



INVESTOR PRESENTATION

ALTIA

**Leading Nordic alcoholic beverage brand
company in the wine and spirits markets**

MAY-JUNE 2019

Contents

- Altia in brief
 - Markets, trends & innovation
 - Strategy
 - Financials
 - Q1 19 highlights and key financials
- Appendices

Leading Nordic alcoholic beverage brand company operating in the wines and spirits markets in the Nordic countries, Estonia and Latvia. We also have production in Cognac, France.

We are the leading Nordic alcoholic beverage brand house on the wine and spirits markets

WE OPERATE ON THE STABLE AND PROFITABLE NORDIC MARKET

Key figures 2018

Net sales

357.3

EUR million

Comparable EBITDA margin

11.2%

the drinks business
**GREEN
AWARDS
2018**

ALTIA

- Head office
- Production
- Distillery
- Sales office
- Warehouse

Exports to
approx. 30
countries

17.5.2019

We are the Nordic iconic brands

BRAND FOCUSED BUSINESS THROUGH OWN AND PARTNER BRANDS



CHARLES
SMITH
WINES

Nederburg
SINCE 1791

BODEGAS
Faustino

Gustave Lorentz
Maison familiale depuis 1836

VINA
TARAPACA
DESDE 1874

hernö
GIN

AMARULA

TREASURY
WINE ESTATES

Penfolds
LINDEMAN'S
SINCE 1843

DESDE 1551
CODORNIU

L A R O C H E

RUFFINO
DAL 1877

PASQUA
A FAMILY PASSION

DESDE 1893
TRAPICHE
ARGENTINA

PATA NEGRA
GARCIA & CARRION
Desde 1890

JACK DANIEL'S

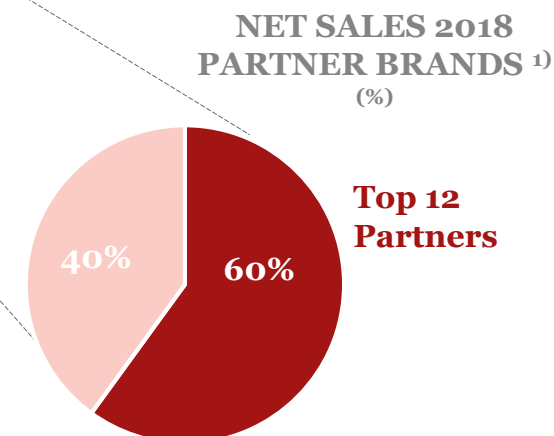
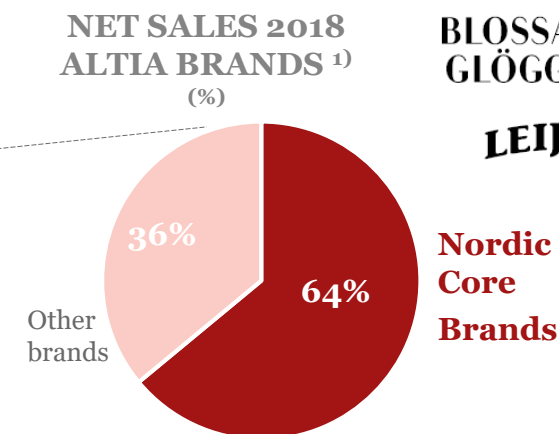
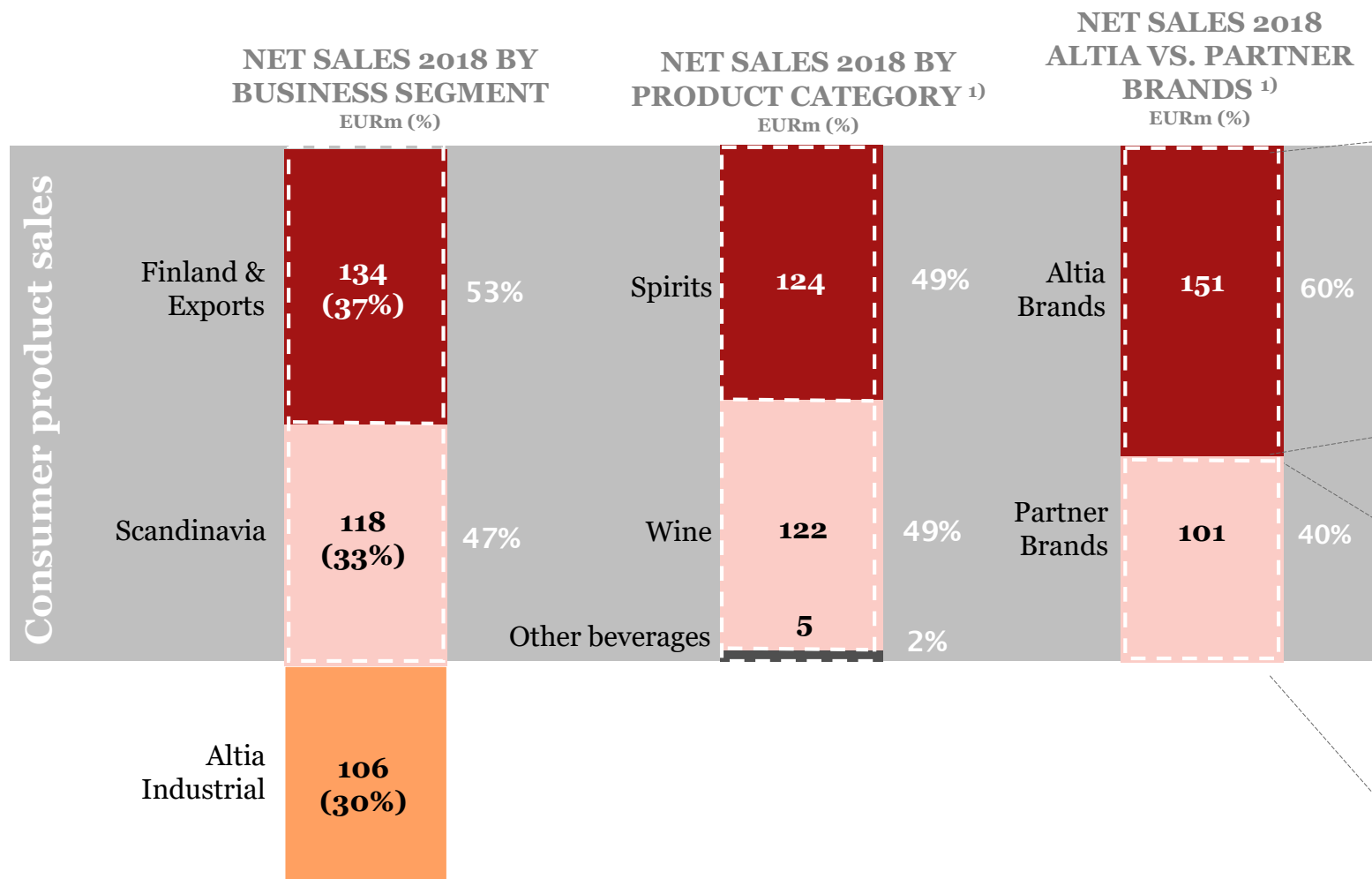
WOODFORD RESERVE

Bunnahabhain
ISLAY SINGLE MALT SCOTCH WHISKY

FERNET-BRANCA

Wide assortment of many other own and partner brands from around 150 partners

ALTIA



KOSKENKORVA


O.P. ANDERSON


LARSEN
— COGNAC —

**BLOSSA
GLÖGG**

**CHILL
OUT**

XANTÉ

LEIJONA®

JALoviina

GRÖNSTEDT'S

**Nordic
Core**

EXPLORER

Our operations are divided into three segments

ALTIA INDUSTRIAL PROVIDES INDUSTRIAL PARTNERS WITH HIGH-QUALITY SOLUTIONS AND SERVICES



Finland & Exports

- Consumer product sales in Finland, the Baltics, travel retail and exports

Net sales

134
EUR million

Comparable
EBITDA margin

14.3%



Scandinavia

- Consumer product sales in Sweden, Norway and Denmark

Net sales

118
EUR million

Comparable
EBITDA margin

8.6%



Altia Industrial

- Industrial products
- Industrial services
- Supply chain

Net sales

106
EUR million

Comparable
EBITDA margin

10.3%

Let's drink better

Altia wants to support the
development of a modern and
responsible Nordic drinking culture

the drinks business
**GREEN
AWARDS
2018**

*Altia awarded as the Green
Company of the Year*

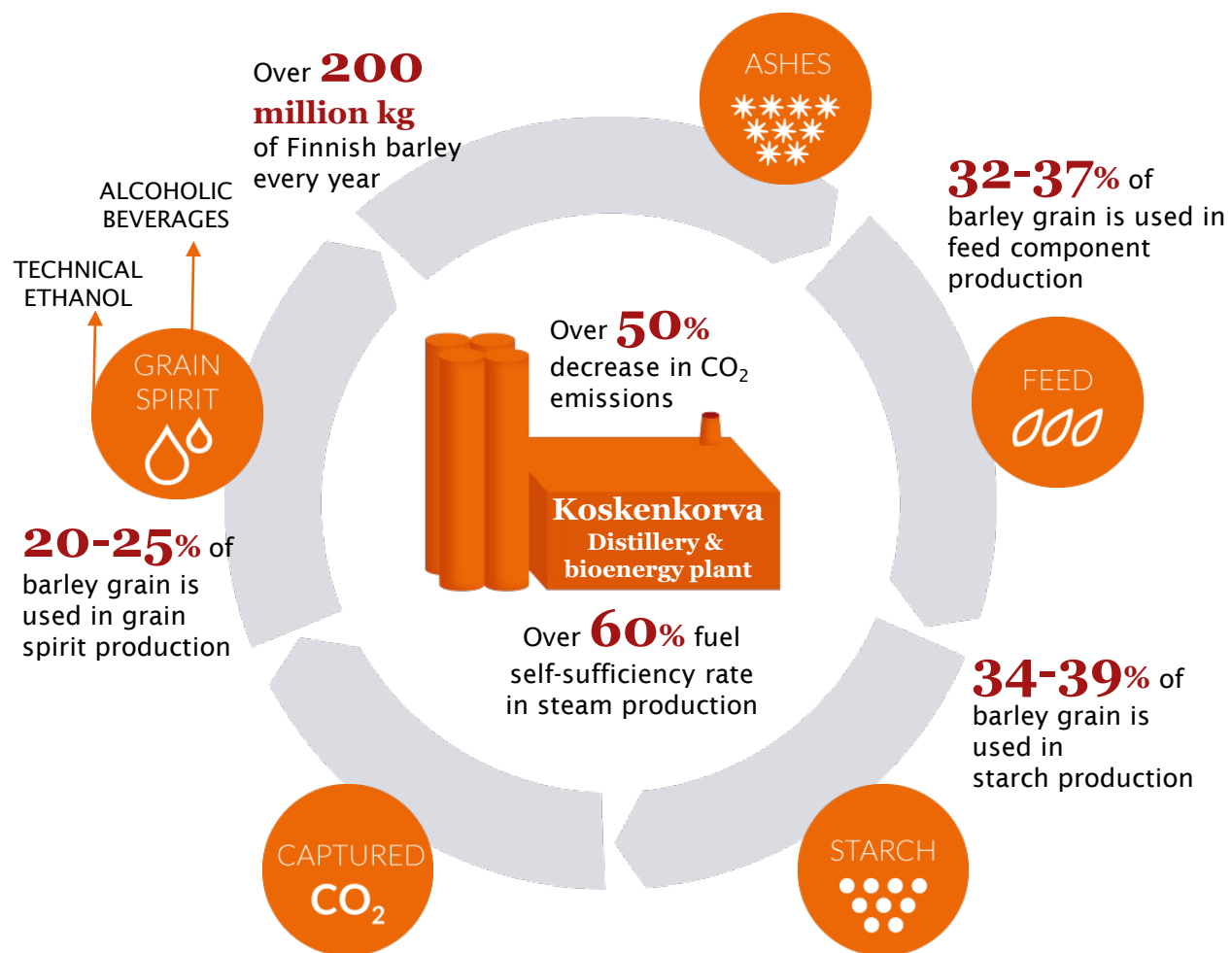
*"Altia was selected as the winner
due to the bio and circular economy
achieved at its Koskenkorva
distillery in Finland."*



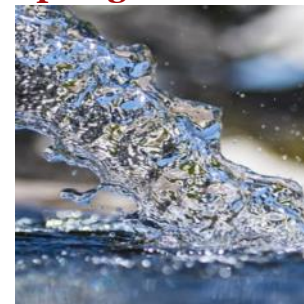
17.5.2019

Sustainability and high quality raw materials are key elements of our brands

Finnish farmers and circular economy of barley – high material efficiency



Spring water



- Natural, unfiltered spring water
- Protected water abstraction areas
- The same source of water has been used since operations were first established in Rajamäki in 1888

Bulk wine & Cognac producers



- Dedicated Wine Sourcing team operates around the world in all wine regions
- Altia is committed to sustainable wine sourcing
- Audits at raw material suppliers
- The production of Renault and Larsen Cognac is handled locally

