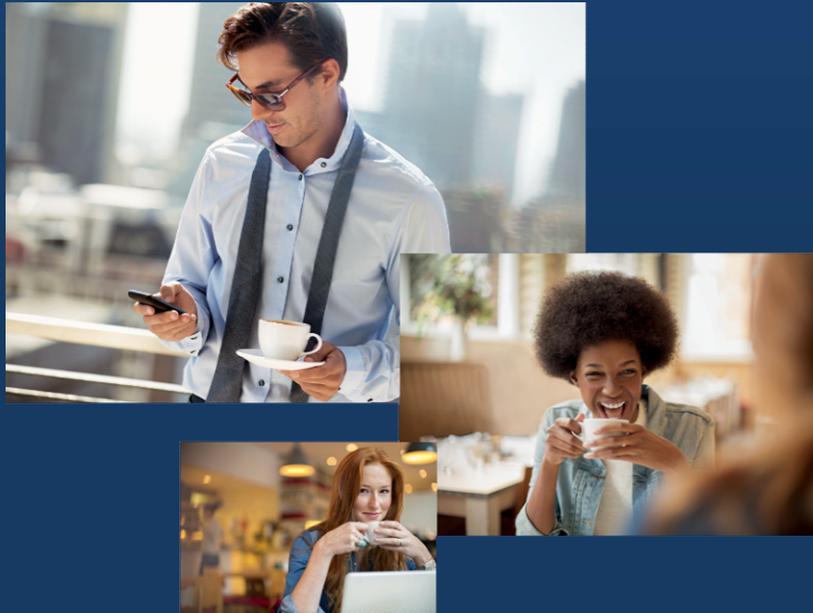


Massimo Zanetti

MASSIMO ZANETTI
BEVERAGE GROUP



Q1 2017 Results Massimo Zanetti Beverage Group

Villorba, 11th of May, 2017



BONCAFÉ

restaurant
BONcaféVino

BONCHOCO™

BONTEA
SIGNATURE COLLECTION



Café Mag



Chock
full o' Nuts



HILLS
BROS.
CAPPUCCINO

KAUAI
COFFEE

Kultā
Katriina

meira



Puccino's™



MEIRAN
Reilu
KAHVI

Saludo



Safe Harbour Statement

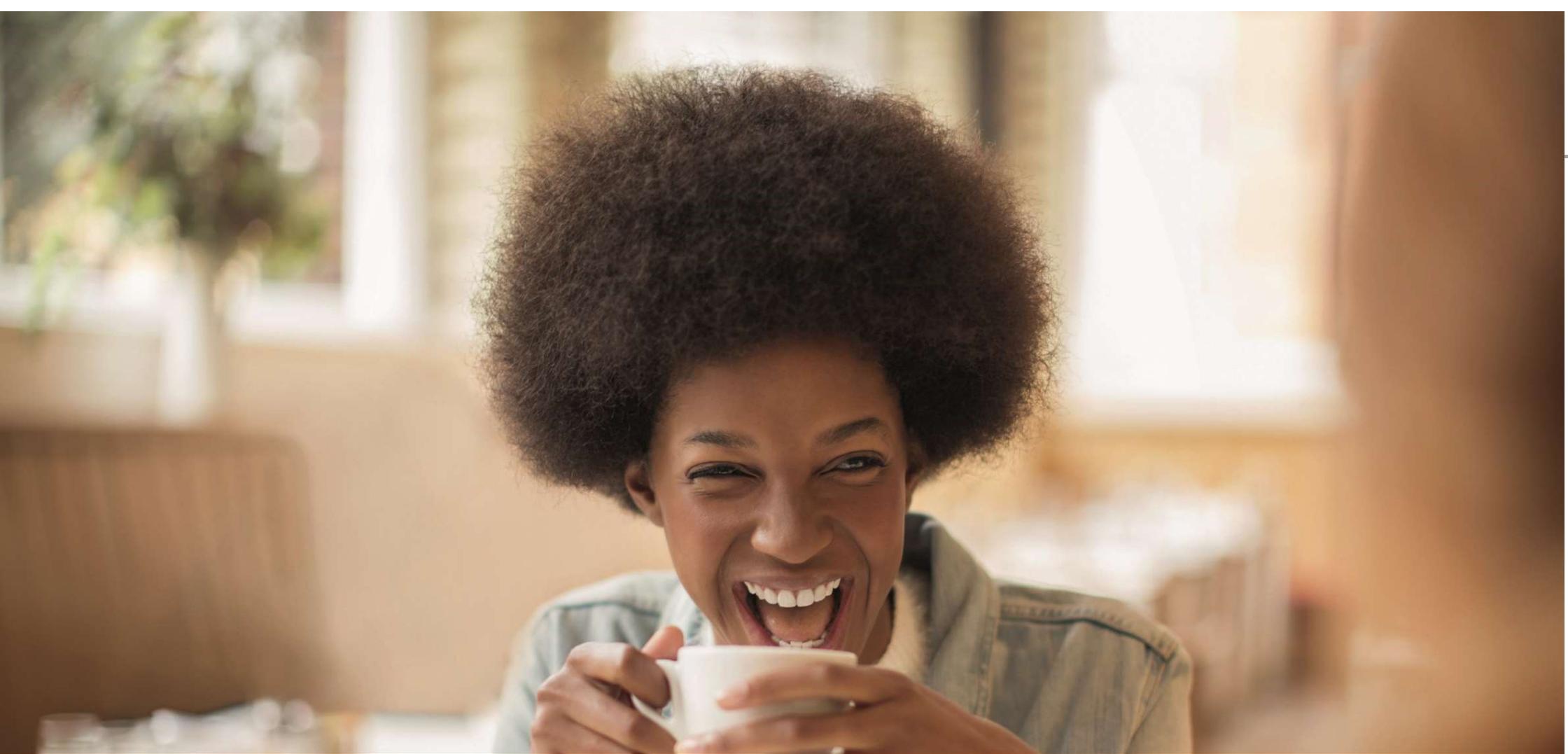
This document, and in particular the section entitled “2016 Outlook”, contains forward-looking statements, which reflect current views of the management of Massimo Zanetti Beverage Group S.p.A, (the “**Company**”) with respect to future events and financial and operational performance of the Company and its subsidiaries (the “**Group**”) , These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, or similar terms, Forward-looking statements are not guarantees of future performance, Rather, they are based on the Company’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties, They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them, Any reference to past performance or trends or activities of the Group shall not be taken as a representation or indicate performance, trends or activities will continue in the future,

Actual results may differ materially from those expressed in or implied by such statements as a result of a variety of factors, including: the Group’s ability to preserve and enhance the value of its brands; changes in client preferences and trends; changes in the general economic environment; the Group’s ability to successfully carry out its growth strategy and, particularly, the Group’s ability to grow its presence in emerging market countries; competition in the coffee industry; increases in commodity costs, disruptions of supply or shortages raw materials; disruptions at the Group’s manufacturing facilities; the Group’s ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others; product recalls and liability claims; exchange rate fluctuations, interest rate changes, credit risk and other market risks; potential conflicts of interest due to director and officer overlaps with the Group’s largest shareholders and other factors discussed elsewhere in this document,

Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements to reflect events or circumstances occurring after the date hereof, Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with Borsa Italiana S.p.A, and CONSOB,

This document does not constitute an offer to sell or the solicitation of an offer to buy the Company’s securities, nor shall the document for the basis of or be relied on in connection with any contract or investment decision relating thereto, or constitute a recommendation regarding the securities of the Company, The Company’s securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements,

Massimo Zuffi, the manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein corresponds to document results, books and accounting records,



1. Key messages

Key Highlights



FY RESULTS MEETS GUIDANCE

- Results in line with our plan
- Product and Channel Mix improved
- Food Service up 16.9%
- Coffee Gross Profit increased by 10.4%
- Organic Coffee Gross Profit per kg improved 12 cent (+4.9%)
- Single Serve up 59.2% in volumes and 49.3% in Revenue



M&A

- Nutricafés performance ahead of plan; integration moving forward on schedule
- Boncafè volumes up 21.9% and performance ahead of plan

UPDATE

- 2017 Outlook Confirmed
- Global ERP evaluation moving forward



A man with dark hair and glasses, wearing a light blue button-down shirt and a dark tie, is looking down at a white coffee cup on a saucer he is holding. He is standing on a balcony with a metal railing, and a city skyline is visible in the background under bright sunlight.

