

## Raisio plc Annual General Meeting 26 March 2015

Matti Rihko, CEO

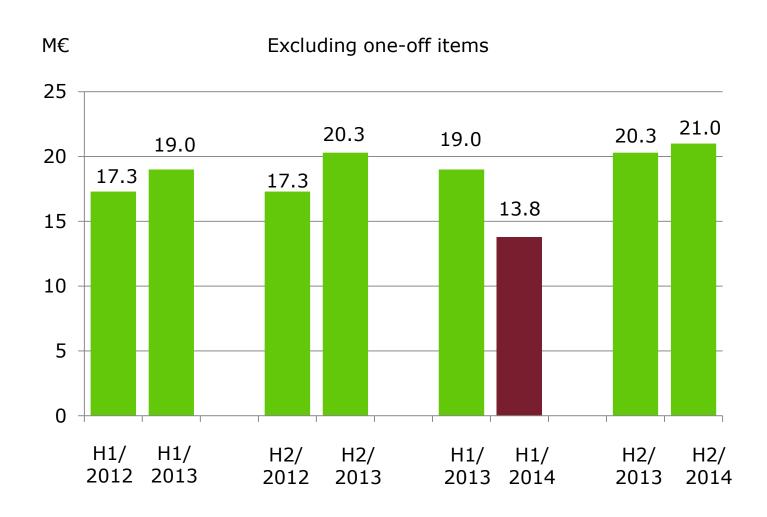


## Group EBIT development



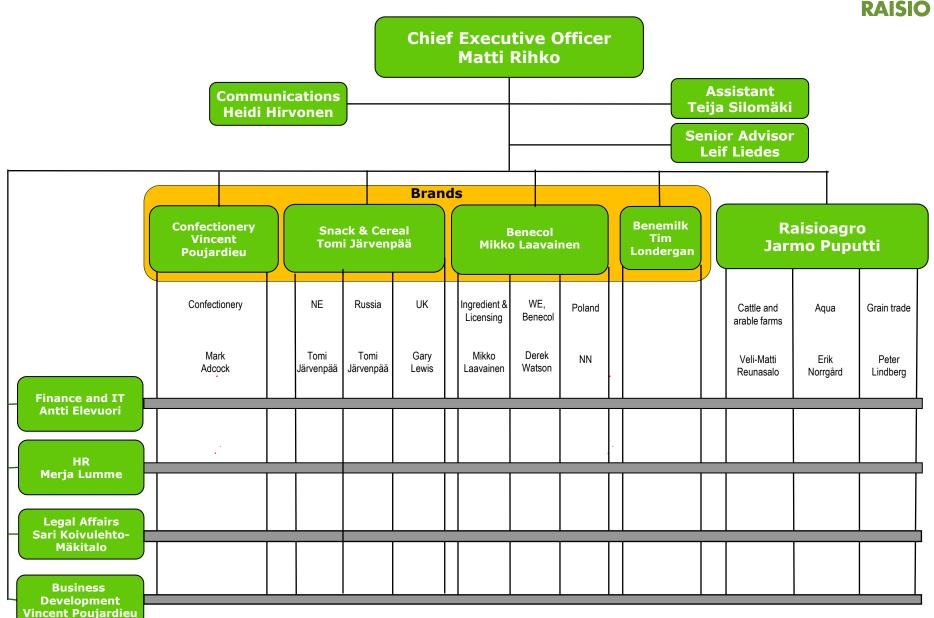


## The Group's half-year EBIT



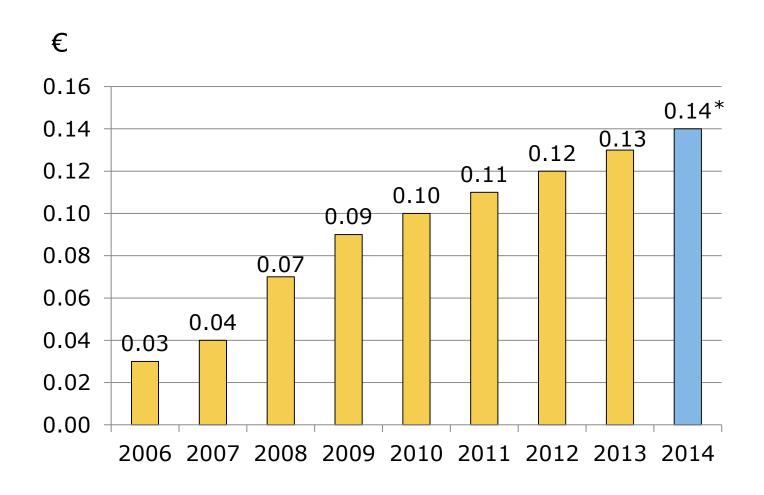
## Raisio Group organization







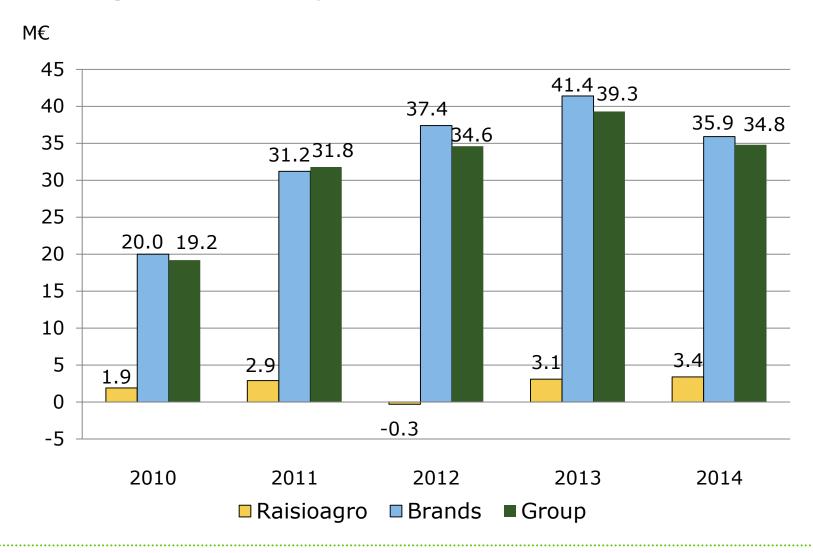




## Group EBIT 2010-2014

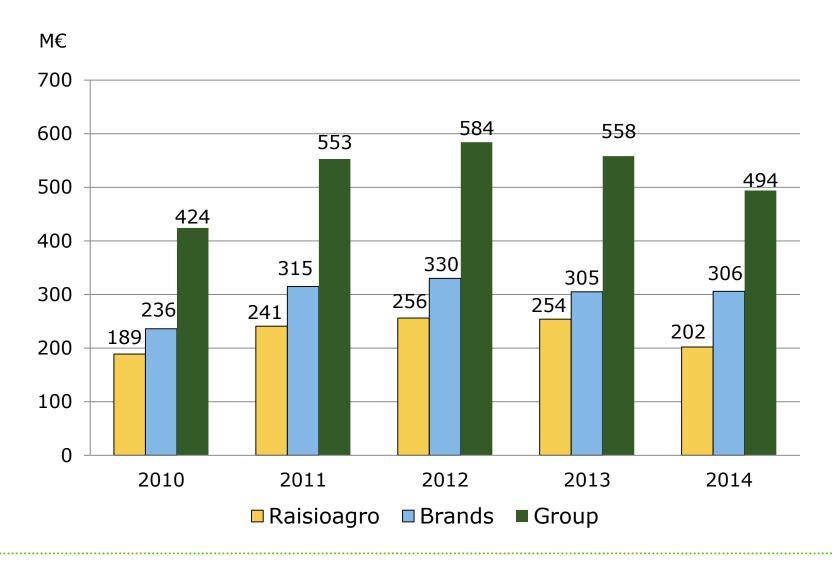


(Excluding one-off items)





## Group net sales 2010-2014





## Key figures, result

		2014	2013
Net sales	M€	493.9	557.6
Change in net sales	%	-11.4	-4.5
EBIT	M€	34.8	39.3
EBIT	%	7.0	7.1
Depreciation and impairment	M€	14.6	14.9
EBITDA	M€	49.5	54.3
Net financial expenses	M€	-1.5	-1.8
Earnings per share (EPS)	€	0.18	0.20



## Key figures, balance sheet

		2014	2013
Equity ratio	%	60.2	68.2
Gearing	%	22.2	-8.6
Net-interest bearing debt	M€	72.2	-28.5
Equity per share	€	2.07	2.13
Dividend/share	€	0.14*	0.13
Gross investments**	M€	104.9	16.5
Market capitalisation***	M€	656.8	683.1
Enterprise value	M€	728.9	654.6
EV/EBITDA		14.7	12.1

