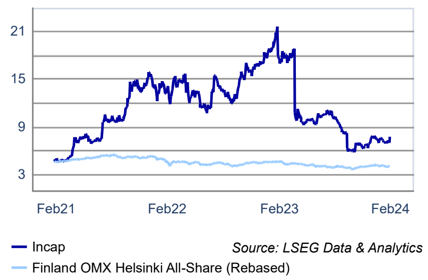
Incap

Capital Goods
Finland

KEY DATA

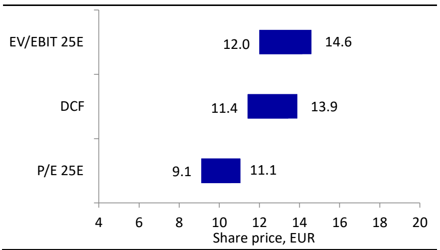
Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 7.84
Free float	
Market cap. (bn)	EUR 0.23/EUR 0.23
Website	www.incapcorp.com
Next report date	08 May 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-17%	-6%	-5%
EBIT (adj)	-15%	-7%	-5%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Darkest hours could be over

Incap's Q4 net sales and adjusted EBIT margin beat consensus (LSEG Data & Analytics) expectations. Profitability remained decent, despite the 46% y/y drop in net sales in Q4. With the EBIT margin not a problem, the investment case is more focused on revenue growth after the remarkable dip seen in H2 2023. Incap already guides for a q/q improvement in sales, and might internally be aiming for y/y growth in 2024, even though the official guidance indicates lower revenue y/y for 2024. The company does not pay a dividend, which is in line with consensus expectations. Having trimmed our long-term estimates, we derive a new fair value range of EUR 10.8-13.2 (11.8-14.5) per share, based on a DCF analysis backed by a peer group comparison.

Profitability remained good despite the revenue decline

Net sales were 7% above consensus in Q4, while the adjusted EBIT margin of 10.4% was also above consensus of 7.6%. The good profitability was chiefly a result of proactive cost control. Organic growth excluding the largest customer was 15% in Q4 y/y, which is a positive sign. The company also said that net sales and EBIT could start to grow on a q/q basis and the weakest quarter (Q4) is already over. However, its full-year growth guidance was a disappointment compared to consensus expectations, but it may raise its guidance during the year if the destocking effect from the main customer ends. The main customer brought EUR 10m in revenue for Incap in Q4 2023. We believe that a more ordinary level for quarterly orders from the main customer could be EUR 24m, which could be seen in late 2024. However, our new 2024 net sales forecast is still in line with the official guidance.

The company has not lost its core competitive edge

Incap has not lost its competitive edge from its low-cost production platform, but some price pressure has emerged in the market. Moreover, Incap has not lost its main customer and it still has a clientele portfolio that can offer notable and long-term growth potential in renewable energy and energy security. However, EV/EBIT valuation could remain below peers until the massive destocking effect is truly over and a new normal in sales volumes has been reached. Incap's 2024E-25E EV/EBIT valuation is now 30% below its peer group, but visibility is still weak and volatility in orders could remain high in the near future. Incap is also looking for acquisitions, which could alter the final outcome for 2024 significantly.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	218	272	294
EBITDA (adj)	16	29	43	36	34	40	44
EBIT (adj)	13	26	39	31	28	34	37
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.7%	12.6%	12.7%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.61	0.78	0.85
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	-19.1%	27.6%	9.6%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	0.8	2.7	2.0	1.0	1.0	0.7	0.6
EV/EBIT (adj)	7.1	17.8	13.2	7.2	7.7	5.8	4.8
P/E (adj)	9.1	21.8	18.2	10.3	12.9	10.1	9.2
P/BV	2.2	7.3	5.7	2.1	1.9	1.6	1.4
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	0.7%	0.8%	-1.5%	16.0%	4.8%	5.0%	8.4%
Net debt	5	2	14	-8	-20	-31	-50
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.6	-0.8	-1.2
ROIC after tax	27.4%	34.5%	34.4%	22.5%	20.3%	24.0%	24.8%

