

FODELIA OYJ GROUP BUSINESS REVIEW 1 January–31 March 2024 (unaudited)

The Group's business developed well during the period under review. Consolidated net sales increased by 17% and profitability improved significantly.

HIGHLIGHTS OF THE BUSINESS REVIEW

This business review is unaudited. Unless otherwise stated, figures in brackets refer to the corresponding period in 2023 in the same unit.

Summary for January–March 2023

- Net sales for the period under review increased by 16.6% and amounted to EUR 13,674 thousand (11,732 thousand)
- EBITDA for the period was EUR 1,358 thousand (922 thousand), or 9.9% of net sales (7.9%)
- EBITA for the period was EUR 918 thousand (573 thousand), or 6.7% of sales (4.9%).
- EBIT for the period was EUR 807 thousand (463 thousand), or 5.9% of net sales (3.9%)

Guidance for 2024 (published on 7 February 2024)

The company's management estimates the Group's net sales for 2024 to be approximately EUR 54–58 million. Operating profit margin is estimated to increase from the previous year.

However, the company's management notes that, if realised, the potential divestment of the business operations of Perniön Liha and Helsingin Makkaratehdas, which was announced on 23 April 2024, may give cause for updating the outlook for 2024.

Key figures

Group	1–3/ 2024	1–3/ 2023	Change -%	1–12/ 2023
Net sales	13,674	11,732	16.6	48,965
EBITDA	1,358	922	47.3	4,575
% of net sales	9.9	7.9		9.3
EBITA	918	573	60.1	2,965
% of net sales	6.7	4.9		6.1
EBIT	807	463	74.5	2,521
% of net sales	5.9	3.9		5.1
Profit for the period	555	237	134.3	1,204
% of net sales	4.1	2.0		2.5
Earnings per share, EUR	0.1	0.03		0.15
Equity ratio %	49.6	47.5		50.4
Net gearing, %	41.3	50.3		47.7
Return on equity, %	16.0	7.3		8.9
Return on investment, %	16.6	9.1		10.5
Balance sheet total	27,999	27,414	2.1	26,741
Average number of employees	126	122	3.3	133

* EUR 115 thousand in non-recurring adjustment costs allocated to the Fodelia Retail business area has been deducted from the adjusted key figures.

BUSINESS OVERVIEW

CEO Mikko Tahkola:

Fodelia Group had a promising start to 2024. The Group's net sales have continued to grow, and profitability is higher than in the previous year. The development of the Feelia business, in particular, was very good in the first quarter.

Feelia's net sales increased by 33% in January–March, and EBIT was at a very good level. Net sales growth has been achieved particularly in customer accounts in the care sector and early childhood education. Growth has been driven not only by the company's own products but also by third-party products. Feelia has steadily gained new customers. In Q1, cooperation began with customers including Norlandia Care, A-Clinic Ltd, Hoivatie, Aspa Homes and Autism Foundation Finland. Some 1.5 million meals have already been ordered through Feelia's order system, and the number of users is growing at a steady pace. The system makes day-to-day operations easier for customers and provides important additional information on the nutritional content and costs of meals.

Feelia is on a good growth trajectory, as there is clearly demand in the market for the company's high-quality, sustainable and cost-efficient Finnish products and concepts. In addition to Feelia's basic products, the demand for emergency preparedness food products has increased. Feelia's new snack product family has also attracted interest. The production plant's efficiency and sufficient capacity, strong product portfolio and new agreements support the good growth outlook going forward.

The business functions included in Fodelia Retail are at different stages of development. The Snacks business continued its positive development in January–March. There is clear demand for the products, and cost-efficiency has been achieved in operations. However, online sales are still in a transitional stage. The net sales of the online store decreased substantially year-on-year, which meant that Fodelia Retail's net sales as a whole declined by 12% in January–March. A new business lead has been appointed for online sales, and a brand renewal of the online store has been launched with the aim of establishing the foundation for future growth. These changes are expected to lead to a positive turnaround in the development of net sales. The new CEO's experience in management and marketing is favourably reflected in Fodelia Retail's operations as a whole.

Marjvasu's net sales continued to grow in the period under review. The company's profitability remains good, even if it has fallen slightly from the record-high level seen in the previous year. Profit performance has been affected by design costs associated with the investment in expanding the production plant and rising raw material costs, particularly the cost of oranges. Cooperation between Feelia and Marjvasu has been increased, which is expected to support Marjvasu's growth. During the first quarter, the companies had a joint stand at the Fastfood & Cafe Fair and the Gastro Fair, and Marjvasu developed a new kissel product family to meet the needs of Feelia's customers.

A significant turnaround has been achieved in the business of the joint venture Fodbar. After a long start-up phase, the company has reached positive profitability and its net sales have increased when compared to the previous year.

On 23 April 2024, we announced the divestment of Perniön Liha and Helsingin Makkaratehdas, which are included in the Fodelia Retail business area. The divestment of these businesses clarifies the Group's business portfolio and enables the full allocation of resources to the units that are driving the Group's profitable growth. When completed, the divestment will slightly reduce consolidated net sales and have a non-recurring negative profit impact of approximately EUR 1 million, but it will improve the Group's relative profitability in the future. The Group has initiated a strategy effort to specify its strategic priorities in more detail, along with its medium-term targets and the actions required to achieve the growth targets. The company will publish its updated targets at a later date and organise a Capital Markets Day event on 16 May 2024.)

