Atria

Consumer Goods
Finland

Strong Q3 despite mounting cost inflation

Atria reported a strong Q3 with EBIT of EUR 19.7m beating Refinitiv consensus by 16%. On an organic basis, sales were up 4% y/y, with solid retail sales and improving fast food and foodservice sales after easing of restrictions. Investments in Finland and Sweden are proceeding according to plan. Atria raised its 2021 guidance on 18 October and expects EUR 47-54m in adjusted EBIT in 2021, while we are more concerned about the outlook for 2022. General cost inflation started to mount in September and we expect the main impact to materialise in H1 2022. Given the lag between cost and price increases, we expect 2022 to be heavily back-end loaded with a difficult H1. The company will arrange a CMD event on 25 November. We derive a fair value range of EUR 12.6-15.5 per share.

Q3 benefitted from good summer season and improving mix

Atria reported Q3 net sales of EUR 388m, up 4% y/y on an organic basis. Adjusted EBIT in Q3 was EUR 19.7m, up 4% y/y and burdened by increasing cost inflation in September. The company expects cost inflation across its operations, while we note that packaging materials, for example, appear to have peaked. However, given the lag between price and cost increases, we expect H1 2022 to be most affected with increasing meat raw material prices, logistics and energy costs. Exports to China decreased y/y in Q3 and while the company does not expect any sudden changes in the near future, it has been able to find alternative export channels for pork.

Further cuts to 2022 estimates due to cost pressure

Although we increase our 2021-23 top-line estimates by 1-2%, we lower 2022E EBIT by 8% given mounting cost inflation. We expect 2022 to be heavily back-end loaded in terms of earnings, as required price increases will most likely take at least six months to implement. We forecast that EBIT will decline by 9% in 2022, while we expect a clear recovery in 2023 and we keep our EBIT estimates for 2023 virtually intact.

Fair value range of EUR 12.6-15.5 with a cloudy 2022 outlook

We derive a fair value range of EUR 12.6-15.5 (13.0-15.9) per Atria share by applying equal weighting to our DCF- and multiples-based valuation methods. We note that visibility over 2022 earnings development remains challenging due to broad-based cost inflation. Volatility in the meat raw material market continues, while we expect the company to continue its efficiency improvement measures.

SUMMARY TABLE - KEY FIGURES

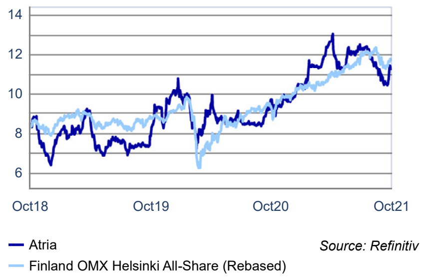
EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,436	1,439	1,451	1,504	1,532	1,568	1,598
EBITDA (adj)	86	74	87	96	108	103	111
EBIT (adj)	40	28	33	40	50	46	54
EBIT (adj) margin	2.8%	2.0%	2.3%	2.6%	3.3%	2.9%	3.4%
EPS (adj, EUR)	0.87	0.59	0.60	0.91	0.97	1.13	1.35
EPS (adj) growth	37.5%	-32.5%	2.6%	51.8%	6.4%	16.6%	18.9%
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	0.3	0.4	0.4
EV/EBIT (adj)	14.3	14.9	15.7	12.3	9.7	12.0	10.7
P/E (adj)	13.9	11.2	16.7	10.8	11.6	9.9	8.4
P/BV	0.8	0.4	0.7	0.7	0.7	0.7	0.7
Dividend yield (ord)	4.1%	6.1%	4.2%	5.1%	4.4%	4.4%	4.4%
FCF Yield bef A&D, lease	3.3%	1.5%	14.0%	18.9%	6.8%	-14.3%	-2.7%
Net debt	210	222	223	190	151	211	234
Net debt/EBITDA	2.4	3.0	2.6	2.0	2.4	2.0	2.1
ROIC after tax	4.8%	3.3%	3.8%	4.8%	6.6%	5.7%	6.1%

Source: Company data and Nordea estimates

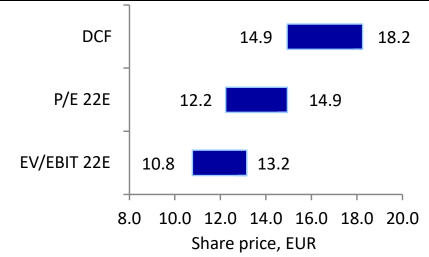
KEY DATA

Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 11.24
Free Float	42%
Market cap. (bn)	EUR 0.32/EUR 0.32
Website	www.atria.fi
Next report date	15 Feb 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	2%	2%
EBIT (adj)	6%	-8%	0%

