

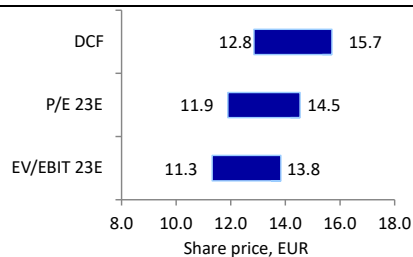
KEY DATA

Stock country	Finland
Bloomberg	ATRAV.FH
Reuters	ATRAV.HE
Share price (close)	EUR 8.82
Free Float	42%
Market cap. (bn)	EUR 0.25/EUR 0.25
Website	www.atria.fi
Next report date	26 Oct 2022

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	1%	1%
EBIT (adj)	37%	8%	7%

Source: Nordea estimates

Nordea Markets - Analysts
Joni Sandvall
 Analyst

Rapid price increases became visible

Atria reported Q2 adjusted EBIT of EUR 13.8m, up from EUR 12.6m a year ago despite high cost inflation. The company has been successful in its pricing actions, while demand has held up well in the retail channel. In addition, the strong recovery in foodservice has benefitted the company through e.g. a more favourable sales mix, we believe. The next price increases should mitigate ongoing cost inflation, while consumer demand is hard to predict amid current uncertainties. Well-known brands and a strong market position should offer protection even in an inflationary environment, we believe. We derive a fair value of EUR 12.0-14.7 (11.5-14.0) per share.

Q2 EBIT above last year's level despite record-high cost inflation

Atria's Q2 EBIT of EUR 13.8m was up 10% y/y driven by 12% y/y sales growth. Sales price increases and a strong foodservice development were the main drivers behind the sales growth. The company was able to raise prices clearly faster than we had expected, but high cost inflation requires additional price increases in the autumn, we believe. Atria has paid 30% higher meat raw material prices to its producers and noted a further need for increases. We believe it is well positioned to mitigate possible cost increases with its well-known brands and market position. The poultry investment in Finland is proceeding according to plan and within budget.

We hike estimates clearly for 2022

Given the clearly stronger-than-anticipated Q2, we hike 2022E adjusted EBIT by 37%. For 2023E-24E, we raise adjusted EBIT by 7-8%. Atria reiterated its guidance and anticipates declining adjusted EBIT in 2022; we model an 8% decline. Hence, we see a possibility for a guidance increase towards year-end. However, there is still high uncertainty over consumer demand for the remainder of the year. The company has not yet seen any changes in consumer demand.

Fair value range of EUR 12.0-14.7

We derive a fair value of EUR 12.0-14.7 (11.5-14.0) per Atria share by applying equal weighting to our DCF and multiples valuations. We note that visibility into 2022 earnings 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, the 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	1,685	1,707	1,739
EBITDA (adj)	74	87	96	106	98	103	109
EBIT (adj)	28	33	40	49	45	50	55
EBIT (adj) margin	2.0%	2.3%	2.6%	3.2%	2.7%	2.9%	3.1%
EPS (adj, EUR)	0.59	0.60	0.91	0.97	1.23	1.26	1.42
EPS (adj) growth	-32.5%	2.6%	51.8%	6.4%	26.2%	2.7%	12.6%
DPS (ord, EUR)	0.40	0.42	0.50	0.63	0.60	0.65	0.70
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	10.6	10.4	9.6
P/E (adj)	11.2	16.7	10.8	11.9	7.2	7.0	6.2
P/BV	0.4	0.7	0.7	0.7	0.5	0.5	0.5
Dividend yield (ord)	6.1%	4.2%	5.1%	5.5%	6.8%	7.4%	7.9%
FCF Yield bef A&D, lease	1.5%	14.0%	18.9%	7.2%	-24.0%	-6.9%	5.7%
Net debt	222	223	190	152	215	249	254
Net debt/EBITDA	3.0	2.6	2.0	2.4	2.1	2.4	2.3
ROIC after tax	3.3%	3.8%	4.8%	6.4%	6.1%	5.9%	6.1%

