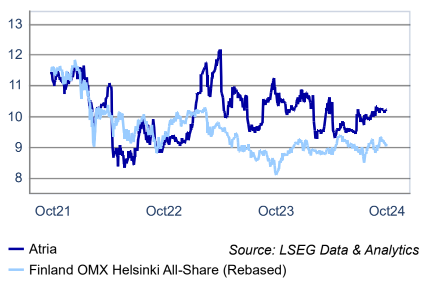
Atria

Consumer Goods
Finland

KEY DATA

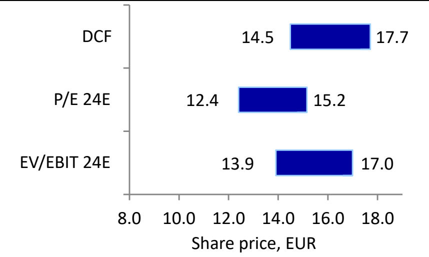
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.25
Free float	42%
Market cap. (bn)	EUR 0.29/EUR 0.29
Website	www.atria.fi
Next report date	23 Oct 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	0%	0%
EBIT (adj)	3%	1%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Warm autumn could have supported mix

Ahead of Atria's Q3 report, we nudge up our estimates, owing to the warm autumn and the continued decline in raw material prices for meat. We expect relatively stable organic sales, while completion of the Finnish poultry unit and profit improvement measures in Sweden should support earnings development. In line with our estimate revisions, our DCF- and multiples-based fair value range is nudged up to EUR 13.6-16.6 (13.1-16.0) per share.

We expect stable end-market demand

For Q3, we model 2% y/y sales growth, with 1% organic sales growth. We expect adjusted EBIT of EUR 18.1m, down 6% y/y against tough comparisons. We are 2% below LSEG Data & Analytics consensus on adjusted EBIT for Q3E. We expect the warm autumn to have supported mix during Q3. In addition, we note the positive profit warning at the end of September from Atria's closest peer and competitor, HKFoods, which now expects clearly improving H2 performance in its continuing operations (mainly Finland). Atria successfully ramped up production in its new poultry unit in Finland, while we note that optimisation of production will likely support earnings development at least during 2025. Raw material prices for meat have continued to decline, and we expect a further drop due to clearly lower feed prices. Collective labour agreement negotiations are likely to begin in Finland in December, which, in our view, creates some uncertainty for H1 2025.

We expect 2024 adjusted EBIT to be up 22%

We lift 2024E adjusted EBIT by 3% following the warm autumn and lower raw material prices for meat. For 2025-26, we nudge our EBIT estimates up 1%. Atria guides for its adjusted EBIT to increase from EUR 49.6m in 2023. We expect 2024 adjusted EBIT to be EUR 60.4m.

Fair value range of EUR 13.6-16.6

Using our DCF- and multiples-based valuation methods, we derive a slightly higher fair value range of EUR 13.6-16.6 (13.1-16.0) 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. We forecast a 12% adjusted EBIT CAGR for 2023-26. 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	1,763	1,815	1,851
EBITDA (adj)	96	106	102	109	123	130	135
EBIT (adj)	40	49	49	50	60	65	69
EBIT (adj) margin	2.6%	3.2%	2.9%	2.8%	3.4%	3.6%	3.8%
EPS (adj, EUR)	0.91	0.97	1.54	1.04	1.15	1.33	1.50
EPS (adj) growth	51.8%	6.4%	58.7%	-32.5%	10.4%	16.2%	12.2%
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	9.5	8.3	7.5
P/E (adj)	10.8	11.9	6.0	10.1	8.9	7.7	6.8
P/BV	0.7	0.7	0.6	0.8	0.7	0.7	0.6
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%	13.9%	18.6%	16.0%
Net debt	190	152	234	273	258	222	196
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%	6.8%	7.5%	8.0%

