

# Componenta

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Kuopan yli kovalle maalle" published on 1/15/2024 at 9:52 pm EET

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# Over the pit onto firm ground

On Monday, Componenta issued its second profit warning for 2023 within three months. However, we did not consider the warning very dramatic and the reasons are largely non-recurring. In addition, a positive indication was given for the demand outlook for 2024. Our forecast cuts for 2024 and 2025 are minor and the stock's valuation has fallen to very attractive levels. Thus, we raise our recommendation to Buy (was Accumulate) and reiterate our EUR 3.00 target price.

## Fluctuations in Q4 production which eats up the results

Componenta now expects 2023 revenue to be 101-102 MEUR (previous guidance 100-105 MEUR) and EBITDA to be 5.3 MEUR (was 6-7 MEUR). Thus, the new revenue guidance falls at the bottom of the previous range, but the Q4'23 EBITDA fell from the mid-point of the previous guidance range at 0.7 MEUR (margin 3.1%) to -0.5 MEUR (margin -2.4%). In its comments, Componenta emphasized the importance of a volume drop behind the profit warning, and our interpretation is that achieving the previous EBITDA guidance would have required revenue to be close to the top of the range. The revenue disappointment was particularly affected by customers' destocking, but the development of their order backlog was also unfavorable, and revenue was depressed by price indexation. Componenta has indexed material and energy costs into its supply prices and these have been falling.

Low volumes and under-utilization of factory capacity weighed clearly on the Q4 result. Repeated ramp-ups and ramp-downs of capacity devoured efficiency and caused quality costs. In addition, Componenta drove some new, relatively high-volume products to production in Q4 and this resulted in ramp-up costs. The above-mentioned factors were directed at both Castings' and Manufacturing's businesses.

## Outlook for 2024 clarified

According to Componenta, "recently, our customers have started to indicate more positive development for the full-year 2024, and together with the increase in Componenta's market shares, we expect a clear increase in production volumes in 2024." Customer volume growth is driven by the interest rate trend calming down and the investment of "customers' customers" taking off. Componenta also referred to successful new sales (as evidenced by the mentioned product ramp-ups) and the increased share of casting and machining acquisitions by individual customers.

## No dramatic changes in forecasts for the coming years

Our 2023 forecast changes naturally reflect the new guidance. Our forecast cuts for 2024-2025 are very small, especially in euros. Our expectation for 2024 revenue growth (+6%) is in line with the verbal volume indication given by Componenta. Our 2024 EBITDA margin forecast (8.0%) is supported by volume growth and remains unchanged.

## The stock is simply cheap

Componenta's stock is cheap with all indicators. The expected total return is well above the required return with the EV/EBITDA-based calculation for 2024. The same EV/EBITDA ratio is also clearly discounted at -48 % to the median of the peers. Based on the indication of the DCF model, the value of Componenta's share has a 40% upside.

## Recommendation

### Buy

(previous Accumulate)

### EUR 3.00

(previous EUR 3.00)

### Share price:

2.27



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	109.1	101.0	107.0	111.4
<b>growth-%</b>	25%	-7%	6%	4%
<b>EBIT adj.</b>	1.8	-0.6	2.5	3.9
<b>EBIT-% adj.</b>	1.6 %	-0.6 %	2.3 %	3.5 %
<b>Net Income</b>	0.1	1.5	0.9	2.4
<b>EPS (adj.)</b>	0.03	-0.28	0.10	0.25

<b>P/E (adj.)</b>	90.5	neg.	23.8	9.2
<b>P/B</b>	0.9	0.9	0.8	0.8
<b>Dividend yield-%</b>	0.0 %	0.0 %	2.2 %	4.4 %
<b>EV/EBIT (adj.)</b>	15.7	neg.	11.2	6.8
<b>EV/EBITDA</b>	3.9	5.5	3.3	2.7
<b>EV/S</b>	0.3	0.3	0.3	0.2

