





Premia Foods

3rd Quarter & 9 months 2013

November 12, 2013

Increase in turnover, improved EBIT and net profit



3rd QUARTER

- ❖ Highest organic growth in turnover in Premia Foods history- in 3rd quarter +13.8%, i.e. 3.3 mEUR.
- ❖ Largest contribution to operating profit came from the ice cream business segment. Advantages of vertical integration in fish business segment.
- ❖ EBIT in Q3 2013 2.7 mEUR, growth 2.6 times.
- ❖ Net profit in Q3 2013 2.1 mEUR, growth 1.9 times.
- ❖ All time lowest operating expense ratio, i.e. 21.6%.

9 MONTHS

- ❖ Turnover of 9 months 2013 was 72.9 mEUR, increased by 9.2%, i.e. 6.1 mEUR.
- ❖ The turnover increased in all the business segments and target markets.
- ❖ EBIT of 9 months 2013 was 3.1 million euro, growth 4.6 times. Increase came from all business segments, the largest contribution came from the ice cream business segment.
- ❖ Net profit of 9 months was 1.9 million euro, growth 2.8 times.
- ❖ Operating expense ratio decreased by 2.8 pp. In absolute numbers in 9 months opex was by 0.5 million euro less than in 2012 9 months.

Key ratios: Profit & Loss



Profit & Loss, EUR mln	Q3 2013	Q3 2012	Q3	9m 2013	9m 2012	9m
Sales	26.9	23.6		72.9	66.8	
Gross profit	7.1	7.1		18.8	19.3	
EBITDA from operations	2.1	2.1		4.1	4.9	
EBITDA	3.3	1.9		5.0	3.2	
EBIT	2.7	1.0		3.1	0.7	
Net profit	2.1	1.1		1.9	0.7	
Gross margin	26.4%	30.2%		25.8%	28.8%	
Operational EBITDA margin	7.8%	8.9%		5.7%	7.3%	
EBIT margin	10.0%	4.4%		4.2%	1.0%	
Net margin	7.7%	4.7%		2.6%	1.0%	
Operating expense ratio	21.6%	26.1%		23.4%	26.2%	

Sales by segments: 9 months 2013



Fish:

