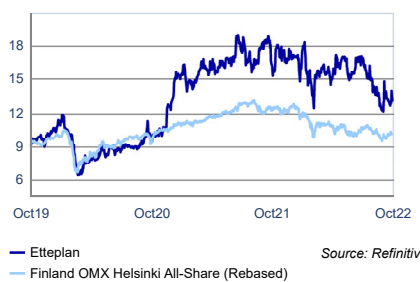


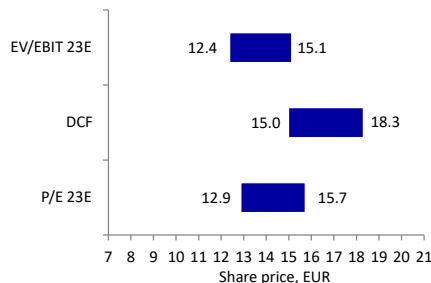
KEY DATA

Stock country	Finland
Bloomberg	ETTE.FH
Reuters	ETTE.HE
Share price (close)	EUR 13.10
Free Float	34%
Market cap. (bn)	EUR 0.33/EUR 0.33
Website	www.etteplan.com
Next report date	17 Feb 2023

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Senior AnalystJoni Sandvall
Analyst

Clean EBIT might not improve next year

Q3 net sales were 3% above Refinitiv consensus. The company has not faced any remarkable demand weakness and expects Q4 2022 to be a solid quarter as well, but its full-year revenue and EBIT guidance midpoints were still downgraded by 1-2%. Etteplan aims to prepare its operations for a possible downturn by tightening the recruitment policies. We believe the company wants to safeguard its profitability in 2023 by trimming part of its growth potential, which could be the right move. Our valuation model, based on a combination of peer group and DCF analyses, suggests a fair value range of EUR 13.4-16.4 (14.2-17.3).

At 11%, organic revenue growth was good in Q3

Reported sales growth was 20% in Q3. Engineering solutions reported better revenues and EBITA than we expected. The only weak spot was profitability for Technical Documentation solutions. The adjusted EBIT margin at the group level was 8.1%, a good achievement in a seasonally weak Q3. Reported EPS was EUR -0.03, which included EUR 6.7m in one-off-related expenses. For Q4, we forecast EBIT margin of 8.5% (consensus 9.1%). Company guidance calls for 2022 revenue of EUR 345-360m, with EBIT at EUR 28-31m.

Very proactive utilisation ratio management

As a late cyclical company, Etteplan could witness demand weakness next spring but likely not as early as Q4 2022. The company's core competitive edge is superior cost discipline and utilisation ratio management, which is why we are not worried about profitability in 2023. Organic sales growth, however, could be negative for a few quarters next year. Despite its well-diversified customer portfolio, Etteplan is not immune to downturns. Revenue growth will be largely determined by the overall macroeconomic environment, industrial activity and new R&D projects. We currently forecast 4% y/y revenue growth for 2023.

Positive surprises could be hard to find in H1 2023

We downgrade our net sales forecast by 2% for next year and do not expect very positive surprises for H1 2023. Based on our estimates, Etteplan trades 4% higher than the peer median based on average P/E and EV/EBIT multiples for 2023E. EV/sales and EV/EBITDA, however, are ~15% below the peer group for 2023E. Our fair value range of EUR 13.4-16.4 indicates a P/E of 15-18x for 2023E.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	236	263	260	300	356	369	389
EBITDA (adj)	26	36	41	44	50	49	51
EBIT (adj)	21	22	23	26	30	29	31
EBIT (adj) margin	8.7%	8.3%	9.0%	8.6%	8.4%	7.8%	8.1%
EPS (adj, EUR)	0.63	0.66	0.73	0.81	0.95	0.89	0.97
EPS (adj) growth	29.9%	4.3%	10.4%	11.7%	16.8%	-5.7%	8.9%
DPS (ord, EUR)	0.30	0.35	0.34	0.40	0.42	0.44	0.46
EV/Sales	0.9	1.1	1.4	1.6	1.1	1.0	0.9
EV/EBIT (adj)	10.6	13.4	15.5	18.1	13.2	12.9	11.4
P/E (adj)	12.6	15.4	17.8	20.8	13.8	14.7	13.5
P/BV	2.9	3.3	3.7	4.2	3.2	2.9	2.6
Dividend yield (ord)	3.8%	3.4%	2.6%	2.4%	3.2%	3.4%	3.5%
FCF Yield bef A&D, lease	10.8%	9.2%	8.1%	3.7%	3.2%	9.4%	8.8%
Net debt	20	40	41	48	69	48	31
Net debt/EBITDA	0.8	1.1	1.0	1.1	1.4	1.0	0.6
ROIC after tax	18.1%	16.8%	15.7%	15.4%	19.1%	17.8%	20.1%

