



RESULTS PREVIEW

31 March 2025
Finland
Technology Hardware & Equipment

Research analysts:

Jakob Söderblom
Johan Wettergren

Scanfil

Share price: EUR9.1

Fair value range: EUR7.9–11.7

Time to put new orders won into work – Q1 preview

Cautious market remains; but better positioned to capitalise on growth initiatives

Following up on the strong new orders in 2024, which amounted to EUR187m on an annualised basis, or ~24% of FY(24) sales, we expect Q1(25e) to have seen a focus on ramping up recently won projects. We expect underlying demand to gradually improve in 2025 and expect Scanfil in Q1(25) to return to sales growth of 1% following four weaker quarters. This development is a combination of SRX Global continuing to contribute to Scanfil's top-line, but also due to easing organic comparisons. Still, we model negative organic growth in the first quarter equivalent to 4%, mainly driven by our expectation of a focus on production ramp-ups. Expecting the adverse impact from material shortages that Scanfil saw in Q4(24) to now have been eliminated, we expect the company to report an adj. EBIT margin of 6.9% (6.4%). Rather, we now expect margin development to be somewhat burdened by costs related to production starts. Scanfil has also stated that as of Q1(25) the company will adjust its segment reporting from customer segments to also disclosing performance per region (North Europe, Central Europe, APAC, and Americas), which we view as encouraging.

Marginal changes to underlying estimates

We make limited changes to our underlying estimate profile for Scanfil ahead of the report release, partly stemming from more adverse FX rates (primarily movements in USD/EUR).

Upcoming events

- Q1 Report: 24 Apr 2025
- AGM 2025: 25 Apr 2025
- Q2 Report: 17 Jul 2025
- Q3 Report: 24 Oct 2025

Widened fair value range on the back of broadened exit multiple range

In an industry with a historical strong correlation between valuation and profitability levels, we believe investors should pay attention to Scanfil's capital efficiency, good order momentum, and strong financial position, which should allow for additional M&A in the years to come. In our valuation of Scanfil, we apply an 8.0–12.0x EV/EBIT exit multiple (9.0–11.0x) to our 2026 estimates, discounted to the present at a cost of capital of ~8%, yielding a fair value range of EUR7.9–11.7 per share (8.9–10.8). Our fair value range corresponds to an EV/adj. EBIT(25e) of 8.7–12.8x.

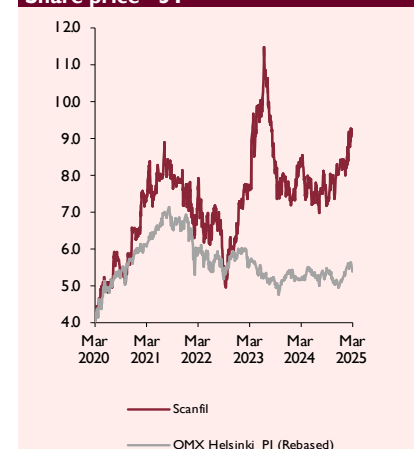
Changes in this report			
	From	To	Chg
EPS adj. 2025e	0.72	0.71	-2%
EPS adj. 2026e	0.78	0.77	-2%
EPS adj. 2027e	0.82	0.81	-1%

Key facts

No. shares (m)	65.2
Market cap. (USDm)	643
Market cap. (EURm)	595
Net IB Debt. (EURm)	10
Adjustments (EURm)	0
EV (2025e) (EURm)	605
Free float	36.0%
Avg. daily vol. ('000)	12
Risk	Medium Risk
Fiscal year end	December
Share price as of (CET)	31 Mar 2025 13:01

Key figures (EUR)	2024	2025e	2026e	2027e
Sales (m)	780	845	894	939
EBITDA (m)	74	79	87	92
EBIT (m)	53	60	66	69
EPS	0.59	0.71	0.77	0.81
EPS adj.	0.60	0.71	0.77	0.81
DPS	0.24	0.24	0.26	0.27
Sales growth Y/Y	-13%	8%	6%	5%
EPS adj. growth Y/Y	-19%	18%	9%	5%
EBIT margin	6.7%	7.1%	7.3%	7.4%
P/E adj.	15.2	12.9	11.9	11.2
EV/EBIT	10.6	10.1	9.2	8.7
EV/EBITA	10.6	10.1	9.2	8.7
EV/EBITDA	7.6	7.6	6.9	6.6
P/BV	2.1	1.9	1.7	1.5
Dividend yield	2.6%	2.6%	2.8%	3.0%
FCF yield	12.9%	5.6%	5.9%	4.5%
Equity/Total Assets	53.9%	55.3%	56.4%	57.7%
ROCE	14.2%	15.0%	15.1%	14.6%
ROE adj.	14.1%	15.1%	14.9%	14.2%
Net IB debt/EBITDA	0.3	0.1	0.1	0.1

Share price - 5Y



High/Low (12M)	EUR9.3/7			
Perf.	3M	6M	12M	YTD
Abs.	10.5	25.8	9.1	10.5
Rel.	3.3	27.5	4.8	3.3

Source: Carnegie Research, FactSet, Millstream & company data

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Equity story

**Near term:
6–12m**

Although we like Scanfil’s organic and inorganic growth prospects, we are still somewhat cautious about a pick-up in industrial and cleantech demand in the coming quarters. At the same time, we consider the company’s blue-chip industrial customer portfolio to be sound, and we believe its strong financial position enables further M&A, which should add another vertical to Scanfil’s investment case.

**Long term:
5Y+**

Long term, we expect continued specialisation among product companies and an increasing focus on regionalisation of supply chains to drive volumes towards more Europe- and North America-focused contract manufacturing companies. Considering Scanfil’s position as a market leader by sales in Europe, we believe the company is well positioned to continue to win market share. While we do not pencil in any significant margin improvement from current levels, we believe that there is re-rating potential if the company can get to the upper end of its target of 7–8% adj. EBIT margins.