2. Q1 2017 Results

Financial Highlights

Financial Results

Volumes 30,883 Tons **-0.6%**

Foodservice +16.9%

Mass Market +0.4%

Private Label -4.3%

Revenue € 233.6M **+7.1%**

Gross Profit € 96.7M **+8.9%**

EBITDA € 13.9M **+9.1%**

EPS € 0.07 cent **+75.0%**

NET DEBT € 232.9M **+€ 12.0M**



Volumes by Channel: mix improving

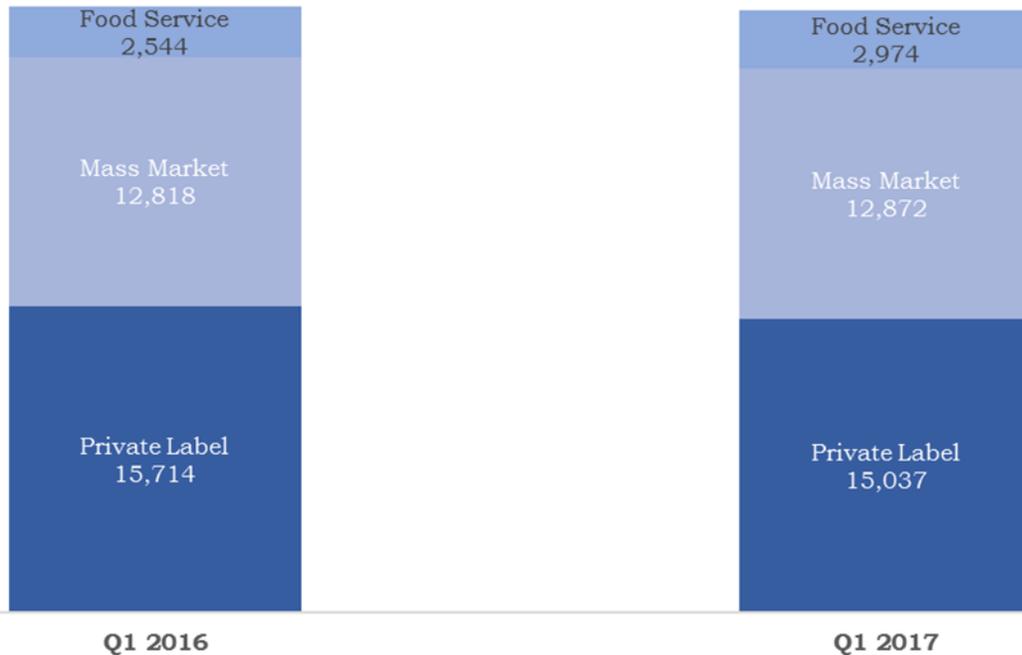
Roasted coffee volumes sold by distribution channel (in Tons)

-0.6%



31,076

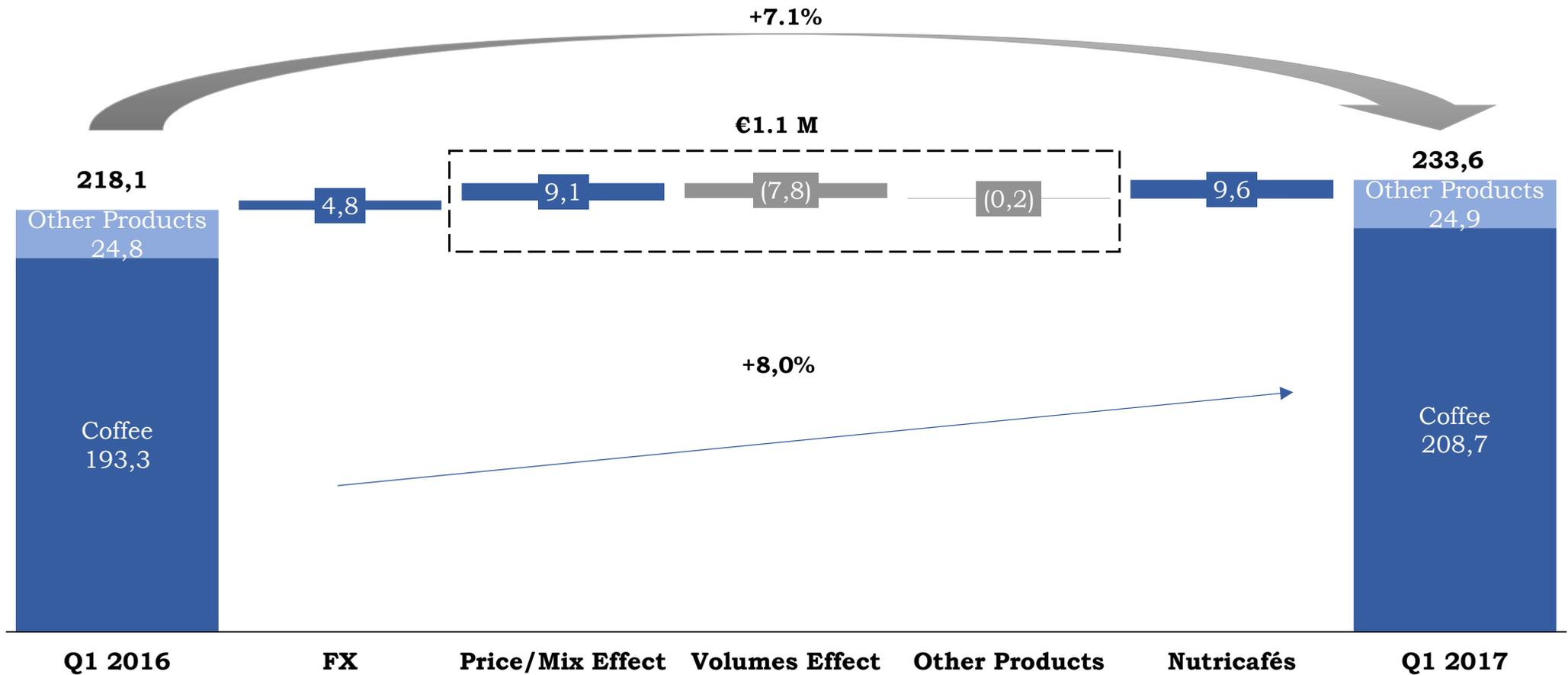
30,883



- **Volumes -0.6%**
- **Food Service +16.9%**, with positive performance in all regions, Excluding Nutricafés up by 1.8%, Food service accounts for 9.6% of total volumes,
- **Mass Market: +0.4%**, led by double digit growth in Southern Europe and Asia, Excluding Nutricafés, volumes were -1.8% Mass Market accounts for 41.7% of total volumes.
- **Private Label -4.3%**, the variance is mainly US related PL accounts for 48.7% of total volumes.
- **Capsules increased by 59.2%**, net of Nutricafes the increase is +14.3% with each region recording positive performance.

