

Fortum

Company report

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

This report is a summary translation of the report "Venäjän kaasuun liittyvät riskit nousussa" published on 04/27/2022 at 8:43 am.

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Risks related to Russian gas on the rise

We lower our recommendation for Fortum to Reduce (previously Accumulate) and reiterate our target price of EUR 16.0 for the time being. Last night, Fortum's subsidiary Uniper issued a drastic profit warning on the Q1 result and reported impairment charges related to Russia. At the same time, Uniper's risks concerning Russian gas have increased significantly. The situation is unclear in many respects at present, but with the increased risks we do not consider Fortum's risk/return ratio reasonable. We will update our view when the situation becomes clearer or at the latest after Fortum's result.

Uniper's Q1 result will be dismal

In its profit warning Uniper estimates that the adjusted EBIT for Q1 will be about EUR -830 million (Q1'21: 731 MEUR) and adjusted net result EUR -615 million (Q1'21: 594 MEUR). The earnings collapse is mainly caused by the gas mid-stream business, in particular gas storage optimization. In view of the current market environment, Uniper has reduced its anticipated gas storage withdrawals in Q1 to the benefit of future 2022 quarters. This allows Uniper to hold higher gas volumes in reserve, thereby contributing to security of supply. Uniper's EBIT is, therefore, dismal in Q1 in exceptional circumstances, but nevertheless, Uniper reiterated its guidance for 2022. The company expects adjusted EBIT of EUR 1.0-1.3 billion and ANI of EUR 0.8 -1.1 billion.

Large write-downs raise the reported loss

Uniper also estimates that the reported net income will be about EUR -3 billion, which is a significant loss considering the company's balance sheet. In addition to the operating development, the net income is expected to be further impacted by impairment charges of approximately EUR 2 billion, mainly related to the Nord Stream 2 loan and Uniper's Russian subsidiary Unipro. The impairment charge of some EUR 1 billion from NS2 was known. The risks related to Unipro have been known, but the actual impairment charge has not been announced in the past (the divestment plan has been announced). In its own release, Fortum stated that the company will assess the impact of the Russian attack and the war in Ukraine and related uncertainties, risks and sanctions on the fair values of its Russian assets as part of its interim report process, as announced in connection with the 2021 earnings release. In terms of Fortum, the treatment of Russian assets remains open.

According to Bloomberg, Russia halts gas flows to Poland

According to Bloomberg, Russia has halted gas flows to Poland and Bulgaria, which raised European gas prices by some 17% yesterday. Russia has demanded gas payments in rubles, which Poland (and the EU in general) has not agreed to but has complied with the previous agreement. Now that payment deadlines are falling due for Poland, eyes will soon turn to the rest of Europe, and particularly Germany. Germany's decisions and the fate of gas have a significant impact on Uniper's situation. The situation is unclear in many respects, but overall, the uncertainty surrounding Russian gas has increased considerably as the situation has escalated. This also raises the risks of Uniper's Global Commodities business, which we have described in more detail in our previous reports. The situation can still be resolved without major problems, but as the negative scenario becomes more likely, Fortum's risk/return ratio is not satisfactory. It is important to note that we have not made any estimate changes so far but will make changes when we get more information about the situation. Thus, the valuation is now misleadingly low and does not drive the share.

Recommendation

Reduce

(previous Accumulate)

EUR 16.00

(previous EUR 16.00)

Share price:

EUR 15.63



Key figures

| | 2021 | 2022e | 2023e | 2024e |
|-------------|--------|--------|-------|-------|
| Revenue | 112400 | 101975 | 92107 | 87862 |
| growth-% | 129% | -9% | -10% | -5% |
| EBIT adj. | 2536 | 2148 | 1850 | 1829 |
| EBIT-% adj. | 2.3 % | 2.1 % | 2.0 % | 2.1 % |
| Net Income | 739 | 1411 | 1180 | 1164 |
| EPS (adj.) | 2.00 | 1.59 | 1.33 | 1.31 |

| | | | | |
|------------------|-------|-------|-------|-------|
| P/E (adj.) | 13.5 | 9.8 | 11.8 | 11.9 |
| P/B | 2.0 | 1.1 | 1.1 | 1.1 |
| Dividend yield-% | 4.2 % | 7.3 % | 7.3 % | 7.3 % |
| EV/EBIT (adj.) | 12.9 | 9.8 | 11.4 | 7.5 |
| EV/EBITDA | 47.2 | 6.1 | 6.6 | 4.3 |
| EV/S | 0.3 | 0.2 | 0.2 | 0.2 |

