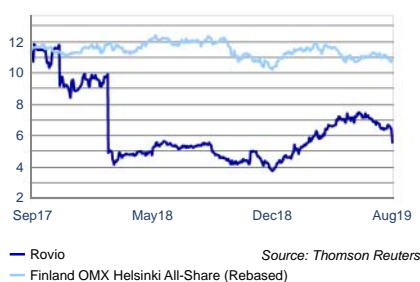


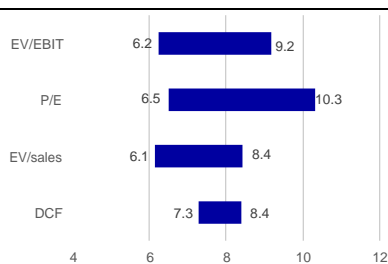
KEY DATA

| | |
|---------------------|---|
| Stock country | Finland |
| Bloomberg | ROVIO.FH |
| Reuters | ROVIO.HE |
| Share price (close) | EUR 5.54 |
| Free Float | |
| Market cap. (bn) | EUR 0.44/EUR 0.44 |
| Website | http://www.rovio.com/ |
| Next report date | 30 Oct 2019 |

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

| Year | 2019E | 2020E | 2021E |
|------------|-------|-------|-------|
| Sales | -3% | -3% | -2% |
| EBIT (adj) | -14% | -3% | -1% |

Source: Nordea estimates

Nordea Markets - Analysts

Sami Sarkamies
Senior AnalystVeikkopekka Silvasti
Analyst

Game KPIs unsatisfactory, hopes high for H2

Rovio was not able to invest into user acquisition as much as planned during Q2 due to declining monetisation, retention and increasing cost per install of its top games. The company also downgraded its guidance for the brand licensing unit's sales growth for 2019 due to tougher than anticipated competition in the Consumer Products licensing space. However, we see value in Rovio's game pipeline of 11 games, of which three are in soft launch. Furthermore, the company will get a boost in H2 from Angry Birds Movie 2 in the form of box office royalties (starting 9 August) as well as free marketing for the Angry Birds games franchise. Additionally, the company will launch a new game title during H2.

Revenue growth unsatisfactory, EBIT beat due to low UA spend

Rovio's revenue missed consensus by 2%, while adjusted EBIT beat consensus by 33%. Poor revenue growth was driven by the weak Games segment, while Brand Licensing business beat our estimates. The Games segment's weak performance was caused by a 17% decline in the gross bookings of AB 2, partly offset by strong performance of the newest game, AB Dream Blast. The adjusted EBIT beat was driven by low UA spend and solid revenue from the first AB movie.

We lower 2019 adjusted EBIT, while 2020-21E largely unchanged

For 2019, we lower our sales and EBIT estimates by 3% and 14% respectively. Revisions are driven by the Brand Licensing unit, where we lower our estimate for sales and adjusted EBIT by 10% and 21% respectively, after Rovio downgraded the unit's revenue outlook to flat or slightly higher (previously higher). The weaker than expected game KPIs of the top five games and surprisingly low UA spend lead us to lower our game segment revenue and EBIT estimates slightly for 2019. We make only minor estimate changes for 2020-21E. We find ourselves below Thomson Reuters consensus for 2019-21E on sales and adjusted EBIT.

DCF and multiples based valuation range lowered to EUR 6.5-9.1

Due to our revised estimates, we lower our fair valuation range for Rovio. We derive a DCF valuation range of EUR 7.3-8.4 per share by applying a WACC of 9-11%. We also include relative valuation with EV/EBIT, P/E and EV/sales multiples derived from relevant Nordic gaming companies and global mobile gaming companies. The average of the valuation approaches equals a valuation range of EUR 6.5-9.1 (EUR 6.8-9.4 previously).

SUMMARY TABLE - KEY FIGURES

| EURm | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|--------------------------|---------|--------|--------|-------|-------|-------|-------|
| Total revenue | 142 | 192 | 297 | 281 | 305 | 324 | 339 |
| EBITDA (adj) | -6 | 35 | 65 | 48 | 46 | 49 | 51 |
| EBIT (adj) | -22 | 17 | 36 | 31 | 32 | 39 | 44 |
| EBIT (adj) margin | -15.2% | 8.8% | 12.1% | 11.1% | 10.5% | 12.1% | 12.8% |
| EPS (adj) | -0.24 | 0.14 | 0.33 | 0.30 | 0.30 | 0.39 | 0.43 |
| EPS (adj) growth | -323.7% | 158.8% | 130.7% | -7.7% | 0.3% | 28.5% | 11.6% |
| DPS (ord) | 0.00 | 0.06 | 0.06 | 0.09 | 0.09 | 0.12 | 0.13 |
| EV/Sales | n.a. | n.a. | 2.2 | 0.7 | 0.9 | 0.8 | 0.7 |
| EV/EBIT (adj) | n.a. | n.a. | 17.8 | 5.9 | 9.0 | 6.6 | 5.2 |
| P/E (adj) | n.a. | n.a. | 27.6 | 12.7 | 18.3 | 14.2 | 12.8 |
| P/BV | n.a. | n.a. | 5.2 | 1.9 | 2.5 | 2.2 | 1.9 |
| Dividend yield (ord) | n.a. | n.a. | 0.7% | 2.4% | 1.7% | 2.2% | 2.4% |
| FCF Yield bef A&D, lease | n.a. | n.a. | 8.2% | 14.0% | 9.0% | 8.6% | 8.7% |
| Net debt | -10 | -10 | -88 | -120 | -153 | -183 | -212 |
| Net debt/EBITDA | 1.5 | -0.3 | -1.5 | -2.5 | -3.4 | -3.7 | -4.2 |
| ROIC after tax | -31.6% | 18.5% | 43.9% | 53.6% | 79.2% | n.m. | n.m. |

Source: Company data and Nordea estimates

Result highlights

Q2 2019 report highlights:

- Sales came in 2% below consensus estimates (flat y/y).
- Adjusted EBIT beat consensus estimates by 33% (-12% y/y), driven by lower-than-expected user acquisition (UA) costs.
- Adjusted EBIT excluding Hatch beat our estimate by 50% (+8% y/y).

