

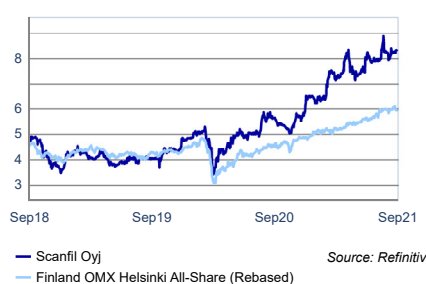
Scanfil Oyj

Capital Goods
Finland

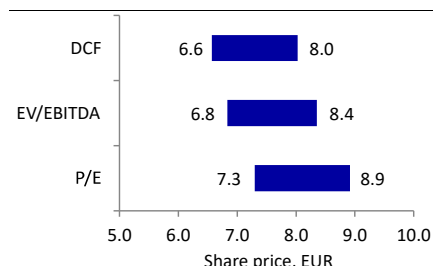
KEY DATA

Stock country	Finland
Bloomberg	SCANFL.FH
Reuters	SCANFL.HE
Share price (close)	EUR 8.40
Free Float	25%
Market cap. (bn)	EUR 0.54/EUR 0.54
Website	www.scanfil.com/
Next report date	26 Oct 2021

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	2%	2%
EBIT (adj)	1%	2%	2%

Source: Nordea estimates

Nordea Markets - Analysts

Pasi Väisänen
Senior AnalystFelix Henriksson
Analyst

Long-term targets not yet raised

Scanfil reiterated its long-term financial targets and 2021 guidance at its CMD event on 14 September. Market demand and the medium-term outlook are looking good, and we see no near-term threat to Scanfil's profitability from raw material prices or component availability. As a result, we raise our estimates by 2% for 2022-23. Our new fair value range for Scanfil is at EUR 6.9-8.4 (EUR 6.5-8.0), based on three equally weighted valuation approaches – DCF, EV/EBITDA, and P/E. We do not expect Scanfil to trade at a discount to peers but its 2021E-22E P/E and EV/EBITDA multiples combined are now an average of 12% above those of peers.

No weakness visible in the short term

The key question is how long the positive economic cycle will last. Scanfil's organic sales growth is now quite strong and visibility is better than usual, so it could upgrade its long-term targets in late 2021. One possibility is a new EUR 850m revenue target for 2025, which indicates 6.2% average annual sales growth. Annual average EMS market growth has been 3-6% in the past few years, but it could reach 6-7% as long as this favourable economic cycle lasts. The company's profitability (EBIT margin) is already at a good level, hence further improvements will be hard. We expect Scanfil to keep a 7% EBT margin target even if a new revenue target is set for 2025.

Customer portfolio is one core strength of the company

An elastic business model, a flexible cost base, quality products, and fast delivery are Scanfil's core strengths. Its wide customer base is also a competitive edge, as it includes many sectors and global leaders in their own business areas. Customers are sticky and not lost easily. Cost discipline is tight, while production units are highly automated and continuously monitored, so we expect Scanfil to keep its strengths in the future.

