

Raisio stabilised its core business operations and achieved profitable growth

President and CEO review at the Annual General Meeting

Pekka Kuusniemi

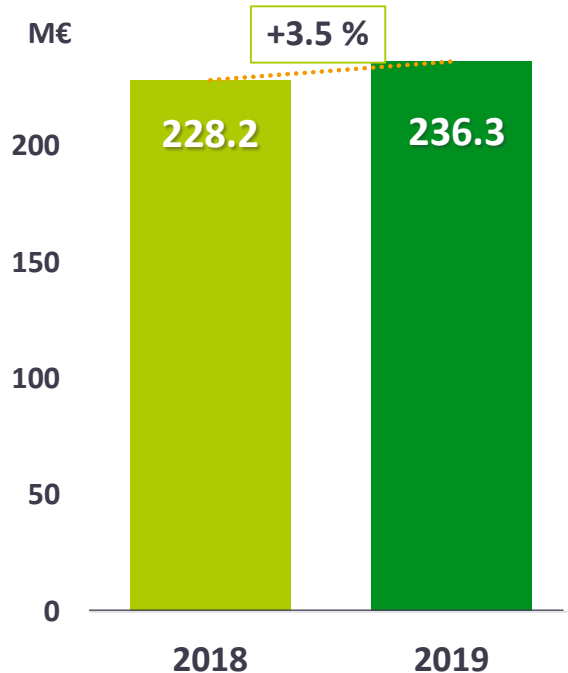
Raisio plc

27 April 2020

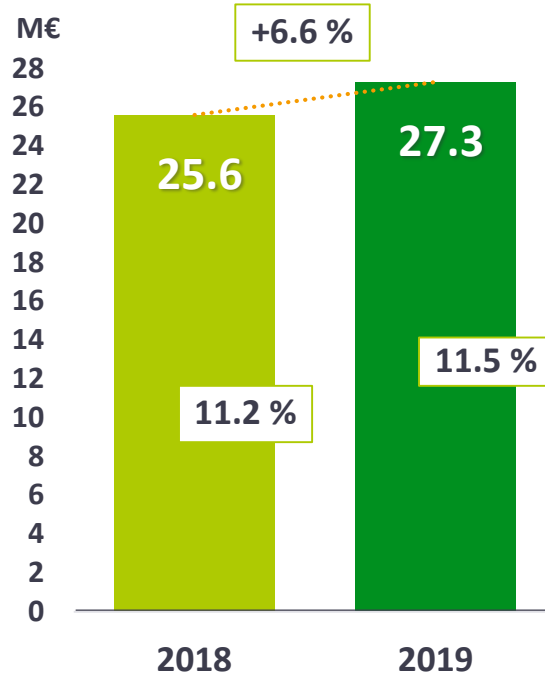


Raisio Group net sales and EBIT 2019

Net sales



EBIT



POSITIVE CASH FLOW

23.3 M€* 2018: 11.5 M€*

*Cash flow after financial items and taxes

Raisio investing in growth

- Investments almost quadrupled from 2018
- At the Nokia mill, modernisation and capacity expansion were completed in 2019
 - Manufacture of gluten-free oat products
- A new production plant of 45 M€ for plant-based value-added products to the Raisio's industrial area
 - First products in stores H2/2021
 - Production plant will increase Raisio's production agility and manufacturing capacity
- Investments respond to the strong growth in demand for plant-based food in Europe and support the growth of Elovena and Benecol brands in line with the strategy

INVESTMENTS 2019
19.5 M€



Strategic progress during 2019

Growth and profitability of Raisio's core business

- Business profitability shifted to a growth trend in all market areas.
- New consumers were gained for Benecol products.
- Continued sales growth for Elovena products.
- New market areas were achieved for Raisioaqua.

International oat business

- The survey of international markets got underway.
- The Elovena brand and product range were developed so as to inspire interest among international consumers.
- Domestic and international B2B actors are increasingly interested in gluten-free oats.

