

**ATLANTIC GRUPA d.d.**  
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**10 000 Zagreb**

SECURITY: ATGR / ISIN:HRATGRRRA0003

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HOME MEMBER STATE: Croatia

REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

**Zagreb, February 28, 2019**

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## A Year of Records in Atlantic Grupa

*In 2018, the Company realized record sales results on all major markets, but also record market capitalization and the lowest indebtedness since 2010*

In 2018, Atlantic Grupa recorded total sales of HRK 5.3 billion, which compared to the previous year represents organic growth of 4.2 percent, while the nominal growth of 0.3 percent is a result of last year's sale of the Sports Food production to the Belgian partner and the absence of related contract production revenues. Earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for one-off items, amounts to HRK 566 million and are higher than last year's by 9.3 percent. The one-off items had a negative impact of HRK 20 million, while in the preceding year one-off earnings of HRK 65 million were recorded. Net profit after minorities is in the amount of HRK 244 million.

### ***First on the Stock Exchange on the Prime Market, in Investor Relations and Share Price Increase***

„Atlantic Grupa ended the year 2018 with exceptional success, both from the aspect of achieved business results and the recognitions it has won. Last year, we were listed as the first issuer on the Prime Market of the Zagreb Stock Exchange, we were winners of the First Prize for Best Investor Relations, but also for the highest annual share price increase, of as much as 34.5 percent, which reflected in the highest level of market capitalization since Atlantic's share is traded with on the ZSE. In 2018, when historical record high sales were recorded on all regional markets, strong cash flow from business activities enabled us to continue with debt reduction, and significant profitability growth provides a stronghold for future growth. We enter the year 2019 with a firm financial position, the lowest net debt to EBITDA profitability ratios since the acquisition of Droga Kolinska, with a ratio of 1.5 times, and strong market shares of our major brands. We continue having a focus on our own key brands and strengthening the distribution portfolio, as well as on the development of different digital solutions in business operations”, Emil Tedeschi, President of the Management Board emphasized.

Among numerous initiatives, Argeta particularly stands out in the development of its own product range, and which, after a successful start of a service production in the USA a year earlier, established itself last year as the No.1 meat savoury spread in Europe, with realized two-digit sales growth. With a refreshed recipe and a new design, Cockta achieved remarkable sales results, with a total growth in HoReCa segment of as much as 47 percent. With a consolidation of distribution operations within a single management unit, the portfolio was extended by contracts with new principals – the Mars company on the Croatian and Red Bull on the Serbian market, and last year's negotiations resulted also in a successful start of cooperation with Hipp company in Macedonia, at the beginning of 2019.

Continuing the strategy of divesting „non-strategic” business operations, the business purchase agreement for Neva company, a leading Croatian cosmetics producer, whose product portfolio consists of the well-known brands Melem, Plidenta and Rosal, was signed in July with a renowned company Magdis from Zagreb.

## ***Argeta, Beverages and the Croatian Market Recorded the Biggest Growth***

The overall increase in sales was mainly impacted by the Strategic Business Units: Savoury Spreads, with 12.4 percent growth, Beverages with 7.5 percent growth, and Coffee with 3.5 percent growth. With 21.4 percent share and HRK 1.12 billion in sales, Coffee also stands out as the largest individual category in total revenues. The most significant growth in distribution operations was recorded by the Croatian market with 12.4 percent growth, Serbia with 5.3 percent growth and Slovenia, which recorded growth of 4.1 percent.

Own brands make 66.9 percent of the total sales, the brands of the principals in distribution 25.2 percent and the pharmacy chain Farmacia participates with 7.9 percent.

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