

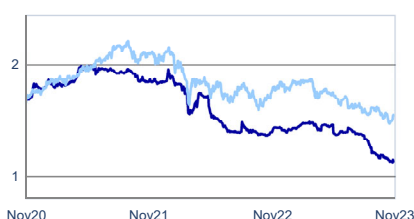
Tallinna Sadam

Business Services
Estonia

KEY DATA

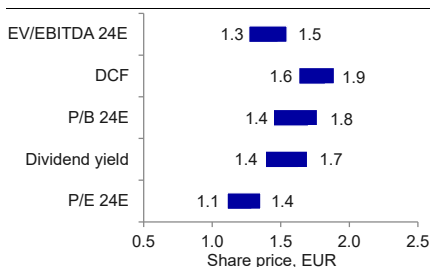
Stock country	Estonia
Bloomberg	TSM1T EE
Reuters	TSM1T.TL
Share price (close)	EUR 1.14
Free float	33%
Market cap. (bn)	EUR 0.30/EUR 0.30
Website	www.ts.ee
Next report date	10 Nov 2023

PERFORMANCE



— Tallinna Sadam
— Finland OMX Helsinki All-Share (Rebased) Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-3%	-2%	-2%
EBIT (adj)	-10%	-8%	-7%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

Traffic data indicates a y/y decline in Q3 EBIT

With the number of cruise vessel calls down by 51% y/y in Q3, the quarterly results are unlikely to offer a positive surprise. The overall number of passengers was up 3% y/y in Q3, but cargo tonnes were down 33% y/y. The Victoria (Tallink) vessel between Tallinna and Helsinki started in October 2023, which should support revenues in Q4 2023 and next year. Our valuation approach for Tallinna Sadam is based on a combination of DCF, dividend yield and peer group comparison, which gives a fair value range of EUR 1.4-1.7 (1.5-1.8) per share.

We forecast -7% y/y revenue growth for Q3

We lower our estimates for this year due to weak cruise calls and weak cargo volumes, but the steep decline in cargo volumes may have finally hit its trough. Even so, weak overall economic activity will likely make it difficult for Tallinna Sadam to improve much in the short term. We now forecast Q3 net sales of EUR 33.9m, indicating a 7% decline y/y, and we estimate an EBITDA margin of 45% for the quarter (Q3 2022: 50%).

Net debt is increasing due to Paldiski investment

We estimate EUR 42m of average cash flow from operations for 2023E-24E. We believe that dividends could take EUR 18m from cash flow, leaving EUR 24m for investments. Annual investments are EUR 39m, however, implying that the company will take EUR ~10m in debt per year during 2023E-24E to finance offshore wind terminals for Paldiski Harbour. Gearing is not a problem but we estimate net debt/EBITDA of 3.1x for 2023. We note that quay investments for the construction of offshore windfarms in Paldiski South Harbour should also provide growth in the medium term.

Our current dividend yield forecast is 5.4% for next spring

The company's 2023E EV/EBITDA multiple is close to the average for the peer group, which includes 23 international port utilities. We now forecast a EUR 0.06 dividend payment per share for next spring, implying a 5.4% dividend yield; the peer group's median dividend yield is 5.2% for 2023E. Weak economic activity and increasing geopolitical tensions in the Baltic Rim are the main short-term risks that we see, but the company's operations will likely remain highly profitable and we do not expect dividend payments to come under great pressure due to the relatively defensive nature of its business operations.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	131	107	110	122	118	125	130
EBITDA (adj)	75	60	55	56	52	59	64
EBIT (adj)	52	36	30	31	26	32	34
EBIT (adj) margin	39.6%	33.1%	27.0%	25.3%	22.2%	25.4%	26.4%
EPS (adj, EUR)	0.17	0.11	0.10	0.09	0.06	0.08	0.08
EPS (adj) growth	58.2%	-35.8%	-10.2%	-3.2%	-31.8%	19.5%	9.5%
DPS (ord, EUR)	0.12	0.08	0.10	0.07	0.06	0.07	0.08
EV/Sales	5.3	6.1	6.0	4.3	3.9	3.8	3.5
EV/EBIT (adj)	13.4	18.5	22.1	16.8	17.6	14.9	13.4
P/E (adj)	11.7	16.6	19.1	15.1	17.8	14.9	13.6
P/BV	1.4	1.3	1.3	1.0	0.8	0.8	0.8
Dividend yield (ord)	5.8%	4.3%	5.2%	5.1%	5.3%	6.0%	6.6%
FCF Yield bef A&D, lease	6.7%	4.1%	7.8%	13.9%	0.3%	1.8%	10.3%
Net debt	173	185	168	143	161	172	159
Net debt/EBITDA	2.3	3.1	3.1	2.5	3.1	2.9	2.5
ROIC after tax	7.8%	5.2%	4.4%	4.6%	4.0%	4.7%	5.0%

