



Atria Group 1 January - 31 December 2018

EUR million	Q4		Q4	
	2018	2017	2018	2017
Net sales	376.9	374.4	1,438.5	1,436.2
EBIT	6.7	13.4	28.2	40.9
EBIT %	1.8 %	3.6 %	2.0 %	2.8 %
Adjusted EBIT	6.7	12.1	28.2	39.6

- Consolidated net sales totalled EUR 1,438.5 million (EUR 1,436.2 million). At comparable exchange rates, net sales grew by 2%.
- The net sales of Atria Finland grew by EUR 32.8 million from the previous year, totalling over EUR 1 billion.
- The weakened Swedish krona and Russian rouble brought down the Group's net sales.
- Consolidated EBIT was brought down by raw material costs. Finland's and Denmark & Estonia's results were as expected. The results of Sweden and Russia did not meet set targets.
- The Board of Directors proposes that a dividend of EUR 0.40 (EUR 0.50) be paid for each share for the 2018 financial period.

Atria Finland 1 Jan - 31 December 2018

EUR million	Q4		2018	
	2018	2017	2018	2017
Net sales	268.5	260.7	1,019.2	986.4
EBIT	9.5	11.4	36.7	36.3
EBIT %	3.6 %	4.4 %	3.6 %	3.7 %
Adjusted EBIT	9.5	11.4	36.7	36.3

- Atria's growth in Finland was strong and annual net sales exceeded EUR 1 billion for the first time. The increase was a result of good sales to retail and to Food Service customers, which were clearly improved from the year before.
- The good result of the beginning of the year and the successful barbecue season strengthened EBIT. The increase of costs during the last quarter weighed down full-year EBIT.
- The poor harvest season of the past summer raised production costs at Finnish meat farms during the latter part of the year. The prices of meat and other farm products increased during the last quarter.

3

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Atria Finland

- In January-December, the market for the product groups represented by Atria grew by 3.5% in retail and approximately 1% in Food Service.
- Atria's sales in the retail market grew very favourably, and the growth was faster than the market in all product groups. Especially the increase in sales of Atria's own brand products was strong, approximately 12% in January-December.
- Atria's supplier share in retail was around 25%.
- In the Food Service market, Atria's sales increased faster than the market in all product groups, and Atria's supplier share was approximately 23%.
- Atria's strong supplier share in poultry continued and in October-December the supplier share was approximately 51%.

(Source: Atria)

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Atria Finland

- Atria decided to increase the production of cattle, pig and poultry feeds in the Koskenkorva plant in Ilmajoki. A new poultry feed production line as well as cattle and pig feed storage silos will be built for the feed plant. The investment will be executed by Suurusrehu Oy and Oy Feedmix AB, the owners of the properties leased by A-Rehu Oy. Through the investment, the production capacity of the Koskenkorva feed plant will increase about 30% in all feed types: cattle, pig and poultry feed. The investments will also improve the delivery reliability of chicken feeds. The investment will be executed in 2019 and will be in production use in early 2020.
- Atria Finland faces the rise in demand of poultry products by investing a total of EUR 3.4 million in the Nurmo and Sahalahti production plants. The cutting capacity will be increased at both Nurmo and Sahalahti plant. The new production lines will be commissioned in spring 2019.



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Atria Sweden 1 Jan - 31 December 2018

EUR million	Q4		2018	
	2018	2017	2018	2017
Net sales	74.1	77.7	287.9	307.2
EBIT	-1.1	1.4	-7.1	2.4
EBIT %	-1.5 %	1.7 %	-2.5 %	0.8 %
Items affecting comparability:				
- Divestment of subsidiary	-	1.4	-	1.4
Adjusted EBIT	-1.1	0.0	-7.1	1.0

- The decrease in **Atria Sweden's** net sales was caused by the weak Swedish krona and the divestment of the Nordic Fast Food business operations in December 2017. In the local currency, net sales were at the same level as last year.
- The full-year result was weighed down by increased raw material costs, the poor profitability of poultry operations, and employee arrangements at the beginning of the year.
- During the last part of the year, Atria has taken active measures to improve the commercial operations and supply chain cost-efficiency of its poultry unit.

6

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Atria Sweden

- Atria's supplier shares in the Swedish retail market were strengthened during the last part of the year. In cooking sausages, Atria's market share grew by 0.6%, and in fresh poultry products, by 2.8%. In cold cuts, the supplier share decreased slightly.
- Sales of poultry products continued to grow during the last quarter of the year.
- The Sibylla business expanded to South Korea and the UK, when Atria founded subsidiaries in these countries in 2018.



