



Interim Report January - March 2020

Raisio plc

Raisio plc's Interim Report, 6 May 2020, at 8:30 a.m. Finnish time

Strategy advancement and food supply assurance under exceptional circumstances

FINANCIAL DEVELOPMENT IN BRIEF

January–March 2020

- The Group's net sales totalled EUR 54.7 (49.9) million, which signified an increase of +9.7%.
- EBIT was EUR 6.6 (5.0) million, accounting for 12.0 (10.0)% of net sales. EBIT increased +32% in relation to the comparison period.
- The Healthy Food Segment's net sales totalled EUR 37.3 (34.7) million. EBIT was EUR 5.3 (4.0) million, accounting for 14.2 (11.5)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 25.6 (21.8) million. EBIT was EUR 2.2 (1.3) million, accounting for 8.6 (6.2)% of net sales.
- The return on investments (ROIC) was 4.4% (10%).
- The Group's outlook for 2020 remains unchanged.

KEY FIGURES OF THE GROUP

		1-3/2020	1-3/2019	1-12/2019
Net sales	M€	54,7	49,9	236,3
Change in net sales	%	9,7	0,4	3,5
EBIT	M€	6,6	5,0	27,3
EBIT of net sales	%	12,0	10,0	11,5
EBITDA	M€	8,1	6,6	33,6
Earnings per share	€	0,01	0,03	0,16

PRESIDENT AND CEO PEKKA KUUSNIEMI:

Raisio's first quarter of the year was a tour de force for our personnel. This year is the second year of our strategy period and its leading theme is the internationalisation of our oat-based added-value products. In January, we announced two strategic steps we have taken to this end; namely, the modernisation of the Nokia mill, particularly to enable the production of gluten-free oat products, and the update of our 95-year-old Elovena brand to make it more suitable for international markets and new product categories.

The nature of our operations changed during the quarter as a result of the pandemic and took on a very tactical approach aimed at maximising our supply capability. Demand shifted strongly to retail sales as demand in the Food Service-sector declined rapidly due to operational difficulties experienced by the sector's customers. Grain-based products were of particular interest to consumers stocking up during March and, at the same time, the retail business focused on ordering large volume products as a means of surviving the logistical challenges presented by the period of increased demand. We also focused the volumes within our own supply chain and managed, I believe, to do an excellent job keeping up with the changes in demand brought on by the exceptional circumstances.

The new sales for the first quarter rose by nearly ten per cent in relation to the comparison period for a total of EUR 54.7 (49.9) million and EBIT increased to EUR 6.6 (5.0) million, which represented 12.0% (10.0%) of net sales. This strong development was the result of three factors: a smooth initial period that ran according to plan, the peak in demand during March and the advance deliveries, primarily to our Russian customers, as a result of the better management of the production capacity for the fish feed season. The key currencies for Raisio have been on a declining trend against the euro, but during the review period, they did not cause any negative changes in volume.

The investment in the development and production facility for our plant-based added-value products has proceeded completely according to plan and we have already recruited all of the key personnel needed to start up operations. For the time being, the exceptional situation has not caused delays for the project. Of the almost EUR 5.7 (2.4) million in investments during the review period, the new production facility is the most significant. Efforts to improve the productivity of the fish feed factory are also worthy of mention.

As the exceptional situation continues, we have prepared well in terms of the availability of our ingredients, and our supply capabilities are secured to this end up until the new harvest season. Travel restrictions will cause a labour shortage in agriculture during the upcoming harvest season, but the impact will be less for grain farming than for those farms that rely more on hand labour.

Our personnel have shown tremendous flexibility amidst a rapidly changing environment. We have managed to scale our production quickly and do our part to safeguard the food supply. During the review period, we have also taken on a number of new recruits to fulfil the rapid needs created by growth in line with the company's strategy. I offer my warmest gratitude to our entire personnel for a job well done under the ongoing exceptional conditions.

FINANCIAL REPORTING

Raisio Group's reportable operating segments are Healthy Food, Healthy Ingredients and Other Operations. The reported figures are comparable. The comparison figures in brackets refer to the corresponding period a year earlier unless otherwise stated.

FINANCIAL DEVELOPMENT

Net sales and EBIT

Raisio Group's net sales totalled EUR 54.7 (49.9) million with a clear increase during the first quarter. This growth was achieved through the significantly earlier initiation of sales of fish feeds in relation to the comparison period and the good demand for primary brands that target all consumers. During the first two months of the first quarter, net sales remained at the same level as for the comparison period, but growth during the final month of the quarter showed an increase of approximately +20 per cent over the comparison period. Both of the Group's two segments succeeded excellently despite the completely exceptional conditions and managed to achieve significant growth in relation to the comparison period.

Raisio Group's EBIT was EUR 6.6 (5.0) million, which accounted for 12.0 (10.0) per cent of net sales. EBIT improved due to increased net sales, improved production utilisation rates and ongoing measures to maintain cost effectiveness. Our marketing measures, in particular, were critically assessed in response to the global pandemic, which impacted our operational environment in a great many ways. As a result, the costs for such measures were slightly lower than those of the comparison period.

The conversion impact of the British pound on the Group's net sales was EUR 0.2 (0.2) million and EUR 0.0 (0.0) million on EBIT. The conversion impact refers to the impact arising when the subsidiaries' net sales and EBIT in pounds are converted into euro as part of the consolidated financial statements.

The Group's net financial items were EUR -3.9 (0.3) million. The net financial items include a fair value change of EUR -3.7 million for financial assets recognised at fair value through profit or loss. The decreasing fair value of financial assets was the result of the realised decline in market values due to the corona crisis. The Group's pre-tax result was EUR 2.7 (5.3) million. The Group's post-tax result was EUR 2.1 (4.1) million. The Group's earnings per share were EUR 0.01 (0.03).

BALANCE SHEET, CASH FLOW AND FINANCING

At the end of March, Raisio Group's balance sheet totalled EUR 312.1 (31 December 2019: 308.5) million. Shareholders' equity was EUR 270.5 (31 December 2019: 271.3) million, while equity per share totalled EUR 1.72 (31 December 2019: 1.72) million. Changes in equity are described in detail in the Table section below.

The Group's cash flow from business operations after financial items and taxes totalled EUR 3.9 (4.5) million. Cash flow was reduced due to increase in net working capital. The increase was due to a rise in sales receivables.

At the end of March, working capital amounted to EUR 40.8 (31 December 2019: 37.0) million.

At the end of March, the Group's interest-bearing debt was EUR 0.9 (31 December 2019: 1.1) million. Net interest-bearing debt was EUR -92.8 (31/12/2019: -98.6) million.

At the end of March, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents totalled EUR 93.7 (31/12/2019: 99.8) million. Cash reserves are diversified into deposits in Nordic banks. Cash reserves are also invested in low-risk, liquid investment objects.

At the end of March, the Group's equity ratio totalled EUR 87.0 (31 December 2019: 87.9) per cent and net gearing was -34.3 (31 December 2019: -36.4) per cent. The return on investments (ROIC) was 4.4 (31 December 2019: 13.9) per cent.

