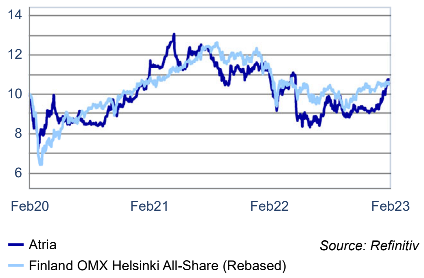
Atria

Consumer Goods
Finland

KEY DATA

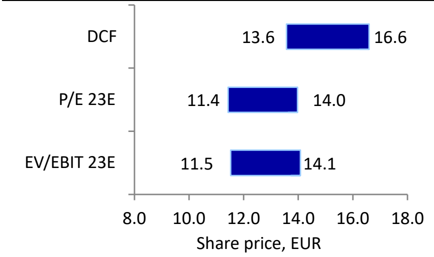
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.78
Free Float	42%
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.atria.fi
Next report date	22 Feb 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	-2%	-2%
EBIT (adj)	3%	-2%	-2%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Clinging to current price levels

Atria will release its Q4 report on 22 February. Price increases and the continued recovery in the restaurant market should support growth, while the adjusted EBIT margin is likely to have remained under pressure due to cost inflation. We believe the company is set for a margin recovery in 2023, although we expect a slight burden from the ramp-up of the new poultry unit towards year-end. Grain prices have contracted from the peaks, which could put pressure on Atria's selling prices, likely to be visible around Q2 2023. We derive a fair value range of EUR 12.2-14.9 per share.

Strong sales growth expected to continue

We expect Q4 sales to be up 12% y/y, driven by price increases. Despite solid restaurant market demand, we expect the softening grocery market to have cause volumes to decline. Producer prices have continued to increase although we believe prices could start to decline owing to lower grain prices. For Q4, we model a 10 bp y/y adjusted EBIT margin improvement against easy comps. Atria has been successful in mitigating cost inflation with price increases, although the gross margin has declined clearly in 2022. The new poultry investment should be operational in 2024, and we expect some ramp-up costs already in late 2023, causing slight pressure on Finnish margins, but it should also secure growth prospects for the coming years. We expect the company to maintain its DPS at EUR 0.63 for 2022.

Estimate revisions reflecting FX changes

We take a slightly more positive view on Q4 and raise 2022E adjusted EBIT by 13%. Q4 EBIT will be burdened by EUR 51m in impairments related to Swedish operations which will not have cash flow impact. For 2023E-24E, we trim the top line and adjusted EBIT by 2% owing to FX movements. In addition, we take a slightly more cautious view on associate income. We expect Atria to issue flat to slightly increasing adjusted EBIT guidance.

Fair value range of EUR 12.2-14.9

We derive a fair value of EUR 12.2-14.9 per Atria share by applying equal weighting to our DCF- and multiples-based valuations. We highlight that visibility into cost inflation remains challenging, while changes in consumer behaviour could impact Atria through e.g. trade-down. However, we believe Atria is well positioned for 2023 and well prepared to meet more normalised demand in 2024.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,439	1,451	1,504	1,540	1,699	1,696	1,727
EBITDA (adj)	74	87	96	106	96	100	108
EBIT (adj)	28	33	40	49	44	49	54
EBIT (adj) margin	2.0%	2.3%	2.6%	3.2%	2.6%	2.9%	3.1%
EPS (adj, EUR)	0.59	0.60	0.91	0.97	1.38	1.21	1.35
EPS (adj) growth	-32.5%	2.6%	51.8%	6.4%	42.5%	-12.5%	11.4%
DPS (ord, EUR)	0.40	0.42	0.50	0.63	0.63	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	12.2	11.7	10.7
P/E (adj)	11.2	16.7	10.8	11.9	7.8	8.9	8.0
P/BV	0.4	0.7	0.7	0.7	0.7	0.7	0.7
Dividend yield (ord)	6.1%	4.2%	5.1%	5.5%	5.8%	6.0%	6.5%
FCF Yield bef A&D, lease	1.5%	14.0%	18.9%	7.2%	-21.8%	-3.3%	4.0%
Net debt	222	223	190	152	222	250	256
Net debt/EBITDA	3.0	2.6	2.0	2.4	4.6	2.5	2.4
ROIC after tax	3.3%	3.8%	4.8%	6.4%	6.3%	6.0%	6.3%

Source: Company data and Nordea estimates

Expectations ahead of Q4 report

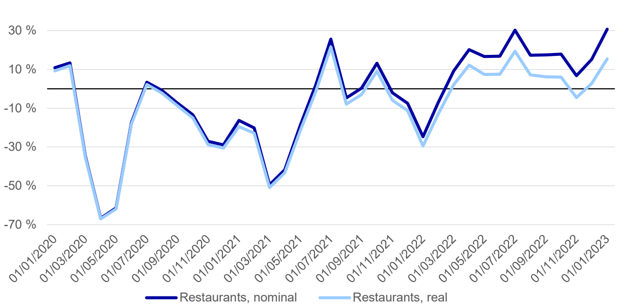
Atria will report its Q4 results on 15 February. Strong food inflation should be visible in sales, and we expect 12% y/y sales growth for Q4. However, the clear increase in producer prices is likely to have kept margins under pressure in Q4, and we forecast a 40 bp y/y adjusted EBIT margin decline. We believe Atria is in a good position to enter 2023 with strong market positions, while the new poultry investment should support growth from 2024 onwards. Pork prices in China have remained low, while we note that other export channels have supported Atria's export sales in 2022 based on the three first quarters of the year.

