

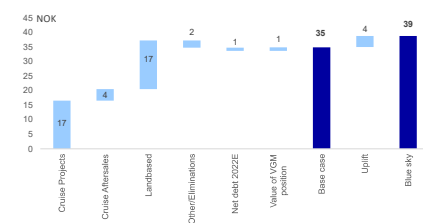
KEY DATA

Stock country	Norway
Bloomberg	VOW NO
Reuters	VOW.OL
Share price (close)	NOK 23.56
Free Float	36%
Market cap. (bn)	EUR 0.28/NOK 2.69
Website	www.vowasa.no
Next report date	25 Aug 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-1%	0%	0%
EBIT (adj)	-3%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Sander Lie
AnalystHans-Erik Jacobsen
Managing Director

Operational momentum set to continue

We expect that Q2 was yet another strong quarter for Vow, which reports its H1 results on 25 August. Cruise activity is bouncing back, while the order intake for the Landbased segment is booming. Combining this with a solid order backlog that provides revenue visibility well into 2025/26, we argue that Vow is an intriguing cleantech play to have on the radar. We make minor estimate changes ahead of the report and maintain our fair value range of NOK 35-39, implying about 50-70% upside to current levels.

We estimate H1 EBITDA of NOK 50m

We look for Vow to report revenues of NOK 374m and EBITDA of NOK 50m (13.4% margin). The backlog was the biggest to date in Q1 and we see strong signs of a recovery in the cruise industry. The global fleet reached 389 ships in operation in August, double the size a year ago. This in conjunction with the pipeline for newbuilds and retrofits suggests a strong set of numbers for Projects Cruise and a comeback for Aftersales in 2022.

Landbased maintains its strong momentum

The Landbased segment is also starting to pick up speed, with Vow's largest contract in this segment (USD 27m) to date signed in Q2, among other orders. The backlog totalled NOK 327m at end-Q1, so our revenue estimates for 2022/23 seem close to de-risked (although we expect the majority of revenue from the new order intake to materialise next year). We estimate Landbased revenue of NOK 300m in 2022 and NOK 432m in 2023.

Fair value unchanged; minor estimate changes

We make only minor changes to our estimates, arguing that we are in for a strong quarter. Operational momentum remains high, while cruise activity has now bounced back and demand for Landbased technology is increasing. We maintain our SOTP-based fair value range of NOK 35-39, representing ~50-70% upside from current levels. We see Vow as a unique play on cleantech, trading at a ~48% discount on median 2024E EV/sales versus our broad basket of Nordic cleantech peers. However, the company is already delivering positive margins and revenue visibility until 2025/26. We thus argue that 2024E EV/sales of 2.1x and EV/EBITDA of 10.7x are too low, given the financial profile of the company.

SUMMARY TABLE - KEY FIGURES

NOKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	330	381	460	454	881	1,102	1,260
EBITDA (adj)	39	46	47	44	131	198	253
EBIT (adj)	36	35	25	19	111	178	232
EBIT (adj) margin	10.8%	9.2%	5.4%	4.3%	12.5%	16.1%	18.4%
EPS (adj, NOK)	0.30	0.15	0.12	-0.01	0.71	1.23	1.51
EPS (adj) growth	154.6%	-50.9%	-16.5%	-107.2%	8,013.3%	73.6%	23.1%
DPS (ord, NOK)	0.20	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	1.3	8.2	9.3	6.3	3.2	2.5	2.1
EV/EBIT (adj)	12.3	89.8	171.7	147.6	25.5	15.6	11.7
P/E (adj)	15.1	n.m.	n.m.	n.m.	33.4	19.2	15.6
P/BV	4.7	13.1	12.9	5.1	4.4	3.5	2.9
Dividend yield (ord)	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	4.5%	-0.6%	-1.8%	-9.0%	1.3%	1.6%	2.1%
Net debt	-4	133	138	166	125	71	14
Net debt/EBITDA	-0.1	5.0	3.6	4.9	1.0	0.4	0.1
ROIC after tax	36.5%	13.5%	5.4%	3.0%	13.9%	20.0%	23.2%