Source: Company data and Nordea estimates

Estimate revisions and quarterly estimates

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
Sales	46	218	272	294	60	262	288	308	-24%	-17%	-6%	-5%
Adj. EBIT	6	28	34	37	7	33	37	39	-20%	-15%	-7%	-5%
Adj. EBIT margin	12.7%	12.7%	12.6%	12.7%	12.2%	12.4%	12.7%	12.7%	0.5pp	0.2pp	-0.1pp	0.0pp
Adj. EPS	0.13	0.61	0.78	0.85	0.18	0.78	0.88	0.94	-29%	-22%	-12%	-10%

Source: Nordea estimates

ESTIMATES BY QUARTER (EURm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	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	42.4	46.0	49.0	60.0	63.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-37%	-13%	20%	49%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.3	7.7	9.0	9.3
Adj. EBITDA margin (%)	15%	15%	17%	18%	17%	17%	15%	14%	16%	16%	15%	15%
Adj. EBIT	7.0	8.6	11.0	13.0	11.4	8.3	6.4	4.4	5.8	6.3	7.6	7.9
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	-1.3	-1.2	-1.2	-1.2	-1.2
PTP	6.2	8.0	10.3	12.3	10.9	7.3	5.8	2.4	3.9	4.4	5.7	6.0
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.1	3.7	4.0	5.0	5.2
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	3.0	3.3	4.3	4.6
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.07	0.13	0.14	0.17	0.18
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.10	0.11	0.15	0.16

Source: Company data and Nordea estimates

Peer group financials

PEER GROUP FINANCIALS

	SALES (EURm)				SALES GROWTH				EBIT MARGIN			
	2022	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**
Hon Hai Precision Industry Co Ltd	202 514	181 308	189 583	198 369	11%	-7%	5%	5%	3%	3%	3%	3%
Delta Electronics Inc	11 748	11 984	13 233	14 777	22%	7%	10%	12%	11%	10%	11%	12%
Jabil Inc	33 288	32 010	28 280	29 470	14%	4%	-12%	4%	5%	5%	5%	6%
Pegatron Corp	40 264	37 629	40 055	41 419	4%	-5%	5%	3%	2%	1%	2%	2%
Universal Scientific Industrial Shangh	9 282	7 783	8 797	9 488	24%	-13%	12%	8%	5%	4%	4%	4%
Fabrinet	2 143	2 425	2 644	2 970	20%	17%	8%	12%	10%	11%	10%	10%
Accton Technology Corp	2 359	2 505	2 988	3 480	30%	12%	19%	16%	12%	13%	15%	15%
Venture Corporation Ltd	2 695	2 136	2 277	2 393	24%	-17%	7%	5%	12%	10%	11%	11%
Sanmina Corp	8 082	8 453	7 289	8 146	18%	13%	-13%	12%	5%	6%	6%	6%
Inventec Corp	16 555	15 225	17 030	19 018	4%	-6%	12%	12%	1%	1%	2%	2%
Plexus Corp	3 890	3 983	3 752	4 253	13%	10%	-4%	13%	5%	5%	5%	5%
Foxconn Interconnect Technology Ltd	4 233	3 849	4 169	4 723	1%	-9%	8%	13%	4%	5%	5%	5%
Celestica Inc	6 774	7 214	8 078	8 666	29%	10%	11%	7%	5%	5%	6%	6%
Ducommun Inc	666	686	742	784	10%	6%	5%	6%	7%	8%	9%	10%
Sercomm Corp	1 973	1 856	2 148	2 304	47%	-2%	16%	8%	4%	5%	5%	5%
Note AB (publ)	331	382	n.a.	n.a.	39%	15%	n.a.	n.a.	11%	10%	n.a.	n.a.
Kitron ASA	641	775	772	840	76%	21%	0%	9%	7%	9%	9%	9%
Scanfil Oyj	844	904	900	922	21%	8%	0%	2%	5%	7%	7%	7%
SIIX Corp	1 974	1 990	2 037	2 142	22%	12%	6%	5%	3%	4%	0%	0%
TT electronics PLC	697	732	734	760	30%	5%	0%	4%	7%	8%	9%	9%
Hanza AB	319	373	491	540	41%	17%	32%	10%	6%	8%	8%	8%
Cicor Technologies Ltd	317	413	460	491	31%	30%	10%	7%	4%	6%	6%	7%
Valuetronics Holdings Ltd	234	237	231	247	-11%	-1%	0%	7%	6%	5%	8%	8%
Lacroix Group SA	708	761	779	802	41%	8%	2%	3%	3%	3%	3%	4%
Inission AB	172	195	210	221	50%	39%	7%	6%	7%	7%	7%	7%
Group median					**22.2%**	**7.7%**	**6.1%**	**7.0%**	**5.2%**	**5.7%**	**5.9%**	**6.1%**
Incap (Nordea)	264	222	218	272	55.3%	-16.0%	-1.6%	24.8%	14.7%	12.7%	11.4%	11.6%
diff. from median (pp)					**33.2**	**-23.7**	**-7.8**	**17.7**	**9.5**	**7.0**	**5.6**	**5.5**

