

WEBCAST 7.8.2024

Half-Year Report
January-June 2024

Mikko Tahkola, CEO
Kati Kokkonen, CFO



-
- 1 Financial development and highlights in January-March
 - 2 Market situation and business development
 - 3 Strategy and future
 - 4 Q&A




Financial development and highlights in January-March



Highlights

- Strategic changes through which Fodelia shifts from a holding company to an active player in the food industry. Resources and growth investments will henceforth be directed to support those business areas with the greatest potential for profitable growth.
- Sale of the businesses of the Helsinki Sausage Factory and Perniön Liha brands.
- Name change of Fodelia Retail to Oikia, with the goal of strengthening the brand's position in the market. Launch of a new brand for the consumer-oriented online store and other growth-oriented actions initiated by the new business director.
- Feelia's contract with HUS represents a significant breakthrough in hospital sector client relationships.

An aerial photograph showing a multi-lane road and a bridge crossing a large body of water. The scene is captured during sunrise or sunset, with a thick layer of fog or mist hanging over the water and the road. The sky is a mix of soft orange and pale blue. The road is flanked by green grass and several trees. In the distance, some buildings and more trees are visible on the opposite shore.

The Fodelia Group's second-quarter result is significantly impacted by the business transaction completed in May.

The revenue of the continuing operations increased by approximately **16 %** in the second quarter, and the operations' EBITA improved by **25 %**.

Summary for January-June

REVENUE

The group's revenue increased by **12.1%** (24.8) to **27,192** thousand euros (24,259 thousand euros)

EBITDA

The group's adjusted EBITDA was **2,369** thousand euros (1,948) and **8.7 %** of revenue (8.0%).

EBITA

The group's adjusted EBITA was **1,521** thousand euros (1,214) and **5.6 %** of revenue (5.0%)

OPERATING PROFIT

The group's operating profit was **58** thousand euros (993) and **0.2 %** of revenue (4.1%). The operating profit included one-time items of -1,254 thousand euros related to the business transaction. The adjusted operating profit was **1,312** thousand euros (993) and **4.8 %** of revenue (4.1%).

Summary for April-June

REVENUE

The group's revenue increased by **7.9 %** (21.4) to **13,518** thousand euros (12,526 thousand euros).

EBITDA

The group's adjusted EBITDA was **1,011** thousand euros (1,026) and **7.5 %** of revenue (8.2%).

EBITA

The group's adjusted EBITA was **603** thousand euros (641) and **4.5 %** of revenue (5.1%).

OPERATING PROFIT

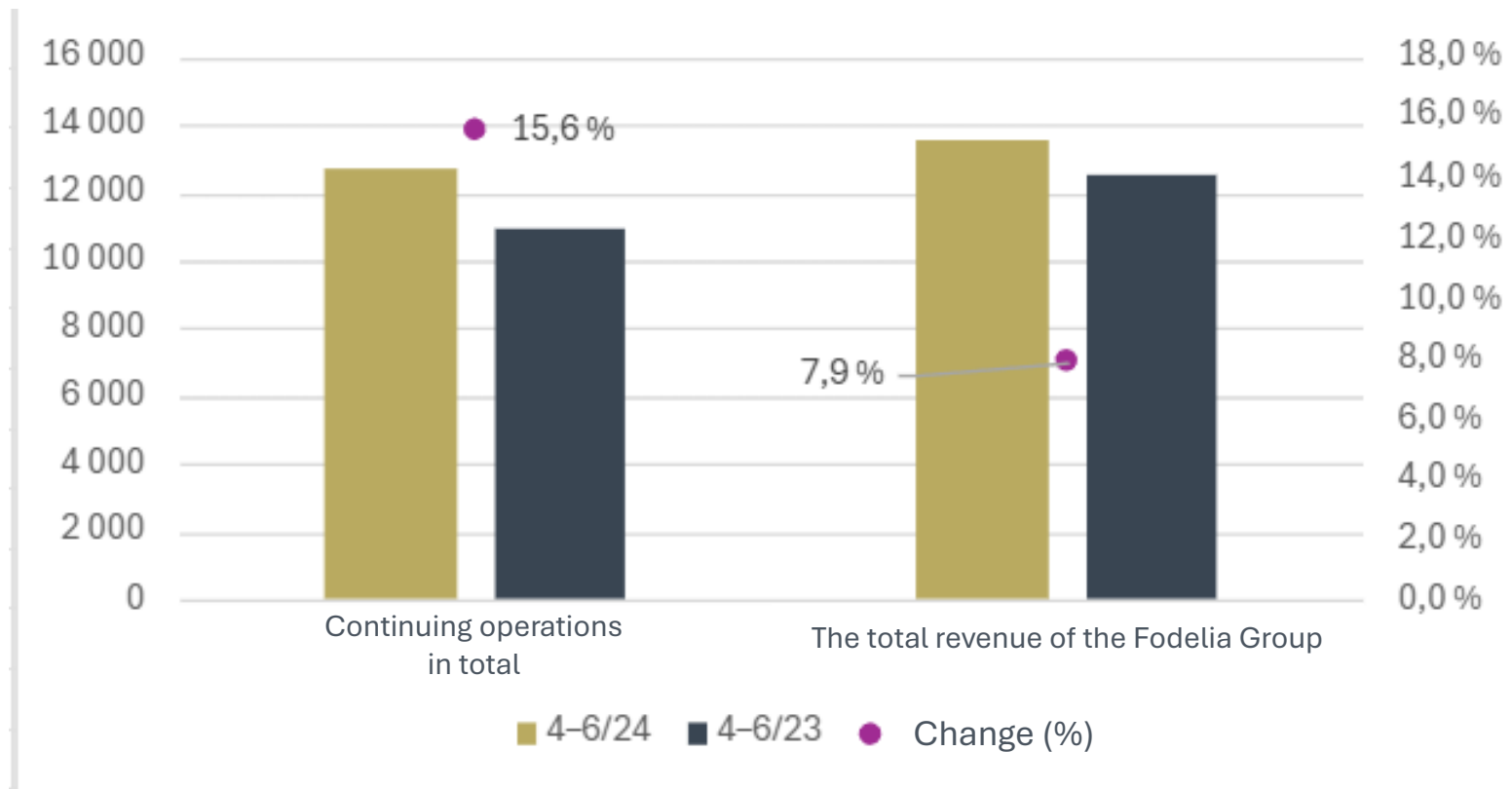
The group's operating profit was **-749** thousand euros (530) and **-5.5 %** of revenue (4.2%). The operating profit included one-time items of **-1,254** thousand euros related to the business transaction. The adjusted operating profit was **504** thousand euros (530) and **3.7 %** of revenue (4.2%).

