

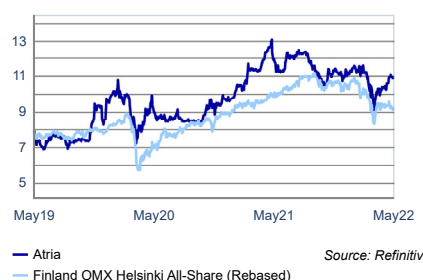
Atria

Consumer Goods
Finland

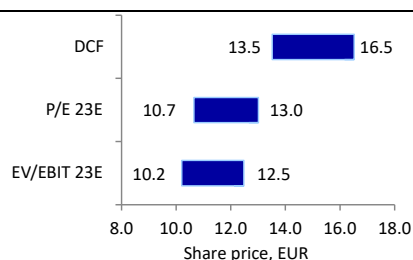
KEY DATA

Stock country	Finland
Bloomberg	ATRAV.FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.86
Free Float	42%
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.atria.fi
Next report date	19 Jul 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	5%	5%	5%
EBIT (adj)	-1%	-2%	1%

Source: Nordea estimates

Nordea Markets - Analysts

Joni Sandvall
Analyst

Substantial cost headwinds for 2022

Q1 earnings were better than feared, but substantially higher-than-expected cost headwinds create uncertainty for the remainder of the year. In Q4, the company anticipated cost headwinds of around EUR 60m, while it now expects closer to EUR 200m annually. We believe costs will normalise somewhat during 2022 but remain elevated. Demand has remained solid in the retail channel, while a foodservice recovery should support the mix development. The poultry investment is proceeding according to plan and on budget. We believe Q2 will be a tough quarter with lagging price increases, while H2 is more dependent on how consumer demand evolves when price increases start to materialise. We derive a fair value range of EUR 11.5-14.0 (11.4-13.9) per Atria share.

Q1 EBIT was secured by a strong top-line development

Atria reported Q1 EBIT of EUR 2.3m, above Refinitiv consensus of EUR -0.6m. EBIT declined in all divisions due to broad-based cost inflation. Net sales of EUR 275m were up 4% y/y owing to increased sales to feed customers and the recovery of foodservice. Average selling prices have developed favourably in 2022 and we believe more price increases will happen later in 2022. Atria divested its Malmö facility after Q1 with a EUR 22m consideration and will book a capital gain of around EUR 10m in Q2, we believe. The Russia exit is estimated to take place in Q2 and we expect a EUR 3m writedown of assets in conjunction with the exit.

Guidance intact for 2022 – substantial cost headwinds

Atria reiterated its guidance for declining adjusted EBIT for 2022. Given the unprecedented cost inflation and lag in price increases, we expect a 33% drop in adjusted EBIT in 2022. The company now expects closer to EUR 200m in annual cost headwinds, up from around EUR 60m in Q4. For 2022E-24E, we raise the top line by 5%, while we lower 2022E-23E adjusted EBIT by 1-2%.

Fair value range of EUR 11.5-14.0

We derive a fair value of EUR 11.5-14.0 (11.4-13.9) per Atria share by applying equal weighting to our DCF and multiple valuations. We note that visibility into 2022 earnings development remains challenging due to broad-based cost inflation and uncertain consumer demand, especially for H2. Although we expect the company to continue to make efficiency improvements, gross margin development is the key focus area for 2022.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,439	1,451	1,504	1,540	1,658	1,695	1,726
EBITDA (adj)	74	87	96	106	89	102	109
EBIT (adj)	28	33	40	49	33	46	51
EBIT (adj) margin	2.0%	2.3%	2.6%	3.2%	2.0%	2.7%	3.0%
EPS (adj, EUR)	0.59	0.60	0.91	0.97	0.79	1.13	1.30
EPS (adj) growth	-32.5%	2.6%	51.8%	6.4%	-18.6%	42.7%	15.4%
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	0.3	0.3
EV/EBIT (adj)	14.9	15.7	12.3	10.0	16.1	12.3	11.2
P/E (adj)	11.2	16.7	10.8	11.9	13.8	9.6	8.3
P/BV	0.4	0.7	0.7	0.7	0.7	0.6	0.6
Dividend yield (ord)	6.1%	4.2%	5.1%	5.5%	5.1%	5.5%	6.0%
FCF Yield bef A&D, lease	1.5%	14.0%	18.9%	7.2%	-20.5%	-5.8%	4.6%
Net debt	222	223	190	152	210	244	246
Net debt/EBITDA	3.0	2.6	2.0	2.4	2.2	2.4	2.3
ROIC after tax	3.3%	3.8%	4.8%	6.4%	4.4%	5.5%	5.8%

Source: Company data and Nordea estimates

Q1 deviation and estimate revisions

Q1 secured by a strong top-line development

Atria reported Q1 adjusted EBIT of EUR 2.3m versus Refinitiv consensus of EUR -0.6m and our estimate of EUR -0.4m. Q1 net sales of EUR 375m were up 4% y/y and came in 4% above consensus (3% above our forecast). Adjusted EBIT declined in all segments due to higher costs, while group costs beat our expectations.

