

WEBCAST 23.10.2024

Business Review

January-September 2024

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Fodelia

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January–September highlights and financial development

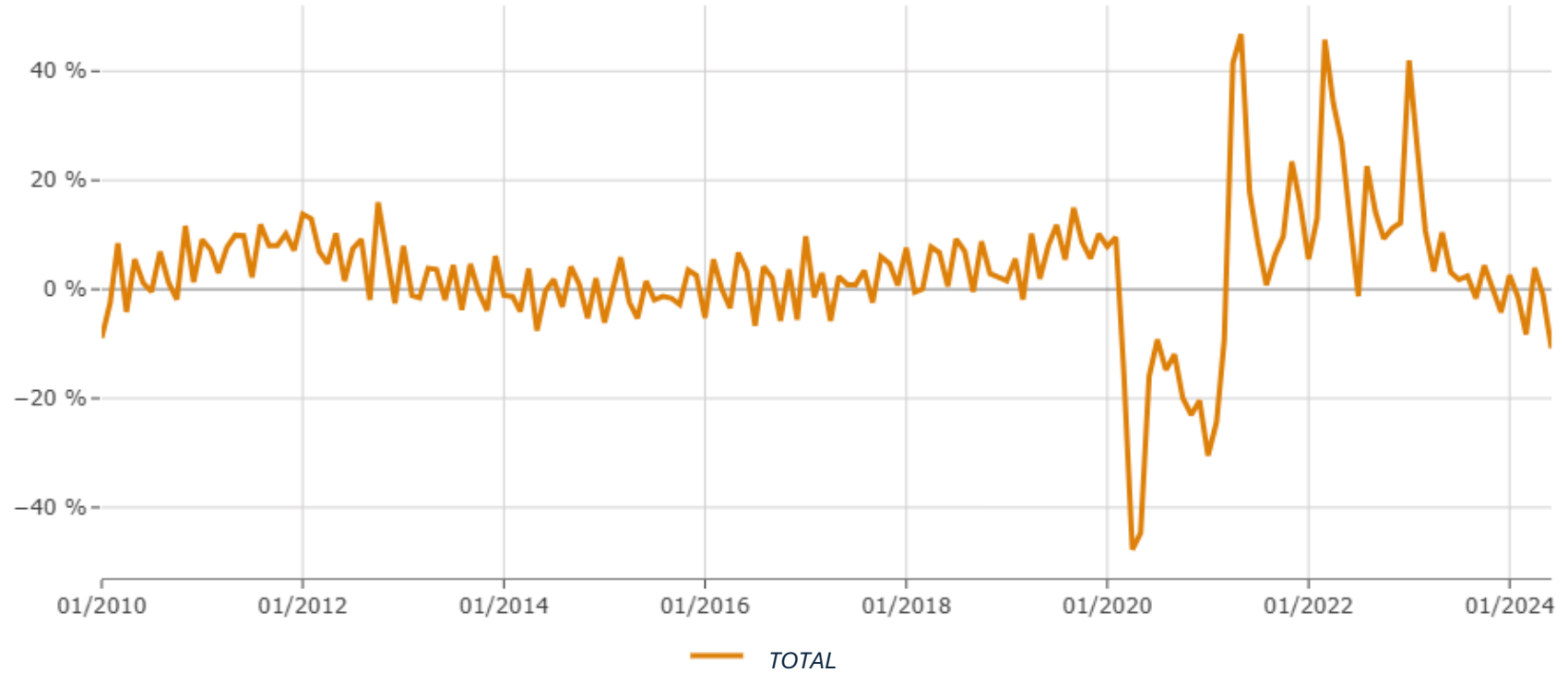
The Group's business performed very well in the third quarter. Comparable continuing operations net sales increased by **18 %** in July–September compared to the same period last year.

Operating income excluding the costs of the long-term incentive scheme for the period was approximately **10 %**.

Development of the Foodservice market

The cumulative turnover of the Foodservice wholesale sector decreased by 1.9% in January–August compared to the previous year.

Annual change in Foodservice wholesale trade turnover 2010–2024



Source: Statistics Finland

Highlights

- **Feelia's turnover increased by 30% during the review period, clearly exceeding the sluggish development of the Foodservice market.** Customer segments in the care sector, according to the current strategy, ensure more stable business development compared to the restaurant segment.
- **The integration of Marjasu into Feelia has begun.** Production operations moved to Pyhäntä in mid-October, and the merger of the companies is expected to be completed by the end of the year. This change brings cost-efficiency and enables growth.
- **Oikia's business structure has been significantly clarified.** The snacks business has continued to perform well, and the factory is planning capacity expansions to meet future growth demands.
- **The development projects currently underway in the group support growth.**

Group development projects

Fodelia

- We are preparing for reporting in accordance with the CSRD directive, which will apply from 1.1.2025.
- The unification of HR processes and projects related to the development of internal communication will strengthen group cooperation.



The Pyhäntä factory has **FSSC 22000 certification** and an **ISO 14001 environmental certificate**, and the Kokkola factory has **ISO 22000 certification**.

ONGOING:

- A **solar park** is being planned next to the Feelia factory.
- The new **wastewater pre-treatment plant** of Pyhäntä municipality enables the expansion of production.

Oikia



The snacks and pita bread factories have BRC certification. In addition, the energy efficiency of the Oikia factory has been improved, bringing savings and enabling growth.

ONGOING:

- **ISO 14001 environmental certification project**
- The new **wastewater pre-treatment plant** of Pyhäntä municipality enables the expansion of production.



Feelia I Solar Park

- A solar park will be built next to the Feelia factory, covering 1.5 hectares and 1,376 solar panels, with an estimated annual output of approximately 678,000 kWh. The park will be constructed by a partner with whom Feelia will sign a long-term service model agreement.
- The goal of the solar park is to provide clean and fossil-free energy to the Feelia factory. In addition to energy savings, the project will help reduce environmental impacts and promote a sustainable future.

