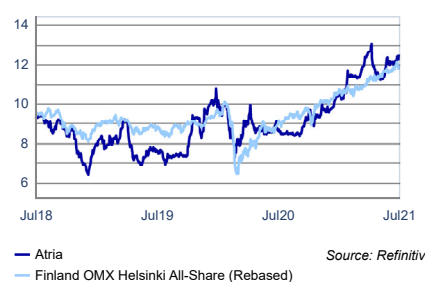


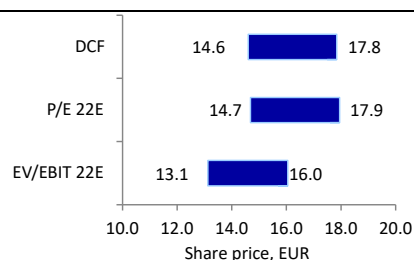
KEY DATA

Stock country	Finland
Bloomberg	ATRAV.FH
Reuters	ATRAV.HE
Share price (close)	EUR 12.54
Free Float	42%
Market cap. (bn)	EUR 0.35/EUR 0.35
Website	www.atria.fi
Next report date	21 Oct 2021

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	1%	1%
EBIT (adj)	5%	2%	2%

Source: Nordea estimates

Nordea Markets - Analysts

Joni Sandvall
AnalystSvante Krokfors
Director

Guidance appears undemanding for H2

Atria's strong Q2 results included adjusted EBIT of EUR 12.6m versus our expectation of EUR 6.3m. The recovery of foodservice continued, while retail sales growth has flattened. The company increased its exports to China during H1, while the recent drop in export prices could lead to less favourable market conditions during H2, especially in Q3. Although we take a slightly more cautious view on H2, we believe the company will raise its guidance in conjunction with the Q3 report. Chinese demand and pork prices will remain the key drivers for European meat raw material prices in the short term. We derive a fair value range of EUR 14.1-17.3 (13.6-16.7) per Atria share.

Foodservice recovery and export volumes behind EBIT beat

Atria's Q2 EBIT of EUR 12.6m was substantially above our expectation of EUR 6.3m. EBIT for all divisions increased y/y, while the main deviation to our estimates came from Atria Finland, which continued its strong performance, buoyed by the recovery of foodservice and strong export volumes to China. Stable and lower raw material prices supported profitability, while the recent drop in pork prices on the Chinese market could burden profitability in H2. Atria will restructure its operations in Sweden with a EUR 30m investment programme, which should generate EUR 3.5m in annual cost savings when completed in 2023.

Further guidance revisions appear likely

Although we trim our Q3 adjusted EBIT estimate by 7%, we increase our 2021-23 adjusted EBIT estimates by 2-5%. Atria guides for EUR 41-48m adjusted EBIT in 2021, which we continue to find undemanding. Despite lower prices in China, the divestment of loss-making Russian operations and further efficiency measures should support profitability in H2. We model EUR 50.6m adjusted EBIT in 2021E and would expect the company to upgrade or narrow its guidance range in conjunction with the Q3 report.

Fair value range of EUR 14.1-17.3

We derive a fair value range of EUR 14.1-17.3 (13.6-16.7) per share for Atria by applying equal weighting to our DCF, P/E and EV/EBIT valuation methods. We note that volatility of meat raw material prices could have a meaningful impact on Atria's earnings.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,436	1,439	1,451	1,504	1,515	1,530	1,559
EBITDA (adj)	86	74	87	96	107	110	113
EBIT (adj)	40	28	33	40	51	55	57
EBIT (adj) margin	2.8%	2.0%	2.3%	2.6%	3.3%	3.6%	3.7%
EPS (adj, EUR)	0.87	0.59	0.60	0.91	0.96	1.36	1.43
EPS (adj) growth	37.5%	-32.5%	2.6%	51.8%	5.1%	41.8%	5.0%
DPS (ord, EUR)	0.50	0.40	0.42	0.50	0.50	0.50	0.50
EV/Sales	0.4	0.3	0.4	0.3	0.4	0.4	0.4
EV/EBIT (adj)	14.3	14.9	15.7	12.3	10.8	10.8	10.6
P/E (adj)	13.9	11.2	16.7	10.8	13.1	9.2	8.8
P/BV	0.8	0.4	0.7	0.7	0.8	0.8	0.7
Dividend yield (ord)	4.1%	6.1%	4.2%	5.1%	4.0%	4.0%	4.0%
FCF Yield bef A&D, lease	3.3%	1.5%	14.0%	18.9%	0.3%	-8.3%	0.8%
Net debt	210	222	223	190	172	215	227
Net debt/EBITDA	2.4	3.0	2.6	2.0	2.8	2.0	2.0
ROIC after tax	4.8%	3.3%	3.8%	4.8%	6.5%	6.6%	6.4%

Source: Company data and Nordea estimates

Deviation and estimate revisions

Strong start to the year

Atria reported strong Q2 adjusted EBIT of EUR 12.6m, +100% versus Nordea. Q2 net sales of EUR 387m were up 6% y/y and 6% above our expectations. The 100% EBIT beat in Q2 was mainly attributable to Finland, where retail sales continued at a high level, while foodservice sales have started to recover. Exports to China have increased while prices are currently low. There were EUR -45m of items affecting comparability in Q2, related to the divestment of the Russian retail operations. Reported EPS totalled EUR -1.25, compared to our estimate of EUR -1.14.

- Atria Finland net sales were EUR 278m, up 6% y/y and 5% above our expectations. Adjusted EBIT was EUR 11.3m, 48% above our estimate. Atria Finland benefited from high pork exports to China and recovering foodservice sales, while retail sales continued almost at last year's level. In addition, good cost control continued.
- Atria Sweden net sales totalled EUR 88m, up 9% in local currencies. Adjusted EBIT of EUR 0.3m was supported by stable raw material prices, strengthening SEK and improving foodservice sales. Atria will invest EUR 30m in production restructuring in Sweden, which, when completed in 2023, is estimated to generate annual savings of EUR 3.5m.
- Atria Denmark & Estonia net sales totalled EUR 26.7m, down 1% y/y and 6% above our expectations. Sales to retail increased, while exports were weaker due to COVID-19. Adjusted EBIT was EUR 2.0m, 47% (EUR 0.6m) above our estimate. Lower meat raw material prices boosted profitability in Q2.

