



Apetit

Apetit Plc

Financial Statements Bulletin

Briefing for Analysts and Media 17th February 2016 at 10.00 a.m.
Scandic Simonkenttä, Helsinki

Juha Vanhainen, CEO
Eero Kinnunen, CFO

Apetit

The Apetit adverts starring Niina Lahtinen, a famous Finnish comedian, paint a revealing picture of the stressful life of a young mother.

Follow the story to see how frozen products can offer more freedom in everyday life!

CEO's Review



Wellness from untainted farmland and waters

Apetit

Food Business

- Frozen vegetables and frozen ready meals
- Fresh fish and fish products
- Pre-prepared fresh fruit and vegetable products

Other Operatios

Associated company Sucros (20%) in sugar business.

SUCROS OY

AVENA

Grains and Oilseeds Business

- Trading of grains, oilseeds and feedstuffs
- Vegetable oils
- Feedstuffs

Oilseed products are sold to food and feed industries, HoReCa-sector and consumers.

In trading the main markets are Finland, the Baltic Region and the EU.



Q4: The improvement of profitability was adversely affected by the challenging situation in the market

- Consolidated net sales were EUR 113.8 (120.8) million and operating profit excluding non-recurring items was EUR 3.1 (5.3) million.
- The operating result for the Food Business picked up during the second half of the year after a sluggish first half, and its result in the second half of the year was at the previous year's level. The profitability of the fish products group grew favourably year-on-year.
- In Grains and Oilseeds Business, delivery volumes were at a good level. As expected, the operating profit excluding non-recurring items fell short of the previous year's exceptionally strong comparison period.
- The long-term profitability programmes in the Food Business were completed. The targeted savings of EUR 4.5 million in operating costs are expected to be realised during 2016.
- Due to the low market price of sugar, the associated company Sucros's result was down year on year.

Q4/2015

Net sales and customers

Food Business

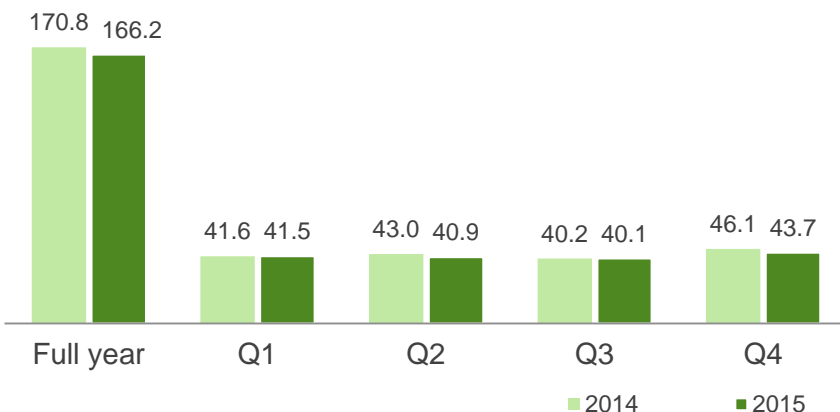
- The market continued to be challenging for the retail trade and the professional food service sector in Finland.
- Sales for the fresh products group and the fish products group decreased year-on-year in Finland.
- In Norway, sales for the fish products group performed favourably.
- Sales for the frozen products group were at the previous year's level.

Grains and Oilseeds Business

- In the grain trade, delivery volumes were at a good level, though below the exceptionally high level of the previous year.
- Sales of oilseed products were at the previous year's level.
- The grain crop in Finland was down by 10 per cent compared to the previous year.
- The Finnish rapeseed crop increased to 83,000 (62,000) tonnes.

