

# HKSCAN AS AN INVESTMENT

HKScan is the leading meat expert with strong a Nordic heritage and over 100 years' experience in selling, marketing and producing high-quality, responsibly-produced meat products. Our home markets include Finland, Sweden, Denmark and the Baltics, and we export to close to 50 countries. In 2015, HKScan's net sales totalled EUR 1.9 billion with some 7 400 employees. We are #1 in total sales in our industry in the region of the Baltic Sea. HKScan has been listed on Nasdaq Helsinki Ltd since 1997.

HKScan's strengths are strong brands and a leading market position in all home markets, an excellent geographical location for operational synergies, and strong balance sheet that enables the execution of profitable growth strategy.

Market drivers that support our business:

- Global growth in meat demand, especially in poultry
- Meat industry competition favouring larger players
- Urban lifestyles increase the demand for convenience food
- Pure and sustainable Nordic meat is being valued by consumers

## STRATEGIC TARGETS

HKScan updated its strategy during 2014. "Towards profitable growth" is the theme of our updated Group strategy for 2015-2018. The focus areas we have identified as our new strategic "Must-Win Battles" are as follows:

- Renew customer, consumer and channel approach;
- Develop brands and offerings;
- Invest for growth; and
- Drive continuous improvement.

## LONG-TERM FINANCIAL TARGETS

- Operating profit (EBIT): over 4 per cent of net sales
- Return on capital employed: over 12 per cent
- Net gearing: under 100 per cent
- Dividends: over 30 per cent of net profit