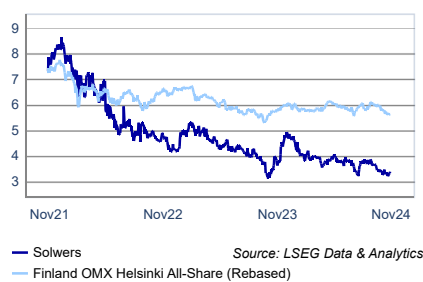


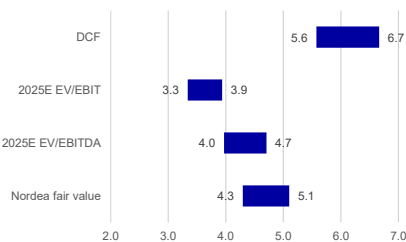
KEY DATA

Stock country	Finland
Bloomberg	SOLWERS.FH
Reuters	SOLWERS.HE
Share price (close)	EUR 3.42
Free float	66%
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	solwers.com
Next report date	

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-3%	-2%	-2%
EBIT (adj)	-18%	-13%	-12%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Svante Krokfors
DirectorJukka-Pekka Pesonen
Analyst

M&A-driven growth but weak profitability in Q3

Solwers posted Q3 2024 revenue growth of 21% y/y, entirely driven by acquisitions. Q3 EBIT was EUR 0.5m, down from EUR 0.9m a year ago. The decline was due to client caution in advancing projects, intense price competition and a somewhat lower billing rate y/y. However, Solwers' order backlog reached its peak for the year in the quarter, and the company sees the market improving, driven, for example, by lower interest rates. After the Q3 report, we decrease our top-line estimates for 2024-26 by 2-3%, and cut our adjusted EBIT estimates by 12-18%. Consequently, our DCF- and peer-based fair value range is cut to EUR 4.3-5.1 (4.8-5.7), which includes EUR 0.7 per share in present value of unannounced acquisitions. We believe Solwers will continue with its M&A-driven strategy and we foresee further margin improvement potential once the market recovers.

Strong M&A-driven growth of 21% in Q3 but no organic growth

Q3 revenue grew by 21% y/y to EUR 16.6m and the growth was fully attributable to acquisitions. Q3 EBIT of EUR 0.5m was clearly down y/y from EUR 0.9m, with the EBIT margin down 3.5pp to 3.1%. The performance in Finland (>50% of sales) was weaker than in Sweden. Solwers is eyeing growth opportunities also outside of Finland and announced earlier that it is considering expanding to Poland.

We cut our top-line and EBIT estimates for 2024-26

Solwers has conducted six acquisitions in 2024, and we estimate 2024 reported growth to land at 19%. We expect reported EBIT to decline to EUR 3.7m in 2024, from EUR 4.8m in 2023. We lower 2024E-26E revenue by 2-3% and cut our adjusted EBIT estimates by 12-18%.

Fair value range cut to EUR 4.3-5.1 (4.8-5.7)

After the Q3 report, we cut our DCF- and peer-based fair value range to 4.3-5.1 (4.8-5.7). Our fair value range includes EUR 0.7 in the form of the present value from unannounced M&A. Solwers is trading at 9-11x 2025E-26E EV/EBIT, a ~10% discount to its relevant peers. However, this does not take into account possible value creation from future acquisitions. With its robust balance sheet, we believe Solwers will continue its acquisition streak, enabling 20% annual top-line growth with margin expansion opportunities from an improving market from 2025 onwards.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	33	45	63	66	79	83	85
EBITDA (adj)	5	5	8	8	7	9	9
EBIT (adj)	4	3	5	5	4	5	5
EBIT (adj) margin	10.8%	7.5%	8.1%	7.3%	4.7%	5.6%	6.3%
EPS (adj, EUR)	0.40	0.20	0.38	0.32	0.16	0.25	0.32
EPS (adj) growth	177.7%	-50.2%	93.5%	-17.0%	-51.1%	63.5%	25.5%
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	0.8	0.7	0.7
EV/EBIT (adj)	n.a.	20.1	9.2	13.8	16.4	12.6	10.6
P/E (adj)	n.a.	41.8	11.0	15.1	21.9	13.4	10.7
P/BV	n.a.	1.9	1.1	1.2	0.8	0.8	0.8
Dividend yield (ord)	n.a.	1.2%	0.9%	1.3%	1.8%	2.0%	2.3%
FCF Yield bef A&D, lease	n.a.	1.9%	5.7%	10.6%	5.3%	6.4%	9.0%
Net debt	10	7	5	19	25	23	21
Net debt/EBITDA	2.1	1.3	0.6	2.3	3.3	2.7	2.2
ROIC after tax	14.0%	8.0%	8.6%	7.0%	4.7%	5.6%	6.3%

