

Raisio's Interim Report January-March 2017

CEO Jarmo Puputti

Raisio plc

10 May 2017



Raisio Group



ECOLOGICAL FORERUNNER

Listed on the Helsinki 
STOCK EXCHANGE

10 consecutive years of
DIVIDEND GROWTH

Operations
in **12**
countries


1,400
employees

Net sales
2016 **436** M€

EBIT
2016 **51** M€*

* comparable EBIT



NATURALLY
healthier snacks



An INTERNATIONAL
success story

RAISIOconfectionery

GENUINE TASTE
and familiar brands

RAISIOagro

An INNOVATIVE
growth inspirer

Raisio Q1/2017 in brief

- Group EBIT* 10.6 (9.7) M€
 - 11.4 (8.5)% of net sales
- Group net sales 92.5 (114.0) M€
- Divestment of the loss-making UK snack bar business decreased net sales and improved profitability
- Brands Division EBIT 12.0 (11.4) M€
 - 16.6 (12.6)% of net sales
- Organic growth for Healthy Snacks business
- Czech confectionery showed a good performance
- Raisioagro EBIT -0.3 (0.0) M€

* Comparable EBIT

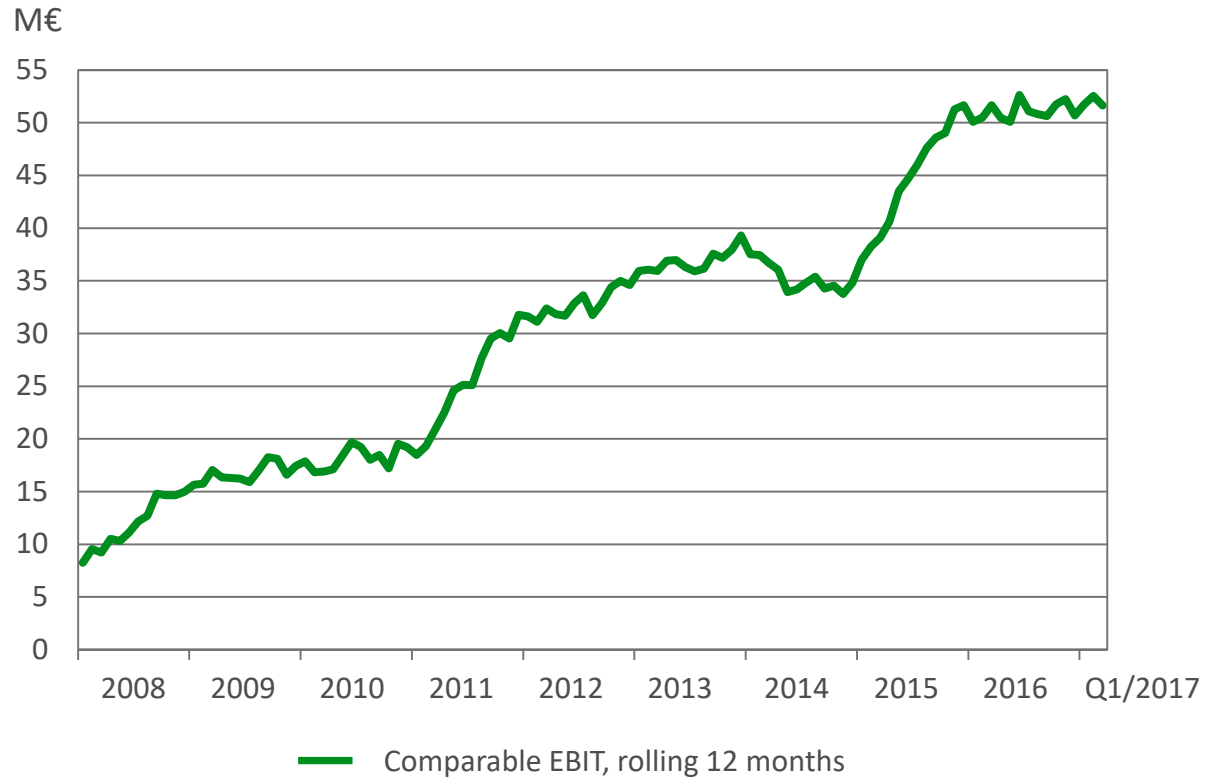


Highlights Q1/2017

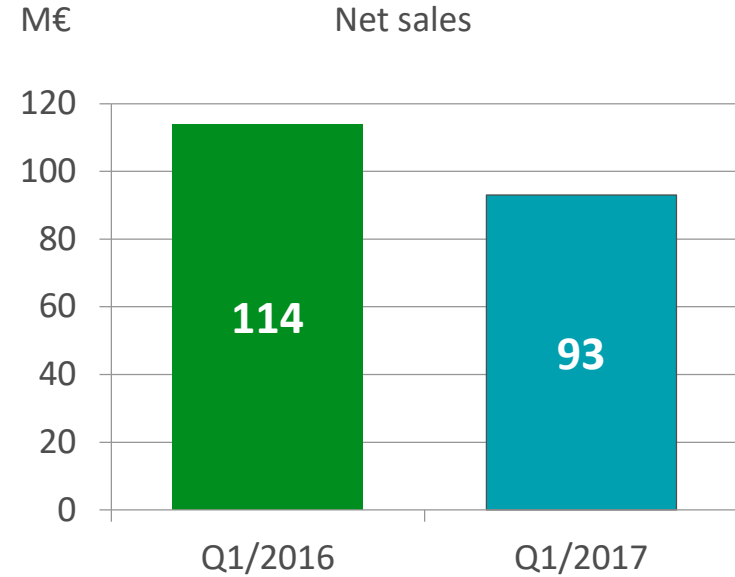
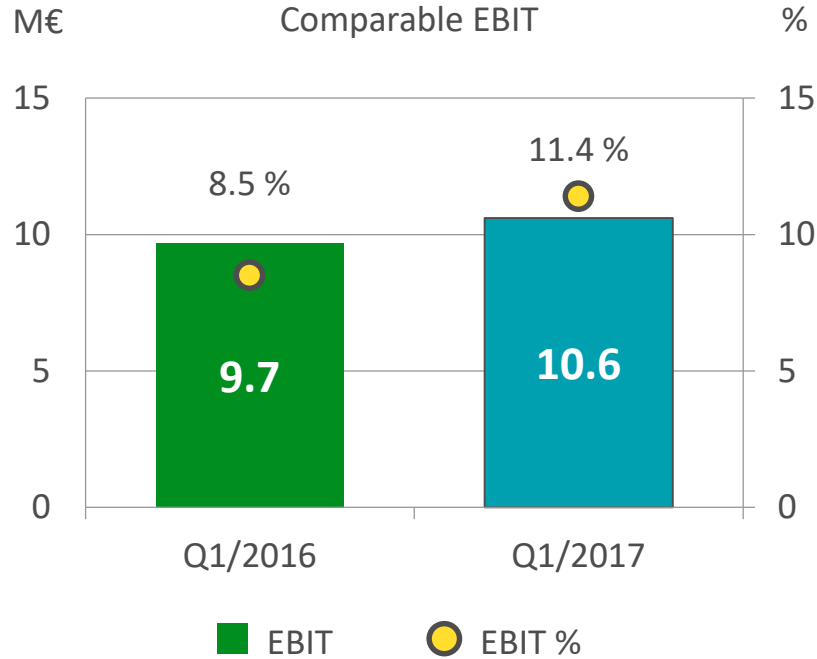
- The weaker pound decreased net sales and EBIT in the UK's Benecol and confectionery businesses
- Benecol's price increases in the UK retail trade did not fully compensate the negative effects of the currency and raw material price increases
- Profitability of the UK confectionery business weakened due to declined sales in Raisio's branded products and delivery difficulties
- Raisio is taking resolute action to remedy and improve the situation.



