



OLVI PLC

Half-year report 13 August 2024 at 9.00 am

Olvi Group's half-year report January–June 2024 – Profitability improved as planned

April–June 2024

- Sales volume decreased by 2.5% to 298.0 (305.7) million litres.
- Net sales remained at the previous year's level, totalling EUR 194.7 (195.4) million.
- Profitability improved: the adjusted operating result increased by 7.6% to EUR 31.0 (28.8) million.

January–June 2024

- Sales volume decreased by 1.1% to 503.1 (509.0) million litres.
- Net sales remained at the previous year's level, totalling EUR 325.1 (324.9) million.
- The adjusted operating result increased by 8.8% to EUR 42.2 (38.8) million.
- The equity ratio was 52.9% (49.1%).

Near-term outlook for 2024 (specified)

Olvi Group's adjusted operating result for the 2024 financial year is expected to be EUR 74–80 million (previously EUR 71–80 million).

The Group's key figures

	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %	1–12/ 2023
Sales volume, Mltr	298.0	305.7	-2.5	503.1	509.0	-1.1	975.8
Net sales, MEUR	194.7	195.4	-0.4	325.1	324.9	0.1	630.6
Gross profit, MEUR	79.7	73.7	8.0	129.9	120.7	7.6	235.6
% of net sales	40.9	37.7		40.0	37.1		37.4
Adjusted operating result, MEUR	31.0	28.8	7.6	42.2	38.8	8.8	67.1
% of net sales	15.9	14.7		13.0	11.9		10.6
Items affecting the comparability of the operating result, MEUR	0.0	0.0		0.0	-12.2		-12.2
Operating result, MEUR	31.0	28.8	7.6	42.2	26.6	58.7	54.9
% of net sales	15.9	14.7		13.0	8.2		8.7
Adjusted profit for the period, MEUR	22.6	22.9	-1.4	31.6	27.5	15.0	50.7
% of net sales	11.6	11.7		9.7	8.5		8.0
Profit for the period, MEUR	22.6	22.9	-1.4	31.6	15.3	106.6	38.5
% of net sales	11.6	11.7		9.7	4.7		6.1
Earnings per share, EUR	1.08	1.10	-1.5	1.51	0.74	102.6	1.85
Investments, MEUR	9.4	6.9	35.2	14.9	13.8	7.6	24.9
Equity per share, EUR				14.30	12.91	10.7	13.95
Equity ratio, %				52.9	49.1		59.0
Gearing, %				-7.0	-10.1		-8.5

Olvi presents the adjusted operating result (EBIT) and the adjusted profit for the period as alternative performance measures to improve comparability between reporting periods. In January–June 2023, items affecting comparability not included in the adjusted operating result and the profit for the period totalled EUR 12.2 million and were related to the fine imposed on the Belarusian subsidiary.

CEO's review (Patrik Lundell)

Strategy implementation is progressing as planned

Our strategy aims for profitable growth and a sustainable increase in shareholder value. Our vision is to be the preferred multi-local beverage company. Growth is made possible by our extensive product selection, which meets a diverse range of consumer demand in both the alcoholic and non-alcoholic product categories.



One of the cornerstones of our strategy is to improve the profitability of our core business operations by focusing on identifying local customer and consumer needs. We respond to these needs through product development and price and product range optimisation. During the first half of the year, we succeeded in increasing the value of sales through average price development. We optimised and developed the sales volume, taking the needs of each product category and market into account. We also increased the share of non-alcoholic products in the total volume. The sales of soft drinks and energy drinks in particular increased during the first half of the year compared with the previous year.

In the early part of the year, we implemented an organisational reform to better support function-specific development at the Group level. We are investing in the development of processes and systems and in management by data. The aim is to support long-term business competitiveness. The work to achieve our sustainability targets is progressing with determination. We are pleased with the start of the implementation of the new strategy during the first half of the year.

Financial development

April–June 2024

Profitability in the second quarter developed in the right direction as a result of the slowdown in raw material price increases, product range development and price increases. We managed to improve our profitability markedly: our gross profit increased by 8.0% and our adjusted operating result by 7.6% year-on-year.

However, consumers' purchasing power has not yet recovered. This has affected total demand in many markets. Nevertheless, Oli's market shares remained unchanged or increased in the review period thanks to our extensive portfolio and strong brands. Our sales volume decreased by 2.5%, which was less than the general market trend. Despite this, net sales remained at the previous year's level.

January–June 2024

Our sales volume decreased by 1.1% to 503.1 (509.0) million litres as a result of the weak development of consumers' purchasing power and planned product range optimisation in the retail trade, especially in Finland. Our net sales remained at the previous year's level, totalling EUR 325.1 (324.9) million, as a result of an increase in the average price. Our market shares remained strong despite more intense price competition. We managed to increase sales in the hotel, restaurant and catering (HoReCa) channel, while harbour and cross-border sales were markedly lower than in the previous year, especially between Finland and Estonia.