Revenue Bridge: Branded revenues increase

(€M)



- Sales increased 7.1%; roasted coffee sales were up by 8.0%
- Volume loss more than offset by channel/product mix improvement and average selling price increases
- Revenue growth in all regions and distribution channels

KEY FACTS

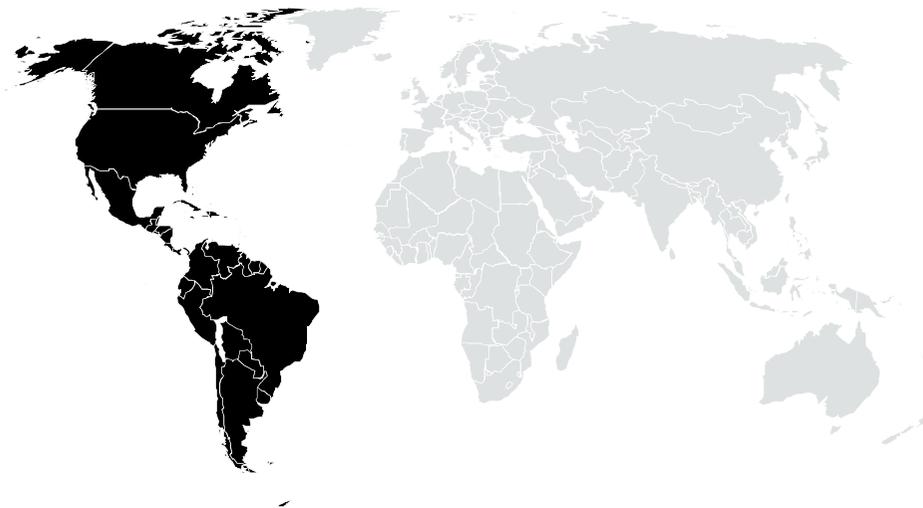
	Q1 2017	Q1 2016	Delta %
Volume - Tons	18,373	19,505	-5.8%
Revenue – Eur M	113.7	111.0	+2.5%

- Private Label volumes down due to YoY customer changes;
- Food Service up driven by new distribution in both national and OCS accounts;
- Mass Market slightly down due to competitive pricing pressure and arbitrage compression;
- Revenue up due to product/channel mix and to increase in ASP;
- Single Serve growth outpacing the market;
- Central and South America businesses performing ahead of plan.

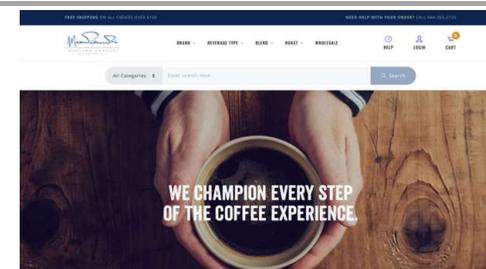
UPDATES

- Launched Chock Full o' Nuts brand refresh and new Kauai flavored coffee;
- E-commerce revenue growing 30% YoY with new platforms to be launched in Q2;
- Kauai and Segafredo brand revenues experiencing double digit growth;
- Private Label recovering in line with plan;
- New Segafredo Cafès development agreement signed.

MARKET: 59.5% of total volume



NEW LAUNCHES



Northern Europe

KEY FACTS

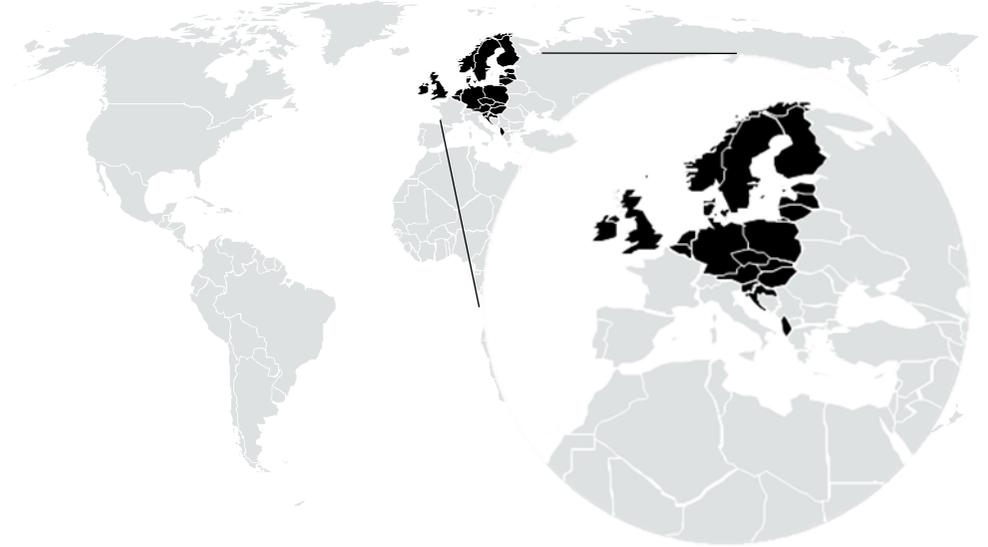
	Q1 2017	Q1 2016	Delta %
Volume - Tons	4,955	5,114	-3.1%
Revenue – Eur M	43.5	42.6	+2.2%

- Volumes in line with expectation
- Food Service: up mostly in Germany, Netherland and Poland driving existing customers as well as new acquisitions
- Mass Market:
 - Finland soft due to selling price increase and prior year promotional timing;
 - Netherlands overall trend is up due to improvements in top accounts;
 - Germany and Austria in line with our plan;
 - Poland more than doubled its volumes driven by both existing and new key accounts;
- Revenue up 2.2% driven by product mix and ASP

UPDATES

- Focus on acquisition of new higher value Food service customers;
- In Finland Darker Dark ready ahead of our expectation;
- Expansion of sustainable platform both Mass Market and Food Service

MARKET: 16.0% of total volumes



NEW LAUNCHES



Southern Europe

KEY FACTS

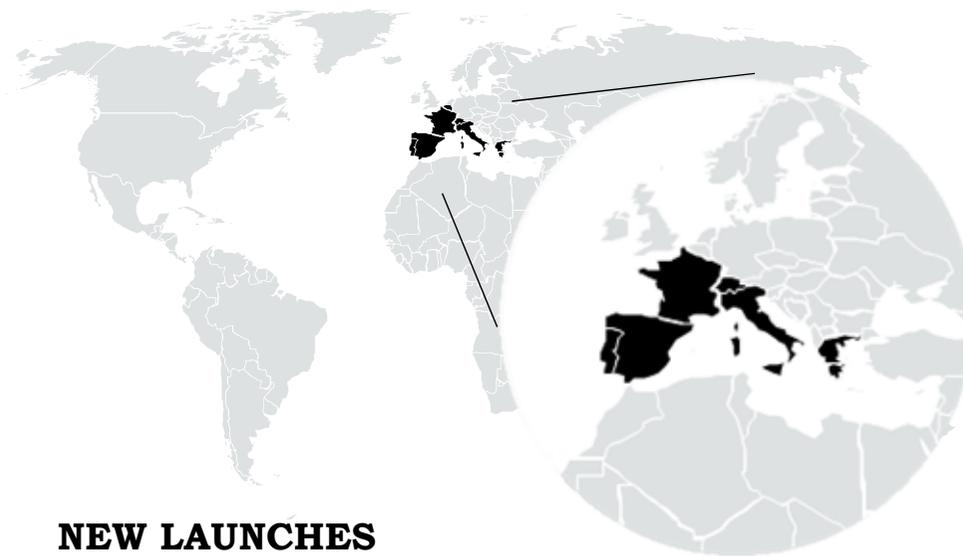
	Q1 2017	Q1 2016	Delta %
Volume - Tons	6,928	5,938	+16.7%
Revenue - Eur M	57.8	48.1	+20.1%

- Volumes up in all distribution channels
- Nutricafés contribution 1,061 tons in Portugal
- Food Service added 380 tons
- Mass Market: good performance despite price pressure
- Single serve triplicate volumes led by Nutricafés impact and successful launches/relaunches of Segafredo in Italy, France, Spain and Portugal
- Revenue up thanks to price increase and channel mix

UPDATES

- Media investment in Italy beginning to show positive results with Segafredo market share up;
- In Spain we were chosen as official coffee partner of La Vuelta biking race

