

# Axactor

## Earnings accretion, cost savings and easy comps

- Underlying better earnings than expected in Q1
- Savings lift est. reported EBITDA 3% for 2022e-23e
- Estimated fair value range of NOK 8.4-26.8/share

### One-off costs, revaluations and FX blurred in Q1

Reported EBITDA was EUR 17.7m in Q1, up 26% y-o-y, but 9% below ABGSCe. Adj. for the ~EUR 2m in revaluations and the one-off costs of ~EUR 2.6m (EUR 3.2m less savings of EUR 0.6m), EBITDA was EUR 3.4m better than expected vs. ABGSCe and ~EUR 2m better than IR-collected cons. Still, this was down 9% y-o-y, primarily due to unusually high REO amortisation, lower 3PC and REO sales (runoff business). Cash EBITDA adj. for the restructuring costs was EUR 54.7m, 3% below ABGSCe and 2% below consensus, fully driven by lower 3PC and REO sales. Still, cash EBITDA adj. for the restructuring costs was up 14% y-o-y. Given the EUR 2m negative revaluation and net negative FX effect of EUR 3.2m on top of the restructuring costs, reported net profit was particularly distorted; coming in at EUR -1.4m after minorities. Adj. for these items, net profit after minorities was EUR 6.7m, EUR 2.3m ahead of ABGSCe, driven by lower underlying opex and lower interest expenses. This was also the first quarter after the roll-up of Axactor Invest, which is expected to be highly earnings accretive for Axactor.

### No major estimate changes, factor in new ERC and cost savings

Apart from factoring in Q1 figures, the latest ERC and accounting for the new cost savings presented in the Q1'21 report, we make few estimate changes. Our estimated EBITDA for 2022e-23e is up 3%, primarily driven by the EUR 4.8m annualized savings (from YE'21).

### DCF mid-point valuation uplift of NOK 2.6/share from savings

Axactor continues to build profit brick by brick through cost discipline and further cost savings. Following the roll-up of Axactor Invest (announced in Q4'20) we estimate that we should see a meaningful earnings uptick going forward, while comps y-o-y should be relatively easy. We estimate a fair value range of NOK 8.4-26.8/share, where the low-end is implied by the '21e EV/EBIT of peers, while the high-end is implied by the mid-point of our DCF valuation (which is up NOK 2.6/share on estimate changes).

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EURm	2019	2020	2021e	2022e	2023e
Sales	285	205	270	307	311
EBITDA	92	36	105	146	169
EBITDA margin (%)	32.3	17.5	39.0	47.6	54.3
EBIT adj	84	91	98	136	159
EBIT adj margin (%)	29.4	44.6	36.3	44.3	51.1
Pretax profit	33	-28	41	84	107
EPS rep	0.11	-0.08	0.12	0.23	0.27
EPS adj	0.10	0.14	0.13	0.23	0.27
Sales growth (%)	37.8	-28.1	31.7	13.7	1.3
EPS growth (%)	307.2	-177.9	243.3	98.1	16.8

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

## Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	-0.2%	0.1%	0.1%
EBIT (rep)	0.7%	4.0%	3.6%
EPS (rep)	-14.9%	3.4%	3.8%

Source: ABG Sundal Collier

Share price (NOK)	30/04/2021	9.6
Fair value range (per share)		8.4-26.8

Financials, Norway

AXA.OL/AXA NO

MCap (NOKm)	2,901
MCap (EURm)	290
Net debt (EURm)	903

No. of shares (m)	302
Free float (%)	100
Av. daily volume (k)	17

Next event Q2 report: 17 Aug

## Performance



	1m	3m	12m
Absolute (%)	4.7	11.8	43.3

Source: FactSet

	2021e	2022e	2023e
P/E (x)	8.1	4.1	3.5
P/E adj (x)	7.3	4.1	3.5
P/BVPS (x)	0.64	0.56	0.48
EV/EBITDA (x)	11.3	8.5	7.3
EV/EBIT adj (x)	12.2	9.1	7.8
EV/sales (x)	4.42	4.04	3.96
ROE adj (%)	10.5	14.5	14.7
Dividend yield (%)	0	0	0
FCF yield (%)	-21.8	-16.7	3.0
Lease adj. FCF yld (%)	-21.8	-16.7	3.0
Net IB debt/EBITDA	8.6	6.5	5.6
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.

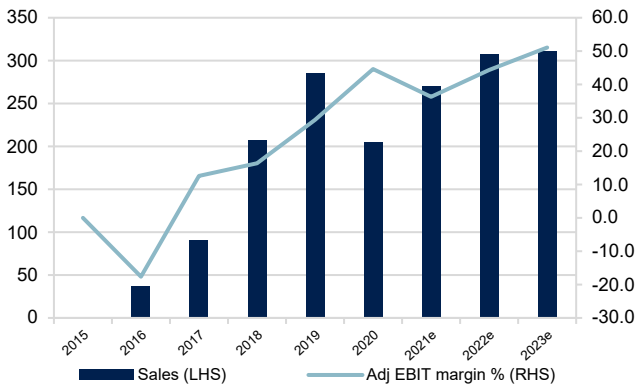
### Company description

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

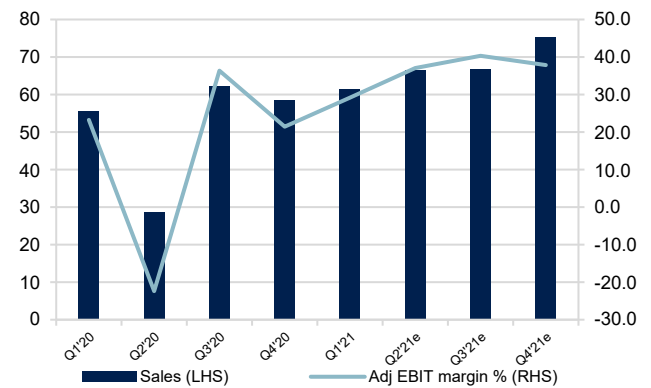
Investment risk, macro risk and regulatory risk are the biggest risks in the Axactor investment case. We see investment risk as the largest risk as we estimate that the company will have high capex going forward, and an investment into a ‘bad’ portfolio and/or company could have a detrimental impact 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



