

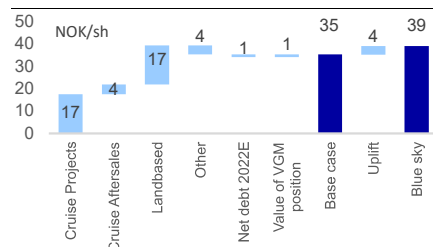
KEY DATA

Stock country	Norway
Bloomberg	VOW NO
Reuters	VOW.OL
Share price (close)	NOK 18.35
Free Float	36%
Market cap. (bn)	EUR 0.20/NOK 2.10
Website	www.vowasa.no
Next report date	23 Feb 2023

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-10%	0%	0%
EBIT (adj)	-24%	0%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Elliott Jones
Senior AnalystMartine Kverne
Analyst

Strong momentum despite implied full-year miss

On 27 October 2022, Vow released its Q3 update (the company reports semi-annually), posting nearly double the revenue (NOK 189m) reported in Q3 2021, a sign of strong progress. The EBITDA margin (12.9%) held relatively steady (an impressive feat in the current market), with any segmental misses largely due to the product mix. The one blemish was an implied miss to initial guidance. We trim our 2022 estimates accordingly, but stress that this is mostly due to timing, rather than missing any contracts. Going forward, we continue to see Vow as attractive, with a combination of our SOTP-based fair value upside (NOK 35-39), EBITDA positivity, margin resilience and a more than 40% discount to cleantech peers for EV/sales for 2023E-24E reaffirming our view.

Strong fundamentals and progress on all fronts posted in Q3...

Vow's Q3 update is fundamentally strong, with overall Q3 revenue almost doubling and EBITDA increasing 3x y/y (albeit from a low base). Segmentally, Cruise's revenue came in at NOK 82m (largest sector and 34% up y/y), with a 22% EBITDA margin (a slight drop due to the contract mix). Aftersales revenue was NOK 32m, almost back to the pre-COVID-19 levels, while Landbased's revenue was NOK 79m, with a 15.1% margin (vs 13.5% in H1). The backlog, including options, stands at NOK 2.2bn, up slightly y/y.

...but full-year estimates softened due to timing differences

We note a strong Q3 update with EBITDA positivity in all segments and a big beat y/y. However, Vow guides Q4 revenues as similar to Q3, resulting in an implied figure ~9% below company-compiled FY 2022 consensus. We adjust 2022 revenues down ~10% accordingly (NOK 789m vs consensus at NOK 866m), stressing though that the slight miss from initial guidance is more to do with timing effects than missed business, while we expect robust group EBITDA margins to persist (13.5% vs 9.6% in 2021).

Valuation: EBITDA positivity and cheaper than cleantech peers

We hold our SOTP-based fair value of NOK 35-39 steady. As evidenced by the Q3 report, both Vow's EBITDA positivity and consistent margin resilience (a salient variable in the current market) support our valuation and set the company apart from other cleantech players. Moreover, with the stock trading at a more than 40% discount to cleantech peers for EV/sales for 2023E-24E, we persist in our view of Vow as attractive.

SUMMARY TABLE - KEY FIGURES

NOKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	330	381	460	454	789	1,102	1,260
EBITDA (adj)	39	46	47	44	107	199	252
EBIT (adj)	36	35	25	19	83	179	231
EBIT (adj) margin	10.8%	9.2%	5.4%	4.3%	10.5%	16.2%	18.3%
EPS (adj, NOK)	0.30	0.15	0.12	-0.01	0.31	1.13	1.52
EPS (adj) growth	154.6%	-50.9%	-16.5%	-107.2%	3,549.8%	267.6%	34.1%
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	2.9	2.0	1.7
EV/EBIT (adj)	12.3	89.8	171.7	147.6	27.2	12.4	9.3
P/E (adj)	15.1	n.m.	n.m.	n.m.	59.6	16.2	12.1
P/BV	4.7	13.1	12.9	5.1	3.5	2.8	2.3
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%	1.6%	2.0%	3.3%
Net debt	-4	133	138	166	153	99	29
Net debt/EBITDA	-0.1	5.0	3.6	4.9	1.5	0.5	0.1
ROIC after tax	36.5%	13.5%	5.4%	3.0%	10.4%	19.9%	23.0%

