Atria

Consumer Goods
Finland

Costs in focus for H2

Atria's Q2 EBIT of EUR 10m fell short of Refinitiv consensus expectations despite continued strong top-line development. A ramp-up of investments and high input costs weighed on the gross margin, while the company has been able to improve its market share in Finland and Estonia. Cost pressure continues into H2, although we expect volumes to hold up relatively well. We continue to believe that Atria's ability to maintain price levels is one of the key factors for H2. Guidance for declining adjusted EBIT was reiterated, which incorporated additional costs from the ramp-up of investments, which we believe are running somewhat ahead of the original schedule. We derive a somewhat lower DCF- and multiples-based fair value range of EUR 12.3-15.0 (13.0-15.9) per share.

Q2 EBIT miss due to lower gross margin

Atria's Q2 2023 sales were up by 6% y/y and beat Refinitiv consensus by 1%. However, EBIT fell 17% short of consensus, driven by a 170 bp y/y lower gross margin of 9.1%, while we had modelled 10.2%. A ramp-up of investments in Finland and Sweden, higher input costs and one-off salary compensations burdened margins in Q2. Volume development was stable, while price increases supported top-line development. Market share gains continued in Finland and Estonia, while market dynamics are more challenging in Denmark and Sweden, where demand is more campaign- and private label-driven. The EUR 160m poultry investment in Finland appears to be proceeding slightly ahead of original plans, and we believe it could be operational by next summer. Atria currently operates three poultry facilities in Finland, aiming to concentrate operations at the new one in 2024. In Sweden, the transfer of operations to Sköllerta is complete and should support profitability in H2.

We raise the top line and trim margins for 2023E-25E

For 2023E-25E, we raise the top line by 2-3% owing to price increases while cutting adjusted EBIT by 9% for 2023E and 2-3% for 2024E-25E. The ramp-up in Finland is ahead of our expectation and hence creating more costs than we had anticipated for 2023E. In addition, we raise our assumption for minority interest, as it appears that Korv-Görans is performing well.

Guidance for declining adjusted EBIT intact

Atria reiterated its guidance for a decline in adjusted EBIT. We model a 4% decline, to EUR 47m, following EUR 49m in 2022. We believe that concerns over ramp-up costs, results of price negotiations and cost inflation keep uncertainty elevated ahead of the important H2.

SUMMARY TABLE - KEY FIGURES

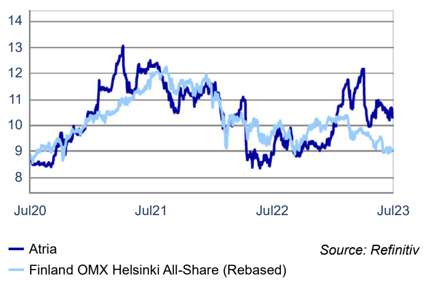
EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,451	1,504	1,540	1,697	1,791	1,806	1,849
EBITDA (adj)	87	96	106	153	101	111	131
EBIT (adj)	33	40	49	49	47	54	60
EBIT (adj) margin	2.3%	2.6%	3.2%	2.9%	2.6%	3.0%	3.3%
EPS (adj, EUR)	0.60	0.91	0.97	1.54	0.88	1.10	1.29
EPS (adj) growth	2.6%	51.8%	6.4%	58.7%	-42.9%	25.0%	17.2%
DPS (ord, EUR)	0.42	0.50	0.63	0.70	0.70	0.75	0.80
EV/Sales	0.4	0.3	0.3	0.3	0.3	0.3	0.3
EV/EBIT (adj)	15.7	12.3	10.0	10.4	12.3	10.8	9.3
P/E (adj)	16.7	10.8	11.9	6.0	11.7	9.3	8.0
P/BV	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Dividend yield (ord)	4.2%	5.1%	5.5%	7.6%	6.8%	7.3%	7.8%
FCF Yield bef A&D, lease	14.0%	18.9%	7.2%	-33.8%	-4.6%	6.6%	16.5%
Net debt	223	190	152	234	267	268	241
Net debt/EBITDA	2.6	2.0	2.4	2.2	2.6	2.4	1.8
ROIC after tax	3.8%	4.8%	6.5%	6.3%	5.3%	5.8%	6.4%

Source: Company data and Nordea estimates

KEY DATA

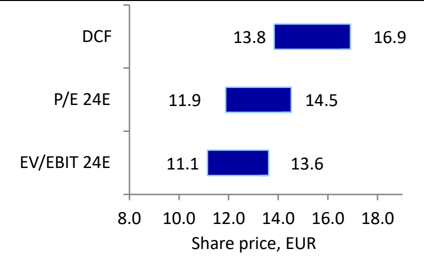
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.28
Free float	42%
Market cap. (bn)	EUR 0.29/EUR 0.29
Website	www.atria.fi
Next report date	24 Oct 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	3%	2%	2%
EBIT (adj)	-9%	-3%	-2%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Q1 deviation and estimate revisions

Strong top-line development continued in Q2

Q2 EBIT missed consensus by 17%...

Atria reported Q2 EBIT of EUR 10m, 17% (EUR 2.1m) below Refinitiv consensus. Q2 net sales of EUR 457m were up 6% y/y, 1% above consensus. The Q2 EBIT miss was due to Finland and Sweden, while Denmark & Estonia came in slightly ahead of our expectation.

According to the company, Atria's market position has improved clearly in Finland and Estonia. Producer prices have remained above last year's level.

Q2 EBIT included additional costs related to the transfer of production in Sweden (EUR 1.3m in Q1) and the ramp-up of the poultry investment in Finland.

