



## PRESS RELEASE

### MASSIMO ZANETTI BEVERAGE GROUP SPA: THE BOARD OF DIRECTORS APPROVES THE FIRST HALF 2020 RESULTS

**MASSIMO ZANETTI, THE GROUP'S CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SAID:** "The results for the first half of 2020 have been particularly affected by the global measures aimed at containing the spread of Covid-19. In particular, most markets with significant exposure to the Food Service channel suffered an abrupt slowdown beginning in March, partially offset by the uptrend in the Mass Market channel in all geographical areas.

The results recorded by the Food Service channel in June indicate a significant recovery, and this positive performance was also confirmed in July, with encouraging signs in various markets.

In addition, I am proud to note that our sustainable, certified and organic products continue to deliver solid results and that the e-commerce channel is growing rapidly.

At present, the impact on the performance of the year is still unclear, given the constantly-evolving context, and probably another couple of months will be necessary to get a clearer picture. Meanwhile, we are implementing all the initiatives necessary to preserve the Group's solidity and carrying out cost containment actions in all geographical areas.

I am convinced that it is in this environment of extreme discontinuity that the strengths of our company, which is at once global and local, and which has always harnessed and focused on the new tendencies and original habits in the various markets, will enable us to move quickly to identify new trends, such as sustainable products, and to create significant opportunities for improvement."

- **VOLUMES** INCREASED +1.0% (-5.2% ON A COMPARABLE BASIS\*) COMPARED TO THE FIRST HALF 2019
- **REVENUES:** EURO 404.0 MILIONI MILLION COMPARED TO EURO 439.5 MILLION OF FIRST HALF 2019; -8.1% AT CURRENT EXCHANGE RATES, -8.5% AT CONSTANT EXCHANGE RATES, -10.8% ON A COMPARABLE BASIS
- **GROSS PROFIT:** EURO 169.5 MILLION COMPARED TO EURO 196.5 MILLION OF THE FIRST HALF 2019 WITH THE MARGIN ON REVENUES OF 41.9% COMPARED TO 44.7% OF THE FIRST HALF 2019

*(\*) comparable basis: at constant forex and LFL (like-for-like, at the same perimeter, excluding acquisitions of Café Pacaembu completed in October 2019 and Bean Alliance Group, completed at the end of January 2019)*



- **EBITDA ADJUSTED:** EURO 14.7 MILLION, COMPARED TO EURO 35.7 MILLION OF THE FIRST HALF 2019
- **NET DEBT:** EURO 287.3 MILLION COMPARED TO EURO 266.5 MILLION AT DECEMBER 31, 2019. NET DEBT, EXCLUDING LEASING, IS EQUAL TO EURO 240.6 MILLION AT JUNE 30, 2020, COMPARED TO EURO 217.4 MILLION AT DECEMBER 31 2019.

Villorba, August 6, 2020. The Board of Directors of Massimo Zanetti Beverage Group S.p.A., one of the leading brands worldwide in the production, processing and marketing of roasted coffee, listed on the Milan Stock Exchange (MZB.MI), approved today the First Half Report as at June 30, 2020..

### VOLUMES

*The first half of the year has been characterized by the progressive reduction in volumes in the Food Service channel, impacted by the measures adopted by governments worldwide to combat the spread of the virus Covid-19, with the full closure of all non-core activities, in most of the country around the world for several weeks.*

*In particular, April was more affected by these lockdown measures, and, as the restrictions were gradually eased, May and especially June saw a recovery that was increasingly robust.*

In the six months of 2020, the roasted coffee sales volumes of Massimo Zanetti Beverage Group ("Group" or "MZB Group") were equal to 62.7 thousand tons, +1.0% compared with the first half 2019, -5.2% on a comparable basis.

At the geographical level, the Americas recorded 9.2% growth on the first half of 2019, driven by the positive performance of all channels; on a comparable basis, volumes declined slightly, by 1.4%. Northern Europe recorded an increase in volumes of 1.1% on the first half of 2019 due to the positive performance of the Mass Market channel, which offset the decline recorded in the Food Service channel. Southern Europe, with a decline in volumes of 17.9% compared to the first half of 2019, was particularly impacted by the weak performance of the Food Service and Private Label channels. The Asia-Pacific and Cafés area was down by 14.2% (-19.0% on a comparable basis) compared to the first half of 2019, due to the Food Service and Private Label channels, partially offset by the growth of the Mass Market channel.

