

# NYAB

## Company report

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✓ Inderes corporate customer

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# The outlook is brightening in Sweden

NYAB's performance in the seasonally slower first quarter was well above our expectations. The company also commented that the market environment in its larger market area of Sweden has continued to strengthen. Reflecting the report and the stronger market outlook, we raised our growth and earnings forecasts for the coming years. With a good performance in the first quarter of the year and a brighter outlook for earnings growth, we also see the stock's risk level declining and the valuation offering a slight upside for next year. In view of this overall picture, we raise our recommendation to Accumulate (was Reduce) and our target price to EUR 0.55 (was EUR 0.45).

## Figures for the seasonally quietest quarter well above expectations

In Q1, NYAB's revenue grew by as much as over 50% to approximately 59 MEUR, exceeding our forecast by a clear margin. Geographically, the Finnish business revenue was around the same level as in the comparison period, while the reported revenue in Sweden increased by more than 80%. Despite the seasonality, the company's EBITA, adjusted for PPA amortization, reached positive figures, driven by revenue, and amounted to 0.9 MEUR, exceeding our loss forecast by a significant margin. There were no major surprises in the company's cost structure, so the outperformance was due to the revenue development exceeding our forecast. Correspondingly, the net bottom lines were roughly in line with our expectations, which translated into a net result that exceeded our forecast quite similarly to the operating result.

## This year's guidance reiterated as expected, forecasts on the rise

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. According to the company, the outlook in Sweden has improved further in the first part of the year, while the outlook in Finland is more subdued. In line with the faster than expected development in the first months of the year and the slightly increased forecasts, we expect the company's revenue for the current year to increase to 345 MEUR (was 328 MEUR) and the reported EBIT to 23.7 MEUR (was 20.8 MEUR). Against this background, we also expect the company to raise its guidance over the year. Reflecting the improving outlook, we raised our growth forecasts also for the next few years (+5%), as we expect the operating environment in Finland to gradually improve over 2025-2026 as well. The increase in revenue forecasts also flowed through to the bottom line, and we expect the margin development (25e-26e EBIT-%: 7.1-7.3%) to be supported by the company's measures to offset seasonality and, in the short term, by the growth of the Swedish share in line with its higher margin potential.

## The expected return is attractive if earnings growth materializes as we forecast

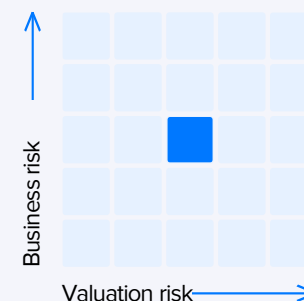
Based on our increased estimates, adjusted P/E figures for 2024 and 2025 are 18x and 15x, while the corresponding EV/EBIT ratios are 13x and 11x. Relative to the accepted valuation range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation is relatively neutral overall for this year. Similarly, looking ahead to next year, we see upside, particularly in the EV/EBIT ratio reflecting the strong balance sheet, underpinned by a brighter earnings growth outlook. Our range of expected total returns over the medium term is also above our required return for the stock at current levels. Our view of upside is supported by our sum-of-the-parts model as well, which received a marked boost from our revisions and now stands at EUR 0.50-0.62 per share (was EUR 0.42-0.53). As such, we see the present as an inviting opportunity to jump on board a company with promising long-term growth prospects and a strong balance sheet that also offers the potential to accelerate growth through acquisitions.

## Recommendation

**Accumulate**  
(previous Reduce)

**EUR 0.55**  
(previous EUR 0.45)

**Share price:**  
0.49



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	280.4	345.2	390.0	425.1
<b>growth-%</b>	11%	23%	13%	9%
<b>EBIT adj.</b>	17.8	24.6	28.4	31.2
<b>EBIT-% adj.</b>	6.4 %	7.1 %	7.3 %	7.3 %
<b>Net Income</b>	9.0	18.1	23.3	25.0
<b>EPS (adj.)</b>	0.02	0.03	0.03	0.04
<b>P/E (adj.)</b>	29.5	18.5	14.7	13.9
<b>P/B</b>	2.1	1.8	1.7	1.6
<b>Dividend yield-%</b>	2.5 %	2.2 %	3.0 %	3.4 %
<b>EV/EBIT (adj.)</b>	20.7	13.3	11.0	9.6
<b>EV/EBITDA</b>	17.2	11.6	9.8	8.6
<b>EV/S</b>	1.3	0.9	0.8	0.7

Source: Inderes

## Guidance (Unchanged)

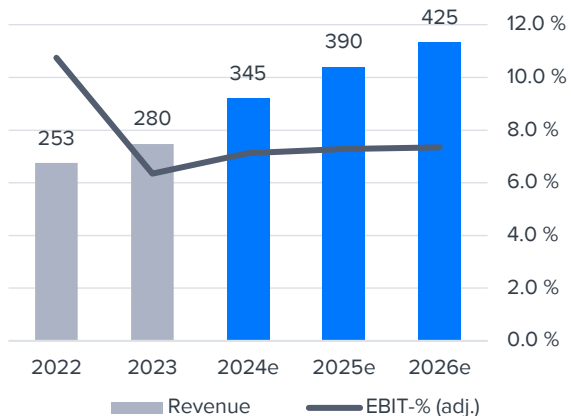
In 2024, NYAB expects its revenue (2023: 280 MEUR) and EBIT (2023: 15.2 MEUR) to grow from 2023.

