

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 “Ruotsissa markkina jatkanut vahvistumistaan” published on 8/15/2024 at 7:40 am EEST.

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Market in Sweden continues to strengthen

NYAB's Q2 report was operationally in line with our expectations. In addition, the market situation in Sweden has continued to strengthen, as reflected in the record order book. Looking at the report and the outlook, which was generally well in line with our expectations, the forecast changes were very small. Despite the company's strong performance and outlook, we see very limited near-term upside for the stock given the recent share price rise. Reflecting this, we lower our recommendation to Reduce (was Accumulate), but in line with small positive forecast revisions and the latest EUR/SEK exchange rate, we raise our target price to SEK 6.8 (was 6.2 SEK).

Operational development in Q2 well in line with expectations, profitability clearly up year-on-year

In Q2, NYAB's revenue increased by more than 16% to 76.1 MEUR, slightly below our expectations. Geographically, the Finnish business declined by as much as 19%, reflecting a cooling of investments in renewable energy. Similarly, reported revenue in Sweden increased by a whopping 37%. Reported EBIT was 3.8 MEUR and exceeded our expectations moderately, reflecting the margin development. At the same time, profitability increased significantly year-on-year, taking into account the compensation payment of 3.3 MEUR received in Q2'23. The bottom lines, on net, were quite clearly above our expectations, reflecting the re-domiciliation and the Swedish listing. Given this, net profit fell short of our forecasts, contrary to the operating result.

Guidance reiterated, only minor adjustments to forecasts

The company reiterated its guidance for the current year and expects its revenue (2023: MEUR 280) and EBIT (2023: 15.2 MEUR) to grow from last year. We understand that this is the highest level of the company's current guidance policy (i.e., it excludes the possibility of raising guidance). On the other hand, the company noted that the outlook in Sweden has strengthened further, while the outlook in Finland remains weak. However, the company's order book reached a record level at the end of Q2, reflecting strong demand from Sweden. In view of the report, which was well in line with our expectations, and the outlook, the forecast changes were relatively minor and we expect the company's revenue to grow to 344 MEUR this year (was 345 MEUR) and the reported EBIT to amount to 24.0 MEUR (was 23.7 MEUR). Estimate changes for the next few years are also minor at this time. Looking at the bigger picture, we expect NYAB to continue to grow at double-digit rates in the coming years. Similarly, we expect the margin to increase close to the target level (25e-26e EBIT% 7.2-7.3% vs. target above 7.5%), driven among others by revenue growth and measures to smooth out seasonality.

Strong performance, but also reflected in the share price

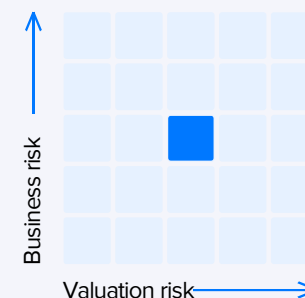
Based on our updated estimates, adjusted P/E figures for 2024 and 2025 are 21x and 18x, while the corresponding EV/EBIT ratios are 16x and 13x. Relative to the accepted valuation range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation is elevated for this year. Similarly, looking ahead to next year, we see the multiples falling to neutral levels overall, although the upside is still quite limited. The rise in the share price also means that the medium-term total expected return for our range is, on average, below our required return. Our view of limited upside is also supported by our sum-of-the-parts model, which is now at SEK 6.2-7.5 per share. Currently, we believe the stock is fairly priced for the favorable growth outlook, which makes the expected risk-adjusted return over the next 12 months too low.

Recommendation

Reduce
(was Accumulate)

SEK 6.80
(was SEK 6.20)

Share price:
SEK 6.75



Key figures

	2023	2024e	2025e	2026e
Revenue	280.4	343.8	393.6	433.0
growth-%	11%	23%	15%	10%
EBIT adj.	17.8	24.9	28.7	31.8
EBIT-% adj.	6.4 %	7.2 %	7.3 %	7.4 %
Net Income	9.0	16.7	22.8	25.2
EPS (adj.)	0.02	0.03	0.03	0.04
P/E (adj.)	29.5	21.3	18.0	16.4
P/B	2.1	2.2	2.0	1.9
Dividend yield-%	2.5 %	2.0 %	2.7 %	3.1 %
EV/EBIT (adj.)	20.7	15.9	13.4	11.7
EV/EBITDA	17.2	13.9	11.9	10.4
EV/S	1.3	1.2	1.0	0.9

Source: Inderes

Guidance

(Unchanged)

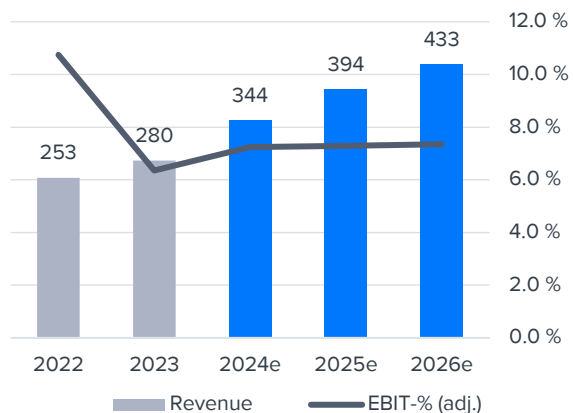
In 2024, NYAB expects its revenue (2023: 280 MEUR) and EBIT (2023: 15.2 MEUR) to grow from 2023.