Key risks:

- Prolonged uncertainty in European industrial markets.
- Intense competition having an adverse impact in pricing discussions with OEMs.
- Quality and delivery issues, whether stemming from internal or external factors, could have adverse effects on Scanfil’s brand and reputation as a reliable supplier.

Company description

With origins dating back to 1976, Scanfil is one of the largest listed contract manufacturers in Northern Europe. Combining both mechanics assembly and industrial electronics, Scanfil aims to be the preferred manufacturing partners for demanding industrial customers in the low/mid-volume, high-mix niche of manufacturing. The company has a global factory footprint, operating facilities across Europe, the US, and APAC. Its customer portfolio primarily includes clients in the Industrial, Energy & Cleantech, and Medtech & Life Sciences niches.

Key industry drivers

- Continued focus on specialisation among OEMs
- Relocation strategies such as nearshoring/reshoring

Industry outlook

- While we expect the sector to continue to face headwinds in H1 (25), we forecast sequential improvement over the course of the year, primarily stemming from improved industrial sentiment in Europe.

Largest shareholders

Harri Takanen	15.2%
Jarkko Takanen	12.6%
Varikot Oy	11.7%

Cyclicality

Cyclicality: Yes
Mid

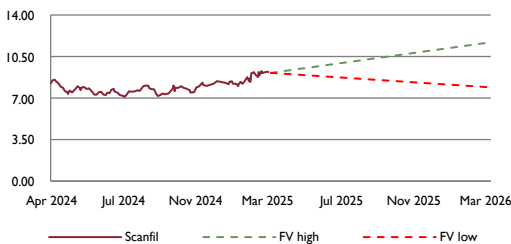
Key peers

Primary peers are in our view HANZA, Inission, and AQ Group. Other peers include electronics-focused contract manufacturers such as Note, Kitron, and Incap.

Valuation and methodology

Our fair value range is based on a medium-term approach on our 2026 estimates and an EV/EBIT(NTM) multiple of 8–12x, discounted to the present using a cost of capital of ~8%. We also compare our valuation of Scanfil to its historical valuation levels, as well as the current trading levels of its sector peers.

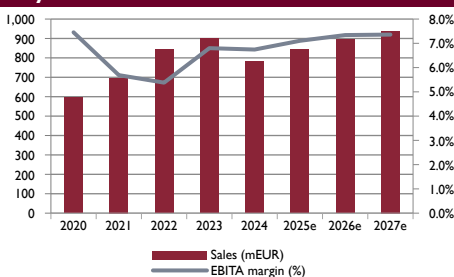
Fair value range 12m



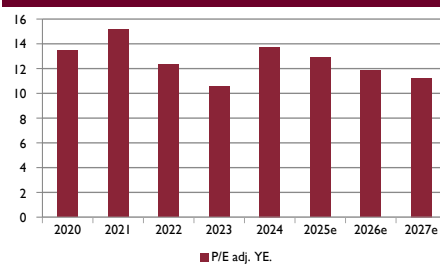
Upper end: A sharper-than-expected recovery in European industrial demand over the coming quarters, together with additional M&A, helps drive earnings growth above our expectations. We also believe this could warrant a re-rating of Scanfil’s multiple.

Lower end: Prolonged muted demand holding back volumes and subsequently also utilisation rates across Scanfil’s factory footprint.

