

Company AS PRFoods
Type Company Release
Category Other corporate action
Disclosure time 11 Oct 2020 22:38:03 +0300

Currency

Title PRF: AS PRFoods' unaudited preliminary consolidated turnover of the 1st quarter and 3

PRFoods' unaudited preliminary consolidated turnover in the 1(st) quarter of the financial year of 2020/2021 amounted to 12.74 million euros, a decrease by 34.0% compared to the same period a year ago (1Q 2019/2020: 19.32 million euros), including sales decrease in retail sector by 1.2%, in HoReCa by 52.2% and in wholesale by 60.8%. Compared to the previous quarter i.e. the 4(th) quarter of the previous financial year, the sales decreased by 15.7%, (4Q 2019/2020: 15.11 million euros), with retail and wholesale sectors declining by 19.6% and 35.0% respectively, whereas sales in HoReCa sector increased by 37.7%.

Indrek Kasela, CEO, PRFoods:

The impact of COVID-19 continues in fish sector and as we noted in last sales announcement, HoReCa sector which gives ca 1/3 of salmon- and trout business both globally and regionally, will not recover to previous levels in next 12 months. To some extent this is offset by retail, but not in adequate amount. This has created a situation where there is too much fish and production capacities in the market, forcing lot of producers to cut prices. During last quarter we forewent to large extent fresh fish trading in Finland, as it would have tied too much of our working capital in situation where market demand is unstable and fish trading margins are low. Although we saw increased activity in June-July, the onset of so called second wave forced several countries to impose restrictions on HoReCa. Luckily we see faster recovery in Asia compared to rest of the world and as positive sign we managed to initiate high volume exports to Japan from end of last quarter. This year we will see contraction in Finland, growth in Baltics, particularly in Estonia, where we have achieved significant market share in very short time. John Ross Jr has managed very well during the crisis and kept its profitability and price levels despite some decrease in sales. The situation is more problematic in Finland, where retail has been concentrated in the hands of two largest retail chains and vast majority of fish products on the market are private label. The decrease of Finnish sales is attributable to reduced fresh fish trading and lower prices of products, as the raw material has also cheapened - this is symptomatic to market, where private label commands the market share. We will critically assess our cost base to be in line with decreased sales and we will decrease share of Finnish business in



our sales and expenses."

In the first quarter of the financial year, the sales declined in all product groups compared to the first quarter of the previous financial year. The sales of fresh fish and fillets' product group that formed 32.4% of the product portfolio (1Q 2019/2020: 41.8%) nearly halved compared to the first quarter of the previous financial year. The sales of smoked products that accounted for about half of the total sales (1Q 2019/2020: 42.0%) declined by 22.3% over the financial years.

Turnover by product groups, mln EUR	1Q 20/21	1Q 19/20	Change, EUR	Change, %
Fresh fish and fillets	4.12	8.07	-3.95	-48.9%
Smoked products	6.30	8.11	-1.81	-22.3%
Other fish products	2.31	3.11	-0.81	-25.9%
Other revenue	0.01	0.02	-0.01	-59.7%
Total	12.74	19.32	-6.57	-34.0%

By customer groups, the sales declined in retail chains by 1.2%, in HoReCa and wholesale sectors the decline was 52.2% and 60.8%, respectively. The share of retail chains' sales of the financial year's total sales was ca 60%, and HoReCa and wholesale accounted for ca 20% each. In the first quarter of the previous financial year, the customer groups accounted for 41.3%, 24.% and 33.1%, respectively.

Turnover by client groups, mln EUR	1Q 20/21	1Q 19/20	Change, EUR	Change, %
Retail chains	7.43	7.52	-0.09	-1.2%
Wholesale	2.40	6.14	-3.74	-60.8%
HoReCa	2.49	5.20	-2.72	-52.2%
Other revenue	0.42	0.45	-0.03	-6.7%
Total	12.74	19.32	-6.57	-34.0%

The three largest markets had an aggregated turnover of 11.25 million euros accounting for 88.3% of total sales in the 1(st) quarter of the financial year compared to the sales of 17.38 million euros and the share of 90.0% 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	1Q 20/21	1Q 19/20	Change, EUR	Change, %
Finland	7.83	13.14	-5.31	-40.4%
Great Britain	2.01	2.79	-0.77	-27.7%
Estonia	1.41	1.46	-0.05	-3.4%
Latvia	0.51	0.69	-0.18	-26.5%
Other countries	0.98	1.24	-0.26	-20.9%
Total	12.74	19.32	-6.57	-34.0%

Indrek Kasela
AS PRFoods
Member of the Management Board
Phone: +372 452 1470
investor@prfoods.ee
www.prfoods.ee