2021 guidance reiterated

Atria reiterated its now upgraded adjusted EBIT guidance for 2021. The company expects EUR 41-48m adjusted EBIT in 2021 (Nordea: EUR 50.6m), which we find conservative given a strong H1, the possible easing of restrictions, continuing efficiency improvements and tailwind from the divestment in H2. Despite lower prices for pork exports to China and possible raw material inflation, we think the company could further upgrade, or narrow its guidance range in conjunction with its Q3 report. Atria H1 adjusted EBIT of EUR 19.1m is clearly above EUR 6.4m in H1 2020, while the lower end of the guidance indicates flat y/y EBIT for 2021.

DEVIATION TABLE

EURm	Actual Q2 2021	NDA est. Q2 2021E	Deviation vs. actual		Consensus Q2 2021E	Deviation vs. actual		Actual Q1 2021	Actual Q2 2020	y/y
Sales	387	365	22	6%			361	7%	366	6%
Adj. EBIT	12.6	6.3	6.3	100%			6.5	94%	4.1	207%
Adj. EBIT margin	3.3%	1.7%	1.5pp	1.5pp			1.8%	1.5pp	1.1%	2.1pp
EPS, EUR	(1.25)	(1.14)	-0.11	10%			0.13	-1055%	0.07	-1867%
DPS, EUR	0.50	0.50	0.00	0%						
Divisional sales, EURm										
Finland	277.7	265.6	12	5%			260	7%	263	6%
Sweden	88.0	81.5	7	8%			77	15%	78	12%
Denmark & Estonia	26.7	25.1	2	6%			25	9%	27	-1%
Unallocated	4.6	5.0	0	-8%			10	-54%	10	-55%
Group eliminations	-9.8	-12.1	2	-19%			-10	-3%	-12	-19%
Group	387.2	365	22.1	6%			361	7%	366	6%
Divisional adj. EBIT, EURm										
Finland	11.3	7.6	3.7	48%			9.8	15%	7.3	55%
Sweden	0.3	-0.4	0.7	-178%			-1.2	-125%	-1.6	-119%
Denmark & Estonia	2.0	1.4	0.6	47%			1.9	5%	1.1	82%
Group eliminations	-1.0	-2.3	1.3	-57%			-4.0	-75%	-2.7	-63%
Group	12.6	6.3	6.3	100%			6.5	94%	4.1	207%

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

Although we cut our Q3 adjusted EBIT estimate by 7%, we raise 2021E-23E adjusted EBIT by 2-5%. We take a slightly more cautious view over H2 due to lower prices in the Chinese market and possible raw material inflation. Meat raw material prices will remain volatile, due to African swine fever cases in Germany.

WE MAKE THE FOLLOWING CHANGES TO OUR ESTIMATES AFTER THE Q2 REPORT

EURm	New estimates				Old estimates				Difference %			
	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E
Sales	378	1,515	1,530	1,559	381	1,498	1,515	1,543	-1%	1%	1%	1%
Adj. EBIT	18.1	50.6	54.6	57.1	19.6	48.2	53.4	55.9	-7%	5%	2%	2%
Adj. EBIT margin	4.8%	3.3%	3.6%	3.7%	5.1%	3.2%	3.5%	3.6%	-0.3pp	0.1pp	0.0pp	0.0pp
Adj. EPS, EUR	0.46	0.96	1.36	1.43	0.47	1.13	1.29	1.36	-3%	-15%	5%	5%
DPS		0.50	0.50	0.50		0.5	0.50	0.50		0%	0%	0%
Divisional sales EURm	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E
Finland	269	1,094	1,110	1,127	271	1,085	1,101	1,117	-1%	1%	1%	1%
Sweden	93	344	352	362	94	339	349	360	-1%	1%	1%	1%
Denmark & Estonia	26	103	105	108	26	102	104	106	0%	2%	2%	2%
Unallocated	0	15	0	0	0	15	0	0	nm.	nm.	nm.	nm.
Group eliminations	-10	-41	-37	-38	-10	-43	-40	-40	0%	-5%	-6%	-6%
Group	378	1,515	1,530	1,559	381	1,498	1,515	1,543	-1%	1%	1%	1%
Divisional adj. EBIT	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E
Finland	14.3	48.1	48.2	48.8	15.5	47.2	47.3	47.9	-7%	2%	2%	2%
Sweden	3.3	3.9	5.0	6.9	3.6	3.8	4.9	6.7	-8%	3%	2%	2%
Denmark & Estonia	2.0	7.2	5.6	5.8	2.0	6.6	5.5	5.7	0%	10%	3%	3%
Unallocated	-1.5	-8.6	-4.2	-4.3	-1.5	-9.3	-4.2	-4.3	0%	-8%	0%	0%
Group	18.1	50.6	54.6	57.1	19.6	48.2	53.4	55.9	-7%	5%	2%	2%
Divisional sales growth	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E
Finland	1%	3%	1%	1%	2%	2%	1%	1%	-1.0pp	0.9pp	0.0pp	0.0pp
Sweden	2%	4%	2%	3%	3%	2%	3%	3%	-1.2pp	1.3pp	-0.6pp	0.0pp
Denmark & Estonia	-3%	-3%	2%	2%	-3%	-5%	2%	2%	0.0pp	1.5pp	0.0pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group eliminations	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	-1%	1%	1%	2%	0%	0%	1%	2%	-1.0pp	1.1pp	-0.1pp	0.0pp
EBIT margin	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E	Q3 2021E	2021E	2022E	2023E
Finland	5.3%	4.4%	4.3%	4.3%	5.7%	4.3%	4.3%	4.3%	-0.4pp	0.0pp	0.0pp	0.0pp
Sweden	3.6%	1.1%	1.4%	1.9%	3.9%	1.1%	1.4%	1.9%	-0.3pp	0.0pp	0.0pp	0.0pp
Denmark & Estonia	7.5%	7.0%	5.4%	5.4%	7.5%	6.5%	5.3%	5.3%	0.0pp	0.5pp	0.1pp	0.1pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	4.8%	3.3%	3.6%	3.7%	5.1%	3.2%	3.5%	3.6%	-0.3pp	0.1pp	0.0pp	0.0pp