Source: Nordea estimates

Nordea Markets - Analysts
Joni Sandvall
Analyst

Svante Krokfors
Director

Q3 deviation and estimate revisions

Foodservice recovering while cost inflation starting to materialise
After a guidance upgrade on 18 October, Atria reported strong Q3 adjusted EBIT of EUR 19.7m, 16% above Refinitiv consensus and 18% above our estimate. Q3 net sales of EUR 388m were up 1% y/y (+4% organic growth) and came 1% above consensus and 3% above Nordea's estimate. The 16% EBIT beat in Q3 was mainly attributable to Finland, where retail sales have continued at last year's level while foodservice sales have started to recover. Exports to China have decreased and profitability of exports has deteriorated due to current low price levels in the Chinese pork market. Atria reiterated its upgraded (18 October) adjusted EBIT guidance of EUR 47-54m for 2021 (EUR 40.5m in 2020). There were no items affecting comparability in Q3. Reported EPS stood at EUR 0.53, compared to the consensus estimate of EUR 0.41 (Nordea EUR 0.42).

- Atria Finland's net sales were EUR 275m, up 3% y/y and 3% above our expectation. Adjusted EBIT was EUR 16.4m, 23% above our estimate of EUR 13.4m. Atria Finland benefitted from recovering foodservice sales, while retail sales continued at last year's level. Exports to China decreased, in line with our expectation, and profitability decreased. The sales mix has improved, while general cost inflation has increased at the end of the review period.

- Atria Sweden's net sales were EUR 94m, up 3% in local currency (+4% on a reported basis). Adjusted EBIT of EUR 3m came 2% below our estimate of EUR 2.9m and was supported by improving fast food and foodservice sales. Increased feed, transport and energy costs brought down EBIT growth during Q3.

- Atria Denmark & Estonia's net sales were EUR 27m, up 1% y/y and 5% above our expectation. Sales in Estonian retail increased and Atria's market share strengthened to approximately 17%. In Denmark, foodservice sales improved while retail sales are returning to pre-COVID levels. EBIT was burdened by cost inflation in Estonia, while Denmark has seen continued low pork price levels. Adjusted EBIT was EUR 1.2m, 37% (EUR 0.7m) below our estimate.

2021 guidance reiterated after guidance upgrade on 18 October
Atria reiterated its upgraded (18 October) adjusted EBIT guidance for 2021. The company expects EUR 47-54m adjusted EBIT in 2021, which we find strong despite possible easing of restrictions, continuing efficiency improvements and tailwind from the divestment in H2. Atria's January-September adjusted EBIT of EUR 38.9m implies EUR 8.1-15.1m adjusted EBIT for Q4 (EUR 15.1m in Q4 2020). Pre-Q3 Refinitiv consensus was expecting EUR 13.6m EBIT for Q4, while we note a low quality of consensus. We think the wide guidance range reflects uncertainty related to exports to China and raw material headwinds (e.g. logistics, meat raw material, electricity and packaging).

DEVIATION TABLE

EURm	Actual Q3 2021	NDA est. Q3 2021E	Deviation vs. actual		Consensus Q3 2021E	Deviation vs. actual		Actual Q2 2021	q/q	Actual Q3 2020	y/y
Sales	**388**	**378**	**10**	**3%**	**383**	**6**	**1%**	**387**	**0%**	**382**	**1%**
Adj. EBIT	**19.7**	**16.7**	**3.0**	**18%**	**17.0**	**2.8**	**16%**	**12.5**	**58%**	**19.0**	**4%**
Adj. EBIT margin	5.1%	4.4%	0.6pp	0.6pp	4.4%	0.6pp		3.2%	1.8pp	5.0%	0.1pp
EPS, EUR	**0.53**	**0.42**	**0.11**	**26%**	**0.41**	**0.12**	**29%**	**(1.24)**	-143%	**0.51**	4%
DPS, EUR	**0.50**	**0.50**	**0.00**	**0%**	**0.51**	**(0.01)**	**-2%**				
Divisional sales, EURm											
Finland	274.6	267.4	7	3%				278	-1%	266	3%
Sweden	94.3	94.1	0	0%				88	7%	91	4%
Denmark & Estonia	27.3	26.1	1	5%				27	2%	27	1%
Unallocated	0.2	0.0	0	n.m.				5	-96%	14	-99%
Group eliminations	-8.3	-10.0	2	-17%				-10	-15%	-15	-46%
Group	**388.0**	**378**	**10.4**	**3%**				**387**	**0%**	**382**	**1%**
Divisional adj. EBIT, EURm											
Finland	16.4	13.4	3.0	23%				11.3	45%	15.2	8%
Sweden	3.0	2.9	0.1	2%				0.3	900%	3	0%
Denmark & Estonia	1.2	1.9	-0.7	-37%				2	-40%	2.1	-43%
Group eliminations	-0.9	-1.5	0.6	-40%				-1.1	-18%	-1.3	-31%
Group	**19.7**	**16.7**	**3.0**	**18%**				**12.5**	**58%**	**19**	**4%**

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

We raise our 2021-23 top-line estimates by 1-2% as we expect Atria to raise its prices to mitigate general cost inflation. However, as we expect cost inflation to burden profitability, especially during H1 2022, we lower our 2022 EBIT estimate by 8%. We keep our 2023 EBIT estimate intact. Given the strong Q3, we raise 2021E EBIT by 6% and model EUR 50.5m in adjusted EBIT in 2021. Hence, we expect a 9% adjusted EBIT decline in 2022E.