Source: Company data and Nordea estimates

Q2 deviation and estimate revisions

Q2 came in above expectations	<p>Strong Q2 with successful pricing actions</p> <p>Atria reported Q2 adjusted EBIT of EUR 13.8m versus our estimate of EUR 2.7m (low-quality Refinitiv consensus was for EUR 10.6m). Q2 net sales of EUR 432m were up 12% y/y and came in 5% above our estimate. Adjusted EBIT increased in Finland and Sweden.</p> <p>The company has been successful in pricing actions and its sales structure has been more favourable through the recovery of its foodservice channel. Export sales declined y/y.</p> <p>Producer prices paid by Atria increased ~30% y/y and the company implemented additional price increases after the review period.</p> <p>The Finnish poultry investment is progressing according to the planned schedule.</p> <p>Q2 reported EBIT included EUR 12.8m in capital gains and a EUR 10.7m translation loss related to its exit from the Russian fast-food business.</p> <p>Reported EPS stood at EUR 0.49, compared to our estimate of EUR 0.25.</p> <p>H1 operating cash flow was EUR -12.6m (EUR 19.3m a year ago) due to an increase in working capital.</p> <p>Atria maintained its outlook and expects adjusted EBIT to decline in 2022 (after a gain of EUR 49.2m in 2021).</p>
Atria Finland was the clear bright spot in the report	<ul style="list-style-type: none"> • Atria Finland's net sales were EUR 319.5m in the quarter, up 15% y/y and 6% above our expectations. Adjusted EBIT was EUR 13.4m, 245% above our estimate of EUR 3.9m. Net sales increased in the retail and foodservice channels, and also to feed customers. In addition, Easter had a positive impact. Meat producer prices paid by Atria were 30% higher y/y and the company again increased its own prices. Cost inflation continued to be high, although staff absences were substantially lower than in Q1 2022. Atria's supplier share in retail was 24.5%, up 0.4 pp from Q2 2021. Its EUR 155m poultry investment is progressing according to plan and within budget. • Atria Sweden's net sales were EUR 95.1m, up 11% in local currencies (up 8% on a reported basis) and 6% above our forecast for the quarter. Adjusted EBIT of EUR 0.7m came in above our estimate of EUR -1.1m and was supported by improving retail and foodservice sales. Increased costs burdened EBIT during Q2, as price increases were not sufficient to cover these. Atria Sweden's reported EBIT was EUR 11.6m, supported by a EUR 9.9m capital gain and a EUR 1m refund from an employment pension contribution. • Atria Denmark & Estonia's net sales were EUR 28.4m, up 6% y/y and 1% below our expectation. Sales prices increases drove sales growth in Denmark and Estonia. EBIT was burdened by increased energy and raw material costs. Adjusted EBIT was EUR 0.7m, slightly below our estimate of EUR 0.9m. <p>2022 guidance reiterated</p> <p>Atria expects adjusted EBIT to decline in 2022 from EUR 49.2m in 2021. There is no quality consensus available, although prior to the Q1 report Refinitiv consensus was expecting EUR 41m adjusted EBIT for 2022 (our forecast: EUR 33.0m), i.e. a 17% adjusted EBIT decline.</p>

DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
EURm	Q2 2022	Q2 2022E	vs. actual		Q2 2022E	vs. actual		Q1 2022	q/q	Q2 2021	y/y
Sales	432	412	20	5%	411	21	5%	375	15%	387	12%
Adj. EBIT	13.8	2.7	11.1	419%	15.6	(1.8)	-11%	2.3	500%	12.5	10%
Adj. EBIT margin	3.2%	0.6%	2.6pp	2.6pp	3.8%	-0.6pp		0.6%	2.6pp	3.2%	0.0pp
EPS, EUR	0.49	0.25	0.24	92%	-	0.49	n.m.	0.09	463%	(1.24)	-139%
Divisional sales, EURm											
Finland	319.5	302.7	17	6%				274	16%	278	15%
Sweden	95.1	89.7	5	6%				82	16%	88	8%
Denmark & Estonia	28.4	28.8	0	-1%				26	9%	27	6%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	5	-100%
Group eliminations	-11.1	-9.0	-2	23%				-8	46%	-10	13%
Group	431.9	412	19.7	5%				375	15%	387	12%
Divisional adj. EBIT, EURm											
Finland	13.4	3.9	9.5	245%				3	347%	11.3	19%
Sweden	0.7	-1.1	1.8	-164%				-0.9	-178%	0.3	133%
Denmark & Estonia	0.7	0.9	-0.2	-20%				0.8	n.m.	2	-65%
Group eliminations	-1.0	-1.0	0.0	0%				-0.6	67%	-1.1	-9%
Group	13.8	2.7	11.1	419%				2.3	500%	12.5	10%

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

Following the Q2 report, we increase our top-line estimates by 1-2% for 2022-24. Given the strong Q2, we raise 2022E adjusted EBIT by 37%, while we make 7-8% upward revisions to our 2023-24 estimates. We now model EUR 54.2m adjusted EBIT in 2022, down 8% from 2021. In addition, we hike our dividend estimates by 8-9% for 2022-24 and forecast, on average, 49% payout for 2022-24.

