



Atria Group 1 January - 31 March 2019

EUR million	Q1		2018
	2019	2018	
Net sales	336.4	345.4	1,438.5
EBIT	-2.8	3.5	28.2
EBIT %	-0.8 %	1.0 %	2.0 %

- Atria's net sales and result decreased, profit improvement is sought through efficiency and development measures
- The Group's EBIT was particularly affected by higher raw material costs and Easter falling in the second quarter.
- Atria Finland's net sales and EBIT were lower than in the previous year.
- Atria Sweden's result was weakened by the costs of the efficiency improvement measures, EUR 1.5 million. The aim of the efficiency improvement measures is to improve operational efficiency and competitiveness.
- Atria Russia seeks rapid profit improvement and is exploring opportunities for divestments.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.40 (EUR 0.50) be paid per share.

Atria Finland 1 Jan - 31 March 2019

EUR million	Q1		2018
	2019	2018	
Net sales	241.0	245.6	1,019.2
EBIT	3.9	6.7	36.7
EBIT %	1.6 %	2.7 %	3.6 %

- **Atria Finland's** net sales and EBIT were lower than in the previous year. The entire Easter season sales are in the second quarter this year, which is reflected in reduced net sales in the first quarter.
- During the beginning of the year, the sales structure has not been as favourable as a year ago.
- EBIT was brought down by increased meat raw material prices. Sales prices increased during the review period.
- During the review period, Atria Finland launched an efficiency improvement project at the Nurmo pig cutting plant, which aims to improve the profitability and competitiveness of the plant. The collective redundancy consultation related to the restructuring was completed in February. The restructuring will result in annual savings of approximately EUR 1.5 million, which will be fully realised from the beginning of 2020 onwards.

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Atria Finland

- In terms of retail value, the market in the product groups represented by Atria grew by 0.4 per cent in the first quarter. The largest growth was recorded for the poultry food product group, with sales growth of about 6 per cent, and the convenience food product group, with sales growth of about 5 per cent.
- Atria's supplier share in retail was 24 per cent. Atria is the market leader in its own brands in the meat, poultry, meat product and convenience food markets (source: Atria).
- In terms of value, Finland's Food Service market grew approximately three percent in the early part of the year. In the Food Service market, meat sales grew by about 6 per cent and cooking product sales by about 4 per cent. Atria's sales development was slightly higher than the market, and its supplier share of the Food Service market was about 22 per cent (source: Atria).

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Atria Sweden 1 Jan - 31 March 2019

EUR million	Q1	Q1	2018
	2019	2018	
Net sales	66.6	69.6	287.9
EBIT	-4.1	-3.2	-7.1
EBIT %	-6.2 %	-4.6 %	-2.5 %

- Atria Sweden's net sales in the local currency were at the same level as in the previous year.
- Performance was weighed down by the cost of the efficiency improvement measures, totalling EUR 1.5 million.
- Sales of poultry products increased substantially year-on-year. The sales structure of the poultry business is still unfavourable but has improved during the review period.
- During the review period, Atria Sweden launched a project in line with its revised strategy, which aims to enhance business operations and improve competitiveness in the changed business environment. The collective redundancy consultation related to the plan concerns all salaried employees of Atria Sweden. The efficiency improvement project aims to generate annual personnel cost savings of approximately EUR 3 million. The savings would be partly realised towards the end of 2019 and fully from the beginning of 2020.

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Atria Sweden

- Sales of the product groups represented by Atria grew by 2.8 per cent during the review period.
- In particular, the market for fresh poultry grew strongly, by approximately 11 per cent during the beginning of the year.
- Atria Sweden's market shares in January-March developed positively during the review period.
- In sausages, Atria's market share strengthened by 0.9 per cent, and in fresh poultry products, by 3.5 per cent. In cold cuts, the market share decreased slightly.

(Source: AC Nielsen)



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Atria Denmark & Estonia 1 Jan - 31 March 2019

EUR million	Q1		2018
	2019	2018	2018
Net sales	21.8	23.1	97.4
EBIT	0.6	1.3	5.3
EBIT %	2.8 %	5.6 %	5.5 %

- **Atria Denmark & Estonia's** EBIT was weighed down by reduced sales to retail.
- In Denmark, the tight competitive situation weakened sales development. In Estonia, Atria increased its sales to retail.
- The Danish cold cuts market contracted by almost 2 per cent year-on-year. Atria's market share in Denmark decreased slightly.
- In Estonia, the retail sales of the product groups represented by Atria increased by about 2 per cent year-on-year. Atria's sales growth was stronger than the market: 5.5 per cent.

