

Atria Plc Interim Report 1 January - 31 December 2017

Juha Gröhn, CEO

15 February 2018

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Atria Group 1 January - 31 December 2017

EUR million	Q4		Q4	
	2017	2016	2017	2016
Net sales	374.4	356.8	1,436.2	1,351.8
EBIT	13.4	10.8	40.9	31.8
EBIT %	3.6 %	3.0 %	2.8 %	2.3 %
Profit before taxes	12.2	9.8	35.5	26.1
Earnings per share, €	0.33	0.22	0.92	0.65
Adjusted EBIT	12.1	10.8	39.6	31.4

- Atria had a strong year - strategy brought good result:
- Atria's net sales increased, and EBIT improved in the final quarter of the year and in 2017 as a whole.
- EBIT was positive in all business areas. Development in Finland, the Baltic states and Russia has corresponded to the targets. In Scandinavia, we were not able to meet our earnings targets.
- Atria decided to alter the operative Group structure as of 1 January 2018: Atria Sweden became a separate business area, Denmark and Estonia were combined into a single business area.
- The Board of Directors proposes that a dividend of EUR 0.50 (EUR 0.46) be paid for each share for the 2017 financial period.

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Atria Finland 1 January - 31 December 2017

EUR million	Q4		Q4	
	2017	2016	2017	2016
Net sales	260.7	246.6	986.4	932.3
EBIT	11.4	10.8	36.3	24.2
EBIT %	4.4 %	4.4 %	3.7 %	2.6 %
Adjusted EBIT	11.4	10.8	36.3	24.2

- Atria Finland's growth in net sales was due to increased sales in all channels and the consolidation of the Kaivon Liha business into Atria as of the beginning of the final quarter of 2016.
- Atria's focus on organic and profitable growth in line with its Healthy Growth strategy and its successful cost management translated into improvements in EBIT.
- In October, Atria decided to centralise pig slaughtering and cutting by moving these operations from Jyväskylä to the Nurmo plant. Beef processing will stay in Jyväskylä.

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Atria Finland 1/2

- Atria delivered approximately three million kilogrammes of frozen pork products to China in 2017. The first batch of products arrived in China at the end of June.
- The investment in the pig cutting plant project at the Nurmo production plant was completed on schedule at the end of 2017. The value of the investment is EUR 36 million, and the savings will begin to materialise in early 2018.
- Together with Nurmon Aurinko Oy, Atria will build the largest solar power park in Finland next to the Nurmo production plant. The first sections of the solar power park were connected to Atria's power grid at the end of July. The solar power park is expected to be fully ready for commissioning in autumn 2018.



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Atria Finland 2/2

- Atria's market share and manufacturer's share in retail and amongst Food Service customers strengthened between October and December. For the year as a whole, market share remained at a similar level year-on-year, approximately 25 per cent. (Source: Atria)
- In December, the World Packaging Organization (WPO) selected the world's best packaging for 2018. Atria's new minced meat packaging was the winner of its class, and it was named the WorldStar in the field of packaging.
- In autumn 2017, Atria launched antibiotic-free chicken. Antibiotic-free pork will be launched in February 2018. In addition to this Atria Beef contract production farms began a pilot project to trial antibiotic-free beef production.



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Atria Scandinavia 1 January - 31 December 2017

EUR million	Q4		Q4	
	2017	2016	2017	2016
Net sales	90.1	88.3	355.1	343.4
EBIT	2.2	0.7	4.8	8.4
EBIT %	2.4 %	0.8 %	1.4 %	2.4 %
Items affecting comparability:				
Divestment of subsidiary	1.4	-	1.4	-
Sale of real estate company	-	-	-	1.4
Adjusted EBIT	0.8	0.7	3.5	7.0

- Atria Scandinavia's net sales grew by 4.8 per cent in the local currency, with 2 per cent organic growth. The growth was mainly due to the consolidation of the Lagerbergs poultry company into Atria in 2016. The decrease in EBIT was due to higher raw material prices and the poor performance of the poultry business.
- Consumer demand for poultry in Sweden was dampened by cases of Campylobacter on chicken farms in the first half of 2017. Demand for fresh poultry on the retail market in Sweden decreased by 4 per cent over 2017. In 2016, the product group saw demand grow by 13 per cent. (Source: AC Nielsen)
- The sudden drop in demand over 2017 led to an over-supply of poultry on the market, forcing the prices of poultry down.

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Atria Scandinavia

- The construction of new production premises at the poultry plant has progressed in accordance with the investment programme. The new production plant will be commissioned in phases by the end of 2018.
- Atria's market share in cold cuts and cooking sausages decreased slightly in Sweden.
- The market share of Atria's own-brand fresh poultry products in Sweden increased over 2017.
- At the end of the year, Atria launched the revamped Ridderheims brand on the Swedish market, with new packaging and product concepts.
- The Pastejköket vegetable pâté launched in 2017 was one of the most successful new products.