### Share price



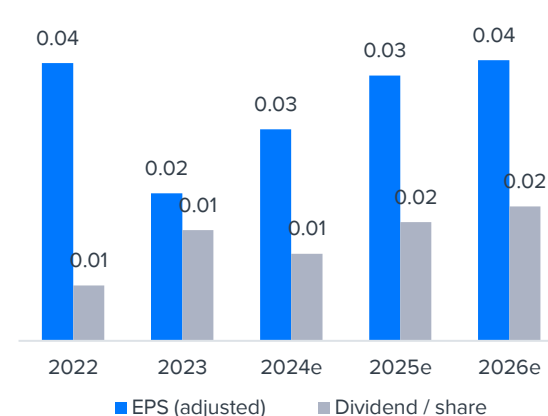
Source: Millstream Market Data AB

### 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	0.49	0.49	0.49
Number of shares, millions	712.9	712.9	712.9
Market cap	351	351	351
EV	327	314	301
P/E (adj.)	18.5	14.7	13.9
P/E	19.4	15.1	14.1
P/B	1.8	1.7	1.6
P/S	1.0	0.9	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.6	9.8	8.6
EV/EBIT (adj.)	13.3	11.0	9.6
Payout ratio (%)	43.2 %	45.8 %	48.5 %
Dividend yield-%	2.2 %	3.0 %	3.4 %

Source: Inderes

# Q1 result exceeded expectations clearly

## Revenue clearly exceeded estimates

In Q1, the seasonally slowest quarter, NYAB's revenue grew by as much as over 50% to approximately 59 MEUR, exceeding our forecast by a clear margin. Geographically, the Finnish business revenue was around the same level as in the comparison period, while the reported revenue in Sweden increased by more than 80%. 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 at the beginning of the year. Overall, the revenue development can be considered very strong considering the harsh winter conditions and demonstrates the company's success in increasing the number of year-around contracts.

In addition, the company noted that the operating environment has strengthened particularly 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 wind power

investments. Reflecting this overall picture, the company's order book at the end of Q1 stood at 286 MEUR (Q1'23: 235 MEUR), clearly above the comparison period. In light of the year-end situation, our rough estimate is that about 2/3 of the order book is for this year, which bodes well for growth in the current year, given that Q2 and the beginning of Q3 are traditionally the company's strongest sales seasons.

## Result also well above our expectations

Despite the seasonality, the company's EBITA, adjusted for PPA amortization, reached positive figures, driven by revenue, and amounted to 0.9 MEUR, exceeding our loss forecast by a significant margin. There were no major surprises in the company's cost structure, so the outperformance was due to the revenue development exceeding our forecast.

At the bottom line of the income statement, the result from associated companies (Skarta Energy) was slightly positive, contrary to our expectations, following the divestment of a single development project. On the other hand, finance costs were roughly in line with our expectations, while taxes were higher. Given the above overall picture, net profit exceeded our estimates about

the same amount as EBIT (due to the large number of shares, EPS comparisons are not meaningful).

## Cash flow at abundant levels

NYAB's cash flow from operating activities in Q1 was as high as 16.6 MEUR, reflecting the change in working capital (17.1 MEUR). Considering the moderate investment needs and the additional investment of 2.4 MEUR in Skarta Energy, the company's free cash flow was also at a very high level in the first months of the year, at 13.5 MEUR. Similarly, the company's free cash flow for the rolling 12 months is as high as 34.9 MEUR, but this is partly supported by a settlement of 9.2 MEUR received in Q2'23. 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 74% (Q4'23: 73%) and a net debt/EBITDA ratio of -0.8x in the previous 12 months. The company's financial position is therefore sufficient to implement its growth strategy (incl. acquisitions).

