

Incap

Capital Goods
Finland

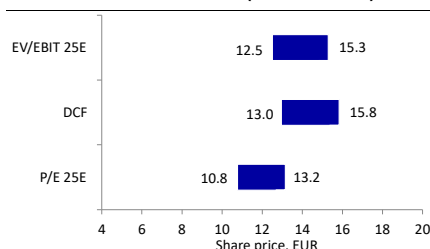
KEY DATA

Stock country	Finland
Bloomberg	ICP1V.FH
Reuters	ICP1V.HE
Share price (close)	EUR 12.39
Free float	
Market cap. (bn)	EUR 0.36/EUR 0.36
Website	www.incapcorp.com
Next report date	26 Jul 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

Returning to a growth path

Incap upgraded its 2024 full-year guidance on 18 July. A peer company, Scanfil, downgraded its full-year guidance in June, but that could be related to its own customers rather than overall weakness in the EMS sector. Incap now guides net sales to grow (previously decline) in 2024 y/y. The company's EBIT is expected to be about the same as in 2023 (previously decline y/y). Ahead of the Q2 earnings announcement, we upgrade our estimates and trim our fair value range to EUR 12.1-14.8 (11.5-14.1) per share, based on the combination of a DCF analysis and peer group comparison.

Our new revenue growth forecast is 7% for 2024

We forecast Q2 net sales of EUR 57m (LSEG Data & Analytics consensus: EUR 58m). Revenue growth will likely be close to flat in Q2 due to high comps. Net sales stemming from its largest customer could still be ~50% less y/y. However, revenue growth on the group level might be 11% on a q/q basis. We believe the negative trend came to an end as early as in Q1 2024, at which time net sales started to grow on a q/q basis. Our EBIT forecast for Q2 is EUR 7.1m (consensus: EUR 6.5m). The company upgraded its full-year 2024 guidance on 18 July, because the destocking effect at its main customer is coming to an end, while other customers are growing well. Moreover, the company has better visibility for the end of the year. We now forecast 7% revenue growth (consensus: 5%) for 2024 y/y, with an EBIT margin of 12.4%.

Uncertainty related to order intake has reduced

We forecast revenue from other than its largest customer to grow by 28% in Q2 y/y, of which ~15% is M&A-related growth. In any case, organic revenue growth seems to be returning, while relative profitability has remained at a good level. Uncertainty related to order intake has also reduced and hence we do not believe the share deserves to trade at a discount to the EMS sector. The company's EV/EBIT 2025E is 9.4x. We do not expect EV/EBIT to reach 13x, as witnessed in 2022, because organic revenue growth is likely to remain at 7-10% range in the future compared to a CAGR of 26% in 2015-24E.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	237	289	312
EBITDA (adj)	16	29	43	36	35	41	45
EBIT (adj)	13	26	39	31	30	35	39
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.4%	12.2%	12.4%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.76	0.89	0.97
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	1.3%	16.4%	9.5%
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	1.5	1.1	1.0
EV/EBIT (adj)	7.1	17.8	13.2	7.2	11.7	9.4	8.0
P/E (adj)	9.1	21.8	18.2	10.3	16.3	14.0	12.8
P/BV	2.2	7.3	5.7	2.1	2.9	2.4	2.1
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%	2.7%	4.3%	6.2%
Net debt	5	2	14	-8	-18	-34	-57
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.3
ROIC after tax	27.4%	34.5%	34.4%	22.5%	21.1%	23.5%	24.4%

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	57	237	289	312	54	231	280	303	6%	3%	3%	3%
Adj. EBIT	7	30	35	39	7	29	35	38	6%	3%	2%	3%
Adj. EBIT margin	12.5%	12.4%	12.2%	12.4%	12.5%	12.4%	12.3%	12.4%	0.0pp	0.0pp	-0.1pp	0.0pp
Adj. EPS	0.18	0.76	0.89	0.97	0.17	0.74	0.87	0.94	6%	3%	2%	3%

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	57.0	62.0	67.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-29%	1%	24%	58%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.5	8.5	9.2	9.7
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	7.1	7.8	8.4
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	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	6.0	6.7	7.3
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.1	5.1	5.3	5.8	6.2
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	4.9	4.6	5.1	5.5
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.07	0.17	0.18	0.20	0.21
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.17	0.16	0.17	0.19