Source: Company data and Nordea estimates

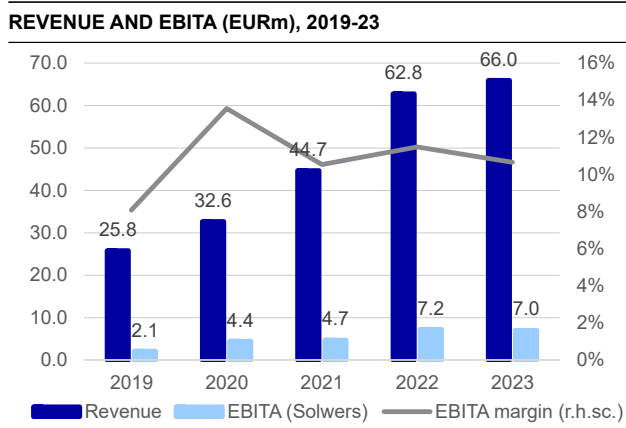
Factors to note when investing in Solwers

Solwers is a growth-orientated expert company with 29 subsidiaries and over 700 employees. The company operates in Finland and Sweden, and has expressed its intention to expand into Poland. Growth is predominantly based on an acquisition strategy, and the group companies typically are not integrated but continue to operate under their own brands after having been acquired. Solwers specialises in a number of areas, including technical consulting, architecture and infrastructure. The company has posted an M&A-driven sales CAGR of 27% over the past four years with an average EBITA margin of 11.6%, slightly below its target of 12%. We forecast a 2024-26 sales CAGR of 9% on the back of recent acquisitions, and an EBIT CAGR of ~3% on prospects of an improving market in 2025. Given Solwers' strong financial position and ambition to grow through M&A, we believe it could achieve its target of 20% annual sales growth for 2024-26. Using a combination of valuation methods, we derive a fair value range of EUR 3.6-4.4 (4.2-5.1) per share for Solwers' current operations, and a potential addition of EUR 0.7 for future M&A, resulting in a fair value range of EUR 4.3-5.1 (4.8-5.7).

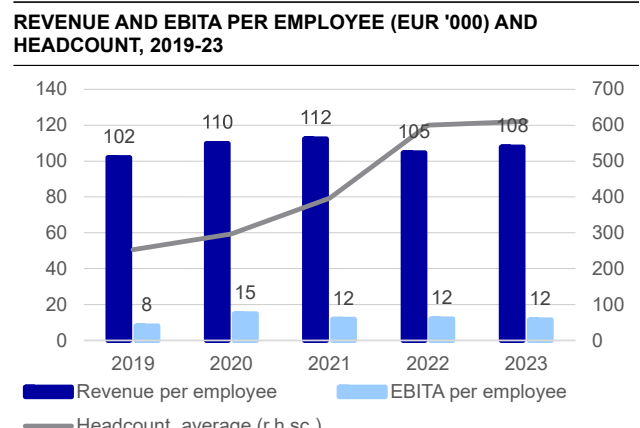
Solwers' business areas

Solwers has doubled in size over the past three years

Solwers, with its 29 subsidiaries, is a consultancy company offering services within architecture, structural design, infrastructure, project management and environmental services, as well as other services such as digital solutions and financial management. Solwers was formed in 2017 and was listed in Helsinki in 2021. On the heels of acquisitions, the company has doubled in size since 2020.



Source: Company data and Nordea



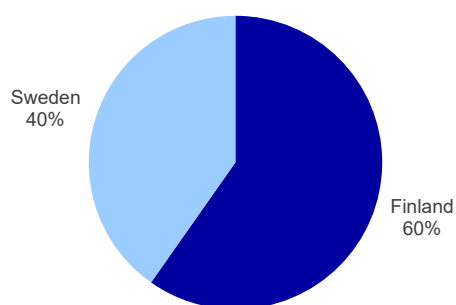
Source: Company data and Nordea

Already, over 40% of sales are from Sweden and the share is growing

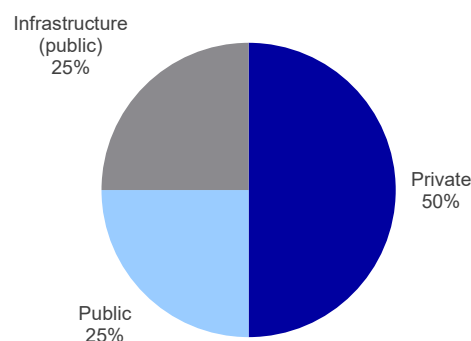
Solwers has rapidly expanded into Sweden, which now accounts for 40% of sales (2023). Following two relatively large acquisitions in Sweden in early 2024 and a better market outlook for Sweden than Finland, we expect Sweden's share of sales to approach 50% in the coming years.