ESTIMATE REVISIONS AFTER THE Q3 REPORT

	New estimates				Old estimates				Difference %			
EURm	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**
Sales	**396**	**1,532**	**1,568**	**1,598**	**390**	**1,516**	**1,538**	**1,567**	**2%**	**1%**	**2%**	**2%**
Adj. EBIT	**11.8**	**50.5**	**45.7**	**53.8**	**11.8**	**47.5**	**50.0**	**54.0**	**0%**	**6%**	**-8%**	**0%**
Adj. EBIT margin	3.0%	3.3%	2.9%	3.4%	3.0%	3.1%	3.2%	3.4%	-0.1pp	0.2pp	-0.3pp	-0.1pp
Adj. EPS, EUR	**0.29**	**0.97**	**1.13**	**1.35**	**0.29**	**0.87**	**1.24**	**1.35**	**-1%**	**11%**	**-9%**	**0%**
DPS		0.50	0.50	0.50		0.5	0.50	0.50		0%	0%	0%
Divisional sales EURm	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**
Finland	287	1,100	1,133	1,150	286	1,091	1,113	1,130	0%	1%	2%	2%
Sweden	92	351	364	374	89	347	357	367	4%	1%	2%	2%
Denmark & Estonia	27	106	108	110	26	103	105	108	4%	2%	2%	2%
Unallocated	0	15	0	0	0	15	0	0	nm.	nm.	nm.	nm.
Group eliminations	-11	-39	-36	-37	-11	-41	-37	-38	0%	-4%	-4%	-4%
Group	**396**	**1,532**	**1,568**	**1,598**	**390**	**1,516**	**1,538**	**1,567**	**2%**	**1%**	**2%**	**2%**
Divisional adj. EBIT	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**
Finland	11.6	49.1	40.3	45.7	11.4	45.8	43.5	45.6	2%	7%	-7%	0%
Sweden	1.1	3.2	4.4	6.6	1.1	3.1	4.9	6.8	5%	4%	-11%	-2%
Denmark & Estonia	1.1	6.2	5.3	5.8	1.4	7.2	5.8	5.9	-21%	-14%	-8%	-1%
Unallocated	-2.0	-8.0	-4.3	-4.4	-2.0	-8.6	-4.2	-4.3	0%	-7%	1%	1%
Group	**11.8**	**50.5**	**45.7**	**53.8**	**11.8**	**47.5**	**50.0**	**54.0**	**0%**	**6%**	**-8%**	**0%**
Divisional sales growth	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**
Finland	1%	3%	3%	1%	0%	2%	2%	1%	0.5pp	0.8pp	1.0pp	0.0pp
Sweden	8%	6%	4%	3%	4%	5%	3%	3%	4.1pp	1.1pp	0.9pp	0.0pp
Denmark & Estonia	2%	-1%	2%	2%	-2%	-3%	2%	2%	4.0pp	2.1pp	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%**	**2%**	**2%**	**2%**	**-2%**	**1%**	**1%**	**2%**	**1.5pp**	**1.1pp**	**0.9pp**	**0.0pp**
EBIT margin	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2021E**	**2021E**	**2022E**	**2023E**
Finland	4.0%	4.5%	3.6%	4.0%	4.0%	4.2%	3.9%	4.0%	0.1pp	0.3pp	-0.3pp	-0.1pp
Sweden	1.2%	0.9%	1.2%	1.8%	1.2%	0.9%	1.4%	1.8%	0.0pp	0.0pp	-0.2pp	-0.1pp
Denmark & Estonia	4.0%	5.9%	4.9%	5.3%	5.2%	6.9%	5.5%	5.5%	-1.2pp	-1.1pp	-0.6pp	-0.2pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**3.0%**	**3.3%**	**2.9%**	**3.4%**	**3.0%**	**3.1%**	**3.2%**	**3.4%**	**-0.1pp**	**0.2pp**	**-0.3pp**	**-0.1pp**

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 12.6-15.5 per share for Atria.

