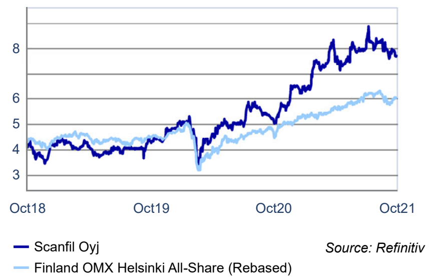
Scanfil Oyj

Capital Goods
Finland

KEY DATA

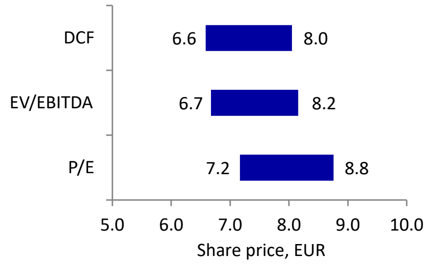
Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 7.78
Free Float	25%
Market cap. (bn)	EUR 0.50/EUR 0.50
Website	www.scanfil.com/
Next report date	18 Feb 2022

PERFORMANCE



VALUATION APPROACH

Source: Nordea estimates



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	-1%	-1%	-1%
EBIT (adj)	-3%	-1%	-1%

Source: Nordea estimates

Nordea Markets - Analysts
Pasi Väisänen
Senior Analyst

Felix Henriksson
Analyst

Component availability will remain a problem

Q3 was a slight disappointment in terms of profitability. High component prices have been passed onto end-product prices but Scanfil has not received an ordinary margin for this excess revenue. Cash flow has also suffered from this extraordinary situation. There is a risk that the poor availability of materials will eventually restrict volume growth, but current end demand looks healthy for Scanfil. Our fair value range for Scanfil remains at EUR 6.9-8.4, based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

19% y/y revenue growth in Q3

Q3 net sales were 5% above company-collected consensus, while EBIT was 14% below. Operating profit was burdened by component prices, raw material availability, and costs related to the Hamburg factory production transfer and closure. Cash flow was weak in Q3 due to inventory buildup and component pricing. The EBIT margin should reach 7% when pass-through billing and the Hamburg restructuring is done, but the problems related to components and raw materials could persist for several quarters. We argue that risks have also increased in China, related to new installations in the elevator market; as a manufacturing services company, Scanfil's success depends on its customers' success.

2021 guidance confirmed

Company guidance calls for revenue of EUR 670-710m and EBIT of EUR 41-44m for 2021. Scanfil has relatively good visibility into Q4 but we still trim our estimates slightly – our EPS forecast for 2021 is down more than EBIT due to the extraordinary tax booking in Q3. The positive economic cycle should last but high component prices might start to reduce end demand and volume growth at some point. For 2022, we forecast 4% y/y revenue growth and a 6.7% adjusted EBIT margin. Revenue growth could certainly be higher than 4% next year, if the current pace in the markets continues without any hiccups.

Valuation is ~6% above peers according to our estimates

The company will announce new long-term financial targets in February 2022, but we do not expect an upgrade to the current EBIT margin target of 7%. Our fair value range for Scanfil remains at EUR 6.9-8.4. Scanfil's 2021E-22E P/E and EV/EBITDA multiples combined are now 6% above peers on average – and we do not see any compelling reason to trade at a discount to peers.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	530	563	580	595	686	712	736
EBITDA (adj)	40	47	53	55	58	63	66
EBIT (adj)	31	38	39	39	43	48	50
EBIT (adj) margin	5.9%	6.7%	6.7%	6.6%	6.2%	6.7%	6.8%
EPS (adj, EUR)	0.36	0.45	0.49	0.49	0.49	0.57	0.60
EPS (adj) growth	50.7%	26.5%	8.4%	0.0%	-1.3%	16.8%	5.1%
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	0.7	0.6
EV/EBIT (adj)	10.0	7.1	9.3	11.3	12.6	10.5	9.5
P/E (adj)	11.8	8.2	9.9	13.2	16.0	13.7	13.0
P/BV	2.2	1.7	1.9	2.3	2.5	2.2	2.0
Dividend yield (ord)	2.6%	3.5%	3.1%	2.6%	2.4%	2.7%	3.0%
FCF Yield bef A&D, lease	3.9%	8.1%	8.2%	5.5%	-0.4%	8.9%	7.9%
Net debt	43	30	46	18	31	-1	-28
Net debt/EBITDA	1.1	0.6	0.9	0.3	0.5	0.0	-0.4
ROIC after tax	14.6%	16.5%	14.9%	13.9%	14.5%	15.6%	16.7%

