Scanfil Oyj

Capital Goods
Finland

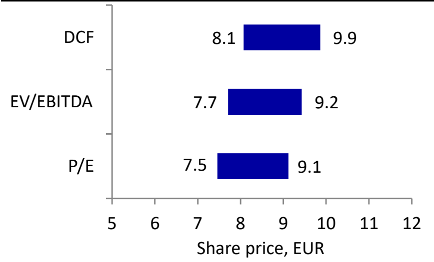
KEY DATA

Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 7.21
Free float	25%
Market cap. (bn)	EUR 0.46/EUR 0.46
Website	www.scanfil.com/
Next report date	06 Aug 2024

PERFORMANCE

Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Order intake has not improved as expected

Overall demand weakness, combined with customer-specific problems, led Scanfil to downgrade its 2024 guidance in June. Order intake did not improve as expected during Q2, and demand will likely remain weak for Q3 2024 as well. We forecast 17% lower revenue for Q2 and -9% for 2024 y/y. Scanfil is trading at a discount to its peer group's median valuation and the situation could remain as long as earnings growth is absent. We keep our fair value range for Scanfil of EUR 7.7-9.5 intact, based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

Our Q2 EBIT margin forecast is 6.8%

We expect Q2 net sales of EUR 201m (LSEG Data & Analytics consensus: EUR 208m) and adjusted EBIT of EUR 13.7m (consensus: EUR 14.7m). The weak heat pump market could be one reason for the low order intake in H1 2024. We forecast 20% lower net sales y/y for the Energy Cleantec segment in Q2. For the Industrial segment, we forecast 18% lower revenue for Q2. The problem is specifically an issue of delivery volumes rather than pricing. Consensus calls for a group clean EBIT margin of 7.0% in Q2, compared to our estimate of 6.8%. Utilisation ratio management is typically good, which is why changes in relative profitability are small, even when order intake varies significantly. We expect full-year revenue and EBIT guidance to be unchanged because the latest guidance downgrade was made in June. The guidance midpoint indicates 10% lower net sales y/y for 2024.

Valuation could remain below peers until growth recovers

The company has expected a clear improvement in order intake during Q4 but visibility may be poor. We expect 8% revenue growth for 2025, amid a weak comparison base and a rebound of order intake. The company's P/E for next year is 10.4x, according to our estimates. The valuation does not look overly challenging, but earnings momentum needs to improve to trigger a rerating of the share price. Company-specific risks are relatively low, the customer base is well distributed, and net gearing was only 17% in March, but the equity story is now tied to destocking and weak demand, which we believe could continue in Q3.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	595	696	844	902	817	885	940
EBITDA (adj)	55	56	63	80	75	81	86
EBIT (adj)	39	40	45	61	55	60	65
EBIT (adj) margin	6.6%	5.8%	5.4%	6.8%	6.7%	6.8%	6.9%
EPS (adj, EUR)	0.49	0.47	0.54	0.75	0.65	0.73	0.79
EPS (adj) growth	0.0%	-3.8%	14.8%	37.7%	-13.6%	12.2%	9.2%
DPS (ord, EUR)	0.17	0.19	0.21	0.23	0.25	0.27	0.29
EV/Sales	0.7	0.8	0.6	0.6	0.6	0.5	0.4
EV/EBIT (adj)	11.3	13.5	11.3	9.1	8.6	7.4	6.5
P/E (adj)	13.2	15.7	12.1	10.4	11.1	9.9	9.1
P/BV	2.3	2.3	1.9	1.9	1.6	1.4	1.3
Dividend yield (ord)	2.6%	2.5%	3.2%	2.9%	3.5%	3.7%	4.0%
FCF Yield bef A&D, lease	5.5%	-5.8%	-2.7%	8.7%	13.2%	8.9%	9.5%
Net debt	18	60	86	52	5	-20	-47
Net debt/EBITDA	0.3	1.1	1.4	0.6	0.1	-0.2	-0.5
ROIC after tax	13.9%	12.8%	11.8%	14.7%	13.4%	15.0%	15.9%