### CONSOLIDATED REVENUES

The Group's consolidated revenues amounted to Euro 404.0 million showing a decrease of Euro 35.4 million (-8.1%) compared to the first half of 2019. This decline is mainly due to the decrease of roasted coffee sales price (-9.4%) partially offset by the increase of the roasted coffee sales volumes (+0.9%) compared to the first half of 2019 and by the favorable impact of foreign exchange rates (+0.4%) compared to the first half of 2019.



The decrease of roasted coffee sales price has been, in turn, impacted by (i) the measures adopted by governments worldwide to limit the Covid-19 pandemic which heavily penalised the mix in products and sales channels, and by (ii) the decrease of the cost of raw material (green coffee).

Revenues on a comparable basis (at constant forex and with the same perimeter) decreased 10.8% compared to the first half of 2019.

#### REVENUES BY CHANNEL

The revenues from the Food Service channel were down 37.6% at constant FX (-38.9% on a comparable basis) compared with the first half of 2019 as a result of the complete closure of all non-essential activities in all countries to limit the spread of Covid-19.

Mass Market increased 10.6% at constant FX (+8.2% on a comparable basis) compared with the first half of 2019 and showed to positive performance of all countries.

The Private Label revenues decreased 5.7% at constant FX (-8.6% on a comparable basis).

(in Thousand of Euro)	Six months ended June 30,				Change	
	2020		2019		Current FX	Constant FX
Foodservice	65,198	16.1%	105,346	24.0%	-38.1%	-37.6%
Mass Market	172,024	42.6%	155,098	35.3%	10.9%	10.6%
Private Label	141,231	35.0%	147,521	33.5%	-4.3%	-5.7%
Other	25,576	6.3%	31,485	7.2%	-18.8%	-19.4%
<b>Total</b>	<b>404,029</b>	<b>100.0%</b>	<b>439,450</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>-8.5%</b>

#### REVENUES BY REGION

Revenue in the Americas, at Euro 202.7 million in the first half of 2020, was up 3.3% at constant exchange rates (-1.2% on a comparable basis) compared with the first half of 2019, attributable to a positive performance of the *Mass Market* channel.

Revenue generated in Northern Europe, decreased 7.8% at constant exchange rates compared to the first half of 2019, showing a decrease of sales of the Food Service channel, starting in March, partially offset by a solid growth of the Mass Market channel.

Revenue in Southern Europe decreased 25.9% at constant exchange rates compared to the first half of 2019 due to the negative performance of the Food Service channel.



Revenues from Asia Pacific, which also include those from the international network of cafés, amount to Euro 38.3 million, a decrease of 19.9% on a comparable basis, due to the decline of the Food Service channel, partially offset by the growth of *Mass Market* channel.

(in Thousand of Euro)	Six months ended June 30,				Change	
	2020		2019		Current FX	Constant FX
Americas	202,672	50.2%	193,787	44,1%	4.6%	3.3%
Northern Europe	80,513	19.9%	87,715	20,0%	-8.2%	-7.8%
Southern Europe	82,520	20.4%	111,369	25,3%	-25.9%	-25.9%
Asia-Pacific and Cafés	38,324	9.5%	46,579	10,6%	-17.7%	-17.8%
<b>Total</b>	<b>404,029</b>	<b>100.0%</b>	<b>439,450</b>	<b>100,0%</b>	<b>-8.1%</b>	<b>-8.5%</b>

## GROSS PROFIT

Gross Profit at Euro 169.5 million in the first six months of 2020 shows a decrease of Euro 27.0 million compared with the first half of 2019 (-13.7%). This is mainly explained by the decline of Gross Profit resulting from the sales of roasted coffee only partially offset by the impact of the exchange rates (+0.3%).

The trend in Gross Profit from the sale of roasted coffee is mainly due to the effect of the aforementioned pandemic on the mix sold in 2020, in addition to the trends in sales and purchase prices respectively of roasted and green coffee (-14.0%), partially compensated by the positive impact of the increase of volumes (+1.0%).

In percent of revenues the Gross Profit is 41.9% compared with 44.7% of the first half of 2019.