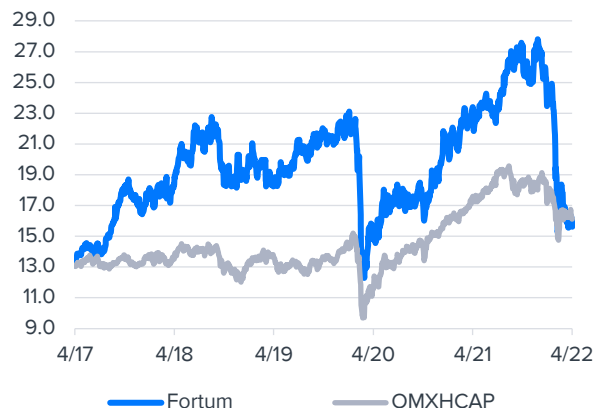
Source: Inderes

Guidance

(Unchanged)

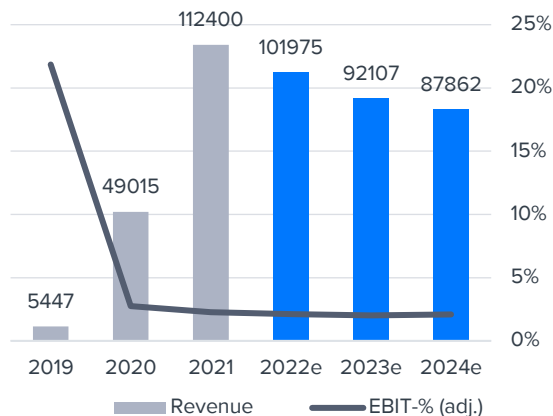
Generation segment's Nordic generation hedges: approximately 75% at EUR 34 per MWh for the remainder of 2021, approximately 65% at EUR 32 per MWh for 2022, and approximately 40% at EUR 31 per MWh for 2023.

Share price



Source: Thomson Reuters

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Lessening of Russia risks
- Improving the investment profile
- Improving operational efficiency
- Successful investments and divestments in accordance with the strategy
- Sustainable increase in the price of electricity, e.g., through higher prices of emission allowances
- Genuine merger of Fortum and Uniper, which would enable significant synergies
- New potential from a possible rise in the hydrogen economy



Risk factors

- Russian war in Ukraine and related cycle of sanctions
- Concerns about the possible end to Russian gas flows and the impact this has on Uniper
- A drop in electricity prices would ultimately be reflected in the result, despite hedging
- Unfavorable regulatory developments in the Nordic countries, Europe or Russia
- Uncertainty related to coal power brought on by Uniper