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Atria Denmark & Estonia 1 Jan - 31 December 2018

EUR million	Q4		Q4	
	2018	2017	2018	2017
Net sales	25.4	25.3	97.4	98.9
EBIT	1.0	1.3	5.3	5.2
EBIT %	4.0 %	5.2 %	5.5 %	5.2 %
Adjusted EBIT	1.0	1.3	5.3	5.2

- **Atria Denmark & Estonia's** EBIT in January-December increased slightly thanks to good cost management and a favourable sales structure.
- In Estonia, Atria's sales to retail increased by approximately 5% in terms of value in October-December. Atria's market share in Estonian retail was 14% in the product groups represented by the company.
- In Denmark, the total market for cold cuts shrank, but Atria was able to increase its market share by 0.3%. Atria is the market leader in cold cuts in Denmark with a market share of 19%.
- The Estonian market for meat products has increased by approximately 2% during 2018. Atria's sales to retail have increased stronger than market throughout the year.

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Atria Russia 1 Jan - 31 December 2018

EUR million	Q4		2018	
	2018	2017	2018	2017
Net sales	19.9	21.7	75.1	85.7
EBIT	-2.6	0.8	-4.0	0.8
EBIT %	-13.0 %	3.5 %	-5.3 %	0.9 %
Adjusted EBIT	-2.6	0.8	-4.0	0.8

- The decrease in **Atria Russia's** net sales was due to the weakening of the Russian rouble. In the local currency, net sales grew slightly.
- The sales of Food Service products, cured sausages and whole-meat products grew considerably from the previous year.
- The decrease in net sales in January-December was caused by the weakening of the rouble and decreased sales to retail. In the local currency, net sales fell by approximately 1.5%.
- EBIT was brought down by significantly increased raw material costs.
- The investment project initiated in the Sinyavino meat production plant has been completed. The investment enables the production of new types of cured sausage and whole meat products for retail customers. The total value of the project was approximately EUR 0.8 million.

9

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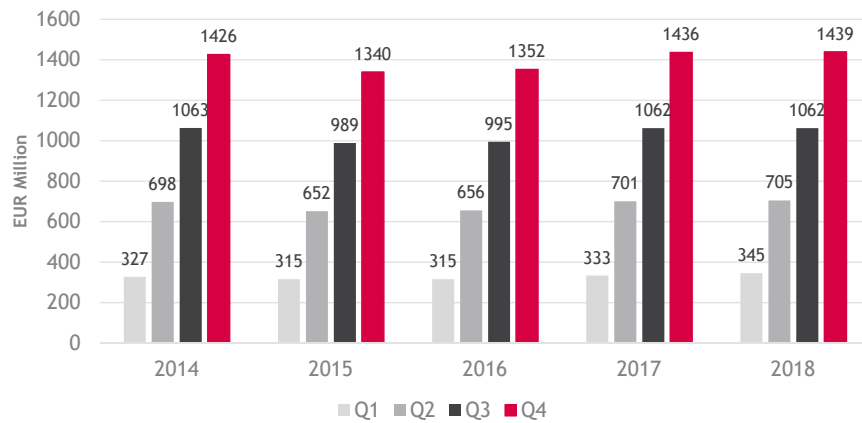
Financial development

"Atria Finland's growth was strong - the Group result was brought down by increased raw material costs."

Juha Gröhn, CEO

10

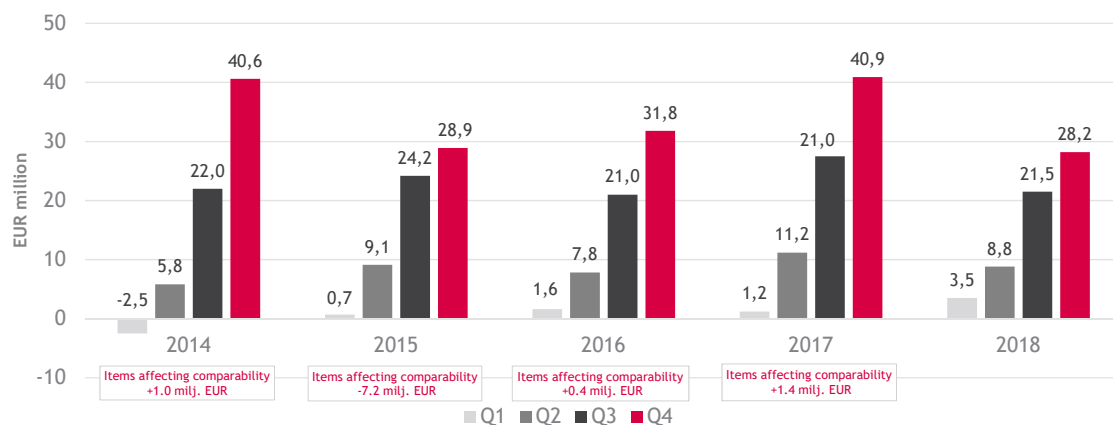
Atria Group Net Sales cumulative. quarterly



