

NYAB

Company report

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Aapeli Pursimo
+358 40 719 6067
aapeli.pursimo@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Tukevasti kasvu-uralla" published on 05/15/2023 at 8:25 am.

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Firmly on the growth path

NYAB's Q1 report was generally well in line with our expectations. The revised guidance for the current year was also broadly in line with our expectations, although the midpoints of the ranges provided were slightly lower than our pre-report estimates. In light of this, we made only minor estimate revisions for the coming years and expect profitable growth to remain strong. However, we believe the good earnings growth outlook is already largely priced into the stock and thus we reiterate Reduce recommendation and target price of EUR 0.70 for NYAB.

The Q1 report largely met our expectations

As expected, NYAB's revenue in the seasonally slowest quarter grew strongly year-on-year, reflecting the timing of the merger between NYAB and Skarta Group, and amounted to EUR 39.2 million. This was also slightly above our estimate of EUR 37.2 million. Growth was also at a high level (+34%) compared to the pro forma figures for Q1'22. Geographically, the Finnish businesses saw quite strong growth in the first half of the year (+77% vs. pro forma Q1'22), driven by growth in energy construction in particular, according to the company. Sweden also saw a clear increase compared to the pro forma figures (+15%). Reflecting seasonality, the company's EBITA came in at EUR -1.2 million, which was quite in line with our expectations. In the bottom lines, associates' losses were higher than expected due to goodwill amortization arising from the creation of the joint venture under which Skarta Energy operates. Taxes were also higher than expected, resulting in a reported result that was more negative than expected.

NYAB issued revised guidance for the current year, resulting in only minor estimates revisions

NYAB now expects its net revenue for the current year to be EUR 315-340 million and EBITA EUR 25-33 million. Compared to the previous guidance for Q4 (revenue above 325 MEUR), the outlook had become more conservative, although the midpoint of the guidance range was slightly above the previous one. We estimate that this was driven in particular by the flattening outlook for the BoP construction of wind power in Finland. However, the guidance provided was relatively well aligned with our pre-report expectations (revenue in 2023e: 336 MEUR, EBITA: 30.8 MEUR) and the estimate revisions remained relatively small. However, reflecting the guidance, we slightly lowered our growth expectations for the current year and now expect revenue to reach EUR 330 million. In line with the lower growth estimate, our operating profit estimate also decreased slightly, and we expect EBITA to reach EUR 29.8 million. Operational forecast changes for the coming years were also marginal.

Expected return still insufficient

There is little upside in NYAB's earnings-based valuation (2024e EV/EBITA 14x, P/E 17x) despite the company's good growth prospects and the value-creating growth we forecast. This is also supported by the medium-term expected return that we forecast, which on average is below the required return that we use. Similarly, our updated sum-of-the-parts model indicates a fair value of EUR 0.61-0.79 per share (was EUR 0.63-0.80/share). Looking at the bigger picture, the current share price incorporates our expectations of continued profitable growth and our assessment of Skarta Energy's potential. Thus, while we believe the stock is largely correctly priced, its risk-adjusted expected return remains insufficient for the next 12 months. The main positive near-term drivers for the stock are faster-than-expected earnings growth or potential value-creating acquisitions.

Recommendation

Reduce

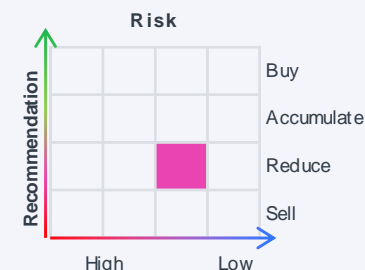
(previous Reduce)

EUR 0.70

(previous EUR 0.70)

Share price:

0.67



Key figures

	2022	2023e	2024e	2025e
Revenue	247.7	330.1	377.9	415.7
growth-%	495%	33%	15%	10%
EBIT adj.	30.5	29.8	31.9	36.6
EBIT-% adj.	12.3 %	9.0 %	8.4 %	8.8 %
Net Income	7.5	1.4	4.2	8.5
EPS (adj.)	0.04	0.03	0.04	0.04

P/E (adj.)	23.1	19.2	17.2	14.9
P/B	2.3	1.8	1.8	1.8
Dividend yield-%	0.8 %	1.5 %	1.8 %	2.1 %
EV/EBIT (adj.)	20.3	15.1	13.6	11.4
EV/EBITDA	18.7	13.7	12.4	10.5
EV/S	2.5	1.4	1.2	1.0

