

Raisio plc's Half-Year Financial Report January-June 2018

President and CEO Pekka Kuusniemi
8 August 2018



Raisio's Q2/2018 in brief

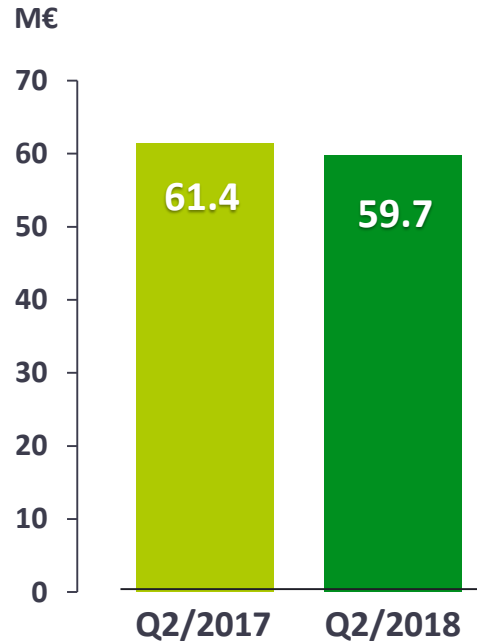
- We continue our determined work to renew Raisio and to support profitable organic growth
- Agreement to divest the cattle feed business to Lantmännen Agro signed on 4 May 2018
 - Treated as a discontinued operation
 - Finnish Competition and Consumer Authority initiated further proceedings concerning the transaction
 - The business is expected to transfer to the new owner in October-November 2018
- In the UK, Benecol product sales at the comparison period level; in Finland sales continued to grow
 - Increased marketing investments as planned
- A realistic timetable set for the recovery of businesses in Poland, Russia and Belgium



