



Raisio's Capital Markets Day 2021

10 June 2021

Agenda and presenters



**Raisio's strategy
2022–2025**

Pekka Kuusniemi
Chief Executive Officer

Presentation about 30
minutes



**Raisio's plant-based
offering as a growth
driver**

Iiro Wester
Chief Commercial Officer

Presentation about 25
minutes



**Healthy
Ingredients and
Operations**

Virpi Aaltonen
Chief Operations Officer

Presentation about 15
minutes

Break
10 minutes



**Responsibility at
the core of Raisio's
strategy**

Sari Koivulehto-Mäkitalo
Chief Legal Officer

Presentation about 20
minutes



**Financial highlights
of the strategy
period**

Mika Saarinen
Chief Financial Officer

Presentation about 20
minutes



Q&A Facilitator

Taru Ämmälä
Chief People Officer



Raisio in brief

Pekka Kuusniemi
CEO

Raisio in brief – highly responsible healthy food company



FOUNDED IN
1939

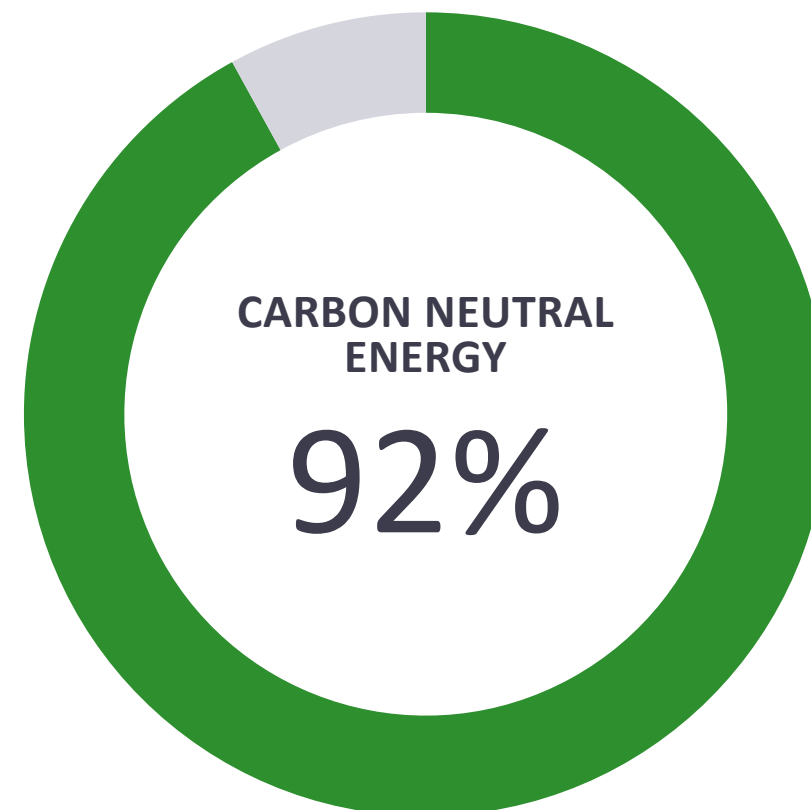
NET SALES (2020)
234
M€

EBIT (2020)
28
M€

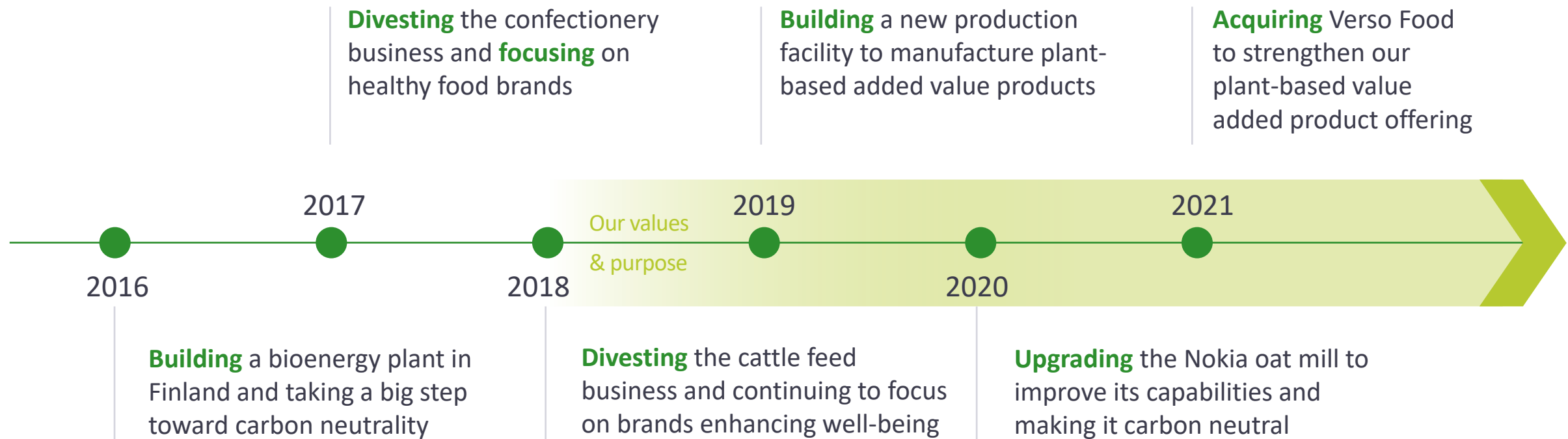
INTERNATIONAL
HOUSE OF BRANDS


EMPLOYEES
380

COUNTRIES
10



Our recent journey



Our purpose:

FOOD FOR
HEALTH, HEART
AND EARTH.

Our values:

COURAGE
FAIRNESS
DRIVE

Healthy growth strategy 2022–2025

Tailwind behind our back

Healthy living

Holistic wellbeing

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



Sustainability

Expectations ever wider

Minimize the environmental impact throughout the whole product lifecycle.

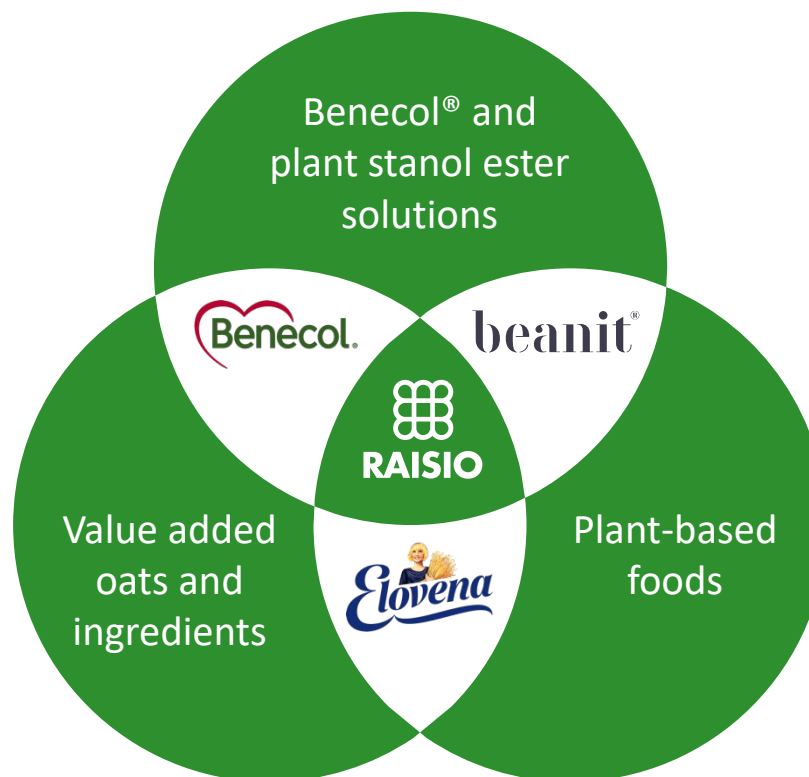
Plant-based eating

Catering to mainstream

Plant-based eating has become a popular choice and is widening to new categories.

Raisio's growth drivers 2022–2025

– creating a unique combination

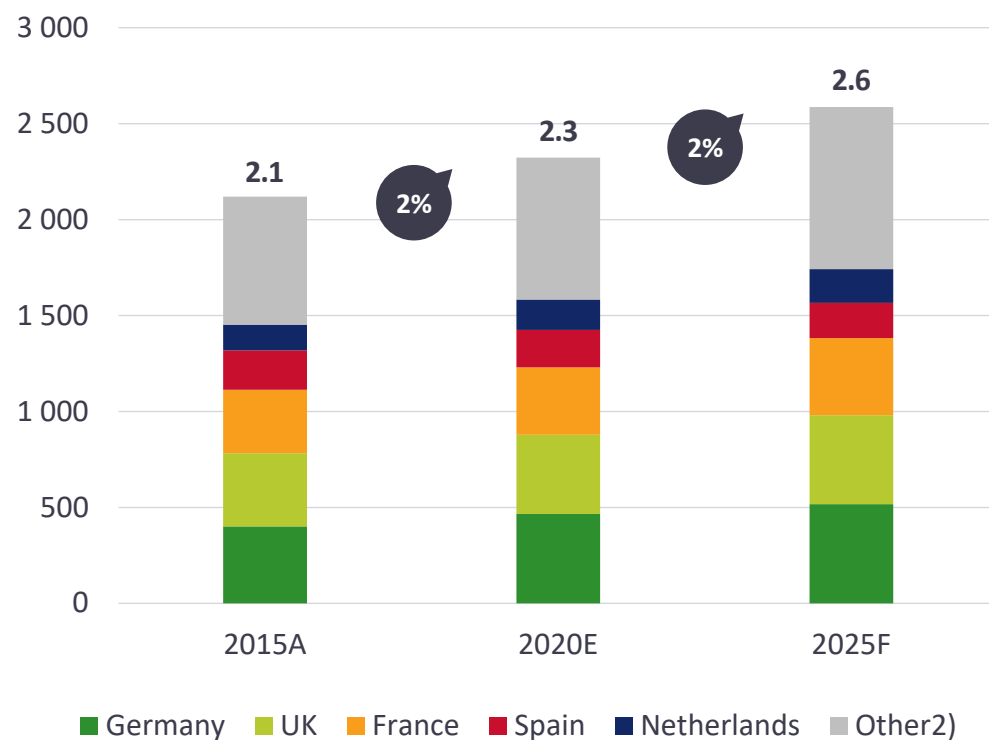


Food for Health, Heart and Earth

Benecol® and plant stanol ester solutions – key drivers for Raisio's profitability



CARDIOVASCULAR HEALTH¹⁾ PACKAGED FOODS IN EUROPE, EURbn



MOTIVATION

Health benefits, hidden market potential and plant stanol ester

WHAT IS OUR GOAL?

