

ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN:HRATGRRRA0003
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LISTING: Zagreb Stock Exchange

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Strong profitability growth and expected sales growth

ATG-R-RA first share on the Zagreb Stock Exchange Prime Market

In the first nine months of 2018, Atlantic Grupa recorded the total revenue of HRK 3.9 billion, where sales, compared to the same period of the previous year, recorded organic growth of 3.7 percent, while the mild nominal decrease in sales of 0.5% is the result of last year's sale of the sports food production to the Belgian partner and the absence of the related service production revenues. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amount to HRK 524.1 million and are 18.9% higher, while net profit after minorities grew for as much as 34.4% to HRK 319.3 million.

Best in investor relations

“Primarily due to business results, and taking into account awards and recognitions received, we may conclude that 2018 will be another successful year for Atlantic Grupa, in which we strengthened our corporate practices as well as our brands. As the first issuer, Atlantic moved from the Official to the Prime market of the ZSE, and this was followed by the first award for investor relations. Our top international brand – Argeta – has become the European leader, and redesigned Cockta achieves extraordinary sales results. In addition to extended distribution range, we also continued with improvements in the distribution organisation, and disinvesting “non-core” business operations. Also, the significant profitability growth and lower finance costs, a result of further deleveraging, strengthened our cash flow and present a strong basis for future growth”, Emil Tedeschi, President of the Management Board, pointed out.

Among many initiatives from the own products development, Argeta stands out, which, after the successful start of production in the USA last year, established itself as the meat spread number one in Europe this year. Redesigned Cockta achieved extraordinary sales results with the total growth in the HoReCa segment of as much as 46 percent. The strategy of disinvesting minor business operations was continued in July by signing the agreement with the renowned company



Magdis from Zagreb on the sale of the company Neva, with famous cosmetic brands Melem, Plidenta and Rosal.

The most prominent growth recoded by Argeta, beverages and the Croatian market

The overall increase in sales of Atlantic Grupa in the first nine months of 2018 was mainly impacted by the following Strategic Business Units: Savoury Spreads with a 10.2 percent growth, Beverages with a 7.0 percent growth and Coffee with a 4.3 percent growth. Also, with a share of 21.0 percent and sales of HRK 816.7 million, Coffee stands out as the biggest individual category in the total revenues. Under the impact of the strengthened portfolio and organisation optimisation, the most significant growth in the distribution operations was recorded by the market of Croatia with a 9.6 percent growth and Serbia with a 5.6 percent growth, followed by Slovenia that grew 5.5 percent and Bosnia and Herzegovina with a growth of 4.0 percent.

In the total sales, own brands make 68.9 percent, principal brands in the distribution 23.0 percent, pharmacy chain Farmacia 7.9 percent and the production of private labels for third parties 0.2 percent.

Atlantic Grupa d.d.

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The number of shares and their nominal value: 3,334,300 shares, each in the nominal amount of HRK 40.00. Share capital: 133,372,000.00 HRK, paid in full. Management Board: Emil Tedeschi, Mladen Veber, Neven Vranković, Zoran Stanković; President of the Supervisory Board: Zdenko Adrović.