



Strong growth and  
improving profitability  
during the second quarter

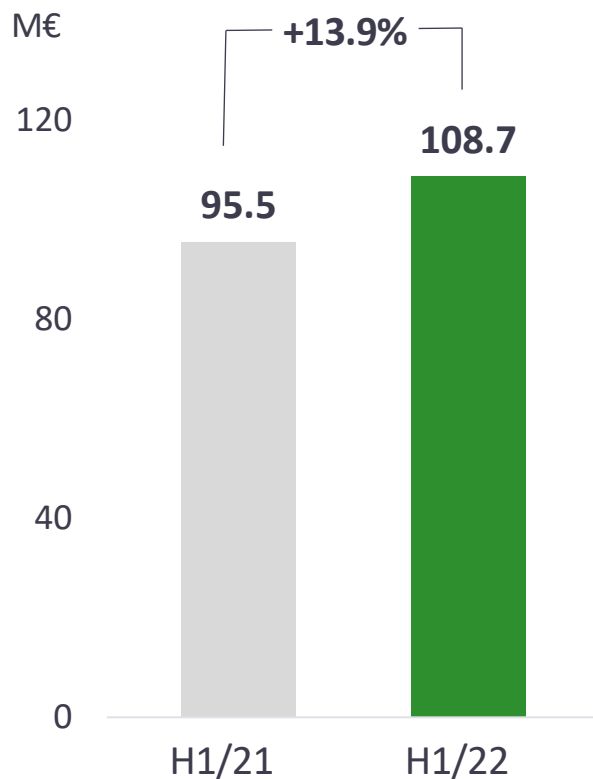
Raisio plc's Half-Year Financial Report H1/2022  
CEO Pekka Kuusniemi  
Raisio plc, 3 August 2022

# Raisio plc's net sales and EBIT H1/2022

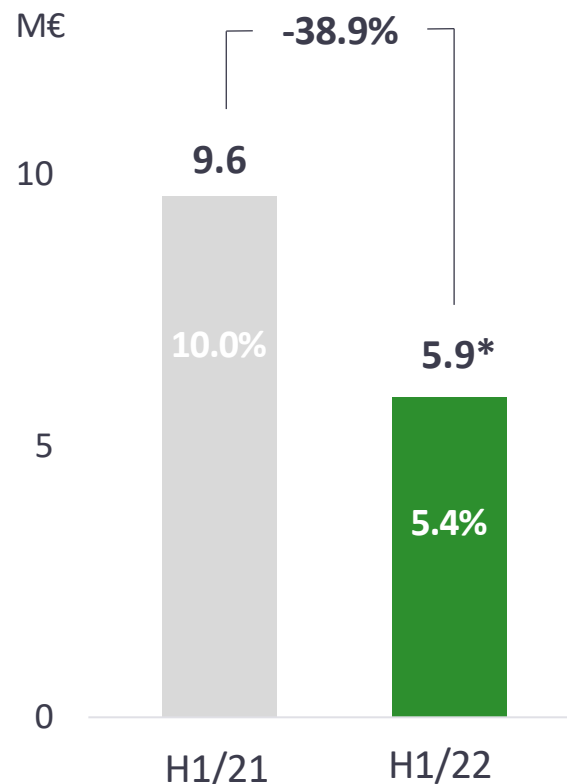
Continuing operations, without Raisioaqua and consumer business in Russia



## NET SALES



## COMPARABLE EBIT



## NET SALES GROWTH: 13.9% IN JANUARY-JUNE

- Sales for our consumer brands especially in Finland and B2B business increased well in relation to the comparison period.
- Exceptionally strong price pressures on procurement, transport and raw material costs weighted on profitability, particularly in the beginning of the review period.
- Price increases restored profitability to a better level towards the end of the period.
- Investments in sales and marketing increased significantly in relation to the comparison period.

