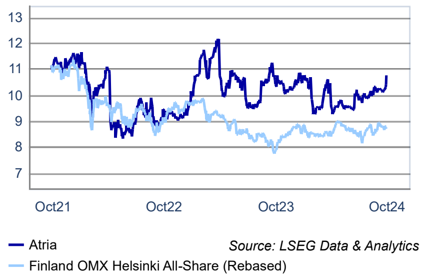
Atria

Consumer Goods
Finland

KEY DATA

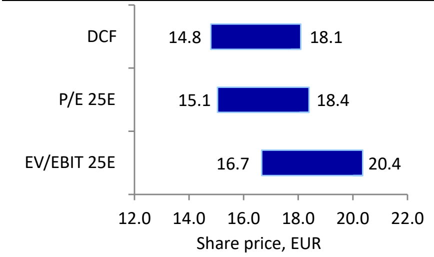
Stock country	Finland
Bloomberg	ATRAV FH
Reuters	ATRAV.HE
Share price (close)	EUR 10.80
Free float	42%
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.atria.fi
Next report date	13 Feb 2025

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	0%	0%
EBIT (adj)	15%	9%	6%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Earnings momentum to remain strong

Atria delivered a strong Q3, with adjusted EBIT 35% above LSEG Data & Analytics consensus. The beat was driven by a favourable mix and self-help measures. After the successful ramp-up of its new poultry unit and clearly improved profitability in Sweden, we expect adjusted EBIT growth also in 2025 despite tough market conditions. Following the heavy investment period, we expect FCF yields of above 15% to support improving shareholder remuneration and fast deleveraging. Our DCF- and multiples-based fair value range increases to EUR 15.5-19.0 (13.6-16.6) per share.

Another strong quarter – beat driven by mix and self-help

Atria's Q3 adjusted EBIT of EUR 25.8m was up 34% and came in 35% above consensus. The beat versus our estimate was mainly due to Finland, where Atria benefitted from a favourable mix and a successful barbecue season. Sweden also beat our expectations, driven by strong 18% y/y growth and self-help measures. In Estonia, it continued its solid performance, while in Denmark, market conditions remain difficult. We believe the company could improve its profitability in Denmark from early 2025, after the completion of its new production line. We note Q4 comps are relatively easy, given the ramp-up phase of the new poultry unit in Q4 2023; we therefore expect strong earnings momentum to continue. In addition to improved profitability in Sweden, Atria should continue to benefit from the sequential profitability improvement from its new poultry unit in 2025.

2024E to be a record year – 2025E-26E EBIT up by 6-9%

We hike 2024E adjusted EBIT by 15%, mainly owing to the Q3 beat. We now model a 39% adjusted EBIT increase to EUR 70m for 2024. Atria guides for improving adjusted EBIT after EUR 50m in 2023. For 2025E-26E, we hike adjusted EBIT by 6-9% and forecast a 14% adjusted EBIT CAGR for 2023-26. In line with higher EPS estimates, we hike DPS by 10-11% for 2024E-26E.

Fair value range of EUR 15.5-19.0

Using our DCF- and multiples-based valuation methods, we derive a slightly higher fair value range of EUR 15.5-19.0 (13.6-16.6) per share. We believe Atria has reached sustainably higher margins after its recent investments and self-help measures. For us, the biggest uncertainty relates to retail pricing, which we expect to remain relatively stable going into 2025. 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	1,764	1,806	1,842
EBITDA (adj)	96	106	102	109	130	133	137
EBIT (adj)	40	49	49	50	70	71	74
EBIT (adj) margin	2.6%	3.2%	2.9%	2.8%	3.9%	3.9%	4.0%
EPS (adj, EUR)	0.91	0.97	1.54	1.04	1.45	1.51	1.65
EPS (adj) growth	51.8%	6.4%	58.7%	-32.5%	39.9%	3.8%	9.2%
DPS (ord, EUR)	0.50	0.63	0.70	0.60	0.72	0.80	0.85
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	8.2	7.7	7.1
P/E (adj)	10.8	11.9	6.0	10.1	7.4	7.2	6.6
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%	6.7%	7.4%	7.9%
FCF Yield bef A&D, lease	18.9%	7.2%	-31.1%	-8.4%	18.1%	17.3%	15.6%
Net debt	190	152	234	273	243	210	185
Net debt/EBITDA	2.0	2.4	2.2	2.7	1.9	1.6	1.4
ROIC after tax	4.8%	6.4%	6.3%	5.7%	7.8%	8.2%	8.5%

Source: Company data and Nordea estimates

Q3 deviation and estimate revisions

Another strong quarter driven by mix and efficiency measures

Q3 EBIT clearly beat consensus

Atria reported Q3 adjusted EBIT of EUR 25.8m, 35% (EUR 6.6m) above LSEG Data & Analytics consensus. Net sales of EUR 439m were up 2% y/y and were in line with consensus.

