

Solwers

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Taseen käytössä avaimet arvonnousulle” published on 11/30/2024 at 4:32 pm EET.

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Balance sheet utilization key to value creation

Solwers' Q3 figures came in below our forecast, which we believe reflects sluggish market conditions and, to some extent, higher-than-expected seasonality. We have revised our forecasts for the current and the coming years and lowered our target price to EUR 4.2 (previously EUR 5.0). A more efficient and successful allocation of capital is required to increase the value of the stock, and we take a more cautious view on this guidance but this and the estimate revisions, we lower our recommendation to Accumulate (was Buy).

Growth driven by acquisitions, profitability significantly down year-on-year

Solwers' Q3'24 revenue increased by around 21% year-on-year to 16.6 MEUR, which was below our forecast. The comparison period figures were not available, so our quarterly forecast was based on our estimate of seasonality. Therefore, we believe a better measure of Q3 performance is our H2'24 growth forecast that was set at 23%. Our forecast was based on a stable organic revenue development, so growth is driven by acquisitions. In general, market conditions have been sluggish in line with the economic trend, and we expect organic growth to have been tight and possibly even slightly negative. EBITA amounted to 1.2 MEUR, corresponding to a subdued profitability of 7.3%, significantly lower than in the comparison period. Profitability was impacted by efficiency losses due to sluggish demand, which we estimate is reflected in lower billable utilization rates for some Group companies. However, due to the reduced Q3 reporting, the report does not provide the opportunity for a more detailed assessment of cost levels.

Our earnings forecasts came under downward pressure from two sources

Solwers has not provided numerical guidance but reiterated its previous outlook. According to the company, the business environment is expected to improve towards the end of 2024 thanks to a general market recovery. We continue to believe that the decline in interest rates will strengthen activity in Solwers' target markets. Overall, the recovery appears to be sluggish, with no signs of a significant increase in investment activity on the horizon. We have slightly lowered our organic growth expectations for next year to reflect the operating environment, and we have also slightly lowered our profitability expectations. Reflecting this, our EBITA forecasts for 2024-2026 were lowered by 5-8%. We believe it is premature to draw longer-term conclusions about the company's profitability potential based on a seasonally weaker quarter. However, it is important that the company manages to strengthen its profitability as demand improves, while at the same time working on longer-term strategic growth projects (e.g. expansion into Poland).

Upside potential in valuation requires improvement in capital use efficiency

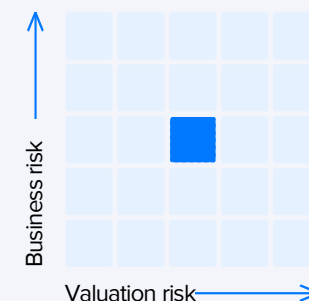
Our forecast P/E and EV/EBIT multiples for 2024 and 2025 are 19-14x and 15-13x, respectively. The 2025 valuation multiples fully reflect the acquisitions that have been made and are, in our view, fairly neutral. Similarly, the stock is priced at just under 0.8x invested capital, which is moderate. Indeed, the valuation picture is mixed, as an efficient and successful allocation of capital to acquisitions would result in a moderate valuation. In our view, the company should be able to improve the efficiency of capital allocation, which has been a drag on ROIC in recent years. We believe that the success of these efforts will determine the stock's upside potential.

Recommendation

Accumulate
(was Buy)

EUR 4.20
(was EUR 5.00)

Share price:
3.42



Key figures

	2023	2024e	2025e	2026e
Revenue	66.0	80.0	82.9	85.8
growth-%	5%	21%	4%	4%
EBIT adj.	4.8	3.9	4.5	5.0
EBIT-% adj.	7.3 %	4.9 %	5.5 %	5.8 %
Net Income	3.2	1.8	2.6	3.0
EPS (adj.)	0.32	0.18	0.25	0.29
P/E (adj.)	15.1	19.0	13.6	11.6
P/B	1.2	0.9	0.8	0.8
Dividend yield-%	1.3 %	2.2 %	2.3 %	2.6 %
EV/EBIT (adj.)	13.5	14.9	12.6	11.1
EV/EBITDA	8.2	7.8	6.9	6.3
EV/S	1.0	0.7	0.7	0.6

Source: Inderes

Guidance

(Unchanged)

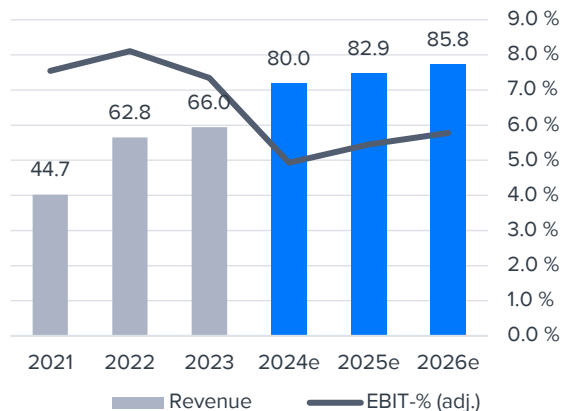
Solwers' business environment is expected to improve toward the end of 2024 with the general market pick up.