Share price



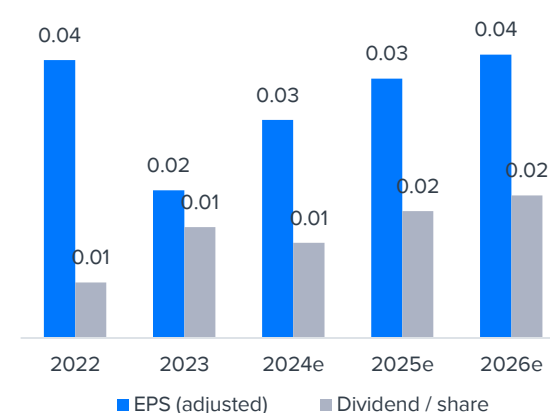
Source: Millstream Market Data AB

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 (including sale of ownership)
- 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	2024e	2025e	2026e
Share price	0.59	0.59	0.59
Number of shares, millions	713.0	713.0	713.0
Market cap	419	419	419
EV	396	384	372
P/E (adj.)	21.3	18.0	16.4
P/E	25.1	18.4	16.6
P/B	2.2	2.0	1.9
P/S	1.2	1.1	1.0
EV/Sales	1.2	1.0	0.9
EV/EBITDA	13.9	11.9	10.4
EV/EBIT (adj.)	15.9	13.4	11.7
Payout ratio (%)	51.2 %	50.0 %	50.9 %
Dividend yield-%	2.0 %	2.7 %	3.1 %

Source: Inderes

Q2 performance well in line with expectations

Revenue fairly well in line with expectations

NYAB's Q2 revenue grew by just over 16% to around 76 MEUR, slightly below our forecast. Geographically, the Finnish business declined by as much as 19%, also reflecting a cooling of investments in renewable energy. Similarly, reported revenue in Sweden increased by a whopping 37%. During the reporting period, the Swedish krona had no material impact on the figures' development. According to the company, the positive development was mainly driven by the progress made in the energy projects.

In addition, the company noted that the operating environment has continued to strengthen in its much larger geographic market of Sweden, where new orders and projects at the tender stage were at a higher level than in the comparison period. On the Finnish side, however, the outlook remains subdued, mirroring the overall economic development and in particular the postponement of renewable energy investments. However, due to strong demand from Sweden, the order book at the end of Q2 reached a record level of 343 MEUR (Q2'23: 252 MEUR), clearly

up year-on-year. It should also be noted that the order book does not include the approximately 80 MEUR power line project announced in July.

Result slightly above forecasts

The company reported an EBIT of 3.8 MEUR and moderately exceeded our forecast, driven by margin development. However, even taking into account the seasonal factors in Q2, the company's operating profitability was at a very good level and up year-on-year, taking into account the compensation payment of 3.3 MEUR in Q2'23. Similarly, there were no major surprises in the cost structure itself, and the earnings beat was due to slightly better-than-expected cost efficiency.

Further down the P&L, the loss from associates (Skarta Energy) was slightly below our expectations, while financing costs were well above our expectations, reflecting the change of domicile and the transfer of the listing (related expenses 1.6 MEUR). Reflecting this overall picture, net profit missed our forecast against operating profit (due to the large

number of shares, EPS comparisons are not meaningful).

Cash flow seasonally subdued

NYAB's Q2 cash flow from operating activities was 0.6 MEUR, reflecting the change in working capital (-1.0 MEUR) and financing costs and taxes paid (-2.8 MEUR). Free cash flow amounted to 1.0 MEUR due to moderate investment needs and the cash portion of the Dyk & Anläggning acquisition (0.9 MEUR). Similarly, the company's rolling 12-month free cash flow is as high as 25.5 MEUR. We expect cash flow to remain at strong levels throughout the year, although the increase in revenue is expected to tie up working capital.

As a whole, NYAB's financial position was at a very strong level with an equity ratio of 73% (Q4'23: 73%) and a net debt/EBITDA ratio of -0.3x in the previous 12 months. The company's financial position is therefore sufficient to implement its growth strategy (incl. acquisitions).