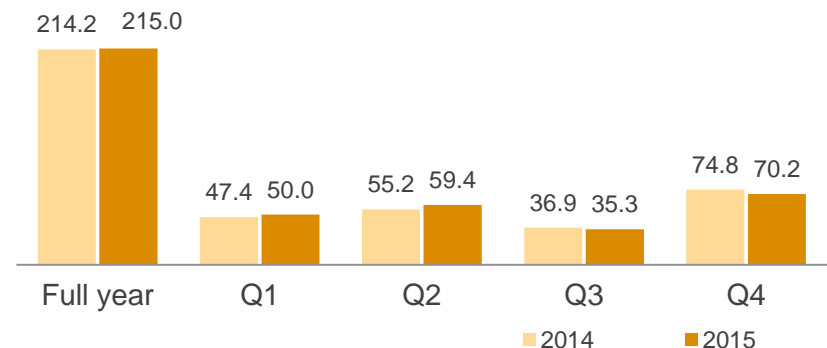
Food Business net sales

EUR million, comparison 2015/2014



Grains and Oilseeds Business net sales

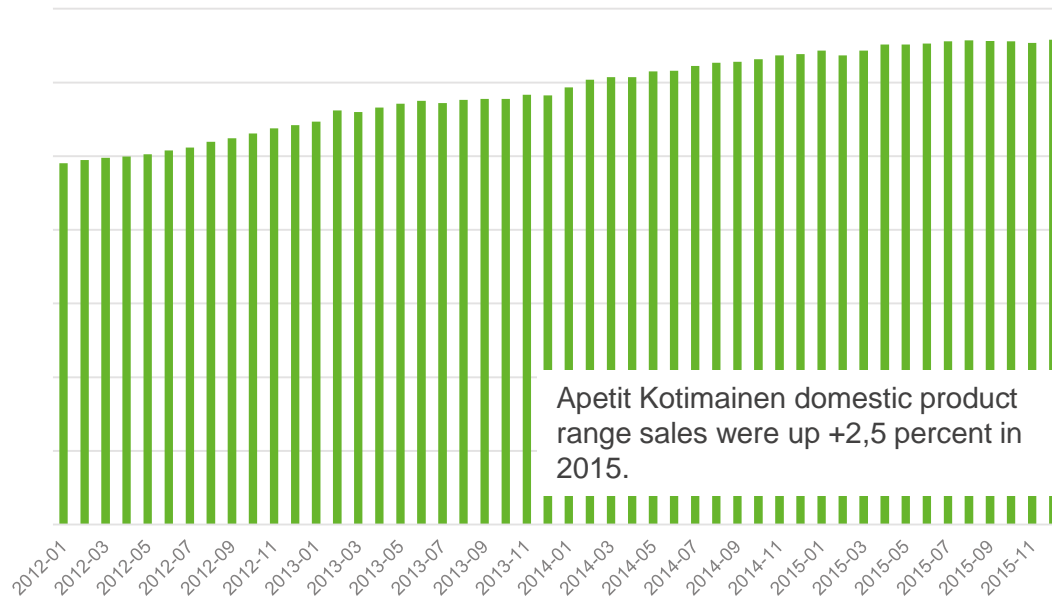
EUR million, comparison 2015/2014



The sales of **Apetit Kotimainen** Domestic product range

- Q4 sales of the Apetit Kotimainen domestic product range in the frozen foods group were up 2 percent year-on-year.

Apetit Kotimainen domestic frozen product range sales development 1/2012-12/2015, R12



According to the results of a follow-up study carried out by the Association for Finnish Work, 73 per cent of Finns always or mostly choose to purchase a Finnish food product. In early 2014, the corresponding figure was 62 per cent.

