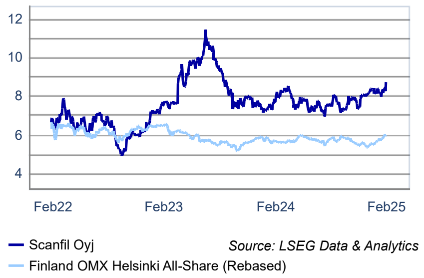
Scanfil Oyj

Capital Goods
Finland

KEY DATA

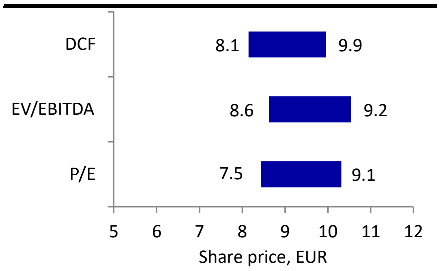
Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 8.76
Free float	25%
Market cap. (bn)	EUR 0.56/EUR 0.56
Website	www.scanfil.com/
Next report date	24 Apr 2025

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2025E	2026E	2027E
Sales	0%	0%	0%
EBIT (adj)	-1%	-1%	4%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Organic revenue growth should return in 2025

Q4 net sales and clean EBIT were broadly in line with consensus. Scanfil also reported signed orders worth EUR 61m during the quarter, which covers 7% of forecasted net sales in 2025. New projects are still in ramp-up phase, however, hence Q1 could be a weak quarter, and we believe organic growth could still be negative y/y in Q1. We keep our net sales forecast of EUR 853m unchanged, but we accept higher valuation multiples for Scanfil than last year because the revenue growth story is coming back. Our new fair value range is EUR 8.6-10.4 (8.2-10.0), based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E). The company's P/E and EV/EBITDA multiples for 2025E are now on par with their 12-year averages, but still below peers. The dividend proposal was EUR 0.24 (consensus expected EUR 0.25).

Net sales and clean EBIT were close to market consensus in Q4

Q4 net sales were 3% above LSEG Data & Analytics consensus. Organic revenue growth excluding the acquisition of SRXGlobal was -9% y/y in the quarter. Energy & Cleantech net sales were above our forecast for Q4, while Medtec & Life Science and Industrial were in line with our estimates. We believe Scanfil has adjusted its capacity in Poland to better match the weaker volumes. The Q4 operating profit margin was 6.6% (consensus: 7.0%). We believe China has been a decent market for Scanfil and volume problems have been more related to Europe. Reported EPS was EUR 0.14 (consensus: EUR 0.17) in the quarter. The revenue growth guidance range of 0-18% for 2025 looks wide. We expect 9.4% revenue growth (4.7% organic and 4.7% M&A) for this year. Operating profit was guided to be EUR 53-66m in 2025.

Q1 2025 could be a weak quarter

The European market could remain a bit weak for Scanfil in the short term. We trim our EBIT margin forecast from 6.9% to 6.8% in 2025. New projects won in Q4 are not yet visible as net sales. New deals made late 2024 also may not significantly support profitability in 2025 because Scanfil is focused on growth and may have sold its excess capacity at a small discount to market prices. We also note that the acquired SRXGlobal yielded an EBIT margin below 1% in October-December 2024. The company has put a lot of effort into improving costs and overall efficiency, however, so profitability should not become a major problem. Market consensus P/E for Scanfil in 2025E is 12.7x, compared to the peer group median of 14.6x.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	696	844	902	780	853	900	933
EBITDA (adj)	56	63	80	74	82	85	87
EBIT (adj)	40	45	61	53	58	61	62
EBIT (adj) margin	5.8%	5.4%	6.8%	6.7%	6.8%	6.8%	6.7%
EPS (adj, EUR)	0.47	0.54	0.75	0.60	0.69	0.74	0.77
EPS (adj) growth	-3.8%	14.8%	37.7%	-19.5%	15.1%	7.2%	2.9%
DPS (ord, EUR)	0.19	0.21	0.23	0.24	0.26	0.28	0.30
EV/Sales	0.8	0.6	0.6	0.7	0.7	0.6	0.6
EV/EBIT (adj)	13.5	11.3	9.1	10.6	10.0	9.1	8.5
P/E (adj)	15.7	12.1	10.4	13.7	12.6	11.8	11.4
P/BV	2.3	1.9	1.9	1.8	1.8	1.6	1.5
Dividend yield (ord)	2.5%	3.2%	2.9%	2.9%	3.0%	3.2%	3.4%
FCF Yield bef A&D, lease	-5.8%	-3.0%	8.4%	9.4%	3.7%	7.4%	7.4%
Net debt	60	86	52	21	16	-9	-33
Net debt/EBITDA	1.1	1.4	0.6	0.3	0.2	-0.1	-0.4
ROIC after tax	12.8%	11.8%	14.7%	12.3%	13.1%	13.4%	13.4%

