



Midsona Year-end Report 2021

Company presentation

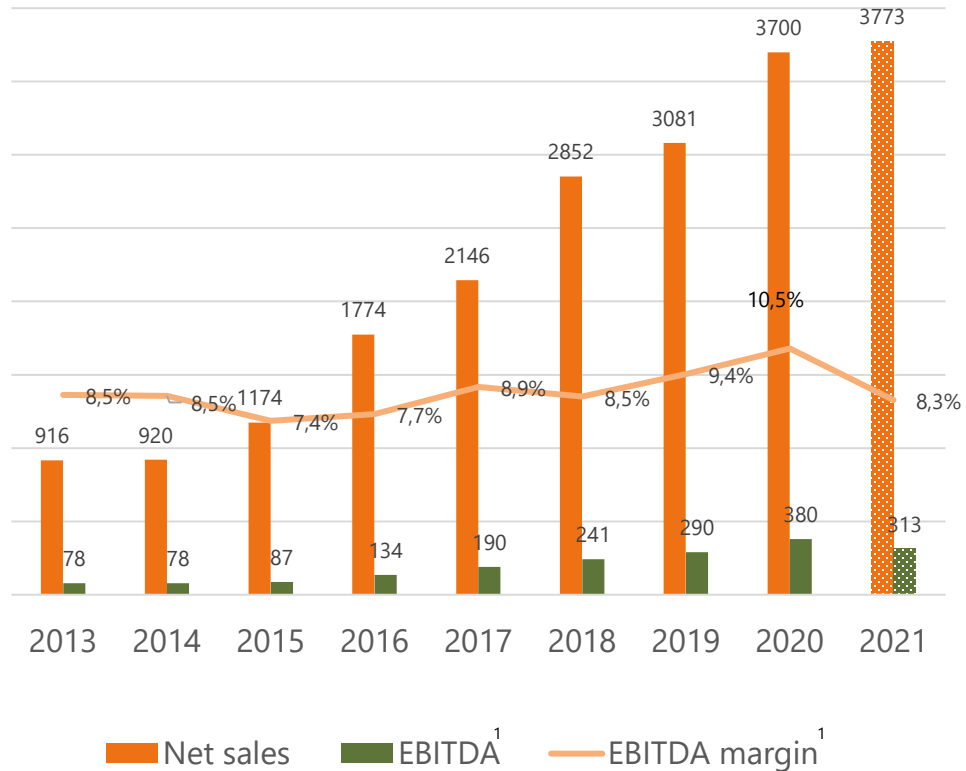
CEO Peter Åsberg and CFO Max Bokander



midsona

Midsona's growth pattern was broken in 2021

SEK m



2013-2020

- Market growth
- Stable cost base
- Continued growth driven by own brands and M&A
- Consolidation of the Nordics. First steps in Europe.
- Excellent cash conversion

2021

- Market decline for organic
- Severe cost inflation (autumn / winter)
- Transport and supply chain issues
- Unsuccessful integration of System Frugt
- Limited M&A (only small Vitality)
- Negative cash flow

2021 Summary

Net sales amounted to:	3 773 MSEK (3 709)
EBITDA before one off items amounted to:	313 MSEK (390)
Corresponding EBITDA-margin amounted to:	8,3% (10,5%)
Net result amounted to	90 MSEK (176)
Free Cash flow amounted to:	-94 MSEK (252)



External headwind – cost inflation and adverse market developments



- Sharp increases in raw material prices during the autumn
 - Bad crops
- Prices for energy, transport and packaging materials also increased
- Broken supply chain
 - Ordered raw materials did not arrive on time and in quite a few cases not at all

Indexvärdet för de svenska livsmedelsproducenternas kostnader under Q4 landar på 99 – den högsta nivån som Livsmedelsföretagen har uppmätt och bara en enmet från maxvärdet på 100 (där 50 är oförändrat). Nästintill samtliga av Livsmedelsföretagens medlemsföretag rapporterade därmed om mycket stora kostnadsökningar för sina inköp av råvaror.

– Under mina tolv år som chefekonom för Livsmedelsföretagen har jag aldrig sett något liknande, och jag vet faktiskt inte hur långt tillbaka man skulle behöva gå för att hitta något som ens kommer i närheten. Det som tidigare var en perfekt storm har nu utvecklats till en perfekt superstorm. Jag är full av beundran inför hur de svenska producenterna har lyckats hantera kostnadsökningarna, men nu tror jag att många börjar närma sig en brytpunkt, säger Carl Eckerdal, chefekonom på Livsmedelsföretagen.



Kostnadsutvecklingen i årstakt för Livsmedelsföretagens inköp av rå/insatsvara. Indexvärde 50 motsvarar oförändrad utveckling. Maxvärde 100, minvärde 0. Källa: Livsmedelsföretagen

Investment in plant based meat alternatives

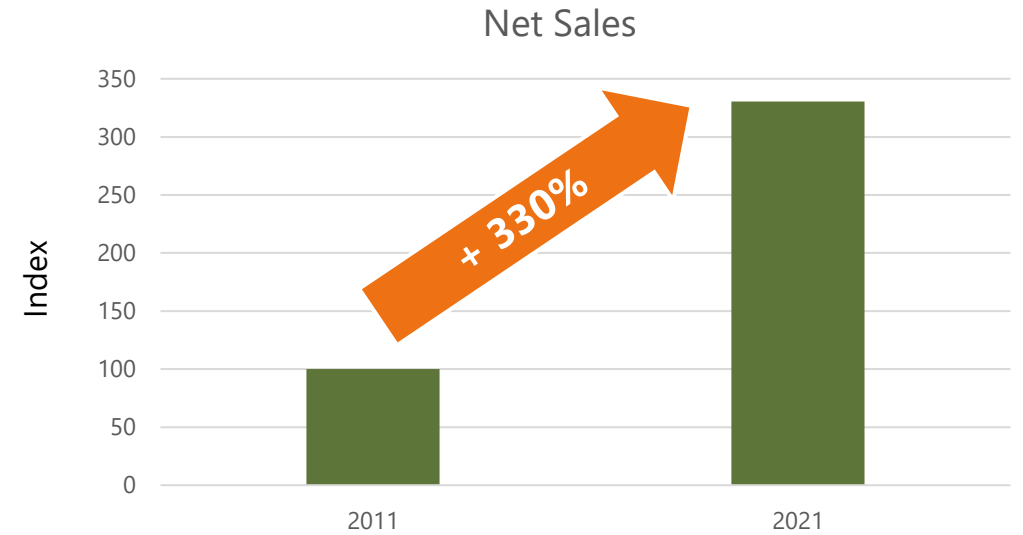


- Major investment in plant-based meat alternatives in Castellcir, Spain
- Upgraded & extended facility operational as of end 2021
- New products formats
- Expanded capacity
- Utilize or brands
 - Kung Markatta, Urtekram, Helios, Davert, Happy Bio



- Insourcing
- Product development
- New customers
 - Breakthrough with Mercadona in Spain

Friggs – the success story continues



- High innovation pace
- Cut through marketing
- Category management
- Expansion into new markets: Sweden -> Finland -> Norway