Source: Company data and Nordea estimates

Q3 expectations and estimate revisions

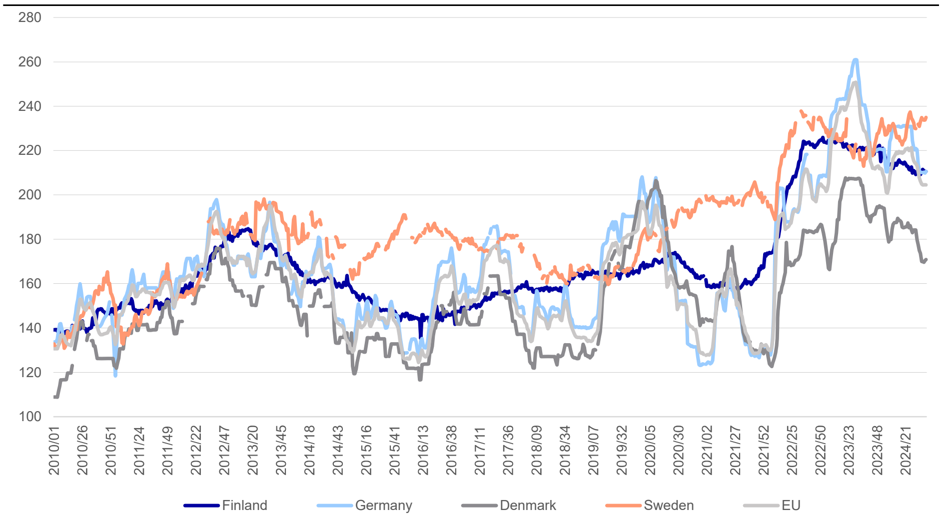
Meat raw material prices have continued to decline...

Meat raw material prices edging down

We note a continued decline in raw material prices for meat, likely owing to lower feed costs. Prices have declined steadily in Finland since peaking at the end of 2022. Pig prices have decreased ~7% from the peak, ~4% since the beginning of 2024 and ~5% y/y in Q3.

We note an even steeper decline in Denmark, while Swedish prices have continued up, which could cause some margin pressure in the country, mitigated by now completed profit-improvement measures.

CLASS E PIG CARCASS PRICES IN SELECTED COUNTRIES (EUR/100KG)

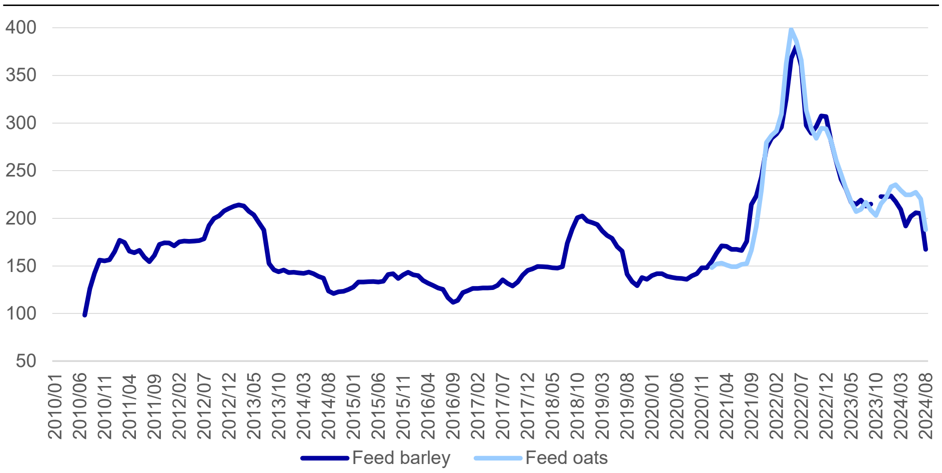


Source: Natural Resources Institute Finland

...likely driven by lower feed prices

We note clearly eased feed prices, which we expect to further burden raw material prices for meat. Feed prices are down ~55% from the peak in May-June 2022 and down 15-25% from the beginning of 2024.

FEED BARLEY AND OAT PRICES IN FINLAND (EUR/TONNE)



Source: Natural Resources Institute Finland

We are fairly in line with consensus for Q3E

For Q3E, we are 1-2% below LSEG consensus on sales and adjusted EBIT. However, we are 2% ahead of consensus on adjusted EBIT for 2024E and 4-5% ahead for 2025E-26E.