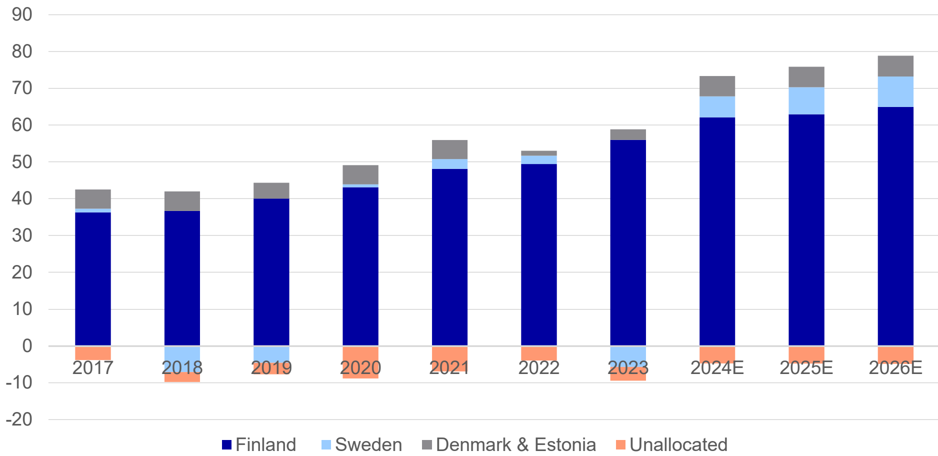
The Q3 EBIT beat versus our estimate stemmed from Finland and Sweden, while Denmark & Estonia came in slightly below our expectation. In Finland, sales declined due to lower feed sales and foodservice sales, while Q3 benefitted from a successful barbecue season. Sweden's profitability continued to improve clearly, driven by centralisation of production last year and higher sales in retail and foodservice. Fierce price competition in Denmark continued, while in Estonia, sales increased and profitability improved.

Operating cash flow was EUR 31m (EUR 10m a year ago).

Atria reiterated its guidance and expects 2024 adjusted EBITA to increase from EUR 49.6m in 2023. Prior to the Q3 report, consensus was modelling EUR 59.7m, or a 20% increase.

Atria Finland has steadily improved its adjusted EBIT

ADJUSTED EBIT SPLIT, 2017-26E



Note: Excluding Atria Russia, which was divested in 2021

Source: Company data and Nordea estimates

Atria Finland's strong performance continued in Q3

Q3 EBIT beat was mainly driven by Finland...

- Finland's net sales of EUR 319m were down 1% y/y and came in 1% below our expectation. Net sales declined due to lower feed and foodservice sales, while export sales improved. The barbecue season was successful, supporting mix.
- Adjusted EBIT was EUR 23.3m, 48% above our estimate of EUR 15.7m. Atria Finland benefitted from a favourable sales structure and a successful barbecue season. Process optimisation at the new Nurmo poultry unit continues and we expect this to support 2025 earnings.
- Atria's supplier share remained stable.

Strong growth in Sweden – profitability above our expectations

...while Sweden's performance continued to improve more than we expected

- Sweden's net sales were EUR 95m, up 18% y/y and 5% above our estimate, supported by the Gooh! acquisition and growth in retail and foodservice. Atria's market share improved in foodservice.
- Adjusted EBIT of EUR 2.4m was above our estimate of EUR 2.0m.
- In addition to higher sales, Atria Sweden benefitted from the centralisation of production at Sköllersta and the streamlining of the organisational structure.

Estonia continues at a steady pace, while Denmark is struggling with a tight market

Atria Denmark & Estonia remains a mixed bag

- Denmark & Estonia's net sales were EUR 32m, up 1% y/y, in line with our expectation. In Denmark, sales were weighed down by lower volumes to retail, while export sales were up y/y. In Estonia, the company continued to grow sales to retail by almost 5% y/y.
- Adjusted EBIT was EUR 1.2m, 29% below our estimate. Atria Estonia's profitability improved, while in Denmark, the company is investing in a new production line, which caused additional depreciation of fixed assets. Atria's performance in Estonia appears to be solid, while Denmark continues to struggle with a tight market. We note that the new production should be operational in Q1 2025, which could clearly improve profitability in Denmark, we believe.

DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	**Q3 2024**	**Q3 2024E**	**vs. actual**		**Q3 2024E**	**vs. actual**		**Q2 2024**	**q/q**	**Q3 2023**	**y/y**
Sales	**439**	**438**	**1**	**0%**	**440**	**(1)**	**0%**	**454**	**-3%**	**430**	**2%**
Adj. EBIT	**25.8**	**18.1**	**7.7**	**42%**	**19.2**	**6.6**	**35%**	**18.5**	**39%**	**19.4**	**33%**
Adj. EBIT margin	5.9%	4.1%	1.7pp	1.7pp	4.4%	1.5pp		4.1%	1.8pp	4.5%	1.4pp
Adj. EPS, EUR	**0.62**	**0.36**	**0.26**	**70%**	**0.41**	**0.21**	**51%**	**0.39**	59%	**0.47**	33%
Divisional sales, EURm											
Finland	318.8	322.0	-3	-1%				336	-5%	324	-1%
Sweden	95.0	90.2	5	5%				94	1%	81	18%
Denmark & Estonia	32.4	32.3	0	0%				32	1%	32	1%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	0	n.m.
Group eliminations	-7.2	-6.6	-1	9%				-8	-6%	-7	9%
Group	**439.0**	**437.9**	**1.1**	**0%**				**454**	**-3%**	**430**	**2%**
Divisional adj. EBIT, EURm											
Finland	23.3	15.7	7.6	48%				17.1	36%	19	23%
Sweden	2.4	2.0	0.4	19%				1.6		0	#DIV/0!
Denmark & Estonia	1.2	1.7	-0.5	-29%				1.5	-20%	1.5	n.m.
Group eliminations	-1.1	-1.3	0.2	-15%				-1.7	-35%	-1.1	0%
Group	**25.8**	**18.1**	**7.7**	**42%**				**18.5**	**39%**	**19.4**	**33%**

