

A top-down view of a rustic wooden surface. In the top left, there is a large branch of green juniper. In the top right, a small wooden bowl is filled with dark blueberries, with a few more scattered on the surface. In the bottom right, a clear glass is filled with water and several ice cubes. The text 'ALTIA' is centered in the middle, and 'Full-year 2019 results' is centered below it. At the bottom left, the names of the CEO and CFO are listed.

ALTIA

Full-year 2019 results

CEO PEKKA TENNILÄ

CFO NIKLAS NYLANDER

Agenda

1. BUSINESS REVIEW
2. SUSTAINABILITY ROADMAP
3. FINANCIALS
4. STRATEGY
5. Q&A

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.



Solid Q4 supported full-year profitability improvement

HIGHLIGHTS FROM 2019

*Board's
dividend
proposal
EUR 0.42
per share*

Reported net sales

359.6 (357.3)
EUR million

Net sales growth in
constant currencies

+1.5%

Comparable EBITDA

44.8 (40.0)
EUR million

Comparable EBITDA
without IFRS 16 impact

41.0
EUR million

Comparable EBITDA margin

12.4% (11.2%)

Comparable EBITDA margin
without IFRS 16 impact

11.4%

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, %	Q4 19	Q4 18	2019	2018
Nordics in total	+1.4	+1.3	+0.1	+0.8
Spirits	+0.9	+0.4	+1.0	-0.5
Wine	+1.5	+1.5	-0.1	+0.8
Finland, total sales	-2.8	-2.7	-2.9	-3.3
Spirits	-3.7	-2.4	-2.1	-3.6
Wine	-2.5	-2.8	-3.2	-3.2
Sweden, total sales	+2.6	+2.9	+1.0	+2.1
Spirits	+4.4	+4.1	+3.9	+2.7
Wine	+2.4	+2.8	+0.7	+2.0
Norway, total sales	+2.6	+1.2	+0.4	+1.5
Spirits	+3.0	-0.3	+1.6	+0.1
Wine	+2.5	+1.5	+0.2	+1.7

• Finland

- The whole spirits category decline is mainly driven by the large vodka & viina category. Growth in gins, liqueurs and whiskies.
- Red & white wines declined. Rosé, champagne and mild glöggs grew.

Sweden

- Strong development in spirits with most of the categories growing.
- Red, white & sparkling wines grew.

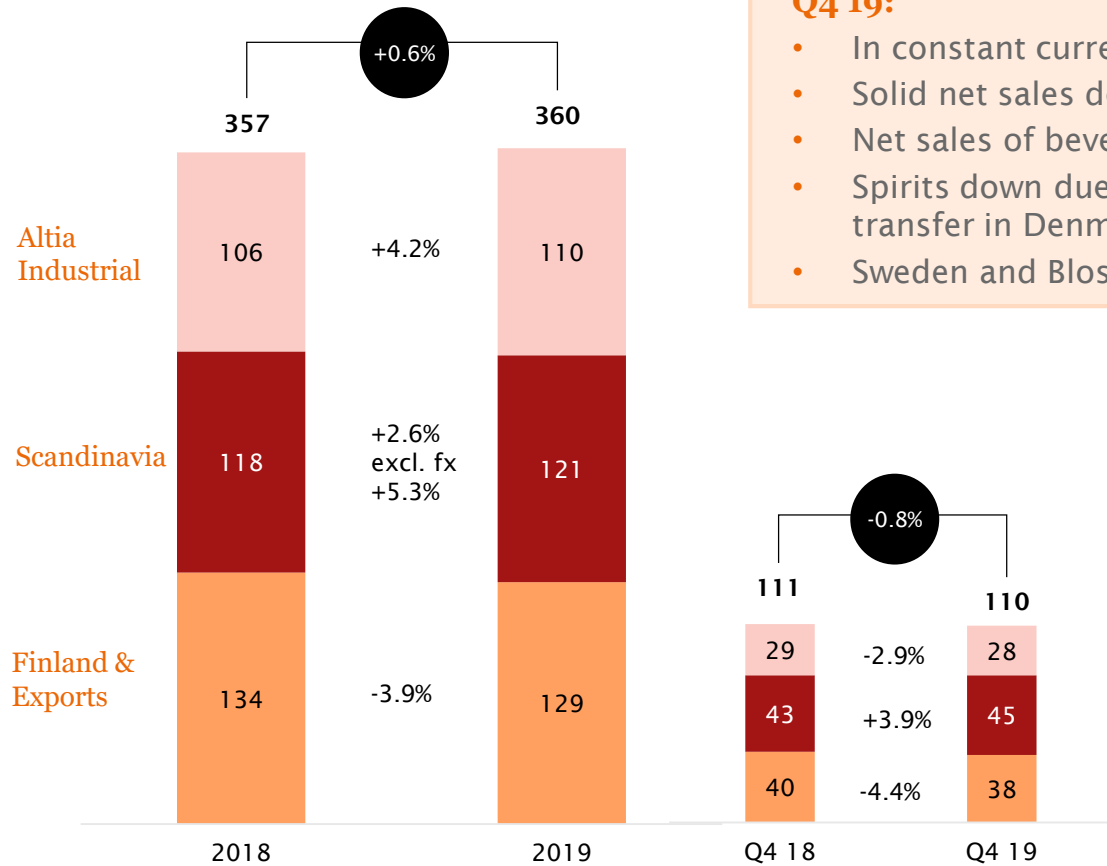
Norway

- Good development in spirits with many growing categories.
- In wines the slight growth is driven mainly by sparkling wine.

Stable net sales development

JANUARY-DECEMBER 2019

Net sales by segment, MEUR



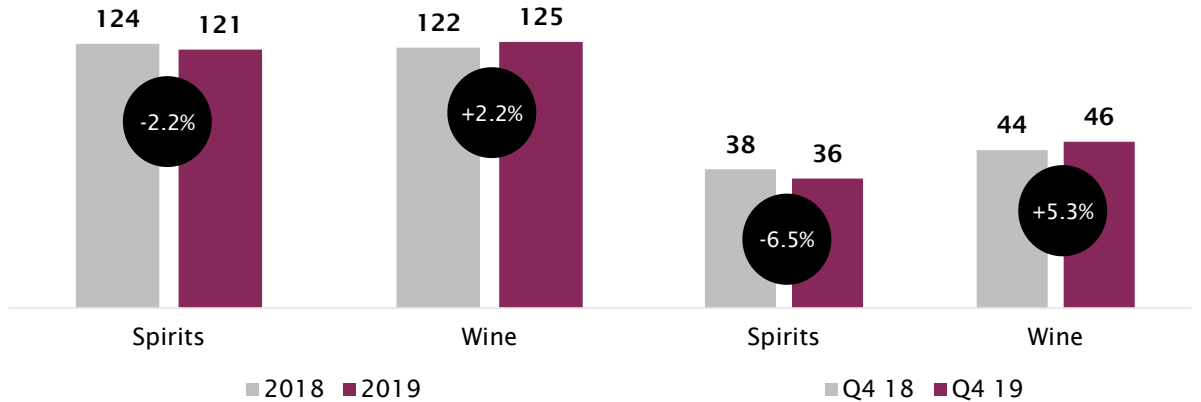
Q4 19:

- In constant currencies +0.2%
- Solid net sales development in Scandinavia
- Net sales of beverages at 2018 level
- Spirits down due to exports and business transfer in Denmark
- Sweden and Blossa contributes to wine growth

2019:

- Growth in constant currencies +1.5%
- Growth driven by Scandinavia and Altia Industrial segments
- Spirits sales grew in all monopoly markets, exports and Denmark drive spirits decline
- Sweden contributes to wine growth

Net sales of beverages, MEUR*



*) Excluding Other beverages

Finland & Exports

JANUARY–DECEMBER 2019

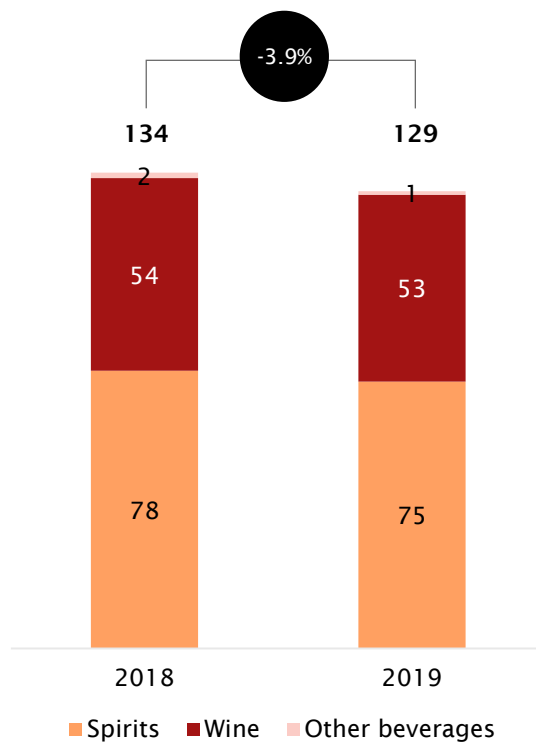
The Finland & Exports segment comprises the import, sale and marketing of wine and spirits, and other beverages in Finland and the Baltics, as well as exports and travel retail.



