

# Raisio's Interim Report

July-September 2016

CEO Matti Rihko, Raisio plc

9 November 2016



# Highlights in Q3/2016

- Raisio's third best quarterly results ever
  - Weakened pound had a negative impact of over one million euros
- At comparable exchange rates, Raisio's EBIT\* is cumulatively ahead of last year
- Sales volume of Benecol spreads and minidrinks increased in the UK
- 12% sales growth for Elovena products was driven by novelties
- Raisioagro's EBIT 2.3 M€

\* Comparable EBIT



# Raisio Group 7-9/2016

- The Group's comparable EBIT 14.0 (16.0) M€
  - 13.6 (11.9)% of net sales
- Brands Division's comparable EBIT 11.1 (15.8) M€
  - 16.2 (16.5)% of net sales
- Raisioagro's EBIT 2.3 (1.3) M€
  - Improvement: +70%
- The Group's net sales 102.8 (134.5) M€
- Cash flow from business operations 16.3 (17.5) M€

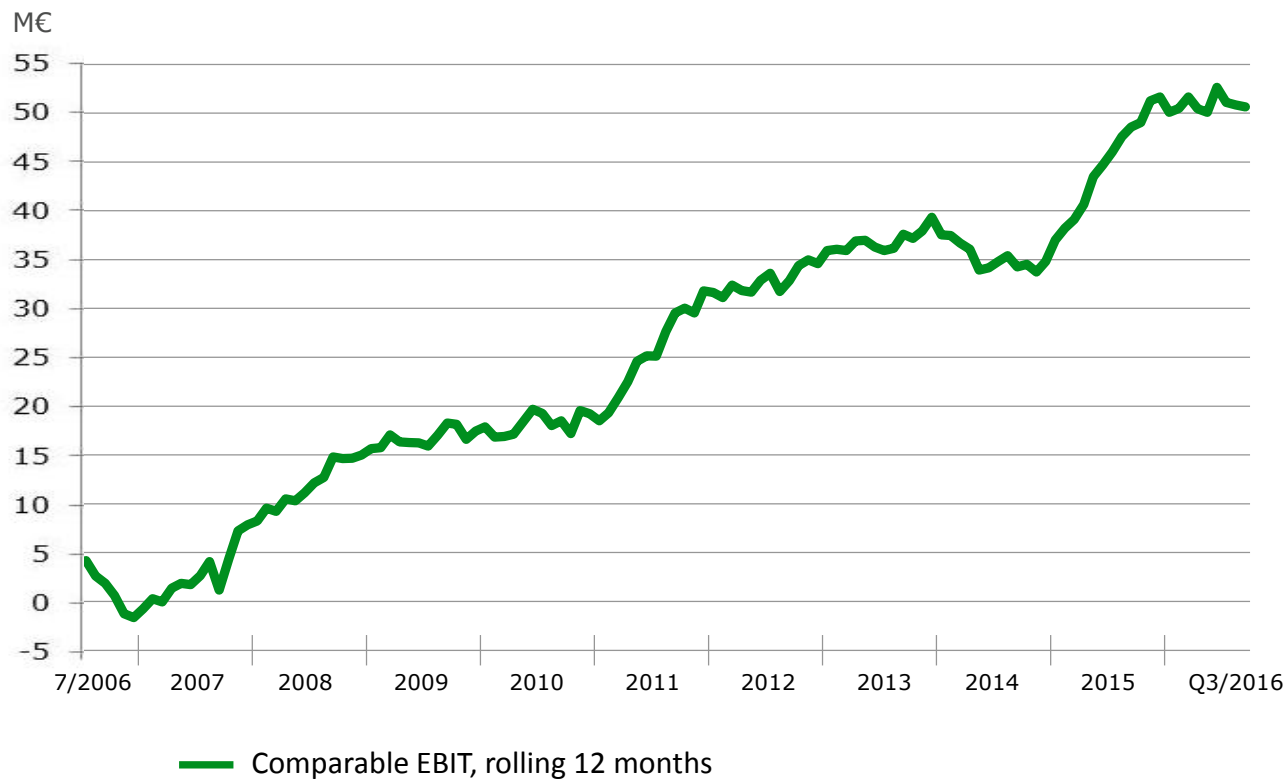


# Raisio Group 1-9/2016

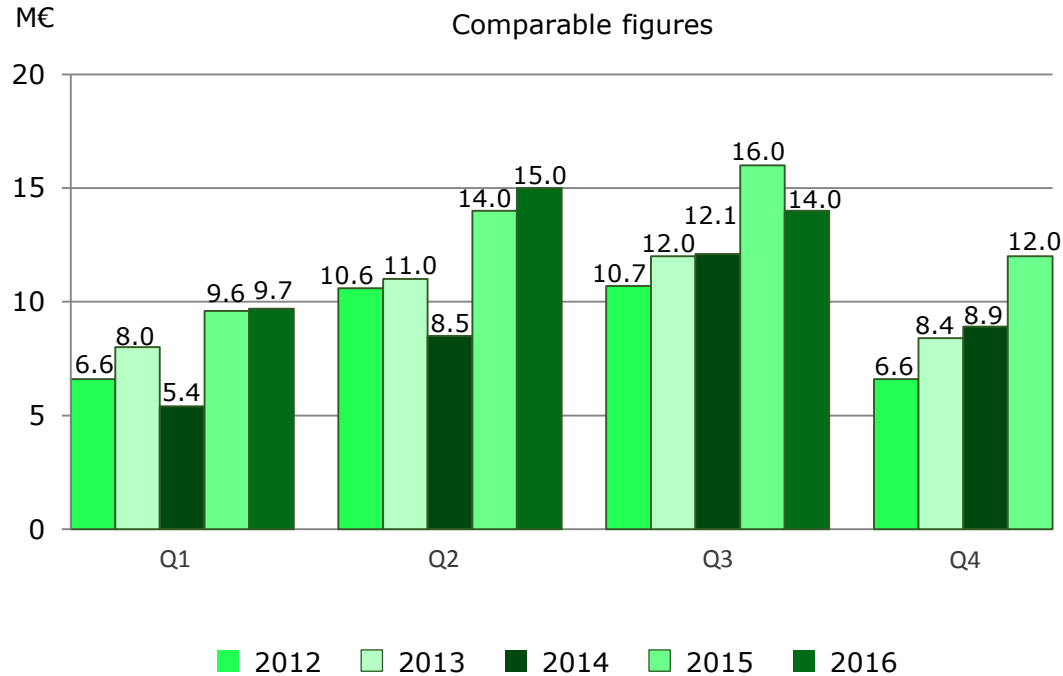
- The Group's comparable EBIT 38.7 (39.7) M€
  - 11.3 (10.0)% of net sales
- Brands Division's comparable EBIT 36.7 (41.4) M€
