

*Apetit*

# Financial Statements review 2021

CEO Esa Mäki, Apetit Plc





# Financial Performance





# Net sales, EBITDA, Operating profit

## Continuing operations

### October-December 2021

- Net sales EUR 83.0 (82.0) million
- EBITDA EUR 2.2 (2,7) million
- Operating profit EUR 0.5 (1.1) million

### January-December 2021

- Net sales EUR 283.9 (292.9) million
- EBITDA 9.2 (10.1) million
- Operating profit EUR 2.8 (3.9) million

## Group (incl. discontinued operations)

### October-December 2021

- Net sales EUR 83.0 (82.0) million
- EBITDA EUR 2.2 (2.8) million
- Operating profit EUR 0.5 (1.2) million

### January-December 2021

- Net sales 283,9 (293,0) Meur
- EBITDA 9.2 (10.2) million
- Operating profit EUR 2.8 (4.1) million



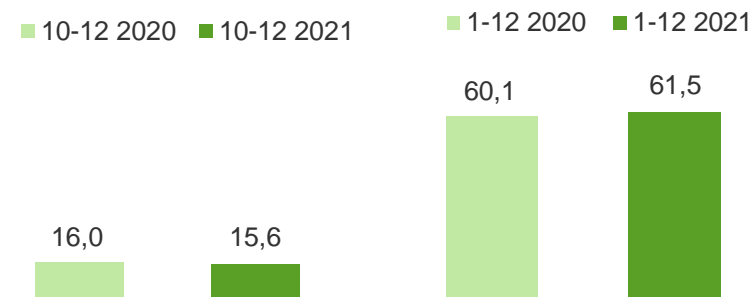
Food Solutions October-December 2021

# Frozen food net sales grew clearly in the Food Service channel

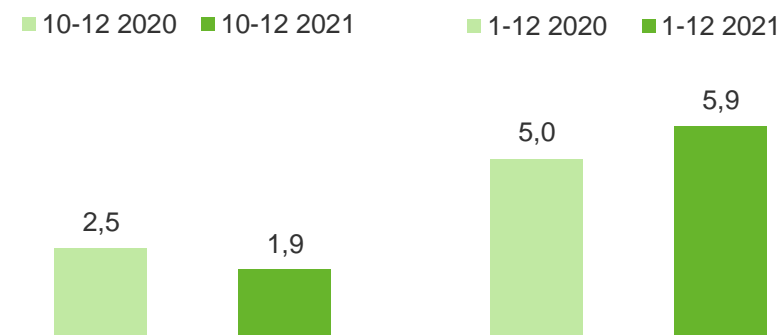


- Frozen food sales grew clearly in the Food Service channel
  - Net sales still remain below the pre-pandemic level
- Sales decreased slightly from the comparison period in the retail segment and export operations
  - In 2021, food exports accounted for 9 per cent of net sales (2020: 9 per cent) and were mainly targeted at Sweden, Italy and the United Kingdom. The total annual value of exports increased by 5 per cent.
  - Weak pea harvest reduced export volumes towards the end of the year
  - New customer relationships support to increase export especially in Sweden, but also in other markets
- Profit was weakened by the decrease in net sales from the comparison period as well as record-high energy costs
  - Profitability improved in all sales channels
  - Our delivery reliability has also remained at an excellent level

