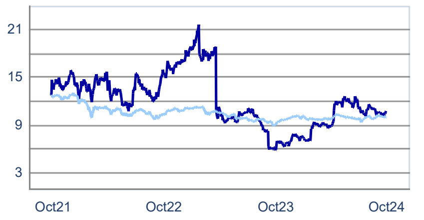
Incap

Capital Goods
Finland

KEY DATA

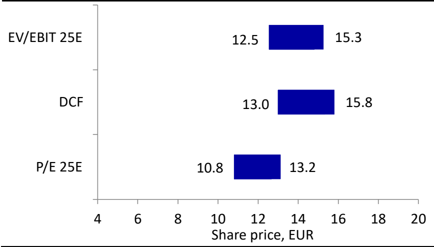
Stock country	Finland
Bloomberg	ICP1V FH
Reuters	ICP1V.HE
Share price (close)	EUR 10.85
Free float	
Market cap. (bn)	EUR 0.32/EUR 0.32
Website	www.incapcorp.com
Next report date	

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Q3 as expected, 2025 looking bright

The company's Q3 net sales and adjusted EBIT were close to LSEG Data & Analytics consensus. The midpoint of Incap's new specified 2024 guidance indicates revenue growth of 5% y/y with an EBIT margin of 12.4%, which we argue is realistic. The EMS market has been challenging in H2 2024 but Incap is doing better than many of its competitors. Moreover, revenue growth in 2025 could exceed 15% with a 5pp higher EBIT margin than the peer group average. 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.

Q3 revenue grew by 23% on a y/y basis

Revenue growth was slightly below our expectations for Q3, but the EBIT margin was clearly better than we forecasted. The biggest customer represented EUR ~25m (40%) of net sales in Q3 according to our estimates. The translation effect from internal loans increased interest expenses during Q3. Overall, however, efficiency has improved due to better availability of components. Cost control and utilisation ratio management are also at a good level; we upgrade our margin forecast for the coming quarters. Our net sales forecast is EUR 236m for 2024, on the upper end of the EUR 227-237m guidance range. Our EBIT forecast for the full year is EUR 29.4m, 3% above consensus.

Sales growth should remain good in 2025

Incap's factory in India has reached good utilisation ratios and the company is doing better than many competitors in the challenging market environment. Price pressure has continued in the EMS sector but healthy profitability can be maintained due to a thin overhead cost structure. We forecast that 2025 could be relatively good for Incap, and uncertainty related to the biggest customer is fading away. An easy comparison point combined with stable organic growth could lead to reported revenue growth of 15-20% for 2025E.

Doing better than many competitors

The equity story for 2025 should be based on healthy profitability combined with more than 15% revenue growth, hence there is no reason for Incap to trade at a valuation discount to the sector. Incap's 2025E EV/EBIT is 17% below the peer group median. The overall tone in the EMS sector is not bright, however, which will keep risks high for all companies.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	106	170	264	222	236	282	302
EBITDA (adj)	16	29	43	36	36	41	43
EBIT (adj)	13	26	39	31	29	35	36
EBIT (adj) margin	11.8%	15.3%	14.7%	13.8%	12.5%	12.3%	12.1%
EPS (adj, EUR)	0.40	0.72	0.94	0.75	0.69	0.88	0.92
EPS (adj) growth	40.3%	78.2%	30.8%	-20.1%	-8.4%	27.4%	5.1%
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	0.8
EV/EBIT (adj)	7.1	17.8	13.2	7.2	10.1	8.1	7.0
P/E (adj)	9.1	21.8	18.2	10.3	15.8	12.4	11.8
P/BV	2.2	7.3	5.7	2.1	2.5	2.1	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%	4.4%	5.6%	7.4%
Net debt	5	2	14	-8	-23	-40	-64
Net debt/EBITDA	0.3	0.1	0.3	-0.3	-0.6	-1.0	-1.5
ROIC after tax	27.4%	34.5%	34.4%	22.5%	21.5%	24.1%	24.2%

