



Olvi plc

Stock exchange release 4 December 2023 at 10 am

Olvi Capital Markets Day 2023: Updated strategy and long-term targets

Olvi plc's Capital Markets Day, which is held today, focuses on the company's updated strategy, and the company will announce its long-term targets. The updated strategy is based on the company's identified strengths and emerging consumer trends. It aims at profitable growth and a sustainable increase in shareholder value.

The strategy relies on the competitive advantages arising from the company's strong multi-location market position and its extensive, constantly evolving product range that meets local needs. Growth is mainly sought organically, but targeted acquisitions in Europe are also possible to accelerate growth.

"We are proud of our strong local roots and presence around the Baltic Sea. In our main markets, we have a solid local position, which enables pricing power and brings considerable economies of scale. In 2022, our sales volume and net sales reached a new record level for the seventh consecutive year. Our vision is to be the preferred multi-location beverage company, and we will continue to seek profitable growth, a growth rate higher than that of the general beverage market, and a high return on capital," says **Patrik Lundell**, CEO of Olvi.

Olvi seeks to provide consumers with 10 million moments of enjoyment every day. This is made possible by the company's extensive product selection that meets a diverse range of consumer demand in both alcoholic and non-alcoholic product categories.

"Our products are locally produced high-quality beverages based on a wide range of customer insight. Our customer-focused product development process and efficient production process enable us to meet consumers' needs in an agile manner. Each year, we introduce hundreds of products to the market in response to consumer trends and changing market demand," says Lundell.

Growth is supported through Group synergies and consistent operating models in terms of the development of sustainability, competence and data capabilities. At the same time, the company's organisation will be changed to support strategy implementation.

Local companies will continue to be responsible for local customer relationships, commercial operations and product development and the local customer interface. At Group level, resources will be strengthened in line with the strategic priorities. Effective on 1 January 2024, a leadership team with the following members and roles has been established for Olvi Group:

Group Chief Executive Officer – Patrik Lundell

Group Chief Finance and Information Officer – Tiina-Liisa Liukkonen

Group Chief Human Resources and Communications Officer – Marjatta Rissanen

Group Chief Sustainability and Sourcing Officer – Pia Hortling

Group Business Development Director – Peep Akkel

Group General Counsel – *recruitment in progress*

Trends and changes in the operating environment that support strategic choices

- Changing consumer habits: The demand for non-alcoholic beverages is increasing; choices are increasingly made based on naturalness, healthiness, and product origin. Consumer groups are becoming polarised; consumption is becoming more personalized, and value based. Hybrid shopping is increasing, with a focus on quick and easy shopping.



- Changing market environment: Trends and product ideas are spreading rapidly; markets are becoming integrated.
- Sustainability: Consumers are particularly interested in the carbon footprints of products, and the circular economy will become a necessity. The transparency of operations is highlighted.
- Digitalisation: Automation, robotics and artificial intelligence are challenging our ways of working and increasing efficiency. Digitalisation is changing consumer behaviour and creating new business models.

Cornerstones of the strategy and sources of growth

- Profitable core business: The value of strong core business operations is increased by focusing on identifying and responding to local customer needs through new products and price and product range optimisation. The use of production capacity is optimised, and operational efficiency is improved based on product profitability. Investments are made in production capacity to meet the needs of price and product range optimisation and to respond to spikes in demand.
- Extensive range of products and the multi-channel approach: Market shares are strengthened in growing beverage categories by investing in the product development, sale and marketing of non-alcoholic beverages. Our position in the HoReCa sales channel is strengthened by expanding the product range and developing customer relationships.
- International brands and partnerships: The export of products is increased in a targeted manner, and imports are increased; international brands are developed and branded partnerships are created in response to changes in consumption patterns and to support our position in the HoReCa sales channel.
- Targeted acquisitions in Europe are possible to accelerate growth.

Enablers of growth

- People: The company invests in the well-being of its personnel and the growth and development of critical competences. The company invests in HR functions and processes to support the professional development of the personnel. The flow of information between Group companies is improved.
- Sustainability: Olvi seeks a competitive advantage in sustainable ways of working and sustainable products taking into account all ESG perspectives. The green transition is accelerated by developing own operations, investing in sustainable energy and water solutions, and doing development work with partners. The use of circular economy solutions will be increased in processes and products.
- Data: Data is used more extensively in improving production efficiency, at the customer interface and in decision-making. Competitiveness is strengthened by investing in systems that support business operations. Processes, tools and culture are renewed to support information-driven decision-making.

Adjusted key long-term financial and operational targets

- Organic net sales growth: net sales growth outperforms the market
- Increase in profitability: operating profit (EBIT) > 12%
- Return on capital employed (ROCE): > 20%
- Stable dividend payments: 40–60% of the net profit
- The PeoplePower index measuring personnel engagement: AAA (excellent)
- Carbon neutrality of own operations: 2030, the entire value chain 2040. In addition, the company is committed to setting science-based emissions reduction targets for its operations.

“Our company’s strong balance sheet and financial position enable investments in growth and in increasing shareholder value. We are a stable payer of dividends, and our goal is to continue to



distribute 40–60% of our net profit as dividends. Dividend payments are an important part of our social responsibility. Because of our ownership structure, a significant part of the dividends paid by Olvi is channelled through our principal owner, the Olvi Foundation, to support well-being in eastern Finland. We also invest in growth each year, without compromising the profitability of our operations,” says Patrik Lundell.

Capital Markets Day 2023

Olvi plc invites investors, analysts, and media representatives to attend its virtual Capital Markets Day 2023.

Date: Monday, 4 December 2023

Time: 3 pm to 5 pm

The presentations given during the Capital Markets Day event can be followed as a webcast at <https://olvi.videosync.fi/cmd>. Questions for the speakers can be submitted through the webcast environment. All presentations will be recorded, and the recordings and presentation materials will be available on Olvi’s website for two weeks after the event. The event will be held in English.

Olvi plc

Board of Directors

More information:

Patrik Lundell, CEO, Olvi plc, tel. +358 290 00 1050

Tiina-Liisa Liukkonen, CFO, Olvi plc, tel. +358 29 000 1050

www.olvi.fi

DISTRIBUTION:

NASDAQ HELSINKI LTD

Key media

www.olvi.fi