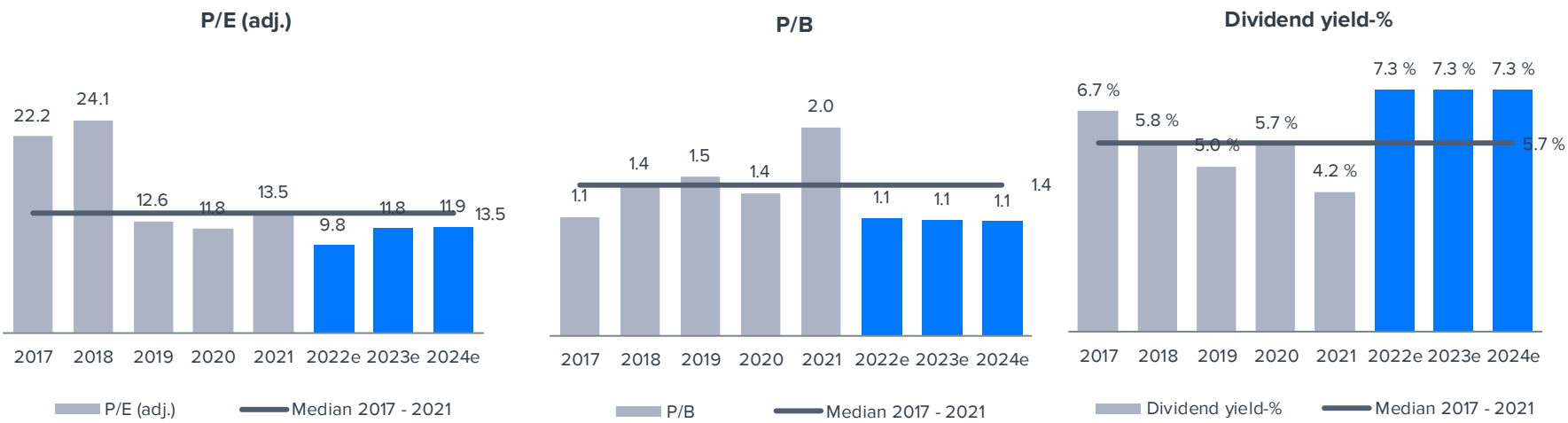
| Valuation | 2022e | 2023e | 2024e |
|----------------------------|--------|--------|--------|
| Share price | 15.6 | 15.6 | 15.6 |
| Number of shares, millions | 888.3 | 888.3 | 888.3 |
| Market cap | 13884 | 13884 | 13884 |
| EV | 21013 | 21051 | 13784 |
| P/E (adj.) | 9.8 | 11.8 | 11.9 |
| P/E | 9.8 | 11.8 | 11.9 |
| P/FCF | 4.9 | 11.5 | 1.6 |
| P/B | 1.1 | 1.1 | 1.1 |
| P/S | 0.1 | 0.2 | 0.2 |
| EV/Sales | 0.2 | 0.2 | 0.2 |
| EV/EBITDA | 6.1 | 6.6 | 4.3 |
| EV/EBIT (adj.) | 9.8 | 11.4 | 7.5 |
| Payout ratio (%) | 71.8 % | 85.8 % | 87.0 % |
| Dividend yield-% | 7.3 % | 7.3 % | 7.3 % |

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 | 15.6 | 15.6 | 15.6 | 15.6 |
| 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 | 13884 | 13884 | 13884 | 13884 |
| EV | 13955 | 16805 | 18665 | 25567 | 32676 | 21013 | 21051 | 13784 | 14154 |
| P/E (adj.) | 22.2 | 24.1 | 12.6 | 11.8 | 13.5 | 9.8 | 11.8 | 11.9 | 12.3 |
| P/E | 16.9 | 20.1 | 13.2 | 9.6 | 32.5 | 9.8 | 11.8 | 11.9 | 12.3 |
| P/FCF | neg. | 10.0 | 46.5 | neg. | neg. | 4.9 | 11.5 | 1.6 | 15.8 |
| P/B | 1.1 | 1.4 | 1.5 | 1.4 | 2.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| P/S | 3.2 | 3.2 | 3.6 | 0.4 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| EV/Sales | 3.1 | 3.2 | 3.4 | 0.5 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| EV/EBITDA | 8.6 | 10.0 | 11.0 | 9.5 | 47.2 | 6.1 | 6.6 | 4.3 | 4.5 |
| EV/EBIT (adj.) | 16.9 | 17.0 | 15.7 | 19.0 | 12.9 | 9.8 | 11.4 | 7.5 | 8.0 |
| Payout ratio (%) | 112.8 % | 115.9 % | 66.0 % | 54.6 % | 137.1 % | 71.8 % | 85.8 % | 87.0 % | 90.0 % |
| Dividend yield-% | 6.7 % | 5.8 % | 5.0 % | 5.7 % | 4.2 % | 7.3 % | 7.3 % | 7.3 % | 7.3 % |

