

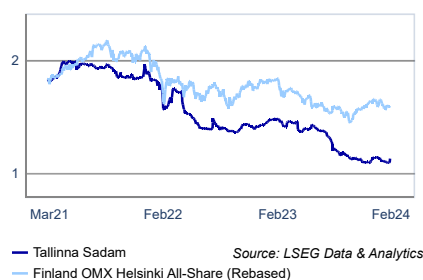
Tallinna Sadam

Business Services
Estonia

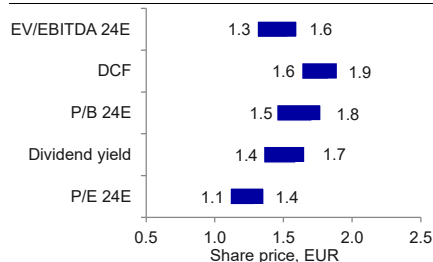
KEY DATA

Stock country	Estonia
Bloomberg	TSM1T ET
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 May 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	0%	0%
EBIT (adj)	1%	1%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

Earnings momentum is returning

Net sales and adjusted EBITDA were above LSEG Data & Analytics consensus for Q4. The dividend proposal of EUR 0.073 was the same as that paid a year ago and in line with our estimate. Tallinna Sadam has not provided full-year guidance for 2024, but we forecast that net sales will be up by 5% y/y and adjusted EBITDA margin will rise by 3pp. Despite the earnings improvement momentum being restored in 2024, the company is trading at a 2024E P/BV of 0.8x, compared to the historical average of 1.2x (2018-23). Our valuation approach is based on the combination of DCF, dividend yield and a peer group comparison, which together yield a fair value range of EUR 1.4-1.7 per share.

Adjusted EBITDA margin was 37% in Q4

Group net sales were EUR 28.0m in Q4 (consensus: EUR 27.6m). Adjusted EBITDA was EUR 10.4m (consensus: EUR 9.5m). The Ferry and Passenger segments were able to post revenue growth, but net sales in the Cargo segment declined by 19% y/y. The number of cruise ship visits fell by 45% in 2023 and a recovery to previous years' good levels is not in sight. However, cargo tonnes have reached the bottom (3Mt in Q4) and there should be no more q/q declines in volumes. The Q4 profitability improvement was driven by lower operating expenses and stronger charter revenues for Baltica.

A year of growth investments

Annual net sales have been EUR 114m on average for the last four years, while investments have averaged EUR 22m. However, the company has embarked on several projects to speed up growth. The new quay in Paldiski will take annual investments to over EUR 45m this year. Moreover, an FID for a wind farm commissioning service operation vessel (CSOV) could be made in H2 2024. The property development project could also enter the tendering phase in Q4 2024. Possible growth investments could take net debt per EBITDA to between 4.0x and 4.5x temporarily.

We do not view the valuation as challenging

The EBIT margin gradually declined during 2019-23 due to several crises, which was also visible in the share price. However, positive momentum is returning this year. The company's 2024E P/BV multiple is ~50% below the median for the peer group. The sector median dividend yield assumption of 5% also supports a 33% higher fair value than the current share price.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	107	110	122	117	122	128	132
EBITDA (adj)	60	55	56	50	56	62	65
EBIT (adj)	36	30	31	25	31	34	36
EBIT (adj) margin	33.1%	27.0%	25.3%	21.1%	25.4%	26.6%	27.6%
EPS (adj, EUR)	0.11	0.10	0.09	0.06	0.08	0.08	0.09
EPS (adj) growth	-35.8%	-10.2%	-3.2%	-37.7%	28.6%	11.5%	8.6%
DPS (ord, EUR)	0.08	0.10	0.07	0.07	0.07	0.08	0.08
EV/Sales	6.1	6.0	4.3	3.8	3.8	3.6	3.4
EV/EBIT (adj)	18.5	22.1	16.8	17.8	14.8	13.5	12.2
P/E (adj)	16.6	19.1	15.1	19.2	15.1	13.6	12.5
P/BV	1.3	1.3	1.0	0.8	0.8	0.8	0.8
Dividend yield (ord)	4.3%	5.2%	5.1%	6.5%	6.4%	6.6%	7.2%
FCF Yield bef A&D, lease	4.1%	7.8%	13.9%	9.0%	-0.1%	7.0%	11.8%
Net debt	185	168	143	142	161	159	144
Net debt/EBITDA	3.1	3.1	2.5	2.8	2.9	2.6	2.2
ROIC after tax	5.2%	4.4%	4.6%	3.8%	4.7%	5.1%	5.5%

