

Axactor

Further cost reductions to be announced in H1'21

- Q4'20: Cash EBITDA ~EUR 64m, +3% vs. ABGSCe
- Capex likely back-end loaded during 2021
- Further cost reduction may warrant valuation uplift

Revaluations blurred in Q4, but cash EBITDA was better

Reported EBITDA of EUR 21.3m was 8% below ABGSCe due to higher than expected negative revaluations in the quarter, while the margin was in-line. Cash EBITDA was 3% ahead of ABGSCe due to higher REO sales and lower costs, as gross revenue from NPLs and 3PC was in-line. Gross revenue was EUR 94.9m in Q4, 1% ahead of our estimate and up 14% q-o-q. Despite an all-time high gross collection in NPLs in Q4, the collection was still 4% below the active forecast. Given the revaluations we anticipate that performance should fluctuate by ~100% going forward.

Better REO sales, 3PC margin and back-end loaded capex

Given that gross revenue within NPLs and 3PC were in-line with our estimates in Q4, and the fact that we have already factored in somewhat increasing activity in 3PC in 2021, we make few changes to our previous estimates. But it is supportive to note that the company has already seen signs of increasing activity in 3PC new sales lately. In brief, we factor in (1) somewhat better REO sales given the positive revaluation and higher sales in Q4, (2) slightly lower capex and more back-end loaded capex in '21e (higher in '22e) and (3) a 2-3pp better contribution margin in 3PC for '21-22e, given the consistent beat on this metric in Q3 and Q4 2020.

New cost reduction program a potential delta in H1'21

As part of its new strategy, where the focus has shifted from a scale first focus to a focus on increasing the return on equity, Axactor initiated a cost reduction program during Q4'20. The results of the cost reduction program will be announced during H1'21 and are "expected to be meaningful" according to the Q4 report. This could serve as a positive delta to estimates as we have not factored in margin expansion from other sources than scale, business mix and current performance. Hence, the cost reduction program could lead to further valuation uplift during H1'21. Our DCF valuation implies a long-term fair value in the range NOK 8-29 per share, while the peer group valuation indicates a valuation range of NOK 8-24, which is fairly consistent with our DCF valuation.

Analyst(s): jonas.lien@abgsc.no, +47 22 01 61 71
jan.gjerland@abgsc.no, +47 22 01 61 16

EURm	2019	2020	2021e	2022e	2023e
Sales	285	205	279	310	312
EBITDA	92	36	113	143	164
EBITDA margin (%)	32.3	17.5	40.5	46.0	52.7
EBIT adj	84	92	103	132	154
EBIT adj margin (%)	29.4	45.0	36.8	42.7	49.3
Pretax profit	33	-28	52	80	102
EPS rep	0.11	-0.08	0.16	0.23	0.26
EPS adj	0.10	0.14	0.16	0.23	0.26
Sales growth (%)	37.8	-28.1	36.2	11.1	0.7
EPS growth (%)	307.2	-177.9	297.6	39.4	15.3

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	0.6%	-0.1%	0.0%
EBIT (rep)	2.0%	1.3%	0.0%
EPS (rep)	1.3%	0.6%	0.0%

Source: ABG Sundal Collier

Share price (NOK)	23/02/2021	8.4
Fair value range (per share)		8.0-29.0

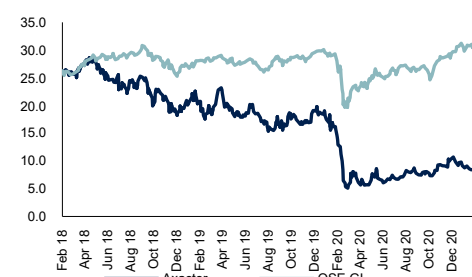
Financials, Norway
AXA.OL/AXA NO

MCap (NOKm)	1,557
MCap (EURm)	151
Net debt (EURm)	906

No. of shares (m)	185
Free float (%)	100
Av. daily volume (k)	18

Next event AGM: 15 Apr

Performance



	1m	3m	12m
Absolute (%)	-8.2	-10.2	-46.5

Source: FactSet

	2021e	2022e	2023e
P/E (x)	5.0	3.6	3.1
P/E adj (x)	5.0	3.6	3.1
P/BVPS (x)	0.54	0.47	0.41
EV/EBITDA (x)	10.2	8.4	7.2
EV/EBIT adj (x)	11.2	9.1	7.7
EV/sales (x)	4.12	3.87	3.80
ROE adj (%)	12.9	14.0	14.0
Dividend yield (%)	0	0	0
FCF yield (%)	-26.6	-20.0	6.0
Lease adj. FCF yld (%)	-26.6	-20.0	6.0
Net IB debt/EBITDA	8.0	6.7	5.7
Lease adj. ND/EBITDA	nm	nm	nm