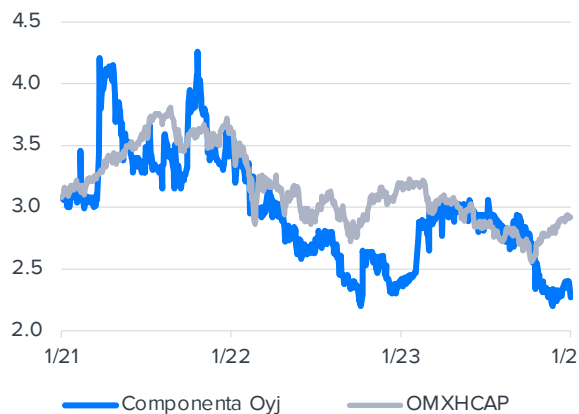
Source: Inderes

## Guidance

(Downgraded)

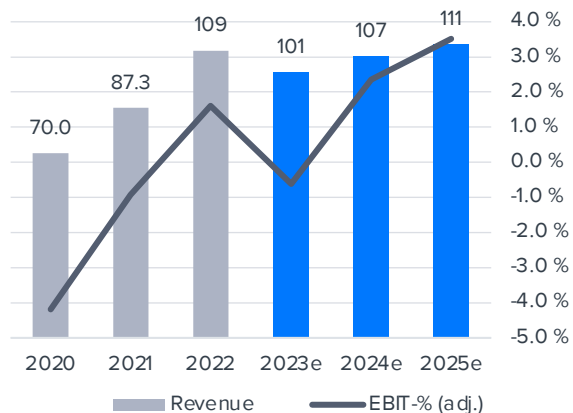
2023 revenue is estimated to be around 101-102 MEUR. EBITDA is estimated to be around 5.3 MEUR.

## Share price



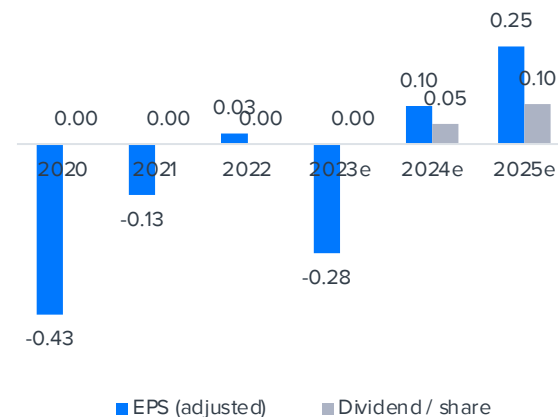
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Customer sector risk highly diversified
- Long-term customer relationships with global OEMs
- Customer-initiated repatriation of supply chains
- Cost changes can be quickly transferred to own prices
- Valuation has a lot of historical baggage



## Risk factors

- Traditionally low-margin sector
- Customer sectors individually cyclical
- One big customer dependency

Valuation	2023e	2024e	2025e
Share price	2.27	2.27	2.27
Number of shares, millions	9.71	9.71	9.71
Market cap	22	22	22
EV	29	28	27
P/E (adj.)	neg.	23.8	9.2
P/E	14.4	23.8	9.2
P/B	0.9	0.8	0.8
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.5	3.3	2.7
EV/EBIT (adj.)	neg.	11.2	6.8
Payout ratio (%)	0.0 %	52.5 %	40.6 %
Dividend yield-%	0.0 %	2.2 %	4.4 %

Source: Inderes

# Minor forecast changes for the coming years

## Estimate revisions 2023e-2025e

- Our 2023 forecasts are now in line with the new guidance. The biggest change occurred in EBITDA, where our forecast dropped by -1.1 MEUR.
- The revenue forecast for 2024 has decreased only slightly and our growth forecast (+6%) is in line with the “clear” volume growth indicated by Componenta.
- Our 2024-2025 earnings forecasts have decreased only slightly in euros and our EBITDA margins (8.0% and 8.8% respectively) remain unchanged.
- Our forecasts for net financial expenses remain unchanged, and Componenta’s deductible losses from previous years continue to keep the Group’s tax rate close to zero in our forecasts.