Revenue development Q2

The continuing operations within the group performed better than the group's overall figures.

The revenue of the continuing operations grew by approximately **16 %**.

The group's total revenue increased by **8 %**.

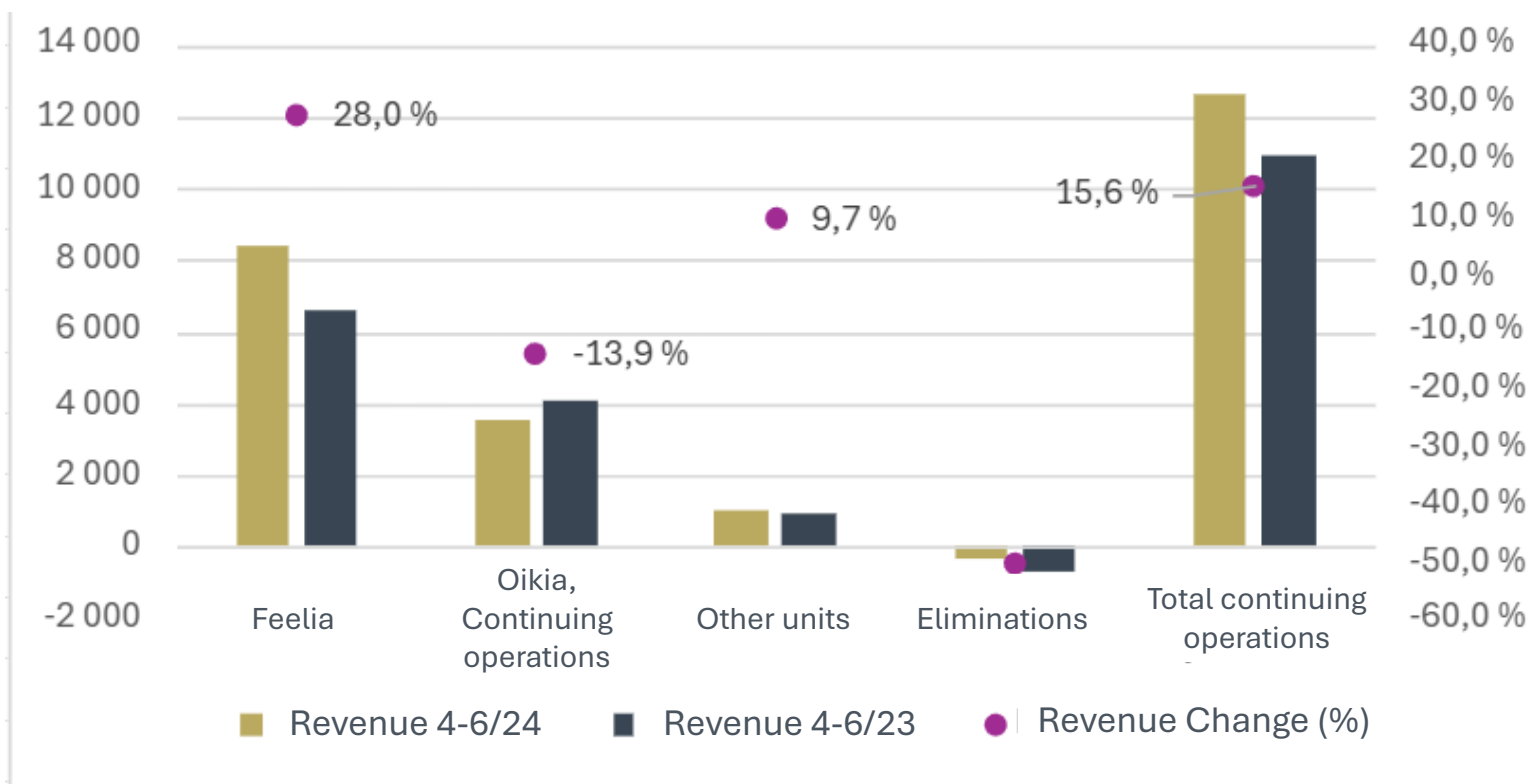


Among the group's units, Feelia's revenue has continued to show strong growth.

