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Interim Report

2018

Q1

Atria Group 1 January - 31 March 2018

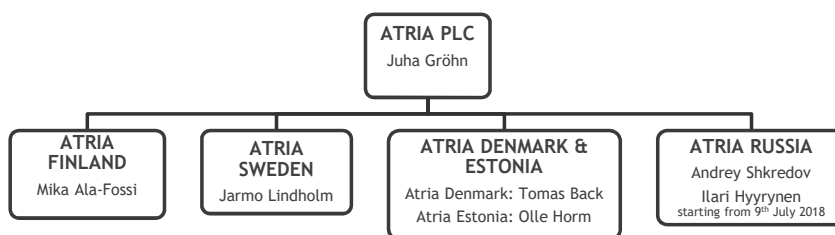
EUR million	Q1		2017
	2018	2017	
Net sales	345.4	332.5	1,436.2
EBIT	3.5	1.2	40.9
EBIT %	1.0 %	0.4 %	2.8 %
Adjusted EBIT	3.5	1.2	39.6

- Atria's net sales grew and earnings improved - Atria Finland leads the growth
- The net sales of Atria Finland grew by EUR 17.4 million.
- The operations of Estonia and Denmark have met the targets.
- In Sweden, net sales in the local currency were at the same level as last year, but EBIT remained negative.
- The weakened Russian rouble and Swedish krona brought down the Group's net sales.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 (EUR 0.46) be paid per share.

Atria Group starting from 1st January 2018

Atria Group's operational structure and financial reporting were altered as of the beginning of 2018:

- Atria Scandinavia's organisation was simplified and a separate segment was created for the operations in Sweden.
- The businesses in Denmark and Estonia now constitute a single business area and reporting segment.



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Atria Finland 1 Jan - 31 March 2018

EUR million	Q1		2017
	2018	2017	
Net sales	245.6	228.2	986.4
EBIT	6.7	4.1	36.3
EBIT %	2.7 %	1.8 %	3.7 %
Adjusted EBIT	6.7	4.1	36.3

- **Atria Finland's** growth in net sales was due to increased sales in all sales channels. The sales growth was especially positive in the poultry product group.
- The growth of EBIT was due to increases in sales volumes and good sales structure.
- The export of pork to China commenced a year ago has progressed according to plan.
- The investment in the Nurmo pig cutting plant has been completed.
- In February, Atria launched the antibiotic-free pork. Pork from Atria Family Farms is from pigs that have been reared entirely without antibiotics. The name of the Family Farm printed on the product package traces the origin of the meat all the way back to the farm.

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Atria Finland

- In Finland, the sales to retail in meat, poultry, meat products and convenience food markets grew in January-March by approx. 7 per cent year-on-year.
- Atria's supplier share in retail trade was 25 per cent in the product groups represented by the company. Atria's sales to retail increased faster than the overall market. The most positive development was seen in the poultry market where Atria was the market leader with a supplier share of 51 per cent.
- In terms of value, Finland's Food Service market grew approximately one percent during the first quarter.
- The development of Atria's sales has been faster than the market in general. Atria's supplier share in the Food Service market was approx. 23 per cent. (Source: Atria)



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Atria Sweden 1 Jan - 31 March 2018

EUR million	Q1	Q1	2017
	2018	2017	
Net sales	69.6	72.6	307.2
EBIT	-3.2	-0.6	2.4
EBIT %	-4.6 %	-0.8 %	0.8 %
Items affecting comparability:			
- Divestment of subsidiary	-	-	1.4
Adjusted EBIT	-3.2	-0.6	1.0

- **Atria Sweden's** net sales grew slightly in the local currency.
- EBIT was brought down especially by the poor performance of poultry operations caused by the sluggishness of Swedish poultry markets and the expenses related to the inauguration of the new production plant investment.
- EBIT was brought down also by the increase in raw material prices and the weakened Swedish krona.
- The employee arrangements implemented during the review period resulted in some additional expenses.

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Atria Sweden

- Atria Sweden's market share in January-March in cold cuts, sausages and fresh chicken products remained at the same level year-on-year (Source: AC Nielsen).
- Demand for vegetarian products is increasing in Sweden. In January, Atria launched two new Pastejköket vegetable pâtés within its popular vegetarian product selection.
- Atria is strongly focused on developing chicken products and launched two new Lithells brand chicken sausages during the review period. The raw material for chicken products comes from Atria's own chicken rearing facility in Norjeby.



