



The Finest CEElection 2020, virtual
conference
October 2020

ATLANTIC
GRUPA

Creating flavours
you love



Atlantic Grupa Today

Atlantic Grupa is one of the leading food and beverages companies in the SEE region with the renowned regional brands that are, alongside the product range of external partners, supported by own distribution system in the region



18 — distribution
centres

14 — production facilities
in 5 countries

40 — product presence
on over 40 markets

5500 — employees on
12 markets

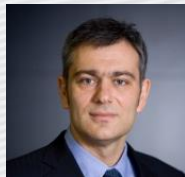
- **Leading distributor of multinational brands**
- **Founded in 1991**
- **FY19 sales: EUR 724m**
- **FY19 EBITDA*: EUR 96m**
- **MCap (01.10.2020): EUR 542m**

*Normalized

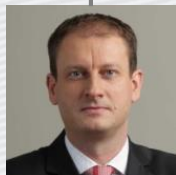
** FX rate EUR/HRK of 7.5 is used for all data and periods to exclude effects of exchange rate changes



Management Board



Emil Tedeschi
Founder & President of
the Management Board



Zoran Stanković
Vice President
Finance, Procurement
and Investment



Neven Vranković
Vice President
Corporate Affairs



Lada Tedeschi Fiorio
Vice President
Corporate Strategy and
Development

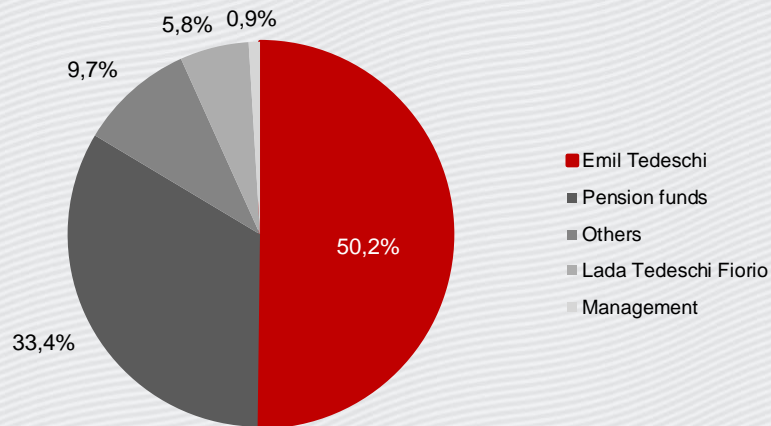


Srećko Nakić
Vice President
Distribution



Enzo Smrekar
Vice President
Savoury spreads, Donat
and internationalization

Ownership structure



GROWTH BASED ON INNOVATIONS AND M&A

National company

1990's

❖ Distribution centres across Croatia

❖ Various distribution cooperations

DISTRIBUTION

Regional company

2000-2004

❖ Regional expansion

❖ 2001: Acquisition of CEDEVITA

DISTRIBUTION & PRODUCTION

European company

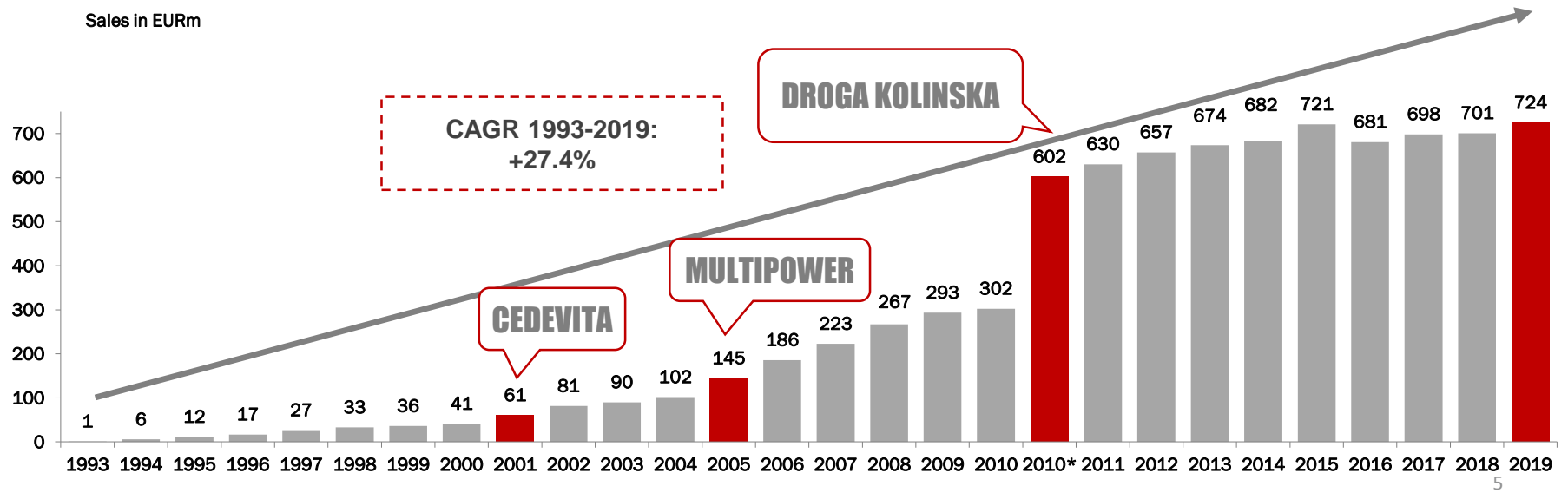
2005-2019

❖ 2010: Acquisition of DROGA KOLINSKA

❖ 2007: IPO

❖ 2005: Acquisition of MULTIPOWER

VERTICAL INTEGRATION



2010*: Pro-forma consolidated with Droga Kolinska



ATLANTIC GRUPA DISTRIBUTION

STRENGTH OF DISTRIBUTION

- The leading distributors of high-quality top FMCG brands (both own and principal) in SEE
 - Developed network with 18 distribution centers
 - Direct access on over 60,000 sales points
 - Over 1,000 delivery vehicles



