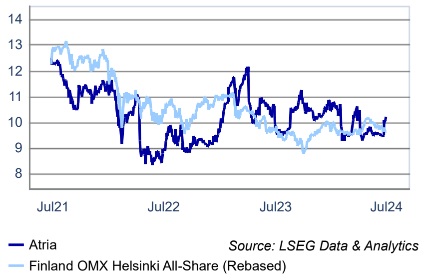
Atria

Consumer Goods
Finland

KEY DATA

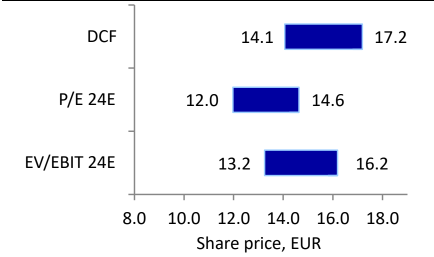
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.25
Free float	42%
Market cap. (bn)	EUR 0.29/EUR 0.29
Website	www.atria.fi
Next report date	23 Oct 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	0%	0%
EBIT (adj)	6%	4%	3%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Strong performance set to continue

Atria's Q2 EBIT beat LSEG Data & Analytics consensus clearly. All divisions improved profitability, led by Finland, where the ramp-up of the new poultry unit has been completed without any surprises. Given its strong market position in Finland, we believe the company can continue to deliver in H2 and beyond, while improvement in Sweden could give further support to earnings growth. We raise our 2024-26 EBIT estimates by 3-6% and nudge up our DCF- and multiples-based fair value range to EUR 13.1-16.0 (12.9-15.7).

Q2 profitability clearly above expectations

Atria's Q2 EBIT of EUR 18.4m came in 47% above LSEG consensus and 28% above our estimate. Sales declined slightly y/y and were largely in line with expectations. The new poultry unit ramp-up has been successful, which, combined with increasing poultry demand, could support Finland's earnings growth, going forward. In Sweden, profitability improvement continues after the centralisation of production and changes in the organisational structure, while we note faster growth for the company than the market. In Estonia, strong performance continued, while in Denmark, we believe Atria needs higher volumes via a new production line in early 2025. After the large investment, the company is likely focusing on cash flows, while we see room for bolt-on acquisitions, especially in Sweden.

We raise 2024E-26E EBIT by 3-6%

After the Q2 beat, we raise 2024E-26E EBIT by 3-6%. We model an 18% adjusted EBIT increase for 2024 and a further 10% improvement in 2025, with support from the new poultry unit and improving performance in Sweden. Atria's guidance (raised on 12 July) is for its adjusted EBIT to improve in 2024. Trade tensions between the EU and China could have an impact on Atria's sales and profitability, though we note sales to China account for only about 1% of group sales based on our estimates.

Fair value range of EUR 13.1-16.0

Using our DCF- and multiples-based valuation methods, we derive a slightly higher fair value range of EUR 13.1-16.0 (12.9-15.7) per share. Following the completion of the new poultry unit and profit improvement measures in Sweden, we believe Atria is well positioned for a clear profitability uplift. After the investment period, cash flows are also likely to strengthen markedly, supporting increasing shareholder remuneration.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	1,504	1,540	1,697	1,753	1,762	1,820	1,857
EBITDA (adj)	96	106	102	109	121	129	134
EBIT (adj)	40	49	49	50	59	65	69
EBIT (adj) margin	2.6%	3.2%	2.9%	2.8%	3.3%	3.5%	3.7%
EPS (adj, EUR)	0.91	0.97	1.54	1.04	1.11	1.32	1.48
EPS (adj) growth	51.8%	6.4%	58.7%	-32.5%	6.6%	18.7%	12.4%
DPS (ord, EUR)	0.50	0.63	0.70	0.60	0.65	0.72	0.77
EV/Sales	0.3	0.3	0.3	0.3	0.3	0.3	0.3
EV/EBIT (adj)	12.3	10.0	10.4	12.0	9.8	8.4	7.7
P/E (adj)	10.8	11.9	6.0	10.1	9.2	7.8	6.9
P/BV	0.7	0.7	0.6	0.8	0.7	0.7	0.7
Dividend yield (ord)	5.1%	5.5%	7.6%	5.7%	6.3%	7.0%	7.5%
FCF Yield bef A&D, lease	18.9%	7.2%	-31.1%	-8.4%	13.4%	18.5%	15.8%
Net debt	190	152	234	273	259	224	198
Net debt/EBITDA	2.0	2.4	2.2	2.7	2.1	1.7	1.5
ROIC after tax	4.8%	6.4%	6.3%	5.7%	6.6%	7.4%	7.9%

Source: Company data and Nordea estimates

Q2 deviation and estimate revisions

Strong Q2 profitability driven by all divisions

Q2 EBIT clearly beat consensus...

Atria reported Q2 adjusted EBIT of EUR 18.4m, 47% (EUR 5.9m) above LSEG Data & Analytics consensus. Q2 net sales of EUR 454m were down 1% y/y and came in 1% above consensus. The Q2 EBIT beat versus our estimate came from Finland and Sweden, while Denmark & Estonia was largely in line.

In Finland, sales declined due to lower feed sales and foodservice sales, while Q2 benefitted from a shift of export sales from Q1. Sweden profitability continued to improve, driven by the centralisation of production last year and a streamlining of the organisational structure. Fierce price competition in Denmark continued, while Estonia sales increased and profitability improved.

Operating cash flow was EUR 47m (EUR 45m a year ago).