Estimates MEUR / EUR	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	39.2	59.2	52.9				12%	345
EBITA	-1.5	0.9	-1.0					24.6
EBIT	-2.1	0.4	-1.5					23.7
PTP	-2.6	-0.5	-3.1					20.6
Net profit	-2.8	-0.6	-2.7					0.0
Revenue growth-%		51.1 %	35.0 %				16.1 pp	23.1 %
EBIT-% (rep.)	-5.2 %	0.7 %	-2.8 %				3.5 pp	6.9 %

Source: Inderes

## NYAB Q1'24: Strong performance



# Forecasts up reflecting strong start and improving outlook

## Forecast changes 2024e-2026e

- We have slightly raised our revenue forecasts for the current year in line with the stronger outlook in Sweden, and also raised our forecasts in line with the Q1 earnings beat. As it stands, we expect most of the growth to be on the Swedish side, reflecting the improving investment outlook (incl. a Riksbanken policy rate cut), while in Finland we expect growth to be tough this year. Following a much stronger-than-expected Q1 performance and slightly increased revenue forecasts, our earnings forecasts for this year were also clearly upgraded. We also believe that the easing of the headwind caused by the Swedish krona will support the reported developments.
- Reflecting the improving outlook, we raised our growth forecasts also for the next few years, as we expect the operating environment in Finland to gradually improve over 2025-2026 as well (incl. renewable energy construction). The increase in revenue forecasts also flowed through to the bottom line, and we expect the margin development to also be supported by the company's measures to offset seasonality, although we expect volumes within the year to remain more heavily skewed towards H2.
- At this point, we have also provisionally included in our forecasts the company's pending acquisition of the small Dyk & Anläggning Stockholm, for which the company signed a letter of intent in early March and expects to finalize the deal in the coming weeks. However, on a group scale, the direct impact of this is limited (2022: revenue of 20 MSEK) and we will refine our assumptions (including the increase in the number of shares) at the latest in connection with the Q2 results.

## Operational earnings drivers 2023-2026e:

- NYAB's order backlog stood at 286 MEUR at the end of Q1. Based on the Q4'23 situation, we roughly estimate that about 2/3 of this will be allocated to the current year, which will allow for continued growth. In addition, large multi-year contracts (Aurora Line, Utajärvi Solar Park), among others, already give the company partial visibility for the next year's development. Despite possible delays in investment decisions, demand prospects are good in the longer term, with investments requiring a green transition
- Strengthening the contract portfolio with several multi-year contracts (incl. framework and maintenance contracts) would improve business predictability and reduce the impact of macroeconomic factors on sales
- We expect the easing of the worst inflationary pressures (i.e. as the order book rolls over) 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 MEUR / EUR	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
	Old	New	%	Old	New	%	Old	New	%
Revenue	328	345	5%	371	390	5%	405	425	5%
EBITDA	25.4	28.1	11%	29.3	31.9	9%	33.4	35.0	5%
EBIT (exc. NRIs)	21.8	24.6	13%	25.8	28.4	10%	29.6	31.2	6%
EBIT	20.8	23.7	14%	25.2	27.9	10%	29.3	30.9	6%
PTP	16.9	20.6	21%	23.4	26.0	11%	27.8	29.4	6%
EPS (excl. NRIs)	0.02	0.03	17%	0.03	0.03	10%	0.03	0.04	5%
DPS	0.011	0.011	0%	0.015	0.015	0%	0.017	0.017	0%

Source: Inderes

# The expected return is attractive if earnings growth materializes

## Absolute valuation and expected return in the coming years

In our rising forecasts, the adjusted P/E ratio for 2024 is 18x and the corresponding EV/EBIT ratio is 13x. Relative to the accepted valuation range (P/E: 13x-17x, EV/EBIT: 12x-16x), we believe the valuation is relatively neutral overall for this year. Similarly, if earnings growth materializes as we forecast, we see room for upside in the multiples looking ahead to next year, especially with the EV/EBIT multiple reflecting the strong balance sheet (2025e EV/EBIT 11x, P/E 15x).

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 Q1, strong cash flow, and a strengthening outlook for Sweden (incl. higher margin potential than Finland), we also see the risk level of the company decreasing, although we do not think it is justified to value the stock at the upper end of the range at this stage (incl. 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. Based on this, we estimate that the current business

could be valued at roughly EUR 0.50-0.70 per share at the end of 2026. At the current share price, the average expected annual return would be a little over 7%. In addition, we expect the dividend to provide an annual base return of approximately 3% for the investor, bringing the expected average annual total return slightly above our required return on equity of 9.7% (previously 10.2%). With its strong cash flow, we would also expect the company to have the potential for a much more generous profit distribution, but we will still wait to see how the capital allocation is determined.

## SOTP up with revised estimates

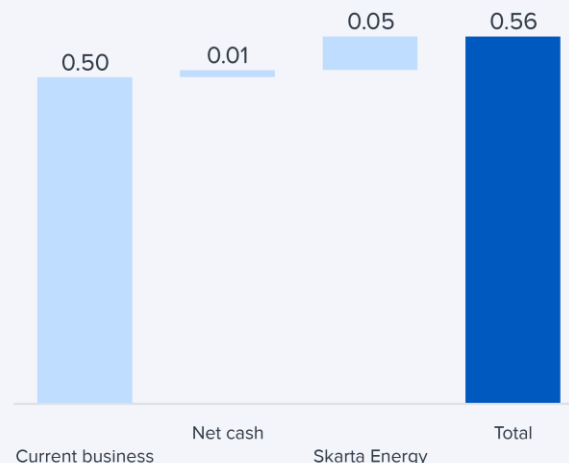
The indicative value of our sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) is now set at 355-441 MEUR in our baseline scenario. This corresponds to a value of EUR 0.50-0.62 per share (was EUR 0.42-0.53). The increase was mainly due to our operational forecast revisions and a slight upward revision of the acceptable valuation of the current businesses. Correspondingly, the value was slightly reduced by the financing round in Skarta Energy, which reduced NYAB's stake to 34% (was 40%). Therefore, we believe that there is justifiable upside in the short term from this perspective as well.