OUR ESTIMATES VERSUS CONSENSUS (EPS AND DPS IN EUR)

		Nordea estimates				Consensus estimates				Difference %			
EURm	**2023**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Sales	**1,753**	**438**	**1,763**	**1,815**	**1,851**	**441**	**1762**	**1813**	**1850**	**-1%**	**0%**	**0%**	**0%**
Adj. EBIT	**49.5**	**18.1**	**60.4**	**65.5**	**69.5**	**18.5**	**59.5**	**63.0**	**66.0**	**-2%**	**2%**	**4%**	**5%**
Adj. EBIT margin	2.8%	4.1%	3.4%	3.6%	3.8%	4.2%	3.4%	3.5%	3.6%	-0.1pp	0.0pp	0.1pp	0.2pp
Adj. EPS	**1.04**	**0.36**	**1.15**	**1.33**	**1.50**	**0.40**	**1.14**	**1.31**	**1.47**	**-9%**	**1%**	**2%**	**2%**
DPS	**0.60**		**0.65**	**0.72**	**0.77**		**0.66**	**0.70**	**0.74**		**-2%**	**3%**	**4%**

Source: LSEG Data & Analytics and Nordea estimates

Estimate revisions

Ahead of the Q3 report, we leave our top-line estimates largely intact, while we increase adjusted EBIT by 6% for Q3E, by 3% for 2024E and 1% for 2025E-26E. We forecast a 22% adjusted EBIT improvement (y/y) for 2024 against company guidance of growing adjusted EBIT from EUR 49.6m in 2023.

ESTIMATE REVISIONS AHEAD OF THE Q3 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	**438**	**1,763**	**1,815**	**1,851**	**437**	**1,762**	**1,820**	**1,857**	**0%**	**0%**	**0%**	**0%**
Adj. EBIT	**18.1**	**60.4**	**65.5**	**69.5**	**17.1**	**58.7**	**64.6**	**68.7**	**6%**	**3%**	**1%**	**1%**
Adj. EBIT margin	4.1%	3.4%	3.6%	3.8%	3.9%	3.3%	3.5%	3.7%	0.2pp	0.1pp	0.1pp	0.1pp
Adj. EPS, EUR	**0.36**	**1.15**	**1.33**	**1.50**	**0.34**	**1.11**	**1.32**	**1.48**	**8%**	**4%**	**1%**	**1%**
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	322	1,308	1,347	1,374	320	1,306	1,352	1,379	1%	0%	0%	0%
Sweden	90	355	367	375	90	355	367	375	0%	0%	0%	0%
Denmark & Estonia	32	127	128	130	33	127	129	131	-1%	0%	0%	0%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-7	-27	-27	-28	-7	-27	-28	-28	0%	0%	0%	0%
Group	**438**	**1,763**	**1,815**	**1,851**	**437**	**1,762**	**1,820**	**1,857**	**0%**	**0%**	**0%**	**0%**
Divisional adj. EBIT	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	15.7	54.1	57.5	60.6	14.8	53.1	57.2	60.4	7%	2%	0%	0%
Sweden	2.0	5.2	7.0	7.8	2.0	5.2	7.0	7.8	0%	0%	0%	0%
Denmark & Estonia	1.7	6.0	6.1	6.2	1.6	5.3	5.5	5.6	7%	13%	11%	10%
Unallocated	-1.3	-4.9	-5.0	-5.1	-1.3	-4.9	-5.1	-5.2	0%	0%	0%	0%
Group	**18.1**	**60.4**	**65.5**	**69.5**	**17.1**	**58.7**	**64.6**	**68.7**	**6%**	**3%**	**1%**	**1%**
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%	0.5pp	0.1pp	-0.5pp	0.0pp
Sweden	12%	8%	3%	2%	12%	8%	3%	2%	0.0pp	0.0pp	0.0pp	0.0pp
Denmark & Estonia	1%	4%	1%	2%	2%	4%	1%	2%	-1.0pp	-0.5pp	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%**	**2%**	**1%**	**3%**	**2%**	**0.3pp**	**0.1pp**	**-0.4pp**	**0.0pp**
EBIT margin	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Finland	4.9%	4.1%	4.3%	4.4%	4.6%	4.1%	4.2%	4.4%	0.3pp	0.1pp	0.0pp	0.0pp
Sweden	2.2%	1.5%	1.9%	2.1%	2.2%	1.5%	1.9%	2.1%	0.0pp	0.0pp	0.0pp	0.0pp
Denmark & Estonia	5.3%	4.8%	4.8%	4.8%	4.9%	4.2%	4.3%	4.3%	0.4pp	0.6pp	0.5pp	0.4pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**4.1%**	**3.4%**	**3.6%**	**3.8%**	**3.9%**	**3.3%**	**3.5%**	**3.7%**	**0.2pp**	**0.1pp**	**0.1pp**	**0.1pp**

Source: Nordea estimates

Valuation

We derive a fair value range based on a combination of a DCF model and relative multiples. In our relative valuation, we compare Atria to companies that we consider to be its most relevant European peers using various metrics. Based on these methods, we derive a fair value range of EUR 13.6-16.6 (13.1-16.0) per share for Atria.

