

**OLVI GROUP'S HALF-YEAR REPORT, 1 JANUARY TO 30 JUNE 2019 (6 MONTHS)****HALF-YEAR REPORT IN BRIEF**

Olvi Group's sales volume, net sales and operating profit have developed favourably during the review period. The Group's financial position has improved further.

**Near-term outlook**

Olvi retains its full-year earnings outlook and estimates that the Group's operating profit for 2019 will remain on the previous year's good level.

**CONSOLIDATED KEY RATIOS**

	4-6/ 2019	4-6/ 2018	Change % / pp	1-6/ 2019	1-6/ 2018	Change % / pp	1-12/ 2018
Sales volume, Mltr	227.6	217.0	4.9	365.0	350.7	4.1	701.3
Net sales, MEUR	124.5	116.8	6.6	201.5	187.4	7.5	384.3
Gross margin, MEUR	25.7	24.1	6.4	37.4	35.3	5.8	70.8
% of net sales	20.6	20.6		18.6	18.9		18.4
Operating profit, MEUR	19.8	19.2	3.3	25.8	25.6	1.1	50.1
% of net sales	15.9	16.4		12.8	13.6		13.0
Net profit for the period, MEUR	13.2	14.4	-8.6	18.3	20.1	-9.0	41.1
% of net sales	10.6	12.3		9.1	10.7		10.7
Earnings per share, EUR	0.62	0.68	-8.8	0.87	0.96	-9.4	1.97
Capital expenditure, MEUR	11.3	9.6	17.7	18.1	16.0	13.7	34.2
Equity per share, EUR				11.49	10.50	9.4	11.31
Equity to total assets, %				58.8	56.8	2.0	64.9
Gearing, %				-9.5	-2.9	6.6	-6.0

**BUSINESS DEVELOPMENT****LASSE AHO, MANAGING DIRECTOR:**

Olvi Group's business has developed favourably during the first half of the year, particularly in Finland, Belarus and Lithuania. New products have been widely distributed, exports have increased and market demand for non-alcoholic products has continued to increase. Net sales have increased by 7.5 percent in the first half, even though the previous year's volumes were historically high thanks to warm weather in the early summer. The second quarter was record-breaking in terms of sales volume, net sales and operating profit alike. All in all, performance and business development in the first half were good in spite of tax changes in Estonia and less favourable high-season weather compared to the previous year.

Operating profit improved further on the previous year's record-setting figure thanks to increased sales volume, more efficient production operations and a more profitable product portfolio. Marketing efforts to grow new business have been intensified at the same time. Thanks to good earnings development in the Group companies, the amount of repatriated dividends has been increased, and the correspondingly higher taxes are reflected in net profit for the period. However, Olvi's operating environment is challenged by continuous changes in alcohol legislation and taxation.



By all measurements, business in Finland has developed favourably in the first half of the year. Only the second-quarter volumes did not quite match the comparison period, as sales in the previous year were boosted by a record-breaking heat wave in May. Olvi had a temporary hindrance to deliveries in the second quarter, as the fermentation times for barley malt had to be extended due to the extraordinarily dry growing season in 2018. The second-quarter comparison figures for Finland do not yet include the business of Helsinki Distilling Company.

In Estonia, the first half's comparability with the previous year is hampered by advance sales in 2018 due to excise tax hikes, as well as weaker demand particularly in harbour and on-board sales between Finland and Estonia but also in the Estonian domestic market. However, the tax cut that became effective in the beginning of July is expected to have a positive effect on sales locally, in the Tallinn harbour shops and on-board sales. The second half of the year is indeed expected to show better earnings compared to the previous year.

Business in Latvia has remained on the previous year's level. Excise taxes were increased at the beginning of the year, which has hampered domestic demand and is reflected as a slight decrease in volumes. However, the profitability level has remained on a par with the previous year. To respond to the excise tax cuts in Estonia, Latvia will decrease the excise tax on strong alcoholic beverages as of August. It is hoped that this will prevent the most significant shift of sales from the Estonian-Latvian border to the Estonian side.

In Lithuania, excellent sales development has continued. The growth was made possible by good development of exports. The Volfas Engelman brand is in particular demand in Russia. However, operating profit is hampered by the costs of launching the new water business. A new natural mineral water plant has started its operations during the spring and is primarily targeted to the domestic market. Volfas Engelman is the sales and marketing company for water, with its 100-percent subsidiary Lamate responsible for production.

