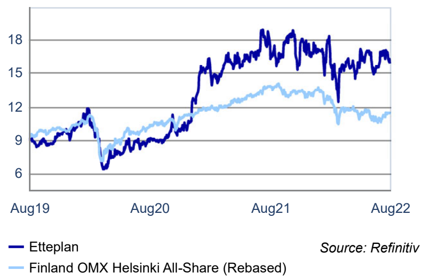
Etteplan

Business Services
Finland

KEY DATA

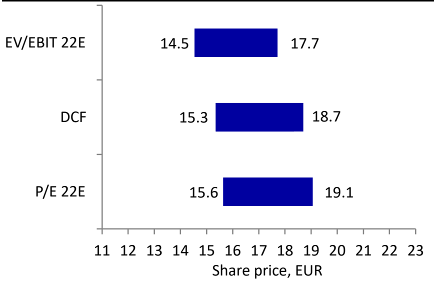
Stock country	Finland
Bloomberg	ETTE FH
Reuters	ETTE.HE
Share price (close)	EUR 16.00
Free Float	34%
Market cap. (bn)	EUR 0.40/EUR 0.40
Website	www.etteplan.com
Next report date	31 Oct 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea Markets - Analysts
Pasi Väisänen
Senior Analyst

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Analyst

Likelihood of demand weakening has increased

Q2 EBITA was 7% below Refinitiv consensus due to lower utilisation rates and higher costs, but some of the cost pressure should be temporary. End demand has been good to date. Results in 2023 will be largely determined by the overall macroeconomic environment, industrial activity and new R&D projects, but we argue there is more potential downside than upside for the 2023 organic revenue growth and EBIT. Our valuation model, based on a combination of peer group and DCF analyses, suggests a fair value range of EUR 15.1-18.5.

Etteplan has kept its cost discipline

Q2 net sales were close to Refinitiv consensus but profitability was a little weaker than anticipated. Customers have not asked for price cuts, and Etteplan has been able to pass on the majority of its higher salary costs to end prices. Some of the cost increases are related to extra travelling and training, which were not done during COVID-19 lockdowns. We do not believe Etteplan has lost its core competitive edge, which is proactive cost control. Somewhat unexpectedly, though, operating cash flow was only EUR 4.4m in Q2 (EUR 12.4m), with one reason being an increase in receivables related to longer payment terms than before.

Full-year guidance is unchanged

Organic revenue growth was as high as 10% in Q2 y/y. The midpoint of the full-year guidance indicates 18% revenue growth and an EBIT margin of 8.5%. Our new revenue estimate is close to the midpoint, but we estimate only an 8.3% EBIT margin for this year. We also believe it may be difficult to improve the EBIT margin in 2023, because demand volatility could increase and some deliveries or R&D projects could be postponed due to global economic worries. Etteplan still expects organic growth to remain positive in 2023, even if underlying demand declines due to economic uncertainties. We currently forecast 6% y/y revenue growth for 2023.

Trading slightly above peer group on 2022E-23E multiples

Based on our estimates, Etteplan trades 13% higher than the peer median based on average P/E and EV/EBIT multiples for 2022E-23E. A higher valuation than peers could be warranted if the positive earnings momentum continues, but we argue that uncertainty related to industrial activity and order backlogs has increased.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	236	263	260	300	354	375	396
EBITDA (adj)	26	36	41	44	49	50	52
EBIT (adj)	21	22	23	26	29	31	32
EBIT (adj) margin	8.7%	8.3%	9.0%	8.6%	8.3%	8.1%	8.2%
EPS (adj, EUR)	0.63	0.66	0.73	0.81	0.92	0.95	1.01
EPS (adj) growth	29.9%	4.3%	10.4%	11.7%	13.5%	3.2%	6.7%
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	1.0
EV/EBIT (adj)	10.6	13.4	15.5	18.1	15.4	14.3	12.8
P/E (adj)	12.6	15.4	17.8	20.8	17.4	16.8	15.8
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%	2.8%	2.9%	3.1%
FCF Yield bef A&D, lease	10.8%	9.2%	8.1%	3.7%	6.2%	8.3%	8.5%
Net debt	20	40	41	48	55	41	19
Net debt/EBITDA	0.8	1.1	1.0	1.1	1.1	0.8	0.4
ROIC after tax	18.1%	16.8%	15.7%	15.3%	19.1%	18.9%	20.7%

