ANORA

1/15/2025 10:50 am EET

This is a translated version of ”Markkinat eivät anna tukea” report, published on 1/15/2024

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

No support from the market

Among Anora's main markets, at least Finland and Norway continued their negative development in Q4'24 and we do not expect a turnaround this year. We have lowered our forecasts for the next few years by 5-10% due to the still sluggish market development and outlook. With the decline in forecasts, our target price fell to EUR 3.0 (was EUR 3.4). We reiterate our Reduce recommendation.

Last year's earnings forecast lowered to bottom end of guidance range

Anora has guided for EBITDA of 65-70 MEUR in 2024. Following weak volumes in Q4 and especially in December in Norway and Finland, we have slightly lowered our forecasts and our adjusted EBITDA forecast is now at the lower end of the guidance range.

For Q4, this means adjusted EBITDA of 25.5 MEUR, slightly below the 27 MEUR in the comparison period. We expect a significant improvement in the Industrial segment (2 MEUR), which means that the beverages segments (both Wines and Spirits) will deteriorate significantly year-on-year. This is due to a decrease in volume and an increase in fixed costs.

Forecasts cut also for 2025-2026

As consumer demand and the alcohol market remain weak in early 2025, we have lowered our forecasts for this year and next. We expect Anora's revenue to be flat this year and earnings to improve slightly. Along with cut top-line forecasts, our earnings forecasts for 2025-2026 have also been lowered. We also slashed our dividend forecast for last year and now expect the dividend to fall from EUR 0.22 to EUR 0.15. Anora's earnings are sluggish and debt levels remain high, which we believe justifies the dividend cut. We also lowered our dividend forecast for 2025 but expect an increase from 2024 levels. The payout ratio for the coming years is expected to be around 60%, in line with the company's target of 50-70%.

Anora has potential for better, but the performance has failed expectations for a long time

Although we believe that profitability, especially in the Wine segment, will improve in the coming years and that consumer demand will gradually recover, we do not see Anora achieving significantly higher margins. This is partly due to the sluggish growth outlook for the alcohol market (and the risk of even further market decline) and, in our view, the company's limited ability to significantly reduce its costs. At least in wines, the main competitor Viva Wine Group has been systematically capturing market share for years, while Anora has fared less well. The company is in the midst of a management transition as the current CEO has announced his retirement, but no new CEO has been announced.

Weak fundamentals and valuation fail to attract despite earnings improvement potential

Anora's P/E of 12x in 2024 is at the upper end of our acceptable range, but 9x in 2025 is already a neutral level. Even this year's multiple is not particularly attractive in our view, given weak growth potential and returns on capital that are close to or below the required return. We forecast a dividend yield of 5% for last year. We also note that the company has missed both its own guidance and our forecasts in recent years and its performance is sensitive to, among other things, volume developments and changes in raw material prices. The usefulness of EV ratios is weakened by lease liabilities and off-balance sheet sales of receivables.

Recommendation
Reduce
(was Reduce)

Target price:
3.00 EUR
(was EUR 3.40)

Share price:
2.80

Business risk
●●○○○

Valuation risk
●●●○○

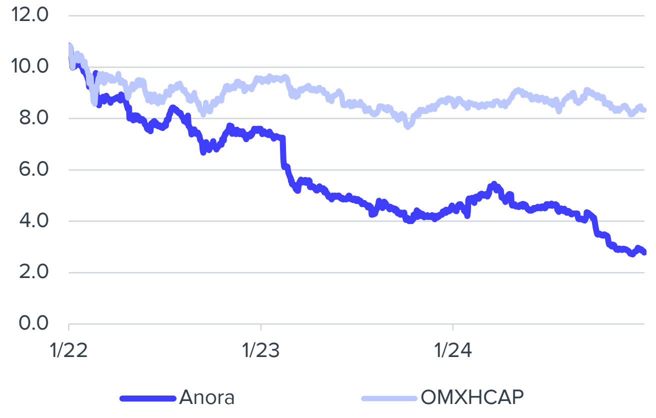
	2023	2024e	2025e	2026e
Revenue	726.5	688.7	690.0	703.8
growth-%	3%	-5%	0%	2%
EBITDA (adj.)	68.2	65.5	69.0	74.4
EBITDA-% (adj.)	9.4 %	9.5 %	10.0 %	10.6 %
Net income	-39.9	14.0	21.1	29.0
EPS (adj.)	0.19	0.24	0.31	0.43
P/E (adj.)	23.1	11.8	9.0	6.5
P/B	0.7	0.5	0.5	0.4
Dividend yield-%	5.0 %	5.4 %	7.1 %	8.9 %
EV/EBIT (adj.)	12.0	8.2	6.9	5.8
EV/EBITDA	6.2	5.0	4.3	3.8
EV/S	0.6	0.5	0.4	0.4

Source: Inderes

Guidance (Unchanged)

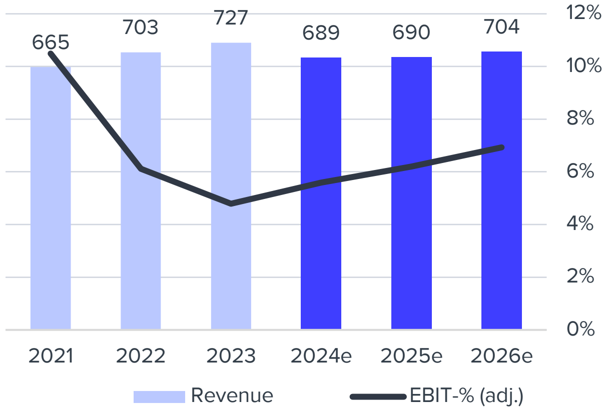
In 2024, Anora's comparable EBITDA is expected to be between 65-70 MEUR (2023: MEUR 68)

