Incap

Capital Goods
Finland

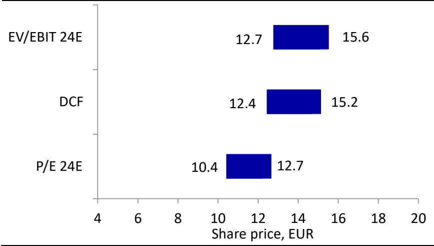
KEY DATA

Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 6.19
Free float	
Market cap. (bn)	EUR 0.18/EUR 0.18
Website	www.incapcorp.com
Next report date	

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	2%	-4%	-4%
EBIT (adj)	7%	-3%	-4%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Q3 was a relief but uncertainty on 2024 remains

Q3 net sales and clean EBIT were above Refinitiv consensus expectations. Excluding its largest customer, Incap's revenue grew by 20% y/y in Q3 2023. Profitability has remained at a good level despite the 29% decline in reported net sales y/y. Full-year guidance was reiterated but visibility is weak and volatility in orders could remain high in the near future. We still believe that the main customer's destocking process is a one-off event and likely will end in H1 2024. Our new fair value range of EUR 11.8-14.5 (12.7-15.6) per share is based on a DCF analysis backed by a peer group comparison.

Workforce has been adjusted to keep good utilisation ratios

Net sales were EUR 50m in Q3 compared to consensus at EUR 42.5m, and the adjusted operating profit margin was 12.7% versus consensus at 8.2%. The good profitability is chiefly a result of proactive management of utilisation ratios. Incap has reduced its headcount in India by over 1,000 (49%) in order to match capacity for the inventory destocking needs of the main customer. However, the full impact of destocking, and from the decreased volumes, will become visible during Q4. The company guides for 2023 net sales of EUR 210-220m, leaving only EUR ~36m for Q4.

EMS companies offer the needed flexibility for both directions

By definition, EMS companies offer the needed flexibility in manufacturing for the brand owner. However, Incap also has a clientele portfolio that can offer notable and long-term growth potential in renewable energy and energy security. Our analysis indicates that the biggest customer represented EUR 18m of net sales in Q3 2023 (EUR 50m in Q3 2022). Incap fares well if its customers are performing well in their own segments, and we do not yet believe that the main customer has lost its competitive edge, or that Incap would not be cost-efficient enough for its main customer.

Revenue growth could see a bounce-back effect in 2024

Incap's 2023E-24E EV/EBIT valuation is now 40% below its peer group. The company cannot offer any guidance for next year, and hence valuation could remain below peers until the massive destocking effect is over and a new normal in sales volumes has been reached. If the destocking effect ends at the beginning of 2024, a bounce-back effect and weak comparisons could lead to over 15% revenue growth next year. Our 2024 EBIT margin forecast is 12.9%, which is above consensus at 12.5%.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	71	106	170	264	219	260	286
EBITDA (adj)	11	16	29	43	35	39	43
EBIT (adj)	10	13	26	39	30	34	38
EBIT (adj) margin	14.2%	11.8%	15.3%	14.7%	13.8%	13.1%	13.2%
EPS (adj, EUR)	0.29	0.40	0.72	0.94	0.78	0.84	0.94
EPS (adj) growth	7.3%	40.3%	78.2%	30.8%	-17.1%	7.5%	11.7%
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	0.8	0.7	0.5
EV/EBIT (adj)	6.3	7.1	17.8	13.2	6.1	5.0	3.9
P/E (adj)	10.1	9.1	21.8	18.2	7.9	7.4	6.6
P/BV	2.9	2.2	7.3	5.7	1.7	1.4	1.1
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%	17.5%	7.6%	11.6%
Net debt	0	5	2	14	1	-13	-34
Net debt/EBITDA	0.0	0.3	0.1	0.3	0.0	-0.3	-0.8
ROIC after tax	36.3%	27.4%	34.5%	34.4%	21.3%	22.1%	23.0%

Source: Company data and Nordea estimates

Deviation table

Q3 2023 DEVIATION TABLE (EURm; EPS IN EUR)