Source: Inderes

Guidance

(Adjusted)

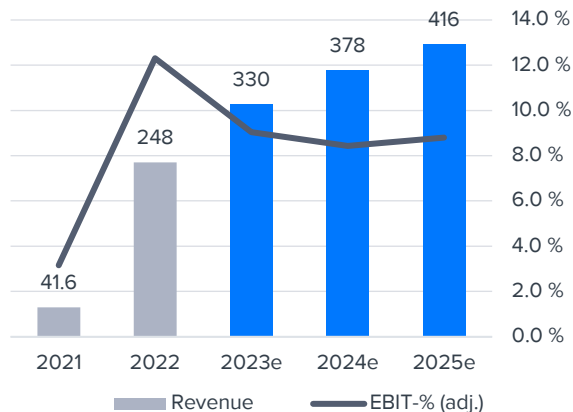
NYAB expects its revenue for 2023 to be EUR 315-340 million and EBITA, operating profit before amortization and depreciation of intangible assets, to be EUR 25-33 million.

Share price



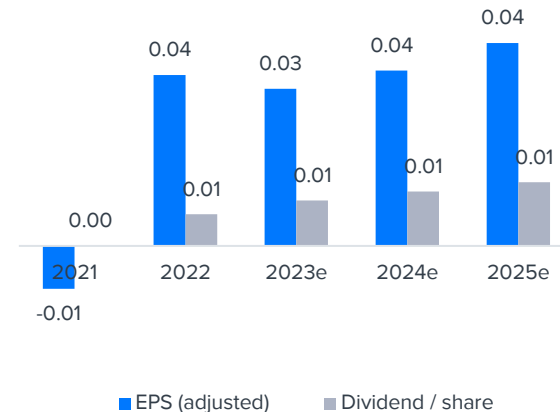
Source: Millistream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Continued growth and higher profitability than competitors
- Strong market position in target markets, especially in the Norrbotten region
- The company is well positioned in the green transition and urbanization it offers, with promising growth prospects well into the future
- Focus on less cyclical and counter-cyclical construction sectors
- Sustainable improvement in the profitability of Finnish businesses
- Potential of the renewable energy project development joint venture (Skarta Energy) if the strategy is successful
- Acquisitions that create value



Risk factors

- Fluctuations in demand in the construction market and general economic developments
- Pricing and project risks
- Tighter competition
- Personnel risks
- EUR/SEK currency pair (+/-) may swing reported figures
- Failure in acquisitions

Valuation	2023e	2024e	2025e
Share price	0.67	0.67	0.67
Number of shares, millions	706.7	706.7	706.7
Market cap	471	471	471
EV	449	435	417
P/E (adj.)	19.2	17.2	14.9
P/E	>100	>100	55.2
P/FCF	18.9	20.0	16.3
P/B	1.8	1.8	1.8
P/S	1.4	1.2	1.1
EV/Sales	1.4	1.2	1.0
EV/EBITDA	13.7	12.4	10.5
EV/EBIT (adj.)	15.1	13.6	11.4
Payout ratio (%)	511.9 %	201.0 %	116.0 %
Dividend yield-%	1.5 %	1.8 %	2.1 %

Source: Inderes

Q1 performance broadly in line with our expectations

Growth slightly exceeded expectations

NYAB's revenue grew strongly in Q1 to EUR 39.2 million, which was also slightly above our estimate. The reported revenue growth was driven by the timing of the merger (NYAB Sverige and Skarta Group figures combined from Q2'22 onwards). The growth was also quite strong (+34%) compared to Q1'22 pro forma figures.

In the report, the company also published the geographical development of revenue. The figures show a very strong growth in revenue (+77%), especially in the Finnish businesses, compared to the pro forma figures for the comparison period. Sweden also saw a clear increase compared to the pro forma figures (+15%). According to the company, the growth in Finland was mainly explained by the growth in energy construction in the early part of the year. Similarly, in Sweden, more clean future projects in northern Sweden are driving growth. However, currencies caused headwinds, as the Swedish krona was more than 6% weaker compared to the same period last year.

According to the report, the company's demand situation had remained at a good level in the seasonally quietest quarter. Reflecting this, the company's order backlog was at a solid level of EUR 235 million (cf. Q4'22: 239 MEUR) and provides good visibility for developments in the coming year.

