



# VILVI GROUP

THE RESULTS OF Q1 2021



# CONTENT

1. [MAIN EVENTS DURING Q1 2021](#)
2. [MAIN FINANCIAL INDICATORS](#)
3. [SALES REVENUE BY MARKETS](#)
4. [SALES REVENUE BY OPERATING SEGMENTS](#)
5. [CONSOLIDATED STATEMENT OF FINANCIAL POSITION](#)
6. [CONSOLIDATED INCOME STATEMENT](#)
7. [CONCOLIDATED STATEMENT OF CASH FLOWS](#)
8. [ABOUT THE COMPANY](#)
9. [STRUCTURE OF VILVI GROUP](#)
10. [BOARD](#)
11. [SHORT HISTORY OF THE COMPANY](#)
12. [SHAREHOLDERS](#)
13. [SHARE PRICE DATA](#)
14. [CONTACTS](#)

# 1. MAIN EVENTS DURING Q1 2021

- Until 28 February 2021, the Vilvi Group's subsidiary Kelmės Pieninė AB was engaged in two types of activities: production and sale of fresh milk products, and production and sale of dry milk products. At the end of 2020 establishment of Kelmės Pienas UAB, a subsidiary of Kelmės Pieninė AB, to which the business of fresh milk products was transferred in 2021, as a complex with the aim of continuing economic activity. The decision regarding the spin-off activities was made in order to restructure the operations of the Group companies, ensure efficiency, optimization and diversification of operations. Following the transfer of business, Kelmės Pieninė AB will continue its activities of production of dry milk products.

## ACHIEVEMENTS:

- In Europe's largest independent brand study "Sustainable Brand Index" Vilkyškių pieninė brand fell among the most sustainable brands in Lithuania – ranked honorable 10th, while in the food category is **3th**. A total of 50 brands were involved in the investigation, selected on the basis of market share, turnover and brand awareness. As many as 1200 respondents rated the environmental and social responsibility of enterprises in the study.



## PRODUCT NEWS:

- **GymON** product line has been complemented by a new product balanced for women – **GymON FITWAY**. It is a raspberry and white chocolate flavor, a special technology-dressed lactose-free protein with L-carnitine and dietary fiber. The product is designed for women who seek to balance nutrition or control body weight, as well as those who want to maintain their physical shape and recover faster after a workout.
- We have updated the packaging of VILVI **MOZZARELLA** and melted Memel blue cheeses. New packaging of melted cheese is more attractive to consumers due to the consumption situations identified on them and the clearly identified taste (classic, tender, spicy) that facilitates the choice.



## EXHIBITIONS:

- In February, Vilkyškių pieninė AB traditionally took part in the international exhibition of food industry “Gulfood 2021” in Dubai, The United Arab Emirates. The main focus was on mozzarella cheese and milk/whey powder.

## EXTENDED/ISSUED CERTIFICATES DURING Q1 2021:

- Kosher certificate for the production of dry milk products of Kelmės pieninė AB was renewed;
- HALAL certificateS have been renewed for Kelmės pieninė AB, “Modest” AB and Vilkyškių pieninė AB.



## **MARKETS:**

- Comparing Q1 2020-2021 sales data, we can say that sales return to pre-pandemic level. The Group's sales revenue grew and was 8.8% higher than in the same period last year. Q1 2021 increase in the volume of products sold (12%) was due to a significant increase in sales of cheeses and cheese products.
- For the growth of cheese sales in 2021, as in 2020 at the end of the year, was affected by the recovering activity of export partners. Special attention was given to existing customers, and the abundance of sales directions ensured stable sales volumes and pricing.
- Sales of dry milk products did not change significantly compared to Q1 2020, but sales revenue increased 6.0%. The sales geography of this products continues to expand in the Asian, African and European regions.

