

## KEY DATA

Stock country	Finland
Bloomberg	SOLWERS.FH
Reuters	SOLWERS.HE
Share price (close)	EUR 3.24
Free float	66%
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	solwers.com
Next report date	30 Aug 2024

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	1%	3%	3%
EBIT (adj)	0%	2%	2%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Svante Krokfors  
DirectorJukka-Pekka Pesonen  
Analyst

## Acquisitions to drive growth in 2024

Ahead of Solwers' Q2 report on 30 August, we update our estimates to reflect two acquisitions conducted in Q3, which on an annual basis increase revenue by ~4%. At the same time, we lower our organic growth estimate for 2024 from -2% to -3% and our 2025 estimate from +4% to +3%, as we see a risk of a somewhat postponed recovery in the market. Our fair value, excluding any unannounced M&A in 2025-26, remains unchanged at EUR 4.4-5.4, while we trim our fair value including unannounced M&A to EUR 5.1-6.0 (5.2-6.1). The Solwers share price has been surprisingly weak recently and is down 33% year-to-date. The share is trading at a substantial discount to all relevant peers and even without any unannounced M&A in our estimates, we see over 30% potential upside.

## Acquisition streak has continued in H2

Solwers announced in early July that its subsidiary Davidsson Tarkela Architects Oy had acquired Siren Architects, with annual revenue of EUR 1.8m and profitability in the low teens. On 19 August, Solwers announced that its subsidiary WiseGate had acquired Spectra Consult AB in Sweden, with annual revenue of EUR 1.3m and profitability in the mid-teens. The acquisition prices were not disclosed and both acquisitions were done through a combination of cash and newly issued shares. Acquisitions announced in 2024 enable Solwers to post close to 20% revenue growth in 2024E; the company's growth target is over 20% annual growth.

## We expect 16% y/y growth in Q2 and a flat EBIT

We expect Solwers to post Q2 sales of EUR 19.7m, up 16% y/y from EUR 17.0m and up slightly q/q from EUR 19.2m. Our EBIT estimate for Q2 is EUR 1.0m, down slightly from EUR 1.1m in Q2 2023. We forecast the EBIT margin to have declined from 6.3% a year ago to 5.2% in the quarter. Following the inclusion of the two acquisitions in our estimates and after cutting organic growth by 1pp for 2024 and 2025, we raise our 2024-26 EBIT estimates by 0-2% and raise our sales estimates by 1-3%.

## Fair value range of EUR 5.1-6.0, including impact from M&amp;A

We derive a fair value range of EUR 5.1-6.0 (5.2-6.1) using a DCF- and peer-group-based valuation approach and adding potential value-accretive M&A. In this scenario, we estimate potential for EUR 0.8 per share in value creation through acquisitions in 2024-26.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	33	45	63	66	78	82	85
EBITDA (adj)	5	5	8	8	8	10	11
EBIT (adj)	4	3	5	5	5	6	7
EBIT (adj) margin	10.8%	7.5%	8.1%	7.3%	6.1%	7.0%	7.7%
EPS (adj, EUR)	0.40	0.20	0.38	0.32	0.28	0.37	0.44
EPS (adj) growth	177.7%	-50.2%	93.5%	-17.0%	-10.9%	28.7%	19.6%
DPS (ord, EUR)	0.00	0.10	0.04	0.06	0.06	0.07	0.08
EV/Sales	n.a.	1.5	0.7	1.0	0.7	0.7	0.6
EV/EBIT (adj)	n.a.	20.1	9.2	13.8	11.8	9.3	7.7
P/E (adj)	n.a.	41.8	11.0	15.1	11.4	8.9	7.4
P/BV	n.a.	1.9	1.1	1.2	0.8	0.7	0.7
Dividend yield (ord)	n.a.	1.2%	0.9%	1.3%	1.9%	2.2%	2.5%
FCF Yield bef A&D, lease	n.a.	1.9%	5.7%	10.6%	9.8%	10.3%	13.1%
Net debt	10	7	5	19	23	21	17
Net debt/EBITDA	2.1	1.3	0.6	2.3	2.8	2.1	1.6
ROIC after tax	14.0%	8.0%	8.6%	7.0%	6.1%	6.9%	7.8%

Source: Company data and Nordea estimates

# Earnings expectations

## Outlook 2024

In its Q1 business review, Solwers reiterated its outlook of improving business environment towards the end of 2024 together with the general pick-up of the market. Good order backlog and acquisitions completed in 2024 support a positive development of revenue.

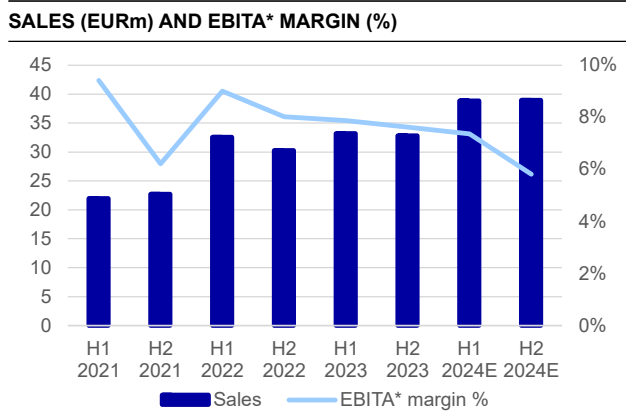
## Medium-term financial targets

Solwers' medium-term financial targets are:

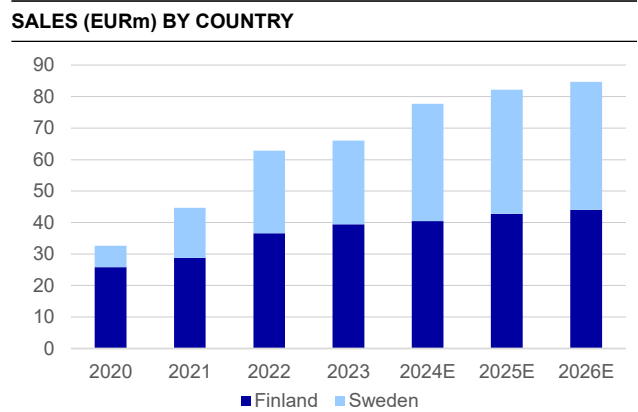
- **Growth:** over 20% growth in revenue over a 12-month period
- **Profitability:** over 12% EBITA\* margin (Q1 2024: 8.0%)
- **Equity ratio:** over 40% (Q1 2024: 44.8%)