Q2 operating cash flow was EUR 44.5m (EUR 22.6m a year ago), supported by lower working capital.

Atria maintains its guidance, expecting adjusted EBIT to decline in 2023 (after EUR 49m in 2022), while prior to the Q2 report, Refinitiv consensus modelled EUR 50m, or a 2% increase. We note that Atria last year issued similar guidance for 2022 and ended up only EUR 0.2m below the 2021 level. However, in 2023, the company will commission a major expansion at its Sköllersta plant in Sweden (transfer completed), and the phased start-up and testing of the new poultry plant in Nurmo has begun. These measures will result in additional costs in 2023. H1 2023 adjusted EBIT of EUR 20.9m was EUR 4.7m above that of H1 2022.

...burdened by the ramp-up of investments in Finland and Sweden...

...and high raw material costs

- **Atria Finland's** Q2 net sales were EUR 346m, up 8% y/y and 4% above our expectation. EBIT was EUR 12.7m, 14% below our estimate of EUR 14.7m. Net sales were increased by higher sales prices in all channels. The meat producer prices paid by Atria were significantly higher y/y. Raw materials, supplies, commodities and external services were still significantly higher y/y. Atria's supplier share in retail was 26%, up 1.4 pp y/y (25.7% in Q1). The poultry investment is progressing, and the phased commissioning of the plant began during Q2.
- **Atria Sweden's** net sales were EUR 88m, up 5% in local currencies and excluding the Russia divestment (-8% on reported basis), and 3% below our estimate. EBIT of EUR -2.1m came in below our estimate of EUR 0.3m and was burdened by high raw material prices, FX and the Sköllersta expansion (transfer from Malmö completed).
- **Atria Denmark & Estonia's** net sales were EUR 31, up 11% y/y and 5% above our expectation. Its market share increased in Estonia but declined in Denmark. Adjusted EBIT was EUR 0.6m, above our estimate of EUR 0.5m.

DEVIATION TABLE

EURm	Actual Q2 2023	NDA est. Q2 2023E	Deviation vs. actual		Consensus Q2 2023E	Deviation vs. actual		Actual Q1 2023	q/q	Actual Q2 2022	y/y
Sales	**457**	**442**	**15**	**3%**	**454**	**3**	**1%**	**428**	**7%**	**432**	**6%**
Adj. EBIT	**10.0**	**14.5**	**-4.5**	**-31%**	**12.1**	**(2.1)**	**-17%**	**10.9**	**-8%**	**13.8**	**-28%**
Adj. EBIT margin	2.2%	3.3%	-1.1pp	-1.1pp	2.7%	-0.5pp		2.5%	-0.4pp	3.2%	-1.0pp
EPS, EUR	**0.13**	**0.32**	**-0.19**	**-59%**	**0.29**	**(0.16)**	**-55%**	**0.23**	-42%	**0.48**	-73%
Divisional sales, EURm											
Finland	345.4	333.1	12	4%				324	7%	320	8%
Sweden	87.8	90.4	-3	-3%				82	7%	95	-8%
Denmark & Estonia	31.4	29.8	2	5%				28	11%	28	11%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	0	n.m.
Group eliminations	-7.4	-11.4	4	-35%				-6	35%	-11	-33%
Group	**457.2**	**441.9**	**15.3**	**3%**				**428**	**7%**	**432**	**6%**
Divisional adj. EBIT, EURm											
Finland	12.7	14.7	-2.0	-14%				14.9	-15%	13.4	-5%
Sweden	-2.1	0.3	-2.4	-830%				-3.3	-36%	0.7	-400%
Denmark & Estonia	0.6	0.5	0.1	31%				-0.5	-220%	0.7	n.m.
Group eliminations	-1.3	-1.0	-0.3	30%				-0.2	550%	-1	30%
Group	**10.0**	**14.5**	**-4.5**	**-31%**				**10.9**	**-8%**	**13.8**	**-28%**

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

Following the Q2 report, we raise 2023E-25E sales by 2-3%, driven by price increases. We lower 2023E adjusted EBIT by 9% while we trim 2024E-25E by 2-3%. We note uncertainties related to costs for ramping up the Swedish expansion investment, and even more so related to the Finnish poultry investment, which likely will hamper profitability in H2 2023. In addition, we raise our expectations for minority interest and financial expenses, leading us to cut 2023E adjusted EPS by 23%, and 2024E-25E EPS by 11-13%.

ESTIMATE REVISIONS AFTER THE Q2 REPORT (DPS IN EUR)

