



# Atria Plc Interim Report

1 January - 30 September 2023

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1

## Atria Group 1 January – 30 September 2023

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2022
	2023	2022	2023	2022	
Net sales	429.5	438.8	1,314.6	1,245.5	1,696.7
Adjusted EBIT	19.3	16.2	40.2	32.3	49.0
Adjusted EBIT, %	4.5 %	3.7 %	3.1 %	2.6 %	2.9 %
EBIT	19.3	16.4	40.2	34.6	0.1
EBIT, %	4.5 %	3.7 %	3.1 %	2.8 %	0.0 %

### Atria's EBIT for July–September increased – net sales decreased slightly

- **In July-September** feed sales and exports contracted in Finland. Sales to retail customers decreased in Sweden. In addition, the weaker Swedish krona weighed down sales.
- Atria Finland's improved sales structure and higher sales prices strengthened EBIT. Atria Denmark & Estonia's EBIT improved significantly.
- On 11 September 2023, Atria raised its guidance for its adjusted EBIT for 2023. This resulted from the good performance of Atria Finland, which was mainly caused by the better-than-expected start-up of the new poultry plant. In addition, Atria Finland's sales structure is better than in the previous year.
- **In January-September** net sales grew by almost EUR 70 million year-on-year and EBIT improved clearly.
- Higher sales prices and stable sales volumes for retail and Foodservice customers improved net sales.
- The increase in EBIT was due to an improved sales structure and higher sales prices than in the corresponding period of previous year.
- The change in consumer behaviour resulting from the economic downturn has favoured the sales of Atria's diverse product range, especially in the retail sector.

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## Atria Finland 1 January – 30 September 2023

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2022
	2023	2022	2023	2022	
Net sales	323.6	327.2	992.4	920.9	1,265.3
EBIT	19.0	12.7	46.6	29.2	49.4
EBIT, %	5.9 %	3.9 %	4.7 %	3.2 %	3.9 %

- **In July-September** net sales to retail and Foodservice customers continued to grow. Net sales to feed, industrial and export customers decreased.
- The increase in EBIT was due to an improved sales structure and higher sales prices. The phased commissioning of the poultry plant went well during the reporting period.
- **In January-September** higher sales prices in all sales channels year-on-year. Sales volumes to retail and Foodservice customers increased.
- The increase in EBIT is explained by an improved sales structure and higher sales prices.
- The costs of raw materials, supplies and external services were higher during the January–September period. Energy prices started to fall. Producer prices for meat were markedly higher.
- The start-up of the poultry plant and salary settlements resulted in costs during the reporting period.

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## Atria Finland

- The retail market in Finland grew by around 10% in value in Atria's product groups during January–August.
- The market shares of Atria's own brands in the Finnish retail sector by product category in January–August in terms of value:
  - Red meat almost 30%
  - Poultry products about 26%
  - Sausages and other meat products about 20%
  - Cold cuts almost 20%
  - Convenience food about 12%
- Atria's supplier share in retail trade in its product groups was approximately 26%.
- The Finnish Foodservice market in Atria's product groups grew by 10% in terms of value during the January–August period. Atria's supplier share was over 21%. The Foodservice market has been exceptionally volatile over the last year, with sales volumes fluctuating wildly.

(Source: Atria Market Insight 2023)



4

## Atria Finland

- The phased commissioning of the new poultry plant started in April.
- Construction and installation work have progressed in schedule. The phased commissioning of process equipment is continuing. Testing and commissioning of the slaughterhouse will start during the end of the year.
- As a result of the restructuring of the Nurmo pig slaughterhouse and cutting plant, staff adjustments will be made by reducing the use of temporary employees and internal transfers during 2023.
- The rearrangements are based on the need to adjust production capacity to the current pork market situation.



13 Oct. 2023

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5

## Atria Sweden 1 January – 30 September 2023

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2022
	2023	2022	2023	2022	
Net sales	80.5	92.7	250.0	269.9	356.2
Adjusted EBIT	0.0	3.4	-5.4	3.2	2.3
Adjusted EBIT, %	0.0 %	3.7 %	-2.1 %	1.2 %	0.7 %
Items affecting comparability of EBIT	0.0	0.2	0.0	11.1	-40.1
EBIT	0.0	3.7	-5.4	14.3	-37.8
EBIT, %	0.0 %	4.0 %	-2.1 %	5.3 %	-10.6 %

- **In July-September** price inflation has had an impact on consumer behaviour, with consumers preferring less expensive products, and increased private label sales. This had a negative impact on net sales and EBIT.
- The decrease in net sales in local currencies was around 4%.
- There have been challenges in operational efficiency due to the start-up of the production lines at the Sköllersta plant.
- **In January-September** the growth of net sales in local currencies, excluding the Russian fast-food business, was almost 5%. Sales price increases strengthened net sales.
- The figures for the comparison period include business of Sibylla Russia and sales of products previously produced at the Malmö plant, which have been discontinued, or whose production has been moved to Atria's Danish plant.
- Raw material prices remained high, weighing on EBIT. EBIT was reduced by higher costs and weaker consumer purchasing power resulting from inflation.

