



**Premia**



# Premia Foods

## Q2 & 6 months 2013

August 13, 2013

# Increase in turnover, improved EBIT and net profit



- ❖ Turnover of 6 months of 2013 increased by 2.9 mEUR, i.e. 7%, reaching 46.1 mEUR. The increase came from all business segments and target markets.
- ❖ The gross profit of the 2<sup>nd</sup> quarter of 2013 was 0.1 million euro more than the result of the same period in 2012. In the summary of 6 months of 2013, the gross profit was 0.4 million euro less than the result of the same period of the previous year.
- ❖ In 6 months the company earned 1.7 million euro of EBITDA, which is by 0.4 million euro, i.e. 32% more than during the same period in 2012.
- ❖ EBIT of 6 months of 2013 was 0.4 mEUR, increase by 0.8 mEUR on yoy basis. Increase came from ice cream and frozen goods segment.
- ❖ Net profit of Q2 of 2013 was 1.0 mEUR, increase on yoy basis by 25%, resulting the 6 months net profit being -0.1 mEUR, which improved by 0.3 mEUR i.e. by 65% on yoy basis.
- ❖ The share of opex decreased by 1.8 ppt during 6 months of 2013 on yoy basis. In absolute numbers in HY1 opex was by 0.1mEUR less than in HY1 of 2012.

# Key ratios: Profit & Loss



Profit & Loss, EUR mln	Q1	Q2	6m 2013	Q1	Q2	6m 2012	6m
Sales	18.3	27.8	<b>46.1</b>	17.1	26.1	43.2	
Gross profit	3.8	8.0	<b>11.7</b>	4.2	7.9	12.1	
EBITDA from operations	-0.4	2.4	<b>2.0</b>	0.0	2.7	2.8	
EBITDA	-0.7	2.4	<b>1.7</b>	-0.6	1.9	1.3	
EBIT	-1.3	1.7	<b>0.4</b>	-1.4	1.1	-0.4	
Net profit	-1.2	1.0	<b>-0.1</b>	-1.2	0.8	-0.4	
Gross margin	20.6%	28.6%	<b>25.5%</b>	24.5%	30.4%	28.1%	
Operational EBITDA margin	-2.2%	8.8%	<b>4.4%</b>	0.1%	10.5%	6.4%	
EBIT margin	-7.3%	6.2%	<b>0.9%</b>	-8.3%	4.0%	-0.9%	
Net margin	-6.5%	3.7%	<b>-0.3%</b>	-6.9%	2.9%	-1.0%	
Operating expense ratio	27.1%	22.7%	<b>24.4%</b>	29.7%	24.0%	<b>26.2%</b>	