DCF valuation yields EUR 14.5-17.7 per share

The outcome of our DCF valuation is EUR 14.5-17.7 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	673-764	23.8-27
(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	33	1.2
DCF Value	**410-501**	**14.5-17.7**

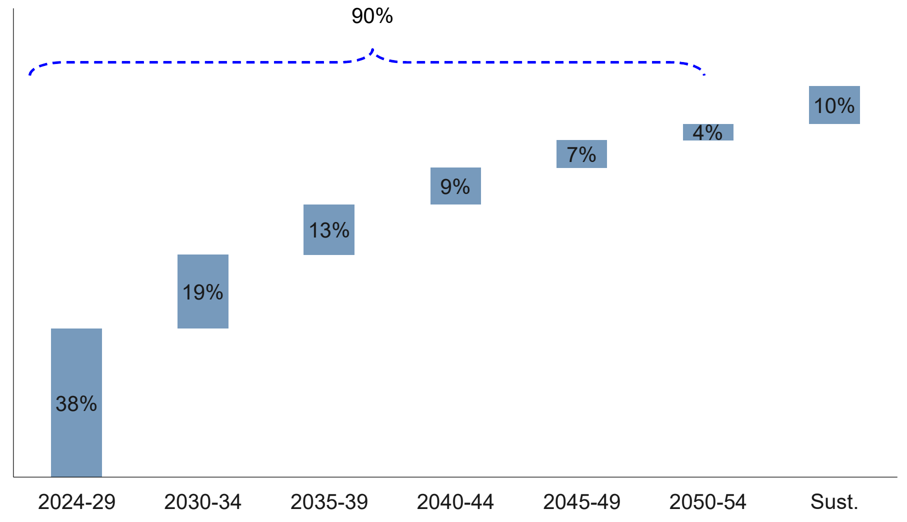
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	**2024-29**	**2030-34**	**2035-39**	**2040-44**	**2045-49**	**2050-54**	**Sust.**
Sales growth, CAGR	2.2%	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	6.8%	-0.9%	1.5%	1.5%	1.5%	-7.4%	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 12.6-20.0 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**	24.4	23.1	21.8	20.7	19.6
	0.5pp	21.2	20.0	19.0	18.0	17.1
	0.0pp	17.9	17.0	16.1	15.3	14.5
	-0.5pp	14.7	13.9	13.2	12.6	11.9
	-1.0pp	11.5	10.9	10.4	9.8	9.4

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.3%	**7.5%**	**7.8%**	**8.0%**	**8.3%**
Sales gr. change	**1.0pp**	20.0	18.9	17.9	17.0	16.1
	0.5pp	18.9	17.9	17.0	16.1	15.3
	0.0pp	17.9	17.0	16.1	15.3	14.5
	-0.5pp	17.0	16.1	15.3	14.5	13.8
	-1.0pp	16.2	15.3	14.6	13.8	13.1

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**	19.6	20.7	21.8	23.1	24.4
	0.5pp	17.1	18.0	19.0	20.0	21.2
	0.0pp	14.6	15.3	16.1	17.0	17.9
	-0.5pp	12.0	12.6	13.2	13.9	14.6
	-1.0pp	9.5	9.9	10.4	10.8	11.4

