Company	AS PRFoods
Type	Company Release
Category	Half-yearly financial report
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Attachments:
- PRF_interim_6m2022_2023 FINAL 2.pdf (http://oam.fi.ee/en/download?id=7071)
- PRF_vahearuanne_6k2022_2023 FINAL 1.pdf (http://oam.fi.ee/en/download?id=7072)

Currency

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Consolidated Unaudited Interim Report of AS PRFoods for the 2nd quarter and 6 months of 2022/2023 financial year

MANAGEMENT COMMENTARY

2022/23 financial year that started in July 2022 and represents very different group structure. Due to high leverage and losses, we divested from loss-making Finnish operations in 2022 and sold for profit our Swedish operations.

New group structure has fish processing business in Scotland and Saaremaa, Estonia, and farming operations in Estonia.

The Q2 and H1 sales were 7.3 and 11.9 million euros respectively, naturally less due to offload of Finnish operations, both processing and fish farming (15.3 million in Q2 last year and 29.5 million eur in H1). Better focus on Value Added Product sales and fresh fish sales from our farms, marked very sharp turnaround in profit.

First time in post-covid environment all our operational subsidiaries (Saare Kala Tootmine, Redstorm, JRJ) showed positive EBITDA and were profitable in Q2.

On consolidated basis our results improved drastically in Q2, both on year on year basis and quarter over quarter: EBITDA was 800,000 eur vs -300,000 eur in Q2 2021, improvement of over 360%. On net profit level our results improved by 1,3 million eur: net loss for period was -0.1 meur vs -1,4 meur last year. Our financial expenses decreased by 50% due to leverage. It is important to note that nearly 90% of Group's debt liabilities carry fixed interest (bonds and loans).

Operating profit increased by 120% and was 0.2 meur vs -1,2 meur last year.

PRFoods Net Debt is still very high, but we managed to improve our liquidity ratio back to 1.0. Despite volatility in food markets and high inflation environment, we see continued demand for our products and ability to transfer input price increases to product prices.

On 6 months basis, our consolidated net profit was 733,000 eur vs -2,12 million loss last year. Net profit includes one-off profit from sale of Swedish subsidiary.

While being more concentrated in our size, we are more focused on performance, and we believe we can achieve sustainable EBITDA profitability in our processing business. Fish Farming is seasonal operation still and next harvest season will after end of current financial year.

It has been tough road negotiating COVID, high inflation, war and breakdown of international logistics, but we have managed. Necessary product changes and management changes were completed, and new team is very ambitious and focussed on profitability. Enormous thank you goes out to all our employees who have shown commitment and resilience!

KEY RATIOS

INCOME STATEMENT

mln EUR unless indicated otherwise	2Q 2022/2023	2021/2022	2Q 2021/2022	2020/2021
Sales	7,3	42,1	15,3	58,7
Gross profit	1,6	3,1	2,2	5
EBITDA from operations	0,8	-1,7	0,8	-1,2
EBITDA	0,8	-2,1	-0,3	-1,3
EBIT	0,2	-4,2	-1	-3,9
EBT	-0,0	-8,2	-1,4	-5
Net profit (loss)	-0,1	-8,2	-1,4	-5,2
Gross margin	22,1%	7,4%	14,1%	8,50%
Operational EBITDA margin	11,3%	-4,1%	5,2%	-2,1%
EBITDA margin	11,3%	-5,1%	-2,1%	-2,1%

EBIT margin	2,9%	-9,9%	-6,4%	-6,6%
EBT margin	-0,5%	-19,5%	-8,9%	-8,5%
Net margin	-1,8%	-19,4%	-9,1%	-8,8%
Operating expense ratio	-18,9%	-17,1%	15,1%	16,1%