	Actual Q3 2023	NDA est. Q3 2023	Deviation vs. actual		Consensus Q3 2023	Deviation vs. actual		Actual Q2 2023	q/q	Actual Q3 2022	y/y
Sales	**50.0**	**41.2**	**8.8**	**21%**	**42.5**	**7.5**	**18%**	**56.4**	**-11%**	**70.6**	**-29%**
Adj. EBIT	**6.4**	**4.2**	**2.2**	**51%**	**3.5**	**2.9**	**83%**	**8.3**	**-23%**	**11.0**	**-42%**
Adj. EBIT margin	12.8%	10.3%		2.5pp	8.2%		4.6pp	14.7%	-1.9pp	15.6%	-2.8pp
EPS	**0.15**	**0.10**		**48%**	**0.10**	**0.00**	50%	**0.22**	-32%	**0.29**	-47%

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E
Sales	40	219	260	286	45	215	271	298	-11%	2%	-4%	-4%
Adj. EBIT	4	30	34	38	5	28	35	40	-11%	7%	-3%	-4%
Adj. EBIT margin	10.2%	13.8%	13.1%	13.2%	10.2%	13.1%	12.9%	13.3%	0.0pp	0.7pp	0.2pp	-0.1pp
Adj. EPS	0.10	0.78	0.84	0.94	0.11	0.71	0.86	0.98	-11%	11%	-3%	-5%

Source: Nordea estimates

Quarterly estimates

ESTIMATES BY QUARTER (EURm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23E	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Incap Group												
Sales	53.3	61.2	70.6	78.7	72.7	56.4	50.1	40.0	60.3	65.4	68.1	66.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-49%	-17%	16%	36%	65%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.3	8.9	9.6	10.3	9.9
Adj. EBITDA margin (%)	15%	15%	17%	18%	17%	17%	15%	13%	15%	15%	15%	15%
Adj. EBIT	7.0	8.6	11.0	13.0	11.4	8.3	6.4	4.1	7.8	8.4	9.1	8.7
Adj. EBIT margin (%)	13%	14%	16%	17%	16%	15%	13%	10%	13%	13%	13%	13%
Net financials	-0.6	-0.6	-0.6	-0.6	-0.4	-0.2	0.1	-0.3	-0.4	-0.4	-0.4	-0.5
PTP	6.2	8.0	10.3	12.3	10.9	7.3	5.8	3.7	7.3	8.0	8.6	8.1
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.9	5.6	6.1	6.6	6.3
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	2.8	5.5	6.0	6.5	6.2
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.10	0.19	0.21	0.22	0.21
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.09	0.19	0.21	0.22	0.21

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	181,296	194,136	12%	11%	-6%	7%	2%	3%	3%	3%
Delta Electronics Inc	9,989	11,748	12,239	13,802	11%	22%	9%	13%	10%	11%	11%	12%
Jabil Inc	24,803	33,288	32,010	31,780	7%	14%	4%	-3%	4%	5%	5%	5%
Pegatron Corp	40,040	40,264	37,520	38,816	-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	2,663	14%	20%	17%	7%	9%	10%	11%	11%
Accton Technology Corp	1,892	2,359	2,471	2,917	9%	30%	12%	18%	9%	12%	13%	14%
Venture Corporation Ltd	2,026	2,695	2,304	2,427	3%	24%	-11%	5%	11%	12%	10%	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	15,738	17,684	2%	4%	-2%	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	4,184	4,522	4%	1%	-3%	8%	3%	4%	5%	5%
Celestica Inc	4,957	6,774	7,514	7,947	-2%	29%	10%	6%	4%	5%	5%	5%
Ducommun Inc	568	666	703	760	3%	10%	8%	8%	8%	7%	8%	10%
Sercomm Corp	1,393	1,973	1,970	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	784	839	-1%	76%	29%	7%	6%	7%	9%	9%
Scanfil Oyj	696	844	905	900	17%	21%	8%	0%	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	409	440	11%	31%	27%	7%	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	190	199	21%	50%	40%	5%	3%	7%	7%	7%
Group median					**10.3%**	**22.2%**	**8.5%**	**6.7%**	**5.0%**	**5.2%**	**5.4%**	**5.8%**
Incap (Nordea)	170	264	219	260	59.4%	55.3%	-16.9%	18.6%	15.3%	14.7%	13.0%	12.9%
diff. from median (pp)					**49.2**	**33.2**	**-25.4**	**11.9**	**10.3**	**9.5**	**7.6**	**7.1**

