



Capital Markets Day Atria Russia

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Nov 30, 2016



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YTD 2016 results Atria Russia



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Atria Russia 1 January - 30 September 2016

EUR million	Q3		Q1-Q3		2015
	2016	2015	2016	2015	
Net sales	19.5	19.1	50.6	56.5	75.1
EBIT	0.5	0.5	-0.1	0.2	-0.2
EBIT %	2.4 %	2.8 %	-0.2 %	0.4 %	-0.3 %
Items affecting comparability:					
Pig farm sale	-	-	-	1.9	1.9
Adjusted EBIT	0.5	0.5	-0.1	-1.7	-2.1

- The growth in net sales for July-September was accelerated by a revamped product selection, a growth in sales to retailers and good sales of Sibylla products.
- In the local currency, net sales for January-September grew by 2.8%.
- Adjusted EBIT for January-September was boosted by increased sales of Sibylla products, stabilization of raw material prices and increased sales to retailers.

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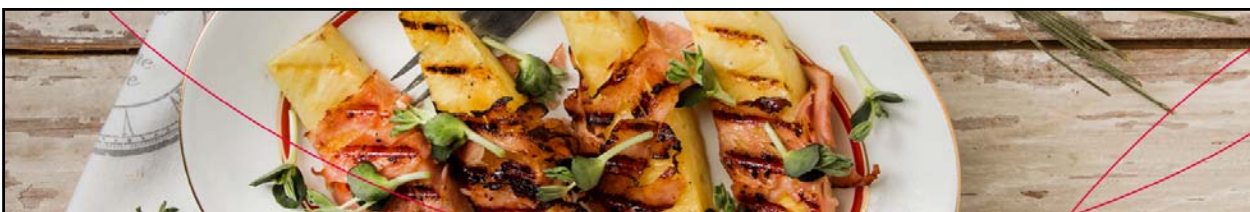
Atria Russia

- The Sibylla concept has continued to show strong growth. The number of Sibylla sales outlets has increased to more than 2,700.
- The launch of the Atria brand in the retail sector has got off to a good start.
- The aim is to expand the Atria product selection further and develop entirely new products and product segments for the Russian market.



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Russian market update



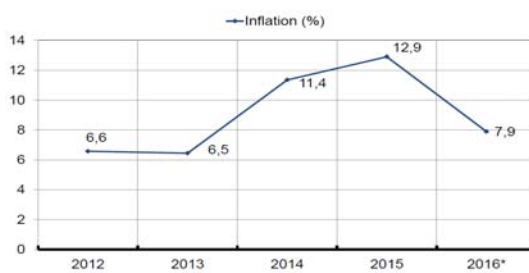
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Economic outlook - facts (1)

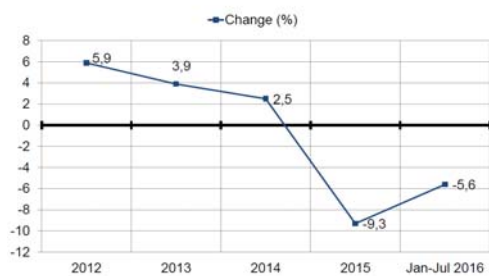
Russia's GDP



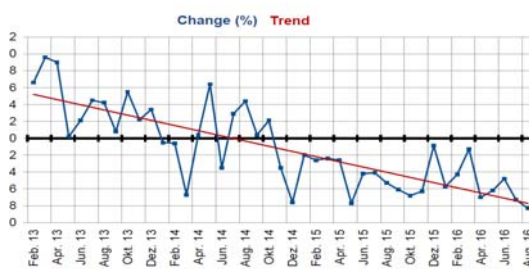
Inflation



Retail sales



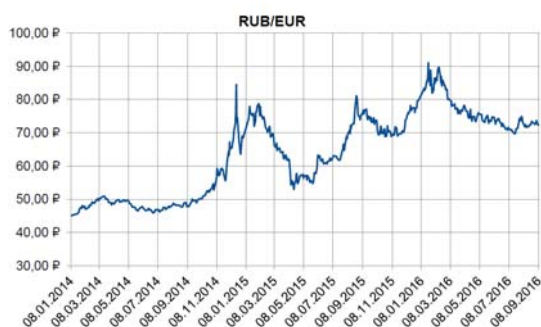
Disposable personal income



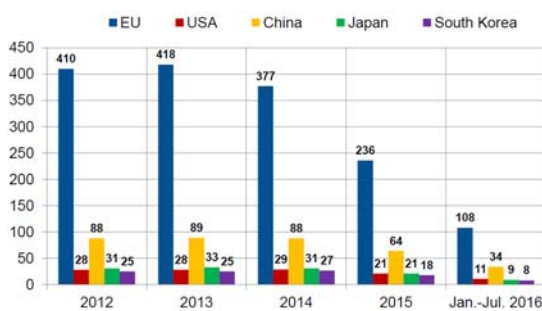
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Economic outlook - facts (2)

