

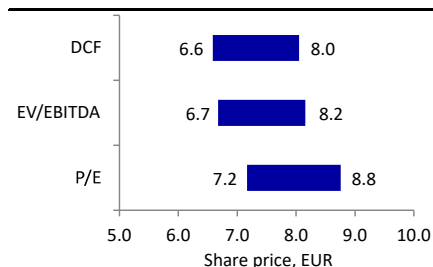
KEY DATA

Stock country	Finland
Bloomberg	SCANFL.FH
Reuters	SCANFL.HE
Share price (close)	EUR 7.96
Free Float	25%
Market cap. (bn)	EUR 0.51/EUR 0.51
Website	www.scanfil.com/
Next report date	18 Feb 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	2%	1%
EBIT (adj)	-6%	-2%	-1%

Source: Nordea estimates

Component shortage impacting efficiency

High component prices support net sales but the lack of component availability is impacting sales volumes and utilisation ratios. Consequently, Scanfil kept its 2021 sales guidance midpoint intact but lowered its EBIT guidance midpoint by 7% on 10 December. We therefore lower our EBIT forecast for this year by 6% and lower 2022E EBIT by 2% as the component shortage is likely to remain in H1 2022. We do not expect changes to the company's long-term growth or operating margin potential. Our fair value range for Scanfil is still EUR 6.9-8.4, based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

New 2021 EBIT guidance midpoint is EUR 39.5m

On top of component shortages, a worsening COVID-19 situation and negative currency effects are creating headwind for the company. End demand has not been a problem but sales volumes will be held back until the current tight market situation in raw materials ends. New guidance indicates EBIT margin to be 5.3% in Q4 2021 (company-collected consensus 6.7%). Several global companies have recently indicated an improvement in component availability but that is not in the area where Scanfil operates.

Revenue growth could stay healthy in 2022

For next year, we now forecast 4.9% y/y revenue growth and a 6.4% adjusted EBIT margin. Market consensus for sales growth in next year has been 3.4%, and 6.7% respectively for the operating profit margin. High component prices have been passed on to end-product prices which explains why our sales growth forecast for 2022 is higher than consensus, but Scanfil has not received an ordinary margin for this excess revenue. A clear drop in component prices would also lower revenue growth expectations due to average sales prices.

Valuation is ~6% above peers' according to our estimates

The company will announce new long-term financial targets in February 2022. We believe the current EBIT margin target of 7% will be maintained. A new organic revenue target could be set to EUR 820m by 2025 indicating 4.5% annual average sales growth. One option is to set a higher revenue growth target, a part of which would come from acquisitions. Our fair value range for Scanfil is still EUR 6.9-8.4. The company's 2021E-22E P/E and EV/EBITDA multiples combined are now 6% above those of our peer group.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	530	563	580	595	690	723	742
EBITDA (adj)	40	47	53	55	55	62	65
EBIT (adj)	31	38	39	39	40	47	50
EBIT (adj) margin	5.9%	6.7%	6.7%	6.6%	5.8%	6.4%	6.7%
EPS (adj, EUR)	0.36	0.45	0.49	0.49	0.45	0.56	0.59
EPS (adj) growth	50.7%	26.5%	8.4%	0.0%	-7.9%	22.2%	6.9%
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	0.7	0.7
EV/EBIT (adj)	10.0	7.1	9.3	11.3	13.7	11.1	9.9
P/E (adj)	11.8	8.2	9.9	13.2	17.5	14.3	13.4
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%	2.4%	2.6%	2.9%
FCF Yield bef A&D, lease	3.9%	8.1%	8.2%	5.5%	-0.9%	8.2%	7.9%
Net debt	43	30	46	18	34	4	-23
Net debt/EBITDA	1.1	0.6	0.9	0.3	0.6	0.1	-0.4
ROIC after tax	14.6%	16.5%	14.9%	13.9%	13.6%	15.1%	16.4%