...which led to higher guidance ahead of the report

Atria raised its guidance on 12 July and now expects 2024 adjusted EBITA to increase from EUR 49.6m in 2023 (earlier: "to decline"). Consensus has modelled a EUR 52.7m decline, i.e. -6%. The company notes risks related to a potential increase in tariffs for food exports to China.

Atria Finland profitability clearly above our expectations

Finland EBIT came in clearly above our expectations...

- Finland net sales of EUR 336m were down 3% y/y and came in 1% below our expectation. Net sales declined due to lower feed and foodservice sales, while export sales increased due to a shift from Q1.
- Adjusted EBIT was EUR 17.1m, 32% above our estimate of EUR 12.9m. Atria Finland benefitted from a favourable sales structure, a good start to the summer season, and savings and efficiency programmes. The closure of the old poultry unit in Sahalahti also supported earnings.
- Atria's supplier share remained stable.

Atria Sweden back to growth mode – profitability above our expectations

...while Sweden's performance continued to improve

- Sweden's net sales were EUR 94m, up 7% y/y and 6% above our estimate. Atria's market shares remained stable.
- Adjusted EBIT of EUR 1.6m was well above our estimate of EUR 1.1m.
- Atria Sweden benefitted from the centralisation of production at Sköllersta and the streamlining of the organisational structure.

Atria Denmark & Estonia EBIT in line with our expectations

Denmark took a step back due to lower volumes, while Estonia continued to grow

- Denmark & Estonia net sales were EUR 32m, up 2% y/y and 1% below our expectation. In Denmark, sales were weighed down by lower volumes for retail. In Estonia, the company continued to improve its market share with increasing sales to retail customers.
- Adjusted EBIT was EUR 1.5m, in line with our estimate.

DEVIATION TABLE

EURm	Actual Q2 2024	NDA est. Q2 2024E	Deviation vs. actual		Consensus Q2 2024E	Deviation vs. actual		Actual Q1 2024	q/q	Actual Q2 2023	y/y
Sales	**454**	**452**	**2**	**0%**	**450**	**4**	**1%**	**417**	**9%**	**457**	**-1%**
Adj. EBIT	**18.4**	**14.3**	**4.1**	**28%**	**12.5**	**5.9**	**47%**	**8.0**	**130%**	**9.9**	**86%**
Adj. EBIT margin	4.1%	3.2%	0.9pp	0.9pp	2.8%	1.3pp		1.9%	2.1pp	2.2%	1.9pp
Adj. EPS, EUR	**0.39**	**0.26**	**0.13**	**52%**	**0.23**	**0.16**	**72%**	**0.10**	294%	**0.13**	190%
Divisional sales, EURm											
Finland	336.1	338.5	-2	-1%				310	8%	345	-3%
Sweden	93.8	88.2	6	6%				82	14%	88	7%
Denmark & Estonia	32.1	32.3	0	-1%				31	5%	31	2%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	0	n.m.
Group eliminations	-7.7	-6.6	-1	17%				-6	33%	-7	4%
Group	**454.3**	**452.4**	**1.9**	**0%**				**417**	**9%**	**457**	**-1%**
Divisional adj. EBIT, EURm											
Finland	17.1	12.9	4.2	32%				7.2	138%	12.7	35%
Sweden	1.6	1.1	0.5	42%				0		-2.1	-176%
Denmark & Estonia	1.5	1.5	0.0	1%				1.4	7%	0.6	n.m.
Group eliminations	-1.7	-1.2	-0.5	42%				-0.6	183%	-1.3	31%
Group	**18.4**	**14.3**	**4.1**	**28%**				**8**	**130%**	**9.9**	**86%**

Source: Company data, LSEG Data & Analytics and Nordea estimates

2024 guidance was raised ahead of the report

Atria raised its guidance on 12 July, and now expects adjusted EBIT to increase in 2024 after EUR 49.6m in 2023 (earlier: "to decline"). Prior to the Q2 report, LSEG Data & Analytics consensus was for adjusted EBIT of EUR 52.7m in 2024, i.e. a 6% adjusted EBIT increase for 2024.

Trade tensions could have an adverse impact

Given the ongoing trade tensions between the EU and China, there are some risks related to Chinese exports, which could weaken the profitability of the Finnish operations if increased tariffs are introduced.

Estimate revisions

We forecast an 18% adjusted EBIT increase for 2024

Following the Q2 report, we leave our top-line estimates intact. We hike 2024E adjusted EBIT by 6% following the Q2 beat. For 2025E-26E, we nudge up adjusted EBIT by 3-4% and continue to expect a clear profitability uplift following the completion of the new poultry unit and turnaround actions in Sweden.

ESTIMATE REVISIONS AFTER THE Q1 REPORT (EURm; DPS IN EUR)