The operating result was in line with our expectations

Operating profit before amortization and impairment of intangible assets (EBITA) was landed at EUR -1.2 million in the seasonally slowest quarter, which was quite in line with our expectations. The company said in the report that during the quarter it had strengthened its organization in Sweden to cope with increasing business volumes, which we expect to put some pressure on the company's profitability in Q1. In turn, the continued turnaround in profitability of the Finnish businesses was confirmed by the company achieving a break-even operating result in Finland in Q1, which we believe is a good level considering the seasonality. In the bottom lines of the income statement, the share of associates' losses was higher than expected due to goodwill amortization arising

from the creation of the joint venture under which Skarta Energy operates. Taxes were also slightly higher than expected, which pushed the net result (NYAB does not publish EPS in its business reviews) into a heavier loss than expected.

Cash flow in the red, balance sheet still in strong shape

NYAB does not report cash flow developments in the condensed business reviews, but judging by the development of net debt, the company's free cash flow was negative in Q1. Based on our calculations, the company's net debt had risen to EUR 7.8 million (Q4'22: 4.7 MEUR), but a more detailed analysis of the cash flow will be deferred to the H1 report.

However, the company's balance sheet position remained very strong with an equity ratio of 84% (Q4'22: 79%). In turn, the ratio of net debt to our EBITDA forecast for this year is around 0.2x, which means that the NYAB's financial position is at a good level and allows the company to implement its growth strategy.

Estimates MEUR / EUR	Q1'22	Q1'23	Q1'23e	Q1'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	11.6	39.2	37.2				5%	330
EBITA	-1.3	-1.2	-1.3					29.8
EBIT	-2.4	-7.0	-7.1					6.7
PTP	-2.5	-7.7	-7.5					4.0
Net result	-2.6	-8.1	-7.5					0.00
Revenue growth-%		237.1 %	219.9 %				17.2 pp	33.2 %
EBITA-%	-11.1 %	-3.1 %	-3.6 %				0.5 pp	9.0 %

Source: Inderes

Only small tweaks to our estimates

Guidance moved in a slightly more cautious direction

NYAB gave revised guidance for the current year and now expects its revenue to be EUR 315-340 million and EBITA EUR 25-33 million. According to the company, its market outlook for the current year is favorable, although continued high inflation and interest rates create uncertainty in the operating environment. By country, demand in Sweden has remained stable, while in Finland there has been a levelling off, especially for wind power projects. The company's guidance is based on the current exchange rate between the euro and the Swedish krona.

Compared to the previous guidance for Q4 (revenue above 325 MEUR), the outlook had become more conservative, although the midpoint of the guidance range was slightly above the previous one. We estimate that this was driven in particular by the

flattening outlook for the BoP construction of wind power in Finland. However, the guidance provided was relatively well aligned with our pre-report expectations (revenue in 2023e: 336 MEUR, EBITA: 30.8 MEUR) and the estimate revisions remained relatively small.

Estimate revisions for the current year

In line with the given guidance, we slightly lowered our growth estimates for the current year and expect the company's net sales to reach EUR 330 million, which is slightly above the midpoint of the guidance range. Reflecting the lower growth forecast, we also slightly lowered our operating profit estimate for the current year and expect the company's EBITA to now land at EUR 29.8 million. It is good to note that our estimates are supported by a one-off payment [one-off payment](#) from the City of Mikkeli in Q2. In line with the report, we slightly increased our estimates for financing costs and added the impact of goodwill

amortization we have in our earnings estimates for the associated company (Skarta Energy). Of course, goodwill amortization of an associate has no cash flow effect, so this effect is only technical. It is worth noting that we believe that the IFRS transition, which is likely to take place in the near future, will also end the goodwill amortization of the associate, which will support the company's performance in this respect.

Changes to medium-term estimates

We made only minor revisions to our operational estimates for the coming years. Similarly, on the sub-lines, we slightly increased our financial cost estimates for the coming years and revised our associate estimates as mentioned above. Overall, however, the changes in projections for the coming years remained relatively small. The background to our estimates has been discussed in detail in our recent [initiation of coverage report](#). Similarly, we have made no changes to our estimates for Skarta Energy.