ESTIMATE REVISIONS AFTER THE Q2 REPORT

	New estimates				Old estimates				Difference %			
EURm	Q3 2022E	2022E	2023E	2024E	Q3 2022E	2022E	2023E	2024E	Q3 2022E	2022E	2023E	2024E
Sales	433	1,685	1,707	1,739	425	1,658	1,695	1,726	2%	2%	1%	1%
Adj. EBIT	16.2	45.2	49.6	54.6	14.7	33.0	46.2	51.0	10%	37%	8%	7%
Adj. EBIT margin	3.7%	2.7%	2.9%	3.1%	3.5%	2.0%	2.7%	3.0%	0.3pp	0.7pp	0.2pp	0.2pp
Adj. EPS, EUR	0.43	1.23	1.26	1.42	0.39	0.79	1.13	1.30	12%	55%	12%	9%
DPS		0.60	0.65	0.70		0.55	0.60	0.65		9%	8%	8%
Divisional sales EURm												
Finland	310	1,232	1,245	1,263	305	1,210	1,234	1,253	2%	2%	1%	1%
Sweden	102	377	385	396	99	369	380	391	3%	2%	1%	1%
Denmark & Estonia	29	112	115	117	30	113	116	118	-1%	-1%	-1%	-1%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-9	-37	-37	-38	-9	-35	-35	-36	0%	6%	5%	5%
Group	433	1,685	1,707	1,739	425	1,658	1,695	1,726	2%	2%	1%	1%
Divisional adj. EBIT												
Finland	13.9	42.5	43.9	47.2	13.1	32.1	40.7	44.0	6%	32%	8%	7%
Sweden	2.6	3.2	5.0	6.2	1.9	1.2	4.5	5.7	39%	177%	11%	9%
Denmark & Estonia	0.7	3.1	4.5	4.9	0.8	3.3	4.7	5.1	-5%	-7%	-5%	-5%
Unallocated	-1.0	-3.6	-3.6	-3.7	-1.0	-3.6	-3.7	-3.7	0%	0%	-1%	-1%
Group	16.2	45.2	49.6	54.6	14.7	33.0	46.2	51.0	10%	37%	8%	7%
Divisional sales growth												
Finland	13%	11%	1%	1%	11%	9%	2%	1%	2.0pp	2.0pp	-1.0pp	0.0pp
Sweden	8%	7%	2%	3%	5%	5%	3%	3%	3.0pp	2.4pp	-1.0pp	0.0pp
Denmark & Estonia	8%	7%	2%	2%	9%	8%	2%	2%	-1.1pp	-1.0pp	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	12%	9%	1%	2%	10%	8%	2%	2%	2.1pp	1.8pp	-0.9pp	0.0pp
EBIT margin												
Finland	4.5%	3.4%	3.5%	3.7%	4.3%	2.7%	3.3%	3.5%	0.2pp	0.8pp	0.2pp	0.2pp
Sweden	2.6%	0.9%	1.3%	1.6%	1.9%	0.3%	1.2%	1.4%	0.7pp	0.5pp	0.1pp	0.1pp
Denmark & Estonia	2.4%	2.8%	3.9%	4.2%	2.6%	2.9%	4.1%	4.3%	-0.1pp	-0.2pp	-0.2pp	-0.2pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	3.7%	2.7%	2.9%	3.1%	3.5%	2.0%	2.7%	3.0%	0.3pp	0.7pp	0.2pp	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 12.0-14.7 per share for Atria.

DCF valuation yields EUR 12.8-15.7 per share

The outcome of our DCF valuation is EUR 12.8-15.7 (13.5-16.5) per share. We use a WACC of 7.3-7.9% (6.9-7.5%), assuming a terminal growth rate of 1.5% and an EBIT margin that will gradually rise to 2.9%. The increase in WACC is due to the increase in the risk-free interest rate used (from 2.5% to 3.0%).

WACC COMPONENTS	
WACC components	
Risk-free interest rate	3.0%
Market risk premium	4.0%
Equity beta	1.5-1.7
Cost of equity	8.8-9.6%
Cost of debt	3.5%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	7.3-7.9%

Source: Nordea estimates

DCF VALUE (EURm AND EUR)		
DCF value	Value	Per share
NPV FCFF	508-589	18-20.8
(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	20	0.7
DCF Value	363-444	12.8-15.7