Source: Company data and Nordea estimates

Detailed estimates

Vow posted a fundamentally strong Q3 update, with overall Q3 revenue almost doubling and EBITDA increasing 3x y/y (albeit from a low base)

Segmentally, all segments posted positive EBITDA with Cruise and aftersales benefitting from a recovering cruise industry and Landbased continuing on impressive growth

The backlog, including options, stands at NOK 2.2bn, up slightly y/y

Vow, however, noted guided for Q4 sales to be in line with Q3 in their update - we adjust our estimates accordingly, decreasing Q4 group sales by ~10%, with Vow achieving NOK 789m in 2022 (vs consensus at NOK 866m)

EBITDA margins are set to remain robust, with 13.5% for 2022E (vs 9.6% in 2021) - we keep 2023 and 2024 estimates unchanged for now

Segmentally, we adjust down cruise and aftersales 2022 revenue estimates upon latest company guidance, however, we increase Landbased's revenues given strong progress and broader market momentum

We trim 2022E EBITDA margins for Cruise (24% vs 24.7%), while raising aftersales margins to 11% and Landbased to 13.5%.

VOW Q3 TRADING UPDATE: SUMMARY OF NUMBERS VS Q3 2021 (NOKm)

NOKm	Q3 2022	Q3 2021	y/y
Revenue	193.7	97.8	98 %
Cruise Projects	82.4	61.7	34 %
Cruise Aftersales	32.4	13.8	135 %
Landbased	78.9	22.3	254 %
EBITDA	25.1	8.0	214 %
Cruise Projects	18.1	16.7	8 %
Cruise Aftersales	3.6	0.0	n.m.
Landbased	11.9	-4.6	n.m.
Other and Eliminations	-8.5	-4.1	1.1pp
EBITDA margins	12.9%	8.2%	4.7pp
Cruise Projects	22.0%	27.1%	-5.1pp
Cruise Aftersales	11.2%	0.0%	11.2pp
Landbased	15.1%	-20.6%	35.7pp

Source: Company data and Nordea estimates

ESTIMATE REVISIONS - GROUP (NOKm)

NOKm	New estimates			Old estimates			Difference		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Total revenues	789	1,102	1,260	879	1,102	1,260	-10 %	0 %	0 %
Growth	73.9%	39.6%	14.3%	93.7%	25.4%	14.3%	-19.8pp	14.3pp	0.0pp
Gross profit	287	386	441	319	386	441	-10 %	0 %	0 %
Margin	36.4%	35.0%	35.0%	36.2%	35.0%	35.0%	0.1pp	0.0pp	0.0pp
EBITDA recurring	106.6	199.0	251.9	133.2	199.0	251.9	-20 %	0 %	0 %
Margin	13.5%	18.1%	20.0%	15.1%	18.1%	20.0%	-1.6pp	0.0pp	0.0pp
EBIT	80.0	178.5	231.0	106.6	178.5	231.0	-25 %	0 %	0 %
Pre-tax profit	39	166	222	65	166	222	-41 %	0 %	0 %
Net income to shareholders	32.5	129.2	173.3	53.2	129.2	173.3	-39 %	0 %	0 %
EPS	0.31	1.13	1.52	0.49	1.13	1.52	-37 %	0 %	0 %

Source: Company data and Nordea estimates

ESTIMATES REVISIONS - SEGMENTAL

NOKm	New estimates			Old estimates			Difference		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenues									
Cruise Projects	340	497	533	440	497	533	-23 %	0 %	0 %
Cruise Aftersales	101	173	187	121	173	187	-17 %	0 %	0 %
Landbased	348	432	540	318	432	540	9 %	0 %	0 %
Total	789	1,102	1,260	879	1,102	1,260	-10 %	0 %	0 %
EBITDA									
Cruise Projects	82	130	143	109	130	143	-25 %	0 %	0 %
Cruise Aftersales	11	28	35	10	28	35	8 %	0 %	0 %
Landbased	47	67	100	41	67	100	14 %	0 %	0 %
Eliminations	-33	-26	-26	-27	-26	-26	22 %	0 %	0 %
Total	107	199	252	133	199	252	-20 %	0 %	0 %

