

Company AS PRFoods
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Attachments:

- PRFoods-10001384931-en.pdf (<http://oam.fi.ee/en/download?id=3609>)
- PRFoods-10001384933-et.pdf (<http://oam.fi.ee/en/download?id=3610>)

Currency

Title PRF: Consolidated Unaudited Interim Report of AS PRFoods for 3rd quarter of 2018 and 3

Overview of the economic activities

Management commentary

We remind you that since we changed our financial year, the last financial year was extended to 18 months. The financial year that began on 01.07.2018 is of standard length and ends 30.06.2019. In the report, the comparable data from the 3(rd) quarter of 2017 is used.

The Q3 results of PRFoods indicate that the chosen strategy is bearing fruit. We took the direction to margin improvement and discontinuing activities in lower margin sectors and this has started to manifest itself in results. Gross profit growth by 21% is very positive. We have also increased our own brand's share in retail, including in Estonia. The UK sales have been impacted by a very volatile UK Sterling since Brexit vote. Q3 operating results and EBITDA was impacted by one-time bonuses paid for previous financial year, that temporarily hiked our labour costs. Considering that the major salary increases in the company took place last year, we do not see any short-term pressure on wages. We have also started to consolidate parallel functions in the group companies and moving the group's support services to regions with more optimal costs.

New investments programme is on track and from 2019 we are moving to only using environmentally sustainable packaging, starting from Estonia first.

Biomass revaluation was significantly lower compared to same period last year. There are mainly two reasons for that, we started the season with lower biomass volume and the biomass growth in the beginning of the season was slower, but at the same time better weather in Q3 allowed for additional growth and we delayed most of harvesting until November. Hence the biomass revaluation was transferred to Q4.



3 months consolidated results are as follows:

- * Unaudited consolidated revenue 19.39 million euros, an increase by +1.40 million euros, i.e. +7.8%.
- * Gross margin 15.2%, an increase by +1.6 percentage points i.e. +11.9%.
- * Positive impact from revaluation of biological assets +0.07 million euros (3Q 2017: positive impact +1.07 million euros).
- * Negative effect of one-offs to the result -0.01 million euros (3Q 2017: negative influence -0.28 million euros).
- * EBITDA from operations +1.06 million euros, a decrease by -0.15 million euros.
- * EBITDA +1.12 million euros, a decrease by -0.88 million euros (without one-off effects EBITDA +1.13 million euros, a decrease by -1.15 million euros).
- * The operating profit +0.57 million euros, a decrease by -0.95 million euros (without one-off effects operating profit +0.58 million euros, a decrease by -1.22 million euros).
- * Net profit +0.14 million euros, a decrease by -0.97 million euros (without one-off effects net profit +0.15 million euros, a decrease by -1.23 million euros).

Q4 forecast meets the management's expectations and the management remains positive about the outlook and improved profitability.

Quarterly presentation will be published on our website latest at 7(th) of December.

KEY RATIOS

Income Statement, EUR mln	Q3 2018	Q3 2017	18m 2017/2018
Sales	19.4	18.0	118.5
Gross profit	3.0	2.5	14.7
EBITDA from operations	1.1	1.2	5.8
EBITDA	1.1	2.0	4.2
EBIT	0.6	1.5	1.5
EBT	0.4	1.3	0.5
Net profit (-loss)	0.1	1.1	0.1
Gross margin	15.2%	13.6%	12.4%
Operational EBITDA margin	5.4%	6.7%	4.9%



EBITDA margin	5.8%	11.1%	3.5%
EBIT margin	3.0%	8.5%	1.3%
EBT margin	1.8%	7.3%	0.4%
Net margin	0.7%	6.2%	0.05%
Operating expense ratio	13.5%	11.1%	10.5%

