



Half-Year Financial Report 1 January - 30 June 2017

Juha Gröhn, CEO, 20 July 2017

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Atria Group 1 January - 30 June 2017

	Q2	Q2	H1	H1	2016
EUR million	2017	2016	2017	2016	
Net sales	368.4	341.3	701.0	655.8	1,351.8
EBIT	10.0	6.1	11.2	7.8	31.8
EBIT %	2.7 %	1.8 %	1.6 %	1.2 %	2.3 %
Profit before taxes	8.3	4.8	9.1	4.5	26.1
Earnings per share, €	0.23	0.13	0.21	0.10	0.65
Adjusted EBIT	10.0	5.7	11.2	7.4	31.4

- Atria Group's net sales increased in all business areas. The increase is based on both organic growth and on acquired operations.
- EBIT increased. The positive development of EBIT was due to the better profitability in the business areas of Finland, Russia and the Baltic countries. Scandinavian profits fell short of last year's levels.
- Pork exports to China have begun, and the first shipments of meat from the Atria Nurmo plant arrived in China at the end of June.

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Atria Finland 1 January - 30 June 2017

EUR million	Q2		H1		2016
	2017	2016	2017	2016	
Net sales	252.4	233.9	480.6	458.6	932.3
EBIT	7.7	3.0	11.8	4.7	24.2
EBIT %	3.1 %	1.3 %	2.5 %	1.0 %	2.6 %
Adjusted EBIT	7.7	3.0	11.8	4.7	24.2

- Atria Finland's net sales for January-June were increased by the consolidation of Well Beef's operations into Atria in late 2016 and by positive sales development in the second quarter. The net sales for April-June grew in all sales channels. Investments in sales structures and product group profitability can be seen in the improved EBIT.
- In January, Atria Finland made an agreement to deliver the first meat batch to China. Atria will deliver about 3 million kilos of frozen pork products to China during 2017. The first product lot arrived in China at the end of June.

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Atria Finland 1/2

- In January-June, the total market of the product groups represented by Atria increased by 3 per cent in terms of value compared to the corresponding period last year. Atria products' market share in retail was approximately 24 per cent during January-June. (Source: Atria)
- The pig cutting plant project at the Nurmo production plant has progressed on schedule. The entire project will be completed by the end of 2017. The value of the investment is EUR 36 million, and it is expected to generate annual cost savings of approximately EUR 8 million in the plant's operations. These savings will be realised in full as of the beginning of 2018.



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Atria Finland 2/2

- Together with Nurmon Aurinko Oy, Atria will build the largest solar power plant in Finland next to the Nurmo production plant. The construction of the first phase of the project, partly financed by the Finnish Ministry of Economic Affairs and Employment, started at the beginning of June. The first sections of the solar power plant will be connected to the Atria power grid by the end of July. Ground-mounted 4 MWh solar panel fields will be built by autumn. The largest solar power plant in Finland is estimated to be fully commissionable by autumn 2018.
- Atria Family Farm Chicken and Pork retail packages will include a label to show that no antibiotics were given to the animals during their lifetime. The chicken packages will be labelled in the autumn and the pork packages at the beginning of 2018.



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Atria Scandinavia 1 January - 30 June 2017

	Q2	Q2	H1	H1	
EUR million	2017	2016	2017	2016	2016
Net sales	90.2	88.8	174.3	164.5	343.4
EBIT	1.2	3.5	1.3	4.2	8.4
EBIT %	1.4 %	4.0 %	0.7 %	2.5 %	2.4 %
Items affecting comparability					
Sale of real estate company	-	1.4	-	1.4	1.4
Adjusted EBIT	1.2	2.1	1.3	2.8	7.0

- Atria Scandinavia's increase in net sales sales was mainly due to the poultry business acquired in April 2016.
- EBIT was brought down by the higher costs of meat raw material and an unfavourable sales structure.
- In addition, profits were decreased by high production costs at the poultry operations.

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Atria Scandinavia

- In the first half of the year, the Swedish poultry market has been disturbed by cases of campylobacter and avian influenza, decreasing the demand for domestic poultry in Sweden.
- The construction of new production premises at the poultry plant was initiated during the review period in accordance with the investment program.
- Atria Scandinavia had about 30 ongoing corporate responsibility projects during the review period. The key focus of the projects is to ensure work safety and to implement Atria's Way of Leading training programme.



