



SEPTEMBER-OCTOBER 2018
INVESTOR PRESENTATION

ALTIA

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

CEO PEKKA TENNILÄ & CFO MATTI PIRI

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1. Altia in brief
 2. Market overview
 3. Strategy
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- 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

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

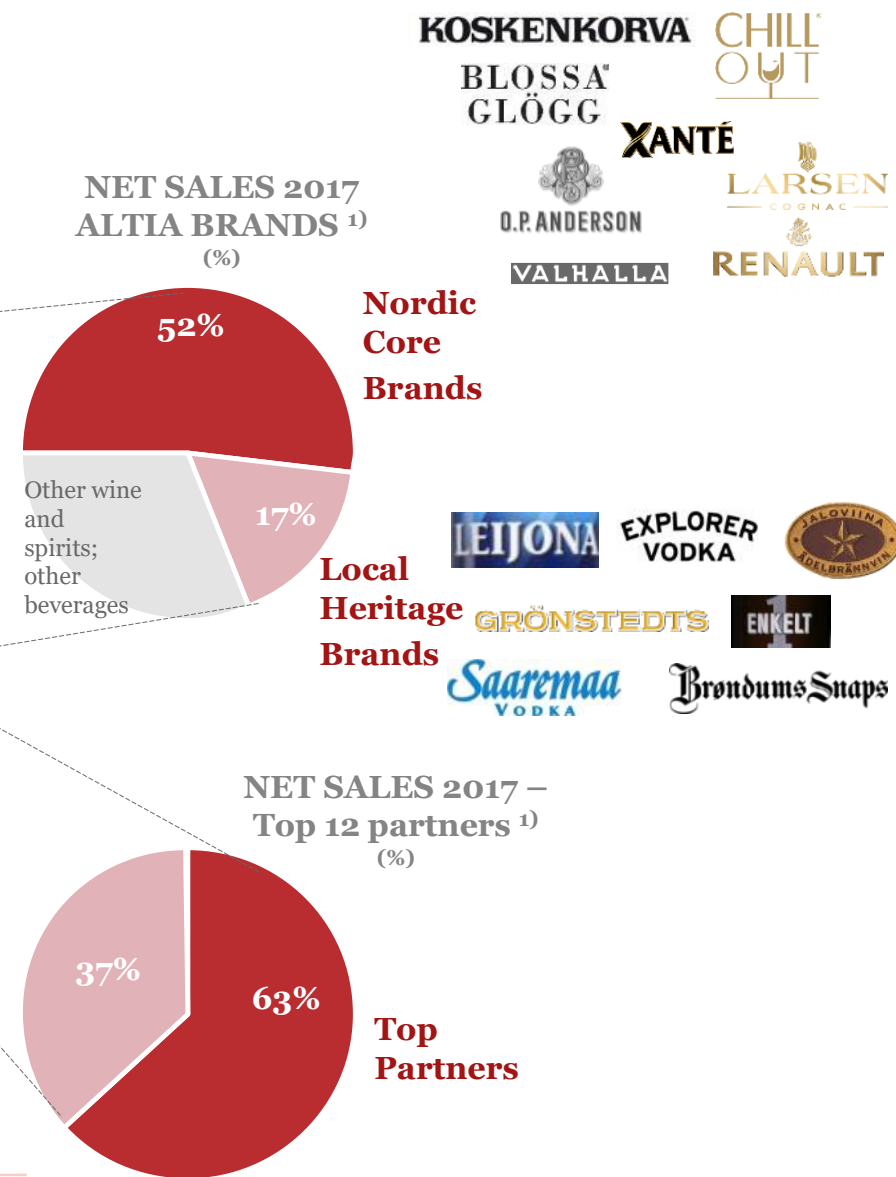
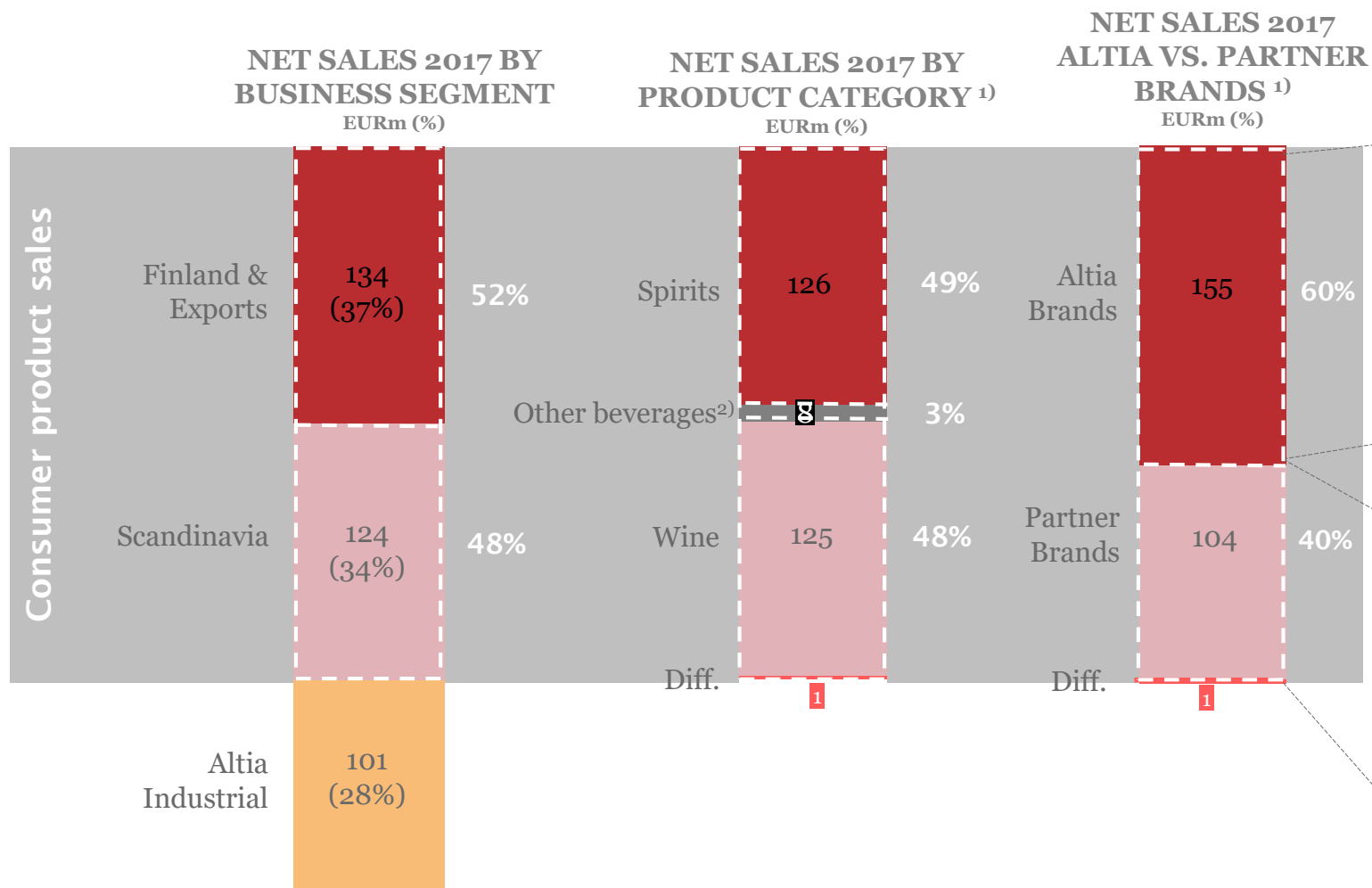
Gustave Lorentz
Maison familiale depuis 1836
RUFFINO
DAL 1877

VIÑA
TARAPACA
DESDE 1874
PASQUA
A FAMILY PASSION


TRAPICHE
ARGENTINA
Penfold's

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

ALTIA



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%

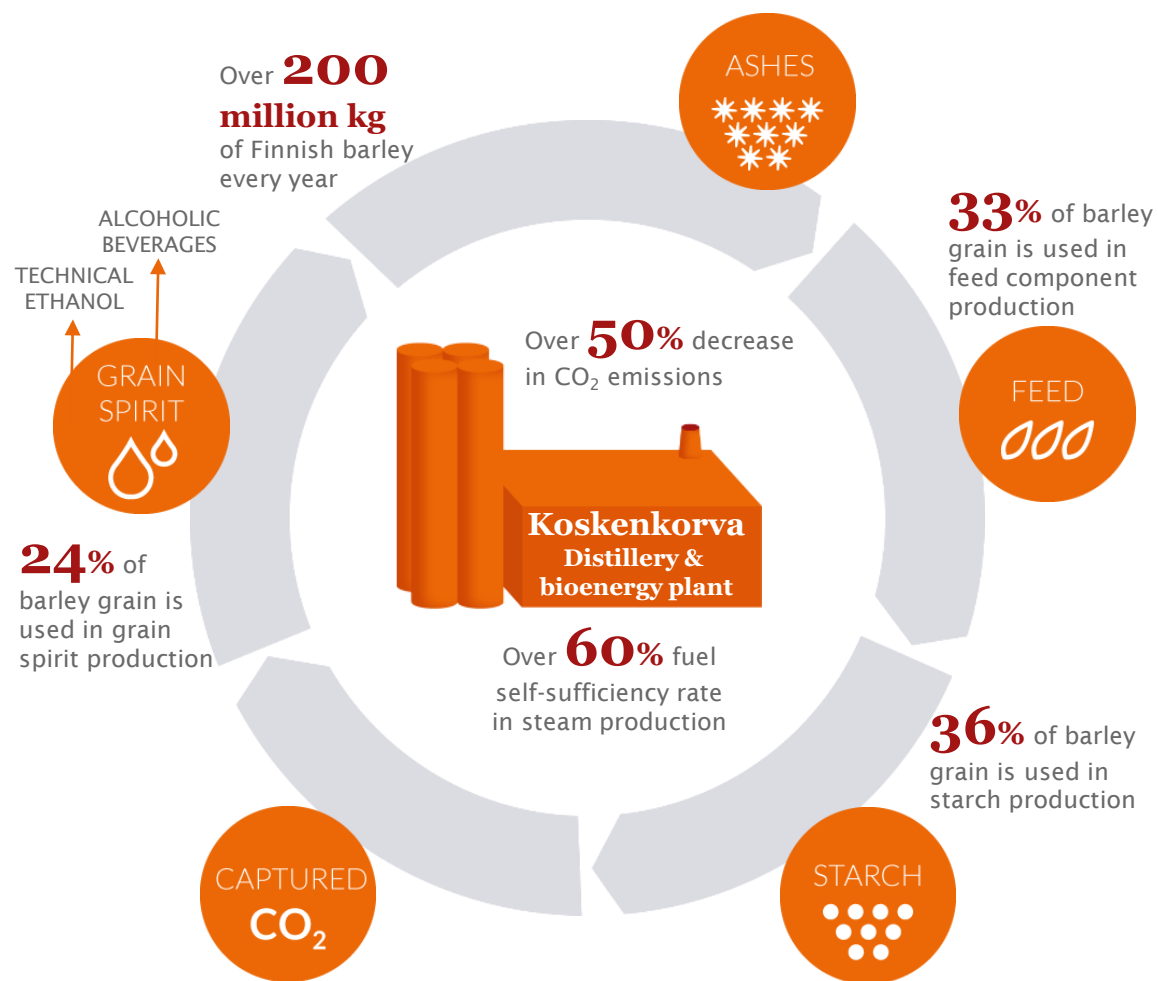
Let's drink better

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



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
- The production of Renault and Larsen Cognac is handled locally

Packaging



- The design of packaging takes into account the environmental attributes and recyclability of the materials used
- Forerunner in innovative, ecological and smart packaging such as PET bottles and bag-in-boxes
- Audits at raw material and packaging material suppliers