Source: Company data and Nordea estimates

Quarterly segment estimates

SEGMENT ESTIMATES PER 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
Passenger harbours												
Sales (EURm)	5.0	5.7	9.7	8.4	6.0	10.7	13.0	8.1	8.0	10.0	11.9	8.9
Sales growth (%)	-37%	23%	3254%	36%	21%	88%	34%	-3%	33%	-7%	-8%	9%
Adj. EBIT (EURm)	0.2	0.8	3.6	2.2	0.6	4.5	5.6	0.2	1.2	3.9	4.4	1.7
Adj. EBIT margin (%)	3%	14%	37%	26%	10%	42%	43%	3%	15%	39%	37%	19%
Cargo harbours												
Sales (EURm)	9.6	9.8	10.9	10.4	9.7	9.9	9.4	9.9	7.9	7.7	7.2	7.4
Sales growth (%)	3%	4%	19%	-2%	1%	0%	-14%	-5%	-18%	-22%	-23%	-25%
Adj. EBIT (EURm)	3.4	3.3	3.6	3.3	3.1	3.0	1.5	0.9	1.2	1.1	0.4	0.6
Adj. EBIT margin (%)	36%	33%	33%	32%	32%	31%	16%	9%	16%	15%	6%	8%
Ferry segment												
Sales (EURm)	6.8	7.8	8.6	7.4	7.4	8.8	10.2	8.3	8.4	9.4	11.0	8.9
Sales growth (%)	-3%	6%	8%	7%	9%	13%	18%	12%	13%	7%	8%	7%
Adj. EBIT (EURm)	1.5	2.0	2.2	0.9	1.8	2.5	3.0	1.6	2.4	2.7	3.4	2.0
Adj. EBIT margin (%)	22%	25%	26%	12%	24%	28%	30%	20%	28%	29%	31%	23%
Other												
Sales (EURm)	3.6	0.9	3.1	2.3	3.7	1.0	3.8	1.9	4.0	1.7	3.7	2.1
Sales growth (%)	-1%	-1%	-7%	46%	2%	4%	22%	-17%	10%	76%	-2%	9%
Adj. EBIT (EURm)	2.1	-0.8	1.3	0.3	1.8	-0.8	1.8	-0.1	2.0	-2.0	1.2	0.0
Adj. EBIT margin (%)	58%	-84%	41%	14%	48%	-88%	47%	-6%	49%	-116%	32%	1%
Group												
Sales (EURm)	25.0	24.3	32.3	28.5	26.8	30.4	36.3	28.2	28.4	28.8	33.9	27.2
Sales growth (%)	-10%	8%	56%	13%	7%	25%	13%	-1%	6%	-5%	-7%	-4%
Adj. EBITDA (EURm)	13.0	11.1	17.1	12.9	13.5	15.4	18.0	9.0	13.6	11.7	15.4	10.4
Adj. EBITDA margin (%)	52%	46%	53%	45%	50%	51%	50%	32%	48%	41%	45%	38%
Adj. EBIT (EURm)	7.2	5.2	10.7	6.6	7.2	9.1	11.8	2.6	6.8	5.8	9.4	4.3
Adj. EBIT margin (%)	29%	22%	33%	23%	27%	30%	33%	9%	24%	20%	28%	16%
Net financials	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.9	-1.1	-1.5	-1.7	-2.0
PTP	6.9	5.2	10.4	6.4	7.0	8.8	11.5	1.7	5.7	4.3	7.6	2.4
Net result adj.	6.9	1.9	10.4	6.4	7.0	4.7	11.5	1.8	5.7	1.4	7.6	2.4
Net result	6.9	1.9	10.4	6.4	7.0	4.7	11.5	1.8	5.7	1.4	7.6	2.4
EPS adj. (EUR)	0.03	0.01	0.04	0.02	0.03	0.02	0.04	0.01	0.02	0.01	0.03	0.01
EPS (EUR)	0.03	0.01	0.04	0.02	0.03	0.02	0.04	0.01	0.02	0.01	0.03	0.01