Share price



Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend

Source: Inderes

Value drivers

- Strong market position and extensive product portfolio
- Stable market and historically stable profitability
- Good potential for creating cash flow

Risk factors

- Globus Wine's performance remaining weak
- Price fluctuations of barley affect earnings
- Anora will continue to seek acquisitions, which involves risks related to the price and integration

Valuation	2024e	2025e	2026e
Share price	2.80	2.80	2.80
Number of shares, millions	67.6	67.6	67.6
Market cap	189	189	189
EV	315	297	280
P/E (adj.)	11.8	9.0	6.5
P/E	13.5	9.0	6.5
P/B	0.5	0.5	0.4
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.0	4.3	3.8
EV/EBIT (adj.)	8.2	6.9	5.8
Payout ratio (%)	72%	64%	58%
Dividend yield-%	5.4 %	7.1 %	8.9 %

Source: Inderes

Volume-driven estimate cuts

2024 forecast at the bottom of the guidance

Anora has guided for EBITDA of 65-70 MEUR in 2024. Following weak volumes in Q4 and especially in December in Norway and Finland, we have slightly lowered our forecasts and our adjusted EBITDA forecast is now at the lower end of the guidance range. For Sweden and Denmark, market figures are not yet available. Anora itself said in its Q3 report that it expects Q4 revenue decline to be lower than Q3 (-6%). Our updated forecast is -4%.

For earnings, this means adjusted EBITDA of 25.5 MEUR in Q4'24, slightly below the 27 MEUR in the comparison period. We expect a significant improvement in the Industrial segment (2 MEUR), which means that the beverages segments (both Wines and Spirits) will deteriorate significantly year-on-year. This was due to lower volumes and higher fixed costs as Anora had to invest in marketing, for example, which was significantly reduced last year.

2025-26 expectations lowered

As consumer demand and the alcohol market remain weak in early 2025 we have lowered our forecasts for this year and next. However, we expect a gradual improvement after this year's decline. We expect Anora's revenue to be flat this year and earnings to improve slightly. Along with cut top-line forecasts, our earnings forecasts for 2025-2026 have also been lowered.

We expect a dividend cut

We also slashed our dividend forecast for last year and now expect the dividend to fall from EUR 0.22 to EUR 0.15. Anora's earnings are sluggish and debt levels remain high, which we believe justifies the dividend cut. We also lowered our dividend forecast for 2025 but expect an increase from 2024 levels. The payout ratio for the coming years is expected to be around 60%, in line with the company's target of 50-70%.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	691	689	0%	704	690	-2%	718	704	-2%
EBITDA (adj.)	66.5	65.4	-2%	71.6	69.0	-4%	76.8	74.4	-3%
EBIT (exc. NRIs)	39.6	38.5	-3%	45.3	42.8	-6%	51.2	48.8	-5%
EBIT	37.6	36.5	-3%	45.3	42.8	-6%	51.2	48.8	-5%
PTP	18.7	17.6	-6%	29.3	26.8	-9%	41.2	36.8	-11%
EPS (excl. NRIs)	0.25	0.24	-5%	0.34	0.31	-9%	0.48	0.43	-11%
DPS	0.22	0.15	-32%	0.22	0.20	-9%	0.25	0.25	0%

Source: Inderes

Appreciation is neutralish

Valuation summary – Reduce

Anora's expected return over the next few years consists of both dividend yield and earnings growth. The valuation level for 2024 is still high by earnings multiples and neutral for 2025. The valuation picture looks moderate by other measures, but not attractive in our view, especially on a 12-month horizon considering the short-term risks.

DCF model value EUR 3.4

Due to the stable industry, steady growth and relatively easily predictable business, the DCF model is, in our opinion, a relevant valuation method for Anora. Our DCF model gives Anora a debt-free value of about 550 MEUR, which means that the value of the share capital is about 230 MEUR, or EUR 3.4 per share. Here we treat sold receivables as debt (about 170 MEUR at the end of 2023). In this report, we have slightly increased our required return (8.0% -> 8.3%), resulting in a slight decrease in the DCF.

Earnings-based valuation high 2024, neutral 2025

For the P/E ratio, we see acceptable multiples of 10-12x, with this year's multiple at the upper end of the range. The valuation will fall below the low end of the range in 2025, but we do not believe it offers material upside.

As regards the EV-based valuation, we note that Anora has a lease liability of little over 60 MEUR, which is not actual financial liability. On the other hand, it has off-balance-sheet sold receivables of some 170 MEUR (at the end of 2023), which can be considered as debt-like assets. We have not adjusted this either way when calculating multiples, but for this reason we do not believe EV-based multiples are the most appropriate for Anora.

Longer-term expected return of around 10% – if margin recovers as expected

We believe Anora has the possibility of substantially increasing its volumes within the existing production facilities. Thus, growth in the foreseeable future will not require significant factory investments and the company can use its free cash flow mainly for dividends and possible acquisitions.

The impact of growth on earnings and return on capital naturally depends on what type of products the company can grow with. However, with our current estimates, growth is rather neutral from the point of view of return on capital and hence value creation. Therefore, the company's level of return on capital is mainly determined by its profitability level. In recent years (after the strong period caused by COVID), the company's profitability has been constantly disappointing and at a low level. In our view, the recent fluctuating margin development makes it difficult to define the company's sustainable margin level.

