



# **NET SALES GREW BY 40 PER CENT**

**Fodelia Oyj**

**Business Review January-March 2021**

**CEO Mikko Tahkola and CFO Kati Kokkonen**

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**January-March 2021**

# January-March

- The Group's net sales grew by **40%** (EUR **2,133,000**)
  - EUR **1,569,000** of the growth came from new businesses and EUR **214,000** from snacks
  - Feelia foodservice net sales decreased due to restaurants' opening restrictions and due to working from home and home-schooling EUR **295,000**
  - The Feelia e-commerce net sales grew by **157%** (EUR **571,000**) and represents over **12%** of the group's net sales
- EBITDA in January-March grew by **39%** compared to last year's comparable period and was **4,7%** of net sales
- During the review period group's companies won remarkable contracts, for example Feelia's Eteva contract and Fodbar's Municipality of Kärsämäki outsourcing of food and cleaning services
- Feelia's factory extension is almost completed, and the packaging machinery investment in Real Snacks' factory was brought into use at the beginning of the year. Total benefit from these investments will be seen during the rest of the year



# January-March main points

Group's EBIT was behind objectives and weaker than the year's overall views

- **Things affecting EBIT**

- The decrease of Foodservice net sales which is important to Group's EBIT development
- The beginning of the year saw higher than average administrative costs, and normal seasonal variations in the sector had an impact on the demand for particularly Perniön Liha and Real Snacks products at the beginning of the year
- The big share of private label –products in snacks-business
- Business developments such as investments and the out-sourcing of logistics
- Increased amortisation of goodwill and the harmonization of the new units' depreciation policy to group's accounting principles

- **Things supporting the better EBIT development for the rest of the year**

- Tenders already won, such as Eteva
- Other business opportunities in care sector
- The start of our joint venture Fodbar's business operations
- The easing of corona pandemic and reverting of Foodservice-market
- Cost savings brought by the business development and other investments
- The growth of consumer e-commerce and the logistics developed more efficient
- The business of the new units (Perniön Liha and Pita Factory) and the synergies

# Key figures

Group	Fodelia Oyj 1-3/2021	Fodelia Oyj 1-3/2020	Change-%	Fodelia Oyj 1-12/2020
Net sales	7 520	5 387	39.6	22 963
EBITDA	350	252	38.9	1 695
% of net sales	4.7	4.7		7,4
EBIT	-40	32	-226.1	839
% of net sales	-0.5	0.6		3,7
Profit for the period	-99	-38	-161.7	623
% of net sales	-1.3	-0.7		2,7
Earnings per share, €	-0,01	-0,01		0,09
Equity ratio %	42.3	48.5		42,1
Net gearing %	83.8	10.8		72,3
Return on equity %	-4.1	-2.2		7,1
Return on investment %	-0.8	1.1		5
Balance sheet total	22 762	14 091	61.1	20 886
Average number of employees	124	70	77.1	89

# Real Snacks

A close-up photograph of a person's hands holding a large, round, woven wicker basket. The basket is overflowing with golden-brown, ridged potato chips. The person holding the basket is wearing a grey t-shirt and a black and white patterned apron. The background is slightly blurred, showing other people and what appears to be an outdoor setting.

Tasty snacks and potato crisp products

# Strong growth in private label products

- Real Snacks Oy's net sales grew by **12,8%** in January-March and the growth was strong in private label -products
- The strong weight on private label –products decreased the company's profitability, and the introduction of the new packaging machine caused internal inefficiency temporarily
- The benefit of the investment can be seen wholly from the second quarter as significant savings in personnel costs
- The investment was remarkable for the company because of it's size, and it will also enable growth
- The company is investing significantly on marketing actions with a target of increasing the part of own brand products in sales
- The export operations are also picking up after the corona year



	TEUR	1-3/2021	1-3/2020	Change-%	1-12/2020
	Net sales	1 819	1 677	12.8	7 343
	EBIT	73	14	406.0	212
	% of net sales	4.0	0.8		2.9

# Investment of packaging machine

Enables growth and brings cost efficiency to year 2021



# Feelia



Responsible pre-cooked food

# Net sales grew due to strong e-commerce growth



- Feelia's net sales increased by **7.2%** in January-March
- Feelia's net sales increased in the consumer e-commerce, but the foodservice net sales decreased due the restrictions of openings in restaurants and other changes in consumer behaviour (working from home and homeschooling)
- During the review period Feelia won the biggest contract in the group's history to supply food for Eteva
- The releasing of corona restrictions will probably support the foodservice market's recovering in the second half of the year at last

TEUR	1-3/2021	1-3/2020	Change-%	1-12/2020
Net sales	4 085	3 809	7.2	15 710
EBIT	234	181	28.8	1 162
% of net sales	5.7	4.8		7.4

# The extension of Feelia's factory is about to be completed

- The extension of Feelia's factory is about to be completed
- The extension of 5,00 square meters makes it possible to increase production capacity, streamline production operations and respond to the growing demand for products suitable for special diets.