As such, we see the present as a good opportunity to jump on board a company with promising long-term growth prospects. Our view is also supported by our DCF model, which currently stands at EUR 0.55 per share. However, our model does not fully take into account the long-term potential of Skarta Energy (value in the model is 16.8 MEUR).

Valuation	2024e	2025e	2026e
Share price	0.49	0.49	0.49
Number of shares, millions	712.9	712.9	712.9
Market cap	351	351	351
EV	327	314	301
P/E (adj.)	18.5	14.7	13.9
P/E	19.4	15.1	14.1
P/B	1.8	1.7	1.6
P/S	1.0	0.9	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.6	9.8	8.6
EV/EBIT (adj.)	13.3	11.0	9.6
Payout ratio (%)	43.2 %	45.8 %	48.5 %
Dividend yield-%	2.2 %	3.0 %	3.4 %

Source: Inderes

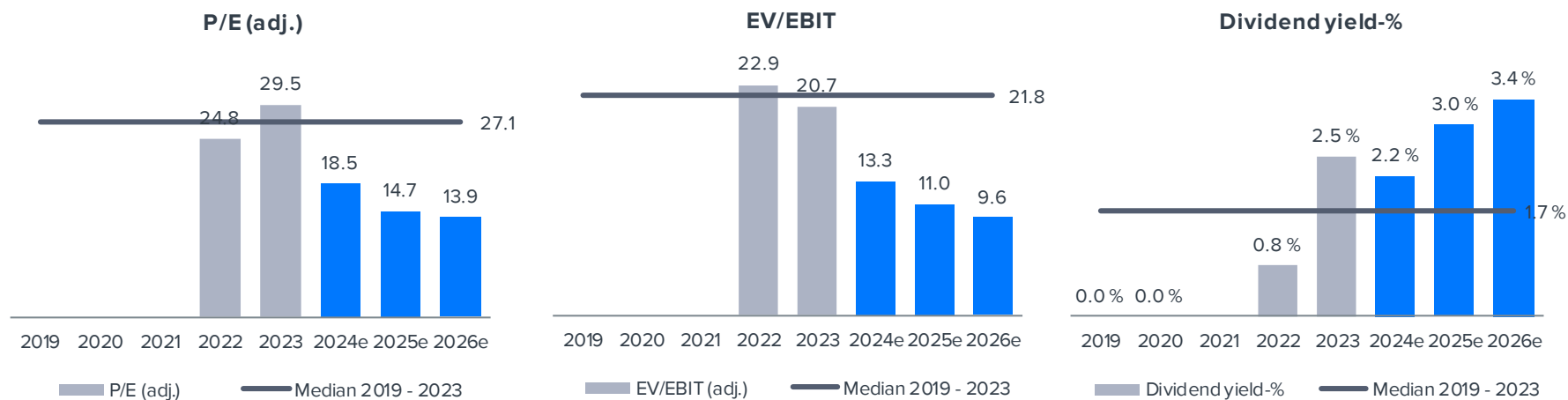
## Mid-point of the SOTP in the baseline scenario (EUR/share)



