

# WEBCAST 24 April 2024

**BUSINESS REVIEW**

**January–March 2024**

**Mikko Tahkola, CEO**

**Kati Kokkonen, CFO**

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# January–March highlights and financial development

## The Group's business developed favourably during Q1. Consolidated net sales increased by 17% and profitability improved significantly.

### NET SALES

- The Group's net sales increased by **17%** in January–March compared to the previous year.
- Growth came in particular from Feelia's new care sector customers and Marjavasu's business.

### EBIT

- The Group's EBIT increased by **74.5% in January–March**. Adjusted EBIT excluding non-recurring items was EUR 922 thousand, or 6.7% of net sales.
- The operating profit included 115 thousand euros of restructuring costs. The adjusted operating profit, excluding one-time items, was 922 thousand euros and 6.7 percent of revenue.
- The positive development of the group's operating profit was particularly driven by the excellent performance of Feelia.



# Summary

## NET SALES

Group net sales grew by **16.6%** and amounted to EUR **13,674** thousand  
(11,732)

## EBITDA

Group EBITDA was EUR **1,358** thousand, or **9.9%** of net sales

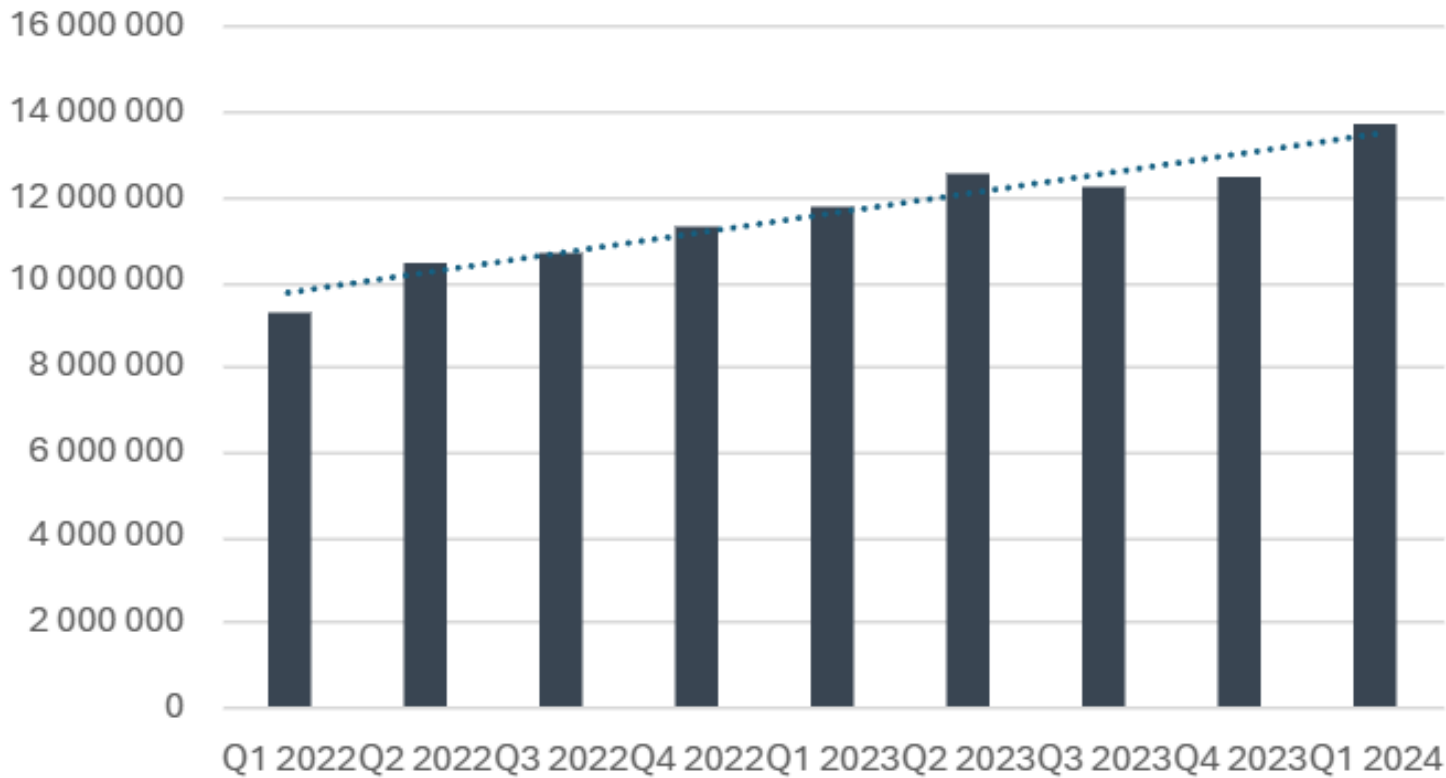
## EBITA

Group EBITA was EUR **918** thousand, or **6.7%** of net sales

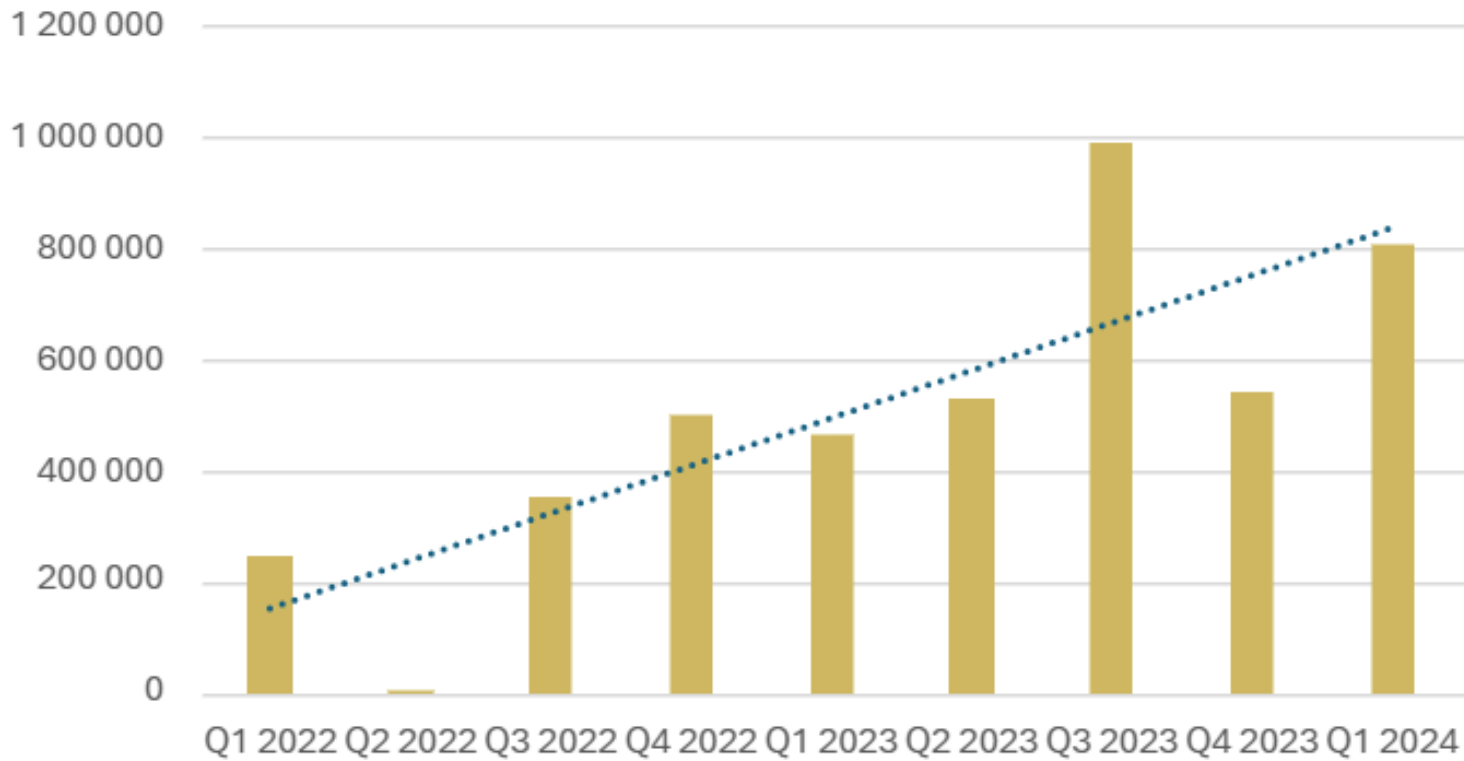
## EBIT

Consolidated EBIT for the period was **807** thousand, or **5.9%** of net sales

# Development of consolidated net sales



# Development of consolidated EBIT



## Key figures by business

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
<b>Fodelia Group total net sales</b>	<b>13,674</b>	<b>11,732</b>	<b>16.6</b>	<b>48,965</b>

EBIT by unit / business area	1–3/ 2024	1–3/ 2023	Change -%	1–12/ 2023
Feelia	904	519	74	2,472
Fodelia retail	44	-68	-165.6	314
Other units	-37	145	-125.5	179
Eliminations	-7	-24	-130.4	
<b>Business result (EBITA)</b>	<b>918</b>	<b>573</b>	<b>60.1</b>	<b>2,965</b>
Group's amortisation of goodwill	-111	-111	0	-443
<b>Fodelia Group EBIT in total</b>	<b>807</b>	<b>463</b>	<b>74.5</b>	<b>2,521</b>

\* 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.

