

Argon Pro tools for modelling, analysis and valuations

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4.9.2023

www.argonpro.com



Own tool for business modelling, analysis and valuations

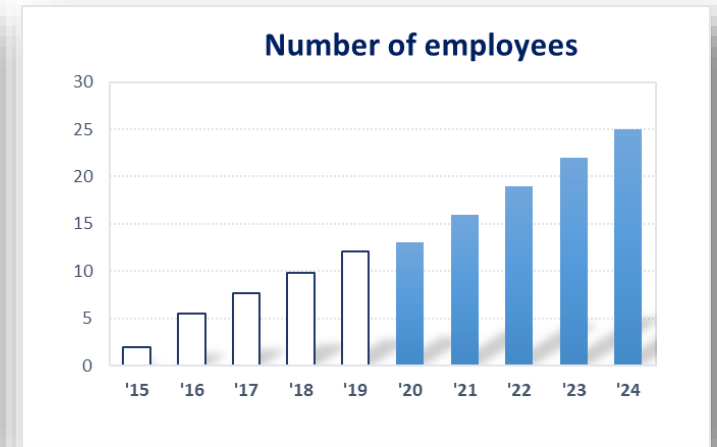
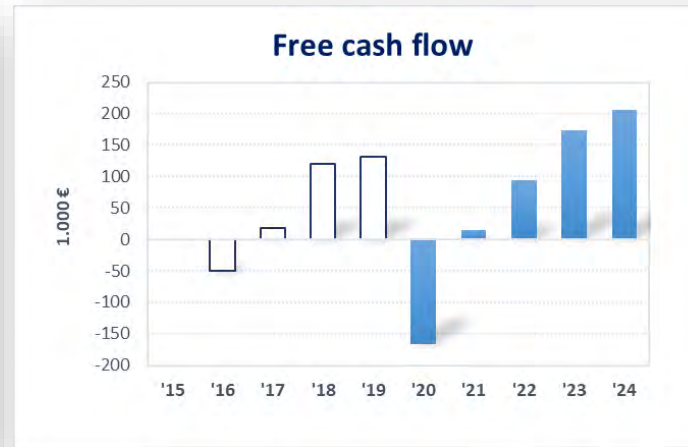
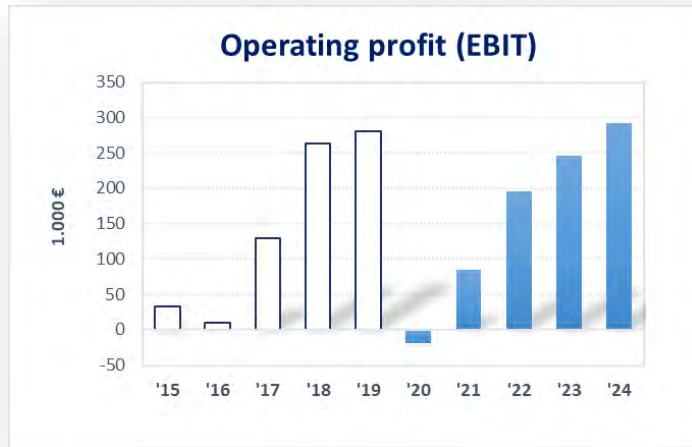
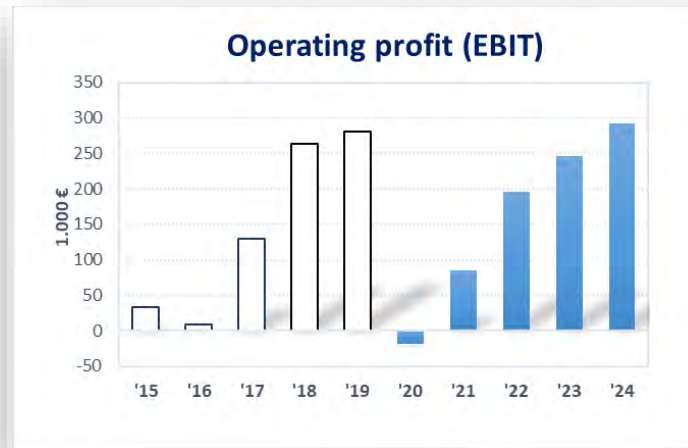
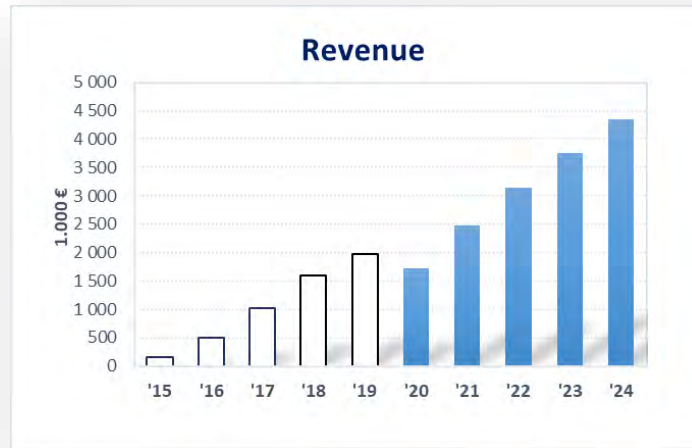
Argon Pro Analysis