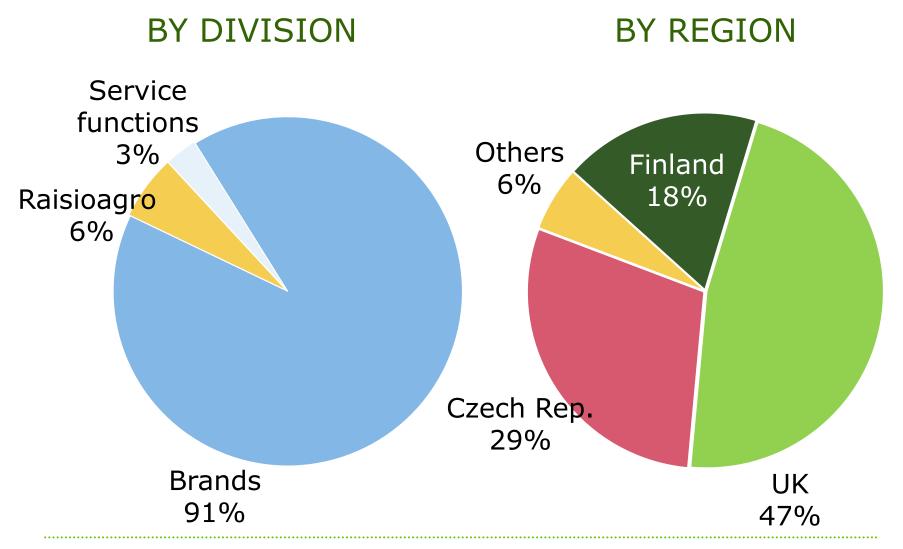
<sup>\*</sup> The Board's dividend proposal

<sup>\*\*</sup> Including acquisitions

<sup>\*\*\*</sup> Excluding the shares held by the company



## Raisio's personnel almost 1,900









## Brands 2014

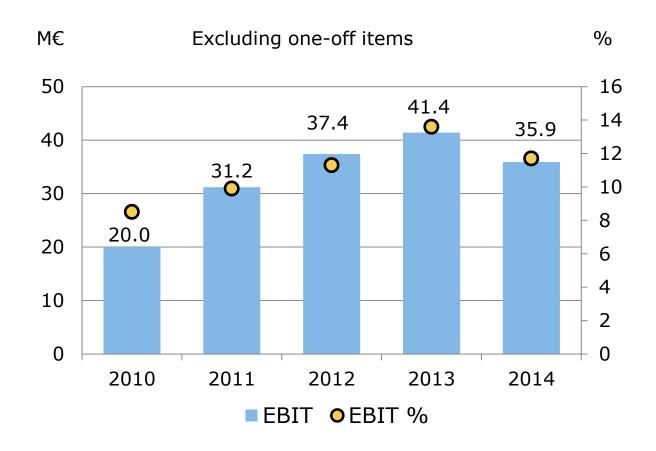






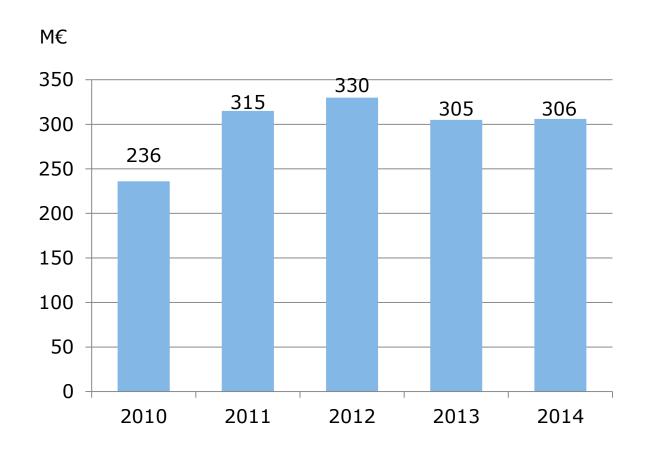


#### Brands Division's EBIT





#### Brands Division's net sales





# Consumer Brands 2014, Western Europe

- Confectionery sales at the comparison period's level, EBIT improved
- Net sales of UK Cereals and Snacks business decreased due to declined sales of Honey Monster cereals
- EBIT of UK Cereals and Snacks business negative and clearly weaker than in 2013
- At the end of 2014, the Newport snack bar factory delivered positive EBIT in five consecutive months, excluding one-off items

Newport's production transfer completed







- Comparable net sales for Northern European operations increased and profitability improved
- Sales in Elovena, Benecol and Provena products grew in Finland, as did the share of further processed products in the product range
- Improved manufacturing price competitiveness was shown in the growth of sales volume of catering and industrial products
- Product range is a good response to consumer trends
- Successful novelty launches