Source: Company data and Nordea estimates

Quarterly estimates by segment

P&L (EURm; EPS IN EUR)

	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224E	Q324E	Q424E
Industrial												
Net sales (EURm)	101.1	115.0	111.1	111.3	111.2	112.4	98.8	105.2	94.2	92.2	94.8	95.1
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	10%	-2%	-11%	-5%	-15%	-18%	-4%	-10%
Energy & Cleantech												
Net sales (EURm)	61.9	62.0	61.9	68.4	72.8	91.3	77.6	78.5	70.4	73.0	75.3	79.1
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	18%	47%	25%	15%	-3%	-20%	-3%	1%
Medtec & Life Science												
Net sales (EURm)	33.6	35.9	38.9	42.6	40.6	39.6	36.4	37.1	34.4	35.6	35.7	37.2
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	21%	10%	-6%	-13%	-15%	-10%	-2%	0%

	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E
Group sales	**196.6**	**212.9**	**211.9**	**222.3**	**224.6**	**243.3**	**212.8**	**220.8**	**198.9**	**200.8**	**205.8**	**211.4**
Sales growth %	20.3%	23.1%	26.3%	16.0%	14.2%	14.3%	0.4%	-0.7%	-11.4%	-17.4%	-3.3%	-4.3%
Other operating income	0.2	0.3	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortisation	-4.0	-4.2	-4.5	-4.7	-4.7	-4.7	-4.8	-4.9	-5.0	-5.0	-5.0	-5.0
Reported EBIT	10.3	10.1	11.5	13.4	15.1	17.5	15.2	13.4	12.7	13.7	14.0	14.4
Reported EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.4%	6.8%	6.8%	6.8%
Group adj. EBIT	**10.3**	**10.1**	**11.5**	**13.4**	**15.1**	**17.5**	**15.2**	**13.4**	**12.7**	**13.7**	**14.0**	**14.4**
Adj. EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.4%	6.8%	6.8%	6.8%
Net financials	-1.0	-0.3	-1.7	-0.7	-0.6	0.9	-0.7	0.6	0.2	-0.4	-0.4	-0.4
Pre-tax profit	9.3	9.8	9.8	12.7	14.5	18.4	14.5	14.0	12.9	13.3	13.6	14.0
Income tax	-1.3	-2.7	-0.4	-2.2	-2.8	-3.9	-3.5	-3.2	-3.1	-2.9	-3.0	-3.1
Tax rate %	14%	28%	4%	17%	19%	21%	24%	23%	24%	22%	22%	22%
Reported net profit for the period	8.0	7.1	9.4	10.5	11.7	14.5	11.0	10.8	9.8	10.3	10.6	10.9
Adj net profit for the period	8.0	7.1	9.4	10.5	11.7	14.5	11.0	10.8	9.8	10.3	10.6	10.9
Reported EPS	0.12	0.11	0.15	0.16	0.18	0.22	0.17	0.17	0.15	0.16	0.16	0.17
Adj. EPS	**0.12**	**0.11**	**0.15**	**0.16**	**0.18**	**0.22**	**0.17**	**0.17**	**0.15**	**0.16**	**0.16**	**0.17**

Source: Company data and Nordea estimates

Annual estimates by segment

P&L (EURm; EPS IN EUR)

