

Fortum

Company report

10/12/2022



Juha Kinnunen
+358 40 778 1368
juha.kinnunen@inderes.fi

This report is a summary translation of the report "Tarkennuksia Uniperin poistuesssa" published on 10/13/2022 at 07:50 am

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Revisions following the Uniper exit

We reiterate our Accumulate recommendation and EUR 14.5 target price for Fortum. Our update relates to the restated comparison figures that exclude Uniper published by Fortum, based on which we revised the figures. At the same time, we made minor updates to our estimates, mainly related to electricity price developments. Although there were structural changes to the figures, the big picture hasn't changed substantially. Fortum is a very cheap stock with the results of the next few years (2023e P/E 7x), which however aren't sustainable. The most significant risks relate to the Russian business and the completion of the Uniper transaction. However, even before that there's pressure on collateral requirements and liquidity.

We cleaned up the historical figures because of the Uniper divestment

A week ago, Fortum published adjusted comparison data on what the company's key figures look like without Uniper. We have now updated the figures in our analysis on this basis and moved Uniper to discontinued operations. In the historical figures, Uniper is partly included as a subsidiary in 2020, up to which point adjusted figures were not provided. This follows an agreement in principle between Fortum, the German government and Uniper, under which Fortum will sell its entire shareholding in Uniper to the German state for EUR 0.5 billion. As part of the agreement, Fortum's EUR 4 billion loan to Uniper will be repaid and Uniper will release Fortum's EUR 4 billion parent company guarantee. The implementation of the agreed arrangement is still subject to the conclusion of final agreements with the German State and Uniper, regulatory approvals in several geographical areas, including approvals from the European Commission and, finally, a decision by Uniper's Extraordinary General Meeting. Fortum expects the planned transaction to be completed by the end of this year, and this is also our expectation.

Estimates revised, liquidity to improve significantly towards the end of the year

We made estimate revisions at the same time as we removed Uniper from the Fortum group more accurately than before. There were only minor revisions to the 2023 projections, but the 2024 projections rose as electricity futures continued to hold at a relatively high level (around €88/MWh at the time of writing). At the same time, we revised our Q3'22 estimates, which we will return to in our pre-earnings comment. We believe that Fortum's balance sheet will be sustainable after the completion of the arrangement. Fortum's currently tight liquidity situation will be significantly eased when the company is expected to receive EUR 4.5 billion in cash (Uniper loan and shares) towards the end of the year. In addition, the company will generate strong operating cash flow for the rest of the year, so that by the turn of the year the company's balance sheet will already look much better than today. As a result, we also revised our dividend estimates, and we now expect dividends for 2023, possibly even 2022. Much will depend on when the debt markets consider Fortum's situation to have stabilized.

Valuation can be seen as confusingly low

Fortum has the preconditions to generate an excellent result next year thanks to the high electricity price. Therefore, the 2023e P/E is only about 7x, which is actually confusingly low. However, 2023 performance (EPS estimate EUR 1.87) is not sustainable, and the normalized EPS is likely to be closer to EUR 1.2-1.5. The P/E would then be around 10x, which we think is also quite attractive. Although the fate of the Russian businesses in particular will weigh on Fortum for a long time to come, we believe that the risk/reward ratio of the stock is reasonably good when the Uniper transaction is completed. Although the Uniper venture was a disaster, in a favorable market environment the worst bumps can be corrected relatively quickly if energy policy doesn't make the situation significantly more difficult.

Recommendation

Accumulate

(previous Accumulate)

EUR 14.50

(previous EUR 14.50)

Share price:

12.73



Key figures

	2021	2022e	2023e	2024e
Revenue	6422	8204	8671	8449
growth-%	-87%	28%	6%	-3%
EBIT adj.	1429	1607	2430	2038
EBIT-% adj.	22.3 %	19.6 %	28.0 %	24.1 %
Net Income	3985	1641	1662	1398
EPS (adj.)	-2.43	-2.92	1.87	1.57

P/E (adj.)	neg.	neg.	6.8	8.1
P/B	2.0	1.4	1.2	1.1
Dividend yield-%	4.2 %	0.0 %	3.9 %	5.9 %
EV/EBIT (adj.)	22.9	10.0	6.1	6.8
EV/EBITDA	6.7	6.5	4.9	5.3
EV/S	5.1	2.0	1.7	1.6