Solwers is expanding its operations to Poland

On 25 October, Solwers announced that its board has decided to establish a subsidiary in Poland and is currently exploring potential acquisition targets in the region. According to the company, significant investments are planned in Poland for infrastructure and the renewal of the energy industry. Poland is also emerging as a logistics hub for Central Europe. Additionally, a substantial part of the planning for the reconstruction of Ukraine is likely to take place in Poland.

SOLWERS' SALES BY COUNTRY, 2023

Source: Company data and Nordea

ILLUSTRATIVE SALES SPLIT BY CUSTOMER TYPE, 2023

Source: Company data and Nordea

Sales derived from the private and public sectors are evenly distributed, with a large exposure to infrastructure

According to the company, the split between public and private customers is roughly 50/50, with infrastructure accounting for approximately half of the public side. This should reduce the impact from economic fluctuations, as public spending and infrastructure projects are typically increased in a weaker economic environment. The increased exposure to Sweden is a positive as there are signs that infrastructure projects are currently being initiated more actively in Sweden than in Finland.

Project size is typically small, which reduces the risks

Solwers has a good order backlog in the public sector and infrastructure projects and long assignments also in hospital and school design projects. The company has a wide client base and a diverse service portfolio – around 70% are small project of less than EUR 10,000.

Solwers' strategy is based primarily on acquisition-driven growth

Strategy and financial targets

Solwers' strategy is based on acquisitions and organic growth, the group's attractiveness as a good employer for professionals in different fields, and the continuous development of expertise. Solwers differs from many competitors in that it does not integrate the acquired companies, but rather lets them continue operations under their own brands. Solwers provides a growth platform for its group companies.

The company targets over 20% annual revenue growth

Solwers' medium-term financial targets:

- Revenue growth (12 months) of >20%
- EBITA margin of >12%
- Equity ratio of >40%

SOLWERS' FINANCIAL TARGETS

	Target	2020	2021	2022	2023	Average
Growth	>20%	27%	37%	41%	5%	27%
EBITA margin	>12%	13.6%	10.5%	11.5%	10.7%	11.6%
Equity ratio	>40%	31.8%	45.4%	46.7%	46.4%	43%
Dividend payout	20-40%	25.8%	17.4%	19.2%	20.1%	20.6%

Source: Company data

We model a 9% sales CAGR for 2024-26...

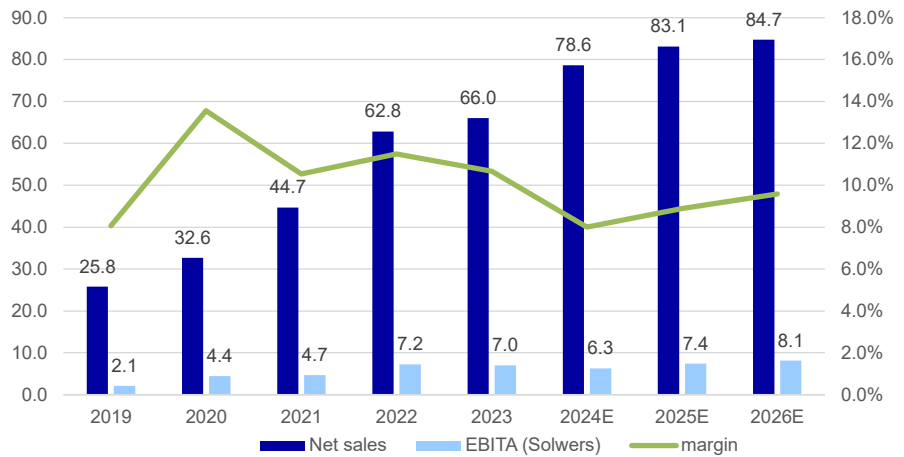
9% sales and 5% EBITA CAGRs for 2024E-26E

We model a 9% sales CAGR for 2024-26, based primarily on acquisitions made in 2024. We forecast a 2.5% organic sales decline for 2024 owing to the weak market outlook in Finland in particular.

...and a 5% EBITA CAGR due to a weak 2024

We estimate that EBITA (as reported by Solwers*) will decline to EUR 6.3m in 2024 from EUR 7.0m in 2023. We forecast that the EBITA margin will decline to 8.0% in 2024 from 10.7% in 2023, mainly owing to a weak market in 2024 and partly explained by lower margins on acquisitions made in 2024 but also by one-off costs booked in H1 2024 relating to contingent considerations from acquisitions and costs relating to preparations for a possible transfer to the main list of Nasdaq Helsinki. We forecast a 5% EBITA CAGR for 2024-26.