	2018	2019	2020	2021	2022	2023	2024E	2025E
Industrial								
Net sales (EURm)					438.5	427.6	376.3	406.4
Sales growth y/y (%)					n.a.	-2%	-12%	8%
Energy & Cleantech								
Net sales (EURm)			135.6	182.0	254.2	320.2	297.8	324.6
Sales growth y/y (%)				34%	40%	26%	-7%	9%
Medtec & Life Science								
Net sales (EURm)			107.9	120.6	151.0	153.7	142.9	154.4
Sales growth y/y (%)				12%	25%	2%	-7%	8%
Group	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Net sales	**563.0**	**579.5**	**595.4**	**695.7**	**843.7**	**901.6**	**817.0**	**885.4**
Sales growth %	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-9.4%	8.4%
Other operating income	0.4	1.0	12.5	1.1	1.0	0.9	0.4	0.4
Depreciation and amortisation	-7.5	-15.7	-14.1	-12.6	-14.8	-16.8	-18.0	-18.8
Reported EBIT	37.8	35.3	44.3	39.6	45.4	61.3	54.7	60.2
Reported EBIT margin	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.7%	6.8%
Group adj. EBIT	**37.8**	**38.9**	**39.1**	**40.3**	**45.4**	**61.3**	**54.7**	**60.2**
Adj. EBIT margin	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.7%	6.8%
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	0.3	-1.0	-1.0
Pre-tax profit	36.1	34.0	41.7	37.7	41.7	61.6	53.8	59.2
Income tax	-7.1	-5.9	-4.8	-7.9	-6.7	-13.4	-12.1	-12.4
Tax rate %	20%	17%	12%	21%	16%	22%	22%	21%
Reported net profit for the period	29.0	28.1	36.9	29.8	35.0	48.2	41.7	46.7
Adj net profit for the period	29.0	31.7	31.7	30.5	35.0	48.2	41.7	46.7
Reported EPS	0.45	0.44	0.57	0.46	0.54	0.75	0.65	0.73
Adj. EPS	**0.45**	**0.49**	**0.49**	**0.47**	**0.54**	**0.75**	**0.65**	**0.73**

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				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	12,129	13,854	22%	4%	6%	14%	11%	10%	11%	12%
Pegatron Corp	40,289	37,117	34,466	38,242	5%	-5%	-4%	11%	2%	1%	1%	2%
Venture Corporation Ltd	2,695	2,078	2,189	2,320	24%	-22%	3%	6%	12%	10%	10%	11%
Universal Scientific Industrial	9,282	7,761	8,320	9,345	24%	-11%	7%	12%	5%	4%	4%	4%
Jabil Inc	33,288	32,010	26,289	25,476	14%	4%	-18%	-3%	5%	5%	5%	6%
Compal Electronics Inc	32,797	27,959	26,976	28,924	-13%	-12%	-1%	7%	1%	1%	2%	2%
Foxconn Interconnect Technology	4,233	3,802	4,370	5,172	1%	-7%	13%	18%	4%	6%	7%	8%
Inventec Corp	16,555	15,202	16,408	18,593	4%	-5%	14%	13%	1%	1%	2%	2%
Micro-Star International Co Ltd	5,513	5,404	5,796	6,371	-11%	1%	11%	9%	7%	6%	6%	7%
Plexus Corp	3,890	3,983	3,609	3,958	13%	10%	-7%	10%	5%	5%	5%	6%
Note AB (publ)	331	382	n.a.	n.a.	39%	15%	n.a.	n.a.	11%	10%	n.a.	n.a.
Sanmina Corp	8,082	8,453	6,995	8,117	18%	13%	-16%	14%	5%	6%	6%	6%
Incap Oyj	264	222	239	281	55%	-16%	9%	18%	15%	13%	12%	12%
Celestica Inc	6,774	7,214	8,720	9,478	29%	10%	20%	9%	5%	5%	6%	6%
SIIX Corp	1,974	1,990	1,873	2,017	22%	12%	5%	8%	3%	n.a.	n.a.	n.a.
Fabrinet	2,143	2,425	2,680	2,985	20%	17%	9%	11%	10%	11%	10%	11%
Sercomm Corp	1,973	1,848	1,876	2,137	47%	-3%	5%	14%	4%	5%	5%	6%
TT Electronics	697	708	670	680	30%	-1%	-10%	1%	7%	8%	9%	10%
Alpha Networks Inc	1,028	835	770	885	21%	-16%	-7%	15%	5%	4%	3%	6%
Ducommun Inc	666	686	725	770	10%	6%	4%	6%	7%	8%	8%	10%
Valuetronics Holdings Ltd	234	237	198	212	-11%	-1%	-17%	-1%	6%	5%	10%	9%
Kitron ASA	641	775	679	748	75%	21%	-12%	10%	7%	9%	8%	9%
Lacroix Group SA	708	761	676	691	41%	8%	-12%	2%	3%	2%	3%	4%
Hanza AB	319	373	432	480	41%	17%	21%	11%	6%	8%	6%	7%
Group median					**20.7%**	**1.4%**	**4.7%**	**10.6%**	**5.2%**	**5.5%**	**5.7%**	**6.0%**
Scanfil (Nordea)	844	902	817	885	21.3%	6.9%	-9.4%	8.4%	5.4%	6.8%	6.7%	6.8%
diff. from median (pp)					**0.6**	**5.4**	**-14.1**	**-2.3**	**0.2**	**1.3**	**1.0**	**0.8**