## Operational result drivers 2023e-2025e:

- Revenue will make a modest upturn as investments by “customers' customers” take off and some customer sectors (e.g. the energy industry and defense equipment industry) grow well.
- The increased flexibility of the cost structure will secure the EBITDA margin and, in addition, the share of depreciation in revenue will decrease, which raises the EBIT margin.
- Declining net liabilities and financial expenses, as well as zero taxes in the coming years, will keep EPS growing.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	105	101	-3%	108	107	-1%	112	111	0%
EBITDA	6.4	5.3	-18%	8.6	8.5	-1%	9.9	9.8	-1%
EBIT (exc. NRIs)	0.5	-0.6	-217%	2.6	2.5	-2%	4.0	3.9	-3%
EBIT	4.7	3.6	-24%	2.6	2.5	-2%	4.0	3.9	-3%
PTP	2.6	1.4	-44%	1.0	0.9	-5%	2.5	2.4	-5%
EPS (excl. NRIs)	-0.16	-0.28	74%	0.10	0.10	-5%	0.26	0.25	-5%
DPS	0.00	0.00		0.05	0.05	0%	0.10	0.10	0%

Source: Inderes

# The attractiveness of the valuation does not waver

## Positive basic view is unchanged

Our basic view of the strengths of Componenta's investor story remains unchanged despite the new profit warning. We consider the company's strong relationships with renowned customers, clearly improved cost flexibility from the past and the current, solid balance sheet the strengths of the company. Factors typical of the industry, such as the cyclical target market and relatively low basic profitability, are factors on which Componenta has limited influence.

The possibilities for positive short-term drivers improved as the company commented that it expects a clear increase in production volumes in 2024. We still consider the stock's current valuation level unjustifiably low, and considering the comments above, we raise our recommendation to Buy (was Accumulate). Despite the forecast cuts we reiterate our EUR 3.00 target price, so the share discount relative to the median of the peers is -35% with the 2024 EV/EBITDA. We have considered a -25% discount acceptable for Componenta.

## Total return is attractive with certain reservations

According to our calculations, the total expected return on Componenta's share (upside potential based on earnings growth and expected change in valuation multiples plus dividend yield) exceeds the required return clearly with the 2024 EV/EBITDA-based calculations. On the other hand, calculations based on EV/EBIT or P/E ratios would give an unnecessarily negative picture of the potential return, as these ratios are currently subject to significant leverage. This is due to Componenta's temporarily

disproportionately low EBIT and EPS ratios compared to EBITDA. Despite these factors, we find the risk-adjusted return attractive.

## Good benchmarks are hard to find in peer valuation

Componenta's relative valuation multiples are biased by the same factors as mentioned above. Therefore, the 2024 EV/EBITDA ratio is clearly discounted by -48 % to the median of the peers, but the EV/EBIT is in line (-1%) and the P/E ratio already indicates a clear premium valuation. We also find the EV/EBITDA to be a more meaningful benchmark in the current situation than other multiples in peer group valuation, and based on it the over-proportional valuation discount of Componenta's share is obvious.

## DCF upside is considerable

The DCF model indicates Componenta a share value of EUR 3.2, with an upside of +40 %. Despite the significant leverage related to the parameters of the DCF model, we consider the upside significant. A more detailed calculation can be found in the appendices.

