

# Atlantic Grupa

## The largest private IPO in Croatia

Ohrid, April 2009



## CONTENT

- General overview of Atlantic Grupa
- Development of the business model
- Financing on the capital market
- IPO
- Post IPO developments

## VERTICALLY INTEGRATED COMPANY IN *CONSUMER HEALTHCARE* BUSINESS

- The leading European company in the sports nutrition
- Leader in the vitamin instant drinks in the SEE region
- Producer of the No1 Croatian brands in the VMS and the OTC
- The largest private pharmacy chain in Croatia
- The leading FMCG distributor in the SEE region

*Key brands:*

**MULTIPOWER**

**CEDEVITA**

**DIETPHARM**

**FARMACIA**

**Distinguished International  
Brands**

<b>FY08 sales</b>	<b>EUR280m (+20% yoy)</b>
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<b>Employees</b>	<b>1,670</b>
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<b>Markets</b>	<b>30</b>
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<b>Expected FY09 sales</b>	<b>EUR290m</b>
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## VERTICALLY INTEGRATED COMPANY IN THE *CONSUMER HEALTHCARE* BUSINESS



**ATLANTIC**  
GRUPA

**FMCG DISTRIBUTION**

**CONSUMER HEALTHCARE**

**Distribution Division**

Own brands  
Principal brands

**38% of sales**

**Consumer Health Care  
Division**

Vitamin drinks and teas  
Cosmetics and personal  
care

**24% of sales**

**Sports and Functional  
Food Division**

Sports and functional food

**24% of sales**

**Pharma Division**

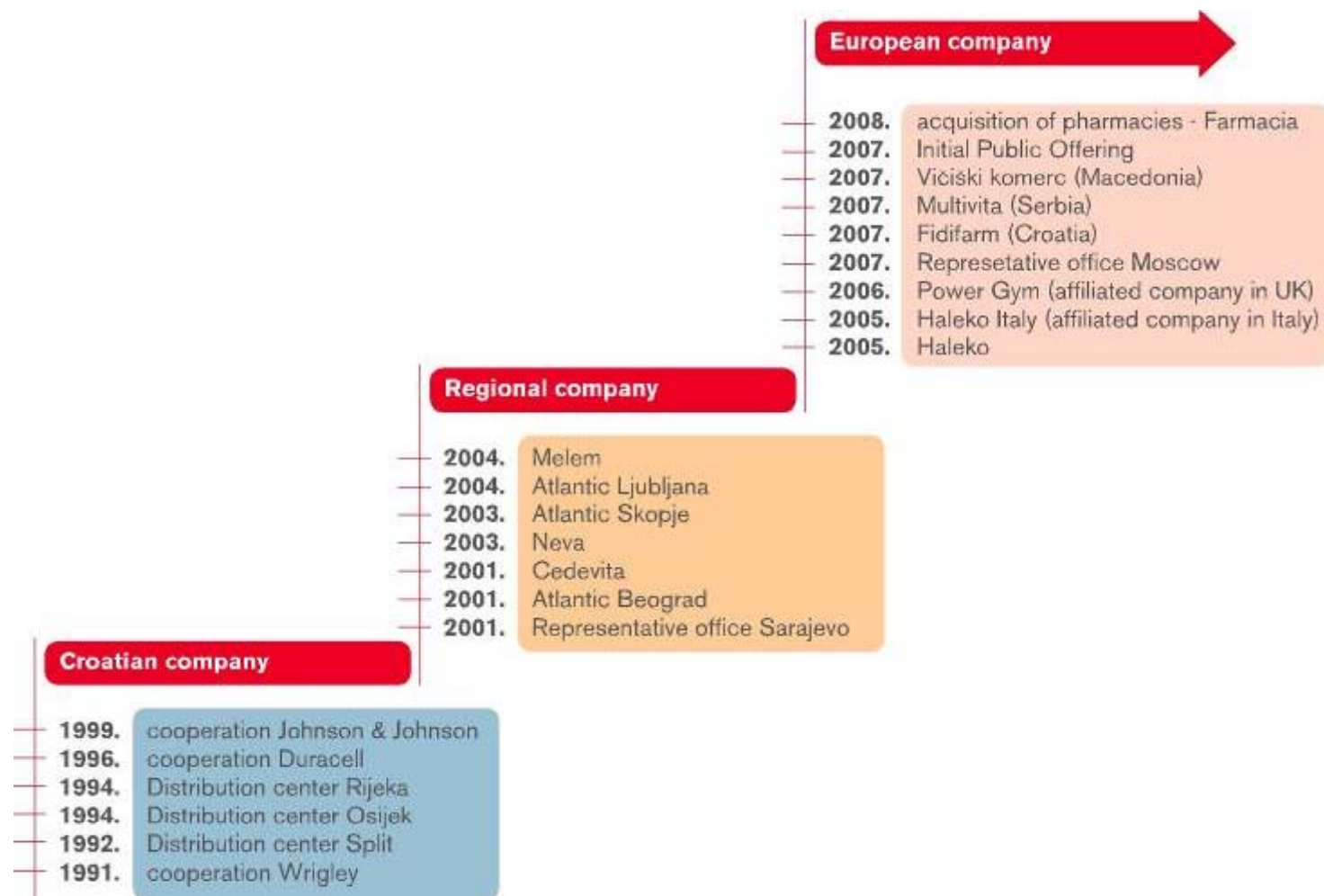
VMS  
OTC  
Pharmacy chain

**14% of sales**

**SYNERGIES**



## DEVELOPMENT CYCLE



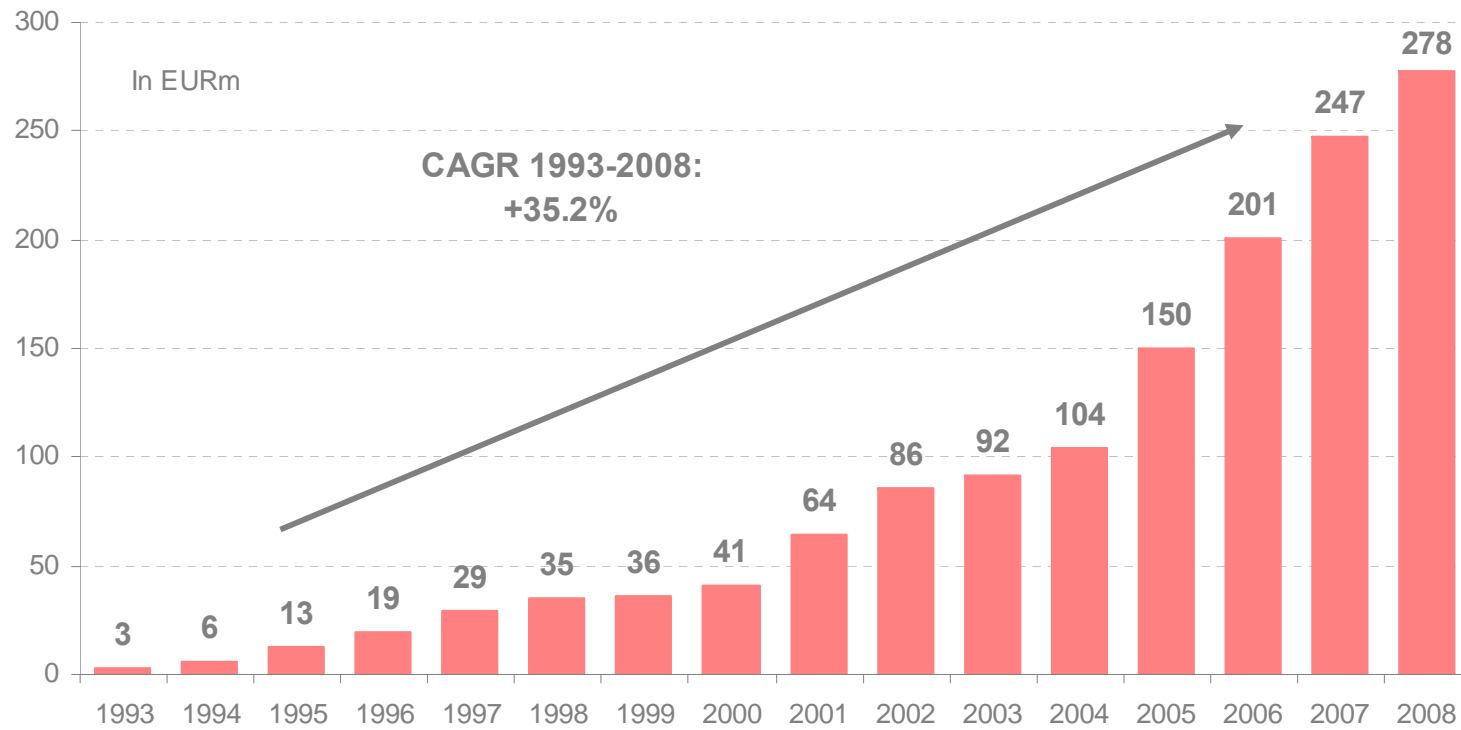


## GEOGRAPHICAL PRESENCES – Companies and Representative Offices



➤ Presence on  
**30 markets**

## SALES GROWTH 1993-2008



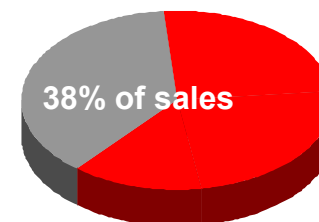
CROATIAN COMPANY

REGIONAL COMPANY

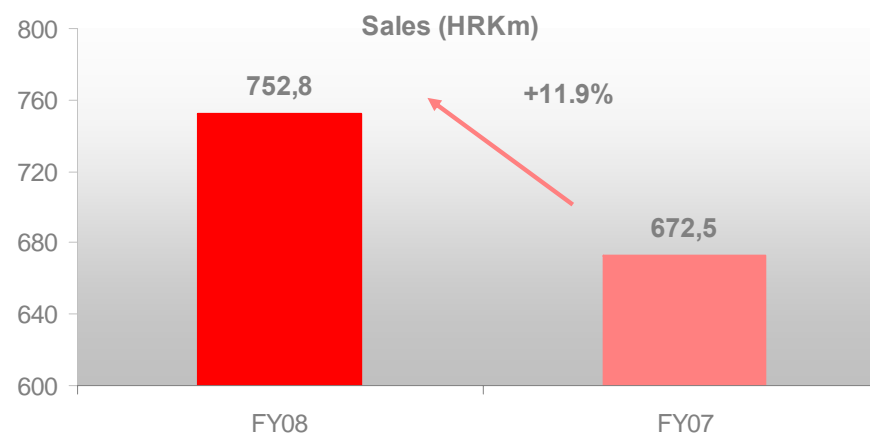
EUROPEAN COMPANY

## DISTRIBUTION DIVISION

- The **leading regional distributor of FMCGs** with top global and regional brands in their categories
