

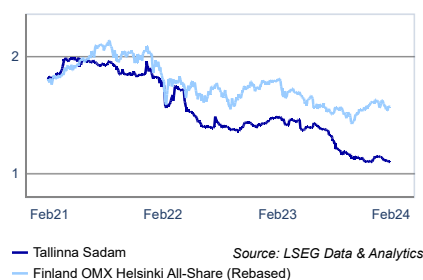
Tallinna Sadam

Business Services
Estonia

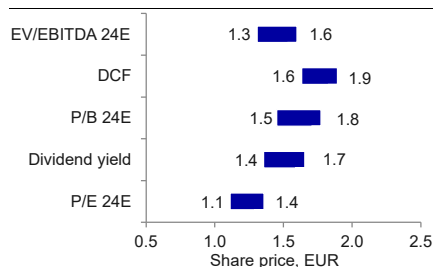
KEY DATA

Stock country	Estonia
Bloomberg	TSM1T ET
Reuters	TSM1T.TL
Share price (close)	EUR 1.11
Free float	33%
Market cap. (bn)	EUR 0.29/EUR 0.29
Website	www.ts.ee
Next report date	28 Feb 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	1%	1%	1%
EBIT (adj)	0%	2%	2%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

We expect a stable dividend trend

A weak market environment and weak cargo tonnes have taken the share price to an all-time low in February 2024, but we forecast net sales and EBITDA will grow again in 2024 y/y after the decline seen last year. A reduction in cargo tonnes paired with raised investments and interest expenses could put pressure on dividend payments, but we forecast the dividend will remain the same as a year ago (EUR 0.073), offering a dividend yield of 6.6%. A stable dividend, however, could lead to a payout ratio above 100% in 2023. Our valuation approach for Tallinna Sadam is based on the combination of a DCF model and peer group comparison, which gives a fair value range of EUR 1.4-1.7 per share.

We forecast 16% y/y EBITDA growth for Q4

The total number of passengers increased by 5% in Q4, while the number of vessel calls increased by 6%. The number of vehicles increased by 3% y/y in the Ferries segment. Cargo tonnes remained at a low level and were 21% below Q4 2022. The steep decline in cargo volumes may have finally reached its trough in H2 2023. Overall, we forecast Q4 net sales of EUR 28m, indicating flat y/y growth, and we estimate an EBITDA margin of 37% for the quarter (Q4 2022: 32%).

A new tender regarding a ferry contract begins soon

Tallinna Sadam has a contract with the state to provide domestic ferry services between Estonia's mainland and its biggest islands (Saaremaa and Hiiumaa) for the period 2017-26. This contract represents 32% of total EBITDA for the company. The Republic of Estonia will likely arrange a new tender in Q2 2024 for the subsequent ten-year period (2027-36). We believe that Tallinna Sadam would be relatively competitive in any possible auction. Tallinna Sadam has suitable vessels to offer at competitive prices in a new tender, which reduces the risks related to its ferry operations.

P/B has fallen below 1.0x

The government of Estonia is considering reducing its ownership in Tallinna Sadam from 67% to 51%, according to media sources. Details and the timing of a possible privatisation have not yet been finalised. Quay investments in Paldiski South Harbour are on schedule. The company also has an unannounced pipeline for new growth investments which could reach FID in 2024. The company's 2024E P/B multiple is 50% below the median for the peer group. Gearing is not a problem but net debt/EBITDA is already close to 3x.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	131	107	110	122	117	122	128
EBITDA (adj)	75	60	55	56	50	57	63
EBIT (adj)	52	36	30	31	24	31	34
EBIT (adj) margin	39.6%	33.1%	27.0%	25.3%	20.9%	25.3%	26.5%
EPS (adj, EUR)	0.17	0.11	0.10	0.09	0.06	0.07	0.08
EPS (adj) growth	58.2%	-35.8%	-10.2%	-3.2%	-39.4%	27.4%	12.1%
DPS (ord, EUR)	0.12	0.08	0.10	0.07	0.07	0.07	0.07
EV/Sales	5.3	6.1	6.0	4.3	3.8	3.8	3.6
EV/EBIT (adj)	13.4	18.5	22.1	16.8	18.1	14.9	13.5
P/E (adj)	11.7	16.6	19.1	15.1	19.4	15.2	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%	6.6%	6.6%	6.6%
FCF Yield bef A&D, lease	6.7%	4.1%	7.8%	13.9%	4.2%	-0.3%	7.8%
Net debt	173	185	168	143	150	170	167
Net debt/EBITDA	2.3	3.1	3.1	2.5	3.0	3.0	2.6
ROIC after tax	7.8%	5.2%	4.4%	4.6%	3.8%	4.7%	5.0%