Estimate revisions MEUR / EUR	2023e		Change %	2024e		Change %	2025e		Change %
	Old	New		Old	New		Old	New	
Revenue	336	330	-2%	383	378	-1%	421	416	-1%
EBITDA	33.6	32.6	-3%	35.4	35.0	-1%	40.2	39.7	-1%
EBIT (exc. NRIs)	30.8	29.8	-3%	32.3	31.9	-1%	37.0	36.6	-1%
EBIT	7.7	6.7	-13%	9.2	8.8	-5%	13.9	13.5	-4%
PTP	6.3	4.0	-37%	8.0	6.5	-18%	12.7	11.2	-12%
EPS (excl. NRIs)	0.04	0.03	-10%	0.04	0.04	-5%	0.05	0.04	-4%
DPS	0.010	0.010	0%	0.012	0.012	0%	0.014	0.014	0%

Source: Inderes

Risk-adjusted expected return is still insufficient

Valuation methods

In particular, we approach the valuation of NYAB using absolute valuation multiples and the sum-of-the-parts calculation, as this also takes into account the longer-term potential of Skarta Energy. However, it's worth noting that with Skarta Energy still in its start-up phase, there is considerable uncertainty in both directions about its future development.

Absolute valuation and expected return in the coming years

Based on our updated estimates, NYAB's EV/EBITDA multiple for the current year is 15x and the corresponding P/E multiple is 19x. It's worth noting that the multipliers are supported by a one-off compensation payment of EUR 3.6 million. Adjusted for this, the EV/EBITDA multiple increases to 17x and the corresponding P/E multiple to 22x. Thus, looking at current year, we believe that the earnings-based valuation is challenging (cf. the EV/EBITDA acceptable valuation we set out in our extensive report: 12x-16x, P/E 13x-17x). However, we expect continued strong growth and a slight increase in operating profitability to lower multiples to relatively neutral levels for next year (EV/EBITDA 14x, P/E 17x). However, if development continues on the path we expect, we believe there could be some upside in the 2025 multiples (EV/EBITDA 11x, P/E 15x). Overall, however, we believe that the current share price has already priced in much of the continued profitable growth that we forecast.

Given NYAB Sverige's strong historical track record, we believe that the valuation of the stock is also justified in terms of total expected return for the coming years. We have therefore looked at this in a simplified way, using an acceptable valuation and our 2025 earnings estimates. In our view, NYAB's

businesses could be valued at 13x-15x EV/EBITDA and around 14x-16x P/E at the end of 2025 on our current estimates, once the company's strongest growth phase is behind it. The multiples would still be well above the current and historical median of peer companies and pricing would naturally require NYAB to maintain a profitability well above the industry average, with no substantial change in the overall pricing of the stock market. Based on this, we estimate that the current business could be valued at roughly EUR 0.68-0.81 per share at the end of 2025. At the current share price of EUR 0.67, we estimate the expected annual return to be in the range of 1-8%. On top of this, we expect the investor to receive a low base return of 1-2% through dividends, but this still doesn't bring the average annual expected return above the 9.6% WACC that we use.

Sum of the parts EUR 0.61-0.79 per share

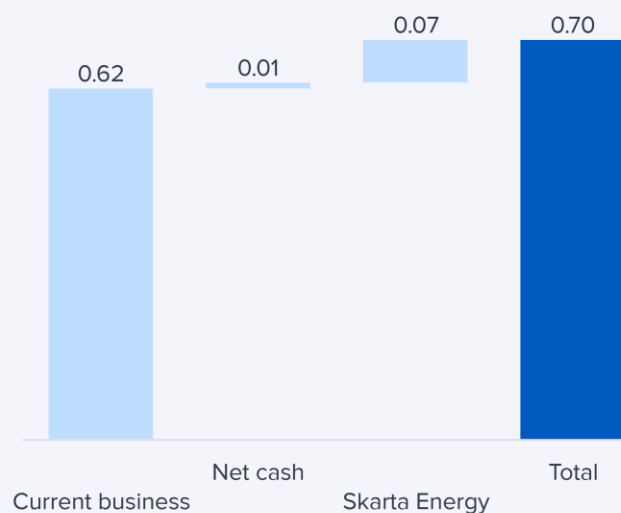
In turn, the indicative value of our updated sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) decreased slightly and now stands at EUR 433-559 million for our baseline scenario (was 445-567 MEUR), which corresponds to a value per share of EUR 0.61-0.79 (was EUR 0.63). From this perspective, we believe that the share is largely correctly priced at the current price level of EUR 0.67.