The sales volume in Belarus increased to a record-breaking level both domestically and in exports to Russia, attributable to factors such as good weather in early summer. Second-quarter earnings have developed hand in hand with the increased volume. Operations have been adapted to better match the increased level of costs.

As planned, investments in the first half of the year are slightly higher than in the previous year. Production capacity in Finland will be increased towards the end of the year, and the efficiency of warehouse operations, among other things, will be improved in the Baltic states. Olvi Group's first own mineral water plant in Lithuania has been taken into production use during the spring.

## **SEASONAL NATURE OF THE OPERATIONS**

The Group's business operations are characterised by seasonal variation. The net sales and operating profit from the reported geographical segments do not accumulate evenly but vary according to the time of the year and the characteristics of each season.

## **SALES DEVELOPMENT**

Olvi Group's sales volume in January-June increased by 4.1 percent to 365.0 (350.7) million litres. Olvi Group's sales volume in April-June increased by 4.9 percent to 227.6 (217.0) million litres.

The sales volume increased in January-June in Finland, Belarus and Lithuania. The change in Latvia is affected by excise tax hikes effective in the first half of the year. In Estonia, the sales volume has been hampered by the doubling of excise taxes on mild alcoholic beverages in the previous year, as well as the shift of sales from June to the following months when the alcohol tax was decreased in July.



Sales volume, million litres	4-6/	4-6/	Change	1-6/	1-6/	Change
	2019	2018		%	2019	
Finland	62.1	62.7	-0.9	106.6	105.1	1.4
Estonia	32.7	33.2	-1.5	54.4	55.8	-2.5
Latvia	23.1	23.8	-2.7	36.7	38.2	-3.8
Lithuania	32.3	27.3	18.3	52.5	46.3	13.5
Belarus	83.9	76.1	10.3	125.5	115.8	8.4
Eliminations	-6.5	-6.0		-10.6	-10.4	
<b>Total</b>	<b>227.6</b>	<b>217.0</b>	<b>4.9</b>	<b>365.0</b>	<b>350.7</b>	<b>4.1</b>

The Group's net sales in January-June increased by 7.5 percent and amounted to 201.5 (187.4) million euro. Net sales in April-June increased by 6.6 percent to 124.5 (116.8) million euro. Net sales increased in Finland, Belarus and Lithuania, reflecting sales volume development. The value of sales also increased in Latvia despite the lower sales volume.

Net sales, million euro	4-6/	4-6/	Change	1-6/	1-6/	Change
	2019	2018		%	2019	
Finland	48.0	46.9	2.2	81.8	75.3	8.7
Estonia	21.1	21.1	-0.4	34.8	35.4	-1.7
Latvia	12.5	12.4	0.3	19.9	19.8	0.3
Lithuania	14.8	12.5	17.9	23.9	20.6	15.7
Belarus	31.3	26.5	18.4	46.4	40.9	13.4
Eliminations	-3.0	-2.6		-5.2	-4.7	
<b>Total</b>	<b>124.5</b>	<b>116.8</b>	<b>6.6</b>	<b>201.5</b>	<b>187.4</b>	<b>7.5</b>

## EARNINGS DEVELOPMENT

The Group's operating profit in January-June stood at 25.8 (25.6) million euro, or 12.8 (13.6) percent of net sales. Operating profit in April-June stood at 19.8 (19.2) million euro, which was 15.9 (16.4) percent of net sales. The Group's operating profit improved in January-June particularly thanks to good performance in Belarus. Finland was also able to improve its performance. The second-quarter drop in Estonia is mainly due to a shift in sales caused by the tax cut.

Operating profit, million euro	4-6/	4-6/	Change	1-6/	1-6/	Change
	2019	2018		%	2019	
Finland	6.3	6.2	0.9	8.9	8.0	11.0
Estonia	4.1	4.8	-14.4	6.3	7.2	-12.4
Latvia	1.6	1.6	-0.7	2.2	2.2	-0.3
Lithuania	1.2	1.5	-21.5	1.5	1.9	-20.4
Belarus	6.8	4.9	39.2	7.5	6.2	21.5
Eliminations	-0.2	0.1		-0.5	0.1	
<b>Total</b>	<b>19.8</b>	<b>19.2</b>	<b>3.3</b>	<b>25.8</b>	<b>25.6</b>	<b>1.1</b>

The Group's January-June profit after taxes amounted to 18.3 (20.1) million euro. Profit for April to June stood at 13.2 (14.4) million euro. Profit after taxes is slightly lower compared to the previous year. This is due to increased taxes as the amount of dividends repatriated from subsidiaries increased substantially.