BALANCE SHEET

mln EUR unless indicated otherwise	31.12.2022	30.06.2022	31.12.2021	30.06.2021
Net debt	17,7	24,7	24,2	20,9
Equity	7,5	8,1	14,9	15,8
Working capital	0,0	-3,2	-2,6	-2,9
Assets	32,2	38,9	56,0	55,3
Liquidity ratio	1,0x	0,7x	0,9x	0,9x
Equity ratio	23,3%	20,7%	26,7%	28,6%
Gearing ratio	70,2%	75,4%	61,8%	56,9%
Debt to total assets	0,8x	0,8x	0,7x	0,7x
Net debt to operating EBITDA	21,4x	-14,5x	-14,3x	-16,9x
ROE	-1,7%	-68,5%	-26,7%	-28,7%
ROA	-0,4%	-17,3%	-7,9%	-9,1%

Consolidated Statement of Financial Position

EUR '000	31.12.2022	31.12.2021	30.06.2022
ASSETS			
Cash and cash equivalents	386	498	110
Receivables and prepayments	5 016	4 463	2 567

Inventories	2 089	4 596	2 196
Biological assets	0	4 523	3 003
Total current assets	7 491	14 080	7 876
Deferred tax assets	0	38	93
Long-term financial investments	304	300	229
Tangible assets	6 944	14 655	8 882
Intangible assets	17 443	23 715	21 837
Total non-current assets	24 691	38 708	31 041
TOTAL ASSETS	32 182	52 788	38 917
EQUITY AND LIABILITIES			
Interest-bearing liabilities	2 777	6 275	7 094
Payables and prepayments	4 672	11 666	3 978
Government grants	0	207	0
Total current liabilities	7 449	18 148	11 072
Interest-bearing liabilities	15 270	18 180	17 725
Payables and prepayments	0	0	204
Deferred tax liabilities	1 644	1 877	1 599
Government grants	327	662	265
Total non-current liabilities	17 241	20 719	19 792
TOTAL LIABILITIES	24 690	38 867	30 865
Share capital	7 737	7 737	7 737

Share premium	14 007	14 007	14 007
Treasury shares	- 390	-390	-390
Statutory capital reserve	51	51	51
Currency translation differences	394	831	839
Retained profit (loss)	-14 605	-8 883	-14 391
Equity attributable to parent	7 194	13 353	7 853
Non-controlling interest	297	568	199
TOTAL EQUITY	7 491	13 921	8 052
TOTAL EQUITY AND LIABILITIES	32 182	52 788	38 917

Consolidated Statement of Profit or Loss And Other Comprehensive Income

EUR '000	2Q 2022/2023	2Q 2021/2022	6m 2022/2023	6m 2021/2022
Revenue	7,300	15,292	11,910	29,499
Cost of goods sold	-5,688	-13,139	-9,785	-26,572
Gross profit	1,612	2,153	2,125	2,927
Operating expenses	-1,379	-2,395	-2,493	-4,704
Selling and distribution expenses	-671	-1,668	-1,314	-3,249
Administrative expenses	-708	-727	-1,179	-1,455
Other income / expense	-21	11	-68	62
Fair value adjustment on biological assets	0	-752	-170	68
Operating profit (loss)	212	-983	-606	-1,647
Financial income / expenses	-245	-384	1,447	-368

Profit (Loss) before tax	-33	-1,367	841	-2,015
Income tax	-102	-17	-108	-109
Net profit (loss) for the period	-135	-1,384	733	-2,124
Net profit (loss) attributable to:				
Owners of the Parent Company	-210	-1,242	668	-2,160
Non-controlling interests	75	-142	66	36
Total net profit (loss) for the period	-135	-1,384	733	-2,124
Other comprehensive income (loss) that may subsequently be classified to profit or loss:				
Foreign currency translation differences	0	384	-445	272
Total comprehensive income (expense)	-135	-1,000	288	-1,852
Total comprehensive income (expense) attributable to:				
Owners of the Parent Company	-210	-858	223	-1,888
Non-controlling interests	75	-142	66	36
Total comprehensive income (expense) for the period	-135	-1,000	288	-1,852

Profit (Loss) per share (EUR)	-0.01	-0.03	0.02	-0.06
Diluted profit (loss) per share (EUR)	0.00	-0.03	0.01	-0.05

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