Source: Company data and Nordea estimates

Quarterly estimates by segment

P&L (EURm; EPS IN EUR)

	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424	Q125E	Q225E	Q325E	Q425E
Industrial												
Net sales (EURm)	111.2	112.4	98.8	105.2	94.2	90.4	83.6	99.9	98.0	100.3	102.0	102.8
Sales growth y/y (%)	10%	-2%	-11%	-5%	-15%	-20%	-15%	-5%	4%	11%	22%	3%
Energy & Cleantech												
Net sales (EURm)	72.8	91.3	77.6	78.5	70.4	67.5	55.5	72.4	69.0	72.2	73.8	76.0
Sales growth y/y (%)	18%	47%	25%	15%	-3%	-26%	-28%	-8%	-2%	7%	33%	5%
Medtec & Life Science												
Net sales (EURm)	40.6	39.6	36.4	37.1	34.4	37.6	34.2	40.0	38.9	40.2	38.6	41.3
Sales growth y/y (%)	21%	10%	-6%	-13%	-15%	-5%	-6%	8%	13%	7%	13%	3%
	Q123	**Q223**	**Q323**	**Q423**	**Q124**	**Q224**	**Q324**	**Q424**	**Q125E**	**Q225E**	**Q325E**	**Q425E**
Group sales	**224.6**	**243.3**	**212.8**	**220.8**	**198.9**	**195.5**	**173.3**	**212.3**	**205.8**	**212.8**	**214.5**	**220.1**
Sales growth %	14.2%	14.3%	0.4%	-0.7%	-11.4%	-19.6%	-18.6%	-3.8%	3.5%	8.8%	23.7%	3.7%
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	-6.0	-5.9	-5.9	-5.9	-5.9
Reported EBIT	15.1	17.5	15.2	13.4	12.7	13.9	12.1	13.8	13.8	14.5	14.6	15.2
Reported EBIT margin	6.7%	7.2%	7.1%	6.1%	6.4%	7.1%	7.0%	6.5%	6.7%	6.8%	6.8%	6.9%
Group adj. EBIT	**15.1**	**17.5**	**15.2**	**13.4**	**12.7**	**13.9**	**12.4**	**14.0**	**13.8**	**14.5**	**14.6**	**15.2**
Adj. EBIT margin	6.7%	7.2%	7.1%	6.1%	6.4%	7.1%	7.2%	6.6%	6.7%	6.8%	6.8%	6.9%
Net financials	-0.6	0.9	-0.7	0.6	0.2	0.1	-0.2	-1.5	-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	12.3	13.6	14.3	14.4	15.0
Income tax	-2.8	-3.9	-3.5	-3.2	-3.1	-3.1	-3.1	-3.1	-3.1	-3.3	-3.3	-3.4
Tax rate %	19%	21%	24%	23%	24%	22%	26%	25%	23%	23%	23%	23%
Reported net profit for the period	11.7	14.5	11.0	10.8	9.8	10.9	8.8	9.2	10.5	11.0	11.1	11.5
Adj net profit for the period	11.7	14.5	11.0	10.8	9.8	10.9	9.1	9.2	10.5	11.0	11.1	11.5
Reported EPS	0.18	0.22	0.17	0.17	0.15	0.17	0.14	0.14	0.16	0.17	0.17	0.18
Adj. EPS	**0.18**	**0.22**	**0.17**	**0.17**	**0.15**	**0.17**	**0.13**	**0.14**	**0.16**	**0.17**	**0.17**	**0.18**