Given this overall picture and our current estimates, we believe the stock is fully priced in the short term. As such, we see the main near-term price driver to be the faster-than-expected earnings growth. We believe the company has the potential to accelerate its growth through acquisitions, but it's still too early to comment on the value creation potential of these. Thus, we believe that the risk-adjusted expected return on the stock remains insufficient for the next 12 months.

Valuation	2023e	2024e	2025e
Share price	0.67	0.67	0.67
Number of shares, millions	706.7	706.7	706.7
Market cap	471	471	471
EV	449	435	417
P/E (adj.)	19.2	17.2	14.9
P/E	>100	>100	55.2
P/FCF	18.9	20.0	16.3
P/B	1.8	1.8	1.8
P/S	1.4	1.2	1.1
EV/Sales	1.4	1.2	1.0
EV/EBITDA	13.7	12.4	10.5
EV/EBIT (adj.)	15.1	13.6	11.4
Payout ratio (%)	511.9 %	201.0 %	116.0 %
Dividend yield-%	1.5 %	1.8 %	2.1 %

Source: Inderes

SOTP midpoint in the baseline scenario

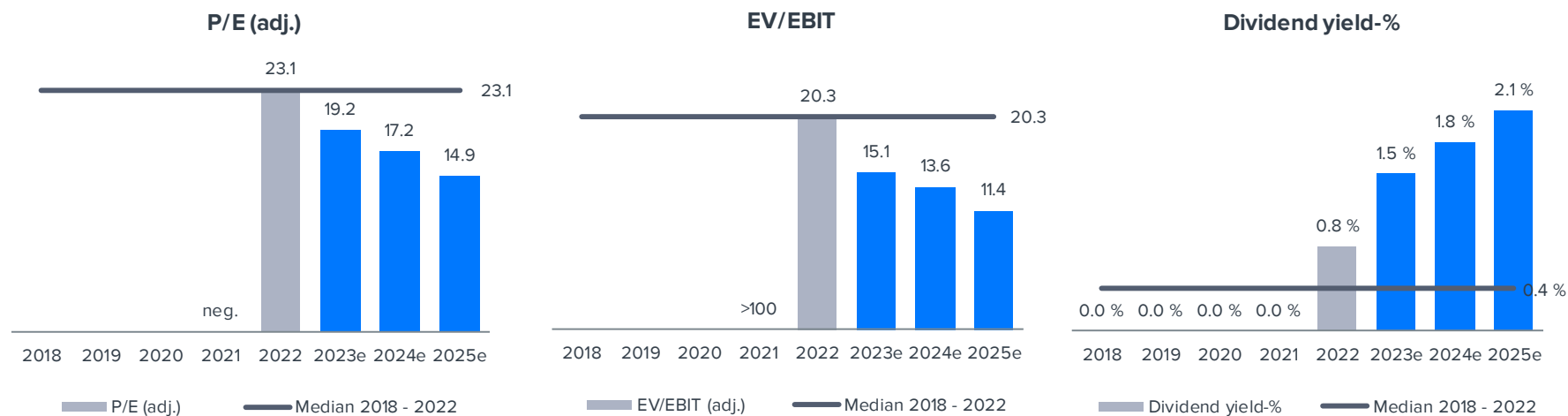


NOTE: In the table, adj. EV/EBIT multiples correspond to EV/EBITDA multiples. Source: Inderes

