Nordea

Commissioned Equity Research

Flash comment

19 September 2022

Commissioned research: Atria – Aiming to improve competitiveness and profitability of its poultry business – EUR 5m cost saving target

Marketing material commissioned by Atria

Atria is launching a development programme to improve the competitiveness and profitability of its poultry business, which will be implemented in phases. In the first phase, the company starts change negotiations concerning the entire workforce of the Sahalahti plant, approximately 130 people. The possible closure of the plant will be considered in the change negotiations. Atria targets EUR 5m annual savings from the end of 2024. In the second phase, the company will launch negotiations for the current Nurmo poultry unit to prepare for the renewal of work tasks and working practises. We believe these measures link to new poultry factory investment in Nurmo that should be fully operational by the end of 2024. Hence, we view these measures as natural step following the EUR 155m poultry investment and believe that the investment is proceeding well in line with company plans.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,451	1,504	1,540	1,685	1,707	1,739
EBITDA (adj)	87	96	106	98	103	109
EBIT (adj)	33	40	49	45	50	55
EBIT (adj) margin	2.3%	2.6%	3.2%	2.7%	2.9%	3.1%
EPS (adj, EUR)	0.60	0.91	0.97	1.23	1.26	1.42
EPS (adj) growth	2.6%	51.8%	6.4%	26.2%	2.7%	12.6%
DPS (ord, EUR)	0.42	0.50	0.63	0.60	0.65	0.70
EV/Sales	0.4	0.3	0.3	0.3	0.3	0.3
EV/EBIT (adj)	15.7	12.3	10.0	11.2	10.9	10.1
P/E (adj)	16.7	10.8	11.9	8.0	7.7	6.9
P/BV	0.7	0.7	0.7	0.6	0.6	0.5
Dividend yield (ord)	4.2%	5.1%	5.5%	6.2%	6.7%	7.2%
FCF Yield bef A&D, lease adj	14.0%	18.9%	7.2%	-21.7%	-6.2%	5.2%
Net debt	223	190	152	215	249	254
Net debt/EBITDA	2.6	2.0	2.4	2.1	2.4	2.3
ROIC after tax	3.8%	4.8%	6.4%	6.1%	5.9%	6.1%

Source: Company data and Nordea estimates

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