

Raisio's Financial Statements 2016



CEO Jarmo Puputti
Raisio plc
13 February 2017

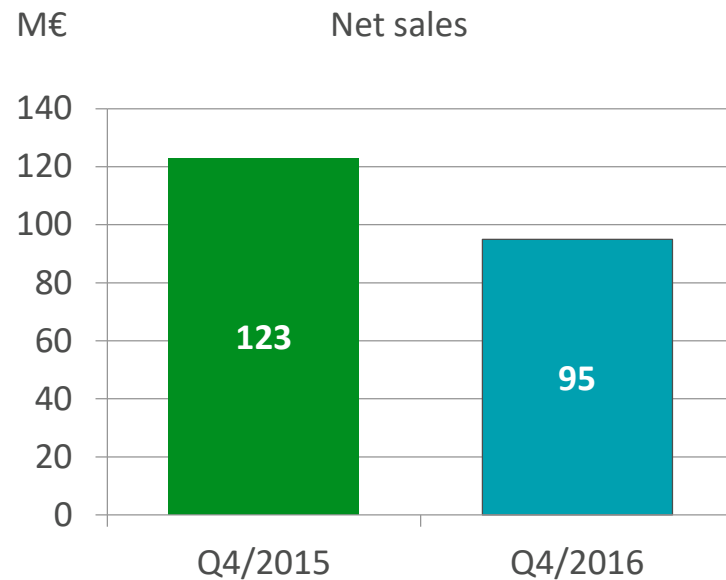
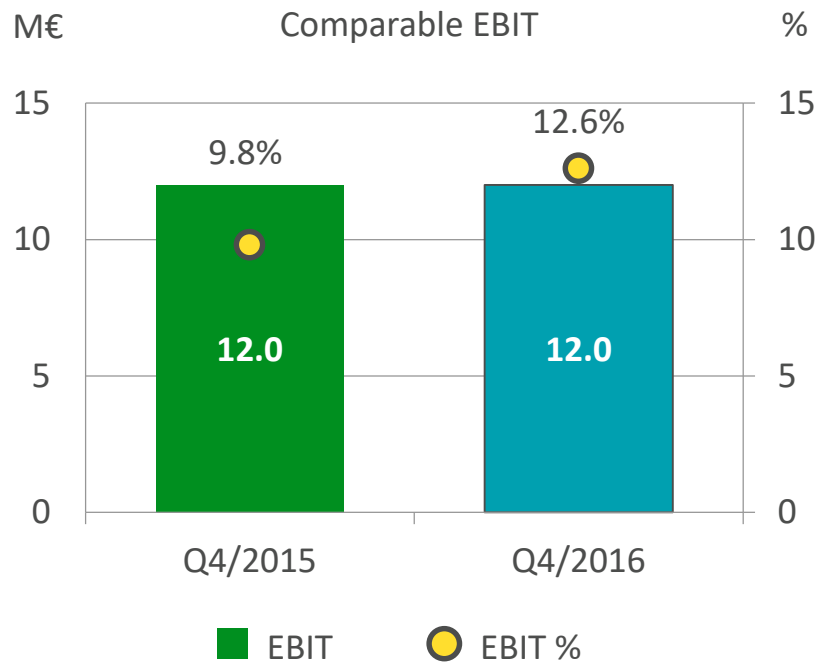


Raisio's Q4/2016 in brief

- EBIT* 12.0 (12.0) M€
 - EBIT* 12.6 (9.8) % of net sales
- Net sales 95.4 (122.7) M€
 - Net sales change -22%
- Exchange rates had a negative impact on net sales and EBIT
- Raisio and Vaasan launched cooperation on the procurement of Finnish rye

Net sales		Q4/ 2016	Q4/ 2015
Brands Division	M€	73.3	97.6
Healthy Snacks	M€	17.2	32.0
Benecol	M€	31.4	37.3
Confectionery	M€	24.8	28.5
Raisioagro Division	M€	24.7	28.3
Total	M€	95.4	122.7