DCF valuation yields EUR 14.9-18.2 per share

The outcome of our DCF valuation is EUR 14.9-18.2 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	598-691	21.1-24.5
(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	31	1.1
DCF Value	**422-516**	**14.9-18.2**

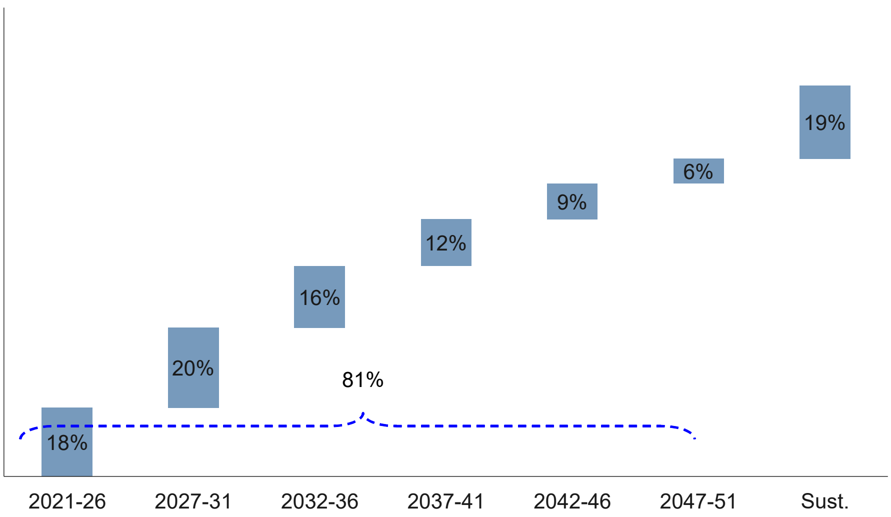
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2021-26	2027-31	2032-36	2037-41	2042-46	2047-51	Sust.
Sales growth, CAGR	2.4%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associate:	2.9%	3.5%	3.5%	3.5%	3.5%	3.0%	
Capex/depreciation, x	1.3	1.0	1.0	1.0	1.0	1.0	
Capex/sales	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
NWC/sales	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCFF, CAGR	2.4%	3.2%	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 12.7-20.9 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	25.7	24.0	22.5	21.0	19.7
	0.5pp	22.4	20.9	19.5	18.3	17.1
	0.0pp	19.1	17.8	16.6	15.5	14.5
	-0.5pp	15.7	14.6	13.7	12.7	11.9
	-1.0pp	12.4	11.5	10.7	10.0	9.3

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.7%	6.9%	7.2%	7.4%	7.7%
Sales gr. change	1.0pp	22.0	20.5	19.1	17.8	16.7
	0.5pp	20.5	19.1	17.8	16.6	15.5
	0.0pp	19.1	17.8	16.6	15.5	14.5
	-0.5pp	17.8	16.6	15.5	14.5	13.6
	-1.0pp	16.6	15.5	14.5	13.5	12.7

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	19.6	21.0	22.5	24.1	25.8
	0.5pp	17.1	18.2	19.5	20.9	22.4
	0.0pp	14.5	15.5	16.6	17.8	19.1
	-0.5pp	11.9	12.7	13.7	14.7	15.7
	-1.0pp	9.3	10.0	10.7	11.5	12.4

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 10.8-13.2 by taking 2022E adjusted EBIT of EUR 45.7m, multiplying it by the accepted multiple range of 11.3-12.7x and deducting our 2022 net debt assumption of EUR 211m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 12.2-14.9 by taking 2022E adjusted EPS of EUR 1.13 and multiplying it by an accepted multiple range of 10.8-13.2x.

PEER GROUP VALUATION MULTIPLES

		Price	Mcap	EV	EV/EBIT				P/E				Div yield %	
European peers	**Country**	**Local**	**EURm**	**EURm**	**2020**	**2021E**	**2022E**	**2023E**	**2020**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**
Apetit Oyj	Finland	14.0	88	91	19.4	17.0	13.3	13.0	26.9	21.9	15.6	14.7	3.8%	4.6%
Bell Food Group Ag	Switzerland	298.5	1,753	2,407	16.5	15.3	14.6	14.4	12.9	14.2	14.4	13.3	2.3%	2.5%
Cranswick Plc	UK	3,500.0	2,196	2,304	14.3	14.7	14.0	13.8	19.6	17.1	16.6	16.7	2.0%	2.1%
Fleury Michon Sa	France	22.9	100	185	11.9	10.8	8.5	7.4	86.2	5.6	5.3	4.5	5.0%	5.2%
Hkscan Oyj	Finland	2.0	185	504	29.6	20.2	15.8	15.8		22.0	13.2	12.4	2.5%	4.0%
Raisio Oyj	Finland	3.5	575	523	18.1	22.7	20.9	16.3	23.2	27.9	26.8	21.1	3.9%	4.0%
Scandi Standard Ab (Publ)	Sweden	44.6	293	486	10.0	19.6	13.2	11.5	8.9	22.7	16.9	11.5	2.7%	2.5%
Societe Ldc Sa	France	99.4	1,709	1,594	8.1	7.7	6.9	6.7	11.6	11.0	10.0	9.4	1.8%	2.0%
Ter Beke Nv	Belgium	121.0	217	310	19.8				45.6	15.8	10.3			
Average			791	934	16.4	16.0	13.4	12.4	29.4	17.6	14.3	12.9	3.0%	3.4%
Median			293	504	16.5	16.2	13.7	13.4	21.4	17.1	14.4	12.8	2.6%	3.3%
Atria (NDA)		**11.5**	**324**	**514**	**13.0**	**9.4**	**11.7**	**10.4**	**10.8**	**11.8**	**10.1**	**8.5**	**4.4%**	**4.4%**
International peers														
Brf Sa	Brazil	23.7	2,954	5,989	14.3	15.1	13.3	11.3	14.0	46.0	20.9	13.7	0.0%	2.3%
Gruppa Cherkizovo Pao	Russia	3,381.5	2,109	2,942	17.4				12.1					
Sanderson Farms Inc	US	186.4	3,573	3,366	161.5	7.5	9.8	15.2	72.1	10.5	13.2		0.9%	1.0%
Tyson Foods Inc	US	81.2	25,440	32,917	11.7	9.7	10.6		13.6	10.6	11.6		2.2%	2.5%
Average			8,519	11,303	51.2	10.8	11.2	13.3	27.9	22.4	15.2	13.7	1.0%	1.9%
Median			3,263	4,678	15.9	9.7	10.6	13.3	13.8	10.6	13.2	13.7	0.9%	2.3%
Atria (NDA)		**11.5**	**324**	**514**	**13.0**	**9.4**	**11.7**	**10.4**	**10.8**	**11.8**	**10.1**	**8.5**	**4.4%**	**4.4%**