Marjavasu's revenue has also grown.

Oikia's revenue is impacted by the negative development in online sales.

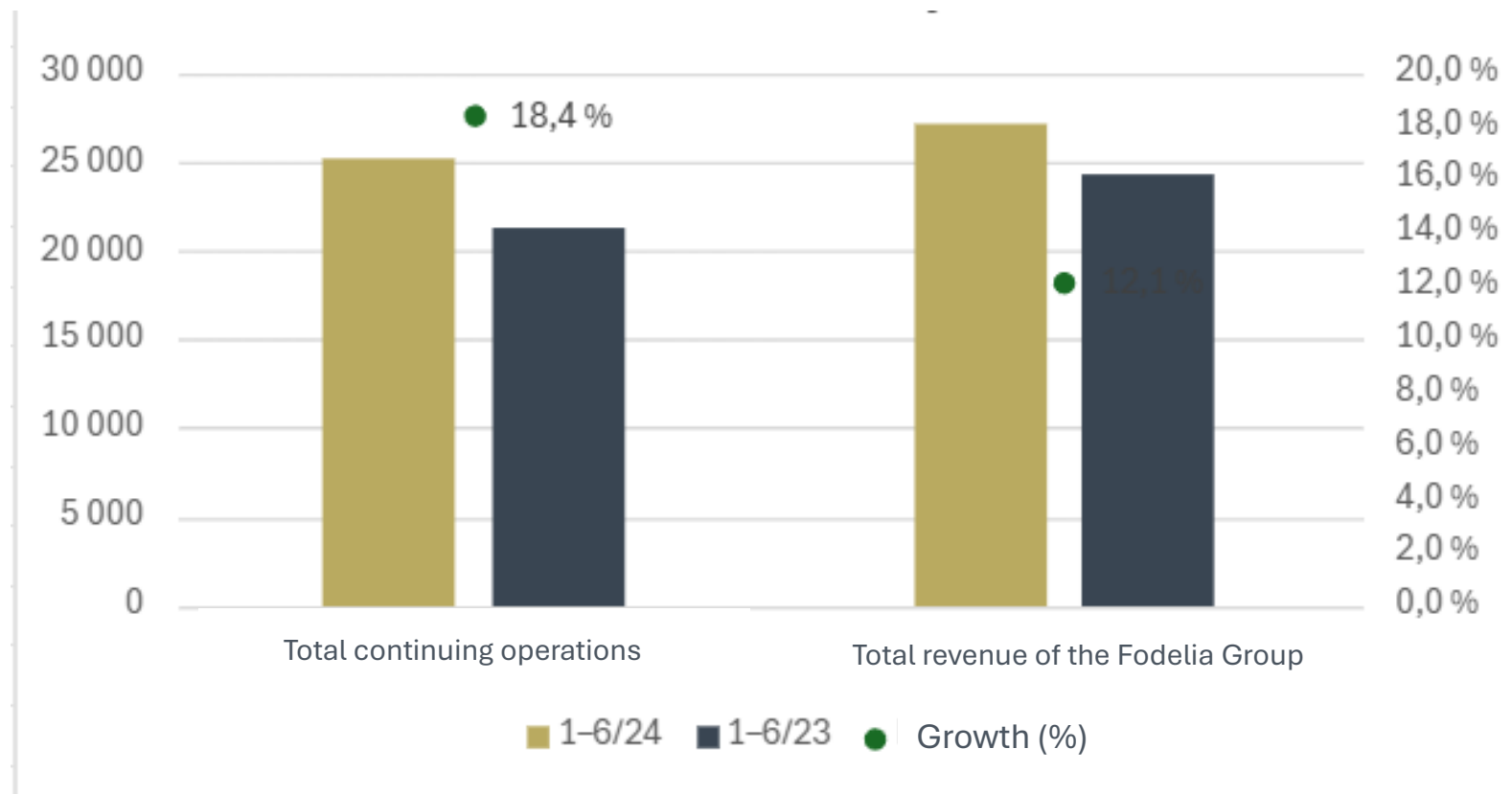
Revenue Development Q2 Continuing Operations



Revenue development H1

Revenue from continuing operations in the group increased by **18 %** from January to June.

The group's total revenue increased by **12 %**.



