

# Raisio stabilised its core business operations and achieved profitable growth

Raisio's Financial Statements for 2019

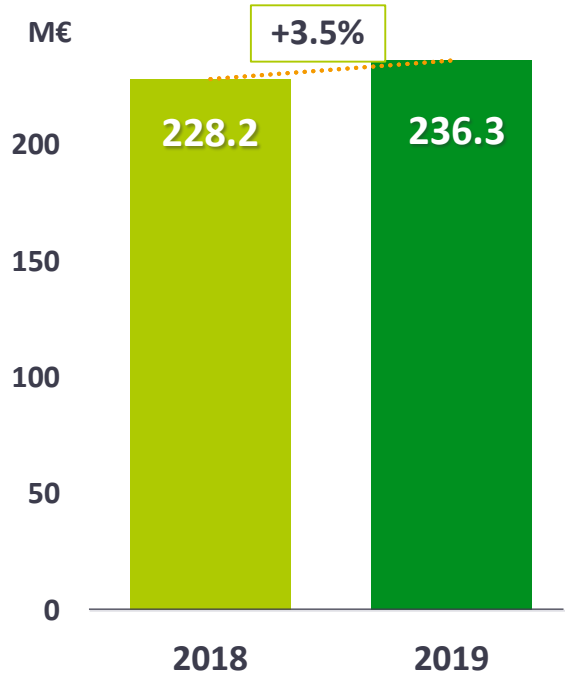
President and CEO Pekka Kuusniemi and CFO Toni Rannikko

Raisio plc, 12 February 2020

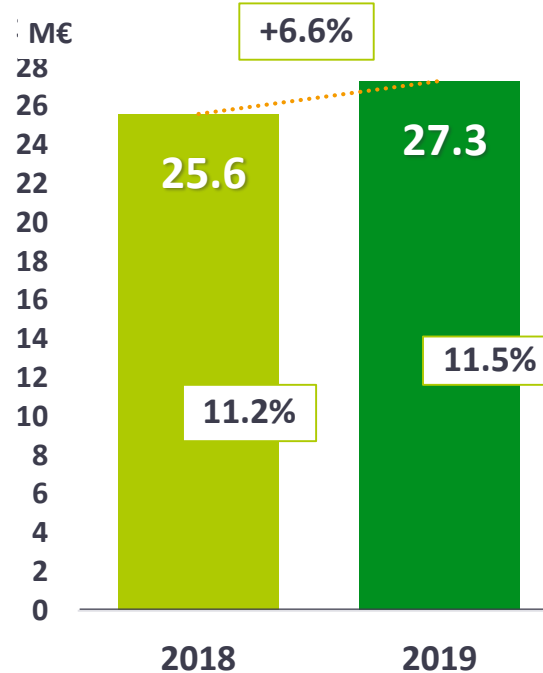


# Raisio plc's net sales and EBIT 2019

## Net sales



## EBIT



## DRIVING FORCES BEHIND DEVELOPMENT

1. Success through strategic areas of focus
2. Record fish feed season

# Raisio in 2019: A company of investments and a strong cash flow

## 2019: POSITIVE CASH FLOW

**23.3 M€\*** 2018:  
11.5 M€

## INVESTMENTS

**19.5 M€** 2018:  
5.6 M€

Investments nearly  
quadrupled as  
compared to 2018



## INVESTMENTS

1. Modernisation and increase in the capacity of the Nokia mill
2. New production facility under construction in Raisio's production area
3. These investments enable for future growth in the Elovena and Benecol brands in a way that is in line with the company's strategy.

# Strategic progress during 2019

## Growth and profitability of Raisio's core business

- Business profitability shifted to a growth trend in all market areas.
- New consumers were gained for Benecol products.
- Continued sales growth for Elovena products.
- New market areas were achieved for Raisioaqua.

## International oat business

- The survey of international markets got underway.
- The Elovena brand and product range were developed so as to inspire interest among international consumers.
- Domestic and international B2B actors are increasingly interested in gluten-free oats.



# Raisio's outlook for 2020

- In 2020, Raisio expects its net sales for continuing operations to grow (2019: EUR 236.3 million) and comparable EBIT to be over 10 per cent of net sales.





The construction of the production facility for plant-based value added products is proceeding on schedule.





