

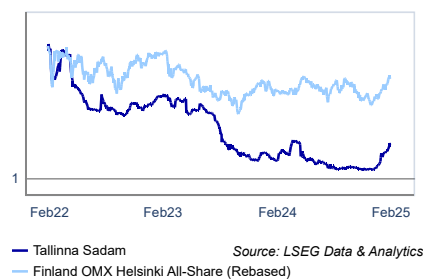
## Tallinna Sadam

Business Services  
Estonia

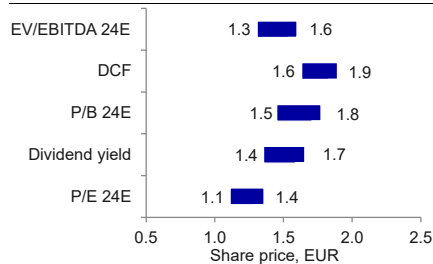
## KEY DATA

Stock country	Estonia
Bloomberg	TSM1T ET
Reuters	TSM1T.TL
Share price (close)	EUR 1.20
Free float	33%
Market cap. (bn)	EUR 0.32/EUR 0.32
Website	www.ts.ee
Next report date	28 Feb 2025

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	0%	0%
EBIT (adj)	2%	-2%	-4%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Pasi Väisänen  
Director

## Q4 likely to shore up 2024

We upgrade our Q4 EBIT forecast slightly, due to 18% y/y growth in cargo vessel calls. Overall, the fourth quarter progressed relatively well, leading us to expect 5% group-level revenue growth and an EBITDA margin of 41% for Q4 2024. Our DPS forecast is EUR 0.07. A change in tax rates in Estonia will increase Tallinna Sadam's tax burden by EUR ~2m in 2025, we believe. But the equity story could change markedly if there were peace in Ukraine. The company's cargo operations in Muuga Harbour have suffered from Russian sanctions. Our estimated fair value range remains at EUR 1.4-1.7, based on the combination of a DCF model and a peer group comparison.

## Revenue growth estimate of 5% for Q4 2024

Baltica likely had decent utilisation ratios for Q4, with the disappointment seen in Q3 not expected to be repeated. The number of passengers increased 5%, while total cargo tonnes grew by 12% y/y in Q4. Ro-ro traffic tonnes were up by 3% y/y in Q4, while calls by cruise vessels were 7 (0). Overall, we model Q4 group-level net sales of EUR 29.4m, indicating 5% y/y revenue growth. We estimate EBITDA of EUR 12.2m (EUR 10.4m) for Q4. The company's property development projects could take more time than we originally expected. For the full-year 2025, we project revenue growth of 3%. Our EBITA margin estimate is 45% for 2025.

## Some old cargo volumes could come back into service

The share price has climbed 14% in 2025. The drivers behind the positive development could be improved economic activity and potential peace in Ukraine. Russian fuel oil shipments and fertiliser volumes via Muuga Harbour would increase if sanctions were lifted. Moreover, sanctions have also reduced passenger traffic and cruise vessel calls at Tallinn. The share of Russian and Belarusian cargo accounted for 21% of the company's total cargo throughput in 2022. In a positive scenario, cruise ships might start to visit from St. Petersburg, but that could take time.