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Atria Russia 1 January - 30 June 2017

EUR million	Q2		H1		2016
	2017	2016	2017	2016	
Net sales	22.9	17.6	41.6	31.2	71.8
EBIT	0.5	0.1	-1.2	-0.6	-0.7
EBIT %	2.2 %	0.8 %	-2.9 %	-1.8 %	-0.9 %
Items affecting comparability	-	-	-	-	-
Adjusted EBIT	0.5	0.1	-1.2	-0.6	-0.7



- Atria Russia's net sales for April-June grew by 8,8 per cent and for January-June by 6,9 per cent.
- The increase in net sales was due to successful sales to retail and to the expansion of the Sibylla concept. At the moment, there are already more than 3,000 Sibylla sales outlets.
- The growth of EBIT for April-June was due to price increases and improved sales structures. The EBIT was weighed down by the high prices of meat raw materials and by implemented marketing investments.

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Atria Baltic 1 January - 30 June 2017

EUR million	Q2		H1		2016
	2017	2016	2017	2016	
Net sales	10.1	9.2	18.6	16.9	34.4
EBIT	0.9	-0.3	1.5	-0.5	0.7
EBIT-%	9.1 %	-3.1 %	7.8 %	-2.8 %	2.0 %
Items affecting comparability					
Sale of pork farm	-	-1.0	-	-1.0	-1.0
Adjusted EBIT	0.9	0.7	1.5	0.5	1.7



- The market price of pork has increased during Q2, improving the profitability of Atria Baltic's primary production in Estonia.
- In January-June EBIT was strengthened by sales prices that increased over last year and by the improved productivity of operations.
- Market shares in retail have improved. Atria's traditional barbecue season products have gained additional shelf space in stores as a result of the increase in market share.

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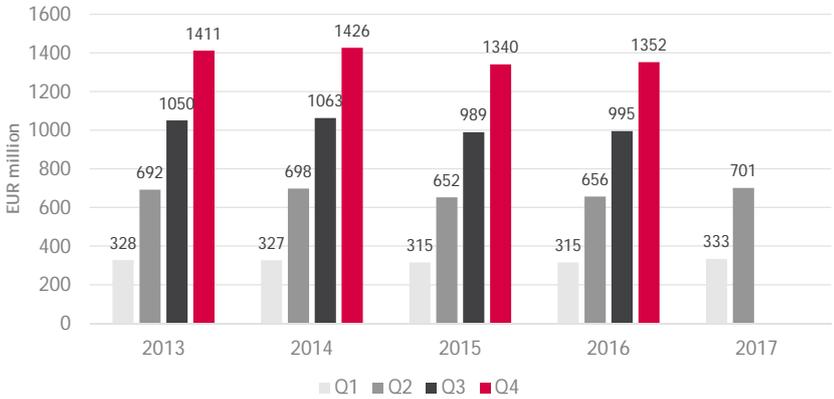
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Financial development

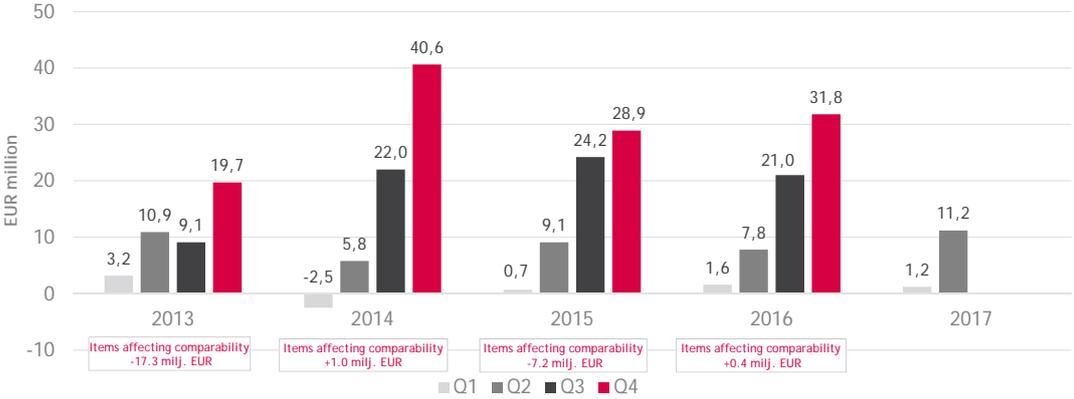
"The increase of Atria's net sales is based on both organic growth and on acquired operations. The strategy of healthy growth is being implemented, and it is especially delightful that net sales have grown in all business areas."