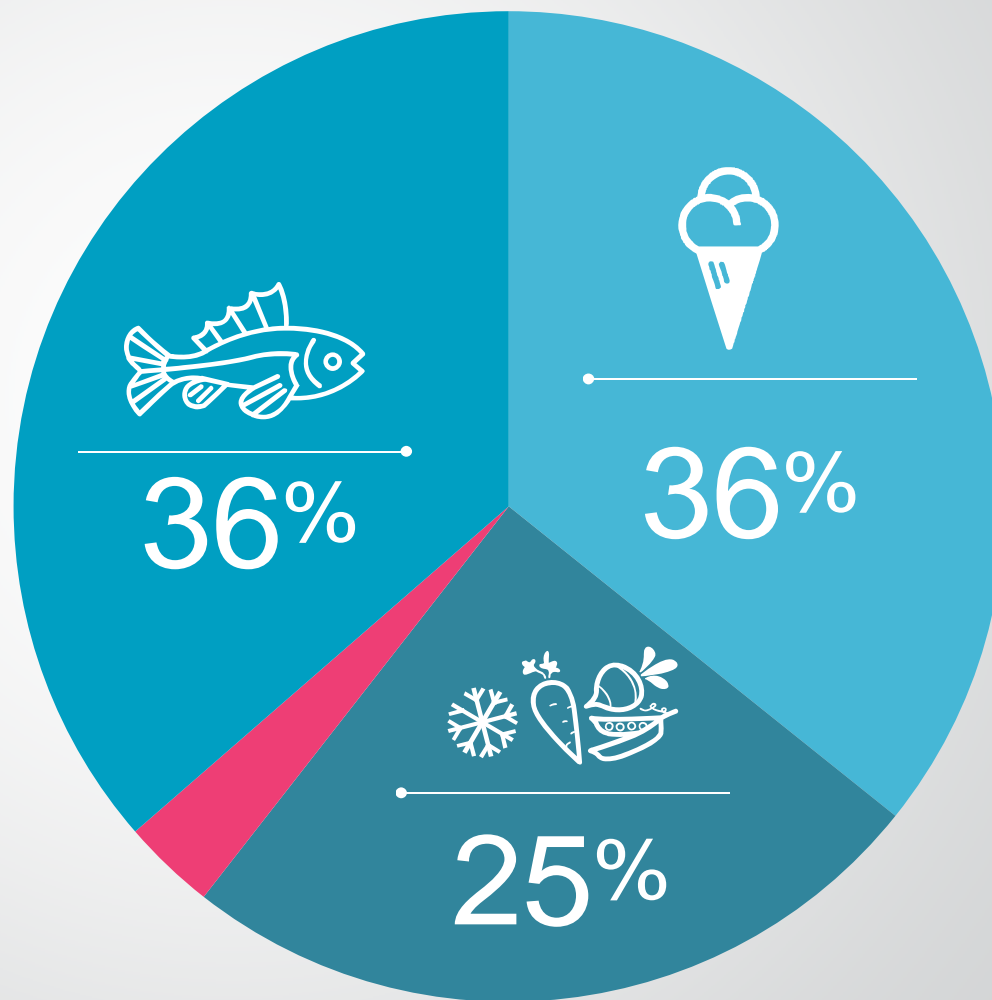
value + 10%
volume + 6%

Ice cream:

value + 7%
volume 0%

Frozen goods:

value + 9%
volume + 5%



Sales breakdown by segments, 9 months 2013

Sales by countries

Turnover of 9 months
2013: 72.9 million euro

2013/2012: + 9%

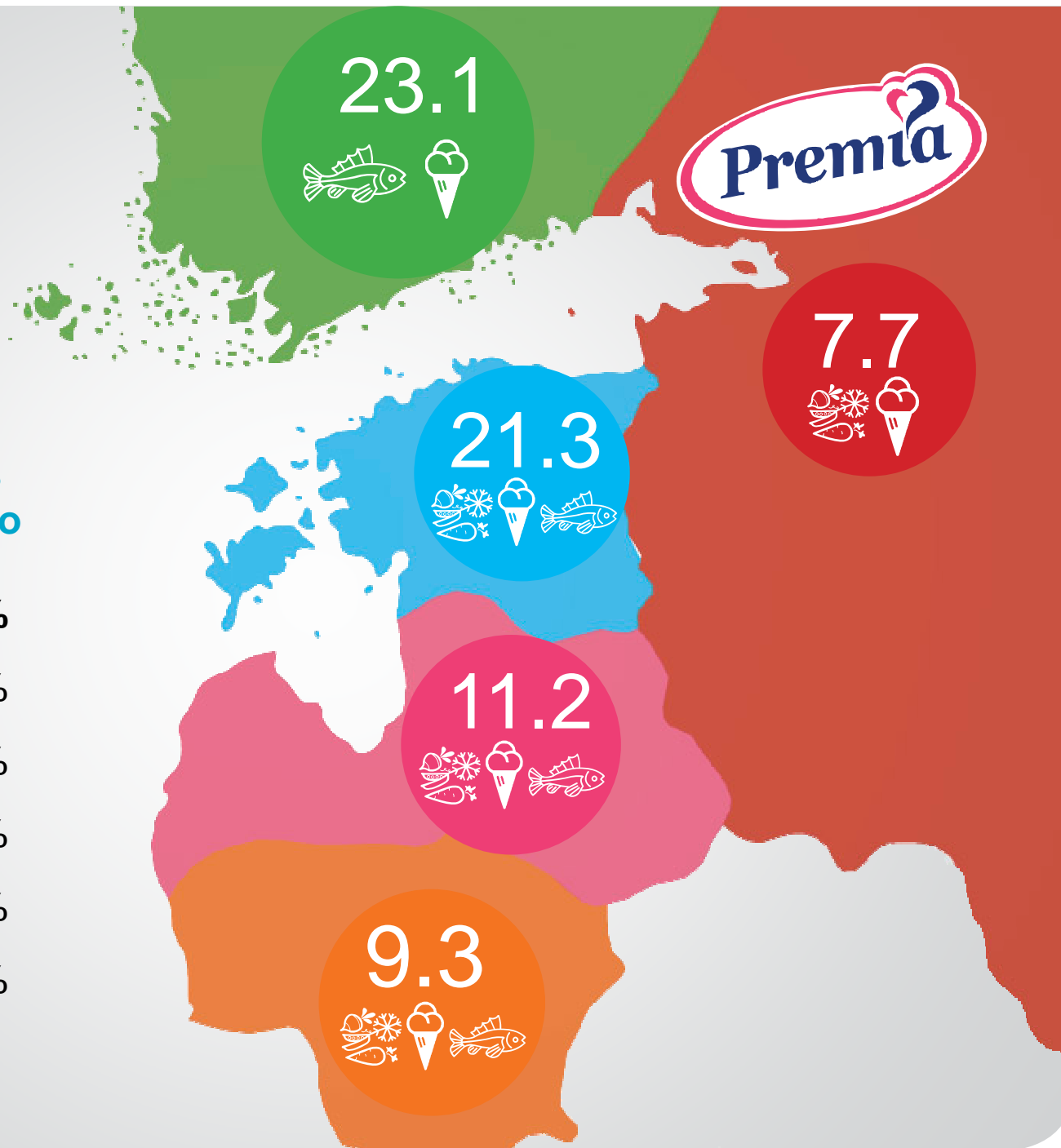
Finland: + 10%

Estonia: + 8%

Latvia: + 14%

Lithuania: + 11%

Russia: + 1%



Ice cream caught fish



SEGMENT SHARE FROM TOTAL SALES (9m 2013)

Other	0.2%	2.4%	0.1%	0.4%	0.0%	0.0%
Fish	31.0%	4.8%	0.5%	0.0%		0.1%
Frozen Goods	0.0%	9.7%	9.4%	5.6%	0.1%	0.0%
Ice cream	0.4%	12.3%	5.4%	6.8%	10.5%	0.2%
SEGMENT ----- MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions

Business segments in brief



EUR million	9m 2013	9m 2012	
<u>Sales</u>			
Ice cream	26.1	24.4	▲
Frozen goods	18.1	16.5	▲
Fish and fish products	26.5	24.2	▲
Other	2.2	1.7	▲
Total	72.9	66.8	▲
<u>Gross profit</u>			
Ice cream	12.0	10.8	▲
Frozen goods	4.2	3.8	▲
Fish and fish products	2.0	4.1	▼
<u>Gross margin</u>			
Ice cream	46%	44%	▲
Frozen goods	23%	23%	▲
Fish and fish products	7%	17%	▼

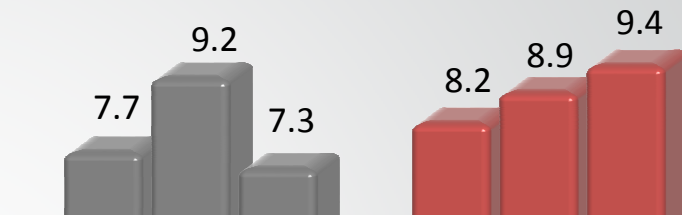
EUR million	9m 2013	9m 2012	
<u>EBITDA from operations</u>			
Ice cream	4.2	3.0	▲
Frozen goods	0.1	0.0	▲
Fish and fish products	0.0	2.1	▼
Other & unallocated	-0.2	-0.2	▲
Total	4.1	4.9	▼
<u>EBITDA</u>			
Ice cream	4.2	3.0	▲
Frozen goods	0.1	0.0	▲
Fish and fish products	0.9	0.4	▲
<u>EBIT</u>			
Ice cream	3.5	2.1	▲
Frozen goods	-0.3	-0.4	▲
Fish and fish products	0.2	-0.3	▲

Fish and fish products

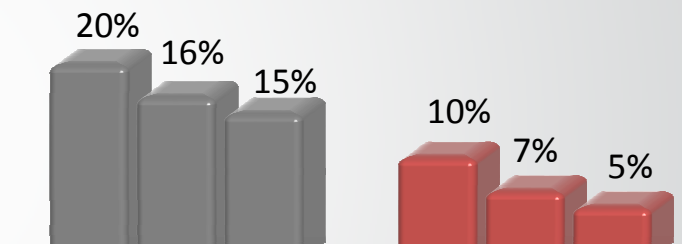
- ❖ In 3rd quarter the fastest growth of the last two years, increase by 28.4%, i.e. 2.1 mEUR.
- ❖ The turnover growth came mainly from the HoReCa sector, in retail sector once again price increases were launched.
- ❖ The decrease of fish segment's gross margin was caused by heavy increase in raw material prices. First 9 months average price of salmon was up by 49% and rainbow trout 29% on yoy basis.
- ❖ Thanks to vertical integration, fish segment's EBITDA and EBIT improved by 0.5 mEUR.