3% growth ambition for annual net sales growth (CAGR) in 2020–2025

HOW TO REACH IT?

New categories, awareness and R&D

1) Health and wellness products positioned as beneficial to cardiovascular health, e.g. reducing cholesterol, blood pressure, etc.
Source: Euromonitor, Strategy& analysis

2) Selected other markets are Austria, Belgium, Finland, France, Germany, Italy, Ireland, Poland, Russia, Spain, Sweden, UK
Source: GlobalData, Strategy& analysis, Opinion Research, October 2020

Example of ongoing research regarding potential uses for plant stanol ester

- *EU Authorised Health Claim: Plant stanol ester has been shown to lower blood cholesterol. High cholesterol is a risk factor in the development of coronary heart disease*
- *Research program to evaluate other possible health benefits of plant stanol ester beyond LDL cholesterol lowering e.g. effects on immune function*

FIRST STUDY

(Brüll 2012):

Plant stanols balance the immune function of asthmatics in a beneficial way*

CONCLUSION

(Brüll 2016):

Plant stanols strengthen the immune system of asthmatics and improved their vaccination response against hepatitis A*

RESEARCH

QUESTION:

Does plant stanol ester have clinical benefits in asthmatics?

RESEARCH

QUESTION:

“Could plant stanol ester aid the production of antibodies against other types of vaccines, when a person is overweight, over 50 years of age or asthmatic?”

FUTURE OUTLOOK:

At this stage very early phase clinical studies and no business plans nor estimates can be stated at this point.



*As published. Results not evaluated by authorities

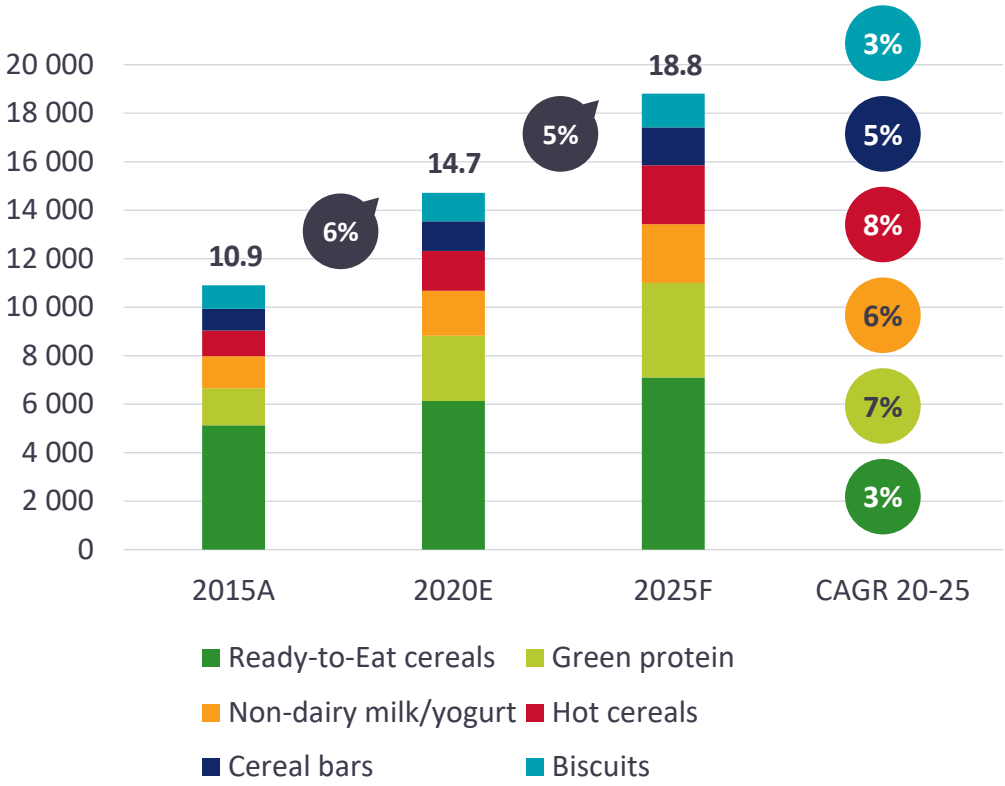
Brüll et al. PLoS ONE 2012

Brüll et al. American Journal of Clinical Nutrition 2016

Value added oats and ingredients – aiming to significantly outpace the market growth



SPEND ON RELEVANT CATEGORIES IN SELECTED MARKETS¹⁾, EURbn



MOTIVATION

Health benefits, gluten-free and traceability

WHAT IS OUR GOAL?

12% growth ambition for annual net sales growth (CAGR) in 2020–2025

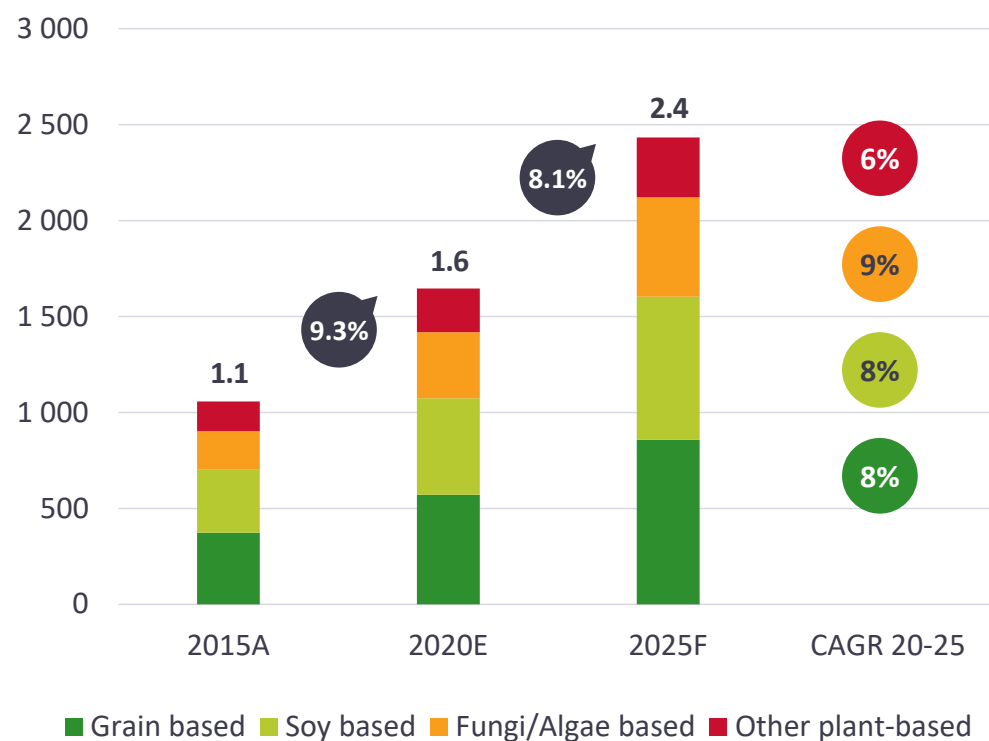
HOW TO REACH IT?

Technology, R&D and brands

1) Selected markets are Austria, Belgium, Finland, France, Germany, Italy, Ireland, Poland, Russia, Spain, Sweden, UK
Source: GlobalData, Euromonitor International, Strategy& analysis

Plant-based foods – growth driven by a shifting consumer preferences due to health and environmental concerns

PLANT-BASED PROTEIN¹⁾ SPEND DEVELOPMENT IN SELECTED MARKETS²⁾, EURbn



MOTIVATION

Food revolution, health benefits and sustainability

WHAT IS OUR GOAL?

38% growth ambition for annual net sales growth (CAGR) in 2021–2025

HOW TO REACH IT?

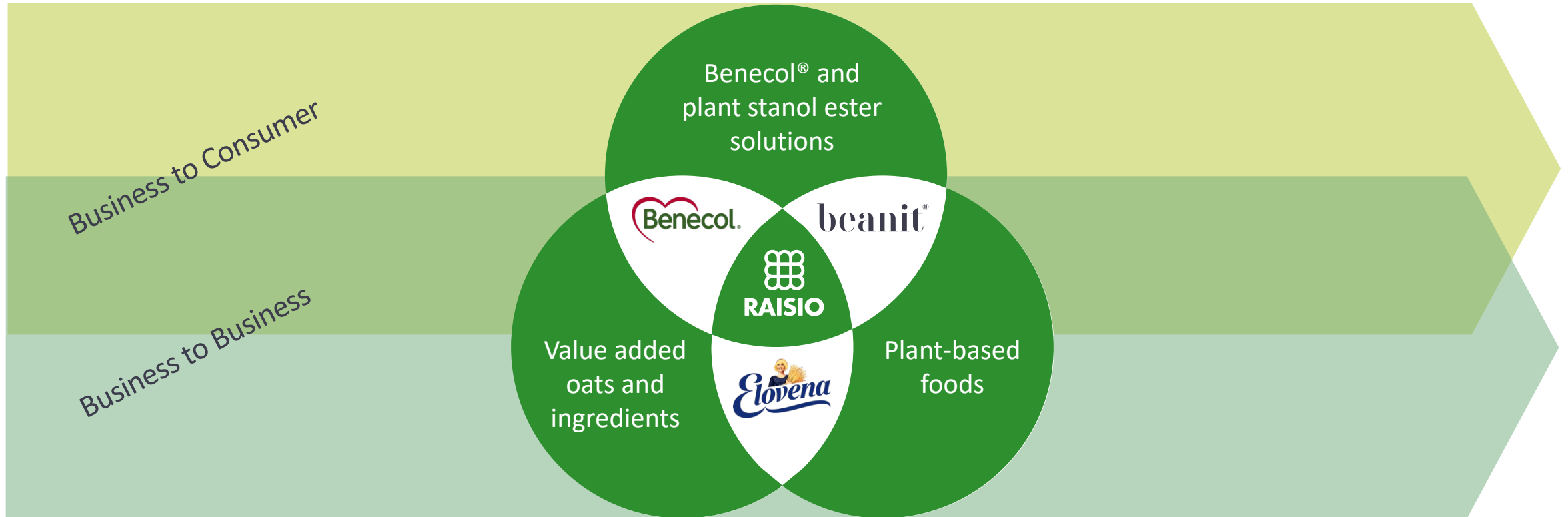
Innovations, new markets and liquid & solid

1) Official definition of green protein is meat substitutes

2) Selected markets are Austria, Belgium, Finland, France, Germany, Italy, Ireland, Poland, Russia, Spain, Sweden, UK

Source: GlobalData, Strategy& analysis, Opinium Research, October 2020

Raisio's existing structure focusing on customer needs enables executing the growth strategy