Source: Company data and Nordea estimates

Quarterly segment estimates

P&L (EURm; EPS IN EUR)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021E
Advanced Consumer Applications								
Net sales (EURm)	31.1	40.1	38.6	41.4	42.9	53.4	55.4	55.4
Sales growth y/y (%)					38%	33%	44%	34%
Automation & Safety								
Net sales (EURm)	37.9	36.6	33.7	34.0	34.5	36.8	32.5	35.6
Sales growth y/y (%)					-9%	1%	-4%	5%
Connectivity								
Net sales (EURm)	7.4	7.7	7.1	6.5	8.1	7.3	7.3	8.6
Sales growth y/y (%)					9%	-5%	3%	32%
Energy & Cleantech								
Net sales (EURm)	34.4	33.8	30.0	37.4	40.3	44.8	43.5	49.0
Sales growth y/y (%)					17%	33%	45%	31%
Medtec & Life Science								
Net sales (EURm)	27.0	25.4	26.0	29.5	29.1	28.5	29.1	33.1
Sales growth y/y (%)					8%	12%	12%	12%
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 2021**	**Q4 2021E**
Group sales	**144.1**	**155.6**	**141.6**	**154.1**	**163.4**	**172.9**	**167.8**	**181.7**
Sales growth %	10.9%	9.1%	-7.0%	-0.4%	13.4%	11.1%	18.5%	17.9%
Other operating income	0.2	0.2	11.8	0.3	0.3	0.1	0.4	0.4
Depreciation and amortisation	-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	9.5	12.4
Reported EBIT margin	6.0%	6.6%	15.0%	2.8%	6.1%	6.1%	5.7%	6.8%
Group adj. EBIT	**8.6**	**10.2**	**9.9**	**10.4**	**10.0**	**10.6**	**9.5**	**12.4**
Adj. EBIT margin	6.0%	6.6%	7.0%	6.7%	6.1%	6.1%	5.7%	6.8%
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	8.9	12.1
Income tax	-1.2	-1.2	-2.5	0.1	-1.7	-1.8	-3.4	-2.0
Tax rate %	14%	13%	12%	-3%	17%	17%	38%	17%
Reported net profit for the period	7.5	8.4	29.2	-3.0	7.6	8.6	5.2	9.8
Adj net profit for the period	7.5	8.4	17.9	3.1	7.6	8.6	5.2	9.8
Reported EPS	0.1	0.1	0.3	0.0	0.1	0.1	0.1	0.2
Adj. EPS	**0.12**	**0.13**	**0.10**	**0.14**	**0.13**	**0.13**	**0.09**	**0.16**

Source: Company data and Nordea estimates

Yearly segment estimates

P&L (EURm, EPS IN EUR)

Segments	2016	2017	2018	2019	2020	2021E	2022E	2023E
Advanced Consumer Applications								
Net sales (EURm)					151.2	207.1	223.7	231.8
Sales growth y/y (%)						37%	8%	4%
Automation & Safety								
Net sales (EURm)					142.2	139.4	143.5	147.1
Sales growth y/y (%)						-2%	3%	3%
Connectivity								
Net sales (EURm)					28.7	31.3	32.8	34.0
Sales growth y/y (%)						9%	5%	4%
Energy & Cleantech								
Net sales (EURm)					135.6	177.6	186.5	194.0
Sales growth y/y (%)						31%	5%	4%
Medtec & Life Science								
Net sales (EURm)					107.9	119.8	125.8	129.3
Sales growth y/y (%)						11%	5%	3%
Discontinued								
Net sales (EURm)					29.9	10.5	0.0	0.0
Sales growth y/y (%)						-65%	0%	0%