Share price



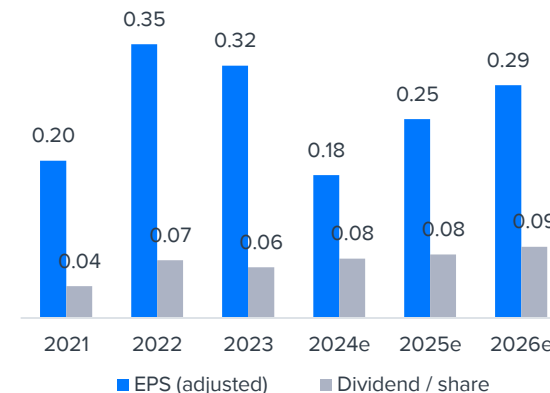
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Long-term organic growth supported by market growth
- Good preconditions to continue the rapid and value creating inorganic growth strategy
- Effective acquisition process
- Success in capital allocation determines the level of long-term value creation



Risk factors

- The cyclical nature of customer industries and a weaker investment outlook
- Uncertainty and low visibility related to the development of billable utilization and thus profitability
- Risks related to inorganic growth
- Personal dependence
- Low liquidity of the share

Valuation	2024e	2025e	2026e
Share price	3.42	3.42	3.42
Number of shares, millions	10	10	10
Market cap	35	35	35
EV	59	57	55
P/E (adj.)	19.0	13.6	11.6
P/E	19.0	13.6	11.6
P/B	0.9	0.8	0.8
P/S	0.4	0.4	0.4
EV/Sales	0.7	0.7	0.6
EV/EBITDA	7.8	6.9	6.3
EV/EBIT (adj.)	14.9	12.6	11.1
Payout ratio (%)	41.6 %	31.9 %	30.6 %
Dividend yield-%	2.2 %	2.3 %	2.6 %

Source: Inderes

Q3 figures missed our forecasts

Estimates vs. outcome Q3'24

- Q3 revenue growth of 21%, slightly below our forecast of flat organic growth and significant inorganic growth
- However, the overall growth rate in the third quarter, which was seasonally influenced by the holiday season, was quite in line with our 23% growth forecast for the second half of the year.
- Q3 EBITA profitability decreased from 10.1% in the comparison period to 7.3%, which is a weak level. We estimate that the size of the Group has slightly increased its depreciation rate, which, combined with lower billing rates due to weaker demand, has penalized profitability.
- In addition, the acquisitions made and the promotion of the main listing have probably created some cost pressure, but the former is a normal cost item for the company in line with its growth strategy.
- Due to the streamlined reporting, there is little visibility on the cost structure in Q3 and no information on the development of the lower operating income lines.

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	16.6	16.6	18.2				-9%	80.0
EBITA	1.4	1.2	1.9				-36%	6.7
Revenue growth-%	5.2 %	0.0 %	9.3 %				-9.3 pp	21.2 %
EBITA-%	10.1 %	7.3 %	10.4 %				-3.2 pp	8.4 %

Source: Inderes

Our earnings forecasts came under downward pressure from two sources

Outlook unchanged

In line with its guidance practice, Solwers has also not provided numerical guidance for 2024. The company reiterated its previous outlook and expects its business environment to improve toward the end of 2024 as markets generally pick up. In addition, the company said that it has a good order book in the public sector and infrastructure projects and long assignments also in hospital and school design projects.

Solwers also commented in its Q3 report that its order book increased during the quarter to its highest level of the current year. We understand that some sectors have seen an upturn in customer activity, which has supported the order book, but of course acquisitions have probably also led to inorganic order book growth. In the big picture, we expect falling interest rates to support demand, but it is difficult to see significant growth in investment activity,

especially in early 2025. We believe that the weakness in residential construction utilization, keep competition tight in the short term, and we expect this to continue next year with low prices for projects where price is the most important criterion.

Downward pressure on forecasts in two ways

In line with the evolution of the business environment and the somewhat sluggish economic recovery, we have slightly lowered our near-term revenue growth outlook, reducing our H2 organic growth forecast to -1% (was 0%) and our 2025 revenue growth forecast to 1.5% (was 2%).

