



Apetit Plc

Financial Statements Bulletin 2014

Briefing for Analysts and Media
25th February 2015 at 10.00 am - Scandic Simonkenttä, Helsinki

Veijo Meriläinen, CEO



Current themes in Appetit Group



Large delivery volumes in grain trade increased the turnover in Grains and Oilseeds Business. Profitability was better in every quarter year on year.



The profitability programs in Food Business are progressing.

Apetit Group in brief

Apetit

Customers

Consumers, trade, professional food service sector, food industry and feedstuff industry.

Market position

Leading position in frozen foods and in food solutions to professional food service sector. One of the leading company in fresh fish and seafood products. Major position in grains and oilseed products.

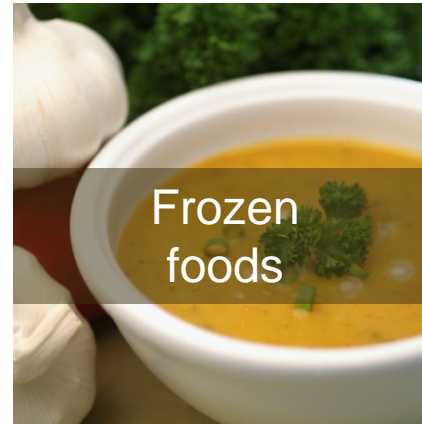
Main markets

- Finland: Frozen foods, food solutions and vegetable oils, grains and feedstuff
- Finland, Sweden and Norway: fresh fish and food products
- International: Grains and feedstuff

Products and Services

Frozen vegetables and frozen ready meals, fresh fish and seafood products, ready-to-use vegetable and fruit products, grains, vegetable oils and animal feedstuff.

Product categories



Apetit Group structure

Food Business

Grains and Oilseeds Business

Other Operations

Apetit Ruoka Oy

Apetit Kala Oy (70%)

Myrskylän Savustamo Oy (70%)
Associated Company Taimen Oy (30%)

Maritim Food AS

Maritim Food Sweden AB
Sandanger AS

Caternet Finland Oy

Apetit Suomi Oy

Avena Nordic Grain Oy (84.5 %)

Mildola Oy

ZAO Avena St. Petersburg
UAB Avena Nordic Grain
OÜ Avena Nordic Grain
TOO Avena Astana
OOO Avena-Ukraina

Apetit Plc

Associated company
Sucros Oy (20%)



NEITO

SUCROS OY

KOTIMAINEN



Apetit Group
October-December/2014

Key Figures Q4/2014

EUR million	Q4/ 2014	Q4/ 2013	Change	2014	2013	Change
Net sales	120.8	97.3	+24 %	384.7	387.3	-1 %
Operating profit excl. non-recurring items	5.3	5.4		7.3	12.2	
Operating profit	5.3	5.1		-5.9	9.4	
Profit before taxes	4.1	4.5		-8.1	9.3	
Profit for the period	3.4	4.4		-8.7	9.3	
Profit for the period, excl. non-recurring items	3.4	4.7		3.7	9.1	
Earnings per share, EUR	0.57	0.72		-1.29	1.63	
Earnings per share, EUR, excl. non-recurring items	0.57	0.75		0.72	1.60	
Equity ratio, %				69.7	70.3	
Net cash flow from operating activities				18.1	24.4	

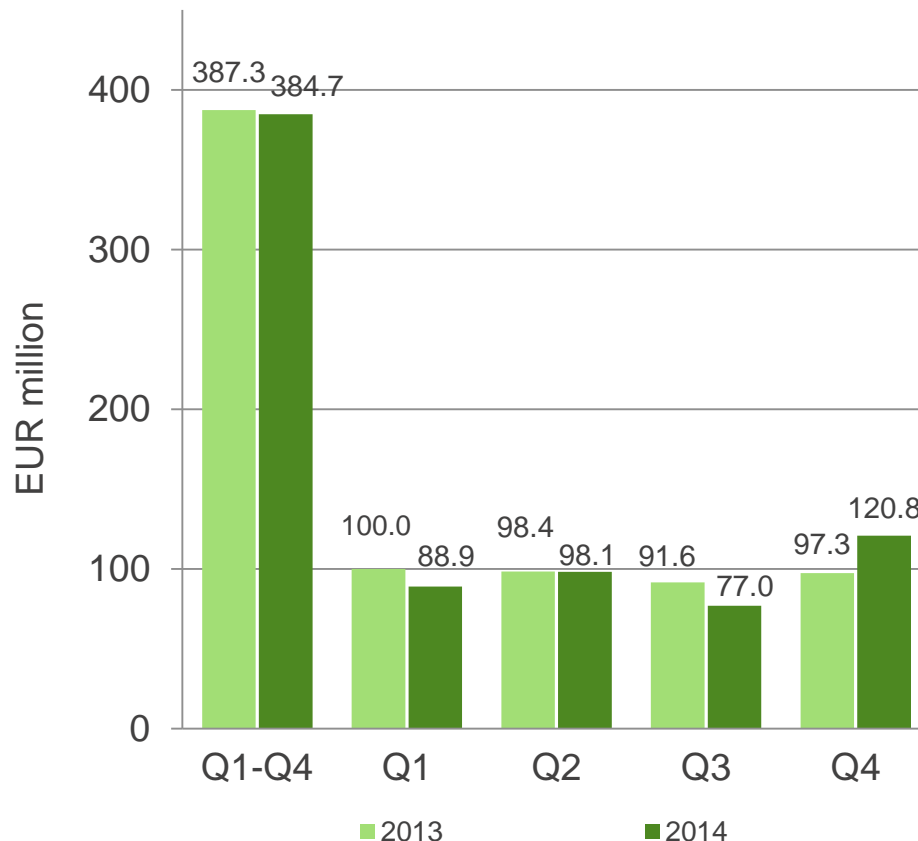
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Net sales grew significantly in Q4 year on year

Net sales

Apetit group, comparison 2014/2013



Q4 consolidated net sales were EUR 120.8 (97.3) million

+24%

- The growth was attributable to the Grains and Oilseeds business.