# Sales by segments: 6 months 2013



## Fish:

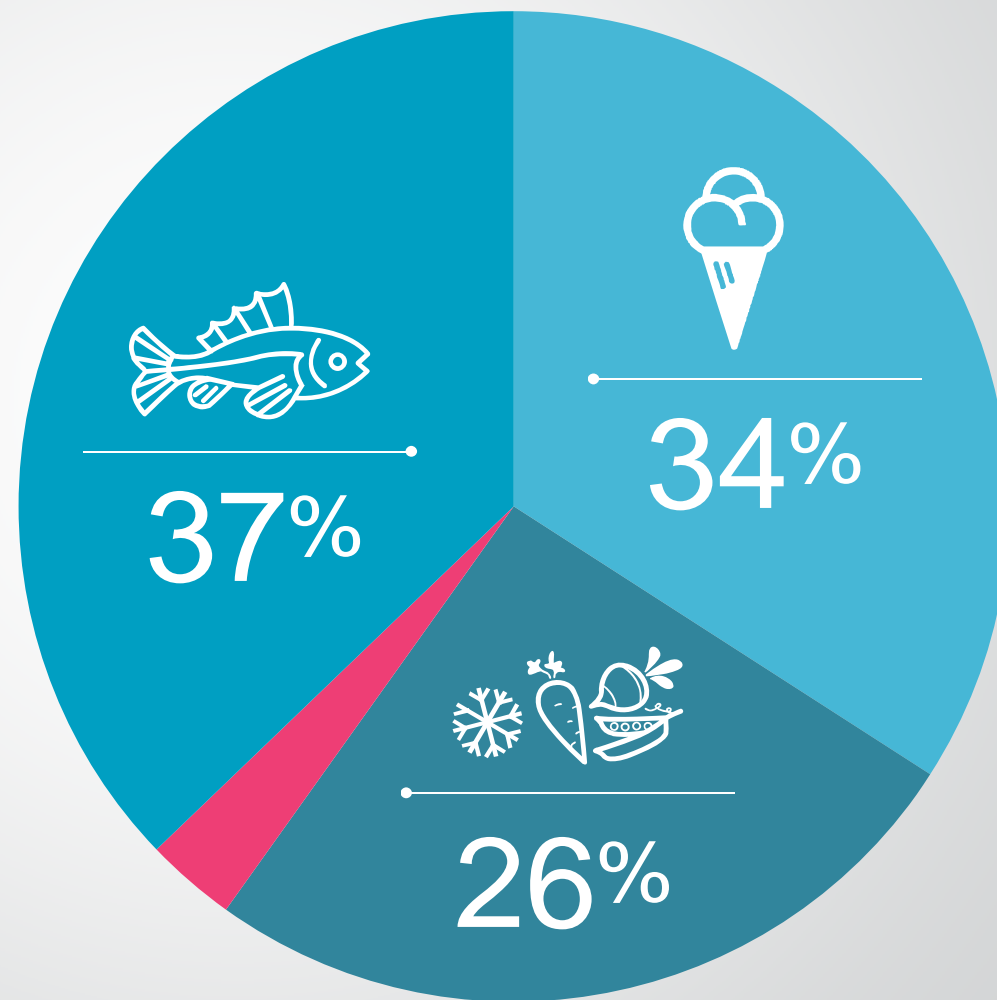
value + 2%  
volume - 3%

## Ice cream:

value + 9%  
volume 0%

## Frozen goods:

value + 8%  
volume + 3%



Sales breakdown by segments, 6 months 2013

# Sales by countries

Turnover of 6 months  
2013: 46.1 million euro

2013/2012: + 7%

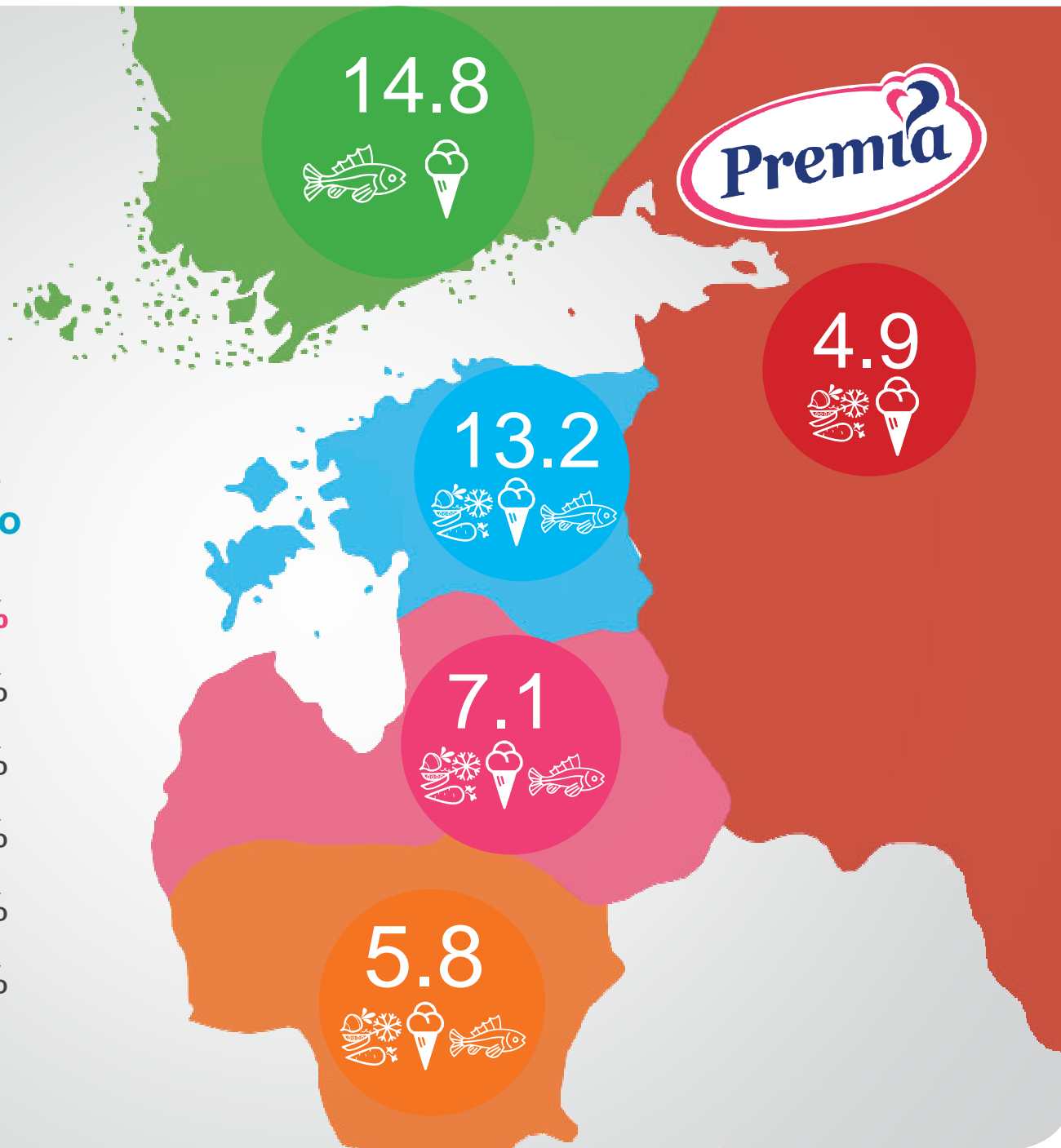
Finland: + 1%

Estonia: + 7%

Latvia: + 17%

Lithuania: + 13%

Russia: + 2%



# Ice cream catches up fish



SEGMENT SHARE FROM TOTAL SALES (6m 2013)

Other	0.2%	2.3%	0.1%	0.4%	0.0%	
Fish	31.5%	4.9%	0.6%	0.0%		0.1%
Frozen Goods	0.0%	10.2%	9.8%	5.6%	0.1%	0.0%
Ice cream	0.4%	11.1%	5.1%	6.6%	10.5%	0.3%
SEGMENT ----- MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions

# Business segments in brief



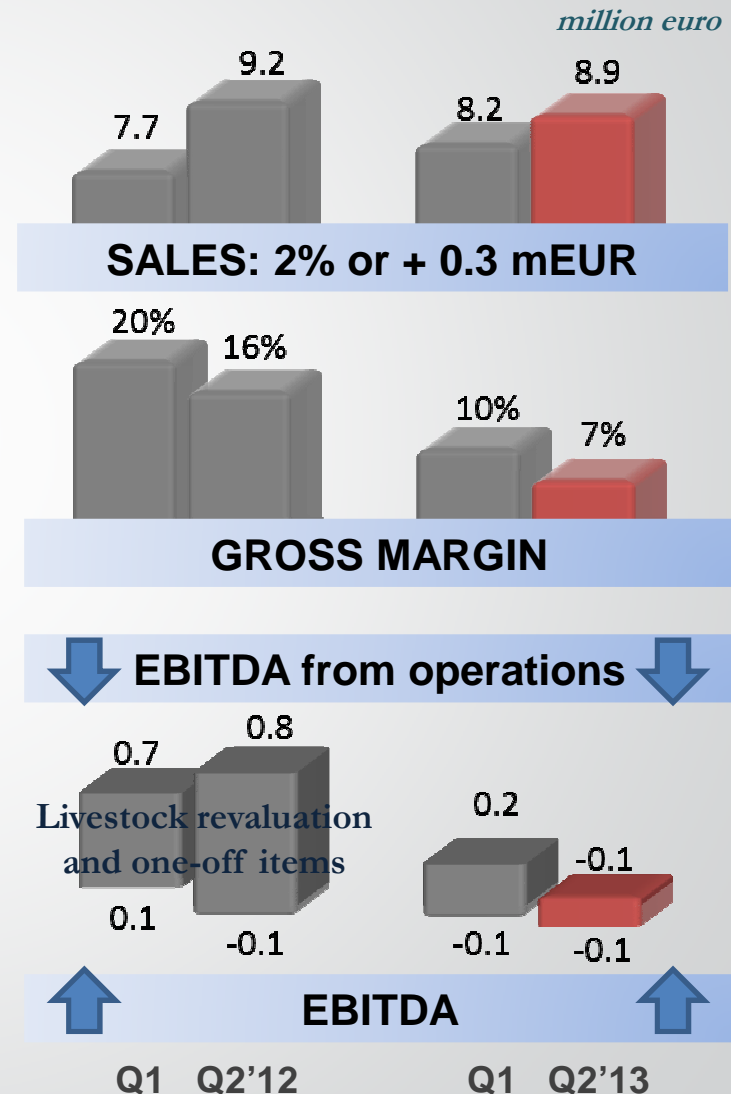
EUR million	6m 2013	6m 2012	
<b><u>Sales</u></b>			
Ice cream	15.7	14.4	▲
Frozen goods	11.9	11.0	▲
Fish and fish products	17.1	16.8	▲
Other	1.4	1.0	▲
<b>Total</b>	<b>46.1</b>	<b>43.2</b>	▲
<b><u>Gross profit</u></b>			
Ice cream	7.1	6.2	▲
Frozen goods	2.8	2.5	▲
Fish and fish products	1.5	3.0	▼
<b><u>Gross margin</u></b>			
Ice cream	45%	43%	▲
Frozen goods	24%	23%	▲
Fish and fish products	9%	18%	▼

EUR million	6m 2013	6m 2012	
<b><u>EBITDA from operations</u></b>			
Ice cream	2.0	1.5	▲
Frozen goods	0.0	-0.1	▲
Fish and fish products	0.1	1.5	▼
Other	-0.1	-0.1	▬
<b>Total</b>	<b>2.0</b>	<b>2.8</b>	▼
<b><u>EBITDA</u></b>			
Ice cream	2.0	1.5	▲
Frozen goods	0.0	-0.1	▲
Fish and fish products	-0.2	0.1	▼
<b><u>EBIT</u></b>			
Ice cream	1.6	0.9	▲
Frozen goods	-0.2	-0.4	▲
Fish and fish products	-0.7	-0.4	▼