The solar park is expected to be completed in April 2025.

Key Figures I Group

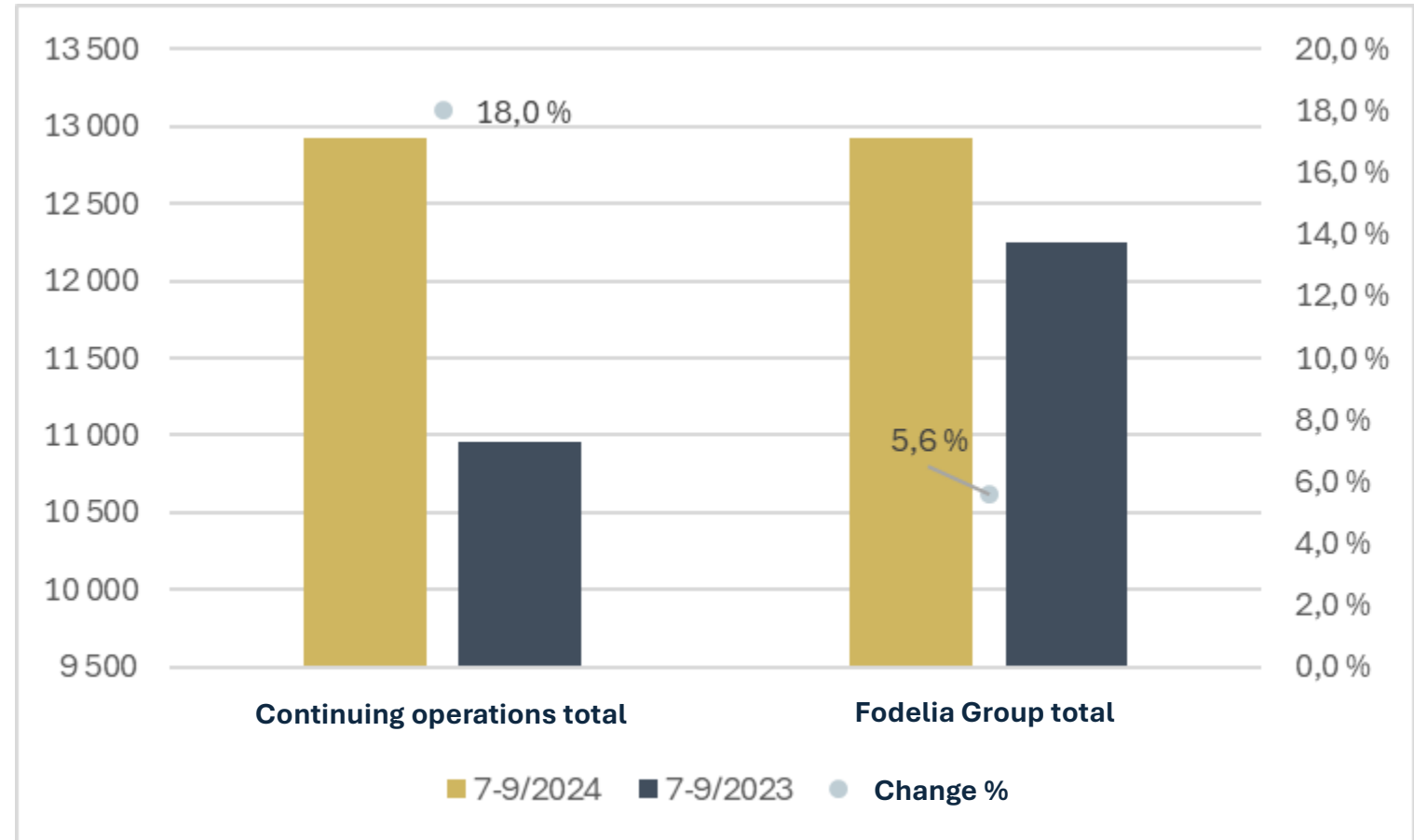
Group	7-9/24	7-9/23	Change -%	1-9/24	1-9/23	Change -%	1-12/23
Net sales, thousand EUR	12 929	12 249	5,6	40 121	36 507	9,9	48 965
Adjusted EBITDA, thousand EUR	1 543	1 500	2,9	3 912	3 448	13,5	4 575
% of net sales	11,9	12,2		9,8	9,4		9,3
EBITDA, thousand EUR	1 543	1 500	2,9	5 236	3 448	51,9	4 575
% of net sales	11,9	12,2		13,1	9,4		9,3
Adjusted EBITA, thousand EUR	1 135	1 101	3,1	2 655	2 315	14,7	2 965
% of net sales	8,8	9,0		6,6	6,3		6,1
EBITA, thousand EUR	1 135	1 101	3,1	1 402	2 315	-39,5	2 965
% of net sales	8,8	9,0		3,5	6,3		6,1
Adjusted operating profit, thousand EUR	1 043	990	5,3	2 354	1 982	18,8	2 521
% of net sales	8,1	8,1		5,9	5,4		5,1
Operating profit, thousand EUR	1 043	990	5,3	1 101	1 982	-44,5	2521
% of net sales	8,1	8,1		2,7	5,4		5,1

The one-off items related to the business transactions in May have been excluded from the adjusted figures. The figures for 2023 include the divested businesses, which complicates comparability. Additionally, during the period, long-term incentive program costs of approximately EUR 280 thousand have affected the results.

Net sales development Q3

The net sales of continuing operations grew by approximately **18%**.