Source: Company data and Nordea estimates

Segment estimates

QUARTERLY ESTIMATES BY SEGMENT (EURm)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E	Q1 23E	Q2 23E	Q3 23E	Q4 23E
Engineering												
Sales	41.4	42.0	36.9	47.1	46.7	46.2	41.9	51.2	48.9	47.9	41.0	53.2
- sales growth	0%	17%	19%	16%	13%	10%	13%	9%	5%	4%	-2%	4%
- organic growth	-6%	10%	10%	12%	13%	10%	13%	8%	4%	3%	-2%	4%
Adj. EBITA	4.4	4.2	3.0	5.0	4.9	4.9	4.3	5.3	4.8	4.7	3.9	5.3
Adj. EBITA margin	10.6%	9.9%	8.2%	10.6%	10.6%	10.6%	10.3%	10.3%	9.9%	9.8%	9.6%	9.9%
Software and Embedded												
Sales	18.8	19.9	18.1	23.4	24.6	25.1	22.0	26.8	26.6	26.8	22.8	28.2
- sales growth	11%	30%	31%	32%	31%	27%	21%	15%	8%	7%	4%	5%
- organic growth	-1%	12%	8%	15%	19%	16%	12%	7%	6%	5%	4%	6%
Adj. EBITA	2.1	2.2	1.6	2.4	2.3	1.9	2.2	2.6	2.4	2.3	1.9	2.5
Adj. EBITA margin	11.1%	10.9%	9.1%	10.3%	9.5%	7.4%	9.9%	9.8%	8.9%	8.5%	8.5%	8.9%
Technical Documentation												
Sales	12.5	13.0	11.8	14.3	18.1	17.7	16.3	19.1	18.9	18.1	16.7	19.5
- sales growth	-2%	12%	15%	21%	44%	36%	39%	33%	4%	2%	2%	2%
- organic growth	-2%	7%	12%	18%	11%	3%	2%	3%	3%	3%	3%	3%
Adj. EBITA	1.4	1.6	1.2	1.7	1.8	1.5	1.3	1.8	1.9	1.7	1.4	2.0
Adj. EBITA margin	11.0%	12.5%	10.2%	12.0%	10.1%	8.7%	8.1%	9.6%	9.9%	9.3%	8.5%	10.0%
Group												
Sales	73.0	75.0	66.9	85.3	89.6	89.3	80.3	97.0	94.3	92.8	80.6	101.0
- sales growth	2%	19%	21%	21%	23%	19%	20%	14%	5%	4%	0%	4%
- organic growth	-4%	12%	14%	15%	15%	10%	11%	7%	4%	3%	1%	4%
Adj. EBITA	7.7	7.8	5.7	9.0	9.3	8.4	7.8	9.6	8.9	8.5	7.1	9.6
Adj. EBITA margin	10.5%	10.4%	8.5%	10.6%	10.3%	9.5%	9.7%	9.9%	9.4%	9.1%	8.9%	9.5%
PTP clean	6.4	6.3	4.4	7.7	7.6	7.1	6.5	8.0	7.4	7.0	5.6	8.0
Net Profit clean	5.3	4.9	3.4	6.5	6.1	5.9	5.2	6.4	5.9	5.5	4.5	6.4
Adj. EPS, EUR	0.21	0.20	0.14	0.26	0.25	0.24	0.21	0.26	0.24	0.22	0.18	0.26
EPS reported, EUR	0.21	0.20	0.14	0.26	0.23	0.23	-0.03	0.26	0.24	0.22	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	186	191	201
- sales growth	7%	9%	11%	1%	12%	11%	3%	5%
- organic growth				-8%	6%	11%	2%	4%
Adj. EBITA	9.8	13.0	14.5	14.7	16.6	19.4	18.7	20.1
Adj. EBITA margin	8.1%	9.8%	9.8%	9.9%	9.9%	10.4%	9.8%	10.0%
Software and Embedded								
Sales	52	60	67	64	80	98	104	111
- sales growth	n.m.	15%	12%	-6%	26%	23%	6%	6%
- organic growth				-6%	8%	13%	5%	5%
Adj. EBITA	4.4	5.8	6.3	7.1	8.3	9.0	9.1	9.8
Adj. EBITA margin	8.4%	9.7%	9.3%	11.1%	10.4%	9.2%	8.7%	8.9%
Technical Documentation								
Sales	42	44	48	47	52	71	73	77
- sales growth	17%	6%	9%	-3%	11%	38%	3%	5%
- organic growth				-8%	8%	5%	3%	4%
Adj. EBITA	3.8	3.7	4.0	4.6	5.9	6.5	6.9	7.4
Adj. EBITA margin	9.1%	8.3%	8.3%	9.8%	11.5%	9.2%	9.5%	9.6%
Group								
Sales	215	236	263	260	300	356	369	389
- sales growth	17%	10%	11%	-1%	16%	19%	4%	5%
- organic growth	10%	6%	3%	-8%	7%	10%	3%	4%
Adj. EBITA	17.8	22.9	24.9	27.1	30.2	35.0	34.1	36.6
Adj. EBITA margin	8.3%	9.7%	9.4%	10.4%	10.1%	9.8%	9.2%	9.4%
PTP clean	15.2	19.7	20.8	22.0	24.9	29.2	27.9	30.4
Net Profit clean	12.0	15.6	16.3	18.0	20.1	23.5	22.1	24.1
Adj. EPS, EUR	0.49	0.63	0.66	0.73	0.81	0.95	0.89	0.97
EPS reported, EUR	0.47	0.62	0.70	0.69	0.81	0.69	0.89	0.97