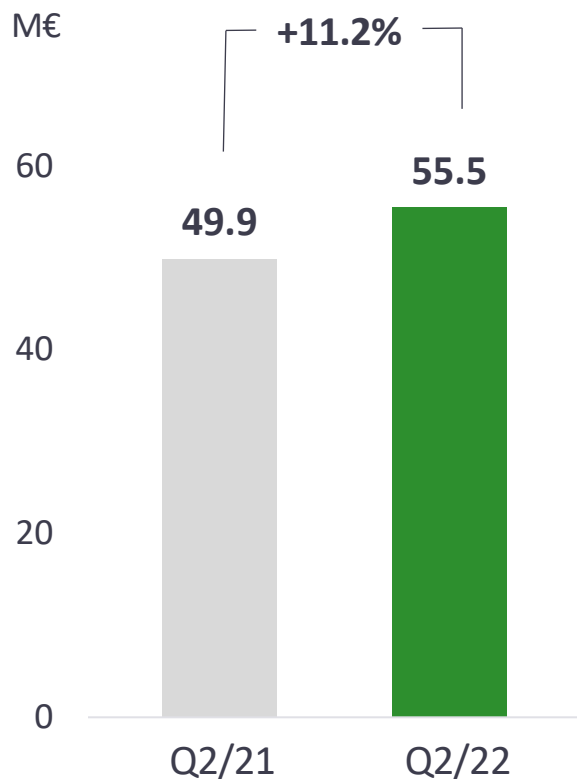
\*The comparable EBIT includes a return of EUR 1.1 million in pension fund surplus from previous years.

# Raisio plc's net sales and EBIT Q2/2022

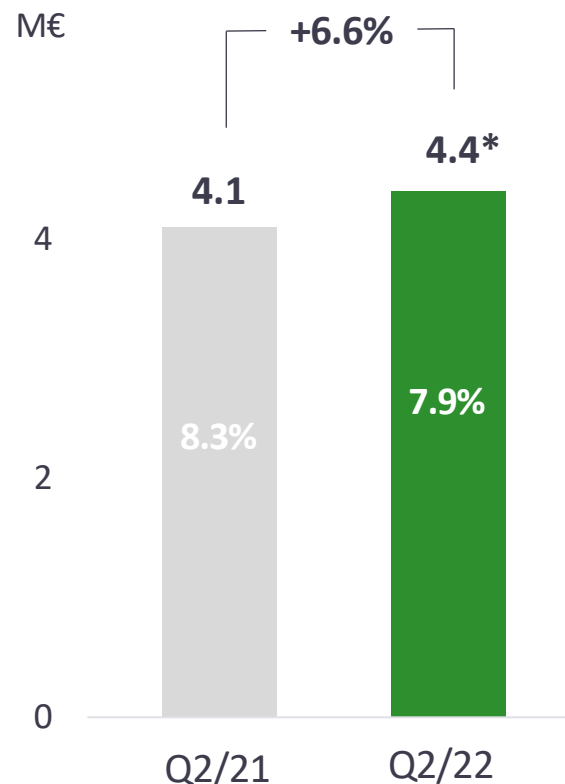
Continuing operations, without Raisioaqua and consumer business in Russia



## NET SALES



## COMPARABLE EBIT



## NET SALES GROWTH: 11.2% IN APRIL-JUNE

- Biggest risks regarding the sufficiency of raw materials receded.
- The heaviest cost pressures eased a bit but are still historically high.
- Exceptional price increases were implemented, which restored profitability closer to the normal level as of the end of the review period.
- Investments in sales and marketing continued in line with the strategy.

\*The comparable EBIT includes a return of EUR 1.1 million in pension fund surplus from previous years.

# Skyrocketing raw material prices affected the cash flow



	H1/22	H1/21
Cash flow, M€	<b>-1.4</b>	12.6
Investments, M€	<b>2.6</b>	11.5
Equity ratio, %	<b>78.3</b>	80.5
Equity per share, €	<b>1.61</b>	1.69
Net interest-bearing debt, M€	<b>-21.7</b>	-52.3
Net gearing, %	<b>-8.5</b>	-19.6
Comparable earnings per share, EPS	<b>0.02</b>	0.05
Comparable ROIC, %	<b>2.5</b>	7.6

## PRESSURES ON CASH FLOW IN THE SHORT TERM

- As planned, investments were at a more moderate level compared to previous years: 2.4 (12.1)% of net sales.
- Skyrocketing raw material prices affected the cash flow negatively.
- We encouraged the work of farmers experiencing financial difficulties: in spring, we offered them short payment terms and payments in advance for their next harvest, which helps us secure the availability of raw materials.





## Raisio's outlook for 2022

### NEW GUIDANCE FOR 2022 ON 15 JUNE 2022:

Raisio anticipates that the net sales for its continuing operations in 2022 will be between EUR 220–230 million with a comparable EBIT of around EUR 17–20 million.

The fluctuation margin reflects uncertainty regarding future demand and the price development of raw materials.



# Healthy Food



# We have sold our consumer business in Russia



- **Russian authorities registered the deal on 12 May 2022.**
- We have sold OOO Raisio Nutrition, the subsidiary responsible for Raisio's consumer business in Russia and rights for the Nordic trademark which the subsidiary has used in the Russian and Belarusian markets, among others.
- The sale of the Russian consumer business generated a capital loss of EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022 and classified the activities included in the deal as assets available for sale and reported them as discontinued operations.