Meat sales up 10% y/y in Finnish groceries in Q4

Supported by average y/y inflation of 21.5% in meat products in Q4, meat sales were up 10.1% y/y in Finnish groceries (source: Finnish Grocery Trade Association). Growth was strongest in poultry (+15% y/y with 25.5% inflation) and other meat products (+20.8% y/y with 19.8% inflation). Pork sales were up 5.6% y/y against 21.3% inflation, while beef sales were up only 1.2% y/y against 21% inflation.

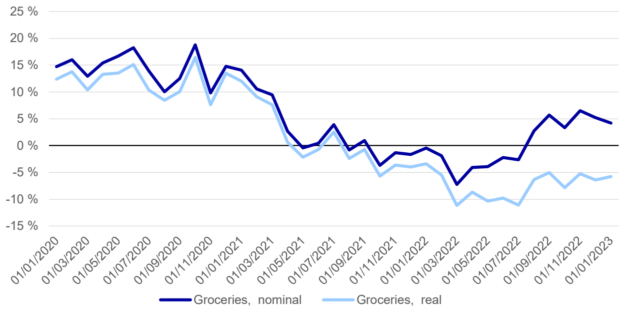
In addition to groceries, we note strong development in the restaurant market, which has likely supported sales of more valuable product groups.

PAYMENT CARD SPENDING GROWTH IN FINNISH RESTAURANTS, VERSUS 2019 LEVEL, 2020-1/2023



Source: Nordea and Macrobond

PAYMENT CARD SPENDING Y/Y GROWTH IN GROCERY STORES, 2020-1/2023

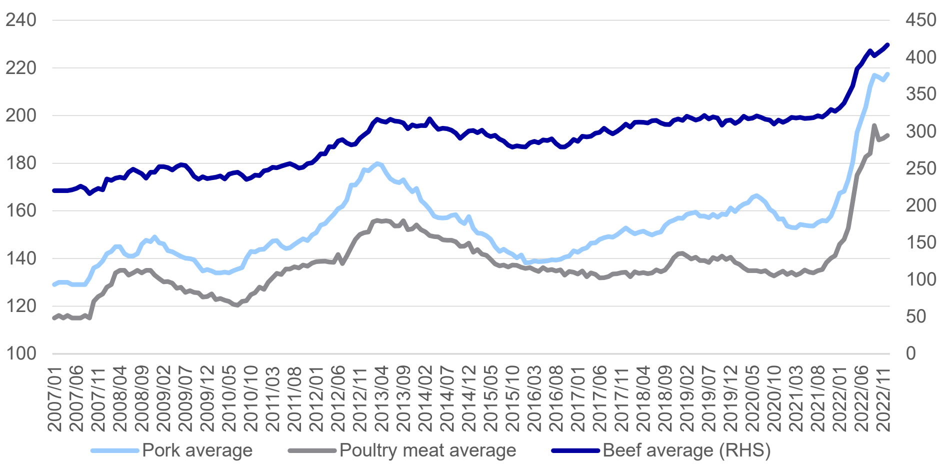


Source: Nordea and Macrobond

We model Q4 sales up 12% y/y, while higher producer prices have likely kept margins under pressure. We expect the adjusted EBIT margin to be 10 bp y/y higher in Q4 against easy comps. Finnish producer prices were, on average, up 26% y/y for beef and up 36% y/y for pork and poultry producers.

Producer prices have increased clearly since the beginning of 2022

FINNISH PRODUCER PRICES (EUR/100KG), 2017-22



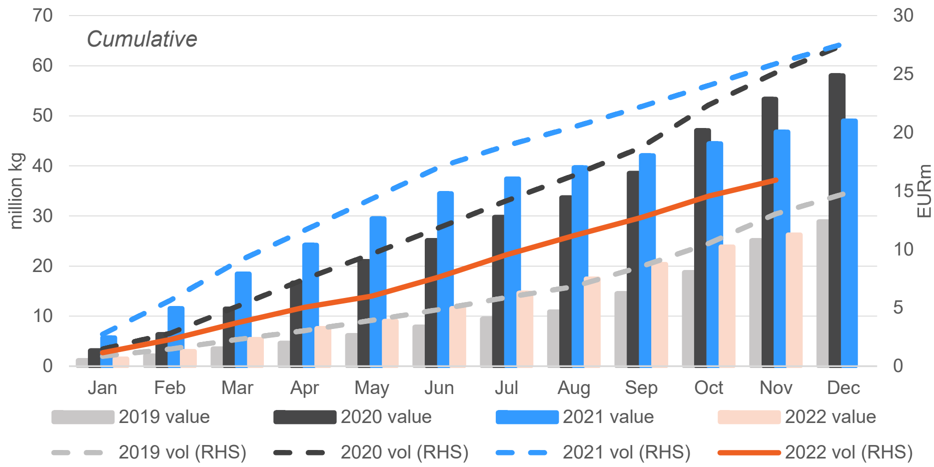
Source: Natural Resources Institute Finland

Exports to China clearly below 2020-21 levels in 2022

Chinese exports have remained at a low level

Owing to the low price level in the Chinese market, exports from Finland in 2022 have tracked clearly below 2020-21 levels. However, we note that Atria has been able to find alternative destinations for its products. On an annual level, export sales are above EUR 100m, and Atria is exporting to 33 countries.