# A new order system developed for the needs of care homes from Feelia

- Feelia develops its order processes, and it will soon deploy a new digital system for supplying food to care homes
- This system has been developed to meet the needs of care homes, and it makes easy to take allergens and other dietary requirements into consideration
- All menu products are ordered via the system, not just Feelia's products
- The planning and ordering meals for the whole meal day is therefore extremely easy and effortless
- The plan is to develop the system to serve all customer groups in the future

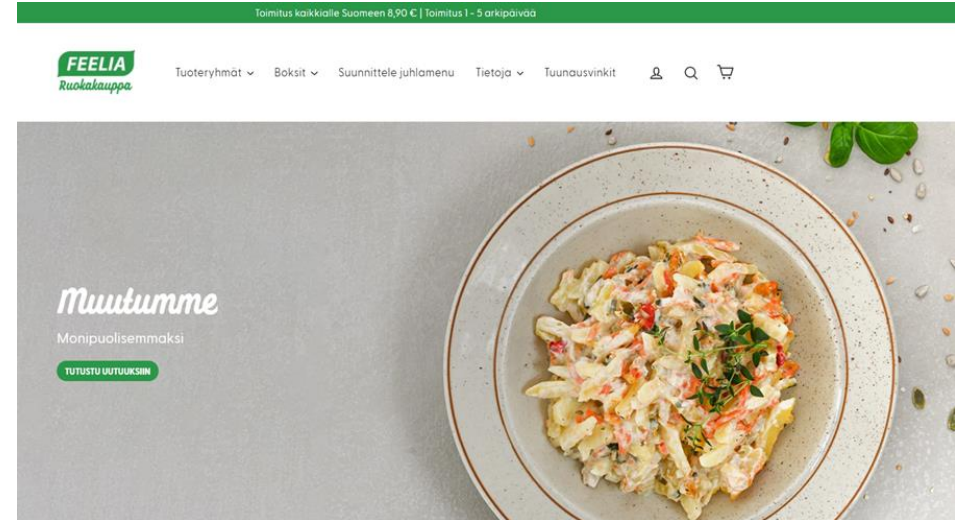


# Case Eteva

- In March 2021 Feelia made a contract with the joint local authority of Eteva for supplying food for over 70 different Eteva locations
- The contract was the largest individual contract in group's history
- The value of the contract is about EUR 1.5 million per year, and it includes a so-called meal day package
- Operations have started during April 2021
- With Feelia's total service, the customers can be offered cost savings for the high meal day costs caused by small unit sizes and the need of different special diet products
- The extension of 5,00 square meters brings more capacity to the production and enables more efficient production of special diet products

# Feelia's e-commerce for consumers grew strongly

- The net sales of e-commerce grew by **157%** in January-March and represents over **12%** of the group's net sales
- Sanna Kittelä has started 1.2.2021 as the leader of the e-commerce unit
- The unit was incorporated 1.5.2021 (FodNet Oy)
- The unit has invested in acquisition of new customers, raising awareness and also the development of logistics
- Warehousing operations have been outsourced, which has resulted in start-up costs
- The new arrangement matches better to e-commerce's future growth targets because of it's location and operating model
- The product range has been expanded to include products from the Group's other business units



# Fodbar



# Fodelia's solutions for public food services



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Single products from Feelia

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Outsourcing food preparation to Feelia

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Outsourced service including food and staff from Fodbar

# Fodbar is an easy and cost-effective solution for outsourcing municipal food services

- Fodbar combines the expertise of Fodelia's subsidiary Feelia Oy and Barona HoReCa Oy, part of the Bravedo Group.
  - Pre-cooked food producer Feelia is responsible for producing nutritionally diverse, vacuum cooked products with consistent quality, and brings in expertise in the food service market and food products.
  - As a national operator, Barona HoReCa is responsible for staffing services and ensures the availability and competence of personnel as well as cost-effective and functional staffing processes.
- The outsourcing solution is intended for municipalities and cities, private service providers in social services, and companies that offer a high volume of food.
  - The solution is highly suitable for the needs of schools, day-cares, service homes, hospitals and hospital districts, for example.

