

Company AS PRFoods
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Currency

Title AS PRFoods' unaudited preliminary consolidated turnover of the 2nd quarter and 6 months of

PRFoods' unaudited preliminary consolidated turnover in the 2(nd) quarter of the financial year of 2021/2022 amounted to 14.90 million euros, a decrease by 12.5% compared to the same period a year ago (2Q 2020/2021: 17.03 million euros), including sales decrease in of fresh fish and fillets' product by 38.4% and in other fish products by 10.1%. The sales of smoked products increased by 4.4% compared to the second quarter of the previous year. Compared to the previous quarter i.e. the 1(th) quarter of the current financial year, the sales increased by 3.50%, (1Q 2021/2022: 14.40 million euros), with wholesale sectors declining by 29.7%, whereas sales in retail sector and HoReCa sector increased by 6.7 and 12.2% respectively.

Indrek Kasela, CEO, PRFoods:

?2nd quarter and 6 months sales were mostly affected by closing of Kokkola factory and related reduction of fresh fish sales in Finland both in retail and wholesale. Fresh fish sale is big in volume, but low m?rigin. Fresh fish trading and processing, largely salmon, will move to Estonia from beginning of 2022 and we will ca 3 million annual savings in Finland related to elimination of costs here. During the closing of the plant, the sale of salmon was reduced across the group temporarily. As stated before, the closing of factory will result in ca 10 million reduction of sales of salmon in Finalnd, but this will be compensated by sale of own fish and restart of salmon trading in Baltic states. Salmon trading and wholesale has been loss making in Finland due to the inefficient production and this decision was made already at the end of last financial year. In future, we will concentrate on sale of own farmed fish, whereas in our farmed fish gross margin has been historically ca 30% vs 3-5% in traded fish. Fresh salmon trading and processing will continue in Estonia from 2022 in our Saaremaa factory. Fresh fish sales in Baltics has traditionally been profitable and supports our product portfolio. It is positive to see that our Value Added Products keep growing, like smoked fish, both in Q2 and half year basis. We have achieved profitability in our Estonian and Finnish factories since October, as we have refocussed again on VAP. Due to the closing of Kokkola we have one-off expenses in November and December, that will affect Q2 results.



Compared to last year, we see rapid recovery of HoReCa in 2022. At the same time we are more careful to re-enter these markets due to low profitability and instability. At the end of 2021 we saw increase in COGS and sales prices and significant price increases have been confirmed for 2022. Most likely we will see continuous price increases throughout 2022, which is caused by recovered demand and cost increases. In short it is clear that processing industries have been losers in corona crisis and fish farmers have been winners. This we see also in our group, where fish farming is posting record results while processing due to private label size of the market in Finland, has been lossmaking throughout corona like almost all other Finnish processing industries. Therefore we focus only on fish farming and processing industry will play supportive role of our own farms."

In the second quarter of the financial year, the sales increased in smoked products groups compared to the second quarter of the previous financial year as well as to compare the 6 months of previous financial year. The sales of smoked products that accounted more than half of the total sales 55.64% (2Q 2020/2021: 46.63%) increased by 4.4% over the financial years. The sales of fresh fish and fillets product group that formed 22.82% of the product portfolio (2Q 2020/2021: 32.41%) sales decreased by 38.4% compared to the second quarter of the previous financial year.

| Turnover by product groups, mln EUR | 2Q 21/22 | 2Q 20/21 | Change, EUR | Change, % |
|-------------------------------------|----------|----------|-------------|-----------|
| Fresh fish and fillets | 3.40 | 5.52 | -2.12 | -38.4% |
| Smoked products | 8.29 | 7.94 | 0.35 | 4.4% |
| Other fish products | 3.21 | 3.57 | -0.36 | -10.1% |
| Other revenue | 0.00 | 0.00 | 0.00 | -100.0% |
| Total | 14.90 | 17.03 | -2.13 | -12.5% |

| Turnover by product groups, mln EUR | 6m 21/22 | 6m 20/21 | Change, EUR | Change, % |
|-------------------------------------|----------|----------|-------------|-----------|
| Fresh fish and fillets | 8.75 | 9.63 | -0.88 | -9.1% |
| Smoked products | 15.44 | 14.24 | 1.20 | 8.4% |
| Other fish products | 5.11 | 5.89 | -0.78 | -13.2% |
| Other revenue | 0.00 | 0.01 | -0.01 | -60.0% |



| | | | | | |
|-------|-------|-------|-------|-------|---|
| Total | 29.30 | 29.77 | -0.47 | -1.6% | |
| + | + | + | + | + | + |