Excel based modelling, analysis and valuation tool

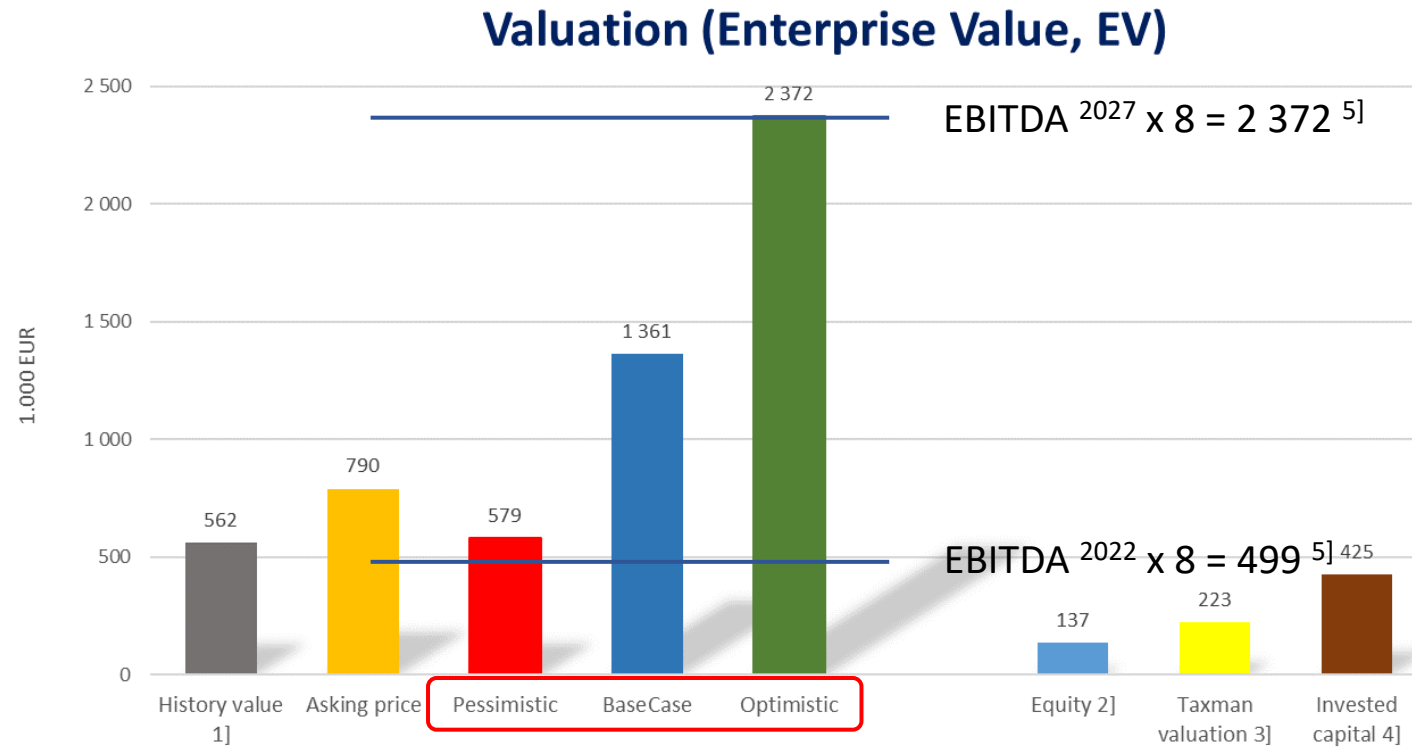
- It can also be used, for example, in monthly reporting and consolidations of a small group
- Language options Finnish/English