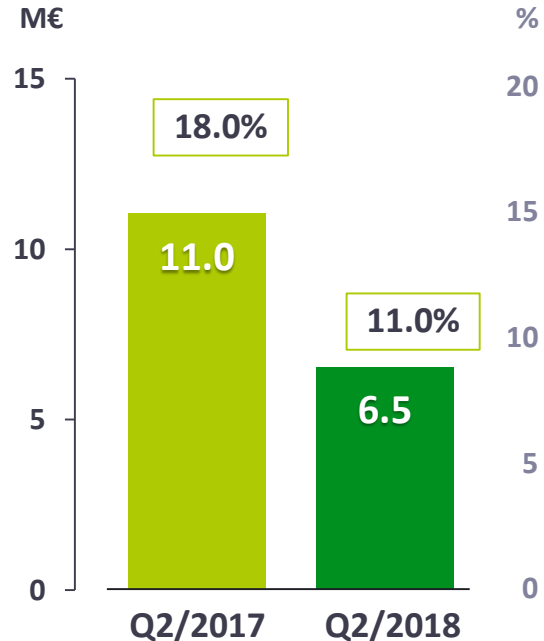
Raisio Group net sales and EBIT Q2/2018

Continuing operations

Net sales



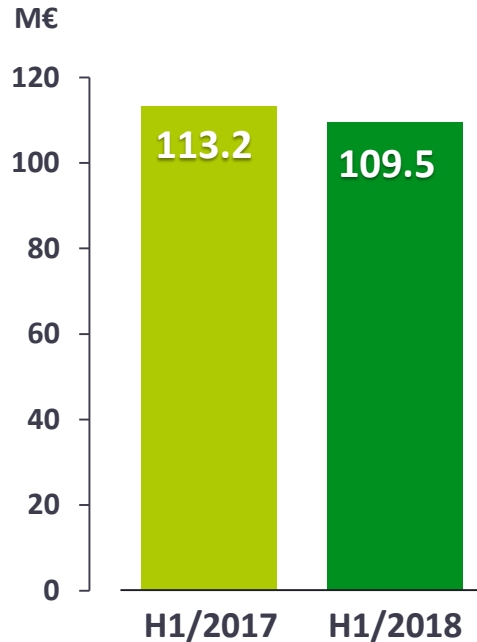
Comparable EBIT



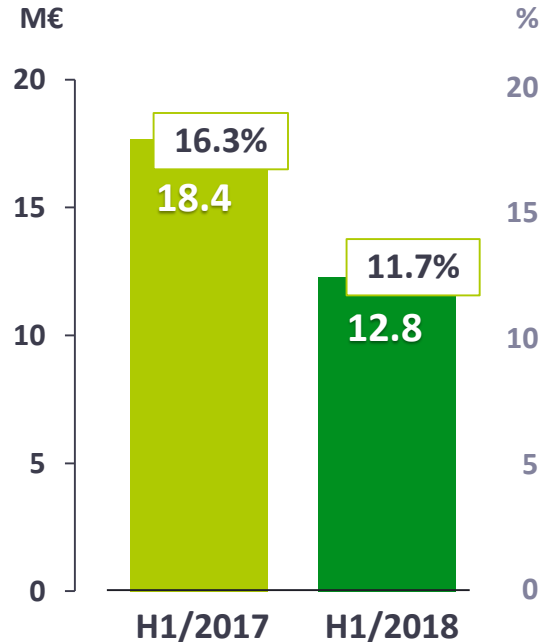
Raisio Group net sales and EBIT H1/2018

Continuing operations

Net sales



Comparable EBIT



Key figures Q2/2018

continuing operations, comparable figures

	Q2/2018	Q2/2017
Net sales, M€	59.7	61.4
EBITDA, M€	7.9	12.6
EBIT, M€	6.5	11.0
EBIT, %	11.0	18.0
EPS, €	0.03	0.05



Key figures H1/2018

continuing operations, comparable figures

	H1/2018	H1/2017
Net sales, M€	109.5	113.2
EBITDA, M€	15.6	21.4
EBIT, M€	12.8	18.4
EBIT, %	11.7	16.3
EPS, €	0.06	0.09



Key figures, balance sheet H1/2018

	H1/2018	H1/2017
Equity ratio, %	74.6	68.3
Gearing, %	- 29.3	1.8
Net interest-bearing debt, M€	- 72.7	5.3
Equity per share, €	1.58	1.87
Investments, M€	2.5	7.5