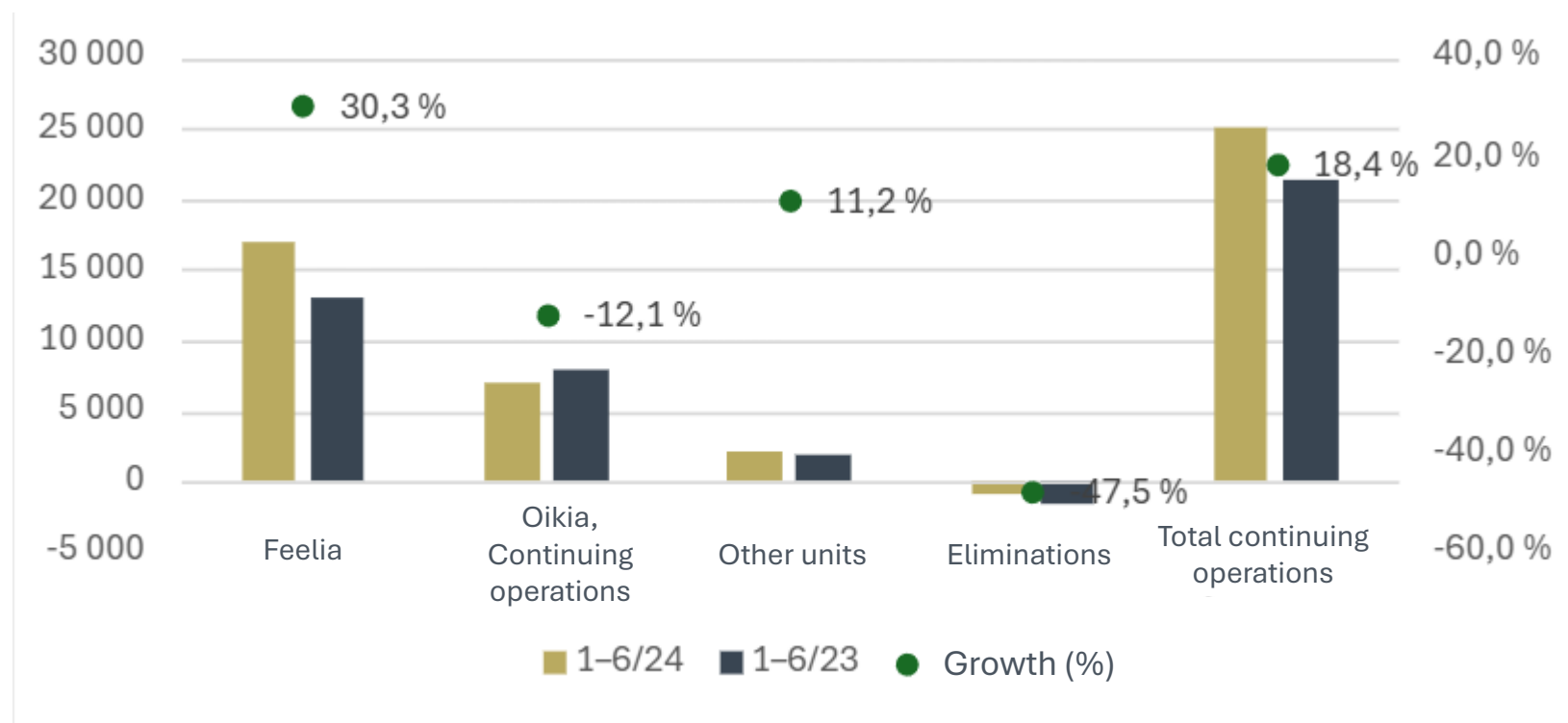
Revenue Development H1

Continuing Operations

Feelia's revenue grew by **30 %** from January to June.

Marjvasu's revenue also increased.

Oikia's revenue decreased by **12 %**.