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

We forecast a 39% adjusted EBIT increase for 2024

Estimate revisions

Following the Q3 report, we leave our top-line estimates intact. We hike 2024E adjusted EBIT by 15% to reflect the Q3 beat. For 2025E-26E, we nudge up adjusted EBIT by 6-9% and view the current higher profitability as sustainable, given tailwinds from the ramp-up of the new poultry unit in Finland and further profitability improvement in Sweden.

ESTIMATE REVISIONS AFTER THE Q3 REPORT (EURm; DPS IN EUR)

	New estimates				Old estimates				Difference %			
EURm	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**
Sales	**453**	**1,764**	**1,806**	**1,842**	**454**	**1,763**	**1,815**	**1,851**	**0%**	**0%**	**0%**	**0%**
Adj. EBIT	**16.4**	**69.7**	**71.0**	**73.9**	**15.7**	**60.4**	**65.5**	**69.5**	**4%**	**15%**	**9%**	**6%**
Adj. EBIT margin	3.6%	3.9%	3.9%	4.0%	3.5%	3.4%	3.6%	3.8%	0.1pp	0.5pp	0.3pp	0.3pp
Adj. EPS, EUR	**0.32**	**1.45**	**1.51**	**1.65**	**0.30**	**1.15**	**1.33**	**1.50**	**7%**	**27%**	**13%**	**10%**
DPS		0.72	0.80	0.85		0.65	0.72	0.77		11%	11%	10%
Divisional sales EURm	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**
Finland	336	1,301	1,327	1,353	340	1,308	1,347	1,374	-1%	-1%	-2%	-2%
Sweden	92	363	379	387	89	355	367	375	4%	2%	3%	3%
Denmark & Estonia	32	127	128	131	32	127	128	130	0%	0%	0%	0%
Unallocated	0	0	0	0	0	0	0	0	nm.	nm.	nm.	nm.
Group eliminations	-7	-27	-28	-29	-7	-27	-27	-28	0%	2%	2%	2%
Group	**453**	**1,764**	**1,806**	**1,842**	**454**	**1,763**	**1,815**	**1,851**	**0%**	**0%**	**0%**	**0%**
Divisional adj. EBIT	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**
Finland	14.6	62.2	62.9	64.9	14.0	54.1	57.5	60.6	4%	15%	10%	7%
Sweden	1.7	5.7	7.3	8.2	1.6	5.2	7.0	7.8	4%	9%	5%	5%
Denmark & Estonia	1.4	5.5	5.6	5.7	1.4	6.0	6.1	6.2	0%	-8%	-8%	-8%
Unallocated	-1.3	-4.7	-4.8	-4.9	-1.3	-4.9	-5.0	-5.1	0%	-4%	-5%	-5%
Group	**16.4**	**68.7**	**71.0**	**73.9**	**15.7**	**60.4**	**65.5**	**69.5**	**4%**	**14%**	**9%**	**6%**
Divisional sales growth	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**
Finland	1%	-2%	2%	2%	2%	-1%	3%	2%	-1.2pp	-0.5pp	-1.0pp	0.0pp
Sweden	15%	10%	4%	2%	11%	8%	3%	2%	4.0pp	2.4pp	1.0pp	0.0pp
Denmark & Estonia	3%	4%	1%	2%	3%	4%	1%	2%	0.0pp	0.1pp	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	**4%**	**1%**	**2%**	**2%**	**4%**	**1%**	**3%**	**2%**	**-0.2pp**	**0.0pp**	**-0.5pp**	**0.0pp**
EBIT margin	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**	**Q4 2024E**	**2024E**	**2025E**	**2026E**
Finland	4.3%	4.8%	4.7%	4.8%	4.1%	4.1%	4.3%	4.4%	0.2pp	0.6pp	0.5pp	0.4pp
Sweden	1.8%	1.6%	1.9%	2.1%	1.8%	1.5%	1.9%	2.1%	0.0pp	0.1pp	0.0pp	0.0pp
Denmark & Estonia	4.5%	4.4%	4.4%	4.4%	4.5%	4.8%	4.8%	4.8%	0.0pp	-0.4pp	-0.4pp	-0.4pp
Unallocated	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.
Group	**3.6%**	**3.9%**	**3.9%**	**4.0%**	**3.5%**	**3.4%**	**3.6%**	**3.8%**	**0.1pp**	**0.5pp**	**0.3pp**	**0.3pp**

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 15.5-19.0 (13.6-16.6) per share for Atria.

