

Raisio Interim Report January-September 2017



President & CEO Pekka Kuusniemi

CFO Antti Elevuori

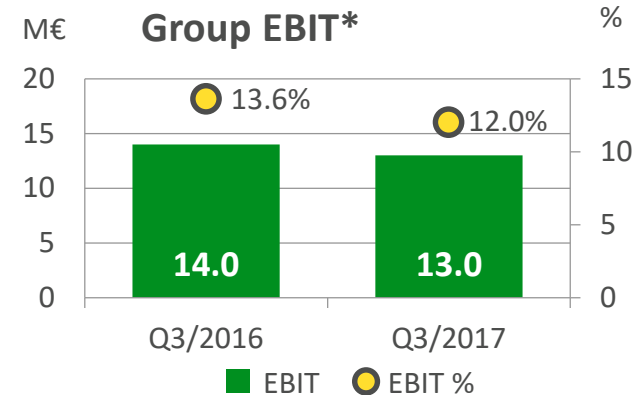
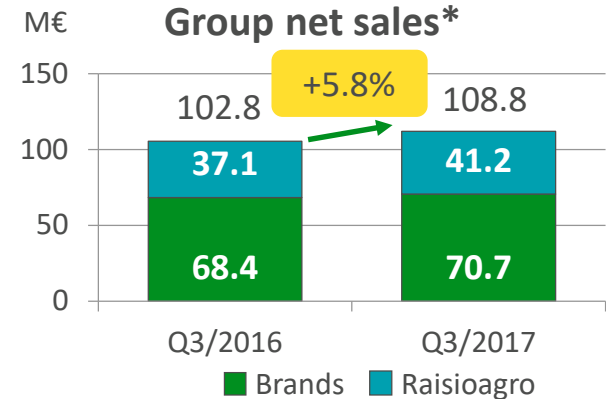
Raisio plc

8 November 2017



Raisio's Q3/2017 in brief

- Group net sales * 108.8 (102.8) M€, growth of +5.8%
 - Particularly good sales for fish feeds
 - Good sales development in Benecol products continued in Finland and plant stanol ester deliveries to licensing partners increased
 - Impact of the weakening pound some -1.6 M€
- Group EBIT* 13.0 (14.0) M€
 - EBIT* 12.0 (13.6) % of net sales
 - Profitability of the UK's confectionery business continued to weaken
 - Exceptionally low costs for the Group's joint operations in the comparison period
 - Benecol and fish feeds up, Healthy Food and Czech confectionery business at the comparison period level
- Strong balance sheet enables growth
 - Equity ratio 69.6%, Raisio Group is net debt free