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	789	1,102	1,260
Revenue growth	-14.3%	37.5%	-14.3%	43.9%	33.4%	15.5%	20.8%	-1.3%	73.9%	39.6%	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	104	199	252
Depreciation and impairments PPE	-1	-1	-1	-2	-1	-6	-21	-24	-24	-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	80	179	231
Amortisation and impairments	0	-2	-1	-2	-3	-5	-1	0	0	0	0
EBIT	1	9	-6	22	36	16	17	10	80	179	231
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	-41	-13	-9
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	39	166	222
Reported taxes	3	-3	0	-5	-7	-6	-1	1	-6	-36	-49
Net profit from continued operations	-9	4	-5	13	27	-15	27	333	32	129	173
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	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit to equity	-9	4	-5	13	27	-15	27	333	32	129	173
EPS, NOK	-0.10	0.05	-0.05	0.13	0.28	-0.15	0.25	2.92	0.28	1.13	1.52
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%	13.1%	18.1%	20.0%
EBITA	0.9%	5.1%	-2.6%	9.5%	11.7%	5.5%	3.8%	2.1%	10.1%	16.2%	18.3%
EBIT	0.6%	4.3%	-3.4%	8.8%	10.8%	4.1%	3.6%	2.1%	10.1%	16.2%	18.3%

Adjusted earnings

EBITDA (adj)	4	11	-3	26	39	46	47	44	107	199	252
EBITA (adj)	4	10	-4	25	39	40	26	19	83	179	231
EBIT (adj)	3	9	-5	23	36	35	25	19	83	179	231
EPS (adj, NOK)	0.02	0.10	-0.06	0.12	0.30	0.15	0.12	-0.01	0.31	1.13	1.52

Adjusted profit margins in percent

EBITDA (adj)	3.0%	5.6%	-1.5%	10.7%	11.9%	12.0%	10.2%	9.6%	13.5%	18.1%	20.0%
EBITA (adj)	2.5%	5.1%	-2.2%	10.0%	11.7%	10.5%	5.6%	4.3%	10.5%	16.2%	18.3%
EBIT (adj)	2.2%	4.3%	-2.9%	9.4%	10.8%	9.2%	5.4%	4.3%	10.5%	16.2%	18.3%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	14.2%	21.2%	18.1%	21.5%	26.2%	27.3%	27.1%
EBITDA	n.m.	n.m.	n.m.	n.m.	13.3%	67.0%	27.8%	n.m.	32.9%	38.4%	56.8%
EBIT	n.a.	n.a.	n.a.	n.a.	12.4%	78.5%	14.1%	n.m.	29.7%	37.9%	71.3%
EPS	n.a.	n.a.	n.a.	n.a.	38.7%	n.m.	39.8%	n.m.	16.9%	32.6%	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%	6.5%	9.4%	12.7%
Average EBITDA margin	n.a.	n.a.	n.a.	6.0%	6.8%	7.4%	7.9%	8.7%	10.0%	12.6%	15.4%

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.	59.6	16.2	12.1
EV/EBITDA (adj)	41.5	9.6	n.m.	16.1	11.2	68.4	91.4	65.5	21.1	11.1	8.5
EV/EBITA (adj)	50.4	10.8	n.m.	17.1	11.4	78.1	165.7	147.6	27.2	12.4	9.3
EV/EBIT (adj)	56.6	12.6	n.m.	18.3	12.3	89.8	171.7	147.6	27.2	12.4	9.3