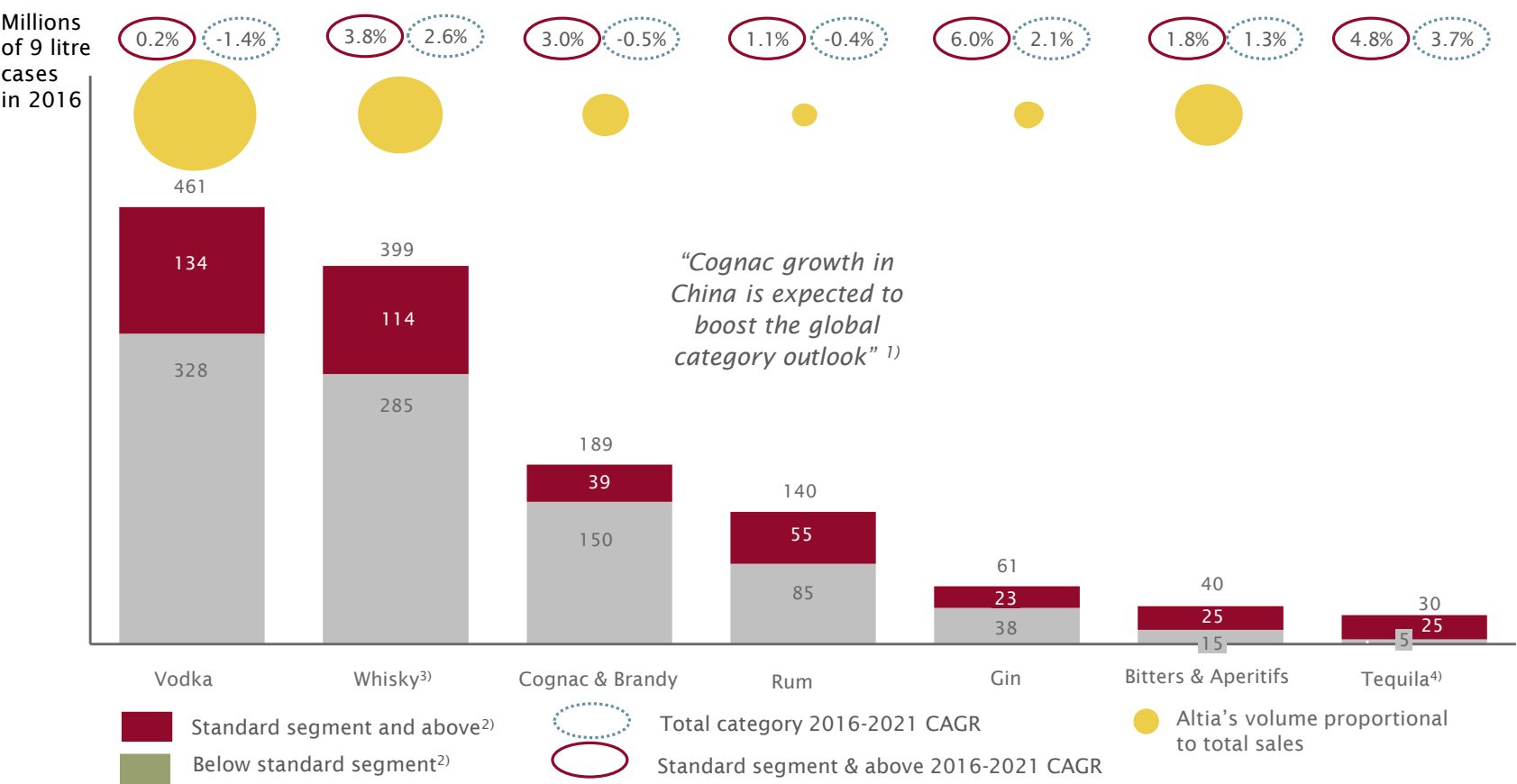


ALTIA

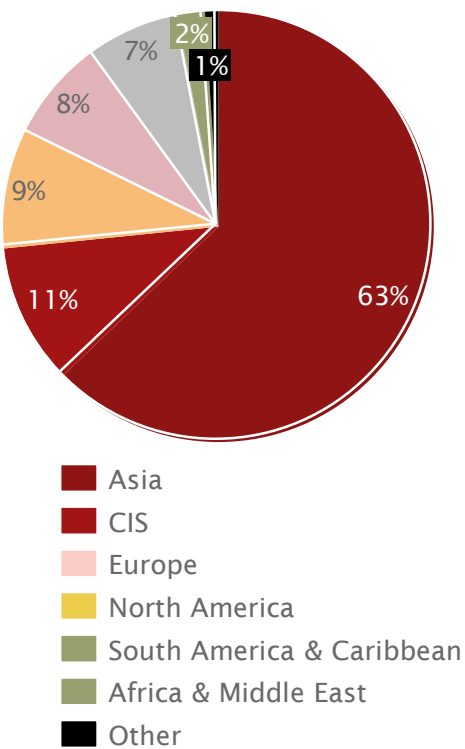
Market & trends

Globally, premiumisation is driving growth in all large spirits categories

Global spirits market by category⁵⁾



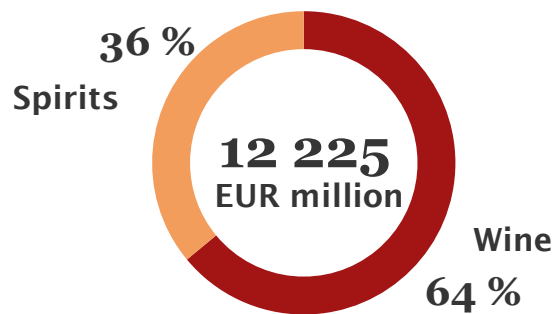
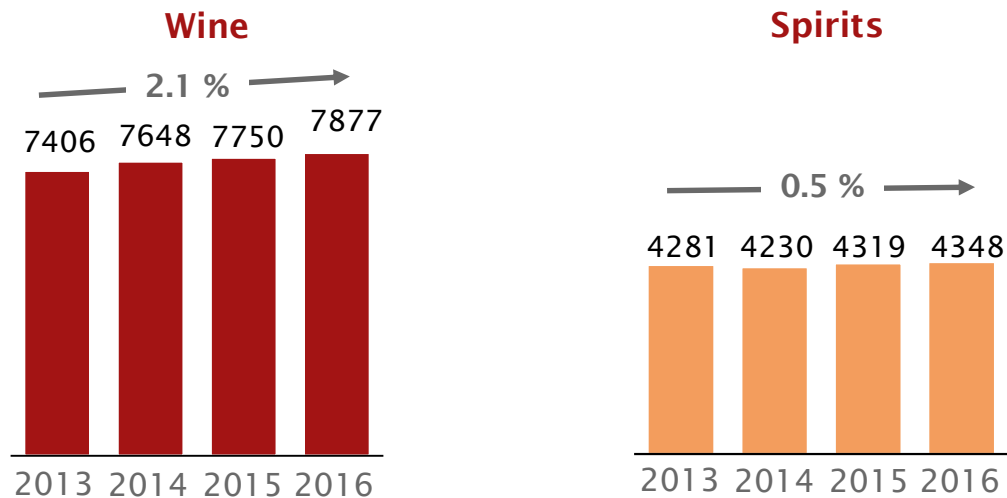
Global spirits volume by geography in 2016⁵⁾



1) Source: Euromonitor; 2) Standard segment and above includes Prestige, Ultra-premium, Super-premium, Premium and Standard classes. Below standard segment includes Value and Low-price segments; 3) In Whisky, the standard segment and above figure includes Scotch, US and Irish Whisky, while the rest are included in the below standard segment; 4) Includes mezcal; 5) Volume based; Source: IWSR

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

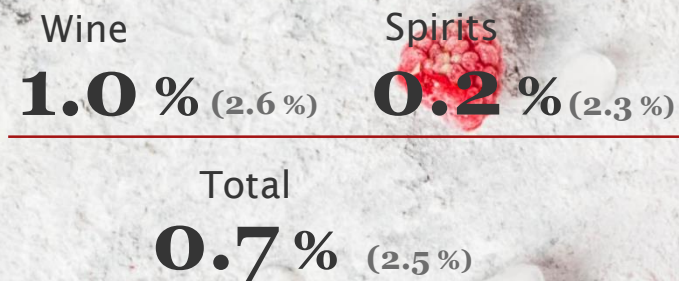
Nordic wine and spirits market development (EUR million)¹⁾



Market value growth outlook

2017-2021¹⁾ (outlook 2018-2022²⁾)

(Finland, Sweden, Norway, Denmark)



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 2017 edition (May 2017). All Euromonitor data calculated in EUR with fixed exchange rates and current prices.

²⁾ Source: Euromonitor International Ltd. Alcoholic Drinks data 2018 edition (May 2018)

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



Authenticity

- CONNOISSEURSHIP
- LOCALITY, PROVENANCE AND HERITAGE
- CRAFTSMANSHIP

In an uncertain and changing world, consumers seek what they can trust.



Sustainability

- ETHICAL WELLBEING
- FAIRLY TRADED
- ENVIRONMENTAL RESPONSIBILITY
- TRANSPARENCY

Consumers favour environmentally friendly packaging
Recyclability is more important than ever



Health consciousness

- BALANCED LIFE
- CLEAN CULTURE MOVEMENT
- FRESHNESS AND SIMPLICITY
- NATURAL INGREDIENTS

There is an increasing demand for low and non-alcoholic, lower sugar products
Natural ingredients become more important



Premiumisation

- QUALITY ALL AROUND
- SCARCITY IS LUXURY
- PREMIUM EXPERIENCES

Consumers seek for quality over quantity



Convenience

- ON-DEMAND
- EASY ACCESS
- CONVENIENT PACKAGING

Smaller serving sizes and ready to drink solutions as well as easy to serve and share






















ALTIA

The Nordic market

CHARACTERISTICS OF THE RETAIL MONOPOLY MARKETS

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
69%	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
9%	Retail        	<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"> Finnish Alcohol Act opens up opportunities to expand retail
11%	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
12%	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 Largest export countries are Russia, China, USA and Armenia

¹⁾ Consumer sales by customer segment in 2017. Consumer sales is defined as a total of the net sales of Finland & Exports and Scandinavia segments. The consumer sales breakdown is based on unaudited internal sales reporting. In 2017, the total net sales in unaudited internal sales reporting differed from the reported numbers by EUR 1.3m. The difference was mainly caused by the different FX treatment.

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

The monopolies' revenues have generally been growing and they enjoy high level of public support⁴⁾

	Level of regulation	State monopoly	Off-trade share of market ¹⁾	Monopoly's total sales volume ²⁾	Monopoly's % of recorded alcohol consumption ³⁾	Alcohol limit of retail sales	Marketing restrictions	Route-to-assortments	Retail monopoly pricing
Liberal		–	83%	–	–	None	Marketing of alcoholic beverages mainly unregulated, certain restrictions		
Strict			90%	85	40%	≤5.5%	Marketing under 22% ABV allowed with certain restrictions	<ul style="list-style-type: none"> • Tender process (base assortment for 12 months) • Order assortment application • Test assortment (yearly assortment) 	<ul style="list-style-type: none"> • Fixed and predetermined gross margins for monopoly • Price revisions three times a year • 4-8 months price lock-up after a listing
			90%	239	79%	≤2.25% (≤3.5% beer)	Alcohol marketing is in general allowed, however certain restrictions apply	<ul style="list-style-type: none"> • Tender process (base assortment) • Order assortment application • Temporary assortment (exclusive local or seasonal offering) 	<ul style="list-style-type: none"> • Fixed and predetermined gross margins for monopoly • Price revisions twice a year • 9 months price lock-up after a listing
			90%	79	48%	≤4.7%	All marketing of alcoholic beverages prohibited	<ul style="list-style-type: none"> • Tender process (base assortment 10-14 months) • Order assortment application apart from tender search process 	<ul style="list-style-type: none"> • Fixed and predetermined gross margins for monopoly • Price revisions twice a year • 6 months price lock-up after a listing

1) Based on aggregated volume data for spirits and wine in 2016 from Euromonitor (May 2017);

2) Source: "Information on the Nordic Alcohol Market 2017" by Alko (millions of litres excl. beer);

3) Calculated in litres of 100 % alcohol, Source: Alko;

4) Monopoly support in 2016: Alko 62%, Systembolaget 76% and Vinmonopolet 55%. Surveys are not comparable between monopolies. Source: "Information on the Nordic Alcohol Market 2017" by Alko

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

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



folkfolk





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

- 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

We see that our best-in-class innovation generates topline growth

INNOVATION OPENS UP ATTRACTIVE AND TANGIBLE OPPORTUNITIES TO GROW ORGANICALLY



Re-design
&
re-packaging



Line extensions of
existing brands and
products



Premiumisation



New brands and
product launches to
the market



folkfolk



viinimaa

Innovative
marketing and new
business models

Our offering in the newly opened Finnish retail channel



Strengthening our partner portfolio

J. García Carrión – one of the biggest wine producers in Europe

- Altia is the exclusive representative of García Carrión's wine portfolio in Sweden as of June 2018.
- The Spanish company is one of the biggest wine producers in Europe and has wineries in ten D.O. areas in Spain.
- With this addition Altia's market position in Sweden improved, and Altia is now #3
- Examples of García Carrión products:



Hernö Gin – premium craft gins from Sweden

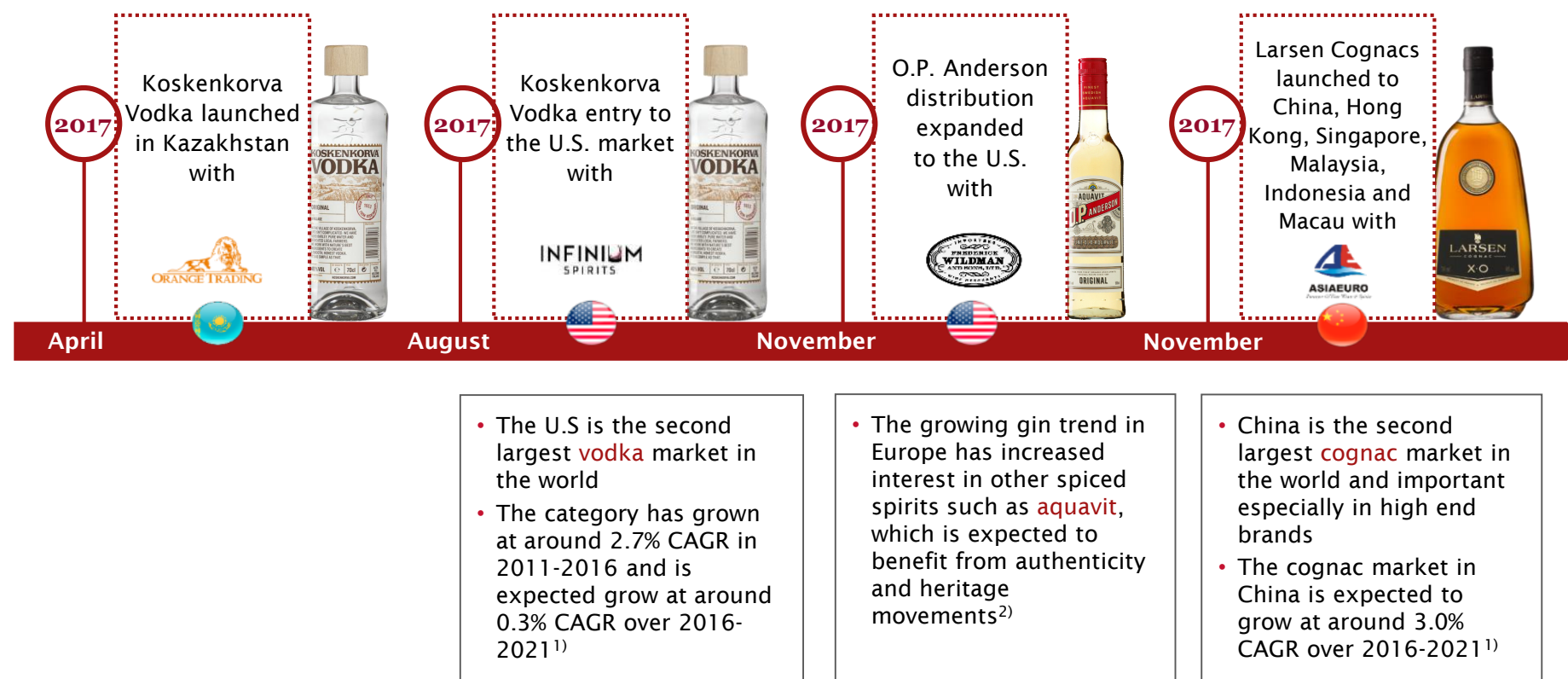
- As of September, Altia will be the exclusive representative of Hernö Gin in Sweden, Finland, Norway, Estonia and Latvia, as well as in travel retail. The cooperation covers both retail monopolies and HoReCa.
- Hernö Gin is the most awarded gin in Europe. The brand has won over 70 awards, including the World's Best Gin award in 2017 and 2018, and the Gin Producer of the Year award in 2016 and 2017.



International expansion provides upside potential

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

Recent export contracts



- 1 Exports possess significant additional sales potential as the current global consumer trends fit well into Altia's Nordic core brand portfolio
- 2 Cost-efficient and low risk exports strategy through distribution partnerships
- 3 Strengthened innovation platform further supports export growth

1) Source: IWSR;

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

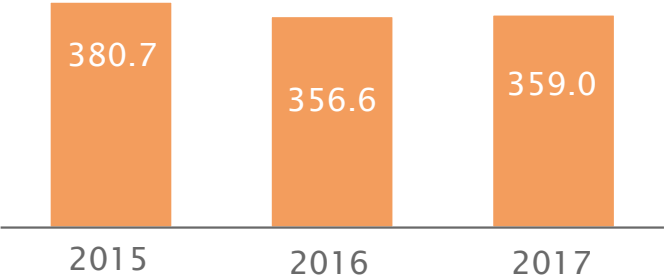


ALTIA

Financials

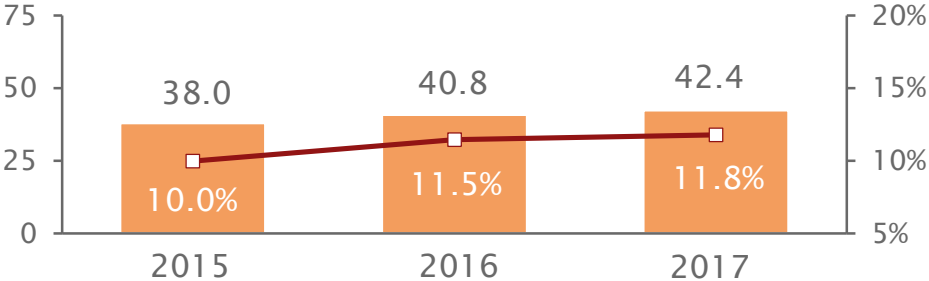
Our operations are based on profitable growth

Net sales (EUR million)



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

Comparable EBITDA (EUR million) and comparable EBITDA margin %

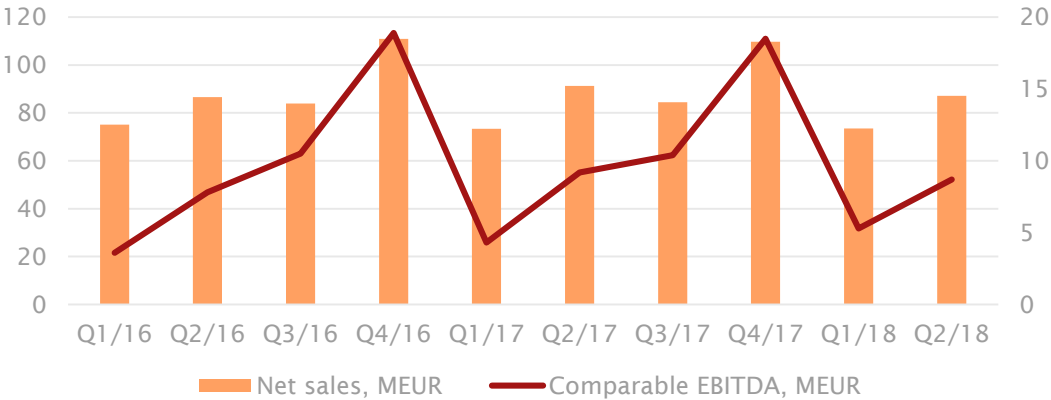


Strong and improved profitability with clear strategic initiatives to expand margins even further

Seasonality

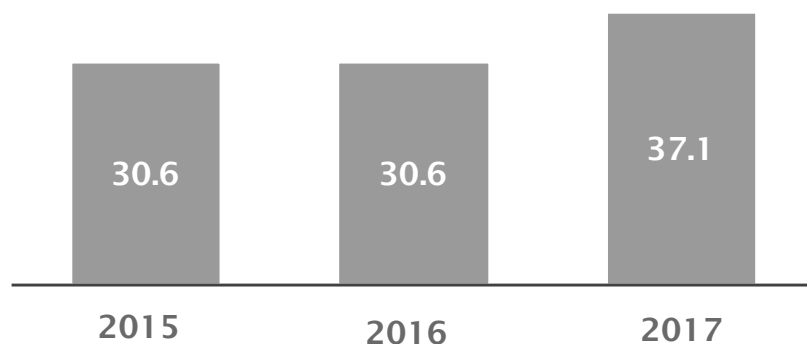
- Altia’s business is characterised by substantial seasonality.
- Revenues typically lower in Q1, a large amount of revenue and cash flow generated in Q4.
- Significant fluctuations also in net working capital.

Net sales and comparable EBITDA, EUR million

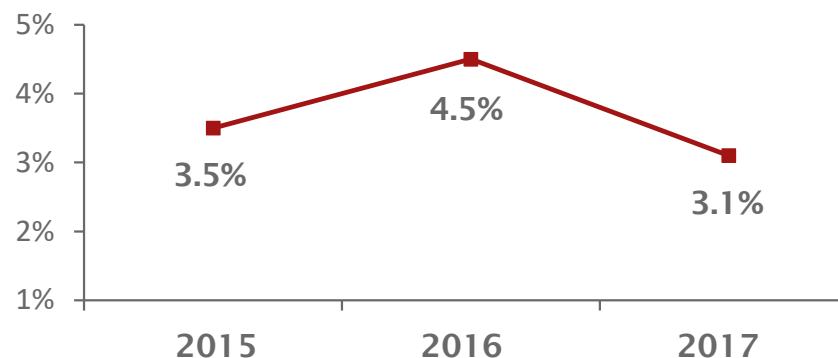


Stable cash flow and strong dividend capacity

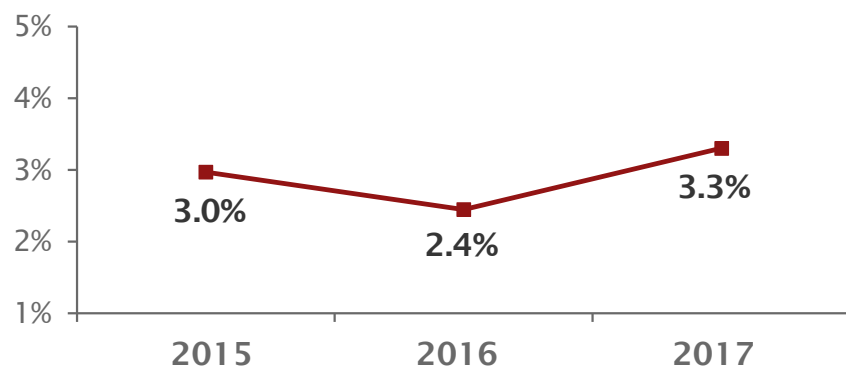
Free cashflow ¹⁾ (EUR million)



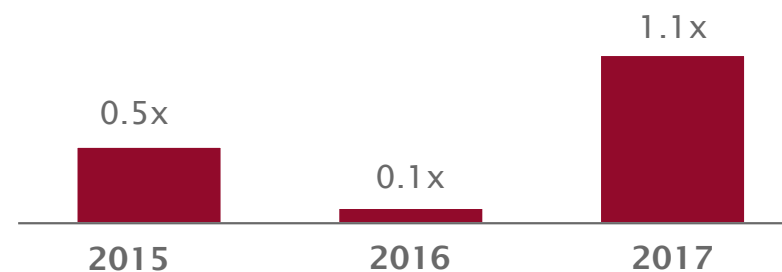
Net working capital ²⁾ / Net sales



Gross capex ³⁾ / Net sales



Net debt ⁴⁾ / Comparable EBITDA



1) Free cash flow = Comparable EBITDA – Change in working capital – Gross capex; 2) Net working capital calculation presented on next page; 3) Gross capex = Payments for property, plant and equipment and intangible assets as presented in the consolidated statement of cash flows; 4) Net debt = Total borrowing – Cash and cash equivalents. Presented key figures and ratios are unaudited.