Healthy Food 2019

# Benecol is a proven means of reducing cholesterol levels safely and effectively

- In the UK, profitability improved, net sales declined.
  - Part of the marketing campaigns have been put on hold due to the political situation.
  - Improvements in consumer sentiment following the general election at the end of the year.
- Sales of Benecol products in Finland were up +12%.
  - Growth continued to be positive in the newest product categories.
- The turn in Poland proceeded as planned and the business loss was clearly reduced.
- Active efforts to improve the growth and profitability of sales continue in Ireland and Belgium.





## A year of growth for Elovena products

- Sales increase of more than 4%
- New Elovena 100% oat snack biscuits increased sales.
- Preparations to internationalise the Elovena brand were carried out during the review period.
- Net sales of Nordic products increased substantially and EBIT improved in Russia.





## Healthy Ingredients 2019



## An excellent year for Raisioaqua

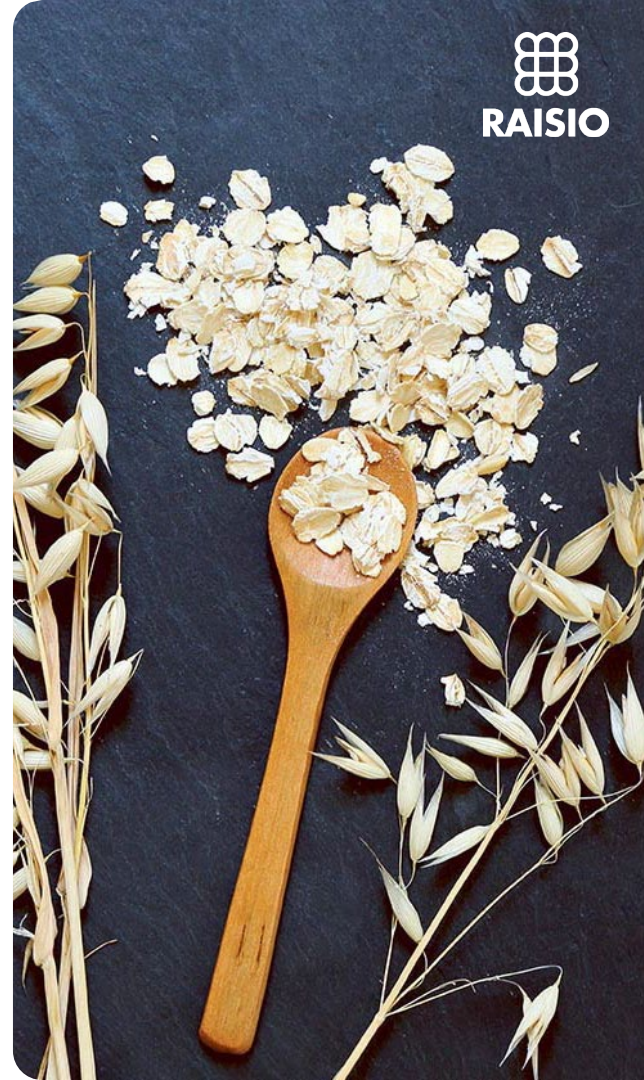
- Sales of fish feeds increased by over 30% during the review period, in relation to our highest record year to date in 2017.
- Investments improved efficiency
- Strong growth in our key markets of Finland and Russia
- Promising openings and customer relationships in new export markets in Poland and Sweden.
- Unique, sustainably-developed range of products and digital services support the growth of Raisioaqua. The Growth Sonar application brings significant added value to our fish farmer customers.





## Growing demand for oat products

- Good sales growth in oat products to bakeries and to industrial and catering customers continued.
- Growth particularly for gluten-free oat products
- Raisio's goal is to increase export of its oat-based added-value products also to BtoB customers.
- At the end of the review period, Raisio successfully finalised delivery agreements for 2020 with its current customers as well as new customers.