MARKET: 22.4% of total volumes



NEW LAUNCHES



KEY FACTS

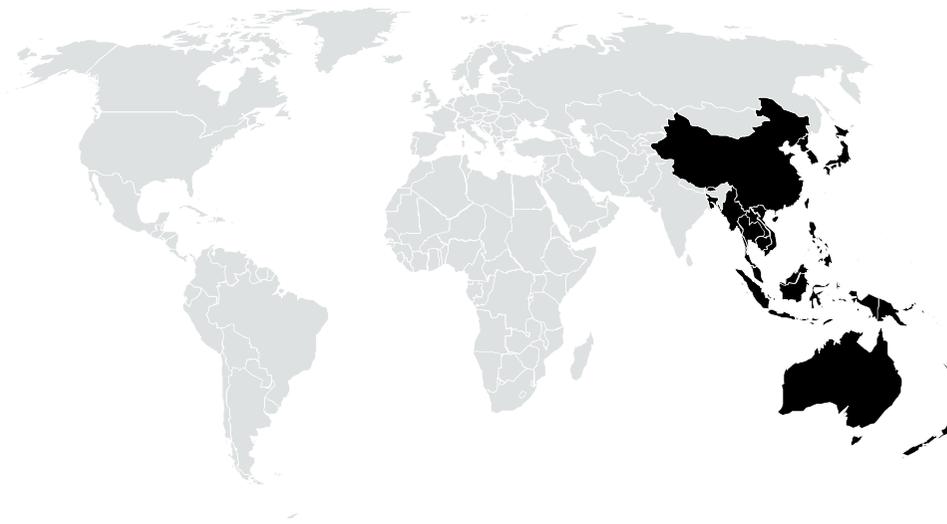
	Q1 2017	Q1 2016	Delta %
Volume - Tons	628	518	+21.2%
Revenue – Eur M	18.7	16.5	+13.2%

- Volumes up in all distribution channel;
- Food Service up led by Thailand and Singapore;
- Boncafe volume up 21.9%
- Mass Market up double digit mostly in Middle East and Thailand;
- Single serve up led by Thailand;
- Revenue growth in spite of price pressure, machines sales back to normal and positive FX impact;
- Café performance in line with previous year.

UPDATES

- Acquisition in Hong Kong of a important quick restaurant chain;
- Launch in various markets of an innovative automatic coffee machine;
- Launch in Thailand of «Capristta» coffee machine;
- Signature of agreement to open Segafredo Cafés in various airports in China;
- Opened new HQ's and show room in Vietnam and Malaysia

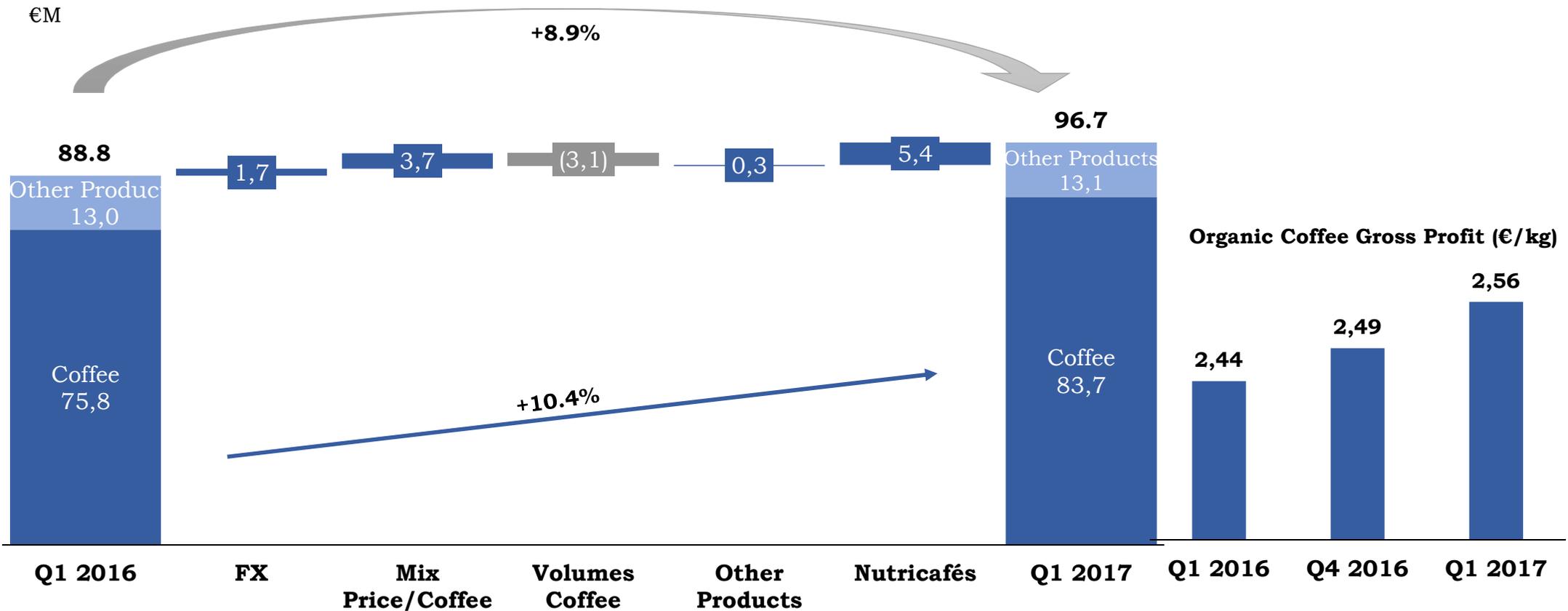
MARKET: 2.0% of total volumes



NEW LAUNCHES

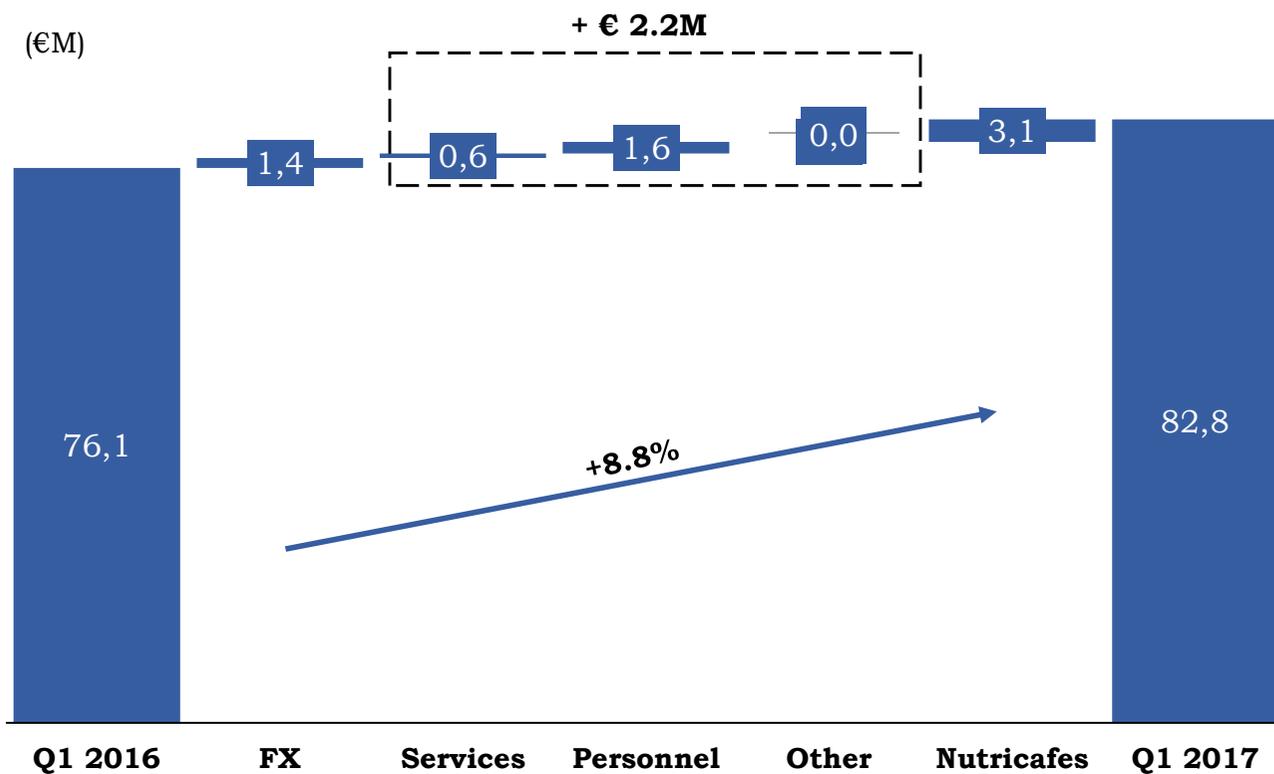


Gross Profit: a healthy growth



■ The positive price/mix effect reflects the Group ability to improve channel and product mix driven by increased brand penetration

