

ANORA

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Reasonable cash flow and dividend

Anora's Q4 result exceeded our expectations, and the guidance expects a slight improvement this year. Although we see Anora's growth potential and value creation as sluggish, we believe the cash flow generation is sufficient for an expected return that exceeds the required return. Thus, we raise our recommendation to Accumulate (was Reduce) and our target price to EUR 3.3 (was EUR 3.0).

Q4 result exceeded the comparison period and expectations

Anora's revenue decreased by 3% in Q4, which was mainly caused by the 5% decrease in the Spirits segment due to lower volumes. The Wine segment only decreased by 1% and was slightly better than we expected, and Industrial performed as expected. Anora had guided adjusted EBITDA of 65-70 MEUR for 2024. The result for the whole year ended up at 69 MEUR, which meant 29 MEUR for Q4. This was better than both the comparison period (27 MEUR) and our expectations (26 MEUR). The positive surprise came from the Wine segment, where revenue, gross margin and fixed costs were all better than our expectations. Anora proposes to keep the dividend unchanged at EUR 0.22, which also exceeded our expectations (EUR 0.15).

The guidance anticipates slight earnings growth, but requires an improvement in volume

For this year, Anora's guidance is an adjusted EBITDA of 70-75 MEUR, while in 2022-2023 it has been 68-69 MEUR. Anora expects market volumes to remain relatively unchanged, but measured by value, the market is expected to grow slightly. In addition, Anora assumes it will perform slightly better than the market, i.e., gain market shares. Considering the market decline seen in H2'24, we view Anora's assumptions as somewhat optimistic, especially for the beginning of the year. We raised our adjusted EBITDA forecast by only 1 MEUR for 2025 and are now at the lower end of the guidance range at 70 MEUR. We

also note that Anora has had to lower its guidance in the past two years due to negative surprises in market development. We consider a guidance cut a risk also for this year. The changes to our net result forecasts remained zero for this year and turned negative for 2026 due to higher financial expenses.

Anora has potential for better, but value creation is difficult

While we believe Anora can improve its profitability in the coming years and, on the other hand, consumer demand will gradually recover, we don't see it reaching a significantly higher earnings level than currently. 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. We expect that Anora's returns on capital will remain at approximately the level of our required return in the coming years, so we do not expect the company to create value.

Cash flow provides a sufficient expected return

Anora's 2024-25 P/E ~10x is within our acceptable multiples. 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 considering the cash flow yield. With our estimates, free cash flow is 10% or higher, of which Anora distributes a significant portion as dividends, with a dividend yield of 7-8%. Dividend plays a significant role and it almost alone reaches our required return. Our target price of EUR 3.3 is also in line with the value of our DCF model.

Recommendation

Accumulate

(was Reduce)

Target price:

EUR 3.30

(was EUR 3.00)

Share price:

3.11

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	692.0	688.0	701.8	708.6
growth-%	-5%	-1%	2%	1%
EBITDA (adj.)	68.2	68.9	70.0	74.6
EBITDA-% (adj.)	9.9 %	10.0 %	10.0 %	10.5 %
Net Income	10.5	20.2	26.3	28.4
EPS (adj.)	0.27	0.30	0.39	0.42
P/E (adj.)	10.4	10.4	8.0	7.4
P/B	0.5	0.5	0.5	0.5
Dividend yield-%	7.9 %	7.1 %	8.0 %	8.1 %
EV/EBIT (adj.)	7.1	7.3	6.2	5.8
EV/EBITDA	4.9	4.6	4.1	3.9
EV/S	0.4	0.5	0.4	0.4

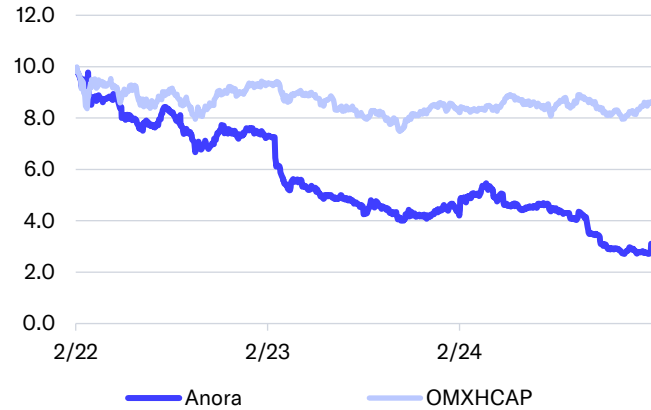
Source: Inderes

Guidance

(New guidance)