	New estimates				Old estimates				Difference %			
EURm	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Sales	**437**	**1,762**	**1,820**	**1,857**	**441**	**1,767**	**1,826**	**1,862**	**-1%**	**0%**	**0%**	**0%**
Adj. EBIT	**17.1**	**58.7**	**64.6**	**68.7**	**17.2**	**55.3**	**61.8**	**66.9**	**-1%**	**6%**	**4%**	**3%**
Adj. EBIT margin	3.9%	3.3%	3.5%	3.7%	3.9%	3.1%	3.4%	3.6%	0.0pp	0.2pp	0.2pp	0.1pp
Adj. EPS, EUR	**0.34**	**1.11**	**1.32**	**1.48**	**0.35**	**1.04**	**1.26**	**1.45**	**-3%**	**7%**	**4%**	**2%**
DPS		0.65	0.72	0.77		0.65	0.72	0.77		0%	0%	0%
Divisional sales EURm	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	320	1,306	1,352	1,379	327	1,319	1,365	1,392	-2%	-1%	-1%	-1%
Sweden	90	355	367	375	87	346	358	365	3%	3%	3%	3%
Denmark & Estonia	33	127	129	131	33	128	129	132	-1%	-1%	-1%	-1%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-7	-27	-28	-28	-7	-26	-26	-27	0%	4%	4%	4%
Group	**437**	**1,762**	**1,820**	**1,857**	**441**	**1,767**	**1,826**	**1,862**	**-1%**	**0%**	**0%**	**0%**
Divisional adj. EBIT	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	14.8	53.1	57.2	60.4	14.9	49.5	54.8	58.6	-1%	7%	4%	3%
Sweden	2.0	5.2	7.0	7.8	1.9	4.6	5.8	6.9	9%	14%	21%	13%
Denmark & Estonia	1.6	5.3	5.5	5.6	1.6	5.4	5.6	5.7	-3%	-2%	-2%	-2%
Unallocated	-1.3	-4.9	-5.1	-5.2	-1.2	-4.2	-4.3	-4.4	8%	17%	17%	17%
Group	**17.1**	**58.7**	**64.6**	**68.7**	**17.2**	**55.3**	**61.8**	**66.9**	**-1%**	**6%**	**4%**	**3%**
Divisional sales growth	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	-1%	-1%	3%	2%	1%	-1%	3%	2%	-2.0pp	-0.9pp	0.0pp	0.0pp
Sweden	12%	8%	3%	2%	9%	5%	3%	2%	3.4pp	2.8pp	0.0pp	0.0pp
Denmark & Estonia	2%	4%	1%	2%	3%	5%	1%	2%	-1.0pp	-0.7pp	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%**	**1%**	**3%**	**2%**	**3%**	**1%**	**3%**	**2%**	**-0.9pp**	**-0.3pp**	**0.0pp**	**0.0pp**
EBIT margin	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	4.6%	4.1%	4.2%	4.4%	4.5%	3.8%	4.0%	4.2%	0.1pp	0.3pp	0.2pp	0.2pp
Sweden	2.2%	1.5%	1.9%	2.1%	2.1%	1.3%	1.6%	1.9%	0.1pp	0.1pp	0.3pp	0.2pp
Denmark & Estonia	4.9%	4.2%	4.3%	4.3%	5.0%	4.2%	4.3%	4.4%	-0.1pp	-0.1pp	-0.1pp	0.0pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**3.9%**	**3.3%**	**3.5%**	**3.7%**	**3.9%**	**3.1%**	**3.4%**	**3.6%**	**0.0pp**	**0.2pp**	**0.2pp**	**0.1pp**

Source: Nordea estimates

Valuation

We derive a fair value range based on the combination of a DCF model and relative multiples. 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 13.1-16.0(12.9-15.7) per share for Atria.

DCF valuation yields EUR 14.1-17.2 per share

The outcome of our DCF valuation is EUR 14.1-17.2 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	671-759	23.7-26.9
(Net debt)	-273	-9.7
Market value of associates	0	0.0
(Market value of minorities)	-22	-0.8
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	22	0.8
DCF Value	**397-486**	**14.1-17.2**

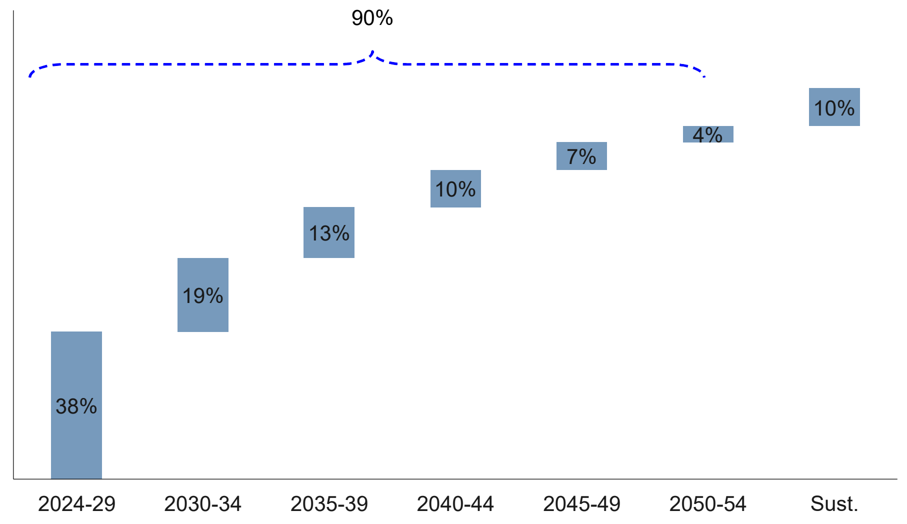
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	**2024-29**	**2030-34**	**2035-39**	**2040-44**	**2045-49**	**2050-54**	**Sust.**
Sales growth, CAGR	2.3%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associate:	3.7%	3.0%	3.0%	3.0%	3.0%	2.0%	
Capex/depreciation, x	1.0	1.0	1.0	1.0	1.0	1.0	
Capex/sales	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
NWC/sales	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCFF, CAGR	7.3%	-0.6%	1.5%	1.5%	1.5%	-7.3%	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 the cost of capital. The sensitivities in our WACC are outlined in the following tables.

When we use sensitivities to changes of ±0.5pp for WACC, ±0.5pp for sales growth, and ±0.5pp for the EBIT margin, our DCF model gives us a value range of EUR 12.1-19.5 per share.

