



Atria Group 1 January - 30 June 2019

EUR million	Q2	Q2	H1	H1	2018
	2019	2018	2019	2018	
Net sales	368.9	359.1	705.3	704.6	1,438.5
EBIT	5.1	5.4	2.3	8.8	28.2
EBIT %	1.4 %	1.5 %	0.3 %	1.3 %	2.0 %

- Atria's net sales are stable, result brought down by increased raw material costs.
- The Easter season in April and the implemented price increases improved net sales.
- Atria Sweden's net sales at comparable exchange rates grew by 6.5 per cent thanks to increased sales of poultry products during April-June.
- In Finland, EBIT for the second quarter was weighed down by an unfavourable sales structure.
- Atria Russia seeks profit improvement and is exploring opportunities for divestments.
- African swine fever in China has caused disruptions on the international meat market.

Atria Finland 1 Jan - 30 June 2019

EUR million	Q2	Q2	H1	H1	2018
	2019	2018	2019	2018	
Net sales	263.7	254.9	504.7	500.5	1,019.2
EBIT	6.4	6.9	10.3	13.6	36.7
EBIT %	2.4 %	2.7 %	2.0 %	2.7 %	3.6 %

- Atria Finland's net sales for April-June grew year-on-year, largely due to the Easter season in April.
- EBIT for April-June was brought down by the higher raw material costs, an unfavourable sales structure and the cost of introducing a new production line for the poultry unit.
- Price increases and Atria's stable market share improved the net sales of the beginning of the year.
- The sales structure was weaker than in the corresponding period last year, partly due to the increased export sales volumes of frozen beef.
- During the review period, the export of pork to China has grown compared to the previous year.

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Atria Finland

- The retail market for the product groups represented by Atria grew 3.5 per cent in value in January-May. There was growth in all product groups with the exception of red meat. The largest growth was recorded for the poultry food product group, with about 6 per cent, and the convenience food product group, with about 7.5 per cent. The market of red meat decreased by about 4 per cent during the first half of the year. Atria's supplier share in retail was about 25 per cent. (Source: Atria)
- In terms of value, Finland's Food Service market grew approximately three percent in January-May. The largest sales growth was recorded for the cookery product group (+4%), the convenience food product group (+4%), and red meat (+3%). Atria's supplier share in the Food Service market was approximately 22 per cent. (Source: Atria)



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Atria Sweden 1 Jan - 30 June 2019

EUR million	Q2	Q2	H1	H1	2018
	2019	2018	2019	2018	
Net sales	74.4	71.7	141.0	141.3	287.9
EBIT	-1.5	-1.8	-5.6	-5.0	-7.1
EBIT %	-2.0 %	-2.5 %	-4.0 %	-3.6 %	-2.5 %

- Atria Sweden's net sales for April-June grew by 6,5 per cent in the local currency.
- The sales of poultry products increased substantially year-on-year.
- The EBIT for April-June was brought down by the weakened Swedish krona and the increase in raw material prices.
- In March, 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 negotiations related to the plan concerned all salaried employees of Atria Sweden and was finished in June. The efficiency improvement project aims to generate annual personnel cost savings of approximately EUR 3 million. The savings will be partly realised towards the end of 2019 and fully from the beginning of 2020. As a result of the negotiations, Atria laid off 40 salaried employees in Sweden and Norway.
- The result for January-June was weakened by the costs of the efficiency improvement programme, EUR 1.4 million.

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Atria Sweden

- The market of the product groups represented by Atria developed favourably during the review period. In cooking sausages, Atria's market share grew by 1.7 percentage points, and in poultry products by 3.0 percentage points. In cold cuts, Atria's supplier share decreased slightly. (Source: AC Nielsen)
- In the second quarter, Atria launched its renewed #1 brand Lönneberga. Lönneberga's product selection was expanded to cold cuts, cooking sausages as well as poultry products.