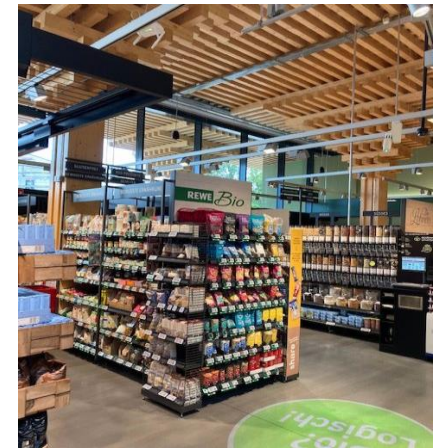
Roll-out in the grocery trade in Europe



Davert in Germany

- Roll-out in Rewe
- Edeka test stores

REWE



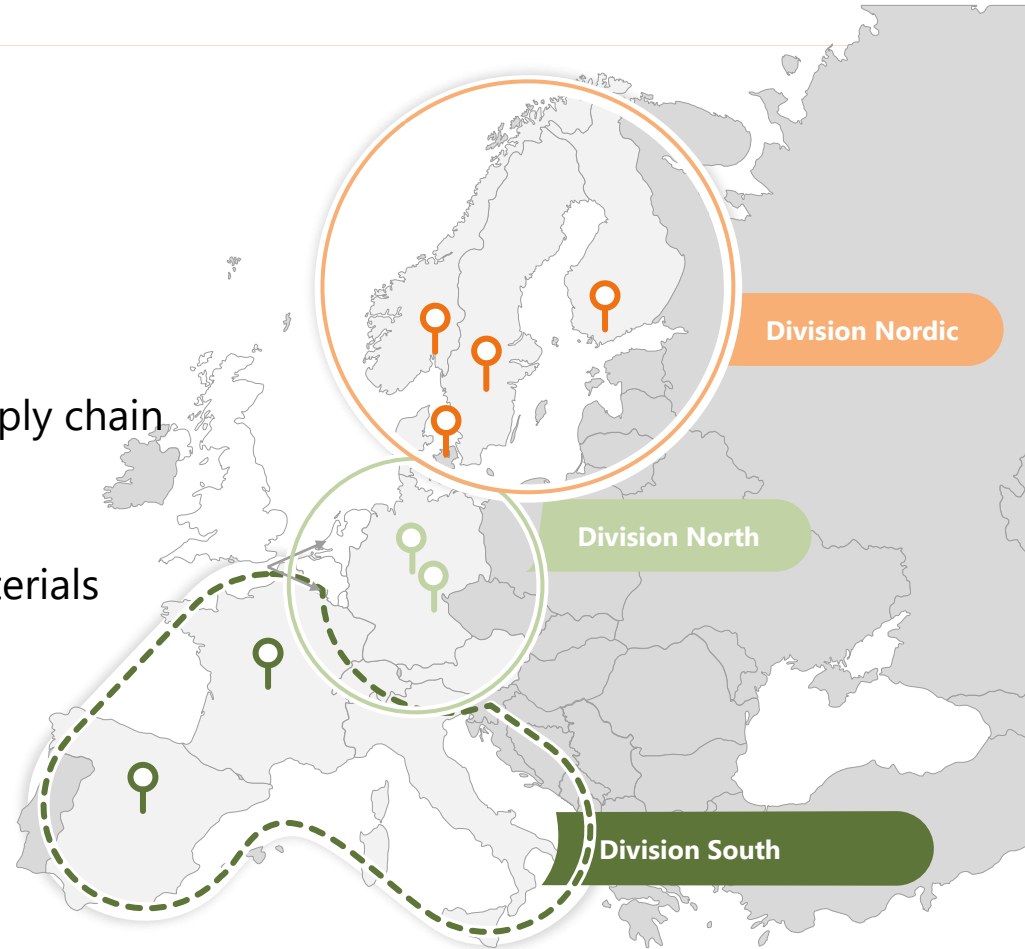
Happy Bio in France and Spain

- Roll-out all major customers in France
- Several customers in Spain

A challenging q4

Summary

- Net sales decline
 - Weak October and November
 - Improvement in December
- Sharp decline in gross margin
- Key issue I: disruptions in the supply chain
 - Bad crops effect raw materials availability
 - Delays in deliveries of pack materials
 - Transport delays
 - Significant cost increases
- Key issue II: market decline for organic foods



- **Nordic**
 - Growth in pharmacy and food service
 - Supply issues effecting System Frugt Christmas season
- **North**
 - Growth in food service
 - Weak sales in grocery trade and health food stores
- **South**
 - Growth in food service
 - Weak sales in grocery trade and health food stores

Q4 Summary

Net sales amounted to:	1 012 MSEK (1 083)
EBITDA before one off items amounted to:	61 MSEK (114)
Corresponding EBITDA-margin amounted to:	6,0% (10,5%)
Net result amounted to	1 MSEK (55)
Free Cash flow amounted to:	-25 MSEK (102)



2022 priorities and actions

- **Growth focus**
 - Key brands
 - Roll-out of plant based meat alternatives
- **Implement price increases**
 - First flight of price increases will take full effect at the start of q2
 - Possible that further price increases are needed
- **Profit protection plans**
 - Lower cost base
 - Gradual effect from q2 and forward
- **Cash flow focus**
- **Add-on acquisitions Europe**

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Financial review
CFO Max Bokander



Financial summary

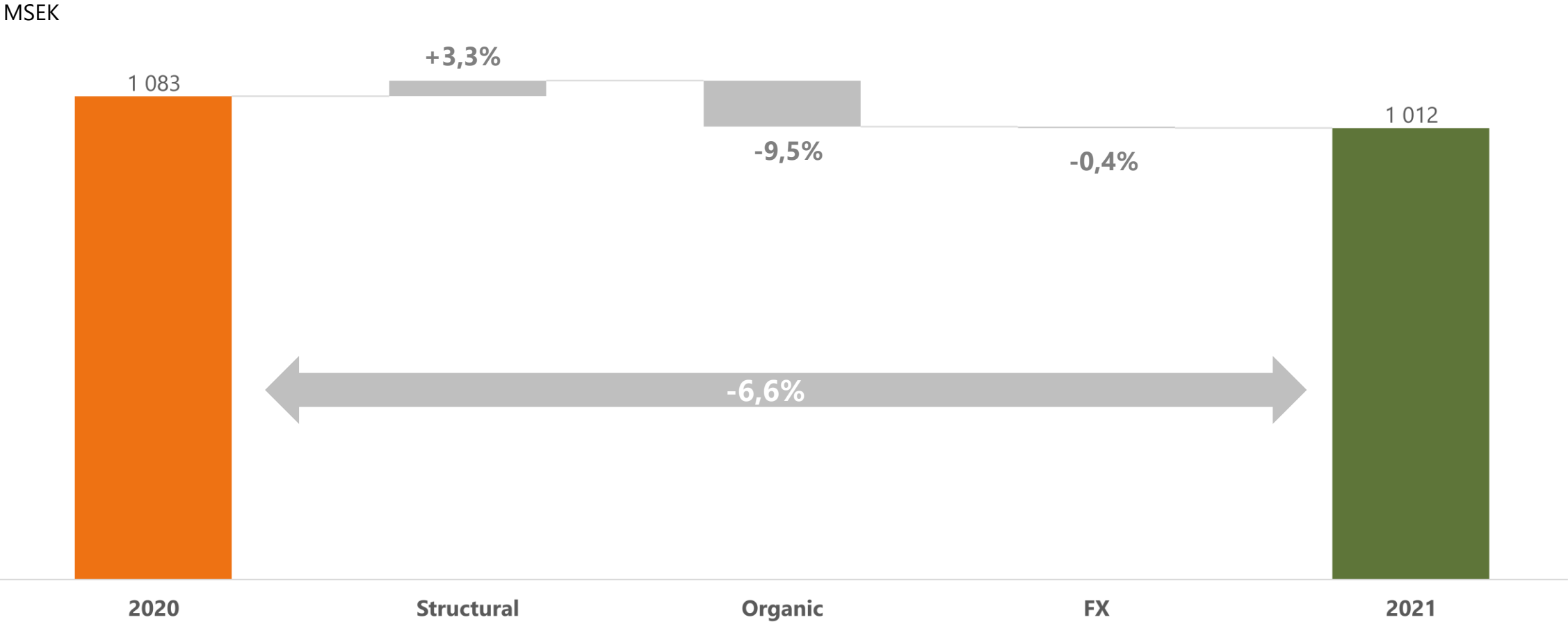
MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	1 012	1 083	3 773	3 709
GM%*	23,9	28,1	27,0	28,1
EBITDA*	61	114	313	390
EBITDA%*	6,0	10,5	8,3	10,5
D&A*	-41	-41	-156	-147
IAC	-3	-7	4	14
Net financing costs	-11	-15	-46	-53
Net tax costs	-5	4	-26	-28
Net result	1	55	89	176
Earnings per share	0,01	0,85	1,31	2,70
Free Cashflow	-25	102	-94	252