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 22	Q3 22E	Q4 22E
Engineering												
Sales	41.3	35.9	31.0	40.6	41.4	42.0	36.9	47.1	46.7	46.2	40.2	50.7
- sales growth	16%	2%	-12%	-1%	0%	17%	19%	16%	13%	10%	9%	8%
- organic growth	-1%	-11%	-14%	-8%	-6%	10%	10%	12%	13%	10%	8%	7%
Adj. EBITA	3.9	3.7	2.8	4.2	4.4	4.2	3.0	5.0	4.9	4.9	3.9	5.3
Adj. EBITA margin	9.5%	10.3%	9.0%	10.5%	10.6%	9.9%	8.2%	10.6%	10.6%	10.6%	9.6%	10.4%
Software and Embedded												
Sales	17.0	15.2	13.8	17.7	18.8	19.9	18.1	23.4	24.6	25.1	22.0	27.0
- sales growth	-2%	-11%	-10%	0%	11%	30%	31%	32%	31%	27%	22%	16%
- organic growth	-4%	-12%	-10%	0%	-1%	12%	8%	15%	19%	16%	12%	8%
Adj. EBITA	1.5	1.7	1.4	2.4	2.1	2.2	1.6	2.4	2.3	1.9	1.9	2.6
Adj. EBITA margin	9.0%	11.1%	10.4%	13.8%	11.1%	10.9%	9.1%	10.3%	9.5%	7.4%	8.5%	9.8%
Technical Documentation												
Sales	12.8	11.6	10.2	11.9	12.5	13.0	11.8	14.3	18.1	17.7	16.4	19.1
- sales growth	3%	-2%	-5%	-9%	-2%	12%	15%	21%	44%	36%	39%	33%
- organic growth	-3%	-8%	-10%	-10%	-2%	7%	12%	18%	11%	3%	3%	3%
Adj. EBITA	1.3	1.0	1.0	1.3	1.4	1.6	1.2	1.7	1.8	1.5	1.6	2.0
Adj. EBITA margin	10.1%	8.9%	9.3%	11.0%	11.0%	12.5%	10.2%	12.0%	10.1%	8.7%	9.5%	10.5%
Group												
Sales	71.3	62.9	55.2	70.3	73.0	75.0	66.9	85.3	89.6	89.3	78.6	96.8
- sales growth	9%	-2%	-10%	-2%	2%	19%	21%	21%	23%	19%	18%	13%
- organic growth	-3%	-11%	-13%	-6%	-4%	12%	14%	15%	15%	10%	8%	7%
Adj. EBITA	6.8	6.6	5.3	8.4	7.7	7.8	5.7	9.0	9.3	8.4	7.1	9.8
Adj. EBITA margin	9.5%	10.5%	9.6%	12.0%	10.5%	10.4%	8.5%	10.6%	10.3%	9.5%	9.1%	10.1%
PTP clean	5.7	5.3	4.1	6.9	6.4	6.3	4.4	7.7	7.3	6.8	5.5	8.2
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	6.5
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	0.26
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	0.26

