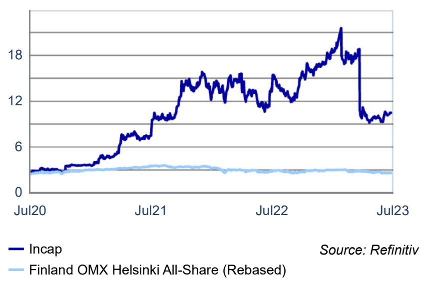
Incap

Capital Goods
Finland

KEY DATA

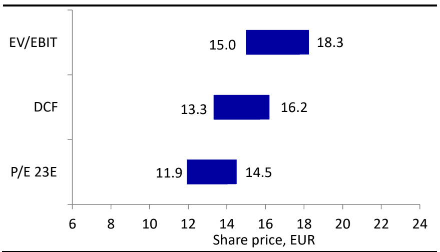
Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 10.72
Free float	
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.incapcorp.com
Next report date	28 Jul 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	6%	11%	10%
EBIT (adj)	-2%	6%	7%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Second half of 2023 includes a lot of uncertainty

We expect relatively good Q2 results, but H2 2023 estimates include a lot of uncertainty due to a major customer's need to reduce inventory. Our full-year 2023 organic revenue growth forecast is currently -12% (reported growth forecast -7%). Incap's biggest customer still has a competitive portfolio, which is why we are not overly concerned about next year. Our forecast for organic sales growth next year is 11%, with additional M&A growth potential of 6%. We believe Incap will be able to sustain its operating margin close to 13% thanks to its proactive management of utilisation ratios. Our fair value range of EUR 13.5-16.5 per share is based on DCF analysis and backed up by a peer group comparison.

Acquisition will add 14% to annual net sales

Incap paid EUR 17.1m for Pennatronics, leading the transaction's EV/EBIT to be 7.8x (Incap 9.0x). We do not consider this to be expensive for Incap as it widens the customer portfolio and creates an important production platform in the US. The company can also offer its low-cost production model in India to its new customers in the US. Pennatronics makes motor control systems, analytical and test instruments and other components and devices for healthcare, automotive and industrial customers. Pennatronics has 102 workers, two SMT assembly lines and 6,500 m^2 of floor space in Pennsylvania. Its EBIT margin is close to 8% (Incap: 14%).

Incap has guided for revenue to decline in 2023 y/y

We forecast net sales of EUR 59m (Refinitiv: EUR 57m) in Q2. Our EBIT forecast is EUR 7.7m (Refinitiv: EUR 7m). Incap's biggest customer represented EUR 177m of net sales last year. We forecast that a customer-specific need for destocking could lower this revenue by 20% in 2023. Visibility for H2 2023 is low but we do not expect a 50% (EUR 88m) y/y cut to orders from the biggest customer. On the group level, we therefore expect organics sales to decline 12% y/y. The company has been relatively confident on profitability regardless of declining revenues, which to us means that the workforce in the Indian factory is adjustable.

Warranted valuation premium compared to peers

Incap is valued below peers at 2024E EV/EBIT of 7.9x. However, we believe that a small premium is warranted when adjusting valuation for yield on invested capital. We base our fair value range of EUR 13.5-16.5 per share on a combination of peer group 2023E-24E multiples and a DCF analysis.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	71	106	170	264	246	285	308
EBITDA (adj)	11	16	29	43	36	42	46
EBIT (adj)	10	13	26	39	32	37	41
EBIT (adj) margin	14.2%	11.8%	15.3%	14.7%	12.9%	13.0%	13.2%
EPS (adj, EUR)	0.29	0.40	0.72	0.94	0.77	0.89	0.98
EPS (adj) growth	7.3%	40.3%	78.2%	30.8%	-18.3%	16.4%	10.0%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	0.9	0.8	2.7	2.0	1.3	1.0	0.9
EV/EBIT (adj)	6.3	7.1	17.8	13.2	9.8	7.9	6.6
P/E (adj)	10.1	9.1	21.8	18.2	13.9	12.0	10.9
P/BV	2.9	2.2	7.3	5.7	2.9	2.3	1.9
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	8.9%	0.7%	0.8%	-1.5%	12.2%	4.7%	7.7%
Net debt	0	5	2	14	-8	-22	-46
Net debt/EBITDA	0.0	0.3	0.1	0.3	-0.2	-0.5	-1.0
ROIC after tax	36.3%	27.4%	34.5%	34.4%	23.0%	25.6%	26.1%