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				0.87	0.55	<b>0.49</b>	<b>0.49</b>	<b>0.49</b>	<b>0.49</b>
Number of shares, millions				706.7	706.7	<b>712.9</b>	<b>712.9</b>	<b>712.9</b>	<b>712.9</b>
Market cap				615	389	<b>351</b>	<b>351</b>	<b>351</b>	<b>351</b>
EV				622	369	<b>327</b>	<b>314</b>	<b>301</b>	<b>289</b>
P/E (adj.)				24.8	29.5	<b>18.5</b>	<b>14.7</b>	<b>13.9</b>	<b>13.2</b>
P/E				26.4	43.0	<b>19.4</b>	<b>15.1</b>	<b>14.1</b>	<b>13.4</b>
P/B				3.4	2.1	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>
P/S				2.4	1.4	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>
EV/Sales				2.5	1.3	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>
EV/EBITDA				20.5	17.2	<b>11.6</b>	<b>9.8</b>	<b>8.6</b>	<b>7.7</b>
EV/EBIT (adj.)				22.9	20.7	<b>13.3</b>	<b>11.0</b>	<b>9.6</b>	<b>8.6</b>
Payout ratio (%)				21.2 %	109.3 %	<b>43.2 %</b>	<b>45.8 %</b>	<b>48.5 %</b>	<b>48.8 %</b>
Dividend yield-%				0.8 %	2.5 %	<b>2.2 %</b>	<b>3.0 %</b>	<b>3.4 %</b>	<b>3.7 %</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	1704	3201	17.1	16.7	10.3	9.9	0.7	0.7	13.4	12.5	3.5	4.5	1.3
NCC	1128	1500	10.4	10.2	6.0	6.0	0.3	0.3	9.5	9.3	5.8	5.9	1.6
Skanska	7011	6556	11.2	9.9	8.8	7.5	0.5	0.4	13.8	12.5	3.8	4.2	1.4
YIT	463	1409	44.7	22.4	24.9	16.8	0.7	0.7		62.3			0.5
AF Gruppen	1378	1541	12.6	11.2	8.8	8.0	0.6	0.6	13.7	12.2	6.1	6.1	4.0
NRC Group	83	148	7.0	7.3	3.8	3.9	0.2	0.2	6.7	7.0	7.7	8.5	0.3
Veidekke	1287	1147	8.8	8.3	5.2	5.0	0.3	0.3	13.1	12.3	7.2	7.6	4.7
MT Hoejgaard Holding	211	161	2.8	3.2	2.1	2.2	0.1	0.1	5.1	5.7			1.4
Kreate	70	91	10.1	8.3	6.3	5.5	0.3	0.3	13.3	9.9	6.2	6.6	1.6
Sitowise	103	186	13.8	10.7	7.3	6.4	0.9	0.9	14.8	9.9	2.3	3.5	0.8
Sweco	3733	4206	17.3	15.3	12.6	11.5	1.6	1.5	20.9	18.2	2.5	2.8	3.9
AFRY	1767	2341	13.5	11.8	9.2	8.3	1.0	1.0	15.2	12.6	3.4	3.9	1.6
Enersense	49	88	17.5	8.5	4.8	4.2	0.2	0.2		26.1	1.7	3.4	1.1
Eltel	89	234		8.7	4.3	3.8	0.3	0.3		11.4			0.4
Dovre Group	34	39	4.8	4.8	5.5	4.3	0.2	0.2	8.1	4.1	3.1	3.1	0.9
Netel	62	125	7.3	6.1	5.2	4.6	0.4	0.4	6.9	5.1	3.8	5.4	0.6
<b>NYAB (Inderes)</b>	<b>351</b>	<b>327</b>	<b>13.3</b>	<b>11.0</b>	<b>11.6</b>	<b>9.8</b>	<b>0.9</b>	<b>0.8</b>	<b>18.5</b>	<b>14.7</b>	<b>2.2</b>	<b>3.0</b>	<b>1.8</b>
<b>Average</b>			<b>13.3</b>	<b>10.2</b>	<b>7.8</b>	<b>6.7</b>	<b>0.5</b>	<b>0.5</b>	<b>11.9</b>	<b>14.4</b>	<b>4.4</b>	<b>5.0</b>	<b>1.6</b>
<b>Median</b>			<b>11.2</b>	<b>9.3</b>	<b>6.1</b>	<b>5.7</b>	<b>0.4</b>	<b>0.3</b>	<b>13.3</b>	<b>11.8</b>	<b>3.8</b>	<b>4.5</b>	<b>1.3</b>
<b>Diff-% to median</b>			<b>19%</b>	<b>19%</b>	<b>89%</b>	<b>71%</b>	<b>163%</b>	<b>136%</b>	<b>39%</b>	<b>25%</b>	<b>-42%</b>	<b>-32%</b>	<b>39%</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>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>78.4</b>	<b>104</b>	<b>104</b>	<b>345</b>	<b>390</b>	<b>425</b>	<b>455</b>
Group	253	39.2	65.3	88.1	87.8	280	59.2	78.4	104	104	345	390	425	455
<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>4.5</b>	<b>11.1</b>	<b>10.8</b>	<b>28.1</b>	<b>31.9</b>	<b>35.0</b>	<b>37.4</b>
Depreciation	-4.6	-1.4	-1.4	-1.4	-2.0	-6.2	-1.4	-1.0	-1.0	-1.0	-4.5	-4.0	-4.1	-4.1
<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>3.6</b>	<b>10.2</b>	<b>9.9</b>	<b>24.6</b>	<b>28.4</b>	<b>31.2</b>	<b>33.6</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>3.5</b>	<b>10.1</b>	<b>9.7</b>	<b>23.7</b>	<b>27.9</b>	<b>30.9</b>	<b>33.3</b>
Group	25.7	-2.1	4.0	6.6	6.6	15.2	0.4	3.5	10.1	9.7	23.7	27.9	30.9	33.3
Share of profits in assoc. compan.	0.0	-0.2	-0.4	-0.4	-0.7	-1.8	0.1	-0.5	-0.3	-0.2	-0.7	-0.6	-0.3	0.4
Net financial items	-0.4	-0.3	-0.4	-0.9	-1.1	-2.7	-1.0	-0.7	-0.4	-0.3	-2.4	-1.3	-1.2	-0.9
<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>2.3</b>	<b>9.4</b>	<b>9.3</b>	<b>20.6</b>	<b>26.0</b>	<b>29.4</b>	<b>32.8</b>
Taxes	-2.0	-0.3	0.5	-0.6	-1.2	-1.6	-0.1	-0.2	-0.9	-1.1	-2.4	-2.7	-4.5	-6.5
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>2.1</b>	<b>8.5</b>	<b>8.2</b>	<b>18.1</b>	<b>23.3</b>	<b>25.0</b>	<b>26.3</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>0.03</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>Q2'24e</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>						10.7 %	51.1 %	20.0 %	18.0 %	18.0 %	23.1 %	13.0 %	9.0 %	7.0 %
<b>Adjusted EBIT growth-%</b>	74.3 %	79.1 %	72.1 %	25.4 %	-61.2 %	-34.5 %	-157.8 %	-20.8 %	43.0 %	29.1 %	38.0 %	15.5 %	9.9 %	7.6 %
<b>EBITDA-%</b>	12.0 %	-1.7 %	8.3 %	9.1 %	9.8 %	7.6 %	2.9 %	5.8 %	10.7 %	10.4 %	8.2 %	8.2 %	8.2 %	8.2 %
<b>Adjusted EBIT-%</b>	10.7 %	-3.9 %	7.0 %	8.1 %	8.7 %	6.4 %	1.5 %	4.6 %	9.8 %	9.5 %	7.1 %	7.3 %	7.3 %	7.4 %
<b>Net earnings-%</b>	9.2 %	-7.2 %	5.7 %	5.2 %	4.1 %	3.2 %	-1.1 %	2.7 %	8.2 %	7.9 %	5.3 %	6.0 %	5.9 %	5.8 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>160</b>	<b>158</b>	<b>163</b>	<b>163</b>	<b>163</b>
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	18.1
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
<b>Current assets</b>	<b>99.1</b>	<b>108</b>	<b>119</b>	<b>141</b>	<b>161</b>
Inventories	2.3	1.4	1.7	2.0	2.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	83.0	83.8	94.9	103	111
Cash and equivalents	13.8	22.6	22.6	36.1	48.6
<b>Balance sheet total</b>	<b>259</b>	<b>266</b>	<b>282</b>	<b>304</b>	<b>325</b>