Source: Refinitiv and Nordea estimates (as of market close on 20 October)

PEER GROUP KEY FIGURES

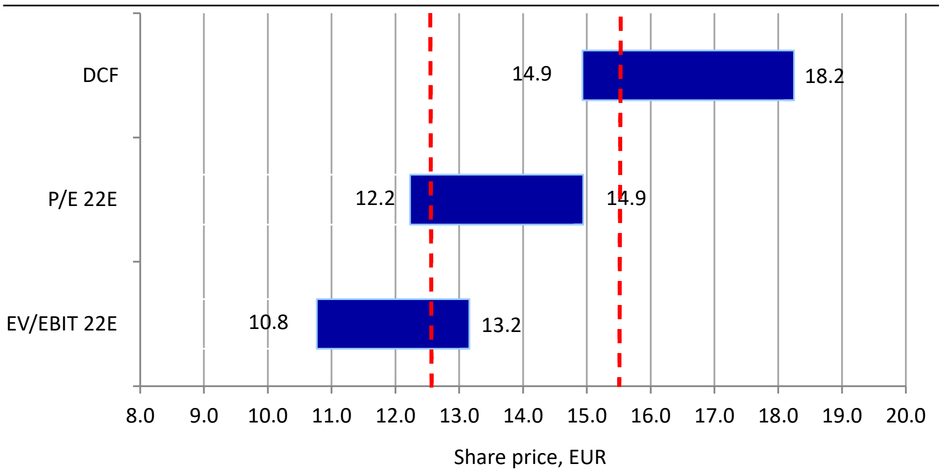
	Sales growth				EBIT margin				ROE			
European peers	**2020**	**2021E**	**2022E**	**2023E**	**2020**	**2021E**	**2022E**	**2023E**	**2020**	**2021E**	**2022E**	**2023E**
Apetit Oyj	-6.3%	2.0%	2.9%	2.0%	1.6%	1.8%	2.2%	2.2%	3.3%	3.4%	5.7%	6.0%
Bell Food Group Ag	-0.3%	2.1%	2.1%	2.3%	3.9%	4.1%	4.2%	4.2%	9.0%	9.0%	8.7%	8.3%
Cranswick Plc	16.6%	7.9%	2.8%	3.6%	7.6%	6.9%	7.0%	6.9%	14.3%	15.2%	14.1%	12.8%
Fleury Michon Sa	-1.6%	-1.8%	3.0%	2.2%	2.1%	2.4%	2.9%	3.3%	-8.3%	9.5%	11.0%	11.5%
Hkscan Oyj	2.1%	0.8%	1.1%		1.0%	1.4%	1.8%	1.7%	0.4%	3.1%	4.6%	5.1%
Raisio Oyj	-1.1%	6.8%	8.0%	4.6%	12.4%	9.2%	9.3%	11.3%	8.7%	7.3%	7.6%	9.4%
Scandi Standard Ab (Pul	4.0%	4.8%	2.9%	1.2%	5.0%	2.5%	3.5%	4.0%	11.5%	6.4%	8.9%	14.6%
Societe Ldc Sa	1.3%	10.1%	4.1%	1.1%	4.5%	4.2%	4.5%	4.6%	9.8%	9.4%	9.8%	10.1%
Ter Beke Nv	-1.5%	-0.1%	3.1%		2.2%	0.0%	0.0%		-2.0%	0.0%	0.0%	0.0%
Average	1.5%	3.6%	3.4%	2.4%	4.5%	3.6%	3.9%	4.8%	5.2%	7.0%	7.8%	8.7%
Median	-0.3%	2.1%	2.9%	2.2%	3.9%	2.5%	3.5%	4.1%	8.7%	7.3%	8.7%	9.4%
Atria (NDA)	**3.6%**	**1.9%**	**2.4%**	**1.9%**	**2.6%**	**3.3%**	**2.9%**	**3.4%**	**5.2%**	**-2.0%**	**7.1%**	**8.0%**
International peers												
Brf Sa	-21.0%	24.5%	3.8%	7.0%	7.2%	5.5%	6.0%	6.6%	16.8%	4.5%	9.3%	13.5%
Gruppa Cherkizovo Pao	-17.4%				11.8%				23.0%			
Sanderson Farms Inc	-1.9%	30.4%	0.7%		0.7%	11.1%	8.5%		1.8%	21.5%	14.7%	0.0%
Tyson Foods Inc	-5.1%	10.4%	1.8%		7.7%	8.3%	7.5%		14.7%	16.1%	13.0%	0.0%
Average	-11.4%	21.8%	2.1%	7.0%	6.8%	8.3%	7.3%	6.6%	14.1%	14.0%	12.3%	4.5%
Median	-11.3%	24.5%	1.8%	7.0%	7.4%	8.3%	7.5%	6.6%	15.8%	16.1%	13.0%	0.0%
Atria (NDA)	**3.6%**	**1.9%**	**2.4%**	**1.9%**	**2.6%**	**3.3%**	**2.9%**	**3.4%**	**5.2%**	**-2.0%**	**7.1%**	**8.0%**