Full year consolidated net sales were EUR 384.7 (387.3) million

- 1%

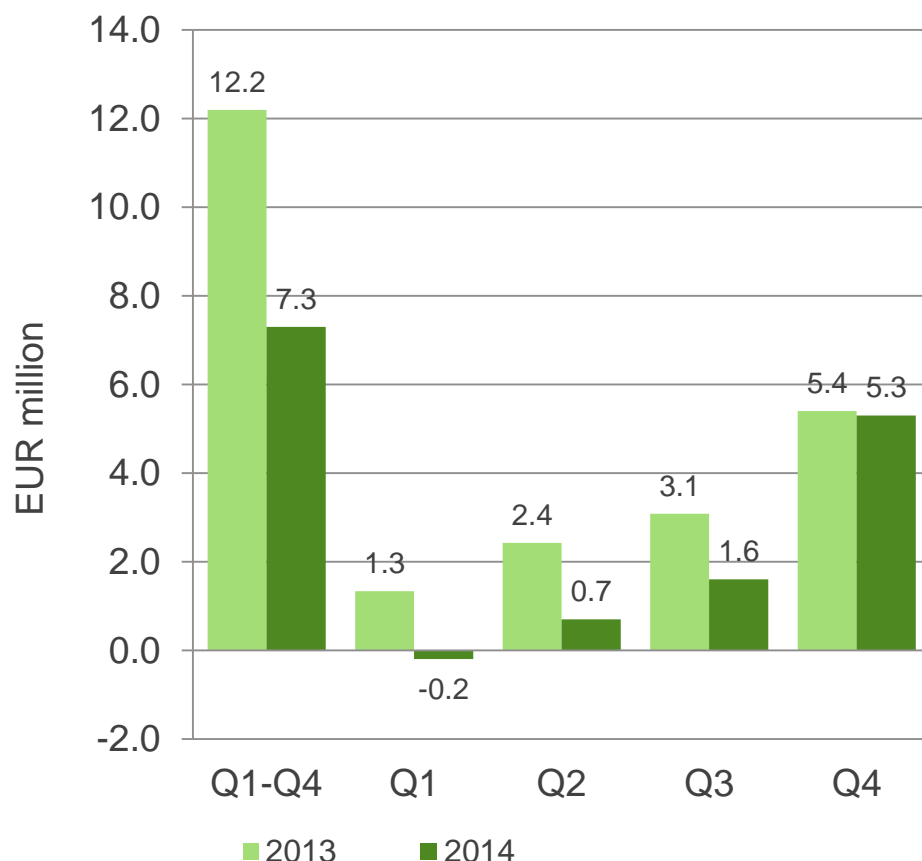
- Net sales in the Grains and Oilseeds Business was up year on year
- In the Food Business the net sales was down year on year.

Apetit Group

Profitability improved towards the end of the year

Operating profit, excl. non-recurring items

Apetit group, comparison 2014/2013



Q4 operating profit excluding non-recurring items was EUR 5.3 (5.4) million

- The operating profit excluding non-recurring items includes EUR 1.8 (2.5) million as the share of the profits of associated companies.
- The non-recurring items totalled EUR 0.0 (-0.3) million.

Full year operating profit excluding non-recurring items was EUR 7.3 (12.2) million

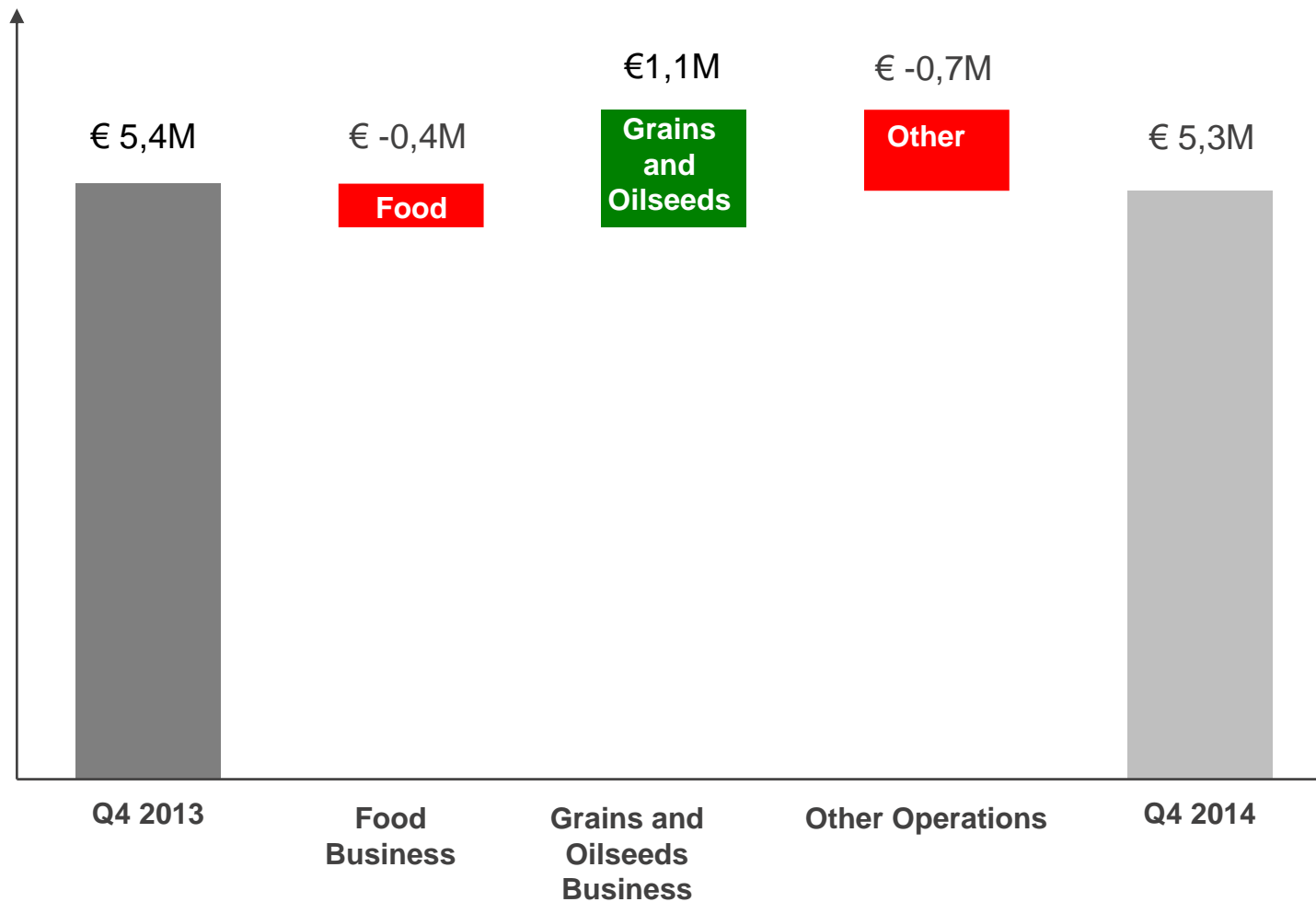
- The Food Business operating profit for the comparison period included EUR 2.6 million recognised as income in association with the estimated additional purchase price of Caternet Finland Oy.
- This includes EUR 2.2 (6.2) million as the share of the profits of associated companies.
- Non-recurring items totalled EUR -13.2 (-2.8) million and were in the Food Business and the Other Operations segment.



