

## Rederiaktiebolaget Eckerö

### Finland | Shipping and Transportation

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## Returning to profitability as a stronger company

As the vaccination programme is progressing, most social and travel restrictions in Europe will likely be lifted and passenger volumes will gradually return to normal. Paired with significant cost reductions and the discontinuation of less profitable cruise operations, we expect Eckerö's leverage to decrease sharply.

## COVID-19 is moving from an acute health crisis to a manageable one

Rederibolaget Eckerö has been significantly impacted by the social and travel restrictions imposed due to COVID-19. With the vaccination programme now progressing well across Europe, we believe COVID-19 will transition from an acute health crisis into a manageable one, resulting in restrictions being lifted.

## Never waste a good crisis

As the world reopens, passenger volumes are likely to gradually return to the levels prior to the pandemic. In our scenario analysis, we try to model a full recovery of passenger volumes by 2023 in our optimistic case, a 10% reduction in passenger volumes in our base case and a 20% reduction in our conservative case. In response to the pandemic, the company has reduced its workforce and divested its less profitable cruise operations. As passenger volumes are set to rebound and the cost base has been reduced, we expect EBITDA to gradually improve to EUR 8.1m in 2021, EUR 22.2m in 2022 and EUR 28m in 2023, resulting in NIBD/EBITDA of 9.1x, 2.7x and 1.5x, respectively.

## Remarkable revenue stability, but operational hick-ups in 2019

We note that revenue was remarkably stable in 2011-19 and consider this a key strength. However, operating ferries does entail operational risk, especially when new vessels are introduced, which was the case in 2019. In 2019, the reported EBITDA margin was 7.4%, versus an average margin of 12.6% in 2015-19. No new vessels have entered service since 2019.

## Fair value range of 600-700 bp

The range is supported by expected low leverage, strong LTV and low industry risk, offset by the uncertainty created by COVID-19, low diversification and an aging fleet.

### Nordea Markets - Analysts

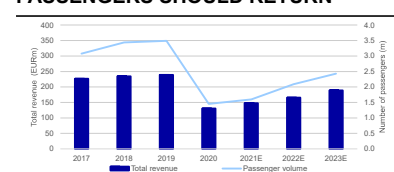
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### KEY INFO

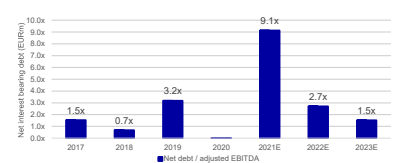
|                   |           |
|-------------------|-----------|
| Country           | Finland   |
| Bloomberg debt    | n.a.      |
| Bloomberg equity  | n.a.      |
| Moody's           | n.a./n.a. |
| S&P               | n.a./n.a. |
| Nordea ESG rating | NR        |
| Market cap. (bn)  | n.a.      |
| Company website   | 0         |
| Next report date  |           |

### PASSENGERS SHOULD RETURN



Source: Company data and Nordea estimates

### LEVERAGE IS EXPECTED TO DECREASE SHARPLY



Source: Company data and Nordea Estimates

### KEY CREDIT METRICS AND RATIOS

| Reported (EURm)          | 2014  | 2015  | 2016  | 2017  | 2018   | 2019   | 2020   | 2021E | 2022E | 2023E |
|--------------------------|-------|-------|-------|-------|--------|--------|--------|-------|-------|-------|
| Total revenues           | 244   | 248   | 241   | 226   | 235    | 239    | 130    | 147   | 165   | 189   |
| EBITDA                   | 28    | 38    | 37    | 29    | 28     | 18     | -7     | 8     | 22    | 28    |
| - margin                 | 11%   | 15%   | 15%   | 13%   | 12%    | 7%     | -5%    | 6%    | 13%   | 15%   |
| Net debt                 | 126   | 94    | 60    | 44    | 22     | 56     | 93     | 74    | 60    | 42    |
| Net debt/EBITDA          | 4.5   | 2.5   | 1.6   | 1.5   | 0.8    | 3.2    | -13.2  | 9.1   | 2.7   | 1.5   |
| Credit adjusted (EURm)   | 2014  | 2015  | 2016  | 2017  | 2018   | 2019   | 2020   | 2021E | 2022E | 2023E |
| EBITDA                   | 27    | 33    | 33    | 29    | 28     | 18     | -7     | 8     | 22    | 28    |
| Debt                     | 126   | 94    | 60    | 44    | 22     | 56     | 93     | 74    | 60    | 42    |
| Debt/EBITDA              | 4.7   | 2.8   | 1.8   | 1.5   | 0.8    | 3.2    | n.m.   | 9.1   | 2.7   | 1.5   |
| FFO/Debt                 | 14.4% | 27.7% | 47.3% | 56.3% | 105.8% | 27.8%  | -17.4% | 7.4%  | 27.0% | 51.9% |
| FOCF/Debt                | 12.4% | 25.0% | 36.5% | 40.0% | 94.0%  | -55.8% | -33.8% | 5.8%  | 24.6% | 46.0% |
| DCF/Debt                 | 10.8% | 21.8% | 30.7% | 30.9% | 76.0%  | -63.0% | -33.8% | 5.8%  | 24.6% | 41.3% |
| EBITDA interest coverage | 3.1   | 4.6   | 7.7   | 7.4   | 6.8    | 8.0    | -0.8   | 3.1   | 3.7   | 4.6   |

Source: Company data and Nordea estimates

# Key credit highlights

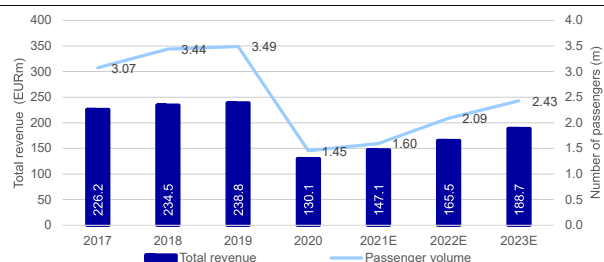
## CREDIT-POSITIVE

- 1 As the vaccination programme across Europe is progressing, we expect most social and travel restrictions to be lifted and passenger volumes to gradually return to normal. This is expected to increase EBITDA and cause leverage to improve sharply.
- 2 Eckerö has reported remarkably stable revenue and fairly stable EBITDA margins. We believe Eckerö's prospects for future profitability are good, thanks to cost reductions and the discontinuation of its less profitable cruise operations.
- 3 Eckerö's routes are very profitable. We note, for example, that Eckerö Linjen generated EBITDA of EUR 9.6m in 2017, EUR 7.8m in 2018 and EUR 5.7m in 2019, using a vessel valued at EUR 5.8m.
- 4 The current fleet does not require much additional capex. All vessels have already operated for some time, so the initial start-up costs have already been covered.
- 5 The bond is secured by M/S Finlandia and M/S Eckerö and the loan has an expected LTV of 74%.

## CREDIT-NEGATIVE

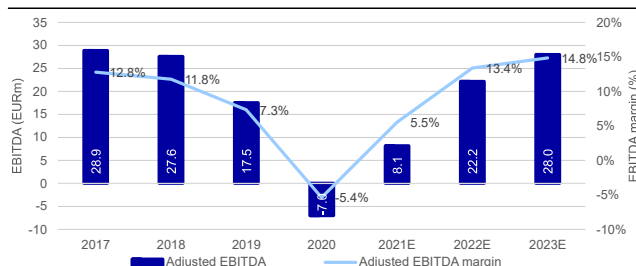
- 1 New variants of COVID-19 may result in restrictions remaining in place or being escalated. However, so far vaccines have largely proven resilient, even to new mutations.
- 2 The divestment of cruises has decreased the diversification of earnings. In addition, the sale of M/S Birka do entail some impairment risk. Regardless, we view the decision as sensible as the division was struggling even before COVID-19.
- 3 Solid profitability may tempt competitors to enter the market. However, we understand from the company that there are barriers to entry in the form of dock capacity and initial capex on the Helsinki-Tallin route, as well as Eckerö's proprietary harbours on the Grisslehamn Sweden - Eckerö Åland route.
- 4 The vessels are old, as M/S Eckerö was built in 1979 and M/S Finlandia in 2001. However, we understand from the company that the vessels have been continuously upgraded, and thus are in good shape and offer a pleasant experience for customers.
- 5 The market for ferries is highly illiquid.

### REVENUE AND PASSENGER VOLUMES, 2017-23E



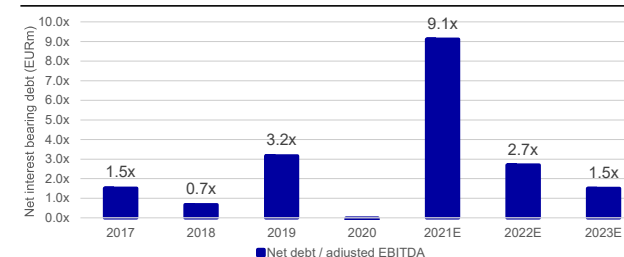
Source: Company data and Nordea estimates

### EBITDA AND EBITDA MARGIN, 2017-23E



Source: Company data and Nordea estimates

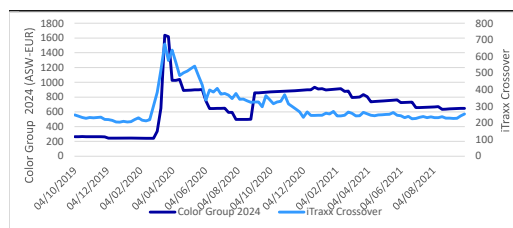
### NET DEBT / EBITDA, 2017-23E



Source: Company data and Nordea estimates

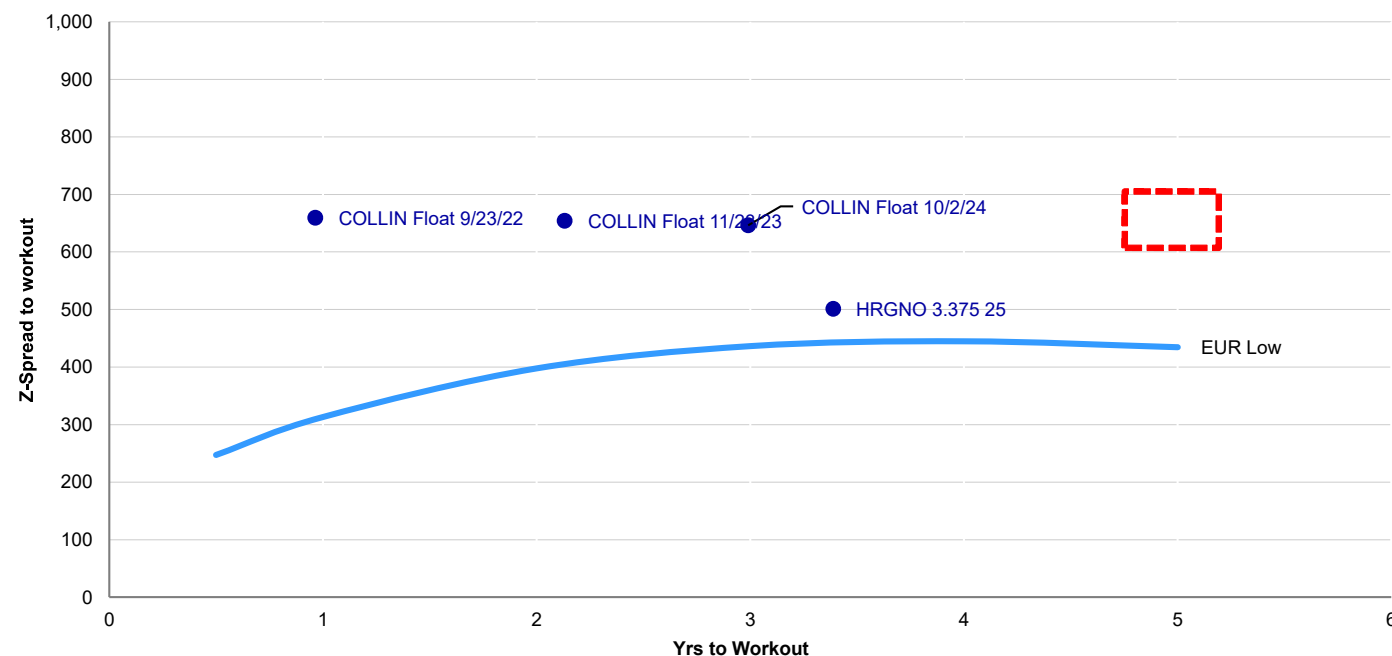
## Fair value in the range of 600-700 bp

