

Atria

Consumer Goods
Finland

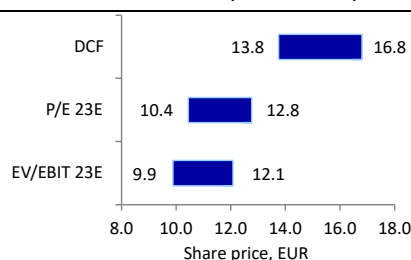
KEY DATA

Stock country	Finland
Bloomberg	ATRAV.FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.98
Free Float	42%
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.atria.fi
Next report date	03 May 2022

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	1%	1%	1%
EBIT (adj)	-22%	-9%	-6%

Source: Nordea estimates

Nordea Markets - Analysts

Joni Sandvall
Analyst

Tough H1 before prices catch up with costs

We take a more cautious view ahead of Atria's Q1 results due on 3 May. While foodservice sales have clearly recovered following the easing of restrictions, we expect the poor harvest and the geopolitical situation in Ukraine to increase cost inflation. We expect multiple sales price hikes in 2022, while it might take until 2023 before prices catch up with the ongoing cost inflation. We argue that even though Atria could manage to pass on cost inflation to prices, consumer retail demand could decline due to higher prices in the latter part of 2022. We derive a fair value range of EUR 11.4-13.9 (12.6-15.4) per Atria share.

We expect EBIT turned negative in Q1

In addition to the weak harvest in 2021, the current geopolitical situation is likely to keep grain prices elevated and cause meat raw material prices to remain high. Furthermore, packaging, energy and logistics costs have increased significantly. We believe it might take until 2023 before the company can catch up with broad-based cost inflation and we expect EBIT to have turned negative in Q1. We expect meat raw material prices to remain above pre-pandemic levels going forward. Even though Atria will be able to pass on some of the cost inflation to prices, the hiked prices could eventually affect consumer demand negatively. Sibylla's exit from Russia will cause some top-line pressure, and we do not expect support from exports to China. However, current EU meat raw material price levels could open up new export opportunities for Atria.

We cut 2022E EBIT by 22%

We exclude Sibylla's sales in Russia, adjust for FX and raise our underlying top-line estimates due to inflation; our top-line estimates are up 1% for 2022-24. We increase our variable cost estimates significantly and cut 2022E EBIT by 22%, while we trim 2023E-24E EBIT by 6-9%.

Fair value range of EUR 11.4-13.9

We derive a fair value range of EUR 11.4-13.9 (12.6-15.4) per share for Atria, applying equal weight to our DCF, P/E and EV/EBIT valuation methods. We note that the volatile meat raw material prices could have a meaningful impact on Atria's earnings.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,439	1,451	1,504	1,540	1,583	1,612	1,642
EBITDA (adj)	74	87	96	106	90	103	109
EBIT (adj)	28	33	40	49	33	47	51
EBIT (adj) margin	2.0%	2.3%	2.6%	3.2%	2.1%	2.9%	3.1%
EPS (adj, EUR)	0.59	0.60	0.91	0.97	0.82	1.11	1.26
EPS (adj) growth	-32.5%	2.6%	51.8%	6.4%	-15.6%	34.9%	13.5%
DPS (ord, EUR)	0.40	0.42	0.50	0.63	0.55	0.60	0.65
EV/Sales	0.3	0.4	0.3	0.3	0.3	0.4	0.4
EV/EBIT (adj)	14.9	15.7	12.3	10.0	16.6	12.5	11.7
P/E (adj)	11.2	16.7	10.8	11.9	13.4	9.9	8.7
P/BV	0.4	0.7	0.7	0.7	0.7	0.7	0.6
Dividend yield (ord)	6.1%	4.2%	5.1%	5.5%	5.0%	5.5%	5.9%
FCF Yield bef A&D, lease	1.5%	14.0%	18.9%	7.2%	-19.3%	-5.4%	4.7%
Net debt	222	223	190	152	230	262	264
Net debt/EBITDA	3.0	2.6	2.0	2.4	2.7	2.5	2.4
ROIC after tax	3.3%	3.8%	4.8%	6.4%	4.1%	5.3%	5.4%