	A	B	C	D	E	J	K	L	M	N
1	Tili	2013	2014	2015	2016	2017	01.18	02.18	03.18	Q1/2018
2										
3	ARGON PRO ANALYSIS	Company/Project								
4										
5	Reporting language	Englanti					Reporting month and year			
6	Inputted currency unit	1.000 EUR					previous reporting month			
7	Scenario	Base					Last mth of Rolling Forecast			
8	4.9.2023 13:55						Change calculations			
9										
10										
11										
12	Modeling	2013	2014	2015	2016	2017	01.18	02.18	03.18	Q1/2018
13										
14	Fiscal year (mths)	12	12	12	12	17				
15	Ch. In revenue (%)	0,0 %	99,9 %	95,6 %	62,4 %	18,5 %	5,0 %	6,2 %	7,5 %	0,0 %
16										
17	Number of employees									
18	Billing employees	5	5	7	10	7	9	9	9	9
19	Admin. employees					8	8	8	8	8
20	Number of employees	5	5	7	10	15	17,0	17,0	17,0	17,0
21	Ch. In number of employees (%)		0,0 %	40,0 %	35,7 %	57,9 %	13,3 %	0,0 %	0,0 %	13,3 %
22										
23	Fixed wages and salaries per empl	17	36	53	59	58	63	58	65	62
24	Revenue per employee (annualize)	53	105	147	176	132	100	125	152	126
25	Ch. In revenue per employee (%)		99,9 %	39,7 %	19,7 %	-25,0 %	0	0	21,5 %	-4,9 %
26	Total value added	130	256	551	902	1097	693	1270	1596	1186
27	Total value added per employee	26	51	79	95	73	41	75	94	70
28	Total value added (%)	49,5 %	48,7 %	53,5 %	54,0 %	55,4 %	40,8 %	59,8 %	61,8 %	55,6 %
29	Annualized revenue	263	526	1029	1672	1980	1698	2124	2581	2134
30										
31	Shares (share issue corrected at tl	0	0	0	0	0	0	0	0	0
32										

Graphics according to the figures - example



Various scenario reviews and analysis are also possible - example



1] History value = (EBITDA - taxes)/Cost of Capital (WACC) inflation excluded

2] Equity 31.12.2022

3] According to the valuation model of tax authorities in Finland (three years averages from the history)

4] Balance sheet less short-term liabilities (including also business premises)

5] EBITDA ratios as indicative examples (see the following page)

