



Apetit Plc

Interim Report Q3/2015

Brifing for Analysts and Media 30 October 2015 at 10:00 a.m.
Scandic Simonkenttä, Helsinki, Finland

Juha Vanhainen, CEO
Eero Kinnunen, CFO

APETIT, RÄPIN KOETILA. KÖYLIÖ.

8/18/2015

Inauguration of the Inkoo grain port and Avena 20th anniversary were celebrated in August.

CEO's Review Q3



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.



Profitability improved but remained unsatisfactory

- Decline in the retail trade and professional food service sales continued in late summer. In Apetit Food Business, however, the operating profit excluding non-recurring items improved on the first half of the year and sales were on the previous year's level.
- In the Grains and Oilseeds Business, the operating profit excluding non-recurring items was at the previous year's level. No significant changes in operating environment.
- The focus in the Food Business's profitability programmes shifted from production site structure optimization to process enhancement.
- Due to the low market price of sugar, the associated company Sucros's result was negative.
- Consolidated net sales were EUR 75.3 (77.0) million and operating profit excluding non-recurring items was EUR 1.5 (1.6) million.
- Due to the decision to sell shares in the associated company Taimen Oy an EUR -4.3 million loss was booked in Q3.

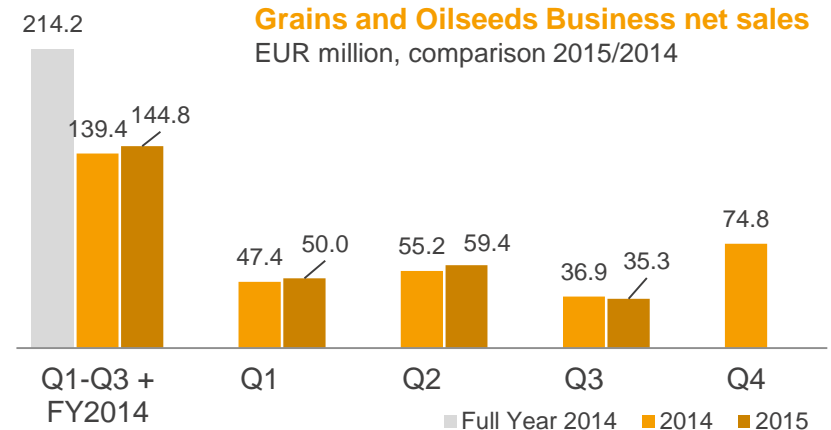
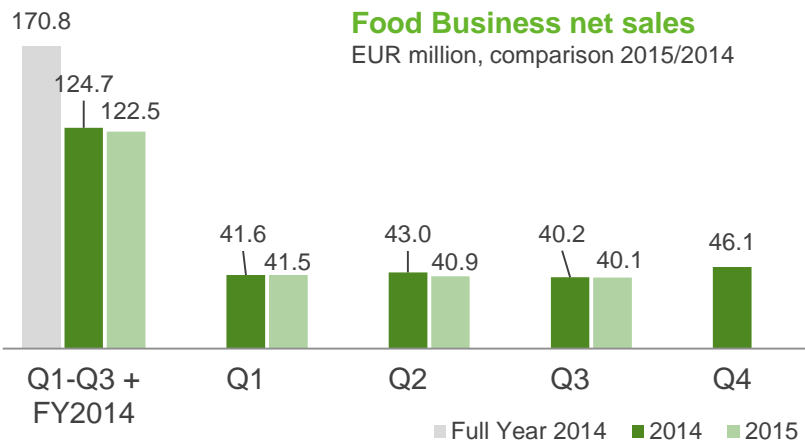
Net sales and customers

Food Business

- The market continued to be challenging for the retail trade and the professional food service sector in Finland.
- Sales were on the comparison period's level in the frozen foods and fresh products groups.
- Sales grew in the fish products group in Finland and Norway.
- In Sweden the significantly higher prices in shellfish led to a decline in deliveries on the comparison period.

