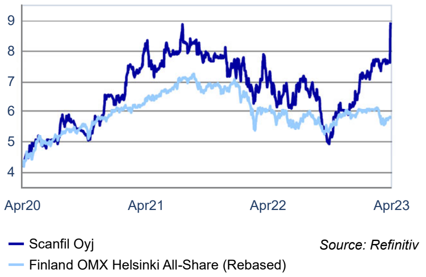
Scanfil Oyj

Capital Goods
Finland

KEY DATA

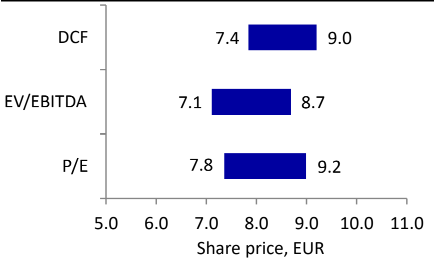
Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 8.96
Free Float	25%
Market cap. (bn)	EUR 0.57/EUR 0.57
Website	www.scanfil.com/
Next report date	26 Apr 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	5%	5%	5%
EBIT (adj)	12%	10%	9%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Senior Analyst

Sales volumes are improving

On 12 April, Scanfil increased the midpoint of its 2023 revenue growth guidance range by 6%. The EUR 60m midpoint of its new operating profit guidance for this year is as much as 17% above Refinitiv consensus. The main reason for the good start to the year is improved component availability, which is speeding up delivery of the order backlog. Customer demand has also continued to strengthen. Visibility for firm orders, however, has not improved much. Following our new estimates, our fair value range for Scanfil increases to EUR 7.4-9.0 (6.8-8.2), based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

We forecast 7.7% revenue growth y/y for 2023

Productivity and delivery volumes to customers have improved a lot with the help of good component availability. The first quarter ended strongly and management upgraded its full-year revenue and EBIT guidance ranges. The new revenue guidance is EUR 880-940m, which indicates 4-11% y/y growth for this year. We believe one of the customers behind the good growth could be Thermo Fisher Scientific. Scanfil has also made notable production capacity investments in many countries, which should enable revenue growth in line with improved customer demand. Spot component purchases are also gradually declining, which should improve relative profitability at the group level. The Advanced Consumer Applications segment has not been able to gain the same positive momentum as Scanfil's other segments. Kone expects activity in China to improve around summer 2023, but Kone still guides for flat growth in 2023.

Trading at 2023E P/E of 13.2x on our revised estimates

We forecast net sales of EUR 222m for Q1 (Refinitiv consensus: EUR 206m), while our EBIT estimate is EUR 13.8m (consensus: EUR 12.2m). For 2023, we now forecast an EBIT margin of 6.3% and EPS of EUR 0.68. The strong volume growth could eventually fade away when the excess backlog has been consumed, hence we do not yet expect to see close to 10% revenue growth next year. Much also depends on the overall macroeconomic situation in 2023-24. Our new fair value range for Scanfil is EUR 7.4-9.0 (6.8-8.2), based on three equally-weighted valuation approaches (DCF, EV/EBITDA and P/E). The company's 2023E-24E P/E multiples are roughly in line with those of our peer group and we see no reason for Scanfil to trade below the sector's average valuation.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	580	595	696	844	909	944	981
EBITDA (adj)	53	55	56	63	76	79	82
EBIT (adj)	39	39	40	45	58	60	63
EBIT (adj) margin	6.7%	6.6%	5.8%	5.4%	6.3%	6.4%	6.4%
EPS (adj, EUR)	0.49	0.49	0.47	0.54	0.68	0.71	0.75
EPS (adj) growth	8.4%	0.0%	-3.8%	14.8%	25.1%	4.8%	5.0%
DPS (ord, EUR)	0.15	0.17	0.19	0.21	0.23	0.25	0.27
EV/Sales	0.6	0.7	0.8	0.6	0.7	0.7	0.6
EV/EBIT (adj)	9.3	11.3	13.5	11.3	11.1	10.3	9.5
P/E (adj)	9.9	13.2	15.7	12.1	13.2	12.6	12.0
P/BV	1.9	2.3	2.3	1.9	2.3	2.0	1.8
Dividend yield (ord)	3.1%	2.6%	2.5%	3.2%	2.6%	2.8%	3.0%
FCF Yield bef A&D, lease	8.2%	5.5%	-5.8%	-2.7%	6.3%	7.3%	6.0%
Net debt	46	18	60	86	63	35	17
Net debt/EBITDA	0.9	0.3	1.1	1.4	0.8	0.4	0.2
ROIC after tax	14.9%	13.9%	12.8%	11.8%	13.8%	14.1%	14.4%