Key figures for the balance sheet and financing

		31.3.2020	31.3.2019	31.12.2019
Cash flow from operations	M€	3.9	4.5	23.3
Equity ratio	%	87.0	74.3	87.9
Net gearing	%	-34.3	-48.1	-36.4
Net interest-bearing debt	M€	-92.8	-119.6	-98.6
Equity per share	€	1.72	1.58	1.72
Investments	M€	5.7	2.4	19.5
Return on investment (ROIC)	%	4.4	10.0	13.9

INVESTMENTS

The January–March investments totalled EUR 5.7 (2.4) million, or 10.4 (4.8) per cent of net sales. The most significant investments of the reporting period were allocated to the new, modern production facility being built in Raisio's industrial area.

PERSONNEL

At the end of March, Raisio Group employed 338 (325) people. The Healthy Food Segment had 129 (125), Healthy Ingredients Segment 158 (151) and Other Operations 53 (49) employees. 19 (21) per cent of the personnel were working in Raisio's foreign operations.

RESEARCH AND DEVELOPMENT

Raisio's research and development expenses in January–March totalled EUR 1.1 (1.0) million, or 2.0 (2.0) per cent of net sales.

In keeping with Raisio's strategic goals, our research and product development investments are focused on achieving even better capabilities in select consumer brands, particularly as concerns gluten-free oats as raw material and the ongoing product and application developments of Benecol. The isolation measures and restrictions on movement brought about by the corona pandemic cause partial delays in research and development projects and the rescheduling of certain projects.

Due to the prevailing circumstances, some product launches have also been pushed forward. Gluten-free Elovena oat flakes were launched during the first quarter and the plan for the second quarter is to introduce to consumers several new or improved consumer products, for example, under the Elovena, Torino and Sunnuntai brand names.

OPERATING ENVIRONMENT

Raisio's operating environment changed considerably as the coronavirus and measures to prevent its spread closed down the economy to a large extent at the beginning of 2020. This was reflected in Raisio's operations as a strongly growing demand within nearly all key markets and product areas.

Raisio's position and readiness to act as a responsible part of the security of supply chain within the food industry was tested in a very concrete way as a result of the crisis. The Group's production and personnel were able to meet the strong and rapid increase in demand in exemplary fashion.

Global megatrends continue to support Raisio's growth strategy and its focus on responsibly produced healthy food. As the crisis withdraws, more permanent changes in consumer behaviour may be seen. We believe that value choices and consumption habits related to health will become even more prevalent.

SEGMENT INFORMATION

HEALTHY FOOD SEGMENT

The Healthy Food Segment includes Raisio's consumer product businesses in the Western, Eastern, Central and Northern European markets.

Financial development, January–March

The Healthy Food Segment's net sales totalled EUR 37.3 (34.7) million. Good sales growth for Benecol and Elovena products continued in Finland. Sales grew in Eastern and Central Europe and the overall sales of Benecol products in Western Europe were in line with comparison period.

More than 40 per cent of the Healthy Food Segment's net sales were generated in Northern Europe, where Raisio's well-known brands are Elovena, Benecol, Nordic, Sunnuntai, Nalle and Torino. Over 43 per cent of net sales were generated from the sale of Benecol products in the Western European markets. The rest of the net sales, just under 16 per cent, were generated in Eastern and Central Europe, where Benecol and Nordic are Raisio's well-known brands.

The Healthy Food Segment's EBIT amounted to EUR 5.3 (4.0) million, which accounted for 14.2 (11.5) per cent of net sales. The sales margin developed favourably during the review period as increased volumes resulted in increased profitability. In terms of costs, careful attention was paid to sales and marketing costs, whose level declined slightly in relation to the comparison period. The pandemic forced the Group to reconsider very critically the timing of new product launches. For this reason, the focus, especially at the end of the quarter, was placed on activities intended to ensure the security of supply for our existing consumer products.

The conversion impact of the British pound on the Healthy Food Segment's net sales was EUR 0.2 (0.2) million and EUR 0.0 (0.0) million on EBIT.

Key figures for the Healthy Food Segment

		1-3/2020	1-3/2019	1-12/2019
Net sales	M€	37.3	34.7	137.5
Western Europe	M€	16.3	16.5	63.8
Northern Europe	M€	15.2	12.5	50.4
Eastern and Central Europe	M€	5.9	5.7	23.4
EBIT	M€	5.3	4.0	18.2
EBIT	%	14.2	11.5	13.2
Net assets	M€	86.7	86.4	87.6

Business operations, January–March

Western Europe

Net sales for the Western European operations amounted to EUR 16.3 (16.5) million and EBIT improved significantly.

Net sales for the Benecol business in the UK fell slightly short of the comparison period. EBIT was improved by a better sales margin and reduced marketing investments in relation to the comparison period. The timing and targeting of the marketing campaigns will be reviewed as the corona situation develops.

In the UK, the volumes of milk-based products have seen a slight decline. During March, a dramatic and positive change in trend was seen in all categories of Benecol products as the crisis escalated and consumers stocked up on goods. As the crisis took hold in the UK, consumers shifted the majority of their shopping to the large markets. This benefits the distribution strategy chosen by Raisio. Of our product categories, particularly the sale of spreads experienced exceptionally strong growth. As the newest Benecol product category launch, snack bars continued to see success.

In Ireland, net sales exceeded the level of the comparison period and EBIT improved slightly. In Belgium, net sales declined in relation to the comparison period, mainly due to the changes in distribution. EBIT, on the other hand, improved in relation to the comparison period. The marketing costs for the Belgian market were also lower than those of the comparison period as the exceptional conditions pushed the launches of new products toward the end of the year.

Northern Europe

Net sales for the Northern European operations amounted to EUR 15.2 (12.5) million. In practice, all brands had an increase in net sales under the exceptional conditions. EBIT improved significantly. It was boosted by sales growth, particularly in Benecol and Elovena products, and lower fixed costs in relation to the comparison period. In terms of percentage, the highest increase in demand was seen in the Sunnuntai and Torino brands. Within the Northern European market, the growth in net sales was good, showing a more than 5 per cent growth trend, already before the corona crisis. The escalation of the crisis boosted growth to a level of more than 20 per cent for the entire quarter.

The sale of Benecol products increased in Finland by more than 25 per cent during the first quarter. The sales of Benecol yogurts continued to develop well and spreads ended up having the strongest growth for a product category during the first quarter. The sales of Benecol yogurt drinks also increased.

Strong sales growth continued for Elovena products in Finland, resulting in a higher than 15 per cent increase during the first quarter. One new product that entered the sales market during the review period was Elovena Gluten Free flakes, which attracted the interest of consumers. The range of plant-based protein products was also expanded in the Finnish market. The market for products intended to replace traditional protein sources appears to be continuing to grow as a whole. The oat-based food ingredient, originally marketed under the name Muru, was renamed Elovena Oat Mince. It is among the most popular products in its category.

All of the Group's brands increased their sales and profitability in Finland, the Baltic countries and Scandinavia. This was made possible by our committed personnel employed in the production, sales and supply chains. Ongoing dialogue with our customers during the crisis also helped to support our ability to react quickly to the changing needs of consumers in each category.