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	19.4	16.5	15.6
ÅF Poyry	18.8	18.3	19.5	15.1	27.7	30.3	25.6	13.2	12.6	11.0
Sweco	29.0	23.6	18.1	19.0	31.4	42.2	40.9	18.9	18.5	16.5
WSP Global	20.8	22.7	28.8	24.7	32.7	48.2	45.3	30.0	25.9	22.7
Rejlers	27.8	79.4	79.6	82.8	40.0	103.0	26.6	14.6	14.6	12.8
Stantec	20.7	27.9	34.8	21.1	21.1	29.0	39.5	22.6	19.9	17.6
Multiconsult	18.8	12.8	24.6	25.7	55.3	13.9	18.0	11.8	12.3	11.5
Arcadis	16.2	17.6	28.5	30.3	150.5	129.2	22.6	15.7	14.2	12.5
Accenture	19.8	17.8	24.0	25.6	26.9	30.4	36.8	26.9	25.3	22.8
Tieto	20.1	17.8	17.8	14.2	27.2	33.7	11.2	10.4	10.1	9.4
Peer group Median	19.9	18.0	24.3	22.9	29.5	32.1	26.1	17.3	15.5	14.2
Ette (Nordea)	12.8	15.1	16.0	12.6	15.4	17.8	20.8	13.9	14.8	13.6
Difference	-36%	-16%	-34%	-45%	-48%	-44%	-20%	-20%	-5%	-5%

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	12.3	11.6	11.0
ÅF Poyry	14.8	13.1	14.7	13.0	19.2	26.0	22.3	9.8	8.6	7.6
Sweco	17.7	15.6	15.7	17.2	26.4	34.1	33.0	16.2	16.5	14.5
WSP Global	17.0	16.0	19.2	16.0	20.8	26.5	31.6	23.1	19.4	16.9
Rejlers	18.5	47.3	27.6	15.4	28.3	35.3	17.5	13.3	13.0	11.6
Stantec	14.9	21.4	20.4	15.6	16.4	16.4	31.4	21.3	18.0	16.1
Multiconsult	15.4	9.4	18.1	17.3	28.0	10.5	14.7	11.2	11.2	10.5
Arcadis	10.5	12.8	13.9	8.5	12.7	13.4	17.4	12.4	11.1	10.0
Accenture	12.8	14.5	15.4	17.5	19.1	22.2	26.9	18.7	17.6	16.0
Tieto	15.7	14.8	13.3	12.1	25.7	10.5	15.1	10.4	9.7	9.3
Peer group Median	15.1	14.7	15.5	15.5	20.0	19.3	19.9	12.9	12.3	11.3
Ette (Nordea)	11.0	14.2	13.7	10.6	13.4	15.5	18.1	13.0	12.3	10.4
Difference	-27%	-3%	-12%	-32%	-33%	-20%	-9%	1%	0%	-8%