## 2. MAIN FINANCIAL INDICATORS

	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021
Revenue (Thousands EUR)	27,818	20,975	27,414	29,103	31,653
EBITDA (Thousands EUR)	1,964	1,278	115	1,584	942
EBITDA margin (%)	7.1%	6.1%	0.4%	5.4%	3.0%
Net profit (loss) (Thousands EUR)	1,042	124	-820	502	-197
Net profit margin (%)	3.7%	0.6%	-3.0%	1.7%	-0.6%
Quantity of purchased basic indicators milk, t	56,684	60,074	57,446	68,837	67,305
Profit per share (EUR)	0.09	0.01	-0.07	0.04	-0.02
Net financial debt (Thousands EUR)	30,896	29,991	29,552	24,912	19,320

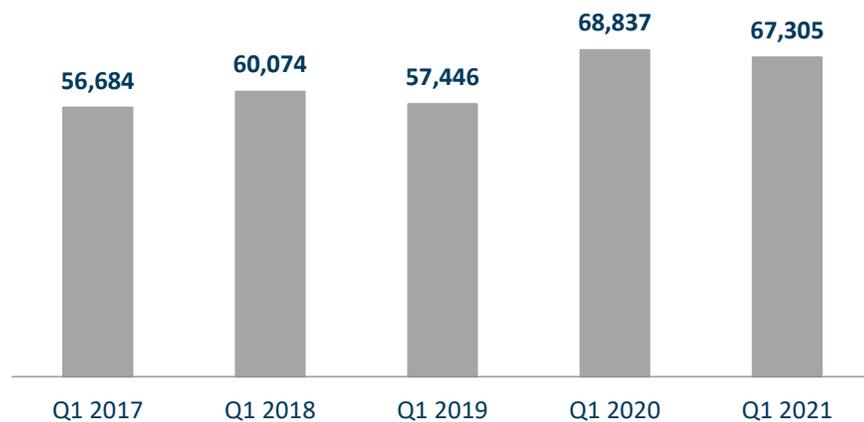
At first three months of 2021, **sales revenue** came to EUR 31.7 MEUR (8.8 percent more than in 3 months of 2020).

At reporting period **EBITDA** was 942 kEUR or 642 kEUR less than in previous year same period.

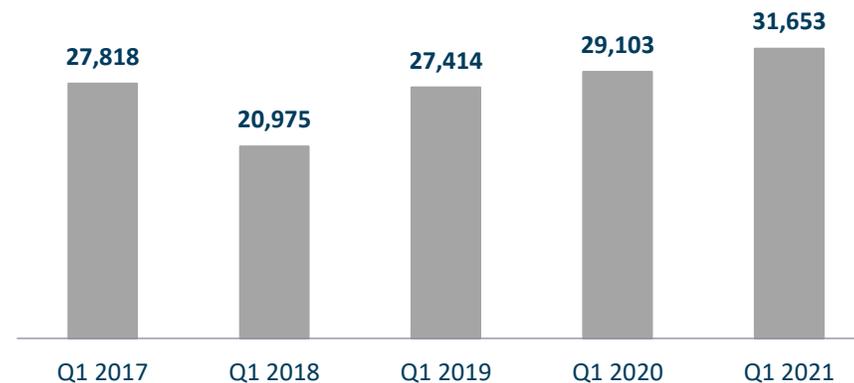
In 3 months of 2021 **net loss** was 0.2 MEUR (Q1 2020 net profit was 0.5 MEUR). The result of Q1 2021 was negatively affected by the planned equipment repair-inspection at Vilkyškių pieninė AB.

In 3 months of 2021, a total of 67.3 tho tones of basic indicators milk was purchased, and decrease by 2.2 percent as compared with 3 months of 2020.