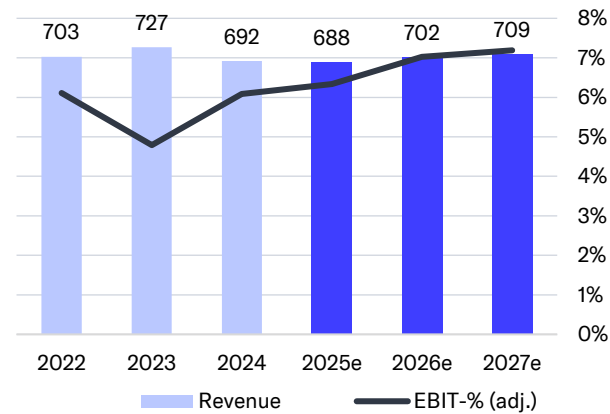
In 2025, Anora's comparable EBITDA is expected to be 70-75 MEUR (2024: 68.9 MEUR).

Share price



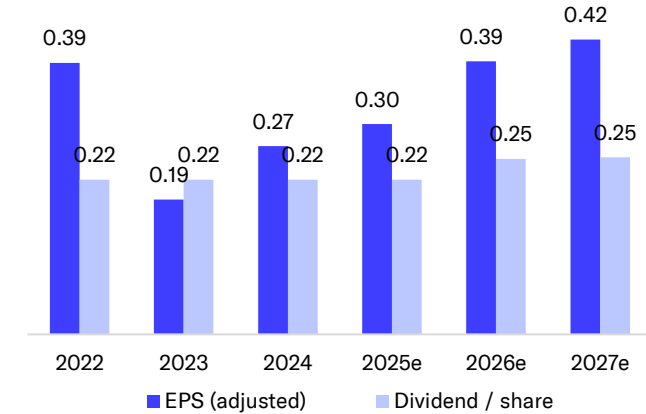
Source: Millstream Market Data AB

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	2025e	2026e	2027e
Share price	3.11	3.11	3.11
Number of shares, millions	67.6	67.6	67.6
Market cap	210	210	210
EV	319	306	294
P/E (adj.)	10.4	8.0	7.4
P/E	10.4	8.0	7.4
P/B	0.5	0.5	0.5
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	4.6	4.1	3.9
EV/EBIT (adj.)	7.3	6.2	5.8
Payout ratio (%)	73%	64%	60%
Dividend yield-%	7.1 %	8.0 %	8.1 %

Source: Inderes

Wine segment pushed Q4 earnings above expectations and the comparison period

Revenue declined slightly less than expected

Anora's revenue decreased by 3% in Q4, which was mainly due to the 5% decrease in the Spirits segment due to lower volumes. The Wine segment only decreased by 1% and was slightly better than we expected, and Industrial performed as expected. As was already known before the result, sales of monopoly channels decreased in Finland and Norway, but increased slightly in Sweden. Anora was able to defend its market shares as a whole in a declining market.

The result was closer to the top of the guidance and improved from the comparison period

Anora had guided adjusted EBITDA of 65-70 MEUR for 2024. The result for the whole year ended up at 69 MEUR, which meant 29 MEUR for Q4. This was better than the comparison period and our expectations. The positive surprise came from the Wine segment, where revenue, the

gross margin and fixed costs were all better than our expectations, and adjusted EBIT improved to almost 14 MEUR (Q4'23: 10 MEUR), when we expected only 8 MEUR. Despite the good performance, we suspect the profitability of the Danish wine business (Globus Wine) was still weak. The comparison figures for 2023 were also weak, which explained the strong improvement in the Wine segment, especially for the full year. On the other hand, the Spirits and Group segments were weaker than our forecasts in Q4. Non-recurring costs weighed on the reported result. Anora made write-downs totaling nearly 4 MEUR in the Wine and Industrial segments, which were recorded as non-recurring costs.

The dividend remained unchanged

Anora's cash flow in Q4 and thus for the full year was relatively good, and the balance sheet situation at the end of the year was slightly better than our expectations. However, Anora's balance sheet is seasonally at its

strongest at the end of the year. Thus, we feel the net debt/adj. EBITDA of 1.8x at the end of the year is not a particularly strong level, but it did improve from 2.0x level in the comparison period. Anora's goal is under 2.5x.

