

Etteplan

Business Services
Finland

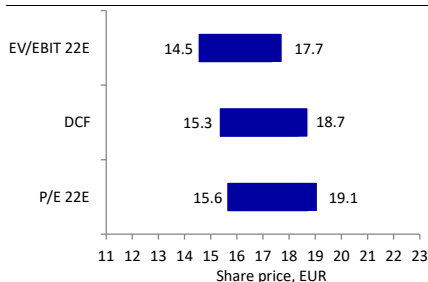
KEY DATA

Stock country	Finland
Bloomberg	ETTE.FH
Reuters	ETTE.HE
Share price (close)	EUR 16.10
Free Float	34%
Market cap. (bn)	EUR 0.40/EUR 0.40
Website	www.etteplan.com
Next report date	10 Aug 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	2%	3%
EBIT (adj)	-2%	-2%	-1%

Source: Nordea estimates

Nordea Markets - Analysts

Pasi Väisänen
Senior AnalystJoni Sandvall
Analyst

End demand looks good in the near term

Etteplan is quite confident it can achieve healthy sales growth and stable margins for the rest of this year. We believe organic revenue growth could remain around 5-10% in the near term, but uncertainty related to the economic outlook could reduce investments and hurt Etteplan's growth prospects next year. The company's profitability is at a healthy level and we do not believe it can climb much higher, but economic and geopolitical uncertainties combined with wage inflation offer little support for Etteplan's operating profit margin. Our valuation model, based on a combination of peer group and DCF analyses, now suggests a fair value range of EUR 15.1-18.5 (15.4-18.8) for the share.

Organic growth of 14% in Q1 y/y

Q1 net sales were 4.6% above Infront consensus, while EBIT was 5.1% above. Sanctions against Russia, lockdowns in China and COVID-19-related sick leave did not have a marked negative effect on Q1 performance, nor did Etteplan see more project cancellations than usual in Q1. The only notable revenue decline stemmed from Energy sector customers. Revenue and EBITA in the Engineering Solutions segment were in line with our expectations. The Technical Documentation and Software segments reported higher revenues but lower EBITA than we had forecast for Q1.

Might be hard to improve the operating profit margin

Etteplan's main customers still reported decent orders received in Q1. The company's guidance midpoint indicates 18% sales growth for 2022 on an 8.7% EBIT margin. We nudge up our 2022 sales forecast by 2% but trim 2022 EBIT by 2% owing to increased uncertainty for the remainder of the year. Some Etteplan customers still have business in Russia, which could indirectly affect demand. China's shutdowns could even be more visible in Q2 than in Q1. Wages are increasing and Etteplan is also launching a hybrid working model that could increase costs in the near term.

Trading at 2023E P/E of 16.1x

Small acquisitions (EUR 5-15m) could continue this year. Based on our 2023 estimates, Etteplan trades at a P/E of 16.1x (peer group: 16.3x). A higher valuation than peers could be warranted if sales growth continues, but we do not expect to see anything near a magnitude of 17% revenue growth next year.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	236	263	260	300	350	366	386
EBITDA (adj)	26	36	41	44	49	51	53
EBIT (adj)	21	22	23	26	30	31	33
EBIT (adj) margin	8.7%	8.3%	9.0%	8.6%	8.5%	8.6%	8.5%
EPS (adj, EUR)	0.63	0.66	0.73	0.81	0.91	0.97	1.02
EPS (adj) growth	29.9%	4.3%	10.4%	11.7%	12.5%	6.1%	4.8%
DPS (ord, EUR)	0.30	0.35	0.34	0.40	0.44	0.47	0.50
EV/Sales	0.9	1.1	1.4	1.6	1.3	1.2	1.1
EV/EBIT (adj)	10.6	13.4	15.5	18.1	15.0	13.7	12.6
P/E (adj)	12.6	15.4	17.8	20.8	17.6	16.6	15.9
P/BV	2.9	3.3	3.7	4.2	3.6	3.2	2.9
Dividend yield (ord)	3.8%	3.4%	2.6%	2.4%	2.7%	2.9%	3.1%
FCF Yield bef A&D, lease	10.8%	9.2%	8.1%	3.7%	7.5%	6.6%	6.5%
Net debt	20	40	41	48	45	30	16
Net debt/EBITDA	0.8	1.1	1.0	1.1	0.9	0.6	0.3
ROIC after tax	18.1%	16.8%	15.7%	15.3%	19.9%	20.7%	21.8%

