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## Atria Group 1 January – 30 June 2020

EUR million	Q2	Q2	H1	H1	2020
	2021	2020	2021	2020	
<b>Net sales</b>	387.2	366.3	748.5	723.0	1,504.0
EBIT before items affecting comparability	12.6	4.1	19.1	6.4	40.5
Adjusted EBIT, %	3.2 %	1.1 %	2.6 %	0.9 %	2.7 %
<b>Items affecting comparability of EBIT:</b>					
Impact of the sale of the subsidiary	-45.1	0.0	-45.1	0.0	0.0
<b>EBIT</b>	-32.5	4.1	-26.0	6.4	40.5
<b>EBIT, %</b>	-8.4 %	1.1 %	-3.5 %	0.9 %	2.7 %

### April-June

- Atria Group's adjusted EBIT improved clearly. All business areas posted a positive EBIT.
- Atria Finland's strong performance continued. The EBIT of Atria Finland grew by EUR 4.0 million from the previous year. Net sales increased by EUR 14.7 million due to higher Food Service sales and exports.
- The increase in Atria Sweden's net sales and EBIT was mainly due to increased sales to fast food customers.
- Atria Denmark & Estonia's EBIT increased clearly due to lower meat raw material prices.
- The sale of Atria's Russian subsidiary OOO Pit-Product was completed.
- Consolidated EBIT was EUR -32.5 million (EUR 4.1 million), or -8.4 per cent (1.1%) of net sales. The EBIT adjustment item consists of the accumulated translation differences of EUR -45.1 million recognized in the income statement in connection with the sale of the Russian subsidiary.
- Atria raised its EBIT guidance for 2021: adjusted EBIT is estimated at EUR 41–48 million (EUR 40.5 million).
- Atria is investing EUR 30 million in production restructuring in Sweden – production will be centralised at the Sköllersta plant and the Malmö plant will be closed.
- All the packages of Atria branded chicken products will be labelled with the product's carbon footprint. The label on the packaging indicates the climate impact of the entire production chain of the product, converted into carbon dioxide equivalents (kg CO<sub>2</sub>e / product).

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### January-June

- Consolidated adjusted EBIT was EUR 19.1 million (EUR 6.4 million).
- Consolidated EBIT was EUR -26.0 million (EUR 6.4 million), or -3.5 per cent (0.9%) of net sales. The EBIT adjustment item consists of the accumulated translation differences between the ruble and the euro of EUR -45.1 million recognized in the income statement in connection with the sale of the Russian subsidiary.
- Atria Finland's net sales and EBIT improved clearly. Sales grew in all sales channels, especially Food Service sales and exports to China increased. EBIT was EUR 7.6 million higher than in the previous year.
- The improvement in Atria Sweden's net sales and EBIT was due to stable raw-material prices, the strengthening of the Swedish krona and good sales development to fast food customers.
- Atria Denmark & Estonia's EBIT increased significantly year-on-year, which was mainly due to the lower price level of meat raw material.
- Atria Group's operational structure and segment reporting was changed. The reporting segments will be Atria Finland, Atria Sweden and Atria Denmark & Estonia. As a result of the segment change, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021.

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## The sale of OOO Pit-Product was completed

- The sale of Atria's Russian subsidiary OOO Pit-Product was completed in April. The purchase price was approximately EUR 32 million.
- Cumulated translation differences associated with Pit-Product stood at EUR -45.1 million on 30 April 2021 and it was recognized in the income statement. For this reason, EBIT in January-June was EUR -26.0 million. Apart from the translation difference, the divestment had no other effect on Atria's consolidated result.
- The divestment has an impact of around EUR 35 million on Atria Group's net sales.
- In Russia, the sale of Sibylla fast food continues as part of Atria's business. The operations are reported as part of Atria Sweden's business area.