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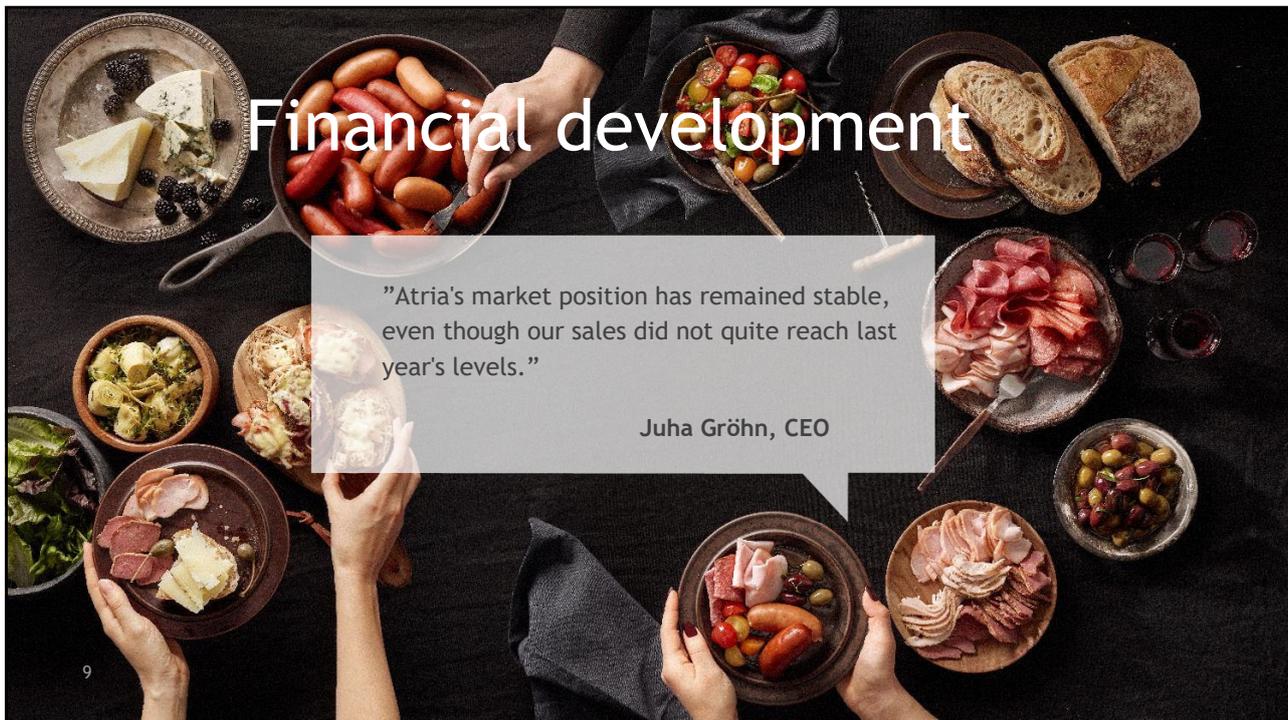
Atria Russia 1 Jan - 31 March 2019

EUR million	Q1		2018
	2019	2018	2018
Net sales	15.8	17.3	75.1
EBIT	-2.2	-0.6	-4.0
EBIT %	-13.7 %	-3.6 %	-5.3 %

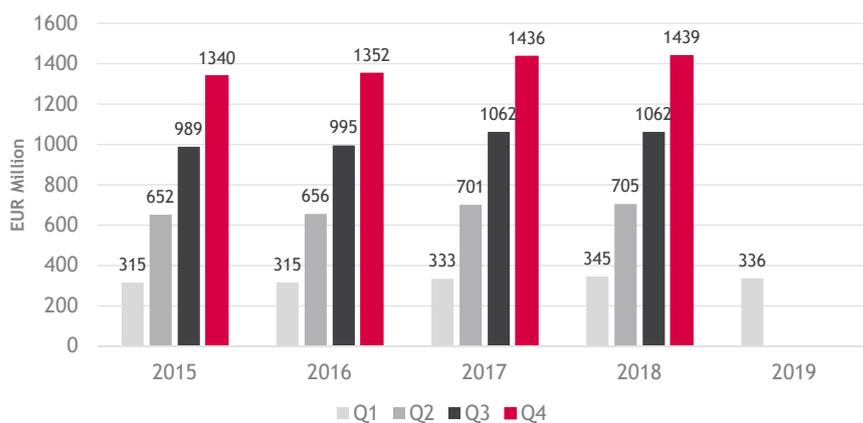
- **Atria Russia's** net sales decreased by 2.4 per cent in the local currency. Net sales fell mainly due to the weakened sales to retail.
- Sales to Food Service and Sibylla customers developed positively.
- EBIT was brought down by continued high meat raw material prices and weakened sales to retail.
- Atria Russia updated its strategy at the beginning of 2019. A key goal is the quick revitalisation of business operations in Russia, which means increasing sales and sales margin as well as turning performance positive. As part of the strategy project, Atria is also looking into possibilities of selling Atria Russia's business operations.

