

Scanfil Oyj

Capital Goods
Finland

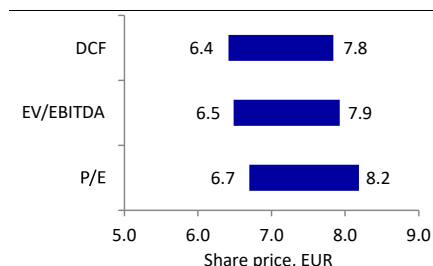
KEY DATA

Stock country	Finland
Bloomberg	SCANFL.FH
Reuters	SCANFL.HE
Share price (close)	EUR 8.30
Free Float	25%
Market cap. (bn)	EUR 0.53/EUR 0.53
Website	www.scanfil.com/
Next report date	26 Oct 2021

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	0%	0%
EBIT (adj)	-3%	-1%	-1%

Source: Nordea estimates

Nordea Markets - Analysts

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Analyst

Good growth but slightly weak profitability in Q2

The company was not able to offer a clear beat to Refinitiv consensus on EBIT, which is why the share price dropped by 5% upon the release of the Q2 report on 6 August. However, the EBIT margin should reach 7% when pass-through billing and the Hamburg restructuring are over. We upgrade our 2021 revenue forecast by 1% but downgrade our EBIT estimate by 3%. Our fair value range for Scanfil remains at EUR 6.5-8.0, based on three equally weighted valuation approaches – DCF, EV/EBITDA and P/E. The next positive trigger could be the CMD in September when the company could upgrade its long-term revenue guidance.

Operating profit was under market consensus in Q2

Scanfil's net sales came in 4% above Refinitiv's Q2 consensus, while operating profit was 7% below. Underlying comparable sales growth was up to 15% y/y in Q2., but operating profit margin was only 6.1%. Reorganisation costs related to the Hamburg plant were some 0.2 pp of EBIT margin in Q2 and should fade away in Q4. Demand growth combined with component prices increased inventory value by some EUR 21m q/q, which is why cash flow was close to zero in Q2.

Full-year guidance is realistic

Scanfil guides for 2021 net sales of EUR 630-680m and adjusted EBIT of EUR 41-46m. We see this full-year guidance as realistic. The key issue for next year is how long the positive economic cycle will last. Scanfil has good visibility into H2 2021 and there are no clear marks of demand weakness for 2022 yet. Raw material and component prices have recently moved sideways which indicates some stabilisation in tight markets. The majority of the sales growth this year has come from existing customers, but Scanfil has been more active in new customer acquisition than before, which should keep the organic revenue growth prospects healthy next year.

Valuation is 20% above the peer group average

For 2021, we forecast 12.2% y/y revenue growth and a 6.6% adjusted EBIT margin. Scanfil will most likely upgrade its long-term (2023E) revenue target of EUR 700m at the September CMD. But an upgrade to the current long term EBIT margin target of 7% would be a clear positive surprise. With our new estimates, the company's 2021E P/E and EV/EBITDA multiples combined are now ~20% above those of the peer group. However, we see no reason why Scanfil should trade at a discount to its competitors.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	530	563	580	595	668	693	716
EBITDA (adj)	40	47	53	55	59	62	65
EBIT (adj)	31	38	39	39	44	47	49
EBIT (adj) margin	5.9%	6.7%	6.7%	6.6%	6.6%	6.8%	6.9%
EPS (adj, EUR)	0.36	0.45	0.49	0.49	0.53	0.57	0.60
EPS (adj) growth	50.7%	26.5%	8.4%	0.0%	8.0%	6.4%	5.0%
DPS (ord, EUR)	0.11	0.13	0.15	0.17	0.19	0.21	0.23
EV/Sales	0.6	0.5	0.6	0.7	0.8	0.8	0.7
EV/EBIT (adj)	10.0	7.1	9.3	11.3	12.6	11.3	10.3
P/E (adj)	11.8	8.2	9.9	13.2	15.6	14.6	13.9
P/BV	2.2	1.7	1.9	2.3	2.6	2.3	2.1
Dividend yield (ord)	2.6%	3.5%	3.1%	2.6%	2.3%	2.5%	2.8%
FCF Yield bef A&D, lease	3.9%	8.1%	8.2%	5.5%	2.8%	6.1%	6.8%
Net debt	43	30	46	18	14	-6	-29
Net debt/EBITDA	1.1	0.6	0.9	0.3	0.2	-0.1	-0.5
ROIC after tax	14.6%	16.5%	14.9%	13.9%	15.4%	15.9%	16.5%