Source: Nordea estimates

Valuation

We derive a fair value range based on the combination of a DCF-based valuation and a relative multiples-based valuation. In our relative valuation, we compare Atria to companies that we consider its most relevant European peers using various metrics. Based on these methods, we derive a fair value range of EUR 14.1-17.3 per share for Atria.

DCF valuation yields EUR 14.6-17.8 per share

The outcome of our DCF valuation is EUR 14.6-17.8 per share. We use a WACC of 6.9-7.5%, assuming a terminal growth rate of 1.5% and an EBIT margin that will gradually rise to 3.5%.

WACC COMPONENTS	
WACC components	
Risk-free interest rate	2.0%
Market risk premium	4.5%
Equity beta	1.4-1.6
Cost of equity	8.1-9.0%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	6.9-7.5%

Source: Nordea estimates

DCF VALUE (EURm AND EUR)		
DCF value	Value	Per share
NPV FCFF	598-690	21.2-24.4
(Net debt)	-190	-6.7
Market value of associates	0	0.0
(Market value of minorities)	-16	-0.6
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	21	0.7
DCF Value	413-504	14.6-17.8

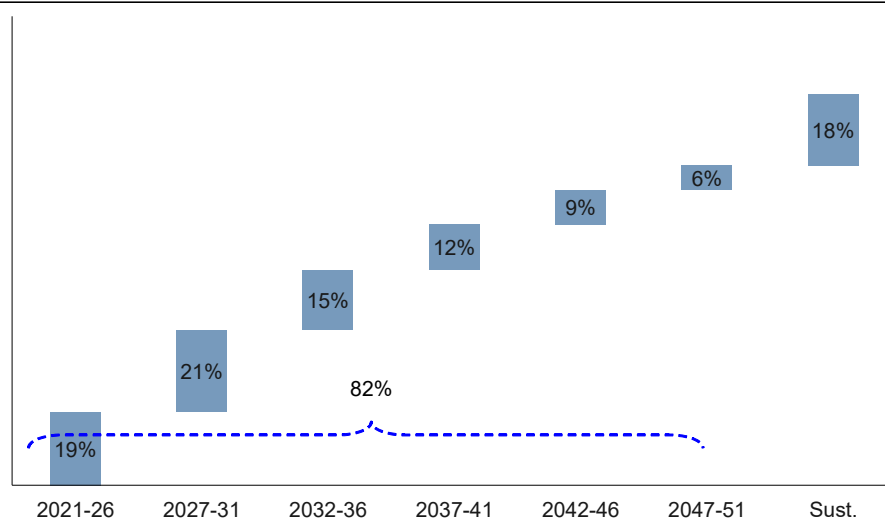
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2021-26	2027-31	2032-36	2037-41	2042-46	2047-51	Sust.
Sales growth, CAGR	2.1%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associa	3.2%	3.5%	3.5%	3.5%	3.5%	3.0%	
Capex/depreciation, x	1.4	1.0	1.0	1.0	1.0	1.0	
Capex/sales	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	
NWC/sales	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCFF, CAGR	12.2%	1.1%	1.5%	1.5%	1.5%	-1.9%	1.5%

Source: Nordea estimates

DCF VALUATION COMPOSITION



Source: Nordea estimates

DCF valuation sensitivity

To highlight the sensitivity of our DCF valuation, we also provide sensitivity matrices that model variations in revenue growth, margin assumptions and cost of capital. The sensitivities in our WACC are outlined in the following tables. When we use sensitivities

to changes of ± 0.5 pp for WACC, ± 0.5 pp for sales growth, and ± 0.5 for EBIT margin, our DCF model gives us a value range of EUR 12.5-20.3 per share.

SENSITIVITY OF OUR DFC MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		6.7%	6.9%	7.2%	7.4%	7.7%
EBIT marg. change	1.0pp	25.0	23.3	21.8	20.5	19.2
	0.5pp	21.8	20.3	19.0	17.8	16.7
	0.0pp	18.6	17.4	16.2	15.2	14.2
	-0.5pp	15.4	14.4	13.4	12.5	11.7
	-1.0pp	12.2	11.4	10.6	9.9	9.2

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.7%	6.9%	7.2%	7.4%	7.7%
Sales gr. change	1.0pp	21.4	19.9	18.6	17.4	16.3
	0.5pp	19.9	18.6	17.4	16.2	15.2
	0.0pp	18.6	17.4	16.2	15.2	14.2
	-0.5pp	17.4	16.2	15.2	14.2	13.3
	-1.0pp	16.2	15.2	14.2	13.3	12.5

Sensitivity analysis: Sales growth vs EBIT margin

		Sales growth change				
		-1.0pp	-0.5pp	+0.0pp	+0.5pp	+1.0pp
EBIT margin change	1.0pp	19.1	20.4	21.8	23.4	25.0
	0.5pp	16.7	17.8	19.0	20.4	21.8
	0.0pp	14.2	15.2	16.2	17.4	18.6
	-0.5pp	11.7	12.5	13.4	14.4	15.4
	-1.0pp	9.3	9.9	10.6	11.4	12.2

Source: Nordea estimates

Relative valuation versus European peers

We compare Atria to European food processing peers that we find relevant for the company. We derive an EV/EBIT valuation range of EUR 13.1-16.0 by taking 2022E adjusted EBIT of EUR 54.6m, multiplying it by the accepted multiple range of 10.7-12.3x and deducting our 2022 net debt assumption of EUR 215m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 14.7-17.9 by taking 2022E adjusted EPS of EUR 1.36 and multiplying it by an accepted multiple range of 10.8-13.2x.