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Atria Denmark & Estonia 1 Jan - 30 June 2019

EUR million	Q2	Q2	H1	H1	2018
	2019	2018	2019	2018	
Net sales	23.5	24.3	45.3	47.4	97.4
EBIT	1.0	1.4	1.6	2.7	5.3
EBIT %	4.3 %	5.6 %	3.6 %	5.6 %	5.5 %

- In **Atria Denmark & Estonia** business area, the development in Estonia has been good for a longer time. In Estonia, Atria's sales to retail during the review period increased by approximately 11 per cent in terms of value. In Denmark, sales have been weakened by the intense competition and the decline in meat consumption.
- The price of meat raw materials increased significantly due to the rapid increase in pork exports from Europe to China.
- In Denmark, the competition in cold cuts has continued intense and the market share of Private Label products has increased. Atria's market share in cold cuts in Denmark has decreased slightly.
- In Estonia's retail, Atria's market share grew to 16.9 per cent during the first half of the year. Sales of barbecue season products has been successful.

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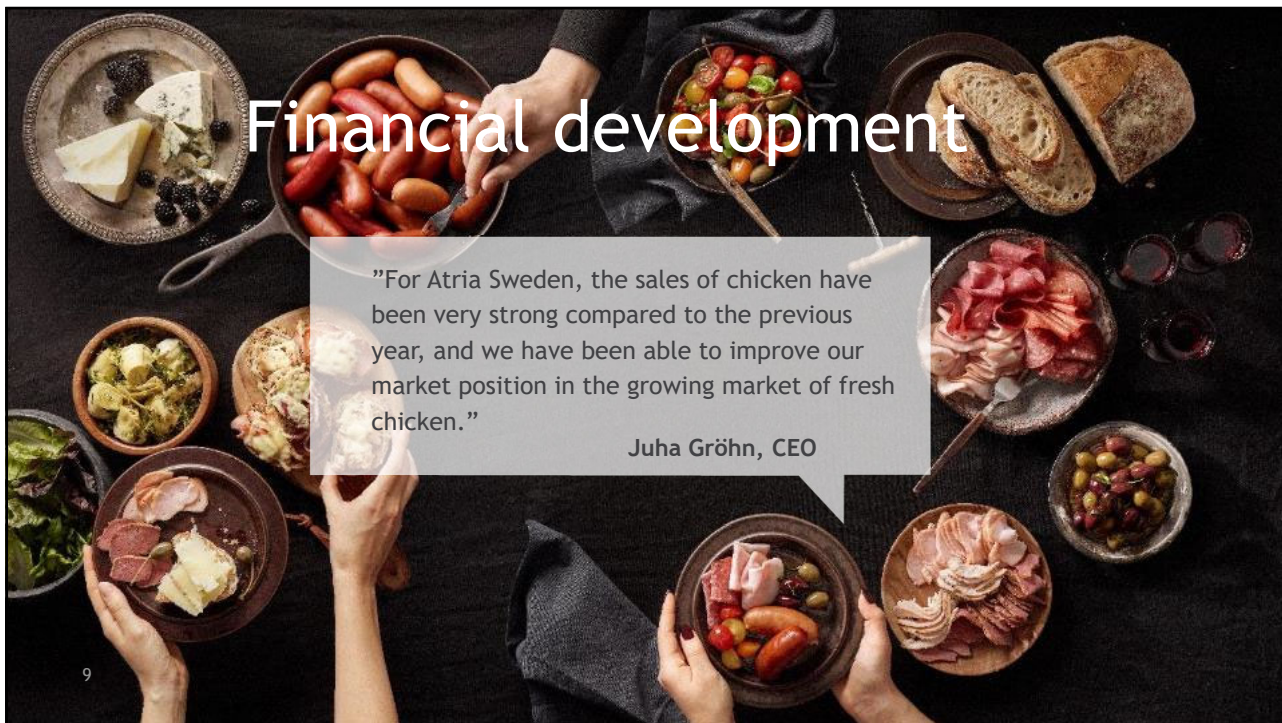
Atria Russia 1 Jan - 30 June 2019

EUR million	Q2	Q2	H1	H1	2018
	2019	2018	2019	2018	
Net sales	18.5	18.5	34.2	35.8	75.1
EBIT	-0.3	-0.1	-2.5	-0.7	-4.0
EBIT %	-1.6 %	-0.3 %	-7.2 %	-1.9 %	-5.3 %