Source: Company data and Nordea estimates

Nordea Markets - Analysts

Pasi Väisänen
Senior AnalystFelix Henriksson
Analyst

Quarterly segment estimates

P&L (EURm; EPS IN EUR)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021E
Advanced Consumer Applications								
Net sales (EURm)	31.1	40.1	38.6	41.4	42.9	53.4	55.4	57.0
Sales growth y/y (%)					38%	33%	44%	38%
Automation & Safety								
Net sales (EURm)	37.9	36.6	33.7	34.0	34.5	36.8	32.5	37.0
Sales growth y/y (%)					-9%	1%	-4%	9%
Connectivity								
Net sales (EURm)	7.4	7.7	7.1	6.5	8.1	7.3	7.3	8.6
Sales growth y/y (%)					9%	-5%	3%	32%
Energy & Cleantech								
Net sales (EURm)	34.4	33.8	30.0	37.4	40.3	44.8	43.5	49.0
Sales growth y/y (%)					17%	33%	45%	31%
Medtec & Life Science								
Net sales (EURm)	27.0	25.4	26.0	29.5	29.1	28.5	29.1	34.1
Sales growth y/y (%)					8%	12%	12%	16%
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 2021	Q4 2021E
Group sales	144.1	155.6	141.6	154.1	163.4	172.9	167.8	185.7
Sales growth %	10.9%	9.1%	-7.0%	-0.4%	13.4%	11.1%	18.5%	20.5%
Other operating income	0.2	0.2	11.8	0.3	0.3	0.1	0.4	0.4
Depreciation and amortisation	-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	9.5	9.9
Reported EBIT margin	6.0%	6.6%	15.0%	2.8%	6.1%	6.1%	5.7%	5.3%
Group adj. EBIT	8.6	10.2	9.9	10.4	10.0	10.6	9.5	9.9
Adj. EBIT margin	6.0%	6.6%	7.0%	6.7%	6.1%	6.1%	5.7%	5.3%
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	8.9	9.6
Income tax	-1.2	-1.2	-2.5	0.1	-1.7	-1.8	-3.4	-1.6
Tax rate %	14%	13%	12%	-3%	17%	17%	38%	16%
Reported net profit for the period	7.5	8.4	29.2	-3.0	7.6	8.6	5.2	7.7
Adj net profit for the period	7.5	8.4	17.9	3.1	7.6	8.6	5.2	7.7
Reported EPS	0.12	0.13	0.28	0.05	0.13	0.13	0.09	0.12
Adj. EPS	0.12	0.13	0.10	0.14	0.13	0.13	0.09	0.12
Market consensus EPS (Company collected)								0.15