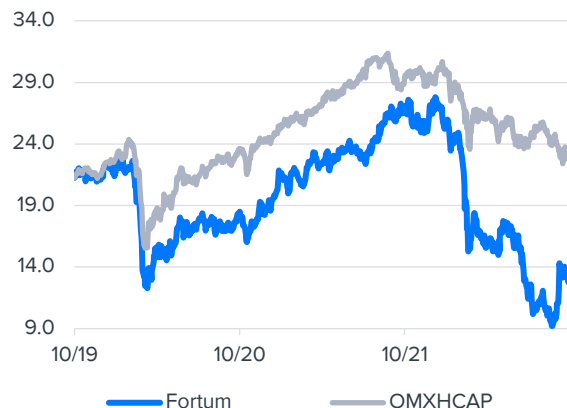
Source: Inderes

Guidance

(Unchanged)

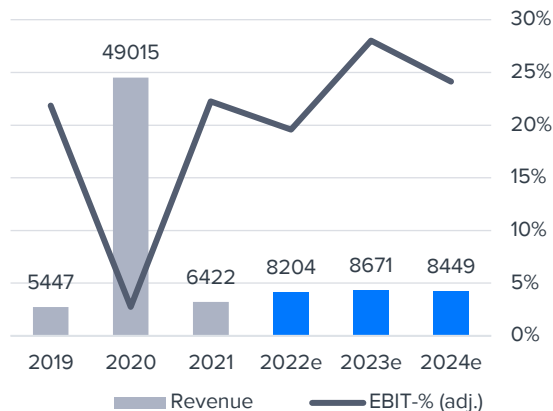
The Generation segment's Nordic generation hedges: approximately 80% at EUR 38 per MWh for the remainder of 2022, and approximately 60% at EUR 37 per MWh for 2023.

Share price



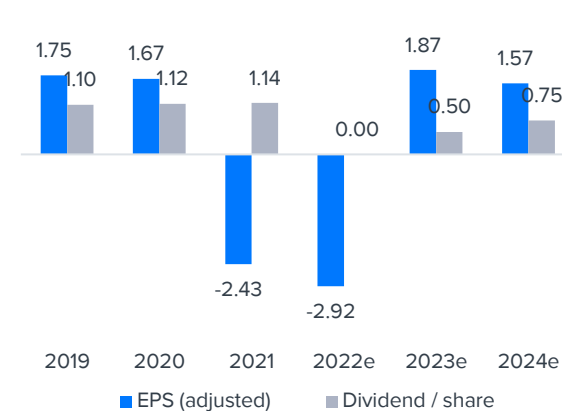
Source: Millstream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Successful exit from Uniper and Russia
- Improved investment profile and lower risk profile as the situation becomes clearer
- Very high electricity prices enables wild earnings levels if they persist
- Improving operational efficiency
- Successful investments and divestments in accordance with the strategy



Risk factors

- Completing the nationalization of Uniper
- Write-down risks associated with Russian business, which may also result in balance sheet problems
- Possible windfall taxes and developments in energy policy
- A drop in electricity prices would ultimately be reflected in the result, despite hedging
- Unfavorable regulatory developments in the Nordic countries, Europe or Russia

Valuation	2022e	2023e	2024e
Share price	12.7	12.7	12.7
Number of shares, millions	888.3	888.3	888.3
Market cap	11308	11308	11308
EV	16092	14742	13927
P/E (adj.)	neg.	6.8	8.1
P/E	neg.	6.8	8.1
P/FCF	1.9	7.5	8.0
P/B	1.4	1.2	1.1
P/S	1.4	1.3	1.3
EV/Sales	2.0	1.7	1.6
EV/EBITDA	6.5	4.9	5.3
EV/EBIT (adj.)	10.0	6.1	6.8
Payout ratio (%)	0.0 %	26.7 %	47.7 %
Dividend yield-%	0.0 %	3.9 %	5.9 %

Source: Inderes

Revisions to the figures and minor estimate adjustments

Clarifications to the historical data

In our previous update, we had already cut Uniper out of the 2022 figures for the Fortum group. However, based on the adjusted comparison data published by Fortum, we were able to make significantly more accurate changes to the different rows of the income statement. At the same time, we also removed Uniper from the 2021 historical figures, which the company also provided. The comparison data didn't go back to 2020, where Uniper's huge turnover still haunts us, even though the company was consolidated for only part of the year.