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## Atria Sweden

- In January–August, the sales value of all Atria product groups in the Swedish retail sector grew by an average of more than 5%.
- Atria's supplier shares (including private label products) in Swedish retail by product category in January–August, measured in value:
  - Sausages about 21%
  - Poultry products about 20%
  - Cold cuts about 12%
- The Foodservice market grew in July–September, but volumes were down compared to the same period last year.
- Demand for low-cost products has also increased in the Foodservice market. Sales of fast-food products declined slightly between July and September, and demand for lower-priced products has also increased in the fast food market.

(Source: Atria Market Insight 2023)



7

## Atria Denmark & Estonia 1 January – 30 September 2023

	Q3	Q3	Q1-Q3	Q1-Q3	
EUR million	2023	2022	2023	2022	2022
Net sales	32.0	29.1	91.6	83.5	112.9
EBIT	1.5	0.7	1.6	2.2	1.2
EBIT, %	4.6 %	2.3 %	1.7 %	2.6 %	1.1 %

- **In July-September** Atria Denmark & Estonia's net sales increased and EBIT improved.
- Atria Estonia's net sales increased by more than 20%. The sales of cold cuts grew most, by almost 40%. Sales volumes to retailers also increased by almost 10%. Sales prices were higher, and cost levels were at the level of the comparison period, which strengthened Atria Estonia's EBIT.
- Atria Denmark's net sales declined due to lower sales volumes to retail customers. EBIT improved as a result of the efficiency measures launched in the spring.
- **In January-September** the increase in net sales resulted from higher sales prices in both Estonia and Denmark.
- Atria Estonia's EBIT was strengthened by the good development of sales to retail customers.
- 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.

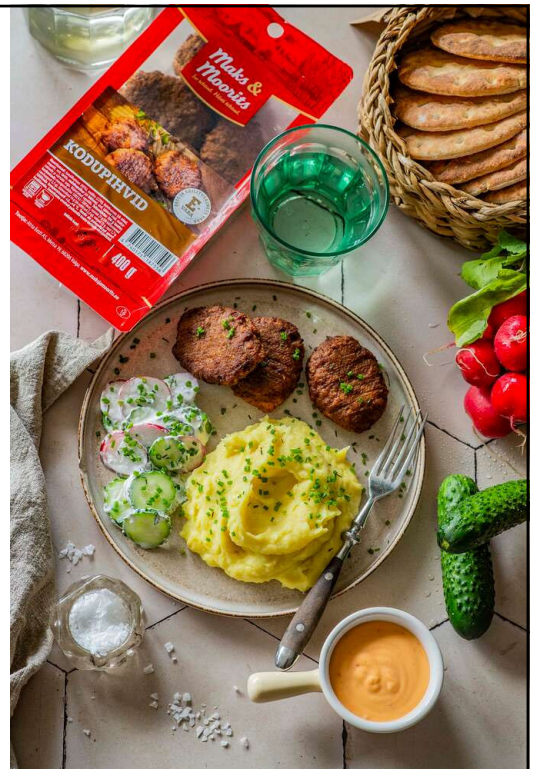
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## Atria Denmark & Estonia

- In January–August, the sales value of all Atria product groups in the Estonian retail sector grew by 14%.
- The market shares of Atria's own brands in the Estonian retail sector by product category in January–August in terms of value:
  - Fresh meat (including poultry) approximately 28%
  - Sausages approximately 27%
  - Convenience food components approximately 21%
  - 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.
- The value of the cold cuts market in the Danish retail sector increased by around 8% in January–August. Atria's market share was around 14%.