Source: Inderes



Peer group valuation

| Peer group valuation | Share price | 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 | 39.66 | 26819 | 26820 | 12.9 | 16.6 | 7.6 | 9.0 | 16.6 | 22.4 | 2.3 | 2.3 | 1.5 |
| Engie | 11.45 | 27874 | 57695 | 10.8 | 11.0 | 6.4 | 6.3 | 8.1 | 8.0 | 8.1 | 8.6 | 0.8 |
| E.ON | 10.04 | 26519 | 61786 | 14.9 | 15.1 | 8.9 | 9.2 | 11.1 | 11.5 | 5.1 | 5.2 | 2.0 |
| Verbund | 98.65 | 16794 | 20763 | 15.1 | 14.3 | 12.9 | 12.2 | 21.4 | 20.5 | 2.0 | 2.1 | 4.7 |
| EDF | 8.87 | 33154 | 71145 | 25.3 | 19.1 | 14.4 | 6.8 | 8.3 | 8.8 | 7.2 | 5.0 | 0.8 |
| CEZ | 984.00 | 21753 | 5961 | 11.8 | 10.0 | 7.5 | 6.6 | 13.8 | 11.6 | 4.7 | 5.4 | 2.5 |
| Enel | 6.09 | 61946 | 128969 | 11.3 | 10.9 | 7.2 | 6.9 | 11.0 | 10.1 | 6.6 | 7.1 | 2.0 |
| Uniper | 23.12 | 8461 | 6824 | 7.3 | 8.2 | 4.3 | 4.6 | 10.1 | 12.2 | 5.9 | 5.3 | 1.1 |
| Fortum (consensus) | 15.63 | 13880 | 26027 | 9.5 | 11.0 | 6.3 | 6.7 | 8.8 | 10.1 | 7.3 | 7.3 | 1.1 |
| Fortum (Inderes) | 15.63 | 13884 | 21013 | 9.8 | 11.4 | 6.1 | 6.6 | 9.8 | 11.8 | 7.3 | 7.3 | 1.1 |
| Average | | | | 13.2 | 12.9 | 8.4 | 7.6 | 12.1 | 12.8 | 5.4 | 5.4 | 1.8 |
| Median | | | | 11.8 | 11.0 | 7.5 | 6.8 | 11.0 | 11.5 | 5.9 | 5.3 | 1.5 |
| Diff-% to median | | | | -17% | 3% | -19% | -4% | -11% | 2% | 24% | 37% | -28% |