Source: Company data and Nordea estimates

Yearly segment estimates

P&L (EURm, EPS IN EUR)								
Segments	2016	2017	2018	2019	2020	2021E	2022E	2023E
Advanced Consumer Applications								
Net sales (EURm)					151.2	208.7	227.4	234.3
Sales growth y/y (%)						38%	9%	3%
Automation & Safety								
Net sales (EURm)					142.2	140.8	146.4	149.3
Sales growth y/y (%)						-1%	4%	2%
Connectivity								
Net sales (EURm)					28.7	31.3	33.2	34.2
Sales growth y/y (%)						9%	6%	3%
Energy & Cleantech								
Net sales (EURm)					135.6	177.6	188.3	193.9
Sales growth y/y (%)						31%	6%	3%
Medtec & Life Science								
Net sales (EURm)					107.9	120.8	128.1	130.7
Sales growth y/y (%)						12%	6%	2%
Discontinued								
Net sales (EURm)					29.9	10.5	0.0	0.0
Sales growth y/y (%)						-65%	0%	0%
Group								
Net sales	508.0	529.8	563.0	579.5	595.4	689.7	723.4	742.4
Sales growth %	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	15.8%	4.9%
Other operating income	1.0	2.7	0.4	1.0	12.5	1.2	1.2	1.2
Depreciation and amortisation	-8.8	-6.7	-7.5	-15.7	-14.1	-13.2	-13.4	-13.5
Reported EBIT	7.2	31.3	37.8	35.3	44.3	40.0	46.7	49.7
Reported EBIT margin	1.4%	5.9%	6.7%	6.1%	7.4%	5.8%	6.5%	6.7%
Group adj. EBIT	22.3	31.3	37.8	38.9	39.1	40.0	46.7	49.7
Adj. EBIT margin	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	6.5%	6.7%
Net financials	-1.2	1.3	-1.7	-1.3	-2.6	-2.3	-2.3	-2.3
Pre-tax profit	6.1	32.6	36.1	34.0	41.7	37.7	44.3	47.4
Income tax	-6.0	-6.8	-7.1	-5.9	-4.8	-8.5	-8.6	-9.2
Tax rate %	99%	21%	20%	17%	12%	22%	20%	20%
Reported net profit for the period	0.1	25.8	29.0	28.1	36.9	29.2	35.7	38.2
Adj net profit for the period	15.2	22.9	29.0	31.7	31.7	29.2	35.7	38.2
Reported EPS	0.00	0.40	0.45	0.44	0.57	0.45	0.56	0.59
Adj. EPS	0.24	0.36	0.45	0.49	0.49	0.45	0.56	0.59
Market consensus EPS (Company collected)						0.49	0.57	0.61

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	187,977	192,297	1%	0%	11%	2%	2%	2%	2%	3%
Delta Electronics Inc	7,997	8,242	9,988	10,583	13%	5%	12%	9%	7%	11%	10%	11%
Pegatron Corp	40,751	40,811	39,611	41,224	2%	2%	-12%	4%	1%	1%	1%	2%
Venture Corporation Ltd	2,411	1,868	1,990	2,182	4%	-17%	-1%	10%	11%	11%	11%	12%
Universal Scientific Industrial	4,767	5,985	7,769	8,726	11%	28%	25%	12%	4%	4%	4%	4%
Jabil Inc	23,007	22,844	24,803	27,291	14%	8%	7%	7%	3%	3%	4%	4%
Compal Electronics Inc	29,242	30,592	38,242	37,788	1%	7%	16%	-1%	1%	1%	1%	1%
Foxconn Interconnect Technology	3,900	3,533	3,721	3,893	9%	-1%	-1%	5%	7%	4%	3%	4%
Inventec Corp	14,941	14,824	16,505	17,418	-1%	1%	1%	6%	1%	1%	1%	1%
Micro-Star International Co Ltd	3,594	4,273	6,274	6,498	2%	22%	35%	4%	5%	7%	10%	8%
Plexus Corp	2,893	2,895	2,906	3,157	10%	7%	-1%	7%	4%	5%	5%	5%
Accton Technology Corp	1,652	1,588	1,874	2,185	29%	-2%	9%	17%	11%	12%	9%	12%
Sanmina Corp	7,528	5,942	5,828	5,950	16%	-15%	-3%	1%	4%	4%	5%	5%
Incap Oyj	71	106	169	206	20%	50%	61%	22%	14%	10%	15%	16%
Celestica Inc	5,253	4,707	4,853	5,449	-11%	-2%	-2%	12%	3%	3%	4%	4%
SIIX Corp	1,832	1,440	1,668	1,822	-8%	-19%	21%	10%	2%	2%	0%	0%
Fabrinet	1,394	1,464	1,575	1,969	15%	4%	14%	20%	9%	9%	9%	10%
Sercomm Corp	948	1,053	1,340	1,547	-5%	14%	17%	15%	3%	3%	2%	3%
TT Electronics	566	483	567	598	11%	-10%	11%	5%	8%	6%	7%	9%
Alpha Networks Inc	472	938	1,104	1,220	1%	103%	14%	10%	1%	3%	2%	3%
Ducommun Inc	643	515	560	599	15%	-13%	3%	7%	8%	8%	8%	9%
Valuetronics Holdings Ltd	321	275	250	214	-1%	-17%	-3%	0%	8%	7%	9%	6%
Kitron ASA	335	378	387	455	26%	20%	-3%	18%	6%	8%	7%	8%
Lacroix Group SA	482	566	501	536	3%	-9%	14%	7%	3%	2%	3%	4%
Hanza Holding AB	197	215	240	281	14%	4%	11%	17%	3%	2%	5%	6%
Group median					9.2%	2.4%	10.5%	7.0%	4.0%	3.8%	5.0%	5.0%
Scanfil (Nordea)	580	595	690	723	2.9%	2.7%	15.8%	4.9%	6.7%	6.6%	5.8%	6.5%
diff. from median (pp)					-6.2	0.3	5.3	-2.1	2.7	2.8	0.8	1.4