Source: Company data and Nordea estimates

Segment estimates

Quarterly segment revenue estimates (EURm; EPS IN EUR)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021E	Q4 2021E
Advanced Consumer Applications								
Net sales (EURm)	31.1	40.1	38.6	41.4	42.9	53.4	49.0	46.7
Sales growth y/y (%)					38%	33%	27%	13%
Automation & Safety								
Net sales (EURm)	37.9	36.6	33.7	34.0	34.5	36.8	37.1	38.1
Sales growth y/y (%)					-9%	1%	10%	12%
Connectivity								
Net sales (EURm)	7.4	7.7	7.1	6.5	8.1	7.3	8.1	8.4
Sales growth y/y (%)					9%	-5%	14%	29%
Energy & Cleantech								
Net sales (EURm)	34.4	33.8	30.0	37.4	40.3	44.8	42.6	41.8
Sales growth y/y (%)					17%	33%	42%	12%
Medtec & Life Science								
Net sales (EURm)	27.0	25.4	26.0	29.5	29.1	28.5	29.6	30.4
Sales growth y/y (%)					8%	12%	14%	3%
Discontinued								
Net sales (EURm)	6.3	12.0	6.3	5.3	8.5	2.0	0.0	0.0
Sales growth y/y (%)					35%	-83%	-100%	-100%

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021E	Q4 2021E
Group sales	144.1	155.6	141.6	154.1	163.4	172.9	166.4	165.3
Sales growth %	10.9%	9.1%	-7.0%	-0.4%	13.4%	11.1%	17.5%	7.3%
Other operating income	0.2	0.2	11.8	0.3	0.3	0.1	0.2	0.2
Expenses	-134.0	-139.4	-130.3	-146.0	150.7	-160.5	-134.2	-133.3
Depreciation and amortization	-3.8	-3.8	-3.7	-4.8	-3.8	-3.8	-3.8	-3.8
Reported EBIT	8.6	10.2	21.2	4.3	10.0	10.6	11.2	12.1
Reported EBIT margin	6.0%	6.6%	15.0%	2.8%	6.1%	6.1%	6.7%	7.3%
Group adj. EBIT	8.6	10.2	9.9	10.4	10.0	10.6	11.2	12.1
Adj. EBIT margin	6.0%	6.6%	7.0%	6.7%	6.1%	6.1%	6.7%	7.3%
Net financials	0.1	-0.6	-0.8	-1.3	0.0	-0.1	-0.6	-0.3
Pre-tax profit	8.7	9.6	20.4	3.0	10.0	10.5	10.6	11.8
Income tax	-1.2	-1.2	-2.5	0.1	-1.7	-1.8	-2.0	-2.2
Tax rate %	14%	13%	12%	-3%	17%	17%	19%	19%
Reported net profit for the period	7.5	8.4	29.2	-3.0	7.6	8.6	8.6	9.3
Adj net profit for the period	7.5	8.4	17.9	3.1	7.6	8.6	8.6	9.3
Reported EPS	0.12	0.13	0.28	0.05	0.13	0.13	0.13	0.15
Adj. EPS	0.12	0.13	0.10	0.14	0.13	0.13	0.13	0.15
Market consensus EPS (Refinitiv)							0.13	0.14