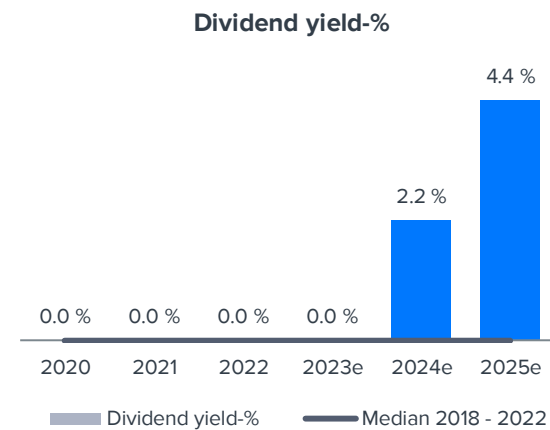
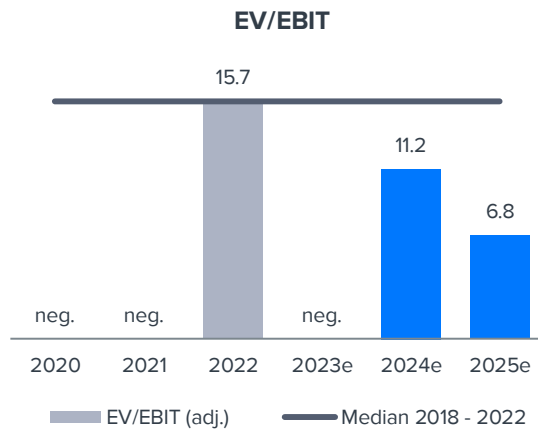
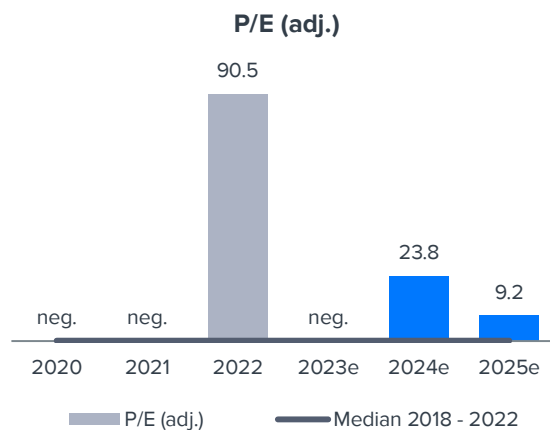
Valuation	2023e	2024e	2025e
Share price	2.27	2.27	2.27
Number of shares, millions	9.71	9.71	9.71
Market cap	22	22	22
EV	29	28	27
P/E (adj.)	neg.	23.8	9.2
P/E	14.4	23.8	9.2
P/B	0.9	0.8	0.8
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.5	3.3	2.7
EV/EBIT (adj.)	neg.	11.2	6.8
Payout ratio (%)	0.0 %	52.5 %	40.6 %
Dividend yield-%	0.0 %	2.2 %	4.4 %