Eastern and Central Europe

Net sales for the Eastern and Central European operations totalled EUR 5.9 (5.7) million. The key goals for the review period were to ensure profitable growth in Russia and Ukraine and to continue to reverse the loss-making business in Poland.

Net sales in Russia grew dramatically and EBIT improved even more when calculated proportionally. Most of sales in Russia come from premium-priced Nordic products. The purchasing power of Russian consumers declined further, which was reflected as a moderate transition to lower-priced product variants, but as the corona crisis took hold, the demand, also for premium-priced products, grew significantly.

In Ukraine, both net sales and profitability improved significantly in relation to the comparison period. Along with the increased volume, the currency rate also had favourable impacts on profitability.

The target for Poland was not achieved, as net sales decreased in relation to the comparison period. Raisio lost distribution within discount chains in relation to the comparison period and the drop was seen as declining volumes. Raisio's goal is to achieve even broader distribution coverage. The company is also considering the expansion of its product range in this market.

In its strategy, Raisio has outlined to take over Benecol product markets in Europe in case the situation with a licensing partner changes and the market is important for Raisio. The previously discussed co-operation with Dr. Schär got underway with the first concrete phase, which placed Benecol snack products on shelves in Spain at the end of 2019. Progress within this re-emerging market is, however, quite moderate and graduated.

HEALTHY INGREDIENTS SEGMENT

The Healthy Ingredients Segment includes the sale of fish feeds and the Benecol product ingredient, and the sale of grain-based products to industrial and catering companies.

Financial development, January–March

The Healthy Ingredients Segment's net sales totalled EUR 25.6 (21.8) million. Net sales were increased by stronger growth in fish feed sales in relation to the comparison period, which was the result of customers placing orders earlier than usual. In terms of the utilisation rate for production capacity, the earlier orders will have positive impacts as the official season gets underway, because of more stable utilisation throughout the year. Sales of grain-based products to bakeries and to industrial and catering customers was in the same level as in comparison period. When the corona pandemic began, the orders from our industrial kitchen sector customers decreased, but its share of Raisio's overall Food Service activities is minor. The production of gluten-free oat products, made possible by the modernisation of the Nokia oat mill, is, in its entirety, still a small but intensely growing product area for Raisio, both in Finland and abroad.

The Healthy Ingredients Segment's EBIT was EUR 2.2 (1.3) million, which accounted for 8.6 (6.2) per cent of net sales. The considerable growth in sales of fish feeds during what is typically a quiet quarter was also visible as a significantly improved EBIT. Profitability was improved during the quarter, in relation to the comparison period, due to the sequencing of licensing sales of the Benecol product ingredient. The problems that arose in the operating environment for the industrial kitchen sector only had a minor impact on Raisio's profitability within this business area.

Key figures for the Healthy Ingredients Segment

		1-3/2020	1-3/2019	1-12/2019
Net sales	M€	25.6	21.8	124.6
EBIT	M€	2.2	1.3	12.5
EBIT	%	8.6	6.2	10.0
Net assets	M€	74.8	53.2	71.0

Business operations, January–March

Fish feeds

During the first quarter of the year, Raisioaqua's especially positive development in deliveries and net sales continued the excellent trend seen during its record year in 2019. In relation to the comparison period, sales nearly quadrupled, largely as a result of some Finnish and Russian customers placing orders at an earlier phase than usual. The customerships acquired in Poland last year also bore fruit and deliveries continued at a normal rate throughout the quiet winter season. This led Raisioaqua to achieve its highest sales figures ever for a first quarter. The need for customers to fill their reserve stocks also led to an earlier start up in Raisioaqua's production than in earlier years.

Raisioaqua is a major producer of sustainable fish feeds for its customers; the company's high-quality feeds, Benella fish and the unique Growth Sonar (Kasvuluotain) application create added value for the customers. The overall system includes condition sensors that provide real-time data on farming conditions and facilitate the optimal feed dosing for the current fish mass. Additionally, the Growth Sonar is already being used to guide automatic feeders.

Raisioaqua also continued its investments in the external quality, production agility and quality control related to its fish feeds. At the end of December 2019, Raisio's fish feeds were audited and given ASC rainbow trout farming certification in accordance with the required standard. ASC farming certification is a sign of responsible and sustainable aquaculture. The feed certification is valid for one year at a time and shows that our feed is produced responsibly in accordance with ethical and ecological principles and transparency.

We use the sustainably produced Baltic Blend feed for the feeding of rainbow trout that are cultivated in Finland, thereby recycling the nutrients present in the sea. Every kilo of fish that is cultivated using Baltic Blend feed reduces the phosphorous and nitrogen load that ends up in the Baltic Sea. ASC certification may open up new prospects, also in terms of the export market, for Raisioaqua's Baltic Blend feed innovation and fish farmers.

BtoB sales of grain-based products

Raisio's sales to Finnish bakeries and to industrial and catering customers were in line with the comparison period. Sales in oat products and gluten-free oat products developed particularly well. The corona crisis that escalated during the first quarter also changed the needs of our Food Service customers and, thus, the sales mix that Raisio delivers to these customers. The relative growth of the share of lower margin products had a negative effect on profitability.

Raisio continued its determined efforts to raise awareness of the company's oat products and oat expertise, particularly among international food industry operators. Growth in demand for oat and its ingredients continued in Europe and Asia. New customers were acquired, particularly for gluten-free oats. Raisio's goal is to continue to increase the export of its oat-based added-value products also to Food Service customers.

Benecol product ingredient sales to license partners

Raisio's plant stanol ester deliveries to license partners increased significantly from the comparison period, primarily as a result of sales sequencing. The traditional licensing model will continue to be a way of offering Benecol products in the markets where Raisio does not operate itself.

Grain procurement

For Raisio, grain procurement primarily focuses on the acquisition of grain for the manufacturing of its own products, and, in keeping with our strategy, we invest in the production and sales of value-added products. The actual external grain trade has decreased and, due to its low profitability, is not included as one of the company's strategic areas of focus.

Raisio has been able to source enough grain for its own food production needs. The quality of the grain has been good and met the high standards required of food grain. For this reason, we were able to achieve stock levels that correspond to the demand outlook. During the review period, market prices for grains remained at levels corresponding to average prices over a longer period of time.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-March totalled 14.4 (12.0) million. The value of trading was EUR 46.1 (30.3) million and the average price EUR 3.19 (2.53). The closing price on 31 March 2020 was EUR 3.11

A total of 0.7 (0.3) million restricted shares were traded in January-March. The value of trading was EUR 2.4 (0.8) million and the average price EUR 3.30 (2.61). The closing price on 31 March 2020 was EUR 3.10.

On 31 March 2020, the company had a total of 37,258 (31 December 2019: 35,919) registered shareholders. Foreign ownership of the entire share capital was 20.2 (31 December 2019: 22.7) per cent.

Raisio plc's market capitalisation at the end of March totalled EUR 513.3 (31 December 2019: 560.2) million and, excluding the company shares held by the company, EUR 489.1 (31 December 2019: 533.8) million.