Although our return on capital projections are only around our required return levels even looking further into the future, Anora's expected return at current valuations is decent also in the longer term. If Anora were to pay out all of its 2025 free cash flow in dividends (around 20 MEUR), the dividend yield would be around 10%, which exceeds our required return of around 8%. However, we see a risk that profitability will remain at a lower level than we predict in the future, which would naturally depress the expected return. If the result is potentially lower than our expectations, the indebted balance sheet would also bring additional risk to the shareholder.

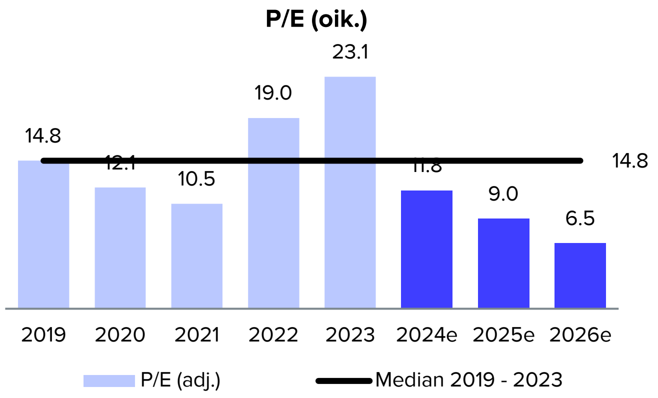
Valuation	2024e	2025e	2026e
Share price	2.80	2.80	2.80
Number of shares, millions	67.6	67.6	67.6
Market cap	189	189	189
EV	315	297	280
P/E (adj.)	11.8	9.0	6.5
P/E	13.5	9.0	6.5
P/B	0.5	0.5	0.4
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.0	4.3	3.8
EV/EBIT (adj.)	8.2	6.9	5.8
Payout ratio (%)	72%	64%	58%
Dividend yield-%	5.4 %	7.1 %	8.9 %

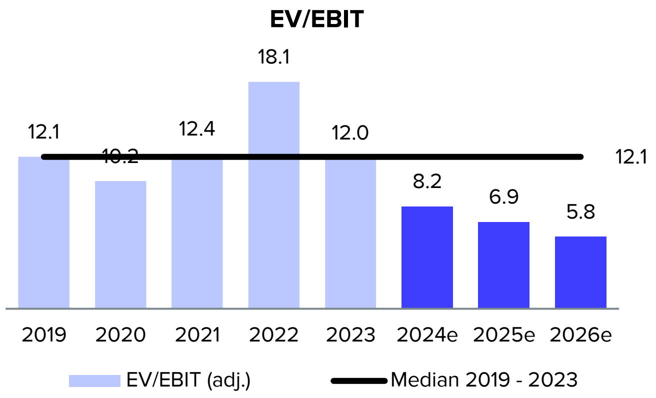
Source: Inderes

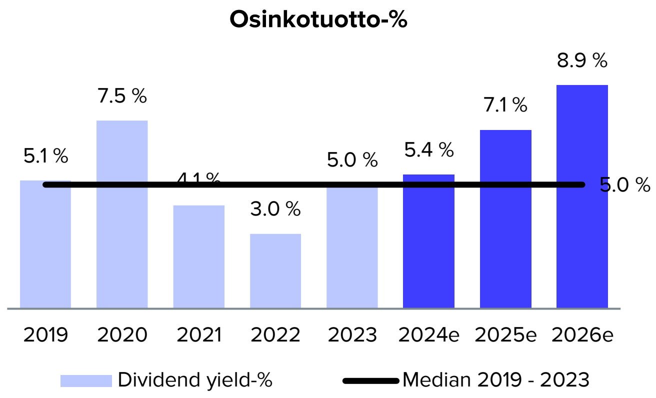
Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	8.20	9.98	10.9	7.36	4.44	**2.80**	**2.80**	**2.80**	**2.80**
Number of shares, millions	36.1	36.1	46.6	67.6	67.6	**67.6**	**67.6**	**67.6**	**67.6**
Market cap	296	361	736	498	300	**189**	**189**	**189**	**189**
EV	325	357	864	778	419	**315**	**297**	**280**	**264**
P/E (adj.)	14.8	12.1	10.5	19.0	23.1	**11.8**	**9.0**	**6.5**	**5.6**
P/E	16.1	20.3	11.9	27.7	neg.	**13.5**	**9.0**	**6.5**	**5.6**
P/B	2.0	2.3	1.5	1.0	0.7	**0.5**	**0.5**	**0.4**	**0.4**
P/S	0.8	1.1	1.1	0.7	0.4	**0.3**	**0.3**	**0.3**	**0.3**
EV/Sales	0.9	1.0	1.3	1.1	0.6	**0.5**	**0.4**	**0.4**	**0.4**
EV/EBITDA	7.6	8.9	9.1	11.5	6.2	**5.0**	**4.3**	**3.8**	**3.4**
EV/EBIT (adj.)	12.1	10.2	12.4	18.1	12.0	**8.2**	**6.9**	**5.8**	**5.1**
Payout ratio (%)	82.6 %	152.7 %	71.2 %	82.9 %	neg.	**72.3 %**	**64.2 %**	**58.4 %**	**60.0 %**
Dividend yield-%	5.1 %	7.5 %	4.1 %	3.0 %	5.0 %	**5.4 %**	**7.1 %**	**8.9 %**	**10.8 %**

