



CORPORATE COMMUNICATIONS

Koprivnica, 22 February 2019

PRESS RELEASE

BUSINESS RESULTS OF THE PODRAVKA GROUP FOR 2018

In the past year, the Podravka Group has achieved the best results in its long history

- Sales revenues showed growth of HRK 121 million
- Net profits achieved in the amount of HRK 205.7 million
- Total indebtedness reduced by HRK 303.7 million
- Price of Podravka stock increased by 38.9 percent

The Supervisory Board of Podravka d.d. has confirmed the unaudited business results of the Podravka Group for 2018 and expressed its great satisfaction with the positive business trends achieved at all levels. This year marks the best ever business results in Podravka's history of 70 years, and it is important to note that these achievements are the result of organic sales growth with the simultaneous control of operating costs, further confirming the successful operations of the Podravka Group in the past year.

"The new vision of Podravka that began with organisational changes and formation of new business programmes has completely met the expectations for the year 2018. Concentrating on our traditional markets and increasing the dynamics of innovation cycles in key brands and categories has brought us the best operating results in our long history. Today we can say with certainty that in key operating parameters, Podravka is fully competitive with companies on the international market," stated Marin Pucar, Chairman of the Podravka Management Board when announcing the operating results for the past year.



CORPORATE COMMUNICATIONS

In the last year, the net profits of the Podravka Group totalled HRK 205.7 million, a highly significant growth over one year earlier, when profits totalled HRK 18.2 million.

Sales revenues of the Podravka Group totalled HRK 4232.1 million, representing almost 3 percent growth over the year before, while profits without the influence of currency differences were assessed at 4.2 percent higher. Following from the strong sales and marketing activities, innovations in the production portfolio and expansion of distribution of certain categories on specific markets, a strong growth in sales revenues was achieved in both business segments – Food and Pharmaceuticals – in the total amount of HRK 121 million.

The Food segment achieved HRK 3335.3 million in sales revenues, which is an increase of 2.8 percent or HRK 91.6 million over the year before. Without the influence of currency differences, this growth would be assessed at 3.6 percent higher. In this segment, virtually all programmes achieved sales revenue growth, and own brand growth of 3.6 percent or HRK 106.2 million kuna was achieved. The highest growth of 8.7 percent was achieved by the programme Children's food, desserts and snacks, while the programme Žito and Lagris achieved growth of 5.7 percent, the programme Fish achieved 3.3 percent and the programme Cuisine 1.5 percent growth over the year before.

The second segment of the Podravka Group – Pharmaceuticals – achieved revenues of HRK 896.9 million, representing growth of 3.4 percent and HRK 29.4 million over the year before, while this growth would be 6.4 percent higher without the influence of the currency differences. The Pharmaceuticals own brands achieved growth of 2.5 percent, primarily due to the continuation of growing demand on the Russian market, and expansion of distribution on the markets of the Central Europe region. In the most significant category, Prescription medications, sales revenues increased by 2.1 percent, while the Over-the-counter segment achieved a sales revenue increase of 5.4 percent.



CORPORATE COMMUNICATIONS

In terms of sales revenue achievements of the Podravka Group by region, it is important to stress that growth was seen in all regions, with the highest increase in revenues of HRK 71.5 million recorded in the Adria region. A significant growth of sales revenues of HRK 30.2 million was also recorded in the Central Europe region, while the region Western Europe and Transoceanic countries saw growth of HRK 13 million, and the region Eastern Europe had growth of HRK 5.6 million.

Podravka stock prices in 2018 achieved a growth of 38.9 percent, while the domestic stock indices Crobex and Crobex10 recorded losses of 5.1 and 5.6 percent, respectively.

It should also be emphasised that in 2018, the Podravka Group reduced its total indebtedness by HRK 303.7 million.