Source: Company data and Nordea estimates

Quarterly segment estimates

P&L (EURm, EPS IN EUR)	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123E	Q223E	Q323E	Q423E
Advanced Consumer Applications												
Net sales (EURm)	42.9	53.4	55.4	52.9	55.0	68.7	67.8	56.3	56.7	60.5	60.3	60.9
Sales growth y/y (%)	38%	33%	44%	28%	28%	29%	22%	6%	3%	-12%	-11%	8%
Automation & Safety												
Net sales (EURm)	34.5	36.8	32.5	41.1	42.6	45.6	44.2	51.4	51.5	52.0	52.2	52.4
Sales growth y/y (%)	-9%	1%	-4%	21%	23%	24%	36%	25%	21%	14%	18%	2%
Connectivity												
Net sales (EURm)	8.1	7.3	7.3	10.4	10.8	9.1	7.8	10.8	10.0	9.0	8.4	10.6
Sales growth y/y (%)	9%	-5%	3%	60%	33%	25%	7%	4%	-7%	-1%	8%	-1%
Energy & Cleantech												
Net sales (EURm)	40.3	44.8	43.5	53.4	54.6	53.5	53.1	61.3	60.6	59.9	59.5	62.5
Sales growth y/y (%)	17%	33%	45%	43%	35%	19%	22%	15%	11%	12%	12%	2%
Medtec & Life Science												
Net sales (EURm)	29.1	28.5	29.1	33.9	33.7	36.0	39.0	42.5	43.5	45.0	45.6	47.3
Sales growth y/y (%)	8%	12%	12%	15%	16%	26%	34%	25%	29%	25%	17%	11%
Discontinued												
Net sales (EURm)	8.5	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth y/y (%)	35%	-83%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Q121	**Q221**	**Q321**	**Q421**	**Q122**	**Q222**	**Q322**	**Q422**	**Q123E**	**Q223E**	**Q323E**	**Q423E**
Group sales	**163.4**	**172.9**	**167.8**	**191.7**	**196.6**	**212.9**	**211.9**	**222.3**	**222.3**	**226.4**	**226.0**	**233.8**
Sales growth %	13.4%	11.1%	18.5%	24.4%	20.3%	23.1%	26.3%	16.0%	13.1%	6.3%	6.7%	5.2%
Other operating income	0.3	0.1	0.4	0.3	0.2	0.3	0.3	0.2	0.0	0.0	0.0	0.0
Depreciation and amortisation	-3.8	-3.8	-3.8	-4.0	-4.0	-4.2	-4.5	-4.7	-4.7	-4.7	-4.7	-4.7
Reported EBIT	10.0	10.6	9.5	9.5	10.3	10.1	11.5	13.4	13.8	14.3	14.5	15.2
Reported EBIT margin	6.1%	6.1%	5.7%	5.0%	5.2%	4.7%	5.4%	6.0%	6.2%	6.3%	6.4%	6.5%
Group adj. EBIT	**10.0**	**10.6**	**9.5**	**10.2**	**10.3**	**10.1**	**11.5**	**13.4**	**13.8**	**14.3**	**14.5**	**15.2**
Adj. EBIT margin	6.1%	6.1%	5.7%	5.3%	5.2%	4.7%	5.4%	6.0%	6.2%	6.3%	6.4%	6.5%
Net financials	-0.7	-0.1	-0.9	-0.2	-1.0	-0.3	-1.7	-0.7	-0.7	-0.7	-0.8	-0.8
Pre-tax profit	9.3	10.5	8.6	9.3	9.3	9.8	9.8	12.7	13.1	13.5	13.7	14.4
Income tax	-1.7	-1.8	-3.4	-0.9	-1.3	-2.7	-0.4	-2.2	-2.6	-2.7	-2.7	-2.9
Tax rate %	18%	17%	40%	10%	14%	28%	4%	17%	20%	20%	20%	20%
Reported net profit for the period	7.6	8.6	5.2	7.7	8.0	7.1	9.4	10.5	10.5	10.8	11.0	11.5
Adj net profit for the period	7.6	8.6	5.2	8.4	8.0	7.1	9.4	10.5	10.5	10.8	11.0	11.5
Reported EPS	0.12	0.13	0.08	0.13	0.12	0.11	0.15	0.16	0.16	0.17	0.17	0.18
Adj. EPS	**0.12**	**0.13**	**0.08**	**0.13**	**0.12**	**0.11**	**0.15**	**0.16**	**0.16**	**0.17**	**0.17**	**0.18**