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

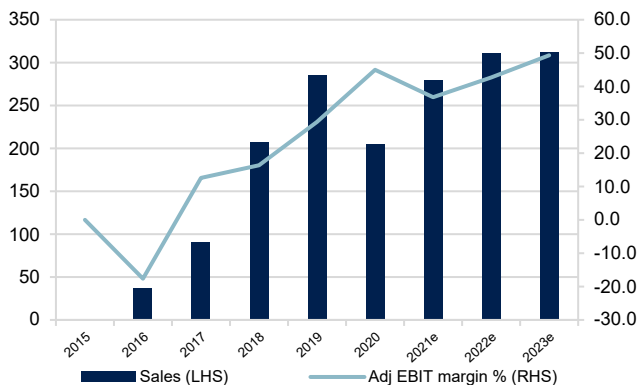
Company description

Axactor is a pan-European debt collector with operations in Finland, Germany, Italy, Norway, Spain and Sweden. Headquartered in Oslo, Norway, Axactor was established in late 2015 and has grown to become one of the ten-largest players in the industry, with support from its cornerstone- and co-investor Geveran. Its core business areas are purchased debt and 3PC (third-party collection), focusing on well-developed NPL markets with a legal environment beneficial for collection. Through its streamlined “One Axactor” operating model, it has developed a scalable, no legacy and low-complexity NPL platform.

Risks

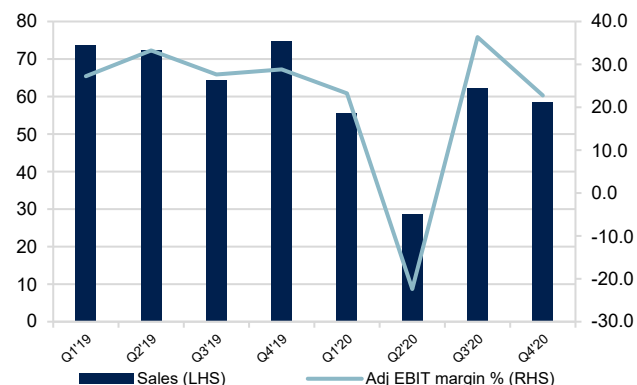
Investment risk, macro risk and regulatory risk are the biggest risks in the Axactor investment case. We see investment risk as the largest risk as we estimate that the company will have high capex going forward, and an investment into a ‘bad’ portfolio and/or company could have a detrimental impact on earnings in the coming years. Furthermore, changes in the macro environment could affect cash collection and the 3PC business.

Annual sales and adj. EBIT margin EURm



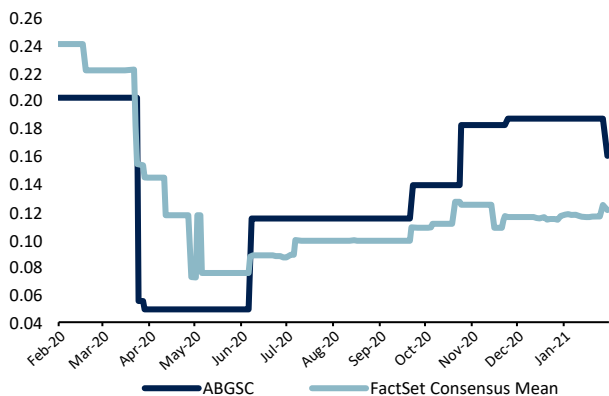
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



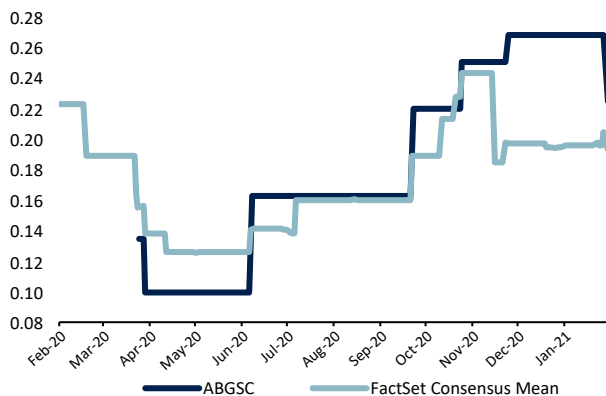
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, EUR



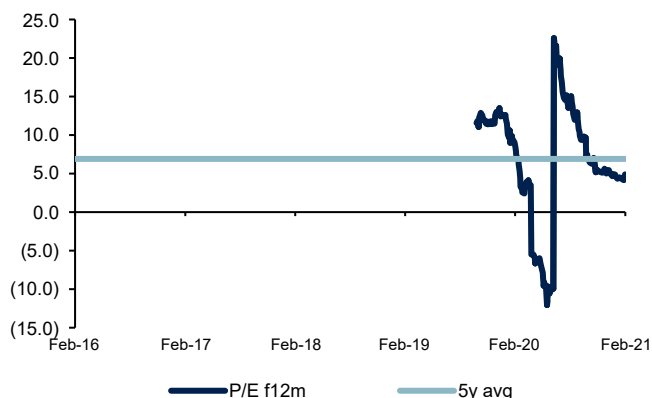
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, EUR