Group EBIT and net sales Q4



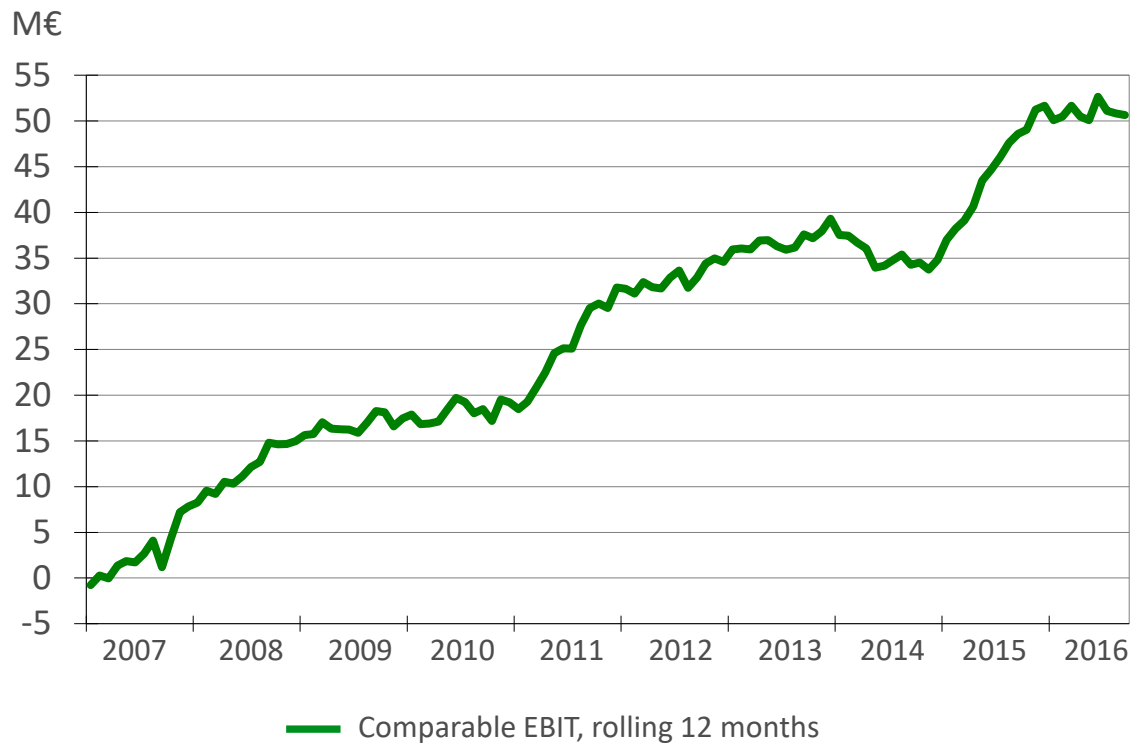
Raisio's 2016

- EBIT* 50.7 (51.7) M€
 - EBIT* 11.6 (9.9) % of net sales
- Net sales 436.3 (521.2) M€
 - Net sales change -16%
- Impact of the British pound on EBIT -3 M€ and on net sales -20 M€
- Raisio's relative profitability improved
- Comparable return on equity improved to 11.6%
- Raisio divested its UK snack business