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**
Brown-Forman	15788	18485	16.1	15.3	14.9	14.2	4.6	4.5	19.1	18.3	2.6	2.7	4.2
Davide Campari Milano	6671	8882	13.7	12.4	11.1	10.2	2.8	2.6	17.2	15.0	1.3	1.4	1.6
Diageo	61628	82859	14.7	14.0	13.0	12.5	4.2	4.1	16.8	15.9	3.7	3.9	5.4
Pernod-Ricard	26223	38198	12.8	12.3	11.1	10.7	3.4	3.3	14.0	13.4	4.4	4.5	1.6
Remy-Cointreau	2744	3373	14.9	14.1	12.5	12.0	3.4	3.2	20.8	19.8	3.0	3.2	1.4
Constellation Brands	31982	43455	13.3	12.2	11.4	10.7	4.4	4.2	13.5	12.4	2.2	2.4	4.1
Olvi	603	567	6.6	6.2	5.0	4.7	0.8	0.8	9.0	8.4	4.6	4.8	1.6
Royal Unibrew	3224	3945	13.5	12.5	10.2	9.6	1.9	1.8	16.0	14.4	3.4	3.8	3.4
Anora (Inderes)	**189**	**315**	**8.2**	**6.9**	**5.0**	**4.3**	**0.5**	**0.4**	**11.8**	**9.0**	**5.4**	**7.1**	**0.5**
Average			**13.2**	**12.4**	**11.2**	**10.6**	**3.2**	**3.1**	**15.8**	**14.7**	**3.2**	**3.4**	**2.9**
Median			**13.6**	**12.4**	**11.3**	**10.7**	**3.4**	**3.2**	**16.4**	**14.7**	**3.2**	**3.5**	**2.5**
Diff-% to median			***-40%***	***-44%***	***-56%***	***-60%***	***-86%***	***-87%***	***-28%***	***-39%***	***66%***	***104%***	***-82%***

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
Revenue	**703**	**160**	**183**	**173**	**211**	**727**	**147**	**177**	**163**	**202**	**689**	**690**	**704**	**711**
Wine	317	73.3	81.6	78.0	101	334	66.6	82.2	74.1	97.0	320	320	326	330
Spirits	234	48.9	58.4	57.2	72.5	237	47.0	58.5	52.6	69.0	227	226	231	235
Industrial	286	67.5	70.3	71.0	60.7	270	55.2	60.9	60.1	60.0	236	242	247	247
Group and eliminations	-133.2	-30.2	-27.6	-33.2	-23.3	-114.3	-21.9	-24.5	-24.1	-24.0	-95	-98	-100	-101
EBITDA	**67.9**	**6.9**	**9.9**	**28.9**	**21.9**	**67.5**	**7.7**	**14.9**	**15.3**	**25.5**	**63.4**	**69.0**	**74.4**	**76.6**
Depreciation	-33.2	-8.6	-8.3	-8.4	-73.6	-98.8	-6.9	-6.5	-6.7	-6.8	-26.9	-26.2	-25.6	-25.2
EBIT (excl. NRI)	**42.9**	**-0.7**	**4.9**	**11.8**	**18.9**	**34.8**	**1.9**	**8.7**	**9.2**	**18.7**	**38.5**	**42.8**	**48.8**	**51.4**
EBIT	**34.7**	**-1.7**	**1.7**	**20.5**	**-51.7**	**-31.3**	**0.8**	**8.4**	**8.6**	**18.7**	**36.5**	**42.8**	**48.8**	**51.4**
Wine (EBITDA)	23.5	1.2	-1.3	2.3	10.2	12.4	2.6	4.4	1.5	8.0	16.5	20.0	22.8	23.1
Spirits (EBITDA)	37.8	5.8	7.6	11.8	15.1	40.3	6.8	8.9	9.2	14.0	38.9	39.0	41.5	43.5
Industrial (EBITDA)	17.7	2.5	5.9	6.0	3.1	17.5	0.8	3.4	5.4	5.0	14.6	16.0	16.0	16.0
Group and eliminations	-2.8	-1.6	0.8	0.2	-1.3	-1.9	-1.4	-1.4	-0.3	-1.5	-4.6	-6.0	-6.0	-6.0
Share of profits in assoc. compan.	0.6	1.1	-0.3	-0.3	-0.3	0.2	0.7	-0.3	-0.1	0.2	0.5	1.0	1.0	1.0
Net financial items	-11.9	-5.3	-6.0	-5.8	-5.6	-22.8	-4.5	-5.6	-4.8	-4.5	-19.4	-17.0	-13.0	-9.3
PTP	**23.4**	**-5.9**	**-4.7**	**14.4**	**-57.6**	**-53.8**	**-3.0**	**2.5**	**3.7**	**14.4**	**17.6**	**26.8**	**36.8**	**43.1**
Taxes	-5.3	0.3	0.6	-0.4	13.5	13.9	0.8	-0.7	-0.4	-2.9	-3.2	-5.4	-7.5	-8.8
Minority interest	-0.2	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.3	-0.3
Net earnings	**17.9**	**-5.6**	**-4.2**	**14.0**	**-44.1**	**-39.9**	**-2.2**	**1.8**	**3.3**	**11.4**	**14.3**	**21.1**	**29.0**	**34.0**
EPS (adj.)	**0.39**	**-0.07**	**-0.01**	**0.08**	**0.20**	**0.19**	**-0.02**	**0.03**	**0.06**	**0.17**	**0.24**	**0.31**	**0.43**	**0.50**
EPS (rep.)	**0.27**	**-0.08**	**-0.06**	**0.21**	**-0.65**	**-0.59**	**-0.03**	**0.03**	**0.05**	**0.17**	**0.21**	**0.31**	**0.43**	**0.50**