Source: ABG Sundal Collier, FactSet

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Q4'20 deviation table

EURm	Outcome	ABGSCe				FactSet consensus			q-o-q		y-o-y	
	Q4'20	Q4'20	Deviation		Q4'20	Deviation		Q3'20	growth	Q4'19	growth	
Net Revenue	58.5	63.1	-4.6	-7%	63.4	-4.9	-8%	62.3	-6%	74.8	-22%	
Total operating cost	-37.2	-40.0	2.9	-7%	-39.3			-31.9	16%	-51.0	-27%	
EBITDA reported	21.3	23.1	-1.8	-8%	24.1	-2.8	-11%	30.3	-30%	23.8	-10%	
EBITDA-margin	36.5%	36.6%	-0.1%		38.0%	-1.5%		48.7%		31.8%		
Depreciation and amortisation	-3.0	-2.7	-0.3	12%	-2.6			-2.6	13%	-2.8	5%	
EBIT reported	18.4	20.5	-2.1	-10%	21.5	-3.1	-15%	27.7	-34%	21.0	-13%	
EBIT-margin	31.4%	32.4%	-1%		33.9%	-3%		44.5%		28.1%		
Net financials	-17.7	-15.8	-1.9	12%				-15.4	15%	-12.5	42%	
tax	2.7	-1.2	3.8	n.m.				-5.8	-146%	-2.0	-235%	
Net profit	3.3	3.5	-0.2	-5%				6.5	-49%	6.5	-49%	
Net profit to minorities	-0.6	0.9	-1.5	n.m.				-2.9	n.m.	-1.3		
Net profit (AXA shareholders)	2.7	4.4	-1.7	-39%	4.9	-2.2	-45%	3.6	-24%	5.2	-48%	
ERC (incl. REO book)	2,248	2,218	30.4	1%				2,246	0%	2,189	3%	
Change ERC q-o-q	2	-28	30.4	n.m.								
CAPEX	22.0	24.5	-2.5	-10%				35	-36%	96	-77%	

Source: Company data, ABG Sundal Collier

Q4'20: Forecast - Cash

EURm	Outcome	ABGSCe				FactSet consensus			q-o-q		y-o-y	
	Q4'20	Q4'20	Deviation		Q4'20	Deviation		Q3'20	growth	Q4'19	growth	
Net revenue	58.5	63.1	-4.6	-7%				62.3	-6%	74.8	-22%	
Gross revenues	94.9	93.8	1.2	1%				83.3	14%	98.8	-4%	
Opex ex. REO amortisation	-31.1	-31.6	0.5	-1%				-27.1	15%	-32.3	-4%	
Cash EBITDA	63.8	62.2	1.6	3%				56.2	14%	66.6	-4%	
Cash-EBITDA margin	67.2%	66.3%	1%					67.4%		67.4%		

Source: Company data, ABG Sundal Collier

Estimate revisions table

Estimate revisions	New			Old			Chg %	Chg	Chg %	Chg	Chg %	Chg
	2020	2021e	2022e	2020	2021e	2022e	2020	2020	2021e	2021e	2022e	2022e
EURm												
Gross collection	277	352	399	279	347	401	-1%	-2	1%	5	-1%	-3
Other revenue	48	61	72	49	62	72	0%	0	0%	0	0%	0
Gross revenues	325	413	470	327	408	473	-1%	-2	1%	5	-1%	-3
Net Revenue	205	279	310	210	278	311	-2%	-5	1%	2	0%	0
EBITDA reported	36	113	143	38	111	141	-5%	-2	2%	2	1%	1
EBITDA-margin (%)	17%	40%	46%	18%	40%	46%		0%		0%		1%
Cash EBITDA	213	285	328	211	277	329	1%	2	3%	8	0%	-1
Cash-EBITDA margin	65%	69%	70%	64%	68%	70%		1%		1%		0%
Depreciation and amortisation	-11	-10	-10	-11	-11	-11	3%	0	-3%	0	-3%	0
EBIT (reported)	25	103	132	27	101	131	-8%	-2	2%	2	1%	2
EBIT-margin (%)	12%	37%	43%	13%	36%	42%		-1%		1%		1%
Net profit (AXA shareholders)	-15	49	68	-14	48	68	13%	-2	1%	1	1%	0
EPS (after minority)	-0.08	0.16	0.23	-0.07	0.16	0.23	13%	-0.01	1%	0.00	1%	0.00
EPS adj. (after minority)	0.14	0.16	0.23	0.14	0.16	0.23	0%	0.00	1%	0.00	1%	0.00
ERC (reported NPL + est REO)	2,248	2,465	2,659	2,218	2,495	2,657	1%	31	-1%	-30	0%	2
CAPEX	208	280	300	211	300	285	-1%	-3	-7%	-20	5%	15
Return on Equity (%)	-5%	13%	14%	-5%	13%	14%		-1%		0%		0%
ROE adj (%)	9%	13%	14%	9%	13%	14%		0%		0%		0%

Source: Company data, ABG Sundal Collier

DCF valuation using Gordon growth terminal value

DCF with Gordon growth terminal value

DCF valuation - Axactor									
EURm	Q4'20	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
Cash flow from operations	60	221	258	261	283	277	302	314	326
Interest cost after tax	13	38	39	39	39	38	39	39	38
Capex	-23	-287	-307	-247	-247	-247	-247	-247	-247
Free cash flow to firm	50	-27	-10	54	75	68	94	106	117
Discounted free cash flow	50	-26	-9	45	59	50	65	69	

Valuation summary	
PV DCF	305
PV terminal value	1,308
Enterprise value	1,612
Net debt Q4'20	886
Equity value	726
Number of shares	302
NOK/EUR	0.1
Value per share (NOK)	26