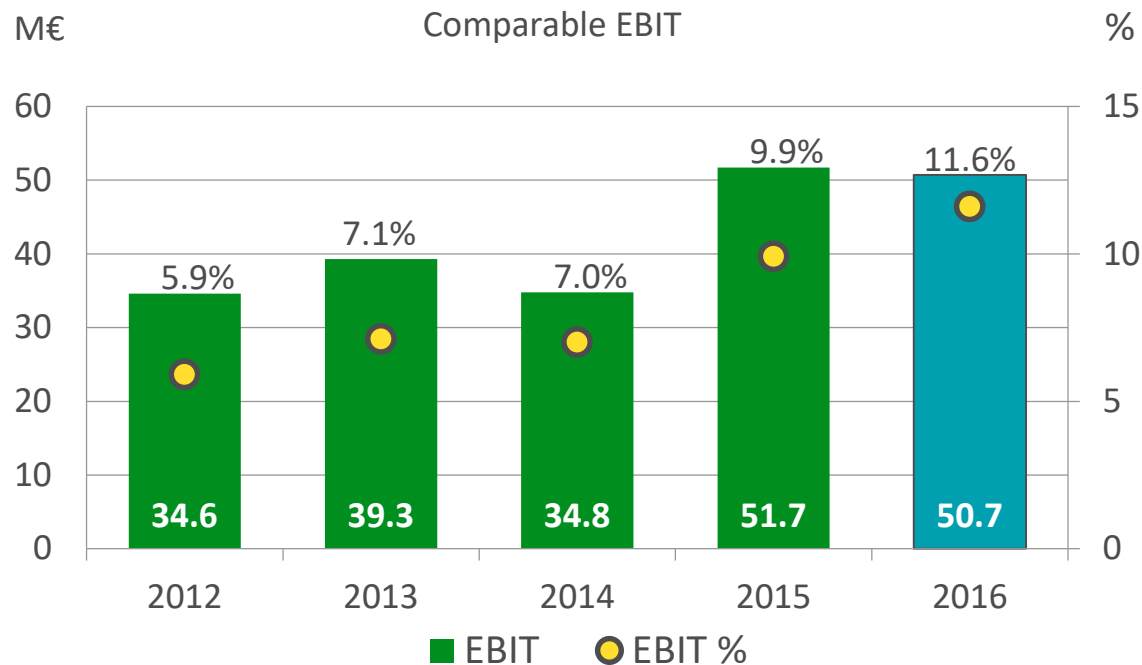
*Comparable EBIT



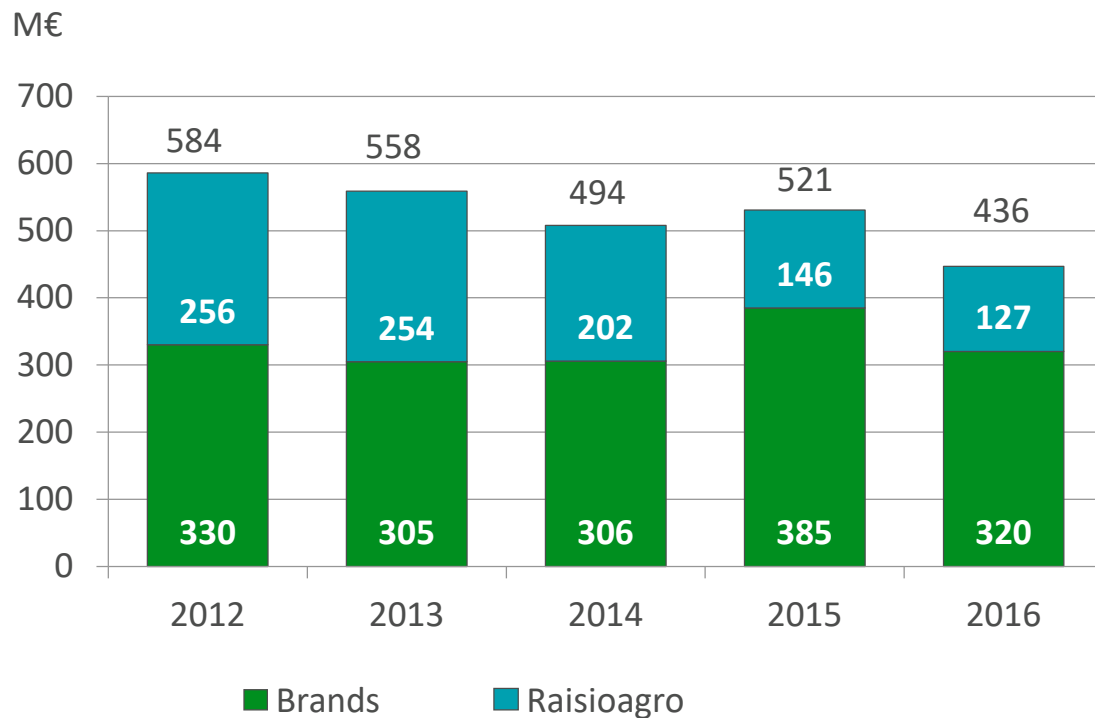
Group EBIT 2007-2016



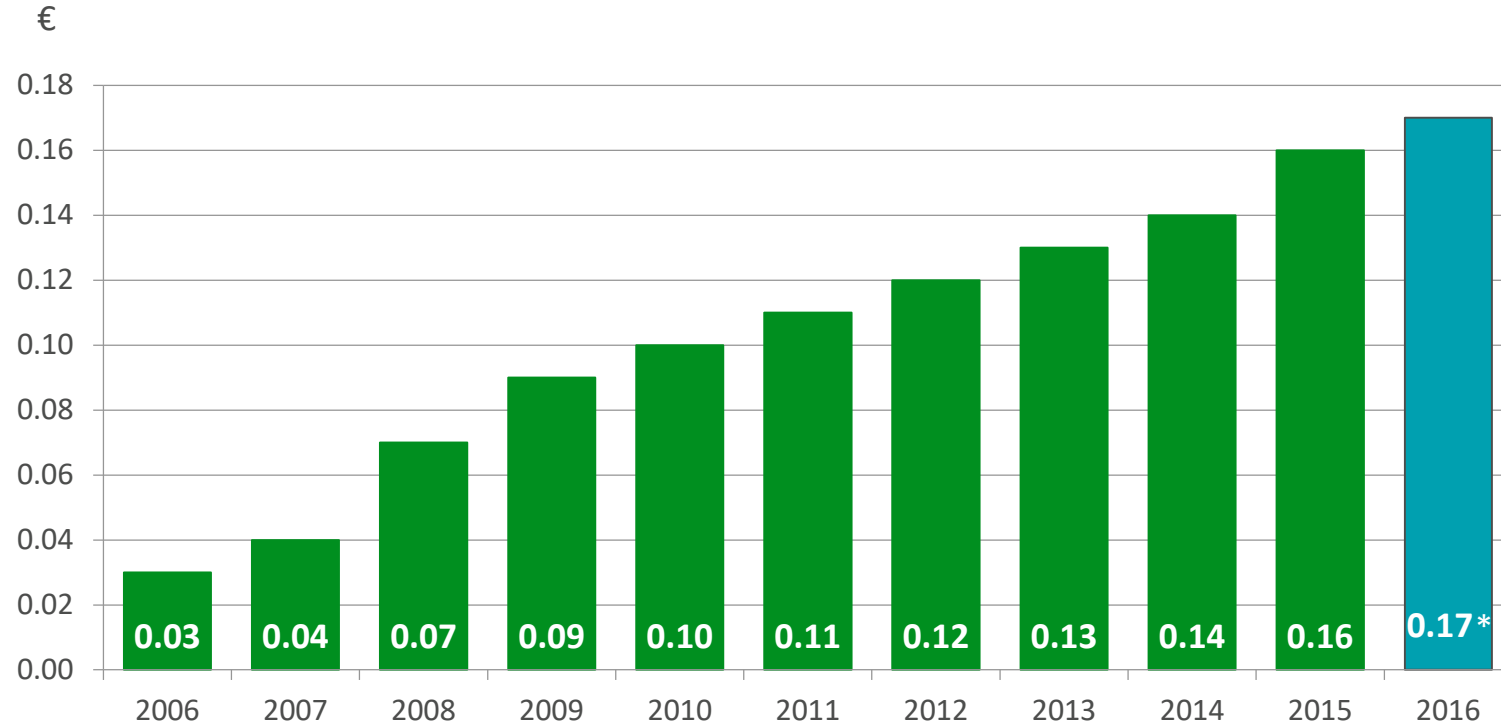
Group EBIT 2012-2016



Group net sales 2012-2016



Great dividend history



*The Board's dividend proposal

Key figures, comparable income statement

		Q1/ 2016	Q2/ 2016	Q3/ 2016	Q4/ 2016	Q4/ 2015	2016	2015
Net sales	M€	114.0	124.1	102.8	95.4	122.7	436.3	521.2
Change in net sales	%	-6.9	-12.3	-23.5	-22.3	4.2	-16.3	5.5
EBIT	M€	9.7	15.0	14.0	12.0	12.0	50.7	51.7
EBIT	%	8.5	12.1	13.6	12.6	9.8	11.6	9.9
Depreciation and impairment	M€	-3.1	-3.1	-2.6	-2.6	-3.5	-11.3	-16.5
EBITDA	M€	12.7	18.1	16.6	14.6	15.4	62.0	68.1
Financial items	M€	-0.9	-0.9	-0.5	0.2	-1.0	-2.2	-2.5
Earnings per share (EPS)	€	0.05	0.07	0.07	0.06	0.06	0.25	0.26

