



Atria Plc

Financial Statement Release 2021

1 January - 31 December 2021

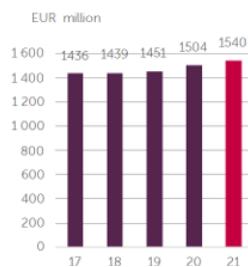
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Atria performed well in the demanding operating environment of 2021

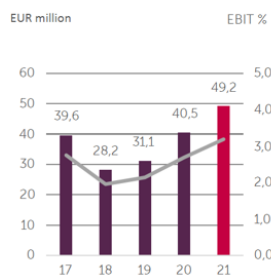
Net sales (EUR million)
1,540.2

The group's net sales were EUR 1,540.2 million, which was EUR 36.2 million more than in 2020.

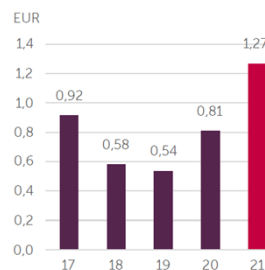


Adjusted EBIT (MEUR)
49,2

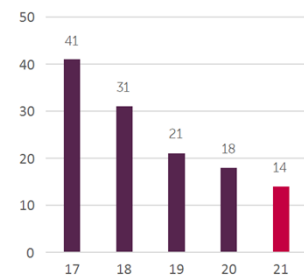
The group's adjusted EBIT was EUR 49.2 million. Adjusted EBIT increased by 21 % from 2020.



Adjusted EPS



Accident frequency rate



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Hyvä ruoka – parempi mieli.

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Atria Group 1 January – 31 December 2021

EUR million	Q4	Q4	Q1-Q4	Q1-Q4
	2021	2020	2021	2020
Net sales	403.6	398.6	1,540.2	1,504.0
EBIT before items affecting comparability	10.3	15.1	49.2	40.5
Adjusted EBIT, %	2.5 %	3.8 %	3.2 %	2.7 %
Items affecting comparability of EBIT:				
Refund of an employment pension contribution	2.3	0.0	2.3	0.0
The effect of the sale of the subsidiary	0.0	0.0	-45.1	0.0
EBIT	12.6	15.1	6.4	40.5
EBIT, %	3.1 %	3.8 %	0.4 %	2.7 %

October - December 2021

- Consolidated adjusted EBIT was EUR 10.3 million (EUR 15.1 million). The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million in Sweden.
- Consolidated net sales grew, which was mainly due to increased sales to Foodservice, fast food and feed customers.
- Sales to retail were level with the corresponding period of the previous year, and exports to China decreased as the market situation deteriorated towards the end of the year.
- Increased costs weakened EBIT in all business areas.

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Atria Group 1 January – 31 December 2021

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January - December 2021

- Consolidated net sales grew by EUR 36.2 million and consolidated adjusted EBIT by EUR 8.7 million year-on-year.
- The EBIT adjustment item consists of translation differences of EUR -45.1 million of the divested Russian subsidiary (OOO Pit-Product) and a refund of an employment pension contribution of EUR 2.3 million in Sweden.
- Increased costs brought down EBIT in all business areas at the end of the year.
- The sale of Atria's Russian subsidiary OOO Pit-Product was completed in April.
- In 2022–2023, Atria will invest approximately EUR 30 million in production restructuring in Sweden; production will be centralised at the Sköllesta plant and the Malmö plant will be closed.
- Occupational safety at Atria has improved significantly during the last four years. In 2017, Atria's LTA frequency was 41 and in 2021, it has improved to 14, a decrease of 66% (Lost Time Accident frequency = number of accidents at work resulting in absence per million working hours).
- The Board of Directors proposes that a dividend of EUR 0.63 (EUR 0.50) be paid for each share for the 2021 financial period.

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Atria Finland 1 January – 31 December 2021

EUR million	Q4	Q4	Q1-Q4	Q1-Q4
	2021	2020	2021	2020
Net sales	293.2	284.5	1,105.7	1,066.3
EBIT	10.6	14.4	48.1	43.1
EBIT, %	3.6 %	5.1 %	4.4 %	4.0 %