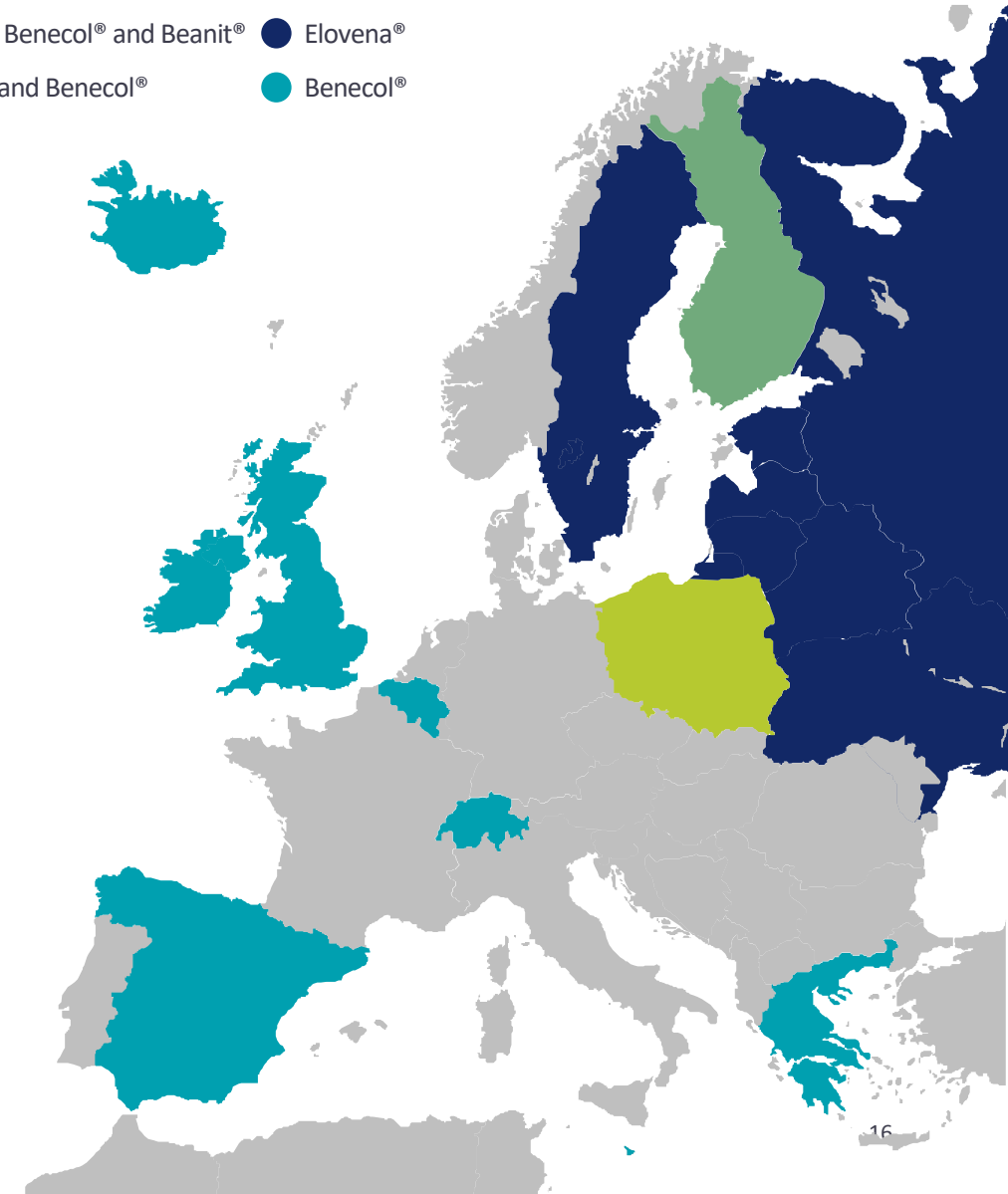


Ambition
to expand
in Europe

Current brand footprint



- Elovena®, Benecol® and Beanit®
- Elovena®
- Elovena® and Benecol®
- Benecol®



Our **response** is strong

During the past 3 years, we have invested
EUR 65 million in creating a platform for growth

**New production
facility**

**Nokia mill
upgrade**

**Verso Food
acquisition**

Leveraging these platforms to serve increasing demand

To meet the growing consumer demand,
we are now **significantly strengthening
our plant-based offering**

Nokia mill upgrade to focus on gluten-free oat production

Strengthening the
plant-based food
category and Raisio's
technological expertise
with **Verso Food**





Proudly
presenting





100% plant-based
Finnish gluten-free oat





**Carbon-neutral
production in Finland**

**Recyclable packaging with
renewable materials**





Delicious taste & texture

Brands that consumers love





Raisio is in an excellent position
to capitalize targeted growth opportunities



Food for Health, Heart and Earth.



Raisio's plant-based offering as a growth driver

Iiro Wester,
CCO

The growth of plant-based foods and drinks is driven by global consumer trends



Health & Wellbeing



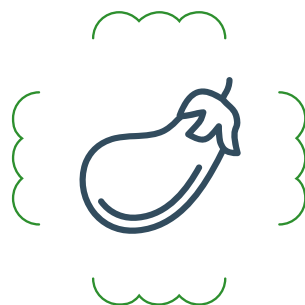
Sustainability



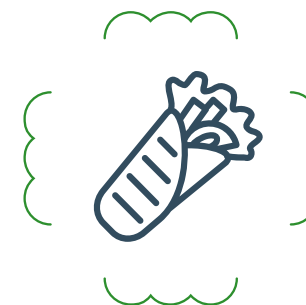
Identity & Personalisation



Natural Nutrition



Plant-based eating

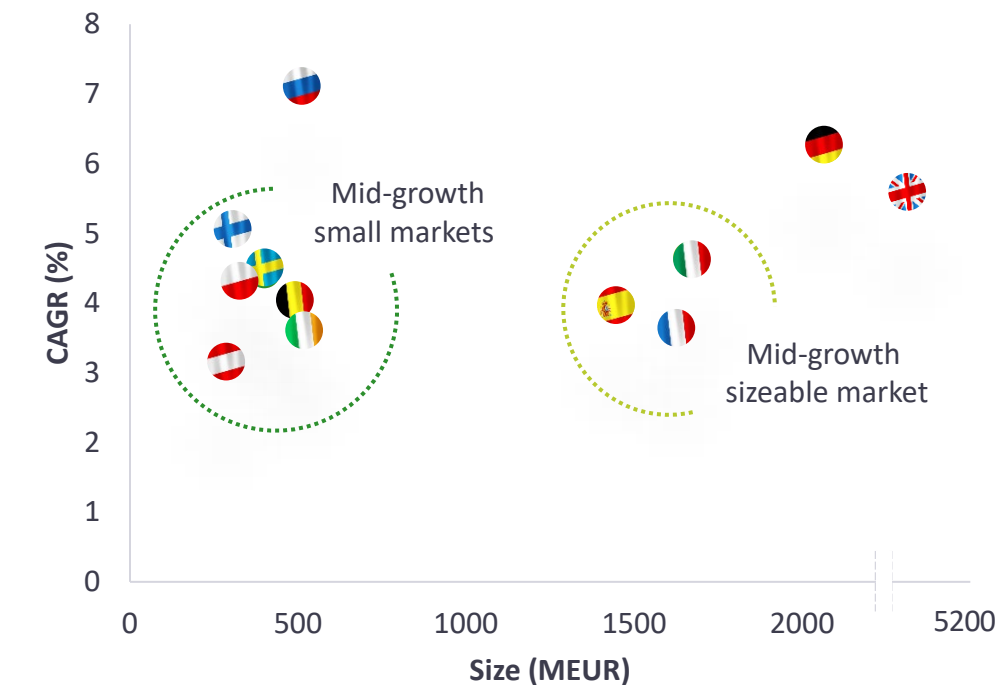


Convenient Snacking

The UK is the largest market, while many others offer interesting growth opportunities as well

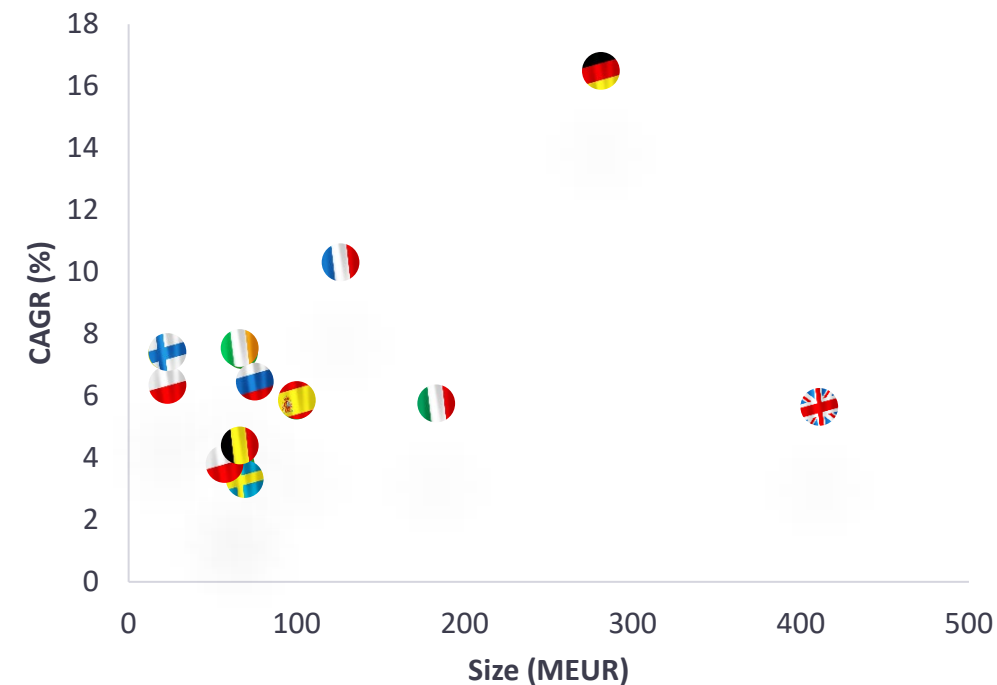


OAT-BASED PRODUCTS¹,
EUR MILLION IN 2020E, CAGR 2020E–2025F



1) Biscuits, cereal bars, hot cereals, meat substitutes, ready-to-eat cereals, non-dairy milk/yogurt
Source: GlobalData, Euromonitor International, Strategy & analysis

PLANT-BASED PROTEINS²,
EUR MILLION IN 2020E, CAGR 2020E–2025F



2) Official definition of green protein is meat substitutes
Source: GlobalData, Euromonitor International, Strategy & analysis

Why are plant-based products loved by consumers?

Key drivers for choosing plant-based products



60%

Healthiness

Plant-based is seen as good for you. Oats in particular are perceived as a healthy choice.

50%

Good taste

When you get used to plant-based products, the taste is really good, even better than dairy products.