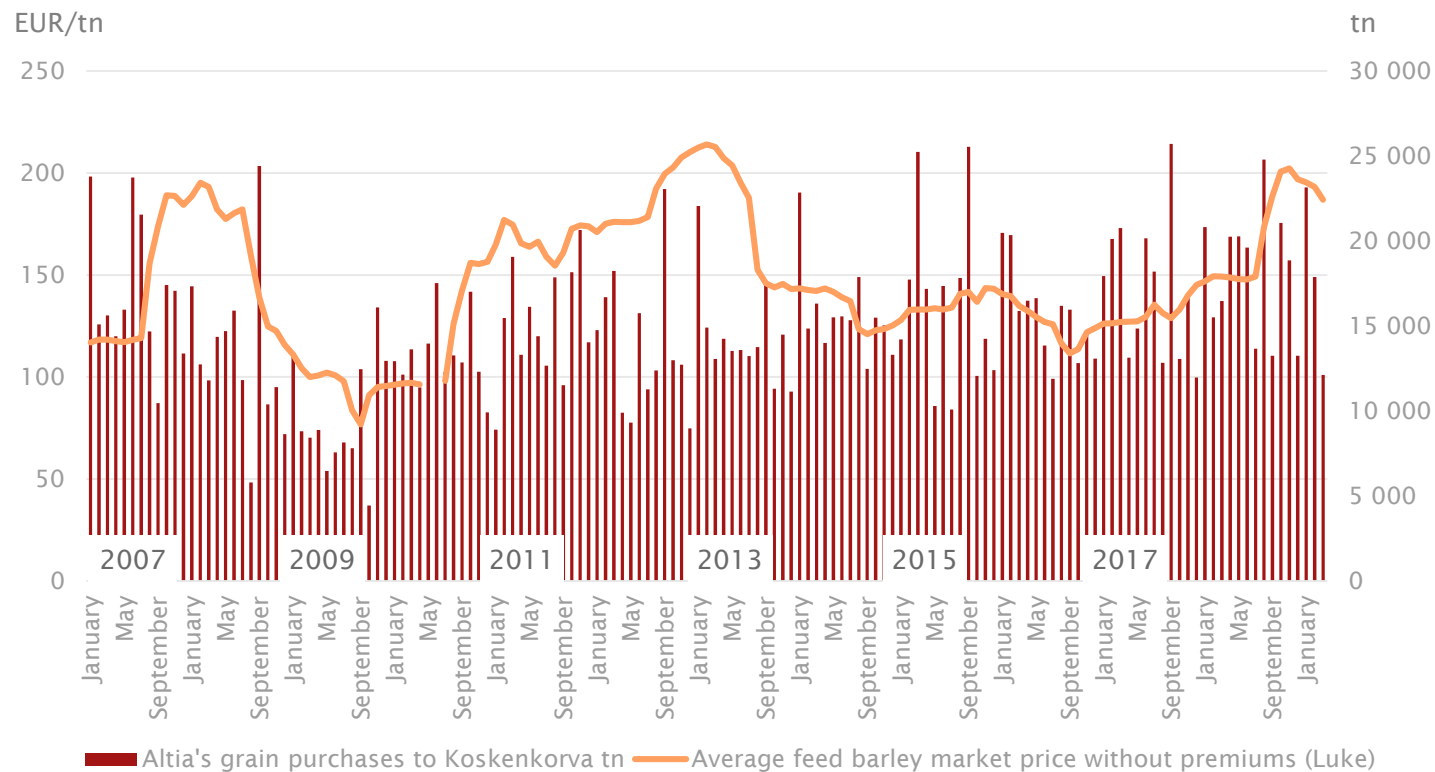
Packaging



- In packaging Altia considers the environmental attributes and recyclability of the materials used
- Forerunner in innovative, ecological and smart packaging such as PET bottles and bag-in-boxes
- PET bottles and bag-in-boxes have lower CO₂ emissions than glass bottles
- High recycling rates in the Nordics – up to 90% of PET bottles

Barley sourcing

Barley price development and Altia's monthly volumes 2007-2019 (Jan-Mar)



Key principles for barley sourcing:

- Purchased at spot prices; No hedging tools available for barley
- About 1 month inventory; Volumes and purchase prices are fixed a couple of months ahead
- New harvest in August-September
- Average monthly sourcing volume 17000-18000 tn

Altia's use of barley in 2018 reached 211.7 (206.0) million kilos - Equals about 30% of the total market volume

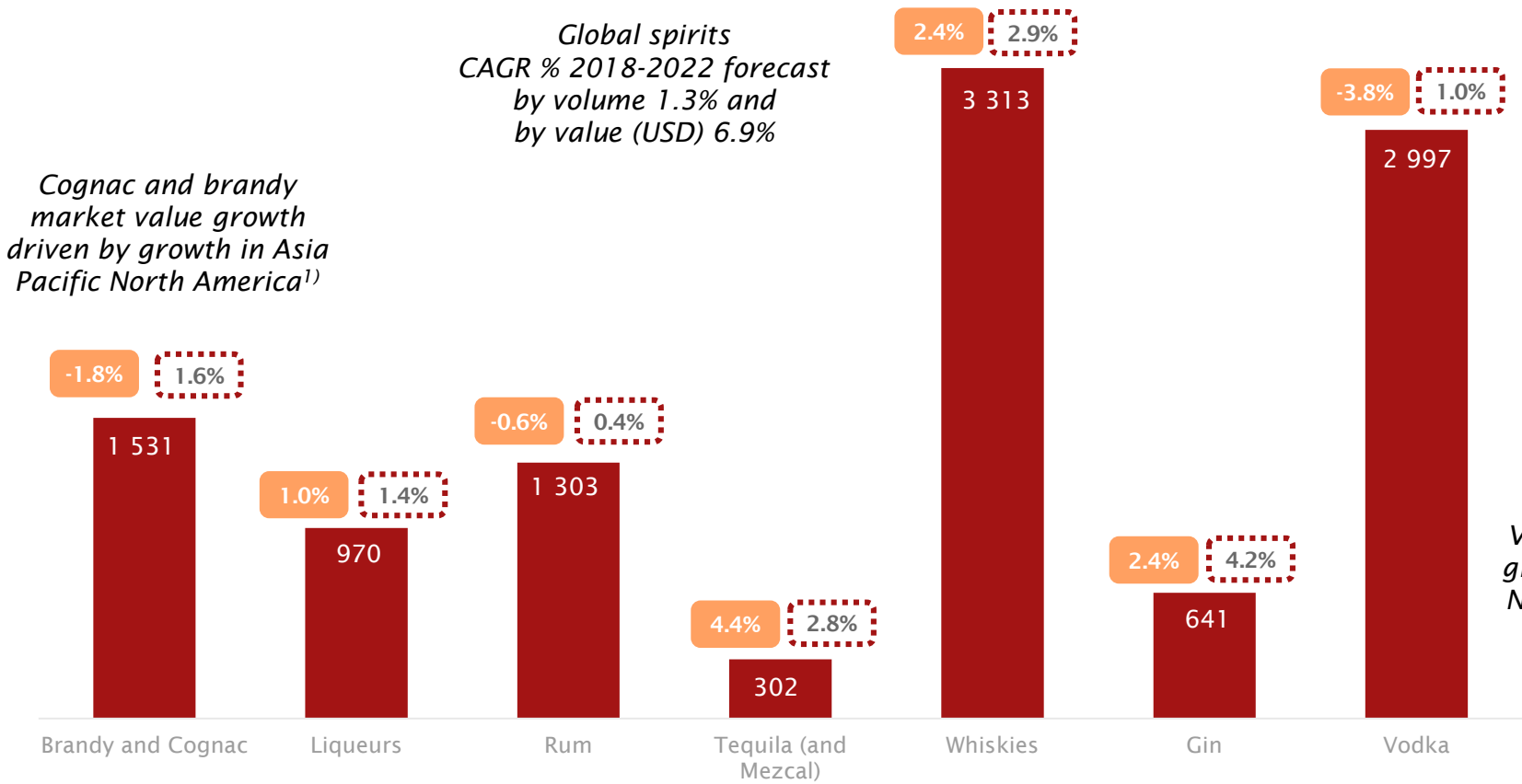


ALTIA

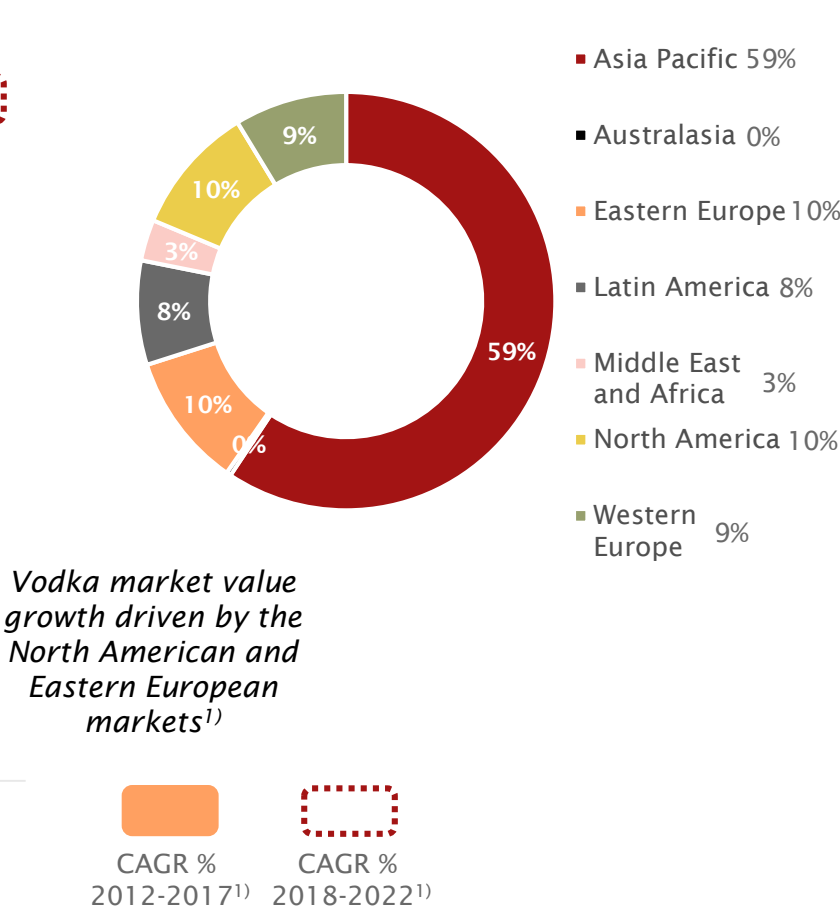
Markets, trends & innovation

Globally, premiumisation is driving growth in all large spirits categories

Global spirits market by category (million litres)¹⁾



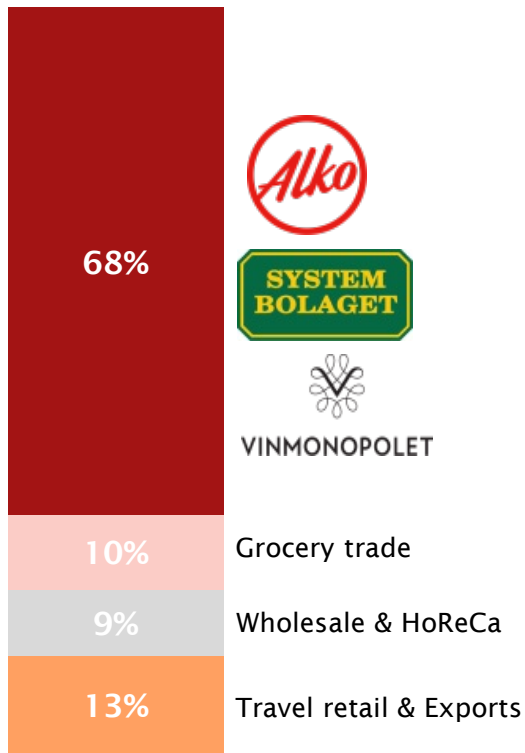
Global spirits volume by geography in 2017¹⁾



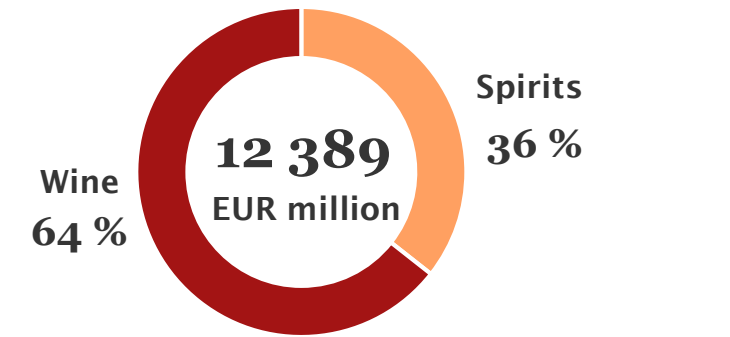
¹⁾ Source: Volume based, million litres; Source: Euromonitor International Ltd. Alcoholic Drinks data 2018 edition (May 2018). All historical CAGR % for 2012-2017, all forecast CAGR % for 2018-2022.

We operate in the large and non-cyclical Nordic wine and spirits market

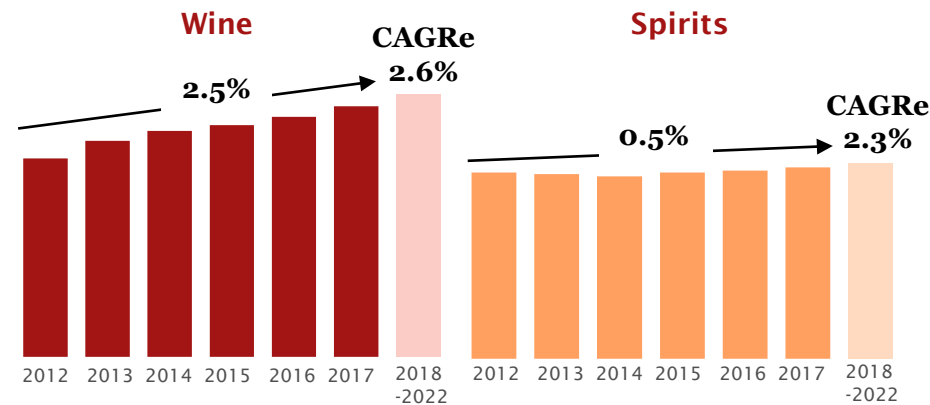
Two thirds of Altia’s consumer product sales from state retail monopolies



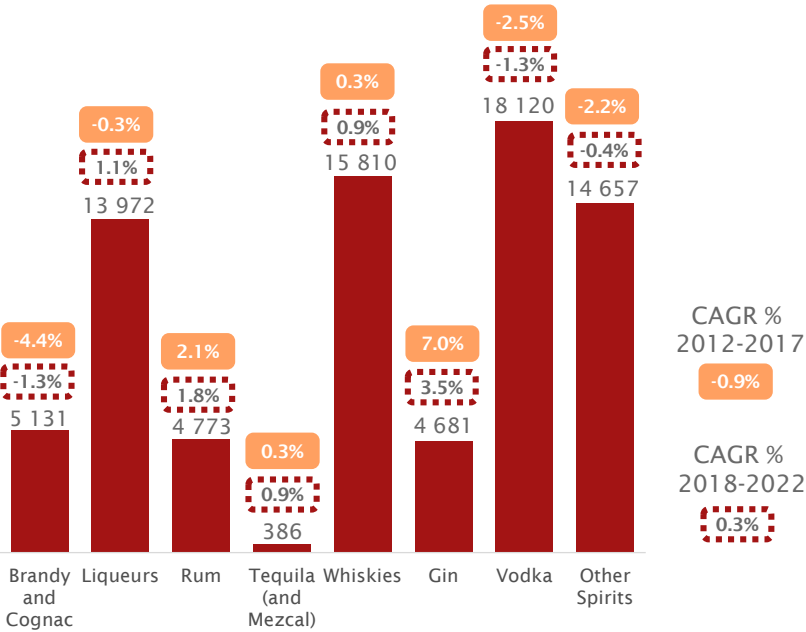
The large Nordic wine and spirits market¹⁾