The Finnish poultry investment is progressing according to the planned schedule and within the EUR 155m budget, while the EUR 30m investment in Sweden will increase slightly due to increased material costs. Atria expects that its exit from the Russian fast-food business will take place in Q2.

Atria maintained its outlook and expects adjusted EBIT to decline in 2022 (pre-Q1 Refinitiv consensus is EUR 32.5m after EUR 49.2m in 2021).

Raw material prices continue to be elevated

- Atria Finland's net sales were EUR 274m, up 5% y/y and 2% above our expectation. Adjusted EBIT was EUR 3.0m, 12% above our estimate of EUR 2.7m. The increase in net sales was due to improved sales of feed and foodservice products. Sales to retail were in line with Q1 2021, while exports were lower y/y. Sale prices increased slightly in retail and its foodservice channel, although not at the same magnitude as costs. During Q1, personnel costs were higher due to sick leave. The retail market in Atria's product groups declined by 0.5% in Q1, whereas the foodservice market grew by ~8% y/y. Atria's supplier share in retail was 24.3%, on a par with Q1 2021. Its EUR 155m poultry investment is progressing according to plan and on budget.
- Atria Sweden's net sales were EUR 82m, up 11% in local currencies (+7% on a reported basis) and 3% above our estimate. Adjusted EBIT of EUR -0.9m came in 56% above our estimate of EUR -2.0m and was supported by improving fast food and foodservice sales. Sales to retail were flat y/y. Increased raw material prices, transport and energy costs brought down EBIT during Q1. The increase in costs was partly mitigated by price increases and improved production efficiency. Atria Sweden's reported EBIT was EUR -0.9m.
- Atria Denmark & Estonia's net sales were EUR 26m, up 6% y/y and 3% below our expectation. Sales in Estonia increased by more than 8% y/y due to market share gains. In Denmark, retail, foodservice and export sales improved. Sales prices were higher y/y in Denmark. EBIT was burdened by broad-based cost inflation. Adjusted EBIT was EUR 0.8m, above our estimate of EUR 0.0m.

2022 guidance reiterated

Atria expects adjusted EBIT to decline in 2022 after EUR 49.2m in 2021. Prior to the Q1 report, Refinitiv consensus was for EUR 32.5m adjusted EBIT in 2022, i.e. a 34% adjusted EBIT decline.

Outlook comments:

"The price of food has risen all over the world and the rise continues. There will be no turnaround to falling prices in the near future. Atria's growth and profitability are greatly influenced by consumers' purchasing behaviour, i.e. what, where and when people buy their food."

DEVIATION TABLE

EURm	Actual Q1 2022	NDA est. Q1 2022E	Deviation vs. actual	Consensus Q1 2022E	Deviation vs. actual	Actual Q4 2021	Actual q/q Q1 2021	Actual y/y
Sales	375	365	10	362	13	403	-7%	4%
Adj. EBIT	2.3	(0.4)	2.7	(0.6)	2.9	10.3	-78%	-65%
Adj. EBIT margin	0.6%	-0.1%	0.7pp	-0.2%	0.8pp	2.6%	-1.9pp	-1.2pp
EPS, EUR	0.09	(0.13)	0.22	-	0.09	0.34	-73%	-31%
Divisional sales, EURm								
Finland	274.3	268.0	6	2%		293	-6%	5%
Sweden	82.1	79.6	3	3%		93	-11%	7%
Denmark & Estonia	26.0	26.7	-1	-3%		26	-2%	6%
Unallocated	0.0	0.0	0	n.m.		0	n.m.	-100%
Group eliminations	-7.6	-9.0	1	-16%		-9	-15%	-25%
Group	374.8	365	9.5	3%		403	-7%	4%
Divisional adj. EBIT, EURm								
Finland	3.0	2.7	0.3	12%		10.6	-72%	-69%
Sweden	-0.9	-2.0	1.1	-56%		0.6	-250%	-25%
Denmark & Estonia	0.8	0.0	0.8	5812%		0	n.m.	-58%
Group eliminations	-0.6	-1.1	0.5	-43%		-0.9	-33%	-85%
Group	2.3	-0.4	2.7	-687%		10.3	-78%	-65%

Source: Company data, Refinitiv and Nordea estimates

Takeaways from earnings conference

We make the following comments after the earnings conference:

Substantial cost headwinds for 2022

- Atria expects cost inflation from increased producer prices (meat raw material) and other costs (e.g. packaging, electricity, logistics) to be closer to EUR 200m rather than EUR 100m. We note that in conjunction with its Q4 2021 report, Atria expected EUR ~60m headwinds from cost inflation.