KEY DEVELOPMENTS

Impact of COVID-19 on business operations

New business unit Donat Mg and reorganization of GDAM

Cedevita – the most desirable brand in Croatia and Slovenia

Atlantic Grupa fifth most desirable employer

Distribution of dividend in July 2020

Lowest net debt/EBITDA* of 1.1x

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see the document „Definition and reconciliation of Alternative Performance Measures“ within financial results for H1 2020.

FY 2019: ORGANIC SALES GROWTH OF +5.4% ***

(HRK million)	2019	2018	2019/ 2018
SBU Coffee	1,136.0	1,123.6	1.1%
SBU Beverages	747.8	711.1	5.2%
SBU Savoury Spreads	726.6	674.7	7.7%
SBU Snacks	674.6	687.6	(1.9%)
SBU Pharma	655.0	648.0	1.1%
SDU Croatia	1,368.6	1,265.3	8.2%
SDU Serbia	1,263.9	1,253.4	0.8%
SDU Slovenia	941.6	907.9	3.7%
Global distribution network management	378.5	370.6	2.1%
Other segments*	401.7	413.6	(2.9%)
Reconciliation**	-2,862.5	-2,800.2	n/a
Sales	5,431.7	5,255.5	3.4%

The comparative period has been adjusted to the reporting for 2019.

* Other segments include SBU Sports and functional food, DU Austria, DU Macedonia and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

**Line item "Reconciliation" relates to the sale of own brands which is included in the appropriate SBU and BU and in SDUs, DUs and GDAM through which the products were distributed.

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FY 2019: OPERATING RESULTS OF SBUs AND SDUs

(HRK million)	2019	2019 without IFRS 16	2018	2019 without IFRS 16/2018
SBU Coffee	266.6	264.5	258.9	2.2%
SBU Beverages	177.5	175.3	166.8	5.1%
SBU Savoury Spreads	144.6	143.5	132.5	8.3%
SBU Snacks	125.6	123.7	132.8	(6.9%)
SBU Pharma	58.2	40.1	44.4	(9.7%)
SDU Croatia	64.2	39.8	37.8	5.4%
SDU Serbia	40.2	23.2	32.4	(28.2%)
DU Slovenia	60.9	53.6	52.1	2.8%
Global Distribution Network Management	13.8	13.7	17.8	(23.5%)
Other segments*	(172.9)	(188.9)	(329.7)	42.7%
Group EBITDA**	778.7	688.5	545.9	26.1%

The comparative period has been adjusted to the reporting for 2019.

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2020 H1: CONFIRMATION OF BUSINESS MODEL STABILITY

(HRK million)	H1 2020	H1 2019	H1 2020/H1 2019
SBU Coffee	500,9	532,7	(6,0%)
SBU Savoury Spreads	423,0	348,5	21,4%
SBU Snacks	297,4	319,0	(6,8%)
SBU Beverages	221,2	281,3	(21,4%)
SBU Pharma	258,4	305,0	(15,3%)
BU Donat Mg	98,2	95,9	2,5%
SDU Croatia	580,1	632,2	(8,2%)
SDU Serbia	545,8	588,8	(7,3%)
SDU Slovenia	460,2	444,9	3,4%
Other segments*	385,6	356,2	8,3%
Reconciliation**	-1.311,4	-1.330,5	n/a
Sales	2.459,5	2.574,1	(4,5%)

The comparative period has been adjusted to the reporting for 2020.

* Other segments include SBU Sports and functional food, DU Austria, DU CIS, GDAM and DU Macedonia and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

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2020 H1: OPERATING RESULTS OF SBUs AND SDUs

