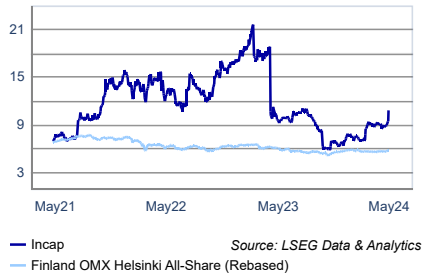
Incap

Capital Goods
Finland

KEY DATA

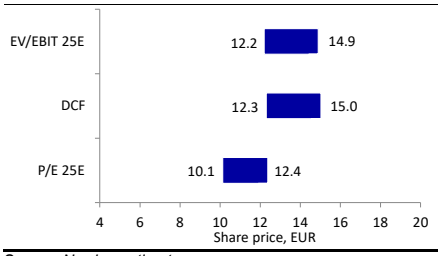
Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 10.92
Free float	
Market cap. (bn)	EUR 0.32/EUR 0.32
Website	www.incapcorp.com
Next report date	26 Jul 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	8%	4%	4%
EBIT (adj)	7%	2%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

We expect a guidance upgrade this summer

This year could turn out to be better than expected for Incap. The company still guides for declining net sales y/y in 2024, but we forecast sales growth and a guidance upgrade in July at the latest. The destocking effect from the main customer could end in Q2, while other customers are growing very well. We raise our estimates and derive a new fair value range of EUR 11.5-14.1 (10.8-13.2) per share, based on our DCF analysis and backed by a peer group comparison. Valuation multiples could remain below the levels seen in 2021-22 owing to volatility in orders and as the uncertainty related to estimates has been high over the past 12 months.

The deteriorating order trend has come to an end

Net sales were 12% above consensus (LSEG) in Q1 2024, and the adjusted EBIT margin of 12.1% beat consensus of 10.9%. Revenue declined 29% y/y in Q1, but management is taking a positive view of the future. The full-year guidance for declining revenue and EBIT is unchanged, but revenue is expected to grow q/q starting in Q1. Visibility for orders is at 6-12 months, according to the company. Incap's factory in India returned to a growth mode in Q1, but the destocking effect created by the largest customer is expected to continue at least to the end of Q2.

Incap is cost competitive in the EMS sector

The company's competitive edge is its fast delivery and low-cost production platform, which is why it has no problem gaining new customers. We argue that Incap could also grow faster than the EMS markets over the medium term. Group overhead costs are record low in the sector, and thus the adjusted operating profit margin should remain above 12% for the near future. Proactive management of utilisation ratios has been good, which is why losses were avoided when revenue started to decline in Q2 2023. Incap reduced its headcount in India by over 1,000 in late 2024 but increased staffing by a couple of hundred people in Q1.

Reduced volatility in order intake could support valuation

Acquisitions are high on the company's agenda. Inorganic growth is sought from Germany, the US and even Asia, and we think acquisitions are not being excluded from happening even this year. 2025E EV/EBIT is 8% below Incap's peer group. Uncertainty related to order intake from its biggest customer is fading away, which we believe could bring 2025E EV/EBIT to 10-11x.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	231	280	303
EBITDA (adj)	16	29	43	36	34	40	44
EBIT (adj)	13	26	39	31	29	35	38
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.4%	12.3%	12.4%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.74	0.87	0.94
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	-1.7%	17.2%	8.8%
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	1.3	1.0	0.9
EV/EBIT (adj)	7.1	17.8	13.2	7.2	10.5	8.3	7.0
P/E (adj)	9.1	21.8	18.2	10.3	14.8	12.6	11.6
P/BV	2.2	7.3	5.7	2.1	2.5	2.2	1.8
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%	3.5%	4.9%	6.8%
Net debt	5	2	14	-8	-20	-35	-57
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.4
ROIC after tax	27.4%	34.5%	34.4%	22.5%	20.7%	23.4%	24.2%

Source: Company data and Nordea estimates

Estimate revisions and quarterly estimates

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
Sales	54	231	280	303	49	214	270	292	10%	8%	4%	4%
Adj. EBIT	7	29	35	38	6	27	34	37	9%	7%	2%	1%
Adj. EBIT margin	12.5%	12.4%	12.3%	12.4%	12.6%	12.5%	12.6%	12.7%	-0.1pp	-0.1pp	-0.2pp	-0.3pp
Adj. EPS	0.17	0.74	0.87	0.94	0.13	0.59	0.77	0.84	26%	26%	13%	12%

