

HKFOODS

Financial Statements Bulletin 2024

Juha Ruohola, CEO

Mika Tilli, CFO

14.2.2025



Strong development continued in 2024; HKFoods showing clear growth in net sales and comparable EBIT

Q4/2024 – Net sales and EBIT

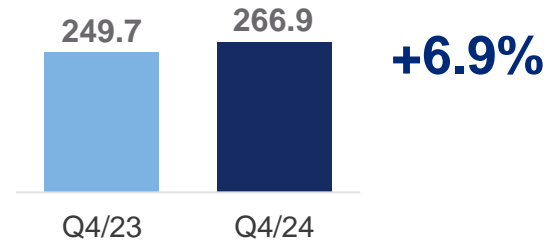
Net sales

- HKFoods increased its sales in all other sales channels except industrial sales, where sales declined as planned
- Consumer demand in Finland remained at the comparison period's level but was particularly focused on lower-priced products. HKFoods was able to meet demand with its comprehensive product portfolio
- Sales in the food service channel developed strongly, enabling HKFoods to strengthen its position in the market

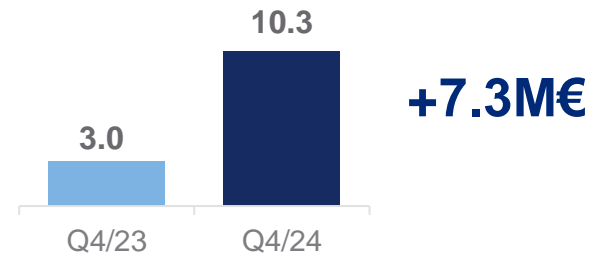
EBIT

- The improved performance was driven by better sales mix, production efficiency measures and cost savings. Especially Christmas season sales was successful
- Cost levels remained high in October–December
- In addition to the cost increases for energy and external services, wage costs were pushed up by previously agreed general pay rises

Net sales, M€, continuing operations



Comparable EBIT, M€, continuing operations



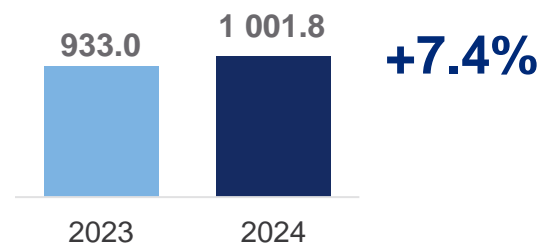
Strong development continued in 2024; HKFoods showing clear growth in net sales and comparable EBIT

2024 – Net sales and EBIT

Net sales

- Sales increased due to good consumer demand and successful commercial activities
- Sales increased especially in the retail channel in the early part of the review period, with the food service channel showing a more pronounced sales growth towards the end of the period
- Exports from Finland remained at the previous year's level; exports of red meat exports fell while exports of poultry meat and meat products increased significantly