	New estimates				Old estimates				Difference %			
EURm	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Sales	**448**	**1,791**	**1,806**	**1,849**	**429**	**1,739**	**1,771**	**1,813**	**4%**	**3%**	**2%**	**2%**
Adj. EBIT	**12.3**	**47.0**	**53.7**	**60.3**	**13.1**	**51.6**	**55.5**	**61.4**	**-6%**	**-9%**	**-3%**	**-2%**
Adj. EBIT margin	2.8%	2.6%	3.0%	3.3%	3.1%	3.0%	3.1%	3.4%	-0.3pp	-0.3pp	-0.2pp	-0.1pp
Adj. EPS, EUR	**0.23**	**0.88**	**1.10**	**1.29**	**0.29**	**1.14**	**1.26**	**1.45**	**-21%**	**-23%**	**-13%**	**-11%**
DPS		0.70	0.75	0.80		0.70	0.75	0.80		0%	0%	0%
Divisional sales EURm	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	338	1,355	1,362	1,396	321	1,313	1,332	1,366	5%	3%	2%	2%
Sweden	89	345	352	359	88	343	354	361	2%	1%	0%	0%
Denmark & Estonia	31	123	125	128	30	118	121	123	4%	4%	4%	4%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-10	-32	-33	-33	-10	-35	-36	-37	4%	-9%	-10%	-10%
Group	**448**	**1,791**	**1,806**	**1,849**	**429**	**1,739**	**1,771**	**1,813**	**4%**	**3%**	**2%**	**2%**
Divisional adj. EBIT	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	10.5	50.5	48.6	53.7	10.2	52.0	49.2	54.3	3%	-3%	-1%	-1%
Sweden	1.8	-2.1	4.1	5.6	2.9	0.9	5.4	6.2	-38%	-323%	-24%	-10%
Denmark & Estonia	1.1	2.3	4.7	4.8	1.1	2.1	4.4	4.5	0%	12%	8%	7%
Unallocated	-1.0	-3.7	-3.7	-3.8	-1.0	-3.4	-3.5	-3.5	0%	9%	8%	8%
Group	**12.3**	**47.0**	**53.7**	**60.3**	**13.1**	**51.6**	**55.5**	**61.4**	**-6%**	**-9%**	**-3%**	**-2%**
Divisional sales growth	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	3%	7%	0%	2%	-2%	4%	1%	2%	5.0pp	3.4pp	-1.0pp	0.0pp
Sweden	-3%	-3%	2%	2%	-5%	-4%	3%	2%	2.0pp	0.5pp	-1.0pp	0.0pp
Denmark & Estonia	8%	9%	2%	2%	4%	5%	2%	2%	4.0pp	3.8pp	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	**2%**	**6%**	**1%**	**2%**	**-2%**	**2%**	**2%**	**2%**	**4.3pp**	**3.0pp**	**-0.9pp**	**0.0pp**
EBIT margin	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	3.1%	3.7%	3.6%	3.8%	3.2%	4.0%	3.7%	4.0%	-0.1pp	-0.2pp	-0.1pp	-0.1pp
Sweden	2.0%	-0.6%	1.2%	1.5%	3.3%	0.3%	1.5%	1.7%	-1.3pp	-0.9pp	-0.4pp	-0.2pp
Denmark & Estonia	3.6%	1.9%	3.8%	3.8%	3.7%	1.7%	3.6%	3.7%	-0.1pp	0.1pp	0.1pp	0.1pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**2.8%**	**2.6%**	**3.0%**	**3.3%**	**3.1%**	**3.0%**	**3.1%**	**3.4%**	**-0.3pp**	**-0.3pp**	**-0.2pp**	**-0.1pp**

Source: Nordea estimates

Valuation

We derive a fair value range based on a 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 12.3-15.0 (13.0-15.9) per share for Atria.

DCF valuation yields EUR 13.8-16.9 per share

The outcome of our DCF valuation is EUR 13.8-16.9 (14.5-17.7) per share. We use a WACC of 7.4-8.3% (7.3-7.9%), assuming a terminal growth rate of 1.5% and an EBIT margin of 3%. We have increased our risk free rate assumption from 3% to 3.5%, leading to a higher WACC range.

WACC COMPONENTS

WACC components	
Risk-free interest rate	3.5%
Market risk premium	4.0%
Equity beta	1.3-1.6
Cost of equity	8.8-10.0%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	75%
WACC	**7.4-8.3%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	618-705	21.9-25
(Net debt)	-234	-8.3
Market value of associates	0	0.0
(Market value of minorities)	-15	-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	21	0.8
DCF Value	**391-478**	**13.8-16.9**

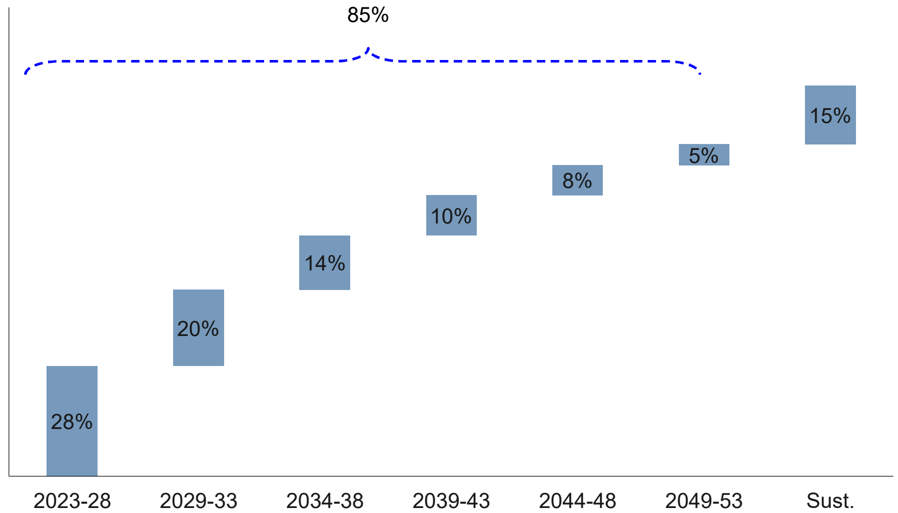
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2023-28	2029-33	2034-38	2039-43	2044-48	2049-53	Sust.
Sales growth, CAGR	2.1%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associates	3.2%	3.0%	3.0%	3.0%	3.0%	2.8%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	
NWC/sales	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCFF, CAGR	-289.1%	0.8%	1.5%	1.5%	1.5%	0.0%	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 11.7-19.4 per share.

