

Retained profitability in the midst of a pandemic



Raisio's Interim Report for January–September 2020

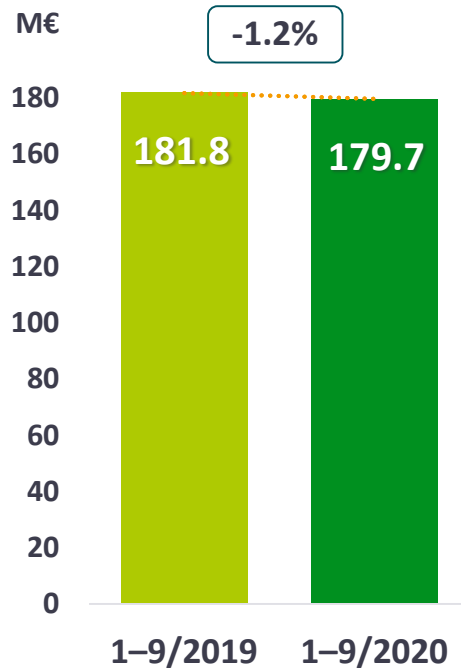
President and CEO Pekka Kuusniemi

Raisio plc, 4 November 2020

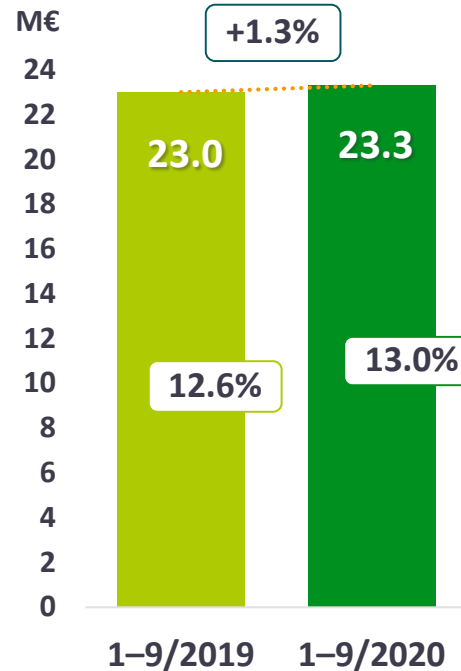


Raisio plc's net sales and EBIT 1–9/2020

Net sales



EBIT

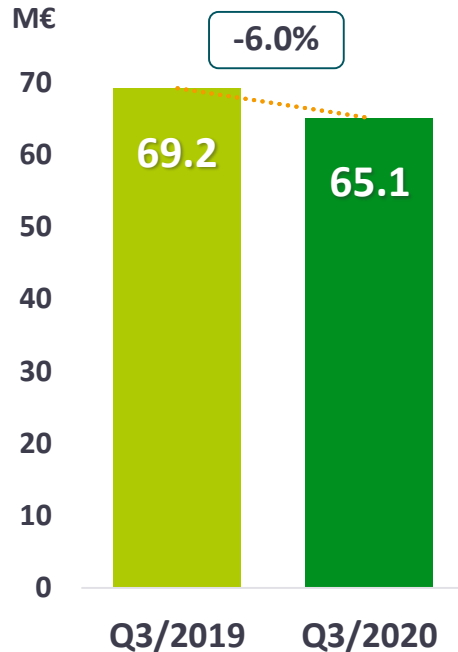


JANUARY–SEPTEMBER 2020

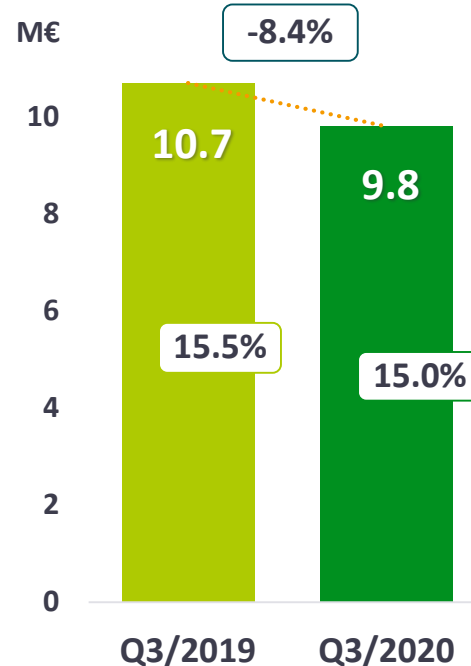
- Reporting season was operationally well controlled but was carried out in the shadow of a pandemic
- Strong and disciplined efforts to maintain profitability were effective

