



8 JANUARY 2019
CEO PEKKA TENNILÄ

ALTIA

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

SEB NORDIC SEMINAR 2019, COPENHAGEN

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

WE OPERATE ON THE STABLE AND PROFITABLE NORDIC MARKET

Market positions in the Nordic region

Spirits

#1

Wine

#1

Key figures 2017

Net sales
359.0
EUR million

Comparable EBITDA margin
11.8%

Exports to
approx. 30
countries

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



Market position

#1

Spirits

#3

Wines



Market position

#1

Spirits

#1

Wines



Market position

#3

Spirits

We are the Nordic iconic brands

BRAND FOCUSED BUSINESS THROUGH OWN AND PARTNER BRANDS



Nederburg
SINCE 1791
L A R O C H E

JACK DANIEL'S
CHARLES
SMITH
WINES

BODEGAS
Faustino
DESDE 1551
CODORNIU

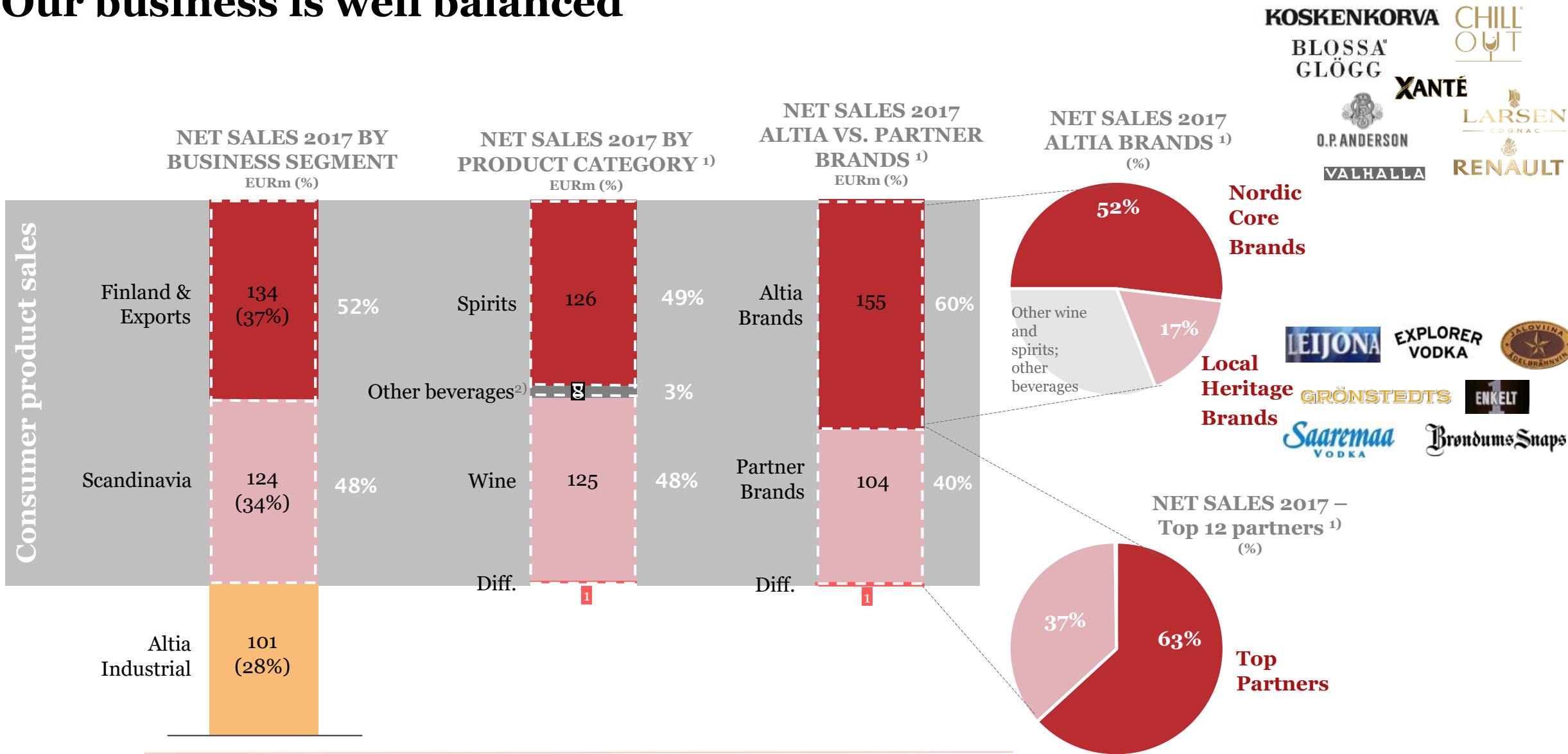
Gustave Lorentz
Maison familiale depuis 1836
RUFFINO
DAL 1877