ROVIO: Q2 2019 DEVIATION TABLE

| | Actual | NDA est. | Deviation | Consensus | Deviation | Actual | Actual | | |
|----------------------------|--------|----------|------------|-----------|------------|--------|---------|-------|---------|
| EURm | Q2 19 | Q2 19E | vs. actual | Q2 19E | vs. actual | Q1 19 | q/q | Q2 18 | y/y |
| Sales | 71.8 | 71.5 | 0.3 | 73.0 | (1.2) | 70.9 | 1% | 71.8 | 0% |
| EBITDA | 9.6 | 6.5 | 3.1 | 7.0 | 2.6 | 10.5 | -9% | 9.3 | 3% |
| Adj. EBITDA | 9.6 | 6.5 | 3.1 | 7.0 | 2.6 | 10.5 | -9% | 9.2 | 4% |
| Adj. EBITDA margin | 13.4% | 9.1% | 4.3pp | 9.6% | 0.0pp | 15% | -1.4pp | 12.8% | 0.6pp |
| EBIT | 5.3 | 2.8 | 2.5 | 4.0 | 1.3 | 7.5 | -29% | 6.0 | -12% |
| Adj. EBIT | 5.3 | 2.8 | 2.5 | 4.0 | 1.3 | 7.5 | -29% | 6.0 | -12% |
| Adj. EBIT margin | 7.4% | 4.0% | 3.4pp | 10.7% | 0.0pp | 10.6% | -3.2pp | 8.4% | -1.0pp |
| Adj. EBIT excl Hatch | 8.1 | 5.4 | 2.7 | 4.0 | 4.1 | 9.3 | -13% | 7.5 | 8% |
| EPS | 0.04 | 0.03 | 0.01 | 0.03 | 0.01 | 0.07 | -43% | 0.07 | -43% |
| Games segment | | | | | | | | | |
| Revenue | 65.4 | 67.4 | -2.0 | | | 66.3 | -1% | 65.3 | 0% |
| EBITDA | 10.5 | 8.4 | 2.1 | | | 11.2 | -6% | 9.2 | 14% |
| EBIT | 9.5 | 7.6 | 1.9 | | | 10.1 | -6% | 8.7 | 9% |
| Adj. EBIT | 9.5 | 7.6 | 1.9 | | | 10.1 | -6% | 8.7 | 9% |
| Adj. EBIT margin | 14.5% | 11.3% | 3.2pp | | | 15.2% | -0.7pp | 13.3% | 1.2pp |
| UAC | 21.3 | 24.4 | -3.1 | | | 23.7 | -10% | 22.9 | -7% |
| UAC as % of revenue | 33% | 36% | | | | 36% | -0.0889 | 35% | -0.0713 |
| Brand Licensing | | | | | | | | | |
| Revenue | 6.4 | 4.1 | 2.3 | | | 4.6 | 39% | 6.5 | -2% |
| EBITDA | 3.7 | 2.1 | 1.6 | | | 2.5 | 48% | 3.6 | 3% |
| EBIT | 0.6 | -0.7 | 1.3 | | | 0.6 | 0% | 1.0 | -40% |
| Adj. EBIT | 0.6 | -0.7 | 1.3 | | | 0.6 | 0% | 1.0 | -40% |
| Adj. EBIT margin | 9.4% | -16.2% | 25.6pp | | | 13.0% | -3.7pp | 15.4% | -6.0pp |
| Game KPIs | | | | | | | | | |
| Gross bookings top 5, EURm | 56.7 | 59 | -2.4 | | | 56 | 1% | 54.8 | 3% |
| Gross bookings total, EURm | 65.2 | 67 | -2.2 | | | 66 | -1% | 64.8 | 1% |
| DAU top 5, million | 3.4 | 3.7 | -0.3 | | | 3.5 | -3% | 4.0 | -15% |
| DAU all, million | 6.6 | 6.6 | 0.0 | | | 7.0 | -6% | 8.8 | -25% |
| MAU top 5, million | 16.2 | 19 | -2.8 | | | 17.1 | -5% | 22.2 | -27% |
| MAU all, million | 45.3 | 48 | -2.7 | | | 49 | -8% | 64.2 | -29% |
| MUP top 5, million | 0.39 | 0.5 | -0.1 | | | 0.4 | -7% | 0.5 | -21% |
| MUP all, million | 0.46 | 0.5 | 0.0 | | | 0.5 | -7% | 0.6 | -21% |
| ARPPDAU top 5, EUR | 0.18 | 0.18 | 0.00 | | | 0.18 | 0% | 0.15 | 20% |
| ARPPDAU all, EUR | 0.11 | 0.11 | 0.00 | | | 0.10 | 10% | 0.08 | 38% |
| MARPPU top 5, EUR | 41.5 | 42.0 | -0.5 | | | 39.0 | 6% | 33.5 | 24% |
| MARPPU all, EUR | 40.4 | 46.6 | -6.2 | | | 38.5 | 5% | 33.0 | 22% |

Source: Company data, Thomson Reuters and Nordea estimates

Games

The Games segment came in 3% below Nordea estimates on sales and 24% above on adjusted EBIT. The EBIT beat was driven by lower-than-anticipated UA expenses at EUR 21m (Nordea: EUR 24m). Game KPIs missed our estimates on broad-based weakness, with the top five games' gross bookings missing our estimates by 4%, the top five DAUs missing by 8% and the top five MAUs missing by 15%. The weakness in the top five games' KPIs was caused by the weaker-than-expected performance of Angry Birds 2, which saw gross bookings decline 17% q/q to EUR 26.5m (Nordea: EUR 35.2m). However, the top five KPIs were supported by strong performance of the new game Angry Birds Dream Blast launched in Q1 2019, with gross bookings of EUR 14m (our estimate: 11.3m) during the quarter.