Source: Refinitiv and Nordea estimates

EMS PEER GROUP: VALUATION

	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	10.5	9.7	6.7	5.7	6.6	6.0	1.1	1.1	1.0	1.0
Delta Electronics Inc	17.1	26.9	25.4	22.2	12.6	14.8	15.4	13.7	5.0	4.6	4.3	4.0
Pegatron Corp	9.3	8.8	9.8	10.3	4.5	5.0	4.6	2.5	1.1	1.0	1.0	0.9
Venture Corporation Ltd	12.9	19.0	17.7	16.0	9.0	12.5	11.7	10.7	2.2	2.1	2.0	1.9
Universal Scientific Industrial	33.2	24.2	18.5	15.3	21.5	15.9	13.0	10.7	3.3	3.1	2.7	2.4
Jabil Inc	16.7	98.4	13.5	10.3	3.8	4.0	5.2	4.9	5.9	6.1	4.9	3.9
Compal Electronics Inc	11.9	9.8	8.8	10.5	6.6	7.0	9.0	9.0	1.0	1.0	1.0	1.0
Foxconn Interconnect Technology	9.7	56.2	10.6	11.8	4.6	8.9	4.8	4.2	0.7	0.6	0.7	0.6
Inventec Corp	15.0	11.5	13.9	13.8	9.2	12.5	13.3	11.2	1.7	1.6	1.7	1.7
Micro-Star International Co Ltd	13.2	14.2	8.3	9.6	9.5	9.4	6.0	6.9	4.5	4.0	3.1	2.9
Plexus Corp	16.8	18.2	19.1	17.5	9.6	9.7	10.6	10.4	3.4	2.8	2.6	2.3
Accton Technology Corp	19.2	35.2	36.2	26.1	12.8	23.6	27.2	18.5	14.3	11.6	11.5	10.0
Sanmina Corp	16.3	13.5	9.8	9.6	5.2	4.2	5.4	4.9	1.4	1.1	n.a.	n.a.
Incap Oyj	11.8	9.1	19.6	16.1	6.3	7.0	14.8	12.2	14.4	9.7	6.4	4.8
Celestica Inc	15.5	17.2	8.6	7.2	5.5	4.8	4.4	3.8	1.0	0.7	n.a.	n.a.
SIIX Corp	20.7	43.6	14.5	10.8	9.3	9.3	8.4	6.8	1.1	1.1	1.1	1.0
Fabrinet	15.4	19.7	24.1	19.5	9.4	11.7	16.0	14.8	2.1	4.5	3.8	3.2
Sercomm Corp	18.9	21.9	19.0	13.8	9.7	9.6	10.5	7.0	2.2	2.2	2.1	2.1
TT Electronics	33.5	265.2	17.1	13.8	7.9	9.3	10.4	8.9	1.4	1.4	1.4	1.4
Alpha Networks Inc	n.a.	30.5	20.3	17.5	21.1	11.0	14.2	10.6	1.3	1.8	1.8	1.8
Ducommun Inc	18.4	22.0	16.1	13.3	10.1	11.5	8.9	8.0	2.1	1.7	1.7	1.6
Valuetronics Holdings Ltd	8.4	6.8	8.1	12.6	2.9	0.5	1.5	1.3	1.2	1.1	1.1	0.9
Kitron ASA	14.8	15.4	20.6	14.1	9.5	9.5	11.3	9.9	4.6	3.7	4.0	3.5
Lacroix Group SA	7.3	26.1	15.1	12.4	4.5	10.1	6.9	5.7	1.3	1.4	1.2	1.1
Hanza Holding AB	21.3	n.a.	18.0	13.5	6.2	5.1	8.8	7.4	3.3	3.1	2.9	2.5
Group median	15.5	19.3	16.1	13.5	9.0	9.4	9.0	8.0	2.1	1.8	2.0	1.9
Scanfil (Nordea)	9.9	13.2	17.5	14.3	6.8	8.0	9.7	8.0	1.9	2.3	2.5	2.2
diff. from average	-36%	-32%	9%	6%	-24%	-16%	8%	0%	-10%	31%	23%	12%

