ATRIA

Good food – better mood.

Atria Plc
Financial Statement Release

1 January – 31 December 2023

Atria 120 1903 2023

Atria’s 2023 net sales and adjusted EBIT increased

October–December 2023

- Consolidated net sales totalled EUR 438.1 million (EUR 451.2 million).
- The Group’s adjusted EBIT was EUR 9.4 million (EUR 16.7 million), or 2.1% (3.7%) of net sales.
- The Group’s EBIT was EUR -39.8 million (EUR -34.5 million).
- EBIT includes a total of EUR -49.2 million (EUR -51.2 million) in adjustment items. The adjustment items consist primarily of the write-downs of intangible and tangible assets.
- Atria Finland’s net sales decreased in all sales channels as a result of reduced consumer demand and the weaker global market situation in meat. Atria Finland’s adjusted EBIT decreased due to a decline in sales, the weak profitability of meat sales and the commissioning costs of the new poultry plant in Nurmo.
- Atria Sweden’s net sales were weighted down by weaker sales to retail customers. The Foodservice channel’s sales increased. The development of net sales was impacted by the discontinuation of sales of certain products that used to be produced at the Malmö plant.
- Atria Denmark & Estonia’s net sales grew by more than 4% and results improved. The growth of net sales in Estonia is strong.
- The slaughterhouse operations of the new poultry plant in Nurmo began in November. The efficiency optimisation of production processes got under way during the review period.
- Atria Sweden initiated an efficiency programme during the review period to improve its competitiveness and results in the changed operating environment. The efficiency measures aim for annual savings in the amount of roughly EUR 2.5 million.
- The Board of Directors proposes that the company distribute a dividend of EUR 0.30 and a return on capital of EUR 0.30 for the year 2023, totalling EUR 0.60 per share (EUR 0.70).

January–December 2023

- Consolidated net sales totalled EUR 1752.7 million (EUR 1696.7 million).
- The Group’s adjusted EBIT was EUR 49.6 million (EUR 49.0 million), or 2.8% (2.9%).
- The Group’s EBIT was EUR 0.4 million (EUR 0.1 million).
- EBIT includes a total of EUR -49.2 million (EUR -48.9 million) in adjustment items. The adjustment items consist primarily of the write-downs of intangible and tangible assets.
- Net sales increased by EUR 56 million year-on-year. The increase was the result of good sales development at the beginning of the year. Net sales took a downward turn towards the end of the year.
- The adjusted EBIT improved from the previous year due to a more favourable sales structure and higher sales prices than in the corresponding period, and the positive development of net sales at the beginning of the year.
- Atria Finland’s adjusted EBIT improved by EUR 6.7 million.
- Increased costs and weaker consumer purchasing power had an impact on Atria Sweden’s EBIT.
- Atria Denmark & Estonia’s adjusted EBIT improved by EUR 1.7 million. The increase was the result of Atria Estonia’s good net sales development.
- The review period was affected by additional costs related to the start-up of investments by Atria Finland and Sweden.
- The construction and installation work of the new poultry plant in Nurmo progressed according to the planned schedule. The slaughterhouse started operations in November, as planned. The facility is now fully operational, and the optimisation of the process performance is underway.
- The expansion of the Sköllersta plant in Sweden was completed in the summer. The production lines were transferred from Malmö to Sköllersta, and the last day of production at the Malmö plant was in June.
- The cooperation negotiations initiated in March by Atria Finland with the aim of restructuring the pig slaughtering and cutting operations at Atria’s Nurmo plant were concluded at the end of May.
- In May, Atria acquired 100,000 of its own series A shares at an average price of EUR 10.81 per share. This corresponds to approximately 0.35% of the total number of shares in the company.
- Kai Gyllström, M.Sc., MBA, joined the Group as CEO on 1 June 2023.

EUR million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Net sales				
Atria Finland	333.5	344.4	1,325.9	1,265.3
Atria Sweden	80.4	86.3	330.5	356.2
Atria Denmark & Estonia	30.6	29.4	122.2	112.9
Eliminations	-6.5	-8.9	-25.9	-37.7
Net sales, total	**438.1**	**451.2**	**1,752.7**	**1,696.7**
EBIT before items affecting comparability				
Atria Finland	9.4	20.3	56.1	49.4
Atria Sweden	-0.3	-0.9	-5.6	2.3
Atria Denmark & Estonia	1.3	-0.9	2.9	1.2
Unallocated	-1.1	-1.8	-3.7	-4.0
Adjusted EBIT	**9.4**	**16.7**	**49.6**	**49.0**
Adjusted EBIT, %	**2.1 %**	**3.7 %**	**2.8 %**	**2.9 %**
Items affecting comparability of EBIT:				
Atria Finland				
Impairment of trademark	-2.5		-2.5	
Poultry business reorganization costs	-3.1		-3.1	
Atria Sweden				
Impairment of goodwill and trademarks	-20.0	-51.1	-20.0	-51.1
Business reorganization costs	-2.6		-2.6	
Refund of employment pension contribution				1.3
Sale of real estate in Malmö		-0.1		9.7
Atria Denmark & Estonia				
Impairment of goodwill	-20.0		-20.0	
Unallocated				
Costs related to business arrangement	-1.0		-1.0	
Sale of subsidiary, Sibylla Rus				-8.8
EBIT	**-39.8**	**-34.5**	**0.4**	**0.1**
EBIT, %	**-9.1 %**	**-7.6 %**	**0.0 %**	**0.0 %**
Profit before taxes	**-43.7**	**-36.8**	**-11.2**	**1.7**
Earnings per share, EUR	-1.53	-1.34	-0.70	-0.19
Adjusted earnings per share, EUR	0.15	0.36	0.98	1.43

Kai Gyllström, CEO

“Net sales for January–December were EUR 1,752.7 million, increasing by EUR 56 million compared to the corresponding period last year. The adjusted EBIT was EUR 49.6 million and better than in the corresponding period.

2023 was twofold in many respects. The Group’s net sales increased, and profitability improved, especially driven by Finland and Estonia, while in Sweden and Denmark, profit development was weaker. The year was also clearly divided into a strong beginning and a weaker fourth quarter.

In September, the financial outlook was still relatively positive: the favourable structure of sales, the price increases of the previous year and the successful, phased commissioning Atria Finland’s new poultry plant strengthened the outlook. The purchasing power of consumers, which declined in the fourth quarter, resulted in a decrease of net sales in Finland. Consumers are buying lower-cost products and carefully consider their purchases. Consumers’ attitudes also reflect the global political uncertainty, which leads to preparedness and saving. Due to these reasons, the market situation of meat has experienced a global decline, manifesting as smaller export volumes and the weaker profitability of meat sales.

General cost inflation weakened the results of Atria Group. The costs of raw materials, supplies, commodities and external services were significantly higher than in the previous year. Only energy prices were on a lower level than in the previous year. The commissioning costs of the new poultry plant’s slaughterhouse also weighed on the result.

The Group’s reported EBIT in 2023 was EUR 0.4 million (EUR 0.1 million). The EBIT includes a total of EUR 49.2 million in adjustment items which consist mainly of the write-downs of intangible and tangible assets.

Operating cash flow improved by nearly EUR 40 million from the previous year. The major investments made during the period, totalling more than EUR 100 million, resulted in a free cash flow of EUR -12.5 million (-47.7 million).

Atria’s investments in the Nurmo plant in Finland and the Sköllersta plant in Örebro, Sweden, progressed on schedule. The new poultry plant in Nurmo is now fully operational and the efficiency of the production process is being improved. Production will be concentrated in Nurmo, and the Sahalahti unit will be closed in 2024. An agreement enabling the export of Finnish poultry meat to China was signed in November, meaning that Atria has the opportunity to begin exporting poultry meat to China.

Atria Sweden centralised its production from the Malmö plant to the Sköllersta plant. The Malmö plant was closed in June. At the end of the year, Atria Sweden kicked off an efficiency programme to achieve the objectives defined in the business strategy. The efficiency improvement measures aim for annual savings in the amount of roughly EUR 2.5 million.

Atria Denmark’s operations were enhanced, and its production was concentrated in two production plants. Also in Estonia, Atria has engaged in systematic work to increase sales and market shares. According to a survey conducted in June 2023, the Maks & Moorits brand is the most popular meat brand in Estonia.

Responsible business operations are part of Atria's strategy and practice. Atria has set itself the goal of being a pioneer in its industry. In 2023, several projects were launched that are of strategic and operational importance in terms of sustainability.

The solar park extension that began operating at the Nurmo production plant will nearly double the production of solar power. Atria Sweden signed a commitment to phase out the use of fossil fuels at the Tranås plant. Biomass and electric boilers will be installed at the Tranås plant next summer. In Finland, Atria teamed up with its contract producers to build up a model for verifying the sustainability work of pig farms which facilitates the measurement, reporting and development of sustainability-related matters.