During the review period, a total of 5,500 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 133,699,562 while the number of restricted shares was 31,449,468. The share capital entitled to 762,688,922 votes.

At the end of the review period, Raisio plc held 7,582,387 free shares and 212,696 restricted shares. The number of free shares held by Raisio plc accounts for 5.7 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.7 per cent. In all, these shares represent 4.72 per cent of the entire share capital and 1.6 per cent of overall votes. Other Group companies hold no Raisio plc shares.

Raisio plc and its subsidiaries do not have any shares as collateral and did not have any in the review period.

Raisio plc's Research Foundation holds 150,510 restricted shares, which is 0.48 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.39 per cent of the votes it represents.

The Board of Directors has an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares.

The authorisation will be valid until 30 April 2021. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 12,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 20,000,000 new free shares. The share issue authorisation will be valid until 30 April 2021. The authorisations have not so far been exercised and related details on both are available in the Stock Exchange Release published on 31 March 2020.

The authorisation to repurchase own shares and to issue shares given by the 2019 AGM expired on 27 April 2020.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting (AGM) approved on 27 April the financial statements for the financial year 1 January - 31 December 2019 and granted the members of the Board of Directors and the Supervisory Board as well as the CEO discharge from liability.

As proposed by the Board of Directors, the AGM decided to pay a dividend of EUR 0.13 for each restricted and free share. The dividend will be paid on 7 May 2020 to a shareholder who was entered in the shareholders' register on the record date 29 April 2020. No dividend, however, was paid on the shares that were held by the company at that time.

The number of members of the Board of Directors was confirmed to be six, and Erkki Haavisto, Ilkka Mäkelä, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen were reappointed; all for the term commencing at the closing of the AGM. At its meeting held after the AGM, the Board of Directors elected Ilkka Mäkelä as its Chairman and Ann-Christine Sundell as its Vice Chairman.

The Chairman of the Board will be paid a monthly fee of EUR 5,000 and the members a monthly fee of EUR 2,500. Approximately 20 per cent of the fee will be paid with the company's own shares and approximately 80 per cent in cash. The fees are paid in two equal instalments during the term so that the first payment will be made on 15 June and the second on 15 December.

In addition, the Chairman of the Board and the chairmen of the committees elected by the Board of Directors among its members will be paid a fee of EUR 800 for each meeting and EUR 400 for teleconference; the members of the Board will be paid EUR 400 for each meeting and EUR 200 for teleconference; the same fees will be also paid to the members of the Board for the meetings of committees elected by the Board of Directors among its members. Attendance fees are paid in cash. Moreover, they will receive a daily allowance for the meeting days and they will be reimbursed for travel expenses according to the Company's travel policy.

The number of members of the Supervisory Board was confirmed to be 25. Henrik Brotherus, Timo Könttä, Juha Marttila, Paavo Myllymäki, Yrjö Ojaniemi and Olli-Pekka Saario were re-elected as the members of the Supervisory Board and Johannes Tiusanen as a new member of the Supervisory Board, all for the term commencing at the closing of the AGM.

The annual remuneration payable to the Chairman of the Supervisory Board will be EUR 12,000. The Chairman and the members of the Supervisory Board will receive a payment of EUR 350 for each meeting, in addition to which their travel expenses will be compensated and they will receive a daily allowance for the meeting days according to the Company's travel policy. The Meeting also decided to pay the Chairman of the Supervisory Board – and if he/she is unable to attend, to the Deputy Chairman - a fee of EUR 350 for each attended meeting of the Board of Directors.

Authorised public accountants Esa Kailiala and Kimmo Antonen were elected as regular auditors, and authorised public accountants Niklas Oikia and KPMG Oy Ab were elected as deputy auditors. The auditors' term began at the AGM and will end at the end of the next AGM.

The AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2021.

Furthermore, the AGM authorised the Board of Directors to decide on the share issues (1) by disposing of a maximum of 12,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company, and (2) by issuing a maximum of 20,000,000 new free shares. The share issue authorisations will expire on 30 April 2021.

The details of the authorisations are available in the Stock Exchange Release published on 31 March 2020.

DIRECTED SHARE ISSUE

In March 2017, Raisio plc's Board of Directors decided on the Group's key employees' sharebased incentive scheme for the period that started on 1 January 2017 and ended on 31 December 2019. On 19 March 2020, the Board of Directors approved the bonuses paid under the share reward scheme and, in order to convey the part paid in shares to key employees, decided to implement a directed share issue without payment based on the authorisation granted to the Board by the Annual General Meeting of 19 March 2019.

In the share issue, a total of 79,313 Raisio plc's free shares held by the company were conveyed without consideration to the key employees within the share reward scheme, with deviation from the shareholders' pre-emptive subscription rights. The conveyed 79,313 free shares correspond to 0,05 per cent of all Raisio plc's shares and 0,01 per cent of all votes.

The shares were conveyed to key employees on 7 April 2020.

The Board recommends that the key employees within the share reward scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

SHORT-TERM RISKS AND SOURCES OF UNCERTAINTY

During the first quarter, significant changes occurred with regard to the risks and sources of uncertainty presented in the Raisio's 2019 Financial Statements and Financial Statements Bulletin. The limitations resulting from the pandemic and possible extensive sick leaves across the production and delivery chains may have an impact on the company's operational ability. Raisio has implemented widescale measures to reduce any possible risks and their impacts.

Under normal conditions, Raisio's most significant short-term business risks are related to general economic development and consumer demand. Extreme weather phenomena and changes in the availability, quality and price of the key raw materials, such as grains and sterols, are a major challenge for Raisio's operations. Raisio has assessed the major risks related to Brexit and defined the company's adjustment measures. Changes in key currencies relevant for Raisio and currency conversions affect Raisio's net sales and EBIT both directly and indirectly.

EVENTS FOLLOWING THE REVIEW PERIOD

Raisio has agreed on approximately EUR 22 million in financial leasing towards technology for its new production facility built to develop and manufacture plant-based added-value products. The total cost of the undertaking was earlier stated as approximately EUR 45 million (Stock exchange release, 11 June 2019). In the release, Raisio states that it intends to finance its investment with the company's strong cash position and cash flow.

Using the agreed financing arrangements, Raisio ensures its already firm cash and balance sheet position within the strongly changing operating environment, thereby also providing agility for new growth projects. It also enables the company to reinforce its liquidity position and secures production agility as technologies are being developed. From a flexibility standpoint, leasing is the best option for this purpose. The EUR 22 million in funding represents nearly half of the total investment of EUR 45 million.

OUTLOOK 2020

The Group's outlook remains unchanged.

In 2020, Raisio expects its net sales for continuing operations to grow (2019: EUR 236.3 million) and comparable EBIT to be over 10 per cent of net sales.

Raisio will continue its investments in the brands, R&D and the company's own production in its most important product categories.