Source: Company data and Nordea estimates

Yearly segment estimates

P&L (EURm, EPS IN EUR)								
Segments	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**
Advanced Consumer Applications								
Net sales (EURm)					151.2	204.6	247.8	238.4
Sales growth y/y (%)						35%	21%	-4%
Automation & Safety								
Net sales (EURm)					142.2	144.9	183.8	208.1
Sales growth y/y (%)						2%	27%	13%
Connectivity								
Net sales (EURm)					28.7	33.1	38.5	38.1
Sales growth y/y (%)						15%	16%	-1%
Energy & Cleantech								
Net sales (EURm)					135.6	182.0	222.5	242.5
Sales growth y/y (%)						34%	22%	9%
Medtec & Life Science								
Net sales (EURm)					107.9	120.6	151.2	181.4
Sales growth y/y (%)						12%	25%	20%
Discontinued								
Net sales (EURm)					29.9	10.5	0.0	0.0
Sales growth y/y (%)						-65%	n.a.	n.a.
Group	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**
Net sales	**508.0**	**529.8**	**563.0**	**579.5**	**595.4**	**695.7**	**843.8**	**908.5**
Sales growth %	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	7.7%
Other operating income	1.0	2.7	0.4	1.0	12.5	1.1	1.0	0.8
Depreciation and amortisation	-8.8	-6.7	-7.5	-15.7	-14.1	-12.6	-14.8	-16.5
Reported EBIT	7.2	31.3	37.8	35.3	44.3	39.6	45.4	57.7
Reported EBIT margin	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.4%
Group adj. EBIT	**22.3**	**31.3**	**37.8**	**38.9**	**39.1**	**40.3**	**45.4**	**57.7**
Adj. EBIT margin	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.4%
Net financials	-1.2	1.3	-1.7	-1.3	-2.6	-1.9	-3.7	-3.0
Pre-tax profit	6.1	32.6	36.1	34.0	41.7	37.7	41.7	54.7
Income tax	-6.0	-6.8	-7.1	-5.9	-4.8	-7.9	-6.7	-10.9
Tax rate %	99%	21%	20%	17%	12%	21%	16%	20%
Reported net profit for the period	0.1	25.8	29.0	28.1	36.9	29.8	35.0	43.8
Adj net profit for the period	15.2	22.9	29.0	31.7	31.7	30.5	35.0	43.8
Reported EPS	0.00	0.40	0.45	0.44	0.57	0.46	0.54	0.68
Adj. EPS	**0.24**	**0.36**	**0.45**	**0.49**	**0.49**	**0.47**	**0.54**	**0.68**