CUMULATIVE MEAT EXPORTS FROM FINLAND TO CHINA (MILLION KG), 2019-22



Source: Finnish customs and Nordea

Negative FX impact visible in revisions

Due to the fast weakening of the SEK, we cut 2023E-24E top lines and adjusted EBIT by 2%. In addition, we adjust for EUR 51m writedowns related to Swedish goodwill and other intangibles. We expect that the new poultry investment in Finland is likely to cause some additional ramp-up costs in H2 2023.

ESTIMATE REVISIONS

	New estimates				Old estimates				Difference %			
EURm	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**
Sales	**453**	**1,699**	**1,696**	**1,727**	**456**	**1,702**	**1,723**	**1,755**	**-1%**	**0%**	**-2%**	**-2%**
Adj. EBIT	**12.0**	**44.3**	**48.7**	**54.2**	**10.7**	**43.0**	**49.5**	**55.1**	**13%**	**3%**	**-2%**	**-2%**
Adj. EBIT margin	2.7%	2.6%	2.9%	3.1%	2.3%	2.5%	2.9%	3.1%	0.3pp	0.1pp	0.0pp	0.0pp
Adj. EPS, EUR	**0.32**	**1.38**	**1.21**	**1.35**	**0.27**	**1.34**	**1.30**	**1.43**	**15%**	**3%**	**-7%**	**-6%**
DPS		0.63	0.65	0.70		0.63	0.65	0.70		0%	0%	0%
Divisional sales EURm	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**
Finland	346	1,267	1,279	1,298	345	1,266	1,278	1,297	0%	0%	0%	0%
Sweden	89	359	342	352	93	363	371	382	-5%	-1%	-8%	-8%
Denmark & Estonia	28	112	114	116	28	112	114	116	0%	0%	0%	0%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-10	-39	-39	-39	-10	-39	-39	-40	0%	0%	-2%	-2%
Group	**453**	**1,699**	**1,696**	**1,727**	**456**	**1,702**	**1,723**	**1,755**	**-1%**	**0%**	**-2%**	**-2%**
Divisional adj. EBIT	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**
Finland	11.6	40.7	42.0	46.0	10.2	39.3	42.6	46.6	13%	3%	-1%	-1%
Sweden	1.0	4.2	5.6	6.7	1.0	4.2	5.9	7.1	6%	2%	-5%	-6%
Denmark & Estonia	0.4	2.6	4.3	4.7	0.4	2.6	4.3	4.7	0%	0%	1%	1%
Unallocated	-1.0	-3.2	-3.2	-3.3	-1.0	-3.2	-3.2	-3.3	0%	0%	-1%	-1%
Group	**12.0**	**44.3**	**48.7**	**54.2**	**10.7**	**43.0**	**49.5**	**55.1**	**13%**	**3%**	**-2%**	**-2%**
Divisional sales growth	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**
Finland	18%	15%	1%	1%	18%	14%	1%	1%	0.5pp	0.1pp	-0.1pp	0.0pp
Sweden	-4%	2%	-5%	3%	1%	3%	2%	3%	-4.9pp	-1.3pp	-6.6pp	0.0pp
Denmark & Estonia	7%	7%	2%	2%	7%	7%	2%	2%	0.0pp	0.0pp	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%**	**10%**	**0%**	**2%**	**13%**	**10%**	**1%**	**2%**	**-0.8pp**	**-0.2pp**	**-1.4pp**	**0.0pp**
EBIT margin	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**	**Q4 2022E**	**2022E**	**2023E**	**2024E**
Finland	3.3%	3.2%	3.3%	3.5%	3.0%	3.1%	3.3%	3.6%	0.4pp	0.1pp	-0.1pp	-0.1pp
Sweden	1.2%	1.2%	1.6%	1.9%	1.0%	1.1%	1.6%	1.9%	0.1pp	0.0pp	0.0pp	0.0pp
Denmark & Estonia	1.6%	2.4%	3.8%	4.1%	1.6%	2.4%	3.8%	4.0%	0.0pp	0.0pp	0.0pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**2.7%**	**2.6%**	**2.9%**	**3.1%**	**2.3%**	**2.5%**	**2.9%**	**3.1%**	**0.3pp**	**0.1pp**	**0.0pp**	**0.0pp**

Source: Nordea estimates

Recap of development during Q4

Centralising Finnish poultry production to Nurmo

Poultry production to be centralised

On 18 November, Atria announced that it had completed its change negotiations concerning the Sahalahti poultry unit. The company will centralise its production to the Nurmo factory, and the Sahalahti factory will be closed during 2024. The change negotiations concerned the entire personnel of Sahalahti, about 130 people, with all the affected employees being offered job opportunities at Atria's other factories in Finland. Atria seeks to achieve EUR 5m annual cost savings from the end of 2024 onwards. The change negotiations for the Nurmo poultry unit are continuing and are linked to the EUR 155m poultry investment in Nurmo, which should be fully operational in 2024.

To our understanding, the factory investment is proceeding according to plan, and we believe the company could start ramp-up in the new facility around the end of 2023. We note that the announcement was in line with previous statements, and we view this as logical step given the large investment in the Nurmo facility.

