

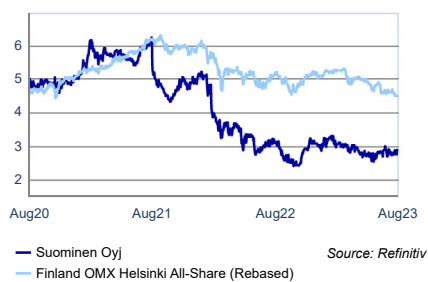
## Suominen

Consumer Goods  
Finland

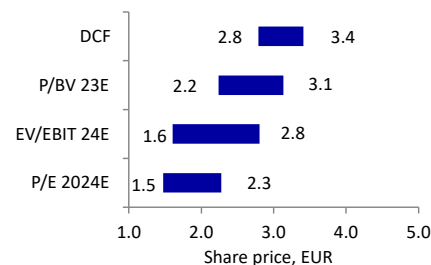
## KEY DATA

Stock country	Finland
Bloomberg	SUY1V.FH
Reuters	SUY1V.HE
Share price (close)	EUR 2.94
Free float	76%
Market cap. (bn)	EUR 0.17/EUR 0.17
Website	www.suominen.fi
Next report date	27 Oct 2023

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-8%	-8%	-8%
EBIT (adj)	-88%	-45%	-39%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Harri Taittonen  
Director

## Outlook suggests margin recovery from H1 lows

Suominen reported weaker than expected Q2 earnings but continues to anticipate stronger earnings in H2. We lower our comparable EBITDA estimate for 2023 to EUR 20m, and our DCF- and multiples-based fair value range is reduced to EUR 2.6-3.3, owing to the lowered near-term outlook.

## Q2 comparable EBITDA of EUR 2.7m falls short of estimates

Suominen's Q2 comparable EBITDA amounted to EUR 2.7m (Vara consensus: EUR 4.3m) on sales of EUR 113m, 6% below consensus. Reported EBITDA was EUR -1.9m as it included EUR -4.6m in one-off items, mainly related to the closure of the Mozzate plant in Italy in April. Sales growth followed different paths in Suominen's two main markets: we estimate sales in Americas declined organically by ~11% y/y, while sales in Europe declined by 20% y/y, partly due to the Mozzate plant closure. Management notes that demand in Americas was reasonable, while the market balance in Europe is affected by slow demand accompanied by increased availability from local and imported supply. Cash flow from operations in Q2 was EUR 6.4m and exceeded our estimate of EUR 1.4m, largely owing to the release of EUR 9m from working capital. Net debt amounted to EUR 55m, unchanged q/q despite the dividend payment of EUR 6m, and corresponding to net gearing of 44%.

## Management continues to anticipate stronger earnings in H2

Suominen reiterated its guidance and expects comparable EBITDA to increase in 2023 from EUR 15m in 2022, which implies that comparable EBITDA should exceed EUR 10m in H2 versus EUR 5m in H1. With the new CEO, Tommi Björnman, at the helm since 1 April, Suominen maintains its strategy and strives to differentiate its produce from low-priced competition by focusing on innovation and sustainability-driven product and process development. An upgraded production line starting in Nakkila in H2 2023 will enhance Suominen's offering in this regard.

## We lower 2023E comparable EBITDA to EUR 20m

We lower our sales estimate for 2023 by 8% (EUR 39m) owing to slow demand and lower input costs pushing down sales prices, and we lower 2023E comparable EBITDA by EUR 10m (34%). We estimate a fair value range of EUR 2.6-3.3 (2.9-3.9), based on a combination of four valuation approaches (DCF, 2023E P/BV, 2024E EV/EBIT and 2024E P/E).

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	411	459	443	493	457	472	492
EBITDA (adj)	34	61	47	15	20	33	37
EBIT (adj)	8	39	27	-4	1	14	18
EBIT (adj) margin	2.0%	8.6%	6.1%	-0.8%	0.3%	3.0%	3.6%
EPS (adj, EUR)	0.00	0.52	0.36	-0.16	-0.09	0.13	0.20
EPS (adj) growth	113.1%	3,268.1%	-31.6%	-143.7%	45.1%	256.9%	46.7%
DPS (ord, EUR)	0.05	0.20	0.20	0.10	0.10	0.13	0.14
EV/Sales	0.5	0.7	0.8	0.5	0.5	0.5	0.4
EV/EBIT (adj)	24.8	8.4	13.0	n.m.	167.2	15.6	11.8
P/E (adj)	n.m.	9.8	14.6	n.m.	n.m.	22.0	15.0
P/BV	1.0	2.0	1.8	1.2	1.3	1.3	1.3
Dividend yield (ord)	2.2%	3.9%	3.9%	3.3%	3.4%	4.4%	4.8%
FCF Yield bef A&D, lease	14.6%	15.6%	-2.2%	2.4%	2.8%	8.6%	10.4%
Net debt	69	37	50	55	56	47	36
Net debt/EBITDA	2.0	0.6	1.1	3.8	3.5	1.4	1.0
ROIC after tax	2.9%	14.5%	9.7%	-1.5%	0.5%	5.6%	7.4%