Apetit Group

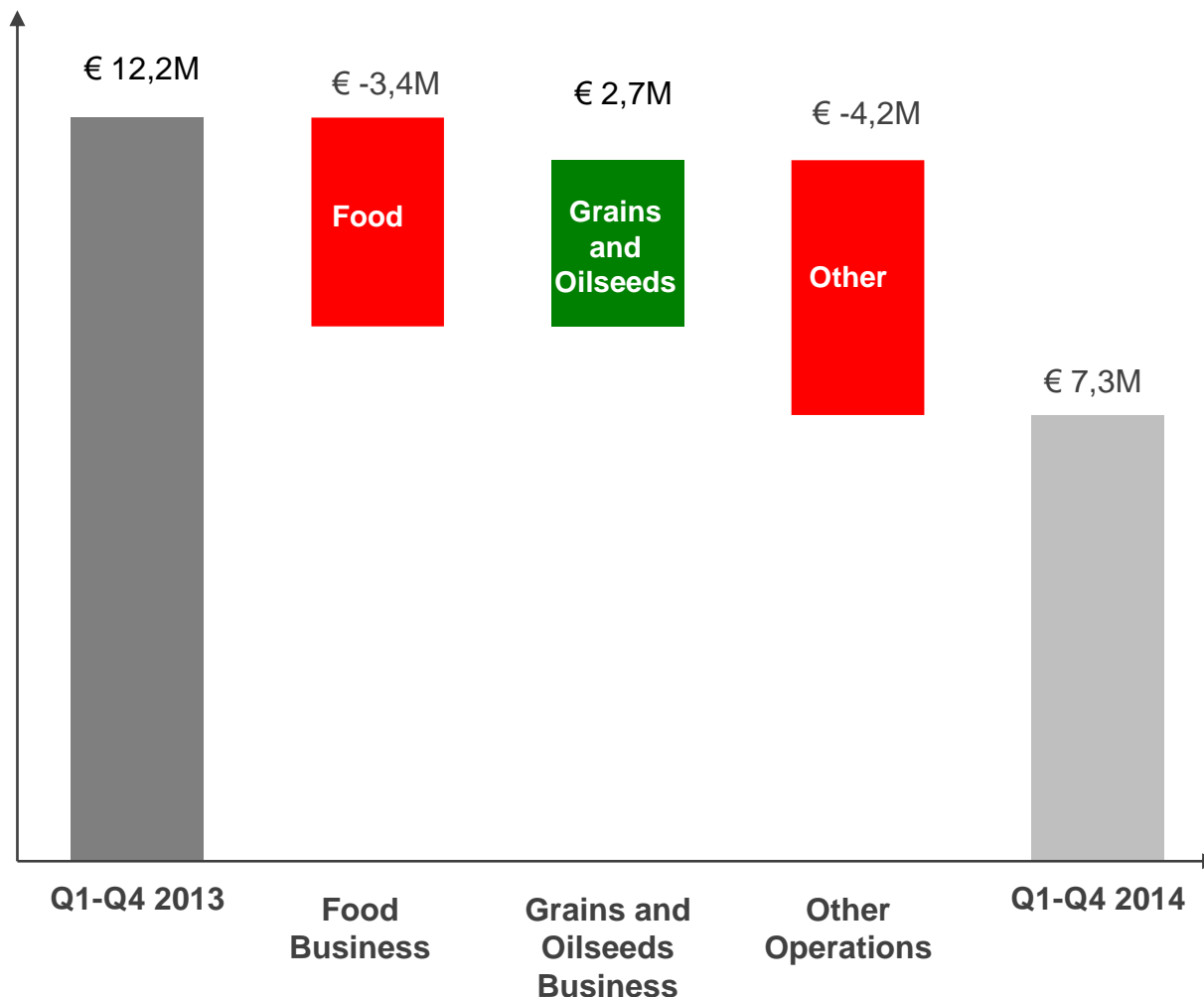
Operating profit, excluding non-recurring items

Change Q4/2014 vs. Q4/2013



Operating profit, excluding non-recurring items

Change FY 2014 vs. FY 2013



- The operating profit excluding non-recurring items was down year on year.
- In Food Business, the operating profit, excluding non-recurring items, was down year on year. The comparison period included EUR 2.6 million recognised as income in association with the estimated additional purchase price of Caternet Finland Oy.
- In Grains and Oilseeds Business, the operating profit, excluding non-recurring items was up year on year.
- In Other Operations, the operating profit, excluding non-recurring items, was down year on year due to the reduction in share of the profit of the associated company Sucros. It's share of the profit was EUR 1.9 (5.6) million



KOTIMAINEN

**Food Business
overview**



Food Business

Frozen vegetables and frozen ready meals

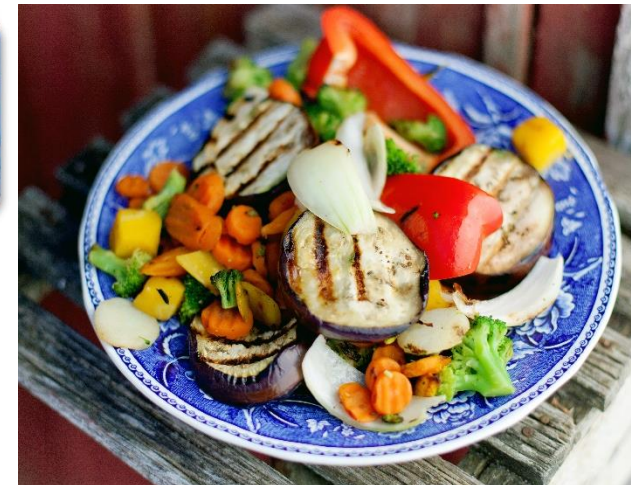
- Apetit is Finland's leading producer of frozen vegetables and frozen ready meals.
- Largely based on Finnish raw materials, the frozen vegetables and frozen ready meals are produced at Säkylä and at Pudasjärvi.
- Apetit is Finland's largest procurer of contract-grown vegetables.