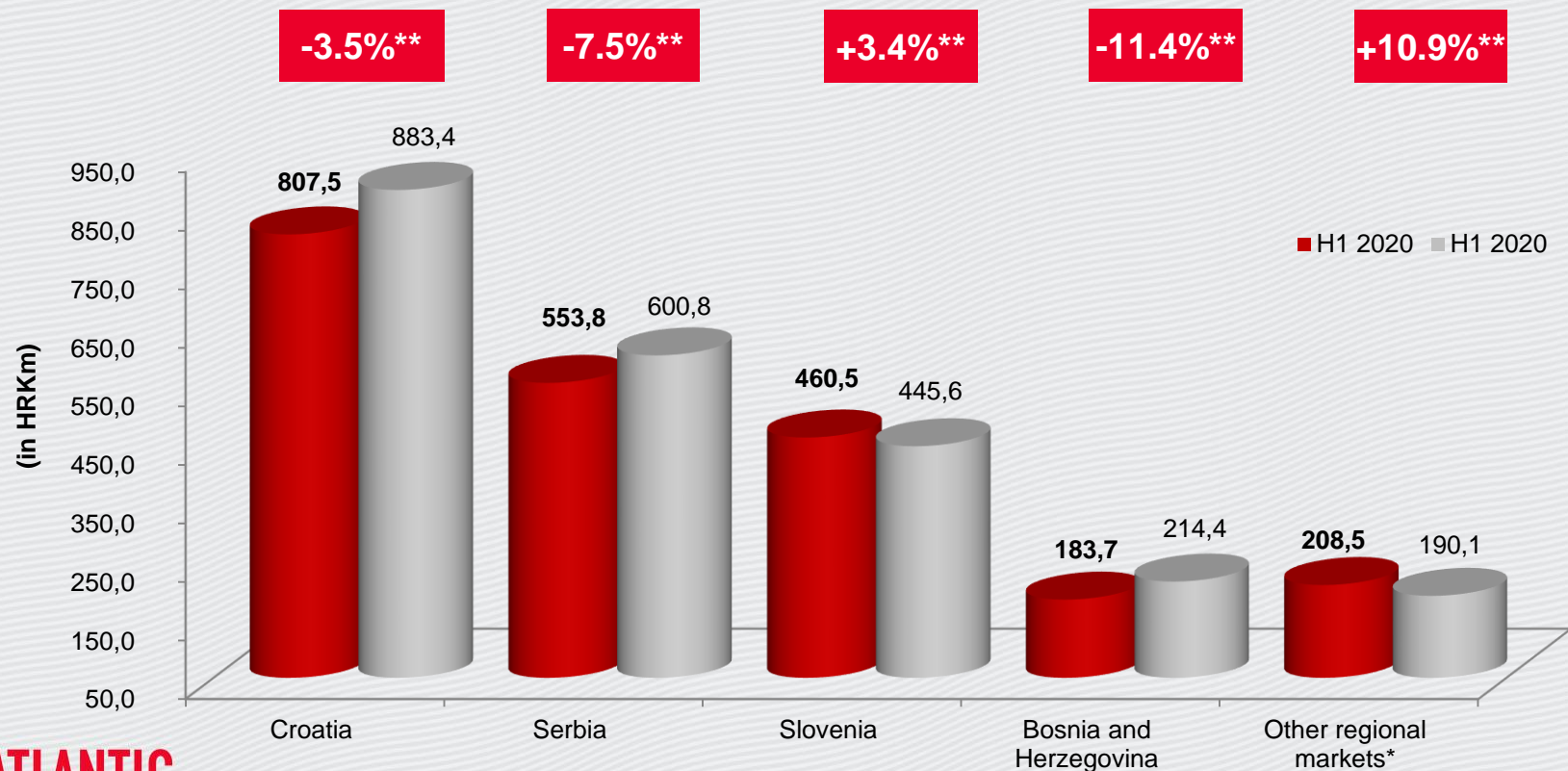
(HRK million)	H1 2020	H1 2019	H1 2020/H1 2019
SBU Coffee	123,6	126,6	(2,4%)
SBU Savoury Spreads	119,1	83,5	42,6%
SBU Snacks	51,8	61,8	(16,2%)
SBU Beverages	36,5	53,7	(32,1%)
SBU Pharma	18,7	26,0	(27,9%)
BU Donat Mg	51,2	46,1	10,9%
SDU Croatia	27,1	34,0	(20,4%)
SDU Serbia	7,4	17,5	(57,5%)
SDU Slovenia	27,4	26,1	4,9%
Other segments*	(138,5)	(77,2)	(79,3%)
Group EBITDA**	324,1	398,0	(18,6%)

The comparative period has been adjusted to the reporting for 2020.

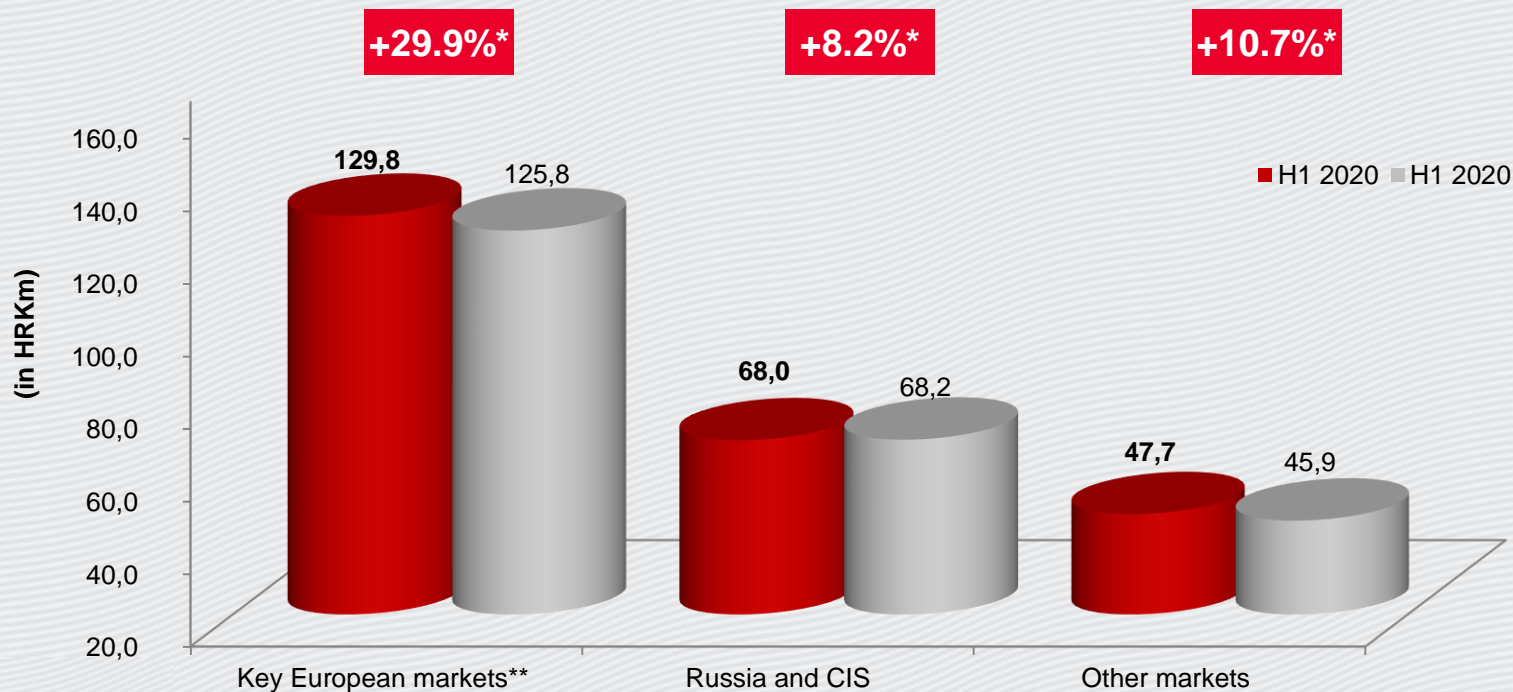
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2020 H1: SALES PROFILE BY MARKETS



