Nordea

Commissioned Equity Research

Flash comment

15 November 2023

Commissioned research: Atria – New efficiency programme targets EUR 2.5m annual cost savings in Sweden

Marketing material commissioned by Atria

Atria Sweden is planning an efficiency programme in Sweden. High raw material costs, inflation, weak SEK and tough pricing negotiations with the trade are affecting Atria Sweden's performance. The company aims to layoff approximately 35 employees and targets EUR 2.5m annual cost savings that would start to materialise during Q2 2024. The company announced restructuring its Swedish operations in 2021 and has now completed the investment phase which targeted EUR 3.5m annual cost savings. For 2024E, we have modelled Atria Sweden adjusted EBIT of EUR 3.7m (1.1% adjusted EBIT margin). Based on our estimates, Atria Sweden accounts for 6% of group adjusted EBIT in 2024E. We view the announcement as a logical step after the investment phase, while we do not expect any material consensus revisions following the announcement.

ATRIA: OUR ESTIMATES VS. CONSENSUS

	Nordea estimates					Consensus estimates				Difference %			
EURm	**2022**	**Q4 2023E**	**2023E**	**2024E**	**2025E**	**Q4 2023E**	**2023E**	**2024E**	**2025E**	**Q4 2023E**	**2023E**	**2024E**	**2025E**
Sales	**1,697**	**441**	**1,755**	**1,764**	**1,819**	**448**	**1763**	**1793**	**1836**	**-2%**	**0%**	**-2%**	**-1%**
Adj. EBIT	**49.0**	**16.4**	**56.6**	**59.5**	**64.2**	**16.4**	**56.7**	**58.3**	**63.0**	**0%**	**0%**	**2%**	**2%**
Adj. EBIT margin	2.9%	3.7%	3.2%	3.4%	3.5%	3.7%	3.2%	3.3%	3.4%	0.1pp	0.0pp	0.1pp	0.1pp
Adj. EPS	**1.54**	**0.31**	**1.14**	**1.23**	**1.37**	**0.35**	**1.17**	**1.25**	**1.41**	**-11%**	**-3%**	**-2%**	**-3%**
DPS	**0.70**		**0.70**	**0.75**	**0.82**		**0.71**	**0.74**	**0.78**		**-1%**	**2%**	**6%**

Source: Company data, Refinitiv and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Total revenue	1,504	1,540	1,697	1,755	1,764	1,819
EBITDA (adj)	96	106	153	114	127	131
EBIT (adj)	40	49	49	57	60	64
EBIT (adj) margin	2.6%	3.2%	2.9%	3.2%	3.4%	3.5%
EPS (adj, EUR)	0.91	0.97	1.54	1.14	1.23	1.37
EPS (adj) growth	51.8%	6.4%	58.7%	-26.3%	8.0%	11.5%
DPS (ord, EUR)	0.50	0.63	0.70	0.70	0.75	0.82
EV/Sales	0.3	0.3	0.3	0.3	0.3	0.3
EV/EBIT (adj)	12.3	10.0	10.4	10.2	9.6	8.6
P/E (adj)	10.8	11.9	6.0	9.3	8.6	7.8
P/BV	0.7	0.7	0.6	0.6	0.6	0.6
Dividend yield (ord)	5.1%	5.5%	7.6%	6.6%	7.1%	7.7%
FCF Yield bef A&D, lease adj	18.9%	7.2%	-33.8%	-1.0%	10.6%	15.3%
Net debt	190	152	234	257	245	220
Net debt/EBITDA	2.0	2.4	2.2	2.3	1.9	1.7
ROIC after tax	4.8%	6.5%	6.3%	6.4%	6.4%	6.8%

Source: Company data and Nordea estimates

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