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Kuvaus luotu automaattisesti*

**FODELIA OYJ GROUP BUSINESS REVIEW 1 January–30 June 2024 (unaudited)**

**Fodelia Group's second-quarter result was significantly affected by the business transaction completed in May. The Group’s net sales from continuing operations increased by 16% in the second quarter, and EBITA for continuing operations improved by 25%.**

**HIGHLIGHTS OF THE HALF-YEAR REPORT**

This half-year report is unaudited. Unless otherwise stated, figures in brackets refer to the corresponding period in 2023 in the same unit.

During the period under review, the Group sold the business operations of Perniön Liha and Helsingin Makkaratehdas. The review presents adjusted key figures, from which non-recurring items arising from the sale of business operations have been eliminated. The impact is described in more detail below in the review.

**Summary for January–June 2024**

* Net sales for the period under review increased by 12.1% to EUR 27,192 thousand (EUR 24,259 thousand). The net sales of the Group's operations continuing after the divestment increased by 18.4%.
* Adjusted EBITDA for the period was EUR 2,369 thousand (1,948 thousand), or 8.7% of net sales (8.0%)
* Adjusted EBITA for the period was EUR 1,521 thousand (1,214 thousand), or 5.6% of sales (5.0%).
* EBITA from continuing operations was EUR 1,647 thousand (EUR 1,282 thousand), or 6.5% of net sales, representing an improvement of 28.4%.
* Adjusted EBIT for the period was EUR 1,312 thousand (993 thousand), or 4.8% of net sales (4.1%).
* EBIT for the period was EUR 58 thousand (EUR 993 thousand), or 0.2% of net sales (4.1%). EBIT included EUR -1,254 thousand of non-recurring items related to the divestment.

**Summary** **for** **April–June** **2024**

* Net sales for the period increased by 7.9% to EUR 13,518 thousand (EUR 12,526 thousand). The net sales of the Group's operations continuing after the divestment increased by 15.6%.
* Adjusted EBITDA for the period was EUR 1,011 thousand (EUR 1,026 thousand), or 7.5% of net sales (8.2%).
* Adjusted EBITA for the period was EUR 603 thousand (EUR 641 thousand), or 4.5% of net sales (5.1%).
* EBITA from continuing operations was EUR 665 thousand (EUR 532 thousand), or 5.3% of net sales, representing an improvement of 25.1%.
* Adjusted EBIT for the period was EUR 504 thousand (EUR 530 thousand), or 3.7% of net sales (4.2%).
* EBIT for the period was EUR -749 thousand (EUR 530 thousand), or -5.5% of net sales (4.2%). EBIT included EUR -1,254 thousand of non-recurring items related to the divestment.

**Guidance for 2024 (published on 31 May 2024)**

The company's management keeps the guidance unchanged and estimates that the group’s net sales for 2024 will be approximately EUR 50–54 million. Operating profit margin excluding non-recurring items is estimated to increase from the previous year.

**Key figures**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |
|  | **4**–**6/** **2024** | **4**–**6/** **2023** | **Change** **%** | **1**–**6/2024** | **1**–**6/** **2023** | **Change -%** | **1**–**12/** **2023** |
| **Group** |
| **Net sales, EUR thousand** | **13,518** | **12,526** | **7.9** | **27,192** | **24,259** | **12.1** | **48,965** |
| **Adjusted EBITDA, EUR thousand** | **1,011** | **1,026** | **-1.4** | **2,369** | **1,948** | **21.6** | **4,575** |
| % of net sales | 7.5 | 8.2 |  | 8.7 | 8.0 |  | 9.3 |
| EBITDA, EUR thousand | 2,335 | 1,026 | 127.6 | 3,693 | 1,948 | 89.6 | 4,575 |
| % of net sales | 17.3 | 8.2 |  | 13.6 | 8.0 |  | 9.3 |
| **Adjusted EBITA, EUR thousand** | **603** | **641** | **-6.0** | **1,521** | **1,214** | **25.3** | **2,965** |
| % of net sales | 4.5 | 5.1 |  | 5.6 | 5.0 |  | 6.1 |
| EBITA, EUR thousand | 1,808 | 641 | 182.0 | 2,726 | 1,214 | 124.5 | 2,965 |
| % of net sales | 13.4 | 5.1 |  | 10.0 | 5.0 |  | 6.1 |
| **Adjusted EBIT, EUR thousand** | **504** | **530** | **-4.8** | **1,312** | **993** | **32.1** | **2,521** |
| % of net sales | 3.7 | 4.2 |  | 4.8 | 4.1 |  | 5.1 |
| EBIT, EUR thousand | -749 | 530 | -241.4 | 58 | 993 | -94.2 | 2,521 |
| % of net sales | -5.5 | 4.2 |  | 0.2 | 4.1 |  | 5.1 |
| **Adjusted profit for the period, EUR thousand** | **53** | **328** | **-83.7** | **608** | **565** | **7.7** | **1,204** |
| % of net sales | 0.4 | 2.6 |  | 2.2 | 2.3 |  | 2.5 |
| Profit for the period, EUR thousand | -1,200 | 328 | -466.0 | -645 | 565 | -214.2 | 1,204 |
| % of net sales | -8.9 | 2.6 |  | -2.4 | 2.3 |  | 2.5 |
| Earnings per share, EUR | -0.1 | 0.0 | -472.2 | -0.1 | 0.1 | -214.3 | 0.01 |
| Equity ratio % | 49.4 | 47.7 | 3.6 | 49.4 | 47.7 | 3.6 | 51.3 |
| Net gearing, % | 26.4 | 54.4 | -51.4 | 26.4 | 54.4 | -51.4 | 2.9 |
| Return on equity, %, adjusted | 0.0 | 10.1 | -100 | 0.00 | 8.7 | -99.9 | 0.0 |
| Return on investment (ROI), %, adjusted | 9.1 | 10.1 | -10.3 | 16.1 | 9.4 | 70.8 | 3.2 |
| Return on equity, % | -39.6 | 10.1 | -491.7 | -10.6 | 8.7 | -222.2 | 0.0 |
| Return on investment, % | -15.6 | 10.1 | -254.8 | 1.9 | 9.4 | -79.7 | 3.2 |
| Balance sheet total, EUR thousand | 24,557 | 27,327 | -10.1 | 24,557 | 27,327 | -10.1 | 26,741 |
| Average number of employees | 129 | 137 | -6.0 | 126 | 133 | -4.9 | 134 |

\* The adjusted key figures exclude non-recurring items arising from the divestment, which have an effect of EUR +1,324 thousand on EBITDA and EUR -1,254 thousand on EBIT and profit for the period.