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Atria Denmark & Estonia 1 Jan - 31 March 2018

EUR million	Q1		2017
	2018	2017	
Net sales	23.1	23.4	98.9
EBIT	1.3	1.2	5.2
EBIT %	5.6 %	5.0 %	5.2 %
Adjusted EBIT	1.3	1.2	5.2

- **Atria Denmark & Estonia's** EBIT remained roughly at the same level year-on-year.
- In Estonia, Atria grew its sales to retail by approx. 10 per cent in terms of value year-on-year.
- In Denmark, sales to retail decreased by approx. 4 per cent.
- In Denmark, Atria launched for retail a new kind of poultry based spread as well as meaty snacks under the Aalbaek brand.
- In Estonia, Atria has invested in increased brand awareness of the Maks & Moorits brand.
- The Estonian Food Industry Union selected Atria's new meatballs as the best meat product of 2017.

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Atria Russia 1 Jan - 31 March 2018

EUR million	Q1	Q1	2017
	2018	2017	
Net sales	17.3	18.7	85.7
EBIT	-0.6	-1.7	0.8
EBIT %	-3.6 %	-9.2 %	0.9 %
Adjusted EBIT	-0.6	-1.7	0.8

- **Atria Russia's** net sales grew by 3,4 per cent in the local currency.
- The growth in net sales is due to increased sales of Sibylla and Food Service products.
- The growth of EBIT was better thanks to sales structure improved from the previous year and good cost-efficiency.
- During the first quarter, retail sales in Russia have remained positive.
- The raw material price of pork has been somewhat increasing. (Source: Rosstat database).
- A repairs and investment project has been initiated in the Sinyavino meat production plant in order to increase the capacity for cured sausages. The cost estimate of the investment project is approx. EUR 0.8 million. The project is progressing according to the planned schedule.

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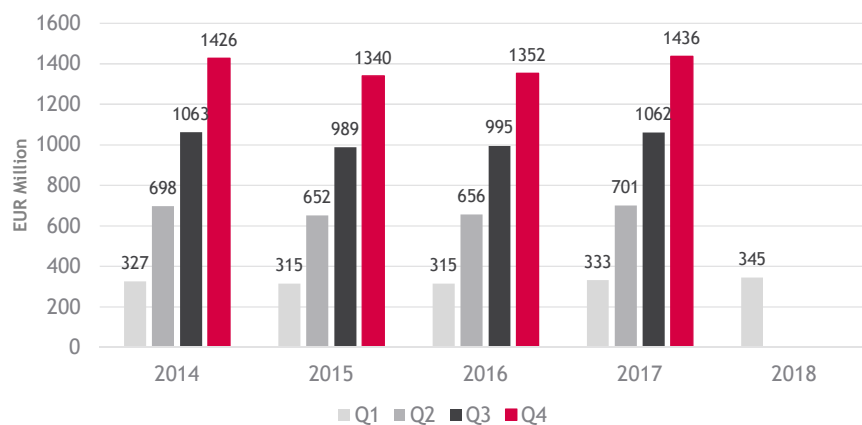
Financial development

"As the first quarter is the calmest business period of the year for the product groups represented by Atria, we can be satisfied with the growth in net sales."

Juha Gröhn, CEO

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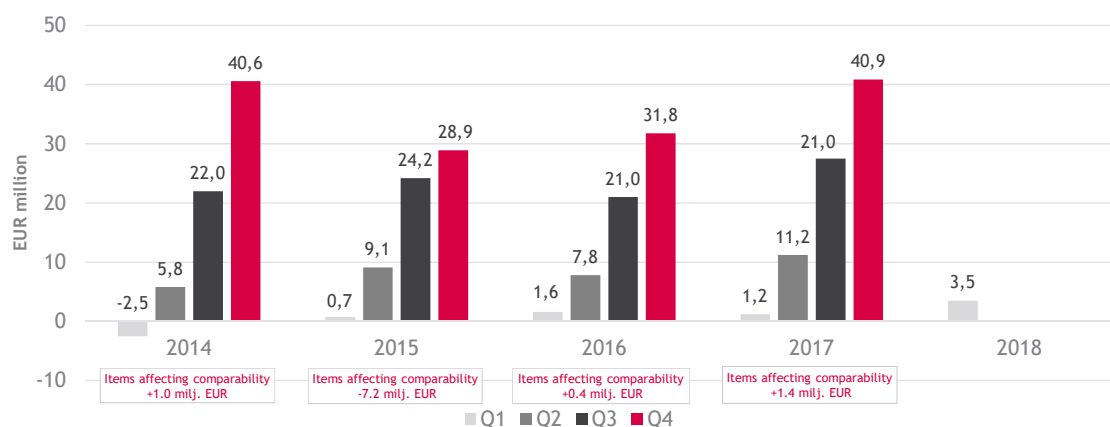
Atria Group Net Sales cumulative, quarterly