Source: LSEG Data & Analytics and Nordea estimates

EMS PEER GROUP: VALUATION

	P/E				EV/EBITDA				P/B			
	2022	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**
Hon Hai Precision Industry Co Ltd	9.9	10.4	17.0	13.1	6.0	5.0	8.6	7.0	1.7	1.7	1.6	1.5
Delta Electronics Inc	22.9	24.5	29.2	23.5	12.7	13.2	15.0	12.5	5.6	5.1	4.6	4.1
Pegatron Corp	11.3	14.9	16.1	13.5	5.8	8.3	8.2	6.8	1.5	1.4	1.4	1.3
Venture Corporation Ltd	13.5	14.7	14.9	13.8	8.9	8.8	9.0	8.2	1.5	1.4	1.4	1.4
Universal Scientific Industrial	12.0	17.4	14.6	11.8	8.4	8.9	8.2	7.0	2.2	1.7	1.8	1.6
Jabil Inc	8.7	19.0	13.1	12.1	4.2	6.5	5.9	5.9	5.8	5.1	6.5	5.2
Compal Electronics Inc	13.9	22.8	13.4	11.4	8.8	10.4	7.4	6.8	1.2	1.1	1.1	1.0
Foxconn Interconnect Technology	11.0	8.3	12.1	8.2	4.1	2.8	6.0	4.8	0.9	1.0	0.9	0.8
Inventec Corp	15.5	31.0	19.7	14.9	12.4	20.8	12.7	10.4	2.9	2.8	2.5	2.5
Micro-Star International Co Ltd	10.3	23.0	13.1	11.4	6.1	14.5	9.2	7.8	2.9	2.7	2.5	2.3
Plexus Corp	18.0	18.8	24.2	20.0	10.8	9.5	13.0	11.3	3.3	3.0	n.a.	n.a.
Note AB (publ)	20.4	13.5	n.a.	n.a.	11.4	9.0	n.a.	n.a.	4.7	3.1	n.a.	n.a.
Sanmina Corp	12.1	10.5	14.0	11.4	5.3	5.0	7.3	6.3	1.5	1.4	n.a.	n.a.
Incap Oyj	18.1	11.5	14.7	12.6	12.0	7.0	9.2	8.0	3.7	3.0	2.6	2.1
Celestica Inc	9.6	14.4	14.5	13.2	4.3	7.0	9.1	8.3	0.8	4.3	n.a.	n.a.
SIIX Corp	12.8	8.4	8.6	6.7	6.6	5.3	5.2	4.6	0.8	0.7	0.6	0.6
Fabrinet	15.5	19.3	25.4	22.9	10.6	13.8	20.2	18.3	6.3	5.4	4.7	4.0
Sercomm Corp	10.6	15.3	11.1	9.2	6.1	8.5	6.0	5.4	2.9	2.7	2.2	0.0
TT Electronics	9.8	8.4	7.7	6.9	6.8	6.0	5.4	5.1	0.8	0.9	1.0	0.9
Alpha Networks Inc	16.8	37.5	19.7	14.7	7.7	14.2	10.7	6.8	1.7	1.7	1.7	n.a.
Ducommun Inc	21.5	45.7	22.6	16.7	9.7	12.6	10.7	9.0	1.5	1.5	1.4	1.3
Valuetronics Holdings Ltd	11.5	10.2	8.6	9.3	2.0	1.4	1.3	1.8	0.9	0.9	n.a.	n.a.
Kitron ASA	18.9	11.7	16.0	13.7	11.3	8.3	9.7	8.7	4.1	4.0	2.9	2.5
Lacroix Group SA	10.9	33.7	12.6	6.6	6.9	n.a.	n.a.	n.a.	0.7	n.a.	n.a.	n.a.
Hanza AB	15.5	16.1	18.0	9.8	8.2	8.6	7.8	5.7	2.9	2.1	1.7	1.5
Group average	**14.0**	**18.4**	**15.9**	**12.8**	**7.9**	**9.0**	**9.0**	**7.7**	**2.5**	**2.5**	**2.3**	**1.9**
Scanfil (Nordea)	12.1	10.4	12.0	10.7	8.1	6.9	6.6	5.6	1.9	1.9	1.7	1.5
diff. from average	-14%	-43%	-24%	-16%	3%	-23%	-26%	-27%	-26%	-23%	-27%	-25%