Stable value growth expected to continue¹⁾



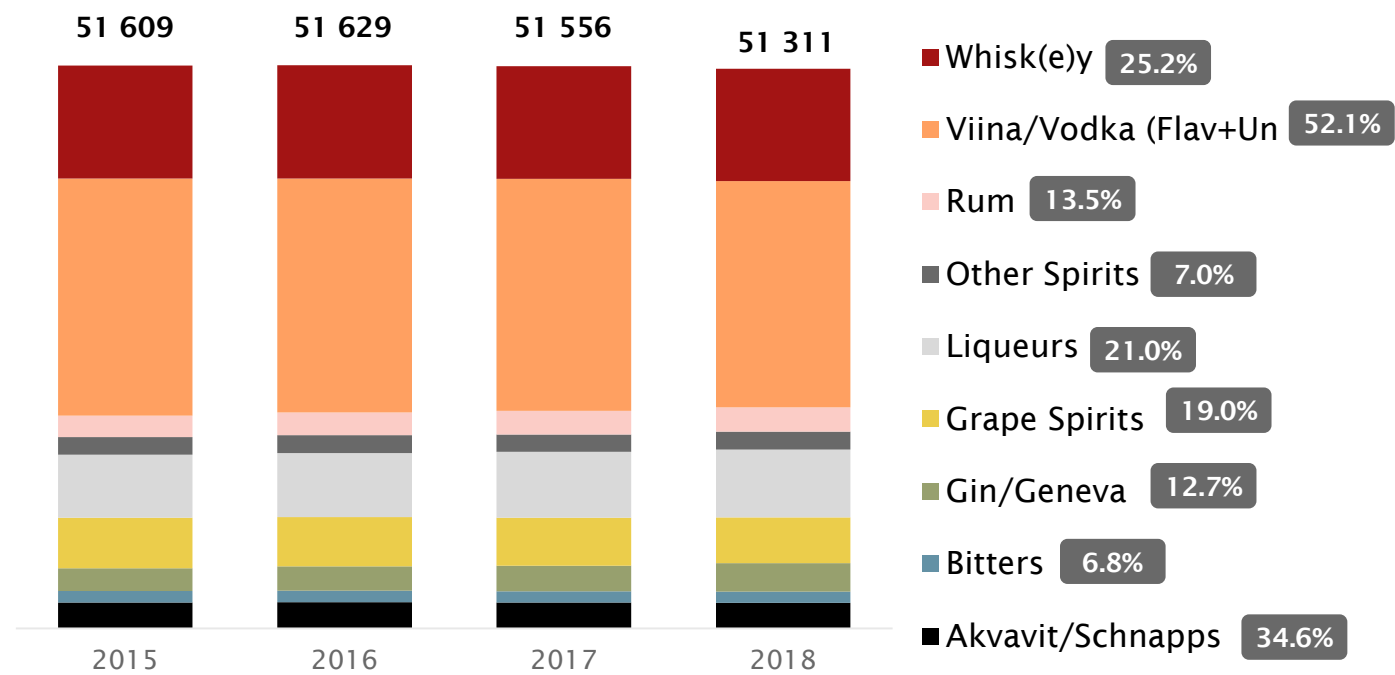
Total volume development on the Nordic spirits market expected to remain flat²⁾



1) Source: Euromonitor International Ltd. Alcoholic Drinks data 2018 edition (May 2018). All Euromonitor value data calculated in EUR with fixed exchange rates and current prices. All growth rates are CAGR; historical CAGR % for 2012-2017, forecast CAGR % for 2018-2022. Nordic incl. Finland, Sweden, Norway, Denmark.
 2) Source: Euromonitor International Ltd. Alcoholic Drinks data 2018 edition (May 2018). Volume data by thousand litres. Growth rates are CAGR; historical CAGR % for 2012-2017, forecast CAGR % for 2018-2022. Nordic incl. Finland, Sweden, Norway, Denmark.

Stable volume development in the Nordic spirits monopolies

Spirits sales volumes in the three Nordic monopoly markets and Altia's market shares at the end of 2018¹



1) Source: Alko, Systembolaget, Vinmonopolet sales data by volume, thousand litres



We have extensive experience in operating with monopolies and in the regulated markets

CHARACTERISTICS OF THE NORDIC MARKET

1

State retail monopolies

- Finland, Sweden, Norway
- 90% share of off-trade market
- **Stable and predictable sales**
- **About two thirds of Altia's consumer products sales through monopolies**

2

Route-to-assortment

- **Tender process**
- Base assortment
- Order assortment
- Online shops
- Ranking

3

Pricing & taxation

- **Transparent pricing**
- Fixed and predetermined gross margins and pricing coefficients at monopolies
- **Regular price revisions**
- High excise duty rates on especially spirits

4

Alcoholic beverages in grocery trade

- Finland: all below 5.5%
- Sweden: below 2.25%, beers max 3.5% (folköl)
- Norway: all below 4.7%

5

Advertising

- Level of restrictions vary across countries
- FI: Under 22% ABV brands allowed with certain restrictions
- SE: In general allowed, however certain restrictions apply
- NO: All marketing prohibited



Denmark and the Baltics are open markets with no state monopolies and certain restrictions on marketing

Our market and consumer knowledge give us competitive advantage in the Nordics

1

Agility in sourcing, production and distribution

- Altia's wide and deep assortment, combined with ability to adjust production and work with the producers to make local solutions, enables Altia to respond better to the tender requirements

2

Knowledge to succeed in tenders

- Knowledge of the monopolies' preferences in terms of assortment
- Altia has mastered serving monopolies and this knowledge is hard for international competitors to obtain

3

Local consumer knowledge

- Local consumer knowledge and understanding of market trends are important success factors (e.g. low tannin wines, and organic wines, etc.)

4

Marketing and promotions

- Altia has vast experience in operating in an environment with strict marketing restrictions
- Furthermore, Altia can leverage its scale and expertise in promotional activity



Innovation is facing a new consumer landscape that will have a major impact to the business in the coming years

- The strongest global narratives for drinks industry in 2018 are transparency, sustainability and health.
- If you create something that benefits the environment as well as people, people will be more likely to change their behaviour.
- Brands must embrace their role as educators and address both consumers' needs and the needs of our planet.
- Globally, alcohol consumption is declining. Global spirits consumption is on the rise, thanks to growth in the gin, tequila and whiskey markets.
- As the spirits market becomes increasingly crowded, new launches are challenging convention, borrowing for example from the world of wine by focusing on both ingredients and the terroir in which they are produced. Experiences become even bigger consumer needs.

As consumers demand more transparency across sectors, the food and drink industry cannot just pay lip service through clever marketing

*Martin Raymond,
Co-founder
The Future
Laboratory*

Our brand portfolio is well positioned to capture the growth pockets created by key market trends






ALTIA

Strategy

The core of our strategy is to deliver profitable growth



Growth and profitability through the five strategic streams

Commercial battles

1 Grow Nordic Core Brands

- Expand into new geographical markets
- Innovate into new occasions and consumer segments

2 Execute a step change in wines

- Grow wine segment with innovations and higher level of co-operation with partners
- Focus on Sweden and Finland – monopoly channel

3 Strengthen strategic partnerships

- Expand and develop new business and co-operation models
- Growth through innovations and co-operation models

4 Channel expansion and development

- Grocery trade
- E-commerce and other digital platforms

5 Fund and enable growth – continuous improvement of overall efficiency

- Efficiencies and new capabilities in the supply chain
- Organisational ways of working through simplification and digitalisation
- Product portfolio optimisation
- Continuous development of co-operation and industrial products offering

Active brand portfolio management

Altia continues to focus on active brand portfolio management, potential selective acquisitions and/or divestments

Strengthening the strategy execution

FURTHER INITIATIVES IDENTIFIED TO REACH LONG-TERM NET SALES AND PROFITABILITY TARGETS

Based on our strategy to create profitable growth, we have identified further specific initiatives to reach the earlier communicated long-term net sales and profitability targets.*

Growth

Initiatives within:

- Revenue management
- Expansion in growing categories in Sweden and Norway
- Exports of Nordic core brands
- Grocery trade and RTD category

Efficiencies

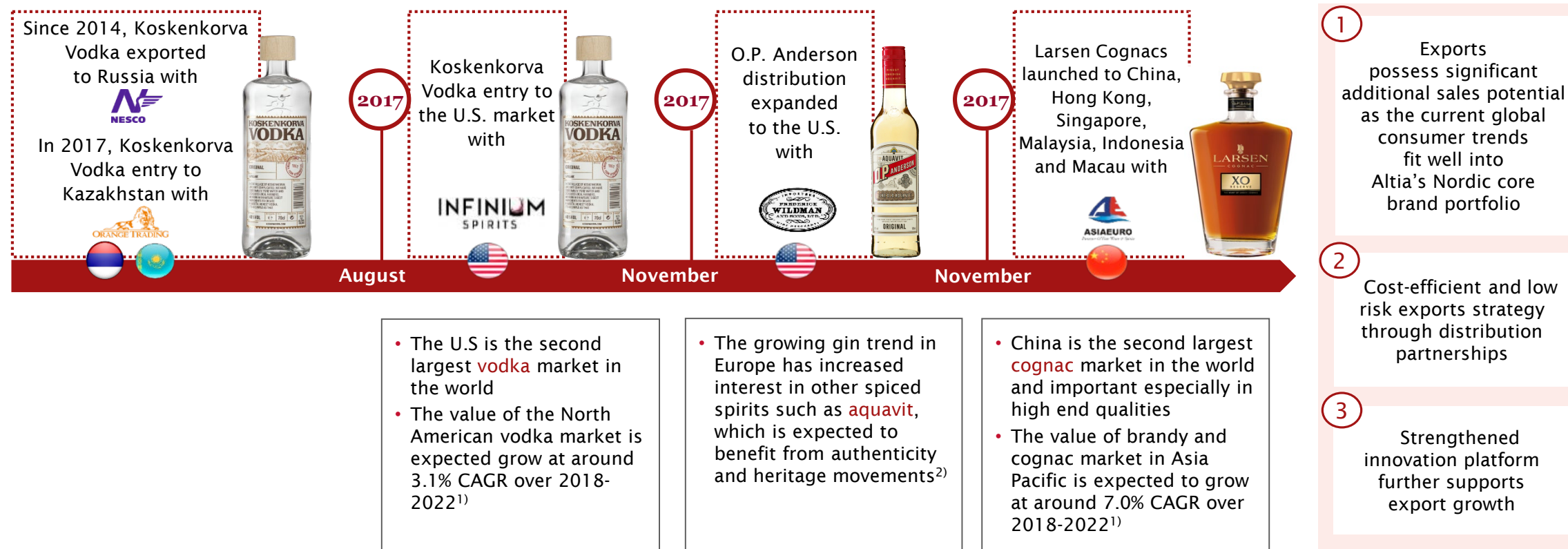
Initiatives within:

- Procurement savings
- Supply chain efficiencies
- Product portfolio management
- Overall organisational efficiencies

International expansion provides upside potential

HIGH-QUALITY DISTRIBUTION AGREEMENTS HAVE BEEN SIGNIFICANT MILESTONES FOR OUR EXPORT AMBITIONS

Key export contracts



1) Source: Euromonitor International Ltd. Alcoholic Drinks data 2018 edition (May 2018)

2) Source: Management Consultant Analysis

Cognac is the key imported spirits in China

- China is the second largest cognac market in the world in volume and important especially in premium quality segments (VSOP, XO and above)
- Increased disposable incomes are driving growth in private consumption
- After the anti-corruption crackdown in 2012-2013, corporate gifting and entertaining is slowly returning, however still in smaller scale
- Cognac is consumed mostly in South East China

Altia

- Main products are Larsen VSOP 100 & 70 cl and XO 100 & 70 cl, and Louis Chevallier 70 cl (French brandy)
- Larsen is priced at a premium level, Louis Chevallier priced premium in brandy category
- For Larsen we have a dedicated darker blend, with a fruity and elegant taste, and own bottle design for the Chinese market
- Distribution contract with AsiaEuro since November 2017
- We focus on domestic, duty-free and border trade in Hong Kong, Shenzhen and Shunde (Guangdong)
 - Channel split roughly 50-50 between duty-free/border trade and domestic on-trade (hotel venues) and off-trade (wholesales, supermarkets)



Our financial targets aim towards stable shareholder returns

Net sales growth	+2 % CAGR	<ul style="list-style-type: none">Altia's target is to achieve an annual net sales growth of 2 per cent over time (CAGR)
Comparable EBITDA margin	15 %	<ul style="list-style-type: none">Comparable EBITDA margin target to reach 15 per cent in the long-term
Net debt / comparable EBITDA	<2.5x	<ul style="list-style-type: none">Altia's target is to keep reported net debt in relation to comparable EBITDA below 2.5x in the long-term
Dividend policy	≥60 % of the result for the period	<ul style="list-style-type: none">Altia aims to pursue an active dividend policy, and the result for the period not considered necessary to grow and develop the company will be distributed to the shareholders

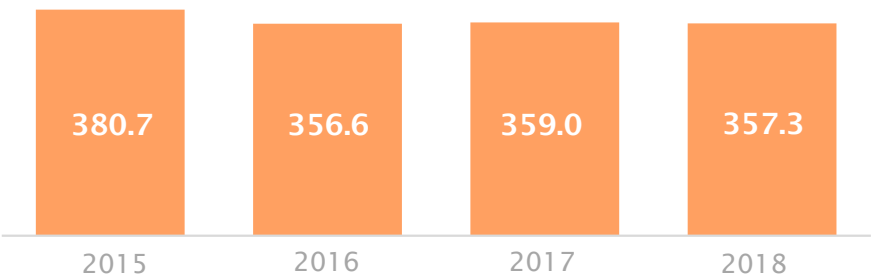


ALTIA

Financials

Our operations are based on profitable growth

Net sales (EURm)

