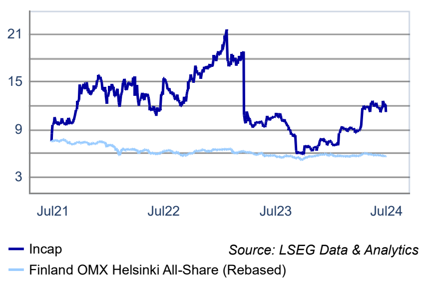
Incap

Capital Goods
Finland

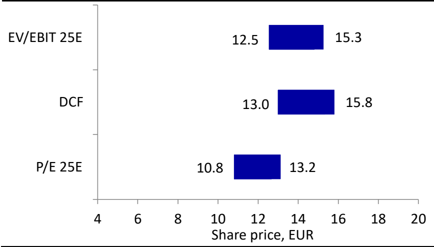
KEY DATA

Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 11.29
Free float	
Market cap. (bn)	EUR 0.33/EUR 0.33
Website	www.incapcorp.com
Next report date	25 Oct 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Ordinary result was not enough for the markets

Net sales and clean EBIT were in line with consensus but the share price declined by 7.5% on results day (26 July). Incap was unable to post a clear positive surprise because it had already upgraded full-year guidance on 18 July. We believe, however, there is still room for a clean EBIT guidance upgrade later in 2024. The destocking effect from the main customer has finally come to an end and other customers are growing well. Visibility has improved and there is no problem with profitability, although price pressure is always present in the EMS sector. Incap's 2024E EV/EBIT is 14% below the peer group median. Our fair value range is EUR 12.1-14.8 per share, based on a DCF analysis and backed by a peer group comparison.

We forecast 9% revenue growth for 2024

Revenue grew by 2% on a y/y basis in Q2. Organic revenue growth was 14% in Q2 y/y, without contributions from M&A or the biggest customer. Incap's factory in India has returned to a growth mode and the company guides that group net sales will grow in 2024 y/y. Incap expects 2024 EBIT to remain the same as in 2023. We forecast 9% revenue growth (consensus: 7%) for 2024 y/y, with an EBIT margin of 12.2%. Relative profitability will depend on the production mix but should remain close to 12%, in our view.

Acquisitions offer new customers and a growth platform

The company is exploring potential acquisitions in Europe and in Asia. Incap has executed four successful acquisitions in the past few decades, through which it has increased customer accounts. New customer contracts can be hard to gain organically; it is easier to grow via old or acquired customers. We believe Incap is considering one to three factories with a combined valuation of EUR 15-60m. Net gearing is negative and debt is not a problem for the company.

The biggest uncertainty related to order intake is fading away

Reduced volatility in order intake should support the valuation. We do not believe the share deserves to trade at a discount to the EMS sector but Incap's EV/EBIT 2024 is currently 14% below the peer group median. The equity story could soon turn from the temporary collapse in net sales during 2023 to a growth story and a possible acquisition later in 2024.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	241	291	314
EBITDA (adj)	16	29	43	36	35	41	44
EBIT (adj)	13	26	39	31	29	35	38
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.2%	12.0%	12.0%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.76	0.88	0.95
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	0.6%	16.3%	8.4%
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	10.7	8.5	7.2
P/E (adj)	9.1	21.8	18.2	10.3	14.9	12.8	11.8
P/BV	2.2	7.3	5.7	2.1	2.6	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%	3.0%	5.3%	7.0%
Net debt	5	2	14	-8	-19	-36	-59
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.5	-0.9	-1.4
ROIC after tax	27.4%	34.5%	34.4%	22.5%	20.9%	23.0%	23.8%

Source: Company data and Nordea estimates

Estimate revisions and quarterly estimates

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q3 2024E	2024E	2025E	2026E	Q3 2024E	2024E	2025E	2026E	Q3 2024E	2024E	2025E	2026E
Sales	64	241	291	314	62	237	289	312	3%	2%	1%	1%
Adj. EBIT	8	29	35	38	8	30	35	39	0%	-1%	-2%	-3%
Adj. EBIT margin	12.2%	12.2%	12.0%	12.0%	12.6%	12.4%	12.2%	12.4%	-0.4pp	-0.3pp	-0.3pp	-0.4pp
Adj. EPS	0.19	0.76	0.88	0.95	0.20	0.76	0.89	0.97	-1%	-1%	-1%	-2%