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	**508**	**530**	**563**	**580**	**595**	**696**	**844**	**902**	**817**	**885**	**940**
Revenue growth	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-9.4%	8.4%	6.2%
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	18	40	47	53	60	55	63	80	75	81	86
Depreciation and impairments PPE	-9	-7	-8	-16	-14	-13	-15	-17	-18	-19	-19
of which leased assets	0	0	0	-3	-3	-3	-3	-3	-3	-3	-3
EBITA	9	33	40	37	46	42	48	64	57	62	66
Amortisation and impairments	-2	-2	-2	-2	-2	-3	-3	-2	-2	-2	-1
EBIT	7	31	38	35	44	40	45	61	55	60	65
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	-2	-1	-3	-2	-4	0	-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	**6**	**33**	**36**	**34**	**42**	**38**	**42**	**62**	**54**	**59**	**64**
Reported taxes	-6	-7	-7	-6	-5	-8	-7	-13	-12	-12	-13
Net profit from continued operations	0	26	29	28	37	30	35	48	42	47	51
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	0	26	29	28	37	30	35	48	42	47	51
EPS, EUR	**0.00**	**0.40**	**0.45**	**0.44**	**0.57**	**0.46**	**0.54**	**0.75**	**0.65**	**0.73**	**0.79**
DPS, EUR	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
of which ordinary	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
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	3.6%	7.6%	8.4%	9.1%	10.1%	7.9%	7.4%	8.9%	9.1%	9.1%	9.1%
EBITA	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	7.1%	6.9%	7.0%	7.1%
EBIT	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.7%	6.8%	6.9%
Adjusted earnings											
EBITDA (adj)	33	40	47	53	55	56	63	80	75	81	86
EBITA (adj)	24	33	40	37	41	43	48	64	57	62	66
EBIT (adj)	22	31	38	39	39	40	45	61	55	60	65
EPS (adj, EUR)	0.24	0.36	0.45	0.49	0.49	0.47	0.54	0.75	0.65	0.73	0.79
Adjusted profit margins in percent											
EBITDA (adj)	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.9%	9.1%	9.1%	9.1%
EBITA (adj)	4.8%	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	7.1%	6.9%	7.0%	7.1%
EBIT (adj)	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.7%	6.8%	6.9%
Performance metrics											
CAGR last 5 years											
Net revenue	19.2%	24.0%	24.5%	22.0%	9.6%	6.5%	9.8%	9.9%	7.1%	8.3%	6.2%
EBITDA	-4.8%	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	11.2%	7.1%	6.0%	9.3%
EBIT	-4.5%	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	10.2%	9.2%	6.3%	10.4%
EPS	-58.0%	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	10.5%	8.2%	4.8%	11.4%
DPS	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%	10.8%	9.7%	8.8%
Average last 5 years											
Average EBIT margin	3.9%	4.5%	4.9%	4.9%	5.6%	6.4%	6.2%	6.2%	6.4%	6.3%	6.5%
Average EBITDA margin	7.7%	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.6%	8.7%	8.5%	8.8%