  - 14.9 (14.4)% of net sales
- Raisioagro's EBIT 3.7 (2.8) M€
  - 3.6 (2.4)% of net sales
- The Group's net sales 340.9 (398.5) M€



# Group EBIT



# Group EBIT by quarters



# Key figures, comparable income statement

		7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Net sales	M€	102.8	134.5	340.9	398.5	521.2
Change in net sales	%	-23.5	5.9	-14.4	6.0	5.5
EBIT	M€	14.0	16.0	38.7	39.7	51.7
EBIT	%	13.6	11.9	11.3	10.0	9.9
Depreciation and impairment	M€	-2.6	-3.5	-8.7	-13.0	-16.5
EBITDA	M€	16.6	19.5	47.3	52.7	68.1
Financial items	M€	-0.5	-0.7	-2.4	-1.6	-2.5
Earnings per share (EPS)	€	0.07	0.08	0.19	0.20	0.26

# Key figures, balance sheet

		1-9/ 2016	1-9/ 2015	2015
Equity ratio	%	63.1	60.3	62.3
Gearing	%	13.1	18.0	12.1
Net-interest-bearing debt	M€	39.8	61.7	42.2
Equity per share	€	1.93	2.18	2.23
Investments	M€	13.4	7.7	11.0



## Specified outlook for 2016

Raisio estimates its EBIT to exceed the 2015 level at comparable exchange rates, while comparable reported EBIT is expected to reach around 50 million euros due to uncertainty related to the development of the pound.