Food Business operating profit

Q4 operating profit excluding non-recurring items was EUR 1.6 (2.0) million

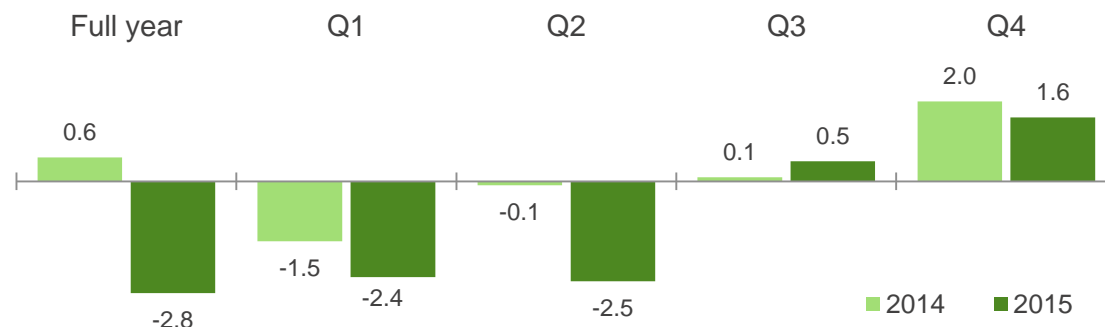
- The profitability of the frozen foods group was at the previous year's level.
- The profitability of the fish products group grew favourably year-on-year in all countries of operation.
- The profitability of the fresh products group weakened as delivery volumes declined year-on-year.
- The operating profit includes EUR -0.3 million in impairment on intellectual property rights and non-current assets.
- Changes in the fair value of currency hedges had an impact of EUR -0.1 (0.4) million on the operating profit.

Full year operating profit excluding non-recurring items was EUR -2.8 (0.6) million

- A decrease in the volume of the harvest compared to the previous year had a seasonal effect of EUR -0.4 (0.5) million on the operating profit, as fewer fixed production costs were capitalised in inventories than a year earlier.
- Changes in the fair value of currency hedges had an impact of EUR -0.5 (0.6) million on the operating profit.
- The operating profit includes EUR -0.3 million in impairment on intellectual property rights and non-current assets.

Food Business

Operating Profit, excluding non-recurring items, EUR million



Grains and Oilseeds Business operating profit

Q4 operating profit excluding non-recurring items was EUR 1.9 (2.4) million

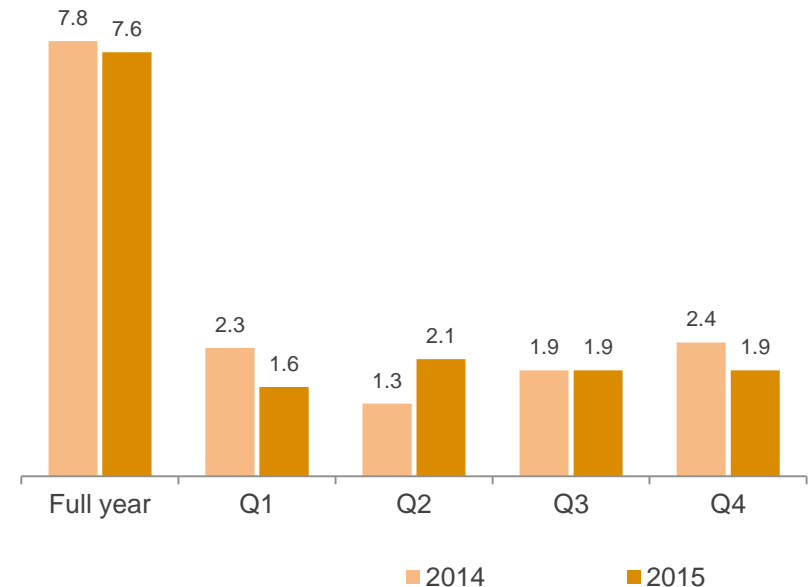
- The profitability of the grain trade fell short of the corresponding period a year earlier as deliveries declined from the all-time high level of the previous year.
- The profitability of oilseed products decreased compared to the high level of the comparison period. This was due to a decline in the refining margin internationally.

Full year operating profit excluding non-recurring items was EUR 7.6 (7.8) million

- The relative profitability of the grain trade was higher than in the comparison period.
- The profitability of oilseed products was good but below the excellent levels of the comparison period.

