

Scanfil Oyj

Capital Goods
Finland

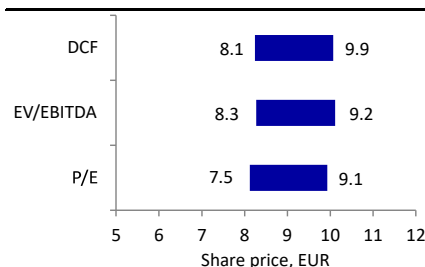
KEY DATA

Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 8.00
Free float	25%
Market cap. (bn)	EUR 0.51/EUR 0.51
Website	www.scanfil.com/
Next report date	21 Feb 2025

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

Sales growth guidance midpoint could be 8%

The company downgraded its 2024 guidance in December, dampening expectations for the Q4 numbers. Reported revenue growth should remain good in 2025, with the help of the SRX acquisition. Organic growth, however, could remain modest in the near term. We forecast revenue guidance of EUR 790-870m for 2025, and we believe tight cost discipline should keep the EBIT margin close to 7%. Our trimmed fair value range is EUR 8.2-10 (7.7-9.5), based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E). Revenue growth was -14% y/y in 2024 (sector average: -2%), which we think is one reason Scanfil is trading at a discount to its peer group's median valuation on 2025E-26E EV/EBIT.

We expect full-year EBIT guidance of EUR 55-61m

For Scanfil, we forecast 10% y/y lower organic revenue for Q4. Reported revenue growth in the quarter could be -6%, due to the SRX acquisition. Overall, we expect Q4 net sales of EUR 207m (LSEG Data & Analytics consensus: EUR 210m) and adjusted EBIT of EUR 14.5m (consensus: EUR 14.5m). Our dividend estimate is EUR 0.25 (consensus: EUR 0.25). We currently forecast 10% revenue growth for this year, ~5% of which is M&A-related. We also expect full-year EBIT guidance to be EUR 55-61m. Scanfil intends to change its reporting segments to geographical units in 2025.

Scanfil has a factory in the US market

Scanfil is not heavily exposed to the trade war, because it has its own assembly factory in the US. But the company could have some sub-components (like PCB cards) produced in China, which are shipped to the US. In the future, it could use its new PCBA line in Atlanta for US sales volumes, while a factory in Suzhou could serve the Chinese market and reduce exports. The company has already decided to install two additional production lines in Malaysia, with an investment of EUR 4.3m, which it says are meant to meet the high demand. However, other explanations could be that machines at the site are old or that there is a need to produce more components outside China.

Our fair value range is EUR 8.2-10.0 per share

Scanfil is trading at a 27% discount to its peer group's median 2025E EV/EBIT valuation. A discount to the sector valuation could persist until the company's organic growth improves closer to the sector's expected sales growth average of 10% (2025).

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	595	696	844	902	775	853	900
EBITDA (adj)	55	56	63	80	74	80	84
EBIT (adj)	39	40	45	61	53	59	62
EBIT (adj) margin	6.6%	5.8%	5.4%	6.8%	6.9%	6.9%	6.9%
EPS (adj, EUR)	0.49	0.47	0.54	0.75	0.64	0.72	0.77
EPS (adj) growth	0.0%	-3.8%	14.8%	37.7%	-15.1%	13.5%	6.8%
DPS (ord, EUR)	0.17	0.19	0.21	0.23	0.25	0.27	0.29
EV/Sales	0.7	0.8	0.6	0.6	0.7	0.6	0.5
EV/EBIT (adj)	11.3	13.5	11.3	9.1	10.2	8.6	7.8
P/E (adj)	13.2	15.7	12.1	10.4	12.6	11.1	10.4
P/BV	2.3	2.3	1.9	1.9	1.8	1.6	1.5
Dividend yield (ord)	2.6%	2.5%	3.2%	2.9%	3.1%	3.4%	3.6%
FCF Yield bef A&D, lease	5.5%	-5.8%	-2.7%	8.7%	12.2%	10.0%	8.4%
Net debt	18	60	86	52	27	-9	-35
Net debt/EBITDA	0.3	1.1	1.4	0.6	0.4	-0.1	-0.4
ROIC after tax	13.9%	12.8%	11.8%	14.7%	12.6%	14.0%	14.8%