Source: Company data and Nordea estimates

Annual estimates by segment

P&L (EURm; EPS IN EUR)

	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Industrial									
Net sales (EURm)					438.5	427.6	368.1	403.1	425.2
Sales growth y/y (%)					n.a.	-2%	-14%	10%	5%
Energy & Cleantech									
Net sales (EURm)			135.6	182.0	254.2	320.2	265.8	291.1	307.1
Sales growth y/y (%)				34%	40%	26%	-17%	10%	5%
Medtec & Life Science									
Net sales (EURm)			107.9	120.6	151.0	153.7	146.2	159.1	167.8
Sales growth y/y (%)				12%	25%	2%	-5%	9%	5%
Group	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**
Net sales	**563.0**	**579.5**	**595.4**	**695.7**	**843.7**	**901.6**	**779.9**	**853.2**	**900.1**
Sales growth %	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-13.5%	9.4%	5.5%
Other operating income	0.4	1.0	12.5	1.1	1.0	0.9	1.2	2.0	2.0
Depreciation and amortisation	-7.5	-15.7	-14.1	-12.6	-14.8	-19.1	-21.2	-23.5	-24.0
Reported EBIT	37.8	35.3	44.3	39.6	45.4	61.3	52.6	58.0	61.2
Reported EBIT margin	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.7%	6.8%	6.8%
Group adj. EBIT	**37.8**	**38.9**	**39.1**	**40.3**	**45.4**	**61.3**	**52.6**	**58.0**	**61.2**
Adj. EBIT margin	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.7%	6.8%	6.8%
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	0.3	-1.4	-1.5	-1.3
Pre-tax profit	36.1	34.0	41.7	37.7	41.7	61.6	51.2	56.5	59.9
Income tax	-7.1	-5.9	-4.8	-7.9	-6.7	-13.4	-12.4	-11.9	-12.0
Tax rate %	20%	17%	12%	21%	16%	22%	24%	21%	20%
Reported net profit for the period	29.0	28.1	36.9	29.8	35.0	48.2	38.8	44.7	47.9
Adj net profit for the period	29.0	31.7	31.7	30.5	35.0	48.2	38.8	44.7	47.9
Reported EPS	0.45	0.44	0.57	0.46	0.54	0.75	0.60	0.69	0.74
Adj. EPS	**0.45**	**0.49**	**0.49**	**0.47**	**0.54**	**0.75**	**0.60**	**0.69**	**0.74**

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				GROWTH				EBIT MARGIN			
	2023	**2024**	**2025E**	**2026E**	**2023**	**2024**	**2025E**	**2026E**	**2023**	**2024**	**2025E**	**2026E**
Hon Hai Precision Industry Co Ltd	181,989	200,929	246,985	282,728	-7%	11%	23%	14%	3%	3%	3%	3%
Delta Electronics Inc	11,849	12,354	14,220	16,022	4%	3%	15%	13%	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	1,936	2,125	2,230	-22%	-10%	5%	5%	10%	10%	10%	10%
Universal Scientific Industrial	7,761	8,068	8,642	9,499	-11%	-1%	9%	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	26,954	28,795	29,777	-12%	-4%	7%	4%	1%	2%	2%	2%
Foxconn Interconnect Technology	3,802	4,339	5,306	6,152	-7%	8%	22%	16%	6%	6%	7%	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	267	294	-16%	7%	14%	10%	13%	12%	12%	12%
Celestica Inc	7,214	9,317	10,350	12,036	10%	21%	12%	16%	5%	6%	7%	7%
SIIX Corp	1,990	1,858	1,969	2,116	12%	-2%	7%	7%	4%	3%	n.a.	n.a.
Fabrinet	2,425	2,691	3,236	3,659	17%	9%	18%	13%	11%	10%	10%	10%
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	647	677	767	21%	-17%	5%	13%	9%	8%	8%	9%
Lacroix Group SA	761	636	n.a.	n.a.	8%	-12%	n.a.	n.a.	2%	3%	n.a.	n.a.
Hanza AB	373	424	564	623	17%	17%	29%	11%	8%	5%	7%	7%
Group median					**1.4%**	**-4.5%**	**9.4%**	**9.4%**	**5.4%**	**5.4%**	**6.6%**	**7.1%**
Scanfil (Nordea)	902	780	853	900	6.9%	-13.5%	9.4%	5.5%	6.8%	6.7%	6.8%	6.8%
diff. from median (pp)					**5.4**	**-9.0**	**0.0**	**-3.9**	**1.4**	**1.3**	**0.2**	**-0.3**