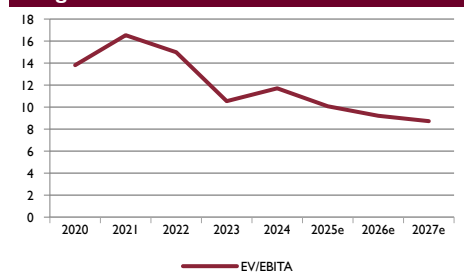
Key metrics



PE 12m forward



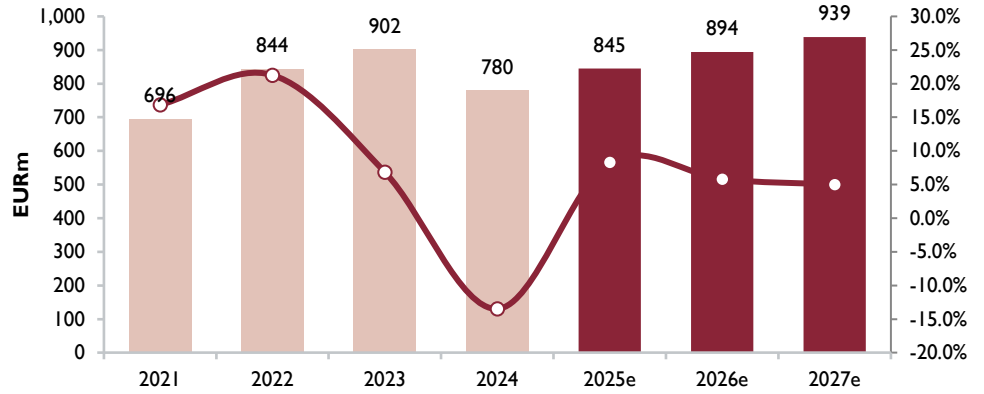
Long term valuation trend



Source: Carnegie Research & company data

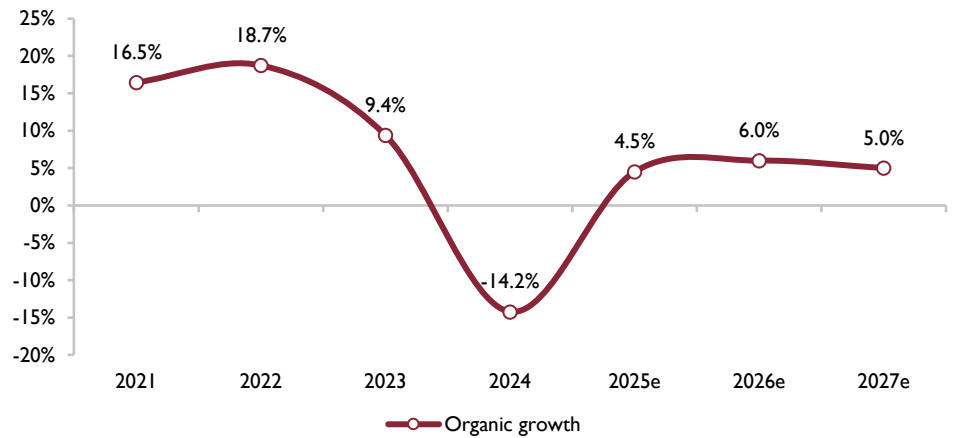
Scanfil in key charts

Scanfil: Net sales development 2021-27e



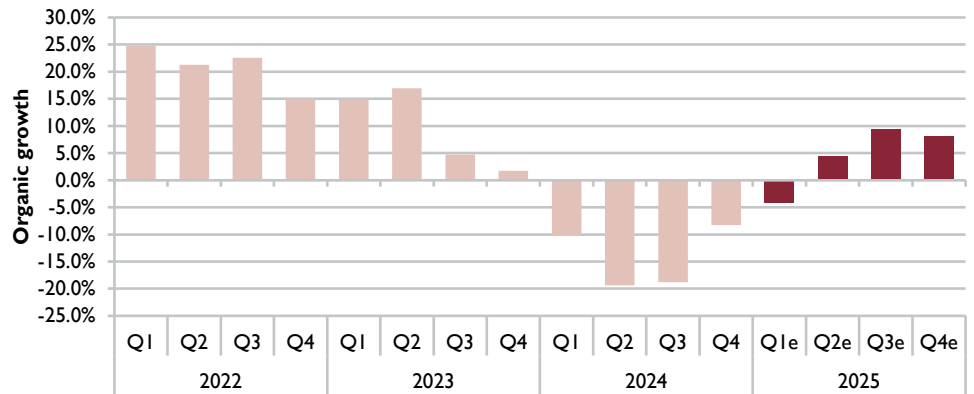
Source: Carnegie Research, Company data

Scanfil: Organic sales growth development 2021-27e



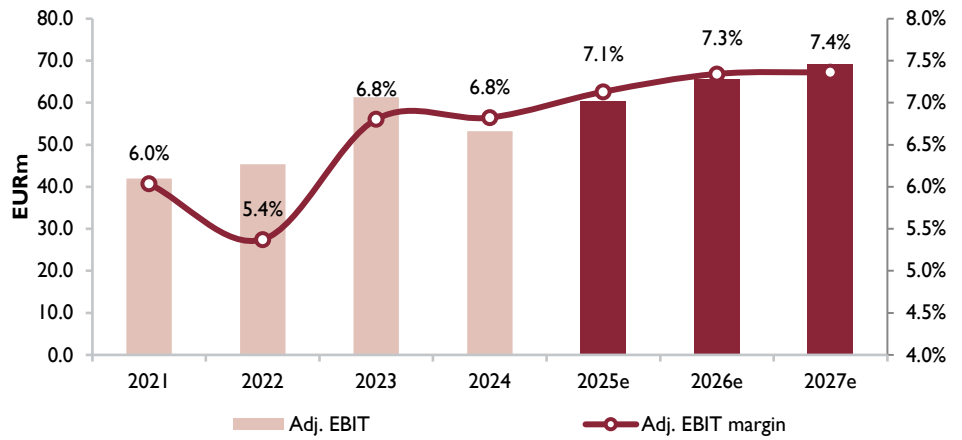
Source: Carnegie Research, Company data

Scanfil: Organic growth development



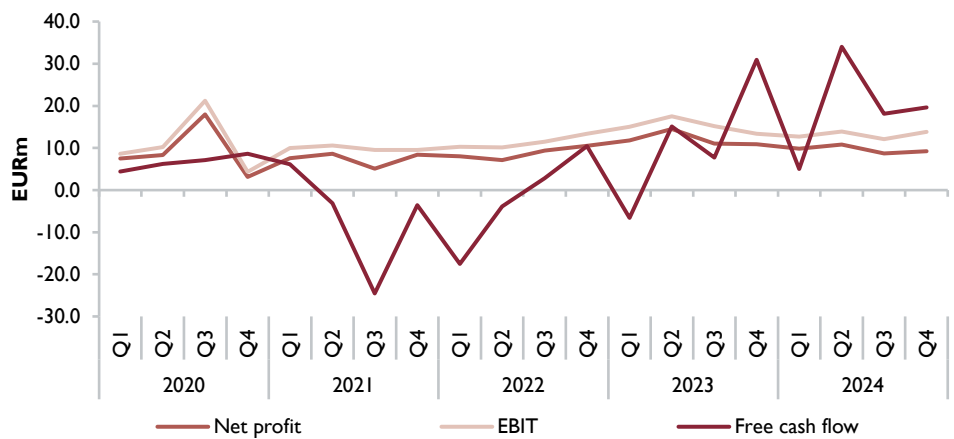
Source: Carnegie Research, Company data

Scanfil: Adj. EBIT margin development 2021-27e



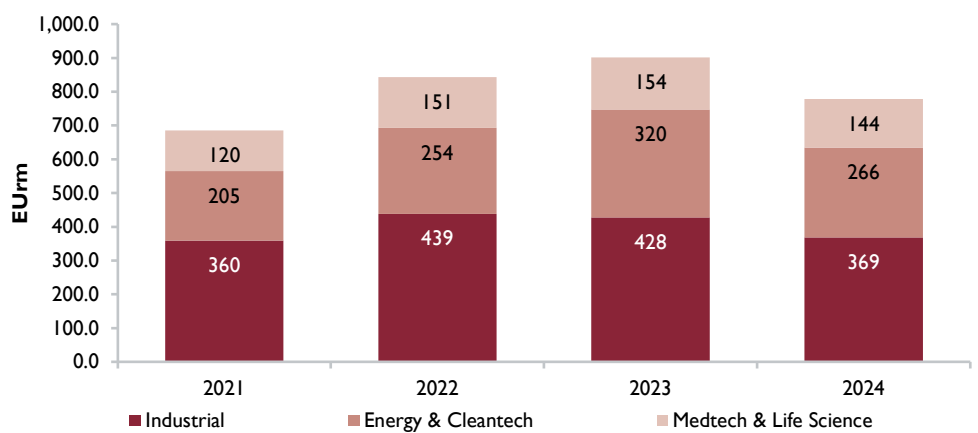
Source: Carnegie Research, Company data

Scanfil: Mapping cash flow versus earnings



Source: Carnegie Research, Company data

Scanfil: Net sales development by customer segment



Source: Carnegie Research, Company data

Interim table ahead of the Q1 report

Scanfil EURm	2024				2025 Q1a	CARE				
	Q1	Q2	Q3	Q4		Q1e	Dev.	Q2e	Q3e	Q4e
Net sales	198.9	195.5	173.3	212.3		200.6		213.9	199.4	230.9
Other operating income	0.1	0.3	0.3	0.5		0.3		0.4	0.4	0.4
Change of inventories in production, finished goods, and work in progress	0.2	-1.2	-0.1	-2.0		0.0		0.0	0.0	0.0
Manufacturing for own use	0.0	0.0	0.0	0.0		0.0		0.0	0.0	0.0
Expenses	-181.5	-175.6	-156.2	-190.9		-182.5		-194.3	-180.7	-209.5
Depreciation and amortisation	-5.0	-5.1	-5.1	-6.0		-4.6		-4.9	-4.6	-5.3
Adj. EBIT	12.7	13.9	12.4	14.0		13.7		15.1	14.5	16.6
Adj. EBIT margin	6.4%	7.1%	7.2%	6.6%		6.9%		7.1%	7.3%	7.2%
EO	0.0	0.0	-0.3	-0.2		0.0		0.0	0.0	0.0
EBIT	12.7	13.9	12.1	13.8		13.7		15.1	14.5	16.6
Net financials	0.2	0.1	-0.2	-1.5		-0.3		-0.3	-0.3	-0.3
PTP	12.9	14.0	11.9	12.3		13.5		14.9	14.3	16.4
Tax	-3.1	-3.1	-3.1	-3.1		-3.0		-3.3	-3.1	-3.6
Tax rate	-24%	-22%	-26%	-25%		-22%		-22%	-22%	-22%
Net profit	9.8	10.8	8.7	9.2		10.5		11.6	11.1	12.8
Reported EPS	0.15	0.17	0.13	0.14		0.16		0.18	0.17	0.20
Adj. EPS	0.15	0.17	0.14	0.14		0.16		0.18	0.17	0.20

Earnings

EBITDA	17.7	19.0	17.2	19.8		18.4		20.1	19.1	21.9
EBIT	12.7	13.9	12.1	13.8		13.7		15.1	14.5	16.6
PTP	12.9	14.0	11.9	12.3		13.5		14.9	14.3	16.4
