Incap

Capital Goods
Finland

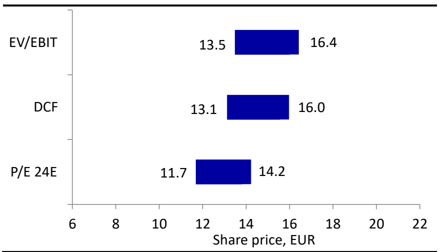
KEY DATA

Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 8.32
Free float	
Market cap. (bn)	EUR 0.24/EUR 0.24
Website	www.incapcorp.com
Next report date	27 Oct 2023

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-12%	-4%	-2%
EBIT (adj)	-13%	-5%	-2%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Destocking is taking longer than expected

Incap downgraded its 2023 guidance on 5 October due to weaker-than-expected orders from its main customer, which is conducting an inventory destocking. The midpoint of the new guidance for net sales is 13% below Refinitiv consensus. We believe the main customer's destocking process is a one-off event, and that higher interest rates and declining power prices have not permanently reduced investments in renewable energy. We trim our estimates for next year and our fair value range shifts slightly to EUR 12.7-15.6 (13.5-16.5) per share due to increased uncertainty in the medium term. Our fair value range is based on a DCF analysis, backed by a peer group comparison.

We estimate a drop in the EBIT margin to 10% in H2

The Pennatronics acquisition will add 14% to annual net sales, with ~6% of this being realised this year. We think reported revenue growth could be -42% in H2 2023, however, as the main customer has represented 67% of net sales. The EBIT margin was 14.7% in Q2, but we forecast that it will be 10% in H2 due to an acquisition and inventory destocking effect. Overall, we are not worried about relative profitability because the company can defend profitability through personnel reductions in India. The main risk to our estimates would be if Incap's main customer loses its competitive edge, because Incap as a contract manufacturer is successful when its customers are successful. The most recent acquisition in the US can at least slightly reduce its dependency on one big customer.

Visibility has weakened

On our new estimates, Incap's EV/EBIT for 2023 is 18% below its peer group. Our understanding is that underlying end demand for renewable energy will remain good regardless of increasing macroeconomic uncertainty. Annual global solar PV market growth could be 15-17% in 2024-27, according to SolarPower Europe. We believe that Incap should even manage to grow faster than the EMS markets (6-7%) over the medium term due to global investments in solar power. Thus, our base case scenario is that the destocking effect will end at the beginning of 2024 and that a bounceback effect and weak comparisons could lead to 26% revenue growth next year. For 2024, we expect an EBIT margin of 12.9%. However, Incap has weaker business visibility at present than during the past couple of years.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	71	106	170	264	215	271	298
EBITDA (adj)	11	16	29	43	33	40	45
EBIT (adj)	10	13	26	39	28	35	40
EBIT (adj) margin	14.2%	11.8%	15.3%	14.7%	13.1%	12.9%	13.3%
EPS (adj, EUR)	0.29	0.40	0.72	0.94	0.71	0.86	0.98
EPS (adj) growth	7.3%	40.3%	78.2%	30.8%	-25.0%	22.5%	13.8%
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	1.1	0.8	0.7
EV/EBIT (adj)	6.3	7.1	17.8	13.2	8.3	6.4	5.1
P/E (adj)	10.1	9.1	21.8	18.2	11.8	9.6	8.5
P/BV	2.9	2.2	7.3	5.7	2.3	1.8	1.5
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%	17.3%	3.8%	9.3%
Net debt	0	5	2	14	-11	-21	-43
Net debt/EBITDA	0.0	0.3	0.1	0.3	-0.4	-0.5	-1.0
ROIC after tax	36.3%	27.4%	34.5%	34.4%	21.2%	25.1%	25.7%

Source: Company data and Nordea estimates

Estimate revisions

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
Sales	41	215	271	298	57	244	281	303	-28%	-12%	-4%	-2%
Adj. EBIT	4	28	35	40	6	32	37	40	-34%	-13%	-5%	-2%
Adj. EBIT margin	10.3%	13.1%	12.9%	13.3%	11.3%	13.2%	13.1%	13.3%	-1.0pp	-0.2pp	-0.1pp	0.0pp
Adj. EPS	0.10	0.71	0.86	0.98	0.16	0.81	0.91	1.00	-36%	-13%	-5%	-2%