The outlook for the Brand Licensing unit's revenues was downgraded to flat or slightly higher (previously higher)

Brand Licensing

Brand licensing sales and adjusted EBIT beat our estimates in Q2. The beat was driven by stronger-than-expected revenues from the Angry Birds 1 movie, which was boosted by the additional visibility provided by the Angry Birds Movie 2 that will be released on 9 August 2019. However, the outlook for the Brand Licensing unit's revenue was downgraded to flat or slightly higher (previously higher).

Group outlook reiterated for 2019

Rovio reiterated its outlook for 2019:

- Group revenue to grow to EUR 300-330m (Thomson Reuters consensus: EUR 315m)
- Adjusted EBIT margin between 9% and 11% (Thomson Reuters consensus: 11%)
- Adjusted EBIT margin excluding Hatch expenses between 12% and 14%

Rovio also expects to launch a new game during 2019 and guides for UA investment of 30-35% of revenue. The Brand Licensing segment's revenues are expected to be at similar or slightly higher level in 2019 y/y (previously higher level).

Analyst meeting takeaways

- 1. UA expenses:** Management stated that Rovio was unable to use the planned amounts on user acquisition as retention, monetisation and cost per install (CPI) metrics moved unfavourably during the quarter.
- 2. Game pipeline:** There are currently 11 games in different stages of development, of which three are in soft launch. Only one game in soft launch is an Angry Birds themed game, meaning that the company is taking steps to diversify its game portfolio from the AB IP theme.
- 3. AB Movie 2:** In H2, organic downloads are expected to increase, supported by additional visibility provided by the AB Movie 2, which allows for higher UA investments.
- 4. Strong balance sheet:** Management stated that it does not plan to commit itself to a share buyback programme in the near future, but aims to maintain the strong cash balance to leave headroom for M&A and UA investments.

Detailed estimates

Revisions

We cut our Games segment estimates after the Q2 report, due to lower-than-expected revenue for AB2, weak game KPIs and lower UA expenses. We also lower our estimates for the Brand Licensing unit following the guidance change (previously growing revenue for 2019, now flat or slightly growing). We trim our 2020-21 estimates only slightly.

ESTIMATE REVISIONS

| EURm | New estimates | | | | Old estimates | | | | Difference % | | | |
|---------------------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|
| | Q3 19E | 2019E | 2020E | 2021E | Q3 19E | 2019E | 2020E | 2021E | Q3 19E | 2019E | 2020E | 2021E |
| Sales | | | | | | | | | | | | |
| Games | 69 | 271 | 301 | 323 | 73 | 277 | 311 | 331 | -5% | -2% | -3% | -2% |
| Brand Licensing | 14 | 34 | 23 | 16 | 17 | 38 | 22 | 16 | -15% | -10% | 4% | 2% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n.m | n.m | n.m | n.m |
| Total | 84 | 305 | 324 | 339 | 90 | 315 | 333 | 347 | -7% | -3% | -3% | -2% |
| Adj. EBIT | | | | | | | | | | | | |
| Games | 9 | 36 | 46 | 51 | 10 | 36 | 47 | 52 | -14% | -1% | -3% | -1% |
| Brand Licensing | 8 | 13 | 6 | 3 | 10 | 17 | 6 | 3 | -18% | -21% | 12% | 9% |
| Other | -4 | -17 | -13 | -11 | -3 | -15 | -12 | -10 | 30% | 13% | 9% | 8% |
| Total | 13 | 32 | 39 | 44 | 17 | 37 | 40 | 44 | -23% | -14% | -3% | -1% |
| Adj. EBIT ex Hatch | 16 | 42 | 46 | 48 | 19 | 47 | 47 | 49 | -19% | -9% | -3% | -1% |
| Adj. EBIT margin | | | | | | | | | | | | |
| Games | 12.6% | 13.2% | 15.3% | 15.9% | 13.9% | 13.0% | 15.2% | 15.7% | -1.3pp | 0.2pp | 0.1pp | 0.2pp |
| Brand Licensing | 57.8% | 38.8% | 27.6% | 18.3% | 59.9% | 44.1% | 25.8% | 17.0% | -2.1pp | -5.3pp | 1.8pp | 1.3pp |
| Other | n.m | n.m | n.m | n.m | n.m | n.m | n.m | n.m | n.m | n.m | n.m | n.m |
| Total | 15.2% | 10.5% | 12.1% | 12.8% | 18.5% | 11.8% | 12.1% | 12.7% | -3.3pp | -1.3pp | -0.1pp | 0.1pp |
| EPS | 0.13 | 0.30 | 0.39 | 0.44 | 0.17 | 0.36 | 0.39 | 0.43 | -23% | -17% | 0% | 2% |
| DPS | n.m | 0.09 | 0.12 | 0.13 | n.m | 0.11 | 0.12 | 0.13 | n.m | -16% | 0% | 2% |