- A +/-0.5 pp sales growth change translates to a change of +7%/-6% in the fair value
- A +/-0.5 pp EBIT margin change translates into a change of +/-19% in the fair value

SENSITIVITY OF OUR DCF MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		7.3%	7.5%	7.8%	8.0%	8.3%
EBIT marg. change	1.0pp	26.4	22.4	21.1	19.9	18.7
	0.5pp	20.7	19.4	18.2	17.1	16.1
	0.0pp	17.5	16.4	15.4	14.4	13.6
	-0.5pp	14.2	13.3	12.5	11.7	11.0
	-1.0pp	11.0	10.3	9.7	9.0	8.5

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.3%	7.5%	7.8%	8.0%	8.3%
Sales gr. change	1.0pp	19.9	18.6	17.5	16.4	15.4
	0.5pp	18.6	17.5	16.4	15.4	14.5
	0.0pp	17.5	16.4	15.4	14.4	13.6
	-0.5pp	16.4	15.4	14.4	13.6	12.8
	-1.0pp	15.4	14.4	13.6	12.8	12.0

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	18.6	19.8	21.1	22.5	24.0
	0.5pp	16.1	17.1	18.2	19.4	20.7
	0.0pp	13.6	14.4	15.4	16.4	17.5
	-0.5pp	11.1	11.8	12.5	13.3	14.2
	-1.0pp	8.5	9.1	9.7	10.3	11.0

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 11.1-13.6 by taking 2024E adjusted EBIT of EUR 53.7m, multiplying it by the accepted multiple range of 10.8-12.1x and deducting our 2023 net debt assumption of EUR 267m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 11.9-14.5 by taking 2024E adjusted EPS of EUR 1.10 and multiplying it by an accepted multiple range of 10.8-13.2x.

PEER GROUP VALUATION MULTIPLES

		Price	Mcap	EV	EV/EBIT				P/E				Div yield %	
European peers	Country	Local	EURm	EURm	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E	2023E	2024E
Apetit Oyj	Finland	12.7	80	68	18.3	11.3	11.3	11.3	24.4	13.7	16.1	16.1	4.3%	4.7%
Bell Food Group Ag	Switzerland	259.5	1,699	2,452	14.9	14.2	14.0	13.9	11.0	11.5	11.4	11.4	2.7%	2.7%
Cranswick Plc	UK	3,378.0	2,113	2,231	13.8	12.8	12.0	11.1	16.8	16.5	15.7	14.6	2.4%	2.5%
Hkscan Oyj	Finland	0.7	69	462		35.6	20.1	20.1					0.0%	0.0%
Raisio Oyj	Finland	1.9	309	258	15.4	11.5	9.7	8.9	30.3	17.4	14.7	12.7	7.3%	7.3%
Scandi Standard Ab (Publ)	Sweden	51.3	297	474	17.7	12.2	12.0	10.6	23.8	12.9	12.4	10.6	3.1%	4.5%
Societe Ldc Sa	France	128.0	2,263	1,889	6.2	6.1	5.7	5.5	9.7	9.3	8.9	8.5	2.1%	2.3%
What'S Cooking Group Nv	Belgium	79.2	147	217	22.9				25.6	22.7	9.0	6.4	5.1%	5.4%
Average			872	1,006	15.6	14.8	12.1	11.6	20.2	14.8	12.6	11.5	3.4%	3.7%
Median			303	468	15.4	12.2	12.0	11.1	23.8	13.7	12.4	11.4	2.9%	3.6%
Atria (NDA)		**10.7**	**302**	**536**	**10.9**	**12.1**	**10.6**	**9.0**	**6.0**	**12.1**	**9.7**	**8.3**	**6.6%**	**7.0%**

Source: Refinitiv and Nordea estimates (as of market close on 24 April)

PEER GROUP KEY FIGURES

	Sales growth				EBIT margin				ROE			
European peers	**2022**	**2023E**	**2024E**	**2025E**	**2022**	**2023E**	**2024E**	**2025E**	**2022**	**2023E**	**2024E**	**2025E**
Apetit Oyj	-36.0%	6.1%	2.6%	2.5%	2.0%	3.1%	3.0%	3.0%	3.3%	6.1%	5.0%	5.0%
Bell Food Group Ag	13.2%	3.6%	2.1%	1.8%	3.7%	3.8%	3.8%	3.7%	8.9%	8.9%	8.4%	7.6%
Cranswick Plc	10.3%	7.9%	5.5%	4.1%	6.3%	6.3%	6.3%	6.6%	13.9%	12.6%	12.0%	12.1%
Hkscan Oyj	8.9%	-2.5%	1.3%		0.0%	0.7%	1.2%	1.2%	-3.1%	-3.8%	-0.2%	1.5%
Raisio Oyj	-9.7%	0.6%	5.1%	5.5%	7.5%	10.0%	11.3%	11.7%	4.6%	6.9%	8.3%	9.4%
Scandi Standard Ab (Pul	14.3%	0.6%	2.5%	4.1%	2.4%	3.4%	3.4%	3.7%	6.2%	10.7%	10.6%	10.7%
Societe Ldc Sa	14.6%	8.0%	3.5%	2.9%	5.4%	5.0%	5.2%	5.3%	12.1%	11.9%	11.6%	11.1%
What'S Cooking Group N	12.1%	6.1%	3.7%		1.2%	0.0%	0.0%	0.0%	3.5%	0.0%	0.0%	0.0%
Average	3.5%	3.8%	3.3%	3.5%	3.6%	4.0%	4.3%	4.4%	6.2%	6.7%	7.0%	7.2%
Median	11.2%	4.8%	3.0%	3.5%	3.1%	3.6%	3.6%	3.7%	5.4%	7.9%	8.3%	8.5%
Atria (NDA)	**10.2%**	**5.5%**	**0.9%**	**2.4%**	**2.9%**	**2.6%**	**3.0%**	**3.3%**	**-1.2%**	**5.5%**	**6.8%**	**7.7%**

