Incap

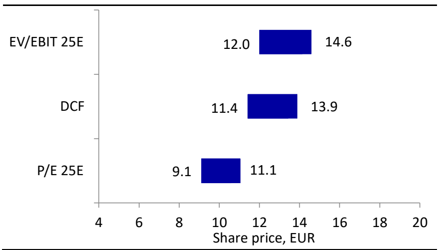
Capital Goods
Finland

KEY DATA

Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 8.92
Free float	
Market cap. (bn)	EUR 0.26/EUR 0.26
Website	www.incapcorp.com
Next report date	08 May 2024

PERFORMANCE

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-2%	-1%	-1%
EBIT (adj)	-3%	-1%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Revenue could start to grow on q/q basis

Net sales have declined for the last four quarters on a q/q basis but this trend could come to an end in Q1 2024. Utilisation ratios at Incap's factory in India are not yet optimal but the company is gradually increasing personnel, which suggests that the revenue decline could be reaching its trough. Incap has still guided for declining net sales in 2024, owing to an inventory destocking effect related to its biggest customer and tough comparisons versus H1 2023. Incap may not have complete visibility for 2024, however, making it hard to upgrade its guidance this early in the year. In any circumstance, we expect relative profitability to remain at a good level and that EBIT will move in the same direction as revenue growth. Ahead of the Q1 earnings announcement, we keep our fair value range of EUR 10.8-13.2 per share intact, based on the combination of a DCF analysis and peer group comparison.

Reaching the trough

We forecast Q1 net sales of EUR 46m (LSEG Data & Analytics consensus: EUR 46m). Due to challenging comparisons, net sales could be close to 40% lower y/y. We believe revenue coming from Incap's biggest customer could be EUR ~12m in Q1 2024E (EUR ~11m in Q4 2023), hence we argue that revenue from the biggest customer has reached its trough bottom and the deteriorating order trend has come to an end. Typical revenue levels from the biggest customer used to be EUR 21-23m per quarter, before an extraordinary peak of EUR 55m in Q4 2022. Our EBIT forecast is EUR 4.9m (consensus: EUR 5.0m) in Q1. Price pressure could remain in the markets due to weak end demand and inventory destocking, but proactive cost control could keep the EBIT margin above 10% in the medium term.

Uncertainty related to order intake needs to decline

We expect the company's full-year guidance to remain intact, but volatility and uncertainty related to order intake need to decline for valuation multiples to improve. Incap's 2025E EV/EBIT valuation is 20% below the peer group average, offering decent upside if risks fade away. We do not expect EV/EBIT to reach 13x, however, as witnessed in 2022. We estimate 6.8x EV/EBIT for next year (peer group: 8.6x). We argue that Incap could grow faster than the EMS markets over the medium term, hence we not do believe that the share deserves to trade at a remarkable discount to the sector. The company is also seeking acquisition targets, which could reduce relative order volatility from one single customer.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	214	270	292
EBITDA (adj)	16	29	43	36	33	40	43
EBIT (adj)	13	26	39	31	27	34	37
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.5%	12.6%	12.7%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.59	0.77	0.84
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	-22.0%	30.7%	10.1%
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	1.1	0.9	0.7
EV/EBIT (adj)	7.1	17.8	13.2	7.2	9.1	6.8	5.7
P/E (adj)	9.1	21.8	18.2	10.3	15.2	11.6	10.6
P/BV	2.2	7.3	5.7	2.1	2.2	1.9	1.6
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	2.3%	1.1%	-1.3%	15.3%	4.4%	4.1%	7.3%
Net debt	5	2	14	-8	-20	-31	-50
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.7	-0.8	-1.2
ROIC after tax	27.4%	34.5%	34.4%	22.5%	19.8%	23.9%	24.7%

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	214	270	292	46	218	272	294	0%	-2%	-1%	-1%
Adj. EBIT	6	27	34	37	6	28	34	37	-5%	-3%	-1%	-1%
Adj. EBIT margin	12.1%	12.5%	12.6%	12.7%	12.7%	12.7%	12.6%	12.7%	-0.6pp	-0.2pp	0.0pp	0.0pp
Adj. EPS	0.12	0.59	0.77	0.84	0.13	0.61	0.78	0.85	-6%	-4%	-1%	-1%

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	58.0	61.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-37%	-13%	16%	44%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.0	7.6	8.8	9.1
Adj. EBITDA margin (%)	15%	15%	17%	18%	17%	17%	15%	14%	15%	16%	15%	15%
Adj. EBIT	7.0	8.6	11.0	13.0	11.4	8.3	6.4	4.4	5.6	6.2	7.3	7.7
Adj. EBIT margin (%)	13%	14%	16%	17%	16%	15%	13%	10%	12%	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	3.7	4.3	5.4	5.8
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.1	3.5	3.9	4.8	5.0
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	2.8	3.3	4.1	4.4
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.07	0.12	0.13	0.16	0.17
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.09	0.11	0.14	0.15