In Raisio, 06 May 2020
Raisio Plc
Board of Directors

Further information:

Pekka Kuusniemi, President and CEO, tel. +358 50 537 3883
Toni Rannikko, CFO, tel. +358 40 078 8812
Mika Saarinen, Director of Investor Relations, tel. +358 40 072 6808

The information in this Interim Report is unaudited.

Raisio's Half-Year Report for 2020 will be published on 5 August 2020.

TABLE SECTION
THE GROUP'S INCOME STATEMENT (M€)

	1-3/2020	1-3/2019	1-12/2019
Net sales	54.7	49.9	236.3
Cost of sales	-37.4	-35.1	-169.3
Gross profit	17.3	14.8	67.0
Other operating income and expenses, net	-10.7	-9.8	-39.8
EBIT	6.6	5.0	27.3
Financial income	0.2	0.7	2.9
Financial expenses	-4.1	-0.4	-1.7
Result before taxes	2.7	5.3	28.5
Income taxes	-0.6	-1.1	-2.9
Result for the period	2.1	4.1	25.5
Attributable to			
Equity holders of the parent company	2.1	4.1	25.5
Non-controlling interests	-	-	-
Earnings per share from the profit attributable to equity holders of the parent company (€)			
Undiluted earnings per share	0.01	0.03	0.16
Diluted earnings per share	0.01	0.03	0.16

THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)

	1-3/2020	1-3/2019	1-12/2019
Result for the period	2.1	4.1	25.5
Other comprehensive income items			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investments	0.3	0.4	0.8
Tax impact	-0.1	-0.1	-0.2
Items that will not be reclassified to profit or loss, total	0.2	0.4	0.6
Items that may be subsequently transferred to profit or loss			
Change in value of cash flow hedging	1.4	-0.3	-0.4
Change in translation differences related to foreign companies	-4.5	4.7	5.1
Tax impact	-0.3	0.1	0.1
Items that may be subsequently transferred to profit or loss, total	-3.4	4.5	4.8
Comprehensive income for the period	-1.0	9.0	30.9
Components of comprehensive income			
Equity holders of the parent company	-1.0	9.0	30.9
Non-controlling interests	-	-	-

THE GROUP'S BALANCE SHEET (M€)

ASSETS	31.3.2020	31.3.2019	31.12.2019
Non-current assets			
Intangible assets	32.3	34.2	33.5
Goodwill	46.5	48.1	48.5
Tangible assets	55.2	38.0	51.1
Equity investments	2.8	2.7	3.0
Deferred tax assets	5.3	2.3	4.9
Total non-current assets	142.1	125.2	140.9
Current assets			
Inventories	42.4	39.4	37.6
Accounts receivables and other receivables	32.7	27.5	30.3
Financial assets at fair value through profit or loss	60.7	87.2	81.4
Cash and bank receivables	34.2	57.2	18.3
Total current assets	170.0	211.4	167.6
Total assets	312.1	336.6	308.5
SHAREHOLDER'S EQUITY AND LIABILITIES	31.3.2020	31.3.2019	31.12.2019
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-19.8	-19.8	-19.8
Other equity attributable to equity holders of the parent company	262.4	240.7	263.2
Equity attributable to equity holders of the parent company	270.5	248.7	271.3
Non-controlling interests	-	-	-
Total shareholder's equity	270.5	248.7	271.3
Non-current liabilities			
Deferred tax liabilities	5.2	4.2	5.3
Provisions	-	1.2	1.2
Non-current financial liabilities	0.2	0.9	0.3
Total non-current liabilities	5.3	6.2	6.9
Current liabilities			
Provisions	1.1	-	-
Accounts payable and other liabilities	34.3	57.9	29.3
Derivative contracts	0.1	-	0.3
Current financial liabilities	0.8	23.8	0.8
Total current liabilities	36.3	81.6	30.4
Total liabilities	41.6	87.8	37.3
Total shareholder's equity and liabilities	312.1	336.6	308.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2020	27.8	2.9	88.6	8.0	-1.3	-19.8	-14.8	179.7	271.3
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	2.1	2.1
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.3	-	-	-	0.3
Change in value of cash flow hedging	-	-	-	-	1.4	-	-	-	1.4
Change in translation differences related to foreign companies	-	-	-	-	-	-	-4.5	-	-4.5
Tax impact	-	-	-	-	-0.3	-	-	-	-0.3
Total comprehensive income for the period	0.0	0.0	0.0	0.0	1.4	0.0	-4.5	2.1	-1.0
Business activities involving shareholders									
Share-based payments	-	-	-	-	-	-	-	0.2	0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Shareholders' equity on 31 March 2020	27.8	2.9	88.6	8.0	0.1	-19.8	-19.2	182.0	270.5

	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2019	27.8	2.9	88.6	8.9	-1.6	-19.8	-19.8	177.7	264.8
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	4.1	4.1
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.4	-	-	-	0.4
Change in value of cash flow hedging	-	-	-	-	-0.3	-	-	-	-0.3
Change in translation differences related to foreign companies	-	-	-	-	-	-	4.7	-	4.7
Tax impact	-	-	-	-	0.0	-	-	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.1	0.0	4.7	4.1	9.0
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-25.2	-25.2
Share-based payments	-	-	-	-	-	-	-	0.2	0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25.0	-25.0
Shareholders' equity on 31 March 2020	27.8	2.9	88.6	8.9	-1.4	-19.8	-15.2	156.9	248.7

	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2019	27.8	2.9	88.6	8.9	-1.6	-19.8	-19.8	177.7	264.8
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	25.5	25.5
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.8	-	-	-	0.8
Change in value of cash flow hedging	-	-	-	-	-0.4	-	-	-	-0.4
Change in translation differences related to foreign companies	-	-	-	-	-	-	5.1	-	5.1
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.3	0.0	5.1	25.5	30.9
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-25.2	-25.2
Unclaimed dividends	-	-	-	-	-	-	-	0.1	0.1
Transfer from other funds to retained earnings	-	-	-	-0.9	-	-	-	0.9	0.0
Share-based payments	-	-	-	-	-	0.0	-	0.6	0.6
Total business activities involving shareholders	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	-23.6	-24.5
Shareholders' equity on 31 December 2019	27.8	2.9	88.6	8.0	-1.3	-19.8	-14.8	179.7	271.3

CONSOLIDATED CASH FLOW STATEMENT (M€)