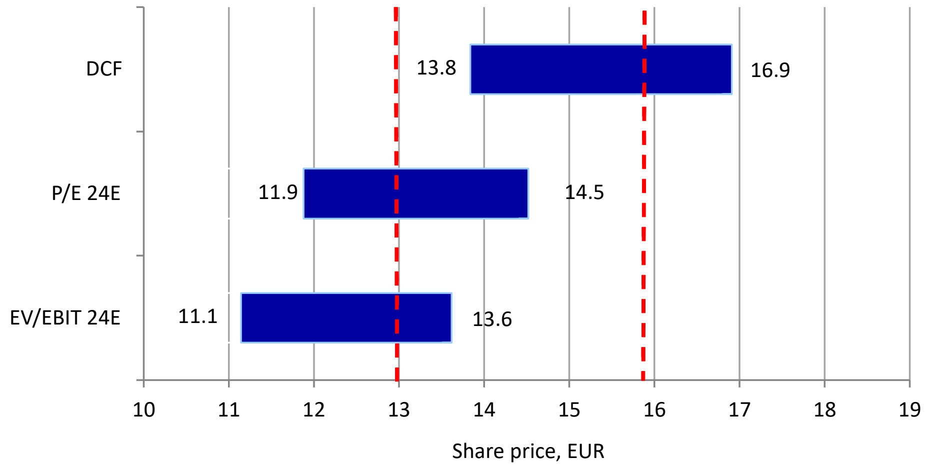
Source: Refinitiv and Nordea estimates (as of market close 24 April)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 12.3-15.0 (13.0-15.9) per Atria share, as shown by the red dotted lines in the chart below.

Fair value range of EUR 12.3-15.0

VALUATION (EUR)



Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES (EURm)

Income statement (EURm)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Sales	1,340	1,352	1,436	1,439	1,451	1,504	1,540	1,697	1,791	1,806	1,849
- sales growth	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	5.5%	0.9%	2.4%
Gross profit	**163**	**164**	**173**	**153**	**163**	**166**	**177**	**169**	**172**	**182**	**189**
- margin	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.9%	9.6%	10.1%	10.2%
EBITDA	**76**	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**101**	**111**	**131**
- margin	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	6.2%	7.1%
D&A	-47	-47	-46	-45	-54	-57	-57	-104	-54	-58	-70
EBIT reported	28.9	31.8	40.9	28.2	31.1	39.5	6.4	0.2	47.0	53.7	60.3
Adj. EBIT	**36.1**	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**49.0**	**47.0**	**53.7**	**60.3**
- margin	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.9%	2.6%	3.0%	3.3%
Net finance	-9	-6	-7	-6	-6	-5	-5	-3	-14	-12	-11
Associated companies	0	1	2	0	1	1	3	5	3	3	3
Adj. PTP	**27.3**	**25.7**	**34.1**	**22.3**	**28.2**	**36.1**	**47.6**	**50.6**	**36.0**	**44.4**	**52.1**
Taxes	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.5	-7.6	-8.9	-10.4
Profit before minorities	**14.6**	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**-3.7**	**28.4**	**35.5**	**41.6**
Minorities	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-3.6	-4.4	-5.2
Adj. Net Profit	**21.0**	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**43.6**	**24.9**	**31.1**	**36.4**
EPS, excluding NRI (EUR)	**0.74**	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.54**	**0.88**	**1.10**	**1.29**
Divisional sales EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Finland	929	932	986	1,019	1,034	1,066	1,106	1,265	1,355	1,362	1,396
Sweden			307	288	289	332	352	356	345	352	359
Denmark & Estonia			99	98	97	107	105	113	123	125	128
Unallocated	75	72	86	75	74	52	15	0	0	0	0
Group eliminations	-27	-30	-42	-41	-42	-53	-37	-38	-32	-33	-33
Group	**1,340**	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,791**	**1,806**	**1,849**
Divisional operative EBIT	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Finland	29.8	24.2	36.3	36.7	40.0	43.1	48.1	49.4	50.5	48.6	53.7
Sweden			1.0	-7.1	-4.6	0.8	2.7	2.3	-2.1	4.1	5.6
Denmark & Estonia			5.2	5.3	4.3	5.2	5.1	1.3	2.3	4.7	4.8
Unallocated	-4.5	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-4.0	-3.7	-3.7	-3.8
Group	**36.1**	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**49.2**	**49.0**	**47.0**	**53.7**	**60.3**
Divisional sales growth	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Finland	-2%	0%	6%	3%	1%	3%	4%	14%	7%	0%	2%
Sweden			n.a.	-6%	0%	15%	6%	1%	-3%	2%	2%
Denmark & Estonia			n.a.	-1%	-1%	11%	-2%	8%	9%	2%	2%
Unallocated	-24%	-4%	19%	-12%	-2%	-30%	-72%	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.
Group	**-6%**	**1%**	**6%**	**0%**	**1%**	**4%**	**2%**	**10%**	**6%**	**1%**	**2%**
EBIT margin	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Finland	3.2%	2.6%	3.7%	3.6%	3.9%	4.0%	4.4%	3.9%	3.7%	3.6%	3.8%
Sweden			0.3%	-2.5%	-1.6%	0.2%	0.8%	0.6%	-0.6%	1.2%	1.5%
Denmark & Estonia			5.3%	5.4%	4.5%	4.9%	4.9%	1.2%	1.9%	3.8%	3.8%
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	**2.7%**	**2.3%**	**2.8%**	**2.0%**	**2.3%**	**2.6%**	**3.2%**	**2.9%**	**2.6%**	**3.0%**	**3.3%**