Grains and Oilseeds Business

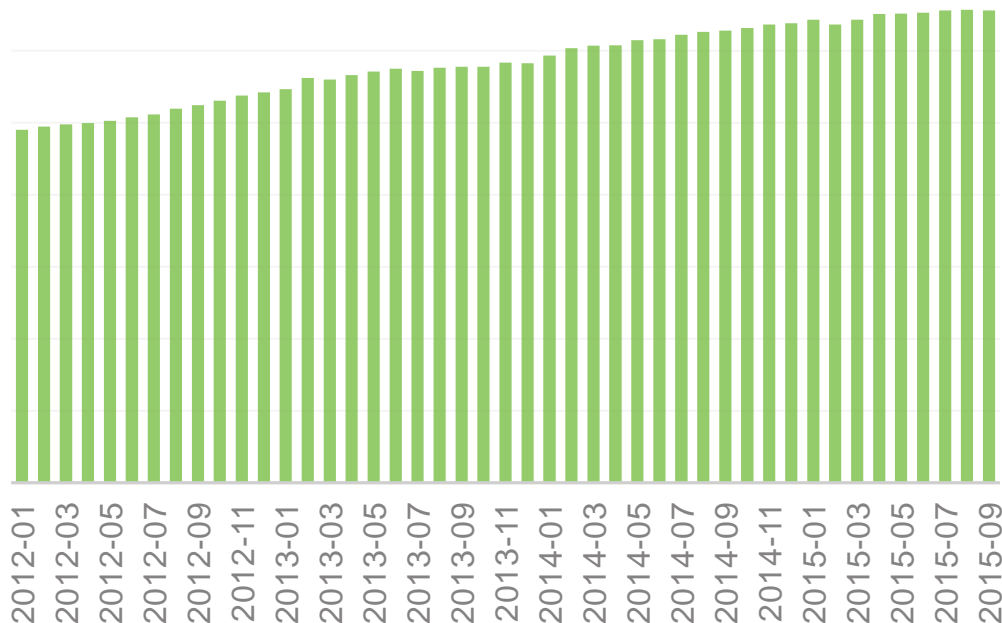
- In the grain trade, deliveries were on the level of the comparison period despite the fact that the availability of the crop on the market was delayed by the unfavourable weather in Finland in the summer.
- Sales of oilseed products were lower than in the comparison period due to the timing of deliveries.
- The weather for the grain harvest was better than expected in Finland but grain quality has varied considerably.
- The harvest of oilseed plants has mostly been completed and the new harvest is now arriving at production facilities.
- New grain port facilities put into operation in Inkoo, Finland.



The sales of Apetit Kotimainen Domestic product range

- Sales of the Apetit Kotimainen domestic product range in the frozen foods group were on the same level than in the previous year.
- The total value of the whole frozen food market in the past year has remained unchanged *.

Apetit Kotimainen domestic frozen product range sales development 1/2012-9/2015, R12



TOP 3 Apetit Kotimainen – domestic products in Q3

1. Apetit Kotimainen Potato and Soup Vegetables
2. Apetit Kotimainen Potato-Onion Mix
3. Apetit Kotimainen Soup Root Vegetables

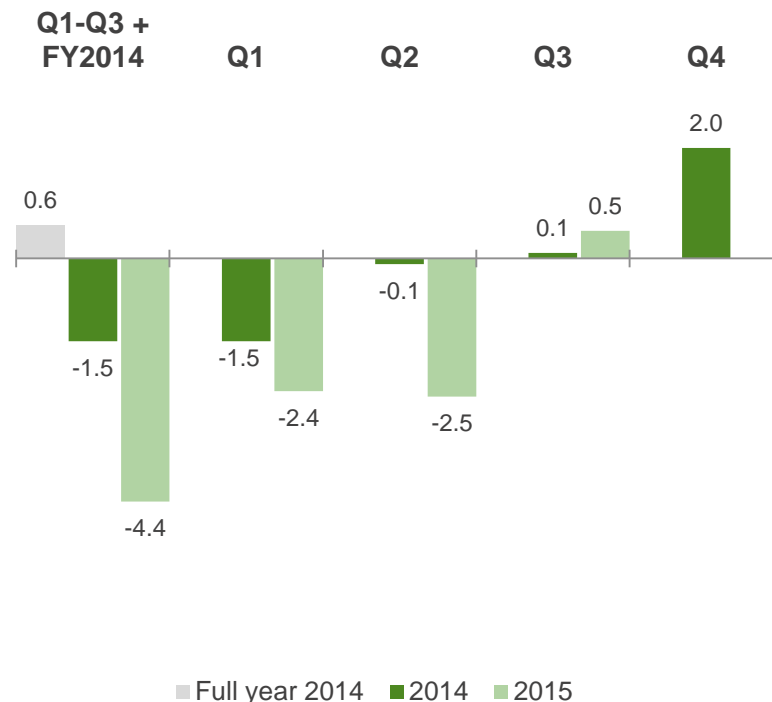
Operating profit in Food Business Excluding non-recurring items

Food Business's operating profit excluding non-recurring items was EUR 0.5 (0.1) million

- The profitability of the fish products group improved in Finland, Norway and Sweden.
- In the fresh product group, profitability weakened as deliveries declined on the previous year's level.
- The profitability of the frozen foods group was at a good level.
- The later start and smaller volume of the harvest compared with the previous year decreased the third-quarter operating profit by EUR 0.4 million, as fewer fixed production costs were activated in inventories than a year earlier.
- Profit impact of the associated company Taimen Oy was EUR 0.4 (-0.2) million. Changes in the fair value of currency hedges had an impact of EUR 0.2 (0.0) million on the operating profit.