Exchange rate



Russia's foreign trade volume (bln USD)



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Economic outlook for Russia 2016-2020 (with a range based on the oil price)

Macro-economic indicators 2009-2020

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GDP	-7,9	4,3	4,3	3,4	1,3	0,6	-3,8	-0,7	1,4	1,8	1,9	2,0
Retail sales	-5,5	6,3	7,2	5,7	3,9	2,5	-8,8	-2,5	2,1	2,8	2,8	2,9
Household spending	-7,6	5,5	6,8	7,9	4,7	1,8	-8,5	-2,8	1,8	2,6	2,6	2,8
Real wages	-2,8	4,4	4,9	8,2	5,2	1,9	-9,2	-1,7	2,2	2,7	2,9	3,2
Disposable income	1,0	3,7	2,8	3,7	3,3	2,1	-4,0	-2,5	1,8	2,2	2,6	2,7
Inflation (year-end)	8,8	8,7	6,1	6,6	6,5	11,4	12,9	6,8	5,5	5,3	5,2	5,0
Unemployment rate	7,9	7,6	6,5	5,3	5,5	5,3	5,4	5,8	5,6	5,5	5,4	5,3
Gross fixed investment	-17,9	5,6	9,8	6,0	-0,3	-4,8	-7,6	-3,2	2,4	3,5	3,9	4,0
Industrial output	-10,8	8,3	4,7	2,6	0,3	1,1	-3,4	-0,2	1,7	2,5	3,1	3,3
FX reserves (\$bn) year-end	447	485	510	528	509	385	365	410	390	400	415	420
Rouble/\$ (year-end)	30,3	30,4	32,1	30,4	32,9	58,0	73,0	68,0	71,0	76,0	78,0	79,0
Rouble/Euro (year-end)	43,4	40,0	41,5	40,1	45,1	72,0	78,0	74,0	77,0	82,0	84,0	84,0
Budget balance (% of GDP)	-6,3	-3,5	-0,2	0,0	-0,5	-0,5	-3,6	-4,1	-3,2	-2,6	-2,2	-1,8
Current-account balance (% of GDP)	3,8	4,9	4,9	3,6	1,6	2,7	4,3	4,1	3,8	3,2	2,5	1,9

Note! Oil price is still biggest individual influencing factor on the economy

Economic scenarios and the rouble for 2017 at different oil prices

Average oil price 2016	GDP	Inflation average	Rouble/US\$	Rouble/€
\$80-85	3.3%	5.8%	45-52	52-58
\$70-80	2.8%	6.0%	52-57	58-64
\$60-70	2.4%	6.4%	57-60	64-66
\$55-60	1.8%	6.6%	60-63	66-69
\$50-55	1.3%	7.0%	62-67	69-73
\$45-50	0.3%	7.7%	64-69	72-77
\$35-45	-1.3%	8.2%	63-69	74-78
\$25-35	-2.5%	11.5%	80-84	86-92

Source: CEEMEA Group Analysis

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The Russian consumer is resilient - but nowadays also careful

Consumer trends

Consumption is going down due to high price level, not growing salaries, limited access to loans. People are saving

Drop of real incomes has caused reduction of purchases - people buy less and less frequently

In 2015 premium and middle segments reduced, low and PL has increased due to high inflation

In March 2016 prices started to stabilize and people reacted by switching to purchases of higher quality goods through discounts (households are purchasing through discounts up to 20% of their groceries, GFK panels)

Even though premium segment is not growing, consumers are ready to pay more for high quality goods, if they clearly recognize products benefits

According to GFK consumers have become more health conscious, among grown categories there are certain type of vegetables, fruit, turkey meat (not price driven)

E-commerce is growing: Growth of purchases through internet, especially premium products (up to 40%)