Source: Company data and Nordea estimates

Annual segment estimates

SEGMENT ESTIMATES (EURm)

	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Passenger harbours									
Sales (EURm)	49.9	49.9	49.8	19.0	28.8	37.9	38.8	42.3	44.3
Sales growth (%)		0%	0%	-62%	51%	32%	3%	9%	5%
Adj. EBIT (EURm)	28.8	26.4	26.4	-0.5	6.7	10.9	11.1	13.5	14.6
Adj. EBIT margin (%)	58%	53%	53%	-3%	23%	29%	29%	32%	33%
Cargo harbours									
Sales (EURm)	39.8	41.7	40.1	38.5	40.7	38.8	30.3	30.6	32.1
Sales growth (%)		5%	-4%	-4%	6%	-5%	-22%	1%	5%
Adj. EBIT (EURm)	15.1	15.5	14.2	11.1	13.6	8.4	3.4	3.4	4.0
Adj. EBIT margin (%)	38%	37%	35%	29%	33%	22%	11%	11%	12%
Ferry segment									
Sales (EURm)	27.1	30.1	30.8	29.4	30.7	34.8	37.7	39.7	41.3
Sales growth (%)		11%	2%	-5%	4%	13%	9%	5%	4%
Adj. EBIT (EURm)	3.5	7.4	8.3	8.1	6.6	8.9	10.5	11.7	12.4
Adj. EBIT margin (%)	13%	25%	27%	28%	21%	26%	28%	30%	30%
Other									
Sales (EURm)	4.6	8.9	9.8	9.5	9.9	10.3	11.5	11.9	12.2
Sales growth (%)		95%	9%	-3%	5%	4%	12%	4%	2%
Adj. EBIT (EURm)	-7.1	2.3	2.9	1.9	2.9	2.6	1.2	3.1	3.2
Adj. EBIT margin (%)	-154%	25%	29%	20%	29%	25%	11%	26%	26%
Group									
Sales (EURm)	121.3	130.6	130.5	107.4	110.1	121.7	118.3	124.5	129.8
Sales growth (%)		8%	0%	-18%	3%	11%	-3%	5%	4%
Adj. EBITDA (EURm)	66.7	74.4	74.7	59.7	54.5	56.1	52.2	58.7	64.2
Adj. EBITDA margin (%)	55%	57%	57%	56%	50%	46%	44%	47%	50%
Adj. EBIT (EURm)	40.3	52.1	51.7	35.6	29.8	30.8	26.3	31.7	34.2
Adj. EBIT margin (%)	33%	40%	40%	33%	27%	25%	22%	25%	26%
Net financials	-1.6	-1.5	-1.5	-2.1	-0.9	-1.8	-6.3	-8.4	-9.2
PTP	38.7	50.6	50.2	33.4	28.9	29.0	19.9	23.3	25.0
Net result adj.	26.8	24.4	44.4	28.5	25.6	24.8	16.9	20.2	22.1
Net result	26.8	24.4	44.4	28.5	25.6	24.8	16.9	20.2	22.1
EPS adj. (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08
EPS (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08