\*Solwers defines EBITA as EBIT + amortisation of intangible assets and leased premises + impairment

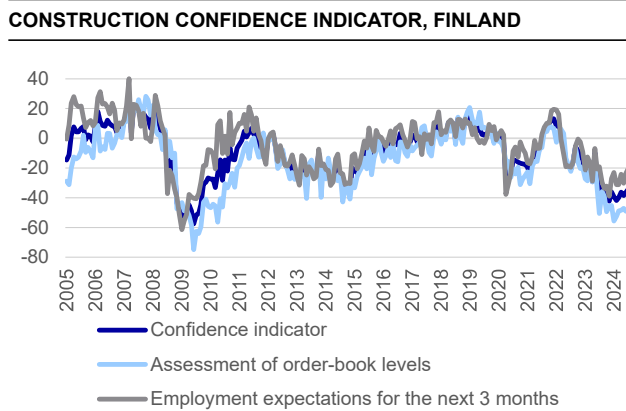
## Key charts



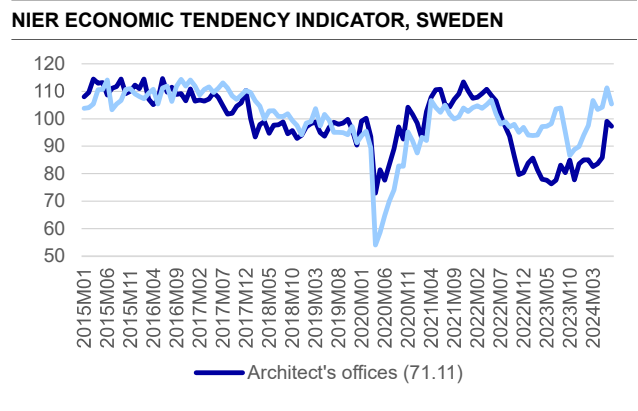
Source: Company data and Nordea estimates



Source: Company data and Nordea estimates

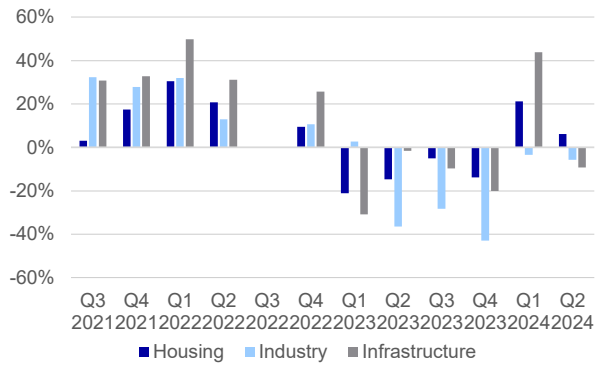


Source: Confederation of Finnish Industries



Source: NIER

**CHANGE IN NEW ORDERS BY INDUSTRY Y/Y (%), FINLAND**



Source: SKOL

# Estimate revisions

## ESTIMATE REVISIONS AHEAD OF H1 2024 FINANCIAL REVIEW

EURm	H1 2024E	2024E	2025E	2026E	H1 2024E	2024E	2025E	2026E	H1 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>38.8</b>	<b>77.8</b>	<b>82.2</b>	<b>84.7</b>	<b>38.8</b>	<b>77.0</b>	<b>80.1</b>	<b>82.5</b>	<b>0%</b>	<b>1%</b>	<b>3%</b>	<b>3%</b>
<b>EBITDA</b>	<b>4.5</b>	<b>8.5</b>	<b>9.6</b>	<b>10.6</b>	<b>4.5</b>	<b>8.4</b>	<b>9.4</b>	<b>10.3</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>
EBITDA margin	11.7%	10.9%	11.7%	12.5%	11.7%	10.9%	11.8%	12.5%	0.0pp	-0.1pp	0.0pp	0.0pp
<b>EBITA</b>	<b>4.0</b>	<b>7.3</b>	<b>8.5</b>	<b>9.3</b>	<b>4.0</b>	<b>7.3</b>	<b>8.3</b>	<b>9.1</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>
EBITA margin	10.2%	9.4%	10.3%	11.0%	10.2%	9.5%	10.3%	11.1%	0.0pp	-0.1pp	0.0pp	0.0pp
<b>EBIT</b>	<b>2.7</b>	<b>4.8</b>	<b>5.7</b>	<b>6.5</b>	<b>2.7</b>	<b>4.8</b>	<b>5.6</b>	<b>6.4</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>
EBIT margin	6.9%	6.1%	7.0%	7.7%	6.9%	6.2%	7.0%	7.8%	0.0pp	-0.1pp	0.0pp	0.0pp
<b>EPS (EUR)</b>	<b>0.17</b>	<b>0.28</b>	<b>0.36</b>	<b>0.43</b>	<b>0.17</b>	<b>0.28</b>	<b>0.36</b>	<b>0.43</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>

Source: Nordea estimates

# Valuation

In our valuation approach for Solwers, we include a component from future, unannounced acquisitions. We believe this is relevant as the company aims to grow by more than 20% annually, and has historically been able to acquire companies at favourable terms. Our fair value range of EUR 5.1-6.0 per share includes an M&A component of EUR 0.7 per share, while we argue that a fair value for Solwers' current operations is EUR 4.4-5.4 per share.

We derive a fair value range of EUR 5.1-6.0 for Solwers, which includes an EUR 0.7 component of future M&A...