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				0.85	0.87	0.67	0.67	0.67	0.67
Number of shares, millions				288.4	706.7	706.7	706.7	706.7	706.7
Market cap				245	615	471	471	471	471
EV				247	620	449	435	417	398
P/E (adj.)				neg.	23.1	19.2	17.2	14.9	14.5
P/E				neg.	73.2	>100	>100	55.2	50.7
P/FCF				neg.	neg.	18.9	20.0	16.3	15.6
P/B				4.4	2.3	1.8	1.8	1.8	1.8
P/S				5.9	2.5	1.4	1.2	1.1	1.1
EV/Sales				5.9	2.5	1.4	1.2	1.0	0.9
EV/EBITDA				>100	18.7	13.7	12.4	10.5	9.2
EV/EBIT (adj.)				>100	20.3	15.1	13.6	11.4	9.9
Payout ratio (%)				0.0 %	58.9 %	511.9 %	201.0 %	116.0 %	121.8 %
Dividend yield-%				0.0 %	0.8 %	1.5 %	1.8 %	2.1 %	2.4 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Peab	1293	2933	13.4	13.3	8.4	8.2	0.5	0.5	7.5	7.4	8.4	8.7	1.0
NCC	957	1273	8.6	8.6	4.9	4.9	0.3	0.3	7.1	7.2	6.4	7.1	1.2
Skanska	5580	5073	8.7	8.0	6.9	5.9	0.4	0.3	11.1	10.3	5.1	5.4	1.1
YIT	479	1431	26.3	16.4	18.4	13.6	0.6	0.6	24.4	11.0	4.4	5.4	0.6
AF Gruppen	1400	1587	12.8	10.4	9.3	8.0	0.6	0.6	18.9	15.5	5.9	6.7	6.0
NRC Group	66	148	8.1	6.1	4.3	3.6	0.2	0.2	6.6	4.3	4.7	7.1	0.3
Veidekke	1225	1031	8.3	7.8	4.9	4.8	0.3	0.3	13.1	12.5	7.4	7.8	4.6
MT Højgaard Holding	143	192	5.7	4.2	3.2	2.7	0.2	0.1	6.0	5.4			1.2
Kreate	70	108	12.0	10.3	7.3	6.6	0.4	0.4	11.0	9.8	6.1	6.3	1.5
Sitowise	155	241	13.0	10.7	8.2	7.3	1.1	1.1	13.8	10.6	2.8	3.3	1.2
Sweco	4309	4627	20.8	18.9	16.1	14.8	2.0	1.9	25.7	23.2	2.1	2.3	4.4
AFRY	1909	2334	17.2	12.1	8.8	8.4	1.0	1.0	14.8	13.7	3.3	3.6	1.7
Enersense	85	120	18.0	10.6	7.7	5.9	0.4	0.4	129.5	16.9	1.9	2.3	1.4
Eltel	110	275		22.0	8.6	6.3	0.3	0.3					0.6
Dovre Group	60	57	6.4	6.4	6.4	6.4	0.3	0.3	11.4	14.3	1.8	1.8	1.5
Netel	78	148	11.5	7.4	7.7	5.7	0.5	0.5	9.9	5.7	6.4	7.2	0.7
NYAB (Inderes)	471	449	15.1	13.6	13.7	12.4	1.4	1.2	19.2	17.2	1.5	1.8	1.8
Average			12.7	10.8	8.2	7.1	0.6	0.5	20.7	11.2	4.8	5.3	1.8
Median			12.0	10.3	7.7	6.3	0.4	0.4	11.4	10.6	4.9	5.9	1.2
Diff-% to median			26%	32%	79%	96%	268%	224%	69%	63%	-69%	-69%	48%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	41.6	11.6	55.7	90.4	89.9	248	39.2	73.6	111	106	330	378	416	445
Group	41.6	11.6	55.7	90.4	89.9	248	39.2	73.6	111	106	330	378	416	445
EBITDA	1.5	-1.0	3.4	6.2	24.5	33.1	-0.5	10.2	11.4	11.6	32.6	35.0	39.7	43.3
Depreciation	-2.4	-1.4	-6.4	-6.4	-6.6	-20.9	-6.5	-6.5	-6.5	-6.5	-25.9	-26.2	-26.2	-26.3
EBITA (excl. NRI)	1.3	-1.3	2.7	5.5	23.6	30.5	-1.2	9.5	10.7	10.9	29.8	31.9	36.6	40.2
EBIT	-0.8	-2.4	-3.0	-0.2	17.9	12.2	-7.0	3.7	4.9	5.1	6.7	8.8	13.5	17.1
Group	-0.8	-2.4	-3.0	-0.2	17.9	12.2	-7.0	3.7	4.9	5.1	6.7	8.8	13.5	17.1
Share of profits in assoc. compan.	0.1	0.0	0.0	0.0	0.0	0.0	-0.4	-0.4	-0.4	-0.4	-1.6	-1.1	-1.3	-1.0
Net financial items	-4.0	-0.1	-1.1	-0.2	-0.2	-1.6	-0.3	-0.3	-0.3	-0.3	-1.2	-1.1	-1.0	-0.9
PTP	-4.7	-2.5	-4.1	-0.5	17.6	10.6	-7.7	3.0	4.2	4.4	4.0	6.5	11.2	15.2
Taxes	-0.1	-0.1	-1.2	-0.7	-1.0	-3.1	-0.4	-0.7	-0.7	-0.7	-2.6	-2.3	-2.7	-5.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-4.9	-2.6	-5.3	-1.3	17.5	8.4	-8.0	2.3	3.5	3.6	1.4	4.2	8.5	9.3
EPS (adj.)	-0.01	0.00	0.00	0.01	0.03	0.04	0.00	0.01	0.01	0.01	0.03	0.04	0.04	0.05
EPS (rep.)	-0.02	0.00	-0.01	0.00	0.02	0.01	-0.01	0.00	0.00	0.01	0.00	0.01	0.01	0.01
Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%						494.8 %	237.1 %	32.0 %	23.0 %	18.0 %	33.2 %	14.5 %	10.0 %	7.0 %
Adjusted EBITA growth-%						2215.0 %	-4.3 %	256.8 %	95.2 %	-54.1 %	-2.1 %	6.8 %	14.7 %	9.8 %
EBITDA-%	3.7 %	-8.5 %	6.1 %	6.8 %	27.2 %	13.4 %	-1.4 %	13.9 %	10.2 %	10.9 %	9.9 %	9.3 %	9.5 %	9.7 %
Adjusted EBIT-%	3.2 %	-11.1 %	4.8 %	6.1 %	26.3 %	12.3 %	-3.1 %	12.9 %	9.6 %	10.2 %	9.0 %	8.4 %	8.8 %	9.0 %
Net earnings-%	-11.7 %	-22.2 %	-9.5 %	-1.4 %	19.5 %	3.4 %	-20.4 %	3.1 %	3.1 %	3.4 %	0.4 %	1.1 %	2.1 %	2.1 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	47.7	239	216	193	170
Goodwill	36.4	207	183	160	137
Intangible assets	0.4	0.0	0.1	0.2	0.3
Tangible assets	5.5	15.3	15.4	15.5	15.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	5.4	16.7	16.7	16.7	16.7
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	29.1	99.1	134	165	196
Inventories	1.8	2.3	3.3	3.8	4.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	23.2	83.0	112	128	141
Cash and equivalents	4.1	13.8	18.0	32.3	50.5
Balance sheet total	76.8	338	349	357	366