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Atria Group Net Sales cumulative, quarterly



Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators 1 Jan - 31 March 2019

EUR million	31 March 2019	31 March 2019	31 Dec 2018
Shareholder's equity per share, EUR	14.57	14.70	14.69
Interest-bearing liabilities	278.2	247.0	227.2
Equity ratio, %	44.6 %	46.4 %	47.7 %
Net gearing, %	65.3 %	56.6 %	52.1 %
Gross investments	10.3	12.0	44.5
Gross investments, % of net sales	3.1 %	3.5 %	3.1 %
Average number of employees	4,430	4,370	4,460

- During the review period, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -15.2 million (EUR -32.3 million).
- The Group's investments in tangible and intangible assets during the review period totalled EUR 10.3 million (EUR 12.0 million).
- The total translation differences with the Swedish krona and the Russian rouble recognised in equity increased equity by EUR 3.1 million (EUR -4.3 million) in January-March.
- On 31 March 2019, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2018: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the review period was 2 years 11 months (31 December 2018: 3 years 2 months).

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IFRS 16

- The adoption of IFRS 16 increased interest-bearing liabilities by EUR 38,9 million on 1 January 2019. The right-of-use asset items in non-current assets increased by the same amount.
- At the end March 2019 the finance lease liabilities according to IFRS 16 EUR 37,8 million.
- The adoption of IFRS 16 had no major impact on EBIT or net result in the first quarter.

Key indicators EUR million	Without IFRS 16 - effect		
	31.3.19	31.3.2019	Change
Shareholders' equity per share EUR	14,57	14,57	0,00
Interest-bearing liabilities	278,2	240,3	37,8
Equity ratio, %	44,6 %	46,5 %	-1,9 %
Net gearing, %	65,3 %	56,4 %	8,9 %

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Atria Group Income statement

EUR million	Q1		
	2019	2018	2018
NET SALES	336.4	345.4	1,438.5
Cost of goods sold	-306.1	-309.8	-1,285.7
GROSS PROFIT	30.3	35.6	152.9
<i>% of Net sales</i>	9.0 %	10.3 %	10.6 %
Other income	0.6	0.8	3.9
Other expences	-33.7	-32.9	-128.5
EBIT	-2.8	3.5	28.2
<i>% of Net sales</i>	-0.8 %	1.0 %	2.0 %
Financial income and expences	-1.2	-2.3	-6.2
Income from jointventures and associates	0.2	0.0	0.4
PROFIT BEFORE TAXES	-3.7	1.2	22.3
Income taxes	-0.2	-0.5	-4.5
PROFIT FOR THE PERIOD	-4.0	0.7	17.8

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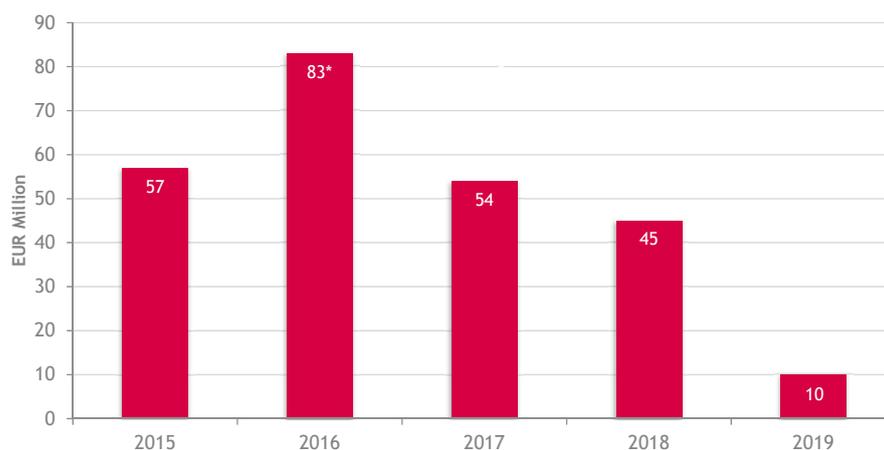
Atria Group Cash flow statement

EUR million	Q1		2018
	2019	2018	
Cash flow from operating activities	-1.2	-15.4	53.9
Financial items and taxes	-3.9	-3.6	-6.7
NET CASH FLOW FROM OPERATING ACTIVITIES	-5.0	-18.9	47.2
Investing activities to tangible and intangible assets	-10.1	-12.3	-44.5
Change in non-current receivables	0.4	-0.6	-0.9
Dividends received from investments	-	-	0.6
Change in current receivables	-0.4	-0.5	-0.5
NET CASH USED IN INVESTING ACTIVITIES	-10.2	-13.4	-45.2
FREE CASH FLOW	-15.2	-32.3	2.0
Changes in interest-bearing liabilities	12.0	32.6	12.6
Dividends paid	-0.3	-	-14.8
NET CASH USED IN FINANCING ACTIVITIES	11.6	32.6	-2.2
CHANGE IN LIQUID FUNDS	-3.5	0.3	-0.2