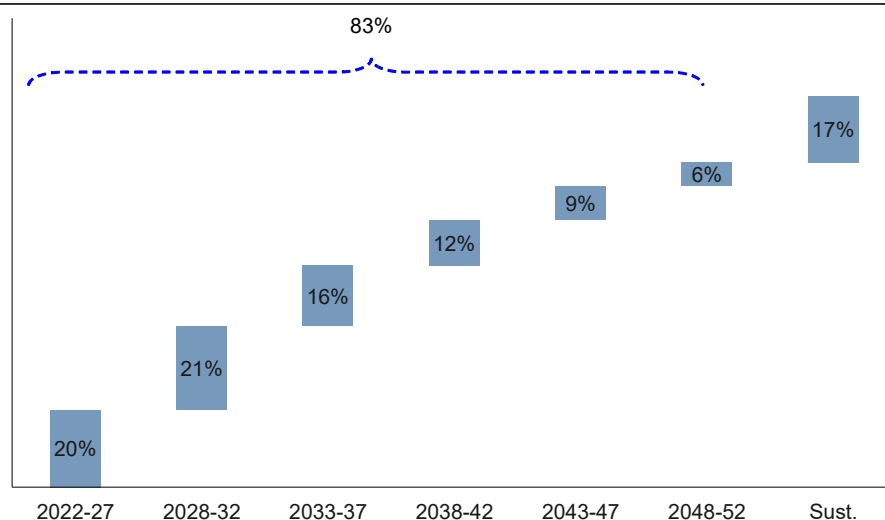
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
EBIT-margin, excluding associate:	3.1%	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	1.0
Capex/sales	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
NWC/sales	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCFF, CAGR	-215.1%	1.7%	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 the EBIT margin, our DCF model gives us a value range of EUR 10.8-18.2 per share.

SENSITIVITY OF OUR DCF MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		7.1%	7.4%	7.6%	7.9%	8.1%
EBIT marg. change	1.0pp	24.9	21.1	19.9	18.7	17.6
	0.5pp	19.4	18.2	17.1	16.0	15.1
	0.0pp	16.2	15.2	14.3	13.4	12.6
	-0.5pp	13.1	12.3	11.5	10.8	10.1
	-1.0pp	9.9	9.3	8.7	8.1	7.6

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.1%	7.4%	7.6%	7.9%	8.1%
Sales gr. change	1.0pp	18.5	17.3	16.2	15.2	14.3
	0.5pp	17.3	16.2	15.2	14.3	13.4
	0.0pp	16.2	15.2	14.3	13.4	12.6
	-0.5pp	15.2	14.3	13.4	12.6	11.9
	-1.0pp	14.3	13.4	12.6	11.9	11.2

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	17.5	18.7	19.9	21.2	22.6
	0.5pp	15.1	16.0	17.1	18.2	19.4
	0.0pp	12.6	13.4	14.3	15.2	16.2
	-0.5pp	10.1	10.8	11.5	12.2	13.1
	-1.0pp	7.7	8.2	8.7	9.3	9.9

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

	Country	Price		EV	EV/EBIT				P/E				Div yield %	
		Local	EURm		2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2022E	2023E
European peers														
Apetit Oyj	Finland	9.9	62	87	31.2	21.8	14.5	14.5	25.5	22.1	13.4	11.8	4.5%	5.0%
Bell Food Group Ag	Switzerland	259.5	1,648	2,304	14.5	14.4	13.7	13.2	11.0	13.3	12.7	12.3	2.7%	2.9%
Cranswick Plc	UK	3,104.0	1,966	2,093	13.0	12.5	11.9	11.4	15.5	14.6	14.7	14.3	2.5%	2.6%
Hksan Oyj	Finland	1.2	109	486	33.3	48.6	24.3	19.5			29.3	16.7	3.4%	3.4%
Raisio Oyj	Finland	2.0	334	284	11.8	21.0	13.2	11.6	14.3	32.8	17.9	15.2	5.1%	6.6%
Scandi Standard Ab (Publ)	Sweden	36.9	230	425	20.2	22.6	11.6	10.0	24.8	26.7	9.3	8.0	0.0%	2.8%
Societe Ldc Sa	France	97.0	1,702	1,527	7.3	7.8	7.0	6.3	10.6	11.2	10.2	9.3	1.9%	2.1%
Ter Beke Nv	Belgium	98.6	179	254	11.2		12.1	8.8	16.9		13.6		4.1%	4.6%
Average			779	933	17.8	21.2	13.5	11.9	16.9	20.1	15.1	12.5	3.0%	3.7%
Median			282	456	13.8	21.0	12.6	11.5	15.5	18.4	13.5	12.3	3.1%	3.1%
Atria (NDA)		8.7	246	398	8.1	10.2	10.0	9.2	11.9	7.1	6.9	6.2	6.9%	7.5%
International peers														
Brf Sa	Brazil	14.7	2,891	5,924	12.0	24.3	11.7	9.3	22.9		10.0	7.9	0.0%	0.0%
Gruppa Cherkizovo Pao	Russia	2,532.0	1,934	2,840	12.1				9.4					
Sanderson Farms Inc	US	209.1	4,603	3,817	5.8	3.1	5.3		9.2	4.9	7.5		0.9%	1.0%
Tyson Foods Inc	US	81.9	29,192	35,833	8.9	8.1	9.0	8.6	10.2	9.2	10.1	9.6	2.2%	2.5%
Average			9,655	12,103	9.7	11.8	8.7	9.0	12.9	7.1	9.2	8.7	1.0%	1.2%
Median			3,747	4,870	10.4	8.1	9.0	9.0	9.8	7.1	10.0	8.7	0.9%	1.0%
Atria (NDA)		8.7	246	398	8.1	10.2	10.0	9.2	11.9	7.1	6.9	6.2	6.9%	7.5%