Source: Company data and Nordea estimates

Peer group financials and valuation

PEER GROUP FINANCIALS

	Sales (EURm)				Sales growth				EBIT margin			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Shanghai International Port Group	4,748	5,050	4,544	4,760	31%	9%	-4%	5%	41%	37%	32%	31%
Hamburger Hafen und Logistik	1,465	1,578	1,476	1,519	13%	8%	-4%	3%	13%	13%	8%	10%
Adani Ports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Merchants Port Holdings	1,337	1,501	1,474	1,523	32%	6%	-5%	3%	38%	36%	32%	32%
Qube Holdings	1,234	1,635	1,749	1,941	7%	27%	15%	8%	9%	9%	9%	10%
COSCO SHIPPING Ports	1,063	1,347	1,380	1,468	21%	19%	2%	6%	18%	19%	21%	22%
Abu Dhabi Ports Company	936	1,399	2,850	4,148	14%	41%	108%	46%	25%	30%	19%	18%
Vegetexco Port	398	512	n.a.	n.a.	12%	25%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	359	432	n.a.	n.a.	-30%	13%	0%	0%	19%	15%	n.a.	n.a.
Ocean Wilsons Holdings	349	411	433	461	12%	11%	9%	6%	25%	26%	24%	25%
Wilson Sons Holdings Brasil	338	402	1,071	1,119	18%	6%	-18%	4%	25%	26%	37%	37%
Dalrymple Bay Infrastructure	323	399	372	390	2053%	24%	14%	5%	33%	37%	36%	37%
Isewan Terminal Service	322	387	n.a.	n.a.	-12%	25%	n.a.	n.a.	2%	6%	n.a.	n.a.
Santos Brasil Participacoes	242	341	426	489	65%	26%	16%	15%	23%	29%	33%	36%
Westshore Terminals Investment	237	201	254	226	-8%	-14%	21%	-8%	49%	39%	44%	43%
Saudi Industrial Services	231	247	268	295	-3%	1%	22%	10%	32%	26%	35%	37%
Touage Investissements Reunies	168	211	189	202	3%	25%	-9%	7%	22%	14%	15%	15%
Alexandria Container and Cargo	129	145	147	191	-7%	19%	n.a.	33%	56%	60%	72%	0%
Sun Kwang	121	128	n.a.	n.a.	7%	6%	n.a.	n.a.	20%	16%	n.a.	n.a.
China Container Terminal	98	96	n.a.	n.a.	9%	2%	n.a.	n.a.	11%	11%	n.a.	n.a.
Fushiki Kairiku Unso	94	86	n.a.	n.a.	-6%	-1%	n.a.	n.a.	4%	6%	n.a.	n.a.
Gujarat Pipavav Port	86	89	103	112	0%	1%	23%	8%	42%	39%	42%	44%
Namyong Terminal	35	39	44	45	12%	9%	16%	4%	31%	27%	31%	31%
Group median					10%	10%	12%	6%	25%	26%	32%	31%
Tallinna Sadam (Nordea)	110	122	118	125	3%	11%	-3%	5%	27%	25%	22%	25%
diff. from median (pp)					-8	1	-14	-1	2	-1	-10	-6