SOLWERS SALES, EBITA (SOLWERS*) AND EBITA MARGIN (EURm AND %), 2019-26E



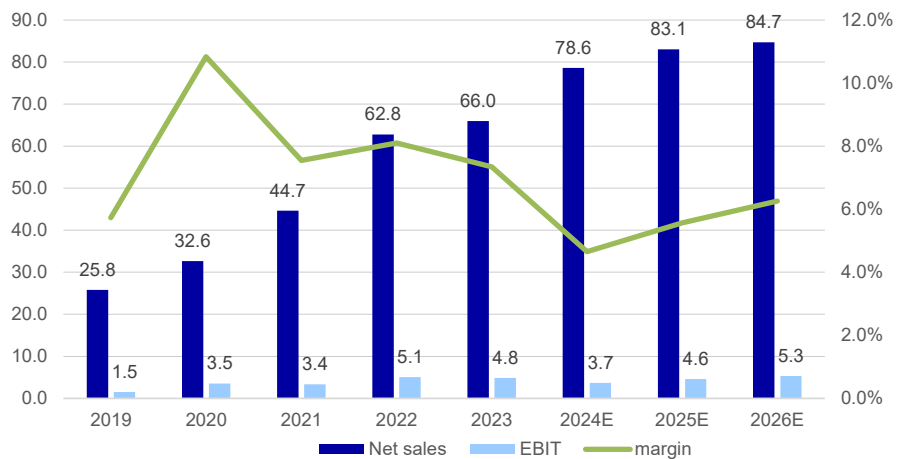
* EBITA as defined by Solwers: adjusted EBIT excluding depreciation, amortisation and impairment of intangible assets and leased premises.

Source: Company data and Nordea estimates

We expect organic growth to pick up in 2025...

For 2025, we forecast a recovery in the market and see organic growth rising to 3%. This is based on the assumption of lower interest rates leading to increased activity in the private market and continued infrastructure investments in Sweden in particular. In its Q3 2024 report, Solwers repeated its view that the market is expected to improve during the last quarter of the year.

SOLWERS' SALES, EBIT AND EBIT MARGIN (EURm AND %), 2019-26E



Source: Company data and Nordea estimates

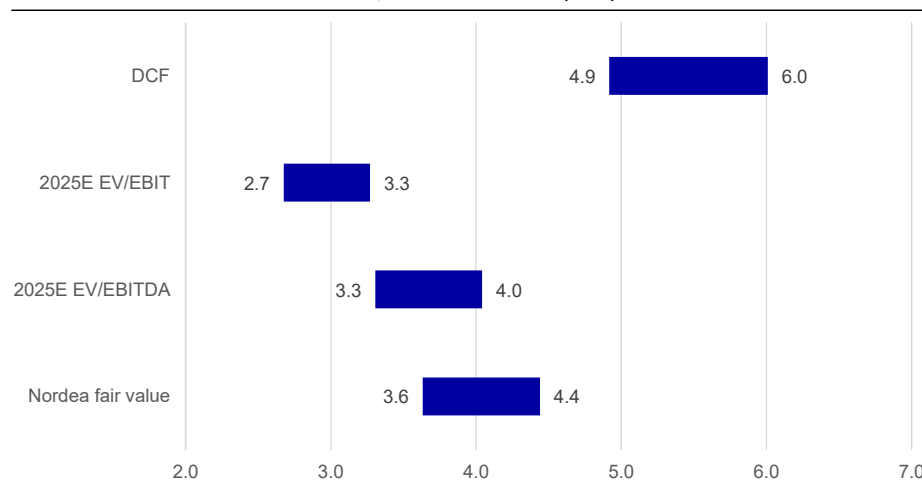
...and the EBIT margin should recover to above 6%

We forecast that EBIT will decline in 2024 compared to 2023, to EUR 3.7m. We estimate that the EBIT margin will decline to 4.7% in 2024 from 7.3% in 2023, and then pick up to 5.6% in 2025 and 6.3% in 2026.

Valuation

We estimate the fair value of Solwers' current operations at EUR 3.6-4.4 (4.2-5.1) per share...

Given Solwers' acquisition-driven strategy, we value the company on the basis of underlying operations and try to evaluate the future potential of the M&A strategy through estimating value-creation potential from synergies. Based on a multiples-based approach and our DCF model, we derive a fair value range of EUR 3.6-4.4 (4.2-5.1) per share for Solwers' current operations, excluding any unannounced acquisitions.

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


Source: Nordea estimates

...based on DCF- and peer-based valuation

The chart above illustrates how we derive our fair value range of EUR 3.6-4.4 (4.2-5.1) per share for Solwers as a standalone company without any unannounced M&A. This fair value is derived by equally weighting DCF, 2025E EV/EBIT and 2025E EV/EBITDA.

