Incap

Capital Goods
Finland

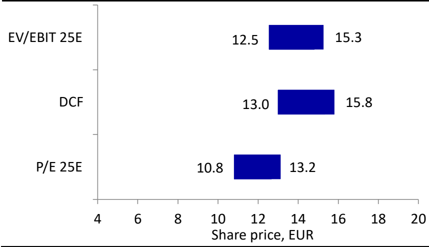
KEY DATA

Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 10.50
Free float	
Market cap. (bn)	EUR 0.31/EUR 0.31
Website	www.incapcorp.com
Next report date	25 Oct 2024

PERFORMANCE

Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Doing better than many competitors

Several EMS companies have claimed weak end demand in H2 2024. We still expect Incap to post more than 25% y/y growth in Q2 due to low comps and its customer portfolio. Incap witnessed an inventory destocking effect a year ago and is now returning to a growth path. The company has guided for net sales to grow and full-year 2024 EBIT to be about the same as in 2023. We do not see a risk of a guidance downgrade in October. Our fair value range remains at EUR 12.1-14.8 per share, based on a DCF analysis and backed by a peer group comparison. Incap's 2024E EV/EBIT is currently 13% below the peer group median. Uncertainty related to Incap's order intake has not increased, as it has for many competitors, and hence we do not believe the share deserves to trade at a discount to the EMS sector.

Revenue growth will likely be above 25% for Q3

We forecast Q3 net sales of EUR 64m (LSEG Data & Analytics consensus: EUR 62.5m). Our EBIT forecast for Q3 is EUR 7.5m (consensus: EUR 8m). Peer companies Note and Kitron downgraded their full-year 2024 revenue guidance by 5-9% in September. Incap has fared better than many of its competitors, however, and we do not expect to see a guidance downgrade. Yet, it is fair to say that overall, the EMS market has not developed as many companies had expected in H2 2024.

Organic growth has returned

Revenue growth coming from the biggest customer was negative in Q2 y/y, but we expect it to be positive in Q3 y/y. The biggest customer was EUR ~24m per quarter for Incap before an extraordinary peak derived from component prices and logistics problems. We believe this same run-rate in net sales will be reached this year. The acquisition of Pennatronics is now included in the comparison period of Q3 2023, and we believe organic growth could even be close to 30% for Q3. So, Incap is truly going counter-current compared to the overall tone in the EMS sector.

The equity story could soon turn to a focus on 2025

The share price has declined by 12% since June, reflecting the uncertainty in the EMS market. Moreover, the company's valuation reflects the risk of a possible unexpected sales decline, as seen in 2023. The company's EV/EBIT for 2025E is 7.9x. In any case, organic revenue growth seems to be returning, while relative profitability has remained at a good level. Revenue growth could even be 15-20% in 2025, so there is no reason for Incap to trade at a discount to the sector valuation.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	239	286	309
EBITDA (adj)	16	29	43	36	35	40	43
EBIT (adj)	13	26	39	31	29	34	37
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	0.75	0.87	0.94
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	-0.2%	15.5%	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	1.2	1.0	0.8
EV/EBIT (adj)	7.1	17.8	13.2	7.2	10.0	7.9	6.7
P/E (adj)	9.1	21.8	18.2	10.3	14.0	12.1	11.2
P/BV	2.2	7.3	5.7	2.1	2.4	2.0	1.7
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%	3.4%	5.7%	7.5%
Net debt	5	2	14	-8	-19	-37	-60
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.4
ROIC after tax	27.4%	34.5%	34.4%	22.5%	20.8%	22.8%	23.7%

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	239	286	309	64	241	291	314	0%	-1%	-2%	-2%
Adj. EBIT	8	29	34	37	8	29	35	38	0%	-1%	-1%	-1%
Adj. EBIT margin	12.2%	12.2%	12.0%	12.0%	12.2%	12.2%	12.0%	12.0%	0.0pp	0.0pp	0.0pp	0.0pp
Adj. EPS	0.19	0.75	0.87	0.94	0.19	0.76	0.88	0.95	0%	-1%	-2%	-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	66.0
Sales growth (%)	41%	82%	50%	53%	36%	-8%	-29%	-46%	-29%	2%	28%	56%
Adj. EBITDA	7.8	9.4	11.8	13.8	12.4	9.3	7.6	5.8	7.5	8.4	9.2	9.5
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	8.0
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	7.4
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	5.9
Net result	5.0	6.4	8.3	9.9	8.4	5.7	4.4	1.4	4.9	5.1	5.4	5.6
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	0.20
EPS (EUR)	0.17	0.22	0.28	0.34	0.28	0.19	0.15	0.05	0.17	0.17	0.18	0.19