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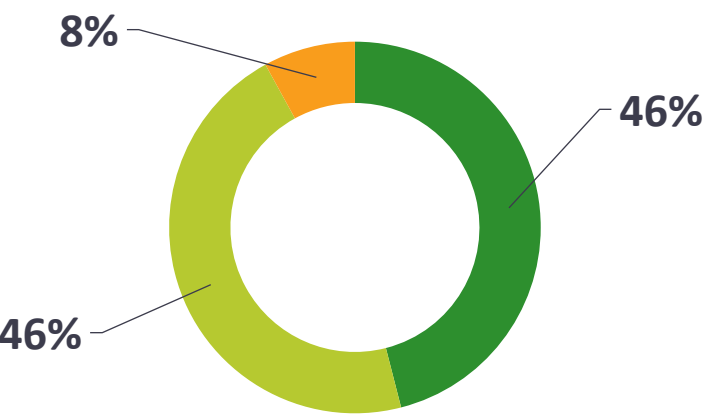
**The total sale price  
was approximately  
EUR 1.5 million.**



# Healthy Food Segment Q2/2022

- Healthy brand products for consumers
- Key market areas: Finland, the UK, Ireland, Ukraine, Poland
- Russian business which was sold is reported as discontinued operations

GEOGRAPHIC DISTRIBUTION OF NET SALES Q2/2022:



DEVELOPMENT OF NET SALES:

	Q1/2022 vs Q1/2021	Q2/2022 vs Q2/2021
Western Europe	↗	↗
Northern Europe	↗	↗
Central and Eastern Europe	↘	↘

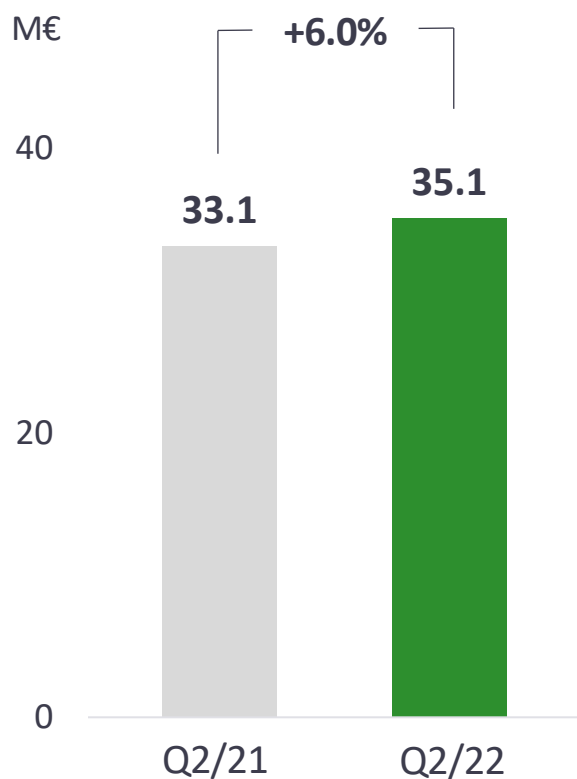


# Healthy Food Segment's net sales and EBIT Q2/2022

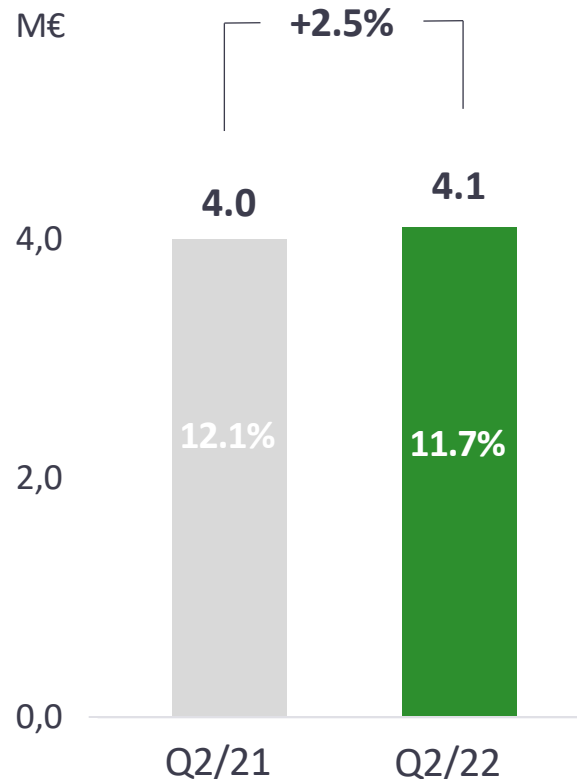
Continuing operations, without consumer business in Russia