Source: Company data and Nordea estimates

ROVIO: NORDEA VS PRE-Q2 THOMSON REUTERS CONSENSUS

| EURm | Nordea estimates | | | | Consensus estimates | | | | Difference | | | |
|---------------------------------------|------------------|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| | Q3 2019E | 2019E | 2020E | 2021E | Q3 2019E | 2019E | 2020E | 2021E | Q3 2019E | 2019E | 2020E | 2021E |
| Sales | 83.5 | 304.9 | 323.9 | 339.1 | 84.0 | 315.0 | 333.0 | 347.0 | -1% | -3% | -3% | -2% |
| EBITDA | 16.0 | 45.6 | 48.8 | 50.7 | 13.0 | 48.0 | 53.0 | 51.0 | 23% | -5% | -8% | -1% |
| EBITDA margin | 19.2% | 15.0% | 15.1% | 14.9% | 15.5% | 15.2% | 15.9% | 14.7% | 3.7pp | -0.3pp | -0.8pp | 0.2pp |
| EBIT | 12.7 | 32.0 | 39.0 | 43.6 | 10.0 | 34.0 | 41.0 | 44.0 | 27% | -6% | -5% | -1% |
| EBIT margin | 15.2% | 10.5% | 12.1% | 12.8% | 11.9% | 10.8% | 12.3% | 12.7% | 3.3pp | -0.3pp | -0.3pp | 0.2pp |
| Adj. EBIT (Excl. Hatch) | 8.1 | 42.2 | 46.0 | 48.0 | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a |
| Adj. EBIT margin (Excl. Hatch) | 11.3% | 13.8% | 14.2% | 14.2% | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a |
| PTP | 12.7 | 31.6 | 39.0 | 43.5 | 13.0 | 34.0 | 41.0 | 44.0 | -2% | -7% | -5% | -1% |
| EPS | 0.13 | 0.30 | 0.39 | 0.43 | 0.10 | 0.33 | 0.41 | 0.44 | 27% | -8% | -5% | -1% |
| Adj. EPS | 0.13 | 0.30 | 0.39 | 0.43 | 0.10 | 0.33 | 0.41 | 0.44 | 27% | -8% | -5% | -1% |
| DPS | | 0.09 | 0.12 | 0.13 | | 0.10 | 0.13 | 0.15 | | -7% | -3% | -12% |

Source: Thomson Reuters and Nordea estimates

REPORTED QUARTERLY NUMBERS AND ESTIMATES, EURm AND %

| Company | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18 | Q2 18 | Q3 18 | Q4 18 | Q1 19 | Q2 19E | Q3 19E | Q4 19E |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Revenue | 66 | 86 | 71 | 74 | 66 | 72 | 71 | 73 | 71 | 72 | 84 | 79 |
| Materials and services | 19 | 20 | 21 | 22 | 18 | 21 | 21 | 20 | 20 | 19 | 23 | 22 |
| Employee benefits expense | 13 | 14 | 11 | 14 | 11 | 10 | 10 | 11 | 9 | 13 | 11 | 11 |
| Other operating expenses | 24 | 23 | 33 | 24 | 22 | 32 | 26 | 33 | 31 | 31 | 34 | 36 |
| EBITDA | 10 | 30 | 6 | 14 | 14 | 9 | 15 | 9 | 11 | 10 | 16 | 9 |
| Adj. EBITDA | 10 | 32 | 9 | 14 | 15 | 9 | 15 | 9 | 11 | 10 | 16 | 9 |
| EBIT | 5 | 14 | 2 | 10 | 9 | 6 | 10 | 6 | 8 | 5 | 13 | 6 |
| Adj. EBIT | 5 | 16 | 4 | 11 | 10 | 6 | 10 | 5 | 8 | 5 | 13 | 6 |
| Adj. EBIT (excl. Hatch) | 6 | 15 | 3 | 12 | 10 | 8 | 12 | 9 | 9 | 8 | 16 | 9 |
| PTP | 5 | 13 | -1 | 10 | 9 | 7 | 10 | 6 | 8 | 5 | 13 | 6 |
| Net Profit | 4 | 10 | -1 | 8 | 7 | 5 | 8 | 4 | 6 | 3 | 10 | 5 |
| EPS, diluted | 0.05 | 0.13 | -0.01 | 0.10 | 0.09 | 0.07 | 0.10 | 0.05 | 0.07 | 0.04 | 0.13 | 0.06 |
| DPS | | | | | | | | | | | | |
| Payout ratio | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Adj. EBITDA margin | 15% | 37% | 12% | 19% | 22% | 13% | 21% | 12% | 15% | 13% | 19% | 12% |
| Adj. EBIT margin | 8% | 19% | 6% | 14% | 15% | 8% | 15% | 7% | 11% | 7% | 15% | 8% |
| Adj. EBIT margin (excl. Hatch) | 10% | 18% | 4% | 16% | 16% | 10% | 17% | 12% | 13% | 11% | 19% | 12% |

