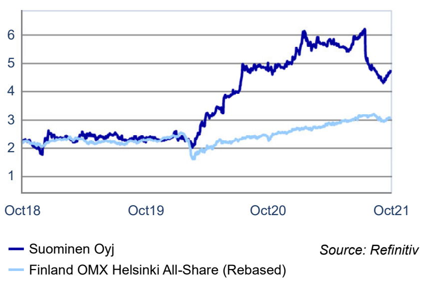
# Suominen

**Food, Beverages and Ingredients**
Finland

## KEY DATA

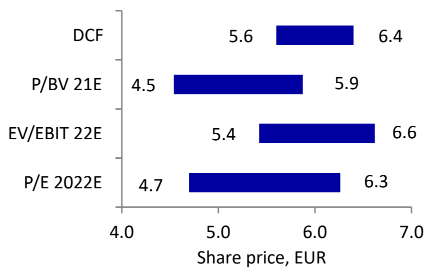
| | |
|---|---|
| Stock country | Finland |
| Bloomberg | SUY1V FH |
| Reuters | SUY1V.HE |
| Share price (close) | EUR 4.80 |
| Free Float | 76% |
| Market cap. (bn) | EUR 0.28/EUR 0.28 |
| Website | www.suominen.fi |
| Next report date | 28 Oct 2021 |

## PERFORMANCE




*Source: Refinitiv*

## VALUATION APPROACH




*Source: Nordea estimates*

## ESTIMATE CHANGES

| Year | 2021E | 2022E | 2023E |
|---|---|---|---|
| Sales | 0% | 0% | 0% |
| EBIT (adj) | 0% | 0% | 0% |

*Source: Nordea estimates*

**Nordea Markets - Analysts**
**Harri Taittonen**
Director, Materials

# Destocking and cost inflation denting Q3

Deceleration of demand in North America and a rapid increase in costs will dent H2 margins, as indicated by company guidance. There is scope for a margin recovery once the destocking phase is over.

### Deceleration in demand in North America affecting Q3 volumes

The guidance issued by Suominen on 12 August suggests 2021 comparable EBITDA will decrease from the 2020 level of EUR 61m, due to a short-term slowdown in nonwovens demand, especially in North America, as well as a rise in costs. The guidance suggests that H2 EBITDA will decline markedly from the EUR 34m level seen in H1, down to EUR ~20m or lower.

### Comparable EBITDA of EUR 9m expected for Q3

Vara Research consensus expects comparable EBITDA of EUR 9m on sales of EUR 100m, implying an EBITDA margin of 9% (13.4% in Q2 and 16.1% in Q1). Our EBITDA estimate is in line with consensus. Organic growth came to a halt in Q2, at -1% y/y. This marks a difference to the growth seen in the early stages of the pandemic – organic growth was 12% in 2020 and that level continued in Q1 2021. For Q3, we foresee organic growth of -5% y/y.

### Eyes on mitigation costs – pulp prices peaking

COGS was EUR 389m in 2020, i.e. 85% of sales, and we estimate that raw material purchases accounted for approximately EUR 270m (59%) of sales. Pulp prices have risen more than 60% YTD in Europe, but price momentum stabilised in July. Prices in China have eroded; we expect prices in Europe to follow suit and weaken from their current peak, even if the disruptions in the global logistics systems have kept the European market tight. The rebound in oil prices also inflates prices for downstream products.

### Value to emerge after the tough H2

We leave our EBITDA estimates unchanged, assuming a tough H2 2021, followed by recovery in 2022. Cost increases will likely start pushing up sales prices with a lag of three to six months. The biggest unknown is the timing for a normalisation of demand, which management expected to start in Q4. We estimate a fair value range of EUR 5.1-6.3 (5.3-6.6) per share, based on a combination of our four valuation approaches (DCF, 2021E P/BV, 2022E EV/EBIT, and 2022E P/E).