Source: Refinitiv and Nordea estimates (as of market close 20 October)

Valuation conclusion

Based on our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 12.6-15.5 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	1,532	1,568	1,598
- sales growth	5.0%	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	1.9%	2.4%	1.9%
Gross profit	**174**	**177**	**163**	**164**	**173**	**153**	**163**	**166**	**176**	**174**	**192**
- margin	12.3%	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	11.1%	12.0%
EBITDA	**84**	**89**	**76**	**79**	**87**	**74**	**85**	**96**	**63**	**103**	**111**
- margin	6.0%	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.6%	7.0%
D&A	-64	-48	-47	-47	-46	-45	-54	-57	-57	-57	-58
EBIT reported	19.7	40.6	28.9	31.8	40.9	28.2	31.1	39.5	5.4	45.7	53.8
Adj. EBIT	**37.0**	**39.6**	**36.1**	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**50.5**	**45.7**	**53.8**
- margin	2.6%	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.3%	2.9%	3.4%
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**	**48.3**	**43.0**	**51.1**
Taxes	-11.2	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-9.7	-8.6	-10.2
Profit before minorities	**-4.3**	**26.8**	**14.6**	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-6.4**	**34.4**	**40.9**
Minorities	0.0	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-2.2	-2.4	-2.9
Adj. Net Profit	**12.9**	**21.5**	**21.0**	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**32.0**	**38.0**
EPS, excluding NRI (EUR)	**0.46**	**0.76**	**0.74**	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.13**	**1.35**
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	1,100	1,133	1,150
Sweden					307	288	289	332	351	364	374
Denmark & Estonia					99	98	97	107	106	108	110
Unallocated	122	99	75	72	86	75	74	52	15	0	0
Group eliminations	-25	-25	-27	-30	-42	-41	-42	-53	-39	-36	-37
Group	**1,411**	**1,426**	**1,340**	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,532**	**1,568**	**1,598**
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	49.1	40.3	45.7
Sweden					1.0	-7.1	-4.6	0.8	3.2	4.4	6.6
Denmark & Estonia					5.2	5.3	4.3	5.2	6.2	5.3	5.8
Unallocated	-4.6	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-8.0	-4.3	-4.4
Group	**37.0**	**39.6**	**36.1**	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**50.5**	**45.7**	**53.8**
Divisional sales growth	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Finland	8%	7%	-2%	0%	6%	3%	1%	3%	3%	3%	1%
Sweden					n.a.	-6%	0%	15%	6%	4%	3%
Denmark & Estonia					n.a.	-1%	-1%	11%	-1%	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%**	**2%**	**2%**	**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%	4.5%	3.6%	4.0%
Sweden					0.3%	-2.5%	-1.6%	0.2%	0.9%	1.2%	1.8%
Denmark & Estonia					5.3%	5.4%	4.5%	4.9%	5.9%	4.9%	5.3%
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%**	**2.9%**	**3.4%**