- Developed **network of distribution centres in the SEE**
- Developed **know-how**: *key account management, category management, trade marketing, supply chain management*
- **Growth drivers**: *economies of scale, negotiation power, new distribution channels, brand synergies*



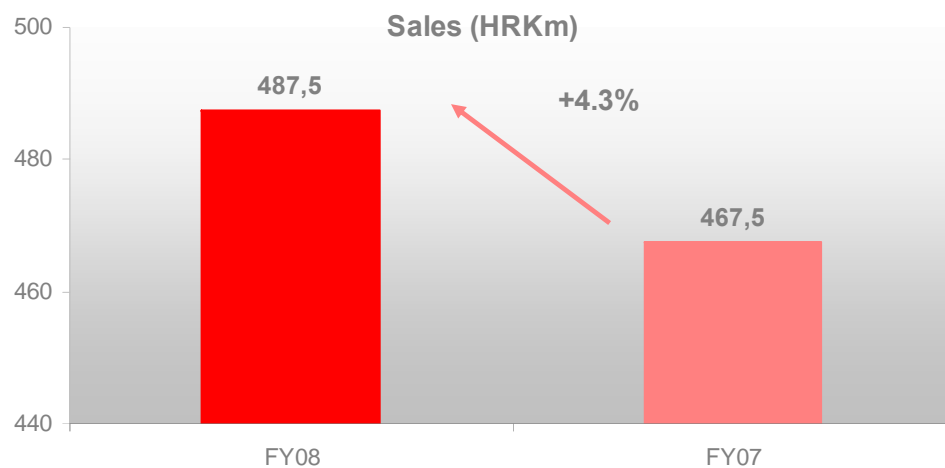
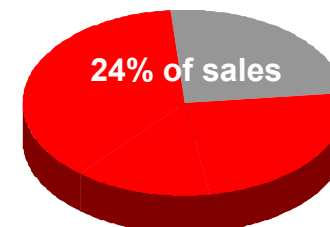
		Market share in Croatia	Rang in category
<b>WRIGLEY</b>	Chewing gums	90%	1
<b>CEDEVITA</b>	Vitamin instant drinks	97%	1
	Teas	28%	2
<b>FERRERO</b>	Pralines	31%	1
	Chocolate spreads	22%	1
Johnson + Johnson	Children cosmetics	45%	1
	Tampons	88%	1
<b>vivera</b>	Milk formulas for newborns	45%	1
	Food and beverages for children	12%	2
<b>Lotus</b>	Salty snacks	26%	2
<b>plidenta</b>	Toothpastes	18%	2
<b>ROSAL Lip balm</b>	Lip care products	39%	2
<b>MELEM</b>	Universal protection creams	14%	2
<b>Nestlé PURINA</b>	Food and accessories for pets	20%	2
<b>DURACELL</b>	Alkaline batteries	55%	1
<b>durex</b>	Condoms and lubricants	87%	1