Our adjusted operating result increased by 8.8% year-on-year and was EUR 42.2 (38.8) million. Profitability improved as a result of a slowdown in cost inflation in raw materials and market-specific price increases. Production costs continued to increase during the first quarter compared with the previous year, but their increase stopped in the second quarter. During the first half of the year, however, total production costs were higher than in the previous year.

Segment-specific business development: January–June 2024

Profitability improved in Finland during the first half of the year

The net sales of Finnish business operations increased by 2.9%, while their sales volume fell by 4.1%. Sales volume development was affected by changes in the product range in the retail trade. In product categories, the best sales development was recorded for water, while the beer product portfolio was optimised systematically in terms of volume. The amendment to alcohol legislation increased net sales slightly in June, as the alcohol limit for products sold in the retail trade was raised to 8.0% by volume, and retailers adjusted their selections accordingly. It is still too early to assess the long-term impact on consumer behaviour.

The operating result of Finnish business operations was EUR 13.6 (9.7) million. The operating result improved by 40.6% year-on-year, primarily because of product positioning, product range changes and price increases. The most significant price increases were implemented during the first half of the year, but profitability has not yet returned to the pre-crisis level. The measures to improve profitability and achieve targets in line with the strategy will continue through product range development, among other means.



The operating result improved in the Baltic Sea region

In the Baltic Sea region, our sales volume decreased by 3.1%, and net sales by 1.8%, during the first half of the year. In the Baltic countries and especially in Estonia, where tourism has also declined significantly, consumers' purchasing power developed poorly in the early part of the year. This also affected the demand for beverages and led to price competition for declining sales volumes. However, the segment's hotel, restaurant and catering channel (HoReCa) sales improved year-on-year. The operating result increased by 3.3% to EUR 12.7 (12.3) million. Profitability improved, as costs were no longer increasing, measures were taken to improve the efficiency of production operations, and targeted price increases were implemented. Development measures in Danish business operations continue, and profitability improved during the first half of the year.

The weaker exchange rate caused the operating result to decrease in Belarus

The sales volume in the Belarusian segment increased by 4.3%. The sales volume increased most in non-alcoholic product categories such as water and soft drinks. Net sales remained at the previous year's level, totalling EUR 72.7 million. The exchange rate of the Belarusian rouble weakened during the first half of the year from the comparison period. In the local currency, net sales grew by 12.7%. The adjusted operating result decreased by 5.3% year-on-year and was EUR 16.6 (17.5) million. In the local currency, the adjusted operating result improved by 5.7%.

Sales development

Olvi Group's sales volume decreased by 1.1% in January–June, totalling 503.1 (509.0) million litres.

Sales volume, Mltr	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %
Finland	75.2	80.1	-6.1	133.1	138.9	-4.1
Baltic Sea region	115.1	121.0	-4.9	194.2	200.5	-3.1
Belarus	110.3	105.9	4.1	179.1	171.8	4.3
Eliminations	-2.6	-1.3		-3.3	-2.2	
Total	298.0	305.7	-2.5	503.1	509.0	-1.1

The Group's net sales in January–June increased by 0.1% to EUR 325.1 (324.9) million.

Net sales, MEUR	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %
Finland	68.4	67.6	1.2	119.1	115.7	2.9
Baltic Sea region	82.3	84.6	-2.7	135.4	137.9	-1.8
Belarus	45.6	44.0	3.5	72.7	72.8	-0.0
Eliminations	-1.6	-0.8		-2.1	-1.5	
Total	194.7	195.4	-0.4	325.1	324.9	0.1

On 1 January 2024, Olvi Group changed the presentation of the segments to correspond to the monitoring carried out by the management. In future, intra-segment business transactions will be eliminated from the segments' sales volumes and net sales in their presentation. The comparison information has been changed accordingly.

Financial performance

The Group's operating result in April–June was EUR 31.0 (28.8) million, or 15.9% (14.7%) of net sales. The second-quarter operating result does not include items affecting comparability. The adjusted operating result increased by 8.8% in January–June and was EUR 42.2 (38.8) million. The improvement in the adjusted operating result was mainly caused by improved profitability in Finland, compared with the corresponding period in the previous year. The operating result in January–June was EUR 42.2 (26.6) million, up 58.7% from the previous year. In the comparison period, the operating result was burdened by a fine imposed on the Belarusian subsidiary.