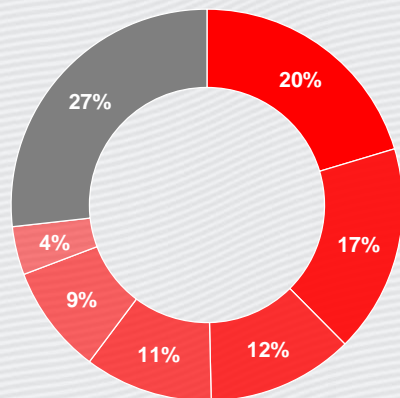
2020 H1: SALES PROFILE BY MARKETS



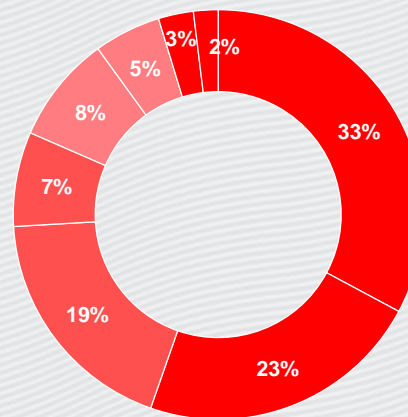
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** Germany, Switzerland, Austria, Sweden

2020 H1: SALES BY SEGMENTS AND MARKETS



- Coffee 20.4%
- Savoury spreads 17.2%
- Sweet and salted snacks 12.1%
- Pharma 10.6%
- Beverages 9.0%
- Donat Mg 4.0%
- Principal brands 26.8%