DCF valuation yields EUR 14.8-18.1 per share

The outcome of our DCF valuation is EUR 14.8-18.1 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	680-773	24.1-27.3
(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	34	1.2
DCF Value	**418-511**	**14.8-18.1**

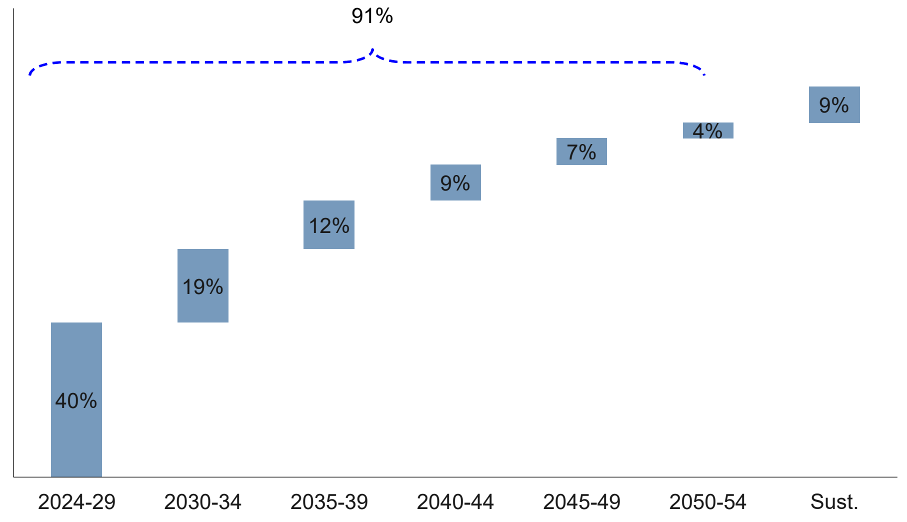
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	**2024-29**	**2030-34**	**2035-39**	**2040-44**	**2045-49**	**2050-54**	**Sust.**
Sales growth, CAGR	1.9%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT-margin, excluding associate:	4.0%	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	0.5%	-2.2%	1.5%	1.5%	1.5%	-7.3%	1.5%

Source: Nordea estimates

DCF VALUATION COMPOSITION



Source: Nordea estimates

- 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 +/-17% in the fair value

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 13.0-20.3 per share.

SENSITIVITY OF OUR DCF MODEL (EUR)

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		7.3%	**7.5%**	**7.8%**	**8.0%**	**8.3%**
	1.0pp	24.6	23.3	22.1	21.0	19.9
EBIT marg.	**0.5pp**	21.4	20.3	19.3	18.3	17.4
change	**0.0pp**	18.3	17.3	16.4	15.6	14.9
	-0.5pp	15.1	14.3	13.6	13.0	12.4
	-1.0pp	11.9	11.4	10.8	10.3	9.8

Sensitivity analysis: WACC vs Sales growth

		WACC				
		7.3%	**7.5%**	**7.8%**	**8.0%**	**8.3%**
	1.0pp	20.3	19.2	18.2	17.3	16.4
Sales gr.	**0.5pp**	19.2	18.2	17.3	16.4	15.6
change	**0.0pp**	18.3	17.3	16.4	15.6	14.9
	-0.5pp	17.4	16.5	15.7	14.9	14.2
	-1.0pp	16.5	15.7	14.9	14.2	13.5

Sensitivity analysis: Sales growth vs EBIT margin

		Sales growth change				
		-+1.0pp	**-+0.5pp**	**+0.0pp**	**+0.5pp**	**+1.0pp**
	1.0pp	19.9	20.9	22.1	23.3	24.6
EBIT margin	**0.5pp**	17.4	18.3	19.3	20.3	21.4
change	**0.0pp**	14.9	15.7	16.4	17.3	18.2
	-0.5pp	12.4	13.0	13.6	14.3	15.0
	-1.0pp	10.0	10.4	10.8	11.3	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 16.7-20.4 by taking 2025E adjusted EBIT of EUR 71.0m, multiplying it by the accepted multiple range of 10.2-11.8x and deducting our 2024 net debt assumption of EUR 243m (including IFRS 16 lease liabilities). We also derive a P/E valuation range of EUR 15.1-18.4, taking 2025E adjusted EPS of EUR 1.51 and multiplying it by an accepted multiple range of 10.4-12.7x.