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 13.9-17.0 by taking 2024E adjusted EBIT of EUR 60.4m, multiplying it by the accepted multiple range of 10.8-12.2x and deducting our 2024 net debt assumption of EUR 258m (including IFRS 16 lease liabilities). We also derive a P/E valuation range of EUR 12.4-15.2, taking 2024E adjusted EPS of EUR 1.15 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	13.4	85	79	10.3	9.8	11.2	11.2	8.5	12.9	13.4	13.5	5.6%	5.6%
Bell Food Group Ag	Switzerland	263.5	1,770	2,705	15.6	15.6	15.6	15.4	10.6	12.2	12.3	12.2	2.6%	2.6%
Cranswick Plc	UK	5,170.0	3,366	3,482	17.3	15.1	14.4	13.7	23.0	20.5	19.4	18.4	1.8%	1.9%
Hkfoods Oyj	Finland	0.7	68	306	10.9	14.3	12.5	11.8			29.1	10.4	0.0%	0.0%
Raisio Oyj	Finland	2.2	350	300	13.1	12.5	10.8	10.0	16.6	16.8	15.6	14.1	6.4%	6.4%
Scandi Standard Ab (Publ)	Sweden	82.2	481	640	16.2	14.4	12.8	11.4	20.3	18.0	15.1	12.9	3.2%	3.8%
Societe Ldc Sa	France	67.6	2,389	1,920	5.2	5.7	5.7	5.3	8.0	8.8	8.3	8.0	2.3%	2.2%
What'S Cooking Group Nv	Belgium	88.6	165	198	9.2		6.1	6.0	14.9	8.6	8.1	7.5	5.4%	5.4%
Average			1,084	1,204	12.2	12.5	11.2	10.6	14.6	14.0	15.2	12.1	3.4%	3.5%
Median			415	473	12.0	14.3	11.9	11.3	14.9	12.9	14.3	12.6	2.9%	3.2%
Atria (NDA)		**10.3**	**290**	**563**	**11.4**	**9.1**	**7.8**	**7.0**	**10.1**	**8.9**	**7.7**	**6.8**	**6.3%**	**7.0%**

Source: LSEG Data & Analytics and Nordea estimates (as of market close on 16 October)

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%	-8.3%	3.7%	3.6%	4.3%	5.0%	4.2%	4.0%	9.8%	6.3%	5.9%	5.8%
Bell Food Group Ag	7.5%	3.5%	2.5%	2.4%	3.7%	3.5%	3.4%	3.4%	8.7%	12.2%	11.4%	11.8%
Cranswick Plc	13.5%	9.1%	5.6%	4.4%	6.9%	7.2%	7.2%	7.2%	13.1%	14.2%	13.9%	13.4%
Hkfoods Oyj	-4.6%	-46.1%	4.9%		1.5%	2.1%	2.3%	2.4%	-9.1%	0.3%	2.3%	4.7%
Raisio Oyj	-1.4%	4.1%	5.3%	4.4%	10.4%	10.5%	11.5%	12.0%	6.7%	7.7%	8.8%	9.3%
Scandi Standard Ab (Publ)	-0.3%	-0.4%	4.5%	3.6%	3.5%	4.0%	4.3%	4.6%	11.4%	12.0%	13.3%	14.4%
Societe Ldc Sa	8.0%	2.7%	4.5%	5.6%	6.0%	5.4%	5.2%	5.2%	14.8%	11.0%	10.4%	10.2%
What'S Cooking Group Nv	6.5%	3.5%	2.9%		2.6%	3.7%	3.6%	3.6%	6.3%	14.3%	13.3%	13.3%
Average	3.2%	-4.0%	4.2%	4.0%	4.9%	5.2%	5.2%	5.3%	7.7%	9.7%	9.9%	10.4%
Median	3.1%	3.1%	4.5%	4.0%	4.0%	4.5%	4.2%	4.3%	9.3%	11.5%	10.9%	11.0%
Atria (NDA)	**3.3%**	**0.6%**	**2.9%**	**2.0%**	**2.8%**	**3.4%**	**3.6%**	**3.8%**	**-4.7%**	**8.2%**	**9.1%**	**9.7%**

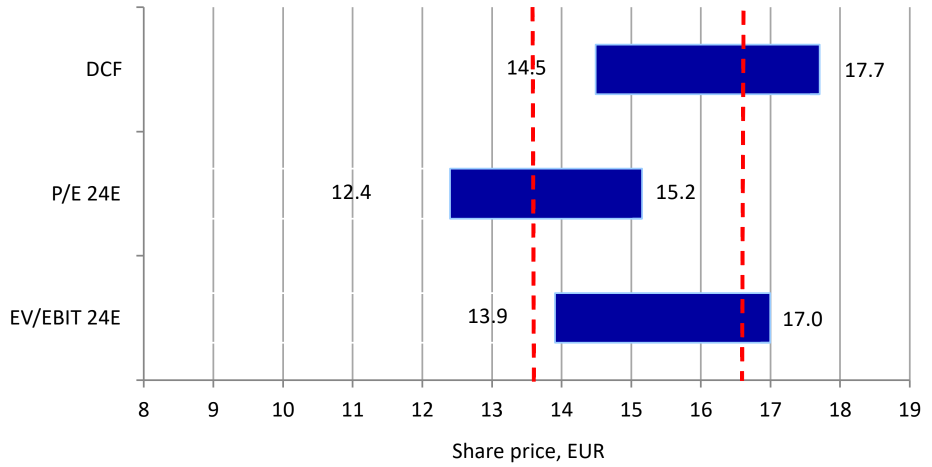
Source: LSEG Data & Analytics and Nordea estimates (as of market close on 16 October)

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 13.6-16.6 (13.1-16.0) per Atria share, as shown by the red dotted lines in the chart below.