Sick leave increased Q1 costs by EUR 1-2m

- Atria has not identified anything that suggests a change in direction of rising costs and we therefore believe multiple sales price increases remain on the cards for 2022. Atria has been able to increase sales prices for the 2022 summer season, but we believe the current price increases only mitigate the cost increases witnessed before Russia's invasion of Ukraine.
- Increased personnel costs related to COVID-19 (EUR 1-2m in Q1) have started to normalise since the beginning of Q2.
- The supply of grain seems to be very tight at the moment after a low harvest in 2021 and geopolitical tensions. The company noted that there is clear pressure for further producer price increases in order to secure the availability of meat raw material.
- The company has been able to find new export channels to mitigate lower pork sales to China.

Russian exit soon finalised

- The company aims to finalise its exit from Russia in Q2, although it does not yet have a buyer for the assets. We expect a EUR 3m writedown of assets in conjunction with the Q2 report. Russian fast food net sales have accounted for around 1.5% of the group's total net sales, EBIT has been positive and the value of the company's net assets there at the end of Q1 was EUR 4.8m.

Estimate revisions

Following the Q1 report, we increase our top-line estimates by 5% for 2022-24 and make only minor revisions to our adjusted EBIT estimates. We now model EUR 33m adjusted EBIT in 2022, down 33% versus 2021. We take a more cautious view on Q2, while still believing the company will manage to pass on cost increases, albeit with a lag. We expect meat prices to remain elevated going forward.

ESTIMATE REVISIONS AFTER THE Q1 REPORT

EURm	New estimates				Old estimates				Difference %			
	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E
Sales	412	1,658	1,695	1,726	392	1,583	1,612	1,642	5%	5%	5%	5%
Adj. EBIT	2.7	33.0	46.2	51.0	5.5	33.3	47.0	50.6	-51%	-1%	-2%	1%
Adj. EBIT margin	0.6%	2.0%	2.7%	3.0%	1.4%	2.1%	2.9%	3.1%	-0.8pp	-0.1pp	-0.2pp	-0.1pp
Adj. EPS, EUR	0.01	0.79	1.13	1.30	0.12	0.82	1.11	1.26	-94%	-4%	2%	4%
DPS		0.55	0.60	0.65		0.55	0.60	0.65		0%	0%	0%
Divisional sales EURm	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E
Finland	303	1,210	1,234	1,253	290	1,163	1,180	1,198	4%	4%	5%	5%
Sweden	90	369	380	391	84	344	355	365	7%	7%	7%	7%
Denmark & Estonia	29	113	116	118	28	113	115	117	2%	1%	1%	1%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-9	-35	-35	-36	-10	-37	-38	-38	-10%	-6%	-6%	-6%
Group	412	1,658	1,695	1,726	392	1,583	1,612	1,642	5%	5%	5%	5%
Divisional adj. EBIT	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E
Finland	3.9	32.1	40.7	44.0	6.3	34.4	42.1	44.2	-38%	-7%	-3%	-1%
Sweden	-1.1	1.2	4.5	5.7	-0.8	0.3	4.5	5.7	43%	235%	-1%	0%
Denmark & Estonia	0.9	3.3	4.7	5.1	1.0	2.7	4.6	5.1	-15%	22%	1%	1%
Unallocated	-1.0	-3.6	-3.7	-3.7	-1.1	-4.2	-4.3	-4.4	-5%	-14%	-14%	-14%
Group	2.7	33.0	46.2	51.0	5.5	33.3	47.0	50.6	-51%	-1%	-2%	1%
Divisional sales growth	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E
Finland	9%	9%	2%	1%	4%	5%	1%	1%	4.5pp	4.3pp	0.5pp	0.0pp
Sweden	2%	5%	3%	3%	-5%	-2%	3%	3%	6.8pp	7.0pp	0.0pp	0.0pp
Denmark & Estonia	8%	8%	2%	2%	6%	7%	2%	2%	2.0pp	0.6pp	0.0pp	0.0pp
Unallocated	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 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%	8%	2%	2%	1%	3%	2%	2%	5.2pp	4.9pp	0.4pp	0.0pp
EBIT margin	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E	Q2 2022E	2022E	2023E	2024E
Finland	1.3%	2.7%	3.3%	3.5%	2.2%	3.0%	3.6%	3.7%	-0.9pp	-0.3pp	-0.3pp	-0.2pp
Sweden	-1.2%	0.3%	1.2%	1.4%	-0.9%	0.1%	1.3%	1.5%	-0.3pp	0.2pp	-0.1pp	-0.1pp
Denmark & Estonia	3.0%	2.9%	4.1%	4.3%	3.7%	2.4%	4.0%	4.3%	-0.6pp	0.5pp	0.0pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	0.6%	2.0%	2.7%	3.0%	1.4%	2.1%	2.9%	3.1%	-0.8pp	-0.1pp	-0.2pp	-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 11.5-14.0 per share for Atria.