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	13.6	86	79	10.5	9.9	11.3	11.3	8.6	13.0	13.6	13.7	5.5%	5.5%
Bell Food Group Ag	Switzerland	264.5	1,778	2,713	15.6	15.7	15.6	15.5	10.7	12.3	12.5	12.3	2.6%	2.6%
Cranswick Plc	UK	5,160.0	3,356	3,473	17.2	15.1	14.4	13.7	23.1	20.4	19.3	18.4	1.8%	1.9%
Hkfoods Oyj	Finland	0.7	69	307	10.9	14.3	12.5	11.8			29.3	10.5	0.0%	0.0%
Raisio Oyj	Finland	2.2	351	301	13.2	12.5	10.9	10.0	16.7	16.9	15.7	14.2	6.4%	6.4%
Scandi Standard Ab (Publ)	Sweden	81.7	474	633	16.0	14.3	12.6	11.0	20.2	18.2	15.2	12.6	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	8.4	8.0	2.3%	2.2%
What'S Cooking Group Nv	Belgium	106.0	197	231	10.7		7.1	7.7	17.8	10.3	9.7	9.0	4.5%	4.5%
Average			1,087	1,207	12.4	12.5	11.3	10.8	15.0	14.3	15.4	12.3	3.3%	3.4%
Median			412	470	12.1	14.3	11.9	11.2	16.7	13.0	14.4	12.5	2.9%	3.2%
Atria (NDA)		**10.5**	**295**	**569**	**11.5**	**7.7**	**7.1**	**6.5**	**10.1**	**7.2**	**6.9**	**6.3**	**6.9%**	**7.7%**

Source: LSEG Data & Analytics and Nordea estimates (as of market close on 22 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%	4.3%	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%	3.9%	4.3%	4.7%	11.4%	11.7%	13.1%	14.5%
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%	3.3%		2.6%	3.7%	3.6%	3.3%	6.3%	14.3%	13.3%	13.3%
Average	3.2%	-4.0%	4.3%	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%	4.4%	9.3%	11.4%	10.9%	11.0%
Atria (NDA)	**3.3%**	**0.6%**	**2.4%**	**2.0%**	**2.8%**	**3.9%**	**3.9%**	**4.0%**	**-4.7%**	**10.2%**	**10.1%**	**10.4%**

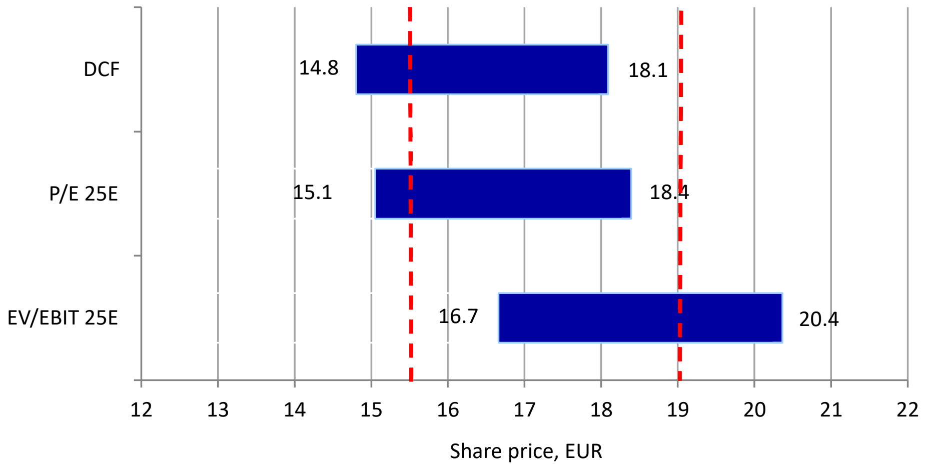
Source: LSEG Data & Analytics and Nordea estimates (as of market close on 22 October)

Fair value range of EUR 15.5-19.0

Valuation conclusion

From our DCF-based valuation and a relative multiples-based valuation, we derive a fair value range of EUR 15.5-19.0 (13.6-16.6) per Atria share, as shown by the red dotted lines in the chart below.