(Source: Atria Market Insight 2023)



9

## Financial development

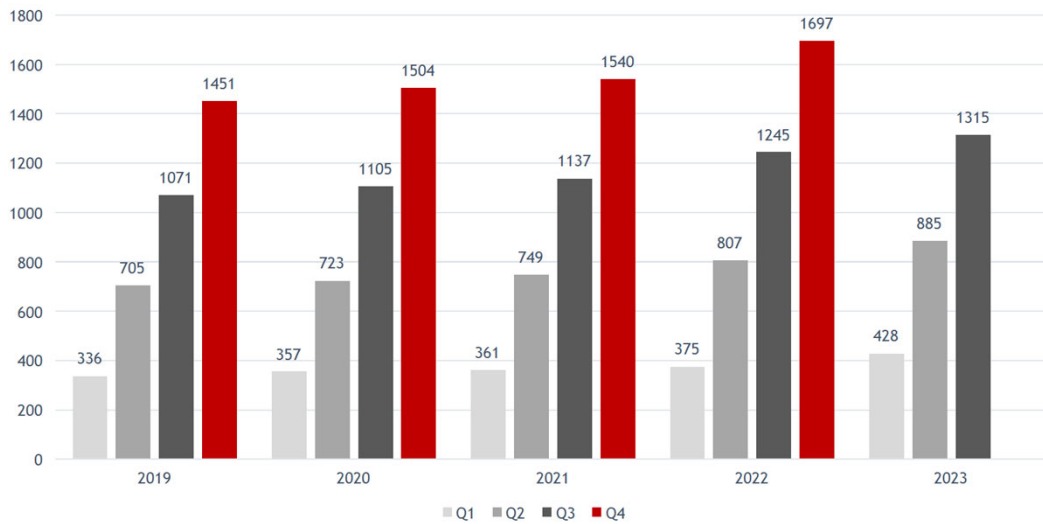
"Net sales for January–September were EUR 1,314.6 million, an increase of almost EUR 70 million compared to the same period last year. EBIT increased from EUR 34.6 million to EUR 40.2 million."

Kai Gyllström, CEO

10

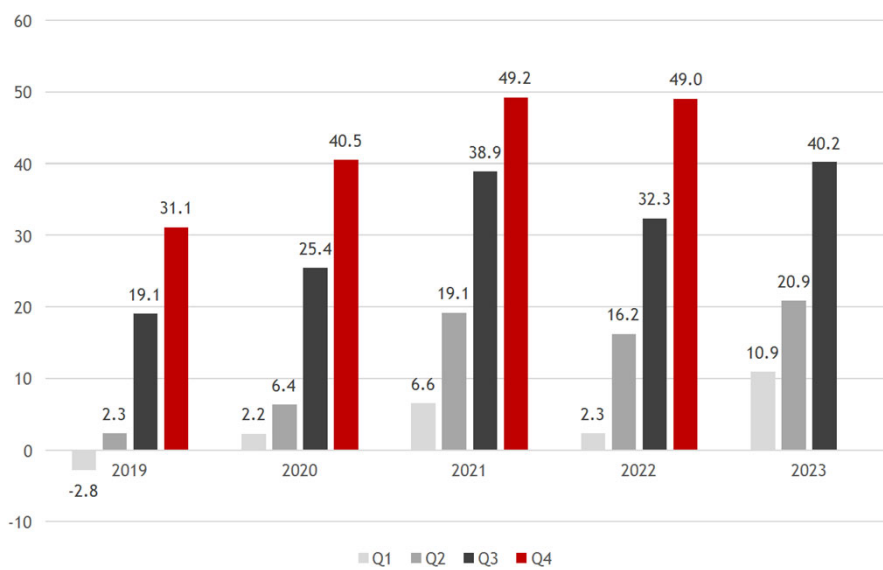
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## Atria Group Net Sales cumulative, EUR million



11

## Atria Group adjusted EBIT cumulative, EUR million



12



## Atria Group Financial indicators

### 1 January – 30 September 2023

EUR million	30.9.2023	30.9.2022	31.12.2022
Shareholders' equity per share EUR	15.17	17.75	15.90
Interest-bearing liabilities	301.1	256.2	265.7
Equity ratio, %	43.6 %	48.9 %	44.8 %
Net gearing, %	65.5 %	49.5 %	50.5 %
Free cash flow	-34.4 *	-76.7 *	-47.7 **
Gross investments	79.4 *	85.0 *	131.4 **
% of net sales	6.0 %	6.8 %	7.7 %
Average FTE	3,922	3,678	3,698

\* 1 Jan - 30 Sep

\*\* 1 Jan - 31 Dec

- Equity decreased due to a change in the fair value of the derivative instruments employed as hedging, which amounted to EUR -18.6 million during the period (EUR +29.3 million).
- Consolidated interest-bearing net liabilities on 30/09/2023 amounted to EUR 294.7 million (31/12/2022: EUR 234.7 million).
- The Group's liquidity during the review period remained good.
- On 30/09/2023, the Group had undrawn committed credit facilities worth EUR 85.0 million (31/12/2022: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 11 month (31/12/2022: 4 years 1 months).
- Net financing costs increased due to rising interest rates and amounted to EUR -3.2 million for the third quarter of the year (Q3 2022: EUR -0.3 million) and EUR -10.1 million from the start of the year (EUR -1.9 million). The average interest rate of the loan portfolio on 30/09/2023 was 4.52% (30/09/2022: 1.56%).