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	11.1	9.0	9.6	8.5	7.9	6.9	1.0	0.9	0.9	0.8
TT Electronics	26.8	22.9	22.7	18.8	23.7	18.5	18.1	14.8	4.8	4.3	4.0	3.6
Jabil Inc	13.5	8.7	19.0	13.0	9.2	7.0	10.3	9.8	9.3	6.6	5.8	5.8
Pegatron Corp	8.9	11.2	13.5	11.8	11.9	9.1	13.3	10.5	1.2	1.1	1.1	1.0
Universal Scientific Industrial Shangh	19.3	12.0	12.7	10.4	17.0	10.9	11.9	10.1	2.3	1.9	1.7	1.5
Fabrinet	24.1	15.5	19.3	20.4	19.9	12.6	16.1	18.3	5.4	4.7	4.1	3.5
Accton Technology Corp	31.1	16.2	30.3	24.2	25.7	12.5	23.5	18.8	18.5	15.0	11.5	9.2
Foxconn Interconnect Technology	17.1	13.5	11.2	10.4	13.0	9.6	7.2	6.7	1.2	1.2	1.1	1.1
Sanmina Corp	9.8	11.4	8.1	7.8	7.4	6.6	5.5	5.3	1.3	1.5	n.a.	n.a.
Inventec Corp	13.8	15.5	26.2	18.0	25.0	16.8	22.3	15.7	3.0	2.7	2.6	2.5
Universal Scientific Industrial	19.1	18.0	16.1	15.0	14.1	14.5	13.5	11.9	2.5	2.3	2.1	1.9
Foxconn Interconnect Technology Ltd	9.8	11.0	6.8	6.1	14.2	7.7	4.7	4.2	0.4	0.4	0.4	0.4
Celestica Inc	13.6	9.6	11.4	10.2	10.3	6.6	8.6	7.6	2.5	0.8	2.1	n.a.
Ducommun Inc	4.2	21.5	18.8	13.9	15.4	15.7	15.7	11.7	1.7	1.1	1.1	1.0
Sercomm Corp	22.9	10.6	13.2	11.2	20.6	8.3	10.1	9.0	3.6	3.0	2.8	2.5
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	10.5	10.3	21.7	19.4	9.9	9.4	4.3	3.6	3.5	2.8
Scanfil Oyj	16.4	12.2	10.1	10.7	13.8	11.3	9.2	9.6	2.5	2.1	1.9	1.7
SIIX Corp	14.7	12.8	7.8	6.8	22.0	12.3	n.a.	n.a.	1.1	0.9	0.8	0.7
TT electronics PLC	35.6	10.0	8.5	7.7	16.0	10.2	8.1	7.5	0.9	0.8	0.9	0.8
Hanza AB	28.6	15.5	11.7	10.3	23.3	13.4	9.5	8.4	4.2	3.2	2.3	1.9
Cicor Technologies Ltd	20.6	34.8	18.2	14.0	18.0	10.3	9.4	8.3	1.5	1.2	1.1	1.0
Valuetronics Holdings Ltd	8.0	11.7	10.3	9.1	1.8	3.1	2.2	1.5	1.1	1.0	0.9	n.a.
Lacroix Group SA	9.6	10.9	8.0	6.2	18.9	13.4	11.3	9.0	0.8	0.7	n.a.	n.a.
Inission AB	85.2	11.0	9.6	9.1	46.6	8.8	8.6	8.1	2.8	1.4	1.9	1.6
Group median	**17.1**	**12.2**	**11.6**	**10.4**	**17.0**	**10.9**	**9.9**	**9.0**	**2.5**	**1.5**	**1.9**	**1.7**
Incap (Nordea)	21.8	18.2	7.9	7.4	3.6	13.2	6.1	5.0	1.5	5.7	1.7	1.4
diff. from average	28%	49%	-31%	-29%	-79%	22%	-39%	-45%	-41%	294%	-11%	-18%