The group's total net sales increased by approximately **5.6%**. The figures for 2023 include businesses sold in May 2024

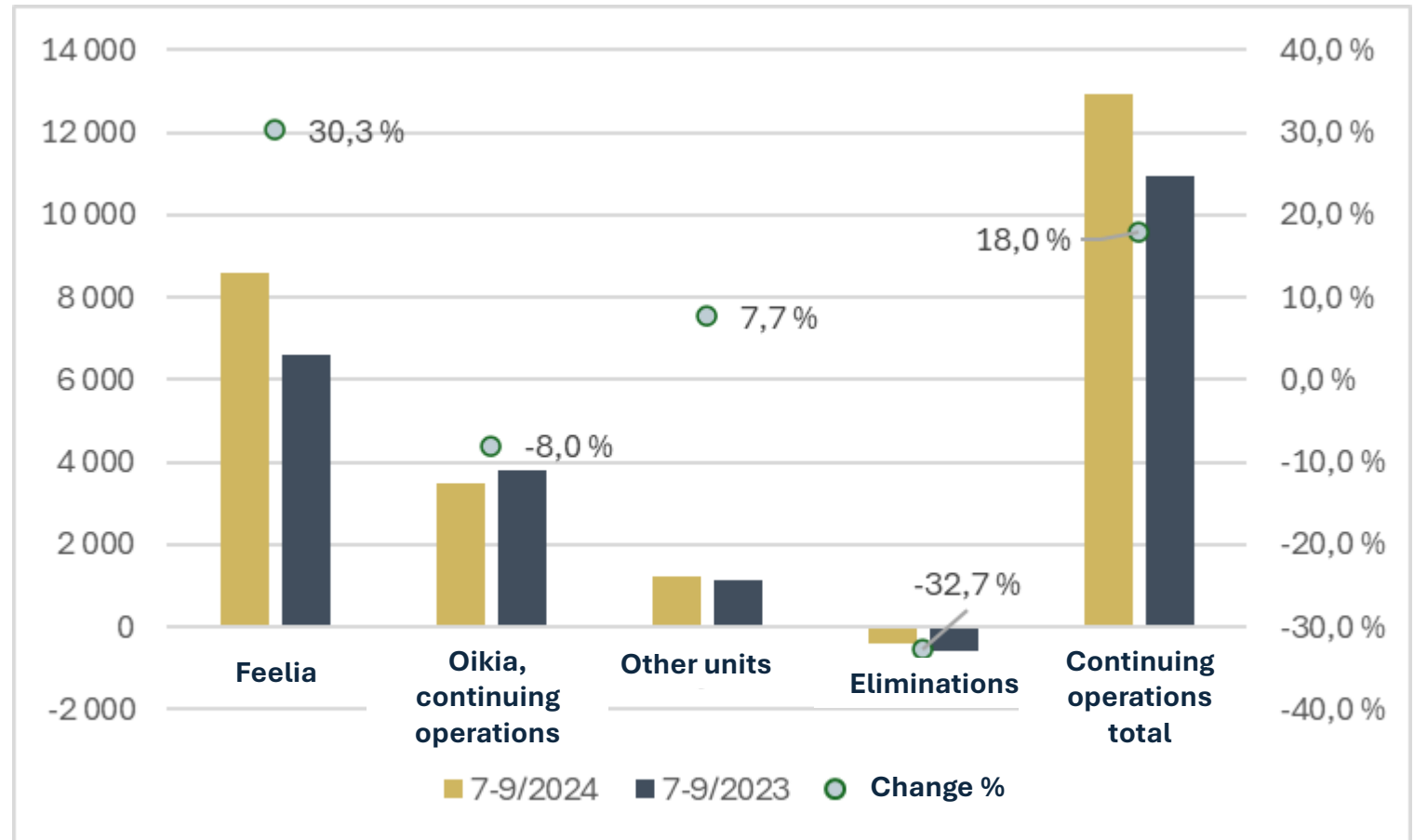


Net sales development Q3

Continuing Operations

Among the group's units, Feelia's net sales has continued strong growth.