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Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators 1 Jan - 31 March 2018

EUR million	31 March 2018	31 March 2017	2017
Shareholder's equity per share, EUR	14.70	14.59	14.81
Interest-bearing liabilities	247.0	250.3	214.3
Equity ratio, %	46.4 %	46.0 %	47.5 %
Net gearing, %	56.6 %	57.7 %	49.0 %
Gross investments	12.0	12.2	53.9
Gross investments, % of net sales	3.5 %	3.7 %	3.8 %
Average number of employees	4,370	4,370	4,449

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -32.3 million (EUR -32.5 million).
- The Group's investments during the period totalled EUR 12.0 million (EUR 12.2 million).
- The total translation differences with the Swedish krona and the Russian rouble recognised in equity reduced equity by EUR 4.3 million (EUR +3.5 million) in January-March.
- On 31 March 2018, the Group had undrawn committed credit facilities worth EUR 105.0 million (31 December 2017: EUR 105.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 3 months (31 December 2017: 3 years 4 months).

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Atria Group Income statement

EUR million	Q1		
	2018	2017	2017
NET SALES	345.4	332.5	1,436.2
Cost of goods sold	-309.8	-296.6	-1,262.9
GROSS PROFIT	35.6	36.0	173.3
<i>% of Net sales</i>	10.3 %	10.8 %	12.1 %
Other income	0.8	0.8	5.7
Other expenses	-32.9	-35.5	-138.1
EBIT	3.5	1.2	40.9
<i>% of Net sales</i>	1.0 %	0.4 %	2.8 %
Financial income and expenses	-2.3	-1.4	-7.3
Income from jointventures and associates	0.0	1.0	1.9
PROFIT BEFORE TAXES	1.2	0.8	35.5
Income taxes	-0.5	-0.8	-7.1
PROFIT FOR THE PERIOD	0.7	0.0	28.4
Earnings/share, €	0.00	-0.02	0.92

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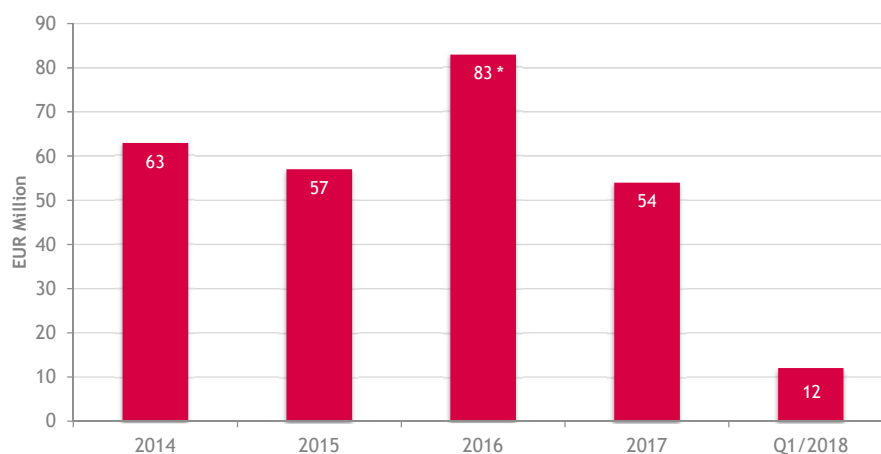
Atria Group Cash flow statement

EUR million	Q1		
	2018	2017	2017
Cash flow from operating activities	-15.4	-15.4	82.3
Financial items and taxes	-3.6	-6.8	-17.8
NET CASH FLOW FROM OPERATING ACTIVITIES	-18.9	-22.2	64.5
Investing activities, tangible and intangible assets	-12.3	-12.5	-53.1
Sold operations	-	-	4.0
Change in non-current receivables	-0.6	0.0	2.3
Dividends received from investments	-	-	0.8
Change in other investments	-0.5	2.2	0.7
NET CASH USED IN INVESTING ACTIVITIES	-13.4	-10.3	-45.3
FREE CASH FLOW	-32.3	-32.5	19.2
Changes in interest-bearing liabilities	32.6	32.5	-3.5
Dividends paid	-	-	-13.1
NET CASH USED IN FINANCING ACTIVITIES	32.6	32.5	-16.6
CHANGE IN LIQUID FUNDS	0.3	0.1	2.6