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	1,764	1,806	1,842
- sales growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.6%	2.4%	2.0%
Gross profit	**164**	**173**	**153**	**163**	**166**	**177**	**169**	**167**	**198**	**199**	**204**
- margin	12.2%	12.1%	10.6%	11.2%	11.1%	11.5%	9.9%	9.6%	11.2%	11.0%	11.1%
EBITDA	**79**	**87**	**74**	**85**	**96**	**64**	**104**	**100**	**130**	**133**	**137**
- margin	5.8%	6.1%	5.1%	5.9%	6.4%	4.1%	6.1%	5.7%	7.4%	7.4%	7.4%
D&A	-47	-46	-45	-54	-57	-57	-104	-100	-60	-62	-63
EBIT reported	31.8	40.9	28.2	31.1	39.5	6.4	0.2	0.3	69.7	71.0	73.9
Adj. EBIT	**31.2**	**39.6**	**28.2**	**33.0**	**40.3**	**49.2**	**49.0**	**49.5**	**68.7**	**71.0**	**73.9**
- margin	2.3%	2.8%	2.0%	2.3%	2.7%	3.2%	2.9%	2.8%	3.9%	3.9%	4.0%
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**	**54.8**	**59.2**	**64.7**
Taxes	-6.6	-7.1	-4.5	-9.2	-12.6	-10.2	-5.5	-4.2	-9.6	-11.8	-12.9
Profit before minorities	**19.6**	**28.4**	**17.8**	**17.0**	**23.5**	**-5.4**	**-3.7**	**-15.3**	**45.2**	**47.4**	**51.7**
Minorities	-1.4	-2.5	-1.4	-1.9	-1.8	-1.5	-1.5	-4.5	-4.1	-4.7	-5.2
Adj. Net Profit	**17.8**	**24.5**	**16.5**	**17.0**	**25.8**	**27.4**	**43.6**	**29.4**	**41.1**	**42.6**	**46.6**
EPS, excluding NRI (EUR)	**0.63**	**0.87**	**0.59**	**0.60**	**0.91**	**0.97**	**1.54**	**1.04**	**1.45**	**1.51**	**1.65**
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	1,301	1,327	1,353
Sweden		307	288	289	332	352	356	331	363	379	387
Denmark & Estonia		99	98	97	107	105	113	122	127	128	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	-29
Group	**1,352**	**1,436**	**1,439**	**1,451**	**1,504**	**1,540**	**1,697**	**1,753**	**1,764**	**1,806**	**1,842**
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	62.2	62.9	64.9
Sweden		1.0	-7.1	-4.6	0.8	2.7	2.3	-5.7	5.7	7.3	8.2
Denmark & Estonia		5.2	5.3	4.3	5.2	5.1	1.3	2.9	5.5	5.6	5.7
Unallocated	-0.9	-3.8	-2.7	-3.1	-8.8	-6.9	-4.0	-3.7	-4.7	-4.8	-4.9
Group	**31.4**	**39.5**	**28.2**	**33.1**	**39.5**	**49.2**	**49.0**	**49.5**	**69.7**	**71.0**	**73.9**
Divisional sales growth	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Finland	0%	6%	3%	1%	3%	4%	14%	5%	-2%	2%	2%
Sweden		n.a.	-6%	0%	15%	6%	1%	-7%	10%	4%	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%**	**2%**	**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%	4.8%	4.7%	4.8%
Sweden		0.3%	-2.5%	-1.6%	0.2%	0.8%	0.6%	-1.7%	1.6%	1.9%	2.1%
Denmark & Estonia		5.3%	5.4%	4.5%	4.9%	4.9%	1.2%	2.4%	4.4%	4.4%	4.4%
Group eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Group	**2.3%**	**2.8%**	**2.0%**	**2.3%**	**2.6%**	**3.2%**	**2.9%**	**2.8%**	**3.9%**	**3.9%**	**4.0%**

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	Q3/24	Q4/24E
Sales	375	432	439	451	428	457	430	438	417	454	439	453
- sales growth	3.7%	11.5%	13.1%	11.8%	14.2%	5.9%	-2.1%	-2.9%	-2.6%	-0.6%	2.2%	3.5%
Gross profit	**31.6**	**46.5**	**41.9**	**48.7**	**42.0**	**41.6**	**45.0**	**38.8**	**38.4**	**52.2**	**54.7**	**52.2**
- margin	8.4%	10.8%	9.5%	10.8%	9.8%	9.1%	10.5%	8.9%	9.2%	11.5%	12.5%	11.5%
EBITDA	**15.8**	**28.9**	**29.4**	**30.0**	**23.8**	**23.1**	**34.4**	**18.9**	**23.0**	**33.5**	**42.0**	**31.5**
- margin	4.2%	6.7%	6.7%	6.6%	5.6%	5.1%	8.0%	4.3%	5.5%	7.4%	9.6%	6.9%
D&A	-14	-13	-13	-65	-13	-13	-15	-59	-15	-15	-15	-15
EBIT reported	2.3	15.9	16.5	-34.5	10.9	9.9	19.4	-39.9	8.0	18.5	26.8	16.4
Adj. EBIT	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**19.4**	**9.3**	**8.0**	**18.5**	**25.8**	**16.4**
- margin	0.6%	3.2%	3.7%	3.7%	2.5%	2.2%	4.5%	2.1%	1.9%	4.1%	5.9%	3.6%
Net finance	-0.9	-0.7	-0.3	-1.5	-3.2	-3.7	-3.2	-3.5	-4.2	-4.2	-3.9	-3.5
Associated companies	1.4	2.1	2.2	-0.8	1.1	0.5	0.8	-0.3	0.1	0.3	0.3	0.2
Adj. PTP	2.9	15.2	18.1	14.4	8.9	6.7	17.0	5.5	3.9	14.6	22.2	13.1
Taxes	-0.2	-3.1	-2.4	0.2	-2.0	-1.6	-2.4	1.8	-0.1	-2.6	-3.9	-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**	**19.3**	**10.1**
Minorities	-0.2	-0.6	0.5	-1.2	-0.5	-1.3	-1.4	-1.3	-1.0	-1.0	-0.9	-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**	**17.4**	**8.9**
EPS, excluding NRI (EUR)	**0.09**	**0.41**	**0.57**	**0.47**	**0.23**	**0.13**	**0.47**	**0.21**	**0.10**	**0.39**	**0.62**	**0.32**
Divisional sales EURm	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24**	**Q4/24E**
Finland	274	320	327	344	324	345	324	334	310	336	319	336
Sweden	82	95	93	86	82	88	81	80	82	94	95	92
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**	**439**	**453**
Divisional operative EBIT	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24**	**Q4/24E**
Finland	3.0	13.4	12.7	20.3	14.9	12.7	19.0	9.4	7.2	17.1	23.3	14.6
Sweden	-0.9	0.7	3.4	-0.9	-3.3	-2.1	0.0	-0.3	0.0	1.6	2.4	1.7
Denmark & Estonia	0.8	0.7	0.7	-0.9	-0.5	0.6	1.5	1.3	1.4	1.5	1.2	1.4
Unallocated	-0.6	-1.0	-0.6	-1.8	-0.2	-1.3	-1.1	-1.1	-0.6	-1.7	-1.1	-1.3
Group	**2.3**	**13.8**	**16.2**	**16.7**	**10.9**	**9.9**	**19.4**	**9.3**	**8.0**	**18.5**	**25.8**	**16.4**
Divisional sales growth	**Q1/22**	**Q2/22**	**Q3/22**	**Q4/22**	**Q1/23**	**Q2/23**	**Q3/23**	**Q4/23**	**Q1/24**	**Q2/24**	**Q3/24**	**Q4/24E**
Finland	5%	15%	19%	17%	18%	8%	-1%	-3%	-4%	-3%	-1%	1%
Sweden	7%	8%	-2%	-7%	0%	-8%	-13%	-7%	0%	7%	18%	15%
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**	**Q3/24**	**Q4/24E**
Finland	1.1%	4.2%	3.9%	5.9%	4.6%	3.7%	5.9%	2.8%	2.3%	5.1%	7.3%	4.3%
Sweden	-1.1%	0.7%	3.7%	-1.0%	-4.0%	-2.4%	0.0%	-0.4%	0.0%	1.7%	2.5%	1.8%
Denmark & Estonia	3.1%	2.5%	2.4%	-3.1%	-1.8%	1.9%	4.7%	4.2%	4.6%	4.7%	3.7%	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%**	**5.9%**	**3.6%**