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 23	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	9.5
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	2.4	1.9	4.2	4.8	2.7
Adj. EBIT margin (%)	10%	42%	43%	3%	15%	39%	40%	28%	22%	39%	41%	28%
Cargo harbours												
Sales (EURm)	9.7	9.9	9.4	9.9	7.9	7.7	7.2	8.0	7.5	7.8	7.6	8.5
Sales growth (%)	1%	0%	-14%	-5%	-18%	-22%	-23%	-19%	-6%	1%	6%	6%
Adj. EBIT (EURm)	3.1	3.0	1.5	0.9	1.2	1.1	0.5	0.3	0.6	1.0	0.6	1.1
Adj. EBIT margin (%)	32%	31%	16%	9%	16%	15%	7%	4%	9%	13%	8%	13%
Ferry segment												
Sales (EURm)	7.4	8.8	10.2	8.3	8.4	9.4	10.4	8.5	8.9	9.9	10.9	8.9
Sales growth (%)	9%	13%	18%	12%	13%	7%	2%	2%	5%	5%	5%	5%
Adj. EBIT (EURm)	1.8	2.5	3.0	1.6	2.4	2.7	3.1	1.5	2.6	2.9	3.5	2.2
Adj. EBIT margin (%)	24%	28%	30%	20%	28%	29%	30%	18%	30%	29%	32%	25%
Other												
Sales (EURm)	3.7	1.0	3.8	1.9	4.0	1.7	3.1	2.8	4.0	1.6	3.3	2.9
Sales growth (%)	2%	4%	22%	-17%	10%	76%	-17%	48%	-2%	-3%	7%	3%
Adj. EBIT (EURm)	1.8	-0.8	1.8	-0.1	2.0	-2.0	-0.5	0.4	2.0	-0.5	0.8	0.6
Adj. EBIT margin (%)	48%	-88%	47%	-6%	49%	-116%	-15%	15%	50%	-28%	23%	20%
Group												
Sales (EURm)	26.8	30.4	36.3	28.2	28.4	28.8	31.4	28.0	28.8	30.1	33.7	29.8
Sales growth (%)	7%	25%	13%	-1%	6%	-5%	-13%	-1%	2%	5%	7%	6%
Adj. EBITDA (EURm)	13.5	15.4	18.0	9.0	13.6	11.7	13.5	10.4	13.2	13.7	15.8	12.6
Adj. EBITDA margin (%)	50%	51%	50%	32%	48%	41%	43%	37%	46%	45%	47%	42%
Adj. EBIT (EURm)	7.2	9.1	11.8	2.6	6.8	5.8	7.4	4.6	7.1	7.6	9.7	6.6
Adj. EBIT margin (%)	27%	30%	33%	9%	24%	20%	24%	17%	25%	25%	29%	22%
Net financials	-0.3	-0.3	-0.4	-0.9	-1.1	-1.5	-1.7	-1.8	-2.0	-2.0	-2.1	-2.2
PTP	7.0	8.8	11.5	1.7	5.7	4.3	5.7	2.8	5.2	5.6	7.6	4.4
Net result adj.	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.8	5.2	2.6	7.6	4.4
Net result	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.8	5.2	2.6	7.6	4.4
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	0.02
EPS (EUR)	0.03	0.02	0.04	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.02