Net sales, EUR million



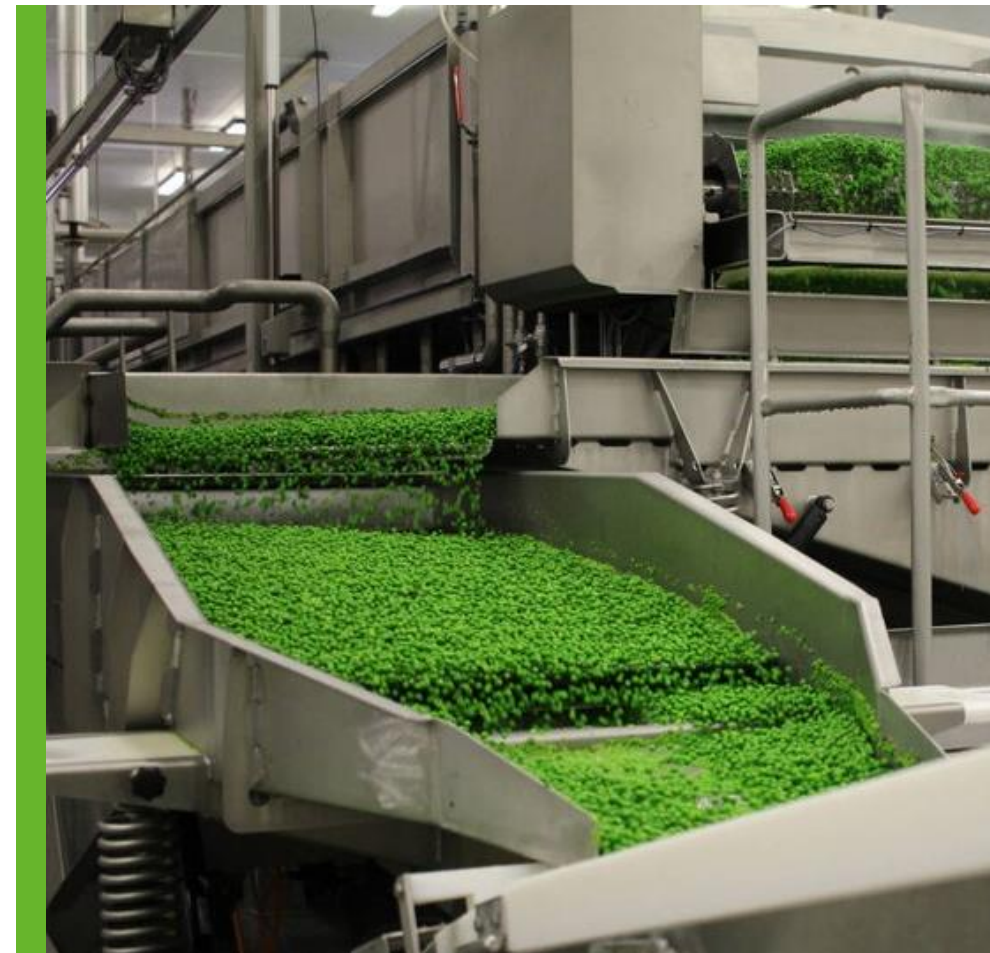
Operating profit, EUR million





# Investments have clearly improved the material and energy efficiency of the production

- Improving process efficiency is one of our key strategic goals
- The investments made in Säkylä, steam peelers (2020) and brush scrubbers (2021), have a significant impact on improving the material and energy efficiency of production
  - Clear improvement in the efficiency of the processed roots
  - Reduces steam consumption (-27% / harvest season)
  - Reduces water consumption (-12% / harvest season)
- Next, we will renew the pea reception at the beginning of the production line
  - The investment will support our ability to increase pea exports in the future.