CMD pinpointed market dynamics after the pandemic period

CMD offered only limited new information – poultry expected to see positive long-term growth

Atria hosted a CMD event on 24 November, where the main focus was on market dynamics in the post-pandemic inflationary environment.

Overall, inflation boosted Atria's sales growth in 2022E, while the volume development has been slightly negative due to lower retail channel volumes. The foodservice market continues to recover, while there are uncertainties related to 2023 owing to declining purchasing power of customers.

The importance of discount sales has grown in all operating countries, while there are first signs of an increasing share of private label sales in groceries. Looking at different categories, the long-term outlook appears promising for poultry and ready-to-eat products, while alternatives to meat are lagging in growth and are still insignificant in size. With high food inflation, consumers have started to trade down, which is visible in e.g. increased demand for affordable sausages.

In Sweden, the company is starting to transfer production from Malmö to Sköllersta in spring, targeting EUR 3.5-4m annual cost savings from 2024 onwards. During the transition period, there will be additional costs as the two factories will run side-by-side for some weeks.

In Finland, the EUR 155m investment in poultry is proceeding according to plan, and the facility should be fully operational in 2024. We believe there will be some additional ramp-up costs already in 2023 as the company is commencing installations of production machines in early 2023.

The company has been able to increase its export business (currently a EUR 100m business), which should allow more flexible usage of meat raw material going forward, we believe. Despite heavy investments in 2022-23, the balance sheet should remain solid, and the debt structure appears healthy with low debt repayments in 2023-25.

ATRIA'S STRATEGY (2021-25) REMAINS INTACT

Source: Company data

CEO to retire in May 2023 – new CEO has extensive expertise from food industry and cooperatives

New CEO to take over the helm as of 1 June

CEO Juha Gröhn will retire on 31 May 2023, and Kai Gyllström was appointed CEO as of 1 June 2023. Mr. Gröhn has been at the CEO helm since 2011 (since 1990 at Atria). Mr. Gyllström has an extensive background from Arla (most recently as managing director, Sweden) both from domestic and international operations. In addition, he has experience from Carlsberg, Deloitte and Marimekko.

Given the extensive background of the new CEO, we believe there will be an orderly transfer of responsibilities. We note that the company is in the middle of a large investment phase, but given the timeframe of the investment, we do not expect any challenges relating to the CEO change. In addition, given Mr. Gyllström's background from the organisation owned by farmers' cooperatives, we do not expect to see any material changes to the current strategy of Atria.

EUR 51m impairment in Sweden

EUR 51m writedowns in Sweden

Atria is booking EUR 51m impairments in Sweden in Q4 2022. Changing consumer behaviour amid high inflation, the exit from fast food operations in Russia, and increased market interest rates have weakened the present value of Atria Sweden's cash flow forecasts. Atria is writing down the goodwill of Atria Sweden by EUR 35m. In addition, according to its strategy, the company has decided to intensify the use of brands and to end the support of four brands, causing writedowns on the brands by EUR 16m. The writedowns will have no impact on cash flow or adjusted EBIT.

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 12.2-14.9 per share for Atria.

DCF valuation yields EUR 13.6-16.6 per share

The outcome of our DCF valuation is EUR 13.6-16.6 per share. We use a WACC of 7.3-7.9%, assuming a terminal growth rate of 1.5% and an EBIT margin that will gradually rise to 2.8%.

WACC COMPONENTS

WACC components	
Risk-free interest rate	3.0%
Market risk premium	4.0%
Equity beta	1.3-1.6
Cost of equity	8.3-9.5%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	**7.0-7.9%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	509-594	18-21
(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	40	1.4
DCF Value	**384-469**	**13.6-16.6**

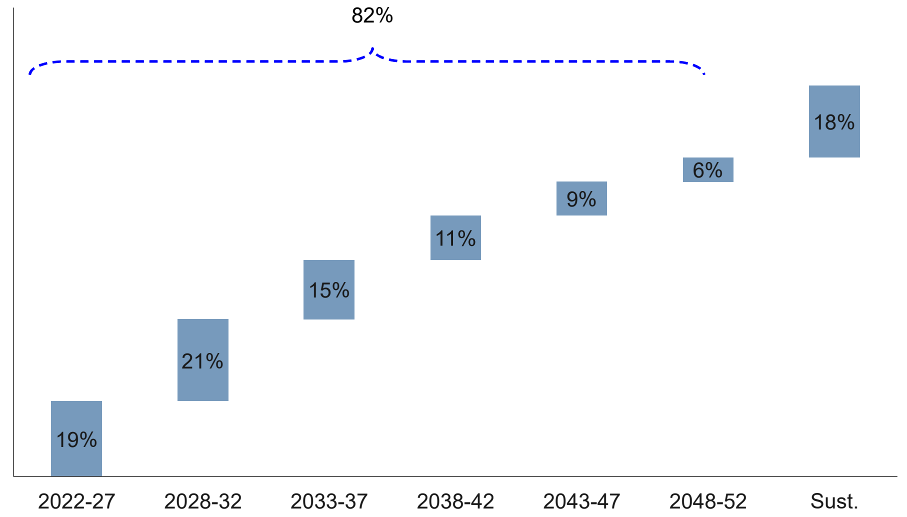
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	1.8%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associate:	2.6%	2.8%	2.8%	2.8%	2.8%	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	-211.0%	1.1%	1.5%	1.5%	1.5%	-0.1%	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 11.3-19.4 per share.