Fresh fish and fish products

- Apetit is major fish and fish products producer in Finland.
- The production units of Apetit are in Kuopio and Helsinki.
- Subsidiary Maritim Food Group has two production facilities in Norway and one in Sweden.
- Associated company Taimen Oy (30 %) is significant Finnish fish farmer and fingerling producer.

Fresh products

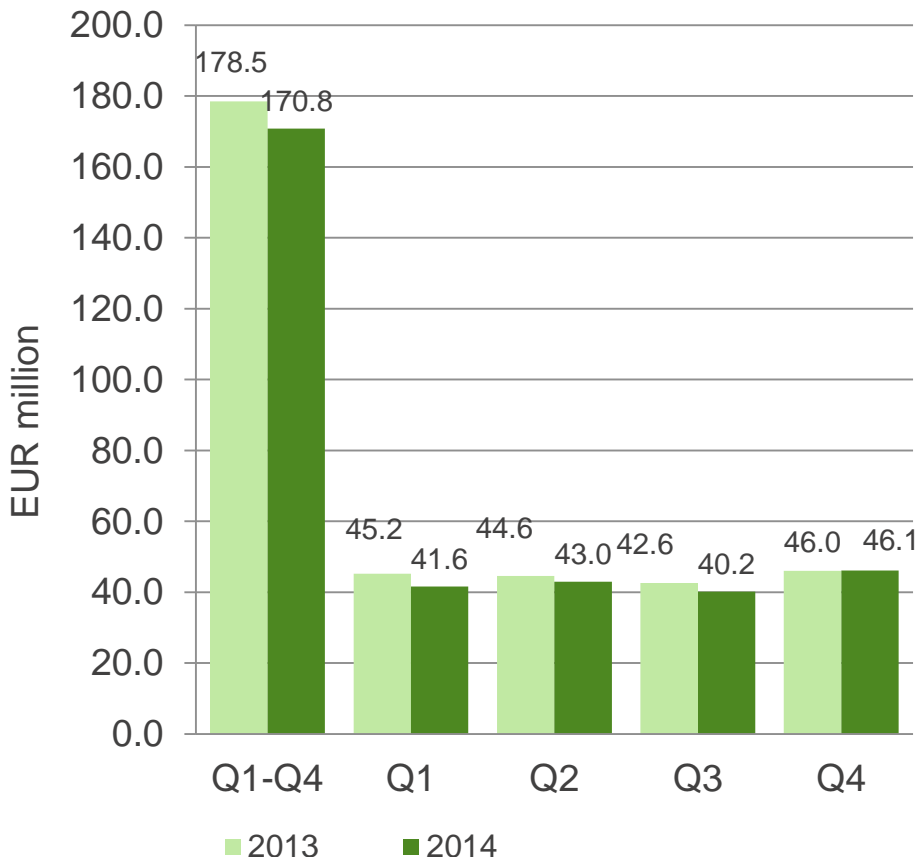
- Apetit supplies the professional food service sector with food products that make great meals – even on a daily basis if needed.
- The product range includes fresh and ready-to-use vegetable and fruit products and salads.
- Production unit in Kivikko, which is centrally located in Helsinki capital region.



Q4 net sales were on the same level as in the comparison period

Net sales

Food Business, comparison 2014/2013



Q4 net sales were EUR 46.1 (46.0) million

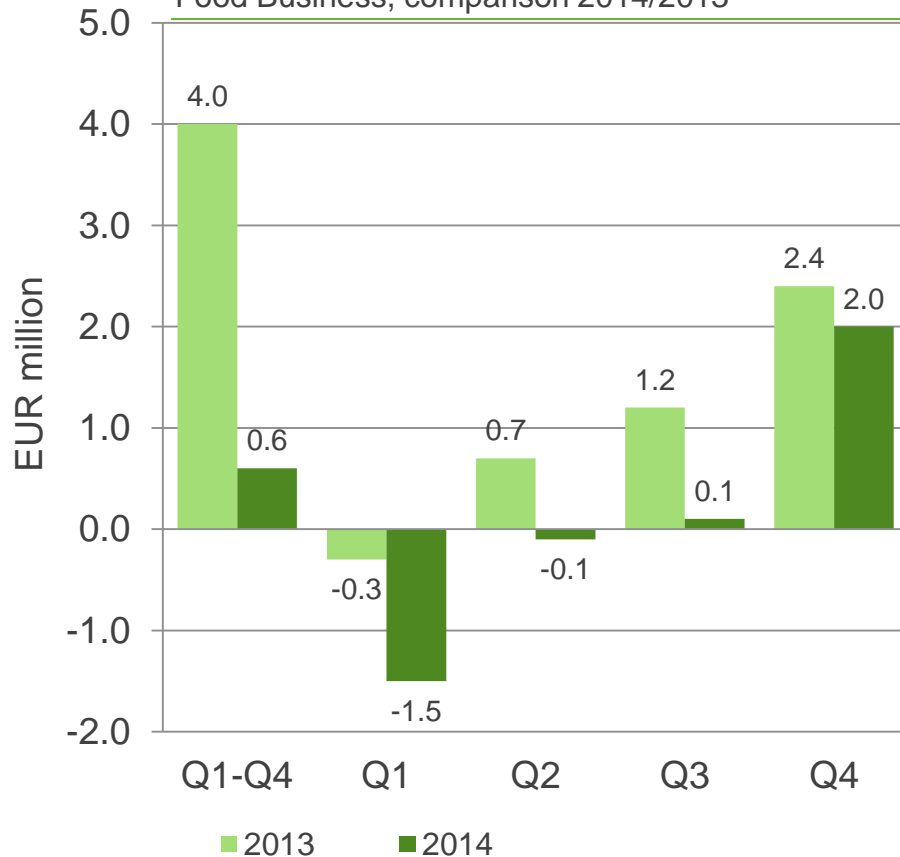
- Sales in the fish products group were up in all countries of operation (Finland, Norway and Sweden).
- Sales of fresh products were down from the same time a year earlier, due to changes in some customer relationships and because of the drop in customer volumes in staff restaurants.

Full year net sales were EUR 170.8 (178.5) million

- The decline in net sales is attributable to the lower sales of fresh products than in the same quarter the previous year.