OPEX



Organic Opex

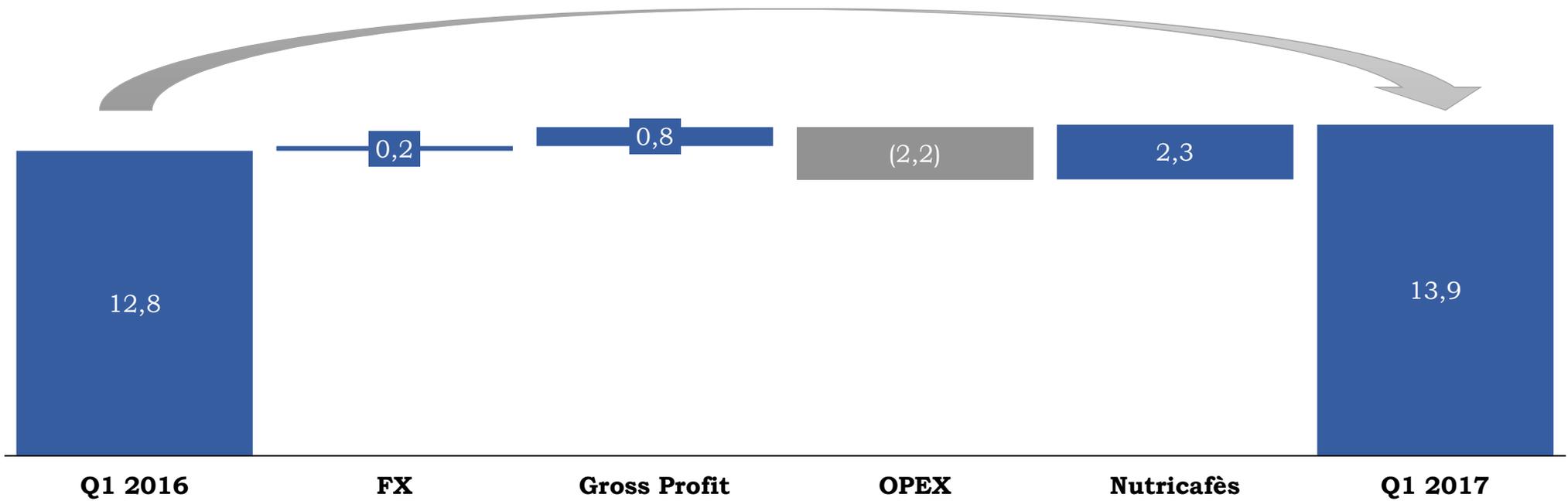
	Q1 2016	Q1 2017	Delta 17 vs 16 (€M)
Services	42.0	42.6	0.6
Personnel	32.9	34.5	1.6
Other costs	1.2	1.2	-
Totale	76.1	78.3	2.2

- Organic Opex increased by 2.9% driven mainly by YoY timing in new organizational structure
- Service cost increase mainly driven by the New ERP project and maintenance costs

EBITDA

(€M)

+9.1%



- EBITDA in line with Group Plan
- Organic EBITDA in line with internal expectations
- Nutricafes ahead of plan through Q1 anticipate quarterly rebalancing of performance going forward

Free Cash Flow

(€M)	Q1 2016	Q1 2017
EBITDA	12.8	13.9
Change in NWC	2.4	(16.5)
CAPEX	(6.9)	(7.9)
Tax Paid	(1.5)	(0.9)
Other	1.1	1.3
FREE CASH FLOW	7.9	(10.1)

(€M)	Q1 2016	Q1 2017
Change in Inventory	7.2	(20.2)
Change in Receivables	(1.2)	(5.3)
Change in Payables	(3.5)	9.1
Change other credit/debts	(0.1)	(0.1)
Variazione CCN	2.4	(16.5)

- FCF impacted by increase in Net Working Capital
- Net Working Capital mainly affected by the change in Inventories

Net Debt Evolution

(€M)



Debt Profile	December 2016	March 2017
Fixed Interest Rate ⁽¹⁾	11%	10%
Variable Interest Rate	89%	90%
Euro	84%	85%
USD	16%	15%

- NFP increased as liquidity needed to finance working capital
- No significant changes in debt structure and composition