Estimates MEUR / EUR	Q2'23	Q2'24	Q2'24e	Q2'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	65.3	76.1	78.4				-3%	344
EBITA	4.6	3.9	3.6				9%	24.9
EBIT	4.0	3.8	3.5				9%	24.0
PTP	3.3	1.5	2.3				-33%	19.6
Net profit	3.7	1.4	2.1				-32%	18.1
Revenue growth-%		16.5 %	20.0 %				-3.5 pp	22.6 %
EBIT-% (rep.)	6.2 %	5.0 %	4.4 %				0.6 pp	7.0 %

Source: Inderes

NYAB Q2'24: Strong demand in Sweden



Minor estimate changes

Estimate revisions 2024e-2026e

- We made only very minor revisions to our forecasts for the remainder of the year, in line with the report and the company's outlook, which was well in line with our expectations. As it stands, we expect the strong momentum in Sweden to continue, while in Finland we expect revenue to remain below last year's Q2 performance.
- At this stage, estimate revisions for the coming years were also limited. The slightly faster-than-expected recovery in the Swedish market is offset by a weak demand outlook in Finland. In view of this, we estimate that the market recovery in Finland (especially in renewable energy construction) will have to wait until well into the middle of next year.
- We also made small adjustments to the financing costs and tax rows, but the absolute changes were very small.

Operational earnings drivers 2023-2026e:

- NYAB's order book stood at 343 MEUR at the end of Q2, enabling further growth, although there is uncertainty about the exact timing of the order book. In addition, several large multi-year contracts signed in the last 12 months (e.g. Aurora Line) are already giving the company some visibility for next year's developments. Despite possible delays in investment decisions, demand prospects are good in the longer term due to mega-trend investments (e.g. green transition).
- Strengthening the contract portfolio with several multi-year contracts (incl. framework and maintenance contracts) would improve business predictability, reduce seasonality and reduce the impact of macroeconomic factors on sales
- We expect the easing of the worst inflationary pressures (i.e. as the order book rolling) to support the company's profitability performance.
- Sustainable profitability improvement in Finnish businesses closer to the level of the Swedish business
- Skarta Energy project development progress (including any development fees) or sale of ownership
- The company's strong balance sheet enables it to continue growth-enhancing acquisitions already in the short term

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	345	344	0%	390	394	1%	425	433	2%
EBITDA	28.1	28.5	1%	31.9	32.2	1%	35.0	35.6	2%
EBIT (exc. NRIs)	24.6	24.9	1%	28.4	28.7	1%	31.2	31.8	2%
EBIT	23.7	24.0	1%	27.9	28.2	1%	30.9	31.5	2%
PTP	20.6	19.6	-5%	26.0	26.3	1%	29.4	30.0	2%
EPS (excl. NRIs)	0.03	0.03	3%	0.03	0.03	-2%	0.04	0.04	1%
DPS	0.011	0.012	9%	0.015	0.016	7%	0.017	0.018	6%

Source: Inderes

Expected return positive but not sufficient

Absolute valuation and expected return in the coming years

On our updated forecasts, the adjusted P/E ratio for 2024 is 21x and the corresponding EV/EBIT ratio is 16x. Relative to the accepted valuation range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation is somewhat elevated for this year. Similarly, if earnings growth materializes in line with our forecasts, we see the multiples for next year falling to neutral levels overall (2025e EV/EBIT 13x, P/E 18x), but valuation upside is quite limited.

Looking at the bigger picture, it is also worth noting that we believe the company has the potential to accelerate its growth through acquisitions on the back of its strong balance sheet. With a positive H1 and a good outlook for Sweden (including higher margin potential than Finland), we also see the risk to the demand outlook and thus partly to earnings growth decreasing. However, we do not think it is justified to value the stock at the top of the range at this stage (cf. the weaker outlook for Finland).

We have also looked at valuation through total expected returns for the coming years. In our view, NYAB's businesses could be valued at 13x-15x EV/EBIT and around 14x-16x P/E at the end of 2026 based on our current forecasts in line with the stronger outlook, assuming the company meets our expectations and its strongest growth phase is already behind it. The multiples would still be well above the current and historical medians of the peer companies. Thus, the valuation would require NYAB to maintain a profitability well above the industry average, with no substantial change in the overall pricing of the stock market or the interest rate level. Taking this into account, we estimate that the current

business could be roughly valued at SEK 5.8-8.2 per share at the current EUR/SEK exchange rate at the end of 2026. At the current share price, the expected average annual return would be just over 1%, and we expect the investor to receive an annual base dividend yield of around 2-3%. However, the average expected annual total return is lower than the 9.6% return on equity we use. On the other hand, we believe that the company's strong cash flow and financial position would allow for a more generous payout, but we will continue to monitor capital allocation decisions.

