



**NET SALES INCREASED BY 50 PER CENT IN JANUARY-
SEPTEMBER, POSITIVE SHIFT IN PROFITABILITY**

Fodelia Oyj

Business Review January-September 2021 2.11.2021

CEO Mikko Tahkola

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Questions

A close-up photograph of a person's hand reaching into a field of green oat stalks. The hand is positioned in the center-right of the frame, with fingers slightly curled as if holding or touching the grain. The background is a soft-focus field of similar oat stalks, creating a sense of depth and connection to nature. The lighting is natural and bright, highlighting the textures of the skin and the green leaves.

Our mission is to grow Finnish food industry companies into success stories and our vision is to be the most wanted and the most successful innovator of food industry

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January-September 2021

In January-September group's net sales grew by 50 per cent, and there was a positive shift in profitability

- **Summary for January-September 2021**

- Net sales for the period grew by 49.8%, amounting to EUR 25,011 thousand (1–9/2020: EUR 16,700 thousand)
- EBITDA for the period grew by 43.3%, amounting to EUR 1,708 thousand (1,192 thousand) and representing 6.8% of net sales (7.1%)
- EBIT for the period grew by 61.9%, amounting to EUR 848 thousand (524 thousand) and representing 3.4% of net sales (3.1%)

- **Summary for July-September 2021**

- Net sales for the period grew by 44.6%, amounting to EUR 8,875 thousand (6,139 thousand)
- EBITDA for the period grew by 97.4%, amounting to EUR 926 thousand (469 thousand) and representing 10.4% of net sales (7.6%)
- EBIT for the period grew by 218.4%, amounting to EUR 767 thousand (241 thousand) and representing 8.6% of net sales (3.9%)

January-September main events

- The improvement in the Group's results was made possible by the positive development of the Foodservice business, which was boosted not only by the market recovery but also by new customers in the care sector
- The surprisingly rapid growth in demand occurred at a time when Feelia's factory investment project was still partially underway, causing temporary delivery delays in Q3
- The production process has been strengthened during the autumn, and production has now reached a level that meets demand
- Strong demand and, in our opinion, a well-timed factory expansion, process development and increasing the level of automation will provide a good basis for the positive development of the Foodservice business also for the end of the year and next year
- To support our retail business, we have reorganised the Group's sales operations and hired Lotta Sillantaka, a specialist with a wealth of experience, as the Group's Sales Director Retail. From 29 September 2021 onwards, Lotta will be responsible for the sales operations of Real Snacks Oy, Perniön Liha Oy and Pita Factory Oy

TEUR	7-9/2021	7-9/2020	Change-%
Net sales	8 875	6 139	44,6
EBITDA	767	241	218,4
EBIT	8,6	3,9	
Average number of employees	128	76	68,4

TEUR	1-9/2021	1-9/2020	Change-%	1-12/2020
Net sales	25 011	16 700	49,8	22 963
EBITDA	848	524	61,9	839
EBIT	3,4	3,1		3,7
Average number of employees	122	78	56,4	89

The effects of corona pandemic in Fodelia group's business are finally going away

- Fodelia listed in November 2019
- At the beginning of the year 2020 the worldwide corona pandemic reached Finland
- Different kinds of restrictions that were made to control the corona pandemic, hit heavily on the Foodservice-market very important to Fodelia
- According to statistics of the Finnish Grocery Trade Association, total net sales of the Foodservice-market decreased by nearly 18% in Finland in 2020
- The corona pandemic forced Fodelia to renew and look for new business opportunities in the challenging market situation
- Despite the corona pandemic, the net sales development has been good, but the profitability level reverted just at the quarter that finished

The sales of own brands in Finland grew by 26 per cent

- Net sales of **Real Snacks** increased by approximately **7%** in January-September
- The automation investment was finished during the review period
- In Finland, the sales of own-brand products increased by **26%**
- The growth was markedly higher than the market development
- Increasing the share of own brand products is very important in raising the company's profitability
- Increasing the share of own-brand products is of utmost importance in order to increase the profitability of the business
- The new Sales Director Retail will bring new vision and competence
- The rise in the prices of raw materials (for example vegetable oil) has been faster than the price increases for our customers
- The company's export is picking up after the corona virus, as an example we have started export to Japan



Key Figures / Real Snacks

TEUR	7-9/2021	7-9/2020	Change-%
Net sales	2 105	2 106	-0,1
EBITDA	51	23	116,6
EBIT	2,4	1,1	

Key Figures / Real Snacks

TEUR	1-9/2021	1-9/2020	Change-%	1-12/2020
Net sales	5 997	5 598	7,1	7 343
EBITDA	215	163	32,2	212
EBIT	3,6	2,9		2,9

Feelia and FodNet's total Net Sales grew by 25 between January-September

- The Foodservice business developed positively due to market recovery and new customers
- The surprisingly rapid growth in demand occurred at a time when Feelia's factory investment project was still partially underway, causing temporary delivery delays in Q3
- The production process has been strengthened during the autumn, and production has now reached a level that meets demand
- Strong demand and, in our opinion, a well-timed factory expansion, process development and increasing the level of automation will provide a good basis for the positive development of the Foodservice business also for the end of the year and next year



Beofood merged with Feelia on 30 September 2020. FodNet Oy, which was established as a result of the partial division of Feelia on 1 May 2021, is reported in the same segment with Feelia.