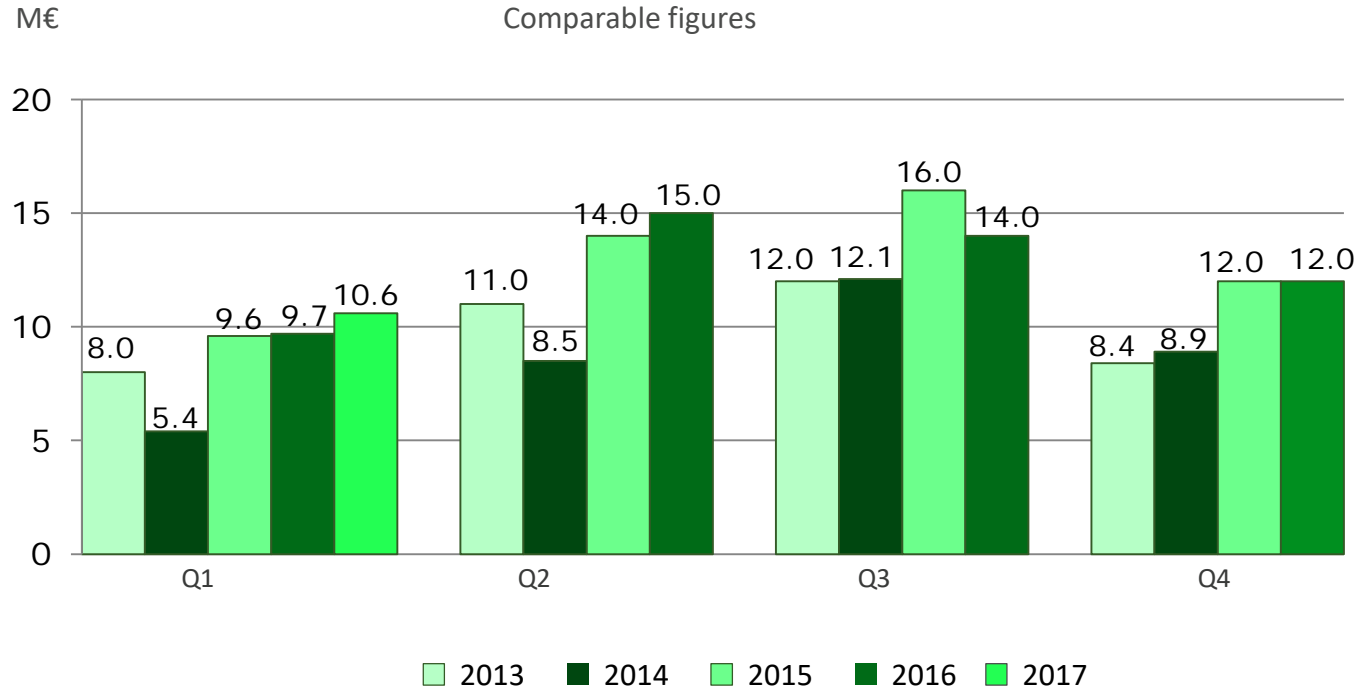
Group EBIT 2008-Q1/2017



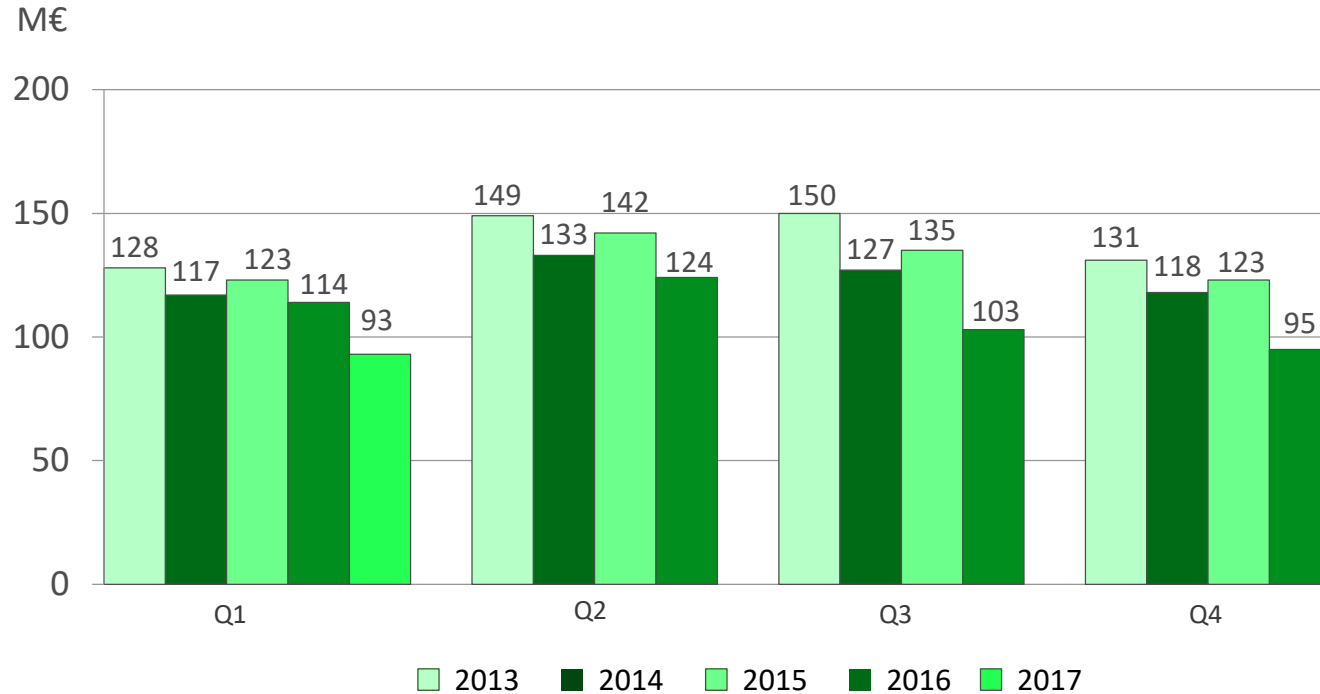
Group EBIT and net sales Q1



Group EBIT by quarters



Group net sales by quarters



Key figures, comparable income statement

		Q1/ 2017	Q1/ 2016	2016
Net sales	M€	92.5	114.0	436.3
Change in net sales	%	-18.9	-6.9	-16.3
EBIT	M€	10.6	9.7	50.7
EBIT	%	11.4	8.5	11.6
Depreciation and impairment	M€	-2.6	-3.1	-11.3
EBITDA	M€	13.1	12.7	62.0
Financial items	M€	0.0	-0.9	-2.2
Earnings per share (EPS)	€	0.05	0.05	0.25

