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Revenue Growth with a Double-Digit Profitability Growth

In the first half of 2019, Atlantic Grupa recorded sales in the amount of HRK 2.574 billion which, compared to the same period in 2018, represents a 3.5 percent growth. Operating income (EBIT) amounts to HRK 275.8 million and it is 11.3 percent higher while the net profit, after minorities, amounts to HRK 213.5 million and is 13.9 percent higher, both of them compared to the first half of last year.

“Following successful 2018, during the first half of this year, we have continued achieving exceptional growth rates, mostly thanks to Argeta, but also brands from the Beverages category (Cedevita, Cockta, Donat Mg) and thanks to excellent results achieved by Farmacia and Dietpharm. A special focus has been placed on managing brands and human resources, so we are especially pleased with successes such as the Gold Effie for Argeta, the award Atlantic Grupa has received as the best advertiser in Slovenia as well as the best employer award. All that has certainly contributed to the trust placed in us by the financial community thereby helping us record a historically high share value during the first half of the year”, emphasized Zoran Stanković, the Group Vice President for Finance.

Argeta, Beverages and the Croatian Market Recorded the Greatest Growth

The overall increase in sales was mainly impacted by Strategic Business Units: Savoury Spreads with the 9.7 percent growth, and Beverages with the 3.5 percent growth. With HRK 532.7 million in sales and 20.7 percent share in total revenues, Coffee stands out as the largest individual category. All markets recorded growth in distribution operations, and the most significant one was recorded by the Croatian market with the growth as high as 11.8 percent. Own brands account for 65.4 percent of the total sales, the brands of the principals in distribution account for 26.1 percent, and the pharmacy chain Farmacia participates with 8.5 percent.

Implementation of Logistics Robots and Opening of the New R&D Centre

At the end of March, Atlantic Grupa opened a new logistics-distribution centre featuring modern equipment near Velika Gorica thereby ensuring adequate logistics support for long-term

development of distribution operations.

The investment into the construction and equipment worth around EUR 20 million was realised in cooperation with the company Kamgrad. During the first phase, a warehousing capacity of 30,000 pallet spots was secured with the option to expand modularly in accordance with the business needs. Furthermore, technologically highly sophisticated logistics robots by the company Gideon were implemented and put into operation in the same warehouse. The newly opened modern laboratory for research and development at Štark is sure to contribute to the growth of innovations in the Snacks segment, and the growth of the Beverages category has continued with the launch of new products – primarily Cockta Free - and advertising campaigns such as Taste of the Generation CE marking 50 years of existence of the Cedevita brand.

Following the excellent results realised by the expansion of the distribution portfolio last year, the new distribution contracts signed at the beginning of the year in Macedonia (Ficosota and Beiersdorf) have confirmed the continual focus on the development of the distribution segment of the company. At the same time, the Strategic Business Unit Sports and Functional Food unit has been fully disinvested thereby continuing the process of disinvesting non-core business operations.

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