Source: Company data and Nordea estimates

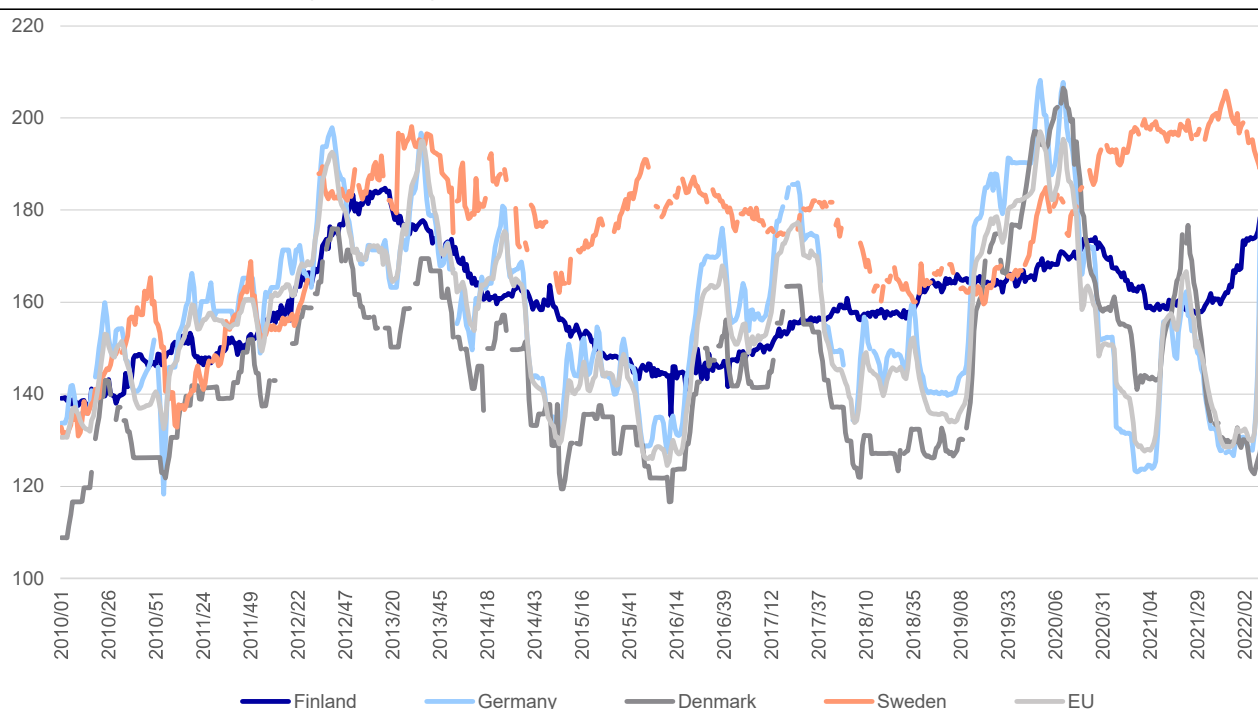
Expectations ahead of the Q1 report

When Atria releases its Q1 report on 3 May, our focus will be on cost inflation. In conjunction with its Q4 report, the company indicated EUR 60m cost pressure, but we expect the new figure will be higher. Meat raw material prices have skyrocketed since Russia's invasion of Ukraine and we expect costs to remain high. Owing to high cost inflation, we expect the company to be able to raise its prices for retail chains multiple times in 2022. Pork exports to China have been under pressure since summer 2021 and, given the current prices in China, we do not expect this to change. Although EU pork prices have risen sharply, we note relatively favourable prices in Finland, which might open up new export opportunities. We now model EUR 33.3m adjusted EBIT for 2022, while the company guides for adjusted EBIT to decline (EUR 49.2m in 2021). We expect adjusted EBIT to turn negative in Q1 2022, for the first time since Q1 2019.

High volatility in meat raw material prices

The African swine fever outbreaks in China and Europe have created volatility in the raw material market for meat. The latest spike in EU prices is due to Russia's invasion of Ukraine, which is putting pressure on grain prices. Given the uncertainty related to factors such as the availability of Ukrainian grain and fertilisers from Russia and Belarus, we believe prices will remain high. Price increases in Finland have been more modest, which could open up new export opportunities for Atria in European markets. Swedish prices diverged early in the COVID-19 outbreak, which we think reflects low self-sufficiency in Sweden. For Atria, high feed costs will create pressure in Estonia, while relatively high raw material costs will hamper Denmark, in particular, in the short term. We believe the company could indicate EUR ~70-80m cost headwinds for 2022 in conjunction with its Q1 report.

CLASS E PIG CARCASS PRICES (EUR/100 KG)



Source: Natural Resources Institute Finland

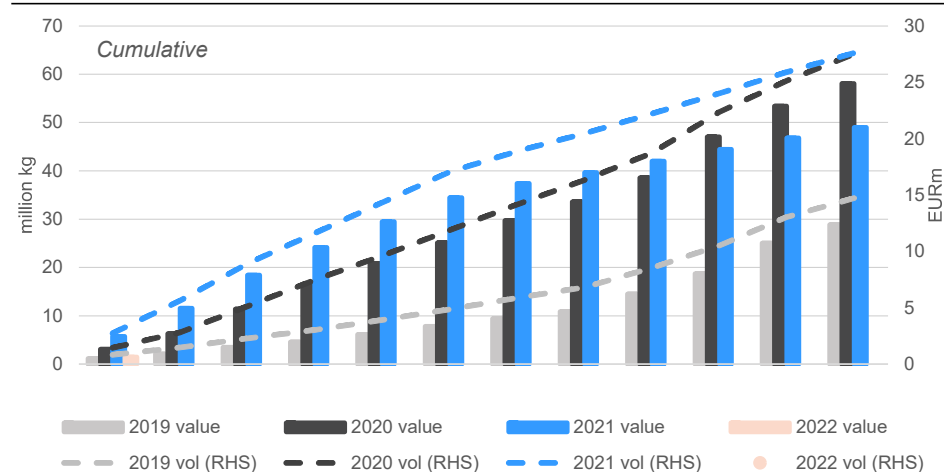
Lacklustre export volumes to China

Looking at Finnish customs statistics, we conclude that pork exports to China gained momentum in 2019-20. The volume and value developments were favourable in H1 2021, but decreasing market prices in China have hampered exports since then. The latest Finnish customs statistics indicate that total volume of meat and edible offal

decreased by 74% in January. We note that exports of pork meat (excluding offal) decreased by 73% in volume and 84% in value. According to pig333.com, Chinese pork prices have decreased from CNY ~35/kg in January 2021 to CNY ~13/kg currently.

Pork exports from Finland to China amounted to 27.6 million kilograms (down 28% y/y) in 2021, at a value of EUR 49m (down 16% y/y). In 2021, Atria processed 68.7 million kilograms of pork (following 68.5 million in 2020), while exports to China amounted to more than 20 million kilograms in 2020. We believe the pork volume development could turn negative in 2022 if the company is not highly successful in exporting to other countries.