Adjusted operating result, MEUR	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %
Finland	10.1	8.0	26.3	13.6	9.7	40.6
Baltic Sea region	9.9	9.8	0.8	12.7	12.3	3.3
Belarus	11.4	11.4	-0.6	16.6	17.5	-5.3
Eliminations	-0.4	-0.4		-0.7	-0.7	
Total	31.0	28.8	7.6	42.2	38.8	8.8

Operating result, MEUR	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %
Finland	10.1	8.0	26.3	13.6	9.7	40.6
Baltic Sea region	9.9	9.8	0.8	12.7	12.3	3.3
Belarus	11.4	11.4	-0.6	16.6	5.4	209.4
Eliminations	-0.4	-0.4		-0.7	-0.7	
Total	31.0	28.8	7.6	42.2	26.6	58.7

The Group's profit after taxes in January–June was EUR 31.6 (15.3) million.

Earnings per share calculated from the profit attributable to the owners of the parent company were EUR 1.51 (0.74) in January–June.

Financial position and the balance sheet

Olvi Group's balance sheet total at the end of June 2024 was EUR 561.3 (545.6) million. Equity per share was EUR 14.30 (12.91). The equity ratio was 52.9% (49.1%), and gearing was -7.0% (-10.1%). The Group's liquidity indicator, the current ratio, remained at the same good level as before, at 1.2 (1.1). Interest-bearing liabilities amounted to EUR 11.8 (5.5) million at the end of June. Of the interest-bearing liabilities, current liabilities accounted for EUR 5.2 (3.4) million.

Olvi Group's balance sheet and financial position are strong. The company has no net debt. The company's ability to invest remained good in January–June.

The Group's cash and cash equivalents stood at EUR 32.5 (32.5) million at the end of June. Olvi has various short-term financial instruments such as credit facilities for liquidity management. Cash flow from operating activities was EUR 26.0 (-0.1) million. Cash flow increased because the operating result was better than in the comparison period. Cash flow from investing activities was EUR -14.1 (-13.9) million, and cash flow from financing activities was EUR -11.5 (-12.7) million.

Investments

Olvi Group's expansion and replacement investments were EUR 14.9 (13.8) million in January–June. Of the investments, EUR 7.3 million was related to Finland, and EUR 6.1 million to subsidiaries in the Baltic Sea region. In Finland, the Iisalmi plant's warehouse and logistics investment was started in the first half of the year. Replacement investments necessary for the continuity of production were made in Belarus through the subsidiary's income financing, totalling EUR 1.5 million.

Seasonal nature of operations

The nature of the Group's business operations involves seasonal fluctuation. The net sales and operating result of the geographical reporting segments are not accumulated steadily. Instead, they fluctuate in accordance with the special characteristics of the seasons of the year and product seasons.

Personnel

In January–June, Olvi Group had an average of 2,430 (2,374) employees, with an increase of 2.4%.



Olvi Group's average number of personnel by segment:

	4–6/ 2024	4–6/ 2023	Change, %	1–6/ 2024	1–6/ 2023	Change, %
Finland	487	483	0.8	451	448	0.7
Baltic Sea region	1,102	1,098	0.4	1,080	1,069	1.0
Belarus	920	865	6.4	899	857	4.9
Total	2,509	2,446	2.6	2,430	2,374	2.4

Sustainability

Olvi Group's sustainability work received recognition during the first half of the year. In Estonia, A. Le Coq achieved the highest level in the Responsible Business Index 2024 assessment and the highest recognition for supporting national defence. In Finland, Olvi received the Most Neutral of the Year award for the climate act of the year in North Savo as recognition for the climate work carried out at the Iisalmi plant.

Environmental sustainability

The calculation of emissions from the Olvi Group's value chain (Scope 3) for 2023 was completed. Compared with the previous year, total emissions from the value chain remained at almost the same level, at 393,841 (393,812) tCO_{2e}. This means 0.41 (0.42) kg of CO_{2e} per litre produced. Taking all emissions into account (Scopes 1, 2 and 3), total emissions decreased by 0.2% between 2022 and 2023, and the emission intensity, or emissions in relation to litres produced, has decreased by 1.8% as a result of operational development. The goal for 2024 is to reduce total emissions by 5.5% from 2023.

To achieve its long-term goal for reducing total emissions, Olvi Group has drawn up annual plans to reduce emissions from its own operations (Scopes 1 and 2) and the value chain (Scope 3). In terms of the value chain, the plan will be further specified at the company and annual levels. The goal is to achieve carbon neutrality in Olvi Group's own operations (Scopes 1 and 2) in 2030. In terms of the value chain (Scope 3), the goal is to reduce emissions by 40% from 2021 and achieve carbon neutrality in the value chain in 2040.

Emissions from Olvi Group's own operations (Scopes 1 and 2) decreased to 13,636 (13,779) tCO_{2e} during the first half of the year. The decrease was mainly caused by the transfer to renewable electricity at the Vestfyen brewery in Denmark. As a result of this, 68.0% (63.2%) of the electricity consumed by Olvi Group during the first half of the year was renewable electricity. Correspondingly, the proportion of renewable thermal and steam energy increased to 45.9% (45.1%) during the first half of the year. This is attributable to higher production volumes at production plants using bioenergy and Olvi Group's increased use of biogas. Olvi Group aims to use only renewable energy and electricity in its own operations in 2030.