SENSITIVITY OF OUR DCF MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		6.9%	7.1%	7.4%	7.6%	7.9%
EBIT marg. change	1.0pp	22.9	22.6	21.2	19.9	18.7
	0.5pp	20.7	19.4	18.1	17.0	16.0
	0.0pp	17.2	16.1	15.1	14.1	13.3
	-0.5pp	13.8	12.9	12.0	11.3	10.5
	-1.0pp	10.3	9.6	9.0	8.4	7.8

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.9%	7.1%	7.4%	7.6%	7.9%
Sales gr. change	1.0pp	19.8	18.4	17.2	16.1	15.1
	0.5pp	18.4	17.2	16.1	15.1	14.1
	0.0pp	17.2	16.1	15.1	14.1	13.3
	-0.5pp	16.1	15.1	14.1	13.3	12.4
	-1.0pp	15.1	14.2	13.3	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	18.7	19.9	21.2	22.6	24.2
	0.5pp	16.0	17.0	18.1	19.4	20.7
	0.0pp	13.3	14.1	15.1	16.1	17.2
	-0.5pp	10.6	11.3	12.0	12.9	13.7
	-1.0pp	7.9	8.4	9.0	9.6	10.3

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 11.5-14.1 by taking 2023E adjusted EBIT of EUR 48.7m, multiplying it by the accepted multiple range of 11.3-12.7x and deducting our 2022 net debt assumption of EUR 222m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 11.4-14.0 by taking 2023E adjusted EPS of EUR 1.21 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	10.6	67	92	32.9	30.7	18.4	18.4	27.2	35.3	17.1	14.9	3.3%	3.8%
Bell Food Group Ag	Switzerland	243.0	1,549	2,302	14.5	14.0	16.1	15.9	10.4	10.0	11.4	11.3	2.9%	3.1%
Cranswick Plc	UK	3,082.0	1,866	2,022	12.6	12.5	12.0	11.4	14.7	14.7	15.0	14.3	2.5%	2.6%
Hkscan Oyj	Finland	0.8	79	465	31.8		27.3	19.4				28.1	0.0%	0.0%
Raisio Oyj	Finland	2.6	408	363	15.1	21.7	14.8	13.0	18.6	40.7	20.5	18.3	5.5%	5.5%
Scandi Standard Ab (Publ)	Sweden	53.8	322	501	23.9	18.7	13.5	13.0	34.1	25.7	14.1	14.2	2.1%	2.8%
Societe Ldc Sa	France	109.5	1,942	1,746	8.4	6.9	6.4	6.1	12.0	9.8	9.1	8.9	2.0%	2.0%
Ter Beke Nv	Belgium	81.0	148	225	9.9		32.1	14.0	13.9	62.3	45.8	13.9	4.9%	5.2%
Average			798	964	18.6	17.4	17.6	13.9	18.7	28.4	19.0	15.5	2.9%	3.1%
Median			365	483	14.8	16.4	15.5	13.5	14.7	25.7	15.0	14.3	2.7%	3.0%
Atria (NDA)		**10.8**	**305**	**457**	**9.3**	**11.9**	**11.4**	**10.4**	**11.9**	**7.8**	**8.9**	**8.0**	**5.8%**	**6.0%**

Source: Refinitiv and Nordea estimates (as of market close on 10 February)

PEER GROUP KEY FIGURES

	Sales growth				EBIT margin				ROE			
European peers	**2021**	**2022E**	**2023E**	**2024E**	**2021**	**2022E**	**2023E**	**2024E**	**2021**	**2022E**	**2023E**	**2024E**
Apetit Oyj	-3.1%	-36.3%	-2.8%	2.3%	1.0%	1.7%	2.8%	2.8%	2.5%	2.0%	4.0%	4.6%
Bell Food Group Ag	4.4%	13.2%	2.9%	1.5%	4.1%	3.7%	3.2%	3.1%	9.2%	8.9%	8.0%	7.5%
Cranswick Plc	10.9%	7.7%	4.5%	3.6%	6.9%	6.4%	6.4%	6.5%	14.2%	13.5%	12.5%	11.8%
Hkscan Oyj	1.9%	8.9%	-7.4%		0.8%	0.0%	0.9%	1.3%	-1.4%	0.0%	0.0%	0.0%
Raisio Oyj	5.5%	-9.7%	5.5%	5.1%	9.8%	7.5%	10.4%	11.3%	7.6%	4.6%	7.0%	8.6%
Scandi Standard Ab (Pul	2.5%	14.3%	0.3%	2.8%	2.1%	2.4%	3.3%	3.3%	5.4%	6.2%	10.3%	10.3%
Societe Ldc Sa	12.1%	15.1%	6.1%	3.4%	4.2%	4.4%	4.5%	4.5%	10.1%	10.9%	10.4%	10.1%
Ter Beke Nv	-2.9%	6.8%	24.6%		3.3%	0.7%	0.8%	1.5%	6.3%	3.6%	3.9%	8.8%
Average	3.9%	2.5%	4.2%	3.1%	4.0%	3.4%	4.0%	4.3%	6.7%	6.2%	7.0%	7.7%
Median	3.5%	8.3%	3.7%	3.1%	3.7%	3.1%	3.2%	3.2%	6.9%	5.4%	7.5%	8.7%
Atria (NDA)	**2.4%**	**10.3%**	**-0.1%**	**1.8%**	**3.2%**	**2.6%**	**2.9%**	**3.1%**	**-1.6%**	**-2.2%**	**8.1%**	**8.6%**