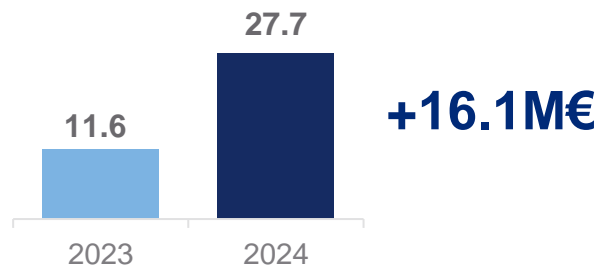
Net sales, M€, continuing operations



EBIT

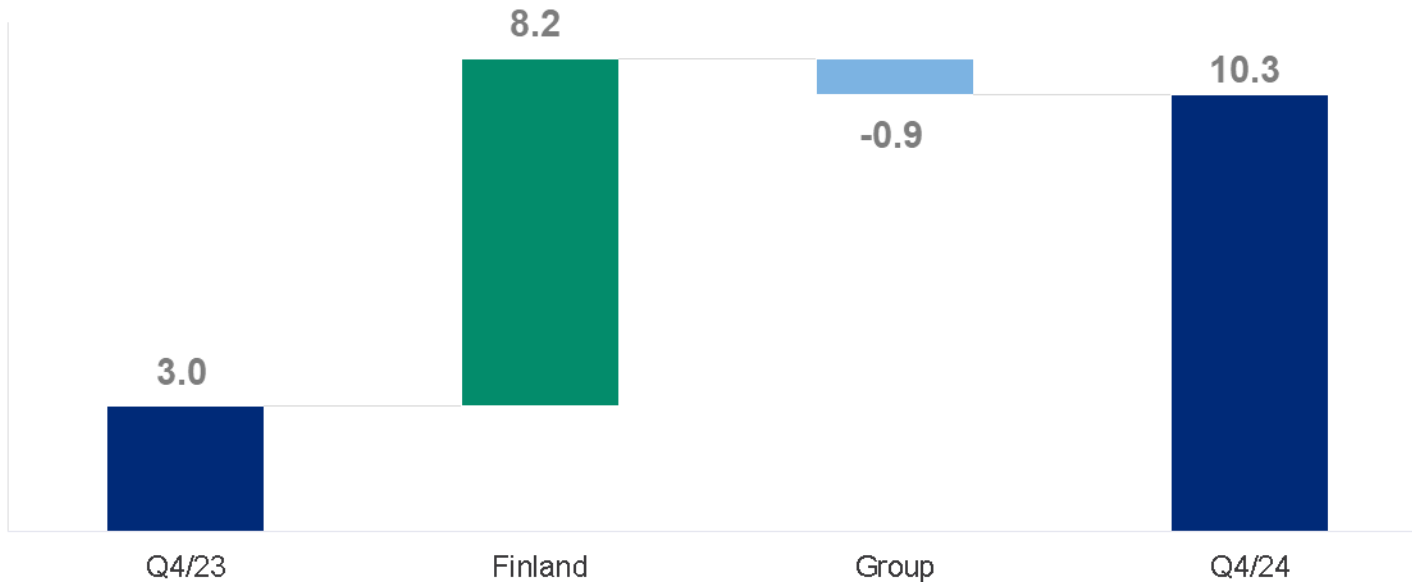
- Improved sales mix, increased production efficiency and cost savings improved EBIT during the review period
- HKFoods strengthened its position in the Finnish consumer market, which reduced the need for less profitable meat exports. Growth in exports also of meat products
- Profitability of red meat, especially beef, continued challenging