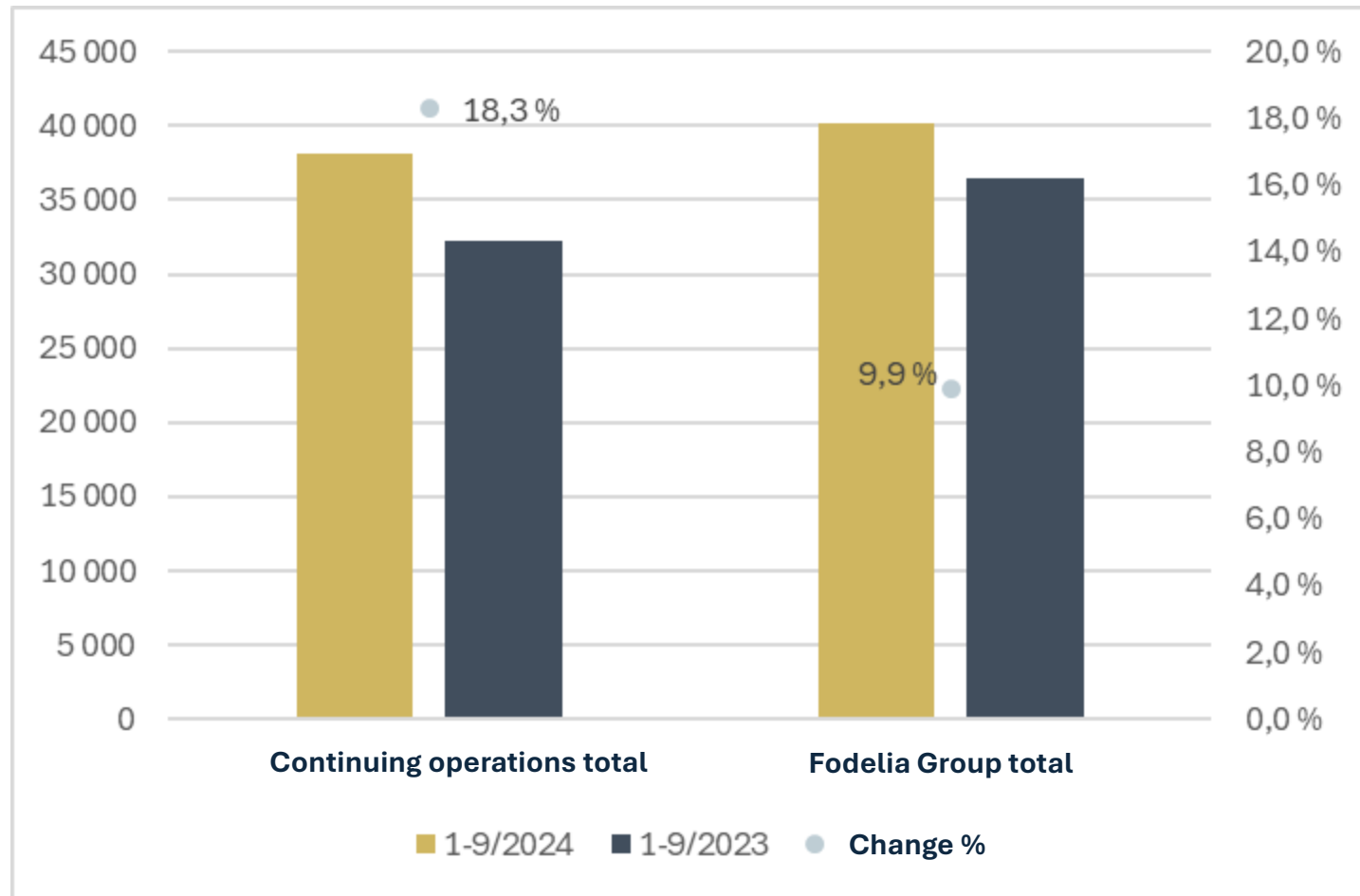
Oikia's comparable net sales decreased slightly. The decline was caused by a drop in e-commerce sales.



The net sales of continuing operations in the group grew by approximately **18%** in January–September.

The group’s total net sales increased by approximately **10%**. The figures for 1-9/2023 include the net sales of businesses sold in May 2024.

Net sales development 1-9/2024



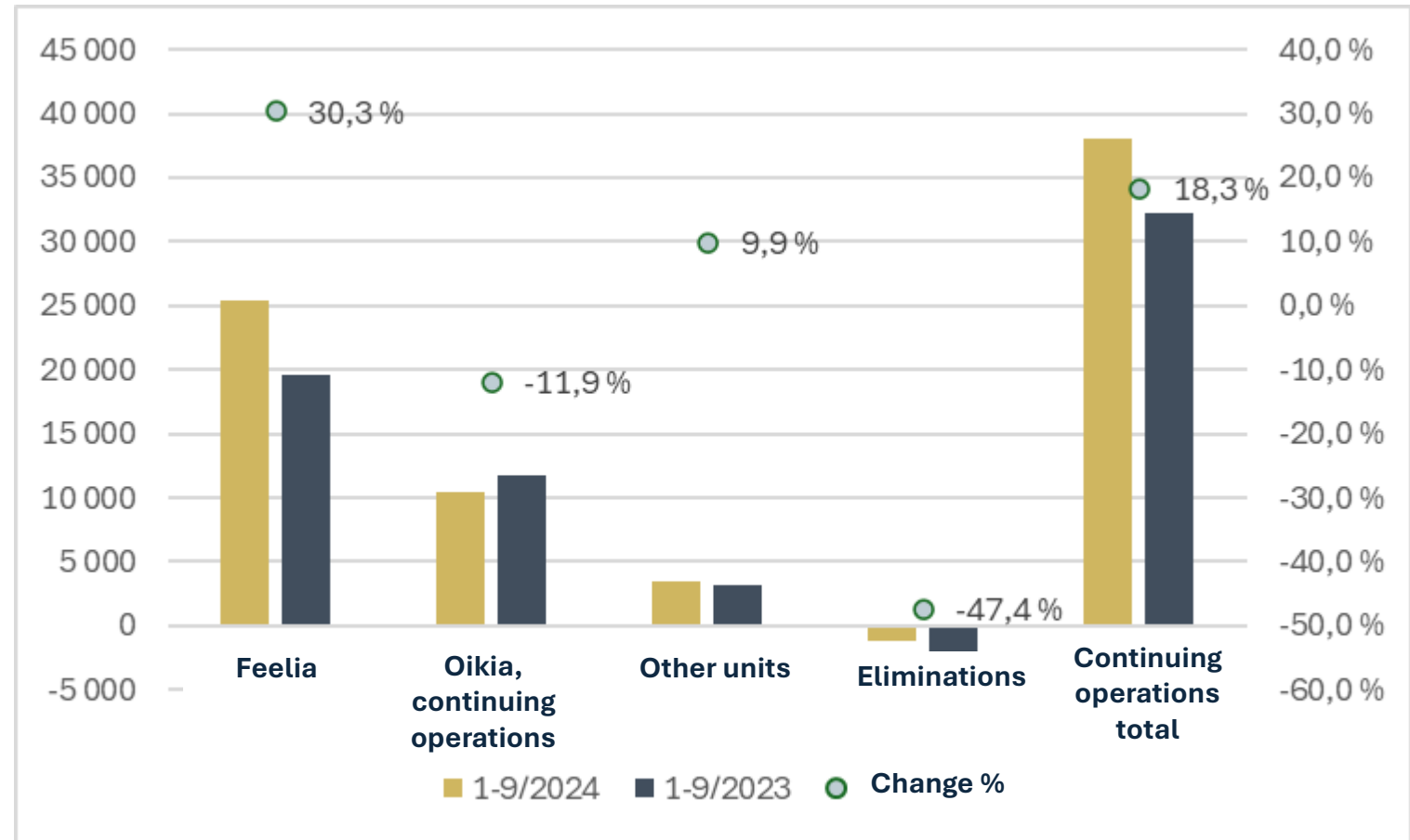
Net sales development 1-9/2024

Continuing Operations

Feelia's net sales grew by approximately **30%** in January–September.