Source: Company data and Nordea estimates

REPORTED ANNUAL NUMBERS AND ESTIMATES, EURm AND %

| Company | 2017 | 2018 | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | CAGR 18-21E | CAGR 21E-24E |
|--------------------------------|------|------|-------|-------|-------|-------|-------|-------|----------------|-----------------|
| Revenue | 297 | 281 | 305 | 324 | 339 | 352 | 367 | 384 | 5% | 4% |
| Materials and services | 82 | 80 | 84 | 94 | 101 | 106 | 111 | 116 | 6% | 5% |
| Employee benefits expense | 52 | 43 | 44 | 43 | 43 | 44 | 44 | 45 | 0% | 2% |
| Other operating expenses | 104 | 112 | 132 | 137 | 144 | 150 | 156 | 163 | 7% | 4% |
| EBITDA | 60 | 48 | 46 | 49 | 51 | 53 | 55 | 58 | 1% | 5% |
| Adj. EBITDA | 65 | 48 | 46 | 49 | 51 | 53 | 55 | 58 | 2% | 5% |
| EBIT | 31 | 32 | 32 | 39 | 44 | 47 | 51 | 55 | 8% | 8% |
| Adj. EBIT | 36 | 31 | 32 | 39 | 44 | 47 | 51 | 55 | 9% | 8% |
| Adj. EBIT (excl. Hatch) | 36 | 39 | 42 | 46 | 48 | 47 | 51 | 55 | 6% | 3% |
| PTP | 27 | 32 | 32 | 39 | 44 | 47 | 51 | 55 | 8% | 8% |
| Net Profit | 21 | 25 | 24 | 31 | 35 | 38 | 41 | 44 | 9% | 8% |
| EPS, diluted | 0.27 | 0.31 | 0.30 | 0.39 | 0.44 | 0.46 | 0.50 | 0.53 | 9% | 7% |
| DPS | 0.06 | 0.09 | 0.09 | 0.12 | 0.13 | 0.14 | 0.15 | 0.16 | 10% | 7% |
| Payout ratio | 22% | 29% | 31% | 31% | 30% | 30% | 30% | 30% | | |
| Adj. EBITDA margin | 22% | 17% | 15% | 15% | 15% | 15% | 15% | 15% | | |
| Adj. EBIT margin | 12% | 11% | 10% | 12% | 13% | 13% | 14% | 14% | | |
| Adj. EBIT margin (excl. Hatch) | 12% | 14% | 14% | 14% | 14% | 13% | 14% | 14% | | |
| Net cash and equivalents | 88 | 120 | 153 | 183 | 212 | 241 | 271 | 303 | | |
| Net gearing | -63% | -75% | -87% | -91% | -94% | -95% | -96% | -96% | | |

Source: Company data and Nordea estimates

ESTIMATED KPIs FOR ROVIO'S GAME PORTFOLIO

| GAME KPIs | Q1 19 | Q2 19 | Q3 19E | Q4 19E | Q1 20E | Q2 20E | Q3 20E | Q4 20E | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bookings | | | | | | | | | | | | |
| Gross bookings - TOP 5 | 56 | 57 | 61 | 61 | 58 | 57 | 57 | 56 | 53 | 52 | 51 | 49 |
| Gross bookings - All | 66 | 65 | 69 | 70 | 74 | 71 | 79 | 77 | 80 | 78 | 84 | 81 |
| Rolling 12M - TOP5 | 223 | 225 | 232 | 235 | 237 | 237 | 233 | 228 | 222 | 218 | 212 | 204 |
| Rolling 12M - All | 261 | 261 | 267 | 270 | 278 | 284 | 294 | 301 | 308 | 314 | 320 | 323 |
| User amount | | | | | | | | | | | | |
| DAU - TOP 5 | 3.5 | 3.4 | 3.8 | 3.7 | 3.6 | 3.4 | 3.4 | 3.3 | 3.1 | 3.0 | 2.9 | 2.7 |
| DAU - All | 7.0 | 6.6 | 6.7 | 6.7 | 6.8 | 6.5 | 6.8 | 6.6 | 6.7 | 6.3 | 6.4 | 6.1 |
| MAU - TOP 5 | 17.1 | 16.2 | 18.9 | 19.0 | 18.7 | 18.4 | 18.1 | 17.7 | 16.9 | 16.2 | 15.5 | 14.8 |
| MAU - All | 49.3 | 45.3 | 48.6 | 48.0 | 48.6 | 47.0 | 47.9 | 46.3 | 46.3 | 43.8 | 44.0 | 41.7 |
| Engagement | | | | | | | | | | | | |
| DAU/MAU - TOP 5 | 20% | 21% | 20% | 20% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% |
| DAU/MAU - All | 14% | 15% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 15% | 15% |
| Retention | | | | | | | | | | | | |
| MAU retention - TOP5 | 95% | 95% | 117% | 101% | 98% | 98% | 98% | 98% | 96% | 96% | 96% | 96% |
| MAU retention - All | 98% | 92% | 107% | 99% | 101% | 97% | 102% | 97% | 100% | 95% | 100% | 95% |
| Conversion | | | | | | | | | | | | |
| MUP - TOP 5 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| MUP - All | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 |
| Conversion rate (TOP5) | 2.5% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% |
| Conversion rate (All) | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Monetization | | | | | | | | | | | | |
| ARPPU - TOP 5 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 |
| ARPPU - All | 0.10 | 0.11 | 0.11 | 0.11 | 0.12 | 0.12 | 0.13 | 0.13 | 0.13 | 0.14 | 0.14 | 0.14 |
| MARPPU - TOP 5 | 39.0 | 41.5 | 44.3 | 44.0 | 42.7 | 42.0 | 42.9 | 43.4 | 42.9 | 43.9 | 44.9 | 45.4 |
| MARPPU - All | 38.5 | 40.4 | 46.7 | 47.7 | 49.9 | 49.8 | 53.9 | 54.7 | 56.9 | 58.5 | 62.6 | 63.7 |