Group	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	**508.0**	**529.8**	**563.0**	**579.5**	**595.4**	**685.7**	**712.4**	**736.1**
Sales growth %	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	15.2%	3.9%
Other operating income	1.0	2.7	0.4	1.0	12.5	1.2	1.2	1.2
Depreciation and amortisation	-8.8	-6.7	-7.5	-15.7	-14.1	-13.2	-13.4	-13.5
Reported EBIT	7.2	31.3	37.8	35.3	44.3	42.5	47.7	50.1
Reported EBIT margin	1.4%	5.9%	6.7%	6.1%	7.4%	6.2%	6.7%	6.8%
Group adj. EBIT	**22.3**	**31.3**	**37.8**	**38.9**	**39.1**	**42.5**	**47.7**	**50.1**
Adj. EBIT margin	4.4%	5.9%	6.7%	6.7%	6.6%	6.2%	6.7%	6.8%
Net financials	-1.2	1.3	-1.7	-1.3	-2.6	-2.3	-2.3	-2.3
Pre-tax profit	6.1	32.6	36.1	34.0	41.7	40.2	45.4	47.7
Income tax	-6.0	-6.8	-7.1	-5.9	-4.8	-8.9	-8.9	-9.3
Tax rate %	99%	21%	20%	17%	12%	22%	20%	20%
Reported net profit for the period	0.1	25.8	29.0	28.1	36.9	31.3	36.6	38.4
Adj net profit for the period	15.2	22.9	29.0	31.7	31.7	31.3	36.6	38.4
Reported EPS	0.0	0.4	0.5	0.4	0.6	0.5	0.6	0.6
Adj. EPS	**0.24**	**0.36**	**0.45**	**0.49**	**0.49**	**0.49**	**0.57**	**0.60**

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	181,507	186,256	1%	0%	10%	3%	2%	2%	3%	3%
Delta Electronics Inc	7,997	8,242	9,681	10,664	13%	5%	12%	10%	7%	11%	11%	12%
Pegatron Corp	40,751	40,811	37,540	39,474	2%	2%	-13%	5%	1%	1%	1%	2%
Venture Corporation Ltd	2,411	1,868	2,063	2,251	4%	-17%	5%	9%	11%	11%	12%	12%
Universal Scientific Industrial	4,767	5,985	7,705	8,697	11%	28%	28%	13%	4%	4%	4%	4%
Jabil Inc	23,007	22,844	24,803	27,291	14%	8%	7%	7%	3%	3%	4%	4%
Compal Electronics Inc	29,242	30,592	35,446	34,907	1%	7%	11%	-2%	1%	1%	1%	1%
Foxconn Interconnect Technology	3,900	3,533	3,625	3,785	9%	-1%	-1%	4%	7%	4%	3%	4%
Inventec Corp	14,941	14,824	15,336	16,015	-1%	1%	-3%	4%	1%	1%	1%	1%
Micro-Star International Co Ltd	3,594	4,273	5,866	6,033	2%	22%	31%	3%	5%	7%	10%	8%
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	1,825	2,169	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	150	176	20%	50%	43%	17%	14%	10%	14%	14%
Celestica Inc	5,253	4,707	4,808	5,359	-11%	-2%	-2%	11%	3%	3%	4%	4%
SIIX Corp	1,832	1,440	1,683	1,822	-8%	-19%	22%	8%	2%	2%	0%	0%
Fabrinet	1,394	1,464	1,575	1,836	15%	4%	14%	15%	9%	9%	9%	10%
Sercomm Corp	948	1,053	1,298	1,373	-5%	14%	17%	7%	3%	3%	3%	3%
TT Electronics	566	483	562	589	11%	-10%	10%	5%	8%	6%	8%	9%
Alpha Networks Inc	472	938	1,104	1,220	1%	103%	14%	10%	1%	3%	2%	3%
Ducommun Inc	643	515	563	599	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	403	466	26%	20%	-1%	16%	6%	8%	7%	7%
Lacroix Group SA	482	566	502	537	3%	-9%	14%	7%	3%	2%	3%	4%
Hanza Holding AB	197	215	234	256	14%	4%	8%	10%	3%	2%	5%	6%
Group median					**9.2%**	**2.4%**	**10.3%**	**7.0%**	**4.0%**	**3.8%**	**5.0%**	**5.0%**
Scanfil (Nordea)	580	595	686	712	2.9%	2.7%	15.2%	3.9%	6.7%	6.6%	6.2%	6.7%
diff. from median (pp)					**-6.2**	**0.3**	**4.9**	**-3.1**	**2.7**	**2.8**	**1.2**	**1.7**