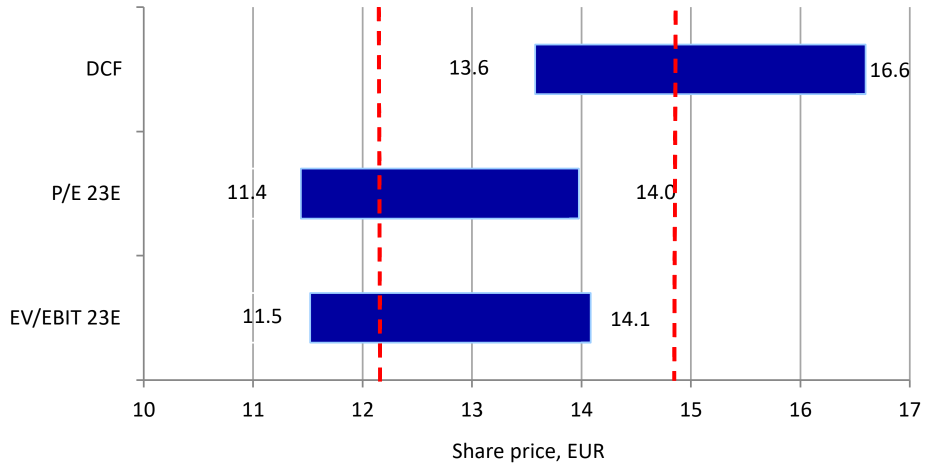
Source: Refinitiv and Nordea estimates (as of market close 10 February)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 12.2-14.9 per Atria share, as shown by the red dotted lines in the chart below.

