

HKFOODS

Interim Report January–March 2025

Juha Ruohola, CEO

Mika Tilli, CFO

7.5.2025



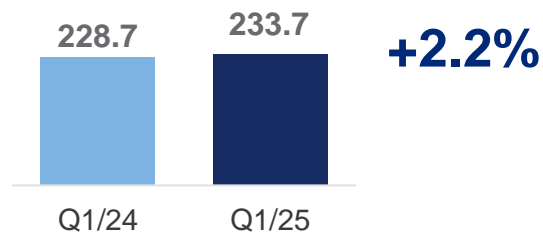
HKFoods' profitability grew clearly in January–March 2025

Q1/2025 – Net sales and EBIT

Net sales

- Sales growth in the food service channel continued, allowing HKFoods to further strengthen its position in the market. Sales growth continued also in poultry products.
- Consumer demand in Finland weakened from the comparison period and shifted especially to lower-priced products. In particular, demand for meat products declined. Industrial sales declined as planned.
- Export sales grew significantly, but the increase was mainly due to the exceptionally weak sales in the comparison period.

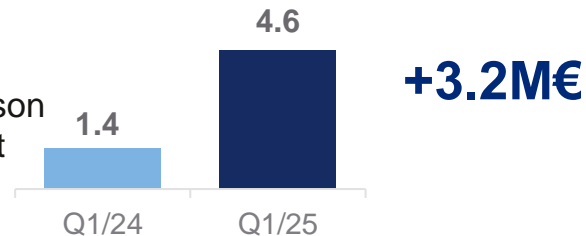
Net sales, M€, continuing operations



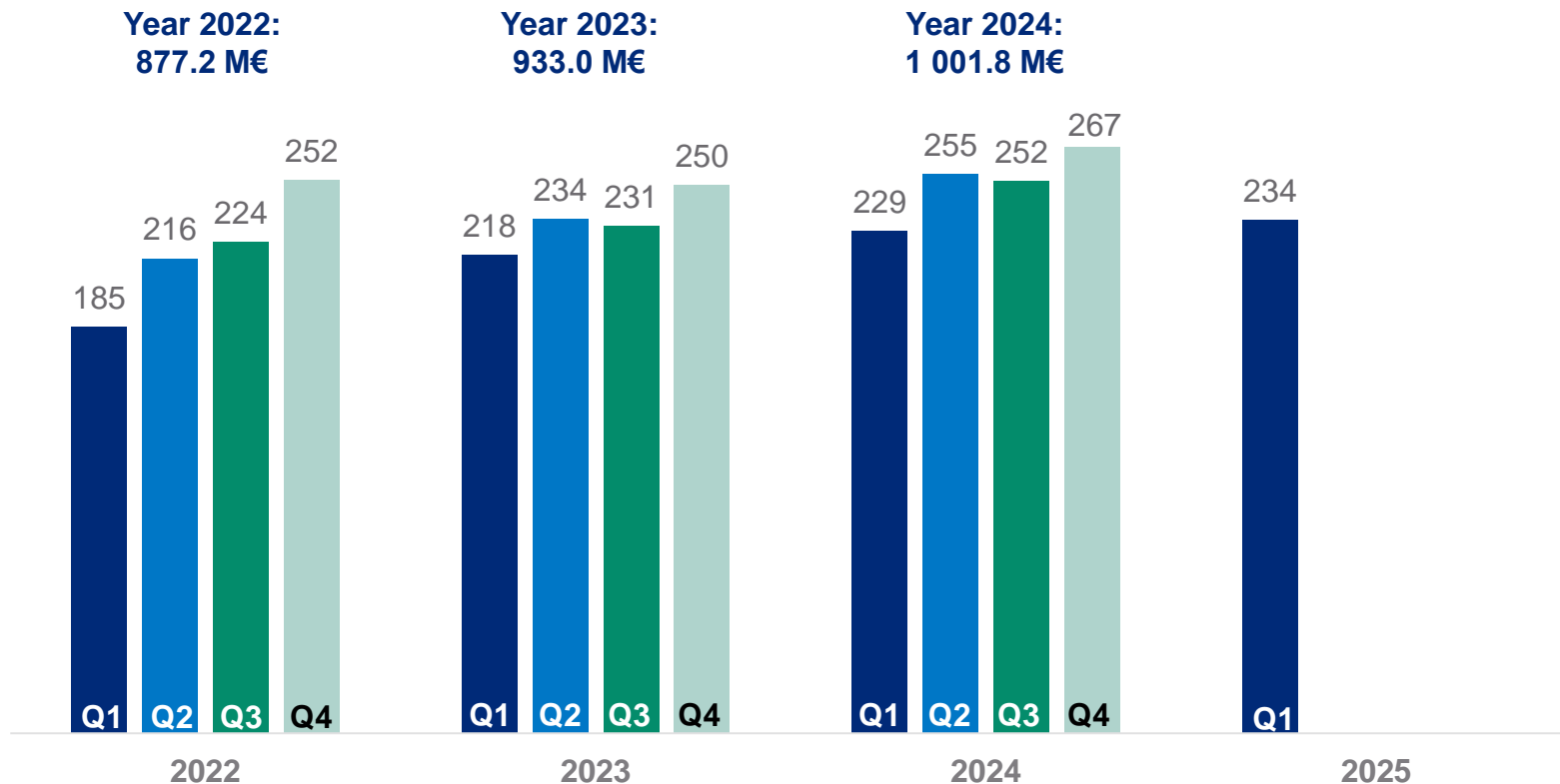
EBIT

- A better sales mix, production efficiency measures and cost savings improved HKFoods' EBIT.
- The efficiency programme progressed as planned. Investments in production also increased operational efficiency.
- The need for less profitable meat exports decreased from the comparison period, which improved HKFoods' sales mix. Growth in exports of meat products also strengthened the structure of export sales.

Comparable EBIT, M€, continuing operations

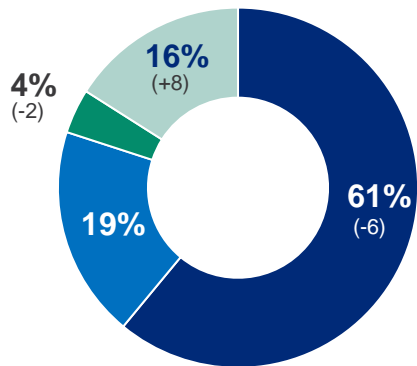


Quarterly net sales, M€, continuing operations



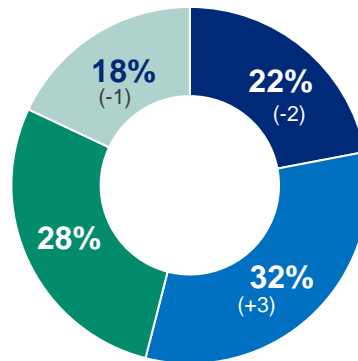
Net sales breakdown Q1/2025, continuing operations