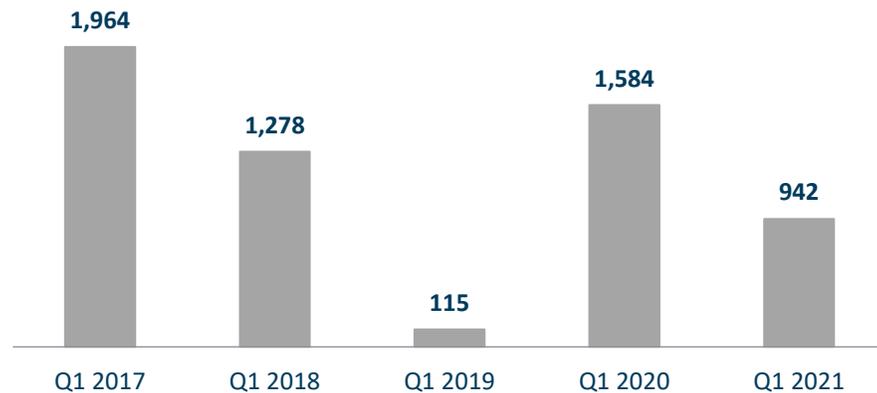
**QUANTITY OF PUCHASED MILK, T**



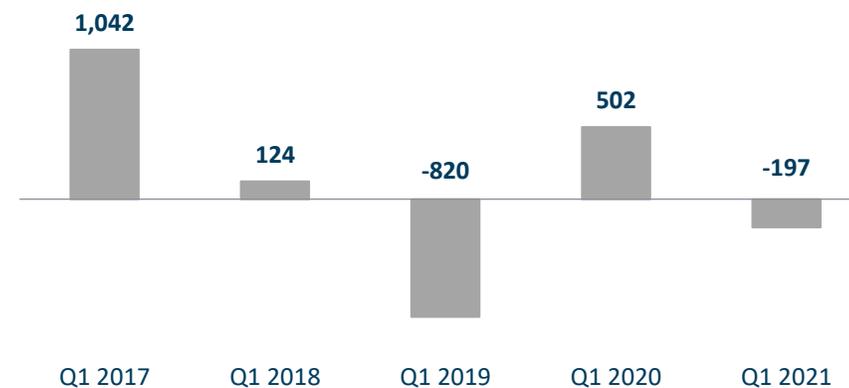
**REVENUE, THOUSANDS EUR**