## SUMMARY TABLE - KEY FIGURES

| EURm | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|
| Total revenue | 426 | 431 | 411 | 459 | 450 | 478 | 495 |
| EBITDA (adj) | 34 | 26 | 34 | 61 | 53 | 55 | 56 |
| EBIT (adj) | 15 | 5 | 8 | 39 | 32 | 35 | 36 |
| EBIT (adj) margin | 3.5% | 1.1% | 2.0% | 8.6% | 7.2% | 7.3% | 7.4% |
| EPS (adj, EUR) | 0.25 | -0.03 | 0.00 | 0.52 | 0.44 | 0.45 | 0.47 |
| EPS (adj) growth | -16.0% | -111.8% | 113.1% | 3,268.1% | -16.3% | 2.7% | 6.0% |
| DPS (ord, EUR) | 0.11 | 0.00 | 0.05 | 0.20 | 0.20 | 0.20 | 0.20 |
| EV/Sales | 0.8 | 0.4 | 0.5 | 0.7 | 0.7 | 0.6 | 0.5 |
| EV/EBIT (adj) | 22.3 | 41.2 | 24.8 | 8.4 | 9.1 | 8.0 | 7.1 |
| P/E (adj) | 17.5 | n.m. | n.m. | 9.8 | 11.0 | 10.7 | 10.1 |
| P/BV | 1.9 | 0.9 | 1.0 | 2.0 | 1.8 | 1.6 | 1.5 |
| Dividend yield (ord) | 2.5% | 0.0% | 2.2% | 3.9% | 4.2% | 4.2% | 4.2% |
| FCF Yield bef A&D, lease | -4.6% | 14.7% | 14.6% | 15.6% | 7.2% | 10.8% | 11.7% |
| Net debt | 81 | 71 | 69 | 37 | 17 | -2 | -23 |
| Net debt/EBITDA | 2.4 | 2.8 | 2.0 | 0.6 | 0.3 | 0.0 | -0.4 |
| ROIC after tax | 5.1% | 1.6% | 2.9% | 14.5% | 12.7% | 14.3% | 15.3% |

*Source: Company data and Nordea estimates*

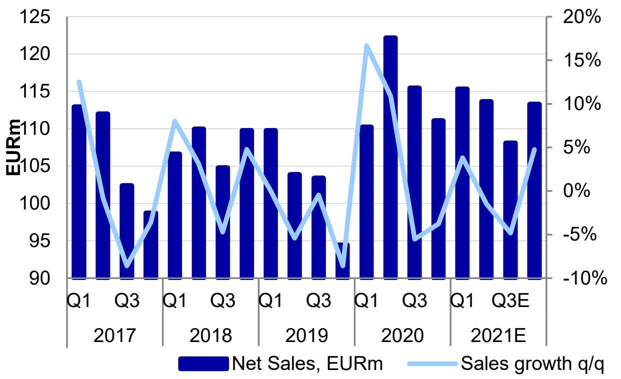
# Q3 2021 and full-year estimates

**OUR ESTIMATES AND VARA RESEARCH CONSENSUS (DPS AND EPS IN EUR)**

| | Nordea estimates | | | | Consensus estimates | | | | Difference % | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EURm | Q3 21E | 2021E | 2022E | 2023E | Q3 21E | 2021E | 2022E | 2023E | Q3 21E | 2021E | 2022E | 2023E |
| Sales | 108 | 450 | 478 | 495 | 100 | 432 | 456 | n.a. | 8% | 4% | 5% | n.a. |
| Comparable EBITDA | 9 | 53 | 55 | 56 | 9 | 53 | 52 | n.a. | -2% | -1% | 5% | n.a. |
| EBITDA margin | 8% | 12% | 12% | 11% | 9% | 12% | 11% | n.a. | -0.8pp | -0.6pp | 0.0pp | n.a. |
| Comparable op profit | 4 | 32 | 35 | 36 | 4 | 33 | 31 | n.a. | -6% | -1% | 11% | n.a. |
| Operating margin | 3.5% | 7.2% | 7.3% | 7.4% | 4.0% | 7.6% | 6.9% | n.a. | -0.5pp | -0.4pp | 0.4pp | n.a. |
| EPS | 0.04 | 0.44 | 0.45 | 0.47 | 0.04 | 0.44 | 0.39 | n.a. | 0% | -1% | 16% | n.a. |
| DPS | | 0.20 | 0.20 | 0.20 | | 0.17 | 0.18 | n.a. | | 18% | 11% | n.a. |