Healthy Food Unit 2019



In Finland, sales in Benecol products
+12 %



Net sales
137.5 M€
(2018: 137.7 M€)



Sales growth of
more than 4%

In the UK,
profitability improved, net sales decreased

Novelties attracted new consumers



EBIT
18.2 M€
(2018: 17.1 M€)



Sales increased in new **Elovena 100% oat** snack biscuits

Internationalisation of the Elovena brand in preparation

Healthy Ingredients Unit 2019

Fish feeds

Sales in fish feeds increased by **over 30%** from the previous record year 2017



Net sales

124.6 M€

(2018: 116.6 M€)



Ingredients

In oat products, good **growth in BtoB sales** continued

Strong growth in the key markets, Finland and Russia

Market openings in Poland and Sweden



EBIT

12.5 M€

(2018: 12,9 M€)



Growth seen especially in **gluten-free** oat products

Good Food Plan 2019 - 2023: first year achievements of our responsibility programme



TARGET 2023

**100% carbon-neutral
own production**

Alternatives as
the carbon-neutral
energy solution at
Nokia mill



TARGET 2023

**Excellent employee
experience and
healthy lifestyle**

Nutrition training,
health events, value
workshops



TARGET 2023

**No plastic packaging,
100% recyclability**

Recycling instructions,
surveying and testing of
packaging materials



TARGET 2023

**80% of consumer
products healthy
alternatives**

Update of the healthy
food criteria, healthy
novelties



TARGET 2023

**Supply chain
responsibility and
commitment to human
rights**

Commitment to the Raisio
Code of Conduct, training
on human rights

Consolidated income statement 1/2 (p. 26)

(EUR million)	Note	1-12/2019	1-12/2018
NET SALES	2.2.1	236.3	228.2
Cost of sales		-169.3	-161.0
Gross profit		67.0	67.3
Sales and marketing expenses		-23.9	-37.1
Administration expenses		-12.3	-12.7
Research and development expenses		-4.2	-2.9
Other income and expenses from business operations	9.1.1	0.7	2.0
EBIT		27.3	16.6
Financial income	5.1	2.9	1.4
Financial expenses	5.1	-1.7	-2.2

Consolidated income statement 2/2 (p. 26)

(EUR million)	Note	1-12/2019	1-12/2018
EBIT		27.3	16.6
Financial income	5.1	2.9	1.4
Financial expenses	5.1	-1.7	-2.2
RESULT BEFORE TAXES		28.5	15.7
Income taxes	6.1	-2.9	-3.7
RESULT FOR THE FINANCIAL PERIOD		25.5	12.1
ATTRIBUTABLE TO:			
Equity holders of the parent company		25.5	12.1
Non-controlling interests			
		25.5	12.1
EARNINGS PER SHARE CALCULATED FROM THE RESULT OF EQUITY HOLDERS OF THE PARENT COMPANY			
Earnings per share (EUR)	7.3		
Undiluted earnings per share		0.16	0.08
Diluted earnings per share		0.16	0.08

Consolidated balance sheet 1/3 (p. 26)

(EUR million)	Note	31.12.2019	31.12.2018
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4.1	33.5	33.3
Goodwill	4.3	48.5	46.1
Tangible assets	4.5.1	51.1	35.1
Equity investments	4.7	3.0	2.2
Deferred tax assets	6.2	4.9	2.3
		140.9	118.9
CURRENT ASSETS			
Inventories	4.8	37.6	34.9
Accounts receivable and other receivables	5.3.2	30.3	28.0
Derivative contracts	5.3.4		0.3
Financial assets at fair value through profit or loss	5.3.4	81.4	89.0
Cash in hand and at banks	5.3.5	18.3	53.1
		167.6	205.5
TOTAL ASSETS		308.5	324.4

Consolidated balance sheet 2/3 (p. 26)