Assumptions	
Risk-free rate	0.9% Norwegian 10yr treasury bond
Beta	1.72 Bloomberg adj. 1yr weekly data
Market risk premia	7.1% Expected market return of 8%
Cost of equity	13.1% Capital asset pricing model
Cost of debt	7.0% Based on refinancing terms
Tax-rate	25% Long-term norm. tax-rate
Terminal growth	0.9% Equal to risk-free rate
WACC	6.44% Latest market cap and NIBD

Source: ABG Sundal Collier, Axactor, Bloomberg

		WACC							
		P/share	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%	7.3%
Growth	-0.3%		26.1	22.7	19.7	16.9	14.4	12.1	10.0
	0.1%		29.6	25.9	22.5	19.4	16.7	14.1	11.8
	0.5%		33.8	29.5	25.7	22.3	19.2	16.4	13.9
	0.9%		38.7	33.7	29.4	25.5	22.1	19.0	16.2
	1.3%		44.4	38.7	33.7	29.3	25.4	21.9	18.8
	1.7%		51.4	44.7	38.8	33.7	29.2	25.3	21.8
	2.1%		60.0	51.9	44.9	38.9	33.7	29.2	25.2

DCF valuation using exit multiple and assuming steady state in 2025

DCF with exit multiple and steady state in 2025

DCF valuation - Axactor					
EURm	Q4'20	2021e	2022e	2023e	2024e
Cash flow from operations	60	221	258	261	283
Interest cost after tax	13	38	39	39	39
Capex	-23	-287	-307	-247	-247
Free cash flow to firm	50	-27	-10	54	75
Discounted free cash flow	50	-26	-9	45	59

Valuation summary	
PV DCF	120
PV exit value	1,202
Enterprise value	1,322
Net debt Q4'20	886
Equity value	436
Number of shares	302
NOK/EUR	0.094
Value per share (NOK)	15

Assumptions	
WACC	6.44% Latest market cap and NIBD
EV/EBITDA 12m fw d.	9.5 5yr median of peers
EBITDA (reported)	171 Exit-year 2025
Exit value	1,627 EV 2025
PV exit value	1202 Discounted back

Source: ABG Sundal Collier, Axactor, Bloomberg, FactSet

		WACC							
		P/share	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%	7.3%
EV/EBITDA (exit multiple)	7.9x		9.8	9.3	8.7	8.2	7.7	7.2	6.7
	8.3x		11.6	11.1	10.5	10.0	9.5	8.9	8.4
	8.7x		13.5	12.9	12.3	11.8	11.2	10.7	10.1
	9.1x		15.4	14.7	14.1	13.6	13.0	12.4	11.8
	9.5x		17.2	16.6	15.9	15.3	14.7	14.1	13.6
	9.9x		19.1	18.4	17.8	17.1	16.5	15.9	15.3
	10.3x		20.9	20.2	19.6	18.9	18.2	17.6	17.0
	10.7x		22.8	22.1	21.4	20.7	20.0	19.3	18.7
	11.1x		24.6	23.9	23.2	22.5	21.8	21.1	20.4

Peer group valuation

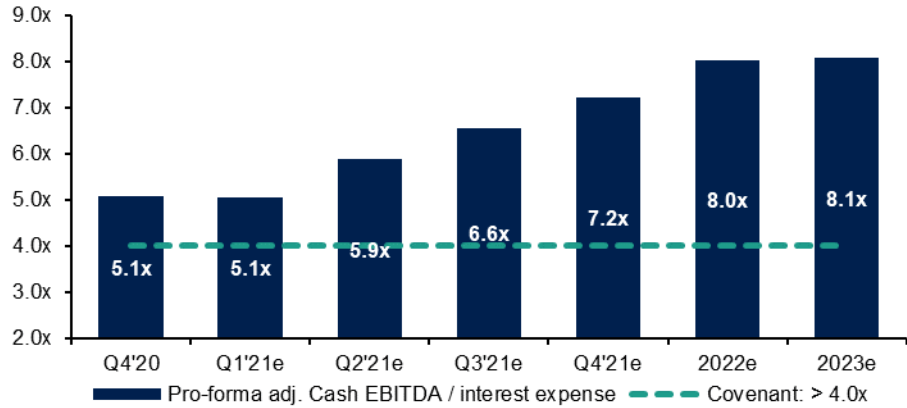
Peer group valuation						
Name	EV/EBIT		P/E		P/BV	
	2021e	2022e	2021e	2022e	2021e	2022e
ABGSC estimates:						
Axactor	12.1x	9.3x	6.0x	4.3x	0.6x	0.6x
FactSet consensus figures:						
Arrow	8.2x	7.4x	15.0x	10.7x	3.5x	2.7x
Axactor	13.3x	10.0x	6.7x	4.2x	0.4x	0.5x
B2Holding	10.5x	9.1x	6.6x	4.8x	0.6x	0.5x
Cerved Group	16.7x	15.4x	12.5x	11.7x	2.4x	2.3x
Encore	8.2x	8.0x	3.8x	3.6x		
Hoist Finance	n.m.	n.m.	9.6x	6.7x	0.7x	0.7x
Intrum	12.3x	11.2x	8.9x	7.8x	1.2x	1.1x
Kruk	3.7x	3.5x	10.4x	9.6x		
PRA Group	14.6x	13.2x	12.4x	9.3x		
Average	10.9x	9.7x	9.5x	7.6x	1.5x	1.3x
Median	11.4x	9.5x	9.6x	7.8x	1.0x	0.9x
Value per share implied by peer group multiples (NOK)						
Implied values	EV/EBIT		P/E		P/BV	
	2021e	2022e	2021e	2022e	2021e	2022e
Average	8.4	14.1	16.5	18.3	23.6	23.8
Median	10.1	13.2	16.6	18.8	15.5	16.4