Amid the pandemic, Color Group's spread level, leverage and funding costs remain elevated. We believe spreads should tighten somewhat (as indices have) when EBITDA returns to normal



Source: Company data and Nordea estimates

**THE FAIR VALUE BOND SPREAD IS SUPPORTED BY EXPECTATIONS OF LOW LEVERAGE, STRONG LTV AND LOW INDUSTRY RISK. THIS IS OFFSET BY THE EXPECTED SHORT-TERM IMPACT AND UNCERTAINTY CREATED BY COVID-19, LOW DIVERSIFICATION (THE VAST MAJORITY OF REVENUE IS GENERATED ON TWO ROUTES), AS WELL AS AN AGING FLEET**



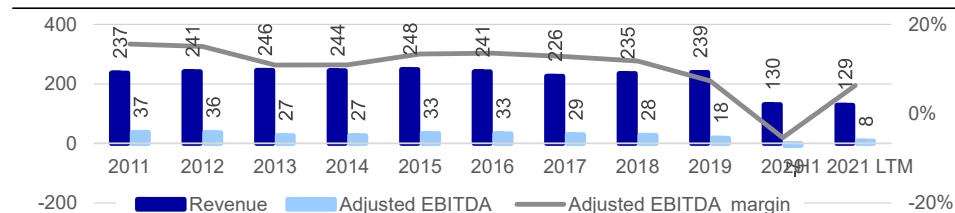
Note: Nordea EUR Low reference curve consists of bonds with an average credit rating of B

Source: Bloomberg and Nordea

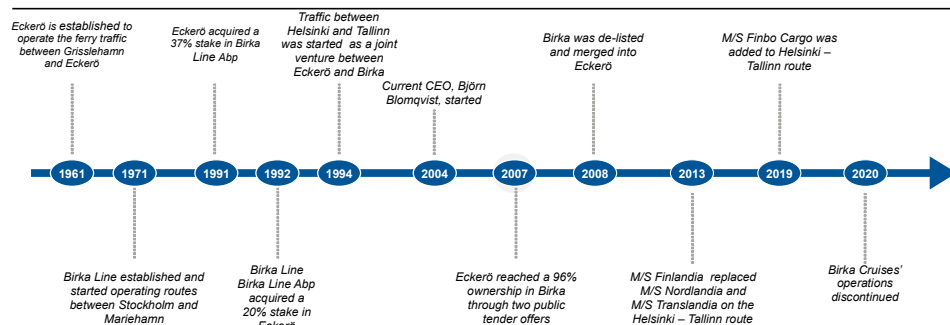
# Company overview

- Rederiaktiebolaget Eckerö (headquarters in Åland, Finland) provides passenger and car ferry services between Åland and Sweden through Eckerö Linjen, and between Helsinki and Tallinn through Eckerö Line. In addition, the company serves as a tonnage provider through Eckerö Shipping and offers bus services on the island of Åland. We note that only the ferry operations and the now discontinued cruise operations have historically had a meaningful revenue and EBITDA contribution.
- Historically, the Eckerö Group's revenue has steadily increased, with some volatility in EBITDA due to one-offs. However, the company has been hit very hard by the social and travel restrictions imposed due to COVID-19. We view the pandemic as a black swan event, and overall we view ferry operations as being very stable, with significant barriers of entry.

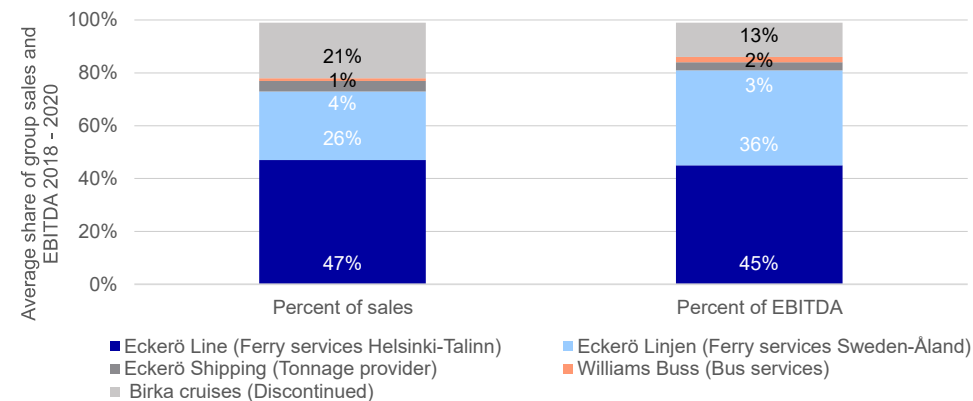
## STABLE REVENUE AND MARGINS UNTIL COVID-19



## COMPANY TIMELINE

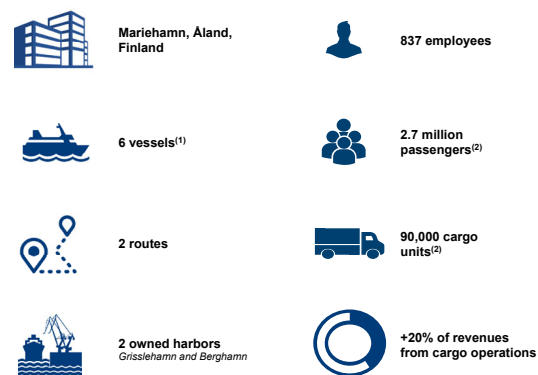


## REVENUE AND EBITDA CONTRIBUTION



Source for all graphs on this page: Company data and Nordea

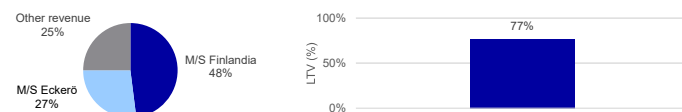
## COMPANY IN BRIEF



# Security package

- The security package consists of two vessels, M/S Finlandia and M/S Eckerö. M/S Finlandia contributes the vast majority of the value at EUR 75m (93%) and M/S Eckerö at EUR ~6m (7%).
- We note that this constitutes an LTV of 77%. Hence, in the event of default, recovery should be significant.
- Although M/S Finlandia is valued meaningfully above M/S Eckerö, the revenue contribution does not reflect this. Although M/S Eckerö only contributes 6-9% of the security package, it contributed 27% of sales in 2020. This number was roughly the same also prior to the pandemic.

## SALES CONTRIBUTION FROM PLEDGED VESSELS AND LTV

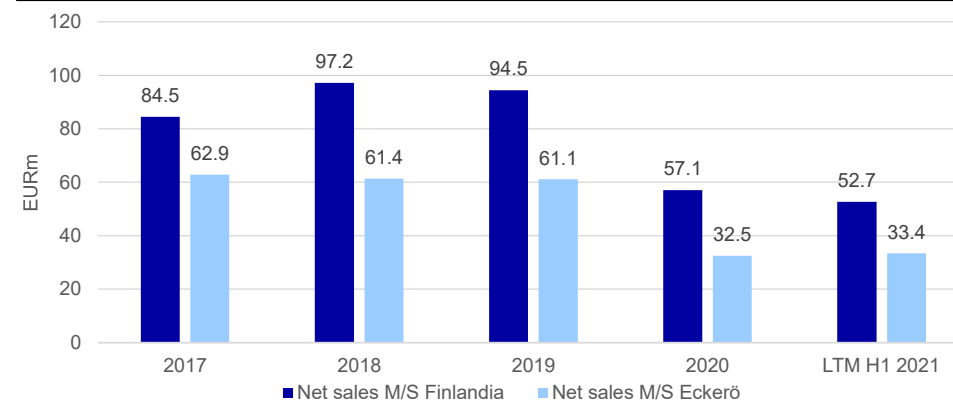


Source: Company and Nordea

| Ship                             | M/S Finlandia  | M/S Eckerö   |
|----------------------------------|--|--|
| Valued at (Broker quote)         | EUR 75m  | EUR 5.8m   |
| Contribution to security package | 93%  | 7%   |
| Share of group sales 2020A       | 48%  | 27%  |
| Built                            | Built in 2001 by Daewoo Shipbuilding & Heavy Machinery Ltd, South Korea  | Built in 1979 by Aalborg Værft A/S in Denmark  |
| Length                           | 175m   | 121m   |
| Width                            | 27.6m  | 24.5m  |
| Speed                            | 27 knots   | 19 knots   |
| Passenger capacity               | 2,520 persons  | 1,630 persons  |
| Vehicle deck                     | 1,808 meters   | 515 meters   |
| Classification                   | Ice Class 1A classification  | Ice Class 1B classification  |
| Refurbishment                    | Full interior refurbishment done in 2019 including hallways, cabins and restaurants, in order to improve overall passenger comfort | M/S Eckerö has been continuously refurbished and technically maintained                            |
| Upgrades                         |  | Under Eckerö's ownership, new auxiliary and main engines, lifeboats, navigation equipment, boilers |

Source: Company data and Nordea

## M/S FINLANDIA GENERATES ROUGHLY 50% MORE REVENUE THAN M/S ECKERÖ IN A NORMAL YEAR



Source: Company data and Nordea estimates

## M/S FINLANDIA (LHS), M/S ECKERÖ (RHS)



Source: Company data and Nordea

# Current debt structure and use of proceeds

- Rederiaktiebolaget Eckerö is the bond issuer and parent company of the Eckerö Group. The bond debt will refinance existing bank debt. Hence, net debt will remain unchanged. With the world normalising, we thus expect leverage to improve sharply as EBITDA likely rises to the same level as prior to COVID-19.
- The company is not publicly traded and has a very dispersed ownership structure with no majority shareholder. However, we understand from the company that its shares are traded regularly by the banks in Åland on an over-the-counter basis.

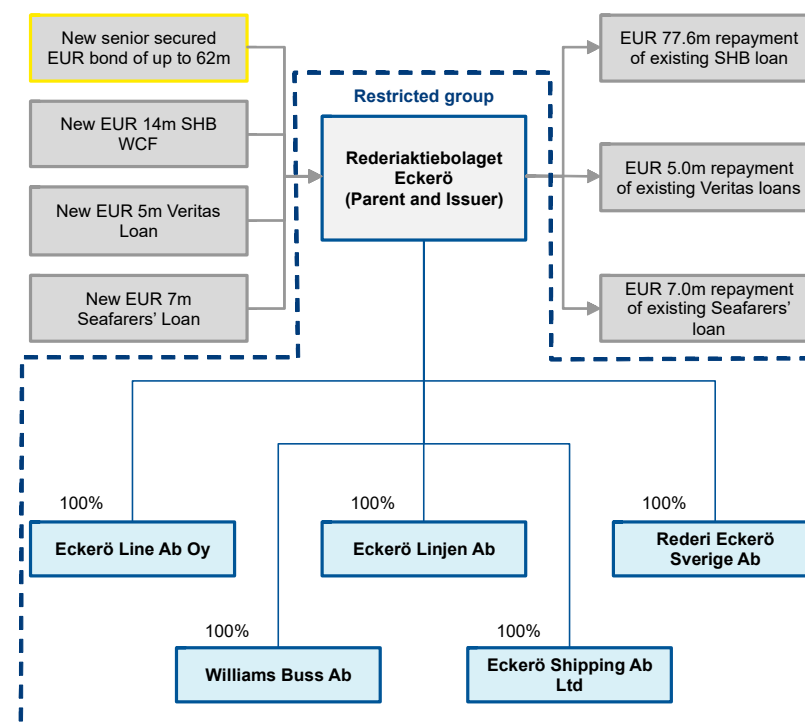
## NET DEBT UNCHANGED AFTER THE TRANSACTION

| Sources                   | Use of proceeds |                             |
|---------------------------|-----------------|-----------------------------|
| New bond issue            | 62.0            | Repayment of SHBA 77.6      |
| SHBA working capital fund | 14.0            | Veritas loan repayment 5.0  |
| Veritas loan              | 5.0             | Seafarers' loan payment 7.0 |
| Seafarers' loan           | 7.0             |                             |
| Opening cash              | 27.8            | Closing cash 26.2           |
| <b>Total</b>              | <b>115.8</b>    | <b>Total 115.8</b>          |
| Gross debt                | 107.6           | Gross debt 106.0            |
| <b>Net debt</b>           | <b>79.8</b>     | <b>Net debt 79.8</b>        |

| New debt structure                       | H1 2021 (EURm) | % of total debt |
|--|----------------|-----------------|
| SHBA working capital financing agreement | 14             | 13%             |
| Secured bond                             | 62             | 58%             |
| Veritas loan                             | 5              | 5%              |
| Seafarers' loan                          | 7              | 7%              |
| Other debt                               | 18             | 17%             |
| <b>Gross debt</b>                        | <b>106</b>     |                 |