The occupational safety of our personnel is a key focus area in our social responsibility efforts. Our continuous safety work has yielded results, and we succeeded in reducing the number of accidents at work as well as our accident frequency also in 2023.

Atria has a long tradition, a strong culture, strong local brands and top meat producers. As proof of our high quality, Atria's Finnish grass-fed beef continued to gain wide recognition and praise in 2023 in the prestigious international World Steak Challenge competition, for example.

Let's keep our good old mission in mind: Good food – better mood."

October–December 2023

Atria Group's net sales for the October-December period were EUR 438.1 million (EUR 451.2 million). The Group's adjusted EBIT was EUR 9.4 million (EUR 16.7 million), or 2.1% (3.7%). Consolidated EBIT was EUR -39.8 million (EUR -34.5 million), or -9.1% (-7.6%) of net sales. EBIT includes a total of EUR -49.2 million (EUR -51.2 million) in adjustment items. The adjustment items consist primarily of the write-downs of intangible and tangible assets.

Atria Finland's net sales for October–December did not reach the level of the corresponding period in the previous year. Net sales decreased in all sales channels. The uncertainty of the economic operating environment and general cost inflation weakened consumer purchasing power late in the year. Consumers bought products in the lower price range. Atria's sales volumes to Foodservice and retail customers declined as a result of the decrease in consumer demand. The weak situation in the global market for red meat decreased export volumes. Ab Korv-Görans Kebab Oy, acquired by Atria at the end of last year, increased net sales by roughly EUR 5 million in Finland. Atria Sweden's market shares in the retail trade improved, but the development of net sales was impacted by the discontinuation of sales of certain products that used to be produced at the Malmö plant. Atria Denmark & Estonia's net sales grew by more than 4%. The growth of net sales in Estonia was strong.

Adjusted EBIT was weaker than in the corresponding period the year before. This was due to the decline in net sales, the weak profitability of meat sales in Finland and the commissioning costs of the new poultry plant in Nurmo. The costs of raw materials and external services as well as payroll costs continued to be higher than in the corresponding period. Energy prices were lower than in the corresponding period.

General economic uncertainty, cost inflation and higher market interest rates have impacted consumer purchasing power and weakened the present value of cash flow forecasts, particularly in Atria Sweden and Atria Denmark. Because of these reasons, Atria wrote down goodwill allocated to Atria Sweden by approximately EUR 20 million and goodwill allocated to Atria Denmark by approximately EUR 20 million. Atria Finland's EBIT includes a total of EUR 3.1 million in write-downs of fixed assets related to the closure of the Sahalahti unit and the old Nurmo poultry plant and in other costs related to the plant's closure, as well as EUR 2.5 million in the write-down of a brand to be discontinued. Atria Sweden's efficiency programme incurred EUR 2.6 million in additional business reorganisation costs. The EBIT also includes EUR 1 million in costs related to the business arrangement that ended during the Q4 period.

The slaughterhouse of the new poultry plant started operations in November, as planned. The facility is now fully operational, and the optimisation of the process performance is underway.

Atria Sweden initiated an efficiency programme during the review period to improve its competitiveness and results in the changed operating environment. The efficiency improvement measures aim for annual savings in the amount of roughly EUR 2.5 million, which will begin to materialise during the second quarter of 2024 and fully at the beginning of 2025. This will translate into a personnel reduction of around 35 employment relationships in Sweden.

January–December 2023

Atria Group's full-year net sales were EUR 1752.7 million (EUR 1696.7 million). Adjusted EBIT was EUR 49.6 million (EUR 49.0 million), or 2.8% (2.9%) of net sales. Consolidated EBIT was EUR 0.4 million (EUR 0.1 million), or 0.0% (0.0%). EBIT includes a total of EUR -49.2 million (EUR -48.9 million) in adjustment items. The adjustment items consist primarily of the write-downs of intangible and tangible assets.

Net sales increased by EUR 56 million year-on-year. The increase was the result of good sales development in the first half of the year. Net sales took a downward turn towards the end of the year. Ab Korv-Görans Kebab Oy, acquired at the end of last year, increased net sales by roughly EUR 22 million. The development of Atria Denmark & Estonia's net sales was strong throughout the year thanks to Atria Estonia's robust sales development.

The adjusted EBIT improved from the previous year due to a more favourable sales structure and higher sales prices than in the corresponding period, and the positive development of net sales in the first half of the year. The result was weighed down by the costs of raw materials, supplies and services, these being higher than in the year before. Atria Finland's adjusted EBIT improved by EUR 6.7 million. In Atria Sweden, the operating result decreased due to higher costs and weaker consumer purchasing power, resulting from inflation. Atria Denmark & Estonia's performance was good. The review period was affected by additional costs related to the start-up of investments by Atria Finland and Sweden.

General economic uncertainty, cost inflation and higher market interest rates have impacted consumer purchasing power and weakened the present value of cash flow forecasts, particularly in Atria Sweden and Atria Denmark. Because of these reasons, Atria wrote down goodwill allocated to Atria Sweden by approximately EUR 20 million and goodwill allocated to Atria Denmark by approximately EUR 20 million. Atria Finland's EBIT includes a total of EUR 3.1 million in write-downs of fixed assets related to the closure of the Sahalahti unit and the old Nurmo poultry plant and in other costs related to the plant's closure, as well as EUR 2.5 million in the write-down of a brand to be discontinued. Atria Sweden's efficiency programme incurred EUR 2.6 million in additional business reorganisation costs. The EBIT also includes EUR 1 million in costs related to the business arrangement that ended during the Q4 period.

The expansion of the Sköllersta plant in Sweden was completed in the summer. The production lines were transferred from Malmö to Sköllersta, and the last day of production at the Malmö plant was in June.

Operating cash flow amounted to EUR 93.2 million (EUR 53.8 million). The decreased working capital items improved operating cash flow. The largest investment made by Atria during the financial period was the construction of the poultry plant in Nurmo. It is now fully operational. More than 90% of the investment's projected costs had been paid by the balance sheet date. Another major investment was the extension of the Sköllersta plant, which was completed in June. Cash flow from investments was EUR -105.7 million (EUR -101.5 million).

Atria Finland's cooperation negotiations for the restructuring of the pig slaughtering and cutting operations at the Atria Nurmo plant were initiated at the beginning of March and concluded at the end of May. As a result of the negotiations, the number of temporary employment contracts was reduced, and positions were rearranged internally. The changes took effect at the end of September. In Denmark, the operational efficiency programme launched in March was completed. Production now takes place in two production plants, and the number of employees has been reduced. Atria Sweden initiated an efficiency programme during the review period to improve its competitiveness and results in the changed operating environment.

Atria acquired 100,000 of its own series A shares at an average price of EUR 10.81 per share. This corresponds to approximately 0.35% of the total number of shares in the company, which is 28,267,728. The acquired shares will be used for payments under Atria Plc's share-based incentive plans. The shares were acquired in public trading on Nasdaq Helsinki at the market price at the time of acquisition. After the acquisitions, the company holds a total of 111,102 of its own series A shares.

Atria Denmark's CEO Lise Østergaard (B.Sc. Economics and Business Administration) was appointed to Atria Group's Management Team as of 1 January 2024.

Jennifer Paatelainen, M.Sc. (Econ.), was appointed Atria Group's Vice President, Human Resources, and to Atria Group's Management Team as of 8 January 2024.

Sustainability 2023: Aiming for a carbon-neutral food chain

A carbon-neutral food chain by 2035 is Atria's most important sustainability goal. Atria has the Science Based Targets Initiative's (SBTi) official approval for its emission reduction targets. Atria progressed towards its targets through a number of projects during 2023.

To reduce the carbon footprint of Atria's industrial production, projects were implemented in both Finland and Sweden. The solar park extension that began operating at Atria's Nurmo production plant will nearly double the production of solar power. Atria Finland also launched a new bio-based minced meat package. Atria Sweden signed a commitment to phase out the use of fossil fuels at its Tranås plant. Biomass and electric boilers will be installed at the Tranås plant in June 2024.

Atria also promoted the measurement of farms' carbon footprint and began piloting the Carbo environmental calculator of beef meat at approximately 80 contract farms. Together with contract producers belonging to the Atria Pork chain, Atria built the first model in Finland to verify the sustainability work of pig farms, which facilitates the measurement, reporting and development of sustainability-related matters.

Atria improved its performance in the 2023 Climate Change Assessment of the global non-profit Carbon Disclosure Project (CDP) organisation and achieved a Management Level and "B-" rating for its climate work in the annual ranking. The rating rose three notches from the 2022 assessment.