(EUR million)	Note	31.12.2019	31.12.2018
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	7.1		
Equity attributable to equity holders of the parent company			
Share capital		27.8	27.8
Premium fund		2.9	2.9
Reserve fund		88.6	88.6
Invested unrestricted equity fund		8.0	8.9
Other funds		-1.3	-1.6
Company shares		-19.8	-19.8
Translation differences		-14.8	-19.8
Retained earnings		179.7	177.7
		271.3	264.8
TOTAL SHAREHOLDERS' EQUITY		271.3	264.8

Consolidated balance sheet 3/3 (p. 26)

(EUR million)	Note	31.12.2019	31.12.2018
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	6.2	5.3	4.0
Provisions	9.1.2	1.2	1.1
Non-current financial liabilities	5.3.6	0.3	0.1
		6.9	5.2
Current liabilities			
Accounts payable and other liabilities	5.3.7	28.5	30.4
Tax liability based on the taxable income for the period	6.1	0.8	1.0
Provisions	9.1.2		
Derivative contracts		0.3	0.0
Current financial liabilities		0.8	22.9
		30.4	54.4
TOTAL LIABILITIES		37.3	59.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		308.5	324.4

Parent company income statement (p. 73)

(EUR)	Note	1.1.–31.12.2019	1.1.–31.12.2018
NET SALES		1,491,974.22	1,587,333.42
Other income from business operations		1,839.10	35,647,980.86
Personnel expenses	1.	-4,055,239.47	-4,969,863.49
Depreciation and write-downs	2.	-18,840.65	-17,868.07
Other expenses from business operations	3.	-1,683,172.97	-3,144,700.74
PROFIT (LOSS)		-4,263,439.77	29,102,881.98
Financial income and expenses	4.	+33,180,327.98	-474,168.58
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		28,916,888.21	28,628,713.40
Appropriations	5.	+12,589,249.38	+18,186,653.86
Income taxes	6.	-1,587,442.72	-2,479,807.02
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		39,918,694.87	44,335,560.24

Parent company balance sheet 1/2 (p. 74)

(EUR)	Note	31.12.2019	31.12.2018
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7.	46,036.55	48,101.12
Tangible assets	7.	381,396.15	392,933.45
Holdings in Group companies	8.	198,893,029.60	198,893,028.60
Receivables from Group companies	8.		1,730,000.00
Other investments	8.	944,978.29	930,498.29
		200,265,440.59	201,994,561.46
CURRENT ASSETS			
Current receivables	9.	26,729,857.26	37,920,356.87
Securities under financial assets	10.	80,077,447.08	88,989,312.31
Cash in hand and at banks		12,582,230.21	47,254,576.31
		119,389,534.55	174,164,245.49
TOTAL ASSETS		319,654,975.14	376,158,806.95

Parent company balance sheet 2/2 (p. 74)

(EUR)	Note	31.12.2019	31.12.2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY	11.		
Share capital		27,776,072.91	27,776,072.91
Premium fund		2,908,045.06	2,908,045.06
Reserve fund		88,586,879.98	88,586,879.98
Invested unrestricted shareholders' equity fund		18,661,145.47	18,661,145.47
Retained earnings		59,916,468.78	40,593,170.37
Profit for the financial period		39,918,694.87	44,335,560.24
		237,767,307.07	222,860,874.03
ACCUMULATED APPROPRIATIONS	12.	19,448.48	23,697.86
LIABILITIES			
Current liabilities	13.	81,868,219.59	153,274,235.06
		81,868,219.59	153,274,235.06
TOTAL LIABILITIES AND SHREHOLDERS' EQUITY		319,654,975.14	376,158,806.95

The background of the slide is a photograph of a lush green oat field. The oat stalks are tall and full of green leaves and developing grain heads, reaching towards a clear blue sky with some light clouds. The perspective is from within the field, looking slightly upwards.

Food for Health, Heart and Earth.