PORK EXPORTS TO CHINA FROM FINLAND (EURm AND KG)



Source: Finnish Customs and Nordea

Estimate revisions

Owing to substantial cost increases and the withdrawal from Russia, we lower 2022E adjusted EBIT by 22% and 2023E-24E EBIT by 6-9%. Despite the total exit from Russia, our top-line estimates are up 1% for 2022-24, as we expect multiple price increases in 2022. Given the high inflation rate and normalising channel mix, we note high uncertainty relating to estimates. For Atria, the retail channel is by far the most important sales channel.

WE MAKE THE FOLLOWING CHANGES TO OUR ESTIMATES AHEAD OF THE Q1 REPORT

EURm	New estimates				Old estimates				Difference %			
	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E
Sales	365	1,583	1,612	1,642	368	1,564	1,593	1,623	-1%	1%	1%	1%
Adj. EBIT	-0.4	33.3	47.0	50.6	1.5	42.8	51.8	53.8	-126%	-22%	-9%	-6%
Adj. EBIT margin	-0.1%	2.1%	2.9%	3.1%	0.4%	2.7%	3.2%	3.3%	-0.5pp	-0.6pp	-0.3pp	-0.2pp
Adj. EPS, EUR	-0.02	0.82	1.11	1.26	0.01	1.05	1.23	1.34	-307%	-22%	-10%	-6%
DPS		0.55	0.60	0.65		0.6	0.65	0.70		-8%	-8%	-7%
Divisional sales EURm	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E
Finland	268	1,163	1,180	1,198	267	1,138	1,155	1,173	0%	2%	2%	2%
Sweden	80	344	355	365	84	354	365	376	-5%	-3%	-3%	-3%
Denmark & Estonia	27	113	115	117	26	108	111	113	2%	4%	4%	4%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-9	-37	-38	-38	-9	-37	-38	-38	0%	0%	0%	0%
Group	365	1,583	1,612	1,642	368	1,564	1,593	1,623	-1%	1%	1%	1%
Divisional adj. EBIT	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E
Finland	2.7	34.4	42.1	44.2	3.8	39.7	45.1	45.6	-29%	-13%	-7%	-3%
Sweden	-2.0	0.3	4.5	5.7	-1.8	3.3	6.1	7.3	14%	-89%	-27%	-23%
Denmark & Estonia	0.0	2.7	4.6	5.1	0.6	4.0	4.8	5.2	-98%	-31%	-3%	-2%
Unallocated	-1.1	-4.2	-4.3	-4.4	-1.1	-4.2	-4.3	-4.4	0%	0%	0%	0%
Group	-0.4	33.3	47.0	50.6	1.5	42.8	51.8	53.8	-126%	-22%	-9%	-6%
Divisional sales growth	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E
Finland	3%	5%	1%	1%	2%	3%	1%	1%	0.5pp	2.2pp	0.0pp	0.0pp
Sweden	4%	-2%	3%	3%	9%	1%	3%	3%	-5.5pp	-2.9pp	0.0pp	0.0pp
Denmark & Estonia	9%	7%	2%	2%	7%	3%	2%	2%	2.0pp	4.1pp	0.0pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	nm.	nm.	nm.	nm.
Group	1%	3%	2%	2%	2%	2%	2%	2%	-0.7pp	1.2pp	0.0pp	0.0pp
EBIT margin	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E	Q1 2022E	2022E	2023E	2024E
Finland	1.0%	3.0%	3.6%	3.7%	1.4%	3.5%	3.9%	3.9%	-0.4pp	-0.5pp	-0.3pp	-0.2pp
Sweden	-2.5%	0.1%	1.3%	1.5%	-2.1%	0.9%	1.7%	2.0%	-0.4pp	-0.8pp	-0.4pp	-0.4pp
Denmark & Estonia	0.1%	2.4%	4.0%	4.3%	2.3%	3.7%	4.3%	4.6%	-2.3pp	-1.2pp	-0.3pp	-0.3pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	-0.1%	2.1%	2.9%	3.1%	0.4%	2.7%	3.2%	3.3%	-0.5pp	-0.6pp	-0.3pp	-0.2pp

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 11.4-13.9 per share for Atria.

DCF valuation yields EUR 13.8-16.9 per share

The outcome of our DCF valuation is EUR 13.8-16.9 (14.7-18.0) per share. We use a WACC of 6.9-7.6%, assuming a terminal growth rate of 1.5% and an EBIT margin that will gradually rise to 3.0%.

WACC COMPONENTS	
WACC components	
Risk-free interest rate	2.5%
Market risk premium	4.0%
Equity beta	1.4-1.6
Cost of equity	8.1-8.9%
Cost of debt	3.5%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	6.8-7.4%

Source: Nordea estimates

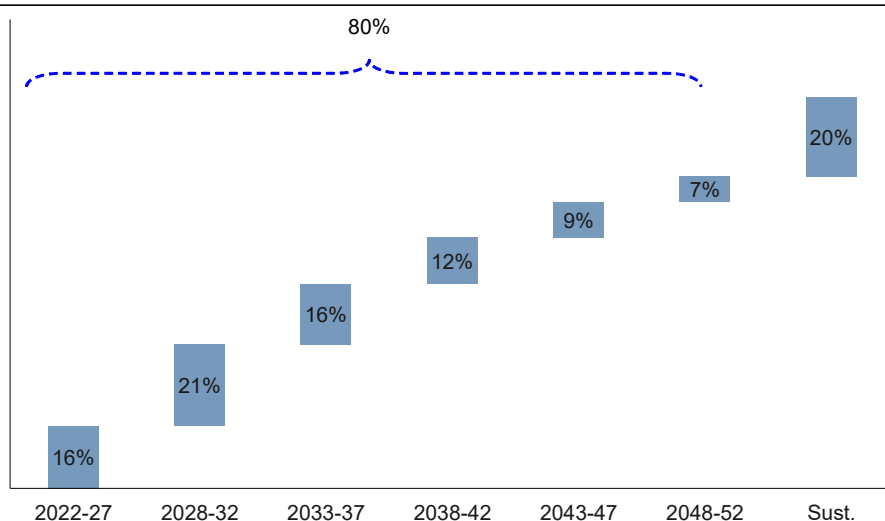
DCF VALUE (EURm AND EUR)		
DCF value	Value	Per share
NPV FCFF	542-629	19.2-22.2
(Net debt)	-152	-5.4
Market value of associates	0	0.0
(Market value of minorities)	-13	-0.5
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	11	0.4
DCF Value	389-475	13.8-16.8