Raisio plc's net sales and EBIT Q3/2020

Net sales



EBIT



Q3/2020

- Extended period of exceptional circumstances, the rising second wave of the pandemic and unfavourable currency effects weakened the development
- Profitability was retained in a very satisfactory level

Raisio in 1–9/2020 – The engine runs steadily and significant investments are proceeding on schedule

POSITIVE CASH FLOW

18.8 M€ 1–9/2019: 13.8 M€*

INCREASED INVESTMENTS

23.0 M€ 1–9/2019: 10.9 M€

Investments were 12.8 (6.0)% of net sales



EQUITY RATIO

85.7 % Q3/2019: 83.6%

EQUITY PER SHARE

1.67 € Q3/2019: 1.68 €

Raisio's equity ratio and balance sheet remain strong

Raisio in 1–9/2020 – The engine runs steadily and significant investments are proceeding on schedule

NET INTEREST-BEARING DEBT

-71.5 M€ Q3/2019: -97.1 M€

NET GEARING

-27.2% Q3/2019: -36.8%

Strong financial solvency and liquidity



EARNINGS PER SHARE

0.11 EPS 1–9/2019: 0.14 EPS

ROIC, return on investment

11.8% Q3/2019: 16.3%

EPS and ROIC are catching up the trough from Q1

Raisio's outlook for 2020

- Raisio withdrew its guidance for 2020 on 29th July 2020 due to the potential second wave of the COVID-19 pandemic and the prolonged state of the pandemic in general. Raisio reinstates its outlook for 2020, but because of the exceptional market circumstances, Raisio's outlook still includes a level of uncertainty.
- **Raisio's new guidance:** In 2020, Raisio expects its net sales for continuing operations to fall ca. -3% (net sales 2019: EUR 236.3 million) and comparable EBIT to be in line with the previous year (EUR 27.3 million).
- **Raisio's previous guidance:** 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.





Construction of a new production facility for value-added plant-based products: installation of process equipment has started

- The construction of a new production facility within Raisio's carbon-neutral industrial area has proceeded according to plan.
- The recruitment needed for the opening and starting the production at the facility has been completed and can be seen in the increased number of personnel at Raisio.



Healthy Food

Healthy Food Segment 1–9/2020



Proven to lower
cholesterol safely and
effectively



Healthy
brand
products to
consumers



The most valued and
sustainable oat
brand in Finland

Geographic distribution
and growth of net sales
1–9/19 – 1–9/2020:

Western Europe 44% ▼

Northern Europe 41% ▲

Central and Eastern
Europe 16% ▼



Key
market areas:

Finland, the UK, Russia,
Ireland, Ukraine and
Poland



Development of
profitability by key
market areas:

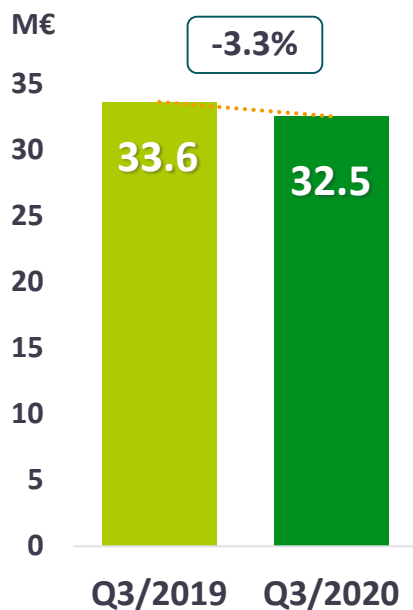
Western Europe ▼

Northern Europe ▲

Central and Eastern
Europe ▼

Healthy Food Segment's Net Sales and EBIT Q3/2020

Net sales



EBIT



HIGHLIGHTS

- Demand for our consumer products fluctuated strongly between the different markets
- Development in the Finnish consumer market was very strong
- In the UK, the development continued to move downward, with a large impact on both net sales and profitability
- In Russia, sales increased strongly, but the development of the exchange rate was not on our side