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	5.7 %	19.5 %	10.3 %	-4.9 %	-4.7 %	3.4 %	-7.9 %	-3.1 %	-6.0 %	-4.4 %	-5.2 %	0.2 %	2.0 %	1.0 %
Adjusted EBIT growth-%	-38.5 %	-112.5 %	-56.8 %	-17.7 %	53.8 %	-19.0 %	-392.3 %	79.4 %	-21.7 %	-0.8 %	10.6 %	11.1 %	14.0 %	5.5 %
EBITDA-%	9.7 %	4.3 %	5.4 %	16.7 %	10.4 %	9.3 %	5.2 %	8.4 %	9.4 %	12.6 %	9.2 %	10.0 %	10.6 %	10.8 %
Adjusted EBIT-%	6.1 %	-0.4 %	2.7 %	6.8 %	8.9 %	4.8 %	1.3 %	4.9 %	5.7 %	9.3 %	5.6 %	6.2 %	6.9 %	7.2 %
Net earnings-%	2.6 %	-3.5 %	-2.3 %	8.1 %	-20.9 %	-5.5 %	-1.5 %	1.0 %	2.0 %	5.7 %	2.1 %	3.1 %	4.1 %	4.8 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**772**	**654**	**649**	**649**	**650**
Goodwill	311	304	304	304	304
Intangible assets	226	206	206	206	206
Tangible assets	214	131	122	122	123
Associated companies	20.7	12.3	12.3	12.3	12.3
Other investments	0.7	0.7	1.0	1.0	1.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.6	0.0	3.0	3.0	3.0
Current assets	**529**	**482**	**387**	**406**	**377**
Inventories	186	144	138	138	141
Other current assets	4.1	14.5	14.5	14.5	14.5
Receivables	248	110	103	104	106
Cash and equivalents	91.4	213	131	150	116
Balance sheet total	**1301**	**1136**	**1036**	**1054**	**1026**

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**482**	**409**	**408**	**419**	**435**
Share capital	61.5	61.5	61.5	61.5	61.5
Retained earnings	111	55.4	54.6	65.5	80.9
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	309	291	291	291	291
Minorities	0.9	0.5	0.7	0.9	1.1
Non-current liabilities	**409**	**375**	**289**	**289**	**239**
Deferred tax liabilities	57.3	36.8	36.8	36.8	36.8
Provisions	2.7	2.4	2.4	2.4	2.4
Interest bearing debt	348	336	250	250	200
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.1	0.0	0.0	0.0
Current liabilities	**411**	**352**	**339**	**346**	**352**
Interest bearing debt	43.9	15.4	20.0	20.0	20.0
Payables	364	328	310	317	324
Other current liabilities	2.8	8.7	8.7	8.7	8.7
Balance sheet total	**1301**	**1136**	**1036**	**1054**	**1026**

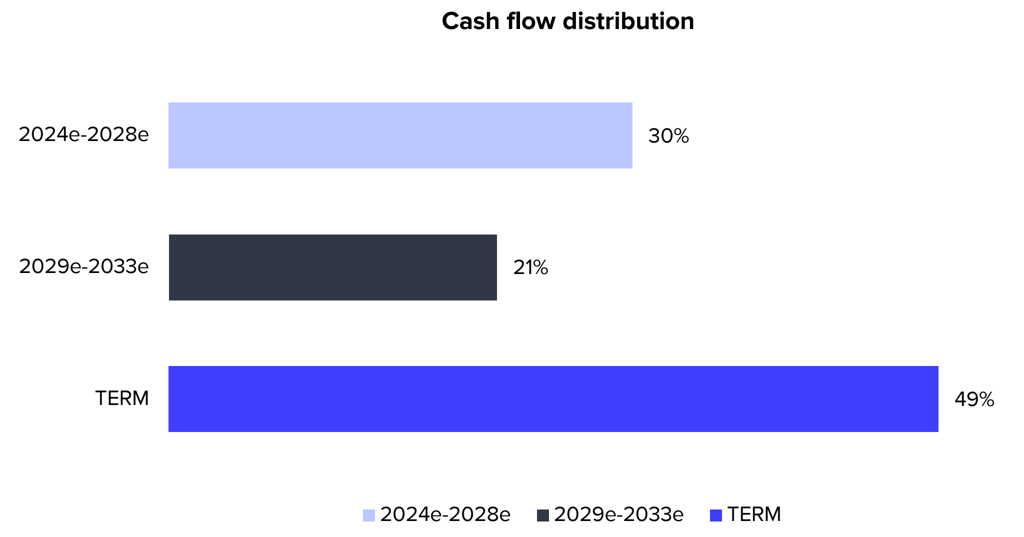
DCF-calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	3.4 %	-5.2 %	0.2 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	-4.3 %	5.3 %	6.2 %	6.9 %	7.2 %	7.0 %	7.0 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %
EBIT (operating profit)	**-31.3**	**36.5**	**42.8**	**48.8**	**51.4**	**50.2**	**50.7**	**51.3**	**51.8**	**48.6**	**49.0**	
+ Depreciation	98.8	27.0	26.2	25.6	25.2	24.9	25.3	25.7	26.4	26.6	26.9	
- Paid taxes	-6.0	-6.3	-5.4	-7.5	-8.8	-8.6	-8.7	-8.8	-8.9	-8.2	-7.3	
- Tax, financial expenses	-7.1	-4.7	-4.6	-3.8	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	
+ Tax, financial income	1.3	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	
- Change in working capital	139	-4.9	7.0	1.5	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
Operating cash flow	**195**	**48.6**	**67.0**	**65.7**	**66.6**	**65.4**	**66.2**	**67.0**	**68.1**	**65.8**	**66.4**	
+ Change in other long-term liabilities	-0.8	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	10.1	-18.7	-26.3	-26.5	-26.8	-27.1	-27.3	-28.9	-24.7	-30.0	-30.3	
Free operating cash flow	**204**	**29.8**	**40.8**	**39.1**	**39.8**	**38.3**	**38.9**	**38.2**	**43.3**	**35.8**	**36.2**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	204	29.8	40.8	39.1	39.8	38.3	38.9	38.2	43.3	35.8	36.2	530
Discounted FCFF		**29.8**	**37.9**	**33.7**	**31.8**	**28.4**	**26.7**	**24.3**	**25.5**	**19.6**	**18.3**	**268**
Sum of FCFF present value		544	514	477	443	411	383	356	332	306	287	268

