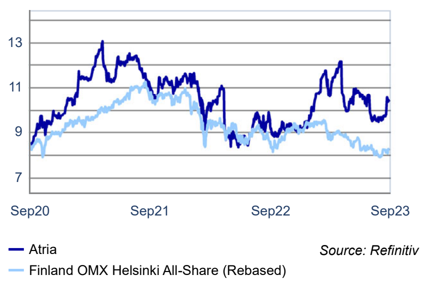
Atria

Consumer Goods
Finland

KEY DATA

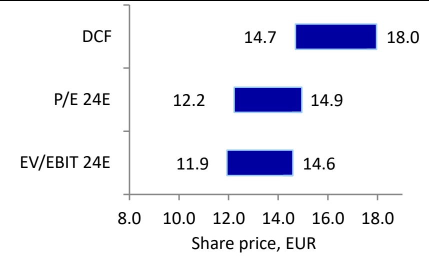
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.40
Free float	42%
Market cap. (bn)	EUR 0.29/EUR 0.29
Website	www.atria.fi
Next report date	24 Oct 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	1%	1%	1%
EBIT (adj)	11%	7%	2%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Broad offering to secure solid volumes

Atria raised its guidance on 11 September and now expects adjusted EBIT to improve in 2023. Commissioning of the new poultry factory is proceeding well, with additional costs being lower than previously anticipated. Moreover, the company noted a better sales structure in Finland, which, to our understanding, reflects relatively lower industrial and export sales. We believe volumes have remained stable in both the Retail and Foodservice channels, and that the company has likely maintained price levels. Uncertainty over 2024 prices remains, but the company should benefit from large investments coming on line in 2023-24. We derive a slightly higher DCF- and multiples-based fair value range of EUR 12.9-15.8 (12.3-15.0).

Guidance raise reflects better-than-anticipated commissioning

Atria raised its guidance on 11 September, with adjusted EBIT to improve in 2023 (previously: to decline). To our understanding, Atria does not have any percentage point thresholds for its guidance. It notes good performance in Finland, mainly on better-than-anticipated commissioning of the new EUR 160m poultry factory and lower costs than expected. The sales structure in Finland has improved y/y, which we believe reflects solid volumes in Retail and Foodservice, even as export and industrial volumes may have declined. We believe Atria has been able to maintain price levels, and stable raw material prices for meat should support profitability. To us, the biggest uncertainty relates to 2024 price levels (the first pricing window in Finland is in February), but a broad offering across channels is likely to secure solid volumes, even amid weaker market conditions. We note investments in Sweden (EUR 35m) and Finland (EUR 160m) that should support profitability from 2024 onwards. We expect the Finland investment to be fully operational in mid-2024, leading to more concentrated operations.

We raise 2023E-24E adjusted EBIT by 7-11%

We raise the 2023E-25E top line by 1% and raise 2023E-24E adjusted EBIT by 7-11% and 2025E by 2%. These higher EBIT estimates reflect lower commissioning costs in Finland, but we note uncertainties over the commissioning of larger units at the new facility, which are likely to become operational towards the end of the year. Sweden continues to be burdened by the weak SEK, but the ramp-up in Sköllersta should support profitability for H2. We expect associated income (Honkajoki) to stabilise at around EUR 2m annually, after EUR 4.9m in 2022 and EUR 3.4m in 2021. We derive a slightly higher fair value range of EUR 12.9-15.8 (12.3-15.0).

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,451	1,504	1,540	1,697	1,801	1,824	1,867
EBITDA (adj)	87	96	106	153	107	116	133
EBIT (adj)	33	40	49	49	52	58	62
EBIT (adj) margin	2.3%	2.6%	3.2%	2.9%	2.9%	3.2%	3.3%
EPS (adj, EUR)	0.60	0.91	0.97	1.54	0.99	1.18	1.31
EPS (adj) growth	2.6%	51.8%	6.4%	58.7%	-35.8%	19.3%	10.7%
DPS (ord, EUR)	0.42	0.50	0.63	0.70	0.70	0.75	0.82
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	11.0	10.0	9.0
P/E (adj)	16.7	10.8	11.9	6.0	10.5	8.8	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%	6.7%	7.2%	7.9%
FCF Yield bef A&D, lease	14.0%	18.9%	7.2%	-33.8%	-3.2%	7.8%	17.0%
Net debt	223	190	152	234	263	260	231
Net debt/EBITDA	2.6	2.0	2.4	2.2	2.5	2.2	1.7
ROIC after tax	3.8%	4.8%	6.5%	6.3%	5.8%	6.1%	6.5%