Source: LSEG Data & Analytics and Nordea estimates

EMS PEER GROUP: VALUATION

	P/E				EV/EBITDA				P/B			
	2023	**2024**	**2025E**	**2026E**	**2023**	**2024**	**2025E**	**2026E**	**2023**	**2024**	**2025E**	**2026E**
Hon Hai Precision Industry Co Ltd	10.4	16.0	12.4	10.7	5.0	8.9	7.3	6.3	1.7	1.5	1.4	1.2
Delta Electronics Inc	24.5	26.3	21.2	17.9	13.2	13.7	11.5	10.1	5.1	4.5	4.0	3.5
Pegatron Corp	14.9	14.6	13.8	12.9	8.3	7.6	6.3	6.1	1.3	1.3	1.3	1.2
Venture Corporation Ltd	14.7	15.6	13.6	12.9	8.8	8.5	7.2	6.8	1.2	1.3	1.3	1.2
Universal Scientific Industrial	17.4	22.3	18.6	14.5	8.9	11.6	10.4	8.6	2.1	2.3	2.1	1.9
Jabil Inc	19.0	9.8	18.6	16.1	6.5	6.3	9.0	8.3	7.6	9.6	12.8	10.2
Compal Electronics Inc	22.8	15.5	13.7	12.7	10.4	8.7	8.1	7.7	1.4	1.3	1.3	1.2
Foxconn Interconnect Technology	8.3	21.0	13.3	10.2	2.8	11.2	7.7	6.8	1.5	1.4	1.3	1.2
Inventec Corp	31.0	23.4	18.0	15.7	20.8	15.2	13.5	10.9	2.9	2.7	2.6	2.5
Micro-Star International Co Ltd	23.0	18.5	14.4	13.0	14.5	13.9	10.3	9.6	3.2	3.1	2.8	2.5
Plexus Corp	18.8	34.1	20.0	18.0	9.5	13.6	11.2	10.1	3.2	3.2	2.7	n.a.
Note AB (publ)	13.5	17.2	14.8	12.7	9.0	9.2	8.9	7.9	3.1	2.8	2.4	2.0
Sanmina Corp	10.5	17.6	14.3	12.3	5.0	7.6	7.5	7.2	1.4	2.1	2.0	1.9
Incap Oyj	11.5	17.4	14.4	13.1	7.0	10.0	8.9	8.2	3.3	2.8	2.4	2.0
Celestica Inc	14.4	25.6	24.9	20.7	7.0	14.4	16.0	13.6	9.7	5.6	n.a.	n.a.
SIIX Corp	8.4	15.1	6.8	5.7	5.3	4.8	4.0	3.6	0.6	0.5	0.5	0.5
Fabrinet	19.3	30.2	21.6	19.0	13.8	24.4	17.1	14.8	5.5	4.7	4.0	3.5
Sercomm Corp	15.3	17.4	15.4	13.9	8.5	7.3	6.8	7.5	3.2	2.7	2.5	n.a.
TT Electronics	4.6	7.6	5.2	3.9	6.0	5.4	4.3	3.6	0.5	0.6	0.5	0.5
Alpha Networks Inc	37.5	71.9	24.2	20.5	14.1	27.1	10.9	9.9	1.9	1.9	n.a.	n.a.
Ducommun Inc	45.7	18.4	15.3	12.9	12.6	9.2	8.1	7.3	1.4	1.4	1.3	1.2
Valuetronics Holdings Ltd	8.3	7.0	9.2	8.9	n.a.	1.9	2.2	2.0	0.7	0.8	0.6	0.6
Kitron ASA	11.7	20.5	18.3	14.2	8.3	10.3	10.9	9.5	4.5	3.6	3.1	2.7
Lacroix Group SA	33.7	3.3	n.a.	n.a.	5.0	n.a.	n.a.	n.a.	0.8	n.a.	n.a.	n.a.
Hanza AB	16.1	30.3	12.6	10.3	8.6	8.7	5.9	5.2	2.8	2.4	2.1	1.8
Group average	**18.2**	**20.7**	**15.6**	**13.4**	**9.1**	**10.8**	**8.9**	**8.0**	**2.8**	**2.7**	**2.5**	**2.2**
Scanfil (Nordea)	10.4	13.7	12.6	11.8	6.9	7.5	6.9	6.1	1.9	1.8	1.7	1.5
diff. from average	-43%	-34%	-19%	-13%	-24%	-30%	-22%	-23%	-33%	-31%	-31%	-30%