The monitoring and impact assessment of water use in Olvi Group's own operations has been further specified, which resulted in a slight decrease in the Group's water consumption to 2.71 (2.75) per litre of finished product. Later this year, we will further develop the monitoring and impact assessment of water use in the value chain, especially in terms of the manufacture of raw materials and packaging. Olvi Group aims to use less water than in the previous year and reduce its water use to 2.5 litres per litre of finished product by 2030.

Social sustainability

The human rights assessment process was further developed during the first half of the year. Assessments in line with the new process are in progress in the Group companies and the value chain, and the work will be completed before the end of the year. This will result in a deeper understanding of the potential human rights impacts and risks of the Olvi Group and its value chain.

The work to further develop health and well-being at work continued. Company-specific development plans were drawn up based on the results of the People Power survey, and these plans are being implemented. The work to further develop the occupational safety culture also continues. A harmonised definition of accidents at work has been introduced, and attention has been paid to this topic through guidelines and monitoring. These efforts are reflected in the lower number of occupational accidents: 11 (16) in the first half of the year. None of the accidents were serious. Olvi Group aims to reduce its number of accidents by 10% annually and reach the level of zero accidents in 2030.

The work to further develop the sustainability of the product portfolio continues in line with the annual targets. The definition of a sustainable product is currently being updated in line with the requirements of EU sustainability legislation. In addition, studies to gain a deeper understanding of sustainability related to different product categories and brands will continue in each of the Group's countries of operation in the autumn. The goals include increasing the proportion of non-alcoholic products in sales. This goal was achieved for the first half of the year.



Good governance

Olvi Group is preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD). Sustainability data collection and readiness for future sustainability reporting will be developed based on the results. In addition, the company is monitoring and preparing for other changes to EU sustainability legislation, such as regulations related to environmental claims and packaging, as well as other increasing reporting requirements. In line with the annual targets, Olvi Group has continued to strengthen its partners' commitment to its Code of Conduct, and Code of Conduct training for personnel will be carried out in each Olvi Group company after the summer.

Board of Directors and management

No changes took place in Olvi plc's Board of Directors and management during the second quarter.

Other events during the review period

Changes in the Group structure

No changes took place in Olvi's subsidiary holdings in January–June 2024.

Business risks and their management

Geopolitical situation

The geopolitical situation has affected Olvi's operating environment. The war in Ukraine has significantly increased business risks. The pandemic caused problems in the availability of raw materials and packaging materials, and the war has further complicated the procurement of materials. The increase in the costs of materials, which started during the pandemic and continued in 2023, levelled out as a whole in early 2024 compared with the previous year. Uncertainty about prices and availability has continued in the market as a result of the war in Ukraine, geopolitical tension and weather events caused by climate change. Logistics costs have remained at a high level. Olvi is responding to the increase in costs by improving operational productivity and assessing sales prices to maintain profitability.

Consumer behaviour

Despite the recent easing of the overall cost level, high consumer prices continue to weaken consumers' purchasing power and affect consumer behaviour. This change is already being reflected in a shift in consumption to more affordable product options, and overall consumption may also decrease. In addition, the premiumisation trend may stop. There are differences between markets. Olvi Group is responding to the change by developing its product portfolio in line with consumer demand and by maintaining and strengthening market shares.

Operating environment in Belarus

The business operations and financial forecasting in Belarus continue to involve considerable uncertainty. For example, the uncertainty concerns the development of exchange rates, the unpredictability of the operating environment, local legislation and taxation, trade sanctions, and the functioning of financial transactions with Western countries. Olvi's Belarusian subsidiary operates by means of its own cash flow financing and independently in operational terms.

During 2024, legislative changes have been implemented in terms of dividend payments and laws preventing the sale of companies. The payment of dividends abroad by Western-owned companies has been restricted for 2024–2025 by setting regulations on maximum amounts. The impacts of the restrictions on Olvi are currently being assessed. Despite legislative changes, the sales restrictions concerning shares in Olvi's subsidiary remain in force.



Other current risks

Cybersecurity threats have increased because of the escalation of the global geopolitical situation, among other reasons. Olvi Group has prepared for the increasing information security threats in many ways. Personnel are provided with training, information about threats is provided regularly, and cybersecurity guidelines are reviewed during induction training. Olvi's information systems are protected through regular updates, backups, firewalls, anti-malware software, content filters and threat detection programs.

If the EU Packaging and Packaging Waste Regulation were to be implemented using the model now proposed, it would increase climate emissions from product manufacturing and logistics, as well as water consumption. This would affect Olvi's chances of achieving its environmental targets. It would also cause investment needs related to filling and handling products. We are monitoring the regulation process closely and seeking to affect the content of the regulation so that the sustainability aspects of Olvi Group's countries of operation are taken into account in the application of the regulation.