Source: Refinitiv and Nordea estimates (as of market close on 18 July)

PEER GROUP KEY FIGURES

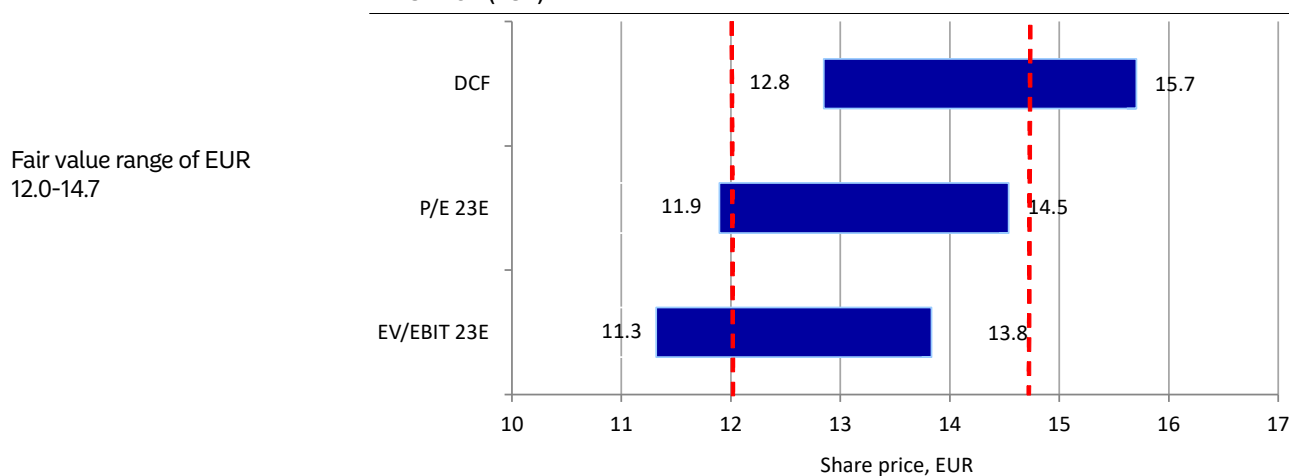
	Sales growth				EBIT margin				ROE			
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E
European peers												
Apetit Oyj	-3.1%	-41.2%	-4.8%	1.9%	1.0%	2.4%	3.8%	3.7%	2.5%	3.0%	4.8%	5.3%
Bell Food Group Ag	4.4%	7.2%	2.1%	1.8%	4.1%	3.8%	3.9%	4.0%	9.2%	8.8%	8.8%	8.5%
Cranswick Plc	10.9%	7.5%	5.0%	3.7%	6.9%	6.7%	6.7%	6.7%	14.2%	14.2%	12.8%	12.0%
Hksan Oyj	1.9%	2.9%	1.3%		0.8%	0.5%	1.1%	1.3%	-1.4%	-1.4%	1.2%	2.3%
Raisio Oyj	5.5%	-4.7%	2.6%	5.4%	9.8%	5.7%	8.9%	9.6%	7.6%	2.9%	6.6%	7.8%
Scandi Standard Ab (Put	2.5%	4.7%	4.1%	3.5%	2.1%	1.8%	3.4%	3.8%	5.4%	5.5%	13.5%	12.9%
Societe Ldc Sa	12.1%	8.0%	4.0%	2.1%	4.2%	3.7%	3.9%	4.3%	10.1%	9.0%	9.1%	8.7%
Ter Beke Nv	-2.9%	22.7%	20.1%		3.3%	0.0%	2.0%	2.7%	6.3%	-2.1%	10.6%	0.0%
Average	3.9%	0.9%	4.3%	3.0%	4.0%	3.1%	4.2%	4.5%	6.7%	5.0%	8.4%	7.2%
Median	3.5%	6.0%	3.3%	2.8%	3.7%	3.0%	3.8%	3.9%	6.9%	4.3%	8.9%	8.2%
Atria (NDA)	2.4%	9.4%	1.3%	1.9%	3.2%	2.7%	2.9%	3.1%	-1.6%	8.0%	7.5%	8.1%
International peers												
Brf Sa	36.1%	19.6%	10.4%	2.9%	6.3%	2.6%	4.8%	5.9%	5.9%	-11.3%	10.4%	15.5%
Gruppa Cherkizovo Pao	30.4%				12.6%				22.4%			
Sanderson Farms Inc	41.5%	35.1%	-7.1%		15.1%	20.9%	13.1%		14.3%	43.3%	18.7%	0.0%
Tyson Foods Inc	15.6%	22.8%	2.3%		9.5%	8.4%	7.5%	7.5%	19.9%	16.5%	13.4%	0.0%
Average	30.9%	25.8%	1.9%	2.9%	10.9%	10.6%	8.5%	6.7%	15.6%	16.2%	14.1%	5.2%
Median	33.2%	22.8%	2.3%	2.9%	11.1%	8.4%	7.5%	6.7%	17.1%	16.5%	13.4%	0.0%
Atria (NDA)	2.4%	9.4%	1.3%	1.9%	3.2%	2.7%	2.9%	3.1%	-1.6%	8.0%	7.5%	8.1%