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

Peer group valuation

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2022	**2023E**	**2024E**	**2025E**	**2022**	**2023E**	**2024E**	**2025E**	**2022**	**2023E**	**2024E**	**2025E**
Hon Hai Precision Industry Co Ltd	9.9	10.8	9.5	8.3	8.5	8.0	7.4	6.5	0.9	0.9	0.9	0.8
TT Electronics	22.9	22.8	19.8	17.1	18.5	18.8	15.8	13.5	4.2	3.8	3.5	3.2
Jabil Inc	8.7	19.0	15.2	12.9	7.0	10.3	11.6	10.6	7.2	6.4	8.9	6.3
Pegatron Corp	11.2	14.8	13.3	12.3	9.1	14.9	11.7	10.2	1.2	1.2	1.2	1.1
Universal Scientific Industrial Shangh	12.0	14.7	12.6	10.8	10.9	12.5	10.5	9.1	2.0	1.6	1.5	1.4
Fabrinet	15.5	19.3	22.6	20.0	12.6	16.1	20.6	18.2	5.4	4.6	4.0	3.5
Accton Technology Corp	16.2	32.1	24.6	20.7	12.5	24.6	19.0	16.0	15.9	12.1	9.9	7.8
Foxconn Interconnect Technology	13.5	14.9	13.6	12.6	9.6	10.1	9.2	8.5	1.4	1.3	1.3	1.3
Sanmina Corp	12.1	10.5	10.6	9.0	6.9	6.3	7.2	6.2	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	35.3	25.3	20.3	16.8	31.4	22.5	17.4	3.5	3.4	3.2	3.2
Universal Scientific Industrial	18.0	18.8	22.0	15.4	14.5	12.5	15.1	11.9	2.4	2.2	0.0	0.0
Foxconn Interconnect Technology Ltd	11.0	6.4	6.5	4.7	7.7	4.4	4.4	3.8	0.4	0.4	0.4	0.0
Celestica Inc	9.6	14.8	12.8	11.7	6.6	9.8	9.9	9.1	0.8	3.0	0.0	n.a.
Ducommun Inc	21.5	45.7	16.9	13.4	15.7	21.8	13.4	10.7	1.2	1.1	1.1	1.0
Sercomm Corp	10.6	15.6	12.9	12.2	8.3	12.0	10.1	9.3	3.5	3.2	2.9	2.0
Note AB (publ)	20.4	13.5	n.a.	n.a.	13.7	11.4	n.a.	n.a.	4.7	3.1	n.a.	n.a.
Kitron ASA	18.6	11.6	13.4	10.9	15.1	10.2	10.8	9.7	4.1	3.9	3.0	2.5
Scanfil Oyj	12.2	10.2	10.8	10.1	11.3	9.2	9.6	9.1	2.1	1.9	1.7	1.5
SIIX Corp	12.8	8.4	8.1	7.5	12.3	9.1	n.a.	n.a.	1.1	0.9	0.8	0.8
TT electronics PLC	9.5	8.1	7.2	6.5	10.2	7.9	7.0	6.7	0.8	0.9	0.8	0.7
Hanza AB	15.5	16.1	10.1	8.1	13.4	11.9	7.7	6.4	3.2	2.3	1.8	1.5
Cicor Technologies Ltd	41.8	21.4	15.9	12.6	10.3	9.8	8.2	7.2	1.4	1.3	1.2	1.1
Valuetronics Holdings Ltd	11.5	10.2	9.8	9.1	3.0	2.1	1.8	1.6	0.9	0.9	1.0	n.a.
Lacroix Group SA	10.9	10.7	10.3	6.4	13.4	0.0	0.0	0.0	0.7	0.0	n.a.	n.a.
Inission AB	11.0	9.3	9.4	8.6	8.8	8.5	8.3	7.8	1.5	2.0	1.6	1.4
Group median	**12.2**	**14.8**	**12.8**	**11.3**	**10.9**	**10.2**	**9.9**	**9.1**	**1.5**	**1.9**	**1.4**	**1.4**
Incap (Nordea)	18.2	10.3	12.8	10.1	13.2	7.2	7.6	5.8	5.7	2.1	1.9	1.6
diff. from average	49%	-30%	0%	-11%	22%	-30%	-23%	-36%	283%	12%	32%	12%