Efficient working capital management

Net working capital

EURm	2015	2016	2017
Inventories	101.2	96.3	94.5
Trade and other receivables	59.1	63.8	53.9
Trade and other payables	(143.5)	(142.7)	(137.4)
Trade working capital¹⁾	16.8	17.5	11.0
(% of net sales) ¹⁾	4.4%	4.9%	3.1%
Non-Current provisions	(1.3)	–	–
Current Provisions	(2.1)	(1.3)	–
Net working capital¹⁾	13.4	16.1	11.0
(% of net sales) ¹⁾	3.5%	4.5%	3.1%

Comments

- Receivables from State retail monopolies partly sold
- Cognac constitutes notable part of inventory
- The seasonal swings of the business is also visible in net working capital development within financial year, with 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)

¹⁾ Unaudited

Our strong cash flow enables an attractive dividend capacity

Free cash flow

EURm	2015	2016	2017
Comparable EBITDA³⁾	38.0	40.8	42.4
Change in working capital ¹⁾	3.9	(1.6)	6.7
Acquisition of PPE and intangible assets	(11.3)	(8.7)	(11.9)
Free cash flow³⁾	30.6	30.6	37.1
Cash conversion ²⁾³⁾	80%	75%	88%

Summary of consolidated statement of cash flows

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

Comments

- Low operational Capex need enables solid and stable cash flow
- In 2017, capital expenditure was mostly related to continuation of efficiency improvement in Rajamäki plant and development of IT systems
 - Similarly, 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

3) Unaudited



ALTIA

H1 Financials

Net sales highlights

NEGATIVE CURRENCY IMPACT CONTINUED IN THE FIRST HALF

- Reported net sales were EUR 160.6 (164.6) million
- Negative currency impact by EUR -2.9 million
- Lower contract manufacturing volumes in Altia Industrial
- Q2:
 - Timing of Easter contributes negatively
 - Partner portfolio changes in Sweden
- Net sales of beverages up by 0.5% in constant currencies
- Nordic core brands developed well with stable growth
- Spirits sales impacted by lower volumes in Finnish retail monopoly
- Gained market shares in wines in monopolies overall

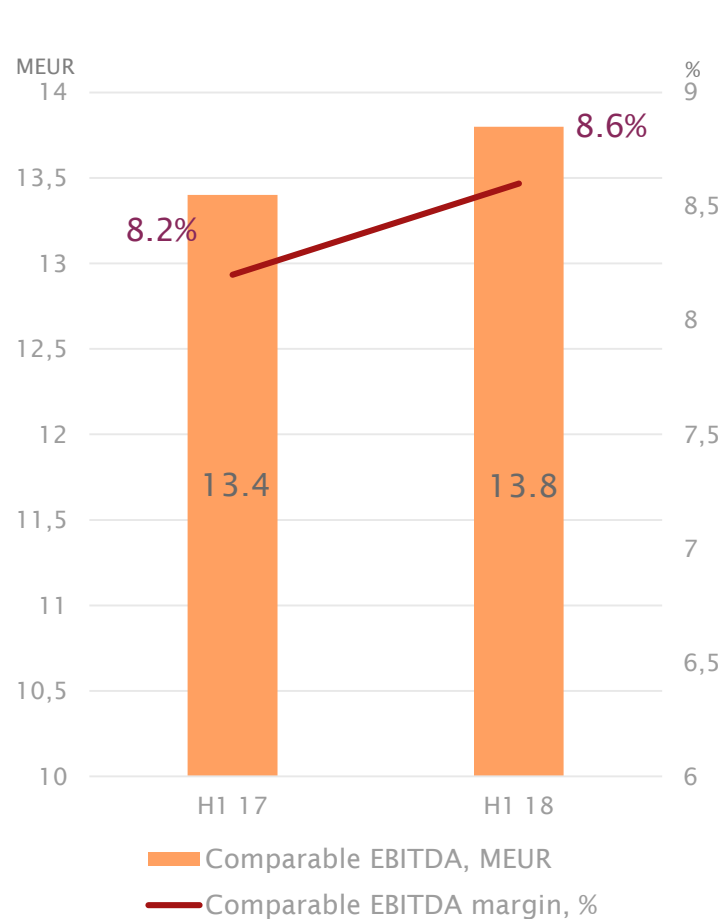
EUR million	H1 18	H1 17	Reported growth	Adjusted growth*	2017
Altia Group	160.6	164.6	-2.4%	-0.7%	359.0
Finland & Exports	62.5	61.8	1.2%	1.2%	133.9
Scandinavia	49.9	52.8	-5.5%	0.0%	123.7
Altia Industrial	48.2	50.0	-3.6%	-3.6%	101.3

*) Growth with constant currencies

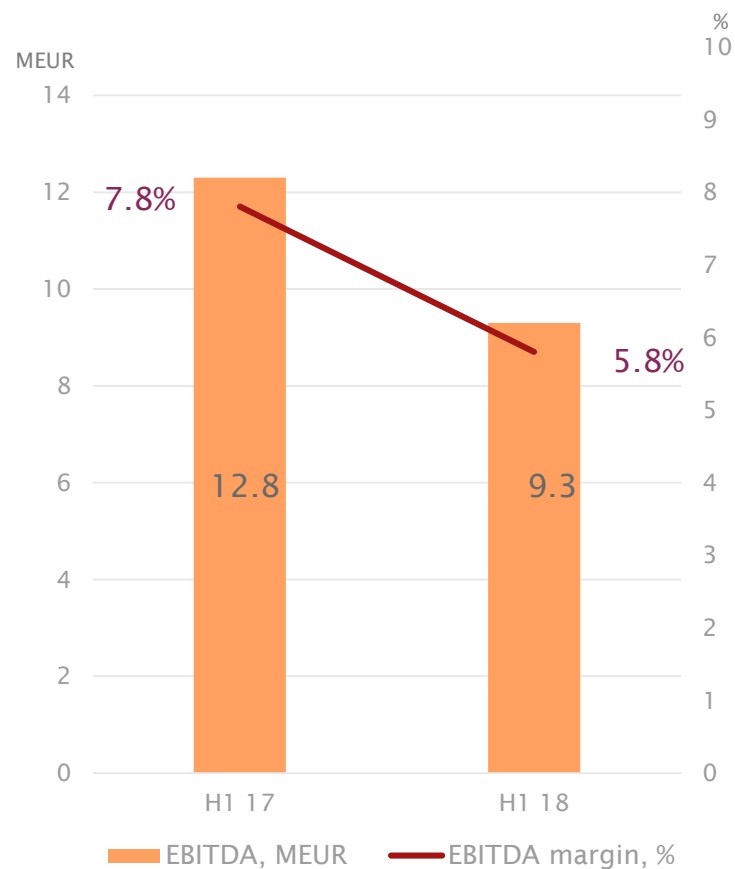
EUR million	H1 18	H1 17	Change, %	2017
Spirits	57.0	58.5	-2.4	125.9
Wine	51.4	52.2	-1.4	124.7
Other beverages	4.0	4.1	-4.2	8.4
Industrial products and services	48.2	50.0	-3.6	101.3
Other	0.0	-0.2		-1.3

Profitability

Comparable EBITDA



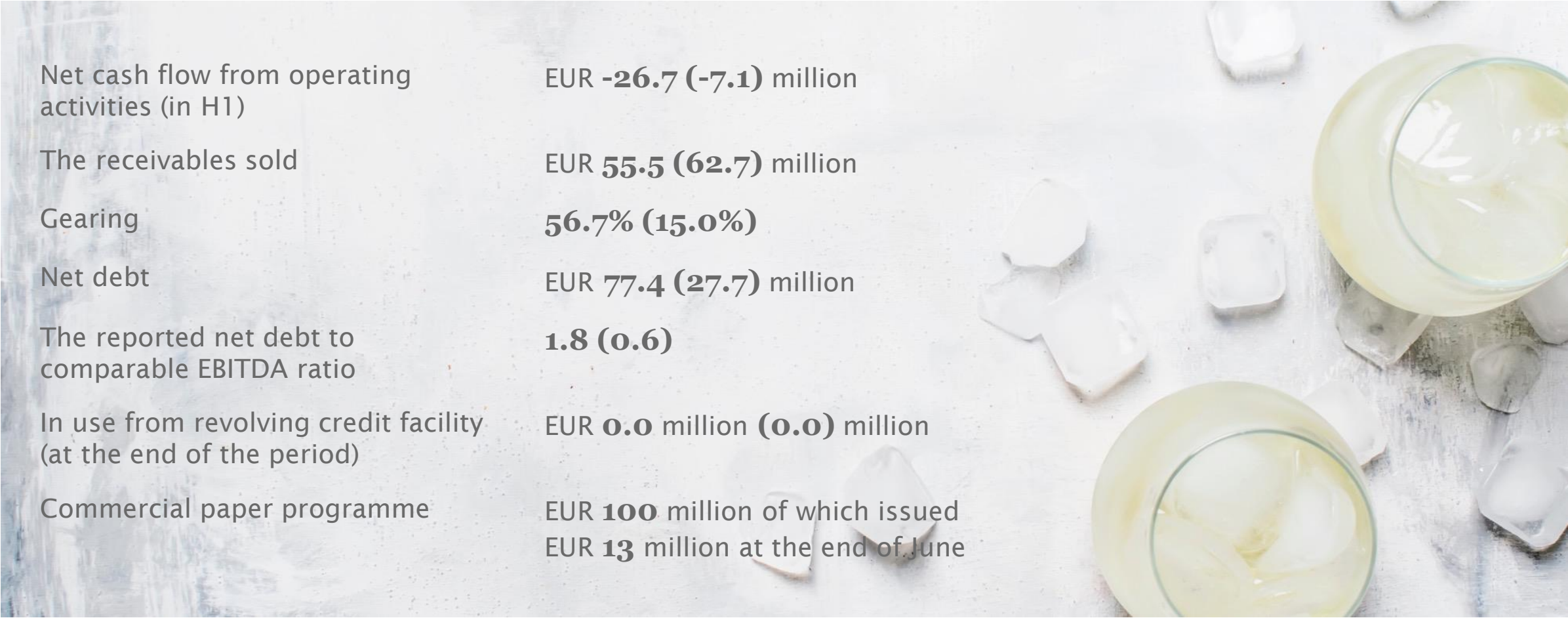
Reported EBITDA



- In H1, items affecting comparability were EUR -4.5 (-0.6) million, mainly related to Altia's IPO
- As estimated and communicated in Q1, some EUR 0.7 million were recorded in Q2 as IPO costs

Cash flow and balance sheet

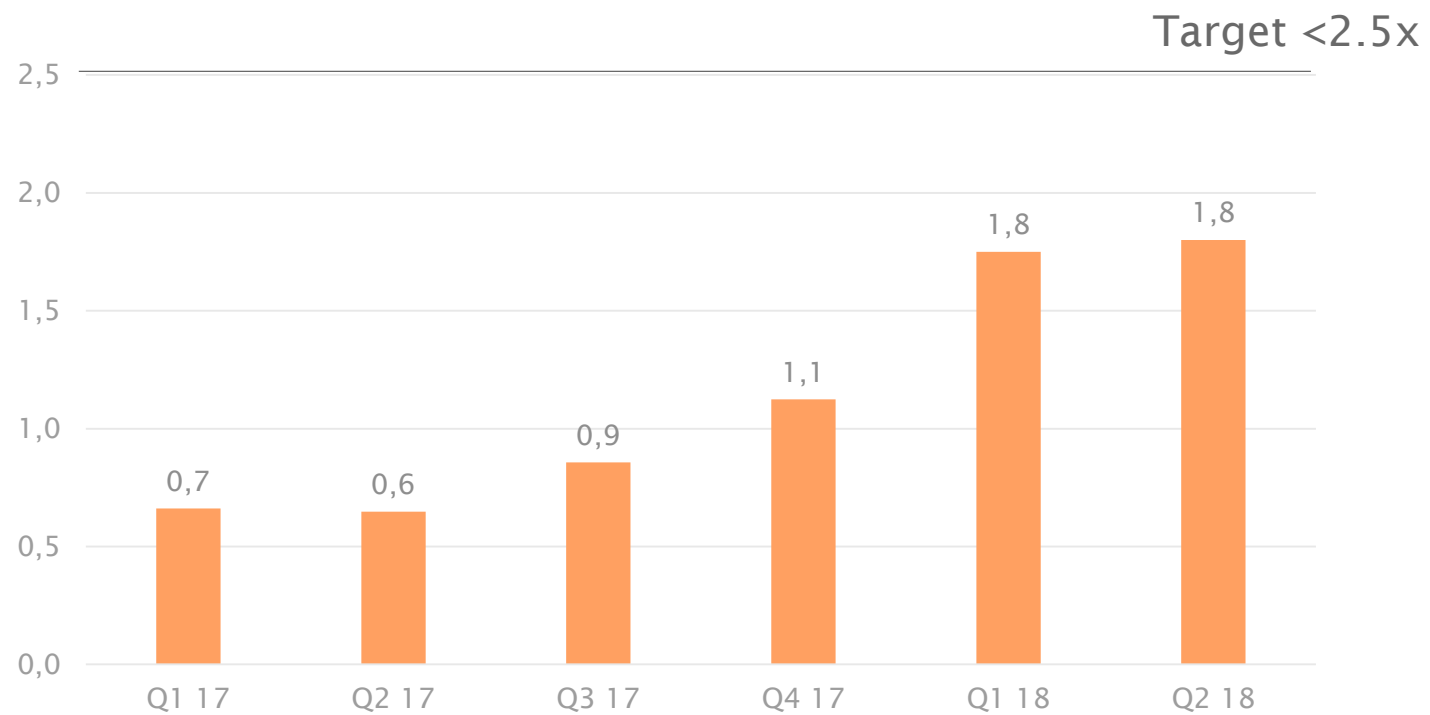
AS AT 30 JUNE



Net cash flow from operating activities (in H1)	EUR -26.7 (-7.1) million
The receivables sold	EUR 55.5 (62.7) million
Gearing	56.7% (15.0%)
Net debt	EUR 77.4 (27.7) million
The reported net debt to comparable EBITDA ratio	1.8 (0.6)
In use from revolving credit facility (at the end of the period)	EUR 0.0 million (0.0) million
Commercial paper programme	EUR 100 million of which issued EUR 13 million at the end of June

Leverage

NET DEBT / COMPARABLE EBITDA, ROLLING 12M



Guidance 2018

- The positive trend in Altia's core brand portfolio is expected to continue. Cost increases on key raw materials and expansion in exports impact profitability development. Currency fluctuations, especially the weakening of the Swedish and Norwegian kronas, are expected to continue.