Source all graphs and tables on this page: Company data and Nordea

## SIMPLIFIED TRANSACTION OVERVIEW



# COVID-19: From an acute health crisis to a manageable one

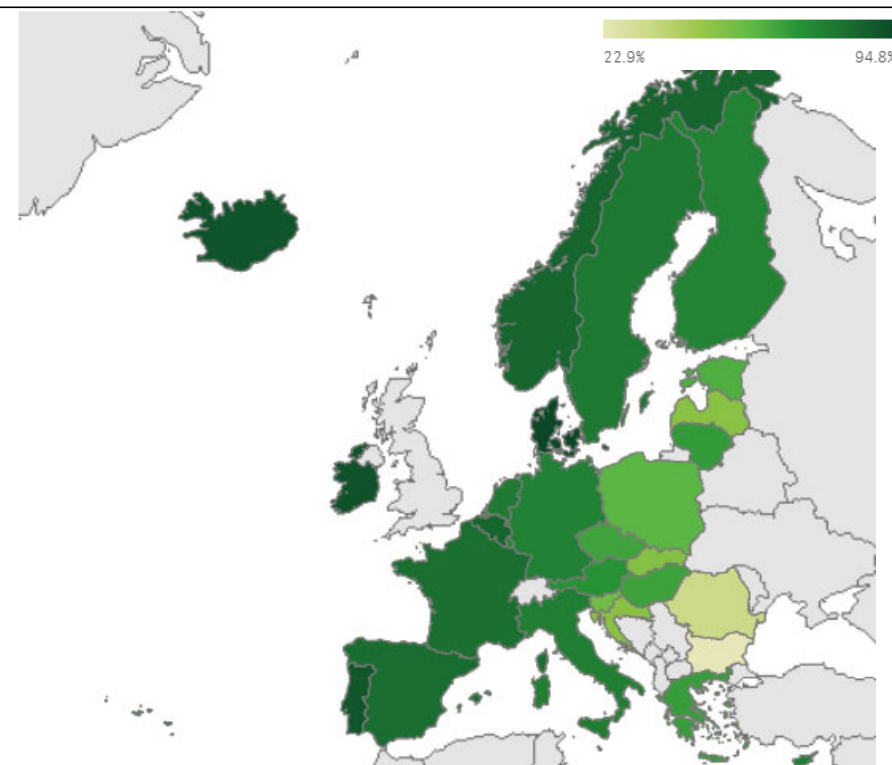
- COVID-19 vaccinations are progressing well, especially in the Nordics. Denmark is leading the pack, with 95% of its population already double vaccinated. Denmark is followed by Norway at 85%, Sweden at 79% and Finland at 76%. We note that Estonia lags behind the Nordics at 62%, but this is still reasonably high. For example, the vaccination rate is currently 55.5% in the US, 43.6% in Australia and 60.2% in Japan.
- Overall, we believe the high inoculation rates should ease the burden on the health system. In the Nordics, inoculation is so high that COVID-19 is now manageable, allowing all social and travel restrictions to be lifted.
- We note that there still is a risk of the virus mutating into new forms against which the existing vaccines offer less protection. However, we take comfort from the fact that, so far, vaccine efficacy has held up well.

## VACCINATION PROGRESS FOR SELECTED COUNTRIES

| % of population over 18 years | One doses  | Two doses  |
|-------------------------------|------------|------------|
| Sweden                        | 85%        | 79%        |
| Finland                       | 86%        | 76%        |
| Denmark                       | 95%        | 95%        |
| Norway                        | 91%        | 85%        |
| Estonia                       | 67%        | 62%        |
| Latvia                        | 54%        | 51%        |
| Lithuania                     | 73%        | 68%        |
| <b>Average</b>                | <b>79%</b> | <b>74%</b> |
| US                            |            | 56%        |
| Australia                     |            | 44%        |
| Japan                         |            | 60%        |

Source: European Centre for Disease Prevention and Control and Nordea

## CUMULATIVE UPTAKE (%) OF FULL VACCINATION AMONG ADULTS IN EU/EEA IS CLOSING IN, WITH THE NORDIC COUNTRIES LEADING THE WAY



Source: European Centre for Disease Prevention and Control and Nordea

# Stable historical performance with solid cost reductions in 2020

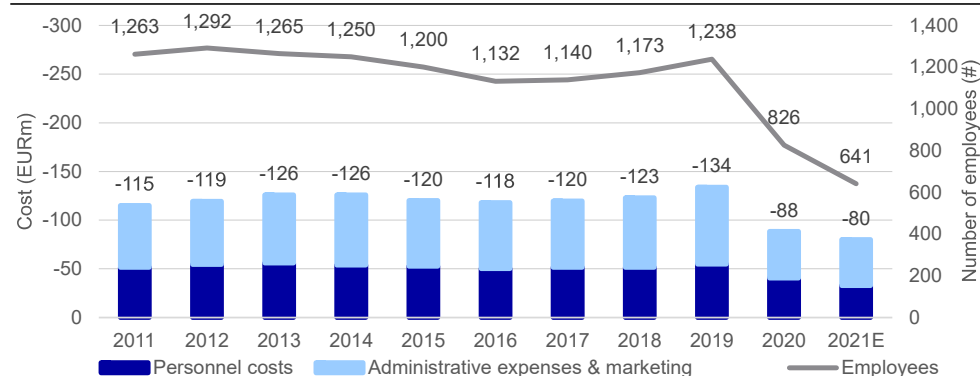
- Revenue and passenger volumes have historically been rather stable, with increases in passenger volumes (and corresponding increases in revenue) before 2020 primarily being driven by new ships entering into service.
- EBITDA has varied more, but overall during 2011-18, the EBITDA margin has been fairly stable and has averaged 13%. A deviation from the trend in 2019 can be explained by extraordinary costs; in 2019, start-up costs related to the introduction of M/S Finbo Cargo and also employee strikes (not Eckerö employees) caused EBITDA to fall by over a third, even though revenue for the year was marginally higher than the year before.
- The fall in 2020 is explained by the social and travel restrictions imposed due to COVID-19 causing passenger volumes and revenue to plummet in 2020 and 2021E.
- Eckerö has responded to the pandemic by shutting down its cruise operations (which were the most complex and least profitable), downsizing its workforce, cutting its administrative and marketing costs and renegotiating terms of lease contracts and cooperation agreements. In addition, the company received a total of EUR 10.4m in subsidies in 2020. Although we expect the cost level to come up as the situation normalises, we understand from the company that a meaningful proportion of cost savings will be lasting. The one and only cruise ship, M/S Birka, is currently booked at EUR 82.8m as an asset held for sale.

## VERY STABLE REVENUE AND PASSENGER VOLUMES BEFORE 2019, WITH MORE SIGNIFICANT MOVEMENTS BEING DRIVEN BY NEW SHIPS ENTERING INTO SERVICE BEFORE THE PANDEMIC



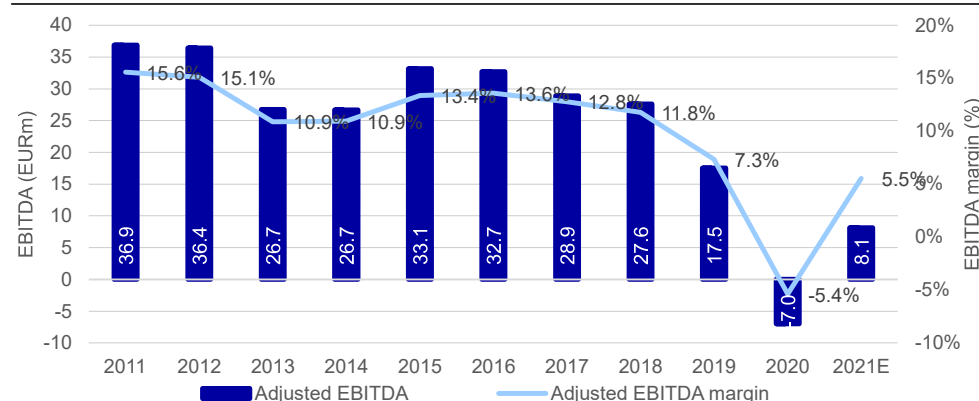
Source: Company data and Nordea estimates

## NEVER WASTE A GOOD CRISIS: ECKERÖ MEANINGFULLY LOWERED ITS COST BASE IN 2020, WHILE THE DIVESTMENT OF BIRKA CRUISES WILL DECREASE OPERATIONAL COMPLEXITY



Source: Company data and Nordea estimates

## 2019 WAS IMPACTED BY START-UP COSTS FOR M/S FINBO CARGO AND BY EMPLOYEE STRIKES, WHILE THE PANDEMIC HAS CAUSED REVENUE AND EBITDA TO PLUMMET IN 2020 AND 2021E

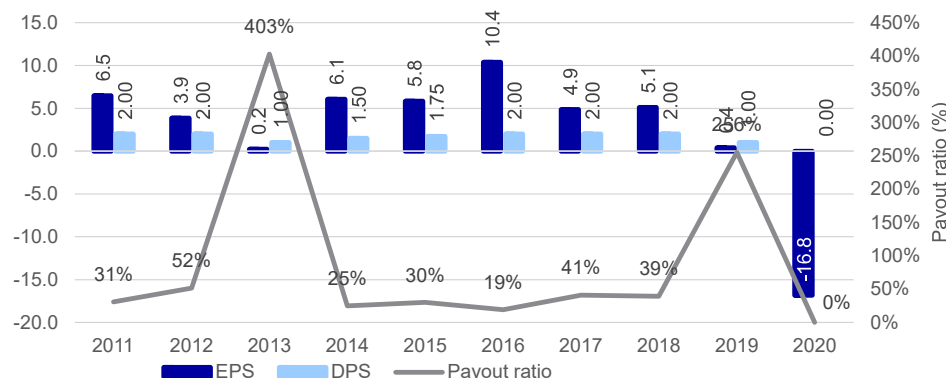


Source: Company data and Nordea



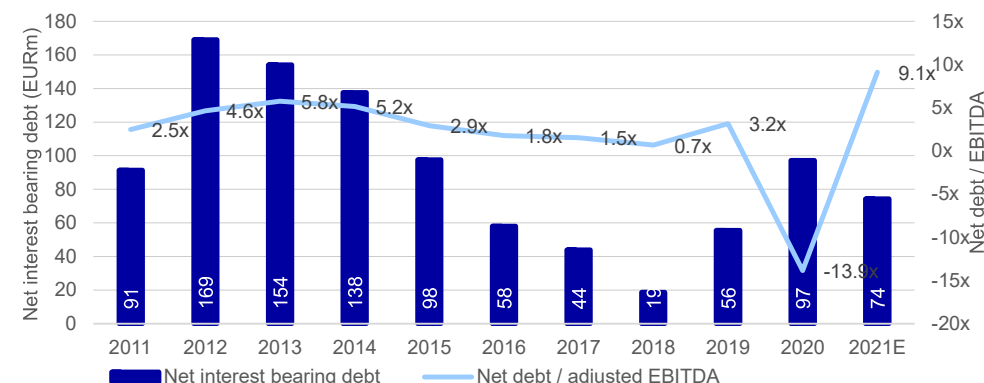
- At average net debt/EBITDA of 2.0x in 2015-19, leverage has been at modest levels historically.
- In 2019, however, an employee strike and the acquisition of Finbo Cargo resulted in a combination of higher debt and lower earnings, which in turn caused net debt/EBITDA to increase to 3.2x. As EBITDA was negative in 2020 and is expected to be very low in 2021, leverage will remain elevated until travel and social restrictions are gradually lifted.
- We also note that the company funds a large part of its operations with equity and maintained a strong equity ratio averaging 47% during 2015-20.
- Although the company has not communicated an explicit dividend policy, it has historically capped dividend payments at EUR 2 per share rather than adapting the dividend level to the earnings level in the same year. In the period 2011-19, the DPS only exceeded the EPS in 2013 and 2019, resulting in the company increasing its equity ratio meaningfully over the period. We understand from the company that it expects to maintain the DPS at roughly today's level in the future, which should support an equity ratio at roughly today's level going forward.