Source: Company data and Nordea estimates

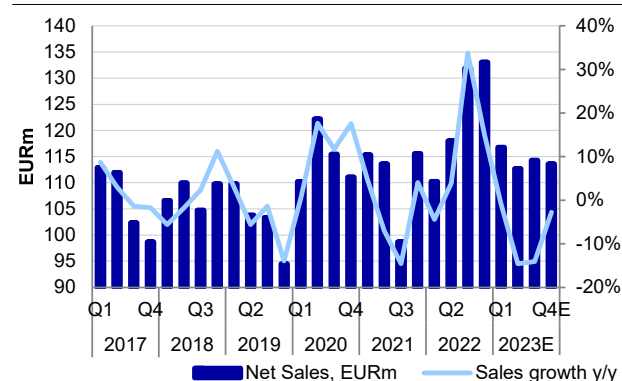
# Q2 2023 results

## Q2 2023 RESULTS VS. EXPECTATIONS

EURm	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual	Actual	Actual
	Q2 23	Q2 23E	vs. actual	Q2 23E	vs. actual	Q1 23	q/q	Q2 22	y/y
Sales	112.7	118.9	-6.2 -5%	119.6	-6.9 -6%	116.8	-4%	118.0	-5%
Comparable EBITDA	2.7	5.0	-2.3 -46%	4.3	-1.6 -37%	2.6	4%	1.9	45%
EBITDA margin	2.4%	4.2%	-1.8pp	3.6%	-1.2pp	2.2%	0.2pp	1.6%	0.8pp
Reported operating profit	-6.7	0.3	-7.0 n.a.	0.7	-7.4 n.a.	-2.0	n.a.	-2.9	n.a.
Operating margin	-5.9%	0.3%	-6.2pp	0.6%	-6.5pp	-1.7%	-4.2pp	-2.5%	-3.5pp
EPS	-0.14	-0.04	-0.10 n.a.	-0.02	-0.12 n.a.	-0.07	n.a.	-0.04	n.a.

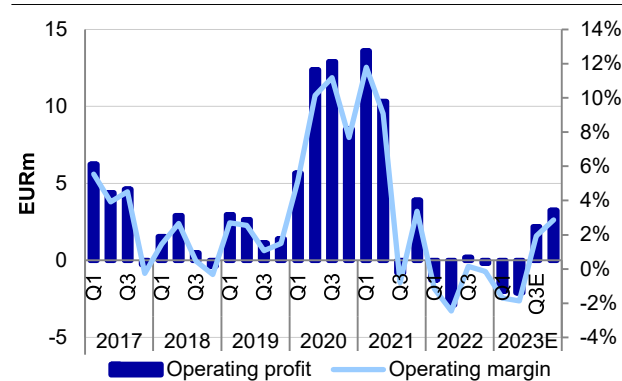
Source: Vara Research and Nordea estimates