PEER GROUP VALUATION MULTIPLES

	Country	Price	Mcap	EV	EV/EBIT				P/E				Div yield %	
		Local	EURm	EURm	2020	2021E	2022E	2023E	2020	2021E	2022E	2023E	2021E	2022E
European peers														
Apetit Oyj	Finland	12.9	82	102	21.7	19.1	14.9	14.6	24.8	18.8	14.0	13.4	4.5%	5.0%
Bell Food Group Ag	Switzerland	272.5	1,579	2,216	15.2	14.9	14.1	13.9	11.6	14.4	13.5	12.5	2.4%	2.6%
Cranswick Plc	UK	3,820.0	2,352	2,460	15.3	15.7	15.0	14.7	20.8	18.1	17.7	17.8	1.9%	2.0%
Fleury Michon Sa	France	23.0	101	225	14.4	10.7	9.4	8.7	86.6	9.5	5.2	4.3	4.3%	4.8%
Hksan Oyj	Finland	2.2	206	525	30.9	17.5	15.9	15.9		20.0	13.8	12.9	2.3%	3.6%
Raisio Oyj	Finland	3.8	629	549	19.0	21.1	21.1	17.1	25.4	27.2	29.3	23.8	3.5%	3.8%
Scandi Standard Ab (Publ)	Sweden	56.5	365	553	11.4	11.9	10.9	10.6	11.0	12.0	10.8	10.7	5.1%	5.0%
Societe Ldc Sa	France	102.0	1,758	1,642	8.3	8.2	7.6	6.9	11.9	11.3	10.6	10.0	1.7%	1.9%
Ter Beke Nv	Belgium	109.5	197	298	19.1				41.3					
Average			808	952	17.3	14.9	13.6	12.8	29.2	16.4	14.4	13.2	3.2%	3.6%
Median			365	549	15.3	15.3	14.5	14.2	22.8	16.3	13.6	12.7	3.0%	3.7%
Atria (NDA)		12.3	348	538	13.6	10.3	10.3	10.1	10.8	12.8	9.0	8.6	4.1%	4.1%
International peers														
Brf Sa	Brazil	25.8	3,470	6,144	14.7	15.0	13.3	11.2	16.1	20.5	17.0	12.6	0.9%	1.9%
Gruppa Cherkizovo Pao	Russia	2,221.5	1,295	2,016	11.9				7.4					
Sanderson Farms Inc	US	181.1	3,427	3,371	161.7	9.7	11.4	13.9	69.1	12.9	15.3		0.9%	1.0%
Tyson Foods Inc	US	70.9	21,928	30,112	10.7	10.7	10.0		11.7	11.4	10.6		2.5%	2.8%
Average			7,530	10,411	49.8	11.8	11.6	12.6	26.1	14.9	14.3	12.6	1.5%	1.9%
Median			3,448	4,757	13.3	10.7	11.4	12.6	13.9	12.9	15.3	12.6	0.9%	1.9%
Atria (NDA)		12.3	348	538	13.6	10.3	10.3	10.1	10.8	12.8	9.0	8.6	4.1%	4.1%

Source: Refinitiv and Nordea estimates (as of market close on 19 July)