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## Atria Finland 1 January – 30 June 2021

EUR million	Q2	Q2	H1	H1	2020
	2021	2020	2021	2020	
Net sales	277.7	263.0	537.9	515.6	1,066.3
EBIT	11.3	7.3	21.1	13.5	43.1
EBIT, %	4.1 %	2.8 %	3.9 %	2.6 %	4.0 %

- **In April-June**, the increase in net sales was mainly due to the recovery of the Food Service market compared to the corresponding period of the previous year. However, Food Service sales in April-June were still somewhat behind the corresponding period in 2019, when there were no coronavirus restrictions in the market yet.
- Sales to retail customers were almost at the level of the corresponding period of the previous year, although in the comparison period retail sales were at a significantly higher level due to coronavirus hoarding.
- Exports to China continued to increase. During the first part of the year, Chinese export prices were reasonably stable, but began to decline at the end of the review period.
- A-Rehu's feed sales also developed positively during the review period.
- **In January-June**, the increase in net sales was due to increased sales in all sales channels, especially Food Service sales and exports to China were higher than in the corresponding period of the previous year.
- EBIT growth was due to higher net sales, a better sales structure and good cost management.

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## Atria Finland

- In April-June, sales in Finnish retail trade increased slightly by about 0.3 per cent in the product groups represented by Atria.
- Sales of convenience food products grew the most, by more than 10 per cent compared to the corresponding period of the previous year.
- Atria's supplier share is about 24 per cent in the product groups represented by Atria. (Source: Atria market insight)
- The Food Service market in Finland has grown strongly: more than 30 per cent compared to the previous year. Although growth is similar in all Food Service product groups represented by Atria, the market value is not yet at the 2019 level.
- Atria's supplier share in the Food Service market is approximately 21 per cent in the product groups represented by Atria. (Source: Atria market insight)
- The poultry plant investment is progressing according to the planned schedule. Supplier tendering is ongoing and earthworks began in April.



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## Atria Sweden 1 January – 30 June 2021

EUR million	Q2	Q2	H1	H1	2020
	2021	2020	2021	2020	
Net sales	88.0	78.3	164.7	156.3	332.2
EBIT	0.3	-1.6	-1.0	-3.3	0.8
EBIT, %	0.3 %	-2.0 %	-0.6 %	-2.1 %	0.2 %

- **In April-June**, net sales grew by 8.9 per cent year-on-year in the local currency.
- Sales of Sibylla and Food Service products continued to be below normal levels due to coronavirus restrictions. The Food Service and fast food market in Sweden began to recover at the end of the review period with the gradual removal of coronavirus restrictions.
- Sales to retail were slightly lower than the previous year's figures. Sales to fast food customers improved significantly – especially in Russia.
- EBIT growth was due to stable raw-material prices and the strengthening of the Swedish krona as well as improved sales to fast food customers.
- **In January-June**, net sales grew by 2.1 per cent year-on-year in the local currency.
- The development of EBIT in Q1 was weighed down by the costs incurred in implementing the ERP system.
- As a result of a segment change in Atria Group, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021. The change had a positive effect on net sales and EBIT for the review period and the comparison period.

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## Atria Sweden

- Sales to retail of the product groups represented by Atria were at a good level at the beginning of the year, but growth slowed in Q2: the sausage market was at the previous year's level, the cold cuts market grew by 4.1 per cent and the poultry products market grew by 10.2 per cent in value.
- In January–June, Atria's supplier share remained stable and was 19.0 per cent in sausages, 12.6 per cent in cold cuts and 16.8 per cent in fresh chicken products. (Source: AC Nielsen).
- In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant. As a result of the restructuring, Malmö's production will be transferred to the Sköllersta and Moheda plants in Sweden and to the Hansted plants in Denmark. The restructuring is estimated to generate total annual savings of EUR 3.5 million for Atria.



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## Atria Denmark & Estonia 1 January – 30 June 2021

EUR million	Q2	Q2	H1	H1	2020
	2021	2020	2021	2020	
Net sales	26.7	26.9	51.2	53.3	106.8
EBIT	2.0	1.1	4.0	1.4	5.3
EBIT, %	7.5 %	4.1 %	7.7 %	2.7 %	4.9 %

- In April-June EBIT increased clearly year-on-year.
- Sales to retail increased, but coronavirus restrictions weakened exports.
- In January-June, EBIT growth was impacted by low meat raw material prices and good cost management.
- Net sales were bolstered by the price increases implemented early in the year.
- In Estonia, the barbecue season started later than normal this summer. With the removal of coronavirus restrictions, the Food Service market recovered in June, which weighed down retail growth.
- The Estonian Food Association chose Atria Maks & Moorits Homemade Minced Meat as the best food product in Estonia. The product received special praise for its innovative packaging.
- The launch of new cold cuts packaging containing less plastic was successful in Denmark and increased sales during the review period.