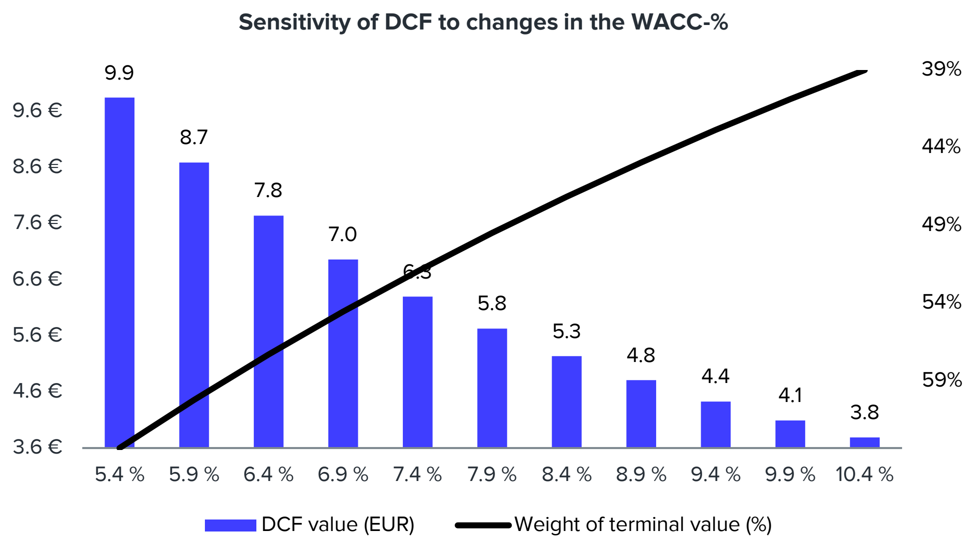
Enterprise value DCF	**544**
- Interest bearing debt	-524
+ Cash and cash equivalents	213
-Minorities	-0.3
-Dividend/capital return	-14.9
Equity value DCF	**231**
Equity value DCF per share	**3.4**

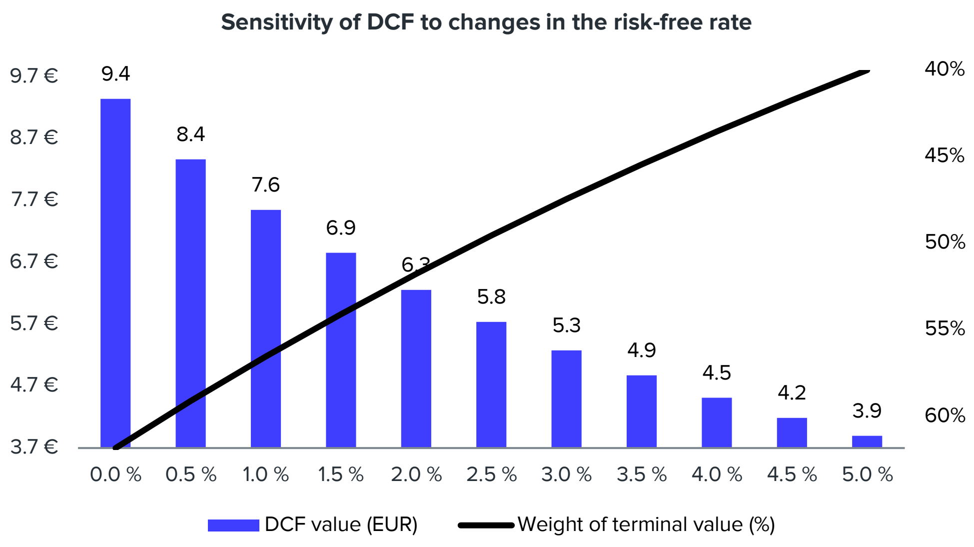
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**8.3 %**
Weighted average cost of capital (WACC)	**7.9 %**