Grains and Oilseeds Business

Operating Profit, excluding non-recurring items, EUR million



Other Operations segment operating profit

Q4 operating profit excluding non-recurring items was EUR -0.5 (0.9) million

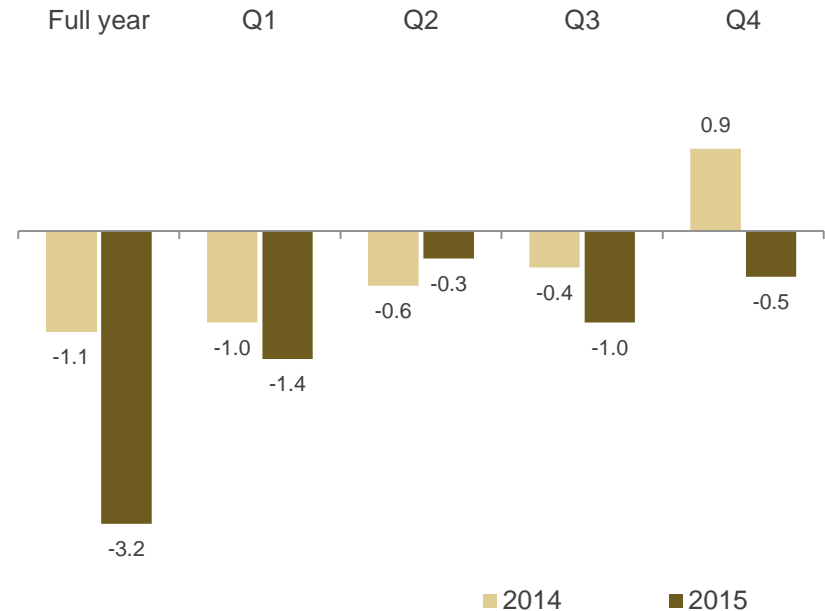
- The operating profit includes EUR 0.4 (1.6) million as the share of the profits of associated company Sucros. It's result was adversely affected by the low market price of sugar.

Full year operating profit excluding non-recurring items was EUR -3.2 (-1.1) million

- A profit of EUR 0.7 million was recorded for the period on the sale of a property in the Länsi-Säkylä industrial estate.
- The operating profit includes EUR -1.0 (1.9) million as the share of the profits of the associated company Sucros.

Other Operations

Operating Profit, excluding non-recurring items, EUR million



Operating profit comparison

EUR million	Q4 2015	Q4 2014	Change	2015	2014	Change
Food Business	1.6	2.0	-0.4	-2.8	0.6	-3.3
Grains and Oilseeds Business	1.9	2.4	-0.4	7.6	7.8	-0.3
Other Operations Incl. Sucros, Group Administration and items not allocated under any of the business segments.	-0.5	0.9	-1.4	-3.2	-1.1	-2.1
<i>Sucros's share of profit reported in Other Operations</i>	<i>0.4</i>	<i>1.6</i>	<i>-1.1</i>	<i>-1.0</i>	<i>1.9</i>	<i>-2.8</i>
Operating profit excl. non-recurring items	3.1	5.3	-2.2	1.6	7.3	-5.7
Non-recurring items	0.0	0.0	0.0	-3.6	-13.2	+9.6
Operating profit	3.1	5.3	-2.2	-2.0	-5.9	+3.9

The implementation of the programmes progressed as planned in January–December

- As part of the programmes, the network of operating units, the product selection and the production processes were streamlined and simplified in the fish products and fresh products groups.
 - Kuopio was developed into the production centre of the fish products group by transferring the operations of the Kustavi and Turku units, as well as most of the fish processing operations of the Kivikko unit in Helsinki, to Kuopio.
 - In the final phase, investment decisions associated with process efficiency improvement were made at our plants in Kuopio and Helsinki
 - The measures had a cost saving impact of EUR -2.1 million on the operating costs in January–December 2015 compared to the previous year.
-
- The targeted savings of EUR 4.5 million in operating costs are expected to be realised in 2016.

