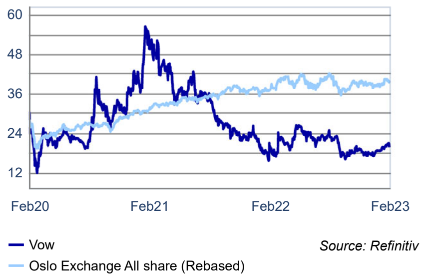
Vow

Capital Goods
Norway

KEY DATA

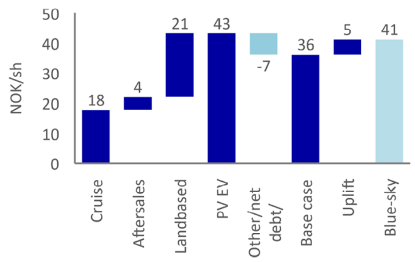
Stock country	Norway
Bloomberg	VOW NO
Reuters	VOW.OL
Share price (close)	NOK 20.06
Free Float	36%
Market cap. (bn)	EUR 0.21/NOK 2.29
Website	www.vowasa.no
Next report date	25 Aug 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	9%	9%
EBIT (adj)	-7%	7%	8%

Source: Nordea estimates

Nordea IB & Equity - Analysts
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Analyst

Full steam ahead

Vow posted record-high full-year sales and profits, with EBITDA profitability in all three segments. H2 sales were in line with company-compiled consensus and Aftersales returned to pre-COVID-19 levels, but Cruise and Landbased margins were softer than expected (3 pp), with the latter's sales 14% below consensus. We tweak our 2023 estimates to include an increased cost base but argue that the Landbased segment is exposed to vast market opportunities in the longer term. We lift our Landbased estimates accordingly, reaching a 38% 2022-25E CAGR, with our estimate changes resulting in a SOTP-based fair value of NOK 36-41 (35-39). Combining this with its track record, fully funded EBITDA-positive model and favourable trading to peers, we view Vow as an attractive proposition.

H2 2022 recap: Record full-year revenues and profits

Vow's full-year numbers included record sales, Landbased top-line numbers up nearly 3x and EBITDA over 2x (NOK 91m). H2 revenue was NOK 383m (consensus: NOK 375m), while recurring EBITDA margins were a bit softer at 10.2% (2.7 pp below consensus). Aftersales returned to pre-COVID-19 levels but Landbased was softer than expected (due to timing effects); Cruise and Landbased reported softer margins. Vow's cost base also rose, setting the company up for future growth opportunities.

Estimates: Landbased holds vast potential in several sectors

We increase Vow's cost base and lower 2023E Cruise margins (0.5 pp) to reflect recent inflationary pressures. Along with higher depreciation, we lower 2023E EBIT to NOK 142m (from NOK 153m). Beyond 2023, we see Vow as ideally placed for significant growth in the Landbased sector, driven largely by biocarbon and carbon black market opportunities. We model a rise in Landbased sales, reaching a 38% 2022-25E CAGR (group level: 25%). Even with this increase, our implied 2030 Landbased sales represent less than 3% of the revenue potential from these two addressable markets.

Valuation: EBITDA-positive, fully funded, set for high growth

We hold our SOTP-based value methodology steady with our estimates implying a fair value range of NOK 36-41 (35-39). Vow's EBITDA positivity across all segments, growth, track record and a fully funded business model represent key differentiating factors in the cleantech space, while the company continues to trade at more than a 35% discount to peers (2023E-24E EV/sales). We thus view Vow as an attractive proposition.