Solwers is trading at 12.5x EV/EBIT for 2025E

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 of EUR 3.6-4.4 without the potential value of future M&A. The current share price implies a 2025E EV/EBIT of 12.5x and a 2026E EV/EBIT of 10.5x. Our fair value range for Solwers, excluding any unannounced M&A, implies 2025E EV/EBIT of 13.0-14.7x and a 2026E multiple of 10.9-12.4x.

SOLWERS: VALUATION EXCLUDING UNANNOUNCED M&A; DERIVED VALUATION MULTIPLES

	EUR 3.6			EUR 4.4			Current EUR 3.42		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.8x	0.7x	0.7x	0.9x	0.8x	0.8x	0.8x	0.7x	0.7x
EV/EBITDA	8.3x	7.0x	6.2x	9.5x	8.0x	7.1x	8.0x	6.8x	6.0x
EV/EBIT	16.8x	13.0x	10.9x	19.1x	14.7x	12.4x	16.3x	12.5x	10.5x
P/E	23.6x	14.2x	11.4x	28.9x	17.4x	13.9x	22.2x	13.4x	10.7x
FCF yield %	5.0%	6.0%	8.4%	4.1%	4.9%	6.9%	5.3%	6.4%	9.0%
Dividend yield %	1.7%	1.9%	2.2%	1.4%	1.6%	1.8%	1.8%	2.0%	2.3%

Source: Nordea estimates

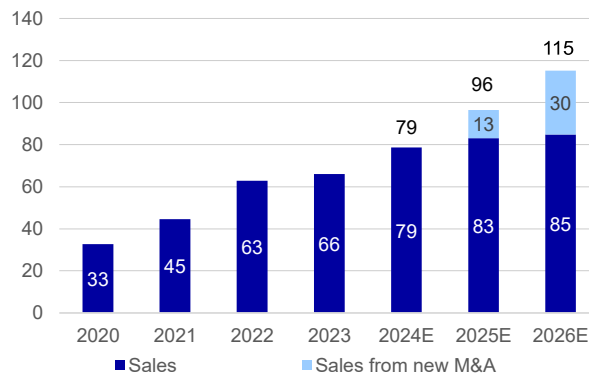
If Solwers can acquire companies below its own valuation multiple, that should create shareholder value

Assuming no unannounced M&A, we derive a fair value range for Solwers of EUR 3.6-4.4 per share. However, given the company's track record of acquisitions at favourable terms, we show in the next section how we assign a value to future unannounced acquisitions.

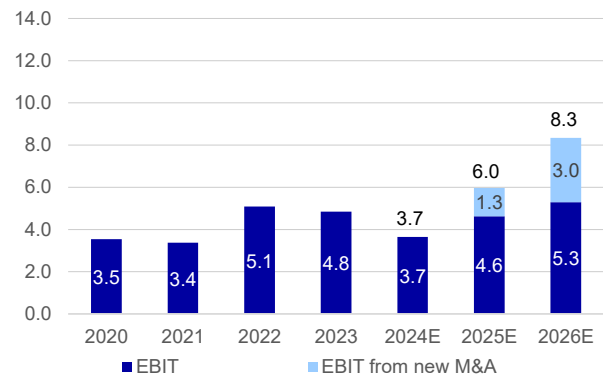
Our M&A scenario outlines how Solwers could achieve its target of more than 20% revenue growth annually

M&A could add EUR 33m to sales and EUR 3.0m to EBIT in 2024E-26E

Acquisitions play a key role in Solwers' target of reaching sales growth of more than 20% annually, as we believe the organic growth potential is limited to a few percentage points in normal market conditions. We do not factor unannounced M&A in our official estimates. Instead, we have modelled a scenario where Solwers could grow by means of existing cash and potential to increase debt.

SOLWERS' SALES IN M&A SCENARIO (EURm), 2020-26E

Source: Company data and Nordea estimates

SOLWERS' EBIT IN M&A SCENARIO (EURm), 2020-26E

Source: Company data and Nordea estimates

In our M&A scenario, we reach a revenue and EBIT CAGR of 20% for 2024E-26E

The charts above illustrate how sales and EBIT could develop under our M&A scenario. Revenue CAGR would be 20% on average for 2024E-26E. We note that Solwers' target is to grow by >20% annually, mainly through M&A. In our scenario, net sales would increase to EUR 115m in 2026E with EBIT of EUR 8.3m, corresponding to an EBIT margin of 7.2% (6.3% in our estimates excluding unannounced M&A). In our M&A scenario, we estimate an EBIT CAGR for 2024-26 of 20%.

In our M&A scenario, we estimate that net debt will increase from EUR 19m in 2023 to EUR 37m in 2026

The table below illustrates relevant valuation multiples for our M&A scenario when including a EUR 0.7 per share value from unannounced M&A. We adjust the EV for each year using the accumulated increase in net debt from the acquisitions that 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 37m at the end of 2026.