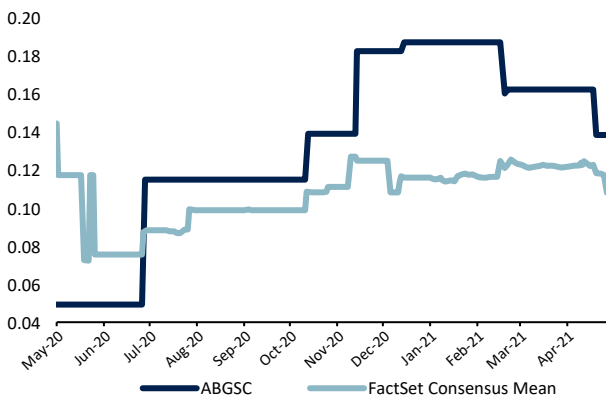
Source: ABG Sundal Collier, Company data

#### Quarterly sales and adj. EBIT margin



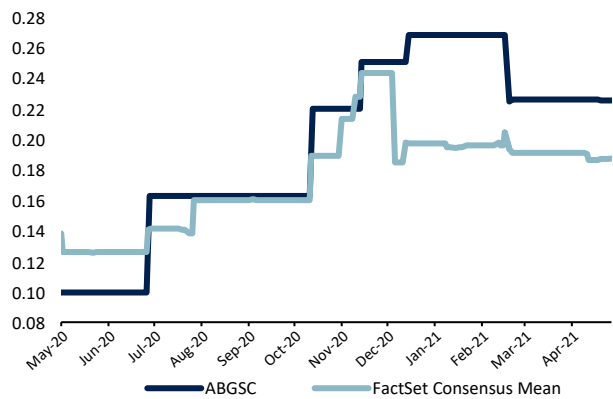
Source: ABG Sundal Collier, Company data

#### EPS estimate changes, 2021e, EUR



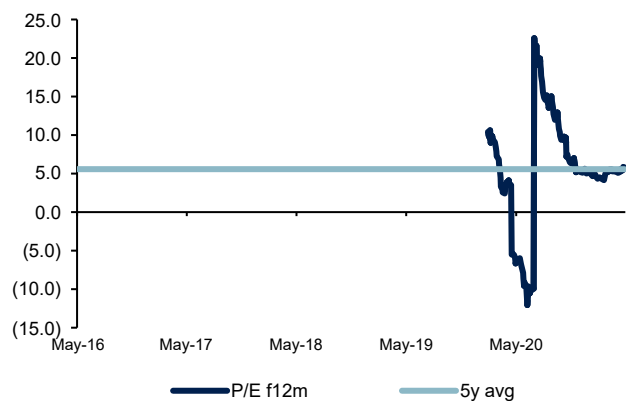
Source: ABG Sundal Collier, FactSet

#### EPS estimate changes, 2022e, EUR



Source: ABG Sundal Collier, FactSet

#### 12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Q1'21 deviation table

Q1'21: P&L and key items											
EURm	Outcome	ABGSCe			IR collected cons.			q-o-q		y-o-y	
	Q1'21	Q1'21	Deviation	3%	Q1'21	Deviation	1%	Q4'20 growth	Q1'20 growth		
Net Revenue	61.0	59.4	1.7	3%	60.3	0.7	1%	58.5	4%	55.6	10%
Total operating cost	-43.3	-39.8	-3.5	9%	-39.1			-37.2	17%	-41.5	4%
<b>EBITDA reported</b>	<b>17.7</b>	<b>19.5</b>	<b>-1.8</b>	<b>-9%</b>	<b>21.2</b>	<b>-3.5</b>	<b>-16%</b>	<b>21.3</b>	<b>-17%</b>	<b>14.1</b>	<b>26%</b>
EBITDA-margin	29.1%	32.9%	-3.8%		35.2%	-6.1%		36.5%		25.4%	
Depreciation and amortisation	-2.6	-2.6	0.0	1%				-3.0	-13%	-2.6	-1%
<b>EBIT reported</b>	<b>15.1</b>	<b>17.0</b>	<b>-1.8</b>	<b>-11%</b>				<b>18.4</b>	<b>-18%</b>	<b>11.5</b>	<b>32%</b>
EBIT-margin	24.8%	28.6%	-4%					31.4%		20.7%	
tax	-1.7	-0.8	-0.9	n.m.				2.7	n.m.	-2.1	-20%
<b>Net profit</b>	<b>-3.4</b>	<b>1.8</b>	<b>-5.2</b>	<b>n.m.</b>	<b>2.1</b>	<b>-5.5</b>	<b>n.m.</b>	<b>3.3</b>	<b>n.m.</b>	<b>3.4</b>	<b>n.m.</b>
Net profit to minorities	2.0	2.6	-0.6	n.m.	1.4	0.6	n.m.	-0.6	n.m.	1.7	
<b>Net profit (AXA shareholders)</b>	<b>-1.4</b>	<b>4.4</b>	<b>-5.8</b>	<b>n.m.</b>	<b>3.5</b>	<b>-4.9</b>	<b>n.m.</b>	<b>2.7</b>	<b>n.m.</b>	<b>5.2</b>	<b>n.m.</b>
ERC	2,227	2,192	35.4	2%				2,248	-1%	2,187	2%
Change ERC q-o-q	-56	-56	0.0	0%							
CAPEX	16.1	15.0	1.1	7%				22	-26%	90	-82%

Source: Company data, ABG Sundal Collier, Axactor IR collected consensus (5 analysts, 28 April)