Profitability developed positively in Q4 as a result of frozen foods product group's good quarter

Operating profit, excl. non-recurring items
Food Business, comparison 2014/2013



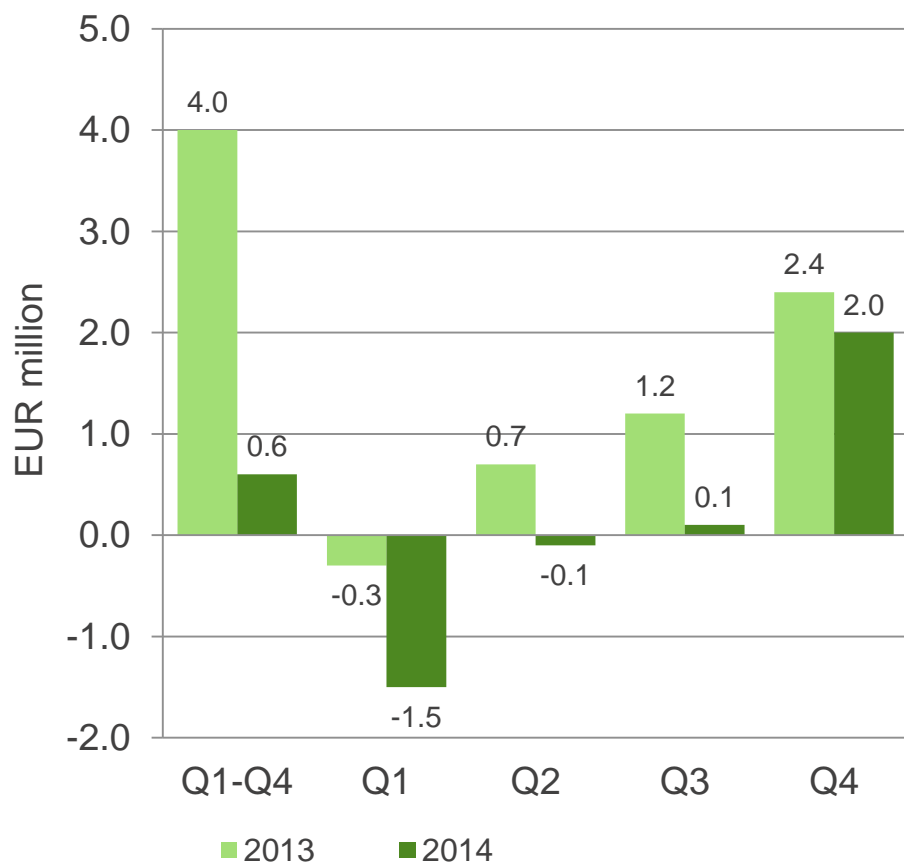
Q4 operating profit excl. non-recurring items was EUR 2.0 (2.4) million

- Profitability in the frozen foods group was good and was also supported by the successful harvest-time production.
- In Finland, the profitability of the fish products group and the fresh products group was unsatisfactory.
- The profitability of the fish products group in Norway improved from a year earlier, while in Sweden profitability was adversely affected by the steep increase in shellfish procurement costs and the delay in transferring these increases to customer prices because of tough competition and long agreement periods.
- The fourth-quarter profit impact of the associated company Taimen Oy was EUR 0.2 (0.2) million.
- The profit for the period did not include any non-recurring items.

Operating profit excluding non-recurring items was down in Q1-Q4

Operating profit, excl. non-recurring items

Food Business, comparison 2014/2013



Full year operating profit excl. non-recurring items was EUR 0.6 (4.0) million

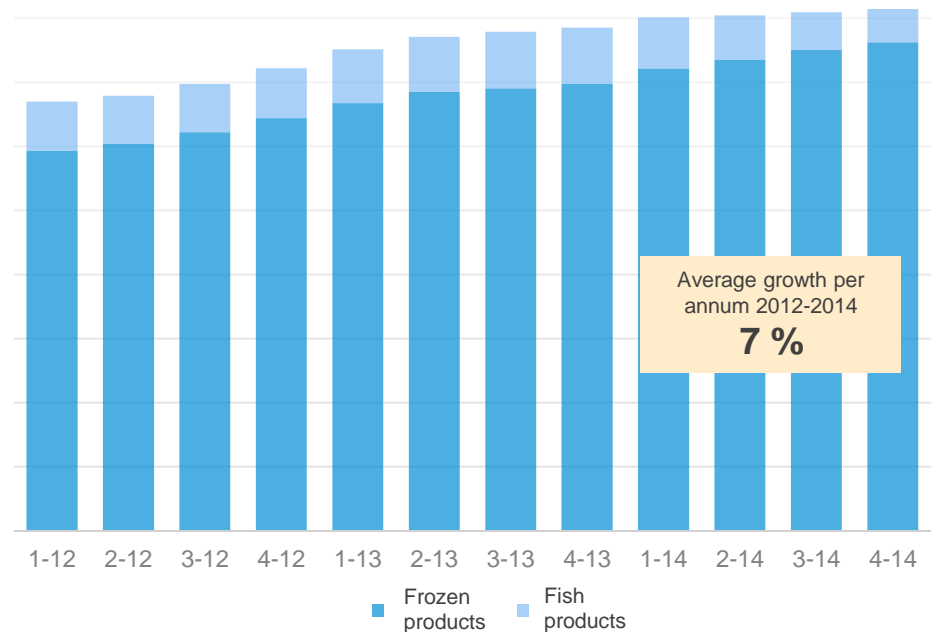
- Profitability in the frozen foods improved year on year but was unsatisfactory in the fish products group and the fresh products group.
- The operating profit excluding non-recurring items includes EUR 0.6 million in extraordinary expenses for implementing the profitability programme in the fish products group.
- The share of the profit of the associated company Taimen was EUR 0.3 (0.6) million.
- The figure for the comparison period included EUR 2.6 million recognised as income in association with the estimated additional purchase price of Caternet Finland Oy.
- The non-recurring items included in the reported operating profit were EUR -10.2 (-2.0) million. The non-recurring items for the year consisted of impairments recognised on the basis of impairment testing in the third quarter in the fish products group in Norway and Sweden, and in the fresh products group.

Apetit Kotimainen is a strong developing brand

- Sales of the Apetit Kotimainen product range continued to grow, and were 4 per cent higher than in the same period in 2013.
- In the frozen products group the sales in 2014 were 8 per cent higher than in the previous year.
- The sales growth of the product range was slowed by the discontinuation of less profitable products in the fish products.



APETIT KOTIMAINEN- DOMESTIC
PRODUCT RANGE SALES
DEVELOPMENT R12



Apetit Kotimainen domestic lactose-free mushroom soup was introduced to this soup season.

New soups, new openings



Our iconic soup package got a new positive and distinctive look as well as a new tear to open –mechanism. The packaging is now much easier to open.

New packages have been in the retail stores as of 2015.





