

Half-Year Report 2022

CEO Esa Mäki, Apetit Plc



Financial Performance



Net sales, EBITDA, Operating profit

Continuing operations

April-June 2022

- Net sales EUR 47.3 (33.8) million
- EBITDA EUR 0.4 (1.7) million
- Operating profit EUR 0.5 -1.0 (0.4) million

January-June 2022

- Net sales EUR 89.9 (70.9) million
- EBITDA 1.5 (5.4) million
- Operating profit EUR -1.2 (2.8) million

Group (incl. discontinued operations)

April-June 2022

- Net sales EUR 64.9 (68.7) million
- EBITDA EUR 2.8 (0.3) million
- Operating profit EUR 1.2 (-1.2) million

January-June 2022

- Net sales 139.7 (136.4) Meur
- EBITDA 4.6 (2.8) million
- Operating profit EUR 1.4 (-0.3) million



Strong financial position

EUR million

30.6.2021

30.6.2020

Working capital, continuing operations	22.1	25.5
Group's net cash flow from operating activities	17.8	24.4
Group's total equity	91.6	90.3
Group's net debt	-4.4	2.8
Group's Equity ratio, %	82.7 %	76.3 %
Group's Gearing, %	-4.8 %	3.1 %
Earnings per share, EUR	0.09	-0.17
Group's Operational return on capital employed, (ROCE-%)	3.8 %	2.9 %

Continuing operations





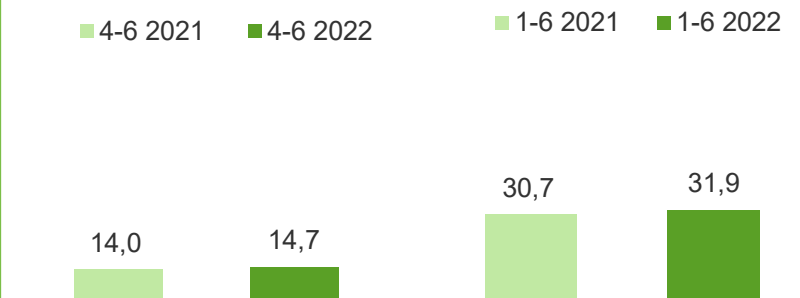
Food Solutions April-June 2022

Frozen food sales increased especially in the Food service channel

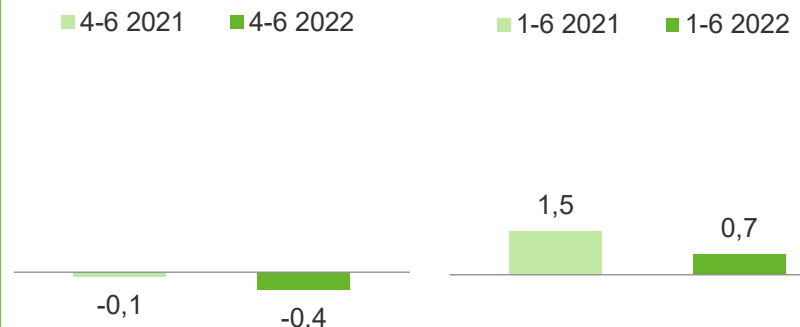


- Net sales grew and amounted to EUR 14.7 (14.0) million
 - In the food service channel, the sales of frozen products have increased significantly, and the retail sales of frozen products have continued to be strong.
 - In the retail segment, the sales of frozen food and frozen vegetable products are seasonally lower in the summer months than at other times of the year.
- Operating profit was EUR -0.4 (-0.1) million
 - For profitability, the main challenge has been inflation that affects production inputs, and the increase in their prices will be transferred to sales prices in late summer and in the autumn, depending on pricing periods.
 - Production shutdown carried out in May in preparation for the pizza production line investment in Pudasjärvi caused some inefficiency in production.