Source: Company data and Nordea estimates

Quarterly estimates by segment

SEGMENT ESTIMATES PER 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
Passenger harbours												
Sales (EURm)	6.0	10.7	13.0	8.1	8.0	10.0	10.7	8.8	8.6	10.8	11.8	9.6
Sales growth (%)	21%	88%	34%	-3%	33%	-7%	-17%	8%	7%	8%	10%	9%
Adj. EBIT (EURm)	0.6	4.5	5.6	0.2	1.2	3.9	4.3	1.9	1.9	4.2	4.8	2.4
Adj. EBIT margin (%)	10%	42%	43%	3%	15%	39%	40%	22%	22%	39%	41%	25%
Cargo harbours												
Sales (EURm)	9.7	9.9	9.4	9.9	7.9	7.7	7.2	8.2	7.4	7.8	7.6	8.7
Sales growth (%)	1%	0%	-14%	-5%	-18%	-22%	-23%	-17%	-7%	1%	6%	6%
Adj. EBIT (EURm)	3.1	3.0	1.5	0.9	1.2	1.1	0.5	0.2	0.7	1.1	0.7	1.3
Adj. EBIT margin (%)	32%	31%	16%	9%	16%	15%	7%	2%	9%	14%	9%	15%
Ferry segment												
Sales (EURm)	7.4	8.8	10.2	8.3	8.4	9.4	10.4	8.6	8.9	9.9	10.9	9.1
Sales growth (%)	9%	13%	18%	12%	13%	7%	2%	4%	5%	5%	5%	5%
Adj. EBIT (EURm)	1.8	2.5	3.0	1.6	2.4	2.7	3.1	2.0	2.6	2.9	3.5	2.3
Adj. EBIT margin (%)	24%	28%	30%	20%	28%	29%	30%	23%	30%	29%	32%	25%
Other												
Sales (EURm)	3.7	1.0	3.8	1.9	4.0	1.7	3.1	2.3	3.8	1.6	3.4	2.4
Sales growth (%)	2%	4%	22%	-17%	10%	76%	-17%	20%	-5%	-3%	8%	4%
Adj. EBIT (EURm)	1.8	-0.8	1.8	-0.1	2.0	-2.0	-0.5	0.3	1.9	-0.5	0.8	0.3
Adj. EBIT margin (%)	48%	-88%	47%	-6%	49%	-116%	-15%	12%	50%	-28%	24%	14%
Group												
Sales (EURm)	26.8	30.4	36.3	28.2	28.4	28.8	31.4	27.9	28.6	30.1	33.7	29.7
Sales growth (%)	7%	25%	13%	-1%	6%	-5%	-13%	-1%	1%	5%	7%	6%
Adj. EBITDA (EURm)	13.5	15.4	18.0	9.0	13.6	11.7	13.5	10.4	13.2	13.8	15.9	12.3
Adj. EBITDA margin (%)	50%	51%	50%	32%	48%	41%	43%	37%	46%	46%	47%	41%
Adj. EBIT (EURm)	7.2	9.1	11.8	2.6	6.8	5.8	7.4	4.4	7.1	7.7	9.8	6.2
Adj. EBIT margin (%)	27%	30%	33%	9%	24%	20%	24%	16%	25%	26%	29%	21%
Net financials	-0.3	-0.3	-0.4	-0.9	-1.1	-1.5	-1.7	-2.0	-2.1	-2.2	-2.2	-2.3
PTP	7.0	8.8	11.5	1.7	5.7	4.3	5.7	2.4	5.0	5.6	7.6	3.9
Net result adj.	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.4	5.0	2.6	7.6	3.9
Net result	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.4	5.0	2.6	7.6	3.9
EPS adj. (EUR)	0.03	0.02	0.04	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.01
EPS (EUR)	0.03	0.02	0.04	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.01