## CONSUMER HEALTHCARE DIVISION

- Integrates R&D, manufacturing, packaging, marketing and sales
- Key brand: **Cedevita** vitamin instant drinks and teas
- The No1 producer of vitamin instant drinks in the SEE region
- Products for personal care → brands: **Plidenta, Rosal and Melem**



➤ Strength of the **Cedevita brand**

✓ **Atlantic's best selling brand**

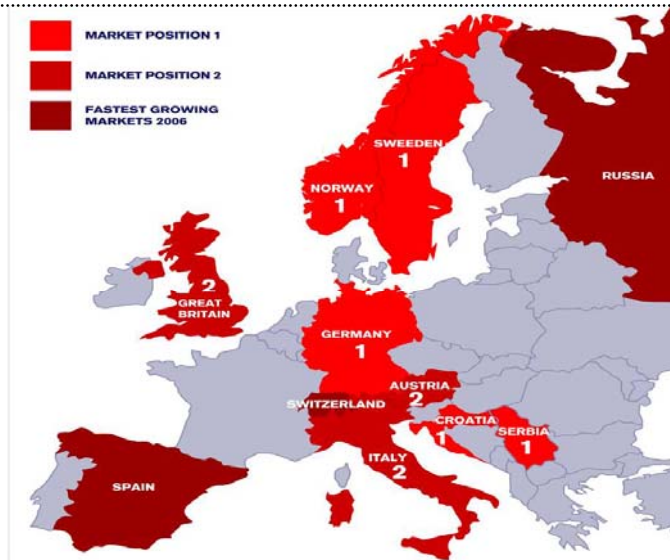
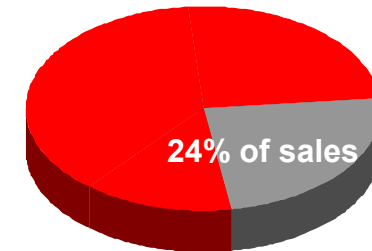
### **Growth drivers**

- Markets with higher consumption potential and rising brand recognition: Serbia, Slovenia
- New products – **Cedevita GO!**
- New distribution channels - HoReCa

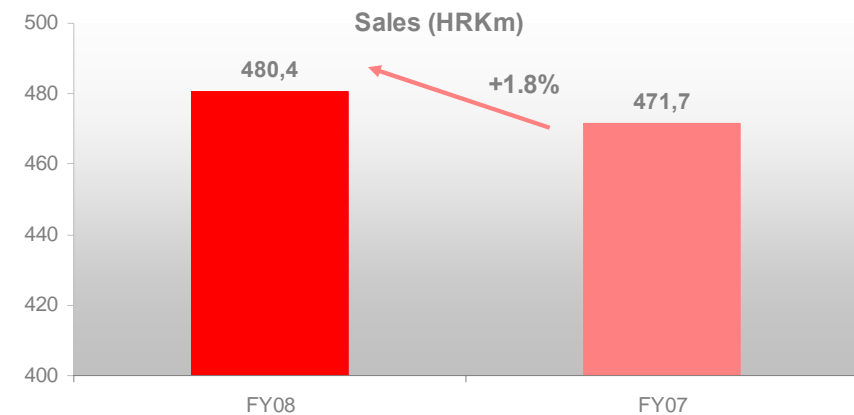


## SPORTS AND FUNCTIONAL FOOD DIVISION

- Integrates R&D, manufacturing, packaging, marketing and sales
- Key brand: **Multipower** for sports and functional nutrition