Source: Company data and Nordea estimates

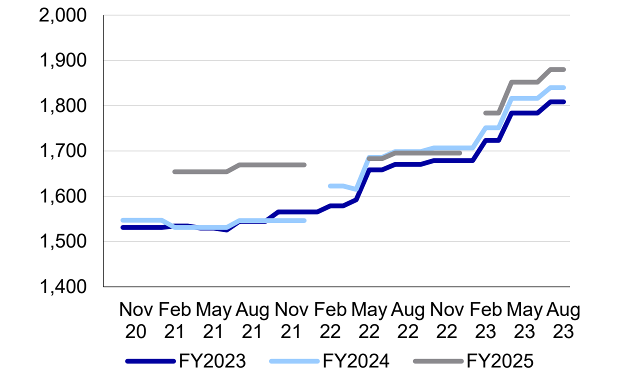
Expectations ahead of the Q3 report

Following the guidance raise on 11 September, we believe that Refinitiv consensus is not fully up to speed. For 2023E-25E, we are 1-5% ahead of consensus on adjusted EBIT, despite our estimate of 1% lower sales.

Consensus expectations

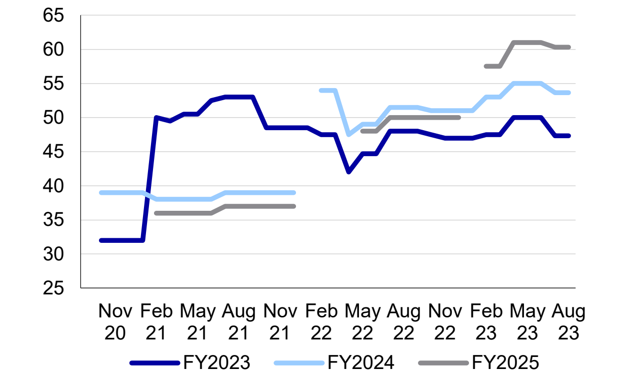
Atria will release its Q3 report on 24 October at 8:00 a.m. EET. Refinitiv consensus' expectations for sales have clearly increased since early 2021 (due to high food cost inflation), similar to EBIT, but we note relatively high adjustment items, which might throw off the estimates.

CONSENSUS SALES ESTIMATES (EURm)



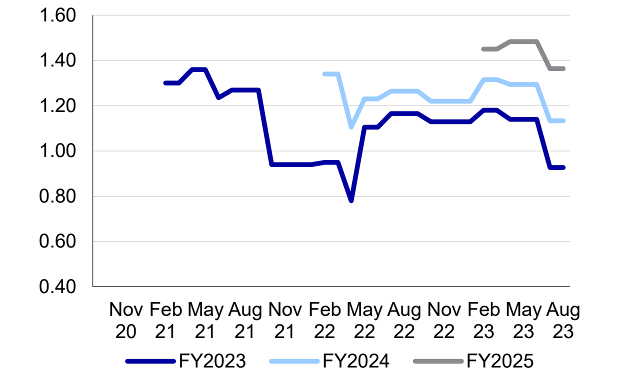
Source: Refinitiv

CONSENSUS EBIT ESTIMATES (EURm)



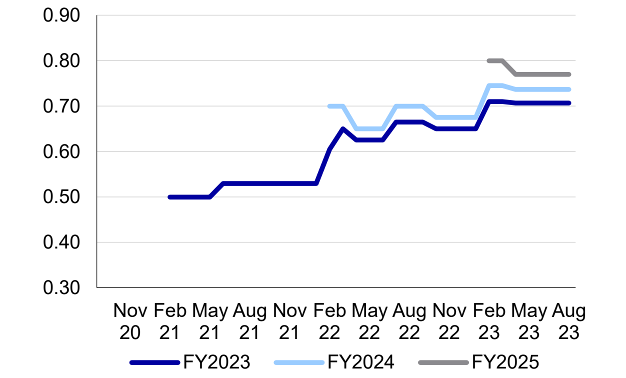
Source: Refinitiv

CONSENSUS EPS ESTIMATES (EUR)



Source: Refinitiv

CONSENSUS DPS ESTIMATES (EUR)