Profitability programmes

Fish products group, Finland

Fresh products group, Finland

The measures affect

- Sourcing
- Supply Chain
- Production structures
- Sales and product portfolio

The long-term profitability programmes in the Food Business were completed.

The outlook for 2016

The market situation in the Finnish retail sector is expected to continue to be challenging. The outlook for the Finnish economy is weak. The outlook for the grains and oilseeds market is estimated to be stable.

The Group's full-year operational EBIT* is expected to improve year-on-year (EUR 2.6 million in 2015). Due to the seasonal nature of the Group's operations, a high proportion of the annual profit is accrued in the second half of the year.

Positive profitability performance will be supported by improved cost-efficiency in the Food Business compared to the previous year and by the renewal of the product selection and increased processing value.

Due to the substantial effect of international grain market price fluctuations on the entire Group's net sales, Apetit will not issue any estimates of the expected full-year net sales.

** Due to the forthcoming amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit will replace the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. The operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.*

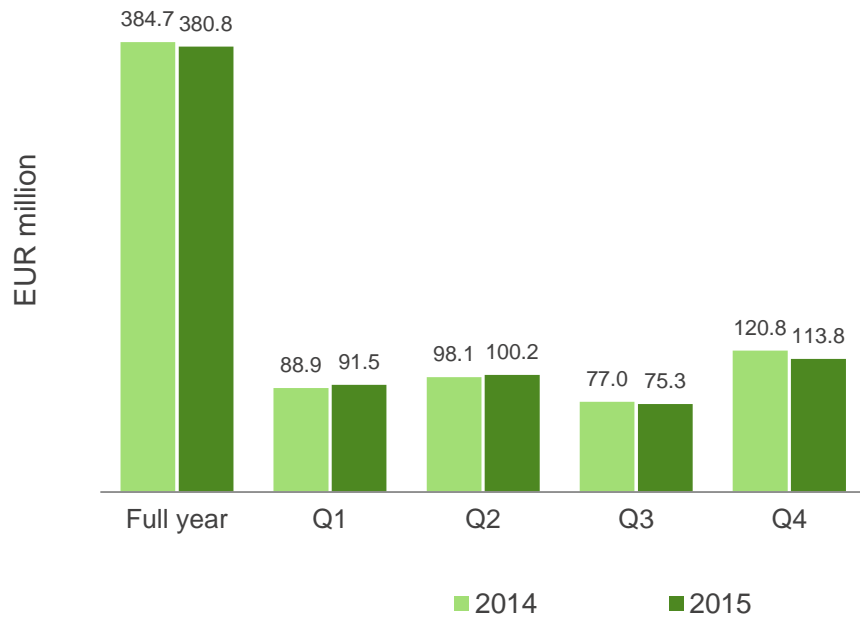
CFO's Review Q4/2015



Apetit Group's net sales and operating profit excluding non-recurring items

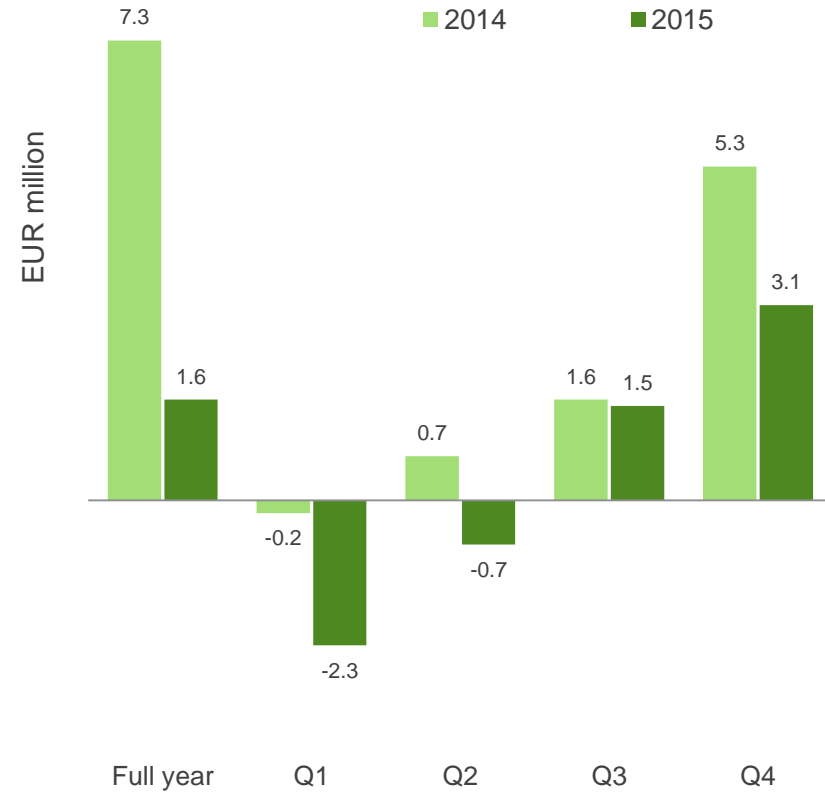
Net sales

Apetit Group, comparison 2015/2014



Operating profit excluding non-recurring items

Apetit Group, comparison 2015/2014



Key figures

EUR million	Q4/2015	Q4/2014	2015	2014
Net sales	113.8	120.8	380.8	384.7
Operating profit excluding non- recurring items	3.1	5.3	1.6	7.3
Operating profit	3.1	5.3	-2.0	-5.9
Profit before taxes	2.8	4.1	-3.5	-8.1
Profit for the period	2.2	3.4	-4.6	-8.7