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**377**	**508**	**530**	**563**	**580**	**595**	**696**	**844**	**909**	**944**	**981**
Revenue growth	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	7.7%	3.9%	3.9%
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	27	18	40	47	53	60	55	63	76	79	82
Depreciation and impairments PPE	-8	-9	-7	-8	-16	-14	-13	-15	-16	-17	-17
of which leased assets	0	0	0	0	-3	-3	-3	-3	-3	-3	-3
EBITA	19	9	33	40	37	46	42	48	60	62	64
Amortisation and impairments	-5	-2	-2	-2	-2	-2	-3	-3	-2	-2	-2
EBIT	14	7	31	38	35	44	40	45	58	60	63
of which associates	-1	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	-2	-1	-3	-2	-4	-3	-3	-3
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	**14**	**6**	**33**	**36**	**34**	**42**	**38**	**42**	**55**	**57**	**60**
Reported taxes	-5	-6	-7	-7	-6	-5	-8	-7	-11	-11	-12
Net profit from continued operations	8	0	26	29	28	37	30	35	44	46	48
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	8	0	26	29	28	37	30	35	44	46	48
EPS, EUR	**0.15**	**0.00**	**0.40**	**0.45**	**0.44**	**0.57**	**0.46**	**0.54**	**0.68**	**0.71**	**0.75**
DPS, EUR	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27
of which ordinary	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27
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	7.2%	3.6%	7.6%	8.4%	9.1%	10.1%	7.9%	7.4%	8.4%	8.4%	8.4%
EBITA	5.1%	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	6.6%	6.6%	6.6%
EBIT	3.8%	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.3%	6.4%	6.4%
Adjusted earnings											
EBITDA (adj)	33	33	40	47	53	55	56	63	76	79	82
EBITA (adj)	25	24	33	40	37	41	43	48	60	62	64
EBIT (adj)	20	22	31	38	39	39	40	45	58	60	63
EPS (adj, EUR)	0.24	0.24	0.36	0.45	0.49	0.49	0.47	0.54	0.68	0.71	0.75
Adjusted profit margins in percent											
EBITDA (adj)	8.7%	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.4%	8.4%	8.4%
EBITA (adj)	6.6%	4.8%	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	6.6%	6.6%	6.6%
EBIT (adj)	5.3%	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.3%	6.4%	6.4%
Performance metrics											
CAGR last 5 years											
Net revenue	11.5%	19.2%	24.0%	24.5%	22.0%	9.6%	6.5%	9.8%	10.0%	10.2%	10.5%
EBITDA	7.0%	-4.8%	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	10.1%	8.3%	6.3%
EBIT	0.0%	-4.5%	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	8.8%	11.2%	7.2%
EPS	-5.1%	-58.0%	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	8.4%	10.3%	5.5%
DPS	-7.8%	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%	10.8%	9.7%
Average last 5 years											
Average EBIT margin	5.1%	3.9%	4.5%	4.9%	4.9%	5.6%	6.4%	6.2%	6.1%	6.2%	6.1%
Average EBITDA margin	10.1%	7.7%	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.5%	8.4%	8.1%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	15.7	14.6	11.8	8.2	9.9	13.2	15.7	12.1	13.2	12.6	12.0
EV/EBITDA (adj)	8.7	7.9	7.8	5.7	6.8	8.0	9.7	8.1	8.4	7.8	7.3
EV/EBITA (adj)	11.6	10.7	9.4	6.8	9.7	10.7	12.6	10.7	10.7	9.9	9.3
EV/EBIT (adj)	13.6	11.7	10.0	7.1	9.3	11.3	13.5	11.3	11.1	10.3	9.5