Source: Nordea estimates

DCF ASSUMPTIONS							
Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	2.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
EBIT-margin, excluding associate:	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.7%
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
NWC/sales	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCFF, CAGR	-208.1%	1.6%	1.5%	1.5%	1.5%	-0.8%	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 11.4-19.6 per share.

SENSITIVITY OF OUR DFC MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		6.6%	6.8%	7.1%	7.3%	7.6%
EBIT marg. change	1.0pp	24.4	22.8	21.3	19.9	18.7
	0.5pp	21.0	19.6	18.3	17.1	16.0
	0.0pp	17.6	16.4	15.3	14.3	13.3
	-0.5pp	14.2	13.2	12.3	11.4	10.7
	-1.0pp	10.7	10.0	9.3	8.6	8.0

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.6%	6.8%	7.1%	7.3%	7.6%
Sales gr. change	1.0pp	20.3	18.9	17.6	16.4	15.3
	0.5pp	18.9	17.6	16.4	15.3	14.3
	0.0pp	17.6	16.4	15.3	14.3	13.3
	-0.5pp	16.4	15.3	14.3	13.3	12.5
	-1.0pp	15.3	14.3	13.4	12.5	11.7

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	18.6	19.9	21.3	22.8	24.5
	0.5pp	16.0	17.1	18.3	19.6	21.0
	0.0pp	13.4	14.3	15.3	16.4	17.6
	-0.5pp	10.7	11.5	12.3	13.1	14.1
	-1.0pp	8.1	8.6	9.3	9.9	10.7

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 9.9-12.1 by taking 2023E adjusted EBIT of EUR 47m, multiplying it by the accepted multiple range of 10.8-12.2x and deducting our 2022 net debt assumption of EUR 230m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 10.4-12.8 by taking 2023E adjusted EPS of EUR 1.11 and multiplying it by an accepted multiple range of 9.5-11.6x.

PEER GROUP VALUATION MULTIPLES

		Price	Mcap	EV	EV/EBIT				P/E				Div yield %	
European peers	Country	Local	EURm	EURm	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2022E	2023E
Apetit Oyj	Finland	13.1	83	108	38.5	53.9	15.4	15.4	33.6	20.2	15.4	14.1	3.8%	4.6%
Bell Food Group Ag	Switzerland	265.5	1,622	2,279	14.4	14.1	13.5	13.1	10.8	12.9	12.4	12.1	2.7%	2.9%
Cranswick Plc	UK	3,522.0	2,261	2,363	14.7	13.8	13.4	12.2	17.1	16.2	16.1	15.4	2.2%	2.3%
Fleury Michon Sa	France	22.0	97	97	5.7	13.8	5.7		5.4	12.9	5.8		5.0%	5.5%
Hkscan Oyj	Finland	1.5	138	475	32.6	26.4	19.0			36.9	13.4		2.7%	2.7%
Raisio Oyj	Finland	2.3	396	336	13.9	22.4	14.6	12.4	16.4	28.4	18.9	16.2	6.4%	6.8%
Scandi Standard Ab (Publ)	Sweden	39.1	251	443	21.1	19.1	11.9	11.4	26.9	20.0	10.9	8.9	0.0%	2.8%
Societe Ldc Sa	France	88.8	1,572	1,572	7.8	8.2	7.0	6.2	9.9	10.5	9.1	8.2	2.0%	2.2%
Ter Beke Nv	Belgium	109.0	196	272	14.4	9.4	8.0	7.3	23.4	11.9	9.1	7.9	4.1%	4.4%
Average			735	883	18.1	20.1	12.1	11.2	17.9	18.9	12.4	11.8	3.2%	3.8%
Median			251	443	14.4	14.1	13.4	12.2	16.8	16.2	12.4	12.1	2.7%	2.9%
Atria (NDA)		11.0	311	463	9.4	16.2	12.2	11.4	11.9	13.4	9.9	8.8	5.0%	5.5%
International peers														
Brf Sa	Brazil	14.5	3,036	6,261	12.6	12.0	9.4	9.4	24.1	10.4	8.3	8.8	0.0%	2.8%
Gruppa Cherkizovo Pao	Russia	2,901.0	1,516	2,421	10.3				7.3					
Sanderson Farms Inc	US	189.0	3,909	3,299	5.0	5.0	7.7		7.8	6.8	11.9		0.9%	1.0%
Tyson Foods Inc	US	94.9	31,874	37,634	9.3	9.2	10.1	10.0	11.1	11.5	12.1	11.6	2.0%	2.2%
Average			10,084	12,404	9.3	8.8	9.1	9.7	12.6	9.6	10.8	10.2	1.0%	2.0%
Median			3,472	4,780	9.8	9.2	9.4	9.7	9.4	10.4	11.9	10.2	0.9%	2.2%
Atria (NDA)		11.0	311	463	9.4	16.2	12.2	11.4	11.9	13.4	9.9	8.8	5.0%	5.5%

Source: Refinitiv and Nordea estimates (as of market close on 22 April)