The only change that we hadn't noticed before was related to the specification of the Generation segment figures. The figures for the Generation segment have been restated so that OKG (Oskarshamn nuclear power plant) is reported as an associated company instead of a proportional share. In any case, the data from the last few years are now more in line with the new picture, now that Uniper has been moved to discontinued activities. Here, the company is still visible at the bottom of the income statement and thus affects, among other things, earnings per share.

Balance sheet figures to be clarified in Q3

Fortum didn't publish adjusted balance sheet figures, so the rough carve-out method is still used in this respect. However, the impact of the deconsolidation of Uniper will be booked in Q3, after which the balance sheet structure will also normalize. Based on Fortum's Q2 balance sheet, the impact of the completion of the consolidation would have been roughly EUR +5 billion to the company's equity, and in this respect the situation is clear.

The total loss on Fortum's investment in Uniper is just under EUR 6 billion, consisting of roughly EUR 7.2 billion invested net in Uniper's shares, a EUR 0.5 billion purchase price and roughly EUR 0.9 billion in dividends over the ownership period. The loss from the divestment will reduce the equity of the parent company Fortum Plc. However, Fortum has estimated that it will remain at a sufficient level and there is no need for additional equity financing.

We believe that Fortum's balance sheet will be sustainable after the completion of the arrangement. The current tight liquidity situation will be significantly eased as the EUR 4 billion loan will be repaid and the

company will receive an additional EUR 0.5 billion for Uniper shares. In addition, Fortum is making strong operating cash flows in Q4, so the company's balance sheet would look very different at the turn of the year. Naturally, there are still risks associated with the volatility of electricity prices and hedging collateral requirements, but recently this pressure has also been significantly reduced, at least temporarily. First, however, the Uniper agreement must be properly completed.

Minor estimate revisions

In this context, we also made the estimate revisions shown below. We revised the 2023 projections, but the 2024 projections in particular rose as electricity futures continued to hold at a relatively high level (around €88/MWh at the time of writing). We have previously anticipated a steeper return to "normal", but we now use €70/MWh as the market price for 2023. After reviewing the balance sheet, we revised our dividend estimates and now expect dividends in 2023, possibly even 2022. Much will depend on when the debt markets consider Fortum's situation to have stabilized.

Estimate revisions MEUR / EUR	2022e	2022e	Change %	2023e	2023e	Change %	2024e	2024e	Change %
	Old	New		Old	New		Old	New	
Revenue	8409	8204	-2%	9596	8671	-10%	9018	8449	-6%
EBITDA	2177	2481	14%	2932	3002	2%	2344	2606	11%
EBIT (exc. NRIs)	1571	1607	2%	2480	2430	-2%	1879	2038	8%
EBIT	1742	1914	10%	2480	2430	-2%	1879	2038	8%
PTP	1004	2103	109%	2263	2170	-4%	1695	1831	8%
EPS (excl. NRIs)	-3.75	-2.92	22%	1.94	1.87	-4%	1.45	1.57	9%
DPS	0.00	0.00	0%	0.00	0.50	0%	0.50	0.75	50%

Valuation is attractive, but there are risks

A more solid entity

The value of Fortum's core business has been clear throughout the crisis, and gradually Fortum can also be priced based on this value as the Uniper mess becomes clearer. Fortum's market cap is currently close to EUR 11.3 billion. After the completion of the Uniper arrangement, Fortum's adjusted net financial debt should be around EUR 2.4 billion excluding operating cash flow. Thus, the damage caused by the Uniper disaster will ultimately be limited, especially if the favorable market environment persists.

Fortum's Generation segment alone is expected to generate operating results of more than EUR 2 billion in the coming years thanks to exceptionally high electricity prices. Compared to this, Fortum's enterprise value, which accounts the net debt of around EUR 14 billion, sounds very low. However, the sector is currently priced very moderately, which is partly justified (cf. the Risks section). In addition, Fortum is still burdened by the Russia segment, which is still included in our estimates. However, we expect the segment's profit to be on a downward curve, and in 2023 it will account for only around 7% of operating profit. At present, hardly anyone gives the business any value.