Sales growth in our main brands continued and profitability improved



## Consumer Brands 2014, Eastern Europe

- In Russia, sales volume in Nordic flakes increased despite the economic uncertainty
- Sales to Ukraine declined with stricter payment terms
- The consolidation of retail sector in Poland decreased sales volume of Benecol products

Benecol margarines, the market leader in Poland





RAISIO

- Business profitability at its ordinary good level
- Benecol launched in Brazil in November
- Steady demand for Benecol products, despite the continued big differences in sales development between different countries
- Sales in Benecol products grew in Finland, Spain, Indonesia and Hong Kong
- Benecol launched in South Korea in February 2015

The acquisition provides an opportunity to develop Benecol on our own terms



## RAISIO

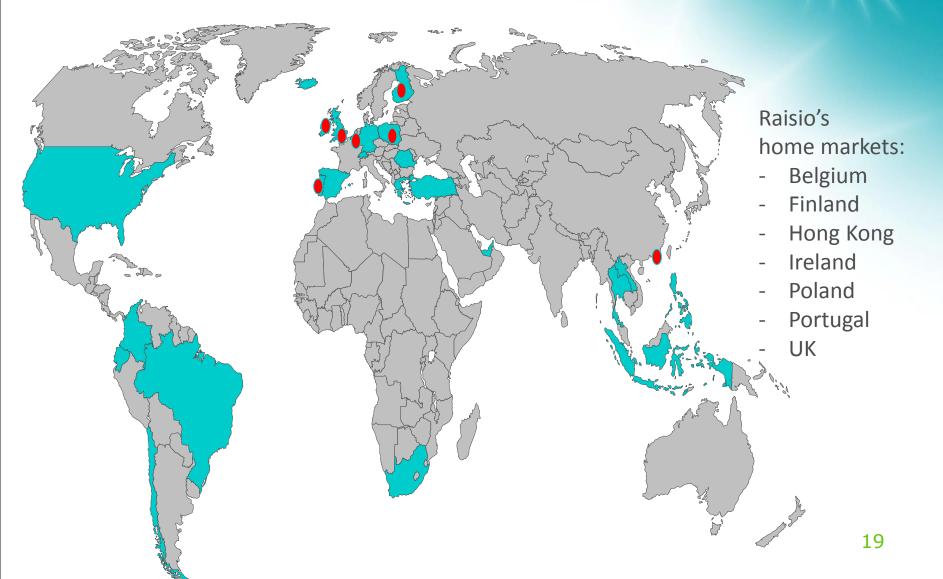
# Raisio acquired Johnson & Johnson's Benecol business

- The deal completed on 19 November 2014
- With the deal, Benecol business returned to Raisio in the UK, Ireland, Belgium and USA
- EBIT impact some 9 million euros annually
- J&J's Benecol net sales for 2013 almost 76 million euros
- Purchase price 88.5 million euros
- The acquisition meets Raisio's criteria on acquisitions



# Benecol products available in 30 countries, of which 7 are Raisio's home markets

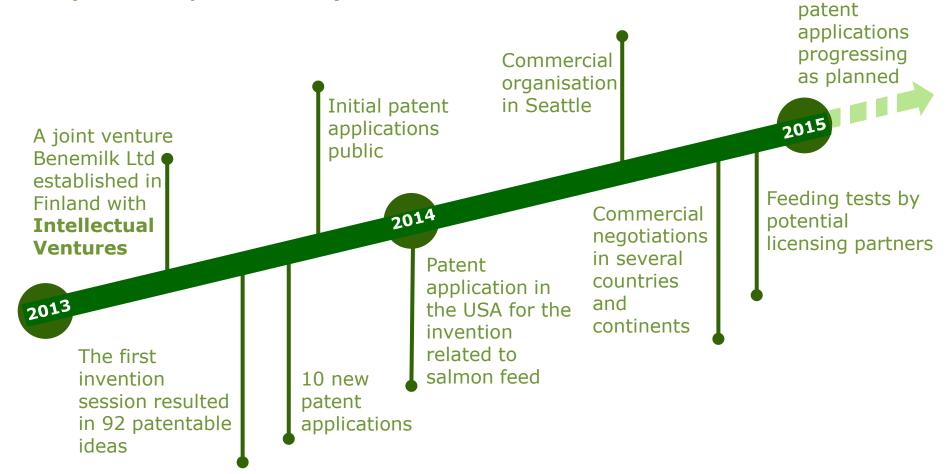




# International commercialisation of the Benemilk innovation (from April 2013)



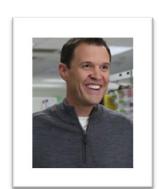
Processing of





#### Benemilk Ltd

- Benemilk Ltd entered a new phase with commercial organisation in Seattle
- PhD Tim Londergan, CEO
- PhD, JD Connie Wan, Chief Technology Officer
- JD Mark Handfelt, General Counsel