* Before Items Affecting Comparability (IAC)

Highlights – Q4

- Net Sales – 6,6%
 - 9,5% organic decline
- Significant drop in GM% -4,2 p.p. driven by
 - price inflation not yet passed on to customers
 - Spot purchases, write offs
 - lower efficiency due to lower volumes
- The drop in EBITDA is a result of the weaker GM% and the lower volumes
- Free Cash flow further negatively impacted by compliance to new payment regulations (EU) 2019/633
 - Implemented in Sweden 1st of November 2021

Net sales – Q4 vs LY



Structural effects
Vitality included from Q4-21

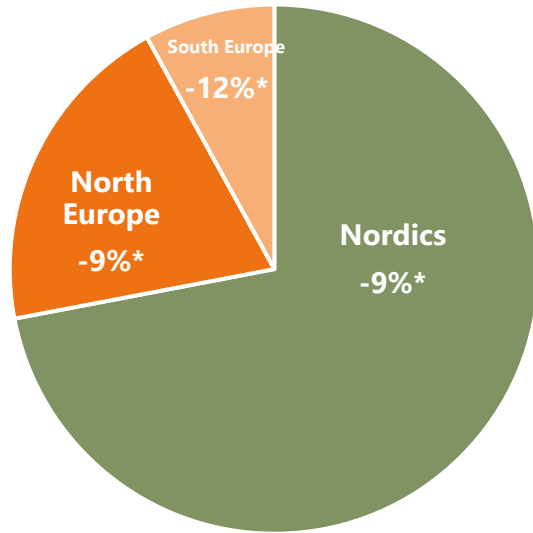
Q4 organic growth by

Division

Nordics (72% of NS)

North Europe (20% of NS)

South Europe (8% of NS)



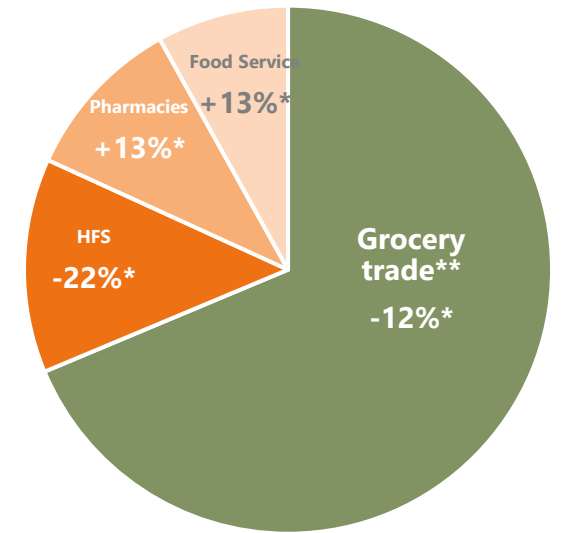
Sales Channel

Grocery trade (68% of NS)

Health Food Stores (13% of NS)

Pharmacies (10% of NS)

Food Service (8% of NS)



Product Category

Organic (46% of NS)
(100% plant based)

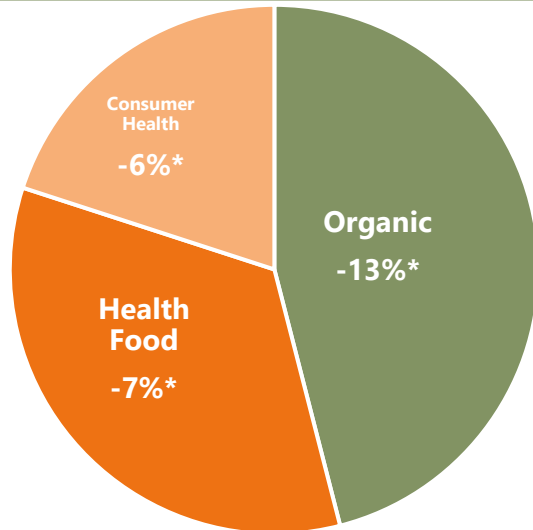
- E.g. Meat alternatives, Grains, Cereals, etc.

Health Food (34% of NS)
(~95% plant based)

- E.g. Corncake's, Nuts, Sports nutrition's, etc.

Consumer Health (20% of NS)

- Supplements
- Natural Medical products
- Etc.

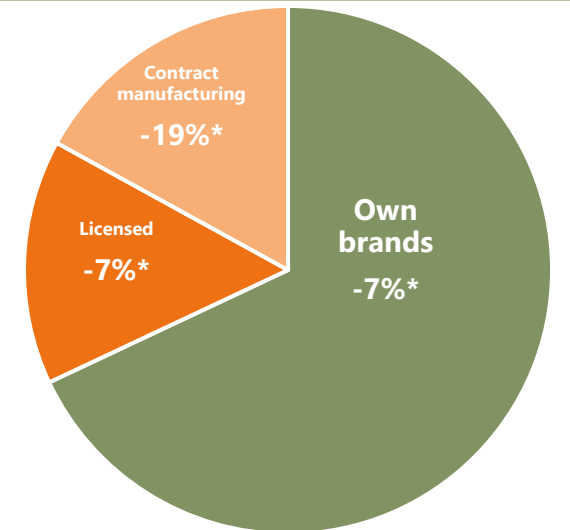


Brand type

Own brands (68% of NS)

Licensed (15% of NS)

Contract manufacturing (17% of NS)