The share is cheap with the result of the next few years

Fortum has the preconditions to generate an excellent result next year thanks to the high electricity price. Therefore, the 2023e P/E is only about 7x, which is actually confusingly low. However, 2023 performance (EPS estimate EUR 1.87) is not sustainable, and the normalized EPS is likely to be closer to EUR 1.2-1.5. Then the P/E would be about 10x, which we believe, however, still indicates a type of crisis pricing. Although there are still uncertainties, we believe that Fortum's risk/return ratio will be

reasonably good after the Uniper arrangement is completed. Even though Uniper was a disaster, in a favorable market environment, the worst damage can be remedied rather quickly. If Fortum managed to stabilize its financial situation and return to both the debt market and the dividend payer, the company's risk profile would be further reduced. Following this, we believe the new profile of the company would support a significantly higher valuation, but this will take time and possibly an exit from Russia.

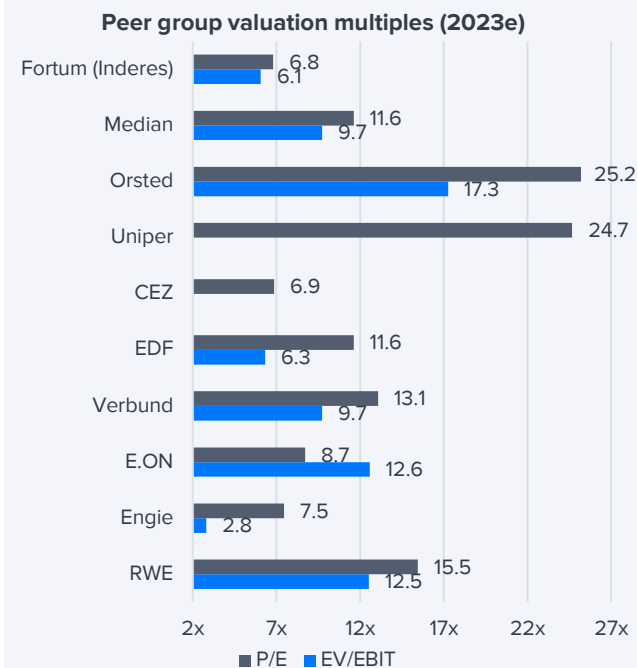
There are still risks

Although the Uniper mess seems to be resolved now and we are confident that the arrangement will be completed during the rest of the year, nothing is certain until the money is in the account. The previous Uniper stabilization package changed quickly when the downhill steepened. The bigger problem, however, is the exit from Russia, which in this market environment seems to be very difficult, even at reasonable prices. Russia's behavior has become even stranger, so the situation has not improved in this respect.

In addition, there are significant risks associated with regulation of the whole sector and the energy policy throughout Europe. In exceptional circumstances, the desire to 'repair' market activity is obvious, but the impact may ultimately be negative for all. Taxation of excessive profits with 'windfall taxes' is politically attractive, which is why we find this risk significant, even though the debate in Finland has not been particularly aggressive so far. In addition, an obvious risk for Fortum's earnings development is the longer-term sustainability of very high electricity prices, which may be hampered by challenges on the futures market. If hedging cannot be carried out in a normal way, high prices can be a quickly passing phenomenon.

Valuation	2022e	2023e	2024e
Share price	12.7	12.7	12.7
Number of shares, millions	888.3	888.3	888.3
Market cap	11308	11308	11308
EV	16092	14742	13927
P/E (adj.)	neg.	6.8	8.1
P/E	neg.	6.8	8.1
P/FCF	1.9	7.5	8.0
P/B	1.4	1.2	1.1
P/S	1.4	1.3	1.3
EV/Sales	2.0	1.7	1.6
EV/EBITDA	6.5	4.9	5.3
EV/EBIT (adj.)	10.0	6.1	6.8
Payout ratio (%)	0.0 %	26.7 %	47.7 %
Dividend yield-%	0.0 %	3.9 %	5.9 %