SOTP in slight upward trend

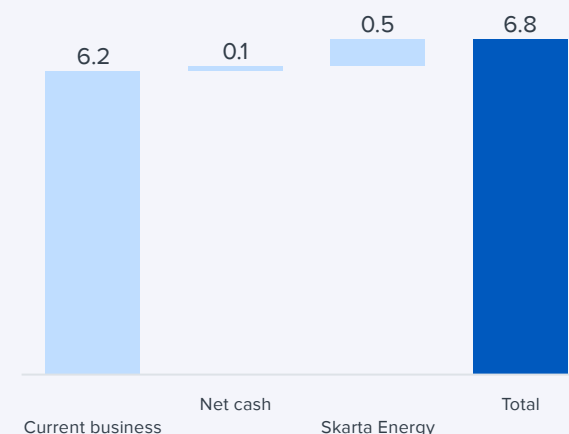
The indicative value of our sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) is now set at 381-465 MEUR in our baseline scenario (was 355-441 MEUR). At the current EUR/SEK exchange rate, this corresponds to a value of SEK 6.2-7.5 per share. The increase was primarily due to a slight increase in the acceptable valuation of the current businesses following a strong report. Correspondingly, the value was slightly reduced by the financing round in Skarta Energy, which reduced NYAB's stake to 27% (was 34%). From this perspective, we believe the stock is largely priced correctly.

Similarly, our DCF model currently stands at around SEK 6.6 per share, but it should be noted that it does not fully take into account Skarta Energy's long-term potential (value in the model is 16.8 MEUR). Overall, we view the stock's expected return over the next 12 months as positive, but still below the expected return when viewed from several perspectives.

Valuation	2024e	2025e	2026e
Share price	0.59	0.59	0.59
Number of shares, millions	713.0	713.0	713.0
Market cap	419	419	419
EV	396	384	372
P/E (adj.)	21.3	18.0	16.4
P/E	25.1	18.4	16.6
P/B	2.2	2.0	1.9
P/S	1.2	1.1	1.0
EV/Sales	1.2	1.0	0.9
EV/EBITDA	13.9	11.9	10.4
EV/EBIT (adj.)	15.9	13.4	11.7
Payout ratio (%)	51.2 %	50.0 %	50.9 %
Dividend yield-%	2.0 %	2.7 %	3.1 %

Source: Inderes

Midpoint of the baseline SOTP (SEK / share)

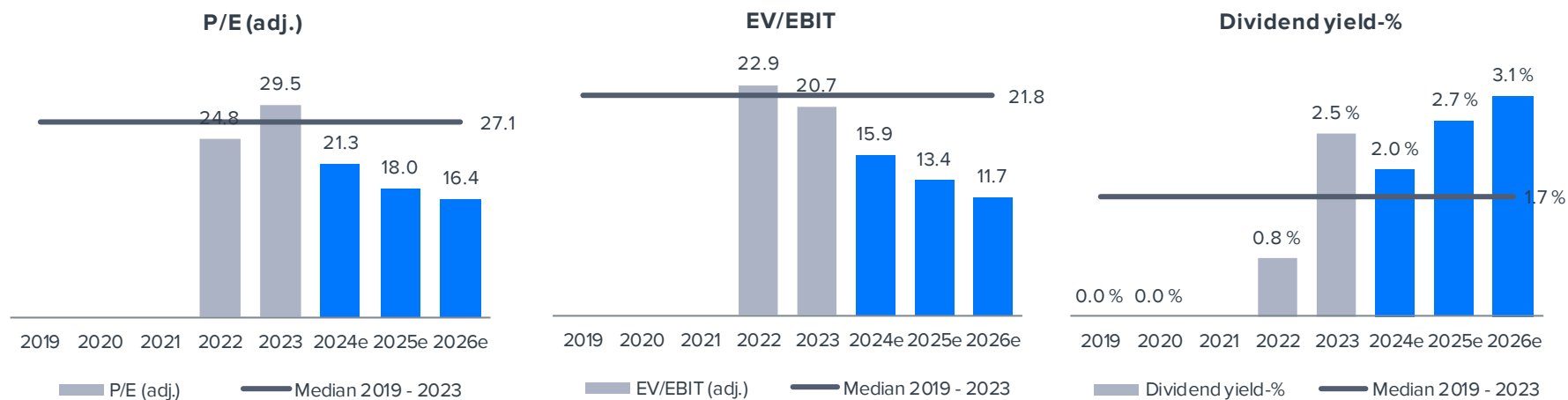


NB: For technical reasons, the share price in the table is shown in euros. It is calculated using the closing rate and the latest EUR/SEK exchange rate.

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				0.87	0.55	0.59	0.59	0.59	0.59
Number of shares, millions				706.7	706.7	713.0	713.0	713.0	713.0
Market cap				615	389	419	419	419	419
EV				622	369	396	384	372	359
P/E (adj.)				24.8	29.5	21.3	18.0	16.4	14.9
P/E				26.4	43.0	25.1	18.4	16.6	15.0
P/B				3.4	2.1	2.2	2.0	1.9	1.8
P/S				2.4	1.4	1.2	1.1	1.0	0.9
EV/Sales				2.5	1.3	1.2	1.0	0.9	0.8
EV/EBITDA				20.5	17.2	13.9	11.9	10.4	9.3
EV/EBIT (adj.)				22.9	20.7	15.9	13.4	11.7	10.3
Payout ratio (%)				21.2 %	109.3 %	51.2 %	50.0 %	50.9 %	48.6 %
Dividend yield-%				0.8 %	2.5 %	2.0 %	2.7 %	3.1 %	3.2 %