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	189,013	233,693	11%	-7%	9%	24%	3%	3%	3%	3%
Delta Electronics Inc	11,748	11,849	12,255	13,985	22%	4%	6%	14%	11%	10%	11%	12%
Jabil Inc	33,288	32,010	26,289	25,639	14%	4%	-18%	-2%	5%	5%	5%	6%
Pegatron Corp	40,289	37,117	34,740	38,347	5%	-5%	-4%	10%	2%	1%	1%	2%
Universal Scientific Industrial Shangh	9,282	7,761	8,409	9,460	24%	-11%	7%	12%	5%	4%	4%	4%
Fabrinet	2,143	2,425	2,680	2,985	20%	17%	9%	11%	10%	11%	10%	11%
Accton Technology Corp	2,359	2,486	2,645	3,121	30%	9%	10%	18%	12%	13%	14%	15%
Venture Corporation Ltd	2,695	2,078	2,199	2,311	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	16,474	18,691	4%	-5%	14%	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	4,370	5,172	1%	-7%	13%	18%	4%	6%	7%	8%
Celestica Inc	6,774	7,214	8,509	9,184	29%	10%	16%	8%	5%	5%	6%	6%
Ducommun Inc	666	686	725	770	10%	6%	4%	6%	7%	8%	8%	10%
Sercomm Corp	1,973	1,848	1,876	2,137	47%	-3%	5%	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	679	748	75%	21%	-12%	10%	7%	9%	8%	9%
Scanfil Oyj	844	902	844	897	21%	7%	-7%	6%	5%	7%	7%	7%
SIIX Corp	1,974	1,990	1,873	2,017	22%	12%	5%	8%	3%	4%	0%	0%
TT electronics PLC	697	708	670	680	30%	-1%	-10%	1%	7%	8%	9%	10%
Hanza AB	319	373	453	499	41%	17%	24%	10%	6%	8%	6%	7%
Cicor Technologies Ltd	317	420	499	546	31%	24%	23%	9%	4%	6%	6%	7%
Valuetronics Holdings Ltd	234	237	198	212	-11%	-1%	-17%	-1%	6%	5%	10%	9%
Lacroix Group SA	708	761	732	737	41%	8%	-2%	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%	5.2%	9.9%	5.2%	5.7%	6.4%	7.0%
Incap (Nordea)	264	222	237	289	55.3%	-16.0%	7.1%	21.6%	14.7%	12.7%	11.5%	11.5%
diff. from median (pp)					33.2	-22.8	1.9	11.7	9.5	7.0	5.1	4.5

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	18.0	13.8	8.5	7.4	13.3	10.4	1.8	1.8	1.7	1.6
TT Electronics	22.9	24.5	29.6	23.9	18.5	20.2	22.6	18.0	5.7	5.2	4.6	4.1
Jabil Inc	8.7	19.0	13.1	12.0	7.0	10.3	8.6	8.6	5.8	5.1	6.5	5.2
Pegatron Corp	11.3	14.9	16.4	13.8	9.2	16.8	14.9	11.4	1.5	1.5	1.4	1.4
Universal Scientific Industrial Shangh	12.0	17.4	15.6	12.4	10.9	13.5	12.5	9.8	2.2	1.8	1.9	1.7
Fabrinet	15.5	19.3	27.1	24.5	12.6	16.1	25.4	22.7	6.8	5.8	5.0	4.3
Accton Technology Corp	16.2	33.0	26.3	21.3	12.5	23.5	20.8	15.8	15.5	11.8	9.5	7.9
Foxconn Interconnect Technology	13.5	14.7	14.8	13.7	9.6	9.7	9.8	9.0	1.5	1.4	1.4	1.4
Sanmina Corp	12.1	10.5	13.1	11.0	6.9	6.3	8.7	7.4	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	22.4	17.0	16.8	28.1	17.9	14.1	3.3	3.2	2.9	2.8
Universal Scientific Industrial	18.0	18.8	22.3	17.5	14.5	12.5	17.5	13.9	3.0	2.7	2.7	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	14.2	9.6	7.7	5.5	9.5	6.6	1.1	1.2	1.1	1.0
Celestica Inc	9.6	14.4	17.0	15.7	6.6	9.8	13.2	12.0	0.8	4.6	3.9	n.a.
Ducommun Inc	21.5	45.7	21.3	15.7	15.7	21.5	17.5	12.9	1.4	1.4	1.4	1.3
Sercomm Corp	10.6	15.3	11.6	9.6	8.3	11.0	8.7	7.0	3.1	2.8	2.3	0.0
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	16.4	14.0	15.2	10.4	13.3	11.2	4.2	4.1	3.0	2.6
Scanfil Oyj	12.2	10.5	10.9	10.4	11.3	9.2	9.2	8.8	2.1	1.9	1.6	1.5
SIIX Corp	12.8	8.4	8.8	6.8	12.3	9.2	n.a.	n.a.	0.9	0.7	0.6	0.6
TT electronics PLC	9.8	8.3	7.7	6.9	10.2	8.7	7.3	6.7	0.8	0.9	1.0	0.9
Hanza AB	15.5	16.1	15.2	9.8	13.4	12.2	11.3	8.7	3.0	2.2	1.7	1.5
Cicor Technologies Ltd	41.8	26.2	16.4	13.7	10.3	6.9	6.6	5.5	1.5	1.4	1.3	1.2
Valuetronics Holdings Ltd	11.5	10.2	8.6	9.3	3.0	2.1	1.8	2.4	0.9	0.9	1.0	n.a.
Lacroix Group SA	10.9	33.7	9.1	6.2	13.4	14.9	10.7	8.4	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	10.6	9.8	10.4	8.2	9.2	8.5	1.7	2.2	1.6	1.4
Group median	12.2	14.9	15.4	13.0	10.9	10.4	11.3	9.0	1.8	1.9	1.7	1.4
Incap (Nordea)	18.2	10.3	16.3	14.0	13.2	7.2	11.7	9.3	5.7	2.1	2.9	2.4
diff. from average	49%	-31%	6%	7%	22%	-31%	4%	4%	212%	14%	66%	67%