- CEO Juha Gröhn

Atria Group Net Sales cumulative, quarterly



Atria Group EBIT cumulative, quarterly



Atria Group Financial indicators

1 January - 30 June 2017

EUR million	30 June 2017	30 June 2016	2016
Shareholder's equity per share, EUR	14.7	13.95	14.49
Interest-bearing liabilities	251.2	235.9	217.8
Equity ratio, %	45.0 %	44.8 %	46.5 %
Net gearing, %	59.6 %	58.1 %	50.5 %
Gross investments	24.9	42.8	82.9
Gross investments, % of net sales	3.6 %	6.5 %	6.1 %
Average number of employees	4,505	4,340	4,315

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -20.5 million (EUR -21.8 million).
- Operating cash flow was mainly weakened by an increase in working capital items.
- The total translation differences with the Russian rouble and the Swedish krona recognised in equity decreased equity by EUR 2.7 million (EUR +2.9 million) in January-June.
- On 30 June 2017, the amount of the Group's undrawn committed credit facilities stood at 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 review period was 3 years and 1 month (31 December 2016: 3 years 9 months).

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Atria Group Income Statement

EUR million	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
NET SALES	368.4	341.3	701.0	655.8	1,351.8
Cost of goods sold	-322.8	-300.3	619.3	-581.4	-1,187.4
GROSS PROFIT	45.7	40.9	81.6	74.3	164.4
<i>% of Net sales</i>	12.4 %	12.0 %	11.6 %	11.3 %	12.2 %
Other income	0.8	2.0	1.6	2.6	4.6
Other expenses	-36.5	-36.8	-72.0	-69.1	-137.2
EBIT	10.0	6.1	11.2	7.8	31.8
<i>% of Net sales</i>	2.7 %	1.8 %	1.6 %	1.2 %	2.3 %
Financial income and expenses	-2.1	-1.4	-3.5	-2.8	-6.3
Income from joint-ventures and associates	0.4	0.1	1.4	-0.5	0.7
PROFIT BEFORE TAXES	8.3	4.8	9.1	4.5	26.1
Income taxes	-1.3	-0.8	-2.2	-1.3	-6.6
PROFIT FOR THE PERIOD	7.0	4.0	6.9	3.2	19.6

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Atria Group Cash flow statement

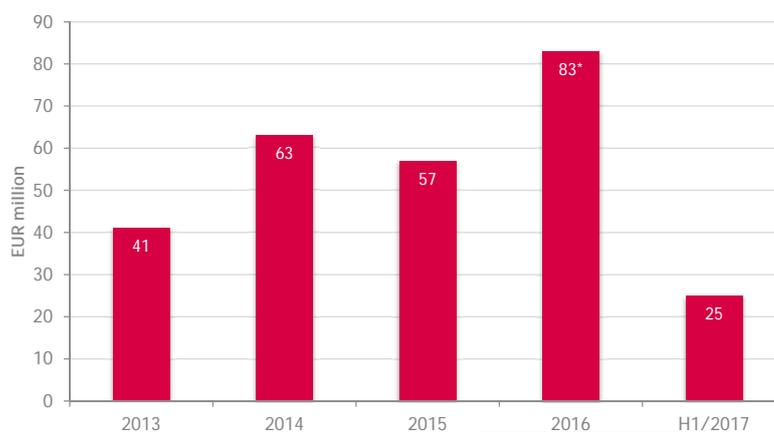
EUR million	H1 2017	H1 2016	2016
Cash flow from operating activities	13.0	17.1	74.4
Financial items and taxes	-11.7	-7.4	-9.6
NET CASH FLOW FROM OPERATING ACTIVITIES	1.2	9.7	64.8
Investing activities, tangible and intangible assets	-25.4	-21.9	-42.6
Acquired operations	-	-15.5	-30.2
Sold operations	-	5.2	5.2
Change in non-current receivables	2.9	1.1	1.4
Dividends and repayment of capital	0.7	0.1	0.1
Change in other investments	0.0	-0.6	-1.3
NET CASH USED IN INVESTING ACTIVITIES	-21.8	-31.5	-67.3
FREE CASH FLOW	-20.5	-21.8	-2.5
Changes in interest-bearing liabilities	33.3	33.3	15.4
Dividends paid	-13.1	-11.3	-11.3
NET CASH USED IN FINANCING ACTIVITIES	20.2	22.1	4.1
CHANGE IN LIQUID FUNDS	-0.4	0.3	1.7