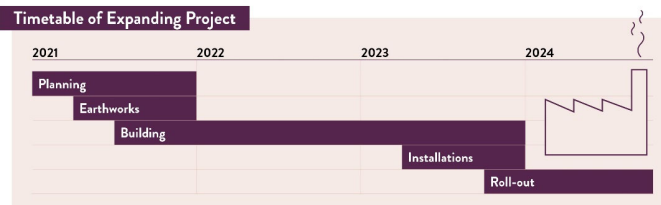
- **In October-December** the growth in net sales is due to increased sales to Foodservice and feed customers.
- Sales to retail were level with the corresponding period of the previous year, and exports decreased.
- EBIT was lower than in the corresponding period of the previous year. Profitability weakened due to higher costs.
- Meat producer prices were higher year-on-year.
- **In January-December** the increase in net sales was due to increased sales in all sales channels, especially Foodservice sales and feed sales improved from the previous year.
- Sales to export customers for the whole year grew from the previous year. Exports to China were twofold: strong growth in the first half of the year, but the market situation for Chinese exports clearly deteriorated in the second half of the year.
- EBIT growth was due to the increase in net sales and a favourable sales structure.
- The end of the reduction in statutory employment pension contributions has had a negative impact on profit.
- Towards the end of the year, the impact of cost inflation weakened profitability.
- The poultry plant investment is progressing according to the planned schedule.

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Atria's poultry investment

- The investment in the Nurmo poultry plant is progressing according to the planned schedule.
- The largest investment (EUR 155 mill.) in Atria's history will increase poultry production capacity in Atria Finland by approx. 40%.



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Atria Finland

- The retail market has grown by 2.7 per cent from the beginning of the year in the product groups represented by Atria.
- The market for convenience food products grew in 2021 compared to 2020, over 9 per cent in terms of value.
- Atria's supplier share in 2021 was approximately 24 per cent in the product groups represented by Atria.
- In October–December, sales in Finnish retail increased by just under one per cent (0.7%).
- The sales of convenience foods grew by 8.8 per cent in October–December.
- The Foodservice market in Finland resumed growth after the fall in 2020. The market grew especially during the summer and autumn, but the re-tightening of coronavirus restrictions at the end of the year curbed growth.
- Atria's supplier share in the Foodservice market is approximately 22 per cent in the product groups represented by Atria.
- At the end of the year, meat (+13%), poultry (+20%) and cold cuts (+14%) brought growth to the Foodservice market. In contrast, convenience food decreased by 14 per cent in terms of value.

(Source: Atria market insight)



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Atria Sweden 1 January – 31 December 2021

EUR million	Q4	Q4	Q1-Q4	Q1-Q4
	2021	2020	2021	2020
Net sales	92.7	85.1	351.7	332.2
Adjusted EBIT	0.6	1.2	2.7	0.8
Adjusted EBIT, %	0.7 %	1.4 %	0.8 %	0.2 %
Items affecting comparability of EBIT:				
Refund of employment pension contribution	2.3	0.0	2.3	0.0
EBIT	2.9	1.2	5.0	0.8
EBIT, %	3.2 %	1.4 %	1.4 %	0.2 %

- **In October-December** net sales grew by 6.7 per cent year-on-year in the local currency.
- Sales of Foodservice and Sibylla products in Sweden were better year-on-year.
- Sales to retail were level with the corresponding period of the previous year.
- Sales of Sibylla products in Russia continued to grow.
- The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million.
- Increased feed, transport and energy costs brought down EBIT during the review period.
- **In January-December** net sales grew by 3.5 per cent year-on-year in the local currency.
- During the first quarter, coronavirus restrictions had a negative impact on the Foodservice and fast food business. After that, the market started to recover with the removal of coronavirus restrictions.
- The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million, which was realised in the last quarter of the year.
- As a result of a segment change in Atria Group, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021. The change had a positive effect on net sales and EBIT for the review period and the comparison period.

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Atria Sweden

- In January–December, sales to retail of the product groups represented by Atria remained stable: the sausage market decreased by 1.1 per cent, the cold cuts market grew by 2.5 per cent and the poultry products market grew by 3.8 per cent in value.
- In January–December, Atria's supplier share was 18.7 per cent in sausages, 12.6 per cent in cold cuts and 16.9 per cent in fresh chicken products. (Source: AC Nielsen).
- Coronavirus restrictions have had the biggest effect on the Foodservice and fast food market. Rapid fluctuations in demand have caused uncertainty in the market. The Foodservice market grew by approximately 15 per cent in the fourth quarter of 2021 compared to the corresponding period in the previous year.
- In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant. As a result of the restructuring, Malmö's production will be transferred to the Sköllersta and Moheda plants in Sweden and to the Horsens plants in Denmark. The transfer of production is expected to be completed in 2023. The restructuring is estimated to generate total annual savings of EUR 3.5 million for Atria.