Own quick tool for business modelling, analysis and valuations

Argon Pro Quick Analysis

Excel based modelling, analysis and valuation tool

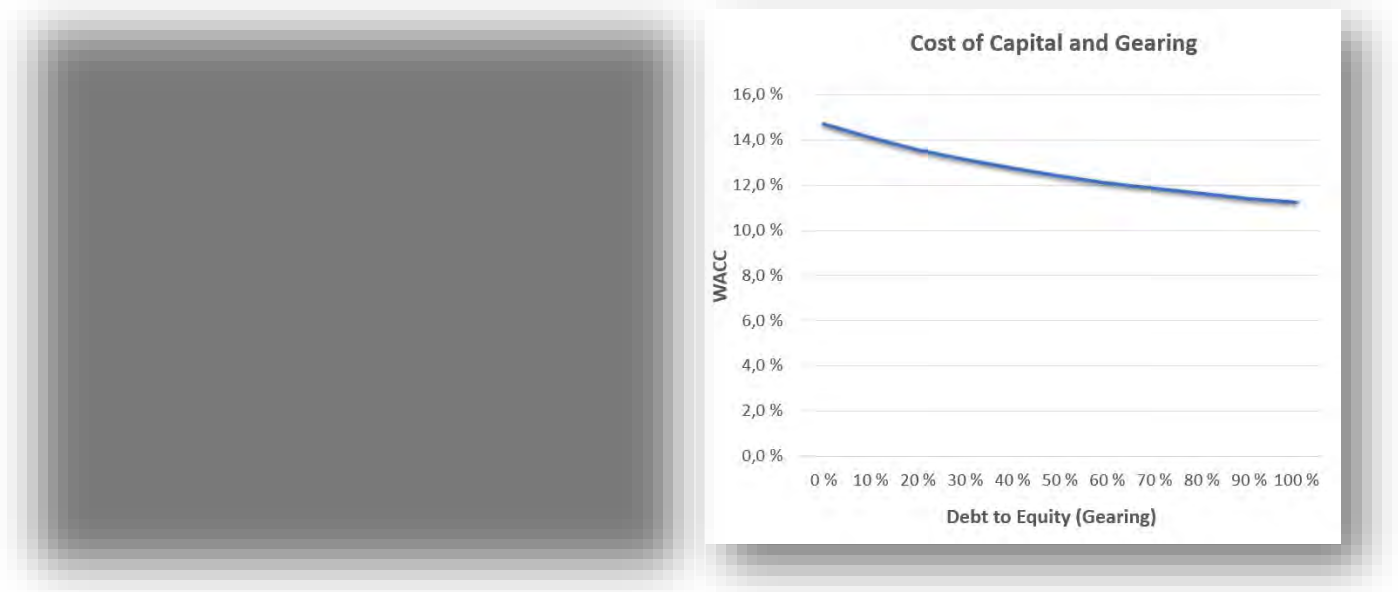
- Requires only 5 - 10 value drivers
- Language options: Finnish/English

Argon Pro Quick Analysis

Argon Pro Quick Analysis (5 years)	Scenarios					
	WORST	ero	BASE	ero	BEST	
¹⁾ Last historical revenue (1.000 eur)	20 000		20 000		20 000	
²⁾ Last historical operating profit (1.000 eur)	-1 850		-1 850		-1 850	
³⁾ Revenue growth rate (%) p.a.	35 %	-10 %	39 %	105 %	80 %	
⁴⁾ Operating profit margin (%)	9 %	-40 %	15 %	0 %	15 %	
^{5a)} Incremental fixed capital investments (%)	0 %	-	0 %	-	0 %	
^{5b)} Incremental working capital investments (%)	5 %	0 %	5 %	100 %	10 %	
⁶⁾ Taxes on operating profit (%)	20 %	0 %	20 %	0 %	20 %	
⁷⁾ Cost of Capital, WACC (%)	12 %	20 %	10 %	0 %	10 %	
Liikevaihto vuotena 5	89 681	-14 %	103 778	264 %	377 914	
EV (History)	-12 333		-14 800		-14 800	
Cumulative present value of cash flows	10 703	-53 %	22 571	85 %	41 704	
Present value of residual value	30 532	-61 %	77 325	264 %	281 586	
Present value of cash flows + Residual value	41 235	-59 %	99 897	224 %	323 290	
⁸⁾ Market value of cash	500	0 %	500	0 %	500	
⁹⁾ Market value of debt	1 000	0 %	1 000	0 %	1 000	
Shareholder Value	40 735	-59 %	99 397	225 %	322 790	
Shareholder Value Added (SVA)	53 569	-53 %	114 697	195 %	338 090	
Incremental threshold margin	0,7 %	18 %	0,6 %	100 %	1,1 %	
Threshold margin	-6,7 %	-3 %	-6,5 %	29 %	-4,6 %	
Incremental threshold margin	WACC	Incr. fixed and working capital per euro of revenue				
	8 %	-15 %	-5 %	5 %	15 %	25 %
	10 %	-1,4 %	-0,5 %	0,5 %	1,4 %	2,3 %
	12 %	-1,7 %	-0,6 %	0,6 %	1,7 %	2,8 %
		-2,0 %	-0,7 %	0,7 %	2,0 %	3,3 %
Threshold margin (Sensitivity)	Inv. to growth (%)	Revenue growth				
	15 %	29 %	34 %	39 %	44 %	49 %
	5 %	-6,8 %	-6,5 %	-6,2 %	-5,9 %	-5,6 %
	-5 %	-7,0 %	-6,8 %	-6,5 %	-6,3 %	-6,0 %
		-7,3 %	-7,0 %	-6,8 %	-6,6 %	-6,4 %
Shareholder Value Added, SVA (1.000 eur)	Operating profit (%)	Revenue growth				
	12 %	19 %	29 %	39 %	49 %	59 %
	15 %	54 462	71 408	94 120	123 994	162 638
	18 %	64 632	86 025	114 697	152 411	201 196
		74 802	100 641	135 274	180 827	239 754
Operating profit (%)	One Year cash flow sensitivity	Incr. fixed and working capital per euro of revenue				
	13 %	25 %	15 %	5 %	-5 %	-15 %
	15 %	1 525	1 813	2 501	3 589	5 077
	17 %	1 906	2 226	2 946	4 066	5 586
		2 287	2 639	3 391	4 543	6 095
		19 %	29 %	39 %	49 %	59 %