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 23	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	56.4	41.2	45.1
Sales growth (%)	55%	49%	67%	63%	41%	82%	50%	53%	36%	-8%	-42%	-43%
Adj. EBITDA	6.4	5.0	8.6	9.3	7.8	9.4	11.8	13.8	12.4	9.3	5.5	5.8
Adj. EBITDA margin (%)	17%	15%	18%	18%	15%	15%	17%	18%	17%	17%	13%	13%
Adj. EBIT	5.7	4.3	7.9	8.6	7.0	8.6	11.0	13.0	11.4	8.3	4.2	4.6
Adj. EBIT margin (%)	15%	13%	17%	17%	13%	14%	16%	17%	16%	15%	10%	10%
Net financials	-0.1	-0.1	-0.1	-0.1	-0.6	-0.6	-0.6	-0.6	-0.4	-0.2	-0.4	-0.4
PTP	5.4	4.2	7.7	8.3	6.2	8.0	10.3	12.3	10.9	7.3	3.8	4.1
Net result adj.	4.7	3.5	6.6	7.2	5.2	6.4	8.4	10.0	8.5	6.5	3.0	3.2
Net result	4.5	3.5	6.5	7.0	5.0	6.4	8.3	9.9	8.4	5.7	2.9	3.1
EPS adj. (EUR)	0.81	0.60	1.12	1.22	0.18	0.22	0.29	0.34	0.29	0.22	0.10	0.11
EPS (EUR)	0.77	0.60	1.10	1.19	0.17	0.22	0.28	0.34	0.28	0.19	0.10	0.11

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	183,200	196,185	12%	11%	-6%	7%	2%	3%	3%	3%
Delta Electronics Inc	9,989	11,748	12,358	13,975	11%	22%	10%	13%	10%	11%	11%	12%
Jabil Inc	24,803	33,288	32,010	32,390	7%	14%	4%	-2%	4%	5%	5%	5%
Pegatron Corp	40,040	40,264	38,065	39,356	-10%	4%	-5%	3%	1%	2%	1%	2%
Universal Scientific Industrial Shangh	7,658	9,282	8,149	9,104	16%	24%	-10%	12%	4%	5%	4%	4%
Fabrinet	1,575	2,143	2,425	2,584	14%	20%	17%	7%	9%	10%	11%	11%
Accton Technology Corp	1,892	2,359	2,457	2,810	9%	30%	10%	14%	9%	12%	13%	14%
Venture Corporation Ltd	2,026	2,695	2,272	2,409	3%	24%	-10%	6%	11%	12%	11%	11%
Sanmina Corp	5,828	8,052	8,232	8,454	-3%	17%	17%	3%	5%	5%	6%	6%
Inventec Corp	16,498	16,555	15,819	17,669	2%	4%	-1%	12%	1%	1%	1%	2%
Plexus Corp	2,906	3,890	3,818	3,999	-1%	13%	14%	5%	5%	5%	5%	5%
Foxconn Interconnect Technology Ltd	3,950	4,233	4,125	4,458	4%	1%	-3%	8%	3%	4%	5%	5%
Celestica Inc	4,957	6,774	7,240	7,599	-2%	29%	10%	5%	4%	5%	5%	5%
Ducommun Inc	568	666	703	760	3%	10%	8%	8%	8%	7%	8%	10%
Sercomm Corp	1,393	1,973	1,961	2,171	22%	47%	4%	11%	2%	4%	4%	4%
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	945	972	17%	21%	13%	3%	6%	5%	7%	7%
SIIX Corp	1,734	1,974	1,979	2,074	25%	22%	17%	6%	2%	3%	0%	0%
TT electronics PLC	567	697	745	746	10%	30%	7%	0%	7%	7%	8%	9%
Hanza AB	245	319	368	404	17%	41%	26%	10%	5%	6%	8%	8%
Cicor Technologies Ltd	231	317	402	426	11%	31%	27%	6%	5%	4%	5%	6%
Valuetronics Holdings Ltd	250	234	237	258	-3%	-11%	-1%	0%	9%	6%	5%	6%
Lacroix Group SA	501	708	771	799	14%	41%	9%	4%	3%	3%	3%	4%
Inission AB	125	172	189	198	21%	50%	41%	5%	3%	7%	7%	7%
Group median					**10.3%**	**22.2%**	**9.3%**	**6.1%**	**5.0%**	**5.2%**	**5.4%**	**5.7%**
Incap (Nordea)	170	264	215	271	59.4%	55.3%	-18.3%	25.6%	15.3%	14.7%	12.7%	12.9%
diff. from median (pp)					**49.2**	**33.2**	**-27.6**	**19.5**	**10.3**	**9.5**	**7.3**	**7.2**