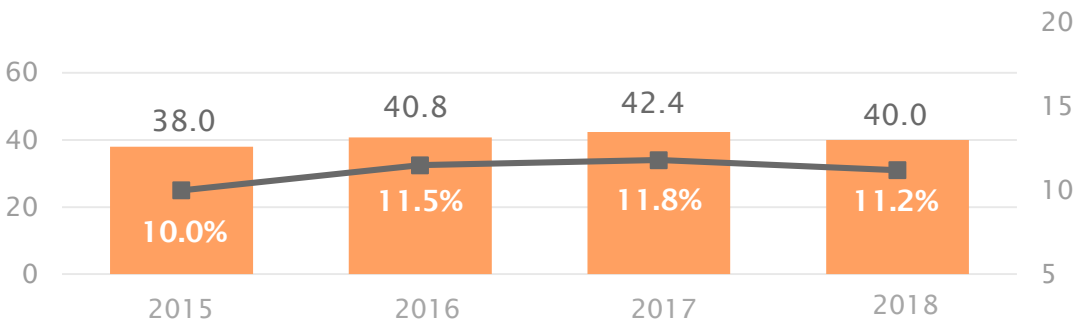


Stable and diversified revenue streams underpinned by non-cyclical underlying consumption of wine and spirits

Seasonality

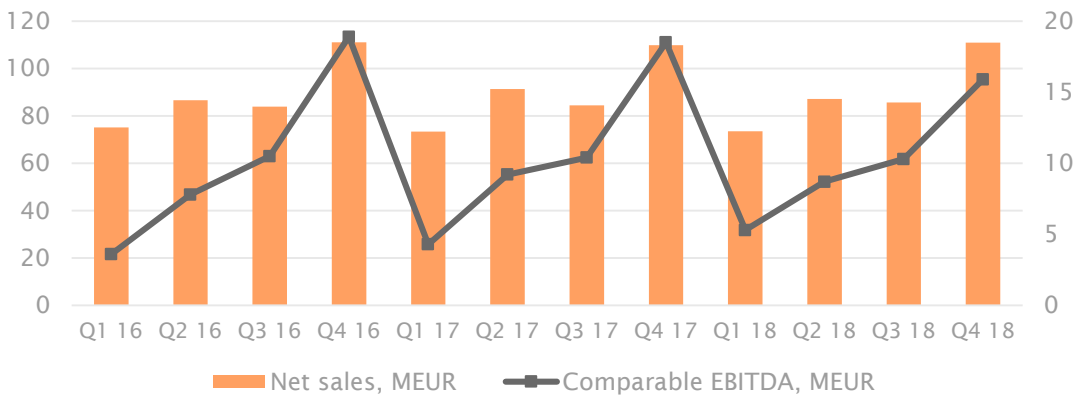
- Altia’s business is characterised by substantial seasonality.
- Revenues typically lower in Q1, a large amount of revenue and cash flow generated in Q4.
- Significant fluctuations also in net working capital.

Comparable EBITDA (EURm) and comparable EBITDA margin %



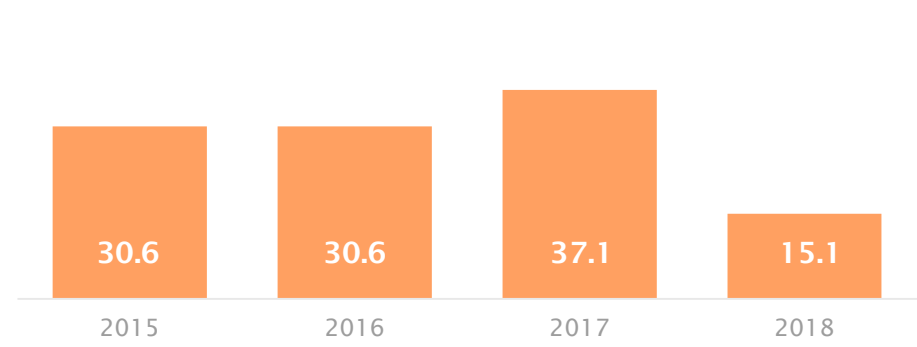
Clear strategic initiatives to improve profitability

Quarterly net sales and comparable EBITDA (EURm)

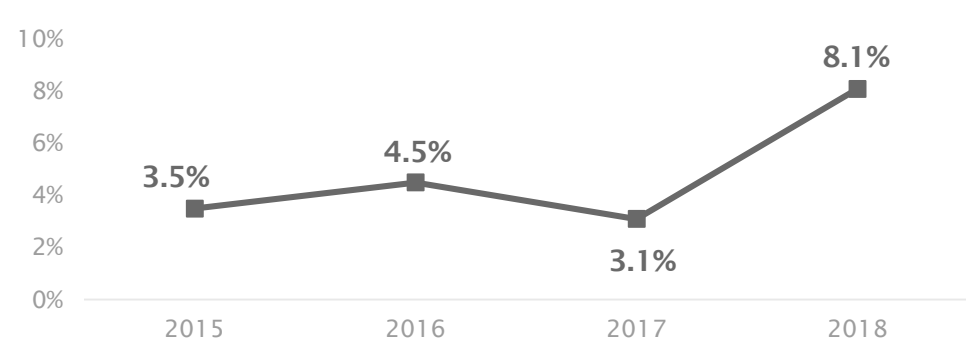


Free cash flow in 2018 impacted by working capital development

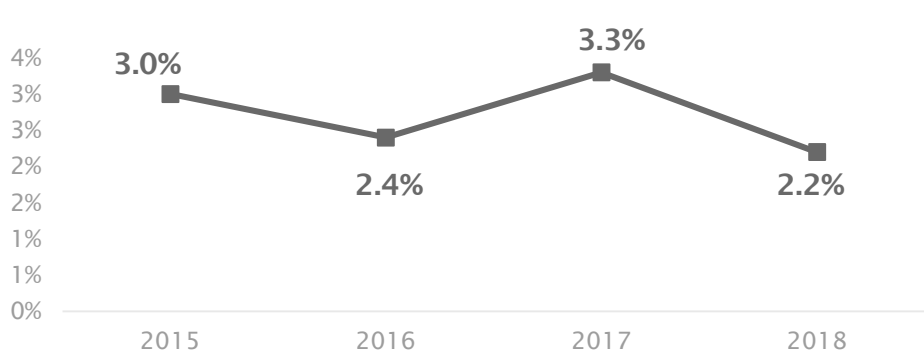
Free cash flow*, EURm



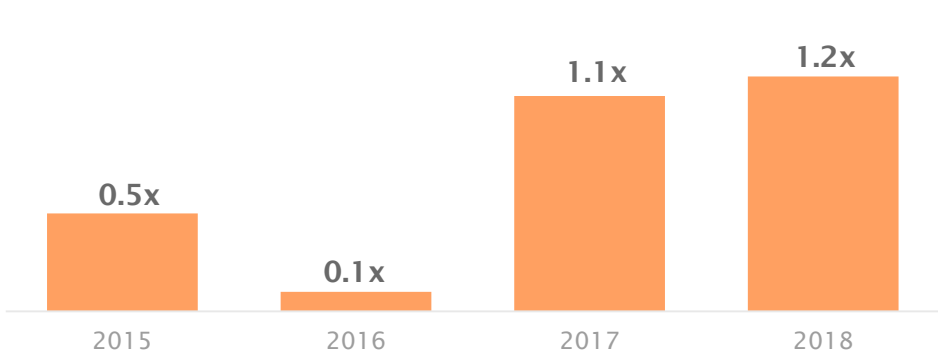
Net working capital / Net sales, %



Gross capex / Net sales, %



Net debt / Comparable EBITDA, ratio



*) Free cash flow = Comparable EBITDA – Change in working capital – Gross capex

Net working capital

Net working capital

EUR million	2015	2016	2017	2018
Inventories	101.2	96.3	94.5	99.6
Contract assets, trade and other receivables	59.1	63.8	53.9	61.2
Contract liabilities, trade and other payables	(143.5)	(142.7)	(137.4)	(131.9)
Trade working capital	16.8	17.5	11.0	28.9
<i>% of net sales</i>	<i>4.4%</i>	<i>4.9%</i>	<i>3.1%</i>	<i>8.1%</i>
Non-Current provisions	(1.3)	–	–	–
Current Provisions	(2.1)	(1.3)	–	(0.5)
Net working capital	13.4	16.1	11.0	28.4
<i>% of net sales</i>	<i>3.5%</i>	<i>4.5%</i>	<i>3.1%</i>	<i>8.0%</i>

Comments

- Receivables from the state retail monopolies partly sold
- Cognac constitutes notable part of inventory
- The seasonal swings of the business are also visible in net working capital development within the financial year. Net working capital requirements being at its highest in the lead up to Christmas, Easter and Midsummer
- Fast swings also around year-ends due to sold receivables (before year-end) and excise taxes and VAT to be paid for December sales (after year-end)

Our cash flow enables an attractive dividend capacity

Free cash flow

EUR million	2015	2016	2017	2018
Comparable EBITDA	38.0	40.8	42.4	40.0
Change in working capital ¹⁾	3.9	(1.6)	6.7	(17.2)
Acquisition of PPE and intangible assets	(11.3)	(8.7)	(11.9)	(7.7)
Free cash flow³⁾	30.6	30.6	37.1	15.1
Cash conversion ²⁾	80%	75%	88%	38%

Summary of consolidated statement of cash flows

EUR million	2015	2016	2017	2018
Net cash flow from operating activities before financial items and taxes	41.4	34.3	45.9	17.1
Financial items and taxes	(6.5)	(4.8)	(8.2)	(10.6)
Net cash flow from operating activities	34.8	29.4	37.6	6.5
Acquisitions of PPE and intangible assets	(11.3)	(8.7)	(11.9)	(7.7)
Sale of PPE and intangible assets	1.0	4.5	2.6	0.6
Other	2.8	1.2	1.5	1.9
Net cash flow from investing activities	(7.4)	(3.1)	(7.8)	(5.2)
Net cash flow after capital expenditure	27.4	26.3	29.8	1.3

Comments

- Low operational capex need enables solid and stable cash flow
- In 2018, capital expenditure was primarily related to investments at the Rajamäki plant and the further development of information technology and digital capabilities
 - In 2017, capital expenditure was mostly related to continuation of efficiency improvement in Rajamäki plant and development of IT systems
 - In 2016, capital expenditure was primary related to the renewal of the Rajamäki plant and digitalisation
- In 2017, Altia sold assets (building and land) related to the closure of Svendborg site – no further proceeds from Svendborg is expected in the future
- In 2016, Altia divested the feed processing related fixed assets in Koskenkorva to Oy Feedmix Ab and the steam distribution network in Rajamäki to Adven
- The capital expenditure in 2015 was primarily related to the modernisation of the old power plant at the Koskenkorva plant as well as the improvement in operating efficiency at the Rajamäki plant

1) Change in Working capital as presented in consolidated statement of cash flows

2) Calculated as Free cash flow divided by Comparable EBITDA. Comparable EBITDA = EBITDA excluding items affecting comparability. Please see Appendix 3 for further details on items affecting comparability

A rustic wooden table with a sprig of rosemary, a small wooden bowl of blueberries, and a glass of iced water.

ALTIA

Q1 2019

HIGHLIGHTS AND KEY FINANCIALS

Highlights from Q1 2019

- Stable net sales development – 73.8 (73.5) million
 - Fx headwind from weak SEK – net sales grew by 1.3% in constant currencies
 - Good net sales development in Altia Industrial
- Timing of Easter outside Q1 impacted net sales and profitability due to lower sales volumes and sales mix
- In Jan-Apr, the Group net sales have developed well and are above last year's level, and also beverage sales have reached last year's level
- High raw material costs due to poor barley harvest last year impacted profitability
- Comparable EBITDA declined to EUR 4.3 (5.2) million, 5.8% (7.0%) of net sales, excluding the IFRS 16 impact, comparable EBITDA was EUR 3.2 million, 4.4% of net sales
- Price increases in all monopoly markets implemented – full impact not visible in Q1
- Denmark domestic business transferred to Conaxess Trade Beverages in May



Market development

APPROXIMATELY TWO THIRDS OF CONSUMER PRODUCT SALES COME FROM STATE RETAIL MONOPOLIES

Combined spirits and wine sales volume development in the state retail monopolies

Change compared to previous year, %	Q1 19	Q1 18	Q1 17	2018
Finland, total sales	-8.0	1.7	-3.0	-3.3
Spirits	-5.3	0.4	-2.1	-3.6
Wine	-9.1	2.2	-3.4	-3.2
Sweden, total sales	-4.2	5.3	-3.4	+2.1
Spirits	-3.6	8.8	-4.6	+2.7
Wine	-4.3	5.0	-3.3	+2.0
Norway, total sales	-7.9	9.2	-7.1	+1.5
Spirits	-7.6	8.6	-6.1	+0.1
Wine	-8.0	9.3	-7.3	+1.7

Easter in 2019 in Q2 (April), Easter in 2018 in Q1 (March)

Source: Based on sales volumes by litre published by the state retail monopolies (Alko, Systembolaget, and Vinmonopolet).