Net profit	9.8	10.8	8.7	9.2		10.5		11.6	11.1	12.8

Growth

Sales growth Y/Y	-11%	-20%	-19%	-4%		1%		9%	15%	9%
- o/w organic	-10%	-19%	-19%	-8%		-4%		5%	9%	8%
- o/w structural	0%	0%	0%	5%		5%		5%	5%	0%
- o/w currency	-1%	0%	0%	-1%		1%		0%	0%	1%
EBIT growth	-15%	-21%	-20%	3%		8%		9%	20%	20%

Margins

EBITDA margin	8.9%	9.7%	9.9%	9.3%		9.2%		9.4%	9.6%	9.5%
Adj. EBIT margin	6.4%	7.1%	7.2%	6.6%		6.9%		7.1%	7.3%	7.2%
EBIT margin	6.4%	7.1%	7.0%	6.5%		6.9%		7.1%	7.3%	7.2%
PTP margin	6.5%	7.2%	6.9%	5.8%		6.7%		7.0%	7.2%	7.1%

Source: Carnegie Research, Company data

Forecast changes

Ahead of the Q1 report, we only make marginal changes to our estimates for Scanfil. For 2025, we forecast Scanfil to report sales growth of 8%, driven by a combination of organic and inorganic activities (we have included SRX Global in our numbers as of Q4(24)). Organically, we expect Scanfil to report 5% organic growth, reflecting our view of European industrial markets remaining cautious at the beginning of the year. At the same time, Scanfil ended 2024 with a high exit velocity in terms of new orders, and we expect conversion into production starts to be a focus area in H1(25). We model Scanfil to reach an adj. EBIT margin of 7.1% in 2025, reaching its target range of 7–8%.

Scanfil EURm	2025e			2026e			2027e		
	Old	New	% change	Old	New	% change	Old	New	% change
Net sales	854.6	844.9	-1%	905.9	893.9	-1%	951.1	938.5	-1%
Other operating income	1.5	1.5	-1%	0.9	0.9	-1%	1.0	0.9	-1%
Change of inventories in production, finished goods, and work in progress	0.0	0.0	0%	0.5	0.4	-1%	0.5	0.5	-1%
Manufacturing for own use	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%
Expenses	-775.5	-766.9	-1%	-818.9	-808.1	-1%	-859.8	-848.3	-1%
Depreciation and amortisation	-19.7	-19.4	-1%	-21.7	-21.5	-1%	-22.8	-22.5	-1%
EBIT adj.	60.9	60.0	-2%	66.6	65.6	-1%	69.9	69.1	-1%
EO	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%
EBIT	60.9	60.0	-2%	66.6	65.6	-1%	69.9	69.1	-1%
Net financials	-1.0	-1.0	0%	-1.3	-1.3	0%	-1.3	-1.3	0%
PTP	59.9	59.0	-2%	65.3	64.3	-1%	68.6	67.8	-1%
Tax	-13.2	-13.0	-2%	-14.4	-14.1	-1%	-15.1	-14.9	-1%
Net profit	46.7	46.0	-2%	50.9	50.2	-1%	53.5	52.9	-1%