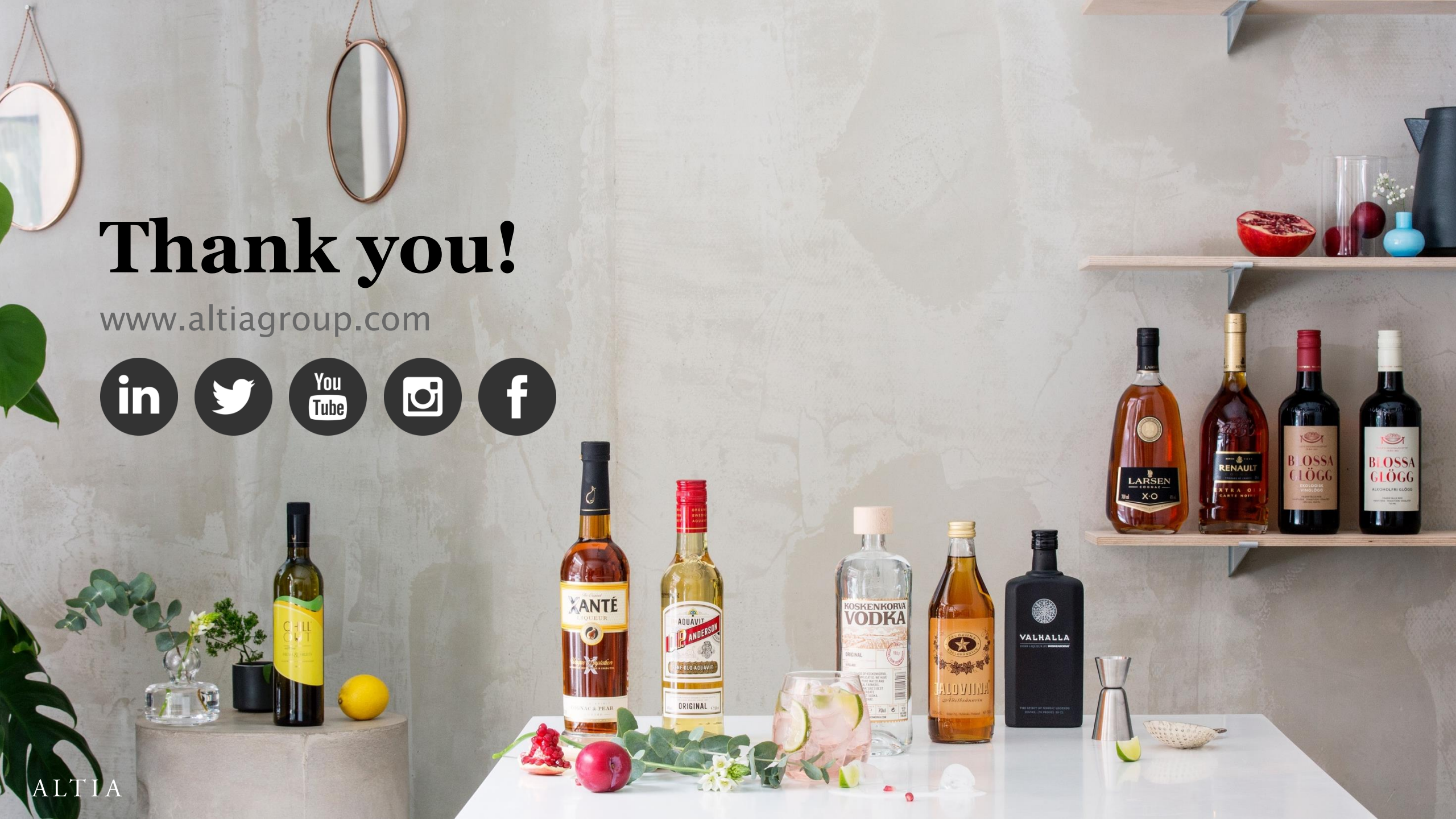
Guidance as published on 23 February 2018 remains unchanged

- Group comparable EBITDA is expected to improve or be at the 2017 level.



Thank you!

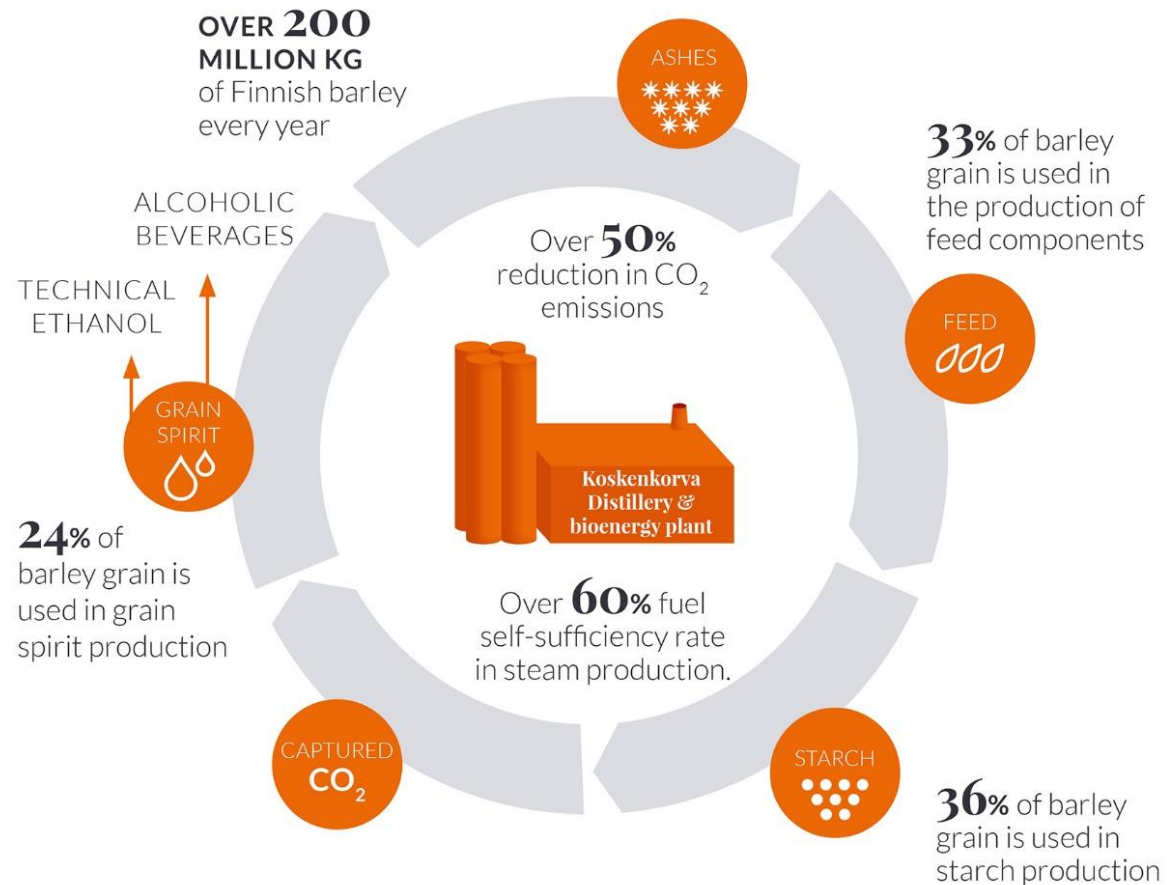
www.altiagroup.com



Appendices



Altia's use of grain



- For different businesses we have different pricing structures to take into account raw material price changes
- Historically, the barley price increases has also required additional mitigation activities

Crop production forecast



31.8.2018

Satoarviot, tilanne 27.8.2018

Skördeuppskattning, situationen 27.7.2018

Crop production forecast 27.8.2018

Viljelykasvi Odlingsväxt Crop	2018e			2017			2018e - 2017		Keskisato
	Ala	Sato		Ala	Sato		Muutos		
	Areal	Skörd		Areal	Skörd		Förändring	i medeltal	
	Area	Yield		Area	Yield		Difference	Average	
	4)	5)		6)				yield	
	1 000 ha	milj. kg kg/ha	million kg	1 000 ha	milj. kg kg/ha	million kg	million kg	%	2008 - 2017 kg/ha
Vehnä - Vete - <i>Wheat</i> ¹⁾	180,7	2 920	528,0	194,3	4 130	802,0	-273,9	-34 %	3 890
Syysvehnä - Höstvete - <i>Winter wheat</i>	11,2	3 130	35,1	34,5	4 450	153,3	-118,2	-77 %	4 110
Kevätvehnä - Vårvete - <i>Spring wheat</i> ¹⁾	169,5	2 910	493,0	159,8	4 060	648,7	-155,7	-24 %	3 840
Ruis - Råg - <i>Rye</i> ²⁾	17,3	2 820	48,8	28,9	3 920	8,0	-64,7	-57 %	2 980
Ohra - Korn - <i>Barley</i> ¹⁾	409,4	2 990	1 223,4	358,3	4 070	1 460,1	-236,7	-16 %	3 650
Kaura - Havre - <i>Oats</i> ¹⁾	298,0	2 910	868,6	269,5	3 760	1 013,9	-145,4	-14 %	3 410
Seosvilja - Blandsäd - <i>Mixed crops</i> ¹⁾	14,4	3 150	45,5	10,1	2 850	28,9	16,6	58 %	2 850
Viljat yhteensä - Säd totalt - <i>Grain total</i> ¹⁾	919,8	2 950	2 714,3	861,2	3 970	3 418,4	-704,1	-21 %	3 590
Tuorevilja - Färsk spannmål - <i>Cereals harvested green</i> ³⁾	117,0	117,1
Rypsi - Rybs - <i>Turnip rape</i>	27,5	1 210	33,3	23,7	1 290	30,6	2,7	9 %	1 290
Rapsi - Raps - <i>Rape</i>	30,8	1 520	46,9	31,5	1 920	60,6	-13,7	-23 %	1 740
Peruna - Potatis - <i>Potatoes</i>	21,7	23 170	502,7	21,2	28 860	611,9	-109,2	-18 %	26 790
Sokerijuurikas - Sockerbeta - <i>Sugar beet</i>	10,3	33 880	349,0	11,8	36 550	430,3	-81,3	-19 %	38 480
Herne - Ärtor - <i>Peas</i>	7,6	2 250	17,1	4,2	2 180	9,1	2,0	89 %	2 380
Härkäpapu - Bondböna - <i>Broad bean</i>	18,8	1 930	36,1	16,1	2 090	33,7	2,5	7 %	2 270
Kuivaheinä - Torrhö - <i>Hay</i>	104,0	2 980	309,6	86,6	3 390	293,3	16,3	6 %	3 510
Säilörehu - Ensilage - <i>Silage</i>	579,8	10 360	6 005,1	551,9	12 290	6 783,5	-778,3	-12 %	15 890

¹⁾ Ei sisällä tuoreena korjattua (kokoviljasäilörehu, tuoresäilövilja ja säilörehu) - Exkl. skördad färsk (helsädesensilage, ensilerad spannmål, ensilage) - Excl. Plants harvested green.