Source: Company data and Nordea estimates

QUARTERLY ESTIMATES (EURm)

Income statement (EURm)	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23E**	**Q4/23E**
Sales	361	387	388	403	375	432	439	451	428	457	448	457
- sales growth	1.3%	5.7%	1.4%	1.2%	3.7%	11.5%	13.1%	11.8%	14.2%	5.9%	2.1%	1.3%
Gross profit	**38.1**	**45.4**	**48.7**	**43.9**	**31.6**	**46.5**	**41.9**	**48.7**	**42.0**	**41.6**	**41.7**	**46.6**
- margin	10.5%	11.7%	12.6%	10.9%	8.4%	10.8%	9.5%	10.8%	9.8%	9.1%	9.3%	10.2%
EBITDA	**21.9**	**-18.7**	**33.5**	**26.6**	**15.8**	**28.9**	**29.4**	**30.0**	**23.8**	**23.1**	**26.0**	**28.5**
- margin	6.1%	-4.8%	8.6%	6.6%	4.2%	6.7%	6.7%	6.6%	5.6%	5.1%	5.8%	6.2%
D&A	-15	-14	-14	-14	-14	-13	-13	-65	-13	-13	-14	-15
EBIT reported	6.5	-32.6	19.7	12.6	2.3	15.9	16.5	-34.5	10.9	9.9	12.3	13.9
Adj. EBIT	**6.5**	**12.5**	**19.7**	**10.3**	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**12.3**	**13.9**
- margin	1.8%	3.2%	5.1%	2.6%	0.6%	3.2%	3.7%	3.7%	2.5%	2.2%	2.8%	3.0%
Net finance	-2.3	-0.4	-1.4	-0.9	-0.9	-0.7	-0.3	-1.5	-3.2	-3.7	-3.5	-3.3
Associated companies	0.8	1.1	1.0	0.6	1.4	2.1	2.2	-0.8	1.1	0.5	0.5	0.5
Adj. PTP	5.0	13.2	19.3	10.0	2.9	15.2	18.1	14.4	8.9	6.7	9.3	11.0
Taxes	-0.9	-2.9	-4.2	-2.2	-0.2	-3.1	-2.4	0.2	-2.0	-1.6	-1.9	-2.1
Profit before minorities	**4.1**	**-34.8**	**15.1**	**10.2**	**2.7**	**14.2**	**16.0**	**-36.6**	**6.9**	**5.1**	**7.5**	**9.0**
Minorities	-0.4	-0.3	-0.4	-0.5	-0.2	-0.6	0.5	-1.2	-0.5	-1.3	-1.0	-0.8
Adj. Net Profit	**3.7**	**10.0**	**14.7**	**7.3**	**2.5**	**11.5**	**16.2**	**13.4**	**6.4**	**3.8**	**6.5**	**8.2**
EPS, excluding NRI (EUR)	**0.13**	**0.35**	**0.52**	**0.26**	**0.09**	**0.41**	**0.57**	**0.47**	**0.23**	**0.13**	**0.23**	**0.29**
Divisional sales EURm	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23E**	**Q4/23E**
Finland	260	278	275	293	274	320	327	344	324	345	338	348
Sweden	77	88	94	93	82	95	93	86	82	88	89	86
Denmark & Estonia	25	27	27	26	26	28	29	29	28	31	31	32
Unallocated	10	5	0	0	0	0	0	0	0	0	0	0
Group eliminations	-10	-10	-8	-9	-8	-11	-10	-9	-6	-7	-10	-9
Group	**361**	**387**	**388**	**403**	**375**	**432**	**439**	**451**	**428**	**457**	**448**	**457**
Divisional operative EBIT	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23E**	**Q4/23E**
Finland	9.8	11.3	16.4	10.6	3.0	13.4	12.7	20.3	14.9	12.7	10.5	12.4
Sweden	-1.2	0.3	3.0	0.6	-0.9	0.7	3.4	-0.9	-3.3	-2.1	1.8	1.5
Denmark & Estonia	1.9	2.0	1.2	0.0	0.8	0.7	0.7	-0.9	-0.5	0.6	1.1	1.1
Unallocated	-4.0	-1.1	-0.9	-0.9	-0.6	-1.0	-0.6	-1.8	-0.2	-1.3	-1.0	-1.2
Group	**6.5**	**12.5**	**19.7**	**10.3**	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**12.3**	**13.9**
Divisional sales growth	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23E**	**Q4/23E**
Finland	3%	6%	3%	3%	5%	15%	19%	17%	18%	8%	3%	1%
Sweden	-2%	12%	4%	9%	7%	8%	-2%	-7%	0%	-8%	-3%	0%
Denmark & Estonia	-8%	-1%	1%	-1%	6%	6%	7%	11%	8%	11%	8%	8%
Unallocated	-27%	-55%	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	**1%**	**6%**	**1%**	**1%**	**4%**	**12%**	**13%**	**12%**	**14%**	**6%**	**2%**	**1%**
EBIT margin	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23E**	**Q4/23E**
Finland	3.8%	4.1%	6.0%	3.6%	1.1%	4.2%	3.9%	5.9%	4.6%	3.7%	3.1%	3.6%
Sweden	-1.6%	0.3%	3.2%	0.6%	-1.1%	0.7%	3.7%	-1.0%	-4.0%	-2.4%	2.0%	1.8%
Denmark & Estonia	7.8%	7.5%	4.4%	0.0%	3.1%	2.5%	2.4%	-3.1%	-1.8%	1.9%	3.6%	3.4%
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	**1.8%**	**3.2%**	**5.1%**	**2.6%**	**0.6%**	**3.2%**	**3.7%**	**3.7%**	**2.5%**	**2.2%**	**2.8%**	**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 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	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Total revenue	**1,340**	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,791**	**1,806**	**1,849**
Revenue growth	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	5.5%	0.9%	2.4%
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	68	79	87	74	85	96	64	104	101	111	131
Depreciation and impairments PPE	-47	-47	-46	-45	-54	-57	-57	-104	-54	-58	-70
of which leased assets	0	0	0	0	-9	-9	-9	-16	-8	-9	-9
EBITA	22	32	41	28	31	40	6	0	47	54	60
Amortisation and impairments	7	0	0	0	0	0	0	0	0	0	0
EBIT	29	32	41	28	31	40	6	0	47	54	60
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	1	2	0	1	1	3	5	3	3	3
Net financials	-9	-6	-7	-6	-6	-5	-5	-3	-14	-12	-11
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	**20**	**26**	**36**	**22**	**26**	**36**	**5**	**2**	**36**	**44**	**52**
Reported taxes	-5	-7	-7	-5	-9	-13	-10	-6	-8	-9	-10
Net profit from continued operations	15	20	28	18	17	24	-5	-4	28	36	42
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	-3	-1	-2	-2	-2	-2	-4	-4	-5
Net profit to equity	14	18	26	17	15	22	-7	-5	25	31	36
EPS, EUR	**0.49**	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.19**	**0.88**	**1.10**	**1.29**
DPS, EUR	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.70	0.75	0.80
of which ordinary	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.70	0.75	0.80
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	5.1%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	6.2%	7.1%
EBITA	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	2.6%	3.0%	3.3%
EBIT	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	2.6%	3.0%	3.3%
Adjusted earnings											
EBITDA (adj)	76	78	86	74	87	96	106	153	101	111	131
EBITA (adj)	29	31	40	28	33	40	49	49	47	54	60
EBIT (adj)	36	31	40	28	33	40	49	49	47	54	60
EPS (adj, EUR)	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.54	0.88	1.10	1.29
Adjusted profit margins in percent											
EBITDA (adj)	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	9.0%	5.7%	6.2%	7.1%
EBITA (adj)	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.6%	3.0%	3.3%
EBIT (adj)	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.6%	3.0%	3.3%
Performance metrics											
CAGR last 5 years											
Net revenue	0.6%	0.8%	1.3%	0.4%	0.4%	2.3%	2.6%	3.4%	4.5%	4.5%	4.2%
EBITDA	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	3.7%	6.6%	5.4%	6.3%
EBIT	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-65.5%	10.8%	11.6%	8.8%
EPS	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	8.5%	15.7%	10.9%
DPS	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	7.0%	11.8%	12.3%	9.9%
Average last 5 years											
Average EBIT margin	1.9%	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	1.4%	1.6%	1.8%	1.9%
Average EBITDA margin	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	5.6%	5.7%	5.9%