Marjavasu's net sales also increased.

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



Key Figures by Business Operations | Net sales by unit

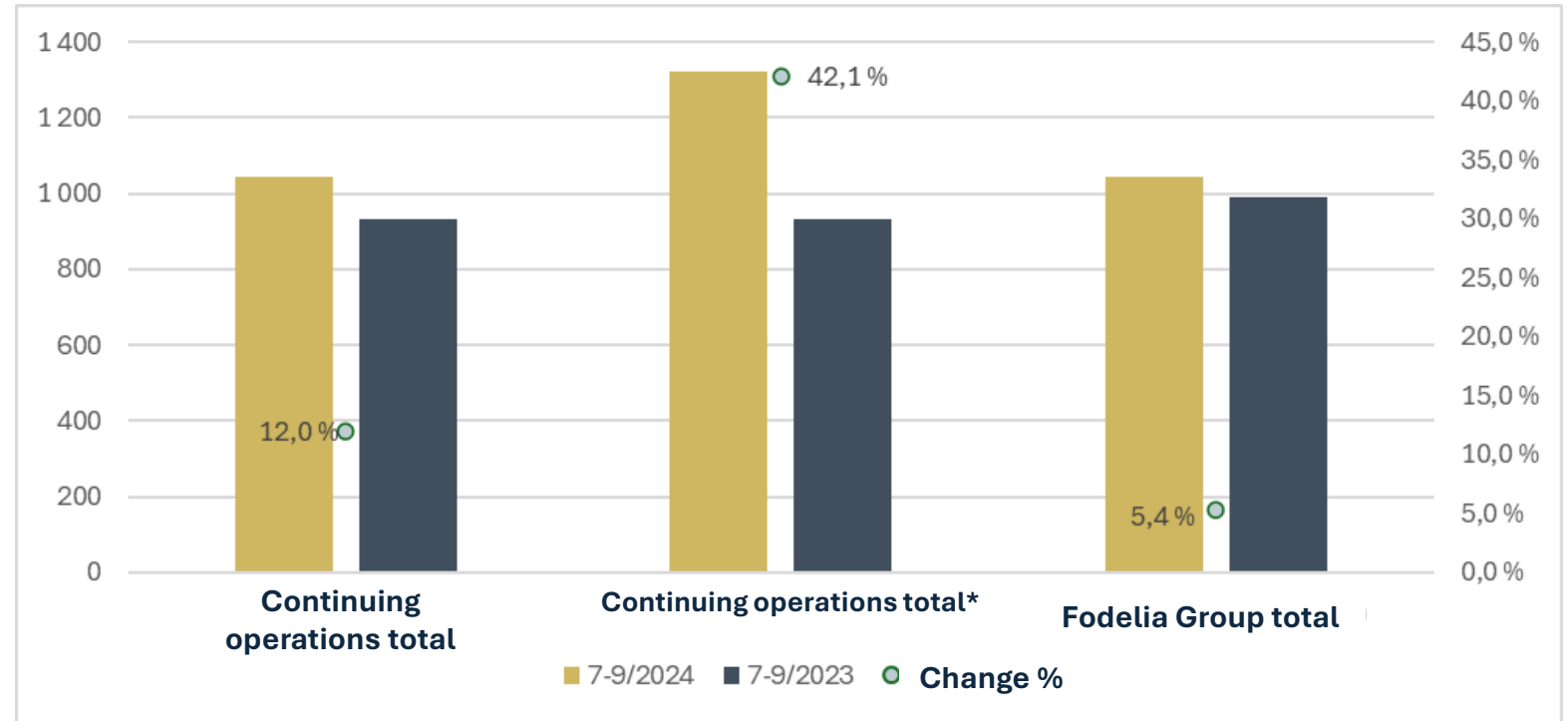
Net sales by unit/ Business Area	7-9/24	7-9/23	Change-%	1-9/24	1-9/23	Change-%	1-12/23
Feelia	8 601	6 598	30,3	25 465	19 541	30,3	26 513
Oikia, continuing operations	3 494	3 798	-8,0	10 387	11 796	-11,9	14 797
Other units	1 217	1 130	7,7	3 438	3 128	9,9	4 213
Eliminations	-382	-569	-32,7	-1 178	-2 238	-47,4	-2 479
Total	12 929	10 958	18,0	38 113	32 226	18,3	43 044
Oikia, divested operations	0	1 291	-100,0	2 008	4 281	-53,1	5 920
Fodelia Group total net sales	12 929	12 249	5,6	40 121	36 507	9,9	48 965

The group's operating profit in July–September was **8.1% of net sales**.

The third quarter included long-term incentive program costs totaling approximately **EUR 280 thousand**.

The group's operating profit without these costs was **EUR 1,322 thousand, or 10.2% of net sales**.