Our EBIT forecast is 3% above consensus for 2022

For 2021, we forecast 13.8% y/y revenue growth. Such a high figure will not be repeated next year, but our new EBIT estimate for 2022 is still 3% above Refinitiv consensus. Our new fair value range for Scanfil is EUR 6.9-8.4 (6.5-8.0). Based on our estimates, we calculate the company's EV/EBITDA is 8.1-9.1x 2021-22, i.e. ~17% above the peer group median. We do not yet expect Scanfil to trade at more than a 20% premium versus EMS peers.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	530	563	580	595	678	710	733
EBITDA (adj)	40	47	53	55	60	64	66
EBIT (adj)	31	38	39	39	44	48	51
EBIT (adj) margin	5.9%	6.7%	6.7%	6.6%	6.6%	6.8%	6.9%
EPS (adj, EUR)	0.36	0.45	0.49	0.49	0.54	0.58	0.61
EPS (adj) growth	50.7%	26.5%	8.4%	0.0%	9.6%	7.5%	5.0%
DPS (ord, EUR)	0.11	0.13	0.15	0.17	0.19	0.21	0.23
EV/Sales	0.6	0.5	0.6	0.7	0.8	0.8	0.7
EV/EBIT (adj)	10.0	7.1	9.3	11.3	12.6	11.2	10.2
P/E (adj)	11.8	8.2	9.9	13.2	15.5	14.5	13.8
P/BV	2.2	1.7	1.9	2.3	2.6	2.3	2.1
Dividend yield (ord)	2.6%	3.5%	3.1%	2.6%	2.3%	2.5%	2.7%
FCF Yield bef A&D, lease	3.9%	8.1%	8.2%	5.5%	2.5%	5.9%	6.8%
Net debt	43	30	46	18	16	-4	-28
Net debt/EBITDA	1.1	0.6	0.9	0.3	0.3	-0.1	-0.4
ROIC after tax	14.6%	16.5%	14.9%	13.9%	15.6%	16.1%	16.6%

Source: Company data and Nordea estimates

Segment estimates

SEGMENT REVENUE ESTIMATES (EURm; EPS IN EUR), QUARTERLY

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021E	Q4 2021E
Advanced Consumer Applications								
Net sales (EURm)	31.1	40.1	38.6	41.4	42.9	53.4	49.4	49.3
Sales growth y/y (%)					38%	33%	28%	19%
Automation & Safety								
Net sales (EURm)	37.9	36.6	33.7	34.0	34.5	36.8	37.4	39.2
Sales growth y/y (%)					-9%	1%	11%	15%
Connectivity								
Net sales (EURm)	7.4	7.7	7.1	6.5	8.1	7.3	8.2	8.6
Sales growth y/y (%)					9%	-5%	15%	32%
Energy & Cleantech								
Net sales (EURm)	34.4	33.8	30.0	37.4	40.3	44.8	43.2	43.9
Sales growth y/y (%)					17%	33%	44%	17%
Medtec & Life Science								
Net sales (EURm)	27.0	25.4	26.0	29.5	29.1	28.5	30.2	32.0
Sales growth y/y (%)					8%	12%	16%	9%
Discontinued								
Net sales (EURm)	6.3	12.0	6.3	5.3	8.5	2.0	0.0	0.0
Sales growth y/y (%)					35%	-83%	-100%	-100%

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021E	Q4 2021E
Group sales	144.1	155.6	141.6	154.1	163.4	172.9	168.3	173.0
Sales growth %	10.9%	9.1%	-7.0%	-0.4%	13.4%	11.1%	18.9%	12.3%
Other operating income	0.2	0.2	11.8	0.3	0.3	0.1	0.2	0.2
Expenses	-134.0	-139.4	-130.3	-146.0	150.7	-160.5	-135.7	-139.5
Depreciation and amortization	-3.8	-3.8	-3.7	-4.8	-3.8	-3.8	-3.8	-3.8
Reported EBIT	8.6	10.2	21.2	4.3	10.0	10.6	11.3	12.6
Reported EBIT margin	6.0%	6.6%	15.0%	2.8%	6.1%	6.1%	6.7%	7.3%
Group adj. EBIT	8.6	10.2	9.9	10.4	10.0	10.6	11.3	12.6
Adj. EBIT margin	6.0%	6.6%	7.0%	6.7%	6.1%	6.1%	6.7%	7.3%
Net financials	0.1	-0.6	-0.8	-1.3	0.0	-0.1	-0.6	-0.3
Pre-tax profit	8.7	9.6	20.4	3.0	10.0	10.5	10.7	12.3
Income tax	-1.2	-1.2	-2.5	0.1	-1.7	-1.8	-2.0	-2.3
Tax rate %	14%	13%	12%	-3%	17%	17%	19%	19%
Reported net profit for the period	7.5	8.4	29.2	-3.0	7.6	8.6	8.7	9.7
Adj net profit for the period	7.5	8.4	17.9	3.1	7.6	8.6	8.7	9.7
Reported EPS	0.12	0.13	0.28	0.05	0.13	0.13	0.13	0.15
Adj. EPS	0.12	0.13	0.10	0.14	0.13	0.13	0.13	0.15