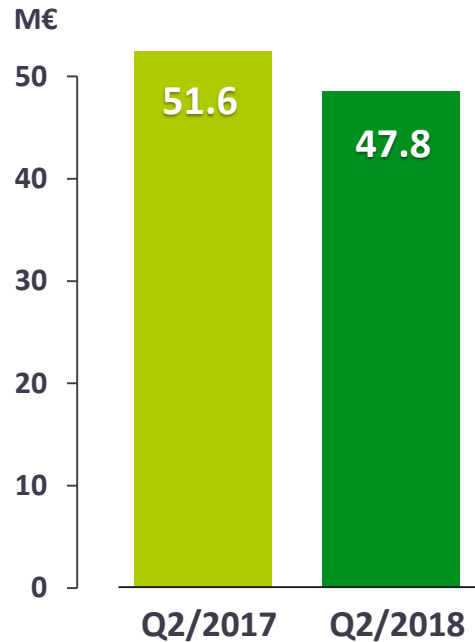


Healthy Food

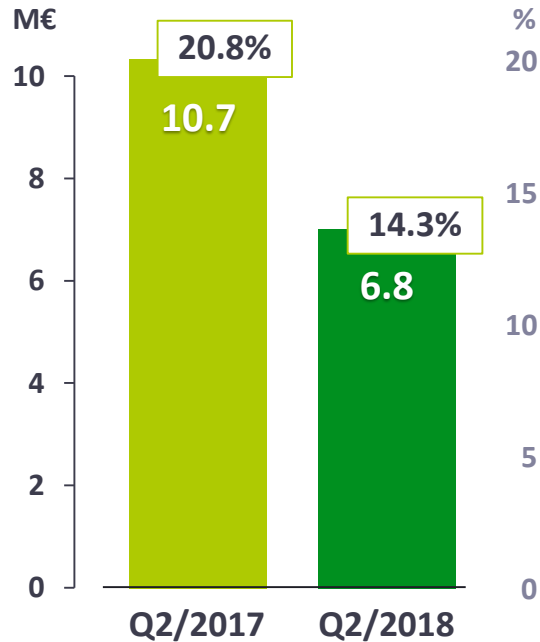


Healthy Food Division's net sales and EBIT Q2/2018 continuing operations

Net sales

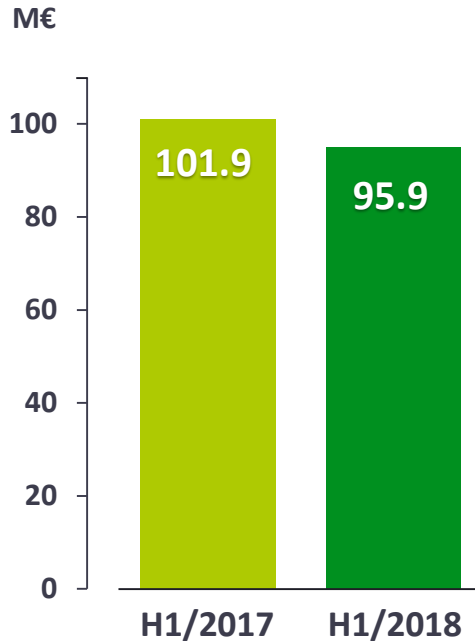


Comparable EBIT

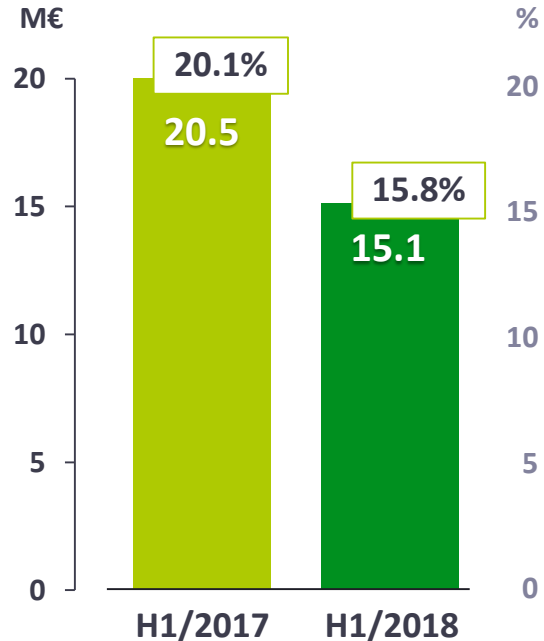


Healthy Food Division's net sales and EBIT H1/2018 continuing operations

Net sales

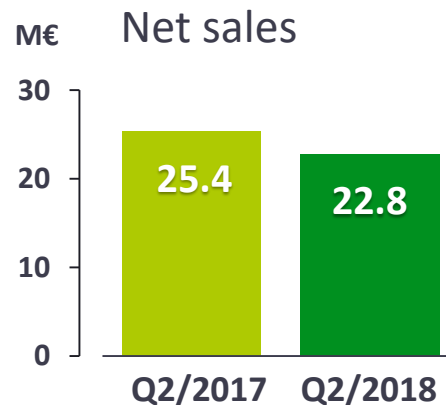


Comparable EBIT



Healthy Food, Northern and Eastern Europe

- Some 50% of the Healthy Food Division's net sales
- Net sales in Finland fell slightly from the comparison period
 - Retail sales at the comparison period level
 - Strong sales growth continued in Benecol and Torino pastas
- In Russia, net sales in local currency at the comparison period level; decline in euros due to exchange rates
 - Sales growth and profitability are sought with new products and price increases
- Net sales up in Ukraine
- In Poland, net sales significantly down from the comparison period
 - Measures launched to reorganise the business and to improve the profitability
 - Focus on the sale of Benecol retail products



Novelty: Torino pastas with plenty of oat and vegetables

- Good taste and healthiness from oats and vegetables
- An easy way to add vegetables into your diet
- In stores in June 2018