Profit Development Q3

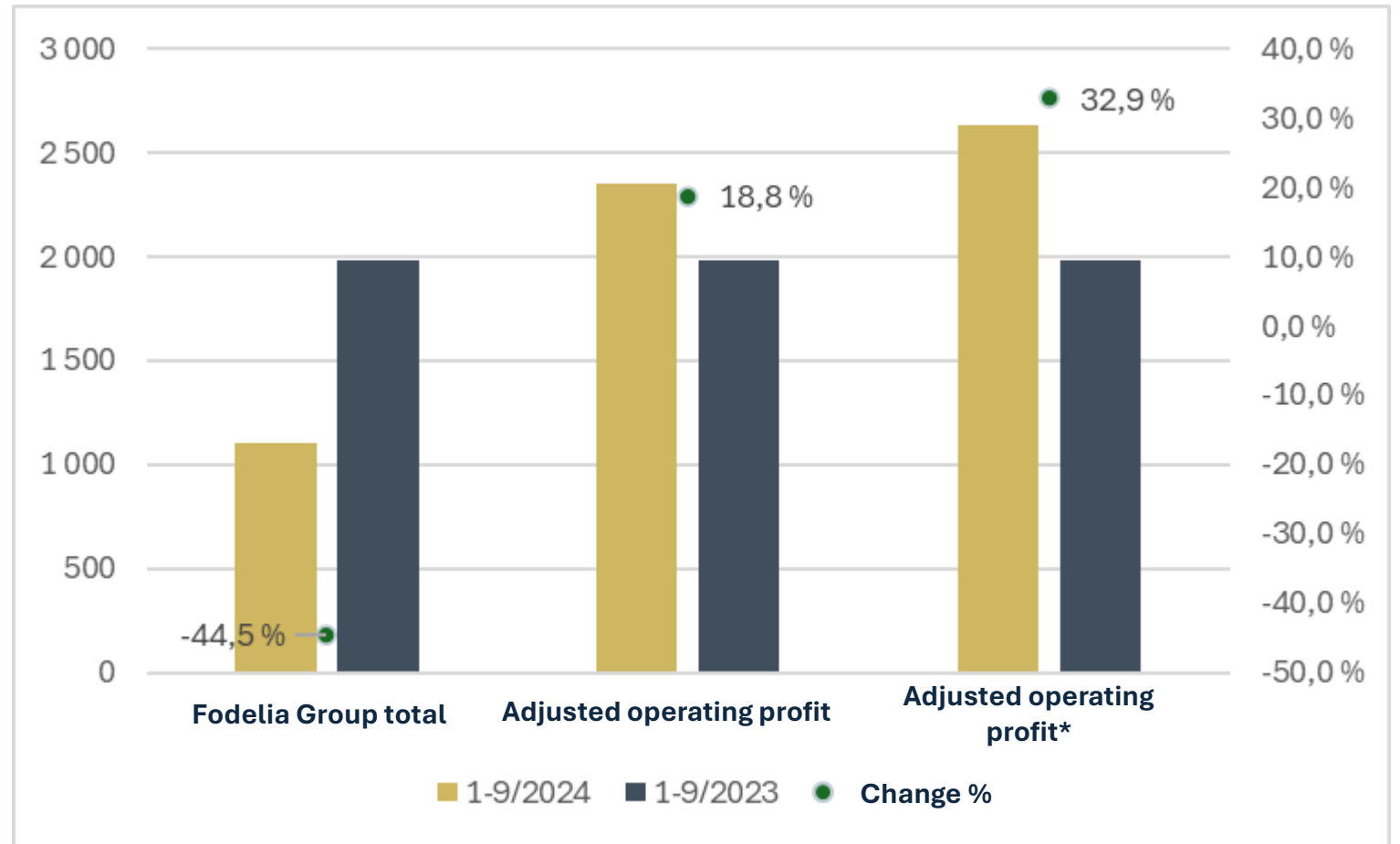


*Excluding costs from the long-term incentive program

The group's operating profit in January–September 2024 was affected by business transactions completed in May, which resulted in a one-time impact of -1,254 thousand euros. The group's adjusted operating profit was **2,354 thousand euros, or 5.9% of net sales.**

Operating profit developed even better. Without the incentive program costs incurred in Q3, the adjusted operating profit was **2,646 thousand euros, or 6.6% of net sales.**

Profit Development 1-9/2024



*excluding long-term incentive program costs

Key Figures by Business Operations | EBIT

EBIT by unit / business area	7-9/24	7-9/23	Change-%	1-9/24	1-9/23	Change -%	1-12/23
Feelia	806	741	8,7	2 384	1 849	28,9	2 472
Oikia, continuing operations	285	189	50,9	610	297	105,4	234
Other units	34	97	-65,4	-263	160	-264,4	179
Eliminations	10	14	-28,5	50	17	194,1	0
Business result (EBITA)	1 135	1 042	8,9	2 781	2 324	19,7	2 885
Group's amortisation of goodwill	-92	-111	-17,0	-301	-333	-9,6	-443
Oikia, divested operations		59	-100	-126	-9	1 264,0	80
Non-recurring items (divestment)				-1 254			
Fodelia Group EBIT in total	1 043	990	5,4	1 101	1 982	-44,5	2 522

Other Key Figures | Group

Group	7-9/24	7-9/23	Change-%	1-9/24	1-9/23	Change-%	1-12/23
Adjusted profit for the review period, thousand €	731	699	4,6	1 340	1 263	6,1	1 204
% of net sales	5,7	5,7		3,3	3,5		2,5
Profit for the review period, thousand €	731	699	4,6	86	1 263	-93,2	1 204
% of net sales	5,7	5,7		0,2	3,5		2,5
Earnings per share, €	0,09	0,09	0,5	0,0	0,16	-93,3	0,15
Equity ratio %	51,1	50,7		51,1	50,7		50,4
Net debt ratio %	26,0	46,4		26,0	46,4		47,7
Return on equity %	22,6	20,2		0,9	12,2		8,9
Adjusted return on equity %	22,6	20,2		13,8	12,2		8,9
Return on investment %	23,0	18,9		8,9	12,6		10,5
Adjusted return on investment %	23,0	18,9		17,9	12,6		10,5
Total assets	25 388	27 274	-6,9	25 388	27 274	-6,9	26 741
Average number of employees	119	135	-12,1	134	131	2,3	133

Business development and market situation

Fodelia's businesses



Feelia operates in the growing Foodservice market, offering ready-made meals and meal services in its customer.