SUMMARY TABLE - KEY FIGURES

NOKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	381	460	454	783	1,117	1,368	1,581
EBITDA (adj)	46	47	44	92	176	253	313
EBIT (adj)	35	25	19	60	142	218	278
EBIT (adj) margin	9.2%	5.4%	4.3%	7.7%	12.7%	16.0%	17.6%
EPS (adj, NOK)	0.15	0.12	-0.01	0.26	0.93	1.48	1.88
EPS (adj) growth	-50.9%	-16.5%	-107.4%	2,953.5%	252.6%	59.4%	27.4%
DPS (ord, NOK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	8.2	9.3	6.3	3.2	2.4	1.9	1.6
EV/EBIT (adj)	89.8	171.7	147.6	41.3	18.7	11.9	9.0
P/E (adj)	n.m.	n.m.	n.m.	67.6	21.7	13.6	10.7
P/BV	13.1	12.9	5.1	3.8	3.5	2.8	2.2
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	-0.6%	-1.8%	-9.0%	-9.3%	3.3%	2.2%	4.5%
Net debt	133	138	166	440	354	303	201
Net debt/EBITDA	5.0	3.6	4.9	5.2	2.0	1.2	0.6
ROIC after tax	13.5%	5.4%	3.0%	6.5%	13.0%	18.6%	21.4%

Source: Company data and Nordea estimates

H2 2022 review and estimate changes

H2 2022 report recap: Summary of key events

Vow reported its H2 2022 results on 23 February, which included record-high full-year revenue and profitability. Full-year sales reached NOK 783m, representing 72% top-line growth from 2021 levels, while EBITDA more than doubled from NOK 41m to NOK 92m. Looking at each segment, Aftersales revenues returned to pre-COVID-19 levels, while Landbased sales grew almost threefold. H2 revenue came in at NOK 383m (roughly in line with company targets, with Q4 sales similar to Q3 levels; company-compiled consensus was NOK 375m), while Cruise and Aftersales enjoyed strong top-line performances. On the Landbased front, sales were softer than expected (per timing effects, as we understand it), while lower-than-expected EBITDA margins for Cruise and Landbased culminated in an overall recurring EBITDA margin of 10.2% (3 pp below consensus). Vow's cost base increased, which reflects future growth, the backlog (including options) remaining above NOK 2bn and the company expecting a healthy increase in cash for H1 2023.

VOW: H2 2022 DEVIATION TABLE

NOKm	Actual H2 2022	NDA est. H2 2022	Deviation vs. actual		Consensus H2 2022	Deviation vs. actual		Actual H2 2021	y/y
Total revenues	**383**	**405**	**-23**	**-6 %**	**375**	**8**	**2 %**	**253**	**52 %**
y/y	*51.6%*	*60.5%*		-8.9pp	*48.5%*		3.1pp	*19.2%*	32pp
Gross profit	**145**	**142**	**3**	**2 %**	**n.a**			**97**	**49 %**
Margin	*37.8%*	*35.0%*		2.8pp	*n.a*			*38.6%*	-0.7pp
Opex	-106	-88	-18	20 %	n.a			-74	43 %
EBITDA recurring	**39**	**54**	**-15**	**-28 %**	**48**	**-9**	**-19 %**	**23**	**67 %**
Margin	*10.1%*	*13.3%*		-3.1pp	*12.8%*		-2.7pp	*9.2%*	0.9pp
y/y	67.2%	132.0 %		-64.8pp	106.9 %		-39.7pp	5 %	63pp

Segments NOKm	Actual H2 2022	NDA est. H2 2022	Deviation vs. actual		Consensus H2 2022	Deviation vs. actual		Actual H2 2021	y/y
Revenue	**383**	**405**	**-23**	**-6 %**	**374**	**9**	**2 %**	**253**	**52 %**
Cruise Projects	191	199	-8	-4 %	171	20	12 %	145	32 %
Cruise Aftersales	71	57	14	24 %	62	9	14 %	34	110 %
Landbased	121	150	-29	-19 %	141	-20	-14 %	74	63 %
EBITDA	**39**	**54**	-15	-28 %	**46**	**-7**	**-16 %**	**23**	67 %
Cruise Projects	37	48	-11	-23 %	38	-2	-4 %	31	17 %
Cruise Aftersales	10	7	2	32 %	8	2	20 %	1	860 %
Landbased	13	17	-4	-23 %	17	-4	-24 %	2	545 %
Other and Eliminations	-20	-18	-2	13 %	-17	-3	19 %	-11	85 %
EBITDA margins	**10.1 %**	**13.3 %**		-3.1pp	**12.3 %**		-2.2pp	9.2 %	0.9pp
Cruise Projects	19.1 %	23.9 %		-4.8pp	22.2 %		-3.2pp	21.5 %	-2.4pp
Cruise Aftersales	13.6 %	12.8 %		0.8pp	12.9 %		0.7pp	3.0 %	10.6pp
Landbased	10.7 %	11.3 %		-0.6pp	12.1 %		-1.4pp	2.7 %	8.0pp