Key figures, balance sheet

		2016	2015
Equity ratio	%	66.8	62.3
Gearing	%	8.5	12.1
Net-interest-bearing debt	M€	26.7	42.2
Equity per share	€	1.99	2.23
Dividend per share	€	0.17*	0.16
Investments	M€	18.3	11.0

*The Board's dividend proposal to AGM

Raisio renewing its strategy

- The Board initiated work to renew the Group's strategy
- New strategy will be completed in spring 2017
- Key theme is to turn net sales for the Brands Division back to growth path
- In 2017, Raisio will enhance its operational activities and invest in brand strengthening and in expansion into new product segments and markets



Brands



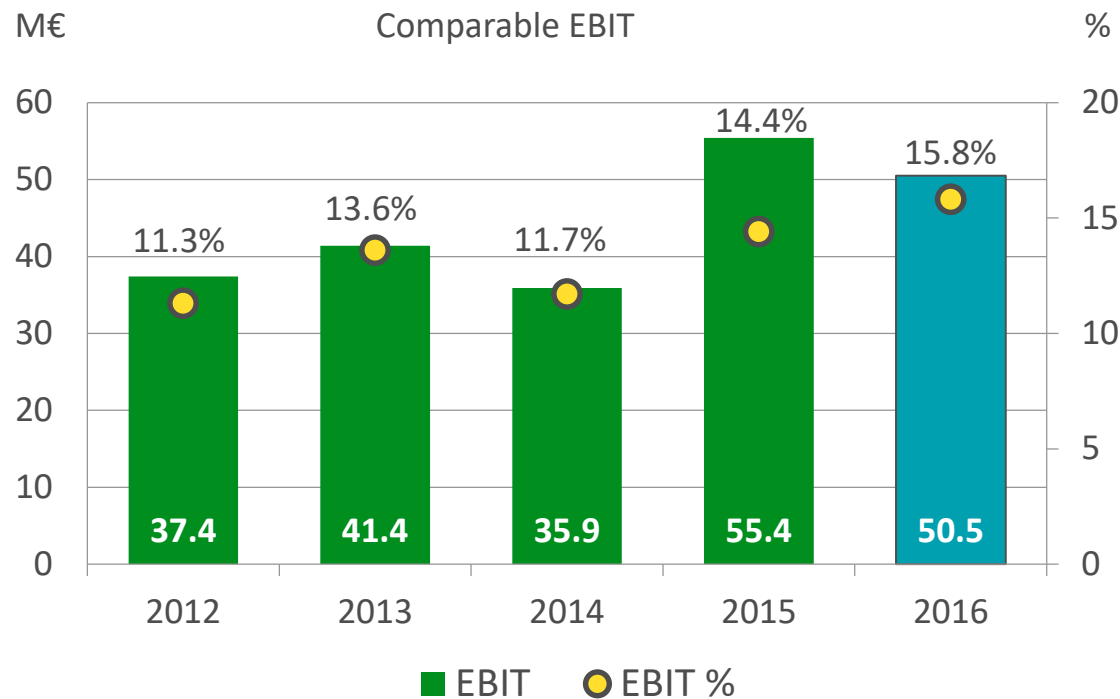


Brands 2016

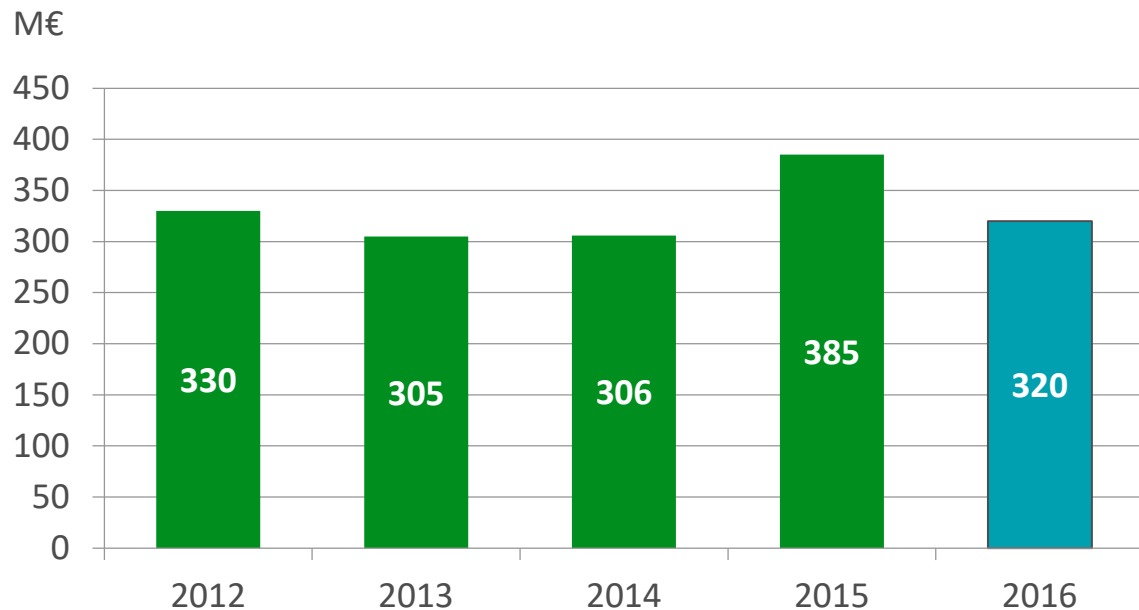
- EBIT* 50.5 (55.4) M€
 - EBIT* 15.8 (14.4) % of net sales
- Net sales 320.1 (385.1) M€
 - Net sales change -17%
- Brands Division's key challenge: organic growth

Net sales		2016	2015
Healthy Snacks	M€	95.4	138.9
Benecol	M€	124.6	140.3
Confectionery	M€	100.2	105.4
Benemilk	M€	0.4	0.0
Total	M€	320.1	385.1

Brand Division's EBIT 2012-2016



Brand Division's net sales 2012-2016



Benecol

- EBIT at the comparison period level
 - Negative impact of exchange rate volatility and price increases of wood-based sterols used as raw material for plant stanol ester
- Net sales decreased due to volatility in exchange rates and in consumer product sales in home markets
- In UK, Benecol's market share strengthened
- Sales of Benecol ingredient to licensing partners grew, particularly in Asia



Benecol Soft Chew available in five countries

- Available in Finland, Poland, Ireland, Belgium and Holland