Key Figures / Feelia and FodNet

TEUR	7-9/2021	7-9/2020	Change-%
Net sales	5 085	4 033	26,1
EBITDA	870	350	148,8
EBIT	17,1	8,7	

Key Figures / Feelia and FodNet

TEUR	1-9/2021	1-9/2020	Change-%	1-12/2020
Net sales	13 905	11 121	25,0	15 710
EBITDA	1 274	775	64,3	1 162
EBIT	9,2	7,0		7,4

There is a significant demand for Feelia's meal day package service

- In the care sector the food services are harder to operate with traditional model because of the increasing regulations and monitoring
 - This brings more demand to Feelia
- The Feelia's order system is developed further by for example adding nutritional calculation
- The changes in restaurant business increase demand in Feelia's products
 - The lack of employees increases the use of different kinds of semi-finished food products
 - The variable amount of distance working makes the predictability of lunch diner number harder



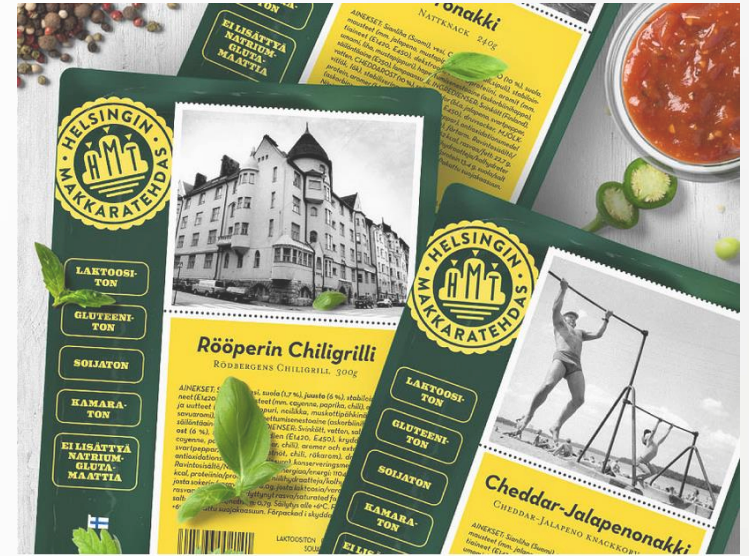
FodNet Oy – Feelia E-Commerce

- The growth has continued strong
- The Net sales in January-September grew by **146** per cent and was **3 603** thousand euros
- In July-September the net sales were **1 399** and the growth was **142** per cent
- In terms of our future operations, we will focus on increasing our visibility, renewing our product range and optimizing the cost-effectiveness of logistics and the use of packaging materials



The integration of Perniön Liha and Pita Factory to Fodelia-group has proceeded well

- The combined net sales of Perniön Liha and Pita Factory were 5 059 thousand euros in January and September
- There are collaboration projects concerning for example product selections and sale channels that bring synergy advantages
- In the Pita Factory plant in Jokioinen, we have invested in a bread roll machine which will boost production and make the output more uniform
- Pita Factory's product recipes has been updated
- Perniön Liha's sausages have once again garnered acclaim



Key Figures / Perniön Liha and Pita Factory

TEUR	7-9/2021	1-9/2021
Net sales	1 617	5 059
EBITDA	92	137
EBIT	5,7	2,7

*Year 2020 numbers are from the period of being part of Fodelia

To strenghten Fodbar's growth, we have hired a new CEO with strong experience

- Fodbar combines the expertise of Fodelia's subsidiary Feelia Oy and Barona HoReCa Oy, part of the Bravedo Group.
- Fodbar provides an easy and cost-effective all-in-one solution for outsourcing food services
- Fodbar's business is still quiet small, but we see that the company has great opportunities in the futures. First places have started during the year
- Nina Rokkila has been selected to lead the company from 1.2.2022 whose very strong experience from the industry strenghtens the company's possibilities to get a strong foothold from the market



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Financial development

“The effects of the coronavirus pandemic, which have impaired the Group's core business since March 2020, are finally going away, and the company is returning to the path of profitable growth in line with its strategy. The Group's EBITDA doubled compared to the corresponding period of the previous year, amounting to more than 10 percent of net sales.”