Source: Company data and Nordea estimates

Quarterly estimates by segment

P&L (EURm; EPS IN EUR)												
	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424E	Q125E	Q225E	Q325E	Q425E
Industrial												
Net sales (EURm)	111.2	112.4	98.8	105.2	94.2	90.4	83.6	99.5	99.9	101.2	99.5	103.9
Sales growth y/y (%)	10%	-2%	-11%	-5%	-15%	-20%	-15%	-5%	6%	12%	19%	4%
Energy & Cleantech												
Net sales (EURm)	72.8	91.3	77.6	78.5	70.4	67.5	55.5	67.6	69.7	71.6	73.3	75.2
Sales growth y/y (%)	18%	47%	25%	15%	-3%	-26%	-28%	-14%	-1%	6%	32%	11%
Medtec & Life Science												
Net sales (EURm)	40.6	39.6	36.4	37.1	34.4	37.6	34.2	39.8	39.2	40.2	39.0	40.7
Sales growth y/y (%)	21%	10%	-6%	-13%	-15%	-5%	-6%	7%	14%	7%	14%	2%
	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424E	Q125E	Q225E	Q325E	Q425E
Group sales	224.6	243.3	212.8	220.8	198.9	195.5	173.3	206.9	208.8	213.0	211.7	219.8
Sales growth %	14.2%	14.3%	0.4%	-0.7%	-11.4%	-19.6%	-18.6%	-6.3%	5.0%	9.0%	22.2%	6.2%
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortisation	-4.7	-4.7	-4.8	-4.9	-5.0	-5.1	-5.1	-5.3	-5.4	-5.4	-5.4	-5.4
Reported EBIT	15.1	17.5	15.2	13.4	12.7	13.9	12.1	14.5	14.6	14.5	14.4	15.4
Reported EBIT margin	6.7%	7.2%	7.1%	6.1%	6.4%	7.1%	7.0%	7.0%	7.0%	6.8%	6.8%	7.0%
Group adj. EBIT	15.1	17.5	15.2	13.4	12.7	13.9	12.4	14.5	14.6	14.5	14.4	15.4
Adj. EBIT margin	6.7%	7.2%	7.1%	6.1%	6.4%	7.1%	7.2%	7.0%	7.0%	6.8%	6.8%	7.0%
Net financials	-0.6	0.9	-0.7	0.6	0.2	0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Pre-tax profit	14.5	18.4	14.5	14.0	12.9	14.0	11.9	14.2	14.4	14.3	14.2	15.2
Income tax	-2.8	-3.9	-3.5	-3.2	-3.1	-3.1	-3.1	-3.1	0.0	0.0	0.0	0.0
Tax rate %	19%	21%	24%	23%	24%	22%	26%	22%	0%	0%	0%	0%
Reported net profit for the period	11.7	14.5	11.0	10.8	9.8	10.9	8.8	11.1	11.2	11.1	11.1	11.8
Adj net profit for the period	11.7	14.5	11.0	10.8	9.8	10.9	9.1	11.1	11.2	11.1	11.1	11.8
Reported EPS	0.18	0.22	0.17	0.17	0.15	0.17	0.14	0.17	0.22	0.22	0.22	0.23
Adj. EPS	0.18	0.22	0.17	0.17	0.15	0.17	0.13	0.17	0.22	0.22	0.22	0.23

Source: Company data and Nordea estimates

Annual estimates by segment

P&L (EURm; EPS IN EUR)