Q1'21: Forecast - Cash											
EURm	Outcome	ABGSCe			IR collected cons.			q-o-q		y-o-y	
	Q1'21	Q1'21	Deviation	3%	Q1'21	Deviation	1%	Q4'20 growth	Q1'20 growth		
Net revenue	61.0	59.4	1.6	3%				58.5	4%	55.6	10%
<b>Gross revenues</b>	<b>84.9</b>	<b>86.6</b>	<b>-1.7</b>	<b>-2%</b>				<b>92.0</b>	<b>-8%</b>	<b>79.2</b>	<b>7%</b>
Opex ex. REO amortisation	-32.8	-30.4	-2.4	8%				-28.1	17%	-31.0	6%
<b>Cash EBITDA</b>	<b>52.1</b>	<b>56.2</b>	<b>-4.1</b>	<b>-7%</b>	<b>56.0</b>	<b>-3.9</b>	<b>-7%</b>	<b>63.8</b>	<b>-18%</b>	<b>48.2</b>	<b>8%</b>
Cash-EBITDA margin	61.4%	64.9%	-4%					69.4%		60.9%	
<b>Underlying figures:</b>											
EBITDA reported (excl. one-offs)*	22.9	19.5	3.4	17%	21.2	1.7	8%	27.8	-17%	24.3	-6%
Cash EBITDA (adj. for one-off costs)	54.7	56.2	-1.5	-3%	56.0	-1.3	-2%	63.8	-14%	48.2	14%
Adj. net profit (after minorities)**	6.7	4.4	2.3	53%	3.5	3.2	90%	4.1	61%	5.6	18%

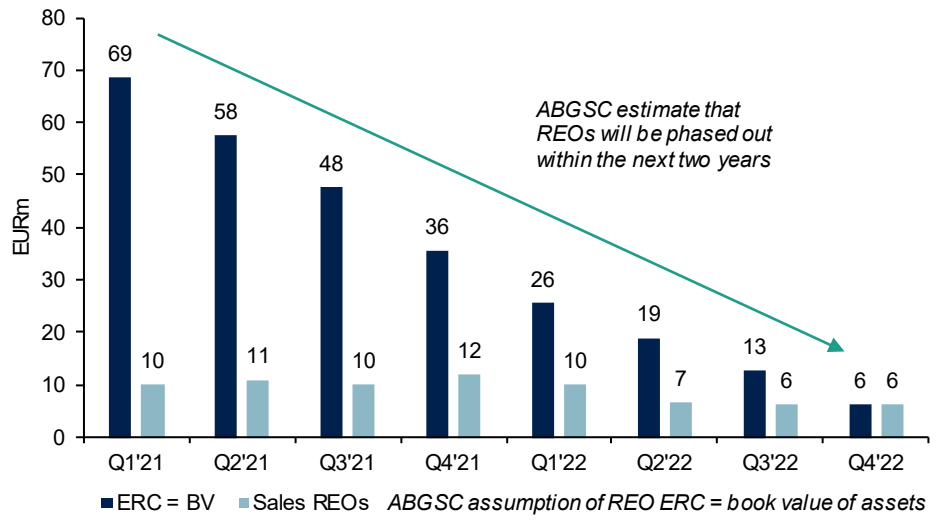
Source: Company data, ABG Sundal Collier, IR collected consensus (28 April) \*adj. for revaluations and one-off costs \*\*also adj. for FX

Estimate revisions table

Estimate revisions	New			Old			Chg %	Chg	Chg %	Chg	Chg %	Chg
	2021e	2022e	2023e	2021	2022e	2023e	2021	2021	2022e	2022e	2023e	2023e
Gross collection	335	391	403	341	390	402	-2%	-6	0%	1	0%	1
Other revenue	57	69	73	61	71	75	-6%	-4	-3%	-2	-3%	-2
<b>Gross revenues</b>	<b>392</b>	<b>460</b>	<b>476</b>	<b>402</b>	<b>461</b>	<b>477</b>	<b>-2%</b>	<b>-10</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>-1</b>
<b>Net Revenue</b>	<b>270</b>	<b>307</b>	<b>311</b>	<b>271</b>	<b>307</b>	<b>310</b>	<b>0%</b>	<b>-1</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>
EBITDA reported	105	146	169	105	141	164	0%	0	3%	5	3%	5
EBITDA-margin (%)	39%	48%	54%	39%	46%	53%		0%		2%		2%
<b>Cash EBITDA</b>	<b>267</b>	<b>325</b>	<b>339</b>	<b>274</b>	<b>320</b>	<b>335</b>	<b>-3%</b>	<b>-7</b>	<b>1%</b>	<b>4</b>	<b>1%</b>	<b>4</b>
Cash-EBITDA margin	68%	71%	71%	68%	70%	70%		0%		1%		1%
Depreciation and amortisation	-10	-10	-10	-10	-10	-10	-2%	0	-3%	0	-3%	0
<b>EBIT (reported)</b>	<b>95</b>	<b>136</b>	<b>159</b>	<b>95</b>	<b>131</b>	<b>153</b>	<b>1%</b>	<b>1</b>	<b>4%</b>	<b>5</b>	<b>4%</b>	<b>5</b>
EBIT-margin (%)	35%	44%	51%	35%	43%	49%		0%		2%		2%
<b>Net profit (after minority)</b>	<b>36</b>	<b>71</b>	<b>82</b>	<b>41</b>	<b>67</b>	<b>78</b>	<b>-14%</b>	<b>-6</b>	<b>5%</b>	<b>3</b>	<b>5%</b>	<b>4</b>
<b>Net profit adj. (after minority)</b>	<b>44</b>	<b>71</b>	<b>82</b>	<b>42</b>	<b>67</b>	<b>78</b>	<b>3%</b>	<b>1</b>	<b>5%</b>	<b>3</b>	<b>5%</b>	<b>4</b>
EPS (after minority)	0.12	0.23	0.27	0.14	0.23	0.26	-15%	-0.02	3%	0.01	4%	0.01
EPS adj. (after minority)	0.14	0.23	0.27	0.14	0.23	0.26	2%	0.00	3%	0.01	4%	0.01
ERC (reported NPL + est REO)	2,417	2,611	2,697	2,393	2,615	2,699	1%	24	0%	-3	0%	-2
CAPEX	240	290	245	240	310	250	0%	0	-6%	-20	-2%	-5
Return on Equity (%)	9%	15%	15%	11%	14%	14%		-1.6%		0.5%		0.5%
<b>ROE adj (%)</b>	<b>12%</b>	<b>15%</b>	<b>15%</b>	<b>11%</b>	<b>14%</b>	<b>14%</b>		<b>0.3%</b>		<b>0.5%</b>		<b>0.5%</b>