Comparable EBIT, M€, continuing operations



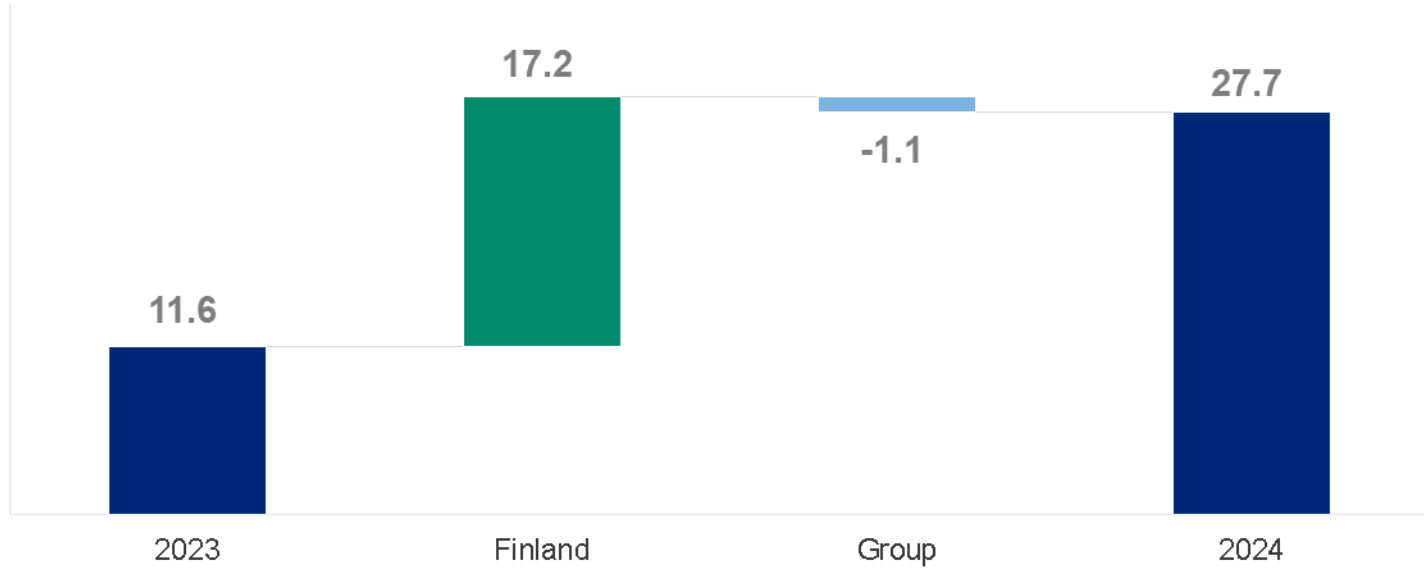
Q4/2024: Change of comparable EBIT

M€, continuing operations

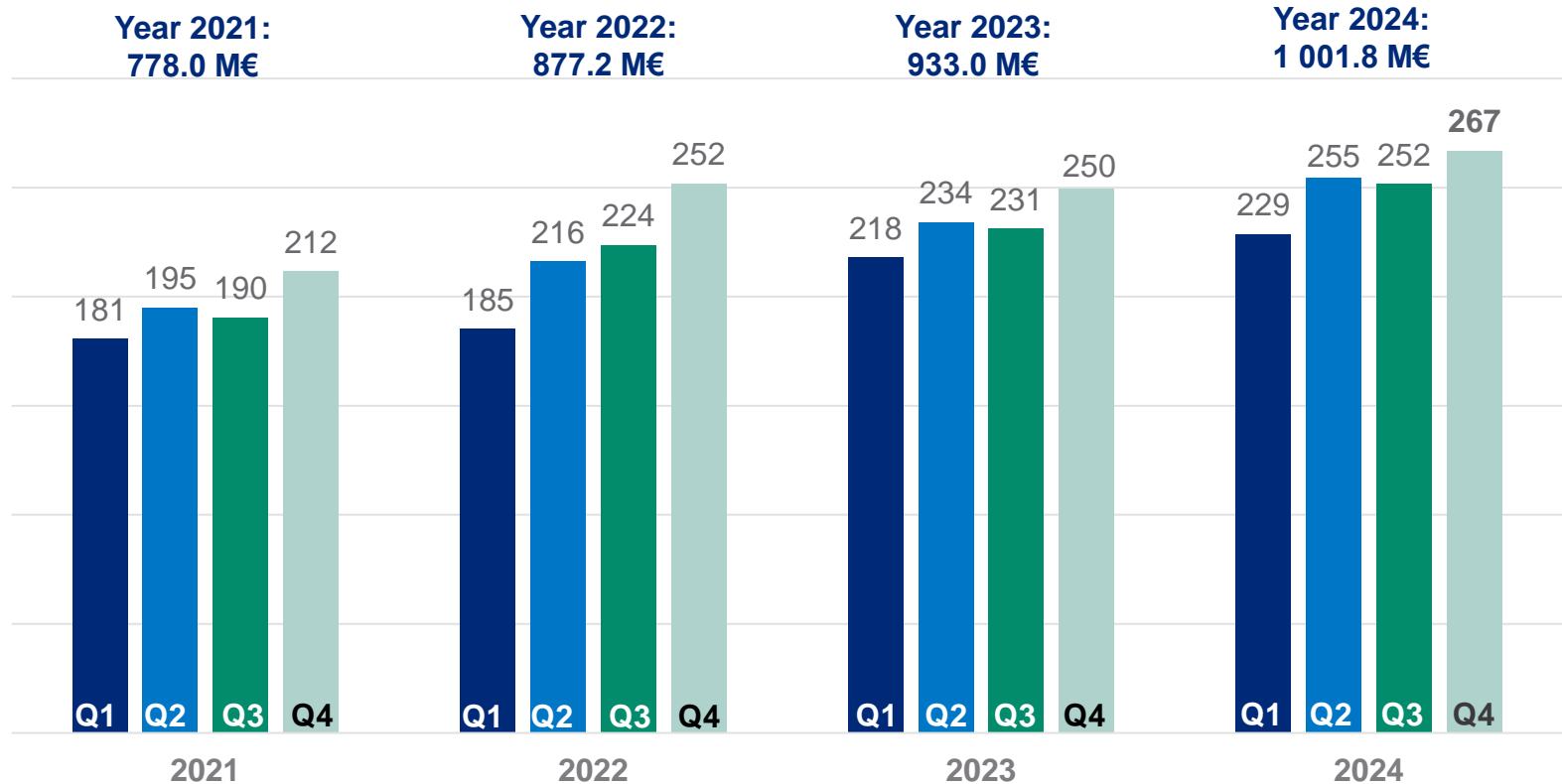


2024: Change of comparable EBIT

M€, continuing operations

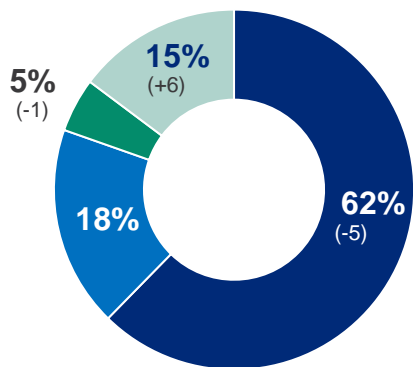


Quarterly net sales, M€, continuing operations



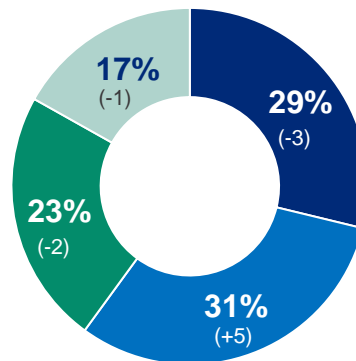
Net sales breakdown Q4 2024, continuing operations

