

Apetit



Half-Year Report 2023

CEO Esa Mäki, Appetit Plc



Net sales, EBITDA, Operating profit

Continuing operations

April-June 2023

- Net sales EUR 45.0 (47.3) million
- EBITDA EUR 2.0 (0.4) million
- Operating profit 0.7 (-1.0) million

January-June 2023

- Net sales EUR 93.2 (89.9) million
- EBITDA EUR 5.5 (1.5) million
- Operating profit 2.7 (-1.2) million

Group (incl. discontinued operations)

April-June 2023

- Net sales EUR 45.0 (64.9) million
- EBITDA EUR 2.0 (2.8) million
- Operating profit 0.6 (1.2) million

January-June 2023

- Net sales EUR 93.2 (139.7) million
- EBITDA EUR 5.4 (4.6) million
- Operating profit 2.6 (1.4) million

Strong financial position

EUR million

30.6.2023

30.6.2022

Working capital, continuing operations	17.5	22.1
Group's net cash flow from operating activities	7.7	17.8
Group's total equity	96.8	91.6
Group's net debt	-14.7	-4.4
Group's Equity ratio, %	85.8	82.7
Group's Gearing, %	-15.2	-4.8
Earnings per share*, EUR	0.45	-0.22
Group's Operational return on capital employed, (ROCE-%)	7.7	3.8

*continuing operations

Continuing operations



Food solutions April-June 2023

Net sales and sales volumes increased - the result improved from the comparison period

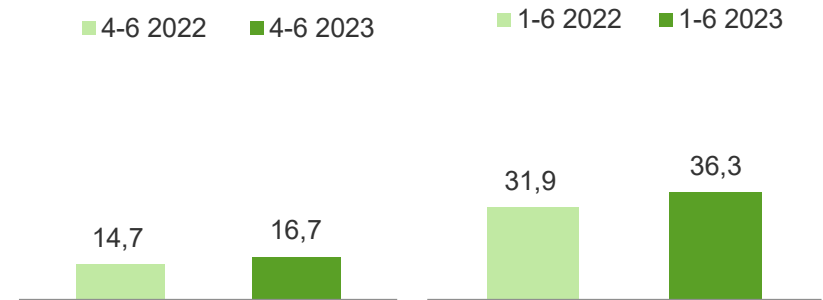
Q2/2023

- Net sales grew clearly from the comparison period in all sales channels
- Net sales growth was driven by price increases and the year-on-year increase of sales volumes
- In the Food service sector, sales have continued to grow strongly
- As a response to the general increase in costs, selling prices were increased
- Successful product launches contributed to profit performance
- Delivery reliability was at a good level during the reporting period

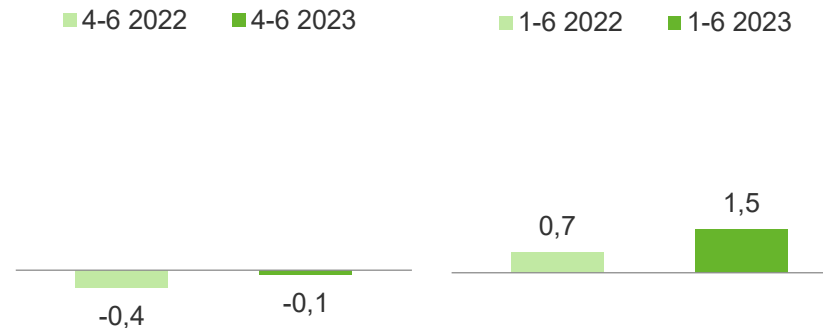
H1/2023

- The net sales increased clearly; profitability of business improved
- Exports accounted for 12 per cent of net sales

Net sales, EUR million



Operating profit, EUR million



The harvest expectations for field vegetables are fairly good

- The harvest expectations overall are fairly good
- The hot and dry weather in the early summer reduced the first spinach harvest and the first batch of the pea harvest
- The rains that followed the hot period helped peas that had been sown later as well as the beginning of the root vegetable growing season





Cost inflation is reflected in purchasing behavior

- Continued cost inflation can be seen in the purchasing behavior of consumers
- When buying food, consumers prefer more affordable products
- The growth in popularity of traditional foods is also reflected in the demand for Apetit's products between different product groups
- The position of Apetit's products in the retail trade is still strong
- According to Statistics Finland (Consumer Price Index, 14 July 2023), food inflation in June 2023 was 9.2 per cent when compared to June last year.

Investments in product development

- Investments in product development make sure that Apetit's product range keeps aligned with the needs of consumers
- We have expanded our range of oven and grill vegetables by introducing a new flavour and launched new snack products earlier this year
- Renewed product family of frozen pizzas will get new taste options in the autumn



Sustainable value chain

- The use of steam produced with biogas was started in harvest-time production at the Säkylä frozen foods
 - From now on, steam used at the Säkylä frozen foods plant is mainly produced with bioenergy
 - With the use of renewable energy sources and heat recovery, the plant's CO2 emissions will decrease by approximately 80 percent
- The corporate responsibility program's packaging-related goals are progressing
 - Early this year, the use of recyclable plastic started in the Apetit Potato Onion product family, accounting for high sales volumes
 - The first frozen soups packaged in PEFC-certified paperboard will be available in shops in the autumn.
 - All frozen soups will be packaged in PEFC-certified paperboard by the end of 2024.