In addition to the decline in revenue forecasts, our earnings forecasts were under pressure from slightly higher cost level forecasts. Solwers has invested in growth in recent years, which we expect to increase the Group's cost structure, and we believe that the reported expansion in Poland and the main list

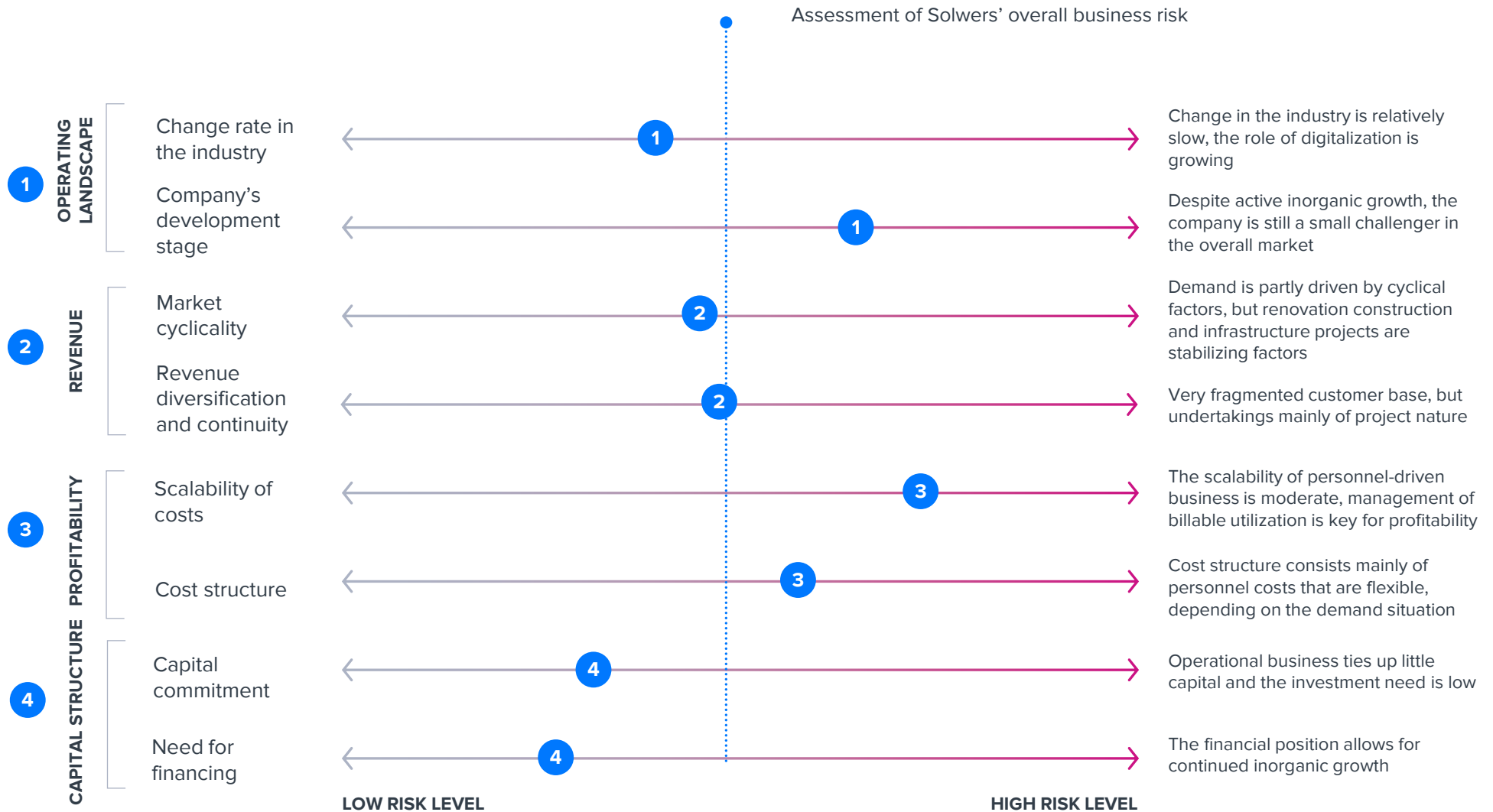
transfer, among others, will continue to put upward pressure on costs. Against this backdrop, our operating profit (EBITA) forecasts for the coming years were reduced by 5-8% and, with relatively high interest costs, our EPS forecasts were reduced even more.

In the big picture, we believe that the current sluggish demand situation has put pressure on billable utilization, and we therefore estimate that there is room for profitability to increase in line with demand growth. At the same time, we believe it is important for the company to grow organically as the market recovers, as strategic growth projects increase the cost structure, which without growth will structurally weigh on profitability. We are not concerned about this in light of the Q3 numbers, as we believe it is premature to draw any longer-term conclusions given the challenging market conditions.

Estimate revisions	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	80.3	80.0	0%	83.7	82.9	-1%	86.6	85.8	-1%
EBITDA	8.0	7.5	-6%	8.8	8.3	-5%	9.2	8.8	-4%
EBIT (exc. NRIs)	4.4	3.9	-11%	5.0	4.5	-9%	5.4	5.0	-8%
EBIT	4.4	3.9	-11%	5.0	4.5	-9%	5.4	5.0	-8%
PTP	3.0	2.5	-17%	3.7	3.3	-12%	4.2	3.8	-9%
EPS (excl. NRIs)	0.22	0.18	-18%	0.29	0.25	-12%	0.32	0.29	-9%
DPS	0.075	0.075	0%	0.08	0.08	0%	0.09	0.09	0%

Source: Inderes

Risk profile of the business model



Balance sheet utilization key to value creation

We examine the valuation through earnings-based valuation multiples

We are pricing Solwers through earnings-based valuation multiples, which we also compare with the peer group valuation. We favor EV/EBIT and P/E multiples in the valuation. The use of EV-based multiples is supported by them considering the balance sheet structure, as the balance sheet contains cash and cash equivalents that are unnecessarily high for the operational management of the business. In addition to the earnings-based valuation, we also use the DCF model.