PEER GROUP KEY FIGURES

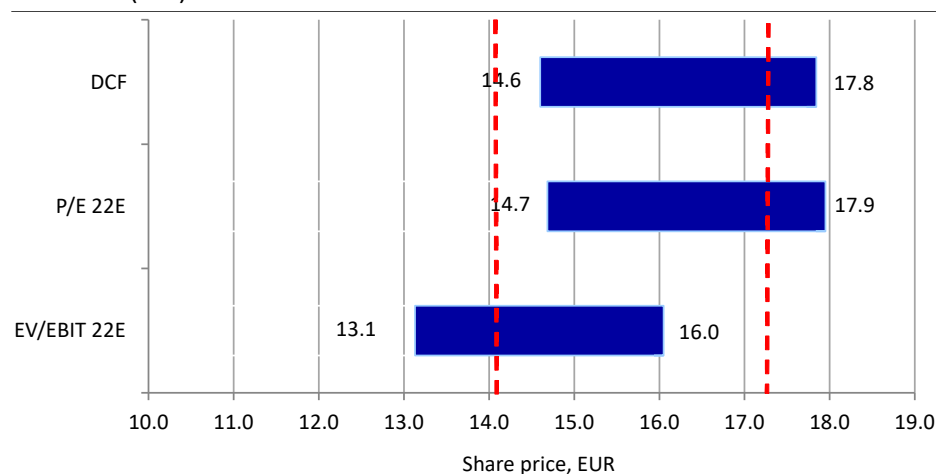
	Sales growth				EBIT margin				ROE			
	2020	2021E	2022E	2023E	2020	2021E	2022E	2023E	2020	2021E	2022E	2023E
European peers												
Apetit Oyj	-6.3%	2.2%	2.4%	2.1%	1.6%	1.8%	2.2%	2.2%	3.3%	4.5%	5.5%	6.1%
Bell Food Group Ag	-0.3%	0.3%	2.7%	1.7%	3.9%	4.0%	4.1%	4.1%	9.0%	8.3%	8.2%	7.8%
Cranswick Plc	16.6%	7.5%	3.1%	4.3%	7.6%	6.9%	7.0%	6.9%	14.3%	15.2%	14.1%	12.8%
Fleury Michon Sa	-1.6%	0.9%	2.4%	1.6%	2.1%	2.8%	3.2%	3.4%	-6.8%	11.0%	0.0%	12.0%
Hksan Oyj	2.1%	0.1%	1.1%		1.0%	1.7%	1.8%	1.8%	0.4%	3.1%	4.6%	5.1%
Raisio Oyj	-1.1%	6.2%	5.8%	7.4%	12.4%	10.5%	9.9%	11.3%	8.7%	8.0%	7.8%	9.4%
Scandi Standard Ab (Pl	4.0%	4.3%	5.6%	-0.1%	5.0%	4.6%	4.8%	4.9%	11.5%	15.3%	15.9%	0.0%
Societe Ldc Sa	1.3%	7.3%	3.3%	1.5%	4.5%	4.2%	4.4%	4.8%	9.8%	9.5%	9.7%	10.0%
Ter Beke Nv	-1.5%	2.7%	3.1%		2.2%	0.0%	0.0%		-2.0%	0.0%	0.0%	0.0%
Average	1.5%	3.5%	3.3%	2.6%	4.5%	4.1%	4.2%	4.9%	5.3%	8.3%	7.3%	7.0%
Median	-0.3%	2.7%	3.1%	1.7%	3.9%	4.0%	4.1%	4.4%	8.7%	8.3%	7.8%	7.8%
Atria (NDA)	3.6%	0.7%	1.0%	1.9%	2.6%	3.3%	3.6%	3.7%	5.2%	-2.1%	8.4%	8.4%
International peers												
Brf Sa	-21.0%	22.4%	5.1%	6.1%	7.2%	5.8%	6.2%	6.9%	16.8%	10.8%	12.4%	12.9%
Gruppa Cherkizovo Pao	-17.4%				11.8%				23.0%			
Sanderson Farms Inc	-1.9%	22.4%	0.8%		0.7%	9.2%	7.7%		1.8%	18.7%	14.7%	0.0%
Tyson Foods Inc	-5.1%	3.9%	2.4%		7.7%	7.4%	7.7%		14.7%	13.1%	13.1%	0.0%
Average	-11.4%	16.3%	2.7%	6.1%	6.8%	7.4%	7.2%	6.9%	14.1%	14.2%	13.4%	4.3%
Median	-11.3%	22.4%	2.4%	6.1%	7.4%	7.4%	7.7%	6.9%	15.8%	13.1%	13.1%	0.0%
Atria (NDA)	3.6%	0.7%	1.0%	1.9%	2.6%	3.3%	3.6%	3.7%	5.2%	-2.1%	8.4%	8.4%

Source: Refinitiv and Nordea estimates (as of market close 19 July)

Valuation conclusion

Based on our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 14.1-17.3 per Atria share, shown with red dotted lines in the picture below.

VALUATION (EUR)



Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES (EURm)

Income statement (EURm)	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	1,411	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,515	1,530	1,559
- sales growth	5.0%	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	0.7%	1.0%	1.9%
Gross profit	174	177	163	164	173	153	163	166	179	181	187
- margin	12.3%	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.8%	11.8%	12.0%
EBITDA	84	89	76	79	87	74	85	96	62	110	113
- margin	6.0%	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	7.2%	7.3%
D&A	-64	-48	-47	-47	-46	-45	-54	-57	-57	-56	-56
EBIT reported	19.7	40.6	28.9	31.8	40.9	28.2	31.1	39.5	5.5	54.6	57.1
Adj. EBIT	37.0	39.6	36.1	31.2	39.6	28.2	33.0	40.3	50.6	54.6	57.1
- margin	2.6%	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.3%	3.6%	3.7%
Net finance	-15	-13	-9	-6	-7	-6	-6	-5	-6	-6	-6
Associated companies	2	6	0	1	2	0	1	1	4	3	3
Adj. PTP	24.2	33.0	27.3	25.7	34.1	22.3	28.2	36.1	47.9	51.7	54.3
Taxes	-11.2	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-9.6	-10.3	-10.9
Profit before minorities	-4.3	26.8	14.6	19.6	28.4	17.8	17.0	23.5	-6.8	41.3	43.4
Minorities	0.0	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-2.2	-2.9	-3.0
Adj. Net Profit	12.9	21.5	21.0	17.8	24.5	16.5	17.0	25.8	27.1	38.4	40.4
EPS, excluding NRI (EUR)	0.46	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.96	1.36	1.43
Divisional sales EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Finland	887	946	929	932	986	1,019	1,034	1,066	1,094	1,110	1,127
Sweden					307	288	289	332	344	352	362
Denmark & Estonia					99	98	97	107	103	105	108
Unallocated	122	99	75	72	86	75	74	52	15	0	0
Group eliminations	-25	-25	-27	-30	-42	-41	-42	-53	-41	-37	-38
Group	1,411	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,515	1,530	1,559
Divisional operative EBIT	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Finland	31.9	32.5	29.8	24.2	36.3	36.7	40.0	43.1	48.1	48.2	48.8
Sweden					1.0	-7.1	-4.6	0.8	3.9	5.0	6.9
Denmark & Estonia					5.2	5.3	4.3	5.2	7.2	5.6	5.8
Unallocated	-4.6	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-8.6	-4.2	-4.3
Group	37.0	39.6	36.1	31.4	39.5	28.2	33.1	39.5	50.6	54.6	57.1
Divisional sales growth	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Finland	8%	7%	-2%	0%	6%	3%	1%	3%	3%	1%	1%
Sweden					n.a.	-6%	0%	15%	4%	2%	3%
Denmark & Estonia					n.a.	-1%	-1%	11%	-3%	2%	2%
Unallocated	-4%	-19%	-24%	-4%	19%	-12%	-2%	-30%	-72%	-100%	
Group eliminations	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	5%	1%	-6%	1%	6%	0%	1%	4%	1%	1%	2%
EBIT margin	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Finland	3.6%	3.4%	3.2%	2.6%	3.7%	3.6%	3.9%	4.0%	4.4%	4.3%	4.3%
Sweden					0.3%	-2.5%	-1.6%	0.2%	1.1%	1.4%	1.9%
Denmark & Estonia					5.3%	5.4%	4.5%	4.9%	7.0%	5.4%	5.4%
Group eliminations	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	2.6%	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.3%	3.6%	3.7%