**BUSINESS OVERVIEW**

**CEO Mikko Tahkola:**

The Group's business developed well during the period under review. The second quarter of the year was also particularly important for the company due to the changes in strategy. The Group sold the business operations under the Perniön Liha and Helsingin Makkaratehdas brands and realigned its strategy. We want to allocate the Group’s resources and growth investments to support the businesses where we see the greatest potential for profitable growth. At the same time, Fodelia is changing its direction from a holding company into an active food industry company.

The role of Fodelia companies in the Foodservice market is already significant. There is still growing demand for Feelia’s convenience food product concept in the market, where savings and, at the same time, sustainable Finnish food are sought. Our other unit in the Foodservice market is Marjavasu, which produces juices and berry purees. The cooperation between the companies intensified during the first half of the year, and as a natural continuation of this, we plan to gradually transfer Marjavasu’s production to the Feelia plant in Pyhäntä and into the organisation as part of Feelia's operations. We consider closer integration to lead to significant cost-efficiency, lower investment needs and accelerate the growth of net sales from juices and berry purees.

Feelia’s business has developed well in the first half of the year, net sales have grown strongly and profitability is at a good level. Relative profitability in the second quarter was slightly lower than for the first quarter. This was due to temporary quality issues with packaging materials, which increased production costs. Feelia’s growth outlook remains strong, with the latest positive example being the multi-year agreement signed with HUS in the summer. Marjavasu's net sales have also continued to grow, but profitability has declined from the previous very good level. We believe that merging the units will allow us to return profitability to the previous level.

Oikia, which operates in the consumer market, has undergone a significant change process. The sale of Perniön Liha and Helsingin Makkaratehdas clarified the structure of the unit and specified the strategy. The Oikia brand, which was previously known for snack products, has been expanded to include convenience food products in online stores, and going forward, all of our own products for retail will be under the Oikia brand. The development of the online shop has been downward and active efforts are being made to address this, led by the new business director who started during the review period. Strategic actions have been initiated in online sales to reverse the trend and achieve growth, including a brand change, the launch of a new e-commerce platform, and other operational improvements. On the other hand, the development of the Snacks business has been steadily good and growth potential is also seen in the business.

The result figures for the second quarter were affected by the divestment completed. The divestment resulted in non-recurring items that had a significant impact on the official result of Oikia and, at the same time, the Fodelia Group. In addition, the divestment process affected the development of the business in question during the first half of the year, and this is reflected in the negative development of the figures for the divested unit. The Group’s balance sheet is even stronger after the divestment, and the net sales and profitability of the businesses continuing as part of the Group developed well in the second quarter. The Group’s net sales from continuing operations increased by approximately 16% and operating result improved by 25%.

The development of the joint venture Fodbar during the first half of the year has been encouraging. Growth is strong and profitability has improved significantly. Growth is strong and profitability has improved significantly. Fodbar’s development is supported by the stabilization of operations and significant volume growth during the past year.

At the beginning of the year, we strengthened the Group administration and transferred the previously outsourced financial and HR functions into our own organisation. This resulted in overlapping personnel and system costs in the first half of the year, but with the change, we will be able to serve the business operations even better in the future, develop processes that support the growth of the Fodelia Group and create the conditions for a potential move to the main list, for example.

**BUSINESS DEVELOPMENT DURING THE REVIEW PERIOD**

Impact of the divestment on net sales and operating profit

On 24 May 2024, Fodelia’s subsidiary sold the business operations of Perniön Liha and Helsingin Makkaratehdas through two separate transactions. The divestments affect the comparability of net sales and operating profit during the review period.

The divestment increased Oikia and Fodelia Group’s EBITDA with a non-recurring capital gain of EUR 1,324 thousand. In connection with the sale, a write-down of EUR 2,459 thousand was recognised in the consolidated goodwill concerning the divested business operations and a EUR 119 thousand write-down was recognised in other intangible rights. The net impact of the divestment on the Group’s operating profit for the period was EUR -1,254 thousand.

The review presents the development of Oikia’s net sales and operating profit below, divided into divested operations and continuing operations. The management’s estimates and average cost data have been used in part in allocating the comparative data to divested and continuing operations. The net sales of the divested operations is based on the sales data of the products transferred in the transaction. Fixed expenses have been allocated to the divested and continuing operations pro rata to net sales.

Development of net sales

The Group's net sales amounted to EUR 27,192 thousand for the period January–June (24,259 thousand). The increase from the comparison period was approximately 12.1%, or EUR 2,933 thousand. The Group’s continuing operations grew more than this – net sales increased by 18.4% in January–June. Of the Group’s units, Feelia’s net sales grew by 30.3% in January–June and Marjavasu's by 9.2%. Of Oikia’s units, the net sales of the snacks business was close to the previous year’s level, but the net sales of the online store declined significantly.