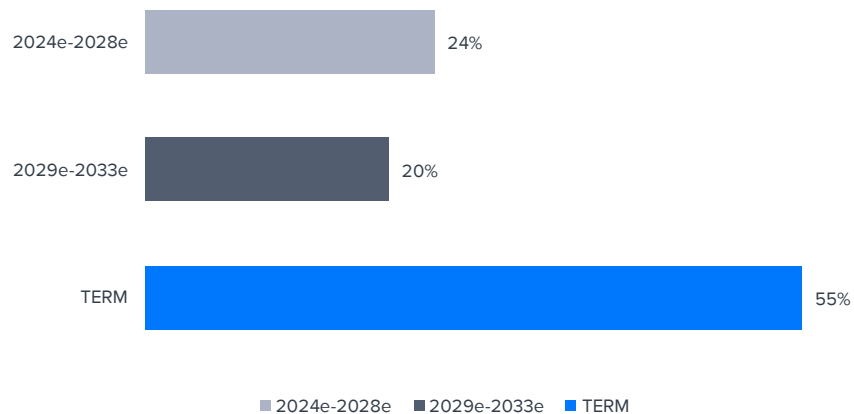
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>180</b>	<b>185</b>	<b>194</b>	<b>209</b>	<b>223</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	40.3	50.1	58.3	73.8	88.1
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>74.0</b>	<b>81.1</b>	<b>87.1</b>
Interest bearing debt	8.2	5.5	5.0	5.0	5.0
Payables	53.3	59.5	69.0	76.1	82.1
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>282</b>	<b>304</b>	<b>325</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	10.7 %	23.1 %	13.0 %	9.0 %	7.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	5.4 %	6.9 %	7.1 %	7.3 %	7.3 %	7.2 %	7.1 %	7.0 %	6.7 %	6.5 %	6.5 %	6.5 %
<b>EBIT (operating profit)</b>	<b>15.2</b>	<b>23.7</b>	<b>27.9</b>	<b>30.9</b>	<b>33.3</b>	<b>34.7</b>	<b>35.9</b>	<b>37.2</b>	<b>37.0</b>	<b>37.0</b>	<b>37.8</b>	
+ 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	-2.4	-2.7	-4.5	-6.5	-6.8	-7.0	-7.3	-7.3	-7.3	-7.4	
- Tax, financial expenses	-0.4	-0.3	-0.1	-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	-2.0	-1.6	-1.4	-1.2	-0.9	-0.6	-0.6	-0.3	-1.0	-0.7	
<b>Operating cash flow</b>	<b>25.8</b>	<b>23.4</b>	<b>27.5</b>	<b>29.0</b>	<b>29.5</b>	<b>31.1</b>	<b>32.4</b>	<b>33.6</b>	<b>33.8</b>	<b>33.1</b>	<b>34.1</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	-6.2	-4.4	-4.5	-4.6	-4.7	-4.7	-4.7	-4.7	-4.8	-4.6	
<b>Free operating cash flow</b>	<b>26.6</b>	<b>17.2</b>	<b>23.1</b>	<b>24.5</b>	<b>24.9</b>	<b>26.4</b>	<b>27.7</b>	<b>28.9</b>	<b>29.1</b>	<b>28.3</b>	<b>29.4</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	23.1	24.5	24.9	26.4	27.7	28.9	29.1	28.3	29.4	458
<b>Discounted FCFF</b>		<b>15.1</b>	<b>20.2</b>	<b>19.7</b>	<b>18.5</b>	<b>18.0</b>	<b>17.5</b>	<b>16.7</b>	<b>15.5</b>	<b>13.9</b>	<b>13.3</b>	<b>208</b>
Sum of FCFF present value		376	361	341	321	303	284	267	250	235	221	208
<b>Enterprise value DCF</b>		<b>376</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>389</b>										
<b>Equity value DCF per share</b>		<b>0.55</b>										