## A multiples- and DCF-based valuation with an M&A component included

Using a combination of valuation multiples and a DCF model, and adding what we deem to be a fair value for the value-creation potential from the M&A strategy, we derive a fair value range of EUR 5.1-6.0 (5.2-6.1) per share for Solwers. We note that this includes EUR 0.7 (0.8) per share of the present value of potential value-accretive acquisitions for 2024-26.

...while the fair value excluding future M&A would be EUR 4.4-5.4

Our fair value range for Solwers' current business, derived from a DCF- and peer group-based valuation excluding acquisitions, is EUR 4.4-5.4 per share. We highlight that the level of uncertainty in estimating a fair value for unannounced, future acquisitions is high and that such acquisitions may not occur.

Our peer group consists of eight players, of which seven are Nordic-based

## A peer group of mainly Nordic companies

Our peer group consists of eight listed consultancy companies, of which seven are based in the Nordics. We note that some of the companies are materially larger and more established players, while many in our peer group operate dissimilar centralised operating models with subsidiary companies being integrated with the parent company.

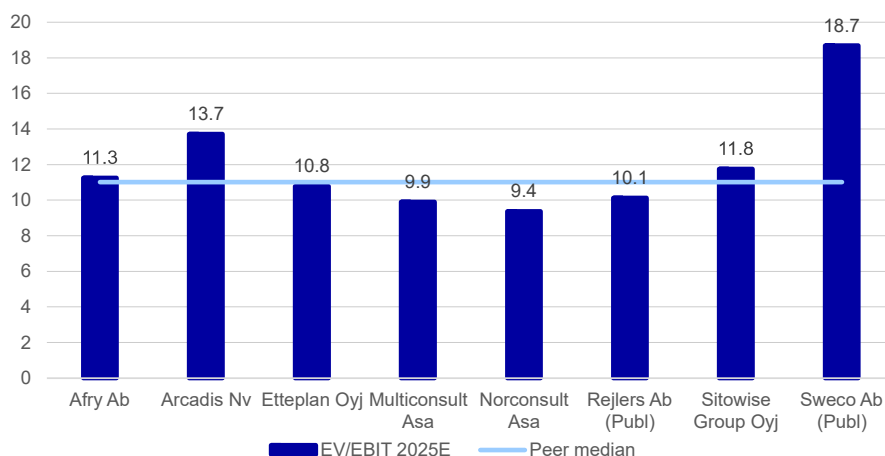
## PEER MULTIPLES

	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Afry Ab	1.0	0.9	0.8	9.1	8.1	7.1	13.7	11.3	9.7	15.6	12.5	11.1
Arcadis Nv	1.4	1.3	1.2	12.1	10.5	9.0	16.5	13.7	11.4	20.7	17.3	15.0
Etteplan Oyj	1.0	0.9	0.8	7.6	6.6	6.1	13.2	10.8	9.7	15.6	12.9	11.8
Multiconsult Asa	1.0	0.9	0.8	7.4	6.5	6.0	11.2	9.9	9.0	13.9	13.0	12.0
Norconsult Asa	0.9	0.9	0.8	7.0	6.2	5.8	10.9	9.4	8.6	16.3	14.1	13.3
Rejlers Ab (Publ)	0.9	0.8	0.7	7.6	6.6	5.6	11.8	10.1	8.5	14.3	12.2	10.9
Sitowise Group Oyj	0.9	0.8	0.7	7.6	6.2	5.2	22.4	11.8	8.9	41.6	12.7	9.2
Sweco Ab (Publ)	2.1	2.0	1.8	19.6	14.1	13.4	21.7	18.7	16.9	27.2	23.0	21.4
Peer average	1.1	1.1	1.0	9.8	8.1	7.3	15.2	11.9	10.3	20.6	14.7	13.1
<b>Peer median</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>7.6</b>	<b>6.6</b>	<b>6.0</b>	<b>13.4</b>	<b>11.0</b>	<b>9.4</b>	<b>16.0</b>	<b>13.0</b>	<b>11.9</b>
<b>Solwers (NDA)</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>6.6</b>	<b>5.3</b>	<b>4.6</b>	<b>11.7</b>	<b>8.6</b>	<b>7.1</b>	<b>11.4</b>	<b>7.9</b>	<b>6.1</b>
difference	-27.7%	-28.9%	-29.5%	-13.6%	-19.8%	-23.7%	-12.9%	-21.6%	-24.7%	-28.7%	-38.9%	-48.8%
Solwers (cons)	0.7	0.7	0.6	7.1	6.0	5.3	11.3	9.8	9.1	11.4	9.5	8.6
difference	-25.8%	-24.6%	-26.6%	-7.2%	-10.0%	-12.6%	-15.8%	-11.1%	-2.8%	-28.8%	-26.5%	-27.7%

Source: LSEG Data & Analytics and Nordea estimates

Peers are valued at ~11x 2025E EV/EBIT

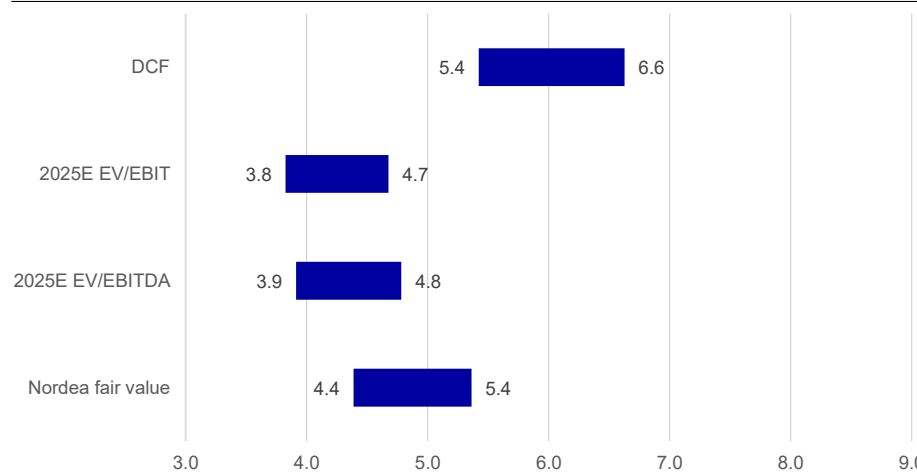
Based on LSEG Data & Analytics consensus, the peer group is trading at a median EV/EBITDA of 7.6x for 2024E and 6.6x for 2025E. The median EV/EBIT for 2024E is 13.4x and the 2025E EV/EBIT is 11.0x.