Absolute valuation multiples for the coming years

Solwers' P/E ratios for 2024 and 2025 according to our estimates are 19x and 14x. Corresponding EV/EBIT ratios that consider the balance sheet structure are 15x and 13x. The valuation multiples for the current year are inflated as they do not fully reflect the impact of the acquisitions made in the current year, and on the other hand, we estimate that the current year's result will also come under pressure due to the market situation. In our view, valuation multiples for the current year are unjustifiably high, while valuation multiples for 2025 are fairly neutral. With the current balance sheet structure, the company still has considerable leeway for acquisitions on its balance sheet, which, if allocated effectively, could be used to substantially increase earnings levels. This would also lead to a more moderate earnings-based valuation.

The duality in valuation described above is reflected, among other things, in the balance sheet-based valuation, as the current year's enterprise value-based valuation in relation to the company's invested capital corresponds to a multiple of 0.8x. We consider this to

be a somewhat moderate level, given that the average return on capital invested over the past five years has been around 10%. However, the level has fallen in recent years as the company's balance sheet usage, or capital revenue, has been in need of improvement. Thus, in order to see valuation upside from current levels, the company must be able to improve balance sheet efficiency and successfully allocate assets (i.e., at moderate valuations) to inorganic growth, thereby creating value.

In our most recent extensive report, we discussed the history of the company's capital allocation, including the key role of capital turnover. The report is freely available [here](#).

Relative valuation and DCF model support an upside in the valuation

Solwers is valued at 2025 EV/EBITDA multiples at a discount of around 10% and P/E multiples at a discount of 14% to its peer group. At the median level, we believe that the valuation multiples of our peers for next year are at reasonable levels, although it should be noted that the multiples of individual companies vary widely. We also believe this is justified by differences in profitability levels and business qualities. Overall, we believe the relative valuation supports our view of a moderate valuation for the stock. This overall valuation picture is also supported by our updated cash flow model of EUR 4.5/share, although we have slightly lowered our long-term profitability forecasts.

Valuation	2024e	2025e	2026e
Share price	3.42	3.42	3.42
Number of shares, millions	10	10	10
Market cap	35	35	35
EV	59	57	55
P/E (adj.)	19.0	13.6	11.6
P/E	19.0	13.6	11.6
P/B	0.9	0.8	0.8
P/S	0.4	0.4	0.4
EV/Sales	0.7	0.7	0.6
EV/EBITDA	7.8	6.9	6.3
EV/EBIT (adj.)	14.9	12.6	11.1
Payout ratio (%)	41.6 %	31.9 %	30.6 %
Dividend yield-%	2.2 %	2.3 %	2.6 %

Source: Inderes

Investment profile

1.

Strong growth-orientation and efficient acquisition process

2.

Business portfolio that balances cyclical fluctuations and good profitability

3.

The low capital requirement of the business provides prerequisites for value creation organically and inorganically

4.

Risks related to inorganic growth and personnel dependency

5.

Managing billable utilization is key

Potential



- Moderate organic and profitable growth in the core business
- An efficient and well-established acquisition process drives business growth
- Low investment needs and good cash flow enable value creation and allocation of capital to acquisitions
- Established customer relationships and large number of small projects