- **Nordic spirits and wine market in total** – volumes in the three retail monopolies down by -5.8%
 - Spirits volumes -5.1%
 - Wine volumes -5.9%
- The **timing of Easter** this year in April impacts the overall sales of wine and spirits – volumes are not comparable
- **Finland**
 - Changes in excise duties in January 2019
 - Growing spirits categories were gin and whiskies; vodka and cognac declined
 - Sparkling wine grew; other wines declined
- **Sweden**
 - Growing spirits categories were gin and rums; aquavit, whisky, vodka, grape spirits and liqueurs declined
 - Sparkling and rosé wines grew, red and white wines declined
- **Norway**
 - All spirits categories declined
 - Red wines continued to decline

Net sales highlights

TIMING OF EASTER IMPACTS Q1 AND COMPARABILITY

- In constant currencies 1.3% above last year's level
- Reported net sales were EUR 73.8 (73.5) million
- Altia Industrial's growth driven by price increases and good volumes in industrial products, and phasing in contract manufacturing
- Due to Easter, Finland & Exports is down from last year and Scandinavia in constant currencies is at last year's level
- In January-April, the Group net sales were above last year's level, beverage sales were on last year's level

EUR million	Q1 19	Q1 18	Reported growth, %	Adjusted growth, %*	2018
Altia Group	73.8	73.5	0.4	1.3	357.3
Finland & Exports	25.0	27.1	-7.7	-7.7	133.8
Scandinavia	21.7	22.5	-3.4	-0.5	117.7
Altia Industrial	27.1	24.0	13.1	13.1	105.8

*) Growth in constant currencies

- Net sales of beverages in constant currencies declined by -4.4%
- Timing of Easter impacts sales volumes and sales mix of consumer beverage products
- Spirits impacted negatively mainly by Easter timing
- New wine partner in mid last year has offset negative Easter impact
- Other beverages impacted by partner portfolio changes in 2018

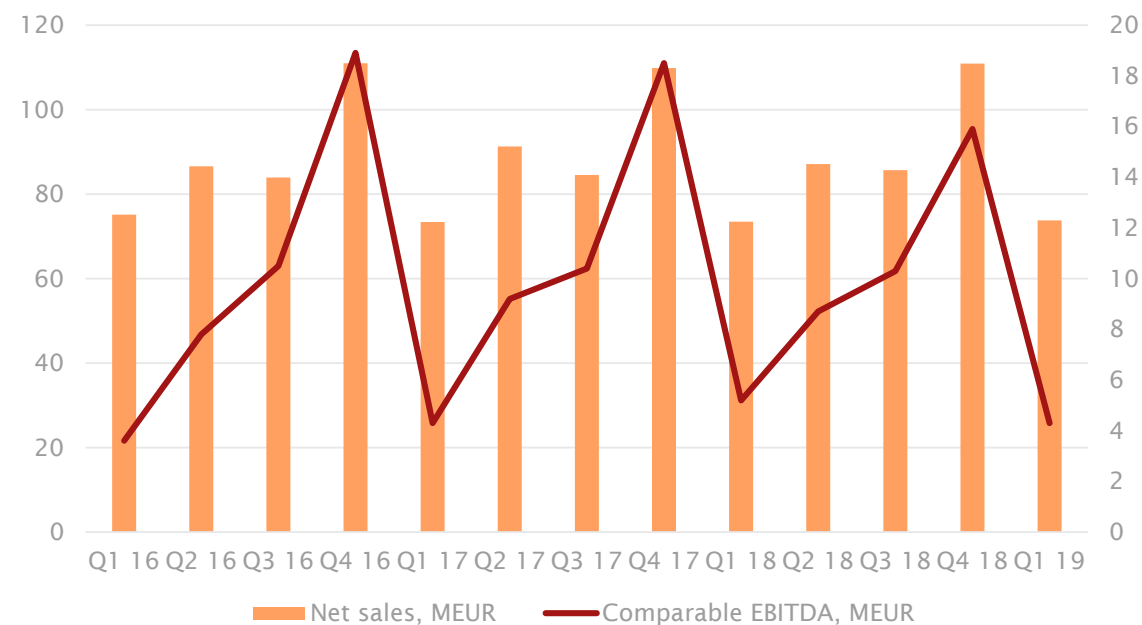
EUR million	Q1 19	Q1 18	Change, %	2018
Spirits	24.8	26.3	-5.9	124.0
Wine	21.3	21.4	-0.4	122.2
Other beverages	0.6	1.9	-68.3	5.3

Barley cost and Easter impacted profitability in Q1

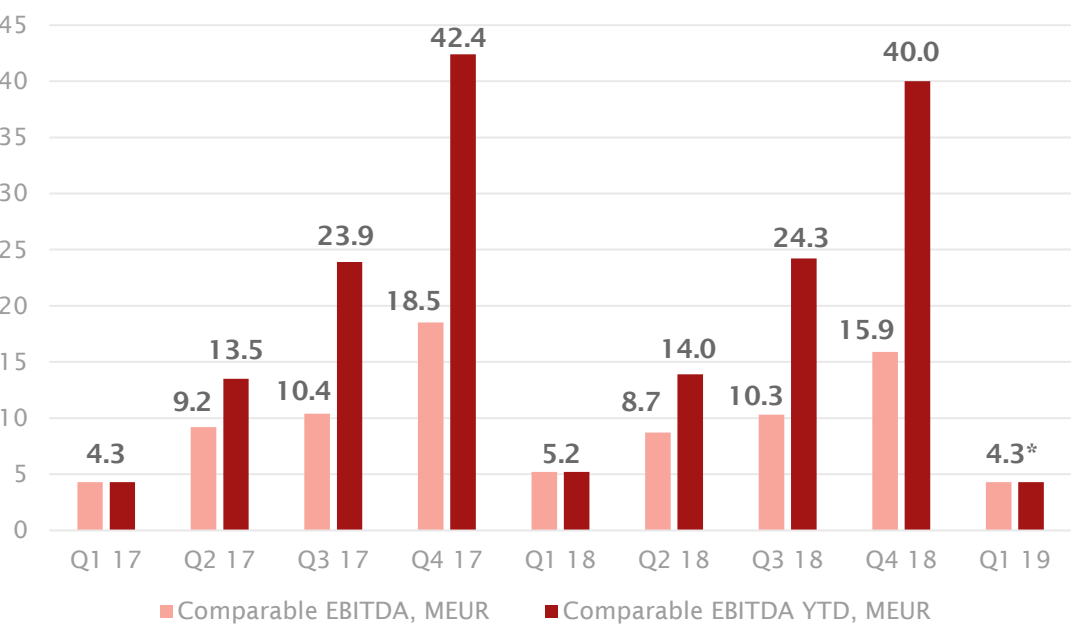
SEASONALITY AFFECTS NET SALES AND PROFITABILITY

- Comparable EBITDA was EUR 4.3 (5.2) million, and without IFRS 16 impact EUR 3.2 million
- Comparable EBITDA margin was 5.8% (7.0%)
- Items affecting comparability amounted to EUR 0.0 (-4.1)

Quarterly net sales and comparable EBITDA, EUR million



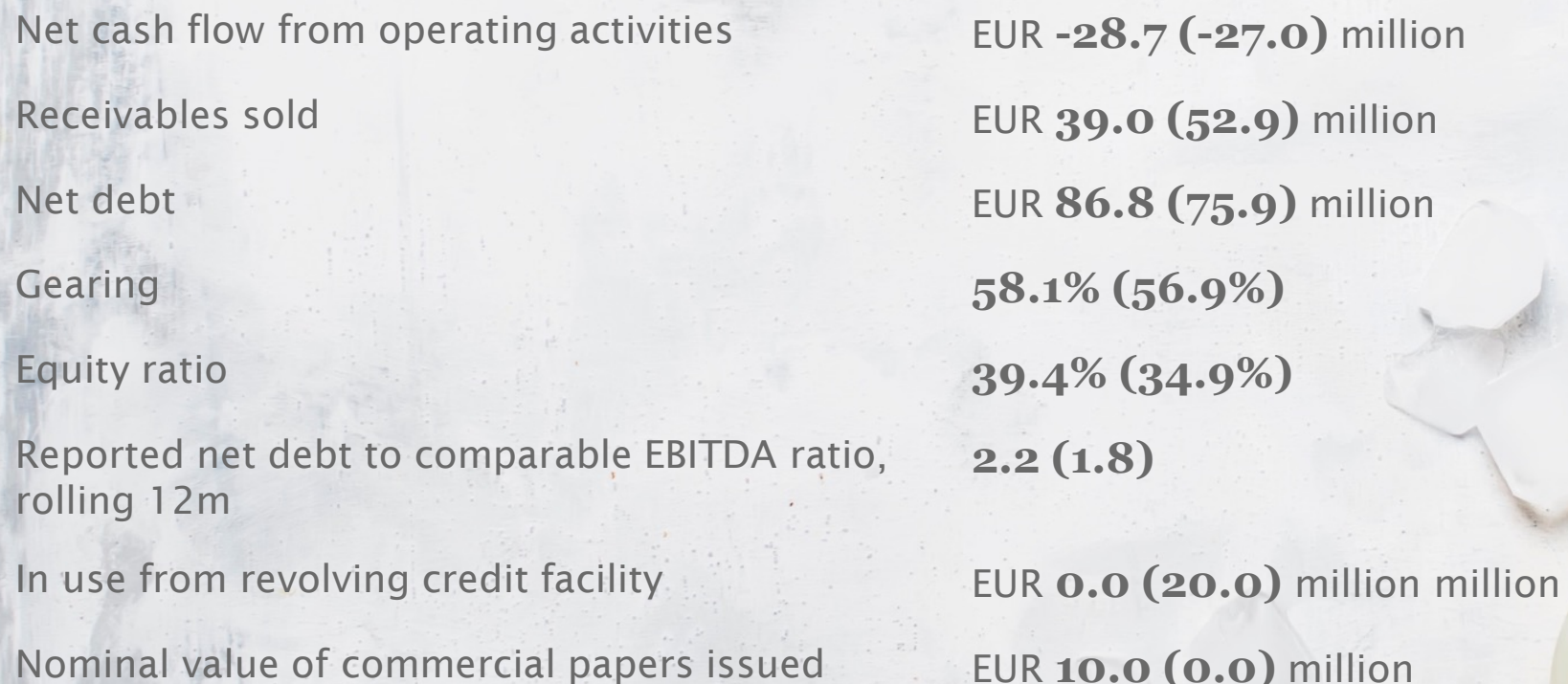
Quarterly and cumulative comparable EBITDA, EUR million



*) includes IFRS 16 impact

Cash flow and balance sheet

AS AT 31 MARCH



Net cash flow from operating activities	EUR -28.7 (-27.0) million
Receivables sold	EUR 39.0 (52.9) million
Net debt	EUR 86.8 (75.9) million
Gearing	58.1% (56.9%)
Equity ratio	39.4% (34.9%)
Reported net debt to comparable EBITDA ratio, rolling 12m	2.2 (1.8)
In use from revolving credit facility	EUR 0.0 (20.0) million million
Nominal value of commercial papers issued	EUR 10.0 (0.0) million

Guidance 2019

- The comparable EBITDA is expected to improve from the 2018 level.
 - The positive trend of Altia's Nordic core brand portfolio is expected to continue.
 - Market development in Finland is expected to flatten out in comparison to 2018 and the markets in Sweden and Norway are expected to grow.
 - The negative impact of the increased barley cost will be reflected in high raw material costs, especially in the first quarters of the year.
 - The guidance assumes a normal harvest in 2019.
- In addition, the impact from the implementation of the new IFRS 16 standard is expected to improve comparable EBITDA by EUR 3-4 million.



Appendices



www.altiagroup.com

Investor Relations: tua.stenius-ornhjelm@altiacorporation.com

New accounting standards: IFRS 16 Leases

NOT SIGNIFICANT IMPACT ON ALTIA

- The reporting period 1 January to 31 March 2019 includes the adoption of the IFRS 16 standard as of 1 January 2019.
- Altia applies the simplified approach, according to which the comparison information is not adjusted.
- The IFRS 16 standard had a **positive effect of EUR 1.0 million on the comparable EBITDA, a negative effect of EUR 1.0 million on depreciation, and a negative effect of EUR 0.0 million on financial expenses.**
- On the consolidated balance sheet on 31 March 2019, the amount of asset items based on rights of use is EUR 9.7 million, the amount of long-term lease liabilities is EUR 6.6 million and the amount of short-term lease liabilities is EUR 3.2 million.
- In the cash flow statement, cash payments for the capital portion of the lease liability are presented under financing activities, and the interest portion of the lease liability is presented in cash flows from operating activities. Previously, all operating lease payments were presented in cash flows from operating activities. This had a **positive effect of EUR 1.0 million on the Group's cash flows from operating activities and a negative effect of EUR 1.0 million on its cash flows from financing activities in the first quarter of 2019.**

	Q1 19
Comparable EBITDA, EUR million	4.3
Net debt, EUR million	86.8
Equity ratio, %	39.4
Gearing, %	58.1
Comparable EBITDA without IFRS 16 impact, EUR million	3.2
Net debt without IFRS 16 impact, EUR million	77.0
Equity ratio without IFRS 16 impact, %	40.5
Gearing without IFRS 16 impact, %	51.6

Key ratios

EUR million	Q1 19	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 17	Q2 17	Q3 17	Q4 17	2017
Net sales, EUR million	73.8	73.5	87.1	85.7	110.9	357.3	73.4	91.3	84.5	109.8	359.0
Comparable EBITDA, EUR million	4.3	5.2	8.7	10.3	15.9	40.0	4.3	9.2	10.4	18.5	42.4
% of net sales	5.8	7.0	9.9	12.0	14.3	11.2	5.8	10.0	12.3	16.9	11.8
EBITDA, EUR million	4.3	1.1	8.3	10.3	14.4	34.0	3.8	9.0	11.1	16.3	40.3
Comparable operating result, EUR million	-0.3	1.6	5.2	6.6	12.2	25.6	0.7	5.6	6.9	15.0	28.2
% of net sales	-0.4	2.2	5.9	7.7	11.0	7.2	1.0	6.1	8.1	13.6	7.8
Operating result, EUR million	-0.3	-2.5	4.8	6.6	10.7	19.7	0.3	5.4	7.6	12.7	26.1
Result for the period, EUR million	0.3	-1.8	3.6	4.8	8.6	15.1	0.7	3.9	5.6	8.0	18.3
Earnings per share, EUR	0.01	-0.05	0.10	0.13	0.24	0.42	0.02	0.11	0.16	0.22	0.51
Net debt / comparable EBITDA, rolling 12m	2.2	1.8	1.8	1.9	1.2	1.2	0.7	0.6	0.9	1.1	1.1
Average number of personnel	698	705	742	725	701	718	785	783	763	718	762
Comparable EBITDA without IFRS 16 impact, EUR million	3.2										
Net debt/comparable EBITDA, rolling 12 months without IFRS 16 impact	2.0										

EUR million	Q1 19	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 17	Q2 17	Q3 17	Q4 17	2017
Reported net debt / comparable EBITDA	2.2	1.8	1.8	1.9	1.2	1.2	0.7	0.6	0.9	1.1	1.1
Borrowings, EUR million	*	*	103.1	*	89.4	89.4	*	72.7	*	100.1	100.1
Net debt, EUR million	86.8	*	77.4	82.9	47.4	47.4	*	27.7	36.5	47.7	47.7
Equity ratio, %	39.4	34.9	35.2	38.2	38.4	38.4	47.7	45.5	47.1	34.3	34.3
Gearing, %	58.1	56.9	56.7	58.4	31.6	31.6	14.3	15.0	19.2	34.9	34.9
Capital expenditure, EUR million	*	*	-4.7**	*	*	-7.7	*	-5.8**	*	*	-11.9
Total assets, EUR million	*	*	388.0	*	390.4	390.4	*	404.2	*	398.4	398.4