#### A CONSERVATIVE AND CREDIT-FRIENDLY DIVIDEND POLICY



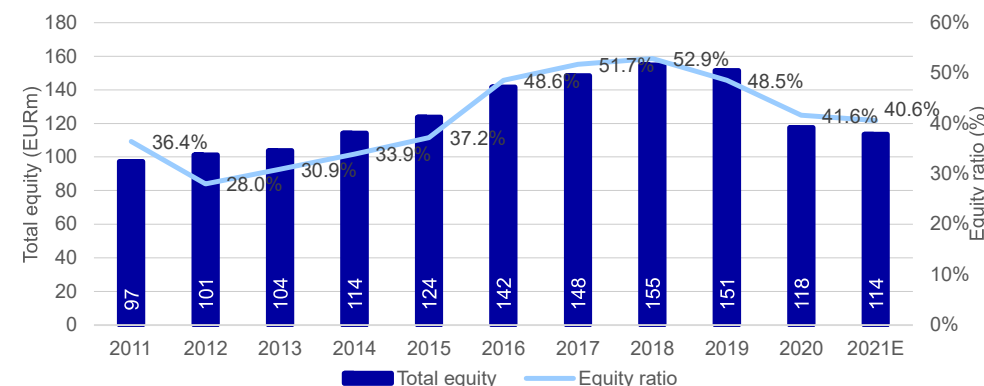
Source Company data and Nordea

#### LEVERAGE HAS FLUCTUATED BUT WAS RELATIVELY MODEST IN 2015-18 AND WAS IMPACTED BY POOR EBITDA AND HIGHER LEVERAGE IN 2019 AFTER FINBO CARGO ENTERED SERVICE AND IN 2020 DUE TO COVID-19



Source: Company data and Nordea estimates

#### THE SHARE OF EQUITY USED TO FUND OPERATIONS GRADUALLY INCREASED UNTIL 2019

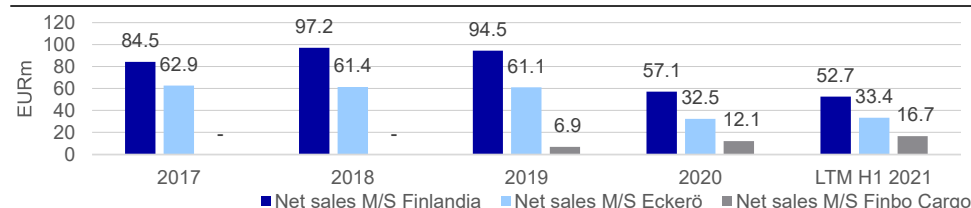


Source: Company data and Nordea estimates

# The ferry segment is hard hit by COVID-19

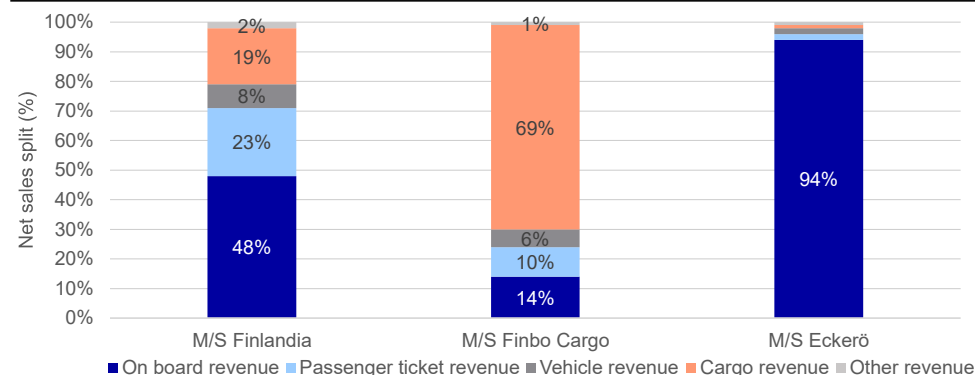
- The ferry segment consists of the ferries M/S Finlandia, M/S Finbo Cargo (Helsinki-Tallinn) and M/S Eckerö (Sweden-Åland) and is hard hit by travel and social restrictions imposed due to COVID-19.
- In 2019, Finlandia (53%) contributed the most revenue, followed by Eckerö (32%) and Finbo Cargo (15%). Most of the revenue from Finlandia and Eckerö is generated on board. However, tickets also account for a meaningful share of revenue for Finlandia. Finbo Cargo generates the majority of its income from cargo.

## M/S FINLANDIA CONTRIBUTES THE MOST REVENUE IN THE FERRY SEGMENT, FOLLOWED BY M/S ECKERÖ AND M/S FINBO CARGO



Source: Company data and Nordea

## MOST OF THE REVENUE IN 2019 WAS GENERATED ON BOARD FOR M/S FINLANDIA (48%) AND M/S ECKERÖ (94%), WHILE CARGO REVENUE WAS THE KEY GENERATOR FOR M/S FINBO CARGO



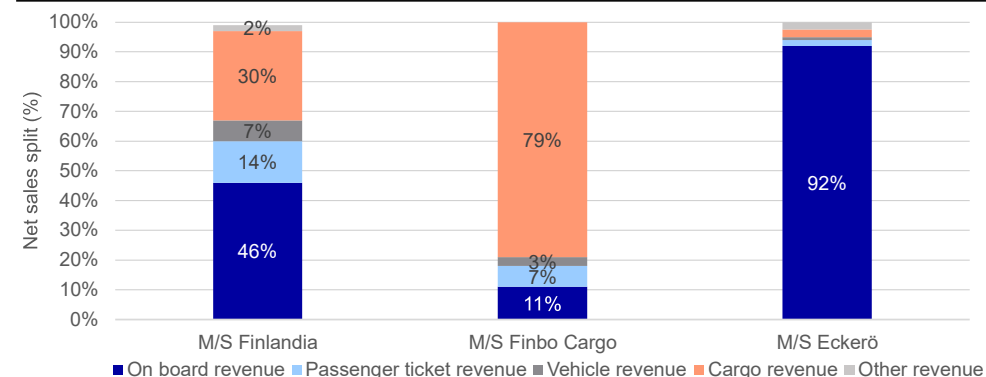
Source: Company data and Nordea

## M/S FINLANDIA AND FINBO CARGO (LEFT-HAND SIDE) AND M/S ECKERÖ (RIGHT-HAND SIDE)



Source: Company images

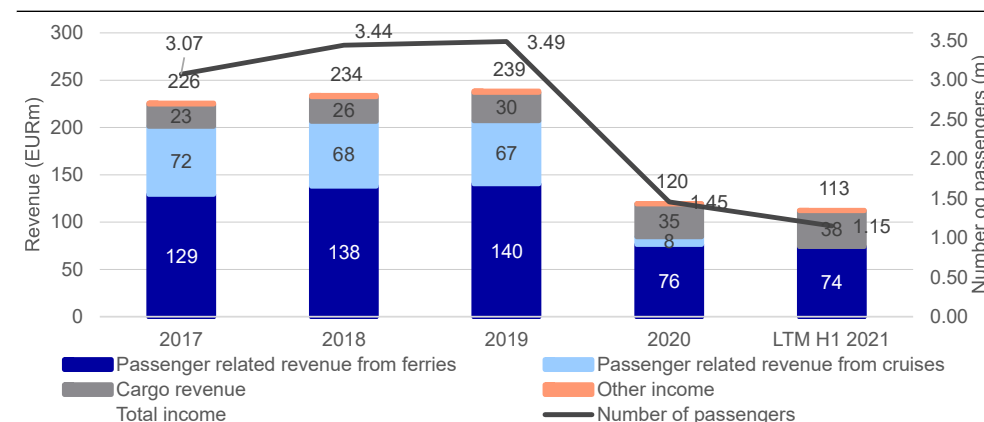
## CONTRIBUTION FROM CARGO IN H1 2021 (LTM) HAS INCREASED DURING THE PANDEMIC FOR THE ECKERÖ LINE (HELSINKI-TALLINN)



Source: Company data and Nordea

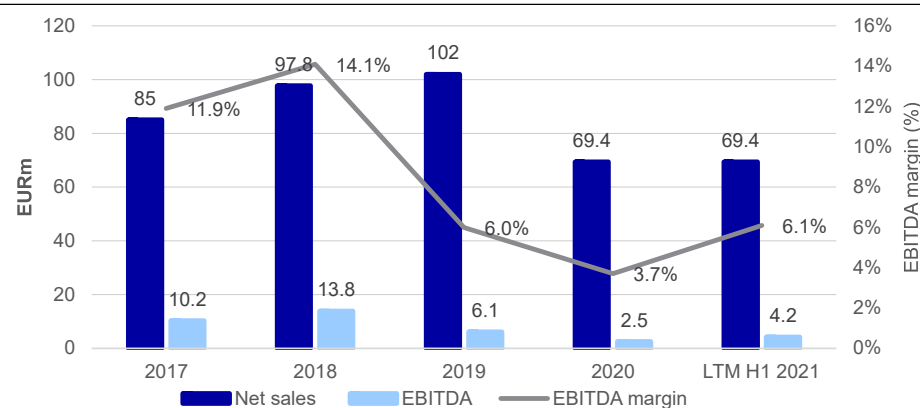
- As the majority of income is generated from passengers, COVID-19 has caused sales and EBITDA to plummet as potential passengers have been limited by social and travel restrictions. Paired with the closure of Birka Cruises, this has resulted in passenger volumes falling from 3.49 million in 2019 to 1.45 million in 2020 and 1.15 million in LTM H1 2021.
- Birka Cruises contributed around 20% of revenue in 2019, but we understand that serving the more quality-concerned cruise guests was more complex and costly, and that performance had declined from an EBITDA margin of 11.5% in 2015 to -1.7% in 2019. This is in contrast to the group EBITDA margin, which was reported at 13.4% in 2015 and 7.3% in 2019. Given that the cruise operator struggled even before the pandemic, closing down the operation seems like a sensible decision and will likely improve the profitability of the group's operations. This comes at the expense of lower diversification.
- Profitability on the Eckerö line (Helsinki-Tallinn) was good until 2019, when the introduction of Finbo Cargo and an employee strike at the port and stevedoring company that serves Eckerö (not Eckerö employees) hampered EBITDA. We note that income from the ferry contributed 16% of revenue in H1 2021 (LTM). Moreover, this income consists primarily of cargo revenue, which has benefitted from the pandemic.
- Profitability on the Eckerö line (Sweden-Åland) was satisfactory until 2019, when capex needs hampered EBITDA. Regardless, the route is a cash machine as the vessel is valued at EUR 5.8m and brought in EBITDA of EUR 9.6-5.7m in 2017-20.