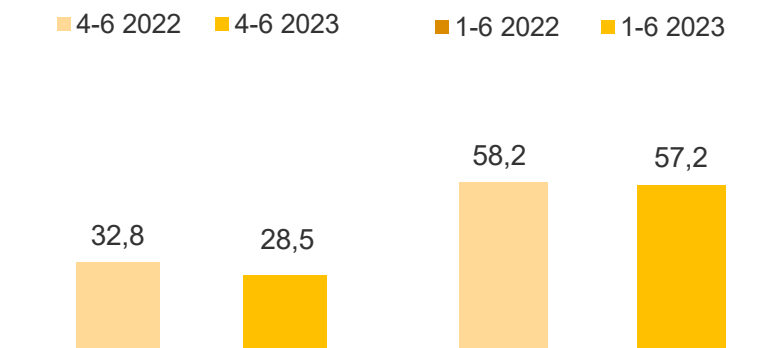
Oilseed products April-June 2023

The result turned from a loss in the comparison period to a clear profit

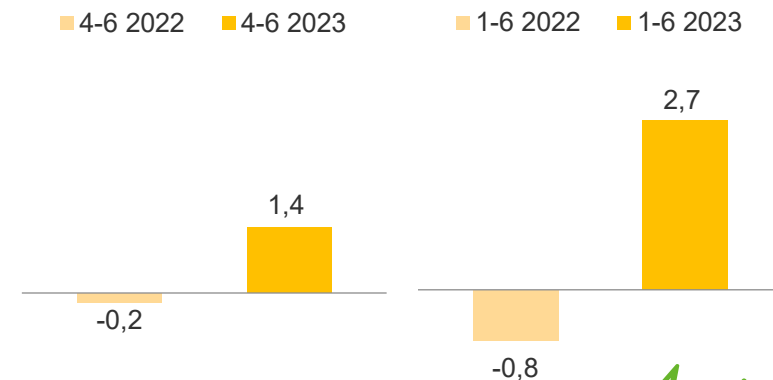
Q2/2023

- Net sales decreased from the high level of the comparison period
- During the comparison period, market prices were exceptionally high
- Sales volumes increased slightly year-on-year
- Operating profit was boosted by successful raw material sourcing and active pricing efforts

Net sales, EUR million



Operating profit, EUR million



H1/2023

- The sales of the strategically important refined vegetable oil increased by 6 per cent year-on-year
- The main export markets were Norway, Sweden and Estonia, with exports representing 24 per cent of net sales

A decrease in the cultivated area of oilseed in Finland

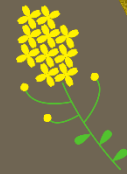
- According to the Natural Resources Institute Finland's preliminary statistics, the total cultivation area of rapeseed in this growing season is 38,400 hectares
- As a whole, this is a decrease of approximately 11 per cent when compared to the previous year
- The amount of winter rapeseed sown in the autumn was clearly lower than last year
- The conditions during the summer growing season were impaired by the hot and dry weather in the early summer
- In addition to weakening growth, the weather conditions increased pest pressure
- In the Baltic countries, Apetit's nearby sourcing area, harvesting is in its final stages and the harvest levels are expected to be on a par with last year



*Rapsi*Rapsi-foorumi – a new Finnish oilseed plant production development group

- The goal is to promote the cultivation of rapeseed and its profitability in Finland
- brings together different stakeholders in the oilseed plant sector and compiles the results of earlier research activities and produces new farming knowledge
- Practical information and efficient methods for the cultivation of oilseed plants for farmers

**RYPPI-
RAPPI-
FOORUMI**



Discontinued operations

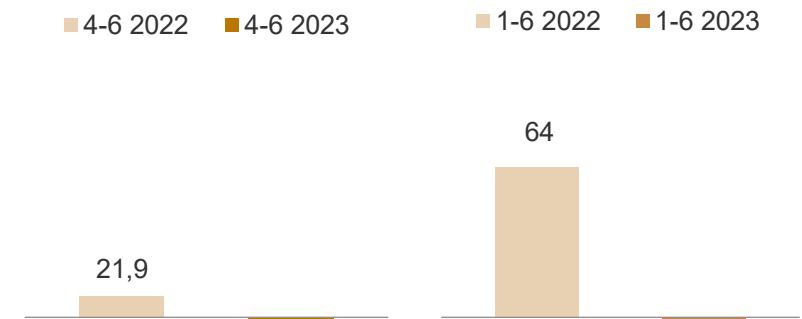
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Discontinued operations April-June 2023

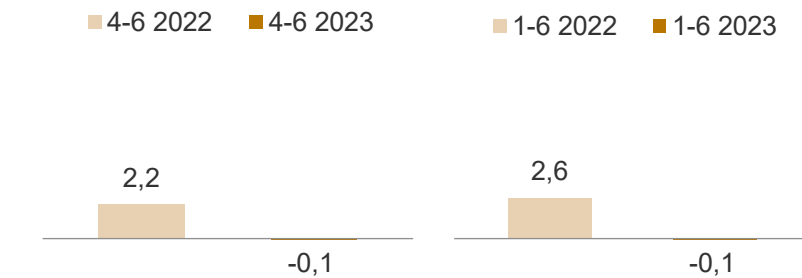
Grain Trade Business

- Net sales in January-March was EUR 0.0 (21.9) million. Operating profit was EUR -0.1 (2.2) million.
- The sale of the grain trade business took place in stages during the first half of 2022.

Net sales, EUR million



Operating profit, EUR million



Profit guidance for 2023 unchanged

- The full-year operating profit from continuing operations is expected to improve year-on-year (EUR 3.5 million in 2022)



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thank you.