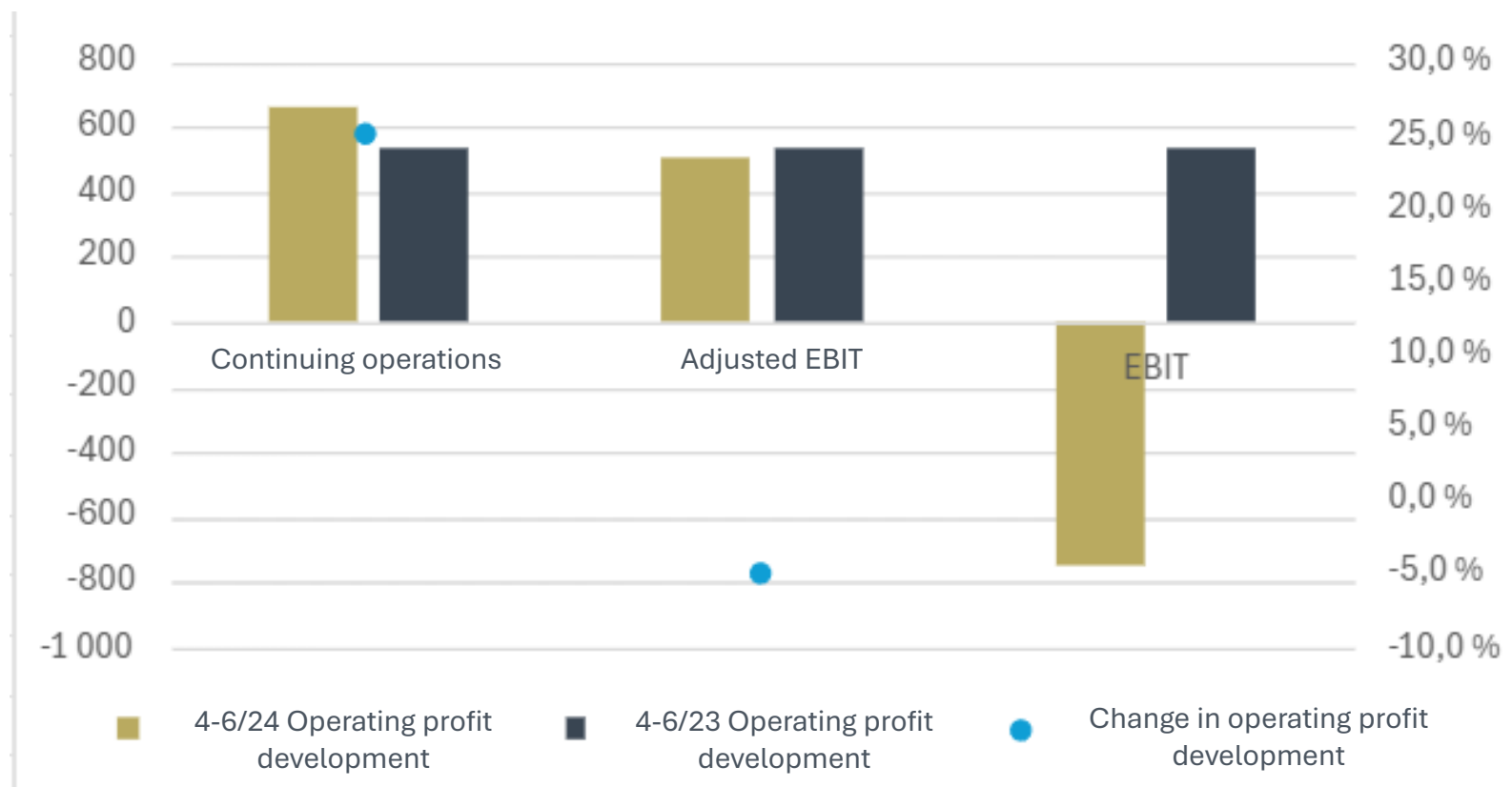


The profitability of continuing operations improved compared to the group's overall figures.

The result of continuing operations grew by 25% and was 5.3 % of revenue.

The profitability in the second quarter was slightly lower than in the early part of the year but continued to be at a good level.