11

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Atria Group EBIT cumulative. quarterly



12

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Atria Group Financial indicators

1 Jan - 31 December 2018

EUR million	31 Dec 2018	31 Dec 2017
Shareholder's equity per share, EUR	14.69	14.81
Interest-bearing liabilities	227.2	214.3
Equity ratio, %	47.7 %	47.5 %
Net gearing, %	52.1 %	49.0 %
Gross investments	44.5	53.9
Gross investments, % of net sales	3.1 %	3.8 %
Average number of employees	4,460	4,449

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 2.0 million (EUR 19.2 million).
- Operating cash flow was weakened by an increase in working capital items. The amount of working capital tied up in inventories is EUR 12.9 million more than at the end of 2017.
- The total translation differences with the Swedish krona and the Russian rouble recognised in equity reduced equity by EUR 9.6 million (EUR -6.1 million) in January-December.
- The Group's net financing costs fell to EUR 6.2 million (EUR 7.3 million).
- On 31 December 2018, the Group had undrawn committed credit facilities worth EUR 85.0 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 2 months (31 December 2017: 3 years 4 months).

13

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Atria Group Income statement

EUR million	Q4		Q1-Q4	
	2018	2017	2018	2017
NET SALES	376.9	374.4	1,438.5	1,436.2
Cost of goods sold	-338.7	-328.7	-1,285.7	-1,262.9
GROSS PROFIT	38.1	45.7	152.9	173.3
<i>% of Net sales</i>	10.1 %	12.2 %	10.6 %	12.1 %
Other income	0.6	3.2	3.9	5.7
Other expenses	-32.1	-35.5	-128.5	-138.1
EBIT	6.7	13.4	28.2	40.9
<i>% of Net sales</i>	1.8 %	3.6 %	2.0 %	2.8 %
Financial income and expenses	-1.2	-1.7	-6.2	-7.3
Income from jointventures and associates	0.1	0.5	0.4	1.9
PROFIT BEFORE TAXES	5.6	12.2	22.3	35.5
Income taxes	-1.9	-2.1	-4.5	-7.1
PROFIT FOR THE PERIOD	3.7	10.1	17.8	28.4

14

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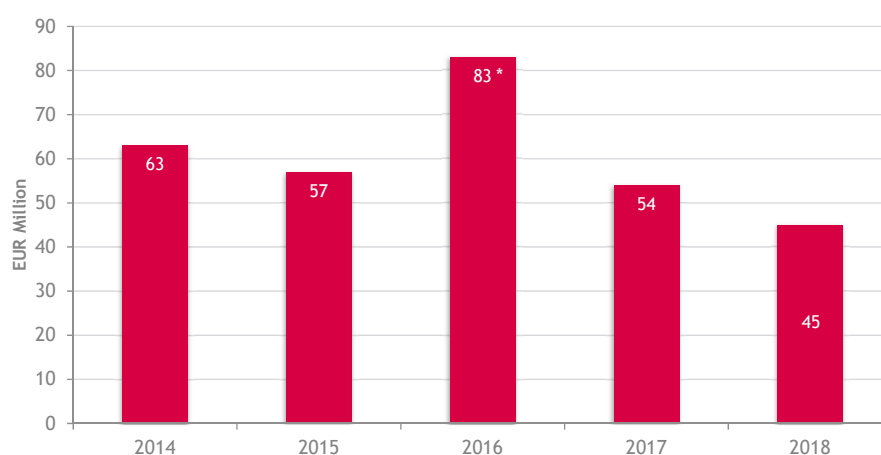
Atria Group Cash flow statement

EUR million	2018	2017
Cash flow from operating activities	53.9	82.3
Financial items and taxes	-6.7	-17.8
NET CASH FLOW FROM OPERATING ACTIVITIES	47.2	64.5
Investing activities, tangible and intangible assets	-44.5	-53.1
Sold operations	-	4.0
Change in non-current receivables	-0.9	2.3
Dividends received from investments	0.6	0.8
Change in current receivables	-0.5	0.7
NET CASH USED IN INVESTING ACTIVITIES	-45.2	-45.3
FREE CASH FLOW	2.0	19.2
Changes in interest-bearing liabilities	12.6	-3.5
Dividends paid	-14.8	-13.1
NET CASH USED IN FINANCING ACTIVITIES	-2.2	-16.6
CHANGE IN LIQUID FUNDS	-0.2	2.6