Source: Refinitiv and Nordea estimates

EMS PEER GROUP: VALUATION

	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	11.1	9.9	6.7	5.7	6.1	5.5	1.2	1.2	1.1	1.0
Delta Electronics Inc	17.1	26.9	21.6	18.4	12.6	14.8	12.9	11.1	4.5	4.1	3.9	3.5
Pegatron Corp	9.3	8.8	9.1	10.1	4.5	5.0	6.3	3.5	1.1	1.0	1.0	0.9
Venture Corporation Ltd	12.9	19.0	17.1	15.7	9.0	12.5	11.4	10.5	2.2	2.2	2.1	2.0
Universal Scientific Industrial	33.2	24.2	15.0	12.6	21.5	15.9	10.3	8.6	2.8	2.6	2.3	2.0
Jabil Inc	16.7	98.4	13.5	9.8	3.8	4.0	5.2	4.5	5.6	5.8	4.6	3.7
Compal Electronics Inc	11.9	9.8	9.3	10.6	6.6	7.0	7.9	8.1	1.0	1.1	1.0	1.0
Foxconn Interconnect Technology	9.7	56.2	14.0	11.3	4.6	8.9	5.1	4.5	0.7	0.7	0.7	0.6
Inventec Corp	15.0	11.5	15.3	14.6	9.2	12.5	11.7	10.2	1.7	1.7	1.8	1.8
Micro-Star International Co Ltd	13.2	14.2	7.3	8.6	9.5	9.4	5.1	5.9	3.8	3.4	2.7	2.4
Plexus Corp	16.8	18.2	19.6	16.8	9.6	9.7	11.2	9.9	3.5	2.9	2.7	2.4
Accton Technology Corp	19.2	35.2	27.8	18.9	12.8	23.6	18.7	12.8	11.5	9.4	9.0	7.5
Sanmina Corp	16.3	13.5	9.7	9.3	5.2	4.2	5.1	4.8	1.4	1.1	n.a.	n.a.
Incap Oyj	11.8	9.1	22.5	19.1	6.3	7.0	16.4	13.6	13.7	9.3	6.4	5.0
Celestica Inc	15.5	17.2	8.1	6.7	5.5	4.8	3.9	3.3	0.8	0.7	n.a.	n.a.
SIIX Corp	20.7	43.6	10.7	9.0	9.3	9.3	6.4	5.6	1.0	1.0	1.0	0.9
Fabrinet	15.4	19.7	24.1	17.8	9.4	11.7	16.0	12.4	2.1	3.8	3.2	2.7
Sercomm Corp	18.9	21.9	16.4	12.9	9.7	9.6	7.8	5.9	2.1	2.0	2.0	1.9
TT Electronics	33.5	265.2	17.5	14.6	7.9	9.3	10.8	9.4	1.6	1.5	1.5	1.4
Alpha Networks Inc	n.a.	30.5	24.4	13.8	21.1	11.0	10.0	7.4	1.3	1.4	1.5	1.4
Ducommun Inc	18.4	22.0	16.4	13.7	10.1	11.5	9.1	8.2	2.1	1.7	1.7	1.6
Valuetronics Holdings Ltd	8.4	6.8	8.1	13.5	2.9	0.5	1.5	1.8	1.3	1.2	1.1	1.0
Kitron ASA	14.8	15.4	17.0	12.9	9.5	9.5	10.5	9.0	4.2	3.4	3.5	3.1
Lacroix Group SA	7.3	26.4	15.2	12.5	4.5	10.2	6.9	5.7	1.3	1.4	1.2	1.1
Hanza Holding AB	21.3	n.a.	12.2	11.9	6.2	5.1	7.2	6.6	2.4	2.3	2.1	1.9
Group median	**15.5**	**19.3**	**15.2**	**12.9**	**9.0**	**9.4**	**7.9**	**7.4**	**2.1**	**1.7**	**2.0**	**1.9**
Scanfil (Nordea)	9.9	13.2	16.0	13.7	6.8	8.0	9.1	7.5	1.9	2.3	2.4	2.1
diff. from average	-36%	-32%	5%	6%	-24%	-16%	15%	1%	-8%	33%	21%	12%