- A +/-0.5pp sales growth change translates to a change of +/-5% in the fair value
- A +/-0.5pp 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	23.8	22.5	21.3	20.1	19.1
	0.5pp	20.6	19.5	18.4	17.5	16.6
	0.0pp	17.4	16.5	15.6	14.8	14.1
	-0.5pp	14.3	13.5	12.8	12.1	11.5
	-1.0pp	11.1	10.5	10.0	9.5	9.0

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.3%	7.5%	7.8%	8.0%	8.3%
Sales gr. change	1.0pp	19.5	18.4	17.4	16.5	15.6
	0.5pp	18.4	17.4	16.5	15.6	14.8
	0.0pp	17.4	16.5	15.6	14.8	14.1
	-0.5pp	16.5	15.6	14.8	14.1	13.4
	-1.0pp	15.7	14.9	14.1	13.4	12.7

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	19.1	20.1	21.3	22.5	23.8
	0.5pp	16.6	17.5	18.4	19.5	20.6
	0.0pp	14.1	14.8	15.6	16.5	17.4
	-0.5pp	11.6	12.2	12.8	13.5	14.2
	-1.0pp	9.1	9.5	10.0	10.5	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 13.2-16.2 by taking 2024E adjusted EBIT of EUR 58.7m, multiplying it by the accepted multiple range of 10.8-12.2x and deducting our 2024 net debt assumption of EUR 259m (including IFRS 16 lease liabilities). We also derive a P/E valuation range of EUR 10.8-13.2, taking 2024E adjusted EPS of EUR 1.11 and multiplying it by an accepted multiple range of 10.8-13.2x.

PEER GROUP VALUATION MULTIPLES (x)

		Price	Mcap	EV	EV/EBIT				P/E				Div yield %	
European peers	**Country**	**Local**	**EURm**	**EURm**	**2023**	**2024E**	**2025E**	**2026E**	**2023**	**2024E**	**2025E**	**2026E**	**2024E**	**2025E**
Apetit Oyj	Finland	13.9	87	82	10.7	10.2	11.7	11.7	8.9	12.3	13.5	13.6	5.4%	5.4%
Bell Food Group Ag	Switzerland	259.5	1,669	2,533	14.6	14.1	14.0	13.1	10.2	11.3	11.5	10.8	2.8%	2.7%
Cranswick Plc	UK	4,600.0	2,948	3,064	15.2	13.8	13.0	12.3	20.4	18.9	17.6	16.6	2.0%	2.1%
Hkfoods Oyj	Finland	0.7	63	297	10.6	15.2	12.6	11.9			15.1	8.5	0.0%	0.0%
Raisio Oyj	Finland	2.0	314	248	10.9	10.8	9.4	8.4	14.9	15.8	14.1	12.7	7.1%	7.1%
Scandi Standard Ab (Publ)	Sweden	73.6	420	569	14.4	12.9	11.7	9.8	18.0	16.0	13.9	10.8	3.6%	4.2%
Societe Ldc Sa	France	146.0	2,565	2,191	6.0	6.2	6.1	5.5	8.6	9.4	8.9	8.1	2.2%	2.2%
What'S Cooking Group Nv	Belgium	75.0	139	200	9.3		6.1	5.9	12.6	8.1	6.4	6.0	6.7%	6.7%
Average			1,026	1,148	11.5	11.9	10.6	9.8	13.4	13.1	12.6	10.9	3.7%	3.8%
Median			367	433	10.8	12.9	11.7	10.7	12.6	12.3	13.7	10.8	3.2%	3.5%
Atria (NDA)		**10.2**	**287**	**560**	**11.3**	**9.3**	**7.9**	**7.1**	**10.1**	**9.2**	**7.7**	**6.9**	**6.4%**	**7.1%**

Source: LSEG Data & Analytics and Nordea estimates (as of market close on 17 July)

PEER GROUP KEY FIGURES

	Sales growth				EBIT margin				ROE			
European peers	**2023**	**2024E**	**2025E**	**2026E**	**2023**	**2024E**	**2025E**	**2026E**	**2023**	**2024E**	**2025E**	**2026E**
Apetit Oyj	-3.5%	-4.8%	3.6%	3.5%	4.3%	4.8%	4.0%	3.9%	9.8%	6.8%	6.1%	6.0%
Bell Food Group Ag	7.5%	2.9%	2.4%	2.3%	3.7%	3.7%	3.6%	3.8%	8.7%	8.5%	7.9%	8.6%
Cranswick Plc	13.5%	7.7%	4.9%	5.2%	6.9%	7.0%	7.1%	7.2%	13.1%	13.8%	13.5%	13.1%
Hkfoods Oyj	-4.6%	-48.1%	3.8%		1.5%	2.0%	2.3%	2.4%	-9.1%	-1.5%	2.3%	3.7%
Raisio Oyj	-1.4%	2.5%	5.3%	5.7%	10.4%	10.2%	11.2%	11.8%	6.7%	7.6%	8.7%	9.4%
Scandi Standard Ab (Pul	-0.3%	-0.6%	4.1%	-2.1%	3.5%	4.0%	4.2%	5.1%	11.4%	12.0%	12.9%	15.0%
Societe Ldc Sa	8.0%	5.2%	4.7%	3.9%	6.0%	5.5%	5.3%	5.6%	14.8%	11.6%	10.8%	11.2%
What'S Cooking Group N	6.5%	2.7%	2.9%		2.6%	3.3%	3.7%	3.8%	6.3%	0.0%	0.0%	0.0%
Average	3.2%	-4.1%	4.0%	3.1%	4.9%	5.1%	5.2%	5.4%	7.7%	7.4%	7.8%	8.4%
Median	3.1%	2.6%	4.0%	3.7%	4.0%	4.4%	4.1%	4.5%	9.3%	8.1%	8.3%	9.0%
Atria (NDA)	**3.3%**	**0.5%**	**3.3%**	**2.0%**	**2.8%**	**3.3%**	**3.5%**	**3.7%**	**-4.7%**	**7.9%**	**9.0%**	**9.7%**