	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Industrial									
Net sales (EURm)					438.5	427.6	367.7	404.5	426.8
Sales growth y/y (%)					n.a.	-2%	-14%	10%	5%
Energy & Cleantech									
Net sales (EURm)			135.6	182.0	254.2	320.2	261.0	289.7	305.6
Sales growth y/y (%)				34%	40%	26%	-19%	11%	5%
Medtec & Life Science									
Net sales (EURm)			107.9	120.6	151.0	153.7	146.0	159.2	167.9
Sales growth y/y (%)				12%	25%	2%	-5%	9%	5%
Group									
Net sales	563.0	579.5	595.4	695.7	843.7	901.6	774.7	853.3	900.3
Sales growth %	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-14.1%	10.1%	5.5%
Other operating income	0.4	1.0	12.5	1.1	1.0	0.9	1.0	1.0	1.0
Depreciation and amortisation	-7.5	-15.7	-14.1	-12.6	-14.8	-16.8	-18.5	-19.7	-20.4
Reported EBIT	37.8	35.3	44.3	39.6	45.4	61.3	53.5	58.9	62.1
Reported EBIT margin	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.9%	6.9%	6.9%
Group adj. EBIT	37.8	38.9	39.1	40.3	45.4	61.3	53.5	58.9	62.1
Adj. EBIT margin	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.9%	6.9%	6.9%
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	0.3	-0.1	-0.1	-0.1
Pre-tax profit	36.1	34.0	41.7	37.7	41.7	61.6	53.3	58.8	62.0
Income tax	-7.1	-5.9	-4.8	-7.9	-6.7	-13.4	-12.4	-12.3	-12.4
Tax rate %	20%	17%	12%	21%	16%	22%	23%	21%	20%
Reported net profit for the period	29.0	28.1	36.9	29.8	35.0	48.2	40.9	46.4	49.6
Adj net profit for the period	29.0	31.7	31.7	30.5	35.0	48.2	40.9	46.4	49.6
Reported EPS	0.45	0.44	0.57	0.46	0.54	0.75	0.64	0.72	0.77
Adj. EPS	0.45	0.49	0.49	0.47	0.54	0.75	0.64	0.72	0.77

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				GROWTH				EBIT MARGIN			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Hon Hai Precision Industry Co Ltd	181 989	200 008	248 383	281 983	-7%	11%	24%	14%	3%	3%	3%	3%
Delta Electronics Inc	11 849	12 431	14 277	16 054	4%	4%	15%	12%	10%	12%	13%	14%
Pegatron Corp	37 117	33 592	36 734	38 099	-5%	-11%	10%	4%	1%	1%	2%	2%
Venture Corporation Ltd	2 078	2 040	2 157	2 269	-22%	-8%	6%	5%	10%	10%	10%	10%
Universal Scientific Industrial	7 761	8 068	8 749	9 628	-11%	-1%	8%	10%	4%	3%	4%	4%
Jabil Inc	32 010	26 145	26 040	27 422	4%	-17%	-4%	5%	5%	5%	5%	6%
Compal Electronics Inc	27 959	26 787	28 536	29 777	-12%	-4%	7%	4%	1%	2%	2%	2%
Foxconn Interconnect Technology	3 802	4 359	5 395	6 379	-7%	9%	24%	18%	6%	6%	8%	8%
Inventec Corp	15 202	18 390	20 442	22 100	-5%	21%	11%	9%	1%	2%	2%	2%
Micro-Star International Co Ltd	5 404	5 892	6 632	6 970	1%	9%	13%	5%	6%	5%	6%	6%
Plexus Corp	3 983	3 548	3 948	4 320	10%	-6%	4%	9%	5%	5%	6%	6%
Note AB (publ)	382	341	364	406	15%	-8%	7%	11%	10%	9%	10%	10%
Sanmina Corp	8 453	6 780	7 868	8 413	13%	-15%	9%	7%	6%	5%	6%	6%
Incap Oyj	222	235	270	297	-16%	8%	15%	10%	13%	12%	12%	12%
Celestica Inc	7 214	9 317	10 449	12 276	10%	21%	12%	17%	5%	6%	7%	7%
SIIX Corp	1 990	1 846	1 969	2 116	12%	-1%	7%	7%	4%	0%	n.a.	n.a.
Fabrinet	2 425	2 691	3 261	3 680	17%	9%	18%	13%	11%	10%	10%	11%
Sercomm Corp	1 848	1 681	1 900	2 178	-3%	-10%	13%	15%	5%	5%	5%	5%
TT Electronics	708	636	645	674	-1%	-14%	1%	5%	8%	6%	8%	10%
Alpha Networks Inc	835	627	784	832	-16%	-26%	25%	6%	4%	0%	4%	4%
Ducommun Inc	686	762	804	856	6%	3%	6%	6%	8%	10%	11%	12%
Valuetronics Holdings Ltd	237	198	217	229	-1%	-17%	-1%	8%	5%	10%	9%	9%
Kitron ASA	775	645	679	768	21%	-17%	5%	13%	9%	8%	9%	9%
Lacroix Group SA	761	676	0	0	8%	-12%	0%	0%	2%	3%	0%	0%
Hanza AB	373	425	525	612	17%	17%	23%	17%	8%	5%	7%	8%
Group median					1.4%	-4.4%	9.2%	9.4%	5.4%	5.4%	6.4%	6.7%
Scanfil (Nordea)	844	902	775	853	6.9%	-14.1%	10.1%	5.5%	6.8%	6.9%	6.9%	6.9%
diff. from median (pp)					5.4	-9.7	1.0	-3.9	1.4	1.5	0.5	0.2