DCF valuation yields EUR 13.5-16.5 per share

The outcome of our DCF valuation is EUR 13.5-16.5 (13.8-16.9) 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 2.9%.

WACC COMPONENTS	
WACC components	
Risk-free interest rate	2.5%
Market risk premium	4.0%
Equity beta	1.5-1.7
Cost of equity	8.3-9.1%
Cost of debt	3.5%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	6.9-7.5%

Source: Nordea estimates

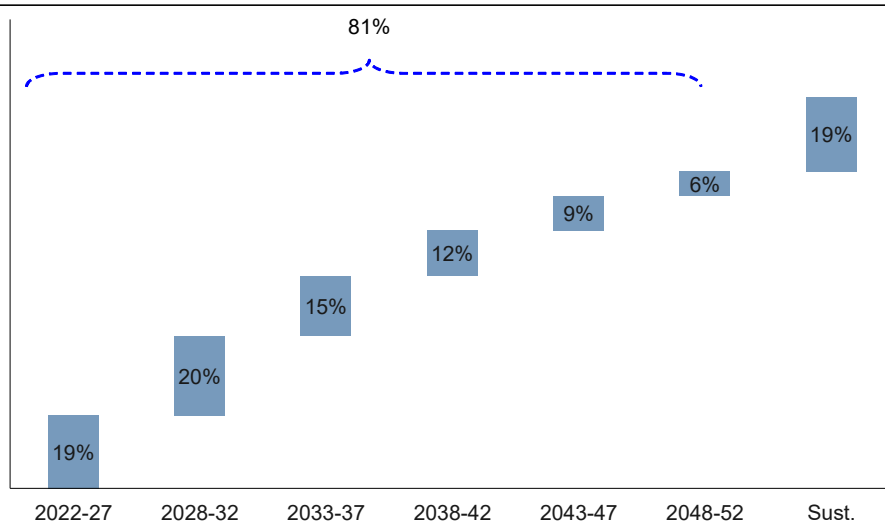
DCF VALUE (EURm AND EUR)		
DCF value	Value	Per share
NPV FCFF	535-620	18.9-21.9
(Net debt)	-152	-5.4
Market value of associates	0	0.0
(Market value of minorities)	-13	-0.5
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	12	0.4
DCF Value	382-467	13.5-16.5

Source: Nordea estimates

DCF ASSUMPTIONS							
Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associate:	2.9%	2.9%	2.9%	2.9%	2.9%	2.6%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	
NWC/sales	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCFF, CAGR	-217.3%	3.1%	1.5%	1.5%	1.5%	-0.9%	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 11.3-19.2 per share.

SENSITIVITY OF OUR DFC MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		6.7%	7.0%	7.2%	7.5%	7.7%
EBIT marg. change	1.0pp	23.9	22.4	21.0	19.7	18.5
	0.5pp	20.5	19.2	18.0	16.9	15.8
	0.0pp	17.2	16.0	15.0	14.1	13.2
	-0.5pp	13.8	12.9	12.0	11.3	10.5
	-1.0pp	10.4	9.7	9.1	8.5	7.9

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.7%	7.0%	7.2%	7.5%	7.7%
Sales gr. change	1.0pp	19.7	18.4	17.2	16.0	15.0
	0.5pp	18.4	17.2	16.0	15.0	14.1
	0.0pp	17.2	16.0	15.0	14.1	13.2
	-0.5pp	16.1	15.0	14.1	13.2	12.4
	-1.0pp	15.0	14.1	13.2	12.4	11.6

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	18.4	19.6	21.0	22.4	24.0
	0.5pp	15.8	16.9	18.0	19.2	20.6
	0.0pp	13.2	14.1	15.0	16.0	17.2
	-0.5pp	10.6	11.3	12.0	12.9	13.8
	-1.0pp	8.0	8.5	9.1	9.7	10.4