Net sales, EUR million



Operating profit, EUR million





Inflation affects eating - Apetit's products have a strong position in the retail trade

- Food price has risen exceptionally fast this year, only accelerating during the spring and summer*
 - The speed of the price increase is associated with uncertainty, which in turn is largely related to the future harvest both in Finland and globally
 - A weak harvest would increase food prices worldwide more than predicted
- The rapidly rising prices have already affected the purchasing behavior of consumers
- Apetit's products have a strong position in the retail trade as the only domestic alternative and market leader for frozen vegetables
 - Partly secures the demand for Apetit's products even in the changed situation
- Apetit's products are of high quality and competitively priced
 - They also respond to prevailing food trends in terms of making everyday life easier, domesticity, well-being, plant-based and responsibility



Production has started on the new pizza line - renewed pizzas for retail in October

- The investment in renewal of the pizza production line in Pudasjärvi was completed in July, and commercial production on the new line started at the beginning of August
 - The investment value is about EUR 2 million
- The new pizza line enables a comprehensive renewal of the pizza family
 - We challenge the market by baking pizzas with sourdough, using domestic raw materials as much as possible and ensuring the deliciousness with stonebaking
 - New pizzas will be available in shops' frozen food sections in October
 - A significant investment in marketing as well, with the goal of clearly increasing the market share



The harvest expectations for field vegetables are cautiously hopeful

- The harvest expectations for field vegetables are hopeful
- The hot weather in early summer did not continue too long for plants, and rainfall has been mainly even throughout the growing season
- After a couple of weaker years, the pea harvest is also expected to be good
- Cooler weather has also contributed to the more even development of peas, which is good for pea quality and the smoothness of production
 - Export quality has been improved in line with the target
 - Export pea is profitable for Apetit, Finnish pea is especially valued in Italy