15

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Atria Group Gross investments

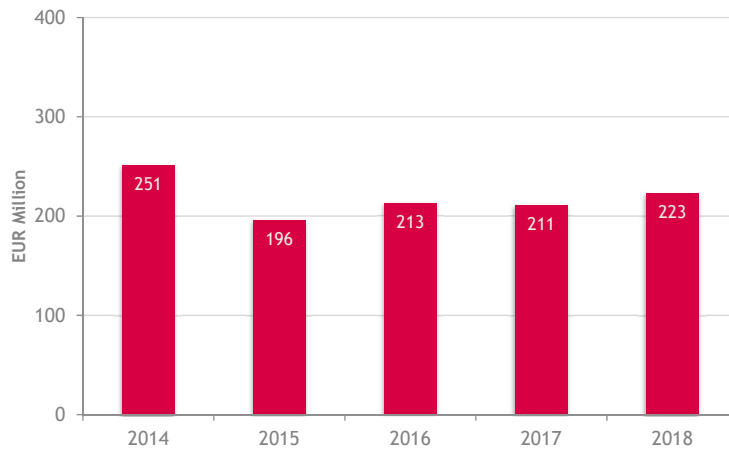


* In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

16

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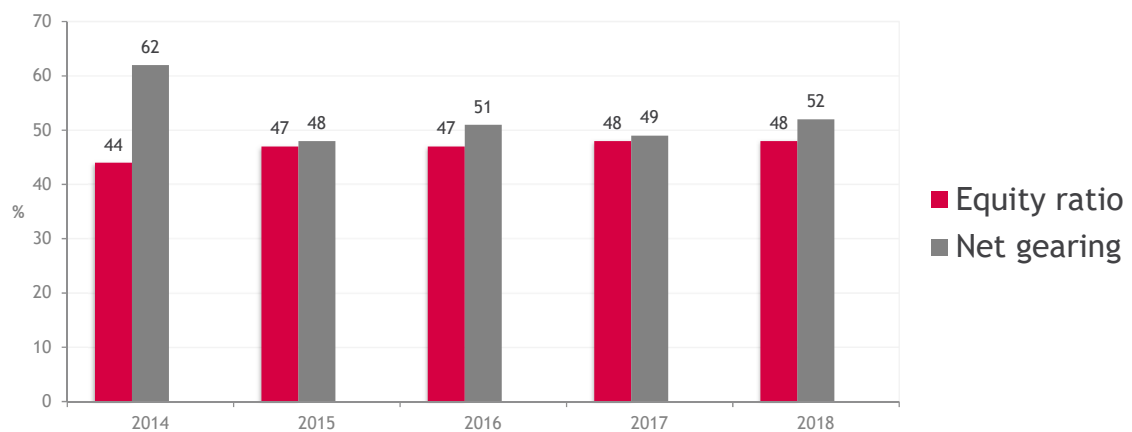
Atria Group Net debts



17

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Atria Group Equity ratio & Net gearing



18

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Events after the period under review

- Atria Finland is planning the efficiency improvement and adjustment of its production operations at the Nurmo pig cutting plant. Through the planned measures, Atria aims to improve the profitability and competitiveness of its business operations. Related to this plan, Atria Finland has initiated a collective redundancy consultation, which concerns all personnel at the Nurmo pig cutting plant. Negotiations with the personnel concerning the reorganisation were initiated 15 January 2019. Atria estimates that the restructuring will result in annual savings of approximately EUR 1.5 million, realised from 2020 onwards. This would mean a reduction of 65 person-years in the volume of work. The goal is to implement the possible reduction in work through internal arrangements and transfers.
- Atria Russia updates its strategy at the beginning of 2019. The key goal of the new strategy 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 investigating the possibilities of divesting the Atria Russia business operations or a part thereof. At the same time, Atria is investigating the reorganisation of the administrative company structure and the strategic development of the Sibylla fast food operations.

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Risks and business uncertainties

- 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 this summer has raised production costs at meat farms during the autumn. This has caused pressure to increase 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 and 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 continued and the Safely Home From Atria occupational safety programme was implemented.
- Through the design and update of a continuity plan and the specification of insurance programmes, Atria has also continued to eliminate financial effects and to prevent various risks that could result in damage.

20

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Outlook for the future

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

21

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