Highlights

- Net sales declined by 3.9% to EUR 128.6 (133.8) million.
- In the monopoly, price adjustments in spirits balanced off lower volumes and Altia's spirits sales in value grew. Wine sales declined following market volume decline.
- In grocery trade, sales grew with new launches.
- Good development in the Baltics.
- Travel retail & exports below 2018 level.

Net sales, MEUR



Product launches in Q4 19



Scandinavia

JANUARY–DECEMBER 2019

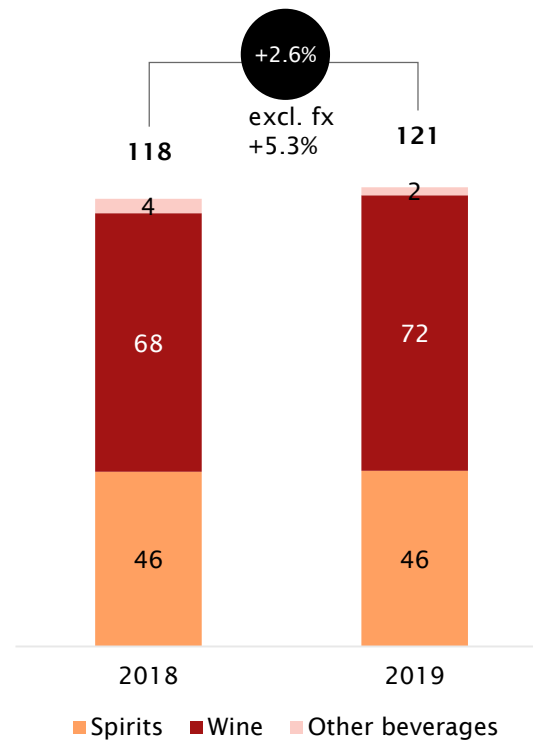
The Scandinavia segment comprises the import, sale and marketing of wine and spirits, and other beverages in Sweden, Norway and Denmark.



Highlights

- Strong performance with net sales growth in constant currencies by 5.3%
- Reported net sales grew by 2.6% to EUR 121 (118) million
- Key drivers in spirits were new partners and pricing
- Key drivers in wine were new partner and strong Blossa sales
- Spirits developed well in Norway

Net sales, MEUR



Product launches in Q4 19



Altia Industrial

JANUARY–DECEMBER 2019

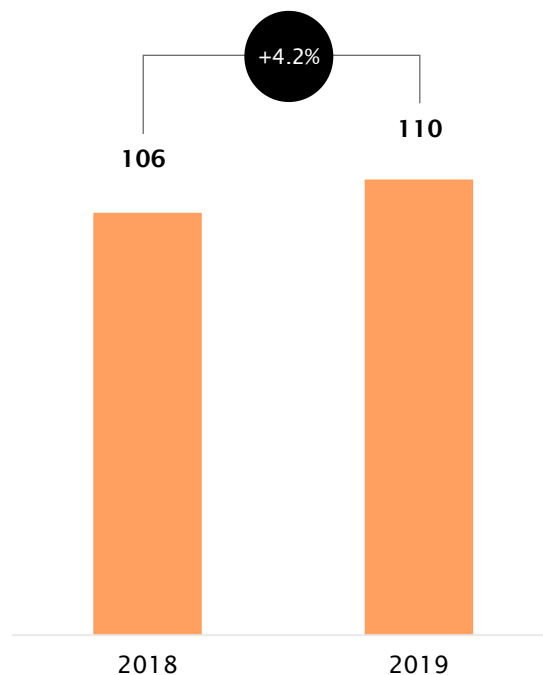
The Altia Industrial segment comprises Koskenkorva plant operations, starch, feed component and technical ethanol businesses, as well as contract manufacturing services at Rajamäki. It also includes supply chain operations, i.e. production operations in different countries, customer service, logistics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



Highlights

- Net sales grew by 4.2% to EUR 110 (106) million
- Growth was driven by higher prices following the increase in barley prices
- Volume in industrial products especially ethanol and feed components were strong

Net sales, MEUR



Highlights

- Koskenkorva plant ran at full capacity during 2019
- In 2019, 212 (212) million kilos of grain was consumed
- At Rajamäki alcoholic beverage plant 65.8 (64.7) million litres of spirits and wine were produced



ALTIA

Sustainability Roadmap

CIRCULAR ECONOMY

LET'S DRINK BETTER

We believe life is to be enjoyed, but not at the expense of our planet. That's why we are forerunners in sustainability. We are proud to work with products that are the best choice for the environment and for the climate, promoted and consumed responsibly.

OUR DISTILLERY

Carbon neutral
by 2025

OUR DRINK

100%
recyclable
packaging by
2025

OUR SOCIETY

10%
of portfolio low
alcohol or non-
alcoholic drinks

OUR PEOPLE

Zero
absence
due to injuries by
2030

A top-down photograph of a rustic wooden surface. In the upper left, there is a sprig of fresh rosemary. In the upper right, a small wooden bowl is filled with dark blueberries, with a few more scattered on the surface. In the lower right, a clear glass is filled with water and several ice cubes. The text 'ALTIA' is centered on the left side of the image.

ALTIA

Financials

CFO NIKLAS NYLANDER

Full-year EBITDA exceeds previous year driven by strong last quarter

BARLEY, FX AND MARKET IMPACT MITIGATED BY COST EFFICIENCY AND PRICE INCREASES

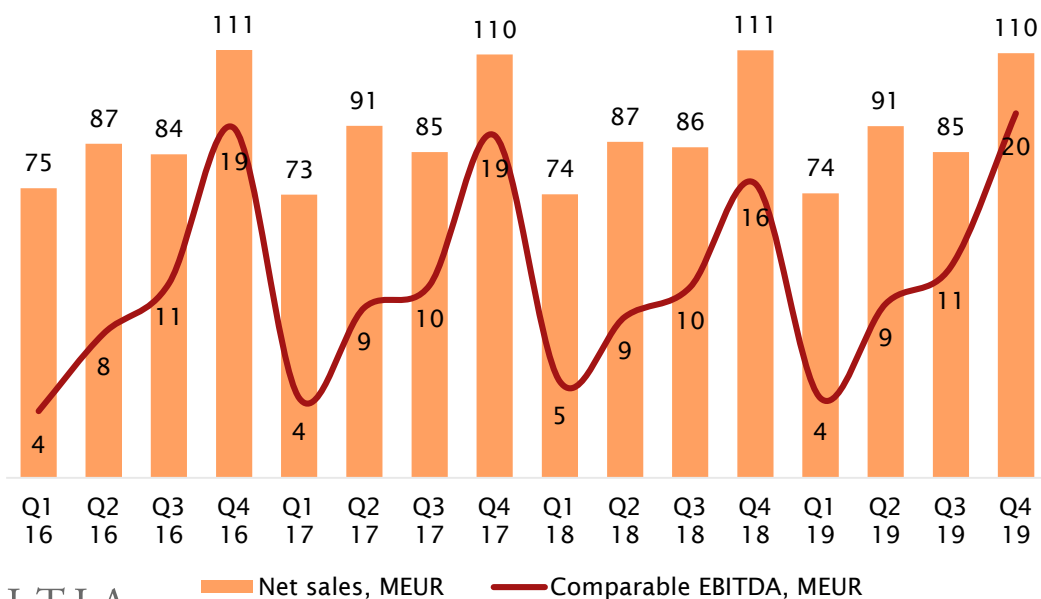
Q4 19:

- Comparable EBITDA (excl. IFRS 16) EUR 18.8 million: EUR 2.9 million better than last year
- Altia Industrial driven by normalised barley, key profit contributor in the quarter – supported by consumer beverage segments
- Performance in consumer beverage segments boosted by price increases, efficiency and less cost charges from central functions