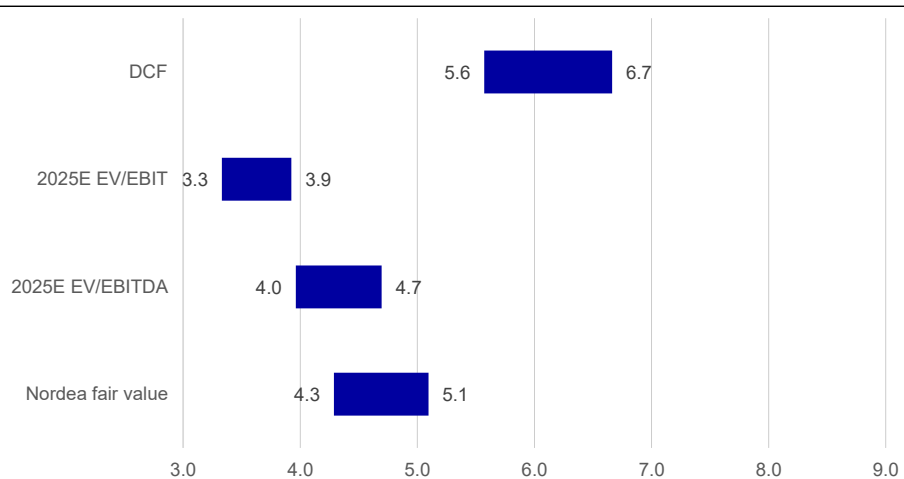
SOLWERS: VALUATION INCLUDING M&A BASED ON OUR M&A SCENARIO; DERIVED VALUATION MULTIPLES

	EUR 4.3			EUR 5.1			Current EUR 3.42		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/Sales	0.9x	0.8x	0.7x	1.0x	0.9x	0.8x	0.8x	0.7x	0.6x
EV/EBITDA	9.2x	7.2x	6.1x	10.4x	8.0x	6.8x	8.0x	6.4x	5.5x
EV/EBIT	18.7x	12.5x	9.9x	20.9x	13.9x	10.9x	16.3x	11.0x	8.8x
P/E	27.9x	14.7x	10.6x	33.1x	17.5x	12.6x	22.2x	11.7x	8.5x
FCF yield %	4.2%	6.2%	9.8%	3.5%	5.3%	8.2%	5.3%	7.8%	12.3%
Dividend yield %	1.4%	1.6%	1.9%	1.2%	1.4%	1.6%	1.8%	2.0%	2.3%

Source: Nordea estimates

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

At the current share price (EUR 3.42 as of 29 November), the M&A scenario suggests an EV/EBIT multiple of 11.0x for 2025E and 8.8x for 2026E. The multiples decline relatively quickly, as we assume additional M&A of EUR 8m in 2025 and EUR 10m in 2026, which increases EBIT by EUR 3.0m in total by 2026E.

SOLWERS: FAIR VALUE RANGE INCLUDING VALUE-ACCRETIVE ACQUISITIONS (EUR/SHARE)

Source: Nordea estimates

Including a EUR 0.7 component for value-accretive future acquisitions, we set our fair value range at EUR 4.3-5.1 (4.8-5.7) per share.

Estimate revisions after the Q3 2024 report

ESTIMATE REVISIONS AFTER Q3 2024 FINANCIAL REVIEW

EURm	New estimates					Old estimates					Difference %				
	Q4 24E	H2 24E	24E	25E	26E	Q4 24E	H2 24E	24E	25E	26E	Q4 24E	H2 24E	24E	25E	26E
Sales	22.1	38.7	78.6	83.1	84.7	n.a.	41.1	81.0	84.7	86.4	n.a.	-6%	-3%	-2%	-2%
EBITDA	2.2	3.6	7.4	8.5	9.3	n.a.	4.5	8.3	9.3	10.1	n.a.	-20%	-11%	-9%	-8%
EBITDA margin	9.8%	9.4%	9.4%	10.3%	11.0%	n.a.	11.1%	10.2%	11.0%	11.7%	n.a.	-1.7pp	-0.8pp	-0.8pp	-0.7pp
EBITA	1.8	3.0	6.3	7.4	8.1	n.a.	3.9	7.1	8.1	8.9	n.a.	-22%	-12%	-9%	-8%
EBITA margin	8.3%	7.8%	8.0%	8.9%	9.6%	n.a.	9.4%	8.8%	9.6%	10.3%	n.a.	-1.6pp	-0.8pp	-0.7pp	-0.7pp
EBIT	1.2	1.7	3.7	4.6	5.3	n.a.	2.5	4.4	5.3	6.0	n.a.	-31%	-18%	-13%	-12%
EBIT margin	5.4%	4.4%	4.7%	5.6%	6.3%	n.a.	6.1%	5.5%	6.3%	6.9%	n.a.	-1.6pp	-0.8pp	-0.7pp	-0.7pp
EPS (EUR)	0.07	0.08	0.15	0.25	0.31	n.a.	0.14	0.21	0.30	0.37	n.a.	-42%	-27%	-17%	-15%