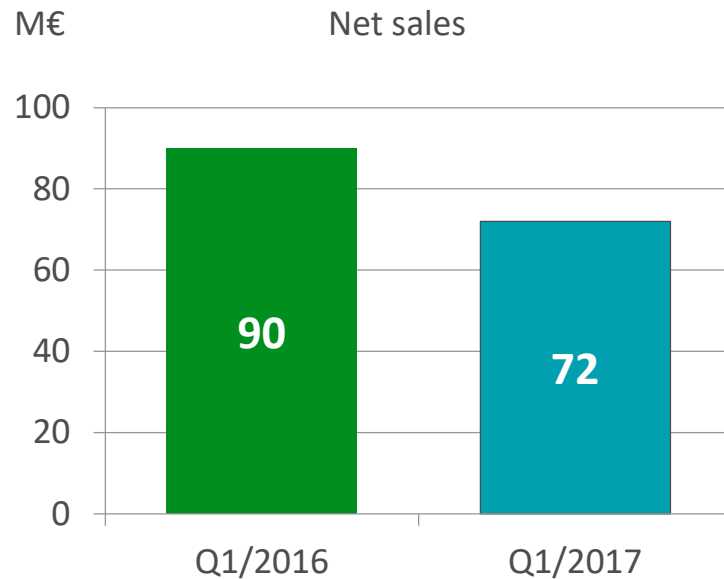
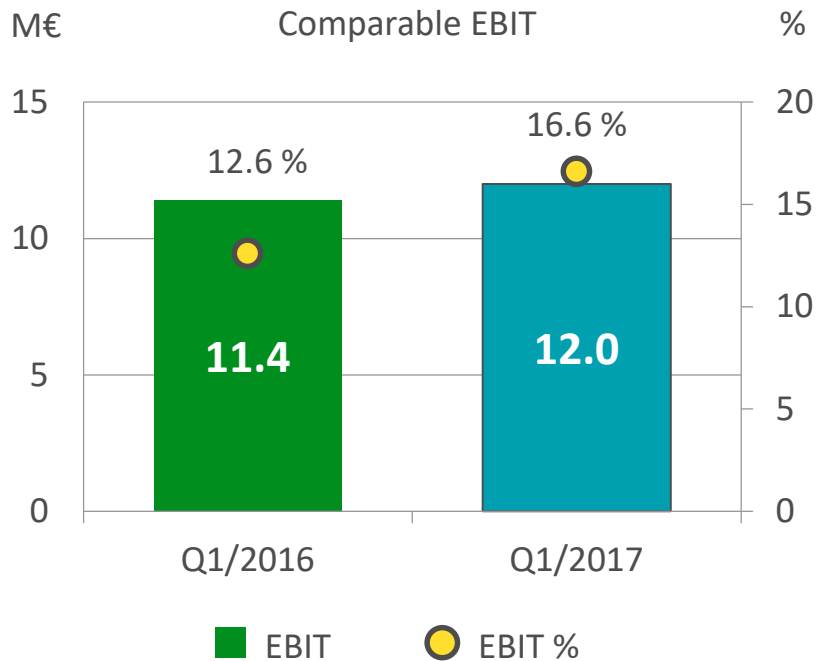
Key figures, balance sheet

		Q1/ 2017	Q1/ 2016	2016
Equity ratio	%	66.6	58.7	66.8
Gearing	%	17.3	14.7	8.5
Net-interest-bearing debt	M€	50.9	46.6	26.7
Equity per share	€	1.86	2.02	1.99
Investments	M€	3.9	4.0	18.3