## EBITDA ADJUSTED

EBITDA adjusted amounts to Euro 14.7 million in the first half 2020, compared with Euro 35.7 million of the first half 2019. In addition to the factors commented on at the level of gross profit, this change was influenced by the positive impact of exchange rate fluctuations of Euro 0.1 million and by the decrease in operating costs of Euro 6.4 million. On a comparable basis, this decline was primarily driven by the cost containment measures taken to mitigate the impact of Covid-19.

Adjusted EBITDA excludes non-recurring costs incurred, amounting to Euro 2.8 million (Euro 1.8 million in the first half of 2019). These costs are primarily related to efficiency projects in America as well as the accrual to the bad debt provision made exceptionally to take into account the likely impacts of potential credit loss due to the Covid-19 pandemic.

## OPERATING INCOME (EBIT)

Operating income (EBIT) is equal to Euro -12.4 million, a decrease of Euro 24.1 million compared to the first half of 2019. In addition to that disclosed about EBITDA, the decrease is attributable to the increase in amortization and depreciation, for Euro 2.1 million.



## NET RESULT

Net result is equal to Euro -17.0 million in the first half 2020, a decrease of Euro 20.4 million compared to the first half of 2019. This performance, in addition to what was previously described for the operating profit, is also due to the combined effect of:

- the decrease in the shares of losses of companies accounted for using the equity method, amounting to Euro 0.7 million;
- the decrease in income taxes amounting to Euro 3.0 million, mainly due to lower profit before taxes compared with the first half of 2019.

## NET DEBT

Net debt before IFRS 16 effect is equal to Euro 240.6 million as of June 30, 2020, compared with Euro 217.4 million as of December 31, 2019. The adoption of IFRS 16 accounting standard increased the net debt of Euro 46.7 million as of June 30, 2020 and Euro 49.1 million as of December 31, 2019.

Net debt (including IFRS 16 effect) is equal to Euro 287.3 million at June 30, 2020 an increase of Euro 20.8 million compared to December 31, 2019. This increase is mainly due to the following:

- Free Cash Flow negative for Euro 9.4 million
- Dividend paid for Euro 6.5 million
- Interest paid in the first six months of 2020 amounting to Euro 3.4 million

## FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS - UPDATE IN RELATION TO COVID-19 IMPACTS

The results for the first half of the year were affected by the Covid-19 health emergency and by the containment measures adopted to combat the spread of the virus. In particular, April was more affected by these lockdown measures, and, as the restrictions were gradually eased, May and June saw a recovery that was increasingly more robust than initially forecast. The preliminary results for July also indicate that this trend continues.

Given the continuously evolving context causing uncertainty, at the moment Management confirms the decision taken during the Board of Directors of April 23 to suspend the financial guidance to the market, disclosed on June 5, 2020 before the outbreak of Covid-19 pandemic.



## CONFERENCE CALL TO PRESENT FINANCIAL RESULTS

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First half 2020 results will be presented during the conference call to be held today at **5:45 CET**. To access the call, please use one of the following dial-in numbers: +1 718 7058 796 (US and Canada), +39 02 802 09 11 (Italy), +44 121 281 8004 (UK) ; +33 170 918 704 (France) and +39 02 802 09 27 (Press).

Digital Playback service will be available for 8 days, dialling the following numbers: +1 718 705 8797 (US and Canada), +39 02 72495 (Italy), +44 1 212 818 005 (UK) with the following passcode: 700966# and 966#. The presentation will be available before the conference call on the company website [www.mzb-group.com](http://www.mzb-group.com) and on the storage system ([www.emarketstorage.com](http://www.emarketstorage.com)). The recording file will be available on the company website.

## DECLARATION BY THE MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS

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The Manager in charge of the Company's financial reports, Leonardo Rossi, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance (TUF), declares that, based on his knowledge, the accounting information contained in this press release corresponds to the documented results, books and accounting records.

## FOR MORE INFORMATION

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## MASSIMO ZANETTI BEVERAGE GROUP S.p.A.

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Massimo Zanetti Beverage Group S.p.A. is a world leader in the production, processing and marketing of roasted coffee, distributed in about 110 countries. The Group manages the different activities, from procurement to consumption, operating 20 facilities across Europe, Asia and the Americas, and through a global network of about 400 coffee shops in 50 countries. Moreover, Massimo Zanetti Beverage Group completes the range of its products through the sale of professional coffee machines "La San Marco" and complementary products, such as tea, cocoa, chocolate and top-quality spices.

