

# NYAB

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Hyvistä asemista tulevaan kasvuun” published on 11/6/2024 at 11:50 pm EET

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res.**

# Well positioned for future growth

We reiterate our Accumulate recommendation and SEK 6.8 target price for NYAB. The company's Q3 numbers were below our expectations in terms of timing of revenue, but otherwise the overall picture of the report was quite expected. Positive margin development and the order book at a record level allow the company to continue its growth story from a good position. Overall, given the report, which was broadly in line with our expectations, the forecast changes for the coming years remained moderate. As a result, we continue to see the expected return at an attractive level, driven in particular by the earnings growth we forecast for the coming years.

## Q3 progress missed our expectations due to timing of revenue

NYAB's revenue grew by 6% in Q3 to around 94 MEUR, which was quite clearly below our forecast despite a much stronger order book this year. In our understanding, this development was at least partly due to timing factors (e.g. factors related to the holiday season). Geographically, the Finnish business revenue continued to shrink (-7%), while the reported revenue in Sweden increased by 13%. Reported EBIT was 8.9 MEUR, which missed our expectations, reflecting the revenue development. However, the margin level was in line with our expectations, which we consider a good performance given the revenue development. At the same time, the bottom lines as a whole were quite well in line with our expectations, which is why the net result was below our forecast at around the same level as the operating result.

## Earnings forecasts for the coming years virtually unchanged

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. As far as we know, this is also the highest level of the guidance policy. For its part, the company commented that the outlook in Sweden has remained favorable, while in Finland it is still weaker, in line with the overall economic development. However, reflecting the strong traction in Sweden, the company's order book at the end of Q3 was, as expected, at a new record level and does not yet include the [Uppsala Tramway project](#), which has the potential to be of significant size. Overall, given the report, which was well in line with our expectations, and the outlook, the changes to the forecasts remained small. Mainly as a result of the actual development in Q3, our forecasts for the current year have been slightly lowered and we now expect the company's revenue to amount to 330 MEUR (was 344 MEUR) and the reported EBIT to 22.9 MEUR (was 24.0 MEUR) this year. We have also slightly lowered our revenue forecasts for the coming years, but this is offset by revisions to our cost estimates, which leave our earnings forecasts virtually unchanged. However, we expect NYAB's growth to remain in double digits in the coming years and margins to reach target levels (25e-26e EBIT-%: 7.4-7.5% vs. target above 7.5%).

## Expected return is attractive

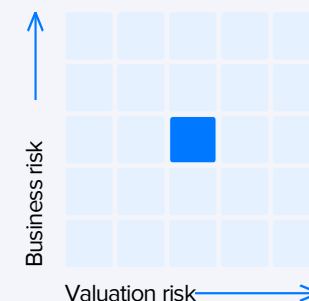
Based on our estimates, adjusted P/E figures for 2024 and 2025 are 19x and 16x, while the corresponding EV/EBIT ratios are 14x and 11x. Relative to the accepted multiple range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation is relatively neutral overall for this year. Similarly, looking ahead to next year, we see upside, particularly in the EV/EBIT ratio reflecting the solid balance sheet, underpinned by the further strengthened earnings growth outlook. Our range of expected total returns over the medium term is also slightly above our required return for the stock. Further support for a positive recommendation comes from our sum-of-the-parts model, which also remained virtually unchanged at SEK 6.1-7.4 (was SEK 6.2-7.5).

## Recommendation

**Accumulate**  
(was Accumulate)

**SEK 6.80**  
(was SEK 6.80)

**Share price:**  
SEK 5.80



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	280.4	329.8	381.5	421.5
<b>growth-%</b>	11%	18%	16%	11%
<b>EBIT adj.</b>	17.8	23.8	28.8	32.0
<b>EBIT-% adj.</b>	6.4 %	7.2 %	7.5 %	7.6 %
<b>Net Income</b>	9.0	15.3	22.2	25.3
<b>EPS (adj.)</b>	0.02	0.03	0.03	0.04

<b>P/E (adj.)</b>	29.5	19.1	15.6	13.8
<b>P/B</b>	2.1	1.9	1.7	1.6
<b>Dividend yield-%</b>	2.5 %	2.4 %	3.2 %	3.6 %
<b>EV/EBIT (adj.)</b>	20.7	13.8	11.1	9.6
<b>EV/EBITDA</b>	17.2	11.9	9.7	8.5
<b>EV/S</b>	1.3	1.0	0.8	0.7

Source: Inderes

## Guidance

(Unchanged)

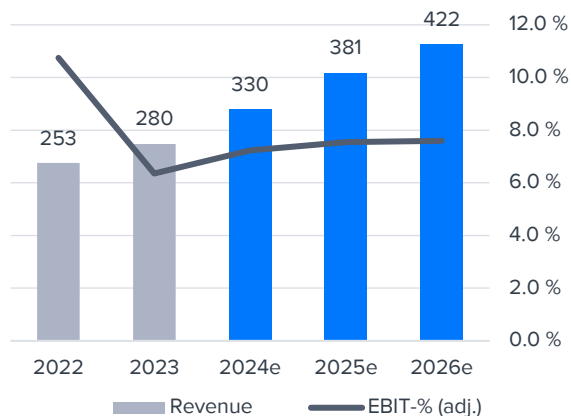
In 2024, NYAB expects its revenue (2023: 280 MEUR) and EBIT (2023: 15.2 MEUR) to grow from 2023.