Source: LSEG Data & Analytics and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Total revenue	**39**	**49**	**59**	**71**	**106**	**170**	**264**	**222**	**218**	**272**	**294**
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	-1.6%	24.8%	8.0%
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	5	9	11	16	29	43	33	31	38	41
Depreciation and impairments PPE	0	0	-1	-1	-2	-3	-3	-5	-6	-6	-6
of which leased assets	0	0	0	-1	-1	-1	-1	-2	-2	-2	-2
EBITA	4	5	9	10	14	26	39	29	25	32	35
Amortisation and impairments	0	0	0	0	-1	-1	0	0	0	0	0
EBIT	4	5	9	10	13	26	39	28	25	32	35
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	-1	0	-1	0	-2	-2	-5	-5	-5
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**	**4**	**8**	**10**	**12**	**26**	**37**	**26**	**20**	**27**	**29**
Reported taxes	-1	-1	-2	-3	-2	-5	-9	-7	-5	-6	-7
Net profit from continued operations	2	3	6	6	9	21	28	20	15	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	2	3	6	6	9	21	28	20	15	20	22
EPS, EUR	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.67**	**0.52**	**0.69**	**0.76**
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	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	15.0%	14.2%	13.9%	14.0%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.6%	11.8%	11.9%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	11.4%	11.6%	11.8%
Adjusted earnings											
EBITDA (adj)	4	5	9	11	16	29	43	36	34	40	44
EBITA (adj)	4	5	9	10	14	26	39	31	28	35	38
EBIT (adj)	4	5	9	10	13	26	39	31	28	34	37
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.61	0.78	0.85
Adjusted profit margins in percent											
EBITDA (adj)	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	15.5%	14.9%	14.9%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.8%	12.8%	12.9%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.7%	12.6%	12.7%
Performance metrics											
CAGR last 5 years											
Net revenue	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	30.3%	25.1%	20.6%	11.6%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	22.1%	18.8%	7.0%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	19.8%	20.2%	5.9%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	12.5%	11.2%	1.1%
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	0.9%	4.3%	11.1%	12.4%	12.2%	13.6%	14.4%	13.9%	13.3%	13.1%	12.5%
Average EBITDA margin	1.2%	4.8%	11.8%	13.5%	14.1%	15.6%	16.2%	15.9%	15.5%	15.2%	14.6%

VALUATION RATIOS - ADJUSTED EARNINGS											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E (adj)	9.6	7.4	4.6	10.1	9.1	21.8	18.2	10.3	12.9	10.1	9.2
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	6.3	4.9	4.1
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	7.5	5.8	4.8
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	7.7	5.8	4.8