Source: Company data and Nordea estimates

Estimate revisions

ESTIMATE REVISIONS

	New estimates				Old estimates				Difference %			
	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E
Sales	59	246	285	308	59	232	257	280	0%	6%	11%	10%
Adj. EBIT	8	32	37	41	8	32	35	38	0%	-2%	6%	7%
Adj. EBIT margin	13.2%	12.9%	13.0%	13.2%	13.2%	13.9%	13.6%	13.5%	0.0pp	-1.0pp	-0.6pp	-0.3pp
Adj. EPS	0.19	0.77	0.89	0.98	0.19	0.79	0.86	0.93	-1%	-3%	4%	6%

Source: Nordea estimates

Quarterly estimates

ESTIMATES BY QUARTER (EURm)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23E	Q3 23E	Q4 23E
Incap Group												
Sales	37.7	33.6	47.0	51.4	53.3	61.2	70.6	78.7	72.7	58.6	57.5	56.8
Sales growth (%)	55%	49%	67%	63%	41%	82%	50%	53%	36%	-4%	-19%	-28%
Adj. EBITDA	6.4	5.0	8.6	9.3	7.8	9.4	11.8	13.8	12.4	8.7	7.7	7.6
Adj. EBITDA margin (%)	17%	15%	18%	18%	15%	15%	17%	18%	17%	15%	13%	13%
Adj. EBIT	5.7	4.3	7.9	8.6	7.0	8.6	11.0	13.0	11.4	7.8	6.5	6.4
Adj. EBIT margin (%)	15%	13%	17%	17%	13%	14%	16%	17%	16%	13%	11%	11%
Net financials	-0.1	-0.1	-0.1	-0.1	-0.6	-0.6	-0.6	-0.6	-0.4	-0.4	-0.6	-0.6
PTP	5.4	4.2	7.7	8.3	6.2	8.0	10.3	12.3	10.9	7.3	5.8	5.7
Net result adj.	4.7	3.5	6.6	7.2	5.2	6.4	8.4	10.0	8.5	5.6	4.5	4.4
Net result	4.5	3.5	6.5	7.0	5.0	6.4	8.3	9.9	8.4	5.5	4.4	4.3
EPS adj. (EUR)	0.81	0.60	1.12	1.22	0.18	0.22	0.29	0.34	0.29	0.19	0.15	0.15
EPS (EUR)	0.77	0.60	1.10	1.19	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.15