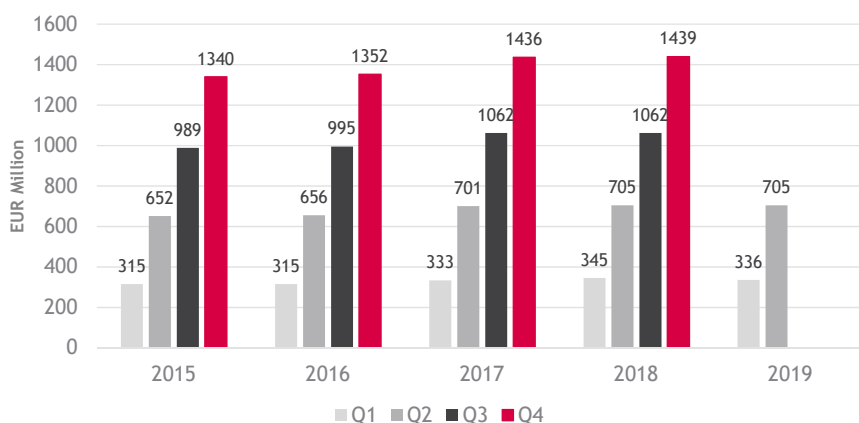
- **Atria Russia's** net sales for January-June remained at the same level year-on-year and EBIT was slightly weaker year-on-year. EBIT was brought down by continued high meat raw material prices and weakened sales to retail.
- Sales to Food Service customers has increased markedly during April-June. The sales of Sibylla products have remained stable.
- 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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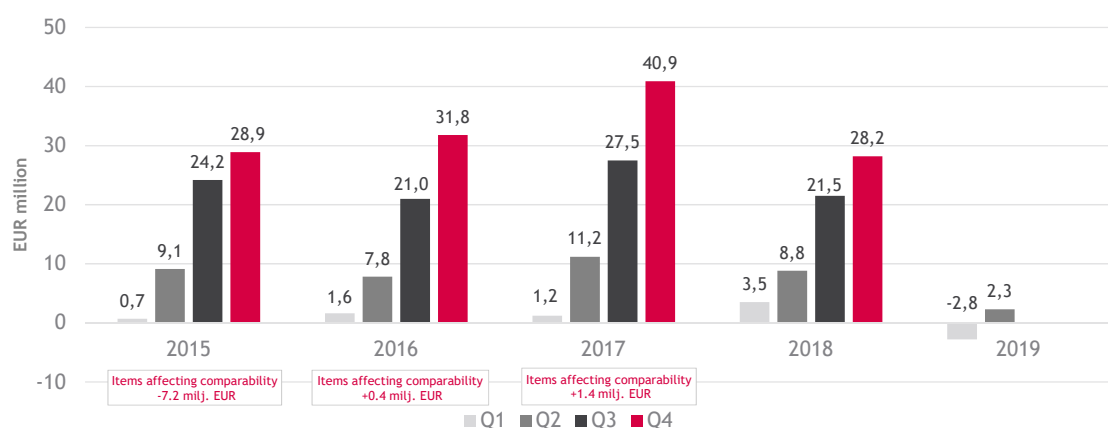
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Atria Group Net Sales cumulative, quarterly



Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators 1 January - 30 June 2019

EUR million	30 June 2019	30 June 2019	31 Dec 2018
Shareholder's equity per share, EUR	14.23	14.35	14.69
Interest-bearing liabilities	274.0	251.4	227.2
Equity ratio, %	43.8 %	45.4 %	47.7 %
Net gearing, %	65.7 %	59.7 %	52.1 %
Gross investments	22.5	24.1	44.5
Gross investments, % of net sales	3.2 %	3.4 %	3.1 %
Average number of employees	4,532	4,500	4,460

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -0.3 million (EUR -25.5 million). Operating cash flow improved from last year by EUR 25.2 million, which is largely due to the development of working capital.
- The Group's investments in tangible and intangible assets during the review period totalled EUR 22.5 million (EUR 24.1 million).
- The total translation differences with the Swedish krona and the Russian rouble recognised in equity increased equity by EUR 3.0 million (EUR -6.8 million) in January-June.
- On 30 June 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 period under review was 2 years 9 months (31 December 2018: 3 years 2 months).