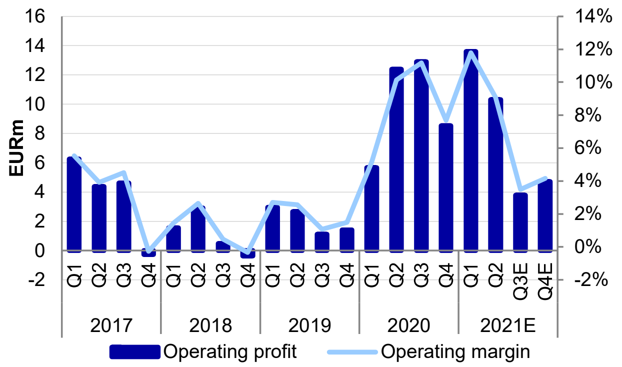
*Source: Vara Research and Nordea estimates*

**QUARTERLY SALES (EURm) AND SALES GROWTH Y/Y (%)**




*Source: Company data and Nordea estimates*

**QUARTERLY EBIT (EURm) AND OPERATING MARGIN (%)**




*Source: Company data and Nordea estimates*

**OPERATING PROFIT BRIDGE (EURm), 2021E-23E**

| Bridge | 2021E | 2022E | 2023E |
|---|---|---|---|
| EURm | | | |
| Previous EBIT | 39.5 | 32.4 | 34.9 |
| Volume | -1.7 | 2.8 | 2.8 |
| Price | 12.3 | 16.2 | 9.6 |
| Cost inflation | -18.2 | -17.2 | -10.8 |
| Currency | -1.4 | 0.2 | -0.1 |
| Structural | 0.0 | 0.0 | 0.0 |
| Savings through efficiencies | 2.0 | 0.5 | 0.0 |
| Change in EBIT | -7.1 | 2.5 | 1.5 |
| Current year EBIT | 32.4 | 34.9 | 36.4 |
| Change y/y | -18% | 8% | 4% |

