

Financial Statements review 2022

CEO Esa Mäki, Apetit Plc



Financial Performance





Net sales, EBITDA, Operating profit

Continuing operations

October-December 2022

- Net sales EUR 46.6 (40.3) million
- EBITDA EUR 4.5 (2.2) million
- Operating profit EUR 3.0 (0.7) million

January-December 2022

- Net sales EUR 181.7 (149.1) million
- EBITDA EUR 9.2 (11.1) million
- Operating profit EUR 3.5 (5.8) million

Group (incl. discontinued operations)

October-December 2022

- Net sales EUR 46.6 (83.0) million
- EBITDA EUR 4.4 (2.2) million
- Operating profit EUR 2.9 (0.5) million

January-December 2022

- Net sales EUR 231.8 (283.9) million
- EBITDA EUR 12.4 (9.2) million
- Operating profit EUR 6.2 (2.8) million

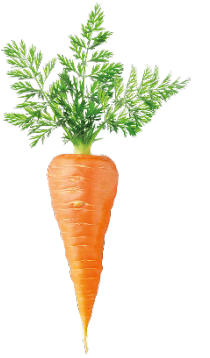
Continuing operations





Food Solutions October-December 2022

The result slightly below the comparison period

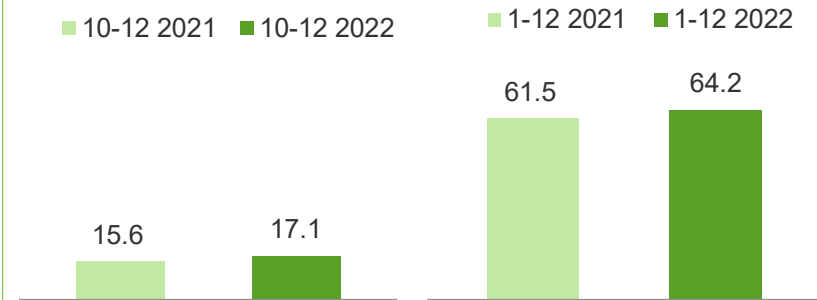


- Net sales for October–December amounted to EUR 17.1 (15.6) million
 - Net sales increased due to rising market prices.
 - The sales volume decreased slightly from the comparison period in the retail segment and food service channel, but grew substantially in export operations.
- Operating profit was EUR 1.8 (1.9) million.
 - The increased production costs due to cost inflation negatively affected the result.
 - Price increases were mainly implemented in the retail from the beginning of October.

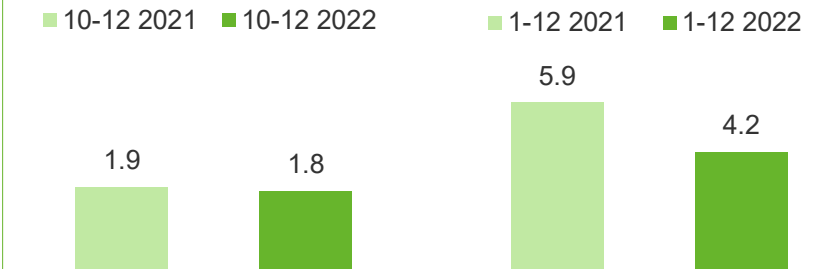
2022:

- The net sales of Food Solutions grew slightly from the previous year, mainly due to price increases driven by cost inflation.
 - Sales volumes remained at the comparison year's high level in retail and increased slightly in the food service sector and exports.
 - Higher costs had a negative effect on profitability, as the increased costs could only be passed on to selling prices with a delay.

Net sales, EUR million



Operating profit, EUR million





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

- Inflation strongly affected the price of food during the year
 - According to Statistics Finland* food prices in December 2022 were 16 per cent higher than a year earlier.
- Prices have increased particularly for grain products, but also for fresh vegetables.
 - Consumer caution and declining purchasing power may have a negative impact on consumption.
- Apetit's products have maintained a strong position in retail.
 - Apetit's products correspond to the prevailing food trends and are competitively priced in the current circumstances





The renewal effort of the frozen pizza plant was carried out as planned

- The investment for an extensive renewal effort at the Pudasjärvi frozen pizza plant was completed in July and the production began in early August.
 - The value of the investment is approximately EUR 2 million
- Completely renewed frozen pizzas have been available in shops since October.
 - We challenge the market with sourdough pizzas, using domestic ingredients where possible and a delicious base fried on a stone grate
- The new pizzas have been well received and the sales have been in line with our targets.