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Atria Denmark & Estonia 1 January – 31 December 2021

EUR million	Q4	Q4	Q1-Q4	Q1-Q4
	2021	2020	2021	2020
Net sales	26.4	26.6	104.9	106.8
EBIT	0.0	1.7	5.1	5.3
EBIT, %	0.0 %	6.5 %	4.9 %	4.9 %

- **In October-December** Atria's net sales in Estonia increased by nearly 5 per cent, which was due to the growth of Atria's market shares and a favourable sales structure.
- In Denmark, sales to Foodservice and export customers increased year-on-year. Sales to retail were sluggish, although the market shares of private labels strengthened in Denmark.
- During the review period, EBIT was weighed down by rising costs for materials, supplies, energy and external services, as well as higher feed costs in Estonia.
- **In January-December** the decrease in net sales was due to a decline in Atria Denmark's retail sales.
- EBIT strengthened during the first three quarters as a result of price increases during the first half of the year, low meat raw material prices and good cost control.
- At the end of the year, feed and production costs rose sharply, as a result of which full-year EBIT was lower than in the previous year.

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Atria Denmark & Estonia

- Atria's total market share in Estonian retail was 14.8 per cent (14.1%) in January–December in terms of value. Sales of marinated meat and private labels strengthened at the end of the year.
- Atria's Maks & Moorits meat products were awarded in three categories as the best Christmas products at the Tallinn Food Fair in October.
- Atria Denmark's total market share in cold cuts in January–December was 16.9 per cent.



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Financial development

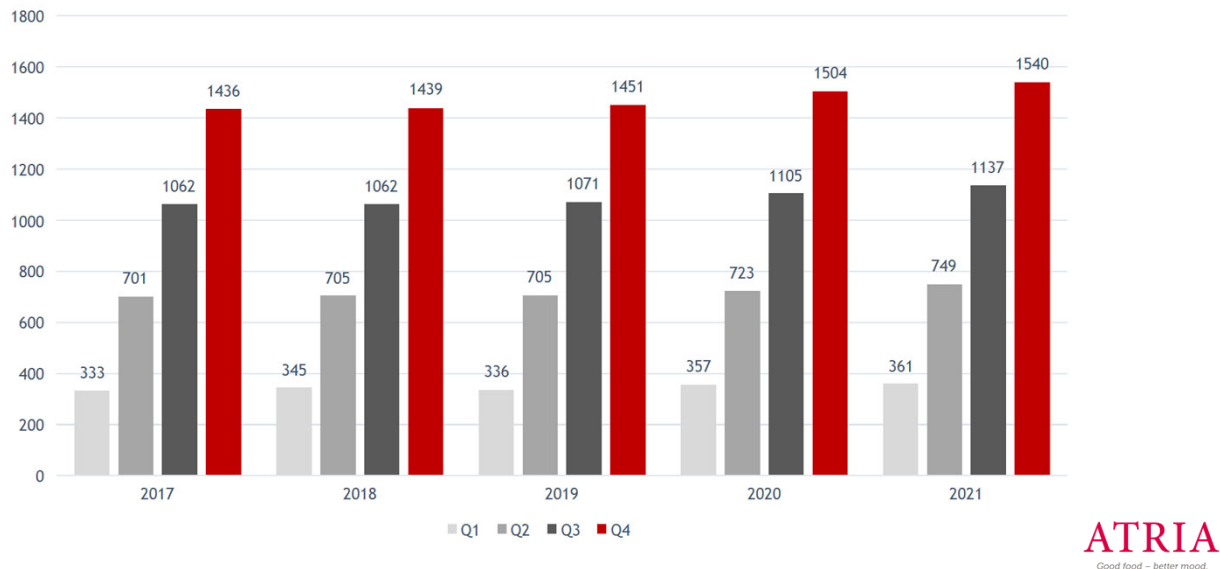
"Both in terms of growth and earnings, 2021 was strong for Atria."