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	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Peab	1956	3331	17.1	16.6	10.3	9.9	0.7	0.7	14.1	13.6	3.1	4.0	1.4
NCC	1359	1813	11.7	11.6	6.9	6.9	0.4	0.4	10.9	10.7	4.9	5.0	1.9
Skanska	7314	7269	12.0	10.4	9.0	8.1	0.5	0.5	13.6	12.0	3.7	4.1	1.4
YIT	535	1496	236.3	25.9	130.1	18.1	0.8	0.8					0.7
AF Gruppen	1210	1402	11.7	10.2	8.2	7.4	0.5	0.5	13.6	12.0	6.2	6.4	4.0
NRC Group	64	137	11.8	7.7	5.8	3.9	0.2	0.2	10.8	6.8		6.9	0.3
Veidekke	1358	1206	9.1	8.4	5.4	5.1	0.3	0.3	13.7	12.7	6.8	7.2	5.0
MT Hoejgaard Holding	170	126	2.2	2.7	1.6	1.8	0.1	0.1	6.0	4.9			1.2
Kreate	70	102	11.4	8.9	7.1	6.0	0.4	0.3	13.4	9.7	6.2	6.7	1.6
Sitowise	87	169	18.8	11.3	8.1	6.5	0.9	0.8	26.9	10.8	1.9	3.7	0.7
Sweco	5235	5783	21.7	19.0	16.9	14.5	2.1	2.0	26.9	23.0	2.0	2.3	5.3
AFRY	1794	2404	13.7	11.7	9.4	8.4	1.0	1.0	15.0	12.0	3.5	4.0	1.6
Enersense	49	90		9.6	16.8	4.6	0.2	0.2		47.3		1.1	1.5
Eltel	93	251		11.4	15.7	4.6	0.3	0.3		19.8			0.5
Dovre Group	35	39	19.4	4.3	12.1	4.3	0.2	0.2	8.2	4.7	3.1	3.1	0.8
Netel	85	151	9.0	7.1	6.5	5.3	0.5	0.4	10.6	7.0	2.6	4.0	0.8
NYAB (Inderes)	419	396	15.9	13.4	13.9	11.9	1.2	1.0	21.3	18.0	2.0	2.7	2.2
Average			29.0	11.0	16.9	7.2	0.6	0.5	14.1	13.8	4.0	4.5	1.8
Median			11.9	10.3	8.6	6.3	0.4	0.4	13.6	12.0	3.5	4.0	1.4
Diff-% to median			34%	30%	61%	91%	174%	144%	57%	50%	-41%	-31%	56%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	253	39.2	65.3	88.1	87.8	280	59.2	76.1	104	104	344	394	433	463
Group	253	39.2	65.3	88.1	87.8	280	59.2	76.1	104	104	344	394	433	463
EBITDA	30.4	-0.6	5.4	8.0	8.6	21.4	1.7	4.9	11.2	10.7	28.5	32.2	35.6	38.6
Depreciation	-4.6	-1.4	-1.4	-1.4	-2.0	-6.2	-1.4	-1.1	-1.0	-1.0	-4.5	-4.0	-4.1	-4.1
EBIT (excl. NRI)	27.2	-1.5	4.6	7.1	7.6	17.8	0.9	3.9	10.3	9.8	24.9	28.7	31.8	34.7
EBIT	25.7	-2.1	4.0	6.6	6.6	15.2	0.4	3.8	10.1	9.7	24.0	28.2	31.5	34.4
Group	25.7	-2.1	4.0	6.6	6.6	15.2	0.4	3.8	10.1	9.7	24.0	28.2	31.5	34.4
Share of profits in assoc. compan.	0.0	-0.2	-0.4	-0.4	-0.7	-1.8	0.1	-0.3	-0.3	-0.2	-0.6	-0.6	-0.3	0.4
Net financial items	-0.4	-0.3	-0.4	-0.9	-1.1	-2.7	-1.0	-1.9	-0.6	-0.3	-3.8	-1.3	-1.2	-0.9
PTP	25.3	-2.6	3.3	5.2	4.8	10.7	-0.5	1.5	9.3	9.2	19.6	26.3	30.0	33.9
Taxes	-2.0	-0.3	0.5	-0.6	-1.2	-1.6	-0.1	-0.1	-1.2	-1.4	-2.9	-3.5	-4.9	-6.0
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	23.3	-2.8	3.7	4.6	3.6	9.0	-0.6	1.4	8.1	7.8	16.7	22.8	25.2	27.9
EPS (adj.)	0.04	0.00	0.01	0.01	0.01	0.02	0.00	0.00	0.01	0.01	0.03	0.03	0.04	0.04
EPS (rep.)	0.03	0.00	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.02	0.03	0.04	0.04
Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%						10.7 %	51.1 %	16.5 %	18.5 %	18.5 %	22.6 %	14.5 %	10.0 %	7.0 %
Adjusted EBIT growth-%	74.3 %	79.1 %	72.1 %	25.4 %	-61.2 %	-34.5 %	-157.8 %	-13.9 %	43.6 %	28.3 %	39.7 %	15.3 %	11.0 %	9.1 %
EBITDA-%	12.0 %	-1.7 %	8.3 %	9.1 %	9.8 %	7.6 %	2.9 %	6.4 %	10.7 %	10.3 %	8.3 %	8.2 %	8.2 %	8.3 %
Adjusted EBIT-%	10.7 %	-3.9 %	7.0 %	8.1 %	8.7 %	6.4 %	1.5 %	5.2 %	9.8 %	9.4 %	7.2 %	7.3 %	7.4 %	7.5 %
Net earnings-%	9.2 %	-7.2 %	5.7 %	5.2 %	4.1 %	3.2 %	-1.1 %	1.9 %	7.7 %	7.5 %	4.9 %	5.8 %	5.8 %	6.0 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	160	158	162	163	163
Goodwill	121	121	123	123	123
Intangible assets	3.8	1.6	0.7	0.5	0.3
Tangible assets	17.7	16.3	16.9	17.5	18.0
Associated companies	11.1	16.7	19.2	19.2	19.2
Other investments	5.6	2.5	2.5	2.5	2.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.5	0.0	0.0	0.0	0.0
Current assets	99.1	108	118	139	160
Inventories	2.3	1.4	1.7	2.0	2.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	83.0	83.8	94.5	104	113
Cash and equivalents	13.8	22.6	21.4	33.2	44.9
Balance sheet total	259	266	280	302	323