## DISCLAIMER

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This document includes forward-looking statements, relative to future events and income and financial operating results of the Massimo Zanetti Beverage Group. These forecasts, by their nature, include an element of risk and uncertainty, since they depend on the outcome of future events and developments. The actual results may differ even quite significantly from those stated due to a multiplicity of factors.

## ANNEX

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Six months ended June 30,				Change	
	2020		2019(*)		2020-2019	
Revenue	404,029	100.0%	439,450	100.0%	(35,421)	-8.1%
Raw, ancillary, and consumable materials and goods	(234,540)	-58.1%	(242,997)	-55.3%	8,457	-3.5%
<b>Gross Profit</b>	<b>169,489</b>	<b>41.9%</b>	<b>196,453</b>	<b>44.7%</b>	<b>(26,964)</b>	<b>-13.7%</b>
Purchases of services, leases and rentals	(78,321)	-19.4%	(84,724)	-19.3%	6,403	-7.6%
Personnel costs	(76,467)	-18.9%	(76,546)	-17.4%	79	-0.1%
Other operating costs, net	(896)	-0.2%	(199)	0.0%	(697)	>100%
Impairment	(1,899)	-0.5%	(1,080)	-0.2%	(819)	75.8%
<b>EBITDA</b>	<b>11,906</b>	<b>2.9%</b>	<b>33,904</b>	<b>7.7%</b>	<b>(21,998)</b>	<b>-64.9%</b>
Non recurring items	2,811	0.7%	1,791	0.4%	1,020	57.0%
<b>EBITDA Adjusted</b>	<b>14,717</b>	<b>3.6%</b>	<b>35,695</b>	<b>8.1%</b>	<b>(20,978)</b>	<b>-58.8%</b>
Depreciation and amortization	(24,333)	-6.0%	(22,216)	-5.1%	(2,117)	9.5%
<b>Operating result</b>	<b>(12,427)</b>	<b>-3.1%</b>	<b>11,688</b>	<b>2.7%</b>	<b>(24,115)</b>	<b>&lt; -100%</b>
Net finance costs	(5,098)	-1.3%	(5,039)	-1.1%	(59)	1.2%
Share of losses of companies accounted for using the equity method	(322)	-0.1%	(1,055)	-0.2%	733	-69.5%
<b>Result before tax</b>	<b>(17,847)</b>	<b>-4.4%</b>	<b>5,594</b>	<b>1.3%</b>	<b>(23,441)</b>	<b>&lt; -100%</b>
Income tax expense	886	0.2%	(2,137)	-0.5%	3,023	< -100%
<b>Result of the period</b>	<b>(16,961)</b>	<b>-4.2%</b>	<b>3,457</b>	<b>0.8%</b>	<b>(20,418)</b>	<b>&lt; -100%</b>

(\*) For a better presentation, the temporary worker cost has been reclassified from services cost to personnel costs.



## RECLASSIFIED CONSOLIDATED BALANCE SHEET

	As of June 30,	As of December 31,
<i>(in thousands of Euro)</i>	2020	2019
<b>Investments:</b>		
Intangible assets	218,804	227,016
Property, plant and equipment and investment properties	262,644	270,370
Investments in joint ventures and associates	10,857	11,166
Non-current trade receivables	2,907	2,949
Deferred tax assets and other non-current assets	38,178	35,423
<b>Non-current assets (A)</b>	<b>533,390</b>	<b>546,924</b>
<b>Net working capital (B)</b>	<b>96,932</b>	<b>103,790</b>
Employee benefits	(10,381)	(10,491)
Other non-current provisions	(2,973)	(3,039)
Deferred tax liabilities and other non-current liabilities	(31,758)	(33,250)
<b>Non-current liabilities (C)</b>	<b>(45,112)</b>	<b>(46,780)</b>
<b>Net invested capital (A+B+C)</b>	<b>585,210</b>	<b>603,934</b>
<b>Sources:</b>		
Equity	297,885	337,407
Net Financial Debt	287,325	266,527
<b>Sources of financing</b>	<b>585,210</b>	<b>603,934</b>