*Source: Nordea estimates*

# Reported numbers and forecasts

**INCOME STATEMENT**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenue** | **443** | **402** | **444** | **417** | **426** | **431** | **411** | **459** | **450** | **478** | **495** |
| Revenue growth | -2.5% | -9.4% | 10.5% | -6.1% | 2.2% | 1.2% | -4.6% | 11.5% | -1.9% | 6.2% | 3.5% |
| of which organic | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0% | 0.0% |
| of which FX | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0% | 0.0% |
| EBITDA | 34 | 41 | 49 | 44 | 34 | 26 | 34 | 61 | 53 | 55 | 56 |
| Depreciation and impairments PPE | -17 | -16 | -18 | -18 | -19 | -21 | -26 | -21 | -20 | -20 | -20 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITA | 17 | 26 | 32 | 26 | 15 | 5 | 8 | 39 | 32 | 35 | 36 |
| Amortisation and impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBIT | 17 | 26 | 32 | 26 | 15 | 5 | 8 | 39 | 32 | 35 | 36 |
| of which associates | 0 | 0 | 0 | 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 | -7 | -8 | -5 | -3 | -3 | -6 | -6 | -6 | 0 | -2 | -1 |
| 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** | **10** | **18** | **26** | **22** | **12** | **-1** | **2** | **34** | **33** | **33** | **35** |
| Reported taxes | -8 | -8 | -9 | -7 | 2 | -1 | -2 | -4 | -7 | -7 | -8 |
| Net profit from continued operations | 2 | 10 | 17 | 15 | 14 | -2 | 0 | 30 | 25 | 26 | 28 |
| Discontinued operations | -19 | -5 | 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 | -16 | 5 | 17 | 15 | 14 | -2 | 0 | 30 | 25 | 26 | 28 |
| **EPS, EUR** | **-0.33** | **0.10** | **0.34** | **0.30** | **0.25** | **-0.03** | **0.00** | **0.52** | **0.44** | **0.45** | **0.47** |
| DPS, EUR | 0.00 | 0.01 | 0.02 | 0.11 | 0.11 | 0.00 | 0.05 | 0.20 | 0.20 | 0.20 | 0.20 |
| of which ordinary | 0.00 | 0.01 | 0.02 | 0.11 | 0.11 | 0.00 | 0.05 | 0.20 | 0.20 | 0.20 | 0.20 |
| 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 | 7.6% | 10.3% | 11.1% | 10.6% | 8.1% | 5.9% | 8.2% | 13.3% | 11.7% | 11.5% | 11.4% |
| EBITA | 3.9% | 6.4% | 7.1% | 6.1% | 3.5% | 1.1% | 2.0% | 8.6% | 7.2% | 7.3% | 7.4% |
| EBIT | 3.9% | 6.4% | 7.1% | 6.1% | 3.5% | 1.1% | 2.0% | 8.6% | 7.2% | 7.3% | 7.4% |
| | | | | | | | | | | | |
| **Adjusted earnings** | | | | | | | | | | | |
| EBITDA (adj) | 34 | 41 | 49 | 44 | 34 | 26 | 34 | 61 | 53 | 55 | 56 |
| EBITA (adj) | 17 | 26 | 32 | 26 | 15 | 5 | 8 | 39 | 32 | 35 | 36 |
| EBIT (adj) | 17 | 26 | 32 | 26 | 15 | 5 | 8 | 39 | 32 | 35 | 36 |
| EPS (adj, EUR) | -0.33 | 0.10 | 0.34 | 0.30 | 0.25 | -0.03 | 0.00 | 0.52 | 0.44 | 0.45 | 0.47 |
| | | | | | | | | | | | |
| **Adjusted profit margins in percent** | | | | | | | | | | | |
| EBITDA (adj) | 7.6% | 10.3% | 11.1% | 10.6% | 8.1% | 5.9% | 8.2% | 13.3% | 11.7% | 11.5% | 11.4% |
| EBITA (adj) | 3.9% | 6.4% | 7.1% | 6.1% | 3.5% | 1.1% | 2.0% | 8.6% | 7.2% | 7.3% | 7.4% |
| EBIT (adj) | 3.9% | 6.4% | 7.1% | 6.1% | 3.5% | 1.1% | 2.0% | 8.6% | 7.2% | 7.3% | 7.4% |
| | | | | | | | | | | | |
| **Performance metrics** | | | | | | | | | | | |
| CAGR last 5 years | | | | | | | | | | | |
| Net revenue | n.a. | n.a. | n.a. | n.a. | -1.3% | -0.6% | 0.5% | 0.7% | 1.6% | 2.3% | 2.8% |
| EBITDA | n.m. | n.m. | n.m. | n.m. | 3.8% | -5.4% | -4.1% | 4.3% | 3.5% | 9.9% | 17.1% |
| EBIT | n.a. | n.a. | n.a. | n.a. | 6.3% | -23.3% | -20.7% | 4.5% | 4.8% | 18.4% | 51.3% |
| EPS | n.a. | n.a. | n.a. | n.a. | n.m. | n.m. | -47.9% | 9.0% | 7.7% | 12.1% | n.m. |
| DPS | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 0.0% | 14.9% | 12.7% | 12.7% | n.m. |
| Average last 5 years | | | | | | | | | | | |
| Average EBIT margin | n.a. | n.a. | n.a. | 5.2% | 5.4% | 4.9% | 4.0% | 4.3% | 4.6% | 5.4% | 6.6% |
| Average EBITDA margin | n.a. | n.a. | n.a. | 9.1% | 9.5% | 9.2% | 8.8% | 9.3% | 9.5% | 10.2% | 11.3% |