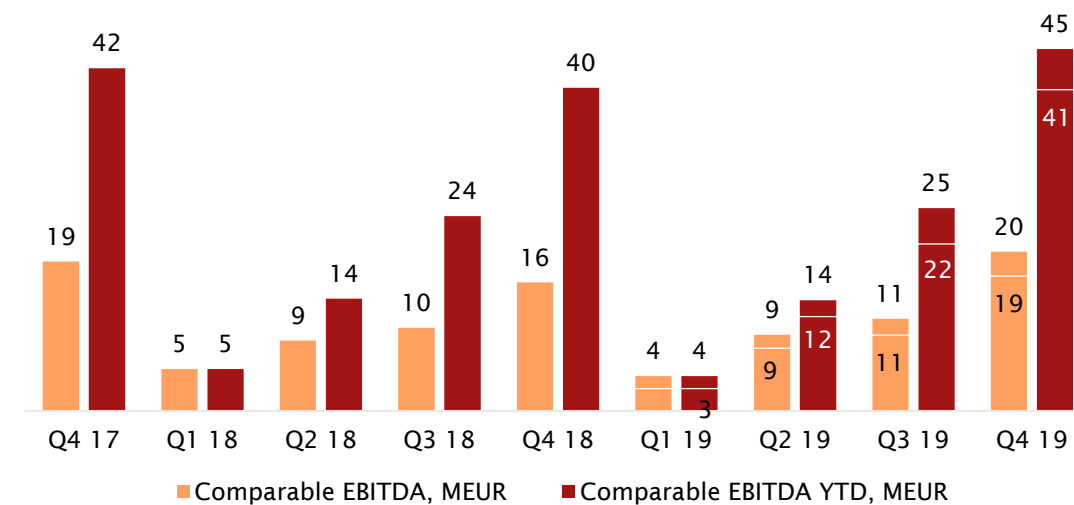
2019:

- Comparable EBITDA (excl. IFRS 16) EUR 41.0 million: EUR 1 million better than last year
- Both consumer beverage segments above last year while barley impacts Altia Industrial negatively
- Performance driven by efficiency measures and price increases offsetting barley, negative fx and negative market volumes in Finland

Quarterly net sales and comparable EBITDA, EUR million



Quarterly and cumulative comparable EBITDA, EUR million



Comparable EBITDA, MEUR Comparable EBITDA YTD, MEUR

*) excl. IFRS 16 impact

Comparable EBITDA excl. IFRS 16 by segment

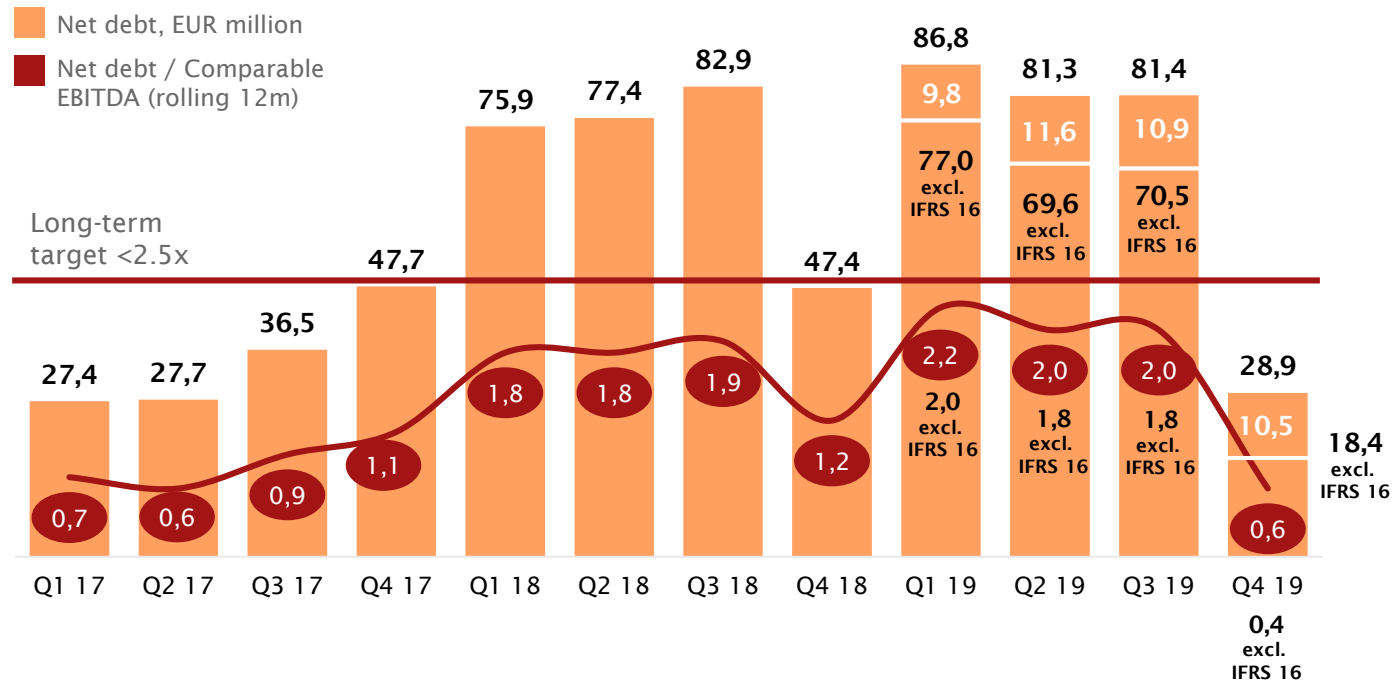
PROFIT DEVELOPMENT DRIVEN BY CONSUMER SEGMENTS

EUR million	Q4 19	Q4 19 <i>excl. IFRS 16</i>	Q4 18	2019	2019 <i>excl. IFRS 16</i>	2018
Finland & Exports	7.3	7.3	6.2	20.6	20.4	19.2
<i>% of net sales</i>	19.4	19.3	15.7	16.0	15.8	14.3
Scandinavia	9.1	8.9	8.0	12.1	11.5	10.1
<i>% of net sales</i>	20.4	20.1	18.7	10.0	9.5	8.6
Altia Industrial	4.5	4.1	2.2	11.4	9.6	10.9
<i>% of net sales</i>	16.3	14.7	7.8	10.4	8.7	10.3
Other	-1.3	-1.5	-0.6	0.7	-0.5	-0.3
Total	19.7	18.8	15.9	44.8	41.0	40.0
<i>% net sales</i>	17.9	17.1	14.3	12.4	11.4	11.2