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	184	195	204
- sales growth	7%	9%	11%	1%	12%	10%	6%	4%
- organic growth				-8%	6%	9%	5%	4%
Adj. EBITA	9.8	13.0	14.5	14.7	16.6	18.9	19.3	20.2
Adj. EBITA margin	8.1%	9.8%	9.8%	9.9%	9.9%	10.3%	9.9%	9.9%
Software and Embedded								
Sales	52	60	67	64	80	99	106	112
- sales growth	n.m.	15%	12%	-6%	26%	23%	8%	5%
- organic growth				-6%	8%	14%	7%	5%
Adj. EBITA	4.4	5.8	6.3	7.1	8.3	8.7	9.4	9.9
Adj. EBITA margin	8.4%	9.7%	9.3%	11.1%	10.4%	8.8%	8.8%	8.8%
Technical Documentation								
Sales	42	44	48	47	52	71	74	78
- sales growth	17%	6%	9%	-3%	11%	38%	4%	4%
- organic growth				-8%	8%	5%	4%	4%
Adj. EBITA	3.8	3.7	4.0	4.6	5.9	6.9	7.1	7.4
Adj. EBITA margin	9.1%	8.3%	8.3%	9.8%	11.5%	9.7%	9.6%	9.5%
Group								
Sales	215	236	263	260	300	354	375	393
- sales growth	17%	10%	11%	-1%	16%	18%	6%	5%
- organic growth	10%	6%	3%	-8%	7%	10%	5%	4%
Adj. EBITA	17.8	22.9	24.9	27.1	30.2	34.6	35.9	37.4
Adj. EBITA margin	8.3%	9.7%	9.4%	10.4%	10.1%	9.8%	9.6%	9.5%
PTP clean	15.2	19.7	20.8	22.0	24.9	28.4	29.7	31.7
Net Profit clean	12.0	15.6	16.3	18.0	20.1	22.8	23.5	25.1
Adj. EPS, EUR	0.49	0.63	0.66	0.73	0.81	0.92	0.95	1.01
EPS reported, EUR	0.47	0.62	0.70	0.69	0.81	0.90	0.95	1.01

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	12.2	12.1	11.5
ÅF Poyry	18.8	18.3	19.5	15.1	27.7	30.3	25.6	13.3	12.0	10.9
Sweco	29.0	23.6	18.1	19.0	31.4	42.2	40.9	23.8	22.4	20.3
WSP Global	20.8	22.7	28.8	24.7	32.7	48.2	45.3	26.6	22.7	19.6
Rejlers	27.8	79.4	79.6	82.8	40.0	103.0	26.6	14.5	13.1	11.5
Stantec	20.7	27.9	34.8	21.1	21.1	29.0	39.5	20.3	18.1	16.4
Multiconsult	18.8	12.8	24.6	25.7	55.3	13.9	18.0	13.5	12.6	11.8
Arcadis	16.2	17.6	28.5	30.3	150.5	129.2	22.6	16.4	14.9	13.9
Accenture	19.8	17.8	24.0	25.6	26.9	30.4	36.8	29.0	25.8	23.3
Tieto	20.1	17.8	17.8	14.2	27.2	33.7	11.2	12.1	11.2	10.4
Peer group Median	19.9	18.0	24.3	22.9	29.5	32.1	26.1	15.5	14.0	12.8
Ette (Nordea)	12.8	15.1	16.0	12.6	15.4	17.8	20.8	17.4	16.8	15.8
Difference	**-36%**	**-16%**	**-34%**	**-45%**	**-48%**	**-44%**	**-20%**	**12%**	**20%**	**23%**

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	10.5	8.8	8.4
ÅF Poyry	14.8	13.1	14.7	13.0	19.2	26.0	22.3	10.0	8.5	7.8
Sweco	17.7	15.6	15.7	17.2	26.4	34.1	33.0	20.2	19.5	17.7
WSP Global	17.0	16.0	19.2	16.0	20.8	26.5	30.4	21.7	17.7	0.0
Rejlers	18.5	47.3	27.6	15.4	28.3	35.3	17.5	14.2	12.8	11.7
Stantec	14.9	21.4	20.4	15.6	16.4	16.4	31.4	19.6	16.9	16.7
Multiconsult	15.4	9.4	18.1	17.3	28.0	10.5	14.7	11.9	11.1	10.5
Arcadis	10.5	12.8	13.9	8.5	12.7	13.4	17.4	12.9	11.8	11.0
Accenture	12.8	14.5	15.4	17.5	19.1	22.2	26.9	20.3	18.4	16.8
Tieto	15.7	14.8	13.3	12.1	25.7	10.5	15.1	12.4	11.0	10.3
Peer group Median	15.1	14.7	15.5	15.5	20.0	19.3	19.9	13.6	12.3	10.7
Ette (Nordea)	11.0	14.2	13.7	10.6	13.4	15.5	18.1	15.0	13.6	11.7
Difference	**-27%**	**-3%**	**-12%**	**-32%**	**-33%**	**-20%**	**-9%**	**11%**	**10%**	**9%**