Source: Company data and Nordea estimates

Estimate revisions and quarterly estimates

ESTIMATE REVISIONS (EURm; EPS IN EUR)

	New estimates				Old estimates				Difference %			
	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E
Sales	65	236	282	302	66	239	286	309	-2%	-1%	-1%	-2%
Adj. EBIT	8	29	35	36	8	29	34	37	1%	1%	1%	-2%
Adj. EBIT margin	12.5%	12.5%	12.3%	12.1%	12.2%	12.2%	12.0%	12.0%	0.3pp	0.3pp	0.3pp	0.0pp
Adj. EPS	0.20	0.69	0.88	0.92	0.20	0.75	0.87	0.94	2%	-8%	1%	-2%

Source: Nordea estimates

ESTIMATES BY QUARTER (EURm)

	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Incap Group												
Sales	72.7	56.4	50.1	42.4	51.4	57.6	61.8	65.0	67.6	69.6	71.7	73.2
Sales growth (%)	36%	-8%	-29%	-46%	-29%	2%	23%	53%	32%	21%	16%	13%
Adj. EBITDA	12.4	9.3	7.6	5.8	7.5	8.4	9.5	9.6	9.8	10.0	10.2	10.3
Adj. EBITDA margin (%)	17%	17%	15%	14%	15%	15%	15%	15%	15%	14%	14%	14%
Adj. EBIT	11.4	8.3	6.4	4.4	6.2	7.0	8.0	8.1	8.4	8.5	8.7	8.9
Adj. EBIT margin (%)	16%	15%	13%	10%	12%	12%	13%	13%	12%	12%	12%	12%
Net financials	-0.4	-0.2	0.1	-1.3	0.3	-0.3	-2.4	-0.3	-0.2	-0.2	-0.2	-0.2
PTP	10.9	7.3	5.8	2.4	6.3	6.5	5.4	7.7	8.0	8.1	8.3	8.5
Net result adj.	8.5	6.5	5.1	2.1	5.1	5.3	3.8	6.0	6.2	6.4	6.5	6.6
Net result	8.4	5.7	4.4	1.4	4.9	5.1	3.6	5.8	6.0	6.2	6.3	6.5
EPS adj. (EUR)	0.29	0.22	0.17	0.07	0.17	0.18	0.13	0.20	0.21	0.22	0.22	0.23
EPS (EUR)	0.28	0.19	0.15	0.05	0.17	0.17	0.12	0.20	0.21	0.21	0.22	0.22

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	195 361	240 681	11%	-7%	11%	23%	3%	3%	3%	3%
Delta Electronics Inc	11 748	11 849	12 332	14 122	22%	4%	5%	15%	11%	10%	12%	13%
Jabil Inc	33 288	32 010	26 145	24 712	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	8 421	9 397	24%	-11%	6%	12%	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	2 787	3 291	30%	9%	14%	18%	12%	13%	13%	15%
Venture Corporation Ltd	2 695	2 078	2 170	2 298	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	17 220	19 453	4%	-5%	18%	11%	1%	1%	2%	2%
Plexus Corp	3 890	3 983	3 548	3 971	13%	10%	-6%	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	8 658	9 482	29%	10%	20%	10%	5%	5%	6%	6%
Ducommun Inc	666	686	726	774	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	646	687	75%	21%	-17%	6%	7%	9%	7%	8%
Scanfil Oyj	844	902	801	881	21%	7%	-11%	10%	5%	7%	7%	7%
SIIX Corp	1 974	1 990	1 974	2 126	22%	12%	3%	8%	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	518	561	31%	24%	23%	8%	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%**	**9.6%**	**5.2%**	**5.7%**	**6.6%**	**6.9%**
Incap (Nordea)	264	222	236	282	55.3%	-16.0%	6.4%	19.6%	14.7%	12.7%	12.1%	12.0%
diff. from median (pp)					**33.2**	**-22.8**	**4.4**	**10.0**	**9.5**	**7.0**	**5.5**	**5.1**