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 2024	H2 2024E
Net sales	13.9	18.8	22.0	22.7	32.6	30.2	33.2	32.8	39.9	38.7
growth y/y			58.1%	21.0%	48.3%	33.2%	1.9%	8.5%	20.2%	18.0%
Sales/employee (EURt)	46.8	63.1	56.3	57.2	55.6	49.8	55.2	52.6	57.1	53.8
Other operating income	0.1	0.2	0.2	0.3	0.1	0.2	0.1	1.0	0.1	0.0
Materials and services	-1.7	-3.4	-2.6	-3.7	-6.5	-1.9	-3.8	-4.2	-5.4	-5.0
Personnel costs	-8.7	-10.7	-13.8	-13.4	-17.9	-20.9	-21.3	-20.7	-25.6	-24.4
Other operating expenses	-1.5	-2.0	-2.7	-3.4	-4.0	-1.6	-4.2	-4.9	-5.2	-5.6
EBITDA	2.1	2.9	3.0	2.5	4.2	3.9	4.0	3.9	3.8	3.6
margin	15.3%	15.2%	13.7%	10.9%	13.0%	12.9%	12.1%	12.0%	9.4%	9.4%
EBITA	1.9	2.5	2.7	2.0	3.8	3.4	3.5	3.5	3.3	3.0
margin	13.9%	13.3%	12.1%	9.0%	11.7%	11.3%	10.7%	10.7%	8.2%	7.8%
EBIT	1.5	2.0	2.0	1.4	2.8	2.3	2.5	2.4	2.0	1.7
margin	11.0%	10.7%	9.2%	6.0%	8.6%	7.6%	7.5%	7.2%	4.9%	4.4%
Net financials	0.0	0.0	-1.0	-0.2	-0.2	-0.3	-0.5	-0.5	-0.8	-0.7
PTP	1.4	2.0	1.0	1.1	2.6	2.0	2.0	1.9	1.1	1.0
Taxes	-0.35	-0.41	0.04	-0.47	-0.69	-0.34	-0.50	-0.17	-0.39	-0.16
Net profit	1.1	1.6	1.0	0.6	1.9	1.7	1.5	1.7	0.8	0.8
Minorities	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
EPS, EUR	0.15	0.25	0.15	0.07	0.20	0.18	0.15	0.17	0.07	0.08

Source: Company data and Nordea estimates

DETAILED ANNUAL ESTIMATES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Net sales	32.6	44.7	62.8	66.0	78.6	83.1	84.7
growth y/y		36.8%	40.6%	5.1%	19.1%	5.7%	2.0%
Sales/employee (EURt)	109.9	112.5	104.7	108.0	110.7	113.8	116.1
Other operating income	0.3	0.4	0.2	1.1	0.1	0.0	0.0
Materials and services	-5.2	-6.3	-8.3	-8.0	-10.5	-10.2	-9.8
Personnel costs	-19.3	-27.1	-38.8	-42.0	-50.0	-52.9	-53.9
Other operating expenses	-3.5	-6.2	-7.8	-9.1	-10.8	-11.5	-11.7
EBITDA	5.0	5.5	8.2	8.0	7.4	8.5	9.3
margin	15.2%	12.3%	13.0%	12.1%	9.4%	10.3%	11.0%
EBITA	4.4	4.7	7.2	7.0	6.3	7.4	8.1
margin	13.6%	10.5%	11.5%	10.7%	8.0%	8.9%	9.6%
EBIT	3.5	3.4	5.1	4.8	3.7	4.6	5.3
margin	10.8%	7.5%	8.1%	7.3%	4.7%	5.6%	6.3%
Net financials	-0.1	-1.3	-0.5	-1.0	-1.5	-1.4	-1.2
PTP	3.4	2.1	4.6	3.9	2.1	3.2	4.1
Taxes	-0.76	-0.43	-1.02	-0.67	-0.55	-0.65	-0.81
Net profit	2.7	1.7	3.6	3.2	1.6	2.6	3.3
Minorities	0.9	0.2	0.2	0.1	0.0	0.0	0.0
EPS, EUR	0.40	0.20	0.38	0.32	0.15	0.25	0.31