Source: Company data and Nordea estimates

Peer group financials

PEER GROUP FINANCIALS

	SALES (EURm)				SALES GROWTH				EBIT MARGIN			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Hon Hai Precision Industry Co Ltd	190,273	202,514	187,358	197,982	12%	11%	-1%	6%	2%	3%	3%	3%
Delta Electronics Inc	9,989	11,748	12,138	13,675	11%	22%	10%	13%	10%	11%	11%	12%
Jabil Inc	24,803	33,288	31,627	32,586	7%	14%	6%	3%	4%	5%	5%	5%
Pegatron Corp	40,040	40,264	38,579	39,662	-10%	4%	-1%	3%	1%	2%	2%	2%
Universal Scientific Industrial Shangh	7,658	9,282	8,412	9,216	16%	24%	-3%	10%	4%	5%	4%	4%
Fabrinet	1,575	2,143	2,400	2,559	14%	20%	17%	4%	9%	10%	11%	11%
Accton Technology Corp	1,892	2,359	2,394	2,636	9%	30%	10%	10%	9%	12%	13%	13%
Venture Corporation Ltd	2,026	2,695	2,435	2,556	3%	24%	-4%	5%	11%	12%	11%	11%
Sanmina Corp	5,828	8,052	8,570	8,682	-3%	17%	19%	3%	5%	5%	6%	6%
Inventec Corp	16,498	16,555	15,779	17,146	2%	4%	1%	9%	1%	1%	1%	2%
Plexus Corp	2,906	3,890	3,899	4,174	-1%	13%	15%	7%	5%	5%	5%	5%
Foxconn Interconnect Technology Ltd	3,950	4,233	4,221	4,556	4%	1%	2%	8%	3%	4%	6%	6%
Celestica Inc	4,957	6,774	6,937	7,256	-2%	29%	7%	5%	4%	5%	5%	5%
Ducommun Inc	568	666	707	762	3%	10%	8%	8%	8%	7%	9%	10%
Sercomm Corp	1,393	1,973	2,120	2,206	22%	47%	8%	6%	2%	4%	4%	5%
Note AB (publ)	257	331	n.a.	n.a.	41%	39%	n.a.	n.a.	10%	11%	n.a.	n.a.
Kitron ASA	365	643	791	855	-1%	76%	30%	8%	6%	7%	9%	9%
Scanfil Oyj	696	844	926	949	17%	21%	10%	3%	6%	5%	7%	7%
SIIX Corp	1,734	1,974	1,970	2,112	25%	22%	15%	7%	2%	3%	0%	0%
TT electronics PLC	567	697	735	740	10%	30%	7%	1%	7%	7%	8%	9%
Hanza AB	245	319	369	405	17%	41%	26%	10%	5%	6%	7%	8%
Cicor Technologies Ltd	231	317	383	408	11%	31%	21%	6%	5%	4%	5%	5%
Valuetronics Holdings Ltd	250	234	237	258	-3%	-11%	-1%	0%	9%	6%	5%	7%
Lacroix Group SA	501	708	769	802	14%	41%	9%	4%	3%	3%	4%	4%
Inission AB	125	172	197	207	21%	50%	38%	5%	3%	7%	7%	7%
Group median					**10.3%**	**22.2%**	**8.5%**	**5.9%**	**5.0%**	**5.2%**	**5.4%**	**5.8%**
Incap (Nordea)	170	264	246	285	59.4%	55.3%	-6.9%	16.0%	15.3%	14.7%	12.9%	13.0%
diff. from median (pp)					**49.2**	**33.2**	**-15.4**	**10.0**	**10.3**	**9.5**	**7.5**	**7.3**