### Share price



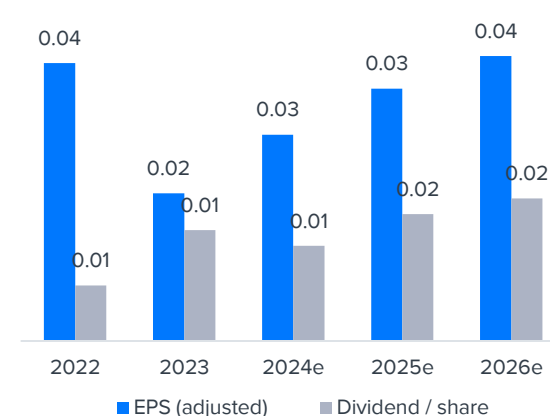
Source: Millstream Market Data AB

### 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	0.50	0.50	0.50
Number of shares, millions	713.0	713.0	713.0
Market cap	354	354	354
EV	330	319	307
P/E (adj.)	19.1	15.6	13.8
P/E	23.1	16.0	14.0
P/B	1.9	1.7	1.6
P/S	1.1	0.9	0.8
EV/Sales	1.0	0.8	0.7
EV/EBITDA	11.9	9.7	8.5
EV/EBIT (adj.)	13.8	11.1	9.6
Payout ratio (%)	55.8 %	51.4 %	50.7 %
Dividend yield-%	2.4 %	3.2 %	3.6 %

Source: Inderes

# Q3 figures below our expectations for timing reasons

## Below-forecast revenue

NYAB's revenue grew by 6% in Q3 to around 94 MEUR, which was quite clearly below our forecast despite a much stronger order book this year. In our view, this development was at least partly due to timing factors (e.g. the holiday season), which slightly delayed the implementation of certain projects.

Geographically, the decline of the Finnish business (-7%) continued during the quarter, also reflecting a cooling of investments in renewable energy. Similarly, reported revenue in Sweden increased by 13%. During the reporting period, the Swedish krona had a slightly positive impact on development (+2 percentage points). Growth, in turn, was driven by progress in energy projects in particular.

The company also commented that the operating environment in Sweden had remained favorable. On the Finnish side, however, the outlook remains subdued, mirroring the overall economic development and in particular the postponement of renewable

energy investments. Due to strong demand from Sweden, the order book at the end of Q3 reached a new record level of 382 MEUR (Q3'23: 183 MEUR), clearly up year-on-year.

## Result below expectations in line with revenue development, but margins still at a strong level

The company reported an EBIT of 8.9 MEUR and missed our expectations, in line with the revenue development. At the same time, the margin level was in line with our expectations, which we consider a good performance given the revenue development. On the other hand, there were no major surprises in the cost structure, so the development was driven by cost efficiency, which was slightly better than our expectations.

The overall development of the bottom lines was also quite in line with our expectations. Regarding the change of domicile, expenses of around 0.3 MEUR were recorded in Q3, which was well in line with our estimates and expectations of a significant decrease

compared to Q2 (Q2: 1.6 MEUR). Given the above overall picture, net profit missed our estimates by about the same amount as EBIT (due to the large number of shares, EPS comparisons are not meaningful).

## Cash flow below zero in Q3

In Q3, NYAB's cash flow from operating activities was -7.7 MEUR, driven particularly by a seasonal change in working capital (-16.3 MEUR). At the same time, its free cash flow was -8.3 MEUR, reflecting moderate investments. In contrast, the company's rolling 12-month free cash flow is at a strong level of 21.0 MEUR. We expect cash flow to strengthen again during Q4 and Q1 as working capital is released.

As a whole, NYAB's financial position was at a very strong level with an equity ratio of 74% (Q3'23: 71%) and a net debt/EBITDA ratio of 0.1x in the previous 12 months. The company's financial position is therefore sufficient to implement its growth strategy (incl. acquisitions).

Estimates MEUR / EUR	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	88.1	93.6	104				-10%	330
EBITA	7.1	9.0	10.3				-12%	23.8
EBIT	6.6	8.9	10.1				-12%	22.9
PTP	5.2	8.1	9.3				-13%	18.4
Net profit	4.6	6.7	8.1				-17%	0.0
Revenue growth-%		6.2 %	18.5 %				-12.3 pp	17.6 %
Revenue-% (rep.)	7.5 %	9.5 %	9.7 %				-0.2 pp	7.0 %

Source: Inderes

## NYAB Q3'24: Strong order backlog



# Earnings forecasts for the coming years virtually unchanged

## Estimate revisions 2024e-2026e

- The report resulted in only very minor revisions to our Q4 projections, so the changes to this year's estimates are mainly explained by the actual Q3 figures.
- Estimate changes for the next few years are also minor. We slightly lowered our revenue forecasts due to a lower starting level and our revised estimate of the timing of the order book (i.e. we expect the current order book to be spread over a slightly longer period than in the past).
- However, the positive revisions we made to our margin forecasts offset their impact and our earnings estimates are virtually unchanged.
- We also made small adjustments to the financing costs and tax rows, but the absolute changes were very small