Risks

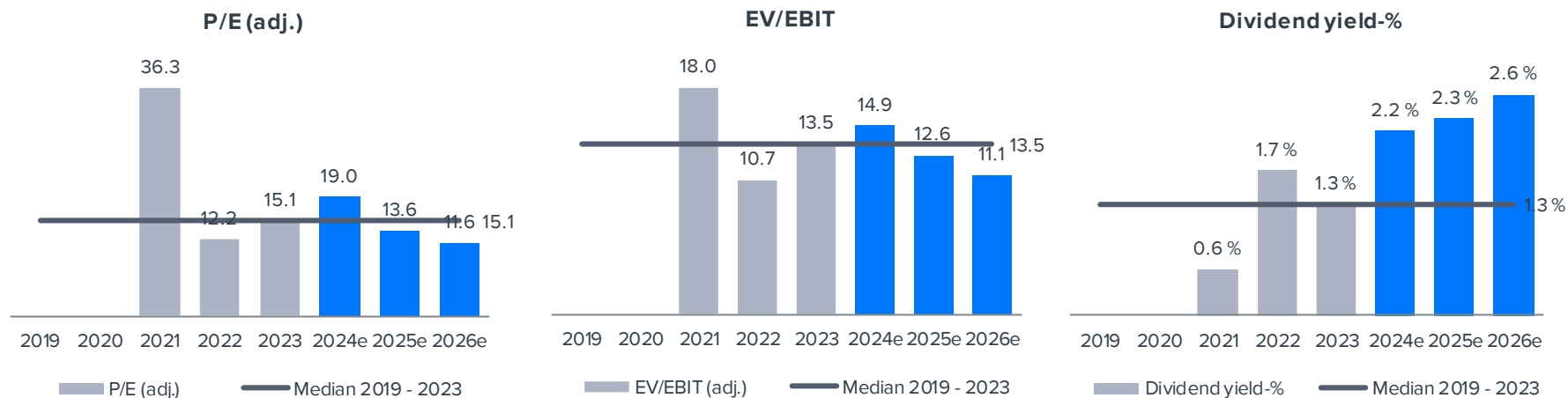


- Typical risks associated with acquisitions
- Dependency on the availability and commitment of staff in an industry suffering from expert shortage
- We estimate that changes in billable utilization are reflected relatively strongly in profitability

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price			7.20	4.22	4.82	3.42	3.42	3.42	3.42
Number of shares, millions			7.24	9.83	9.9	10	10	10	10
Market cap			52	41	48	34.8	34.8	34.8	34.8
EV			61	54	66	58.9	57.1	54.9	52.7
P/E (adj.)			36.3	12.2	15.1	19.0	13.6	11.6	11.6
P/E			36.3	12.2	15.1	19.0	13.6	11.6	11.6
P/B			1.7	1.1	1.2	0.9	0.8	0.8	0.7
P/S			1.2	0.7	0.7	0.4	0.4	0.4	0.4
EV/Sales			1.4	0.9	1.0	0.7	0.7	0.6	0.6
EV/EBITDA			11.0	6.7	8.2	7.8	6.9	6.3	6.1
EV/EBIT (adj.)			18.0	10.7	13.5	14.9	12.6	11.1	10.9
Payout ratio (%)			20.2 %	21.1 %	20.1 %	41.6 %	31.9 %	30.6 %	33.9 %
Dividend yield-%			0.6 %	1.7 %	1.3 %	2.2 %	2.3 %	2.6 %	2.9 %

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
Sitowise	94	180	37.2	14.9	10.1	7.4	0.9	0.9		15.9		3.2	0.8
Sweco AB	5058	5643	21.8	18.7	16.5	14.5	2.1	2.0	26.8	22.2	2.0	2.3	5.2
Afry AB	1481	2099	12.4	10.9	8.4	7.7	0.9	0.9	13.5	11.3	4.1	4.6	1.3
Rejlers AB	266	330	12.7	10.9	7.5	6.8	0.9	0.8	13.3	11.1	3.6	4.2	1.6
WSP Global	21739	23730	23.4	25.8	16.2	13.8	2.9	2.5	31.0	26.1	0.6	0.6	3.9
Etteplan	265	346	16.0	13.5	8.6	7.3	1.0	0.9	19.7	14.9	2.0	3.1	2.2
Arcadis NV	5630	6636	16.5	14.0	12.0	10.6	1.5	1.4	20.7	17.0	1.7	1.9	4.6
Solwers (Inderes)	35	59	14.9	12.6	7.8	6.9	0.7	0.7	19.0	13.6	2.2	2.3	0.9
Average			20.0	15.5	11.3	9.7	1.4	1.3	20.8	16.9	2.3	2.9	2.8
Median			16.5	14.0	10.1	7.7	1.0	0.9	20.2	15.9	2.0	3.1	2.2
Diff-% to median			-9%	-10%	-22%	-10%	-23%	-27%	-6%	-14%	10%	-24%	-61%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	2025e	2026e	2027e
Revenue	62.8	33.2	32.8	66.0	39.9	40.0	80.0	82.9	85.8	87.6
Group	62.8	33.2	32.8	66.0	39.9	40.0	80.0	82.9	85.8	87.6
EBITDA	8.2	4.0	3.9	8.0	3.8	3.8	7.5	8.3	8.8	8.6
Depreciation	-3.1	-1.5	-1.6	-3.1	-1.8	-1.8	-3.6	-3.8	-3.8	-3.8
EBIT	5.1	2.5	2.4	4.8	2.0	2.0	3.9	4.5	5.0	4.8
EBITA	7.2	3.5	3.5	7.0	3.3	3.5	6.7	7.8	8.2	8.1
Net financial items	-0.5	-0.5	-0.5	-1.0	-0.8	-0.6	-1.4	-1.3	-1.1	-1.0
PTP	4.6	2.0	1.9	3.9	1.1	1.4	2.5	3.3	3.8	3.8
Taxes	-1.0	-0.5	-0.2	-0.7	-0.4	-0.3	-0.7	-0.7	-0.8	-0.8
Minority interest	-0.2	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	3.4	1.5	1.7	3.2	0.8	1.1	1.8	2.6	3.0	3.0
EPS (adj.)	0.35	0.15	0.17	0.32	0.07	0.11	0.18	0.25	0.29	0.29
EPS (rep.)	0.35	0.15	0.17	0.32	0.07	0.11	0.18	0.25	0.29	0.29