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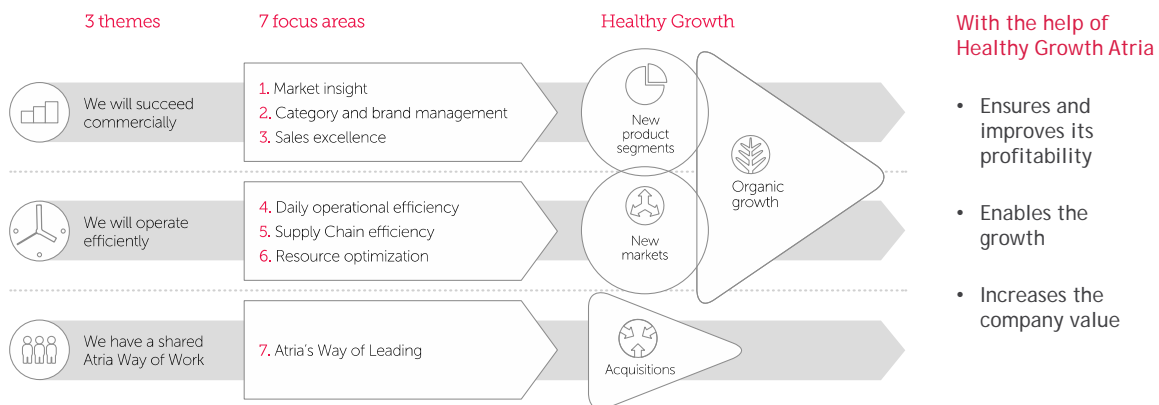
Atria Russia Strategy 2016-2020

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Atria's Healthy Growth in Russia



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Good food - better mood

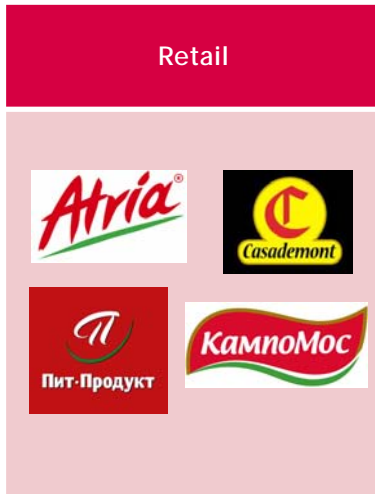
Atria Russia has balanced portfolio with three elements of business in Russia: Retail, Food Service and Sibylla

Retail	Fast Food	Food Service
		<p>Local and International Food Chains operating in Russia</p>

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Retail business is facing turbulent times: Our strategic choice is differentiation



- Organic growth in the retail chains is currently challenging - consumer disposable income continues to be weak short-term, situation is expected to improve as of 2017
- Revised brand strategy for Atria Russia
- Our retail strategy focuses on differentiation from the local producers - added value products and brands (e.g. Atria, Casademont).
- Strong new concept and product development for the local markets - adaptation to consumer purchasing power development
- Supply chain efficiency improvements: Every day operational efficiency
- Two-site production structure: Utilize the capacity of Gorelovo factory and re-develop Sinyavino to meet current requirements
- Systematic implementation of WoW and WoL principles in all parts of the organization



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Continuing the Atria brand launch on the Russian market is one of the key priorities for 2017

- During 2016-2018 Atria will introduce to the Russian market a new generation of products and segments.
- The product selection will contain grill sausages, convenience foods, hot dogs, hamburgers, and additive-free sausages and frankfurters based on Finnish recipes.
- Atria brand products are produced in Russia, but with Finnish know-how and quality assurance.
- Building and developing new market will take time, but we believe there is a growing demand amongst Russian consumers for modern, good quality products.



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Sibylla Russia has tremendous performance numbers to show...

Sibylla



- Despite economical challenges in Russia now, we are expecting the growth to be continued until 2020.
- Key numbers now:
- More than 2 700 retail outlets in all the Russia's federal areas and Belarus and Kazakhstan also
- 48 employees caring about Company's business
- More than 28 000 000 portions sold annually

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Key current priorities in implementing our strategy in Russia

Priorities:

Retail sales and profitability improvement, both in SPb and Moscow - incl. Atria and Casademont expansion

Successful implementation of Sibylla growth targets

Supply Chain efficiency improvements (operational and process efficiency improvements + Sinyavino re-development)

Raw material availability, cost management and recipe optimization

Atria WOL- training program implementation on all levels of the organization

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Summary

Our aim is to generate strong positive cash-flow and EBITDA with Atria Russia Business Area during this strategy period



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The Atria logo is displayed in a red, cursive script font. A green underline swoosh is positioned beneath the letters, starting from the bottom left and extending towards the right.

Good food, better mood.

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