## Operational result drivers 2023-2026e:

- NYAB's order book stood at 382 MEUR at the end of Q3, enabling further growth, although there is uncertainty about the exact timing of the order book.
- Several large multi-year contracts signed in the last 12 months are already giving the company visibility for next year's progress. They also improve the predictability of the business and reduce seasonality.
- Easing inflation (i.e. order book rolling) supports profitability performance
- Revenue growth slightly scales fixed costs
- 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 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	344	330	-4%	394	381	-3%	433	422	-3%
EBITDA	28.5	27.7	-3%	32.2	32.9	2%	35.6	36.1	1%
EBIT (excl. NRIs)	24.9	23.8	-4%	28.7	28.8	0%	31.8	32.0	1%
EBIT	24.0	22.9	-4%	28.2	28.2	0%	31.5	31.7	1%
PTP	19.6	18.4	-6%	26.3	26.1	-1%	30.0	30.2	1%
EPS (excl. NRIs)	0.03	0.03	-5%	0.03	0.03	-3%	0.04	0.04	1%
DPS	0.012	0.012	0%	0.016	0.016	0%	0.018	0.018	0%

Source: Inderes

## NYAB, Audiocast, Q3'24



# Valuation already becoming attractive in the short term

## Valuation has upside for next year

We forecast an adjusted 2024 P/E ratio of 19x and a corresponding EV/EBIT ratio of 14x. Relative to the accepted valuation range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation for this year is relatively neutral or at most slightly elevated. Similarly, if earnings growth materializes in line with our forecasts, we see the multiples for next year already falling to attractive levels (2025e EV/EBIT 11x, P/E 16x), especially the EV/EBIT multiple taking into account the strong balance sheet. Additionally, it is 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 stronger order book, a higher margin level this year and a positive demand outlook in Sweden, we also see the risk level related 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 (Finland's weaker outlook).

## Expected return for the coming years is attractive

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. The multiples would still be well above the 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 5.9-8.1 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 around 10%, and we expect the investor to receive an annual base dividend yield of around 2-3%. However, the average expected annual total return is slightly higher than the 9.6% return on equity we use. 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 before increasing our profit distribution forecasts.

## SOTP in slight upward trend

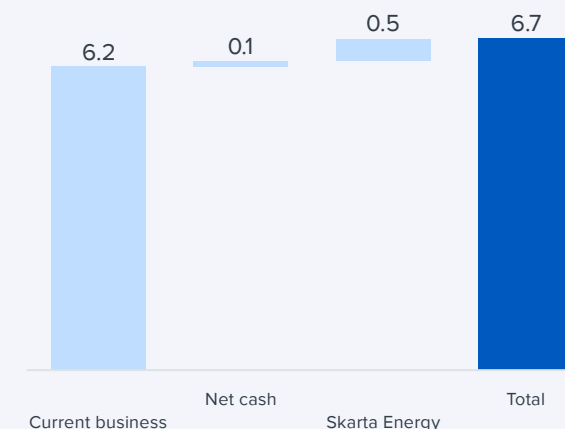
The indicative value of our sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) is now set at 372-450 MEUR in our baseline scenario (was MEUR 381-465). At the current EUR/SEK exchange rate, this corresponds to a value of SEK 6.1-7.4 per share. The slight decrease in the SOTP was mainly due to the financing round in Skarta Energy, which brought NYAB's shareholding further down to 24% (was 27%).

Similarly, our DCF model currently stands at around SEK 6.7 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). On the whole, we see the expected return on the stock rising to an attractive level from a variety of angles.

Valuation	2024e	2025e	2026e
Share price	0.50	0.50	0.50
Number of shares, millions	713.0	713.0	713.0
Market cap	354	354	354
EV	330	319	307
P/E (adj.)	19.1	15.6	13.8
P/E	23.1	16.0	14.0
P/B	1.9	1.7	1.6
P/S	1.1	0.9	0.8
EV/Sales	1.0	0.8	0.7
EV/EBITDA	11.9	9.7	8.5
EV/EBIT (adj.)	13.8	11.1	9.6
Payout ratio (%)	55.8 %	51.4 %	50.7 %
Dividend yield-%	2.4 %	3.2 %	3.6 %