Grains and Oilseeds Business overview

Grains and Oilseeds Business



Grains, oilseeds and feeding stuffs

- Avena engages in the trading of grains, oilseeds and animal feedstuffs in numerous markets.
- Avena Nordic Grain Oy has subsidiaries in Estonia, Lithuania, Russia, Ukraine, and Kazakhstan.
- Avena's strengths are its diverse grain trading expertise, individualised customer service and flexible operation in the rapidly changing markets.



Vegetable oils

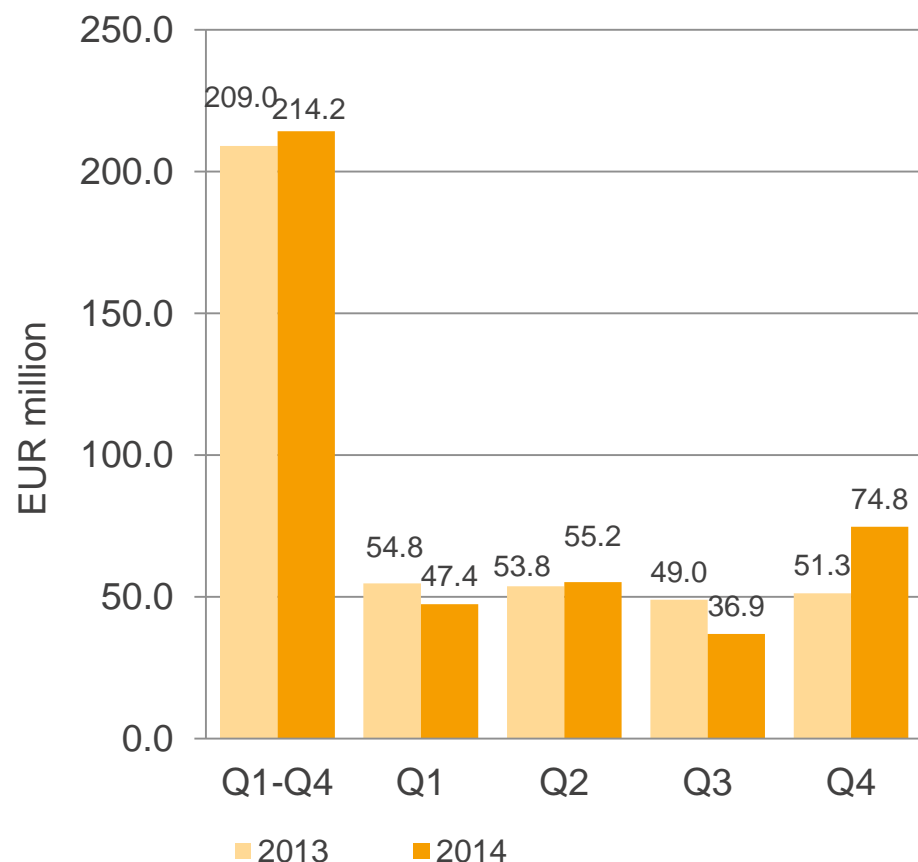
- Mildola's main raw material is Finnish rapeseed.
- Mildola's production process is environmentally friendly and chemical free, therefore the healthy micro-components of the rapeseeds remain in the oil. Over 99.9% of the seed is used in the process.
- Protein feed created in the refining process is a valuable ingredient in farm animal feed.



Large grain deliveries increased net sales

Net sales

Grains and Oilseeds Business, comparison 2014/2013



Q4 net sales were EUR 74.8 (51.3) million

- The net sales growth was due to the general increase in sales and the delivery tonnage in all markets, and the rescheduling of certain grain deliveries from the third to the fourth quarter.
- Six major grain shippings were exported in Q4. Five of these were large Panamax-class ships.
- There was also an increase in the sales of unpackaged and packaged vegetable oil products and of expeller.

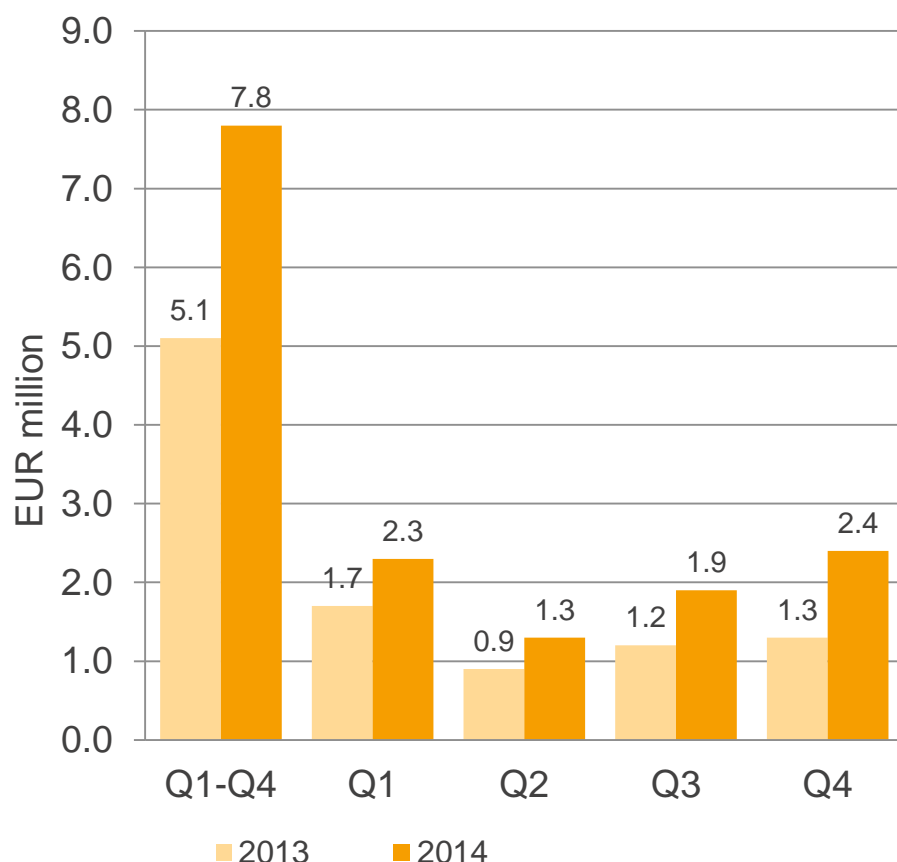
Full year net sales were EUR 214.2 (209.0) million

- The increase in net sales was due especially to the large grain trade delivery volumes in the final quarter of the year.
- The increase in comparison with the previous year was restrained by the decline in world market prices in the grain trade.