**EBITDA, THOUSANDS EUR**

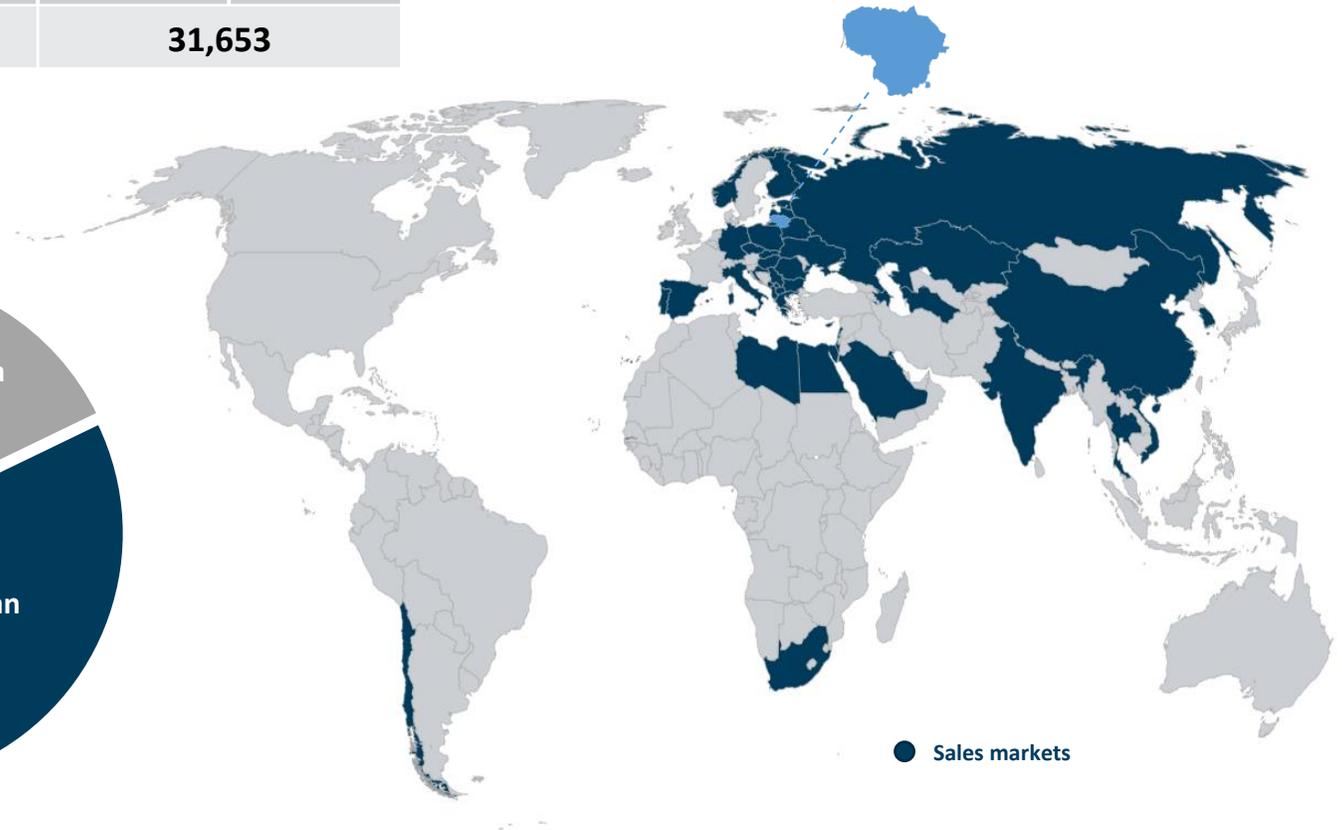
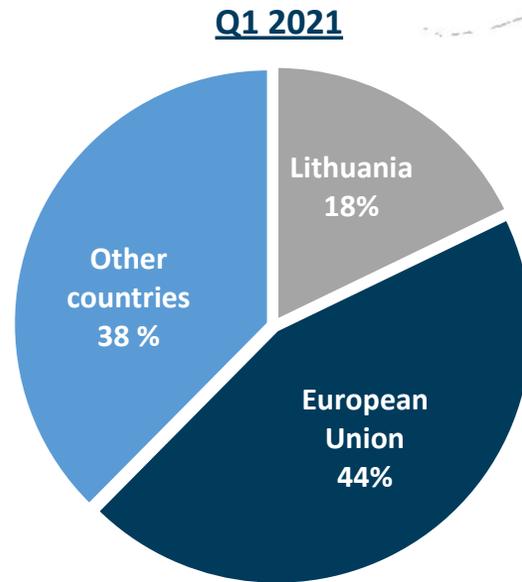
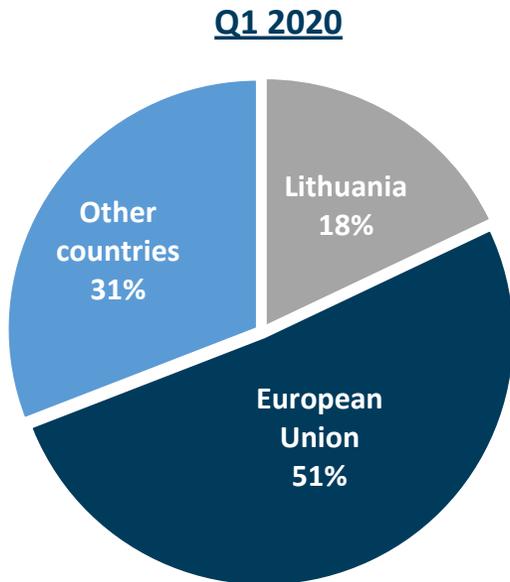