VIÑA
TARAPACA
DESDE 1874
PASQUA
A FAMILY PASSION

DESDE 1883
TRAPICHE
ARGENTINA
Penfold's®

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

Our business is well balanced



1) The breakdown of net sales by product category and by brands is based on unaudited internal sales reporting. In 2017, net sales in the internal sales reporting differed from the reported numbers by EUR 1.3m. The difference was mainly caused by the different FX treatment; 2) Includes soft drinks and sodas

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

14.6%



Scandinavia

- Consumer product sales in Sweden, Norway and Denmark

Net sales

124
EUR million

Comparable
EBITDA margin

9.3%



Altia Industrial

- Industrial products
- Industrial services
- Supply chain

Net sales

101
EUR million

Comparable
EBITDA margin

12.3%

Let's drink better

Altia wants to support and co-create the development of a new, modern and responsible Nordic drinking culture

the drinks business
**GREEN
AWARDS
2018**

Altia awarded as the Green Company of the Year

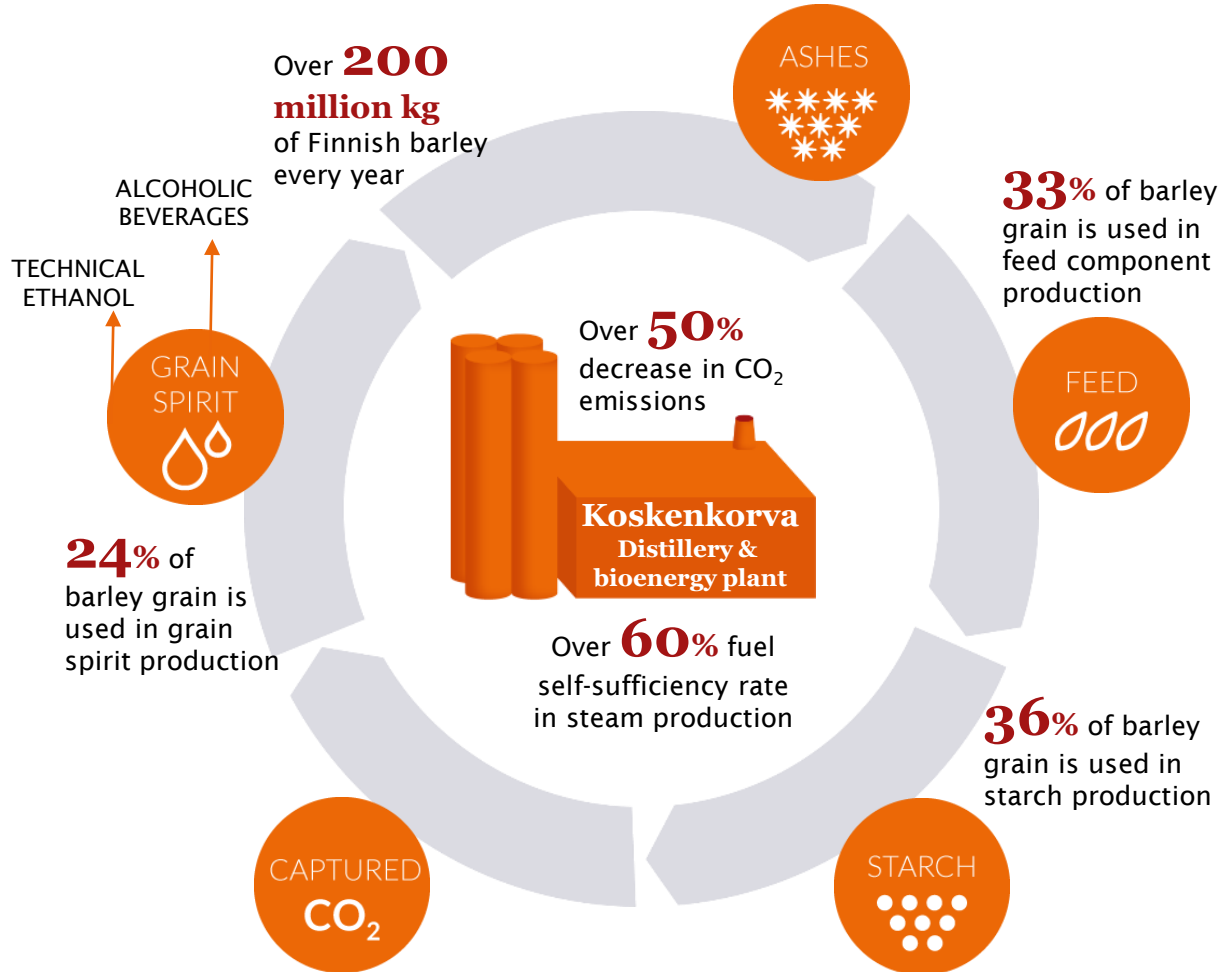
"Altia was selected as the winner due to the bio and circular economy achieved at its Koskenkorva distillery in Finland."