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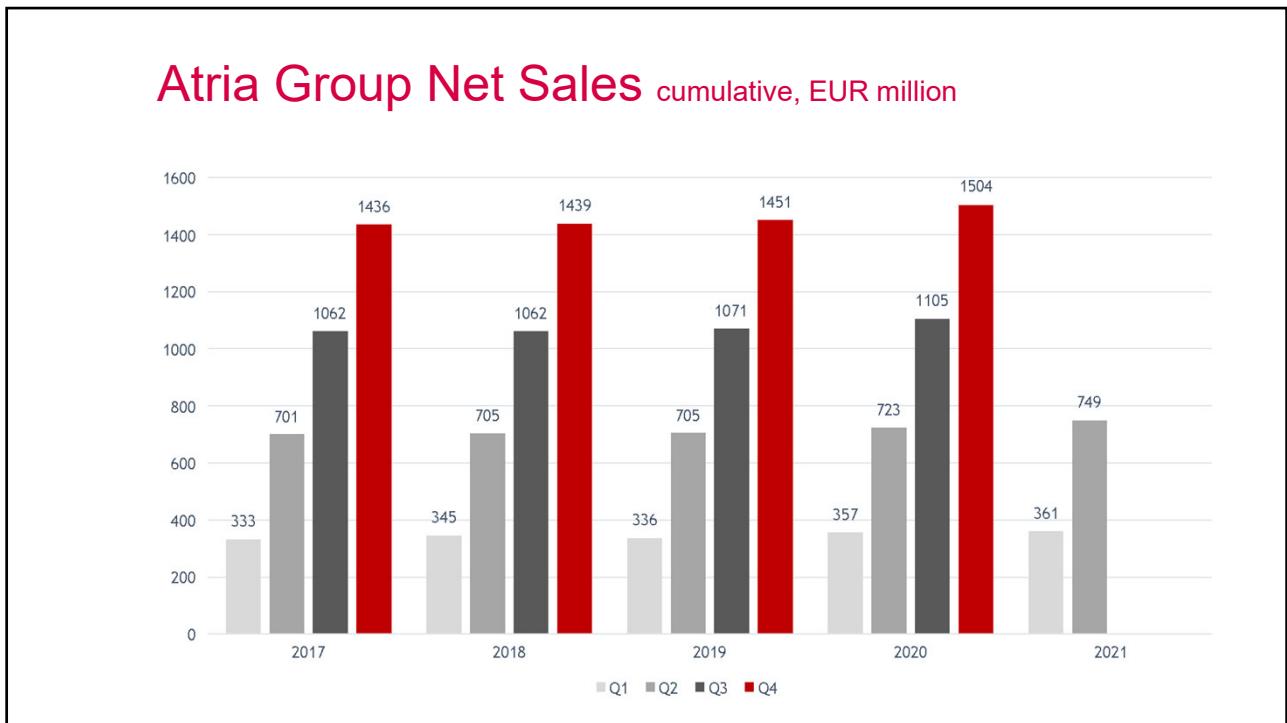
# Financial development

"The first 6 months of 2021 have been favourable to Atria. In the second quarter of the current year, all business areas improved their profitability compared to the same period last year and posted a positive EBIT."