Source: Inderes

# Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price			3.16	3.34	2.34	<b>2.27</b>	<b>2.27</b>	<b>2.27</b>	<b>2.27</b>
Number of shares, millions	7.09	237.3	9.49	9.52	9.71	<b>9.71</b>	<b>9.71</b>	<b>9.71</b>	<b>9.71</b>
Market cap			30	32	23	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
EV	-3.3	8.7	27	39	28	<b>29</b>	<b>28</b>	<b>27</b>	<b>24</b>
P/E (adj.)	0.0	0.0	neg.	neg.	90.5	<b>neg.</b>	<b>23.8</b>	<b>9.2</b>	<b>5.5</b>
P/E	0.0	0.0	neg.	neg.	>100	<b>14.4</b>	<b>23.8</b>	<b>9.2</b>	<b>5.5</b>
P/B	0.0	0.0	1.3	1.4	0.9	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>
P/S	0.0	0.0	0.4	0.4	0.2	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
EV/Sales	neg.	0.2	0.4	0.4	0.3	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>
EV/EBITDA	neg.	5.5	7.3	7.8	3.9	<b>5.5</b>	<b>3.3</b>	<b>2.7</b>	<b>2.2</b>
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	15.7	<b>neg.</b>	<b>11.2</b>	<b>6.8</b>	<b>4.5</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>52.5 %</b>	<b>40.6 %</b>	<b>36.1 %</b>
Dividend yield-%			0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>2.2 %</b>	<b>4.4 %</b>	<b>6.6 %</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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Norrhydro	24	24	23.7	11.8	11.8	5.9	0.7	0.6	108.5	21.7	1.4	2.8	2.5
Castings plc	185	144	7.6	6.5	5.0	4.5	0.6	0.6	12.0	10.6	4.6	4.9	
Georg Fischer	5261	5376	13.8	10.9	10.2	8.1	1.3	1.1	18.8	16.9	2.2	2.4	2.9
ElringKlinger	341	726	8.7	7.7	3.6	3.5	0.4	0.4	10.7	7.4	3.9	4.9	0.4
Kesla	14	27	13.6	13.6	6.8	6.8	0.5	0.6	13.2	11.7	2.9	3.7	1.0
Ponsse	652	723	15.1	13.6	9.1	8.6	0.9	1.0	24.5	16.5	2.3	2.9	2.0
Wärtsilä	8047	8407	17.0	13.4	12.8	10.8	1.4	1.3	24.5	19.1	2.3	2.9	3.5
AGCO	8030	9256	5.7	6.9	5.1	5.7	0.7	0.7	7.5	8.9	4.7	2.4	1.9
<b>Componenta Oyj (Inderes)</b>	<b>22</b>	<b>29</b>	<b>-47.5</b>	<b>11.2</b>	<b>5.5</b>	<b>3.3</b>	<b>0.3</b>	<b>0.3</b>	<b>-8.2</b>	<b>23.8</b>	<b>0.0</b>	<b>2.2</b>	<b>0.9</b>
<b>Average</b>			<b>13.1</b>	<b>10.6</b>	<b>8.0</b>	<b>6.7</b>	<b>0.8</b>	<b>0.8</b>	<b>27.4</b>	<b>14.1</b>	<b>3.0</b>	<b>3.3</b>	<b>2.0</b>
<b>Median</b>			<b>13.7</b>	<b>11.4</b>	<b>8.0</b>	<b>6.4</b>	<b>0.7</b>	<b>0.7</b>	<b>16.0</b>	<b>14.1</b>	<b>2.6</b>	<b>2.9</b>	<b>2.0</b>
<b>Diff-% to median</b>			<b>-447%</b>	<b>-1%</b>	<b>-30%</b>	<b>-48%</b>	<b>-59%</b>	<b>-62%</b>	<b>-152%</b>	<b>69%</b>	<b>-100%</b>	<b>-24%</b>	<b>-56%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2020	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e
<b>Revenue</b>	<b>70.0</b>	<b>87.3</b>	<b>109</b>	<b>30.7</b>	<b>29.5</b>	<b>19.9</b>	<b>20.8</b>	<b>101</b>	<b>28.4</b>	<b>29.1</b>	<b>23.7</b>	<b>25.7</b>	<b>107</b>	<b>111</b>	<b>117</b>