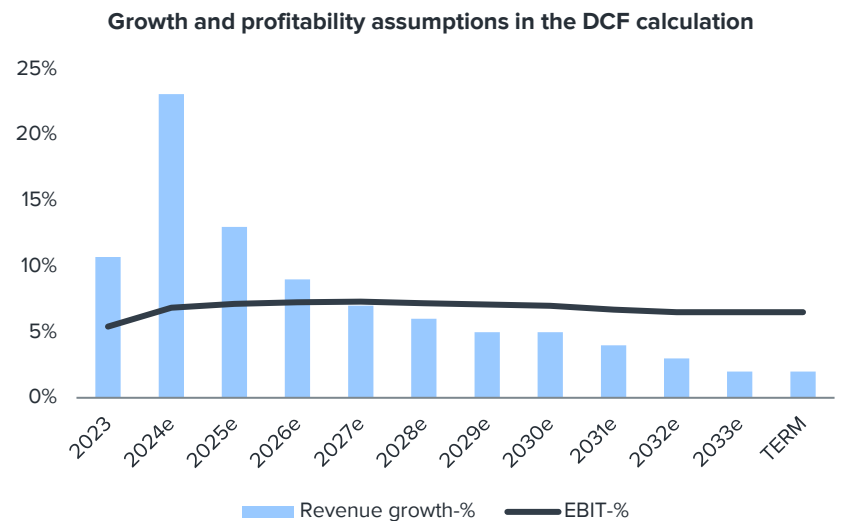
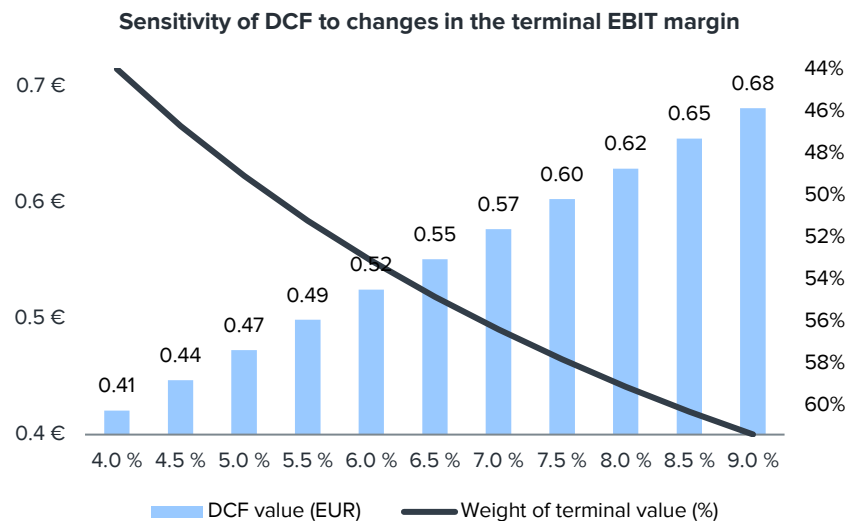
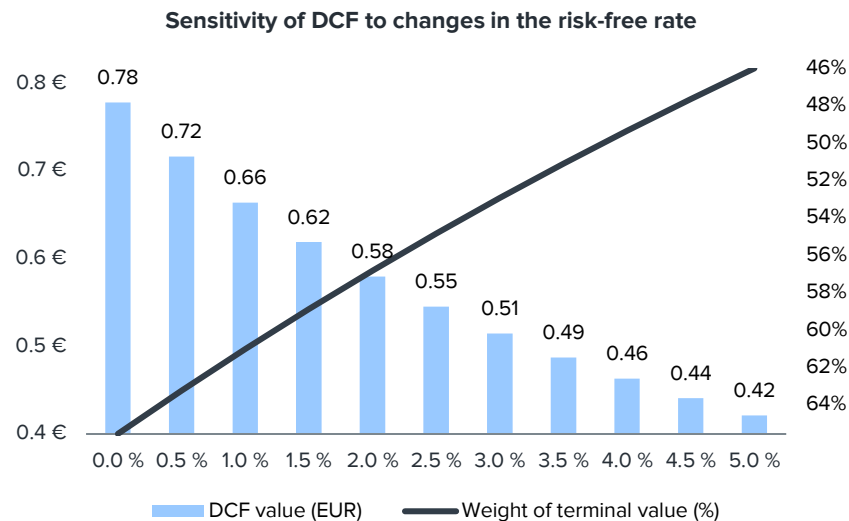
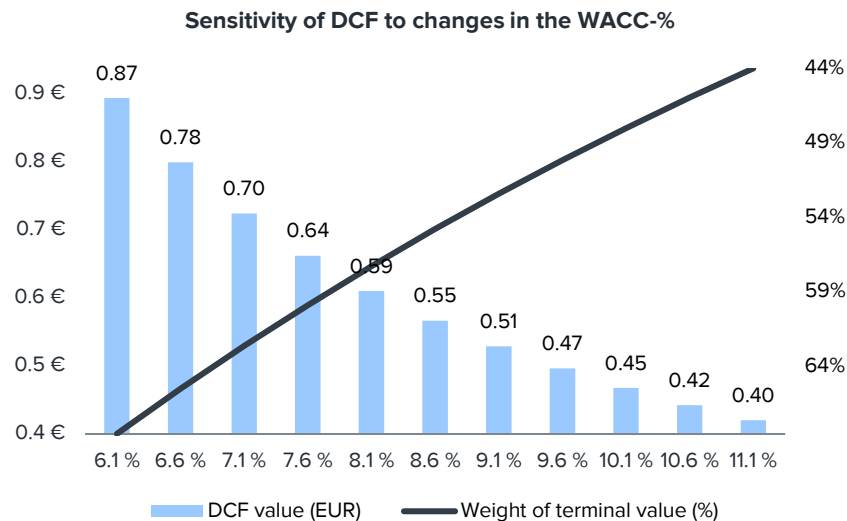
## Cash flow distribution