Key figures	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	2025e	2026e	2027e
Revenue growth-%	40.6 %	1.9 %	8.5 %	5.1 %	20.2 %	22.1 %	21.2 %	3.7 %	3.5 %	2.0 %
EBITDA-%	13.0 %	12.1 %	12.0 %	12.1 %	9.4 %	9.5 %	9.4 %	10.0 %	10.2 %	9.8 %
EBITA-%	11.5 %	10.7 %	10.7 %	10.7 %	8.2 %	8.8 %	8.4 %	9.4 %	9.6 %	9.2 %
Net earnings-%	5.4 %	4.5 %	5.0 %	4.8 %	1.9 %	2.7 %	2.3 %	3.1 %	3.5 %	3.4 %

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	49	55	58	57	57
Goodwill	37.8	42.0	46.8	46.8	46.8
Intangible assets	1.3	1.0	0.2	0.6	0.9
Tangible assets	5.7	7.3	7.7	6.7	5.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	1.9	1.9	1.9	1.9
Other non-current assets	1.5	1.3	1.4	1.4	1.4
Deferred tax assets	0.9	1.2	0.0	0.0	0.0
Current assets	33	32	38	40	41
Inventories	0.2	0.1	0.2	0.2	0.2
Other current assets	4.7	5.3	5.3	5.3	5.3
Receivables	9.3	10.9	20.0	20.7	21.5
Cash and equivalents	18.5	16.0	12.8	13.3	13.7
Balance sheet total	82	87	96	97	97

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	38	40	41	43	45
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	0.6	2.4	3.6	5.4	7.5
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	35.9	36.5	36	36	36
Minorities	0.6	0.5	0.6	0.6	0.6
Non-current liabilities	28	29	28	27	23
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	27.2	28.3	25.0	24.0	20.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.8	0.3	3.0	3.0	3.0
Current liabilities	16	18	27	27	29
Interest bearing debt	3.4	4.7	11.4	11.1	13.4
Payables	1.9	1.9	4.0	4.1	4.3
Other current liabilities	10.2	11.4	11.4	11.4	11.4
Balance sheet total	82	87	96	97	97

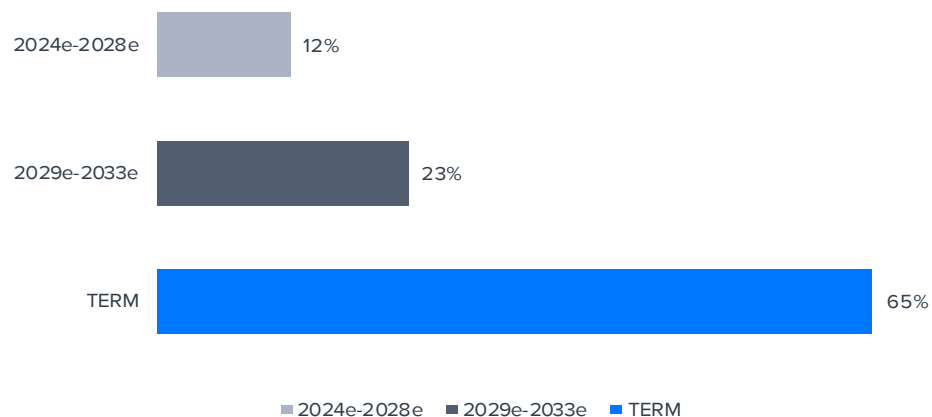
DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	5.1 %	21.2 %	3.7 %	3.5 %	2.0 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	7.3 %	4.9 %	5.5 %	5.8 %	5.5 %	7.0 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	4.8	3.9	4.5	5.0	4.8	6.3	6.9	7.5	7.6	7.8	7.9	
+ Depreciation	3.1	3.6	3.8	3.8	3.8	3.1	3.3	3.3	3.5	3.5	3.6	
- Paid taxes	-0.9	0.5	-0.7	-0.8	-0.8	-1.2	-1.3	-1.5	-1.5	-1.6	-1.6	
- Tax, financial expenses	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	
+ 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	-1.0	-7.0	-0.6	-0.6	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
Operating cash flow	5.9	0.7	6.7	7.1	7.2	7.6	8.3	8.8	9.1	9.2	9.3	
+ Change in other long-term liabilities	-0.5	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-8.5	-8.1	-3.2	-3.2	-3.4	-3.5	-3.6	-3.7	-3.7	-3.8	-3.7	
Free operating cash flow	-3.1	-4.7	3.5	3.9	3.8	4.1	4.7	5.1	5.4	5.4	5.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-3.1	-4.7	3.5	3.9	3.8	4.1	4.7	5.1	5.4	5.4	5.6	87.5
Discounted FCFF		-4.6	3.2	3.3	3.0	2.9	3.1	3.1	3.0	2.8	2.7	41.6
Sum of FCFF present value		64.0	68.6	65.4	62.1	59.1	56.2	53.1	50.0	47.0	44.3	41.6
Enterprise value DCF		64.0										
- Interest bearing debt		-33										
+ Cash and cash equivalents		16.0										
-Minorities		-0.5										
-Dividend/capital return		-0.6										
Equity value DCF		46										
Equity value DCF per share		4.5										

WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	9.7 %
Weighted average cost of capital (WACC)	8.5 %

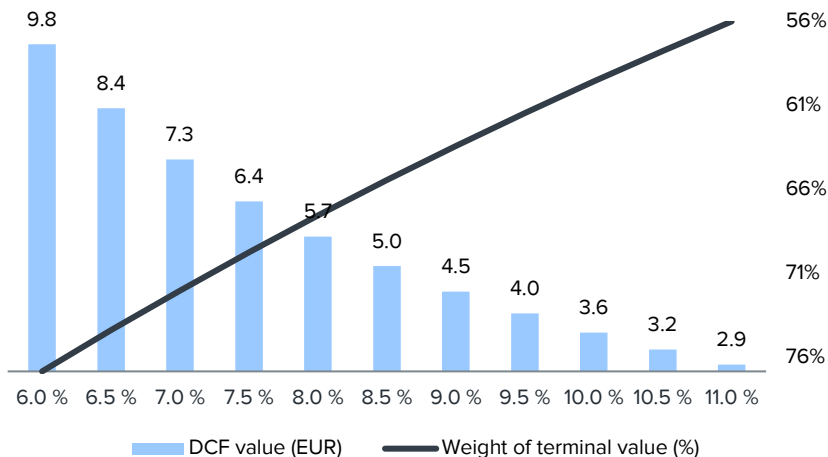
Source: Inderes

Cash flow distribution

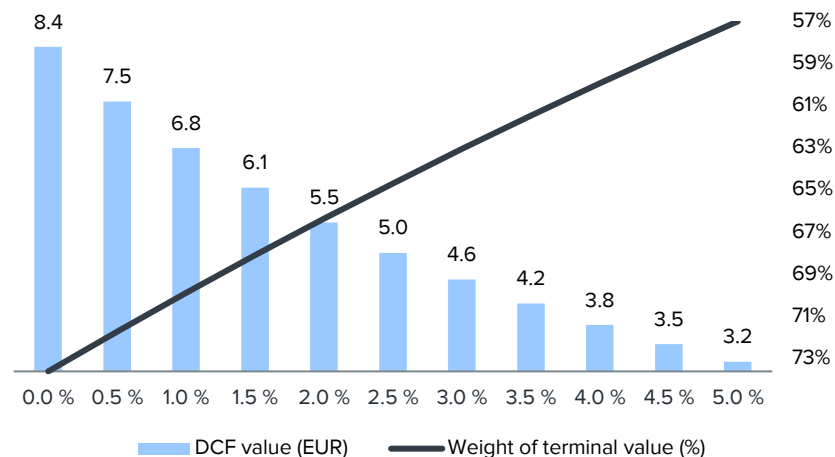


DCF sensitivity calculations and key assumptions in graphs

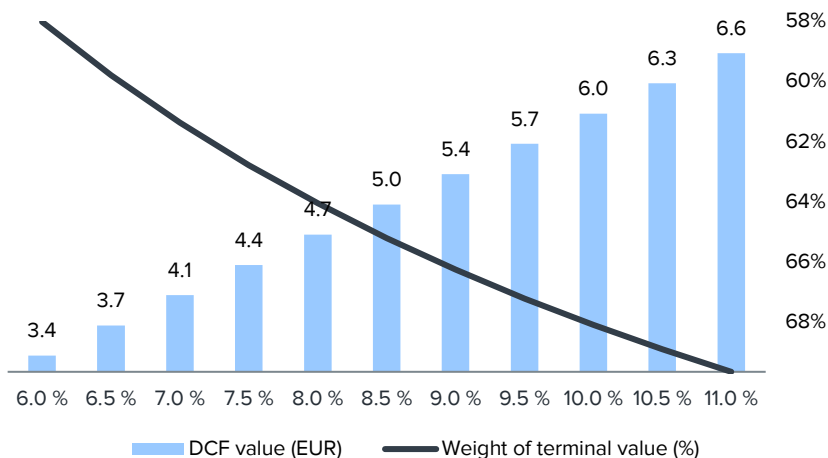
Sensitivity of DCF to changes in the WACC-%