Source: Thomson Reuters / 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 | Q1'22e | Q2'22e | Q3'22e | Q4'22e | 2022e | 2023e | 2024e | 2025e |
|---------------------------------|-------|-------|--------|---------|-------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| Revenue | 49015 | 21493 | 17128 | 23701 | 50078 | 112400 | 22625 | 17435 | 24029 | 37887 | 101975 | 92107 | 87862 | 83789 |
| Generation | 2006 | 675 | 576 | 684 | 964 | 2899 | 773 | 634 | 652 | 838 | 2898 | 2638 | 2667 | 2638 |
| City Solutions | 1075 | 418 | 256 | 202 | 426 | 1302 | 382 | 285 | 220 | 404 | 1290 | 1252 | 1279 | 1306 |
| Consumer Solutions | 1267 | 661 | 424 | 485 | 1052 | 2622 | 635 | 408 | 467 | 1010 | 2520 | 2575 | 2630 | 2687 |
| Russia | 929 | 264 | 182 | 193 | 267 | 906 | 156 | 107 | 113 | 156 | 532 | 529 | 529 | 529 |
| Uniper | 44514 | 19770 | 15893 | 22411 | 47918 | 105992 | 20956 | 16211 | 22859 | 35939 | 95965 | 86368 | 82050 | 77947 |
| Other | 140 | 34 | 36 | 33 | 35 | 138 | 35 | 37 | 34 | 36 | 141 | 144 | 148 | 151 |
| Eliminations | -916 | -329 | -239 | -307 | -584 | -1459 | -313 | -246 | -316 | -496 | -1371 | -1399 | -1441 | -1470 |
| EBITDA | 2689 | 1653 | -527.0 | -2791.0 | 2358 | 693 | 1271 | 615 | 480 | 1083 | 3448 | 3200 | 3186 | 3144 |
| Depreciation | -1090 | -308 | -313 | -314 | -346 | -1281 | -325 | -320 | -325 | -330 | -1300 | -1350 | -1358 | -1368 |
| EBIT (excl. NRI) | 1344 | 1171 | 35 | 260 | 1070 | 2536 | 946 | 295 | 155 | 753 | 2148 | 1850 | 1829 | 1776 |
| EBIT | 1599 | 1345 | -840 | -3105 | 2012 | -588 | 946 | 295 | 155 | 753 | 2148 | 1850 | 1829 | 1776 |
| Generation | 722 | 269 | 195 | 245 | 401 | 1110 | 352 | 220 | 192 | 248 | 1012 | 831 | 860 | 831 |
| City Solutions | 47 | 86 | -4 | -20 | 73 | 135 | 79 | 15 | -20 | 58 | 131 | 63 | 58 | 53 |
| Consumer Solutions | 90 | 36 | 19 | 13 | -16 | 52 | 1 | 2 | 15 | 43 | 61 | 93 | 95 | 105 |
| Russia | 251 | 100 | 37 | 45 | 79 | 261 | 54 | 15 | 21 | 44 | 134 | 123 | 115 | 107 |
| Uniper | 363 | 711 | -177 | 9 | 577 | 1120 | 490 | 72 | -23 | 390 | 929 | 860 | 820 | 800 |
| Other | -129 | -31 | -35 | -32 | -44 | -142 | -30 | -30 | -30 | -30 | -120 | -120 | -120 | -120 |
| Items affecting comparability | 255 | 174 | -875 | -3365 | 942 | -3124 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Share of earnings in associates | 656 | 79 | 62 | 11 | 40 | 192 | 25 | 20 | 5 | 30 | 80 | 80 | 81 | 81 |
| Net financial items | -56 | 36 | 35 | -40 | 76 | 107 | -35 | -30 | -20 | -35 | -120 | -150 | -150 | -150 |
| PTP | 2199 | 1460 | -743 | -3134 | 2128 | -289 | 936 | 285 | 140 | 748 | 2108 | 1781 | 1759 | 1707 |
| Taxes | -344 | -150 | 84 | 1366 | -1125 | 176 | -214 | -62 | -32 | -169 | -477 | -400 | -394 | -382 |
| Minority interest | -32 | -218 | 185 | 1047 | -162 | 852 | -93 | -32 | -17 | -78 | -221 | -201 | -201 | -201 |
| Net earnings | 1823 | 1092 | -474 | -721 | 842 | 739 | 629 | 191 | 90 | 501 | 1411 | 1180 | 1164 | 1125 |
| EPS (adj.) | 1.67 | 0.94 | 0.09 | 0.19 | 0.78 | 2.00 | 0.71 | 0.22 | 0.10 | 0.56 | 1.59 | 1.33 | 1.31 | 1.27 |
| EPS (rep.) | 2.05 | 1.23 | -0.53 | -0.81 | 0.95 | 0.83 | 0.71 | 0.22 | 0.10 | 0.56 | 1.59 | 1.33 | 1.31 | 1.27 |