Argon Pro Cost of Capital (WACC) model

Risk-free rate	
30-year treasury bond Finland 1]	3,00 %
Inflation expectation 2]	2,00 %
Risk-free rate (nominal)	5,00 %
Cost of equity	
Unlevered beta 3]	0,95
Debt/Equity (Gearing) (%) 4]	27,8 %
Debt/Total (%)	21,72 %
Marginal tax rate 5]	20,0 %
Levered beta	1,16
Market risk premium 6]	5,94 %
Country risk premium 7]	0,69 %
Small size risk premium 8]	3,39 %
Business specific risk premium 9]	0,00 %
Equity Risk premiums, Total	10,02 %
Cost of Equity	15,98 %
Cost of Debt	
Pre-tax cost of debt 10]	4,00 %
Marginal tax rate 5]	20,0 %
Post-tax cost of debt	3,20 %
Weighted Average Cost of Capital, WACC	
Weighted average cost of debt	0,70 %
Weighted average cost of equity	12,51 %
Weighted Average Cost of Capital, WACC	13,20 %
WACC (excl. Small size and Business risk)	10,63 %
WACC (excl. Inflation)	11,72 %



Own tool for analyzing and determining the cost of capital (WACC).

- Language options Finnish/English

^{1]} Finland 30.5.2023

^{2]} Statista - The Statistical Portal - Inflation rate Finland Forecast 2028

^{3]} Damodaran/Unlevered beta corrected for cash (Telecom equipment/January 2023)

^{4]} Damodaran/Benchmark (Telecom equipment/January 2023)

^{5]} Statutory tax rate/Finland

^{6]} Damodaran/Market Risk Premium Finland (January 2023)

^{7]} Damodaran/Country Risk Premium Finland (Jan 2023)

^{8]} Duff & Phelps Valuation Yearbook 2019 (Micro-cap)

^{9]} Not in use

^{10]} Actual 2 year average cost of debt

Argon Pro Debt Optimization Tool

Argon Pro Debt Optimizer		ver. 1.3						
XXX Corporation Milj. Eur		Market capitalization		1 500				
		Market value of net debt		1 000				
DEBT SERVICE		Argon Pro consulting training						
Debt starting in 2023								
EBITDA		2023	2024	2025	2026	2027		
-/+ Fixed and working Capital Investments		100	100	100	100	100		
+ Sales of fixed assets		0	0	0	0	0		
- Taxes on operations		0	0	0	0	0		
+/- Adjustments/Other		-10	-10	-10	-10	-10		
Cash available for debt service		90	90	90	90	90		
- Interest payments		34	31	28	24	21		
+ Interest tax shield		7	6	6	5	4		
Principal repayment		63	65	68	71	73		
Original debt balance		617	552	484	413	340		
Debt balance of original (%)		91 %	81 %	71 %	61 %	50,00 %		
COST OF CAPITAL		Sensitivity						
WACC		debt to total						
7,0 %		56 %	54 %	52 %	50 %	47 %	44 %	41 %
Cost of equity (K _e)		+30%	+20%	+10%	debt to equity	-10%	-20%	-30%
Nominal interest rate (K _d)		129 %	119 %	109 %	99 %	89 %	79 %	69 %
Tax rate (t)		↓	↓	↓	WACC	↓	↓	↓
Cash flow sensitivity		6,6 %	6,8 %	6,9 %	7,0 %	7,2 %	7,4 %	7,5 %
Debt to equity optimization								
69,7 %								

