



Kotimaista kasvuvoimaa

## FODELIA OYJ GROUP BUSINESS REVIEW 1 January – 31 March 2022 (unaudited)

### GROUP NET SALES INCREASED BY 23% AND PROFITABILITY IMPROVED

#### HIGHLIGHTS OF THE BUSINESS REVIEW

Unless otherwise stated, figures in parentheses refer to the corresponding period in 2021.

#### Summary for January–March 2022

- Net sales for the period under review grew by 22.8%, to EUR 9,237,000 (EUR 7,520,000, 39.6%)
- EBITDA for the period under review was EUR 651,000, or 7.0% of net sales (EUR 350,000, 4.7%)
- Operating profit for the period under review was EUR 245,000, or 2.7% of net sales (EUR -40,000, -0.5%)

#### Outlook for 2022

The company management estimates the Group's net sales in 2022 at approximately EUR 40–50 million. EBIT and relative profitability are expected to improve from 2021. There is uncertainty involved in the outlook because of the possible continuation and re-escalation of the coronavirus pandemic and the impacts of the war in Ukraine on material prices and availability and on prices in general.

#### Key figures

Group (EUR thousand unless otherwise specified)	1–3/2022	1–3/2021	Change %	1–12/2021
Net sales	9,237	7,520	22.8	34,072
EBITDA	651	350	86.0	2,410
% of net sales	7.0	4.7		7.1
EBIT	245	-40	714.9	1,186
% of net sales	2.7	-0.5		3.5
Profit for the period	104	-99	204.8	653
% of net sales	1.1	-1.3		1.9
Earnings per share, EUR	0.01	-0.01		0.09
Equity ratio, %	37.2	42.3		37.5
Net gearing, %	111.7	83.8		113.6
Return on equity, %	4.2	-4.1		6.6
Return on investment, %	4.6	-0.8		5.5
Balance sheet total	26,792	22,762	17.7	26,380
Average number of employees	121	124	-2.4	127

#### CEO'S REVIEW



The business operations of the Fodelia Group evolved favourably in the early part of the year, despite challenges in the operating environment. Net sales increased by 23% and EBITDA by 86% in Q1.

The impact of the coronavirus pandemic on the Foodservice market is declining. Restaurant restrictions were lifted as of 1 March 2022, and we estimate that the Foodservice market will approach normal during the spring. According to the Finnish Grocery Trade Association (PTY) statistics, in Q1 2022 Foodservice net sales increased by 21.7% on the previous year.

The Feelia Foodservice business operation outperformed the market growth. In Q1, net sales grew by 41% compared to the corresponding period in the previous year. The net sales growth was due not only to the positive market trend but also to sales to the care sector. We gained new, comprehensive client accounts in the care sector during the period under review, and thanks to these we expect continued growth throughout the rest of this year.

Net sales of the Feelia online shop (FodNet Oy) grew by 58% on the previous year in Q1. The company is undergoing robust development, with reorganisation undertaken and logistics and the online platform being improved to meet consumer needs. Continued strong growth is expected, even if the growth in online shopping may slow down due to the receding of the coronavirus pandemic.

Normal seasonal fluctuations affected the operations of companies in the retail market – Real Snacks, Perniön Liha and Pita Factory – and Q1 figures are not indicative of performance for the entire year. Because the first major sales season of the year, Easter, was in April this year, Q1 figures are not readily comparable to the previous year. Net sales in Real Snacks own brands have continued to grow, and relative profitability has improved. Perniön Liha has sought improved cost-efficiency through logistics reforms in the first quarter, while Pita Factory acquired a new production and packaging line to upgrade operations.

The situation in Ukraine has caused uncertainty in the Fodelia operating environment. The costs of raw materials, packaging materials, energy and logistics have risen substantially in Q1 this year. This may have a negative impact on the financial performance of Fodelia in the short term. However, we are addressing the situation through long-term purchasing agreements, through product range management and through product development. We also engage in good faith price negotiations with our customers.

In 2022, we intend to pursue investments at a more moderate level than previously. In Q1, the Group made investments totalling about EUR 700,000. These mainly concerned production automation and system development. We intend further to focus investments on product automation, process development and increased digitalisation.