In terms of corporate social responsibility, one of Atria's focal points is the occupational safety of its personnel. Our continuous safety work has yielded results, and in 2023, we again succeeded in reducing the number of accidents at work and our accident frequency. In Finland, Atria focuses on the self-sufficiency of domestic food production and the continuity of domestic meat production. In the autumn, Atria launched the Atria 100 Young Producers training programme to reinforce young producers' expertise in entrepreneurship in the changing operating environment.

Business development by area January–December 2023

Atria Finland

EUR million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Net sales	333.5	344.4	1,325.9	1,265.3
Adjusted EBIT	9.4	20.3	56.1	49.4
Adjusted EBIT, %	2.8 %	5.9 %	4.2 %	3.9 %
Items affecting comparability of EBIT:				
Impairment of trademark	-2.5		-2.5	
Poultry business reorganisation costs	-3.1		-3.1	
EBIT	3.8	20.3	50.5	49.4
EBIT, %	1.1 %	5.9 %	3.8 %	3.9 %

Atria Finland's net sales during the October-December period were EUR 333.5 million (EUR 344.4 million). Net sales for October–December did not reach the level of the corresponding period in the previous year. Net sales decreased in all sales channels. The uncertainty of the economic operating environment and general cost inflation weakened consumer purchasing power late in the year. Consumers are buying lower-cost products and carefully consider their purchases. Atria's sales volumes to Foodservice and retail customers declined as a result of the decrease in consumer demand. The weak situation in the global market for red meat decreased export volumes. The sales prices of feed, which were lower than in the year before, weighed on net sales. Ab Korv-Görans Kebab Oy, acquired late last year, improved net sales by roughly EUR 5 million.

The adjusted EBIT was EUR 9.4 million (EUR 20.3 million). The result, which is lower than in the corresponding period, is impacted by the weaker market situation of meat, which is mainly the result of consumers' reduced purchasing power. Especially the sales of the most valuable parts were unprofitable. The most significant phase of the new poultry plant's commissioning took place in the final quarter, incurring costs. EBIT totalled EUR 3.8 million (EUR 20.3 million). The EBIT includes a total of EUR 3.1 million in write-downs of fixed assets related to the closure of the Sahalahti unit and the old Nurmo poultry plant and in other costs related to the plant's closure, as well as EUR 2.5 million in the write-down of a brand to be discontinued.

General cost inflation weighed on the results of Atria Finland. The costs of raw materials and external services as well as payroll costs continued to be higher than in the corresponding period. Energy prices were lower than in the corresponding period.

The slaughterhouse of the new poultry plant started operations in November, as planned. The facility is now fully operational, and the optimisation of the process performance is underway.

January–December net sales amounted to EUR 1325.9 million (EUR 1265.3 million). The increased net sales resulted from higher sales prices in the retail and Foodservice channels. Net sales for January–September grew year-on-year. In the fourth quarter of the year, net sales decreased in all sales channels. Ab Korv-Görans Kebab Oy, acquired at the end of last year, increased net sales by roughly EUR 22 million.

The adjusted EBIT was EUR 56.1 million (EUR 49.4 million). The increase in the adjusted EBIT was the result of the good performance development in January–September due, in turn, to a better sales structure and higher sales prices. In the fourth quarter of the year, the same trend took a downward turn. Throughout the year, the costs of raw materials, supplies and external services were higher than in the previous year. Energy prices were lower than in the previous year. The commissioning of the new poultry plant and salary settlements generated additional costs during the reporting period.

EBIT totalled EUR 50.5 million (EUR 49.4 million). The EBIT includes a total of EUR 3.1 million in write-downs of fixed assets related to the closure of the Sahalahti unit and the old Nurmo poultry plant and in other costs related to the plant's closure, as well as EUR 2.5 million in the write-down of a brand to be discontinued.

The phased commissioning of the new poultry plant started in April. Construction and installation work progressed according to plan. The commissioning of process equipment continued in phases. The slaughterhouse started operations in November, as planned. The facility is now fully operational, and the optimisation of the process performance is underway.

Atria Finland initiated change negotiations concerning the rearrangement of pig slaughtering and cutting at Atria's Nurmo plant in March. Negotiations were concluded in May and as a result, personnel adjustments were made by reducing the use of temporary employees and through internal transfers during 2023. The rearrangements are based on the need to adjust production capacity to the current pork market situation.

The retail market in Finland grew by around 7% in value in Atria's product groups during January–December. The market grew strongly during the first half of the year. In the second half of the year, growth slowed down, being no more than +1.5% in terms of value during the fourth quarter, compared to the corresponding period the year before.

The market for individual product groups in terms of value grew as follows in January–December (source: Atria's market outlook):

- poultry products slightly more than +10%
- convenience food almost +10%
- cold cuts just under +5%
- sausages and other meat products just under +5%
- red meat just under +4%

The market shares of Atria's own brands in the Finnish retail sector by product category in January–December in terms of value (source: NielsenIQ):

- red meat approximately 30%
- poultry products approximately 25%
- sausages and other meat products approximately 21%
- cold cuts approximately 18%
- convenience food approximately 12%

Atria's supplier share in retail trade in its product groups was approximately 26% (source: Atria's market outlook 2023).

In the Foodservice market, Atria grew by nearly 11% in terms of value, whereas the market in total with respect to Atria's product groups grew by 6% in January–December. Atria's market share was around 21%. Atria saw its largest growth in poultry products, which grew by more than 17%, and in cooking products, which grew by nearly 17%. The fourth quarter was also downbeat in the Foodservice market, with the market declining by more than 2%. (Source: Atria's market outlook 2023)

In 2023, Atria's grass-fed Finnish beef was again a great success at the World Steak Challenge in London. Atria's Danish partner JN Meat International, which participated in the competition with Atria's beef products, won gold medals in several categories:

- Gold medal in the grass-fed beef fillet category
- Gold medal in the grass-fed beef rib eye (entrecôte) category
- Gold medal in the grass-fed beef sirloin category

The World Steak Challenge has been organised since 2015. Ever since the first competitions, Atria's beef has achieved gold medals in every steak challenge held.

Atria Sweden

EUR million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Net sales	80.4	86.3	330.5	356.2
Adjusted EBIT	-0.3	-0.9	-5.6	2.3
Adjusted EBIT, %	-0.3 %	-1.0 %	-1.7 %	0.7 %
Items affecting comparability of EBIT:				
Impairment of goodwill and trademarks	-20.0	-51.1	-20.0	-51.1
Business reorganization costs	-2.6		-2.6	
Refund of employment pension contribution				1.3
Sale of real estate in Malmö		-0.1		9.7
EBIT	-22.9	-52.1	-28.3	-37.8
EBIT, %	-28.5 %	-60.4 %	-8.6 %	-10.6 %

Atria Sweden's October–December net sales were EUR 80.4 million (EUR 86.3 million). In local currencies, net sales declined by 2.6% year-on-year. Atria Sweden's market shares in the retail trade improved, but development of net sales was impacted by the discontinuation of sales of certain products that used to be produced at the Malmö plant.

Adjusted EBIT was EUR -0.3 million (EUR -0.9 million). The prices of raw materials remained high during the review period. Energy prices were lower than in the corresponding period the year before. The Swedish krona strengthened during the fourth quarter of the year.

The operating result was EUR -22.9 million (EUR -52.1 million). General economic uncertainty, cost inflation and higher market interest rates have impacted consumer purchasing power and weakened the present value of cash flow forecasts in Atria Sweden. Because of this, an impairment of EUR 20 million was recognised in the operating result. The operating result also includes EUR -2.6 million in business reorganisation costs. The operating result for the corresponding period includes a EUR -51.2 million write-down of goodwill and brands.

Atria Sweden initiated an efficiency programme to improve its competitiveness and result in the changed operating environment. High raw material costs, accelerated inflation and the weak Swedish krona have resulted in changed consumer habits and tight price negotiations with the retail sector. The efficiency improvement measures aim for annual savings in the amount of roughly EUR 2.5 million, which would begin to materialise during the second quarter of 2024 and fully at the beginning of 2025. This will translate into a personnel reduction of around 35 employment relationships in Sweden. The efficiency programme incurred EUR 2.6 million in additional business reorganisation costs.

January–December net sales amounted to EUR 330.5 million (EUR 356.2 million). The growth of net sales in local currencies, excluding the Russian fast-food business, was roughly 3%. Sales price increases strengthened net sales. The net sales and operating result for the comparison period include the Sibylla Russia business, which was sold in May 2022. The figures for the corresponding period include sales of products previously produced at the Malmö plant, which have been discontinued.

Adjusted EBIT was EUR -5.6 million (EUR 2.3 million). The prices of raw materials remained at a high level in 2023, whereas energy and transportation costs decreased. The operating result was reduced by higher costs and weaker consumer purchasing power resulting from inflation. Consumers prefer products in the lower price range.