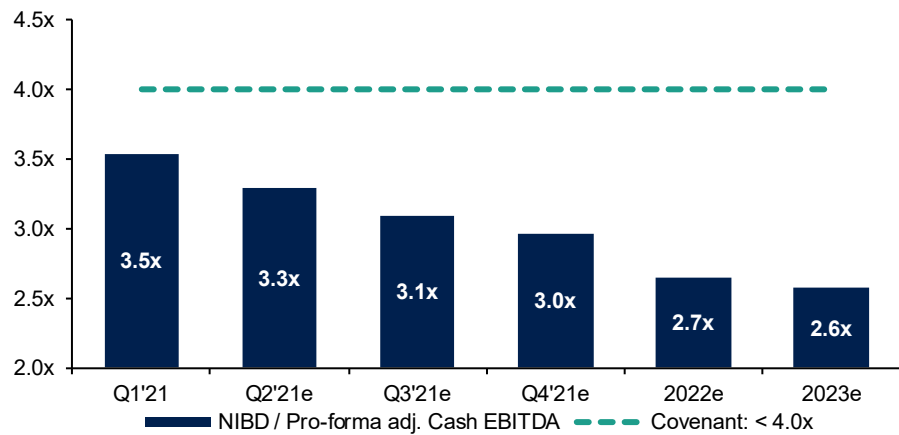
Source: ABG Sundal Collier, company data

**REOs likely fully phased-out by YE'22e**



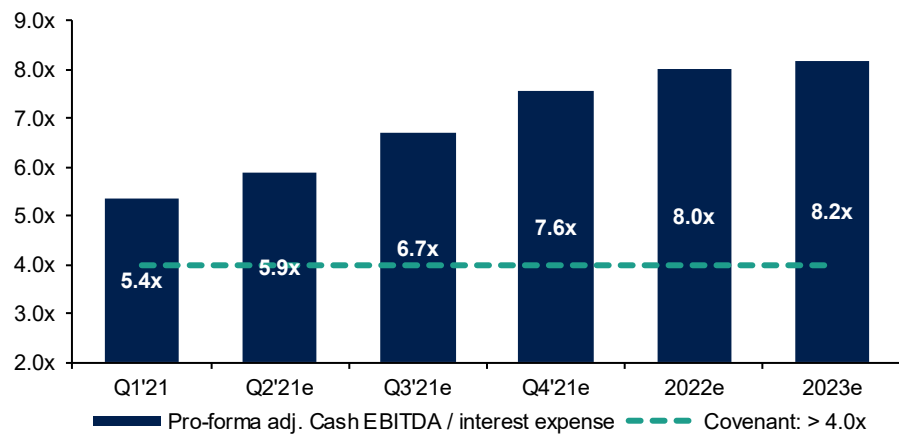
Source: ABG Sundal Collier, company reports

**Leverage ratio**



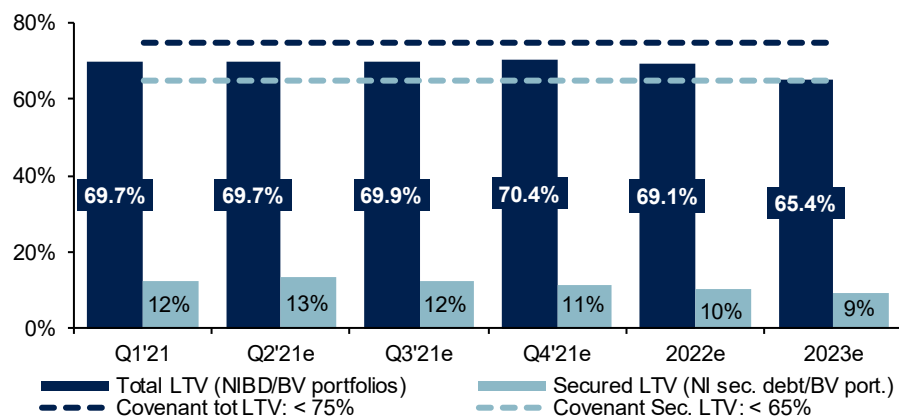
Source: ABG Sundal Collier, company reports and Axactor loan agreements

**Interest coverage ratio**



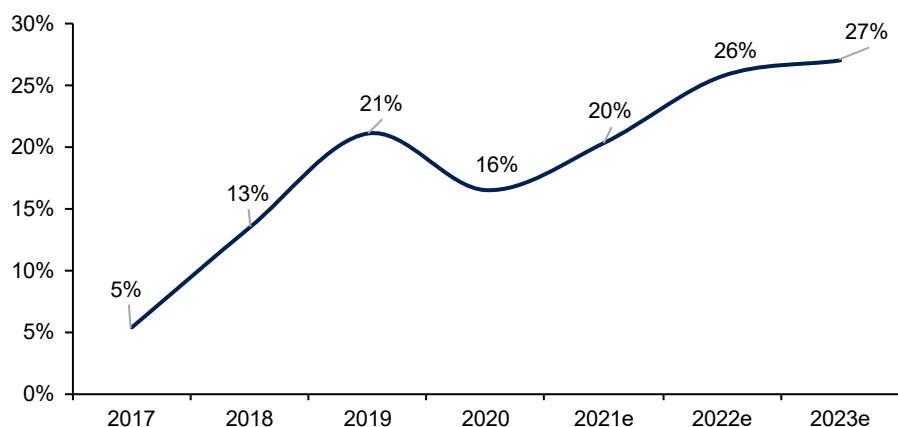
Source: ABG Sundal Collier, company reports and Axactor loan agreements

**Total loan-to-value (LTV) and secured loan-to-value**



Source: ABG Sundal Collier, company reports and Axactor loan agreements

Funds from operations / gross interest-bearing debt (FFO/GIBD)