Source: Company data and Nordea estimates

Annual estimates by segment

ANNUAL SEGMENT ESTIMATES (EURm)

	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Passenger harbours									
Sales (EURm)	49.9	49.9	49.8	19.0	28.8	37.9	37.5	40.7	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	11.8	13.6	15.0
Adj. EBIT margin (%)	58%	53%	53%	-3%	23%	29%	31%	33%	35%
Cargo harbours									
Sales (EURm)	39.8	41.7	40.1	38.5	40.7	38.8	30.8	31.3	33.0
Sales growth (%)		5%	-4%	-4%	6%	-5%	-21%	2%	6%
Adj. EBIT (EURm)	15.1	15.5	14.2	11.1	13.6	8.4	3.2	3.3	4.2
Adj. EBIT margin (%)	38%	37%	35%	29%	33%	22%	10%	11%	13%
Ferry segment									
Sales (EURm)	27.1	30.1	30.8	29.4	30.7	34.8	36.7	38.5	40.0
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	9.7	11.2	11.9
Adj. EBIT margin (%)	13%	25%	27%	28%	21%	26%	27%	29%	30%
Other									
Sales (EURm)	4.6	8.9	9.8	9.5	9.9	10.3	11.7	11.9	12.1
Sales growth (%)		95%	9%	-3%	5%	4%	13%	1%	2%
Adj. EBIT (EURm)	-7.1	2.3	2.9	1.9	2.9	2.6	-0.1	2.9	3.0
Adj. EBIT margin (%)	-154%	25%	29%	20%	29%	25%	-1%	24%	25%
Group									
Sales (EURm)	121.3	130.6	130.5	107.4	110.1	121.7	116.6	122.4	128.1
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	56.4	62.4
Adj. EBITDA margin (%)	55%	57%	57%	56%	50%	46%	43%	46%	49%
Adj. EBIT (EURm)	40.3	52.1	51.7	35.6	29.8	30.8	24.6	31.1	34.1
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	-6.2	-8.2	-9.1
PTP	38.7	50.6	50.2	33.4	28.9	29.0	18.4	22.9	25.0
Net result adj.	26.8	24.4	44.4	28.5	25.6	24.8	15.4	19.9	22.2
Net result	26.8	24.4	44.4	28.5	25.6	24.8	15.4	19.9	22.2
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			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Shanghai International Port Group	5 050	4 484	4 584	4 849	9%	-6%	1%	6%	37%	28%	33%	32%
Hamburger Hafen und Logistik	1 578	1 459	1 503	1 571	8%	-6%	3%	5%	13%	7%	9%	11%
Adani Ports	2 038	2 341	2 933	3 343	36%	22%	32%	14%	48%	44%	46%	50%
China Merchants Port Holdings	1 501	1 432	1 460	1 539	6%	-6%	2%	5%	36%	40%	40%	40%
Qube Holdings	1 635	1 749	1 990	2 108	27%	15%	9%	6%	9%	9%	10%	10%
COSCO SHIPPING Ports	1 347	1 339	1 422	1 502	19%	2%	6%	6%	19%	23%	23%	23%
Abu Dhabi Ports Company	1 399	2 882	3 940	4 341	41%	123%	33%	10%	30%	18%	19%	20%
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	421	457	502	11%	4%	9%	10%	26%	25%	29%	30%
Wilson Sons Holdings Brasil	402	449	473	498	6%	-65%	5%	5%	26%	28%	29%	29%
Dalrymple Bay Infrastructure	399	404	401	412	24%	5%	10%	3%	37%	37%	36%	36%
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	400	466	518	26%	9%	16%	11%	29%	34%	38%	41%
Westshore Terminals Investment	201	247	236	226	-14%	22%	-5%	-4%	39%	45%	43%	40%
Saudi Industrial Services	247	266	281	311	1%	24%	6%	10%	26%	34%	33%	35%
Touage Investissements Reunies	211	0	0	n.a.	25%	0%	0%	n.a.	14%	0%	0%	n.a.
Alexandria Container and Cargo	145	147	179	272	19%	75%	25%	52%	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	109	120	1%	23%	6%	10%	39%	42%	44%	46%
Namyong Terminal	39	46	47	48	9%	20%	5%	3%	27%	33%	36%	n.a.
Group median					11%	9%	6%	6%	26%	28%	33%	34%
Tallinna Sadam (Nordea)	122	117	122	128	11%	-4%	5%	5%	25%	21%	25%	27%
diff. from median (pp)					0	-13	-1	-1	-1	-7	-8	-7