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	64.6	16.2	12.1
EV/Sales	1.26	0.54	0.66	1.72	1.33	8.22	9.29	6.27	2.86	2.00	1.70
EV/EBITDA	89.4	9.6	n.m.	17.0	11.2	117.8	110.8	84.5	21.7	11.1	8.5
EV/EBITA	144.7	10.8	n.m.	18.2	11.4	150.0	243.0	299.8	28.2	12.4	9.3
EV/EBIT	211.2	12.6	n.m.	19.5	12.3	199.7	256.1	299.8	28.2	12.4	9.3
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%	0.4%	2.0%	3.3%
FCF Yield bef A&D, lease adj	-34.1%	15.3%	-14.4%	1.3%	4.5%	-0.6%	-1.8%	-9.0%	1.6%	2.0%	3.3%
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	550	550	550
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	164	164	164
Tangible assets	2	3	4	2	3	42	37	47	114	173	234
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	663	723	784
Inventory	6	6	4	4	4	18	10	18	32	46	52
Accounts receivable	33	61	58	59	63	134	149	122	213	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	257	336	375
Cash and bank	4	19	4	6	7	86	27	141	155	208	279
Total current assets	122	141	93	122	152	322	362	536	656	886	1,046
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	1,320	1,609	1,829
Shareholders equity	45	50	45	58	93	229	320	525	603	746	896
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	4	14	14
Total Equity	45	50	45	58	93	230	321	526	607	761	910
Deferred tax	2	4	3	7	14	26	32	33	35	49	59
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	287	301	311
Short-term provisions	0	1	1	1	0	2	0	0	0	0	0
Accounts payable	52	64	40	58	70	104	164	169	297	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	426	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	1,320	1,609	1,829
Balance sheet and debt metrics											
Net debt	24	9	22	16	-4	133	138	166	153	99	29
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	132	186	215
Invested capital	71	63	70	83	103	390	491	725	795	909	999
Capital employed	73	78	71	80	96	448	486	833	914	1,068	1,218
ROE	-78.1%	9.4%	-10.2%	24.3%	35.2%	-9.1%	9.8%	78.9%	5.8%	19.2%	21.1%
ROIC	5.7%	12.3%	-7.2%	28.8%	36.5%	13.5%	5.4%	3.0%	10.4%	19.9%	23.0%
ROCE	25.1%	19.9%	-4.3%	39.0%	45.3%	14.0%	5.9%	54.7%	9.5%	18.0%	20.2%
Net debt/EBITDA	11.7	0.8	n.m.	0.7	-0.1	5.0	3.6	4.9	1.5	0.5	0.1
Interest coverage	0.8	1.7	-0.5	2.7	8.8	2.0	1.2	18.5	6.5	16.2	21.0
Equity ratio	31.5%	29.6%	36.1%	37.3%	48.1%	38.1%	45.1%	47.3%	45.7%	46.4%	49.0%
Net gearing	52.9%	17.1%	47.6%	28.2%	-4.3%	57.7%	43.1%	31.6%	25.2%	13.0%	3.2%

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	104	199	252
Paid taxes	-1	0	-1	-1	-1	0	-2	-27	-4	-22	-39
Net financials	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11	323	-41	-13	-9
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	-315	44	13	-25
Funds from operations (FFO)	-11	8	-14	21	37	43	23	15	103	177	179
Change in NWC	-33	17	8	-11	-6	-50	-32	-10	21	-54	-29
Cash flow from operations (CFO)	-44	25	-6	10	31	-7	-9	5	124	122	151
Capital expenditure	-10	-9	-7	-5	-11	-10	-64	-246	-90	-80	-82
Free cash flow before A&D	-54	15	-13	5	20	-17	-73	-241	34	42	69
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	-25	0	0
Free cash flow	-54	15	-13	5	20	-103	-73	-241	9	42	69
Free cash flow bef A&D, lease adj	-54	15	-13	5	20	-17	-73	-241	34	42	69
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	13	54	71
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%	11.4%	7.3%	6.5%
Key information											
Share price year end (/current)	2	1	1	4	5	30	38	23	18	18	18
Market cap.	159	100	92	409	442	2,997	4,133	2,681	2,097	2,097	2,097
Enterprise value	183	109	113	425	438	3,131	4,272	2,848	2,254	2,210	2,139
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

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Vow shares.

As of 26/10/2022, Nordea Abp holds no positions of 0.5% or more of shares issued by Vow.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions

In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

27 Oct 2022, 23:44 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Nordea IB & Equity Division, Equity Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Nordea IB & Equity Division, Equity Research Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark	Nordea IB & Equity Division, Equity Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			