17 July 2025

Commissioned research: Atria – Solid Q2 - guidance remains conservative

Marketing material commissioned by Atria

Atria reported Q2 adjusted EBIT of EUR 17.6m, 7% above LSEG Data & Analytics consensus. Q2 net sales of EUR 460m were up 1% y/y and came 1% above consensus. All segments beat our EBIT estimates, led by Sweden. Operating cash flow was EUR 42m (EUR 47m a year ago). The company notes easing of downward pressure in the Finnish market where only poultry products have grown in H1. In Estonia, the company has been affected by African swine fewer which had EUR 0.6m negative impact on adjusted EBIT in Q2. 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 solid Q2, we continue to view the guidance as conservative, especially given early signs of improving market conditions. Initially, we expect consensus to make only minor positive estimate revisions.

ATRIA Q2 DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	Q2 2025	Q2 2025E	vs. actual		Q2 2025E	vs. actual		Q1 2025	q/q	Q2 2024	y/y
Sales	**460**	**457**	**3**	**1%**	**456**	**3**	**1%**	**420**	**9%**	**454**	**1%**
Adj. EBIT	**17.6**	**17.0**	**0.6**	**4%**	**16.5**	**1.1**	**7%**	**12.8**	**38%**	**18.5**	**-5%**
Adj. EBIT margin	3.8%	3.7%	0.1pp	0.1pp	3.6%	0.2pp		3.0%	0.8pp	4.1%	-0.2pp
Adj. EPS, EUR	**0.41**	**0.37**	**0.04**	**11%**	**0.35**	**0.06**	**17%**	**0.28**	47%	**0.39**	5%
Divisional sales, EURm											
Finland	330.1	329.4	1	0%				308	7%	336	-2%
Sweden	104.1	103.0	1	1%				89	17%	94	11%
Denmark & Estonia	31.6	31.1	0	2%				30	6%	32	-2%
Unallocated	0.0	0.0	0	n.m.				0	n.m.	0	n.m.
Group eliminations	-6.0	-6.8	1	-12%				-6	0%	-8	-22%
Group	**459.8**	**456.6**	**3.2**	**1%**				**420**	**9%**	**454**	**1%**
Divisional adj. EBIT, EURm											
Finland	15.7	15.3	0.4	3%				11.2	40%	17.1	-8%
Sweden	2.3	1.8	0.5	31%				0.7	229%	1.6	
Denmark & Estonia	1.5	1.3	0.2	15%				1.8	-17%	1.5	n.m.
Group eliminations	-1.8	-1.4	-0.4	29%				-0.9	100%	-1.7	6%
Group	**17.6**	**17.0**	**0.6**	**4%**				**12.8**	**38%**	**18.5**	**-5%**

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

Q2 was solid in all fronts despite cold weather and strikes

- Atria Q2 adjusted EBIT of EUR 17.6m beat LSEG Data & Analytics consensus by 7%. There were no items affecting comparability while the company incurred EUR 0.6m costs related to outbreak of African swine fewer in one of its Estonian pig farms. If adjusting for the additional costs that were booked in Q2, adjusted EBIT would have been 10% above consensus expectations.
- Net sales of EUR 460m were 1% above consensus expectations.
- EPS stood at EUR 0.41 compared to consensus of EUR 0.35.
- Operating cash flow of EUR 42m was slightly down from EUR 47m a year ago. Leverage was at 1.8x at the end of Q2 (1.9x in Q1).

Atria Finland profitability at a good level despite temporary headwinds

- Finland net sales of EUR 330m were down 2% y/y and came in line with our expectations. Net sales declined due to subdued market conditions and impact from strikes that impacted Easter sales.

- Adjusted EBIT was EUR 15.7m, 3% above our estimate of EUR 15.3m. We believe the new poultry unit and poultry exports to China have supported profitability against cold weather and strike impacts.

Atria Sweden with a strong EBIT improvement

- Sweden net sales were EUR 104m, up 11% y/y (+6% local currency growth) and 1% above our estimate, supported by Gooh! acquisition and growth in retail and foodservice.
- Adjusted EBIT of EUR 2.3m came clearly above our estimate of EUR 1.8m. Top line growth and strengthened SEK supported profitability.

Atria Denmark & Estonia development was burdened by ASF

- Denmark & Estonia net sales were EUR 32m down 2% y/y, while 2% above our expectations. In Denmark, sales were weighted down by lower volumes to retail. In Estonia, retail sales were weighed down due to the delayed start of the barbecuing season.
- Adjusted EBIT was EUR 1.5m, 15% above our estimate of EUR 1.3m. Atria Estonia profitability was burdened by EUR 0.6m costs related to African swine fewer infection on one of Atria's pig farms. The company has been able to make deliveries to its customer mostly as agreed.

Guidance intact - the company is proceeding with its investments

Atria reiterated its guidance for 2025 and expects adjusted EBIT to decline in 2025 after EUR 65.4m in 2024. Prior to the Q2 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.

In addition, Atria announced today that it will proceed with EUR 82m investment in the modernisation of convenience food production and related energy solutions in Nurmo, Finland. We view the announcement as expected following Business Finland's decision to award Atria with EUR 25m clean transition investment support for the investment. In addition, Atria will apply for a green transition tax credit for the investment, which may amount to 20% of the investment amount. Atria expects EUR 5m annual cost savings from the investment through lower energy costs. We have forecasted the investment into our estimates while the EUR 25m investment support likely has a slightly positive impact on our capex estimates for 2026-27.

We expect consensus to make only minor positive revisions on the back of Q2 report. However, we continue to view possibility for a guidance raise later this year.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	1,540	1,697	1,753	1,755	1,779	1,815	1,857
EBITDA (adj.)	106	102	109	127	130	134	138
EBIT (adj.)	49.2	49.0	49.5	65.5	66.2	69.2	71.7
EBIT (adj.) margin	3.19%	2.89%	2.82%	3.73%	3.72%	3.81%	3.86%
EPS (adj. EUR)	0.97	1.54	1.04	1.37	1.42	1.57	1.68
EPS (adj.) growth	6.36%	58.7%	-32.5%	32.2%	3.64%	10.0%	7.44%
DPS (ord. EUR)	0.63	0.70	0.60	0.69	0.70	0.75	0.80
EV/Sales	0.32	0.30	0.34	0.33	0.36	0.36	0.34
EV/EBIT (adj.)	9.97	10.4	12.0	8.93	9.77	9.31	8.92
P/E (adj.)	11.9	6.02	10.1	7.86	9.73	8.84	8.23
P/BV	0.72	0.58	0.76	0.76	0.93	0.87	0.83
Dividend yield (ord.)	5.47%	7.55%	5.70%	6.39%	5.05%	5.42%	5.78%
FCF yield before A&D, lease-adj.	7.25%	-31.1%	-8.44%	15.8%	12.5%	6.65%	7.86%
Net debt	152	234	273	259	230	223	214
Net debt/EBITDA	2.39	2.25	2.73	2.02	1.76	1.67	1.55
ROIC	6.44%	6.32%	5.70%	7.37%	7.57%	7.81%	7.85%

Source: Company data and Nordea estimates

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