Source: Company data, Refinitiv and Nordea estimates

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Shanghai International Port Group	14.0	53.4	n.a.	n.a.	18.4	36.9	n.a.	n.a.	1.0	2.3	n.a.	n.a.
Hamburger Hafen und Logistik	13.7	9.7	30.9	21.7	8.5	6.5	17.4	13.1	2.1	1.7	1.6	1.5
Adani Ports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Merchants Port	6.5	5.7	5.7	5.6	30.2	20.9	20.4	20.1	0.4	0.4	0.4	0.4
Qube Holdings	43.3	45.1	23.6	17.5	11.6	11.0	8.2	7.0	1.7	0.8	0.8	0.8
COSCO SHIPPING Ports	8.1	8.7	6.4	5.9	30.6	25.2	19.3	17.5	0.3	0.3	0.4	0.3
Abu Dhabi Ports Company	n.a.	22.8	23.3	19.5	4.6	24.6	21.2	15.1	n.a.	1.6	1.5	1.4
Intergis Co	21.5	7.6	4.2	n.a.	10.3	2.5	0.9	n.a.	0.5	0.5	0.4	n.a.
Vegetexco Port	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	3.8	7.6	4.5	3.6	12.0	13.3	13.8	13.0	0.3	0.6	n.a.	n.a.
Ocean Wilsons Holdings	37.0	38.3	28.6	20.6	23.8	31.7	26.1	20.1	1.6	1.6	1.6	1.6
Wilson Sons Holdings Brasil	17.1	13.7	8.5	7.1	9.6	9.7	4.1	3.9	2.4	0.5	0.5	0.4
Dalrymple Bay Infrastructure	7.8	17.5	16.1	15.1	20.2	12.5	13.5	12.7	1.4	1.2	1.2	1.2
Isewan Terminal Service	23.6	17.2	n.a.	n.a.	19.1	14.1	n.a.	n.a.	1.5	1.4	n.a.	n.a.
Santos Brasil Participacoes	19.5	15.4	13.6	10.9	13.5	13.1	10.3	8.2	3.0	3.0	2.9	2.8
Westshore Terminals Investment	0.0	n.a.	n.a.	n.a.	0.0	n.a.	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Saudi Industrial Services	21.0	51.0	n.a.	n.a.	12.1	21.8	n.a.	n.a.	0.7	1.3	n.a.	n.a.
Touage Investissements Reunies	15.0	21.2	12.9	14.7	10.6	15.1	9.7	11.3	1.9	n.a.	n.a.	n.a.
Alexandria Container and Cargo	8.3	5.5	7.7	11.6	7.2	5.2	8.1	0.0	12.7	2.1	4.5	0.0
Sun Kwang	12.9	n.a.	n.a.	n.a.	43.3	45.4	n.a.	n.a.	1.1	0.0	n.a.	n.a.
China Container Terminal	16.3	21.6	n.a.	n.a.	26.4	24.3	n.a.	n.a.	1.1	1.0	n.a.	n.a.
Fushiki Kairiku Unso	8.6	8.3	n.a.	n.a.	20.2	10.8	n.a.	n.a.	0.3	0.3	n.a.	n.a.
Gujarat Pipavav Port	21.1	18.7	18.0	16.1	13.7	10.1	12.2	11.5	2.6	2.8	2.7	2.7
Namyong Terminal	7.0	n.a.	8.7	8.3	6.8	6.9	7.7	6.8	0.8	0.7	n.a.	n.a.
Sakurajima Futo Kaisha	8.7	7.2	8.0	7.8	15.8	15.7	12.0	11.6	1.1	1.0	0.9	0.8
Group median	13.8	16.3	10.8	11.6	13.5	13.7	12.1	11.6	1.1	1.0	1.2	1.0
Tallinna Sadam (Nordea)	19.1	15.1	18.2	15.2	22.1	16.8	17.2	14.1	1.3	1.0	0.8	0.7
diff. from average	38%	-7%	68%	31%	63%	23%	42%	21%	13%	-2%	-36%	-31%

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	94	103	121	131	131	107	110	122	118	125	130
Revenue growth	-16.5%	10.0%	17.5%	7.7%	-0.1%	-17.8%	2.5%	10.6%	-2.8%	5.2%	4.2%
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	40	49	67	74	75	60	55	56	52	59	64
Depreciation and impairments PPE	0	0	-26	-22	-23	-24	-25	-25	-26	-27	-30
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	40	49	40	52	52	36	30	31	26	32	34
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	40	49	40	52	52	36	30	31	26	32	34
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	-1	-1	-2	-1	-1	-2	-1	-2	-6	-8	-9
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	39	48	39	51	50	33	29	29	20	23	25
Reported taxes	-8	-9	-12	-26	-6	-5	-3	-4	-3	-3	-3
Net profit from continued operations	31	40	27	24	44	29	26	25	17	20	22
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	31	40	27	24	44	29	26	25	17	20	22
EPS, EUR	0.12	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08
DPS, EUR	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.06	0.07	0.08
of which ordinary	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.06	0.07	0.08
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	43.1%	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	44.1%	47.2%	49.5%
EBITA	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	22.2%	25.4%	26.4%
EBIT	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	22.2%	25.4%	26.4%