Source: LSEG Data & Analytics and Nordea estimates

EMS PEER GROUP: VALUATION

	P/E				EV/EBITDA				P/B			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Hon Hai Precision Industry Co Ltd	10.4	15.1	11.7	10.2	5.0	8.5	6.9	6.0	1.6	1.5	1.3	1.2
Delta Electronics Inc	24.5	27.2	22.2	18.8	13.2	14.2	12.0	10.6	5.4	4.7	4.2	3.7
Pegatron Corp	14.9	14.4	13.7	12.8	8.3	7.5	6.2	6.1	1.3	1.3	1.3	1.2
Venture Corporation Ltd	14.7	14.4	13.1	12.4	8.8	8.0	7.2	6.8	1.2	1.3	1.2	1.2
Universal Scientific Industrial	17.4	18.9	15.4	12.4	8.9	9.7	8.4	7.2	1.8	1.9	1.8	1.6
Jabil Inc	19.0	9.8	18.7	16.2	6.5	6.3	9.1	8.4	7.6	9.7	12.9	10.3
Compal Electronics Inc	22.8	15.0	13.2	12.3	10.4	8.5	7.9	7.5	1.4	1.3	1.2	1.2
Foxconn Interconnect Technology	8.3	19.8	12.6	9.1	2.8	9.4	6.5	5.2	1.5	1.4	1.2	1.1
Inventec Corp	31.0	22.0	17.0	14.8	20.8	14.5	12.8	10.4	2.7	2.5	2.5	2.4
Micro-Star International Co Ltd	23.0	17.6	13.7	12.4	14.5	13.2	9.8	9.1	3.1	3.0	2.7	2.4
Plexus Corp	18.8	34.1	20.7	18.6	9.5	13.6	11.7	10.6	3.3	3.4	2.8	n.a.
Note AB (publ)	13.5	17.2	14.5	12.5	9.0	9.2	8.6	7.6	3.1	2.8	2.3	2.0
Sanmina Corp	10.5	17.6	14.5	12.5	5.0	7.6	7.7	7.4	1.4	2.1	2.0	1.9
Incap Oyj	11.5	16.0	13.0	12.1	7.0	9.2	8.2	7.5	3.1	2.6	2.2	1.9
Celestica Inc	14.4	25.6	29.9	24.6	7.0	14.4	19.0	15.9	11.6	5.6	n.a.	n.a.
SIIX Corp	8.4	11.3	7.3	6.1	5.3	5.1	4.5	4.1	0.6	0.6	0.6	0.5
Fabrinet	19.3	30.2	20.7	18.3	13.8	24.4	16.4	14.2	5.3	4.5	3.9	3.3
Sercomm Corp	15.3	16.9	15.0	13.5	8.5	7.1	6.7	7.3	3.2	2.6	2.4	0.0
TT Electronics	4.7	7.8	5.4	4.0	6.0	5.5	4.4	3.7	0.5	0.6	0.6	0.5
Alpha Networks Inc	37.5	71.4	24.0	20.4	14.1	27.0	10.8	9.9	1.9	1.9	n.a.	n.a.
Ducommun Inc	45.7	20.6	17.2	14.4	12.6	10.1	8.9	8.1	1.6	1.5	1.5	1.3
Valuetronics Holdings Ltd	8.3	7.0	8.7	8.4	0.0	1.6	1.8	1.7	0.7	0.8	0.6	0.6
Kitron ASA	11.7	20.9	16.1	13.6	8.3	11.6	10.2	9.0	4.0	3.2	2.9	2.5
Lacroix Group SA	33.7	3.6	0.0	0.0	5.0	4.3	0.0	0.0	0.8	0.0	n.a.	n.a.
Hanza AB	16.1	28.2	13.6	10.7	8.6	9.9	6.3	5.5	2.8	2.4	2.1	1.8
Group average	18.2	20.1	14.9	12.8	8.8	10.4	8.5	7.6	2.9	2.5	2.5	2.0
Scanfil (Nordea)	10.4	12.8	11.3	10.6	6.9	7.3	6.0	5.2	1.9	1.8	1.5	1.3
diff. from average	-43%	-36%	-24%	-18%	-21%	-30%	-29%	-31%	-33%	-31%	-38%	-34%

