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First Quarter Marked by Growth of Revenues and Profitability

Double-digit growth of majority of business segments of Atlantic Grupa

In the first quarter of 2018, Atlantic Grupa recorded total sales in the amount of HRK 1.143 billion, which compared to the same period of the previous year represents a growth of 3.0 percent. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amount to HRK 121.3 million and are 11.3 percent higher, while net profit after minorities increased by 17.8 percent to HRK 61.7 million. The exceptional results were recorded riding on the growth of distribution operations and own brands equally, whereby the missing revenues from the private label production of sports food, due to selling production plants to the Belgian Aminolabs, were more than compensated for. Not taking the impact of this transaction into consideration, the organic revenue growth in the first quarter would be an impressive 7.2 percent.

Focus on development of distribution and brands, and further business growth

“Atlantic Grupa has started another business year on an excellent note. After an extraordinary 2017, in which despite the challenges in the environment outstanding results were recorded, the reports from the first quarter confirm that we are on the right path to realize expectations in 2018 as well. We have realized an impressive revenue growth on all significant markets, demonstrating sustained focus also on the development of our own product range and on the development of distribution operations. It is important to emphasize that revenue growth is followed by profitability growth, which is an indicator of a healthy and sustainable growth. Further decrease in debt, significantly lower financial costs and growing liquidity enable us to focus on even more ambitious planning of future growth,” said Emil Tedeschi, President of the Management Board of Atlantic Grupa.

The excellent first quarter was marked by consolidation of distribution operations in several directions. The first results of cooperation with the new principals, Red Bull in Serbia and Mars Group in Croatia, confirm common development ambitions. In addition, in the internal organisation, the entire distribution operations were reorganized into a single unit, while the components of the Strategic Distribution Region HoReCa to date, after successfully laid foundations and channel development, were merged with the distribution organisations on the particular markets. Among numerous initiatives from the development of our own product range, the results of the new production of Argeta in the USA, which in the first quarter realized revenues on the market of North America at the level of 2017 as a whole, Black'n'Easy instant Turkish coffee with a growth of as much as 53 percent, and redesigned Cockta with excellent results in the HoReCa channel, stand out in terms of contribution to revenues.

Argeta, coffee and Slovenian market recorded the highest growth

The overall increase in Atlantic Grupa's sales in 2017 was mainly impacted by the following Strategic Business Units: Savoury Spreads with a 15.9 percent growth, Coffee with 14.7, and Snacks with a 10.1 percent growth. With 21.2 percent share and sales of HRK 243.1 million, Coffee stands out as the largest individual category in total revenues. Among the single markets, the highest growth was recorded in Slovenia – a record 15.3 percent, followed by Croatia with 11.5 percent growth, and Serbia, which had a growth rate of 9.4 percent.

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