Source: Nordea estimates

ESTIMATES BY QUARTER (EURm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	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	51.4	54.0	61.0	65.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-29%	-4%	22%	53%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.5	8.1	9.0	9.4
Adj. EBITDA margin (%)	15%	15%	17%	18%	17%	17%	15%	14%	15%	15%	15%	15%
Adj. EBIT	7.0	8.6	11.0	13.0	11.4	8.3	6.4	4.4	6.2	6.8	7.6	8.1
Adj. EBIT margin (%)	13%	14%	16%	17%	16%	15%	13%	10%	12%	13%	13%	12%
Net financials	-0.6	-0.6	-0.6	-0.6	-0.4	-0.2	0.1	-1.3	0.3	-0.4	-0.4	-0.4
PTP	6.2	8.0	10.3	12.3	10.9	7.3	5.8	2.4	6.3	5.7	6.5	7.0
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.1	5.1	5.0	5.6	6.0
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	4.9	4.3	5.0	5.3
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.07	0.17	0.17	0.19	0.20
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.17	0.15	0.17	0.18

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	189,816	216,428	11%	-7%	8%	14%	3%	3%	3%	3%
Delta Electronics Inc	11,748	11,849	12,300	13,867	22%	4%	5%	13%	11%	10%	10%	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	8,641	9,306	24%	-11%	10%	8%	5%	4%	4%	4%
Fabrinet	2,143	2,425	2,660	2,950	20%	17%	9%	11%	10%	11%	10%	11%
Accton Technology Corp	2,359	2,486	2,773	3,175	30%	9%	14%	14%	12%	13%	14%	15%
Venture Corporation Ltd	2,695	2,078	2,210	2,315	24%	-22%	4%	5%	12%	10%	10%	11%
Sanmina Corp	8,082	8,453	7,164	8,117	18%	13%	-15%	13%	5%	6%	6%	6%
Inventec Corp	16,555	15,202	16,278	18,403	4%	-5%	11%	13%	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	744	786	10%	6%	5%	6%	7%	8%	8%	10%
Sercomm Corp	1,973	1,848	1,951	2,216	47%	-3%	7%	14%	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	703	773	75%	21%	-9%	10%	7%	9%	8%	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	657	664	30%	-1%	-10%	1%	7%	8%	10%	10%
Hanza AB	319	373	458	508	41%	17%	28%	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	201	212	50%	14%	6%	5%	7%	7%	7%	7%
Group median					**22.2%**	**6.9%**	**5.5%**	**8.7%**	**5.2%**	**5.7%**	**6.6%**	**7.0%**
Incap (Nordea)	264	222	231	280	55.3%	-16.0%	4.4%	21.0%	14.7%	12.7%	11.4%	11.6%
diff. from median (pp)					**33.2**	**-22.8**	**-1.1**	**12.3**	**9.5**	**7.0**	**4.8**	**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	14.7	12.5	8.5	7.4	11.2	9.3	1.5	1.5	1.4	1.3
TT Electronics	22.9	24.5	24.5	20.2	18.5	20.2	19.1	15.6	4.6	4.2	3.8	3.4
Jabil Inc	8.7	19.0	14.0	11.2	7.0	10.3	9.5	8.7	6.2	5.5	6.8	5.2
Pegatron Corp	11.3	14.9	15.6	13.7	9.2	16.8	14.4	11.7	1.4	1.4	1.3	1.2
Universal Scientific Industrial Shangh	12.0	17.4	14.9	12.5	10.9	13.5	11.4	10.3	2.1	1.7	1.6	1.5
Fabrinet	15.5	19.3	24.5	22.3	12.6	16.1	23.0	20.6	6.1	5.2	4.5	3.8
Accton Technology Corp	16.2	33.0	21.6	18.1	12.5	23.5	16.5	13.7	13.2	10.0	8.4	7.0
Foxconn Interconnect Technology	13.5	14.7	13.9	12.8	9.6	9.7	9.1	8.3	1.4	1.3	1.3	1.3
Sanmina Corp	12.1	10.5	12.0	10.1	6.9	6.3	8.0	6.9	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	22.4	17.5	16.8	28.1	20.7	15.5	3.4	3.3	2.9	2.9
Universal Scientific Industrial	18.0	18.8	20.8	16.7	14.5	12.5	15.6	12.8	2.7	2.5	2.5	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	6.9	5.4	7.7	5.5	5.0	3.9	0.8	0.8	0.8	0.7
Celestica Inc	9.6	14.4	14.8	13.7	6.6	9.8	11.9	11.0	0.8	4.0	3.4	n.a.
Ducommun Inc	21.5	45.7	19.8	15.2	15.7	21.5	15.8	12.4	1.4	1.3	1.3	1.2
Sercomm Corp	10.6	15.3	10.8	9.0	8.3	11.0	8.1	6.4	3.0	2.7	2.3	1.7
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	12.3	10.8	15.2	10.4	10.8	9.3	3.4	3.2	2.3	2.0
Scanfil Oyj	12.2	10.5	10.7	10.0	11.3	9.2	9.0	8.5	2.1	1.8	1.6	1.5
SIIX Corp	12.8	8.4	8.9	8.0	12.3	9.2	n.a.	n.a.	1.1	0.9	0.8	0.7
TT electronics PLC	10.8	9.2	8.7	7.9	10.2	8.7	7.7	7.2	0.9	1.0	1.1	1.0
Hanza AB	15.5	16.1	10.4	7.7	13.4	12.2	7.5	6.2	2.8	2.0	1.6	1.4
Cicor Technologies Ltd	41.8	26.2	17.9	14.0	10.3	6.9	6.7	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	10.2	7.4	13.4	14.9	11.1	9.0	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	10.1	9.3	10.4	8.2	8.5	7.9	1.6	2.1	1.5	1.4
Group median	**12.2**	**14.9**	**14.0**	**11.9**	**10.9**	**10.4**	**10.8**	**9.0**	**1.6**	**1.8**	**1.6**	**1.4**
Incap (Nordea)	18.2	10.3	14.8	12.6	13.2	7.2	10.5	8.3	5.7	2.1	2.5	2.1
diff. from average	49%	-31%	6%	6%	22%	-31%	-2%	-8%	257%	16%	57%	57%