Sales channels



- Retail
- Food service
- Industry
- Export

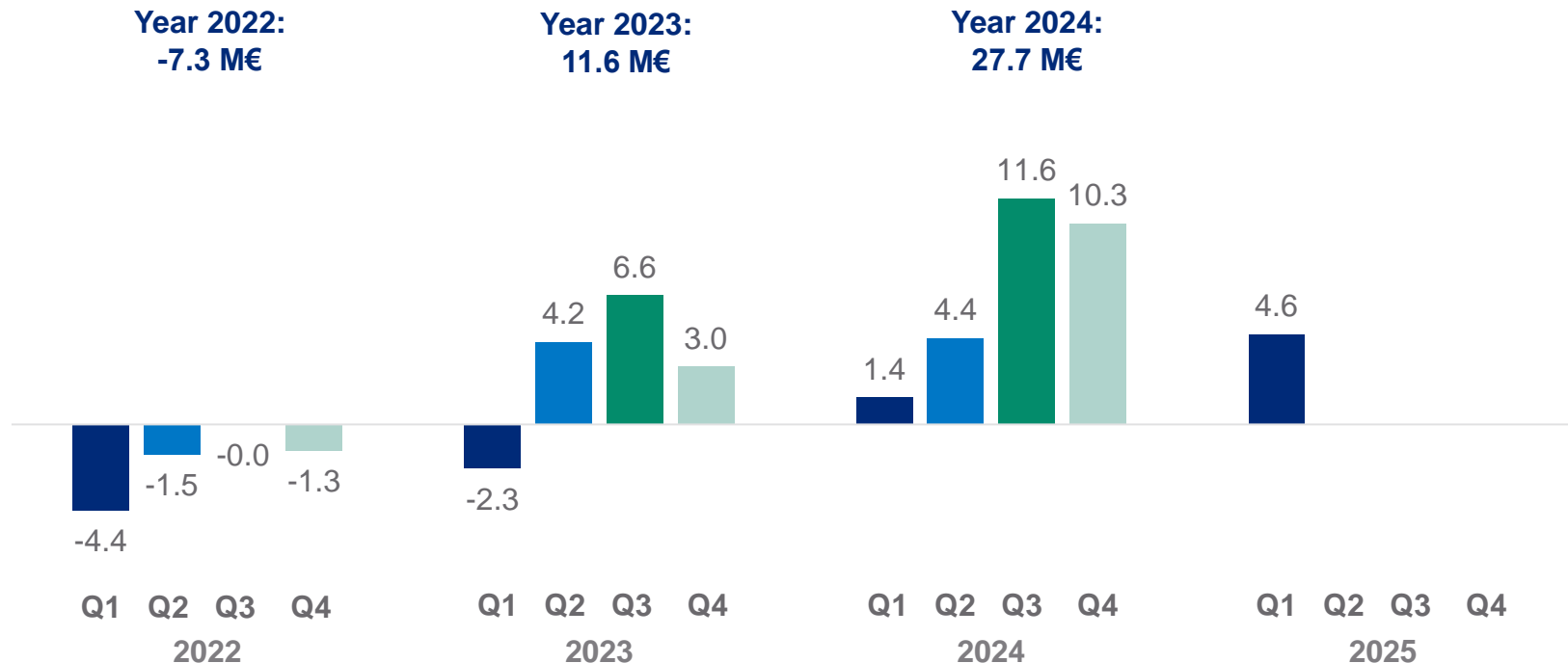
Categories



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

- Changes in percentage points vs. Q1/2024 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

Most important material sustainability themes in our value chain



Goal-oriented work towards zero accidents at work

Revised method of calculating accident frequency to the Group level

The LTIR figure also covers information of the subsidiaries Kivikylän kotipalvaamo Oy and Lihaturku Harri Tamminen Oy.

20.4

Accident frequency
(LTIR)

HKFoods Group's Lost Time Injury Rate (LTIR) of work accidents leading to sick leave among group's own workforce in Finland and Poland for the previous 12 months. No comparison figure is available for 2024.

Safety First



Key events in January–March 2025



HKFoods increased efficiency by moving operations away from Paimio

- Paimion Teurastamo Oy's operations were transferred to the external service provider Liha Hietanen Oy in Sastamala from 31 March 2025 and the Paimio-based production unit was closed.
- The Paimio unit slaughtered cattle and sows.
- HKFoods aims to achieve annual savings of around one million euros, which will start to accrue from Q2/2025.
- Overall, these savings are expected to be realised in the course of 2026.



HKFoods Plc cancelled treasury shares

- The Board of Directors of HKFoods Plc resolved to cancel 8,376,408 series A and 665,000 series K treasury shares. The cancellation was registered in the trade register on 25 March 2025.
- The cancellation reduced the number of issued series A and K shares with the corresponding amount but had no effect on the share capital.
- After the cancellation, the total number of shares and votes in the company are in total 89,910,373 shares, representing 179,875,373 votes.



Flavoured Salt innovation receives honorable mention in the FFCR Innovation Awards

- 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
- The first renewed products were launched in January 2025.



Meat sector strike affected the availability of products

- Following the failure of the mediation between the Finnish Food Workers' Union (SEL) and the Finnish Food and Drink Industries' Federation (ETL), a three-day strike in the meat and staple food sector took place in early April.
- HKFoods' units in Forssa, Mikkeli and Vantaa were covered by the strike.
- The strike significantly affected the availability of HKFoods' products and caused a pig backlog at the company's contract farms, which will generate additional costs.

Events after
the reporting
period



Investigation to assess the future of the Polish production unit

- The investigation is a continuation of HKFoods' assessment of its group structure
- Preliminary investigations also include an assessment of possible sale of the unit, with the aim of strengthening the group's balance sheet.

The production unit in Swinoujście

- Specialises in bacon production.
- Net sales in 2025 estimated at EUR 70 million. In addition, the unit has internal sales within the group.
- The unit employs approximately 300 people.