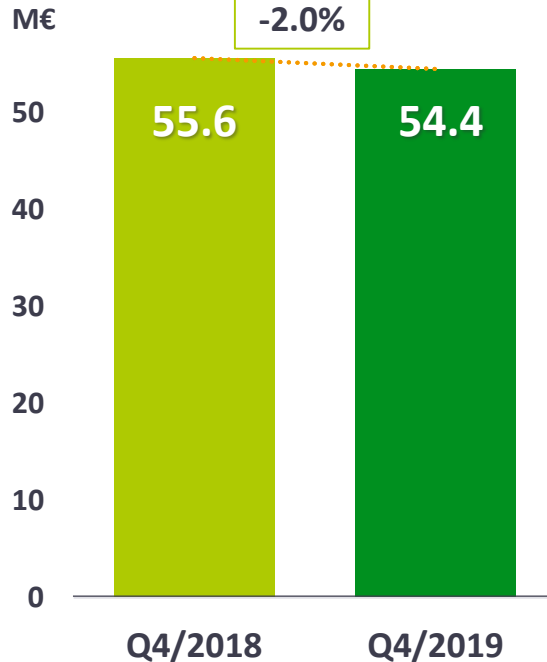




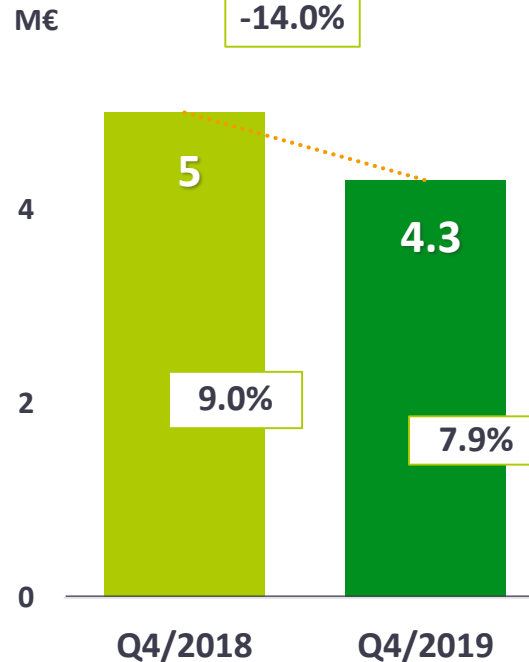
## Financial review Q4/2019

# Raisio plc's net sales and EBIT Q4/2019

## Net sales



## EBIT



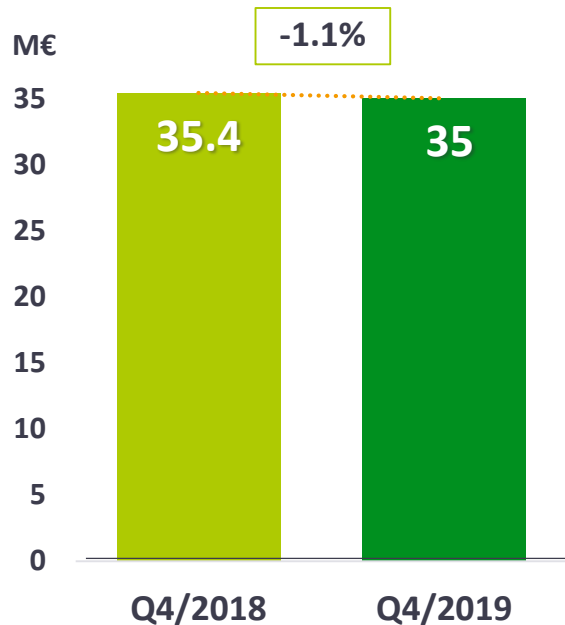
## Driving forces behind development

1. Growing demand for oat products
2. Low consumer demand in the UK
3. Approx. 0.7 M€ income from hedge accounting during the comparison period
4. Personnel remuneration system
5. Increased investments in R&D