Source: Company data, Refinitiv and Nordea estimates

Peer group valuation

PEER GROUP VALUATION

	P/E				EV/EBIT				P/B			
	2021	**2022**	**2023E**	**2024E**	**2021**	**2022**	**2023E**	**2024E**	**2021**	**2022**	**2023E**	**2024E**
Hon Hai Precision Industry Co Ltd	10.5	9.9	12.1	9.5	9.6	8.5	8.3	7.5	1.1	1.0	1.0	0.9
TT Electronics	26.8	22.9	26.5	22.1	23.7	18.5	21.1	17.4	5.7	5.1	4.7	4.2
Jabil Inc	13.5	8.7	13.2	12.1	9.2	7.0	9.6	9.1	8.4	5.9	4.9	4.1
Pegatron Corp	8.9	11.2	12.8	11.6	11.9	9.1	11.4	10.0	1.2	1.1	1.1	1.1
Universal Scientific Industrial Shangh	19.3	12.0	13.2	11.2	17.0	10.9	11.9	10.4	2.6	2.2	1.9	1.7
Fabrinet	24.1	15.5	16.3	15.9	19.9	12.6	13.7	13.4	4.1	3.5	3.0	2.6
Accton Technology Corp	31.1	16.2	25.5	22.5	25.7	12.5	19.1	17.0	14.7	11.9	9.0	7.5
Foxconn Interconnect Technology	17.1	13.5	12.6	11.8	13.0	9.6	8.8	8.3	1.6	1.5	1.4	1.4
Sanmina Corp	9.8	11.4	9.1	8.6	7.4	6.6	5.7	5.5	1.3	1.4	n.a.	n.a.
Inventec Corp	13.8	15.5	38.9	30.3	25.0	16.8	33.0	25.8	4.7	4.4	4.2	4.0
Universal Scientific Industrial	19.1	18.0	19.0	15.8	14.1	14.5	13.9	12.2	2.8	2.6	2.5	2.1
Foxconn Interconnect Technology Ltd	9.8	11.0	7.5	6.5	14.2	7.7	5.2	4.7	0.5	0.5	0.5	0.4
Celestica Inc	13.6	9.6	7.9	7.3	10.3	6.6	6.1	5.8	1.5	0.8	1.2	n.a.
Ducommun Inc	4.2	21.5	19.2	14.7	15.4	15.7	11.4	9.7	1.8	1.2	1.3	1.1
Sercomm Corp	22.9	10.6	12.5	11.0	20.6	8.4	9.1	7.7	3.4	2.9	2.6	2.4
Note AB (publ)	34.4	20.4	n.a.	n.a.	25.5	13.7	n.a.	n.a.	8.3	4.7	n.a.	n.a.
Kitron ASA	28.4	18.8	11.9	11.6	21.7	19.4	11.3	10.5	5.5	4.6	4.2	3.6
Scanfil Oyj	16.4	12.2	14.3	14.1	13.8	11.3	12.3	12.1	3.4	3.0	2.6	2.3
SIIX Corp	14.7	12.8	9.1	7.7	22.0	12.3	n.a.	n.a.	1.2	1.0	0.9	0.8
TT electronics PLC	35.6	10.2	8.1	7.3	16.0	10.2	8.1	7.4	0.9	0.9	0.9	0.8
Hanza AB	28.6	15.5	14.6	12.8	23.3	13.4	12.2	10.8	5.1	4.0	3.0	2.5
Cicor Technologies Ltd	20.6	34.8	25.6	18.3	18.0	10.3	10.1	9.2	1.4	1.2	1.1	1.1
Valuetronics Holdings Ltd	8.1	11.9	10.5	10.2	2.0	3.3	2.4	1.9	1.1	1.0	0.9	n.a.
Lacroix Group SA	9.6	10.9	10.8	8.4	18.9	13.4	n.a.	n.a.	1.2	0.7	n.a.	n.a.
Inission AB	128.0	11.0	14.5	13.3	63.3	8.8	11.6	11.1	4.2	2.1	3.2	2.7
Group median	**17.1**	**12.2**	**13.0**	**11.7**	**17.0**	**10.9**	**11.4**	**9.9**	**2.6**	**2.1**	**2.2**	**2.2**
Incap (Nordea)	21.8	18.2	13.8	11.9	3.6	13.2	9.7	7.9	1.5	5.7	2.8	2.3
diff. from average	28%	49%	6%	1%	-79%	22%	-15%	-20%	-44%	169%	28%	3%