Earnings per share calculated from the profit belonging to parent company shareholders in January-June was 0.87 (0.96) euro, and the April-June figure was 0.62 (0.68) euro.



## BALANCE SHEET, FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of June 2019 was 410.5 (388.4) million euro. Equity per share at the end of June 2019 stood at 11.49 (10.50) euro. The equity ratio was 58.8 (56.8) percent and the gearing ratio was -9.5 (-2.9) percent. The current ratio, which represents the Group's liquidity, was 1.1 (1.0).

The amount of interest-bearing liabilities amounted to 3.1 (19.4) million euro at the end of June. Current liabilities made up 0.9 (18.1) million euro of all interest-bearing liabilities.

The Group's cash flow from operations declined slightly on the previous year, amounting to 34.8 (35.7) million euro.

Olvi Group's capital expenditure on extensions and replacements from January to June amounted to 18.1 (16.0) million euro. The companies in Finland accounted for 6.6 million euro, the Baltic subsidiaries for 8.8 million euro and Lidskoe Pivo in Belarus for 2.7 million euro of the total. Olvi Group has invested in increasing and diversifying its production capacity, as well as the modernisation of production facilities. The annual total of investments is expected to fall slightly short of the previous year's level.

## PRODUCT DEVELOPMENT AND NEW PRODUCTS

Research and development includes projects to design and develop new products, packages, processes and production methods, as well as further development of existing products and packages. The R&D costs have been recognised as expenses. The main objective of Olvi Group's product development is to create new products for profitable and growing beverage segments.

The Group's new products are presented by market on each company's Web site.

## PERSONNEL

Olvi Group's average number of personnel in January-June increased by 21 people and was 1,791 (1,770). The average number of personnel in April-June was 1,841 (1,839).

Olvi Group's average number of personnel by country:

	4-6/ 2019	4-6/ 2018	Change %	1-6/ 2019	1-6/ 2018	Change %
Finland	415	391	6.1	386	354	9.0
Estonia	318	306	3.9	306	300	2.0
Latvia	208	203	2.5	197	197	0.0
Lithuania	221	215	2.8	222	212	4.7
Belarus	679	724	-6.2	680	707	-3.8
<b>Total</b>	<b>1,841</b>	<b>1,839</b>	<b>0.1</b>	<b>1,791</b>	<b>1,770</b>	<b>1.2</b>

## BOARD OF DIRECTORS AND MANAGEMENT

There have been no changes in Olvi plc's Board of Directors or management during the review period.

## OTHER EVENTS DURING THE REVIEW PERIOD

### Changes in corporate structure

There were no changes in Olvi's holdings in subsidiaries in January-June 2019.

### Share-based payments

At the beginning of the year, Olvi plc initiated a share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. Detailed information on the incentive plan is



provided in Table 5, Section 4 of the tables attached to this half-year report.

## **BUSINESS RISKS AND THEIR MANAGEMENT**

Continuous changes in excise taxes and stricter alcohol legislation in Olvi Group's operating countries bring uncertainty to operations. In addition to the risks described above, there have been no significant changes in Olvi Group's business risks. A more detailed description of the risks is provided in the Board of Directors' report and the notes to the financial statements, as well as in the Investors/Corporate Governance section of the company's Web site.

## **EVENTS AFTER THE REVIEW PERIOD**

There have been no significant reportable events after the review period.