	1-3/2020	1-3/2019	1-12/2019
CASH FLOW FROM BUSINESS OPERATIONS			
Result before taxes	2.7	5.3	28.5
Adjustments:			
Planned depreciations	1.6	1.6	6.4
Financial income and expenses	3.9	-0.3	-1.2
Other adjustments	0.3	0.2	0.8
Total adjustments	5.7	1.5	5.9
Cash flow before change in working capital	8.4	6.8	34.4
Change in working capital			
Increase (-) / decrease (+) in current receivables	-3.3	1.4	-1.9
Increase (-) / decrease (+) in inventories	-5.0	-4.4	-2.4
Increase (+) / decrease (-) in current interest-free liabilities	5.7	1.8	-2.7
Total change in working capital	-2.6	-1.1	-7.1
Cash flow from business operations before financial items and taxes	5.8	5.6	27.3
Interest paid and payments for other financial expenses from business operations	-0.4	-0.2	-1.9
Dividends received from business operations	-	0.2	0.2
Interest received and other financial income from business operations	0.2	0.1	-17.7
Other financial items, net	-0.1	0.3	0.1
Income taxes paid	-1.6	-1.5	-4.2
Cash flow from business operations after financial items and taxes	3.9	4.5	3.8
CASH FLOW FROM INVESTMENTS			
Investment in tangible assets	-5.5	-2.1	-17.3
Investment in intangible assets	-0.3	-0.1	-0.4
Income from intangible and tangible commodities	0.5	0.0	0.0
Investments in securities	-	0.0	0.0
Net cash flow from investments	-5.2	-2.2	-17.7
Cash flow after investments	-1.3	2.3	-13.8
CASH FLOW FROM FINANCIAL OPERATIONS			
Other financial items, net	-	-	-0.1
Payments associated with the reduction in lease liability	-0.2	-0.2	-0.9
Repayment of non-current loans	-	-	-22.9
Redemption of non-controlling interests	-	-	0.0
Dividends and other profit distribution paid to shareholders of the parent company	-0.1	-	-25.0
Net cash flow from financial operations	-0.2	-0.2	-48.8
CHANGE IN LIQUID FUNDS	-1.6	2.1	-62.7
Liquid funds at the beginning of the period	99.8	142.1	142.1
Impact of changes in exchange rates	-0.8	1.5	0.9
Impact of changes in market value of the liquid funds	-3.7	0.0	1.4
Impact of the discontinued cattle feed business	-	-1.4	-1.4
Liquid funds at the end of the period	93.7	144.2	99.8

NOTES TO THE INTERIM REPORT

Raisio Group

Raisio plc is a Finnish public limited company. Raisio plc and its subsidiaries form the Raisio Group. The Group is domiciled in Raisio, Finland, and its registered address is Raisonkaari 55, FI-21200 Raisio. The company's shares are listed on NASDAQ OMX Helsinki Ltd.

Accounting principles and presentation of figures

Raisio plc's Interim Report for January-March 2020 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations. In the preparation of the Interim Report, Raisio plc has followed the same accounting principles as in the 2019 Financial Statements with the exception of the standard amendments and interpretations concerning Raisio plc that came into effect in 2020.

The standard amendments and interpretations that entered into effect on 1 January 2020 have had no material impact on EBIT of the Interim Report, financial position or the presentation of the Interim Report. Raisio Group adopted the IFRS 16 standard as of 1 January 2019, applying a simplified approach of adoption, and the comparison figures of the previous year were not adjusted.

The Interim Report is shown in EUR millions.

Management's judgement

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on the management's best knowledge of current events, actual results may differ from the estimates.

Compared to the 2019 Financial Statements, there have been no significant changes in the accounting principles or uncertainties included in the estimates requiring management's judgement. For Raisio Group, the most significant estimates in which management has used discretion relate to the possible impairment of assets of goodwill and intangible assets with indefinite financially useful lives as well as unfinished intangible assets, and to the fair value determination of the assets acquired in the business combination, to the amount of deferred tax asset and to what extent the tax asset can be recognised in the balance sheet, to the determination of depreciation periods, to the assessment of accounts receivable and inventories, and to the classification of lease periods and assets as held for sale or to be discontinued.

Impacts of COVID-19 on Raisio's financial reporting

Raisio's operating environment changed considerably as the coronavirus epidemic (COVID-19) and measures to prevent its spread closed down the economy to a significant extent at the beginning of 2020. Raisio Group has assessed the impacts of the epidemic, which broke out at the start of 2020 and spread rapidly, on the company's market environment, employees and business operations. The limitations resulting from the coronavirus epidemic and possible extensive sick leaves across the production and delivery chains may have an impact on the company's operational ability. Within this current operational environment, Raisio Group endeavours to prepare for the identified and likely impacts of the crisis as thoroughly as possible. The company's Board and management will closely monitor the development of the coronavirus situation and update their assessment of the impacts as the situation proceeds.

Alternative key figures and items affecting comparability

The Group presents alternative key figures to describe the financial performance and position of its businesses as well as cash flows to improve the comparability between different periods and to increase understanding of the formation of the company's earnings and its financial position.

The alternative figure is derived from the IFRS financial statements. It is possible to present items affecting comparability and to calculate alternative key figures without items affecting comparability in the Board of Directors' report, Financial Statements Bulletin, Half-Year Reports and Interim Reports.

Items affecting comparability are income or expenses arising as a result of one or rare events. Significant expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

Items affecting comparability are recorded in the income statement according to the matching principle under the income or expense category. The management uses these key figures to monitor and analyse business development, profitability and financial position.

SEGMENT INFORMATION

Raisio Group's reportable operating segments are Healthy Food, Healthy Ingredients and Other Operations.

Revenue by segment (M€)

	1-3/2020	1-3/2019	1-12/2019
Healthy Food			
Western Europe	16.3	16.5	63.8
Northern Europe	15.2	12.5	50.4
Eastern and Central and Europe	5.9	5.7	23.4
Total Healthy Food	37.3	34.7	137.5
Healthy Ingredients	25.6	21.8	124.6
Other operations	0.4	0.4	1.5
Interdivisional net sales	-8.6	-7.0	-27.3
Total net sales	54.7	49.9	236.3

EBIT by segment (M€)

	1-3/2020	1-3/2019	1-12/2019
Healthy Food	5.3	4.0	18.2
Healthy Ingredients	2.2	1.3	12.5
Other operations	-0.9	-0.3	-3.4
Interdivisional	0.0	0.0	0.0
Total EBIT	6.6	5.0	27.3

Net assets by segment (M€)

	1-3/2020	1-3/2019	31.12.2019
Healthy Food	86.7	86.4	87.6
Healthy Ingredients	74.8	53.2	71.0
Other operations and unallocated items	108.9	109.1	112.7
Total net assets	270.5	248.8	271.3

Investment by segment (M€)

	1-3/2020	1-3/2019	31.12.2019
Healthy Food	0.2	0.0	0.4
Healthy Ingredients	5.3	2.2	18.6
Other operations	0.2	0.2	0.6
Total investments	5.7	2.4	19.5

All of the investments of the review period concern owned right-of-use assets.

SALES REVENUE
Revenue by country (M€)

	1-3/2020	1-3/2019	1-12/2019
Finland	21.4	19.5	87.3
Great Britain	14.2	14.2	55.2
Other	19.2	16.2	93.8
Total net sales	54.7	49.9	236.3

Net sales by group (M€)

	1-3/2020	1-3/2019	1-12/2019
Sales of goods	54.3	49.5	234.4
Sales of services	0.3	0.3	1.2
Royalties	0.2	0.1	0.7
Total net sales	54.7	49.9	236.3

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE
Acquired businesses

In the period of 1 January - 31 March 2020 and in 2019, there were no acquired businesses.

Discontinued operations and assets held for sale

In the period of 1 January - 31 March 2020 and in 2019, there were no discontinued operations and assets for sale.