29%

Fit for vegetarian / vegan diet

Increased interest toward vegan diet.

31%

Wanting to try something new

Many want new experiences with flavours, ingredients and even brands.

28%

Ethical reasons

Plant-based is considered ethical and good for the planet.

Milk allergy or Lactose is the key motivator for only ~11 %

Source: Foodwest dairy-free category usage (n 860), UK, March 2020

In Europe, the consumption of plant-based dairy is growing fast, especially among younger consumers



UK

↑
+25% Plant-based milks grow
5x faster than dairy milk

+16% Plant-based yogurts grow
8x faster than dairy
yogurts

FINLAND

↑
+31% Plant-based milks'
growth in 2020

+9% Plant-based yogurts'
growth in 2020

+20% Plant-based cooking
growth in 2020

Year-on-Year value growth sources: UK data / Kantar WP 52 w/e Oct 20 for PB milks, Nielsen 52w/e Dec 20 for Yogs. FI data / Nielsen HomeScan R12M 29.12.2020 & Raisio data sources



The 1st oat-based range proven to lower cholesterol with plant stanols

Offers consumers a **unique heart-healthy** option

Drives value for consumers & category

Increases **average purchase**

Plant-based consumers don't just look for any plant-based product – they look for the right one.

Healthy, sustainable & tasty.
Benecol OAT meets the expectations of plant-based consumers.

Benecol OAT is kind to your heart and the planet.

"Elovena's concept sounds great! It is a trusted brand and I would certainly dare to buy these products. Being Finnish really is a plus"

"Elovena as a brand fits well for these kinds of products. Oat products couldn't be more genuine than Elovena, the classic!"



Elovena

Ranked as #1 by consumers
in plant-based dairy category

#1 in taste

#1 brand in oats
in Finland

Top scores in
purchase intention

Elovena® attracts new consumers to the category

- Sustainable, healthy and great tasting plant-based novelties
- Most-valued and known oat brand in Finland
- Increases penetration
- Drives category value



Strengthening the plant-based food category with Verso Food



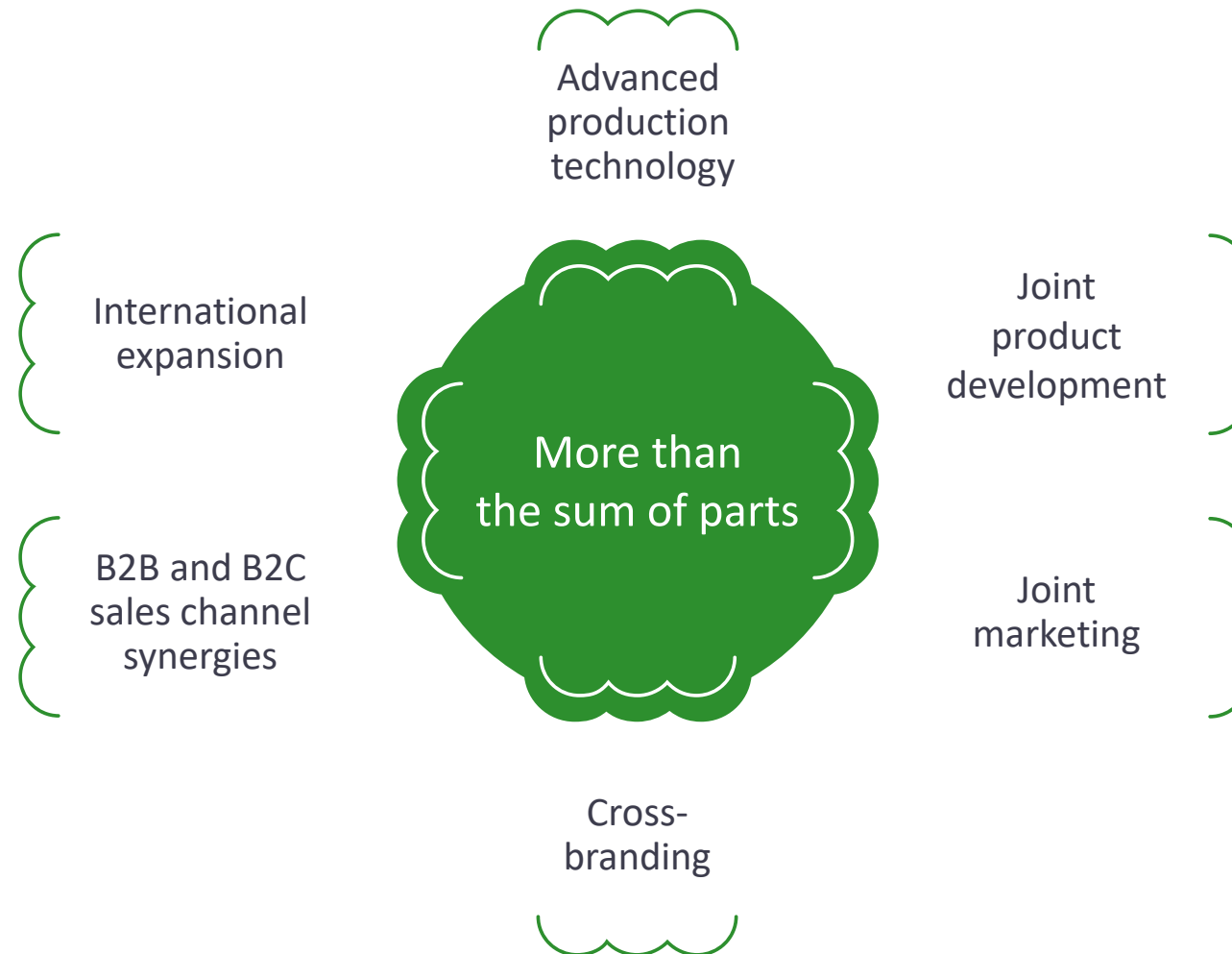
Verso Food is
now part of
Raisio

- In Finland, Beanit® is the market leader in plant protein category
 - Raisio's market share in the plant protein market in Finland is some 25%
 - The market growth in Finland was some 20%* in 2020
 - BCG expects the global plant protein market to grow at a pace of 14% annually until 2035**
- Härkis® brand is the most famous plant-based food brand in Finland and very often represents the whole category
- Beanit® and Härkis® have different uses and they complement each other well
- The acquired product portfolio includes also ready meals, granola and ground fava bean

* Source: Nielsen Homescan, Finland 2020

** Source: BCG, Food for Thought, 2020

Plant-based food is a perfect strategic fit for Raisio





Raisio is investing in R&D
to ensure future competitiveness

In Raisio, innovations are implemented ideas increasing our value



How to drive the execution of Raisio's growth strategy within the Healthy Food business?

Focusing on the three growth areas and expanding to new geographical markets

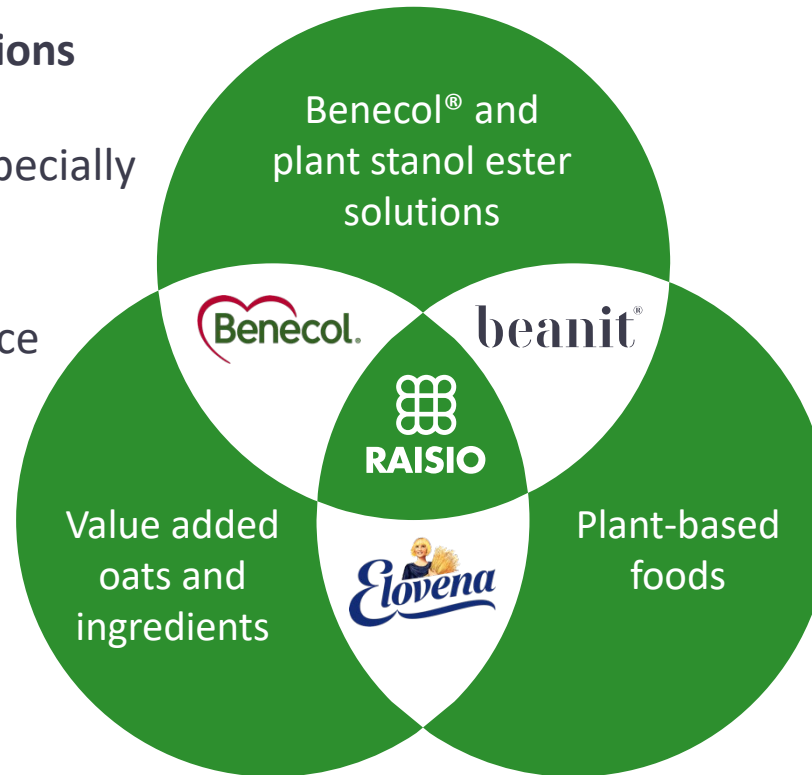


Benecol® and plant stanol ester solutions

- Core and new categories
- Build Benecol® brand relevancy, especially in Finland and the UK
- Alternative sales channels + online
- Plant stanol ester as a medical device

Value added oats and ingredients

- New production facility
- Leverage oats and Elovena® in Finland, Russia and the UK
- Gluten Free



Plant-based foods

- New, unique capabilities
- Agile product development
- Grow in Finland and the UK
- Utilize other existing Raisio markets
- Cross-selling

Food for Health, Heart and Earth



Healthy Ingredients and Operations

Virpi Aaltonen
COO

Raisio's B2B business in a nutshell

FISH FEEDS

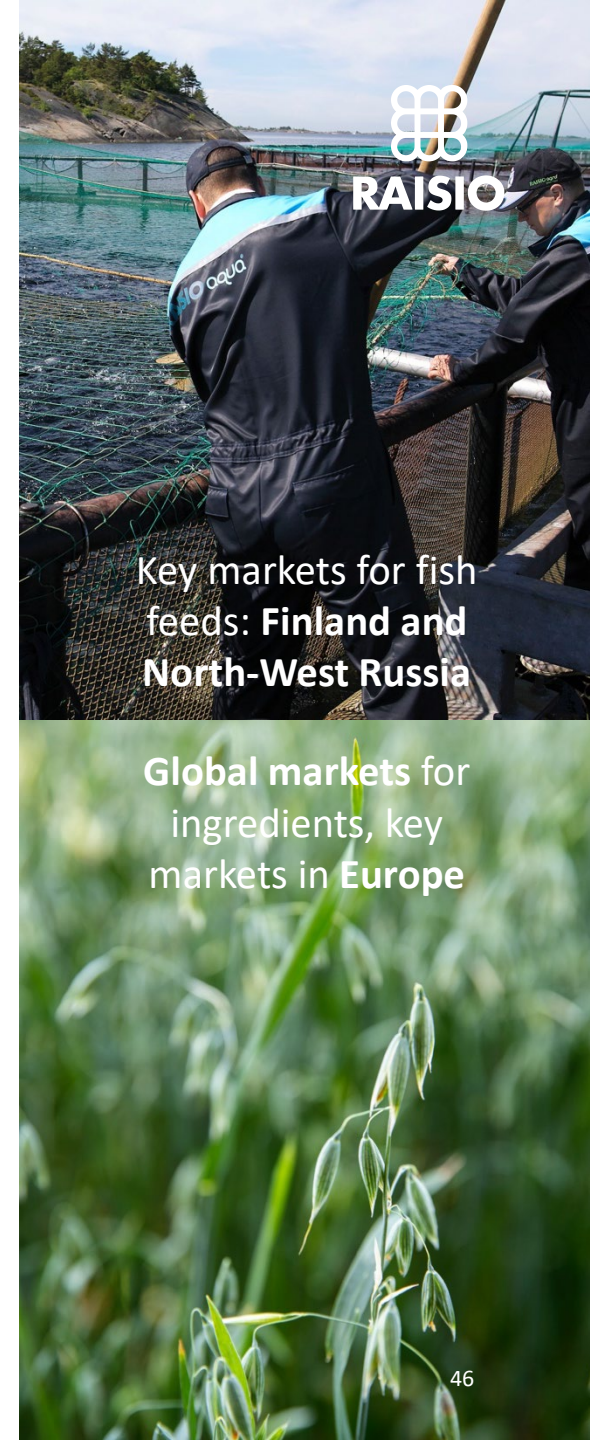
- **Raisioaqua** is an innovative forerunner in fish feeds
- **Baltic Blend**® feed innovation is proven to recycle nutrients of the Baltic Sea
- **Benella**® is sustainably farmed, healthy fish