Juha Gröhn, CEO

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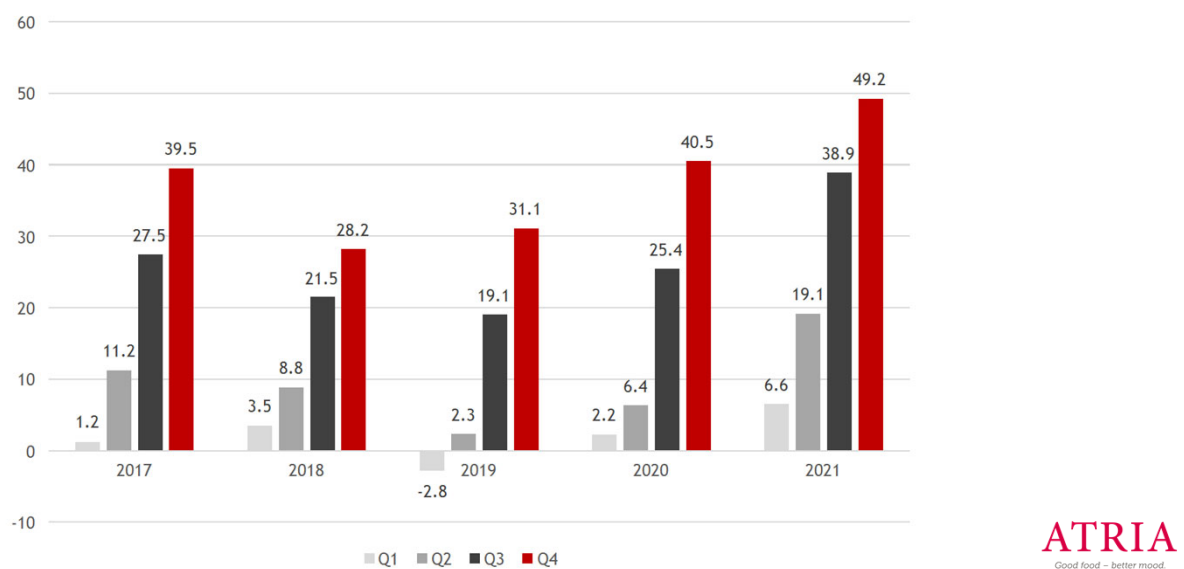
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Atria Group Net Sales cumulative, EUR million



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Atria Group adjusted EBIT cumulative, EUR million



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Atria Group Financial indicators

1 January – 31 December 2021

EUR million	31.12.2021	31.12.2020
Shareholders' equity per share EUR	16.08	14.96
Interest-bearing liabilities	209.9	218.1
Equity ratio, %	48.7 %	46.8 %
Net gearing, %	32.6 %	43.6 %
Gross investments	55.6	45.6
% of net sales	3.6 %	3.0 %
Average FTE	3,711	4,444

- Consolidated interest-bearing net liabilities on 31 December 2021 amounted to EUR 152.6 million (31 December 2020: EUR 191.6 million).
- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 62.4 million (EUR 59.0 million). Free cash flow includes the net cash flow effect of the sale of OOO Pit-Product of EUR 30.3 million.
- Equity ratio at the end of the review period was 48.7% (31 December 2020: 46,8 %). The change in translation differences in equity was EUR 42.7 million (EUR -6.8 million). Accumulated translation differences related to the sold subsidiary, OOO Pit-Product, amounted to EUR -45.1 million and were written off from translation differences to retained earnings. The recording has no effect on equity ratio or cash flow.
- In April, Atria refinanced a EUR 40 million loan due in April 2023 with a new EUR 60 million bullet loan that has a maturity of seven years. In December, Atria also refinanced a EUR 40 million loan due in November 2023 with a new EUR 60 million bullet loan tied to sustainability targets, with a maturity of five years and 1+1 year extension options.
- The average maturity of loans and committed credit facilities at the end of the review period was 4 years 11 months (31 December 2020: 3 years 2 months).

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Atria Group Income statement

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
NET SALES	403.6	398.6	1,540.2	1,504.0
Costs of goods sold	-359.5	-349.4	-1,363.7	-1,337.7
GROSS PROFIT	44.1	49.1	176.5	166.3
% of Net sales	10.9 %	12.3 %	11.5 %	11.1 %
Other income	3.4	0.8	6.0	3.2
Other expenses	-34.8	-34.8	-176.2	-129.0
EBIT	12.6	15.1	6.4	40.5
% of Net sales	3.1 %	3.8 %	0.4 %	2.7 %
Finance income and costs	-0.9	-0.8	-4.9	-4.5
Income from joint ventures and associates	0.6	0.3	3.4	1.2
PROFIT BEFORE TAXES	12.3	14.6	4.8	37.3
Income taxes	-2.2	-7.9	-10.2	-12.6
PROFIT FOR THE PERIOD	10.1	6.8	-5.4	24.7