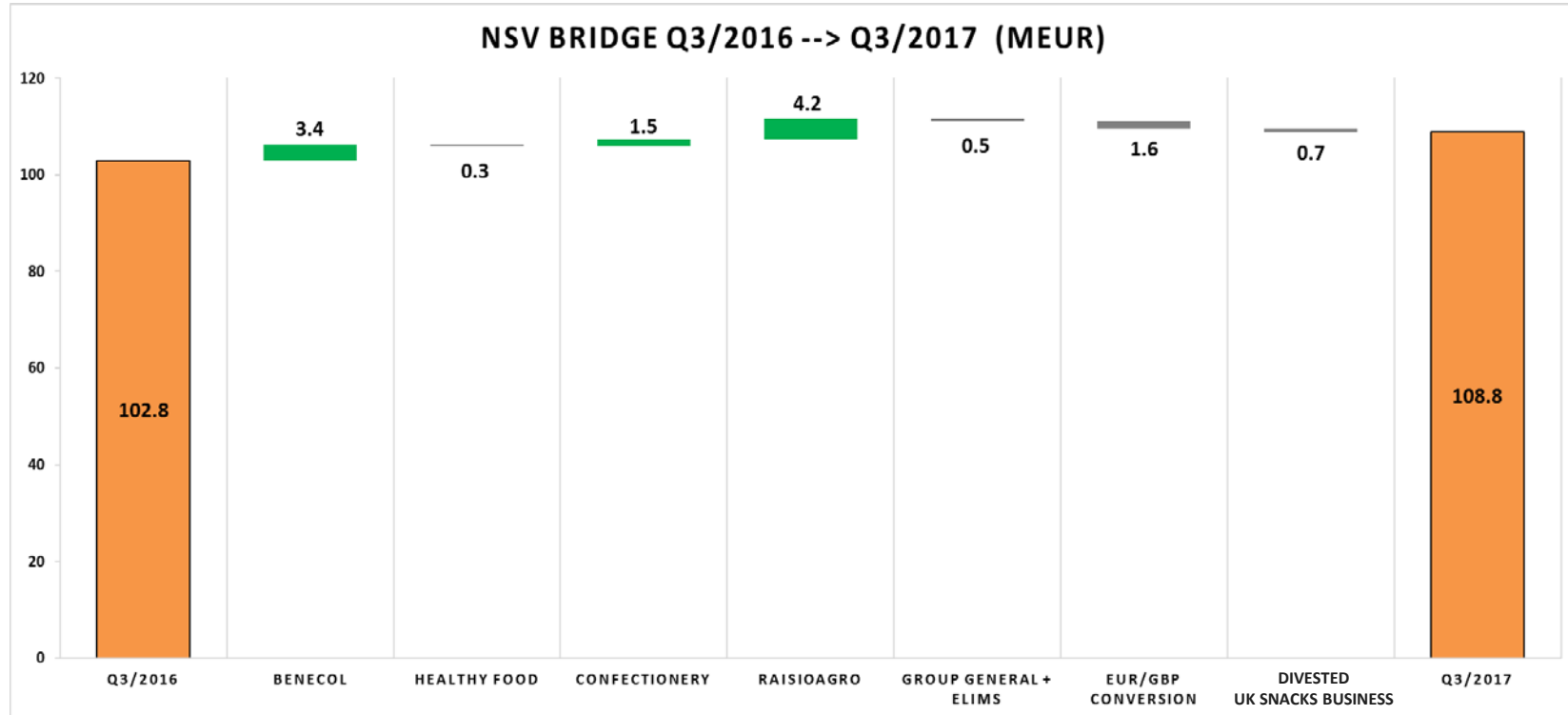
Key figures, comparable income statement

		7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	2016
Net sales	M€	108.8	102.8	305.5	340.9	436.3
<i>Change in net sales</i>	%	+5.8%	-23.5%	-10.4%	-14.4%	-16.3%
EBIT	M€	13.0	14.0	36.7	38.7	50.7
<i>EBIT</i>	%	12.0%	13.6%	12.0%	11.3%	11.6%
Depreciation and impairment	M€	-2.8	-2.6	-8.2	-8.7	-11.3
EBITDA	M€	15.8	16.6	44.8	47.3	62.0
Financial items	M€	-0.8	-0.5	-1.4	-2.4	-2.2
Earnings per share (EPS)	€	0.06	0.07	0.18	0.19	0.25