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				GROWTH				EBIT MARGIN			
	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E
Hon Hai Precision Industry Co Ltd	159,354	156,265	179,343	184,420	1%	0%	10%	3%	2%	2%	3%	3%
Delta Electronics Inc	7,997	8,242	9,761	10,751	13%	5%	14%	10%	7%	11%	12%	13%
Pegatron Corp	40,751	40,811	37,363	39,372	2%	2%	-13%	5%	1%	1%	1%	2%
Venture Corporation Ltd	2,411	1,868	2,037	2,220	4%	-17%	5%	9%	11%	11%	11%	12%
Universal Scientific Industrial Shangh	4,767	5,985	7,499	8,763	11%	28%	29%	17%	4%	4%	4%	4%
Jabil Inc	23,007	22,844	24,917	26,156	14%	8%	13%	5%	3%	3%	4%	4%
Compal Electronics Inc	29,242	30,592	34,801	34,172	1%	7%	11%	-2%	1%	1%	1%	1%
Foxconn Interconnect Technology Ltd	3,900	3,533	3,565	3,730	9%	-1%	-1%	5%	7%	4%	3%	4%
Inventec Corp	14,941	14,824	15,106	15,739	-1%	1%	-4%	4%	1%	1%	1%	1%
Micro-Star International Co Ltd	3,594	4,273	5,740	5,948	2%	22%	29%	3%	5%	7%	10%	9%
Plexus Corp	2,893	2,895	2,898	3,264	10%	7%	2%	12%	4%	5%	5%	5%
Accton Technology Corp	1,652	1,588	1,809	2,154	29%	-2%	10%	19%	11%	12%	10%	13%
Sanmina Corp	7,528	5,942	5,758	6,060	16%	-15%	-1%	5%	4%	4%	5%	5%
Incap Oyj	71	106	143	163	20%	50%	36%	14%	14%	10%	13%	14%
Celestica Inc	5,253	4,707	4,749	5,070	-11%	-2%	-3%	7%	3%	3%	4%	4%
SIIX Corp	1,832	1,440	1,684	1,823	-8%	-19%	22%	8%	2%	2%	0%	0%
Fabrinet	1,394	1,464	1,575	1,811	15%	4%	14%	15%	9%	9%	9%	10%
Sercomm Corp	948	1,053	1,311	1,373	-5%	14%	19%	5%	3%	3%	3%	3%
TT electronics PLC	566	483	559	585	11%	-10%	10%	5%	8%	6%	7%	8%
Alpha Networks Inc	472	938	1,104	1,220	1%	103%	14%	10%	1%	3%	2%	3%
Ducommun Inc	643	515	560	596	15%	-13%	4%	6%	8%	8%	8%	9%
Valuetronics Holdings Ltd	321	275	250	205	-1%	-17%	-3%	0%	8%	7%	9%	8%
Kitron ASA	335	378	392	436	26%	20%	3%	11%	6%	8%	7%	8%
Lacroix Group SA	482	566	504	541	3%	18%	15%	7%	3%	2%	4%	4%
Hanza Holding AB	197	215	234	256	14%	4%	8%	10%	3%	2%	5%	6%
Group median					9.2%	3.6%	10.3%	6.7%	4.0%	3.8%	5.0%	5.0%
Scanfil (Nordea)	580	595	678	710	2.9%	2.7%	13.8%	4.8%	6.7%	6.6%	6.6%	6.8%
diff.from median (pp)					-6.2	-0.9	3.5	-2.0	2.7	2.8	1.6	1.8