In April–June, the Group’s net sales increased by approximately 7.9% (21.4) year-on-year to EUR 13,518 thousand (12,526 thousand). In continuing operations, net sales increased by 15.6%. The net sales growth of the Group was mainly due to the development of Feelia’s business. Feelia’s net sales increased by 28% in April–June.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Net sales by** **unit** **/** **business** **area** | **4–6/** **2024** | **4–6/** **2023** | **Change** **%** | **1–6/** **2024** | **1–6/** **2023** | **Change** **%** | **1–12/** **2023** |
| Feelia | 8,432 | 6,586 | 28.0 | 16,864 | 12,942 | 30.3 | 26,513 |
| Oikia, continuing operations | 3,522 | 4,092 | -13.9 | 6,893 | 7,844 | -12.1 | 14,797 |
| Other units | 1,047 | 954 | 9.7 | 2,221 | 1,997 | 11.2 | 4,213 |
| Eliminations | -338 | -680 | -50.3 | -795 | -1,515 | -47.5 | -2,479 |
| **Total** | **12,663** | **10,952** | **15.6** | **25,184** | **21,268** | **18.4** | **48,965** |
| Oikia, divested operations | 854 | 1,574 | -45.7 | 2,008 | 2,990 | -32.8 | 5,920 |
| **Fodelia Group total net sales** | **13,518** | **12,526** | **7.9** | **27,192** | **24,259** | **12.1** | **48,965** |

Development of EBIT

The Group’s EBIT excluding non-recurring items in January–June was EUR 1,312 thousand (993 thousand), or 4.8% of net sales (4.1%). Adjusted operating profit increased by 32.1%. Feelia’s EBIT increased by 42.5% in January–June. Oikia’s profitability improved significantly, while Marjavasu’s profitability declined.

Adjusted operating profit for April–June was EUR 504 thousand (530 thousand), or 3.7% of net sales (4.2%). Profitability was slightly below the previous year’s level. This was influenced by the negative development of the divested operations during the period under review, as well as the development investments made in the Group’s administration early in the year.

The profitability of the Group’s continuing operations also developed favourably in April–June. The Group’s EBITA from continuing operations increased by 28.4% in January–June and by 25.1% in April–June.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **EBIT by unit / business area** | **4–6/** **2024** | **4–6/** **2023** | **Change** **%** | **1–6/** **2024** | **1–6/** **2023** | **Change** **%** | **1–12/** **2023** |
| Feelia | 675 | 589 | 14.5 | 1,578 | 1,108 | 42.5 | 2,472 |
| Oikia, continuing operations | 218 | -2 | -9,991.9 | 325 | 108 | 201.1 | 234 |
| Other units | -260 | -82 | 216.6 | -297 | 63 | -571.3 | 179 |
| Eliminations | 33 | 27 | 21.2 | 40 | 3 | 1,234.6 | 0 |
| **Business result (EBITA)** | **665** | **532** | **25.1** | **1,647** | **1,282** | **28.4** | **2,885** |
| Group's amortisation of goodwill | -98 | -111 | -11.5 | -209 | -222 | -5.8 | -443 |
| Oikia, divested operations | -63 | 110 | -157.0 | -126 | -68 | 85.2 | 80 |
| Non-recurring items (divestment) | -1,254 |  |  | -1,254 |  |  |  |
| **Fodelia Group EBIT in total** | **-749** | **530** | **-241.1** | **58** | **993** | **-94.2** | **2,521** |

**MAJOR EVENTS IN THE BUSINESS SEGMENTS**

**Feelia**

Feelia’s business continued to develop steadily during the period under review. Net sales increased by approximately 30.3% in January–June and profit improved year-on-year. Feelia’s EBIT in was 9.4% of net sales in January–June. Net sales increased by 28.0% in April–June. EBIT amounted to 8.0% of net sales in April–June. Relative profitability decreased slightly compared to the first quarter, affected by temporary disruptions in production.

The demand for Feelia’s products in the Foodservice market has strengthened further. Feelia has responded to the growing demand by strengthening its sales team, developing its order channel and ensuring the cost-efficient operation of production and logistics.

During the period, Feelia acquired a new significant customer account with HUS. The agreement is one of Feelia’s largest ever and, as a cooperation, a significant launch in hospital customers. The agreement covers the meals of patients and staff required during the temporary relocation of the Meilahti commercial kitchen. The cooperation began in May 2024 and will continue as long as until the end of 2030. The estimated annual net sales of the agreement between Feelia and HUS is approximately EUR 1.5–1.7 million.

**Oikia (formerly Fodelia Retail)**

The company’s operations underwent major changes during the period under review. The operations of Perniön Liha and Helsingin Makkaratehdas were divested on 24 May 2024. In addition, the company specified its strategy, launched a new online food store and changed its name on 10 June from Fodelia Retail Oy to Suomen Oikia Oy. At the same time, Fodelia Oyj’s business area changed its name from Fodelia Retail to Oikia. The name change reflects the company’s strategy. All of the business area's own retail products will be under the Oikia brand going forward. The change will be implemented in stages for existing products. The change is aligned with the direction of the new strategy and strengthens the brand’s position in the market.

Of the businesses, the snacks business developed well during the period under review. Net sales were close to the previous year’s level, but profitability improved.

The development of online store net sales has been negative for a long time, and a significant change programme has been launched with regard to the online store. During the review period, a new business director joined the unit, the online store brand changed from Feelia Ruokakauppa to Oikia Ruoka and the unit launched the new [www.oikiaruoka.fi/](http://www.oikiaruoka.fi/) online store.

The development of the divested businesses remained modest during the period, net sales decreased and profitability was at a low level. The ongoing divestment process had a negative impact on the development of these business operations and, at the same time, had a negative impact on the profit development of the entire unit. On the other hand, the profitability of continuing operations improved significantly during the period year-on-year.

