



**Atria Capital Markets Day**  
**Atria Scandinavia**  
 Tomas Back, 3 December 2015








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## Atria Scandinavia, Review Q1-Q3/2015

EUR million	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014
Net sales	81.3	93.3	246.7	277.0	371.9
EBIT	5.2	5.9	9.6	10.2	14.9
EBIT %	6.4	6.3	3.9	3.7	4.0

\* Non-recurring items which are included in the EBIT

- Atria Scandinavia's net sales for January–September totaled EUR 246.7million (EUR 277.0 million). This decrease was mainly due to the sale of the Falbygdens cheese business, completed on 1 April 2015.
- In May, Atria acquired the operations of Aalbæk Specialties, the consolidation of its operations into Atria has progressed well.
- In September, Atria Scandinavia initiated the reorganization of its operations in Sweden and estimates an annual savings of about EUR 1.8 million, most of which will be realized in the beginning of 2016.

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## Market trends

- The consumption of white meat and vegetarian alternatives continues to grow at the expense of red meat.
- Major focus on organic food in Sweden and Denmark. ICAs sales of organic products grew 50 % during H1 2015. (source: Li, The Swedish Food Federation)
- Increased demand for domestic meat in Sweden and Denmark. (source: Atria, YouGov)
- On-the-go food and ready meals are in increasingly high demand.
- Private label continues to take shares in many meat processing categories. (source: AC Nielsen)

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## Swedish sausage market

Sausage R12 (w 44 -15)	Result	Change
Total Swedish market (ton)	70 058	0,1 %
Total Swedish market (MEUR)	415	+ 1,5 %
Atria's branded value share	10,3%	-0,3% points
Atria's total value share, incl PL	18,6%	+ 1,7% points

Source: AC Nielsen & Atria  
Exchange rate: 1 EUR=9,3 SEK

- Continued intense competition from private label (9 % growth) and from local brands.
- Atria's Lithells brand is keeping the position in its stronghold subsegment wiener sausages (+7,4 %).
- Atria's supplier share went up by 1,7%-points in the last 12 months

**ATRIA SCANDINAVIA** *Lithells* *Sjöfläs* *Rödberchins*

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## Swedish cold cuts market

Cold Cuts R12 (w 44 -15)	Result	Change
Total Swedish market (ton)	37 534	-0,6 %
Total Swedish market (MEUR)	491	0,8 %
Atria's branded value share	15,4%	-0,5 % points
Atria's total value share, incl PL	17,1%	+ 0,5% points

Source: AC Nielsen & Atria  
Exchange rate: 1 EUR=9,3 SEK

- Continued intense competition from private label (11,8 % growth).  
PL value share is 33,4 %.

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## Danish cold cuts market

Cold Cuts R12 (w 44)	Result	Change
Total Danish market (ton)	28 493	+0,1 %
Total Danish market (MEUR)	378 501	0,0 %
Atria's branded value share	16,6 %	+1,3% points
Atria's total value share, incl PL	18,5 %	+1,1% points

Source: AC Nielsen & Atria  
Exchange rate: 1 EUR=7,45 DKK

- Atria Denmark strengthened its position as market leader.
- 3-Stjernets value share increased by 1,3 %-points.
- Aalbæk's value share growing after getting back on track post the fire in the production plant in the beginning of 2015.

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## Aalbæk Specialties – aquisition May 2015

- Aalbæk Specialties is one of Europe's largest manufacturers of high-quality organic cold cuts.
- The company was transferred to Atria on 11 May 2015. The transaction will strengthen Atria's market leading position in cold cuts in Denmark.
- The transaction includes the Aalbæk brand, all business agreements, a charcuterie and a small production plant in Farre.



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## 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.



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## Entering new categories

- Atria Scandinavia diversifies its offering to capture the potential from consumer trends.
- We re-launch the popular vegetarian brand TZAY. In Atrias portfolio since 2008.



- We launch a new convenience concept for deli counters, Ridderheims så gott som klart – tasty, slowly cooked meal solutions.

## Entering new markets

- Sibylla expansion project moving forward as planned

- Belgium

- 10 test pilots implemented during November
- Positive feedback from market so far

- South Korea

- Local organisation in place
- 11 test pilots contracted to start in January 2016



- United Kingdom

- Local organisation coming in place
- In progress to negotiate test pilots



- In 2014 Atria Scandinavia's Danish factory in Horsens was approved by Chinese authorities to start exporting to China. We're well prepared to enter the market once we get the final product approvals.

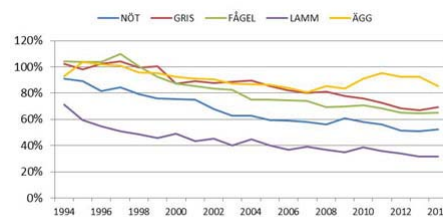
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## Atria to enter Sweden with Finnish meat

- Swedish consumers prefer domestic meat.
- Self-sufficiency level in Sweden is low.
- Finnish meat is a sustainable alternative
  - High quality
  - Good animal welfare



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Figur 2. Andel av förbrukningen som utgörs av svenskproducerat kött, i procent.  
Källa: SCB. Bearbetat av Jordbruksverket.

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## Investment in efficiency, quality and environment

- In autumn 2015, the Sköllersta plant's oil boiler was replaced by a pellet boiler, which will significantly reduce the plant's climate impact.
  - Investment: 2,6 million euros.
  - Carbon dioxide emissions will decrease by almost 4,000 tonnes per year.
  - Fossil fuels will no longer be needed in production.

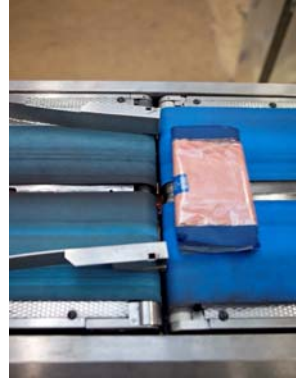


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## Investment in efficiency, quality and environment

- Ongoing improvement program in the Malmö plant.
  - New bacon frying technology
  - New high speed wallet packing line for cold cuts.
- Outsourcing the warehousing in Gothenburg
- Streamlining sales and marketing in one organisation in Sweden



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