Source: Refinitiv and Nordea estimates

EMS PEER GROUP: VALUATION MULTIPLES

	P/E				EV/EBITDA				P/B			
	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E
Hon Hai Precision Industry Co Ltd	11.0	12.6	10.9	9.7	6.7	5.7	6.0	5.4	1.2	1.1	1.1	1.0
Delta Electronics Inc	17.1	26.9	22.0	18.8	12.6	14.8	13.2	11.4	4.8	4.5	4.1	3.7
Pegatron Corp	9.3	8.8	8.6	9.5	4.5	5.0	6.0	3.4	1.0	1.0	1.0	0.9
Venture Corporation Ltd	12.9	19.0	16.6	15.2	9.0	12.5	11.0	10.1	2.2	2.1	2.0	1.9
Universal Scientific Industrial Shangh	33.2	24.2	16.2	13.6	21.5	15.9	11.1	9.2	3.1	2.8	2.5	2.2
Jabil Inc	16.7	98.4	11.3	10.5	3.8	4.0	5.3	5.0	5.6	5.8	4.7	3.7
Compal Electronics Inc	11.9	9.8	8.8	10.0	6.6	7.0	7.6	7.8	1.0	1.0	1.0	1.0
Foxconn Interconnect Technology Ltd	9.7	56.2	11.5	9.3	4.6	8.9	4.9	4.3	0.7	0.6	0.6	0.6
Inventec Corp	15.0	11.5	14.0	13.4	9.2	12.5	10.8	9.5	1.6	1.5	1.6	1.7
Micro-Star International Co Ltd	13.2	14.2	7.2	8.4	9.5	9.4	5.0	5.7	3.7	3.3	2.6	2.4
Plexus Corp	16.8	18.2	18.7	16.1	9.6	9.7	10.5	9.3	3.3	2.8	2.6	2.3
Accton Technology Corp	19.2	35.2	30.5	21.2	12.8	23.6	21.4	14.5	13.1	10.6	9.9	8.2
Sanmina Corp	16.3	13.5	9.9	9.5	5.2	4.2	5.1	4.9	1.4	1.1	n.a.	n.a.
Incap Oyj	11.8	9.1	17.7	15.1	6.3	7.0	12.5	11.1	10.0	6.7	4.8	3.8
Celestica Inc	15.5	17.2	7.5	6.7	5.5	4.8	3.7	3.5	0.8	0.7	n.a.	n.a.
SIIX Corp	20.7	43.6	11.1	9.3	9.3	9.3	6.6	5.8	1.0	1.1	1.0	0.9
Fabrinet	15.4	19.7	24.1	19.5	9.4	11.7	16.0	13.7	2.1	4.1	3.5	3.0
Sercomm Corp	18.9	21.9	17.0	13.3	9.7	9.6	7.9	6.1	2.1	2.1	2.1	2.0
TT electronics PLC	33.5	265.2	19.7	16.5	7.9	9.3	11.8	10.3	1.8	1.7	1.7	1.6
Alpha Networks Inc	n.a.	30.5	22.2	12.5	21.1	11.0	9.1	6.7	1.3	1.3	1.3	1.3
Ducommun Inc	18.4	22.0	18.1	14.8	10.1	11.5	9.7	8.6	2.4	1.9	1.7	1.6
Valuetronics Holdings Ltd	8.4	6.8	8.1	13.4	2.9	0.5	1.5	1.6	1.3	1.2	1.1	1.0
Kitron ASA	14.8	15.4	15.8	13.5	9.5	9.5	10.7	9.5	4.5	3.6	3.6	3.2
Lacroix Group SA	7.3	7.8	14.9	10.9	4.5	4.1	6.3	5.3	1.6	1.6	1.4	1.3
Hanza Holding AB	21.3	n.a.	13.4	12.3	6.2	5.1	6.5	5.9	2.1	2.0	1.8	1.6
Group median	15.5	18.6	14.9	13.3	9.0	9.3	7.9	6.7	2.1	1.9	1.8	1.7
Scanfil (Nordea)	9.9	13.2	15.5	14.4	6.8	8.0	9.1	8.1	1.9	2.3	2.6	2.2
diff.from average	-36%	-29%	4%	8%	-24%	-14%	15%	19%	-9%	20%	42%	33%