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	1.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.6 %</b>

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	345.2	390.0	EPS (reported)	0.03	0.01	0.03	0.03
EBITDA	30.4	21.4	28.1	31.9	EPS (adj.)	0.04	0.02	0.03	0.03
EBIT	25.7	15.2	23.7	27.9	OCF / share	0.02	0.04	0.03	0.04
PTP	25.3	10.7	20.6	26.0	FCF / share	0.08	0.05	0.02	0.03
Net Income	23.3	9.0	18.1	23.3	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	281.8	304.4	Revenue growth-%	0%	11%	23%	13%
Equity capital	180.4	185.3	193.6	209.1	EBITDA growth-%		-30%	32%	13%
Goodwill	121.2	121.2	123.2	123.2	EBIT (adj.) growth-%		-35%	38%	16%
Net debt	7.0	-5.6	-7.6	-21.1	EPS (adj.) growth-%		-47%	43%	25%
Cash flow	2022	2023	2024e	2025e	EBITDA-%	12.0 %	7.6 %	8.2 %	8.2 %
EBITDA	30.4	21.4	28.1	31.9	EBIT (adj.)-%	10.7 %	6.4 %	7.1 %	7.3 %
Change in working capital	-17.2	6.4	-2.0	-1.6	EBIT-%	10.2 %	5.4 %	6.9 %	7.1 %
Operating cash flow	12.9	25.8	23.4	27.5	ROE-%	22.6 %	4.9 %	9.6 %	11.6 %
CAPEX	-144.7	0.6	-6.2	-4.4	ROI-%	22.2 %	6.6 %	11.2 %	12.6 %
Free cash flow	58.3	32.2	15.9	23.1	Equity ratio	69.6 %	73.0 %	71.7 %	71.5 %
Valuation multiples	2022	2023	2024e	2025e	Gearing	3.9 %	-3.0 %	-3.9 %	-10.1 %
EV/S	2.5	1.3	0.9	0.8					
EV/EBITDA (adj.)	20.5	17.2	11.6	9.8					
EV/EBIT (adj.)	22.9	20.7	13.3	11.0					
P/E (adj.)	24.8	29.5	18.5	14.7					
P/B	3.4	2.1	1.8	1.7					
Dividend-%	0.8 %	2.5 %	2.2 %	3.0 %					

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 €



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