Investments to Säkylä frozen food plant

- Material efficiency with the new intake end of the harvest-time production's pea line
 - Saves about 2,500 liters of water per ton of frozen peas
 - A successful renewal work: was completed in accordance with the schedule, which meant that it was operational right from the start of the pea season 2022.
- The new energy solution of Säkylä frozen food plant is based on bioenergy and heat recovery.
 - The new energy solution will increase the share of renewable energy used at the plant to about 70 per cent and significantly improve energy efficiency through heat recovery.
 - Scheduled to be deployed in the summer of 2023

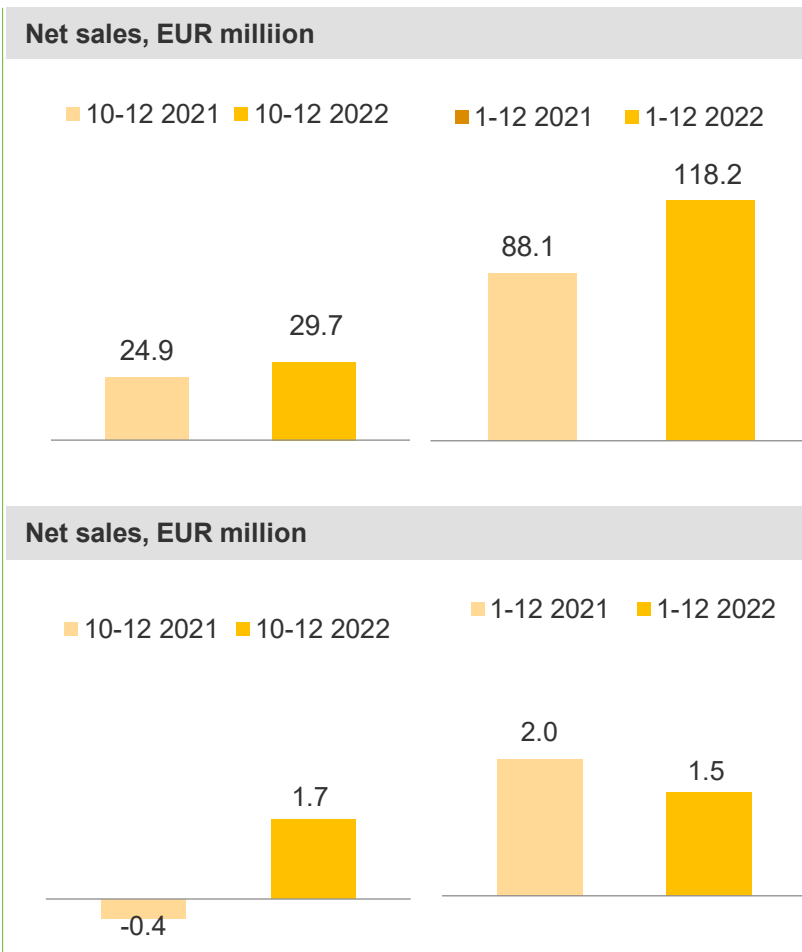




Significant profit improvement in the last quarter



- The net sales of Oilseed Products increased clearly and were EUR 29.7 (24.9) million in October-December.
 - Net sales growth was mainly due to increased selling prices driven by rising market prices.
- The operating profit was EUR 1.7 (-0.4) million.
 - A significant improvement in profit: the result was improved by the increased selling prices and the good availability of raw material.
 - The production efficiency of the bioenergy plant has been improved.
- On an annual level, the net sales clearly increased from the previous year
 - Selling prices increased along with market prices, which increased net sales
 - The sales volume was slightly lower than in the record-high comparison year.
 - The result of Oilseed Products was negatively affected by increased raw material and freight costs in particular.
 - The low availability of domestic raw material reduced profitability particularly in the first half of the year.



Apetit Aim to increase the cultivation of oilseed plants in Finland to a sustainable level

- According to Natural Resources Institute Finland, the domestic oilseed plant harvest was 2022 approximately one-third higher than the previous year.
 - The goal is still a bigger volume and a better yield level.
- According to estimated area sown with winter crops by Natural Resources Institute Finland, 40 percent less autumn rapeseed and rapeseed was sown than the previous year.
- The impact on the security of supply by increasing the cultivation of domestic oilseeds
 - Vegetable oils, feed raw material
 - Apetit has continued the evaluation of options related to the commercialization of the rapeseed ingredient BlackGrain and measures to start commercial scale production.





The bioenergy plant has been in operation for more than a year

- The use of the bioenergy plant at the Kantvik vegetable oil milling plant has intensified during the year 2022.
- The direct climate impacts of the Kantvik vegetable oil milling plant decreased by more than 90 percent since 2019 with the commissioning of the bioenergy plant.
- More than 90 percent of the energy used by vegetable oil milling plant comes from renewable sources