Source: Company data, LSEG Data & Analytics and Nordea estimates

Peer group valuation

PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2022	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**	**2022**	**2023**	**2024E**	**2025E**
Hon Hai Precision Industry Co Ltd	9.9	10.4	18.7	14.4	8.5	7.4	14.0	11.1	1.9	2.0	1.8	1.7
TT Electronics	22.9	24.5	26.5	21.8	18.5	20.2	20.5	16.5	5.7	5.2	4.5	4.1
Jabil Inc	8.7	19.0	9.8	14.4	7.0	10.3	9.0	10.3	6.6	5.8	7.4	6.7
Pegatron Corp	11.3	14.9	14.8	13.8	9.2	16.8	15.0	11.0	1.5	1.4	1.4	1.3
Universal Scientific Industrial Shangh	12.0	17.4	14.8	12.1	10.9	13.5	13.0	11.2	2.2	1.8	1.8	1.7
Fabrinet	15.5	19.3	30.2	24.7	12.6	16.1	28.8	24.5	7.1	6.1	5.2	4.4
Accton Technology Corp	16.2	33.0	28.5	23.2	12.5	23.5	24.1	17.9	17.7	13.5	10.3	8.5
Foxconn Interconnect Technology	13.5	14.7	14.0	12.8	9.6	9.7	8.8	8.0	1.4	1.3	1.3	1.3
Sanmina Corp	12.1	10.5	12.9	11.1	6.9	6.3	8.7	7.5	1.5	1.4	n.a.	n.a.
Inventec Corp	15.5	31.0	20.1	15.7	16.8	28.1	16.8	13.8	2.9	2.8	2.6	2.5
Universal Scientific Industrial	18.0	18.8	34.1	21.4	14.5	12.5	19.2	15.5	3.6	3.3	3.3	0.0
Foxconn Interconnect Technology Ltd	11.0	8.3	14.4	9.6	7.7	5.5	10.4	7.4	1.0	1.1	1.0	0.9
Celestica Inc	9.6	14.4	19.0	17.1	6.6	9.8	14.4	12.4	0.8	5.6	4.8	n.a.
Ducommun Inc	21.5	45.7	19.6	15.6	15.7	21.5	15.8	12.6	1.5	1.4	1.4	1.3
Sercomm Corp	10.6	15.3	13.5	12.1	8.3	11.0	10.1	8.9	3.0	2.7	2.2	2.0
Note AB (publ)	20.4	13.5	n.a.	n.a.	13.7	11.3	11.3	9.1	4.7	3.1	2.3	1.9
Kitron ASA	18.9	11.7	14.8	13.3	15.2	10.4	13.3	11.2	3.4	3.3	2.5	2.2
Scanfil Oyj	12.2	10.5	12.7	11.2	11.3	9.2	10.0	9.0	2.2	2.0	1.8	1.6
SIIX Corp	12.8	8.4	11.6	6.6	12.3	9.2	n.a.	n.a.	0.7	0.6	0.6	0.5
TT electronics PLC	5.6	4.8	7.2	4.7	10.2	8.7	7.3	5.4	0.5	0.5	0.6	0.5
Hanza AB	15.5	16.1	22.0	10.0	13.4	12.2	13.9	8.8	2.8	2.1	1.7	1.5
Cicor Technologies Ltd	41.8	26.2	11.7	9.8	10.3	6.9	7.5	6.1	1.5	1.4	1.6	1.4
Valuetronics Holdings Ltd	10.0	8.9	7.5	9.1	1.6	0.6	0.2	2.3	0.8	0.8	0.8	0.6
Lacroix Group SA	10.9	33.7	5.5	4.4	12.5	13.7	9.7	6.8	0.7	0.8	n.a.	n.a.
Inission AB	11.0	11.0	8.2	7.4	10.4	8.2	8.3	7.7	1.2	1.6	1.2	1.1
Group median	**12.2**	**14.9**	**14.6**	**12.5**	**10.9**	**10.4**	**12.2**	**9.7**	**1.9**	**2.0**	**1.8**	**1.5**
Incap (Nordea)	18.2	10.3	15.8	12.4	13.2	7.2	10.1	8.1	5.7	2.1	2.5	2.1
diff. from average	49%	-31%	8%	-1%	22%	-31%	-17%	-17%	195%	9%	40%	37%