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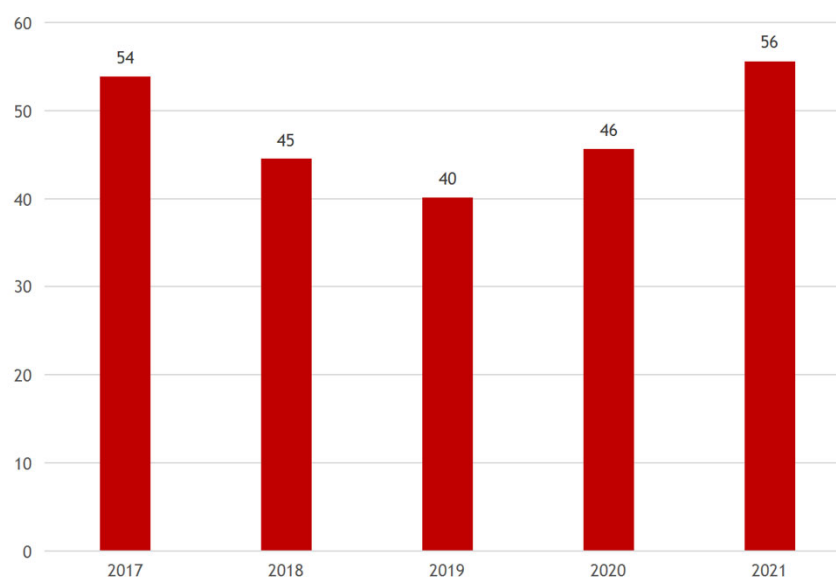
Atria Group Cash flow statement

EUR million	1-12/2021	1-12/2020
Cash flow from operating activities	105.6	115.2
Financial items and taxes	-17.4	-13.0
NET CASH FLOW FROM OPERATING ACTIVITIES	88.2	102.2
Investments in tangible and intangible assets	-55.8	-40.8
Acquired operations	-0.1	-3.4
Sold operations	30.3	0.0
Changes in long-term receivables	-0.4	0.7
Change in short-term receivables	-0.5	-0.1
Dividends received	0.7	0.5
NET CASH FLOW FROM OPERATING ACTIVITIES	-25.8	-43.2
FREE CASH FLOW	62.4	59.0
Changes in interest-bearing liabilities	-14.5	-22.4
Transactions with non-controlling interest	-3.1	0.0
Dividends paid	-14.6	-11.9
NET CASH FLOW FROM FINANCING ACTIVITIES	-32.2	-34.4
CHANGE IN LIQUID FUNDS	30.2	24.6

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Atria Group Gross investments, EUR million

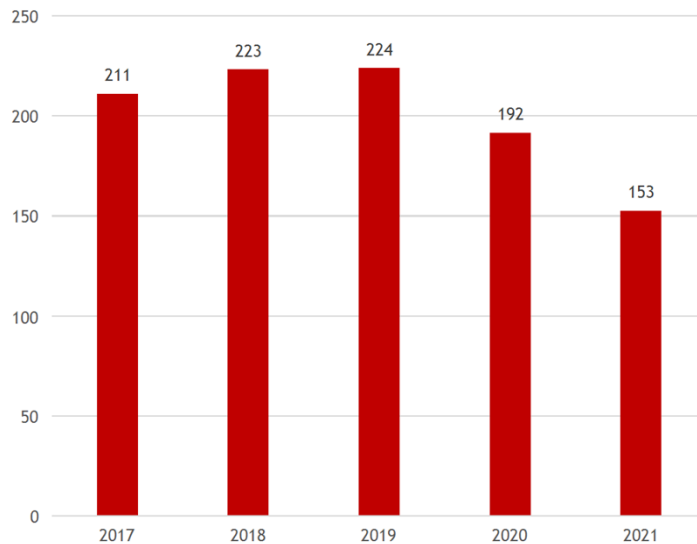


In 2020 the acquisitions increased the amount of gross investments by EUR 3.5 million.