## Current model of municipal food services

- ✓ Central kitchen
- ✓ Food preparation kitchen
- ✓ Distribution kitchen

## Fodbar's modes

- ✓ Feelia's factory      ~~Central kitchen~~
- ✓ Service kitchen      ~~Food preparation kitchen~~

# Fodbar won the total outsourcing contract for the food and cleaning services of the Municipality of Kärsämäki

- Fodbar won the total outsourcing contract for the food and cleaning services of the Municipality of Kärsämäki
- Winning the outsourcing contract reinforces the view that the concept which combines Fodelia's food portfolio with Barona HoReCa Oy's human resources expertise is a very competitive option
- The contract is valid for four years and is valued at more than EUR 2 million  
This is the first school-meal outsourcing that Fodbar succeeded in



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January-March 2021

# Perniön Liha and Pita Factory



# Perniön Liha and Pita Factory

- Perniön Liha Oy's and Pita Factory Oy's net sales were EUR 1,569,000 in total
- The normal seasonal variations affected especially Perniön Liha's product demand, therefore the sales and EBIT weighs more on the summer and the end of the year
- The depreciation policy of both companies have been harmonised with to Fodelia group's accounting principles which has raised the companies' depreciations
- The companies' products answer well to the increasing demand for products that can be eaten from hands



TEUR	1-3/2021	1-12/2020
Net sales	1 569	328
EBIT	-31	39
% of net sales	-2,0	11,9

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**Other occasions and future views**

# Fodelia's management team from 1.2.2021

- The Fodelia group's management team from 1.2.2021 includes:
- Mikko Tahkola, CEO of Fodelia Oyj
- Kati Kokkonen, CFO of Fodelia Oyj
- Arja Kastarinen, CEO of Real Snacks Oy
- Rami Himanto, CEO of Perniön Liha Oy
- Jukka Ojala, CEO of Feelia Oy
- Sanna Kittelä, Chief of E-commerce



# Registration of new shares

- 15.12.2020 was communicated the acquisition of Perniön Liha Oy and the directed share issue executed because of that. The shares (234,799) subscribed in the directed share issue were registered in trade register 13.1.2021
- 16.12.2020 was communicated the acquisition of TJ Jockis Oy and it's subsidiary Pita Factory Oy and of the directed share issue that was required to close the deal. The shares (130,730) subscribed in the directed share issue were registered in trade register 29.1.2021
- After these registrations, Fodelia Oyj's total amount of shares is 7,417,309

	<b>Largest shareholders</b>	<b>Share amount</b>	<b>% of shares</b>	<b>Market value (euros)</b>
1	Tahkola Mikko Kalervo	2 155 739	29,06	16 297 387
2	Ojala Jukka Matti	1 057 656	14,26	7 995 879
3	Kamula Antti Mikko Johannes	603 355	8,13	4 561 364
4	Liukko Raimo Ylermi	404 000	5,45	3 054 240
5	Paso Mikko Antero	377 033	5,08	2 850 369
6	Lahti Juha Mikko Tapio	373 376	5,03	2 822 723
7	Kivioja Jukka Antero	164 720	2,22	1 245 283
8	Tahkola Eeva-liisa	145 905	1,97	1 103 042
9	Hintsala Eino	138 624	1,87	1 047 997
10	Sijoitusrahasto Taaleritehdas Mikro Markka	111 628	1,50	843 908

# The Annual General Meeting

- The Annual General Meeting was held at 20.4.2021
- The Annual General meeting was held without shareholders' or their agents presence to ensure the safety and health of shareholders', company's personnel and other stakeholders' and this arrangement was based on the temporary legislative act approved by the Finnish Parliament because of the on-going corona pandemic
- The minutes of the Annual General Meeting's have been published at 20.4.2021 and can be found at Fodelia's webpage [www.fodelia.fi](http://www.fodelia.fi)

# Forecast for 2021

- The company estimates that the net sales are **EUR 30-35** million and the EBIT is estimated to be approximately **5-8%** of net sales. It's estimated that the growth of net sales and profitability will align more to the other half of the year
- Company's medium-term targets remain the same

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**Questions?**

**We help build a sustainable future for the Finnish food industry by offering clean, local and responsibly produced food.**



**Thank you!**



**Fodelia**

Kotimaista kasvuvoimaa

[mikko.tahkola@fodelia.fi](mailto:mikko.tahkola@fodelia.fi)