Source: Inderes

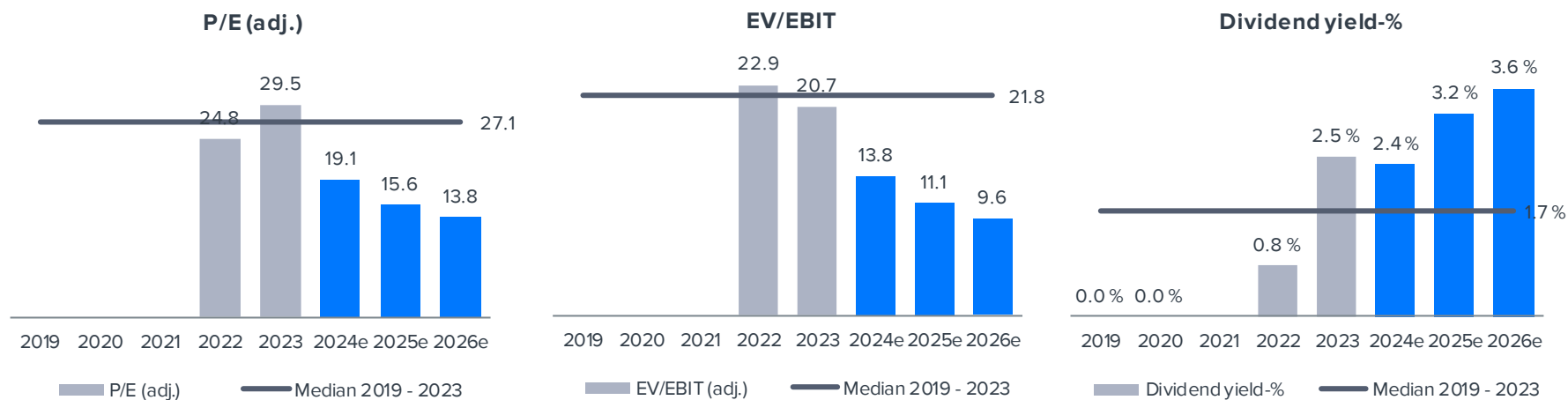
## Midpoint of the baseline SOTP (SEK/share)