Source: Company data and Nordea estimates

Detailed estimates

ESTIMATE REVISIONS

NOKm	New estimates			Old estimates			Difference		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Total revenues	881	1,102	1,260	888	1,102	1,260	-1%	0%	0%
<i>Growth</i>	<i>94.1%</i>	<i>25.1%</i>	<i>14.3%</i>	<i>95.5%</i>	<i>24.2%</i>	<i>14.3%</i>	<i>-1.4pp</i>	<i>0.9pp</i>	<i>0.0pp</i>
Gross profit	308	386	441	311	386	441	-1%	0%	0%
<i>Margin</i>	<i>35.0%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>0.0pp</i>	<i>0.0pp</i>	<i>0.0pp</i>
EBITDA recurring	130.7	198.2	252.9	134.4	199.0	253.5	-3%	0%	0%
<i>Margin</i>	<i>14.8%</i>	<i>18.0%</i>	<i>20.1%</i>	<i>15.1%</i>	<i>18.1%</i>	<i>20.1%</i>	<i>-0.3pp</i>	<i>-0.1pp</i>	<i>-0.1pp</i>
EBIT	110.6	177.7	231.9	114.3	178.5	232.6	-3%	0%	0%
Pre-tax profit	100	167	221	103	167	222	-4%	0%	0%
Net income to shareholders	80.7	140.0	172.3	83.6	140.6	172.9	-4%	0%	0%
EPS recurring	0.71	1.23	1.51	0.73	1.23	1.51	-4%	0%	0%

Source: Company data and Nordea estimates

GROUP P&L, ANNUAL

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenues	146	200	172	247	330	381	460	454	881	1,102	1,260
<i>Growth</i>	<i>-14.3%</i>	<i>37.5%</i>	<i>-14.3%</i>	<i>43.9%</i>	<i>33.4%</i>	<i>15.5%</i>	<i>20.8%</i>	<i>-1.3%</i>	<i>94.1%</i>	<i>25.1%</i>	<i>14.3%</i>
Cost of goods sold	-99	-136	-124	-171	-230	-259	-296	-283	-573	-716	-819
Gross profit	46	64	48	76	100	121	164	171	308	386	441
<i>Margin</i>	<i>31.8%</i>	<i>31.9%</i>	<i>28.0%</i>	<i>30.7%</i>	<i>30.3%</i>	<i>31.9%</i>	<i>35.7%</i>	<i>37.8%</i>	<i>35.0%</i>	<i>35.0%</i>	<i>35.0%</i>
Employee expense	-23	-28	-28	-29	-37	-48	-80	-88	-117	-123	-124
Other operating expenses	-19	-24	-23	-20	-23	-28	-37	-40	-61	-64	-64
EBITDA recurring	4	11	-3	26	39	46	47	44	131	198	253
<i>Margin</i>	<i>3.0%</i>	<i>5.6%</i>	<i>-1.5%</i>	<i>10.7%</i>	<i>11.9%</i>	<i>12.0%</i>	<i>10.2%</i>	<i>9.6%</i>	<i>14.8%</i>	<i>18.0%</i>	<i>20.1%</i>
EBIT	1	9	-6	22	36	16	17	9	111	178	232
<i>Margin</i>	<i>0.6%</i>	<i>4.3%</i>	<i>-3.4%</i>	<i>8.8%</i>	<i>10.8%</i>	<i>4.1%</i>	<i>3.6%</i>	<i>2.1%</i>	<i>12.5%</i>	<i>16.1%</i>	<i>18.4%</i>
Net financial items	-13	-2	1	-4	-2	-25	11	323	-11	-11	-11
Pre-tax profit	-13	7	-5	18	34	-9	28	332	100	167	221
Income tax	3	-3	0	-5	-7	-6	-1	1	-22	-37	-49
Income from associated companies	0	0	0	0	0	0	0	0	3	10	0
Net income to shareholders	-9	4	-5	13	27	-15	27	333	81	140	172
EPS recurring	0.02	0.10	-0.06	0.12	0.30	0.15	0.12	-0.01	0.71	1.23	1.51