## QUARTERLY SALES (EURm) AND SALES GROWTH Y/Y (%)



Source: Company data and Nordea estimates

## QUARTERLY EBIT (EURm) AND OPERATING MARGIN (%)



Source: Company data and Nordea estimates

## Q2 2023 CASH FLOWS AND BALANCE SHEET

EURm	Actual	NDA est.	Deviation	Actual	Actual	Actual	Actual
	Q2 23	Q2 23E	vs. actual	Q1 23	q/q	Q2 22	y/y
Profit for the period	-8.2	-2.4		-3.9		-2.3	
Adjustments	8.1	4.0		6.2		4.6	
Cash before WC	-0.1	1.6		2.3		2.3	
Change in working capital	9.0	1.0		3.1		10.9	
Financial items	-1.7	-1.0		-1.1		-1.3	
Income taxes	-0.9	-0.2		-1.0		0.0	
Cash flow from operations	6.4	1.4	5.0	3.3		11.9	
Investments	-1.8	-3.0		-1.9		-2.3	
Sales of property, plant, equip	0.0	0.0		0.0		0.0	
Sales of equity investments	0.0	0.0		0.0		0.0	
Cash from investments	-1.8	-3.0		-1.8		-2.3	
Free cash flow	4.6	-1.6		1.4		9.7	
Dividends	-5.8	-5.8		0.0		-11.5	
Net debt	55.4	62.2	-6.8 -11%	54.8	1%	53.6	3%
Equity	127.3	131.9	-4.6 -3%	140.1	-9%	158.1	-19%
Net gearing	43.5	47.2	-3.7pp	39.1	4.4pp	33.9	9.6pp

Source: Company data and Nordea estimates

## QUARTERLY EARNINGS, 2021-23E

EURm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23E	Q4 23E
Sales	115.3	113.6	98.7	115.6	110.3	118.0	131.9	133.1	116.8	112.7	114.3	113.6
growth y/y	4.7%	-7.0%	-14.5%	4.1%	-4.4%	3.9%	33.7%	15.1%	5.9%	-4.5%	-13.4%	-14.7%
- Americas	71.9	67.4	57.0	68.9	61.7	64.2	80.3	81.8	75.0	69.8	73.5	72.6
- Europe	43.4	46.3	41.6	46.7	48.5	53.8	51.7	51.5	41.8	42.9	40.8	40.9
- Other/eliminations	0.0	-0.1	0.1	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Comparable EBITDA	18.5	15.3	4.2	9.0	3.3	1.9	5.1	5.0	2.6	2.7	7.0	8.1
- margin	16.1%	13.5%	4.3%	7.8%	3.0%	1.6%	3.9%	3.7%	2.2%	2.4%	6.1%	7.1%

Source: Company data and Nordea estimates

## OPERATING PROFIT BRIDGE (EURm), 2023E-25E

Bridge	2023E	2024E	2025E
EURm			
Previous year comparable EBIT	-4.2	1.4	14.0
Volume	-2.5	3.9	4.3
Price	-17.7	4.6	7.7
Cost deflation (inflation)	23.6	3.2	-8.3
Currency	0.1	0.0	0.0
Structural	0.0	0.0	0.0
Savings through efficiencies	2.0	1.0	0.0
Change in EBIT	5.5	12.6	3.7
Current year EBIT	1.4	14.0	17.7
Change y/y, %	n.m.	932%	26%

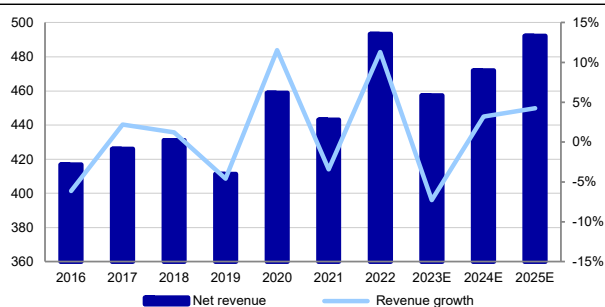
Source: Nordea estimates

## EARNINGS REVISIONS

EURm	Q2 actual and new estimates				Old estimates				Difference %			
	Q2 23	2023E	2024E	2025E	Q2 23E	2023E	2024E	2025E	Q2 23E	2023E	2024E	2025E
Sales	113	457	472	492	119	496	512	534	-5%	-8%	-8%	-8%
- growth	-5%	-7%	3%	4%	1%	1%	3%	4%	-5.2pp	-7.9pp	0.1pp	0.1pp
Comparable EBITDA	3	20	33	37	5	31	44	48	-46%	-34%	-26%	-24%
EBITDA margin	2.4%	4.5%	7.0%	7.5%	4.2%	6.2%	8.7%	9.0%	-1.8pp	-1.7pp	-1.7pp	-1.6pp
Comparable op profit	-2	1	14	18	0	12	25	29	n.a.	n.a.	-45%	-39%
Operating margin	-1.9%	0.3%	3.0%	3.6%	0.3%	2.4%	5.0%	5.5%	-2.1pp	-2.1pp	-2.0pp	-1.9pp
Pre-tax profit	-8	-9	10	15	-3	5	22	27	n.a.	n.a.	-55%	-46%
EPS	-0.14	-0.17	0.13	0.20	-0.04	0.05	0.30	0.36	n.a.	n.a.	-55%	-46%
DPS		0.10	0.13	0.14		0.10	0.13	0.14			0%	0%
Volume growth (est)	2.0%	-1.7%	2.6%	2.6%	0.0%	3.3%	2.6%	2.6%	2.0pp	-5.0pp	0.0pp	0.0pp
ASP change (est)	-5.2%	-3.6%	1.0%	1.6%	2.3%	-0.5%	1.0%	1.6%	-7.5pp	-3.1pp	0.0pp	0.0pp
Organic growth	-3.2%	-5.3%	3.6%	4.3%	2.3%	2.8%	3.6%	4.2%	-5.5pp	-8.1pp	0.0pp	0.1pp
FX impact on topline	-1.4%	-2.0%	-0.4%	0.0%	-1.6%	-2.2%	-0.5%	0.0%		0.2pp	0.0pp	0.0pp
Raw material price inflation		-7.2%	-1.5%	2.2%		-4.0%	-1.5%	2.2%		-3.2pp	0.0pp	0.0pp