Source: Company data and Nordea estimates

Segment estimates

QUARTERLY ESTIMATES BY SEGMENT (EURm)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22E	Q3 22E	Q4 22E
Engineering												
Sales	41.3	35.9	31.0	40.6	41.4	42.0	36.9	47.1	46.7	45.8	39.9	50.4
- sales growth	16%	2%	-12%	-1%	0%	17%	19%	16%	13%	9%	8%	7%
- organic growth	-1%	-11%	-14%	-8%	-6%	10%	10%	12%	13%	9%	8%	7%
Adj. EBITA	3.9	3.7	2.8	4.2	4.4	4.2	3.0	5.0	4.9	4.5	3.7	5.2
Adj. EBITA margin	9.5%	10.3%	9.0%	10.5%	10.6%	9.9%	8.2%	10.6%	10.6%	9.8%	9.2%	10.3%
Software and Embedded												
Sales	17.0	15.2	13.8	17.7	18.8	19.9	18.1	23.4	24.6	23.5	20.7	26.1
- sales growth	-2%	-11%	-10%	0%	11%	30%	31%	32%	31%	18%	15%	12%
- organic growth	-4%	-12%	-10%	0%	-1%	12%	8%	15%	19%	8%	7%	6%
Adj. EBITA	1.5	1.7	1.4	2.4	2.1	2.2	1.6	2.4	2.3	2.2	2.0	2.7
Adj. EBITA margin	9.0%	11.1%	10.4%	13.8%	11.1%	10.9%	9.1%	10.3%	9.5%	9.4%	9.5%	10.3%
Technical Documentation												
Sales	12.8	11.6	10.2	11.9	12.5	13.0	11.8	14.3	18.1	18.1	16.6	19.2
- sales growth	3%	-2%	-5%	-9%	-2%	12%	15%	21%	44%	40%	41%	34%
- organic growth	-3%	-8%	-10%	-10%	-2%	7%	12%	18%	11%	6%	5%	4%
Adj. EBITA	1.3	1.0	1.0	1.3	1.4	1.6	1.2	1.7	1.8	2.1	1.7	2.2
Adj. EBITA margin	10.1%	8.9%	9.3%	11.0%	11.0%	12.5%	10.2%	12.0%	10.1%	11.5%	10.1%	11.4%
Group												
Sales	71.3	62.9	55.2	70.3	73.0	75.0	66.9	85.3	89.6	87.4	77.2	95.8
- sales growth	9%	-2%	-10%	-2%	2%	19%	21%	21%	23%	16%	16%	12%
- organic growth	-3%	-11%	-13%	-6%	-4%	12%	14%	15%	15%	8%	7%	6%
Adj. EBITA	6.8	6.6	5.3	8.4	7.7	7.8	5.7	9.0	9.3	8.6	7.2	9.9
Adj. EBITA margin	9.5%	10.5%	9.6%	12.0%	10.5%	10.4%	8.5%	10.6%	10.3%	9.9%	9.3%	10.4%
PTP clean	5.7	5.3	4.1	6.9	6.4	6.3	4.4	7.7	7.3	7.0	5.6	8.3
Net Profit clean	4.4	4.3	3.3	6.0	5.3	4.9	3.4	6.5	5.8	5.6	4.4	6.6
Adj. EPS, EUR	0.18	0.17	0.13	0.24	0.21	0.20	0.14	0.26	0.23	0.23	0.18	0.27
EPS reported, EUR	0.17	0.16	0.13	0.23	0.21	0.20	0.14	0.26	0.23	0.23	0.18	0.27