Fair value range of EUR 13.3-16.6

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	1,763	1,815	1,851
- sales growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.6%	2.9%	2.0%
Gross profit	**164**	**173**	**153**	**163**	**166**	**177**	**169**	**167**	**190**	**196**	**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**	**123**	**130**	**135**
- margin	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	7.0%	7.2%	7.3%
D&A	-47	-46	-45	-54	-57	-57	-104	-100	-62	-64	-65
EBIT reported	31.8	40.9	28.2	31.1	39.5	6.4	0.2	0.3	60.4	65.5	69.5
Adj. EBIT	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**49.0**	**49.5**	**60.4**	**65.5**	**69.5**
- margin	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.9%	2.8%	3.4%	3.6%	3.8%
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**	**45.8**	**53.9**	**60.4**
Taxes	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.5	-4.2	-8.7	-10.8	-12.1
Profit before minorities	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**-3.7**	**-15.3**	**37.1**	**43.1**	**48.3**
Minorities	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-4.5	-4.6	-5.4	-6.0
Adj. Net Profit	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**43.6**	**29.4**	**32.5**	**37.7**	**42.3**
EPS, excluding NRI (EUR)	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.54**	**1.04**	**1.15**	**1.33**	**1.50**
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	1,308	1,347	1,374
Sweden		307	288	289	332	352	356	331	355	367	375
Denmark & Estonia		99	98	97	107	105	113	122	127	128	130
Unallocated	72	86	75	74	52	15	0	0	0	0	0
Group eliminations	-30	-42	-41	-42	-53	-37	-38	-26	-27	-27	-28
Group	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,753**	**1,763**	**1,815**	**1,851**
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	54.1	57.5	60.6
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	6.0	6.1	6.2
Unallocated	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-4.0	-3.7	-4.9	-5.0	-5.1
Group	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**49.2**	**49.0**	**49.5**	**60.4**	**65.5**	**69.5**
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%	4.3%	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%	4.8%	4.8%	4.8%
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	**2.3%**	**2.8%**	**2.0%**	**2.3%**	**2.6%**	**3.2%**	**2.9%**	**2.8%**	**3.4%**	**3.6%**	**3.8%**