Source: Refinitiv and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**31**	**39**	**49**	**59**	**71**	**106**	**170**	**264**	**246**	**285**	**308**
Revenue growth	65.2%	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-6.9%	16.0%	8.0%
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	4	4	5	9	11	16	29	43	36	42	46
Depreciation and impairments PPE	0	0	0	-1	-1	-2	-3	-3	-4	-5	-5
of which leased assets	0	0	0	0	-1	-1	-1	-1	-2	-2	-2
EBITA	4	4	5	9	10	14	26	39	32	37	41
Amortisation and impairments	0	0	0	0	0	-1	-1	0	0	0	0
EBIT	4	4	5	9	10	13	26	39	32	37	41
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	0	-1	-1	-1	0	-1	0	-2	-2	-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	**3**	**3**	**4**	**8**	**10**	**12**	**26**	**37**	**30**	**35**	**38**
Reported taxes	-1	-1	-1	-2	-3	-2	-5	-9	-7	-8	-9
Net profit from continued operations	2	2	3	6	6	9	21	28	23	26	29
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	2	2	3	6	6	9	21	28	23	26	29
EPS, EUR	**n.a.**	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.77**	**0.89**	**0.98**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	12.1%	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	14.9%	14.9%	15.0%
EBITA	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	13.0%	13.2%	13.3%
EBIT	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.9%	13.0%	13.2%
Adjusted earnings											
EBITDA (adj)	4	4	5	9	11	16	29	43	36	42	46
EBITA (adj)	4	4	5	9	10	14	26	39	32	37	41
EBIT (adj)	4	4	5	9	10	13	26	39	32	37	41
EPS (adj, EUR)	n.a.	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.77	0.89	0.98
Adjusted profit margins in percent											
EBITDA (adj)	12.1%	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	14.9%	14.9%	15.0%
EBITA (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	13.0%	13.2%	13.3%
EBIT (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.9%	13.0%	13.2%
Performance metrics											
CAGR last 5 years											
Net revenue	-12.4%	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	33.0%	32.0%	23.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	31.9%	30.0%	23.7%
EBIT	n.m.	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	29.6%	29.7%	26.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	23.5%	25.5%	19.5%
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	-1.8%	0.9%	4.3%	11.1%	12.4%	12.2%	13.6%	14.4%	13.9%	13.6%	13.7%
Average EBITDA margin	-1.8%	1.2%	4.8%	11.8%	13.5%	14.1%	15.6%	16.2%	15.9%	15.6%	15.5%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	9.6	7.4	4.6	10.1	9.1	21.8	18.2	13.9	12.0	10.9
EV/EBITDA (adj)	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	8.4	6.9	5.8
EV/EBITA (adj)	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	9.6	7.8	6.6
EV/EBIT (adj)	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	9.8	7.9	6.6

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	9.6	7.4	4.6	10.1	9.1	21.8	18.2	13.9	12.0	10.9
EV/Sales	0.00	0.67	0.57	0.50	0.89	0.84	2.72	1.95	1.25	1.03	0.88
EV/EBITDA	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	8.4	6.9	5.8
EV/EBITA	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	9.6	7.8	6.6
EV/EBIT	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	9.8	7.9	6.6
Dividend yield (ord.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.m.	0.7%	5.4%	7.1%	9.8%	-5.6%	1.0%	-1.2%	7.4%	5.2%	8.3%
FCF Yield bef A&D, lease adj	n.m.	0.7%	5.4%	7.1%	8.9%	0.7%	0.8%	-1.5%	12.2%	4.7%	7.7%
Payout ratio	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Intangible assets	0	1	1	1	1	12	12	11	12	12	12
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	5	5	4	4	3	3
of which goodwill	0	1	1	1	1	7	8	7	9	9	9
Tangible assets	0	3	3	5	7	11	14	21	24	26	28
of which leased assets	0	0	0	0	2	6	7	7	5	5	5
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	1	1	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	1	1	0	0	0	0	1	1	1	1
Total non-current assets	0	5	5	6	9	24	27	33	38	39	41
Inventory	0	6	8	12	11	24	59	92	76	76	76
Accounts receivable	0	8	9	12	11	24	34	36	41	56	61
Short-term leased assets	0	0	0	0	0	0	0	0	2	2	2
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	0	2	3	3	6	4	9	8	48	59	79
Total current assets	0	16	20	26	28	52	102	136	167	194	218
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	**0**	**21**	**25**	**32**	**36**	**76**	**129**	**169**	**205**	**233**	**259**
Shareholders equity	0	8	10	16	22	39	63	87	110	136	165
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	0	8	10	16	22	39	63	87	110	136	165
Deferred tax	0	0	0	0	0	1	1	1	1	1	1
Long term interest bearing debt	0	4	2	1	2	2	1	5	26	23	20
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	1	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	2	3	2	5	5	5	5
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	0	4	2	1	6	9	6	13	33	30	27
Short-term provisions	0	0	0	1	0	1	0	0	1	1	2
Accounts payable	0	5	7	10	7	25	53	57	50	56	57
Current lease debt	0	0	0	0	1	1	1	2	2	2	2
Other current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	0	4	5	5	1	2	6	9	8	7	6
Total current liabilities	0	9	12	15	10	30	60	68	61	66	67
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**0**	**21**	**25**	**32**	**37**	**77**	**130**	**168**	**205**	**233**	**259**
Balance sheet and debt metrics											
Net debt	0	6	4	3	0	5	2	14	-8	-22	-46
of which lease debt	0	0	0	0	2	5	4	7	7	7	7
Working capital	0	9	10	14	14	23	40	71	66	77	80
Invested capital	0	14	15	19	23	47	67	104	104	116	121
Capital employed	0	16	18	21	28	48	74	109	151	173	198
ROE	n.m.	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	22.9%	21.4%	19.2%
ROIC	n.m.	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	23.0%	25.6%	26.1%
ROCE	n.m.	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	24.7%	23.1%	22.1%
Net debt/EBITDA	0.0	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.2	-0.5	-1.0
Interest coverage	-10.6	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	15.1	14.3	15.2
Equity ratio	n.m.	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	53.8%	58.7%	63.8%
Net gearing	n.m.	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-6.9%	-16.3%	-28.1%