Source: Company data and Nordea estimates

ESTIMATED KPIs FOR ROVIO'S TOP FIVE GAMES CURRENTLY, MILLION AND %

| GAME KPIs | Q1 19 | Q2 19 | Q3 19E | Q4 19E | Q1 20E | Q2 20E | Q3 20E | Q4 20E | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|-----------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| AB2 | | | | | | | | | | | | |
| Gross bookings | 32.0 | 26.5 | 29.5 | 29.8 | 27.7 | 26.0 | 26.0 | 25.7 | 24.4 | 23.9 | 23.5 | 22.7 |
| MAU | 9.8 | 7.6 | 9.1 | 9.1 | 8.9 | 8.7 | 8.6 | 8.4 | 8.0 | 7.7 | 7.4 | 7.1 |
| DAU/MAU | 20% | 21% | 20% | 20% | 19% | 18% | 18% | 18% | 18% | 18% | 18% | 18% |
| DAU | 2.0 | 1.6 | 1.8 | 1.8 | 1.7 | 1.6 | 1.5 | 1.5 | 1.4 | 1.4 | 1.3 | 1.3 |
| ARPPU (EUR) | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 |
| AB Friends | | | | | | | | | | | | |
| Gross bookings | 7.2 | 6.6 | 6.2 | 5.9 | 5.7 | 5.5 | 5.4 | 5.2 | 4.8 | 4.7 | 4.5 | 4.2 |
| MAU | 2.2 | 1.9 | 2.0 | 2.0 | 1.9 | 1.8 | 1.8 | 1.7 | 1.6 | 1.5 | 1.4 | 1.3 |
| DAU/MAU | 20% | 21% | 19% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 18% |
| DAU | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| ARPPU | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 |
| AB Dream Blast | | | | | | | | | | | | |
| Gross bookings | 6.9 | 14.0 | 16.2 | 16.6 | 16.7 | 17.0 | 17.4 | 17.6 | 16.7 | 16.3 | 16.0 | 15.5 |
| MAU | 2.1 | 4.0 | 5.0 | 5.1 | 5.2 | 5.2 | 5.2 | 5.2 | 5.0 | 4.8 | 4.6 | 4.4 |
| DAU/MAU | 20% | 21% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| DAU | 0.4 | 0.8 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.9 | 0.9 |
| ARPPU (EUR) | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 |
| AB Match | | | | | | | | | | | | |
| Gross bookings | 6.8 | 6.6 | 6.5 | 6.2 | 5.7 | 5.5 | 5.4 | 5.3 | 4.9 | 4.8 | 4.6 | 4.5 |
| MAU | 2.1 | 1.9 | 2.0 | 2.0 | 1.9 | 1.8 | 1.8 | 1.7 | 1.6 | 1.5 | 1.4 | 1.3 |
| DAU/MAU | 20% | 21% | 20% | 19% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 18% |
| DAU | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| ARPPU (EUR) | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 | 0.20 | 0.20 |
| AB POP | | | | | | | | | | | | |
| Gross bookings | 3.3 | 3.0 | 2.8 | 2.7 | 2.5 | 2.5 | 2.4 | 2.3 | 2.2 | 2.1 | 2.1 | 2.0 |
| MAU | 1.0 | 0.9 | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 |
| DAU/MAU | 20% | 21% | 19% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 18% |
| DAU | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| ARPPU (EUR) | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.19 | 0.19 | 0.20 | 0.20 |
| Other games | | | | | | | | | | | | |
| Gross bookings | 16.40 | 14.10 | 12.70 | 9.70 | 8.50 | 8.05 | 7.89 | 7.49 | 7.19 | 6.98 | 6.70 | 6.16 |
| MAU | 42.00 | 39.40 | 32.10 | 32.20 | 29.10 | 29.68 | 28.79 | 27.64 | 26.53 | 25.47 | 24.45 | 22.99 |
| DAU/MAU | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| DAU | 4.80 | 4.20 | 3.50 | 3.50 | 3.20 | 2.97 | 2.88 | 2.76 | 2.65 | 2.55 | 2.45 | 2.30 |
| ARPPU (EUR) | 0.04 | 0.04 | 0.04 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

| EURm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net revenue | n.a. | n.a. | n.a. | 158 | 142 | 192 | 297 | 281 | 305 | 324 | 339 |
| Revenue growth | n.a. | n.a. | n.a. | n.a. | -10.3% | 34.9% | 55.0% | -5.4% | 8.4% | 6.2% | 4.7% |
| of which organic | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| of which FX | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA | 0 | 0 | 0 | 17 | -6 | 35 | 60 | 48 | 46 | 49 | 51 |
| Depreciation and impairments PPE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITA | 0 | 0 | 0 | 17 | -6 | 35 | 60 | 48 | 46 | 49 | 51 |
| Amortisation and impairments | 0 | 0 | 0 | -7 | -15 | -18 | -29 | -16 | -14 | -10 | -7 |
| EBIT | n.a. | n.a. | n.a. | 10 | -22 | 17 | 31 | 32 | 32 | 39 | 44 |
| of which associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Associates excluded from EBIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net financials | 0 | 0 | 0 | 1 | 1 | -1 | -5 | 1 | 0 | 0 | 0 |
| of which lease interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in value, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax profit | 0 | 0 | 0 | 11 | -21 | 16 | 27 | 32 | 32 | 39 | 44 |
| Reported taxes | 0 | 0 | 0 | -3 | 3 | -5 | -6 | -8 | -7 | -8 | -9 |
| Net profit from continued operations | 0 | 0 | 0 | 8 | -18 | 11 | 21 | 25 | 24 | 31 | 35 |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit to equity | 0 | 0 | 0 | 8 | -18 | 11 | 21 | 25 | 24 | 31 | 35 |
| EPS | n.a. | n.a. | n.a. | 0.11 | -0.24 | 0.14 | 0.27 | 0.31 | 0.30 | 0.39 | 0.43 |
| DPS | 0.00 | 0.00 | 0.00 | 0.04 | 0.00 | 0.06 | 0.06 | 0.09 | 0.09 | 0.12 | 0.13 |
| of which ordinary | 0.00 | 0.00 | 0.00 | 0.04 | 0.00 | 0.06 | 0.06 | 0.09 | 0.09 | 0.12 | 0.13 |
| of which extraordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit margin in percent | | | | | | | | | | | |
| EBITDA | n.a. | n.a. | n.a. | 10.8% | -4.5% | 18.5% | 20.2% | 17.0% | 15.0% | 15.1% | 14.9% |
| EBITA | n.a. | n.a. | n.a. | 10.8% | -4.5% | 18.5% | 20.2% | 17.0% | 15.0% | 15.1% | 14.9% |
| EBIT | n.a. | n.a. | n.a. | 6.3% | -15.2% | 8.8% | 10.6% | 11.2% | 10.5% | 12.1% | 12.8% |
| Adjusted earnings | | | | | | | | | | | |
| EBITDA (adj) | 0 | 0 | 0 | 17 | -6 | 35 | 65 | 48 | 46 | 49 | 51 |
| EBITA (adj) | 0 | 0 | 0 | 17 | -6 | 35 | 65 | 48 | 46 | 49 | 51 |
| EBIT (adj) | 0 | 0 | 0 | 10 | -22 | 17 | 36 | 31 | 32 | 39 | 44 |
| EPS (adj) | n.a. | n.a. | n.a. | 0.11 | -0.24 | 0.14 | 0.33 | 0.30 | 0.30 | 0.39 | 0.43 |
| Adjusted profit margins in percent | | | | | | | | | | | |
| EBITDA (adj) | n.a. | n.a. | n.a. | 10.8% | -4.5% | 18.5% | 21.7% | 16.9% | 15.0% | 15.1% | 14.9% |
| EBITA (adj) | n.a. | n.a. | n.a. | 10.8% | -4.5% | 18.5% | 21.7% | 16.9% | 15.0% | 15.1% | 14.9% |
| EBIT (adj) | n.a. | n.a. | n.a. | 6.3% | -15.2% | 8.8% | 12.1% | 11.1% | 10.5% | 12.1% | 12.8% |
| Performance metrics | | | | | | | | | | | |
| CAGR last 5 years | | | | | | | | | | | |
| Net revenue | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 14.0% | 17.9% | 12.1% |
| EBITDA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 21.8% | n.m. | 7.5% |
| EBIT | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 26.2% | n.m. | 20.9% |
| EPS | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 22.9% | n.m. | 25.1% |
| DPS | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 18.4% | n.m. | 17.2% |
| Average last 5 years | | | | | | | | | | | |
| Average EBIT margin | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6.4% | 7.4% | 10.8% | 11.5% |
| Average EBITDA margin | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 14.4% | 15.0% | 17.0% | 16.4% |