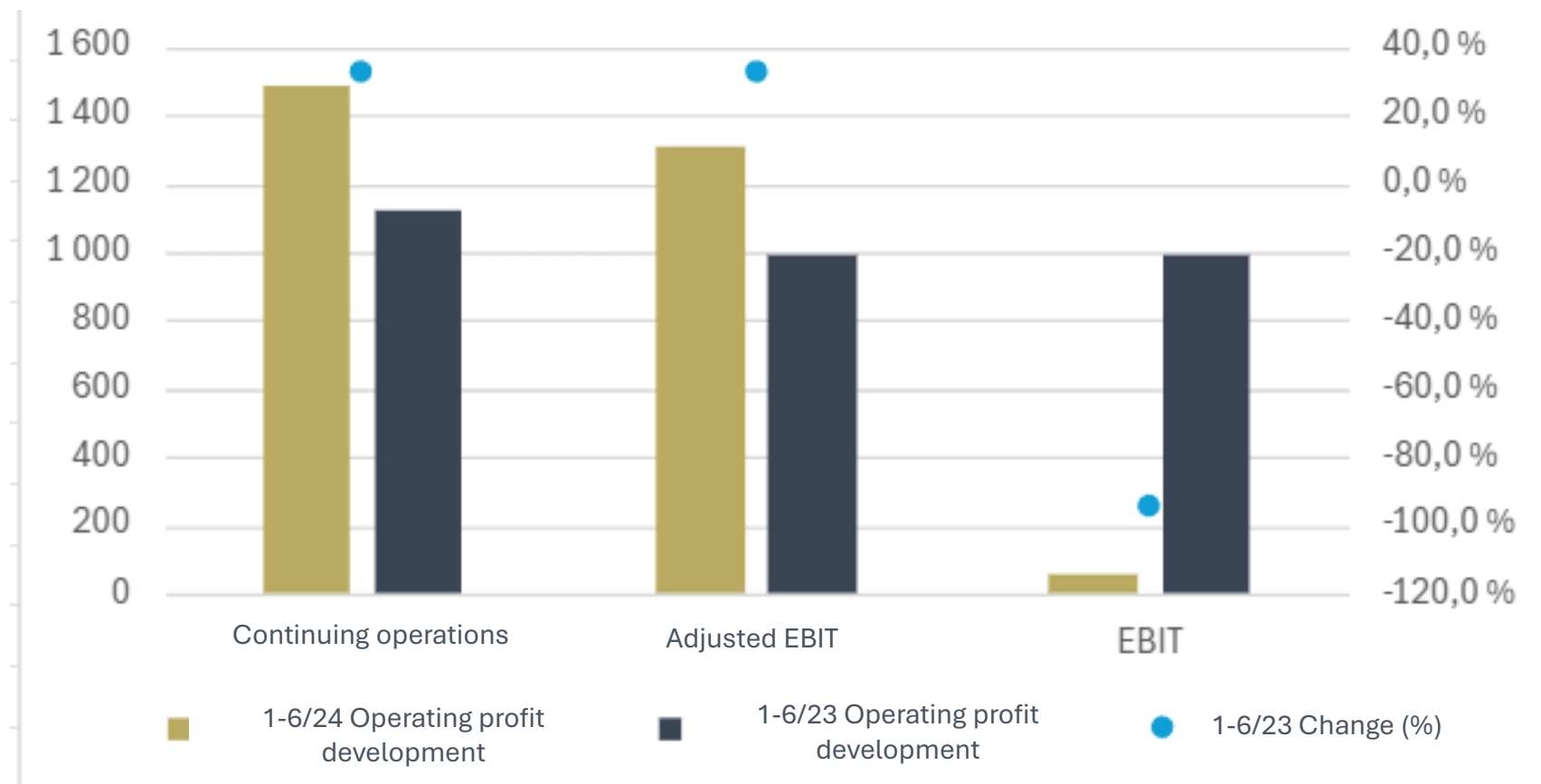
Operating profit development Q2



Operating profit development H1

The group's adjusted operating profit and the result from continuing operations improved compared to the previous year.

The result from continuing operations (EBITA) was 6.5% of revenue.



Key Figures by Business Area | Revenue

Revenue by unit/ business area	4-6/24	4-6/23	Change (%)	1-6/24	1-6/23	Change (%)	1-12/23
Feelia	8 432	6 586	28,0	16 864	12 942	30,3	26 513
Oikia, continuing operations	3 522	4 092	-13,9	6 893	7 844	-12,1	14 797
Other units	1 047	954	9,7	2 221	1 997	11,2	4 213
Eliminations	-338	-680	-50,3	-795	-1 515	-47,5	-2 479
Total	12 663	10 952	15,4	25 184	21 268	18,4	43 044
Oikia, sold operations	854	1 574	-45,7	2 008	2 990	-32,8	5 920
Total revenue of the Fodelia Group	13 518	12 526	7,9	27 192	24 259	12,1	48 965

Key Figures by Business Area | Operating Profit

Operating Profit by Unit/ Business Area	4-6/24	4-6/23	Change (%)	1-6/24	1-6/23	Change (%)	1-12/23
Feelia	675	589	14,5	1 578	1 108	42,5	2 472
Oikia, continuing operations	218	-2	-9991,9	325	108	201,1	234
Other units	-260	-82	216,6	-297	63	-571,3	179
Eliminations	33	27	21,2	40	3	1 234,6	0
Operating profit (EBITA)	665	532	25,1	1 647	1 282	28,4	2 885
Group goodwill amortization	-98	-111	-11,5	-209	-222	-5,8	-443
Oikia, sold operations	-63	110	-157,0	-126	-68	85,2	80
One-time items (business transaction)	-1 254			-1 254			
Total operating profit of the Fodelia Group	-749	530	-241,1	58	993	-94,2	2 521

Other Key Figures I Group

Group	4-6/24	4-6/23	Change (%)	1-6/24	1-6/23	Change (%)	1-12/23
Result for the period, thousand euros	-1 200	328	-466,0	-645	565	-214,2	1 204
% of revenue	-8,9	2,6		-2,4	2,3		2,5
Earnings per share (EPS), €	-0,1	0,0	-472,2	-0,1	0,1	-214,3	0,01
Equity ratio %	49,4	47,7	3,6	49,4	47,7	3,6	51,3
Net debt-to-equity ratio %	26,4	54,4	-51,4	26,4	54,4	-51,4	2,9
Return on equity (ROE) %	-39,6	10,1	-491,7	-10,6	8,7	-222,2	0,0
Return on equity (ROE) %, adjusted	0,0	10,1	-100	0,00	8,7	-99,9	0,0
Return on invested capital (ROIC) %	-15,6	10,1	-254,8	1,9	9,4	-79,7	3,2
Return on invested capital (ROIC) %, adjusted	9,1	10,1	-10,3	16,1	9,4	70,8	3,2
Total balance sheet, thousands euros	24 557	27 327	-10,1	24 557	27 327	-10,1	26 741
Average number of employees	129	137	-6,0 %	126	133	-4,9 %	134

Market situation and business development

Fodelia's business areas



Feelia operates in the growing foodservice market, offering ready meals and meal services to its customers.

Production facilities in Pyhäntä and Kokkola.



Focuses on retail customer accounts and the development of consumer-oriented online sales.

Oikia includes the businesses of Oikia Ruoka, Real Snacks, and Pita Factory.

Production facilities in Pyhäntä and Jokioinen.



Marjvasu (Delimax) produces a variety of juice and sauce products for the foodservice market.

The factory is located in Kuopio.



A 50/50 joint venture that provides total outsourcing solutions for foodservice.



Feelia I Highlights

- The business continued steady development, and demand for products in the foodservice market has further strengthened.
- To meet this demand, the sales team has been strengthened, the ordering channel has been developed, and cost-effective production and logistics operations have been ensured.
- During the review period, several new customers were acquired, with the most significant contract being signed with HUS.