## The share is trading at a 33% P/B discount to the sector median

The company is building a new offshore wind power construction and support harbour at Paldiski and an announcement regarding a possible tenant in Paldiski would be a welcome surprise. An investment decision regarding its own support vessel could be postponed until a tenant has been announced. Its valuation does not look challenging. The company's 2025E P/BV is 33%, below the long-term peer group median, but its small valuation discount to the peer group could persist in the near term.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	107	110	122	117	120	124	129
EBITDA (adj)	60	55	56	50	54	57	59
EBIT (adj)	36	30	31	25	29	32	34
EBIT (adj) margin	33.1%	27.0%	25.3%	21.1%	24.4%	26.0%	26.4%
EPS (adj, EUR)	0.11	0.10	0.09	0.06	0.07	0.08	0.09
EPS (adj) growth	-35.8%	-10.2%	-3.2%	-37.7%	20.4%	8.2%	15.2%
DPS (ord, EUR)	0.08	0.10	0.07	0.07	0.07	0.07	0.08
EV/Sales	6.1	6.0	4.3	3.8	4.0	3.9	3.5
EV/EBIT (adj)	18.5	22.1	16.8	17.8	16.4	15.1	13.4
P/E (adj)	16.6	19.1	15.1	19.2	16.9	15.7	13.6
P/BV	1.3	1.3	1.0	0.8	0.8	0.8	0.8
Dividend yield (ord)	4.3%	5.2%	5.1%	6.5%	6.1%	5.7%	6.6%
FCF Yield bef A&D, lease	4.1%	7.8%	13.9%	9.0%	-1.8%	3.9%	16.3%
Net debt	185	168	143	142	167	173	140
Net debt/EBITDA	3.1	3.1	2.5	2.8	3.1	3.0	2.4
ROIC after tax	5.2%	4.4%	4.6%	3.8%	4.4%	4.7%	5.0%

Source: Company data and Nordea estimates

# Quarterly estimates by segment

## QUARTERLY ESTIMATES BY SEGMENT (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
<b>Passenger harbours</b>												
Sales (EURm)	8.0	10.0	10.7	8.8	7.5	10.0	11.5	9.1	7.9	10.5	12.0	9.5
Sales growth (%)	33%	-7%	-17%	8%	-6%	0%	0%	5%	5%	5%	4%	4%
Adj. EBIT (EURm)	1.2	3.9	4.3	2.4	1.5	3.8	5.1	2.5	1.6	4.1	5.0	2.6
Adj. EBIT margin (%)	15%	39%	40%	28%	20%	38%	44%	27%	20%	39%	42%	28%
<b>Cargo harbours</b>												
Sales (EURm)	7.9	7.7	7.2	8.0	7.8	7.5	7.9	8.6	8.2	7.8	8.3	9.0
Sales growth (%)	-18%	-22%	-23%	-19%	-2%	-3%	-3%	8%	5%	4%	5%	4%
Adj. EBIT (EURm)	1.2	1.1	0.5	0.3	1.6	1.0	1.4	1.3	1.6	1.2	1.4	1.5
Adj. EBIT margin (%)	16%	15%	7%	4%	21%	13%	17%	15%	19%	15%	16%	16%
<b>Ferry segment</b>												
Sales (EURm)	8.4	9.4	10.4	8.5	8.6	9.6	10.7	8.7	8.9	9.9	10.9	8.9
Sales growth (%)	13%	7%	2%	2%	2%	2%	3%	3%	3%	3%	2%	2%
Adj. EBIT (EURm)	2.4	2.7	3.1	1.5	2.0	2.7	3.5	1.8	2.4	2.9	3.6	1.9
Adj. EBIT margin (%)	28%	29%	30%	18%	23%	28%	33%	20%	27%	29%	33%	22%
<b>Other</b>												
Sales (EURm)	4.0	1.7	3.1	2.8	4.1	4.6	1.1	2.9	4.1	3.0	2.4	3.0
Sales growth (%)	10%	76%	-17%	48%	2%	171%	-65%	4%	1%	-35%	120%	1%
Adj. EBIT (EURm)	2.0	-2.0	-0.5	0.4	1.9	1.3	-2.7	0.6	1.7	0.0	0.3	0.6
Adj. EBIT margin (%)	49%	-116%	-15%	15%	45%	28%	-243%	20%	42%	-1%	12%	21%
<b>Group</b>												
Sales (EURm)	28.4	28.8	31.4	28.0	27.9	31.7	31.2	29.4	29.1	31.2	33.6	30.3
Sales growth (%)	6%	-5%	-13%	-1%	-2%	10%	-1%	5%	4%	-2%	8%	3%
Adj. EBITDA (EURm)	13.6	11.7	13.5	10.4	12.7	14.8	13.2	12.2	13.3	14.2	16.3	12.7
Adj. EBITDA margin (%)	48%	41%	43%	37%	46%	47%	42%	41%	46%	45%	49%	42%
Adj. EBIT (EURm)	6.8	5.8	7.4	4.6	7.0	8.9	7.3	6.1	7.2	8.1	10.3	6.6
Adj. EBIT margin (%)	24%	20%	24%	17%	25%	28%	23%	21%	25%	26%	31%	22%
Net financials	-1.1	-1.5	-1.7	-1.8	-1.8	-1.9	-2.0	-1.9	-1.8	-1.8	-1.7	-1.7
PTP	5.7	4.3	5.7	2.8	5.2	7.0	5.3	4.2	5.4	6.3	8.6	5.0
Net result adj.	5.7	1.4	5.7	2.8	5.2	3.9	5.3	4.2	5.3	1.5	8.4	4.9
Net result	5.7	1.4	5.7	2.8	5.2	3.9	5.3	4.2	5.3	1.5	8.4	4.9
EPS adj. (EUR)	0.02	0.01	0.02	0.01	0.02	0.01	0.02	0.02	0.02	0.01	0.03	0.02
EPS (EUR)	0.02	0.01	0.02	0.01	0.02	0.01	0.02	0.02	0.02	0.01	0.03	0.02