Source: Refinitiv

WE ARE 1-5% AHEAD OF CONSENSUS ON ADJUSTED EBIT

		Nordea estimates				Consensus estimates				Difference %			
EURm	2022	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
Sales	**1,697**	**454**	**1,801**	**1,824**	**1,867**	**460**	**1813**	**1846**	**1886**	**-1%**	**-1%**	**-1%**	**-1%**
Adj. EBIT	**49.0**	**14.2**	**52.3**	**57.7**	**61.8**	**14.4**	**50.7**	**55.0**	**61.3**	**-1%**	**3%**	**5%**	**1%**
Adj. EBIT margin	2.9%	3.1%	2.9%	3.2%	3.3%	3.1%	2.8%	3.0%	3.3%	0.0pp	0.1pp	0.2pp	0.1pp
Adj. EPS	**1.54**	**0.27**	**0.99**	**1.18**	**1.31**	**0.31**	**1.01**	**1.16**	**1.38**	**-12%**	**-2%**	**2%**	**-5%**
DPS	**0.70**		**0.70**	**0.75**	**0.82**		**0.71**	**0.74**	**0.77**		**-1%**	**2%**	**6%**

Source: Refinitiv and Nordea estimates

Estimate revisions

Ahead of the Q3 report, we nudge up the 2023E-25E top line by 1%. We raise 2023E-24E adjusted EBIT by 7-11%, mainly due to ramp-up costs related to the new Finnish poultry unit being lower than previously anticipated. For 2025E, we nudge up EBIT by 2%. We note the weak SEK, which is likely to continue to burden profitability in Sweden in H2. We make minor adjustments to our estimates on associated income (Honkajoki) and expect around a EUR 2m contribution to net profit, after EUR 4.9m in 2022 and EUR 3.4m in 2021 (inflated due to, for example, high global palm oil prices).

ESTIMATE REVISIONS

	New estimates				Old estimates				Difference %			
EURm	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Sales	**454**	**1,801**	**1,824**	**1,867**	**448**	**1,791**	**1,806**	**1,849**	**1%**	**1%**	**1%**	**1%**
Adj. EBIT	**14.2**	**52.3**	**57.7**	**61.8**	**12.3**	**47.0**	**53.7**	**60.3**	**15%**	**11%**	**7%**	**2%**
Adj. EBIT margin	3.1%	2.9%	3.2%	3.3%	2.8%	2.6%	3.0%	3.3%	0.4pp	0.3pp	0.2pp	0.0pp
Adj. EPS, EUR	**0.27**	**0.99**	**1.18**	**1.31**	**0.23**	**0.88**	**1.10**	**1.29**	**19%**	**13%**	**7%**	**1%**
DPS		0.70	0.75	0.82		0.70	0.75	0.80		0%	0%	3%
Divisional sales EURm	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	348	1,375	1,389	1,424	338	1,355	1,362	1,396	3%	1%	2%	2%
Sweden	85	336	343	350	89	345	352	359	-5%	-3%	-3%	-3%
Denmark & Estonia	31	123	125	128	31	123	125	128	0%	0%	0%	0%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-10	-32	-33	-34	-10	-32	-33	-33	1%	1%	1%	1%
Group	**454**	**1,801**	**1,824**	**1,867**	**448**	**1,791**	**1,806**	**1,849**	**1%**	**1%**	**1%**	**1%**
Divisional adj. EBIT	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	13.2	57.0	52.7	55.2	10.5	50.5	48.6	53.7	26%	13%	8%	3%
Sweden	0.9	-3.3	4.1	5.6	1.8	-2.1	4.1	5.6	-47%	58%	0%	0%
Denmark & Estonia	1.1	2.3	4.7	4.8	1.1	2.3	4.7	4.8	0%	0%	0%	0%
Unallocated	-1.0	-3.7	-3.7	-3.8	-1.0	-3.7	-3.7	-3.8	0%	0%	0%	0%
Group	**14.2**	**52.3**	**57.7**	**61.8**	**12.3**	**47.0**	**53.7**	**60.3**	**15%**	**11%**	**7%**	**2%**
Divisional sales growth	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	6%	9%	1%	2%	3%	7%	0%	2%	3.0pp	1.6pp	0.5pp	0.0pp
Sweden	-8%	-6%	2%	2%	-3%	-3%	2%	2%	-4.6pp	-2.5pp	0.0pp	0.0pp
Denmark & Estonia	8%	9%	2%	2%	8%	9%	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	**3%**	**6%**	**1%**	**2%**	**2%**	**6%**	**1%**	**2%**	**1.2pp**	**0.6pp**	**0.4pp**	**0.0pp**
EBIT margin	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**	**Q3 2023E**	**2023E**	**2024E**	**2025E**
Finland	3.8%	4.1%	3.8%	3.9%	3.1%	3.7%	3.6%	3.8%	0.7pp	0.4pp	0.2pp	0.0pp
Sweden	1.1%	-1.0%	1.2%	1.6%	2.0%	-0.6%	1.2%	1.5%	-0.9pp	-0.4pp	0.0pp	0.0pp
Denmark & Estonia	3.6%	1.9%	3.8%	3.8%	3.6%	1.9%	3.8%	3.8%	0.0pp	0.0pp	0.0pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**3.1%**	**2.9%**	**3.2%**	**3.3%**	**2.8%**	**2.6%**	**3.0%**	**3.3%**	**0.4pp**	**0.3pp**	**0.2pp**	**0.0pp**

