



Atria Capital Markets Day Atria Russia

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Когда еда – в радость.



YTD 2017 results Atria Russia



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Atria Russia 1 January - 30 September 2017

EUR million	Q3		Q1-Q3		2016
	2017	2016	2017	2016	
Net sales	22.4	19.5	64.0	50.6	71.8
EBIT	1.3	0.5	0.1	-0.1	-0.7
EBIT %	5.7 %	2.4 %	0.1 %	-0.2 %	-0.9 %
Adjusted EBIT	1.3	0.5	0.1	-0.1	-0.7



- In the local currency, Atria Russia's net sales for January-September grew by 7.5 per cent.
- The growth in net sales is due to successful sales in all sales channels. Price rises and improved profitability of the product selection contributed to the growth in EBIT.
- Macroeconomic indicators have continued to develop positively, the national economy has returned to growth and inflation is low.

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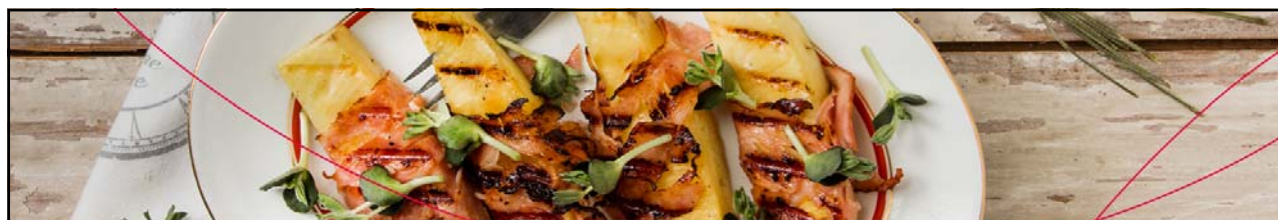
Atria Russia

- The Sibylla concept has continued to show strong growth. The number of Sibylla sales outlets has increased to more than 3100, exceeding 3300 POS in the summer peak season.
- Foodservice and Retail sectors have also developed positively during 2017.
- Russian retail development began to recover in the third quarter of 2017; with the first period of growth since 2014.
- Development of consumer disposable income remains still a challenge, but hopefully the situation improves in 2018.



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Russian market update



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Economic outlook for Russia 2011-2022

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GDP	4,3	3,4	1,3	0,6	-2,8	-0,2	1,6	1,7	1,9	2,0	2,1	2,1
Retail sales	7,2	5,7	3,9	2,5	-9,8	-3,5	2,2	2,6	2,8	2,9	2,8	2,9
Household spending	6,8	7,9	4,7	1,8	-8,5	-2,6	1,8	2,6	2,6	2,8	2,7	2,8
Real wages	4,9	8,2	5,2	1,9	-9,5	1,5	2,9	2,7	2,9	3,2	3,0	3,0
Disposable income	2,8	3,7	3,3	2,1	-4,0	-5,2	0,2	2,2	2,4	2,5	2,4	2,4
Inflation (year-end)	6,1	6,6	6,5	11,4	12,9	5,4	4,2	4,3	4,4	4,8	4,7	4,8
Unemployment rate	6,5	5,3	5,5	5,3	5,4	5,8	5,3	5,5	5,4	5,2	5,1	5,3
Gross fixed investment	9,8	6,0	-0,3	-4,8	-7,6	-2,7	3,0	3,2	3,6	3,7	3,6	3,8
Industrial output	4,7	2,6	0,3	1,7	-3,4	1,1	1,8	2,3	3,1	3,3	3,0	2,9
FX reserves (\$bn) year-end	510	528	509	385	370	377	422	428	435	442	448	457
Rouble/\$ (year-end)	32,1	30,4	32,9	58,0	73,0	61,1	59,8	62,5	64,5	66,8	68,4	70,0
Rouble/Euro (year-end)	41,5	40,1	45,1	72,0	78,0	64,0	68,0	69,0	70,0	71,8	73,6	74,8
Budget balance (% of GDP)	-0,2	0,0	-0,5	-0,5	-3,5	-3,7	-2,6	-2,4	-2,2	-1,8	-2,3	-2,7
Current-account balance (% of GDP)	4,9	3,6	1,6	2,7	5,0	2,0	2,8	3,0	2,6	1,9	2,0	1,5

source: UEMEA Group Analysis

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Atria Russia Strategy 2016-2020



Atria's Healthy Growth in Russia



Atria Russia has balanced portfolio with three main channels/elements of business in Russia: Retail, Fast Food (Sibylla) and Food Service


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

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Retail market is hopefully facing positive recovery in the next years to come: Our strategic choice is differentiation

Retail



Retail development began to recover first time since 2014 in the third quarter of 2017; consumer disposable income continues to be weak short-term, situation is expected to improve during 2018

Our retail strategy focuses on differentiation from the local producers - added value segments, 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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Sibylla Russia keeps positive development momentum

Sibylla



- More than 3 100 retail outlets in all the Russia's federal areas, and CIS-markets
- 48 employees caring about Company's business around Russia, Belorussia, Kazakhstan, Tajikistan and Kyrgyzstan...
- More than 32 000 000 portions sold annually...

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Key current priorities in implementing our strategy in Russia

Topic:

1. To strengthen market position in our Retail business; focus on differentiation with value-added products from the competition
2. Successful Sibylla expansion, in Russia as well as the CIS markets
3. Foodservice business development with international and local key customers
4. Supply chain efficiency improvement (Sinyavino renovation finalization, raw material purchases optimization, recipe optimization)
5. Atria Way of Leading + Way of Work implementation in all levels of the organization

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Summary

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



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