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**	**231**	**280**	**303**
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	4.4%	21.0%	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	32	38	41
Depreciation and impairments PPE	0	0	-1	-1	-2	-3	-3	-5	-5	-5	-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	27	33	36
Amortisation and impairments	0	0	0	0	-1	-1	0	0	0	0	0
EBIT	4	5	9	10	13	26	39	28	26	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	-1	-2	-2
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**	**26**	**31**	**34**
Reported taxes	-1	-1	-2	-3	-2	-5	-9	-7	-6	-7	-8
Net profit from continued operations	2	3	6	6	9	21	28	20	20	23	26
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	20	23	26
EPS, EUR	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.67**	**0.66**	**0.79**	**0.87**
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%	13.9%	13.6%	13.7%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.6%	11.7%	11.8%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	11.4%	11.6%	11.7%
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	29	35	38
EBIT (adj)	4	5	9	10	13	26	39	31	29	35	38
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.74	0.87	0.94
Adjusted profit margins in percent											
EBITDA (adj)	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	14.9%	14.4%	14.4%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.6%	12.5%	12.6%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.4%	12.3%	12.4%
Performance metrics											
CAGR last 5 years											
Net revenue	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	30.3%	26.6%	21.3%	12.2%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	23.0%	19.1%	7.2%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	21.3%	20.8%	6.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	18.2%	14.4%	3.8%
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%	15.4%	15.1%	14.5%

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	14.8	12.6	11.6
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	8.8	7.1	6.1
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	10.4	8.2	6.9
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	10.5	8.3	7.0

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	16.5	13.8	12.6
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	1.31	1.02	0.87
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	9.4	7.5	6.4
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	11.2	8.7	7.4
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	11.4	8.8	7.5
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%	3.9%	5.4%	7.3%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	3.5%	4.9%	6.8%
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	30	31	32
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	45	46
Inventory	6	8	12	11	24	59	92	71	70	80	83
Accounts receivable	8	9	12	11	24	34	36	24	32	39	42
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	62	79
Total current assets	16	20	26	28	52	102	136	137	153	182	206
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**	**197**	**227**	**253**
Shareholders equity	8	10	16	22	39	63	87	107	126	150	175
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	126	150	175
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	1	1	1
Accounts payable	5	7	10	7	25	53	57	38	37	48	52
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	41	51	55
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**	**197**	**227**	**253**
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-20	-35	-57
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	64	71	73
Invested capital	14	15	19	23	47	67	104	102	109	116	120
Capital employed	16	18	21	28	48	74	109	141	156	176	197
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	16.8%	16.9%	15.7%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	20.7%	23.4%	24.2%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	19.9%	21.4%	20.7%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.4
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	16.1	13.2	14.0
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	64.1%	65.9%	69.3%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-15.5%	-23.7%	-32.8%

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**	**32**	**38**	**41**
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-6	-7	-8
Net financials	-1	0	0	0	-1	-1	-1	-1	-1	-2	-2
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**	**25**	**29**	**32**
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-7	-7	-3
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**18**	**23**	**29**
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**	**17**	**24**
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	17	24
Free cash flow bef A&D, lease adj	0	1	2	6	2	5	-6	35	11	16	22
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	12	18
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	91.2%	91.1%	90.1%
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	11	11	11
Market cap.	20	23	27	63	84	460	501	227	322	322	322
Enterprise value	26	28	30	63	90	462	515	219	302	286	264
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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