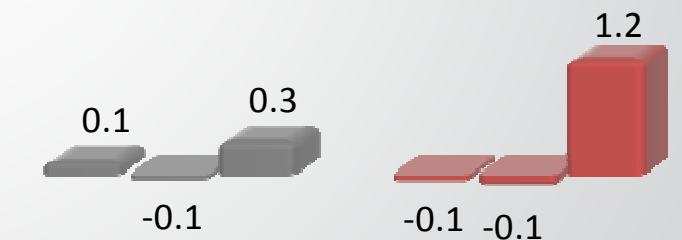
million euro



SALES: 9.9% or + 2.4 mEUR



GROSS MARGIN



EBITDA

Q1 Q2 Q3'12

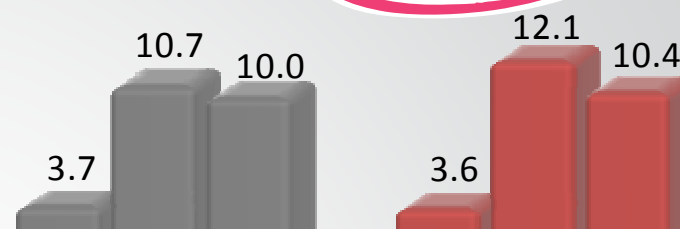
Q1 Q2 Q3'13

Ice cream

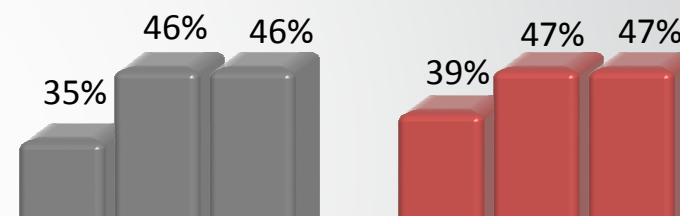
- ❖ Turnover of 9 months increased by 7%, i.e. 1.6 mEUR, in Baltics the 9 months growth was 10%.
- ❖ Success resulted from the successful novelty products, strong marketing and sales campaigns and favourable weather conditions.
- ❖ The greatest monetary increase in the summary of 9 months of 2013 came from Estonia (+1.0 mEUR), followed by Latvia (+0.4 mEUR).
- ❖ Gross margins increased by 2 ppt in the Baltics and by 1 ppt in Russia.
- ❖ EBITDA grew by 39% and net profit by 65% in 9 months of 2013 on yoy basis.



million euro



SALES: 7% or + 1.6 mEUR



GROSS MARGIN

million euro	9m'13	9m'12
Sales	18.5	16.8
Gross profit	9.1	8.0
<i>gross margin</i>	49%	47%
EBITDA from operations	4.5	3.7
EBIT	4.0	3.0

BALTICS

Q1 Q2 Q3'12 Q1 Q2 Q3'13

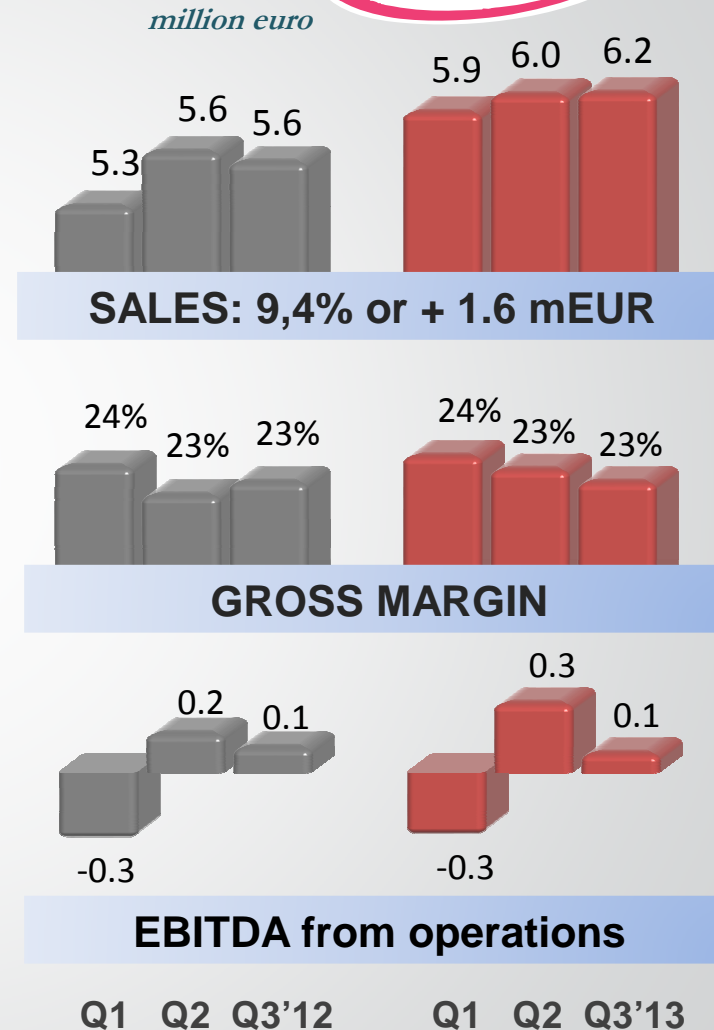
	9m'13	9m'12
Sales	7.6	7.6
Gross profit	2.9	2.8
<i>gross margin</i>	38%	37%
EBITDA from operations	-0.4	-0.7
EBIT	-0.5	-0.9