#### AS THE MAJORITY OF INCOME IS PASSENGER-RELATED, INCOME PLUMMETED AS A RESULT OF COVID-19



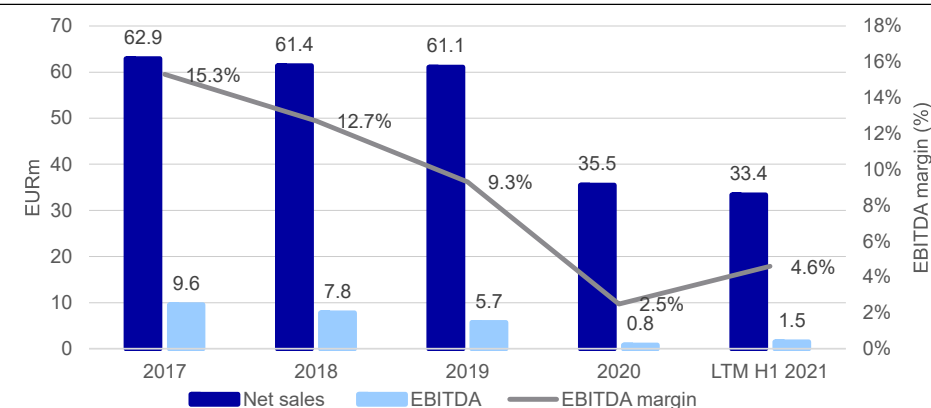
Note: The cruise operation was discontinued in 2020  
Source: Company data and Nordea

#### STABLE REVENUE FOR ECKERÖ LINE BEFORE COVID-19, WHILE EBITDA WAS SOMEWHAT MORE VOLATILE



Source: Company data and Nordea

#### REVENUE FLAT FOR THE ECKERÖ LINJE BUT EBITDA AND THE EBITDA MARGIN WERE AFFECTED BY THE INTRODUCTION OF FIBO CARGO AND EMPLOYEE STRIKES IN 2019



Source: Company data and Nordea

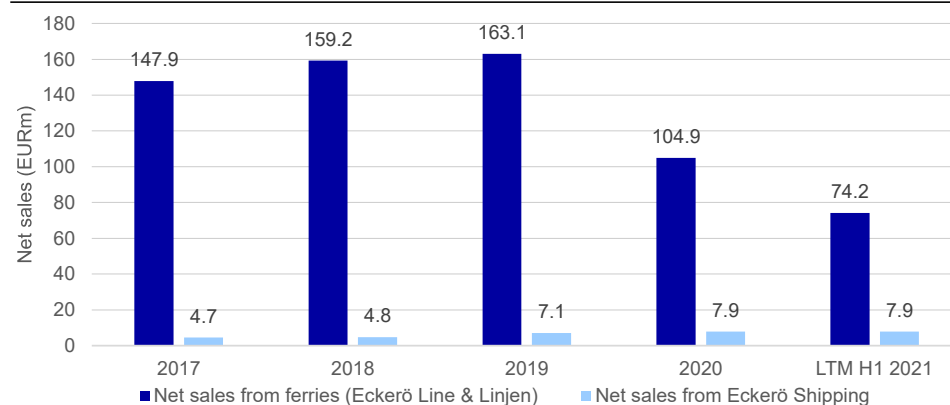
## Cargo vessels: non-core operations unlikely to impact the credit case

- The cargo vessels are all 30 years old. Of the three ships, only one has been able to secure a contract into H1 2022. The company would prefer to find new contracts in the Baltic Sea, North Sea or Mediterranean for the other two vessels. Alternatively, Eckerö could sell them. If the vessels are contracted in the Mediterranean where the income potential is lower, EBITDA will likely come down from very high levels.
- We understand from the company that these vessels were previously valued by shipbrokers at EUR 3.5m. This is in contrast to the carrying book values of EUR 2.9m, EUR 1.3m and EUR 0.5m, respectively. Although we take the broker quotes with a grain of salt as the market for these ships is likely illiquid, we see only limited risk that Eckerö will have to make a meaningful writedown on these ships. We also note that compared to the Eckerö line, the revenue and EBITDA contribution from the cargo vessels has been relatively limited.

**ECKERÖ SHIPPING'S THREE VESSELS ARE SIMILAR IN SIZE AND CAPABILITIES AND WERE ALL BUILT IN 1991**



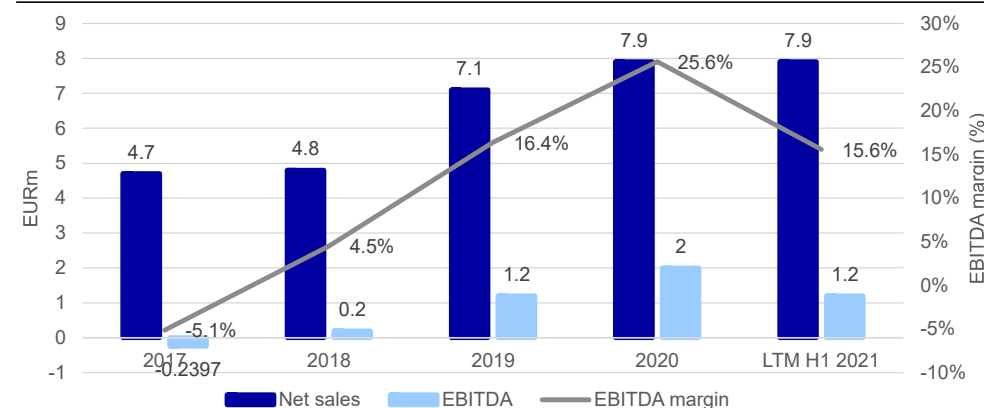
### NET SALES IN ECKERÖ SHIPPING ARE DWARFED BY THE FERRY BUSINESS



Source: Company data and Nordea

Source: Company data

### STABLE REVENUE

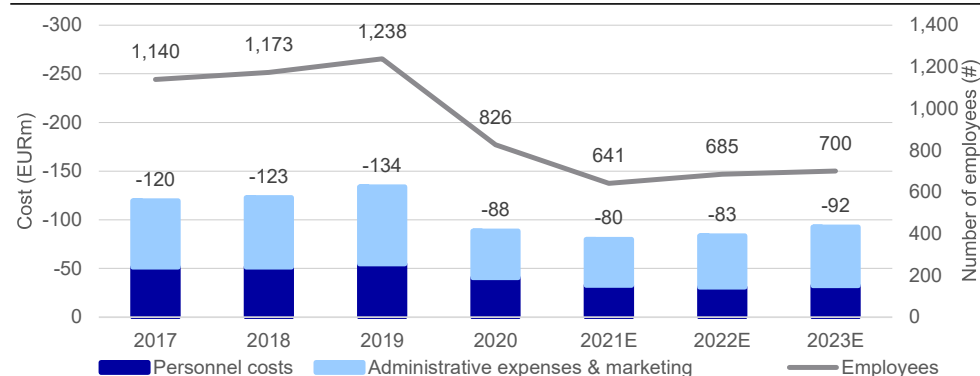


Source: Company data and Nordea

# Financial forecasts reflect a gradual return to normal

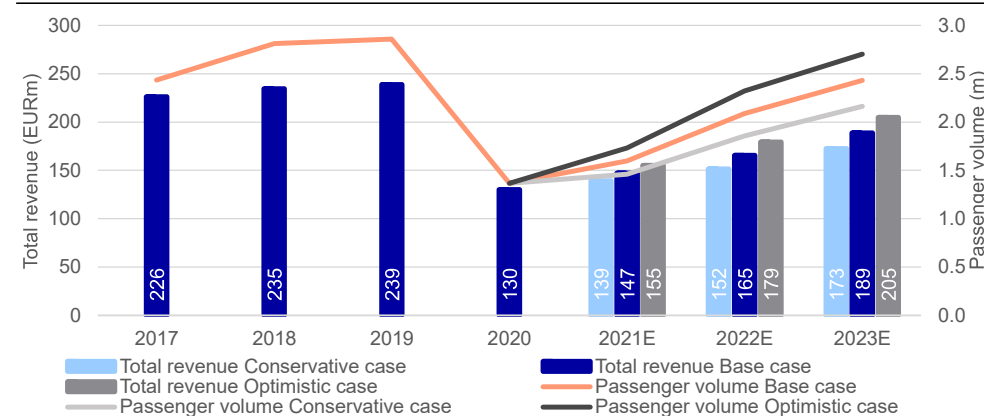
- Our financial forecasts reflect society reopening, resulting in passenger volumes gradually returning to normal. In our optimistic case, we model a complete 'return to normal' in 2023. In our base case and conservative case, we use this 'return to normal' as a reference and reduce the passenger numbers by 10% (base case) and 20% (conservative case). We adjust the passenger numbers to reflect the fact that Birka Cruises has now been divested.
- We forecast passenger revenues to gradually increase in line with the performance in 2018 and 2019. For the sake of prudence, our forecasts do not reflect the possible positive margin improvement from the divestment of Birka Cruises.
- We expect personnel costs to decrease by ~40% from 2019 to 2022 on the back of staff reductions. We forecast COGS, administrative expenses and marketing costs to grow in line with revenue.
- As profitability improves and net interest-bearing debt comes down (as cash builds up), we expect leverage to decrease sharply, and we forecast net interest-bearing debt/EBITDA in the range of 2.3-1.0x, well above the 3.75x incurrence test in 2023. The equity maintenance covenant should not be an issue either, and we expect the equity ratio to be at least 10% throughout the forecast period. We see a significant writedown on the asset held for sale (M/S Birka) as the only threat to the equity ratio.

## STAFF REDUCTIONS WILL RESULT IN A LOWER COST BASE



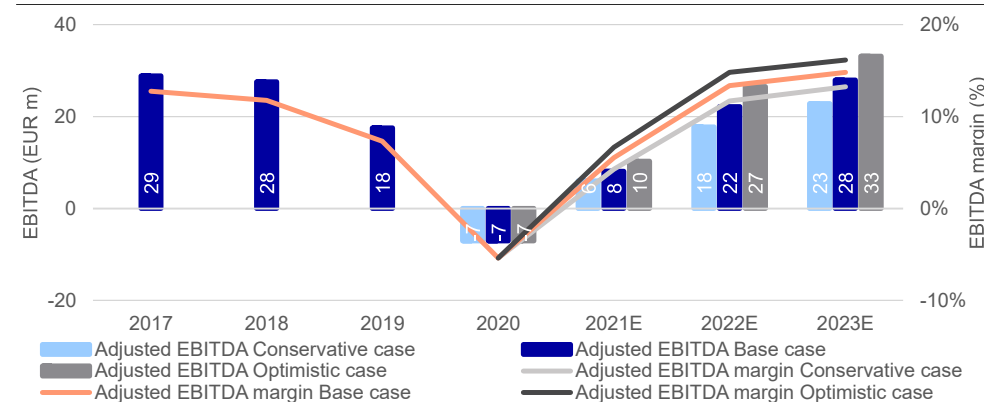
Source: Company data and Nordea estimates

## WE EXPECT REVENUE TO INCREASE AS SOCIAL AND TRAVEL RESTRICTIONS ARE LIFTED

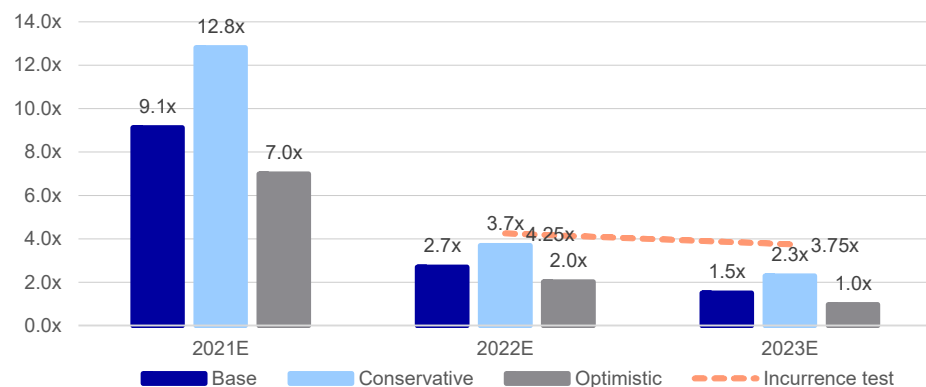


Source: Company data and Nordea estimates

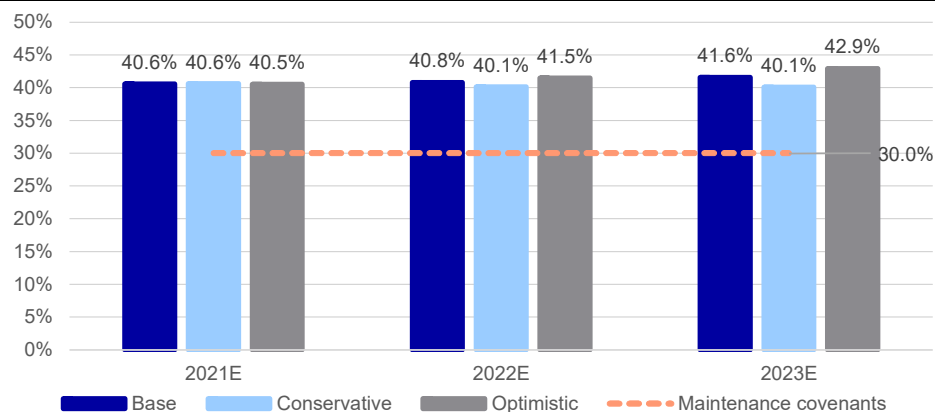
## EBITDA IS SET TO INCREASE AS PASSENGER VOLUMES GRADUALLY RETURN TO NORMAL AND THE COST BASE HAS BEEN LOWERED