## Other key figures

<b>Group</b>	<b>1-3/ 2024</b>	<b>1-3/ 2023</b>	<b>Change -%</b>	<b>1-12/ 2023</b>
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

# Annual General Meeting 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 Board of Directors of Fodelia Oyj. The composition of the Board of Directors as of 21 March 2024 is as follows:  
Mikko Paso (Chair), Markku Lampela (Deputy Chair), Marc Moberg, Emma Tahkola and, as a new member, Erkki Järvinen.
- The resolutions of the AGM were published in a release on 21 March 2024.



# Business development

# Fodelia's business areas

## FEELIA

- Provides its customers with convenience food and catering services
- Operates in the growing Foodservice market
- 2 production plants (Pyhäntä and Kokkola)

## Fodelia Retail

- Focuses on retail customers and consumer business
- Production plants in Pyhäntä, Salo and Jokioinen
- In addition, a food webshop



## Delimax

- Marjvasu (Delimax) produces various juice and puree products for the Foodservice market
- Plant in Kuopio.

## Fodbar

- Joint venture
- Offers comprehensive food service outsourcing solutions

# Development of Feelia's net sales remained strong

- Feelia's total net sales increased by **33%** in January–March . The market development in January–February was +0.5%\*, which means that Feelia's net sales significantly outgrew the market.
- Feelia's EBIT increased by **74% in January–March**. EBIT amounted to EUR 904 thousand (519 thousand) and **10.7%** of net sales (8.2).
- Profitability improved significantly.

## Feelia's key figures

EUR thousand	1–3/2024	1–3/2023	Change -%	1–12/2023
Net sales	8,432	6,356	32.7	26,513
EBIT	904	519	74.0	2,472
% of net sales	10.7	8.2		9.3

\* Source: Päivittäistavarakauppa, <https://www.pty.fi/>)



# Feelia Q1 highlights

## New customers

- Norlandia Care, A-klinikka, Hoivatie, Aspa-kodit, Autismisäätiö, as well as several smaller customer accounts.

## Continued strong growth and development of the Feelia ordering system Ferp

- During Q1, a total of 1.5 million meals were ordered via the order system (value approximately EUR 2.2 million).
- New functions include cost calculation tools for waste and menus

## Products/new features:

- Launch of emergency preparedness foods, products that can be stored at room temperature. Good reception among nursing homes and municipalities, which are currently thinking a lot about contingency plans.
- Launch of a new family of cold snack products.
- Growth in wholesale products to customers



## Fodelia Retail's net sales decreased, EBIT returned to profitability

- 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.
- 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 adjustment costs. The unit's adjusted EBIT was EUR 159 thousand, or 3.5% of net sales.

### Key figures for Fodelia Retail

EUR thousand	1–3/2024	1–3/2023	Change -%	1–12/2023
Net sales	4,525	5,168	-12.4	20,717
EBIT	44	-68	-165.6	314
% of net sales	1.0	-1.3		1.5

## Fodelia Retail Q1 highlights

### **Significantly improved profitability in snacks**

- There is clear demand for the products, and cost-efficiency has been achieved in operations.

### **A new business manager has been selected for the webshop and brand upgrade launched in the webshop**

- These changes are expected to lead to a positive turnaround in the development of net sales.
- The aim of the brand upgrade is to increase awareness of the webshop and thereby increase net sales by strengthening the existing Oikia brand.  
The new slogan "Real food with little effort " includes both the brand and the promise, and is self-explanatory (cf. Feelia Ruokakauppa).

# Marjavasu's net sales continued to grow

- Marjavasu's net sales for the reporting period were EUR 1,009 thousand and increased by **11.9%** compared to January–March 2023.
- 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.

## Q1 HIGHLIGHTS:

- The number of juice machine customers is growing steadily, with 10 new customers in Q1.
- Collaboration with Feelia has been tightened – Fastfood&cafe and Gastro 2024 fairs (Feelia & Delimax joint stand).
- Development of a new family of custard products for Feelia.