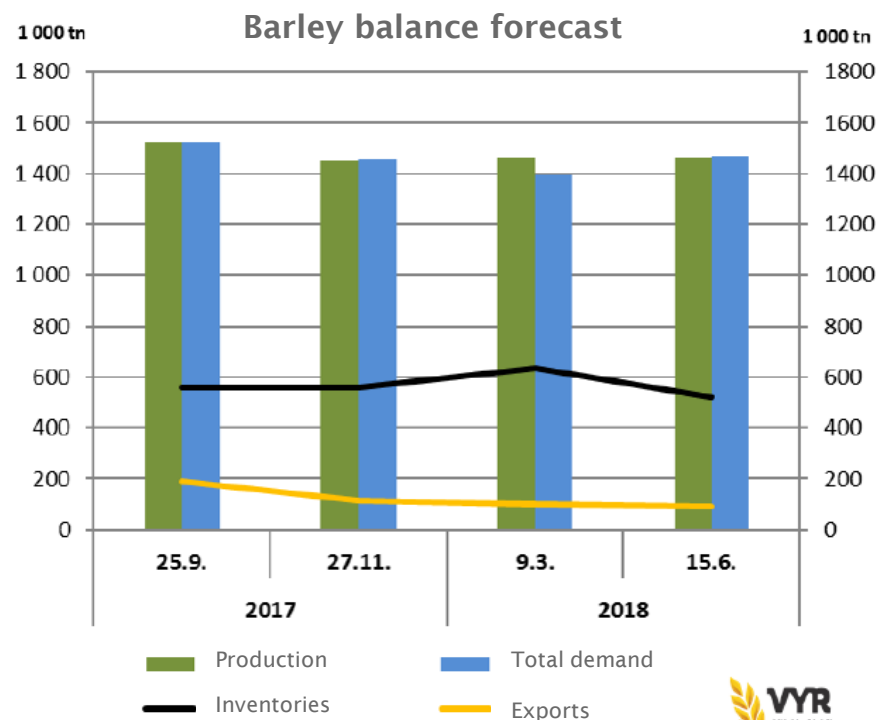
²⁾ Sisältää syys- ja kevätruunin - Inkl. höst- och vårråg - Incl. winter and spring rye

³⁾ Sisältää kokoviljasäilörehun ja tuoresäilöviljan: kevätvehnä, ohra, kaura ja seosvilja - Inkl. helsädesensilage och ensilerad spannmål: vårvete, korn, havre och blandsäd - Incl. cereals harvested green e.g. spring wheat, barley, oats and mixed crops

⁴⁾ Viljelyala: Käytössä oleva maatalousmaa 2018, 17.7.2018. - Odlingsareal: Utnyttjad jordbruksareal 2018, 17.7.2018. - Cultivated area: Utilised Agricultural area 2018, July 17th 2018

⁵⁾ Hehtaarisatoarvio perustuu ProAgrian asiantuntijoiden antamiin kuntakohtaisiin arvioihin - De hektarvisa skördeprognoserna baserar sig på bedömningar i olika kommuner gjorda av ProAgrias experter - The estimated yields per hectare are based on municipality-specific estimates provided by ProAgria Advisory Centres

⁶⁾ Korjattu ala - Skördad areal - Harvested area



Lähde: Luken ja VYR:n viljatasearviot



Lähde: SVT: Luonnonvarakeskus, Satotilasto

Source: OSF: Natural Resources Institute Finland, Crop Production Statistics

31.8.2018

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.



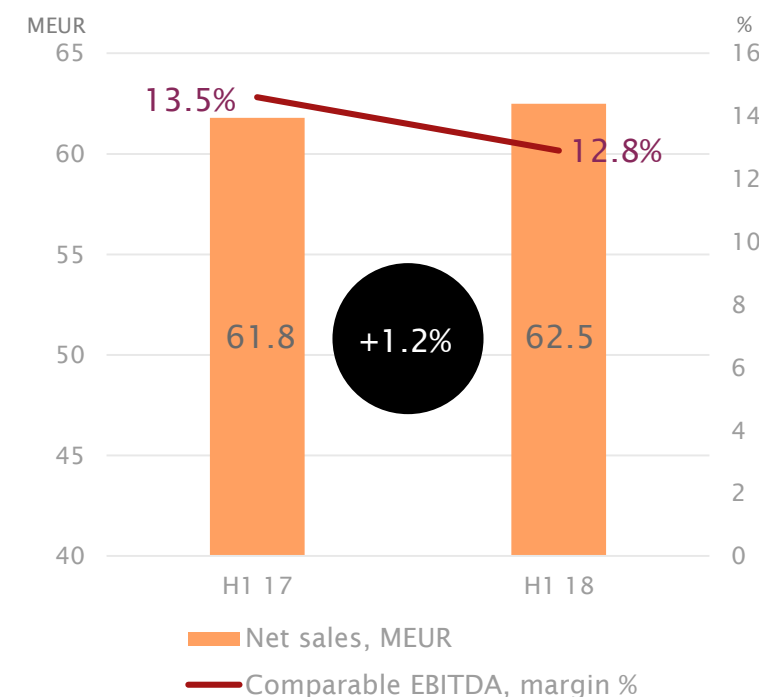
Highlights

- Retail and exports are growing
- Spirits sales impacted by monopoly's lower spirits volumes
- Travel retail at lower level, openings at new airports
- Sparkling and rosé wines driving growth in wines

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.



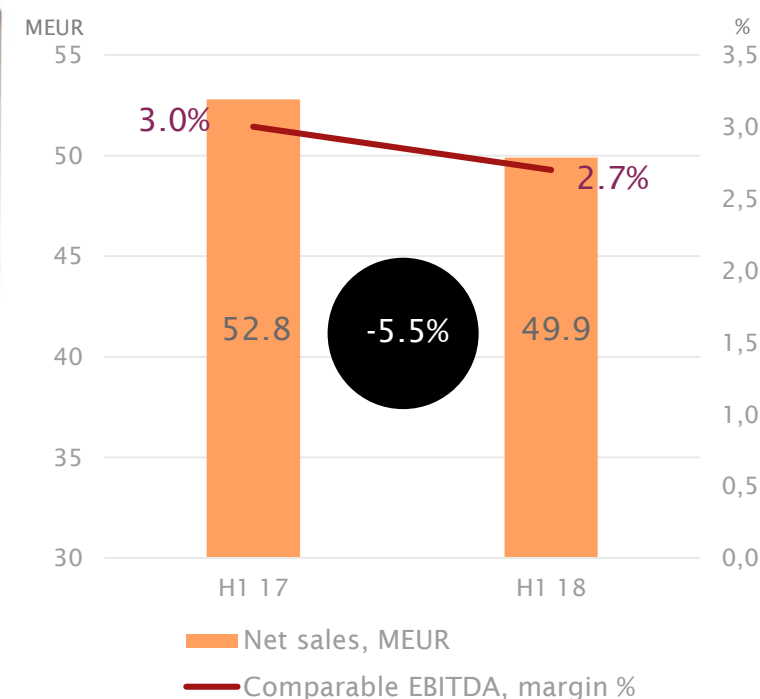
Highlights

- Excluding currency impact net sales at last year's level
- Good performance in wine with rosé and sparkling and new partner portfolio
- Good performance in spirits in Norway
- Negative impact on spirits from partner portfolio change

Product launches & events

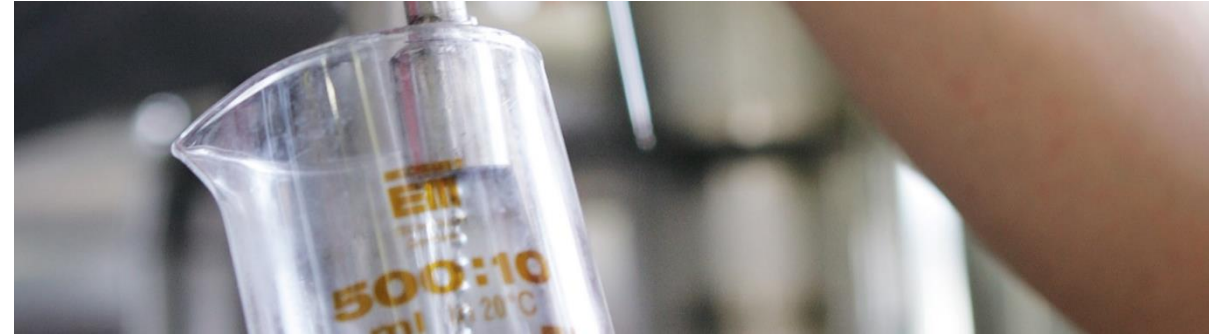


Key financials



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

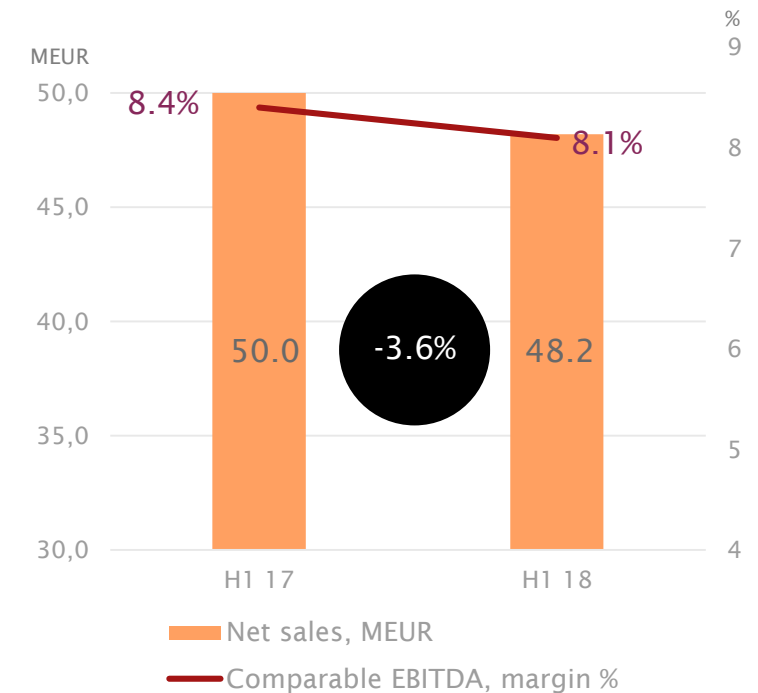
- Good demand of industrial products
- Lower contract manufacturing volumes due to phasing
- Finnative – own Altia brand, native starch for industrial use



Production in H1

- Rajamäki produced 29.1 (29.9) million litres of spirits and wine
- Koskenkorva plant at full capacity with volumes up by 4.6%