**PEER MULTIPLES, 2025E EV/EBIT (x)**

Source: LSEG Data &amp; Analytics

Peer group and DCF valuation, excluding future M&A, points to a fair value of EUR 4.4-5.4 per Solwers share

Given Solwers' acquisition-driven strategy, we value the company based on underlying operations and try to evaluate the future potential of the M&A strategy through estimating the value-creation potential from synergies. Using a multiples-based approach and a DCF model, we derive a fair value range of EUR 4.4-5.4 per share.

**VALUATION OF SOLWERS BUSINESS, EXCLUDING M&A (EUR)**

Source: Nordea estimates

The chart above illustrates our fair value range of EUR 4.4-5.4 per share for Solwers as a standalone company without any unannounced M&A. We note that our EUR 5.1-6.0 fair value per share is derived by equally weighting a DCF, 2025E EV/EBIT and EV/EBITDA to derive a fair value range of EUR 4.4-5.4 and the potential value creation through M&A (EUR 0.7), based on our M&A scenario.

Solwers currently trades at ~10x 2025E EV/EBIT

The table below shows the valuation multiples that we derive for Solwers, assuming no unannounced M&A, using our fair value range for the company (EUR 4.4-5.4) without the potential value of future M&A. The current share price implies 2024E EV/EBIT of 12.6x and 2025E EV/EBIT of 10.2x. Our fair value range for Solwers, excluding any unannounced M&A, implies 2025E EV/EBIT of 11.0-12.8x and a 2026E multiple of 9.1-10.7x.

**SOLWERS: VALUATION WITHOUT UNANNOUNCED M&A - DERIVED VALUATION MULTIPLES**

	EUR 4.4			EUR 5.4			Current EUR 3.24		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.9x	0.8x	0.7x	1.0x	0.9x	0.8x	0.7x	0.6x	0.6x
EV/EBITDA	7.9x	6.7x	5.8x	9.1x	7.7x	6.7x	6.6x	5.5x	4.7x
EV/EBIT	14.1x	11.3x	9.3x	16.2x	13.0x	10.8x	11.7x	9.2x	7.6x
P/E	15.4x	11.8x	9.9x	18.8x	14.4x	12.1x	11.4x	8.7x	7.3x
FCF yield %	7.3%	7.6%	9.7%	5.9%	6.2%	7.9%	9.8%	10.3%	13.1%
Dividend yield %	1.4%	1.6%	1.8%	1.1%	1.3%	1.5%	1.9%	2.2%	2.5%

Source: Nordea estimates

Peer valuation does not reflect the potential from future M&A, which is an integral part of Solwers' strategy...

Assuming no unannounced M&A, we derive a fair value range of EUR 4.4-5.4 per share. However, given Solwers' track record of acquisitions at favourable terms, we illustrate below how we assign a value to future, unannounced acquisitions.

...and hence we include our assumption of value creation from future M&A

### M&A could add EUR 0.7 per share to fair value for 2024E-26E

In the calculations above, we assumed that Solwers will not make any acquisitions, meaning that our base-case estimates are purely reliant on organic growth and already conducted acquisitions in 2023-24. In this section, we present the methodology we use for determining a fair value range for unannounced M&A that Solwers could achieve through active M&A. We estimate that for 2024-26, the company could add EUR 0.7 per share in shareholder value by acquiring companies at the terms we have set out below.

#### SOLWERS: VALUE CREATION THROUGH M&A IN 2024-26 AND IMPACT ON FAIR VALUE (EUR PER SHARE)

	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32
3	0.8	1.2	1.6	2.0	2.4	2.8	3.2	3.6	4.0	4.4	4.8	5.2	5.6	6.0	6.4
3.5	0.6	0.9	1.3	1.6	1.9	2.2	2.5	2.8	3.1	3.5	3.8	4.1	4.4	4.7	5.0
4	0.5	0.7	1.0	1.2	1.5	1.7	2.0	2.2	2.5	2.7	3.0	3.2	3.5	3.7	4.0
4.5	0.4	0.6	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2
5	0.3	0.5	0.6	0.8	1.0	1.1	1.3	1.4	1.6	1.8	1.9	2.1	2.2	2.4	2.6
5.5	0.3	0.4	0.5	0.6	0.8	0.9	1.0	1.1	1.3	1.4	1.5	1.7	1.8	1.9	2.0
6	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6
6.5	0.2	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.1	1.2	1.2
7	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.9	0.9
7.5	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6
8	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4
8.5	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.5	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2
10	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3
10.5	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5
11	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.6
11.5	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7
12	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8
12.5	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9
13	-0.1	-0.2	-0.2	-0.3	-0.4	-0.4	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-1.0

Source: Nordea estimates

Shareholder value can be created if Solwers is able to acquire quality companies at multiples below levels at which Solwers is trading

If Solwers were to trade at multiples above those at which it can acquire companies, we would see an opportunity for it to instantly create shareholder value through selected acquisitions. In the table above, we illustrate the potential compounding effect for Solwers, as the company aims to continue its acquisition-driven growth. The table below shows the impact on Solwers' value-creation opportunity from acquisitions, assuming different total acquisition volumes in 2025-26 (x-axis) and the EV/EBIT multiple paid in the potential acquisitions (y-axis). Note that the outcomes presented in the table illustrate the impact on valuation per share, not discounted to present value. We make the following notes to clarify the table:

- **Acquisition cost on x-axis:** The acquisition amount in EURm for 2025E-26E. Based on our calculations, we estimate that for 2025-26, Solwers could make acquisitions for EUR 20m in total, financed through debt. We limit the range in this table to EUR 4-32m of annual acquisitions and believe the narrowed range of EUR 12-24m is what could be realistic annually for 2025-26. Our base case of EUR 18m in acquisitions during 2024-26 would also enable Solwers to achieve around 20% annual growth, which is one of its financial targets.
- **Acquisition multiple on y-axis:** We assume an average EV/EBIT acquisition multiple of 6x for acquisitions conducted and an EV/sales multiple of 0.6x. We believe this is a rather conservative assumption given Solwers' own view of having historically made acquisitions at 4.5-6x EV/EBIT. However, we note that two acquisitions conducted in 2023 suggest EV/EBIT multiples of 5-8x on 2022 results including potential future earnouts.