Sustainability risks are identified as separate processes such as human rights and climate change assessments and as part of the company's strategic, business, financial and compliance risks.

Preparedness

Olvi Group has prepared several scenarios related to the development of the business environment and is prepared to respond to changing situations. The company is prepared for production disruptions and has drawn up continuity plans related to the availability of labour, raw materials and energy, for example. The company has made investments to secure energy supply and has also made efforts to ensure the availability of raw materials and packaging materials. Particular attention has been paid to the adequacy of risk management plans in accordance with risk assessments and the introduction of new risk assessment methods in terms of information and sustainability risks, for example.

A more detailed description of the normal risks related to business operations is provided in Olvi Group's Board of Directors' report and the notes to the financial statements and on the company website (Investors > Olvi as an investment > Risks and risk management).

Events after the review period

There are no significant events to report after the review period.

OLVI PLC
Board of Directors

Webcast

Olvi plc and its CEO will hold a press conference, which can be followed at <https://olvi.videosync.fi/q2-2024> from 11.00 am onwards on the date of publication of this half-year report. The press conference will be held in English.

A recording of the webcast can be viewed later on the company's website at <https://www.olvigroup.fi/en/releases-and-publications/financial-releases/>

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000

	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Gross sales	393,745	401,925	670,698	680,778	1,326,568
Excise taxes and other adjustments	-199,028	-206,497	-345,597	-355 887	-695,963
Net sales	194,717	195,428	325,101	324,891	630,605
Cost of sales	-115,052	-121,689	-195,219	-204,204	-394,977
Gross profit	79,665	73,739	129,882	120,687	235,628
Logistics, sales and marketing expenses	-37,323	-35,379	-65,694	-62,320	-126,605
Administrative expenses	-11,630	-9,272	-22,830	-19,454	-41,472
Other operating income and expenses	256	-294	827	-12,337	-12,633
Operating result	30,968	28,794	42,185	26,576	54,918
Financial income	267	380	658	422	990
Financial expenses	-409	-470	-695	-807	-1,682
Share of the profit of associated companies and joint ventures	0	0	0	0	45
Profit before tax	30,826	28,704	42,148	26,191	54,271
Income taxes	-8,208	-5,756	-10,575	-10,910	-15,798
PROFIT FOR THE PERIOD	22,618	22,948	31,573	15,281	38,473
Other items of comprehensive income that may be subsequently reclassified as profit or loss:					
Translation differences related to foreign subsidiaries	1,165	435	1,393	-3,392	-5,003
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,783	23,383	32,966	11,889	33,470
Distribution of the profit for the period:					
- Owners of the parent company	22,356	22,687	31,190	15,388	38,251
- Non-controlling interest	262	261	383	-107	222
Distribution of comprehensive income for the period:					
- Owners of the parent company	23,478	23,248	32,532	12,269	33,430
- Non-controlling interest	305	135	434	-380	40
Earnings per share calculated from profit attributable to owners of the parent company, EUR					
- Undiluted	1.08	1.10	1.51	0.74	1.85
- Diluted	1.08	1.10	1.51	0.74	1.85



CONSOLIDATED BALANCE SHEET

EUR 1,000

30 Jun 2024

30 Jun 2023

31 Dec 2023

ASSETS

Non-current assets

Intangible assets	10,154	11,012	10,518
Goodwill	22,204	22,204	22,204
Tangible assets	218,786	209,796	213,182
Holdings in associated companies and joint ventures	1,032	987	1,032
Other investments	892	1,043	1,042
Loans receivable and other long-term receivables	7,028	3,061	5,544
Deferred tax assets	3,639	2,445	4,370
Total non-current assets	263,735	250,548	257,892

Current assets

Inventories	86,988	84,277	74,190
Accounts receivable and other receivables	177,486	178,205	125,815
Income tax receivables	662	132	645
Cash and cash equivalents	32,458	32,482	31,458
Total current assets	297,594	295,096	232,108
TOTAL ASSETS	561,329	545,644	490,000

EQUITY AND LIABILITIES

Equity attributable to owners of the parent company

Share capital	20,759	20,759	20,759
Other reserves	1,092	1,092	1,092
Fair value reserve	295	295	295
Treasury shares	-687	-884	-881
Translation differences	-55,426	-55,066	-56,768
Retained earnings	329,911	300,955	324,120
	295,944	267,151	288,617
Non-controlling interest	1,135	566	721
Total equity	297,079	267,717	289,338

Non-current liabilities

Financial liabilities	6,567	2,044	4,098
Other liabilities	731	826	782
Deferred tax liabilities	13,622	13,141	14,100