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 10.2-12.5 by taking 2023E adjusted EBIT of EUR 46m, multiplying it by the accepted multiple range of 10.8-12.2x and deducting our 2022 net debt assumption of EUR 210m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 10.7-13.0 by taking 2023E adjusted EPS of EUR 1.13 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	12.5	79	104	37.0	25.9	17.3	17.3	31.9	27.7	16.8	14.8	3.6%	4.0%
Bell Food Group Ag	Switzerland	263.5	1,620	2,276	14.3	14.1	13.5	13.1	10.8	12.9	12.4	12.1	2.7%	2.9%
Cranswick Plc	UK	3,178.0	2,023	2,125	13.3	12.4	12.0	11.0	15.4	14.7	14.6	14.0	2.4%	2.5%
Fleury Michon Sa	France	23.1	102	174	13.6	24.8	10.2		11.1	13.6	6.1		4.8%	5.2%
Hkscan Oyj	Finland	1.4	130	467	32.0	42.4	25.9	20.3			34.7	17.3	2.9%	2.9%
Raisio Oyj	Finland	2.2	380	320	13.3	21.4	13.9	11.9	16.1	27.7	18.5	15.8	6.5%	7.0%
Scandi Standard Ab (Publ)	Sweden	39.6	254	445	21.2	19.2	11.9	11.5	26.9	20.0	10.9	8.9	0.0%	2.8%
Societe Ldc Sa	France	85.2	1,508	1,508	7.5	7.9	6.8	6.0	9.5	10.1	8.7	7.9	2.1%	2.2%
Ter Beke Nv	Belgium	108.0	194	270	14.3	9.3	7.9	7.3	23.2	11.8	9.0	7.9	4.2%	4.4%
Average			699	854	18.5	19.7	13.3	12.3	18.1	17.3	14.6	12.3	3.2%	3.8%
Median			254	445	14.3	19.2	12.0	11.7	15.7	14.1	12.4	13.0	2.9%	2.9%
Atria (NDA)		11.0	311	463	9.4	15.8	12.0	10.9	11.9	13.9	9.8	8.5	5.0%	5.5%
International peers														
Brf Sa	Brazil	13.3	2,691	5,917	11.9	11.5	9.0	8.9	21.4	12.7	8.6	7.8	0.0%	3.1%
Gruppa Cherkizovo Pao	Russia	2,913.0	1,662	2,568	10.9				8.0					
Sanderson Farms Inc	US	189.9	4,036	3,426	5.2	5.2	8.0		8.1	7.0	12.2		1.0%	1.1%
Tyson Foods Inc	US	92.9	32,057	37,817	9.4	9.3	10.2	10.0	11.1	11.2	11.9	11.6	2.0%	2.2%
Average			10,112	12,432	9.4	8.7	9.1	9.5	12.2	10.3	10.9	9.7	1.0%	2.1%
Median			3,364	4,671	10.1	9.3	9.0	9.5	9.6	11.2	11.9	9.7	1.0%	2.2%
Atria (NDA)		11.0	311	463	9.4	15.8	12.0	10.9	11.9	13.9	9.8	8.5	5.0%	5.5%

Source: Refinitiv and Nordea estimates (as of market close on 2 May)

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%	-41.2%	-4.8%	1.9%	1.0%	2.4%	3.8%	3.7%	2.5%	3.0%	4.8%	5.3%
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%	1.8%	1.0%	2.3%		4.9%	0.0%	10.2%	0.0%
Hkscan Oyj	1.9%	1.4%	1.3%		0.8%	0.6%	1.0%	1.2%	-1.4%	-0.7%	1.2%	2.4%
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%	1.7%	2.0%	-12.0%	3.7%	3.4%	4.3%	4.9%	6.5%	6.2%	9.0%	4.2%
Median	2.5%	2.7%	2.4%	1.9%	2.7%	2.9%	3.8%	3.9%	6.3%	6.5%	9.7%	2.4%
Atria (NDA)	2.4%	7.6%	2.2%	1.9%	3.2%	2.0%	2.7%	3.0%	-1.6%	6.4%	6.9%	7.6%
International peers												
Brf Sa	36.1%	23.9%	4.9%	9.1%	6.3%	5.2%	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%	17.1%	-4.7%		15.1%	13.0%	8.8%		14.3%	24.7%	14.5%	0.0%
Tyson Foods Inc	15.6%	16.1%	0.6%		9.5%	8.3%	7.5%	7.7%	19.9%	15.9%	13.2%	0.0%
Average	30.9%	19.0%	0.3%	9.1%	10.9%	8.8%	7.6%	6.8%	15.6%	17.5%	13.0%	4.3%
Median	33.2%	17.1%	0.6%	9.1%	11.1%	8.3%	7.5%	6.8%	17.1%	15.9%	13.2%	0.0%
Atria (NDA)	2.4%	7.6%	2.2%	1.9%	3.2%	2.0%	2.7%	3.0%	-1.6%	6.4%	6.9%	7.6%