Profitability improved in every quarter compared to previous year

Operating profit, excl. non-recurring items

Grains and Oilseeds Business, comparison 2014/2013



Q4 operating profit, excluding non-recurring items was EUR 2.4 (1.3) million

- Profitability was supported by the steep rise in grain trade volumes, the successful raw material procurement in oilseed products, and the high capacity utilisation rate at the oil milling plant.

Full year operating profit, excluding non-recurring items was EUR 7.8 (5.1) million

- Profitability was supported by the steep rise in grain trade volumes, the successful raw material procurement in oilseed products, and the strong sales of packaged vegetable oils.

The outlook for rapeseed cultivation in Finland



Special permit for use of seeds treated with neonicotinoids in rapeseed sowing was issued in December.

- As of 1 December 2013, the EU has banned the use of seeds treated with neonicotinoids in rapeseed sowing for two years. The possible effects of these treatments on pollinating insects will be studied during that time.
- In December 2014, the Finnish Safety and Chemicals Agency (Tukes) granted a special permit, valid for spring 2015 sowing, for the use of seeds treated with neonicotinoids in rapeseed sowing, which ensures the availability of Finnish-grown raw materials for the vegetable oil milling needs of the Grains and Oilseeds Business in the coming crop year.
- To manage the purchasing risks related to Finnish rapeseed, the Apetit Group's Grains and Oilseeds Business has pursued a strategy that aims to ensure profitable growth by investing in oilseed product refining based on a very high utilisation rate and by focusing on expertise in refining and purchasing.
- The primary objective in vegetable oil milling is to ensure the maximal use of domestic raw materials, but the company also has the capability to operate profitably using greater volumes of imported raw materials if necessary.

Other Operations

- The parent company, **Apetit Plc**, is responsible for Group administration, development of the Group structure and management of shareholdings and real estate.
- The associated company **Sucros Ltd** (20%) produces, sells and markets sugar products for the food industry and the retail trade, and for export.

**Other Operations
overview**

Operating profit excluding non-recurring items was down year on year

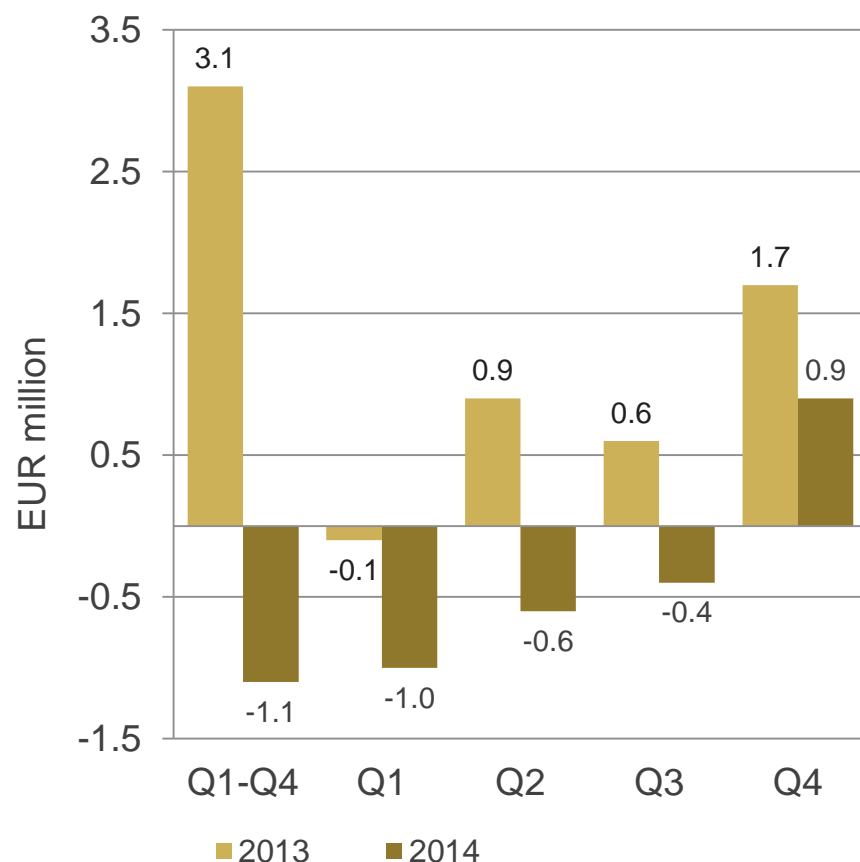
Operating profit, excluding non-recurring items
Other Operations, comparison 2014/2013

Q4 operating profit, excluding non-recurring items was EUR 0.9 (1.7) million

- The operating profit includes EUR 1.6 (2.3) million as the share of the profits of associated companies.
- The result for the associated company Sucros was adversely affected by the decline in the market price of sugar in comparison with the final quarter a year earlier.
- The non-recurring items totalled EUR 0.0 (-0.3) million.

Full year operating profit, excluding non-recurring items was EUR -1,1 (3.1) million

- The operating profit includes EUR 1.9 (5.6) million as the share of the profits of the associated company Sucros. The result for the associated company Sucros was adversely affected by the decline in the market price of sugar and by the exceptionally large post adjustment items for transfer prices in the first quarter.
- The operating profit excluding non-recurring items takes account of the EUR 0.5 million in expenses related to the change of Apetit Plc's CEO.
- Non-recurring items amounted to EUR -3.0 (-0.8) million and comprised expenses paid to external consultants on Apetit Plc's own behalf and those ordered to be paid by it in the arbitration court case, which ended in mid-August, concerning the shareholder agreement dispute between Apetit Plc and Nordic Sugar.