## Significant turnaround in Fodbar's business

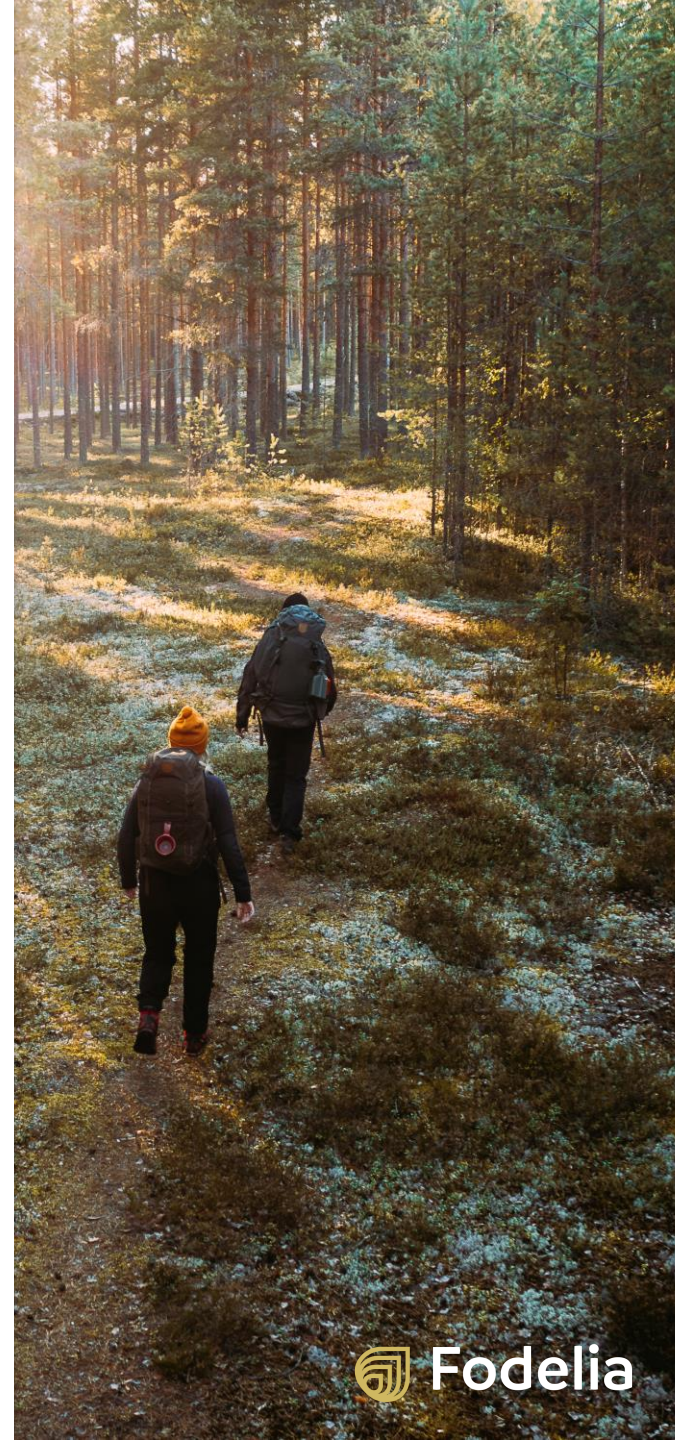
- After a long start-up phase, the company has reached profitability and its net sales have increased when compared to the previous year.
- The public food service market is in an interesting phase.
- The market is increasingly opening up to private operators in the coming years.
- Scalable central kitchen-free concepts are needed in this market.



# Strategy and future

# Fodelia divests Perniön liha and Helsingin makkaratehdas – strategy change behind this

- The deal was announced on 23 April 2024. The sale is expected to be completed by 31 May 2024.
- 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 Fodelia's growth opportunities.
- Once 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 2024 and medium-term objectives during the second quarter.



## Figures of the divested businesses for 2023 (preliminary estimate)

EUR thousand	Fodelia Group 2023	Divested businesses (estimate)	Fodelia Group excluding divested businesses (estimate)
Net sales	48,965	5,621	43,344
EBIT	2,521	55	2,466
EBIT margin, %	3.5	1.0	5.7
Fixed assets	17,337	1,208	16,129
Current assets	9,404	220	9,184
Current liabilities	13,257	254	13,003
Balance sheet total	26,741	1,427	25,314

- The total selling price of Perniön Liha and Helsingin Makkaratehdas is approximately EUR 2.4 million. The price will be paid fully in cash. It is estimated that the sale will generate a capital gain of approximately EUR 1 million for Fodelia Retail Oy.
- At the same time, Fodelia Group will write down its consolidated goodwill by approximately EUR 2 million. The transaction thus results in a total loss of approximately EUR 1 million in the Group's EBIT.
- The final recognised item will be affected by the value of the balance sheet items transferred at the time of divestment and the actual costs related to the transaction.