| Key figures | 2020 | Q1'21 | Q2'21 | Q3'21 | Q4'21 | 2021 | Q1'22e | Q2'22e | Q3'22e | Q4'22e | 2022e | 2023e | 2024e | 2025e |
|------------------------|---------|----------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|
| Revenue growth-% | 799.9 % | 1483.9 % | 38.9 % | 68.7 % | 135.3 % | 129.3 % | 5.3 % | 1.8 % | 1.4 % | -24.3 % | -9.3 % | -9.7 % | -4.6 % | -4.6 % |
| Adjusted EBIT growth-% | 12.9 % | 198.0 % | -82.8 % | -245.3 % | 15.4 % | 88.7 % | -19.2 % | 742.1 % | -40.6 % | -29.6 % | -15.3 % | -13.9 % | -1.2 % | -2.9 % |
| EBITDA-% | 5.5 % | 7.7 % | -3.1 % | -11.8 % | 4.7 % | 0.6 % | 5.6 % | 3.5 % | 2.0 % | 2.9 % | 3.4 % | 3.5 % | 3.6 % | 3.8 % |
| Adjusted EBIT-% | 2.7 % | 5.4 % | 0.2 % | 1.1 % | 2.1 % | 2.3 % | 4.2 % | 1.7 % | 0.6 % | 2.0 % | 2.1 % | 2.0 % | 2.1 % | 2.1 % |
| Net earnings-% | 3.7 % | 5.1 % | -2.8 % | -3.0 % | 1.7 % | 0.7 % | 2.8 % | 1.1 % | 0.4 % | 1.3 % | 1.4 % | 1.3 % | 1.3 % | 1.3 % |

Source: Inderes

Balance sheet

| Assets | 2020 | 2021 | 2022e | 2023e | 2024e |
|----------------------------|--------------|---------------|---------------|--------------|--------------|
| Non-current assets | 35604 | 49399 | 39599 | 34749 | 34795 |
| Goodwill | 1069 | 1021 | 1021 | 1021 | 1021 |
| Intangible assets | 1739 | 1146 | 1146 | 1146 | 1146 |
| Tangible assets | 19367 | 19049 | 19249 | 19399 | 19541 |
| Associated companies | 2912 | 2461 | 2461 | 2461 | 2461 |
| Other investments | 7959 | 6477 | 6477 | 6477 | 6477 |
| Other non-current assets | 2402 | 17096 | 7096 | 2096 | 2000 |
| Deferred tax assets | 156 | 2149 | 2149 | 2149 | 2149 |
| Current assets | 22206 | 100262 | 71269 | 55449 | 43455 |
| Inventories | 1396 | 2275 | 2064 | 1864 | 1778 |
| Other current assets | 8998 | 65500 | 40500 | 29500 | 18500 |
| Receivables | 9504 | 24895 | 22586 | 19479 | 17703 |
| Cash and equivalents | 2308 | 7592 | 6119 | 4605 | 5473 |
| Balance sheet total | 57810 | 149661 | 110868 | 90198 | 78250 |