- The first cholesterol-lowering soft, chewable food supplement
- Storage at room temperature
- A convenient way to lower cholesterol, e.g. during the workday or while travelling
- New sales channels: pharmacies and online store www.oatletstore.com



Healthy Snacks

- In Finland, retail sales at the comparison year level
- New Elovena snacks sold well
 - Sales of snack biscuits tripled in six years
- Focus on brand renewals
- In Russia, EBIT remained clearly positive
 - Sales volume in flakes decreased due to price increases
- The UK's unprofitable snack bar business divested on 12 July and Honey Monster brand licensed from 1 July



Nalle brand renewed

- Traditional brand positioned as the favourite of families with children
- Healthy and tasty breakfast and snack products
- "Good for kids, but I'll have some myself"



Confectionery

- Net sales for the Czech operations increased by almost 15%: while net sales for the whole confectionery business declined
 - Sales growth in Pedro brand continued in the Czech Republic
- Producer of inclusions and toppings Nimbus showed increased sales
- EBIT down from the comparison year
 - Czech operations account for almost 50% of EBIT
- Continued challenges at the UK Leicester plant





Benemilk

- Patents granted for Benemilk feeds and their production method in Finland and New Zealand at the end of 2016
- Benemilk Ltd's activities to internationally commercialise the innovation were significantly reduced in the autumn 2016
- Seattle office closed
- Benemilk feeds have an established market position in Finland. Exports to Russia on the rise