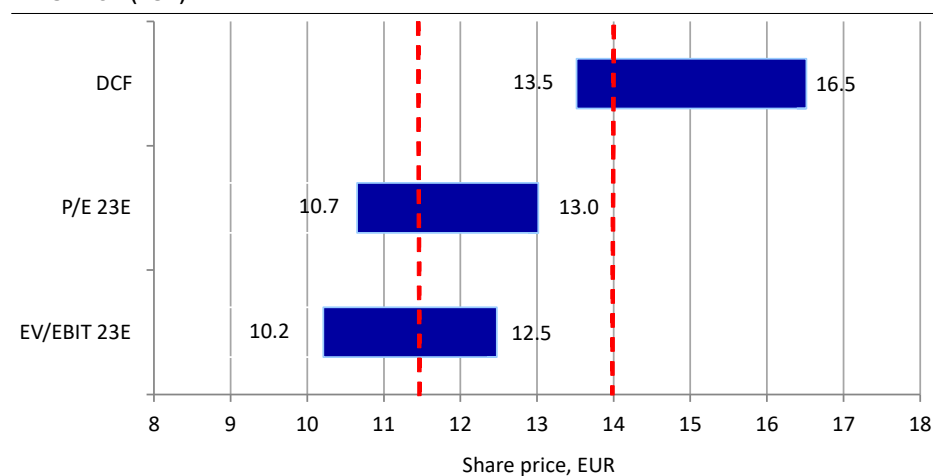
Source: Refinitiv and Nordea estimates (as of market close 2 May)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 11.5-14.0 (11.4-13.9) per Atria share, as shown by the red dotted lines in the chart below.

VALUATION (EUR)

Fair value range of EUR
11.5-14.0



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	1,658	1,695	1,726
- sales growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	7.6%	2.2%	1.9%
Gross profit	177	163	164	173	153	163	166	177	149	178	190
- margin	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.0%	10.5%	11.0%
EBITDA	89	76	79	87	74	85	96	64	96	102	109
- margin	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	5.8%	6.0%	6.3%
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	40.0	46.2	51.0
Adj. EBIT	39.6	36.1	31.2	39.6	28.2	33.0	40.3	49.2	33.0	46.2	51.0
- margin	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.0%	2.7%	3.0%
Net finance	-13	-9	-6	-7	-6	-6	-5	-5	-6	-8	-6
Associated companies	6	0	1	2	0	1	1	3	4	4	4
Adj. PTP	33.0	27.3	25.7	34.1	22.3	28.2	36.1	47.6	31.6	42.8	49.4
Taxes	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-7.7	-8.6	-9.9
Profit before minorities	26.8	14.6	19.6	28.4	17.8	17.0	23.5	-5.4	30.9	34.3	39.5
Minorities	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-2.4	-2.8
Adj. Net Profit	21.5	21.0	17.8	24.5	16.5	17.0	25.8	27.4	22.3	31.9	36.8
EPS, excluding NRI (EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	0.79	1.13	1.30
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	1,210	1,234	1,253
Sweden				307	288	289	332	352	369	380	391
Denmark & Estonia				99	98	97	107	105	113	116	118
Unallocated	99	75	72	86	75	74	52	15	0	0	0
Group eliminations	-25	-27	-30	-42	-41	-42	-53	-37	-35	-35	-36
Group	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,658	1,695	1,726
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	32.1	40.7	44.0
Sweden				1.0	-7.1	-4.6	0.8	2.7	1.2	4.5	5.7
Denmark & Estonia				5.2	5.3	4.3	5.2	5.1	3.3	4.7	5.1
Unallocated	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-3.6	-3.7	-3.7
Group	39.6	36.1	31.4	39.5	28.2	33.1	39.5	49.2	33.0	46.2	51.0
Divisional sales growth	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	7%	-2%	0%	6%	3%	1%	3%	4%	9%	2%	1%
Sweden				n.a.	-6%	0%	15%	6%	5%	3%	3%
Denmark & Estonia				n.a.	-1%	-1%	11%	-2%	8%	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%	8%	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%	2.7%	3.3%	3.5%
Sweden				0.3%	-2.5%	-1.6%	0.2%	0.8%	0.3%	1.2%	1.4%
Denmark & Estonia				5.3%	5.4%	4.5%	4.9%	4.9%	2.9%	4.1%	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%	2.0%	2.7%	3.0%