**Other** **units**

Marjavasu’s net sales grew by 9.2% in the first half of the year, and the company gained new customers, especially in the juice machine business. The company’s profitability has declined year-on-year, but remains at a good level. There were exceptionally high marketing costs and investments relating to the growth of the juice machine business during the first half of the year.

The joint venture Fodbar’s business is growing strongly and its profitability has improved significantly.

**COMPANY BALANCE SHEET, FINANCING AND CAPITAL EXPENDITURES**

The company’s balance sheet strengthened during the period under review. The Group's balance sheet total on 30 June 2024 was EUR 24,557 thousand (27,327 thousand). On 30 June 2024, the Group’s equity ratio was 49.4% (47.7%) and net gearing 26.4% (54.4%). The Group’s liquid cash and cash equivalents at the end of the period were EUR 2,385 thousand (909 thousand). Interest-bearing liabilities amounted to EUR 5,593 thousand (7,996 thousand). Net interest-bearing liabilities were EUR 3,207 thousand (7,086 thousand).

In January–June 2024, the Group’s net investments excluding the effect of the divestment amounted to EUR 1,015 thousand (1,191 thousand). Investments broken down by company were as follows: Feelia Oy EUR 723 thousand, Suomen Oikia Oy EUR 162 thousand and Marjavasu Oy EUR 131 thousand in total.

**COMPANY PERSONNEL, MANAGEMENT AND ADMINISTRATION**

**Number of employees in the Group**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Average number of employees (FTE)** | | **1**–**6/** **2024** | **1**–**6/** **2023** | **Change** **%** | **1**–**12/** **2023** |
|  |  |  |  |  |  |
| Feelia | | 73 | 71 | 2.1 | 73 |
| Oikia | | 40 | 53 | -23.7 | 49 |
| Other units | | 14 | 9 | 50.0 | 11 |
| **Total** | | **126** | **133** | **-4.9** | **133** |

The number of employees decreased by 7 from the comparison period. The number of employees increased by 5.5% at Feelia, but decreased by 23.5% at Oikia. During the period under review, new people were hired to the Group’s administration when previously outsourced functions were insourced to the parent company.

**Board of Directors, Management Team and auditors**

The Board of Directors of Fodelia consists of Mikko Paso (Chair), Markku Lampela, Marc Moberg, Emma Tahkola and, from 21 March 2024, Erkki Järvinen. Until 21 March 2024, Helene Auramo and Eero Raappana were also members of the Board of Directors of Fodelia.

Fodelia’s Management Team consists of CEO Mikko Tahkola, CFO Kati Kokkonen, Feelia Oy's CEO Jukka Ojala and Suomen Oikea Oy's CEO Riikka Wulff.

The auditor of the Fodelia Group is the auditing firm PricewaterhouseCoopers Oy, with Sami Posti, APA, as the principal auditor.

**SHARES, SHAREHOLDERS AND INCENTIVE PLANS**

**Issued shares and share capital**

At the end of the period under review, the number of shares in the company was 8,094,610 (8,094,610) and the average number of shares during the period under review was 8,094,610 (8,072,684). At the end of the period, the number of outstanding shares in the company was 8,070,469 (8,066,789) shares and an average of 8,062,636 (8,065,818) shares. At the end of the period, the company held 24,141 treasury shares.

At the end of the period, the company had 3,011 shareholders (2,995).

At the end of the review period, the company’s share capital was EUR 80 thousand (80 thousand).

Purchases of treasury shares during the period

Fodelia Oyj had a share repurchase programme during the period under review.

On 21 December 2023, the Board of Directors of Fodelia Oyj decided to launch a share repurchase programme. The purchases of treasury shares began on 22 December 2023 and ended on 18 January 2024. During this period, Fodelia acquired 30,000 treasury shares with a total value of EUR 167,172 and an average price of EUR 5.5724. Of the shares, 24,500 were acquired during the review period for a total value of EUR 137,689 and the average price was EUR 5.6200. The shares were purchased at the market price at the time of acquisition in public trading organised by Nasdaq Helsinki. The treasury shares were acquired to be used to implement the employee share savings plan.

Following the repurchases, Fodelia held a total of 38,568 treasury shares, which corresponded to approximately 0.5 per cent of the total number of shares in Fodelia Oyj.

Share issues during the period

Fodelia Oyj’s Board of Directors exercised the share issue authorisation granted by the Annual General Meeting on 21 March 2024 and decided on 25 April 2024 on two directed share issues against consideration, in which the company transfers its own shares.

In the first share issue, the company transferred treasury shares held by the company to employees of the Fodelia Group as part of the company’s share savings plan. The number of shares in Fodelia Oyj transferred is 13,066 and the total value is EUR 72,778. The shares were paid with an amount withheld from the employees’ salaries.

In the second share issue, the company transferred 1,361 treasury shares to the members of the Board of Directors of Fodelia Oyj. The share issue was based on a resolution of the Annual General Meeting, according to which approximately 40% of the Board of Directors’ meeting fees are paid in Fodelia shares and the remainder in cash. The Board's remuneration may also be paid in full in cash for reasons attributable to the company or a member of the Board. The value of the transferred shares, EUR 7,581, was paid by offsetting it against the Board remuneration receivables. The receivable related to Board fees for the period 23 August 2023–31 March 2024.

The share price in both share issues is EUR 5.57 per share. The price was based on the purchase price of the shares and does not differ materially from Fodelia Oyj's market price on the date of the share issue. Following the share transfer, the company holds 24,141 treasury shares.

**Trading in company shares**

The company’s shares are listed on the multilateral Nasdaq First North Growth Market Finland marketplace administered by Nasdaq Helsinki Ltd.

A total of 685,358 Fodelia shares (388,879) changed hands during the period under review, representing 8.5% of the number of shares (4.8%). The value of the share turnover was EUR 3.8 million (1.7 million).