Profit for the period, excluding non-recurring items	2.2	3.4	-1.0	3.7
Earnings per share, EUR	0.36	0.57	-0.69	-1.29
Earnings per share, excluding non-recurring items, EUR	0.36	0.57	-0.11	0.72
Equity per share, EUR			19.53	20.70
Equity ratio, %			61.1	69.7
Gearing, %			19.0	-1.3
Net cash flow from operating activities			-17.1	18.1
Net working capital			69.6	47.7

ASSETS	31. December 2015	31. December 2014
Tangible assets	43.8	41.1
Investments in associated companies	22.6	34.9
Inventories	74.8	53.8
Receivables	30.2	29.6
Other assets	26.4	26.2
Total assets	197.9	185.7
EQUITY AND LIABILITIES		
Equity	121.0	129.4
Financial liabilities	36.5	12.0
Trade payables and other liabilities	35.5	35.8
Other liabilities	5.0	8.5
Total equity and liabilities	197.9	185.7

New key figure
Operating Result

- Due to the forthcoming amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit will replace the key figure “**operating profit excluding non-recurring items**” with the key figure “**operational EBIT**” as of 2016.
- The operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.

Wrap up



Apetit developed the ecological and delicious Apetit Järvikalapihvi fish cakes made with lake fish and intended for the professional food service sector. The product development was based on the natural good taste of the raw materials, roach and perch. The new product has exceeded its sales expectations.

Apetit's year 2015 in brief

The decline in sales volumes in the retail trade and professional food service sector characterised the whole year in 2015.

We sought profitability in a challenging market.

Finns value Finnish products and companies.

This supported us, particularly in consumer products.

Long-term profitability programmes in the Food Business were completed.

The measures taken will further boost our profitability in 2016.

The strategy review started in the autumn will soon be completed.

The Grains and Oilseeds Business did well.