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 12.9-15.8 (12.3-15.0) per share for Atria.

DCF valuation yields EUR 14.7-18.0 per share

The outcome of our DCF valuation is EUR 14.7-18.0 (13.8-16.9) per share. We use a WACC of 7.4-8.3%, assuming a terminal growth rate of 1.5% and an EBIT margin of 3%.

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	635-727	22.5-25.7
(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	29	1.0
DCF Value	**415-508**	**14.7-18**

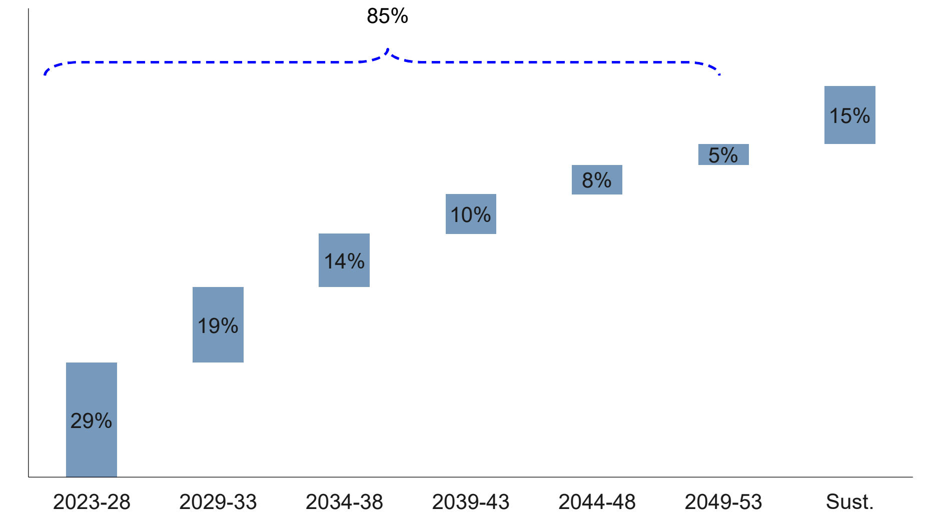
Source: Nordea estimates

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 associate:	3.3%	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	95.5%	0.5%	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 12.6-20.5 per share.

- A +/-0.5 pp sales growth change translates to a change of +/-6% in the fair value
- A +/-0.5 pp EBIT margin change translates into a change of +/-18% 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**	25.1	23.6	22.2	20.9	19.7
	0.5pp	21.8	20.5	19.3	18.1	17.1
	0.0pp	18.5	17.4	16.3	15.4	14.5
	-0.5pp	15.2	14.3	13.4	12.6	11.9
	-1.0pp	11.9	11.1	10.5	9.8	9.2

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.3%	**7.5%**	**7.8%**	**8.0%**	**8.3%**
Sales gr. change	**1.0pp**	21.0	19.7	18.5	17.4	16.3
	0.5pp	19.7	18.5	17.4	16.3	15.4
	0.0pp	18.5	17.4	16.3	15.4	14.5
	-0.5pp	17.4	16.3	15.4	14.5	13.7
	-1.0pp	16.3	15.4	14.5	13.7	12.9

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**	19.7	20.9	22.2	23.6	25.2
	0.5pp	17.1	18.1	19.3	20.5	21.8
	0.0pp	14.5	15.4	16.3	17.4	18.5
	-0.5pp	11.9	12.6	13.4	14.2	15.2
	-1.0pp	9.3	9.9	10.5	11.1	11.8

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 11.9-14.6 by taking 2024E adjusted EBIT of EUR 57.7m, multiplying it by the accepted multiple range of 10.4-11.7x and deducting our 2023 net debt assumption of EUR 263m (including IFRS 16 lease liabilities). Similarly, we derive a P/E valuation range of EUR 11.9-14.6 by taking 2024E adjusted EPS of EUR 1.18 and multiplying it by an accepted multiple range of 10.4-12.7x.