# Apetit Novelties meet trends



Making daily life easier



Over 1 million sold products during 12 months



60% vegetables

Climate-responsible everyday actions

2019

2020

2021

Well-being

The origin of food

Increase in demand for plant-based food products





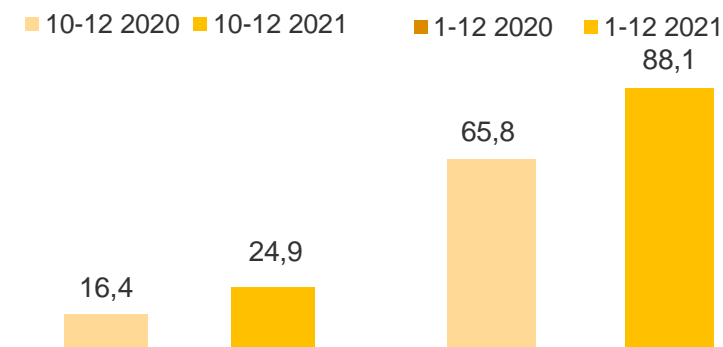
Oilseed Products October-December 2021

# Significantly increased raw material costs have reduced profitability

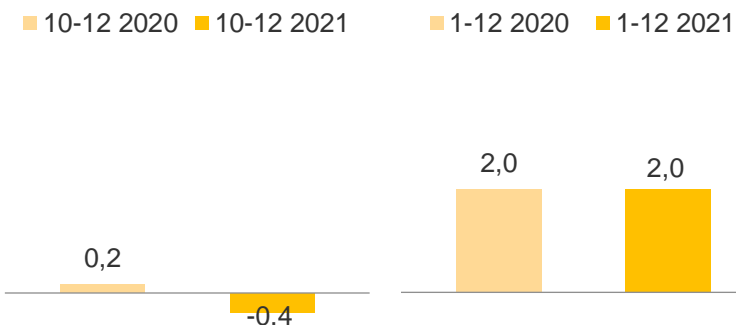


- Net sales increased clearly (52%) due to significantly higher selling prices of raw materials and end products
- Profitability was improved by significantly higher prices of rapeseed raw materials, their scarce availability in nearby areas and increased freight and energy costs
  - The rapid increase in raw material costs could not be fully transferred to selling prices
- Production efficiency has improved throughout the Kantvik vegetable oil milling plant
  - Last year, records were achieved both in rapeseed milling and in oil refining

Net sales, EUR million



Operating profit, EUR million





# Systematic work to commercialize a new rapeseed-based plant protein

- The small-scale production of the BlackGrain from Yellow Fields plant protein started in October 2021
- The small-scale production enables customers to test BlackGrain in their own product development
- At Apetit, BlackGrain was used for the first time in a commercial product
  - Apetit Vegetable Ball was launched for the HoReCa market in early 2022



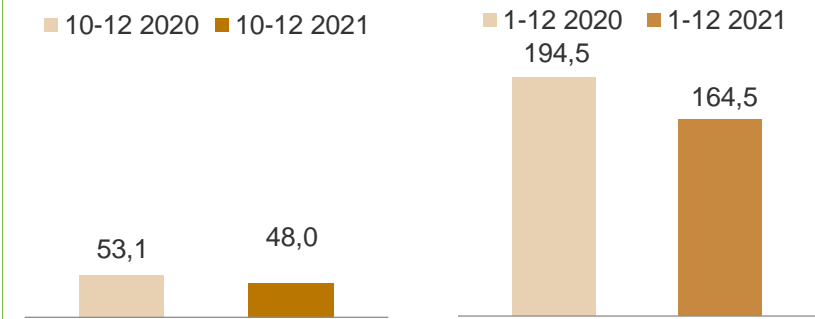


# The record-small grain harvest decreased export deliveries

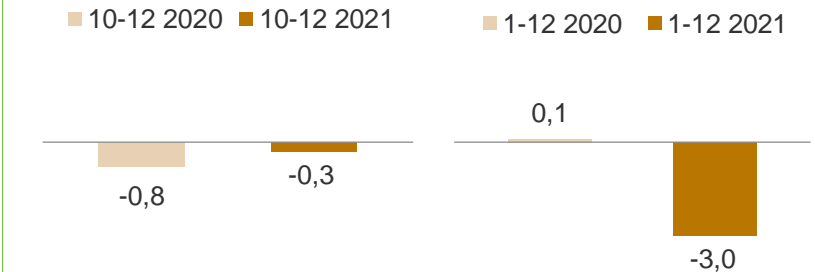


- Net sales decreased clearly due to decreased volumes
  - Even though grain prices increased strongly during the second half of the year
  - In Finland, the record-small grain harvest decreased export deliveries from the comparison period.
- Profitability improved from the previous year, thanks to commercial successes in some grains