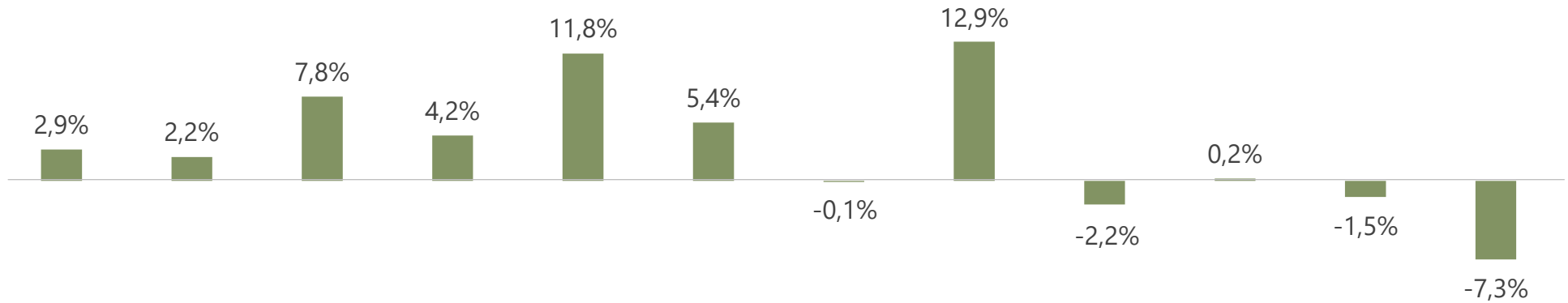
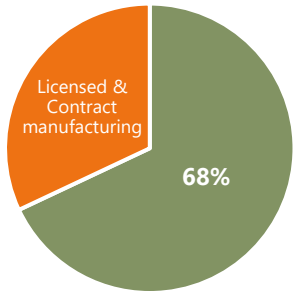
* Organic growth (Net sales growth excluding structural and x-rate impact)

** Includes other sales channels

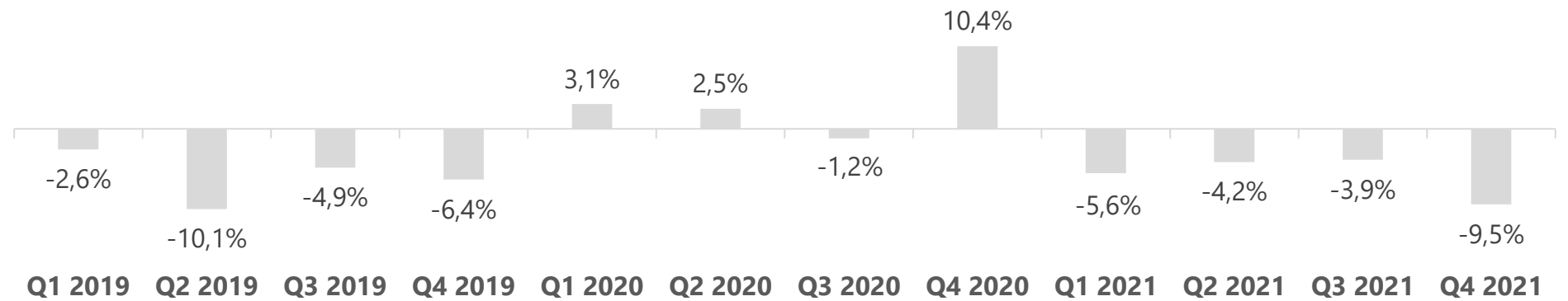
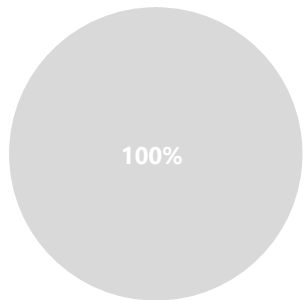
Organic Growth development