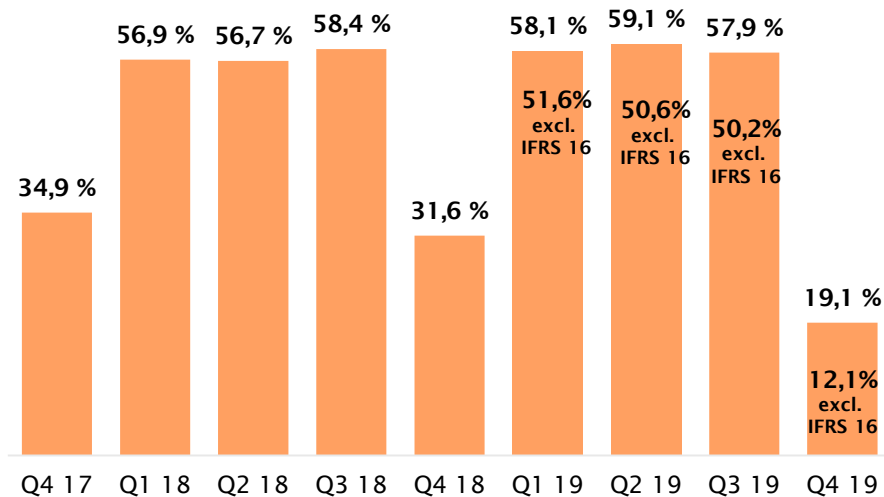
Balance sheet key ratios

SOLID DEVELOPMENT STRENGTHENS THE FINANCIAL POSITION FURTHER

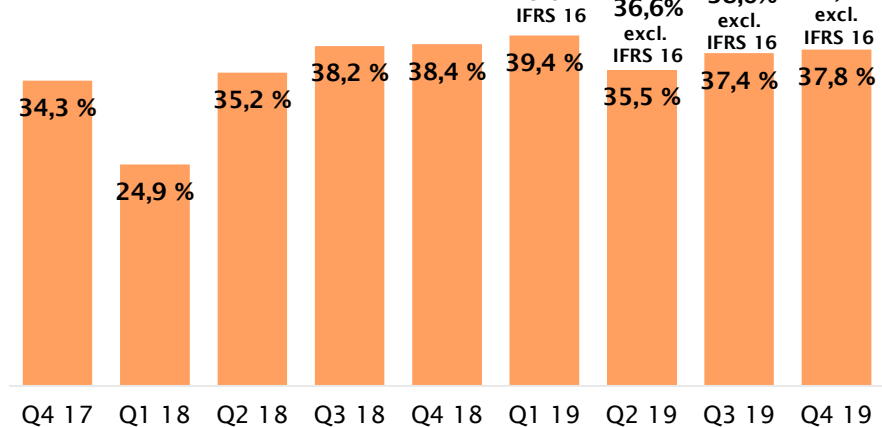
Net debt



Gearing, %



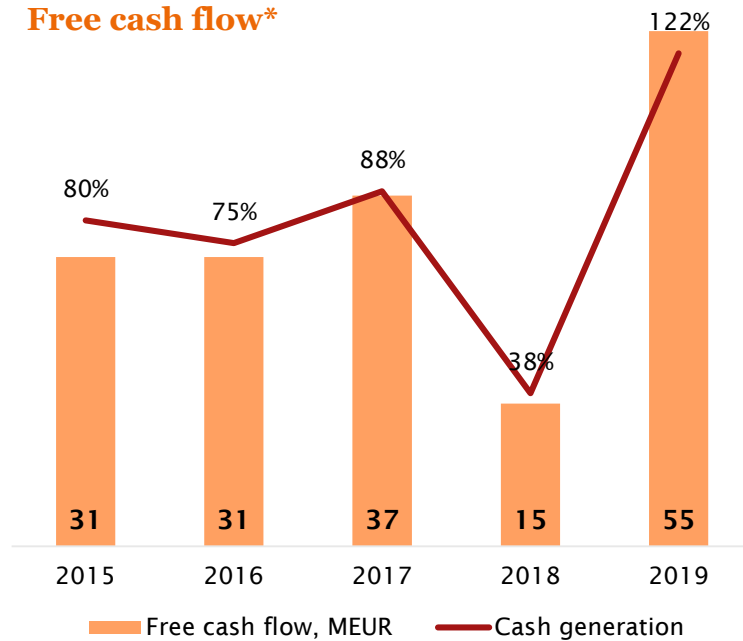
Equity ratio, %



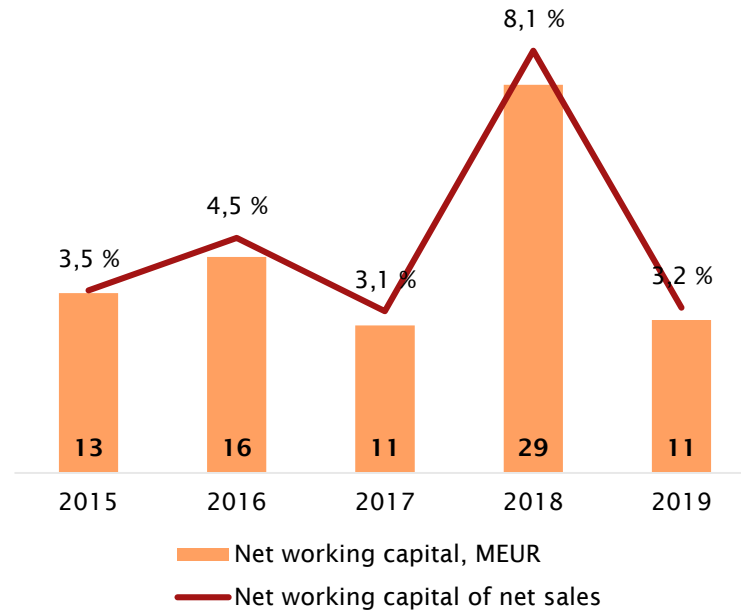
Cash flow & working capital

SIGNIFICANT IMPROVEMENT IN CASH FLOW FROM NORMALISED NET WORKING CAPITAL AND STABLE CAPEX

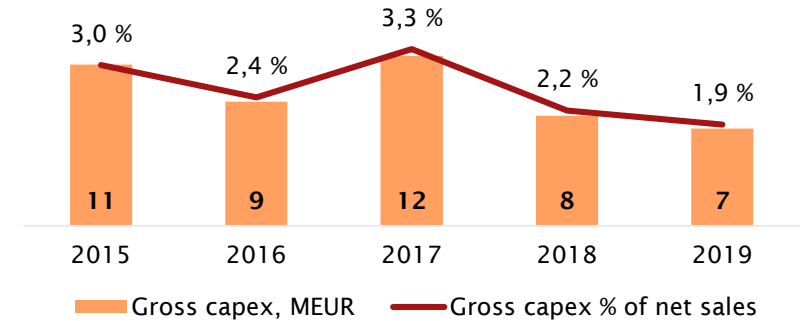
Free cash flow*



Net working capital



Capital expenditure



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

Guidance 2020

- The comparable EBITDA is expected to be at the same level as or higher than in 2019 (2019: EUR 44.8 million).
 - The continued decline in market volumes in Finland puts pressure on profitability growth.
 - The uncertainties in global travelling impacts border trade and travel retail regionally and in Asia.
 - Guidance assumes a normal barley price level following the 2020 harvest.
 - Industrial services are impacted by phasing of volumes between the years.





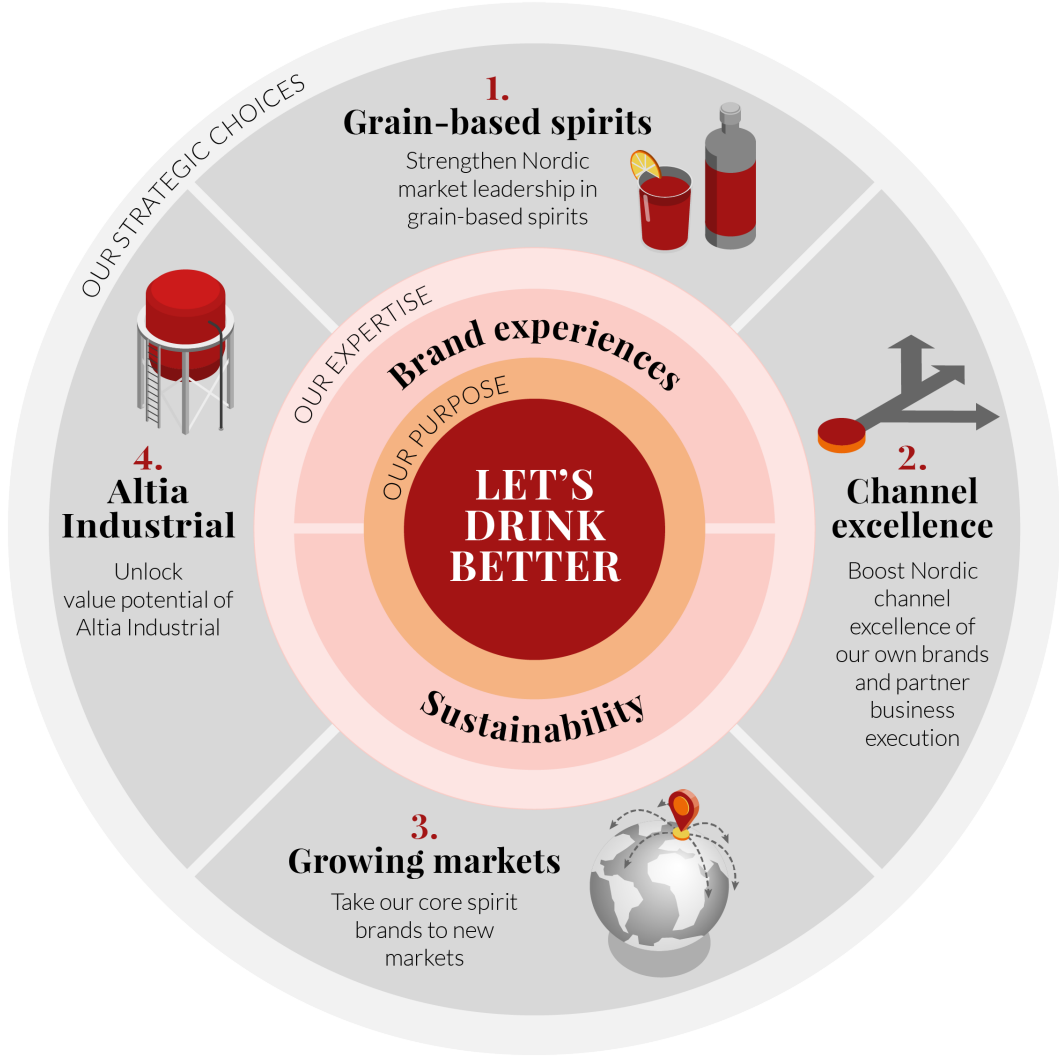
Altia's refined strategy

CEO PEKKA TENNILÄ

KOSKEN
VODKA

Flavour
RASPBERRY
PINEN

Altia's refined strategy



Our markets are changing, and consumers want to make responsible choices. We believe that life is to be enjoyed, but not at the expense of the planet. That's why we create unique brand experiences and are forerunners in sustainability. We simply call this - Let's Drink Better.