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	12.5	79	64	17.4	10.7	10.7	10.7	24.0	13.9	15.1	15.8	4.8%	4.8%
Bell Food Group Ag	Switzerland	265.0	1,746	2,615	15.9	15.2	15.0	14.5	11.3	12.6	12.7	12.5	2.6%	2.6%
Cranswick Plc	UK	3,572.0	2,238	2,356	14.6	12.7	11.7	11.1	17.9	17.0	16.2	15.0	2.3%	2.4%
Hkscan Oyj	Finland	0.8	71	454		19.7	15.6	13.0			76.5	8.5	0.0%	0.0%
Raisio Oyj	Finland	2.1	326	289	17.3	13.2	11.4	10.2	32.5	18.6	15.8	14.1	6.8%	6.8%
Scandi Standard Ab (Publ)	Sweden	51.1	284	453	16.9	12.6	12.2	10.8	22.9	13.6	13.2	11.0	3.2%	4.8%
Societe Ldc Sa	France	122.5	2,158	1,784	5.8	5.7	5.4	5.2	9.3	8.9	8.6	8.2	2.3%	2.4%
What'S Cooking Group Nv	Belgium	75.4	140	215	22.6		9.7	7.4	24.4	15.1	9.0	6.6	5.3%	6.1%
Average			880	1,029	15.8	12.8	11.5	10.3	20.3	14.2	20.9	11.5	3.4%	3.7%
Median			305	453	16.9	12.7	11.5	10.8	22.9	13.9	14.1	11.7	2.9%	3.7%
Atria (NDA)		**10.5**	**296**	**530**	**10.8**	**10.7**	**9.6**	**8.5**	**6.0**	**10.6**	**8.9**	**8.0**	**6.7%**	**7.2%**

Source: Refinitiv and Nordea estimates (as of market close on 15 September)

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%	0.1%	-2.7%	2.3%	2.0%	3.3%	3.4%	3.3%	3.3%	5.8%	5.3%	5.0%
Bell Food Group Ag	13.2%	7.8%	2.4%	2.5%	3.7%	3.6%	3.6%	3.6%	8.9%	0.0%	0.0%	0.0%
Cranswick Plc	10.3%	11.6%	6.1%	3.8%	6.3%	6.4%	6.6%	6.7%	13.9%	12.4%	12.1%	12.2%
Hkscan Oyj	8.9%	-1.8%	2.0%		0.0%	1.2%	1.5%	1.7%	-3.1%	-3.8%	-0.2%	1.5%
Raisio Oyj	-9.7%	-2.6%	5.8%	5.7%	7.5%	10.1%	11.1%	11.8%	4.6%	6.8%	8.0%	9.1%
Scandi Standard Ab (Pul	14.3%	-1.9%	2.7%	4.0%	2.4%	3.3%	3.3%	3.5%	6.2%	10.8%	11.0%	11.5%
Societe Ldc Sa	14.6%	8.0%	3.5%	2.9%	5.4%	5.1%	5.2%	5.3%	12.1%	11.9%	11.5%	11.0%
What'S Cooking Group N	12.1%	7.5%	3.3%		1.2%	1.6%	2.6%	3.3%	3.5%	5.7%	10.7%	13.6%
Average	3.5%	3.6%	2.9%	3.5%	3.6%	4.3%	4.6%	4.9%	6.2%	6.2%	7.3%	8.0%
Median	11.2%	3.8%	3.0%	3.4%	3.1%	3.5%	3.5%	3.6%	5.4%	6.3%	9.4%	10.0%
Atria (NDA)	**10.2%**	**6.2%**	**1.3%**	**2.4%**	**2.9%**	**2.9%**	**3.2%**	**3.3%**	**-1.2%**	**6.2%**	**7.2%**	**7.7%**