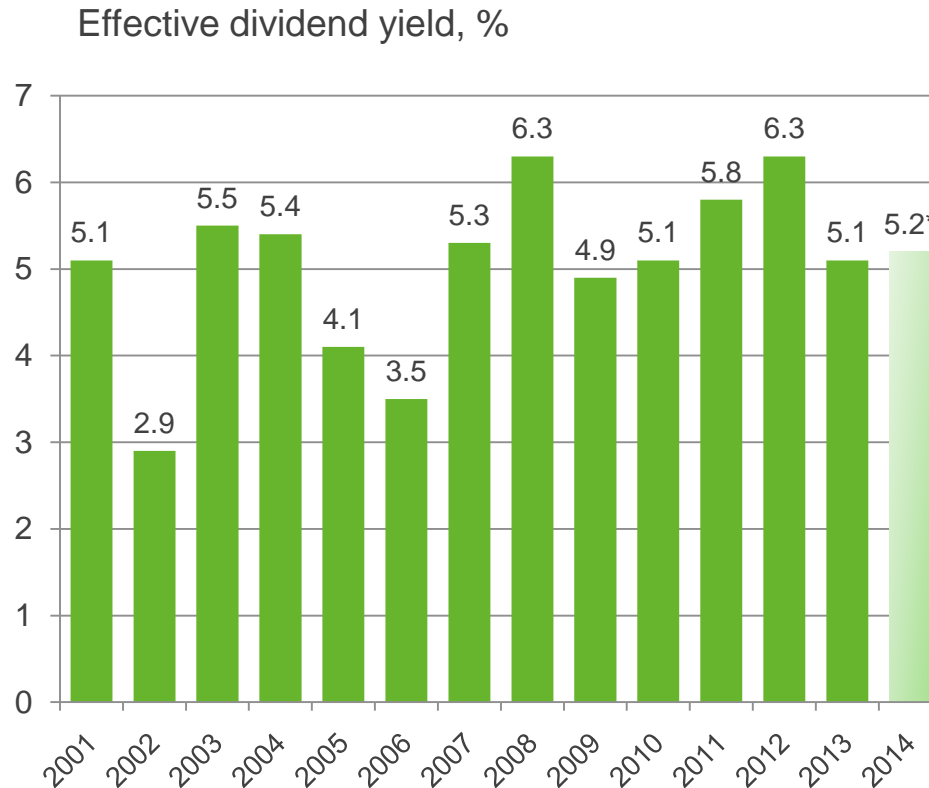




Dividend proposal Outlook for 2015

Dividend proposal for 2014

- The Board of Directors' dividend proposal to the AGM is EUR **0.70** (1.00) per share.



The aim of the Apetit plc Board is to ensure that the share generates a good return and retains its value.

Dividend policy supports this goal. The company will distribute a dividend of no less than 40% of the proportion of the profit for the financial year that is assigned to parent company shareholders.

* BOD's proposal

Annual General Meeting and Annual Report 2014

- Apetit Plc's Annual Report for 2014 - including the Board of Directors' report, the financial statements for 2014 and a separate statement on Apetit Plc's corporate governance – will be published in the week beginning on 2 March 2014 on the company's website at www.apetitgroup.fi/investors.
- The Annual General Meeting is planned for 25 March 2015 and will be held in Säkylä. The company will publish its interim report for January-March 2015 on Tuesday, 5 May 2015 at 8.30 a.m.

Outlook for 2015

The Group's full-year operating profit excluding non-recurring items is expected to improve from the previous year's level. However, it is anticipated that the operating profit excluding non-recurring items for the first quarter of the year will be lower than in the same quarter a year earlier.

The market conditions in the food sector in Finland are challenging. The aim of the long-term profitability programmes in the Food Business is to improve profitability and competitiveness. The impact of these programmes on the operating profit is expected to be felt in stages during the year as the measures are implemented.

In the Grains and Oilseeds Business, no major change is expected in the prospects for profitability in 2015 compared with the previous year. In the Other Operations segment, lower market prices for sugar are expected to weaken the result for the associated company Sucros.

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.



**Other current issues in
Apetit Group**



Avena invests in development of grain export facilities at port of Inkoo

- Avena Nordic Grain Oy, will invest EUR 1.8 million in the development of grain reception, storage and export facilities at the Inkoo deepwater port.
- The investment consists of the construction of three bulk dry stores with a combined total area of 6,120 m². The dry stores will allow the receipt and storage of grain and its loading into even the largest Panamax-class ships.
- Avena Nordic Grain is aiming to achieve a significant increase in its export volumes. At the initial stage the targeted annual volume at the Inkoo port is approximately 50,000 tonnes of grain, of which about 80% will be new export volume.
- The investment in the deepwater port at the centrally located Inkoo will improve the efficiency of grain exporting especially from southern Finland, as it will allow direct grain deliveries from farm to port, reducing the need for intermediate storage.
- Construction work began at the beginning of the year. The new bulk dry stores are scheduled for completion in late summer 2015, allowing them to take grain from the autumn threshing.

Food Business long-term profitability programmes

- **The Food Business long-term profitability programmes are the most important projects in Apetit Group in 2014-2015.**
- In Finland, the profitability programmes are well under way in fish products group as well as in fresh products group.
- The measures will widely affect the operations and they are to be carried out in stages by the end of 2015.
- The measures are expected to gradually have a positive effect on the profitability of the Food Business as of 2015.
- The aim of the programmes is to achieve a reduction of EUR 4.5 million in annual costs.
- In addition, the measures to reshape business operations are expected to substantially increase the product groups' competitiveness on the markets.

Profitability programmes

Fish products group, Finland

Fresh products group, Finland

The measures affect

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

Measures to be carried out in 2014-2015

Positive effects gradually as of 2015

Food Business profitability programs cover all aspects of operations

Profitability programme in fish products group

- The long-term profitability programme measures for the fish products group focus on
 1. optimisation of the product portfolio,
 2. re-evaluation of the production structure,
 3. establishing a clearer division of responsibilities for production units in different locations and
 4. developing the organisational and operating models to support these measures.

At the end of November Apetit announced the closure of the Kustavi and Turku sites and the concentration of operations at the larger sites in Kuopio and Helsinki during the first quarter of 2015, as part of the simplification of Apetit's production structure.

The immediate impact of this will be reduction of 8 people in the fish products group's personnel.

Profitability programme in fresh products group

- The long-term profitability programme measures for the fresh products group focus on
 1. optimising the product portfolio and raw material procurement,
 2. raising operating efficiency to a new level, and
 3. developing distribution logistics.

-
- The long-term profitability programme measures for the fresh products group focus on optimising the product range and raw material procurement, raising operating efficiency to a new level, and developing distribution logistics. These measures will begin in the first half of 2015.



New CEO

- **Juha Vanhainen**, M.Sc. (Tech.) (born 1961) will take up the post as CEO of Apetit Plc on 16 March 2015. He will be transferring from Stora Enso Oyj.



Apetit Group's priorities for the first half of the year

The profitability programmes in the Food Business

The transition to new CEO's era



Herkullista. Kotimaista.
Pakastealtaasta.



Tuoretta kalaa
herkkupöytiin.



Asiantuntevaa vilja- ja
öljykasvikauppaa.



Hyvän aterian ainekset
ammattikeittiöille.

Thank you for your interest

Contact information

CEO

Veijo Meriläinen

Tel. +358 10 402 00

Firstname.lastname@apetit.fi

www.apetit.fi www.apetitgroup.fi

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