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	0.7	0.7	0.7
Sweco	1.5	1.4	1.4	1.5	2.3	2.8	3.0	1.9	1.8	1.7
WSP Global	0.8	0.8	1.0	0.9	1.3	1.7	2.3	2.3	2.0	1.9
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	1.8
Multiconsult	1.2	1.0	0.7	0.5	0.9	1.1	1.3	1.1	1.1	1.0
Arcadis	0.8	0.7	0.9	0.5	1.0	1.1	1.5	1.0	1.0	0.9
Accenture	1.7	2.0	2.2	2.5	2.8	3.3	4.1	3.1	2.8	2.6
Tieto	1.3	1.4	1.3	1.2	2.5	1.5	1.4	1.3	1.3	1.3
Peer group Median	**1.2**	**1.1**	**1.2**	**1.0**	**1.4**	**1.5**	**1.6**	**1.2**	**1.2**	**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%**	**-7%**	**-16%**

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**	**354**	**375**	**396**
Revenue growth	2.5%	7.0%	30.4%	16.8%	10.1%	11.3%	-1.4%	15.6%	18.0%	6.0%	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	50	52
Depreciation and impairments PPE	-3	-3	-3	-3	-3	-12	-14	-13	-15	-15	-15
of which leased assets	0	0	0	0	0	-8	-10	-10	-11	-11	-11
EBITA	8	9	12	17	23	26	26	30	34	36	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	32
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	-5	-6	-6
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**	**0.95**	**1.01**
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%	13.7%	13.4%	13.2%
EBITA	6.0%	6.1%	6.6%	8.1%	9.5%	9.9%	10.1%	10.0%	9.6%	9.6%	9.5%
EBIT	6.0%	6.1%	5.5%	7.2%	8.5%	8.7%	8.6%	8.6%	8.1%	8.1%	8.2%
Adjusted earnings											
EBITDA (adj)	10	13	17	21	26	36	41	44	49	50	52
EBITA (adj)	7	11	14	18	23	25	27	30	35	36	38
EBIT (adj)	7	11	12	16	21	22	23	26	29	31	32
EPS (adj, EUR)	0.26	0.38	0.37	0.49	0.63	0.66	0.73	0.81	0.92	0.95	1.01
Adjusted profit margins in percent											
EBITDA (adj)	7.3%	9.0%	9.0%	9.9%	11.1%	13.8%	15.9%	14.5%	13.9%	13.4%	13.2%
EBITA (adj)	5.4%	7.5%	7.5%	8.3%	9.7%	9.4%	10.4%	10.1%	9.8%	9.6%	9.5%
EBIT (adj)	5.4%	7.5%	6.4%	7.4%	8.7%	8.3%	9.0%	8.6%	8.3%	8.1%	8.2%
Performance metrics											
CAGR last 5 years											
Net revenue	6.0%	6.1%	9.0%	9.8%	12.9%	14.8%	13.0%	10.3%	10.5%	9.7%	8.5%
EBITDA	27.4%	9.2%	12.0%	13.3%	23.4%	29.2%	28.1%	23.9%	18.5%	14.2%	6.9%
EBIT	n.m.	7.2%	8.0%	12.2%	26.0%	23.8%	21.1%	20.5%	13.1%	8.6%	7.3%
EPS	n.m.	6.2%	5.7%	11.8%	22.6%	19.0%	19.0%	21.9%	13.9%	9.0%	7.6%
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%	8.4%	8.3%
Average EBITDA margin	7.5%	7.8%	8.0%	8.4%	9.2%	10.7%	12.1%	13.2%	13.9%	14.2%	14.0%

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	17.4	16.8	15.8
EV/EBITDA (adj)	7.9	9.0	10.1	10.2	8.2	8.0	8.7	10.7	9.2	8.7	7.9
EV/EBITA (adj)	10.8	10.8	12.2	12.2	9.5	11.7	13.3	15.5	13.0	12.2	11.0
EV/EBIT (adj)	10.8	10.8	14.2	13.7	10.6	13.4	15.5	18.1	15.4	14.3	12.8