Source: Company data and Nordea estimates

Annual estimates by segment

ANNUAL 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	37.5	40.8	42.9
Sales growth (%)		0%	0%	-62%	51%	32%	-1%	9%	5%
Adj. EBIT (EURm)	28.8	26.4	26.4	-0.5	6.7	10.9	11.3	13.3	14.6
Adj. EBIT margin (%)	58%	53%	53%	-3%	23%	29%	30%	33%	34%
Cargo harbours									
Sales (EURm)	39.8	41.7	40.1	38.5	40.7	38.8	31.0	31.5	33.1
Sales growth (%)		5%	-4%	-4%	6%	-5%	-20%	1%	5%
Adj. EBIT (EURm)	15.1	15.5	14.2	11.1	13.6	8.4	3.1	3.7	4.6
Adj. EBIT margin (%)	38%	37%	35%	29%	33%	22%	10%	12%	14%
Ferry segment									
Sales (EURm)	27.1	30.1	30.8	29.4	30.7	34.8	36.8	38.7	40.2
Sales growth (%)		11%	2%	-5%	4%	13%	6%	5%	4%
Adj. EBIT (EURm)	3.5	7.4	8.3	8.1	6.6	8.9	10.2	11.3	11.9
Adj. EBIT margin (%)	13%	25%	27%	28%	21%	26%	28%	29%	30%
Other									
Sales (EURm)	4.6	8.9	9.8	9.5	9.9	10.3	11.1	11.2	11.5
Sales growth (%)		95%	9%	-3%	5%	4%	8%	1%	2%
Adj. EBIT (EURm)	-7.1	2.3	2.9	1.9	2.9	2.6	-0.2	2.6	2.7
Adj. EBIT margin (%)	-154%	25%	29%	20%	29%	25%	-2%	23%	23%
Group									
Sales (EURm)	121.3	130.6	130.5	107.4	110.1	121.7	116.5	122.1	127.7
Sales growth (%)		8%	0%	-18%	3%	11%	-4%	5%	5%
Adj. EBITDA (EURm)	66.7	74.4	74.7	59.7	54.5	56.1	50.0	57.2	63.1
Adj. EBITDA margin (%)	55%	57%	57%	56%	50%	46%	43%	47%	49%
Adj. EBIT (EURm)	40.3	52.1	51.7	35.6	29.8	30.8	24.4	30.9	33.9
Adj. EBIT margin (%)	33%	40%	40%	33%	27%	25%	21%	25%	27%
Net financials	-1.6	-1.5	-1.5	-2.1	-0.9	-1.8	-6.4	-8.8	-9.6
PTP	38.7	50.6	50.2	33.4	28.9	29.0	18.0	22.1	24.2
Net result adj.	26.8	24.4	44.4	28.5	25.6	24.8	15.0	19.1	21.4
Net result	26.8	24.4	44.4	28.5	25.6	24.8	15.0	19.1	21.4
EPS adj. (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08
EPS (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08