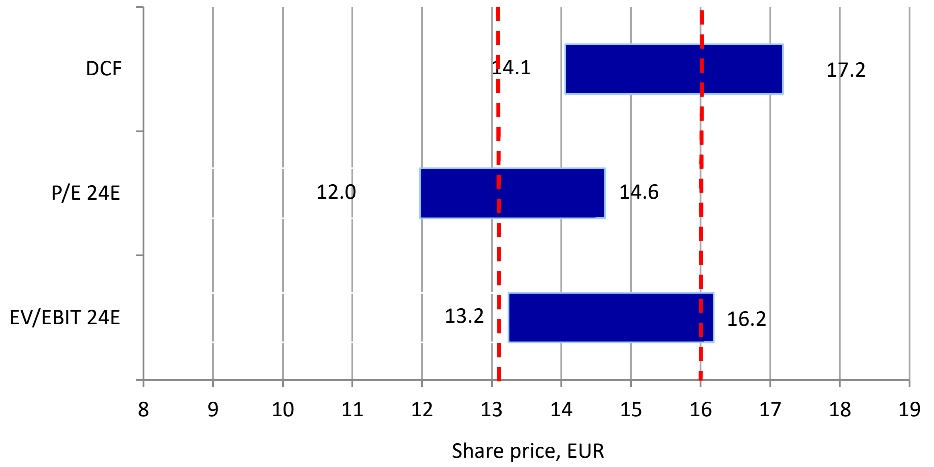
Source: LSEG Data & Analytics and Nordea estimates (as of market close on 17 July)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 13.1-16.0 (12.9-15.7) per Atria share, as shown by the red dotted lines in the chart below.

Fair value range of EUR 13.1-16.0

VALUATION (EUR)



Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES (EURm)

Income statement (EURm)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Sales	1,352	1,436	1,439	1,451	1,504	1,540	1,697	1,753	1,762	1,820	1,857
- sales growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.5%	3.3%	2.0%
Gross profit	**164**	**173**	**153**	**163**	**166**	**177**	**169**	**167**	**189**	**197**	**202**
- margin	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.9%	9.6%	10.8%	10.8%	10.9%
EBITDA	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**100**	**121**	**129**	**134**
- margin	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	6.9%	7.1%	7.2%
D&A	-47	-46	-45	-54	-57	-57	-104	-100	-62	-65	-66
EBIT reported	31.8	40.9	28.2	31.1	39.5	6.4	0.2	0.3	58.7	64.6	68.7
Adj. EBIT	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**49.0**	**49.5**	**58.7**	**64.6**	**68.7**
- margin	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.9%	2.8%	3.3%	3.5%	3.7%
Net finance	-6	-7	-6	-6	-5	-5	-3	-14	-16	-14	-11
Associated companies	1	2	0	1	1	3	5	2	1	2	2
Adj. PTP	**25.7**	**34.1**	**22.3**	**28.2**	**36.1**	**47.6**	**50.6**	**38.1**	**44.2**	**53.1**	**59.7**
Taxes	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.5	-4.2	-8.4	-10.6	-11.9
Profit before minorities	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**-3.7**	**-15.3**	**35.8**	**42.5**	**47.8**
Minorities	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-4.5	-4.5	-5.3	-6.0
Adj. Net Profit	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**43.6**	**29.4**	**31.3**	**37.2**	**41.8**
EPS, excluding NRI (EUR)	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.54**	**1.04**	**1.11**	**1.32**	**1.48**
Divisional sales EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Finland	932	986	1,019	1,034	1,066	1,106	1,265	1,326	1,306	1,352	1,379
Sweden		307	288	289	332	352	356	331	355	367	375
Denmark & Estonia		99	98	97	107	105	113	122	127	129	131
Unallocated	72	86	75	74	52	15	0	0	0	0	0
Group eliminations	-30	-42	-41	-42	-53	-37	-38	-26	-27	-28	-28
Group	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,753**	**1,762**	**1,820**	**1,857**
Divisional operative EBIT	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Finland	24.2	36.3	36.7	40.0	43.1	48.1	49.4	56.0	53.1	57.2	60.4
Sweden		1.0	-7.1	-4.6	0.8	2.7	2.3	-5.7	5.2	7.0	7.8
Denmark & Estonia		5.2	5.3	4.3	5.2	5.1	1.3	2.9	5.3	5.5	5.6
Unallocated	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-4.0	-3.7	-4.9	-5.1	-5.2
Group	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**49.2**	**49.0**	**49.5**	**58.7**	**64.6**	**68.7**
Divisional sales growth	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Finland	0%	6%	3%	1%	3%	4%	14%	5%	-1%	3%	2%
Sweden		n.a.	-6%	0%	15%	6%	1%	-7%	8%	3%	2%
Denmark & Estonia		n.a.	-1%	-1%	11%	-2%	8%	8%	4%	1%	2%
Unallocated	-4%	19%	-12%	-2%	-30%	-72%	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.
Group	**1%**	**6%**	**0%**	**1%**	**4%**	**2%**	**10%**	**3%**	**1%**	**3%**	**2%**
EBIT margin	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Finland	2.6%	3.7%	3.6%	3.9%	4.0%	4.4%	3.9%	4.2%	4.1%	4.2%	4.4%
Sweden		0.3%	-2.5%	-1.6%	0.2%	0.8%	0.6%	-1.7%	1.5%	1.9%	2.1%
Denmark & Estonia		5.3%	5.4%	4.5%	4.9%	4.9%	1.2%	2.4%	4.2%	4.3%	4.3%
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	**2.3%**	**2.8%**	**2.0%**	**2.3%**	**2.6%**	**3.2%**	**2.9%**	**2.8%**	**3.3%**	**3.5%**	**3.7%**