Sales channels



- Retail
- Food service
- Industry
- Export

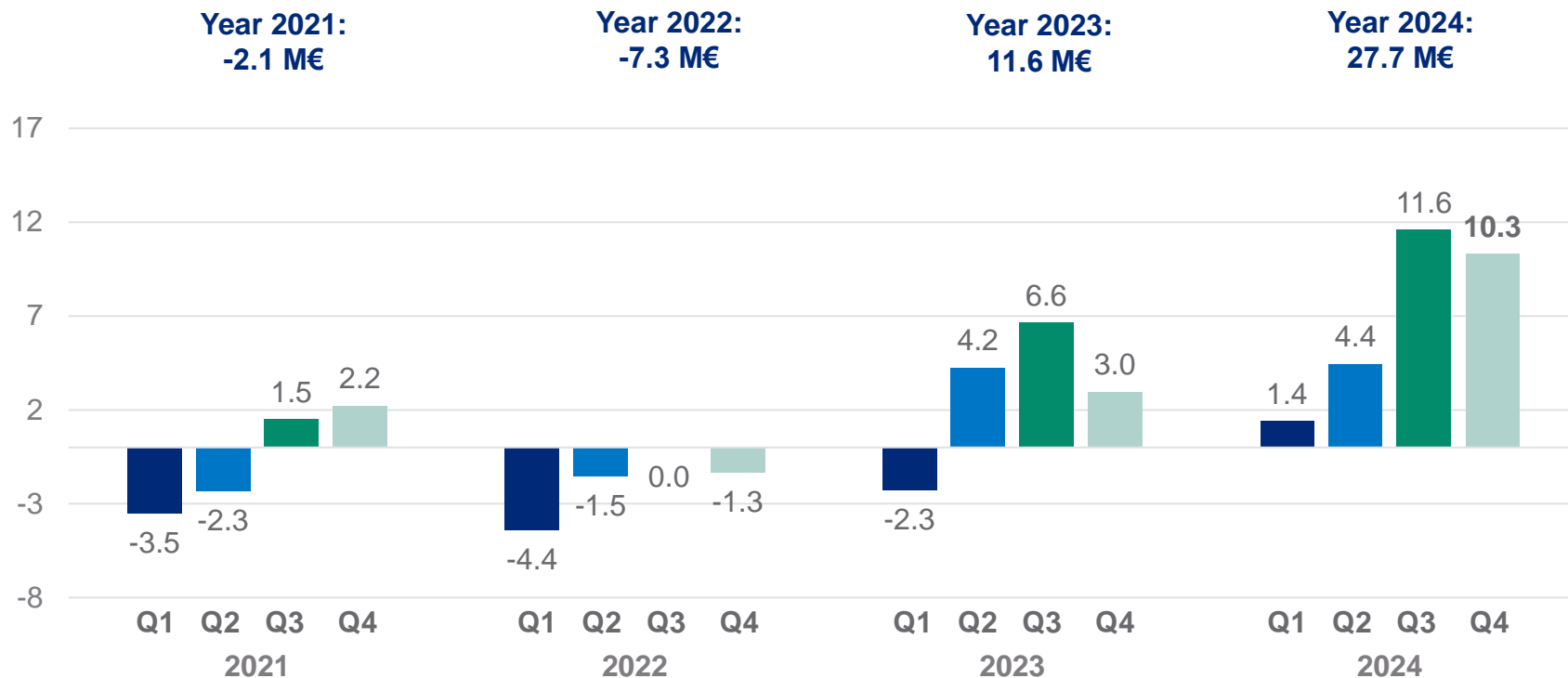
Categories



- Beef and pork
- Charcuterie, sausages and bacons
- Poultry
- Meals and meal components

- Changes in percentage points vs. Q4/2023 in parantheses
- Sales from Poland's bacon unit to Sweden are reported as external sales

Quarterly comparable EBIT from continuing operations, M€



HKFoods' renewed vision

Improving the profitability of the core business

Increasing production efficiency, cost control, optimising the product portfolio to meet changing consumer demand and commercial measures

Strengthening the financial base

Divestment of the Baltic, Swedish and Danish businesses

Vision: the most valued partner of food moments

Profitable and sustainable growth

2023

CASH FLOW · PROFITABILITY · BALANCE SHEET

2030

Key events 2024



HKFoods sold its Swedish and Danish businesses

- On 27 March 2024, HKFoods closed the sale of its Swedish business. The buyer was Lantmännen ek för
- On 31 October 2024, the company closed the sale of its Danish business to Plukon Food Group B.V. from the Netherlands



The company's new name is HKFoods Oyj

- Annual General Meeting approved the change of the company's name from HKScan Oyj to HKFoods Oyj. The parallel company names of the new name are HKFoods Plc (in English) and HKFoods Abp (in Swedish).
- The company's new name was introduced on 27 May 2024
- The changes of subsidiary names:
 - Poland: HKFoods Poland Sp. z o.o. from 23 August 2024
 - Finland: HKFoods Finland Ltd from 2 September 2024