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	Q1/22	Q2/22E	Q3/22E	Q4/22E
Sales	357	366	382	399	361	387	388	403	375	412	425	446
- sales growth	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	1.4%	1.2%	3.7%	6.5%	9.6%	10.5%
Gross profit	33.9	36.0	47.2	49.3	38.1	45.4	48.7	43.9	31.6	28.9	42.5	46.2
- margin	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.6%	10.9%	8.4%	7.0%	10.0%	10.4%
EBITDA	16.1	17.9	32.7	30.2	21.9	-18.7	33.5	26.6	15.8	23.3	28.4	28.1
- margin	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.6%	6.6%	4.2%	5.6%	6.7%	6.3%
D&A	-14	-14	-14	-15	-15	-14	-14	-14	-14	-14	-14	-15
EBIT reported	2.1	4.1	19.0	15.1	6.5	-32.6	19.7	12.6	2.3	9.7	14.7	13.4
Adj. EBIT	2.1	4.1	19.0	15.1	6.5	12.5	19.7	10.3	2.3	2.7	14.7	13.4
- margin	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	2.6%	0.6%	0.6%	3.5%	3.0%
Net finance	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.4	-0.9	-0.9	-1.4	-1.6	-1.8
Associated companies	0.3	0.2	0.3	0.3	0.8	1.1	1.0	0.6	1.4	1.0	1.0	0.8
Adj. PTP	1.0	3.6	17.9	14.6	5.0	13.2	19.3	10.0	2.9	2.3	14.1	12.4
Taxes	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-4.2	-2.2	-0.2	-1.9	-2.8	-2.8
Profit before minorities	0.6	2.3	14.9	5.7	4.1	-34.8	15.1	10.2	2.7	0.4	11.3	16.5
Minorities	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4	-0.5	-0.2	-0.2	-0.4	-0.7
Adj. Net Profit	0.2	2.0	14.4	6.1	3.7	10.0	14.7	7.3	2.5	0.2	10.9	8.8
EPS, excluding NRI (EUR)	0.01	0.07	0.51	0.22	0.13	0.35	0.52	0.26	0.09	0.01	0.39	0.31
Divisional sales EURm	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E
Finland	253	263	266	285	260	278	275	293	274	303	305	328
Sweden	78	78	91	85	77	88	94	93	82	90	99	98
Denmark & Estonia	27	27	27	27	25	27	27	26	26	29	30	29
Unallocated	14	10	14	14	10	5	0	0	0	0	0	0
Group eliminations	-14	-12	-15	-12	-10	-10	-8	-9	-8	-9	-9	-9
Group	357	366	382	399	361	387	388	403	375	412	425	446
Divisional operative EBIT	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E
Finland	6.2	7.3	15.2	14.4	9.8	11.3	16.4	10.6	3.0	3.9	13.1	12.2
Sweden	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.0	0.6	-0.9	-1.1	1.9	1.3
Denmark & Estonia	0.3	1.1	2.1	1.7	1.9	2.0	1.2	0.0	0.8	0.9	0.8	0.9
Unallocated	-2.6	-2.7	-1.3	-2.2	-4.0	-1.1	-0.9	-0.9	-0.6	-1.0	-1.0	-1.0
Group	2.1	4.1	19.0	15.1	6.5	12.5	19.7	10.3	2.3	2.7	14.7	13.4
Divisional sales growth	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E
Finland	5%	0%	3%	5%	3%	6%	3%	3%	5%	9%	11%	12%
Sweden	17%	5%	23%	14%	-2%	12%	4%	9%	7%	2%	5%	5%
Denmark & Estonia	22%	14%	9%	0%	-8%	-1%	1%	-1%	6%	8%	9%	9%
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%	4%	6%	10%	10%
EBIT margin	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E
Finland	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	6.0%	3.6%	1.1%	1.3%	4.3%	3.7%
Sweden	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.2%	0.6%	-1.1%	-1.2%	1.9%	1.3%
Denmark & Estonia	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	4.4%	0.0%	3.1%	3.0%	2.6%	3.1%
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%	0.6%	0.6%	3.5%	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 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	1,658	1,695	1,726
Revenue growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	7.6%	2.2%	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	96	102	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	40	46	51
Amortisation and impairments	-1	7	0	0	0	0	0	0	0	0	0
EBIT	41	29	32	41	28	31	40	6	40	46	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	4	4	4
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	39	43	49
Reported taxes	-7	-5	-7	-7	-5	-9	-13	-10	-8	-9	-10
Net profit from continued operations	27	15	20	28	18	17	24	-5	31	34	40
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	-1	-3	-1	-2	-2	-2	-2	-2	-3
Net profit to equity	26	14	18	26	17	15	22	-7	29	32	37
EPS, EUR	0.93	0.49	0.65	0.92	0.59	0.53	0.77	-0.24	1.04	1.13	1.30
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%	5.8%	6.0%	6.3%
EBITA	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.4%	2.7%	3.0%
EBIT	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.4%	2.7%	3.0%