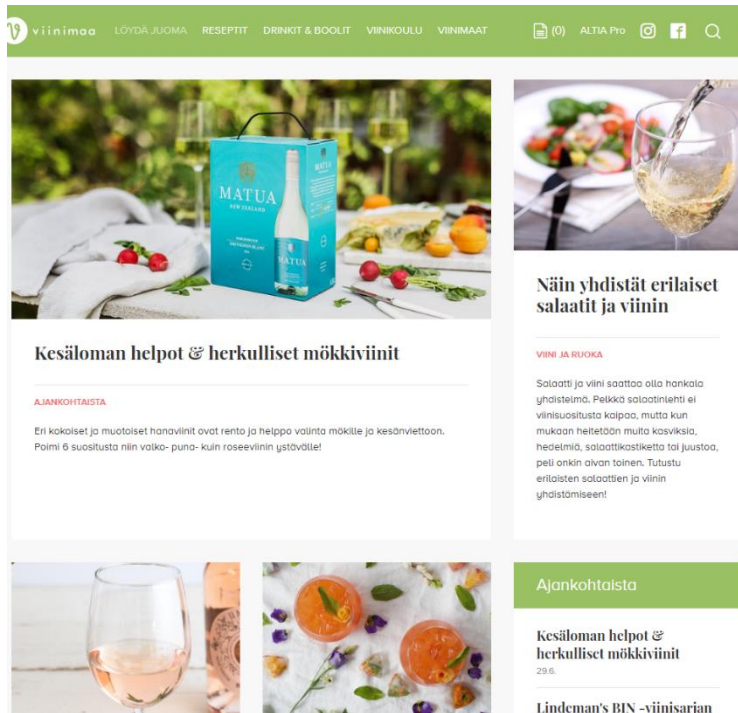
Key financials



Altia's digital platforms

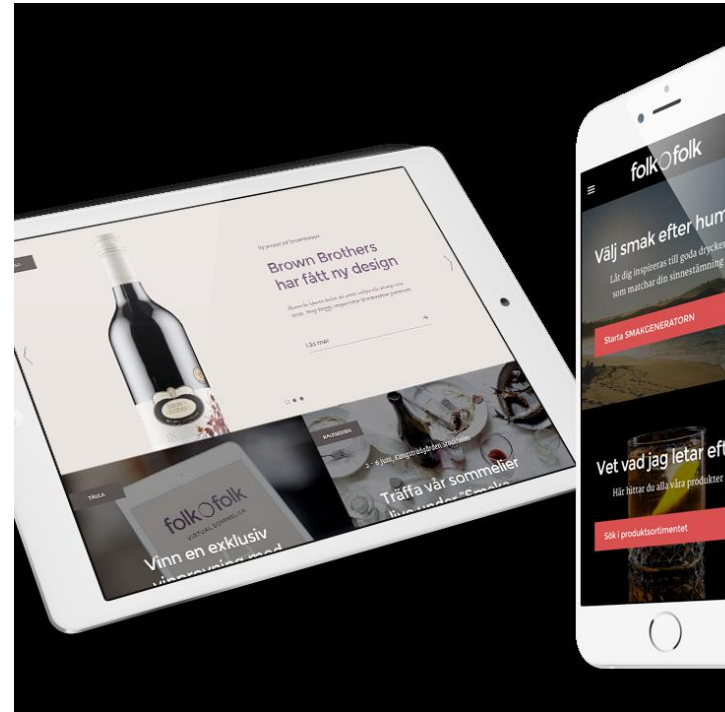
Finland: www.viinimaa.fi

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



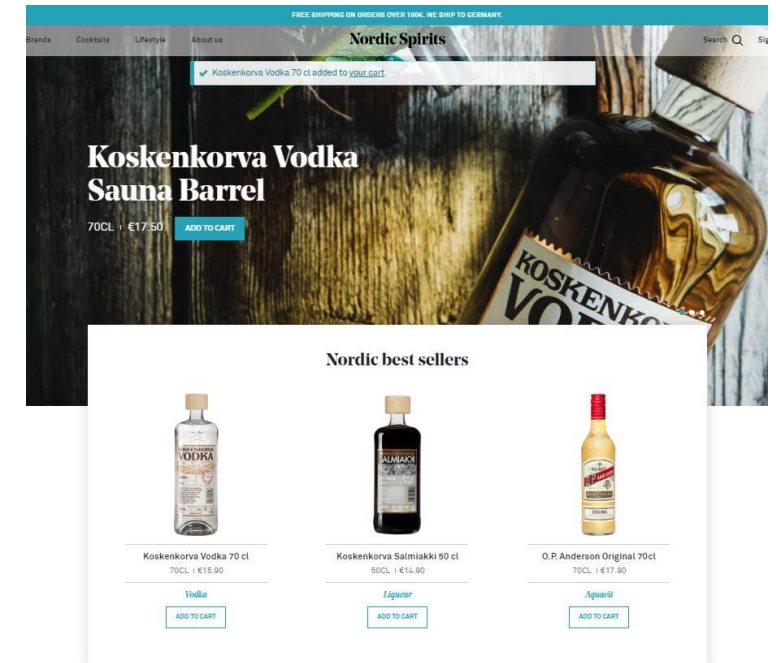
Sweden: www.folkofolk.se

- 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



New accounting standards: IFRS 16 Leases

NOT SIGNIFICANT IMPACT ON ALTIA

- Based on the Altia's preliminary impact assessment the implementation of IFRS 16 will increase the property, plant and equipment in its balance sheet.
- Altia does not expect the impact to be significant due to the nature and moderate number of off-balance sheet leases.
- At the 30 June 2018, the off the balance sheet lease obligations amounted to EUR 14.6 million.
- In the consolidated income statement, the operating expense will decrease while depreciation and interest costs will reflect an increase as the lease expense is no longer classified as an operating expense. This will lead to an improvement in EBITDA by approximately EUR 4–5 million.
- Altia expects to implement the standard by using a simplified approach where comparative figures will not be restated. The Group is in process to further assess its lease portfolio and quantifying the impact of adopting IFRS 16 and will continue to report on the expected impact in its financial reports.

Key ratios

EUR million		Q2 18	Q2 17	H1 18	H1 17	2017
Income statement						
Net sales	EUR million	87.1	91.3	160.6	164.6	359.0
Comparable EBITDA	EUR million	8.7	9.2	13.8	13.4	42.4
% of net sales	%	9.9	10.0	8.6	8.2	11.8
EBITDA	EUR million	8.3	9.0	9.3	12.8	40.3
Comparable operating result (EBIT)	EUR million	5.2	5.6	6.8	6.3	28.2
% of net sales	%	5.9	6.1	4.2	3.9	7.8
Operating result	EUR million	4.8	5.4	2.3	5.7	26.1
Result before taxes	EUR million	4.2	5.0	2.0	5.7	25.0
Result for the period	EUR million	3.6	3.9	1.7	4.7	18.3
Items affecting comparability	EUR million	-0.4	-0.2	-4.5	-0.6	-2.1
Balance sheet						
Cash and cash equivalents	EUR million			25.7	45.1	52.4
Total equity	EUR million			136.4	184.1	136.8
Borrowings	EUR million			103.1	72.7	100.1
Invested capital	EUR million			239.5	256.8	236.9

EUR million		Q2 18	Q2 17	H1 18	H1 17	2017
Profitability						
Return on equity (ROE), rolling 12 months	%			11.2	18.9	11.1
Return on invested capital (ROI), rolling 12 months	%			7.2	14.3	8.0
Financing and financial position						
Net debt	EUR million			77.4	27.7	47.7
Gearing	%			56.7	15.0	34.9
Equity ratio	%			35.2	45.5	34.3
Net cash flow from operating activities	EUR million	0.3	14.0	-26.7	-7.1	37.6
Net debt/comparable EBITDA, rolling 12 months				1.8	0.6	1.1
Share-based key ratios						
Earnings per share	EUR	0.10	0.11	0.05	0.13	0.51
Equity per share	EUR			3.77	5.12	3.80
Personnel						
Average number of personnel		742	783	723	784	762

Consolidated income statement

EUR million	Q2 18	Q2 17	H1 18	H1 17	2017
NET SALES	87.1	91.3	160.6	164.6	359.0
Other operating income	2.0	1.6	3.5	3.0	8.3
Materials and services	-49.1	-52.2	-91.0	-93.2	-202.0
Employee benefit expenses	-12.9	-13.2	-27.1	-26.5	-52.0
Other operating expenses	-18.8	-18.5	-36.7	-35.1	-72.9
Depreciation, amortisation and impairment	-3.5	-3.5	-7.0	-7.1	-14.2
OPERATING RESULT	4.8	5.4	2.3	5.7	26.1
Finance income	0.8	1.6	1.6	1.8	4.5
Finance expenses	-1.4	-2.0	-2.8	-2.7	-6.4
Share of profit in associates and income from interests in joint operations	0.0	0.0	0.9	0.9	0.9
RESULT BEFORE TAXES	4.2	5.0	2.0	5.7	25.0
Income tax expense	-0.7	-1.1	-0.3	-1.1	-6.7
RESULT FOR THE PERIOD	3.6	3.9	1.7	4.7	18.3
Result for the period attributable to:					
Owners of the parent	3.6	3.9	1.7	4.7	18.3

Consolidated balance sheet

EUR million	30 Jun 2018	30 Jun 2017	2017
ASSETS			
Non-current assets			
Goodwill	80.1	82.8	82.1
Other intangible assets	31.8	36.0	34.4
Property, plant and equipment	66.5	69.3	67.4
Investments in associates and interests in joint operations	7.6	7.6	7.6
Available-for-sale financial assets	1.4	0.8	1.4
Other receivables	-	-	1.0
Deferred tax assets	0.9	5.0	1.0
Total non-current assets	188.4	201.5	194.8
Current assets			
Inventories	109.6	101.6	94.5
Trade and other receivables	59.7	53.3	53.9
Current tax assets	4.7	2.8	2.8
Cash and cash equivalents	25.7	45.1	52.4
Total current assets	199.6	202.7	203.6
TOTAL ASSETS	388.0	404.2	398.4

EUR million	30 Jun 2018	30 Jun 2017	2017
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	60.5	60.5	60.5
Invested unrestricted equity fund	1.2	-	-
Fair value reserve	0.6	-	0.6
Hedge reserve	0.6	-1.3	-0.3
Translation differences	-20.5	-13.8	-16.0
Retained earnings	94.0	138.7	92.0
Total equity	136.4	184.1	136.8
Non-current liabilities			
Deferred tax liabilities	16.7	20.3	17.7
Borrowings	83.4	64.9	89.1
Provisions	-	-	-
Employee benefit obligations	1.4	1.7	1.3
Total non-current liabilities	101.5	86.9	108.2
Current liabilities			
Borrowings	19.7	7.8	11.0
Provisions	-	0.4	-
Trade and other payables	127.5	122.7	137.4
Current tax liabilities	2.9	2.3	5.0
Total current liabilities	150.1	133.2	153.4
Total liabilities	251.6	220.1	261.6
TOTAL EQUITY AND LIABILITIES	388.0	404.2	398.4

Cash flow from operations

EUR million	Q2 18	Q2 17	H1 18	H1 17	2017
CASH FLOW FROM OPERATING ACTIVITIES					
Result before taxes	4.2	5.0	2.0	5.7	25.0
Adjustments					
Depreciation, amortisation and impairment	3.5	3.5	7.0	7.1	14.2
Share of profit in associates and income from investments in joint operations	-0.0	0.0	-0.9	-0.9	-0.9
Net gain on sale of non-current assets	-0.4	-0.0	-0.5	-0.0	-1.6
Finance income and costs	0.6	0.4	1.2	0.9	1.9
Other adjustments	-0.0	-0.2	0.1	0.0	0.5
	3.6	3.8	6.8	7.0	14.1
Change in working capital					
Change in inventories, increase (-) / decrease (+)	-8.8	0.5	-15.6	-5.6	1.2
Change in trade and other receivables, increase (-) / decrease (+)	-6.3	-3.0	-4.6	10.4	9.4
Change in trade and other payables, increase (+) / decrease (-)	9.1	10.7	-9.7	-18.9	-2.6
Change in provisions, increase (+) / decrease (-)	-	-0.3	-	-0.9	-1.3
Change in working capital	-6.0	7.9	-29.8	-15.0	6.7
Interest paid	-0.4	-0.5	-0.6	-0.9	-1.7
Interest received	0.0	0.1	0.1	0.1	0.3
Other finance income and expenses paid	-0.0	-0.9	-0.8	-1.0	-2.2
Income taxes paid	-1.2	-1.4	-4.4	-3.1	-4.6
Financial items and taxes	-1.6	-2.7	-5.7	-4.9	-8.2
NET CASH FLOW FROM OPERATING ACTIVITIES	0.3	14.0	-26.7	-7.1	37.6