VALUATION RATIOS - ADJUSTED EARNINGS											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E (adj)	14.6	11.8	8.2	9.9	13.2	15.7	12.1	10.4	11.1	9.9	9.1
EV/EBITDA (adj)	7.9	7.8	5.7	6.8	8.0	9.7	8.1	6.9	6.3	5.5	4.9
EV/EBITA (adj)	10.7	9.4	6.8	9.7	10.7	12.6	10.7	8.8	8.3	7.2	6.3
EV/EBIT (adj)	11.7	10.0	7.1	9.3	11.3	13.5	11.3	9.1	8.6	7.4	6.5

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E	n.m.	10.5	8.2	11.2	11.4	16.1	12.1	10.4	11.1	9.9	9.1
EV/Sales	0.52	0.59	0.48	0.63	0.74	0.78	0.61	0.62	0.58	0.50	0.45
EV/EBITDA	14.4	7.8	5.7	6.8	7.3	9.9	8.1	6.9	6.3	5.5	4.9
EV/EBITA	28.0	9.4	6.8	9.7	9.5	12.8	10.7	8.8	8.3	7.2	6.3
EV/EBIT	36.2	10.0	7.1	10.3	9.9	13.7	11.3	9.1	8.6	7.4	6.5
Dividend yield (ord.)	2.6%	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.9%	3.5%	3.7%	4.0%
FCF yield	5.8%	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	9.2%	13.8%	9.5%	10.1%
FCF Yield bef A&D, lease adj	5.8%	3.9%	8.1%	8.2%	5.5%	-5.8%	-2.7%	8.7%	13.2%	8.9%	9.5%
Payout ratio	37.7%	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	30.7%	38.6%	37.1%	36.5%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	27	25	22	25	23	21	19	18	16	14	13
of which R&D	n.a.	n.a.	0	0	0	0	0	0	0	0	0
of which other intangibles	16	15	12	17	14	13	11	10	8	7	5
of which goodwill	11	10	10	8	8	8	8	8	8	8	8
Tangible assets	41	48	49	72	65	72	80	85	94	100	103
of which leased assets	0	0	0	21	18	22	24	23	23	23	23
Shares associates	n.a.	n.a.	0	1	1	1	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	2	4	4	6	7	9	8	8	8	8	8
Other non-IB non-current assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	70	77	76	103	95	102	107	112	119	123	124
Inventory	85	101	99	102	103	193	229	209	179	177	182
Accounts receivable	88	106	108	112	113	149	165	174	159	173	183
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	4	2	2	3	2	4	4	3	2	3	3
Cash and bank	20	21	19	20	26	25	21	21	63	88	115
Total current assets	197	230	228	237	245	372	419	406	403	440	483
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**267**	**307**	**304**	**340**	**339**	**474**	**526**	**518**	**522**	**563**	**607**
Shareholders equity	108	125	145	167	183	207	227	266	293	323	357
Of which preferred stocks	n.a.	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	0	0	0	0	0	0	0	0	0	0
Total Equity	n.a.	125	145	167	183	207	227	266	293	323	357
Deferred tax	3	5	6	7	6	5	5	6	6	6	6
Long term interest bearing debt	38	27	17	25	18	42	36	0	0	5	9
Pension provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	1	1	1	1	1
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	19	16	20	20	19	19	19	19
Convertible debt	n.a.	0	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	0	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	41	33	23	51	40	67	62	25	25	30	34
Short-term provisions	5	0	0	0	4	2	0	1	1	1	1
Accounts payable	90	113	104	96	100	172	184	167	150	159	170
Current lease debt	0	0	0	4	4	3	4	4	4	4	4
Other current liabilities	n.a.	n.a.	0	3	2	1	3	5	4	5	5
Short term interest bearing debt	22	36	33	20	6	20	46	50	45	40	36
Total current liabilities	117	149	136	122	116	199	237	227	204	209	216
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**267**	**307**	**304**	**340**	**339**	**473**	**526**	**518**	**522**	**563**	**607**
Balance sheet and debt metrics											
Net debt	40	43	30	46	18	60	86	52	5	-20	-47
of which lease debt	0	0	0	22	20	23	25	23	23	23	23
Working capital	87	96	105	118	117	173	211	214	187	188	193
Invested capital	157	173	181	221	212	275	318	325	305	311	318
Capital employed	168	188	194	233	227	293	333	339	361	391	425
ROE	0.1%	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	19.6%	14.9%	15.2%	15.0%
ROIC	10.5%	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	14.7%	13.4%	15.0%	15.9%
ROCE	18.9%	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	18.3%	15.7%	16.0%	15.9%
Net debt/EBITDA	2.2	1.1	0.6	0.9	0.3	1.1	1.4	0.6	0.1	-0.2	-0.5
Interest coverage	1.5	4.8	21.1	25.3	16.5	19.9	12.0	n.m.	50.6	52.8	54.4
Equity ratio	40.6%	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	51.4%	56.1%	57.5%	58.7%
Net gearing	n.a.	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	19.4%	1.8%	-6.1%	-13.1%