- **EBIT margin:** We assume Solwers will acquire companies with a 10% EBIT margin.
- **Solwers' own valuation multiple:** Based on our estimates for Solwers and its current share price, we use a long-term average EV/EBIT multiple of 9x for the company. Thus, if Solwers makes an acquisition at an EV/EBIT multiple above 9x, our simulation models a negative contribution from the acquisition.

**SOLWERS: ESTIMATING PRESENT VALUE OF UNANNOUNCED M&A IN 2025-26**

EURm	2021	2022	2023	2024E	2025E	2026E
Revenue	45	63	66	78	96	115
of which acquired revenue				0	13	30
Adj. EBIT	3.4	5.1	4.8	4.8	7.1	9.6
of which acquired EBIT				0.0	1.3	3.0
Cost of acquisitions				0	-8	-10
Transaction related costs				0.0	-0.2	-0.3
Net debt	7.2	4.5	18.7	23.3	28.6	35.0
Annual value creation with EV/EBIT of 9x				0.0	3.8	4.7
Cost of equity (%)	9.9%					
Present value per share	0.7					

Source: Nordea estimates

The table illustrates how we calculate the net present value of EUR 0.7 per share for Solwers

Value creation of EUR 8.5m for 2025E-26E corresponds to a present value of EUR 0.7 per share

We have discounted the total fair value of EUR 8.5m to 2024 using our estimated 9.9% cost of equity, thus reaching EUR 0.7 in present value of potential future unannounced M&A.

Previously in this section, we argued that Solwers' current business, excluding any unannounced M&A, suggests a fair value range of EUR 4.4-5.4 per share. Adding the potential from M&A value creation in 2024E-26E of EUR 0.7 per share increases our fair value range for the company to EUR 5.1-6.0 per share.

We expect net debt to increase from EUR 19m in 2023 to EUR 35m in 2026 in our M&A scenario

The table below illustrates relevant valuation multiples of our M&A scenario when including EUR 0.7 per share value. Note that we adjust the EV for each year by the accumulated increase in net debt from the acquisitions we estimate for each year, which creates additional sales, EBITDA and EBIT. In our M&A scenario, we estimate that net debt will increase from EUR 19m in 2023 to EUR 35m at the end of 2026.

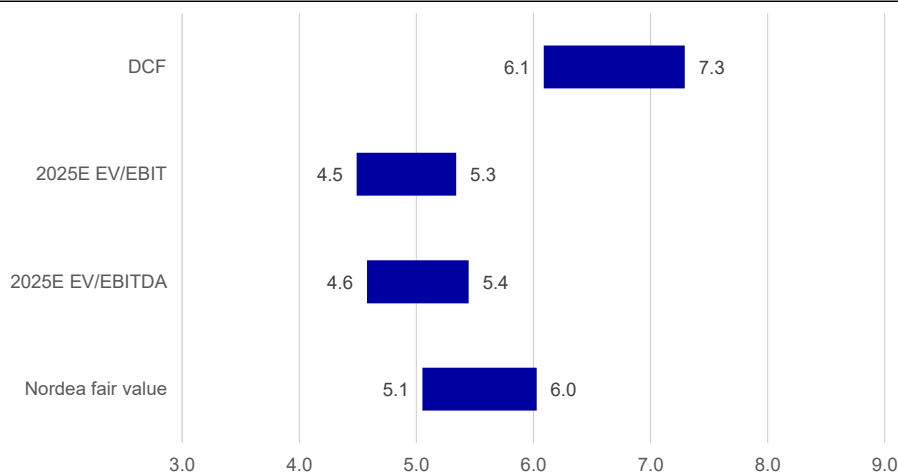
**SOLWERS: VALUATION INCLUDING M&A BASED ON OUR M&A SCENARIO (DERIVED VALUATION MULTIPLES)**

	EUR 5.1			EUR 6			Current EUR 3.24		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.9x	0.8x	0.7x	1.1x	0.9x	0.8x	0.7x	0.6x	0.6x
EV/EBITDA	8.7x	6.9x	5.8x	9.9x	7.8x	6.5x	6.6x	5.3x	4.6x
EV/EBIT	15.5x	11.2x	9.0x	17.6x	12.6x	10.0x	11.7x	8.6x	7.1x
P/E	17.7x	12.4x	9.5x	21.2x	14.7x	11.4x	11.4x	7.9x	6.1x
FCF yield %	6.3%	7.6%	10.7%	5.3%	6.4%	9.0%	9.8%	11.9%	16.7%
Dividend yield %	1.2%	1.4%	1.6%	1.0%	1.2%	1.3%	1.9%	2.2%	2.5%

Source: Nordea estimates

In our M&A scenario, Solwers' valuation multiples decline rapidly, highlighting the upside potential

At the current share price (EUR 3.24 as of 20 August), the M&A scenario suggests a 2025E EV/EBIT multiple of 8.6x and a 2026E EV/EBIT multiple of 7.1x. The multiples decline relatively quickly, as we assume additional M&A of EUR 8m in 2025 and EUR 10m in 2026, which increases EBIT in total by EUR 3.0m by 2026E.