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**	**1,764**	**1,806**	**1,842**
Revenue growth	0.9%	6.2%	0.2%	0.9%	3.6%	2.4%	10.2%	3.3%	0.6%	2.4%	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	130	133	137
Depreciation and impairments PPE	-47	-46	-45	-54	-57	-57	-104	-100	-60	-62	-63
of which leased assets	0	0	0	-9	-9	-9	-9	-9	-5	-5	-5
EBITA	32	41	28	31	40	6	0	0	70	71	74
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	32	41	28	31	40	6	0	0	70	71	74
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**	**55**	**59**	**65**
Reported taxes	-7	-7	-5	-9	-13	-10	-6	-4	-10	-12	-13
Net profit from continued operations	20	28	18	17	24	-5	-4	-15	45	47	52
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	-5
Net profit to equity	18	26	17	15	22	-7	-5	-20	41	43	47
EPS, EUR	**0.65**	**0.92**	**0.59**	**0.53**	**0.77**	**-0.24**	**-0.19**	**-0.70**	**1.45**	**1.51**	**1.65**
DPS, EUR	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.60	0.72	0.80	0.85
of which ordinary	0.46	0.50	0.40	0.42	0.50	0.63	0.70	0.60	0.72	0.80	0.85
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%	7.4%	7.4%	7.4%
EBITA	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.9%	3.9%	4.0%
EBIT	2.3%	2.8%	2.0%	2.1%	2.6%	0.4%	0.0%	0.0%	3.9%	3.9%	4.0%
Adjusted earnings											
EBITDA (adj)	78	86	74	87	96	106	102	109	130	133	137
EBITA (adj)	31	40	28	33	40	49	49	50	70	71	74
EBIT (adj)	31	40	28	33	40	49	49	50	70	71	74
EPS (adj, EUR)	0.63	0.87	0.59	0.60	0.91	0.97	1.54	1.04	1.45	1.51	1.65
Adjusted profit margins in percent											
EBITDA (adj)	5.8%	6.0%	5.1%	6.0%	6.4%	6.9%	6.0%	6.2%	7.4%	7.4%	7.4%
EBITA (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.9%	3.9%	4.0%
EBIT (adj)	2.3%	2.8%	2.0%	2.3%	2.6%	3.2%	2.9%	2.8%	3.9%	3.9%	4.0%
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%	3.7%	3.6%
EBITDA	7.2%	1.8%	-6.2%	-1.0%	7.1%	-4.2%	3.7%	6.4%	8.8%	6.7%	16.6%
EBIT	31.9%	6.2%	7.4%	-5.2%	6.4%	-27.4%	-65.5%	-59.7%	17.5%	12.5%	63.1%
EPS	n.m.	21.3%	n.m.	-10.6%	9.4%	n.m.	n.m.	n.m.	22.3%	14.5%	n.m.
DPS	18.1%	17.8%	12.7%	1.0%	4.6%	6.5%	7.0%	8.4%	11.4%	9.9%	6.2%
Average last 5 years											
Average EBIT margin	2.2%	2.3%	2.4%	2.3%	2.4%	2.0%	1.4%	1.0%	1.4%	1.7%	2.4%
Average EBITDA margin	6.1%	6.1%	5.7%	5.6%	5.9%	5.5%	5.5%	5.7%	6.0%	6.2%	6.8%