VALUATION		2023	2024	2025	2026	2027	2028	2029	2030
Valuation cash flow									
EBITDA		100	100	100	100	100	100	100	100
- Fixed and working Capital Investments		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
+ Sales of fixed assets		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
- Taxes on operations		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
+/- Adjustments/Other		-10,0	-10,0	-10,0	-10,0	-10,0	-10,0	-10,0	-10,0
Cash flow from operations		90	90	90	90	90	90	90	90
Present value of cash flows		84	79	73	69	64	60	56	52
Cumulative present value of cash flows		84	163	236	305	369	429	485	537
Present value of residual value									831
Corporate value		1 368							
Optimal capital structure									
Debt to Total capital		50 %							
Debt to Equity (Gearing)		99 %							
Debt to Market capital		67 %							
Difference to Optimal		-32 %							

For optimizing debt levels

- Tool calculates (optimizes) the optimal debt level (Gearing) based on the forecasted cash flows
- Assumption: 50% of the Original debt balance would be paid back in 5 years
- Language options: English

Valu8 benchmarking and M&A tool



- Argon Pro has Valu8 database in use
- Valu8 database includes financial and M&A information of all private companies in the Nordics.
 - Founded 2011
 - Leading deal sourcing tool for European private company data.
 - The information is collected and updated from the registers of local authorities and from public M&A data
 - Valu8 tool also enables benchmarking and Cost of Capital (WACC) analysis and evaluation
 - Language options: English
 - See more www.valu8group.com

Valu8
Benchmarking
and analysis
tool

Valu8 benchmarking and M&A tool - example

Valu8
Benchmarking
and analysis
tool

M&A and other information

Companies M&A and Private Equity Default * Nokia Oyj

Search: **nokia** 74 Hits

Announcement date	SIC / NACE industry	Target name	Region	Buyer name	Seller name	Domestic or cross border	Assets or shares	Public or private	Transaction info
2023-03-13	n/a	Nokia Oy (vitalojp)	FI	Cygnus Labs Group GmbH	Nokia oyj	Cross border	Assets	Private	Cygnus Labs Group, the Germany and US based netw...
2022-10-28	Manufacture of rubber tyres and tubes; retreadin	Nokian Renkaat Oyj (russia operations)	RU	Tatneft pjsc	Nokian Renkaat oyj	Cross border	Shares	Private	Tatneft PJSC, the Russia based Russian vertically inte...
2022-10-13	Renting and operating of own or leased industrial	Nokian Portti Oy (Industrial Property At Pirkkala...	FI	Nokian Renkaat oyj	Nokian Portti Oy	Domestic	Assets	Private	Nokian Tyres, the Finland based tire manufacturer, w...
2022-03-16	Computer programming activities	Spacefill	FR	Eurazeo sa;Ngp Management Co...	Shareholders	Cross border	Shares	Private	SpaceFill, the France based Warehousing Cloud platf...
2022-03-16	Computer programming activities	Spacefill	FR	A.p. MÖller - M/Ersk a/s;Eurazeo s...	Shareholders	Cross border	Shares	Private	SpaceFill, the France based Warehousing Cloud platf...
2022-03-16	Computer programming activities	Spacefill	FR	Ngp Management Co. Oy;Eurazeo...	Shareholders	Cross border	Shares	Private	SpaceFill, the France based Warehousing Cloud platf...
2022-03-16	Computer programming activities	Spacefill	FR	La Famiglia GmbH;Eurazeo sa;Ngp...	Shareholders	Cross border	Shares	Private	SpaceFill, the France based Warehousing Cloud platf...
2022-02-02	Computer programming activities	Algorithmiq Oy	FI	Tiger Global Management llc;Jorm...	Shareholders	Cross border	Shares	Private	Algorithmiq Oy, the Finland based life science compa...
2021-05-28	Other Information service activities n.a.c.	Inscripta Oy	FI	All Omar (private investor);Henry ...	Shareholders	Domestic	Shares	Private	Inscripta Oy, the Finland based speech technology co...
2020-03-25	Television programming and broadcasting activiti	Elenion Technologies llc	US	Nokia oyj	Shareholders	Cross border	Shares	Private	Nokia Oyj, the Finland based mobile communications...
2020-02-06	Data processing, hosting and related activities	Alven Oy	FI	Lifeline Ventures Fund Managem...	Shareholders	Cross border	Shares	Private	Alven Oy, the Finland based cloud data platform prov...
2020-02-06	Data processing, hosting and related activities	Alven Oy	FI	Earlybird Venture Capital GmbH &...	Shareholders	Cross border	Shares	Private	Alven Oy, the Finland based cloud data platform prov...