Source: FactSet, ABG Sundal Collier

Credit summary:

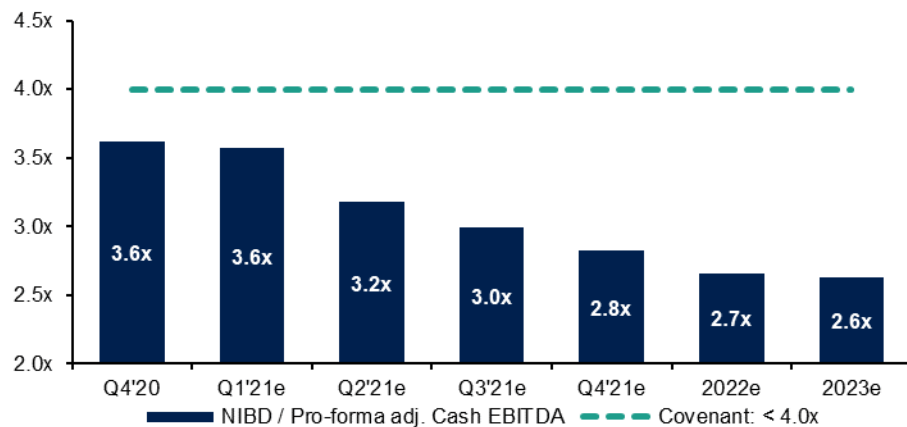
Improved outlook, has displayed resilience through COVID-19, good headroom to covenants, improved balance sheet through latest transaction and no material debt maturities before 2024. Positive development in REOs is also reassuring.

Interest coverage ratio



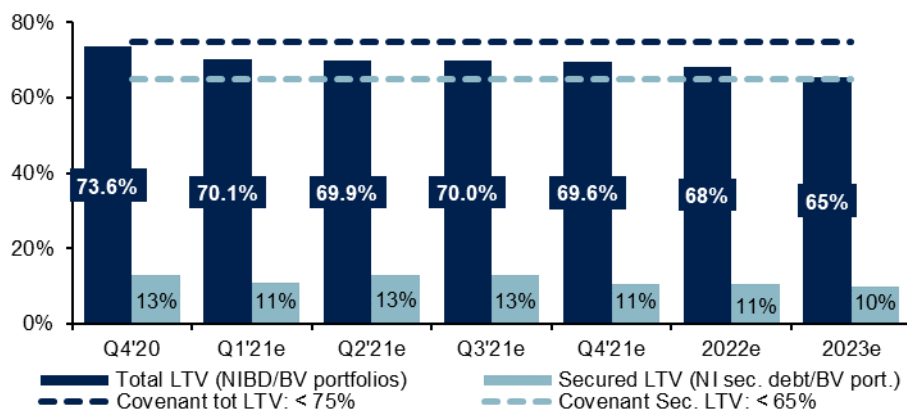
Source: ABG Sundal Collier and Axactor loan agreements

Leverage ratio



Source: ABG Sundal Collier and Axactor loan agreements

Loan to value



Source: ABG Sundal Collier and Axactor loan agreements

Income Statement (EURm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Sales	74	72	64	75	56	29	62	58
COGS	-52	-46	-44	-51	-41	-59	-32	-37
Gross profit	22	26	20	24	14	-30	30	21
Other operating items	0	0	0	0	0	0	0	0
EBITDA	22	26	20	24	14	-30	30	21
Depreciation and amortisation	-2	-2	-3	-3	-3	-3	-3	-3
EBITA	20	24	17	21	12	-33	28	18
EO items	-0	-0	-0	-1	-1	-26	5	5
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	20	24	17	21	12	-33	28	18
Net financial items	-11	-14	-14	-12	-15	-14	-14	-21
Pretax profit	8	10	6	9	6	-47	12	1
Tax	-3	-4	-3	-2	-2	3	-6	3
Net profit	5	6	4	7	3	-44	7	3
Minority interest	-3	-2	1	-1	2	18	-3	-1
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	2	5	4	5	5	-27	4	3
EPS	0	0.03	0.03	0.03	0.03	-0.14	0.02	0.01
EPS Adj	0	0.03	0.02	0.04	0.00	-0.01	0.01	-0.02
Total extraordinary items after tax	-0	-0	1	-0	5	-25	2	7
Tax rate (%)	42.0	37.3	42.3	23.2	38.4	5.4	47.1	399.0
Gross margin (%)	30.1	36.1	31.2	31.8	25.4	-104.6	48.7	36.5
EBITDA margin (%)	30.1	36.1	31.2	31.8	25.4	-104.6	48.7	36.5
EBITA margin (%)	27.0	32.8	27.1	28.1	20.7	-113.7	44.5	31.4
EBIT margin (%)	27.0	32.8	27.1	28.1	20.7	-113.7	44.5	31.4
Pretax margin (%)	10.8	13.6	9.9	11.4	10.1	-163.8	19.7	1.1
Net margin (%)	6.3	8.5	5.7	8.7	6.2	-154.9	10.4	5.7
Growth rates Y/Y	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Sales growth (%)	105.7	33.2	32.0	10.0	-24.5	-60.4	-3.1	-21.8
EBITDA growth (%)	263.1	146.5	99.8	21.7	-36.2	-chg	51.5	-10.4
EBIT growth (%)	317.9	160.1	104.4	17.4	-42.1	-chg	59.2	-12.5
Net profit growth (%)	+chg	3,563.7	825.6	132.1	-25.4	-chg	77.8	-48.9
EPS growth (%)	+chg	3,563.7	825.6	132.1	-25.4	-chg	77.8	-48.9
Adj earnings numbers	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
EBITDA Adj	22	26	20	24	16	-4	25	16
EBITDA Adj margin (%)	30.3	36.6	31.7	32.6	27.9	-13.3	40.6	27.9
EBITA Adj	20	24	18	22	13	-6	23	13
EBITA Adj margin (%)	27.2	33.3	27.6	28.8	23.2	-22.4	36.4	22.8
EBIT Adj	20	24	18	22	13	-6	23	13
EBIT Adj margin (%)	27.2	33.3	27.6	28.8	23.2	-22.4	36.4	22.8
Pretax profit Adj	9	10	4	9	-2	-21	8	-8
Net profit Adj	5	7	2	7	-1	-20	4	-3
Net profit to shareholders Adj	2	5	3	6	1	-2	2	-4
Net Adj margin (%)	6.8	9.1	3.5	9.4	-2.1	-68.8	7.1	-5.5

