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Achieving income and profit growth by focusing on key business operations

In the first nine months of 2019, Atlantic Grupa's recored sales amounted to HRK 4.012 billion, which represents an increase of 3.2 per cent over the same period in 2018. Earnings before interest and taxes (EBIT) are 8.3 per cent higher and amount to HRK 452.9 million, while the net profit after minority interests is HRK 353.5 million or 11.6 per cent higher than in the comparable period last year.

"Atlantic Grupa's business operations in the first nine months have been characterised by continued income and profitability growth in most business segments and markets. We have also continued implementing our strategy of divesting non-core business operations by disposing of the Sports and Functional Food segment and focusing more strongly on areas that represent our key growth drivers and the cornerstone for our future transformation. This includes a targeted internationalisation of brands that have proven their international potential and the use of distribution development to leverage business growth, as well as mergers and takeovers. With that in mind, we have also expanded the company's Management Board, which now has six members. We are especially pleased with the fact that the capital market has recognised our overall performance, as we have seen not only record-breaking values of our shares but also of dividends per share in these first nine months," says Emil Tedeschi, President of the Management Board.

Argeta, Beverages and the Croatian market record strongest growth

The total increase in sales was mostly influenced by the strategic business units Savoury Spreads, which grew by 9.3 per cent, and Beverages, which grew by 4.8 per cent. With recorded sales of HRK 817.8 million and a 20.4 per cent share in total income, Coffee stands out as the biggest individual category. The most significant growth in the distribution operations was achieved on the Croatian market (8.5 per cent), followed by the Slovenian market marked by a 4.7 per cent growth. Own brands make up 64.9 per cent of total sales, principal brands in distribution stand at 26.8 per cent, while the Farmacia chain of pharmacies contributes 8.3 per cent to the total income.

Distribution development and use of robots in the new logistics and distribution centre

After the excellent results achieved by expanding the distribution portfolio in the region last year, the new distribution contracts signed earlier this year in North Macedonia (Ficosota and Beiersdorf) confirm our continued focus on developing the company's distribution operations.

At the end of March, Atlantic Grupa opened a new, state-of-the-art logistics and distribution centre near the town of Velika Gorica, which will provide adequate logistics support for the long-term development of the company's distribution operations. The first phase ensured a storage capacity of 30,000 spots for pallets, with the option of modular expansion to fit the company's growing business needs. The warehouse also features successfully implemented and commissioned sophisticated logistics robots designed and produced by the company Gideon.

By completely disposing of the sports food segment, the company has continued the process of divesting non-strategic business operations. In early April, Atlantic Grupa concluded a contract with Genuport Trade GmbH from Hamburg for the sale of the company Tripoint together with the Multipower, Champ and Multaben brands.

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