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	Q3/21	Q4/21E
Sales	336	369	366	380	357	366	382	399	361	387	388	396
- sales growth	-2.6%	2.7%	2.5%	0.8%	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	1.4%	-0.8%
Gross profit	**30.3**	**38.5**	**45.9**	**48.0**	**33.9**	**36.0**	**47.2**	**49.3**	**38.1**	**45.4**	**48.7**	**44.0**
- margin	9.0%	10.4%	12.5%	12.6%	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.6%	11.1%
EBITDA	**10.8**	**18.6**	**30.1**	**25.8**	**16.1**	**17.9**	**32.7**	**30.2**	**21.9**	**-18.7**	**33.5**	**25.8**
- margin	3.2%	5.0%	8.2%	6.8%	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.6%	6.5%
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	19.7	11.8
Adj. EBIT	**-1.3**	**5.1**	**16.6**	**12.6**	**2.1**	**4.1**	**19.0**	**15.1**	**6.5**	**12.5**	**19.7**	**11.8**
- margin	-0.4%	1.4%	4.5%	3.3%	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	3.0%
Net finance	-1.2	-1.3	-1.4	-1.6	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.4	-1.8
Associated companies	0.2	-0.3	0.4	0.3	0.3	0.2	0.3	0.3	0.8	1.1	1.0	0.8
Adj. PTP	-2.2	3.5	15.7	11.2	1.0	3.6	17.9	14.6	5.0	13.2	19.3	10.8
Taxes	-0.2	-1.0	-3.0	-4.9	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-4.2	-1.7
Profit before minorities	**-4.0**	**2.4**	**12.7**	**5.8**	**0.6**	**2.3**	**14.9**	**5.7**	**4.1**	**-34.8**	**15.1**	**9.2**
Minorities	-0.4	-0.4	-0.5	-0.6	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4	-1.1
Adj. Net Profit	**-2.9**	**2.1**	**12.1**	**5.8**	**0.2**	**2.0**	**14.4**	**6.1**	**3.7**	**10.0**	**14.7**	**8.1**
EPS, excluding NRI (EUR)	**-0.10**	**0.07**	**0.43**	**0.21**	**0.01**	**0.07**	**0.51**	**0.22**	**0.13**	**0.35**	**0.52**	**0.29**
Divisional sales EURm	**Q1/19**	**Q2/19**	**Q3/19**	**Q4/19**	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21E**
Finland	241	264	258	272	253	263	266	285	260	278	275	287
Sweden	67	74	74	75	78	78	91	85	77	88	94	92
Denmark & Estonia	22	24	25	27	27	27	27	27	25	27	27	27
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	-8	-11
Group	**337**	**369**	**366**	**380**	**357**	**366**	**382**	**399**	**361**	**387**	**388**	**396**
Divisional operative EBIT	**Q1/19**	**Q2/19**	**Q3/19**	**Q4/19**	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21E**
Finland	3.9	6.4	15.3	14.4	6.2	7.3	15.2	14.4	9.8	11.3	16.4	11.6
Sweden	-2.6	-1.5	0.0	-0.5	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.0	1.1
Denmark & Estonia	0.6	1.0	1.7	1.0	0.3	1.1	2.1	1.7	1.9	2.0	1.2	1.1
Unallocated	-1.0	-0.5	-0.8	-0.8	-2.6	-2.7	-1.3	-2.2	-4.0	-1.1	-0.9	-2.0
Group	**0.9**	**5.4**	**16.2**	**14.1**	**2.1**	**4.1**	**19.0**	**15.1**	**6.5**	**12.5**	**19.7**	**11.8**
Divisional sales growth	**Q1/19**	**Q2/19**	**Q3/19**	**Q4/19**	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21E**
Finland	-2%	3%	3%	1%	5%	0%	3%	5%	3%	6%	3%	1%
Sweden	-4%	4%	2%	1%	17%	5%	23%	14%	-2%	12%	4%	8%
Denmark & Estonia	-6%	-3%	0%	5%	22%	14%	9%	0%	-8%	-1%	1%	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%**	**-1%**
EBIT margin	**Q1/19**	**Q2/19**	**Q3/19**	**Q4/19**	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21E**
Finland	1.6%	2.4%	5.9%	5.3%	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	6.0%	4.0%
Sweden	-3.9%	-2.0%	0.0%	-0.7%	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.2%	1.2%
Denmark & Estonia	2.8%	4.3%	6.9%	3.8%	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	4.4%	4.0%
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%**	**5.1%**	**3.0%**