Events after
the reporting
period



Outlook for 2025

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



Financial Review



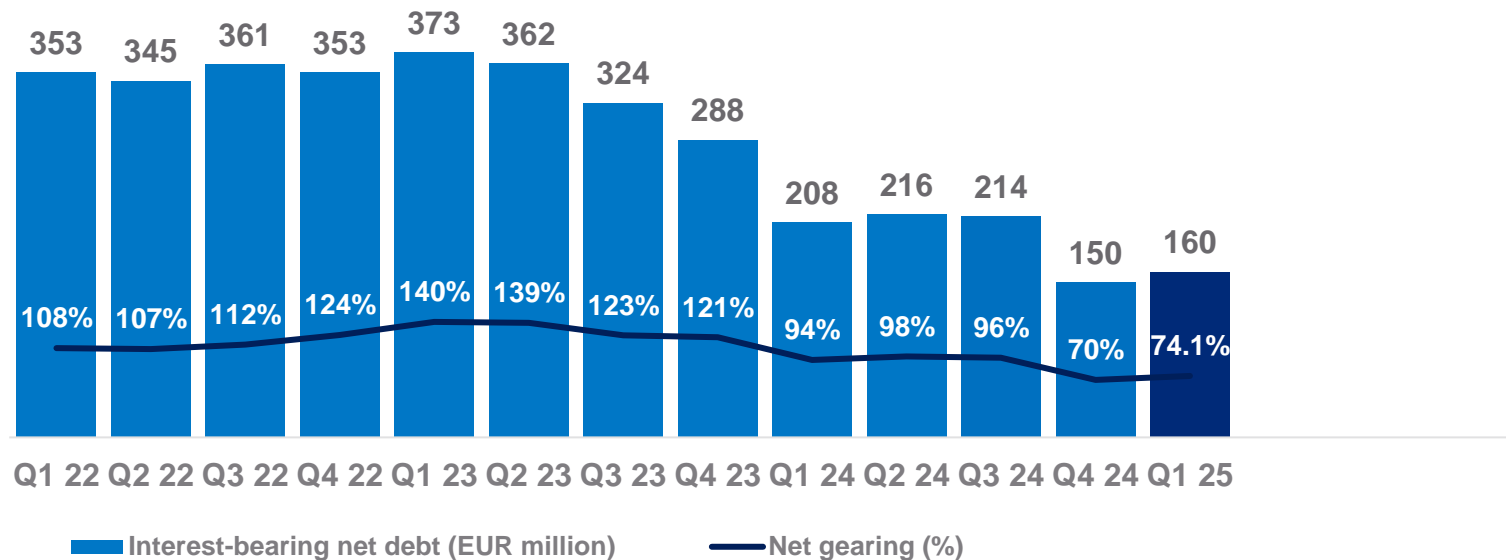
Key figures, continuing operations:

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	233.7	228.7	1,001.8
EBITDA	12.1	8.9	56.3
EBIT	4.6	1.2	22.4
- EBIT margin, %	2.0	0.5	2.2
Comparable EBIT	4.6	1.4	27.7
- EBIT margin, %	2.0	0.6	2.8
Profit for the period	0.8	-3.8	-1.8
EPS, EUR	0.00	-0.05	-0.09
Comparable EPS, EUR	0.00	-0.05	-0.04

Key figures

EUR million	1-3/2025	1-3/2024	1-12/2024
Cash flow from operating activities, incl. discontinued operations	-4.7	1.8	60.8
Cash flow after investing activities, incl. discontinued operations	-9.9	73.9	141.7
Return on capital employed (ROCE) before taxes, %, incl. discontinued operations	6.8	-0.2	0.9
Interest-bearing net debt	160.1	208.0	149.8
Net gearing, %	74.1	93.8	69.5
Leverage (Net debt to EBITDA ratio)	2.6	2.5	2.6