Own brands

% of Q4-21 NS

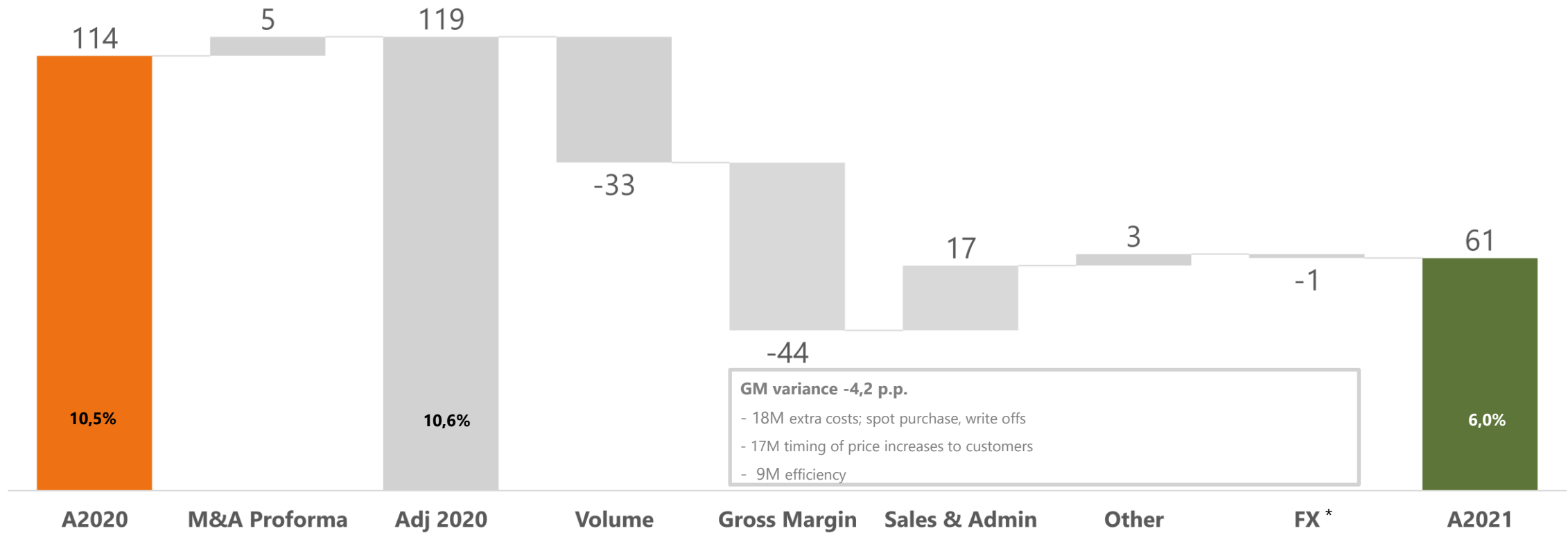


All brand types



EBITDA - Q4 vs LY

MSEK



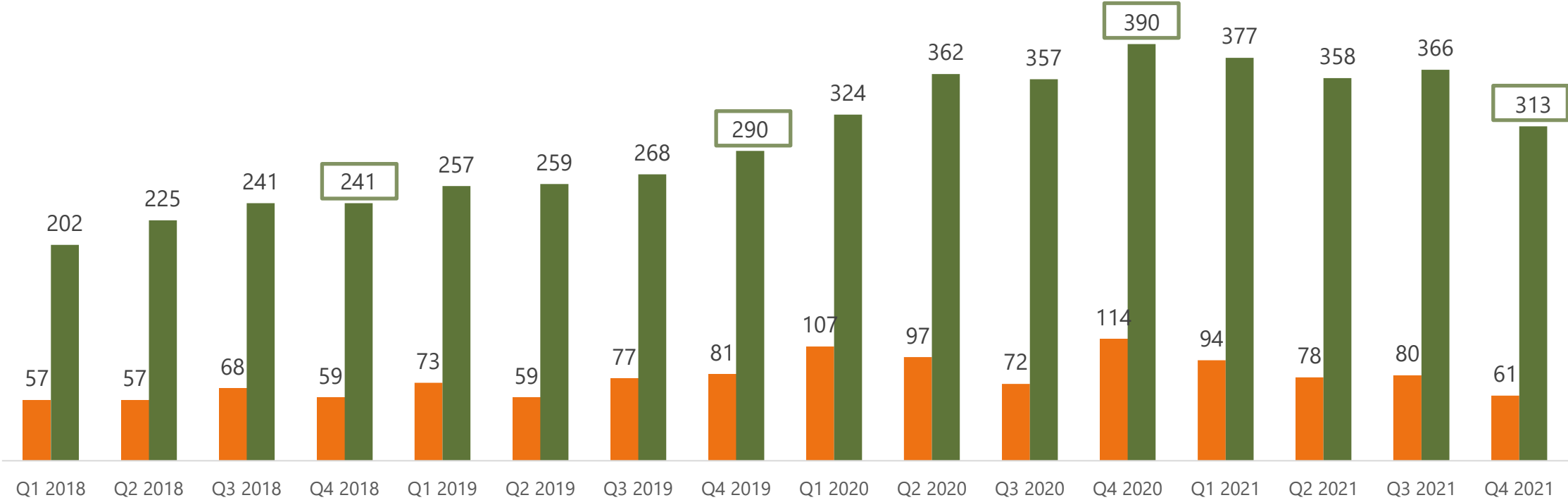
Note! numbers presented on this slide are excluding IAC