**NET PROFIT (LOSS), THOUSANDS EUR**



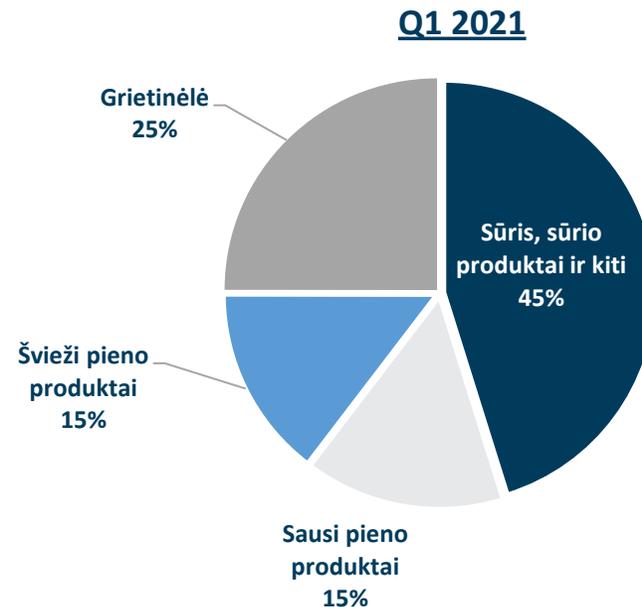
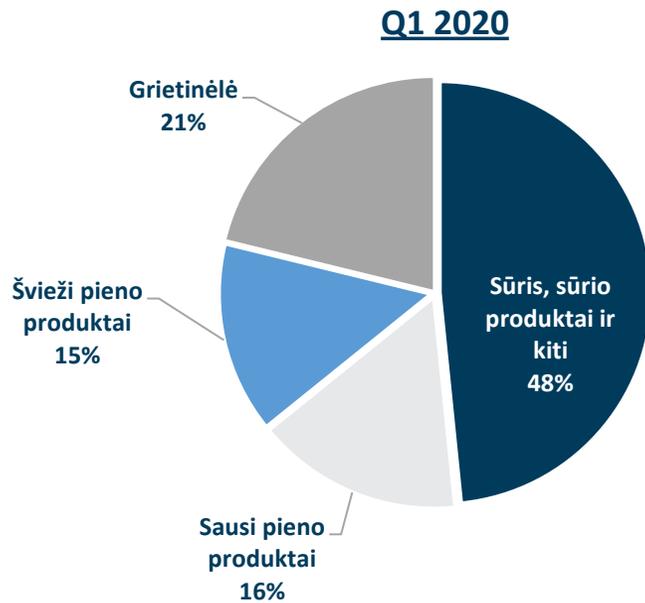
### 3. SALES REVENUE BY MARKETS

(Thousand EUR)	Q1 2020		Q1 2021	
Lithuania	5,219	18%	5,641	18%
European Union	14,891	51%	14,106	44%
Other countries	8,993	31%	11,906	38%
<b>Total revenue:</b>	<b>29,103</b>		<b>31,653</b>	



## 4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	Q1 2020		Q1 2021	
Cheese, cheese products and other	14,084	48%	14,301	45%
Dry milk products	4,591	16%	4,806	15%
Fresh milk products	4,266	15%	4,639	15%
Cream	6,162	21%	7,907	25%
<b>Total:</b>	<b>29,103</b>		<b>31,653</b>	



### THE SEGMENT COMPRISES:

- **Cheese, cheese products and other.** Cheese, cheese products and other products produced by the subsidiary and Parent company;
- **Dry milk products.** WPC, skimmed-milk, permeate and whey powder produced by the subsidiary;
- **Fresh milk products.** Fresh milk products produced by the subsidiary (kephir, yoghurt, sour milk, butter, curd products);
- **Cream.** Cream produced by the subsidiary and Parent company.