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	181,989	190,681	208,636	11%	-7%	7%	9%	3%	3%	3%	3%
Delta Electronics Inc	11,748	11,849	12,481	14,078	22%	4%	7%	13%	11%	10%	11%	11%
Jabil Inc	33,288	32,010	26,249	27,389	14%	4%	-18%	4%	5%	5%	6%	6%
Pegatron Corp	40,289	37,117	37,074	39,758	5%	-5%	0%	7%	2%	1%	2%	2%
Universal Scientific Industrial Shangh	9,282	7,761	8,766	9,246	24%	-11%	11%	5%	5%	4%	4%	4%
Fabrinet	2,143	2,425	2,648	2,939	20%	17%	8%	11%	10%	11%	10%	10%
Accton Technology Corp	2,359	2,486	2,822	3,262	30%	9%	15%	16%	12%	13%	14%	15%
Venture Corporation Ltd	2,695	2,078	2,236	2,336	24%	-22%	5%	5%	12%	10%	11%	11%
Sanmina Corp	8,082	8,453	7,276	8,094	18%	13%	-13%	12%	5%	6%	6%	6%
Inventec Corp	16,555	15,202	16,244	18,235	4%	-5%	11%	12%	1%	1%	2%	2%
Plexus Corp	3,890	3,983	3,694	4,046	13%	10%	-6%	10%	5%	5%	5%	6%
Foxconn Interconnect Technology Ltd	4,233	3,802	4,320	5,233	1%	-7%	11%	21%	4%	6%	9%	10%
Celestica Inc	6,774	7,214	8,509	9,184	29%	10%	16%	8%	5%	5%	6%	6%
Ducommun Inc	666	686	750	793	10%	6%	5%	6%	7%	8%	8%	10%
Sercomm Corp	1,973	1,848	2,033	2,270	47%	-3%	11%	12%	4%	5%	5%	6%
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	745	819	75%	21%	-4%	10%	7%	9%	9%	9%
Scanfil Oyj	844	902	859	905	21%	7%	-5%	5%	5%	7%	7%	7%
SIIX Corp	1,974	1,990	2,036	2,160	22%	12%	9%	6%	3%	4%	0%	0%
TT electronics PLC	697	708	661	668	30%	-1%	-10%	1%	7%	8%	10%	10%
Hanza AB	319	373	472	523	41%	17%	30%	11%	6%	8%	7%	8%
Cicor Technologies Ltd	317	420	493	539	31%	24%	21%	9%	4%	6%	6%	7%
Valuetronics Holdings Ltd	234	237	214	231	-11%	-1%	0%	8%	6%	5%	10%	10%
Lacroix Group SA	708	761	741	736	41%	8%	-3%	-1%	3%	3%	3%	4%
Inission AB	172	198	214	226	50%	14%	8%	6%	7%	7%	7%	7%
Group median					**22.2%**	**6.9%**	**7.0%**	**8.7%**	**5.2%**	**5.7%**	**6.6%**	**7.0%**
Incap (Nordea)	264	222	214	270	55.3%	-16.0%	-3.4%	26.2%	14.7%	12.7%	11.3%	11.6%
diff. from median (pp)					**33.2**	**-22.8**	**-10.4**	**17.5**	**9.5**	**7.0**	**4.7**	**4.6**