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Atria Group investment



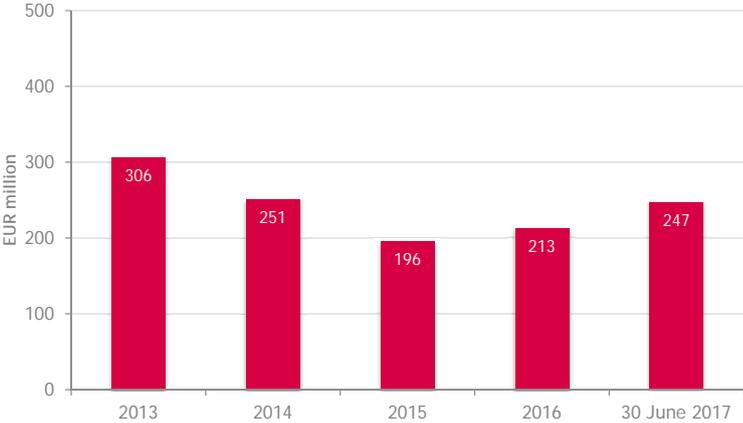
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*In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

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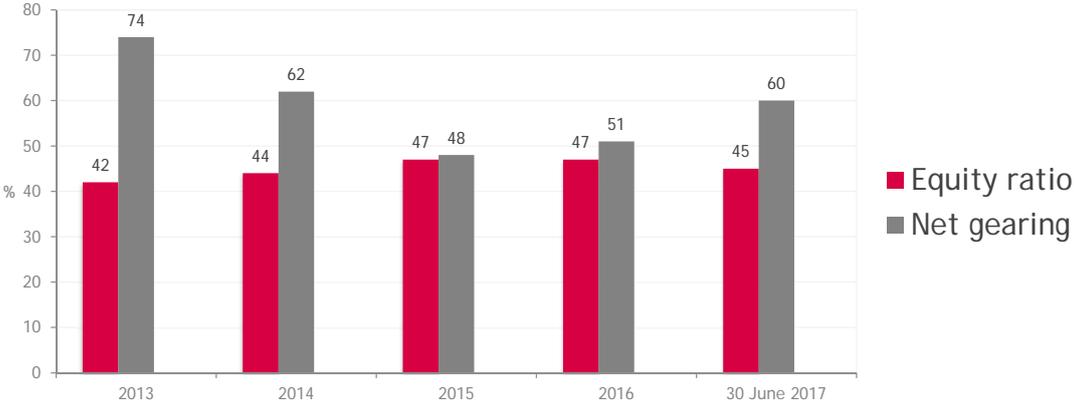
Atria Group Net debts



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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

- Possible risks in Atria's operations are related to the implementation of the strategy, the maintaining or improvement of the business areas' financial results and the integration of acquired businesses. The general economic climate, market development and competitors' operations also affect Atria's 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 common risks in Atria's business environment.
- African swine fever continues to cause disruption in Estonia. There is a risk that African swine fever will spread to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities and strives to manage the risk.
- Fluctuations in the value of the rouble influence the Group's euro-denominated net sales and result.

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Outlook for the future

- Consolidated EBIT was EUR 31.8 million in 2016. In 2017, EBIT is expected to be better than in 2016 and net sales are expected to grow.

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Thank you!

- Q3/2017 will be published on 26 October 2017