



ATLANTIC GRUPE d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN:HRATGRRA0003
3ATG / ISIN: HRATGRO216A9
LISTING: Zagreb Stock Exchange

Zagreb, July 27, 2017

In the first half of the year, Atlantic recorded revenue growth and double-digit profitability increase

Divestment of sports food production releases additional focus on marketing and sale, and growth of Multipower brand

In the first half of 2017, Atlantic Grupa recorded total sales of HRK 2.5 billion, which is a 2 percent growth compared to the first half of 2016. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amount to HRK 281.5 million and are 8.4 percent higher, while net profit after minorities increased by 15.4 percent to HRK 154.1 million. Despite the decrease in market share of retail chains of Agrokor as the major buyer, by expanding cooperation with other buyers Atlantic Grupa recorded the overall sales increase in the first part of the year.

In addition to great business results, the first six months were marked by the divestment of the sports food production and focusing on the development of branded operations in this segment. Factories in German Bleckede and in Nova Gradiška were taken over by the strategic partner, Belgium company Aminolabs, for the total amount of up to HRK 200 million. In the factory in Nova Gradiška Atlantic retained a minority share, and both factories will continue to contractually produce the Atlantic's sports food range.

Successfully bridged Agrokor crisis

"In the first half of 2017, Atlantic Grupa recorded a sales increase in the majority of markets where it operates and a profitability increase in almost all business units. We are exceptionally satisfied with the results, which once again prove the stability of operations, justified strategy that is focused on investing in own brands and strong distribution, and successful risk management in all areas. By the strategic partnership with the renowned European sports food producer for third parties, we continued the restructuring of the Strategic Business Unit Sports and Functional Food, directing our strengths at the development of branded operations. We also successfully bridged the limitations related to the difficulties faced by our major buyer, and we continue with the development of distribution operations, that continuously grow, equally with own and principal brands", Emil Tedeschi, the President of the Management Board of Atlantic Grupa said.



Growth of Business and Distribution Units

The overall increase in Atlantic Grupa's sales in the first half of the year was mainly impacted by the following Strategic Business Units: Pharma and Personal Care with the 7.9 percent growth, Savoury Spreads with the 6.8 percent growth, Beverages with the 5.8 percent growth and Snacks with the 4.2 percent growth, as well as the Strategic Distribution Unit Croatia, that grew by 5.8 percent and the Strategic Distribution Unit Serbia with the 2.1 percent growth. With 20.1 percent share in the total sales, Coffee stands out as the largest individual product category with sales of HRK 503.6 million. Own brands of Atlantic Grupa participate in sales with 68 percent, the distribution of principal brands' products with 20.4 percent, the pharmacy chain Farmacia with 7.6 percent, while products produced by Atlantic Grupa as private labels for large business systems in the country and abroad participate in the total revenue in the first six months with 4 percent.

Atlantic Grupa d.d.