1.5 carrots in
one serving



1 beetroot in
one serving

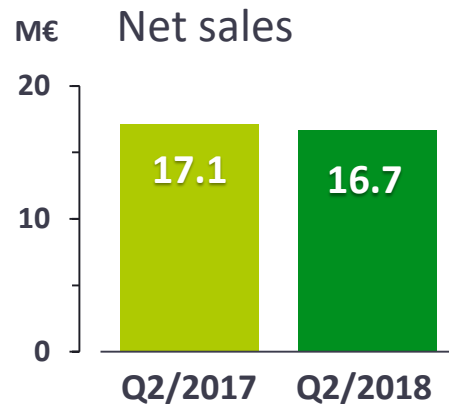


1 decilitre of broccoli
in one serving



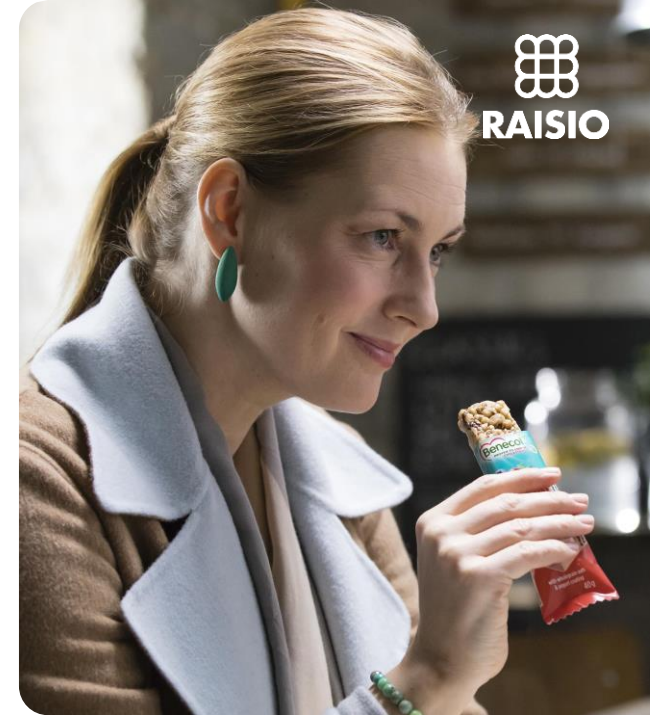
Healthy Food, Western Europe

- Some 35% of the Healthy Food Division's net sales
- UK's net sales in pounds at the comparison period level
 - Sales increased in Benecol spreads and decreased in yogurts; in yogurt drinks, sales at the comparison period level
 - An extensive advertising campaign for Benecol
- In Ireland, net sales nearly at the comparison period, improvement from the beginning of the year
 - Investments in marketing
 - Raisio taking sales into its own hands in September 2018
- In Belgium, sales significantly down from the comparison period
 - Corrective actions were initiated



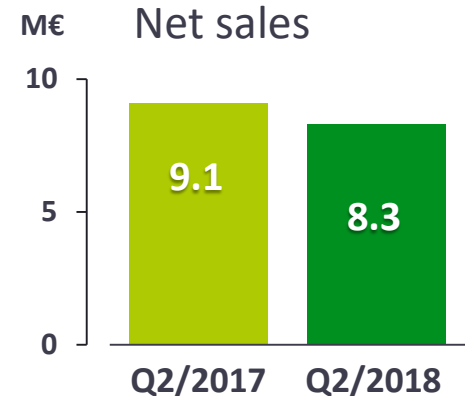
Novelty: Benecol snack bar

- A new, long-awaited category for Benecol products
- New distribution channels: a convenient, take-away Benecol snack bar well suited to impulse channels
- Widely available in retail stores in Finland and UK, sold also in Poland
- Significant advertising campaigns to support the launch, raising awareness of the new Benecol-category