The production facilities are located in Pyhäntä and Kokkola.

Oikia

Oikia concentrates on retail customers and the development of e-commerce for consumers.

The company includes the businesses of Oikia Ruoka, Oikia snacks and Pita Factory.

Its production facilities are located in Pyhäntä and Jokioinen.

Delimax

Marjvasu (Delimax) produces various juice and sauce products for the Foodservice market.



Fodbar is a 50/50 joint venture that offers complete outsourcing solutions for foodservice.

Feelia | Key Figures

- **Net sales** grew by **30.3%** both in January–September and July–September. Feelia’s external net sales increased by **38.8%** in January–September and by **36.0%** in July–September. The increased sales to the care sector boosted the group's external net sales. Feelia’s sales to other group companies decreased during the review period.
- **Operating profit** grew by **28.9%** in January–September and was **EUR 2,384 thousand** (EUR 1,849) and **9.4%** of net sales (9.5). In July–September, operating profit grew by **8.7%** and was **EUR 806 thousand** (EUR 741) and **9.4%** of net sales (11.2).

The third quarter included long-term share-based incentive program costs of **EUR 182 thousand**. Without these costs, the operating profit would have been **EUR 988 thousand** and **11.5%** of net sales.

EUR thousand	7-9/24	7-9/23	Change-%	1-9/24	1-9/23	Change-%	1-12/23
Net sales	8 601	6 598	30,3	25 465	19 541	30,3	26 513
Operating profit	806	741	8,7	2 384	1 849	28,9	2 472
% of net sales	9,4	11,2		9,4	9,5		9,3



Feelia | Highlights

- During the third quarter, 60 new products were launched. The products have been well received by the customer base.
- The long-running tray packaging project has reached the pilot phase, and deliveries will begin during the fourth quarter.
- A new temperature-free product family, which also serves preparedness purposes, has been introduced.
- The municipality of Kangasala decided to continue the partnership for the next two years (March 1, 2025 – February 28, 2027), after which there is an option for a two-year extension.
- The number of locations for existing early childhood education partnerships significantly increased during Q3—58 new locations joined Feelia's services (40 units from the daycare chain Touhula and 18 from Norlandia).

Feelia | FERP Ordering System

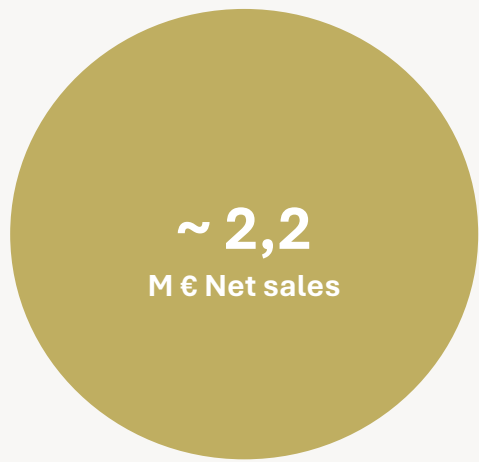
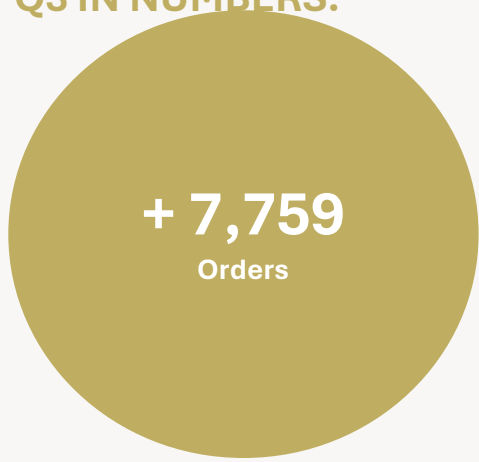
The FERP ordering system is Feelia’s ordering platform, which allows Foodservice customers to order products easily and accurately, minimizing waste.

The most significant updates during Q3 were the introduction of a new reporting tool and a waste tracking tool, both developed based on customer needs.

The reporting tool enables more detailed analysis of user data, facilitating tasks such as identifying needs and making orders. The waste tracking tool allows customers to track waste generation at the product level, by production line, and even per plate. In addition to these updates, several smaller system development and improvement measures were implemented during Q3.



Q3 IN NUMBERS:



Feelia | Temperature-Free Products

The products in Feelia's temperature-free product family are designed to be stored at room temperature as emergency food and for various exceptional situations.

- Product packages can be stored unopened for up to six months and are easy to use as part of meal cycles.
- No additional ingredients are needed, and the products can be consumed without heating.
- Option to offer heat pouches (chemical), which can heat the products during, for example, a power outage.

The selection includes soups, pastas, casseroles, and various stews. This product selection can offer convenience, for example, to critical infrastructure operators who need to maintain an average of 2 days of emergency food supplies always available.

Oikia I Highlights

In the **snacks business**, Q3 was a quarter of steady growth:

- The production efficiency at the Pyhäntä snack factory has been significantly improved, which helps increase production to meet growing demand.
- The sales of the Oikia brand's snacks showed promising growth during the third quarter.

In **e-commerce**, specifically Oikia Ruoan, net sales continued to decline slightly, but the downward trend was halted, and the profitability of the business was turned back toward growth.