The choices made in the refined strategy will support Altia's profitable growth ambitions towards its financial targets, and strengthen Altia's position as one of the most sustainable spirits companies and a leading Nordic drinks house.

We build our strategy on our two core strengths: we are the Nordic distillery mastering creation of sustainable and high-quality grain-based spirits, and we provide the best route to market through distribution and channel excellence for our brands and our partners.

To strengthen our growth, we aim to take our brands to new growing markets. We strive for carbon neutral production by 2025 and to develop more value-added products from barley.

We have made clear strategic choices to deliver profitable growth:

1. Strengthen Nordic market leadership in grain-based spirits
2. Boost Nordic Channel excellence
3. Take our core spirit brands to new markets
4. Unlock value potential of Altia industrial

Our purpose: Let's drink better



1. We want to develop better drinking experiences.
2. We are proud to work with products that are the best choice for the environment and for the climate, promoted and consumed responsibly.
3. Altia wants to support a development of a modern, responsible Nordic drinking culture.

Award-winning brand experiences and sustainability



We build our Nordic brands with relevance and value for new generations:

- Create unique brand experiences with superior value in each channel and touchpoint.
- Expand into new occasions, categories and segments recruiting new consumers.
- Be the innovation role-model in beverages, from the Nordics.

We are the forerunners in sustainability:

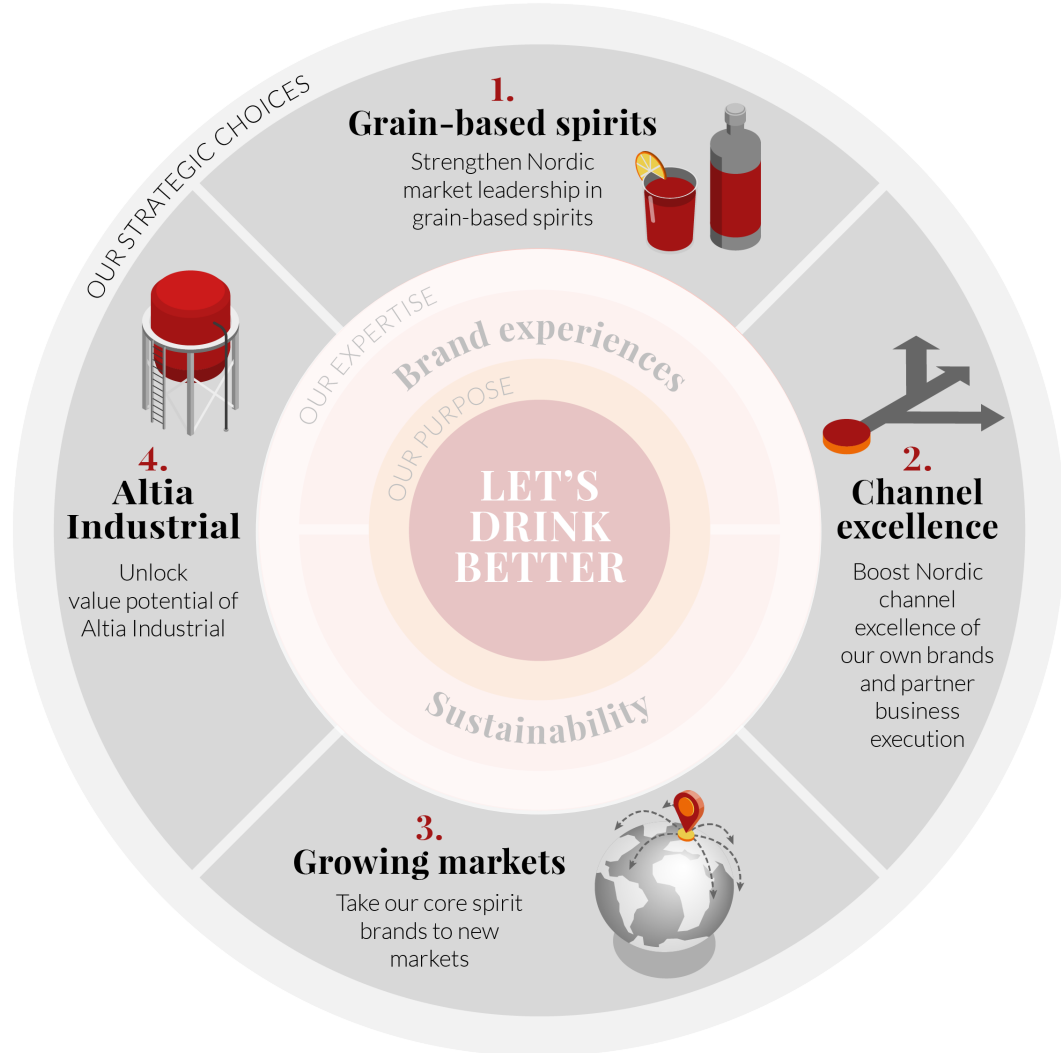
- Carbon free production by 2025
- 100% recyclable packaging
- 10% of portfolio low-alc drinks
- Zero absence due to injuries

KOSKENKORVA

LARSEN
COGNAC

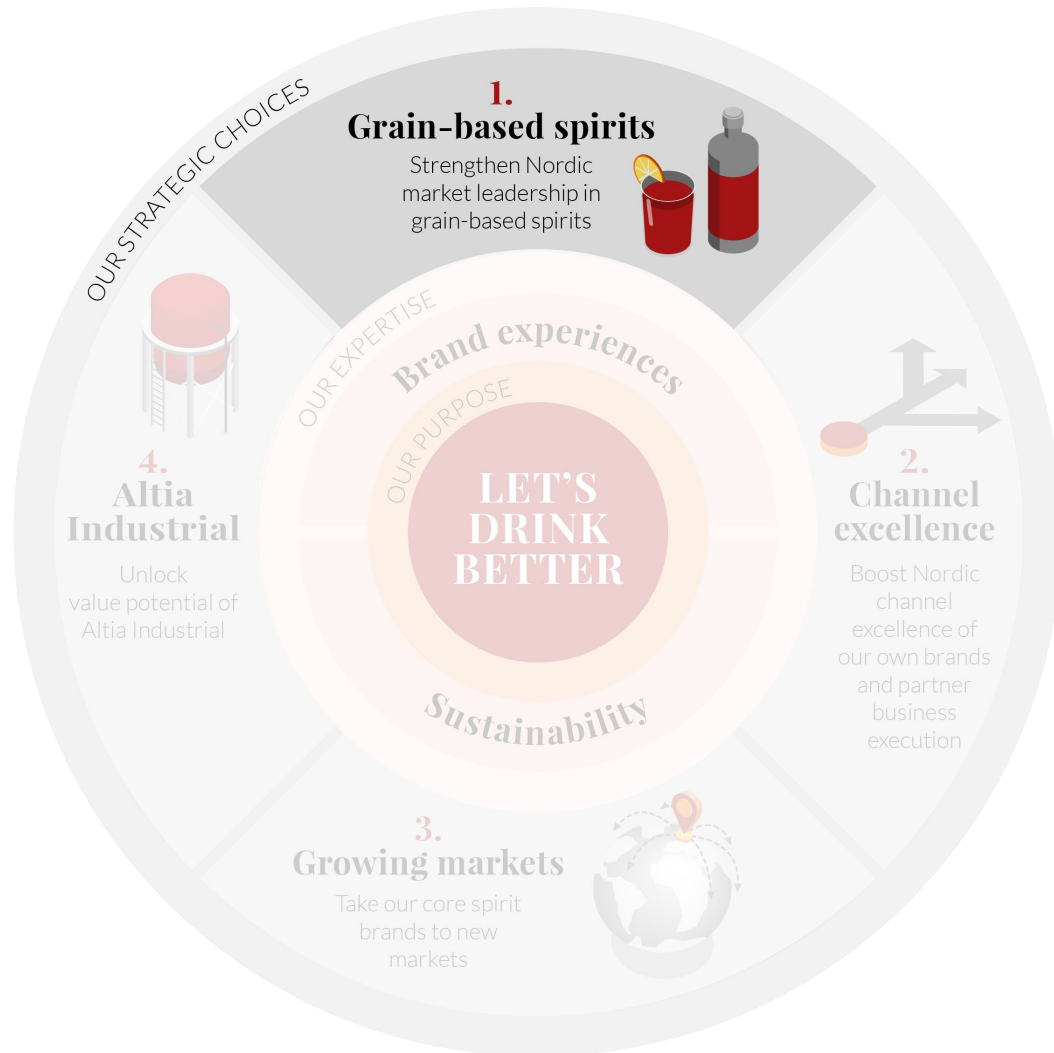

O.P. ANDERSON

Our four strategic choices



- 1. Grain-based spirits:** Strengthen Nordic market leadership in grain-based spirits.
- 2. Channel excellence:** Boost Nordic channel excellence of own brands and partner business execution.
- 3. Growing markets:** Take our core spirit brands to new markets.
- 4. Altia Industrial:** Unlock value potential of Altia Industrial.