Source: Company data and Nordea estimates

QUARTERLY ESTIMATES (EURm)

Income statement (EURm)	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Sales	336	369	366	380	357	366	382	399	361	387	378	389
- sales growth	-2.6%	2.7%	2.5%	0.8%	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	-1.3%	-2.5%
Gross profit	30.3	38.5	45.9	48.0	33.9	36.0	47.2	49.3	38.1	45.4	48.5	46.8
- margin	9.0%	10.4%	12.5%	12.6%	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.8%	12.0%
EBITDA	10.8	18.6	30.1	25.8	16.1	17.9	32.7	30.2	21.9	-18.7	31.9	27.2
- margin	3.2%	5.0%	8.2%	6.8%	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.5%	7.0%
D&A	-14	-14	-14	-14	-14	-14	-14	-15	-15	-14	-14	-14
EBIT reported	-2.8	5.1	16.6	12.1	2.1	4.1	19.0	15.1	6.5	-32.6	18.1	13.5
Adj. EBIT	-1.3	5.1	16.6	12.6	2.1	4.1	19.0	15.1	6.5	12.5	18.1	13.5
- margin	-0.4%	1.4%	4.5%	3.3%	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	4.8%	3.5%
Net finance	-1.2	-1.3	-1.4	-1.6	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.8	-1.8
Associated companies	0.2	-0.3	0.4	0.3	0.3	0.2	0.3	0.3	0.8	1.1	0.8	0.8
Adj. PTP	-2.2	3.5	15.7	11.2	1.0	3.6	17.9	14.6	5.0	13.2	17.2	12.5
Taxes	-0.2	-1.0	-3.0	-4.9	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-3.4	-2.3
Profit before minorities	-4.0	2.4	12.7	5.8	0.6	2.3	14.9	5.7	4.1	-34.8	13.7	10.2
Minorities	-0.4	-0.4	-0.5	-0.6	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.8	-0.7
Adj. Net Profit	-2.9	2.1	12.1	5.8	0.2	2.0	14.4	6.1	3.7	10.0	12.9	9.5
EPS, excluding NRI (EUR)	-0.10	0.07	0.43	0.21	0.01	0.07	0.51	0.22	0.13	0.35	0.46	0.34
Divisional sales EURm	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Finland	241	264	258	272	253	263	266	285	260	278	269	287
Sweden	67	74	74	75	78	78	91	85	77	88	93	86
Denmark & Estonia	22	24	25	27	27	27	27	27	25	27	26	26
Unallocated	16	19	21	19	14	10	14	14	10	5	0	0
Group eliminations	-9	-11	-11	-12	-14	-12	-15	-12	-10	-10	-10	-11
Group	337	369	366	380	357	366	382	399	361	387	378	389
Divisional operative EBIT	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Finland	3.9	6.4	15.3	14.4	6.2	7.3	15.2	14.4	9.8	11.3	14.3	12.6
Sweden	-2.6	-1.5	0.0	-0.5	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.3	1.5
Denmark & Estonia	0.6	1.0	1.7	1.0	0.3	1.1	2.1	1.7	1.9	2.0	2.0	1.4
Unallocated	-1.0	-0.5	-0.8	-0.8	-2.6	-2.7	-1.3	-2.2	-4.0	-1.1	-1.5	-2.0
Group	0.9	5.4	16.2	14.1	2.1	4.1	19.0	15.1	6.5	12.5	18.1	13.5
Divisional sales growth	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Finland	-2%	3%	3%	1%	5%	0%	3%	5%	3%	6%	1%	1%
Sweden	-4%	4%	2%	1%	17%	5%	23%	14%	-2%	12%	2%	2%
Denmark & Estonia	-6%	-3%	0%	5%	22%	14%	9%	0%	-8%	-1%	-3%	-2%
Unallocated	-9%	0%	7%	-5%	-13%	-45%	-32%	-26%	-27%	-55%	-100%	-100%
Group eliminations	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	-3%	3%	2%	1%	6%	-1%	5%	5%	1%	6%	-1%	-2%
EBIT margin	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Finland	1.6%	2.4%	5.9%	5.3%	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	5.3%	4.4%
Sweden	-3.9%	-2.0%	0.0%	-0.7%	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.6%	1.7%
Denmark & Estonia	2.8%	4.3%	6.9%	3.8%	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	7.5%	5.2%
Group eliminations	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	0.3%	1.5%	4.4%	3.7%	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	4.8%	3.5%

Source: Company data and Nordea estimates

Risk factors

In this section, we highlight the main risks that we find relevant for Atria. We list risks according to their relevance, with the most relevant on top. The following is not an exhaustive list but rather our view of some key risks for the company.

Increasing raw material prices

Atria's profitability depends on changes in global market prices for meat raw materials, which affect Atria with a lag. As Atria and other meat processing companies are in the middle of the value chain, it might be difficult to fully implement the product price hikes needed to protect EBIT margins in the case of elevated meat raw material prices. The 2021 harvest might turn out to be only moderate, which might have indirect impacts on meat raw material prices.

Changes in customer demand

Atria's key market areas of retail trade are highly centralised, making it dependent on individual customers. Shifts in consumer demand could thus affect Atria's margins.

Outbreak of animal diseases

Animal disease discovered at a critical point in Atria's production chain could interrupt production in the unit concerned and disrupt operations throughout the chain. The recent development of African swine fever (ASF) may cause similar restrictions and government guidance pressure, much like avian influenza did in Sweden in H2 2017. Diseases may even lead to import and export restrictions on meat products. The latest outbreak of ASF in Germany caused pressure on prices in Germany due to restrictions on exports to China. Expansion of the current H5N8 avian influenza cannot be ruled out, while direct impact on Atria should be limited as the company has only limited exposure to poultry exports outside the EU. An outbreak of animal diseases in Atria's operating countries could have a substantial effect on Atria's sales.