HKFoods invests in ready meal production at Vantaa unit

- In September HKFoods decided on a significant strategic investment of approximately EUR 5 million in the meal production of its Vantaa unit
- The investment is HKFoods' response to the growing demand for ready meals in both the retail and food service sectors
- The new technology, high-quality products produced on the line will be launched in the second half of 2025



Development investment in the Eura unit of ready-to-eat products

- HKFoods has centralised its poultry meat packaging operations in Finland from Eura to Rauma and Forssa
- In March, the company announced plans to make significant investment to a production line for ready-to-eat products at its Eura unit
- In addition, there will be basic renovation work on the premises of the Eura unit
- With this strategic investment, HKFoods will improve its profitability by increasing the added value of its products and respond to the growing consumer demand for quick and easy cooking



HKFoods launched Finnish poultry exports to China in late 2024

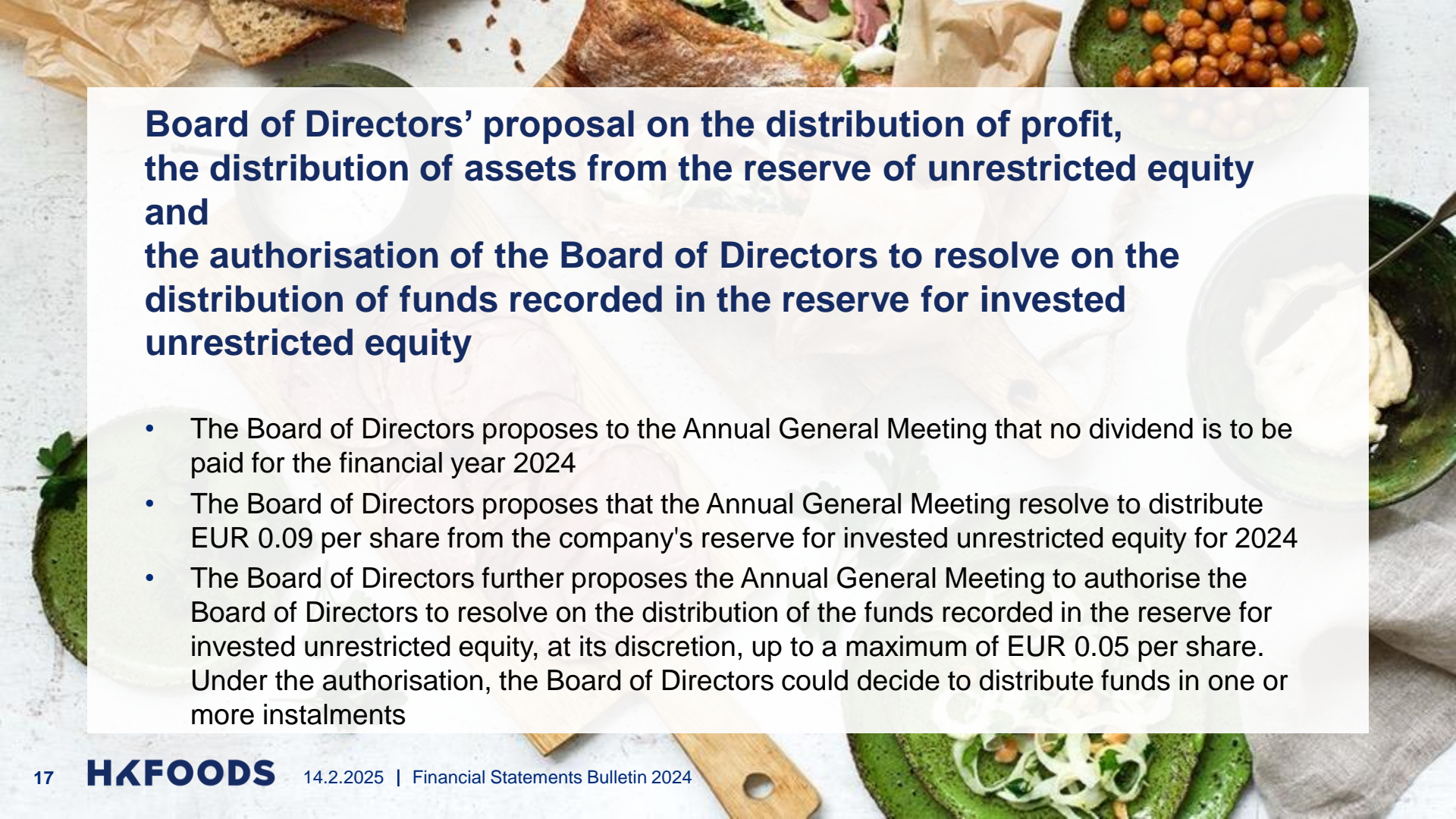
- HKFoods has started exporting poultry meat from Finland to China in late 2024, following an export licence for HKFoods' Rauma unit
- The export licence obtained by HKFoods on 30 October 2024 is a significant addition to HKFoods' extensive export rights. HKFoods currently exports Finnish pork to China.
- The products exported to China are mainly chicken toes and wings
- Over the past few years, HKFoods has invested in the growth of the Rauma unit, also in terms of exports



Outlook for 2025

HKFoods expects that in 2025 the Group's comparable EBIT will grow compared to 2024.