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**	**236**	**282**	**302**
Revenue growth	26.4%	25.7%	21.5%	20.5%	49.9%	59.4%	55.3%	-16.0%	6.4%	19.6%	7.0%
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	35	40	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	29	34	36
Amortisation and impairments	0	0	0	0	-1	-1	0	-1	-1	-1	-1
EBIT	4	5	9	10	13	26	39	28	29	34	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	-3	-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**	**26**	**33**	**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	19	25	26
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	2	3	6	6	9	21	28	20	19	25	26
EPS, EUR	**0.10**	**0.14**	**0.27**	**0.29**	**0.40**	**0.72**	**0.94**	**0.67**	**0.66**	**0.85**	**0.89**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	15.1%	14.7%	14.2%	13.9%
EBITA	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	13.0%	12.4%	12.2%	12.0%
EBIT	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	12.7%	12.1%	12.0%	11.8%
Adjusted earnings											
EBITDA (adj)	4	5	9	11	16	29	43	36	36	41	43
EBITA (adj)	4	5	9	10	14	26	39	31	30	35	37
EBIT (adj)	4	5	9	10	13	26	39	31	29	35	36
EPS (adj, EUR)	0.10	0.14	0.27	0.29	0.40	0.72	0.94	0.75	0.69	0.88	0.92
Adjusted profit margins in percent											
EBITDA (adj)	10.7%	10.2%	15.5%	16.1%	15.0%	17.2%	16.2%	16.1%	15.1%	14.5%	14.2%
EBITA (adj)	9.8%	9.3%	14.6%	14.2%	12.7%	15.6%	14.9%	14.0%	12.7%	12.5%	12.3%
EBIT (adj)	9.8%	9.3%	14.6%	14.2%	11.8%	15.3%	14.7%	13.8%	12.5%	12.3%	12.1%
Performance metrics											
CAGR last 5 years											
Net revenue	-10.9%	-5.4%	18.0%	30.9%	28.4%	34.5%	40.3%	30.3%	27.1%	21.5%	12.2%
EBITDA	n.m.	n.m.	n.m.	61.0%	34.0%	47.9%	53.8%	29.6%	24.8%	20.3%	7.5%
EBIT	n.m.	n.m.	n.m.	56.9%	27.8%	47.1%	53.7%	26.7%	23.1%	21.9%	6.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	49.2%	45.8%	20.2%	18.1%	16.1%	4.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	0.9%	4.3%	11.1%	12.4%	12.2%	13.6%	14.4%	13.9%	13.5%	13.3%	12.7%
Average EBITDA margin	1.2%	4.8%	11.8%	13.5%	14.1%	15.6%	16.2%	15.9%	15.7%	15.4%	14.8%

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	15.8	12.4	11.8
EV/EBITDA (adj)	6.3	5.5	3.3	5.5	5.6	15.8	12.0	6.1	8.4	6.8	6.0
EV/EBITA (adj)	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.0	9.9	7.9	6.9
EV/EBIT (adj)	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.2	10.1	8.1	7.0