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	11.6	9.4	9.6	8.5	8.2	7.2	1.0	0.9	0.9	0.9
TT Electronics	26.8	22.9	25.0	20.7	23.7	18.5	20.0	16.3	5.4	4.8	4.4	3.9
Jabil Inc	13.5	8.7	19.0	13.7	9.2	7.0	10.1	10.1	9.7	6.9	6.1	6.1
Pegatron Corp	8.9	11.2	13.5	11.8	11.9	9.1	13.1	10.4	1.2	1.1	1.1	1.0
Universal Scientific Industrial Shangh	19.3	12.0	13.8	11.3	17.0	10.9	13.1	11.1	2.5	2.1	1.8	1.6
Fabrinet	24.1	15.5	19.3	21.4	19.9	12.6	16.1	19.8	5.6	4.9	4.2	3.6
Accton Technology Corp	31.1	16.2	32.0	26.7	25.7	12.5	24.8	20.8	18.9	15.3	11.5	9.5
Foxconn Interconnect Technology	17.1	13.5	11.5	10.7	13.0	9.6	7.7	7.1	1.3	1.2	1.2	1.2
Sanmina Corp	9.8	11.4	8.4	7.9	7.4	6.6	5.7	5.6	1.3	1.5	n.a.	n.a.
Inventec Corp	13.8	15.5	29.8	20.8	25.0	16.8	25.4	18.2	3.4	3.2	3.0	2.9
Universal Scientific Industrial	19.1	18.0	16.9	15.7	14.1	14.5	14.2	12.5	2.6	2.4	2.3	2.0
Foxconn Interconnect Technology Ltd	9.8	11.0	6.1	5.5	14.2	7.7	4.3	3.9	0.4	0.3	0.4	0.3
Celestica Inc	13.6	9.6	10.8	9.7	10.3	6.6	8.2	7.7	2.3	0.8	2.0	n.a.
Ducommun Inc	4.2	21.5	17.5	13.0	15.4	15.7	15.1	11.3	1.6	1.0	1.0	0.9
Sercomm Corp	22.9	10.6	13.7	11.7	20.6	8.3	10.7	9.5	3.7	3.1	2.9	2.7
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	10.2	10.0	21.7	19.4	10.5	9.7	4.7	3.9	3.8	3.1
Scanfil Oyj	16.4	12.2	10.2	10.3	13.8	11.3	9.3	9.3	2.6	2.3	2.0	1.8
SIIX Corp	14.7	12.8	7.8	6.9	22.0	12.3	n.a.	n.a.	1.1	0.9	0.8	0.7
TT electronics PLC	35.6	10.4	8.5	7.7	16.0	10.2	8.4	7.7	0.9	0.9	0.9	0.9
Hanza AB	28.6	15.5	12.0	10.6	23.3	13.4	9.8	8.7	4.3	3.3	2.3	1.9
Cicor Technologies Ltd	20.6	34.8	18.7	14.7	18.0	10.3	9.7	8.8	1.5	1.3	1.1	1.0
Valuetronics Holdings Ltd	8.0	11.7	10.3	9.4	1.8	3.1	2.2	1.9	1.1	1.0	0.9	n.a.
Lacroix Group SA	9.6	10.9	9.3	7.2	18.9	13.4	12.1	9.6	1.0	0.7	n.a.	n.a.
Inission AB	105.0	11.0	11.7	11.1	54.9	8.8	10.1	9.5	3.5	1.7	2.3	2.0
Group median	**17.1**	**12.2**	**11.9**	**10.9**	**17.0**	**10.9**	**10.1**	**9.5**	**2.5**	**1.7**	**2.0**	**1.8**
Incap (Nordea)	21.8	18.2	11.8	9.6	3.6	13.2	8.3	6.4	1.5	5.7	2.3	1.8
diff. from average	28%	49%	-1%	-12%	-79%	22%	-18%	-33%	-41%	228%	15%	0%