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				GROWTH				EBIT MARGIN			
	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E
Hon Hai Precision Industry Co Ltd	159,354	156,265	182,123	185,728	1%	0%	12%	2%	2%	2%	3%	3%
Delta Electronics Inc	7,997	8,242	9,757	10,706	13%	5%	15%	10%	7%	11%	12%	13%
Pegatron Corp	40,751	40,811	37,699	39,723	2%	2%	-11%	5%	1%	1%	2%	2%
Venture Corporation Ltd	2,411	1,868	2,129	2,296	4%	-17%	10%	8%	11%	11%	12%	12%
Universal Scientific Industrial Shangh	4,767	5,985	7,529	8,774	11%	28%	29%	17%	4%	4%	4%	4%
Jabil Inc	23,007	22,844	24,917	26,156	14%	8%	13%	5%	3%	3%	4%	4%
Compal Electronics Inc	29,242	30,592	34,263	33,548	1%	7%	10%	-2%	1%	1%	1%	1%
Foxconn Interconnect Technology Ltd	3,900	3,533	3,568	3,780	9%	-1%	-1%	6%	7%	4%	4%	5%
Inventec Corp	14,941	14,824	15,461	15,953	-1%	1%	0%	3%	1%	1%	1%	1%
Micro-Star International Co Ltd	3,594	4,273	5,893	6,087	2%	22%	33%	3%	5%	7%	10%	9%
Plexus Corp	2,893	2,895	2,889	3,264	10%	7%	2%	12%	4%	5%	5%	5%
Accton Technology Corp	1,652	1,588	1,832	2,187	29%	-2%	13%	19%	11%	12%	12%	14%
Sanmina Corp	7,528	5,942	5,758	6,060	16%	-15%	-1%	5%	4%	4%	5%	5%
Incap Oyj	71	106	143	163	20%	50%	36%	14%	14%	10%	13%	14%
Celestica Inc	5,253	4,707	4,749	5,070	-11%	-2%	-3%	7%	3%	3%	4%	4%
SIIX Corp	1,832	1,440	1,637	1,770	-8%	-19%	22%	8%	2%	2%	0%	0%
Fabrinet	1,394	1,464	1,577	1,730	15%	4%	14%	10%	9%	9%	9%	10%
Sercomm Corp	948	1,053	1,323	1,373	-5%	14%	21%	4%	3%	3%	3%	4%
TT electronics PLC	566	483	557	584	11%	-10%	10%	5%	8%	6%	7%	8%
Alpha Networks Inc	472	938	1,062	1,210	1%	103%	14%	13%	1%	3%	4%	5%
Ducommun Inc	643	515	557	591	15%	-13%	4%	6%	8%	8%	8%	9%
Valuetronics Holdings Ltd	321	275	250	205	-1%	-17%	-3%	0%	8%	7%	9%	8%
Kitron ASA	335	378	392	436	26%	20%	3%	11%	6%	8%	7%	8%
Lacroix Group SA	482	566	501	538	3%	18%	14%	7%	3%	2%	4%	5%
Hanza Holding AB	197	215	234	256	14%	4%	8%	10%	3%	2%	5%	6%
Group median					9.2%	3.6%	9.9%	6.7%	4.0%	3.8%	5.0%	5.0%
Scanfil (Nordea)	580	595	668	693	2.9%	2.7%	12.2%	3.8%	6.7%	6.6%	6.6%	6.8%
diff.from median (pp)					-6.2	-0.9	2.3	-3.0	2.7	2.8	1.6	1.8

Source: Refinitiv and Nordea estimates

EMS PEER GROUP: VALUATION MULTIPLES

	P/E				EV/EBITDA				P/B			
	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E
Hon Hai Precision Industry Co Ltd	11.0	12.6	11.5	10.1	6.7	5.7	6.4	5.7	1.2	1.2	1.1	1.0
Delta Electronics Inc	17.1	26.9	23.2	19.4	12.6	14.8	14.2	12.4	5.2	4.8	4.4	4.0
Pegatron Corp	9.3	8.8	9.6	9.7	4.5	5.0	5.5	3.3	1.1	1.0	1.0	0.9
Venture Corporation Ltd	12.9	19.0	16.3	15.1	9.0	12.5	10.9	10.1	2.2	2.2	2.1	2.0
Universal Scientific Industrial Shangh	33.2	24.2	15.2	12.9	21.5	15.9	10.0	8.3	2.9	2.7	2.4	2.1
Jabil Inc	16.7	98.4	10.7	10.0	3.8	4.0	5.1	4.8	5.4	5.5	4.4	3.5
Compal Electronics Inc	11.9	9.8	8.4	9.4	6.6	7.0	5.9	6.1	0.9	0.9	0.9	0.9
Foxconn Interconnect Technology Ltd	9.7	56.2	10.0	8.0	4.6	8.9	4.7	4.1	0.7	0.7	0.6	0.6
Inventec Corp	15.0	11.5	13.4	12.6	9.2	12.5	9.0	7.9	1.5	1.5	1.5	1.5
Micro-Star International Co Ltd	13.2	14.2	7.6	8.3	9.5	9.4	5.3	5.7	4.0	3.6	2.7	2.5
Plexus Corp	16.8	18.2	18.1	15.5	9.6	9.7	10.3	9.0	3.2	2.7	2.5	2.2
Accton Technology Corp	19.2	35.2	31.3	23.3	12.8	23.6	22.2	16.5	15.6	12.7	11.2	9.3
Sanmina Corp	16.3	13.5	9.6	9.2	5.2	4.2	5.0	4.7	1.4	1.1	n.a.	n.a.
Incap Oyj	11.8	9.1	19.6	16.7	6.3	7.0	13.8	12.3	11.0	7.5	5.3	4.2
Celestica Inc	15.5	17.2	7.6	6.7	5.5	4.8	3.7	3.5	0.8	0.7	n.a.	n.a.
SIIX Corp	20.7	43.6	11.1	10.2	9.3	9.3	6.7	6.1	1.1	1.1	1.1	1.0
Fabrinet	15.4	19.7	20.4	18.4	9.4	11.7	14.5	13.0	2.1	3.6	3.1	2.7
Sercomm Corp	18.9	21.9	15.0	10.2	9.7	9.6	7.8	5.5	2.1	2.1	2.0	1.8
TT electronics PLC	33.5	265.2	18.9	15.7	7.9	9.3	11.5	10.0	1.7	1.7	1.6	1.5
Alpha Networks Inc	n.a.	30.5	13.2	9.7	21.1	11.0	7.1	5.7	1.3	1.4	1.4	1.3
Ducommun Inc	18.4	22.0	19.4	15.5	10.1	11.5	10.0	8.9	2.5	2.0	1.8	1.7
Valuetronics Holdings Ltd	8.4	6.8	8.1	13.1	2.9	0.5	1.5	1.5	1.3	1.2	1.1	1.0
Kitron ASA	14.8	15.4	16.3	14.0	9.5	9.5	10.8	9.6	4.6	3.7	3.7	3.3
Lacroix Group SA	7.3	7.8	11.8	9.9	4.5	4.1	5.9	4.9	1.4	1.4	1.3	1.2
Hanza Holding AB	21.3	n.a.	12.9	11.9	6.2	5.1	6.3	5.7	2.0	1.9	1.7	1.6
Group median	15.5	18.6	13.2	11.9	9.0	9.3	7.1	6.1	2.0	1.9	1.8	1.7
Scanfil (Nordea)	9.9	13.2	15.6	14.6	6.8	8.0	9.1	8.1	1.9	2.3	2.5	2.2
diff.from average	-36%	-29%	18%	23%	-24%	-14%	29%	32%	-6%	21%	42%	33%