Source: Refinitiv and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	189	215	377	508	530	563	580	595	678	710	733
Revenue growth	4.2%	13.8%	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	13.8%	4.8%	3.3%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	22	25	27	18	40	47	53	60	60	64	66
Depreciation and impairments PPE	-7	-6	-8	-9	-7	-8	-16	-14	-13	-13	-14
of which leased assets	0	0	0	0	0	0	-3	-3	-3	-3	-3
EBITA	15	19	19	9	33	40	37	46	46	50	53
Amortisation and impairments	-3	-2	-5	-2	-2	-2	-2	-2	-2	-2	-2
EBIT	12	16	14	7	31	38	35	44	44	48	51
of which associates	-3	-2	-1	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	0	-1	-1	1	-2	-1	-3	-2	-2	-2
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	11	16	14	6	33	36	34	42	43	46	49
Reported taxes	-2	-4	-5	-6	-7	-7	-6	-5	-8	-9	-9
Net profit from continued operations	8	12	8	0	26	29	28	37	35	37	39
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	8	12	8	0	26	29	28	37	35	37	39
EPS, EUR	0.14	0.21	0.15	0.00	0.40	0.45	0.44	0.57	0.54	0.58	0.61
DPS, EUR	0.05	0.07	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23
of which ordinary	0.05	0.07	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	11.8%	11.6%	7.2%	3.6%	7.6%	8.4%	9.1%	10.1%	8.8%	9.0%	9.0%
EBITA	8.0%	8.7%	5.1%	1.8%	6.3%	7.1%	6.4%	7.8%	6.9%	7.1%	7.2%
EBIT	6.3%	7.6%	3.8%	1.4%	5.9%	6.7%	6.1%	7.4%	6.6%	6.8%	6.9%

Adjusted earnings

EBITDA (adj)	23	25	33	33	40	47	53	55	60	64	66
EBITA (adj)	15	19	25	24	33	40	37	41	46	50	53
EBIT (adj)	12	16	20	22	31	38	39	39	44	48	51
EPS (adj, EUR)	0.15	0.22	0.24	0.24	0.36	0.45	0.49	0.49	0.54	0.58	0.61

Adjusted profit margins in percent

EBITDA (adj)	12.0%	11.7%	8.7%	6.6%	7.6%	8.4%	9.1%	9.3%	8.8%	9.0%	9.0%
EBITA (adj)	8.2%	8.8%	6.6%	4.8%	6.3%	7.1%	6.4%	6.9%	6.9%	7.1%	7.2%
EBIT (adj)	6.4%	7.6%	5.3%	4.4%	5.9%	6.7%	6.7%	6.6%	6.6%	6.8%	6.9%

Performance metrics

CAGR last 5 years											
Net revenue	-2.9%	1.7%	11.5%	19.2%	24.0%	24.5%	22.0%	9.6%	5.9%	6.0%	5.4%
EBITDA	1.1%	3.4%	7.0%	-4.8%	14.2%	16.3%	16.4%	17.3%	26.8%	9.7%	6.9%
EBIT	-10.9%	0.4%	0.0%	-4.5%	31.0%	26.1%	16.8%	25.2%	43.8%	9.1%	6.0%
EPS	-11.7%	-2.8%	-5.1%	-58.0%	32.7%	26.1%	15.5%	31.7%	227.7%	7.5%	6.0%
DPS	-16.1%	-10.2%	-7.8%	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%
Average last 5 years											
Average EBIT margin	6.0%	5.9%	5.1%	3.9%	4.5%	4.9%	4.9%	5.6%	6.6%	6.7%	6.8%
Average EBITDA margin	10.7%	10.9%	10.1%	7.7%	7.3%	7.2%	7.3%	7.9%	8.8%	9.1%	9.2%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	9.1	11.4	15.7	14.6	11.8	8.2	9.9	13.2	15.5	14.5	13.8
EV/EBITDA (adj)	3.0	5.3	8.7	7.9	7.8	5.7	6.8	8.0	9.4	8.5	7.8
EV/EBITA (adj)	4.4	7.0	11.6	10.7	9.4	6.8	9.7	10.7	12.0	10.7	9.8
EV/EBIT (adj)	4.5	7.2	13.6	11.7	10.0	7.1	9.3	11.3	12.6	11.2	10.2