**VALUATION RATIOS - ADJUSTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E (adj) | n.m. | 40.1 | 18.4 | 13.8 | 17.5 | n.m. | n.m. | 9.8 | 11.0 | 10.7 | 10.1 |
| EV/EBITDA (adj) | 5.8 | 5.7 | 7.0 | 6.1 | 9.7 | 7.4 | 6.0 | 5.5 | 5.6 | 5.1 | 4.5 |
| EV/EBITA (adj) | 11.3 | 9.2 | 10.9 | 10.5 | 22.3 | 41.2 | 24.8 | 8.4 | 9.1 | 8.0 | 7.1 |
| EV/EBIT (adj) | 11.3 | 9.2 | 10.9 | 10.5 | 22.3 | 41.2 | 24.8 | 8.4 | 9.1 | 8.0 | 7.1 |

**VALUATION RATIOS - REPORTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E | n.m. | 40.1 | 18.4 | 13.8 | 17.5 | n.m. | n.m. | 9.8 | 11.0 | 10.7 | 10.1 |
| EV/Sales | 0.44 | 0.59 | 0.78 | 0.64 | 0.79 | 0.44 | 0.49 | 0.73 | 0.66 | 0.58 | 0.52 |
| EV/EBITDA | 5.8 | 5.7 | 7.0 | 6.1 | 9.7 | 7.4 | 6.0 | 5.5 | 5.6 | 5.1 | 4.5 |
| EV/EBITA | 11.3 | 9.2 | 10.9 | 10.5 | 22.3 | 41.2 | 24.8 | 8.4 | 9.1 | 8.0 | 7.1 |
| EV/EBIT | 11.3 | 9.2 | 10.9 | 10.5 | 22.3 | 41.2 | 24.8 | 8.4 | 9.1 | 8.0 | 7.1 |
| Dividend yield (ord.) | 0.0% | 1.2% | 1.6% | 2.7% | 2.5% | 0.0% | 2.2% | 3.9% | 4.2% | 4.2% | 4.2% |
| FCF yield | -18.3% | 5.1% | 1.6% | -10.0% | -4.6% | 14.7% | 14.6% | 15.6% | 11.3% | 10.8% | 11.7% |
| FCF Yield bef A&D, lease adj | -18.3% | 14.7% | 1.6% | -10.0% | -4.6% | 14.7% | 14.6% | 15.6% | 7.2% | 10.8% | 11.7% |
| Payout ratio | 0.0% | 49.5% | 29.6% | 36.6% | 43.6% | 0.0% | 1,284.7% | 38.4% | 45.9% | 44.7% | 42.2% |

