

PRFoods AS

The future is still bleak

PRF1T.TL

Consumer Staples | Estonia

PRFoods operates vertically-integrated business model in fish segment, focusing on salmon and trout. It primarily sells its products in Finland, Estonia and Great Britain.

Market data

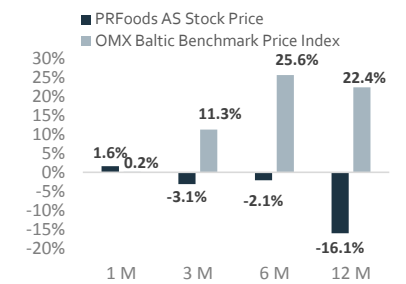
Price (€)	0.376
Market cap (mn €)	14.5
Free float (%)	88.1
Avg. daily volume - 30 days (mn €)	0.0127

Alphinox Quantitative score

Score displays Company's financial conditions, growth pace and valuation based on latest results and stock price



Stock Price Performance

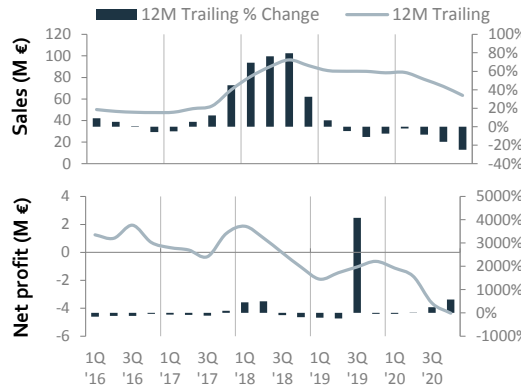


Company Update

It was a tough time for salmon producers last year as prices were down by 38% as a result of the significant oversupply on the market. The activity in HoReCa sector, producers' main customer, was basically in a standstill mode. PR Foods reported a 33% decline in sales and 41% drop in gross profit for 2Q'20/21. However, its retail operations managed to exhibit resilience and delivered sales increase of 1%. The company was operating at losses given drastic declines in prices of its main products - salmon and trout. Cost cutting is one of the top priorities for the company to minimize losses - PRFoods has reduced its workforce by 17% during the year, but it is still struggling to survive. The quality of the balance sheet continued to worsen further as equity ratio declined from 37% in 2019 to 32% in 2020. PR Foods expects the normalization to start in the second half of 2021, but it will largely depend on the vaccination tempo.

Growth

Sales	last Q	LTM	2019	2018
Company (M €)	17.0	63.4	84.3	91.0
Company	-32.9%	-25%	-7.4%	33%
Sector*	-22.6%	10.0%	-7%	-3.4%
Baltic Market	-10.1%	-7.2%	4.6%	7.7%



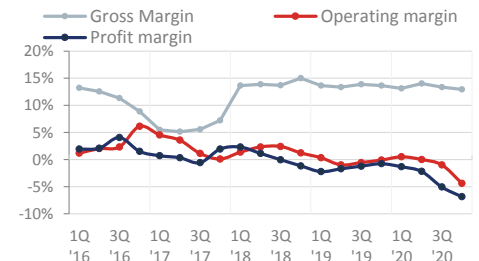
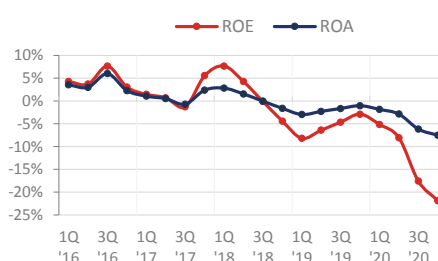
Key performance indicators

	4Q '20	4Q '19	LTM
Average price of biomass, EUR/kg	3.7	4.4	4.0
	-16%		
Biomass volume at the end of period, tonnes	999	1088	4187
	-8%		

Profit	last Q	LTM	2019	2018
Company (M €)	-0.2	-4.4	-0.6	-1.1
Company	-136%	575%	-39%	-179%
Sector*	-231%	10.8%	-116%	-120%
Baltic Market	-2.2%	-24%	-40%	5.4%

Profitability

Last 12M	ROE	ROA	GM	OPM	PM
Company	-21.9%	-7.5%	12.9%	-4.4%	-6.9%
Sector*	0.3%	0.4%	17.1%	13.5%	6.0%
Baltic Market	8.5%	3.5%	25.7%	4.4%	3.8%
3y average	ROE	ROA	GM	OPM	PM
Company	-0.7%	-0.2%	11.2%	1.3%	-0.1%
Sector*	-1.8%	-1.1%	10.1%	5.7%	2.0%
Baltic Market	5.5%	2.9%	20.9%	2.9%	2.2%

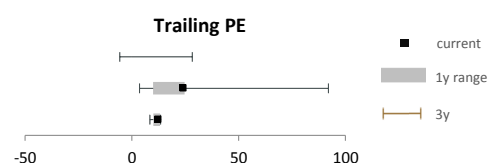


Balance sheet & Cash flow

	last	Q-1	Q-2	Q-3	LTM	2019	2018		last	Q-1	Q-2	Q-3	LTM	2019	2018
Equity / Assets ratio	32%	32%	34%	37%	34%	37%	36%	Cash Flow to Debt	-0.06	0.14	0.20	0.22	0.12	0.28	0
Debt / Equity ratio	125%	124%	119%	95%	116%	90%	106%	CAPEX / Sales	3%	3%	19%	1%	7%	2%	2%
Cash ratio	0.04	0.05	0.10	0.14	0.08	0.10	0.18	FCF/OCF	181%	40%	54%	58%	83%	68%	42%

Valuation

	Last	1y avg	3y avg		last	1y avg	3y avg	
P/E	-	-	-	P/B	0.73	0.71	0.88	Company
EV/EBITDA	32.41	21.88	14.64	P/CF	4.63	3.85	4.89	Sector
P/S	0.21	0.19	0.29	Dvd yield	0.0%	0.0%	1.0%	Market



*Sector: average of respective GICS sector companies from NASDAQ OMX Baltic and NASDAQ OMX Nordic small cap indices, Market: NASDAQ OMX Baltic median

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