By customer groups the sales declined in retail chains by 25.8% and wholesale sector 20.0%, in HoReCa sectors the increase was 16.9% respectively. The share of retail chains' sales of the financial year's total sales was ca 48.12%, HoReCa and wholesale accounted for 22.29% and 18.5% respectively. In the second quarter of the previous financial year the customer groups accounted for 56.71%, 16.7% and 20.26% respectively.

| | | | | | |
|------------------------------------|----------|----------|-------------|-----------|---|
| Turnover by client groups. mln EUR | 2Q 21/22 | 2Q 20/21 | Change. EUR | Change. % | |
| + | + | + | + | + | + |
| Retail chains | 7.17 | 9.66 | -2.49 | -25.8% | |
| + | + | + | + | + | + |
| Wholesale | 2.76 | 3.45 | -0.69 | -20.0% | |
| + | + | + | + | + | + |
| HoReCa | 3.32 | 2.84 | 0.48 | 16.9% | |
| + | + | + | + | + | + |
| Other revenue | 1.65 | 1.08 | 0.57 | 52.8% | |
| + | + | + | + | + | + |
| Total | 14.90 | 17.03 | -2.13 | -12.5% | |
| + | + | + | + | + | + |

| | | | | | |
|------------------------------------|----------|----------|-------------|-----------|---|
| Turnover by client groups. mln EUR | 6m 21/22 | 6m 20/21 | Change. EUR | Change. % | |
| + | + | + | + | + | + |
| Retail chains | 13.89 | 17.08 | -3.19 | -18.7% | |
| + | + | + | + | + | + |
| Wholesale | 6.70 | 5.33 | 1.37 | 25.7% | |
| + | + | + | + | + | + |
| HoReCa | 6.26 | 5.87 | 0.39 | 6.6% | |
| + | + | + | + | + | + |
| Other revenue | 2.45 | 1.49 | 0.96 | 64.4% | |
| + | + | + | + | + | + |
| Total | 29.30 | 29.77 | -0.47 | -1.6% | |
| + | + | + | + | + | + |

The three largest markets had an aggregated turnover of 11.81 million euros accounting for 79.2% of total sales in the 2(nd) quarter of the financial year compared to the sales of 14.81 million euros and the share of 86.9% in the same period a year ago. The sales to Latvia continue to account for the largest share of sales to other countries.

| | | | | | |
|--------------------------------|----------|----------|-------------|-----------|--|
| Turnover by countries. mln EUR | 2Q 21/22 | 2Q 20/21 | Change. EUR | Change. % | |
|--------------------------------|----------|----------|-------------|-----------|--|



| | | | | |
|-----------------|-------|-------|-------|--------|
| Finland | 7.39 | 11.00 | -3.61 | -32.8% |
| Great Britain | 3.26 | 2.73 | 0.53 | 19.4% |
| Estonia | 1.16 | 1.08 | 0.08 | 7.4% |
| Latvia | 0.10 | 0.74 | -0.64 | -86.5% |
| Other countries | 2.99 | 1.48 | 1.51 | 102.0% |
| Total | 14.90 | 17.03 | -2.13 | -12.5% |

| Turnover by countries. mln EUR | 6m 21/22 | 6m 20/21 | Change. EUR | Change. % |
|--------------------------------|----------|----------|-------------|-----------|
| Finland | 16.81 | 18.83 | -2.02 | -10.7% |
| Great Britain | 5.90 | 4.74 | 1.16 | 24.5% |
| Estonia | 2.36 | 2.48 | -0.12 | -4.8% |
| Latvia | 0.15 | 1.26 | -1.11 | -88.1% |
| Other countries | 4.08 | 2.46 | 1.62 | 65.9% |
| Total | 29.30 | 29.77 | -0.47 | -1.6% |

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