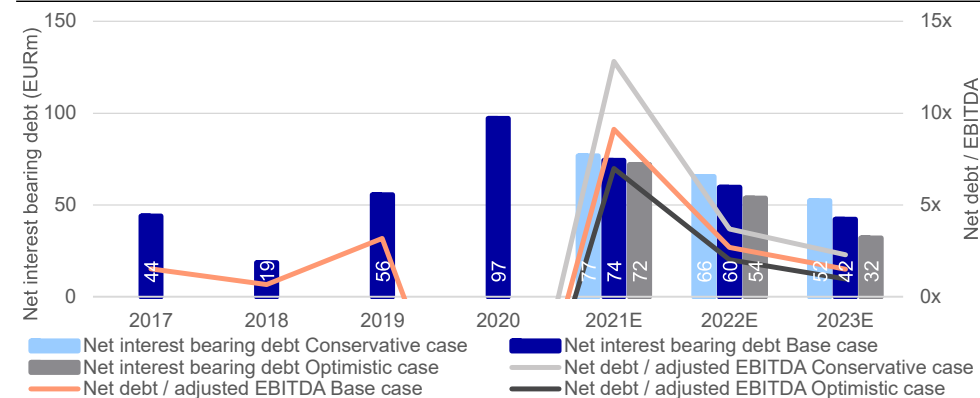
Source: Company data and Nordea estimates

**NET DEBT/EBITDA IS ABOVE THE INCURRENCE COVENANT IN ALL OUR CASES**

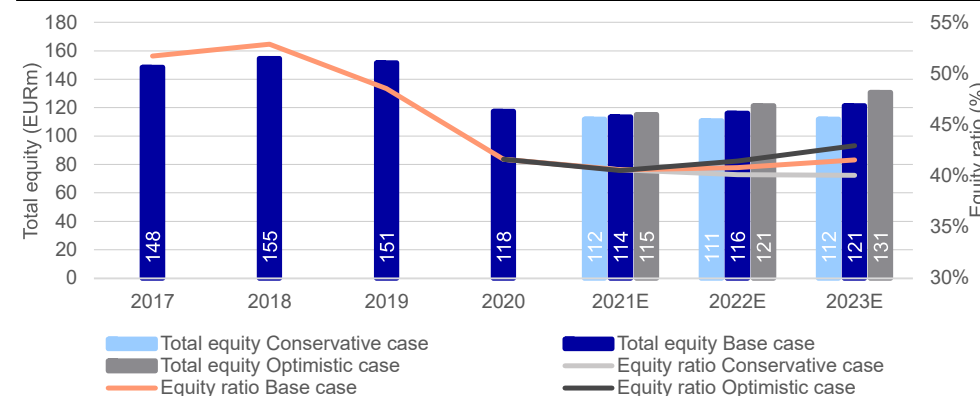
Source: Company data and Nordea estimates

**THE EQUITY RATIO SHOULD REMAIN WELL ABOVE THE MAINTENANCE COVENANT**

Source: Company data and Nordea estimates

**WE FORECAST LEVERAGE TO IMPROVE AS EBITDA INCREASES AND CASH BUILDS UP**

Source: Company data and Nordea estimates

**THE EQUITY RATIO IS SET TO STABILISE AT SOLID LEVELS**

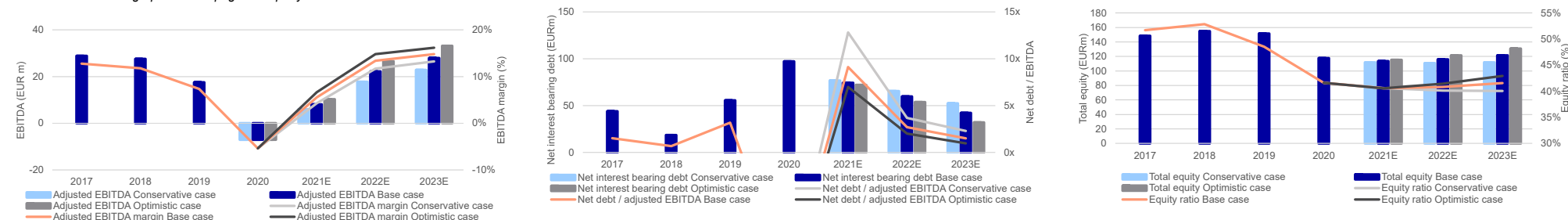
Source: Company data and Nordea estimates

# Summary of financial forecasts and scenarios

|  | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | Base      |           |           | Conservative |           |           | Optimistic |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|------------|-----------|-----------|
|  |           |           |           |           |           |           | 2021E     | 2022E     | 2023E     | 2021E        | 2022E     | 2023E     | 2021E      | 2022E     | 2023E     |
| Passenger volume excl. Birka Cruises (m) | 2.41      | 2.43      | 2.44      | 2.81      | 2.86      | 1.37      | 1.60      | 2.09      | 2.43      | 1.46         | 1.86      | 2.16      | 1.73       | 2.32      | 2.70      |
| Employees (#)                            | 1,200     | 1,132     | 1,140     | 1,173     | 1,238     | 826       | 641       | 685       | 700       | 641          | 685       | 700       | 641        | 685       | 700       |
|  |           |           |           |           |           |           |           |           |           | 0            | 0         | 0         | 0          | 0         | 0         |
| Total revenue                            | 248       | 240.9     | 226.2     | 234.5     | 238.8     | 130.1     | 147.1     | 165.5     | 188.7     | 139.3        | 151.6     | 172.6     | 155.0      | 179.3     | 204.8     |
| Of which financial income                | 5.0       | 4.2       | 0.2       | 0.7       | 0.2       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0          | 0.0       | 0.0       | 0.0        | 0.0       | 0.0       |
| Cost of goods sold                       | -90       | -86.0     | -77.4     | -83.5     | -87.3     | -48.8     | -59.1     | -59.8     | -68.2     | -55.9        | -54.8     | -62.4     | -62.3      | -64.8     | -74.1     |
| Personnel costs                          | -53       | -50.2     | -51.4     | -51.4     | -54.7     | -40.6     | -32.8     | -30.8     | -32.4     | -32.8        | -30.8     | -32.4     | -32.8      | -30.8     | -32.4     |
| Administrative expenses & marketing      | -68       | -67.8     | -68.2     | -71.4     | -79.1     | -47.8     | -47.2     | -52.7     | -60.1     | -44.7        | -48.3     | -55.0     | -49.7      | -57.1     | -65.2     |
| <b>EBITDA</b>                            | <b>38</b> | <b>37</b> | <b>29</b> | <b>28</b> | <b>18</b> | <b>-7</b> | <b>8</b>  | <b>22</b> | <b>28</b> | <b>6</b>     | <b>18</b> | <b>23</b> | <b>10</b>  | <b>27</b> | <b>33</b> |
| <b>Adjusted EBITDA*</b>                  | <b>33</b> | <b>33</b> | <b>29</b> | <b>28</b> | <b>18</b> | <b>-7</b> | <b>8</b>  | <b>22</b> | <b>28</b> | <b>6</b>     | <b>18</b> | <b>23</b> | <b>10</b>  | <b>27</b> | <b>33</b> |
| Adjusted EBITDA margin                   | 13.4%     | 13.6%     | 12.8%     | 11.8%     | 7.3%      | -5.4%     | 5.5%      | 13.4%     | 14.8%     | 4.3%         | 11.7%     | 13.2%     | 6.7%       | 14.8%     | 16.2%     |
|  |           |           |           |           |           |           |           |           |           | 0            | 0         | 0         | 0          | 0         | 0         |
| Interest bearing debt                    | 143       | 90        | 81        | 72        | 97        | 119       | 106       | 106       | 106       | 106          | 106       | 106       | 106        | 106       | 106       |
| Cash and cash equivalents                | -46       | -32       | -37       | -54       | -41       | -22       | -32       | -46       | -64       | -29          | -41       | -54       | -34        | -52       | -74       |
| <b>Net interest bearing debt</b>         | <b>98</b> | <b>58</b> | <b>44</b> | <b>19</b> | <b>56</b> | <b>97</b> | <b>74</b> | <b>60</b> | <b>42</b> | <b>77</b>    | <b>66</b> | <b>52</b> | <b>72</b>  | <b>54</b> | <b>32</b> |
| Net debt / adjusted EBITDA               | 2.9x      | 1.8x      | 1.5x      | 0.7x      | 3.2x      | -13.9x    | 9.1x      | 2.7x      | 1.5x      | 12.8x        | 3.7x      | 2.3x      | 7.0x       | 2.0x      | 1.0x      |
|  |           |           |           |           |           |           |           |           |           | 0            | 0         | 0         | 0          | 0         | 0         |
| Total equity                             | 124       | 142       | 148       | 155       | 151       | 118       | 114       | 116       | 121       | 112          | 111       | 112       | 115        | 121       | 131       |
| Total assets                             | 333       | 292       | 287       | 293       | 312       | 282       | 280       | 285       | 292       | 275          | 276       | 279       | 284        | 293       | 305       |
| Equity ratio                             | 37.2%     | 48.6%     | 51.7%     | 52.9%     | 48.5%     | 41.6%     | 40.6%     | 40.8%     | 41.6%     | 40.6%        | 40.1%     | 40.1%     | 40.5%      | 41.5%     | 42.9%     |

\*Adjusted for financial income

Source all tables and graphs on this page: Company data and Nordea estimates

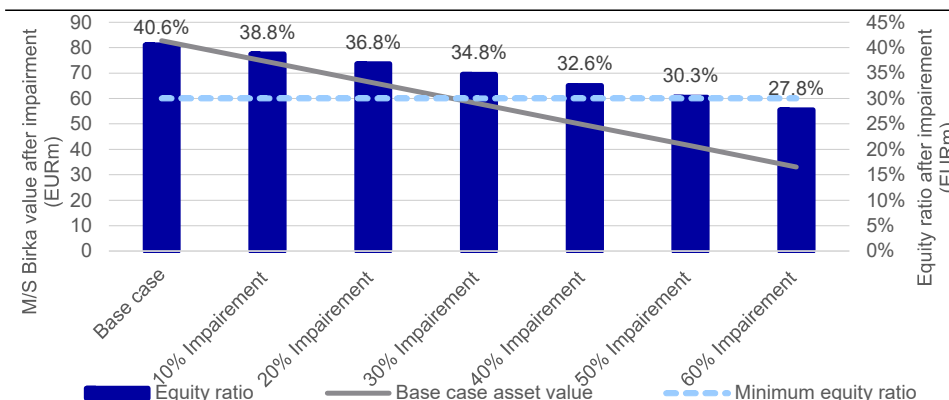




# Some impairment risk, but the cruise market is in recovery

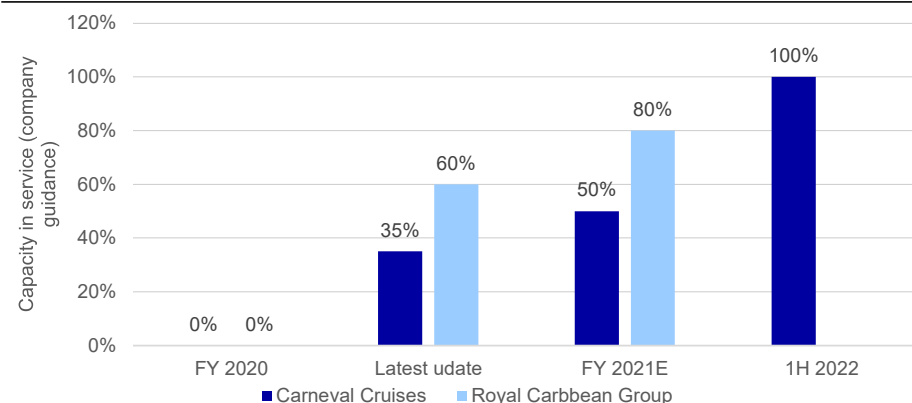
- All of Eckerö's vessels are booked at acquisition cost minus depreciation. This is what underpins M/S Birka's booked value of EUR 82.8m. As IFRS does not allow depreciation for assets held for sale, the latest depreciation was booked in H2 2020.
- The booked value is 7% below the most recent external valuation the company received (external valuation: EUR 89m), and we understand from the company that it does not expect the asset to be written down.
- Regardless, there is a risk that the asset will be sold below book value, resulting in a one-off hit on EBITDA and the equity ratio. Given that EBITDA for 2021E will be lacklustre and the net debt/EBITDA incurrence test is first activated in 2022E, we focus on the equity ratio. We estimate that the writedown has to be very large (over 50%) for it to threaten the maintenance covenant.
- We also note that the cruise market appears to be recovering, with the largest cruise operators being upbeat about the future in their latest earnings calls. Royal Caribbean Cruises expects to have 80% capacity in service within FY 2021, while Carnival Cruises expects to have 100% capacity within H1 2022. In addition, Carnival Cruises has seen a very strong uptick in the occupancy rate, which currently stands at 54%.
- An improving outlook will likely support the valuation of M/S Birka. We are thus cautiously optimistic that the vessel could be sold at around book value in due time.