(1) After considering the effect of interest rate swap

2017 Outlook

Q1 2017 Financial Results

Volumes -0.6%

Gross Profit +8.9%

EBITDA +9.1%

NET DEBT €232.9 M

2017 Outlook*

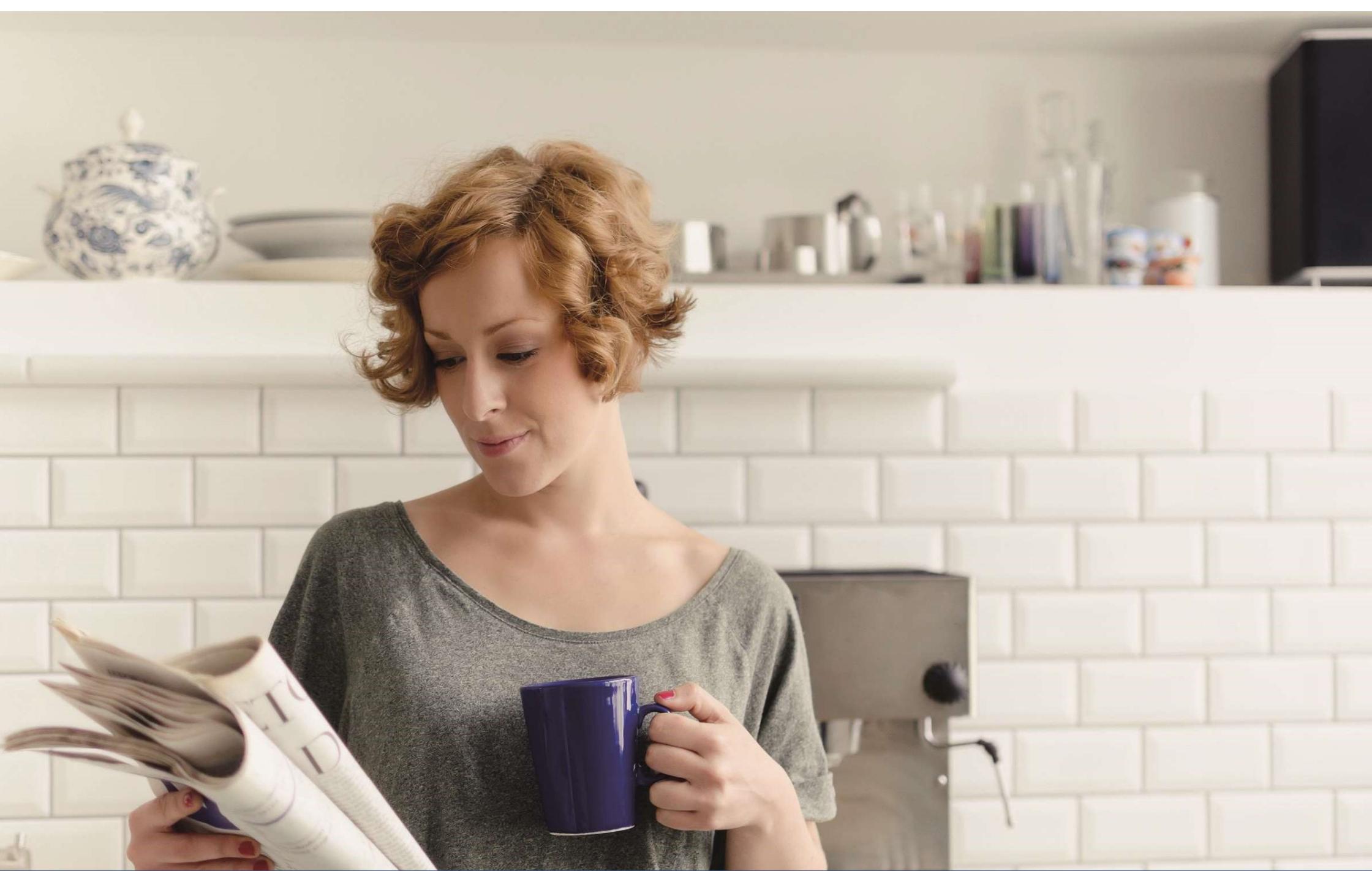
Volumes ~+2.0% - ~+4.0%

Gross Profit ~ +5.0% - ~+7.0%

EBITDA ~ +10.0% - ~ +12.0%

NET DEBT € < 210.0 M

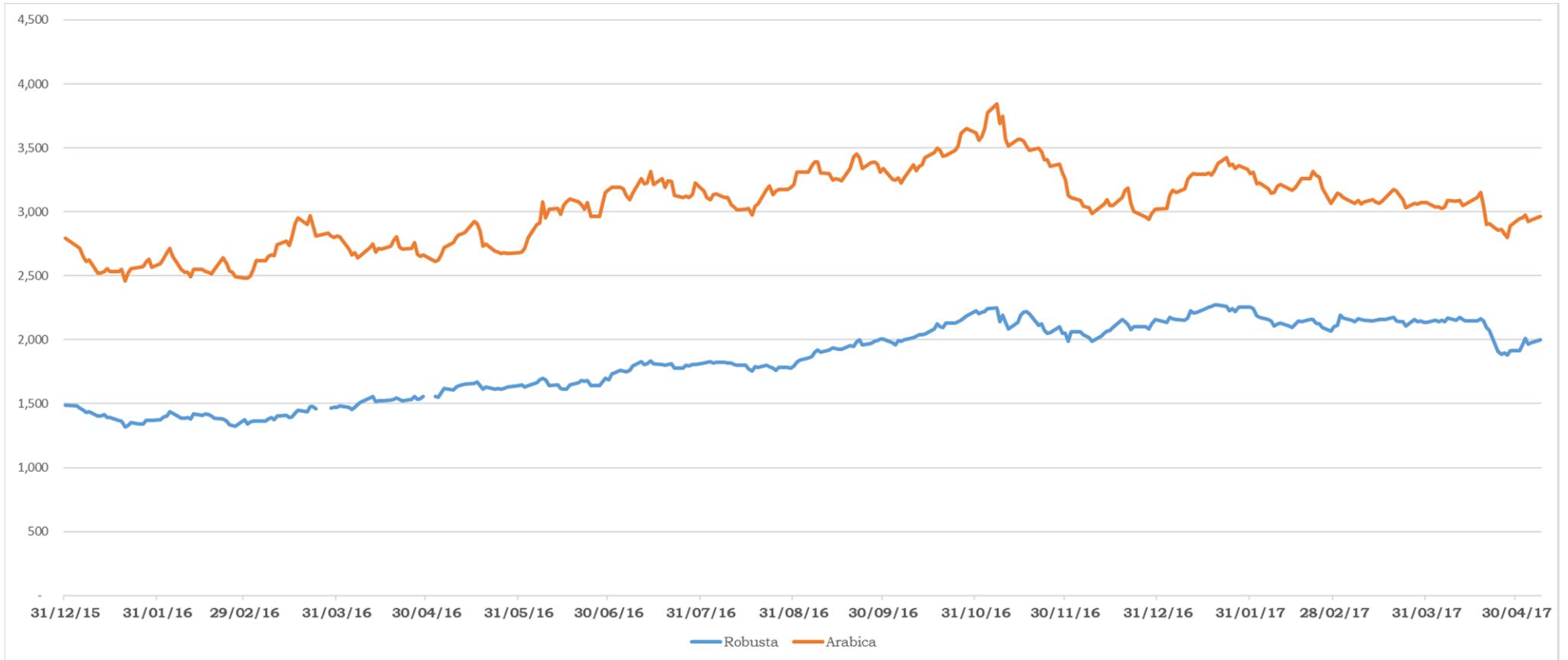
- This guidance does not include any M&A activity as well as any extraordinary events