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**	**686**	**712**	**736**
Revenue growth	4.2%	13.8%	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	15.2%	3.9%	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	58	63	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	45	50	52
Amortisation and impairments	-3	-2	-5	-2	-2	-2	-2	-2	-2	-2	-2
EBIT	12	16	14	7	31	38	35	44	43	48	50
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**	**40**	**45**	**48**
Reported taxes	-2	-4	-5	-6	-7	-7	-6	-5	-9	-9	-9
Net profit from continued operations	8	12	8	0	26	29	28	37	31	37	38
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	31	37	38
EPS, EUR	**0.14**	**0.21**	**0.15**	**0.00**	**0.40**	**0.45**	**0.44**	**0.57**	**0.49**	**0.57**	**0.60**
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%	8.4%	8.9%	8.9%
EBITA	8.0%	8.7%	5.1%	1.8%	6.3%	7.1%	6.4%	7.8%	6.5%	7.0%	7.1%
EBIT	6.3%	7.6%	3.8%	1.4%	5.9%	6.7%	6.1%	7.4%	6.2%	6.7%	6.8%
Adjusted earnings											
EBITDA (adj)	23	25	33	33	40	47	53	55	58	63	66
EBITA (adj)	15	19	25	24	33	40	37	41	45	50	52
EBIT (adj)	12	16	20	22	31	38	39	39	43	48	50
EPS (adj, EUR)	0.15	0.22	0.24	0.24	0.36	0.45	0.49	0.49	0.49	0.57	0.60
Adjusted profit margins in percent											
EBITDA (adj)	12.0%	11.7%	8.7%	6.6%	7.6%	8.4%	9.1%	9.3%	8.4%	8.9%	8.9%
EBITA (adj)	8.2%	8.8%	6.6%	4.8%	6.3%	7.1%	6.4%	6.9%	6.5%	7.0%	7.1%
EBIT (adj)	6.4%	7.6%	5.3%	4.4%	5.9%	6.7%	6.7%	6.6%	6.2%	6.7%	6.8%
Performance metrics											
CAGR last 5 years											
Net revenue	-2.9%	1.7%	11.5%	19.2%	24.0%	24.5%	22.0%	9.6%	6.2%	6.1%	5.5%
EBITDA	1.1%	3.4%	7.0%	-4.8%	14.2%	16.3%	16.4%	17.3%	26.0%	9.5%	6.7%
EBIT	-10.9%	0.4%	0.0%	-4.5%	31.0%	26.1%	16.8%	25.2%	42.5%	8.8%	5.8%
EPS	-11.7%	-2.8%	-5.1%	-58.0%	32.7%	26.1%	15.5%	31.7%	221.0%	7.0%	5.6%
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%	6.5%	6.6%	6.6%
Average EBITDA margin	10.7%	10.9%	10.1%	7.7%	7.3%	7.2%	7.3%	7.9%	8.8%	9.0%	9.1%