6.1.2019

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

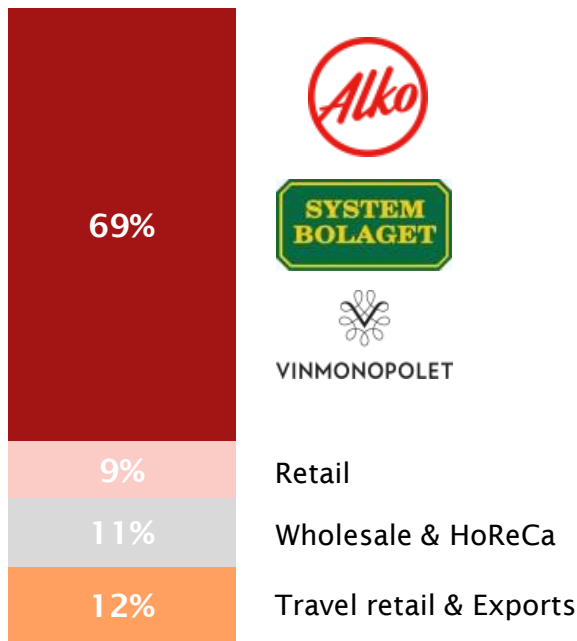
Packaging



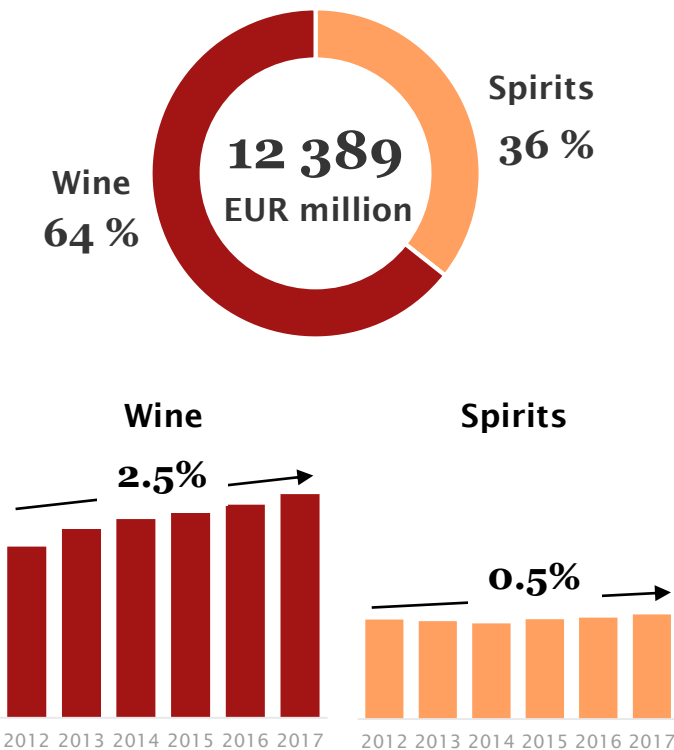
- In packaging Altia considers the environmental attributes and recyclability of the materials used
- Forerunner in innovative, ecological and smart packaging such as PET bottles and bag-in-boxes
- PET bottles and bag-in-boxes have lower CO₂ emissions than glass bottles
- High recycling rates in the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