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				0.87	0.55	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
Number of shares, millions				706.7	706.7	<b>713.0</b>	<b>713.0</b>	<b>713.0</b>	<b>713.0</b>
Market cap				615	389	<b>354</b>	<b>354</b>	<b>354</b>	<b>354</b>
EV				622	369	<b>330</b>	<b>319</b>	<b>307</b>	<b>294</b>
P/E (adj.)				24.8	29.5	<b>19.1</b>	<b>15.6</b>	<b>13.8</b>	<b>12.7</b>
P/E				26.4	43.0	<b>23.1</b>	<b>16.0</b>	<b>14.0</b>	<b>12.7</b>
P/B				3.4	2.1	<b>1.9</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>
P/S				2.4	1.4	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>
EV/Sales				2.5	1.3	<b>1.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>
EV/EBITDA				20.5	17.2	<b>11.9</b>	<b>9.7</b>	<b>8.5</b>	<b>7.5</b>
EV/EBIT (adj.)				22.9	20.7	<b>13.8</b>	<b>11.1</b>	<b>9.6</b>	<b>8.5</b>
Payout ratio (%)				21.2 %	109.3 %	<b>55.8 %</b>	<b>51.4 %</b>	<b>50.7 %</b>	<b>48.7 %</b>
Dividend yield-%				0.8 %	2.5 %	<b>2.4 %</b>	<b>3.2 %</b>	<b>3.6 %</b>	<b>3.8 %</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
Peab	2118	3349	16.1	16.0	10.0	9.8	0.7	0.7	14.4	13.9	3.1	3.8	1.5
NCC	1380	1863	11.8	11.8	7.1	7.1	0.4	0.4	11.5	10.9	4.8	4.8	2.0
Skanska	7906	7861	13.1	11.2	9.9	8.7	0.5	0.5	14.9	13.0	3.5	3.8	1.5
YIT	603	1569	142.7	24.6	92.3	17.5	0.8	0.8		185.7			0.8
AF Gruppen	1175	1370	15.1	10.9	9.3	7.5	0.5	0.5	18.2	13.2	5.2	6.3	4.2
NRC Group	52	126		8.3	8.8	3.9	0.2	0.2		3.4		18.3	0.1
Veidekke	1413	1370	10.3	9.4	6.2	5.8	0.4	0.4	13.8	12.9	6.5	6.9	5.2
MT Hoejgaard Holding	234	202	3.4	4.1	2.5	2.8	0.1	0.2	9.7	6.5			1.7
Kreate	74	102	11.4	9.3	7.1	6.0	0.4	0.3	15.0	10.7	5.8	6.4	1.7
Sitowise	93	178	25.4	14.2	9.1	7.1	0.9	0.9	57.8	15.3	0.2	3.1	0.8
Sweco	5532	6109	24.0	20.6	18.1	15.9	2.3	2.2	29.7	24.7	1.8	2.1	5.7
AFRY	1529	2139	12.7	11.2	8.7	7.9	0.9	0.9	14.0	11.7	3.9	4.4	1.4
Enersense	44	86		9.2	11.8	4.5	0.2	0.2		133.0			1.3
Eltel	94	265		12.9	8.7	5.0	0.3	0.3		39.9			0.5
Dovre Group	34	38	4.7	4.2	4.7	3.8	0.2	0.2	10.6	4.5	3.1	3.1	0.8
Netel	66	131	9.7	7.0	6.6	5.1	0.4	0.4	11.4	6.4	3.0	4.6	0.7
<b>NYAB (Inderes)</b>	<b>354</b>	<b>330</b>	<b>13.8</b>	<b>11.1</b>	<b>11.9</b>	<b>9.7</b>	<b>1.0</b>	<b>0.8</b>	<b>19.1</b>	<b>15.6</b>	<b>2.4</b>	<b>3.2</b>	<b>1.9</b>
<b>Average</b>			<b>23.1</b>	<b>11.6</b>	<b>13.8</b>	<b>7.4</b>	<b>0.6</b>	<b>0.6</b>	<b>18.4</b>	<b>31.6</b>	<b>3.7</b>	<b>5.6</b>	<b>1.9</b>
<b>Median</b>			<b>12.7</b>	<b>11.0</b>	<b>8.8</b>	<b>6.6</b>	<b>0.4</b>	<b>0.4</b>	<b>14.2</b>	<b>12.9</b>	<b>3.5</b>	<b>4.5</b>	<b>1.4</b>
<b>Diff-% to median</b>			<b>9%</b>	<b>1%</b>	<b>36%</b>	<b>48%</b>	<b>147%</b>	<b>117%</b>	<b>34%</b>	<b>21%</b>	<b>-31%</b>	<b>-29%</b>	<b>28%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>253</b>	<b>39.2</b>	<b>65.3</b>	<b>88.1</b>	<b>87.8</b>	<b>280</b>	<b>59.2</b>	<b>76.1</b>	<b>93.6</b>	<b>101</b>	<b>330</b>	<b>381</b>	<b>422</b>	<b>451</b>
Group	253	39.2	65.3	88.1	87.8	280	59.2	76.1	93.6	101	330	381	422	451
<b>EBITDA</b>	<b>30.4</b>	<b>-0.6</b>	<b>5.4</b>	<b>8.0</b>	<b>8.6</b>	<b>21.4</b>	<b>1.7</b>	<b>4.9</b>	<b>10.1</b>	<b>11.0</b>	<b>27.7</b>	<b>32.9</b>	<b>36.1</b>	<b>39.1</b>
Depreciation	-4.6	-1.4	-1.4	-1.4	-2.0	-6.2	-1.4	-1.1	-1.2	-1.2	-4.8	-4.7	-4.4	-4.5
<b>EBIT (excl. NRI)</b>	<b>27.2</b>	<b>-1.5</b>	<b>4.6</b>	<b>7.1</b>	<b>7.6</b>	<b>17.8</b>	<b>0.9</b>	<b>3.9</b>	<b>9.0</b>	<b>10.0</b>	<b>23.8</b>	<b>28.8</b>	<b>32.0</b>	<b>34.7</b>
<b>EBIT</b>	<b>25.7</b>	<b>-2.1</b>	<b>4.0</b>	<b>6.6</b>	<b>6.6</b>	<b>15.2</b>	<b>0.4</b>	<b>3.8</b>	<b>8.9</b>	<b>9.8</b>	<b>22.9</b>	<b>28.2</b>	<b>31.7</b>	<b>34.6</b>
Group	25.7	-2.1	4.0	6.6	6.6	15.2	0.4	3.8	8.9	9.8	22.9	28.2	31.7	34.6
Share of profits in assoc. compan.	0.0	-0.2	-0.4	-0.4	-0.7	-1.8	0.1	-0.3	-0.2	-0.2	-0.6	-0.8	-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	-0.4	-3.9	-1.3	-1.2	-1.2
<b>PTP</b>	<b>25.3</b>	<b>-2.6</b>	<b>3.3</b>	<b>5.2</b>	<b>4.8</b>	<b>10.7</b>	<b>-0.5</b>	<b>1.5</b>	<b>8.1</b>	<b>9.2</b>	<b>18.4</b>	<b>26.1</b>	<b>30.2</b>	<b>33.8</b>
Taxes	-2.0	-0.3	0.5	-0.6	-1.2	-1.6	-0.1	-0.1	-1.4	-1.4	-3.1	-3.9	-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
<b>Net earnings</b>	<b>23.3</b>	<b>-2.8</b>	<b>3.7</b>	<b>4.6</b>	<b>3.6</b>	<b>9.0</b>	<b>-0.6</b>	<b>1.4</b>	<b>6.7</b>	<b>7.8</b>	<b>15.3</b>	<b>22.2</b>	<b>25.3</b>	<b>27.8</b>
<b>EPS (adj.)</b>	<b>0.04</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>
<b>EPS (rep.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</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>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>						10.7 %	51.1 %	16.5 %	6.2 %	15.0 %	17.6 %	15.6 %	10.5 %	7.0 %
<b>Adjusted EBIT growth-%</b>	74.3 %	79.1 %	72.1 %	25.4 %	-61.2 %	-34.5 %	-157.8 %	-13.9 %	26.6 %	30.5 %	33.8 %	20.7 %	11.2 %	8.5 %
<b>EBITDA-%</b>	12.0 %	-1.7 %	8.3 %	9.1 %	9.8 %	7.6 %	2.9 %	6.4 %	10.8 %	10.9 %	8.4 %	8.6 %	8.6 %	8.7 %
<b>Adjusted EBIT-%</b>	10.7 %	-3.9 %	7.0 %	8.1 %	8.7 %	6.4 %	1.5 %	5.2 %	9.7 %	9.9 %	7.2 %	7.5 %	7.6 %	7.7 %
<b>Net earnings-%</b>	9.2 %	-7.2 %	5.7 %	5.2 %	4.1 %	3.2 %	-1.1 %	1.9 %	7.2 %	7.8 %	4.6 %	5.8 %	6.0 %	6.2 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>160</b>	<b>158</b>	<b>162</b>	<b>162</b>	<b>163</b>
Goodwill	121	121	123	123	123
Intangible assets	3.8	1.6	0.7	0.3	0.1
Tangible assets	17.7	16.3	17.1	17.8	18.5
Associated companies	11.1	16.7	18.7	18.7	18.7
Other investments	5.6	2.5	2.2	2.2	2.2
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
<b>Current assets</b>	<b>99.1</b>	<b>108</b>	<b>111</b>	<b>134</b>	<b>154</b>
Inventories	2.3	1.4	3.0	3.1	3.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	83.0	83.8	85.8	97.3	106
Cash and equivalents	13.8	22.6	22.0	33.2	45.3
<b>Balance sheet total</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>296</b>	<b>317</b>