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**	**219**	**260**	**286**
Revenue growth	65.2%	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.9%	18.6%	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	33	39	43
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	29	34	38
Amortisation and impairments	0	0	0	0	0	-1	-1	0	0	0	0
EBIT	4	4	5	9	10	13	26	39	29	34	37
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	-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**	**28**	**32**	**36**
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	21	24	27
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	21	24	27
EPS, EUR	**n.a.**	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.72**	**0.82**	**0.92**
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%	15.2%	14.9%	15.0%
EBITA	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	13.2%	13.1%	13.2%
EBIT	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.0%	12.9%	13.1%
Adjusted earnings											
EBITDA (adj)	4	4	5	9	11	16	29	43	35	39	43
EBITA (adj)	4	4	5	9	10	14	26	39	31	34	38
EBIT (adj)	4	4	5	9	10	13	26	39	30	34	38
EPS (adj, EUR)	n.a.	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.78	0.84	0.94
Adjusted profit margins in percent											
EBITDA (adj)	12.1%	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	15.1%	15.1%
EBITA (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	13.2%	13.4%
EBIT (adj)	12.1%	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	13.1%	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%	30.0%	29.6%	21.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	27.6%	21.8%
EBIT	n.m.	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	27.0%	27.2%	24.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	21.9%	23.5%	18.0%
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%	14.0%	13.7%	13.7%
Average EBITDA margin	-1.8%	1.2%	4.8%	11.8%	13.5%	14.1%	15.6%	16.2%	16.0%	15.7%	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	7.9	7.4	6.6
EV/EBITDA (adj)	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	5.2	4.3	3.4
EV/EBITA (adj)	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	6.0	4.9	3.9
EV/EBIT (adj)	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	6.1	5.0	3.9

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	8.6	7.5	6.7
EV/Sales	0.00	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.84	0.65	0.52
EV/EBITDA	0.0	6.3	5.5	3.3	5.5	5.6	15.8	12.1	5.5	4.4	3.5
EV/EBITA	0.0	6.9	6.1	3.4	6.3	6.6	17.4	13.1	6.3	5.0	3.9
EV/EBIT	0.0	6.9	6.1	3.4	6.3	7.1	17.8	13.2	6.4	5.0	4.0
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%	8.9%	8.5%	12.5%
FCF Yield bef A&D, lease adj	n.m.	0.7%	5.4%	7.1%	8.9%	0.7%	0.8%	-1.5%	17.5%	7.6%	11.6%
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	13	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	30	32	33
of which leased assets	0	0	0	0	2	6	7	7	7	7	7
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	44	45	46
Inventory	0	6	8	12	11	24	59	92	77	79	81
Accounts receivable	0	8	9	12	11	24	34	36	30	44	48
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	41	51	68
Total current assets	0	16	20	26	28	52	102	136	151	175	199
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**	**195**	**220**	**245**
Shareholders equity	0	8	10	16	22	39	63	87	109	133	160
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	109	133	160
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	28	24	21
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	7	7	7
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	37	33	30
Short-term provisions	0	0	0	1	0	1	0	0	1	1	1
Accounts payable	0	5	7	10	7	25	53	57	41	46	47
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	6	5	5
Total current liabilities	0	9	12	15	10	30	60	68	49	54	55
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**	**195**	**220**	**245**
Balance sheet and debt metrics											
Net debt	0	6	4	3	0	5	2	14	1	-13	-34
of which lease debt	0	0	0	0	2	5	4	7	8	8	8
Working capital	0	9	10	14	14	23	40	71	67	77	82
Invested capital	0	14	15	19	23	47	67	104	111	122	128
Capital employed	0	16	18	21	28	48	74	109	151	171	194
ROE	n.m.	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	21.7%	20.1%	18.5%
ROIC	n.m.	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	21.3%	22.1%	23.0%
ROCE	n.m.	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	23.6%	21.4%	20.9%
Net debt/EBITDA	0.0	1.4	0.9	0.3	0.0	0.3	0.1	0.3	0.0	-0.3	-0.8
Interest coverage	-10.6	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	28.4	18.0	19.5
Equity ratio	n.m.	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	55.8%	60.3%	65.2%
Net gearing	n.m.	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	0.8%	-9.8%	-21.4%

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**	**33**	**39**	**43**
Paid taxes	0	-1	-9	-2	-3	-3	-5	-5	-6	-8	-9
Net financials	0	-1	0	0	0	-1	-1	-1	-1	-2	-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**	**26**	**30**	**33**
Change in NWC	-1	-1	-2	-3	0	-8	-16	-36	10	-10	-5
Cash flow from operations (CFO)	**1**	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**37**	**20**	**28**
Capital expenditure	0	-1	-1	-2	-1	-3	-5	-5	-4	-4	-5
Free cash flow before A&D	**1**	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**33**	**15**	**23**
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	16	15	23
Free cash flow bef A&D, lease adj	1	0	1	2	6	1	4	-8	32	14	21
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	34	10	17
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	73.1%	85.0%	95.9%
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	6	6	6
Market cap.	0	20	23	27	63	84	460	501	182	182	182
Enterprise value	0	26	28	30	63	90	462	515	183	169	148
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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