Contrary to our expectations, Anora maintained its dividend at the level of the comparison period, i.e., EUR 0.22. We had assumed Anora would prioritize strengthening its balance sheet, but on the other hand, the difference in total dividends is only a few million, so it is not significant. Naturally, stronger-than-expected earnings and cash flow also support a higher dividend. Anora also has no significant investment needs and, thus, it can distribute most of its profit as dividends if it so wishes.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	211	205	202	203			2%	692
EBITDA (adj.)	27.1	28.9	25.5	26.4			13%	68.9
EBITDA	21.9	23.3	25.5	26.4			-9%	61.3
EBIT (adj.)	18.9	22.2	18.7	19.6			19%	42.0
EBIT	-51.7	16.7	18.7	19.5			-11%	34.5
EPS (reported)	-0.65	0.12	0.17	0.18			-29%	0.16
DPS	0.22	0.22	0.15	0.18			47%	0.22
Revenue growth-%	-4.7 %	-2.8 %	-4.4 %	-3.7 %			1.6 pp	-4.7 %
EBIT-% (adj.)	8.9 %	10.8 %	9.3 %	9.6 %		-	1.6 pp	6.1 %

Source: Inderes & Vara Research,
4 analysts (consensus)

Anora Q4'24: Signs of better



Discord in estimates

Guidance points to a small earnings improvement, but the assumptions are optimistic

For this year, Anora expects an adjusted EBITDA of 70-75 MEUR, while in 2022-2023 it has been 68-69 MEUR. Anora expects market volumes to remain relatively unchanged, but measured by value, the market is expected to grow slightly. In addition, Anora assumes it will perform slightly better than the market, i.e. gain market shares.

Given the market downturn seen in H2'24, we consider Anora's assumptions somewhat optimistic. We believe that the negative market development may continue, especially in the beginning of the year, and January figures indicated that the downward trend is continuing in Finland. Anora expects its own marketing activities to have a positive volume impact already in H1, which partly explains the assumption of gaining market share. Anora also stated that it can cut costs if needed if the planned volume

development does not materialize, but we still see the optimistic assumptions creating a small risk also for the earnings guidance. Due to this, despite the good Q4 result, we only raised our 2025 adj. EBITDA forecast by 1 MEUR and are now at the lower end of the guidance, i.e. 70 MEUR. We also note that Anora has had to lower its guidance in the past two years due to negative surprises in market development.

The company's financial expenses appear to remain higher than our expectations despite the declining debt level in the fall of 2024, as a result of which the lower earnings lines remained virtually unchanged. We raised the 2025 dividend to EUR 0.22, as we do not believe that Anora will cut its dividend unless the earnings development turns down.

Higher financial expenses weighed on 2026 forecasts

We also raised our financial expense forecasts for the coming years because even though Anora repaid its debt in the fall of 2024, its financial expenses will not decrease significantly. However, due to the slightly decreasing debt and interest rates, we forecast lower financing expenses than last year. The EBIT forecasts from 2026 onwards remained almost unchanged, but the estimates on the lower earnings lines decreased.

Estimate revisions	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	689	692	0%	690	688	0%	704	702	0%
EBITDA (adj.)	65.4	68.9	5%	69.0	70.0	1%	74.4	74.6	0%
EBIT (excl. NRIs)	38.5	42.1	9%	42.8	43.6	2%	48.8	49.3	1%
EBIT	36.5	34.5	-5%	42.8	43.6	2%	48.8	49.3	1%
PTP	17.6	14.7	-16%	26.8	26.0	-3%	36.8	33.7	-8%
EPS (excl. NRIs)	0.24	0.27	11%	0.31	0.30	-4%	0.43	0.39	-9%
DPS	0.15	0.22	47%	0.20	0.22	10%	0.25	0.25	0%

Source: Inderes

Anora Q4'24



Cash flow should be good

Valuation summary

Anora's expected return over the next few years consists of both dividend yield and earnings growth. The stock's valuation level for 2024 is still neutral with earnings multiples (P/E 10x). The valuation picture looks moderate with other indicators, and the free cash flow/dividend yield alone reaches or exceeds our required return. Considering the expected earnings growth in 2026-27, the expected return turns positive.

DCF model value EUR 3.3

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 500 MEUR, which means that the value of the share capital is about 220 MEUR, or EUR 3.3 per share. Here we treat sold receivables as debt (about 160 MEUR at the end of 2023).

Earnings-based valuation is neutral

In terms of the P/E ratio, we see acceptable multiples being 10-12x, which puts the 2024-25 valuation within the range. However, we see no upside in the multiples.

As regards the EV-based valuation, we note that Anora has a lease liability of little over 100 MEUR, which is not actual financial liability. On the other hand, it has off-balance-sheet sold receivables of some 160 MEUR (at the end of 2024), 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.