PEER GROUP KEY FIGURES

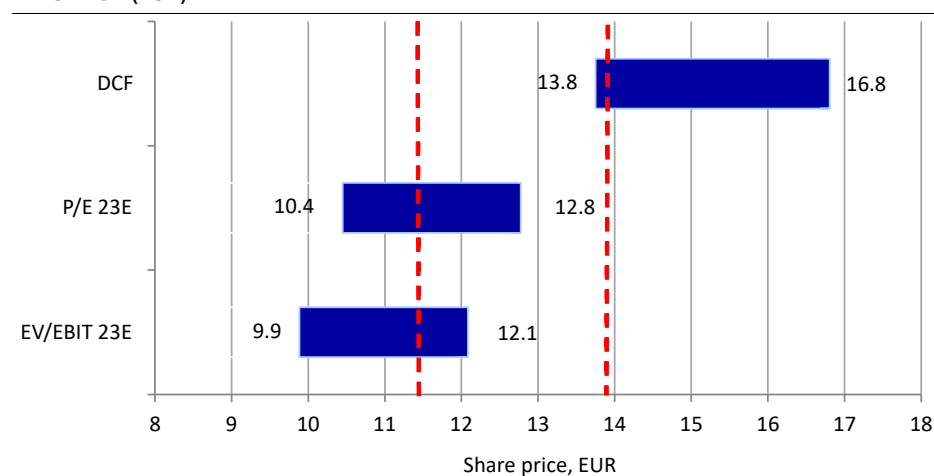
	Sales growth				EBIT margin				ROE			
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E
European peers												
Apetit Oyj	-3.1%	-46.5%	-5.9%	2.1%	1.0%	1.3%	4.9%	4.8%	2.5%	4.3%	5.4%	5.8%
Bell Food Group Ag	4.4%	5.5%	1.3%	1.8%	4.1%	3.9%	4.0%	4.1%	9.2%	8.8%	8.8%	8.5%
Cranswick Plc	10.2%	6.1%	4.9%	3.6%	6.9%	7.0%	6.8%	7.2%	14.6%	14.2%	13.1%	0.0%
Fleury Michon Sa	-4.1%	2.7%	1.7%	-100.0%	2.4%	1.0%	2.3%		9.5%	0.0%	10.2%	0.0%
Hkscan Oyj	1.9%	1.3%	1.2%		0.8%	1.0%	1.3%	0.0%	-1.4%	0.0%	0.0%	0.0%
Raisio Oyj	5.5%	-8.9%	6.5%	4.8%	9.8%	6.7%	9.6%	10.8%	7.6%	4.5%	7.0%	8.4%
Scandi Standard Ab (Put	2.5%	-0.1%	2.6%	1.4%	2.1%	2.3%	3.7%	3.8%	5.4%	6.5%	13.6%	0.0%
Societe Ldc Sa	12.1%	4.7%	2.4%	2.2%	4.1%	3.7%	4.2%	4.6%	9.7%	9.8%	9.7%	0.0%
Ter Beke Nv	-2.9%	44.8%	2.6%		2.7%	2.9%	3.3%	3.5%	6.3%	10.1%	12.4%	13.1%
Average	3.0%	1.1%	1.9%	-12.0%	3.8%	3.3%	4.5%	4.8%	7.0%	6.5%	8.9%	4.0%
Median	2.5%	2.7%	2.4%	2.1%	2.7%	2.9%	4.0%	4.4%	7.6%	6.5%	9.7%	0.0%
Atria (NDA)	2.4%	2.8%	1.9%	1.9%	3.2%	2.1%	2.9%	3.1%	-1.6%	4.4%	6.7%	7.4%
International peers												
Brf Sa	36.1%	25.4%	4.8%	7.9%	6.3%	5.3%	6.4%	5.9%	5.9%	11.9%	11.3%	12.8%
Gruppa Cherkizovo Pao	30.4%				12.6%				22.4%			
Sanderson Farms Inc	41.5%	16.2%	-4.5%		15.1%	13.0%	8.8%		23.8%	24.7%	14.5%	0.0%
Tyson Foods Inc	15.6%	13.1%	1.3%		9.5%	8.5%	7.6%	7.7%	19.9%	15.9%	13.2%	0.0%
Average	30.9%	18.2%	0.5%	7.9%	10.9%	8.9%	7.6%	6.8%	18.0%	17.5%	13.0%	4.3%
Median	33.2%	16.2%	1.3%	7.9%	11.1%	8.5%	7.6%	6.8%	21.1%	15.9%	13.2%	0.0%
Atria (NDA)	2.4%	2.8%	1.9%	1.9%	3.2%	2.1%	2.9%	3.1%	-1.6%	4.4%	6.7%	7.4%

Source: Refinitiv and Nordea estimates (as of market close 14 February)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation we derive a fair value range of EUR 11.4-13.9 (12.6-15.4) per Atria share, as shown by the red dotted lines in the chart below.

VALUATION (EUR)



Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES (EURm)