Key figures, balance sheet

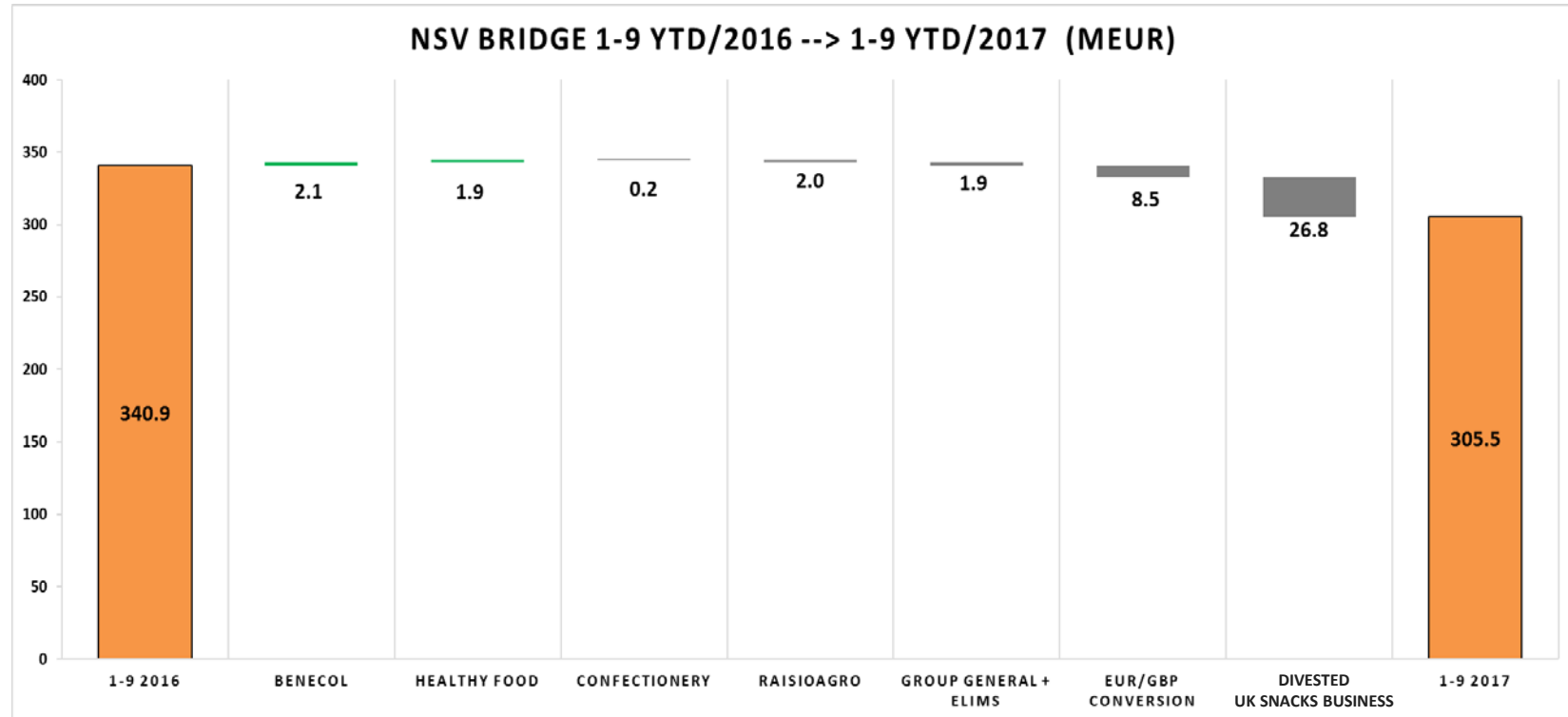
		1-9/ 2017	1-9/ 2016	2016
Equity ratio	%	69.6	63.1	66.8
Net gearing	%	-3.9	13.1	8.5
Net interest-bearing debt	M€	-11.9	39.8	26.7
Equity per share	€	1.93	1.93	1.99
Investments	M€	9.9	13.4	18.3

Development of Raisio's Q3/2017 net sales* by unit (EUR/GBP conversion impact separately)



* Comparable net sales

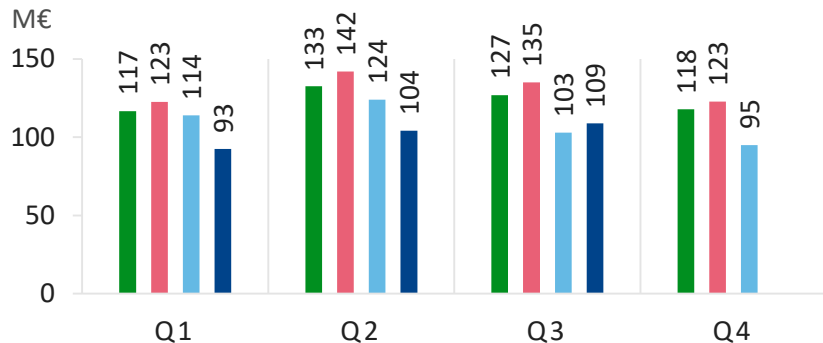
Development of Raisio's 1-9/2017 net sales* by unit (EUR/GBP conversion impact separately)