1. Strengthen Nordic market leadership in grain-based spirits

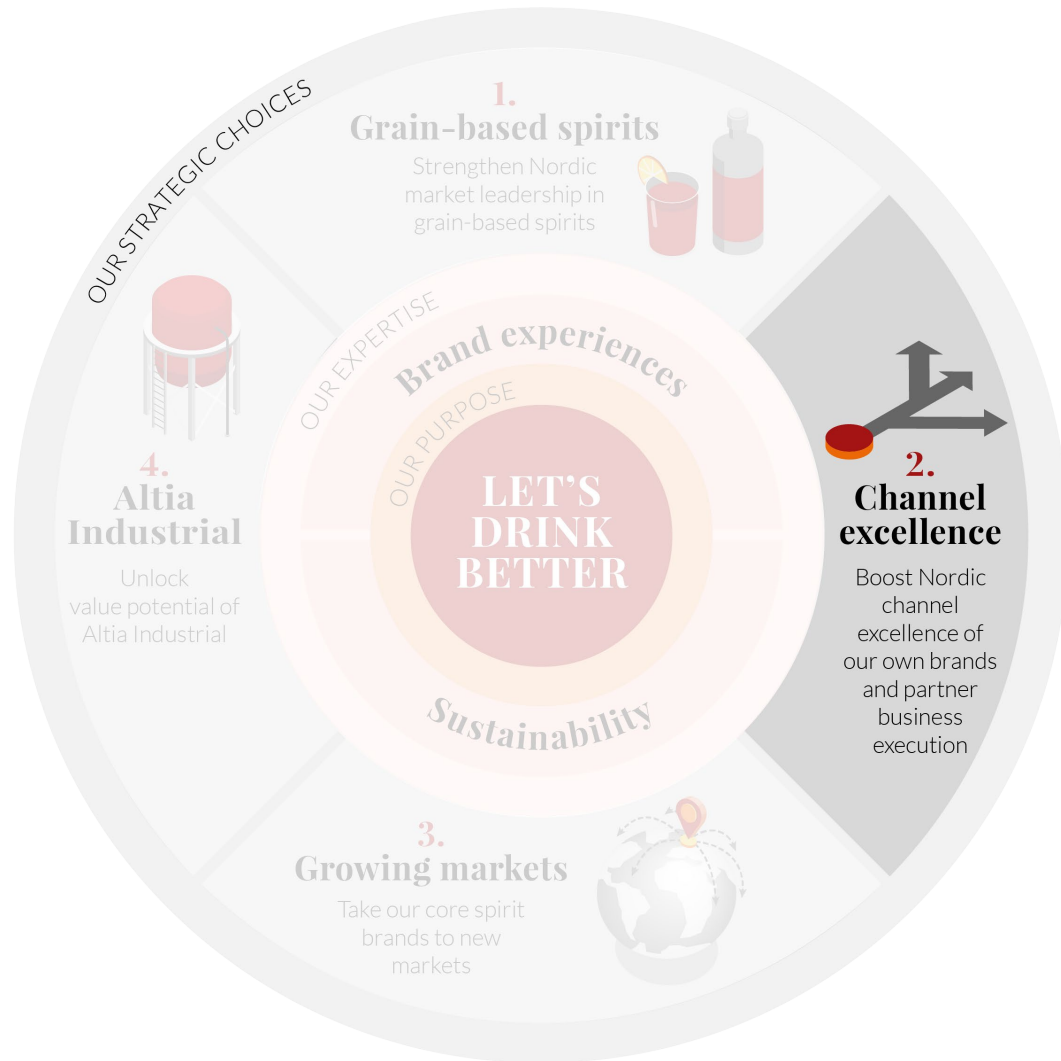


1. Strengthen vodka market leadership with full category view.
2. Grow in adjacent grain-based spirits categories organically and through M&A.
3. Build **consumer engagement through digital channels** to create brand preference and ongoing dialogue.

M&A to accelerate Nordic market leadership in grain-based spirits

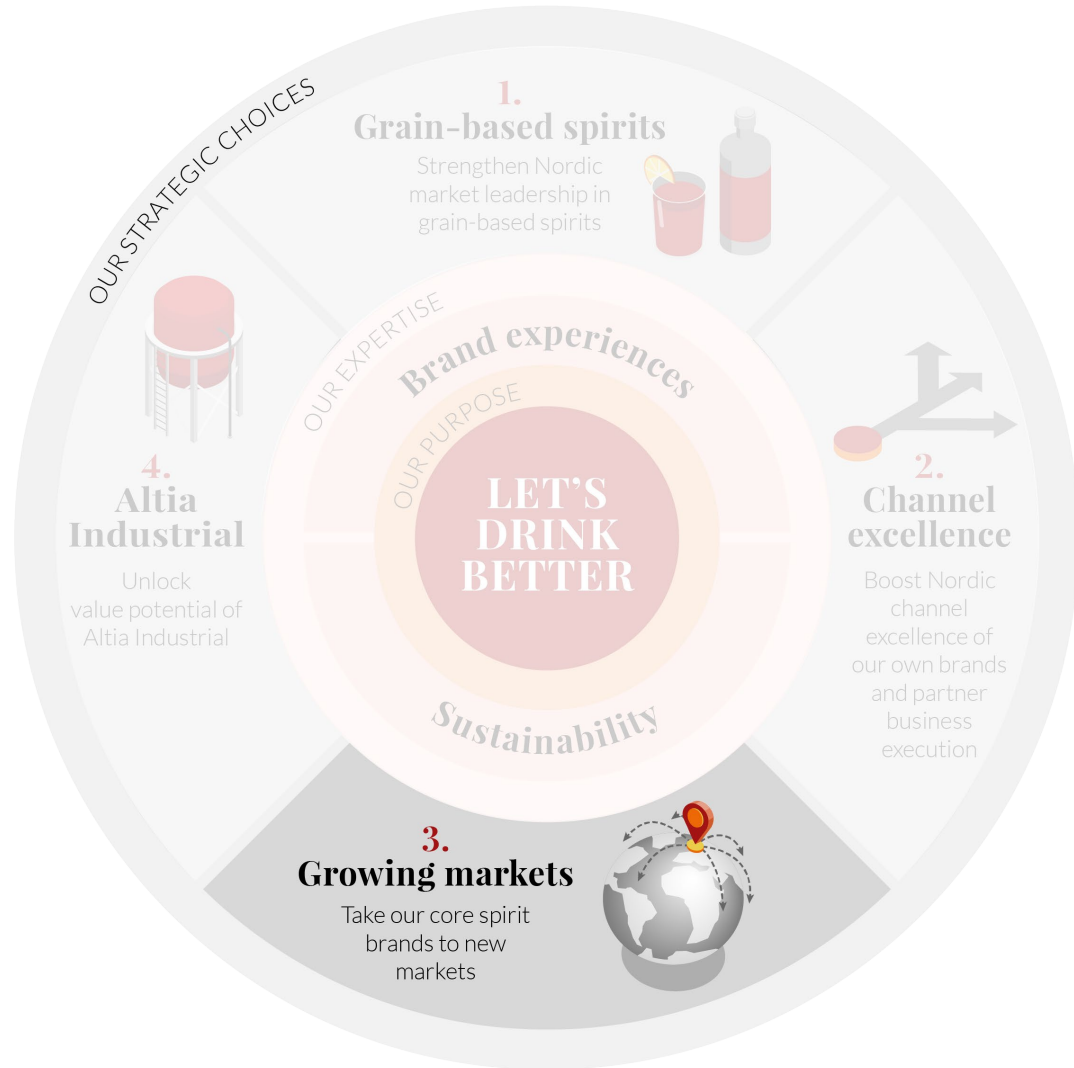
- Target premium & craft products that can scale up through Altia market access into our current markets.