VALUATION RATIOS - ADJUSTED EARNINGS

| EURm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|-----------------|------|------|------|------|------|------|------|------|-------|-------|-------|
| P/E (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 27.6 | 12.7 | 18.3 | 14.2 | 12.8 |
| EV/EBITDA (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 9.9 | 3.8 | 6.3 | 5.3 | 4.5 |
| EV/EBITA (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 9.9 | 3.8 | 6.3 | 5.3 | 4.5 |
| EV/EBIT (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 17.8 | 5.9 | 9.0 | 6.6 | 5.2 |

VALUATION RATIOS - REPORTED EARNINGS

| EURm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|------------------------------|------|------|------|-------|------|-------|-------|-------|-------|-------|-------|
| P/E | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 33.6 | 12.5 | 18.3 | 14.2 | 12.8 |
| EV/Sales | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2.15 | 0.65 | 0.94 | 0.79 | 0.67 |
| EV/EBITDA | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 10.7 | 3.8 | 6.3 | 5.3 | 4.5 |
| EV/EBITA | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 10.7 | 3.8 | 6.3 | 5.3 | 4.5 |
| EV/EBIT | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 20.4 | 5.8 | 9.0 | 6.6 | 5.2 |
| Dividend yield (ord.) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.7% | 2.4% | 1.7% | 2.2% | 2.4% |
| FCF yield | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7.1% | 13.6% | 9.0% | 8.6% | 8.7% |
| FCF Yield bef A&D, lease adj | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 8.2% | 14.0% | 9.0% | 8.6% | 8.7% |
| Payout ratio | n.a. | n.a. | n.a. | 37.1% | 0.0% | 42.3% | 22.3% | 29.4% | 30.8% | 31.5% | 30.5% |