Source: Company data and Nordea estimates

QUARTERLY ESTIMATES (EURm)

Income statement (EURm)	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24E**	**Q4/24E**
Sales	375	432	439	451	428	457	430	438	417	454	437	455
- sales growth	3.7%	11.5%	13.1%	11.8%	14.2%	5.9%	-2.1%	-2.9%	-2.6%	-0.6%	1.7%	3.8%
Gross profit	**31.6**	**46.5**	**41.9**	**48.7**	**42.0**	**41.6**	**45.0**	**38.8**	**38.4**	**52.2**	**48.9**	**49.9**
- margin	8.4%	10.8%	9.5%	10.8%	9.8%	9.1%	10.5%	8.9%	9.2%	11.5%	11.2%	11.0%
EBITDA	**15.8**	**28.9**	**29.4**	**30.0**	**23.8**	**23.1**	**34.4**	**18.9**	**23.0**	**33.5**	**33.1**	**32.0**
- margin	4.2%	6.7%	6.7%	6.6%	5.6%	5.1%	8.0%	4.3%	5.5%	7.4%	7.6%	7.0%
D&A	-14	-13	-13	-65	-13	-13	-15	-59	-15	-15	-16	-16
EBIT reported	2.3	15.9	16.5	-34.5	10.9	9.9	19.4	-39.9	8.0	18.5	17.1	15.8
Adj. EBIT	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**19.4**	**9.3**	**8.0**	**18.5**	**17.1**	**15.8**
- margin	0.6%	3.2%	3.7%	3.7%	2.5%	2.2%	4.5%	2.1%	1.9%	4.1%	3.9%	3.5%
Net finance	-0.9	-0.7	-0.3	-1.5	-3.2	-3.7	-3.2	-3.5	-4.2	-4.2	-3.8	-3.3
Associated companies	1.4	2.1	2.2	-0.8	1.1	0.5	0.8	-0.3	0.1	0.3	0.2	0.4
Adj. PTP	2.9	15.2	18.1	14.4	8.9	6.7	17.0	5.5	3.9	14.6	13.5	12.9
Taxes	-0.2	-3.1	-2.4	0.2	-2.0	-1.6	-2.4	1.8	-0.1	-2.6	-2.7	-3.0
Profit before minorities	**2.7**	**14.2**	**16.0**	**-36.6**	**6.9**	**5.1**	**14.6**	**-41.9**	**3.8**	**12.0**	**10.8**	**9.9**
Minorities	-0.2	-0.6	0.5	-1.2	-0.5	-1.3	-1.4	-1.3	-1.0	-1.0	-1.3	-1.2
Adj. Net Profit	**2.5**	**11.5**	**16.2**	**13.4**	**6.4**	**3.8**	**13.2**	**6.0**	**2.8**	**11.0**	**9.5**	**8.7**
EPS, excluding NRI (EUR)	**0.09**	**0.41**	**0.57**	**0.47**	**0.23**	**0.13**	**0.47**	**0.21**	**0.10**	**0.39**	**0.34**	**0.31**
Divisional sales EURm	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24E**	**Q4/24E**
Finland	274	320	327	344	324	345	324	334	310	336	320	340
Sweden	82	95	93	86	82	88	81	80	82	94	90	89
Denmark & Estonia	26	28	29	29	28	31	32	31	31	32	33	32
Unallocated	0	0	0	0	0	0	0	0	0	0	0	0
Group eliminations	-8	-11	-10	-9	-6	-7	-7	-7	-6	-8	-7	-7
Group	**375**	**432**	**439**	**451**	**428**	**457**	**430**	**438**	**417**	**454**	**437**	**455**
Divisional operative EBIT	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24E**	**Q4/24E**
Finland	3.0	13.4	12.7	20.3	14.9	12.7	19.0	9.4	7.2	17.1	14.8	14.0
Sweden	-0.9	0.7	3.4	-0.9	-3.3	-2.1	0.0	-0.3	0.0	1.6	2.0	1.6
Denmark & Estonia	0.8	0.7	0.7	-0.9	-0.5	0.6	1.5	1.3	1.4	1.5	1.6	1.5
Unallocated	-0.6	-1.0	-0.6	-1.8	-0.2	-1.3	-1.1	-1.1	-0.6	-1.7	-1.3	-1.3
Group	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**19.4**	**9.3**	**8.0**	**18.5**	**17.1**	**15.8**
Divisional sales growth	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24E**	**Q4/24E**
Finland	5%	15%	19%	17%	18%	8%	-1%	-3%	-4%	-3%	-1%	2%
Sweden	7%	8%	-2%	-7%	0%	-8%	-13%	-7%	0%	7%	12%	11%
Denmark & Estonia	6%	6%	7%	11%	8%	11%	10%	4%	9%	2%	2%	4%
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	**4%**	**12%**	**13%**	**12%**	**14%**	**6%**	**-2%**	**-3%**	**-3%**	**-1%**	**2%**	**4%**
EBIT margin	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24E**	**Q4/24E**
Finland	1.1%	4.2%	3.9%	5.9%	4.6%	3.7%	5.9%	2.8%	2.3%	5.1%	4.6%	4.1%
Sweden	-1.1%	0.7%	3.7%	-1.0%	-4.0%	-2.4%	0.0%	-0.4%	0.0%	1.7%	2.2%	1.8%
Denmark & Estonia	3.1%	2.5%	2.4%	-3.1%	-1.8%	1.9%	4.7%	4.2%	4.6%	4.7%	4.9%	4.6%
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%**	**3.2%**	**3.7%**	**3.7%**	**2.5%**	**2.2%**	**4.5%**	**2.1%**	**1.9%**	**4.1%**	**3.9%**	**3.5%**

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 on a lag. Because 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. Current geopolitical tensions could also have a negative impact on the availability of materials such as 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) could 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 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 higher interest rates, we note risks related to possible writedowns of accounts receivable, e.g. if foodservice customers were to face liquidity issues.