Source: ABG Sundal Collier, company reports

Cash flow statement

EUR'000						
Cash Flow (direct method)	2018	2019	2020	2021e	2022e	2023e
<b>EBITDA</b>	<b>46,300</b>	<b>92,140</b>	<b>35,852</b>	<b>105,358</b>	<b>146,183</b>	<b>168,911</b>
Portfolio amortisation & revaluation	88,332	157,398	176,112	161,028	178,352	170,178
Other non cash items	1,374	1,256	577	100	0	0
<b>Cash EBITDA (adj. option cost)</b>	<b>136,006</b>	<b>250,794</b>	<b>212,541</b>	<b>266,486</b>	<b>324,535</b>	<b>339,090</b>
Interest paid	-34,495	-49,863	-52,561	-64,953	-51,942	-51,956
Taxes paid	-2,543	-4,741	-5,515	-12,265	-21,202	-26,678
<b>Funds from operations (FFO)</b>	<b>98,968</b>	<b>196,190</b>	<b>154,465</b>	<b>189,268</b>	<b>251,392</b>	<b>260,456</b>
Working capital	2,783	-679	-543	-1,161	-3,382	-158
<b>Operating cash flow (CFO)</b>	<b>101,751</b>	<b>195,511</b>	<b>153,922</b>	<b>188,107</b>	<b>248,009</b>	<b>260,298</b>
Portfolio investments	-555,649	-401,429	-211,823	-245,517	-290,000	-245,000
Investment in subsidiary	-1,086	0	0	0	0	0
Purchase tangible & intangible assets	-6,995	-9,642	-6,114	-5,931	-6,462	-6,509
Purchase of financial assets	0	-250	442	0	0	0
Interest received	17	98	25	0	0	0
<b>Free cash flow (FCF)</b>	<b>-461,962</b>	<b>-215,712</b>	<b>-63,548</b>	<b>-63,341</b>	<b>-48,453</b>	<b>8,789</b>
Proceeds from borrowings	600,651	303,984	81,631	171,000	130,500	69,825
Repayment of debt	-156,791	-80,089	-84,395	-179,154	-85,151	-82,551
Dividends	0	0	0	0	0	0
Proceeds share issue & minorities	38,468	-865	43,772	49,317	0	0
Share/bond/trans. issue cost	-31	0	-959	-1,460	0	0
<b>Net cash flow (NCF)</b>	<b>20,335</b>	<b>7,318</b>	<b>-23,499</b>	<b>-23,638</b>	<b>-3,104</b>	<b>-3,937</b>
<b>Total cash at beginning of period</b>	<b>50,482</b>	<b>70,777</b>	<b>75,396</b>	<b>50,725</b>	<b>28,039</b>	<b>24,935</b>
FX effects of cash	-40	-2,699	-1,171	951		
<b>Total cash at the end of the period</b>	<b>70,777</b>	<b>75,396</b>	<b>50,725</b>	<b>28,039</b>	<b>24,935</b>	<b>20,998</b>

Source: ABG Sundal Collier, company data

## DCF valuation using Gordon growth terminal value

### DCF with Gordon growth terminal value

DCF valuation - Axactor								
EURm	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
Cash flow from operations	188	248	260	277	294	305	316	328
Interest cost after tax	36	39	39	39	38	39	39	38
Capex	-251	-296	-252	-262	-247	-247	-247	-247
Free cash flow to firm	-27	-10	48	54	85	97	108	120
Discounted free cash flow	-26	-9	40	43	62	66	69	72

Valuation summary	
PV DCF	318
PV terminal value	1,322
<b>Enterprise value</b>	<b>1,640</b>
Net debt Q4'20	830
<b>Equity value</b>	<b>810</b>
Number of shares	302
NOK/EUR	0.1
<b>Value per share (NOK)</b>	<b>27</b>

Assumptions	
Risk-free rate	1.4% Norwegian 10yr treasury bond
Beta	1.6 Bloomberg adj. 1yr weekly data
Market risk premia	6.6% Expected market return of 8%
Cost of equity	11.7% Capital asset pricing model
Cost of debt	7.0% Based on refinancing terms
Tax-rate	25% Long-term norm. tax-rate
Terminal growth	1.4% Equal to risk-free rate
<b>WACC</b>	<b>6.9% Latest market cap and NIBD</b>

Source: ABG Sundal Collier, Axactor, Bloomberg

WACC								
Growth	P/share	6.0%	6.3%	6.5%	6.9%	7.4%	7.8%	8.2%
	0.0%	25.9	23.3	20.9	17.5	13.8	11.1	8.7
	0.4%	29.1	26.2	23.6	19.7	15.7	12.8	10.2
	0.9%	33.8	30.5	27.4	23.0	18.4	15.1	12.3
	1.4%	39.6	35.6	32.0	26.8	21.5	17.9	14.6
	1.8%	45.2	40.5	36.3	30.5	24.5	20.4	16.8
	2.2%	51.9	46.4	41.5	34.7	27.9	23.2	19.2
	2.6%	60.3	53.6	47.8	39.7	31.8	26.6	22.0

## DCF valuation using exit multiple and assuming steady state in 2025

### DCF with exit multiple and steady state in 2025

DCF valuation - Axactor					
EURm	2021e	2022e	2023e	2024e	2025e
Cash flow from operations	188	248	260	277	294
Interest cost after tax	36	39	39	39	38
Capex	-251	-296	-252	-262	-247
Free cash flow to firm	-27	-10	48	54	85
Discounted free cash flow	-26	-9	40	43	62

Valuation summary	
PV DCF	110
PV exit value	1,260
<b>Enterprise value</b>	<b>1,371</b>
Net debt Q4'20	830
<b>Equity value</b>	<b>541</b>
Number of shares	302
NOK/EUR	0.10
<b>Value per share (NOK)</b>	<b>18</b>

Assumptions	
WACC	6.9% Latest market cap and NIBD
EV/EBITDA 12m fw d.	9.8 5yr median of peers
EBITDA (reported)	176 Exit-year 2025
Exit value	1,721 EV 2025
PV exit value	1,260 Discounted back

Source: ABG Sundal Collier, Axactor, Bloomberg, FactSet

WACC								
EV/EBITDA (exit multiple)	P/share	6.0%	6.3%	6.5%	6.9%	7.4%	7.8%	8.2%
	8.2x	12.7	12.2	11.8	11.1	10.3	9.6	9.0
	8.6x	14.4	14.0	13.5	12.8	11.9	11.3	10.6
	9.0x	16.2	15.7	15.3	14.5	13.6	12.9	12.2
	9.4x	18.0	17.5	17.0	16.2	15.3	14.5	13.8
	9.8x	19.8	19.2	18.7	17.9	17.0	16.2	15.4
	10.2x	21.5	21.0	20.5	19.6	18.6	17.8	17.0
	10.6x	23.3	22.8	22.2	21.3	20.3	19.5	18.7
	11.0x	25.1	24.5	23.9	23.0	22.0	21.1	20.3
	11.4x	26.9	26.3	25.7	24.7	23.6	22.7	21.9