TANGIBLE RIGHT-OF-USE ASSETS (M€)

	31.3.2020	31.3.2019	31.12.2019
Acquisition cost at the beginning of the period	293.8	272.6	272.6
Translation differences	-0.4	0.1	0.2
Additions, includes additions made in accordance with the IFRS 16 standard	5.4	4.1	20.9
Decrease	0.0	0.0	0.0
Acquisition cost at the end of the period	298.8	276.9	293.8
Accumulated depreciation and impairment at the beginning of the period	242.7	237.5	237.5
Translation differences	-0.3	0.1	0.2
Decrease and transfers	0.0	0.0	0.0
Depreciations and impairment for the period	1.3	1.2	4.9
Accumulated depreciation and impairment at the end of the period	243.7	238.9	242.7
Book value at the end of the period	55.2	38.0	51.1

LEASED RIGHT-OF-USE ASSETS (M€)

	31.3.2020	31.3.2019	31.12.2019
Acquisition cost at the beginning of the period	2.1	0.2	0.2
Adoption of IFRS 16 standard	-	1.8	1.8
Translation differences	0.0	0.0	0.0
Increase	-	0.0	0.1
Divestment and other decreases	-	-	0.0
Transfers between items	-	-	0.0
Acquisition cost at the end of the period	2.0	2.0	2.1
Accumulated depreciation and impairment at the beginning of the period	-1.0	-0.1	-0.1
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decrease and transfers	-	0.0	0.0
Depreciation for the financial period	-0.2	-0.2	-0.9
Accumulated depreciation and impairment at the end of the period	-1.2	-0.3	-1.0
Book value at the beginning of the period	1.1	0.1	0.1
Book value at the end of the period	0.9	1.7	1.1

ITEMS FROM LEASES RECOGNIZED IN THE INCOME STATEMENT (M€)

	31.3.2020	31.3.2019	31.12.2019
Rental income	0.2	0.2	0.7
Depreciations for right-of-use assets	-0.2	-0.2	-0.8
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	0.0	0.0	0.0
Total	0.0	0.0	-0.2
Outgoing cash flow resulting from leases	0.2	0.2	0.9

LEASE LIABILITIES (M€)

	31.3.2020	31.3.2019	31.12.2019
Non-current lease liabilities	1.1	0.1	0.1
Translation difference	0.0	0.0	0.0
Adoption of IFRS 16 standard	-	1.8	1.8
Increase in lease liabilities	-	0.0	0.1
Payments related to decrease of lease liabilities	-0.2	-0.2	-0.9
Total	0.9	1.7	1.1
Non-current lease liabilities at the beginning of period	0.3	0.0	0.0
Non-current lease liabilities at the end of period	0.1	0.8	0.3
Current lease liabilities at the beginning of period	0.8	0.0	0.0
Current lease liabilities at the end of period	0.8	0.9	0.8

PROVISIONS (M€)

	31.3.2020	31.3.2019	31.12.2019
At the beginning of the period	1.2	1.1	1.1
Translation differences	0.0	0.0	0.1
At the end of the period	1.1	1.2	1.2

RELATED PARTY TRANSACTIONS (M€)

	31.3.2020	31.3.2019	31.12.2019
Sales to key employees in management	0.2	0.0	0.0
Purchases from key employees in management	0.2	0.3	1.1
Receivables from the key persons in the management	0.1	0.0	0.0
Payables to key management personnel	0.1	0.0	0.1

CONTINGENT LIABILITIES (M€)

	31.3.2020	31.3.2019	31.12.2019
Contingent off-balance sheet liabilities			
Other liabilities	7.0	5.5	3.3
Guarantee liabilities on the Group companies' commitments	1.2	26.3	26.2
Commitment to investment payments	27.4	4.2	20.8

DERIVATIVE CONTRACTS (M€)

	31.3.2020	31.3.2019	31.12.2019
Nominal values of derivative contracts			
Currency forward contracts	35.7	83.8	34.7

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (M€)

The table shows carrying amounts and fair values for each item. The carrying amounts correspond to the consolidated balance sheet values. The principles used by the Group for measuring the fair value of all financial instruments are presented below.

	Carrying amount 31.3.2020	Fair value 31.3.2020	Carrying amount 31.12.2019	Fair value 31.12.2019
Financial assets				
Equity investments*)	2.8	2.8	3.0	3.0
Accounts receivables and other receivables	31.5	31.5	29.3	29.3
Investments recorded at fair value through profit or loss*)	59.5	59.5	81.4	81.4
Liquid funds	34.2	34.2	18.3	18.3
Derivatives*)	1.1	1.1	-	-
Financial liabilities				
Other loans	0.0	0.0	0.0	0.0
Lease liabilities	0.9	0.9	1.1	1.1
Accounts payable and other liabilities	26.8	26.8	22.3	22.3
Derivatives*)	0.1	0.1	0.3	0.3

Fair value hierarchy of financial assets and liabilities measured at fair value

Of the financial assets and liabilities measured at fair value *), all except the equity investments are on the level 2. The fair value of the level 2 items is defined by valuation techniques using market pricing valuations provided by the service provider. Equity investments are on the level 3 as their fair value is not based on observable market data.

RECONCILIATIONS RELATED TO CASH FLOW STATEMENT
Other adjustments to cash flows from operations, continuing operations (M€)

	1-3/2020	1-3/2019	1-12/2019
Capital gains and losses of fixed assets	-	0.0	0.0
Costs of share rewards	0.2	0.2	0.6
Other	0.0	0.0	0.2
Total adjustments in cash flow statement	0.3	0.2	0.8

Income statement items containing no payment transaction and items presented elsewhere in the cash flow statement are adjusted.

Acquisitions and disposals of fixed assets of cash flow from investing (M€)

	1-3/2020	1-3/2019	1-12/2019
Acquisitions of fixed assets in total	-5.7	-2.3	-19.5
Payments for investments of earlier financial periods (change in accounts payable)	0.0	0.1	1.9
Investments funded by lease commitmentst or other non- interest-bearing debt	-0.2	-0.2	-0.9
Fixed asset acquisitions funded by cash payments	-5.9	-2.5	-18.5
Capital gain and loss on fixed assets in the income statement	0.5	0.0	0.0
Balance sheet value of disposed asset	0.0	0.0	0.0
Consideration received from fixed asset divestments in the cash flow statement	0.5	0.0	0.0

Reconciliation of liabilities related to financing activities (M€)

	31.12.2019	Cash flows	Non cash flow influenced changes			31.3.2020
			IFRS 16	Changes in exchange rates	Changes in fair value	
Non-current liabilities	0.0	-	-	-	-	0.0
Lease liability	1.1	-0.2	-	0.0	-	0.9
Total liabilities for financing activities	1.1	-0.2	-	0.0	-	0.9

QUARTERLY EARNINGS (M€)