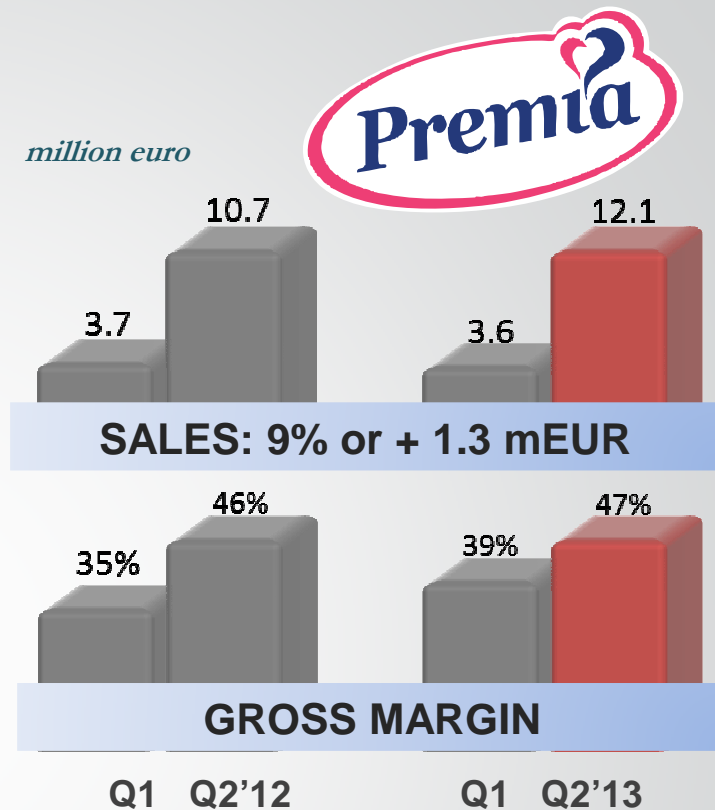
# Fish and fish products

- ❖ The decrease of fish segment's gross margin was caused by heavy increase in raw material prices. First 6 months average price of salmon was up by 45% and rainbow trout 25% on yoy basis.
- ❖ Though the increase in raw fish price decreased gross margin and EBITDA of operations of the segment, they were partially compensated by better result of revaluation of livestock.
- ❖ Due to the common practice of Finnish fish market, the increase of raw fish price to consumer prices takes 4-6 months.



# Ice cream

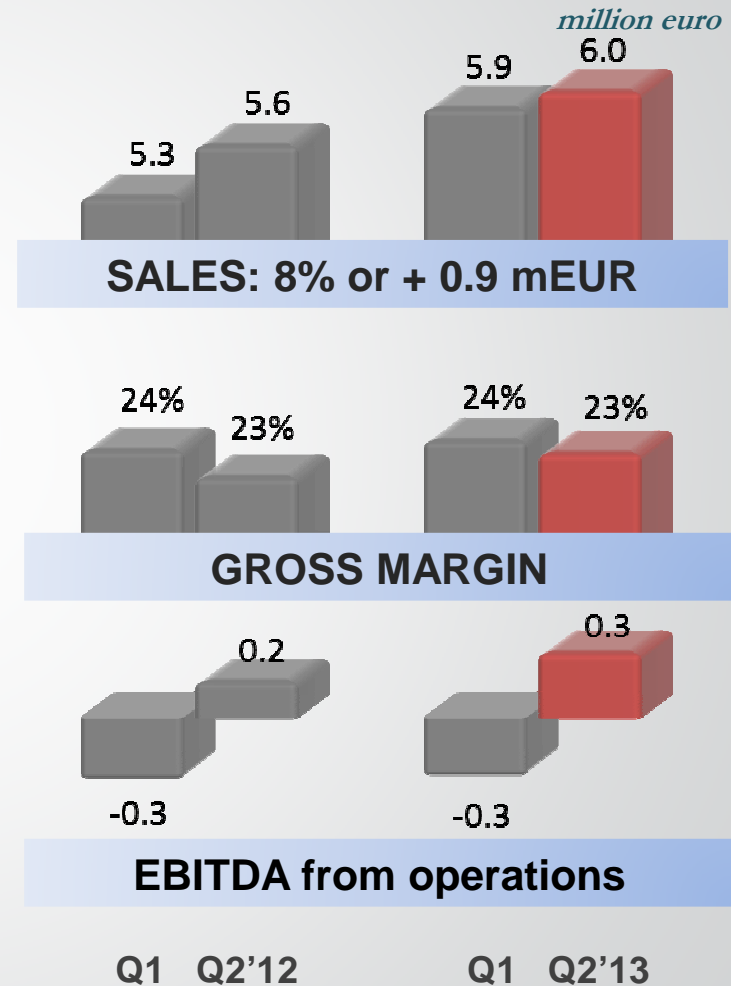
- ❖ Continuously Estonian and Baltic market leader.
- ❖ In Latvia, Premia had the greatest growth rate in value market share in Q2
- ❖ In 6 months, the turnover increased the most in Latvia and in Estonia, by 20% and 14% respectively.
- ❖ Gross margins increased by 2 ppt both in the Baltics and in Russia.
- ❖ Increased profitability, both in the Baltics as well as in Russia.