Baltic Blend® feeds have reduced the Baltic Sea nutrients*

350 t **1755 t**
phosphorus nitrogen

INGREDIENTS

- **Benecol**® licence partners
- Quality **food ingredients made with Finnish grains** for B2B customers
- Growth especially in **gluten-free** oat-based products
- **Contract farming** ensures top level traceability and quality



Key markets for fish feeds: **Finland and North-West Russia**

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

A top-down photograph of several pieces of golden-brown, textured oat bread arranged on a light green background. Interspersed among the bread are several tulips in shades of pink and yellow, along with small sprigs of greenery. White curly braces are drawn around the bread pieces, framing the central text.

Oat has
a large
untapped
potential

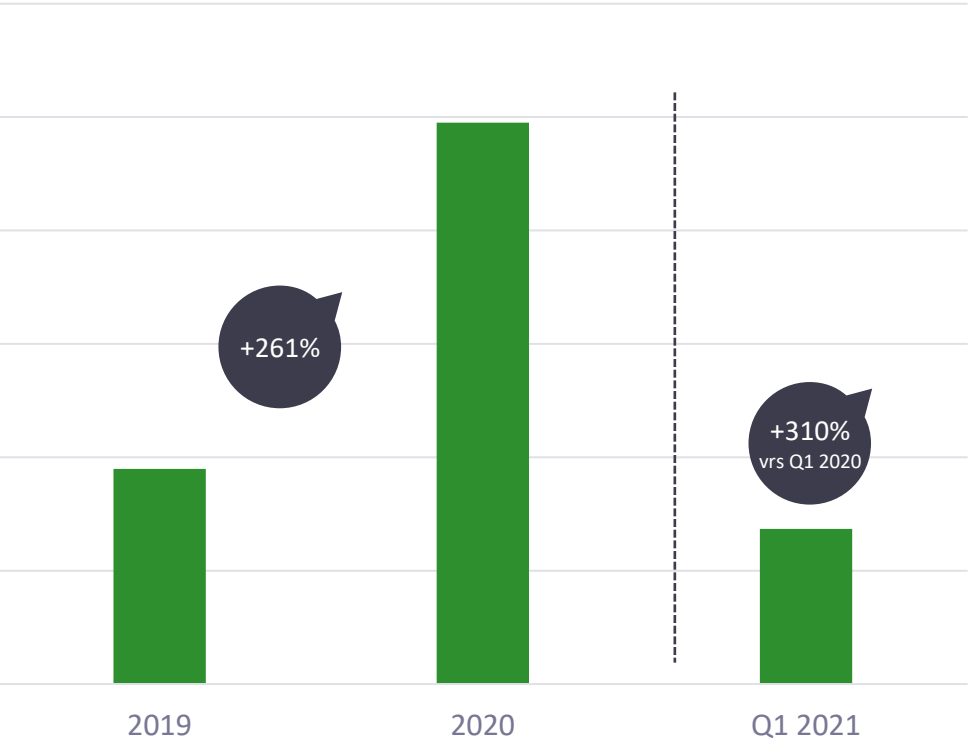
Oat fibers have several health benefits, such as lowering cholesterol, keeping the blood sugar levels stable and improving gut well-being.

Nokia oat mill upgrade opened up promising domestic and export opportunities for gluten-free oat.

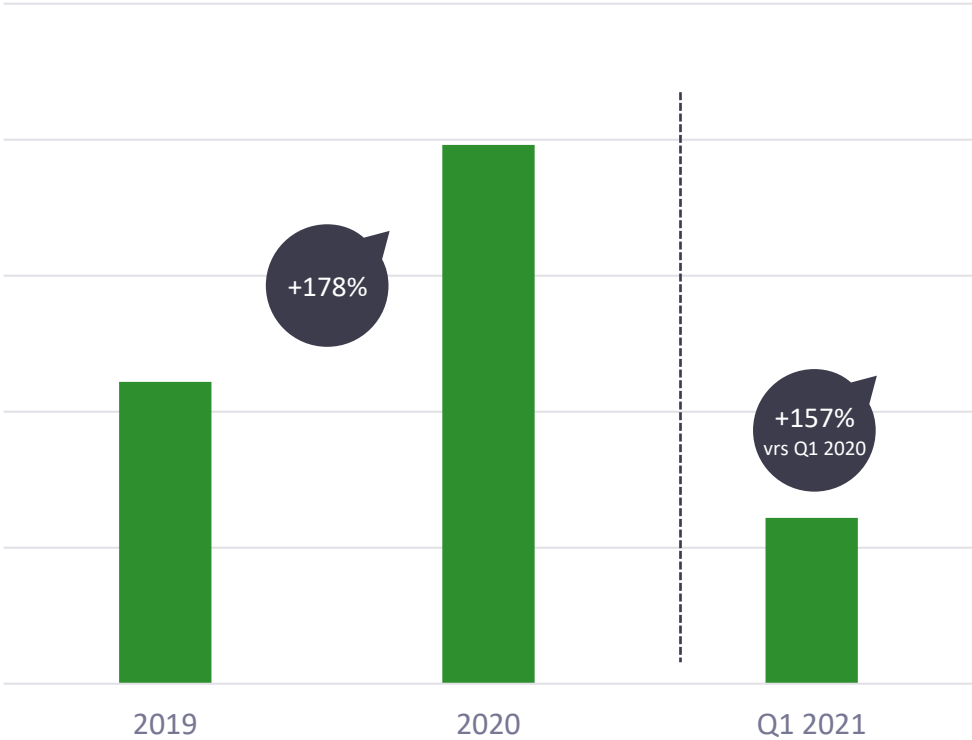
Sales of value added oats are accelerating



B2B EXPORT SALES OF VALUE ADDED OATS



NET SALES OF VALUE ADDED OATS IN FINLAND



How to drive the execution of Raisio's growth strategy within the Healthy Ingredients business?

In the Healthy Ingredients business, we aim to capture the growth potential created by new capabilities and combinations



Benecol® and plant stanol ester solutions

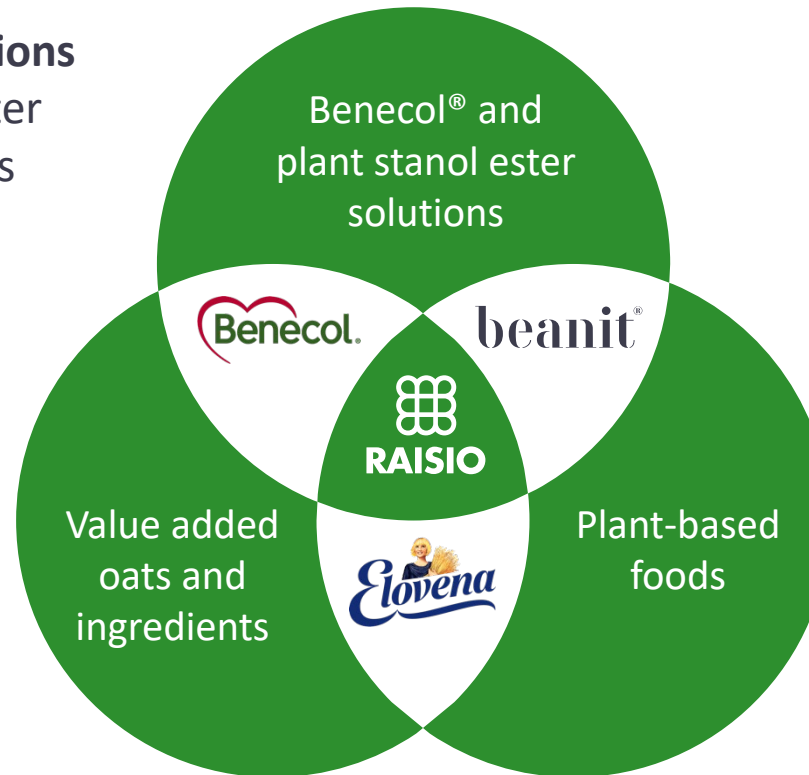
- B2B licensing, grow plant stanol ester solutions in non-competing markets

Value added oats and ingredients


- R&D into value added oats
- Focus on gluten-free oats

Plant-based foods

- R&D into plant-based food ingredients
- HoReCa and industrial customers



Food for Health, Heart and Earth



Operations

Raisio's operations in a nut shell



6 PRODUCTION FACILITIES

- Nokia mills oat and rye
- Raisio mills wheat and pasta
- Raisio esterification factory for plant stanol ester production
- Raisioaqua fish feed production
- Raisio plant-based drinkables and spoonables
- Kauhava plant-based food (Beanit®)

SOURCING

- Locally produced grains are most important raw material for Raisio, 72% of raw material base is grain
- Contract farming ensures top-level quality
- We have appx. 600 contract farms

PARTNERS

- Selected subcontracting partners supporting in special production technologies



Proudly presenting our
new production facility at Raisio

New site is focusing on plant-based solutions

- Specially planned to process wide range of plant-based raw materials
- Producing drinkable and spoonable plant-based products
- **Free from gluten, milk, soya and nuts**
- High automation level secures superior product quality and full traceability
- Sustainable packing solutions minimises usage of plastic
- Newest packing technology and concept allows flexible adjustments when changes in future needs
- **Carbon neutral site**