	1-3/ 2020	10-12/ 2019	7-9/ 2019	4-6/ 2019	1-3/ 2019
Net sales by segment					
Healthy Food	37.3	35.0	33.6	34.2	34.7
Healthy Ingredients	25.6	25.7	42.3	34.7	21.8
Other operations	0.4	0.5	0.3	0.3	0.4
Interdivisional net sales	-8.6	-6.7	-7.0	-6.5	-7.0
Total net sales	54.7	54.5	69.2	62.7	49.9
EBIT by segment					
Healthy Food	5.3	4.1	5.6	4.5	4.0
Healthy Ingredients	2.2	1.8	5.4	3.9	1.3
Other operations	-0.9	-1.6	-0.3	-1.2	-0.3
Total EBIT	6.6	4.3	10.7	7.3	5.0
Financial income and expenses, net	-3.9	-0.2	0.6	0.6	0.3
Result before taxes	2.7	4.0	11.3	7.8	5.3
Income taxes	-0.6	-0.1	-2.3	0.6	-1.1
Result for the period	2.1	4.0	9.0	8.4	4.1

	10-12/ 2018	7-9/ 2018	4-6/ 2018	1-3/ 2018
Net sales by segment				
Healthy Food	35.4	33.6	33.7	35.1
Healthy Ingredients	27.0	35.9	32.3	21.3
Other operations	0.4	0.4	0.4	0.4
Interdivisional net sales	-7.1	-6.7	-6.6	-7.1
Total net sales	55.6	63.1	59.7	49.7
EBIT by segment				
Healthy Food	4.7	3.9	3.8	4.8
Healthy Ingredients	2.8	4.4	3.3	2.4
Other operations	-9.6	-0.5	-0.6	-2.8
Total EBIT	-2.1	7.8	6.5	4.4
Financial income and expenses, net	-0.7	-0.1	-0.1	0.1
Result before taxes	-2.8	7.6	6.4	4.5
Income taxes	0.5	-1.7	-1.4	-1.1
Result for the period	-2.3	5.9	5.0	3.4

KEY FIGURES

	31.3.2020	31.3.2019	31.12.2019
Net sales, M€	54.7	49.9	236.3
Change of net sales, %	9.7	0.4	3.5
Operating margin, M€	8.1	6.6	33.6
Depreciation and impairment, M€	1.6	1.6	6.4
EBIT, M€	6.6	5.0	27.3
% of net sales	12.0	10.0	11.5
Result before taxes, M€	2.7	5.3	28.5
% of net sales	4.9	10.5	12.1
Return on equity, %	3.1	6.4	9.5
Return on investment, %	4.4	10.0	13.9
Interest-bearing financial liabilities at end of period, M€	0.9	24.6	1.1
Net interest-bearing financial liabilities at end of period, M€	-92.8	-119.6	-98.6
Equity ratio, %	87.0	74.3	87.9
Net gearing, %	-34.3	-48.1	-36.4
Gross investments, M€	5.7	2.4	19.5
% of net sales	10.4	4.8	8.3
R & D expenses, M€	1.1	1.0	4.2
% of net sales	2.0	2.0	1.8
Average personnel	334	321	328
Earnings/share, €	0.01	0.03	0.16
Cash flow from operations, M€	3.9	4.5	23.3
Cash flow from operations/share, €	0.02	0.03	0.15
Equity/share, €	1.72	1.58	1.72
Average number of shares during the period, in 1,000s			
Free shares	126 114	125 772	125 865
Restricted shares	31 240	31 570	31 480
Total *	157 354	157 341	157 345
Average number of shares at end of period, in 1,000s			
Free shares	126 117	125 778	126 112
Restricted shares	31 237	31 563	31 242
Total *	157 354	157 341	157 354
Market capitalisation of shares at end of period, M€			
Free shares	392.2	332.8	428.8
Restricted shares	96.8	77.9	105.0
Total *	489.1	410.6	533.8
Share price at end of period			
Free shares	3.11	2.50	3.40
Restricted shares	3.10	2.45	3.36

* Number of shares, excluding the company shares held by the Group

FORMULAS FOR KEY FIGURES

Earnings per share	$\frac{\text{Result for the year of parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Earnings per share shows the company's earnings per one share	
Formulas for alternative key figure calculation	
EBIT	Earnings before income taxes, financial income and expenses presented in the IFRS consolidated income statement.
EBIT illustrates the economic profitability of operations and its development.	
Comparable EBIT	EBIT +/- items affecting comparability
Comparable EBIT shows economic profitability of the business operations and its development without items affecting comparability.	
EBIT, %	$\frac{\text{EBIT}}{\text{Net sales}} \times 100$
The figure shows the relation between EBIT and net sales.	
Comparable EBIT, %	$\frac{\text{Comparable EBIT}}{\text{Comparable net sales}} \times 100$
The figure shows the relationship between EBIT and net sales without items affecting comparability.	
EBITDA	EBIT + depreciations and impairment
EBITDA describes the earnings from business operations before depreciation, financial items and income taxes. It is an important indicator as it shows how much the margin is from net sales after deduction of operating expenses.	
Comparable EBITDA	EBIT +/- items affecting comparability + depreciations and impairment
Comparable EBITDA represents the earnings from business operations before depreciations, financial items, and income taxes without items affecting comparability.	
Earnings before taxes	Earnings before income taxes presented in the IFRS consolidated statements.
Return on equity (ROE), %	$\frac{\text{Result before taxes} - \text{income taxes}}{\text{Shareholders' equity (average over the period)}} \times 100$
Return on equity measures the earnings for the financial period in proportion to equity. The figure shows the Group's ability to generate profits from the shareholders investments.	
Return on investment (ROIC), %	$\frac{\text{Result after taxes}}{\text{Operating cash* + net working capital} + \text{non-current assets}} \times 100$ (*Operating cash 4% of net sales)
Return on investment (ROIC) is a profitability or performance ratio that measures how much investors earn on the capital invested.	

Equity ratio, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
The equity ratio is a key figure in the financial structure, which shows the share of equity of the capital tied up in the operations. The figure represents the Group's financial structure.	
Net working capital	$\text{Sales receivables and other receivables} + \text{inventories} - \text{accounts payable} - \text{other liabilities}$
Net working capital measures the amount of the financing tied up in the company's current activities and thus, also the efficiency of the use of capital.	
Net interest-bearing financial liabilities	Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss
Net interest-bearing financial liabilities measures the Group's net financial debt.	
Net gearing, %	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$
Net gearing % shows what is the ratio of equity invested by owners to the interest-bearing liabilities of the financiers. High net gearing % is a risk factor that may restrict the company's growth opportunities and lower its financial leverage.	
Comparable earnings per share	$\frac{\text{Profit for the period attributable to the parent company shareholders} +/- \text{items affecting comparability}}{\text{Average number of shares during the period adjusted for issues}}$
Earnings per share represents the company's earnings per one share without items affecting comparability.	
Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
The figure represents the cash flow from business operations per one share.	
Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares at end of period adjusted for share issue}}$
Equity per share represents the company's equity per one share.	
Investments	Acquisition of non-current tangible and intangible assets on a gross basis.
Investments represents the total amount of investments.	
Market capitalisation	Closing price, adjusted for issue x number of shares without company shares at the end of the period
The figure represents the value of the Group's share capital on the stock market.	