million euro	6m'13	6m'12		6m'13	6m'12	
Sales	10.9	9.6	<b>BALTICS</b>	4.8	4.8	<b>RUSSIA</b>
Gross profit	5.3	4.6		1.8	1.7	
<i>gross margin</i>	49%	47%		37%	35%	
EBITDA from operations	2.5	2.0		-0.4	-0.5	
EBIT	2.2	1.5		-0.6	-0.6	

# Frozen goods

- ❖ For the third consecutive quarter turnover at the level of 5.9 - 6.0 mEUR.
- ❖ Turnover increased the most in Latvia and in Lithuania.
- ❖ Gross profit of 6 months of the segment increased by 11%, i.e. by 0.3 mEUR on yoy basis.
- ❖ Baltics' ice cream and frozen goods EBITDA from operations totalled 2.5 mEUR; improving by 25% or 0.7 mEUR compared to 2012 first 6 months.



# Cost analysis



	6m 2013	6m 2012	change	6m 2013	6m 2012	change
	<i>EUR mln</i>	<i>EUR mln</i>	<i>EUR mln</i>	<i>as % of sales</i>	<i>as % of sales</i>	<i>as % of sales</i>
Sales	46.1	43.2	+ 2.9	100.0%	100.0%	
<b><u>Cost of goods sold</u></b>	<b><u>- 34.3</u></b>	<b><u>- 31.1</u></b>	<b><u>+ 3.3</u></b>	<b><u>74.5%</u></b>	<b><u>71.9%</u></b>	<b><u>+ 2.6%</u></b>
incl one-off exp	- 0.1	- 0.2	- 0.1	0.3%	0.4%	- 0.1%
materials in production & cost of goods purchased for resale	- 29.0	- 26.0	+ 3.0	62.9%	60.2%	+ 2.7%
labour costs	- 2.6	- 2.4	+ 0.1	5.5%	5.6%	- 0.0%
depreciation	- 0.6	- 0.7	- 0.0	1.4%	1.6%	- 0.2%
other cost of goods sold	- 2.2	- 2.0	+ 0.2	4.7%	4.6%	+ 0.1%
<b><u>Operating expenses</u></b>	<b><u>- 11.3</u></b>	<b><u>- 11.3</u></b>	<b><u>- 0.1</u></b>	<b><u>24.4%</u></b>	<b><u>26.2%</u></b>	<b><u>- 1.8%</u></b>
incl one-off exp	- 0.0	- 0.0	+ 0.0	0.1%	0.0%	+ 0.0%
labour costs	- 3.5	- 3.3	+ 0.2	7.6%	7.6%	- 0.0%
transport & logistics services	- 2.3	- 1.9	+ 0.4	5.0%	4.5%	+ 0.5%
depreciation	- 0.7	- 1.0	- 0.3	1.5%	2.3%	- 0.8%
marketing	- 1.8	- 1.3	+ 0.5	3.9%	3.0%	+ 0.9%
other operating expenses	- 3.0	- 3.8	- 0.8	6.4%	8.8%	- 2.4%
<b><u>Other income/expenses</u></b>	<b><u>0.1</u></b>	<b><u>0.1</u></b>	<b><u>+ 0.0</u></b>	<b><u>-0.2%</u></b>	<b><u>-0.3%</u></b>	<b><u>+ 0.0%</u></b>

# Key ratios: Balance Sheet



Balance Sheet, EUR mln	30.06.13	30.06.12
Net debt	15.2	12.0
Equity	36.1	39.8
Working capital	10.8	12.4
Assets	67.7	68.5
Liquidity ratio	1.58	1.70
Equity ratio	53%	58%
Gearing ratio	30%	23%
Net debt-to-EBITDA	3.46	2.35
ROE	0%	0%
ROA	0%	0%

- ❖ According to AGM resolution from May 29 2013, Premia paid dividends in the amount of 387 thousand euro, i.e 0.01 euro per share on June 14, 2013.
- ❖ In June 2013, the growth in ice cream and frozen goods segment reached 30%, i.e. 1.85 mEUR, triggering also similar increase in receivables at the end of the reporting period.
- ❖ In Q4 2012 Premia facilitated additional 3.9 mEUR long-term loan for share capital reduction payouts.