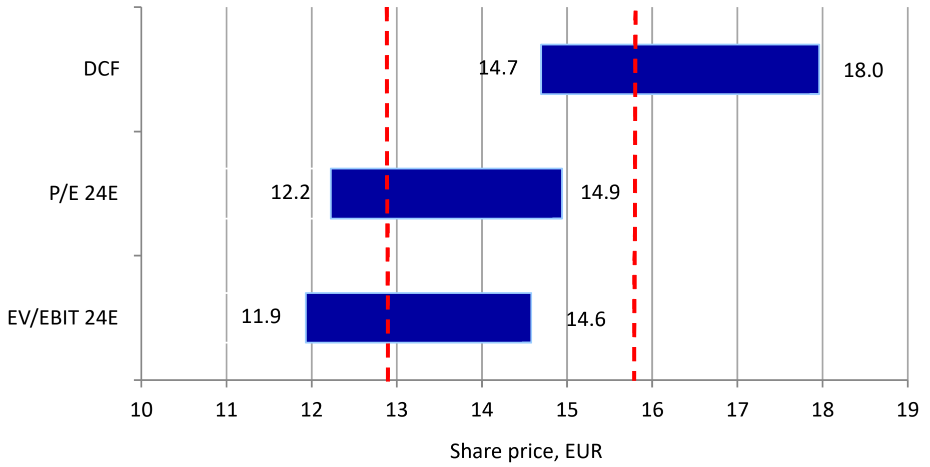
Source: Refinitiv and Nordea estimates (as of market close on 15 September)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 12.9-15.8 (12.3-15.0) per Atria share, as shown by the red dotted lines in the chart below.