Income statement (EURm)	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,583	1,612	1,642
- sales growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	2.8%	1.9%	1.9%
Gross profit	177	163	164	173	153	163	166	177	158	177	182
- margin	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	10.0%	11.0%	11.1%
EBITDA	89	76	79	87	74	85	96	64	87	103	109
- margin	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	5.5%	6.4%	6.6%
D&A	-48	-47	-47	-46	-45	-54	-57	-57	-56	-56	-58
EBIT reported	40.6	28.9	31.8	40.9	28.2	31.1	39.5	6.4	30.3	47.0	50.6
Adj. EBIT	39.6	36.1	31.2	39.6	28.2	33.0	40.3	49.2	33.3	47.0	50.6
- margin	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.1%	2.9%	3.1%
Net finance	-13	-9	-6	-7	-6	-6	-5	-5	-6	-8	-6
Associated companies	6	0	1	2	0	1	1	3	2	3	3
Adj. PTP	33.0	27.3	25.7	34.1	22.3	28.2	36.1	47.6	29.5	42.0	47.7
Taxes	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.3	-8.4	-9.5
Profit before minorities	26.8	14.6	19.6	28.4	17.8	17.0	23.5	-5.4	21.2	33.6	38.2
Minorities	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.1	-2.4	-2.7
Adj. Net Profit	21.5	21.0	17.8	24.5	16.5	17.0	25.8	27.4	23.2	31.3	35.5
EPS, excluding NRI (EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	0.82	1.11	1.26
Divisional sales EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	946	929	932	986	1,019	1,034	1,066	1,106	1,163	1,180	1,198
Sweden				307	288	289	332	352	344	355	365
Denmark & Estonia				99	98	97	107	105	113	115	117
Unallocated	99	75	72	86	75	74	52	15	0	0	0
Group eliminations	-25	-27	-30	-42	-41	-42	-53	-37	-37	-38	-38
Group	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,583	1,612	1,642
Divisional operative EBIT	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	32.5	29.8	24.2	36.3	36.7	40.0	43.1	48.1	34.4	42.1	44.2
Sweden				1.0	-7.1	-4.6	0.8	2.7	0.3	4.5	5.7
Denmark & Estonia				5.2	5.3	4.3	5.2	5.1	2.7	4.6	5.1
Unallocated	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-4.2	-4.3	-4.4
Group	39.6	36.1	31.4	39.5	28.2	33.1	39.5	49.2	33.3	47.0	50.6
Divisional sales growth	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	7%	-2%	0%	6%	3%	1%	3%	4%	5%	1%	1%
Sweden				n.a.	-6%	0%	15%	6%	-2%	3%	3%
Denmark & Estonia				n.a.	-1%	-1%	11%	-2%	7%	2%	2%
Unallocated	-19%	-24%	-4%	19%	-12%	-2%	-30%	-72%	n.m.	n.m.	n.m.
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group	1%	-6%	1%	6%	0%	1%	4%	2%	3%	2%	2%
EBIT margin	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	3.4%	3.2%	2.6%	3.7%	3.6%	3.9%	4.0%	4.4%	3.0%	3.6%	3.7%
Sweden				0.3%	-2.5%	-1.6%	0.2%	0.8%	0.1%	1.3%	1.5%
Denmark & Estonia				5.3%	5.4%	4.5%	4.9%	4.9%	2.4%	4.0%	4.3%
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.1%	2.9%	3.1%

Source: Company data and Nordea estimates

QUARTERLY ESTIMATES (EURm)

Income statement (EURm)	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Sales	357	366	382	399	361	387	388	403	365	392	403	423
- sales growth	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	1.4%	1.2%	1.1%	1.3%	3.9%	4.7%
Gross profit	33.9	36.0	47.2	49.3	38.1	45.4	48.7	43.9	29.2	35.3	46.4	47.4
- margin	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.6%	10.9%	8.0%	9.0%	11.5%	11.2%
EBITDA	16.1	17.9	32.7	30.2	21.9	-18.7	33.5	26.6	10.6	19.5	27.8	28.6
- margin	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.6%	6.6%	2.9%	5.0%	6.9%	6.8%
D&A	-14	-14	-14	-15	-15	-14	-14	-14	-14	-14	-14	-14
EBIT reported	2.1	4.1	19.0	15.1	6.5	-32.6	19.7	12.6	-3.4	5.5	13.8	14.4
Adj. EBIT	2.1	4.1	19.0	15.1	6.5	12.5	19.7	10.3	-0.4	5.5	13.8	14.4
- margin	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	2.6%	-0.1%	1.4%	3.4%	3.4%
Net finance	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.4	-0.9	-1.2	-1.4	-1.6	-1.8
Associated companies	0.3	0.2	0.3	0.3	0.8	1.1	1.0	0.6	0.3	0.5	0.6	0.8
Adj. PTP	1.0	3.6	17.9	14.6	5.0	13.2	19.3	10.0	-1.3	4.6	12.8	13.4
Taxes	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-4.2	-2.2	0.9	-0.9	-2.6	-2.7
Profit before minorities	0.6	2.3	14.9	5.7	4.1	-34.8	15.1	10.2	-0.4	3.7	10.2	7.8
Minorities	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4	-0.5	-0.2	-0.2	-0.4	-0.3
Adj. Net Profit	0.2	2.0	14.4	6.1	3.7	10.0	14.7	7.3	-0.6	3.5	9.8	10.5
EPS, excluding NRI (EUR)	0.01	0.07	0.51	0.22	0.13	0.35	0.52	0.26	-0.02	0.12	0.35	0.37
Divisional sales EURm	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Finland	253	263	266	285	260	278	275	293	268	290	291	314
Sweden	78	78	91	85	77	88	94	93	80	84	92	89
Denmark & Estonia	27	27	27	27	25	27	27	26	27	28	29	29
Unallocated	14	10	14	14	10	5	0	0	0	0	0	0
Group eliminations	-14	-12	-15	-12	-10	-10	-8	-9	-9	-10	-9	-9
Group	357	366	382	399	361	387	388	403	365	392	403	423
Divisional operative EBIT	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Finland	6.2	7.3	15.2	14.4	9.8	11.3	16.4	10.6	2.7	6.3	12.4	13.2
Sweden	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.0	0.6	-2.0	-0.8	1.8	1.3
Denmark & Estonia	0.3	1.1	2.1	1.7	1.9	2.0	1.2	0.0	0.0	1.0	0.7	1.0
Unallocated	-2.6	-2.7	-1.3	-2.2	-4.0	-1.1	-0.9	-0.9	-1.1	-1.1	-1.1	-1.1
Group	2.1	4.1	19.0	15.1	6.5	12.5	19.7	10.3	-0.4	5.5	13.8	14.4
Divisional sales growth	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Finland	5%	0%	3%	5%	3%	6%	3%	3%	3%	4%	6%	7%
Sweden	17%	5%	23%	14%	-2%	12%	4%	9%	4%	-5%	-3%	-4%
Denmark & Estonia	22%	14%	9%	0%	-8%	-1%	1%	-1%	9%	6%	7%	8%
Unallocated	-13%	-45%	-32%	-26%	-27%	-55%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group	6%	-1%	5%	5%	1%	6%	1%	1%	1%	1%	4%	5%
EBIT margin	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Finland	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	6.0%	3.6%	1.0%	2.2%	4.2%	4.2%
Sweden	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.2%	0.6%	-2.5%	-0.9%	2.0%	1.5%
Denmark & Estonia	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	4.4%	0.0%	0.1%	3.7%	2.3%	3.5%
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	2.6%	-0.1%	1.4%	3.4%	3.4%