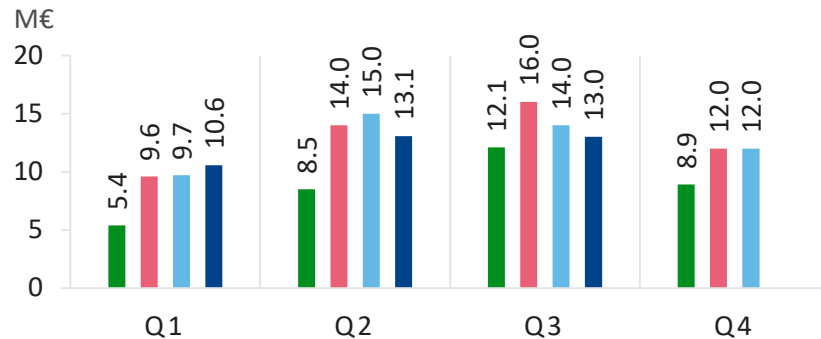
* Comparable net sales

Key figures by quarters

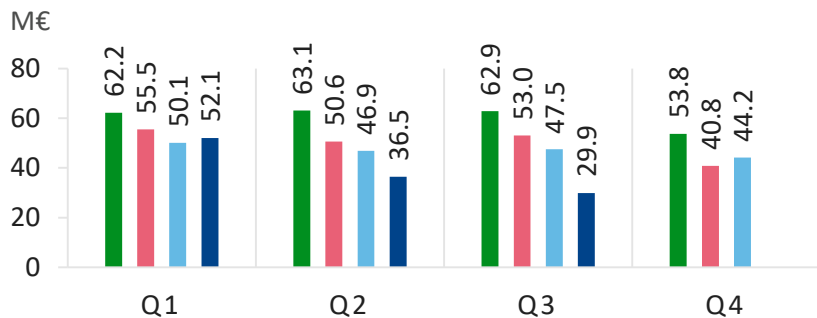
Net sales*



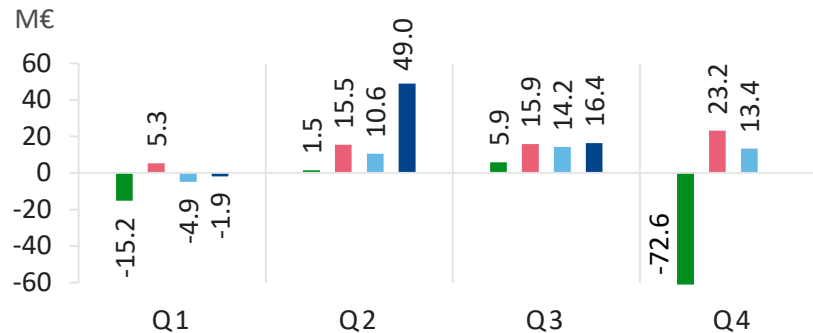
EBIT*



Net working capital



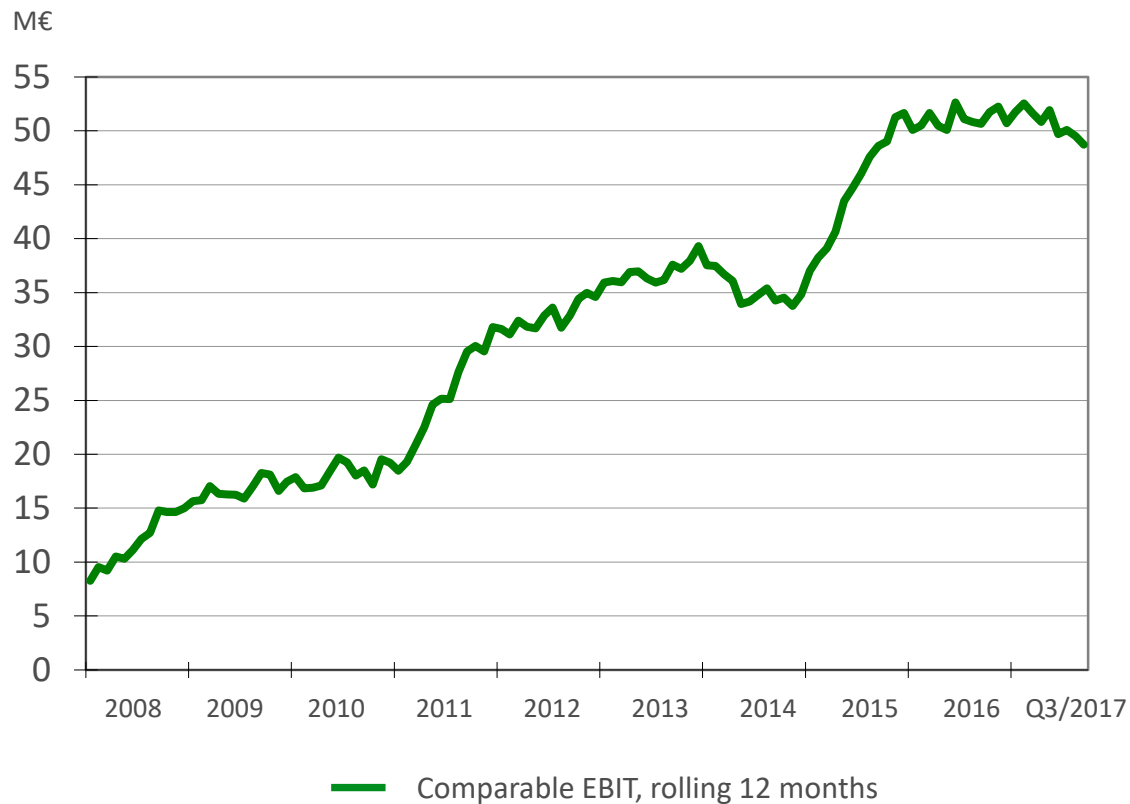
Cash flow after investments (before financial items)