Fair value range of EUR 12.2-14.9

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	1,702	1,723	1,755
- sales growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.5%	1.3%	1.8%
Gross profit	**177**	**163**	**164**	**173**	**153**	**163**	**166**	**177**	**165**	**177**	**189**
- margin	12.4%	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.7%	10.3%	10.8%
EBITDA	**89**	**76**	**79**	**87**	**74**	**85**	**96**	**64**	**98**	**102**	**109**
- margin	6.2%	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	5.7%	5.9%	6.2%
D&A	-48	-47	-47	-46	-45	-54	-57	-57	-52	-52	-54
EBIT reported	40.6	28.9	31.8	40.9	28.2	31.1	39.5	6.4	45.4	49.5	55.1
Adj. EBIT	**39.6**	**36.1**	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**43.0**	**49.5**	**55.1**
- margin	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.5%	2.9%	3.1%
Net finance	-13	-9	-6	-7	-6	-6	-5	-5	-3	-6	-7
Associated companies	6	0	1	2	0	1	1	3	7	6	6
Adj. PTP	**33.0**	**27.3**	**25.7**	**34.1**	**22.3**	**28.2**	**36.1**	**47.6**	**46.6**	**49.2**	**54.3**
Taxes	-7.2	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-7.8	-9.8	-10.9
Profit before minorities	**26.8**	**14.6**	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**41.1**	**39.4**	**43.5**
Minorities	-0.6	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-0.8	-2.8	-3.0
Adj. Net Profit	**21.5**	**21.0**	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**37.9**	**36.6**	**40.4**
EPS, excluding NRI (EUR)	**0.76**	**0.74**	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.34**	**1.30**	**1.43**
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	1,266	1,278	1,297
Sweden				307	288	289	332	352	363	371	382
Denmark & Estonia				99	98	97	107	105	112	114	116
Unallocated	99	75	72	86	75	74	52	15	0	0	0
Group eliminations	-25	-27	-30	-42	-41	-42	-53	-37	-39	-39	-40
Group	**1,426**	**1,340**	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,702**	**1,723**	**1,755**
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	39.3	42.6	46.6
Sweden				1.0	-7.1	-4.6	0.8	2.7	4.2	5.9	7.1
Denmark & Estonia				5.2	5.3	4.3	5.2	5.1	2.6	4.3	4.7
Unallocated	-2.2	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-3.2	-3.2	-3.3
Group	**39.6**	**36.1**	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**49.2**	**43.0**	**49.5**	**55.1**
Divisional sales growth	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Finland	7%	-2%	0%	6%	3%	1%	3%	4%	14%	1%	1%
Sweden				n.a.	-6%	0%	15%	6%	3%	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%**	**10%**	**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%	3.1%	3.3%	3.6%
Sweden				0.3%	-2.5%	-1.6%	0.2%	0.8%	1.1%	1.6%	1.9%
Denmark & Estonia				5.3%	5.4%	4.5%	4.9%	4.9%	2.4%	3.8%	4.0%
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%**	**2.5%**	**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**	**Q3/22**	**Q4/22E**
Sales	357	366	382	399	361	387	388	403	375	432	439	453
- sales growth	6.0%	-0.7%	4.5%	4.9%	1.3%	5.7%	1.4%	1.2%	3.7%	11.5%	13.1%	12.3%
Gross profit	**33.9**	**36.0**	**47.2**	**49.3**	**38.1**	**45.4**	**48.7**	**43.9**	**31.6**	**46.5**	**41.9**	**46.5**
- margin	9.5%	9.8%	12.3%	12.4%	10.5%	11.7%	12.6%	10.9%	8.4%	10.8%	9.5%	10.3%
EBITDA	**16.1**	**17.9**	**32.7**	**30.2**	**21.9**	**-18.7**	**33.5**	**26.6**	**15.8**	**28.9**	**29.4**	**-26.2**
- margin	4.5%	4.9%	8.6%	7.6%	6.1%	-4.8%	8.6%	6.6%	4.2%	6.7%	6.7%	-5.8%
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	16.5	-39.0
Adj. EBIT	**2.1**	**4.1**	**19.0**	**15.1**	**6.5**	**12.5**	**19.7**	**10.3**	**2.3**	**13.8**	**16.2**	**12.0**
- margin	0.6%	1.1%	5.0%	3.8%	1.8%	3.2%	5.1%	2.6%	0.6%	3.2%	3.7%	2.7%
Net finance	-1.4	-0.8	-1.4	-0.8	-2.3	-0.4	-1.4	-0.9	-0.9	-0.7	-0.3	-1.5
Associated companies	0.3	0.2	0.3	0.3	0.8	1.1	1.0	0.6	1.4	2.1	2.2	1.3
Adj. PTP	1.0	3.6	17.9	14.6	5.0	13.2	19.3	10.0	2.9	15.2	18.1	11.8
Taxes	-0.4	-1.3	-3.0	-7.9	-0.9	-2.9	-4.2	-2.2	-0.2	-3.1	-2.4	-2.4
Profit before minorities	**0.6**	**2.3**	**14.9**	**5.7**	**4.1**	**-34.8**	**15.1**	**10.2**	**2.7**	**14.2**	**16.0**	**-41.6**
Minorities	-0.4	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4	-0.5	-0.2	-0.6	0.5	-0.5
Adj. Net Profit	**0.2**	**2.0**	**14.4**	**6.1**	**3.7**	**10.0**	**14.7**	**7.3**	**2.5**	**11.5**	**16.2**	**8.9**
EPS, excluding NRI (EUR)	**0.01**	**0.07**	**0.51**	**0.22**	**0.13**	**0.35**	**0.52**	**0.26**	**0.09**	**0.41**	**0.57**	**0.32**
Divisional sales EURm	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22E**
Finland	253	263	266	285	260	278	275	293	274	320	327	346
Sweden	78	78	91	85	77	88	94	93	82	95	93	89
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	-10	-10
Group	**357**	**366**	**382**	**399**	**361**	**387**	**388**	**403**	**375**	**432**	**439**	**453**
Divisional operative EBIT	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22E**
Finland	6.2	7.3	15.2	14.4	9.8	11.3	16.4	10.6	3.0	13.4	12.7	11.6
Sweden	-1.8	-1.6	3.0	1.2	-1.2	0.3	3.0	0.6	-0.9	0.7	3.4	1.0
Denmark & Estonia	0.3	1.1	2.1	1.7	1.9	2.0	1.2	0.0	0.8	0.7	0.7	0.4
Unallocated	-2.6	-2.7	-1.3	-2.2	-4.0	-1.1	-0.9	-0.9	-0.6	-1.0	-0.6	-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**	**12.0**
Divisional sales growth	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22E**
Finland	5%	0%	3%	5%	3%	6%	3%	3%	5%	15%	19%	18%
Sweden	17%	5%	23%	14%	-2%	12%	4%	9%	7%	8%	-2%	-4%
Denmark & Estonia	22%	14%	9%	0%	-8%	-1%	1%	-1%	6%	6%	7%	7%
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%**	**13%**	**12%**
EBIT margin	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22E**
Finland	2.5%	2.8%	5.7%	5.1%	3.8%	4.1%	6.0%	3.6%	1.1%	4.2%	3.9%	3.3%
Sweden	-2.3%	-2.0%	3.3%	1.4%	-1.6%	0.3%	3.2%	0.6%	-1.1%	0.7%	3.7%	1.2%
Denmark & Estonia	1.1%	4.1%	7.8%	6.4%	7.8%	7.5%	4.4%	0.0%	3.1%	2.5%	2.4%	1.6%
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%**	**2.7%**

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.

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. In addition, given the sharp increase in interest rates, we note risks related to possible writedowns of accounts receivable if e.g. foodservice customers were to face liquidity issues