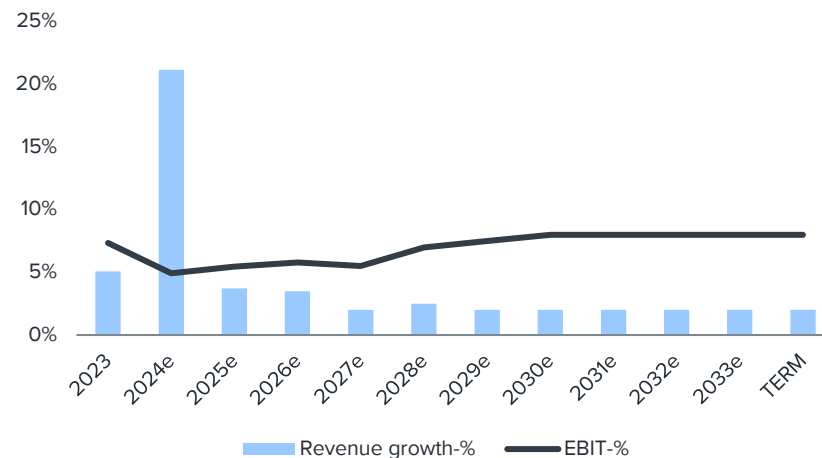
Sensitivity of DCF to changes in the risk-free rate



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	44.7	62.8	66.0	80.0	82.9	EPS (reported)	0.20	0.35	0.32	0.18	0.25
EBITDA	5.5	8.2	8.0	7.5	8.3	EPS (adj.)	0.20	0.35	0.32	0.18	0.25
EBIT	3.4	5.1	4.8	3.9	4.5	OCF / share	0.76	0.39	0.59	0.06	0.66
PTP	2.1	4.6	3.9	2.5	3.3	FCF / share	-1.85	-0.71	-0.32	-0.46	0.34
Net Income	1.4	3.4	3.2	1.8	2.6	Book value / share	4.32	3.81	4.02	4.01	4.19
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share		0.07	0.06	0.08	0.08
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	70.3	81.7	87.0	96.3	96.9	Revenue growth-%	37%	41%	5%	21%	4%
Equity capital	31.9	38.1	40.4	41.4	43.2	EBITDA growth-%	11%	48%	-2%	-5%	10%
Goodwill	16.6	37.8	42.0	46.8	46.8	EBIT (adj.) growth-%	-5%	51%	-5%	-19%	15%
Net debt	7.5	12.2	17.1	23.6	21.8	EPS (adj.) growth-%	-98%	74%	-8%	-43%	39%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	12.3 %	13.0 %	12.1 %	9.4 %	10.0 %
EBITDA	5.5	8.2	8.0	7.5	8.3	EBIT (adj.)-%	7.5 %	8.1 %	7.3 %	4.9 %	5.5 %
Change in working capital	1.3	-2.9	-1.0	-7.0	-0.6	EBIT-%	7.5 %	8.1 %	7.3 %	4.9 %	5.5 %
Operating cash flow	5.5	3.8	5.9	0.7	6.7	ROE-%	6.9 %	9.9 %	8.2 %	4.5 %	6.1 %
CAPEX	-21.8	-7.6	-8.5	-8.1	-3.2	ROI-%	8.3 %	8.4 %	6.8 %	5.2 %	5.8 %
Free cash flow	-13.4	-7.0	-3.1	-4.7	3.5	Equity ratio	45.4 %	46.6 %	46.4 %	43.0 %	44.6 %
						Gearing	23.6 %	32.0 %	42.3 %	57.0 %	50.6 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	1.4	0.9	1.0	0.7	0.7						
EV/EBITDA	11.0	6.7	8.2	7.8	6.9						
EV/EBIT (adj.)	18.0	10.7	13.5	14.9	12.6						
P/E (adj.)	36.3	12.2	15.1	19.0	13.6						
P/B	1.7	1.1	1.2	0.9	0.8						
Dividend-%	0.6 %	1.7 %	1.3 %	2.2 %	2.3 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/21/2021	Reduce	8.20 €	8.35 €
9/16/2021	Accumulate	8.20 €	7.40 €
11/3/2021	Accumulate	8.60 €	7.34 €
12/1/2021	Accumulate	9.00 €	7.90 €
3/9/2022	Accumulate	8.00 €	7.20 €
3/16/2022	Reduce	7.00 €	6.97 €
9/16/2022	Reduce	5.50 €	5.34 €
1/25/2023	Buy	5.50 €	4.39 €
3/1/2023	Accumulate	6.00 €	5.36 €
9/1/2023	Accumulate	5.00 €	4.32 €
9/15/2023	Buy	5.00 €	4.06 €
1/30/2024	Accumulate	5.00 €	4.60 €
3/11/2024	Accumulate	5.00 €	4.24 €
5/14/2024	Buy	5.00 €	3.70 €
6/3/2024	Buy	5.00 €	4.00 €
8/30/2024	Buy	5.00 €	3.74 €
12/2/2014	Accumulate	4.00 €	3.42 €



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