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	17.8	16.8	15.8
EV/Sales	0.58	0.81	0.91	1.01	0.92	1.11	1.39	1.56	1.27	1.16	1.05
EV/EBITDA	7.3	9.7	11.2	10.5	8.3	7.8	8.9	10.7	9.3	8.7	7.9
EV/EBITA	9.8	13.3	13.9	12.5	9.6	11.2	13.8	15.5	13.3	12.2	11.0
EV/EBIT	9.8	13.3	16.6	14.1	10.7	12.8	16.1	18.1	15.7	14.3	12.8
Dividend yield (ord.)	5.2%	3.2%	2.9%	3.0%	3.8%	3.4%	2.6%	2.4%	2.8%	2.9%	3.1%
FCF yield	9.0%	6.4%	-13.4%	6.8%	6.6%	3.9%	9.5%	2.6%	3.6%	9.0%	11.2%
FCF Yield bef A&D, lease adj	9.0%	6.4%	2.7%	8.4%	10.8%	9.2%	8.1%	3.7%	6.2%	8.3%	8.5%
Payout ratio	58.2%	39.3%	43.5%	47.4%	47.6%	53.2%	46.8%	49.3%	47.8%	49.4%	49.3%

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	137	140	134
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	28	25	20
of which goodwill	39	43	58	59	65	79	84	92	108	114	114
Tangible assets	2	2	3	4	4	7	16	14	12	12	12
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	136	150	152	147
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	26	28	49	53	53	62	57	75	89	90	91
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	32	37	50
Total current assets	28	37	54	63	70	89	91	116	132	138	153
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**	**281**	**291**	**300**
Shareholders equity	29	35	53	58	68	77	87	99	111	123	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	137
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	41	35	30
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	58	52	47
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	27	32	43	46	48	61	57	66	74	80	84
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	113	116	116
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**	**281**	**291**	**300**
Balance sheet and debt metrics											
Net debt	16	14	30	25	20	40	41	48	55	41	19
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	13	9	5
Invested capital	46	51	86	87	94	113	125	145	162	161	152
Capital employed	48	58	87	93	104	133	152	177	198	201	205
ROE	22.8%	19.3%	17.0%	20.9%	24.4%	24.1%	20.8%	21.6%	21.2%	20.1%	19.3%
ROIC	12.1%	17.4%	13.8%	14.7%	18.1%	16.8%	15.7%	15.3%	19.1%	18.9%	20.7%
ROCE	16.1%	21.1%	17.0%	18.3%	21.4%	18.8%	16.7%	16.0%	15.9%	15.6%	16.2%
Net debt/EBITDA	1.6	1.2	2.0	1.2	0.8	1.1	1.0	1.1	1.1	0.8	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	38.1%	37.4%	39.2%	40.1%	42.1%	37.8%	40.0%	39.1%	39.4%	42.5%	45.7%
Net gearing	56.4%	41.6%	55.8%	43.0%	29.8%	52.6%	46.6%	48.6%	49.2%	32.8%	13.5%

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**	**50**	**52**
Paid taxes	-1	-1	-3	-2	-4	-4	-5	-6	-5	-6	-6
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**	**43**	**45**
Change in NWC	-2	3	-1	0	0	0	0	0	-5	4	3
Cash flow from operations (CFO)	**8**	**10**	**6**	**18**	**23**	**33**	**38**	**27**	**37**	**47**	**48**
Capital expenditure	-2	-4	-2	-2	-2	-2	-2	-2	-2	-4	-4
Free cash flow before A&D	**5**	**6**	**4**	**16**	**21**	**31**	**36**	**25**	**35**	**44**	**44**
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	-21	-8	0
Free cash flow	5	6	-18	13	13	10	31	11	14	36	44
Free cash flow bef A&D, lease adj	5	6	4	16	21	23	26	15	24	33	34
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	8	-9	-9
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	2	5	13
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%	0.6%	1.0%	1.0%
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	396	396	396
Enterprise value	77	114	168	218	217	292	361	467	451	437	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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