Quarterly net sales and comparable EBITDA by segment

Net sales by segment

EUR million	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Finland & Exports	25.0	39.5	31.8	35.4	27.1	40.7	31.4	35.7	26.0	41.1	31.6	33.9	27.3
Scandinavia	21.7	42.8	25.0	27.4	22.5	44.4	26.5	29.7	23.2	45.9	26.7	30.0	25.0
Altia Industrial	27.1	28.6	28.9	24.2	24.0	24.7	26.5	25.9	24.2	24.0	25.6	22.7	22.9
Total	73.8	110.9	85.7	87.1	73.5	109.8	84.5	91.3	73.4	111.0	83.9	86.6	75.1

Comparable EBITDA by segment

EUR million	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Finland & Exports	3.0	6.2	4.9	4.6	3.4	7.2	4.0	5.2	3.1	7.7	4.5	4.3	3.6
Scandinavia	-0.3	8.0	0.8	1.5	-0.1	8.9	1.0	2.1	-0.5	9.0	1.0	0.7	-0.3
Altia Industrial	1.0	2.2	4.8	2.5	1.4	3.7	4.5	2.6	1.6	2.6	3.4	2.6	-0.2
Other	0.6	-0.6	-0.3	0.2	0.4	-1.3	0.9	-0.8	0.1	-0.5	1.6	0.2	0.6
TOTAL comparable EBITDA	4.3	15.9	10.3	8.7	5.2	18.5	10.4	9.2	4.3	18.9	10.5	7.8	3.6
Items affecting comparability	0.0	0.0	0.0	-0.4	-4.1	-2.2	0.7	-0.2	-0.5	15.7	1.6	2.8	-0.1
EBITDA	4.3	15.9	10.3	8.3	1.1	16.3	11.1	9.0	3.8	34.6	12.1	10.6	3.6
Depreciation, amortisation and impairment	-4.5	-3.6	-3.6	-3.5	-3.5	-3.6	-3.6	-3.5	-3.5	-3.7	-3.6	-3.6	-3.6
Operating result	-0.3	12.3	6.6	4.8	-2.5	12.7	7.6	5.4	0.3	30.9	8.5	7.0	-0.0

Consolidated income statement

EUR million	2018	2017
NET SALES	357.3	359.0
Other operating income	7.4	8.3
Materials and services	-206.8	-202.0
Employee benefit expenses	-49.9	-52.0
Other operating expenses	-73.9	-72.9
Depreciation, amortisation and impairment	-14.4	-14.2
OPERATING RESULT	19.7	26.1
Finance income	3.5	4.5
Finance expenses	-5.8	-6.4
Share of profit in associates and income from interests in joint operations	1.2	0.9
RESULT BEFORE TAXES	18.6	25.0
Income tax expense	-3.6	-6.7
RESULT FOR THE PERIOD	15.1	18.3
Result for the period attributable to:		
Owners of the parent	15.1	18.3
Earnings per share for the result attributable to owners of the parent, EUR		
Basic and diluted	0.42	0.51

Consolidated balance sheet

EUR million	2018	2017
ASSETS		
Non-current assets		
Goodwill	80.7	82.1
Other intangible assets	29.6	34.4
Property, plant and equipment	64.6	67.4
Investments in associates and interests in joint operations	7.9	7.6
Available-for-sale financial assets	1.4	1.4
Other receivables	-	1.0
Deferred tax assets	-	1.0
Total non-current assets	0.8	194.8
Current assets		
Inventories	99.6	94.5
Contract assets	0.2	-
Trade and other receivables	60.9	53.9
Current tax assets	2.5	2.8
Cash and cash equivalents	42.0	52.4
Total current assets	205.3	203.6
TOTAL ASSETS	390.4	398.4

EUR million	2018	2017
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	60.5	60.5
Invested unrestricted equity fund	1.2	-
Fair value reserve	0.6	0.6
Hedge reserve	0.0	-0.3
Translation differences	-19.6	-16.0
Retained earnings	107.3	92.0
Total equity	150.1	136.8
Non-current liabilities		
Deferred tax liabilities	16.8	17.7
Borrowings	82.7	89.1
Employee benefit obligations	1.3	1.3
Total non-current liabilities	100.8	108.2
Current liabilities		
Borrowings	6.7	11.0
Provisions	0.5	-
Trade and other payables	131.4	137.4
Contract liabilities	0.6	
Current tax liabilities	0.4	5.0
Total current liabilities	139.5	153.4
Total liabilities	240.3	261.6
TOTAL EQUITY AND LIABILITIES	390.4	398.4

17.5.2019

41

Cash flow from operations

EUR million	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Result before taxes	18.6	25.0
Adjustments		
Depreciation, amortisation and impairment	14.4	14.2
Share of profit in associates and income from investments in joint operations	-1.2	-0.9
Net gain on sale of non-current assets	-0.5	-1.6
Finance income and costs	2.3	1.9
Other adjustments	0.8	0.5
	15.7	14.1
Change in working capital		
Change in inventories, increase (-) / decrease (+)	-5.5	1.2
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	-7.4	9.4
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	-4.3	-2.6
Change in provisions, increase (+) / decrease (-)	-	-1.3
Change in working capital	-17.2	6.7
Interest paid	-1.4	-1.7
Interest received	0.1	0.3
Other finance income and expenses paid	-1.4	-2.2
Income taxes paid	-8.0	-4.6
Financial items and taxes	-10.6	-8.2
NET CASH FLOW FROM OPERATING ACTIVITIES	6.5	37.6

Items affecting comparability (MEUR 6) and barley impacts negatively cash generation.

Working capital level driven by barley and the export and grocery trade expansion.

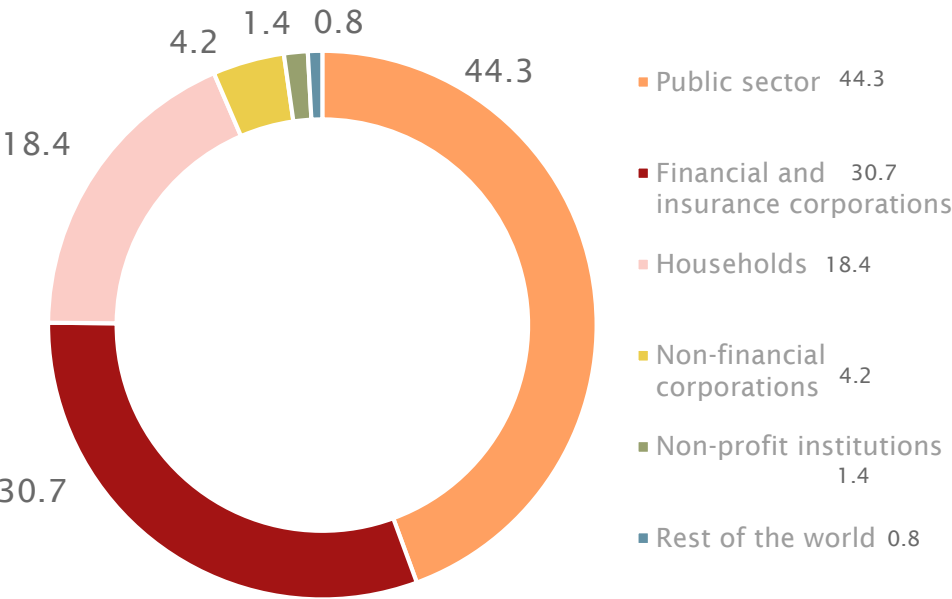
Too high tax estimate for the year.

Reconciliation of alternative performance measures (APM) and items affecting comparability (IAC)

EUR million	Q1 19	Q1 18	2018	2017
Items affecting comparability				
Net gains or losses from business and assets disposals	-	-	0.4	1.3
Cost for closure of business operations and restructurings	-	-0.2	-1.1	-1.1
Major corporate projects				
Costs related to the closed voluntary pension scheme			-0.7	-
Costs related to stock exchange listing	-	-3.9	-4.6	-2.4
Total items affecting comparability	-	-4.1	-6.0	-2.1
Comparable EBITDA				
Operating result	-0.3	-2.5	19.7	26.1
Less:				
Depreciation, amortisation and impairment	4.5	3.5	14.4	14.2
Total items affecting comparability	-	4.1	6.0	2.1
Comparable EBITDA	4.3	5.2	40.0	42.4
% of net sales	5.8	7.0	11.2	11.8
Comparable EBITDA without IFRS 16 impact				
Comparable EBITDA	4.3	-	-	-
Less				
IFRS 16 impact to EBITDA	1.0	-	-	-
Comparable EBITDA without IFRS 16 impact	3.2	-	-	-
Comparable EBIT				
Operating result	-0.3	-2.5	19.7	26.1
Less:				
Total items affecting comparability	-	4.1	6.0	2.1
Comparable EBIT	-0.3	1.6	25.6	28.2
% of net sales	-0.4	2.2	7.2	7.8

Shareholder structure

AS AT 31 MARCH 2019



Shareholders		Number of shares	% of shares
1	Valtion Kehitysyhtiö Vake Oy	13 097 481	36.2
2	Varma Mutual Pension Insurance Company	1 550 000	4.3
3	Ilmarinen Mutual Pension Insurance Company	973 300	2.7
4	OP-Finland Small Firms Fund	559 516	1.5
5	Veritas Pension Insurance Company Ltd.	420 000	1.2
6	Säästöpankki Pienyhtiöt	235 617	0.7
7	Mandatum Life Insurance Company Limited	179 028	0.5
8	Säästöpankki Kotimaa	150 000	0.4
9	FIM Fenno Sijoitusrahasto	130 931	0.4
10	Takanen Jorma	122 617	0.3
Top 10 total		17 418 490	48.2
Nominee-registered shares		10 087 392	27.9

Finland & Exports

The Finland & Exports segment comprises the import, sale and marketing of wine and spirits, and other beverages in Finland and the Baltics, as well as exports and travel retail.



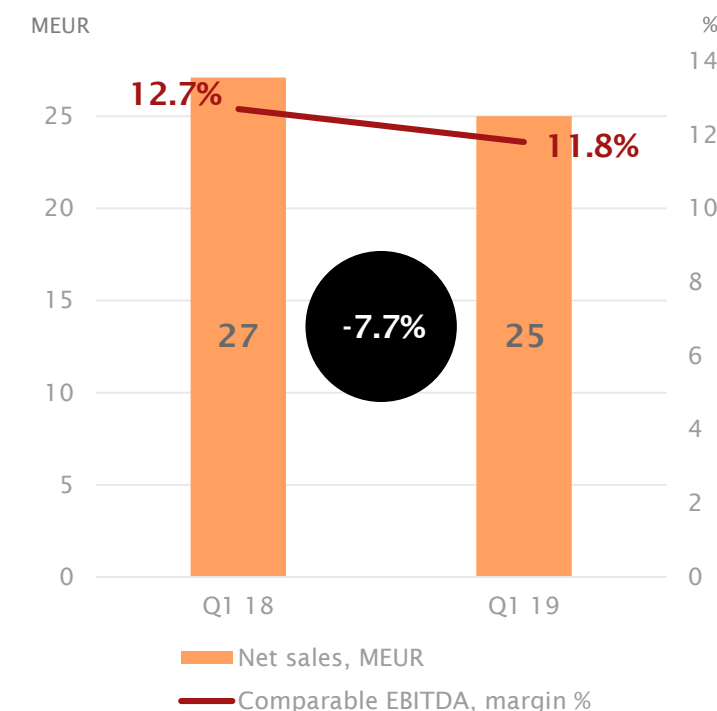
Highlights

- Net sales were 25.0 (27.1) million
- Exports sales at last year's level – seasonality of consumption
- In grocery trade preparations for summer season
- Price increases in monopoly in January
- Comparable EBITDA was 3.0 (3.4) million – Easter impact reflected in lower volumes and sales mix
- Comparable EBITDA without IFRS 16 impact EUR 2.9 million

Product launches & events



Key financials



Scandinavia

The Scandinavia segment comprises the import, sale and marketing of wine and spirits, and other beverages in Sweden, Norway and Denmark.



Highlights

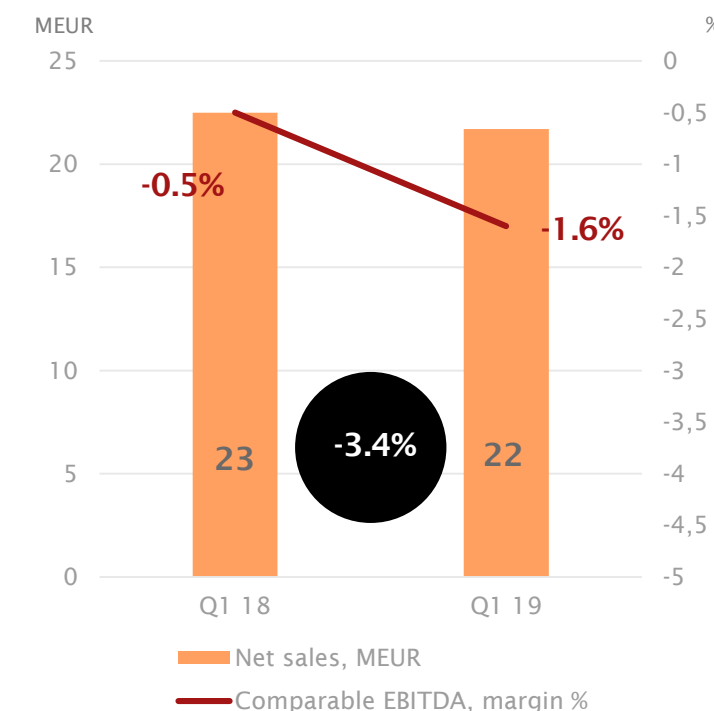
- Reported net sales were EUR 21.7 (22.5) million – in constant currencies, net sales at last year's level
- New wine partner in Sweden last year offsets the timing of Easter and partner portfolio changes in Sweden last year
- In Norway good development of market share in spirits
- Price increases in Sweden in March and Norway in January – not full impact in Q1
- Comparable EBITDA was EUR -0.3 (-0.1) million - Easter impact reflected in lower volumes and sales mix
- Comparable EBITDA without IFRS 16 impact EUR -0.5 million

Product launches & events

- New partnership with Conaxess Trade Beverages in Denmark



Key financials



Altia Industrial

The Altia Industrial segment comprises Koskenkorva plant operations, starch, feed component and technical ethanol businesses, as well as contract manufacturing services at Rajamäki. It also includes supply chain operations, i.e. production operations in different countries, customer service and logistics.