## 5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2021.03.31	2020.12.31
<b>ASSETS</b>		
Property, plant and equipment	45,428	46,207
Right-of-use assets	831	968
Intangible assets	6,946	6,935
Non-current amounts receivable	128	226
Deferred income tax assets	890	890
<b>Non-current assets</b>	<b>54,223</b>	<b>55,226</b>
Inventories	10,774	11,693
Trade and other receivable	9,287	9,062
Prepayments	652	736
Cash and cash equivalents	235	181
<b>Current assets</b>	<b>20,948</b>	<b>21,672</b>
<b>Total assets</b>	<b>75,171</b>	<b>76,898</b>
<b>EQUITY</b>		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,248	2,347
Retained earnings	25,713	25,809
<b>Total equity attributable to owners of the Company</b>	<b>34,725</b>	<b>34,920</b>
<b>Non-controlling interest</b>	<b>52</b>	<b>53</b>
<b>Total equity</b>	<b>34,777</b>	<b>34,973</b>
<b>LIABILITIES</b>		
Borrowings liabilities	2,711	2,951
Lease liabilities	250	323
Government grants	4,432	4,664
<b>Non-current liabilities</b>	<b>7,393</b>	<b>7,938</b>
Borrowings liabilities	16,844	18,083
Lease liabilities	290	303
Income tax payable	-	1
Trade and other payables	15,867	15,600
<b>Current liabilities</b>	<b>33,001</b>	<b>33,987</b>
<b>Total liabilities</b>	<b>40,394</b>	<b>41,925</b>
<b>Total equity and liabilities</b>	<b>75,171</b>	<b>76,898</b>

## 6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2021.01.01- 2021.03.31	2020.01.01- 2020.03.31
Revenue	31,653	29,103
Cost of sales	-30,197	-27,141
<b>Gross profit (loss)</b>	<b>1,456</b>	<b>1,962</b>
Other operating income	66	51
Distribution costs	-861	-746
Administrative expenses	-699	-643
Other operating expenses	-26	-23
<b>Results of operating activities</b>	<b>-64</b>	<b>601</b>
Finance income	58	17
Finance costs	-191	-296
<b>Net finance costs</b>	<b>-133</b>	<b>-279</b>
<b>Profit (loss) before income tax</b>	<b>-197</b>	<b>322</b>
Income tax expenses	-	180
<b>Profit (loss) for the period</b>	<b>-197</b>	<b>502</b>
Attributable to:		
Owners of the Company	-196	503
Non-controlling interest	-1	-1
<b>Profit (loss) for the year</b>	<b>-197</b>	<b>502</b>
Basic earnings (losses) per share (EUR)	-0.02	0.04

## 7. CONSOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2021.01.01- 2021.03.31	2020.01.01- 2020.03.31
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) for the year	-197	502
Adjustments for:		
Depreciation of property, plant and equipment	1,131	1,125
Amortization of intangible assets	3	3
Amortization and write-off of grants	-128	-145
Gain (loss) from disposal of property, plant and equipment	88	1
Income tax expenses	-	-180
Interest expenses, net	133	279
	<b>1,030</b>	<b>1,585</b>
Change in inventories	918	139
Change in non-current amounts receivable	99	81
Change in trade and other receivables and prepayments	-83	-529
Change in trade and other payables	264	981
	<b>2,228</b>	<b>2,257</b>
Interest paid	-166	-209
Income tax paid	-	-
<b>Net cash flows generated from operating activities</b>	<b>2,062</b>	<b>2,048</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of plant and equipment	-589	-555
Payments for acquisition of intangible assets	-14	-9
Proceeds from sale of plant and equipment	153	1
Loans recovered	-	-150
<b>Net cash flows used in investing activities</b>	<b>-450</b>	<b>-713</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received	2,154	1,284
Repayments of borrowings	-3,634	-2,516
Financial lease	-78	-95
<b>Net cash flows generated from financing activities</b>	<b>-1,558</b>	<b>1,327</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>54</b>	<b>8</b>
Cash and cash equivalents at 1 January	181	298
<b>Cash and cash equivalents at 30 September</b>	<b>235</b>	<b>306</b>

# ADDITIONAL INFORMATION

## 8. ABOUT THE COMPANY

- ✓ Company was established in 1993.
- ✓ On the 31th of March 2021 the Group had 817 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.