Changes in consumer demand

In the long term, consumer behaviour may change the pattern of demand for Atria's products across different categories. As a result, shifts in consumer demand could affect Atria's net sales and eventually margins.

Operational disturbances

Atria has production plants in Finland, Sweden, Denmark and Estonia. Its operations are process-centric and disturbances in a critical part of the process could result in the suspension of plant operations.

COVID-19-related risks

In addition to possible changes in raw material prices, operational disturbances and changes in consumer and customer demand, COVID-19 poses various risks for Atria. FX changes and geopolitical risks have increased, while lockdowns have increased the risk of trade receivable writedowns. Investments may also be hard to conduct during social restrictions. All risks related to COVID-19 might cause a sudden decline in sales, while fixed costs would occur in any case.

Product safety issues

As a food manufacturing company, Atria is exposed to internal and external quality and safety issues throughout the production chain. Product safety issues may hamper Atria's reputation as a quality producer.

Financial risks

The key financial risks are translation, transaction, and refinancing risks. Atria's main transaction and translation risks are in its Swedish operations.

Increasing competition from foreign products

Atria primarily uses domestic meat raw materials, and domestic customers demand mostly domestic meat products. In a scenario with changes in demand and foreign competitors entering the market, increased competition could affect profitability.

Reported numbers and forecasts

INCOME STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,411	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,515	1,530	1,559
Revenue growth	5.0%	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	0.7%	1.0%	1.9%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	101	90	68	79	87	74	85	96	62	110	113
Depreciation and impairments PPE	-64	-48	-47	-47	-46	-45	-54	-57	-57	-56	-56
of which leased assets	0	0	0	0	0	0	-9	-9	-9	-9	-9
EBITA	37	42	22	32	41	28	31	40	6	55	57
Amortisation and impairments	-17	-1	7	0	0	0	0	0	0	0	0
EBIT	20	41	29	32	41	28	31	40	6	55	57
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	2	6	0	1	2	0	1	1	4	3	3
Net financials	-15	-13	-9	-6	-7	-6	-6	-5	-6	-6	-6
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	7	34	20	26	36	22	26	36	3	52	54
Reported taxes	-11	-7	-5	-7	-7	-5	-9	-13	-10	-10	-11
Net profit from continued operations	-4	27	15	20	28	18	17	24	-7	41	43
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	-1	-1	-1	-3	-1	-2	-2	-2	-3	-3
Net profit to equity	-4	26	14	18	26	17	15	22	-9	38	40
EPS, EUR	-0.16	0.93	0.49	0.65	0.92	0.59	0.53	0.77	-0.32	1.36	1.43
DPS, EUR	0.22	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.50	0.50	0.50
of which ordinary	0.22	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.50	0.50	0.50
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	7.2%	6.3%	5.1%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	7.2%	7.3%
EBITA	2.6%	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	3.6%	3.7%
EBIT	1.4%	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	3.6%	3.7%

Adjusted earnings

EBITDA (adj)	119	89	76	78	86	74	87	96	107	110	113
EBITA (adj)	54	41	29	31	40	28	33	40	51	55	57
EBIT (adj)	37	40	36	31	40	28	33	40	51	55	57
EPS (adj, EUR)	0.46	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.96	1.36	1.43

Adjusted profit margins in percent

EBITDA (adj)	8.4%	6.2%	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	7.1%	7.2%	7.3%
EBITA (adj)	3.9%	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.3%	3.6%	3.7%
EBIT (adj)	2.6%	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.3%	3.6%	3.7%

Performance metrics

CAGR last 5 years											
Net revenue	0.8%	1.6%	0.6%	0.8%	1.3%	0.4%	0.4%	2.3%	2.3%	1.3%	1.6%
EBITDA	3.7%	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.6%	4.9%	9.0%
EBIT	-12.5%	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-29.6%	5.9%	15.2%
EPS	n.m.	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	8.2%	19.5%
DPS	1.9%	9.9%	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	1.7%	0.0%	4.6%
Average last 5 years											
Average EBIT margin	1.4%	1.6%	1.9%	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	2.1%	2.5%
Average EBITDA margin	5.7%	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.8%	6.2%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	16.8	8.7	12.2	18.2	13.9	11.2	16.7	10.8	13.1	9.2	8.8
EV/EBITDA (adj)	4.3	4.8	5.8	7.0	6.6	5.7	6.0	5.0	5.1	5.4	5.3
EV/EBITA (adj)	9.4	10.5	15.2	17.5	14.3	14.9	15.7	12.3	10.8	10.8	10.6
EV/EBIT (adj)	13.8	10.8	12.2	17.5	14.3	14.9	15.7	12.3	10.8	10.8	10.6