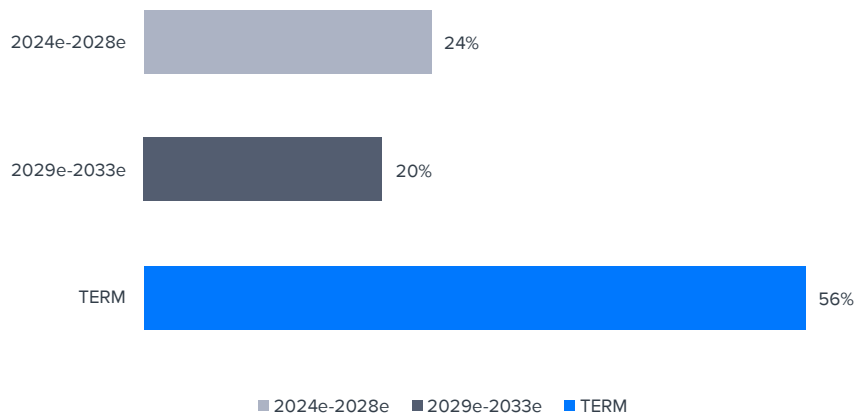
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>180</b>	<b>185</b>	<b>191</b>	<b>204</b>	<b>218</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	40.3	50.1	55.5	69.2	83.1
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
<b>Non-current liabilities</b>	<b>17.2</b>	<b>15.7</b>	<b>14.2</b>	<b>14.2</b>	<b>14.2</b>
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
<b>Current liabilities</b>	<b>61.5</b>	<b>65.0</b>	<b>67.7</b>	<b>77.1</b>	<b>84.7</b>
Interest bearing debt	8.2	5.5	5.0	5.0	5.0
Payables	53.3	59.5	62.7	72.1	79.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>296</b>	<b>317</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	10.7 %	17.6 %	15.6 %	10.5 %	7.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	5.4 %	7.0 %	7.4 %	7.5 %	7.7 %	7.5 %	7.3 %	7.1 %	6.8 %	6.6 %	6.6 %	6.6 %
<b>EBIT (operating profit)</b>	<b>15.2</b>	<b>22.9</b>	<b>28.2</b>	<b>31.7</b>	<b>34.6</b>	<b>35.9</b>	<b>36.6</b>	<b>37.4</b>	<b>37.3</b>	<b>37.3</b>	<b>38.0</b>	
+ Depreciation	6.2	4.8	4.7	4.4	4.5	4.7	4.8	4.9	5.1	5.3	5.3	
- Paid taxes	-1.6	-3.1	-3.9	-4.9	-6.0	-7.0	-7.2	-7.3	-7.3	-7.3	-7.5	
- Tax, financial expenses	-0.4	-0.6	-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	-0.5	-2.2	-1.3	-1.6	-0.4	-1.1	-1.1	-1.3	-1.1	-0.7	
<b>Operating cash flow</b>	<b>25.8</b>	<b>23.6</b>	<b>26.6</b>	<b>29.8</b>	<b>31.3</b>	<b>32.9</b>	<b>33.0</b>	<b>33.7</b>	<b>33.6</b>	<b>34.1</b>	<b>35.0</b>	
+ 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	-6.4	-4.9	-5.0	-5.1	-5.2	-5.3	-5.4	-5.4	-5.4	-5.5	
<b>Free operating cash flow</b>	<b>26.6</b>	<b>17.2</b>	<b>21.7</b>	<b>24.8</b>	<b>26.2</b>	<b>27.7</b>	<b>27.7</b>	<b>28.3</b>	<b>28.2</b>	<b>28.7</b>	<b>29.5</b>	
+/- 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	15.9	21.7	24.8	26.2	27.7	27.7	28.3	28.2	28.7	29.5	465
<b>Discounted FCFF</b>		<b>15.7</b>	<b>19.8</b>	<b>20.8</b>	<b>20.3</b>	<b>19.8</b>	<b>18.2</b>	<b>17.2</b>	<b>15.8</b>	<b>14.8</b>	<b>14.0</b>	<b>221</b>
Sum of FCFF present value		397	382	362	341	321	301	283	266	250	235	221
<b>Enterprise value DCF</b>		<b>397</b>										
- Interest bearing debt		-17.0										
+ Cash and cash equivalents		22.6										
- Minorities		0.0										
- Dividend/capital return		-9.9										
<b>Equity value DCF</b>		<b>410</b>										
<b>Equity value DCF per share</b>		<b>0.57</b>										