# Brands

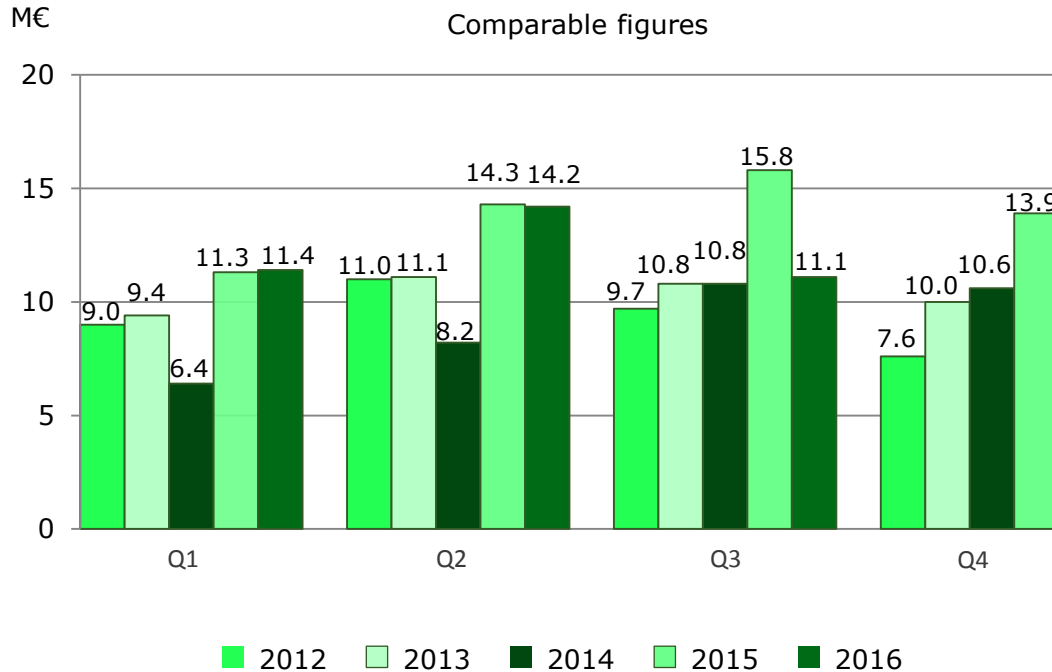




## Brands Division

		7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015
Net sales	M€	68.4	95.5	246.8	287.5
EBIT	M€	10.5	15.8	16.5	38.5
Items affecting comparability	M€	0.6	0.0	20.2	2.9
Comparable EBIT	M€	11.1	15.8	36.7	41.4
Comparable EBIT-%	%	16.2	16.5	14.9	14.4

# Brand Division's EBIT by quarters



# Healthy Snacks

- EBIT for Northern Europe improved slightly, net sales at the comparison period level
- Strong sales growth of 12% for Elovena products
- Positive EBIT of Eastern Europe at the comparison period level, increased net sales
- In the UK, Newport's snack bar business divested on 12 July, and Honey Monster brand's cereal sales transferred to a licensing partner on 1 July.





## Benefits of oats to new product groups

- Sales in Elovena product range has almost **tripled** in ten years
- Unique Elovena is at the heart of oat boom and growing snacking trend
- Extensive consumer study used in new product development, such as Elovena snack quarks and snack bars



# Benecol

- The British pound exchange rate resulted in a decrease of -0.8 M€ in Benecol's EBIT in euros
- Market share increased in the UK and Benecol took market share from competitors, both in spreads and minidrinks
- Soft Chew food supplement launched in Finland; available in the pharmacy channel



# Unique novelty: Benecol Soft Chew

- The first cholesterol-lowering soft, chewable food supplement
- Storage at room temperature
- A convenient way to lower cholesterol for example during the workday or while travelling
- New sales channel: online store at [www.oatletstore.com](http://www.oatletstore.com)



# Confectionery

- Solid demand for Czech-made soft gums continued
- Sales for confectionery made in the Czech Republic grew by over 10%
- Cumulatively, UK's EBIT in local currency at the comparison period level
  - The weakening pound decreased EBIT by -0.3 M€ in euros
- Nimbus sales increased by 10%