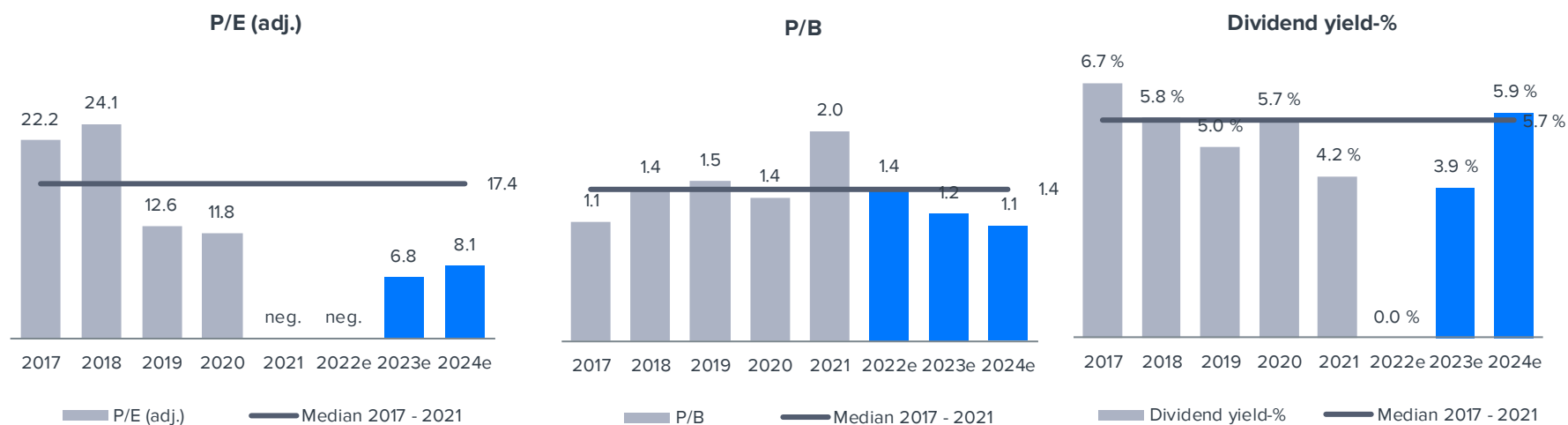
Source: Inderes



Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	16.5	19.1	22.0	19.7	27.0	12.7	12.7	12.7	12.7
Number of shares, millions	888.4	888.4	888.3	888.4	888.3	888.3	888.3	888.3	888.3
Market cap	14658	16968	19542	17501	23975	11308	11308	11308	11308
EV	13955	16805	18665	25567	32676	16092	14742	13927	13482
P/E (adj.)	22.2	24.1	12.6	11.8	neg.	neg.	6.8	8.1	8.9
P/E	16.9	20.1	13.2	9.6	32.4	neg.	6.8	8.1	8.9
P/FCF	neg.	10.0	46.5	neg.	25.8	1.9	7.5	8.0	9.1
P/B	1.1	1.4	1.5	1.4	2.0	1.4	1.2	1.1	1.0
P/S	3.2	3.2	3.6	0.4	3.7	1.4	1.3	1.3	1.3
EV/Sales	3.1	3.2	3.4	0.5	5.1	2.0	1.7	1.6	1.6
EV/EBITDA	8.6	10.0	11.0	9.5	6.7	6.5	4.9	5.3	5.6
EV/EBIT (adj.)	16.9	17.0	15.7	19.0	22.9	10.0	6.1	6.8	7.4
Payout ratio (%)	112.8 %	115.9 %	66.0 %	54.6 %	137.0 %	0.0 %	26.7 %	47.7 %	70.1 %
Dividend yield-%	6.7 %	5.8 %	5.0 %	5.7 %	4.2 %	0.0 %	3.9 %	5.9 %	7.9 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
RWE	25007	33144	10.0	12.5	6.8	8.1	11.1	15.5	2.5	2.6	1.4
Engie	28181	19671	2.6	2.8	1.6	1.7	6.8	7.5	9.4	8.9	0.8
E.ON	20074	56825	12.3	12.6	7.4	7.6	8.4	8.7	6.7	6.9	1.5
Verbund	29061	33245	12.4	9.7	10.3	8.1	16.1	13.1	4.2	4.2	4.0
EDF	46309	42853	14.1	6.3	3.5	2.4		11.6	4.6	3.6	1.0
CEZ	17533						7.7	6.9	8.7	10.3	2.2
Enel	41439	78622	6.6	6.1	4.1	3.9	7.4	6.8	9.8	10.5	1.2
Uniper	1223	1813				1.6		24.7	6.7	7.5	0.5
Orsted	32800	35381	12.1	17.3	8.7	10.3	16.8	25.2	2.3	2.5	3.0
Fortum (Inderes)	11308	16092	10.0	6.1	neg.	4.9	neg.	6.8	0.0	3.9	1.4
Average			10.0	9.6	6.1	5.5	10.6	13.3	6.1	6.3	1.7
Median			12.1	9.7	6.8	5.7	8.4	11.6	6.7	6.9	1.4
Diff-% to median			-17%	-38%		-15%		-41%	-100%	-43%	4%