Group	70.0	87.3	109	30.7	29.5	19.9	20.8	101	28.4	29.1	23.7	25.7	107	111	117
<b>EBITDA</b>	<b>3.7</b>	<b>5.0</b>	<b>7.1</b>	<b>2.8</b>	<b>2.6</b>	<b>0.4</b>	<b>-0.5</b>	<b>5.3</b>	<b>2.8</b>	<b>2.9</b>	<b>1.3</b>	<b>1.6</b>	<b>8.5</b>	<b>9.8</b>	<b>11.2</b>
Depreciation	-5.8	-4.9	-5.5	-1.4	-1.5	2.8	-1.6	-1.7	-1.5	-1.5	-1.5	-1.5	-6.0	-5.9	-5.8
<b>EBIT (excl. NRI)</b>	<b>-2.9</b>	<b>-0.8</b>	<b>1.8</b>	<b>1.4</b>	<b>1.1</b>	<b>-1.0</b>	<b>-2.1</b>	<b>-0.6</b>	<b>1.3</b>	<b>1.4</b>	<b>-0.2</b>	<b>0.1</b>	<b>2.5</b>	<b>3.9</b>	<b>5.4</b>
<b>EBIT</b>	<b>-2.0</b>	<b>0.0</b>	<b>1.6</b>	<b>1.4</b>	<b>1.1</b>	<b>3.2</b>	<b>-2.1</b>	<b>3.6</b>	<b>1.3</b>	<b>1.4</b>	<b>-0.2</b>	<b>0.1</b>	<b>2.5</b>	<b>3.9</b>	<b>5.4</b>
Group	-2.0	0.0	1.6	1.4	1.1	3.2	-2.1	3.6	1.3	1.4	-0.2	0.1	2.5	3.9	5.4
Share of profits in assoc. compan.	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	0.0
Net financial items	-1.5	-0.4	-1.7	-0.5	-0.6	-0.5	-0.5	-2.2	-0.4	-0.4	-0.4	-0.4	-1.6	-1.5	-1.4
<b>PTP</b>	<b>-3.5</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.9</b>	<b>0.5</b>	<b>2.7</b>	<b>-2.6</b>	<b>1.4</b>	<b>0.9</b>	<b>1.0</b>	<b>-0.6</b>	<b>-0.3</b>	<b>0.9</b>	<b>2.4</b>	<b>4.0</b>
Taxes	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0
<b>Net earnings</b>	<b>-3.2</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.9</b>	<b>0.5</b>	<b>2.7</b>	<b>-2.6</b>	<b>1.5</b>	<b>0.9</b>	<b>1.0</b>	<b>-0.6</b>	<b>-0.3</b>	<b>0.9</b>	<b>2.4</b>	<b>4.0</b>
<b>EPS (adj.)</b>	<b>-0.43</b>	<b>-0.13</b>	<b>0.03</b>	<b>0.09</b>	<b>0.05</b>	<b>-0.15</b>	<b>-0.27</b>	<b>-0.28</b>	<b>0.09</b>	<b>0.10</b>	<b>-0.06</b>	<b>-0.04</b>	<b>0.10</b>	<b>0.25</b>	<b>0.42</b>
<b>EPS (rep.)</b>	<b>-0.33</b>	<b>-0.04</b>	<b>0.01</b>	<b>0.09</b>	<b>0.05</b>	<b>0.28</b>	<b>-0.27</b>	<b>0.16</b>	<b>0.09</b>	<b>0.10</b>	<b>-0.06</b>	<b>-0.04</b>	<b>0.10</b>	<b>0.25</b>	<b>0.42</b>
<b>Key figures</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23e</b>	<b>2023e</b>	<b>Q1'24e</b>	<b>Q2'24e</b>	<b>Q3'24e</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
<b>Revenue growth-%</b>	38.0 %	24.6 %	25.0 %	20.4 %	2.1 %	-19.1 %	-30.7 %	-7.4 %	-7.5 %	-1.3 %	19.3 %	23.3 %	6.0 %	4.1 %	4.9 %
<b>Adjusted EBIT growth-%</b>		-72.5 %	-317.2 %	448.0 %	13.0 %	11.0 %	-249.0 %	-135.0 %	-6.3 %	24.7 %	-77.1 %	-102.5 %	-509.5 %	55.8 %	37.9 %
<b>EBITDA-%</b>	5.4 %	5.7 %	6.5 %	9.1 %	8.9 %	2.0 %	-2.6 %	5.2 %	9.8 %	10.0 %	5.4 %	6.1 %	8.0 %	8.8 %	9.6 %
<b>Adjusted EBIT-%</b>	-4.2 %	-0.9 %	1.6 %	4.5 %	3.8 %	-5.1 %	-10.1 %	-0.6 %	4.5 %	4.8 %	-1.0 %	0.2 %	2.3 %	3.5 %	4.6 %
<b>Net earnings-%</b>	-4.5 %	-0.5 %	0.0 %	2.9 %	1.8 %	13.6 %	-12.5 %	1.5 %	3.1 %	3.5 %	-2.6 %	-1.3 %	0.9 %	2.1 %	3.5 %