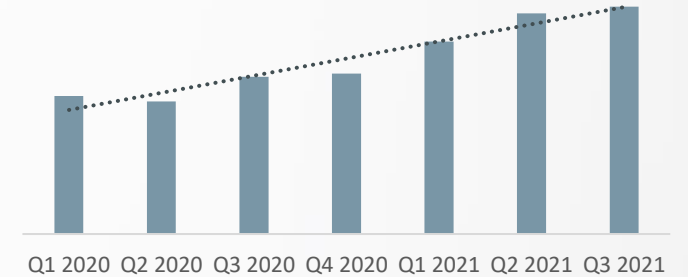
Special thanks to everyone working in Fodelia Group.

Key Figures

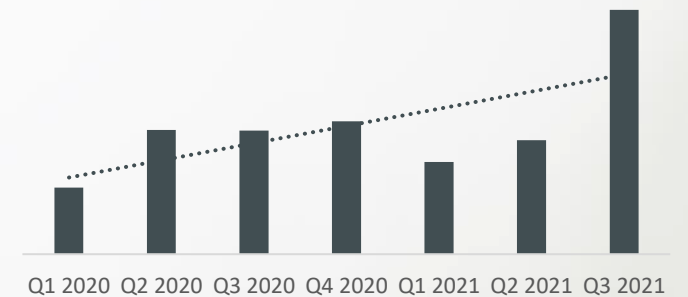
Group	7-9/2021	7-9/2020	Change-%
Net sales	8 875	6 139	44,6
EBITDA	926	469	97,4
% of net sales	10,4	7,6	
EBIT	767	241	218,4
% of net sales	8,6	3,9	
Profit for the period	526	132	298,9
% of net sales	5,9	2,1	
Earnings per share, €	0,07	0,02	

Equity ratio %	37,2	41,1	
Net gearing %	104,3	49,7	
Return on equity %	21,7	7,9	
Return on investment %	14,7	7,3	
Balance sheet total	26 090	16 148	61,6
Average number of employees	128	76	68,4

Net sales development



EBITDA development

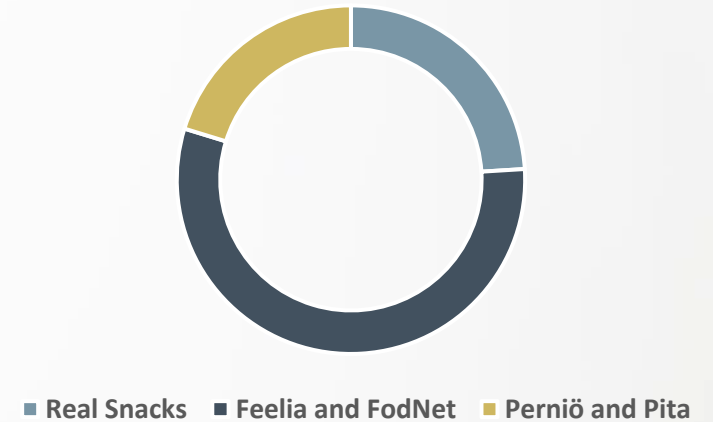


Key Figures

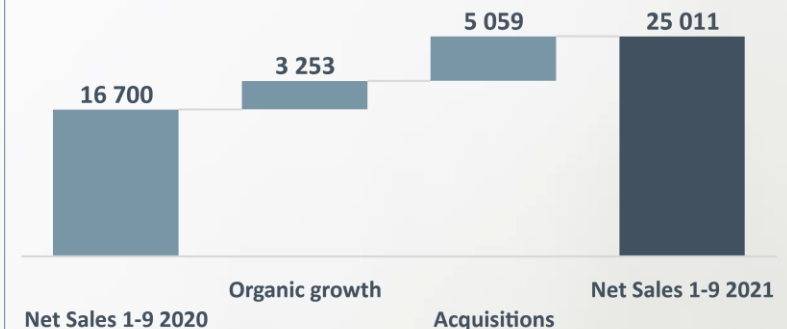
Group	1-9/2021	1-9/2020	Change-%	1-12/2020
Net sales	25 011	16 700	49,8	22 963
EBITDA	1 708	1 192	43,3	1 695
% of net sales	6,8	7,1		7,4
EBIT	848	524	61,9	839
% of net sales	3,4	3,1		3,7
Profit for the period	478	317	51,1	623
% of net sales	1,9	1,9		2,7
Earnings per share, €	0,06	0,04		0,09