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	438	454
- sales growth	3.7%	11.5%	13.1%	11.8%	14.2%	5.9%	-2.1%	-2.9%	-2.6%	-0.6%	2.0%	3.7%
Gross profit	**31.6**	**46.5**	**41.9**	**48.7**	**42.0**	**41.6**	**45.0**	**38.8**	**38.4**	**52.2**	**49.0**	**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**	**34.1**	**32.0**
- margin	4.2%	6.7%	6.7%	6.6%	5.6%	5.1%	8.0%	4.3%	5.5%	7.4%	7.8%	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	18.1	15.7
Adj. EBIT	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**19.4**	**9.3**	**8.0**	**18.5**	**18.1**	**15.7**
- margin	0.6%	3.2%	3.7%	3.7%	2.5%	2.2%	4.5%	2.1%	1.9%	4.1%	4.1%	3.5%
Net finance	-0.9	-0.7	-0.3	-1.5	-3.2	-3.7	-3.2	-3.5	-4.2	-4.2	-3.9	-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	14.4	12.8
Taxes	-0.2	-3.1	-2.4	0.2	-2.0	-1.6	-2.4	1.8	-0.1	-2.6	-2.9	-3.1
Profit before minorities	**2.7**	**14.2**	**16.0**	**-36.6**	**6.9**	**5.1**	**14.6**	**-41.9**	**3.8**	**12.0**	**11.6**	**9.7**
Minorities	-0.2	-0.6	0.5	-1.2	-0.5	-1.3	-1.4	-1.3	-1.0	-1.0	-1.3	-1.4
Adj. Net Profit	**2.5**	**11.5**	**16.2**	**13.4**	**6.4**	**3.8**	**13.2**	**6.0**	**2.8**	**11.0**	**10.3**	**8.3**
EPS, excluding NRI (EUR)	**0.09**	**0.41**	**0.57**	**0.47**	**0.23**	**0.13**	**0.47**	**0.21**	**0.10**	**0.39**	**0.36**	**0.30**
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	322	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	32	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**	**438**	**454**
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	15.7	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	1.7	1.4
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**	**18.1**	**15.7**
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%	1%	3%
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%	4.9%	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%	5.3%	4.5%
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%**	**4.1%**	**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 with 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**	**1,763**	**1,815**	**1,851**
Revenue growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.6%	2.9%	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	123	130	135
Depreciation and impairments PPE	-47	-46	-45	-54	-57	-57	-104	-100	-62	-64	-65
of which leased assets	0	0	0	-9	-9	-9	-9	-9	-5	-5	-5
EBITA	32	41	28	31	40	6	0	0	60	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	60	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**	**46**	**54**	**60**
Reported taxes	-7	-7	-5	-9	-13	-10	-6	-4	-9	-11	-12
Net profit from continued operations	20	28	18	17	24	-5	-4	-15	37	43	48
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-3	-1	-2	-2	-2	-2	-5	-5	-5	-6
Net profit to equity	18	26	17	15	22	-7	-5	-20	32	38	42
EPS, EUR	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.19**	**-0.70**	**1.15**	**1.33**	**1.50**
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%	7.0%	7.2%	7.3%
EBITA	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.4%	3.6%	3.8%
EBIT	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.4%	3.6%	3.8%
Adjusted earnings											
EBITDA (adj)	78	86	74	87	96	106	102	109	123	130	135
EBITA (adj)	31	40	28	33	40	49	49	50	60	65	69
EBIT (adj)	31	40	28	33	40	49	49	50	60	65	69
EPS (adj, EUR)	0.63	0.87	0.59	0.60	0.91	0.97	1.54	1.04	1.15	1.33	1.50
Adjusted profit margins in percent											
EBITDA (adj)	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	6.0%	6.2%	7.0%	7.2%	7.3%
EBITA (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.4%	3.6%	3.8%
EBIT (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.4%	3.6%	3.8%
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%	3.8%	3.7%
EBITDA	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	3.7%	6.4%	7.5%	6.2%	16.3%
EBIT	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-65.5%	-59.7%	14.2%	10.6%	61.1%
EPS	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	n.m.	16.7%	11.7%	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%	6.1%	6.7%

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	8.9	7.7	6.8
EV/EBITDA (adj)	7.0	6.6	5.7	6.0	5.0	4.6	5.0	5.4	4.7	4.2	3.9
EV/EBITA (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	9.5	8.3	7.5
EV/EBIT (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	9.5	8.3	7.5

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.	8.9	7.7	6.8
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	4.7	4.2	3.9
EV/EBITA	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	9.5	8.3	7.5
EV/EBIT	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	9.5	8.3	7.5
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%	13.2%	20.5%	17.9%
FCF Yield bef A&D, lease adj	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-31.1%	-8.4%	13.9%	18.6%	16.0%
Payout ratio	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.4%	57.7%	56.6%	54.0%	51.5%

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	122
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	36	41	37
Total current assets	208	214	219	235	248	288	332	265	295	299	300
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**	**1,021**	**1,023**	**1,026**
Shareholders equity	410	419	415	420	423	455	449	389	404	424	446
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	432	456	484
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	257	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	271
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**	**1,021**	**1,023**	**1,026**
Balance sheet and debt metrics											
Net debt	212	210	222	223	190	152	234	273	258	222	196
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	726	721	719
ROE	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-1.2%	-4.7%	8.2%	9.1%	9.7%
ROIC	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	6.3%	5.7%	6.8%	7.5%	8.0%
ROCE	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.7%	7.2%	8.6%	9.3%	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	3.9	4.8	6.3
Equity ratio	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	39.3%	39.6%	41.4%	43.5%
Net gearing	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	50.3%	66.4%	59.7%	48.7%	40.5%

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**	**123**	**130**	**135**
Paid taxes	-6	-10	-1	-9	-9	-15	-7	-11	-9	-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**	**98**	**106**	**112**
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**	**96**	**114**	**112**
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**	**46**	**59**	**52**
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	38	59	52
Free cash flow bef A&D, lease adj	22	11	3	40	53	24	-81	-25	40	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	26	6	-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	575	544	524
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

Source: Company data and Nordea estimates

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