

# Scanfil

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Tuloskasvun välivuosi sai sinetin" published on 6/11/2024 at 8:18 am EEST

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# Earnings growth gap year was sealed

We reiterate our Accumulate recommendation and EUR 9.00 target price for Scanfil. Scanfil issued a profit warning yesterday on 2024 revenue and EBIT due to demand-driven reasons. Relative to our forecasts, the warning was slight and the forecast cuts were rather minor. The valuation of the stock was not sky-high before the profit warning, so we find the stock's valuation image moderate as a whole even with this year's figures (2024e: P/E 12x, EV/EBIT 8x). Considering the valuation, the prospect of earnings growth returning in the near future and the good 3% dividend yield, we still find the stock's expected return sufficient, even though another profit warning in less than a year causes at least a temporary blow to the investment story.

## Profit warning disappointed, although it was slight in terms of the result compared to our forecasts

Scanfil issued a profit warning yesterday on its 2024 revenue and adjusted EBIT. Scanfil now estimates that its revenue for 2024 will be EUR 780-840 million (previous 820-900 MEUR) and its adjusted EBIT will be EUR 54-61 million (previous 57-65 MEUR). The company justified the changes with subdued demand in the beginning of the year, driven by economic uncertainty and high customer inventories. The profit warning was disappointing to us, although we considered the company's earnings guidance optimistic already in the winter considering the European economic situation, and our earnings forecasts were at the bottom of the old guidance range and also inside the new range before the warning. The silver lining in the warning was that the clear cut in the revenue guidance did not lead to a drop in the earnings guidance with any kind of lever. As a result, we believe Scanfil has been able to maintain its margins and improve operational efficiency in terms of both overhead costs and production efficiency, as Scanfil typically (and the industry in general) has a slight result lever despite a flexible cost structure. Furthermore, with revenue falling, Scanfil should be able to release capital from the still elevated inventories and forge strong cash flow with the released working capital during the rest of the year.

## No need for a larger forecast revision despite the profit warning

After the profit warning, we cut Scanfil's forecasts for the current year by 4% in terms of revenue and 2% in terms of adjusted EBIT. Our earnings forecasts for the next few years also decreased by some 2% in terms of revenue. We lowered our expectations of the slope of demand recovery for next year slightly (e.g. slower interest rate cuts than expected), although recent industrial macro data already shows cautiously positive signals when looking further ahead. This year we expect Scanfil's revenue and earnings to decline organically in a muggy economic environment and to end at the midpoint of the current guidance range. Next year, we expect the company to return to a fairly good growth trajectory as the economy picks up and slightly lower interest rates boost investment-driven demand. In our view, Scanfil's main risks are related to demand that depends on the global economy (and partly on interest rates).

## The valuation image is still moderate with all indicators

Scanfil's adjusted P/E ratios for 2024-2025 based on our estimates are 12x and 10x, and the corresponding EV/EBIT ratios are 8x. This year's multiples are already below the company's moderate 5-year medians and the levels we accept for the company, and discounted relative to the peer group. Thus, we feel Scanfil's low valuation, good 3% dividend yield and the earnings growth that will start after facing the Q4 comparison figures that start moderating generate a double-digit expected return for the stock within 12 months. DCF also indicates that the stock is cheap.

## Recommendation

**Accumulate**  
(previous Accumulate)

**EUR 9.00**  
(previous EUR 9.00)

**Share price:**  
EUR 7.48



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	902	815	875	923
<b>growth-%</b>	7%	-10%	7%	5%
<b>EBIT adj.</b>	61.3	57.2	61.0	65.0
<b>EBIT-% adj.</b>	6.8 %	7.0 %	7.0 %	7.0 %
<b>Net Income</b>	48.2	42.3	47.0	50.5
<b>EPS (adj.)</b>	0.74	0.65	0.72	0.77

<b>P/E (adj.)</b>	10.6	11.5	10.4	9.7
<b>P/B</b>	1.9	1.7	1.5	1.4
<b>Dividend yield-%</b>	2.9 %	3.3 %	3.6 %	3.9 %
<b>EV/EBIT (adj.)</b>	9.2	8.4	7.5	6.5
<b>EV/EBITDA</b>	7.0	6.2	5.6	4.9
<b>EV/S</b>	0.6	0.6	0.5	0.5

Source: Inderes

## Guidance

(Downgraded)

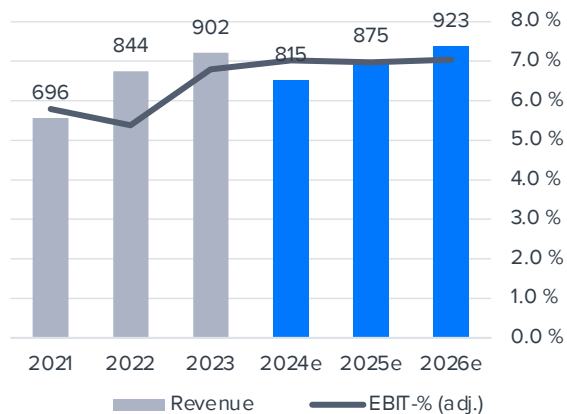
Scanfil estimates that in 2024, its revenue is around EUR 780-840 million and adjusted operating profit EUR 54-61 million

## Share price



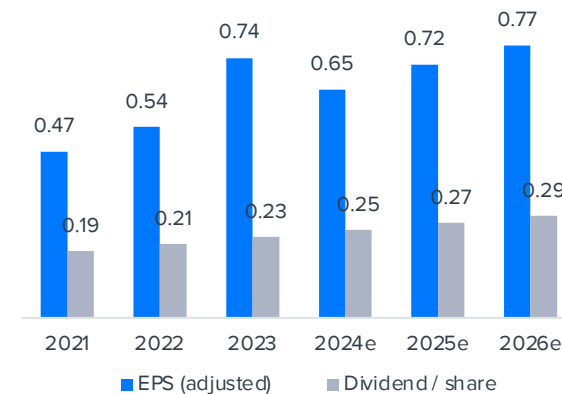
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