Interest-bearing net debt and net gearing

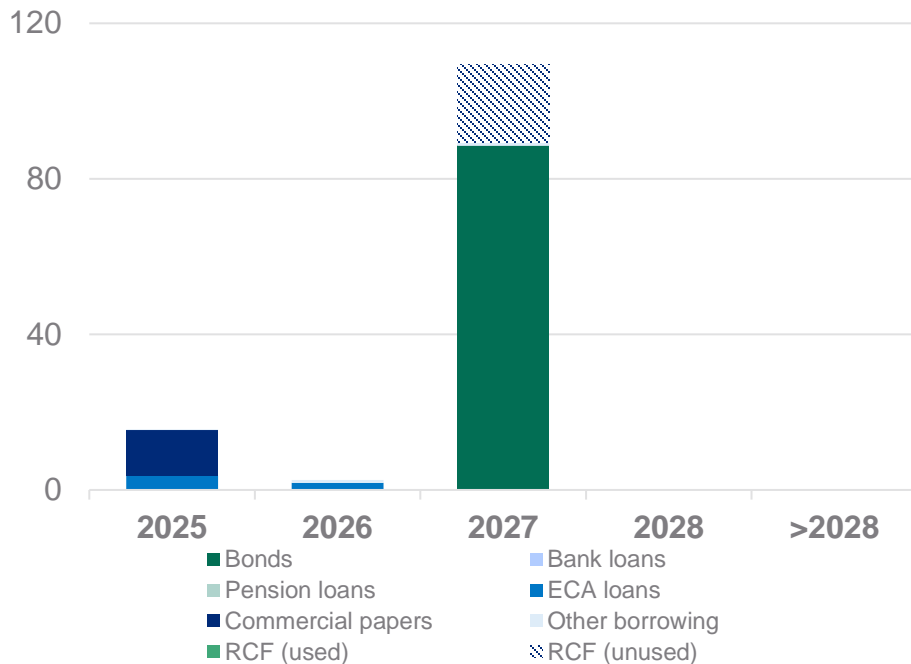


The net gearing ratio limit is 110 per cent until the end of June 2025.

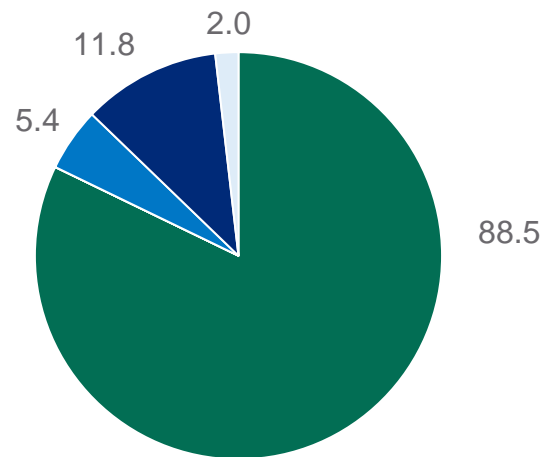
The net gearing ratio limit for the new bond is 120 per cent.

Debt profile and maturity structure as of 31 March 2025

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



Interest-bearing debt by credit type, M€*



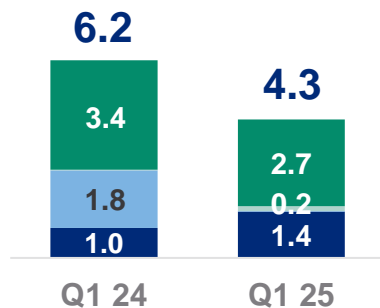
**Total interest-bearing debt without IFRS 16:
EUR 107.7 million**

*Without lease liabilities

*EUR 26 million hybrid bond is treated as equity

Investments

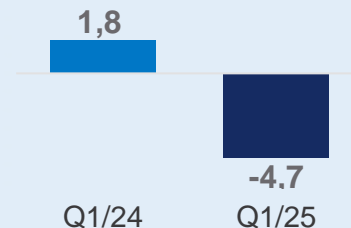
Group investments, M€, continuing operations



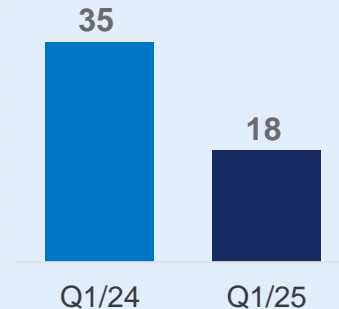
Strategic investments Other Efficiency improvement Maintenance

Cash flow and working capital

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



Working capital, M€, incl. discontinued operations



Examples of HK novelties in summer 2025



**HELPPOON JA
ONNISTUNEeseen
GRILLAAMISEEN.**



Examples of HK novelties in summer 2025



HELPPOON JA ONNISTUNEeseen GRILLAAMISEEN.



Examples of Kariniemen novelties in summer 2025



OMASTA MIELESTÄMME NAPAKYMPPI

KARINIEMEN KASSIKOT MINUUTTIPIHVI®
JA FILEESUIKALE NYT ENTISTÄKIN
PAREMPINA VALINTOINA.

*Tuoteryhmässään
rasvan ja suolan kannalta
parempi valinta.*



Hyvä syntyy hyvästä

Easy everyday ready meals for consumers



Financial reports in 2025:

- Half-Year Financial Report 2025:
6 August 2025
- Q3 Interim Report:
5 November 2025



HKFOODS

*The most valued
partner of food moments*

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www.hkfoods.com