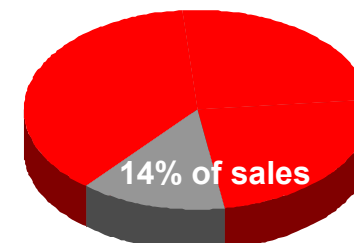
- The leading market position in Germany, Norway, Sweden, Croatia and Serbia
- The markets with the highest growth: Russia, Sweden, Spain





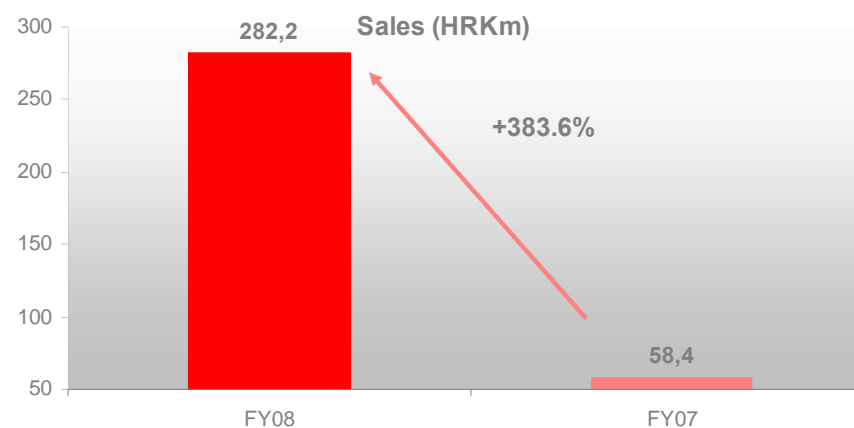
- Strength of the **Multipower brand**  
✓ Atlantic's second best selling brand
- Successfully completed restructuring  
✓ the highest EBIT growth among divisions  
+81.0% yoy

## PHARMA DIVISION

- R&D, manufacturing, packaging, marketing and sales of VMS and OTC
- Key brand in the VMS and OTC - **Dietpharm**
- The largest private Pharmacy chain in Croatia - **Atlantic Farmacia**



	Market share in Croatia	Rang in category
 <b>Dietpharm VMS and OTC</b>	<b>22%</b>	<b>1</b>
 <b>32 Pharmacies and 5 specialized stores</b>	<b>5.5%</b>	








- Acquisition of pharmacies/launch of specialised stores
- **Pharmacy business – margin-accretive for Atlantic**

## FINANCING ON THE CAPITAL MARKET

- One of the first Croatian companies that used benefits of financing on the capital market to address **dynamic business model expansion**



 <p><b>ATLANTIC</b> GRUPA</p> <p><b>Commercial papers</b></p> <p><b>HRK 100m</b></p> <p>May, 2003</p>	 <p><b>ATLANTIC</b> GRUPA</p> <p><b>Euro-denominated corporate bond</b></p> <p><b>EUR 15m</b> Interest rate: 5,75% Maturity: 3 years</p> <p>July 2004</p>	 <p><b>ATLANTIC</b> GRUPA</p> <p><b>Capital hike by German development bank DEG in exchange for 8,24% share in the capital</b></p> <p><b>EUR 11m</b></p> <p>October 2006</p>	 <p><b>ATLANTIC</b> GRUPA</p> <p><b>Kuna-denominated corporate bond</b></p> <p><b>HRK 115m</b> Interest rate: 5,75% Maturity: 3 years</p> <p>December 06</p>	 <p><b>ATLANTIC</b> GRUPA</p> <p><b>The largest private IPO on the ZSE</b></p> <p>Share price: 935 HRK New shares: HRK 358m Old shares: HRK 358m</p> <p>October 2007</p>
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## ATLANTIC GRUPA'S INOVATIVE FINANCING OF ACQUISITIONS on the CAPITAL MARKET





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