Source: ABG Sundal Collier, Company data

Income Statement (EURm)	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	na	0	37	90	207	285	205	279	310	312
COGS	na	0	-44	-75	-161	-193	-169	-166	-168	-148
Gross profit	na	0	-6	15	46	92	36	113	143	164
Other operating items	na	0	0	0	0	0	0	0	0	0
EBITDA	na	0	-6	15	46	92	36	113	143	164
Depreciation and amortisation	na	0	-3	-5	-6	-10	-11	-10	-10	-10
Of which leasing depreciation	na	0	0	0	0	0	0	0	0	0
EBITA	na	0	-10	9	40	82	25	103	132	154
EO items	na	0	-3	-2	6	-2	-67	0	0	0
Impairment and PPA amortisation	na	0	0	0	0	0	0	0	0	0
EBIT	na	0	-10	9	40	82	25	103	132	154
Net financial items	na	0	-2	-7	-34	-51	-65	-51	-52	-53
Pretax profit	na	0	-12	2	6	33	-28	52	80	102
Tax	na	0	1	1	-4	-12	-3	-13	-20	-25
Net profit	na	0	-11	3	2	21	-31	39	60	76
Minority interest	na	0	0	0	2	-5	16	10	8	3
Net profit discontinued	na	0	0	0	0	0	0	0	0	0
Net profit to shareholders	na	0	-11	3	4	16	-15	49	68	79
EPS	na	0	-0.01	0.00	0.03	0.11	-0.08	0.16	0.23	0.26
EPS Adj	na	0	-0.01	0.00	0.01	0.10	0.14	0.16	0.23	0.26
Total extraordinary items after tax	na	0	-3	-3	2	0	-61	0	0	0
Leasing payments	na	0	0	0	0	0	0	0	0	0
Tax rate (%)	na	ns	6.1	31.0	61.3	35.7	9.6	25.0	25.0	25.0
Gross margin (%)	na	nm	-17.5	16.5	22.4	32.3	17.5	40.5	46.0	52.7
EBITDA margin (%)	na	nm	-17.5	16.5	22.4	32.3	17.5	40.5	46.0	52.7
EBITA margin (%)	na	nm	-25.9	10.6	19.5	28.8	12.2	36.8	42.7	49.3
EBIT margin (%)	na	nm	-25.9	10.6	19.5	28.8	12.2	36.8	42.7	49.3
Pretax margin (%)	na	nm	-32.1	2.2	3.0	11.4	-13.8	18.5	25.8	32.5
Net margin (%)	na	nm	-30.1	2.9	1.2	7.4	-15.2	13.9	19.3	24.4
Growth rates Y/Y	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales growth (%)	na	na	na	142.2	130.4	37.8	-28.1	36.2	11.1	0.7
EBITDA growth (%)	na	na	high	328.4	212.5	99.0	-61.1	215.2	26.4	15.2
EBIT growth (%)	na	na	high	198.7	324.6	103.6	-69.5	310.6	28.9	16.4
Net profit growth (%)	na	na	high	123.2	-8.0	781.0	-248.4	224.6	54.8	26.9
EPS growth (%)	na	na	high	116.0	1,512.2	307.2	-177.9	297.6	39.4	15.3
Profitability	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE (%)	na	na	-12.2	1.2	1.7	6.0	-5.2	12.9	14.0	14.0
ROE Adj (%)	na	na	-8.5	2.5	0.8	5.9	8.7	12.9	14.0	14.0
ROCE (%)	na	na	-7.7	2.1	4.3	7.1	2.7	7.6	9.1	10.1
ROCE Adj (%)	na	na	-4.9	2.6	3.6	7.1	6.9	7.6	9.1	10.1
ROIC (%)	na	na	-8.9	3.3	2.0	4.7	2.2	5.8	6.9	7.6
ROIC Adj (%)	na	na	-6.1	3.9	1.7	4.8	8.0	5.8	6.9	7.6
Adj earnings numbers	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	na	0	-3	17	40	94	103	113	143	164
EBITDA Adj margin (%)	na	nm	-9.2	18.5	19.3	32.9	50.3	40.5	46.0	52.7
EBITDA lease Adj	na	0	0	0	0	0	0	0	0	0
EBITDA lease Adj margin (%)	na	nm	0	0	0	0	0	0	0	0
EBITA Adj	na	0	-7	11	34	84	92	103	132	154
EBITA Adj margin (%)	na	nm	-17.6	12.6	16.4	29.4	45.0	36.8	42.7	49.3
EBIT Adj	na	0	-7	11	34	84	92	103	132	154
EBIT Adj margin (%)	na	nm	-17.6	12.6	16.4	29.4	45.0	36.8	42.7	49.3
Pretax profit Adj	na	0	-8	4	0	32	27	52	80	102
Net profit Adj	na	0	-8	6	0	21	10	39	60	76
Net profit to shareholders Adj	na	0	-8	6	2	16	26	49	68	79
Net Adj margin (%)	na	nm	-21.1	6.2	0.0	7.3	4.7	13.9	19.3	24.4