Source: Company data and Nordea estimates

Peer group financials and valuation

PEER GROUP FINANCIALS

	Sales (EURm)				Sales growth				EBIT margin			
	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E
Shanghai International Port Group	5,050	4,544	4,760	5,116	9%	-4%	5%	7%	37%	32%	31%	30%
Hamburger Hafen und Logistik	1,578	1,476	1,519	1,588	8%	-4%	3%	5%	13%	8%	10%	12%
Adani Ports	2,038	2,341	2,802	3,200	36%	22%	24%	14%	48%	44%	50%	51%
China Merchants Port Holdings	1,501	1,474	1,523	1,607	6%	-5%	3%	6%	36%	32%	32%	40%
Qube Holdings	1,635	1,749	1,941	2,039	27%	15%	8%	5%	9%	9%	10%	10%
COSCO SHIPPING Ports	1,347	1,380	1,468	1,543	19%	2%	6%	5%	19%	21%	22%	22%
Abu Dhabi Ports Company	1,399	2,850	4,148	4,511	41%	108%	46%	9%	30%	19%	18%	18%
Vegetexco Port	512	n.a.	n.a.	n.a.	25%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	432	n.a.	n.a.	n.a.	13%	n.a.	n.a.	n.a.	15%	n.a.	n.a.	n.a.
Ocean Wilsons Holdings	411	433	461	484	11%	9%	6%	5%	26%	24%	25%	26%
Wilson Sons Holdings Brasil	402	1,071	1,119	512	6%	-18%	4%	-54%	26%	37%	37%	29%
Dalrymple Bay Infrastructure	399	372	390	400	24%	14%	5%	3%	37%	36%	37%	37%
Isewan Terminal Service	387	486	n.a.	n.a.	25%	34%	n.a.	n.a.	6%	8%	n.a.	n.a.
Santos Brasil Participacoes	341	426	489	562	26%	16%	15%	15%	29%	33%	36%	38%
Westshore Terminals Investment	201	254	226	220	-14%	21%	-8%	-6%	39%	44%	43%	42%
Saudi Industrial Services	247	268	295	339	1%	22%	10%	15%	26%	35%	37%	38%
Touage Investissements Reunies	211	189	202	n.a.	25%	-9%	7%	n.a.	14%	15%	15%	n.a.
Alexandria Container and Cargo	145	147	191	220	19%	75%	33%	15%	60%	72%	n.a.	n.a.
Sun Kwang	128	n.a.	n.a.	n.a.	6%	n.a.	n.a.	n.a.	16%	n.a.	n.a.	n.a.
China Container Terminal	96	n.a.	n.a.	n.a.	2%	n.a.	n.a.	n.a.	11%	n.a.	n.a.	n.a.
Fushiki Kairiku Unso	86	83	n.a.	n.a.	-1%	7%	n.a.	n.a.	6%	10%	n.a.	n.a.
Gujarat Pipavav Port	89	103	112	122	1%	23%	8%	9%	39%	42%	44%	46%
Namyong Terminal	39	44	45	46	9%	16%	4%	2%	27%	31%	31%	n.a.
Group median					11%	15%	6%	5%	26%	32%	31%	34%
Tallinna Sadam (Nordea)	122	117	122	128	11%	-4%	5%	5%	25%	21%	25%	27%
diff. from median (pp)					0	-20	-2	-1	-1	-11	-6	-7