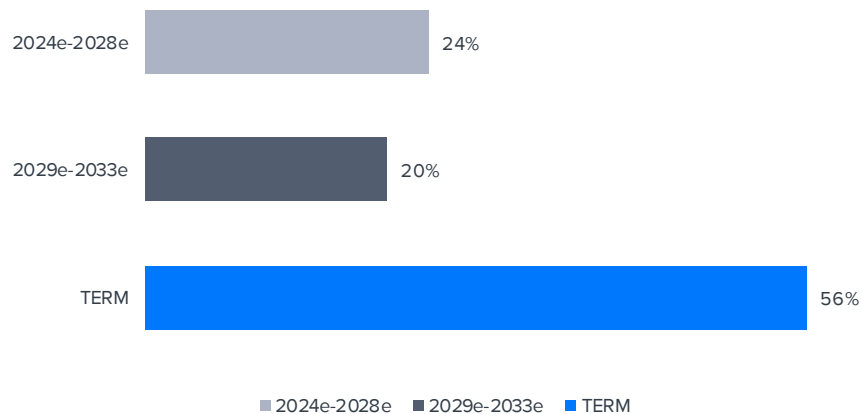
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	180	185	192	206	220
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	40.3	50.1	56.9	71.2	85.0
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	140	135	135	135	135
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	17.2	15.7	14.2	14.2	14.2
Deferred tax liabilities	4.4	3.9	3.9	3.9	3.9
Provisions	0.1	0.2	0.2	0.2	0.2
Interest bearing debt	12.6	11.5	10.0	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.1	0.1	0.1
Current liabilities	61.5	65.0	73.8	81.8	88.6
Interest bearing debt	8.2	5.5	5.0	5.0	5.0
Payables	53.3	59.5	68.8	76.8	83.6
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	259	266	280	302	323

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	10.7 %	22.6 %	14.5 %	10.0 %	7.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	5.4 %	7.0 %	7.2 %	7.3 %	7.4 %	7.3 %	7.1 %	7.0 %	6.7 %	6.5 %	6.5 %	6.5 %
EBIT (operating profit)	15.2	24.0	28.2	31.5	34.4	35.8	36.6	37.9	37.7	37.7	38.5	
+ Depreciation	6.2	4.5	4.0	4.1	4.1	4.2	4.3	4.4	4.5	4.5	4.6	
- Paid taxes	-1.6	-2.9	-3.5	-4.9	-6.0	-7.0	-7.2	-7.4	-7.4	-7.4	-7.5	
- Tax, financial expenses	-0.4	-0.5	-0.2	-0.2	-0.2	-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	6.4	-1.9	-2.0	-1.7	-1.3	-1.0	-0.6	-0.6	-0.3	-1.0	-0.7	
Operating cash flow	25.8	23.2	26.5	28.9	31.1	31.9	33.0	34.1	34.4	33.6	34.6	
+ 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	0.6	-6.2	-4.4	-4.5	-4.6	-4.7	-4.7	-4.7	-4.8	-4.8	-4.7	
Free operating cash flow	26.6	17.0	22.1	24.4	26.5	27.3	28.3	29.4	29.6	28.8	29.9	
+/- Other	5.6	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	32.2	15.7	22.1	24.4	26.5	27.3	28.3	29.4	29.6	28.8	29.9	471
Discounted FCFF		15.3	19.8	20.1	20.1	19.1	18.2	17.5	16.3	14.6	13.9	220
Sum of FCFF present value		394	379	359	339	319	300	282	264	248	233	220
Enterprise value DCF		394										
- Interest bearing debt		-17.0										
+ Cash and cash equivalents		22.6										
-Minorities		0.0										
-Dividend/capital return		-9.9										
Equity value DCF		407										
Equity value DCF per share		0.57										