Equity ratio %	37,2	41,1		42,1
Net gearing %	104,3	49,7		72,3
Return on equity %	6,6	6,4		7,1
Return on investment %	5,4	5,3		5,0
Balance sheet total	26 090	16 148	61,6	20 886
Average number of employees	122	78	56,4	89

Net Sales distribution 1-9/2021



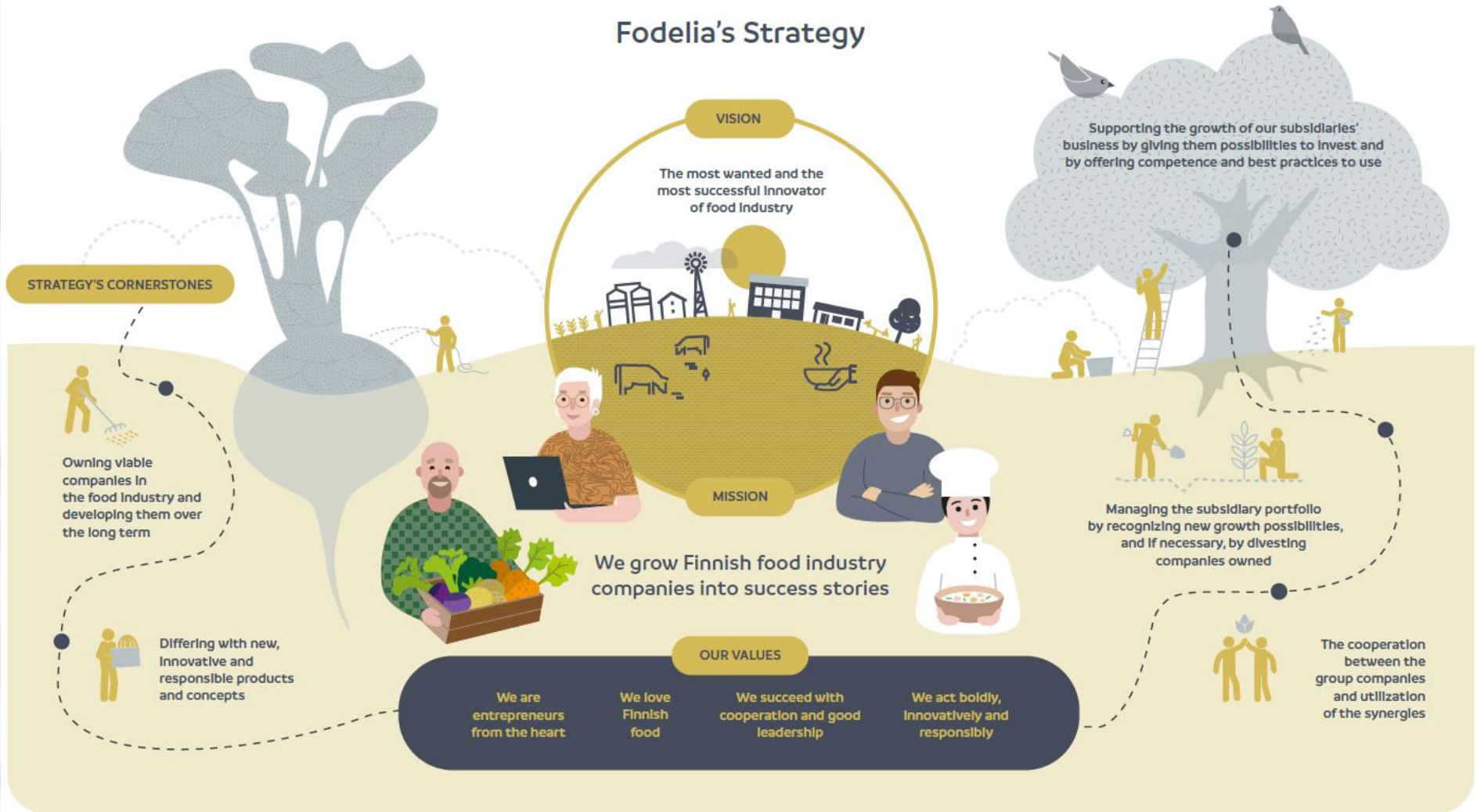
Net sales growth, t €



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Strategy and Financial targets

Fodelia's Strategy



Medium-term targets and the Forecast for 2021

Medium-term targets

- Achieving an average annual net sales increase of approximately 25 %
- Achieving an average operating margin of over 10 %
- The net sales target set for 2024 is over EUR 60 million

Dividend policy

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

Forecast for 2021

- The company estimates that the net sales are EUR 30-35 million and the EBIT is estimated to be approximately 5-8% of net sales. It's estimated that the growth of net sales and profitability will align more to the other half of the year
- Company's medium-term targets remain the same

Thank you!



Fodelia

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