Current liabilities

Financial liabilities	5,227	3,413	2,908
Accounts payable and other payables	230,761	252,067	178,751
Income tax liability	7,342	6,436	23
Total liabilities	264,250	277,927	200,662
TOTAL EQUITY AND LIABILITIES	561,329	545,644	490,000



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share capital	Other reserves	Fair value reserve	Reserve for treasury shares	Translation differences	Retained earnings	Attributable to non-controlling interest	Total
Equity 1 Jan 2024	20,759	1,092	295	-881	-56,768	324,120	721	289,338
Comprehensive income:								
Profit for the period						31,190	383	31,573
Other items of comprehensive income:								
Translation differences					1,342		51	1,393
Total comprehensive income for the period					1,342	31,190	434	32,966
Business transactions with shareholders:								
Dividend payment						-24,826	-20	-24,846
Share-based incentives, value of work performed						522		522
Issue of treasury shares to personnel				194		-382		-188
Other changes						-713		-713
Business transactions with shareholders, total				194		-25,399	-20	-25,225
Equity 30 Jun 2024	20,759	1,092	295	-687	-55,426	329,911	1,135	297,079
EUR 1,000	Share capital	Other reserves	Fair value reserve	Reserve for treasury shares	Translation differences	Retained earnings	Attributable to non-controlling interest	Total
Equity 1 Jan 2023	20,759	1,092	295	-1,079	-52,030	310,194	2,514	281,745
Comprehensive income:								
Profit for the period						15,388	-107	15,281
Other items of comprehensive income:								
Translation differences					-3,119		-273	-3,392
Total comprehensive income for the period					-3,119	15,388	-380	11,889
Business transactions with shareholders:								
Dividend payment						-24,818	-382	-25,200
Share-based incentives, value of work performed						337		337
Acquisition of treasury shares				-604				-604
Issue of treasury shares to personnel				799		-1,361		-562
Other changes					83	52	-23	112
Business transactions with shareholders, total				195	83	-25,790	-405	-25,917
Changes in holdings in subsidiaries:								
Change in non-controlling interest						1,163	-1,163	0
Changes in holdings in subsidiaries, total						1,163	-1,163	0
Equity 30 Jun 2023	20,759	1,092	295	-884	-55,066	300,955	566	267,717



CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000

	1–6/2024	1–6/2023	1–12/2023
Profit for the period	31,573	15,281	38,473
Adjustments:			
Depreciation and impairment	12,917	12,160	24,779
Other adjustments	9,793	12,147	11,778
Change in net working capital:			
Change in accounts receivable and other receivables	-51,930	-71,820	-20,279
Change in inventories	-12,051	-15,245	-6,377
Change in accounts payable and other payables	38,642	51,762	-4,789
Interest paid	-296	-189	-408
Interest received	502	188	531
Dividends received	5	3	10
Taxes paid	-3,112	-4,361	-15,764
Cash flow from operating activities (A)	26,043	-74	27,954
Investments in tangible and intangible assets	-14,526	-14,262	-25,550
Capital gains on disposal of tangible and intangible assets	434	311	591
Acquisition of shares from non-controlling interest	0	0	-2,737
Dividends received	0	41	41
Cash flow from investing activities (B)	-14,092	-13,910	-27,655
Loan withdrawals	14,651	2,822	4,577
Repayment of loans	-13,726	-2,351	-6,165
Acquisition of treasury shares	0	-604	-604
Dividends paid	-12,468	-12,581	-25,339
Cash flow from financing activities (C)	-11,543	-12,714	-27,531
Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	408	-26,698	-27,232
Cash and cash equivalents 1 Jan	31,458	61,207	61,207
Impact of exchange rate changes	592	-2,027	-2,517
Cash and cash equivalents 30 Jun / 31 Dec	32,458	32,482	31,458



NOTES TO THE HALF-YEAR REPORT

The half-year report has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting principles that were applied to the 2023 financial statements (31 December 2023). On 1 January 2024, Olvi Group changed the presentation of the segments to correspond to the monitoring carried out by the management. In future, intra-segment business transactions will be eliminated from the segments' sales volumes and net sales in their presentation. The comparison information has been changed accordingly.

The figures in the half-year report are presented in thousands (1,000) of euros. For presentation, individual figures and totals have been rounded up to full thousands, which causes rounding differences in the totals. Exchange rates obtained from the Central Bank of Belarus have been used as the exchange rate for the Belarusian rouble. The key ratios have been calculated by using accurate euro-denominated figures. The information published in the half-year report has not been audited.