## NET SALES



## COMPARABLE EBIT



## OUR CONSUMER BRANDS ARE AT THE HEART OF THE STRATEGY AND DRIVE GROWTH

- Strong growth in relation to the comparison period especially in the Finnish market. In other markets, the performance has been stable.
- Sales growth of Elovena® products was historically high: more than 31% over the comparison period.
- Challenges in the plant protein market, but the long-term growth outlook for the product category is positive.
- Heaviest price pressures were on grain-based products. Price increases have been implemented to restore profitability to a better level.



# Healthy Ingredients



# Healthy Ingredients Segment Q2/2022

## INGREDIENTS

- Quality food ingredients made with Finnish grains for B2B customers
- Benecol® licensing
- Global markets for ingredients, key markets in Europe

## FISH FEEDS

- Raisioaqua was classified as asset being held for sale and is reported as discontinued operations.





# We have decided to sell our fish feed business

- **Raisio announced on 31 May 2022 that it will classify its fish feed business as assets held for sale and report the business as discontinued operations.**
- We have now initiated proceedings to sell Raisioaqua Ltd. The aim is to have the Raisioaqua arrangement concluded within the 2022 financial period.
- In the first quarter of the review period, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business due to the large share of Russian exports and their discontinuation.



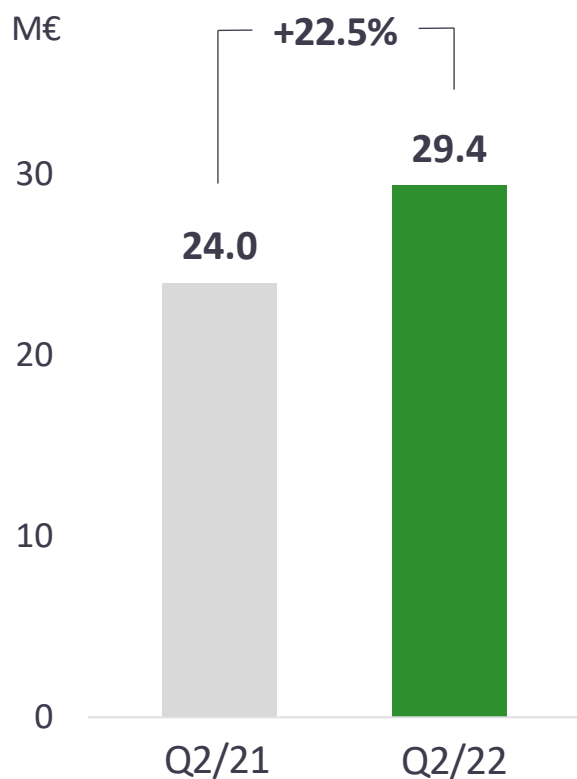
**We aim to complete the arrangements concerning Raisioaqua during 2022.**

# Healthy Ingredients Segment's net sales and EBIT Q2/2022

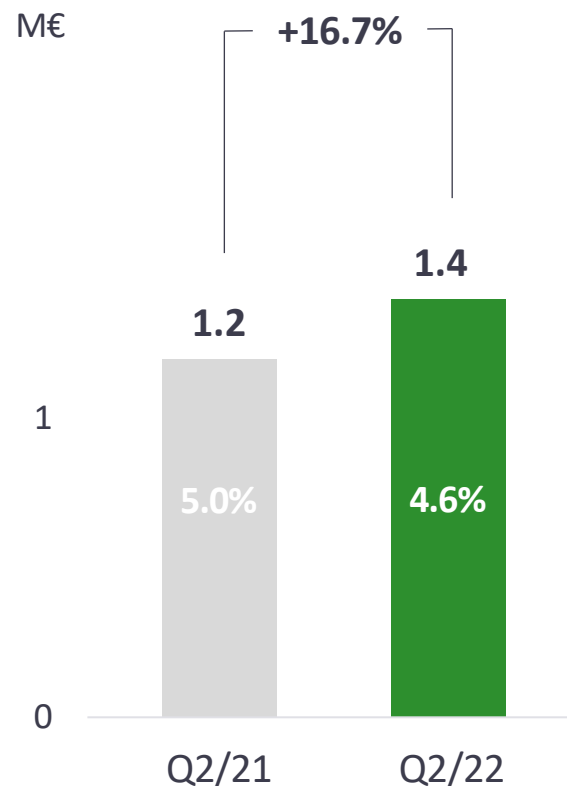
Continuing operations, without Raisioaqua