The closing price of the share on the last trading day of the period was EUR 5.96 per share (4.22). The lowest share price for the period was EUR 4.81 (4.16), the highest was EUR 6.00 (4.88) and the average volume-weighted price for the period was EUR 5.51 per share (4.43). The market value of the Fodelia Group at the end of the review period was EUR 48.2 million (34.2 million).

**Share-based incentive plans**

The Fodelia Group has share-based incentive schemes.

The share savings plan decided by the Board of Directors of Fodelia Oyj on 3 May 2022 for the period 1 July 2022 to 30 June 2024 ended on 30 June 2024. The aim of the share savings plan was to offer the Group’s employees the opportunity to save part of their regular salary for the purchase of company shares. The share savings plan consisted of four six-month savings periods, during which participants could save between EUR 50 and EUR 800 per month to be used for the purchase of shares in Fodelia Oyj. After a two-year commitment period, each participant will receive one matching share from the company free of charge in autumn 2024 for each share acquired, as well as a cash share to cover taxes and tax-like charges incurred by the participant. The condition for receiving the free shares is that the participant has owned the shares acquired through the savings plan during the commitment period and is still employed by the company at the time of receiving the shares. The number of free shares to be issued is estimated to be approximately 60,000.

On 19 June 2024, the Board of Directors of Fodelia Oyj decided on a new share savings plan for permanent employees of the Fodelia Group. The aim of the share savings plan is to offer the Group’s employees the opportunity to save part of their regular salary for the purchase of company shares. The aim of encouraging employees to acquire and hold shares in the company is to promote the motivation of the personnel and their and commitment to the company’s operations, while supporting the positive development of the company and the growth of shareholder value. The share savings plan includes the share savings periods 1 July 2024–30 June 2025, 1 July 2025–30 June 2026 and 1 July 2026–30 June 2027. The minimum savings amount is EUR 100 and the maximum EUR 600 per month. Participation in the savings programme is voluntary.

The shares are acquired at the market price once a year after the end of the share savings period with the funds accumulated on behalf of the employees participating in the share savings plan or, alternatively, the shares are transferred by means of a paid share issue in accordance with the Board of Directors’ decision.

Each participant will receive two matching shares (gross) from the company free of charge for each share acquired after the commitment period of the year following the savings period. Withholding tax and other tax-like charges are deducted from the number of shares to be issued. The matching shares are expected to be transferred in August–September 2026, 2027 and 2028. The condition for the transfer of matching shares is that the employee continues to hold the shares acquired on the basis of the savings period and that their employment relationship is valid on the date of the share issue. New employees can join the programme from the month following the start of employment. If the employee leaves the company during the commitment period, they may keep the shares already acquired with the share savings, but they lose their right to any matching shares that have not yet been transferred, unless the Board of Directors decides otherwise in a special situation.

The total number of shares to be issued under the Board’s share issue authorisation cannot be accurately estimated at the start of the plan, as it depends on the number of participants and the monthly savings amount chosen by them, as well as the share price development during the savings periods. If the number of participants remains at the level of the plan ending in June 2024, participants will save an average of EUR 350 per month and, if the share price is at the level of the plan’s closing date, the company would issue a total of approximately 200,000 free shares (gross) over three years.

On 21 December 2022, the Board of Directors of Fodelia Oyj decided to implement a long-term share-based incentive and commitment scheme. The performance-based share incentive plan is aimed at the Group’s key employees. The aim of the plan is to commit key employees who are important to the company, ensure competitive remuneration and, through the objectives of the programme, support the achievement of the Fodelia Group’s long-term profit targets. The share-based incentive plan is linked to the Group’s net sales and profitability development for 2023–2025, and the target levels of the plan are determined in accordance with the Group’s long-term objectives. In accordance with the terms and conditions of the plan, each participant may receive a maximum of 2,500–15,000 shares (gross) as a reward in spring 2026, depending on their role, if the performance targets are fully achieved. At the start of the plan, the plan covers 32 people and the total number of shares is 217,500 (gross). If the employment relationship of a person covered by the incentive plan with the company ends in the middle of the plan, they are not, as a rule, entitled to remuneration in accordance with the plan. It is estimated that the maximum number of shares to be issued as net shares in the share-based incentive plan will be approximately 100,000 shares, which is 1.2% of the total number of shares in the company. The final outcome will depend on the achievement of the plan’s performance targets and the number of participants in the scheme.

**RESOLUTIONS OF THE ANNUAL GENERAL MEETING**

The Annual General Meeting of Fodelia Oyj was held in Helsinki on 21 March 2024.

The Annual General Meeting adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year ended 31 December 2023.

**Appropriation of the profit shown on the balance sheet and decision on dividend payment**

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.08 per share be paid for the financial year 2023. The dividend was paid on 3 May 2024.

**Elections and remuneration of administrative organs**

In accordance with the proposal, the Annual General Meeting resolved that the number of members of the Board of Directors be five. The Board of Directors’ meetings fees were confirmed as EUR 1,800 per meeting to the Chairman of the Board and EUR 1,500 per meeting to a member of the Board.

Approximately 40% of the meeting fees are paid in Fodelia Oyj shares and the remainder in cash. The company will acquire the shares in the name and on behalf of the members of the Board of Directors and will be liable for the costs and transfer tax arising from the acquisition of the shares. The shares will be acquired twice a year, within 30 days of the publication of the half-yearly report and the financial statements release, or at the first time that is possible under applicable law. If the acquisition and/or delivery of shares is not carried out for reasons relating to the company or a member of the Board of Directors, the remuneration is paid in full in cash.

In addition, Board members’ travel expenses are reimbursed in accordance with the company’s principles.

Markku Lampela, Marc Moberg, Mikko Paso, Emma Tahkola and Erkki Järvinen were elected as members of the Board.

The Annual General Meeting elected PricewaterhouseCoopers Oy as the company’s auditor until the next Annual General Meeting with Sami Posti, APA, as the principal auditor. The auditors' fees will be paid in accordance with a reasonable invoice submitted by them.