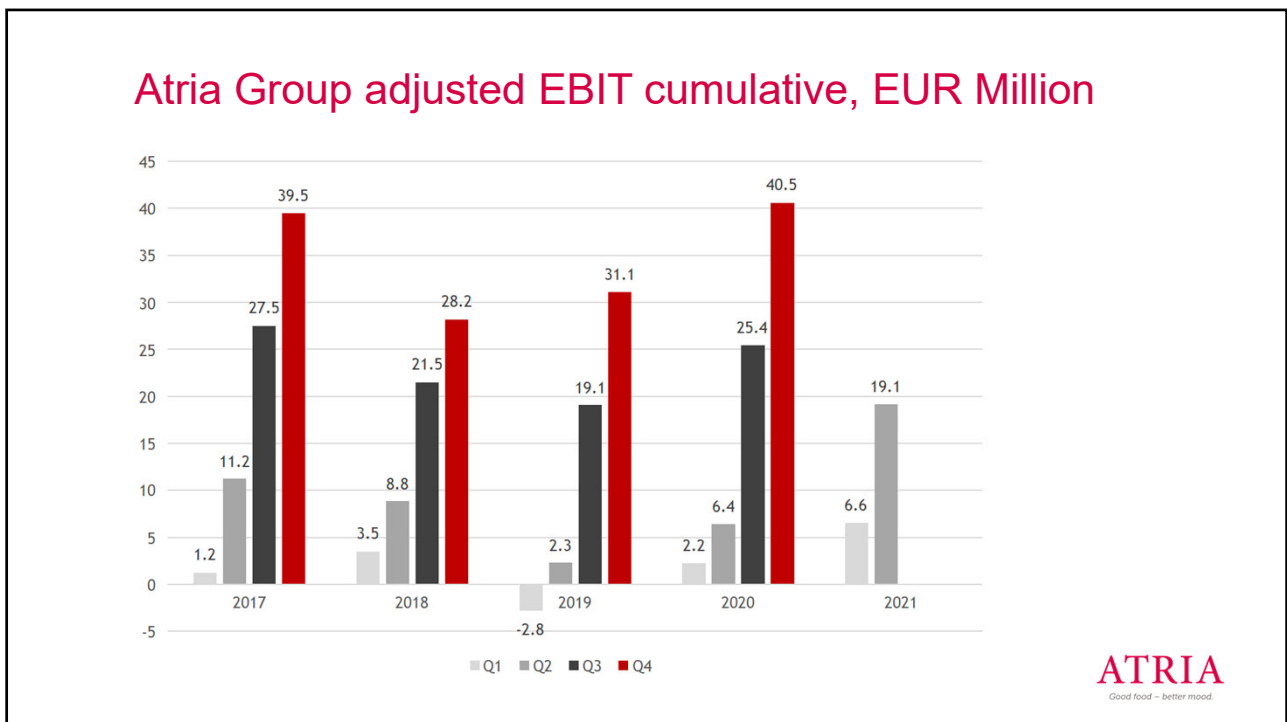
**Juha Gröhn, CEO**

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## Atria Group Financial indicators 1 January – 30 June 2021

EUR million	30.6.2021	30.6.2020	31.12.2020
Shareholders' equity per share EUR	15.14	14.24	14.96
Interest-bearing liabilities	191.2	263.0	218.1
Equity ratio, %	48.9 %	43.8 %	46.8 %
Net gearing, %	41.5 %	59.7 %	43.6 %
Gross investments	20.4	23.4	45.6
% of net sales	2.7 %	3.2 %	3.0 %
Average FTE*	3,770	4,515	4,444

\*The figure for the review period is without the number of employees of OOO Pit-Product.

- Consolidated interest-bearing net liabilities on 30 June 2021 amounted to EUR 182.6 million (31 December 2020: EUR 191.6 million).
- In the review period, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 28.2 million (EUR -4.9 million). Free cash flow includes a net cash flow effect of EUR 29.3 million related to the sale of OOO Pit-Product.
- Accumulated translation differences related to the sold subsidiary, OOO Pit-Product, of EUR -45.1 million were written off from translation differences to retained earnings. The recording has no effect on equity ratio or cash flow.
- In April, Atria refinanced a EUR 40 million loan due in April 2023 with a new EUR 60 million bullet loan that has a maturity of seven years.
- The Group's liquidity has remained good.
- On 30 June 2021, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2020: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the review period was 4 years 5 months (31 December 2020: 3 years 2 months).

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## Atria Group Income statement

EUR million	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
NET SALES	387.2	366.3	748.5	723.0	1,504.0
Costs of goods sold	-341.8	-330.3	-664.9	-653.1	-1,337.7
GROSS PROFIT	45.4	36.0	83.6	69.9	166.3
% of Net sales	11.7 %	9.8 %	11.2 %	9.7 %	11.1 %
Other income	1.0	0.7	2.0	1.7	3.2
Other expenses	-78.9	-32.6	-111.6	-65.2	-129.0
EBIT	-32.5	4.1	-26.0	6.4	40.5
% of Net sales	-8.4 %	1.1 %	-3.5 %	0.9 %	2.7 %
Finance income and costs	-0.4	-0.8	-2.7	-2.2	-4.5
Income from joint ventures and associates	1.1	0.2	1.8	0.6	1.2
PROFIT BEFORE TAXES	-31.9	3.6	-26.8	4.7	37.3
Income taxes	-2.9	-1.3	-3.8	-1.7	-12.6
PROFIT FOR THE PERIOD	-34.8	2.3	-30.7	3.0	24.7