OLVI PLC  
Board of Directors

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### **TABLES:**

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- Notes to the half-year report, Table 5

### **DISTRIBUTION:**

NASDAQ OMX Helsinki Ltd  
Key media  
[www.olvi.fi](http://www.olvi.fi)



OLVI GROUP

TABLE 1

**INCOME STATEMENT**

EUR 1,000

	4-6/ 2019	4-6/ 2018	1-6/ 2019	1-6/ 2018	1-12/ 2018
<b>Net sales</b>	<b>124,516</b>	<b>116,848</b>	<b>201,540</b>	<b>187,424</b>	<b>384,302</b>
Other operating income	440	413	927	679	2,144
Operating expenses	-99,298	-93,154	-165,071	-152,767	-315,694
Depreciation and impairment	-5,863	-4,949	-11,576	-9,786	-20,602
<b>Operating profit</b>	<b>19,795</b>	<b>19,158</b>	<b>25,820</b>	<b>25,550</b>	<b>50,150</b>
Financial income	282	198	602	281	432
Financial expenses	-137	67	-267	-313	-1,429
Share of profit in associates	0	0	0	0	23
<b>Earnings before tax</b>	<b>19,940</b>	<b>19,423</b>	<b>26,155</b>	<b>25,518</b>	<b>49,176</b>
Taxes *)	-6,750	-4,993	-7,891	-5,446	-8,039
<b>NET PROFIT FOR THE PERIOD</b>	<b>13,190</b>	<b>14,430</b>	<b>18,264</b>	<b>20,072</b>	<b>41,137</b>
Other comprehensive income items that may be subsequently reclassified to profit and loss:					
Translation differences related to foreign subsidiaries	1,624	2,031	4,205	1,025	-2,713
Income taxes related to these items	-77	0	-172	0	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>14,737</b>	<b>16,461</b>	<b>22,297</b>	<b>21,097</b>	<b>38,424</b>
Distribution of profit:					
- parent company shareholders	12,915	14,185	17,991	19,811	40,809
- non-controlling interests	275	245	273	261	328
Distribution of comprehensive income:					
- parent company shareholders	14,417	16,163	21,927	20,808	38,169
- non-controlling interests	320	298	370	289	255
<b>Earnings per share calculated from the profit belonging to parent company shareholders, EUR</b>					
- undiluted	0.62	0.68	0.87	0.96	1.97
- diluted	0.62	0.68	0.87	0.96	1.97

\*) Taxes calculated from the profit for the review period.



OLVI GROUP

TABLE 2

**BALANCE SHEET**

EUR 1,000

30 Jun 2019 30 Jun 2018 31 Dec 2018

**ASSETS**

**Non-current assets**

Tangible assets	205,102	192,789	195,599
Goodwill	26,414	25,233	26,134
Other intangible assets	11,003	9,553	11,481
Shares in associates	1,016	1,113	1,016
Investments	542	543	543
Loans receivable and other non-current receivables	235	267	235
Deferred tax receivables	364	846	558
<b>Total non-current assets</b>	<b>244,676</b>	<b>230,344</b>	<b>235,566</b>

**Current assets**

Inventories	46,848	42,172	39,882
Accounts receivable and other receivables	93,311	90,503	71,038
Income tax receivable	109	93	440
Liquid assets	25,560	25,261	18,520
<b>Total current assets</b>	<b>165,828</b>	<b>158,029</b>	<b>129,880</b>
<b>TOTAL ASSETS</b>	<b>410,504</b>	<b>388,373</b>	<b>365,446</b>

**SHAREHOLDERS' EQUITY AND LIABILITIES**

**Shareholders' equity held by parent company shareholders**

Share capital	20,759	20,759	20,759
Other reserves	1,092	1,092	1,092
Treasury shares	-503	-1,332	-956
Translation differences	-42,810	-43,109	-46,746
Retained earnings	259,460	239,716	259,864
	237,998	217,126	234,013
Share belonging to non-controlling interests	3,506	3,375	3,165
<b>Total shareholders' equity</b>	<b>241,504</b>	<b>220,501</b>	<b>237,178</b>

**Non-current liabilities**

Financial liabilities	2,194	1,254	1,167
Other liabilities	4,763	3,707	4,765
Deferred tax liabilities	7,419	7,354	8,085

**Current liabilities**

Financial liabilities	904	18,099	3,554
Accounts payable and other liabilities	147,770	134,761	110,222
Income tax liability	5,950	2,697	475
<b>Total liabilities</b>	<b>169,000</b>	<b>167,872</b>	<b>128,268</b>