Source: Company data, LSEG Data & Analytics and Nordea estimates

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E
Shanghai International Port Group	53.4	n.a.	n.a.	n.a.	36.9	n.a.	n.a.	n.a.	2.3	n.a.	n.a.	n.a.
Hamburger Hafen und Logistik	9.7	35.7	26.1	19.0	6.5	18.5	14.5	11.6	1.7	1.6	1.6	1.5
Adani Ports	34.2	25.7	32.2	26.6	27.7	19.6	26.9	21.8	6.7	6.2	5.3	4.5
China Merchants Port	5.7	5.8	5.7	5.2	20.9	16.7	16.6	15.7	0.3	0.4	0.4	0.4
Qube Holdings	45.1	31.7	27.1	20.4	11.0	10.5	10.1	8.6	1.1	1.1	1.0	1.0
COSCO SHIPPING Ports	8.7	6.4	6.0	5.6	25.2	18.6	17.4	16.4	0.3	0.4	0.4	0.3
Abu Dhabi Ports Company	n.a.	22.0	17.6	14.3	24.6	0.0	0.0	0.0	n.a.	1.4	1.3	1.2
Intergis Co	7.6	4.2	n.a.	n.a.	2.5	0.9	n.a.	n.a.	0.5	0.4	n.a.	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	7.6	0.0	0.0	n.a.	13.3	0.0	0.0	n.a.	0.6	n.a.	n.a.	n.a.
Ocean Wilsons Holdings	38.3	28.6	24.9	23.5	31.7	26.1	23.4	22.1	2.0	2.0	2.0	1.9
Wilson Sons Holdings Brasil	13.6	23.0	20.2	18.1	9.7	14.6	13.6	12.5	0.6	0.0	n.a.	n.a.
Dalrymple Bay Infrastructure	17.5	16.1	15.1	14.7	12.5	13.7	12.8	12.4	1.2	1.2	1.2	1.2
Isewan Terminal Service	17.2	11.5	11.0	10.7	14.1	0.0	10.0	0.0	1.6	1.6	1.6	1.6
Santos Brasil Participacoes	15.0	19.9	16.5	14.2	12.8	14.7	11.3	9.5	4.4	4.2	4.1	4.0
Westshore Terminals Investment	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Saudi Industrial Services	46.1	n.a.	n.a.	n.a.	20.3	n.a.	n.a.	n.a.	1.2	n.a.	n.a.	n.a.
Touage Investissements Reunies	21.2	13.8	15.2	15.9	15.1	10.7	11.7	13.1	2.3	2.2	2.1	2.2
Alexandria Container and Cargo	5.5	7.7	15.6	10.4	5.2	8.1	n.a.	n.a.	2.1	4.5	n.a.	n.a.
Sun Kwang	n.a.	n.a.	n.a.	n.a.	45.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Container Terminal	21.6	n.a.	n.a.	n.a.	24.3	n.a.	n.a.	n.a.	1.0	n.a.	n.a.	n.a.
Fushiki Kairiku Unso	8.3	6.2	n.a.	n.a.	10.8	6.4	n.a.	n.a.	0.3	0.4	n.a.	n.a.
Gujarat Pipavav Port	18.7	18.0	25.5	23.0	10.1	12.2	20.3	17.8	4.5	4.4	4.5	4.5
Namyong Terminal	n.a.	11.7	9.0	7.4	6.9	8.8	7.1	6.1	0.7	n.a.	n.a.	n.a.
Sakurajima Futo Kaisha	7.2	9.3	9.3	9.0	15.7	16.2	13.3	12.8	1.1	1.0	1.0	0.9
Group median	16.1	13.8	15.6	14.5	14.1	12.2	13.1	12.5	1.2	1.4	1.6	1.5
Tallinna Sadam (Nordea)	15.1	19.3	15.2	13.5	16.8	17.3	13.7	11.8	1.0	0.7	0.7	0.6
diff. from average	-6%	40%	-3%	-7%	19%	41%	5%	-6%	-15%	-50%	-57%	-59%

Source: LSEG Data & Analytics 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	117	122	128
Revenue growth	-16.5%	10.0%	17.5%	7.7%	-0.1%	-17.8%	2.5%	10.6%	-4.2%	4.8%	4.6%
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	50	57	63
Depreciation and impairments PPE	0	0	-26	-22	-23	-24	-25	-25	-26	-26	-29
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	40	49	40	52	52	36	30	31	24	31	34
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	40	49	40	52	52	36	30	31	24	31	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	-9	-10
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	18	22	24
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	15	19	21
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	15	19	21
EPS, EUR	0.12	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08
DPS, EUR	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.07
of which ordinary	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.07
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%	42.9%	46.8%	49.4%
EBITA	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	20.9%	25.3%	26.5%
EBIT	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	20.9%	25.3%	26.5%

Adjusted earnings

EBITDA (adj)	40	49	67	74	75	60	55	56	50	57	63
EBITA (adj)	40	49	40	52	52	36	30	31	24	31	34
EBIT (adj)	40	49	40	52	52	36	30	31	24	31	34
EPS (adj, EUR)	0.12	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	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%	42.9%	46.8%	49.4%
EBITA (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	20.9%	25.3%	26.5%
EBIT (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	20.9%	25.3%	26.5%

Performance metrics

CAGR last 5 years											
Net revenue	1.6%	3.0%	6.5%	4.8%	3.1%	2.7%	1.3%	0.1%	-2.3%	-1.3%	3.5%
EBITDA	-1.0%	2.7%	11.1%	8.3%	7.1%	8.1%	2.2%	-3.4%	-7.7%	-5.2%	1.1%
EBIT	-1.0%	2.7%	0.4%	0.9%	-0.5%	-2.5%	-9.5%	-5.2%	-14.1%	-9.8%	-1.0%
EPS	-6.2%	1.1%	-2.6%	-6.7%	2.7%	-1.5%	-8.3%	-1.5%	-11.8%	-15.5%	-5.5%
DPS	n.m.	0.7%	19.1%	46.7%	0.4%	-1.6%	0.7%	-10.7%	-30.8%	-8.7%	-1.0%
Average last 5 years											
Average EBIT margin	46.2%	46.2%	43.5%	41.8%	40.3%	38.5%	34.9%	33.3%	29.4%	26.2%	25.0%
Average EBITDA margin	46.2%	46.2%	48.5%	50.5%	52.7%	54.7%	55.0%	53.2%	50.3%	48.0%	47.0%