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 turned out to be poor, 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 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**	**1,532**	**1,568**	**1,598**
Revenue growth	5.0%	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	1.9%	2.4%	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	63	103	111
Depreciation and impairments PPE	-64	-48	-47	-47	-46	-45	-54	-57	-57	-57	-58
of which leased assets	0	0	0	0	0	0	-9	-9	-9	-9	-9
EBITA	37	42	22	32	41	28	31	40	5	46	54
Amortisation and impairments	-17	-1	7	0	0	0	0	0	0	0	0
EBIT	20	41	29	32	41	28	31	40	5	46	54
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**	**43**	**51**
Reported taxes	-11	-7	-5	-7	-7	-5	-9	-13	-10	-9	-10
Net profit from continued operations	-4	27	15	20	28	18	17	24	-6	34	41
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	-1	-1	-1	-3	-1	-2	-2	-2	-2	-3
Net profit to equity	-4	26	14	18	26	17	15	22	-9	32	38
EPS, EUR	**-0.16**	**0.93**	**0.49**	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.31**	**1.13**	**1.35**
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%	6.6%	7.0%
EBITA	2.6%	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.9%	3.4%
EBIT	1.4%	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.9%	3.4%
Adjusted earnings											
EBITDA (adj)	119	89	76	78	86	74	87	96	108	103	111
EBITA (adj)	54	41	29	31	40	28	33	40	50	46	54
EBIT (adj)	37	40	36	31	40	28	33	40	50	46	54
EPS (adj, EUR)	0.46	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.13	1.35
Adjusted profit margins in percent											
EBITDA (adj)	8.4%	6.2%	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	7.0%	6.6%	7.0%
EBITA (adj)	3.9%	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.3%	2.9%	3.4%
EBIT (adj)	2.6%	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.3%	2.9%	3.4%
Performance metrics											
CAGR last 5 years											
Net revenue	0.8%	1.6%	0.6%	0.8%	1.3%	0.4%	0.4%	2.3%	2.5%	1.8%	2.1%
EBITDA	3.7%	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.5%	3.4%	8.6%
EBIT	-12.5%	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-29.9%	2.3%	13.8%
EPS	n.m.	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	4.3%	18.1%
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%	2.0%	2.3%
Average EBITDA margin	5.7%	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.6%	6.0%

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	11.6	9.9	8.4
EV/EBITDA (adj)	4.3	4.8	5.8	7.0	6.6	5.7	6.0	5.0	4.5	5.3	5.2
EV/EBITA (adj)	9.4	10.5	15.2	17.5	14.3	14.9	15.7	12.3	9.7	12.0	10.7
EV/EBIT (adj)	13.8	10.8	12.2	17.5	14.3	14.9	15.7	12.3	9.7	12.0	10.7

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.	9.9	8.4
EV/Sales	0.36	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.35	0.36
EV/EBITDA	5.0	4.7	6.4	7.0	6.5	5.7	6.1	5.0	7.8	5.3	5.2
EV/EBITA	13.8	10.3	20.3	17.3	13.8	14.9	16.8	12.3	90.6	12.0	10.7
EV/EBIT	25.8	10.5	15.2	17.3	13.8	14.9	16.8	12.3	90.6	12.0	10.7
Dividend yield (ord.)	2.8%	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	4.4%	4.4%	4.4%
FCF yield	24.9%	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.6%	-11.5%	0.0%
FCF Yield bef A&D, lease adj	23.1%	31.3%	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	6.8%	-14.3%	-2.7%
Payout ratio	n.m.	43.0%	81.8%	71.2%	54.4%	68.3%	79.1%	65.1%	n.m.	44.2%	37.2%

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	401	467	513
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	25
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	668	738	788
Inventory	114	93	81	90	93	106	110	103	105	110	112
Accounts receivable	114	117	101	109	114	105	107	106	108	111	113
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	66	36	23
Total current assets	265	220	190	208	214	219	235	248	291	269	261
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**	**960**	**1,008**	**1,049**
Shareholders equity	408	402	400	410	419	415	420	423	445	463	487
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	484	510
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	169	179
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	25	25	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	243	253
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	174	199	192	200	202	188	211	234	230	227	232
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	284	281	286
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**	**960**	**1,008**	**1,049**
Balance sheet and debt metrics											
Net debt	304	249	194	212	210	222	223	190	151	211	234
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	655	735	785
Capital employed	746	660	604	640	645	656	663	657	681	732	768
ROE	-1.0%	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-2.0%	7.1%	8.0%
ROIC	3.9%	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.6%	5.7%	6.1%
ROCE	5.1%	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	8.1%	6.9%	7.6%
Net debt/EBITDA	3.0	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.0	2.1
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%	46.4%	45.9%	46.4%
Net gearing	73.8%	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.6%	43.6%	45.8%

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**	**63**	**103**	**111**
Paid taxes	-6	-8	-4	-6	-10	-1	-9	-9	-10	-9	-10
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**	**94**	**88**	**95**
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**	**78**	**95**
Capital expenditure	-39	-34	-50	-43	-53	-45	-40	-41	-55	-115	-95
Free cash flow before A&D	**50**	**58**	**40**	**22**	**11**	**3**	**48**	**61**	**30**	**-37**	**0**
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	62	-37	0
Free cash flow bef A&D, lease adj	50	58	40	22	11	3	40	53	22	-45	-9
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	30	10
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	39	-30	-13
Cash flow metrics											
Capex/D&A	47.3%	68.9%	n.m.	90.9%	n.m.	98.0%	73.8%	72.0%	96.2%	n.m.	n.m.
Capex/Sales	2.7%	2.4%	3.7%	3.2%	3.7%	3.1%	2.8%	2.7%	3.6%	7.3%	5.9%
Key information											
Share price year end (/current)	8	7	9	11	12	7	10	10	11	11	11
Market cap.	218	186	255	324	341	185	284	278	318	318	318
Enterprise value	509	426	441	548	563	420	521	485	487	549	575
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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