Healthy Ingredients

Healthy Ingredients Segment 1–9/2020

Fish feeds

Raisioaqua is **an innovative forerunner in fish feeds.**



Key markets for fish feeds: **Finland and Russia.**

Global markets for ingredients, key markets in **Europe.**

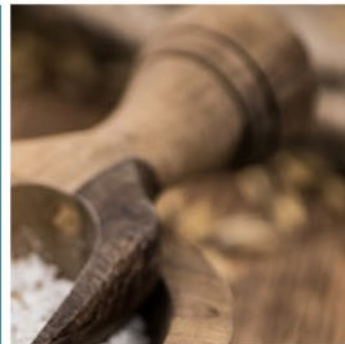
- Challenges in new export markets, **Sweden** and **Poland**. The comparison period 2019 was record-high.
- Raisioaqua has carried out **extensive advocacy work** for the benefit of the entire industry in 2020.



Baltic Blend feeds have reduced the Baltic Sea nutrients*

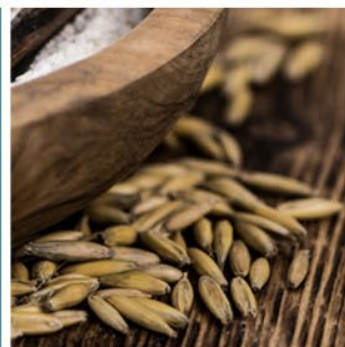
282 tonnes of phosphorus

1413 tonnes of nitrogen



Ingredients

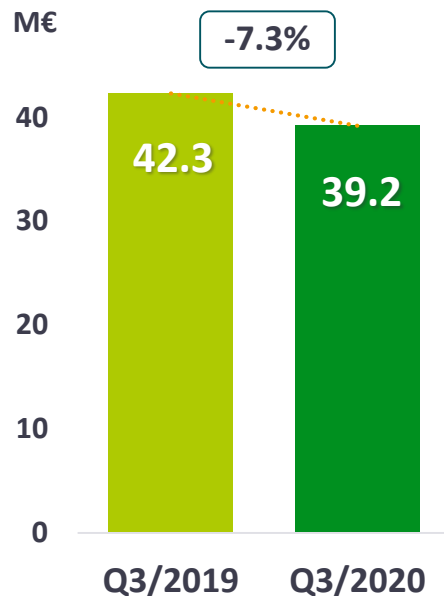
Quality food ingredients made with Finnish grains for B2B customers.



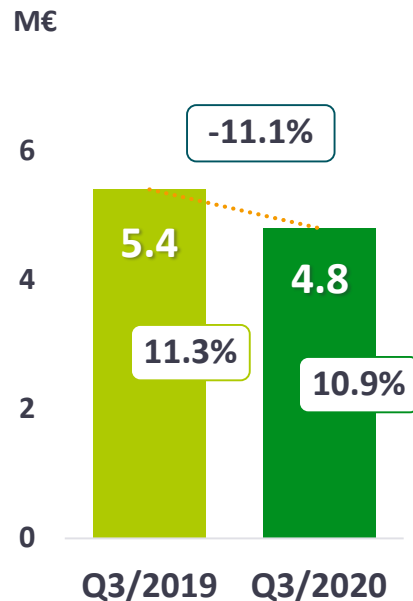
- The sales of **value-added oats**, both in Finland and abroad, is growing, **even beyond our expectations**, despite the currently difficult conditions.
- In exports our distribution partners help to leverage from new markets.

Healthy Ingredients Segment's Net Sales and EBIT Q3/2020

Net sales



EBIT



HIGHLIGHTS

- Raisioaqua had a good quarter, except a loss in volumes from one significant Nordic customer
- Strong growth continued in gluten-free oat products to industrial customers and to export markets
- Plant stanol ester deliveries to license partners increased from the comparison period, primarily as a result of phasing of sales
- The volumes of external grain trade decreased as planned

A top-down view of two white ceramic bowls filled with yogurt, granola, and fresh fruit. The bowls are set on a white wooden surface. The bowl on the left contains a silver spoon and is partially obscured by a white cloth. The bowl on the right is more prominent, showing a large scoop of yogurt, granola, blueberries, and sliced strawberries. Almonds are scattered around the bowls.

Food for Health, Heart and Earth.