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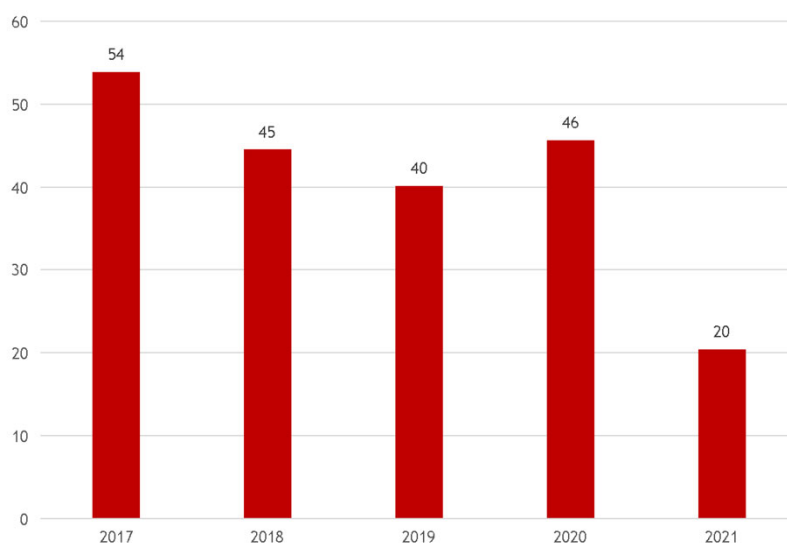
## Atria Group Cash flow statement

EUR million	1-6/2021	1-6/2020	1-12/2020
Cash flow from operating activities	29.3	21.5	115.2
Financial items and taxes	-9.9	-4.2	-13.0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>19.3</b>	<b>17.2</b>	<b>102.2</b>
Investments in tangible and intangible assets	-20.4	-22.8	-40.8
Acquired operations	0.0	0.0	-3.4
Sold operations	29.3	0.0	0.0
Changes in long-term receivables	-0.6	0.5	0.7
Change in short-term receivables	0.5	-0.2	-0.1
Dividends received	0.0	0.4	0.5
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8.9</b>	<b>-22.1</b>	<b>-43.2</b>
FREE CASH FLOW	28.2	-4.9	59.0
Changes in interest-bearing liabilities	-28.9	26.2	-22.4
Transactions with non-controlling interest	-3.1	0.0	0.0
Dividends paid	-14.6	-11.9	-11.9
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-46.7</b>	<b>14.3</b>	<b>-34.4</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>-18.5</b>	<b>9.4</b>	<b>24.6</b>

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## Atria Group Gross investments, EUR Million