Source: Refinitiv and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	189	215	377	508	530	563	580	595	668	693	716
Revenue growth	4.2%	13.8%	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	12.2%	3.8%	3.3%
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	22	25	27	18	40	47	53	60	59	62	65
Depreciation and impairments PPE	-7	-6	-8	-9	-7	-8	-16	-14	-13	-13	-14
of which leased assets	0	0	0	0	0	0	-3	-3	-3	-3	-3
EBITA	15	19	19	9	33	40	37	46	46	49	51
Amortisation and impairments	-3	-2	-5	-2	-2	-2	-2	-2	-2	-2	-2
EBIT	12	16	14	7	31	38	35	44	44	47	49
of which associates	-3	-2	-1	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	0	-1	-1	1	-2	-1	-3	-2	-2	-2
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	11	16	14	6	33	36	34	42	42	45	48
Reported taxes	-2	-4	-5	-6	-7	-7	-6	-5	-8	-9	-9
Net profit from continued operations	8	12	8	0	26	29	28	37	34	36	38
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	8	12	8	0	26	29	28	37	34	36	38
EPS, EUR	0.14	0.21	0.15	0.00	0.40	0.45	0.44	0.57	0.53	0.57	0.60
DPS, EUR	0.05	0.07	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23
of which ordinary	0.05	0.07	0.08	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23
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	11.8%	11.6%	7.2%	3.6%	7.6%	8.4%	9.1%	10.1%	8.8%	9.0%	9.1%
EBITA	8.0%	8.7%	5.1%	1.8%	6.3%	7.1%	6.4%	7.8%	6.9%	7.1%	7.2%
EBIT	6.3%	7.6%	3.8%	1.4%	5.9%	6.7%	6.1%	7.4%	6.6%	6.8%	6.9%

Adjusted earnings

EBITDA (adj)	23	25	33	33	40	47	53	55	59	62	65
EBITA (adj)	15	19	25	24	33	40	37	41	46	49	51
EBIT (adj)	12	16	20	22	31	38	39	39	44	47	49
EPS (adj, EUR)	0.15	0.22	0.24	0.24	0.36	0.45	0.49	0.49	0.53	0.57	0.60

Adjusted profit margins in percent

EBITDA (adj)	12.0%	11.7%	8.7%	6.6%	7.6%	8.4%	9.1%	9.3%	8.8%	9.0%	9.1%
EBITA (adj)	8.2%	8.8%	6.6%	4.8%	6.3%	7.1%	6.4%	6.9%	6.9%	7.1%	7.2%
EBIT (adj)	6.4%	7.6%	5.3%	4.4%	5.9%	6.7%	6.7%	6.6%	6.6%	6.8%	6.9%