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

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	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	35.6	26.0	19.0	6.5	18.5	14.4	11.5	1.7	1.6	1.5	1.5
Adani Ports	34.2	25.7	32.5	26.8	27.7	19.6	27.0	21.9	6.7	6.2	5.3	4.6
China Merchants Port	5.7	5.8	5.7	5.2	20.9	16.6	16.6	15.7	0.3	0.4	0.4	0.3
Qube Holdings	45.1	30.6	26.2	19.7	11.0	10.2	9.9	8.4	1.1	1.1	1.0	0.9
COSCO SHIPPING Ports	8.7	6.2	5.8	5.4	25.2	18.4	17.2	16.2	0.3	0.4	0.3	0.3
Abu Dhabi Ports Company	n.a.	21.7	17.4	14.2	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	23.2	22.7	31.7	26.1	24.3	22.6	2.0	1.9	1.9	1.9
Wilson Sons Holdings Brasil	13.6	23.1	20.4	18.2	9.7	14.6	13.6	12.5	0.6	0.0	n.a.	n.a.
Dalrymple Bay Infrastructure	17.5	18.0	16.7	15.1	12.5	12.2	12.4	11.9	1.2	1.2	1.3	1.3
Isewan Terminal Service	17.2	11.0	11.9	11.7	14.1	11.1	10.4	0.0	1.7	1.8	1.6	1.6
Santos Brasil Participacoes	15.0	19.5	16.0	13.8	12.8	14.4	11.1	9.3	4.3	4.1	4.0	3.9
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	13.9	15.3	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	12.3	7.8	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	26.0	23.4	10.1	12.2	20.7	18.1	4.6	4.5	4.6	4.6
Namyong Terminal	n.a.	44.0	10.8	8.6	6.9	8.9	7.2	6.2	0.7	n.a.	n.a.	n.a.
Sakurajima Futo Kaisha	7.2	9.1	9.2	8.8	15.7	15.9	13.1	12.6	1.1	1.0	0.9	0.9
Group median	16.1	18.0	16.0	14.7	14.1	12.2	12.7	12.5	1.2	1.4	1.5	1.5
Tallinna Sadam (Nordea)	15.1	19.2	15.1	13.6	16.8	17.8	14.2	12.3	1.0	0.8	0.7	0.7
diff. from average	-6%	7%	-6%	-8%	19%	46%	12%	-1%	-15%	-45%	-52%	-54%

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	103	121	131	131	107	110	122	117	122	128	132
Revenue growth	10.0%	17.5%	7.7%	-0.1%	-17.8%	2.5%	10.6%	-4.2%	4.9%	4.6%	3.0%
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	49	67	74	75	60	55	56	50	56	62	65
Depreciation and impairments PPE	0	-26	-22	-23	-24	-25	-25	-25	-25	-28	-29
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	49	40	52	52	36	30	31	25	31	34	36
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	49	40	52	52	36	30	31	25	31	34	36
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	-2	-1	-1	-2	-1	-2	-6	-8	-9	-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	48	39	51	50	33	29	29	18	23	25	27
Reported taxes	-9	-12	-26	-6	-5	-3	-4	-3	-3	-3	-3
Net profit from continued operations	40	27	24	44	29	26	25	15	20	22	24
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	40	27	24	44	29	26	25	15	20	22	24
EPS, EUR	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08	0.09
DPS, EUR	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.08	0.08
of which ordinary	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.08	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	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	42.9%	46.1%	48.7%	49.3%
EBITA	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	25.4%	26.6%	27.6%
EBIT	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	25.4%	26.6%	27.6%