The operating result was EUR -28.3 million (EUR -37.8 million). In the fourth quarter, Atria wrote down EUR 20 million in goodwill impairment allocated to Atria Sweden. In addition, Atria Sweden's efficiency programme initiated at the end of the year incurred EUR 2.6 million in additional business reorganisation costs.

The expansion of the Sköllersta plant was completed in late August. The production lines were transferred from Malmö to Sköllersta, and the last day of production at the Malmö plant was in June. The transfer of production has resulted in additional costs.

The operating profit for the corresponding period includes a non-recurring capital gain of EUR 9.7 million on the sale of the plant property in Malmö and a non-recurring refund of EUR 1.3 million in pension contributions. The operating result for the corresponding period also includes a EUR 51.2 million write-down of goodwill and brands.

Atria Sweden's market share in the retail trade developed positively in January–December with regard to sausages and fresh poultry products. In cold cuts, the market share decreased slightly.

The total market of individual product groups in terms of value grew as follows in January–December:

- poultry products more than +8%
- sausages almost +6%
- cold cuts almost +4%

Atria's supplier shares (including private label products) in terms of value in Swedish retail by product category in January–December:

- sausages 21.4%
- poultry products 19.8%
- cold cuts 12.0%

The Foodservice market declined in the fourth quarter compared to the very strong corresponding period the year before. While the market situation in Foodservice is stable overall, there are some signs of increased instability. (Source: Atria's market outlook 2023)

Atria Denmark & Estonia

EUR million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Net sales	30.6	29.4	122.2	112.9
Adjusted EBIT	1.3	-0.9	2.9	1.2
Adjusted EBIT, %	4.4 %	-3.2 %	2.4 %	1.1 %
Items affecting comparability of EBIT:				
Impairment of goodwill	-20.0		-20.0	
EBIT	-18.7	-0.9	-17.1	1.2
EBIT, %	-60.9 %	-3.2 %	-14.0 %	1.1 %

Atria Denmark & Estonia's net sales in **October–December** were EUR 30.6 million (EUR 29.4 million). The adjusted EBIT was EUR 1.3 million (EUR -0.9 million). The operating result was EUR -18.7 million (EUR -0.9 million). EBIT includes a goodwill impairment loss of EUR 20 million allocated to Atria Denmark.

During the review period, Atria Estonia's net sales increased by nearly 15% compared to the same period the year before. The retail market for the product groups represented by Atria in Estonia grew by nearly 4% in volume and by roughly 9% in value. In December, Atria's market share in terms of value was just over 22%, which is approximately 3 percentage points more than in the year before. Christmas sales were successful: the Maks & Moorits meat products rose to market leadership during November and December. In addition to Christmas products, the sales of cold cuts also increased. The feed prices of primary production began to decrease slightly during the fourth quarter, decreasing the costs of pork from Atria's own farms.

Atria Denmark's net sales declined due to lower sales volumes to Foodservice and retail customers. Sales to export customers have remained stable. In Denmark, the weak development of net sales weighed down EBIT.

January–December net sales amounted to EUR 122.2 million (EUR 112.9 million). The adjusted EBIT was EUR 2.9 million (EUR 1.2 million). The operating result was EUR -17.1 million (EUR 1.2 million). EBIT includes a goodwill impairment loss of EUR 20 million allocated to Atria Denmark. The increase in net sales resulted from higher sales prices in both Estonia and Denmark, in addition to which Atria Estonia's good sales development improved the net sales.

The increase in the adjusted EBIT was the result of Atria Estonia's good net sales development and the improved profitability of primary production late in the year. Atria Denmark's EBIT was weighed down by weaker sales volumes and high raw material prices. In Denmark, the result was also weighed down by additional costs resulting from the efficiency programme.

Lise Østergaard began her work as the CEO of Atria Denmark on 1 June 2023 and as a member of Atria Group's Management Team on 1 January 2024.

In January-December, the sales value in the Estonian retail sector grew by nearly 13% in all Atria product groups. The growth of the market for individual product groups was as follows:

- fresh meat (including poultry) around +28%
- marinated meat almost +10%
- sausages approximately +10%
- cold cuts approximately +10%
- convenience food components around +12%

The market shares of Atria's own brands in the Estonian retail sector by product category in January–December in terms of value:

- fresh meat (including poultry) around 29%
- sausages approximately 27%
- convenience food components around 22%
- marinated meat almost 18%
- cold cuts approximately 17%

Atria's overall market share in its product groups in the Estonian retail market was almost 23%. Atria is a strong market runner-up in Estonia. (Source: Atria's market outlook 2023)

The value of the cold cuts market in the Danish retail sector increased by around 8% in January–December. Atria's market share was around 15%. (Source: Atria's market outlook 2023). The sales of the 3-Stjernet and Aalbæk brand products grew during the fourth quarter, improving Atria's market share in the retail trade.

Average personnel (FTE)

Personnel by Business Area average FTE	Q1-Q4 2023	Q1-Q4 2022
Atria Finland	2,614	2,437
Atria Sweden	827	819
Atria Denmark & Estonia	457	442
Total	3,898	3,698

Financial position

Consolidated interest-bearing net liabilities on 31 December 2023 amounted to EUR 274.2 million (31 December 2022: EUR 234.7 million).

Consolidated free cash flow in the review period amounted to EUR -12.5 million (EUR -47.7 million). Operating cash flow amounted to EUR 93.2 million (EUR 53.8 million). The decreased working capital improved the operating cash flow. Atria made some major investments during the financial period. The expansion of the Sköllersta plant was completed in June. The construction of the poultry plant in Nurmo continued in 2023. Cash flow from investments was EUR -105.7 million (EUR -101.5 million).

Equity ratio at the end of the review period was 41.7% (31 December 2022: 44.9%). The change in the fair value of the derivative instruments employed as hedging and included in equity amounted to EUR -19.5 million during the period (EUR +19.0 million).

In May, Atria refinanced a EUR 25 million binding credit facility that would have expired on 20 December 2024 with a new EUR 25 million bullet credit facility tied to responsibility targets, with a maturity of five years and 1+1 year extension options. In June, Atria also refinanced a EUR 25 million loan due on 3 March 2025 with a new EUR 50 million bullet loan tied to responsibility targets, with a maturity of five years and 1+1 year extension options. The responsibility targets for the credit facility and the loan are the reduction of carbon emissions and occupational accidents and the improvement of energy efficiency.

The Group's liquidity during the review period remained good. On 31 December 2023, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2022: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 4 years 2 month (31 December 2022: 4 years 1 months).

Atria has hedged against rising interest rates with interest rate derivatives, which stood at EUR 90 million on 31 December 2023. At the end of December, the Group's fixed-interest debt represented 34.8% (31 December 2022: 25.7%). A certain part of the loans have been converted to a fixed interest rate with interest rate derivatives, which are always valued at market value.

Net financing costs have increased due to a rise in interest rates and increased debt, and were EUR -3.5 million in the fourth quarter (EUR -1.5 million) and EUR -13.6 million from the start of the year (EUR -3.4 million). The average interest rate of the loan portfolio on 31 December 2023 was 4.59% (31 December 2022: 3.53%).

Events after the period

On 31 January 2024, Atria Finland sold 70% of the shares of its subsidiary Best-In Oy to SaVe Logistiikka Oy. Best-In Oy makes pet food and its annual net sales amount to approximately EUR 5 million. Best-In Oy's production facility is located in Kelloniemi, Kuopio, and the company employs 17 people.

MBA Meelis Laande has been appointed as Managing Director of Atria Estonia and a member of the Atria Group's management team as of April 1, 2024. Meelis Laande has previously worked as Commercial Director of Atria Estonia since 2012. Meelis Laande reports to Kai Gyllström, CEO of Atria Plc. Atria Estonia's long-time Managing Director Olle Horm is leaving Atria.

Business risks during the review period and in the short term

Atria Group's business, net sales or results can be affected by several uncertainties. Atria describes its business risks and risk management in detail in its Annual Report 2022, which is available at www.atria.com/en/investors/financial-information/annual-reports/.

In the fourth quarter of the year, both inflation and market interest rates were declining, but inflation has nevertheless remained at a high level. The costs of raw materials, other inputs and salaries have increased. Consumer purchasing power has been affected by the level of interest rates on consumer and mortgage loans. Changes in the purchasing power of consumers have an impact on Atria's operations and profitability.

Atria's broad product range, its ability to adjust its product selection to match customer needs and its well-known products have helped the company adapt to a situation where consumers have to plan their food purchases more carefully. Atria's good market position and strong balance sheet have also helped in this challenging situation.