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## Atria Group Income statement

EUR million	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
NET SALES	429.5	438.8	1,314.6	1,245.5	1,696.7
Costs of goods sold	-384.5	-397.0	-1,186.1	-1,125.6	-1,528.2
GROSS PROFIT	44.9	41.8	128.5	119.8	168.5
% of Net sales	10.5 %	9.5 %	9.8 %	9.6 %	9.9 %
Other income	0.7	2.6	2.0	15.5	16.4
Other expenses	-26.3	-28.0	-90.3	-100.7	-184.8
EBIT	19.3	16.4	40.2	34.6	0.1
% of Net sales	4.5 %	3.7 %	3.1 %	2.8 %	0.0 %
Finance income and costs	-3.2	-0.3	-10.1	-1.9	-3.4
Income from joint ventures and associates	0.8	2.2	2.4	5.8	4.9
PROFIT BEFORE TAXES	16.9	18.3	32.5	38.5	1.7
Income taxes	-2.4	-2.4	-5.9	-5.7	-5.5
PROFIT FOR THE PERIOD	14.5	15.9	26.6	32.8	-3.9

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14

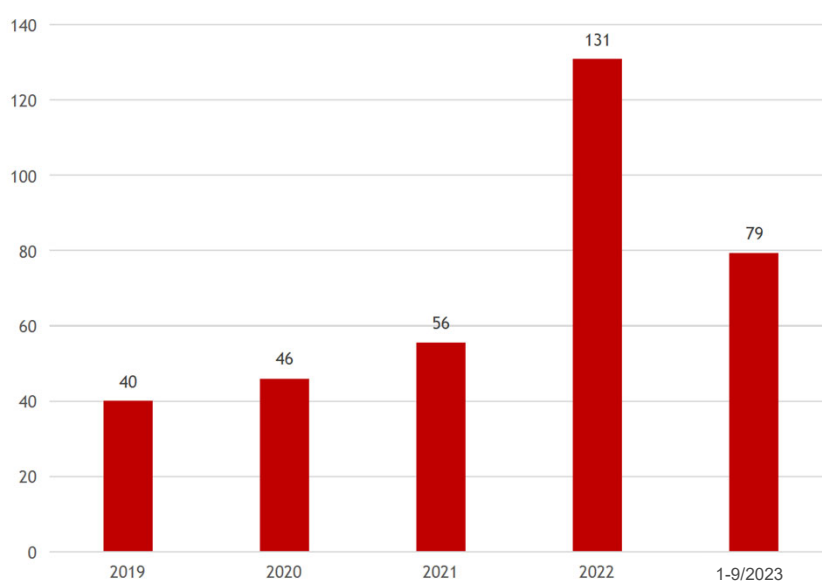
## Atria Group Cash flow statement

EUR million	1-9/2023	1-9/2022	1-12/2022
Cash flow from operating activities	58.5	-12.0	63.9
Financial items and taxes	-17.2	-8.2	-10.2
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>41.3</b>	<b>-20.2</b>	<b>53.8</b>
Investments in tangible and intangible assets	-79.0	-86.5	-126.4
Proceeds from the sale of tangible and intangible assets	0.6	20.7	20.7
Acquired operations	0.0	0.0	-4.2
Sold operations	0.0	7.4	7.4
Changes in long-term receivables	0.9	0.0	-0.2
Change in short-term receivables	0.1	-0.3	-0.8
Dividends received	1.6	2.1	2.1
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-75.7</b>	<b>-56.5</b>	<b>-101.5</b>
<b>FREE CASH FLOW</b>	<b>-34.4</b>	<b>-76.7</b>	<b>-47.7</b>
Changes in interest-bearing liabilities	31.9	38.5	38.9
Transactions with non-controlling interest	0.4	0.0	0.0
Acquisition of own sharers	-1.1	0.0	0.0
Dividends paid	-20.5	-18.5	-18.5
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>10.7</b>	<b>20.0</b>	<b>20.3</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>-23.8</b>	<b>-56.7</b>	<b>-27.4</b>