* Translation and revaluation effect

EBITDA development

MSEK

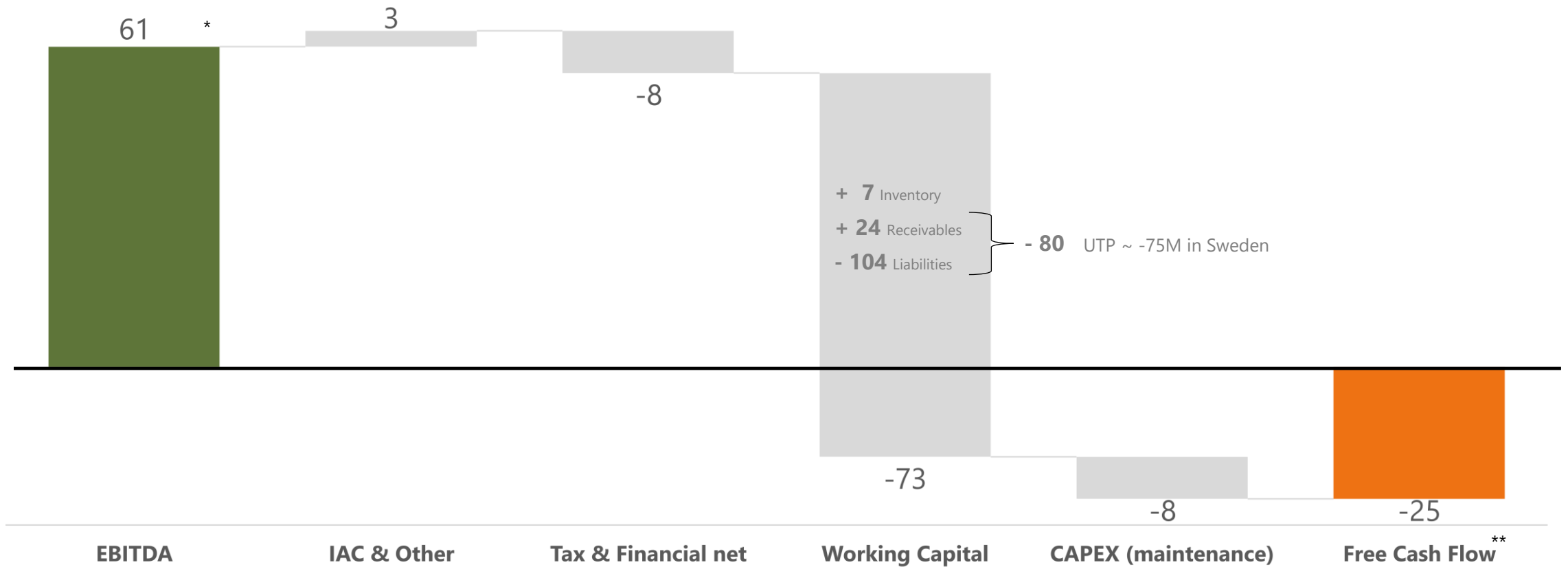
■ QTD ■ R12



Note! numbers presented on this slide are excluding IAC

Free Cash Flow - Q4

MSEK

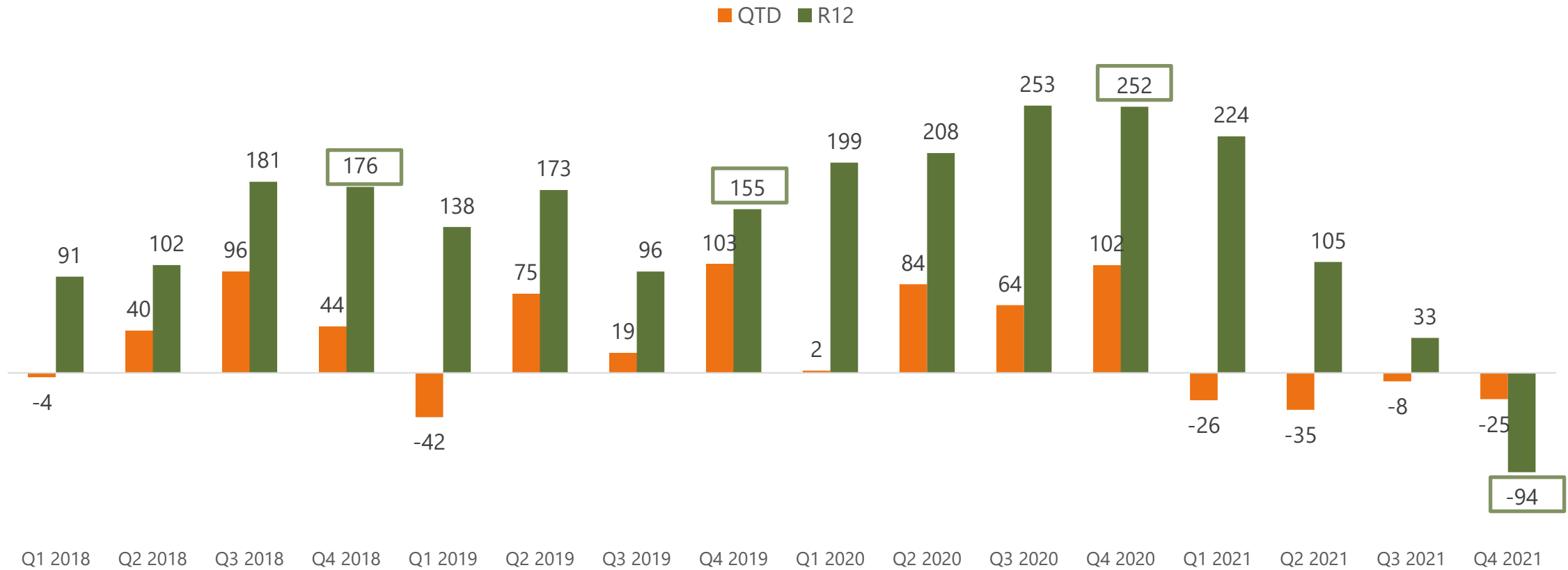


* Before IAC

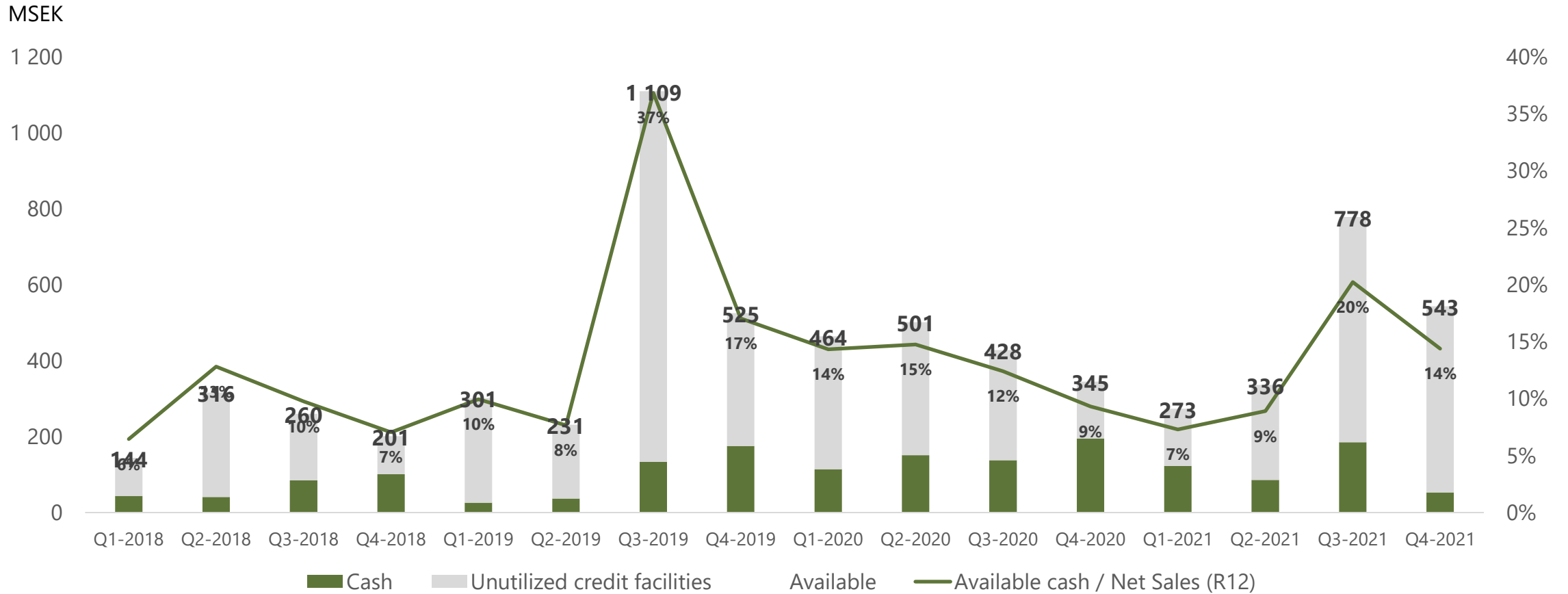
** Free Cashflow adjusted for lease amortization (-14M) at -39M

Free Cash Flow development

MSEK



Available cash



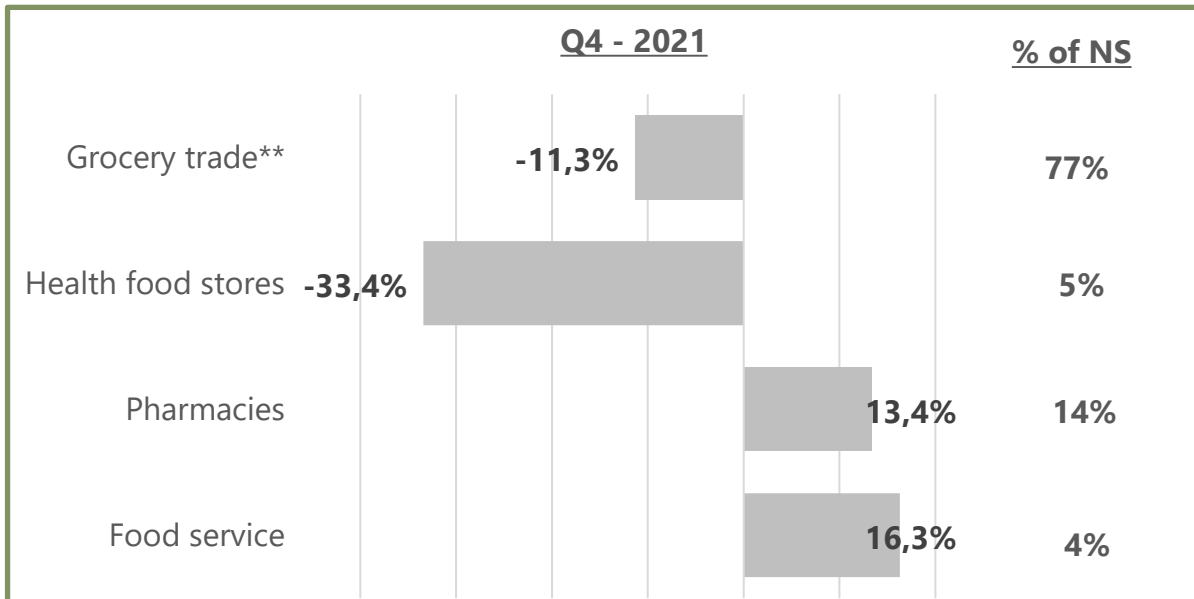
Summary and outlook

- **Challenging market conditions towards end of 2021**
 - Severe cost inflation
 - Supply chain issues
 - Negative market development
- **Expect gradual improvement in 2022**
 - First flight of price increases will take full effect at the start of q2
 - More robust supply chain
 - Stabilized market conditions as the pandemic comes to an end
- **Committed to a turn-around**
 - Agile pricing management
 - Growth focus. Drive our brands!
 - Leverage our investment in plant-based meat alternatives
 - Fix issue countries Denmark and Germany
 - Profit protection plans
 - Restore cash flow generation



Nordics

MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	726	761	2 611	2 428
GM%*	27,9	31,0	30,7	31,9
EBITDA*	65	90	263	288
EBITDA%*	7,1	9,9	8,0	10,1