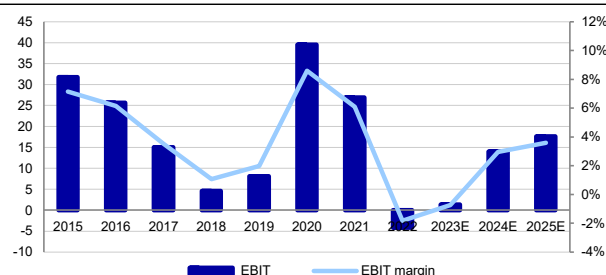
Source: Company data and Nordea estimates

## SALES (EURm) AND SALES GROWTH (%), 2016-25E



Source: Company data and Nordea estimates

## OPERATING PROFIT (EURm) AND MARGIN (%), 2015-25E



Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Total revenue</b>	<b>444</b>	<b>417</b>	<b>426</b>	<b>431</b>	<b>411</b>	<b>459</b>	<b>443</b>	<b>493</b>	<b>457</b>	<b>472</b>	<b>492</b>
Revenue growth	10.5%	-6.1%	2.2%	1.2%	-4.6%	11.5%	-3.4%	11.3%	-7.3%	3.2%	4.3%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.9%	-5.3%	3.6%	4.3%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.4%	-2.0%	-0.4%	0.0%
EBITDA	49	44	34	26	34	61	47	14	16	33	37
Depreciation and impairments PPE	-18	-18	-19	-21	-26	-21	-20	-23	-19	-19	-19
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	32	26	15	5	8	39	27	-9	-3	14	18
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	32	26	15	5	8	39	27	-9	-3	14	18
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	-5	-3	-3	-6	-6	-6	0	-3	-5	-4	-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
<b>Pre-tax profit</b>	<b>26</b>	<b>22</b>	<b>12</b>	<b>-1</b>	<b>2</b>	<b>34</b>	<b>27</b>	<b>-12</b>	<b>-9</b>	<b>10</b>	<b>15</b>
Reported taxes	-9	-7	2	-1	-2	-4	-6	-2	-1	-2	-3
Net profit from continued operations	17	15	14	-2	0	30	21	-14	-10	8	11
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	17	15	14	-2	0	30	21	-14	-10	8	11
<b>EPS, EUR</b>	<b>0.34</b>	<b>0.30</b>	<b>0.25</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.52</b>	<b>0.36</b>	<b>-0.24</b>	<b>-0.17</b>	<b>0.13</b>	<b>0.20</b>
DPS, EUR	0.02	0.11	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.13	0.14
of which ordinary	0.02	0.11	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.13	0.14
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	11.1%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	2.9%	3.4%	7.0%	7.5%
EBITA	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-0.7%	3.0%	3.6%
EBIT	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-0.7%	3.0%	3.6%

## Adjusted earnings

EBITDA (adj)	49	44	34	26	34	61	47	15	20	33	37
EBITA (adj)	32	26	15	5	8	39	27	-4	1	14	18
EBIT (adj)	32	26	15	5	8	39	27	-4	1	14	18
EPS (adj, EUR)	0.34	0.30	0.25	-0.03	0.00	0.52	0.36	-0.16	-0.09	0.13	0.20