Source: LSEG Data & Analytics and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	508	530	563	580	595	696	844	902	775	853	900
Revenue growth	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-14.1%	10.1%	5.5%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	18	40	47	53	60	55	63	80	74	80	84
Depreciation and impairments PPE	-9	-7	-8	-16	-14	-13	-15	-17	-19	-20	-20
of which leased assets	0	0	0	-3	-3	-3	-3	-3	-3	-3	-3
EBITA	9	33	40	37	46	42	48	64	55	61	64
Amortisation and impairments	-2	-2	-2	-2	-2	-3	-3	-2	-2	-2	-1
EBIT	7	31	38	35	44	40	45	61	53	59	62
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	1	-2	-1	-3	-2	-4	0	0	0	0
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	6	33	36	34	42	38	42	62	53	59	62
Reported taxes	-6	-7	-7	-6	-5	-8	-7	-13	-12	-12	-12
Net profit from continued operations	0	26	29	28	37	30	35	48	41	46	50
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	26	29	28	37	30	35	48	41	46	50
EPS, EUR	0.00	0.40	0.45	0.44	0.57	0.46	0.54	0.75	0.64	0.72	0.77
DPS, EUR	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
of which ordinary	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	3.6%	7.6%	8.4%	9.1%	10.1%	7.9%	7.4%	8.9%	9.5%	9.4%	9.3%
EBITA	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	7.1%	7.2%	7.1%	7.1%
EBIT	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.9%	6.9%	6.9%

Adjusted earnings

EBITDA (adj)	33	40	47	53	55	56	63	80	74	80	84
EBITA (adj)	24	33	40	37	41	43	48	64	55	61	64
EBIT (adj)	22	31	38	39	39	40	45	61	53	59	62
EPS (adj, EUR)	0.24	0.36	0.45	0.49	0.49	0.47	0.54	0.75	0.64	0.72	0.77

Adjusted profit margins in percent

EBITDA (adj)	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.9%	9.5%	9.4%	9.3%
EBITA (adj)	4.8%	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	7.1%	7.2%	7.1%	7.1%
EBIT (adj)	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.9%	6.9%	6.9%