Source: LSEG Data & Analytics and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	**530**	**563**	**580**	**595**	**696**	**844**	**902**	**780**	**853**	**900**	**933**
Revenue growth	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-13.5%	9.4%	5.5%	3.6%
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	40	47	53	60	55	63	80	74	82	85	87
Depreciation and impairments PPE	-7	-8	-16	-14	-13	-15	-19	-21	-24	-24	-24
of which leased assets	0	0	-3	-3	-3	-4	-5	-5	-5	-5	-5
EBITA	33	40	37	46	42	48	61	53	58	61	62
Amortisation and impairments	-2	-2	-2	-2	-3	-3	0	0	0	0	0
EBIT	31	38	35	44	40	45	61	53	58	61	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	-2	-1	-3	-2	-4	0	-1	-1	-1	-1
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**33**	**36**	**34**	**42**	**38**	**42**	**62**	**51**	**57**	**60**	**61**
Reported taxes	-7	-7	-6	-5	-8	-7	-13	-12	-12	-12	-12
Net profit from continued operations	26	29	28	37	30	35	48	39	45	48	49
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	26	29	28	37	30	35	48	39	45	48	49
EPS, EUR	**0.40**	**0.45**	**0.44**	**0.57**	**0.46**	**0.54**	**0.75**	**0.60**	**0.69**	**0.74**	**0.77**
DPS, EUR	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.24	0.26	0.28	0.30
of which ordinary	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.24	0.26	0.28	0.30
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	7.6%	8.4%	9.1%	10.1%	7.9%	7.4%	8.9%	9.5%	9.6%	9.5%	9.3%
EBITA	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	6.8%	6.7%	6.8%	6.8%	6.7%
EBIT	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.7%	6.8%	6.8%	6.7%
Adjusted earnings											
EBITDA (adj)	40	47	53	55	56	63	80	74	82	85	87
EBITA (adj)	33	40	37	41	43	48	61	53	58	61	62
EBIT (adj)	31	38	39	39	40	45	61	53	58	61	62
EPS (adj, EUR)	0.36	0.45	0.49	0.49	0.47	0.54	0.75	0.60	0.69	0.74	0.77
Adjusted profit margins in percent											
EBITDA (adj)	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.9%	9.5%	9.6%	9.5%	9.3%
EBITA (adj)	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	6.8%	6.7%	6.8%	6.8%	6.7%
EBIT (adj)	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.7%	6.8%	6.8%	6.7%
Performance metrics											
CAGR last 5 years											
Net revenue	24.0%	24.5%	22.0%	9.6%	6.5%	9.8%	9.9%	6.1%	7.5%	5.3%	2.0%
EBITDA	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	11.2%	6.8%	6.2%	9.1%	6.7%
EBIT	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	10.2%	8.3%	5.5%	9.1%	6.6%
EPS	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	10.5%	6.7%	3.9%	10.0%	7.1%
DPS	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%	9.9%	8.9%	8.1%	7.4%
Average last 5 years											
Average EBIT margin	4.5%	4.9%	4.9%	5.6%	6.4%	6.2%	6.2%	6.4%	6.3%	6.5%	6.8%
Average EBITDA margin	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.6%	8.7%	8.7%	9.0%	9.3%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E (adj)	11.8	8.2	9.9	13.2	15.7	12.1	10.4	13.7	12.6	11.8	11.4
EV/EBITDA (adj)	7.8	5.7	6.8	8.0	9.7	8.1	6.9	7.5	7.1	6.5	6.2
EV/EBITA (adj)	9.4	6.8	9.7	10.7	12.6	10.7	9.1	10.6	10.0	9.1	8.5
EV/EBIT (adj)	10.0	7.1	9.3	11.3	13.5	11.3	9.1	10.6	10.0	9.1	8.5