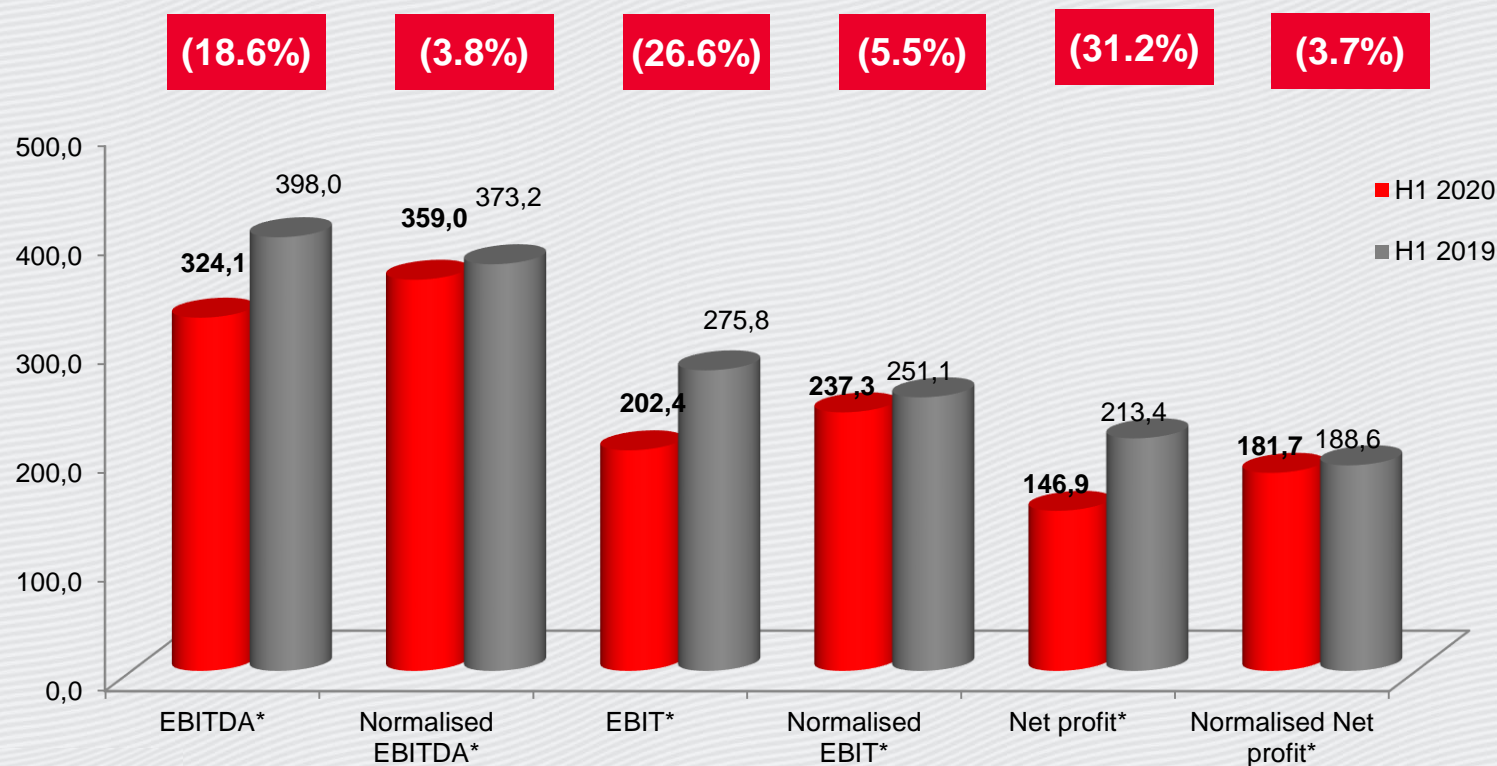


- Croatia 32.8%
- Serbia 22.5%
- Slovenia 18.7%
- Bosnia and Herzegovina 7.5%
- Other regional markets* 8.5%
- Key European markets** 5.3%
- Russia and CIS 2.8%
- Other markets 1.9%

*Other regional markets: Macedonia, Montenegro, Kosovo

**Key European markets: Germany, Switzerland, Austria, Sweden

2020 H1: PROFITABILITY



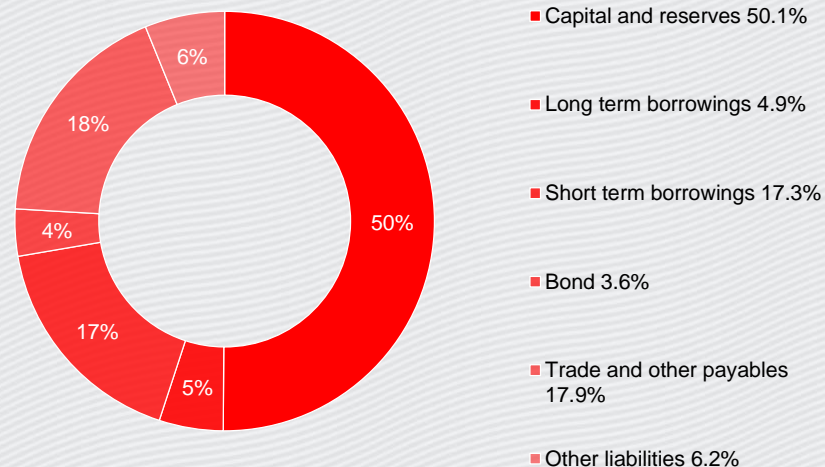
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FINANCIAL INDICATORS: CONTINUED DELEVERAGING

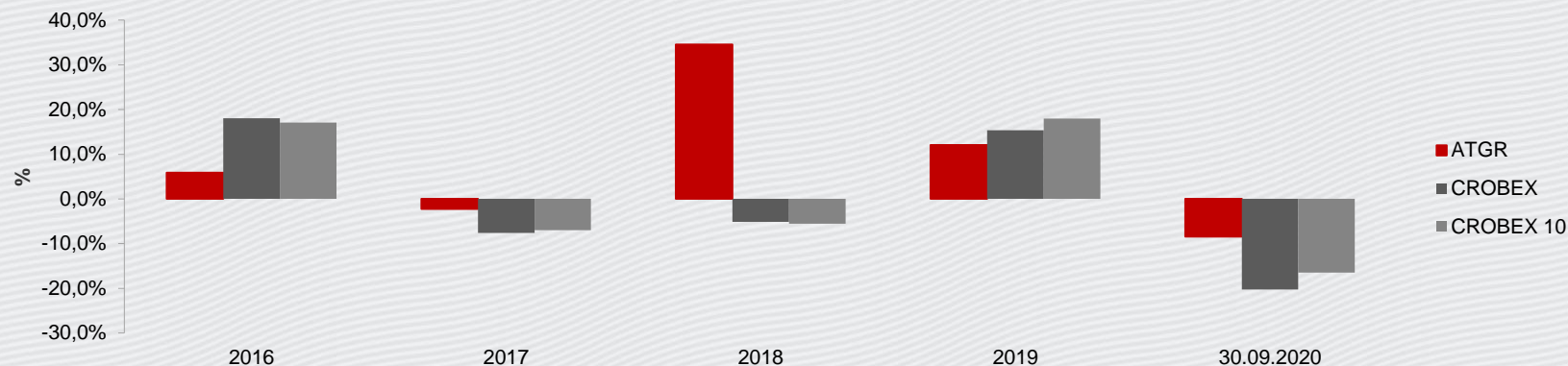
(in HRK millions)	30.6.2020	31.12.2019
Net debt*	756,0	922,7
Total assets	5.524,4	5.247,3
Total Equity	2.768,3	2.669,8
Current ratio*	1,1	1,3
Gearing ratio*	21,5%	25,7%
Net debt/EBITDA*	1,1	1,3
(in HRK millions)	H1 2020	H1 2019
Interest coverage ratio*	26,4	21,8
Capital expenditure*	141,3	110,8
Free cash flow*	178,0	140,0
Cash flow from operating activities	319,2	250,8

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30.06.2020.