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Atria Russia 1 January - 31 December 2017

EUR million	Q4		Q4	
	2017	2016	2017	2016
Net sales	21.7	21.1	85.7	71.8
EBIT	0.8	-0.6	0.8	-0.7
EBIT %	3.5 %	-2.7 %	0.9 %	-0.9 %
Adjusted EBIT	0.8	-0.6	0.8	-0.7

- Atria Russia's net sales for January-December grew by 6 per cent, in the local currency.
- Net sales saw particularly good growth in the Sibylla product group and delicatessen products.
- Price rises due to increased raw material prices and improved profitability of the product selection contributed to the growth in EBIT.
- In Russia, retail trends showed positive development in the third quarter, and they remained positive during the final quarter.

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Atria Baltic 1 January - 31 December 2017

EUR million	Q4		Q4	
	2017	2016	2017	2016
Net sales	9.5	8.8	37.9	34.4
EBIT	0.5	0.6	2.7	0.7
EBIT %	5.4 %	7.2 %	7.2 %	2.0 %
Items affecting comparability:				
Pig farm sale	-	-		-1.0
Adjusted EBIT	0.5	0.6	2.7	1.7

- Atria Baltic increased its net sales in the contracting market by almost 9 per cent year-on-year. Atria's overall retail market share rose to 14.3 per cent.
- The increase in net sales for January-December was mainly due to new product launches. EBIT continued to grow thanks to improved sales and better productivity than in the previous year.
- Sales of new minced meat products and sausages with a high meat content (77.7 %) were excellent.
- Sales of seasonal Christmas products were also good.

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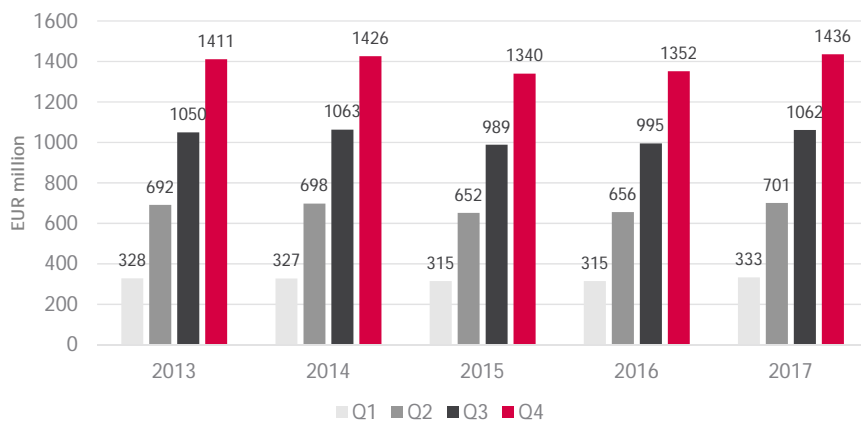
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Financial development

"The Healthy Growth strategy has been put into practice - growth has been attained and profitability has improved."

CEO Juha Gröhn

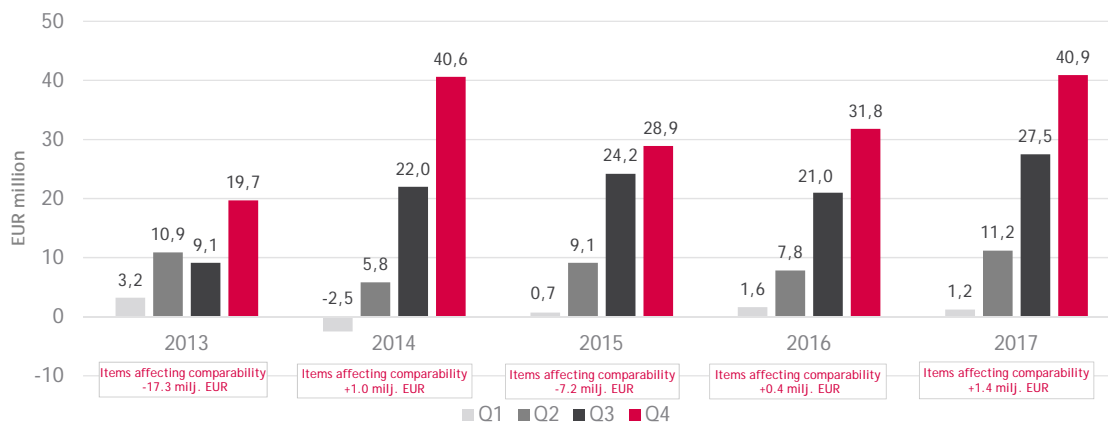
Atria Group Net Sales cumulative, quarterly



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Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators

1 January - 31 December 2017

EUR million	31 Dec 2017	31 Dec 2016
Shareholder's equity per share, EUR	14.81	14.49
Interest-bearing liabilities	214.3	217.8
Equity ratio, %	47.5 %	46.5 %
Net gearing, %	49.0 %	50.5 %
Gross investments	53.9	82.9
Gross investments, % of net sales	3.8 %	6.1 %
Average number of employees	4,449	4,315

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR +19.2 million (EUR -2.5 million).
- The total translation differences with the Russian rouble and the Swedish krona recognised in equity reduced equity by EUR 6.1 million (EUR +6.6 million) in January-December.
- On 31 December 2017, the Group had undrawn committed credit facilities worth EUR 105.0 million (31 December 2016: EUR 105.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 4 months (31 December 2016: 3 years 9 months).