1 SEGMENT INFORMATION

SEGMENTS' NET SALES AND PROFIT FOR THE PERIOD 1–6/2024

EUR 1,000	Finland	Baltic Sea region	Belarus	Eliminations	Group
INCOME					
External sales	118,900	133,486	72,715		325,101
Beverage sales	117,796	133,486	72,715		323,997
Equipment services	1,104	0	0		1,104
Internal sales	210	1,866	0	-2,076	0
Total net sales	119,110	135,352	72,715	-2,076	325,101
Total profit for the period	30,158	8,785	10,235	-17,605	31,573

SEGMENTS' NET SALES AND PROFIT FOR THE PERIOD 1–6/2023

EUR 1,000	Finland	Baltic Sea region	Belarus	Eliminations	Group
INCOME					
External sales	115,719	136,421	72,751		324,891
Beverage sales	114,715	136,421	72,751		323,887
Equipment services	1,004	0	0		1,004
Internal sales	17	1,432	0	-1,449	0
Total net sales	115,736	137,853	72,751	-1,449	324,891
Total profit for the period	27,196	8,835	-3,219	-17,531	15,281

2 RELATED PARTY TRANSACTIONS

Management's employee benefits

Board members' and the CEO's salaries and other short-term employee benefits

EUR 1,000	1–6/2024	1–6/2023	1–12/2023
CEO	428	178	358
Chair of the Board	50	35	93
Other Board members	117	73	165
Total	595	286	616



3 SHARES AND SHARE CAPITAL

	30 Jun 2024	%
Series A shares, number of shares	16,989,976	82.0
Series K shares, number of shares	3,732,256	18.0
Total	20,722,232	100.0
Total number of votes, Series A shares	16,989,976	18.5
Total number of votes, Series K shares	74,645,120	81.5
Total number of votes	91,635,096	100.0
Votes per Series A share	1	
Votes per Series K share	20	

The registered share capital totalled EUR 20,759 thousand on 30 June 2024.

A dividend of EUR 1.20 per share for 2023 (EUR 1.20 per share for 2022), totalling EUR 24.8 (24.8) million, will be paid on shares in Olvi plc. The dividend will be paid in two instalments. The first instalment, EUR 0.60 per share, was paid on 18 April 2024. The second instalment, EUR 0.60 per share, will be paid on 3 September 2024. Series K shares and Series A shares provide their holders with equal rights to dividends. The Articles of Association include a redemption clause concerning Series K shares.

4 SHARE-BASED REWARDS

During the review period, a performance share plan for key personnel ended at Olvi Group (performance period 15 February 2021 to 14 February 2024). The target group of the share plan included 16 people, and the plan enabled the members of the target group to earn Series A shares in Olvi plc based on performance. A total of 6,050 Series A shares were transferred as rewards.

Another share plan also ended at Olvi Group during the review period (performance period 1 June 2022 to 31 May 2024). In this matching share plan for key personnel, the target group of four people had the opportunity to acquire additional shares by investing personally in Olvi plc's Series A shares. A total of 400 Series A shares were transferred as rewards. In accordance with the terms and conditions of these plans that ended, the rewards were paid in Series A shares in Olvi plc and partly in cash.

The costs related to incentive plans totalled EUR 522.0 thousand in the review period. Olvi Group has no other share or option arrangements in place.

5 TREASURY SHARES

At the beginning of January 2024, Olvi plc held a total of 28,692 Series A shares in the company. In accordance with the share plans, Olvi plc transferred a total of 6,050 of its own shares to the members of the target group of the performance share plan and 400 shares to the members of the target group of the matching share plan. The total acquisition price was EUR 193.9 thousand. The Series A shares transferred accounted for 0.03% of all shares.

At the end of the review period, Olvi plc held a total of 22,242 of its own Series A shares as treasury shares. The total acquisition price of treasury shares was EUR 686.8 thousand. The treasury shares do not provide the company with voting rights. The Series A shares held by Olvi plc represent 0.11% of all shares in the company and 0.02% of all votes provided by the shares in the company. The treasury shares account for 0.13% of all Series A shares in the company and 0.13% of the votes provided by all Series A shares in the company.

6 NUMBER OF SHARES OUTSTANDING

	1–6/2024	1–6/2023	1–12/2023
- Average	20,696,075	20,688,243	20,690,905
- At the end of the period	20,699,990	20,693,440	20,693,540



7 TRADING IN SERIES A SHARES ON THE NASDAQ HELSINKI

	1–6/2024	1–6/2023	1–12/2023
Trading in Series A shares in Olvi, number of shares	883,464	804,864	1,608,889
Total value of trading, EUR 1,000	27,169	24,171	48,077
Proportion of the trading out of the total number of Series A shares, %	5.2	4.7	9.5
Average share price, EUR	30.75	30.03	29.88
Closing price, EUR	31.85	29.00	28.05
Highest price, EUR	33.80	34.95	34.95
Lowest price, EUR	28.35	26.80	26.80

8 FOREIGN AND NOMINEE-REGISTERED HOLDINGS 30 Jun 2024

	Book-entry shares		Number of votes		Shareholders	
	number	%	number	%	number	%
Finnish, total	17,019,300	82.13	87,932,164	95.96	23,348	99.65
Foreign, total	37,700	0.18	37,700	0.04	70	0.30
Nominee-registered (foreign), total	443,530	2.14	443,530	0.48	6	0.03
Nominee-registered (Finnish), total	3,221,702	15.55	3,221,702	3.52	5	0.02
Total	20,722,232	100.00	91,635,096	100.00	23,429	100.00