*Source: Company data and Nordea estimates*

## BALANCE SHEET

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intangible assets | 28 | 28 | 29 | 30 | 33 | 37 | 36 | 32 | 28 | 28 | 28 |
| of which R&D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which other intangibles | 12 | 13 | 13 | 14 | 17 | 21 | 20 | 17 | 13 | 13 | 13 |
| of which goodwill | 16 | 16 | 16 | 16 | 16 | 16 | 15 | 15 | 15 | 15 | 15 |
| Tangible assets | 99 | 89 | 98 | 136 | 137 | 129 | 136 | 122 | 109 | 102 | 95 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 18 | 18 | 18 | 18 |
| Shares associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest bearing assets | 0 | 8 | 8 | 7 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Deferred tax assets | 6 | 6 | 4 | 3 | 5 | 3 | 2 | 4 | 4 | 4 | 4 |
| Other non-IB non-current assets | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other non-current assets | 1 | 3 | 2 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 |
| Total non-current assets | 134 | 134 | 142 | 179 | 180 | 174 | 178 | 164 | 146 | 139 | 132 |
| Inventory | 32 | 32 | 33 | 43 | 44 | 52 | 39 | 35 | 39 | 42 | 43 |
| Accounts receivable | 47 | 52 | 52 | 54 | 58 | 58 | 47 | 51 | 52 | 56 | 58 |
| Short-term leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 8 | 7 | 10 | 11 | 16 | 9 | 8 | 9 | 9 | 10 | 10 |
| Cash and bank | 19 | 38 | 56 | 30 | 27 | 28 | 38 | 58 | 63 | 67 | 73 |
| Total current assets | 105 | 130 | 150 | 137 | 145 | 147 | 132 | 154 | 164 | 174 | 184 |
| Assets held for sale | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| **Total assets** | **239** | **264** | **292** | **316** | **326** | **321** | **310** | **317** | **310** | **312** | **316** |
| | | | | | | | | | | | |
| Shareholders equity | 79 | 109 | 126 | 143 | 136 | 131 | 132 | 146 | 156 | 170 | 186 |
| Of which preferred stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Of which equity part of hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Equity | 79 | 109 | 126 | 143 | 136 | 131 | 132 | 146 | 156 | 170 | 186 |
| Deferred tax | 7 | 9 | 11 | 11 | 15 | 12 | 13 | 13 | 13 | 13 | 13 |
| Long term interest bearing debt | 70 | 82 | 94 | 87 | 95 | 81 | 82 | 83 | 68 | 53 | 38 |
| Pension provisions | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other long-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 |
| Non-current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 15 | 17 | 17 | 17 |
| Convertible debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholder debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 79 | 92 | 106 | 99 | 111 | 94 | 107 | 114 | 99 | 84 | 69 |
| Short-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts payable | 57 | 60 | 56 | 65 | 63 | 75 | 53 | 55 | 54 | 57 | 59 |
| Current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 |
| Other current liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short term interest bearing debt | 24 | 3 | 3 | 8 | 15 | 21 | 14 | 0 | 0 | 0 | 0 |
| Total current liabilities | 82 | 64 | 60 | 74 | 78 | 96 | 70 | 58 | 55 | 58 | 60 |
| Liabilities for assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total liabilities and equity** | **239** | **265** | **292** | **316** | **326** | **321** | **310** | **317** | **310** | **312** | **316** |
| | | | | | | | | | | | |
| **Balance sheet and debt metrics** | | | | | | | | | | | |
| Net debt | 76 | 38 | 34 | 58 | 81 | 71 | 69 | 37 | 17 | -2 | -23 |
| of which lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 17 | 17 | 17 | 17 |
| Working capital | 29 | 31 | 37 | 42 | 55 | 43 | 41 | 41 | 46 | 49 | 51 |
| Invested capital | 163 | 165 | 180 | 220 | 235 | 217 | 219 | 204 | 192 | 188 | 183 |
| Capital employed | 173 | 194 | 223 | 237 | 247 | 232 | 242 | 246 | 241 | 240 | 241 |
| ROE | -18.5% | 5.3% | 14.5% | 11.4% | 10.4% | -1.3% | 0.2% | 21.6% | 16.8% | 16.0% | 15.5% |
| ROIC | 7.4% | 12.3% | 14.4% | 10.0% | 5.1% | 1.6% | 2.9% | 14.5% | 12.7% | 14.3% | 15.3% |
| ROCE | 9.1% | 14.1% | 15.2% | 11.1% | 6.2% | 1.9% | 3.4% | 16.2% | 13.3% | 14.5% | 15.1% |
| | | | | | | | | | | | |
| Net debt/EBITDA | 2.2 | 0.9 | 0.7 | 1.3 | 2.4 | 2.8 | 2.0 | 0.6 | 0.3 | 0.0 | -0.4 |
| Interest coverage | n.m. | n.m. | n.m. | n.m. | n.m. | 0.8 | n.m. | n.m. | n.m. | n.m. | n.m. |
| Equity ratio | 32.9% | 41.1% | 43.1% | 45.3% | 41.8% | 40.7% | 42.7% | 46.0% | 50.2% | 54.4% | 58.9% |
| Net gearing | 96.7% | 35.3% | 26.6% | 40.7% | 59.6% | 54.7% | 51.9% | 25.4% | 10.9% | -1.0% | -12.2% |