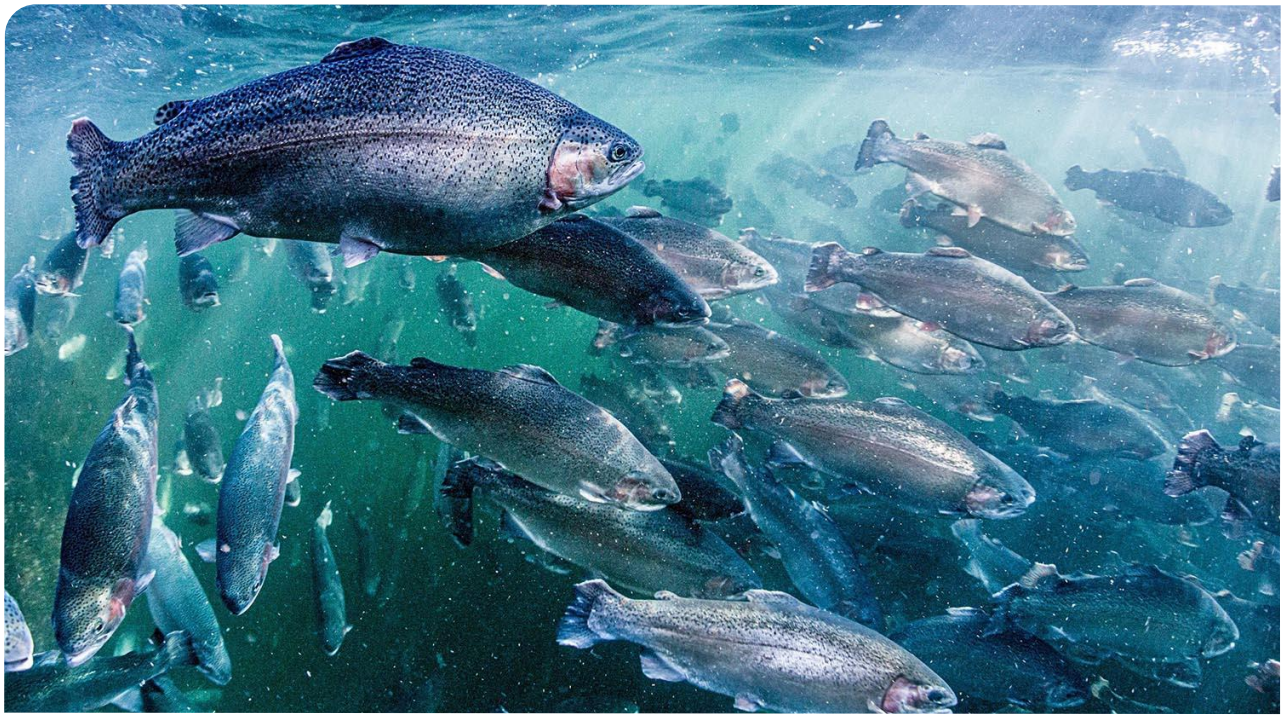


Healthy Food, Rest of the World

- Some 15 % of the Healthy Food Division's net sales
- Sales in plant stanol ester, the Benecol product raw material, for the production of consumer products increased in our own markets
- Sales of plant stanol ester to licensing partners
 - remained at the comparison period level in the EMEA area
 - more than halved in Asia and the US
 - periodic deliveries characteristic of the business
- As part of its strategy work, Raisio is assessing the functioning of the current licensing model in different markets