* Comparable net sales and EBIT

■ 2014 ■ 2015 ■ 2016 ■ 2017

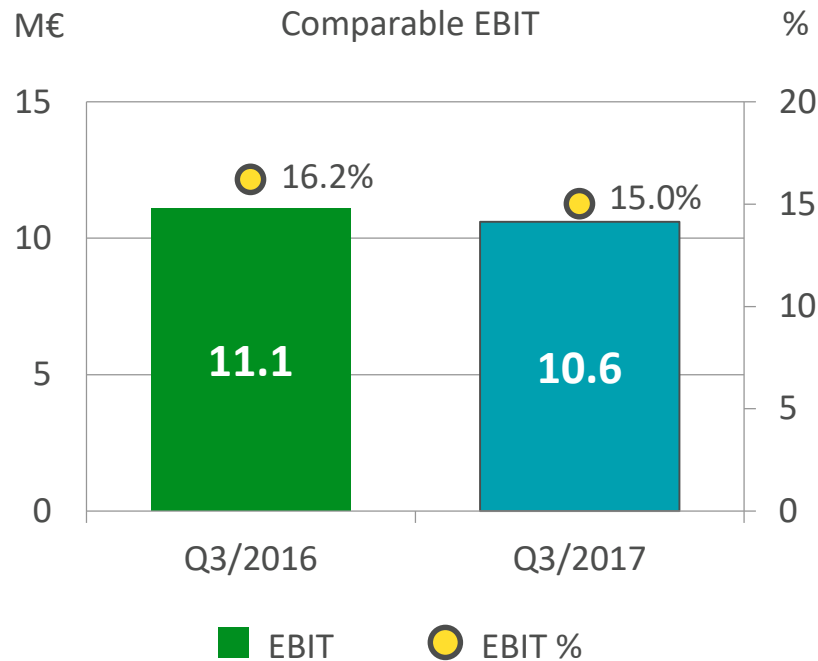
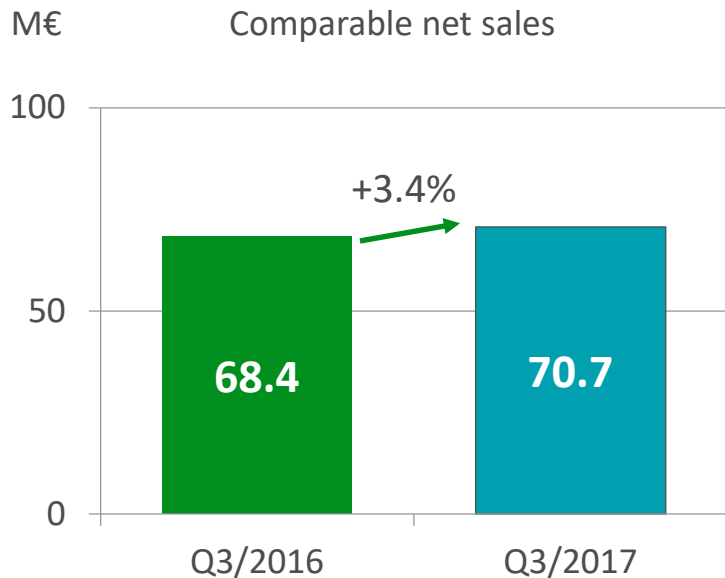
Group EBIT 2008-Q3/2017