## Peer group valuation

Peer group valuation						
Name	EV/EBIT		P/E		P/BV	
	2021e	2022e	2021e	2022e	2021e	2022e
<b>ABGSC estimates:</b>						
Axactor	12.7x	8.9x	8.4x	4.2x	0.7x	0.6x
<b>FactSet consensus figures:</b>						
Arrow	5.2x	4.7x	11.5x	11.5x	4.1x	3.4x
Axactor	13.4x	10.0x	8.6x	5.1x	0.6x	0.6x
B2Holding	11.2x	9.7x	8.3x	6.1x	0.7x	0.6x
Cerved Group	15.3x	14.1x	18.1x	16.7x	3.4x	3.2x
Encore	8.3x	8.1x	4.9x	4.5x	0.8x	0.7x
Hoist Finance	n.m.	n.m.	26.0x	5.8x	0.7x	0.6x
Intrum	12.4x	11.1x	11.5x	9.9x	1.5x	1.4x
PRA Group	15.8x	14.4x	13.1x	11.4x	1.1x	1.0x
Average (excl. Axactor)	11.4x	10.4x	13.3x	9.4x	1.8x	1.6x
Median (excl. Axactor)	11.8x	10.4x	11.5x	9.9x	1.1x	1.0x
<b>Value per share implied by peer group multiples (NOK)</b>						
Implied values	EV/EBIT		P/E		P/BV	
	2021e	2022e	2021e	2022e	2021e	2022e
Average	8.4	19.2	15.7	22.0	26.1	26.9
Median	9.6	19.3	13.6	23.1	16.7	17.2

Source: FactSet, ABG Sundal Collier



Income Statement (EURm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e
Sales	56	29	62	58	61	66	67	75
COGS	-41	-59	-32	-37	-43	-39	-37	-44
Gross profit	14	-30	30	21	18	27	29	31
Other operating items	0	0	0	0	-0	0	-0	0
<b>EBITDA</b>	<b>14</b>	<b>-30</b>	<b>30</b>	<b>21</b>	<b>18</b>	<b>27</b>	<b>29</b>	<b>31</b>
Depreciation and amortisation	-3	-3	-3	-3	-3	-3	-3	-3
<b>EBITA</b>	<b>12</b>	<b>-33</b>	<b>28</b>	<b>18</b>	<b>15</b>	<b>25</b>	<b>27</b>	<b>29</b>
EO items	-1	-26	5	6	-3	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>12</b>	<b>-33</b>	<b>28</b>	<b>18</b>	<b>15</b>	<b>25</b>	<b>27</b>	<b>29</b>
Net financial items	-15	-14	-14	-21	-14	-12	-12	-13
<b>Pretax profit</b>	<b>6</b>	<b>-47</b>	<b>12</b>	<b>1</b>	<b>-2</b>	<b>12</b>	<b>15</b>	<b>16</b>
Tax	-2	3	-6	3	-2	-4	-4	-4
<b>Net profit</b>	<b>3</b>	<b>-44</b>	<b>7</b>	<b>3</b>	<b>-3</b>	<b>9</b>	<b>11</b>	<b>12</b>
Minority interest	2	18	-3	-1	2	2	2	2
Net profit discontinued	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>5</b>	<b>-27</b>	<b>4</b>	<b>3</b>	<b>-1</b>	<b>11</b>	<b>13</b>	<b>14</b>
EPS	0.03	-0.14	0.02	0.01	-0.00	0.04	0.04	0.05
EPS Adj	0.00	-0.01	0.01	-0.02	0.01	0.04	0.04	0.05
Total extraordinary items after tax	5	-25	2	7	-4	0	0	0
Tax rate (%)	38.4	5.4	47.1	399.0	101.6	29.0	28.0	27.0
Gross margin (%)	25.4	-104.6	48.7	36.5	29.5	40.8	44.1	41.2
EBITDA margin (%)	25.4	-104.6	48.7	36.5	28.9	40.8	44.1	41.2
EBITA margin (%)	20.7	-113.7	44.5	31.4	24.7	37.1	40.3	37.9
EBIT margin (%)	20.7	-113.7	44.5	31.4	24.7	37.1	40.3	37.9
Pretax margin (%)	10.1	-163.8	19.7	1.1	-2.7	18.5	21.9	21.2
Net margin (%)	6.2	-154.9	10.4	5.7	-5.5	13.1	15.8	15.4
<b>Growth rates Y/Y</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021e</b>	<b>Q3 2021e</b>	<b>Q4 2021e</b>
Sales growth (%)	-24.5	-60.4	-3.1	-21.8	10.4	131.9	7.3	28.7
EBITDA growth (%)	-36.2	-chg	51.5	-10.4	25.6	+chg	-2.9	45.3
EBIT growth (%)	-42.1	-chg	59.2	-12.5	31.6	+chg	-2.8	55.2
Net profit growth (%)	-25.4	-chg	77.8	-48.9	-chg	+chg	62.1	248.4
EPS growth (%)	-25.4	-chg	77.8	-48.9	-chg	+chg	62.1	248.4
<b>Adj earnings numbers</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021e</b>	<b>Q3 2021e</b>	<b>Q4 2021e</b>
EBITDA Adj	16	-4	25	16	21	27	29	31
EBITDA Adj margin (%)	27.9	-13.3	40.6	26.5	33.4	40.8	44.1	41.2
EBITA Adj	13	-6	23	13	18	25	27	29
EBITA Adj margin (%)	23.2	-22.4	36.4	21.4	29.2	37.1	40.3	37.9
EBIT Adj	13	-6	23	13	18	25	27	29
EBIT Adj margin (%)	23.2	-22.4	36.4	21.4	29.2	37.1	40.3	37.9
Pretax profit Adj	-2	-21	8	-9	4	12	15	16
Net profit Adj	-1	-20	4	-4	1	9	11	12
Net profit to shareholders Adj	1	-2	2	-4	3	11	13	14
Net Adj margin (%)	-2.1	-68.8	7.1	-6.5	1.3	13.1	15.8	15.4