**Authorising the Board of Directors to decide on the repurchase of treasury shares**

In accordance with the proposal, the Annual General Meeting resolved that the Board of Directors be authorised to decide on the repurchase of a maximum of 500,000 shares in one or more instalments.

The shares will be acquired in public trading on Nasdaq First North Growth Market Finland, and the consideration paid for the shares is the market price of Fodelia Oyj’s share at the time of acquisition. Shares may also be purchased outside public trading at a price that is no more than the market price in public trading at the time of purchase. The shares will be acquired for the purpose of financing or implementing potential acquisitions or other transactions, implementing the Company’s incentive schemes or other purposes decided by the Board of Directors. The maximum number of shares to be acquired corresponds to approximately 6.2 per cent of all shares in the company. The Board of Directors will decide on other matters related to the repurchase of treasury shares.

The authorisation is valid until the close of the next Annual General Meeting, but no later than 31 May 2025.

**Authorising the Board of Directors to decide on the issue of shares**

In accordance with the proposal, the Annual General Meeting resolved that the Board of Directors be authorised to decide on a directed issue of a maximum of 700,000 shares in one or more instalments, either with or without consideration. The maximum number of shares to be issued is approximately 8.6 per cent of the current number of all of the company’s shares. The shares may be used as consideration in potential acquisitions or other arrangements relating to the company’s business operations or issued as part of the company's incentive scheme. The Board of Directors will decide on all terms and conditions for the granting of special rights entitling to shares. Under the authorisation, the granting of special rights entitling to shares may deviate from the shareholder’s pre-emptive right (directed issue). A directed issue may be without consideration only if there is a particularly compelling financial reason for it, taking into account the interests of all shareholders of the company.

The authorisation is valid until the close of the next Annual General Meeting, but no later than 31 May 2025.

**STRATEGY AND FINANCIAL TARGETS**

Fodelia updated its strategy and financial objectives on 16 May 2024.

Fodelia operates as a holding company for Finnish food companies. Fodelia's primary goal is to create tasty meaning for everyone every day. Our goal is to be the most interesting innovator in the food industry, a facilitator of everyday life, and a partner offering delicious and clean food that is locally and responsibly produced.

Cornerstones of the strategy:

* Ensuring growth and profitability through efficient use of expertise and resources and through collaboration
  + Dedicated and competent staff​
  + Seizing opportunities in the foodservice market​
  + Functional, cost-efficient processes, modern tools and operating models​
* To stand out with new, sustainable and innovative products and concepts​
  + Foodservice/Feelia: concepts based on industrial production and the use of autoclave technology​
  + Consumers/Oikia brand: expansion in home food, strengthening the snacks category in the Nordic countries​
* Taking advantage of a listed company’s various financing opportunities to implement the growth strategy​
  + Timely investments​
  + Acquisitions that support current business operations

The company’s long-term financial targets (published on 16 May 2024) are:

* Annual net sales growth of approximately 20%. The net sales objective for the end of the strategy period, i.e. 2028, is at least EUR 100 million
* Operating margin at the end of the strategy period in 2028 exceeds 10%. Gradual improvement of profitability from the current level towards the objective.
* Group return on investment of over 10%.
* Group interest-bearing liabilities in relation to EBITDA less than 3.

The Company strives to distribute at least 35% of its earnings as dividends to shareholders.

The presented targets are not forecasts of the company’s future development.

**NEAR-TERM RISKS AND UNCERTAINTIES**

The company’s operations are subject to risks that may affect its performance or financial position to varying degrees.

War in Ukraine

Fodelia has no own industrial operations or sales to the Ukrainian, Russian and Belarusian markets. Sunflower oil for the Snacks business is sourced from Ukraine. The war in Ukraine has had an indirect impact on raw material prices and availability, as well as on the overall price level, inflationary trends and rising interest rates. The war, with its indirect effects, is also creating general uncertainty in the market and in companies’ operations.

Other risks

Any changes in customer relationships, consumer purchasing power and consumption behaviour may affect the company’s near-term outlook. In particular, low consumer confidence and the VAT increases taking effect in September could affect developments in the consumer market.

**FUTURE OUTLOOK**

The company's management estimates the Group's net sales for 2024 to be approximately EUR 50–54 million. Operating profit margin excluding non-recurring items is estimated to increase from the previous year.

**ACCOUNTING PRINCIPLES OF THE HALF-YEAR REPORT**

The figures in the half-year report are unaudited and have been prepared in accordance with Finnish law (FAS). The figures in the half-year report are presented in thousands of euros rounded from the exact figures.

**Consolidated income statement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| EUR thousand | **4**–**6/** **2024** | **4**–**6/** **2023** | **1**–**6/** **2024** | **1**–**6/** **2023** | **1**–**12/** **2023** |
|  |
|  |  |  |  |  |  |
| **Net sales** | **13,518** | **12,526** | **27,192** | **24,259** | **48,965** |
| Inventory change | -57 | -206 | -18 | -230 | -191 |
| Other operating income | 1,351 | 81 | 1,362 | 104 | 237 |
| Materials and services | -7,787 | -6,550 | -15,506 | -12,675 | -25,866 |
| Personnel expenses | -1,988 | -2,007 | -3,899 | -3,841 | -7,524 |
| Other operating expenses | -2,701 | -2,818 | -5,437 | -5,668 | -11,045 |
| **EBITDA** | **2,335** | **1,026** | **3,693** | **1,948** | **4,575** |
| Depreciation and amortisation | -3,085 | -496 | -3,635 | -955 | -2,053 |
| **EBIT** | **-749** | **530** | **58** | **993** | **2,521** |
| Financial income and expenses | -23 | -93 | -87 | -215 | -813 |
| **Profit before taxes** | **-773** | **437** | **-29** | **777** | **1,708** |
| Income taxes and deferred taxes | -428 | -109 | -616 | -213 | -505 |
| **Profit for the period under review** | **-1,200** | **328** | **-645** | **563** | **1,204** |