### Value drivers

- Organic growth with the market and key customers
- Benefiting from the green trend
- Accelerating growth through M&A
- Strong financial track record
- Increase in acceptable valuation



### Risk factors

- Demand comes partly from somewhat cyclical sectors
- Tightening competition and changes in the competitive field
- Limited pricing power
- Inflation

Valuation	2024e	2025e	2026e
Share price	7.48	7.48	7.48
Number of shares, millions	65.3	65.3	65.3
Market cap	488	488	488
EV	481	459	426
P/E (adj.)	11.5	10.4	9.7
P/E	11.5	10.4	9.7
P/B	1.7	1.5	1.4
P/S	0.6	0.6	0.5
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.2	5.6	4.9
EV/EBIT (adj.)	8.4	7.5	6.5
Payout ratio (%)	38.6 %	37.5 %	37.5 %
Dividend yield-%	3.3 %	3.6 %	3.9 %

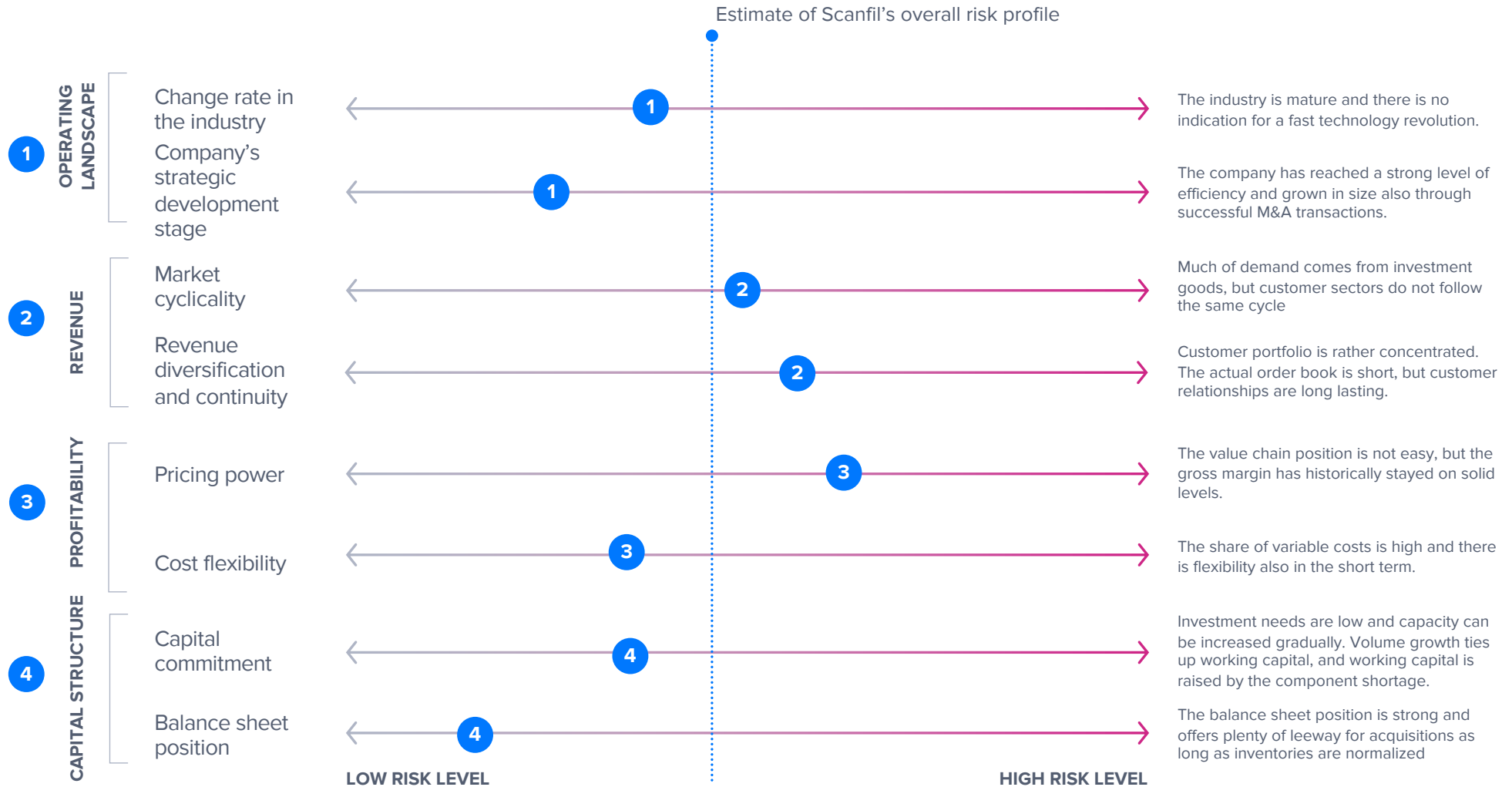
Source: Inderes

# The profit warning did not trigger the need for forecast revisions

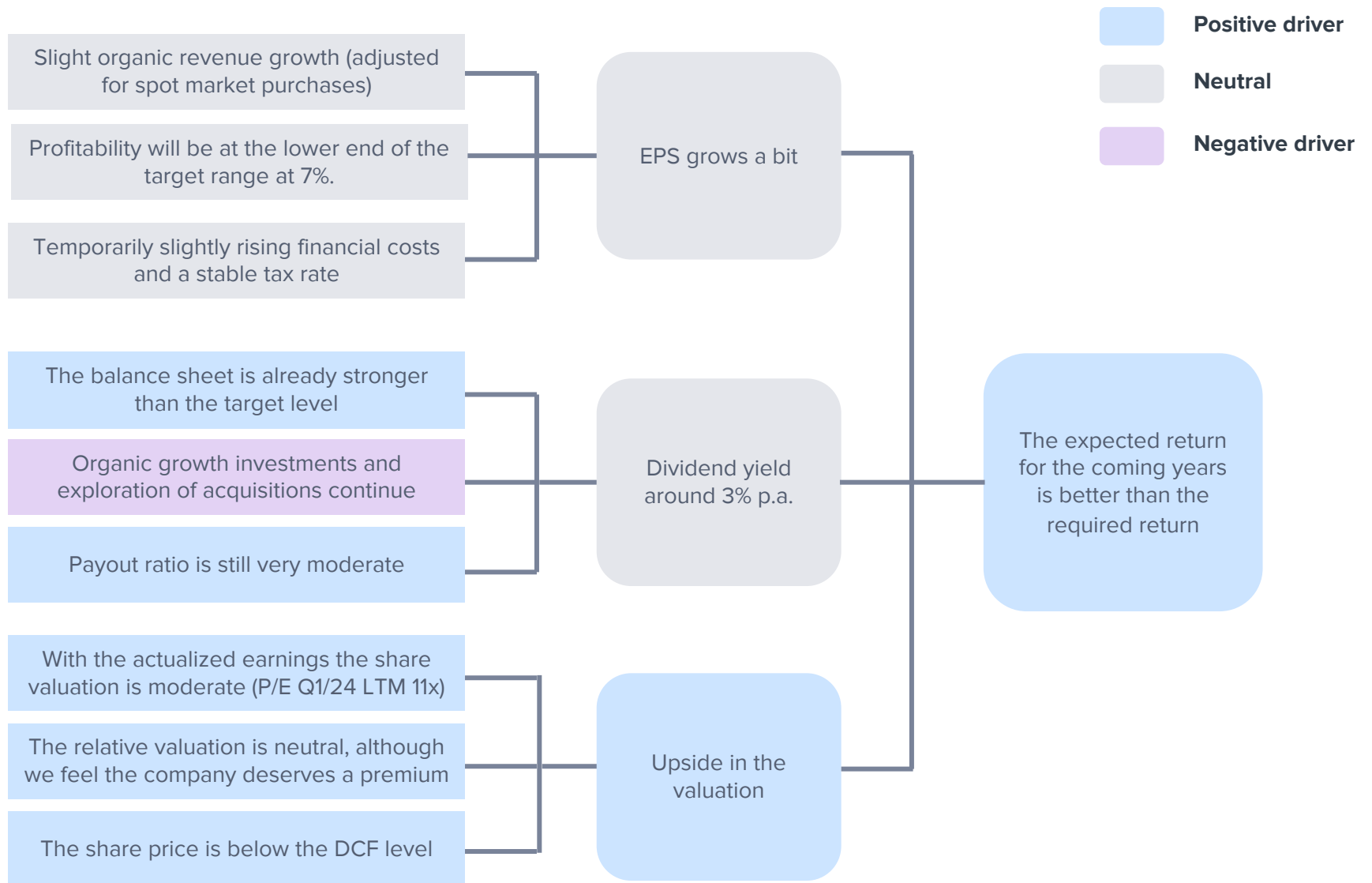
<b>Estimate revisions</b>	<b>2024e</b>	<b>2024e</b>	<b>Change</b>	<b>2025e</b>	<b>2025e</b>	<b>Change</b>	<b>2026e</b>	<b>2026e</b>	<b>Change</b>
<b>MEUR / EUR</b>	<b>Old</b>	<b>New</b>	<b>%</b>	<b>Old</b>	<b>New</b>	<b>%</b>	<b>Old</b>	<b>New</b>	<b>%</b>
<b>Revenue</b>	851	815	-4%	890	875	-2%	944	923	-2%
<b>EBIT (exc. NRIs)</b>	58.2	57.2	-2%	62.0	61.0	-2%	66.0	65.0	-2%
<b>EBIT</b>	58.2	57.2	-2%	62.0	61.0	-2%	66.0	65.0	-2%
<b>PTP</b>	57.2	56.2	-2%	61.2	60.2	-2%	65.8	64.8	-2%
<b>EPS (excl. NRIs)</b>	0.65	0.65	0%	0.73	0.72	-2%	0.79	0.77	-2%
<b>DPS</b>	0.25	0.25	0%	0.27	0.27	0%	0.29	0.29	0%