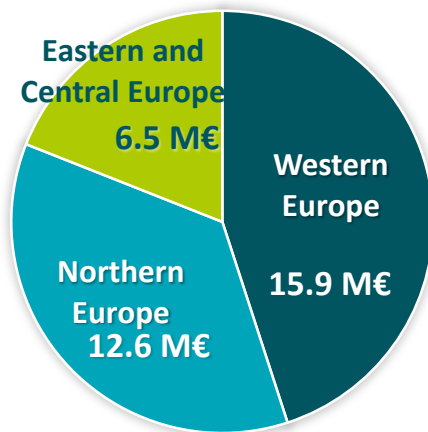


# Net sales and EBIT for the Healthy Food Segment Q4/2019

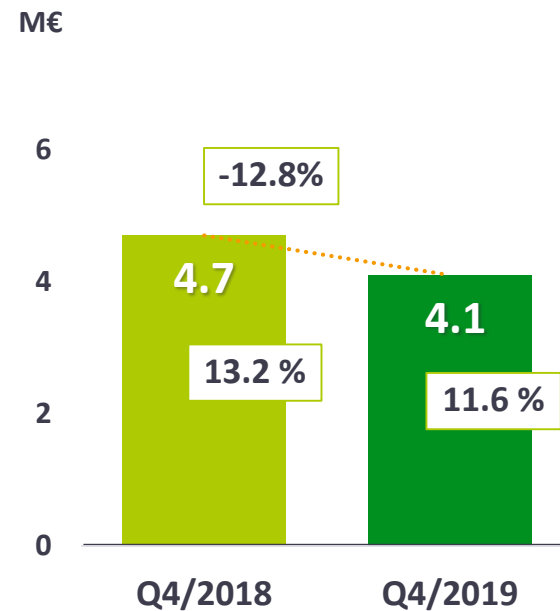
Net sales



Net sales by area



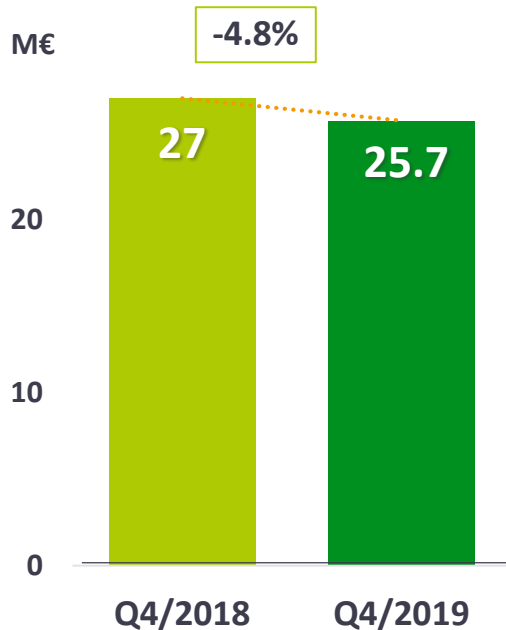
EBIT



# Net sales and EBIT for the Healthy Ingredients Segment Q4/2019



## Net sales



## EBIT



## ABOUT THE RESULT

1. 0.7 M€ positive income from hedge accounting was achieved during the comparison period.
2. Declining Benecol license sales had a negative impact also on the result.
3. The reduced grain trade had no significant impact on the result.

## Key figures

	2019	2018
Equity ratio, %	87.9	81.7
Net gearing, %	-36.4	-45.0
Net interest-bearing debt, M€	-98.6	-119.2
Return on investment (ROIC), %	13.9	8.1
Investments YTD, M€	19.5	5.6
Cash flow from operations YTD after financial items and taxes, M€	23.3	11.5





# Good Food Plan: Achievements in 2019

				TARGETS 2023
1 Recycling instructions for packages	2 Several trials with carton-based packaging materials	3 Cooperation with packaging material suppliers, research institutions and subcontractors		No plastic packages & 100% recyclability
1 Alternatives available for Nokia mill's new carbon-neutral energy solution	2 New devices in meeting rooms for Skype meetings	3 Supplier cooperation: info letter and questionnaire to be sent 1/2020		100% carbon neutral production
1 Updated Raisio's healthy food criteria	2 Healthy novelties, e.g. Elovena Snack Biscuits 100% oat	3 Elovena Instant Oatmeals meet Heart symbol targets		80% of products are healthy alternatives
1 Trainings for supervisors and value workshops	2 Healthy food e-learning and nutrition lectures	3 Health Days	4 Possibility to do voluntary work	Excellent employee experience with support for healthy lifestyle
1 Responsibility integrated in the suppliers' risk assessment and audit process	2 Roadmap for certified raw materials and reducing palm oil	3 Human rights training and workshop	4 Supplier Code of Conduct process clarified	Responsibility of the supply chain & human rights commitment

The top half of the image is a photograph of a lush green oat field. The oat stalks are tall and full of green leaves and developing grain heads. The background is a clear blue sky with some light, wispy clouds. The lighting is bright, suggesting a sunny day.

Food for Health, Heart and Earth.