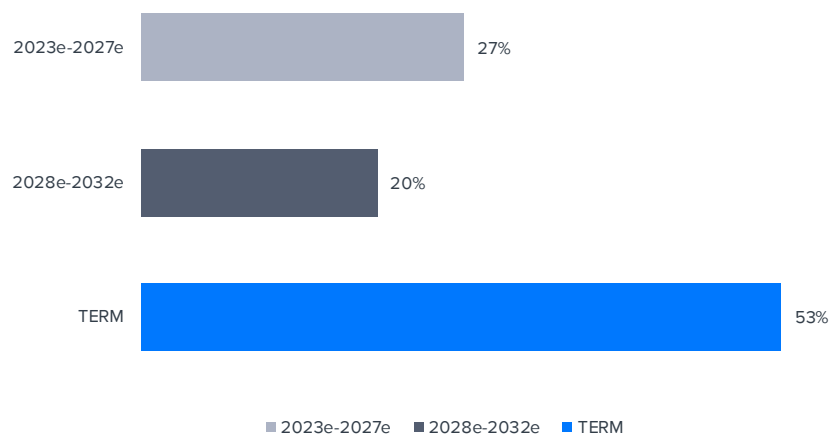
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	55.5	263	259	256	256
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-19.7	-10.6	-14.1	-17.0	-16.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	75.1	273	273	273	273
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	4.1	11.4	10.1	10.1	10.1
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.1	0.1	0.1	0.1
Long term debt	4.1	11.3	10.0	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	17.2	63.6	80.0	91.1	99.7
Short term debt	1.6	7.2	1.0	1.0	1.0
Payables	15.6	53.3	75.9	86.9	95.6
Other current liabilities	0.0	3.1	3.1	3.1	3.1
Balance sheet total	76.8	338	349	357	366