Source: Inderes

# Risk profile of the business model



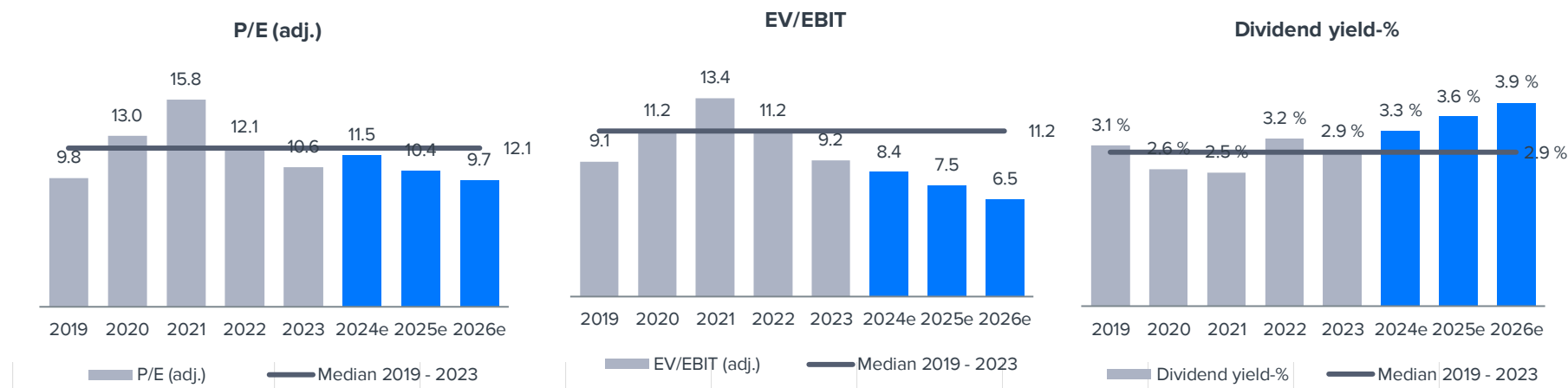
# TSR drivers Q1'24 LTM-2027e



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	4.89	6.52	7.46	6.58	7.83	<b>7.48</b>	<b>7.48</b>	<b>7.48</b>	<b>7.48</b>
Number of shares, millions	64.4	64.5	64.5	64.5	65.3	<b>65.3</b>	<b>65.3</b>	<b>65.3</b>	<b>65.3</b>
Market cap	313	420	481	424	511	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>
EV	359	439	541	510	563	<b>481</b>	<b>459</b>	<b>426</b>	<b>396</b>
P/E (adj.)	9.8	13.0	15.8	12.1	10.6	<b>11.5</b>	<b>10.4</b>	<b>9.7</b>	<b>9.0</b>
P/E	11.2	11.4	16.2	12.1	10.6	<b>11.5</b>	<b>10.4</b>	<b>9.7</b>	<b>9.0</b>
P/B	1.9	2.3	2.3	1.9	1.9	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	<b>1.2</b>
P/S	0.5	0.7	2.3	0.5	0.6	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>
EV/Sales	0.6	0.7	0.7	0.6	0.6	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>
EV/EBITDA	6.8	7.2	9.8	8.1	7.0	<b>6.2</b>	<b>5.6</b>	<b>4.9</b>	<b>4.4</b>
EV/EBIT (adj.)	9.1	11.2	13.4	11.2	9.2	<b>8.4</b>	<b>7.5</b>	<b>6.5</b>	<b>5.7</b>
Payout ratio (%)	34.2 %	29.7 %	41.1 %	38.7 %	31.2 %	<b>38.6 %</b>	<b>37.5 %</b>	<b>37.5 %</b>	<b>37.5 %</b>
Dividend yield-%	3.1 %	2.6 %	2.5 %	3.2 %	2.9 %	<b>3.3 %</b>	<b>3.6 %</b>	<b>3.9 %</b>	<b>4.1 %</b>