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	191,545	235,769	11%	-7%	10%	23%	3%	3%	3%	3%
Delta Electronics Inc	11,748	11,849	12,185	13,925	22%	4%	5%	14%	11%	10%	12%	13%
Jabil Inc	33,288	32,010	26,145	24,498	14%	4%	-17%	-5%	5%	5%	5%	5%
Pegatron Corp	40,289	37,117	32,928	36,044	5%	-5%	-9%	9%	2%	1%	1%	2%
Universal Scientific Industrial Shangh	9,282	7,761	8,272	9,329	24%	-11%	6%	13%	5%	4%	4%	4%
Fabrinet	2,143	2,425	2,691	2,905	20%	17%	9%	13%	10%	11%	10%	10%
Accton Technology Corp	2,359	2,486	2,700	3,207	30%	9%	13%	19%	12%	13%	13%	15%
Venture Corporation Ltd	2,695	2,078	2,145	2,271	24%	-22%	0%	6%	12%	10%	10%	11%
Sanmina Corp	8,082	8,453	6,942	7,619	18%	13%	-17%	10%	5%	6%	5%	6%
Inventec Corp	16,555	15,202	16,941	18,994	4%	-5%	17%	12%	1%	1%	2%	2%
Plexus Corp	3,890	3,983	3,621	3,859	13%	10%	-7%	10%	5%	5%	5%	6%
Foxconn Interconnect Technology Ltd	4,233	3,802	4,203	5,168	1%	-7%	11%	23%	4%	6%	7%	8%
Celestica Inc	6,774	7,214	8,626	9,447	29%	10%	20%	10%	5%	5%	6%	6%
Ducommun Inc	666	686	715	766	10%	6%	3%	7%	7%	8%	9%	11%
Sercomm Corp	1,973	1,848	1,710	1,912	47%	-3%	-5%	13%	4%	5%	5%	5%
Note AB (publ)	331	382	n.a.	n.a.	39%	15%	0%	15%	11%	10%	9%	10%
Kitron ASA	641	775	657	711	75%	21%	-15%	8%	7%	9%	8%	9%
Scanfil Oyj	844	902	801	881	21%	7%	-11%	10%	5%	7%	7%	7%
SIIX Corp	1,974	1,990	2,014	2,126	22%	12%	5%	6%	3%	4%	0%	0%
TT electronics PLC	697	708	644	653	30%	-1%	-14%	1%	7%	8%	7%	9%
Hanza AB	319	373	439	491	41%	17%	19%	12%	6%	8%	5%	7%
Cicor Technologies Ltd	317	420	519	569	31%	24%	23%	9%	4%	6%	7%	8%
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	199	209	50%	14%	2%	5%	7%	7%	7%	7%
Group median					**22.2%**	**6.9%**	**2.0%**	**9.7%**	**5.2%**	**5.7%**	**6.6%**	**6.9%**
Incap (Nordea)	264	222	239	286	55.3%	-16.0%	7.9%	19.7%	14.7%	12.7%	11.7%	11.6%
diff. from median (pp)					**33.2**	**-22.8**	**5.9**	**10.0**	**9.5**	**7.0**	**5.1**	**4.7**

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	17.2	13.2	8.5	7.4	12.8	10.1	1.8	1.8	1.7	1.6
TT Electronics	22.9	24.5	25.2	20.7	18.5	20.2	19.3	15.6	5.4	4.9	4.4	3.9
Jabil Inc	8.7	19.0	9.8	14.2	7.0	10.3	9.0	10.2	6.5	5.7	7.3	6.6
Pegatron Corp	11.3	14.9	14.4	13.4	9.2	16.8	14.2	10.4	1.4	1.4	1.4	1.3
Universal Scientific Industrial Shangh	12.0	17.4	15.2	12.2	10.9	13.5	13.5	11.3	2.2	1.8	1.9	1.7
Fabrinet	15.5	19.3	30.2	24.6	12.6	16.1	28.8	23.9	7.0	6.0	5.2	4.4
Accton Technology Corp	16.2	33.0	26.1	21.8	12.5	23.5	21.8	16.5	15.8	12.0	9.2	7.8
Foxconn Interconnect Technology	13.5	14.7	14.2	13.0	9.6	9.7	9.0	8.2	1.4	1.3	1.3	1.3
Sanmina Corp	12.1	10.5	12.8	11.0	6.9	6.3	8.5	7.3	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	19.1	14.9	16.8	28.1	16.2	13.2	2.7	2.6	2.5	2.4
Universal Scientific Industrial	18.0	18.8	24.7	20.3	14.5	12.5	19.3	15.9	3.4	3.1	3.2	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	13.9	9.2	7.7	5.5	9.9	7.0	1.0	1.1	1.0	0.9
Celestica Inc	9.6	14.4	15.3	13.7	6.6	9.8	11.7	10.7	0.8	4.5	4.0	n.a.
Ducommun Inc	21.5	45.7	20.0	15.7	15.7	21.5	15.8	12.8	1.5	1.5	1.4	1.3
Sercomm Corp	10.6	15.3	12.6	11.3	8.3	11.0	9.1	8.0	2.8	2.5	2.1	1.8
Note AB (publ)	20.4	13.5	n.a.	n.a.	13.7	11.3	10.7	8.4	4.7	3.1	2.0	1.7
Kitron ASA	18.9	11.7	12.9	11.3	15.2	10.4	11.7	9.8	3.3	3.2	2.4	2.0
Scanfil Oyj	12.2	10.5	11.8	10.2	11.3	9.2	9.3	8.4	2.0	1.8	1.6	1.5
SIIX Corp	12.8	8.4	8.3	6.7	12.3	9.2	n.a.	n.a.	0.7	0.6	0.6	0.5
TT electronics PLC	6.1	5.2	7.7	5.1	10.2	8.7	8.2	6.0	0.5	0.5	0.6	0.6
Hanza AB	15.5	16.1	19.6	8.8	13.4	12.2	12.9	8.2	2.5	1.8	1.5	1.3
Cicor Technologies Ltd	41.8	26.2	11.0	9.3	10.3	6.9	7.1	5.9	1.4	1.3	1.5	1.3
Valuetronics Holdings Ltd	10.0	8.9	7.5	9.5	1.6	0.6	0.2	2.6	0.8	0.8	0.8	0.6
Lacroix Group SA	10.9	33.7	6.0	4.8	13.4	14.9	11.2	7.8	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	7.9	7.2	10.4	8.2	8.2	7.5	1.2	1.6	1.2	1.0
Group median	**12.2**	**14.9**	**14.0**	**11.8**	**10.9**	**10.4**	**11.4**	**9.1**	**1.8**	**1.8**	**1.7**	**1.4**
Incap (Nordea)	18.2	10.3	14.0	12.1	13.2	7.2	9.9	7.9	5.7	2.1	2.4	2.0
diff. from average	49%	-31%	-1%	3%	22%	-31%	-13%	-13%	220%	18%	44%	44%