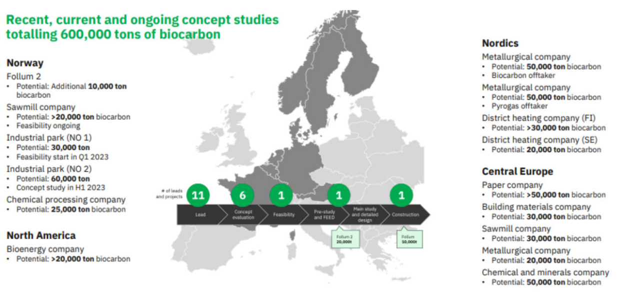
Source: Company data and Nordea estimates

Changes to estimates: Vast potential for Landbased

We make several changes to our estimates. In the near term, we hold our 2023 top-line estimates steady, with group revenue of NOK 1,117m (3% above company-compiled consensus). On the margin side, we reduce 2023E Cruise Projects EBITDA margins by 1 pp to reflect a continued (yet improving) inflationary environment, but we increase Aftersales EBITDA margins by 0.5 pp in view of the strong recent performance.

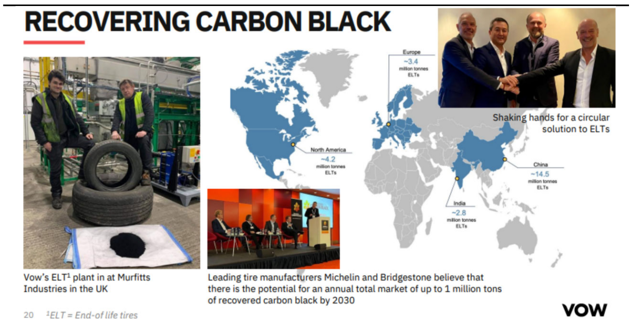
Beyond 2023, however, we highlight the significant potential to which we believe Vow's Landbased segment is exposed. We illustrate this by looking at just two of the segment's potential end markets – biocarbon and recovering carbon black.

BIOCARBON REPRESENTS A VAST OPPORTUNITY (600k TONNES, NOK 12bn IN REVENUE)...



Source: Company, Vow Green Metals and Nordea estimates

...WHILE CARBON BLACK RECOVERY VIA END-OF-LIFE TYRES ALONE COULD BE A NOK 60bn REVENUE OPPORTUNITY



Source: Company and Nordea estimates

For biocarbon, we note the international market expansion taking place, with recent, current and ongoing studies totalling 600,000 tonnes of biocarbon potential per year (i.e. the equivalent of 60 Follum 10,000-tonne facilities). We also highlight Vow's announcement in December regarding a collaboration with ETEL that will utilise Vow technology to recycle global end-of-life tyres – here, the addressable market in Europe, North America and Japan is for 300 tyre recycling plants. Taking a NOK 200m standard contract for each, we arrive at a NOK 60bn opportunity for end-of-life tyres and NOK 12bn for biocarbon.

Taking this into consideration, we deem it sensible to increase our Landbased estimates to reach a 2022-25E sales CAGR of 38% (group level: 25%). Despite this increase, we remain comfortable; if we keep this growth rate through to 2030, we calculate revenue potential for the entire Landbased segment that is still less than 3% of these addressable markets.