Quarterly net sales and comparable EBITDA by segment

Net sales by segment

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

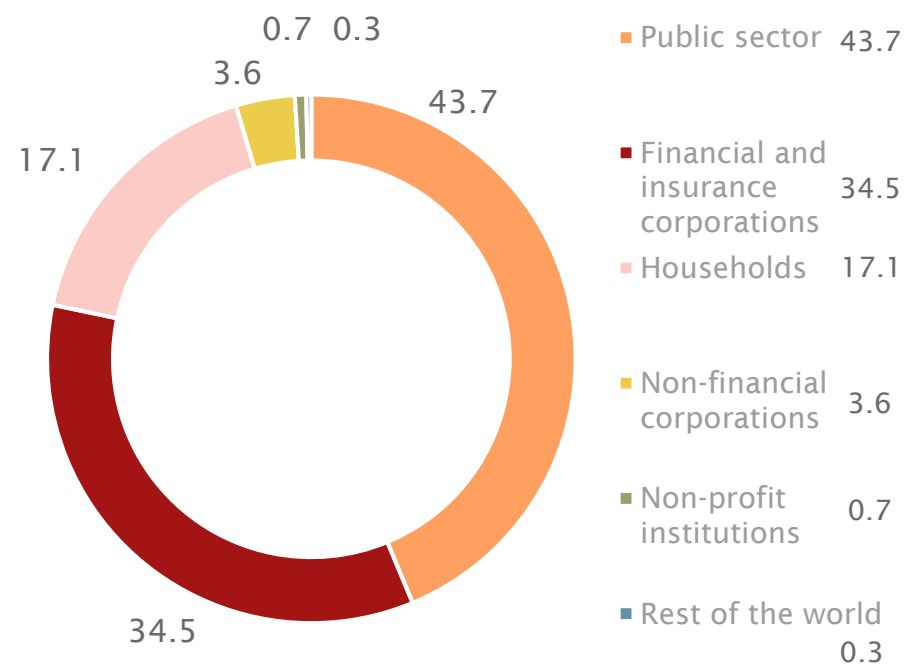
Comparable EBITDA by segment

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

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

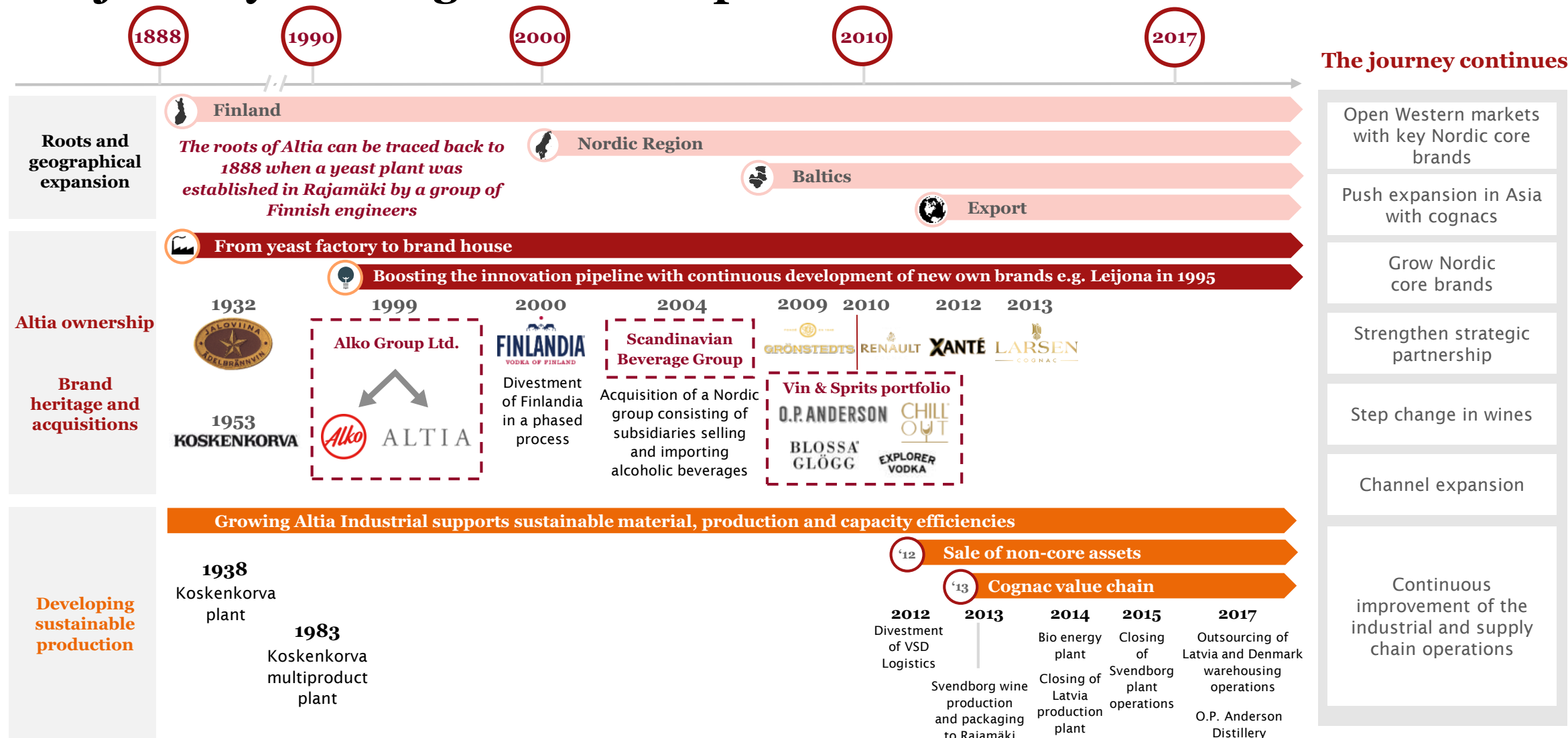
EUR million	Q2 18	Q2 17	H1 18	H1 17	2017
Items affecting comparability					
Net gains or losses from business and assets disposals	0.4	-	0.4	-	1.3
Cost for closure of business operations and restructurings	-0.1	-0.2	-0.3	-0.6	-1.1
Major corporate projects					
Costs related to stock exchange listing	-0.7	-	-4.6	-	-2.4
Total items affecting comparability	-0.4	-0.2	-4.5	-0.6	-2.1
Comparable EBITDA					
Operating result	4.8	5.4	2.3	5.7	26.1
Less:					
Depreciation, amortisation and impairment	3.5	3.5	7.0	7.1	14.2
Total items affecting comparability	0.4	0.2	4.5	0.6	2.1
Comparable EBITDA	8.7	9.2	13.8	13.4	42.4
% of net sales	9.9	10.0	8.6	8.2	11.8
Comparable EBIT					
Operating result	4.8	5.4	2.3	5.7	26.1
Less:					
Total items affecting comparability	0.4	0.2	4.5	0.6	2.1
Comparable EBIT	5.2	5.6	6.8	6.3	28.2
% of net sales	5.9	6.1	4.2	3.9	7.8

Shareholder structure as at 31 July 2018



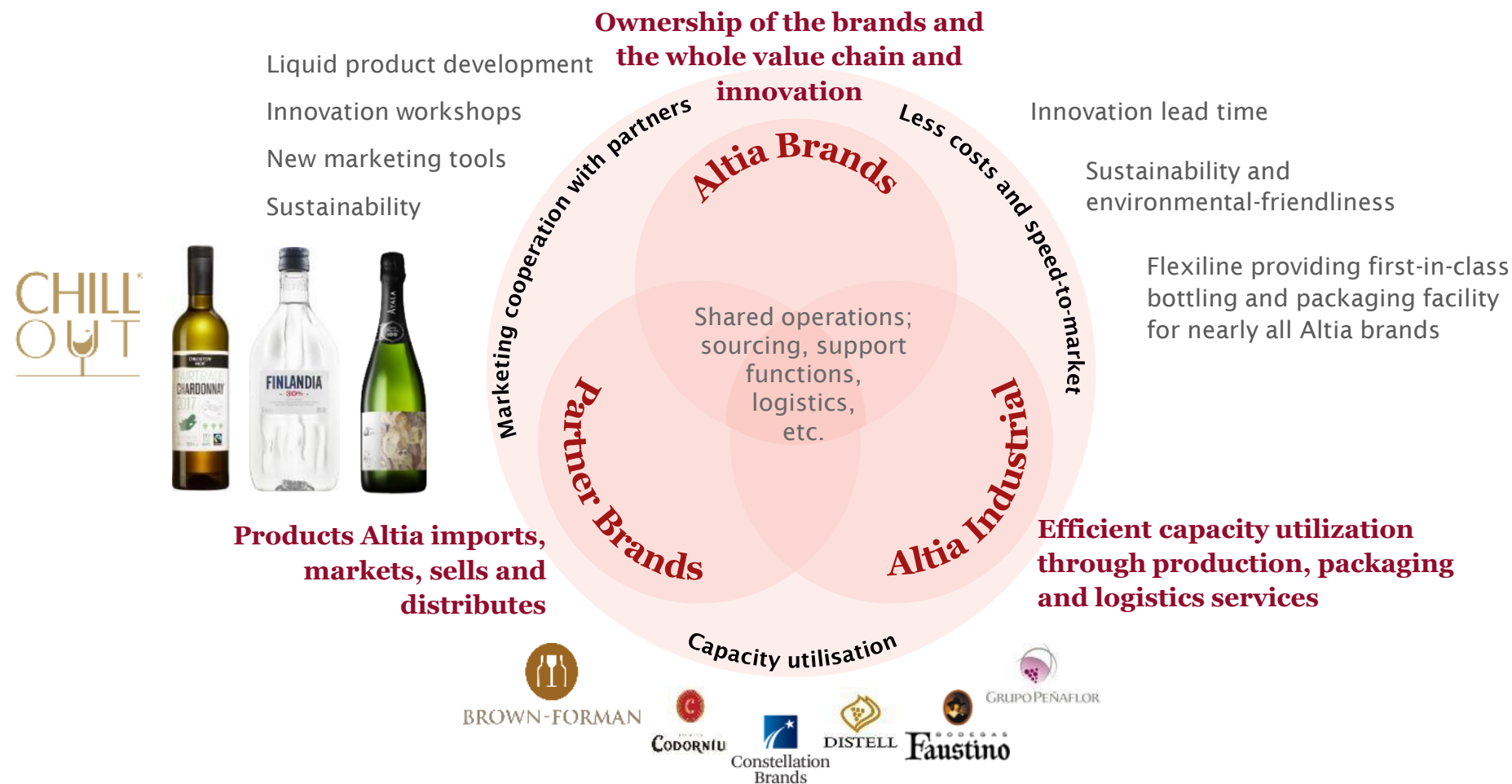
	Shareholders	Number of shares	% of shares
1	Prime Minister's Office	13 097 481	36.2
2	Varma Mutual Pension Insurance Company	1 200 000	3.3
3	Ilmarinen Mutual Pension Insurance Company	1 100 000	3.0
4	OP-Finland Small Firms Fund	474 779	1.3
5	Veritas Pension Insurance Company Ltd.	400 000	1.1
6	Mandatum Life Unit-Linked	281 052	0.8
7	Säästöpankki Pienyhtiöt	275 481	0.8
8	Säästöpankki Kotimaa	150 000	0.4
9	Sijoitusrahasto Taaleritehdas Arvo Markka Osake	120 000	0.3
10	Oy Leo Longlife Finance	101 361	0.3
	Top 10 total	17 200 154	47.6
	Nominee-registered shares	11 323 511	31.3

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

Our consumer brand segments reflect customer similarities and consumer habits

Scandinavia



- Net sales of EUR 123.7m and comparable EBITDA margin of 9.3% in 2017
- 86 full-time employees at the end of 2017
- Segment head Janne Halttunen
- The wine category is relatively popular compared to Finnish and Baltic markets, which is reflected in the segment's strategic focus

Local heritage brands

EXPLORER
VODKA

GRÖNSTEDTS

ENKELT

Brøndums Snaps

Key focus areas:

Growing presence in the wine market by responding to consumption habits

Strengthening strategic partnerships and cooperation throughout the value chain

Expanding presence in sales channels

Net sales split 2017¹⁾



Finland & Exports



- Net sales of EUR 133.9m and comparable EBITDA margin of 14.6% in 2017
- 96 full-time employees at the end of 2017
- Segment head Kari Kilpinen
- The strategic focus follows the region's consumption habits, which have traditionally been skewed towards spirits

Local heritage brands

LEIJONA

SAAREMAA
VODKA

Key focus areas:

Enhancing strong brand equity in spirits through innovation

Capturing untapped potential from wine market through cooperation with producers

Growing exports through distribution partnerships

Net sales split 2017¹⁾



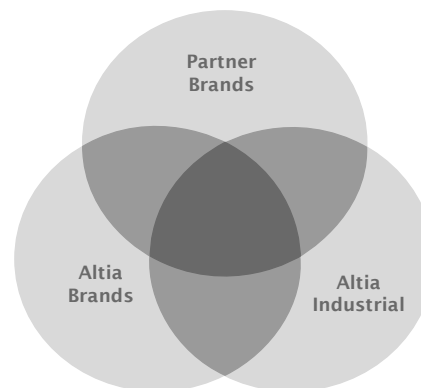
¹⁾ The breakdown of net sales by product category and by brands is based on unaudited internal sales reporting. In 2017, net sales in the internal sales reporting differed from the reported numbers by EUR 1.3m. The difference was mainly caused by the different FX treatment.

Altia Industrial takes care of the supply chain and provides Industrial Services and Products to customers

Introduction to the segment

- Net sales of EUR 101.3m and comparable EBITDA margin of 12.3% in 2017
- 405 full-time employees at the end of 2017
- Segment head Hannu Tuominen
- Industrial Services
 - Production and warehousing services
- Industrial products
 - Finnish barley is the focus of operations: barley starch, grain sprits, technical ethanols, naturet geothermal fluids and feed components are produced
- Supply chain
 - Distillation, Bottling and Customer Service & Logistics make up the supply chain processes

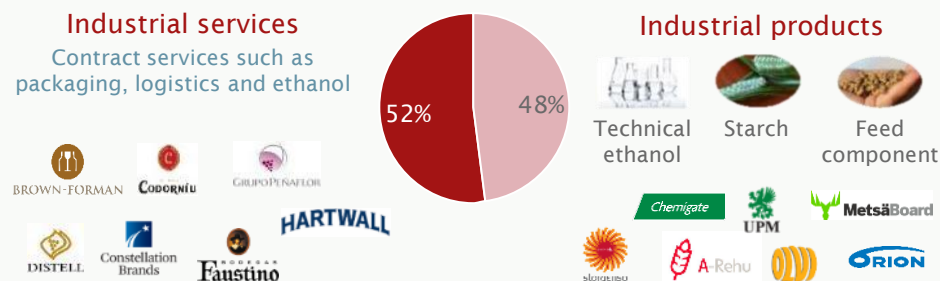
Highly integrated operating model ensuring first class efficiency



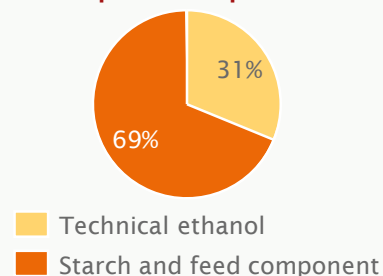
Supply chain footprint



Net sales 2017 by category¹⁾



Net sales 2017 industrial products split²⁾



Altia's core expertise includes processing and developing renewable agricultural raw materials into innovative end products

1) The breakdown of net sales by Industrial services and industrial products is based on accounting and is unaudited; 2) The breakdown of net sales by technical ethanol and starch and feed component is based on unaudited internal sales reporting

We have a proven executive management team



A Pekka Tennilä
CEO

C Janne Halttunen
SVP, SCANDINAVIA

E Hannu Tuominen
SVP, ALTIA INDUSTRIAL

G Kirsi Puntila
SVP, MARKETING

B Matti Piri
SVP, CFO

D Kari Kilpinen
SVP, FINLAND & EXPORTS

F Kirsi Lehtola
SVP, HR

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