## Adjusted profit margins in percent

EBITDA (adj)	11.1%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	4.5%	7.0%	7.5%
EBITA (adj)	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	0.3%	3.0%	3.6%
EBIT (adj)	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	0.3%	3.0%	3.6%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	-1.3%	-0.6%	0.5%	0.7%	1.2%	3.0%	1.2%	2.8%	1.4%
EBITDA	n.m.	n.m.	3.8%	-5.4%	-4.1%	4.3%	1.3%	-16.0%	-9.4%	-0.4%	-9.7%
EBIT	n.a.	n.a.	6.3%	-23.3%	-20.7%	4.5%	1.0%	n.m.	n.m.	11.5%	-14.9%
EPS	n.a.	n.a.	n.m.	n.m.	-47.9%	9.0%	3.5%	n.m.	n.m.	102.9%	-17.7%
DPS	n.m.	n.m.	n.m.	n.m.	0.0%	14.9%	12.7%	-1.9%	n.m.	21.1%	-6.9%
Average last 5 years											
Average EBIT margin	n.a.	5.2%	5.4%	4.9%	4.0%	4.3%	4.3%	3.1%	2.7%	2.9%	2.0%
Average EBITDA margin	n.a.	9.1%	9.5%	9.2%	8.8%	9.3%	9.3%	8.1%	7.6%	7.4%	6.2%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	18.4	13.8	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	22.0	15.0
EV/EBITDA (adj)	7.0	6.1	9.7	7.4	6.0	5.5	7.5	14.9	11.1	6.6	5.7
EV/EBITA (adj)	10.9	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	167.2	15.6	11.8
EV/EBIT (adj)	10.9	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	167.2	15.6	11.8