Source: Company data and Nordea estimates

DIVISIONAL SUMMARY, ANNUAL

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Revenues											
Cruise Projects	107	62	43	165	230	236	309	294	440	497	533
Cruise Aftersales	49	49	55	90	106	130	53	52	141	173	187
Landbased	0	0	0	0	0	19	97	108	300	432	540
EBITDA											
Cruise Projects	-1	3	-5	24	35	39	71	69	108	127	139
Cruise Aftersales	1	6	6	12	16	21	0	0	11	28	34
Landbased	0	0	0	0	0	-2	-10	-7	29	60	97
Other and Eliminations	4	2	-3	-10	-11	-12	-14	-19	-17	-17	-17
EBITDA margin											
Cruise Projects	-0.9%	5.3%	-12.5%	14.5%	15.1%	16.3%	22.9%	23.6%	24.5%	25.5%	26.0%
Cruise Aftersales	2.6%	11.9%	10.8%	13.3%	14.9%	15.8%	-0.4%	0.8%	8.0%	16.0%	18.0%
Landbased	n.a	n.a	n.a	n.a	n.a	-7.9%	-10.5%	-6.6%	9.5%	14.0%	18.0%

Source: Company data and Nordea estimates

GROUP P&L, SEMI-ANNUAL

NOKm	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022E	H2 2022E
Total revenues	85	87	117	131	147	183	181	199	248	212	201	253	374	508
<i>Growth y/y</i>	<i>-11.6%</i>	<i>-16.9%</i>	<i>38.2%</i>	<i>50.6%</i>	<i>25.0%</i>	<i>40.1%</i>	<i>23.8%</i>	<i>8.9%</i>	<i>36.7%</i>	<i>6.3%</i>	<i>-18.7%</i>	<i>19.2%</i>	<i>85.5%</i>	<i>101.0%</i>
Cost of goods sold	-59	-65	-83	-89	-101	-129	-128	-131	-167	-129	-127	-155	-243	-330
Gross profit	26	22	35	42	45	55	53	68	81	83	74	97	131	178
<i>Margin</i>	<i>31.0%</i>	<i>24.9%</i>	<i>29.4%</i>	<i>32.1%</i>	<i>30.9%</i>	<i>29.8%</i>	<i>29.2%</i>	<i>34.3%</i>	<i>32.8%</i>	<i>39.2%</i>	<i>36.7%</i>	<i>38.6%</i>	<i>35.0%</i>	<i>35.0%</i>
Employee expense	-14	-14	-13	-16	-18	-20	-19	-29	-39	-41	-40	-49	-53	-64
Other operating expenses	-11	-11	-11	-10	-11	-12	-12	-16	-17	-20	-14	-25	-28	-33
EBITDA recurring	1	-3	10	16	16	23	23	23	25	22	20	23	50	81
<i>Margin</i>	<i>0.7%</i>	<i>-3.6%</i>	<i>8.9%</i>	<i>11.9%</i>	<i>11.1%</i>	<i>12.6%</i>	<i>12.5%</i>	<i>11.6%</i>	<i>9.9%</i>	<i>10.5%</i>	<i>10.1%</i>	<i>9.2%</i>	<i>13.4%</i>	<i>15.9%</i>
EBIT	-1	-5	9	14	15	21	19	-3	14	3	7	3	40	71
<i>Margin</i>	<i>-0.6%</i>	<i>-6.0%</i>	<i>7.8%</i>	<i>10.5%</i>	<i>10.2%</i>	<i>11.3%</i>	<i>10.2%</i>	<i>-1.4%</i>	<i>5.7%</i>	<i>1.2%</i>	<i>3.3%</i>	<i>1.1%</i>	<i>10.7%</i>	<i>13.9%</i>
Net financial items	1	0	-1	-2	1	-3	2	-26	21	-9	-7	329	-6	-6
Pre-tax profit	0	-5	8	12	16	18	20	-29	35	-7	0	332	35	65
Income tax	0	0	-2	-3	-4	-3	-5	-1	-8	6	0	2	-8	-14
Income from associated compan	0	0	0	0	0	0	0	0	0	0	0	0	2	2
Net income to shareholders	0	-5	6	9	12	14	15	-30	27	0	0	334	28	52
EPS	0.00	-0.05	0.06	0.09	0.13	0.15	0.16	-0.29	0.25	0.00	0.00	2.92	0.25	0.46
EPS recurring	0.01	-0.07	0.07	0.15	0.11	0.19	0.15	0.00	0.13	0.00	0.02	-0.03	0.25	0.46