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	1.3	1.3	1.2
ÅF Poyry	1.3	1.1	1.3	1.1	1.6	1.8	1.7	0.7	0.6	0.6
Sweco	1.5	1.4	1.4	1.5	2.3	2.8	3.0	1.4	1.4	1.3
WSP Global	0.8	0.8	1.0	0.9	1.3	1.7	2.3	2.5	2.1	2.0
Rejlers	0.7	0.6	0.5	0.6	1.3	1.5	1.1	0.9	0.9	0.9
Stantec	1.4	1.5	1.4	1.2	1.5	1.5	2.7	2.1	2.0	1.9
Multiconsult	1.2	1.0	0.7	0.5	0.9	1.1	1.3	1.1	1.0	1.0
Arcadis	0.8	0.7	0.9	0.5	1.0	1.1	1.5	0.9	0.8	0.8
Accenture	1.7	2.0	2.2	2.5	2.8	3.3	4.1	2.8	2.7	2.5
Tieto	1.3	1.4	1.3	1.2	2.5	1.5	1.4	1.2	1.2	1.2
Peer group Median	1.2	1.1	1.2	1.0	1.4	1.5	1.6	1.3	1.2	1.2
Ette (Nordea)	0.8	0.9	1.0	0.9	1.1	1.4	1.6	1.1	1.0	0.8
Difference	-33%	-17%	-13%	-11%	-19%	-8%	-5%	-15%	-22%	-29%

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	356	369	389
Revenue growth	2.5%	7.0%	30.4%	16.8%	10.1%	11.3%	-1.4%	15.6%	18.7%	3.5%	5.4%
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	48	49	51
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	34	37
Amortisation and impairments	0	0	-2	-2	-2	-3	-4	-4	-5	-5	-5
EBIT	8	9	10	15	20	23	22	26	28	29	31
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	-7	-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	22	28	30
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	17	22	24
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	17	22	24
EPS, EUR	0.29	0.29	0.30	0.47	0.62	0.70	0.69	0.81	0.69	0.89	0.97
DPS, EUR	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.42	0.44	0.46
of which ordinary	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.42	0.44	0.46
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%	13.6%	13.2%	13.2%
EBITA	6.0%	6.1%	6.6%	8.1%	9.5%	9.9%	10.1%	10.0%	9.5%	9.2%	9.4%
EBIT	6.0%	6.1%	5.5%	7.2%	8.5%	8.7%	8.6%	8.6%	8.0%	7.8%	8.1%

Adjusted earnings

EBITDA (adj)	10	13	17	21	26	36	41	44	50	49	51
EBITA (adj)	7	11	14	18	23	25	27	30	35	34	37
EBIT (adj)	7	11	12	16	21	22	23	26	30	29	31
EPS (adj, EUR)	0.26	0.38	0.37	0.49	0.63	0.66	0.73	0.81	0.95	0.89	0.97

Adjusted profit margins in percent

EBITDA (adj)	7.3%	9.0%	9.0%	9.9%	11.1%	13.8%	15.9%	14.5%	14.0%	13.2%	13.2%
EBITA (adj)	5.4%	7.5%	7.5%	8.3%	9.7%	9.4%	10.4%	10.1%	9.8%	9.2%	9.4%
EBIT (adj)	5.4%	7.5%	6.4%	7.4%	8.7%	8.3%	9.0%	8.6%	8.4%	7.8%	8.1%

Performance metrics

CAGR last 5 years											
Net revenue	6.0%	6.1%	9.0%	9.8%	12.9%	14.8%	13.0%	10.3%	10.6%	9.3%	8.1%
EBITDA	27.4%	9.2%	12.0%	13.3%	23.4%	29.2%	28.1%	23.9%	18.4%	13.4%	6.4%
EBIT	n.m.	7.2%	8.0%	12.2%	26.0%	23.8%	21.1%	20.5%	12.9%	7.4%	6.5%
EPS	n.m.	6.2%	5.7%	11.8%	22.6%	19.0%	19.0%	21.9%	8.0%	7.7%	6.8%
DPS	30.3%	8.4%	9.9%	8.9%	22.2%	18.5%	17.8%	20.1%	12.8%	8.0%	5.6%
Average last 5 years											
Average EBIT margin	5.8%	5.9%	5.8%	6.1%	6.9%	7.4%	7.9%	8.4%	8.4%	8.3%	8.2%
Average EBITDA margin	7.5%	7.8%	8.0%	8.4%	9.2%	10.7%	12.1%	13.2%	13.8%	14.1%	13.9%

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	13.8	14.7	13.5
EV/EBITDA (adj)	7.9	9.0	10.1	10.2	8.2	8.0	8.7	10.7	7.9	7.6	6.9
EV/EBITA (adj)	10.8	10.8	12.2	12.2	9.5	11.7	13.3	15.5	11.2	10.9	9.7
EV/EBIT (adj)	10.8	10.8	14.2	13.7	10.6	13.4	15.5	18.1	13.2	12.9	11.4