Goodwill
Atria has EUR 83m of goodwill on its balance sheet. If there were operational challenges, it could have to make an impairment to its assets. Following writedowns in Denmark and Sweden, the risk of writedowns has decreased, in our view. In the event of possible writedowns, there should only be a limited impact on Atria's balance sheet, however, and an impairment would not have any cash flow impact.

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. In addition, we note an increasing share of private-label products, which could be imported and put pressure on the pricing of branded products and domestically produced private-label products.

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,753**	**1,762**	**1,820**	**1,857**
Revenue growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.5%	3.3%	2.0%
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	79	87	74	85	96	64	104	100	121	129	134
Depreciation and impairments PPE	-47	-46	-45	-54	-57	-57	-104	-100	-62	-65	-66
of which leased assets	0	0	0	-9	-9	-9	-9	-9	-5	-5	-5
EBITA	32	41	28	31	40	6	0	0	59	65	69
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	32	41	28	31	40	6	0	0	59	65	69
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	1	2	0	1	1	3	5	2	1	2	2
Net financials	-6	-7	-6	-6	-5	-5	-3	-14	-16	-14	-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	**26**	**36**	**22**	**26**	**36**	**5**	**2**	**-11**	**44**	**53**	**60**
Reported taxes	-7	-7	-5	-9	-13	-10	-6	-4	-8	-11	-12
Net profit from continued operations	20	28	18	17	24	-5	-4	-15	36	42	48
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-3	-1	-2	-2	-2	-2	-5	-4	-5	-6
Net profit to equity	18	26	17	15	22	-7	-5	-20	31	37	42
EPS, EUR	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.19**	**-0.70**	**1.11**	**1.32**	**1.48**
DPS, EUR	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.60	0.65	0.72	0.77
of which ordinary	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.60	0.65	0.72	0.77
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	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	6.9%	7.1%	7.2%
EBITA	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.3%	3.5%	3.7%
EBIT	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.3%	3.5%	3.7%
Adjusted earnings											
EBITDA (adj)	78	86	74	87	96	106	102	109	121	129	134
EBITA (adj)	31	40	28	33	40	49	49	50	59	65	69
EBIT (adj)	31	40	28	33	40	49	49	50	59	65	69
EPS (adj, EUR)	0.63	0.87	0.59	0.60	0.91	0.97	1.54	1.04	1.11	1.32	1.48
Adjusted profit margins in percent											
EBITDA (adj)	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	6.0%	6.2%	6.9%	7.1%	7.2%
EBITA (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.3%	3.5%	3.7%
EBIT (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.3%	3.5%	3.7%
Performance metrics											
CAGR last 5 years											
Net revenue	0.8%	1.3%	0.4%	0.4%	2.3%	2.6%	3.4%	4.0%	4.0%	3.9%	3.8%
EBITDA	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	3.7%	6.4%	7.2%	6.1%	16.1%
EBIT	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-65.5%	-59.7%	13.5%	10.3%	60.7%
EPS	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	n.m.	15.9%	11.4%	n.m.
DPS	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	7.0%	8.4%	9.1%	7.6%	4.1%
Average last 5 years											
Average EBIT margin	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	1.4%	1.0%	1.3%	1.5%	2.2%
Average EBITDA margin	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	5.7%	5.9%	6.0%	6.6%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	18.2	13.9	11.2	16.7	10.8	11.9	6.0	10.1	9.2	7.8	6.9
EV/EBITDA (adj)	7.0	6.6	5.7	6.0	5.0	4.6	5.0	5.4	4.8	4.2	3.9
EV/EBITA (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	9.8	8.4	7.7
EV/EBIT (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	9.8	8.4	7.7

VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	17.8	13.2	11.2	18.9	12.8	n.m.	n.m.	n.m.	9.2	7.8	6.9
EV/Sales	0.41	0.39	0.29	0.36	0.32	0.32	0.30	0.34	0.33	0.30	0.28
EV/EBITDA	7.0	6.5	5.7	6.1	5.0	7.7	4.9	5.9	4.8	4.2	3.9
EV/EBITA	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	9.8	8.4	7.7
EV/EBIT	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	9.8	8.4	7.7
Dividend yield (ord.)	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	7.6%	5.7%	6.3%	7.0%	7.5%
FCF yield	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-18.6%	-5.4%	12.7%	20.4%	17.7%
FCF Yield bef A&D, lease adj	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-31.1%	-8.4%	13.4%	18.5%	15.8%
Payout ratio	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.4%	57.7%	58.6%	54.7%	52.1%