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Atria Group Income statement

EUR million	Q2		H1		2018
	2019	2018	2019	2018	
NET SALES	368.9	359.1	705.3	704.6	1,438.5
Cost of goods sold	-330.4	-320.7	-636.5	-630.5	-1,285.7
GROSS PROFIT	38.5	38.4	68.8	74.0	152.9
<i>% of Net sales</i>	10.4 %	10.7 %	9.8 %	10.5 %	10.6 %
Other income	1.0	1.2	1.6	2.0	3.9
Other expenses	-34.4	-34.3	-68.1	-67.2	-128.5
EBIT	5.1	5.4	2.3	8.8	28.2
<i>% of Net sales</i>	1.4 %	1.5 %	0.3 %	1.3 %	2.0 %
Financial income and expenses	-1.3	-1.5	-2.5	-3.8	-6.2
Income from jointventures and associates	-0.3	0.1	-0.1	0.1	0.4
PROFIT BEFORE TAXES	3.5	3.9	-0.3	5.1	22.3
Income taxes	-1.0	0.7	-1.3	0.2	-4.5
PROFIT FOR THE PERIOD	2.4	4.6	-1.5	5.3	17.8

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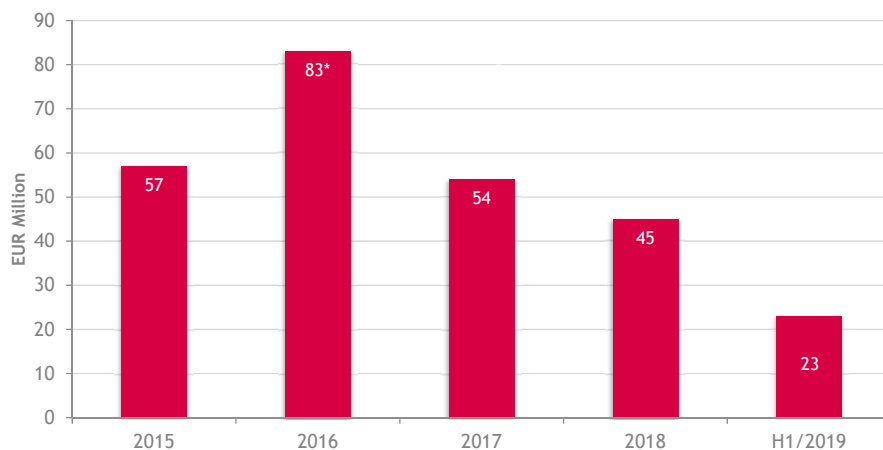
Atria Group Cash flow statement

EUR million	H1		2018
	2019	2018	
Cash flow from operating activities	29.1	5.3	53.9
Financial items and taxes	-6.7	-7.1	-6.7
NET CASH FLOW FROM OPERATING ACTIVITIES	22.3	-1.9	47.2
Investing activities to tangible and intangible assets	-22.9	-24.1	-44.5
Change in non-current receivables	0.4	-0.7	-0.9
Dividends received from investments	0.1	0.2	0.6
Change in current receivables	-0.2	1.0	-0.5
NET CASH USED IN INVESTING ACTIVITIES	-22.6	-23.6	-45.2
FREE CASH FLOW	-0.3	-25.5	2.0
Changes in interest-bearing liabilities	8.0	37.1	12.6
Dividends paid	-11.6	-14.8	-14.8
NET CASH USED IN FINANCING ACTIVITIES	-3.6	22.3	-2.2
CHANGE IN LIQUID FUNDS	-3.8	-3.1	-0.2

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Atria Group Gross investments