Source: Carnegie Research

Growth	Old	New	% change	Old	New	% change	Old	New	% change
Sales growth Y/Y	10%	8%	-120bps	6%	6%	-20bps	5%	5%	0bps
- o/w organic	5%	5%	-90bps	6%	6%	0bps	5%	5%	0bps
- o/w structural	3%	3%	0bps	0%	0%	0bps	0%	0%	0bps
- o/w currency	1%	0%	-40bps	0%	0%	-20bps	0%	0%	0bps
EBIT growth	16%	14%	-170bps	9%	9%	0bps	5%	5%	30bps
Net profit growth	21%	19%	-180bps	9%	9%	0bps	5%	5%	30bps
Adj. EPS growth	20%	18%	-180bps	9%	9%	0bps	5%	5%	30bps

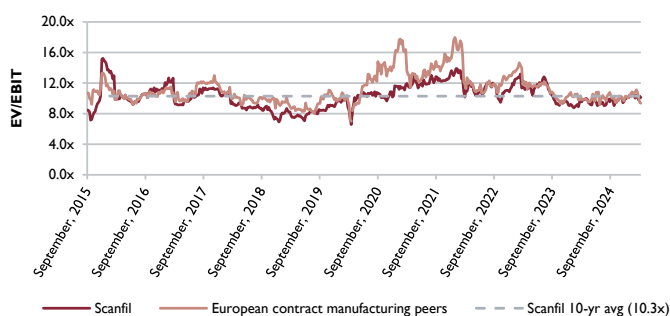
Margins	Old	New	% change	Old	New	% change	Old	New	% change
Adj. EBITDA margin	9.4%	9.4%	0bps	9.8%	9.7%	0bps	9.7%	9.8%	0bps
Adj. EBIT margin	7.1%	7.1%	0bps	7.4%	7.3%	0bps	7.3%	7.4%	0bps
PTP margin	7.0%	7.0%	0bps	7.2%	7.2%	0bps	7.2%	7.2%	0bps

Source: Carnegie Research

Valuation and risks

In our valuation of Scanfil, we apply a medium-term approach due to the cyclical nature of some of the company’s end-markets, and to look beyond the caution in end markets that we expect to persist into the beginning of 2025. Our financial expectations for 2026e form the basis of our valuation methodology and we apply an 8.0–12.0x EV/EBIT exit multiple range – the company’s 10-year historical average is 10.3x. On our updated estimates, we adjust our fair value range to EUR7.9–11.7 per share (8.9–10.8). Note that we do not include any contribution from as yet unannounced M&A in our estimates, and that this would present potential upside to our sales and earnings forecasts.

Scanfil: EV/EBIT development



Scanfil: EV/EBIT development L2Y



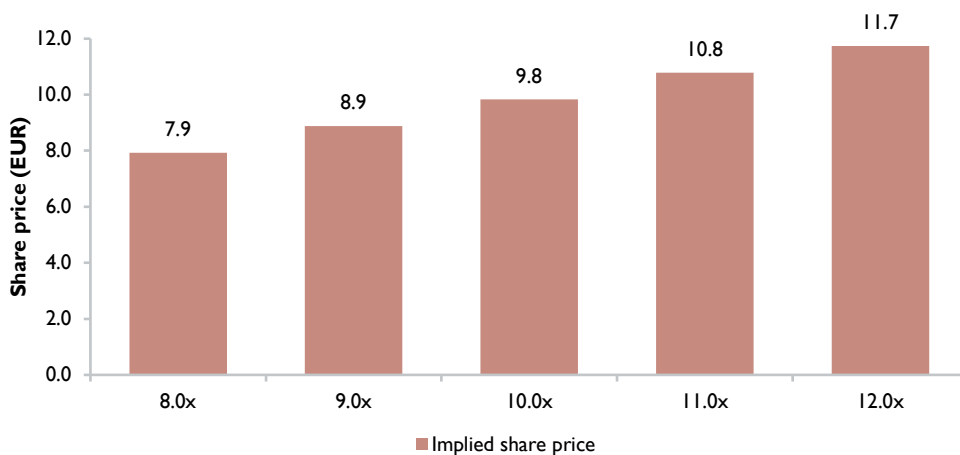
Source: Carnegie Research, Factset

Source: Carnegie Research, Factset

Scanfil has historically traded at a slight discount to its Nordic and European peers, which we deem reasonable considering its lower margin profile and historically above-average customer concentration. While we find that the customer concentration risk in Scanfil has diminished significantly in recent years, we believe the discount is likely to remain until Scanfil is able to show EBIT margins in the upper end of its 7–8% target range, or a sustainable uptick in growth. On this note, we view the strong order intake of EUR61m in Q4(24) as an encouraging datapoint.

For 2026e, we model sales of EUR894m, sales growth of 6.0% and an adj. EBIT margin of 7.3%. Depending on order momentum and earnings trends, we believe there are likely re-rating scenarios for the Scanfil share. Moreover, we believe the capital markets currently underappreciate the M&A potential enabled by the company’s strong balance sheet, solid capital turnover and attractive cash conversion capabilities. Thus, we value Scanfil using a set of different exit multiples of 8.0–12.0x, yielding a fair value range of EUR7.9–11.7 per share (8.9–10.8). Our fair value range corresponds to an EV/adj. EBIT(25e) of 8.7–12.8x.

Scanfil: Implied valuation at different EV/EBIT exit multiples



Source: Carnegie Research

To illustrate the potential impact on Scanfil's share price of an improved margin profile for the group, we have in the two tables below illustrated the valuation's inherent sensitivity to changes in EBIT margin assumptions and the exit multiple that we apply. Were Scanfil to reach the upper levels of its long-term target of an adj. EBIT margin of 7–8%, we believe a higher fair value range would be warranted both from the perspective of higher earnings and a higher multiple.