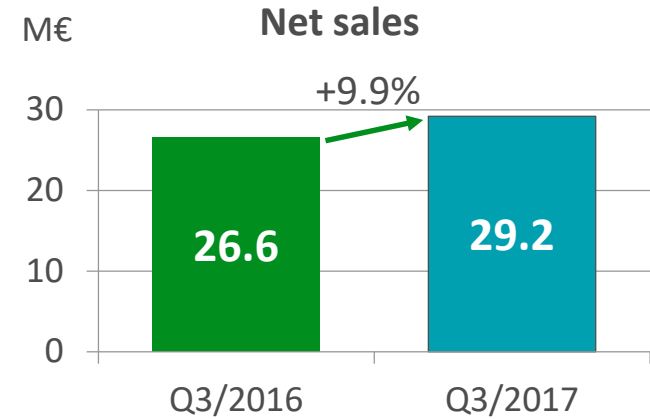
Brands



Brands Division's net sales and EBIT Q3



- Net sales 29.2 (26.6) M€, growth of +9,9%
- EBIT above the comparison period level
- Net sales developed positively in all home markets of consumer products, except in Poland
- In Raisio's largest market, UK, net sales increased mainly due to price increases and lower costs related to price promotion campaigns
- In Finland, the consumer demand for Benecol products continued
- Sales volume of plant stanol ester increased particularly with licensing partners in Asia



Renewed Benecol is a healthy lifestyle brand

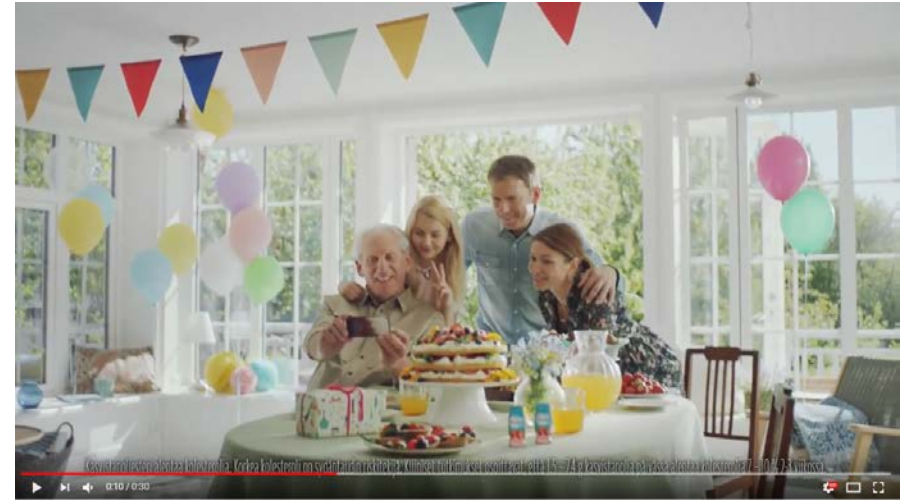
- Benecol brand was renewed based on extensive international consumer studies
- Benecol makes cholesterol lowering easier and more delicious
 - Product range that fits the consumers' lifestyles
 - Good availability in various distribution channels
 - Guidance and support to healthcare professionals and online