Performance metrics

CAGR last 5 years											
Net revenue	-2.9%	1.7%	11.5%	19.2%	24.0%	24.5%	22.0%	9.6%	5.6%	5.5%	4.9%
EBITDA	1.1%	3.4%	7.0%	-4.8%	14.2%	16.3%	16.4%	17.3%	26.5%	9.3%	6.5%
EBIT	-10.9%	0.4%	0.0%	-4.5%	31.0%	26.1%	16.8%	25.2%	43.4%	8.5%	5.5%
EPS	-11.7%	-2.8%	-5.1%	-58.0%	32.7%	26.1%	15.5%	31.7%	226.8%	7.0%	5.5%
DPS	-16.1%	-10.2%	-7.8%	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%
Average last 5 years											
Average EBIT margin	6.0%	5.9%	5.1%	3.9%	4.5%	4.9%	4.9%	5.6%	6.6%	6.7%	6.8%
Average EBITDA margin	10.7%	10.9%	10.1%	7.7%	7.3%	7.2%	7.3%	7.9%	8.8%	9.1%	9.2%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	9.1	11.4	15.7	14.6	11.8	8.2	9.9	13.2	15.6	14.6	13.9
EV/EBITDA (adj)	3.0	5.3	8.7	7.9	7.8	5.7	6.8	8.0	9.3	8.5	7.8
EV/EBITA (adj)	4.4	7.0	11.6	10.7	9.4	6.8	9.7	10.7	12.0	10.8	9.9
EV/EBIT (adj)	4.5	7.2	13.6	11.7	10.0	7.1	9.3	11.3	12.6	11.3	10.3