Sensitivity table (i) - Valuation per share on EBIT(26e) margin vs. exit multiple

		EBIT margin 2026e						
		6.4%	6.7%	7.0%	7.3%	7.6%	7.9%	8.2%
EV/EBIT multiple	7.0x	6.2	6.4	6.7	7.0	7.2	7.5	7.8
	8.0x	7.0	7.3	7.6	7.9	8.2	8.5	8.9
	9.0x	7.8	8.2	8.5	8.9	9.2	9.6	9.9
	10.0x	8.7	9.0	9.4	9.8	10.2	10.6	11.0
	11.0x	9.5	9.9	10.4	10.8	11.2	11.6	12.1
	12.0x	10.3	10.8	11.3	11.7	12.2	12.7	13.1
	13.0x	11.2	11.7	12.2	12.7	13.2	13.7	14.2

Source: Carnegie Research

Sensitivity table (ii) - Valuation per share on EBIT(26e) margin vs. discount rate

		EBIT margin 2026e						
		6.4%	6.7%	7.0%	7.3%	7.6%	7.9%	8.2%
Discount rate	6.8%	8.8	9.1	9.5	9.9	10.3	10.7	11.1
	7.3%	8.7	9.1	9.5	9.9	10.3	10.7	11.1
	7.8%	8.7	9.1	9.5	9.9	10.3	10.6	11.0
	8.3%	8.7	9.0	9.4	9.8	10.2	10.6	11.0
	8.8%	8.6	9.0	9.4	9.8	10.2	10.6	11.0
	9.3%	8.6	9.0	9.4	9.8	10.1	10.5	10.9
	9.8%	8.6	9.0	9.3	9.7	10.1	10.5	10.9

Source: Carnegie Research

We have also included a sensitivity table illustrating the impact of different discount rates and exit multiples.

Sensitivity table (iii) - Valuation per share on discount rate vs. exit multiple

		Discount rate						
		6.8%	7.3%	7.8%	8.3%	8.8%	9.3%	9.8%
EV/EBIT multiple	7.0x	7.0	7.0	7.0	7.0	6.9	6.9	6.9
	8.0x	8.0	8.0	8.0	7.9	7.9	7.9	7.8
	9.0x	9.0	8.9	8.9	8.9	8.8	8.8	8.8
	10.0x	9.9	9.9	9.9	9.8	9.8	9.8	9.7
	11.0x	10.9	10.9	10.8	10.8	10.7	10.7	10.7
	12.0x	11.9	11.8	11.8	11.7	11.7	11.7	11.6
	13.0x	12.8	12.8	12.7	12.7	12.6	12.6	12.6

Source: Carnegie Research

Risks

Below we have highlighted some potential risks we see in Scanfil's investment case.

Inherent industrial cyclicality

In our view, while Scanfil enjoys favourable exposure to structurally growing markets such as industrial electrification and medical technology, contract manufacturing remains a cyclical business niche to some extent. As such, weakening industrial demand and demand for investment goods might have a negative impact on Scanfil's operations. This could in turn lead to overcapacity among the company's production sites, weighing on utilisation rates and ultimately on earnings.

Intense competition

Scanfil may boast decade-long relationships with some of its customers, but competition in the contract manufacturing industry is still intense. If Scanfil were to become unable to meet its customers' demands in factors such as quality, reliability, and pricing, this could impact demand for its services.

Quality issues

As highlighted above, we believe quality is one of the key factors considered by Scanfil's customers. The company measures quality as defective parts per million, and states that the metric improved significantly in 2023. If concerns were to arise regarding the quality of the services offered by Scanfil, this could not only damage the company's financial development, but also its brand as a trusted manufacturing partner.

Customer concentration

In all businesses, there is an inherent risk that one or more customers outgrow other accounts to the extent that the customer portfolio becomes imbalanced. Thus, there is a risk that if one or more of Scanfil's larger customers were to reduce their order levels, it could have an adverse effect on the group's sales and earnings. In 2023, Scanfil's largest customer accounted for 13% of group sales, and the top ten together comprised 55% of sales. While we note that diversification has increased since the beginning of the 2010s, there is still a risk that a downturn in the largest customers' end-markets could have an adverse effect on Scanfil's bottom line.

Carnegie’s Sustainability Scorecard

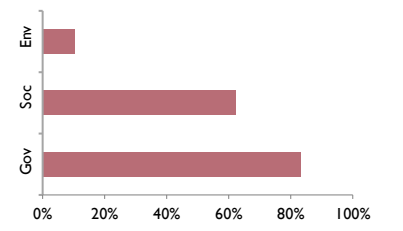
Carnegie total ESG peer rating: 53%

Taxonomy eligible: Yes

Sustainability as a business driver

While perhaps not apparent at first sight, we see several aspects of Scanfil’s business model through which sustainability-related trends could serve as a business driver. Firstly, Scanfil has a long history of logistics management, by which the company assists customers to improve the coordination of material flows between sites, find transportation arrangements, and select manufacturing locations optimally sited between customers and suppliers. By minimising the distance required for transportation between supply chain points, Scanfil works to reduce the environmental footprint made by its customers – while also delivering on serviceability and rapid response. The company is also an expert in material handling and product design. By working with the client from early on during the development phase, Scanfil can assist in optimising material management, thus reducing potential waste.

ESG rating – share of best peer score



Potential and incidents

Sust. driven growth	Fair
Past incidents	Insignificant

Exposure to negative impact industries

Fossil fuels	0%
Weapons	4%
Tobacco	0%
Pornography	0%
Alcohol	0%
Gambling	0%

Source tables and graph above: Carnegie Research

ESG Key Facts

Science-based CO2 reduction targets	na
Science-based CO2 neutrality target yr	na
Non-renewable energy cons. (%)	na
% women (board/senior exec/total)	33/20/45
Employee turnover rate (%)	na
Absenteeism rate (%)	4.2%
Accident frequency (per mill. hours)	na
Board meetings (number/attendance)	17/100%
Sustainability committee	No
Sust. performance in incentive prog.	No
Existence of a whistleblowing system	Yes
Taxonomy eligible revenue	12%

Source: Carnegie Research & company data

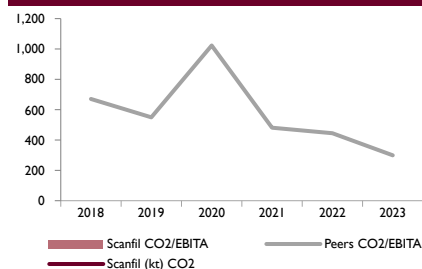
Sustainability targets and achievements

As a member of the UN Global Compact initiative, Scanfil has committed to the principles of human rights, the eradication of corruption, high labour standards, and a sustainable environment. The company has chosen to specify a number of action items within each area of its sustainability work. EcoVadis, a sustainability rating platform, gives Scanfil a silver rating based on its sustainability management system. According to the EcoVadis definitions, this means that the company scores in the 85th percentile among the companies ranked. For 2030, the company aims for a platinum ranking, which would be equivalent to scoring in the 99th percentile. The board of directors and the executive team are responsible for sustainability management at Scanfil.