Raisioagro

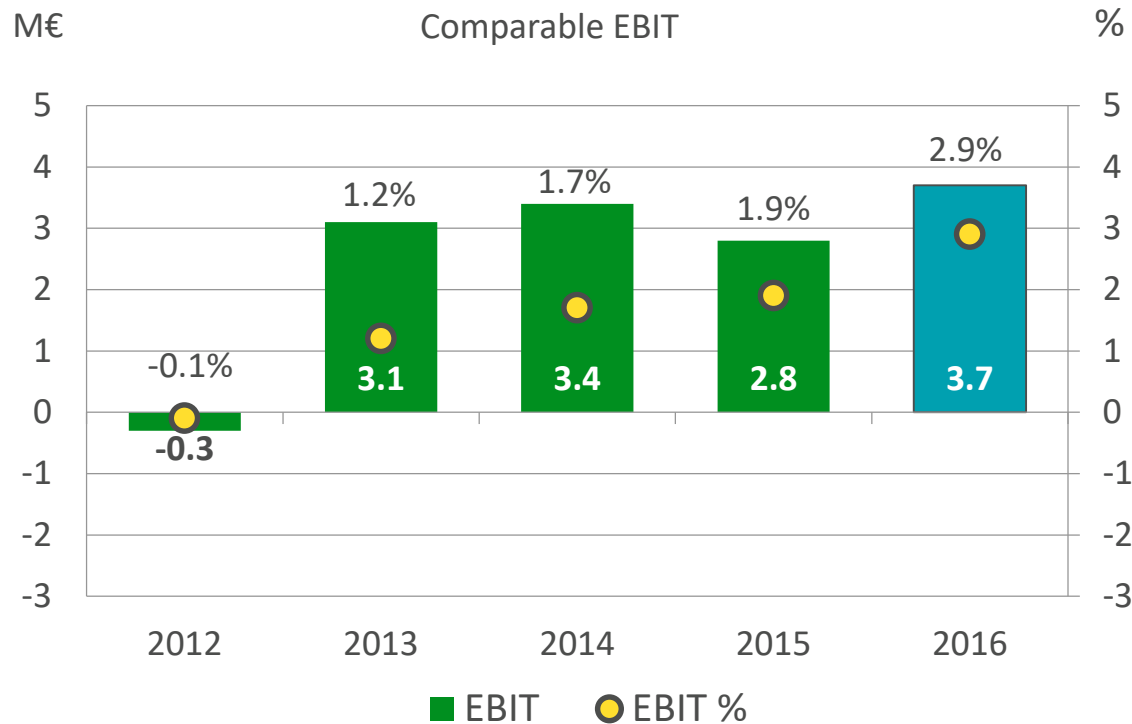


Raisioagro 2016

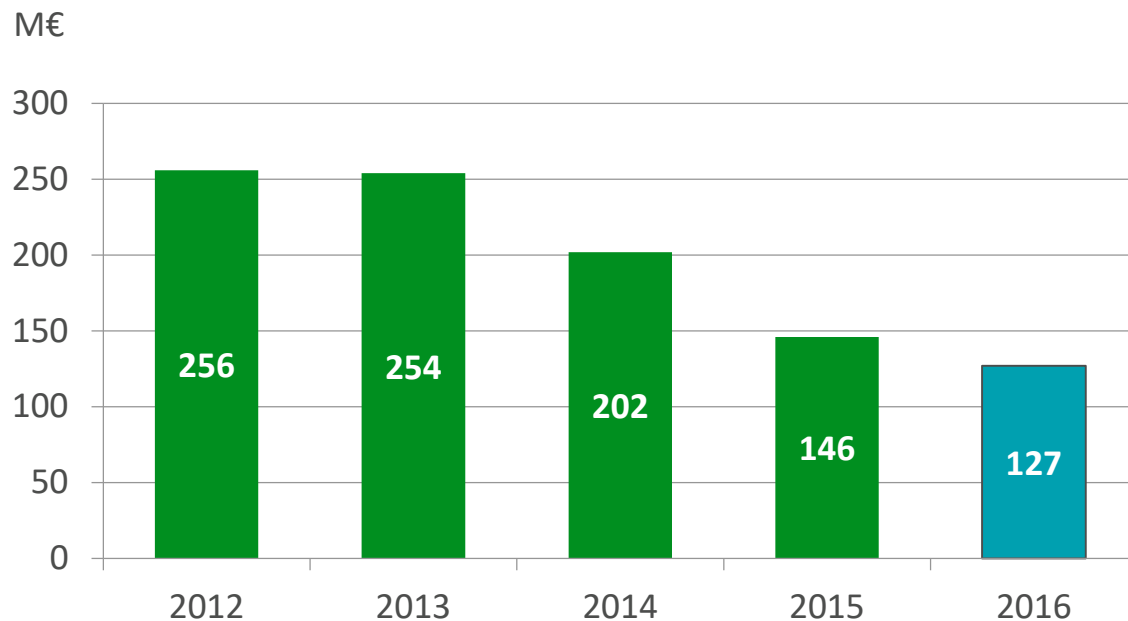
- EBIT 3.7 (2.8) M€
 - EBIT +0.9 M€
 - EBIT 2.9 (1.9) % of net sales
- Net sales 126.6 (145.9) M€
 - Net sales change -13%
- Average return on capital employed 11.4%
- Net working capital decreased by almost 50%