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**	**1,699**	**1,696**	**1,727**
Revenue growth	1.1%	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.3%	-0.1%	1.8%
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	48	100	108
Depreciation and impairments PPE	-48	-47	-47	-46	-45	-54	-57	-57	-52	-52	-53
of which leased assets	0	0	0	0	0	-9	-9	-9	-8	-8	-8
EBITA	42	22	32	41	28	31	40	6	-4	49	54
Amortisation and impairments	-1	7	0	0	0	0	0	0	0	0	0
EBIT	41	29	32	41	28	31	40	6	-4	49	54
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	7	4	4
Net financials	-13	-9	-6	-7	-6	-6	-5	-5	-3	-7	-7
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**	**-1**	**46**	**51**
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	-9	37	41
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	-1	-3	-1	-2	-2	-2	-1	-3	-3
Net profit to equity	26	14	18	26	17	15	22	-7	-9	34	38
EPS, EUR	**0.93**	**0.49**	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.34**	**1.21**	**1.35**
DPS, EUR	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.63	0.65	0.70
of which ordinary	0.40	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.63	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%	2.8%	5.9%	6.2%
EBITA	2.9%	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	-0.3%	2.9%	3.1%
EBIT	2.8%	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	-0.3%	2.9%	3.1%
Adjusted earnings											
EBITDA (adj)	89	76	78	86	74	87	96	106	96	100	108
EBITA (adj)	41	29	31	40	28	33	40	49	44	49	54
EBIT (adj)	40	36	31	40	28	33	40	49	44	49	54
EPS (adj, EUR)	0.76	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.38	1.21	1.35
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%	5.9%	6.2%
EBITA (adj)	2.8%	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.6%	2.9%	3.1%
EBIT (adj)	2.8%	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.6%	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%	3.4%	3.4%	3.5%
EBITDA	1.2%	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	-11.3%	6.4%	4.7%
EBIT	8.1%	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	n.m.	11.5%	11.7%
EPS	30.2%	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	15.6%	20.5%
DPS	9.9%	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	4.7%	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%	1.3%	1.5%	1.8%
Average EBITDA margin	5.7%	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	4.8%	5.0%	5.1%

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	7.8	8.9	8.0
EV/EBITDA (adj)	4.8	5.8	7.0	6.6	5.7	6.0	5.0	4.6	5.6	5.7	5.4
EV/EBITA (adj)	10.5	15.2	17.5	14.3	14.9	15.7	12.3	10.0	12.2	11.7	10.7
EV/EBIT (adj)	10.8	12.2	17.5	14.3	14.9	15.7	12.3	10.0	12.2	11.7	10.7

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.	n.m.	8.9	8.0
EV/Sales	0.30	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.32	0.34	0.34
EV/EBITDA	4.7	6.4	7.0	6.5	5.7	6.1	5.0	7.7	11.3	5.7	5.4
EV/EBITA	10.3	20.3	17.3	13.8	14.9	16.8	12.3	76.6	n.m.	11.7	10.7
EV/EBIT	10.5	15.2	17.3	13.8	14.9	16.8	12.3	76.6	n.m.	11.7	10.7
Dividend yield (ord.)	6.0%	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	5.8%	6.0%	6.5%
FCF yield	23.8%	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-14.6%	-0.7%	6.7%
FCF Yield bef A&D, lease adj	31.3%	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-21.8%	-3.3%	4.0%
Payout ratio	52.3%	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.5%	53.7%	51.9%

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	196	196	196
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	62	62	62
of which goodwill	164	158	170	167	163	161	165	163	135	135	135
Tangible assets	391	395	405	409	401	423	421	408	458	510	534
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	24	28	32
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	675	688	743	772
Inventory	93	81	90	93	106	110	103	110	127	119	121
Accounts receivable	117	101	109	114	105	107	106	108	119	119	121
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	17	19	23
Total current assets	220	190	208	214	219	235	248	287	276	269	278
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**	**963**	**1,012**	**1,049**
Shareholders equity	402	400	410	419	415	420	423	455	416	433	452
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	430	449	472
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	23	23
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	246	246	250
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	257	257	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**	**963**	**1,012**	**1,049**
Balance sheet and debt metrics											
Net debt	249	194	212	210	222	223	190	152	222	250	256
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	5	-4	-4
Invested capital	681	659	703	703	708	705	670	659	692	739	768
Capital employed	660	604	640	645	656	663	657	678	670	719	752
ROE	6.5%	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-2.2%	8.1%	8.6%
ROIC	5.2%	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	6.3%	6.0%	6.3%
ROCE	6.5%	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.6%	7.6%	7.9%
Net debt/EBITDA	2.8	2.8	2.7	2.4	3.0	2.6	2.0	2.4	4.6	2.5	2.4
Interest coverage	3.2	3.1	5.0	5.6	4.5	5.6	8.8	1.3	-1.3	7.3	7.7
Equity ratio	43.5%	46.8%	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	42.8%	43.1%
Net gearing	61.5%	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	51.6%	55.7%	54.3%

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**	**48**	**100**	**108**
Paid taxes	-8	-4	-6	-10	-1	-9	-9	-11	-8	-9	-10
Net financials	-7	-9	-4	-8	-6	-6	-5	-2	-3	-7	-7
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	40	0	0
Funds from operations (FFO)	**136**	**115**	**58**	**59**	**60**	**59**	**87**	**77**	**76**	**84**	**90**
Change in NWC	-44	-24	7	6	-13	29	15	12	-20	8	0
Cash flow from operations (CFO)	**92**	**91**	**65**	**65**	**47**	**89**	**102**	**88**	**57**	**93**	**90**
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**	**-58**	**-2**	**20**
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	-44	-2	20
Free cash flow bef A&D, lease adj	58	40	22	11	3	40	53	24	-66	-10	12
Dividends paid	-6	-11	-11	-13	-15	-12	-12	-15	-18	-18	-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	-40	2	4
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%	4.1%
Key information											
Share price year end (/current)	7	9	11	12	7	10	10	12	9	11	11
Market cap.	186	255	324	341	185	284	278	326	305	305	305
Enterprise value	426	441	548	563	420	521	485	490	541	571	580
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

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