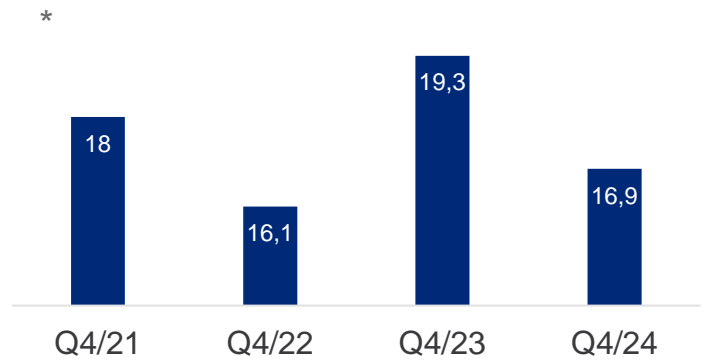
**Board of Directors' proposal on the distribution of profit,
the distribution of assets from the reserve of unrestricted equity
and
the authorisation of the Board of Directors to resolve on the
distribution of funds recorded in the reserve for invested
unrestricted equity**

- The Board of Directors proposes to the Annual General Meeting that no dividend is to be paid for the financial year 2024
- The Board of Directors proposes that the Annual General Meeting resolve to distribute EUR 0.09 per share from the company's reserve for invested unrestricted equity for 2024
- The Board of Directors further proposes the Annual General Meeting to authorise the Board of Directors to resolve on the distribution of the funds recorded in the reserve for invested unrestricted equity, at its discretion, up to a maximum of EUR 0.05 per share. Under the authorisation, the Board of Directors could decide to distribute funds in one or more instalments

Goal-oriented work towards zero accidents at work

Safety First

Incident frequency, LTIR
Continuing operations, rolling 12M average



*lost-time incidents per million working hours
*HKFoods in Finland and Poland



Financial Review



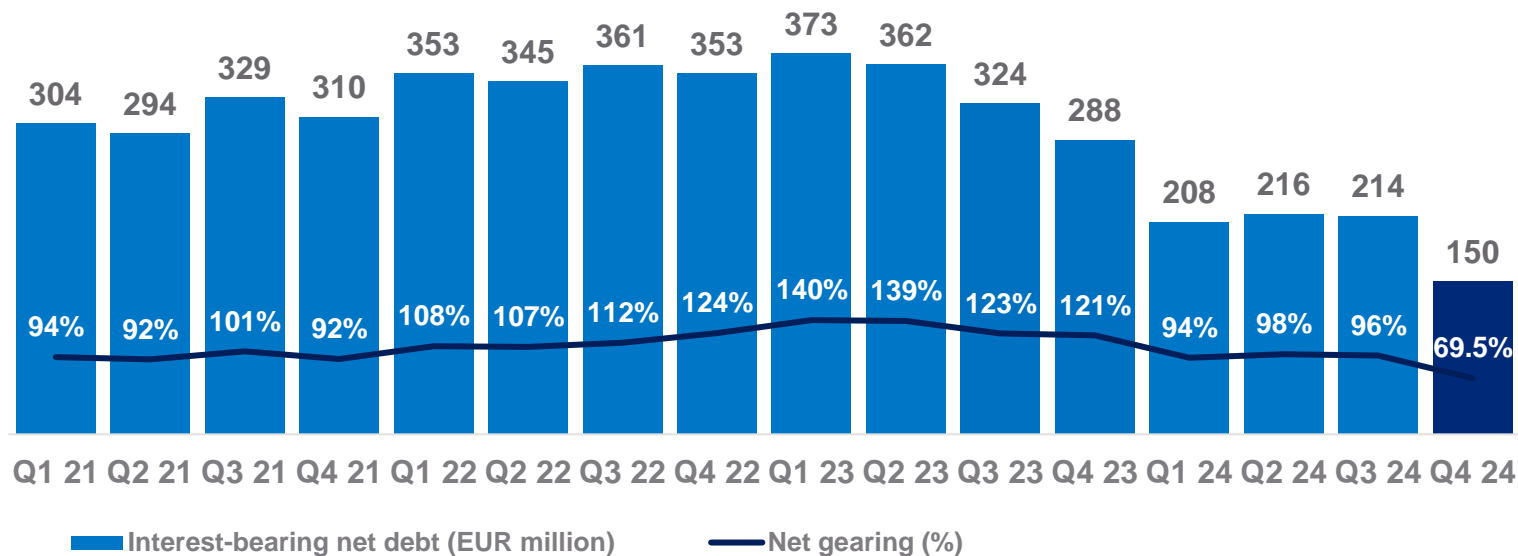
Key figures, continuing operations:

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	266.9	249.7	1 001.8	933.0
EBITDA	16.9	11.1	56.3	45.1
EBIT	6.5	3.1	22.4	14.3
- EBIT margin, %	2.4	1.3	2.2	1.5
Comparable EBIT	10.3	3.0	27.7	11.6
- EBIT margin, %	3.9	1.2	2.8	1.2
Profit for the period	-2.7	-7.2	-1.8	-17.3
EPS, EUR	-0.06	-0.10	-0.09	-0.24
Comparable EPS, EUR	-0.02	-0.10	-0.04	-0.27

Key figures

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Cash flow from operating activities, incl. discontinued operations	38.4	33.1	60.8	50.6
Cash flow after investing activities, incl. discontinued operations	64.3	40.2	141.7	73.3
Return on capital employed (ROCE) before taxes, %, incl. discontinued operations			0.9	3.0
Interest-bearing net debt			149.8	287,9
Net gearing, %			69.5	121.0

Interest-bearing net debt and net gearing



The net gearing ratio limit is 110 per cent until the end of June 2025.
 The net gearing ratio limit for the new bond is 120 per cent.

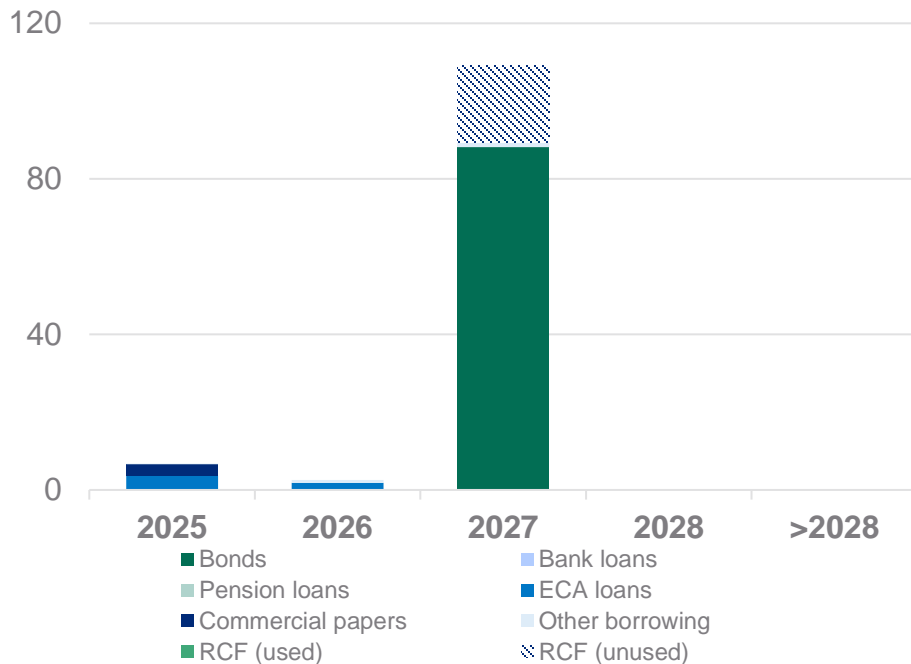
Continuity of financing ensured

- On 17 June 2024, HKFoods issued secured senior notes of EUR 90 million
- The three-year notes mature on 17 June 2027, carry a floating interest at the rate of EURIBOR 3 months plus a margin of 7.5 per cent and had an issue price of 100 per cent
- The proceeds from the bond were used for the partial repurchase of fixed-rate, unsecured notes due on 24 March 2025 and general corporate purposes of the HKFoods' Group.
- After the repurchase, the remaining old notes amounted to EUR 9.6 million and was fully redeemed at the redemption price of 100% on 20 December 2024.
- HKFoods also entered into a new secured revolving credit facility agreement of EUR 20 million with its financing banks, which will mature in 2027