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	**0**	**0**	**59**	**71**	**106**	**170**	**264**	**222**	**239**	**286**	**309**
Revenue growth	n.a.	n.a.	n.a.	20.5%	49.9%	59.4%	55.3%	-16.0%	7.9%	19.7%	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	39	42
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	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	28	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	-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**	**27**	**32**	**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	21	24	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	24	27
EPS, EUR	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.67**	**0.71**	**0.83**	**0.90**
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	n.m.	n.m.	15.5%	16.1%	15.0%	17.2%	16.2%	15.0%	14.2%	13.7%	13.7%
EBITA	n.m.	n.m.	14.6%	14.2%	12.7%	15.6%	14.9%	12.9%	11.9%	11.8%	11.8%
EBIT	n.m.	n.m.	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	40	43
EBITA (adj)	4	5	9	10	14	26	39	31	29	35	38
EBIT (adj)	4	5	9	10	13	26	39	31	29	34	37
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.75	0.87	0.94
Adjusted profit margins in percent											
EBITDA (adj)	n.m.	n.m.	15.5%	16.1%	15.0%	17.2%	16.2%	16.0%	14.7%	14.1%	14.1%
EBITA (adj)	n.m.	n.m.	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.3%	12.1%	12.2%
EBIT (adj)	n.m.	n.m.	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	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	30.3%	27.5%	21.9%	12.7%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.7%	29.5%	24.3%	19.8%	7.7%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	22.7%	21.4%	6.8%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	20.0%	15.5%	4.7%
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	n.m.	n.m.	36.8%	23.6%	16.8%	15.2%	14.4%	13.9%	13.4%	13.1%	12.5%
Average EBITDA margin	n.m.	n.m.	39.0%	25.7%	19.3%	17.4%	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	14.0	12.1	11.2
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.2	8.3	6.7	5.7
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.1	9.9	7.8	6.6
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	10.0	7.9	6.7

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	14.7	12.6	11.6
EV/Sales	n.m.	n.m.	0.50	0.89	0.84	2.72	1.95	0.99	1.21	0.95	0.81
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.1	6.6	8.5	6.9	5.9
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	10.2	8.1	6.8
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	10.4	8.2	6.9
Dividend yield (ord.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	0.7%	5.4%	7.1%	9.8%	-5.6%	1.0%	-1.2%	11.1%	3.9%	6.2%	8.0%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	3.4%	5.7%	7.5%
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	82	85
Accounts receivable	8	9	12	11	24	34	36	24	33	39	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	63	82
Total current assets	16	20	26	28	52	102	136	137	155	185	211
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**	**231**	**257**
Shareholders equity	8	10	16	22	39	63	87	107	128	152	179
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	152	179
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	52	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**	**200**	**231**	**257**
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-19	-37	-60
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	72	75
Invested capital	14	15	19	23	47	67	104	102	111	118	121
Capital employed	16	18	21	28	48	74	109	141	158	178	201
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	17.9%	17.5%	16.1%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	20.8%	22.8%	23.7%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	20.1%	21.0%	20.1%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.6	-0.9	-1.4
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	15.4	11.3	19.7	18.4	19.4
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	64.0%	66.0%	69.5%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-14.9%	-24.1%	-33.4%

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**	**39**	**42**
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-6	-8	-8
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	-9	-6	-3
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**18**	**25**	**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**	**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	11	18	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	7	14	19
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	91.6%	89.6%	88.6%
Capex/Sales	n.m.	n.m.	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	309	309	309
Enterprise value	26	28	30	63	90	462	515	219	290	272	249
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	**Nordea IB & Equity Division, Equity Research** Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	**Nordea IB & Equity Division, EquityResearch** Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	**Nordea IB & Equity Division, Equity Research** Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			