Source: Company data and Nordea estimates

ANNUAL ESTIMATES BY SEGMENT (EURm)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
Engineering								
Sales	121	132	147	149	167	183	191	200
- sales growth	7%	9%	11%	1%	12%	9%	4%	4%
- organic growth				-8%	6%	9%	5%	4%
Adj. EBITA	9.8	13.0	14.5	14.7	16.6	18.3	18.9	19.8
Adj. EBITA margin	8.1%	9.8%	9.8%	9.9%	9.9%	10.0%	9.9%	9.9%
Software and Embedded								
Sales	52	60	67	64	80	95	100	106
- sales growth	n.m.	15%	12%	-6%	26%	18%	5%	5%
- organic growth				-6%	8%	10%	6%	5%
Adj. EBITA	4.4	5.8	6.3	7.1	8.3	9.2	9.7	10.3
Adj. EBITA margin	8.4%	9.7%	9.3%	11.1%	10.4%	9.7%	9.7%	9.7%
Technical Documentation								
Sales	42	44	48	47	52	72	75	77
- sales growth	17%	6%	9%	-3%	11%	40%	3%	3%
- organic growth				-8%	8%	6%	5%	3%
Adj. EBITA	3.8	3.7	4.0	4.6	5.9	7.8	8.1	8.3
Adj. EBITA margin	9.1%	8.3%	8.3%	9.8%	11.5%	10.8%	10.8%	10.8%
Group								
Sales	215	236	263	260	300	350	366	383
- sales growth	17%	10%	11%	-1%	16%	17%	5%	5%
- organic growth	10%	6%	3%	-8%	7%	9%	5%	4%
Adj. EBITA	17.8	22.9	24.9	27.1	30.2	35.0	36.7	38.3
Adj. EBITA margin	8.3%	9.7%	9.4%	10.4%	10.1%	10.0%	10.0%	10.0%
PTP clean	15.2	19.7	20.8	22.0	24.9	28.5	30.3	31.7
Net Profit clean	12.0	15.6	16.3	18.0	20.1	22.6	24.0	25.2
Adj. EPS, EUR	0.49	0.63	0.66	0.73	0.81	0.91	0.97	1.02
EPS reported, EUR	0.47	0.62	0.70	0.69	0.81	0.90	0.97	1.02

Source: Company data and Nordea estimates

Peer group

PEER GROUP: P/E RATIOS (x)

	P/E									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	17.9	12.1	11.9	9.1	11.8	14.3	17.3	13.0	12.4	11.7
ÅF Poyry	18.8	18.3	19.5	15.1	27.7	30.3	25.6	13.1	11.7	10.4
Sweco	29.0	23.6	18.1	19.0	31.4	42.2	40.9	27.4	25.3	22.2
WSP Global	20.8	22.7	28.8	24.7	32.7	48.2	45.3	26.1	23.0	19.8
Rejlers	27.8	79.4	79.6	82.8	40.0	103.0	26.6	17.4	15.0	13.6
Stantec	20.7	27.9	34.8	21.1	21.1	29.0	39.5	20.0	17.6	16.3
Multiconsult	18.8	12.8	24.6	25.7	55.3	13.9	18.0	15.3	14.3	13.3
Arcadis	16.2	17.6	28.5	34.8	150.5	129.2	22.6	19.5	17.6	15.3
Accenture	19.8	17.8	24.0	25.6	26.9	30.4	36.8	29.1	26.0	23.4
Tieto	20.1	17.8	17.8	14.2	27.2	33.7	11.2	10.7	9.9	9.1
Peer group Median	19.9	18.0	24.3	22.9	29.5	32.1	26.1	18.5	16.3	14.4
Ette (Nordea)	12.8	15.1	16.0	12.6	15.4	17.8	20.8	17.1	16.1	15.4
Difference	-36%	-16%	-34%	-45%	-48%	-44%	-20%	-7%	-1%	6%

Source: Refinitiv and Nordea estimates

PEER GROUP: EV/EBIT RATIOS (x)

	EV/EBIT									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	12.6	9.6	7.8	6.6	9.2	9.6	11.9	9.8	9.1	8.5
ÅF Poyry	14.8	13.1	14.7	13.0	19.2	26.0	22.3	10.5	8.6	7.6
Sweco	17.7	15.6	15.7	17.2	26.4	34.1	33.0	23.0	21.2	18.5
WSP Global	17.0	16.0	19.2	16.0	20.8	26.5	30.4	21.5	19.3	16.5
Rejlers	18.5	47.3	27.6	15.4	28.3	35.3	17.5	15.5	13.2	12.0
Stantec	14.9	21.4	20.4	15.6	16.4	16.4	31.4	19.6	17.2	16.8
Multiconsult	15.4	9.4	18.1	17.3	28.0	10.5	14.7	12.6	11.9	11.2
Arcadis	10.5	12.8	13.9	8.5	12.7	13.4	17.4	14.4	13.1	12.2
Accenture	12.8	14.5	15.4	17.5	19.1	22.2	26.9	21.3	19.1	17.3
Tieto	15.7	14.8	13.3	12.1	25.7	10.5	15.1	10.2	9.2	8.8
Peer group Median	15.1	14.7	15.5	15.5	20.0	19.3	19.9	15.0	13.1	12.1
Ette (Nordea)	11.0	14.2	13.7	10.6	13.4	15.5	18.1	14.2	12.5	11.2
Difference	-27%	-3%	-12%	-32%	-33%	-20%	-9%	-5%	-5%	-7%

