



# PRESS RELEASE – Func Food Group Interim Report Q3 2016, additional information

Published: 30 November 2016

This press release complements the company's press release published on November 30 2016 at 14.30 CET.

Func Food Group has today published its interim report for Q3 2016 on its web site. The report is available in English at <http://www.funcfood.com/investors/?lang=en>.

## SUMMARY

### Third quarter 2016

- Consolidated Group revenues amounted to MEUR 10,6 (MEUR 10,4 in consolidated 2015).
- Revenues increased by MEUR 0,2 or 1,9% in comparison to 2015.
- Consolidated Group EBITDA amounted to MEUR 1,6 (MEUR 1,1 in consolidated 2015).
- EBITDA increased by MEUR 0,5 or 41,6% in comparison to 2015.
- EBITDA adjusted for items affecting comparability was MEUR 1,5 in 2016 (MEUR 1,5 in 2015).

### Year-to-date September 2016

- Consolidated Group revenues amounted to MEUR 31,6 (MEUR 20,6 in consolidated 2015 and MEUR 33,8 in pro forma 2015).
- Revenues increased by MEUR 11,0 or 53,3% in comparison to consolidated 2015 and decreased by MEUR 2,2 or 6,7% in comparison to pro forma 2015.
- Consolidated Group EBITDA amounted to MEUR 3,2 (MEUR 0,5 in consolidated 2015 and MEUR 2,6 in pro forma 2015).
- EBITDA increased by MEUR 2,7 or 594,7% in comparison to consolidated 2015 and increased by MEUR 0,5 or 20,6% in comparison to pro forma 2015.
- EBITDA adjusted for items affecting comparability was MEUR 3,3 in 2016 (consolidated 2015 was MEUR 1,3 and pro forma 2015 was MEUR 4,1).

In Q3 2016 the Group had a second consecutive positive quarterly EBITDA in both of its key markets Finland and Sweden. Revenue performance was mixed between the countries but overall the Group had a growth of 1,9%. Net revenue totaled MEUR 10,6 and EBITDA amounted to MEUR 1,6 (MEUR +0,5 vs PY). Our relative and absolute sales margins improved in both Finland and Sweden vs. the earlier quarter.

Total consolidated EBIT for the Group was MEUR 0,2 for Q3 2016 and MEUR 0,1 for the first nine months. Previous year's figures were MEUR 0,1 and MEUR -1,0, respectively. The key reason for improved EBIT YTD 2016 was increased sales margin due to eg. sales mix development. The sales margin increase was partly offset by increase in marketing and operating expenses as well as depreciations and amortizations.

Consolidated cash and cash equivalents on 30 September 2016 amounted to MEUR 1,5 (MEUR 1,1 in the beginning of the quarter). The Group generated a positive net cash flow from operating activities totaling MEUR 0,4 in the quarter. In addition, the shareholders of the Group granted it a subordinated convertible loan worth MEUR 3,0. Positive cash flow from a share issue totaled MEUR 0,3. The company amortized its bond with MEUR 1,0. The Group managed to lower its inventory levels further by MEUR 0,8 vs. the beginning of the year and MEUR 0,2 vs. the previous quarter. Total receivables increased vs. the beginning of the year and total payables decreased slightly. Overall, net working capital decreased by MEUR 0,4 in the quarter and increased by MEUR 0,1 YTD.

Uncertainty in the market in terms of development of the Group's key categories and competitive pressures is likely to continue in the short-term. In terms of cross trade the Group expects to see an increase in Celsius sales in Finland as well as FAST sales in Sweden in Q1 2017.

The company expects a lower cash level at year-end 2016 vs. the end of the third quarter. Celsius sales are expected to be at a lower level than in Q3 following normal seasonality. At the same time the Group is investing in marketing its new launches and has to tie up working capital to bring new products to the market.

On November 30 2016, the date of announcing this interim report, the company has called for an extraordinary shareholders' meeting in order to approve a financing arrangement. The purpose of the arrangement is to enable a further acceleration of growth in the company's operations, including geographical expansion. The arrangement is subject to the shareholders' meeting's approval.

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*The information contained in this press release is such information that Func Food Group Oyj is required to publish in accordance with the Swedish Securities Market Act (2007:528) and/or the Swedish Financial Instruments Trading Act (1991:980). The information was submitted for publication on 30 November 2016, at 21.00 CET.*

**Func Food Group Oyj, Pyynikintie 25 Y 10, 33230 Tampere, Finland. The board is resident in Tampere. For further information about the company please visit <http://www.funcfood.com/?lang=en>.**

**Func Food Group Oyj**