

Company AS PRFoods  
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## Attachments:

- PRFoods annual report with auditors report.pdf (<http://oam.fi.ee/en/download?id=7768>)
- PRFoods\_AS-2022-06-30-et.zip (<http://oam.fi.ee/en/download?id=7769>)
- AS PRFoods auditeeritud majandusaasta aruanne PDF versioon.pdf (<http://oam.fi.ee/en/download?id=7770>)

## Currency

Title PRFoods Consolidated Audited Annual Report 2022/2023

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## Management Commentary

2022/2023 financial year was first when PRFoods regained its profitability after COVID. This was achieved as a result of major restructuring of the group operations: Finland, our previous biggest operations, but continuously lossmaking unit, was sold off; Swedish fish farms and new licences had to be sold to deleverage the company. As a result, our sales were 19.6 million Euros last year compared to 42.1 year before. EBITDA from operations rose to 0.3 million Euros compared -1.7 million loss the year before. Net profit amounted to 0.3 million Euros, compared to 8.1 millionEuros loss year before.

Net debt was reduced from 24.7 to 16.7 million. Majority of group's debt is on fixed interest rates; hence we have not been so severely affected by rise of interest rates. Nevertheless, the net debt level remains too high and in order to reduce it, group has undertaken several steps: massive costs reduction and disposal of further fish farming assets. While fish farming is very attractive future business line, the capital requirements to fully expand these activities are not realistic for PRFoods in short term. We continue to develop further fish farming licences for future potential.

High inflationary environment and volatile fish prices have affected significantly both domestic demand and export in 2022 and 2023. On very positive note, since the non-compete in Finland ends in 2024, we have already orders from Finland exceeding the total revenues of Estonian business from 2022-2023. In 2024 we will see also Estonian processing business turning to long waited profit. Fish prices have come down significantly during H2 2023 and this has already boosted demand for fish products.



As we stated before the instability of markets is new norm, but the business has shown capacity to adapt to various challenges. Our high leverage has been debilitating factor to develop the business in recent years, but slowly but surely the ship has turned and is on much better footing. We are particularly proud of our team's persistence and professionalism- their efforts have been simply remarkable.

2023-2024 financial year will be year of fish processing and expanding to Finland and other markets. John Ross Jr continues to be one of the industry's most profitable salmon smoker and Saare Kala has doubled its local sales under new management during last year and will see minimum 3x growth in sales in 2024 calendar year. Our cashflow is much more robust now thanks to further deleveraging of the company. On behalf of myself, I wish the group and its management all the best in taking the business to new level.

#### KEY RATIOS OF THE GROUP

##### INCOME STATEMENT

mln EUR  
(unless  
stated  
otherwise)

Formula /  
Comment

		2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Sales	Sales	19,6	42,1	58,7	78,3	85,7
Gross profit	Net sales - Cost of goods sold	3,6	3,1	5,0	9,6	11,9
EBITDA from operations	Profit before one-offs and fair value adjustment on biological assets	0,3	-1,7	-1,2	2,8	4,0
EBITDA	Profit (Loss) before financial income and costs, tax, depreciation and amortisation	0,3	-1,9	-1,3	1,9	1,7
EBIT	Operating					



	profit (loss)	-1,0	-4,2	-3,9	-0,7	-0,5
EBT	Profit (loss) before tax	0,4	-8,2	-5,0	-1,8	-1,2
Net profit (-loss)		0,3	-8,1	-5,2	-1,9	-1,5
Gross margin	Gross profit / Net sales	18,3%	7,4%	8,5%	12,2%	13,9%
Operational EBITDA margin	EBITDA from operations/Net sales	1,5%	-4,1%	-2,1%	3,5%	4,7%
EBITDA margin	EBITDA /Net sales	1,5%	-5,1%	-2,1%	2,4%	2,0%
EBIT margin	EBIT / Net sales	-5,1%	-9,9%	-6,6%	-0,9%	-0,5%
EBT margin	EBT / Net sales	2,0%	-19,5%	-8,5%	-2,2%	-1,4%
Net margin	Net profit (loss) / Net sales	1,5%	-19,4%	-8,8%	-2,4%	-1,7%
Operating expense ratio	Operating expenses / Net sales	24,0%	17,1%	16,1%	13,4%	12,5%
BALANCE SHEET						
mln EUR (unless stated otherwise)	Formula / Comment	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Net debt	Short- and long-term loans and borrowings - Cash	16,7	24,7	22,4	20,7	20,5
Equity		8,3	8,1	15,8	19,8	21,9
Working capital	Current assets - Current					



	liabilities	0,0	-3,2	-3,2	-4,0	-3,1
Assets		30,2	38,9	55,6	57,1	62,5
Liquidity ratio	Current assets / Current liabilities	1,0x	0,7x	0,8x	0,8x	0,9x
Equity ratio	Equity / Total assets	27,4%	20,7%	28,4%	34,7%	35,0%
Gearing ratio	Net debt / (Equity + Net debt)	66,9%	75,4%	58,7%	51,1%	48,3%
Debt to Asset	Total debt/Total assets	0,7x	0,8x	0,7x	0,7x	0,7x
Net debt-to-EBITDA from operations	Net debt / EBITDA from operations	55,8x	-14,5x	-17,9x	7,5x	5,1x
ROE	Net profit (loss) / Average equity	4,1%	-68,5%	-29,0%	-9,1%	-6,5%
ROA	Net profit (loss) / Average assets	1,0%	-17,3%	-9,2%	-3,2%	-2,3%

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