Appendix

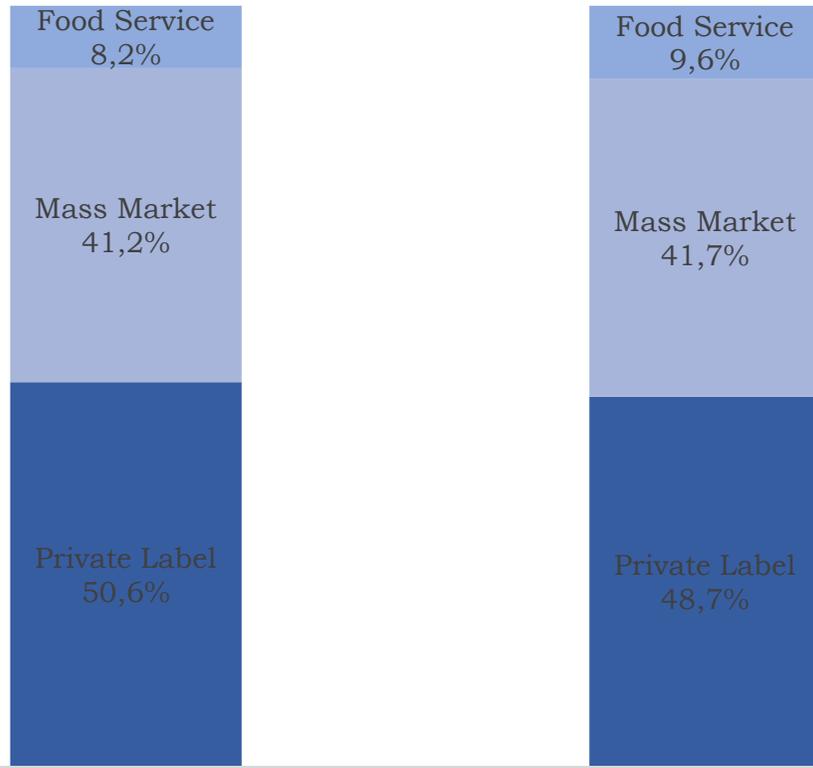
Green Coffee Price

\$/ton



Volume Breakdown

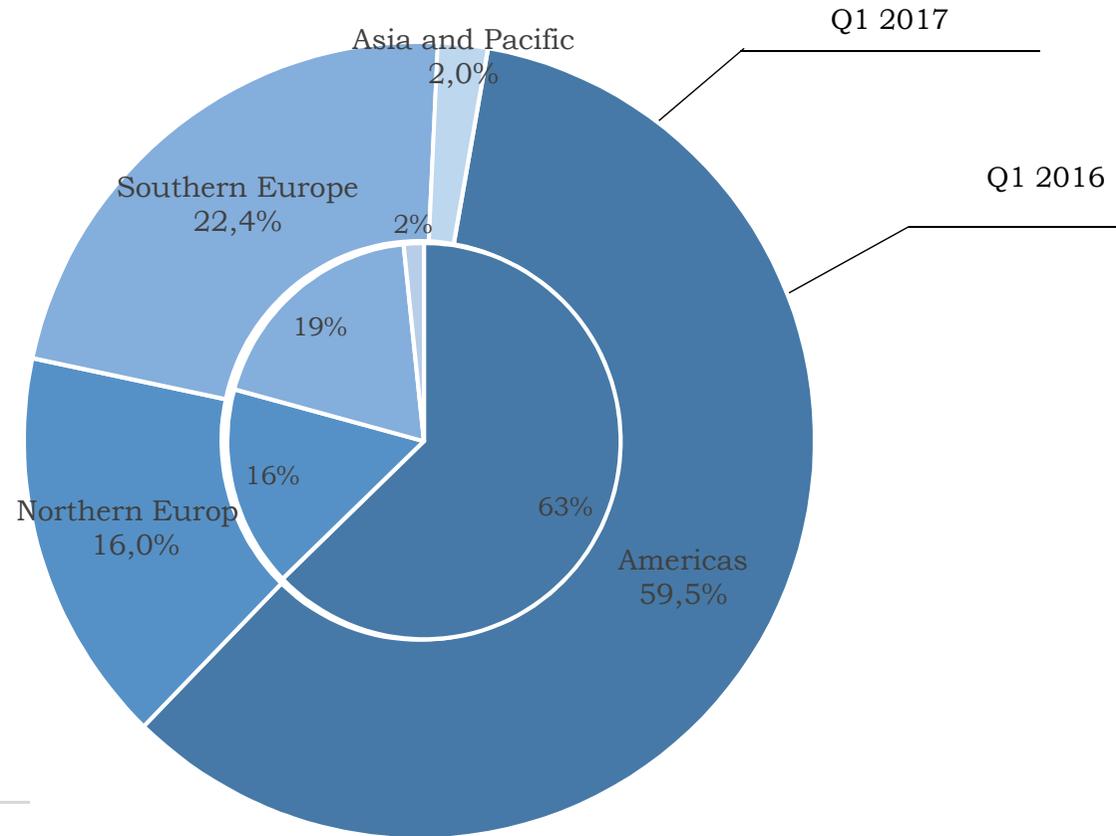
By Channel (%)



Q1 2016

Q1 2017

By geography (%)

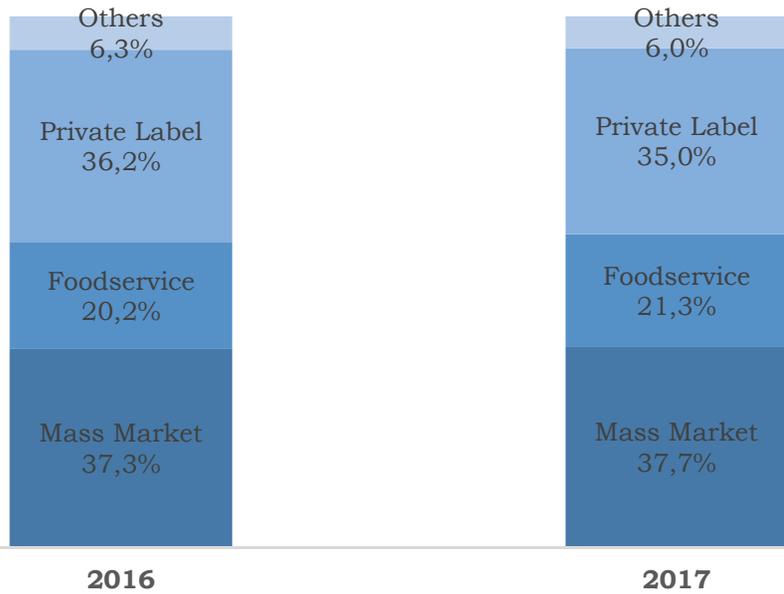


Q1 2017

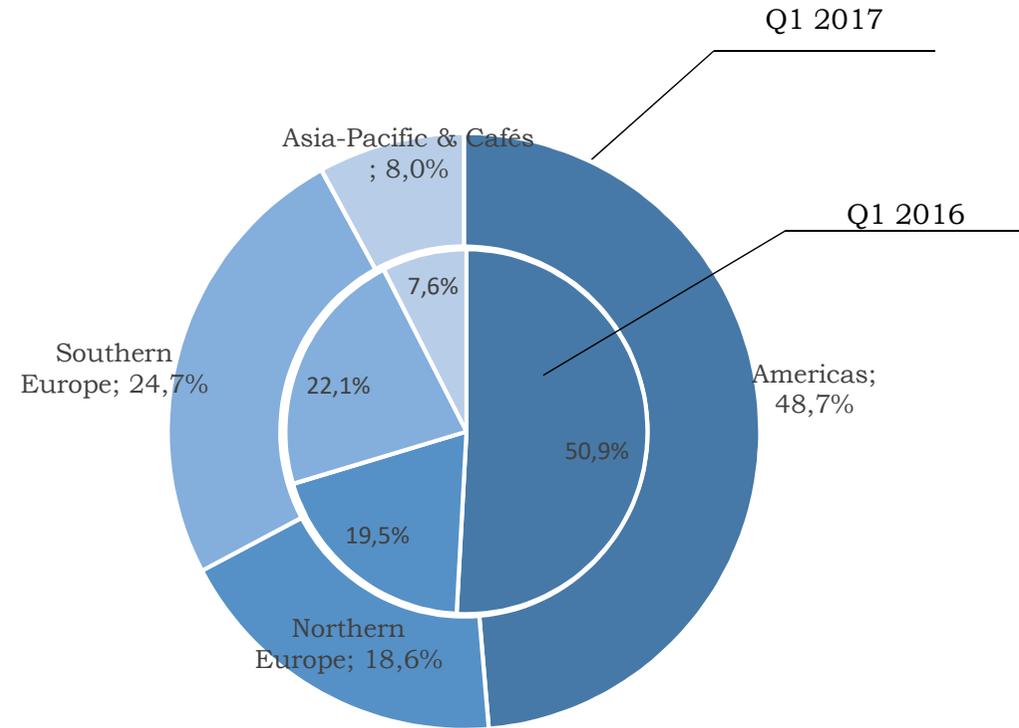
Q1 2016

Revenue Breakdown

By Channel (%)