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	26.3	n.m.	10.5	8.2	11.2	11.4	16.1	12.1	13.2	12.6	12.0
EV/Sales	0.76	0.52	0.59	0.48	0.63	0.74	0.78	0.61	0.71	0.65	0.61
EV/EBITDA	10.1	14.4	7.8	5.7	6.8	7.3	9.9	8.1	8.4	7.8	7.3
EV/EBITA	14.2	28.0	9.4	6.8	9.7	9.5	12.8	10.7	10.7	9.9	9.3
EV/EBIT	18.5	36.2	10.0	7.1	10.3	9.9	13.7	11.3	11.1	10.3	9.5
Dividend yield (ord.)	2.1%	2.6%	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.6%	2.8%	3.0%
FCF yield	-17.3%	5.8%	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	6.8%	7.8%	6.4%
FCF Yield bef A&D, lease adj	-17.3%	5.8%	3.9%	8.1%	8.2%	5.5%	-5.8%	-2.7%	6.3%	7.3%	6.0%
Payout ratio	33.1%	37.7%	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	33.8%	35.0%	36.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	29	27	25	22	25	23	21	19	16	14	13
of which R&D	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
of which other intangibles	18	16	15	12	17	14	13	11	9	7	5
of which goodwill	11	11	10	10	8	8	8	8	8	8	8
Tangible assets	48	41	48	49	72	65	72	80	86	93	99
of which leased assets	0	0	0	0	21	18	22	24	24	24	24
Shares associates	n.a.	n.a.	n.a.	0	1	1	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	3	2	4	4	6	7	9	8	8	8	8
Other non-IB non-current assets	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	80	70	77	76	103	95	102	107	111	115	120
Inventory	91	85	101	99	102	103	193	229	218	198	206
Accounts receivable	105	88	106	108	112	113	149	165	177	184	192
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	2	4	2	2	3	2	4	4	4	5	5
Cash and bank	22	20	21	19	20	26	25	21	28	36	39
Total current assets	220	197	230	228	237	245	372	419	428	423	442
Assets held for sale	1	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**302**	**267**	**307**	**304**	**340**	**339**	**474**	**526**	**539**	**538**	**562**
Shareholders equity	100	108	125	145	167	183	207	227	257	288	320
Of which preferred stocks	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Total Equity	n.a.	n.a.	125	145	167	183	207	227	257	288	320
Deferred tax	3	3	5	6	7	6	5	5	5	5	5
Long term interest bearing debt	50	38	27	17	25	18	42	36	31	21	16
Pension provisions	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other long-term provisions	1	0	0	0	0	0	0	1	1	1	1
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	19	16	20	20	20	20	20
Convertible debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Total non-current liabilities	55	41	33	23	51	40	67	62	57	47	42
Short-term provisions	0	5	0	0	0	4	2	0	0	0	0
Accounts payable	108	90	113	104	96	100	172	184	182	170	177
Current lease debt	0	0	0	0	4	4	3	4	4	4	4
Other current liabilities	n.a.	n.a.	n.a.	0	3	2	1	3	3	3	4
Short term interest bearing debt	38	22	36	33	20	6	20	46	36	26	16
Total current liabilities	146	117	149	136	122	116	199	237	225	204	201
Liabilities for assets held for sale	1	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**302**	**267**	**307**	**304**	**340**	**339**	**473**	**526**	**539**	**538**	**562**
Balance sheet and debt metrics											
Net debt	66	40	43	30	46	18	60	86	63	35	17
of which lease debt	0	0	0	0	22	20	23	25	25	25	25
Working capital	90	87	96	105	118	117	173	211	215	214	222
Invested capital	170	157	173	181	221	212	275	318	325	329	343
Capital employed	188	168	188	194	233	227	293	333	348	359	376
ROE	8.6%	0.1%	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	18.1%	16.8%	15.9%
ROIC	12.1%	10.5%	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	13.8%	14.1%	14.4%
ROCE	17.3%	18.9%	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	17.0%	17.0%	17.1%
Net debt/EBITDA	2.4	2.2	1.1	0.6	0.9	0.3	1.1	1.4	0.8	0.4	0.2
Interest coverage	3.3	1.5	4.8	21.1	25.3	16.5	19.9	12.0	19.0	19.7	20.6
Equity ratio	33.2%	40.6%	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	47.6%	53.5%	56.9%
Net gearing	n.a.	n.a.	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	24.5%	12.3%	5.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA (adj) for associates	**28**	**18**	**40**	**47**	**53**	**60**	**55**	**63**	**76**	**79**	**82**
Paid taxes	-4	-5	-8	-7	-8	-7	-11	-4	-11	-11	-12
Net financials	-2	-2	-2	-2	-2	-2	-1	-2	-3	-3	-3
Change in provisions	1	4	-5	0	0	4	-3	0	0	0	0
Change in other LT non-IB	-2	1	-2	0	-1	-1	-2	1	0	0	0
Cash flow to/from associates	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-1	7	4	0	2	-11	2	-3	0	0	0
Funds from operations (FFO)	**21**	**23**	**27**	**39**	**44**	**43**	**40**	**53**	**63**	**65**	**67**
Change in NWC	-8	-6	-6	-10	-8	-8	-53	-43	-3	1	-8
Cash flow from operations (CFO)	**13**	**16**	**21**	**29**	**36**	**35**	**-13**	**10**	**59**	**66**	**59**
Capital expenditure	-51	-4	-11	-10	-7	-9	-13	-19	-20	-21	-22
Free cash flow before A&D	**-38**	**13**	**11**	**19**	**29**	**26**	**-25**	**-9**	**39**	**45**	**37**
Proceeds from sale of assets	n.a.	n.a.	0	0	0	13	0	0	0	0	0
Acquisitions	n.a.	n.a.	0	0	-10	0	0	0	0	0	0
Free cash flow	-38	13	11	19	18	39	-25	-9	39	45	37
Free cash flow bef A&D, lease adj	-38	13	11	19	26	23	-28	-12	36	42	35
Dividends paid	n.a.	n.a.	-6	-7	-8	-10	-11	-12	-14	-15	-16
Equity issues / buybacks	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Net change in debt	44	-26	-4	-14	-43	-21	39	20	-15	-20	-15
Other financing adjustments	n.a.	n.a.	n.a.	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	1	-1	-1	0	34	-3	-4	-3	0	0	0
Change in cash	3	-2	0	-1	1	5	-1	-5	8	8	3
Cash flow metrics											
Capex/D&A	n.m.	32.3%	n.m.	n.m.	41.2%	58.4%	83.8%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	13.5%	0.7%	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.2%	2.2%	2.2%
Key information											
Share price year end (/current)	4	3	4	4	5	7	7	7	9	9	9
Market cap.	220	222	271	239	316	422	483	426	580	580	580
Enterprise value	286	262	314	269	362	440	543	511	643	615	597
Diluted no. of shares, year-end (m)	57.7	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

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