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	16.0	13.7	13.0
EV/EBITDA (adj)	3.0	5.3	8.7	7.9	7.8	5.7	6.8	8.0	9.3	8.0	7.3
EV/EBITA (adj)	4.4	7.0	11.6	10.7	9.4	6.8	9.7	10.7	12.0	10.1	9.1
EV/EBIT (adj)	4.5	7.2	13.6	11.7	10.0	7.1	9.3	11.3	12.6	10.5	9.5

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	16.0	13.7	13.0
EV/Sales	0.36	0.62	0.76	0.52	0.59	0.48	0.63	0.74	0.78	0.70	0.65
EV/EBITDA	2.7	4.9	10.1	14.4	7.8	5.7	6.8	7.3	9.3	8.0	7.3
EV/EBITA	3.8	6.4	14.2	28.0	9.4	6.8	9.7	9.5	12.0	10.1	9.1
EV/EBIT	4.6	7.3	18.5	36.2	10.0	7.1	10.3	9.9	12.6	10.5	9.5
Dividend yield (ord.)	3.7%	2.8%	2.1%	2.6%	2.6%	3.5%	3.1%	2.6%	2.4%	2.7%	3.0%
FCF yield	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	5.8%	9.3%	0.2%	9.5%	8.5%
FCF Yield bef A&D, lease adj	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	8.2%	5.5%	-0.4%	8.9%	7.9%
Payout ratio	35.1%	32.9%	55.2%	6,298.1%	27.2%	28.6%	34.3%	29.6%	39.0%	36.9%	38.5%

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	71
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	95
Inventory	29	36	91	85	101	99	102	103	158	135	125
Accounts receivable	33	41	105	88	106	108	112	113	144	135	140
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	10	39	63
Total current assets	90	96	220	197	230	228	237	245	315	314	331
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**	**408**	**407**	**426**
Shareholders equity	80	95	100	108	125	145	167	183	203	227	252
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	203	227	252
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	154	132	129
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	164	141	138
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**	**408**	**407**	**426**
Balance sheet and debt metrics											
Net debt	-10	-10	66	40	43	30	46	18	31	-1	-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	147	139	136
Invested capital	71	85	170	157	173	181	221	212	240	232	231
Capital employed	99	104	188	168	188	194	233	227	244	265	287
ROE	10.6%	14.0%	8.6%	0.1%	22.2%	21.5%	18.0%	21.1%	16.2%	17.0%	16.0%
ROIC	11.7%	16.2%	12.1%	10.5%	14.6%	16.5%	14.9%	13.9%	14.5%	15.6%	16.7%
ROCE	12.6%	16.7%	17.3%	18.9%	23.1%	19.8%	18.3%	17.0%	18.1%	18.8%	18.1%
Net debt/EBITDA	-0.4	-0.4	2.4	2.2	1.1	0.6	0.9	0.3	0.5	0.0	-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%	49.8%	55.9%	59.2%
Net gearing	n.a.	n.a.	n.a.	n.a.	34.4%	20.7%	27.7%	10.0%	15.4%	-0.6%	-10.9%

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**	**58**	**63**	**66**
Paid taxes	-3	-3	-4	-5	-8	-7	-8	-7	-9	-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**	**42**	**52**	**54**
Change in NWC	-1	-5	-8	-6	-6	-10	-8	-8	-30	9	3
Cash flow from operations (CFO)	**13**	**11**	**13**	**16**	**21**	**29**	**36**	**35**	**12**	**60**	**57**
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**	**1**	**48**	**43**
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	1	48	43
Free cash flow bef A&D, lease adj	19	3	-38	13	11	19	26	23	-2	45	40
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	-16	30	23
Cash flow metrics											
Capex/D&A	-56.0%	92.9%	n.m.	32.3%	n.m.	n.m.	41.2%	58.4%	72.2%	83.5%	90.2%
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	503	503	503
Enterprise value	68	132	286	262	314	269	362	440	535	502	476
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 Markets Division, Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea Markets Division, Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650