## THE IMPAIRMENTS HAVE TO BE VERY LARGE BEFORE THEY WILL THREATEN THE EQUITY MAINTENANCE COVENANT



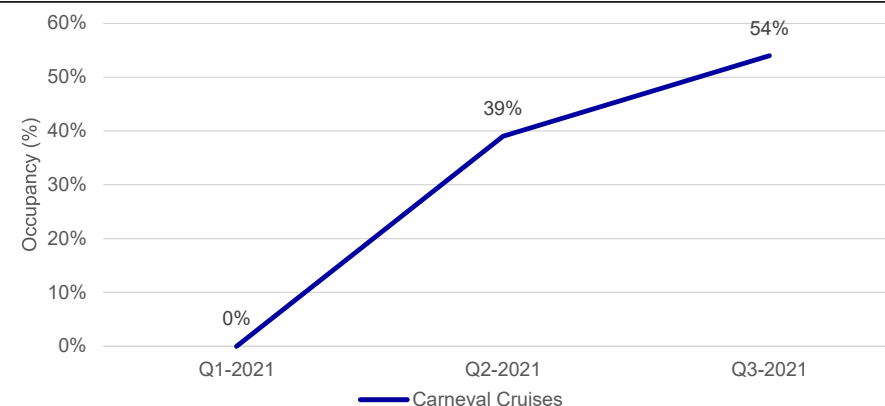
Source: Company data and Nordea estimates

## THE LARGE CRUISE OPERATORS HAVE STARTED SAILING AGAIN...



Source: Company data and Nordea estimates

## CARNIVAL CRUISES' STRONG OCCUPANCY RATE BODES WELL FOR THE MARKET TO RECOVER

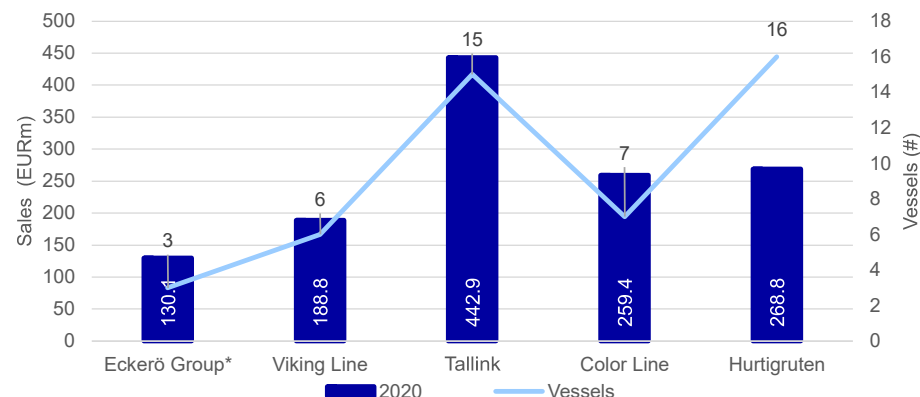


Source: Company data and Nordea



# Lower leverage than peers with outstanding debt

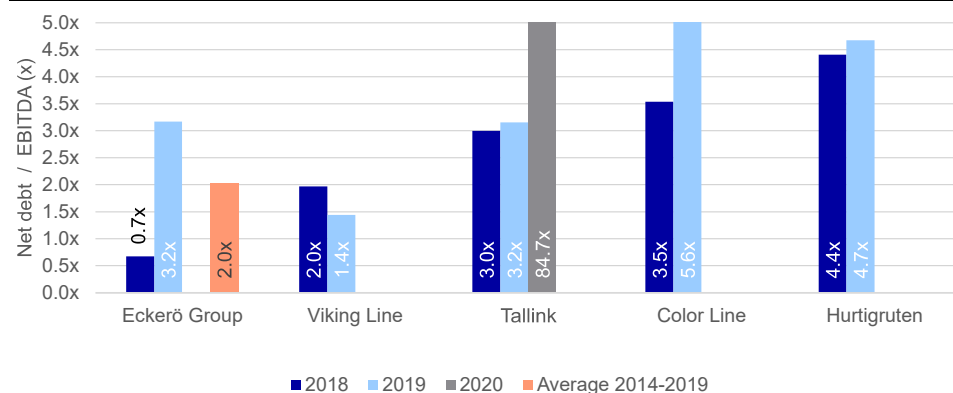
REVENUE AND THE NUMBER OF VESSELS IS LOWER THAN FOR MOST PEERS. MOREOVER, ECKERÖ GENERATES THE VAST MAJORITY OF INCOME IN ONE SEGMENT AND ON TWO ROUTES, RESULTING IN LOWER DIVERSIFICATION



Note: \*Eckerö Shipping vessels are not included due to their small size and value

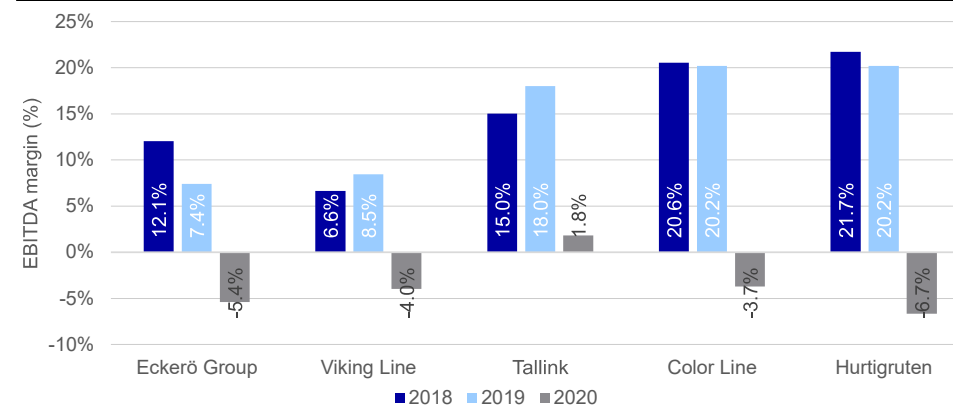
Source: Company data and Nordea estimates

ECKERÖ HAS HISTORICALLY OPERATED WITH MEANINGFULLY LESS LEVERAGE THAN PEERS WITH OUTSTANDING BONDS, AS IS EVIDENT FROM ITS LOWER NET DEBT/EBITDA...



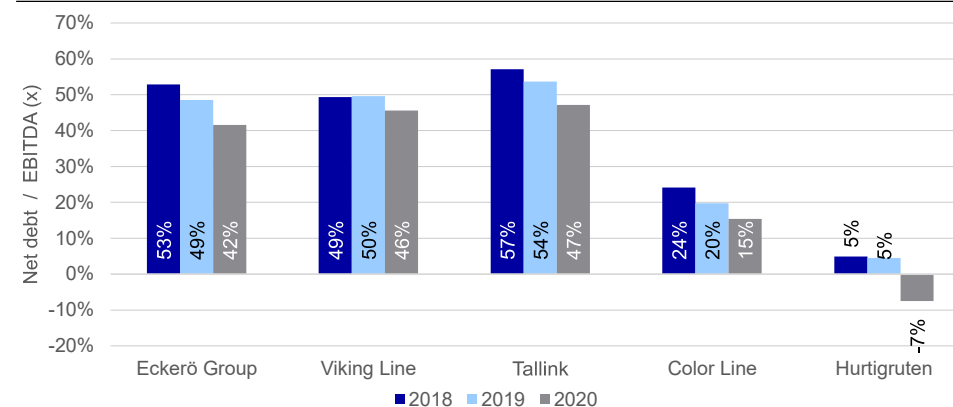
Source: Company data and Nordea estimates

SOMEWHAT LOWER EBITDA MARGINS THAN PEERS IN 2018-19, BUT STRUGGLES IN 2020 WERE DUE TO COVID-19



Source: Company data and Nordea estimates

...AND HIGHER EQUITY RATIO



Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

| EURm                              | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020   | 2021E | 2022E | 2023E |
|-----------------------------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| Total revenue                     | 244   | 248   | 241   | 226   | 235   | 239   | 130    | 147   | 165   | 189   |
| - growth                          | -0.6% | 1.6%  | -2.9% | -6.1% | 3.7%  | 1.8%  | -45.5% | 13.1% | 12.5% | 14.1% |
| Gross profit                      | 154   | 158   | 155   | 149   | 151   | 151   | 81     | 88    | 106   | 120   |
| - margin                          | 63.0% | 63.9% | 64.3% | 65.8% | 64.4% | 63.4% | 62.5%  | 59.9% | 63.8% | 63.8% |
| EBITDA                            | 28    | 38    | 37    | 29    | 28    | 18    | -7     | 8     | 22    | 28    |
| - margin                          | 11.4% | 15.4% | 15.3% | 12.9% | 12.1% | 7.4%  | -5.4%  | 5.5%  | 13.4% | 14.8% |
| EBITA                             | 8     | 19    | 20    | 14    | 14    | 1     | -23    | -5    | 9     | 15    |
| - margin                          | 3.2%  | 7.7%  | 8.3%  | 6.1%  | 6.0%  | 0.3%  | -18.0% | -3.3% | 5.5%  | 7.9%  |
| EBIT                              | 1     | 19    | 20    | 14    | 14    | 1     | -30    | -5    | 9     | 15    |
| - margin                          | 0.5%  | 7.7%  | 8.3%  | 6.1%  | 6.0%  | 0.3%  | -23.0% | -3.3% | 5.5%  | 7.9%  |
| Net finance                       | -8    | -6    | 0     | -3    | -3    | 0     | -8     | 0     | -6    | -6    |
| Pre-tax profit                    | -7    | 13    | 20    | 10    | 11    | 1     | -38    | -5    | 3     | 9     |
| Taxes                             | -5    | -2    | -1    | -2    | -3    | 0     | 4      | 1     | -1    | -2    |
| Net profit, continuing operations | 12    | 12    | 21    | 10    | 10    | 1     | -34    | -4    | 3     | 7     |
| Discontinued operations           | n.a.  | n.a.  | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.  | n.a.  | n.a.  |
| Net profit to equity              | 12    | 12    | 22    | 11    | 10    | 1     | -34    | -4    | 3     | 7     |
| EBITDA (credit adj)               | 27    | 33    | 33    | 29    | 28    | 18    | -7     | 8     | 22    | 28    |
| EBIT (credit adj)                 | 7     | 14    | 16    | 13    | 13    | 7     | -30    | -5    | 9     | 15    |
| Interest expense (credit adj)     | -8    | -7    | -4    | -4    | -4    | -2    | -9     | -3    | -6    | -6    |