Food Business

Operating Profit, excluding non-recurring items, EUR million



Operating profit in Grains and Oilseeds Business and Other Operations Excluding non-recurring items

Grains and Oilseed Business's operating profit excluding non-recurring items was EUR 1.9 (1.9) million

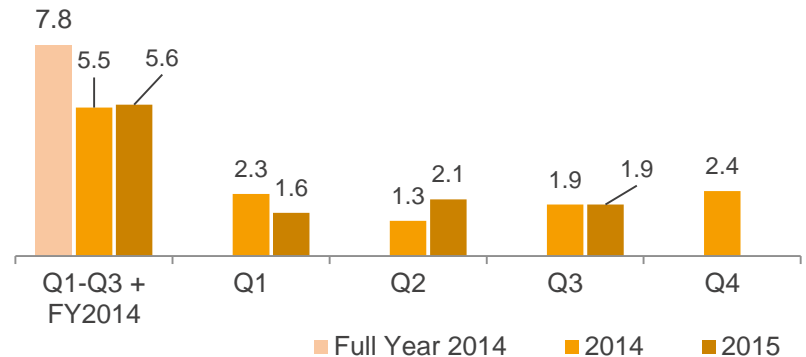
- The profitability of the grain trade was at the previous year's level and was supported by successful sales in Finland.
- The profitability of oilseed products was at the previous year's level.

Other Operations's operating profit excluding non-recurring items was EUR -1.0 (-0.4) million

- The share of the profit of the associated company Sucros was EUR -0.3 (0.0) million.
- The result for the associated company Sucros was adversely affected by the low market price of sugar.

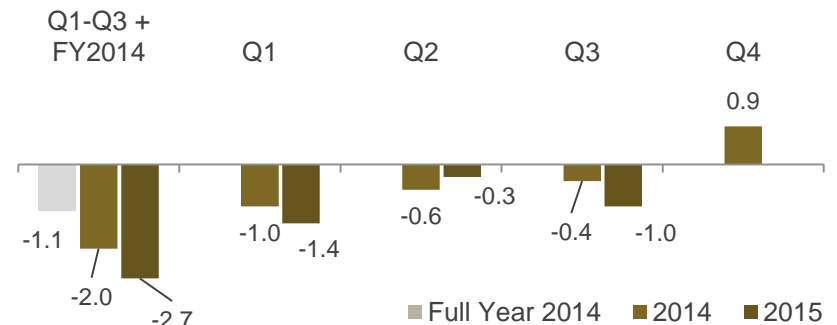
Grains and Oilseeds Business

Operating Profit, excluding non-recurring items, EUR million



Other Operations

Operating Profit, excluding non-recurring items, EUR million



Profitability programmes progressed in Food Business

- In the fish products group operations were further concentrated in Kuopio as of the beginning of September.
 - In the fresh products group we have significantly streamlined production structure at the Helsinki plant.
 - The major production transfers included in the measures of the profitability programmes have been completed. The focus of the measures has been moved to process enhancement to improve profitability.
 - The cost reduction impact of the profitability programmes' measures in January–September was EUR -1.4 million compared to the corresponding period in 2014.
-
- When fully implemented, the objective of the programmes is to achieve a reduction of EUR 4.5 million in annual operating costs.

Profitability programmes

Fish products group, Finland

Fresh products group, Finland

The measures affect

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

Measures implemented by the end of 2015.

Apetit sells its holding in Taimen Oy



- On 30 September 2015, Apetit announced in a stock exchange release that in accordance with the joint sale conditions of the shareholder agreement, it had decided to sell its 23.7 per cent holding in Taimen Oy.
- Apetit decided not to use its right of redemption specified in the shareholder agreement when the individual shareholders decided to sell their holding (66.8 percent) to a new owner outside the company.
- Apetit booked a non-recurring loss of EUR 4.3 million on the transaction in the third quarter of the current year for the Food Business.
- The transaction was completed on 14 October 2015.