**Consolidated balance sheet**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | EUR thousand | **30 June 2024** | **30 June 2023** | **31 December 2023** |
|  |  |
| **Fixed assets** | |  |  |  |
|  |  |  |  |  |
|  | Intellectual property rights | 38 | 28 | 23 |
|  | Goodwill | 0 | 20 | 0 |
|  | Consolidated goodwill | 3,683 | 6,572 | 6,351 |
|  | Other intangible assets and advances | 1,934 | 2,136 | 2,155 |
| **Total intangible assets** | | **5,655** | **8,756** | **8,528** |
|  |  |  |  |  |
|  | Land and water areas | 238 | 266 | 266 |
|  | Buildings and structures | 646 | 890 | 851 |
|  | Machinery and equipment | 6,396 | 6,910 | 7,317 |
|  | Other tangible assets and advances | 532 | 405 | 50 |
| **Total tangible assets** | | **7,813** | **8,470** | **8,483** |
|  |  |  |  |  |
|  | Receivables from associated companies | 32 | 0 | 16 |
|  | Other shares and interests | 109 | 109 | 109 |
|  | Other receivables | 0 | 200 | 200 |
| **Total investments** | | **140** | **309** | **325** |
|  |  |  |  |  |
| **Total fixed assets** | | **13,608** | **17,535** | **17,337** |
|  |  |  |  |  |
| **Current assets** | |  |  |  |
|  | Inventories | 3,347 | 3,698 | 3,664 |
|  | Sales and other receivables | 5,217 | 5,185 | 5,170 |
|  | Cash and cash equivalents | 2,385 | 909 | 570 |
| **Total current assets** | | **10,949** | **9,792** | **9,404** |
|  |  |  |  |  |
| **Total assets** | | **24,557** | **27,327** | **26,741** |
|  |  |  |  |  |
| **Equity** | |  |  |  |
|  | Share capital | 80 | 80 | 80 |
|  | Other funds | 12,334 | 12,334 | 12,334 |
|  | Profit/loss for previous financial years | 368 | 46 | -134 |
|  | Profit/loss for the period | -645 | 565 | 1,204 |
| **Total equity** | | **12,137** | **13,025** | **13,484** |
|  |  |  |  |  |
| **Liabilities** | |  |  |  |
|  |  |  |  |  |
|  | Interest-bearing liabilities | 2,556 | 3,946 | 3,455 |
|  | Other non-current liabilities | 537 | 411 | 503 |
| **Total** **non-current** **liabilities** | | **3,094** | **4,357** | **3,958** |
|  |  |  |  |  |
|  | Interest-bearing liabilities | 3,036 | 4,050 | 3,455 |
|  | Advances received | 0 | 0 | 2 |
|  | Payables | 6,291 | 5,895 | 5,754 |
| **Total** **current** **liabilities** | | **9,327** | **9,945** | **9,299** |
|  |  |  |  |  |
| **Total** **liabilities** | | **12,420** | **14,302** | **13,257** |
|  |  |  |  |  |
| **Total** **liabilities** | | **24,557** | **27,327** | **26,741** |

**Consolidated cash flow statement**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  | | --- | --- | --- | --- | | EUR thousand |  |  |  | |  | **1**–**6/** **2024** | **1**–**6/** **2023** | **1**–**12/** **2023** | | **Cash flow from operating activities:** |  |  |  | | Profit (loss) before appropriations and taxes | -29 | 777 | 1,708 | | Depreciation according to plan | 1,057 | 955 | 2,053 | | Impairment | 2,578 |  |  | | Profit from the sale of fixed assets, cash flow from investments | -1,327 |  |  | | Financial income and expenses | 87 | 215 | 813 | | Other adjustments | 0 | -64 | -73 | | Cash flow before changes in working capital | 2,366 | 1,884 | 4,501 | |  |  |  |  | | **Change in working capital:** |  |  |  | | Increase(-)/decrease(+) in current non-interest-bearing receivables | -47 | -159 | -329 | | Increase(-)/decrease(+) in inventory | 122 | 150 | 184 | | Increase(+)/decrease(-) in current non-interest-bearing liabilities | 101 | -1,184 | -1,108 | | Cash flow from operating activities before financial items and taxes | 2,541 | 691 | 3,249 | |  |  |  |  | | Interest paid and other financial expenses from operations | -186 | -231 | -443 | | Interest received and other financial income from operations | 52 | 5 | 9 | | Direct taxes paid | -97 | -63 | -200 | | **Cash flow from operating activities** | **2,309** | **403** | **2,614** | |  |  |  |  | | Cash flow from investing activities: |  |  |  | | Investments in tangible and intangible assets | -1,053 | -1,348 | -2,238 | | Gains from divestments of tangible and intangible assets | 37 | 0 | 17 | | Investment subsidy received | 0 | 157 | 0 | | Divestment of operations | 2,246 | 0 | 0 | | Other investments | 0 | 0 | -425 | | Investments in associated company | 0 | 0 | 157 | | Repayment of loan receivable | 200 | 0 | 0 | | **Cash flow from investing activities** | **1,430** | **-1,191** | **-2,490** | |  |  |  |  | | Cash flow from financing activities: |  |  |  | | Paid share issue | 80 | 0 | 0 | | Acquisition of own shares | -138 | -191 | -204 | | Withdrawals of current loans | 0 | 869 | 257 | | Repayments of current loans | -397 | 0 | 0 | | Withdrawals of non-current loans | 0 | 466 | 838 | | Repayments of non-current loans | -826 | -744 | -1,501 | | Dividends paid and other profit sharing | -644 | -242 | -485 | | **Cash flow from financing activities** | **1,925** | **157** | **-1,095** | |  |  |  |  | | **Change in cash** | **1,815** | **-631** | **-970** | | Cash and cash equivalents at beginning of period | 570 | 1,540 | 1540 | | Cash and cash equivalents at end of period | 2,385 | 909 | 570 | |  |  |  |  | |  |  |  |  | |  |
|  |  |