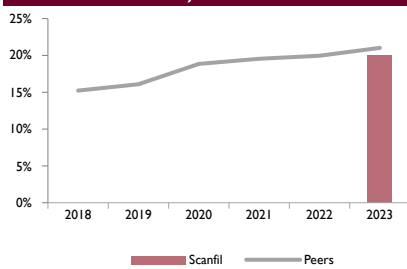
Sustainability related risks and past incidents

While we have not identified any major sustainability-related incidents in Scanfil’s past, we acknowledge that there are some sustainability risks in the company’s business model. First and foremost, there is an inherent risk in Scanfil’s operations that employees could suffer from health and safety issues stemming from daily operations at the company – for example from operating one of the many machines the company has installed at its sites. To counter instances like this, Scanfil has a Safety Council, which monitors safety, decides on corrective actions and shares best practices.

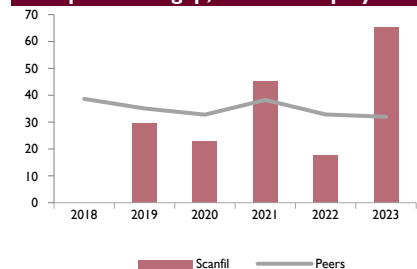
Carbon emissions



Senior executives, % women



Compensation gap, CEO vs employees



Source: Carnegie Research & company data

Financial statements

Profit & loss (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	563	579	595	696	844	902	780	845	894	939
COGS	-383	-390	-410	-491	-610	-632	-523	-608	-641	-672
Gross profit	180	190	185	204	233	270	257	237	253	267
Other income & costs	-133	-137	-125	-149	-171	-190	-184	-157	-166	-175
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	47	53	60	55	63	80	74	79	87	92
Depreciation PPE	-8	-8	-9	-9	-11	-12	-14	-12	-13	-14
Depreciation lease assets	0	-4	-4	-4	-4	-5	-4	-4	-4	-5
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	38	39	44	40	45	61	53	60	66	69
Amortization acquisition related	0	-4	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	38	35	44	40	45	61	53	60	66	69
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	-2	-1	-3	-2	-4	0	-1	-1	-1	-1
of which interest income/expenses	0	0	0	0	0	0	0	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	36	34	42	38	42	62	51	59	64	68
Taxes	-7	-6	-5	-8	-7	-13	-12	-13	-14	-15
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	29	28	37	30	35	48	39	46	50	53
Adjusted EBITDA	47	57	55	56	63	80	74	79	87	92
Adjusted EBITA	38	43	39	40	45	61	53	60	66	69
Adjusted EBIT	38	39	39	40	45	61	53	60	66	69
Adjusted net profit	29	36	32	30	35	48	39	46	50	53
Sales growth Y/Y	6.3%	2.9%	2.7%	16.9%	21.3%	6.9%	-13.5%	8.3%	5.8%	5.0%
EBITDA growth Y/Y	18.0%	12.1%	14.0%	-8.9%	14.0%	27.9%	-8.1%	7.8%	9.6%	5.2%
EBITA growth Y/Y	20.8%	3.1%	13.9%	-10.8%	14.6%	35.1%	-14.2%	14.1%	9.3%	5.3%
EBIT growth Y/Y	20.8%	-6.4%	25.5%	-10.8%	14.6%	35.1%	-14.2%	14.1%	9.3%	5.3%
EBITDA margin	8.4%	9.1%	10.1%	7.9%	7.4%	8.9%	9.4%	9.4%	9.7%	9.8%
EBITA margin	6.7%	6.7%	7.5%	5.7%	5.4%	6.8%	6.7%	7.1%	7.3%	7.4%
EBIT margin	6.7%	6.1%	7.5%	5.7%	5.4%	6.8%	6.7%	7.1%	7.3%	7.4%
Tax rate	-19.8%	-17.5%	-11.7%	-21.0%	-16.0%	-21.7%	-24.3%	-22.0%	-22.0%	-22.0%
Cash flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	47	53	60	55	63	80	74	79	87	92
Paid taxes	-7	-8	-7	-11	-4	-9	-18	-13	-14	-15
Change in NWC	-10	-8	-8	-53	-43	-3	36	2	0	-9
Non cash adjustments	2	1	10	4	5	-1	0	15	17	18
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	29	36	35	-13	10	69	92	54	57	50
Capex tangible assets	-9	-10	-5	-12	-17	-19	-16	-19	-21	-22
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	-7	0	-1	0	-2	-1	-1	-1	-2
Acquisitions/divestments	0	-8	13	0	0	0	-22	0	-11	0
Other non-cash adjustments	-1	7	-4	1	-2	-1	1	0	0	0
Total investing activities	-10	-18	4	-13	-19	-22	-38	-20	-32	-23
Net financial items	-2	-1	-3	-2	-4	0	-1	-1	-1	-1
Lease payments	0	0	-4	-4	-4	-4	-4	-4	-4	-5
Dividend paid and received	-7	-8	-10	-11	-12	-14	-15	-16	-17	-18
Share issues & buybacks	0	0	1	0	0	0	0	0	0	0
Change in bank debt	-14	-8	-20	38	20	-30	-8	0	0	0
Other cash flow items	0	0	0	1	0	1	0	0	0	0
Total financing activities	-22	-18	-34	23	2	-50	-30	-21	-22	-24
Operating cash flow	29	36	35	-13	10	69	92	54	57	50
Free cash flow	19	26	26	-25	-8	47	77	34	35	27
Net cash flow	-1	1	6	-1	-4	1	27	14	3	5
Change in net IB debt	11	17	28	-38	-25	35	39	15	5	6