# Novelties in line with Raisio's strategy



# Raisioagro

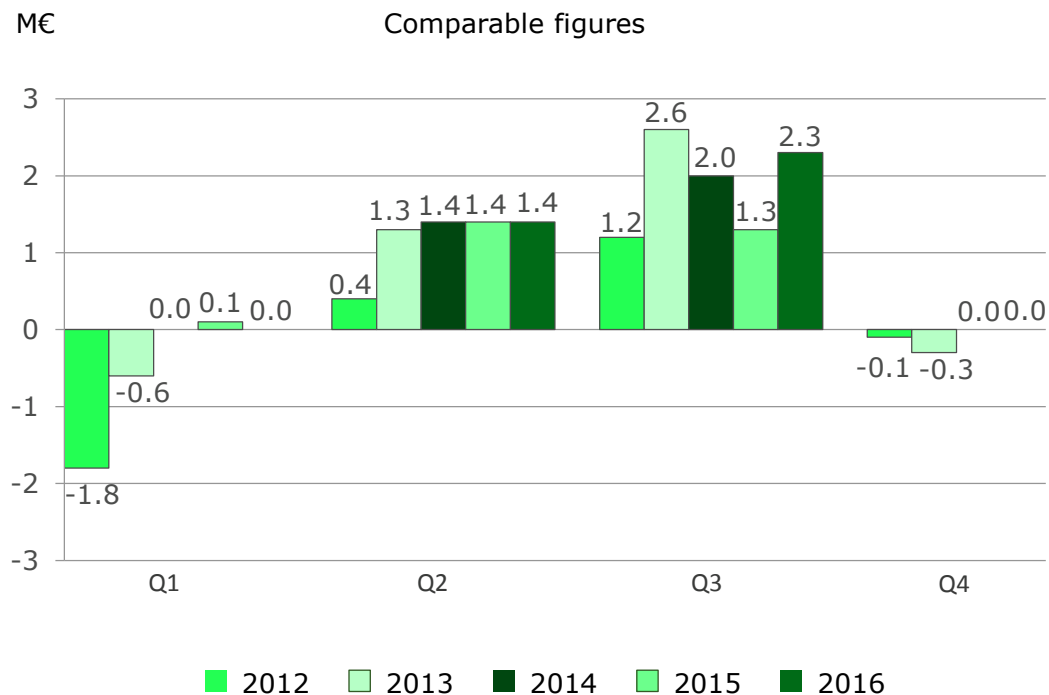




## Raisioagro

		7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015
Net sales	M€	37.1	40.3	101.8	117.6
EBIT	M€	2.3	1.3	3.7	2.8
Items affecting comparability	M€	0.0	0.0	0.0	0.0
Comparable EBIT	M€	2.3	1.3	3.7	2.8
Comparable EBIT-%	%	6.1	3.3	3.6	2.4

# Raisioagro'S EBIT by quarters



# Cattle feeds

- EBIT improved as a result of enhanced operations and the streamlined, extended product range
- The share of more affordable feeds in the product mix increased
- Benemilk feeds have an established user base and market position in Finland
- Milking robot monitoring (Tuotostutka®) optimises cattle feeding in real time, thus improving milk yields and ensuring animal health



## Fish feeds

- Profitability improved as a result of enhanced operations and increased sales volume
- Investment in innovations and sustainable development strengthened the market position
- All Raisioaqua feeds use the Baltic Blend innovation
- Benella fish to Kesko's selections
- Three new Benella products: packed fresh fillet, warm-smoked fillet and roe
- Contract farmer model for Benella fish; consumers get to know the farmer's name at the fish counter



# Baltic Blend innovation; less nutrients into the Baltic Sea

- Raisioaqua's Baltic Blend fish feed innovation reduces nutrient loads in the Baltic Sea
- Baltic herring and sprat used in feeds are processed from fish meal into rainbow trout



## Phosphorus and nitrogen loads in the Baltic Sea

### Before

Phosphorus 60,000 kg

Nitrogen 507,000 kg

### DIFFERENCE\*

**Phosphorus-75,000 kg**

**Nitrogen-377,000 kg**

### Now (Baltic Blend)

Phosphorus -15,600 kg

Nitrogen 130,000kg

\* With 100% market share