**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES 410,504 388,373 365,446**

OLVI GROUP

TABLE 3



## CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
<b>Shareholders' equity 1 Jan 2018</b>	<b>20,759</b>	<b>1,092</b>	<b>-228</b>	<b>-44,106</b>	<b>238,242</b>	<b>1,228</b>	<b>216,987</b>
Comprehensive income:							
Net profit for the period					19,811	261	20,072
Other comprehensive income items:							
Translation differences				997		28	1,025
Total comprehensive income for the period				997	19,811	289	21,097
Transactions with shareholders:							
Payment of dividends					-16,574	-22	-16,596
Acquisition of treasury shares			-1,104				-1,104
Share-based incentives, value of work performed					236		236
Total transactions with shareholders			-1,104		-16,338	-22	-17,464
Changes in holdings in subsidiaries:							
Obligation to redeem shares from non-controlling interests					-1,999		-1,999
Change in share belonging to non-controlling interests					0	1,880	1,880
Total changes in holdings in subsidiaries					-1,999	1,880	-119
<b>Shareholders' equity 30 Jun 2018</b>	<b>20,759</b>	<b>1,092</b>	<b>-1,332</b>	<b>-43,109</b>	<b>239,716</b>	<b>3,375</b>	<b>220,501</b>

EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
<b>Shareholders' equity 1 Jan 2019</b>	<b>20,759</b>	<b>1,092</b>	<b>-956</b>	<b>-46,746</b>	<b>259,864</b>	<b>3,165</b>	<b>237,178</b>
Comprehensive income:							
Net profit for the period					17,991	273	18,264
Other comprehensive income items:							
Translation differences				3,936		97	4,033
Total comprehensive income for the period				3,936	17,991	370	22,297
Transactions with shareholders:							
Payment of dividends					-18,640	-29	-18,669
Acquisition of treasury shares			-726				-726
Sales of treasury shares to employees			1,179				1,179
Share-based incentives, value of work performed					245		245
Total transactions with shareholders			453		-18,395	-29	-17,971
<b>Shareholders' equity 30 Jun 2019</b>	<b>20,759</b>	<b>1,092</b>	<b>-503</b>	<b>-42,810</b>	<b>259,460</b>	<b>3,506</b>	<b>241,504</b>

Other reserves include the share premium account, legal reserve and other reserves.





**CASH FLOW STATEMENT**

EUR 1,000

	1-6/2019	1-6/2018	1-12/2018
Net profit for the period	18,264	20,072	41,137
Adjustments to profit for the period	19,322	16,073	31,061
Change in net working capital	-304	2,034	1,409
Interest paid	-138	-244	-603
Interest received	16	174	440
Dividends received	2	2	123
Taxes paid	-2,381	-2,453	-10,525
<b>Cash flow from operations (A)</b>	<b>34,781</b>	<b>35,658</b>	<b>63,042</b>
Investments in tangible and intangible assets	-16,888	-15,680	-32,315
Sales gains from tangible and intangible assets	830	874	1,796
Shares purchased in subsidiaries	0	-13,806	-16,059
<b>Cash flow from investments (B)</b>	<b>-16,058</b>	<b>-28,612</b>	<b>-46,578</b>
Withdrawals of loans	2,865	13,574	13,543
Repayments of loans	-5,894	-6,176	-21,641
Acquisition of treasury shares	-726	-1,104	-1,770
Sales of treasury shares to employees	1,179	0	0
Dividends paid	-9,360	-16,587	-16,587
Increase (-) / decrease (+) in current interest-bearing business receivables	0	119	316
<b>Cash flow from financing (C)</b>	<b>-11,936</b>	<b>-10,174</b>	<b>-26,139</b>
Increase (+)/decrease (-) in liquid assets (A+B+C)	6,787	-3,128	-9,675
Liquid assets 1 January	18,520	28,625	28,625
Effect of exchange rate changes	253	-236	-430
Liquid assets 30 June/31 December	25,560	25,261	18,520



**NOTES TO THE HALF-YEAR REPORT**

The half-year report has been prepared in accordance with IAS 34, applying the same accounting policies as for the financial statements of 31 December 2018, with the exception of the adoption of IFRS 16 Leases.

The information in the half-year report is presented in thousands of euros (EUR 1,000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions. The ratios are calculated from exact amounts in euros. The information disclosed in the half-year report is unaudited.