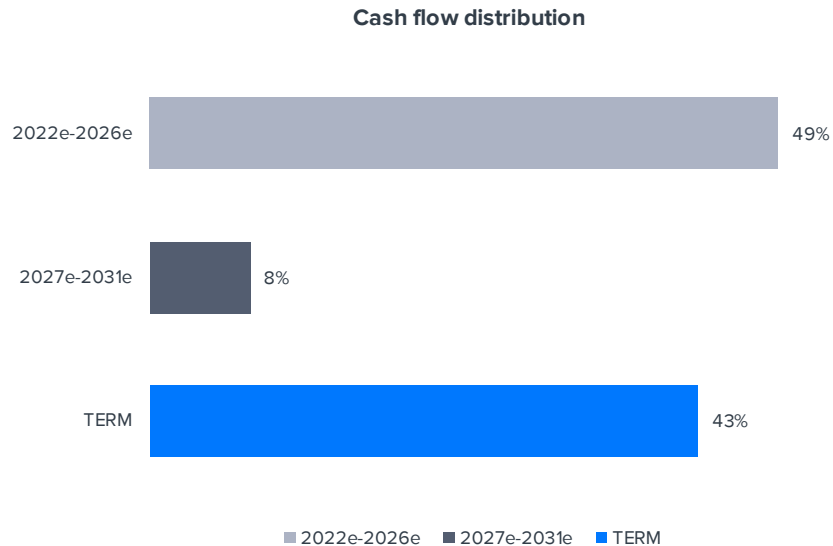
Source: Inderes

| Liabilities & equity | 2020 | 2021 | 2022e | 2023e | 2024e |
|--------------------------------|--------------|---------------|---------------|--------------|--------------|
| Equity | 15577 | 13665 | 14063 | 14231 | 14383 |
| Share capital | 3046 | 3046 | 3046 | 3046 | 3046 |
| Retained earnings | 10149 | 10062 | 10460 | 10628 | 10780 |
| 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 | -977.0 | -977.0 | -977.0 |
| Minorities | 2624 | 1534 | 1534 | 1534 | 1534 |
| Non-current liabilities | 22356 | 38070 | 36726 | 27019 | 21125 |
| Deferred tax liabilities | 952 | 827 | 827 | 827 | 827 |
| Provisions | 8098 | 10298 | 10298 | 10298 | 10298 |
| Long term debt | 8785 | 8701 | 12357 | 10894 | 5000 |
| Convertibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long term liabilities | 4521 | 18244 | 13244 | 5000 | 5000 |
| Current liabilities | 19877 | 97926 | 60078 | 48948 | 42742 |
| Short term debt | 1877 | 8519 | 1817 | 1805 | 1300 |
| Payables | 9525 | 17462 | 16316 | 15198 | 14497 |
| Other current liabilities | 8475 | 71945 | 41945 | 31945 | 26945 |
| Balance sheet total | 57810 | 149661 | 110868 | 90198 | 78250 |

DCF calculation

[illegible]

| Wacc | |
|--|--------------|
| Tax-% (WACC) | 25.0 % |
| Target debt ratio (D/(D+E)) | 30.0 % |
| Cost of debt | 2.0 % |
| Equity Beta | 1.50 |
| Market risk premium | 4.75% |
| Liquidity premium | 0.00% |
| Risk free interest rate | 2.0 % |
| Cost of equity | 9.1 % |
| Weighted average cost of capital (WACC) | 6.8 % |



Summary

| Income statement | 2019 | 2020 | 2021 | 2022e | 2023e | Per share data | 2019 | 2020 | 2021 | 2022e | 2023e |
|---------------------------|-------|--------|--------|--------|-------|--------------------------|--------|--------|--------|--------|--------|
| Revenue | 5447 | 49015 | 112400 | 101975 | 92107 | EPS (reported) | 1.67 | 2.05 | 0.83 | 1.59 | 1.33 |
| EBITDA | 1693 | 2689 | 693 | 3448 | 3200 | EPS (adj.) | 1.75 | 1.67 | 2.00 | 1.59 | 1.33 |
| EBIT | 1118 | 1599 | -588 | 2148 | 1850 | OCF / share | 1.51 | 1.75 | -2.90 | -0.77 | 6.70 |
| PTP | 1728 | 2199 | -289 | 2108 | 1781 | FCF / share | 0.47 | -8.69 | -0.21 | 3.17 | 1.36 |
| Net Income | 1482 | 1823 | 739 | 1411 | 1180 | Book value / share | 14.62 | 14.58 | 13.66 | 14.10 | 14.29 |
| Extraordinary items | -72 | 255 | -3124 | 0 | 0 | Dividend / share | 1.10 | 1.12 | 1.14 | 1.14 | 1.14 |
| Balance sheet | 2019 | 2020 | 2021 | 2022e | 2023e | Growth and profitability | 2019 | 2020 | 2021 | 2022e | 2023e |
| Balance sheet total | 23364 | 57810 | 149661 | 110868 | 90198 | Revenue growth-% | 4% | 800% | 129% | -9% | -10% |
| Equity capital | 13235 | 15577 | 13665 | 14063 | 14231 | EBITDA growth-% | 1% | 59% | -74% | 398% | -7% |
| Goodwill | 612 | 1069 | 1021 | 1021 | 1021 | EBIT (adj.) growth-% | 21% | 13% | 89% | -15% | -14% |
| Net debt | 5255 | 8354 | 9628 | 8056 | 8094 | EPS (adj.) growth-% | 120% | -4% | 19% | -21% | -16% |
| Cash flow | 2019 | 2020 | 2021 | 2022e | 2023e | EBITDA-% | 31.1 % | 5.5 % | 0.6 % | 3.4 % | 3.5 % |
| EBITDA | 1693 | 2689 | 693 | 3448 | 3200 | EBIT (adj.)-% | 21.8 % | 2.7 % | 2.3 % | 2.1 % | 2.0 % |
| Change in working capital | -240 | -785 | -1365 | -3626 | 3188 | EBIT-% | 20.5 % | 3.3 % | -0.5 % | 2.1 % | 2.0 % |
| Operating cash flow | 1340 | 1556 | -2575 | -683 | 5953 | ROE-% | 11.9 % | 14.1 % | 5.9 % | 11.4 % | 9.4 % |
| CAPEX | -617 | -20567 | -13534 | 8500 | 3500 | ROI-% | 9.9 % | 10.3 % | -1.3 % | 7.5 % | 7.0 % |
| Free cash flow | 420 | -7721 | -186 | 2817 | 1209 | Equity ratio | 56.6 % | 26.9 % | 9.1 % | 12.7 % | 15.8 % |
| | | | | | | Gearing | 39.7 % | 53.6 % | 70.5 % | 57.3 % | 56.9 % |
| Valuation multiples | 2019 | 2020 | 2021 | 2022e | 2023e | | | | | | |
| EV/S | 3.4 | 0.5 | 0.3 | 0.2 | 0.2 | | | | | | |
| EV/EBITDA (adj.) | 11.0 | 9.5 | 47.2 | 6.1 | 6.6 | | | | | | |
| EV/EBIT (adj.) | 15.7 | 19.0 | 12.9 | 9.8 | 11.4 | | | | | | |
| P/E (adj.) | 12.6 | 11.8 | 13.5 | 9.8 | 11.8 | | | | | | |
| P/E | 1.5 | 1.4 | 2.0 | 1.1 | 1.1 | | | | | | |
| Dividend-% | 5.0 % | 5.7 % | 4.2 % | 7.3 % | 7.3 % | | | | | | |