Source: Company data and Nordea estimates

DIVISIONAL SUMMARY, SEMI-ANNUAL

NOKm	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022E	H2 2022E
Revenues														
Cruise Projects	47	-4	78	88	99	131	122	114	160	149	149	145	180	260
Cruise Aftersales	49	5	44	46	51	55	64	66	40	14	18	34	50	91
Landbased	0	0	0	0	0	0	0	19	48	49	34	74	144	156
EBITDA														
Cruise Projects	0	-5	11	13	13	22	18	21	35	36	38	31	41	66
Cruise Aftersales	4	2	5	7	8	7	10	10	5	-5	-1	1	4	7
Landbased	0	0	0	0	0	0	0	-2	-7	-3	-9	2	14	15
Other and Eliminations	-3	0	-5	-5	-5	-6	-6	-6	-8	-6	-11	-11	-9	-8
EBITDA margin														
Cruise Projects	0.0%	126.2%	13.9%	15.1%	13.1%	16.5%	14.6%	18.2%	21.8%	24.1%	25.7%	21.5%	23.0%	25.5%
Cruise Aftersales	7.5%	42.3%	10.3%	16.0%	16.3%	13.6%	16.1%	15.6%	12.1%	-36.8%	-3.3%	3.0%	8.0%	8.0%
Landbased	n.a	n.a	n.a	n.a	n.a	n.a	n.a	-7.9%	-14.8%	-6.3%	-26.9%	2.7%	9.5%	9.5%

Source: Company data and Nordea estimates

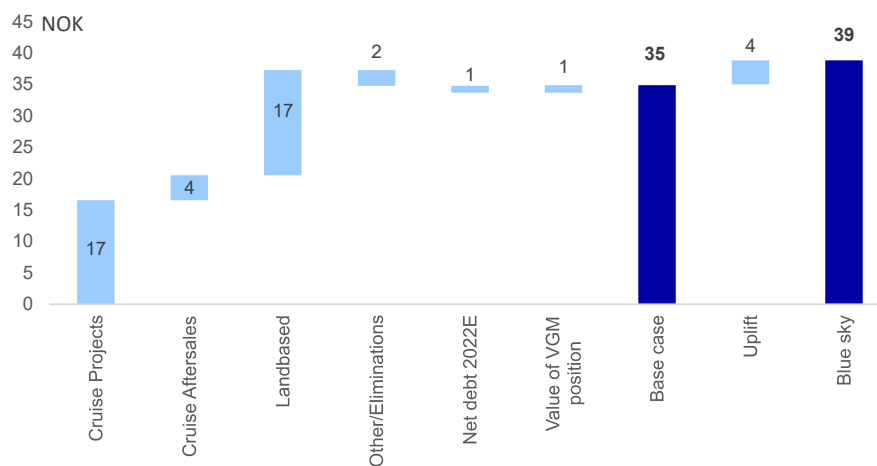
Valuation

We derive a fair value range of NOK 35-39 per share

We estimate a fair value range of NOK 35-39 per share for Vow, based on our SOTP valuation. Our base case includes 2025 estimates for Cruise Projects, Aftersales and Landbased, which we discount back to 2023 (one-year forward fair value). Our upper range and blue-sky scenario factors in an additional EBITDA contribution of NOK 30m from the Landbased segment. We use EV/EBITDA and factor in a WACC of 8%.

