Nordea

Commissioned Equity Research

Flash comment

18 November 2022

Commissioned research: Atria – Centralising Finnish poultry production to Nurmo

Marketing material commissioned by Atria

Atria has completed its change negotiations concerning Sahalahti poultry unit. The company will centralise its production to Nurmo factory and the Sahalahti factory will be closed during 2024. The change negotiation concerned the entire personnel of Sahalahti, about 130 people, with all those to be dismissed will be offered the opportunity to mote to work at Atria's other factories in Finland. Atria seeks to achieve EUR 5m annual cost savings from the end of 2024 onwards. Change negotiations in Nurmo poultry unit continue and are linked to the EUR 155m poultry investment that should be fully operational in 2024 in Nurmo. To our understanding, factory investment is proceeding according to plans and we believe the company could start ramp up in new facility around year end 2023. We note that announcement is in line with earlier communication and we view it as logical step given the large investment into Nurmo facility.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,451	1,504	1,540	1,702	1,723	1,755
EBITDA (adj)	87	96	106	95	102	109
EBIT (adj)	33	40	49	43	49	55
EBIT (adj) margin	2.3%	2.6%	3.2%	2.5%	2.9%	3.1%
EPS (adj, EUR)	0.60	0.91	0.97	1.34	1.30	1.43
EPS (adj) growth	2.6%	51.8%	6.4%	38.2%	-3.4%	10.4%
DPS (ord, EUR)	0.42	0.50	0.63	0.63	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	11.7	10.7	9.8
P/E (adj)	16.7	10.8	11.9	7.0	7.2	6.5
P/BV	0.7	0.7	0.7	0.6	0.5	0.5
Dividend yield (ord)	4.2%	5.1%	5.5%	6.7%	7.0%	7.5%
FCF Yield bef A&D, lease adj	14.0%	18.9%	7.2%	-25.5%	-3.4%	5.0%
Net debt	223	190	152	223	250	255
Net debt/EBITDA	2.6	2.0	2.4	2.3	2.5	2.3
ROIC after tax	3.8%	4.8%	6.4%	5.9%	6.0%	6.2%

Source: Company data and Nordea estimates

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