Source: Inderes

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Accumulate The 12-month risk-adjusted expected shareholder return of the share is attractive

Reduce The 12-month risk-adjusted expected shareholder return of the share is weak

Sell The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

| Date | Recommendation | Target price | Share price |
|------------------------|----------------|--------------|-------------|
| 17-07-18 | Reduce | 21.00 € | 22.00 € |
| 20-07-18 | Reduce | 21.00 € | 21.82 € |
| 12-10-18 | Reduce | 21.00 € | 19.85 € |
| 25-10-18 | Reduce | 19.00 € | 18.35 € |
| <i>Analyst changed</i> | | | |
| 04-02-19 | Accumulate | 21.00 € | 19.95 € |
| 29-04-19 | Accumulate | 20.00 € | 18.67 € |
| 22-07-19 | Accumulate | 21.00 € | 20.86 € |
| 18-09-19 | Reduce | 21.00 € | 21.40 € |
| 09-10-19 | Reduce | 21.00 € | 21.00 € |
| 25-10-19 | Reduce | 21.00 € | 21.60 € |
| 07-02-20 | Accumulate | 23.00 € | 21.99 € |
| 17-03-20 | Buy | 15.00 € | 13.31 € |
| 27-04-20 | Buy | 17.00 € | 14.86 € |
| 18-05-20 | Buy | 17.50 € | 14.92 € |
| 21-07-20 | Buy | 20.00 € | 17.84 € |
| 20-08-20 | Buy | 20.00 € | 17.02 € |
| 18-11-20 | Buy | 20.00 € | 17.63 € |
| 04-12-20 | Buy | 20.00 € | 18.30 € |
| 15-02-21 | Accumulate | 22.50 € | 21.97 € |
| 14-05-21 | Accumulate | 24.00 € | 22.74 € |
| 18-08-21 | Accumulate | 26.50 € | 24.49 € |
| 15-11-21 | Reduce | 25.00 € | 25.30 € |
| 28-02-22 | Reduce | 19.00 € | 19.47 € |
| 07-03-22 | Accumulate | 16.00 € | 15.63 € |
| 27-04-22 | Reduce | 16.00 € | 15.63 € |



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Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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Mikael Rautanen
2014, 2016, 2017, 2019



Sauli Vilén
2012, 2016, 2018, 2019, 2020



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



Petri Kajaani
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