VALUATION RATIOS - ADJUSTED EARNINGS											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
P/E (adj)	12.2	18.2	13.9	11.2	16.7	10.8	11.9	6.0	11.7	9.3	8.0
EV/EBITDA (adj)	5.8	7.0	6.6	5.7	6.0	5.0	4.6	3.3	5.7	5.2	4.3
EV/EBITA (adj)	15.2	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.3	10.8	9.3
EV/EBIT (adj)	12.2	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.3	10.8	9.3

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
P/E	18.5	17.8	13.2	11.2	18.9	12.8	n.m.	n.m.	11.7	9.3	8.0
EV/Sales	0.33	0.41	0.39	0.29	0.36	0.32	0.32	0.30	0.32	0.32	0.30
EV/EBITDA	6.4	7.0	6.5	5.7	6.1	5.0	7.7	4.9	5.7	5.2	4.3
EV/EBITA	20.3	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	12.3	10.8	9.3
EV/EBIT	15.2	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	12.3	10.8	9.3
Dividend yield (ord.)	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	7.6%	6.8%	7.3%	7.8%
FCF yield	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-18.6%	-1.7%	9.6%	19.6%
FCF Yield bef A&D, lease adj	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-33.8%	-4.6%	6.6%	16.5%
Payout ratio	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.4%	79.6%	68.2%	62.1%