Source: Inderes



# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>33.9</b>	<b>33.0</b>	<b>37.3</b>	<b>37.5</b>	<b>38.0</b>
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	1.8	2.0	2.0	2.0	2.1
Tangible assets	28.3	27.3	31.6	31.8	32.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.5	0.5	0.5	0.5	0.5
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>21.6</b>	<b>25.8</b>	<b>23.4</b>	<b>26.6</b>	<b>29.5</b>
Inventories	12.2	13.3	12.6	13.4	13.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	4.2	3.9	4.2	4.4	4.6
Cash and equivalents	5.2	8.6	6.6	8.8	11.0
<b>Balance sheet total</b>	<b>55.5</b>	<b>58.8</b>	<b>60.7</b>	<b>64.1</b>	<b>67.5</b>

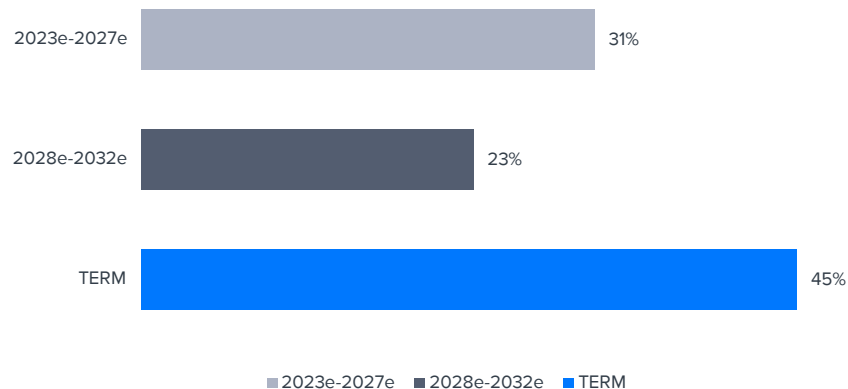
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>23.5</b>	<b>24.1</b>	<b>25.7</b>	<b>26.6</b>	<b>28.5</b>
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	3.0	3.2	4.8	5.7	7.6
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	19.4	19.9	19.9	19.9	19.9
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>10.8</b>	<b>11.0</b>	<b>12.1</b>	<b>13.1</b>	<b>13.6</b>
Deferred tax liabilities	0.2	0.1	0.1	0.1	0.1
Provisions	0.4	0.4	0.4	0.4	0.4
Korolliset velat	9.1	9.9	11.0	12.0	12.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.1	0.7	0.7	0.7	0.7
<b>Current liabilities</b>	<b>21.2</b>	<b>23.8</b>	<b>22.9</b>	<b>24.4</b>	<b>25.4</b>
Korolliset velat	2.8	3.6	2.8	3.0	3.1
Payables	18.4	20.2	20.2	21.4	22.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>55.5</b>	<b>58.8</b>	<b>60.7</b>	<b>64.1</b>	<b>67.5</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	25.0 %	-7.4 %	6.0 %	4.1 %	4.9 %	4.5 %	4.1 %	3.7 %	3.3 %	2.9 %	2.5 %	2.5 %
EBIT-%	1.4 %	3.6 %	2.3 %	3.5 %	4.6 %	4.4 %	4.2 %	3.9 %	3.7 %	3.5 %	3.5 %	3.5 %
<b>EBIT (operating profit)</b>	<b>1.6</b>	<b>3.6</b>	<b>2.5</b>	<b>3.9</b>	<b>5.4</b>	<b>5.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.1</b>	<b>4.9</b>	<b>5.0</b>	
+ Depreciation	5.5	1.7	6.0	5.9	5.8	5.9	6.1	6.2	6.4	6.5	6.7	
- Paid taxes	0.0	0.1	0.0	0.0	0.0	0.0	-0.7	-0.7	-0.7	-0.7	-0.7	
- Tax, financial expenses	-0.3	0.1	0.0	0.0	0.0	0.0	-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	0.9	0.4	0.2	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	
<b>Operating cash flow</b>	<b>7.7</b>	<b>5.9</b>	<b>8.7</b>	<b>9.9</b>	<b>11.4</b>	<b>11.5</b>	<b>10.7</b>	<b>10.7</b>	<b>10.7</b>	<b>10.7</b>	<b>11.0</b>	
+ Change in other long-term liabilities	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.7	-5.9	-6.2	-6.4	-6.6	-6.8	-7.0	-7.1	-7.3	-7.5	-7.8	
<b>Free operating cash flow</b>	<b>2.6</b>	<b>0.0</b>	<b>2.5</b>	<b>3.5</b>	<b>4.8</b>	<b>4.7</b>	<b>3.7</b>	<b>3.6</b>	<b>3.4</b>	<b>3.2</b>	<b>3.2</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	2.6	0.0	2.5	3.5	4.8	4.7	3.7	3.6	3.4	3.2	3.2	41.8
<b>Discounted FCFF</b>	<b>0.0</b>	<b>2.3</b>	<b>2.9</b>	<b>3.6</b>	<b>3.2</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>17.3</b>
Sum of FCFF present value		37.9	38.0	35.7	32.8	29.2	26.0	23.7	21.8	20.0	18.6	17.3
<b>Enterprise value DCF</b>		<b>37.9</b>										
- Interest bearing debt		-13.4										
+ Cash and cash equivalents		8.6										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>33.2</b>										
<b>Equity value DCF per share</b>		<b>3.4</b>										