Source: Company data and Nordea estimates

# Annual estimates by segment

ANNUAL ESTIMATES BY SEGMENT (EURm)									
	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
<b>Passenger harbours</b>									
Sales (EURm)	49.9	49.9	49.8	19.0	28.8	37.9	37.5	38.1	39.8
Sales growth (%)		0%	0%	-62%	51%	32%	-1%	2%	4%
Adj. EBIT (EURm)	28.8	26.4	26.4	-0.5	6.7	10.9	11.8	12.8	13.3
Adj. EBIT margin (%)	58%	53%	53%	-3%	23%	29%	31%	33%	33%
<b>Cargo harbours</b>									
Sales (EURm)	39.8	41.7	40.1	38.5	40.7	38.8	30.8	31.8	33.3
Sales growth (%)		5%	-4%	-4%	6%	-5%	-21%	3%	4%
Adj. EBIT (EURm)	15.1	15.5	14.2	11.1	13.6	8.4	3.2	5.3	5.6
Adj. EBIT margin (%)	38%	37%	35%	29%	33%	22%	10%	17%	17%
<b>Ferry segment</b>									
Sales (EURm)	27.1	30.1	30.8	29.4	30.7	34.8	36.7	37.6	38.6
Sales growth (%)		11%	2%	-5%	4%	13%	6%	3%	2%
Adj. EBIT (EURm)	3.5	7.4	8.3	8.1	6.6	8.9	9.7	10.0	10.8
Adj. EBIT margin (%)	13%	25%	27%	28%	21%	26%	27%	27%	28%
<b>Other</b>									
Sales (EURm)	4.6	8.9	9.8	9.5	9.9	10.3	11.7	12.7	12.5
Sales growth (%)		95%	9%	-3%	5%	4%	13%	9%	-2%
Adj. EBIT (EURm)	-7.1	2.3	2.9	1.9	2.9	2.6	-0.1	1.0	2.6
Adj. EBIT margin (%)	-154%	25%	29%	20%	29%	25%	-1%	8%	21%
<b>Group</b>									
Sales (EURm)	121.3	130.6	130.5	107.4	110.1	121.7	116.6	120.3	124.2
Sales growth (%)		8%	0%	-18%	3%	11%	-4%	3%	3%
Adj. EBITDA (EURm)	66.7	74.4	74.7	59.7	54.5	56.1	50.0	53.7	57.5
Adj. EBITDA margin (%)	55%	57%	57%	56%	50%	46%	43%	45%	46%
Adj. EBIT (EURm)	40.3	52.1	51.7	35.6	29.8	30.8	24.6	29.3	32.3
Adj. EBIT margin (%)	33%	40%	40%	33%	27%	25%	21%	24%	26%
Net financials	-1.6	-1.5	-1.5	-2.1	-0.9	-1.8	-6.2	-7.6	-7.0
PTP	38.7	50.6	50.2	33.4	28.9	29.0	18.4	21.7	25.3
Net result adj.	26.8	24.4	44.4	28.5	25.6	24.8	15.4	18.6	20.1
Net result	26.8	24.4	44.4	28.5	25.6	24.8	15.4	18.6	20.1
EPS adj. (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08
EPS (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08