VALUATION RATIOS - REPORTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	9.5	11.5	26.3	n.m.	10.5	8.2	11.2	11.4	15.5	14.5	13.8
EV/Sales	0.36	0.62	0.76	0.52	0.59	0.48	0.63	0.74	0.83	0.76	0.70
EV/EBITDA	2.7	4.9	10.1	14.4	7.8	5.7	6.8	7.3	9.4	8.5	7.8
EV/EBITA	3.8	6.4	14.2	28.0	9.4	6.8	9.7	9.5	12.0	10.7	9.8
EV/EBIT	4.6	7.3	18.5	36.2	10.0	7.1	10.3	9.9	12.6	11.2	10.2
Dividend yield (ord.)	3.7%	2.8%	2.1%	2.6%	2.6%	3.5%	3.1%	2.6%	2.3%	2.5%	2.7%
FCF yield	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	5.8%	9.3%	3.0%	6.4%	7.3%
FCF Yield bef A&D, lease adj	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	8.2%	5.5%	2.5%	5.9%	6.8%
Payout ratio	35.1%	32.9%	55.2%	6,298.1%	27.2%	28.6%	34.3%	29.6%	35.2%	36.1%	37.7%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	6	11	29	27	25	22	25	23	21	19	17
of which R&D	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
of which other intangibles	4	5	18	16	15	12	17	14	12	10	8
of which goodwill	2	6	11	11	10	10	8	8	8	8	8
Tangible assets	28	27	48	41	48	49	72	65	65	67	70
of which leased assets	0	0	0	0	0	0	21	18	18	18	18
Shares associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	3	2	4	4	6	7	7	7	7
Other non-IB non-current assets	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	35	38	80	70	77	76	103	95	93	93	94
Inventory	29	36	91	85	101	99	102	103	129	131	132
Accounts receivable	33	41	105	88	106	108	112	113	132	137	141
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	2	4	2	2	3	2	3	4	4
Cash and bank	28	19	22	20	21	19	20	26	25	42	63
Total current assets	90	96	220	197	230	228	237	245	289	314	340
Assets held for sale	0	0	1	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	126	134	302	267	307	304	340	339	382	407	434
Shareholders equity	80	95	100	108	125	145	167	183	207	232	257
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Minority interest	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Total Equity	n.a.	n.a.	n.a.	n.a.	125	145	167	183	207	232	257
Deferred tax	0	0	3	3	5	6	7	6	6	6	6
Long term interest bearing debt	9	1	50	38	27	17	25	18	16	13	11
Pension provisions	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Other long-term provisions	0	0	1	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	19	16	20	20	20
Convertible debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Total non-current liabilities	10	1	55	41	33	23	51	40	41	39	36
Short-term provisions	0	0	0	5	0	0	0	4	0	0	0
Accounts payable	26	30	108	90	113	104	96	100	125	128	132
Current lease debt	0	0	0	0	0	0	4	4	0	0	0
Other current liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0	3	2	4	4	4
Short term interest bearing debt	9	9	38	22	36	33	20	6	6	5	5
Total current liabilities	36	38	146	117	149	136	122	116	135	137	141
Liabilities for assets held for sale	0	0	1	0	0	0	0	0	0	0	0