* Before IAC

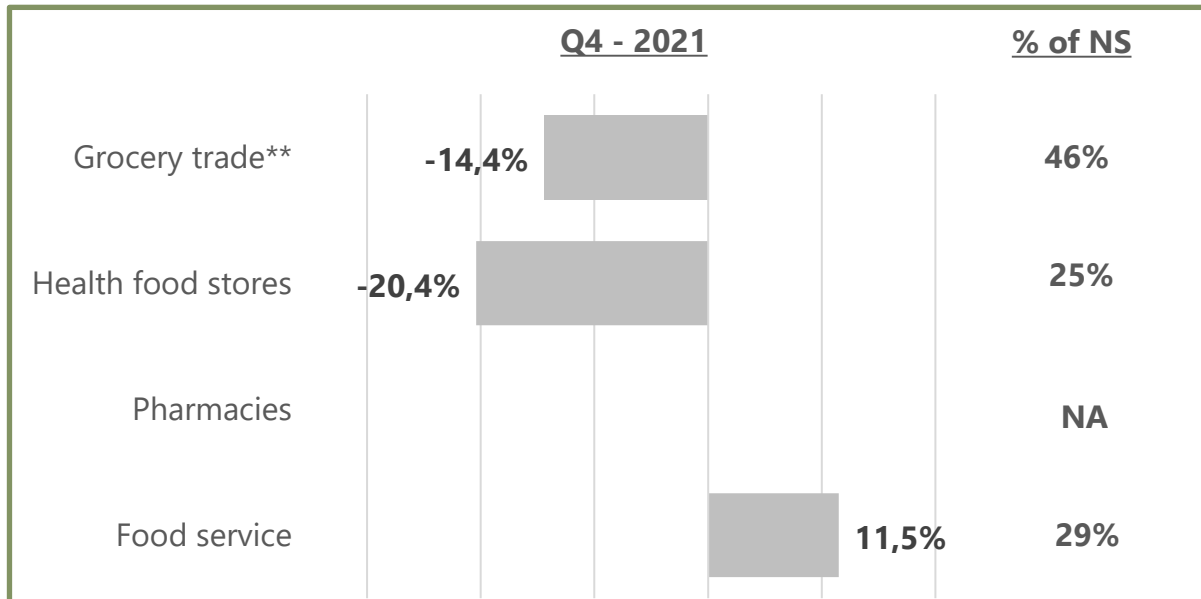
** Includes other sales channels

Highlights – Q4

- Net Sales decline of 4,5%
 - Currency; +0,1% Structural; +4,8%
 - Organic decline -9,4%
 - Own brands with organic decline of 6,0%
 - Approx. 2 p.p. negative effect from exited low margin contract for a licensed brand
- EBITDA vs LY (-25M)
 - GM down with 33M due to lower volumes, not yet passing on cost inflation to customers and negative one offs for maintaining customer relations.
 - Partly compensated by lower Selling and Admin expenses from cost control and synergies of integrating System Frugt

North Europe

MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	208	231	831	899
GM%*	12,4	20,5	17,2	19,4
EBITDA*	0	16	50	74
EBITDA%*	0,1	6,9	6,1	8,3



Highlights – Q4

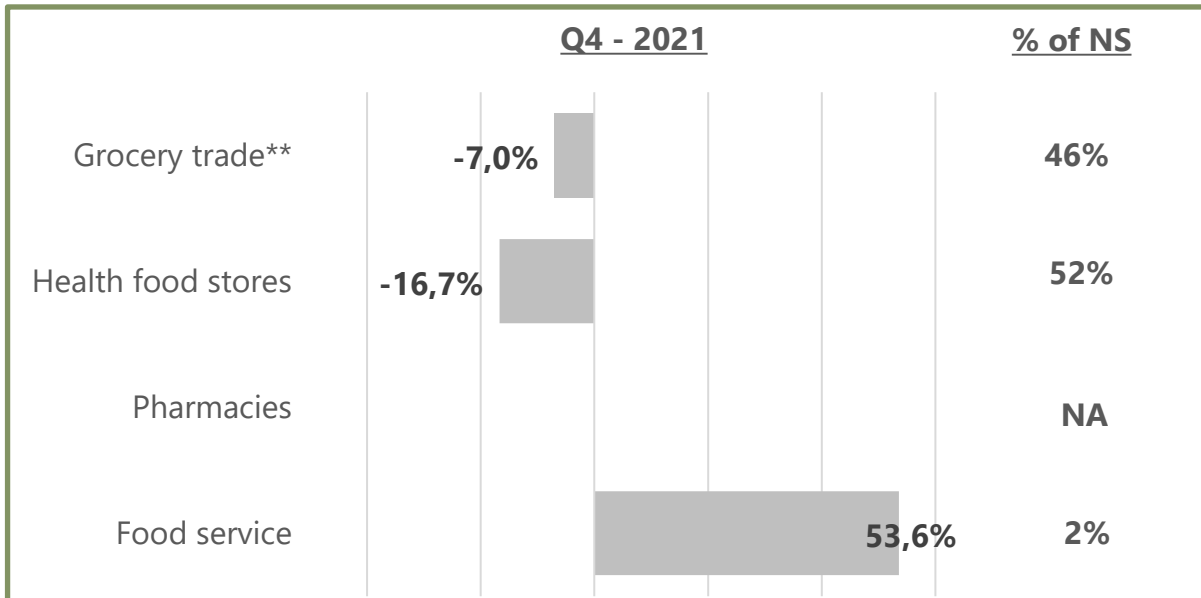
- Net Sales decline of 10,1%
 - Currency translation -1,4%
 - Organic decline of 8,7%
 - Own brands with organic decline of 7,6%
- EBITDA vs LY (-16M)
 - GM down with 22M due to lower volumes, not yet passing on cost inflation to customers and negative one offs for inventory adjustments
 - Partly compensated by lower Selling and Admin expenses from cost control

* Before IAC

** Includes other sales channels

South Europe

MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	86	99	369	409
GM%*	16,0	21,6	20,8	23,2
EBITDA*	4	12	26	51
EBITDA%*	4,6	12,6	7,0	12,5