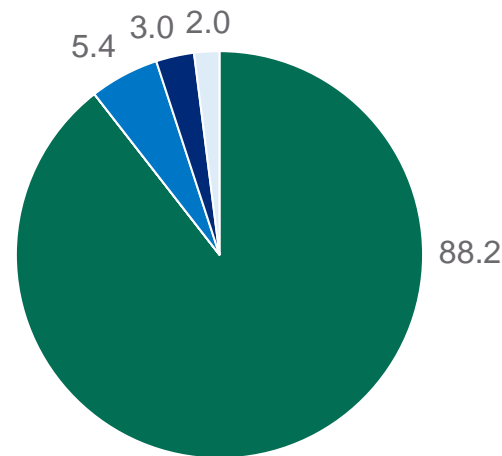


Debt profile and maturity structure as of 31 December 2024

Maturity of the Group's interest-bearing debt*, M€



Interest-bearing debt by credit type, M€*



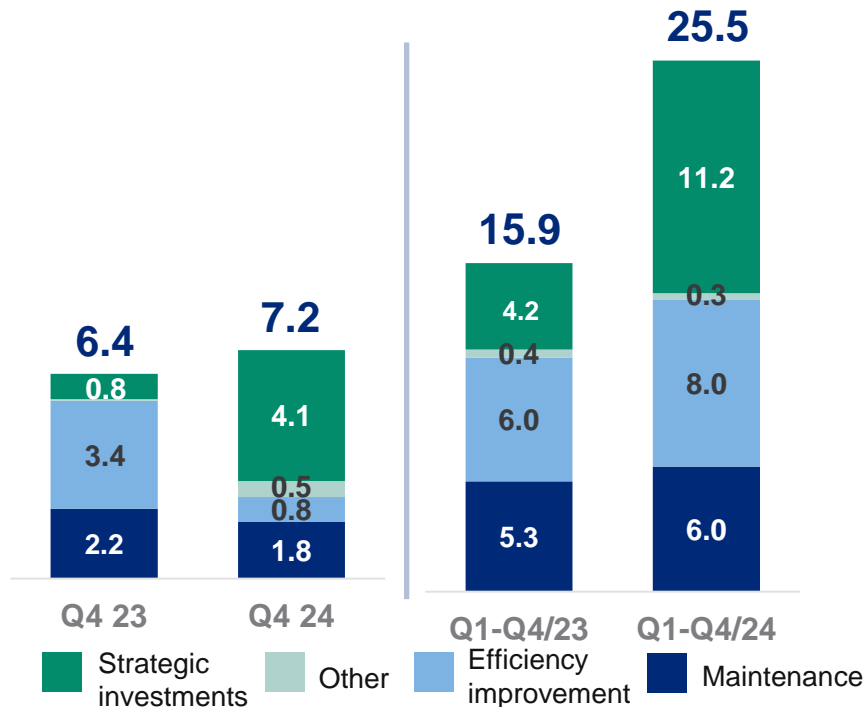
**Total interest-bearing debt without IFRS 16:
EUR 98.6 million**

*Without lease liabilities

*EUR 26 million hybrid bond is treated as equity

Investments

Group investments, M€, continuing operations

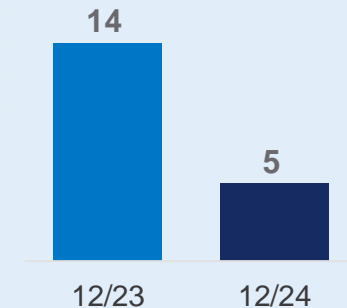


Cash flow and working capital

Cash flow from operating activities, M€, incl. discontinued operations



Working capital, M€, incl. discontinued operations



HKFoods' Flavoured Salt innovation

- HKFoods has developed a new Flavoured Salt that has reduced the salt content of several HK® and Kariniemen® products by up to 25% while retaining the familiar taste
- Part of the salt in these products has been replaced by the new Flavoured Salt. There is no sodium in Flavoured Salt
- New Flavoured Salt consists of potassium chloride and flavourings. HKFoods has exclusive rights to it for the time being
- When the package has the Heart Symbol, the salt has been reduced to meet the criteria for the Heart Symbol for this product group. The Heart Symbol indicates that the product is a better choice in its product group
- The first renewed products were launched in January 2025



Examples of Flavoured Salt novelties in spring 2025



INTOINORA MAKU  18. HUHTIKUUSTA 1913

HELPON ARJEN PAREMMAT VALINNAT

Tutut tuotteet, vähemmällä suolalla

TUTTU MAKU
-25%
VÄHEMMÄN
SUOLAA

TODELLA 



Examples of Flavoured Salt novelties in spring 2025



OMASTA MIELESTÄMME NAPAKYMPPI

KARINIEMEN KLASSIKOT MINUUTTIPIHVI®
JA FILEESUIKALE NYT ENTISTÄKIN
PAREMPINA VALINTOINA.

*Tuoteryhmässään
rasvan ja suolan kannalta
parempi valinta.*



Hyvä syntyy hyvästä

Easy everyday ready meals for consumers



HKFoods' financial reports in 2025:

- Q1 Interim Report: 7 May 2025
- Half-Year Financial Report 2025:
6 Aug 2025
- Q3 Interim Report: 5 Nov 2025



HKFOODS

*The most valued
partner of food moments*

HKFOODS

www.hkfoods.com