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Atria Group Net debts, EUR million

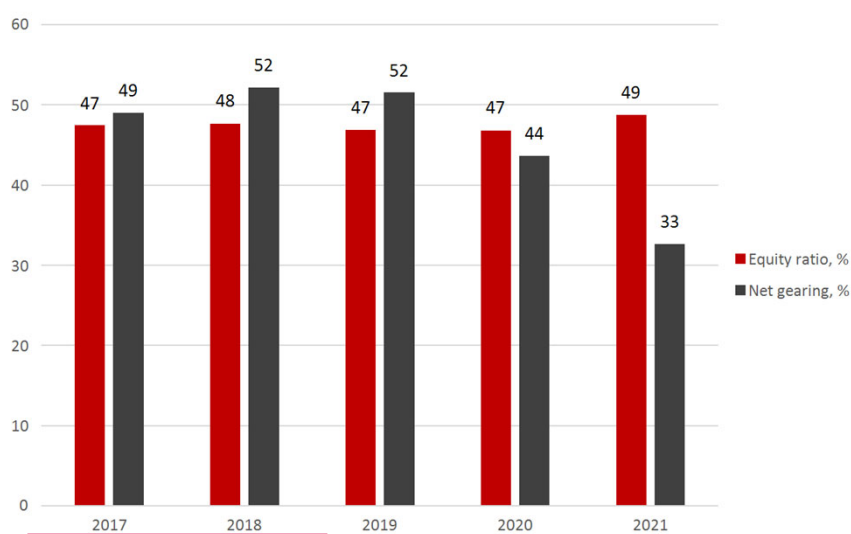


Years 2017-2018 do not include finance lease liabilities according to IFRS 16.

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Atria Group Equity ratio & Net gearing, %



Years 2017-2018 do not include finance lease liabilities according to IFRS 16.

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Events after the review period

- Atria Plc donates a total of EUR 60,000 to three Finnish universities and one university of applied sciences. In addition, Atria donates EUR 5,000 to Food and Forest Development Finland to support agriculture and forestry in developing countries.
- Donations are given to:
 - Seinäjoki University of Applied Sciences, EUR 20,000
 - University of Vaasa, EUR 20,000
 - University of Eastern Finland, EUR 10,000
 - University of Tampere, EUR 10,000
 - FFD (Food and Forest Development Finland), EUR 5,000
- In January 2022, Atria Finland received an export licence for poultry products to South Korea. The first product batch to South Korea will be shipped during February–March 2022. South Korea is a growing and large market for poultry consumption. The country has a population of 52 million and currently, the consumption of poultry is 16.9 kg per person per year.

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Dividend proposal by the Board of Directors

- Consolidated adjusted earnings per share were EUR 1.27 (EUR 0.81).
- The Board of Directors proposes that a dividend of EUR 0.63 (EUR 0.50) be paid for each share for the 2021 financial period.

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Business risks in the review period and short-term risks

- The Covid-19 pandemic has affected Atria's business since March 2020. In 2021, it posed a significant risk to Atria's business, as in the previous year. The nature of the pandemic changed for the worse in the last quarter of 2021, when the omicron-coronavirus variant began to spread across continents. Due to the variant, regional and company-specific coronavirus restrictions that had already been discontinued were reintroduced. The restrictions affect both Atria's personnel and operations and the purchasing behaviour of Atria's customers. The rapid spread of the virus variant has also been reflected in instability in the security of supply of suppliers and the functioning of the logistics chain.
- Atria strives to prevent the impact of the pandemic on the health and safe working of its personnel and to ensure a smooth supply chain. New ways of working, protective equipment, social distancing, information and guidance, and restrictions on visits and travel are used as tools.
- The dry and exceptionally warm summer reduced grain harvests in Finland. The autumn rains, in turn, weakened the quality of the harvest. As a result, feed prices and the costs of meat production farms have risen, which has increased the price of meat.
- In the second half of the year, energy prices have been high and price fluctuations have been large. The prices of natural gas and electricity in particular have been at a record high. Atria's hedging against the risk related to the market price of electricity (system price) has been effective, but regional differences in electricity prices have brought additional costs. Significant price fluctuations in electricity and other energy costs are forecast to continue.
- A significant part of the pork processed at Atria's Nurmo plant is exported to China. On the Chinese market, the price of meat can fluctuate very quickly, which is a risk to both volume and the price level.
- African swine fever is encountered in several European countries, China and Russia. The poultry market experienced uncertainty, as cases of highly pathogenic avian influenza were detected in Europe. Considering the risk of these diseases spreading to Finland, Atria employs prevention measures at its own production plants and contract production farms.

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Outlook for the future

- In 2022, Atria Group's adjusted EBIT is estimated to be lower than in the previous year (EUR 49.2 million).
- The significant and rapid rise in costs and the imbalance between global pork demand and supply will create uncertainty in the business environment in 2022. However, Atria's strong market position, long-term investment in its own brands, as well as good customer relationships and reliable industrial processes provide the preconditions for business stability even in these market situations.

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Thank you!

Q1/ 2022 will be published on 3 May 2022.