**1. SEGMENT INFORMATION**

**NET SALES BY SEGMENT 1-6/2019**

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
<b>INCOME</b>							
External sales	80,986	32,783	19,056	22,498	46,217	0	201,540
Beverage sales	80,212	32,783	19,056	22,498	46,217	0	200,766
Equipment services	774	0	0	0	0	0	774
Internal sales	859	2,037	829	1,374	141	-5,240	0
Total net sales	81,845	34,820	19,885	23,872	46,358	-5,240	201,540

**NET SALES BY SEGMENT 1-6/2018**

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
<b>INCOME</b>							
External sales	74,999	32,905	18,857	19,775	40,888	0	187,424
Beverage sales	74,148	32,905	18,857	19,775	40,888	0	186,573
Equipment services	851	0	0	0	0	0	851
Internal sales	307	2,534	959	858	0	-4,658	0
Total net sales	75,306	35,439	19,816	20,633	40,888	-4,658	187,424

**2. RELATED PARTY TRANSACTIONS**

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director

EUR 1,000

	1-6/2019	1-6/2018	1-12/2018
Managing Director	589	367	823
Chairman of the Board	36	34	71
Other members of the Board	86	75	164
Total	711	476	1,058



### 3. SHARES AND SHARE CAPITAL

	30 Jun 2019	%
Number of A shares	16,989,976	82.0
Number of K shares	3,732,256	18.0
Total	20,722,232	100.0
Total votes carried by A shares	16,989,976	18.5
Total votes carried by K shares	74,645,120	81.5
Total number of votes	91,635,096	100.0
Votes per Series A share	1	
Votes per Series K share	20	

The registered share capital on 30 June 2019 totalled 20,759 thousand euro.

Olvi plc's shares will receive a dividend of 0.90 euro per share for 2018 (0.80 euro per share for 2017), totalling 18.6 (16.6) million euro. The dividends will be paid in two instalments. The first instalment of 0,45 euro per share was paid on 9 May 2019. The second instalment of 0,45 euro per share will be paid on 9 September 2019. The Series K and Series A shares entitle to equal dividend. The Articles of Association include a redemption clause concerning Series K shares.

### 4. SHARE-BASED PAYMENTS

The aim of Olvi plc's share-based incentive plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to make the key employees committed to the company, and to offer them a competitive reward plan based on earning the company's shares.

Olvi plc initiated a new share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. The plan is directed to approximately 60 people. In accordance with the share-based incentive plan, Olvi plc sold a total of 36,450 treasury shares to the target group members for a price of 1,179,330.37 euro. From January to June 2019, costs associated with the plan were recognised for a total of 486.1 thousand euro. Olvi Group does not have any other share-based plans or option plans.

### 5. TREASURY SHARES

Olvi plc holds a total of 11,549 of its own Series A shares. The total purchase price of treasury shares was 502,956.28 euro. Olvi plc's share repurchase scheme ended on 21 January 2019. Treasury shares held by the company itself are ineligible for voting. Series A shares held by Olvi plc as treasury shares represent 0.06 percent of all shares and 0.01 percent of the aggregate number of votes. The treasury shares represent 0.07 percent of all Series A shares and associated votes.

On 16 April 2019, the General Meeting of Shareholders of Olvi plc decided to revoke any unused authorisations to acquire treasury shares and authorise the Board of Directors of Olvi plc to decide on the acquisition of the company's own shares using distributable funds. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 500,000 Series A shares.

The Annual General Meeting also decided to revoke all existing unused authorisations for the transfer of own shares and authorise the Board of Directors to decide on the issue of a maximum of 1,000,000 new Series A shares and the transfer of a maximum of 500,000 Series A shares held as treasury shares.



6. NUMBER OF SHARES *)	1-6/2019	1-6/2018	1-12/2018
- average	20,705,683	20,707,666	20,711,397
- at end of period	20,710,683	20,681,403	20,696,504

\*) Treasury shares deducted.