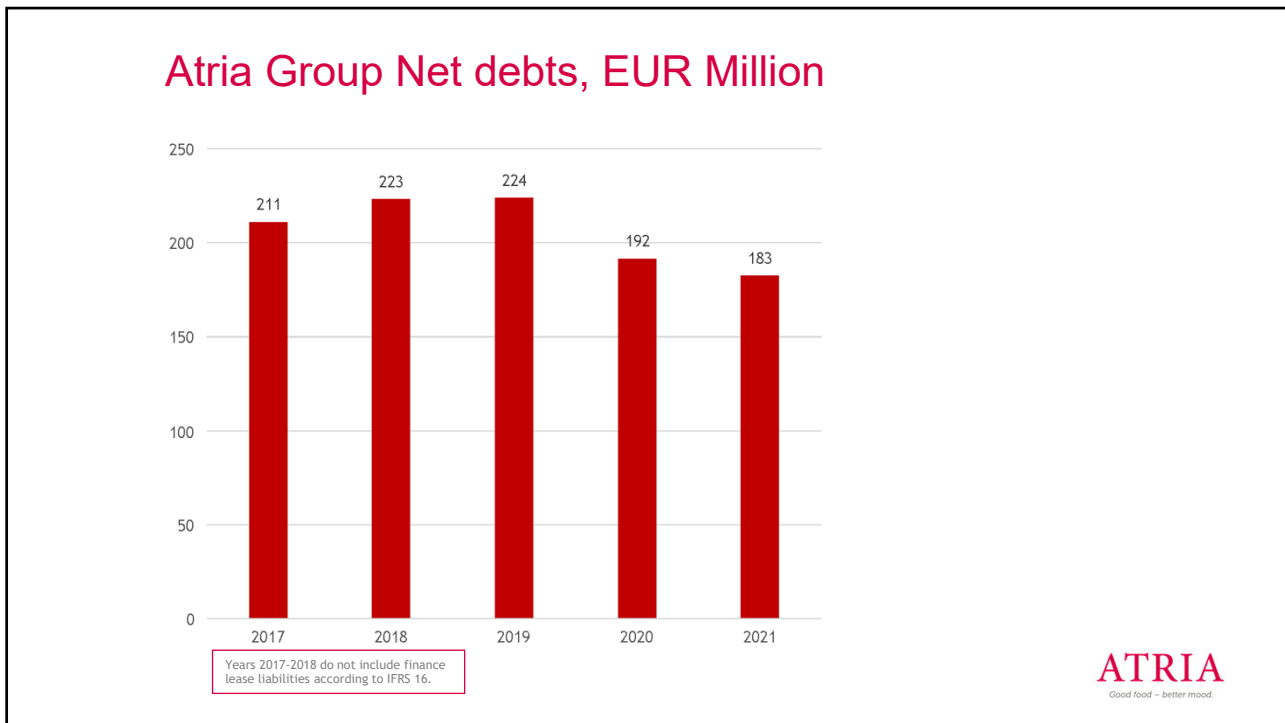


In 2020 the acquisitions increased the amount of gross investments by EUR 3.5 million.

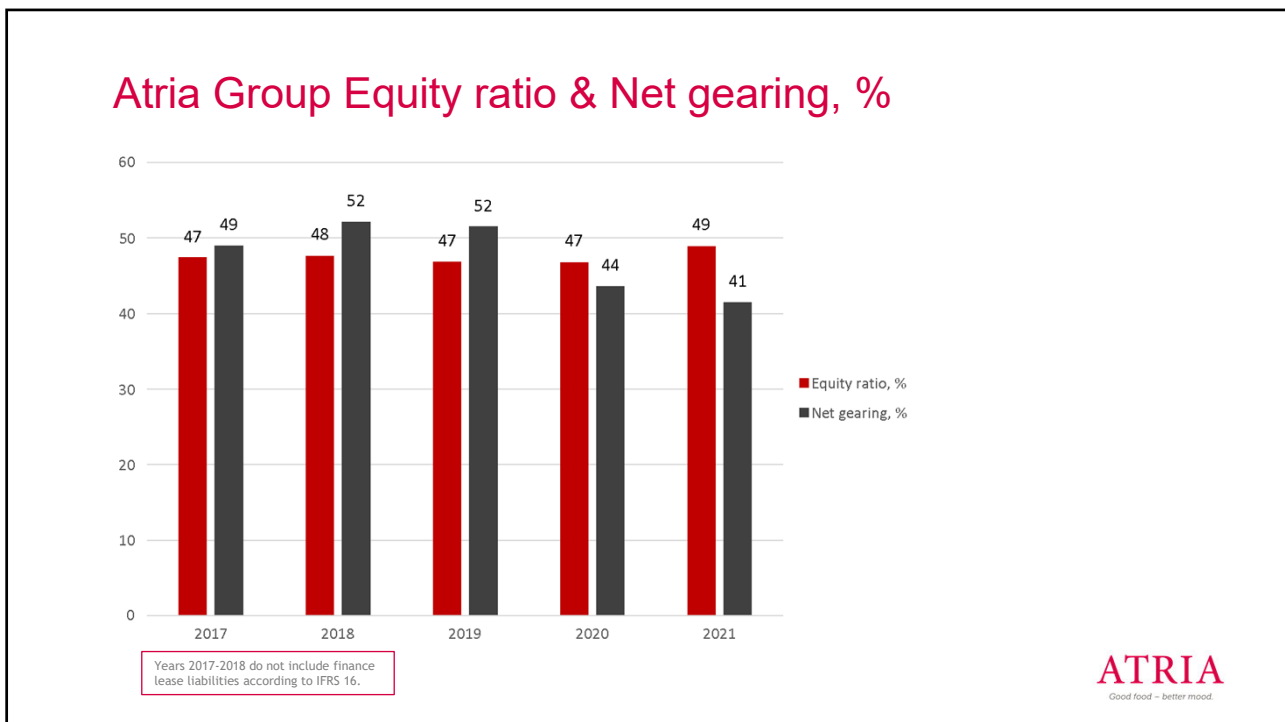
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## Business risks in the review period and short-term risks