Discounted operations



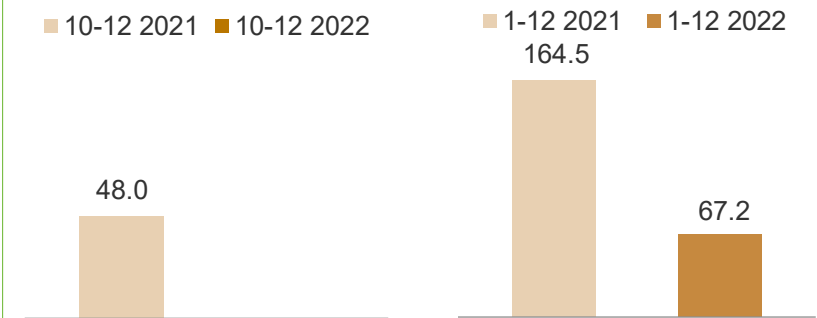


Grain trade October-December 2022

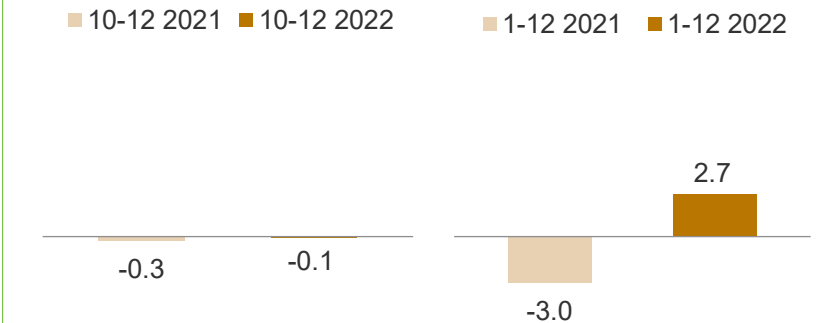


- Net sales were EUR 0.0 (48.0) million.
- Operating profit was EUR -0.1 (-0.3) million.
- The divestment of the Grain Trade business was completed in stages during the first half of the year.
- Operating profit in 2022 includes EUR 2.3 million in gains on sale.

Liikevaihto, miljoonaa euroa



Liikevoitto, miljoonaa euroa





Strong financial position

EUR million

31.12.2022

31.12.2021

Working capital, at the end of the season	18.7	50.5
Group's net cash flow from operating activities	28.4	5.0
Group's total equity	96.0	93.3
Group's net debt	-12.7	24.8
Group's Equity ratio, %	81.8%	59.4%
Group's Gearing, %	-13.2%	26.6%
Group's Return on capital employed, (ROCE-%)	5.7%	2.4%



Profit guidance for 2023



Profit guidance for 2023

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



Dividend proposal



Dividend proposal for 2022

- 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 aims to distribute 40-60 per cent of the profit for the financial year in dividends.
- Earnings per share: EUR 0.83
- Dividend proposal for 2022
 - The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 per share be paid for the financial year 2022.



Operating environment



Operating environment

- **Impacts of the COVID-19 pandemic on Apetit's businesses**

- Thanks to its proactive and systematic approach, Apetit has been able to secure operational capability during the pandemic. During 2022, the restrictions were gradually waived.
- In 2022, the shares of net sales represented by the different sales channels of the Food Solutions business balanced out after the changes caused by the COVID-19 pandemic. In the food service sector, the sales volume has returned close to the pre-pandemic level. In retail, volume has remained at the high level seen in the comparison period.

- **Impacts on business of the war in Ukraine:**

- The war in Ukraine has an indirect impact on Apetit's business through the higher prices of energy, raw materials and packaging materials.
- Apetit does not have operations in Ukraine, Russia or Belarus. Apetit also does not export food products or raw materials to these countries.
- The events in Ukraine has created uncertainty and exceptional volatility in the prices of raw materials and products in the oilseed plant business. Logistics chains for raw and packaging materials may also be disrupted by the war.
- The potential business effects of sanctions are actively monitored.



To the new strategic period

Strategiaa ohjaavat ilmiöt toimintaympäristössä

Growth of the frozen foods market

Seasonal variations in yield

Making daily life easier

The demand for plant-based food products

Emphasis on climate-responsible actions

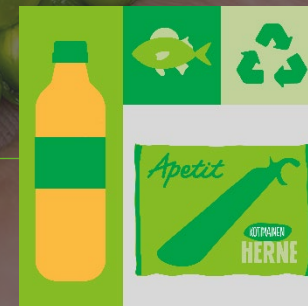
Transparency of the food value chain

Well-being as a trend

Diverse partnerships

Domesticity

Development of purchasing power





Apetit: mission, visio, strategy and values

Missio:

Good food for everyone. Locally

Visio:

Growing and profitable market leader in plant-based products



Strategy:

Stronger together
Diverse plant-based food products
More domestic plant proteins
Sustainable value chain

Values:

Bold renewal
Success through cooperation
Responsible operations



Financial objectives for 2025

EBIT > EUR 9.0 million

2022: EUR 3.5 million

ROCE > 8.0%

2022: 5.7%

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 aims to distribute 40-60 per cent of the profit for the financial year in dividends.



Apetit

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