01.01- 2018.09.30	2017.01.01- 2017.09.30	2018.07.01- 2018.09.30	2017.07.01- 2017.09.30
Revenue	76,165	87,075	28,698	30,205
Cost of sales	-69,880	-71,901	-26,342	-23,037
Gross profit	6,285	15,174	2,356	7,168
Other operating income	240	198	95	65
Distribution expenses	-3,605	-3,437	-1,288	-1,499
Administrative expenses	-1,961	-4,348	-721	-2,804
Other operating costs	-123	-111	-43	-35
Result from operating activities	836	7,476	399	2,895
Finance income	3	24	1	2
Finance costs	-702	-417	-207	-122
Net finance expenses	-699	-393	-206	-120
Profit before income tax	137	7,083	193	2,775
Income tax expense (deferred)	376	-807	80	-317
Profit for the period	513	6,276	273	2,458
Attributable to:				
Shareholders of the Group	511	6,273	273	2,456
Non-controlling interest	2	3	0	2
Net profit (loss) for the year	513	6,276	273	2,458
Basic earnings per share (EUR)	0.04	0.53	0.02	0.21

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2018.01.01- 2018.09.30	2017.01.01- 2017.09.30
Cash flows from operating activities		
Profit for the year	513	6,276
Adjustments:		
Depreciation of property, plant and equipment	3,462	2,266
Amortization of intangible assets	29	61
Amortization and write down of grants	-429	-315
Profit (loss) from disposal of property, plant and equipment	-25	-19
Income tax expense	-376	807
Interest expenses, net	699	393
	3,873	9,469
Change in inventories	-6,269	299
Change in long-term receivables	63	55
Change in trade and other receivables and prepayments	1,175	-5,106
Change in trade and other payables	1,106	3,730
	-52	8,447
Paid interest	-555	-563
Paid profit tax	-32	-69
Other financial expenses	-	-42
Net cash from operating activities	-639	7,773
Cash flows from investing activities		
Acquisition of plant and equipment	-798	-4,555
Acquisition of intangible assets	-2	-11
Proceeds from sale of plant and equipment	54	67
Acquisition of the subsidiary's shares	-	-
Government grants received	6	45
Loans repaid	-	-
Interest received	-	-
Net cash flows used in investing activities	-740	-4,454
Cash flows from financing activities		
Loans received	6,713	2,146
Repayment of borrowings	-3,809	-4,150
Funds for payment of dividends	-1,672	-1,433
Government grants received	-	-
Net cash flows from financing activities	1,232	-3,437
Increase (decrease) in cash and cash equivalents	-147	-118
Cash and cash equivalents at 1 January	317	229
Cash and cash equivalents at 30 September	170	111

ADDITIONAL INFORMATION



ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 30th of September 2018 the Group had 954 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 ir ISO/TS 22002-1:2009 and additional 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

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 was awarded in 3 dairy product categories “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

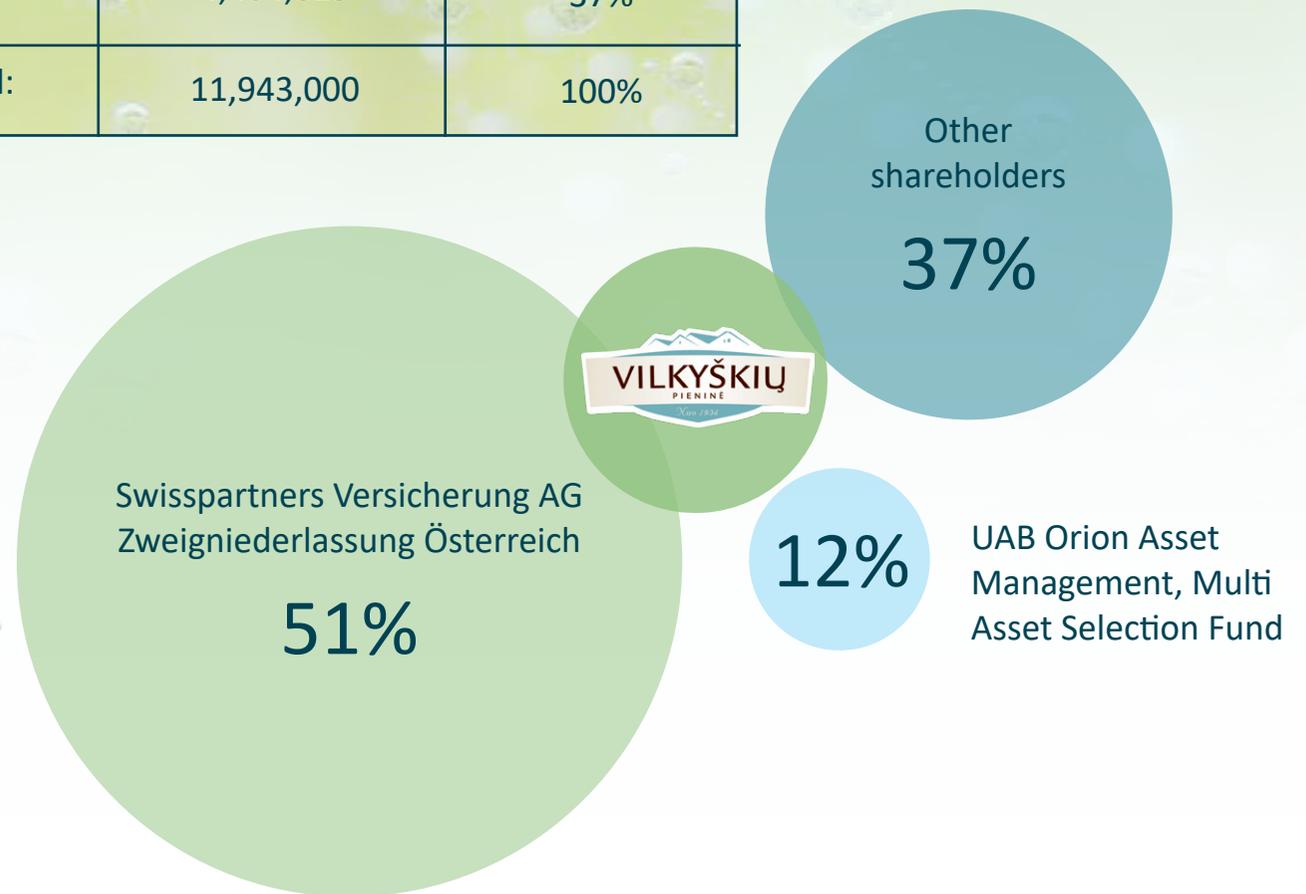
2000

Company established

1993

SHAREHOLDERS

Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6,067,206	51%
UAB Orion Asset Management, Multi Asset Selection Fund	1,470,969	12%
Other shareholders	4,404,825	37%
Capital in total:	11,943,000	100%



VILKYŠKIŲ PIENINĖ AB SHARE PRICE VARIATION AND OMX VILNIUS INDEXES COMPARING 2017 OCTOBER - 2018 - SEPTEMBER



OMX Vilnius
VLPIL



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