VOW ESTIMATE REVISIONS

		New estimates			Old estimates			Difference		
NOKm	**2022**	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**
Total revenues	**783**	**1,117**	**1,368**	**1,581**	**1,117**	**1,260**	**1,446**	**0 %**	**9 %**	**9 %**
Gross profit	296	391	479	553	391	441	506	0 %	9 %	9 %
Margin	*38%*	*35%*	*35%*	*35%*	*35%*	*35%*	*35%*	*0%*	*0%*	*0%*
EBITDA recurring	**92.1**	**175.8**	**253.0**	**312.9**	**181.4**	**233.6**	**285.7**	**-3 %**	**8 %**	**9 %**
Margin	*11.8%*	*15.7%*	*18.5%*	*19.8%*	*16.2%*	*18.5%*	*19.8%*	*-0.5pp*	*0.0pp*	*0.0pp*
EBIT	53.2	141.9	218.4	277.7	153.0	204.8	256.6	-7 %	7 %	8 %

Source: Company data and Nordea estimates

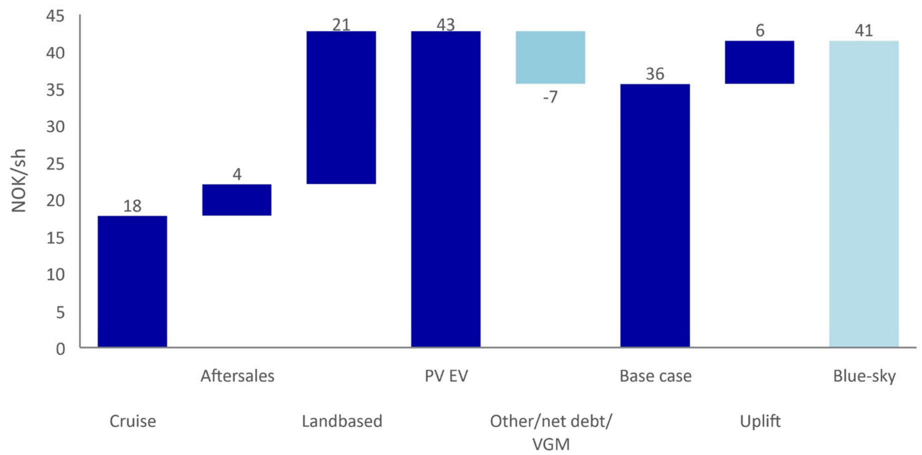
Valuation: NOK 36-41 per share fair value

We derive a fair value range of NOK 36-41 (35-39)

We hold our SOTP-based valuation methodology steady, with our updated estimates resulting in an increased fair value range of NOK 36-41 (35-39). Our base case includes 2025 estimates for Cruise Projects, Aftersales and Landbased, which we discount back at a 9% WACC (8% previously) to find the one-year forward fair value. Our blue-sky scenario factors in an additional NOK 54m EBITDA uplift contribution from Landbased in 2025, which is implied by a margin increase on a par with Cruise levels for that year.

Our blue-sky scenario factors in an additional EBITDA uplift contribution from Landbased in 2025 which is implied by a margin increase on a par with Cruise margin levels for that year

SOTP PER SHARE



Source: Company data and Nordea estimates

EQUITY VALUE DERIVATION – SUMMARY

General				
WACC				9 %
Shares outstanding				114
NOKm	**EBITDA 2025E**	**Multiple**	**EV (NOKm)**	**Per share**
Cruise	154	15x	2,361	21
Aftersales	38	15x	578	5
Landbased	162	17x	2,754	24
EV			5,693	50
PV of EV			**4,886**	**43**
Other/Eliminations	-41.3	17x	-701	-6
Net debt 2023E			-354	-3
PV Equity value			**3,929**	**34**
Market value of VGM position			132	1
Total equity value			**4,062**	**36**
Landbased blue-sky uplift EBITDA	54	17x	788	6
Total equity value blue sky				**41**