2. Boost Nordic channel excellence of our own brands and partner business execution



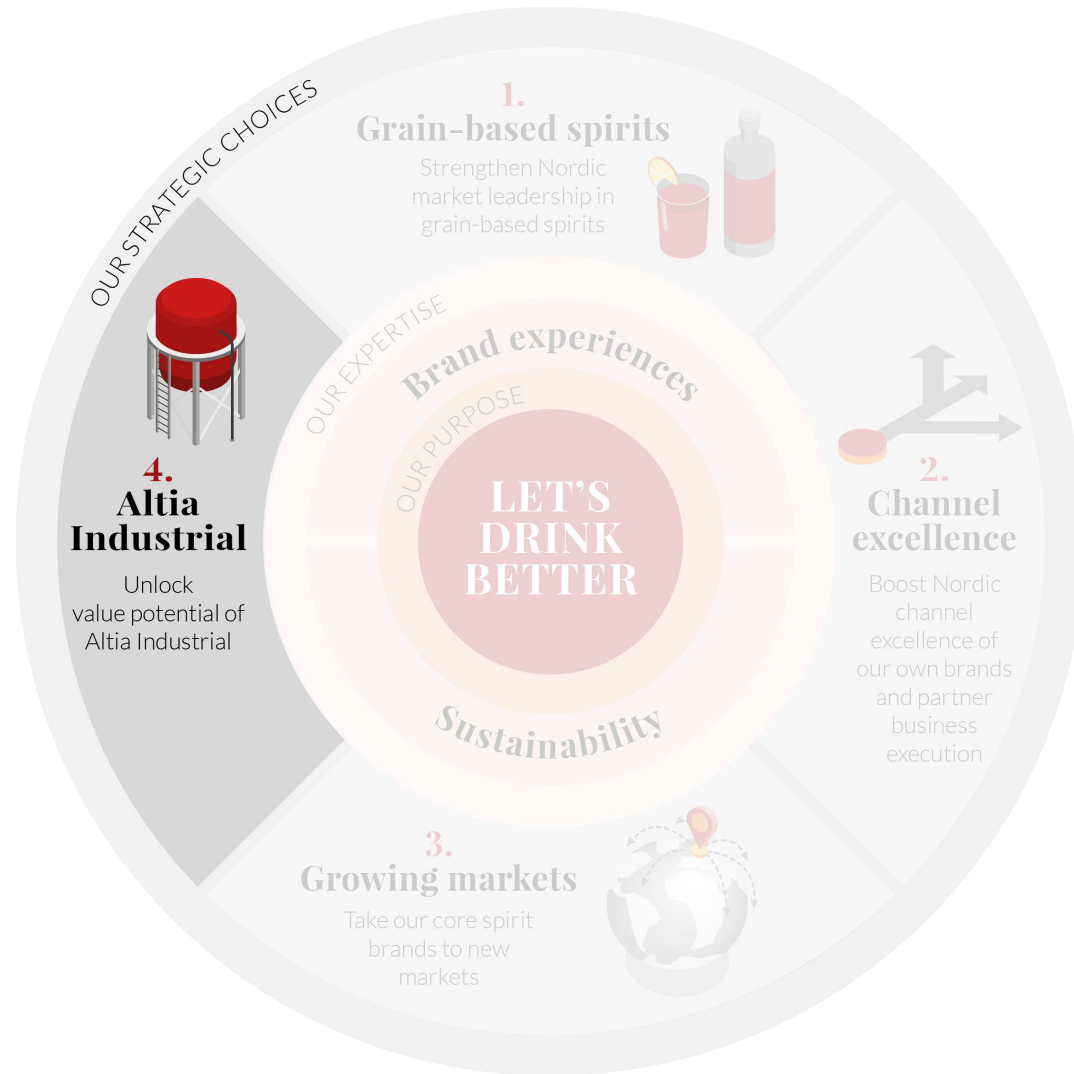
1. Enable best route-to-market in the Nordics for our brands and for our partners.
2. Further develop our winning partner portfolio offering.
3. Strengthen sales execution across channels – monopoly, on-trade, retail and travel retail.
4. Leverage digital enablers such as dynamic, data-driven marketing to **drive sales in physical channels.**

3. Take our core spirit brands to new markets



1. Establish position in selected attractive spirit-growth markets through export and M&A.
2. Leverage cross-selling opportunities for grain-based spirits in new markets.
3. Explore e-commerce opportunities and **presence in digital channels and market places.**

4. Unlock value potential of Altia Industrial



1. Differentiate through unique sustainability profile.
2. Continue to improve supply chain efficiency.
3. Pursue **end-to-end supply chain digitalization**.
4. Capture the potential of more value-added industrial products.

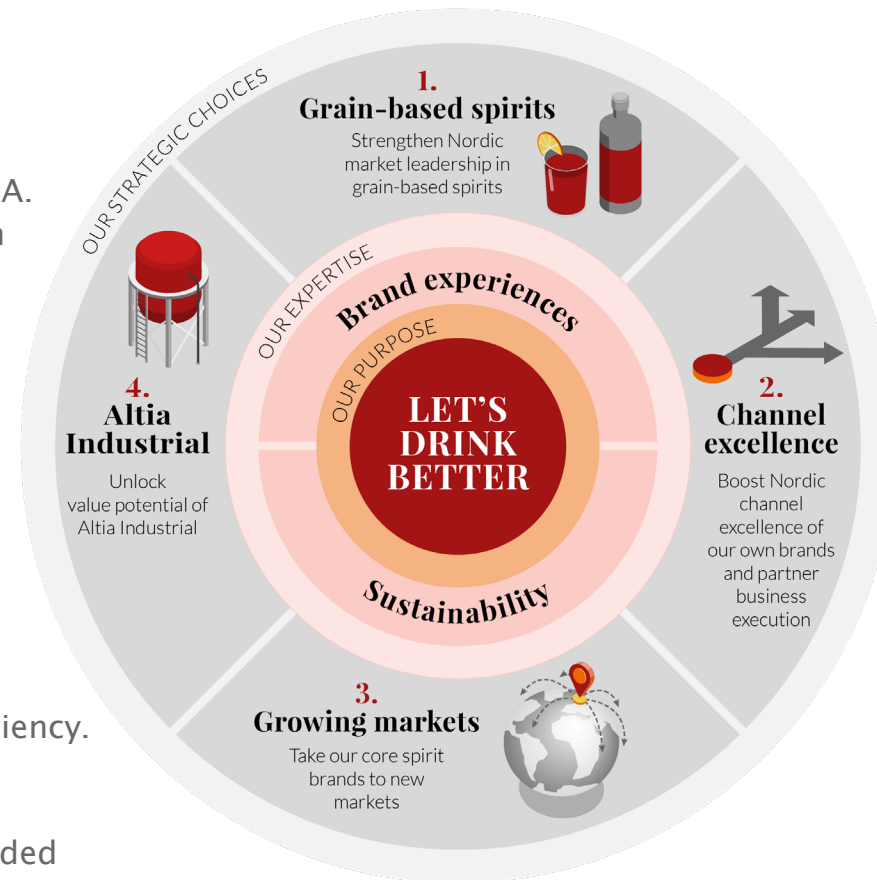
Altia's refined strategy

1. Strengthen Nordic market leadership in grain-based spirits

- Strengthen vodka market leadership with full category view.
- Grow in adjacent grain-based spirits categories organically and through M&A.
- Build **consumer engagement through digital channels** to create brand preference and ongoing dialogue.

4. Unlock value potential of Altia Industrial

- Differentiate through unique sustainability profile.
- Continue to improve supply chain efficiency.
- Pursue **end-to-end supply chain digitalization**.
- Capture the potential of more value-added industrial products.



2. Boost Nordic channel excellence of own brands and partner business execution

- Enable best route-to-market in the Nordics for our brands and for our partners.
- Further develop our winning partner portfolio offering.
- Strengthen sales execution across channels – monopoly, on-trade, retail and travel retail.
- Leverage digital enablers such as dynamic, data-driven marketing to **drive sales in physical channels**.

3. We take our core spirit brands to growing markets

- Establish position in selected attractive spirit-growth markets through export and M&A.
- Leverage cross-selling opportunities for grain-based spirits in new markets.
- Explore e-commerce opportunities and **presence in digital channels and market places**.