VALUATION RATIOS - REPORTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E	10.5	8.2	11.2	11.4	16.1	12.1	10.4	13.7	12.6	11.8	11.4
EV/Sales	0.59	0.48	0.63	0.74	0.78	0.61	0.62	0.71	0.68	0.62	0.57
EV/EBITDA	7.8	5.7	6.8	7.3	9.9	8.1	6.9	7.5	7.1	6.5	6.2
EV/EBITA	9.4	6.8	9.7	9.5	12.8	10.7	9.1	10.6	10.0	9.1	8.5
EV/EBIT	10.0	7.1	10.3	9.9	13.7	11.3	9.1	10.6	10.0	9.1	8.5
Dividend yield (ord.)	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.9%	2.9%	3.0%	3.2%	3.4%
FCF yield	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	9.3%	6.0%	4.5%	8.2%	8.2%
FCF Yield bef A&D, lease adj	3.9%	8.1%	8.2%	5.5%	-5.8%	-3.0%	8.4%	9.4%	3.7%	7.4%	7.4%
Payout ratio	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	30.7%	39.8%	37.4%	37.6%	39.1%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Intangible assets	25	22	25	23	21	19	18	49	49	49	49
of which R&D	n.a.	0	0	0	0	0	0	0	0	0	0
of which other intangibles	15	12	17	14	13	11	10	20	20	20	20
of which goodwill	10	10	8	8	8	8	8	29	29	29	29
Tangible assets	48	49	72	65	72	80	85	95	93	91	91
of which leased assets	0	0	21	18	22	24	23	27	27	27	27
Shares associates	n.a.	0	1	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	4	4	6	7	9	8	8	8	8	8	8
Other non-IB non-current assets	0	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	77	76	103	95	102	107	112	152	150	148	148
Inventory	101	99	102	103	193	229	209	168	171	175	181
Accounts receivable	106	108	112	113	149	165	174	165	181	191	198
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	2	2	3	2	4	4	3	5	5	6	6
Cash and bank	21	19	20	26	25	21	21	49	54	75	95
Total current assets	230	228	237	245	372	419	406	387	411	446	479
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	**307**	**304**	**340**	**339**	**474**	**526**	**518**	**539**	**561**	**595**	**628**
Shareholders equity	125	145	167	183	207	227	266	291	320	351	382
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	125	145	167	183	207	227	266	291	320	351	382
Deferred tax	5	6	7	6	5	5	6	10	10	10	10
Long term interest bearing debt	27	17	25	18	42	36	0	20	25	25	25
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	1	1	2	2	2	2
Other long-term liabilities	0	0	0	0	0	0	0	10	0	0	0
Non-current lease debt	0	0	19	16	20	20	19	22	22	22	22
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	33	23	51	40	67	62	25	64	58	58	58
Short-term provisions	0	0	0	4	2	0	1	1	1	1	1
Accounts payable	113	104	96	100	172	184	167	154	156	163	169
Current lease debt	0	0	4	4	3	4	4	5	5	5	5
Other current liabilities	n.a.	0	3	2	1	3	5	2	2	2	3
Short term interest bearing debt	36	33	20	6	20	46	50	23	18	14	10
Total current liabilities	149	136	122	116	199	237	227	184	182	185	187
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**307**	**304**	**340**	**339**	**473**	**526**	**518**	**539**	**561**	**595**	**628**
Balance sheet and debt metrics											