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Revenue	49015	1721	1234	1296	2171	6422	2162	1754	1631	2657	8204	8671	8449	8422
<i>Generation</i>	2006	669	570	677	953	2869	701	715	770	1091	3278	4306	3830	3635
<i>City Solutions</i>	1075	418	256	202	426	1302	390	229	210	423	1252	1330	1357	1386
<i>Consumer Solutions</i>	1267	661	424	485	1052	2622	1168	856	682	1173	3880	3399	3473	3549
<i>Russia</i>	929	264	182	193	267	906	223	218	184	254	879	844	844	844
<i>Uniper</i>	44514	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Other</i>	140	34	36	33	35	138	35	34	34	36	138	137	141	144
<i>Eliminations</i>	-916	-325	-234	-294	-562	-1415	-355	-298	-250	-320	-1223	-1345	-1196	-1136
EBITDA	2689	675	394	3142	702	4913	386	901	445	749	2481	3002	2606	2403
Depreciation	-1090	-145	-146	-142	-154	-587	-140	-134	-144	-149	-567	-572	-568	-577
EBIT (excl. NRI)	1344	459	207	243	520	1429	388	318	301	600	1607	2430	2038	1826
EBIT	1599	530	248	3000	548	4326	246	767	301	600	1914	2430	2038	1826
<i>Generation</i>	722	268	190	237	428	1123	275	300	325	485	1386	2220	1839	1643
<i>City Solutions</i>	47	86	-4	-20	73	135	48	-36	-45	58	25	48	41	34
<i>Consumer Solutions</i>	90	36	19	13	-16	52	35	21	24	35	115	109	117	119
<i>Russia</i>	251	100	37	45	79	261	61	57	26	52	196	174	162	150
<i>Uniper</i>	363	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Other</i>	-129	-31	-35	-32	-44	-142	-31	-24	-30	-30	-115	-120	-120	-120
<i>Items affecting comparability</i>	255	71	41	2757	28	2897	-142	449	0	0	307	0	0	0
<i>Share of associated companies' results</i>	656	80	60	7	21	168	-215	-79	0	25	-269	20	20	20
Net financial items	-56	-42	-47	-46	-26	-161	59	499	-50	-50	458	-280	-227	-182
PTP	2199	568	261	2961	543	4333	90	1187	251	575	2103	2170	1831	1664
Taxes	-344	-91	-46	-73	-115	-325	-104	-150	-59	-129	-442	-484	-407	-370
Minority interest	-32	-15	-1	4	-11	-23	-7	2	0	-15	-20	-25	-26	-26
Net earnings	1823	1092	-474	-721	842	739	-2222	-5686	5192	431	-2285	1662	1398	1268
EPS (adj.)	1.67	1.15	-0.58	-3.92	0.92	-2.43	-2.34	-6.91	5.84	0.49	-2.92	1.87	1.57	1.43
EPS (rep.)	2.05	1.23	-0.53	-0.81	0.95	0.83	-2.50	-6.40	5.84	0.49	-2.57	1.87	1.57	1.43

Source: Inderes

Balance sheet

Assets	2020	2021	2022e	2023e	2024e
Non-current assets	35604	49399	17610	17788	17970
Goodwill	1069	1021	1021	1021	1021
Intangible assets	1739	1146	1146	1146	1146
Tangible assets	19367	19049	11182	11360	11542
Associated companies	2912	2461	2261	2261	2261
Other investments	7959	6477	0.0	0.0	0.0
Other non-current assets	2402	17096	0.0	0.0	0.0
Deferred tax assets	156	2149	2000	2000	2000
Current assets	22206	100262	3371	3968	4302
Inventories	1396	2275	246	260	253
Other current assets	8998	65500	500	500	500
Receivables	9504	24895	1805	1908	1859
Cash and equivalents	2308	7592	820	1301	1690
Balance sheet total	57810	149661	20981	21756	22272