Total liabilities and equity	126	134	302	267	307	304	340	339	382	407	434
Balance sheet and debt metrics											
Net debt	-10	-10	66	40	43	30	46	18	16	-4	-28
of which lease debt	0	0	0	0	0	0	22	20	20	20	20
Working capital	36	47	90	87	96	105	118	117	135	140	141
Invested capital	71	85	170	157	173	181	221	212	228	234	236
Capital employed	99	104	188	168	188	194	233	227	248	270	292
ROE	10.6%	14.0%	8.6%	0.1%	22.2%	21.5%	18.0%	21.1%	17.8%	17.0%	16.0%
ROIC	11.7%	16.2%	12.1%	10.5%	14.6%	16.5%	14.9%	13.9%	15.6%	16.1%	16.6%
ROCE	12.6%	16.7%	17.3%	18.9%	23.1%	19.8%	18.3%	17.0%	18.8%	18.7%	18.0%
Net debt/EBITDA	-0.4	-0.4	2.4	2.2	1.1	0.6	0.9	0.3	0.3	-0.1	-0.4
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	64.1%	70.6%	33.2%	40.6%	40.7%	47.6%	49.0%	53.9%	54.0%	56.9%	59.3%
Net gearing	n.a.	n.a.	n.a.	n.a.	34.4%	20.7%	27.7%	10.0%	7.6%	-1.7%	-10.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	25	27	28	18	40	47	53	60	60	64	66
Paid taxes	-3	-3	-4	-5	-8	-7	-8	-7	-8	-9	-9
Net financials	0	0	-2	-2	-2	-2	-2	-2	-2	-2	-2
Change in provisions	0	0	1	4	-5	0	0	4	-4	0	0
Change in other LT non-IB	1	0	-2	1	-2	0	-1	-1	0	0	0
Cash flow to/from associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other adj to reconcile to cash flow	-10	-7	-1	7	4	0	2	-11	0	0	0
Funds from operations (FFO)	14	16	21	23	27	39	44	43	46	53	55
Change in NWC	-1	-5	-8	-6	-6	-10	-8	-8	-18	-5	-1
Cash flow from operations (CFO)	13	11	13	16	21	29	36	35	27	48	54
Capital expenditure	6	-8	-51	-4	-11	-10	-7	-9	-11	-13	-14
Free cash flow before A&D	19	3	-38	13	11	19	29	26	16	35	40
Proceeds from sale of assets	n.a.	n.a.	n.a.	n.a.	0	0	0	13	0	0	0
Acquisitions	n.a.	n.a.	n.a.	n.a.	0	0	-10	0	0	0	0
Free cash flow	19	3	-38	13	11	19	18	39	16	35	40
Free cash flow bef A&D, lease adj	19	3	-38	13	11	19	26	23	14	32	37
Dividends paid	n.a.	n.a.	n.a.	n.a.	-6	-7	-8	-10	-11	-12	-14
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Net change in debt	-9	-10	44	-26	-4	-14	-43	-21	-3	-3	-3
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	-3	-3	-3	-3
Other non-cash adjustments	5	1	1	-1	-1	0	34	0	0	0	0
Change in cash	13	-9	3	-2	0	-1	1	5	-1	17	20
Cash flow metrics											
Capex/D&A	-56.0%	92.9%	n.m.	32.3%	n.m.	n.m.	41.2%	58.4%	71.3%	83.2%	89.8%
Capex/Sales	-3.1%	3.7%	13.5%	0.7%	2.0%	1.7%	1.3%	1.6%	1.6%	1.8%	1.9%
Key information											
Share price year end (/current)	1	2	4	3	4	4	5	7	8	8	8
Market cap.	78	142	220	222	271	239	316	422	543	543	543
Enterprise value	68	132	286	262	314	269	362	440	559	539	516
Diluted no. of shares, year-end (m)	57.7	57.7	57.7	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research	Nordea Markets Division, Research	Nordea Markets Division, Research	Nordea Markets Division, Research
Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark	Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			