- Atria's business, net sales and earnings can be affected by several uncertainties. Risk management and business risks are comprehensively described in Atria's Annual Report 2020, which can be found at [www.atria.fi/en/group/investors/financial-information/annual-reports](http://www.atria.fi/en/group/investors/financial-information/annual-reports).
- Risks related to human and animal health and welfare also occurred in Q2 2021. The COVID-19 pandemic identified in early 2020 is causing uncertainty in Atria's operations, although coronavirus vaccinations have progressed well and restrictions on people's movement and business have been partially removed. The reasons for the continuing uncertainty are the duration of the pandemic, the variants of the virus and the speed of implementation of country-specific vaccination programmes. In the long run, the coronavirus pandemic may also affect economic, legislative and regulatory risks. During the review period, Atria has invested in the health and safety of its personnel and in maintaining the reliability of product deliveries.
- The digitalising and globalising world has brought with it cyber risks. Risks related to cyber crime and IT disruptions can also affect Atria's operations, either directly or through service providers' systems. Every effort is made to prevent and protect against them through systematic monitoring and security-enhancing measures.
- Rising input costs for primary production and, as the drought continues, the potentially weak harvest prospects in the autumn may increase cost pressures on meat production.
- The African swine fever, which has been found in multiple European countries and in China and Russia, affected the price of pork around the world. Considering the risk of African swine fever spreading to Finland, Atria employs prevention measures at its own production plants and contract production farms. Cases of avian flu in Europe have in turn caused uncertainty in the poultry market.

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## Outlook for the future

- Atria raised its EBIT guideline for 2021 and estimated the adjusted EBIT to be EUR 41-48 million (EUR 40.5 million).
- The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement with material items affecting comparability. These may include events that are not part of the company's ordinary business activities, such as reorganisation of operations, capital gains and losses from the sale of operations, impairment, and the costs of discontinuing significant operations. Such an item affecting EBIT, is the translation difference recognition of EUR -45.1 million arising from the sale of OOO Pit-Product. The translation difference was recognised after the deal was finalised.
- Atria operates mainly in the retail and Food Service markets in Finland and Sweden. The strong and rapid changes in the global meat market will have a greater impact on the company's development and reduce predictability.
- Consumption of poultry meat is expected to continue to increase, while consumption of red meat is expected to decline slightly. Atria has increased its meat exports, and pork exports to China, for example, are expected to increase further during 2021.
- The coronavirus pandemic that began in 2020 and continues in early 2021 has caused strong and rapid changes in the business environment in the food industry. This has hindered the predictability of the company's development. Immediate effects related to Atria's business have included national restrictions on restaurant operations and public food services, resulting in reduced sales to Food Service customers. During the coronavirus pandemic, the importance of ordinary everyday food has strengthened. The possible weakening of consumer purchasing power will also affect food purchases and may shift the sales structure of Atria's products into an unfavourable direction.

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## Implementation of the strategy Q2/2021

Targets	Implementation Q2/2021
Win big in poultry	- The poultry plant investment is progressing according to the planned schedule. Supplier tendering is ongoing and earthworks began in April.
Strong financial performance	- The sale of OOO Pit-Product was completed in April.
Grow profitably in Sweden	- In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant.
Leader in sustainability	<ul style="list-style-type: none"> <li>- Atria Finland has expanded the calculation of the carbon footprint of its chicken products, and now a label indicating the product's carbon footprint is added to all packaging of Atria brand chicken products.</li> <li>- Atria Sweden launched a new Lönneberga chicken package which contains 57 per cent less plastic.</li> <li>- Atria Denmark launched a new packaging for Aalbaek cold cuts, which uses about 20 percent less plastic than before.</li> <li>- In May, Atria Finland launched a project to build a wind farm. There are plans to build a wind farm of about 45 megawatts, which would mean that 7 windmills would be built in the vicinity of the Nurmo plant.</li> <li>- Atria Finland, together with Nurmon Aurinko Oy, is implementing an extension of the solar power plant next to the Nurmo plant. The panel capacity of the current power plant, commissioned in 2018, will almost double.</li> </ul>

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# Thank you!

Q3/2021 will be published on 21 October 2021.

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