RUSSIA

Frozen goods



- ❖ Quarterly turnover of frozen goods segment exceeded first time 6.0 mEUR reaching 6.2 mEUR in Q3 2013.
- ❖ Turnover increased the most in Lithuania (+0.9 mEUR) and Latvia (+0.6 mEUR).
- ❖ Gross profit of 9 months of the segment increased by 11,1%, i.e. by 0.4 mEUR on yoy basis. Gross margin has remained at the same level as last year.
- ❖ EBITDA of the frozen goods business segment increased in the summary of 9 months by 0.1 mEUR.



Cost analysis



	9m 2013 <i>EUR mln</i>	9m 2012 <i>EUR mln</i>	change <i>EUR mln</i>	9m 2013 <i>as % of sales</i>	9m 2012 <i>as % of sales</i>	change <i>as % of sales</i>
Sales	72.9	66.8	+ 6.1	100.0%	100.0%	
<u>Cost of goods sold</u>	<u>- 54.1</u>	<u>- 47.5</u>	<u>+ 6.6</u>	<u>74.2%</u>	<u>71.2%</u>	<u>+ 3.0%</u>
incl one-off exp	- 0.2	- 0.3	- 0.1	0.2%	0.5%	- 0.2%
materials in production & cost of goods purchased for resale	- 45.9	- 39.5	+ 6.4	62.9%	59.2%	+ 3.8%
labour costs	- 3.9	- 3.7	+ 0.2	5.3%	5.5%	- 0.2%
depreciation	- 0.9	- 1.0	- 0.1	1.3%	1.5%	- 0.2%
other cost of goods sold	- 3.4	- 3.3	+ 0.1	4.7%	5.0%	- 0.3%
<u>Operating expenses</u>	<u>- 17.0</u>	<u>- 17.5</u>	<u>- 0.5</u>	<u>23.4%</u>	<u>26.2%</u>	<u>- 2.8%</u>
incl one-off exp	- 0.0	- 0.0	+ 0.0	0.1%	0.0%	+ 0.0%
labour costs	- 5.3	- 5.0	+ 0.3	7.3%	7.5%	- 0.2%
transport & logistics services	- 3.6	- 3.1	+ 0.6	5.0%	4.6%	+ 0.4%
depreciation	- 1.0	- 1.5	- 0.5	1.4%	2.2%	- 0.8%
marketing	- 2.7	- 1.9	+ 0.8	3.7%	2.9%	+ 0.8%
other operating expenses	- 4.4	- 6.0	- 1.6	6.1%	9.0%	- 2.9%
<u>Other income/expenses</u>	<u>0.2</u>	<u>0.3</u>	<u>+ 0.1</u>	<u>-0.3%</u>	<u>-0.4%</u>	<u>+ 0.1%</u>

Key ratios: Balance Sheet



Balance Sheet, EUR mln	30.09.13	30.09.12
Net debt	14.6	10.9
Equity	38.2	37.1
Working capital	13.1	9.7
Assets	66.1	65.4
Liquidity ratio	1.86	1.55
Equity ratio	58%	57%
Gearing ratio	28%	23%
Net debt-to-EBITDA	3.21	2.06
ROE	2%	-1%
ROA	2%	-1%

- ❖ 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 Q4 2012 Premia facilitated additional 3.9 mEUR long-term loan for share capital reduction payouts.
- ❖ The cash flow from operations was mainly influenced by the increase of biological assets. The livestock increased within 9 months by 643 tons, if compared to the previous year, which resulted in the decrease of the cash flow from operations by 3.7 mEUR.