Our blue-sky scenario factors in an additional EBITDA contribution of NOK 30m for 2025 from the Landbased segment, yielding an upper value of NOK 39 per share

SOTP SUMMARY



Source: Company data and Nordea estimates

EQUITY VALUE DERIVATION

NOKm	EBITDA 2025E	Multiple	EV	Per share
Cruise Projects	151.4	15x	2,272	20
Cruise Aftersales	35.8	15x	537	5
Landbased	135.0	17x	2,295	20
EV			5,104	45
PV of EV			4,256	37
Other/Eliminations	-16.8	17x	-285	-2
Net debt 2022E			-125	-1
Equity value			3,846	34
Market value of VGM position (31%)			140	1
Total equity value			3,986	35
Landbased blue sky EBITDA lift	30.0	17x	525	4
Total equity value blue sky				39

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	146	200	172	247	330	381	460	454	881	1,102	1,260
Revenue growth	-14.3%	37.5%	-14.3%	43.9%	33.4%	15.5%	20.8%	-1.3%	94.1%	25.1%	14.3%
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	2	11	-3	25	39	27	39	34	131	198	253
Depreciation and impairments PPE	-1	-1	-1	-2	-1	-6	-21	-24	-20	-21	-21
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	1	10	-5	23	39	21	18	10	111	178	232
Amortisation and impairments	0	-2	-1	-2	-3	-5	-1	0	0	0	0
EBIT	1	9	-6	22	36	16	17	10	111	178	232
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	-13	-2	1	-4	-2	-25	11	323	-11	-11	-11
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	-13	7	-5	18	34	-9	28	332	100	167	221
Reported taxes	3	-3	0	-5	-7	-6	-1	1	-22	-37	-49
Net profit from continued operations	-9	4	-5	13	27	-15	27	333	78	130	172
Discontinued operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interests	0	0	0	0	0	0	0	0	3	10	0
Net profit to equity	-9	4	-5	13	27	-15	27	333	81	140	172
EPS, NOK	-0.10	0.05	-0.05	0.13	0.28	-0.15	0.25	2.92	0.71	1.23	1.51
DPS, NOK	n.a.	n.a.	n.a.	n.a.	0.20	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	n.a.	n.a.	n.a.	n.a.	0.20	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	1.4%	5.6%	-2.0%	10.1%	11.9%	7.0%	8.4%	7.4%	14.8%	18.0%	20.1%
EBITA	0.9%	5.1%	-2.6%	9.5%	11.7%	5.5%	3.8%	2.1%	12.5%	16.1%	18.4%
EBIT	0.6%	4.3%	-3.4%	8.8%	10.8%	4.1%	3.6%	2.1%	12.5%	16.1%	18.4%

Adjusted earnings

EBITDA (adj)	4	11	-3	26	39	46	47	44	131	198	253
EBITA (adj)	4	10	-4	25	39	40	26	19	111	178	232
EBIT (adj)	3	9	-5	23	36	35	25	19	111	178	232
EPS (adj, NOK)	0.02	0.10	-0.06	0.12	0.30	0.15	0.12	-0.01	0.71	1.23	1.51

Adjusted profit margins in percent

EBITDA (adj)	3.0%	5.6%	-1.5%	10.7%	11.9%	12.0%	10.2%	9.6%	14.8%	18.0%	20.1%
EBITA (adj)	2.5%	5.1%	-2.2%	10.0%	11.7%	10.5%	5.6%	4.3%	12.5%	16.1%	18.4%
EBIT (adj)	2.2%	4.3%	-2.9%	9.4%	10.8%	9.2%	5.4%	4.3%	12.5%	16.1%	18.4%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	14.2%	21.2%	18.1%	21.5%	29.0%	27.3%	27.1%
EBITDA	n.m.	n.m.	n.m.	n.m.	13.3%	67.0%	27.8%	n.m.	39.2%	38.3%	56.9%
EBIT	n.a.	n.a.	n.a.	n.a.	12.4%	78.5%	14.1%	n.m.	38.4%	37.8%	71.4%
EPS	n.a.	n.a.	n.a.	n.a.	38.7%	n.m.	39.8%	n.m.	40.2%	34.7%	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	4.9%	5.6%	5.7%	5.3%	5.3%	7.5%	10.1%	13.1%
Average EBITDA margin	n.a.	n.a.	n.a.	6.0%	6.8%	7.4%	7.9%	8.7%	10.7%	13.0%	15.7%