**SOLWERS: FAIR VALUE RANGE WITH VALUE-ACCRETIVE INCLUDED (EUR PER SHARE)**

Source: Nordea estimates

**DCF valuation approach**

Our DCF valuation points to a fair value of EUR 6.0 per share excluding future M&A

In addition to the valuation approach we present above, we use a standard DCF model in our valuation of Solwers. Below, we illustrate our general assumptions for calculating our DCF value. Based on a WACC of 7.5%, our DCF indicates an equity value of EUR 60m (58m) or EUR 6.0 (5.8) per share for Solwers' current operations. We note that the DCF valuation does not include any future M&A.

The valuation model is built upon a stringent DCF framework, whereby ROIC-WACC modelling prevents above-market growth returns in perpetuity.

**SOLWERS: DCF ASSUMPTIONS**

Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	2.93%	2.0%	2.0%	2.0%	2.0%	2.0%	
EBIT-margin, excluding associate:	7.4%	8.0%	8.0%	8.0%	8.0%	4.3%	
Capex/depreciation, x	1.0	1.00	1.00	1.00	1.00	1.00	
Capex/sales	4.8%	2.0%	2.0%	2.0%	2.0%	2.0%	
NWC/sales	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	
FCFF, CAGR	-209.7%	0.6%	2.0%	2.0%	2.0%	-11.5%	2.5%

Source: Nordea estimates

An estimated 42% of the DCF value is related to the first ten years, and 86% falls into our 30-year estimate cycle, according to the table below. We apply a 2.5% terminal growth rate, which is in line with Nordea's standard assumption. The applied WACC of 7.5% is based on Nordea's standard assumptions for the risk-free rate and risk premium, as well as a beta of 1.6x and a 60% equity weight.

**SOLWERS: DCF VALUE**

	Value	Per share
<b>DCF value</b>		
NPV FCFF	76	7.6
(Net debt)	-19	-1.9
Market value of associates	0	0.0
(Market value of minorities)	-1	-0.1
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	4	0.4
<b>DCF Value</b>	<b>60</b>	<b>6.0</b>

Source: Nordea estimates

**SOLWERS: DCF WACC COMPONENTS**

WACC components	
Risk-free interest rate	3.5%
Market risk premium	4.0%
Forward looking asset beta	nm
Beta debt	0.00
Forward looking equity beta	1.60
Cost of equity	9.90%
Cost of debt	5.0%
Tax-rate used in WACC	20.0%
Equity weight	60.0%
<b>WACC</b>	<b>7.5%</b>

Source: Nordea estimates

In the table below, we provide a DCF sensitivity analysis of the equity value, with varying levels of revenue growth, EBIT margins and WACC.

**SOLWERS: DCF SENSITIVITY**

		<b>WACC</b>				
		<b>5.5%</b>	<b>6.5%</b>	<b>7.5%</b>	<b>8.5%</b>	<b>9.5%</b>
<b>EBIT marg. change</b>	<b>+2.0pp</b>	13.4	10.0	7.8	6.2	5.1
	<b>+1.0pp</b>	11.8	8.8	6.9	5.6	4.5
		10.1	7.6	<b>6.0</b>	4.9	4.0
	<b>-1.0pp</b>	8.5	6.5	5.2	4.2	3.4
	<b>-2.0pp</b>	6.8	5.3	4.3	3.5	2.9
		<b>WACC</b>				
		<b>5.5%</b>	<b>6.5%</b>	<b>7.5%</b>	<b>8.5%</b>	<b>9.5%</b>
<b>Sales gr. change</b>	<b>+2.0pp</b>	13.2	9.7	7.5	5.9	4.8
	<b>+1.0pp</b>	11.5	8.6	6.7	5.3	4.3
		10.1	7.6	<b>6.0</b>	4.9	4.0
	<b>-1.0pp</b>	9.0	6.9	5.5	4.4	3.7
	<b>-2.0pp</b>	8.0	6.2	5.0	4.1	3.4
		<b>Sales growth change</b>				
		<b>-2.0pp</b>	<b>-1.0pp</b>		<b>+1.0pp</b>	<b>+2.0pp</b>
<b>EBIT margin change</b>	<b>+2.0pp</b>	6.3	7.0	7.8	8.7	9.8
	<b>+1.0pp</b>	5.7	6.2	6.9	7.7	8.6
		5.0	5.5	<b>6.0</b>	6.7	7.5
	<b>-1.0pp</b>	4.3	4.7	5.2	5.7	6.3
	<b>-2.0pp</b>	3.6	3.9	4.3	4.7	5.1

Source: Nordea estimates

# Detailed estimates

## DETAILED INTERIM ESTIMATES

EURm	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024E	H2 2024E
<b>Net sales</b>	<b>13.9</b>	<b>18.8</b>	<b>22.0</b>	<b>22.7</b>	<b>32.6</b>	<b>30.2</b>	<b>33.2</b>	<b>32.8</b>	<b>38.8</b>	<b>38.9</b>
growth y/y			58.1%	21.0%	48.3%	33.2%	1.9%	8.5%	17.0%	18.6%
Sales/employee (EURt)	46.8	63.1	56.3	57.2	55.6	49.8	55.2	52.6	56.3	54.8
Other operating income	0.1	0.2	0.2	0.3	0.1	0.2	0.1	1.0	0.0	0.0
Materials and services	-1.7	-3.4	-2.6	-3.7	-6.5	-1.9	-3.8	-4.2	-4.5	-4.5
Personnel costs	-8.7	-10.7	-13.8	-13.4	-17.9	-20.9	-21.3	-20.7	-24.9	-24.6
Other operating expenses	-1.5	-2.0	-2.7	-3.4	-4.0	-1.6	-4.2	-4.9	-4.9	-5.8
<b>EBITDA</b>	<b>2.1</b>	<b>2.9</b>	<b>3.0</b>	<b>2.5</b>	<b>4.2</b>	<b>3.9</b>	<b>4.0</b>	<b>3.9</b>	<b>4.5</b>	<b>3.9</b>
margin	15.3%	15.2%	13.7%	10.9%	13.0%	12.9%	12.1%	12.0%	11.7%	10.1%
<b>EBITA</b>	<b>1.9</b>	<b>2.5</b>	<b>2.7</b>	<b>2.0</b>	<b>3.8</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>	<b>4.0</b>	<b>3.4</b>
margin	13.9%	13.3%	12.1%	9.0%	11.7%	11.3%	10.7%	10.7%	10.2%	8.7%
<b>EBIT</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>1.4</b>	<b>2.8</b>	<b>2.3</b>	<b>2.5</b>	<b>2.4</b>	<b>2.7</b>	<b>2.1</b>
margin	11.0%	10.7%	9.2%	6.0%	8.6%	7.6%	7.5%	7.2%	6.9%	5.3%
Net financials	0.0	0.0	-1.0	-0.2	-0.2	-0.3	-0.5	-0.5	-0.5	-0.5
<b>PTP</b>	<b>1.4</b>	<b>2.0</b>	<b>1.0</b>	<b>1.1</b>	<b>2.6</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>2.2</b>	<b>1.6</b>
Taxes	-0.35	-0.41	0.04	-0.47	-0.69	-0.34	-0.50	-0.17	-0.44	-0.32
<b>Net profit</b>	<b>1.1</b>	<b>1.6</b>	<b>1.0</b>	<b>0.6</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.3</b>
Minorities	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
<b>EPS, EUR</b>	<b>0.15</b>	<b>0.25</b>	<b>0.15</b>	<b>0.07</b>	<b>0.20</b>	<b>0.18</b>	<b>0.15</b>	<b>0.17</b>	<b>0.17</b>	<b>0.12</b>