Source: Refinitiv and Nordea estimates

PEER GROUP: EV/S RATIOS (x)

	EV/S									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	0.5	0.5	0.4	0.4	0.7	0.8	1.2	1.0	1.0	0.9
ÅF Poyry	1.3	1.1	1.3	1.1	1.6	1.8	1.7	0.8	0.7	0.7
Sweco	1.5	1.4	1.4	1.5	2.3	2.8	3.0	2.2	2.1	2.0
WSP Global	0.8	0.8	1.0	0.9	1.3	1.7	2.3	2.2	2.1	2.0
Rejlers	0.7	0.6	0.5	0.6	1.3	1.5	1.1	1.0	0.9	0.9
Stantec	1.4	1.5	1.4	1.2	1.5	1.5	2.7	1.9	1.8	1.9
Multiconsult	1.2	1.0	0.7	0.5	0.9	1.1	1.3	1.2	1.1	1.1
Arcadis	0.8	0.7	0.9	0.5	1.0	1.1	1.5	1.1	1.1	1.0
Accenture	1.7	2.0	2.2	2.5	2.8	3.3	4.1	3.2	2.9	2.7
Tieto	1.3	1.4	1.3	1.2	2.5	1.5	1.4	1.2	1.2	1.1
Peer group Median	1.2	1.1	1.2	1.0	1.4	1.5	1.6	1.2	1.1	1.1
Ette (Nordea)	0.8	0.9	1.0	0.9	1.1	1.4	1.6	1.2	1.1	1.0
Difference	-33%	-17%	-13%	-11%	-19%	-8%	-5%	1%	-6%	-14%

Source: Refinitiv and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	132	141	184	215	236	263	260	300	350	366	386
Revenue growth	2.5%	7.0%	30.4%	16.8%	10.1%	11.3%	-1.4%	15.6%	16.6%	4.5%	5.5%
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	10	12	15	21	26	38	40	44	49	51	53
Depreciation and impairments PPE	-3	-3	-3	-3	-3	-12	-14	-13	-14	-14	-14
of which leased assets	0	0	0	0	0	-8	-10	-10	-11	-11	-11
EBITA	8	9	12	17	23	26	26	30	35	37	38
Amortisation and impairments	0	0	-2	-2	-2	-3	-4	-4	-5	-5	-5
EBIT	8	9	10	15	20	23	22	26	29	31	33
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	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-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	7	8	9	15	19	22	21	25	28	30	32
Reported taxes	-1	-2	-2	-3	-4	-5	-4	-5	-6	-6	-7
Net profit from continued operations	6	6	8	12	15	17	17	20	22	24	25
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	6	6	7	12	15	17	17	20	22	24	25
EPS, EUR	0.29	0.29	0.30	0.47	0.62	0.70	0.69	0.81	0.90	0.97	1.02
DPS, EUR	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.44	0.47	0.50
of which ordinary	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.44	0.47	0.50
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	7.9%	8.3%	8.1%	9.7%	11.0%	14.3%	15.6%	14.5%	14.0%	14.0%	13.6%
EBITA	6.0%	6.1%	6.6%	8.1%	9.5%	9.9%	10.1%	10.0%	9.9%	10.0%	9.9%
EBIT	6.0%	6.1%	5.5%	7.2%	8.5%	8.7%	8.6%	8.6%	8.4%	8.6%	8.5%

Adjusted earnings

EBITDA (adj)	10	13	17	21	26	36	41	44	49	51	53
EBITA (adj)	7	11	14	18	23	25	27	30	35	37	38
EBIT (adj)	7	11	12	16	21	22	23	26	30	31	33
EPS (adj, EUR)	0.26	0.38	0.37	0.49	0.63	0.66	0.73	0.81	0.91	0.97	1.02