VALUATION RATIOS - ADJUSTED EARNINGS

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	68.3	10.1	n.m.	35.6	15.1	n.m.	n.m.	n.m.	33.4	19.2	15.6
EV/EBITDA (adj)	41.5	9.6	n.m.	16.1	11.2	68.4	91.4	65.5	21.6	13.9	10.7
EV/EBITA (adj)	50.4	10.8	n.m.	17.1	11.4	78.1	165.7	147.6	25.5	15.6	11.7
EV/EBIT (adj)	56.6	12.6	n.m.	18.3	12.3	89.8	171.7	147.6	25.5	15.6	11.7

VALUATION RATIOS - REPORTED EARNINGS

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.m.	22.6	n.m.	32.6	16.6	n.m.	n.m.	8.0	33.4	19.2	15.6
EV/Sales	1.26	0.54	0.66	1.72	1.33	8.22	9.29	6.27	3.20	2.51	2.15
EV/EBITDA	89.4	9.6	n.m.	17.0	11.2	117.8	110.8	84.5	21.6	13.9	10.7
EV/EBITA	144.7	10.8	n.m.	18.2	11.4	150.0	243.0	299.8	25.5	15.6	11.7
EV/EBIT	211.2	12.6	n.m.	19.5	12.3	199.7	256.1	299.8	25.5	15.6	11.7
Dividend yield (ord.)	0.0%	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-34.1%	15.3%	-14.4%	1.3%	4.5%	-3.4%	-1.8%	-9.0%	1.3%	1.6%	2.1%
FCF Yield bef A&D, lease adj	-34.1%	15.3%	-14.4%	1.3%	4.5%	-0.6%	-1.8%	-9.0%	1.3%	1.6%	2.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	65.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	19	24	29	31	38	237	311	525	525	525	525
of which R&D	19	24	29	31	38	98	172	386	386	386	386
of which other intangibles	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
of which goodwill	n.a.	n.a.	n.a.	n.a.	n.a.	139	139	139	139	139	139
Tangible assets	2	3	4	2	3	42	37	47	117	188	261
of which leased assets	0	0	0	0	0	21	21	21	21	21	21
Shares associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Interest bearing assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Deferred tax assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other non-IB non-current assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other non-current assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total non-current assets	21	28	33	34	42	278	348	572	642	713	786
Inventory	6	6	4	4	4	18	10	18	36	46	52
Accounts receivable	33	61	58	59	63	134	149	122	237	297	340
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	80	55	28	53	78	85	176	255	280	336	375
Cash and bank	4	19	4	6	7	86	27	141	182	236	293
Total current assets	122	141	93	122	152	322	362	536	736	914	1,060
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	143	168	126	155	194	600	710	1,109	1,378	1,627	1,846
Shareholders equity	45	50	45	58	93	229	320	525	618	770	922
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Minority interest	0	0	0	0	0	1	1	1	1	1	1
Total Equity	45	50	45	58	93	230	321	526	619	771	923
Deferred tax	2	4	3	7	14	26	32	33	44	57	64
Long term interest bearing debt	0	1	1	1	1	86	104	230	230	230	230
Pension provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other long-term provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other long-term liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-current lease debt	0	0	0	0	0	21	21	21	21	21	21
Convertible debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total non-current liabilities	2	4	4	8	15	133	157	285	295	308	315
Short-term provisions	0	1	1	1	0	2	0	0	0	0	0
Accounts payable	52	64	40	58	70	104	164	169	335	419	479
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	17	22	12	9	14	21	28	73	73	73	73
Short term interest bearing debt	28	27	24	21	2	111	40	56	56	56	56
Total current liabilities	96	114	76	89	86	237	232	298	464	548	608
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	143	168	126	155	194	600	710	1,109	1,378	1,627	1,846
Balance sheet and debt metrics											
Net debt	24	9	22	16	-4	133	138	166	125	71	14
of which lease debt	0	0	0	0	0	21	21	21	21	21	21
Working capital	50	35	38	49	62	112	143	153	146	186	215
Invested capital	71	63	70	83	103	390	491	725	788	900	1,001
Capital employed	73	78	71	80	96	448	486	833	926	1,079	1,230
ROE	-78.1%	9.4%	-10.2%	24.3%	35.2%	-9.1%	9.8%	78.9%	14.1%	20.2%	20.4%
ROIC	5.7%	12.3%	-7.2%	28.8%	36.5%	13.5%	5.4%	3.0%	13.9%	20.0%	23.2%
ROCE	25.1%	19.9%	-4.3%	39.0%	45.3%	14.0%	5.9%	54.7%	12.6%	17.7%	20.1%
Net debt/EBITDA	11.7	0.8	n.m.	0.7	-0.1	5.0	3.6	4.9	1.0	0.4	0.1
Interest coverage	0.8	n.m.	-0.5	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	31.5%	29.6%	36.1%	37.3%	48.1%	38.1%	45.1%	47.3%	44.8%	47.3%	49.9%
Net gearing	52.9%	17.1%	47.6%	28.2%	-4.3%	57.7%	43.1%	31.6%	20.2%	9.3%	1.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

NOKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	2	11	-3	25	39	27	39	34	131	198	253
Paid taxes	-1	0	-1	-1	-1	0	-2	-28	-11	-24	-41
Net financials	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11	323	-11	-11	-11
Change in provisions	-1	1	0	1	-1	2	-2	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	0	0	0	0	0
Cash flow to/from associates	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividends paid to minorities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other adj to reconcile to cash flow	-12	-4	-10	-4	0	14	-23	-313	11	11	-23
Funds from operations (FFO)	-11	8	-14	21	37	43	23	15	120	174	178
Change in NWC	-33	17	8	-11	-6	-50	-32	-10	7	-40	-29
Cash flow from operations (CFO)	-44	25	-6	10	31	-7	-9	5	126	134	149
Capital expenditure	-10	-9	-7	-5	-11	-10	-64	-246	-90	-92	-94
Free cash flow before A&D	-54	15	-13	5	20	-17	-73	-241	36	42	56
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	-85	0	0	0	0	0
Free cash flow	-54	15	-13	5	20	-103	-73	-241	36	42	56
Free cash flow bef A&D, lease adj	-54	15	-13	5	20	-17	-73	-241	36	42	56
Dividends paid	n.a.	n.a.	n.a.	n.a.	n.a.	-10	0	0	0	0	0
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	n.a.	111	0	0	0	0	0
Net change in debt	-17	1	-2	-2	-18	86	29	31	0	0	0
Other financing adjustments	0	-1	-1	-1	-1	-6	-14	323	3	10	0
Other non-cash adjustments	0	0	0	0	0	0	-1	1	1	1	1
Change in cash	3	16	-16	2	1	79	-59	115	41	54	57
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	91.7%	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	6.8%	4.7%	4.3%	1.9%	3.4%	2.6%	14.0%	54.1%	10.2%	8.3%	7.4%
Key information											
Share price year end (/current)	2	1	1	4	5	30	38	23	24	24	24
Market cap.	159	100	92	409	442	2,997	4,133	2,681	2,692	2,692	2,692
Enterprise value	183	109	113	425	438	3,131	4,272	2,848	2,818	2,765	2,707
Diluted no. of shares, year-end (m)	96.4	96.5	96.5	96.2	96.4	99.9	108.9	114.3	114.3	114.3	114.3

Source: Company data and Nordea estimates

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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
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 Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650