Source: Company data and Nordea estimates

**DETAILED ANNUAL ESTIMATES**

EURm	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>32.6</b>	<b>44.7</b>	<b>62.8</b>	<b>66.0</b>	<b>77.8</b>	<b>82.2</b>	<b>84.7</b>
growth y/y		36.8%	40.6%	5.1%	17.8%	5.7%	3.0%
Sales/employee (EURt)	109.9	112.5	104.7	108.0	111.1	115.8	119.2
Other operating income	0.3	0.4	0.2	1.1	0.0	0.0	0.0
Materials and services	-5.2	-6.3	-8.3	-8.0	-9.1	-8.9	-8.6
Personnel costs	-19.3	-27.1	-38.8	-42.0	-49.5	-52.3	-53.9
Other operating expenses	-3.5	-6.2	-7.8	-9.1	-10.7	-11.3	-11.7
<b>EBITDA</b>	<b>5.0</b>	<b>5.5</b>	<b>8.2</b>	<b>8.0</b>	<b>8.5</b>	<b>9.6</b>	<b>10.6</b>
margin	15.2%	12.3%	13.0%	12.1%	10.9%	11.7%	12.5%
<b>EBITA</b>	<b>4.4</b>	<b>4.7</b>	<b>7.2</b>	<b>7.0</b>	<b>7.3</b>	<b>8.5</b>	<b>9.3</b>
margin	13.6%	10.5%	11.5%	10.7%	9.4%	10.3%	11.0%
<b>EBIT</b>	<b>3.5</b>	<b>3.4</b>	<b>5.1</b>	<b>4.8</b>	<b>4.8</b>	<b>5.7</b>	<b>6.5</b>
margin	10.8%	7.5%	8.1%	7.3%	6.1%	7.0%	7.7%
Net financials	-0.1	-1.3	-0.5	-1.0	-1.2	-1.1	-1.0
<b>PTP</b>	<b>3.4</b>	<b>2.1</b>	<b>4.6</b>	<b>3.9</b>	<b>3.6</b>	<b>4.6</b>	<b>5.6</b>
Taxes	-0.76	-0.43	-1.02	-0.67	-0.71	-0.93	-1.11
<b>Net profit</b>	<b>2.7</b>	<b>1.7</b>	<b>3.6</b>	<b>3.2</b>	<b>2.9</b>	<b>3.7</b>	<b>4.4</b>
Minorities	0.9	0.2	0.2	0.1	0.0	0.1	0.1
<b>EPS, EUR</b>	<b>0.40</b>	<b>0.20</b>	<b>0.38</b>	<b>0.32</b>	<b>0.28</b>	<b>0.36</b>	<b>0.43</b>

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	n.a.	n.a.	n.a.	26	33	45	63	66	78	82	85
Revenue growth	n.a.	n.a.	n.a.	n.a.	26.5%	36.8%	40.6%	5.1%	17.8%	5.7%	3.0%
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	0	0	0	2	5	5	8	8	8	10	11
Depreciation and impairments PPE	0	0	0	0	-1	-1	-1	-1	-1	-1	-1
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	2	4	5	7	7	7	8	9
Amortisation and impairments	0	0	0	-1	-1	-1	-2	-2	-3	-3	-3
EBIT	n.a.	n.a.	n.a.	1	4	3	5	5	5	6	7
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	0	0	0	0	0	-1	0	-1	-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
<b>Pre-tax profit</b>	0	0	0	1	3	2	5	4	4	5	6
Reported taxes	0	0	0	0	-1	0	-1	-1	-1	-1	-1
Net profit from continued operations	0	0	0	1	3	2	4	3	3	4	4
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-1	0	0	0	0	0	0
Net profit to equity	0	0	0	1	2	1	3	3	3	4	4
<b>EPS, EUR</b>	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.28	0.37	0.44
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.10	0.04	0.06	0.06	0.07	0.08
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.10	0.04	0.06	0.06	0.07	0.08
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	n.a.	n.a.	n.a.	9.5%	15.2%	12.3%	13.0%	12.1%	10.9%	11.7%	12.5%
EBITA	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	9.4%	10.3%	11.0%
EBIT	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	6.1%	7.0%	7.7%

## Adjusted earnings

EBITDA (adj)	0	0	0	2	5	5	8	8	8	10	11
EBITA (adj)	0	0	0	2	4	5	7	7	7	8	9
EBIT (adj)	0	0	0	1	4	3	5	5	5	6	7
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.28	0.37	0.44

## Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	9.5%	15.2%	12.3%	13.0%	12.1%	10.9%	11.7%	12.5%
EBITA (adj)	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	9.4%	10.3%	11.0%
EBIT (adj)	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	6.1%	7.0%	7.7%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.7%	20.3%	13.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	28.1%	14.1%	13.9%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.4%	10.1%	14.1%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.6%	-1.7%	17.1%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-4.4%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.9%	7.6%	7.1%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.5%	12.3%	11.9%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	41.8	11.0	15.1	11.4	8.9	7.4
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	6.6	5.6	4.7
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	7.7	6.3	5.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	11.8	9.3	7.7

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	41.8	11.0	15.1	11.4	8.9	7.4
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	1.52	0.75	1.02	0.72	0.65	0.59
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	6.6	5.6	4.7
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	7.7	6.3	5.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	11.8	9.3	7.7
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	0.9%	1.3%	1.9%	2.2%	2.5%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-16.2%	1.3%	3.2%	-13.6%	10.3%	13.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	1.9%	5.7%	10.6%	9.8%	10.3%	13.1%
Payout ratio	n.a.	n.a.	n.a.	0.0%	0.0%	50.4%	10.4%	20.1%	21.1%	19.1%	18.3%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	0	0	0	13	19	34	39	43	51	51	51
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	2	2	1	1	1	1	1	1
of which goodwill	0	0	0	11	17	34	38	42	50	50	50
Tangible assets	0	0	0	1	3	6	6	7	7	7	7
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	2	2	2	2	2	2	2	2
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	1	1	1	1	1	0	0	0
Total non-current assets	0	0	0	17	24	44	48	54	60	60	60
Inventory	0	0	0	1	0	0	0	0	0	0	0
Accounts receivable	0	0	0	6	9	14	15	17	20	21	21
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	1	1	1	1
Cash and bank	0	0	0	4	6	13	18	16	11	10	10
Total current assets	0	0	0	11	16	27	34	34	32	32	33
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.
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>40</b>	<b>70</b>	<b>82</b>	<b>87</b>	<b>91</b>	<b>92</b>	<b>93</b>
Shareholders equity	0	0	0	4	10	31	38	40	43	46	49
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	2	2	1	1	1	1	1	1
Total Equity	0	0	0	6	13	32	38	40	43	46	50
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	0	0	6	14	17	27	30	27	23
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	1	4	8	0	0	0	0
Non-current lease debt	0	0	0	1	2	2	2	1	4	4	4
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	6	5	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	7	14	20	28	28	34	31	27
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	7	5	9	6	6	7	7	8
Current lease debt	0	0	0	1	1	2	2	3	0	0	0
Other current liabilities	0	0	0	1	4	6	6	6	7	7	8
Short term interest bearing debt	0	0	0	6	2	1	2	3	0	0	0
Total current liabilities	0	0	0	15	13	18	15	18	14	15	15
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>40</b>	<b>70</b>	<b>82</b>	<b>87</b>	<b>91</b>	<b>92</b>	<b>93</b>
<b>Balance sheet and debt metrics</b>											
Net debt	0	0	0	10	10	7	5	19	23	21	17
of which lease debt	0	0	0	2	3	4	4	4	4	4	4
Working capital	0	0	0	-1	1	0	3	6	7	7	7
Invested capital	0	0	0	16	24	43	51	59	66	67	67
Capital employed	0	0	0	20	29	52	61	75	77	77	77
ROE	n.m.	n.m.	n.m.	28.3%	23.7%	6.9%	9.9%	8.2%	6.9%	8.4%	9.4%
ROIC	n.m.	n.m.	n.m.	14.7%	14.0%	8.0%	8.6%	7.0%	6.1%	6.9%	7.8%
ROCE	n.m.	n.m.	n.m.	14.5%	14.3%	8.3%	9.0%	7.1%	6.3%	7.4%	8.4%
Net debt/EBITDA	n.m.	n.m.	n.m.	4.2	2.1	1.3	0.6	2.3	2.8	2.1	1.6
Interest coverage	n.a.	n.a.	n.a.	5.7	33.7	2.7	10.3	5.0	4.0	5.3	6.8
Equity ratio	n.m.	n.m.	n.m.	15.0%	26.3%	44.7%	46.0%	45.8%	46.5%	49.6%	53.2%
Net gearing	n.m.	n.m.	n.m.	173.9%	81.4%	22.4%	11.9%	46.2%	54.1%	44.5%	34.1%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>11</b>
Paid taxes	0	0	0	-1	0	-1	-1	0	-1	-1	-1
Net financials	0	0	0	0	0	-1	0	0	-1	-1	-1
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	-1	1	2	4	-8	1	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	0	0	0	-1	-2	-5	-7	7	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>
Change in NWC	0	0	0	0	-1	1	-1	-1	-1	0	0
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>
Capital expenditure	0	0	0	-1	0	-1	-1	0	-4	-4	-4
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>4</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	-2	-3	-11	-2	-4	-8	0	0
Free cash flow	0	0	0	-2	0	-10	1	2	-4	3	4
Free cash flow bef A&D, lease adj	0	0	0	0	2	1	2	5	3	3	4
Dividends paid	0	0	0	1	1	-2	-1	-1	-1	-1	-1
Equity issues / buybacks	0	0	0	1	1	12	4	0	0	0	0
Net change in debt	0	0	0	1	1	4	1	-1	0	-3	-3
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	3	-1	3	0	-5	0	0	0
Change in cash	0	0	0	4	2	7	6	-3	-5	-1	0
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	n.m.	93.7%	16.1%	23.8%	39.3%	3.6%	100.0%	100.0%	100.0%
Capex/Sales	n.a.	n.a.	n.a.	3.5%	0.7%	1.1%	1.9%	0.2%	4.8%	4.8%	4.8%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	8	4	5	3	3	3
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	60	42	48	32	32	32
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	68	47	67	56	54	50
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	4.1	4.3	7.2	9.9	9.9	10.0	10.0	10.0

Source: Company data and Nordea estimates

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