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	**18**	**40**	**47**	**53**	**60**	**55**	**63**	**80**	**75**	**81**	**86**
Paid taxes	-5	-8	-7	-8	-7	-11	-4	-9	-12	-12	-13
Net financials	-2	-2	-2	-2	-2	-1	-2	-4	-1	-1	-1
Change in provisions	4	-5	0	0	4	-3	0	1	0	0	0
Change in other LT non-IB	1	-2	0	-1	-1	-2	1	0	0	0	0
Cash flow to/from associates	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	7	4	0	2	-11	2	-3	3	0	0	0
Funds from operations (FFO)	**23**	**27**	**39**	**44**	**43**	**40**	**53**	**72**	**62**	**67**	**72**
Change in NWC	-6	-6	-10	-8	-8	-53	-43	-3	27	-1	-5
Cash flow from operations (CFO)	**16**	**21**	**29**	**36**	**35**	**-13**	**10**	**69**	**88**	**66**	**67**
Capital expenditure	-4	-11	-10	-7	-9	-13	-19	-22	-24	-22	-20
Free cash flow before A&D	**13**	**11**	**19**	**29**	**26**	**-25**	**-9**	**47**	**64**	**44**	**47**
Proceeds from sale of assets	n.a.	0	0	0	13	0	0	0	0	0	0
Acquisitions	n.a.	0	0	-10	0	0	0	0	0	0	0
Free cash flow	13	11	19	18	39	-25	-9	47	64	44	47
Free cash flow bef A&D, lease adj	13	11	19	26	23	-28	-12	44	61	41	44
Dividends paid	n.a.	-6	-7	-8	-10	-11	-12	-14	-15	-16	-17
Equity issues / buybacks	n.a.	0	0	0	0	0	0	0	0	0	0
Net change in debt	-26	-4	-14	-43	-21	39	20	-34	-5	0	0
Other financing adjustments	n.a.	n.a.	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	-1	-1	0	34	-3	-4	-3	2	0	0	0
Change in cash	-2	0	-1	1	5	-1	-5	0	41	25	27
Cash flow metrics											
Capex/D&A	32.3%	n.m.	n.m.	41.2%	58.4%	83.8%	n.m.	n.m.	n.m.	n.m.	94.4%
Capex/Sales	0.7%	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.5%	3.0%	2.5%	2.1%
Key information											
Share price year end (/current)	3	4	4	5	7	7	7	8	7	7	7
Market cap.	222	271	239	316	422	483	426	505	466	466	466
Enterprise value	262	314	269	362	440	543	511	557	472	447	420
Diluted no. of shares, year-end (m)	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

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