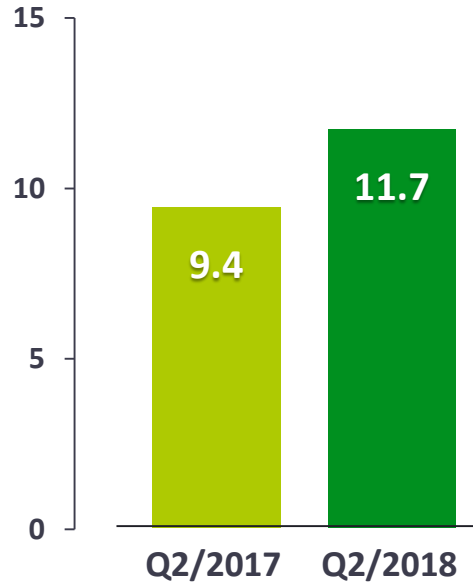
Raisioaqua



Raisioaqua Division's net sales and EBIT Q2/2018

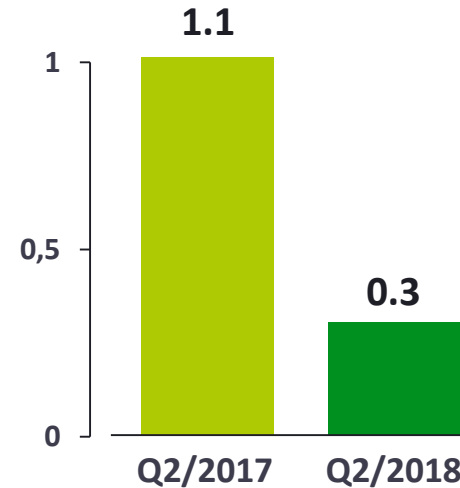
Net sales

M€



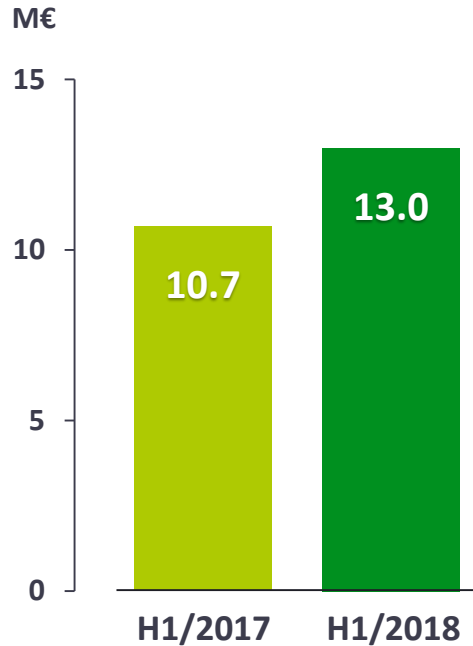
Comparable EBIT

M€



Raisioaqua Division's net sales and EBIT H1/2018

Net sales



Comparable EBIT



Raisioaqua

- Sales in fish feeds in Finland and for exports increased significantly
- EBIT was reduced by the provision of EUR -0.5 million related to the fish feed produced using a soy product not meeting the quality criteria of various parties as it contained genetically modified soy
 - The soy product is produced by our Finnish supplier responsible for ensuring that the product complies with the contract
 - Raisio continues to investigate the case together with the supplier, Finnish Food Safety Authority (Evira) and insurance companies
- Russian authorities interrupted fish feed exports after the review period on 4 August 2018
- The heatwave started in July after the review period raised the water temperature so high that living conditions of the fish deteriorated significantly



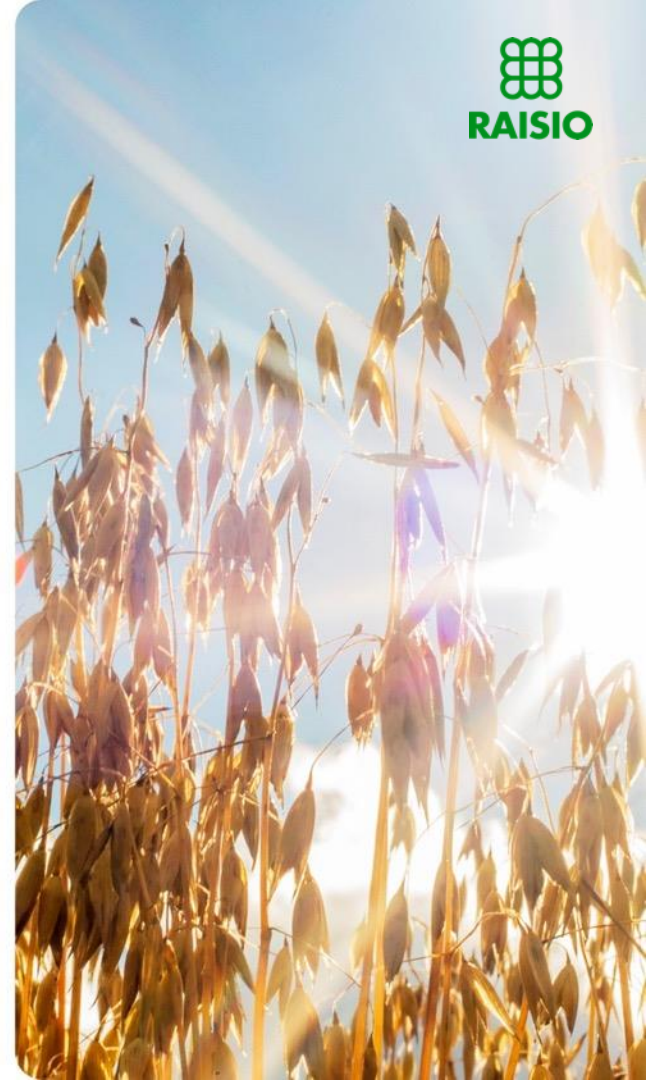
Discontinued operation: Cattle Feeds

- On 4 May 2018, Raisio announced the divestment of its cattle feed business to Lantmännen Agro
- The transaction is subject to approval by the competition authority
 - On 23 July 2018, the Finnish Competition and Consumer Authority initiated further proceedings concerning the transaction
 - The business expected to transfer to the new owner in October-November 2018



Raisio's revised outlook for 2018

- The cattle feed business divestment was announced on 4 May 2018; Raisio treats the business as a discontinued operation and also revises the net sales forecast for the Group's continuing operations.
- The cattle feed business is treated as a discontinued operation, which slightly increases the relative profitability of continuing operations.
- Raisio expects the net sales of the Group's continuing operations to total some EUR 230 million.
- The company estimates that the comparable EBIT for the Group's continuing operations is some 12 per cent of net sales.
- Exchange rates will continue to significantly affect Raisio's net sales and EBIT.





Thank you!