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	7.4	7.2	6.6
EV/EBITDA (adj)	7.0	6.6	5.7	6.0	5.0	4.6	5.0	5.4	4.4	4.1	3.8
EV/EBITA (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	8.2	7.7	7.1
EV/EBIT (adj)	17.5	14.3	14.9	15.7	12.3	10.0	10.4	12.0	8.2	7.7	7.1

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.	7.4	7.2	6.6
EV/Sales	0.41	0.39	0.29	0.36	0.32	0.32	0.30	0.34	0.33	0.30	0.29
EV/EBITDA	7.0	6.5	5.7	6.1	5.0	7.7	4.9	5.9	4.4	4.1	3.8
EV/EBITA	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	8.2	7.7	7.1
EV/EBIT	17.3	13.8	14.9	16.8	12.3	76.6	2,554.2	1,976.9	8.2	7.7	7.1
Dividend yield (ord.)	4.0%	4.1%	6.1%	4.2%	5.1%	5.5%	7.6%	5.7%	6.7%	7.4%	7.9%
FCF yield	-0.8%	5.6%	1.0%	17.1%	20.8%	19.2%	-18.6%	-5.4%	17.3%	19.0%	17.4%
FCF Yield bef A&D, lease adj	6.9%	3.3%	1.5%	14.0%	18.9%	7.2%	-31.1%	-8.4%	18.1%	17.3%	15.6%
Payout ratio	72.8%	57.6%	68.3%	69.8%	54.8%	64.9%	45.4%	57.7%	49.5%	53.0%	51.6%

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	551	549	551
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	723	723	727
Inventory	90	93	106	110	103	110	153	129	129	126	129
Accounts receivable	109	114	105	107	106	108	135	116	117	119	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	31	33	28
Total current assets	208	214	219	235	248	288	332	265	286	289	289
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**	**1,009**	**1,012**	**1,016**
Shareholders equity	410	419	415	420	423	455	449	389	413	435	459
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	26	31	36
Total Equity	422	431	428	434	439	468	464	411	440	467	496
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	246	216	186
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	311	281	251
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	256	261
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	264	269
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**	**1,009**	**1,012**	**1,016**
Balance sheet and debt metrics											
Net debt	212	210	222	223	190	152	234	273	243	210	185
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	0	-5	-5
Invested capital	703	703	708	705	670	659	739	725	723	717	721
Capital employed	640	645	656	663	657	678	730	696	714	711	710
ROE	4.5%	6.2%	4.0%	3.6%	5.2%	-1.6%	-1.2%	-4.7%	10.2%	10.1%	10.4%
ROIC	3.8%	4.8%	3.3%	3.8%	4.8%	6.4%	6.3%	5.7%	7.8%	8.2%	8.5%
ROCE	5.1%	6.4%	4.4%	5.1%	6.2%	7.9%	7.7%	7.2%	10.0%	10.3%	10.7%
Net debt/EBITDA	2.7	2.4	3.0	2.6	2.0	2.4	2.2	2.7	1.9	1.6	1.4
Interest coverage	5.0	5.6	4.5	5.6	8.8	1.3	0.1	0.0	4.4	5.1	6.5
Equity ratio	45.1%	46.0%	46.2%	45.2%	45.0%	47.3%	43.2%	39.3%	41.0%	43.0%	45.2%
Net gearing	50.3%	48.7%	51.9%	51.3%	43.4%	32.5%	50.3%	66.4%	55.2%	45.1%	37.4%

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**	**130**	**133**	**137**
Paid taxes	-6	-10	-1	-9	-9	-15	-7	-11	-10	-12	-13
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**	**105**	**108**	**113**
Change in NWC	7	6	-13	17	31	-6	-46	31	1	5	0
Cash flow from operations (CFO)	**65**	**65**	**47**	**89**	**102**	**88**	**54**	**93**	**105**	**113**	**113**
Capital expenditure	-43	-53	-45	-40	-41	-56	-126	-110	-45	-55	-60
Free cash flow before A&D	**22**	**11**	**3**	**48**	**61**	**32**	**-73**	**-16**	**60**	**58**	**53**
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	53	58	53
Free cash flow bef A&D, lease adj	22	11	3	40	53	24	-81	-25	55	53	48
Dividends paid	-11	-13	-15	-12	-12	-15	-19	-21	-17	-20	-23
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	20	2	-5
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%	2.6%	3.0%	3.3%
Key information											
Share price year end (/current)	11	12	7	10	10	12	9	11	11	11	11
Market cap.	324	341	185	284	278	326	262	297	305	305	305
Enterprise value	548	563	420	521	485	490	511	593	575	547	527
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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