

Capital Markets Day Atria Scandinavia

Tomas Back, December 2014

ATRIA SCANDINAVIA
Good food - better mood.

Lithells *Sibylla*



Ridderheims

3 December | 1
2014

Atria Scandinavia, Review Q1-Q3/2014

EUR Million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Net Sales	93.3	99.7	277.0	292.0	395.0
EBIT	5.9	4.7	10.2	6.5	12.2
EBIT, %	6.3	4.7	3.7	2.2	3.1
Non-recurring items	0.0	-0.9	0.0	-0.9	-1.0

* Non-recurring items which are included in the EBIT

- Cost-efficiency and stable raw material prices improved EBIT.
- Net sales decreased due to slow market growth and stronger market position of private label.

ATRIA SCANDINAVIA
Good food - better mood.

3 December | 2
2014

Market trends

- The Swedish red meat consumption is down 3% this year. In 2013 the consumption grew by 2% and during the last five years the avg consumption has grown approx. 1% p.a.(source: Jordbruksverket)
- Likely that this year's intense animal welfare and antibiotics debate has impacted the meat consumption, at least in the short-term.
- The same debate has led to an increase in the demand for domestic meat in Sweden. Also locally produced and organic meat products continue to be in high demand.
- Private label continues to take shares in many meat processing categories in Sweden. In Denmark private label's share is somewhat down in the cold cuts category.
- The demand for premium meat based ready meals, both consumer packed and unpacked in the deli counter, increases.

ATRIA SCANDINAVIA
Good food - better mood.

3 December | 3
2014

Swedish sausage market

Sausage R12 (w 44)	Result	Change
Total Swedish market (ton)	70 139	- 1,4 %
Total Swedish market (MEUR)	422	+ 1,5 %
Atria's branded value share	10,4%	-1,1% points
Atria's total value share, incl PL	15,5%	- 0,8% points

Source: AC Nielsen
Exchange rate: 1 EUR=9 SEK

- Continued intense competition from private label (17,9 % growth) and from local brands.
- Atria's Lithells brand is keeping the position in its stronghold subsegment boiled sausages. In barbecue sausages the performance this year has been a disappointment.

ATRIA SCANDINAVIA *Lithells* *Sjöfläs* **Ridderbeins**
Good food - better mood.

3 December | 4
2014

Swedish cold cuts market

Cold Cuts R12 (w 44)	Result	Change
Total Swedish market (ton)	39 703	-3,8 %
Total Swedish market (MEUR)	502	- 2,1 %
Atria's branded value share	11,5%	-1,0% points
Atria's total value share, incl PL	12,7%	- 0,4% points

Source: AC Nielsen
Exchange rate: 1 EUR=9 SEK

- Continued intense competition from private label (15.8% growth)
- Atria's Lönneberga products are keeping their position vs other branded products.

ATRIA SCANDINAVIA
Good food - better mood.



3 December | 5
2014

Danish cold cuts market

Cold Cuts R12 (w 44)	Result	Change
Total Danish market (ton)	27 638	-3,7 %
Total Danish market (MEUR)	370 932	-4,0 %
Atria's branded value share	15,2 %	+0,5% points
Atria's total value share, incl PL	17,1 %	-0,8% points

Source: AC Nielsen
Exchange rate: 1 EUR=7.45 DKK

- Total market for cold cuts is decreasing.
Atria's 3-Stjernet brand increases its market share.
- Hard discounters are increasing their share on the market.

ATRIA SCANDINAVIA
Good food - better mood.



3 December | 6
2014

Strategy

With strong brands and customer partnerships, Atria Scandinavia will be the largest supplier of cold cuts, sausage, delicacies and sous vide through innovation and superior operating efficiency.



ATRIA SCANDINAVIA
Good food - better mood.

Lithells

Sibylla



Ridderheims

3 December 2014

7

Private label

- close cooperation with customers

- Atria Scandinavia wants to be a preferred supplier of private label in sausages, cold cuts and other selected categories.
 - Focus on large contracts and scale of operation.
- but also*
 - Joint innovation and other value-added cooperation.



ATRIA SCANDINAVIA
Good food - better mood.

3 December | 9
2014

Atria Concept - International expansion

- The international expansion of Atria Concept is progressing well.
 - There are currently 4,407 Sibylla sales outlets.
R12 + 651 outlets
 - 3 new countries during 2014: Kazakhstan, Belarus and Hungary.

Sibylla

ATRIA SCANDINAVIA
Good food - better mood.



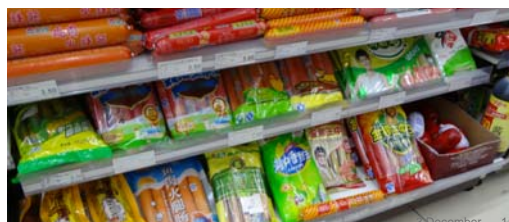
3 December | 10
2014

Export to China – a growth opportunity

- Atria Scandinavia's Danish factory in Horsens was approved by Chinese authorities to start exporting to China.
 - Only three factories in the world have permission to export heat-treated meat products to China.
 - 60-70 % of Chinese prefer imported food.



ATRIA SCANDINAVIA
Good food - better mood.



3 December | 11
2014

Investment in efficiency, quality and environment

- We've insourced Ridderheims beer sausage to our plant in **Borås**. Implies cost reduction and increased quality.
- New high speed slicing line in **Horsens**. Capacity + 65 %, increased quality and reduced waste.
- Automation of crate-packing in **Malmö**.



ATRIA SCANDINAVIA
Good food - better mood.

3 December | 11
2014

Investment in efficiency, quality and environment

Sköllersta

- 4 new smoke chambers will stabilise quality, lower waste and energy costs and improve the working environment.
- Increased capacity in hamburger production by 30%
- Improved efficiency of packing processes in the sausage production.



ATRIA SCANDINAVIA
Good food - better mood.

3 December | 12
2014

Structural Changes

- **Falbygdens Cheese business**

Atria has made an agreement to sell the Falbygdens cheese business to Arla Foods AB. The divestment will reduce Atria's net sales by approximately EUR 52 million and the EBIT by approximately EUR 3 million. The closing of the deal is subject to the approval of the Swedish Competition Authority. The targeted closing is in January 2015.

- **Atria Food & Deli**

We'll merge our two retail business units Atria Retail and Atria Deli on January 1, 2015 and create one sales&marketing team for fresh food that'll be one of the strongest on the Swedish retail market.

ATRIA SCANDINAVIA
Good food - better mood.

3 December | 13
2014



Good food, better mood.

ATRIA SCANDINAVIA
Good food - better mood.

3 December | 14
2014