The new grain port in Inkoo inaugurated in August



- **Avena Nordic Grain Oy, invests EUR 1.8 million in the development of grain reception, storage and export facilities at the Inkoo deepwater port.**
- Three bulk dry stores with a combined total area of 6,120 m².
- Makes grain loading possible into even the largest Panamax-class ships.
- At the initial stage the targeted annual volume is approximately 50,000 tonnes of grain
- Facilities have already been on the effective use during the autumn.
- The investment will decrease Avena's logistics costs and significantly improve the flexibility in operations.
- Centrally located Inkoo will improve the efficiency of grain exporting by allowing direct grain deliveries from farm to port and reducing the need for intermediate storage.

The Outlook 2015

The Group's full-year operating profit excluding non-recurring items is expected to fall short of the previous year's level.

The final-quarter operating profit excluding non-recurring items is expected to be lower than a year earlier.

Owing to the extremely challenging situation in the sugar market, the associated company Sucros, which is part of the Other Operations segment, is anticipated to make a loss this year. In addition, harvest-time production, which will be lower than that of the comparison period, is anticipated to have a negative impact on Sucros's result during the latter part of the year compared with the comparison period.

In Finland, the market situation in the food sector is expected to remain challenging, which is estimated to affect the profitability of the Food Business in 2015 more than was anticipated in the early part of the year. The aim of the long-term profitability programmes in the Food Business is to improve profitability and competitiveness. The effect of the profitability programmes will increase towards the end of the year but the improvement of profitability will be slowed down by the continuing challenging market conditions.

The outlook of the Grains and Oilseeds business is stable. The segment's operating profit excluding non-recurring items is, however, expected to fall short of the strong figures of the comparison period.

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.

The image features a blue oval logo with the word "KOTIMAINEN" in white, bold, sans-serif capital letters in the top left corner. The background is a photograph of a rural landscape. In the foreground, there is a vast field of green, leafy plants, possibly a vegetable field, with a narrow dirt path running through the center. Two people are walking away from the camera along this path. In the middle ground, a red tractor is visible on the right side of the field. The background is filled with a dense line of trees, and the sun is shining from the upper left, creating a warm, golden glow and long shadows across the scene.