Source: Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

NOKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**200**	**172**	**247**	**330**	**381**	**460**	**454**	**783**	**1,117**	**1,368**	**1,581**
Revenue growth	37.5%	-14.3%	43.9%	33.4%	15.5%	20.8%	-1.3%	72.4%	42.7%	22.5%	15.5%
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	11	-3	25	39	27	39	34	85	176	253	313
Depreciation and impairments PPE	-1	-1	-2	-1	-6	-21	-24	-32	-34	-35	-35
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	10	-5	23	39	21	18	10	53	142	218	278
Amortisation and impairments	-2	-1	-2	-3	-5	-1	0	0	0	0	0
EBIT	9	-6	22	36	16	17	10	53	142	218	278
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	-2	1	-4	-2	-25	11	323	-31	-6	-2	-2
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**	**-5**	**18**	**34**	**-9**	**28**	**332**	**22**	**136**	**216**	**276**
Reported taxes	-3	0	-5	-7	-6	-1	1	1	-30	-48	-61
Net profit from continued operations	4	-5	13	27	-15	27	333	23	106	169	215
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	4	-5	13	27	-15	27	333	23	106	169	215
EPS, NOK	**0.05**	**-0.05**	**0.13**	**0.28**	**-0.15**	**0.25**	**2.92**	**0.20**	**0.93**	**1.48**	**1.88**
DPS, NOK	n.a.	n.a.	n.a.	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	n.a.	n.a.	n.a.	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	5.6%	-2.0%	10.1%	11.9%	7.0%	8.4%	7.4%	10.9%	15.7%	18.5%	19.8%
EBITA	5.1%	-2.6%	9.5%	11.7%	5.5%	3.8%	2.1%	6.8%	12.7%	16.0%	17.6%
EBIT	4.3%	-3.4%	8.8%	10.8%	4.1%	3.6%	2.1%	6.8%	12.7%	16.0%	17.6%
Adjusted earnings											
EBITDA (adj)	11	-3	26	39	46	47	44	92	176	253	313
EBITA (adj)	10	-4	25	39	40	26	19	60	142	218	278
EBIT (adj)	9	-5	23	36	35	25	19	60	142	218	278
EPS (adj, NOK)	0.10	-0.06	0.12	0.30	0.15	0.12	-0.01	0.26	0.93	1.48	1.88
Adjusted profit margins in percent											
EBITDA (adj)	5.6%	-1.5%	10.7%	11.9%	12.0%	10.2%	9.6%	11.8%	15.7%	18.5%	19.8%
EBITA (adj)	5.1%	-2.2%	10.0%	11.7%	10.5%	5.6%	4.3%	7.7%	12.7%	16.0%	17.6%
EBIT (adj)	4.3%	-2.9%	9.4%	10.8%	9.2%	5.4%	4.3%	7.7%	12.7%	16.0%	17.6%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	14.2%	21.2%	18.1%	21.5%	25.9%	27.7%	29.2%	28.0%
EBITDA	n.m.	n.m.	n.m.	13.3%	67.0%	27.8%	n.m.	27.9%	35.0%	56.9%	52.0%
EBIT	n.a.	n.a.	n.a.	12.4%	78.5%	14.1%	n.m.	19.5%	31.8%	69.4%	75.5%
EPS	n.a.	n.a.	n.a.	38.7%	n.m.	39.8%	n.m.	8.7%	27.4%	n.m.	50.2%
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.	4.9%	5.6%	5.7%	5.3%	5.3%	5.4%	7.4%	10.5%	13.2%
Average EBITDA margin	n.a.	n.a.	6.0%	6.8%	7.4%	7.9%	8.7%	9.3%	11.3%	14.0%	16.2%