Adjusted earnings

EBITDA (adj)	40	49	67	74	75	60	55	56	52	59	64
EBITA (adj)	40	49	40	52	52	36	30	31	26	32	34
EBIT (adj)	40	49	40	52	52	36	30	31	26	32	34
EPS (adj, EUR)	0.12	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08

Adjusted profit margins in percent

EBITDA (adj)	43.1%	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	44.1%	47.2%	49.5%
EBITA (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	22.2%	25.4%	26.4%
EBIT (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	22.2%	25.4%	26.4%

Performance metrics

CAGR last 5 years											
Net revenue	1.6%	3.0%	6.5%	4.8%	3.1%	2.7%	1.3%	0.1%	-2.0%	-0.9%	3.9%
EBITDA	-1.0%	2.7%	11.1%	8.3%	7.1%	8.1%	2.2%	-3.4%	-6.8%	-4.7%	1.5%
EBIT	-1.0%	2.7%	0.4%	0.9%	-0.5%	-2.5%	-9.5%	-5.2%	-12.8%	-9.3%	-0.8%
EPS	-6.2%	1.1%	-2.6%	-6.7%	2.7%	-1.5%	-8.3%	-1.5%	-9.6%	-14.6%	-4.9%
DPS	n.m.	0.7%	19.1%	46.7%	0.4%	-1.6%	0.7%	-10.7%	-33.2%	-9.7%	-0.3%
Average last 5 years											
Average EBIT margin	46.2%	46.2%	43.5%	41.8%	40.3%	38.5%	34.9%	33.3%	29.6%	26.5%	25.3%
Average EBITDA margin	46.2%	46.2%	48.5%	50.5%	52.7%	54.7%	55.0%	53.2%	50.6%	48.3%	47.3%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	17.8	14.9	13.6
EV/EBITDA (adj)	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.0	7.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.6	14.9	13.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.6	14.9	13.4