Adjusted earnings

EBITDA (adj)	49	67	74	75	60	55	56	50	56	62	65
EBITA (adj)	49	40	52	52	36	30	31	25	31	34	36
EBIT (adj)	49	40	52	52	36	30	31	25	31	34	36
EPS (adj, EUR)	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.08	0.08	0.09

Adjusted profit margins in percent

EBITDA (adj)	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	42.9%	46.1%	48.7%	49.3%
EBITA (adj)	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	25.4%	26.6%	27.6%
EBIT (adj)	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	25.4%	26.6%	27.6%

Performance metrics

CAGR last 5 years											
Net revenue	3.0%	6.5%	4.8%	3.1%	2.7%	1.3%	0.1%	-2.2%	-1.3%	3.6%	3.7%
EBITDA	2.7%	11.1%	8.3%	7.1%	8.1%	2.2%	-3.4%	-7.6%	-5.5%	0.9%	3.6%
EBIT	2.7%	0.4%	0.9%	-0.5%	-2.5%	-9.5%	-5.2%	-13.9%	-9.7%	-0.8%	4.1%
EPS	1.1%	-2.6%	-6.7%	2.7%	-1.5%	-8.3%	-1.5%	-11.3%	-14.9%	-4.9%	-1.2%
DPS	0.7%	19.1%	46.7%	0.4%	-1.6%	0.7%	-10.7%	-30.8%	-8.7%	-0.3%	-3.2%
Average last 5 years											
Average EBIT margin	46.2%	43.5%	41.8%	40.3%	38.5%	34.9%	33.3%	29.4%	26.3%	25.1%	25.3%
Average EBITDA margin	46.2%	48.5%	50.5%	52.7%	54.7%	55.0%	53.2%	50.3%	47.9%	46.7%	46.7%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	19.2	15.1	13.6	12.5
EV/EBITDA (adj)	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.2	7.4	6.8
EV/EBITA (adj)	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	14.8	13.5	12.2
EV/EBIT (adj)	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	14.8	13.5	12.2

VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	19.2	15.1	13.6	12.5
EV/Sales	n.a.	n.a.	5.42	5.32	6.13	5.97	4.25	3.76	3.77	3.59	3.37
EV/EBITDA	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	8.2	7.4	6.8
EV/EBITA	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	14.8	13.5	12.2
EV/EBIT	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	14.8	13.5	12.2
Dividend yield (ord.)	n.a.	n.a.	22.5%	5.8%	4.3%	5.2%	5.1%	6.5%	6.4%	6.6%	7.2%
FCF yield	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	9.0%	-0.1%	7.0%	11.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	9.0%	-0.1%	7.0%	11.8%
Payout ratio	62.3%	126.2%	430.6%	68.0%	71.0%	99.6%	77.4%	124.3%	96.6%	90.0%	90.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	1	2	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	1	2	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	569	577	569	575	588	576	564	559	579	580	569
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	1	1	2	2	1	2	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	1	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	571	581	573	579	591	580	569	564	584	585	574
Inventory	0	0	0	0	0	0	1	1	1	1	1
Accounts receivable	17	9	8	11	10	14	7	12	11	12	12
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	50	7	43	35	27	35	44	30	25	27	38
Total current assets	68	17	51	46	37	49	53	42	37	39	50
Assets held for sale	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	639	597	624	626	628	630	621	606	620	624	624
Shareholders equity	347	326	368	377	375	381	381	378	378	381	385
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	347	326	368	377	375	381	381	378	378	381	385
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	128	214	198	192	194	187	171	158	174	175	171
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	24	26	28	31	31	36	36	36	36
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	153	238	222	217	222	219	203	194	210	211	207
Short-term provisions	1	2	2	2	1	2	2	1	1	1	1
Accounts payable	8	8	10	12	9	10	10	11	12	13	13
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	11	2	6	1	3	2	10	8	6	6	7
Short term interest bearing debt	118	22	16	16	17	16	16	14	13	12	11
Total current liabilities	139	33	34	31	30	30	37	35	32	32	32
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	639	597	624	626	628	630	621	606	620	624	624
Balance sheet and debt metrics											
Net debt	196	229	171	173	185	168	143	142	161	159	144
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	-2	0	-8	-2	-1	2	-11	-7	-7	-7	-7
Invested capital	569	581	565	577	589	582	557	557	577	578	567
Capital employed	593	561	581	585	587	584	568	549	565	568	567
ROE	11.5%	8.0%	7.0%	11.9%	7.6%	6.8%	6.5%	4.1%	5.3%	5.8%	6.3%
ROIC	7.6%	6.0%	7.8%	7.8%	5.2%	4.4%	4.6%	3.8%	4.7%	5.1%	5.5%
ROCE	8.6%	7.0%	9.1%	8.9%	6.1%	5.1%	5.4%	4.6%	5.6%	6.0%	6.4%
Net debt/EBITDA	4.0	3.4	2.3	2.3	3.1	3.1	2.5	2.8	2.9	2.6	2.2
Interest coverage	82.5	20.8	26.0	29.5	20.9	21.7	15.4	3.5	3.7	3.7	3.9
Equity ratio	54.3%	54.6%	59.0%	60.3%	59.8%	60.5%	61.3%	62.3%	61.0%	61.1%	61.8%
Net gearing	56.5%	70.2%	46.5%	45.8%	49.3%	44.2%	37.5%	37.5%	42.6%	41.8%	37.3%

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	49	67	74	75	60	55	56	50	56	62	65
Paid taxes	-8	-21	-21	-11	-5	-3	-4	-3	-3	-3	-3
Net financials	-2	-2	-2	0	0	0	-1	-6	-8	-9	-9
Change in provisions	0	0	0	0	-1	0	0	-1	0	0	0
Change in other LT non-IB	0	0	0	1	3	3	1	5	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	9	-3	4	-1	-7	-4	1	0	0	0	0
Funds from operations (FFO)	49	41	55	63	50	50	52	44	45	51	53
Change in NWC	0	0	0	n.a.	0	0	0	0	0	0	0
Cash flow from operations (CFO)	49	41	55	63	50	50	52	44	45	51	53
Capital expenditure	-39	-25	-12	-28	-30	-12	0	-17	-45	-30	-18
Free cash flow before A&D	10	16	43	35	19	38	52	27	0	21	35
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	10	16	43	35	19	38	52	27	0	21	35
Free cash flow bef A&D, lease adj	10	16	43	35	19	38	52	27	0	21	35
Dividends paid	-35	-48	-105	-35	-30	-20	-25	-19	-19	-19	-20
Equity issues / buybacks	0	0	120	0	0	0	0	0	0	0	0
Net change in debt	49	-10	-22	-8	2	-10	-17	-16	15	0	-5
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	-7	0	0	0
Change in cash	24	-43	36	-7	-9	8	10	-15	-4	2	10
Cash flow metrics											
Capex/D&A	n.m.	96.3%	55.2%	n.m.	n.m.	49.2%	0.5%	67.7%	n.m.	n.m.	61.3%
Capex/Sales	37.6%	21.0%	9.4%	21.6%	28.0%	11.1%	0.1%	14.7%	36.9%	23.2%	13.3%
Key information											
Share price year end (/current)	n.a.	n.a.	2	2	2	2	1	1	1	1	1
Market cap.	n.a.	n.a.	537	522	473	489	375	297	300	300	300
Enterprise value	n.a.	n.a.	708	695	658	657	518	438	462	460	444
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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