## 9. STRUCTURE OF VILVI GROUP



### VILKYŠKIŲ PIENINĖ AB

- Parent company.
- Established in 1993
- Production of hard and everyday cheeses, cream, whey treatment.



### “MODEST” AB

- Subsidiary.
- Established in 1992, it has been part of the Group since 2006.
- The production of melt, smoked cheese, mold cheese, mozzarella, other cheese products.



### KELMĖS PIENINĖ AB

- Subsidiary.
- Established in 1993, it has been part of the Group since 2008.
- The production of dry milk products (WPC, skimmed-milk, permeate and whey powder).



### “KELMĖS PIENAS” UAB

- Subsidiary of Kelmės pieninė AB
- Established in 2020, activities started in March 2021.
- The production of fresh dairy products



### “PIENO LOGISTIKA” AB

- Subsidiary.
- Established in 2013
- Rental of buildings.

## 10. BOARD

**Gintaras Bertašius,**  
Chair of the Board, CEO of AB Vilkyškių pieninė AB

**Vilija Milaševičiutė,**  
Member of the board, Chief Economics and Financial Officer

**Rimantas Jancevičius,**  
Member of the board, Chief Purchasing Officer at Vilkyškių pieninė AB

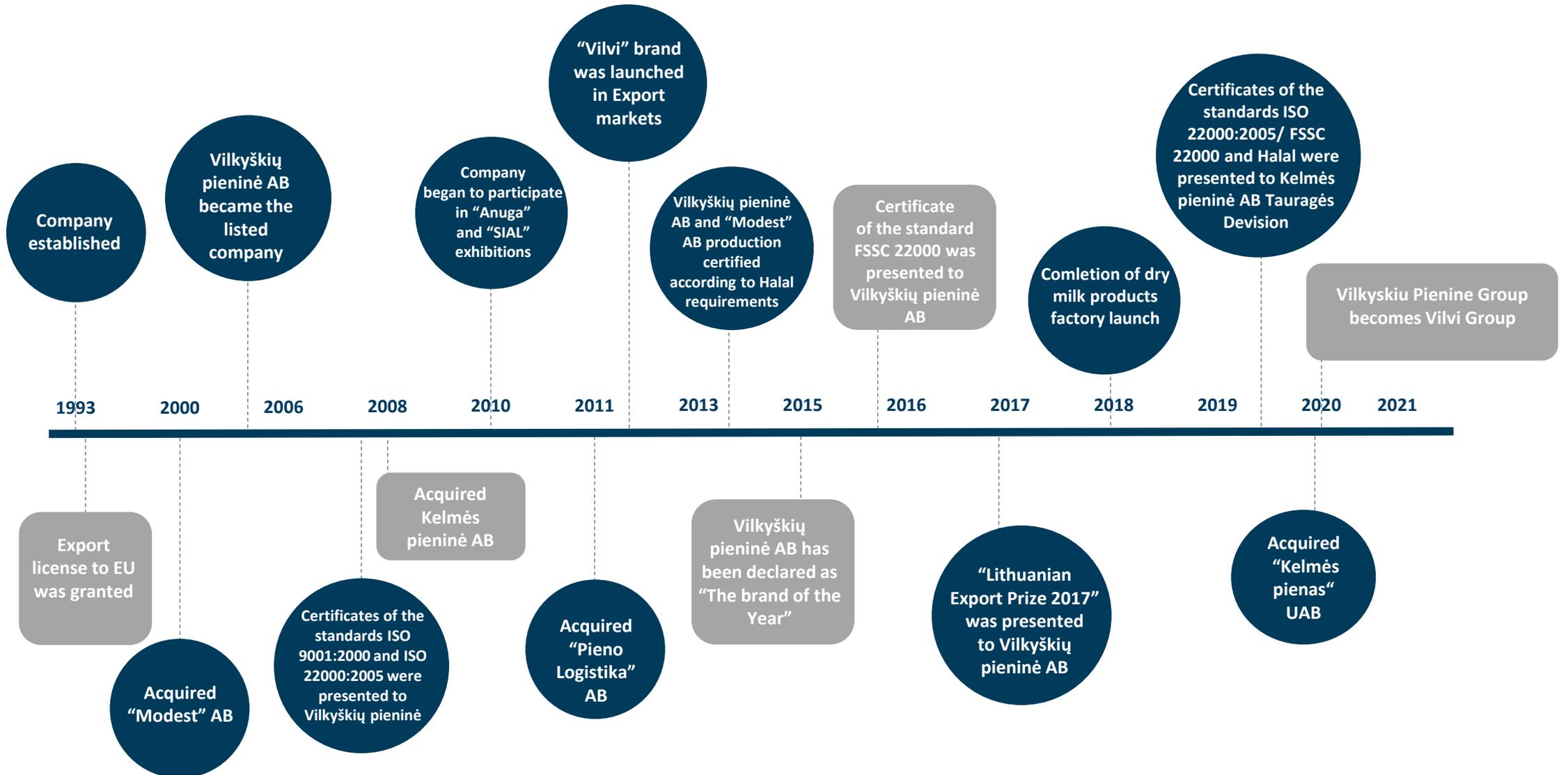
**Sigitas Trijonis,**  
Member of the board, Chief Technology Officer of Vilkyškių pieninė AB