Net debt	43	30	46	18	60	86	52	21	16	-9	-33
of which lease debt	0	0	22	20	23	25	23	27	27	27	27
Working capital	96	105	118	117	173	211	214	183	199	206	213
Invested capital	173	181	221	212	275	318	325	335	348	354	362
Capital employed	188	194	233	227	293	333	339	361	390	417	444
ROE	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	19.6%	13.9%	14.6%	14.3%	13.4%
ROIC	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	14.7%	12.3%	13.1%	13.4%	13.4%
ROCE	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	18.3%	15.1%	15.5%	15.2%	14.5%
Net debt/EBITDA	1.1	0.6	0.9	0.3	1.1	1.4	0.6	0.3	0.2	-0.1	-0.4
Interest coverage	4.8	21.1	25.3	16.5	19.9	12.0	n.m.	35.2	36.7	42.8	45.9
Equity ratio	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	51.4%	54.0%	57.1%	59.1%	60.9%
Net gearing	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	19.4%	7.3%	5.0%	-2.6%	-8.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
EBITDA (adj) for associates	**40**	**47**	**53**	**60**	**55**	**63**	**80**	**74**	**82**	**85**	**87**
Paid taxes	-8	-7	-8	-7	-11	-4	-9	-18	-12	-12	-12
Net financials	-2	-2	-2	-2	-1	-2	-4	-2	-1	-1	-1
Change in provisions	-5	0	0	4	-3	0	1	1	0	0	0
Change in other LT non-IB	-2	0	-1	-1	-2	1	0	10	-10	0	0
Cash flow to/from associates	n.a.	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	4	0	2	-11	2	-3	3	-9	0	0	0
Funds from operations (FFO)	**27**	**39**	**44**	**43**	**40**	**53**	**72**	**56**	**58**	**72**	**73**
Change in NWC	-6	-10	-8	-8	-53	-43	-3	36	-16	-7	-7
Cash flow from operations (CFO)	**21**	**29**	**36**	**35**	**-13**	**10**	**69**	**92**	**42**	**65**	**66**
Capital expenditure	-11	-10	-7	-9	-13	-19	-22	-38	-17	-18	-20
Free cash flow before A&D	**11**	**19**	**29**	**26**	**-25**	**-9**	**47**	**55**	**25**	**47**	**46**
Proceeds from sale of assets	0	0	0	13	0	0	0	0	0	0	0
Acquisitions	0	0	-10	0	0	0	0	-22	0	0	0
Free cash flow	11	19	18	39	-25	-9	47	32	25	47	46
Free cash flow bef A&D, lease adj	11	19	26	23	-28	-13	42	50	21	42	42
Dividends paid	-6	-7	-8	-10	-11	-12	-14	-15	-16	-17	-18
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	-4	-14	-43	-21	39	20	-34	-13	0	-4	-4
Other financing adjustments	n.a.	0	0	0	0	0	0	-3	-5	-5	-5
Other non-cash adjustments	-1	0	34	-3	-4	-3	1	26	0	0	0
Change in cash	0	-1	1	5	-1	-5	0	27	5	21	20
Cash flow metrics											
Capex/D&A	n.m.	n.m.	41.2%	58.4%	83.8%	n.m.	n.m.	n.m.	70.7%	75.0%	81.0%
Capex/Sales	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.4%	4.8%	2.0%	2.0%	2.1%
Key information											
Share price year end (/current)	4	4	5	7	7	7	8	8	9	9	9
Market cap.	271	239	316	422	483	426	505	534	567	567	567
Enterprise value	314	269	362	440	543	511	557	555	583	558	534
Diluted no. of shares, year-end (m)	63.8	63.8	64.7	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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