Nokia mill – carbon neutral and utilises oat hull as an energy source



The Kauhava site has unique assets
and competence for processing
fava bean and extruding plant-based proteins
for great-tasting products

Operations play an important role in supporting our Healthy Growth Strategy and Good Food Plan



CONTINUOUS OPERATIONAL IMPROVEMENTS

(e.g. improving the work and food safety culture)

OPERATIONAL EFFICIENCY

(e.g. efficiency and process improvements)

CAPEX ROADMAP

(e.g. supporting oat and plant-based innovations and sustainable packaging)

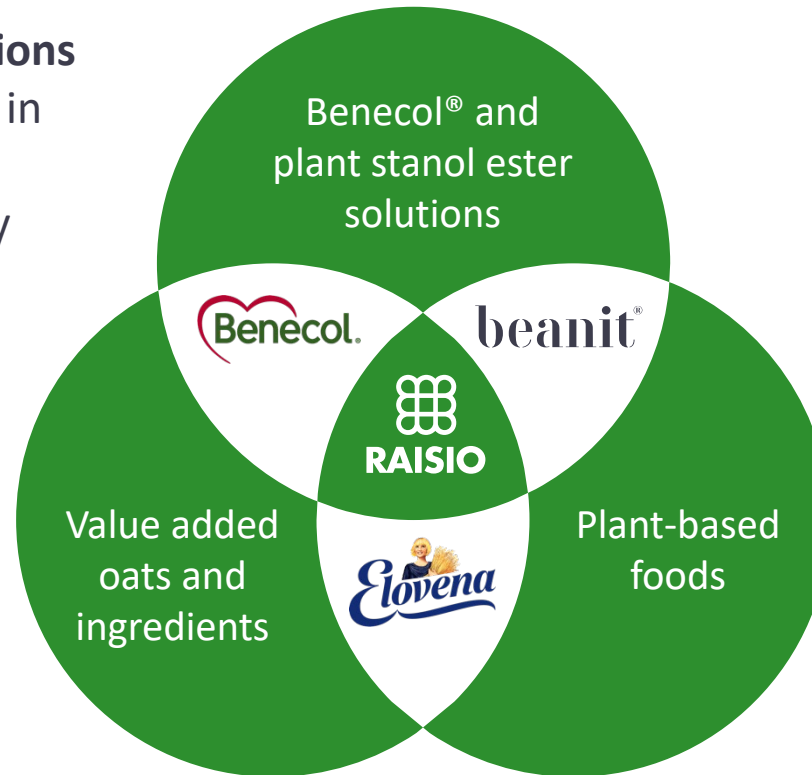
In operations we can create totally new possibilities by combining our technologies invested in unique way

Benecol® and plant stanol ester solutions

- Plant stanol ester production, used in all Benecol® products
- New plant-based production facility

Value added oats and ingredients

- Milling technology for oat, other grains and fava bean
- Gluten-free oat concentrates
- Pasta extrusion for different ingredients
- New plant-based production facility



Plant-based foods

- Dry and wet extrusion for fava bean and grains
- New plant-based production facilities

Food for Health, Heart and Earth



Responsibility at the core of Raisio's strategy

Sari Koivulehto-Mäkitalo, CLO,
Legal Affairs and Corporate Responsibility

Raisio's Good Food Plan Themes



ENVIRONMENTALLY
FRIENDLY PACKAGING



ENVIRONMENT &
CLIMATE ACTION



FOOD
PROFESSIONALS



HEALTHY FOOD



SUSTAINABLE
FOOD CHAIN

Extensive stakeholder analysis carried out in spring 2021 to find out our stakeholders' expectations regarding Raisio's sustainability work

Key Findings from the stakeholder survey in 2021



ENVIRONMENTALLY FRIENDLY PACKAGING

- Recyclability of packaging
- Minimisation of packaging material
- Product safety and good shelf life of the products

ENVIRONMENT & CLIMATE ACTION

- Measuring and reporting scope 3 CO2 impacts
- Measuring and mitigating food waste
- Investing in renewable energy solutions

HEALTHY FOOD

- Using whole grain in products
- Reducing sugar in products
- Products in accordance with nutritional recommendations

FOOD PROFESSIONALS

- Development of staff's professional competence
- Equality and non-discrimination in work communities
- Promoting work-life balance

SUSTAINABLE FOOD CHAIN

- Local ingredients and production
- Sustainability certified raw materials
- Promoting biodiversity

RESPONSIBLE RAISIO

- Product quality is as promised
- Ensuring the realisation of human rights throughout the supply chain
- Security of food supply

Focusing on own impact is no longer enough
in the 2020s – cooperation, impact assessment and
positive actions are required across the board

Updating the Good Food Plan for 2022–2025

Selected United Nation's Sustainable Development Goals for Raisio's Good Food Plan themes

ENVIRONMENTALLY FRIENDLY PACKAGING



ENVIRONMENT & CLIMATE ACTION



HEALTHY FOOD



FOOD PROFESSIONALS



SUSTAINABLE FOOD CHAIN



Good Food Plan: Key targets 2022–2025



Tackling **CLIMATE CHANGE**

Our own
production will be
CARBON NEUTRAL
by the end of **2023**

RECYCLABLE PACKAGES

All our packaging
will be recyclable
by the end of **2025**

We will report our
value chain's
CO2 EMISSIONS
for **2022**

80%
of our products
will be healthy
alternatives in their
own categories by the
end of 2025

We promote the responsibility of our
entire **supply chain** and expect
commitment to respect **human rights**

We strive for an excellent
EMPLOYEE EXPERIENCE
with support for
healthy lifestyle

Environmentally Friendly Packaging



Key Objectives

- All our packaging is recyclable by the end of 2025. We will increase the use of renewable and recycled material.
- We aim constantly to reduce the amount of packaging plastic and materials. Our long-term goal is to reduce plastic packaging altogether.
- We educate and inspire consumers on packaging recycling and sustainability.



Recyclable
packaging by
2025

Healthy Food



Key Objectives

- At least 80% of our products will be healthy alternatives in their own categories by the end of 2025.
- Raisio actively promotes a healthy and climate-friendly diet.
- We will further increase the amount of plant-based products.



Healthy
alternatives

Food Professionals



Key Objectives

- We strive for an excellent employee experience: We enjoy our work and are proud to be part of the future of the international Raisio Group.
- We support the healthy lifestyle and well-being of our employees.
- We support diversity and inclusion by offering equal opportunities for everyone.



Excellent
employee
experience

Sustainable Food Chain



Key Objectives

- We continue to develop the responsibility of our entire supply chain by assessing the human rights impacts of the supply chain and minimising the risks.
- We minimise the negative environmental and climate impacts of our raw materials.
- We nurture and promote biodiversity in cooperation with our suppliers and stakeholders.




Responsibility of
entire supply
chain

Environment & Climate Action



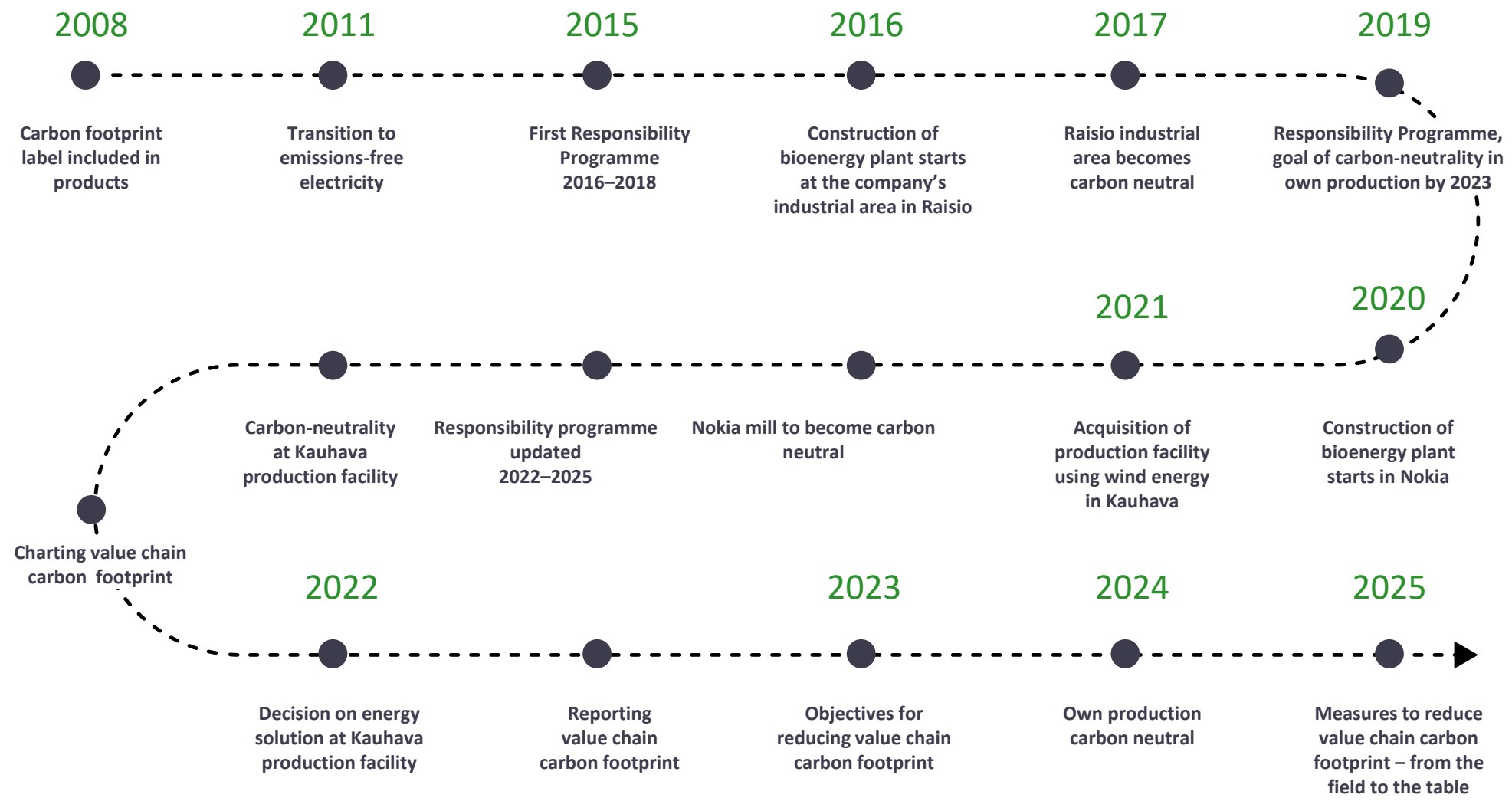
Key Objectives

- All Raisio's own production is carbon neutral by the end of 2023.
- We will report the (scope 3) CO2 emissions of Raisio's value chain for 2022 and set a timetable and targets to reduce them.
- We will reduce food loss and waste as well as utilise production sidestreams throughout the value chain.