Source: Company data and Nordea estimates

BALANCE SHEET

| EURm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|---------------------------------------|----------|----------|----------|------------|------------|------------|------------|------------|------------|------------|------------|
| Intangible assets | 0 | 0 | 0 | 39 | 69 | 74 | 53 | 39 | 29 | 23 | 20 |
| of which R&D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which other intangibles | 0 | 0 | 0 | 39 | 69 | 74 | 53 | 39 | 29 | 23 | 20 |
| of which goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tangible assets | 0 | 0 | 0 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shares associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest bearing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 | 6 | 1 | 3 | 5 | 0 | 0 | 0 |
| Other non-IB non-current assets | 0 | 0 | 0 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other non-current assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current assets | 0 | 0 | 0 | 42 | 77 | 77 | 57 | 45 | 30 | 24 | 21 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts receivable | 0 | 0 | 0 | 25 | 19 | 28 | 29 | 23 | 25 | 26 | 28 |
| Short-term leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 0 | 0 | 0 | 17 | 13 | 16 | 13 | 11 | 12 | 13 | 14 |
| Cash and bank | 0 | 0 | 0 | 54 | 34 | 29 | 91 | 124 | 156 | 187 | 215 |
| Total current assets | 0 | 0 | 0 | 95 | 66 | 73 | 133 | 158 | 193 | 226 | 256 |
| Assets held for sale | 0 | 0 | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total assets | 0 | 0 | 0 | 138 | 143 | 150 | 190 | 203 | 224 | 250 | 278 |
| Shareholders equity | 0 | 0 | 0 | 94 | 74 | 87 | 140 | 160 | 177 | 201 | 226 |
| Of which preferred stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Of which equity part of hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Equity | 0 | 0 | 0 | 94 | 74 | 87 | 140 | 160 | 177 | 201 | 226 |
| Deferred tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long term interest bearing debt | 0 | 0 | 0 | 0 | 16 | 3 | 3 | 3 | 4 | 4 | 4 |
| Pension provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Convertible debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholder debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 0 | 0 | 0 | 0 | 17 | 3 | 3 | 4 | 4 | 4 | 4 |
| Short-term provisions | 0 | 0 | 0 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 1 |
| Accounts payable | 0 | 0 | 0 | 6 | 8 | 8 | 9 | 11 | 12 | 13 | 13 |
| Current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 0 | 0 | 0 | 37 | 33 | 35 | 37 | 29 | 31 | 33 | 34 |
| Short term interest bearing debt | 0 | 0 | 0 | 0 | 8 | 17 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 0 | 0 | 0 | 44 | 53 | 60 | 47 | 40 | 43 | 46 | 48 |
| Liabilities for assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities and equity | 0 | 0 | 0 | 138 | 143 | 150 | 190 | 203 | 224 | 250 | 278 |
| Balance sheet and debt metrics | | | | | | | | | | | |
| Net debt | 0 | 0 | 0 | -54 | -10 | -10 | -88 | -120 | -153 | -183 | -212 |
| of which lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Working capital | 0 | 0 | 0 | -1 | -10 | 1 | -4 | -5 | -6 | -6 | -6 |
| Invested capital | 0 | 0 | 0 | 41 | 68 | 78 | 53 | 40 | 25 | 18 | 15 |
| Capital employed | 0 | 0 | 0 | 94 | 91 | 89 | 143 | 163 | 180 | 204 | 229 |
| ROE | n.m. | n.m. | n.m. | 17.3% | -21.5% | 13.3% | 18.3% | 16.3% | 14.4% | 16.5% | 16.3% |
| ROIC | n.m. | n.m. | n.m. | 38.7% | -31.6% | 18.5% | 43.9% | 53.6% | 79.2% | n.m. | n.m. |
| ROCE | n.a. | n.a. | n.a. | 10.7% | -23.7% | 18.9% | 21.9% | 19.3% | 17.7% | 19.1% | 19.0% |
| Net debt/EBITDA | n.m. | n.m. | n.m. | -3.1 | 1.5 | -0.3 | -1.5 | -2.5 | -3.4 | -3.7 | -4.2 |
| Interest coverage | n.a. | n.a. | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Equity ratio | n.m. | n.m. | n.m. | 68.0% | 51.8% | 58.0% | 73.8% | 78.5% | 79.0% | 80.1% | 81.3% |
| Net gearing | n.m. | n.m. | n.m. | -57.4% | -13.3% | -11.4% | -62.9% | -75.3% | -86.5% | -91.3% | -93.8% |

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

| EURm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|--|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| EBITDA (adj) for associates | 0 | 0 | 0 | 17 | -6 | 35 | 60 | 48 | 46 | 49 | 51 |
| Paid taxes | 0 | 0 | 0 | -9 | 1 | 0 | -1 | -11 | -7 | -8 | -9 |
| Net financials | 0 | 0 | 0 | 0 | -1 | -2 | -1 | 0 | 0 | 0 | 0 |
| Change in provisions | 0 | 0 | 0 | 1 | 2 | -2 | 0 | 0 | 0 | 0 | 0 |
| Change in other LT non-IB | 0 | 0 | 0 | -2 | -6 | 5 | -1 | -2 | 5 | 0 | 0 |
| Cash flow to/from associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other adj to reconcile to cash flow | 0 | 0 | 0 | 0 | 5 | -1 | 4 | 4 | 0 | 0 | 0 |
| Funds from operations (FFO) | 0 | 0 | 0 | 7 | -5 | 35 | 60 | 39 | 43 | 41 | 42 |
| Change in NWC | 0 | 0 | 0 | 10 | 6 | -13 | -1 | 3 | 0 | 0 | 0 |
| Cash flow from operations (CFO) | 0 | 0 | 0 | 17 | 1 | 23 | 60 | 43 | 43 | 41 | 42 |
| Capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -3 | -4 | -4 |
| Free cash flow before A&D | 0 | 0 | 0 | 17 | 1 | 23 | 60 | 43 | 40 | 38 | 38 |
| Proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions | 0 | 0 | 0 | -38 | -44 | -23 | -9 | -1 | 0 | 0 | 0 |
| Free cash flow | 0 | 0 | 0 | -21 | -42 | 0 | 51 | 41 | 40 | 38 | 38 |
| Free cash flow bef A&D, lease adj | 0 | 0 | 0 | 17 | 1 | 23 | 60 | 43 | 40 | 38 | 38 |
| Dividends paid | 0 | 0 | 0 | -3 | 0 | -5 | -5 | -7 | -7 | -7 | -10 |
| Equity issues / buybacks | 0 | 0 | 0 | 0 | 0 | 0 | 36 | 1 | 0 | 0 | 0 |
| Net change in debt | 0 | 0 | 0 | 0 | 25 | -6 | -17 | 0 | 0 | 0 | 0 |
| Other financing adjustments | 0 | 0 | 0 | 0 | 0 | 0 | -1 | -3 | 0 | 0 | 0 |
| Other non-cash adjustments | 0 | 0 | 0 | 78 | -2 | 5 | -3 | 1 | 0 | 0 | 0 |
| Change in cash | 0 | 0 | 0 | 54 | -19 | -6 | 62 | 33 | 33 | 30 | 29 |
| Cash flow metrics | | | | | | | | | | | |
| Capex/D&A | n.m. | n.m. | n.m. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 24.9% | 38.7% | 56.1% |
| Capex/Sales | n.a. | n.a. | n.a. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.1% | 1.2% | 1.2% |
| Key information | | | | | | | | | | | |
| Share price year end (/current) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 9 | 4 | 6 | 6 | 6 |
| Market cap. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 728 | 303 | 440 | 440 | 440 |
| Enterprise value | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 640 | 183 | 287 | 257 | 228 |
| Diluted no. of shares, year-end (m) | 0.0 | 0.0 | 0.0 | 74.9 | 74.9 | 75.9 | 80.6 | 79.4 | 79.4 | 79.4 | 79.4 |

Source: Company data and Nordea estimates

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