**Linas Strėlis,**  
Independent member of the Board

**Andrej Cyba,**  
Independent member of the Board

Board members re-elected for a four-year term on 27 April 2018

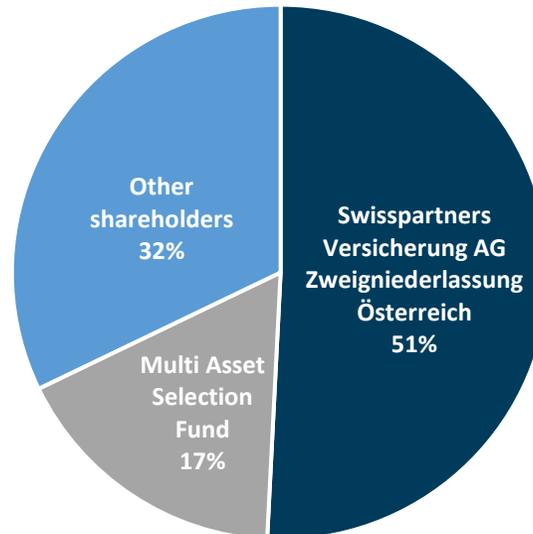
# 10. SHORT HISTORY OF THE COMPANY



# 11. SHAREHOLDERS

Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6.067.206	51%*
Multi Asset Selection Fund	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 has granted G. Bertašius (CEO at Vilkyškių pieninė AB) permission to exercise all the non-property rights of the shareholder, including the right to vote at the issuer's shareholders' meetings.



# 12. SHARE PRICE DATA

Vilkyškių pieninė AB share price and OMX Vilnius indexes comparison **2018 April – 2021 March.**



Vilkyškiai, Pagėgių sav.  
CRN: 277160980  
Phone No: 8 441 55330  
Fax.: 8 441 55242  
info@vilvi.eu  
[www.vilvigroup.eu](http://www.vilvigroup.eu)

**Contacts:**

**Gintaras Bertasius**  
Director General  
Tel.: 8 441 55330  
gintaras.bertasius@vilvi.eu

**Vilija Milaševičiutė**  
Economics and Finance Director  
Tel.: 8 441 55102  
vilija.milaseviciute@vilvi.eu