9 LARGEST SHAREHOLDERS 30 Jun 2024

	Series K		Series A		Total	%	Number of votes	
	number	%	number	%			number	%
1 Olvi Foundation	2,363,904		990,613		3,354,517	16.19	48,268,693	52.67
2 The estate of Heikki Hortling*	903,488		103,280		1,006,768	4.86	18,173,040	19.83
3 Timo Einari Hortling	212,888		49,152		262,040	1.26	4,306,912	4.70
4 Marit Hortling-Rinne	149,064		14,234		163,298	0.79	2,995,514	3.27
5 Nordea Bank Abp, nominee-registered			1,776,301		1,776,301	8.57	1,776,301	1.94
6 Skandinaviska Enskilda Banken Ab (publ), Helsinki branch, nominee-registered			1,379,975		1,379,975	6.66	1,379,975	1.51
7 Varma Mutual Pension Insurance Company			828,075		828,075	4.00	828,075	0.90
8 Ilmarinen Mutual Pension Insurance Company			683,000		683,000	3.30	683,000	0.75
9 Pia Johanna Hortling	23,388		28,894		52,282	0.25	496,654	0.54
10 Jens Einari Hortling	23,388		18,444		41,832	0.20	486,204	0.53
Other	56,136		11,118,008		11,174,144	53.92	12,240,728	13.36
Total	3,732,256		16,989,976		20,722,232	100.00	91,635,096	100.00

* The shareholding includes shares held by the shareholder and the entities they control.

Olvi did not receive any flagging notifications under chapter 9, section 5 of the Securities Markets Act in January–June 2024.



10 PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	1–6/2024	1–6/2023	1–12/2023
Opening balance	213,182	208,165	208,165
Additions	17,695	13,207	26,643
Deductions and transfers	-427	-463	1,311
Depreciation and impairment	-11,636	-10,915	-22,709
Exchange rate differences	-28	-198	-228
Total	218,786	209,796	213,182

11 COMMITMENTS

EUR 1,000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Pledged assets and commitments			
For own commitments	3,851	4,356	3,268
Lease and rental liabilities:			
Maturing in less than a year	929	1,315	1,300
Maturing within 1–5 years	442	1,395	1,254
Total lease and rental liabilities	1,371	2,710	2,554
Other liabilities	67	67	567

12 VALUATION OF THE BELARUSIAN BUSINESS SEGMENT

For the 2022 financial statements (31 December 2022), the management assessed the book value of the Belarusian business segment in a changed operating environment. An impairment of EUR 35.0 million was recognised based on the assessment. Based on the management's assessment and testing, the balance sheet valuation of the Belarusian business segment on 30 June 2024 is materially at the right level, and there is no need to change the impairment recognised. The Belarusian business segment's balance sheet value was EUR 42.2 million on 30 June 2024. The valuation has been carried out in accordance with the previous year's model.

13 CALCULATION PRINCIPLES FOR KEY FIGURES

In its summary of key ratios (page 1), the Group presents key ratios directly derived from the consolidated income statement (net sales, operating result, profit for the period and their proportions of net sales, as well as earnings per share). (Earnings per share = Profit for the period attributable to owners of the parent company / Average number of shares during the period, adjusted for share issues).

In addition to its IFRS-based consolidated financial statements, Olvi plc presents Alternative Performance Measures that describe the financial performance of its business operations and provide a comparable overview of the company's profitability, solvency and liquidity.

The Group has applied the European Securities and Markets Authority's (ESMA) guidelines (effective since 3 July 2016) on Alternative Performance Measures and has determined such measures as follows:

The Group presents sales volume data in millions of litres as an Alternative Performance Measure that supports net sales. Sales volume is an important and widely used indicator in the industry that describes the scope of operations. To improve comparability between reporting periods, the Group also presents the adjusted operating result and the adjusted profit for the period as Alternative Performance Measures. The adjusted operating result is calculated by deducting significant items affecting comparability from net sales. The corresponding items have been deducted from the profit for the period when calculating the adjusted profit for the period.



Investments consist of increases in fixed assets, excluding increases under IFRS 16.

Earnings per share = Equity attributable to owners of the parent company / Number of shares at the end of the period, adjusted for share issues.

Equity ratio, % = $100 * (\text{Equity attributable to owners of the parent company} + \text{non-controlling interest}) / (\text{Balance sheet total})$.

Gearing, % = $100 * (\text{Interest-bearing liabilities} - \text{cash in hand and at bank}) / (\text{Equity attributable to owners of the parent company} + \text{non-controlling interest})$.