PERFORMANCE ON CROATIAN CAPITAL MARKET



- ❖ Stable shareholder structure
- ❖ In October 2019, historically highest level of market capitalization

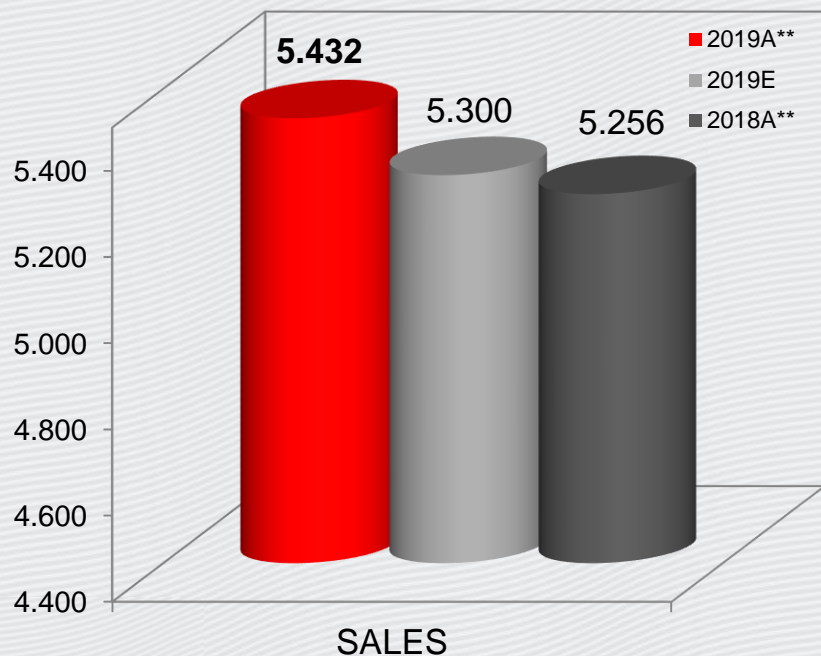
Valuation	2019	2019 w/o IFRS 16	2018
Last price in reporting period	1,300.0	1,300.0	1,160.0
Market capitalization* (in HRK millions)	4,334.6	4,334.6	3,867.8
Average daily turnover (in HRK thousands)	585.0	585.0	436.3
EV (in HRK millions)*	5,262.7	4,887.1	4,734.6
Adjusted EV/EBITDA*	7.3	7.7	8.4
Adjusted EV/EBIT*	11.9	11.2	12.2
EV/sales*	1.0	0.9	0.9
Adjusted EPS (in HRK)*	99.6	100.8	78.4
Adjusted P/E*	13.0	12.9	14.8

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RESULTS IN LINE WITH EXPECTATIONS

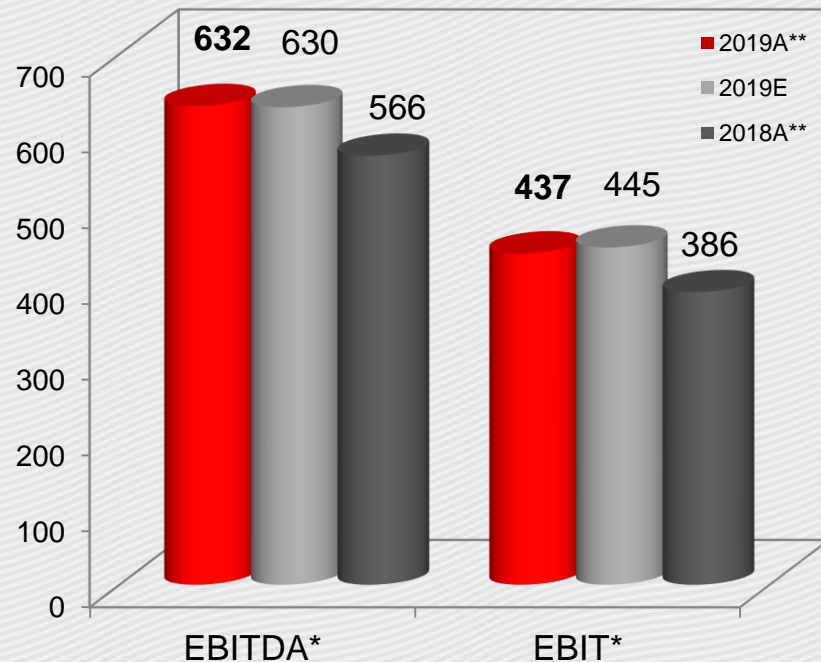
2019A/2019E: 102.5

2019A/2018A: 103.4



2019A/2019E: 100.3

2019A/2018A: 111.7



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** Normalized

OUTLOOK FOR 2020 WITHDRAWN

2020 unknowns

- Progression of the virus
- Impact on the economy
- Scale and impact of government measures
- Effect on consumer trends

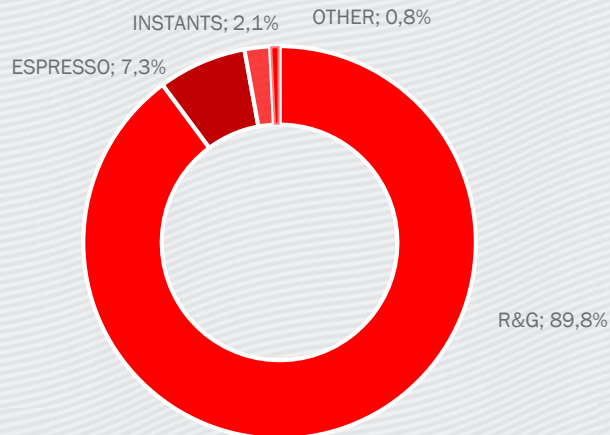
2020 knowns

- Ongoing challenges for OOH and „on the go” consumption
- Impact on consumption habits
- Adapting to the new environment
- Strong liquidity position and record low debt