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Atria Group Gross investments

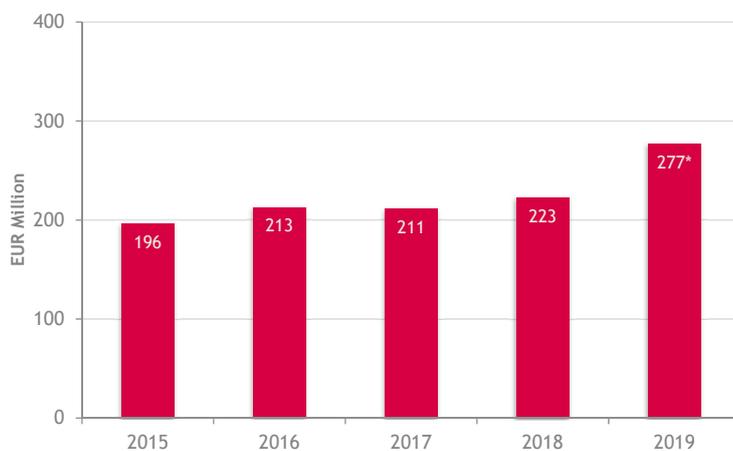


* In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

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Atria Group Net debts

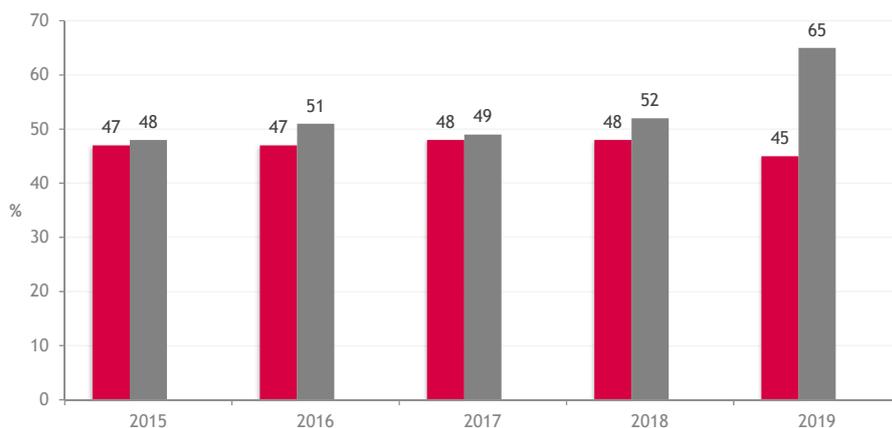


*incl. the finance lease liabilities according to IFRS 16 EUR 38 million.

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Atria Group Equity ratio & Net gearing



IFRS 16 increased interest-bearing liabilities by EUR 38 million

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Business risks in the review period and short-term risks

- Risks related to the price, availability, quality and safety of raw materials and products are ordinary risks in the food production chain, from primary production to consumption. They have an impact on the profitability of Atria's operations. The poor harvest season last summer has raised production costs at meat farms. This has increased raw material prices. In Estonia, African swine fever is a risk related to animal health. The swine fever can also spread to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities.
- The general economic climate, geopolitical tensions, significant changes in exchange rates, the development of the meat and consumer product markets, and the competitive environment cause uncertainties in the development of demand. This is reflected in the implementation of Atria's strategy and the maintaining or improving of the financial results of business areas. During the review period, changes in the value of the Russian rouble and the Swedish krona are visible in the Group's euro-denominated net sales, result and equity.
- The availability of skilled and motivated personnel is a risk in terms of strategy implementation and goal achievement. Atria invests in the well-being of its personnel and offers plenty of training opportunities. During the review period, the Atria Way of Leading programme and the Safely Home from Atria occupational safety programme were continued.
- During the first three months of the year, work has been carried out to prevent various risks that may cause damage, contingency plans have been updated, and risk assessments have been completed.
- A more detailed description of the risks related to Atria's operations was provided in the annual report.

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Outlook for the future

- Consolidated EBIT was EUR 28.2 million in 2018. In 2019, EBIT is expected to be better than in 2018. At comparative exchange rates, net sales for 2019 are expected to grow compared to 2018.

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Board of Directors' proposal for profit distribution

- The Board of Directors proposes that a dividend of EUR 0.40 be paid per share for the financial year 2018.

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