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Atria Group Gross investments

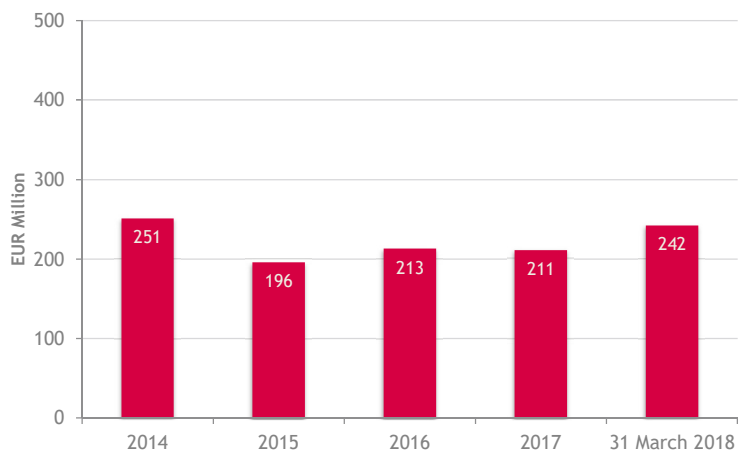


* In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

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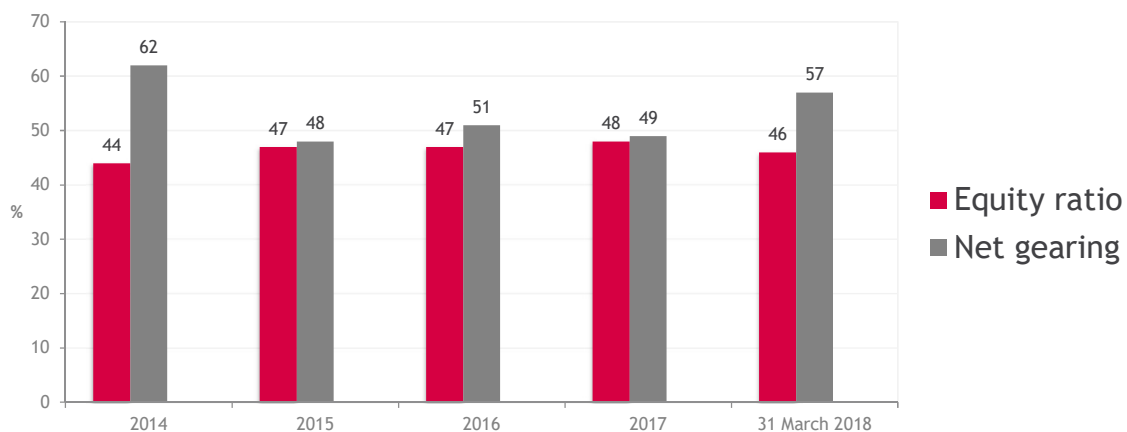
Atria Group Net debts



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Atria Group Equity ratio & Net gearing



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Business risks in the period under review and short-term risks

- Incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, are ordinary short-term risks in Atria's business environment. Price trends for raw materials, the general economic climate, market development and competitors' operations can give rise to uncertainty in terms of trends in the demand for Atria's products.
- Other potential short-term uncertainties in Atria's operations are related to implementing the strategy and maintaining or improving the financial results of business areas.
- African swine fever continues to cause disruption in Estonia. There is a risk of it spreading to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and strives to manage the risk.
- Changes in the value of the Russian rouble and the Swedish krona are reflected in the Group's euro-denominated net sales, result and equity. A more detailed description of the risks related to the Group's operations was provided in the 2017 annual report.

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Events after the period under review

- Ilari Hyyrynen (MBA) has been nominated Executive Vice President of the Atria Russia business area. He will assume his position on 9 July 2018, at the latest. Ilari Hyyrynen has a broad work experience in leading positions. He has previously worked as Country Director of Russia at Tikkurila Oyj. Ilari Hyyrynen is a member of Atria Group's management team and will report to CEO Juha Gröhn.

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Outlook for the future

- Consolidated EBIT was EUR 40.9 million in 2017. In 2018, EBIT is expected to be better than in 2017. In 2018, net sales are expected to grow.

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Board of Director's proposal for profit distribution

- The Board of Directors proposes that a dividend of EUR 0.50 be paid for each share for the 2017 financial period.

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