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 24	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	57.6	64.0	68.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-29%	2%	28%	60%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.5	8.4	9.2	9.7
Adj. EBITDA margin (%)	15%	15%	17%	18%	17%	17%	15%	14%	15%	15%	14%	14%
Adj. EBIT	7.0	8.6	11.0	13.0	11.4	8.3	6.4	4.4	6.2	7.0	7.8	8.3
Adj. EBIT margin (%)	13%	14%	16%	17%	16%	15%	13%	10%	12%	12%	12%	12%
Net financials	-0.6	-0.6	-0.6	-0.6	-0.4	-0.2	0.1	-1.3	0.3	-0.3	-0.4	-0.4
PTP	6.2	8.0	10.3	12.3	10.9	7.3	5.8	2.4	6.3	6.5	7.1	7.6
Net result adj.	5.2	6.4	8.4	10.0	8.5	6.5	5.1	2.1	5.1	5.3	5.7	6.1
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	4.9	5.1	5.4	5.8
EPS adj. (EUR)	0.18	0.22	0.29	0.34	0.29	0.22	0.17	0.07	0.17	0.18	0.19	0.21
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.17	0.17	0.18	0.20

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	12,134	13,851	22%	4%	6%	14%	11%	10%	11%	12%
Jabil Inc	33,288	32,010	26,289	25,476	14%	4%	-18%	-3%	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	8,320	9,345	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	2,189	2,320	24%	-22%	3%	6%	12%	10%	10%	11%
Sanmina Corp	8,082	8,453	6,995	8,117	18%	13%	-16%	14%	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	3,625	3,973	13%	10%	-7%	10%	5%	5%	4%	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	8,720	9,478	29%	10%	20%	9%	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	432	480	41%	17%	21%	11%	6%	8%	6%	7%
Cicor Technologies Ltd	317	420	512	561	31%	24%	24%	10%	4%	6%	7%	7%
Valuetronics Holdings Ltd	234	237	198	212	-11%	-1%	-17%	-1%	6%	5%	10%	9%
Lacroix Group SA	708	761	676	691	41%	8%	-12%	2%	3%	2%	3%	4%
Inission AB	172	198	201	212	50%	14%	6%	5%	7%	7%	7%	7%
Group median					**22.2%**	**6.9%**	**5.2%**	**10.0%**	**5.2%**	**5.7%**	**6.2%**	**7.1%**
Incap (Nordea)	264	222	241	291	55.3%	-16.0%	8.8%	20.5%	14.7%	12.7%	11.7%	11.6%
diff. from median (pp)					**33.2**	**-22.8**	**3.5**	**10.6**	**9.5**	**7.0**	**5.5**	**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	16.9	13.0	8.5	7.4	12.4	9.7	1.7	1.7	1.6	1.5
TT Electronics	22.9	24.5	28.7	23.1	18.5	20.2	22.2	17.7	5.5	5.0	4.5	4.0
Jabil Inc	8.7	19.0	13.1	12.1	7.0	10.3	8.6	8.6	5.8	5.1	6.5	5.2
Pegatron Corp	11.3	14.9	16.1	13.6	9.2	16.8	14.7	11.2	1.5	1.4	1.4	1.3
Universal Scientific Industrial Shangh	12.0	17.4	14.3	11.5	10.9	13.5	12.3	9.9	2.1	1.7	1.8	1.6
Fabrinet	15.5	19.3	25.4	22.9	12.6	16.1	23.7	21.1	6.3	5.4	4.7	4.0
Accton Technology Corp	16.2	33.0	25.8	20.9	12.5	23.5	20.4	15.5	15.2	11.5	9.3	7.8
Foxconn Interconnect Technology	13.5	14.7	14.9	13.7	9.6	9.7	10.0	9.1	1.5	1.4	1.4	1.4
Sanmina Corp	12.1	10.5	14.0	11.4	6.9	6.3	9.4	7.8	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	20.7	15.7	16.8	28.1	16.6	13.1	3.1	3.0	2.7	2.6
Universal Scientific Industrial	18.0	18.8	24.4	19.2	14.5	12.5	22.5	15.6	3.3	3.0	3.1	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	11.9	8.0	7.7	5.5	8.0	5.6	0.9	1.0	0.9	0.8
Celestica Inc	9.6	14.4	14.6	13.3	6.6	9.8	12.4	11.5	0.8	4.3	3.8	n.a.
Ducommun Inc	21.5	45.7	22.6	16.7	15.7	21.5	18.4	13.6	1.5	1.5	1.4	1.3
Sercomm Corp	10.6	15.3	11.3	9.4	8.3	11.0	8.5	6.8	3.0	2.7	2.2	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	15.9	13.6	15.2	10.4	13.0	10.9	4.1	3.9	2.9	2.5
Scanfil Oyj	12.2	10.5	10.5	10.1	11.3	9.2	9.0	8.5	2.1	1.8	1.6	1.4
SIIX Corp	12.8	8.4	8.4	6.6	12.3	9.2	n.a.	n.a.	0.8	0.7	0.6	0.6
TT electronics PLC	9.9	8.5	7.8	7.0	10.2	8.7	7.3	6.7	0.8	0.9	1.0	0.9
Hanza AB	15.5	16.1	18.1	9.9	13.4	12.2	12.5	8.8	2.9	2.1	1.7	1.5
Cicor Technologies Ltd	41.8	26.2	14.6	12.4	10.3	6.9	7.3	6.3	1.5	1.3	1.5	1.3
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	12.3	6.4	13.4	14.9	12.4	8.7	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	10.3	9.4	10.4	8.2	8.8	8.2	1.6	2.2	1.5	1.4
Group median	**12.2**	**14.9**	**14.6**	**12.3**	**10.9**	**10.4**	**12.4**	**9.1**	**1.7**	**1.8**	**1.7**	**1.4**
Incap (Nordea)	18.2	10.3	14.9	12.8	13.2	7.2	10.7	8.5	5.7	2.1	2.6	2.2
diff. from average	49%	-31%	2%	5%	22%	-31%	-14%	-6%	232%	17%	55%	56%