Adjusted earnings

EBITDA (adj)	89	76	78	86	74	87	96	106	89	102	109
EBITA (adj)	41	29	31	40	28	33	40	49	33	46	51
EBIT (adj)	40	36	31	40	28	33	40	49	33	46	51
EPS (adj, EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	0.79	1.13	1.30

Adjusted profit margins in percent

EBITDA (adj)	6.2%	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	5.3%	6.0%	6.3%
EBITA (adj)	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.0%	2.7%	3.0%
EBIT (adj)	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.0%	2.7%	3.0%

Performance metrics

CAGR last 5 years											
Net revenue	1.6%	0.6%	0.8%	1.3%	0.4%	0.4%	2.3%	2.6%	2.9%	3.3%	3.5%
EBITDA	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	1.9%	6.8%	5.0%
EBIT	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-0.4%	10.4%	10.4%
EPS	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	2.5%	14.0%	19.6%
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%	1.9%	2.1%	2.3%
Average EBITDA margin	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	5.6%	5.7%

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	13.8	9.6	8.3
EV/EBITDA (adj)	4.8	5.8	7.0	6.6	5.7	6.0	5.0	4.6	6.0	5.6	5.3
EV/EBITA (adj)	10.5	15.2	17.5	14.3	14.9	15.7	12.3	10.0	16.1	12.3	11.2
EV/EBIT (adj)	10.8	12.2	17.5	14.3	14.9	15.7	12.3	10.0	16.1	12.3	11.2

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.	10.5	9.6	8.3
EV/Sales	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.32	0.33	0.33
EV/EBITDA	4.7	6.4	7.0	6.5	5.7	6.1	5.0	7.7	5.6	5.6	5.3
EV/EBITA	10.3	20.3	17.3	13.8	14.9	16.8	12.3	76.6	13.3	12.3	11.2
EV/EBIT	10.5	15.2	17.3	13.8	14.9	16.8	12.3	76.6	13.3	12.3	11.2
Dividend yield (ord.)	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	5.1%	5.5%	6.0%
FCF yield	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-10.5%	-3.0%	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%	-20.5%	-5.8%	4.6%
Payout ratio	52.3%	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	69.6%	53.2%	50.0%

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	454	501	522
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	21	26	30
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	724	776	801
Inventory	93	81	90	93	106	110	103	110	116	119	121
Accounts receivable	117	101	109	114	105	107	106	108	117	119	121
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	29	25	33
Total current assets	220	190	208	214	219	235	248	287	274	276	288
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	998	1,052	1,089
Shareholders equity	402	400	410	419	415	420	423	455	456	472	492
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	15	17	20
Total Equity	406	405	422	431	428	434	439	468	471	489	512
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	240	246	250
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	252	258	262
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	998	1,052	1,089
Balance sheet and debt metrics											
Net debt	249	194	212	210	222	223	190	152	210	244	246
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	720	772	797
Capital employed	660	604	640	645	656	663	657	678	711	759	792
ROE	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	6.4%	6.9%	7.6%
ROIC	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	4.4%	5.5%	5.8%
ROCE	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	5.4%	6.9%	7.1%
Net debt/EBITDA	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.2	2.4	2.3
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%	45.7%	44.9%	45.2%
Net gearing	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	44.7%	49.8%	48.1%

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	96	102	109
Paid taxes	-8	-4	-6	-10	-1	-9	-9	-11	-8	-9	-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	-10	0	0
Funds from operations (FFO)	136	115	58	59	60	59	87	77	72	86	93
Change in NWC	-44	-24	7	6	-13	29	15	12	-11	0	0
Cash flow from operations (CFO)	92	91	65	65	47	89	102	88	61	86	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	-54	-9	23
Proceeds from sale of assets	19	33	6	8	-1	0	0	30	22	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	-32	-9	23
Free cash flow bef A&D, lease adj	58	40	22	11	3	40	53	24	-63	-18	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	-29	-3	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%	6.9%	5.6%	4.1%
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	307	307	307
Enterprise value	426	441	548	563	420	521	485	490	532	568	573
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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Completion Date

04 May 2022, 03:27 CET

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