Source: ABG Sundal Collier, Company data

Cash Flow Statement (EURm)	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	na	0	-6	15	46	92	36	113	143	164
Net financial items	na	0	-2	-7	-34	-51	-65	-51	-52	-53
Paid tax	na	0	0	1	-4	-12	-3	-13	-20	-25
Non-cash items	na	0	1	8	90	167	186	171	185	175
Cash flow before change in WC	na	0	-8	16	99	196	154	220	255	261
Change in WC	na	0	-6	-8	3	-1	-1	1	2	-0
Operating cash flow	na	0	-14	8	102	196	154	221	258	261
CAPEX tangible fixed assets	na	0	-76	-355	-556	-401	-212	-280	-300	-240
CAPEX intangible fixed assets	na	0	-2	-5	-7	-10	-6	-7	-7	-7
Acquisitions and disposals	na	0	-48	-1	-1	0	0	0	0	0
Free cash flow	na	0	-139	-354	-462	-215	-64	-65	-49	15
Dividend paid	na	0	0	0	0	0	0	0	0	0
Share issues and buybacks	na	0	0	0	0	0	0	0	0	0
Lease liability amortisation	na	0	0	0	0	0	0	0	0	0
Other non cash items	na	0	116	107	39	14	35	42	-4	-0
Balance Sheet (EURm)	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	na	0	53	54	56	56	55	55	55	55
Other intangible assets	na	0	22	25	29	40	35	35	35	36
Tangible fixed assets	na	0	128	471	929	1,171	1,203	1,309	1,421	1,478
Right-of-use asset	na	0	0	0	0	0	0	0	0	0
Total other fixed assets	na	0	1	1	1	1	1	1	1	1
Fixed assets	na	0	205	551	1,015	1,268	1,294	1,400	1,512	1,569
Inventories	na	0	0	0	0	0	0	0	0	0
Receivables	na	0	6	9	10	13	7	10	11	12
Other current assets	na	0	8	13	12	15	15	14	16	16
Cash and liquid assets	na	0	65	50	71	75	51	34	20	26
Total assets	na	0	283	622	1,108	1,372	1,367	1,459	1,559	1,622
Shareholders equity	na	0	183	260	264	281	304	453	521	600
Minority	na	0	0	32	64	97	74	9	1	-1
Total equity	na	0	183	292	328	378	379	462	522	599
Long-term debt	na	0	25	238	568	466	579	904	975	105
Pension debt	na	0	0	0	0	0	0	0	0	0
Convertible debt	na	0	0	0	0	0	0	0	0	0
Leasing liability	na	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	na	0	9	9	15	22	12	12	12	12
Short-term debt	na	0	49	61	167	464	357	36	0	861
Accounts payable	na	0	7	4	5	6	6	8	8	4
Other current liabilities	na	0	10	19	26	36	34	37	42	42
Total liabilities and equity	na	0	283	622	1,108	1,372	1,367	1,459	1,559	1,622
Net IB debt	na	0	9	248	664	855	885	906	955	940
Net IB debt excl. pension debt	na	0	9	248	664	855	885	906	955	940
Net IB debt excl. leasing	na	0	0	0	0	0	0	0	0	0
Capital invested	na	0	202	549	1,006	1,255	1,276	1,380	1,489	1,550
Working capital	na	0	-3	-2	-8	-13	-18	-21	-23	-19
EV breakdown	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	na	1,354	3,742	4,973	323	300	189	246	246	246
Net IB debt Adj	na	0	9	248	664	855	885	906	955	940
Market value of minority	na	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	na	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	na	0	0	0	0	0	0	0	0	0
EV	na	1,354	3,751	5,222	987	1,155	1,074	1,152	1,201	1,186
Capital efficiency	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	na	na	26.2	19.8	23.9	23.0	15.0	19.8	20.6	19.6
Working capital/sales (%)	na	na	-4.5	-2.9	-2.5	-3.8	-7.8	-7.0	-7.0	-6.6
Financial risk and debt service	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	na	nm	0.05	0.85	2.02	2.26	2.34	1.96	1.83	1.57
Net debt/market cap	na	0	0.00	0.06	1.66	2.92	5.51	3.69	3.89	3.83
Equity ratio (%)	na	nm	64.6	46.9	29.6	27.5	27.7	31.7	33.5	36.9
Net IB debt adj./equity	na	nm	0.05	0.85	2.02	2.26	2.34	1.96	1.83	1.57
Current ratio	na	nm	1.19	0.85	0.47	0.20	0.18	0.72	0.95	0.06
EBITDA/net interest	na	na	-3.39	2.17	1.56	1.80	0.56	2.21	2.72	3.13
Net IB debt/EBITDA	na	nm	-1.46	16.76	14.33	9.27	24.70	8.02	6.69	5.72
Net IB debt/EBITDA lease Adj	na	nm	nm	nm	nm	nm	nm	nm	nm	nm
Interest cover	na	nm	-4.76	1.38	1.36	1.60	0.39	2.01	2.53	2.94