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	19.4	15.2	13.6
EV/EBITDA (adj)	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.1	7.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.1	14.9	13.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.1	14.9	13.5

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	19.4	15.2	13.6
EV/Sales	n.a.	n.a.	n.a.	5.42	5.32	6.13	5.97	4.25	3.78	3.77	3.58
EV/EBITDA	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.1	7.2
EV/EBITA	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.1	14.9	13.5
EV/EBIT	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.1	14.9	13.5
Dividend yield (ord.)	n.a.	n.a.	n.a.	22.5%	5.8%	4.3%	5.2%	5.1%	6.6%	6.6%	6.6%
FCF yield	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	4.2%	-0.3%	7.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	4.2%	-0.3%	7.8%
Payout ratio	71.3%	62.3%	126.2%	430.6%	68.0%	71.0%	99.6%	77.4%	127.8%	100.3%	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	561	579	578
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	565	583	582
Inventory	0	0	0	0	0	0	0	1	1	1	1
Accounts receivable	9	17	9	8	11	10	14	7	10	11	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	43	37	41
Total current assets	35	68	17	51	46	37	49	53	54	49	53
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	619	632	635
Shareholders equity	343	347	326	368	377	375	381	381	377	377	379
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	377	377	379
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	177	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	209	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	9	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	30
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	619	632	635
Balance sheet and debt metrics											
Net debt	171	196	229	171	173	185	168	143	150	170	167
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	-5	-3	-3
Invested capital	539	569	581	565	577	589	582	557	560	580	579
Capital employed	539	593	561	581	585	587	584	568	569	584	586
ROE	8.6%	11.5%	8.0%	7.0%	11.9%	7.6%	6.8%	6.5%	4.0%	5.1%	5.7%
ROIC	6.5%	7.6%	6.0%	7.8%	7.8%	5.2%	4.4%	4.6%	3.8%	4.7%	5.0%
ROCE	7.6%	8.6%	7.0%	9.1%	8.9%	6.1%	5.1%	5.4%	4.3%	5.4%	5.8%
Net debt/EBITDA	4.2	4.0	3.4	2.3	2.3	3.1	3.1	2.5	3.0	3.0	2.6
Interest coverage	32.6	82.5	20.8	26.0	29.5	20.9	21.7	15.4	3.8	3.5	3.5
Equity ratio	59.0%	54.3%	54.6%	59.0%	60.3%	59.8%	60.5%	61.3%	60.9%	59.6%	59.7%
Net gearing	49.9%	56.5%	70.2%	46.5%	45.8%	49.3%	44.2%	37.5%	39.8%	45.1%	44.0%

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	50	57	63
Paid taxes	0	-8	-21	-21	-11	-5	-3	-4	-3	-3	-3
Net financials	-2	-2	-2	-2	0	0	0	-1	-6	-9	-10
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	41	46	51
Change in NWC	0	0	0	0	n.a.	0	0	0	-6	-2	0
Cash flow from operations (CFO)	57	49	41	55	63	50	50	52	34	43	51
Capital expenditure	-63	-39	-25	-12	-28	-30	-12	0	-22	-44	-28
Free cash flow before A&D	-6	10	16	43	35	19	38	52	12	-1	23
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	12	-1	23
Free cash flow bef A&D, lease adj	-6	10	16	43	35	19	38	52	12	-1	23
Dividends paid	-31	-35	-48	-105	-35	-30	-20	-25	-19	-19	-19
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	5	15	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	-2	-5	3
Cash flow metrics											
Capex/D&A	n.m.	n.m.	96.3%	55.2%	n.m.	n.m.	49.2%	0.5%	86.5%	n.m.	96.6%
Capex/Sales	67.4%	37.6%	21.0%	9.4%	21.6%	28.0%	11.1%	0.1%	19.0%	36.3%	22.1%
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	291	291	291
Enterprise value	n.a.	n.a.	n.a.	708	695	658	657	518	441	461	457
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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