**Consolidated statement of changes in equity**

|  |  |  |
| --- | --- | --- |
| EUR thousand | **30 June 2024** | **31 December 2023** |
|  |
|  |  |  |
| **Restricted equity** |  |  |
| Restricted equity at beginning of period | 80 | 80 |
| **Restricted equity at end of period** | **80** | **80** |
|  |  |  |
| Unrestricted equity |  |  |
| Invested unrestricted equity fuand at beginning of period | 12,334 | 12,334 |
| Share exchange |  |  |
| Share issue |  |  |
| **Invested unrestricted equity fund at end of period** | **12,334** | **12,334** |
|  |  |  |
| Retained earnings | 1,069 | 479 |
| Adjustments from previous financial periods |  | -64 |
| Acquisition of own shares | -57 | -64 |
| Dividend distribution | -644 | -485 |
| Profit for the period | -645 | 1,204 |
| **Unrestricted equity at end of period** | **12,057** | **13,404** |
|  |  |  |
| **Total equity** | **12,137** | **13,484** |

**Collateral pledged, contractual liabilities and off-balance sheet liabilities**

|  |  |  |
| --- | --- | --- |
| EUR thousand |  |  |
|  | **30 June 2024** | **31 December 2023** |
|  |  |  |
| **Loans from financial institutions** |  |  |
| Financial loans | 2,201 | 2,534 |
| Withdrawn overdraft facility |  |  |
| Granted overdraft facility | 1,600 | 1,600 |
| Unwithdrawn overdraft facility | 1,600 | 1,600 |
|  |  |  |
| **Collateral for financial loans** |  |  |
| Book value of subsidiary shares provided as collateral | 8,339 | 8,339 |
| Business mortgages | 8,817 | 8,817 |
| Property mortgages | 1,100 | 1,100 |
| **Total collateral** | **18,255** | **18,255** |
|  |  |  |
| **Factored sales receivables** |  |  |
| Factoring liabilities | 1,647 | 2,044 |
| Pledged sales receivables | 2,062 | 2,563 |
|  |  |  |
| **Leasing liabilities** |  |  |
| Payable within the next 12 months | 256 | 265 |
| Payable later | 639 | 620 |
|  |  |  |
| **Lease liabiltiies** |  |  |
| Lease liabilities for period of notice | 8,663 | 10,650 |
| On-balance sheet rental deposits | 40 | 31 |
|  |  |  |
| **Other liabilities** |  |  |
| Guarantor liability | 55 | 59 |
| Other off-balance sheet liability on behalf of others | 7,600 | 7,600 |
| Instalment liabilities | 1,868 | 2,392 |
| Corporate cards | 14 | 108 |

|  |  |
| --- | --- |
| **Calculation formulas for key figures** |  |
| EBITDA | = Net sales + other operating income – change in inventories – production for own use – materials and services – personnel expenses – other operating expenses |
| EBITDA of net sales, % | = EBITDA profit / Net sales x 100 |
| EBITA | = Net sales + other operating income – Change in inventories – Production for own use – Materials and services – Personnel expenses – Other operating expenses – Depreciation and impairment excluding amortisation of goodwill |
| EBITA of net sales, % | = EBITA / Net sales x 100 |
| EBIT | = Net sales + other operating income – Change in inventories – Production for own use – Materials and services – Personnel expenses – Other operating expenses – Depreciation and impairment |
| EBIT of net sales, % | = EBIT / Net sales x 100 |
| Profit for the period of net sales, % | = Profit for the period under review / Net sales x 100 |
| Earnings per share | = Profit for the period / Number of shares adjusted for share issue excluding treasury shares |
|
| Equity ratio, % | = Equity at the end of the period / (Balance sheet total at the end of the period – Advances received at the end of the period) x 100 |
| Net gearing, % | = (Interest-bearing liabilities at the end of the period – Cash and cash equivalents at the end of the period) / Total equity at the end of the period x 100 |
| Return on Investment (ROI), % | = Annualised profit before taxes + annualised financial expenses / (Balance sheet total at the end of the period – Non-interest-bearing liabilities at the end of the period) x 100 |
| Return on equity (ROE), % | = Annualised profit for the period under review / Equity x 100 |

The adjusted key figures presented in the review have been calculated according to the above formulas, but non-recurring items related to the divestment of operations have been eliminated from the figures used.

**PRESS AND ANALYST SESSION**

A press and analyst conference in Finnish will be held at Sanomatalo's studio Eero, address Töölönlahdenkatu 2, 00100 Helsinki, Finland, at noon on 7 August 2024. The session can be viewed as a webcast: <https://fodelia.videosync.fi/q2-2024>.

A recording of the presentation and presentation material will be published later on <http://www.fodelia.fi>

7 August 2024

BOARD OF DIRECTORS

Fodelia Oyj

**Further information**

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**Fodelia** **in** **brief**

"Fodelia grows Finnish food companies into flourishing international success stories so that consumers can enjoy locally and responsibly produced clean food from known sources. The company's business segments are Oikia, which focuses on retail and consumer e-commerce, and Feelia, which serves clients in the foodservice market. Fodelia's portfolio also includes the juice producer subsidiary Marjavasu and the joint venture Fodbar, which provides food service outsourcing solutions. Companies owned by Fodelia are food industry pioneers that invest in innovative products, value-adding customer concepts and advanced manufacturing processes.

www.fodelia.fi