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**	**241**	**291**	**314**
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	8.8%	20.5%	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	34	40	43
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	29	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	28	34	37
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	-1	-1
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**	**28**	**33**	**36**
Reported taxes	-1	-1	-2	-3	-2	-5	-9	-7	-6	-8	-9
Net profit from continued operations	2	3	6	6	9	21	28	20	21	25	27
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	21	25	27
EPS, EUR	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.67**	**0.72**	**0.84**	**0.92**
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%	13.7%	13.7%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.9%	11.8%	11.8%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	11.7%	11.6%	11.7%
Adjusted earnings											
EBITDA (adj)	4	5	9	11	16	29	43	36	35	41	44
EBITA (adj)	4	5	9	10	14	26	39	31	30	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	0.76	0.88	0.95
Adjusted profit margins in percent											
EBITDA (adj)	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	14.6%	14.1%	14.0%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.3%	12.1%	12.2%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.2%	12.0%	12.0%
Performance metrics											
CAGR last 5 years											
Net revenue	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	30.3%	27.7%	22.2%	13.1%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	24.5%	20.1%	8.0%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	22.9%	21.8%	7.2%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	20.2%	15.9%	5.0%
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%	13.4%	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%	15.1%	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	14.9	12.8	11.8
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	8.9	7.3	6.2
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	10.6	8.4	7.2
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	10.7	8.5	7.2

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	15.7	13.4	12.3
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	1.30	1.02	0.87
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	9.2	7.4	6.4
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	11.0	8.7	7.4
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	11.1	8.8	7.4
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%	3.5%	5.7%	7.5%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	3.0%	5.3%	7.0%
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	72	83	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	62	82
Total current assets	16	20	26	28	52	102	136	137	156	187	213
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**	**200**	**232**	**259**
Shareholders equity	8	10	16	22	39	63	87	107	128	153	180
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	128	153	180
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	39	50	54
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	43	53	57
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**	**200**	**232**	**259**
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-19	-36	-59
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	67	73	76
Invested capital	14	15	19	23	47	67	104	102	111	119	122
Capital employed	16	18	21	28	48	74	109	141	158	179	202
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	18.1%	17.7%	16.3%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	20.9%	23.0%	23.8%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	20.2%	21.2%	20.3%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.5	-0.9	-1.4
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	19.9	18.7	19.7
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	63.9%	65.8%	69.4%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-14.5%	-23.6%	-33.0%

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**	**34**	**40**	**43**
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-6	-8	-9
Net financials	-1	0	0	0	-1	-1	-1	-1	-1	-1	-1
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**	**27**	**31**	**33**
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-10	-6	-3
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**17**	**25**	**31**
Capital expenditure	-1	-1	-2	-1	-3	-5	-5	-7	-6	-6	-6
Free cash flow before A&D	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**38**	**12**	**19**	**25**
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	12	19	25
Free cash flow bef A&D, lease adj	0	1	2	6	2	5	-6	35	10	17	23
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	13	19
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	92.3%	91.0%	90.0%
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	332	332	332
Enterprise value	26	28	30	63	90	462	515	219	314	296	273
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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