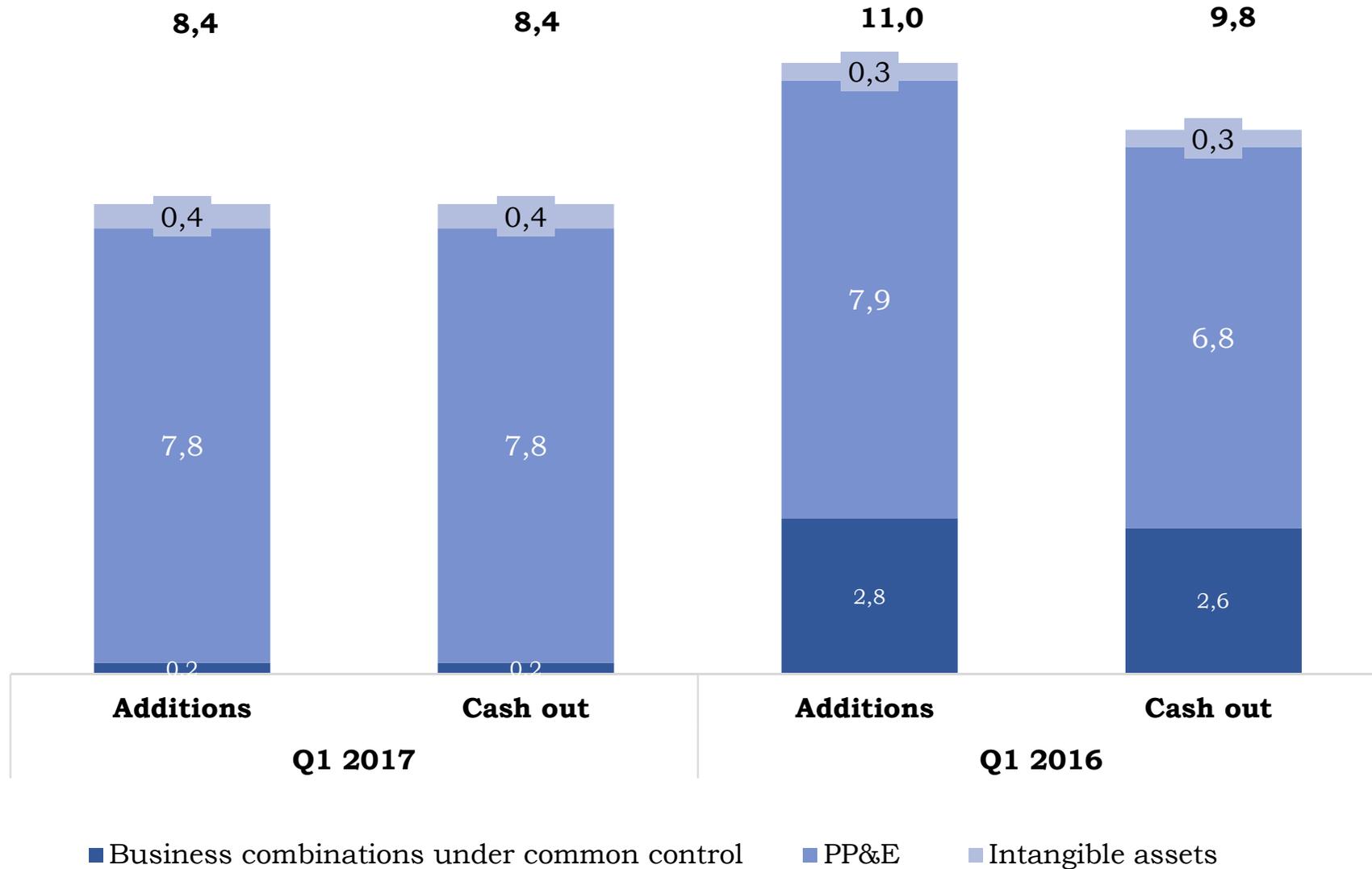


By geography (%)



Capex Profile

(€M)



Consolidated Income Statement

<i>(in thousands of euro)</i>	Three months ended March 31,	
	2017	2016
Revenue	233,640	218,123
Other income	1,549	1,324
Purchases of goods	(136,889)	(129,304)
Purchases of services, leases and rentals	(45,012)	(41,981)
Personnel costs	(36,679)	(32,917)
Other operating costs	(1,581)	(1,749)
Amortization, depreciation and impairment	(10,195)	(8,469)
Operating profit	4,833	5,027
Finance income	56	60
Finance costs	(1,000)	(2,562)
Profit/(loss) on equity consolidated companies	(80)	(2)
Profit before tax	3,809	2,520
Income tax expense	(1,490)	(1,224)
Profit for the period	2,319	1,296
Profit attributable to:		
<i>Non-controlling interests</i>	47	55
<i>Owners of the parent</i>	2,272	1,241
Earnings per share basic / diluted (in Euro)	0.07	0.04



Consolidated Statement of Financial Position

<i>(in thousands of euro)</i>	March 31, 2017	December 31, 2016*
Intangible assets	189,360	189,423
Property, plant and equipment	219,475	220,173
Investment properties	4,293	4,319
Investments in joint venture/associates	10,715	10,943
Non-current trade receivables	4,148	4,129
Deferred tax assets	10,871	9,799
Other non-current assets	17,243	16,036
Total non-current assets	456,105	454,822
Inventories	152,196	132,858
Trade receivables	125,710	122,074
Income tax assets	2,397	1,611
Other current assets	22,730	22,014
Cash and cash equivalents	46,634	45,167
Total current assets	349,667	323,724
Total assets	805,772	778,546
Share capital	34,300	34,300
Other reserves	123,565	124,738
Retained earnings	151,329	149,057
Equity attributable to owners of the parent	309,194	308,095
Non-controlling interests	1,896	1,849
Total equity	311,090	309,944
Non-current borrowings	199,373	192,117
Employee benefits	9,368	9,268
Other non-current provisions	3,357	3,949
Deferred tax liabilities	30,530	29,069
Other non-current liabilities	3,257	3,345
Total non-current liabilities	245,885	237,748
Current borrowings	82,685	77,430
Trade payables	130,807	122,209
Income tax liabilities	1,394	644
Other current liabilities	33,911	30,571
Total current liabilities	248,797	230,854
Total liabilities	494,682	468,602

*The items of current and non-current receivables from clients have been reclassified to improve comparability with the corresponding balances as at 31 March 2017

Consolidated Statement of Cash Flows

<i>(in thousands of Euro)</i>	Three months ended 31 March	
	2017	2016
Profit before tax	3,809	2,520
Adjustments for:		
Depreciation, amortization and impairment	10,195	8,469
Provisions for employee benefits and other charges	261	417
Finance expense	944	2,507
Other non-monetary items	44	47
Net cash generated from operating activities before changes in working capital	15,253	13,960
Decrease/(increase) in inventory	(20,239)	7,181
Decrease/(increase) in trade receivables	(5,300)	(1,220)
Decrease in trade payables	9,087	(3,464)
(Increase)/decrease in other assets/liabilities	71	217
Payments of employee benefits	(130)	(327)
Interest paid	(2,079)	(1,203)
Income tax paid	(926)	(1,537)
Net cash (used in) generated from operating activities	(4,263)	13,607
Acquisition of subsidiary, net of cash acquired	(200)	-
Acquisition of subsidiary under common control, net of cash acquired	-	(2,624)
Purchase of property, plant and equipment	(7,808)	(6,842)
Purchase of intangible assets	(439)	(316)
Proceeds from sale of property, plant and equipment	287	261
Proceeds from sale of intangible assets	29	-
Changes in financial receivables	774	73
Interest received	6	42
Net cash used in investing activities	(7,351)	(9,406)
Proceeds from borrowings	15,000	20,000
Repayment of borrowings	(16,036)	(4,413)
Increase/(decrease) in short-term loans	14,004	(1,868)
Net cash generated from financing activities	12,968	13,719
Exchange gains on cash and cash equivalents	113	(354)
Net increase in cash and cash equivalents	1,467	17,566
Cash and cash equivalents at the beginning of the period	45,167	25,574

Non-GAAP Measure Reconciliation

	NET DEBT	At March, 31 st 2017	At Dec, 31 st 2016
(in thousands of Euro)			
A	Cash and cash equivalents	(2,029)	(931)
B	Cash at bank	(44,605)	(44,236)
C	Securities held for trading	-	-
D	Liquidity (A+B+C)	(46,634)	(45,167)
E	Current financial receivables	(2,557)	(3,495)
F	Current loans	64,782	50,870
G	Current portion of non-current loans	16,426	24,952
H	Other current financial payables	1,477	1,608
I	Current indebtedness (F+G+H)	82,685	77,430
J	Net current indebtedness (I+E+D)	33,494	28,768
K	Non-current loans	196,529	189,393
L	Issued bonds	-	-
M	Other non-current financial payables	2,844	2,724
N	Non-current indebtedness (K+L+M)	199,373	192,117
O	Net financial indebtedness (J+N)	232,867	220,885

Massimo Zanetti

MASSIMO ZANETTI
BEVERAGE GROUP



Q&A Session



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Cafe Mag



Chock
full o' Nuts

ABBA
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HILLS
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meira



Puccino's™



Reilu
KAHVI

Saludo