Source: Company data and Nordea estimates

BALANCE SHEET											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Intangible assets	237	263	256	249	246	249	240	179	179	179	179
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	79	94	89	87	85	84	78	54	54	54	54
of which goodwill	158	170	167	163	161	165	163	125	125	125	125
Tangible assets	395	405	409	401	423	421	400	489	544	567	567
of which leased assets	0	0	0	0	30	25	14	22	21	21	21
Shares associates	13	14	15	15	15	15	17	20	23	25	28
Interest bearing assets	1	1	1	1	1	1	1	1	1	1	1
Deferred tax assets	7	7	6	5	4	2	2	1	1	1	1
Other non-IB non-current assets	11	11	9	10	5	5	6	18	18	18	18
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	665	701	696	681	694	692	667	708	766	791	794
Inventory	81	90	93	106	110	103	110	153	143	135	129
Accounts receivable	101	109	114	105	107	106	108	135	143	144	147
Short-term leased assets	0	0	0	0	9	9	16	8	9	9	9
Other current assets	4	5	4	3	4	4	4	4	5	5	5
Cash and bank	4	5	3	4	4	27	57	31	28	37	34
Total current assets	190	208	214	219	235	248	295	332	327	330	324
Assets held for sale	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**855**	**909**	**910**	**900**	**929**	**940**	**961**	**1,040**	**1,093**	**1,121**	**1,118**
Shareholders equity	400	410	419	415	420	423	455	449	454	466	481
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	5	12	12	13	14	16	13	15	19	23	28
Total Equity	405	422	431	428	434	439	468	464	473	489	509
Deferred tax	45	49	47	43	41	39	37	36	36	36	36
Long term interest bearing debt	156	178	122	153	141	139	176	232	262	272	242
Pension provisions	7	7	6	6	7	7	7	5	5	5	5
Other long-term provisions	0	0	0	0	1	0	0	1	1	1	1
Other long-term liabilities	6	11	8	7	7	2	3	7	7	7	7
Non-current lease debt	0	0	0	0	25	25	21	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	214	245	184	209	221	212	245	302	333	343	313
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	192	200	202	188	211	234	237	261	276	278	285
Current lease debt	0	0	0	0	9	10	10	10	9	9	9
Other current liabilities	0	3	1	0	0	0	0	0	0	0	0
Short term interest bearing debt	44	40	92	75	54	45	3	3	3	3	3
Total current liabilities	236	242	295	262	274	289	249	274	287	290	296
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**855**	**909**	**910**	**900**	**929**	**940**	**961**	**1,040**	**1,093**	**1,121**	**1,118**
Balance sheet and debt metrics											
Net debt	194	212	210	222	223	190	152	234	267	268	241
of which lease debt	0	0	0	0	34	34	31	31	31	31	31
Working capital	-6	1	7	27	10	-21	-15	31	15	6	-3
Invested capital	659	703	703	708	705	670	651	740	781	797	791
Capital employed	604	640	645	656	663	657	678	730	769	794	785
ROE	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-1.2%	5.5%	6.8%	7.7%
ROIC	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.5%	6.3%	5.3%	5.8%	6.4%
ROCE	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.7%	6.6%	7.2%	8.0%
Net debt/EBITDA	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.2	2.6	2.4	1.8
Interest coverage	3.1	5.0	5.6	4.5	5.6	8.8	1.3	0.1	3.4	4.5	5.5
Equity ratio	46.8%	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	41.6%	41.5%	43.0%
Net gearing	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	50.3%	56.5%	54.8%	47.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA (adj) for associates	**68**	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**101**	**111**	**131**
Paid taxes	-4	-6	-10	-1	-9	-9	-15	-7	-8	-9	-10
Net financials	-9	-4	-8	-6	-6	-5	-2	-3	-14	-12	-11
Change in provisions	-1	0	-1	0	1	0	-1	-1	0	0	0
Change in other LT non-IB	-1	5	1	0	5	-2	-1	-7	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	61	-16	-10	-6	-6	-10	50	15	0	0	0
Funds from operations (FFO)	**115**	**58**	**59**	**60**	**71**	**71**	**94**	**100**	**80**	**90**	**109**
Change in NWC	-24	7	6	-13	17	31	-6	-46	16	9	9
Cash flow from operations (CFO)	**91**	**65**	**65**	**47**	**89**	**102**	**88**	**54**	**96**	**99**	**118**
Capital expenditure	-50	-43	-53	-45	-40	-41	-56	-126	-101	-71	-61
Free cash flow before A&D	**40**	**22**	**11**	**3**	**48**	**61**	**32**	**-73**	**-5**	**28**	**57**
Proceeds from sale of assets	33	6	8	-1	0	0	30	28	0	0	0
Acquisitions	-5	-30	0	0	0	-3	0	-4	0	0	0
Free cash flow	68	-2	19	2	48	58	63	-49	-5	28	57
Free cash flow bef A&D, lease adj	40	22	11	3	40	53	24	-89	-13	19	48
Dividends paid	-11	-11	-13	-15	-12	-12	-15	-19	-20	-20	-21
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	-55	15	-3	13	-40	-13	-5	48	30	10	-30
Other financing adjustments	0	0	0	0	0	-9	-10	-9	-9	-9	-9
Other non-cash adjustments	-2	-1	-4	1	4	-2	-3	2	0	0	0
Change in cash	1	0	-1	1	0	22	31	-26	-3	9	-3
Cash flow metrics											
Capex/D&A	n.m.	90.9%	n.m.	98.0%	73.8%	72.0%	97.7%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	3.7%	3.2%	3.7%	3.1%	2.8%	2.7%	3.6%	7.4%	5.7%	4.0%	3.3%
Key information											
Share price year end (/current)	9	11	12	7	10	10	12	9	10	10	10
Market cap.	255	324	341	185	284	278	326	262	291	291	291
Enterprise value	441	548	563	420	521	485	490	511	576	581	560
Diluted no. of shares, year-end (m)	28.2	28.2	28.2	28.2	28.3	28.3	28.3	28.3	28.3	28.3	28.3

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