Net sales, EUR million



Operating profit, EUR million





# Apetit has agreed on selling the Baltic business operations of the Grain Trade

- In December, Apetit Group's subsidiary Avena Nordic Grain agreed on selling the Baltic operations of the Grain Trade business to Scandagra Group
- This business transaction is in line with the strategy and will make the Grain Trade business significantly healthier
- The transaction is expected to be completed during the first quarter of the year







# Strong financial position

EUR million

31.12.2021

31.12.2020

Working capital, continuing operations	<b>50.5</b>	48.4
Group's net cash flow from operating activities	<b>5.0</b>	26.8
Group's total equity	<b>93.3</b>	95.0
Group's net debt	<b>24.8</b>	20.6
Group's Equity ratio, %	<b>59.4 %</b>	66.5 %
Group's Gearing, %	<b>26.6 %</b>	21.7 %
Group's Return on capital employed, (ROCE-%)	<b>2.4 %</b>	3.3 %

A kitchen scene featuring two clear plastic bottles of Apetit sunflower oil with yellow caps. The bottles are filled with yellow oil. In the background, there are green herbs, including a large leafy plant and a sprig of thyme. In the foreground, a loaf of bread is on a wooden cutting board. A green semi-transparent banner is overlaid across the middle of the image, containing the text "Profit guidance for 2022".

# Profit guidance for 2022





## Profit guidance for 2022

- The full-year operating profit from continuing operations is expected to improve year-on-year (EUR 2.8 million in 2021).



# Dividend proposal





# Dividend proposal for 2021

- Dividend policy
  - The Board of Directors of Apetit Plc aims to ensure that the company's shares provide shareholders with a good return on investment and retain their value.
  - The company will distribute at least 50 per cent of the profit for the financial year in dividends.
- Dividend proposal for 2021
  - The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.40 per share be paid for the financial year 2021.

# Covid-19 pandemic – impacts and measures





# The impacts of the COVID-19 pandemic vary by business

## *Food Solutions*

- The COVID-19 pandemic has affected the Food Solutions business the most. The retail demand for food increased suddenly when the exceptional situation began in spring 2020. Grocery trade grew at a record pace in 2020 (+8.6%) and has continued to grow in 2021, although more slowly (+3.0%). Indeed, demand for food has remained good.
- In the Food Service sector, demand has been significantly lower than usual since the start of the pandemic as restaurants and other public services, such as schools and day-care centres, have, from time to time, operated at a smaller scale than normal. Demand in the Food Service channel has gradually picked up since late spring 2021 but has still remained below the pre-pandemic level.

## Oilseeds Products

- In the Oilseed Products business, the demand for vegetable oils has grown particularly in the retail segment. In the professional food service sector, the demand for vegetable oils returned to the pre-pandemic level in the second quarter of 2021.

## Grain Trade

- In the Grain Trade business, the COVID-19 pandemic has only had a minor impact, mainly in the form of increased market volatility in the early stages of the pandemic.



## Apetit's measures related to the COVID-19 pandemic

- Exceptional arrangements related to the COVID-19 pandemic continue in Apetit Group. We are actively monitoring the situation and will react to any changes.
- Apetit's goal during the COVID-19 pandemic has been to ensure the health of employees, customers and other stakeholders while ensuring the uninterrupted continuation of production, business operations and the food supply chain.
- In order to reach the goal Apetit has e.g.
  - minimised interaction between employees and with outside parties
  - increased the use of personal protective equipment
  - further improved hygiene standards at various work areas
  - instructed office employees to work remotely.
- Apetit ensures the functioning of the food supply chain by complying with the guidelines issued by the authorities and by preparing for both exceptional and normal operating conditions in its businesses.



# Consistent implementation of the strategy









# Financial objectives

## Financial objectives

- EBITDA will be EUR 14 million in 2022 (continuing operations in 2019 EUR 0.8 million)
- Return on capital employed (ROCE %) > 8% (2019: -4.0%)



# Optimising core business functions

- Key measures in 2021:
- ✓ Commissioning of the bioenergy plant at the Kantvik vegetable oil milling plant in Kirkkonummi.
- ✓ Investments to improve production and material efficiency at the Säkylä plant.
- ✓ Agreement on selling the Baltic operations of the Grain Trade business to Scandagra Group, which is a leading agriculture company in the Baltic countries.