Source: ABG Sundal Collier, Company data

Valuation and Ratios (EURm)	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	na	597	1,226	1,516	154	155	185	302	302	302
Fully diluted shares Adj	na	652	1,282	1,702	173	155	185	302	302	302
EPS	na	0	-0.01	0.00	0.03	0.11	-0.08	0.16	0.23	0.26
Dividend per share Adj	na	0	0	0	0	0	0	0	0	0
EPS Adj	na	0	-0.01	0.00	0.01	0.10	0.14	0.16	0.23	0.26
BVPS	na	0	0.15	0.17	1.71	1.81	1.64	1.50	1.73	1.99
BVPS Adj	na	0	0.10	0.13	1.29	1.33	1.26	1.27	1.50	1.76
Net IB debt / share	na	0	0.0	0.2	4.3	5.5	4.8	3.0	3.2	3.1
Share price	na	2.08	2.92	2.92	1.87	1.93	1.02	0.81	0.81	0.81
Market cap. (m)	na	1,239	3,580	4,431	288	300	189	246	246	246
Valuation	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	na	nm	-290.8	1,818.3	72.1	18.3	-12.4	5.0	3.6	3.1
EV/sales	na	nm	101.19	58.16	4.77	4.05	5.24	4.12	3.87	3.80
EV/EBITDA	na	nm	-578.2	352.4	21.3	12.5	30.0	10.2	8.4	7.2
EV/EBITA	na	nm	-390.2	550.3	24.5	14.1	43.0	11.2	9.1	7.7
EV/EBIT	na	nm	-390.2	550.3	24.5	14.1	43.0	11.2	9.1	7.7
Dividend yield (%)	na	0	0	0	0	0	0	0	0	0
FCF yield (%)	na	0	-4.3	-7.4	-143.0	-72.1	-33.9	-26.6	-20.0	6.0
Lease adj. FCF yield (%)	na	0	-4.3	-7.4	-143.0	-72.1	-33.9	-26.6	-20.0	6.0
P/BVPS	na	nm	19.57	17.04	1.09	1.07	0.62	0.54	0.47	0.41
P/BVPS Adj	na	nm	28.50	22.15	1.45	1.46	0.81	0.64	0.54	0.46
P/E Adj	na	nm	-415.6	856.4	152.4	18.4	7.4	5.0	3.6	3.1
EV/EBITDA Adj	na	nm	-1,100.4	314.1	24.7	12.3	10.4	10.2	8.4	7.2
EV/EBITA Adj	na	nm	-574.0	462.3	29.1	13.8	11.6	11.2	9.1	7.7
EV/EBIT Adj	na	nm	-574.0	462.3	29.1	13.8	11.6	11.2	9.1	7.7
EV/cap. employed	na	nm	14.6	8.8	0.9	0.9	0.8	0.8	0.8	0.8
Investment ratios	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Capex/sales	na	nm	209.7	401.5	271.9	144.1	106.3	102.6	98.9	79.0
Capex/depreciation	na	nm	2,486.4	6,767.5	9,361.5	4,062.6	2,010.6	2,787.1	2,968.6	2,377.6
Capex tangibles/tangible fixed assets	na	nm	59.1	75.4	59.8	34.3	17.6	21.4	21.1	16.2
Capex intangibles/definite intangibles	na	nm	55.7	82.3	68.1	51.6	40.3	44.1	44.3	44.5
Depreciation on intangibles/definite intai	na	nm	0	0	0	0	0	0	0	0
Depreciation on tangibles/tangibles	na	nm	2.4	1.1	0.6	0.9	0.9	0.8	0.7	0.7

Source: ABG Sundal Collier, Company data

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Pb. 1444 Vika NO-0115 OSLO Norway	Regeringsgatan 25, 8 th floor SE-111 53 STOCKHOLM Sweden	Forbindelsesvej 12, DK-2100 COPENHAGEN Denmark	10 Paternoster Row, 5th fl LONDON EC4M 7EJ UK	850 Third Avenue, Suite 9-C NEW YORK, NY 10022 USA	Schillerstrasse 2, 5. OG DE-60313 FRANKFURT Germany	10 Collyer Quay Ocean Financial Center #40-07, Singapore 049315
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