Aiming for
carbon
neutrality by the
end of 2023

Our journey to carbon neutrality





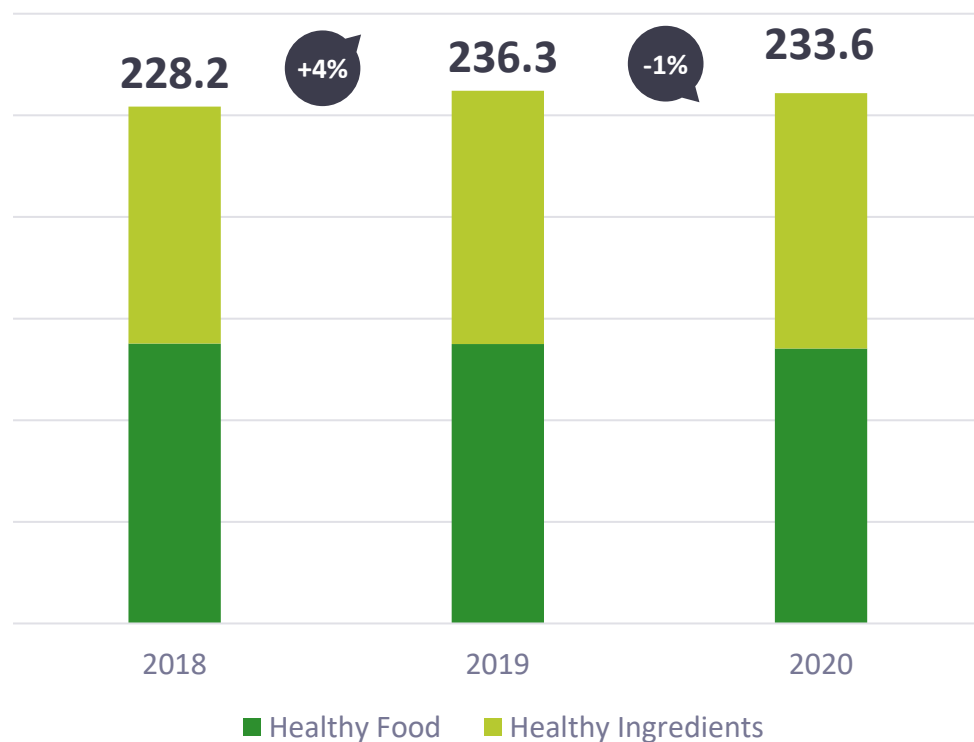
Financial highlights of the strategy period

Mika Saarinen, CFO

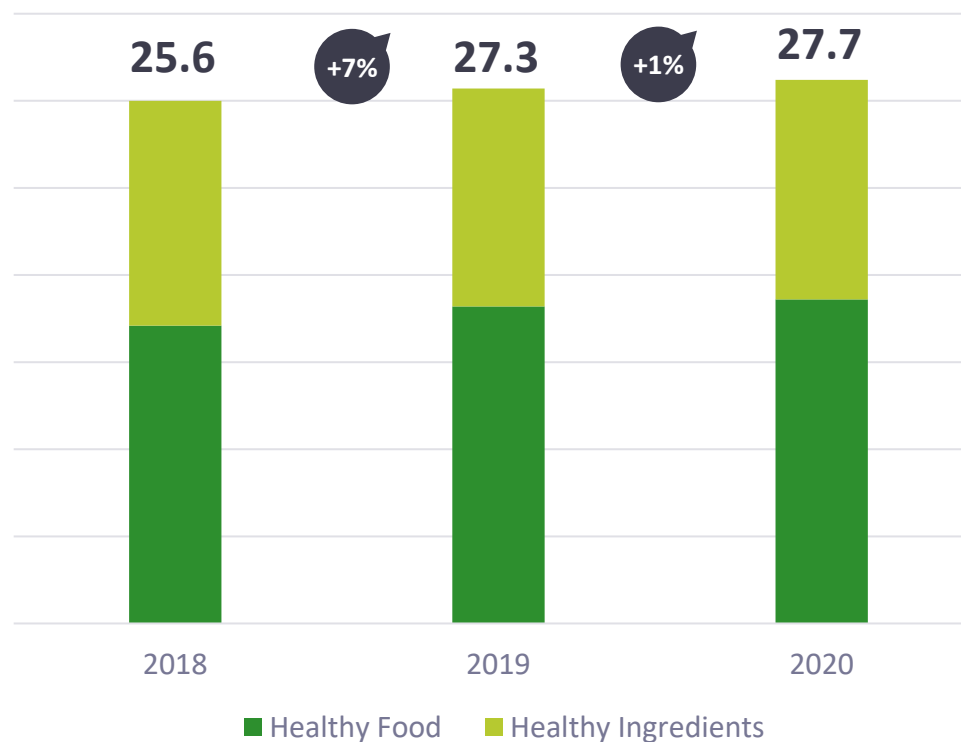
Historically, Raisio's net sales and EBIT have been quite flat



NET SALES 2018–2020, EUR MILLION

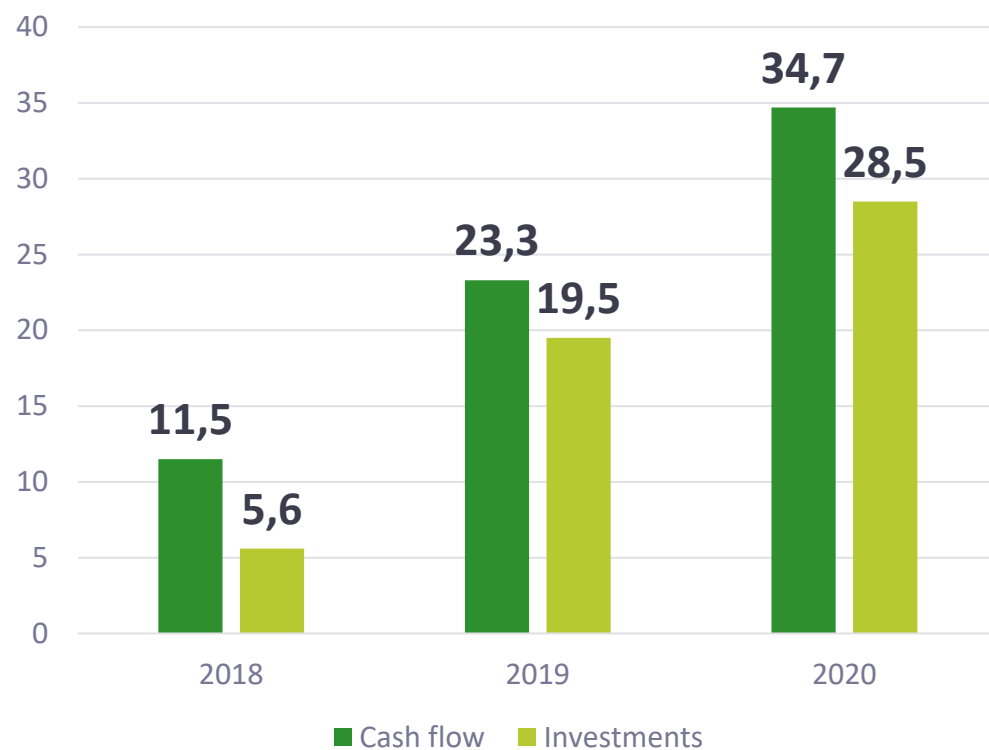


EBIT 2018–2020, EUR MILLION

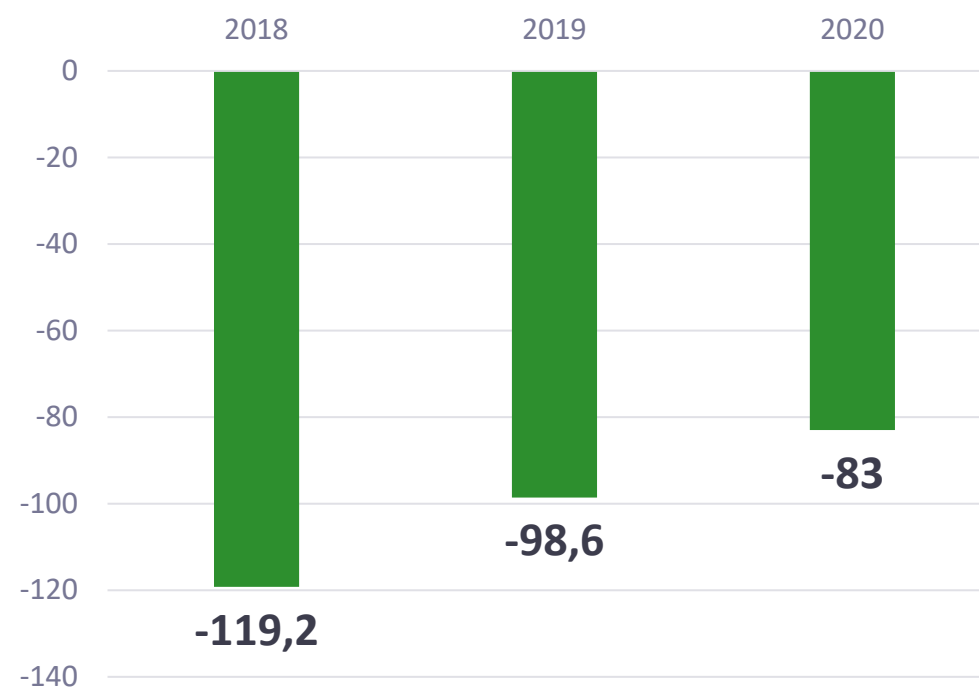


Strong cash flow has enabled investments in healthy food business...