## Cash flow distribution



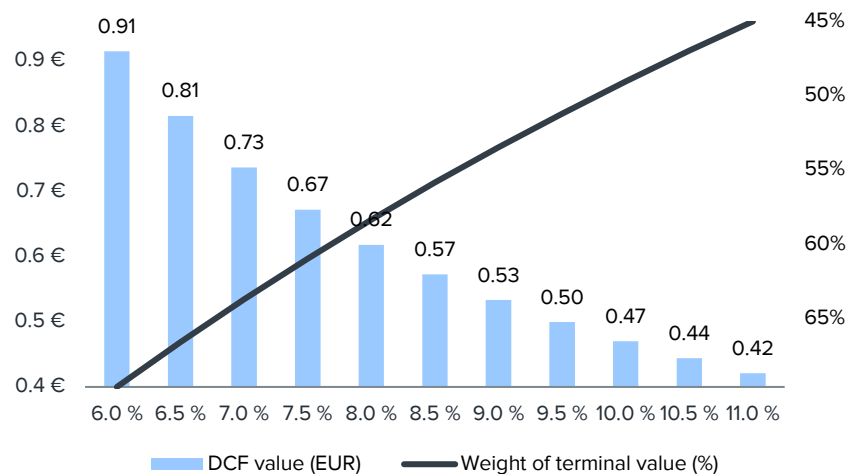
## WACC

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 %
<b>Cost of equity</b>	<b>9.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.5 %</b>

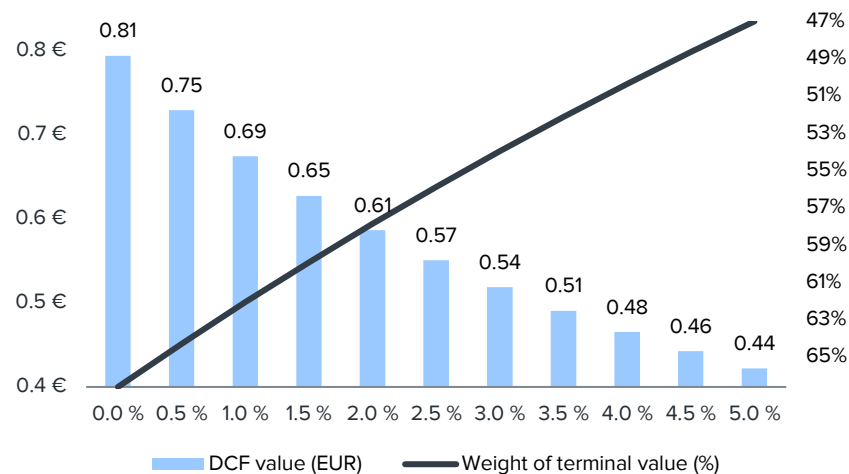
Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs

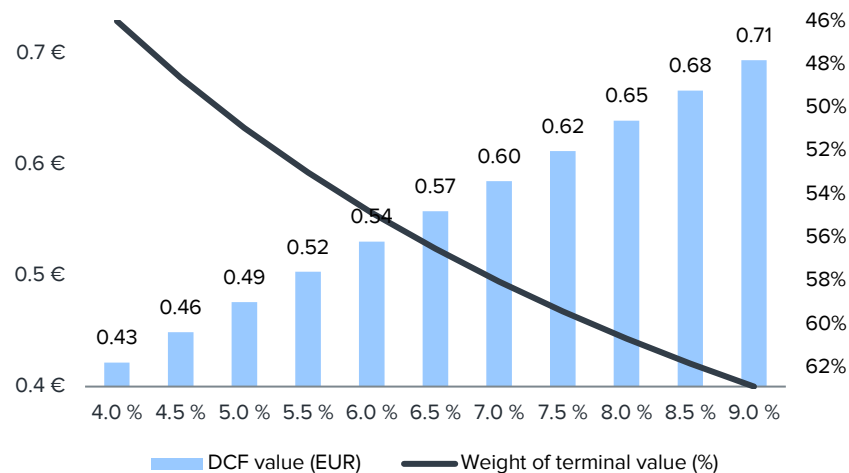
Sensitivity of DCF to changes in the WACC-%