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	690	723	742
Revenue growth	4.2%	13.8%	75.9%	34.6%	4.3%	6.3%	2.9%	2.7%	15.8%	4.9%	2.6%
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	22	25	27	18	40	47	53	60	55	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	42	49	52
Amortisation and impairments	-3	-2	-5	-2	-2	-2	-2	-2	-2	-2	-2
EBIT	12	16	14	7	31	38	35	44	40	47	50
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	38	44	47
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	29	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	29	36	38
EPS, EUR	0.14	0.21	0.15	0.00	0.40	0.45	0.44	0.57	0.45	0.56	0.59
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%	8.0%	8.6%	8.8%
EBITA	8.0%	8.7%	5.1%	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	6.7%	7.0%
EBIT	6.3%	7.6%	3.8%	1.4%	5.9%	6.7%	6.1%	7.4%	5.8%	6.4%	6.7%

Adjusted earnings

EBITDA (adj)	23	25	33	33	40	47	53	55	55	62	65
EBITA (adj)	15	19	25	24	33	40	37	41	42	49	52
EBIT (adj)	12	16	20	22	31	38	39	39	40	47	50
EPS (adj, EUR)	0.15	0.22	0.24	0.24	0.36	0.45	0.49	0.49	0.45	0.56	0.59

Adjusted profit margins in percent

EBITDA (adj)	12.0%	11.7%	8.7%	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	8.6%	8.8%
EBITA (adj)	8.2%	8.8%	6.6%	4.8%	6.3%	7.1%	6.4%	6.9%	6.1%	6.7%	7.0%
EBIT (adj)	6.4%	7.6%	5.3%	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	6.4%	6.7%

Performance metrics

CAGR last 5 years											
Net revenue	-2.9%	1.7%	11.5%	19.2%	24.0%	24.5%	22.0%	9.6%	6.3%	6.4%	5.7%
EBITDA	1.1%	3.4%	7.0%	-4.8%	14.2%	16.3%	16.4%	17.3%	24.9%	9.1%	6.6%
EBIT	-10.9%	0.4%	0.0%	-4.5%	31.0%	26.1%	16.8%	25.2%	40.8%	8.3%	5.6%
EPS	-11.7%	-2.8%	-5.1%	-58.0%	32.7%	26.1%	15.5%	31.7%	216.6%	6.5%	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%	6.4%	6.5%	6.5%
Average EBITDA margin	10.7%	10.9%	10.1%	7.7%	7.3%	7.2%	7.3%	7.9%	8.7%	8.8%	8.9%