Fair value range of EUR 12.9-15.8

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	1,801	1,824	1,867
- sales growth	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	6.2%	1.3%	2.4%
Gross profit	**163**	**164**	**173**	**153**	**163**	**166**	**177**	**169**	**176**	**184**	**190**
- margin	12.2%	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.9%	9.8%	10.1%	10.2%
EBITDA	**76**	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**107**	**116**	**133**
- margin	5.6%	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.9%	6.4%	7.1%
D&A	-47	-47	-46	-45	-54	-57	-57	-104	-55	-58	-71
EBIT reported	28.9	31.8	40.9	28.2	31.1	39.5	6.4	0.2	52.3	57.7	61.8
Adj. EBIT	**36.1**	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**49.0**	**52.3**	**57.7**	**61.8**
- margin	2.7%	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.9%	2.9%	3.2%	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	2	2	2
Adj. PTP	**27.3**	**25.7**	**34.1**	**22.3**	**28.2**	**36.1**	**47.6**	**50.6**	**40.5**	**47.7**	**52.8**
Taxes	-5.5	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.5	-8.5	-9.5	-10.6
Profit before minorities	**14.6**	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**-3.7**	**32.0**	**38.2**	**42.2**
Minorities	-0.8	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-4.0	-4.8	-5.3
Adj. Net Profit	**21.0**	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**43.6**	**28.0**	**33.4**	**37.0**
EPS, excluding NRI (EUR)	**0.74**	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.54**	**0.99**	**1.18**	**1.31**
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	1,375	1,389	1,424
Sweden			307	288	289	332	352	356	336	343	350
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	-34
Group	**1,340**	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,801**	**1,824**	**1,867**
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	57.0	52.7	55.2
Sweden			1.0	-7.1	-4.6	0.8	2.7	2.3	-3.3	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**	**52.3**	**57.7**	**61.8**
Divisional sales growth	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Finland	-2%	0%	6%	3%	1%	3%	4%	14%	9%	1%	2%
Sweden			n.a.	-6%	0%	15%	6%	1%	-6%	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%	4.1%	3.8%	3.9%
Sweden			0.3%	-2.5%	-1.6%	0.2%	0.8%	0.6%	-1.0%	1.2%	1.6%
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%**	**2.9%**	**3.2%**	**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	454	462
- sales growth	1.3%	5.7%	1.4%	1.2%	3.7%	11.5%	13.1%	11.8%	14.2%	5.9%	3.4%	2.5%
Gross profit	**38.1**	**45.4**	**48.7**	**43.9**	**31.6**	**46.5**	**41.9**	**48.7**	**42.0**	**41.6**	**43.1**	**48.9**
- margin	10.5%	11.7%	12.6%	10.9%	8.4%	10.8%	9.5%	10.8%	9.8%	9.1%	9.5%	10.6%
EBITDA	**21.9**	**-18.7**	**33.5**	**26.6**	**15.8**	**28.9**	**29.4**	**30.0**	**23.8**	**23.1**	**27.9**	**32.3**
- margin	6.1%	-4.8%	8.6%	6.6%	4.2%	6.7%	6.7%	6.6%	5.6%	5.1%	6.2%	7.0%
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	14.2	17.3
Adj. EBIT	**6.5**	**12.5**	**19.7**	**10.3**	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**14.2**	**17.3**
- margin	1.8%	3.2%	5.1%	2.6%	0.6%	3.2%	3.7%	3.7%	2.5%	2.2%	3.1%	3.7%
Net finance	-2.3	-0.4	-1.4	-0.9	-0.9	-0.7	-0.3	-1.5	-3.2	-3.7	-3.7	-3.7
Associated companies	0.8	1.1	1.0	0.6	1.4	2.1	2.2	-0.8	1.1	0.5	0.4	0.4
Adj. PTP	5.0	13.2	19.3	10.0	2.9	15.2	18.1	14.4	8.9	6.7	10.9	14.0
Taxes	-0.9	-2.9	-4.2	-2.2	-0.2	-3.1	-2.4	0.2	-2.0	-1.6	-2.2	-2.7
Profit before minorities	**4.1**	**-34.8**	**15.1**	**10.2**	**2.7**	**14.2**	**16.0**	**-36.6**	**6.9**	**5.1**	**8.7**	**11.3**
Minorities	-0.4	-0.3	-0.4	-0.5	-0.2	-0.6	0.5	-1.2	-0.5	-1.3	-1.0	-1.2
Adj. Net Profit	**3.7**	**10.0**	**14.7**	**7.3**	**2.5**	**11.5**	**16.2**	**13.4**	**6.4**	**3.8**	**7.7**	**10.1**
EPS, excluding NRI (EUR)	**0.13**	**0.35**	**0.52**	**0.26**	**0.09**	**0.41**	**0.57**	**0.47**	**0.23**	**0.13**	**0.27**	**0.36**
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	348	359
Sweden	77	88	94	93	82	95	93	86	82	88	85	81
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**	**454**	**462**
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	13.2	16.2
Sweden	-1.2	0.3	3.0	0.6	-0.9	0.7	3.4	-0.9	-3.3	-2.1	0.9	1.2
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**	**14.2**	**17.3**
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%	6%	4%
Sweden	-2%	12%	4%	9%	7%	8%	-2%	-7%	0%	-8%	-8%	-6%
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%**	**3%**	**2%**
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%	3.8%	4.5%
Sweden	-1.6%	0.3%	3.2%	0.6%	-1.1%	0.7%	3.7%	-1.0%	-4.0%	-2.4%	1.1%	1.4%
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%**	**3.1%**	**3.7%**

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 Sweden causes additional uncertainty, although it does not have a direct impact on Atria as the company does not have significant export business in the the country. An outbreak of animal diseases in Atria's operating countries, especially in Finland, could have a substantial effect on its short-term sales and profits.

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**	**1,801**	**1,824**	**1,867**
Revenue growth	-6.0%	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	6.2%	1.3%	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	107	116	133
Depreciation and impairments PPE	-47	-47	-46	-45	-54	-57	-57	-104	-55	-58	-71
of which leased assets	0	0	0	0	-9	-9	-9	-16	-8	-9	-9
EBITA	22	32	41	28	31	40	6	0	52	58	62
Amortisation and impairments	7	0	0	0	0	0	0	0	0	0	0
EBIT	29	32	41	28	31	40	6	0	52	58	62
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	2	2	2
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**	**40**	**48**	**53**
Reported taxes	-5	-7	-7	-5	-9	-13	-10	-6	-9	-10	-11
Net profit from continued operations	15	20	28	18	17	24	-5	-4	32	38	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	-5	-5
Net profit to equity	14	18	26	17	15	22	-7	-5	28	33	37
EPS, EUR	**0.49**	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.19**	**0.99**	**1.18**	**1.31**
DPS, EUR	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.70	0.75	0.82
of which ordinary	0.40	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.70	0.75	0.82
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%	5.9%	6.4%	7.1%
EBITA	1.6%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	2.9%	3.2%	3.3%
EBIT	2.2%	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	2.9%	3.2%	3.3%
Adjusted earnings											
EBITDA (adj)	76	78	86	74	87	96	106	153	107	116	133
EBITA (adj)	29	31	40	28	33	40	49	49	52	58	62
EBIT (adj)	36	31	40	28	33	40	49	49	52	58	62
EPS (adj, EUR)	0.74	0.63	0.87	0.59	0.60	0.91	0.97	1.54	0.99	1.18	1.31
Adjusted profit margins in percent											
EBITDA (adj)	5.6%	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	9.0%	5.9%	6.4%	7.1%
EBITA (adj)	2.2%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.9%	3.2%	3.3%
EBIT (adj)	2.7%	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.9%	3.2%	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%	4.6%	4.7%	4.4%
EBITDA	2.5%	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	3.7%	7.8%	6.3%	6.6%
EBIT	24.3%	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-65.5%	13.2%	13.2%	9.4%
EPS	n.m.	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	11.1%	17.4%	11.2%
DPS	9.9%	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	7.0%	11.8%	12.3%	10.4%
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%	1.9%	2.0%
Average EBITDA margin	5.8%	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	5.7%	5.8%	6.0%