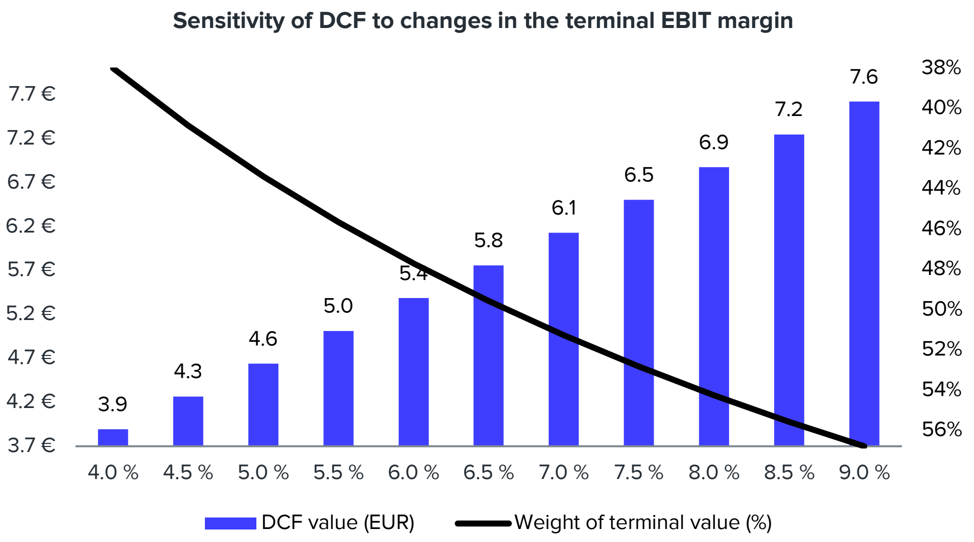
Source: Inderes

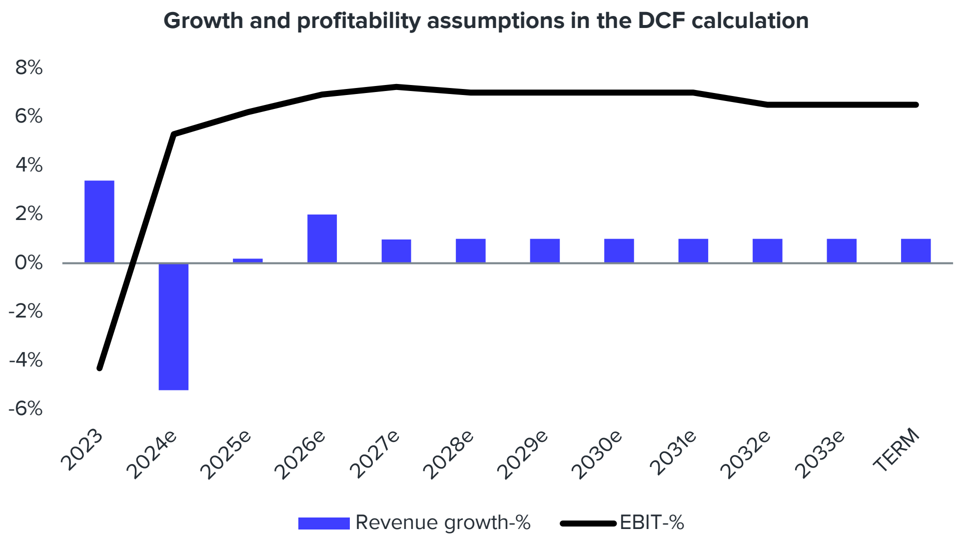


DCF sensitivity calculations and key assumptions in graphs









Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2021	2022	2023	2024e	2025e
Revenue	665.0	702.7	726.5	**688.7**	**690.0**
EBITDA	95.2	67.9	67.5	**63.5**	**69.0**
EBIT	64.0	34.7	-31.3	**36.5**	**42.8**
PTP	54.5	23.4	-53.8	**17.5**	**26.8**
Net Income	42.7	17.9	-39.9	**14.0**	**21.1**
Extraordinary items	-5.8	-8.2	-66.1	**-2.0**	**0.0**

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	1233.3	1301.3	1135.7	**1035.9**	**1054.5**
Equity capital	507.9	481.6	408.7	**408.1**	**419.2**
Goodwill	277.8	310.5	304.3	**304.3**	**304.3**
Net debt	126.1	300.9	138.2	**138.6**	**120.5**

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	95.2	67.9	67.5	**63.5**	**69.0**
Change in working capital	-10.8	-75.4	138.9	**-4.9**	**7.0**
Operating cash flow	102.9	-4.1	194.5	**48.6**	**67.0**
CAPEX	-530.9	-111.7	10.1	**-18.7**	**-26.3**
Free cash flow	-424.4	-117.2	203.8	**29.8**	**40.8**

Valuation multiples	2021	2022	2023	2024e	2025e
EV/S	1.3	1.1	0.6	**0.5**	**0.4**
EV/EBITDA	9.1	11.5	6.2	**5.0**	**4.3**
EV/EBIT (adj.)	12.4	18.1	12.0	**8.2**	**6.9**
P/E (adj.)	10.5	19.0	23.1	**11.8**	**9.0**
P/B	1.5	1.0	0.7	**0.5**	**0.5**
Dividend-%	4.1 %	3.0 %	5.0 %	**5.4 %**	**7.1 %**

Source: Inderes

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	0.92	0.27	-0.59	**0.21**	**0.31**
EPS (adj.)	1.04	0.39	0.19	**0.24**	**0.31**
OCF / share	2.21	-0.06	2.88	**0.72**	**0.99**
FCF / share	-9.11	-1.73	3.02	**0.44**	**0.60**
Book value / share	10.88	7.11	6.04	**6.03**	**6.19**
Dividend / share	0.45	0.22	0.22	**0.15**	**0.20**

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	94%	6%	3%	**-5%**	**0%**
EBITDA growth-%	136%	-29%	-1%	**-6%**	**9%**
EBIT (adj.) growth-%	99%	-38%	-19%	**11%**	**11%**
EPS (adj.) growth-%	26%	-63%	-50%	**24%**	**31%**
EBITDA-%	14.3 %	9.7 %	9.3 %	**9.2 %**	**10.0 %**
EBIT (adj.)-%	10.5 %	6.1 %	4.8 %	**5.6 %**	**6.2 %**
EBIT-%	9.6 %	4.9 %	-4.3 %	**5.3 %**	**6.2 %**
ROE-%	12.9 %	3.6 %	-9.0 %	**3.4 %**	**5.1 %**
ROI-%	12.1 %	4.9 %	-3.2 %	**5.8 %**	**7.1 %**
Equity ratio	41.2 %	37.0 %	36.0 %	**39.4 %**	**39.8 %**
Gearing	24.8 %	62.5 %	33.8 %	**34.0 %**	**28.7 %**