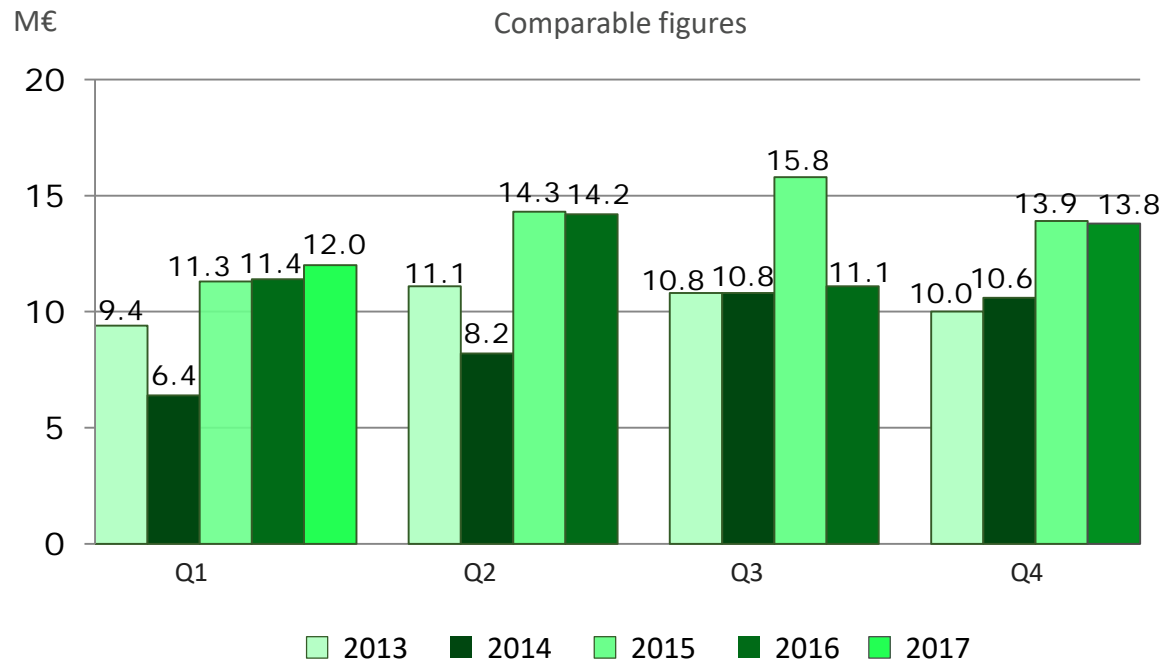
Brands



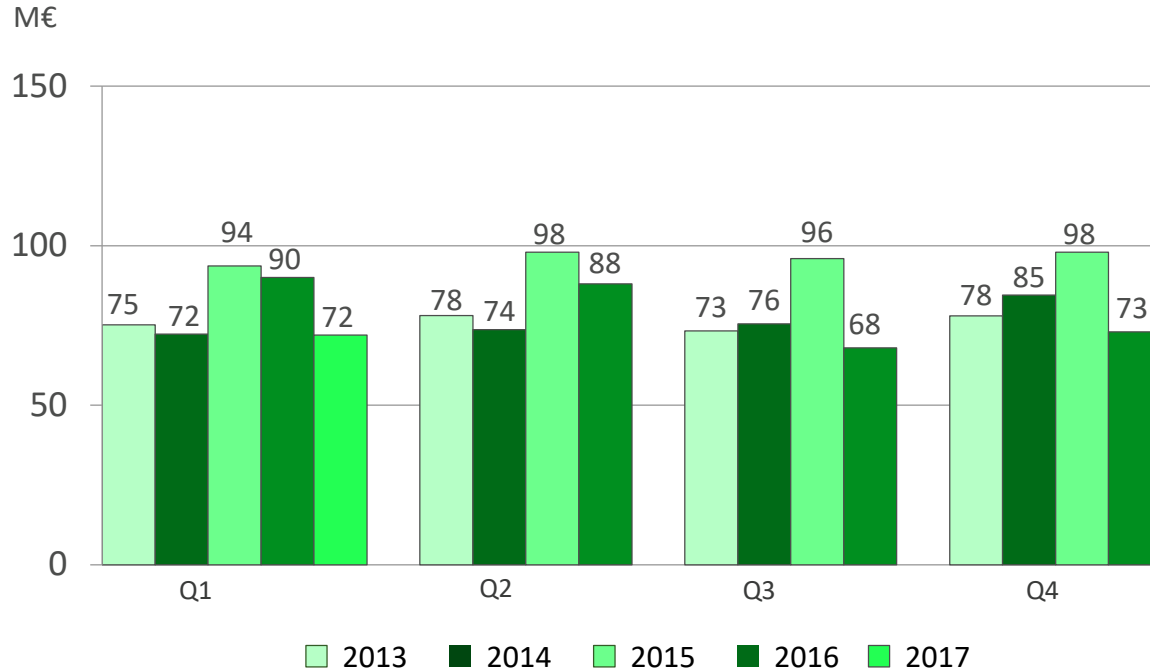
Brand Division's EBIT and net sales Q1



Brand Division's EBIT by quarters



Brand Division's net sales by quarters



Benecol

- In the UK, Benecol® improved its market position in minidrinks. Sales volume in spreads decreased as the entire category declined
- Net sales reduction due to lower plant stanol ester deliveries, the declined sales volume for spreads in the UK and the currency
- Benecol maintained its market leader position in minidrinks in Ireland as well as in spreads in Poland
- In Finland, sales volume for Benecol products increased by over 10%
- Benecol partners showed increased sales in Asia



Benecol is the most preferred cholesterol lowering food brand with superior availability

Across different food categories



Online and offline retailers



Through out the different occasions



Healthy Snacks

- Net sales up by almost 10%
- Good sales development for Elovena products continued, +15%
- Increased rye and wheat flour deliveries to the bakery industry
- Sales volume for Nordic flakes increased in Russia
- New Provena products launched in Russia



Elovena expanding into new product categories

Sales in Elovena products
have tripled in ten years



Elovena ice cream snack

- Lactose-free
- Rich in fibre
- Oaty snack biscuit
- Biscuit-like snack ice cream combines a snack biscuit with full-flavoured, lactose-free ice cream
- Flavours: vanilla and wild berries



Confectionery

- Good performance of the Czech confectionery business continued
- Pedro is a well-known brand in Czech and Slovakian markets
- Net sales and EBIT for the UK confectionery business down from the comparison period
- Challenges with the UK Leicester production continued
- Sales decreased in Poppets and XXX brands