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
Incap	367	361	13.1	10.9	10.9	9.4	1.6	1.3	17.3	13.9			2.9
Kitron	566	690	12.2	10.4	9.2	8.1	1.0	0.9	14.4	12.5	2.9	3.5	2.7
Hanza	240	323	11.4	8.7	7.4	5.8	0.7	0.6	15.0	10.1	1.8	2.7	1.8
Pegatron	8517	8372	15.8	12.4	8.8	7.4	0.2	0.2	17.5	15.1	3.8	4.1	1.5
Celestica	5749	6220	12.6	11.6	9.7	9.0	0.7	0.7	15.7	14.5			3.7
Flextronics	11876	12604	8.8	10.1	6.8	7.4	0.5	0.5	12.7	13.4			2.7
Foxconn	70558	64418	11.5	9.4	8.0	6.7	0.3	0.3	15.7	12.6	3.3	4.1	1.5
Jabil	12702	12992	9.0	8.2	6.2	5.8	0.5	0.5	13.6	10.9	0.3	0.3	6.6
Hana Microelectronics	925	711	14.5	12.2	7.4	6.6	1.1	1.0	17.8	15.1	2.9	3.2	1.3
TT Electronics	322	465	7.1	6.6	5.5	5.2	0.7	0.7	7.9	7.1	4.7	5.1	1.0
Fabrinet	7712	6972	25.3	22.7	21.4	19.2	2.6	2.4	26.5	24.1			4.9
Universal Scientific	4232	3740	11.8	10.4	8.0	7.0	0.4	0.4	15.0	12.6	2.0	2.2	1.8
Venture Corporation	2775	2074	9.1	8.3	8.2	7.5	0.9	0.9	13.9	12.8	5.4	5.5	1.3
Plexus	2636	2796	15.3	12.5	10.6	9.1	0.8	0.7	20.2	16.2			2.4
Lacroix	125	265	9.3	7.3	5.4	4.6	0.4	0.4	11.2	7.7	3.1	5.0	0.6
<b>Scanfil (Inderes)</b>	<b>488</b>	<b>481</b>	<b>8.4</b>	<b>7.5</b>	<b>6.2</b>	<b>5.6</b>	<b>0.6</b>	<b>0.5</b>	<b>11.5</b>	<b>10.4</b>	<b>3.3</b>	<b>3.6</b>	<b>1.7</b>
<b>Average</b>			<b>12.4</b>	<b>10.8</b>	<b>8.9</b>	<b>7.9</b>	<b>0.8</b>	<b>0.8</b>	<b>15.6</b>	<b>13.2</b>	<b>3.0</b>	<b>3.6</b>	<b>2.4</b>
<b>Median</b>			<b>11.8</b>	<b>10.4</b>	<b>8.0</b>	<b>7.4</b>	<b>0.7</b>	<b>0.7</b>	<b>15.0</b>	<b>12.8</b>	<b>3.0</b>	<b>3.8</b>	<b>1.8</b>
<b>Diff-% to median</b>			<b>-29%</b>	<b>-28%</b>	<b>-22%</b>	<b>-25%</b>	<b>-17%</b>	<b>-23%</b>	<b>-23%</b>	<b>-19%</b>	<b>10%</b>	<b>-5%</b>	<b>-7%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>844</b>	<b>225</b>	<b>243</b>	<b>213</b>	<b>221</b>	<b>902</b>	<b>199</b>	<b>206</b>	<b>194</b>	<b>216</b>	<b>815</b>	<b>875</b>	<b>923</b>	<b>980</b>
Industrial	438	111	112	98.8	105	428	94.2	91.0	84.0	97.0	366	400	420	440
Energy & Cleantech	254	72.8	91.3	77.6	78.5	320	70.4	81.0	75.0	82.0	308	325	343	370
Medtec & Life Science	151	40.6	39.6	36.4	37.1	154	34.3	34.0	35.0	37.0	140	150	160	170
NRI	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
Group	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
<b>EBITDA</b>	<b>62.9</b>	<b>19.8</b>	<b>22.2</b>	<b>20.0</b>	<b>18.3</b>	<b>80.4</b>	<b>17.7</b>	<b>19.0</b>	<b>20.2</b>	<b>20.7</b>	<b>77.6</b>	<b>82.1</b>	<b>87.0</b>	<b>90.8</b>
Depreciation	-17.5	-4.7	-4.7	-4.8	-4.9	-19.1	-5.0	-5.0	-5.2	-5.2	-20.4	-21.1	-22.0	-21.8
<b>EBIT (excl. NRI)</b>	<b>45.4</b>	<b>15.1</b>	<b>17.5</b>	<b>15.2</b>	<b>13.4</b>	<b>61.3</b>	<b>12.7</b>	<b>14.0</b>	<b>15.0</b>	<b>15.5</b>	<b>57.2</b>	<b>61.0</b>	<b>65.0</b>	<b>69.0</b>
<b>EBIT</b>	<b>45.4</b>	<b>15.1</b>	<b>17.5</b>	<b>15.2</b>	<b>13.4</b>	<b>61.3</b>	<b>12.7</b>	<b>14.0</b>	<b>15.0</b>	<b>15.5</b>	<b>57.2</b>	<b>61.0</b>	<b>65.0</b>	<b>69.0</b>
Connectivity (old)	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 financial items	-3.7	-0.6	0.9	-0.6	0.7	0.3	0.2	-0.4	-0.4	-0.4	-1.0	-0.8	-0.2	0.3
<b>PTP</b>	<b>41.7</b>	<b>14.5</b>	<b>18.4</b>	<b>14.6</b>	<b>14.1</b>	<b>61.6</b>	<b>12.9</b>	<b>13.6</b>	<b>14.6</b>	<b>15.1</b>	<b>56.2</b>	<b>60.2</b>	<b>64.8</b>	<b>69.3</b>
Taxes	-6.7	-2.8	-3.9	-3.5	-3.2	-13.4	-3.1	-3.4	-3.7	-3.8	-13.9	-13.2	-14.3	-15.2
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
<b>Net earnings</b>	<b>35.0</b>	<b>11.7</b>	<b>14.5</b>	<b>11.0</b>	<b>11.0</b>	<b>48.2</b>	<b>9.8</b>	<b>10.2</b>	<b>11.0</b>	<b>11.3</b>	<b>42.3</b>	<b>47.0</b>	<b>50.5</b>	<b>54.0</b>
<b>Net earnings</b>	<b>35.0</b>	<b>11.7</b>	<b>14.5</b>	<b>11.0</b>	<b>10.9</b>	<b>48.2</b>	<b>9.8</b>	<b>10.2</b>	<b>11.0</b>	<b>11.3</b>	<b>42.3</b>	<b>47.0</b>	<b>50.5</b>	<b>54.0</b>
<b>EPS (adj.)</b>	<b>0.54</b>	<b>0.18</b>	<b>0.22</b>	<b>0.17</b>	<b>0.17</b>	<b>0.74</b>	<b>0.15</b>	<b>0.16</b>	<b>0.17</b>	<b>0.17</b>	<b>0.65</b>	<b>0.72</b>	<b>0.77</b>	<b>0.83</b>
<b>EPS (rep.)</b>	<b>0.54</b>	<b>0.18</b>	<b>0.22</b>	<b>0.17</b>	<b>0.17</b>	<b>0.74</b>	<b>0.15</b>	<b>0.16</b>	<b>0.17</b>	<b>0.17</b>	<b>0.65</b>	<b>0.72</b>	<b>0.77</b>	<b>0.83</b>
<b>Key figures</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24e</b>	<b>Q3'24e</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	21.3 %	14.2 %	14.3 %	0.4 %	-0.7 %	6.8 %	-11.4 %	-15.3 %	-8.8 %	-2.2 %	-9.6 %	7.4 %	5.5 %	6.2 %
<b>Adjusted EBIT growth-%</b>	12.7 %	46.6 %	71.8 %	32.4 %	0.0 %	34.9 %	-15.9 %	-20.1 %	-1.5 %	15.7 %	-6.6 %	6.6 %	6.6 %	6.2 %
<b>EBITDA-%</b>	7.5 %	8.8 %	9.1 %	9.4 %	8.3 %	8.9 %	8.9 %	9.2 %	10.4 %	9.6 %	9.5 %	9.4 %	9.4 %	9.3 %
<b>Adjusted EBIT-%</b>	5.4 %	6.7 %	7.2 %	7.2 %	6.1 %	6.8 %	6.4 %	6.8 %	7.7 %	7.2 %	7.0 %	7.0 %	7.0 %	7.0 %
<b>Net earnings-%</b>	4.2 %	5.2 %	6.0 %	5.2 %	4.9 %	5.3 %	4.9 %	5.0 %	5.6 %	5.2 %	5.2 %	5.4 %	5.5 %	5.5 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>107</b>	<b>112</b>	<b>116</b>	<b>120</b>	<b>119</b>
Goodwill	7.7	7.7	7.7	7.7	7.7
Intangible assets	10.8	10.4	10.5	10.6	10.7
Tangible assets	79.7	85.3	89.9	93.8	92.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	7.8	7.7	7.7	7.7	7.7
<b>Current assets</b>	<b>419</b>	<b>406</b>	<b>374</b>	<b>412</b>	<b>455</b>
Inventories	229	209	175	179	180
Other current assets	4.1	2.7	2.7	2.7	2.7
Receivables	165	174	159	171	180
Cash and equivalents	20.8	21.2	37.3	59.5	92.5
<b>Balance sheet total</b>	<b>526</b>	<b>518</b>	<b>490</b>	<b>533</b>	<b>575</b>