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 event of elevated meat raw material prices. The 2021 harvest proved to be poor, which might have indirect impacts on meat raw material prices. In addition, the current geopolitical tensions could have a negative impact on the availability of e.g. fertilisers, which could increase grain prices and hence meat raw material prices even further.

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 as 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 put pressure on prices there owing to restrictions on exports to China. Spread of the current H5N8 avian influenza cannot be ruled out, while the direct impact on Atria should be limited, as the company has only minimal exposure to poultry exports outside the EU. An outbreak of animal diseases in Atria's operating countries could have a substantial effect on its 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 its 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 elevated the risk of trade receivable writedowns. Investments may also be hard to carry out 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	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,583	1,612	1,642
Revenue growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	2.8%	1.9%	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	90	68	79	87	74	85	96	64	87	103	109
Depreciation and impairments PPE	-48	-47	-47	-46	-45	-54	-57	-57	-56	-56	-58
of which leased assets	0	0	0	0	0	-9	-9	-9	-9	-9	-9
EBITA	42	22	32	41	28	31	40	6	30	47	51
Amortisation and impairments	-1	7	0	0	0	0	0	0	0	0	0
EBIT	41	29	32	41	28	31	40	6	30	47	51
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	6	0	1	2	0	1	1	3	2	3	3
Net financials	-13	-9	-6	-7	-6	-6	-5	-5	-6	-8	-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	34	20	26	36	22	26	36	5	27	42	48
Reported taxes	-7	-5	-7	-7	-5	-9	-13	-10	-5	-8	-10
Net profit from continued operations	27	15	20	28	18	17	24	-5	21	34	38
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	-1	-3	-1	-2	-2	-2	-1	-2	-3
Net profit to equity	26	14	18	26	17	15	22	-7	20	31	35
EPS, EUR	0.93	0.49	0.65	0.92	0.59	0.53	0.77	-0.24	0.71	1.11	1.26
DPS, EUR	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.55	0.60	0.65
of which ordinary	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.55	0.60	0.65
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	6.3%	5.1%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	5.5%	6.4%	6.6%
EBITA	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	1.9%	2.9%	3.1%
EBIT	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	1.9%	2.9%	3.1%

Adjusted earnings

EBITDA (adj)	89	76	78	86	74	87	96	106	90	103	109
EBITA (adj)	41	29	31	40	28	33	40	49	33	47	51
EBIT (adj)	40	36	31	40	28	33	40	49	33	47	51
EPS (adj, EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	0.82	1.11	1.26

Adjusted profit margins in percent

EBITDA (adj)	6.2%	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	5.7%	6.4%	6.6%
EBITA (adj)	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.1%	2.9%	3.1%
EBIT (adj)	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.1%	2.9%	3.1%

Performance metrics

CAGR last 5 years											
Net revenue	1.6%	0.6%	0.8%	1.3%	0.4%	0.4%	2.3%	2.6%	2.0%	2.3%	2.5%
EBITDA	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	-0.1%	7.0%	5.0%
EBIT	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-5.8%	10.7%	10.2%
EPS	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	-4.9%	13.5%	18.8%
DPS	9.9%	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	1.9%	8.4%	9.1%
Average last 5 years											
Average EBIT margin	1.6%	1.9%	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	1.8%	2.0%	2.2%
Average EBITDA margin	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.4%	5.7%	5.8%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	8.7	12.2	18.2	13.9	11.2	16.7	10.8	11.9	13.4	9.9	8.7
EV/EBITDA (adj)	4.8	5.8	7.0	6.6	5.7	6.0	5.0	4.6	6.2	5.7	5.5
EV/EBITA (adj)	10.5	15.2	17.5	14.3	14.9	15.7	12.3	10.0	16.6	12.5	11.7
EV/EBIT (adj)	10.8	12.2	17.5	14.3	14.9	15.7	12.3	10.0	16.6	12.5	11.7

VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	7.1	18.5	17.8	13.2	11.2	18.9	12.8	n.m.	15.4	9.9	8.7
EV/Sales	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.35	0.37	0.36
EV/EBITDA	4.7	6.4	7.0	6.5	5.7	6.1	5.0	7.7	6.4	5.7	5.5
EV/EBITA	10.3	20.3	17.3	13.8	14.9	16.8	12.3	76.6	18.3	12.5	11.7
EV/EBIT	10.5	15.2	17.3	13.8	14.9	16.8	12.3	76.6	18.3	12.5	11.7
Dividend yield (ord.)	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	5.0%	5.5%	5.9%
FCF yield	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-16.5%	-2.6%	7.5%
FCF Yield bef A&D, lease adj	31.3%	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-19.3%	-5.4%	4.7%
Payout ratio	52.3%	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	67.1%	54.3%	51.8%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	239	237	263	256	249	246	249	240	240	240	240
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	76	79	94	89	87	85	84	78	78	78	78
of which goodwill	164	158	170	167	163	161	165	163	163	163	163
Tangible assets	391	395	405	409	401	423	421	408	475	522	543
of which leased assets	0	0	0	0	0	30	25	22	22	21	21
Shares associates	13	13	14	15	15	15	15	17	19	22	26
Interest bearing assets	1	1	1	1	1	1	1	1	1	1	1
Deferred tax assets	6	7	7	6	5	4	2	2	2	2	2
Other non-IB non-current assets	11	11	11	9	10	5	5	6	6	6	6
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	663	665	701	696	681	694	692	674	744	794	817
Inventory	93	81	90	93	106	110	103	110	111	113	115
Accounts receivable	117	101	109	114	105	107	106	108	111	113	115
Short-term leased assets	0	0	0	0	0	9	9	9	9	9	9
Other current assets	7	4	5	4	3	4	4	4	4	4	4
Cash and bank	3	4	5	3	4	4	27	57	9	7	15
Total current assets	220	190	208	214	219	235	248	287	244	246	258
Assets held for sale	41	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	923	855	909	910	900	929	940	961	988	1,040	1,075
Shareholders equity	402	400	410	419	415	420	423	455	457	473	491
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	4	5	12	12	13	14	16	13	14	16	19
Total Equity	406	405	422	431	428	434	439	468	471	489	510
Deferred tax	44	45	49	47	43	41	39	37	37	37	37
Long term interest bearing debt	203	156	178	122	153	141	139	176	206	236	246
Pension provisions	8	7	7	6	6	7	7	7	7	7	7
Other long-term provisions	1	0	0	0	0	1	0	0	0	0	0
Other long-term liabilities	6	6	11	8	7	7	2	3	3	3	3
Non-current lease debt	0	0	0	0	0	25	25	21	22	22	22
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	260	214	245	184	209	221	212	245	275	305	315
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	199	192	200	202	188	211	234	237	230	234	238
Current lease debt	0	0	0	0	0	9	10	10	9	9	9
Other current liabilities	0	0	3	1	0	0	0	0	0	0	0
Short term interest bearing debt	52	44	40	92	75	54	45	3	3	3	3
Total current liabilities	250	236	242	295	262	274	289	249	241	246	250
Liabilities for assets held for sale	7	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	924	855	909	910	900	929	940	961	988	1,040	1,075
Balance sheet and debt metrics											
Net debt	249	194	212	210	222	223	190	152	230	262	264
of which lease debt	0	0	0	0	0	34	34	31	31	31	31
Working capital	18	-6	1	7	27	10	-21	-15	-4	-4	-4
Invested capital	681	659	703	703	708	705	670	659	740	790	814
Capital employed	660	604	640	645	656	663	657	678	711	759	790
ROE	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	4.4%	6.7%	7.4%
ROIC	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	4.1%	5.3%	5.4%
ROCE	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	5.1%	6.8%	6.9%
Net debt/EBITDA	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.7	2.5	2.4
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	43.5%	46.8%	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	46.3%	45.5%	45.7%
Net gearing	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	48.8%	53.5%	51.8%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	90	68	79	87	74	85	96	64	87	103	109
Paid taxes	-8	-4	-6	-10	-1	-9	-9	-11	-5	-8	-10
Net financials	-7	-9	-4	-8	-6	-6	-5	-2	-6	-8	-6
Change in provisions	1	-1	0	-1	0	1	0	-1	0	0	0
Change in other LT non-IB	-5	-1	5	1	0	5	-2	-1	0	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	65	61	-16	-10	-6	-18	6	27	0	0	0
Funds from operations (FFO)	136	115	58	59	60	59	87	77	75	87	93
Change in NWC	-44	-24	7	6	-13	29	15	12	-12	0	0
Cash flow from operations (CFO)	92	91	65	65	47	89	102	88	64	87	93
Capital expenditure	-34	-50	-43	-53	-45	-40	-41	-56	-115	-95	-70
Free cash flow before A&D	58	40	22	11	3	48	61	32	-51	-8	23
Proceeds from sale of assets	19	33	6	8	-1	0	0	30	0	0	0
Acquisitions	-33	-5	-30	0	0	0	-3	0	0	0	0
Free cash flow	44	68	-2	19	2	48	58	63	-51	-8	23
Free cash flow bef A&D, lease adj	58	40	22	11	3	40	53	24	-60	-17	14
Dividends paid	-6	-11	-11	-13	-15	-12	-12	-15	-18	-16	-17
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	-81	-55	15	-3	13	-40	-13	-5	30	30	10
Other financing adjustments	18	0	0	0	0	0	-9	-10	-9	-9	-9
Other non-cash adjustments	-1	-2	-1	-4	1	4	-2	-3	0	0	0
Change in cash	-25	1	0	-1	1	0	22	31	-48	-2	7
Cash flow metrics											
Capex/D&A	68.9%	n.m.	90.9%	n.m.	98.0%	73.8%	72.0%	97.7%	n.m.	n.m.	n.m.
Capex/Sales	2.4%	3.7%	3.2%	3.7%	3.1%	2.8%	2.7%	3.6%	7.3%	5.9%	4.3%
Key information											
Share price year end (/current)	7	9	11	12	7	10	10	12	11	11	11
Market cap.	186	255	324	341	185	284	278	326	310	310	310
Enterprise value	426	441	548	563	420	521	485	490	554	589	594
Diluted no. of shares, year-end (m)	28.2	28.2	28.2	28.2	28.2	28.3	28.3	28.3	28.3	28.3	28.3

Source: Company data and Nordea estimates

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