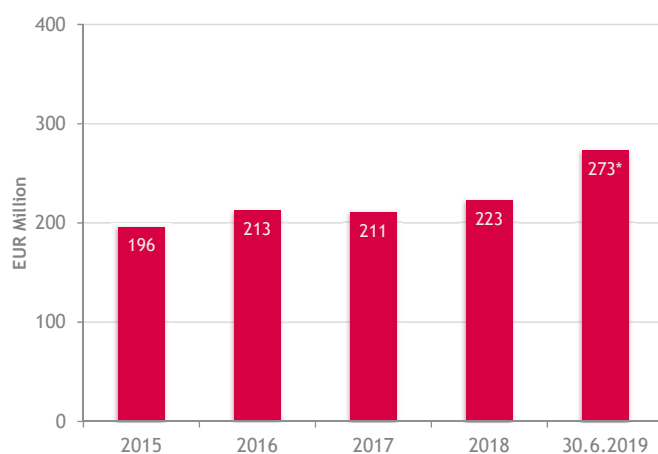


*In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

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Atria Group Net debts

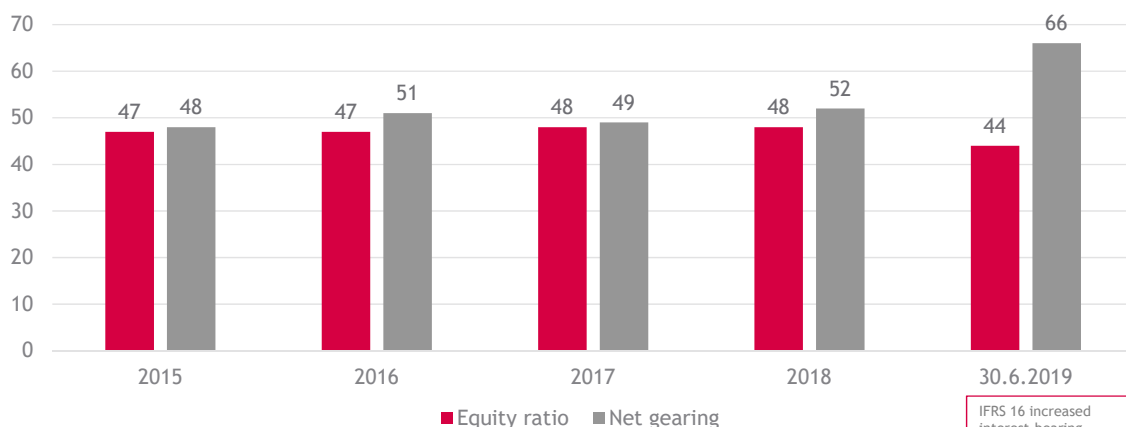


*Incl. the finance lease liabilities according to IFRS 16 EUR 36 million.

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Atria Group Equity ratio & Net gearing



■ Equity ratio ■ Net gearing

IFRS 16 increased interest-bearing liabilities by EUR 36 million

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Business risks in the review period and short-term risks

- Risks related to the quality, availability, safety and price of raw materials and products are ordinary risks affecting Atria's profitability in the food production chain, from primary production to consumption.
- African swine fever, a risk related to animal health, is a significant worldwide risk that belongs to this group. African swine fever has spread to for example Estonia, Russia and China. The consumption of pork in China is the highest in the world, and due to the disease, the country is now unable to meet its demand domestically. China's problems shift the international pork market and impact pork prices as well as grain production and prices. The swine fever can also spread to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities. In addition to meat raw material, the availability and prices of crops are a significant risk to Atria as they change the production costs at meat farms.
- 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.
- 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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Better mood

Product

OUR COMMITMENT
We are proud of our products. Our food chain is the world's purest and safest.

THEMES
Animal welfare
Product safety and quality

Planet

OUR COMMITMENT
We care for the environment and are committed to reducing our environmental impact in every stage of the production chain.

THEMES
Climate and nature
Respect for natural resources

People

OUR COMMITMENT
We care for people and are committed to promoting human wellbeing.


THEMES
A good life
Employee safety, wellbeing and development

Responsible business management

We are committed to responsible business conduct and the requirements of our operating environment and stakeholders.

We are driven by profitable growth, ethics and value-creating partnerships.

ATRIA




Product

OUR COMMITMENT

We are proud of our products. Our food chain is the world's purest and safest.

THEMES

- Animal welfare
- Product safety and quality



OUR TARGETS

Animal welfare

- Antibiotic free production
- Zero animal welfare incidents
- Increase the share of products with full branded traceability of animal origin

Product safety and quality

- No product recalls
- Full batch level traceability of all raw materials, ingredients and packaging.