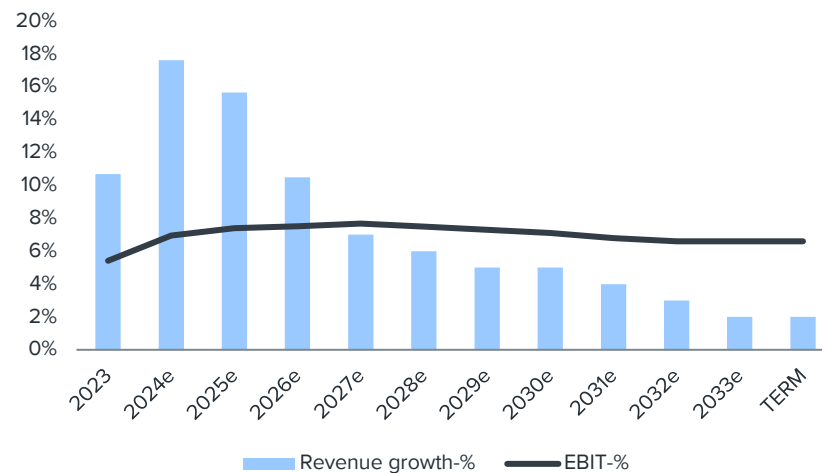
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024e	2025e	Per share data	2022	2023	2024e	2025e
Revenue	253.3	280.4	<b>329.8</b>	<b>381.5</b>	EPS (reported)	0.03	0.01	<b>0.02</b>	<b>0.03</b>
EBITDA	30.4	21.4	<b>27.7</b>	<b>32.9</b>	EPS (adj.)	0.04	0.02	<b>0.03</b>	<b>0.03</b>
EBIT	25.7	15.2	<b>22.9</b>	<b>28.2</b>	OCF / share	0.02	0.04	<b>0.03</b>	<b>0.04</b>
PTP	25.3	10.7	<b>18.4</b>	<b>26.1</b>	FCF / share	0.08	0.05	<b>0.02</b>	<b>0.03</b>
Net Income	23.3	9.0	<b>15.3</b>	<b>22.2</b>	Book value / share	0.26	0.26	<b>0.27</b>	<b>0.29</b>
Extraordinary items	-1.5	-2.6	<b>-0.9</b>	<b>-0.5</b>	Dividend / share	0.01	0.01	<b>0.01</b>	<b>0.02</b>
Balance sheet	2022	2023	2024e	2025e	Growth and profitability	2022	2023	2024e	2025e
Balance sheet total	259.1	266.1	<b>272.7</b>	<b>295.7</b>	Revenue growth-%	0%	11%	<b>18%</b>	<b>16%</b>
Equity capital	180.4	185.3	<b>190.8</b>	<b>204.4</b>	EBITDA growth-%		-30%	<b>30%</b>	<b>19%</b>
Goodwill	121.2	121.2	<b>123.2</b>	<b>123.2</b>	EBIT (adj.) growth-%		-35%	<b>34%</b>	<b>21%</b>
Net debt	7.0	-5.6	<b>-7.0</b>	<b>-18.2</b>	EPS (adj.) growth-%		-47%	<b>39%</b>	<b>22%</b>
Cash flow	2022	2023	2024e	2025e	EBITDA-%	12.0 %	7.6 %	<b>8.4 %</b>	<b>8.6 %</b>
EBITDA	30.4	21.4	<b>27.7</b>	<b>32.9</b>	EBIT (adj.)-%	10.7 %	6.4 %	<b>7.2 %</b>	<b>7.5 %</b>
Change in working capital	-17.2	6.4	<b>-0.5</b>	<b>-2.2</b>	EBIT-%	10.2 %	5.4 %	<b>7.0 %</b>	<b>7.4 %</b>
Operating cash flow	12.9	25.8	<b>23.6</b>	<b>26.6</b>	ROE-%	22.6 %	4.9 %	<b>8.2 %</b>	<b>11.2 %</b>
CAPEX	-144.7	0.6	<b>-6.4</b>	<b>-4.9</b>	ROI-%	22.2 %	6.6 %	<b>10.9 %</b>	<b>12.9 %</b>
Free cash flow	58.3	32.2	<b>15.9</b>	<b>21.7</b>	Equity ratio	69.6 %	73.0 %	<b>73.2 %</b>	<b>72.0 %</b>
Valuation multiples	2022	2023	2024e	2025e	Gearing	3.9 %	-3.0 %	<b>-3.7 %</b>	<b>-8.9 %</b>
EV/S	2.5	1.3	<b>1.0</b>	<b>0.8</b>					
EV/EBITDA	20.5	17.2	<b>11.9</b>	<b>9.7</b>					
EV/EBIT (adj.)	22.9	20.7	<b>13.8</b>	<b>11.1</b>					
P/E (adj.)	24.8	29.5	<b>19.1</b>	<b>15.6</b>					
P/B	3.4	2.1	<b>1.9</b>	<b>1.7</b>					
Dividend-%	0.8 %	2.5 %	<b>2.4 %</b>	<b>3.2 %</b>					

Source: Inderes

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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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 €
Re-domiciliation and transfer of listing to Sweden 8/26/2024			
8/15/2024	Reduce	6,80 SEK	6,75 SEK
11/4/2024	Accumulate	6,80 SEK	5,93 SEK
11/7/2024	Accumulate	6,80 SEK	5,80 SEK



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