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	270	307	311
COGS	na	0	-44	-75	-161	-193	-169	-164	-161	-142
Gross profit	na	0	-6	15	46	92	36	106	146	169
Other operating items	na	0	0	0	0	0	0	-0	0	0
<b>EBITDA</b>	<b>na</b>	<b>0</b>	<b>-6</b>	<b>15</b>	<b>46</b>	<b>92</b>	<b>36</b>	<b>105</b>	<b>146</b>	<b>169</b>
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
<b>EBITA</b>	<b>na</b>	<b>0</b>	<b>-10</b>	<b>9</b>	<b>40</b>	<b>82</b>	<b>25</b>	<b>95</b>	<b>136</b>	<b>159</b>
EO items	na	0	-3	-2	6	-2	-66	-3	0	0
Impairment and PPA amortisation	na	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>na</b>	<b>0</b>	<b>-10</b>	<b>9</b>	<b>40</b>	<b>82</b>	<b>25</b>	<b>95</b>	<b>136</b>	<b>159</b>
Net financial items	na	0	-2	-7	-34	-51	-65	-51	-52	-52
<b>Pretax profit</b>	<b>na</b>	<b>0</b>	<b>-12</b>	<b>2</b>	<b>6</b>	<b>33</b>	<b>-28</b>	<b>41</b>	<b>84</b>	<b>107</b>
Tax	na	0	1	1	-4	-12	-3	-14	-21	-27
<b>Net profit</b>	<b>na</b>	<b>0</b>	<b>-11</b>	<b>3</b>	<b>2</b>	<b>21</b>	<b>-31</b>	<b>28</b>	<b>63</b>	<b>80</b>
Minority interest	na	0	0	0	2	-5	16	8	8	2
Net profit discontinued	na	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>na</b>	<b>0</b>	<b>-11</b>	<b>3</b>	<b>4</b>	<b>16</b>	<b>-15</b>	<b>36</b>	<b>71</b>	<b>82</b>
EPS	na	0	-0.01	0.00	0.03	0.11	-0.08	0.12	0.23	0.27
EPS Adj	na	0	-0.01	0.00	0.01	0.10	0.14	0.13	0.23	0.27
Total extraordinary items after tax	na	0	-3	-3	2	0	-60	-4	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	33.2	25.2	25.0
Gross margin (%)	na	nm	-17.5	16.5	22.4	32.3	17.5	39.2	47.6	54.3
EBITDA margin (%)	na	nm	-17.5	16.5	22.4	32.3	17.5	39.0	47.6	54.3
EBITA margin (%)	na	nm	-25.9	10.6	19.5	28.8	12.2	35.3	44.3	51.1
EBIT margin (%)	na	nm	-25.9	10.6	19.5	28.8	12.2	35.3	44.3	51.1
Pretax margin (%)	na	nm	-32.1	2.2	3.0	11.4	-13.8	15.3	27.4	34.3
Net margin (%)	na	nm	-30.1	2.9	1.2	7.4	-15.2	10.2	20.5	25.7
<b>Growth rates Y/Y</b>	<b>na</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Sales growth (%)	na	na	na	142.2	130.4	37.8	-28.1	31.7	13.7	1.3
EBITDA growth (%)	na	na	high	328.4	212.5	99.0	-61.1	193.9	38.7	15.5
EBIT growth (%)	na	na	high	198.7	324.6	103.6	-69.5	280.7	42.9	16.7
Net profit growth (%)	na	na	high	123.2	-8.0	781.0	-248.4	188.4	128.6	27.3
EPS growth (%)	na	na	high	116.0	1,512.2	307.2	-177.9	243.3	98.1	16.8
<b>Profitability</b>	<b>na</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
ROE (%)	na	na	-12.2	1.2	1.7	6.0	-5.2	9.4	14.5	14.7
ROE Adj (%)	na	na	-8.5	2.5	0.8	5.9	8.6	10.5	14.5	14.7
ROCE (%)	na	na	-7.7	2.1	4.3	7.1	2.7	6.8	9.4	10.3
ROCE Adj(%)	na	na	-4.9	2.6	3.6	7.1	6.9	7.3	9.4	10.3
ROIC (%)	na	na	-8.9	3.3	2.0	4.7	2.2	4.8	7.1	7.8
ROIC Adj (%)	na	na	-6.1	3.9	1.7	4.8	7.9	4.9	7.1	7.8
<b>Adj earnings numbers</b>	<b>na</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
EBITDA Adj	na	0	-3	17	40	94	102	108	146	169
EBITDA Adj margin (%)	na	nm	-9.2	18.5	19.3	32.9	49.9	40.0	47.6	54.3
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	91	98	136	159
EBITA Adj margin (%)	na	nm	-17.6	12.6	16.4	29.4	44.6	36.3	44.3	51.1
EBIT Adj	na	0	-7	11	34	84	91	98	136	159
EBIT Adj margin (%)	na	nm	-17.6	12.6	16.4	29.4	44.6	36.3	44.3	51.1
Pretax profit Adj	na	0	-8	4	0	32	27	47	84	107
Net profit Adj	na	0	-8	6	0	21	9	32	63	80
Net profit to shareholders Adj	na	0	-8	6	2	16	25	40	71	82
Net Adj margin (%)	na	nm	-21.1	6.2	0.0	7.3	4.6	11.7	20.5	25.7