* Before IAC

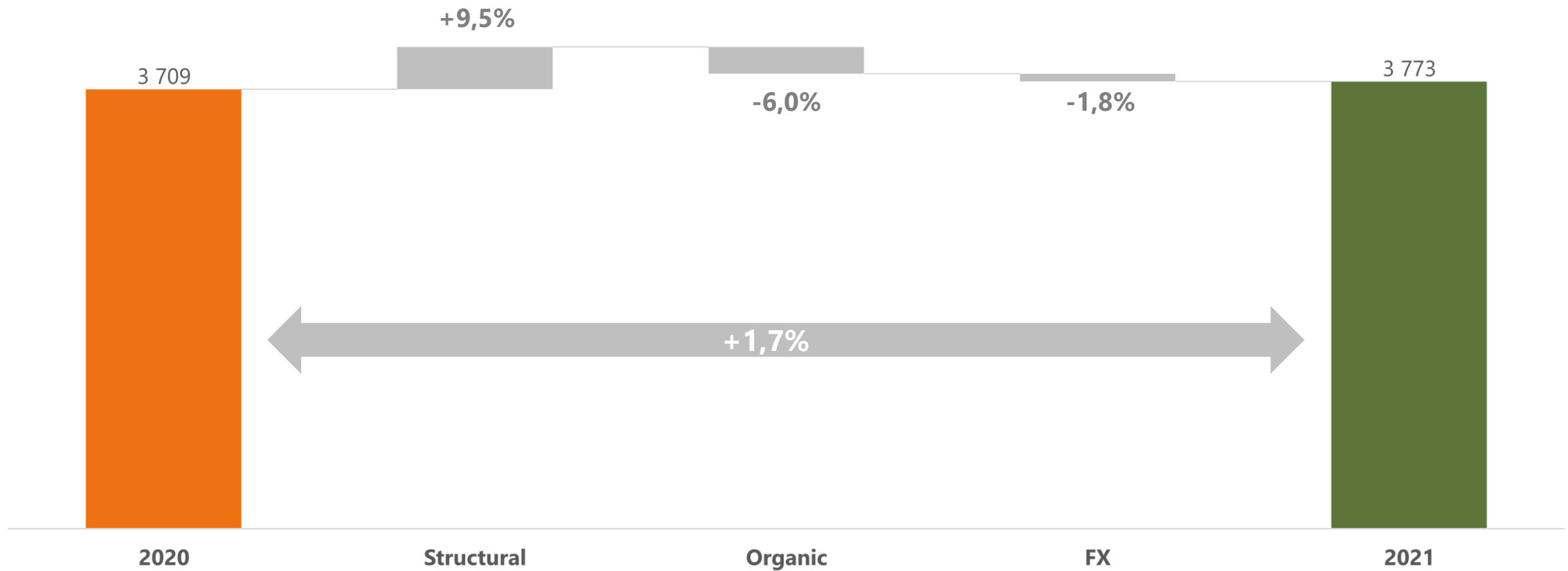
** Includes other sales channels

Highlights – Q4

- Net Sales decline of 12,8%
 - Currency translation -1,1%
 - Organic decline of 11,7%
 - Sales to HFS stores continue being weak where our product categories have been declining in the range of -14% to -26% in the French market (source: Bioanalytics)
- EBITDA vs LY (-8M)
 - GM down with 8M due to lower volumes and from negative mix when less profitable contract manufacturing sales grew with 10%

Net sales – 2021 vs LY

MSEK

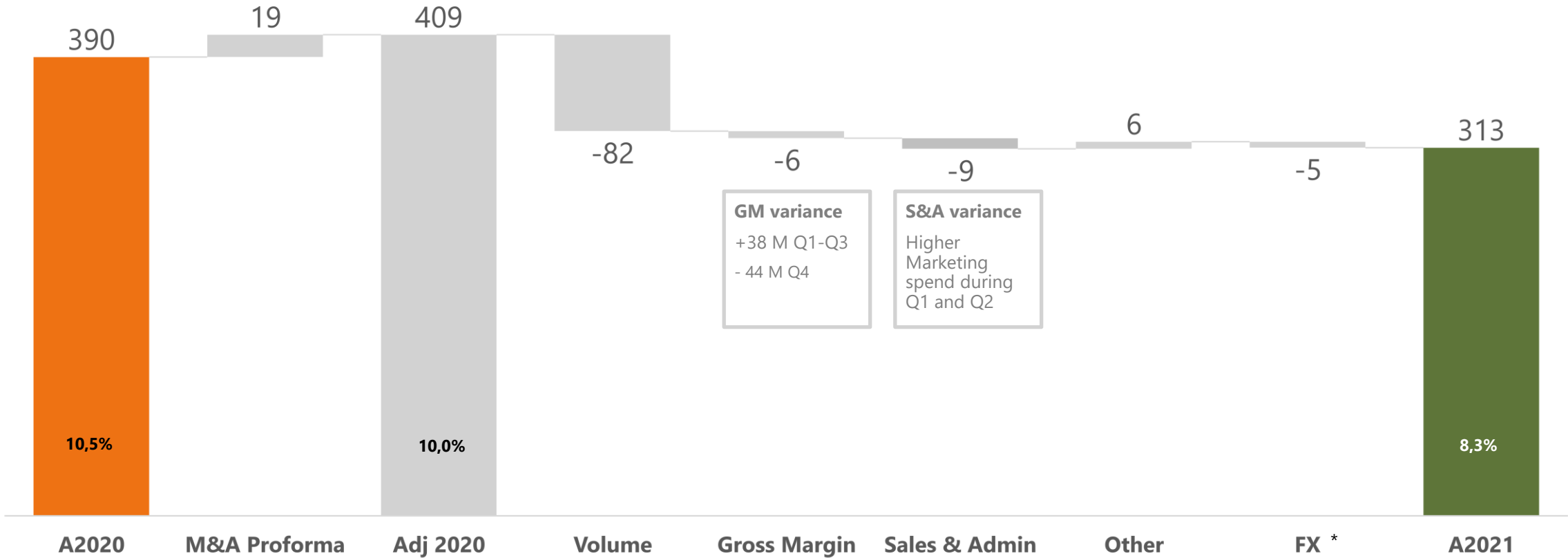


Structural effects

System Frugt included from Q4-20
Vitality included from Q4-21

EBITDA – 2021 vs LY

MSEK

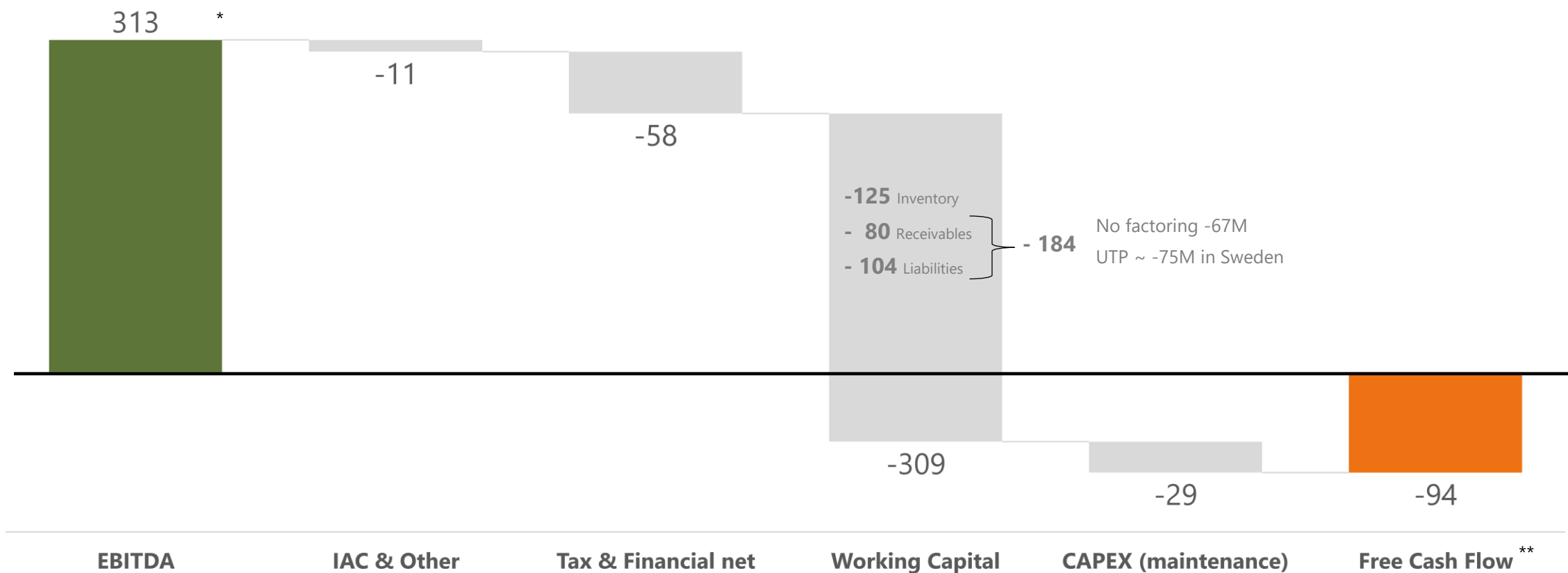


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* Translation and revaluation effect

Free Cash Flow - 2021

MSEK



* Before IAC

** Free Cashflow adjusted for lease amortization (-58M) at -152M