Media information

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**FOOD UNION INVESTED €18.8M AND SECURED €277M TURNOVER IN 2019**

Food Union Group, one of Europe’s leading ice cream and dairy producing groups, ended 2019 with a strong performance, amounting to €277-million in net revenue and a gross profit of €104-million.The Group committed capital investments of €18.8-million that will form the foundation for the Group’s ambitious, long-term plans.

*“We actively invested in long-term growth for our leading market brands to meet growing demand. We focused on enhancing production capabilities and poured energy into modern technologies to improve production capacity and ensure the highest quality product. This will give us an ongoing competitive edge as we continue to push the boundaries of innovation and create new products that delight consumers.*

*In 2019, unpredictable and unfavorable weather conditions impacted sales, however, the year was also marked by record investments in our production facilities, equipment, machinery and fixtures, as well as a car fleet. This year’s total CAPEX of €18.8-million is the highest investment in the last five years and double the average investment of the past two years*. *I am infinitely grateful to our Food Union family of over 3,100 people, and I hope the results of 2019 will inspire new achievements and success stories in 2020*,” **said Normunds Staņēvičs, CEO of Food Union, Europe.**

Food Union Group also strengthened their position across the dairy industry in 2019. The Group is the leading ice cream company in the Baltics, as well as a strong regional player in Northern and South Eastern Europe, and a Latvian national dairy champion. The Group has built strong local brands throughout a wide range of product categories by combining in-depth knowledge of what the consumer wants and focusing on innovation.

The Group’s 2019 net revenue relied on two key products: ice cream products at nearly 60% of the total revenues and dairy at almost 30%. Other products, such as frozen food and pastry, formed about 10% of the total revenue.

Even though ice cream sales were impacted by cold and wet conditions in the summer, additional food products such as, dairy, pastry, convenience and frozen foods achieved very good results. The Group also put considerable focus on modernising trade across all its markets. It successfully entered new retail chains, as well as achieved enhanced listings on national and regional levels, leading to €163-million in ice-cream generated net revenues in 2019, which is only a 1.8% decrease from 2018.

The dairy segment was stable with close to €81.8-million net revenue. Frozen food dropped by 8.3% (€22 million net revenue), while pastry grew by 11.3%, posting net revenue of more than €5.8-million.

**Key financial figures (€ million):**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019** | **2018** | **2017** |
| **Net revenue** | 276.6 | 280.1 | 253.4 |
| **Gross profit** | 103.6 | 113.1 | 85.7 |
| **Cash flow from operating activities** | 31.9 | 31.2 | 23.7 |
| **Cash flow on capital investments** | 18.8 | 16.1 | 8.3 |

Since 2011, Food Union has grown to be the leading ice cream maker in the Baltics and Denmark; it also holds a strong market position in Norway, Romania, Russia and Belarus. Shareholders of Food Union Group include its founder and global head, Andrey Beskhmelnitsky; the Hong Kong-based investment company, Meridian Capital Limited; and PAG, one of Asia’s largest private capital firms. Meridian Capital Limited and PAG became Food Union shareholders in 2015 and 2018 respectively in order to finance construction of two dairy plants in China and facilitate the Group’s dynamic expansion into the Chinese market.

**ABOUT FOOD UNION**

Food Union is a global scale, market insight and innovation driven food producing and distributing group, that develops local brands and delivers delightful products for the well-being of people. Food Union is the largest dairy company in Latvia and the leading ice cream producer in the Baltic countries and Denmark. Food Union Group is made up of the two largest dairy and ice cream companies in Latvia, Rīgas piena kombināts and Valmieras piens; Estonia’s and Lithuania’s largest ice cream makers, Premia TKH and Premia KPC, respectively; the leading Danish ice cream producer, Premier Is, and Danish doorstep-delivery ice cream company, Hjem Is; Norway’s ice cream production company, Isbjørn Is, and doorstep-delivery ice cream company, Den Norske Isbile; Romanian ice cream maker Alpin57Lu; Ingman Ice Cream in Belarus; and Khladokombinat No.1 in Russia. In 2018, Food Union expanded into China by opening two greenfield dairy and children’s product plants in China.

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