Performance metrics

CAGR last 5 years											
Net revenue	19.2%	24.0%	24.5%	22.0%	9.6%	6.5%	9.8%	9.9%	6.0%	7.5%	5.3%
EBITDA	-4.8%	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	11.2%	6.9%	5.9%	8.8%
EBIT	-4.5%	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	10.2%	8.7%	5.9%	9.4%
EPS	-58.0%	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	10.5%	7.8%	4.7%	10.7%
DPS	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%	10.8%	9.7%	8.8%
Average last 5 years											
Average EBIT margin	3.9%	4.5%	4.9%	4.9%	5.6%	6.4%	6.2%	6.2%	6.4%	6.4%	6.6%
Average EBITDA margin	7.7%	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.6%	8.7%	8.7%	8.9%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	14.6	11.8	8.2	9.9	13.2	15.7	12.1	10.4	12.6	11.1	10.4
EV/EBITDA (adj)	7.9	7.8	5.7	6.8	8.0	9.7	8.1	6.9	7.4	6.3	5.7
EV/EBITA (adj)	10.7	9.4	6.8	9.7	10.7	12.6	10.7	8.8	9.8	8.4	7.6
EV/EBIT (adj)	11.7	10.0	7.1	9.3	11.3	13.5	11.3	9.1	10.2	8.6	7.8

VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.m.	10.5	8.2	11.2	11.4	16.1	12.1	10.4	12.6	11.1	10.4
EV/Sales	0.52	0.59	0.48	0.63	0.74	0.78	0.61	0.62	0.70	0.60	0.54
EV/EBITDA	14.4	7.8	5.7	6.8	7.3	9.9	8.1	6.9	7.4	6.3	5.7
EV/EBITA	28.0	9.4	6.8	9.7	9.5	12.8	10.7	8.8	9.8	8.4	7.6
EV/EBIT	36.2	10.0	7.1	10.3	9.9	13.7	11.3	9.1	10.2	8.6	7.8
Dividend yield (ord.)	2.6%	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.9%	3.1%	3.4%	3.6%
FCF yield	5.8%	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	9.2%	8.2%	10.5%	9.0%
FCF Yield bef A&D, lease adj	5.8%	3.9%	8.1%	8.2%	5.5%	-5.8%	-2.7%	8.7%	12.2%	10.0%	8.4%
Payout ratio	37.7%	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	30.7%	39.3%	37.4%	37.6%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	27	25	22	25	23	21	19	18	17	15	14
of which R&D	n.a.	n.a.	0	0	0	0	0	0	0	0	0
of which other intangibles	16	15	12	17	14	13	11	10	9	8	6
of which goodwill	11	10	10	8	8	8	8	8	8	8	8
Tangible assets	41	48	49	72	65	72	80	85	106	106	106
of which leased assets	0	0	0	21	18	22	24	23	23	23	23
Shares associates	n.a.	n.a.	0	1	1	1	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	2	4	4	6	7	9	8	8	8	8	8
Other non-IB non-current assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	70	77	76	103	95	102	107	112	131	129	128
Inventory	85	101	99	102	103	193	229	209	178	171	175
Accounts receivable	88	106	108	112	113	149	165	174	163	179	189
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	4	2	2	3	2	4	4	3	2	3	3
Cash and bank	20	21	19	20	26	25	21	21	46	82	104
Total current assets	197	230	228	237	245	372	419	406	389	434	470
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	267	307	304	340	339	474	526	518	521	563	599
Shareholders equity	108	125	145	167	183	207	227	266	292	322	354
Of which preferred stocks	n.a.	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	0	0	0	0	0	0	0	0	0	0
Total Equity	n.a.	125	145	167	183	207	227	266	292	322	354
Deferred tax	3	5	6	7	6	5	5	6	6	6	6
Long term interest bearing debt	38	27	17	25	18	42	36	0	8	13	13
Pension provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	1	1	1	1	1
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	19	16	20	20	19	19	19	19
Convertible debt	n.a.	0	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	0	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	41	33	23	51	40	67	62	25	33	38	38
Short-term provisions	5	0	0	0	4	2	0	1	1	1	1
Accounts payable	90	113	104	96	100	172	184	167	144	156	163
Current lease debt	0	0	0	4	4	3	4	4	4	4	4
Other current liabilities	n.a.	n.a.	0	3	2	1	3	5	4	5	5
Short term interest bearing debt	22	36	33	20	6	20	46	50	42	37	33
Total current liabilities	117	149	136	122	116	199	237	227	195	203	206
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	267	307	304	340	339	473	526	518	521	563	599
Balance sheet and debt metrics											
Net debt	40	43	30	46	18	60	86	52	27	-9	-35
of which lease debt	0	0	0	22	20	23	25	23	23	23	23
Working capital	87	96	105	118	117	173	211	214	195	192	199
Invested capital	157	173	181	221	212	275	318	325	326	321	327
Capital employed	168	188	194	233	227	293	333	339	365	395	423
ROE	0.1%	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	19.6%	14.7%	15.1%	14.7%
ROIC	10.5%	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	14.7%	12.6%	14.0%	14.8%
ROCE	18.9%	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	18.3%	15.2%	15.5%	15.2%
Net debt/EBITDA	2.2	1.1	0.6	0.9	0.3	1.1	1.4	0.6	0.4	-0.1	-0.4
Interest coverage	1.5	4.8	21.1	25.3	16.5	19.9	12.0	n.m.	n.m.	n.m.	n.m.
Equity ratio	40.6%	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	51.4%	56.1%	57.2%	59.2%
Net gearing	n.a.	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	19.4%	9.2%	-2.7%	-9.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	18	40	47	53	60	55	63	80	74	80	84
Paid taxes	-5	-8	-7	-8	-7	-11	-4	-9	-12	-12	-12
Net financials	-2	-2	-2	-2	-2	-1	-2	-4	0	0	0
Change in provisions	4	-5	0	0	4	-3	0	1	0	0	0
Change in other LT non-IB	1	-2	0	-1	-1	-2	1	0	0	0	0
Cash flow to/from associates	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	7	4	0	2	-11	2	-3	3	0	0	0
Funds from operations (FFO)	23	27	39	44	43	40	53	72	61	68	71
Change in NWC	-6	-6	-10	-8	-8	-53	-43	-3	20	3	-7
Cash flow from operations (CFO)	16	21	29	36	35	-13	10	69	81	71	65
Capital expenditure	-4	-11	-10	-7	-9	-13	-19	-22	-15	-17	-18
Free cash flow before A&D	13	11	19	29	26	-25	-9	47	66	54	47
Proceeds from sale of assets	n.a.	0	0	0	13	0	0	0	0	0	0
Acquisitions	n.a.	0	0	-10	0	0	0	0	-23	0	0
Free cash flow	13	11	19	18	39	-25	-9	47	43	54	47
Free cash flow bef A&D, lease adj	13	11	19	26	23	-28	-12	44	63	52	44
Dividends paid	n.a.	-6	-7	-8	-10	-11	-12	-14	-15	-16	-17
Equity issues / buybacks	n.a.	0	0	0	0	0	0	0	0	0	0
Net change in debt	-26	-4	-14	-43	-21	39	20	-34	0	0	-4
Other financing adjustments	n.a.	n.a.	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	-1	-1	0	34	-3	-4	-3	2	0	0	0
Change in cash	-2	0	-1	1	5	-1	-5	0	25	36	22
Cash flow metrics											
Capex/D&A	32.3%	n.m.	n.m.	41.2%	58.4%	83.8%	n.m.	n.m.	73.6%	77.8%	82.5%
Capex/Sales	0.7%	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.5%	2.0%	1.9%	2.0%
Key information											
Share price year end (/current)	3	4	4	5	7	7	7	8	8	8	8
Market cap.	222	271	239	316	422	483	426	505	518	518	518
Enterprise value	262	314	269	362	440	543	511	557	544	509	483
Diluted no. of shares, year-end (m)	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

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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, Equity Research Visiting address: Grønjobsvej 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			