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	n.a.	n.a.	n.a.	26	33	45	63	66	79	83	85
Revenue growth	n.a.	n.a.	n.a.	n.a.	26.5%	36.8%	40.6%	5.1%	19.1%	5.7%	2.0%
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	7	9	9
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	6	7	8
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	4	5	5
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	-2	-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	0	0	0	1	3	2	5	4	2	3	4
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	2	3	3
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	2	3	3
EPS, EUR	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.16	0.25	0.32
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%	9.4%	10.3%	11.0%
EBITA	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	8.0%	8.9%	9.6%
EBIT	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	4.7%	5.6%	6.3%

Adjusted earnings

EBITDA (adj)	0	0	0	2	5	5	8	8	7	9	9
EBITA (adj)	0	0	0	2	4	5	7	7	6	7	8
EBIT (adj)	0	0	0	1	4	3	5	5	4	5	5
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.14	0.40	0.20	0.38	0.32	0.16	0.25	0.32

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	9.5%	15.2%	12.3%	13.0%	12.1%	9.4%	10.3%	11.0%
EBITA (adj)	n.a.	n.a.	n.a.	8.1%	13.6%	10.5%	11.5%	10.7%	8.0%	8.9%	9.6%
EBIT (adj)	n.a.	n.a.	n.a.	5.7%	10.8%	7.5%	8.1%	7.3%	4.7%	5.6%	6.3%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0%	20.5%	13.7%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	24.7%	11.4%	11.1%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19.9%	5.5%	9.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.7%	-8.6%	10.0%
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%	7.2%	6.4%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.5%	11.9%	11.2%

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	21.9	13.4	10.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	8.1	6.8	6.0
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	9.5	7.9	6.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	16.4	12.6	10.6

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	21.9	13.4	10.7
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	1.52	0.75	1.02	0.76	0.70	0.66
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	5.7	8.4	8.1	6.8	6.0
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	6.5	9.5	9.5	7.9	6.9
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	20.1	9.2	13.8	16.4	12.6	10.6
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	0.9%	1.3%	1.8%	2.0%	2.3%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-16.2%	1.3%	3.2%	-16.6%	6.4%	9.0%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	1.9%	5.7%	10.6%	5.3%	6.4%	9.0%
Payout ratio	n.a.	n.a.	n.a.	0.0%	0.0%	50.4%	10.4%	20.1%	38.5%	27.5%	25.0%

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	10	8	7
Total current assets	0	0	0	11	16	27	34	34	31	30	29
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	0	0	0	28	40	70	82	87	90	90	89
Shareholders equity	0	0	0	4	10	31	38	40	41	43	46
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	42	44	46
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	8	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	8	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
Total liabilities and equity	0	0	0	28	40	70	82	87	90	90	89
Balance sheet and debt metrics											
Net debt	0	0	0	10	10	7	5	19	25	23	21
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	76	75	74
ROE	n.m.	n.m.	n.m.	28.3%	23.7%	6.9%	9.9%	8.2%	3.9%	6.1%	7.3%
ROIC	n.m.	n.m.	n.m.	14.7%	14.0%	8.0%	8.6%	7.0%	4.7%	5.6%	6.3%
ROCE	n.m.	n.m.	n.m.	14.5%	14.3%	8.3%	9.0%	7.1%	4.8%	6.1%	7.1%
Net debt/EBITDA	n.m.	n.m.	n.m.	4.2	2.1	1.3	0.6	2.3	3.3	2.7	2.2
Interest coverage	n.a.	n.a.	n.a.	5.7	33.7	2.7	10.3	5.0	2.4	3.3	4.3
Equity ratio	n.m.	n.m.	n.m.	15.0%	26.3%	44.7%	46.0%	45.8%	45.6%	48.1%	51.3%
Net gearing	n.m.	n.m.	n.m.	173.9%	81.4%	22.4%	11.9%	46.2%	59.0%	52.7%	44.6%

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	0	0	0	2	5	5	8	8	7	9	9
Paid taxes	0	0	0	-1	0	-1	-1	0	-1	-1	-1
Net financials	0	0	0	0	0	-1	0	0	-2	-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
Funds from operations (FFO)	0	0	0	1	3	0	5	7	7	6	7
Change in NWC	0	0	0	0	-1	1	-1	-1	-1	0	0
Cash flow from operations (CFO)	0	0	0	1	3	2	4	5	6	6	7
Capital expenditure	0	0	0	-1	0	-1	-1	0	-4	-4	-4
Free cash flow before A&D	0	0	0	0	2	1	2	5	2	2	3
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	-6	2	3
Free cash flow bef A&D, lease adj	0	0	0	0	2	1	2	5	2	2	3
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	-6	-2	-1
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	93.6%	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%	4.7%	4.7%	4.7%
Key information											
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	35	35	35
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	68	47	67	60	58	56
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	4.1	4.3	7.2	9.9	9.9	10.2	10.2	10.2

Source: Company data and Nordea estimates

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