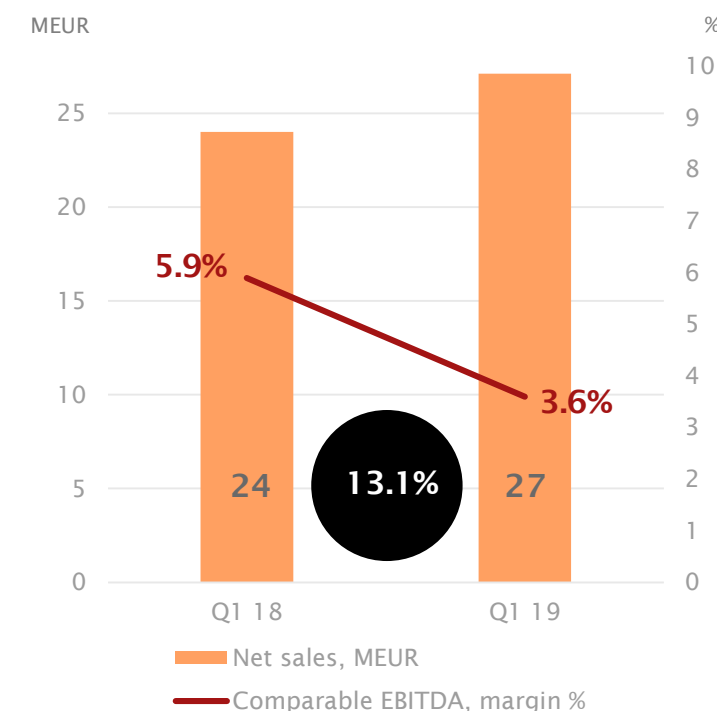
Highlights

- Net sales were 27.1 (24.0) million
- The growth in net sales is driven mainly by price increases following the high barley price, slightly higher volumes in industrial products compared to last year and phasing of contract manufacturing volumes in the first quarter
- Comparable EBITDA was 1.0 (1.4) million
- Profitability negatively impacted by high barley cost and Group internal organisational transfers
- Comparable EBITDA without IFRS 16 impact EUR 0.5 million

Production

- The Koskenkorva plant has been running at full capacity during the first quarter and the plant's volumes were at last year's level

Key financials



Retail offering



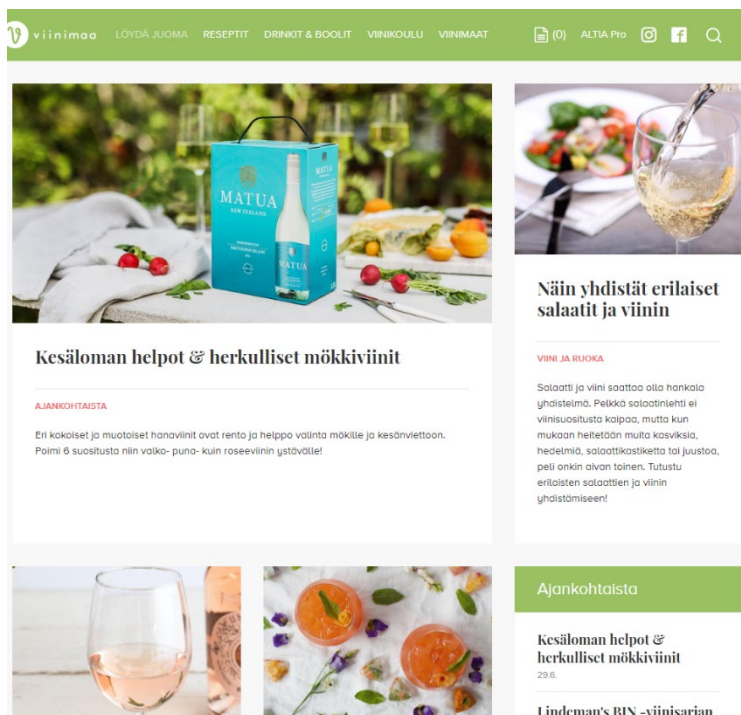
Koskenkorva
Vichy
sugarfree

17.5.2019

Altia's digital platforms

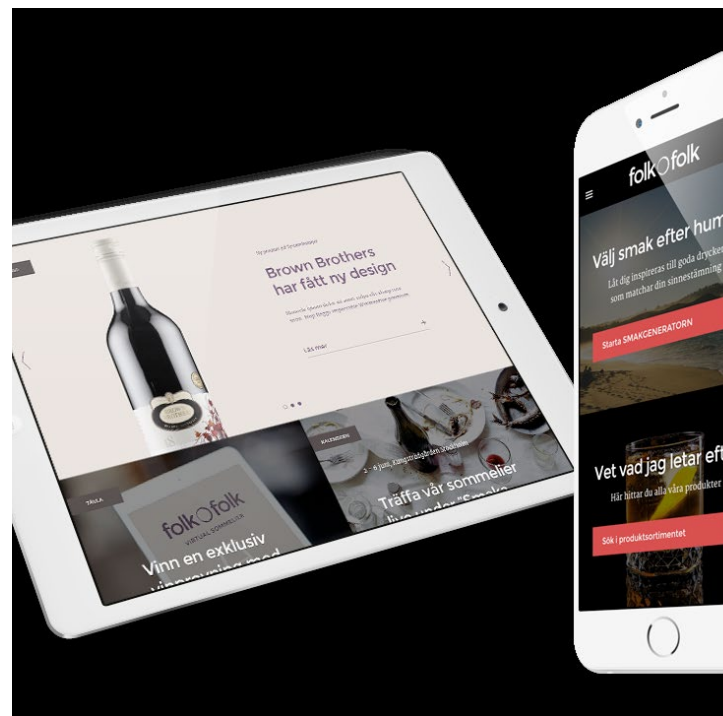
Finland: www.viinimaa.fi

- A leading consumer channel for alcoholic beverages in Finland
- Website, newsletter and social media channels
- Reliable source of information, entertaining and inspirational



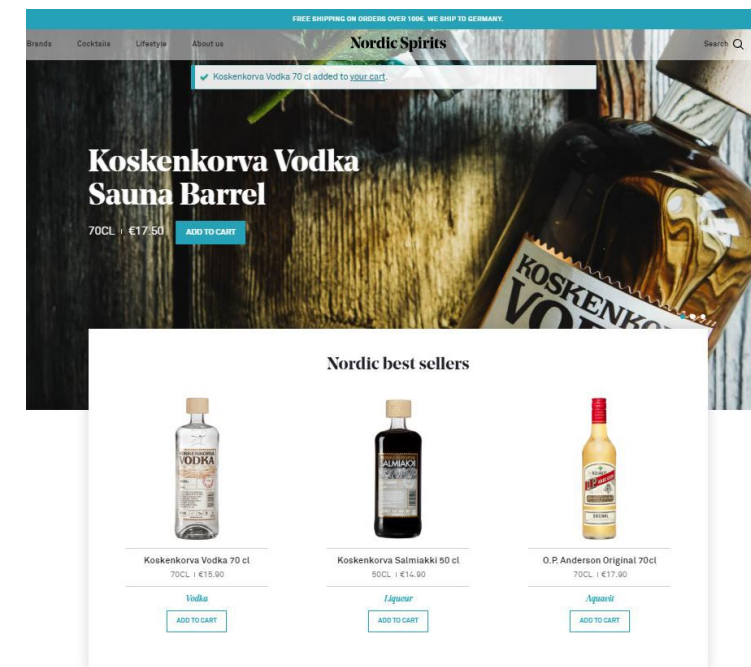
Sweden: www.folkofolk.se

- A unique and unrivaled position in the market for alcoholic beverages
- Website, newsletter, press room and social media channels
- The aim is to inspire, inform and educate the consumer



Germany: www.nordicspirits.com

- Nordic alcohol brand store in Germany since 5/18
- Includes Altia's most popular beverage brands
- Complements traditional exports channels
- Enables us to gather insights about digital consumer sales and online alcohol retail - which we can't do in our home markets



Finland & Exports

Consumer product sales in Finland, the Baltics, travel retail and export



Key brands:



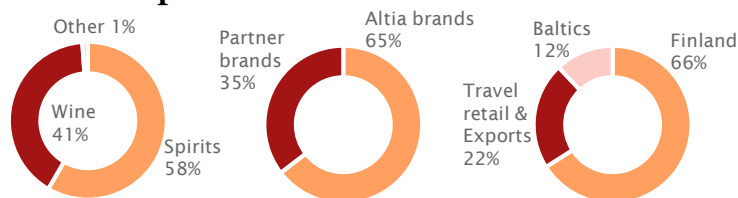
Key focus areas:

- Developing ways of working with the state retail monopoly to continue as an important partner
- Growing exports of key brands Koskenkorva, Larsen and O.P. Anderson in the key markets of Russia, Asia and the US, and capturing new markets
- Continuing to develop and grow grocery trade in Finland through innovation and novelties
- Continuing to develop Altia's digital reach via viinimaa.fi and nordicspirits.com to consumers and customers
- Continuous evaluation of product portfolio and on-going revenue management

Key figures 2018:

- Net sales EUR 134 million
- Comparable EBITDA margin 14.3%
- Personnel at year-end 92

Net sales split 2018¹⁾:



Scandinavia

Consumer product sales in Sweden, Norway and Denmark



Key brands:



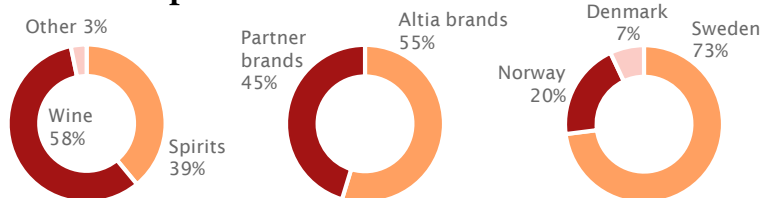
Key focus areas:

- Developing and growing the Nordic core brands through innovations in new occasions and categories as well as with line extensions
- Strengthening strategic wine and spirits partnerships and cooperation throughout the value chain
- Continuing to develop Altia's digital reach to consumers and customers via folkofolk.se
- Continuous evaluation of product portfolio and on-going revenue management

Key figures 2018:

- Net sales EUR 118 million
- Comparable EBITDA margin 8.6%
- Personnel at year-end 83

Net sales split 2018¹⁾:



Altia Industrial

Industrial products and services businesses, supply chain, customer service and logistics.



Industrial products: Finnish barley is the focus of our operations and the products include barley starch, grain sprits, technical ethanols and feed components.

Industrial services: Contract manufacturing and logistics services for leading wine and spirits companies and for producers and retailers of technical ethanol and solvent products.

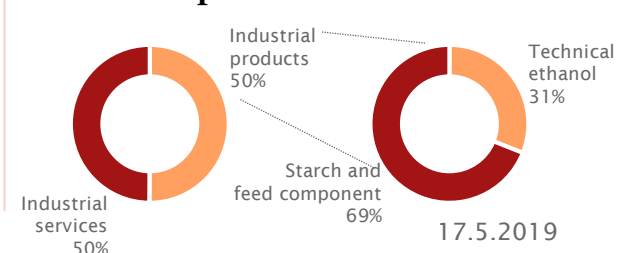
Key focus areas:

- Growing sales and developing marketing of industrial products. Continuously developing technology and automation to improve efficiency, use of energy and water.
- Deepening the co-operation and relationships with contract service partners
- Continuously improving the supply chain efficiency focusing on work safety, quality, automation and digitalisation. Expanding supply chain capabilities focusing on agility, flexibility, wine packaging and low alcohol production.

Key figures 2018:

- Net sales EUR 106 million
- Comparable EBITDA margin 10.3%
- Personnel at year-end 395

Net sales split 2018¹⁾:



Our responsibility work is driven by key megatrends: health & wellbeing, circular economy and climate change

ALTIA CORPORATE RESPONSIBILITY CORNERSTONES AND MATERIALITY



DRIVEN BY THE MEGATRENDS HEALTH & WELLBEING, CIRCULAR ECONOMY AND CLIMATE CHANGE

Altia & customers

- Quality and safety of Altia's products
- Responsibly produced and traceable raw materials
- Balanced product portfolio aligned with responsible consumption trends

Altia & society

- Responsible marketing
- Responsibility in supply chain
- Transparency and good governance

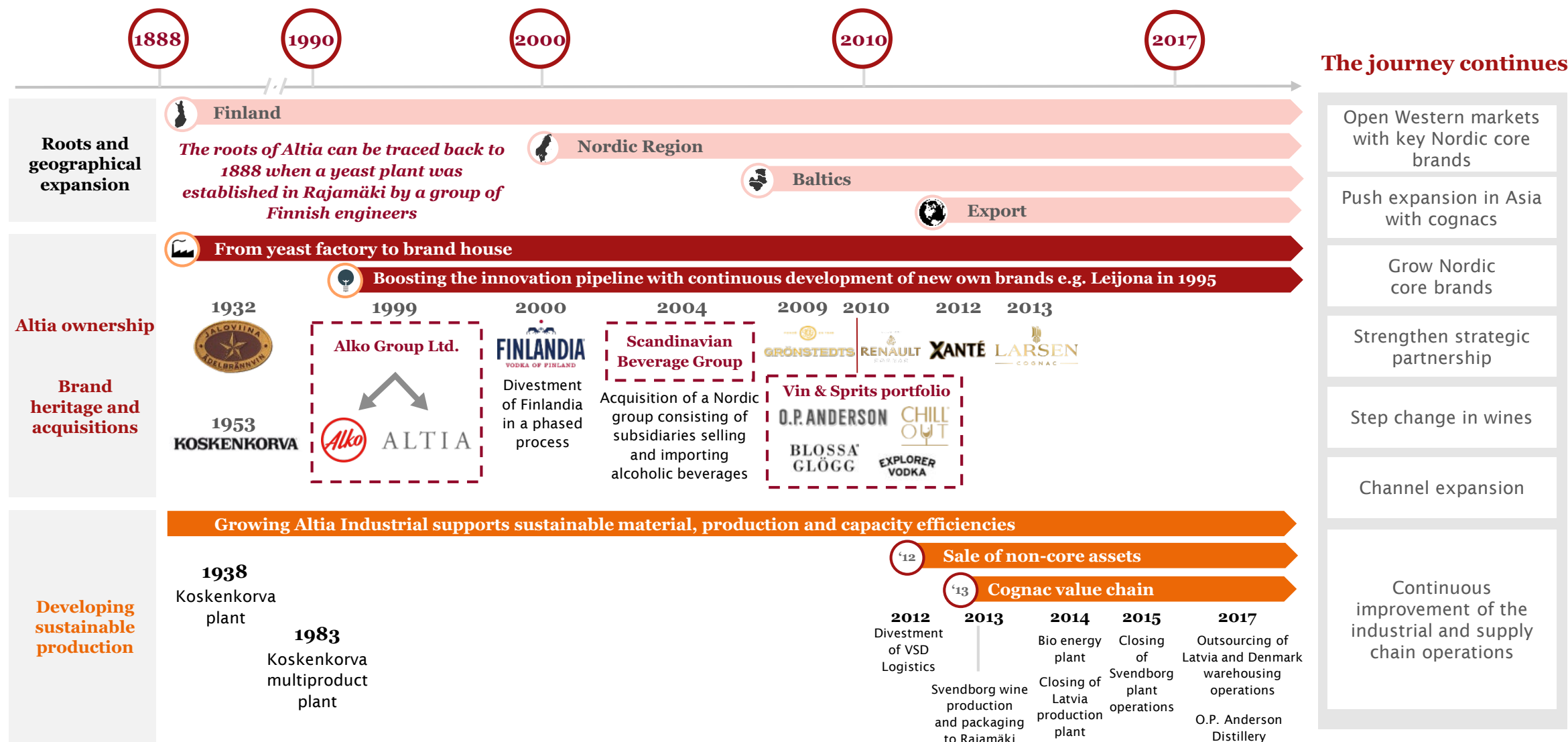
Altia & environment

- Energy consumption and CO2 emissions
- Sustainable and resilient agriculture
- Conserving groundwater
- Sustainable packaging