Source: Company data and Nordea estimates

BALANCE SHEET											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Intangible assets	263	256	249	246	249	240	179	135	137	137	137
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	94	89	87	85	84	78	54	54	54	54	54
of which goodwill	170	167	163	161	165	163	125	81	84	84	84
Tangible assets	405	409	401	423	421	408	489	556	554	550	550
of which leased assets	0	0	0	30	25	22	21	19	19	19	19
Shares associates	14	15	15	15	15	17	20	20	21	23	25
Interest bearing assets	1	1	1	1	1	1	1	1	1	1	1
Deferred tax assets	7	6	5	4	2	2	1	2	2	2	2
Other non-IB non-current assets	11	9	10	5	5	6	18	10	10	10	10
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	701	696	681	694	692	674	708	724	726	724	726
Inventory	90	93	106	110	103	110	153	129	132	127	130
Accounts receivable	109	114	105	107	106	108	135	116	116	120	123
Short-term leased assets	0	0	0	9	9	9	9	5	5	5	5
Other current assets	5	4	3	4	4	4	4	5	5	5	5
Cash and bank	5	3	4	4	27	57	31	10	34	40	35
Total current assets	208	214	219	235	248	288	332	265	293	298	298
Assets held for sale	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**909**	**910**	**900**	**929**	**940**	**961**	**1,040**	**989**	**1,019**	**1,021**	**1,024**
Shareholders equity	410	419	415	420	423	455	449	389	403	422	444
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	12	12	13	14	16	13	15	22	27	32	38
Total Equity	422	431	428	434	439	468	464	411	430	454	482
Deferred tax	49	47	43	41	39	37	36	33	33	33	33
Long term interest bearing debt	178	122	153	141	139	176	232	256	266	236	206
Pension provisions	7	6	6	7	7	7	5	5	5	5	5
Other long-term provisions	0	0	0	1	0	0	1	1	1	1	1
Other long-term liabilities	11	8	7	7	2	3	7	6	6	6	6
Non-current lease debt	0	0	0	25	25	21	21	15	20	20	20
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	245	184	209	221	212	245	302	316	331	301	271
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	200	202	188	211	234	237	261	249	250	258	263
Current lease debt	0	0	0	9	10	10	10	10	5	5	5
Other current liabilities	3	1	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	40	92	75	54	45	3	3	3	3	3	3
Total current liabilities	242	295	262	274	289	249	274	261	258	266	272
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**909**	**910**	**900**	**929**	**940**	**961**	**1,040**	**989**	**1,019**	**1,021**	**1,024**
Balance sheet and debt metrics											
Net debt	212	210	222	223	190	152	234	273	259	224	198
of which lease debt	0	0	0	34	34	31	31	25	25	25	25
Working capital	1	7	27	10	-21	-15	31	1	4	-5	-6
Invested capital	703	703	708	705	670	659	739	725	729	718	720
Capital employed	640	645	656	663	657	678	730	696	725	719	716
ROE	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-1.2%	-4.7%	7.9%	9.0%	9.7%
ROIC	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	6.3%	5.7%	6.6%	7.4%	7.9%
ROCE	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.7%	7.2%	8.4%	9.2%	9.9%
Net debt/EBITDA	2.7	2.4	3.0	2.6	2.0	2.4	2.2	2.7	2.1	1.7	1.5
Interest coverage	5.0	5.6	4.5	5.6	8.8	1.3	0.1	0.0	3.8	4.8	6.2
Equity ratio	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	39.3%	39.6%	41.3%	43.3%
Net gearing	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	50.3%	66.4%	60.2%	49.3%	41.2%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
EBITDA (adj) for associates	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**100**	**121**	**129**	**134**
Paid taxes	-6	-10	-1	-9	-9	-15	-7	-11	-8	-11	-12
Net financials	-4	-8	-6	-6	-5	-2	-3	-14	-16	-14	-11
Change in provisions	0	-1	0	1	0	-1	-1	0	0	0	0
Change in other LT non-IB	5	1	0	5	-2	-1	-7	6	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	-16	-10	-6	-6	-10	50	15	-20	0	0	0
Funds from operations (FFO)	**58**	**59**	**60**	**71**	**71**	**94**	**100**	**62**	**97**	**105**	**111**
Change in NWC	7	6	-13	17	31	-6	-46	31	-3	9	0
Cash flow from operations (CFO)	**65**	**65**	**47**	**89**	**102**	**88**	**54**	**93**	**94**	**114**	**111**
Capital expenditure	-43	-53	-45	-40	-41	-56	-126	-110	-50	-55	-60
Free cash flow before A&D	**22**	**11**	**3**	**48**	**61**	**32**	**-73**	**-16**	**44**	**59**	**51**
Proceeds from sale of assets	6	8	-1	0	0	30	28	1	2	0	0
Acquisitions	-30	0	0	0	-3	0	-4	0	-10	0	0
Free cash flow	-2	19	2	48	58	63	-49	-16	37	59	51
Free cash flow bef A&D, lease adj	22	11	3	40	53	24	-81	-25	39	54	46
Dividends paid	-11	-13	-15	-12	-12	-15	-19	-21	-17	-18	-20
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	15	-3	13	-40	-13	-5	48	24	10	-30	-30
Other financing adjustments	0	0	0	0	-9	-10	-9	-11	-6	-5	-5
Other non-cash adjustments	-1	-4	1	4	-2	-3	2	2	0	0	0
Change in cash	0	-1	1	0	22	31	-26	-21	24	5	-4
Cash flow metrics											
Capex/D&A	90.9%	n.m.	98.0%	73.8%	72.0%	97.7%	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	3.2%	3.7%	3.1%	2.8%	2.7%	3.6%	7.4%	6.2%	2.8%	3.0%	3.2%
Key information											
Share price year end (/current)	11	12	7	10	10	12	9	11	10	10	10
Market cap.	324	341	185	284	278	326	262	297	290	290	290
Enterprise value	548	563	420	521	485	490	511	593	576	546	526
Diluted no. of shares, year-end (m)	28.2	28.2	28.2	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3

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Completion Date

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