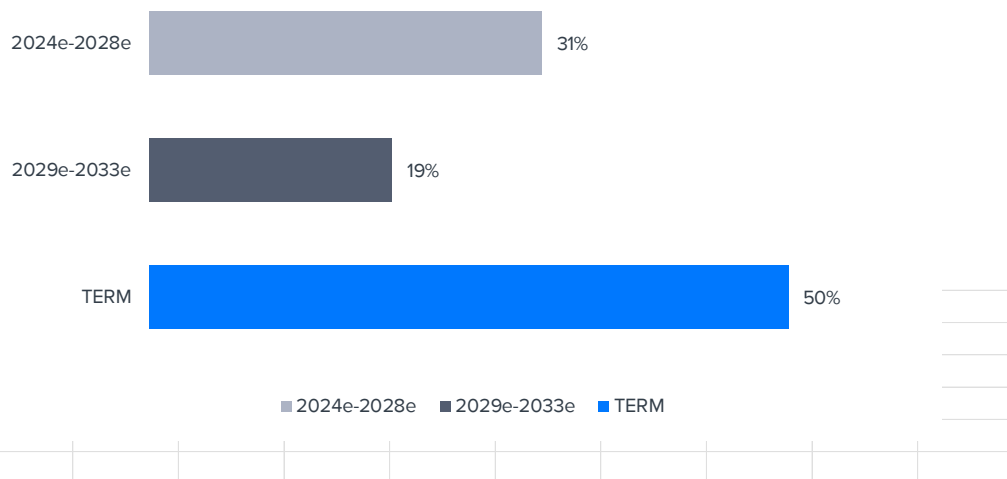
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>227</b>	<b>266</b>	<b>293</b>	<b>324</b>	<b>357</b>
Share capital	2.0	2.0	2.0	2.0	2.0
Retained earnings	195	230	257	288	321
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	29.5	33.8	33.8	33.8	33.8
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>61.8</b>	<b>25.4</b>	<b>31.8</b>	<b>31.8</b>	<b>31.8</b>
Deferred tax liabilities	4.6	5.7	5.7	5.7	5.7
Provisions	0.8	1.1	1.1	1.1	1.1
Interest bearing debt	56.4	18.6	25.0	25.0	25.0
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
<b>Current liabilities</b>	<b>237</b>	<b>227</b>	<b>165</b>	<b>177</b>	<b>186</b>
Interest bearing debt	49.9	54.3	5.0	5.0	5.0
Payables	184	167	155	166	175
Other current liabilities	3.5	5.5	5.5	5.5	5.5
<b>Balance sheet total</b>	<b>526</b>	<b>518</b>	<b>490</b>	<b>533</b>	<b>575</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	6.8 %	-9.6 %	7.4 %	5.5 %	6.2 %	5.0 %	5.0 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	6.8 %	7.0 %	7.0 %	7.0 %	7.0 %	6.7 %	6.6 %	6.5 %	6.4 %	6.4 %	6.4 %	6.4 %
<b>EBIT (operating profit)</b>	<b>61.3</b>	<b>57.2</b>	<b>61.0</b>	<b>65.0</b>	<b>69.0</b>	<b>68.9</b>	<b>71.3</b>	<b>73.0</b>	<b>74.1</b>	<b>76.3</b>	<b>77.8</b>	
+ Depreciation	19.1	20.4	21.1	22.0	21.8	21.6	21.5	21.4	21.3	21.4	21.6	
- Paid taxes	-12.2	-13.9	-13.2	-14.3	-15.2	-15.3	-15.9	-16.4	-16.7	-17.3	-18.8	
- Tax, financial expenses	0.1	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
+ Tax, financial income	0.0	0.1	0.2	0.3	0.4	0.4	0.5	0.6	0.7	0.8	0.9	
- Change in working capital	-2.0	36.5	-4.5	-0.9	-6.5	-9.6	-10.0	-8.4	-6.6	-6.8	-4.6	
<b>Operating cash flow</b>	<b>66.2</b>	<b>99.9</b>	<b>64.2</b>	<b>71.9</b>	<b>69.1</b>	<b>65.8</b>	<b>67.1</b>	<b>69.9</b>	<b>72.5</b>	<b>74.2</b>	<b>76.5</b>	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-24.3	-25.1	-25.1	-21.1	-21.1	-21.1	-21.1	-21.1	-22.1	-22.1	-21.8	
<b>Free operating cash flow</b>	<b>42.3</b>	<b>74.8</b>	<b>39.1</b>	<b>50.8</b>	<b>48.0</b>	<b>44.7</b>	<b>46.0</b>	<b>48.8</b>	<b>50.4</b>	<b>52.1</b>	<b>54.7</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	42.2	74.8	39.1	50.8	48.0	44.7	46.0	48.8	50.4	52.1	54.7	789
<b>Discounted FCFF</b>		<b>71.3</b>	<b>34.2</b>	<b>40.7</b>	<b>35.3</b>	<b>30.1</b>	<b>28.4</b>	<b>27.6</b>	<b>26.1</b>	<b>24.8</b>	<b>23.9</b>	<b>344</b>
Sum of FCFF present value		687	615	581	540	505	475	447	419	393	368	344
<b>Enterprise value DCF</b>		<b>687</b>										
- Interest bearing debt		-72.9										
+ Cash and cash equivalents		21.2										
-Minorities		0.0										
-Dividend/capital return		-15.0										
<b>Equity value DCF</b>		<b>620</b>										
<b>Equity value DCF per share</b>		<b>9.5</b>										