Altia & employees

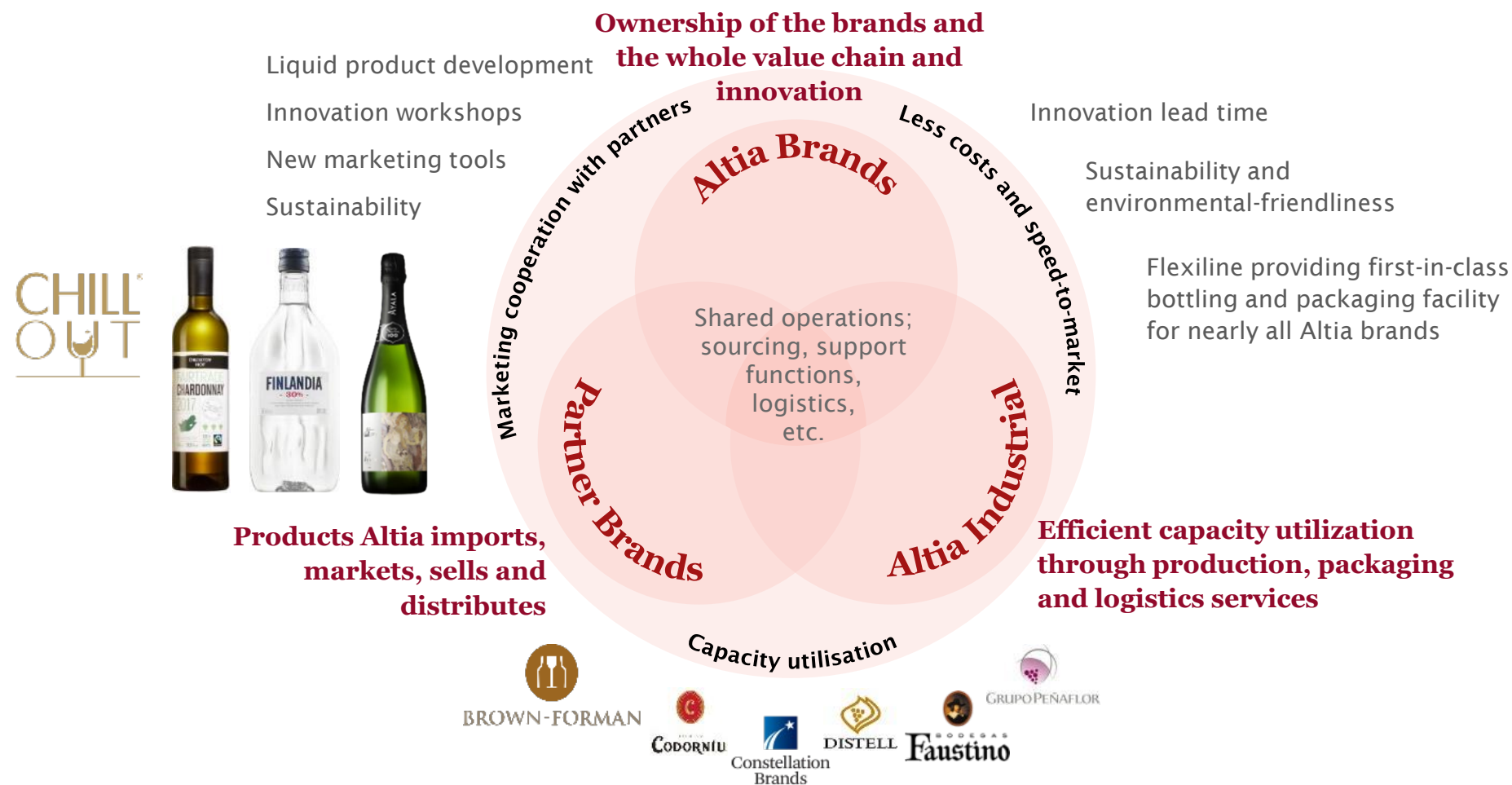
- Wellbeing of employees
- Employee development & good leadership
- Occupational health & safety

Our journey to being the Nordic powerhouse and market leader



Our integrated operating model creates synergies and economies of scale

ONE SHARED PLATFORM FOR OUR OWN BRANDS, PARTNER BRANDS AND INDUSTRIAL SERVICES



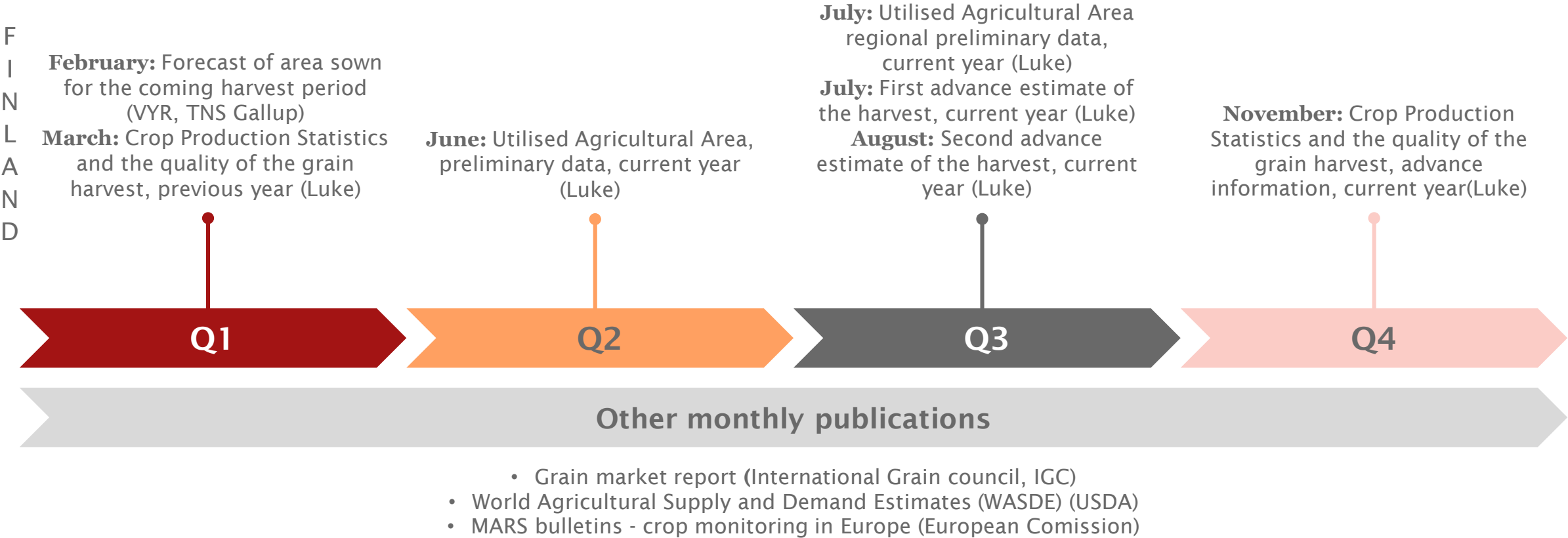
Summary of key benefits of the integrated operating model

Full capacity utilisation

Deeper cooperation with partners





























Agility and capability for local solutions

Barley reports and publications



Our sales channels provide stable and predictable sales

APPROXIMATELY TWO THIRDS OF OUR CONSUMER PRODUCT SALES COME FROM RETAIL MONOPOLIES

Consumer sales ¹⁾	Examples	Description	How Altia operates in the channel
68%	Monopoly    VINMONOPOLET	<ul style="list-style-type: none"> State retail monopolies in Finland, Sweden and Norway are the largest channels and constitute together approximately two thirds of the Company's consumer product sales Retail monopolies have extensive geographic presence and wide assortment supported by pick-and-collect online services 	<ul style="list-style-type: none"> Several years of experience in operating in the highly regulated Nordic monopoly market Understanding of Nordic consumer habits and trends provides strong position in the tender processes
10%	Grocery trade        	<ul style="list-style-type: none"> Grocery stores, supermarkets and kiosks especially in Denmark and the Baltics Low/non-alcoholic beverages in monopoly markets 	<ul style="list-style-type: none"> With the change in the Finnish Alcohol Act in January 2018, the grocery trade opened up for ethanol-based beverages of up to 5.5% ABV
9%	Wholesale & HoReCa          	<ul style="list-style-type: none"> Hotels, restaurants and cafés Plays important role in brand building and in trend-setting 	<ul style="list-style-type: none"> Access to HoReCa goes usually through wholesale customers Important marketing channel
13%	Travel retail & Exports       	<ul style="list-style-type: none"> Exports consists of consumer product sale outside Altia's home market Price differences between countries drive border trade and travel retail 	<ul style="list-style-type: none"> Exports through distribution partnerships Key export countries are Russia, China and the US

¹⁾ Consumer sales by customer segment in 2018. Consumer sales is defined as the total of net sales of Finland & Exports and Scandinavia segments. The consumer sales breakdown is based on unaudited internal sales reporting.







Two thirds of Altia’s consumer product sales from monopolies



Transparent pricing - fixed and predetermined gross margins for monopoly

	Annual windows for price revisions ⁷⁾			Price lock-up period after a initial listing
	I	II	III	
	1 Feb	1 Jun	1 Oct	8 months
	1 Mar	1 Sep	-	9 months
 VINMONOPOLET	1 Jan	1 May	1 Sep	6 months

Monopoly facts⁶⁾

	Sales volumes 2017 ¹⁾	Off-trade share ²⁾	Share of consumption ³⁾	Sale outlets			Extent of assortment ⁴⁾		Monopoly support ⁵⁾	Share of wine in BIB	Marketing restrictions
				Monopoly	Pick-up	Grocery trade	Base	Order			
  85		90%	40%	355	60	4948 ≤5.5%	3642	3535	60%	41%	Under 22% ABV brands allowed with certain restrictions
  241		90%	80.3%	440	457	6587 ≤2.25% (≤3.5% beer)	2521	13520	77.8%	62%	Alcohol marketing is in general allowed, however certain restrictions apply
  78		90%	48%	327	0	4257 ≤4.7%	1652	16335	55%	na	All marketing of alcoholic beverages prohibited

1)Million litres excl. beer
2)Aggregatde volume data for spirits and wine in 2016 (Euromonitor 2017)
3)Share of recorded alcohol consumption calculated in litres of 100% alcohol
4)Number of beverage brands

5) Based on surveys in 2017, results are not comparable
6) Unless otherwise stated, source: Information on the Nordic Alcohol Market 2018 (Alko)
7) Price revisions informed to monopolies about 2-3 months ahead

2017

HISTORICAL YEAR
IN VALUE AND IN VOLUME



197.4

MILLION BOTTLES +10.2%

98%

TO MORE THAN 158 COUNTRIES

TURNOVER 3.15

BILLION EUROS +14.4%

VS **50%***

VSOP **39%***

OLD QUALITIES **11%***

*IN VOLUME

1) Source: BNIC

- Global cognac market value grew by 14.4% to **EUR 3.15 billion**
- Volume growth 10.2% to **197.4 million bottles**
 - Highest volume growth in the US (+11.5%) and China (+31.5%)
 - VS quality is the biggest category (50%)
- The US accounts for 42% of global volume, mostly VS quality
- China (incl. Singapore) accounts for 25% of global volume, mostly VSOP/XO qualities

86.1*
NAFTA

41.6*
EUROPE

56.9*
FAR EAST

*IN MILLION BOTTLES



= VOLUME



= VALUE

NAFTA : **+11.4%** **+12.6%**

EUROPE : **+5.7%** **+8.7%**

FAR EAST : **+11.3%** **+18.4%**

OTHER MARKETS* : **+13.2%** **+17.3%**



(* 6.5% OF THE GLOBAL VOLUMES SHIPPED, EQUAL TO 12.8 MILLION BOTTLES)

TOP 10 DIRECT SHIPMENTS IN MILLION BOTTLES

1- UNITED STATES
82.6

2- CHINA
25.5

3- SINGAPORE
24.0

4- UNITED KINGDOM
9.9

5- GERMANY
5.4

6- FRANCE
4.3

7- LETTONIA
3.7

8- HONG KONG
3.5

9- NETHERLANDS
2.9

10- SOUTH AFRICA
2.6



BNIC

17.5.2019

COGNAC

• NAFTA : CANADA, THE UNITED STATES AND MEXICO.

• FAR EAST : SOUTH KOREA, HONG KONG, MALAYSIA, SINGAPORE, TAIWAN, THAILAND, CHINA, JAPAN



Our Executive Management Team

- A** Pekka Tennilä CEO **B** Niklas Nylander CFO **C** Janne Halttunen SVP, SCANDINAVIA **D** Kari Kilpinen SVP, FINLAND & EXPORTS **E** Hannu Tuominen SVP, ALTIA INDUSTRIAL **F** Kirsi Lehtola SVP, HR **G** Kirsi Puntila SVP, MARKETING

Follow us:



www.altiagroup.com

Investor Relations: tua.stenius-ornhjelm@altiacorporation.com