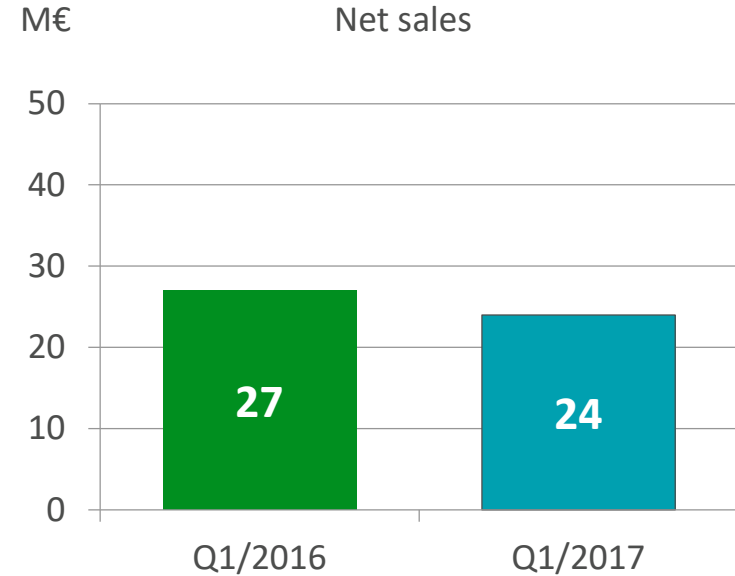
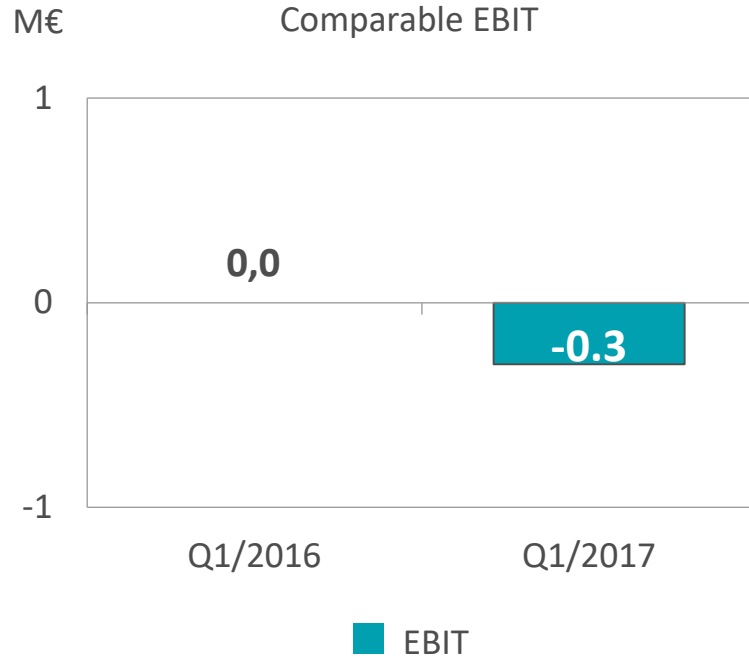