Source: Company data and Nordea estimates

# Peer group financials and valuation

## PEER GROUP FINANCIALS

	Sales (EURm)				Sales growth				EBIT margin			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Shanghai International Port Group	4,794	5,176	5,325	5,311	1%	12%	2%	n.a.	28%	26%	25%	25%
Hamburger Hafen und Logistik	1,447	1,598	n.a.	n.a.	-8%	n.a.	n.a.	n.a.	9%	n.a.	n.a.	n.a.
Adani Ports	2,341	2,969	3,361	3,862	22%	28%	15%	15%	44%	47%	47%	47%
China Merchants Port Holdings	1,332	1,479	1,545	1,614	-8%	2%	5%	4%	40%	42%	40%	40%
Qube Holdings	1,749	2,073	2,510	2,673	15%	16%	24%	6%	9%	10%	9%	10%
COSCO SHIPPING Ports	1,318	1,407	1,479	1,545	1%	5%	5%	4%	23%	17%	17%	17%
Abu Dhabi Ports Company	2,882	4,546	4,989	5,410	112%	44%	11%	8%	18%	17%	17%	18%
Vegetexco Port	467	401	n.a.	n.a.	-3%	-15%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	489	560	n.a.	n.a.	17%	n.a.	n.a.	n.a.	13%	n.a.	n.a.	n.a.
Ocean Wilsons Holdings	441	486	545	579	11%	17%	8%	6%	25%	29%	29%	29%
Wilson Sons Holdings Brasil	453	425	465	501	7%	10%	9%	8%	28%	29%	29%	30%
Dalrymple Bay Infrastructure	404	435	439	453	5%	16%	1%	3%	37%	34%	35%	35%
Isewan Terminal Service	486	347	n.a.	n.a.	34%	-19%	n.a.	n.a.	8%	6%	n.a.	n.a.
Santos Brasil Participacoes	399	493	550	605	11%	39%	15%	10%	35%	42%	45%	46%
Westshore Terminals Investment	261	263	248	257	30%	7%	-6%	4%	45%	43%	40%	41%
Saudi Industrial Services	387	318	332	361	61%	15%	5%	9%	34%	32%	31%	32%
Touage Investissements Reunies	195	n.a.	n.a.	n.a.	-7%	n.a.	n.a.	n.a.	14%	n.a.	n.a.	n.a.
Alexandria Container and Cargo	147	128	187	193	75%	33%	60%	3%	72%	78%	n.a.	n.a.
Sun Kwang	130	n.a.	n.a.	n.a.	8%	n.a.	n.a.	n.a.	21%	n.a.	n.a.	n.a.
China Container Terminal	93	n.a.	n.a.	n.a.	0%	n.a.	n.a.	n.a.	9%	n.a.	n.a.	n.a.
Fushiki Kairiku Unso	83	75	n.a.	n.a.	7%	-1%	n.a.	n.a.	10%	6%	n.a.	n.a.
Gujarat Pipavav Port	103	110	112	126	23%	8%	5%	12%	42%	44%	47%	47%
Namyong Terminal	46	46	47	47	20%	-2%	2%	2%	33%	31%	33%	n.a.
<b>Group median</b>					<b>11%</b>	<b>11%</b>	<b>5%</b>	<b>6%</b>	<b>26%</b>	<b>31%</b>	<b>32%</b>	<b>32%</b>
Tallinna Sadam (Nordea)	117	120	124	129	-4%	3%	3%	3%	21%	24%	26%	26%
<b>diff. from median (pp)</b>					<b>-15</b>	<b>-8</b>	<b>-2</b>	<b>-3</b>	<b>-5</b>	<b>-7</b>	<b>-6</b>	<b>-6</b>