Cash flow distribution

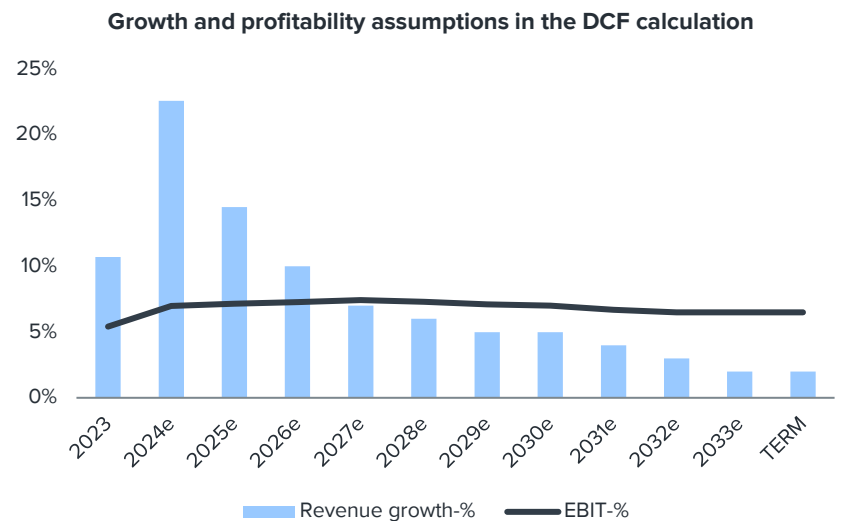
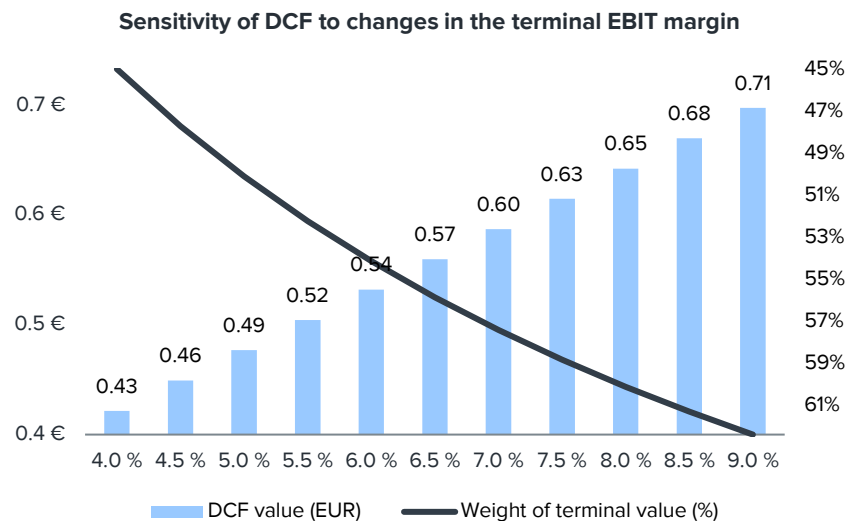
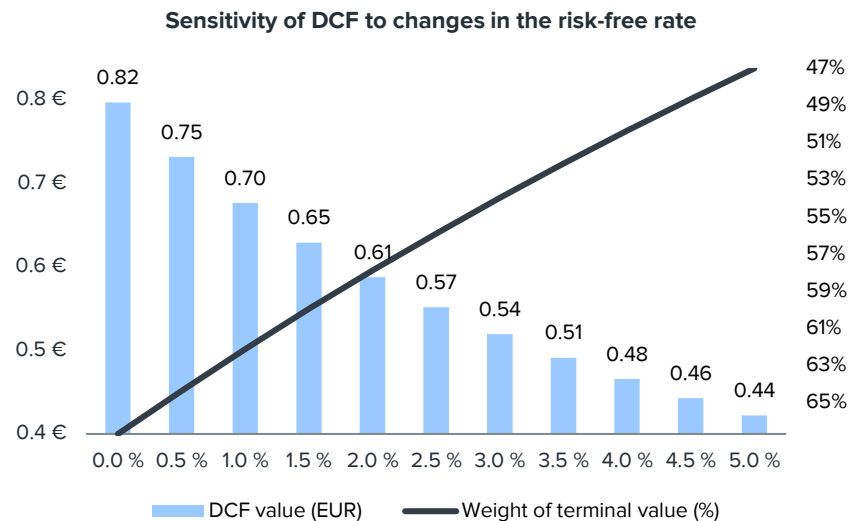
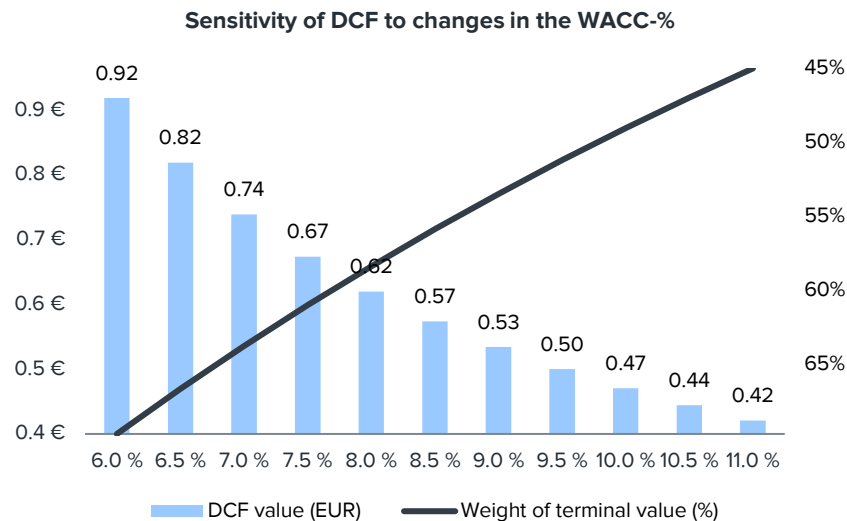