Source: Refinitiv and Nordea estimates (as of market close 18 July)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 12.0-14.7 (11.5-14.0) 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	1,685	1,707	1,739
- sales growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	9.4%	1.3%	1.9%
Gross profit	177	163	164	173	153	163	166	177	174	179	191
- margin	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	10.4%	10.5%	11.0%
EBITDA	89	76	79	87	74	85	96	64	100	103	109
- margin	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.0%	6.0%	6.3%
D&A	-48	-47	-47	-46	-45	-54	-57	-57	-53	-53	-55
EBIT reported	40.6	28.9	31.8	40.9	28.2	31.1	39.5	6.4	47.3	49.6	54.6
Adj. EBIT	39.6	36.1	31.2	39.6	28.2	33.0	40.3	49.2	45.2	49.6	54.6
- margin	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.7%	2.9%	3.1%
Net finance	-13	-9	-6	-7	-6	-6	-5	-5	-5	-7	-6
Associated companies	6	0	1	2	0	1	1	3	6	5	5
Adj. PTP	33.0	27.3	25.7	34.1	22.3	28.2	36.1	47.6	46.2	47.8	53.8
Taxes	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-9.7	-9.6	-10.8
Profit before minorities	26.8	14.6	19.6	28.4	17.8	17.0	23.5	-5.4	38.7	38.3	43.1
Minorities	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.9	-2.7	-3.0
Adj. Net Profit	21.5	21.0	17.8	24.5	16.5	17.0	25.8	27.4	34.6	35.6	40.1
EPS, excluding NRI (EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.23	1.26	1.42
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	1,232	1,245	1,263
Sweden				307	288	289	332	352	377	385	396
Denmark & Estonia				99	98	97	107	105	112	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	-37	-38
Group	1,426	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,685	1,707	1,739
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	42.5	43.9	47.2
Sweden				1.0	-7.1	-4.6	0.8	2.7	3.2	5.0	6.2
Denmark & Estonia				5.2	5.3	4.3	5.2	5.1	3.1	4.5	4.9
Unallocated	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-3.6	-3.6	-3.7
Group	39.6	36.1	31.4	39.5	28.2	33.1	39.5	49.2	45.2	49.6	54.6
Divisional sales growth	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Finland	7%	-2%	0%	6%	3%	1%	3%	4%	11%	1%	1%
Sweden				n.a.	-6%	0%	15%	6%	7%	2%	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%	9%	1%	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%	3.4%	3.5%	3.7%
Sweden				0.3%	-2.5%	-1.6%	0.2%	0.8%	0.9%	1.3%	1.6%
Denmark & Estonia				5.3%	5.4%	4.5%	4.9%	4.9%	2.8%	3.9%	4.2%
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%	2.7%	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	Q1/22	Q2/22	Q3/22E	Q4/22E
Sales	357	366	382	399	361	387	388	403	375	432	433	446
- sales growth	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	1.4%	1.2%	3.7%	11.5%	11.6%	10.5%
Gross profit	33.9	36.0	47.2	49.3	38.1	45.4	48.7	43.9	31.6	46.5	46.8	49.6
- margin	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.6%	10.9%	8.4%	10.8%	10.8%	11.1%
EBITDA	16.1	17.9	32.7	30.2	21.9	-18.7	33.5	26.6	15.8	28.9	29.3	26.4
- margin	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.6%	6.6%	4.2%	6.7%	6.8%	5.9%
D&A	-14	-14	-14	-15	-15	-14	-14	-14	-14	-13	-13	-13
EBIT reported	2.1	4.1	19.0	15.1	6.5	-32.6	19.7	12.6	2.3	15.9	16.2	12.9
Adj. EBIT	2.1	4.1	19.0	15.1	6.5	12.5	19.7	10.3	2.3	13.8	16.2	12.9
- margin	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	2.6%	0.6%	3.2%	3.7%	2.9%
Net finance	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.4	-0.9	-0.9	-0.7	-1.6	-1.8
Associated companies	0.3	0.2	0.3	0.3	0.8	1.1	1.0	0.6	1.4	2.1	1.5	1.0
Adj. PTP	1.0	3.6	17.9	14.6	5.0	13.2	19.3	10.0	2.9	15.2	16.1	12.1
Taxes	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-4.2	-2.2	-0.2	-3.1	-3.5	-2.8
Profit before minorities	0.6	2.3	14.9	5.7	4.1	-34.8	15.1	10.2	2.7	14.2	12.6	9.2
Minorities	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4	-0.5	-0.2	-0.6	-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	11.5	12.2	8.5
EPS, excluding NRI (EUR)	0.01	0.07	0.51	0.22	0.13	0.35	0.52	0.26	0.09	0.41	0.43	0.30
Divisional sales EURm	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
Finland	253	263	266	285	260	278	275	293	274	320	310	328
Sweden	78	78	91	85	77	88	94	93	82	95	102	98
Denmark & Estonia	27	27	27	27	25	27	27	26	26	28	29	28
Unallocated	14	10	14	14	10	5	0	0	0	0	0	0
Group eliminations	-14	-12	-15	-12	-10	-10	-8	-9	-8	-11	-9	-9
Group	357	366	382	399	361	387	388	403	375	432	433	446
Divisional operative EBIT	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
Finland	6.2	7.3	15.2	14.4	9.8	11.3	16.4	10.6	3.0	13.4	13.9	12.2
Sweden	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.0	0.6	-0.9	0.7	2.6	0.8
Denmark & Estonia	0.3	1.1	2.1	1.7	1.9	2.0	1.2	0.0	0.8	0.7	0.7	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	13.8	16.2	12.9
Divisional sales growth	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
Finland	5%	0%	3%	5%	3%	6%	3%	3%	5%	15%	13%	12%
Sweden	17%	5%	23%	14%	-2%	12%	4%	9%	7%	8%	8%	5%
Denmark & Estonia	22%	14%	9%	0%	-8%	-1%	1%	-1%	6%	6%	8%	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%	4%	12%	12%	10%
EBIT margin	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
Finland	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	6.0%	3.6%	1.1%	4.2%	4.5%	3.7%
Sweden	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.2%	0.6%	-1.1%	0.7%	2.6%	0.8%
Denmark & Estonia	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	4.4%	0.0%	3.1%	2.5%	2.4%	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%	3.2%	3.7%	2.9%