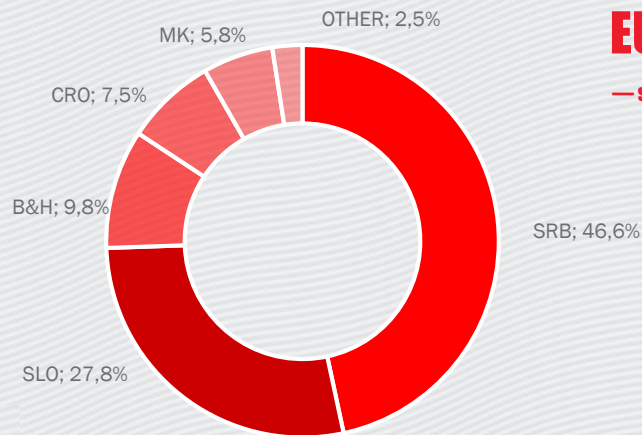
BUSINESS UNITS

SBU COFFEE

Sales by categories



Sales by markets



20.9 %

— share in sales

EUR 151m

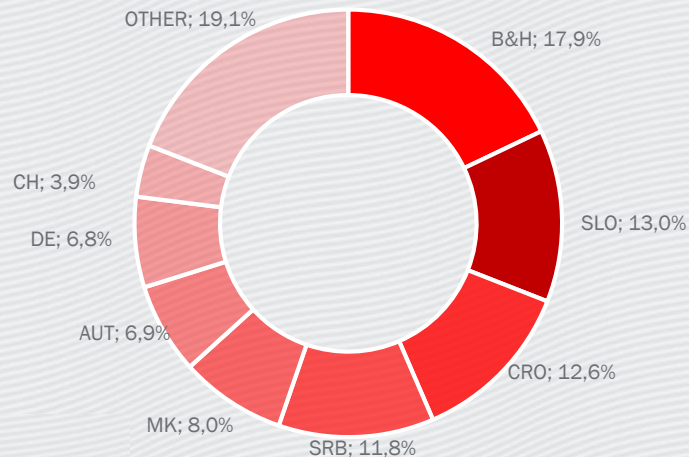
— sales in 2019

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SBU SAVOURY SPREADS

Sales by markets



ARGETA®

montana+

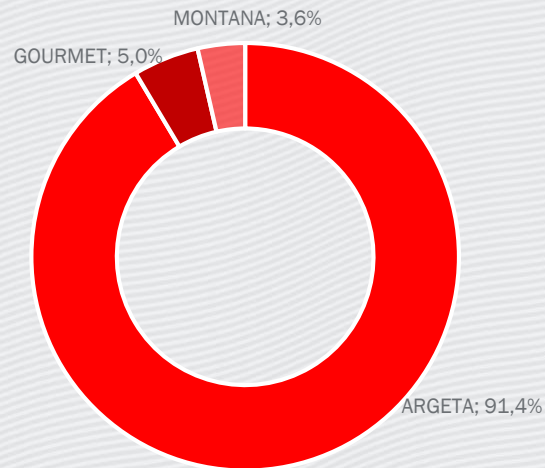
13.4 %

— share in sales

EUR 97m

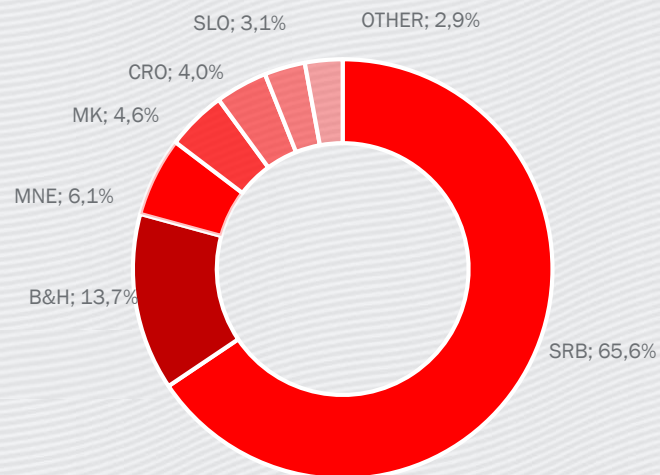
— sales in 2019

Sales by categories



SBU SNACKS

Sales by markets



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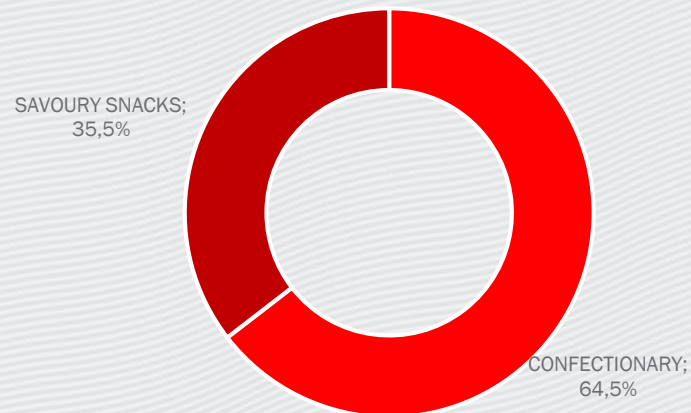
12.4 %

