Nordea

Commisioned Equity Research

Flash Comment

5 June 2025

Commissioned research: Incap – Nordea's Nordic EMS Days - Incap's core competitive edge related to the cost structure will remain

Marketing material commissioned by Incap

Today, we hosted a presentation by Incap's CEO Otto Pukk, at our virtual Nordic EMS seminar on Thursday (June 5). Key takeaways were related to Incap's good profitability and for the full year outlook. Our conclusion is that Incap's decentralised business model continue to offer a competitive edge compared to its competitors. Regardless there is some hesitation in the EMS markets, Incap is confident regarding its full year 2025 guidance of growing net sales and EBIT. Only minor part (6-7%) of the company's total revenues are related to defence sector. The company sees that end consumers are going to pay the bill regarding higher tariffs and logistic costs. However, massive overcapacity in China could lead to increased offering in Europe and even take down input costs and end prices in Europe. Overall, investments to green technology will continue, regardless of volume decreases seen in several sectors. Incap's 2025E EV/EBIT is currently 35% below the peer group median according to our analysis.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	169.8	263.8	221.6	230.1	239.9	266.3	291.6
EBITDA (adj.)	29.3	42.7	35.7	36.4	36.8	41.2	44.2
EBIT (adj.)	26.0	38.9	30.5	30.1	30.3	34.6	37.5
EBIT (adj.) margin	15.3%	14.7%	13.8%	13.1%	12.6%	13.0%	12.9%
EPS (adj. EUR)	0.72	0.94	0.75	0.80	0.77	0.88	0.96
EPS (adj.) growth	78.2%	30.8%	-20.1%	6.81%	-4.20%	14.6%	8.72%
DPS (ord. EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	2.72	1.95	0.99	1.13	1.09	0.89	0.73
EV/EBIT (adj.)	17.8	13.2	7.17	8.65	8.58	6.88	5.69
P/E (adj.)	21.8	18.2	10.3	12.8	14.3	12.5	11.5
P/BV	7.31	5.73	2.13	2.27	2.10	1.80	1.56
Dividend yield (ord.)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF yield before A&D, lease-adj.	1.12%	-1.25%	15.2%	10.4%	7.09%	6.85%	7.63%
Net debt	1.70	13.6	-8.48	-41.2	-64.2	-86.4	-111.2
Net debt/EBITDA	0.06	0.32	-0.25	-1.16	-1.78	-2.14	-2.56
ROIC	34.5%	34.4%	22.5%	23.0%	24.1%	27.5%	29.0%

Source: Company data and Nordea estimates

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