Feelia I Key Figures

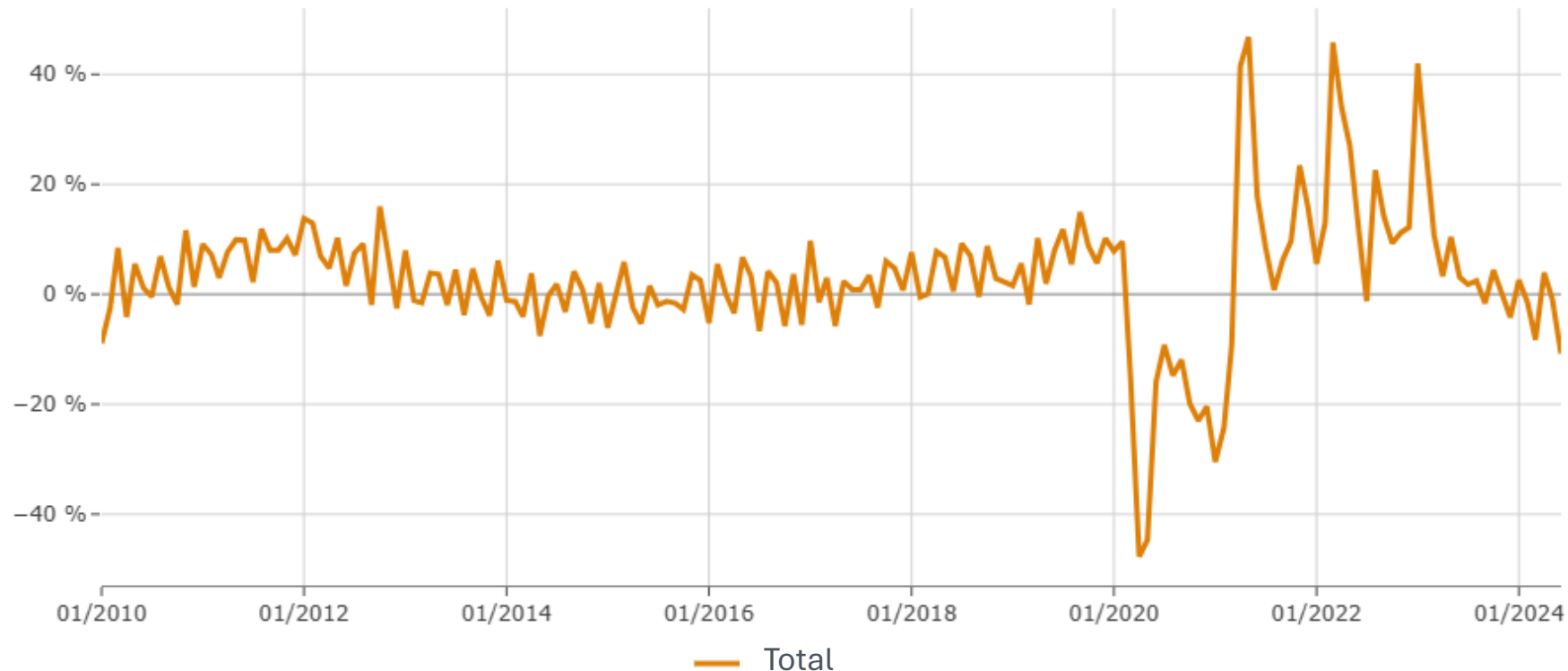
- Revenue increased by approximately 30.3% from January to June, and the result improved compared to the same period last year. The revenue growth for April to June was 28.0%.
- Operating profit was 9.4% of revenue from January to June and 8.0% of revenue from April to June.*
- Relative profitability slightly decreased from the beginning of the year due to temporary disruptions in production.

TEUR	4-6/24	4-6/23	Change (%)	1-6/24	1-6/23	Change (%)	1-12/23
Revenue	8 432	6 586	28,0	16 864	12 942	30,3	26 513
Operating profit	675	589	14,5	1 578	1 108	42,5	2 472
% of revenue	8,0	8,9		9,4	8,6		

Foodservice market development

The cumulative revenue of the foodservice wholesale market decreased by 2.8 % from January to June compared to the previous year.

Year-on-year change in foodservice wholesale revenue 2010-2024



Source: Tilastokeskus

Public sector foodservice market

The increasing budget pressures on municipalities are expected to create new demand for food services.

School Meals

- Number of customers: approximately 1.75 million customers/day
- Number of meals: 368 million meals/school year (10 months)
- Market size: 283 million euros/year

Care Services

- Number of customers: 70,000 customers/day
- Number of meals: 76 million meals/year
- Market size: 340 million euros/year



Feelia | HUS Contract

- The estimated annual revenue from the contract between Feelia and HUS* signed during the review period is approximately 1.5-1.7 million euros.
- The contract is one of Feelia's largest ever and represents a significant breakthrough in hospital sector client relationships.
- The agreement with HUS covers the meals required for patients and staff during the relocation of the Meilahti production kitchen.
- The cooperation started in May 2024 and will continue until the end of 2030.
- HUS conducted the procurement as a public procurement procedure exceeding the EU threshold, using an open procedure. The procurement notice was published in Hilma on December 20, 2023.