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	237	289	312
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	7.1%	21.6%	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	33	39	43
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	28	34	37
Amortisation and impairments	0	0	0	0	-1	-1	0	0	0	0	0
EBIT	4	5	9	10	13	26	39	28	27	33	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	-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	35
Reported taxes	-1	-1	-2	-3	-2	-5	-9	-7	-6	-8	-8
Net profit from continued operations	2	3	6	6	9	21	28	20	20	24	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	24	26
EPS, EUR	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.67	0.68	0.81	0.89
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%	13.5%	13.6%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.7%	11.6%	11.8%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	11.5%	11.5%	11.7%

Adjusted earnings

EBITDA (adj)	4	5	9	11	16	29	43	36	35	41	45
EBITA (adj)	4	5	9	10	14	26	39	31	30	36	39
EBIT (adj)	4	5	9	10	13	26	39	31	30	35	39
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.76	0.89	0.97

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%	14.3%	14.4%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.6%	12.4%	12.6%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.4%	12.2%	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%	27.3%	22.1%	12.9%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	23.6%	19.6%	7.8%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	22.0%	21.3%	7.0%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	19.0%	15.0%	4.5%
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%	15.0%	14.4%

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	16.3	14.0	12.8
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	9.8	8.0	6.9
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	11.6	9.2	7.9
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	11.7	9.4	8.0

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	18.1	15.3	13.9
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	1.46	1.15	0.99
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	10.5	8.5	7.2
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	12.5	9.9	8.3
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	12.7	10.0	8.4
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%	3.2%	4.7%	6.6%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	2.7%	4.3%	6.2%
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	33
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	45	46	47
Inventory	6	8	12	11	24	59	92	71	71	82	86
Accounts receivable	8	9	12	11	24	34	36	24	33	40	43
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	49	60	79
Total current assets	16	20	26	28	52	102	136	137	154	184	209
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	199	230	256
Shareholders equity	8	10	16	22	39	63	87	107	127	151	177
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	127	151	177
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	38	49	53
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	42	53	56
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	199	230	256
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-18	-34	-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	66	73	76
Invested capital	14	15	19	23	47	67	104	102	110	119	122
Capital employed	16	18	21	28	48	74	109	141	157	177	199
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	17.3%	17.2%	16.1%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	21.1%	23.5%	24.4%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	20.5%	21.7%	21.1%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.3
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	16.6	13.6	14.5
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	63.9%	65.6%	69.1%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-14.5%	-22.7%	-32.0%

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	33	39	43
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-6	-8	-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	26	30	32
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-9	-7	-3
Cash flow from operations (CFO)	1	2	4	7	5	10	-1	45	17	23	30
Capital expenditure	-1	-1	-2	-1	-3	-5	-5	-7	-5	-5	-6
Free cash flow before A&D	0	1	2	6	2	5	-6	38	11	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	11	17	24
Free cash flow bef A&D, lease adj	0	1	2	6	2	5	-6	35	10	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	6	12	18
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	93.6%	93.9%	92.9%
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	12	12	12
Market cap.	20	23	27	63	84	460	501	227	365	365	365
Enterprise value	26	28	30	63	90	462	515	219	346	331	308
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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