WACC

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

DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024e	2025e	Per share data	2022	2023	2024e	2025e
Revenue	253.3	280.4	343.8	393.6	EPS (reported)	0.03	0.01	0.02	0.03
EBITDA	30.4	21.4	28.5	32.2	EPS (adj.)	0.04	0.02	0.03	0.03
EBIT	25.7	15.2	24.0	28.2	OCF / share	0.02	0.04	0.03	0.04
PTP	25.3	10.7	19.6	26.3	FCF / share	0.08	0.05	0.02	0.03
Net Income	23.3	9.0	16.7	22.8	Book value / share	0.26	0.26	0.27	0.29
Extraordinary items	-1.5	-2.6	-0.9	-0.5	Dividend / share	0.01	0.01	0.01	0.02
Balance sheet	2022	2023	2024e	2025e	Growth and profitability	2022	2023	2024e	2025e
Balance sheet total	259.1	266.1	280.1	302.4	Revenue growth-%	0%	11%	23%	15%
Equity capital	180.4	185.3	192.1	206.4	EBITDA growth-%		-30%	33%	13%
Goodwill	121.2	121.2	123.2	123.2	EBIT (adj.) growth-%		-35%	40%	15%
Net debt	7.0	-5.6	-6.4	-18.2	EPS (adj.) growth-%		-47%	48%	19%
Cash flow	2022	2023	2024e	2025e	EBITDA-%	12.0 %	7.6 %	8.3 %	8.2 %
EBITDA	30.4	21.4	28.5	32.2	EBIT (adj.)-%	10.7 %	6.4 %	7.2 %	7.3 %
Change in working capital	-17.2	6.4	-1.9	-2.0	EBIT-%	10.2 %	5.4 %	7.0 %	7.2 %
Operating cash flow	12.9	25.8	23.2	26.5	ROE-%	22.6 %	4.9 %	8.9 %	11.4 %
CAPEX	-144.7	0.6	-6.2	-4.4	ROI-%	22.2 %	6.6 %	11.4 %	12.9 %
Free cash flow	58.3	32.2	15.7	22.1	Equity ratio	69.6 %	73.0 %	71.7 %	71.1 %
Valuation multiples	2022	2023	2024e	2025e	Gearing	3.9 %	-3.0 %	-3.3 %	-8.8 %
EV/S	2.5	1.3	1.2	1.0					
EV/EBITDA	20.5	17.2	13.9	11.9					
EV/EBIT (adj.)	22.9	20.7	15.9	13.4					
P/E (adj.)	24.8	29.5	21.3	18.0					
P/B	3.4	2.1	2.2	2.0					
Dividend-%	0.8 %	2.5 %	2.0 %	2.7 %					

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 €
7/28/2023	Reduce	0.70 €	0.73 €
8/11/2023	Reduce	0.55 €	0.62 €
8/28/2023	Sell	0.55 €	0.63 €
10/11/2023	Reduce	0.55 €	0.51 €
11/13/2023	Reduce	0.50 €	0.49 €
12/27/2023	Sell	0.45 €	0.56 €
2/26/2024	Reduce	0.45 €	0.49 €
2/29/2024	Reduce	0.45 €	0.50 €
5/6/2024	Reduce	0.45 €	0.48 €
5/10/2024	Accumulate	0.55 €	0.49 €
<i>Re-domiciliation and transfer of listing to Sweden 8/26/2024</i>			
8/15/2024	Reduce	6,80 SEK	6,75 SEK



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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