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

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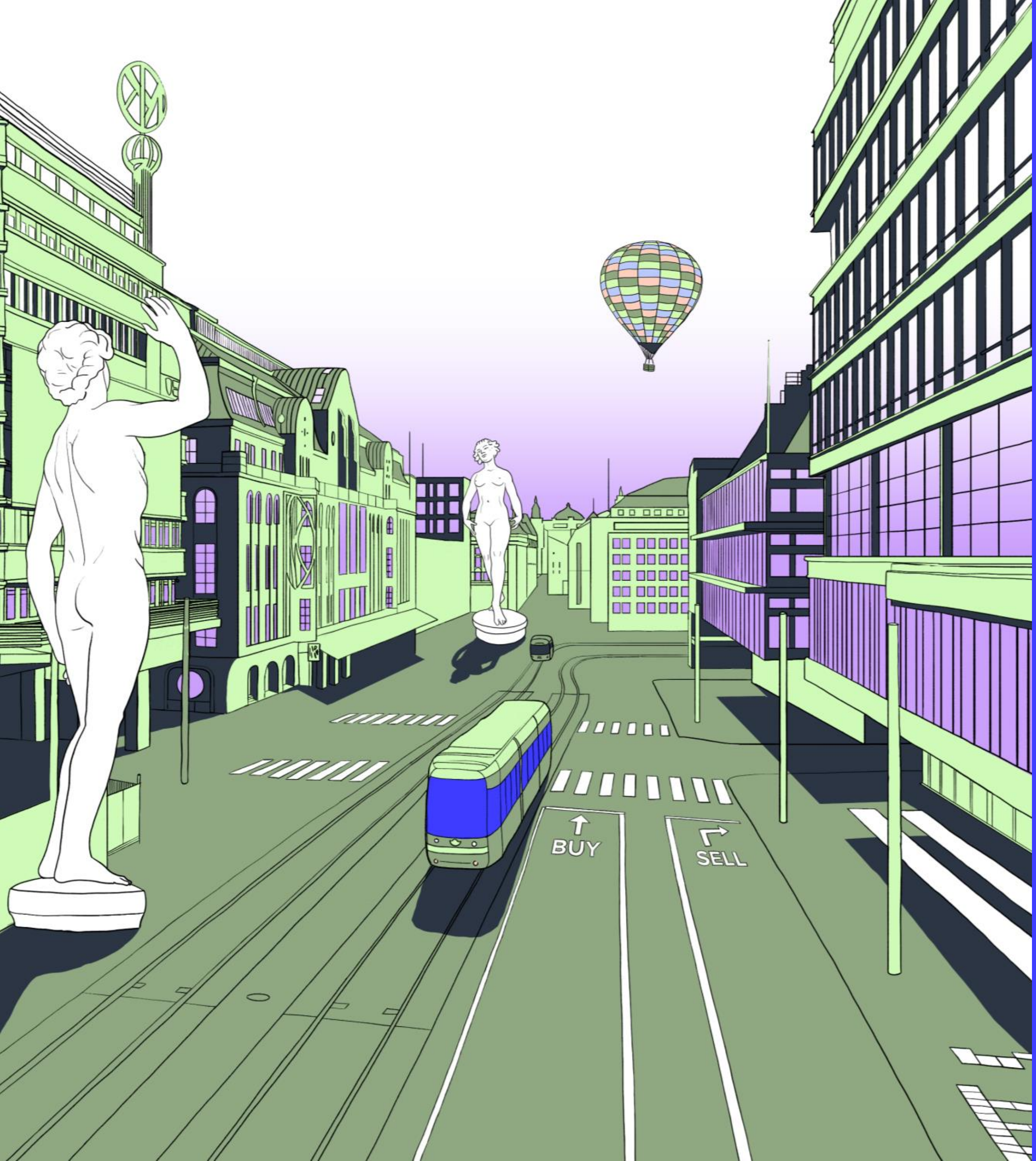
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/27/2022	Reduce	7.50 €	7.05 €
11/24/2022	Reduce	7.50 €	7.40 €
3/1/2023	Reduce	6.80 €	6.45 €
3/29/2023	Accumulate	6.20 €	5.19 €
5/12/2023	Accumulate	6.20 €	5.26 €
7/26/2023	Accumulate	5.50 €	4.80 €
8/16/2023	Accumulate	4.70 €	4.30 €
8/28/2023	Accumulate	5.00 €	4.46 €
9/7/2023	Buy	5.50 €	4.74 €
11/10/2023	Buy	5.50 €	4.44 €
1/12/2024	Buy	5.50 €	4.44 €
2/15/2024	Buy	5.50 €	4.42 €
4/8/2024	Accumulate	5.50 €	5.39 €
5/8/2024	Accumulate	5.30 €	4.72 €
8/14/2024	Accumulate	5.00 €	4.43 €
8/21/2024	Accumulate	5.00 €	4.32 €
10/15/2024	Reduce	3.80 €	3.77 €
11/8/2024	Reduce	3.40 €	3.22 €
1/15/2025	Reduce	3.00 €	2.80 €



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