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 annual harvest 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. 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 possible lockdowns could cause elevated 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	1,685	1,707	1,739
Revenue growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	9.4%	1.3%	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	100	103	109
Depreciation and impairments PPE	-48	-47	-47	-46	-45	-54	-57	-57	-53	-53	-55
of which leased assets	0	0	0	0	0	-9	-9	-9	-8	-8	-8
EBITA	42	22	32	41	28	31	40	6	47	50	55
Amortisation and impairments	-1	7	0	0	0	0	0	0	0	0	0
EBIT	41	29	32	41	28	31	40	6	47	50	55
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	6	5	5
Net financials	-13	-9	-6	-7	-6	-6	-5	-5	-5	-7	-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	48	48	54
Reported taxes	-7	-5	-7	-7	-5	-9	-13	-10	-10	-10	-11
Net profit from continued operations	27	15	20	28	18	17	24	-5	39	38	43
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	-1	-3	-1	-2	-2	-2	-2	-3	-3
Net profit to equity	26	14	18	26	17	15	22	-7	37	36	40
EPS, EUR	0.93	0.49	0.65	0.92	0.59	0.53	0.77	-0.24	1.30	1.26	1.42
DPS, EUR	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.60	0.65	0.70
of which ordinary	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.60	0.65	0.70
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%	6.0%	6.0%	6.3%
EBITA	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.8%	2.9%	3.1%
EBIT	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	2.8%	2.9%	3.1%