In line with its risk management policy, Atria has protected itself against hazard risks by insuring the risks outside the Group. In 2023, Atria's deductible increased for property damage and business interruption insurance. This is due to changes in the insurance market resulting from the coronavirus, the unstable geopolitical situation and global claims development. In the event of a catastrophe, Atria's own share of the costs of damage will be higher than before. As a result, Atria is currently investing more in risk management measures and business continuity plans and is raising the safety level of its plants.

Atria is prepared for increasing cybercrime and information system failures. Planned monitoring and continuous improvement of cyber security are practiced to guarantee quick responses in exceptional situations.

Neither the African swine fever nor the highly pathogenic avian influenza have spread during the winter months, but the risk of their spread still exists.

Atria owns about 2% of the Majakka Voima company. Majakka Voima Ltd owns shares in SF Power Company, which is the main shareholder of Fennovoima Ltd. The shareholders of SF Power Company have previously approached the shareholders of Majakka Voima with claims for compensation. Atria believes it is unlikely that the claims will result in any significant costs for Atria. Atria already fully wrote off the shares of Majakka Voima in its accounts in 2021.

In the second half of the year, the European Union published the latest versions of both the Corporate Sustainability Reporting Directive (CSRD) and the Taxonomy Regulation. Atria has mapped its sustainability risks for the purposes of both a dual materiality analysis and the identification of sustainable activities as referred to in the taxonomy. The clarification of the measures related to the impact and risk management will continue in 2024.

Outlook

Atria Group's adjusted EBIT in 2024 is expected to be smaller than in the previous year (EUR 49.6 million).

The operating environment is expected to remain challenging in 2024, particularly in terms of consumer behaviour. The construction and installation work of the new poultry plant in Nurmo have proceeded according to schedule and the plant is fully operational. Its performance will be optimised during 2024.

The challenging market situation and the achievement of the efficiency targets set for the new poultry plant will have an impact on the year's result. Atria's good market position, strong brands and good customer relationships, as well as its reliable industrial processes, will nevertheless enable stable business, also in 2024.

The Board of Directors' proposal on dividend and return on capital for 2023

The Board of Directors proposes that the company distribute a dividend of EUR 0.30 per share and a return on capital of EUR 0.30 per share for the year 2023, totalling EUR 0.60 per share (EUR 0.70).

Financial calendar and financial reporting in 2024

The Annual General Meeting will be held on 23 April 2024. Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so requests in writing from the Board of Directors well in advance of the meeting so that the matter can be included in the notice. The request will be considered to have arrived in time if the Board of Directors has been notified by 27 February 2024. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, Läkkisepäntie 23, FI-00620 Helsinki. Atria Plc's Annual Report 2023 will be published in week 10 of 2024.

Atria Plc will publish two interim reports and one half-year report in 2024:

- Interim report for January–March on 23 April 2024 at approximately 8:00 a.m.
- Half-year report for January–June on 18 July 2024 at approximately 8:00 a.m.
- Interim report for January–September on 23 October 2024 at approximately 8:00 a.m.

Financial releases are also available on the company's website at www.atria.com immediately after their release.

Proposals of the Nomination Committee for the Annual General Meeting 2023

The Nomination Committee proposes to the General Meeting that a total of eight members be elected to the Board of Directors. The Nomination Board proposes to the Annual General Meeting that Kjell-Göran Paxal, Ahti Ritola and Leena Laitinen, who are due to resign, be re-elected as members of the Board of Directors.

The Nomination Committee proposes to the Annual General Meeting that the remuneration of the members of the Board of Directors remain otherwise unchanged, but that the meeting compensation be raised. The fees and compensation for meeting expenses are as follows:

– Meeting compensation: EUR 350/meeting
– Compensation for loss of working time: EUR 300 for meeting and proceeding dates
– Fee of the chair of the Board of Directors: EUR 5,000/month
– Fee of the deputy chair: EUR 2,800/month
– Fee of a member of the Board of Directors: EUR 2,500/month
– Travel allowance according to the company's travel policy

The Nomination Committee proposes to the Annual General Meeting that the remuneration of the members of the Supervisory Board is otherwise kept at the same level as in 2023, but that the meeting compensation be raised. The fees and compensation for meeting expenses are as follows:

– Meeting compensation: EUR 350/meeting
– Compensation for loss of working time: EUR 300 for meeting and proceeding dates
– Fee of the chair of the Supervisory Board: EUR 1,500/month
– Fee of the deputy chair: EUR 750/month
– Travel allowance according to the company's travel policy

The compensation for the meeting expenses is also paid to the chair and deputy chair of the Supervisory Board when they attend any meetings of the company's Board of Directors.

Decisions of the Annual General Meeting 2023

The decisions of the Annual General Meeting were published in a stock exchange release on 25 April 2023. The release is available on the Investors page of Atria's website at: https://www.atria.com/en/investors/general-meetings/the-notices-and-decisions-of-general-meetings/.

Valid authorisations for acquiring the company's own shares or issuing shares, granting special rights and making donations

In accordance with the proposal of the Board of Directors, the Annual General Meeting (AGM) resolved to authorise the Board of Directors to decide on the acquisition of a maximum of 2,800,000 of the company's own series A shares in one or more instalments with funds belonging to the company's unrestricted equity, subject to the provisions of the Finnish Limited Liability Companies Act on the maximum amount of treasury shares. The company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the company's business, to finance investments, as part of the company's incentive programme, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company, or to be cancelled.

The shares must be acquired in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by Nasdaq Helsinki Ltd at the market price at the time of acquisition. The shares must be acquired and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Oy. The Board of Directors is authorised to decide on the acquisition of treasury shares in all other respects.

The authorisation supersedes the authorisation granted by the AGM on 3 May 2022 to the Board of Directors to decide on the acquisition of the company's own shares, and it will remain valid until the closing of the next AGM or 30 June 2024, whichever is first.

In accordance with the Board of Directors' proposal, the AGM authorised the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 5,500,000 new series A shares or on the disposal of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling people to shares as referred to in Chapter 10, section 1 of the Limited Liability

Companies Act. The authorisation is intended to be used for the financing or execution of any acquisitions or other arrangements or investments relating to the company's business, for the implementation of the company's incentive programme or for other purposes subject to a decision by the Board.

The Board is also authorised to decide on all terms and conditions of the share issue and of the granting of special rights as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 3 May 2022 to the Board of Directors, and will be valid until the closing of the next Annual General Meeting or 30 June 2024, whichever is first.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to authorise the Board of Directors to donate a maximum of EUR 100,000 of the company's distributable funds to support the activities of colleges, universities or other educational institutions or to support other charitable or similar purposes. At the same time, the Board of Directors was authorised to decide the payment schedules of donations and any other terms of the donations.

Shares

Atria Plc's share capital consists of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote at a General Meeting and each series KII share to ten (10) votes. Atria Plc's shareholders are entitled to a total of 111,103,557 votes. At the end of the review period, the company held 111,102 (66,182) series A treasury shares. In March, the company transferred 55,080 equity shares to the Group's key personnel in the target group of the share incentive plan as a reward without consideration.

In March, Atria started purchasing its own series A shares based on the authorisation given by the Annual General Meeting on 3 May 2022. The number of shares purchased was 100,000, which corresponds to approximately 0.35% of the company's stock, which consists of 28,267,728 shares. The series A shares were purchased using funds from to the company's unrestricted equity. The acquired shares will be used for payments under Atria Plc's share-based incentive plans. The shares were acquired in public trading on Nasdaq Helsinki at the market price at the time of acquisition. The acquisition of treasury shares began on 27 March 2023 and ended on 25 May 2023.

Composition of Atria Plc's Nomination Committee

The following were elected to Atria Plc's Nomination Committee, appointed by the Annual General Meeting:

– Ahti Ritola, Farmer, representative of Itikka Co-operative
– Jyrki Halonen, Farmer, representative of Lihakunta
– Ola Sandberg, Farmer, representative of Pohjanmaan Liha
– Timo Sallinen, Head of Equity Investments (listed investments), representative of Varma Mutual Pension Insurance Company
– Seppo Paavola, Agrologist, Expert Member, Chairperson of Atria Plc's Board of Directors

At its first meeting, the Nomination Committee elects a chairperson from among its members. The Nomination Committee prepares proposals to the next Annual General Meeting regarding the remuneration of the members of the Board of Directors and the Supervisory Board as well as the election of the members of the Board of Directors. The Nomination Committee must submit its proposal to the Board of Directors no later than on 1 February 2024.

Shareholders or their representatives who own Series KII shares as well as the largest holder of Series A shares who does not own Series KII shares, or a representative thereof, shall be elected to the Nomination Committee in accordance with their ownership in early September preceding the next Annual General Meeting. If the largest holder of Series A shares does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder. Itikka Co-operative, Lihakunta and Pohjanmaan Liha Co-operative are Series KII shareholders.