## NET SALES



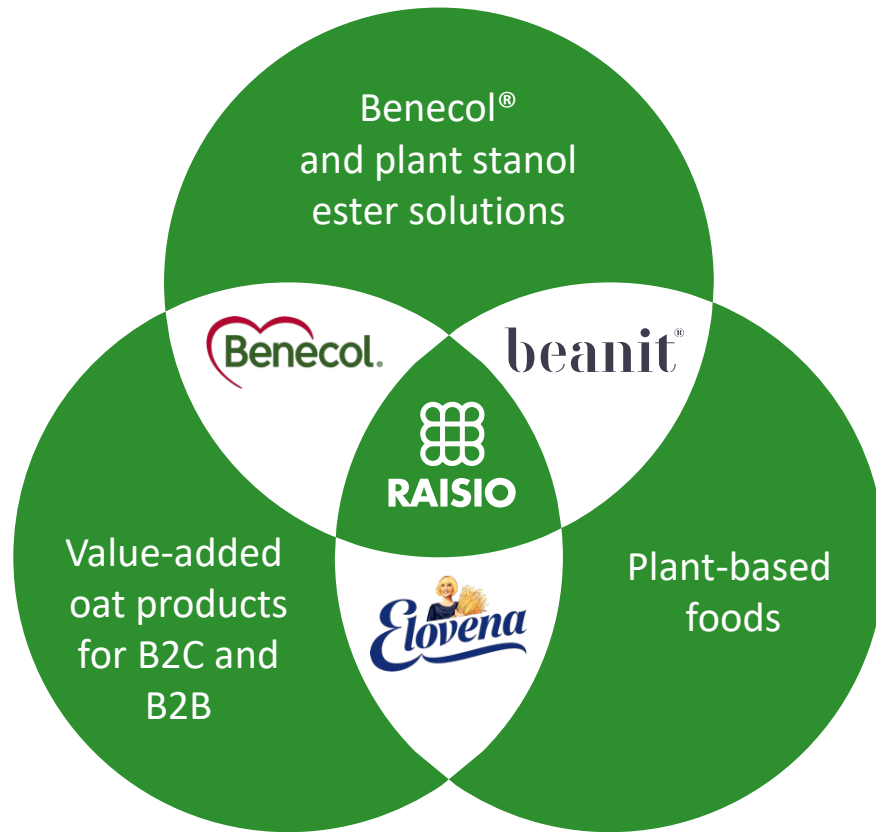
## COMPARABLE EBIT



## NET SALES GROWTH: 22.5% IN APRIL-JUNE

- Oat and gluten-free oat continued to drive growth according to our strategy.
- Exceptional price increases were implemented, which restored profitability closer to the normal level as of the end of the review period.
- The biggest challenges regarding the supply of raw materials receded during the review period. The outlook for the crops appears to be better than last year.

# Raisio's Healthy Growth Strategy 2022–2025



## Tailwind behind our back



### Plant-based eating

#### *Quality alternatives*

As plant-based eating becomes more mainstream and there is more variety to choose from, more is expected from product quality.



### Healthy living

#### *Holistic wellbeing*

Health is understood as holistic wellbeing. Awareness of the importance of mental health has increased during the pandemic.



### Sustainability

#### *Shared planet*

Sustainable choices gain importance. Consumers are looking for concrete actions they can understand and afford.



The sale of the consumer operations in Russia and exit of all export activities to Russia **do not change the planned advancement of our strategy or chosen areas of focus, now or in the future.**

# Financial targets for strategy period 2022–2025



## Growth





Target is to grow the combined net sales of the three focus areas by an average of **7%** annually (CAGR) and the sales of the entire Group by **5%** during the strategy period.

## EBIT

We are targeting a comparable EBIT of over 10% of the Group's net sales in 2025.

## OUTCOME H1/2022

In H1 the growth of the combined net sales of the three focus areas was **8.9%**.

		H1/2021	H1/2022	2021
<b>Net sales</b>	M€	78.0	 <b>84.9</b>	159.9
Benecol® and plant stanol ester solutions	M€	55.9	 <b>56.8</b>	114.3
Value-added oat products for B2C and B2B	M€	19.9	 <b>24.6</b>	39.6
Plant-based products	M€	2.2	 <b>3.5</b>	6.1



Food for Health, Heart and Earth.





[raisio.com](https://raisio.com)