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	10.5	8.8	8.0
EV/EBITDA (adj)	5.8	7.0	6.6	5.7	6.0	5.0	4.6	3.3	5.4	5.0	4.2
EV/EBITA (adj)	15.2	17.5	14.3	14.9	15.7	12.3	10.0	10.4	11.0	10.0	9.0
EV/EBIT (adj)	12.2	17.5	14.3	14.9	15.7	12.3	10.0	10.4	11.0	10.0	9.0

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.	10.5	8.8	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	5.4	5.0	4.2
EV/EBITA	20.3	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	11.0	10.0	9.0
EV/EBIT	15.2	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	11.0	10.0	9.0
Dividend yield (ord.)	4.4%	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	7.6%	6.7%	7.2%	7.9%
FCF yield	26.8%	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-18.6%	-0.3%	10.8%	20.1%
FCF Yield bef A&D, lease adj	15.9%	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-33.8%	-3.2%	7.8%	17.0%
Payout ratio	53.7%	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.4%	70.7%	63.5%	62.7%

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	566	565
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	22	24	26
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	765	789	791
Inventory	81	90	93	106	110	103	110	153	144	137	131
Accounts receivable	101	109	114	105	107	106	108	135	144	145	149
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	32	45	44
Total current assets	190	208	214	219	235	248	295	332	333	341	337
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**	**1,098**	**1,130**	**1,128**
Shareholders equity	400	410	419	415	420	423	455	449	458	471	487
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	24	29
Total Equity	405	422	431	428	434	439	468	464	477	495	516
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	277	281	287
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	289	292	299
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**	**1,098**	**1,130**	**1,128**
Balance sheet and debt metrics											
Net debt	194	212	210	222	223	190	152	234	263	260	231
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	739	780	796	788
Capital employed	604	640	645	656	663	657	678	730	772	801	792
ROE	3.4%	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-1.2%	6.2%	7.2%	7.7%
ROIC	4.4%	3.8%	4.8%	3.3%	3.8%	4.8%	6.5%	6.3%	5.8%	6.1%	6.5%
ROCE	5.8%	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.7%	7.3%	7.6%	8.0%
Net debt/EBITDA	2.8	2.7	2.4	3.0	2.6	2.0	2.4	2.2	2.5	2.2	1.7
Interest coverage	3.1	5.0	5.6	4.5	5.6	8.8	1.3	0.1	3.7	4.8	5.6
Equity ratio	46.8%	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	41.7%	41.7%	43.2%
Net gearing	48.0%	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	50.3%	55.2%	52.5%	44.8%

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**	**107**	**116**	**133**
Paid taxes	-4	-6	-10	-1	-9	-9	-15	-7	-9	-10	-11
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**	**84**	**94**	**111**
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**	**100**	**103**	**120**
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**	**-1**	**32**	**59**
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	-1	32	59
Free cash flow bef A&D, lease adj	40	22	11	3	40	53	24	-89	-9	23	50
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	1	13	-1
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%	5.6%	3.9%	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	294	294	294
Enterprise value	441	548	563	420	521	485	490	511	576	578	554
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

Source: Company data and Nordea estimates

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Completion Date

18 Sep 2023, 21:45 CET

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