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	494.8 %	33.2 %	14.5 %	10.0 %	7.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	4.9 %	2.0 %	2.3 %	3.2 %	3.8 %	3.9 %	3.9 %	3.7 %	3.9 %	3.7 %	6.0 %	6.0 %
EBIT (operating profit)	12.2	6.7	8.8	13.5	17.1	18.4	19.3	19.2	21.1	20.6	34.1	
+ Depreciation	20.9	25.9	26.2	26.2	26.3	26.0	26.1	25.8	23.5	23.7	9.6	
- Paid taxes	-3.1	-2.6	-2.3	-2.7	-5.9	-8.2	-8.4	-8.3	-8.2	-8.1	-8.0	
- Tax, financial expenses	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-19.4	-7.6	-5.7	-4.5	-3.5	-3.2	-2.8	-3.0	-2.5	-1.9	-1.3	
Operating cash flow	10.4	22.4	26.8	32.4	33.8	32.8	34.0	33.6	33.7	34.0	34.2	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-212	-3.1	-3.3	-3.5	-3.6	-3.7	-3.9	-4.1	-4.3	-4.5	-3.9	
Free operating cash flow	-201	19.3	23.5	28.9	30.2	29.1	30.1	29.5	29.4	29.5	30.3	
+/- Other	191	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-10.4	24.9	23.5	28.9	30.2	29.1	30.1	29.5	29.4	29.5	30.3	478
Discounted FCFF		23.7	20.6	23.3	22.5	20.0	19.0	17.2	15.8	14.6	13.9	218
Sum of FCFF present value		409	385	365	341	319	299	280	263	247	232	218
Enterprise value DCF		409										
- Interesting bearing debt		-18.5										
+ Cash and cash equivalents		13.8										
-Minorities		0.0										
-Dividend/capital return		-4.9										
Equity value DCF		414										
Equity value DCF per share		0.59										

Cash flow distribution



WACC

Tax-% (WACC)	20.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	9.6 %
Weighted average cost of capital (WACC)	8.5 %

Source: Inderes

Summary

Income statement	2021	2022	2023e	2024e	Per share data	2021	2022	2023e	2024e
Revenue	41.6	247.7	330.1	377.9	EPS (reported)	-0.02	0.01	0.00	0.01
EBITDA	1.5	33.1	32.7	35.0	EPS (adj.)	-0.01	0.04	0.03	0.04
EBIT	-0.8	12.2	6.7	8.8	OCF / share	-0.03	0.01	0.03	0.04
PTP	-4.7	10.6	3.9	6.5	FCF / share	-0.19	-0.01	0.04	0.03
Net Income	-4.9	8.4	1.4	4.2	Book value / share	0.19	0.37	0.37	0.36
Extraordinary items	-2.2	-18.2	-23.1	-23.1	Dividend / share	0.00	0.01	0.01	0.01
Balance sheet	2021	2022	2023e	2024e	Growth and profitability	2021	2022	2023e	2024e
Balance sheet total	76.8	337.7	349.3	357.5	Revenue growth-%	0%	495%	33%	15%
Equity capital	55.5	262.7	259.2	256.3	EBITDA growth-%		2073%	-1%	7%
Goodwill	36.4	206.5	183.4	160.3	EBIT (adj.) growth-%		2215%	-2%	7%
Net debt	1.6	4.7	-7.0	-21.3	EPS (adj.) growth-%		-498%	-8%	12%
Cash flow	2021	2022	2023e	2024e	EBITDA-%	3.7 %	13.4 %	9.9 %	9.3 %
EBITDA	1.5	33.1	32.7	35.0	EBIT (adj.)-%	3.2 %	12.3 %	9.0 %	8.4 %
Change in working capital	-10.4	-19.4	-7.6	-5.7	EBIT-%	-2.0 %	4.9 %	2.0 %	2.3 %
Operating cash flow	-8.8	10.4	22.4	26.8	ROE-%	-16.7 %	5.3 %	0.5 %	1.6 %
CAPEX	-39.7	-211.8	-3.1	-3.3	ROI-%	-2.3 %	7.1 %	1.9 %	2.8 %
Free cash flow	-54.8	-10.4	24.9	23.5	Equity ratio	72.3 %	78.8 %	74.2 %	71.7 %
Valuation multiples	2021	2022	2023e	2024e	Gearing	2.9 %	1.8 %	-2.7 %	-8.3 %
EV/S	5.9	2.5	1.4	1.2					
EV/EBITDA (adj.)	>100	18.7	13.7	12.4					
EV/EBIT (adj.)	>100	20.3	15.1	13.6					
P/E (adj.)	neg.	23.1	19.2	17.2					
P/B	4.4	2.3	1.8	1.8					
Dividend-%	0.0 %	0.8 %	1.5 %	1.8 %					

Source: Inderes

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Date	Recommendation	Target	Share price
4/25/2023	Reduce	0.70 €	0.71 €
5/15/2023	Reduce	0.70 €	0.67 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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