— share in sales

EUR 90m

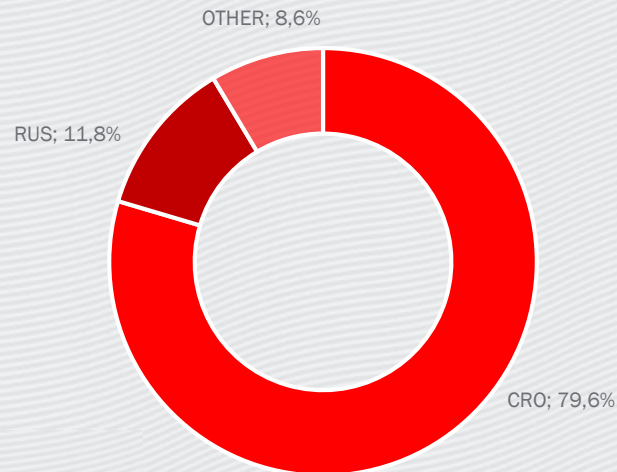
— sales in 2019

Sales by categories

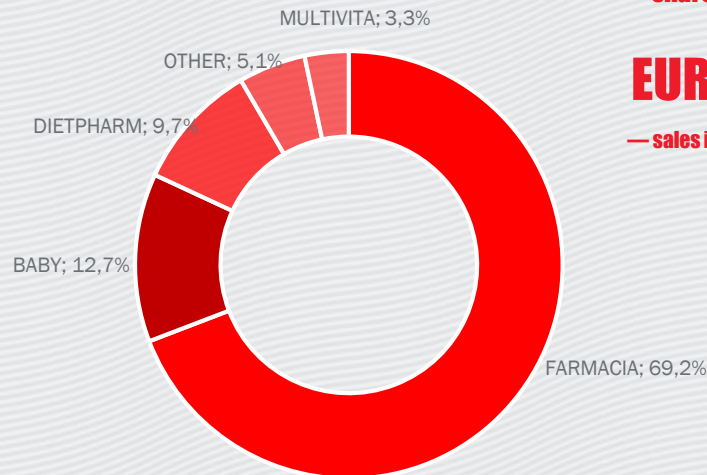


SBU PHARMA

Sales by markets



Sales by categories



11.5 %

— share in sales

EUR 83m

— sales in 2019

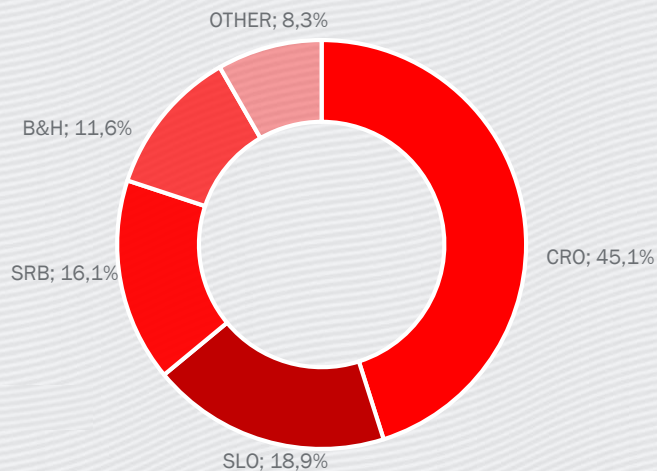
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farmacia 

Bebi

SBU BEVERAGES

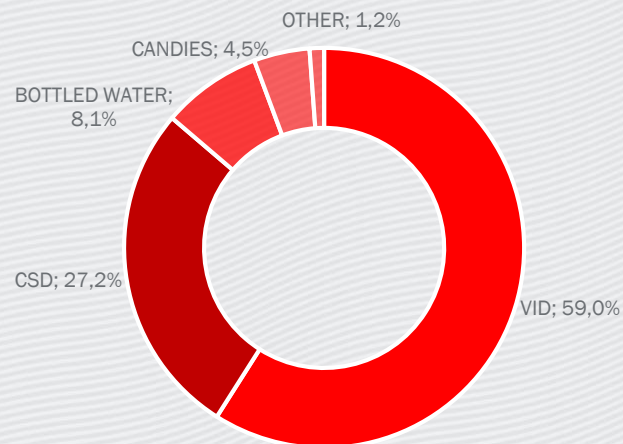
Sales by markets



CEDEVITA®



Sales by categories



10.3 %

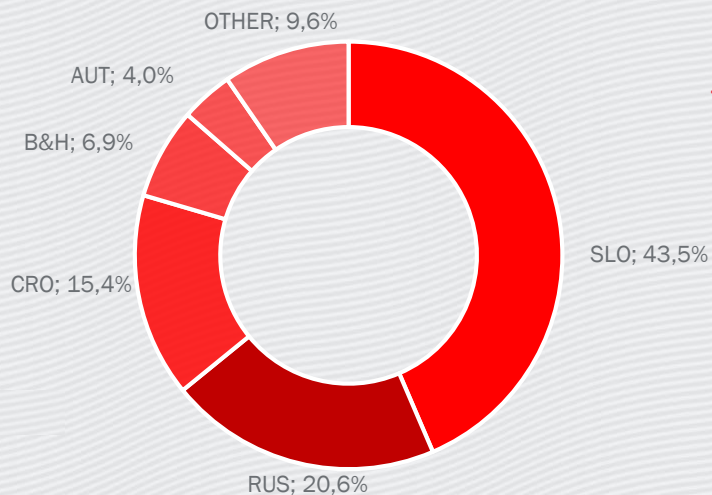
— share in sales

EUR 74m

— sales in 2019

BU DONAT MG

Sales by markets



3.5 %

— share in sales

EUR 25m

— sales in 2019

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