BUSINESS DEVELOPMENT DURING THE REVIEW PERIOD

Development of net sales

The Group's net sales amounted to EUR 13,674 thousand for the period January–March (11,732 thousand). The increase from the comparison period was approximately 16.6 %, or EUR 1,942 thousand. The increase in consolidated net sales was driven by the Feelia business, but Marjvasu's net sales also grew during the review period.

Feelia's net sales increased by 32.7% in January–March. The Group's external net sales increased even more, by 45.1%. Feelia's sales to other Group companies decreased.

Fodelia Retail's net sales for January–March decreased by 12.4% and amounted to EUR 4,525 thousand (5,168 thousand). The decrease in net sales was due to lower online sales.

Marjvasu's net sales grew by 11.9% and amounted to EUR 1,007 thousand.

Net sales by unit / business area	1–3/ 2024	1–3/ 2023	Change -%	1–12/ 2023
Feelia	8,432	6,356	32.7	26,513
Fodelia retail	4,525	5,168	-12.4	20,717
Other units*	1,175	1,043	12.6	4,213
Eliminations	-457	-835	-45.3	-2,479
Fodelia Group total net sales	13,674	11,732	16.6	48,965

* The other units comprise the business operations of Marjvasu and the parent company Fodelia Oyj. The joint venture Fodbar is consolidated using the equity method, and its net sales are not included in the Group's net sales.

Development of EBIT

Group EBIT was EUR 807 thousand in January–March (463 thousand). EBIT increased by 74.5% and was 5.9% of net sales (3.9%). Group EBIT and Fodelia Retail's EBIT were reduced by EUR 115 thousand in non-recurring items in January–March. Adjusted operating profit was EUR 922 thousand, or 6.7% of net sales.

Group EBITA improved considerably in January–March and amounted to EUR 918 thousand (573 thousand), or 7.6% of net sales.

Feelia's EBIT increased by 74.0% in January–March and amounted to EUR 904 thousand (519 thousand), or 10.7% of net sales (8.2%).

Fodelia Retail's EBIT turned positive and was EUR 44 thousand (-68 thousand), or 1.0% of net sales (-1.3%). EBIT included EUR 115 thousand in non-recurring items. The unit's adjusted EBIT was EUR 159 thousand, or 3.5% of net sales.

EBIT by unit / business area	1–3/ 2024	1–3/ 2023	Change -%	1–12/ 2023
Feelia	904	519	74.0	2,472
Fodelia retail	44	-68	-165.6	314
Other units	-37	145	-125.5	179
Eliminations	-7	-24	-130.4	
Business result (EBITA)	918	573	60.1	2,965
Group's amortisation of goodwill	-111	-111	0	-443
Fodelia Group EBIT in total	807	463	74.5	2,521

OTHER EVENTS DURING THE REVIEW PERIOD

The Annual General Meeting of Fodelia Oyj was held on 21 March 2024. The AGM adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 1 January–31 December 2023. There were changes in the composition of the Board of Directors. From 21 March 2024, the Board of Directors of Fodelia Oyj consists of Mikko Paso (Chair), Markku Lampela (Deputy Chair), Marc Moberg and Emma Tahkola, with Erkki Järvinen as a new member. The resolutions of the AGM were published in a release on 21 March 2024.

EVENTS AFTER THE REVIEW PERIOD

On 23 April, Fodelia issued a release on the divestment of the Perniön Liha and Helsingin Makkaratehdas businesses. The transaction is expected to be completed in Q2. The divestment is part of Fodelia's change in strategy, which involves focusing even more heavily on the convenience food products business. The divestment will temporarily reduce the Group's net sales, but it will improve relative profitability. Going forward, the company will invest even more in leveraging Feelia's growth opportunities. When the divestment has been completed, the Fodelia Retail business will consist of the sale of snacks and pita bread products, as well as selling convenience food products to consumers through the online store under a redesigned brand. The company will publish its updated outlook for 2024 and the medium-term outlook in Q2. The company will also organise a Capital Markets Day event on 16 May 2024 to discuss its future objectives and strategic priorities in more detail.

PRESS AND ANALYST SESSION

The company will hold a Finnish-language information session at 11:00 Finnish time on 24 April 2024. The webcast will be available at <https://fodelia.videosync.fi/2024-q1-liiketoimintakatsaus>.

A recording of the presentation and presentation material will be published later on <http://www.fodelia.fi>

24 April 2024

BOARD OF DIRECTORS

Fodelia Oyj

Further information

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

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

Approved advisor, EY Advisory Oy, tel. +358 207 280 190, e-mail: 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. The company's business segments are Fodelia Retail, which focuses on retail and consumer e-commerce, and Feelia, which serves clients in the foodservice market. Fodelia's portfolio also includes the juice producer subsidiary Marjvasu and the joint venture Fodbar, which provides food service outsourcing solutions. Companies owned by Fodelia are food industry pioneers that invest in innovative products, value-adding customer concepts and advanced manufacturing processes.

www.fodelia.fi



Tuotetie 1, 92930 Pyhäntä • www.fodelia.fi