Cash flow distribution



WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>12.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.4 %</b>

Source: Inderes

# Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	70.0	87.3	109.1	<b>101.0</b>	<b>107.0</b>	EPS (reported)	-0.33	-0.04	0.01	<b>0.16</b>	<b>0.10</b>
EBITDA	3.7	5.0	7.1	<b>5.3</b>	<b>8.5</b>	EPS (adj.)	-0.43	-0.13	0.03	<b>-0.28</b>	<b>0.10</b>
EBIT	-2.0	0.0	1.6	<b>3.6</b>	<b>2.5</b>	OCF / share	0.69	0.27	0.79	<b>0.61</b>	<b>0.90</b>
PTP	-3.5	-0.4	-0.1	<b>1.4</b>	<b>0.9</b>	FCF / share	0.39	-0.93	0.27	<b>0.00</b>	<b>0.26</b>
Net Income	-1.0	-0.4	0.1	<b>1.5</b>	<b>0.9</b>	Book value / share	2.51	2.46	2.48	<b>2.64</b>	<b>2.74</b>
Extraordinary items	0.9	0.8	-0.2	<b>4.2</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.05</b>
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	64.0	55.5	58.8	<b>60.7</b>	<b>64.1</b>	Revenue growth-%	38%	25%	25%	<b>-7%</b>	<b>6%</b>
Equity capital	23.9	23.5	24.1	<b>25.7</b>	<b>26.6</b>	EBITDA growth-%	136%	32%	43%	<b>-26%</b>	<b>62%</b>
Goodwill	3.2	3.2	3.2	<b>3.2</b>	<b>3.2</b>	EBIT (adj.) growth-%	76%	-72%	-317%	<b>-135%</b>	<b>-510%</b>
Net debt	-2.6	6.7	4.8	<b>7.1</b>	<b>6.2</b>	EPS (adj.) growth-%	4839%	-70%	-120%	<b>-1165%</b>	<b>-135%</b>
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	5.4 %	5.7 %	6.5 %	<b>5.2 %</b>	<b>8.0 %</b>
EBITDA	3.7	5.0	7.1	<b>5.3</b>	<b>8.5</b>	EBIT (adj.)-%	-4.2 %	-0.9 %	1.6 %	<b>-0.6 %</b>	<b>2.3 %</b>
Change in working capital	2.9	-2.3	0.9	<b>0.4</b>	<b>0.2</b>	EBIT-%	-2.9 %	0.0 %	1.4 %	<b>3.6 %</b>	<b>2.3 %</b>
Operating cash flow	6.5	2.6	7.7	<b>5.9</b>	<b>8.7</b>	ROE-%	-16.0 %	-1.7 %	0.2 %	<b>6.1 %</b>	<b>3.5 %</b>
CAPEX	-5.1	-2.0	-4.7	<b>-5.9</b>	<b>-6.2</b>	ROI-%	-6.1 %	3.2 %	4.3 %	<b>9.5 %</b>	<b>6.5 %</b>
Free cash flow	3.7	-8.9	2.6	<b>0.0</b>	<b>2.5</b>	Equity ratio	37.3 %	42.3 %	41.0 %	<b>42.2 %</b>	<b>41.5 %</b>
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	-10.8 %	28.6 %	20.0 %	<b>27.8 %</b>	<b>23.3 %</b>
EV/S	0.4	0.4	0.3	<b>0.3</b>	<b>0.3</b>						
EV/EBITDA (adj.)	7.3	7.8	3.9	<b>5.5</b>	<b>3.3</b>						
EV/EBIT (adj.)	neg.	neg.	15.7	neg.	<b>11.2</b>						
P/E (adj.)	neg.	neg.	90.5	neg.	<b>23.8</b>						
P/B	1.3	1.4	0.9	<b>0.9</b>	<b>0.8</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>2.2 %</b>						

Source: Inderes

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Date	Recommendation	Target	Share price
9/19/2023	Accumulate	3.20 €	2.73 €
9/27/2023	Accumulate	3.20 €	2.90 €
11/6/2023	Accumulate	3.00 €	2.55 €
1/15/2024	Buy	3.00 €	2.27 €

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