

31 May 2022

Commissioned research: EAB Group Oyj – Evli and EAB have signed a combination agreement

Marketing material commissioned by EAB Group Oyj

In line with earlier communication, Evli and EAB have today signed combination agreement. The potential merger is expected to be implemented in H2 2022 subject to, inter alia, that Evli has received the approval from the Financial Supervisory Authority for the change of ownership. Pursuant to the merger plan, the completion of the merger would take place on or about 1 October 2022. Upon the completion, EAB shareholders will receive as merger consideration 0.172725 new series B shares in Evli for each EAB share and a cash consideration for total amount of EUR 3m, corresponding to EUR 0.217196 per outstanding EAB share. In addition, EAB has right to distribute funds to its shareholders up to a maximum of amount of EUR 2.35m before the completion. Additional distribution of funds corresponds to around EUR 0.17 per outstanding EAB share. Based on Evli's yesterday closing share price (EUR 16.10) and taking into account the cash consideration (EUR 3m) and additional distribution of funds (EUR 2.35m), the theoretical price of EAB would correspond to EUR 3.17 per share. In case of successful merger, the current EAB owners would own approximately 9% of the share and 1% of the votes in the combined company.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	18	19	22	24	28	29
EBITDA (adj)	1	3	5	7	8	9
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (adj) margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS (adj, EUR)	-0.11	0.02	0.16	0.26	0.37	0.43
EPS (adj) growth	-230.8%	116.4%	746.2%	61.3%	45.1%	16.6%
DPS (ord, EUR)	0.00	0.05	0.11	0.15	0.20	0.25
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/E (adj)	n.m.	n.m.	19.2	11.7	8.1	6.9
P/BV	2.0	2.3	2.1	1.8	1.6	1.4
Dividend yield (ord)	0.0%	1.6%	3.6%	5.0%	6.6%	8.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

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