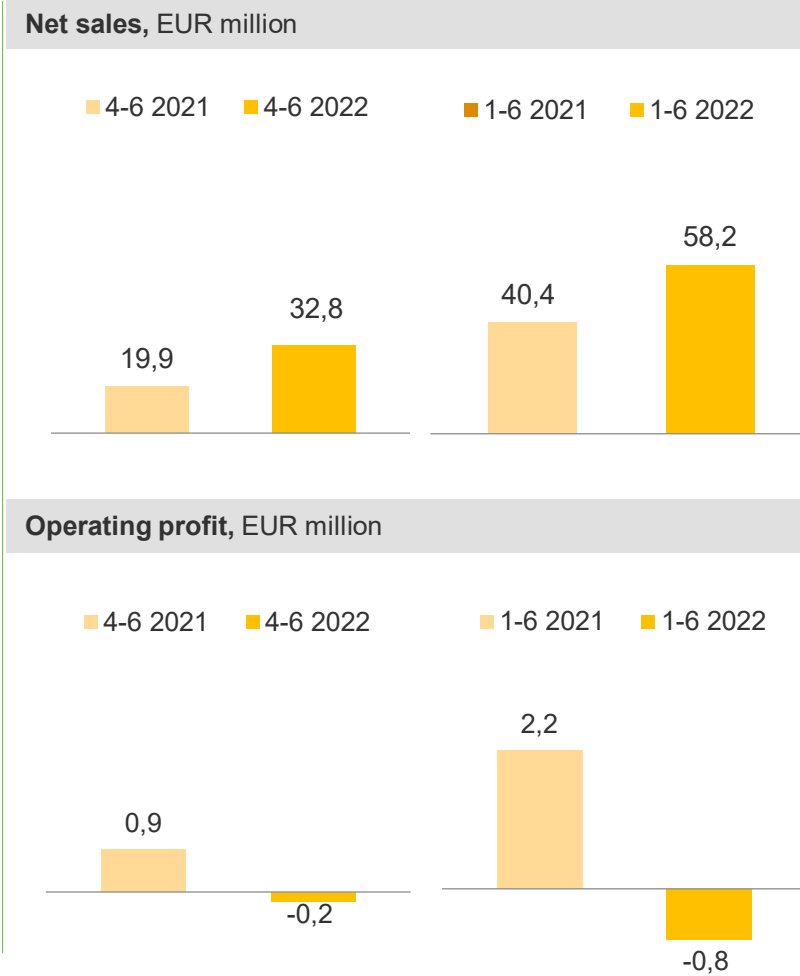


Oilseed Products April-June 2022

The significantly increased cost of raw materials weakened profitability



- Net sales grew substantially in April–June and amounted to EUR 32.8 (19.9) million
 - Net sales were boosted mainly by higher market prices
 - Sales volumes increased from the comparison period
 - The main export markets were Norway and Sweden, with exports representing 20 per cent of net sales
- Operating profit was EUR -0.2 (0.9) million
 - Significantly increased raw material and logistics costs reduced the refining margin and profitability.
 - The sharp increases in prices have not been fully transferred to the sales prices of end products.



Cultivation season of oilseeds

- According to the Natural Resources Institute Finland's preliminary statistics, the total cultivation area of rapeseed in this growing season is 43,000 hectares, with the share of Brassica rapa being 33,500 hectares and that of Brassica napus 9,500 hectares
 - As a whole, this is an increase of approximately 13 per cent when compared to the previous year (2021)
- A record-breaking amount of winter rapeseed was sown in the autumn, roughly 10,000 hectares
 - However, winter damage was extensive and approximately 80 per cent of the winter oilseed plants sown were lost during the winter
- The conditions during the summer growing season have been favourable so far
 - The resowing to replace winter damage was carried out relatively late, even at the beginning of June
 - This, for its part, delays the harvest and increases harvest-related risk



Discontinued operations



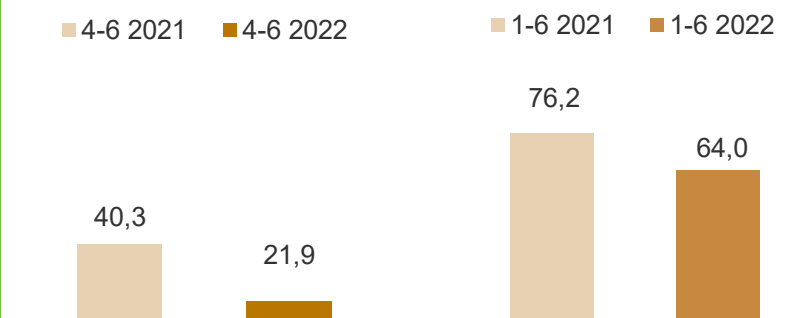


Grain Trade April-June 2022

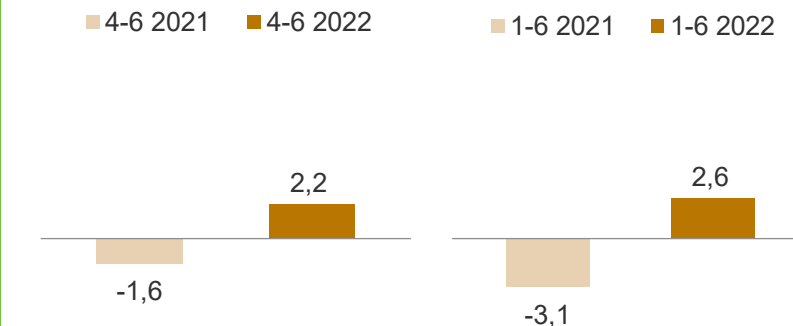


- Net sales in April–June were EUR 21.9 (40.3) million
- Operating profit was EUR 2.2 (-1.6) million
- The sale of the Grain Trade business to Berner Ltd was completed on 31 May 2022. Operating profit includes EUR 2.3 million in gains on sale.

Net sales, EUR million



Operating profit, EUR million





The sale of the Grain Trade business has been completed in full

- The sale of the Grain Trade business to Berner Ltd was completed on 31 May 2022.
 - The transaction includes Avena's Finnish grain trade business, as well as its grain stocks and port operations in Finland.
 - The agreed acquisition price was about EUR 4 million added by the value of the transferring inventory.
- The sale of the Baltic operations to Scandagra Group was completed earlier in the spring.
- Gains on sale after income tax was EUR 1.9 million.



Apetit

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