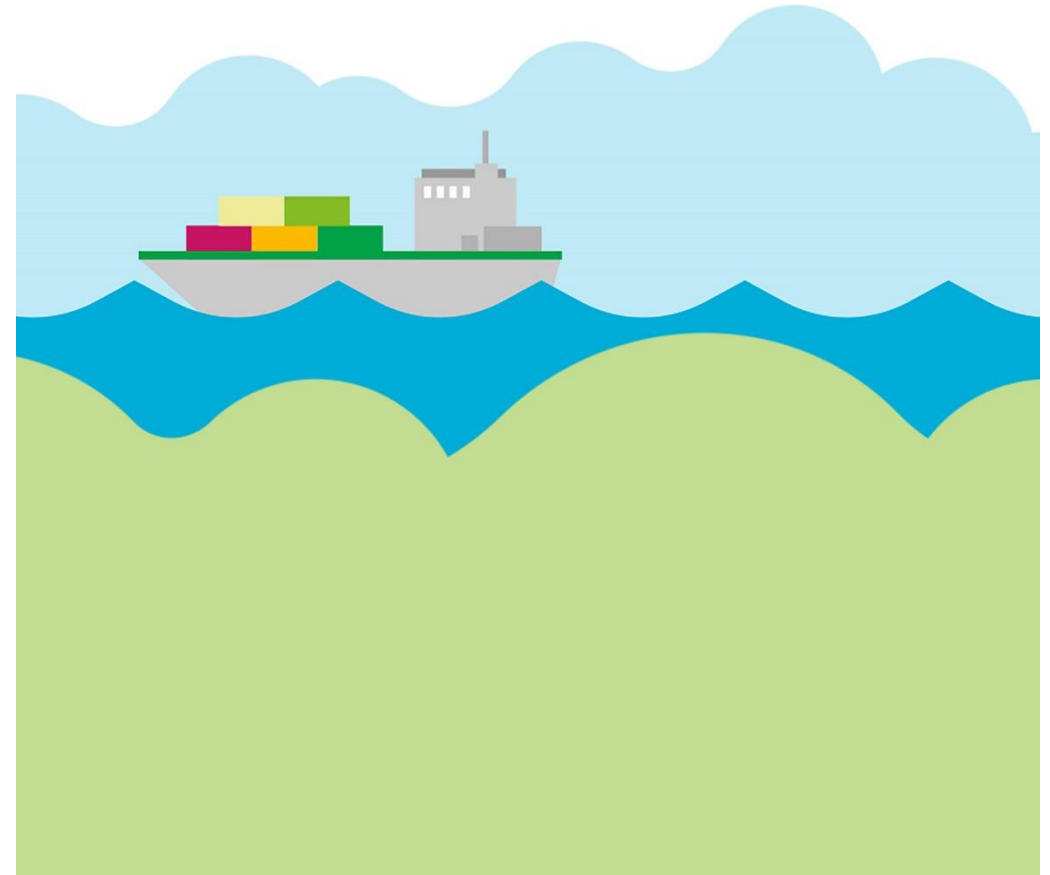






# Strong foothold in Sweden

- Key measures in 2021:
  - ✓ Expansion of the Apetit product selection in ICA, the largest retail chain in Sweden.
  - ✓ New retail customers in Sweden.
  - ✓ Strengthening of partnerships and product launches in other markets.
  - ✓ Systematic increase of the total export volume.