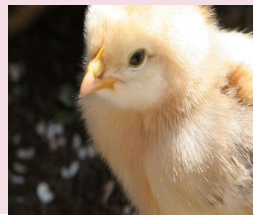
We care for our products



Atria Family Farms since 2012



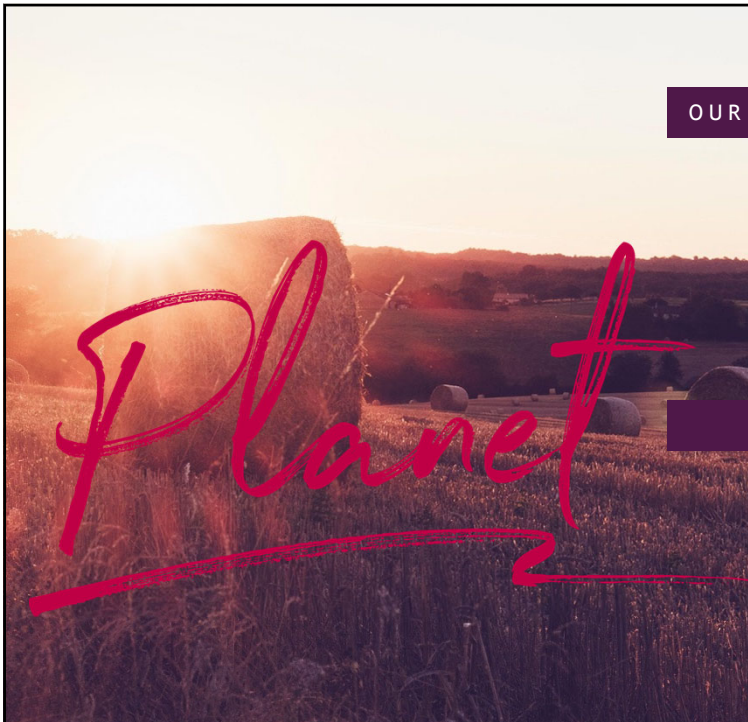
Pigs have tails



Non Antibiotic



Product safety

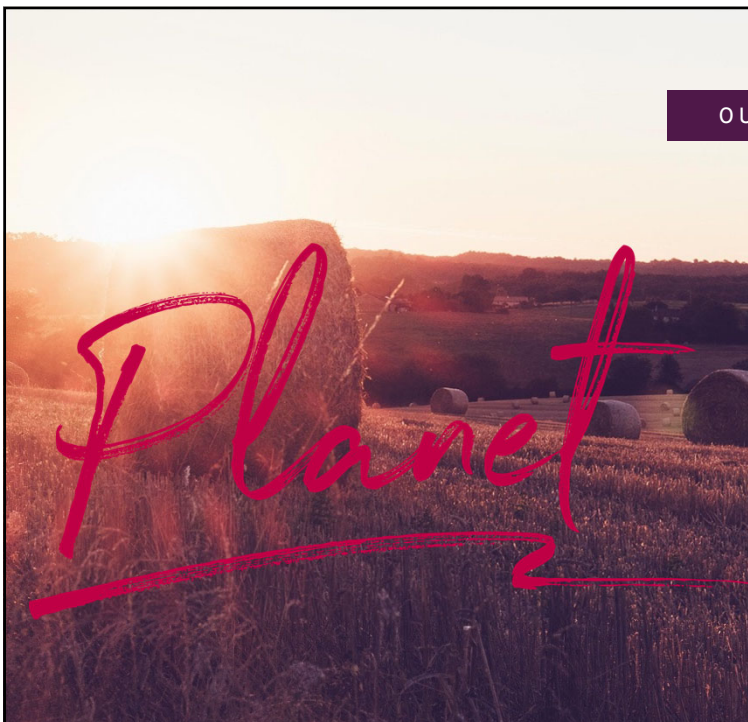


OUR COMMITMENT

We care for the environment and are committed to reducing our environmental impact in every stage of the production chain.

THEMES

- Climate and nature
- Respect for natural resources



OUR TARGETS

- Carbon neutral foodchain
- Reduce CO₂ emissions by 25 % by 2025 in our own industrial operations
- Reduce energy consumption 5% by 2025 in our own industrial operations
- Maintain sustainable water utilization in own operations
- Develop environmentally sustainable packaging solutions

We care for our planet



Solar energy



Less plastic



Less food waste



Reduced energy consumption

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Better Mood - Sustainable Atria

ATRIA




OUR COMMITMENT

We care for people and are committed to promoting human wellbeing.

THEMES

A good life
Employee safety, wellbeing and development



OUR TARGETS

- Support and invest in meat & other protein education & research
- Promote good eating habits through own products and marketing communications
- Work towards zero accidents
- our employees enjoy their work
- We are a preferred employer in the food industry

We care for people

SAFELY HOME
from Atria

Safely home from Atria



Atria Way of Leading



Good eating habits and good protein for young athletes



Let's eat together



Responsible business management

OUR COMMITMENT

We are committed to responsible business conduct and the requirements of our operating environment and stakeholders.

We are driven by profitable growth, ethics and value-creating partnerships.

TOOLS

- Code of Conduct
- CSR Management
- Compliance
- Supply chain management
- Corporate citizenship
- Communications

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Thank you!

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