Cash flow distribution

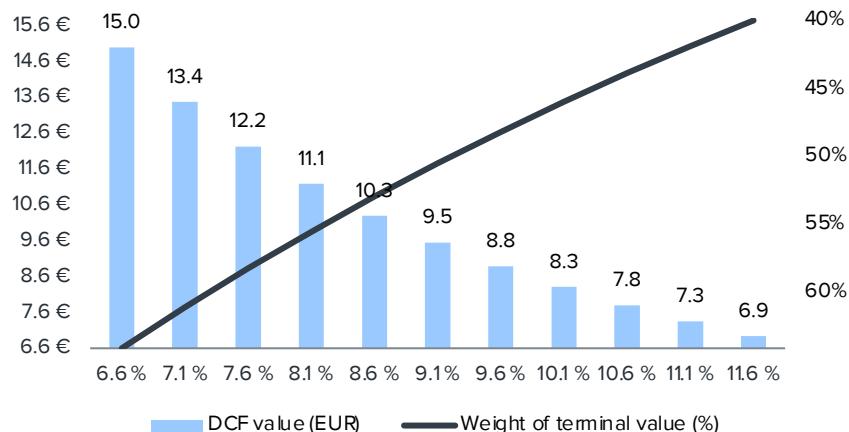


WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.9 %</b>

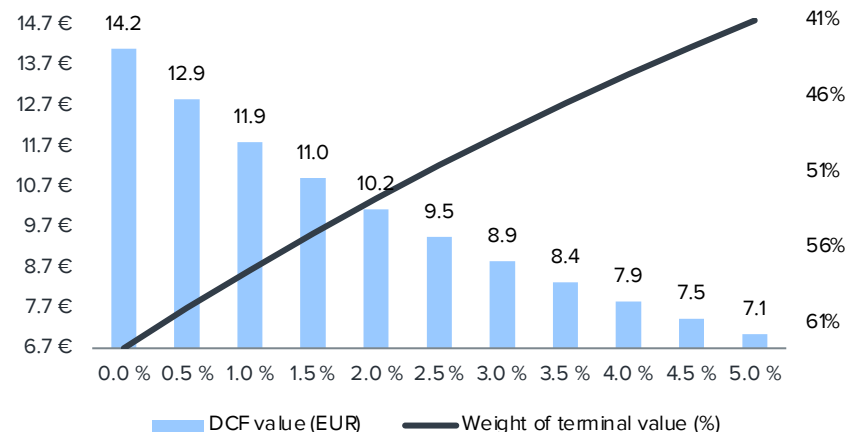
Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs

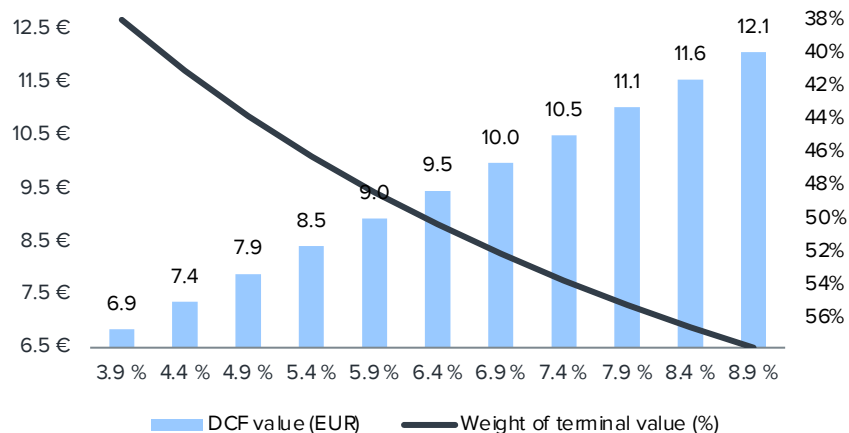
Sensitivity of DCF to changes in the WACC-%