*HUS or Helsinki University Hospital, is the largest healthcare provider in Finland. HUS is responsible for organizing specialized medical care in the Uusimaa region and also centralizes the treatment of several rare and complex diseases on a national level.

Oikia | Highlights

During the H1 review period, significant changes were made in Oikia (formerly Fodelia Retail) as part of a strategy refinement.

- **Name Changes**
Fodelia Retail's name was changed to **Suomen Oikia Oy** (referred to as **Oikia**). Additionally, the consumer online store Feelia Ruokakauppa has rebranded and is now known as Oikia Ruoka.
- All products targeted at retail will now fall under the Oikia brand, supporting the direction of the new strategy and strengthening the brand's market position. The changes will be implemented gradually.
- **The business transactions involving the Perniön Liha and Helsinki Sausage Factory** brands significantly impacted the figures and operations during H1.
- **The brand renewal for the consumer online store** was launched in June.



Oikia | Key Figures

- The snacks business segment developed well during the review period. Revenue was roughly at the same level as the previous year, but profitability improved.
- The revenue development of the online store has been negative for some time, which has led to the initiation of a significant transformation program by the new business director.
- The profitability of continuing operations improved significantly during the review period compared to the same period last year.

CONTINUING OPERATIONS

TEUR	4-6/24	4-6/23	Change (%)	1-6/24	1-6/23	Change (%)	1-12/23
Revenue	3 522	4 092	-13,9	6 893	7 844	-12,1	14 797
Operating profit	218	-2	-9991,9	325	108	201,1	234
% of revenue	6,2	-0,1		4,7	1,4		



Oikia | Oikiaruoka.fi has been refreshed

- The consumer online store rebranding was launched in June. Feelia Ruokakauppa became Oikia Ruoka (oikiaruoka.fi).
- The core theme of the new brand is to simplify everyday life – “Oikia Ruoka, easier everyday”.

In the rebranding:

- The brand promise was clarified
- The visual identity was updated
- The online store name was changed
- The product range was curated to better meet customer preferences

The goal of the rebranding and other upcoming strategic actions is to drive growth for the online store.





Other units

Marjivasu

- Revenue increased by 9.2 % in the early part of the year.
- The company has gained new customers, particularly in the juice vending machine business.
- Profitability has declined compared to the same period last year but remains at a good level.
- The early part of the year saw exceptionally high marketing costs and investments related to the growth of the juice vending machine business. Additionally, the price of a key raw material, oranges, has risen sharply.

Fodbar

- The joint venture Fodbar's business is experiencing strong growth, and profitability has improved significantly.
- The background to this development includes the stabilization of operations and a substantial increase in volume over the past year.

Marjvasu will become part of Feelia

Due to the steady growth of Marjvasu's business, the current facility has become too small. Options for expansion, leasing, or new construction were ruled out from a cost perspective, leading to the decision to relocate Marjvasu's production to its sister company Feelia Oy's factory in Pyhäntä (preliminary relocation schedule: October 2024).

The relocation will:

- **Increase Marjvasu's production capacity**, as there is sufficient space at Feelia's factory.
- **Achieve synergy benefits**, such as utilizing shared resources. Additionally, cost savings may be realized, for example, in freight expenses.

A merger process will be initiated between the companies, with Marjvasu merging into Feelia Oy in early 2025. The merger aims to reduce administrative costs.

Strategy and future

With the updated strategy as of May 16, Fodelia is transitioning from a portfolio company to an active player in the food industry.

The business transactions completed during the review period (Perniön Liha & Helsinki Sausage Factory) clarified Fodelia's strategy. In our current operations, we are seeking organic growth and exploring options for inorganic growth to support our existing businesses. We aim to innovate the food industry by introducing new products and concepts to the food market.

Foodservice

- The transformation in the foodservice market enables strong business growth for concepts based on industrial production.
- The group's growth focus increasingly relies on the opportunities offered by Feelia's ready-made meals.
- We can offer foodservice customers a comprehensive product portfolio that includes Feelia's ready meals, intermediary products, as well as Marjvasu's juices and purees..

Consumer Market

- In the snacks market, there is an opportunity to grow into one of the leading snacks manufacturers in the Nordic region.
- With our home meal concept, we can offer a daily convenience to consumers primarily through online sales.

Fodelia's strategy

Updated
16.5.2024

VISION

Our goal

To be the most interesting innovator in
the food industry

VALUES

Our way of doing things

- We are entrepreneurs at heart
- We love Finnish food
- We succeed through collaboration and good leadership
- We act boldly, innovatively and responsibly

MISSION

Our main mission

To create tasty meaning for everyone
every day

Cornerstones of our strategy

1. To ensure growth and profitability – engaged and skilled personnel, well-functioning processes, seizing opportunities in the food industry market
2. To stand out with new, sustainable and innovative products and concepts
3. Using the various financing opportunities of the listed company to implement the growth strategy – timely investments, acquisitions that support existing business operations

Q&A

Thank you.

Contacts:

Mikko Tahkola

mikko.tahkola@fodelia.fi

040 829 0195