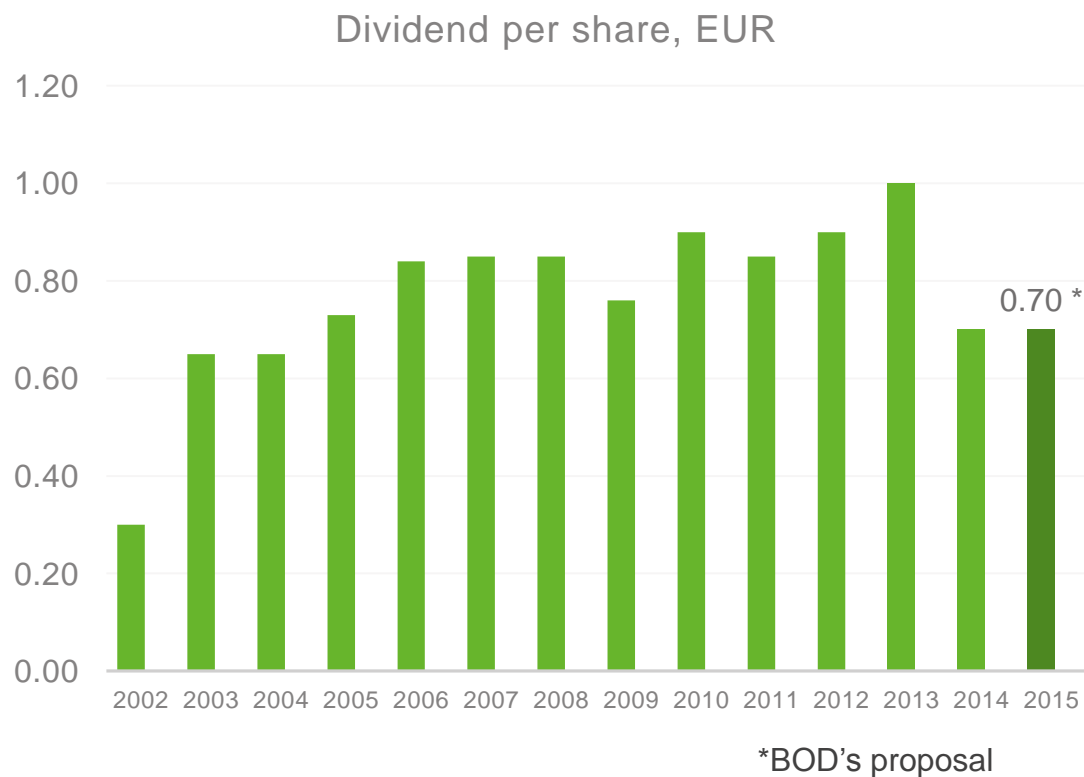
We continued our long-term construction of conditions for growth.

The Group's balance sheet is strong.

It provides a good basis for the future.

Dividend proposal for the AGM

The Board of Directors' dividend proposal to the Annual General Meeting is EUR **0.70** per share.



Dividend policy

The aim of the Apetit plc Board is to ensure that the share generates a good return and retains its value.

Dividend policy supports this goal.

The company will distribute a dividend of no less than 40% of the proportion of the profit for the financial year that is assigned to parent company shareholders.

Annual General Meeting and Annual Report

- Apetit Plc's Annual Report for 2015 – including the Board of Directors' report, the financial statements for 2015 and a separate statement on Apetit Plc's corporate governance – will be published in the week beginning on 7 March 2016 on the company's website at www.apetitgroup.fi.
- The Annual General Meeting will be held in Säkylä on Wednesday, 31 March 2016.
- The company will publish its interim report for January–March 2016 on Thursday, 12 May 2016 at 8.30 a.m.



Apetit will organise a Capital Market Day in Helsinki on 1 March 2016

During the event, the Group's strategy for 2016-2018 will be presented.

The presentations will be available at www.apetitgroup.fi after the event.





Herkullista. Kotimaista.
Pakastealtaasta.



Tuoretta kalaa
herkkupöytiin.



Asiantuntevaa vilja- ja
öljykasvikauppaa.



Hyvän aterian ainekset
ammattikeittiöille.

Thank you for your interest!

Contact

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