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**	**215**	**271**	**298**
Revenue growth	65.2%	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-18.3%	25.6%	10.0%
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	32	40	45
Depreciation and impairments PPE	0	0	0	-1	-1	-2	-3	-3	-5	-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	28	35	40
Amortisation and impairments	0	0	0	0	0	-1	-1	0	0	0	0
EBIT	4	4	5	9	10	13	26	39	27	35	40
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	-1	-1	-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**	**26**	**33**	**38**
Reported taxes	-1	-1	-1	-2	-3	-2	-5	-9	-6	-8	-9
Net profit from continued operations	2	2	3	6	6	9	21	28	20	25	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	20	25	29
EPS, EUR	**n.a.**	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.68**	**0.86**	**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%	15.0%	14.9%	15.2%
EBITA	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	13.1%	13.4%
EBIT	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	12.9%	13.3%
Adjusted earnings											
EBITDA (adj)	4	4	5	9	11	16	29	43	33	40	45
EBITA (adj)	4	4	5	9	10	14	26	39	29	35	40
EBIT (adj)	4	4	5	9	10	13	26	39	28	35	40
EPS (adj, EUR)	n.a.	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.71	0.86	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%	15.3%	14.9%	15.2%
EBITA (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	13.2%	13.1%	13.4%
EBIT (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.1%	12.9%	13.3%
Performance metrics											
CAGR last 5 years											
Net revenue	-12.4%	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	29.6%	30.7%	22.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	28.8%	28.7%	23.2%
EBIT	n.m.	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.0%	28.2%	25.8%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.5%	24.6%	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%	15.6%

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	11.8	9.6	8.5
EV/EBITDA (adj)	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	7.1	5.6	4.5
EV/EBITA (adj)	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	8.2	6.3	5.0
EV/EBIT (adj)	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	8.3	6.4	5.1

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	12.2	9.6	8.5
EV/Sales	0.00	0.67	0.57	0.50	0.89	0.84	2.72	1.95	1.08	0.83	0.68
EV/EBITDA	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	7.2	5.6	4.5
EV/EBITA	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	8.4	6.3	5.0
EV/EBIT	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	8.5	6.4	5.1
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%	11.1%	4.5%	10.1%
FCF Yield bef A&D, lease adj	n.m.	0.7%	5.4%	7.1%	8.9%	0.7%	0.8%	-1.5%	17.3%	3.8%	9.3%
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	25	27
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	37	38	40
Inventory	0	6	8	12	11	24	59	92	69	75	77
Accounts receivable	0	8	9	12	11	24	34	36	36	54	59
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	52	57	76
Total current assets	0	16	20	26	28	52	102	136	159	188	214
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**	**196**	**226**	**254**
Shareholders equity	0	8	10	16	22	39	63	87	107	133	162
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	107	133	162
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	22	19	16
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	29	26	23
Short-term provisions	0	0	0	1	0	1	0	0	1	1	2
Accounts payable	0	5	7	10	7	25	53	57	44	53	55
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	12	11	10
Total current liabilities	0	9	12	15	10	30	60	68	59	67	69
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**	**196**	**226**	**254**
Balance sheet and debt metrics											
Net debt	0	6	4	3	0	5	2	14	-11	-21	-43
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	60	76	81
Invested capital	0	14	15	19	23	47	67	104	98	114	120
Capital employed	0	16	18	21	28	48	74	109	148	170	195
ROE	n.m.	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.6%	21.2%	19.6%
ROIC	n.m.	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	21.2%	25.1%	25.7%
ROCE	n.m.	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	22.2%	22.2%	22.0%
Net debt/EBITDA	0.0	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.4	-0.5	-1.0
Interest coverage	-10.6	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	19.0	20.5	22.6
Equity ratio	n.m.	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	54.9%	58.8%	63.8%
Net gearing	n.m.	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-10.6%	-15.5%	-26.8%

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**	**32**	**40**	**45**
Paid taxes	0	-1	-9	-2	-3	-3	-5	-5	-6	-8	-9
Net financials	0	-1	0	0	0	-1	-1	-1	-1	-1	-2
Change in provisions	0	0	0	1	1	-1	0	0	0	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**	**25**	**31**	**35**
Change in NWC	-1	-1	-2	-3	0	-8	-16	-36	22	-15	-5
Cash flow from operations (CFO)	**1**	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**48**	**16**	**30**
Capital expenditure	0	-1	-1	-2	-1	-3	-5	-5	-3	-5	-5
Free cash flow before A&D	**1**	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**44**	**11**	**25**
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	27	11	25
Free cash flow bef A&D, lease adj	1	0	1	2	6	1	4	-8	42	9	23
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	44	5	19
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	70.0%	84.4%	95.2%
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	8	8	8
Market cap.	0	20	23	27	63	84	460	501	245	245	245
Enterprise value	0	26	28	30	63	90	462	515	234	224	202
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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Completion Date

06 Oct 2023, 02:56 CET

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