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

## PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Shanghai International Port Group	3.5	n.a.	n.a.	n.a.	8.3	n.a.	n.a.	n.a.	0.3	n.a.	n.a.	n.a.
Hamburger Hafen und Logistik	63.1	n.a.	n.a.	n.a.	16.3	n.a.	n.a.	n.a.	1.8	n.a.	n.a.	n.a.
Adani Ports	25.7	33.8	23.1	19.8	19.6	28.0	20.0	17.3	5.3	4.5	3.9	3.4
China Merchants Port	6.9	7.3	7.4	7.5	20.7	17.8	17.8	17.3	0.5	0.5	0.5	0.5
Qube Holdings	35.2	n.a.	32.7	25.2	11.2	10.0	9.7	8.7	1.1	n.a.	n.a.	n.a.
COSCO SHIPPING Ports	7.7	6.8	6.4	6.1	24.5	23.8	22.4	21.4	0.4	0.3	0.3	0.3
Abu Dhabi Ports Company	n.a.	18.6	17.0	13.9	29.8	n.a.	n.a.	n.a.	n.a.	1.1	1.0	0.9
Intergis Co	4.2	7.8	n.a.	n.a.	0.9	1.4	n.a.	n.a.	0.4	0.4	n.a.	n.a.
Vegetexco Port	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	10.9	n.a.	n.a.	n.a.	14.5	n.a.	n.a.	n.a.	0.5	n.a.	n.a.	n.a.
Ocean Wilsons Holdings	28.6	28.4	26.0	23.3	26.1	26.4	24.3	22.2	2.4	2.4	2.3	2.2
Wilson Sons Holdings Brasil	18.2	17.1	14.7	n.a.	12.4	13.4	11.9	9.6	3.1	n.a.	n.a.	n.a.
Dalrymple Bay Infrastructure	18.0	25.5	23.8	18.8	12.2	13.7	13.6	12.6	1.6	2.5	3.3	1.7
Isewan Terminal Service	11.0	8.6	8.0	7.8	11.1	10.9	10.2	n.a.	1.2	n.a.	n.a.	n.a.
Santos Brasil Participacoes	13.4	15.1	13.6	12.2	10.7	10.9	8.9	7.8	5.1	5.1	4.9	7.3
Westshore Terminals Investment	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Saudi Industrial Services	57.3	18.4	14.4	n.a.	9.9	n.a.	n.a.	n.a.	0.9	n.a.	n.a.	n.a.
Touage Investissements Reunies	14.5	12.9	14.9	14.0	11.1	10.3	11.9	11.3	2.0	n.a.	n.a.	n.a.
Alexandria Container and Cargo	7.7	10.4	7.8	7.6	8.1	12.0	n.a.	n.a.	4.5	7.2	n.a.	n.a.
Sun Kwang	n.a.	n.a.	n.a.	n.a.	93.5	60.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Container Terminal	32.5	n.a.	n.a.	n.a.	30.7	n.a.	n.a.	n.a.	1.0	n.a.	n.a.	n.a.
Fushiki Kairiku Unso	6.2	9.1	n.a.	n.a.	6.4	11.9	n.a.	n.a.	0.4	0.4	n.a.	n.a.
Gujarat Pipavav Port	18.0	30.0	15.8	14.2	12.2	20.2	11.7	10.5	3.0	3.1	3.0	3.1
Namyong Terminal	n.a.	7.9	7.0	6.3	7.5	6.0	5.5	5.1	0.9	n.a.	n.a.	n.a.
Sakurajima Futo Kaisha	8.6	8.5	9.3	9.1	13.3	15.7	15.7	15.6	1.0	1.0	0.9	0.8
<b>Group median</b>	<b>14.0</b>	<b>12.9</b>	<b>14.5</b>	<b>13.1</b>	<b>12.2</b>	<b>13.4</b>	<b>11.9</b>	<b>12.0</b>	<b>1.1</b>	<b>1.7</b>	<b>2.3</b>	<b>1.7</b>
Tallinna Sadam (Nordea)	19.2	17.0	15.7	13.6	17.8	15.8	14.0	11.7	0.8	0.8	0.7	0.6
<b>diff. from average</b>	<b>37%</b>	<b>32%</b>	<b>8%</b>	<b>4%</b>	<b>45%</b>	<b>18%</b>	<b>18%</b>	<b>-2%</b>	<b>-30%</b>	<b>-54%</b>	<b>-68%</b>	<b>-62%</b>