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E	9.6	7.4	4.6	10.1	9.1	21.8	18.2	11.5	16.4	12.8	12.1
EV/Sales	0.67	0.57	0.50	0.89	0.84	2.72	1.95	0.99	1.26	0.99	0.85
EV/EBITDA	6.3	5.5	3.3	5.5	5.6	15.8	12.0	6.6	8.5	7.0	6.1
EV/EBITA	6.9	6.1	3.4	6.3	6.6	17.4	13.1	7.6	10.2	8.1	7.1
EV/EBIT	6.9	6.1	3.4	6.3	7.1	17.8	13.2	7.8	10.4	8.3	7.2
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%	4.9%	6.1%	7.9%
FCF Yield bef A&D, lease adj	0.7%	5.4%	7.1%	8.9%	2.3%	1.1%	-1.3%	15.3%	4.4%	5.6%	7.4%
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	4	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	29	30	31
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	43	44	45
Inventory	6	8	12	11	24	59	92	71	68	78	80
Accounts receivable	8	9	12	11	24	34	36	24	33	39	42
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	53	66	86
Total current assets	16	20	26	28	52	102	136	137	156	185	210
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**21**	**25**	**32**	**36**	**76**	**129**	**169**	**182**	**199**	**229**	**255**
Shareholders equity	8	10	16	22	39	63	87	107	126	151	178
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	126	151	178
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	48	51
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	52	54
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**21**	**25**	**32**	**37**	**77**	**130**	**168**	**182**	**199**	**229**	**255**
Balance sheet and debt metrics											
Net debt	6	4	3	0	5	2	14	-8	-23	-40	-64
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	62	69	71
Invested capital	14	15	19	23	47	67	104	102	106	113	116
Capital employed	16	18	21	28	48	74	109	141	156	177	200
ROE	53.6%	34.0%	44.7%	33.3%	30.5%	41.5%	36.7%	20.4%	16.7%	18.0%	16.0%
ROIC	41.5%	23.8%	38.0%	36.3%	27.4%	34.5%	34.4%	22.5%	21.5%	24.1%	24.2%
ROCE	47.4%	27.0%	46.8%	42.8%	34.7%	44.1%	43.1%	25.2%	20.4%	21.3%	19.8%
Net debt/EBITDA	1.4	0.9	0.3	0.0	0.3	0.1	0.3	-0.3	-0.6	-1.0	-1.5
Interest coverage	-9.1	-13.4	7.8	12.8	8.8	28.1	54.6	20.4	40.4	23.9	24.4
Equity ratio	37.6%	42.0%	49.1%	58.6%	50.3%	48.4%	51.9%	58.5%	63.5%	66.1%	69.7%
Net gearing	71.0%	41.9%	16.6%	0.0%	13.9%	2.7%	15.6%	-7.9%	-17.8%	-26.7%	-36.1%

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	**4**	**5**	**9**	**11**	**16**	**29**	**43**	**33**	**35**	**40**	**42**
Paid taxes	-1	-9	-2	-3	-3	-5	-5	-5	-6	-8	-8
Net financials	-1	0	0	0	-1	-1	-1	-1	-3	-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**	**25**	**31**	**33**
Change in NWC	-1	-2	-3	0	-8	-16	-36	21	-5	-7	-2
Cash flow from operations (CFO)	**1**	**2**	**4**	**7**	**5**	**10**	**-1**	**45**	**20**	**25**	**31**
Capital expenditure	-1	-1	-2	-1	-3	-5	-5	-7	-4	-5	-6
Free cash flow before A&D	**0**	**1**	**2**	**6**	**2**	**5**	**-6**	**38**	**16**	**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	16	19	25
Free cash flow bef A&D, lease adj	0	1	2	6	2	5	-6	35	14	18	24
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	10	14	20
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	81.6%	83.5%	n.m.	n.m.	n.m.	72.3%	85.2%	88.6%
Capex/Sales	2.5%	1.4%	3.7%	1.6%	2.6%	2.7%	2.1%	3.1%	1.9%	1.9%	1.9%
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	320	320	320
Enterprise value	26	28	30	63	90	462	515	219	297	279	255
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

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.
The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.
Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.
This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding
Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity
We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material
This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest
Nordea has no market-making obligations in Incap shares.

As of 27/10/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Incap.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions and/or services
In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

28 Oct 2024, 03:56 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650