Pedro's sales growth continued

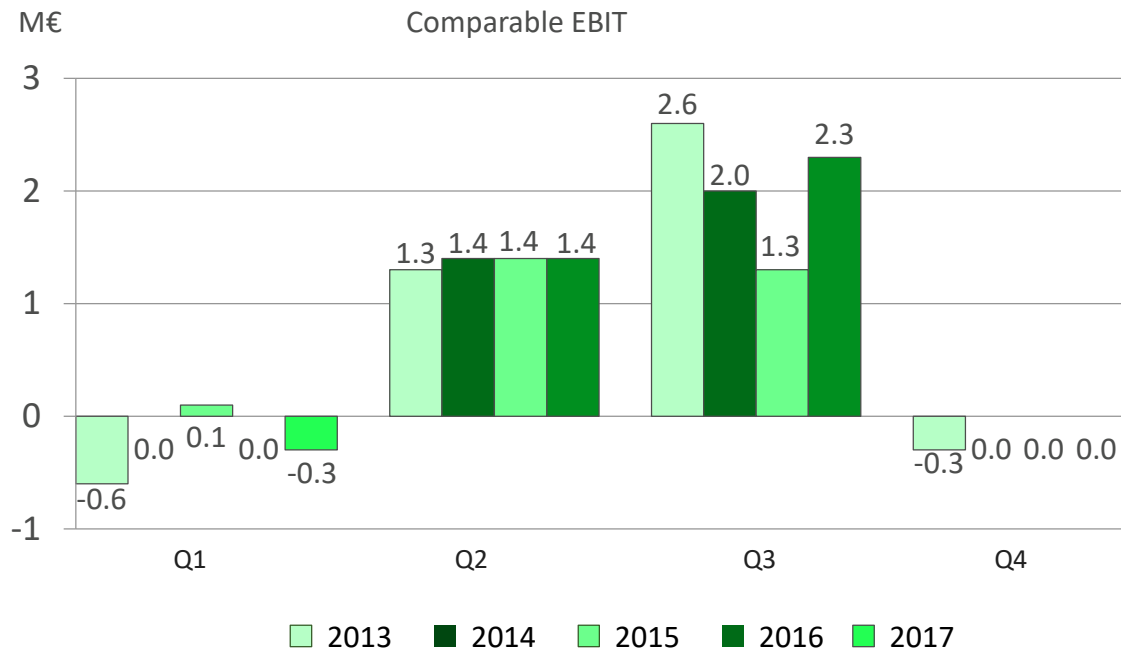
Raisioagro



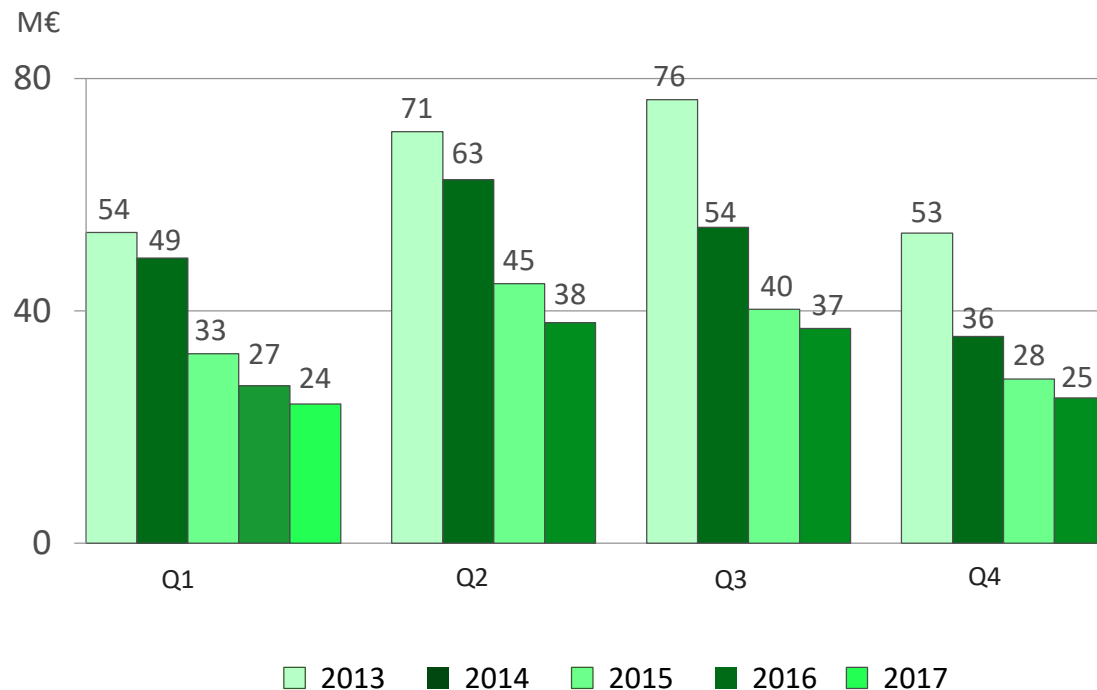
Raisioagro's EBIT and net sales Q1



Raisioagro's EBIT by quarters

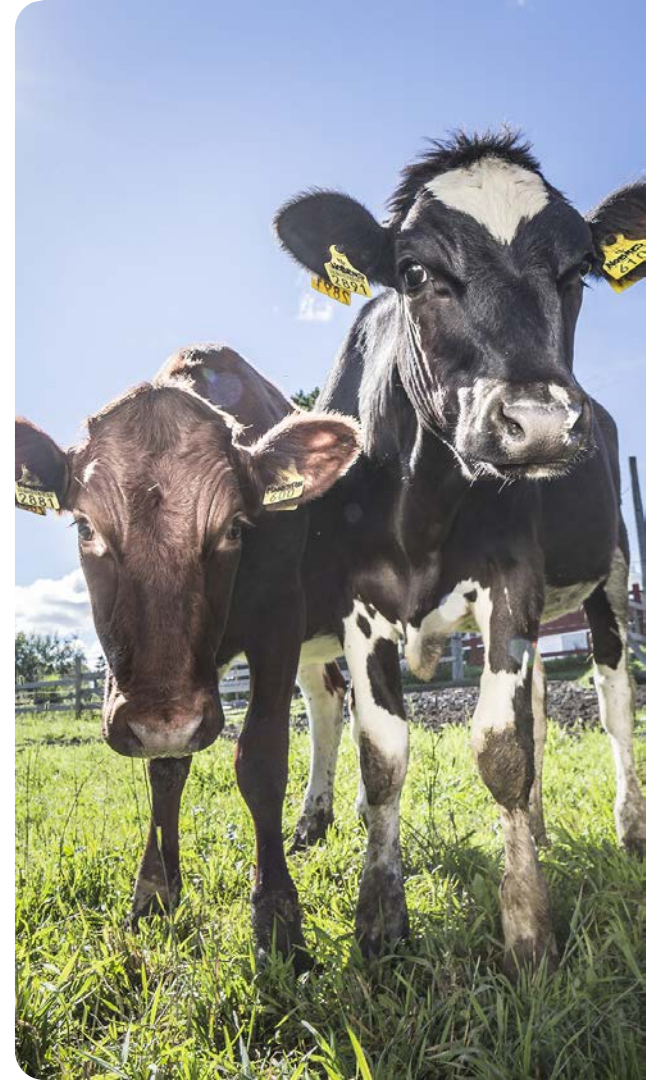


Raisioagro's net sales by quarters



Raisioagro

- Fast restructuring of milk farms continued in Finland
- Demand for cattle feeds focused on products with lower added value
 - Sales volume at the year-end level, down from the comparison period
 - Raisioagro did not engage in price competition
- Milking robot monitoring (Tuotostutka®) in use at over 170 farms
 - Raisioagro's feeding expertise creates added value for customers
- Six-fold increase in cattle feed exports to Russia
- Fish feed season starting



Norra horse feeds

- High-quality horse feeds for the Finnish conditions
- Health and welfare of horses and the prevention of diseases at the heart of Norra feeds
- Norra Sankari – a Finnhorse feed was launched to honour the Finnhorse's 110th anniversary
- Part of the feed proceeds will be donated to the Finnhorse's genetic resources programme
- Norra product line expanding during 2017



- ▶ In 2010, fish accounted for 6.5% of protein for the population globally and the proportion is growing all the time. Growth is based on aquaculture.
- ▶ Global aquaculture production estimated to grow 35% by 2022 (now 182 million tonnes).
- ▶ EU is the world's largest fish importer. More than half of the 24.5kg consumption/person comes from outside the EU, mainly from Norway.
- ▶ EU targets self-sufficiency and growth goal for aquaculture is 5% a year (now 1.26 million tonnes).