Capex / Sales	1.6%	1.7%	0.8%	1.8%	2.0%	2.1%	2.0%	2.3%	2.3%	2.3%
NWC / Sales	17.6%	19.2%	19.8%	20.7%	22.8%	23.8%	25.5%	21.2%	19.9%	19.4%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	10	8	8	8	8	8	29	29	29	29
Other fixed intangible assets	12	17	14	13	11	10	20	17	15	13
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	49	72	65	72	80	85	95	105	115	125
Lease assets	0	21	18	22	24	23	27	29	32	35
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	4	6	7	9	8	8	8	8	8	8
Fixed assets	76	103	95	102	107	112	152	160	167	175
Inventories (2)	99	102	103	193	229	209	168	178	181	190
Receivables (2)	108	112	113	149	165	174	165	161	170	178
Prepaid exp. & other NWC items (2)	0	1	1	1	2	1	1	1	1	1
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	2	2	2	3	2	2	3	17	43	59
Cash & cash equivalents (1)	19	20	26	25	21	21	49	62	65	70
Current assets	228	237	245	372	419	406	385	418	459	498
Total assets	304	340	339	474	526	518	538	578	626	673
Shareholders' equity	145	167	183	207	227	266	290	320	353	389
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	145	167	183	207	227	266	290	320	353	389
Deferred tax	6	7	6	5	5	6	10	10	10	10
LT IB debt (1)	17	25	18	42	36	0	20	20	20	20
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	19	16	20	20	19	22	24	26	29
Other non-IB liabilities	0	0	1	1	1	1	12	12	12	12
LT liabilities	23	51	40	68	62	25	64	66	68	70
ST IB debt (1)	31	23	10	23	50	54	28	28	29	29
Payables (2)	104	96	100	172	184	167	154	161	173	182
Accrued exp. & other NWC items (2)	0	0	0	0	0	0	0	0	0	0
Other ST non-IB liabilities	2	3	6	3	4	5	3	3	3	3
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	136	122	116	198	237	227	184	192	205	214
Total equity and liabilities	304	340	339	474	526	518	538	578	626	673
Net IB debt (=1)	28	46	18	60	86	52	21	10	10	8
Net working capital (NWC) (=2)	104	118	117	171	213	217	181	178	178	187
Capital employed (CE)	198	237	229	295	334	342	376	408	444	482
Capital invested (CI)	173	213	201	267	312	318	311	330	363	397
Equity / Total assets	48%	49%	54%	44%	43%	51%	54%	55%	56%	58%
Net IB debt / EBITDA	0.6	0.9	0.3	1.1	1.4	0.6	0.3	0.1	0.1	0.1
Per share data (EUR)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	63.95	64.30	64.39	64.70	64.83	64.86	65.19	65.19	65.19	65.19
Diluted no. of Shares YE (m)	64.48	65.13	65.19	65.33	65.74	64.86	65.19	65.19	65.19	65.19
EPS	0.45	0.43	0.57	0.46	0.53	0.74	0.59	0.71	0.77	0.81
EPS adj.	0.45	0.49	0.48	0.49	0.53	0.74	0.60	0.71	0.77	0.81
CEPS	0.60	0.71	0.75	0.63	0.74	0.97	0.85	0.94	1.03	1.08
DPS	0.13	0.15	0.17	0.19	0.21	0.23	0.24	0.24	0.26	0.27
BVPS	2.26	2.59	2.84	3.21	3.50	4.10	4.44	4.91	5.42	5.96
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	21.4%	18.0%	21.1%	15.2%	16.1%	19.6%	13.9%	15.1%	14.9%	14.2%
Adj. ROCE pre-tax	19.0%	16.6%	17.0%	13.6%	13.6%	17.9%	14.1%	14.7%	14.8%	14.3%
Adj. ROIC after-tax	17.7%	15.7%	17.0%	12.1%	12.4%	15.1%	13.1%	14.2%	14.2%	13.7%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	3.3%	4.3%	4.4%	-4.2%	-1.4%	7.9%	12.9%	5.6%	5.9%	4.5%
Dividend yield YE	na	3.1%	2.6%	2.5%	3.1%	2.9%	2.9%	2.6%	2.8%	3.0%
Dividend payout ratio	29.0%	34.6%	30.2%	41.7%	38.8%	31.0%	40.5%	33.3%	33.3%	33.3%
Dividend + buy backs yield YE	na	3.0%	2.6%	2.5%	3.1%	3.0%	2.9%	2.8%	3.0%	0.0%
EV/Sales YE	na	0.63	0.74	0.79	0.61	0.62	0.72	0.72	0.68	0.64
EV/EBITDA YE	na	6.9	7.3	10.0	8.3	7.0	7.6	7.6	6.9	6.6
EV/EBITA YE	na	9.4	10.0	13.8	11.4	9.1	10.6	10.1	9.2	8.7
EV/EBITA adj. YE	na	8.5	11.4	13.6	11.5	9.2	10.5	10.1	9.2	8.7
EV/EBIT YE	na	10.3	10.0	13.8	11.4	9.1	10.6	10.1	9.2	8.7
P/E YE	na	11.3	11.5	16.4	12.3	10.5	13.9	12.9	11.9	11.2
P/E adj. YE	na	10.0	13.5	15.2	12.3	10.5	13.8	12.9	11.9	11.2
P/BV YE	na	1.89	2.30	2.33	1.88	1.91	1.86	1.86	1.68	1.53
Share price YE (EUR)		4.89	6.52	7.46	6.58	7.83	8.25	9.12		

Source: Carnegie Research & company data

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