## NET WORKING CAPITAL

	As of June 30,	As of December 31,
<i>(in thousands of Euro)</i>	2020	2019
Inventories	174,521	154,525
Trade receivables	83,938	114,635
Income tax assets	3,474	3,512
Other current assets	14,014	20,594
Trade payables	(139,204)	(155,238)
Income tax liabilities	(2,242)	(2,531)
Other current liabilities	(37,569)	(31,707)
<b>Net working capital</b>	<b>96,932</b>	<b>103,790</b>

## RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT



<i>(in thousands of Euro)</i>	Six months ended June 30,	
	2020	2019
EBITDA Adjusted	14,717	35,695
Non-recurring Items	(914)	(2,064)
Changes in Net Working Capital	(8,322)	(10,293)
Net recurring investments	(15,644)	(16,474)
Income tax paid	(1,459)	(3,420)
Other operating items	2,164	1,485
<b>Free Cash Flow</b>	<b>(9,458)</b>	<b>4,929</b>
Net non-recurring investments	(1,616)	(22,256)
Investments in financial receivables	(7,618)	1,455
Interest paid	(3,404)	(3,491)
Net cash generated from financing activities	36,808	23,319
Net cash outflow from leasing accounted under IFRS 16	(5,726)	(4,930)
Dividends paid	(6,517)	(6,657)
Exchange gains/(losses) on cash and cash equivalents	(824)	383
<b>Net increase in cash and cash equivalents</b>	<b>1,645</b>	<b>(7,248)</b>
Cash and cash equivalents at the beginning of the period	94,846	93,491
<b>Cash and cash equivalents at the end of the period</b>	<b>96,491</b>	<b>86,243</b>

## CHANGES IN NET WORKING CAPITAL

<i>(in thousands of Euro)</i>	Six months ended June 30,	
	2020	2019
Changes in inventories	(19,915)	(15,192)
Changes in trade receivables	29,147	2,192
Changes in trade payables	(16,408)	4,831
Changes in other assets/liabilities	(755)	(1,730)
Payments of employee benefits	(391)	(394)
<b>Changes in net working capital</b>	<b>(8,322)</b>	<b>(10,293)</b>

## NET DEBT

(in thousands of Euro)		As of June 30,	As of December 31,
		2020	2019
A	Cash and cash equivalents	(854)	(1,108)
B	Cash at bank	(95,637)	(93,738)
C	Securities held for trading	-	-
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>(96,491)</b>	<b>(94,846)</b>
<b>E</b>	<b>Current financial receivables</b>	<b>(9,605)</b>	<b>(1,994)</b>
F	Current loans	76,896	61,699
G	Current portion of non-current medium/long-term loans	133,099	66,230
H	Other current financial payables	15,736	15,569
<b>I</b>	<b>Current debt (F+G+H)</b>	<b>225,731</b>	<b>143,498</b>
<b>J</b>	<b>Net current debt (I+E+D)</b>	<b>119,635</b>	<b>46,658</b>
K	Non-current medium/long-term loans	128,869	175,001
L	Issued bonds	-	-
M	Other non-current financial payables	38,821	44,868
<b>N</b>	<b>Non-current debt (K+L+M)</b>	<b>167,690</b>	<b>219,869</b>
<b>O</b>	<b>Net financial debt (J+N)</b>	<b>287,325</b>	<b>266,527</b>

## CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

<i>(in thousands of Euro)</i>	Six months ended June 30,	
	2020	2019*
Revenue	404,029	439,450
Other income	1,883	2,720
Purchase of goods	(234,540)	(242,997)
Purchases of services, leases and rentals	(78,321)	(84,724)
Personnel costs	(76,467)	(76,546)
Other operating costs	(2,779)	(2,919)
Amortization, depreciation and impairment	(26,232)	(23,296)
<b>Operating result</b>	<b>(12,427)</b>	<b>11,688</b>
Finance income	345	373
Finance costs	(5,443)	(5,412)
Share of losses of companies accounted for using the equity method	(322)	(1,055)
<b>Result before tax</b>	<b>(17,847)</b>	<b>5,594</b>
Income tax expense	886	(2,137)
<b>Result for the period</b>	<b>(16,961)</b>	<b>3,457</b>
<i>Result attributable to:</i>		
<i>Non-controlling interests</i>	(89)	85
<i>Owners of the parent</i>	(16,872)	3,372
<b>Basic/diluted earnings per share (in Euro)</b>	<b>(0.49)</b>	<b>0.10</b>

\* For a better presentation, the temporary worker cost has been reclassified from services cost to personnel costs.