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	18.4	13.8	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	22.0	15.0
EV/Sales	0.78	0.64	0.79	0.44	0.49	0.73	0.79	0.46	0.50	0.46	0.42
EV/EBITDA	7.0	6.1	9.7	7.4	6.0	5.5	7.5	16.0	14.5	6.6	5.7
EV/EBITA	10.9	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	15.6	11.8
EV/EBIT	10.9	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	15.6	11.8
Dividend yield (ord.)	1.6%	2.7%	2.5%	0.0%	2.2%	3.9%	3.9%	3.3%	3.4%	4.4%	4.8%
FCF yield	1.6%	-10.0%	-4.6%	14.7%	14.6%	15.6%	-1.4%	2.4%	2.8%	8.6%	10.4%
FCF Yield bef A&D, lease adj	1.6%	-10.0%	-4.6%	14.7%	14.6%	15.6%	-2.2%	2.4%	2.8%	8.6%	10.4%
Payout ratio	29.6%	36.6%	43.6%	0.0%	1,284.7%	38.4%	56.2%	n.m.	n.m.	97.1%	71.3%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	29	30	33	37	36	32	29	25	25	25	25
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	13	14	17	21	20	17	13	10	10	10	10
of which goodwill	16	16	16	16	15	15	15	15	15	15	15
Tangible assets	98	136	137	129	136	122	131	128	119	111	102
of which leased assets	0	0	0	0	14	18	16	12	12	12	12
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	8	7	3	3	4	4	0	0	0	0	0
Deferred tax assets	4	3	5	3	2	4	2	1	1	1	1
Other non-IB non-current assets	1	1	1	1	1	1	0	0	0	0	0
Other non-current assets	2	3	2	1	0	0	0	0	0	0	0
Total non-current assets	142	179	180	174	178	164	162	155	146	137	128
Inventory	33	43	44	52	39	35	50	63	55	57	60
Accounts receivable	52	54	58	58	47	51	65	67	62	64	66
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	10	11	16	9	8	9	8	9	8	8	9
Cash and bank	56	30	27	28	38	58	101	50	34	27	53
Total current assets	150	137	145	147	132	154	225	188	159	157	188
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.
<b>Total assets</b>	<b>292</b>	<b>316</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>305</b>	<b>294</b>	<b>316</b>
Shareholders equity	126	143	136	131	132	146	163	146	130	132	136
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	126	143	136	131	132	146	163	146	130	132	136
Deferred tax	11	11	15	12	13	13	14	12	12	12	12
Long term interest bearing debt	94	87	95	81	82	83	49	49	34	19	34
Pension provisions	1	1	1	1	1	1	1	0	0	0	0
Other long-term provisions	0	0	0	0	0	2	2	2	0	0	0
Other long-term liabilities	0	0	0	0	2	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	10	15	13	11	14	14	14
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	106	99	111	94	107	114	79	75	60	45	60
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	56	65	63	75	53	55	57	79	73	76	79
Current lease debt	0	0	0	0	3	3	3	3	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	3	8	15	21	14	0	84	40	40	40	40
Total current liabilities	60	74	78	96	70	58	145	122	114	116	119
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>292</b>	<b>316</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>305</b>	<b>294</b>	<b>316</b>
<b>Balance sheet and debt metrics</b>											
Net debt	34	58	81	71	69	37	50	55	56	47	36
of which lease debt	0	0	0	0	13	17	16	14	14	14	14
Working capital	37	42	55	43	41	41	66	59	52	53	56
Invested capital	180	220	235	217	219	204	228	214	197	190	184
Capital employed	223	237	247	232	242	246	312	249	219	206	225
ROE	14.5%	11.4%	10.4%	-1.3%	0.2%	21.6%	13.4%	-9.0%	-7.0%	5.9%	8.5%
ROIC	14.4%	10.0%	5.1%	1.6%	2.9%	14.5%	9.7%	-1.5%	0.5%	5.6%	7.4%
ROCE	15.2%	11.1%	6.2%	1.9%	3.4%	16.2%	9.6%	-1.5%	0.6%	6.6%	8.2%
Net debt/EBITDA	0.7	1.3	2.4	2.8	2.0	0.6	1.1	3.8	3.5	1.4	1.0
Interest coverage	6.0	8.1	5.8	0.8	1.4	7.1	69.1	-3.1	-0.6	3.5	5.9
Equity ratio	43.1%	45.3%	41.8%	40.7%	42.7%	46.0%	42.2%	42.6%	42.8%	45.0%	43.1%
Net gearing	26.6%	40.7%	59.6%	54.7%	51.9%	25.4%	30.4%	37.4%	42.6%	35.2%	26.7%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>EBITDA (adj) for associates</b>	<b>49</b>	<b>44</b>	<b>34</b>	<b>26</b>	<b>34</b>	<b>61</b>	<b>47</b>	<b>14</b>	<b>16</b>	<b>33</b>	<b>37</b>
Paid taxes	-9	-7	2	6	-1	-2	-7	-3	-1	-2	-3
Net financials	-5	-3	-3	-5	-5	-4	-5	-5	-5	-4	-3
Change in provisions	0	0	0	0	0	2	0	0	-2	0	0
Change in other LT non-IB	1	1	-1	3	3	-4	3	1	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	0	-3	-3	-2	5	-1	-1	0	0	0
<b>Funds from operations (FFO)</b>	<b>35</b>	<b>35</b>	<b>30</b>	<b>27</b>	<b>28</b>	<b>58</b>	<b>36</b>	<b>6</b>	<b>7</b>	<b>27</b>	<b>30</b>
Change in NWC	-8	-6	-8	6	2	-1	-25	8	8	-2	-2
<b>Cash flow from operations (CFO)</b>	<b>27</b>	<b>29</b>	<b>22</b>	<b>32</b>	<b>30</b>	<b>57</b>	<b>11</b>	<b>14</b>	<b>15</b>	<b>25</b>	<b>28</b>
Capital expenditure	-22	-50	-34	-15	-11	-11	-18	-10	-10	-10	-10
<b>Free cash flow before A&amp;D</b>	<b>5</b>	<b>-21</b>	<b>-12</b>	<b>17</b>	<b>19</b>	<b>46</b>	<b>-7</b>	<b>4</b>	<b>5</b>	<b>15</b>	<b>18</b>
Proceeds from sale of assets	0	0	0	0	0	0	2	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	5	-21	-12	17	19	46	-4	4	5	15	18
Free cash flow bef A&D, lease adj	5	-21	-12	17	19	46	-7	4	5	15	18
Dividends paid	-3	-5	-6	-6	0	-3	-12	-11	-6	-6	-8
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	0	0	-8	-10	-17	57	-48	-15	-15	15
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	15	0	15	-3	0	-6	3	3	0	0	0
Change in cash	17	-26	-2	1	10	20	43	-52	-16	-6	25
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	n.m.	70.6%	41.2%	50.8%	87.9%	41.9%	52.9%	54.5%	54.5%
Capex/Sales	5.0%	11.9%	7.9%	3.4%	2.6%	2.4%	4.0%	2.0%	2.2%	2.2%	2.1%
<b>Key information</b>											
Share price year end (/current)	6	4	4	2	2	5	5	3	3	3	3
Market cap.	312	210	254	118	133	296	302	174	171	171	171
Enterprise value	345	268	335	189	202	333	351	229	227	218	208
Diluted no. of shares, year-end (m)	50.3	50.8	57.4	57.5	57.5	58.3	58.3	58.3	58.3	58.3	58.3

Source: Company data and Nordea estimates

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