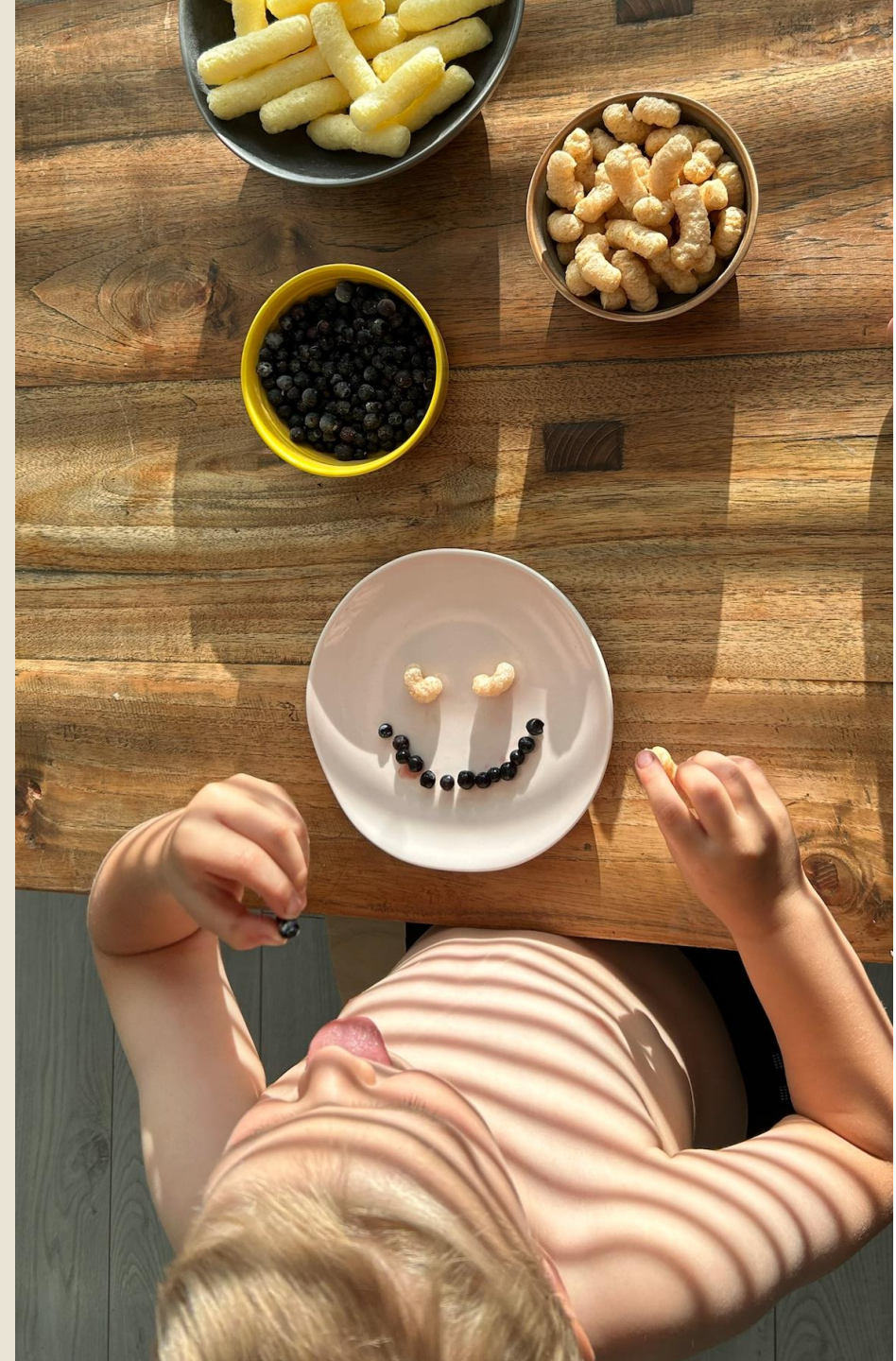
Oikia I Key Figures

The comparability of Oikia's 2024 figures was significantly affected by the business transactions executed in May.

- Comparable **net sales** decreased by 11.9% in January–September and amounted to EUR 10,387 thousand (EUR 11,796). Net sales decreased by 8.0% in July–September, totaling EUR 3,494 (EUR 3,798).
- **Operating profit** improved significantly. The operating profit of continuing operations in January–September was EUR 610 thousand (EUR 297), representing 5.9% of net sales (2.5%). In July–September, operating profit was EUR 285 thousand (EUR 189), representing 8.2% of net sales (5.0%).

Oikia's operating profit included EUR 68 thousand in costs related to the employee long-term share savings plan. Without these costs, operating profit was EUR 353 thousand, or 10.1% of net sales.

EUR thousand	7-9/24	7-9/23	Change -%	1-9/24	1-9/23	Change -%	1-12/23
Net sales	3 494	3 798	-8,0	10 387	11 796	-11,9	14 797
Operating profit	285	189	50,9	610	297	105,5	234
% of net sales	8,2	5,0		5,9	2,5		





Other units

Marjivasu

- Marjivasu's net sales increased by **7.8%** in January–September and by **5.4%** in July–September. The company's profitability returned to a very good level during the third quarter. Marjivasu's operations are being integrated into Feelia.

Production moved to Feelia's facilities in Pyhäntä in October 2024, and the merger process to integrate Marjivasu into Feelia is ongoing. The merger is expected to be completed by December 31, 2024.



Fodbar

- Fodbar's operations have continued to show good development, and the company has gained new customers, including a significant new project that started in the Oulunsalo region during the reporting period.
- The market is at an interesting stage, and we see strong growth potential in Fodbar's operations.

Strategy and future

Following the updated strategy on May 16, Fodelia is moving from being a portfolio company to an active participant in the food sector.

The business acquisition executed during the review period (Perniön Liha & Helsingin Makkaratehdas) clarified Fodelia's strategy. In our current operations, we seek growth organically while also exploring options for inorganic growth to support existing operations. We aim to innovate the food industry by bringing new products and concepts to the food market.

Foodservice

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

Consumer Market

- The snacks market has the potential to grow into one of the leading snack manufacturers in the Nordic countries.
- With the home-cooked food concept, we can offer consumers a super easy solution primarily through e-commerce.

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.

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