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
<b>Total revenue</b>	<b>103</b>	<b>121</b>	<b>131</b>	<b>131</b>	<b>107</b>	<b>110</b>	<b>122</b>	<b>117</b>	<b>120</b>	<b>124</b>	<b>129</b>
Revenue growth	10.0%	17.5%	7.7%	-0.1%	-17.8%	2.5%	10.6%	-4.2%	3.2%	3.2%	3.5%
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	49	67	74	75	60	55	56	50	54	57	59
Depreciation and impairments PPE	0	-26	-22	-23	-24	-25	-25	-25	-24	-25	-25
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	49	40	52	52	36	30	31	25	29	32	34
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	49	40	52	52	36	30	31	25	29	32	34
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	-2	-1	-1	-2	-1	-2	-6	-8	-7	-7
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>48</b>	<b>39</b>	<b>51</b>	<b>50</b>	<b>33</b>	<b>29</b>	<b>29</b>	<b>18</b>	<b>22</b>	<b>25</b>	<b>27</b>
Reported taxes	-9	-12	-26	-6	-5	-3	-4	-3	-3	-5	-4
Net profit from continued operations	40	27	24	44	29	26	25	15	19	20	23
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	40	27	24	44	29	26	25	15	19	20	23
<b>EPS, EUR</b>	<b>0.15</b>	<b>0.10</b>	<b>0.11</b>	<b>0.17</b>	<b>0.11</b>	<b>0.10</b>	<b>0.09</b>	<b>0.06</b>	<b>0.07</b>	<b>0.08</b>	<b>0.09</b>
DPS, EUR	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.07	0.08
of which ordinary	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	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	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	42.9%	44.6%	46.3%	46.2%
EBITA	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	24.4%	26.0%	26.4%
EBIT	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	24.4%	26.0%	26.4%

## Adjusted earnings

EBITDA (adj)	49	67	74	75	60	55	56	50	54	57	59
EBITA (adj)	49	40	52	52	36	30	31	25	29	32	34
EBIT (adj)	49	40	52	52	36	30	31	25	29	32	34
EPS (adj, EUR)	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08	0.09

## Adjusted profit margins in percent

EBITDA (adj)	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	42.9%	44.6%	46.3%	46.2%
EBITA (adj)	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	24.4%	26.0%	26.4%
EBIT (adj)	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.1%	24.4%	26.0%	26.4%