Some shareholders are obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act (notification obligation). Such shareholders may present a written request to the Company's Board of Directors by the end of August for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights. A shareholder with nominee-registered shares is considered when defining the composition of the Nomination Committee, if the holder of nominee-registered shares presents a request regarding the matter to the company's Board of Directors by the end of August preceding the Annual General Meeting.

Corporate governance principles

Atria's Corporate Governance Principles and deviations from the Finnish Corporate Governance Code are available on the company's website at www.atria.com.

Incentive programmes for management and key personnel

Long-term share-based incentive scheme 2021–2023

Atria has a long-term incentive scheme for key persons for the period 2021–2023, approved by the Board of Directors of Atria Plc. The scheme is identical to the scheme for 2018–2020. The share-based incentive scheme aims to encourage Atria's management to acquire company shares as well as to increase the company's value through their decisions and actions over the long term.

The scheme is based on a share bonus and a cash bonus, and is divided into three one-year periods. The third earning period began on 1 January 2023 and ended on 31 December 2023. The bonuses for 2023 will be paid in three equal instalments in 2024, 2025 and 2026, partly in the form of shares in the company and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. The possible bonus awarded by the scheme is based on the company's earnings per share (70%) and organic growth (30%). If a person's employment relationship ends before the payment of the bonus, the bonus may not be paid.

The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2023 earning period are estimated at EUR 0.5 million (EUR 1.1 million).

Short-term incentive scheme

The maximum bonus payable under Atria Plc's short-term incentive scheme is 25% to 50% of an individual's annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in the bonus scheme are the performance requirements and net sales at Group level and in the individual’s area of responsibility. In addition to the CEO and other members of the Group’s Management Team, Atria Plc’s bonus schemes cover around 40 people.

Atria Plc's long-term incentive scheme 2024–2026

Atria Plc’s Board of Directors has decided on a long-term incentive scheme for key personnel for the period 2024–2026. The scheme is practically identical to the scheme for 2021–2023. The new scheme, based on a shares and a cash bonus, is divided into three one-year periods, with the first earning period beginning on 1 January 2024 and ending on 31 December 2024. The possible bonus for 2024 in the scheme is based on the company’s earnings per share (70%) and organic growth (30%).

The bonuses for 2024 will be paid in three equal instalments in 2025, 2026 and 2027, partly in the form of shares in the company and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. If the person’s employment relationship or service contract ends prior to the payment of the bonus, the bonus is not usually paid.

The share-based incentive scheme covers a maximum of 40 people. The maximum value of the bonuses to be paid on the basis of one earning period is no more than EUR 2 million.

The aim of the new incentive programme is to encourage Atria's management to acquire shares in the company and to take action and make decisions that will increase the company's long-term value.

Major shareholders

Major shareholders on 31 December 2023

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,848,073	7,868,273	27.83
Mandatum Life Insurance Company Ltd.		1,076,379	1,076,379	3.81
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Skandinaviska Enskilda Banken Ab *		702,380	702,380	2.48
Etola Group Oy		625,000	625,000	2.21
Citibank Europe Plc *		536,383	536,383	1.90
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
von Julin Sofia Margareta dödsbo		160,000	160,000	0.84
Elo Mutual Pension Insurance Company		126,289	126,289	0.45

Major shareholders by voting rights 31 December 2023

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,848,073	44,050,073	39.65
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Mandatum Life Insurance Company Ltd.		1,076,379	1,076,379	0.97
Skandinaviska Enskilda Banken Ab *		702,380	702,380	0.63
Etola Group Oy		625,000	625,000	0.56
Citibank Europe Plc *		536,383	536,383	0.48
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
The estate of von Julin Sofia Margareta		160,000	160,000	0.14
Elo Mutual Pension Insurance Company		126,289	126,289	0.11

*) Nominee registered

Financial indicators

mill. EUR	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Net sales	1,752.7	1,696.7	1,540.2	1,504.0	1,451.3
EBIT	0.4	0.1	6.4	40.5	31.1
% of net sales	0.0	0.0	0.4	2.7	2.1
Adjusted EBIT	49.6	49.0	49.2	40.5	31.1
% of net sales	2.8	2.9	3.2	2.7	2.1
Financial income and expenses	-13.6	-3.4	-4.9	-4.5	-5.6
% of net sales	-0.8	-0.2	-0.3	-0.3	-0.4
Profit before tax	-11.2	1.7	4.8	37.3	26.2
% of net sales	-0.6	0.1	0.3	2.5	1.8
Adjusted profit before tax	38.0	50.5	47.6	37.3	26.2
% of net sales	2.2	3.0	3.1	2.5	1.8
Return of equity (ROE), %	-3.5	-0.8	-1.2	5.7	3.9
Adjusted return of equity (ROE), %	7.3	8.9	8.2	5.7	3.9
Return of investment (ROI), %	1.0	1.1	1.9	7.2	5.3
Adjusted return of investment (ROI), %	7.6	7.5	8.3	7.2	5.3
Equity ratio, %	41.7	44.9	48.7	46.8	46.9
Interest-bearing liabilities	284.3	265.7	209.9	218.1	228.3
Gearing, %	69.1	56.8	44.9	49.7	52.6
Net debt	274.2	234.7	152.6	191.6	223.9
Net gearing, %	66.7	50.2	32.6	43.6	51.6
Gross investments	111.0	131.4	55.6	45.6	40.1
% of net sales	6.3	7.7	3.6	3.0	2.8
Average FTE	3,898	3,698	3,711	4,444	4,454
R&D costs	14.4	13.5	15.3	15.0	15.3
% of net sales *	0.8	0.8	1.0	1.0	1.1
Volume of orders **	-	-	-	-	-

* Booked in total as expenditure for the financial year.
** Not a significant indicator, as orders are generally delivered on the day following the order being placed.

Comparative data for 2022 have been adjusted for the acquisition of Ab Korv-Görans Kebab Oy due to the completion of accounting processing.

Share-issued adjusted per-share indicators

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Earnings per share (EPS), EUR	-0.70	-0.19	-0.24	0.81	0.54
Adjusted earnings per share (EPS), EUR	0.98	1.43	1.27	0.81	0.54
Shareholders' equity per share, EUR	13.82	15.94	16.14	15.01	14.91
Dividend per share, EUR*	0.60	0.70	0.63	0.50	0.42
Dividend per profit, %*	-85.4	-371.4	-257.2	61.4	78.4
Adjusted dividend per profit, %*	61.3	49.0	49.5	61.4	78.4
Effective dividend yield *	5.7	7.6	5.5	5.1	4.2
Price per earnings (P/E)	-14.9	-49.2	-47.0	12.1	18.7
Adjusted price per earnings (P/E)	10.7	6.5	9.0	12.1	18.7
Market capitalisation	295.7	262.0	325.6	278.4	283.8
Market capitalisation, series A	199.4	176.7	219.6	187.8	191.4
Share turnover per 1 000 shares, series A	1,512	3,505	3,536	4,599	3,831
Share turnover %, series A	7.9	18.4	18.6	24.1	20.1
Number of shares, million, total	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Share issue-adjusted average number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 December	28.3	28.3	28.3	28.3	28.3

* The board proposes that the company distributes a dividend of EUR 0.30 per share for 2023 and capital return of EUR 0.30 per share, a total of EUR 0.60/share.

Comparative data for 2022 have been adjusted for the acquisition of Ab Korv-Görans Kebab Oy due to the completion of accounting processing.