We have taken significant steps towards improving the sustainability of our operations. In autumn 2021, the Group engaged in cooperation with Biocode, which specialises in carbon footprint calculation, and set ourselves the goal of being carbon neutral by 2035 in terms of our operations and delivery chains. Carbon footprint calculation is progressing well with Feelia and Real Snacks, their first product carbon footprints already being published. The aim is to have the calculations in place Group-wide during 2022 and to print the data on packagings starting in 2023.

The Fodelia Group published new long-term growth goals in Q1. Although changes in our operating environment lend uncertainty for our development potential, we are confident about our outlook for 2022 and beyond. We intend to continue on a profitable growth trajectory and to attain EUR 100 million in net sales in 2026.

## NET SALES AND PERFORMANCE TRENDS BY BUSINESS AREA

Net sales by unit / business area	1–3/2022	1–3/2021	Change %	1–12/2021
Real Snacks Oy	1,856	1,891	–1.9	8,077
Feelia Oy + FodNet Oy	6,016	4,085	47.3	19,519
Perniön Liha Oy and Pita Factory Oy	1,381	1,569	–12.0	6,697
Other units and eliminations	–16	–25	35.4	–221
<b>Fodelia Group total net sales</b>	<b>9,237</b>	<b>7,520</b>	<b>22.8</b>	<b>34,072</b>

The Group's net sales grew by approximately 22,8% during the period under review compared to the corresponding period of the previous year. This was organic growth, caused by the positive development of the business operations of Feelia and FodNet in Q1.

EBIT by unit/ business area	1–3/2022	1–3/2021	Change %	1–12/2021
Real Snacks Oy	74	73	0.7	304
Feelia Oy + FodNet Oy	287	234	22.7	1,898
Perniön Liha Oy and Pita Factory Oy	–53	–31	–71.7	136
Other units	18	–187	109.6	–833
<b>Business result (EBITA)</b>	<b>325</b>	<b>89</b>	<b>265.2</b>	<b>1,505</b>
group goodwill amortisation and other group eliminations	–80	–129	38.0	–320
<b>Fodelia Group's EBIT in total</b>	<b>245</b>	<b>–40</b>	<b>714.9</b>	<b>1,186</b>

Group profitability improved on the previous year. The Group's financial performance from business operations before goodwill amortisation was EUR 325,000 (EUR 89,000), an increase of 265.2%. Group EBIT was EUR 245,000 (EUR –40,000).

Feelia and FodNet increased their EBIT by 22.7%. Real Snacks had an EBIT on a par with that of the previous year, while Perniön Liha and Pita Factory performed slightly less well, mainly because of the timing of Easter this year.

## EVENTS AFTER THE PERIOD UNDER REVIEW

The Annual General Meeting was held on 12 April 2022. The decisions of the Annual General Meeting were published on 12 April 2022, and the minutes of the meeting can be found on the company's website at [www.fodelia.fi](http://www.fodelia.fi).

Arja Kastarinen, member of the Fodelia Management Team and CEO of Real Snacks Oy, announced that she will be leaving the company to join another employer by October 2022. Recruitment for her replacement has been begun. For the time being, the Fodelia Management Team continues with its current members.



## **FURTHER INFORMATION**

Fodelia Oyj, CEO Mikko Tahkola, tel. +358 40 829 0195, e-mail: [mikko.tahkola@fodelia.fi](mailto:mikko.tahkola@fodelia.fi)

Fodelia Oyj, CFO Kati Kokkonen, tel. +358 400 138 396, e-mail: [kati.kokkonen@fodelia.fi](mailto:kati.kokkonen@fodelia.fi)

Approved advisor, Ernst & Young Oy, tel. +358 207 280 190, e-mail: [heikki.saukola@fi.ey.com](mailto:heikki.saukola@fi.ey.com)

## **FODELIA IN BRIEF**

Fodelia grows Finnish food companies into flourishing international success stories so that consumers can enjoy locally and responsibly produced, clean food from known sources. Our portfolio includes ready-to-eat meal manufacturer Feelia; snack food manufacturer Real Snacks; Fodnet, which is also known as Feelia Ruokakauppa; one of Finland's oldest sausage factories Perniön Liha; snack and pita bread manufacturer Pita Factory and Fodbar, our joint venture which offers a cost-effective all-in-one solution for outsourcing food services. The companies we own are food industry pioneers who invest in innovative products, value-adding customer concepts and advanced manufacturing processes.

[www.fodelia.fi/en](http://www.fodelia.fi/en)