### Licensed brands, Benemilk

- Commercial negotiations continuing with several partner candidates in Asia, Europe, Oceania and North America
- The first feeding and production tests commissioned by partner candidates showed that testing and evaluation of results take a lot of time
- Patent applications are pending
- According to the best current estimate,
  the first Benemilk launches are possible already in 2015

international commercialization proceeding as planned

Benemilk's







# Raisioagro using its special expertise, with focus on innovation

- Raisioagro focused on seeking growth potential, enhancing operations and improving profitability
- Focus areas include Benemilk, cattle and fish feeds, grain trade, grass farming and online store
- Production of pig and poultry feeds at the Raisio-based plant ended at the end of September 2014
- Oil milling business terminated at the end of 2014
- Raisioagro aims to be the leading operator in the agricultural sectors where success is based on innovations and expertise in feeding and plant cultivation

## Raisioagro 2014



- Termination of the pig and poultry feed production improved relative profitability and a total of EUR 10 million in working capital was released
- One-off items -12.3 million euros

 Return on capital employed was raised above 10% as a result of more rapid turnover of capital

 Benemilk feed sales account for some 10% of Finnish dairy cattle feeds and for some 20% of Raisioagro's cattle feeds

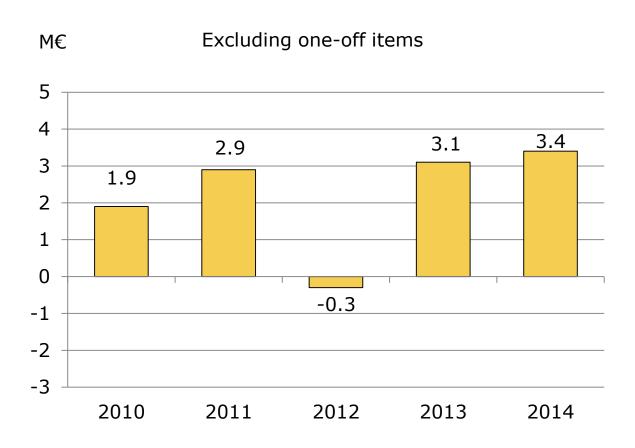
 Heat wave in midsummer weakened good fish feed sales, export to Northwest Russia increased

Innovations, feeding expertise and plant cultivation at the core of Raisioagro's strategy

Strong growth for online sales, product range was expanded

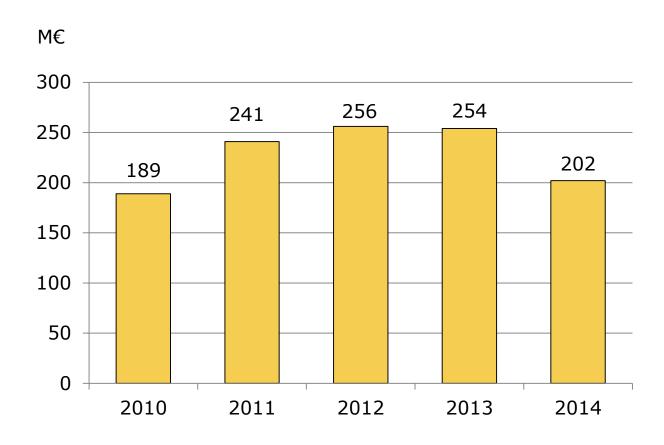


## Raisioagro's EBIT





## Raisioagro's net sales







## Scientific studies 2012–2014

 In addition to Finland, studies were conducted in Sweden, Holland and France



RAISIO agro

BENEMILK



# Scientific results, on average

- +2.6 kg of ECM
- +1.2 kg of milk
- +0.3 percentage points of fat
- +0.05 percentage points of protein
- +9 % better feed efficiency





## Long-term farm monitoring confirms the results of scientific studies

- 1,760 cows on farms of an average of 45 cows
- 100% of the farms: fat content increased
- 90% of the farms: protein content increased
- Extensive material shows: Important to use a recommended amount of Benemilk feed

ECM, kg/day		+2.6
Milk, kg/day		+1.1
Fat-%	111	+0.34
Protein-%		+0.09

Long-term monitoring of 12–24 months: Benemilk follow-up of 6–12 months was preceded by a feeding follow-up of 6–12 months. The follow-up was completed in 2014.





Scientific studies and farm monitoring prove the efficacy of Benemilk

+2.6 kg ECM/day/cow



RAISIO agro





