



Press release

## **APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS FOR 2020**

CONFIRMATION OF THE GRANAROLO GROUP'S ABILITY TO REACT DESPITE  
THE IMPACT OF THE PANDEMIC

- **Revenue €1.280 billion (-3% vs 2019)**
- **EBITDA €78.5 million (+ 8% vs 2019)**
- **Net profit €15.8 million (+ 19% vs 2019)**
- **Net financial position €164 million (+ 2.2 million vs 2019)**

**Bologna, Italy, 15 March 2021** - At the meeting chaired by Gianpiero Calzolari on the 11th of March, the Board of Directors of Granarolo S.p.A.<sup>1</sup> approved the draft financial statements that will be submitted to the combined session Shareholders' Meeting to be held at on 14 April.

Despite the challenging and complex nature of 2020, Granarolo confirmed its great resilience by meeting its profitability targets.

**Consolidated revenue** stood at 1.280 billion Euros, a decrease of 3% from the previous year.

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<sup>1</sup> 77.48% of company shares held by the Granlatte cooperative; other shareholders: Intesa Sanpaolo 19.78%, Cooperlat 2.74% .



The change in revenue on a like-for-like basis (adjusted for exchange rates) of -3.1% was due primarily to the effect of reduced sales in the Normal Trade and Food Service channel, both within Italy and in the other countries where the Group has operations. As a result of the pandemic, indeed, a significant reduction of volumes and earnings was recorded in the Normal Trade and Food Service channel, which was not fully offset by the increase recorded in the large-scale retail channel.

The social changes imposed by the “new normal” have led to reduced consumption outside the home – the channel lost 40.7%, the Granarolo Group 25-30% on average, with lows of -80% from March to May – in favour of home consumption through a shopping mix which first and foremost favoured commodity products with longer shelf lives (ESL (up to 30 days) milk and long-life UHT milk) and ingredients (eggs, cheeses, soft cheeses etc.).

**The group’s earnings before interest, taxes, depreciation and amortisation (EBITDA)** stood at 78.5 million Euros, or 6.1% of revenue, substantially in line with company forecasts and an improvement of 5.8 million (+8%) on 2019.

### **The main consolidated results for 2020**

**Consolidated revenue** from sales reached **1.280 billion Euros**, a 3% decrease (37 million Euros) from 2019.

The Group’s sales have traditionally been concentrated in Italy (66.8% of revenue); the percentage of sales derived from Europe saw a 1% increase to 28.2%, while sales in extra-European markets fell by 10.9% to 4.9%. In total, foreign sales represented 33% of total turnover, confirming a substantially stable division with respect to the previous financial year.

The Group’s earnings before interest, taxes, depreciation and amortisation (**EBITDA**) amounted to 78.5 million Euros, 6.1% of revenue, an increase of 5.8 million Euros (8%) over 2019.



Earnings before interest and taxes (**EBIT**) stood at 28 million Euros, equal to 2.2% of sales revenue.

**Net profit** for the financial year was 15.8 million Euros.

**The Net Financial Position** stood at 164 million Euros, an increase of 2.6 million Euros compared to 31 December 2019.

The Board of Directors decided to propose to the Shareholders' Meeting the distribution of a **dividend** of 12.5 million Euros.

In order to provide adequate comparability of the management actions, financial information and comparative analyses contained in this communication, the data used have not had IFRS 16 applied.

*“Over the course of 2020, our Group, which operates in a difficult sector in terms of average margins, and with significant logistics costs, reacted in a timely manner to the new market situation caused by the pandemic and the restrictions imposed by it. We acted to immediately ensure the health of our personnel, the production of essential goods such as milk and dairy products, the partial conversion of our catering logistics network into e-commerce, and to support the communities hardest hit by the virus. Despite the fall in sales of fresh milk due to the closure of cafés and schools, Granarolo committed to collecting all the milk produced by Italian dairy farmers in the Granlatte supply chain and from other farmers outside the chain who were struggling, with the awareness of the important role played by the cooperative in Italy.*

*The goal of the work we are carrying out is to give back the most value added to our shareholders and the country's dairy farmers deriving from production quality and organisational efficiency. The results of this financial year are in line with this assumption, in such an unusual and unpredictable year. Full resumption, once the effects of the vaccine campaign have been felt, nevertheless raises some concerns. Forecasts from Italian national statistics agency ISTAT indeed see many families in difficulty, falling GDP and a third of*



*businesses (bars, restaurants etc.) not opening their doors again.”*

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### **The Granarolo Group**

The Granarolo Group comprises two distinct yet complementary areas: the agricultural consortium of milk producers, Granlatte, which collects the milk, and the joint stock company, Granarolo S.p.A. - which processes and sells the finished product and has eleven production facilities across Italy, two in France, three in Brazil, one in New Zealand, one in the United Kingdom and one in Germany.

The Granarolo group represents the most important milk supply chain in Italy, with producer cooperatives as its major shareholders. It brings together over 600 dairy farmers, an organisation for milk collection from farms with 70 vehicles, 720 vehicles for distribution delivering 850,000 metric tonnes a year and every day serving some 50,000 points of sales where almost 20 million Italian families buy Granarolo products.

The Granarolo Group's mission abroad is to export the tradition and know-how of Italian-made products.

The Group outsources quality control to international certification bodies, which are qualified and guaranteed by the International Food Standard (IFS), the British Retail Consortium (BRC) and the EU organic food certification (CCPB - Consortium for the Control of Organic Products). The production process has been ISO 9001 quality management certified since 2002.

As at 31/12/2020, the Granarolo Group employed 2,454 workers. The Group is 77.48% owned by the Granlatte Consortium, 19.78% is held by Intesa Sanpaolo, and the remaining 2.74% by Cooperlat. In 2020, the Group's revenue was 1.280 billion Euros.

**[www.granarologroup.com](http://www.granarologroup.com)**

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