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



SUMMARY

**Strong performance
in Scandinavia
segment supported
by Blossa season and
partner portfolio**

**Spirits sales in
value grew in all
three monopoly
markets**

**Strong cash flow
and solid financial
position: increased
dividend payout**



ALTIA

Thank you

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Next events

25 Mar – Annual General Meeting

29 Apr – Q1 Business Review

Appendices



KEY RATIOS

EUR million	Q4 19	Q4 18	2019	2018
Net sales, EUR million	110.1	110.9	359.6	357.3
Comparable EBITDA, EUR million	19.7	15.9	44.8	40.0
% of net sales	17.9	14.3	12.4	11.2
EBITDA, EUR million	19.8	14.4	43.1	34.0
Comparable operating result, EUR million	15.2	12.2	26.8	25.6
% of net sales	13.8	11.0	7.5	7.2
Operating result, EUR million	15.3	10.7	25.1	19.7
Result for the period, EUR million	10.4	8.6	18.4	15.1
Earnings per share, EUR	0.29	0.24	0.51	0.42
Net debt / comparable EBITDA, rolling 12 months	0.6	1.2	0.6	1.2
Average number of personnel	648	701	682	718
Comparable EBITDA without IFRS 16 impact, EUR million	18.8	-	41.0	-
Net debt/comparable EBITDA, rolling 12 months without IFRS 16 impact	-	-	0.4	-

CONSOLIDATED INCOME STATEMENT

EUR million	Q4 19	Q4 18	2019	2018
NET SALES	110.1	110.9	359.6	357.3
Other operating income	2.3	1.8	7.6	7.4
Materials and services	-63.2	-65.7	-213.1	-206.8
Employee benefit expenses	-11.7	-11.8	-45.9	-49.9
Other operating expenses	-17.6	-20.8	-65.0	-73.9
Depreciation, amortisation and impairment	-4.5	-3.7	-17.9	-14.4
OPERATING RESULT	15.3	10.7	25.1	19.7
Finance income	0.6	0.3	3.5	3.5
Finance expenses	-1.1	-0.9	-5.7	-5.8
Share of profit in associates and income from interests in joint operations	0.2	0.2	1.6	1.2
RESULT BEFORE TAXES	15.0	10.3	24.6	18.6
Income tax expense	-4.6	-1.8	-6.2	-3.6
RESULT FOR THE PERIOD	10.4	8.6	18.4	15.1
Result for the period attributable to:				
Owners of the parent	10.4	8.6	18.4	15.1
Earnings per share for the result attributable to owners of the parent, EUR				
Basic and diluted	0.29	0.24	0.51	0.42

CONSOLIDATED BALANCE SHEET

EUR million	2019	2018
ASSETS		
Non-current assets		
Goodwill	80.1	80.7
Other intangible assets	25.2	29.6
Property, plant and equipment	60.9	64.6
Right-of-use assets	10.4	-
Investments in associates and joint ventures and interests in joint operations	8.8	7.9
Financial assets at fair value through other comprehensive income	1.4	1.4
Deferred tax assets	0.9	0.8
Total non-current assets	187.7	185.1
Current assets		
Inventories	92.0	99.6
Contract assets	0.2	0.2
Trade and other receivables	54.4	60.9
Current tax assets	1.6	2.5
Cash and cash equivalents	64.2	42.0
Total current assets	212.4	205.3
TOTAL ASSETS	400.2	390.4

EUR million	2019	2018
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	60.5	60.5
Invested unrestricted equity fund	1.2	1.2
Fair value reserve	0.6	0.6
Legal reserve	0.1	-
Hedge reserve	-1.0	0.0
Translation differences	-22.1	-19.6
Retained earnings	111.9	107.3
Total equity	151.2	150.1
Non-current liabilities		
Deferred tax liabilities	16.7	16.8
Borrowings	76.1	82.7
Lease liabilities	7.1	-
Employee benefit obligations	1.4	1.3
Total non-current liabilities	101.3	100.8
Current liabilities		
Borrowings	6.5	6.7
Lease liabilities	3.4	-
Provisions	-	0.5
Trade and other payables	134.7	131.4
Contract liabilities	0.5	0.6
Current tax liabilities	2.5	0.4
Total current liabilities	147.6	139.5
Total liabilities	249.0	240.3
TOTAL EQUITY AND LIABILITIES	400.2	390.4

CASH FLOW FROM OPERATIONS

EUR million	Q4 19	Q4 18	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES				
Result before taxes	15.0	10.3	24.6	18.6
Adjustments				
Depreciation, amortisation and impairment	4.5	3.7	17.9	14.4
Share of profit in associates and joint ventures and income from investments in joint operations	-0.2	-0.2	-1.6	-1.2
Net gain on sale of non-current assets	-	-0.0	-0.0	-0.5
Finance income and costs	0.5	0.5	2.2	2.3
Other adjustments	-0.6	0.2	-0.8	0.8
	4.2	4.3	17.7	15.7
Change in working capital				
Change in inventories, increase (-) / decrease (+)	18.8	9.2	7.4	-5.5
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	-8.8	-10.7	5.3	-7.4
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	24.1	26.4	3.8	-4.3
Change in working capital	34.1	25.0	16.5	-17.2
Interest paid	-0.4	-0.3	-1.6	-1.4
Interest received	0.1	0.0	0.2	0.1
Other finance income and expenses paid	-0.2	0.5	-1.7	-1.4
Income taxes paid	0.6	-2.2	-3.1	-8.0
Financial items and taxes	0.1	-2.0	-6.1	-10.6
NET CASH FLOW FROM OPERATING ACTIVITIES	53.4	37.6	52.6	6.5

QUARTERLY NET SALES AND COMPARABLE EBITDA BY SEGMENT

Net sales by segment

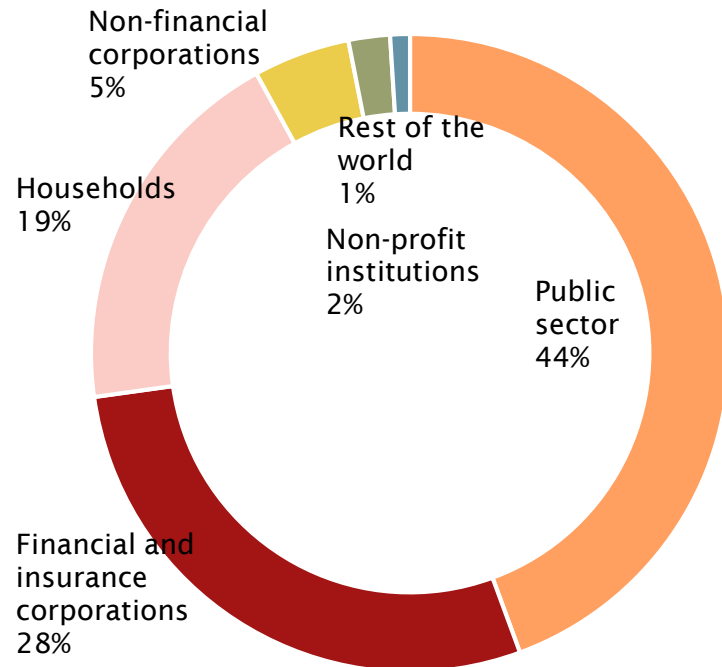
EUR million	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16
Finland & Exports	37.8	31.2	34.7	25.0	39.5	31.8	35.4	27.1	40.7	31.4	35.7	26.0	41.1	31.6	33.9	27.3
Scandinavia	44.5	25.6	29.0	21.7	42.8	25.0	27.4	22.5	44.4	26.5	29.7	23.2	45.9	26.7	30.0	25.0
Altia Industrial	27.8	27.7	27.5	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	110.1	84.5	91.2	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	Q4 19	Q3 19	Q2 19	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	7.3	5.0	5.3	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	9.1	1.3	2.0	-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	4.5	3.6	2.3	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	-1.3	1.5	-0.2	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	19.7	11.4	9.4	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	0.2	-1.6	-0.2	-	-1.5	0.0	-0.4	-4.1	-2.2	0.7	-0.2	-0.5	15.7	1.6	2.8	-0.1
EBITDA	19.8	9.8	9.2	4.3	14.4	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	-4.5	-4.5	-4.5	-3.7	-3.6	-3.5	-3.5	-3.6	-3.6	-3.5	-3.5	-3.7	-3.6	-3.6	-3.6
Operating result	15.3	5.3	4.8	-0.3	10.7	6.6	4.8	-2.5	12.7	7.6	5.4	0.3	30.9	8.5	7.0	-0.0

Shareholder structure

AS AT 31 DECEMBER 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	579 516	1.6
5	Veritas Pension Insurance Company Ltd.	420 000	1.2
6	FIM Fenno Sijoitusrahasto	181 931	0.5
7	Mandatum Life Insurance Company Limited	165 076	0.5
8	Säästöpankki Kotimaa	150 000	0.4
9	Sijoitusrahasto Taaleritehdas Arvo Markka Osake	150 000	0.4
10	Säästöpankki Pienyhtiöt	149 424	0.4
Top 10 total		17 416 728	48.2
<i>Nominee-registered shares</i>		<i>8 986 556</i>	<i>24.9</i>