# Capital Markets Day

## 16 May 2024

- We will organise a Capital Markets Day for investors, analysts and the media **in Helsinki on 16 May 2024**.
- You can attend the event in person or via a Teams link.
- At the Capital Markets Day, Fodelia's management will discuss the updated strategy and future outlook of the Group, as well as the future outlook and objectives of the subsidiaries.
- Detailed information about the event will be published in an invitation (press release) which will be sent out closer to the event.



To be updated during Q2

# Financial targets

## The company's long-term financial targets

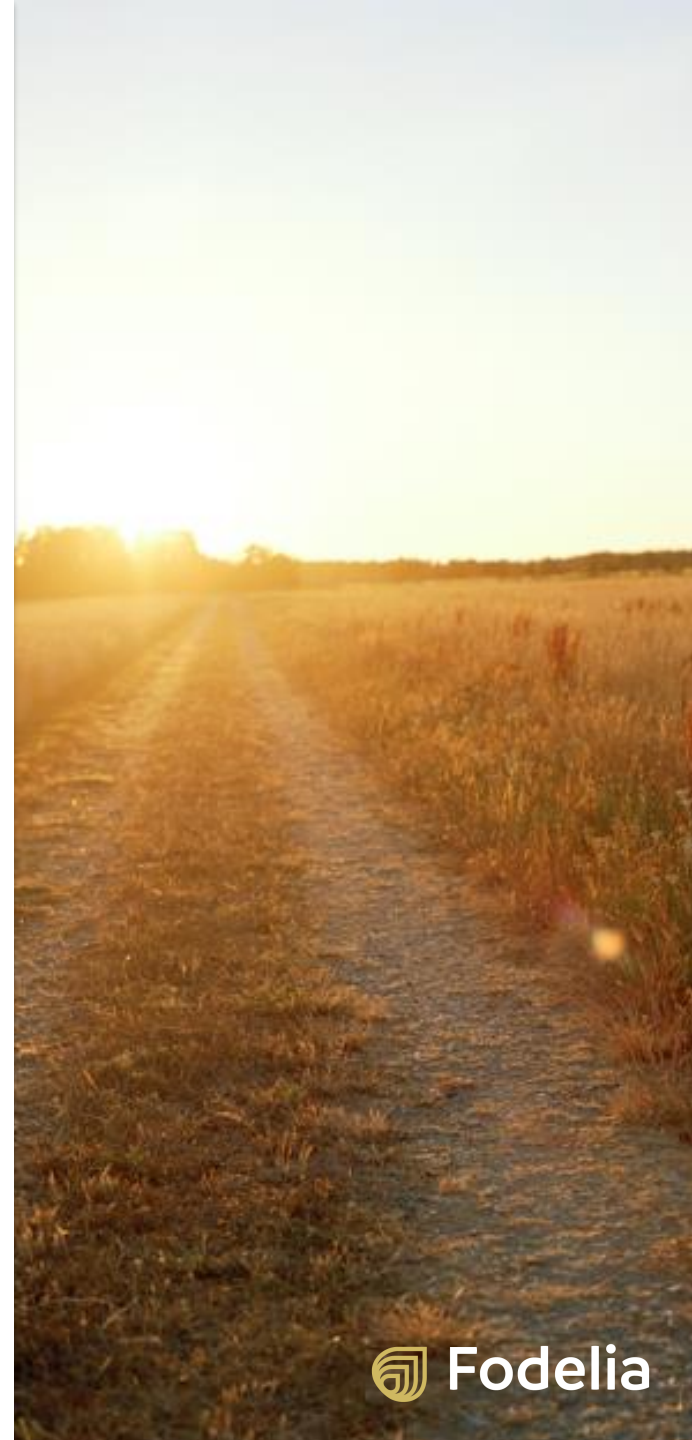
- Group net sales of over EUR **100** million in 2026.
- Group operating profit margin of approximately **8–10%**.
- Group return on investment of over **10%**.
- Group interest-bearing liabilities in relation to EBITDA less than **3**.

## Dividend policy

- Fodelia strives to distribute **at least 35%** of its earnings as dividends to shareholders

## Guidance for 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.



# Development priorities for 2024

Actively seeking growth from  
Feelia sales  
to care sector and early  
childhood education customers

Returning webshop  
net sales to growth

Active identification of new  
business opportunities

Planning to expand  
Marjvasu's plant capacity to  
support growth

# OUR MISSION

"We grow Finnish food companies into success stories, and our vision is to be the most attractive and successful food industry innovator."



# THANK YOU!

## Q&A

## Further information

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**Fodelia**

Domestic growth power