## Performance metrics

CAGR last 5 years											
Net revenue	3.0%	6.5%	4.8%	3.1%	2.7%	1.3%	0.1%	-2.2%	-1.6%	3.0%	3.2%
EBITDA	2.7%	11.1%	8.3%	7.1%	8.1%	2.2%	-3.4%	-7.6%	-6.4%	-0.7%	1.7%
EBIT	2.7%	0.4%	0.9%	-0.5%	-2.5%	-9.5%	-5.2%	-13.9%	-10.7%	-1.9%	2.6%
EPS	1.1%	-2.6%	-6.7%	2.7%	-1.5%	-8.3%	-1.5%	-11.3%	-16.0%	-6.7%	-2.0%
DPS	0.7%	19.1%	46.7%	0.4%	-1.6%	0.7%	-10.7%	-30.8%	-8.7%	-2.2%	-3.9%
Average last 5 years											
Average EBIT margin	46.2%	43.5%	41.8%	40.3%	38.5%	34.9%	33.3%	29.4%	26.1%	24.8%	24.7%
Average EBITDA margin	46.2%	48.5%	50.5%	52.7%	54.7%	55.0%	53.2%	50.3%	47.6%	45.8%	45.3%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	19.2	16.9	15.7	13.6
EV/EBITDA (adj)	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	9.0	8.5	7.7
EV/EBITA (adj)	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	16.4	15.1	13.4
EV/EBIT (adj)	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	16.4	15.1	13.4