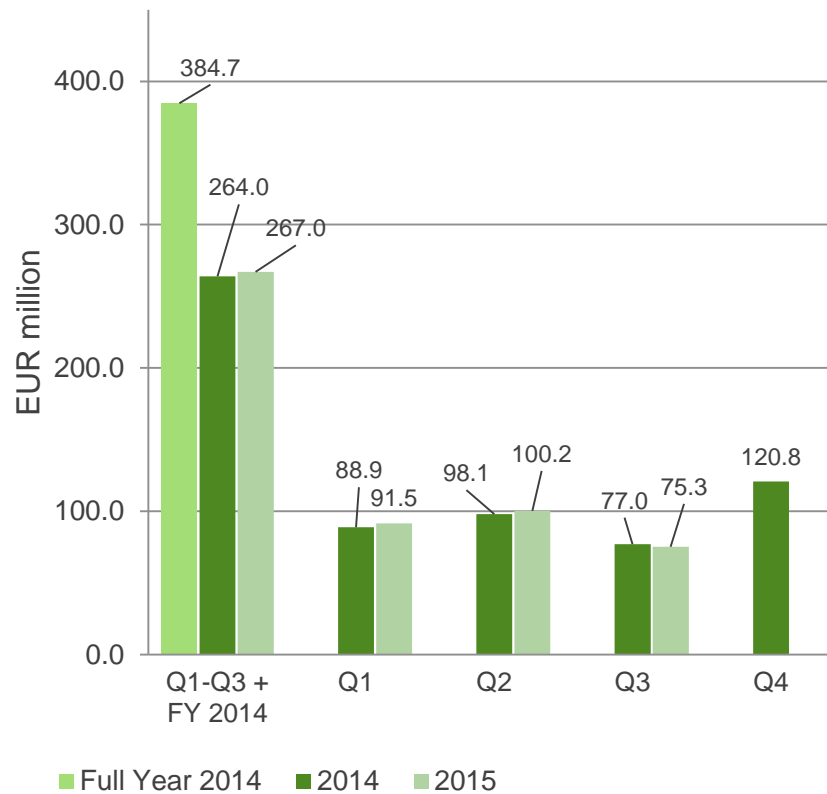
KOTIMAINEN

CFO's Review Q3/2015

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

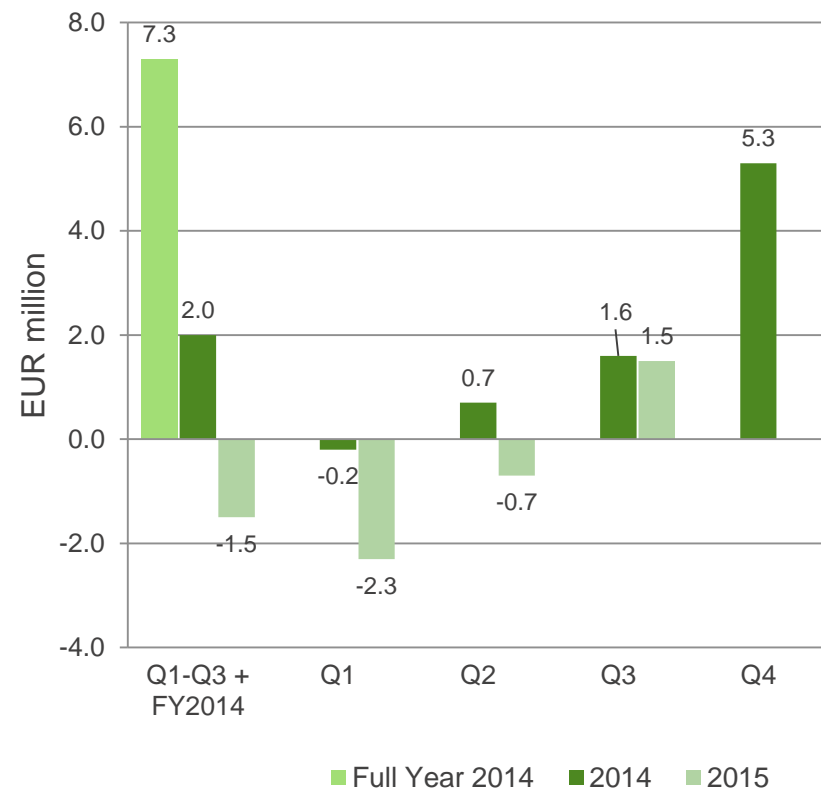
Net sales

Apetit Group, comparison 2015/2014



Operating profit excluding non-recurring items

Apetit Group, comparison 2015/2014



EUR million	Q3/2015	Q3/2014	Q1–Q3/ 2015	Q1–Q3/ 2014	2014
Net sales	75.3	77.0	267.0	264.0	384.7
Operating profit excluding non- recurring items	1.5	1.6	-1.5	2.0	7.3
Operating profit	-2.8	-11.1	-5.1	-11.2	-5.9
Profit before taxes	-3.8	-11.1	-6.3	-12.1	-8.1
Profit for the period	-4.0	-11.1	-6.8	-12.1	-8.7
Profit for the period, excluding non-recurring items	0.4	1.0	-3.2	0.3	3.7
Earnings per share, EUR	-0.64	-1.74	-1.05	-1.86	-1.29
Earnings per share, excluding non-recurring items, EUR	0.06	0.20	-0.46	0.15	0.72
Equity per share, EUR			19.07	20.08	20.70
Equity ratio, %			60.2	61.4	69.7
Gearing, %	-	-	13.0	14.8	-1.3
Net cash flow from operating activities			-8.4	-4.0	18.1

Balance sheet

ASSETS	30 September 2015	30 September 2014	31 December 2014
Tangible assets	43.5	42.1	41.1
Investments in associated companies	22.1	33.0	34.9
Inventories	67.1	71.2	53.8
Receivables	34.0	36.1	29.6
Other assets	29.4	22.3	26.2
Total assets	196.1	204.6	185.7
EQUITY AND LIABILITIES			
Equity	118.0	125.6	129.4
Financial liabilities	28.3	26.8	12.0
Trade payables and other liabilities	44.0	42.9	35.7
Other liabilities	5.8	9.3	8.5
Total equity and liabilities	196.1	204.6	185.7

Summary



Apetit's near term priorities

We will implement our profitability improvement programmes and develop the Food Business in response to market challenges.

We will continue to invest in the development and growth of the profitable Grains and Oilseeds Business.

We will create a new strategy to ensure profitable growth, efficiency and a greater focus on customer and consumer orientation.



Apetit

The harvest of yellow turnip
in Satakunta is well underway.



Discussion



Herkullista. Kotimaista.
Pakastealtaasta.



Tuoretta kalaa
herkkupöytiin.



Asiantuntevaa vilja- ja
öljykasvikauppaa.



Hyvän aterian ainekset
ammattikeittiöille.

Thank you for your interest!

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