*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** | **34** | **41** | **49** | **44** | **34** | **26** | **34** | **61** | **53** | **55** | **56** |
| Paid taxes | -8 | -8 | -9 | -7 | 2 | 6 | -1 | -2 | -7 | -7 | -8 |
| Net financials | -7 | -8 | -5 | -3 | -3 | -5 | -5 | -4 | 0 | -2 | -1 |
| Change in provisions | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in other LT non-IB | -1 | -2 | 1 | 1 | -1 | 3 | 3 | -2 | -2 | 0 | 0 |
| Cash flow to/from associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other adj to reconcile to cash flow | -34 | 6 | -1 | 0 | -3 | -3 | -2 | 5 | -4 | 0 | 0 |
| **Funds from operations (FFO)** | **-16** | **31** | **35** | **35** | **30** | **27** | **28** | **58** | **40** | **46** | **48** |
| Change in NWC | 0 | 6 | -8 | -6 | -8 | 6 | 2 | -1 | -6 | -3 | -2 |
| **Cash flow from operations (CFO)** | **-16** | **37** | **27** | **29** | **22** | **32** | **30** | **57** | **34** | **43** | **46** |
| Capital expenditure | -6 | -8 | -22 | -50 | -34 | -15 | -11 | -11 | -14 | -13 | -13 |
| **Free cash flow before A&D** | **-22** | **29** | **5** | **-21** | **-12** | **17** | **19** | **46** | **20** | **30** | **33** |
| Proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 0 |
| Acquisitions | 0 | -19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Free cash flow | -22 | 10 | 5 | -21 | -12 | 17 | 19 | 46 | 32 | 30 | 33 |
| Free cash flow bef A&D, lease adj | -22 | 29 | 5 | -21 | -12 | 17 | 19 | 46 | 20 | 30 | 33 |
| | | | | | | | | | | | |
| Dividends paid | 0 | 0 | -3 | -5 | -6 | -6 | 0 | -3 | -12 | -12 | -12 |
| Equity issues / buybacks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net change in debt | 0 | 0 | 0 | 0 | 0 | -8 | -10 | -17 | -15 | -15 | -15 |
| Other financing adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-cash adjustments | 26 | 10 | 15 | 0 | 15 | -3 | 0 | -6 | 0 | 0 | 0 |
| Change in cash | 4 | 20 | 17 | -26 | -2 | 1 | 10 | 20 | 5 | 4 | 6 |
| | | | | | | | | | | | |
| **Cash flow metrics** | | | | | | | | | | | |
| Capex/D&A | 33.8% | 49.7% | n.m. | n.m. | n.m. | 70.6% | 41.2% | 50.8% | 69.7% | 64.7% | 66.0% |
| Capex/Sales | 1.3% | 1.9% | 5.0% | 11.9% | 7.9% | 3.4% | 2.6% | 2.4% | 3.1% | 2.7% | 2.7% |
| | | | | | | | | | | | |
| **Key information** | | | | | | | | | | | |
| Share price year end (/current) | 2 | 4 | 6 | 4 | 4 | 2 | 2 | 5 | 5 | 5 | 5 |
| Market cap. | 119 | 199 | 312 | 210 | 254 | 118 | 133 | 296 | 280 | 280 | 280 |
| Enterprise value | 195 | 238 | 345 | 268 | 335 | 189 | 202 | 333 | 297 | 278 | 257 |
| Diluted no. of shares, year-end (m) | 49.6 | 49.2 | 50.3 | 50.8 | 57.4 | 57.5 | 57.5 | 58.3 | 58.3 | 58.3 | 58.3 |

*Source: Company data and Nordea estimates*

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