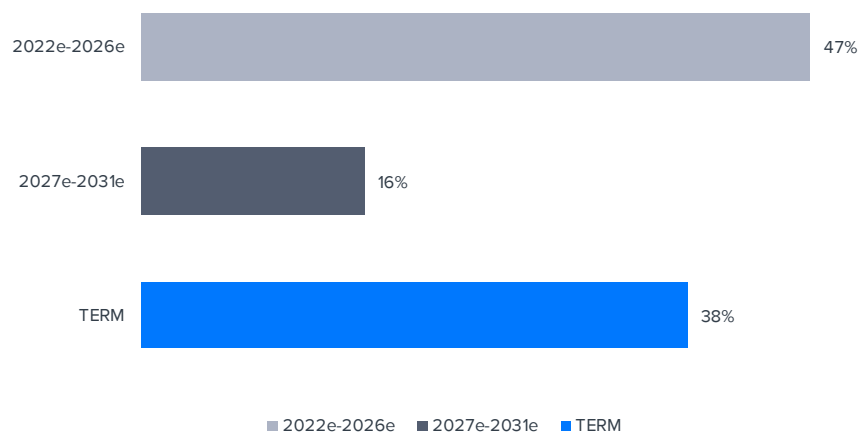
Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
Equity	15577	13665	8060	9722	10676
Share capital	3046	3046	3046	3046	3046
Retained earnings	10149	10062	6764	8426	9380
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	-242.0	-977.0	-2000.0	-2000.0	-2000.0
Minorities	2624	1534	250	250	250
Non-current liabilities	22356	38070	7279	7165	7216
Deferred tax liabilities	952	827	827	827	827
Provisions	8098	10298	1000	1000	1000
Long term debt	8785	8701	4702	4588	4639
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	4521	18244	750	750	750
Current liabilities	19877	97926	5642	4870	4381
Short term debt	1877	8519	2801	2109	1660
Payables	9525	17462	1641	1561	1521
Other current liabilities	8475	71945	1200	1200	1200
Balance sheet total	57810	149661	20981	21756	22272

DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
Revenue growth-%	-86.9 %	27.7 %	5.7 %	-2.6 %	-0.3 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	67.4 %	23.3 %	28.0 %	24.1 %	21.7 %	20.0 %	20.0 %	20.0 %	20.0 %	19.0 %	19.0 %	19.0 %
EBIT (operating profit)	4326	1914	2430	2038	1826	1701	1718	1736	1753	1682	1699	
+ Depreciation	587	567	572	568	577	586	594	602	609	616	623	
- Paid taxes	-2443	-293	-484	-407	-370	-344	-348	-353	-357	-340	-346	
- Tax, financial expenses	-14	85	-63	-51	-41	-39	-38	-38	-38	-38	-39	
+ Tax, financial income	2	0	0	0	0	0	0	0	0	0	3	
- Change in working capital	-1365	3553	-197	16	2	-6	-6	-6	-6	-6	-6	
Operating cash flow	1092	5826	2259	2163	1994	1898	1920	1941	1962	1914	1933	
+ Change in other long-term liabilities	15923	-26792	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-12840	30873	-750	-750	-750	-750	-750	-750	-750	-750	-790	
Free operating cash flow	4175	9907	1509	1413	1244	1148	1170	1191	1212	1164	1143	
+/- Other	-3246	-3926	0	0	0	0	0	0	0	0	0	
FCFF	929	5981	1509	1413	1244	1148	1170	1191	1212	1164	1143	16838
Discounted FCFF		5884	1376	1195	975	834	788	743	701	624	568	8371
Sum of FCFF present value		22059	16175	14799	13604	12629	11795	11007	10264	9563	8939	8371
Enterprise value DCF		22059										
- Interesting bearing debt		-17220										
+ Cash and cash equivalents		7592										
+ Associated companies		2261										
- Minorities		-362										
- Dividend/capital return		-1013										
Equity value DCF		13317										
Equity value DCF per share		15.0										

Cash flow distribution



Wacc

Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	30.0 %
Cost of debt	3.5 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	10.1 %
Weighted average cost of capital (WACC)	7.9 %

Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	5447	49015	6422	8204	8671	EPS (reported)	1.67	2.05	0.83	-2.57	1.87
EBITDA	1693	2689	4913	2481	3002	EPS (adj.)	1.75	1.67	-2.43	-2.92	1.87
EBIT	1118	1599	4326	1914	2430	OCF / share	1.51	1.75	1.23	6.56	2.54
PTP	1728	2199	4333	2103	2170	FCF / share	0.47	-8.69	1.05	6.73	1.70
Net Income	1482	1823	739	-2285	1662	Book value / share	14.62	14.58	13.66	8.79	10.66
Extraordinary items	-72	255	2897	307	0	Dividend / share	1.10	1.12	1.14	0.00	0.50
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	23364	57810	149661	20981	21756	Revenue growth-%	4%	800%	-87%	28%	6%
Equity capital	13235	15577	13665	8060	9722	EBITDA growth-%	1%	59%	83%	-50%	21%
Goodwill	612	1069	1021	1021	1021	EBIT (adj.) growth-%	21%	13%	6%	12%	51%
Net debt	5255	8354	9628	6683	5396	EPS (adj.) growth-%	120%	-4%	-245%	20%	-164%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	31.1 %	5.5 %	76.5 %	30.2 %	34.6 %
EBITDA	1693	2689	4913	2481	3002	EBIT (adj.)-%	21.8 %	2.7 %	22.3 %	19.6 %	28.0 %
Change in working capital	-240	-785	-1365	3553	-197	EBIT-%	20.5 %	3.3 %	67.4 %	23.3 %	28.0 %
Operating cash flow	1340	1556	1092	5826	2259	ROE-%	11.9 %	14.1 %	5.9 %	-22.9 %	19.2 %
CAPEX	-617	-20567	-12840	30873	-750	ROI-%	9.9 %	10.3 %	15.8 %	7.1 %	15.3 %
Free cash flow	420	-7721	929	5981	1509	Equity ratio	56.6 %	26.9 %	9.1%	38.4 %	44.7 %
Valuation multiples	2019	2020	2021	2022e	2023e	Gearing	39.7 %	53.6 %	70.5 %	82.9 %	55.5 %
EV/S	3.4	0.5	5.1	2.0	1.7						
EV/EBITDA (adj.)	11.0	9.5	6.7	6.5	4.9						
EV/EBIT (adj.)	15.7	19.0	22.9	10.0	6.1						
P/E (adj.)	12.6	11.8	neg.	neg.	6.8						
P/E	1.5	1.4	2.0	1.4	1.2						
Dividend-%	5.0 %	5.7 %	4.2 %	0.0 %	3.9 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
3/17/2020	Buy	15.00 €	13.31 €
4/27/2020	Buy	17.00 €	14.86 €
5/18/2020	Buy	17.50 €	14.92 €
7/21/2020	Buy	20.00 €	17.84 €
8/20/2020	Buy	20.00 €	17.02 €
11/18/2020	Buy	20.00 €	17.63 €
12/4/2020	Buy	20.00 €	18.30 €
2/15/2021	Accumulate	22.50 €	21.97 €
5/14/2021	Accumulate	24.00 €	22.74 €
8/18/2021	Accumulate	26.50 €	24.49 €
11/15/2021	Reduce	25.00 €	25.30 €
2/28/2022	Reduce	19.00 €	19.47 €
3/7/2022	Accumulate	16.00 €	15.26 €
4/27/2022	Reduce	16.00 €	15.63 €
5/13/2022	Reduce	16.00 €	15.31 €
6/21/2022	Accumulate	18.00 €	16.31 €
7/25/2022	Accumulate	13.00 €	11.36 €
8/18/2022	Reduce	11.00 €	11.41 €
8/23/2022	Reduce	11.00 €	10.47 €
8/26/2022	Reduce	11.00 €	10.32 €
9/22/2022	Accumulate	14.50 €	13.25 €
10/13/2022	Accumulate	14.50 €	12.73 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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Juha Kinnunen
2012, 2016, 2017, 2018, 2019, 2020



Mikael Rautanen
2014, 2016, 2017, 2019



Sauli Vilén
2012, 2016, 2018, 2019, 2020



Antti Viljakainen
2014, 2015, 2016, 2018, 2019, 2020



Olli Koponen
2020



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2019, 2020



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