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15

## Atria Group Gross investments, EUR million

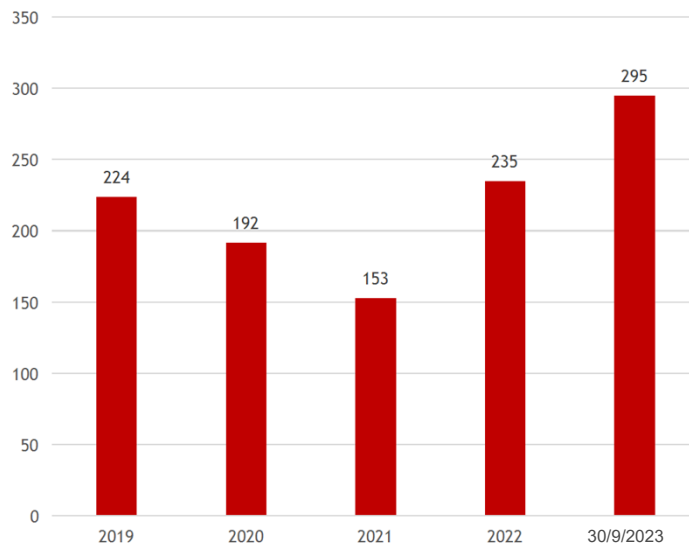


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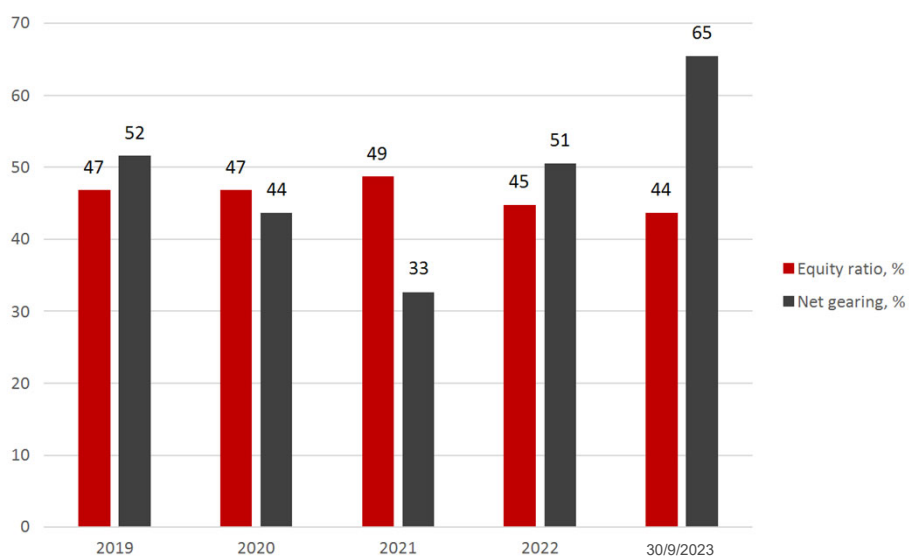
## Atria Group Net debts, EUR million



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## Atria Group Equity ratio & Net gearing, %



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18

## Business risks in the review period and short-term risks

- Prices of raw materials and other inputs, wage increases and repeated increases of the European Central Bank's policy rate
- Consumer purchasing power, weighed down by rising interest rates on consumer and mortgage loans.
  - Broad product range, ability to adjust product selection to match customer needs, well-known brands and Atria's good market position and strong balance sheet
- Serious animal diseases, like highly pathogenic avian influenza and African swine fever
  - Protective measures in Atria's own production plants and at its contract farms
- Cybercrime and information system failures
  - Planned monitoring, continuous improvement of cyber security, quick responses

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19

## Outlook for the future

- Atria Group's adjusted EBIT in 2023 is expected to be higher than in the previous year (EUR 49.0 million).
- During 2023, the company will commission a major expansion at its Sköllersta plant in Sweden, and the phased start-up and testing of the new poultry plant in Nurmo, Finland, will begin. These measures will result in additional costs in 2023.
- In addition, high costs, weakened consumer purchasing power and global political uncertainty will continue to affect the business environment in 2023. Atria's strong market position and strong brands, good customer relationships and reliable industrial processes will enable stable business also in 2023.

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20



Thank you!

Q4/2023 will be published on 22 February 2024.