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E	9.6	7.4	4.6	10.1	9.1	21.8	18.2	11.5	15.2	11.4	10.3
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	0.97	0.73	0.61
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	6.8	5.3	4.4
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	8.3	6.2	5.1
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	8.5	6.3	5.2
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	0.7%	5.4%	7.1%	9.8%	-5.6%	1.0%	-1.2%	11.1%	5.5%	5.7%	9.1%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	0.7%	0.8%	-1.5%	16.0%	4.8%	5.0%	8.4%
Payout ratio	0.0%	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	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	1	1	1	1	12	12	11	14	13	13	12
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	5	5	4	6	5	5	4
of which goodwill	1	1	1	1	7	8	7	8	8	8	8
Tangible assets	3	3	5	7	11	14	21	30	29	30	31
of which leased assets	0	0	0	2	6	7	7	8	7	6	6
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	1	1	0	1	1	1	1
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	1	1	0	0	0	0	1	0	0	0	0
Total non-current assets	5	5	6	9	24	27	33	45	44	44	45
Inventory	6	8	12	11	24	59	92	71	66	78	81
Accounts receivable	8	9	12	11	24	34	36	24	30	37	40
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	2	3	3	6	4	9	8	43	50	57	73
Total current assets	16	20	26	28	52	102	136	137	147	174	196
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	**21**	**25**	**32**	**36**	**76**	**129**	**169**	**182**	**191**	**218**	**240**
Shareholders equity	8	10	16	22	39	63	87	107	122	142	165
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	8	10	16	22	39	63	87	107	122	142	165
Deferred tax	0	0	0	0	1	1	1	1	1	1	1
Long term interest bearing debt	4	2	1	2	2	1	5	24	20	17	13
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	1	0	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	2	3	2	5	7	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	4	2	1	6	9	6	13	33	30	26	23
Short-term provisions	0	0	1	0	1	0	0	0	0	1	1
Accounts payable	5	7	10	7	25	53	57	38	35	46	50
Current lease debt	0	0	0	1	1	1	2	2	2	2	2
Other current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	4	5	5	1	2	6	9	2	2	1	1
Total current liabilities	9	12	15	10	30	60	68	42	39	50	53
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**21**	**25**	**32**	**37**	**77**	**130**	**168**	**182**	**191**	**218**	**240**
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-20	-31	-50
of which lease debt	0	0	0	2	5	4	7	8	8	8	8
Working capital	9	10	14	14	23	40	71	57	60	69	71
Invested capital	14	15	19	23	47	67	104	102	104	113	116
Capital employed	16	18	21	28	48	74	109	141	152	168	187
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	13.3%	15.3%	14.6%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	20.3%	24.0%	24.8%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	19.5%	22.0%	21.6%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.6	-0.8	-1.2
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	4.6	5.5	5.9
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	64.0%	65.1%	68.4%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-16.1%	-21.9%	-30.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
EBITDA (adj) for associates	**4**	**5**	**9**	**11**	**16**	**29**	**43**	**33**	**31**	**38**	**41**
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-5	-6	-7
Net financials	-1	0	0	0	-1	-1	-1	-1	-5	-5	-5
Change in provisions	0	0	1	1	-1	0	0	0	0	0	0
Change in other LT non-IB	-1	0	1	0	1	0	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	8	-1	-2	0	2	-2	-3	0	0	0
Funds from operations (FFO)	**2**	**4**	**7**	**8**	**13**	**25**	**35**	**24**	**21**	**26**	**29**
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-3	-8	-3
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**18**	**18**	**26**
Capital expenditure	-1	-1	-2	-1	-3	-5	-5	-7	-5	-5	-5
Free cash flow before A&D	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**38**	**13**	**13**	**21**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	-7	-1	0	-12	0	0	0
Free cash flow	0	1	2	6	-5	4	-6	25	13	13	21
Free cash flow bef A&D, lease adj	0	1	2	6	1	4	-8	36	11	12	19
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	0	0	0	0	11	0	0	0	0	0	0
Net change in debt	0	0	-2	-2	-6	2	6	12	-4	-4	-4
Other financing adjustments	0	0	0	0	0	0	0	0	-2	-2	-2
Other non-cash adjustments	2	0	0	0	-1	0	-1	0	0	0	0
Change in cash	2	1	0	3	-2	5	-2	35	7	8	15
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	81.8%	84.2%	83.3%
Capex/Sales	2.5%	1.4%	3.7%	1.6%	2.6%	2.7%	2.1%	3.1%	2.3%	1.9%	1.8%
Key information											
Share price year end (/current)	1	1	1	3	4	16	17	8	8	8	8
Market cap.	20	23	27	63	84	460	501	227	231	231	231
Enterprise value	26	28	30	63	90	462	515	219	211	200	180
Diluted no. of shares, year-end (m)	21.8	21.8	21.8	21.8	22.9	29.3	29.3	29.4	29.4	29.4	29.4

Source: Company data and Nordea estimates

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Nordea IB & Equity Division, Equity Research	**Nordea IB & Equity Division, Equity Research**	**Nordea IB & Equity Division, EquityResearch**	**Nordea IB & Equity Division, Equity Research**
Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			