Share price development, series A (EUR)

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Lowest of year, series A	9.20	8.24	9.85	7.13	6.61
Highest of year, series A	12.48	11.68	13.44	10.86	10.04
At end of year, series A	10.46	9.27	11.52	9.85	10.04
Average price for year, series A	10.70	9.71	11.60	9.08	8.28

ATRIA GROUP

Consolidated income statement

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Net sales	**438.1**	**451.2**	**1,752.7**	**1,696.7**
Costs of goods sold	-399.2	-402.5	-1,585.3	-1,528.2
Gross profit	**38.9**	**48.7**	**167.4**	**168.5**
Sales and marketing expenses	-19.6	-20.0	-75.1	-76.6
Administrative expenses	-15.1	-12.4	-47.4	-44.5
Other operating income	0.7	0.8	2.7	16.4
Other operating expenses	-44.8	-51.6	-47.3	-63.6
EBIT	**-39.8**	**-34.5**	**0.4**	**0.1**
Finance income and costs	-3.5	-1.5	-13.6	-3.4
Income from joint ventures and associates	-0.3	-0.8	2.1	4.9
Profit before taxes	**-43.7**	**-36.8**	**-11.2**	**1.7**
Income taxes	1.8	0.2	-4.1	-5.5
Profit for the period	**-41.8**	**-36.6**	**-15.3**	**-3.9**
Profit attributable to:				
Owners of the parent	-43.1	-37.9	-19.8	-5.3
Non-controlling interests	1.3	1.2	4.5	1.5
Total	**-41.8**	**-36.6**	**-15.3**	**-3.9**
Basic earnings per share, EUR	-1.53	-1.34	-0.70	-0.19
Diluted earnings per share, EUR	-1.53	-1.34	-0.70	-0.19

Consolidated statement of comprehensive income

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Profit for the period	**-41.8**	**-36.6**	**-15.3**	**-3.9**
Other comprehensive income after tax:				
Items that will not be reclassified to profit or loss				
Actuarial losses from benefit-based pension obligations	-0.1	0.2	0.0	1.1
Items reclassified to profit or loss when specific conditions are met				
Cash flow hedges	-0.9	-10.3	-19.5	19.0
Currency translation differences	3.8	-0.5	0.4	1.9
Total comprehensive income for the period	**-39.1**	**-47.2**	**-34.4**	**18.0**
Total comprehensive income attributable to:				
Owners of the parent	-40.3	-48.4	-39.0	16.6
Non-controlling interests	1.3	1.2	4.5	1.5
Total	**-39.1**	**-47.2**	**-34.4**	**18.0**

Consolidated statement of financial position

Assets **EUR million**	**31.12.2023**	**31.12.2022***
Non-current assets		
Property, plant and equipment	535.8	469.6
Biological assets	0.7	0.7
Right-of-use assets	24.6	30.0
Goodwill	81.0	121.6
Other intangible assets	53.8	59.7
Investments in joint ventures and associates	20.4	20.0
Other financial assets	0.9	0.9
Loan and other receivables	10.3	18.3
Deferred tax assets	2.0	0.9
Total	**729.5**	**721.5**
Current assets		
Inventories	128.8	152.8
Biological assets	4.9	4.3
Trade and other receivables	115.8	135.3
Cash and cash equivalents	10.1	31.0
Total	**259.5**	**323.3**
Total assets	**989.0**	**1,044.8**

Equity and liabilities **EUR million**	**31.12.2023**	**31.12.2022***
Equity attributable to the shareholders of the parent company	389.0	449.4
Non-controlling interests	22.4	18.4
Total equity	**411.4**	**467.8**
Non-current liabilities		
Loans	256.4	232.4
Lease liabilities	15.3	20.8
Deferred tax liabilities	32.7	38.0
Pension obligations	4.7	4.8
Other non-interest-bearing liabilities	6.2	6.9
Provisions	1.0	0.6
Total	**316.3**	**303.5**
Current liabilities		
Loans	2.8	2.7
Lease liabilities	9.8	9.8
Trade and other payables	248.6	261.1
Total	**261.2**	**273.6**
Total liabilities	**577.6**	**577.1**
Total equity and liabilities	**989.0**	**1,044.8**

* Comparative data for 2022 have been adjusted for the acquisition of Ab Korv-Görans Kebab Oy due to the completion of accounting processing.

Consolidated statement of changes in equity

EUR million	Equity attributable to the shareholders of the parent company							Non-cont rolling inte rests	Total equity
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Trans lation diff.	Retained earnings	Total		
Equity 1.1.2022	**48.1**	**-1.1**	**4.0**	**249.4**	**-20.0**	**174.2**	**454.6**	**12.9**	**467.6**
Profit for the period						-5.3	-5.3	1.5	-3.9
Other comprehensive income									
Cash flow hedges			19.0				19.0		19.0
Actuarial gains from pension benefits						1.1	1.1		1.1
Currency translation differences			0.0		1.9		1.9		1.9
Changes in shares of non-controlling interest *						-4.0	-4.0	4.7	0.7
Share-based payments		0.3		-0.3			0.0		0.0
Dividends						-17.8	-17.8	-0.8	-18.5
Equity 31.12.2022	**48.1**	**-0.8**	**23.0**	**249.1**	**-18.1**	**148.2**	**449.4**	**18.4**	**467.8**
Profit for the period						-19.8	-19.8	4.5	-15.3
Other comprehensive income									
Cash flow hedges			-19.5				-19.5		-19.5
Actuarial gains from pension benefits						0.0	0.0		0.0
Currency translation differences					0.4		0.4		0.4
Changes in shares of non-controlling interest						-0.6	-0.6	0.4	-0.2
Share-based payments		0.6		-0.6			0.0		0.0
Acquisition of own shares		-1.1					-1.1		-1.1
Dividends						-19.8	-19.8	-0.9	-20.7
Equity 31.12.2023	**48.1**	**-1.2**	**3.5**	**248.5**	**-17.8**	**108.0**	**389.0**	**22.4**	**411.4**

* Comparative data for 2022 have been adjusted for the acquisition of Ab Korv-Görans Kebab Oy due to the completion of accounting processing.

Consolidated cash flow statement

EUR million	1-12/2023	1-12/2022
Cash flow from operating activities		
Operating activities before financial items and taxes	117.3	63.9
Financial items and taxes	-24.1	-10.2
Net cash flow from operating activities	**93.2**	**53.8**
Cash flow from investing activities		
Investments in tangible and intangible assets	-109.5	-126.4
Proceeds from the sale of tangible and intangible assets	0.5	20.7
Acquired operations	-0.3	-4.2
Sold operations	0.0	7.4
Increase (-) / decrease (+) in long-term receivables	-0.4	-0.2
Increase (-) / decrease (+) in short-term receivables	2.3	-0.8
Dividends received	1.6	2.1
Net cash flow from investing activities	**-105.7**	**-101.5**
Cash flow from financing activities		
Draw down of long-term borrowings	50.0	75.0
Repayment of long-term borrowings	-26.2	-27.1
Increase (+) / decrease (-) in short-term loans	0.3	0.3
Principal elements of lease payments	-10.5	-9.4
Contribution by non-controlling interest	0.4	0.0
Acquisition of own sharers	-1.1	0.0
Dividends paid	-20.7	-18.5
Net cash flow from financing activities	**-7.8**	**20.3**
Change in liquid funds	**-20.2**	**-27.4**
Cash and cash equivalents at beginning of year	31.0	57.3
Effect of exchange rate changes on cash flows	-0.7	1.1
Cash and cash equivalents at the end of period	**10.1**	**31.0**

Notes to the financial statement release

Interim report accounting principles

This financial statement release was prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this interim report as in preparing the 2022 annual financial statements. However, as of 1 January 2023, the Group uses the new or revised IFRS standards and IFRIC interpretations published by the IASB, included in the accounting principles of the annual financial statements 2022.

The preparation of the interim report in accordance with the IFRS requires the Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. In addition, discretion must be used in applying the accounting principles. The estimates and assumptions are based on the views at the end of the review period and include risks and uncertainties. The realised values may deviate from the estimates and assumptions. With consideration of geopolitical risks, cost inflation and higher market interest rates, the Group has reviewed the performance ability of its businesses and possible impacts on the value of various assets.

The key accounting estimates and discretionary decisions are presented in more detail in the accounting principles for the 2022 consolidated financial statements.

The formulae for calculating the indicators are presented at the end of the report. In the company's view, the indicators presented serve to clarify the view provided by the income statement and balance sheet of the operational result and financial position of operations.

The figures presented in the release are rounded to EUR million, so the combined total of individual figures may differ from the total sum presented. The figures presented in this financial statement release are unaudited.

Changes to the numbers of the 2022 financial statements

The comparative data of the 2022 balance sheet has been adjusted for the acquisition of Ab Korv-Görans Kebab Oy due to the completion of accounting processing.
Changes by account in the table below.

EUR million	Reported 31.12.2022	Change in fair value	Adjusted balance sheet value
Property, plant and equipment	466.8	2.8	469.6
Goodwill	125.0	-3.5	121.6
Other intangible assets	54.0	5.7	59.7
…			
Total assets	**1,039.8**	**5.0**	**1,044.8**
Non-controlling interests	15.0	3.3	18.4
….			
Deferred tax liabilities	36.3	1.7	38.0
….			
Total equity and liabilities	**1,039.8**	**1.7**	**1,044.8**

For more information, see the note "Acquired transactions" in the financial statement release.