CASH FLOW AND INVESTMENTS, EUR MILLION



NET INTEREST BEARING DEBT, EUR MILLION



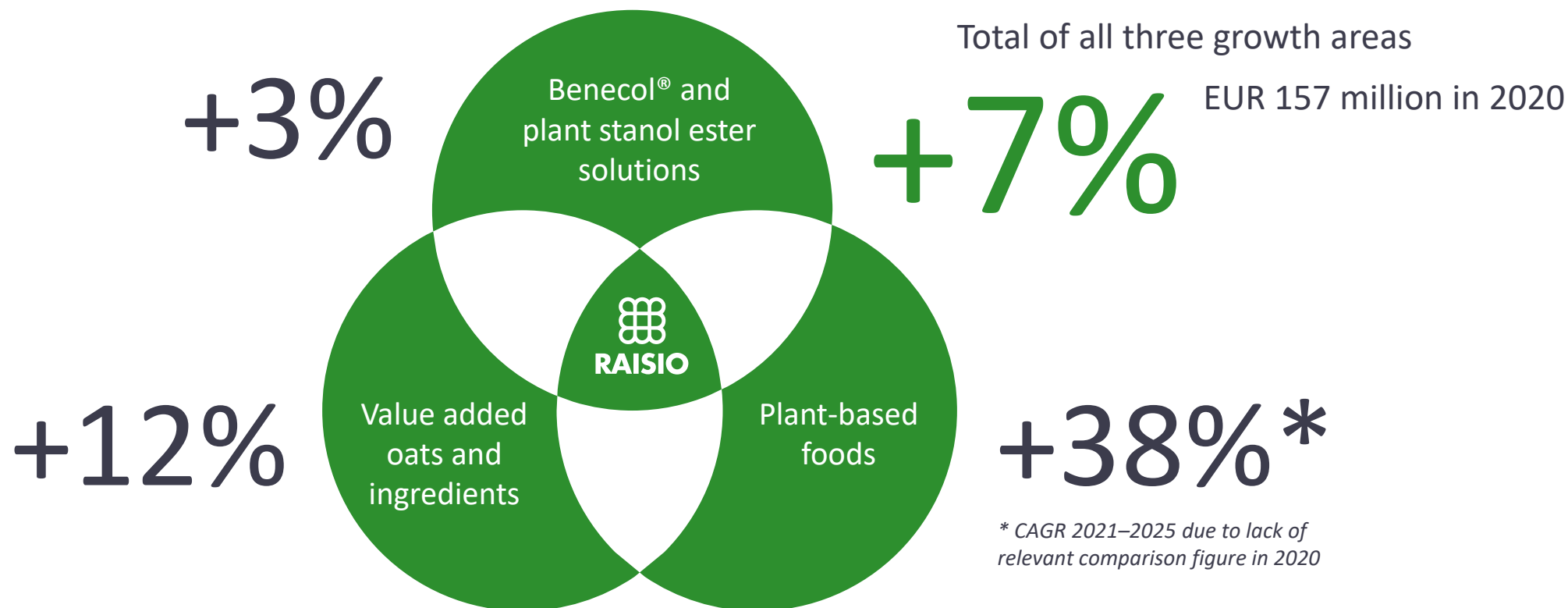
...and strengthened our balance sheet

	2018	2019	2020
Net gearing	-45.0	-36.4	-30.8
Equity ratio, %	81.7%	87.9%	85.7%
Equity per share, EUR	1.68	1.72	1.71
Earnings per share, EUR	0.12	0.16	0.15
ROIC, %	8.1%	13.9%	11.1%



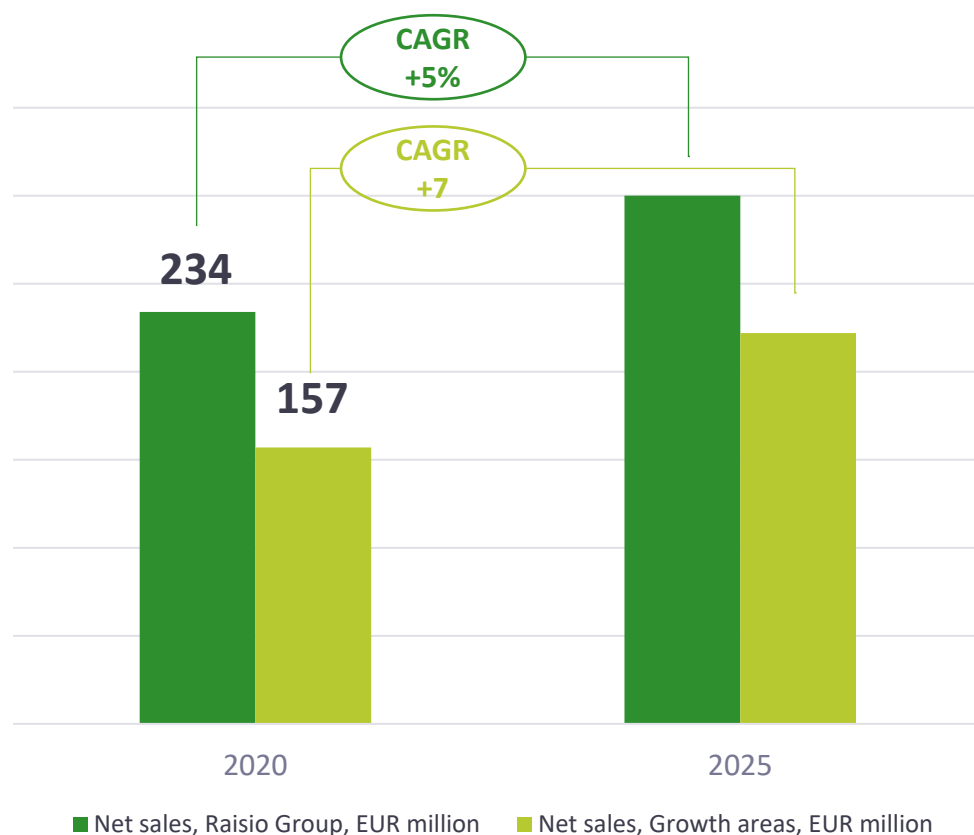
This creates a solid base for accelerating our growth during the new strategy period

Estimated annual growth rates (CAGR) in 2020–2025 for the three growth areas



Growth areas drive the growth also on the Raisio Group level in 2020–2025

NET SALES DEVELOPMENT 2020–2025



- Growing the Group level net sales from EUR 234 million in 2020 by 5% annually (CAGR)
 - Growth driven by the three growth areas (+7% CAGR), while the rest of the business remains quite stable
- Having an EBIT margin of >10% in 2025
- Latest growth investments are estimated to have a negative impact of some EUR 7 million on EBIT in 2021 and some EUR 5 million in 2022
- Both the Verso Food acquisition and the new production facility are expected to be EBIT positive from 2024 onward

Keeping our eyes open for **targeted M&A**

Desired features for an M&A target – large enough and close to our core



M&A takes a lot of work, so size does matter.
Optimal net sales range for the target company is between EUR 25–100 million



We appreciate targets with fair and realistic growth plans and operating in categories supported by megatrends.



Preferred locations are in Scandinavia, Continental/Western Europe and the UK. Americas & APAC are not in our scope at the moment.

STRATEGIC FIT

Acquired company needs to be
"a meaningful part" of Raisio still in 2030

Acquisitions and partnerships must add value to Raisio with e.g.

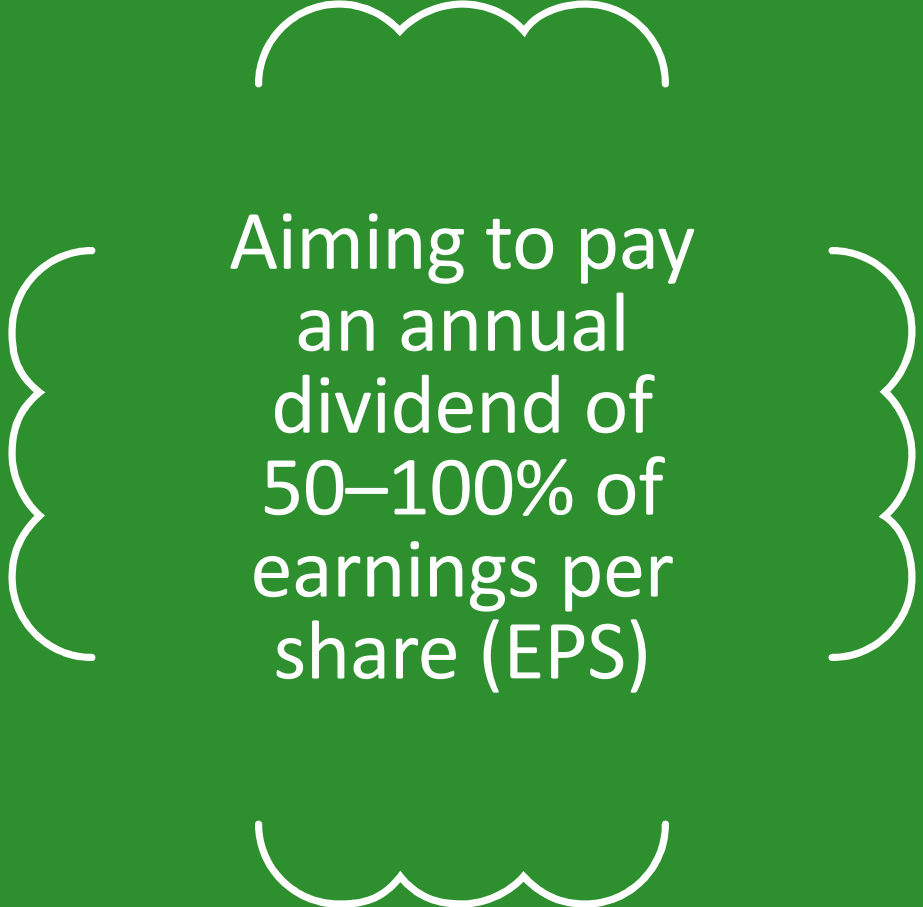
- new markets in Europe
- new customer base
- new healthy food innovations and/or categories
- new consumer segments



Dividend policy and shareholder value creation

- Raisio's dividend policy remains the same
- Despite focusing on growth, our ambition is to continue as a good dividend payer and offer shareholders a good incentive for long-term ownership in Raisio

Decisions regarding dividends and distribution of profits are always based on the proposals of the Board and subject to the approval of respective AGM. They also depend on company's capital structure, financial position, general financial and business conditions as well as company's outlook.



Aiming to pay
an annual
dividend of
50–100% of
earnings per
share (EPS)

- Growth ambitions and required investments burden profitability in the first years
- Strong balance sheet enables rewarding shareholders with extra dividends and cancellation of treasury shares

Decisions regarding dividends and distribution of profits are always based on the proposals of the Board and subject to the approval of respective AGM. They also depend on company's capital structure, financial position, general financial and business conditions as well as company's outlook.



Aiming at
predictable and
shareholder-
friendly
distribution of
profits

How to measure **success**?

Raisio's financial targets in 2022–2025



GROWTH

Raisio aims for an average annual net sales growth (CAGR) of **5%** for the whole Raisio Group and **7%** for the three growth areas.

PROFITABILITY

Raisio aims for an EBIT margin of **>10%** in 2025.

M&A activities carried out and investments in the new production facility are expected to burden Raisio's profitability in 2021 and 2022.

Four white curly braces are arranged around the text "To summarise": one above, one below, one to the left, and one to the right.

To summarise

- Financial strength
- Promising growth prospects
- Modern assets and capabilities
- Brands & Innovations
- Megatrends
- Shareholder value creation



Thank you!
Food for Health, Heart and Earth.



raisio.com