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	**4**	**4**	**5**	**9**	**11**	**16**	**29**	**43**	**36**	**42**	**46**
Paid taxes	0	-1	-9	-2	-3	-3	-5	-5	-7	-8	-9
Net financials	0	-1	0	0	0	-1	-1	-1	-2	-2	-2
Change in provisions	0	0	0	1	1	-1	0	0	1	0	0
Change in other LT non-IB	0	-1	0	1	0	1	0	0	0	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	-1	1	8	-1	-2	0	2	-2	0	0	0
Funds from operations (FFO)	**2**	**2**	**4**	**7**	**8**	**13**	**25**	**35**	**28**	**32**	**35**
Change in NWC	-1	-1	-2	-3	0	-8	-16	-36	16	-11	-3
Cash flow from operations (CFO)	**1**	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**44**	**21**	**32**
Capital expenditure	0	-1	-1	-2	-1	-3	-5	-5	-4	-5	-6
Free cash flow before A&D	**1**	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**40**	**17**	**26**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	-7	-1	0	-17	0	0
Free cash flow	1	0	1	2	6	-5	4	-6	23	17	26
Free cash flow bef A&D, lease adj	1	0	1	2	6	1	4	-8	39	15	24
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	0	0	0	0	0	11	0	0	0	0	0
Net change in debt	0	0	0	-2	-2	-6	2	6	20	-4	-4
Other financing adjustments	0	0	0	0	0	0	0	0	-2	-2	-2
Other non-cash adjustments	-1	2	0	0	0	-1	0	-1	0	0	0
Change in cash	0	2	1	0	3	-2	5	-2	41	11	20
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	80.2%	88.7%	98.2%
Capex/Sales	0.0%	2.5%	1.4%	3.7%	1.6%	2.6%	2.7%	2.1%	1.6%	1.7%	1.8%
Key information											
Share price year end (/current)	1	1	1	1	3	4	16	17	11	11	11
Market cap.	0	20	23	27	63	84	460	501	316	316	316
Enterprise value	0	26	28	30	63	90	462	515	308	293	269
Diluted no. of shares, year-end (m)	0.0	21.8	21.8	21.8	21.8	22.9	29.3	29.3	29.4	29.4	29.4

Source: Company data and Nordea estimates

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Nordea Bank Abp

Nordea IB & Equity Division, Equity 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 Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650