Expansion of the fish feed factory will increase the quality and capacity

- Investment value about EUR 4 million
- Faster delivery times
- Significant savings in energy consumption
- Enables growth in exports



UNIQUE COMPREHENSIVE SERVICE PACKAGE



KASVULUOTAIN

Local,
Domestic,
International



Feed
development,
Feeding
expertise




BENELLA

High-quality production
and eco-efficient feeds



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.

Wellbeing for life

Raisio's renewing business strategy 2017 – 2022



Investments in brands

- Developing the brands with consumer insight
- Operational excellence



New markets

- Benecol and Nordic brands to Central Europe
- Oat ingredients export globally
- Feeds to Russia and the Baltics



Digital solutions

- Wellbeing
- E-commerce
- Internet of Farming



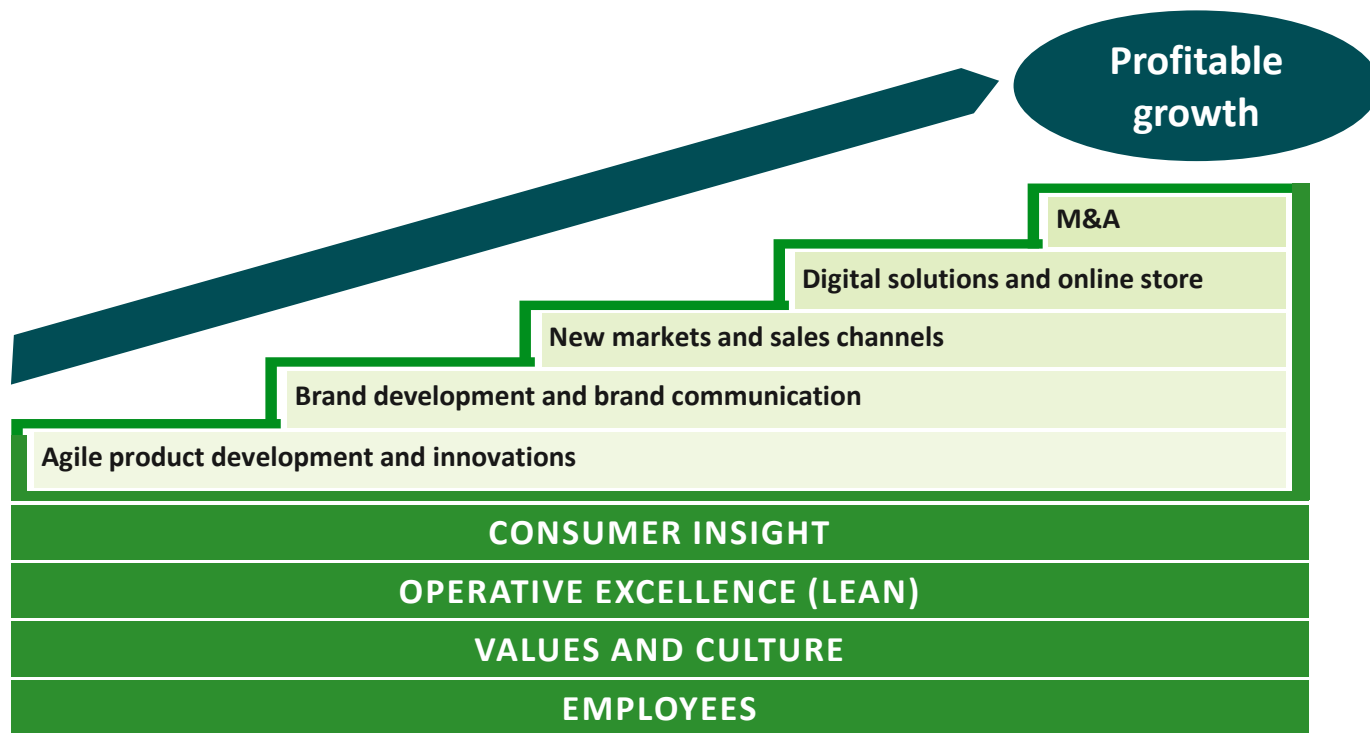
New categories

- Plant-based meals and meal components
- Snacks and easy cholesterol lowering
- Special feeds

Enhancing wellbeing with
the most desired brands.
Sustainable growth for
a better world.

Great place to work
Competence,
wellbeing & motivation

Raisio's renewing business strategy for profitable growth



THANK YOU!

Glovena