Raisioagro's EBIT 2012-2016



Raisioagro's net sales 2012-2016

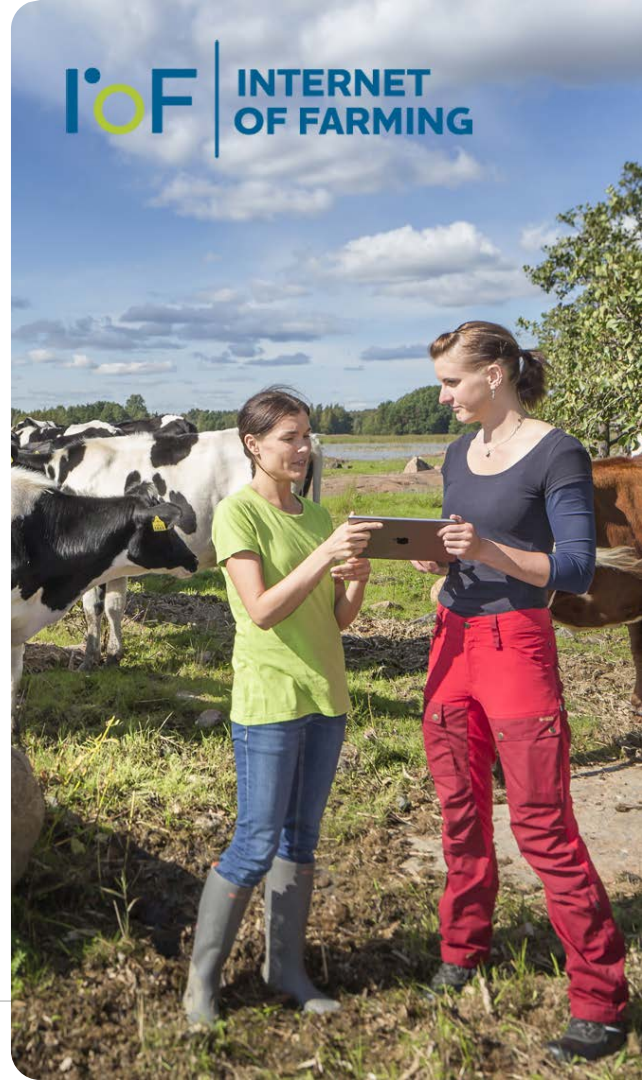


Internet of Farming and feeding expertise raising the milk farm productivity

- Milking robot monitoring (Tuotostutka®) is Raisioagro's first service for dairy farms. It processes the data of milking robots into profit
 - 130 farms involved
 - Milk yields grown by an average of 6%
- New OMA feeding service model is based on the farmer's own farming and feeding practices



TUOTOSUTKA
LYPSYROBOTTISEURANTA



IoF | INTERNET
OF FARMING

Fish feeds

- Raisioaqua is the only Finnish fish feed producer
- Share of exports approx. 60%
- Baltic Blend feeds launched in summer 2016
 - Raw material: fishmeal and oil made from Baltic herring and sprat fished from the Baltic Sea and processed in Finland
 - Nutrient emissions from fish farming decreased significantly
 - Baltic Sea nutrients recycled
- Benella's sales season started in September





Benella is the pioneer of the Northern bioeconomy

- Sustainable development, innovativeness and new business model placed Benella on the pioneer list of The Nordic Council of Ministers "Nordic bioeconomy – 25 cases for sustainable change"
- Sales network expanded significantly
 - Available in selections of Ruokakesko and Stockmann
- Innovation of the Year' finalist in the Golden Pepper competition for the food sector organised by a well-known Finnish newspaper Iltalehti



Guidance 2017

In 2017, Raisio will invest in brands, product concepts, sales and marketing and in the enhancement of its operations. This will pave the way for future growth and success.

Raisio estimates its comparable EBIT for 2017 to fall slightly short of comparable EBIT for 2016.

Exchange rates will continue to significantly affect Raisio's EBIT.