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	19.0	14.7	13.5
EV/Sales	0.58	0.81	0.91	1.01	0.92	1.11	1.39	1.56	1.10	1.01	0.91
EV/EBITDA	7.3	9.7	11.2	10.5	8.3	7.8	8.9	10.7	8.1	7.6	6.9
EV/EBITA	9.8	13.3	13.9	12.5	9.6	11.2	13.8	15.5	11.7	10.9	9.7
EV/EBIT	9.8	13.3	16.6	14.1	10.7	12.8	16.1	18.1	13.8	12.9	11.4
Dividend yield (ord.)	5.2%	3.2%	2.9%	3.0%	3.8%	3.4%	2.6%	2.4%	3.2%	3.4%	3.5%
FCF yield	9.0%	6.4%	-13.4%	6.8%	6.6%	3.9%	9.5%	2.6%	0.1%	12.8%	12.2%
FCF Yield bef A&D, lease adj	9.0%	6.4%	2.7%	8.4%	10.8%	9.2%	8.1%	3.7%	3.2%	9.4%	8.8%
Payout ratio	58.2%	39.3%	43.5%	47.4%	47.6%	53.2%	46.8%	49.3%	44.3%	49.2%	47.3%

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	129	124	118
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	19	14
of which goodwill	39	43	58	59	65	79	84	92	104	104	104
Tangible assets	2	2	3	4	4	7	16	14	22	22	23
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	2	2	2
Total non-current assets	47	55	80	81	91	114	127	136	153	148	143
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	26	28	49	53	53	62	57	75	82	85	89
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	20	36	46
Total current assets	28	37	54	63	70	89	91	117	113	133	147
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	267	281	290
Shareholders equity	29	35	53	58	68	77	87	99	101	113	126
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	101	113	126
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	35	36	33
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	52	53	50
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	27	32	43	46	48	61	57	66	68	74	78
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	30	25	20
Total current liabilities	36	48	54	63	62	87	103	107	114	115	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	267	281	290
Balance sheet and debt metrics											
Net debt	16	14	30	25	20	40	41	48	69	48	31
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	10	10
Invested capital	46	51	86	87	94	113	125	144	166	158	153
Capital employed	48	58	87	93	104	133	152	177	190	197	202
ROE	22.8%	19.3%	17.0%	20.9%	24.4%	24.1%	20.8%	21.6%	17.0%	20.7%	20.2%
ROIC	12.1%	17.4%	13.8%	14.7%	18.1%	16.8%	15.7%	15.4%	19.1%	17.8%	20.1%
ROCE	16.1%	21.1%	17.0%	18.3%	21.4%	18.8%	16.7%	16.0%	16.5%	15.2%	15.9%
Net debt/EBITDA	1.6	1.2	2.0	1.2	0.8	1.1	1.0	1.1	1.4	1.0	0.6
Interest coverage	7.6	7.3	8.6	12.5	15.6	16.3	12.5	18.5	3.9	20.8	22.8
Equity ratio	38.1%	37.4%	39.2%	40.1%	42.1%	37.8%	40.0%	39.1%	37.9%	40.1%	43.4%
Net gearing	56.4%	41.6%	55.8%	43.0%	29.8%	52.6%	46.6%	48.6%	67.8%	42.9%	24.4%

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	48	49	51
Paid taxes	-1	-1	-3	-2	-4	-4	-5	-6	-5	-6	-6
Net financials	-1	-1	-1	-1	-1	-1	-1	-1	-7	-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	-2	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	-5	0	0
Funds from operations (FFO)	9	7	7	18	23	33	38	27	30	42	44
Change in NWC	-2	3	-1	0	0	0	0	0	-5	3	-1
Cash flow from operations (CFO)	8	10	6	18	23	33	38	27	25	45	44
Capital expenditure	-2	-4	-2	-2	-2	-2	-2	-2	-4	-4	-4
Free cash flow before A&D	5	6	4	16	21	31	36	25	21	41	39
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	0	0
Free cash flow	5	6	-18	13	13	10	31	11	0	41	39
Free cash flow bef A&D, lease adj	5	6	4	16	21	23	26	15	10	31	29
Dividends paid	-2	-3	-3	-4	-6	-7	-9	-8	-10	-10	-11
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	10	-4	-8
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	-10	16	10
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%	1.1%	1.1%	1.1%
Key information											
Share price year end (/current)	3	5	6	8	8	10	13	17	13	13	13
Market cap.	60	100	138	193	197	251	321	419	325	325	325
Enterprise value	77	114	168	218	217	292	361	467	393	373	355
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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Completion Date

31 Oct 2022, 22:00 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: Grønjørdsvej 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			