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



Stable value growth on the large Nordic wine and spirits market¹⁾



Market value growth outlook 2017-2021¹⁾ (outlook 2018-2022¹⁾)



Wine category is expected to remain as a growth engine of the Nordic wine and spirits market while consumer trends create pockets of growth in the stable spirits market

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.

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



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

- Retail
- 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

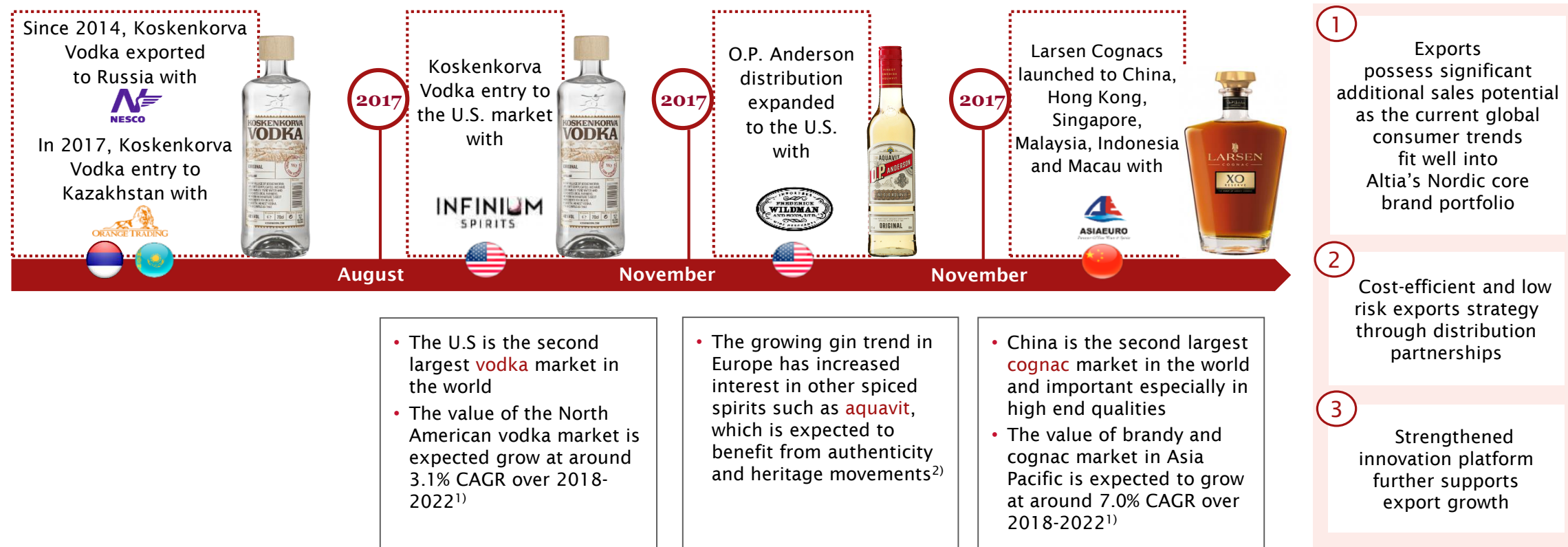
Active brand portfolio management

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

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

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

Thank you!

www.altiagroup.com