Source: Company data and Nordea estimates

## BALANCE SHEET

| EURm                                   | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021E      | 2022E      | 2023E      |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Goodwill                               | 7          | 7          | 7          | 7          | 7          | 7          | 0          | 0          | 0          | 0          |
| Other intangibles                      | 1          | 2          | 2          | 2          | 1          | 1          | 0          | 1          | 0          | 0          |
| Tangible assets                        | 246        | 221        | 208        | 197        | 190        | 224        | 145        | 134        | 122        | 110        |
| Shares associates                      | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Interest bearing assets                | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Deferred tax assets                    | 2          | 2          | 2          | 1          | 1          | 0          | 1          | 0          | 0          | 0          |
| Other non-interest bearing non-current | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Other non-current assets               | 24         | 24         | 24         | 25         | 17         | 18         | 17         | 1          | 2          | 2          |
| <b>Non-current assets</b>              | <b>279</b> | <b>255</b> | <b>242</b> | <b>231</b> | <b>215</b> | <b>248</b> | <b>163</b> | <b>135</b> | <b>124</b> | <b>112</b> |
| Inventory                              | 5          | 5          | 5          | 6          | 6          | 6          | 4          | 3          | 3          | 3          |
| Accounts receivable                    | 13         | 14         | 10         | 11         | 19         | 15         | 11         | 26         | 27         | 29         |
| Other current assets                   | 7          | 14         | 2          | 2          | 0          | 1          | 0          | 1          | 1          | 1          |
| Cash and cash equivalents              | 32         | 46         | 32         | 37         | 54         | 41         | 22         | 32         | 46         | 64         |
| <b>Current assets</b>                  | <b>57</b>  | <b>78</b>  | <b>49</b>  | <b>56</b>  | <b>78</b>  | <b>64</b>  | <b>37</b>  | <b>61</b>  | <b>78</b>  | <b>97</b>  |
| Assets held for sale                   | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | 83         | 83         | 83         | 83         |
| <b>Total assets</b>                    | <b>337</b> | <b>333</b> | <b>292</b> | <b>287</b> | <b>293</b> | <b>312</b> | <b>282</b> | <b>280</b> | <b>285</b> | <b>292</b> |
| <b>Shareholders equity</b>             | <b>114</b> | <b>124</b> | <b>142</b> | <b>148</b> | <b>155</b> | <b>151</b> | <b>118</b> | <b>114</b> | <b>116</b> | <b>121</b> |
| <b>Minority interest</b>               | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| Deferred tax                           | 33         | 34         | 30         | 30         | 28         | 28         | 25         | 26         | 26         | 26         |
| Convertible debt                       | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Long term interest bearing debt        | 141        | 112        | 82         | 72         | 62         | 84         | 97         | 107        | 107        | 107        |
| Non-current liabilities                | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Pension provisions                     | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Other long-term provisions             | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Other long-term liabilities            | 1          | 0          | 0          | 0          | 1          | 0          | 1          | 0          | 0          | 0          |
| <b>Non-current liabilities</b>         | <b>174</b> | <b>146</b> | <b>111</b> | <b>102</b> | <b>91</b>  | <b>112</b> | <b>124</b> | <b>133</b> | <b>133</b> | <b>133</b> |
| Short-term provisions                  | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| Accounts payable                       | 28         | 30         | 25         | 27         | 35         | 35         | 20         | 32         | 34         | 37         |
| Other current liabilities              | 1          | 4          | 4          | 0          | 2          | 0          | 3          | 0          | 0          | 0          |
| Short term interest bearing debt       | 19         | 29         | 10         | 10         | 10         | 14         | 18         | 0          | 0          | 0          |
| <b>Current liabilities</b>             | <b>48</b>  | <b>63</b>  | <b>39</b>  | <b>37</b>  | <b>47</b>  | <b>49</b>  | <b>41</b>  | <b>32</b>  | <b>34</b>  | <b>37</b>  |
| Liabilities for assets held for sale   | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       |
| <b>Total liabilities and equity</b>    | <b>337</b> | <b>333</b> | <b>292</b> | <b>287</b> | <b>293</b> | <b>312</b> | <b>282</b> | <b>278</b> | <b>283</b> | <b>291</b> |
| Cash and cash eq (credit adj)          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Total assets (credit adj)              | 305        | 287        | 260        | 250        | 239        | 271        | 260        | 248        | 238        | 228        |
| Shareholders equity (credit adj)       | 114        | 124        | 142        | 148        | 155        | 151        | 118        | 114        | 116        | 121        |
| Debt (credit adj)                      | 126        | 94         | 60         | 44         | 22         | 56         | 93         | 74         | 60         | 42         |

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

| EURm                                  | 2014      | 2015      | 2016       | 2017      | 2018      | 2019       | 2020       | 2021E    | 2022E     | 2023E     |
|---------------------------------------|-----------|-----------|------------|-----------|-----------|------------|------------|----------|-----------|-----------|
| EBITDA                                | 28        | 38        | 37         | 29        | 28        | 18         | -7         | 8        | 22        | 28        |
| Adj due to change in group structure  | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| Change in Provisions                  | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| Other non-cash adjustments            | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| Net financials                        | -8        | -6        | 0          | -3        | -3        | 0          | 0          | -3       | -6        | -6        |
| Dividends received                    | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| Paid taxes                            | 1         | 0         | -2         | -5        | -1        | -4         | 0          | -4       | 3         | -1        |
| Other                                 | 0         | -2        | -7         | 2         | 3         | 1          | 5          | 7        | -4        | -1        |
| <b>Operating cash flow before NWC</b> | <b>21</b> | <b>30</b> | <b>28</b>  | <b>23</b> | <b>27</b> | <b>14</b>  | <b>-2</b>  | <b>8</b> | <b>16</b> | <b>20</b> |
| Change in NWC                         | 0         | 1         | -2         | 0         | 2         | 2          | -8         | -3       | 0         | 0         |
| <b>Operating cash flow</b>            | <b>21</b> | <b>31</b> | <b>26</b>  | <b>23</b> | <b>29</b> | <b>16</b>  | <b>-10</b> | <b>6</b> | <b>16</b> | <b>21</b> |
| CAPEX                                 | -5        | -7        | -4         | -5        | -8        | -48        | -22        | -2       | -1        | -1        |
| <b>Free Operating cash flow</b>       | <b>16</b> | <b>24</b> | <b>22</b>  | <b>18</b> | <b>21</b> | <b>-31</b> | <b>-31</b> | <b>4</b> | <b>15</b> | <b>19</b> |
| Dividends paid                        | -2        | -3        | -4         | -4        | -4        | -4         | 0          | 0        | 0         | -2        |
| Share issues / buybacks               | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| <b>Discretionary cash flow</b>        | <b>14</b> | <b>21</b> | <b>18</b>  | <b>14</b> | <b>17</b> | <b>-35</b> | <b>-31</b> | <b>4</b> | <b>15</b> | <b>17</b> |
| Other investments / divestments       | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| Other                                 | 0         | 0         | 0          | 0         | 10        | 0          | 0          | 0        | 0         | 0         |
| Proceeds from sale of assets          | 5         | 12        | 17         | 1         | 0         | 0          | 0          | 0        | 0         | 0         |
| Net change to group borrowing/repaym  | -14       | -19       | -49        | -10       | -10       | 23         | 12         | 0        | 0         | 0         |
| Other                                 | 0         | 0         | 0          | 0         | 0         | 0          | 0          | 0        | 0         | 0         |
| <b>Change in cash</b>                 | <b>4</b>  | <b>14</b> | <b>-14</b> | <b>5</b>  | <b>17</b> | <b>-12</b> | <b>-19</b> | <b>4</b> | <b>15</b> | <b>17</b> |
| <b>Adjusted metrics</b>               |           |           |            |           |           |            |            |          |           |           |
| Funds from operations (FFO) (adj)     | 18        | 26        | 28         | 25        | 24        | 15         | -16        | 6        | 16        | 22        |
| Operating cash flow (OCF) (adj)       | 21        | 31        | 26         | 23        | 29        | 16         | -10        | 6        | 16        | 21        |
| Free operating cash flow (FOCF) (adj) | 16        | 24        | 22         | 18        | 21        | -31        | -31        | 4        | 15        | 19        |
| Discretionary cash flow (DCF) (adj)   | 14        | 21        | 18         | 14        | 17        | -35        | -31        | 4        | 15        | 17        |

Source: Company data and Nordea estimates

**KEY RATIOS**

|                                     | 2014  | 2015  | 2016  | 2017  | 2018   | 2019   | 2020   | 2021E | 2022E | 2023E |
|-------------------------------------|-------|-------|-------|-------|--------|--------|--------|-------|-------|-------|
| <b>Profitability</b>                |       |       |       |       |        |        |        |       |       |       |
| ROC                                 | 2.5%  | 5.4%  | 6.5%  | 5.9%  | 6.3%   | 3.3%   | -12.7% | -2.2% | 4.4%  | 7.7%  |
| ROIC after tax                      | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| ROE after tax                       | 11.1% | 10.5% | 16.2% | 7.4%  | 6.8%   | 0.5%   | -25.2% | -3.5% | 2.2%  | 6.1%  |
| <b>Debt &amp; Interest coverage</b> |       |       |       |       |        |        |        |       |       |       |
| FFO/Debt                            | 14.4% | 27.7% | 47.3% | 56.3% | 105.8% | 27.8%  | -17.4% | 7.4%  | 27.0% | 51.9% |
| FOCF/Debt                           | 12.4% | 25.0% | 36.5% | 40.0% | 94.0%  | -55.8% | -33.8% | 5.8%  | 24.6% | 46.0% |
| DCF/Debt                            | 10.8% | 21.8% | 30.7% | 30.9% | 76.0%  | -63.0% | -33.8% | 5.8%  | 24.6% | 41.3% |
| EBITDA interest coverage            | 3.1   | 4.6   | 7.7   | 7.4   | 6.8    | 8.0    | -0.8   | 3.1   | 3.7   | 4.6   |
| FFO cash interest coverage          | -2.1  | -3.6  | -6.7  | -6.4  | -5.8   | -7.0   | 1.8    | -2.1  | -2.7  | -3.6  |
| <b>Leverage</b>                     |       |       |       |       |        |        |        |       |       |       |
| Debt/EBITDA                         | 4.7   | 2.8   | 1.8   | 1.5   | 0.8    | 3.2    | n.m.   | 9.1   | 2.7   | 1.5   |
| Equity ratio                        | 33.9% | 37.2% | 48.6% | 51.7% | 52.9%  | 48.5%  | 41.6%  | 40.8% | 41.0% | 41.8% |
| Debt/(Debt+Equity)                  | 0.5   | 0.4   | 0.3   | 0.2   | 0.1    | 0.3    | 0.4    | 0.4   | 0.3   | 0.3   |
| <b>Capital expenditure</b>          |       |       |       |       |        |        |        |       |       |       |
| CAPEX/Depreciation and amor         | 0.27  | 0.38  | 0.26  | 0.35  | 0.54   | n.m.   | n.m.   | 0.12  | 0.10  | 0.10  |
| CAPEX/Sales                         | 0.02  | 0.03  | 0.02  | 0.02  | 0.03   | 0.20   | 0.17   | 0.01  | 0.01  | 0.01  |
| <b>Working capital ratios</b>       |       |       |       |       |        |        |        |       |       |       |
| Inventory turnover (days)           | 7     | 7     | 8     | 10    | 9      | 9      | 10     | 8     | 7     | 7     |
| Receivables turnover (days)         | 20    | 20    | 16    | 19    | 29     | 23     | 31     | 64    | 61    | 57    |
| Days sales outstanding (days)       | 42    | 44    | 38    | 43    | 55     | 53     | 57     | 80    | 76    | 71    |
| <b>Per share data</b>               |       |       |       |       |        |        |        |       |       |       |
| EPS                                 | 0.00  | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00  |
| EPS (adj.)                          | 0.00  | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00   | 0.00  | 0.00  | 0.00  |
| DPS                                 | 0.0   | 0.0   | 0.0   | 0.0   | 0.0    | 0.0    | 0.0    | 0.0   | 0.0   | 0.0   |
| BVPS                                | n.m.  | n.m.  | n.m.  | n.m.  | n.m.   | n.m.   | n.m.   | n.m.  | n.m.  | n.m.  |
| <b>Equity valuation and yield</b>   |       |       |       |       |        |        |        |       |       |       |
| Market cap.                         | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| Enterprise value                    | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| P/E                                 | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| P/BV                                | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| EV/Sales                            | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| EV/EBITDA                           | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| Dividend yield                      | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |
| Payout ratio                        | n.a.  | n.a.  | n.a.  | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  | n.a.  |

Source: Company data and Nordea estimates

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As of 1 October 2021

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| Recommendation | Count | Distribution |
|----------------|-------|--------------|
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As of 1 October 2021

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