Adjusted earnings

EBITDA (adj)	89	76	78	86	74	87	96	106	98	103	109
EBITA (adj)	41	29	31	40	28	33	40	49	45	50	55
EBIT (adj)	40	36	31	40	28	33	40	49	45	50	55
EPS (adj, EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.23	1.26	1.42

Adjusted profit margins in percent

EBITDA (adj)	6.2%	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	5.8%	6.0%	6.3%
EBITA (adj)	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.7%	2.9%	3.1%
EBIT (adj)	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.7%	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%	3.3%	3.5%	3.7%
EBITDA	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	2.9%	6.9%	5.1%
EBIT	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	2.9%	12.0%	11.9%
EPS	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	7.2%	16.5%	21.7%
DPS	9.9%	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	3.7%	10.2%	10.8%
Average last 5 years											
Average EBIT margin	1.6%	1.9%	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	2.0%	2.2%	2.4%
Average EBITDA margin	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	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	7.2	7.0	6.2
EV/EBITDA (adj)	4.8	5.8	7.0	6.6	5.7	6.0	5.0	4.6	4.9	5.0	4.8
EV/EBITA (adj)	10.5	15.2	17.5	14.3	14.9	15.7	12.3	10.0	10.6	10.4	9.6
EV/EBIT (adj)	10.8	12.2	17.5	14.3	14.9	15.7	12.3	10.0	10.6	10.4	9.6

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.	6.8	7.0	6.2
EV/Sales	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.28	0.30	0.30
EV/EBITDA	4.7	6.4	7.0	6.5	5.7	6.1	5.0	7.7	4.8	5.0	4.8
EV/EBITA	10.3	20.3	17.3	13.8	14.9	16.8	12.3	76.6	10.1	10.4	9.6
EV/EBIT	10.5	15.2	17.3	13.8	14.9	16.8	12.3	76.6	10.1	10.4	9.6
Dividend yield (ord.)	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	6.8%	7.4%	7.9%
FCF yield	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-15.1%	-3.6%	9.1%
FCF Yield bef A&D, lease adj	31.3%	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-24.0%	-6.9%	5.7%
Payout ratio	52.3%	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	49.0%	51.6%	49.4%

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	247	247	247
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	170	170	170
Tangible assets	391	395	405	409	401	423	421	408	457	507	531
of which leased assets	0	0	0	0	0	30	25	22	22	22	22
Shares associates	13	13	14	15	15	15	15	17	23	28	34
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	737	792	821
Inventory	93	81	90	93	106	110	103	110	118	119	122
Accounts receivable	117	101	109	114	105	107	106	108	119	120	122
Short-term leased assets	0	0	0	0	0	9	9	8	8	8	8
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	24	20	25
Total current assets	220	190	208	214	219	235	248	287	272	272	282
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	1,009	1,063	1,103
Shareholders equity	402	400	410	419	415	420	423	455	463	481	503
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	18	21
Total Equity	406	405	422	431	428	434	439	468	477	499	523
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	23	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	276	306	316
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	199	192	200	202	188	211	234	237	244	248	252
Current lease debt	0	0	0	0	0	9	10	10	8	8	8
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	255	259	263
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	1,009	1,063	1,103
Balance sheet and debt metrics											
Net debt	249	194	212	210	222	223	190	152	215	249	254
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	733	788	817
Capital employed	660	604	640	645	656	663	657	678	717	769	803
ROE	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	8.0%	7.5%	8.1%
ROIC	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	6.1%	5.9%	6.1%
ROCE	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.3%	7.4%	7.6%
Net debt/EBITDA	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.1	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%	45.8%	45.3%	45.6%
Net gearing	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	45.1%	50.0%	48.5%

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	100	103	109
Paid taxes	-8	-4	-6	-10	-1	-9	-9	-11	-10	-10	-11
Net financials	-7	-9	-4	-8	-6	-6	-5	-2	-5	-7	-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	-11	0	0
Funds from operations (FFO)	136	115	58	59	60	59	87	77	75	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	63	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	-52	-9	23
Proceeds from sale of assets	19	33	6	8	-1	0	0	30	21	0	0
Acquisitions	-33	-5	-30	0	0	0	-3	0	-7	0	0
Free cash flow	44	68	-2	19	2	48	58	63	-38	-9	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	-17	-18
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	-8	-8	-8
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	-34	-4	6
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%	6.8%	5.6%	4.0%
Key information											
Share price year end (/current)	7	9	11	12	7	10	10	12	9	9	9
Market cap.	186	255	324	341	185	284	278	326	249	249	249
Enterprise value	426	441	548	563	420	521	485	490	480	516	524
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650