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	17.8	14.9	13.6
EV/Sales	n.a.	n.a.	n.a.	5.42	5.32	6.13	5.97	4.25	3.90	3.80	3.55
EV/EBITDA	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.0	7.2
EV/EBITA	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.6	14.9	13.4
EV/EBIT	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.6	14.9	13.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	22.5%	5.8%	4.3%	5.2%	5.1%	5.3%	6.0%	6.6%
FCF yield	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	0.3%	1.8%	10.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	0.3%	1.8%	10.3%
Payout ratio	71.3%	62.3%	126.2%	430.6%	68.0%	71.0%	99.6%	77.4%	95.0%	90.0%	90.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	0	1	2	2	2	2	2	2	2	2	2
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	1	2	2	2	2	2	2	2	2	2
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	544	569	577	569	575	588	576	564	576	588	580
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	1	1	1	2	2	1	2	2	2	2	2
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	1	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	546	571	581	573	579	591	580	569	581	592	584
Inventory	0	0	0	0	0	0	0	1	1	1	1
Accounts receivable	9	17	9	8	11	10	14	7	8	10	11
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	26	50	7	43	35	27	35	44	36	36	48
Total current assets	35	68	17	51	46	37	49	53	45	46	60
Assets held for sale	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	581	639	597	624	626	628	630	621	626	639	643
Shareholders equity	343	347	326	368	377	375	381	381	379	383	387
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	343	347	326	368	377	375	381	381	379	383	387
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	171	128	214	198	192	194	187	171	182	193	194
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	25	25	25	24	26	28	31	31	31	31	31
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
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	196	153	238	222	217	222	219	203	214	225	226
Short-term provisions	1	1	2	2	2	1	2	2	2	2	2
Accounts payable	6	8	8	10	12	9	10	10	10	10	10
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	10	11	2	6	1	3	2	10	7	5	5
Short term interest bearing debt	26	118	22	16	16	17	16	16	15	14	13
Total current liabilities	42	139	33	34	31	30	30	37	33	31	31
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	581	639	597	624	626	628	630	621	626	639	643
Balance sheet and debt metrics											
Net debt	171	196	229	171	173	185	168	143	161	172	159
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	-6	-2	0	-8	-2	-1	2	-11	-7	-4	-4
Invested capital	539	569	581	565	577	589	582	557	573	588	579
Capital employed	539	593	561	581	585	587	584	568	576	590	594
ROE	8.6%	11.5%	8.0%	7.0%	11.9%	7.6%	6.8%	6.5%	4.5%	5.3%	5.8%
ROIC	6.5%	7.6%	6.0%	7.8%	7.8%	5.2%	4.4%	4.6%	4.0%	4.7%	5.0%
ROCE	7.6%	8.6%	7.0%	9.1%	8.9%	6.1%	5.1%	5.4%	4.6%	5.4%	5.8%
Net debt/EBITDA	4.2	4.0	3.4	2.3	2.3	3.1	3.1	2.5	3.1	2.9	2.5
Interest coverage	32.6	82.5	20.8	26.0	29.5	20.9	21.7	15.4	4.1	3.8	3.7
Equity ratio	59.0%	54.3%	54.6%	59.0%	60.3%	59.8%	60.5%	61.3%	60.5%	59.9%	60.1%
Net gearing	49.9%	56.5%	70.2%	46.5%	45.8%	49.3%	44.2%	37.5%	42.5%	44.9%	41.2%

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	40	49	67	74	75	60	55	56	52	59	64
Paid taxes	0	-8	-21	-21	-11	-5	-3	-4	-3	-3	-3
Net financials	-2	-2	-2	-2	0	0	0	-1	-6	-8	-9
Change in provisions	-3	0	0	0	0	-1	0	0	0	0	0
Change in other LT non-IB	1	0	0	0	1	3	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	21	9	-3	4	-1	-7	-4	0	0	0	0
Funds from operations (FFO)	57	49	41	55	63	50	50	52	43	47	52
Change in NWC	0	0	0	0	n.a.	0	0	0	-4	-3	0
Cash flow from operations (CFO)	57	49	41	55	63	50	50	52	39	44	52
Capital expenditure	-63	-39	-25	-12	-28	-30	-12	0	-38	-39	-22
Free cash flow before A&D	-6	10	16	43	35	19	38	52	1	5	31
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-6	10	16	43	35	19	38	52	1	5	31
Free cash flow bef A&D, lease adj	-6	10	16	43	35	19	38	52	1	5	31
Dividends paid	-31	-35	-48	-105	-35	-30	-20	-25	-19	-16	-18
Equity issues / buybacks	0	0	0	120	0	0	0	0	0	0	0
Net change in debt	51	49	-10	-22	-8	2	-10	-17	10	10	0
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0	0
Change in cash	14	24	-43	36	-7	-9	8	10	-8	-1	13
Cash flow metrics											
Capex/D&A	n.m.	n.m.	96.3%	55.2%	n.m.	n.m.	49.2%	0.5%	n.m.	n.m.	71.8%
Capex/Sales	67.4%	37.6%	21.0%	9.4%	21.6%	28.0%	11.1%	0.1%	32.1%	31.1%	16.6%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	2	2	2	2	1	1	1	1
Market cap.	n.a.	n.a.	n.a.	537	522	473	489	375	301	301	301
Enterprise value	n.a.	n.a.	n.a.	708	695	658	657	518	462	473	460
Diluted no. of shares, year-end (m)	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0

Source: Company data and Nordea estimates

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