VALUATION RATIOS - REPORTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.m.	7.1	18.5	17.8	13.2	11.2	18.9	12.8	n.m.	9.2	8.8
EV/Sales	0.36	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.36	0.39	0.39
EV/EBITDA	5.0	4.7	6.4	7.0	6.5	5.7	6.1	5.0	8.7	5.4	5.3
EV/EBITA	13.8	10.3	20.3	17.3	13.8	14.9	16.8	12.3	98.9	10.8	10.6
EV/EBIT	25.8	10.5	15.2	17.3	13.8	14.9	16.8	12.3	98.9	10.8	10.6
Dividend yield (ord.)	2.8%	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	4.0%	4.0%	4.0%
FCF yield	24.9%	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	11.8%	-5.9%	3.2%
FCF Yield bef A&D, lease adj	23.1%	31.3%	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	0.3%	-8.3%	0.8%
Payout ratio	n.m.	43.0%	81.8%	71.2%	54.4%	68.3%	79.1%	65.1%	n.m.	36.8%	35.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	242	239	237	263	256	249	246	249	244	244	244
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	77	76	79	94	89	87	85	84	79	79	79
of which goodwill	165	164	158	170	167	163	161	165	165	165	165
Tangible assets	434	391	395	405	409	401	423	421	421	479	516
of which leased assets	0	0	0	0	0	0	30	25	25	25	25
Shares associates	15	13	13	14	15	15	15	15	18	21	24
Interest bearing assets	2	1	1	1	1	1	1	1	1	1	1
Deferred tax assets	5	6	7	7	6	5	4	2	0	0	0
Other non-IB non-current assets	7	11	11	11	9	10	5	5	5	5	5
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	706	663	665	701	696	681	694	692	689	749	790
Inventory	114	93	81	90	93	106	110	103	104	107	109
Accounts receivable	114	117	101	109	114	105	107	106	107	108	110
Short-term leased assets	0	0	0	0	0	0	9	9	9	9	9
Other current assets	8	7	4	5	4	3	4	4	4	4	4
Cash and bank	29	3	4	5	3	4	4	27	45	41	50
Total current assets	265	220	190	208	214	219	235	248	268	269	282
Assets held for sale	7	41	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	978	923	855	909	910	900	929	940	957	1,019	1,072
Shareholders equity	408	402	400	410	419	415	420	423	445	469	495
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	3	4	5	12	12	13	14	16	18	21	24
Total Equity	412	406	405	422	431	428	434	439	463	490	519
Deferred tax	45	44	45	49	47	43	41	39	39	39	39
Long term interest bearing debt	216	203	156	178	122	153	141	139	139	179	199
Pension provisions	7	8	7	7	6	6	7	7	7	7	7
Other long-term provisions	0	1	0	0	0	0	1	0	0	0	0
Other long-term liabilities	6	6	6	11	8	7	7	2	2	2	2
Non-current lease debt	0	0	0	0	0	0	25	25	26	26	25
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	273	260	214	245	184	209	221	212	213	253	273
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	174	199	192	200	202	188	211	234	227	222	226
Current lease debt	0	0	0	0	0	0	9	10	9	9	9
Other current liabilities	0	0	0	3	1	0	0	0	0	0	0
Short term interest bearing debt	119	52	44	40	92	75	54	45	45	45	45
Total current liabilities	293	250	236	242	295	262	274	289	281	276	280
Liabilities for assets held for sale	0	7	0	0	0	0	0	0	0	0	0
Total liabilities and equity	978	924	855	909	910	900	929	940	957	1,019	1,072
Balance sheet and debt metrics											
Net debt	304	249	194	212	210	222	223	190	172	215	227
of which lease debt	0	0	0	0	0	0	34	34	34	34	34
Working capital	62	18	-6	1	7	27	10	-21	-13	-3	-3
Invested capital	768	681	659	703	703	708	705	670	676	747	787
Capital employed	746	660	604	640	645	656	663	657	681	748	798
ROE	-1.0%	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-2.1%	8.4%	8.4%
ROIC	3.9%	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.5%	6.6%	6.4%
ROCE	5.1%	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	8.1%	8.1%	7.8%
Net debt/EBITDA	3.0	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.8	2.0	2.0
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.9	n.m.	n.m.
Equity ratio	41.8%	43.5%	46.8%	45.1%	46.0%	46.2%	45.2%	45.0%	46.5%	46.0%	46.2%
Net gearing	73.8%	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	37.1%	43.9%	43.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	101	90	68	79	87	74	85	96	62	110	113
Paid taxes	-6	-8	-4	-6	-10	-1	-9	-9	-10	-10	-11
Net financials	-13	-7	-9	-4	-8	-6	-6	-5	-6	-6	-6
Change in provisions	-1	1	-1	0	-1	0	1	0	0	0	0
Change in other LT non-IB	13	-5	-1	5	1	0	5	-2	2	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	21	65	61	-16	-10	-6	-18	6	45	0	0
Funds from operations (FFO)	115	136	115	58	59	60	59	87	93	94	96
Change in NWC	-26	-44	-24	7	6	-13	29	15	-8	-10	0
Cash flow from operations (CFO)	89	92	91	65	65	47	89	102	85	84	96
Capital expenditure	-39	-34	-50	-43	-53	-45	-40	-41	-75	-105	-85
Free cash flow before A&D	50	58	40	22	11	3	48	61	10	-21	11
Proceeds from sale of assets	4	19	33	6	8	-1	0	0	32	0	0
Acquisitions	0	-33	-5	-30	0	0	0	-3	0	0	0
Free cash flow	54	44	68	-2	19	2	48	58	42	-21	11
Free cash flow bef A&D, lease adj	50	58	40	22	11	3	40	53	1	-29	3
Dividends paid	-6	-6	-11	-11	-13	-15	-12	-12	-14	-14	-14
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	-36	-81	-55	15	-3	13	-40	-13	0	40	20
Other financing adjustments	16	18	0	0	0	0	0	-9	-9	-9	-9
Other non-cash adjustments	-6	-1	-2	-1	-4	1	4	-2	0	0	0
Change in cash	22	-25	1	0	-1	1	0	22	19	-4	9
Cash flow metrics											
Capex/D&A	47.3%	68.9%	n.m.	90.9%	n.m.	98.0%	73.8%	72.0%	n.m.	n.m.	n.m.
Capex/Sales	2.7%	2.4%	3.7%	3.2%	3.7%	3.1%	2.8%	2.7%	5.0%	6.9%	5.5%
Key information											
Share price year end (/current)	8	7	9	11	12	7	10	10	13	13	13
Market cap.	218	186	255	324	341	185	284	278	354	354	354
Enterprise value	509	426	441	548	563	420	521	485	545	591	605
Diluted no. of shares, year-end (m)	28.2	28.2	28.2	28.2	28.2	28.2	28.3	28.3	28.3	28.3	28.3

Source: Company data and Nordea estimates

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