Operating segments

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Revenue from consumer goods				
Atria Finland	254.2	257.1	1,009.6	942.3
Atria Sweden	80.4	86.3	330.5	356.2
Atria Denmark & Estonia	30.1	28.7	119.6	110.4
Eliminations	-6.5	-8.9	-25.9	-37.7
Total	**358.2**	**363.3**	**1,433.7**	**1,371.2**
Revenue from primary products				
Atria Finland	79.3	87.2	316.4	323.0
Atria Sweden	-	-	-	-
Atria Denmark & Estonia	0.5	0.7	2.7	2.5
Unallocated	-	-	-	-
Total	**79.9**	**87.9**	**319.0**	**325.5**
Total net sales	**438.1**	**451.2**	**1,752.7**	**1,696.7**
EBIT *				
Atria Finland	3.8	20.3	50.5	49.4
Atria Sweden	-22.9	-52.1	-28.3	-37.8
Atria Denmark & Estonia	-18.7	-0.9	-17.1	1.2
Unallocated	-2.1	-1.8	-4.8	-12.8
Total	**-39.8**	**-34.5**	**0.4**	**0.1**
Adjusted EBIT				
Atria Finland	9.4	20.3	56.1	49.4
Atria Sweden	-0.3	-0.9	-5.6	2.3
Atria Denmark & Estonia	1.3	-0.9	2.9	1.2
Unallocated	-1.1	-1.8	-3.7	-4.0
Total	**9.4**	**16.7**	**49.6**	**49.0**
Investments				
Atria Finland	24.9	33.1	82.2	98.3
Atria Sweden	5.7	11.4	25.5	26.5
Atria Denmark & Estonia	1.0	1.8	3.3	6.5
Total	**31.6**	**46.4**	**111.0**	**131.4**
Depreciation and write-offs				
Atria Finland	14.5	9.4	43.4	36.7
Atria Sweden	23.0	53.8	31.8	62.8
Atria Denmark & Estonia	21.3	1.1	24.7	4.3
Unallocated	0.0	0.1	0.0	0.1
Total	**58.8**	**64.4**	**99.9**	**103.9**

* Items affecting comparability are detailed on page 4.

Fair value hierarchy of financial assets and liabilities

EUR million

Balance sheet items	31.12.2023	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.9			0.9
Derivative financial instruments	7.4		7.4	
Total	**8.3**	**0.0**	**7.4**	**0.9**
Liabilities				
Derivative financial instruments	3.1		3.1	
Total	**3.1**	**0.0**	**3.1**	**0.0**

Balance sheet items	31.12.2022	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.9			0.9
Derivative financial instruments	32.2		32.2	
Total	**33.1**	**0.0**	**32.2**	**0.9**
Liabilities				
Derivative financial instruments	0.7		0.7	
Total	**0.7**	**0.0**	**0.7**	**0.0**

There were no transfers between Levels 1 and 2 during the period.

Level 1: Prices listed on active markets for identical assets and liabilities.
Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Fair values are not based on verifiable market prices.

Fair values of financial instruments do not deviate significantly from balance sheet values.

Related party transactions

EUR million

The following transactions were completed with related parties:

	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Sales of goods and services	7.3	8.0	26.3	27.7
Purchases of goods and services	-28.1	-25.2	-110.3	-115.8

	31.12.2023	31.12.2022
Receivables	2.7	1.8
Liabilities	7.3	7.4

Acquired operations

Atria Finland Ltd acquired 51.0% of the shares in the Pietarsaari-based Ab Korv-Görans Kebab Oy 30 December 2022. This gives Atria controlling interest. Korv-Görans Kebab makes frozen meat products and is Atria's long-standing partner as a contract manufacturer of kebab slices, pre-cooked chicken products and other meat products made from Finnish meat. The company's main product is pre-cooked, individually quick-frozen kebab slices. The company also produces pre-cooked meat and chicken products, kebab meat and pre-cooked minced meat products. Korv-Görans Kebab has a production plant in Pietarsaari, Finland, and it was established in 1988. The company built new premises in 2019. and employs 65 people on a permanent basis.

Atria's aim is to strengthen its position in the convenience food and Foodservice market. Atria has been cooperating with Korv-Görans Kebab for a long time. The participation in the company will provide Atria with new opportunities to respond to the growth of the convenience food market and the development of the Foodservice market and customers' wishes. The transaction combines the flexibility of a small player with the expertise and market position of a large company.

Atria is obligated to redeem the remaining 49% of the shares no earlier than during 2028, provided that the non-controlling interests decide to exercise their put option. A liability has been recognised for the redemption obligation that will be valued to the current value of the estimated obligation.

The acquisition is not estimated to have a major impact on Atria's financial position or performance.

EUR million **Ab Korv-Görans Kebab Oy**	**Preliminary fair value 31.12.2022**	**Change in fair value**	**Fair value 31.12.2022**
Acquisition price for the share of 51%	**4.9**		**4.9**
Assets and liabilities of the company, fair values employed in the aqcuisition			
Property, plant and equipment	10.1	2.8	12.9
Intangible assets		5.7	5.7
Inventories	2.8		2.8
Current receivables	1.1		1.1
Cash and cash equivalents	0.4		0.4
Total assets	**14.5**	**8.5**	**22.9**
Deferred tax liabilities	0.2	1.7	1.9
Non-current liabilities	6.5		6.5
Current liabilities	5.0		5.0
Total liabilities	**11.7**	**1.7**	**13.4**
Net assets	**2.8**	**6.8**	**9.6**
Share of non-controlling interest 49 % *	1.4	3.3	4.7
Goodwill from acquisition	3.5	-3.5	0.1
The total purchase price to be paid in cash			4.9
The company's cash and cash equivalents			-0.4
Part of the purchase price to be paid later			-0.3
Effect of the acquisition on cash flow in the year 2022			**4.2**
Part of purchase paid in the year 2023			0.3
Total effect of the acquisition on cash flow			**4.5**

* Atria records the non-controlling interests according to the relative ownership.
Future changes in the share of non-controlling interest, which do not lead to a loss of control, are treated as internal arrangements in equity.
The calculation has been updated in June 2023. The identifiable net assets have been more detailed and the purchase price has been allocated to the buildings and the brand. The changes reduced goodwill.

Contingent liabilities

EUR million	31.12.2023	31.12.2022
Debts with mortgages given as security		
Loans from financial institutions	7.4	8.6
Pension fund loans	4.7	4.3
Total	**12.2**	**13.0**
Mortgages given as comprehensive security		
Real estate mortgages	6.1	6.2
Corporate mortgages	3.6	3.6
Total	**9.7**	**9.8**
Guarantee engagements not included in the balance sheet		
Guarantees	0.1	0.1

FINANCIAL INDICATORS

In addition to the IFRS figures, Atria publishes other widely used alternative financial indicators that can be derived from the income statement and balance sheet.

Principles for calculating financial indicators:

Adjusted EBIT, adjusted profit before taxes and adjusted profit for the period

In addition to reporting EBIT, profit before taxes and profit for the period the company publishes an adjusted EBIT, adjusted profit before taxes and adjusted profit for the period indicators to describe the actual financial development of the business and to improve comparability between periods. The adjusted figures are determined by adjusting the above items for material items that affect comparability. These may include events that are not part of ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations,

Gross investments = Investments in tangible and intangible assets, including acquired businesses

Free cash flow = Cash flow from operating activities - Cash flow from investments

FTE = $\frac{\text{Hours worked during the review period}}{\text{Number of working days during the review period * normal working hours per day}}$

Return on equity (%) = $\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average)}} * 100$

Adjusted return on equity (%) = $\frac{\text{Adjusted profit/loss for the accounting period}}{\text{Equity (average)}} * 100$

Return on investment (%) = $\frac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$

Adjusted return on investment (%) = $\frac{\text{Adjusted profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$

Equity ratio (%) = $\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advance payments received}} * 100$

Interest-bearing liabilities = Loans + lease liabilities

Gearing (%) = $\frac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}} * 100$

Net interest-bearing liabilities = Interest-bearing liabilities - cash and cash equivalents

Net gearing (%) = $\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Shareholders' equity}} * 100$

Earnings per share (basic) = $\frac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$

Adjusted earnings per share (basic) = $\frac{\text{Adjusted profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$

Equity/share = $\frac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend per share	=	Dividend distribution during the accounting period / Undiluted number of shares on 31 Dec		
Dividend/profit (%)	=	Dividend/share / Earnings per share (EPS)	*	100
Adjusted dividend/profit (%)	=	Dividend/share / Adjusted earnings per share (Adjusted EPS)	*	100
Effective dividend yield (%)	=	Dividend/share / Closing price at the end of the accounting period	*	100
Price/earnings (P/E)	=	Closing price at the end of the accounting period / Earnings per share		
Adjusted price/earnings (P/E)	=	Closing price at the end of the accounting period / Adjusted earnings per share		
Average price	=	Overall share turnover in euro / Undiluted average number of shares traded during the financial period		
Market capitalisation	=	Number of shares at the end of the financial period * closing price on 31 Dec		
Share turnover (%)	=	Number of shares traded during the accounting period / Undiluted average number of series A shares	*	100

ATRIA PLC
Board of Directors

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