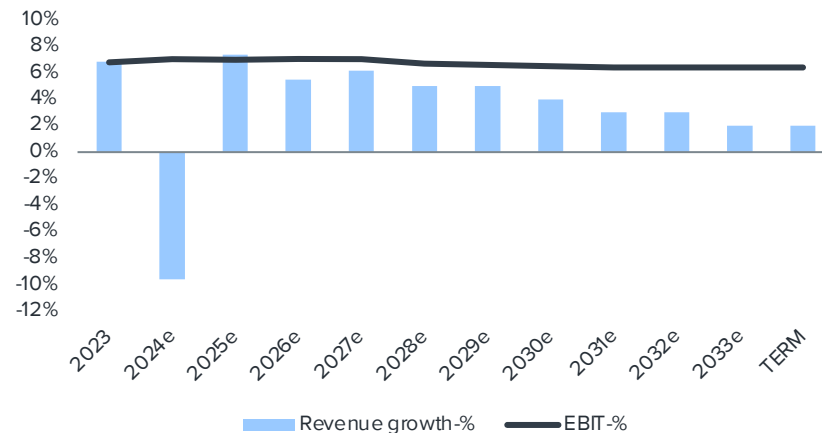
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	696	844	902	815	875	EPS (reported)	0.46	0.54	0.74	0.65	0.72
EBITDA	55.0	62.9	80.4	77.6	82.1	EPS (adj.)	0.47	0.54	0.74	0.65	0.72
EBIT	39.6	45.4	61.3	57.2	61.0	OCF / share	-0.21	0.24	1.01	1.53	0.98
PTP	37.7	41.7	61.6	56.2	60.2	FCF / share	-0.54	-0.10	0.65	1.15	0.60
Net Income	29.8	35.0	48.2	42.3	47.0	Book value / share	3.22	3.51	4.08	4.49	4.96
Extraordinary items	-0.7	0.0	0.0	0.0	0.0	Dividend / share	0.19	0.21	0.23	0.25	0.27
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	474	526	518	490	533	Revenue growth-%	17%	21%	7%	-10%	7%
Equity capital	207	227	266	293	324	EBITDA growth-%	-9%	14%	28%	-3%	6%
Goodwill	8.2	7.7	7.7	7.7	7.7	EBIT (adj.) growth-%	3%	13%	35%	-7%	7%
Net debt	59.9	85.5	51.7	-7.3	-29.5	EPS (adj.) growth-%	-6%	15%	36%	-12%	11%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	7.9 %	7.5 %	8.9 %	9.5 %	9.4 %
EBITDA	55.0	62.9	80.4	77.6	82.1	EBIT (adj.)-%	5.8 %	5.4 %	6.8 %	7.0 %	7.0 %
Change in working capital	-58.1	-39.9	-2.0	36.5	-4.5	EBIT-%	5.7 %	5.4 %	6.8 %	7.0 %	7.0 %
Operating cash flow	-13.4	15.7	66.2	99.9	64.2	ROE-%	15.3 %	16.1 %	19.6 %	15.1 %	15.2 %
CAPEX	-21.4	-22.6	-24.3	-25.1	-25.1	ROI-%	15.2 %	14.5 %	18.2 %	17.4 %	18.2 %
Free cash flow	-34.8	-6.7	42.2	74.8	39.1	Equity ratio	43.8 %	43.1 %	51.3 %	59.8 %	60.8 %
						Gearing	28.9 %	37.7 %	19.4 %	-2.5 %	-9.1 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	0.8	0.6	0.6	0.6	0.5						
EV/EBITDA	9.8	8.1	7.0	6.2	5.6						
EV/EBIT (adj.)	13.4	11.2	9.2	8.4	7.5						
P/E (adj.)	15.8	12.1	10.6	11.5	10.4						
P/B	2.3	1.9	1.9	1.7	1.5						
Dividend-%	2.5 %	3.2 %	2.9 %	3.3 %	3.6 %						

Source: Inderes

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/26/2019	Accumulate	4.50 €	4.20 €
8/12/2019	Accumulate	4.50 €	4.04 €
10/28/2019	Accumulate	4.75 €	4.35 €
1/17/2020	Accumulate	5.25 €	4.94 €
2/20/2020	Accumulate	5.60 €	5.20 €
3/23/2020	Accumulate	4.25 €	3.73 €
4/25/2020	Accumulate	5.00 €	4.48 €
8/5/2020	Accumulate	5.50 €	5.18 €
8/10/2020	Accumulate	6.00 €	5.56 €
10/28/2020	Buy	6.00 €	5.14 €
12/15/2020	Accumulate	6.30 €	5.96 €
3/19/2021	Accumulate	7.30 €	6.90 €
4/9/2021	Accumulate	8.00 €	7.56 €
4/26/2021	Accumulate	8.60 €	8.08 €
6/14/2021	Accumulate	8.60 €	8.06 €
8/8/2021	Accumulate	8.75 €	8.30 €
10/14/2021	Accumulate	8.75 €	7.94 €
10/27/2021	Accumulate	8.75 €	7.78 €
12/13/2021	Reduce	8.30 €	7.96 €
2/16/2022	Accumulate	8.00 €	7.08 €
2/23/2022	Accumulate	8.00 €	6.84 €
4/19/2022	Accumulate	8.00 €	7.04 €
6/1/2022	Accumulate	7.60 €	6.66 €
7/14/2022	Accumulate	7.60 €	6.98 €
8/8/2022	Accumulate	7.60 €	6.76 €
10/27/2022	Buy	7.25 €	5.84 €
2/22/2023	Accumulate	8.25 €	7.74 €
4/23/2023	Reduce	9.00 €	9.13 €
4/26/2023	Reduce	9.00 €	9.67 €
7/6/2023	Reduce	9.50 €	10.38 €
7/31/2023	Reduce	10.00 €	10.56 €
8/7/2023	Reduce	10.00 €	10.64 €
9/14/2023	Accumulate	10.00 €	8.51 €
10/16/2023	Accumulate	9.00 €	7.64 €
10/30/2023	Accumulate	9.00 €	7.38 €
2/25/2024	Accumulate	9.00 €	7.71 €
4/25/2024	Accumulate	9.00 €	7.78 €
6/11/2024	Accumulate	8.50 €	7.48 €



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