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	19.2	16.9	15.7	13.6
EV/Sales	n.a.	n.a.	5.42	5.32	6.13	5.97	4.25	3.76	4.00	3.93	3.54
EV/EBITDA	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	8.8	9.0	8.5	7.7
EV/EBITA	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	16.4	15.1	13.4
EV/EBIT	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	17.8	16.4	15.1	13.4
Dividend yield (ord.)	n.a.	n.a.	22.5%	5.8%	4.3%	5.2%	5.1%	6.5%	6.1%	5.7%	6.6%
FCF yield	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	9.0%	-1.8%	3.9%	16.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	9.0%	-1.8%	3.9%	16.3%
Payout ratio	62.3%	126.2%	430.6%	68.0%	71.0%	99.6%	77.4%	124.3%	103.2%	90.0%	90.0%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	1	2	2	2	2	2	2	2	2	2	2
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1	2	2	2	2	2	2	2	2	2	2
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	569	577	569	575	588	576	564	559	581	589	581
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	1	1	2	2	1	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	1	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	571	581	573	579	591	580	569	564	586	594	586
Inventory	0	0	0	0	0	0	1	1	1	1	1
Accounts receivable	17	9	8	11	10	14	7	12	13	13	13
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	0	0	0	0
Cash and bank	50	7	43	35	27	35	44	30	35	48	71
Total current assets	68	17	51	46	37	49	53	42	48	62	85
Assets held for sale	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>639</b>	<b>597</b>	<b>624</b>	<b>626</b>	<b>628</b>	<b>630</b>	<b>621</b>	<b>606</b>	<b>634</b>	<b>655</b>	<b>671</b>
Shareholders equity	347	326	368	377	375	381	381	378	377	378	403
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	347	326	368	377	375	381	381	378	377	378	403
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	128	214	198	192	194	187	171	158	186	207	198
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	25	25	24	26	28	31	31	36	36	36	36
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
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	153	238	222	217	222	219	203	194	222	243	234
Short-term provisions	1	2	2	2	1	2	2	1	1	1	1
Accounts payable	8	8	10	12	9	10	10	11	12	12	13
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	11	2	6	1	3	2	10	8	6	6	6
Short term interest bearing debt	118	22	16	16	17	16	16	14	16	15	14
Total current liabilities	139	33	34	31	30	30	37	35	35	35	34
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>639</b>	<b>597</b>	<b>624</b>	<b>626</b>	<b>628</b>	<b>630</b>	<b>621</b>	<b>606</b>	<b>634</b>	<b>655</b>	<b>671</b>
<b>Balance sheet and debt metrics</b>											
Net debt	196	229	171	173	185	168	143	142	167	173	140
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	-2	0	-8	-2	-1	2	-11	-7	-5	-5	-5
Invested capital	569	581	565	577	589	582	557	557	581	589	581
Capital employed	593	561	581	585	587	584	568	549	579	599	615
ROE	11.5%	8.0%	7.0%	11.9%	7.6%	6.8%	6.5%	4.1%	4.9%	5.3%	5.9%
ROIC	7.6%	6.0%	7.8%	7.8%	5.2%	4.4%	4.6%	3.8%	4.4%	4.7%	5.0%
ROCE	8.6%	7.0%	9.1%	8.9%	6.1%	5.1%	5.4%	4.6%	5.2%	5.5%	5.6%
Net debt/EBITDA	4.0	3.4	2.3	2.3	3.1	3.1	2.5	2.8	3.1	3.0	2.4
Interest coverage	82.5	20.8	26.0	29.5	20.9	21.7	15.4	3.5	3.8	4.6	4.7
Equity ratio	54.3%	54.6%	59.0%	60.3%	59.8%	60.5%	61.3%	62.3%	59.5%	57.7%	60.1%
Net gearing	56.5%	70.2%	46.5%	45.8%	49.3%	44.2%	37.5%	37.5%	44.2%	45.9%	34.8%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>49</b>	<b>67</b>	<b>74</b>	<b>75</b>	<b>60</b>	<b>55</b>	<b>56</b>	<b>50</b>	<b>54</b>	<b>57</b>	<b>59</b>
Paid taxes	-8	-21	-21	-11	-5	-3	-4	-3	-3	-5	-4
Net financials	-2	-2	-2	0	0	0	-1	-6	-8	-7	-7
Change in provisions	0	0	0	0	-1	0	0	-1	0	0	0
Change in other LT non-IB	0	0	0	1	3	3	1	5	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	9	-3	4	-1	-7	-4	1	0	0	0	20
<b>Funds from operations (FFO)</b>	<b>49</b>	<b>41</b>	<b>55</b>	<b>63</b>	<b>50</b>	<b>50</b>	<b>52</b>	<b>44</b>	<b>43</b>	<b>45</b>	<b>69</b>
Change in NWC	0	0	0	n.a.	0	0	0	0	-2	0	0
<b>Cash flow from operations (CFO)</b>	<b>49</b>	<b>41</b>	<b>55</b>	<b>63</b>	<b>50</b>	<b>50</b>	<b>52</b>	<b>44</b>	<b>41</b>	<b>46</b>	<b>69</b>
Capital expenditure	-39	-25	-12	-28	-30	-12	0	-17	-46	-33	-18
<b>Free cash flow before A&amp;D</b>	<b>10</b>	<b>16</b>	<b>43</b>	<b>35</b>	<b>19</b>	<b>38</b>	<b>52</b>	<b>27</b>	<b>-6</b>	<b>12</b>	<b>51</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	10	16	43	35	19	38	52	27	-6	12	51
Free cash flow bef A&D, lease adj	10	16	43	35	19	38	52	27	-6	12	51
Dividends paid	-35	-48	-105	-35	-30	-20	-25	-19	-19	-19	-18
Equity issues / buybacks	0	0	120	0	0	0	0	0	0	0	0
Net change in debt	49	-10	-22	-8	2	-10	-17	-16	30	20	-10
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	-7	0	0	0
Change in cash	24	-43	36	-7	-9	8	10	-15	5	13	23
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	96.3%	55.2%	n.m.	n.m.	49.2%	0.5%	67.7%	n.m.	n.m.	69.0%
Capex/Sales	37.6%	21.0%	9.4%	21.6%	28.0%	11.1%	0.1%	14.7%	38.6%	26.7%	13.7%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	2	2	2	2	1	1	1	1	1
Market cap.	n.a.	n.a.	537	522	473	489	375	297	315	315	315
Enterprise value	n.a.	n.a.	708	695	658	657	518	438	482	489	455
Diluted no. of shares, year-end (m)	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0

Source: Company data and Nordea estimates

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**Completion Date**

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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
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> 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			