## 7. TRADING OF SERIES A SHARES ON THE HELSINKI STOCK EXCHANGE

	1-6/2019	1-6/2018	1-12/2018
Trading volume of Olvi A shares	733,070	807,592	1,741,051
Total trading volume, EUR 1,000	24,075	23,847	52,140
Traded shares in proportion to all Series A shares, %	4.3	4.8	10.2
Average share price, EUR	32.84	29.55	29.95
Price on the closing date, EUR	34.20	31.70	31.50
Highest quote, EUR	36.00	34.00	34.00
Lowest quote, EUR	31.20	27.00	27.00

## 8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 30 JUNE 2019

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	15,419,028	74.41	86,331,892	94.21	11,933	99.55
Foreign total	300,235	1.45	300,235	0.33	44	0.37
Nominee-registered (foreign) total	129,321	0.62	129,321	0.14	4	0.03
Nominee-registered (Finnish) total	4,873,648	23.52	4,873,648	5.32	6	0.05
Total	20,722,232	100.00	91,635,096	100.00	11,987	100.00

## 9. LARGEST SHAREHOLDERS ON 30 JUNE 2019

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2,363,904	890,613	3,254,517	15.71	48,168,693	52.57
2. The Estate of Hortling Heikki *)	903,488	103,280	1,006,768	4.86	18,173,040	19.83
3. Hortling Timo Einari	212,600	49,257	261,857	1.26	4,301,257	4.69
4. Hortling-Rinne Marit	149,064	14,699	163,763	0.79	2,995,979	3.27
5. OP Corporate Bank plc, nominee reg.		2,318,777	2,318,777	11.19	2,318,777	2.53
6. Nordea Bank Abp, nominee register		2,008,329	2,008,329	9.69	2,008,329	2.19
7. Ilmarinen Mutual Pension Insurance Company		851,401	851,401	4.11	851,401	0.93
8. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
9. Hortling Pia Johanna	23,388	23,566	46,954	0.23	491,326	0.54
10. Hortling Jens Einari	23,388	16,216	39,604	0.19	483,976	0.53
Others	56,424	9,885,763	9,942,187	47.97	11,014,243	12.02
Total	3,732,256	16,989,976	20,722,232	100.00	91,635,096	100.00

\*) The figures include the shareholder's own holdings and shares held by parties in his control.



During January-June 2019, Olvi has not received any flagging notices in accordance with Chapter 2, Section 10 of the Securities Markets Act.

## 10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000

	1-6/2019	1-6/2018	1-12/2018
Opening balance	195,599	188,155	188,155
Effect of IFRS 16	941	0	0
Additions	17,552	15,810	32,833
Deductions and transfers	-1,195	-2,760	-4,395
Depreciation	-10,510	-9,177	-18,922
Exchange rate differences	2,715	761	-2,072
Total	205,102	192,789	195,599

## 11. CONTINGENT LIABILITIES

EUR 1,000

	30 Jun 2019	30 Jun 2018	31 Dec 2018
Pledges and contingent liabilities			
For own commitments	2,114	1,916	2,114
Leasing and rental liabilities:			
Due within one year	848	1,164	1,129
Due within 1 to 5 years	453	737	805
Due in more than 5 years	1	2	2
Leasing and rental liabilities total	1,302	1,903	1,936
Other liabilities	60	2,000	57

## 12. CALCULATION OF FINANCIAL RATIOS

In the summary of financial indicators (page 1), the Group presents figures directly derived from the consolidated income statement: net sales, operating profit and profit for the period, the corresponding percentages in proportion to net sales, as well as the earnings per share ratio. (Earnings per share = Profit belonging to parent company shareholders / Average number of shares during the period, adjusted for share issues.)

In addition to the consolidated financial statements prepared in accordance with IFRS, Olvi Group presents Alternative Performance Measures that describe the financial development of its business and provide a commensurate overall view of the company's profitability, financial position and liquidity.

The Group has applied the ESMA (European Securities and Markets Authority) new guidelines on Alternative Performance Measures that entered into force on 3 July 2016 and defined APMs as described below.

As an APM supporting net sales, the Group presents sales volumes in millions of litres. Sales volume is an important indicator of the extent of operations generally used in the industry.



The definition of gross margin is operating profit plus depreciation and impairment.

Equity per share = Shareholders' equity held by parent company shareholders / Number of shares at end of period, adjusted for share issues

Equity to total assets, % =  $100 * (\text{Shareholders' equity held by parent company shareholders} + \text{non-controlling interests}) / (\text{Balance sheet total})$

Gearing, % =  $100 * (\text{Interest-bearing debt} - \text{cash in hand and at bank}) / (\text{Shareholders' equity held by parent company shareholders} + \text{non-controlling interests})$