# Growth from plant-based added value products

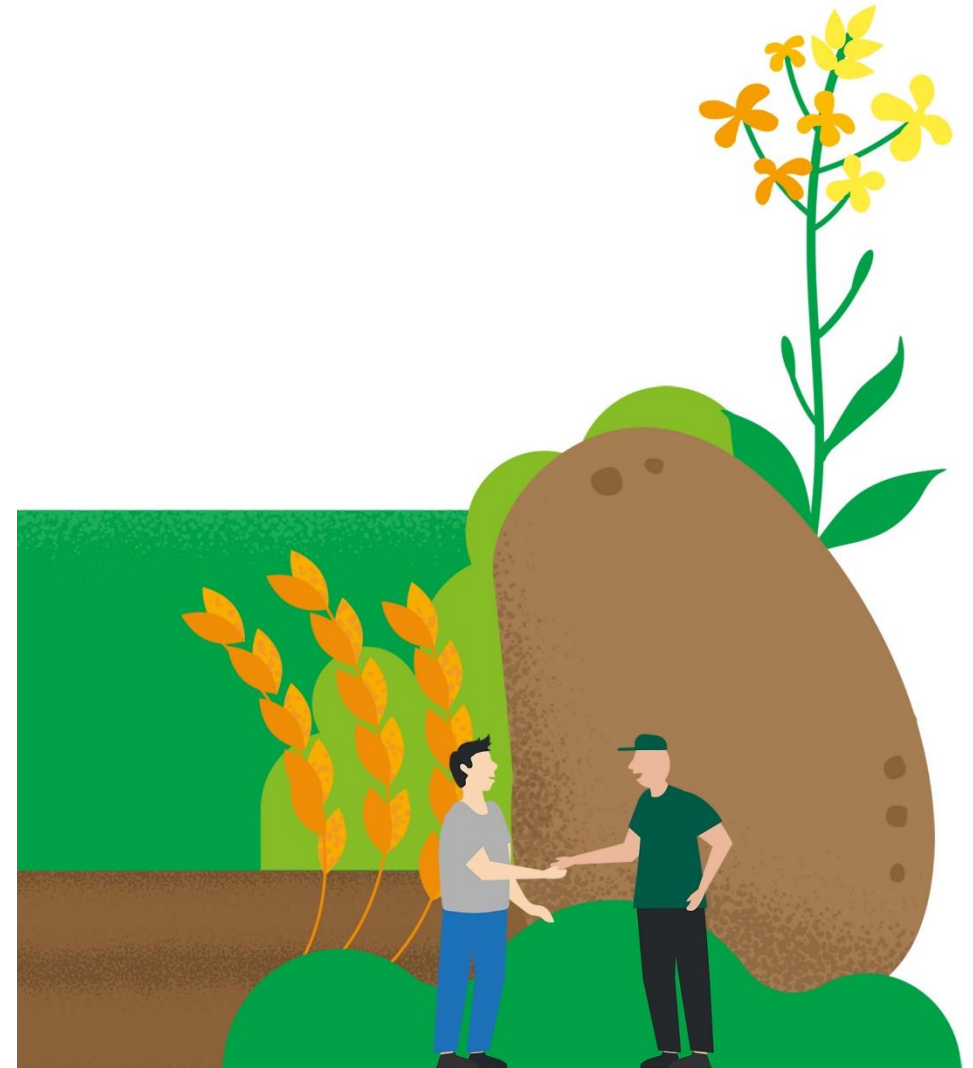
- Key measures in 2021:
  - ✓ Continuous development of new plant- and fish-based products and product groups.
  - ✓ Launch of a new product group: the Meal Bowl ready meals to shops' frozen food sections.
  - ✓ Expansion of the local fish product family: the launch of Baltic Sea Fish Fingers.
- Launch of the small-scale production of the rapeseed protein ingredient.





# Developing farming partnerships

- Key measures in 2021:
  - ✓ Active participation in the Räpi experimental farm's projects promoting soil fertility and carbon sequestration.
  - ✓ Increase in oilseed plant contract farming in accordance with the set objective.
  - ✓ Continuous cooperation with growers: advice and training.



# *Apetit* Sustainable actions

- Key measures in 2021:
- ✓ Publication of an updated corporate responsibility programme and targets.
- ✓ Calculation of the carbon footprint of domestic rapeseed oil.
- ✓ Development and standardisation of the Group's carbon footprint calculation to comply with the GHG Protocol (Scope 3).





*Apetit*