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Atria Group Income statement

EUR million	Q4		Q1-Q4	
	2017	2016	2017	2016
NET SALES	374.4	356.8	1,436.2	1,351.8
Cost of goods sold	-328.7	-310.6	-1,262.9	-1,187.4
GROSS PROFIT	45.7	46.2	173.3	164.4
<i>% of Net sales</i>	12.2 %	13.0 %	12.1 %	12.2 %
Other income	3.2	1.3	5.7	4.6
Other expenses	-35.5	-36.7	-138.1	-137.2
EBIT	13.4	10.8	40.9	31.8
<i>% of Net sales</i>	3.6 %	3.0 %	2.8 %	2.3 %
Financial income and expenses	-1.7	-1.6	-7.3	-6.3
Income from jointventures and associates	0.5	0.7	1.9	0.7
PROFIT BEFORE TAXES	12.2	9.8	35.5	26.1
Income taxes	-2.1	-3.1	-7.1	-6.6
PROFIT FOR THE PERIOD	10.1	6.7	28.4	19.6
Earnings/share, €	0.33	0.22	0.92	0.65

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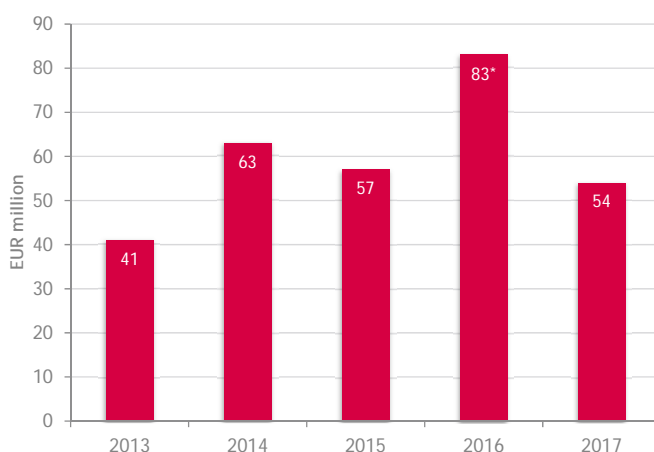
Atria Group Cash flow statement

EUR million	2017	2016
Cash flow from operating activities	82.3	74.4
Financial items and taxes	-17.8	-9.6
NET CASH FLOW FROM OPERATING ACTIVITIES	64.5	64.8
Investing activities, tangible and intangible assets	-53.1	-42.6
Acquired operations	-	-30.2
Sold operations	4.0	5.2
Change in non-current receivables	2.3	1.4
Dividends received from investments	0.8	0.1
Change in other investments	0.7	-1.3
NET CASH USED IN INVESTING ACTIVITIES	-45.3	-67.3
FREE CASH FLOW	19.2	-2.5
Changes in interest-bearing liabilities	-3.5	15.4
Dividends paid	-13.1	-11.3
NET CASH USED IN FINANCING ACTIVITIES	-16.6	4.1
CHANGE IN LIQUID FUNDS	2.6	1.7

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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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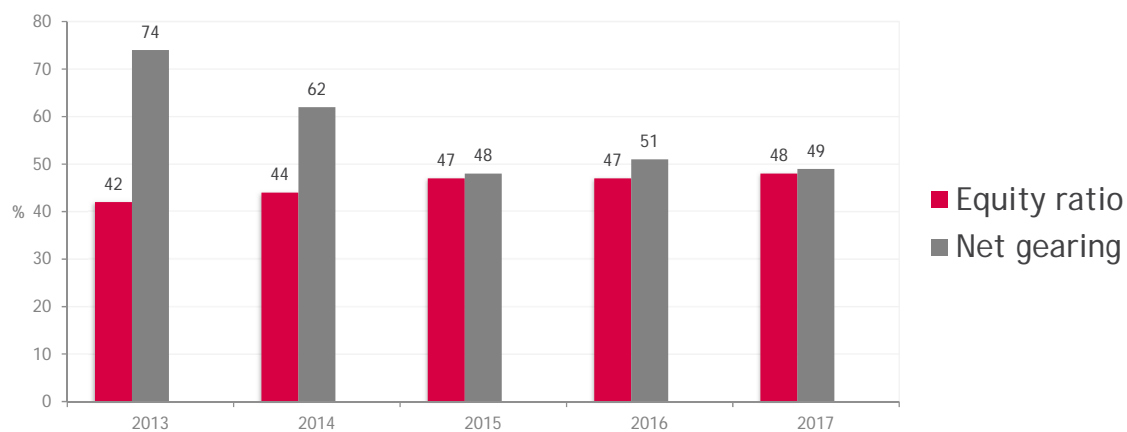
Atria Group Net debts



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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 the demand for Atria's products.
- Other potential short-term uncertainties in Atria's operations are related to implementing the strategy, maintaining or improving the financial results of business areas and integrating acquired businesses.
- 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 and result.

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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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Thank you

- Q1/2018 will be published on 26 April 2018