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	105	146	169
Net financial items	na	0	-2	-7	-34	-51	-65	-51	-52	-52
Paid tax	na	0	0	1	-4	-12	-3	-14	-21	-27
Non-cash items	na	0	1	8	90	167	186	148	178	170
Cash flow before change in WC	na	0	-8	16	99	196	154	189	251	260
Change in WC	na	0	-6	-8	3	-1	-1	-1	-3	-0
<b>Operating cash flow</b>	<b>na</b>	<b>0</b>	<b>-14</b>	<b>8</b>	<b>102</b>	<b>196</b>	<b>154</b>	<b>188</b>	<b>248</b>	<b>260</b>
CAPEX tangible fixed assets	na	0	-76	-355	-556	-401	-212	-246	-290	-245
CAPEX intangible fixed assets	na	0	-2	-5	-7	-10	-6	-6	-6	-7
Acquisitions and disposals	na	0	-48	-1	-1	0	0	0	0	0
<b>Free cash flow</b>	<b>na</b>	<b>0</b>	<b>-139</b>	<b>-354</b>	<b>-462</b>	<b>-215</b>	<b>-64</b>	<b>-63</b>	<b>-48</b>	<b>9</b>
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	62	3	5
Balance Sheet (EURm)	na	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	na	0	53	54	56	56	55	56	56	56
Other intangible assets	na	0	22	25	29	40	35	34	34	35
Tangible fixed assets	na	0	128	471	929	1,171	1,203	1,283	1,388	1,453
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	1,374	1,479	1,544
Inventories	na	0	0	0	0	0	0	0	0	0
Receivables	na	0	6	9	10	13	7	9	11	11
Other current assets	na	0	8	13	12	15	15	14	16	16
Cash and liquid assets	na	0	65	50	71	75	51	28	25	21
<b>Total assets</b>	<b>na</b>	<b>0</b>	<b>283</b>	<b>622</b>	<b>1,108</b>	<b>1,372</b>	<b>1,367</b>	<b>1,425</b>	<b>1,530</b>	<b>1,592</b>
Shareholders equity	na	0	183	260	264	281	304	450	520	603
Minority	na	0	0	32	64	97	74	11	4	0
<b>Total equity</b>	<b>na</b>	<b>0</b>	<b>183</b>	<b>292</b>	<b>328</b>	<b>378</b>	<b>379</b>	<b>461</b>	<b>524</b>	<b>603</b>
Long-term debt	na	0	25	238	568	466	579	898	976	103
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	11	11	11
Short-term debt	na	0	49	61	167	464	357	33	0	861
Accounts payable	na	0	7	4	5	6	6	5	5	5
Other current liabilities	na	0	10	19	26	36	34	18	14	10
<b>Total liabilities and equity</b>	<b>na</b>	<b>0</b>	<b>283</b>	<b>622</b>	<b>1,108</b>	<b>1,372</b>	<b>1,367</b>	<b>1,425</b>	<b>1,530</b>	<b>1,592</b>
Net IB debt	na	0	9	248	664	855	885	903	951	943
Net IB debt excl. pension debt	na	0	9	248	664	855	885	903	951	943
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	1,375	1,486	1,556
Working capital	na	0	-3	-2	-8	-13	-18	1	7	12
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	290	290	290
Net IB debt Adj	na	0	9	248	664	855	885	903	951	943
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
<b>EV</b>	<b>na</b>	<b>1,354</b>	<b>3,751</b>	<b>5,222</b>	<b>987</b>	<b>1,155</b>	<b>1,074</b>	<b>1,193</b>	<b>1,241</b>	<b>1,233</b>
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	19.3	20.8	19.9
Working capital/sales (%)	na	na	-4.5	-2.9	-2.5	-3.8	-7.8	-3.2	1.3	3.1
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	1.82	1.56
Net debt/market cap	na	0	0.00	0.06	1.66	2.92	5.51	3.11	3.28	3.25
Equity ratio (%)	na	nm	64.6	46.9	29.6	27.5	27.7	32.3	34.2	37.9
Net IB debt adj./equity	na	nm	0.05	0.85	2.02	2.26	2.34	1.96	1.82	1.56
Current ratio	na	nm	1.19	0.85	0.47	0.20	0.18	0.93	2.64	0.05
EBITDA/net interest	na	na	-3.39	2.17	1.56	1.80	0.56	2.08	2.81	3.24
Net IB debt/EBITDA	na	nm	-1.46	16.76	14.33	9.27	24.70	8.57	6.51	5.58
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	1.87	2.62	3.05

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	0.12	0.23	0.27
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	0.13	0.23	0.27
BVPS	na	0	0.15	0.17	1.71	1.81	1.64	1.49	1.72	1.99
BVPS Adj	na	0	0.10	0.13	1.29	1.33	1.26	1.26	1.49	1.76
Net IB debt / share	na	0	0.0	0.2	4.3	5.5	4.8	3.0	3.1	3.1
Share price	na	2.08	2.92	2.92	1.87	1.93	1.02	0.96	0.96	0.96
Market cap. (m)	na	1,239	3,580	4,431	288	300	189	290	290	290
<b>Valuation</b>	<b>na</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
P/E	na	nm	-290.8	1,818.3	72.1	18.3	-12.4	8.1	4.1	3.5
EV/sales	na	nm	101.19	58.16	4.77	4.05	5.24	4.42	4.04	3.96
EV/EBITDA	na	nm	-578.2	352.4	21.3	12.5	30.0	11.3	8.5	7.3
EV/EBITA	na	nm	-390.2	550.3	24.5	14.1	43.0	12.5	9.1	7.8
EV/EBIT	na	nm	-390.2	550.3	24.5	14.1	43.0	12.5	9.1	7.8
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	-21.8	-16.7	3.0
Lease adj. FCF yield (%)	na	0	-4.3	-7.4	-143.0	-72.1	-33.9	-21.8	-16.7	3.0
P/BVPS	na	nm	19.57	17.04	1.09	1.07	0.62	0.64	0.56	0.48
P/BVPS Adj	na	nm	28.50	22.15	1.45	1.46	0.81	0.76	0.64	0.55
P/E Adj	na	nm	-415.6	856.4	152.4	18.4	7.5	7.3	4.1	3.5
EV/EBITDA Adj	na	nm	-1,100.4	314.1	24.7	12.3	10.5	11.0	8.5	7.3
EV/EBITA Adj	na	nm	-574.0	462.3	29.1	13.8	11.7	12.2	9.1	7.8
EV/EBIT Adj	na	nm	-574.0	462.3	29.1	13.8	11.7	12.2	9.1	7.8
EV/cap. employed	na	nm	14.6	8.8	0.9	0.9	0.8	0.9	0.8	0.8
<b>Investment ratios</b>	<b>na</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Capex/sales	na	nm	209.7	401.5	271.9	144.1	106.3	93.1	96.6	80.9
Capex/depreciation	na	nm	2,486.4	6,767.5	9,361.5	4,062.6	2,010.6	2,484.7	2,942.9	2,485.5
Capex tangibles/tangible fixed assets	na	nm	59.1	75.4	59.8	34.3	17.6	19.1	20.9	16.9
Capex intangibles/definite intangibles	na	nm	55.7	82.3	68.1	51.6	40.3	40.6	44.1	44.3
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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