

ANORA

Anora's Interim Report January–March 2023: Solid sales growth, EBITDA declined due to currency impacts, increased input costs and higher operating expenses

Anora Group Plc Stock Exchange Release 11 May 2023 at 8:30 am EEST

Anora's Interim Report January–March 2023: Solid sales growth, EBITDA declined due to currency impacts, increased input costs and higher operating expenses

This release is a summary of Anora Group Plc's Interim Report January–March 2023. The complete report is attached to this release and is also available on the company website at: www.anora.com/en/investors

Q1 2023 in brief

- Net sales were EUR 159.5 (133.4) million. Net sales were positively impacted by the acquisition on Globus Wine in July 2022, and the increased sales volumes in Spirits and Industrial. Net sales excluding Globus Wine were EUR 136.5 million.
- Comparable EBITDA was EUR 7.9 (13.0) million or 5.0% (9.8%) of net sales. The comparable EBITDA was burdened mainly by the unfavourable currency exchange rates, and high input costs.
- Net cash flow from operating activities was EUR 3.6 (-38.6) million.
- Earnings per share were EUR -0.08 (0.03).
- Net debt/comparable EBITDA (rolling 12 months) was 4.0 (2.2).

Guidance

Guidance remains unchanged: In 2023, Anora's comparable EBITDA is expected to be between EUR 80–90 million.

Key figures

	Q1 2023	Q1 2022	2022
Net sales, EUR million	159.5	133.4	702.7
Comparable EBITDA, EUR million	7.9	13.0	76.1
% of net sales	5.0	9.8	10.8
EBITDA, EUR million	6.9	11.9	67.9
Comparable operating result, EUR million	-0.7	5.2	42.9
% of net sales	-0.4	3.9	6.1

Operating result, EUR million	-1.7	4.1	34.7
Result for the period, EUR million	-5.6	2.1	18.1
Earnings per share, EUR	-0.08	0.03	0.26
Net cash flow from operating activities, EUR million	3.6	-38.6	-0.4
Net debt / comparable EBITDA (rolling 12 months)	4.0	2.2	4.0
Personnel end of period	1 284	1 085	1 251

CEO Pekka Tennilä:

“I am pleased with our net sales development in Q1 showing organic growth despite of the declining markets and unfavourable exchange rates.

Our comparable EBITDA in Q1 was EUR 7.9 million, 5.0% of net sales. Clearly, it is not at a satisfactory level but corresponded to our expectations in a challenging operating environment. Our key focus for the year is improving profitability with strong initiatives on pricing and cost savings.

Our profitability in Q1 decreased mainly due to the weakening of NOK and SEK. The gross impact of the currency was at level of EUR 4 million, which we were not able to fully compensate with pricing. In addition, our operational costs were significantly higher. During Q1, we implemented the planned price increases to improve our gross margins. The full impact will be seen in Q2, as in Sweden the prices took effect only in March, while in Finland this occurred in April. Our operating costs increased mainly due to the timing of additional maintenance and IT activities in the first quarter. Additionally, travelling and marketing costs have increased since the Covid-19-restrictions were lifted. We are implementing a cost savings programme aiming at EUR 6 million savings for the full year. The results of this programme, as well as the profitability improvement actions being implemented by Globus Wine, will be visible from Q2 onwards.

Our sales growth in Q1, excluding Globus Wine, was 2.3% compared to the previous year. Including Globus Wine, the growth was 20%. There was a small positive impact on our sales due to the timing of Easter. As expected, overall sales volumes have declined in the Nordics. In spirits and wine combined, the market volume declined by almost 3% on average. With rising food and beverage prices we believe that more affordable alcoholic beverages are gaining in popularity. As we have said earlier, we are well positioned for this trend with a strong position in mainstream priced product segments.

In wine, our net sales declined slightly due to the market decline and the currency impact. In local currencies our wine sales, excluding Globus Wine, grew by 3%. Net sales growth including Globus was 38%. In Anora own wines, we continued to increase sales and the market share across all monopoly markets. Globus Wine sales grew by 25%, and we also gained market share in Denmark. In partner wine, the partner losses from last year pulled our sales down.

In spirits, our sales grew by 9%, driven by the continued double-digit growth in our international business. In monopoly countries, we were able to increase both sales and the market share. Our no- and low-alcohol products in grocery retail had a very good start for the year with strong growth compared to last year.

Industrial segment’s external sales grew by 6% due to higher average prices, but the outlook for the rest of the year is weakening in volumes due to the decreasing demand for starch.

In our sustainability work, we reached our target of 100% renewable energy use in our production in Finland. In addition, a new heat recovery system at the Koskenkorva Distillery started its full operation in Q1.

In addition to savings and efficiency actions aiming at profitability improvements, we are working on reducing our working capital, primarily by optimising inventory levels by cutting the buffer stocks and by improving our forecasting accuracy. To improve on our cash flow, we have expanded our sale of receivables programme.

We reiterate our guidance: Anora's comparable EBITDA in 2023 will be EUR 80–90 million.”

Outlook and guidance for 2023

In 2023, the volumes in the monopolies are expected to be significantly lower than during the COVID-19 restrictions. Input costs are expected to remain at a high level.

In 2023, Anora's comparable EBITDA is expected to be between EUR 80–90 million.

Anora's financial reporting in 2023

Anora will publish financial reports in 2023 as follows:

- 25 August 2023: Half-Year Report for January-June 2023
- 9 November 2023: Interim Report for January-September 2023

Anora applies a silent period of 30 days before the publication of financial reports.

ANORA GROUP PLC

Further information:

Pekka Tennilä, CEO

Sigmund Toth, CFO

Contacts:

Petra Gräsbeck, Corporate Communications, tel. +358 40 767 0867

Results presentation:

CEO Pekka Tennilä and CFO Sigmund Toth will present the report today at 11:00 am EET. The presentation will be held as a Microsoft Teams Meeting and we recommend that participants join the event using the online meeting option: [Join meeting here](#)

It is also possible to dial-in to the meeting about 5 minutes earlier at the following numbers:

FI: +358 9 2310 6678

NO: +47 21 40 41 04

DK: + 45 32 725680

SE: +46 8 502 428 54

UK: +44 20 7660 8309

US: +1 917-781-4622

Conference ID: 587 568 941#

Q&A

Questions to the management can be sent through the Teams chat.

Presentation material

The presentation material will be shared in the online meeting and it can be downloaded at:
www.anora.com/en/investors

On-demand recording

A recording of the presentation will be available on Anora's website.

Distribution:

Nasdaq Helsinki Ltd

Principal media

www.anora.com

Petra Gräsbeck

Director, Sustainability and Communications
+358 40 767 0867
petra.grasbeck@anora.com

Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Our market-leading portfolio consists of our own iconic Nordic brands and a wide range of prominent international partner wines and spirits. We export to over 30 markets globally. Anora Group also includes Anora Industrial and logistics company Vectura. In 2022, Anora's net sales were EUR 703 million and the company employs about 1,200 professionals. Anora's shares are listed on Nasdaq Helsinki.