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

Peer group valuation

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2022	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**
Hon Hai Precision Industry Co Ltd	9.9	10.4	13.7	11.8	8.5	7.4	10.2	8.5	1.4	1.4	1.3	1.2
TT Electronics	22.9	24.5	23.7	19.5	18.5	20.2	18.5	15.1	4.6	4.2	3.8	3.5
Jabil Inc	8.7	19.0	14.1	11.3	7.0	10.3	9.6	8.8	6.2	5.5	6.8	5.2
Pegatron Corp	11.3	14.9	15.5	13.7	9.2	16.8	14.3	11.7	1.4	1.4	1.3	1.2
Universal Scientific Industrial Shangh	12.0	17.4	14.9	13.3	10.9	13.5	11.4	11.1	2.1	1.7	1.8	1.6
Fabrinet	15.5	19.3	21.1	18.9	12.6	16.1	19.2	17.2	5.0	4.3	3.7	3.2
Accton Technology Corp	16.2	33.0	21.7	18.3	12.5	23.5	16.0	13.4	13.3	10.1	8.4	6.8
Foxconn Interconnect Technology	13.5	14.7	14.2	13.1	9.6	9.7	9.2	8.5	1.5	1.4	1.4	1.3
Sanmina Corp	12.1	10.5	11.6	9.8	6.9	6.3	7.7	6.7	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	22.0	17.3	16.8	28.1	20.7	15.6	3.3	3.2	2.9	2.9
Universal Scientific Industrial	18.0	18.8	23.7	16.4	14.5	12.5	15.1	12.2	2.6	2.3	2.3	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	7.2	5.6	7.7	4.6	5.2	4.1	0.8	0.9	0.8	0.7
Celestica Inc	9.6	14.4	13.3	12.3	6.6	9.8	11.2	10.3	0.8	3.5	3.0	n.a.
Ducommun Inc	21.5	45.7	18.4	14.7	15.7	21.5	14.8	12.0	1.3	1.3	1.2	1.1
Sercomm Corp	10.6	15.3	11.2	9.7	8.3	11.0	8.3	6.8	3.2	3.0	2.5	1.9
Note AB (publ)	20.4	13.5	n.a.	n.a.	13.7	11.3	n.a.	n.a.	4.7	3.1	n.a.	n.a.
Kitron ASA	18.9	11.7	10.7	8.9	15.2	10.4	9.4	8.3	3.2	3.1	2.2	1.9
Scanfil Oyj	12.2	10.5	10.9	10.1	11.3	9.2	9.1	8.6	2.1	1.9	1.6	1.5
SIIX Corp	12.8	8.4	8.8	8.0	12.3	9.2	n.a.	n.a.	1.1	0.9	0.8	0.7
TT electronics PLC	11.1	9.5	9.0	8.2	10.2	8.7	7.8	7.3	0.9	1.0	1.1	1.0
Hanza AB	15.5	16.1	9.4	7.4	13.4	12.2	6.9	5.8	2.8	2.1	1.6	1.4
Cicor Technologies Ltd	41.8	26.2	17.9	14.0	10.3	6.9	6.6	5.5	1.4	1.3	1.3	1.2
Valuetronics Holdings Ltd	11.5	10.2	8.7	8.2	3.0	2.1	1.3	1.2	0.9	0.9	0.0	n.a.
Lacroix Group SA	10.9	33.7	9.6	7.0	13.4	14.9	10.8	8.8	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	8.6	7.5	10.4	8.2	7.2	6.5	1.3	1.8	1.3	1.1
Group median	**12.2**	**14.9**	**13.5**	**11.5**	**10.9**	**10.4**	**9.6**	**8.6**	**1.5**	**1.8**	**1.6**	**1.4**
Incap (Nordea)	18.2	10.3	15.2	11.6	13.2	7.2	9.1	6.8	5.7	2.1	2.2	1.9
diff. from average	49%	-31%	13%	1%	22%	-31%	-6%	-20%	291%	21%	32%	37%

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**	**214**	**270**	**292**
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	-3.4%	26.2%	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	30	37	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	24	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	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	-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**	**19**	**26**	**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**	**0.50**	**0.68**	**0.75**
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%	14.1%	13.9%	14.0%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.4%	11.7%	11.9%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	11.3%	11.6%	11.8%
Adjusted earnings											
EBITDA (adj)	4	5	9	11	16	29	43	36	33	40	43
EBITA (adj)	4	5	9	10	14	26	39	31	27	34	38
EBIT (adj)	4	5	9	10	13	26	39	31	27	34	37
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.59	0.77	0.84
Adjusted profit margins in percent											
EBITDA (adj)	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	15.4%	14.8%	14.9%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.7%	12.7%	12.9%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.5%	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%	24.7%	20.5%	11.4%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	21.4%	18.6%	6.9%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	19.0%	19.9%	5.8%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	11.5%	10.9%	0.9%
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%	13.0%	12.4%
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	15.2	11.6	10.6
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	7.4	5.8	4.9
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	8.9	6.7	5.7
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	9.1	6.8	5.7

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	18.0	13.2	11.8
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	1.13	0.86	0.73
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	8.0	6.2	5.2
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	9.9	7.3	6.1
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	10.1	7.4	6.2
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%	5.0%	4.7%	7.9%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	4.4%	4.1%	7.3%
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	64	77	80
Accounts receivable	8	9	12	11	24	34	36	24	29	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	72
Total current assets	16	20	26	28	52	102	136	137	146	173	194
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**	**189**	**217**	**239**
Shareholders equity	8	10	16	22	39	63	87	107	121	141	163
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	121	141	163
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	34	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	38	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**	**189**	**217**	**239**
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	59	68	71
Invested capital	14	15	19	23	47	67	104	102	103	112	115
Capital employed	16	18	21	28	48	74	109	141	151	167	186
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	12.8%	15.2%	14.6%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	19.8%	23.9%	24.7%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	19.0%	21.9%	21.6%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.7	-0.8	-1.2
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	4.4	5.5	5.8
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	64.1%	65.1%	68.4%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-16.6%	-21.8%	-30.6%

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**	**30**	**37**	**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**	**20**	**26**	**29**
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-2	-9	-3
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**18**	**17**	**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**	**12**	**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	12	21
Free cash flow bef A&D, lease adj	0	1	2	6	2	5	-6	35	12	11	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	8	7	15
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	80.3%	83.5%	82.6%
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	9	9	9
Market cap.	20	23	27	63	84	460	501	227	263	263	263
Enterprise value	26	28	30	63	90	462	515	219	242	232	213
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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