24 April 2025

Commissioned research: Atria – Strong Q1 - new investments announced

Marketing material commissioned by Atria

Atria reported Q1 adjusted EBIT of EUR 12.8m, 31% (EUR 3.0m) above LSEG Data & Analytics consensus. Q1 net sales of EUR 421m were up 1% y/y and came 1% below consensus. All segments beat our EBIT estimates, led by Finland. Operating cash flow was EUR 17.5m (EUR -16.8m a year ago). On top of EUR 60-90m potential convenience food investment, Atria announced that it will invest EUR 7m in a new pancake production line in Finland. Atria maintained its guidance intact and expects 2025 adjusted EBIT to decline from EUR 65.4m in 2024. Consensus has modelled EUR 64.7m, or 1% decline. Following the strong Q1, we continue to view the guidance as conservative although note uncertain consumer sentiment. Initially, we expect consensus to make positive estimate revisions to the tune of low-single-digits.

Q1 DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	Q1 2025	Q1 2025E	vs. actual		Q1 2025E	vs. actual		Q4 2024	q/q	Q1 2024	y/y
Sales	**421**	**420**	**0**	**0%**	**424**	**(3)**	**-1%**	**445**	**-6%**	**417**	**1%**
Adj. EBIT	**12.8**	**9.8**	**3.0**	**31%**	**9.8**	**3.0**	**31%**	**13.2**	**-3%**	**8.0**	**60%**
Adj. EBIT margin	3.0%	2.3%	0.7pp	0.7pp	2.3%	0.7pp		3.0%	0.1pp	1.9%	1.1pp
Adj. EPS, EUR	**0.28**	**0.16**	**0.12**	**73%**	**0.16**	**0.12**	**75%**	**0.27**	5%	**0.10**	183%
Divisional sales, EURm											
Finland	307.7	309.8	-2	-1%				331	-7%	310	-1%
Sweden	88.9	87.1	2	2%				89	0%	82	8%
Denmark & Estonia	29.8	30.1	0	-1%				31	-3%	31	-3%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	0	n.m.
Group eliminations	-6.0	-6.8	1	-12%				-6	7%	-6	3%
Group	**420.5**	**420.2**	**0.3**	**0%**				**445**	**-6%**	**417**	**1%**
Divisional adj. EBIT, EURm											
Finland	11.2	8.7	2.5	29%				12.9	-13%	7.2	56%
Sweden	0.7	0.6	0.1	22%				0.5	46%	0	
Denmark & Estonia	1.8	1.2	0.6	54%				1.2	53%	1.4	n.m.
Group eliminations	-0.9	-0.7	-0.2	29%				-1.3	-31%	-0.6	50%
Group	**12.8**	**9.8**	**3.0**	**31%**				**13.24**	**-3%**	**8**	**60%**

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

Q1 beat was broad based

- Atria Q1 adjusted EBIT of EUR 12.8m beat LSEG Data & Analytics consensus by 31% (EUR 3.0m). There were no items affecting comparability.
- Net sales of EUR 421m were 1% below consensus expectations.
- Adjusted EPS stood at EUR 0.28 compared to consensus of EUR 0.16.
- Operating cash flow of EUR 17.5m was up clearly from EUR -16.8m a year ago. Leverage was at 1.9x at the end of Q1 (2.1x in 2024).

Atria Finland improved EBIT y/y driven by new poultry unit

- Finland net sales of EUR 308m were down 1% y/y and came 1% below our expectations. Net sales declined due to retail trade and Easter sales being included in comparison period.
- Adjusted EBIT was EUR 11.2m, 29% above our estimate of EUR 8.7m. New poultry unit was the main reason

for EBIT improvement while the company notes positive contribution from pultry exports to China and lower energy costs.

- In addition to EUR 60-90m convenience food production investment, Atria Finland will start EUR 7m investment into new pancake production line which is expected to be operational in the summer of 2026.

Atria Sweden beat on top line and EBIT

- Sweden net sales were EUR 89m, up 8% y/y and 2% above our estimate, supported by Gooh! acquisition and growth in retail and foodservice.
- Adjusted EBIT of EUR 0.7m came above our estimate of EUR 0.6m. Top line growth and strenghtened SEK supported profitability.

Atria Denmark & Estonia remains a mixed bag

- Denmark & Estonia net sales were EUR 30m down 3% y/y, 1% below our expectations. In Denmark, sales were weighted down by lower volumes to retail and foodservice. In Estonia, the company continued to grow sales volumes to retail.
- Adjusted EBIT was EUR 1.8m, 54% above our estimate. Atria Estonia profitability improved, while in Denmark, we expect continued EBIT burden from lower sales. Atria's performance in Estonia appears to be solid while Denmark continues to struggle with a tight market.

Guidance intact - consensus likely to revise estimates up

Atria reiterated its guidance for 2025 and expects adjusted EBIT to decline in 2025 after EUR 65.4m in 2024. Prior to the Q1 report, LSEG Data & Analytics consensus expected EUR 64.7m adjusted EBIT in 2025, i.e. 1% adjusted EBIT decline in 2025. We note the company has been relatively conservative with its guidance past years. We note Q2 is likely slightly burdened by the three day strike ahead of Easter. However, following the strong Q1, we continue to view the guidance as conservative with a possible guidance raise during the summer.

SUMMARY TABLE - KEY FIGURES

EURm	2022	2023	2024	2025E	2026E	2027E
Total revenue	1,697	1,753	1,755	1,789	1,825	1,868
EBITDA (adj)	101.8	109.4	127.4	130.8	134.7	138.3
EBIT (adj)	49.0	49.5	65.5	64.6	67.5	70.0
EBIT (adj) margin	2.89%	2.82%	3.73%	3.61%	3.70%	3.75%
EPS (adj. EUR)	1.54	1.04	1.37	1.38	1.52	1.64
EPS (adj) growth	58.7%	-32.5%	32.2%	0.63%	10.2%	7.54%
DPS (ord. EUR)	0.70	0.60	0.69	0.70	0.75	0.80
EV/Sales	0.30	0.34	0.33	0.35	0.34	0.33
EV/EBIT (adj)	10.4	12.0	8.93	9.71	9.24	8.84
P/E (adj)	6.02	10.1	7.86	9.55	8.66	8.05
P/BV	0.58	0.76	0.76	0.88	0.84	0.79
Divident yield (ord)	7.55%	5.70%	6.39%	5.30%	5.68%	6.06%
FCF Yield bef A&D, lease adj	-31.1%	-8.44%	15.8%	13.3%	7.21%	8.47%
Net debt	233.8	273.3	259.0	228.8	221.7	211.3
Net debt/EBITDA	2.25	2.73	2.02	1.75	1.65	1.53
ROIC after tax	6.32%	5.70%	7.37%	7.41%	7.67%	7.73%

Source: Company data and Nordea estimates

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