Balance Sheet, EUR mln	30.09.2018	30.09.2017	30.06.2018
Net debt	21.9	16.7	18.1
Equity	24.1	23.7	23.3
Working capital	2.0	5.1	2.8
Assets	64.5	68.0	65.5
Liquidity ratio	1.1x	1.2x	1.1x
Equity ratio	37.4%	34.9%	35.6%
Debt to total assets	47.6%	41.3%	43.7%
Gearing ratio	0.6x	0.7x	0.6x
Net debt-to-EBITDA	3.8x	8.0x	3.1x
ROE	0.1%	-1.4%	0.2%
ROA	0.0%	-0.6%	0.1%

Consolidated statement of financial position

EUR '000	30.09.2018	30.09.2017	30.06.2018
ASSETS			
Cash and cash equivalents	2,788	6,420	5,960
Receivables and prepayments	4,219	6,102	4,706



Inventories	11,782	8,641	12,678
Biological assets	7,825	10,551	6,498
Total current assets	26,614	31,714	29,842
Deferred income tax	26	226	153
Long-term financial investments	134	102	134
Tangible fixed assets	14,528	13,562	12,764
Intangible assets	23,195	22,383	22,604
Total non-current assets	37,883	36,273	35,655
TOTAL ASSETS	64,497	67,987	65,497
EQUITY AND LIABILITIES			
Loans and borrowings	13,242	9,460	12,562
Payables	11,179	16,831	14,254
Government grants	242	307	216
Total current liabilities	24,663	26,598	27,032
Loans and borrowings	11,480	13,661	11,487
Payables	519	0	0
Deferred tax liabilities	2,426	2,843	2,441
Government grants	1,306	1,156	1,226
Total non-current liabilities	15,731	17,660	15,154
TOTAL LIABILITIES	40,394	44,258	42,186
Share capital	7,737	7,737	7,737



Share premium	14,007	14,007	14,007
Treasury shares	-390	-390	-390
Statutory capital reserve	48	48	48
Currency translation reserve	31	344	7
Retained profit (-loss)	2,004	1,988	1,904
Equity attributable to parent	23,437	23,734	23,313
Non-controlling interest	666	-5	-2
TOTAL EQUITY	24,103	23,729	23,311
TOTAL EQUITY AND LIABILITIES	64,497	67,987	65,497

Consolidated statement of profit or loss and other comprehensive income

EUR '000	Q3 2018	Q3 2017	18m 2017/2018
Sales	19,393	17,990	118,499
Cost of goods sold	-16,437	-15,539	-103,811
Gross profit	2,956	2,451	14,688
Operating expenses	-2,623	-1,992	-12,423
Selling and distribution expenses	-1,843	-1,375	-8,841
Administrative expenses	-780	-617	-3,582
Other income	238	513	1,059
Other expenses	-71	-523	-1,309
Fair value adjustment on biological assets	73	1,072	-524
Operating profit (-loss)	573	1,521	1,491
Financial income	4	1	10



Financial expenses	-226	-209	-1,034
Profit (-loss) before tax	351	1,313	467
Income tax	-209	-205	-410
Net profit (-loss) for the period	142	1,108	57
Net profit (-loss) attributable to:			
Owners of the company	99	1,113	59
Non-controlling interests	43	-5	-2
Total net profit (-loss)	142	1,108	57
Other comprehensive income (-loss) that may subsequently be classified to profit or loss:			
Foreign currency translation differences	24	-76	-421
Total comprehensive income (-expense)	166	1,032	-364
Total comprehensive income (-expense) attributable to:			
Owners of the Company	123	1,037	-362
Non-controlling interests	43	-5	-2
Total comprehensive income (-expense) for the period	166	1,032	-364
Profit (-loss) per share (EUR)	0.00	0.03	-0.01
Diluted profit (-loss) per share (EUR)	0.00	0.03	-0.01



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Attachment

* PRF_interim_3m2018_2019 (<https://prlibrary-eu.nasdaq.com/Resource/Download/185e79e1-bbb7-4a69-8558-7ac1aebef220>)