VALUATION RATIOS - REPORTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	9.5	11.5	26.3	n.m.	10.5	8.2	11.2	11.4	15.6	14.6	13.9
EV/Sales	0.36	0.62	0.76	0.52	0.59	0.48	0.63	0.74	0.83	0.77	0.71
EV/EBITDA	2.7	4.9	10.1	14.4	7.8	5.7	6.8	7.3	9.3	8.5	7.8
EV/EBITA	3.8	6.4	14.2	28.0	9.4	6.8	9.7	9.5	12.0	10.8	9.9
EV/EBIT	4.6	7.3	18.5	36.2	10.0	7.1	10.3	9.9	12.6	11.3	10.3
Dividend yield (ord.)	3.7%	2.8%	2.1%	2.6%	2.6%	3.5%	3.1%	2.6%	2.3%	2.5%	2.8%
FCF yield	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	5.8%	9.3%	3.4%	6.6%	7.3%
FCF Yield bef A&D, lease adj	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	8.2%	5.5%	2.8%	6.1%	6.8%
Payout ratio	35.1%	32.9%	55.2%	6,298.1%	27.2%	28.6%	34.3%	29.6%	35.7%	37.1%	38.7%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	6	11	29	27	25	22	25	23	21	19	17
of which R&D	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
of which other intangibles	4	5	18	16	15	12	17	14	12	10	8
of which goodwill	2	6	11	11	10	10	8	8	8	8	8
Tangible assets	28	27	48	41	48	49	72	65	65	67	70
of which leased assets	0	0	0	0	0	0	21	18	18	18	18
Shares associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	3	2	4	4	6	7	7	7	7
Other non-IB non-current assets	n.a.	n.a.	n.a.	n.a.	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	35	38	80	70	77	76	103	95	93	93	94
Inventory	29	36	91	85	101	99	102	103	127	128	129
Accounts receivable	33	41	105	88	106	108	112	113	130	134	138
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	2	4	2	2	3	2	3	3	4
Cash and bank	28	19	22	20	21	19	20	26	27	44	64
Total current assets	90	96	220	197	230	228	237	245	287	310	335
Assets held for sale	0	0	1	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	126	134	302	267	307	304	340	339	380	403	428
Shareholders equity	80	95	100	108	125	145	167	183	206	230	255
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Minority interest	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Total Equity	n.a.	n.a.	n.a.	n.a.	125	145	167	183	206	230	255
Deferred tax	0	0	3	3	5	6	7	6	6	6	6
Long term interest bearing debt	9	1	50	38	27	17	25	18	16	13	11
Pension provisions	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Other long-term provisions	0	0	1	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	19	16	20	20	20
Convertible debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Total non-current liabilities	10	1	55	41	33	23	51	40	41	39	36
Short-term provisions	0	0	0	5	0	0	0	4	0	0	0
Accounts payable	26	30	108	90	113	104	96	100	124	125	129
Current lease debt	0	0	0	0	0	0	4	4	0	0	0
Other current liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0	3	2	3	4	4
Short term interest bearing debt	9	9	38	22	36	33	20	6	6	5	5
Total current liabilities	36	38	146	117	149	136	122	116	133	134	138
Liabilities for assets held for sale	0	0	1	0	0	0	0	0	0	0	0
Total liabilities and equity	126	134	302	267	307	304	340	339	380	403	428
Balance sheet and debt metrics											
Net debt	-10	-10	66	40	43	30	46	18	14	-6	-29
of which lease debt	0	0	0	0	0	0	22	20	20	20	20
Working capital	36	47	90	87	96	105	118	117	133	137	138
Invested capital	71	85	170	157	173	181	221	212	226	230	232
Capital employed	99	104	188	168	188	194	233	227	247	268	290
ROE	10.6%	14.0%	8.6%	0.1%	22.2%	21.5%	18.0%	21.1%	17.6%	16.7%	15.8%
ROIC	11.7%	16.2%	12.1%	10.5%	14.6%	16.5%	14.9%	13.9%	15.4%	15.9%	16.5%
ROCE	12.6%	16.7%	17.3%	18.9%	23.1%	19.8%	18.3%	17.0%	18.5%	18.3%	17.7%
Net debt/EBITDA	-0.4	-0.4	2.4	2.2	1.1	0.6	0.9	0.3	0.2	-0.1	-0.5
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	64.1%	70.6%	33.2%	40.6%	40.7%	47.6%	49.0%	53.9%	54.2%	57.2%	59.5%
Net gearing	n.a.	n.a.	n.a.	n.a.	34.4%	20.7%	27.7%	10.0%	6.9%	-2.8%	-11.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	25	27	28	18	40	47	53	60	59	62	65
Paid taxes	-3	-3	-4	-5	-8	-7	-8	-7	-8	-9	-9
Net financials	0	0	-2	-2	-2	-2	-2	-2	-2	-2	-2
Change in provisions	0	0	1	4	-5	0	0	4	-4	0	0
Change in other LT non-IB	1	0	-2	1	-2	0	-1	-1	0	0	0
Cash flow to/from associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other adj to reconcile to cash flow	-10	-7	-1	7	4	0	2	-11	0	0	0
Funds from operations (FFO)	14	16	21	23	27	39	44	43	45	52	54
Change in NWC	-1	-5	-8	-6	-6	-10	-8	-8	-16	-4	-1
Cash flow from operations (CFO)	13	11	13	16	21	29	36	35	29	48	53
Capital expenditure	6	-8	-51	-4	-11	-10	-7	-9	-11	-12	-14
Free cash flow before A&D	19	3	-38	13	11	19	29	26	18	36	39
Proceeds from sale of assets	n.a.	n.a.	n.a.	n.a.	0	0	0	13	0	0	0
Acquisitions	n.a.	n.a.	n.a.	n.a.	0	0	-10	0	0	0	0
Free cash flow	19	3	-38	13	11	19	18	39	18	36	39
Free cash flow bef A&D, lease adj	19	3	-38	13	11	19	26	23	15	33	36
Dividends paid	n.a.	n.a.	n.a.	n.a.	-6	-7	-8	-10	-11	-12	-14
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Net change in debt	-9	-10	44	-26	-4	-14	-43	-21	-3	-3	-3
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	-3	-3	-3	-3
Other non-cash adjustments	5	1	1	-1	-1	0	34	0	0	0	0
Change in cash	13	-9	3	-2	0	-1	1	5	1	18	20
Cash flow metrics											
Capex/D&A	-56.0%	92.9%	n.m.	32.3%	n.m.	n.m.	41.2%	58.4%	70.3%	81.3%	87.7%
Capex/Sales	-3.1%	3.7%	13.5%	0.7%	2.0%	1.7%	1.3%	1.6%	1.6%	1.8%	1.9%
Key information											
Share price year end (/current)	1	2	4	3	4	4	5	7	8	8	8
Market cap.	78	142	220	222	271	239	316	422	537	537	537
Enterprise value	68	132	286	262	314	269	362	440	551	531	508
Diluted no. of shares, year-end (m)	57.7	57.7	57.7	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

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