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	17.5	14.3	13.4
EV/EBITDA (adj)	3.0	5.3	8.7	7.9	7.8	5.7	6.8	8.0	9.9	8.4	7.5
EV/EBITA (adj)	4.4	7.0	11.6	10.7	9.4	6.8	9.7	10.7	13.1	10.7	9.5
EV/EBIT (adj)	4.5	7.2	13.6	11.7	10.0	7.1	9.3	11.3	13.7	11.1	9.9

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	17.5	14.3	13.4
EV/Sales	0.36	0.62	0.76	0.52	0.59	0.48	0.63	0.74	0.80	0.72	0.66
EV/EBITDA	2.7	4.9	10.1	14.4	7.8	5.7	6.8	7.3	9.9	8.4	7.5
EV/EBITA	3.8	6.4	14.2	28.0	9.4	6.8	9.7	9.5	13.1	10.7	9.5
EV/EBIT	4.6	7.3	18.5	36.2	10.0	7.1	10.3	9.9	13.7	11.1	9.9
Dividend yield (ord.)	3.7%	2.8%	2.1%	2.6%	2.6%	3.5%	3.1%	2.6%	2.4%	2.6%	2.9%
FCF yield	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	5.8%	9.3%	-0.4%	8.8%	8.4%
FCF Yield bef A&D, lease adj	24.5%	2.1%	-17.3%	5.8%	3.9%	8.1%	8.2%	5.5%	-0.9%	8.2%	7.9%
Payout ratio	35.1%	32.9%	55.2%	6,298.1%	27.2%	28.6%	34.3%	29.6%	41.8%	37.8%	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	68	71
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	94	95
Inventory	29	36	91	85	101	99	102	103	159	137	126
Accounts receivable	33	41	105	88	106	108	112	113	145	137	141
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	4	4
Cash and bank	28	19	22	20	21	19	20	26	7	34	58
Total current assets	90	96	220	197	230	228	237	245	314	312	329
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	407	406	424
Shareholders equity	80	95	100	108	125	145	167	183	201	225	249
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	201	225	249
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	155	134	130
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	4	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	165	143	139
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	407	406	424
Balance sheet and debt metrics											
Net debt	-10	-10	66	40	43	30	46	18	34	4	-23
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	148	141	137
Invested capital	71	85	170	157	173	181	221	212	241	235	232
Capital employed	99	104	188	168	188	194	233	227	242	263	284
ROE	10.6%	14.0%	8.6%	0.1%	22.2%	21.5%	18.0%	21.1%	15.2%	16.8%	16.1%
ROIC	11.7%	16.2%	12.1%	10.5%	14.6%	16.5%	14.9%	13.9%	13.6%	15.1%	16.4%
ROCE	12.6%	16.7%	17.3%	18.9%	23.1%	19.8%	18.3%	17.0%	17.1%	18.5%	18.2%
Net debt/EBITDA	-0.4	-0.4	2.4	2.2	1.1	0.6	0.9	0.3	0.6	0.1	-0.4
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%	49.4%	55.3%	58.8%
Net gearing	n.a.	n.a.	n.a.	n.a.	34.4%	20.7%	27.7%	10.0%	17.0%	1.8%	-9.2%

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	55	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	40	51	54
Change in NWC	-1	-5	-8	-6	-6	-10	-8	-8	-31	7	4
Cash flow from operations (CFO)	13	11	13	16	21	29	36	35	9	58	57
Capital expenditure	6	-8	-51	-4	-11	-10	-7	-9	-11	-13	-14
Free cash flow before A&D	19	3	-38	13	11	19	29	26	-2	45	43
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	-2	45	43
Free cash flow bef A&D, lease adj	19	3	-38	13	11	19	26	23	-5	42	41
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	-19	27	24
Cash flow metrics											
Capex/D&A	-56.0%	92.9%	n.m.	32.3%	n.m.	n.m.	41.2%	58.4%	72.6%	84.8%	91.0%
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	515	515	515
Enterprise value	68	132	286	262	314	269	362	440	549	519	492
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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Completion Date

13 Dec 2021, 02:01 CET

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