Adjusted profit margins in percent

EBITDA (adj)	7.3%	9.0%	9.0%	9.9%	11.1%	13.8%	15.9%	14.5%	14.1%	14.0%	13.6%
EBITA (adj)	5.4%	7.5%	7.5%	8.3%	9.7%	9.4%	10.4%	10.1%	10.0%	10.0%	9.9%
EBIT (adj)	5.4%	7.5%	6.4%	7.4%	8.7%	8.3%	9.0%	8.6%	8.5%	8.6%	8.5%

Performance metrics

CAGR last 5 years											
Net revenue	6.0%	6.1%	9.0%	9.8%	12.9%	14.8%	13.0%	10.3%	10.3%	9.1%	7.9%
EBITDA	27.4%	9.2%	12.0%	13.3%	23.4%	29.2%	28.1%	23.9%	18.8%	14.5%	7.0%
EBIT	n.m.	7.2%	8.0%	12.2%	26.0%	23.8%	21.1%	20.5%	13.6%	9.2%	7.5%
EPS	n.m.	6.2%	5.7%	11.8%	22.6%	19.0%	19.0%	21.9%	14.0%	9.5%	7.7%
DPS	30.3%	8.4%	9.9%	8.9%	22.2%	18.5%	17.8%	20.1%	13.9%	9.4%	7.4%
Average last 5 years											
Average EBIT margin	5.8%	5.9%	5.8%	6.1%	6.9%	7.4%	7.9%	8.4%	8.5%	8.6%	8.5%
Average EBITDA margin	7.5%	7.8%	8.0%	8.4%	9.2%	10.7%	12.1%	13.2%	14.0%	14.4%	14.3%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	11.2	12.2	15.2	16.0	12.6	15.4	17.8	20.8	17.6	16.6	15.9
EV/EBITDA (adj)	7.9	9.0	10.1	10.2	8.2	8.0	8.7	10.7	9.0	8.4	7.9
EV/EBITA (adj)	10.8	10.8	12.2	12.2	9.5	11.7	13.3	15.5	12.7	11.7	10.9
EV/EBIT (adj)	10.8	10.8	14.2	13.7	10.6	13.4	15.5	18.1	15.0	13.7	12.6

VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	9.8	16.1	18.6	16.6	12.9	14.5	18.8	20.9	17.9	16.6	15.9
EV/Sales	0.58	0.81	0.91	1.01	0.92	1.11	1.39	1.56	1.27	1.17	1.07
EV/EBITDA	7.3	9.7	11.2	10.5	8.3	7.8	8.9	10.7	9.0	8.4	7.9
EV/EBITA	9.8	13.3	13.9	12.5	9.6	11.2	13.8	15.5	12.8	11.7	10.9
EV/EBIT	9.8	13.3	16.6	14.1	10.7	12.8	16.1	18.1	15.1	13.7	12.6
Dividend yield (ord.)	5.2%	3.2%	2.9%	3.0%	3.8%	3.4%	2.6%	2.4%	2.7%	2.9%	3.1%
FCF yield	9.0%	6.4%	-13.4%	6.8%	6.6%	3.9%	9.5%	2.6%	5.9%	9.3%	9.2%
FCF Yield bef A&D, lease adj	9.0%	6.4%	2.7%	8.4%	10.8%	9.2%	8.1%	3.7%	7.5%	6.6%	6.5%
Payout ratio	58.2%	39.3%	43.5%	47.4%	47.6%	53.2%	46.8%	49.3%	48.2%	48.5%	49.2%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	45	52	76	77	86	107	110	121	133	128	122
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	6	9	18	18	21	27	26	29	25	20	15
of which goodwill	39	43	58	59	65	79	84	92	107	107	107
Tangible assets	2	2	3	4	4	7	16	14	18	22	26
of which leased assets	0	0	0	0	0	2	2	1	1	1	1
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	1	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	1	1	1	1	1	0	0	0	0	0	0
Total non-current assets	47	55	80	81	91	114	127	137	151	150	149
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	26	28	49	53	53	62	57	75	77	80	85
Short-term leased assets	0	0	0	0	0	10	10	11	11	11	11
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	3	9	5	10	16	16	24	30	26	35	42
Total current assets	28	37	54	63	70	89	91	116	115	126	138
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	75	93	134	144	161	203	218	253	266	276	287
Shareholders equity	29	35	53	58	68	77	87	99	111	124	137
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	29	35	53	58	68	77	87	99	111	124	138
Deferred tax	1	2	3	3	5	6	7	7	7	7	7
Long term interest bearing debt	9	8	24	20	24	25	13	30	26	22	19
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	1	1	2	0	0	1	0	0	0
Non-current lease debt	0	0	0	0	0	8	9	9	9	9	9
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	10	10	28	24	31	40	28	47	43	39	36
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	27	32	43	46	48	61	57	66	73	78	82
Current lease debt	0	0	0	0	0	7	16	14	14	14	14
Other current liabilities	0	1	1	2	2	2	2	2	2	2	2
Short term interest bearing debt	10	15	10	15	12	16	28	25	22	19	15
Total current liabilities	36	48	54	63	62	87	103	107	112	113	114
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	76	93	135	144	161	203	218	253	266	276	287
Balance sheet and debt metrics											
Net debt	16	14	30	25	20	40	41	48	45	30	16
of which lease debt	0	0	0	0	0	16	24	23	23	23	23
Working capital	-1	-4	6	6	3	-1	-2	8	2	1	1
Invested capital	46	51	86	87	94	113	125	145	153	151	150
Capital employed	48	58	87	93	104	133	152	177	183	189	195
ROE	22.8%	19.3%	17.0%	20.9%	24.4%	24.1%	20.8%	21.6%	21.3%	20.4%	19.2%
ROIC	12.1%	17.4%	13.8%	14.7%	18.1%	16.8%	15.7%	15.3%	19.9%	20.7%	21.8%
ROCE	16.1%	21.1%	17.0%	18.3%	21.4%	18.8%	16.7%	16.0%	16.8%	17.2%	17.4%
Net debt/EBITDA	1.6	1.2	2.0	1.2	0.8	1.1	1.0	1.1	0.9	0.6	0.3
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	38.1%	37.4%	39.2%	40.1%	42.1%	37.8%	40.0%	39.1%	41.8%	44.9%	47.9%
Net gearing	56.4%	41.6%	55.8%	43.0%	29.8%	52.6%	46.6%	48.6%	40.7%	24.1%	11.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	10	12	15	21	26	38	40	44	49	51	53
Paid taxes	-1	-1	-3	-2	-4	-4	-5	-6	-6	-6	-7
Net financials	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	-2	0	0	0	1	-2	0	1	0	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	3	-3	-6	0	1	2	4	-10	0	0	0
Funds from operations (FFO)	9	7	7	18	23	33	38	27	42	44	45
Change in NWC	-2	3	-1	0	0	0	0	0	6	1	0
Cash flow from operations (CFO)	8	10	6	18	23	33	38	27	48	45	45
Capital expenditure	-2	-4	-2	-2	-2	-2	-2	-2	-7	-8	-8
Free cash flow before A&D	5	6	4	16	21	31	36	25	40	37	37
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	-22	-3	-8	-21	-6	-14	-17	0	0
Free cash flow	5	6	-18	13	13	10	31	11	23	37	37
Free cash flow bef A&D, lease adj	5	6	4	16	21	23	26	15	30	26	26
Dividends paid	-2	-3	-3	-4	-6	-7	-9	-8	-10	-11	-12
Equity issues / buybacks	0	0	14	0	0	0	0	0	0	0	0
Net change in debt	-2	3	27	0	1	7	-1	14	-7	-7	-7
Other financing adjustments	1	0	0	0	-2	-10	-12	-11	-11	-11	-11
Other non-cash adjustments	0	0	-23	-4	0	0	0	1	0	0	0
Change in cash	2	6	-4	5	6	0	9	6	-4	8	7
Cash flow metrics											
Capex/D&A	88.5%	n.m.	39.0%	39.6%	30.2%	14.0%	9.1%	12.1%	n.m.	n.m.	n.m.
Capex/Sales	1.7%	2.5%	1.0%	1.0%	0.7%	0.8%	0.6%	0.7%	2.1%	2.1%	2.1%
Key information											
Share price year end (/current)	3	5	6	8	8	10	13	17	16	16	16
Market cap.	60	100	138	193	197	251	321	419	399	399	399
Enterprise value	77	114	168	218	217	292	361	467	444	429	415
Diluted no. of shares, year-end (m)	20.9	21.4	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8

Source: Company data and Nordea estimates

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