VALUATION RATIOS - ADJUSTED EARNINGS

NOKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	10.1	n.m.	35.6	15.1	n.m.	n.m.	n.m.	67.6	21.7	13.6	10.7
EV/EBITDA (adj)	9.6	n.m.	16.1	11.2	68.4	91.4	65.5	26.8	15.1	10.3	8.0
EV/EBITA (adj)	10.8	n.m.	17.1	11.4	78.1	165.7	147.6	41.3	18.7	11.9	9.0
EV/EBIT (adj)	12.6	n.m.	18.3	12.3	89.8	171.7	147.6	41.3	18.7	11.9	9.0

VALUATION RATIOS - REPORTED EARNINGS

NOKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	22.6	n.m.	32.6	16.6	n.m.	n.m.	8.0	89.8	21.7	13.6	10.7
EV/Sales	0.54	0.66	1.72	1.33	8.22	9.29	6.27	3.16	2.38	1.90	1.58
EV/EBITDA	9.6	n.m.	17.0	11.2	117.8	110.8	84.5	28.9	15.1	10.3	8.0
EV/EBITA	10.8	n.m.	18.2	11.4	150.0	243.0	299.8	46.5	18.7	11.9	9.0
EV/EBIT	12.6	n.m.	19.5	12.3	199.7	256.1	299.8	46.5	18.7	11.9	9.0
Dividend yield (ord.)	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	15.3%	-14.4%	1.3%	4.5%	-3.4%	-1.8%	-9.0%	-10.6%	3.3%	2.2%	4.5%
FCF Yield bef A&D, lease adj	15.3%	-14.4%	1.3%	4.5%	-0.6%	-1.8%	-9.0%	-9.3%	3.3%	2.2%	4.5%
Payout ratio	0.0%	0.0%	0.0%	65.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

NOKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	24	29	31	38	237	311	525	643	643	643	643
of which R&D	24	29	31	38	98	172	386	479	479	479	479
of which other intangibles	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
of which goodwill	n.a.	n.a.	n.a.	n.a.	139	139	139	164	164	164	164
Tangible assets	3	4	2	3	42	37	47	80	146	214	282
of which leased assets	0	0	0	0	21	21	21	21	21	21	21
Shares associates	n.a.	n.a.	n.a.	n.a.	0	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.	0	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	28	33	34	42	278	348	572	723	789	856	925
Inventory	6	4	4	4	18	10	18	55	17	21	24
Accounts receivable	61	58	59	63	134	149	122	192	178	218	252
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	55	28	53	78	85	176	255	441	458	539	606
Cash and bank	19	4	6	7	86	27	141	43	128	179	282
Total current assets	141	93	122	152	322	362	536	730	782	957	1,165
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	**168**	**126**	**155**	**194**	**600**	**710**	**1,109**	**1,452**	**1,571**	**1,813**	**2,090**
Shareholders equity	50	45	58	93	229	320	525	538	651	823	1,040
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Minority interest	0	0	0	0	1	1	1	1	11	11	11
Total Equity	50	45	58	93	230	321	526	539	662	834	1,051
Deferred tax	4	3	7	14	26	32	33	39	39	39	39
Long term interest bearing debt	1	1	1	1	86	104	230	197	197	197	197
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	21	21	21	21	21	21	21
Convertible debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Total non-current liabilities	4	4	8	15	133	157	285	257	257	257	257
Short-term provisions	1	1	1	0	2	0	0	0	0	0	0
Accounts payable	64	40	58	70	104	164	169	319	314	385	444
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	22	12	9	14	21	28	73	73	73	73	73
Short term interest bearing debt	27	24	21	2	111	40	56	265	265	265	265
Total current liabilities	114	76	89	86	237	232	298	657	652	723	782
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**168**	**126**	**155**	**194**	**600**	**710**	**1,109**	**1,452**	**1,571**	**1,813**	**2,090**
Balance sheet and debt metrics											
Net debt	9	22	16	-4	133	138	166	440	354	303	201
of which lease debt	0	0	0	0	21	21	21	21	21	21	21
Working capital	35	38	49	62	112	143	153	295	266	320	365
Invested capital	63	70	83	103	390	491	725	1,018	1,055	1,176	1,290
Capital employed	78	71	80	96	448	486	833	1,022	1,145	1,317	1,534
ROE	9.4%	-10.2%	24.3%	35.2%	-9.1%	9.8%	78.9%	4.3%	17.8%	22.9%	23.1%
ROIC	12.3%	-7.2%	28.8%	36.5%	13.5%	5.4%	3.0%	6.5%	13.0%	18.6%	21.4%
ROCE	19.9%	-4.3%	39.0%	45.3%	14.0%	5.9%	54.7%	6.5%	13.1%	17.7%	19.5%
Net debt/EBITDA	0.8	n.m.	0.7	-0.1	5.0	3.6	4.9	5.2	2.0	1.2	0.6
Interest coverage	1.7	-0.5	2.7	8.8	2.0	1.2	18.5	5.9	32.3	49.6	63.1
Equity ratio	29.6%	36.1%	37.3%	48.1%	38.1%	45.1%	47.3%	37.0%	41.4%	45.4%	49.8%
Net gearing	17.1%	47.6%	28.2%	-4.3%	57.7%	43.1%	31.6%	81.7%	53.5%	36.4%	19.1%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

NOKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (adj) for associates	**11**	**-3**	**25**	**39**	**27**	**39**	**34**	**85**	**176**	**253**	**313**
Paid taxes	0	-1	-1	-1	0	-2	-26	-2	-30	-48	-61
Net financials	n.a.	n.a.	n.a.	n.a.	n.a.	11	323	-31	-6	-2	-2
Change in provisions	1	0	1	-1	2	-2	0	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	-4	-10	-4	0	14	-23	-316	18	6	2	2
Funds from operations (FFO)	**8**	**-14**	**21**	**37**	**43**	**23**	**15**	**70**	**146**	**205**	**252**
Change in NWC	17	8	-11	-6	-50	-32	-10	-142	29	-54	-45
Cash flow from operations (CFO)	**25**	**-6**	**10**	**31**	**-7**	**-9**	**5**	**-72**	**175**	**152**	**207**
Capital expenditure	-9	-7	-5	-11	-10	-64	-246	-117	-100	-102	-104
Free cash flow before A&D	**15**	**-13**	**5**	**20**	**-17**	**-73**	**-241**	**-189**	**75**	**50**	**103**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	-85	0	0	-25	0	0	0
Free cash flow	15	-13	5	20	-103	-73	-241	-214	75	50	103
Free cash flow bef A&D, lease adj	15	-13	5	20	-17	-73	-241	-189	75	50	103
Dividends paid	n.a.	n.a.	n.a.	n.a.	-10	0	0	0	0	0	0
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	111	0	0	-22	0	0	0
Net change in debt	1	-2	-2	-18	86	29	31	136	0	0	0
Other financing adjustments	-1	-1	-1	-1	-6	-14	323	0	10	0	0
Other non-cash adjustments	0	0	0	0	0	-1	1	1	1	1	n.a.
Change in cash	16	-16	2	1	79	-59	115	-99	86	51	103
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	91.7%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	4.7%	4.3%	1.9%	3.4%	2.6%	14.0%	54.1%	15.0%	9.0%	7.5%	6.6%
Key information											
Share price year end (/current)	1	1	4	5	30	38	23	18	20	20	20
Market cap.	100	92	409	442	2,997	4,133	2,681	2,030	2,292	2,292	2,292
Enterprise value	109	113	425	438	3,131	4,272	2,848	2,472	2,658	2,607	2,504
Diluted no. of shares, year-end (m)	96.5	96.5	96.2	96.4	99.9	108.9	114.3	114.3	114.3	114.3	114.3

Source: Company data and Nordea estimates

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