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	As of June 30,	As of December 31,
	2020	2019
Intangible assets	218,804	227,016
Property, plant and equipment	257,773	265,436
Investment properties	4,871	4,934
Investments in joint ventures and associates	10,857	11,166
Non-current trade receivables	2,907	2,949
Deferred tax assets	14,847	12,908
Non-current contract assets	8,314	7,505
Other non-current assets	15,017	15,010
<b>Total non-current assets</b>	<b>533,390</b>	<b>546,924</b>
Inventories	174,521	154,525
Trade receivables	83,938	114,635
Income tax assets	3,474	3,512
Current contract assets	2,493	3,317
Other current assets	21,126	19,271
Cash and cash equivalents	96,491	94,846
<b>Total current assets</b>	<b>382,043</b>	<b>390,106</b>
<b>Total assets</b>	<b>915,433</b>	<b>937,030</b>
Share capital	34,300	34,300
Other reserves	88,433	103,914
Retained earnings	173,365	197,308
<b>Total equity attributable to owners of the Parent</b>	<b>296,098</b>	<b>335,522</b>
Non-controlling interests	1,787	1,885
<b>Total equity</b>	<b>297,885</b>	<b>337,407</b>
Non-current borrowings	167,690	219,869
Employee benefits	10,381	10,491
Other non-current provisions	2,973	3,039
Deferred tax liabilities	27,472	29,205
Non-current contract liabilities	367	418
Other non-current liabilities	3,919	3,627
<b>Total non-current liabilities</b>	<b>212,802</b>	<b>266,649</b>
Current borrowings	225,731	143,498
Trade payables	139,204	155,238
Income tax liabilities	2,242	2,531
Current contract liabilities	1,818	1,817
Other current liabilities	35,751	29,890
<b>Total current liabilities</b>	<b>404,746</b>	<b>332,974</b>
<b>Total liabilities</b>	<b>617,548</b>	<b>599,623</b>
<b>Total equity and liabilities</b>	<b>915,433</b>	<b>937,030</b>

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW

(in thousands of Euro)	Six months ended June 30,	
	2020	2019
<b>Result before tax</b>	<b>(17,847)</b>	<b>5,594</b>
<b>Adjustments for:</b>		
Amortization, depreciation and impairment	26,232	23,296
Provisions for employee benefits and other charges	236	376
Finance costs	5,098	5,039
Other non-monetary items	2,248	811
<b>Net cash generated from operating activities before changes in net working capital</b>	<b>15,967</b>	<b>35,116</b>
Decrease/(Increase) in inventories	(19,915)	(15,192)
Decrease/(Increase) in trade receivables	29,147	2,192
Increase/(Decrease) in trade payables	(16,408)	4,831
Changes in other assets/liabilities	(755)	(1,730)
Payments of employee benefits	(391)	(394)
Interest paid	(3,404)	(3,491)
Income tax paid	(1,459)	(3,420)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,782</b>	<b>17,912</b>
Acquisition of subsidiary, net of cash acquired	(1,616)	(20,756)
Purchase of property, plant and equipment	(14,045)	(14,189)
Purchase of intangible assets	(2,160)	(2,729)
Proceeds from sale of property, plant and equipment	555	428
Proceeds from sale of intangible assets	6	16
Investments in joint ventures and associates	-	(1,500)
Changes in financial receivables	(7,674)	1,384
Interest received	56	71
<b>Net cash used in investing activities</b>	<b>(24,878)</b>	<b>(37,275)</b>
Proceeds from long-term borrowings	42,001	41,345
Repayment of long-term borrowings	(21,050)	(22,220)
Increase / (decrease) in short-term borrowings	15,857	4,194
Changes in lease receivable and liabilities	(5,726)	(4,930)
Dividends paid	(6,517)	(6,657)
<b>Net cash generated from / (used in) financing activities</b>	<b>24,565</b>	<b>11,732</b>
Exchange gains/(losses) on cash and cash equivalents	(824)	383
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,645</b>	<b>(7,248)</b>
Cash and cash equivalents at the beginning of the period	94,846	93,491
<b>Cash and cash equivalents at the end of the period</b>	<b>96,491</b>	<b>86,243</b>