Basic information

Companies M&A and Private Equity Default * Nokia Oyj

Search: **Nokia Oyj**

Information: Nokia Group FI Active 0112030-9 Limited company www.nokia.com

REPORTS

FINANCIALS

KEY PEOPLE

NETWORK (BETA)

STRUCTURE

TRANSACTIONS

SIMILAR COMPANIES

WEB TRAFFIC ANALYSIS

Net sales: 24,911.0 MEUR (12.2% Growth)

EBIT: 2,318.0 MEUR (9.3% Op. Margin)

Total assets: 42,943.0 MEUR (49.9% Equity ratio)

Employees: 175 (n/a Growth)

Market Cap: 20,907.1 MEUR (Date: 2023-05-01)

Last Fiscal Year: 2022 (Last report: 2022-12-31)

About

The company's business is to study, develop, produce, market, sell and supply products, software and services in a wide range of consumer and company markets. These products, software and services relate, inter alia, to networks delivered to telecommunications operators and other companies, the Internet of Things, health and well-being, multimedia, big data and analytics, mobile communications, and clothing and other electronics. In addition, the company can create, acquire and license intangible assets and software and engage in other industrial and commercial activities, including securities trading and other investment activities. The company may conduct its business directly through subsidiaries, associates and joint ventures.

Company details

Address: PL226 00045 Nokia Group

Phone no.: 010 4488000

Registration date: 1896-12-18

Currency: EUR

CEO: Pekka (Imari) Lundmark

Industry: Activities of head offices (7010)

Keywords: IoT, 5G, Phones, Software, Operators, Digital transformation, Transformation, Investment, Ethical, Network, Market, Displays, Party, Intelligence, Telecoms, Tech

Yhtiön toimialana on tutkia, kehittää, tuottaa, markkinoida, myydä ja toimittaa tuotteita, ohjelmistoja sekä palveluita laaja-alaisesti kuluttaja- ja yritysmarkkinoilla. Mainitut tuotteet, ohjelmistot ja palvelut liittyvät muun muassa teleoperaattoreille ja muille yrityksille toimitettaviin verkkoihin, esineiden internetiin, terveyteen ja hyvinvointiin, multimediaan, big dataan ja analytiikkaan, matkaviestimiin sekä puettavaan ja muuhun elektroniikkaan. Lisäksi yritys voi luoda, hankkia ja lisensoida aineetonta omaisuutta ja ohjelmistoja sekä harjoittaa muuta teollista ja kaupallista liiketoimintaa, mukaan lukien arvopaperikauppaa ja muu sijoitustoimintaa. Yhtiö voi harjoittaa liiketoimintaansa suoraan, tytä- ja osakkuusyhtyrysten sekä yhteisyritysten välityksellä.

By the Chair of the Board on his/her own, and by any two Board members jointly

Argon Pro Ltd



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