Clinical
Science
Food

Food
Nature
Science

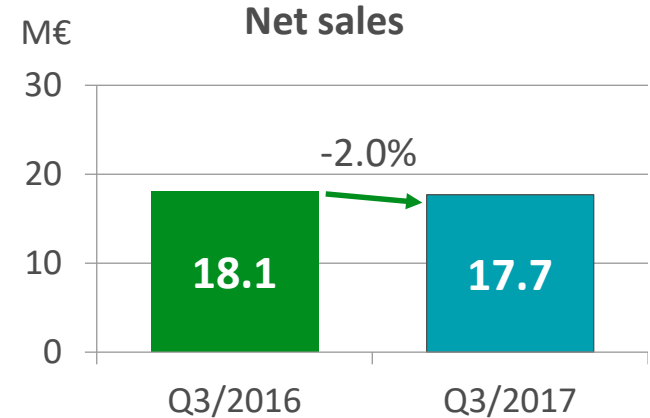


New Benecol marketing communications



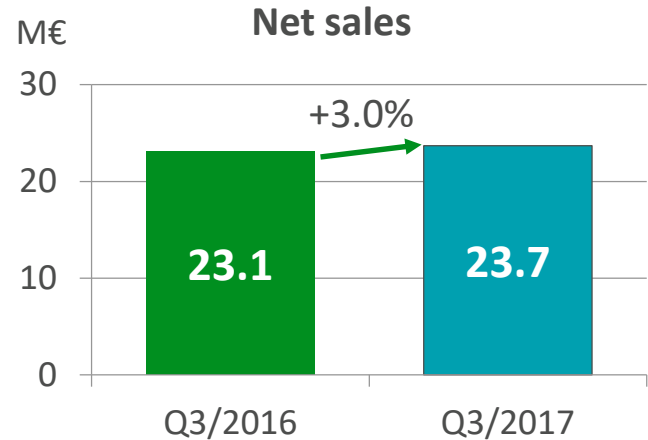
Healthy Food

- Good, steady performance continued
- Net sales 17.7 (18.1) M€
 - Net sales down from the comparison period in Russia
 - Net sales increased with deliveries to a major Finnish bakery customer
- Sales in Elovena products at the strong comparison period level
- EBIT at the comparison period level
- Elovena is Finland's 14th most valued brand



Confectionery

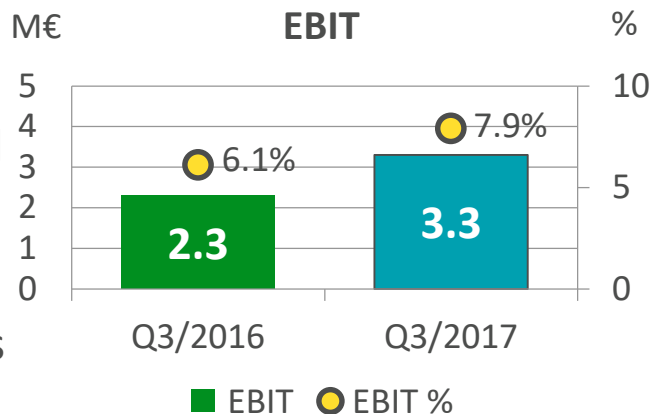
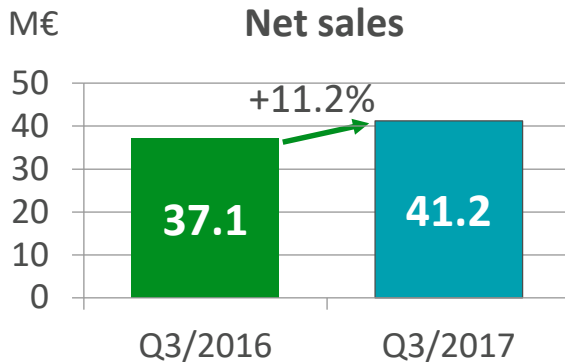
- Net sales 23.7 (23.1) M€
- EBIT clearly down from the comparison period
- Performance in the Czech business remained steadily positive, for both net sales and EBIT
- Net sales for Nimbus, a UK producer of inclusions and toppings, increased and EBIT improved with the growing demand
- Operational and commercial challenges continued in the UK's confectionery business (excl. Nimbus)
 - Net sales in pounds at the comparison period level
 - EBIT negative
 - Tackling the challenges at the Leicester plant will take clearly longer than expected



Raisioagro



- Net sales 41.2 (37.1) M€, +11.2%
 - Fish feed export to Russia increased by over 50%, sales growth also in Finland
 - Sales volume in cattle feeds slightly down
 - Planned sales reduction in low-margin farming supplies continued
- EBIT 3.3 (2.3) M€
 - Sales growth in fish feeds affected EBIT
- Systematic work to reduce net working capital continued
- Kesko launched Benella fish in its Pirkka Parhaat premium private label range
- Sustainable Productivity concept launched for milk farms



Responsible Benella fish attracts interest

- Availability and shop coverage of Benella Rainbow Trout improved especially in Kesko's grocery stores
- In September, Kesko launched Benella Rainbow Trout Fillet in its Pirkka Parhaat premium private label range and is strongly investing in the marketing
- Benella interests also abroad
 - The first Benella contract farmer in Russia
 - Wholesaler agreement signed in Sweden
- Finnish Benella Whitefish available in September
- Horeca sector showing interest in Benella Whitefish; already available in several restaurants





Raisio's outlook for 2017

Raisio revised its 2017 outlook in the stock exchange release published on 21 July 2017.

For the full year 2017, the company estimates its comparable EBIT to be approximately EUR 45 million.

The outlook revision was due to the prolonged operational and commercial problems at the UK confectionery business, lower than expected profitability and weakening of the pound against the euro. Exchange rates will continue to significantly affect Raisio's net sales and EBIT.

In line with the renewed strategy, Raisio continues to invest in brands, product concepts, sales and marketing, to streamline its operations and expand into new markets in Europe. This will pave the way for future growth and success.