Expected return over 10% in the longer term

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 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. However, we expect profitability to improve slightly from the level of recent years.

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 also decent in the longer term. If Anora were to pay out all of its 2025 net result/free cash flow in dividends (around 20 MEUR), the dividend yield would be around 10%, which exceeds our required return of around 8%. With earnings rising in the coming years, the yield potential increases to over 10% in the medium term. 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.

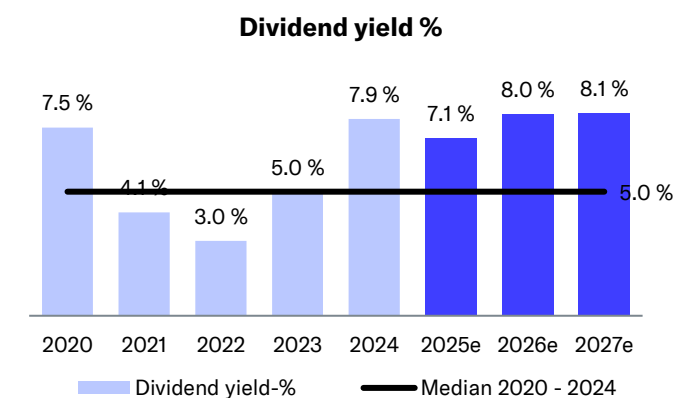
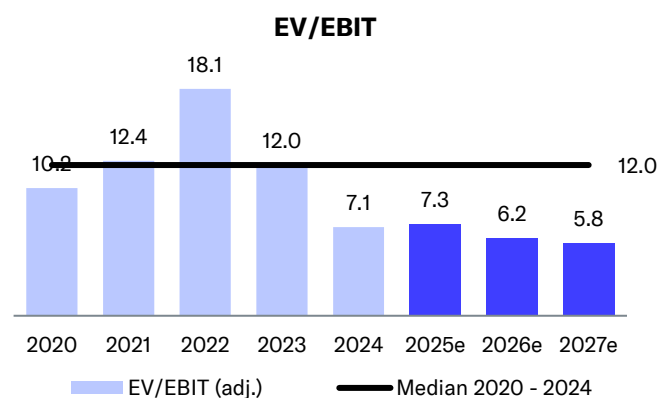
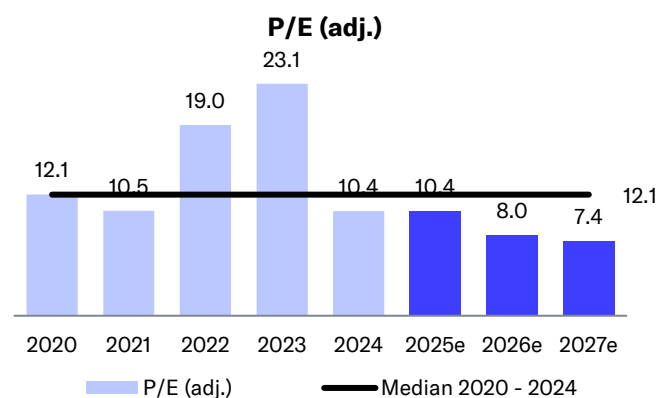
Valuation	2025e	2026e	2027e
Share price	3.11	3.11	3.11
Number of shares, millions	67.6	67.6	67.6
Market cap	210	210	210
EV	319	306	294
P/E (adj.)	10.4	8.0	7.4
P/E	10.4	8.0	7.4
P/B	0.5	0.5	0.5
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	4.6	4.1	3.9
EV/EBIT (adj.)	7.3	6.2	5.8
Payout ratio (%)	73%	64%	60%
Dividend yield-%	7.1 %	8.0 %	8.1 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	9.98	10.9	7.36	4.44	2.80	3.11	3.11	3.11	3.11
Number of shares, millions	36.1	46.6	67.6	67.6	67.6	67.6	67.6	67.6	67.6
Market cap	361	736	498	300	189	210	210	210	210
EV	357	864	778	419	298	319	306	294	282
P/E (adj.)	12.1	10.5	19.0	23.1	10.4	10.4	8.0	7.4	6.9
P/E	20.3	11.9	27.7	neg.	18.0	10.4	8.0	7.4	6.9
P/B	2.3	1.5	1.0	0.7	0.5	0.5	0.5	0.5	0.5
P/S	1.1	1.1	0.7	0.4	0.3	0.3	0.3	0.3	0.3
EV/Sales	1.0	1.3	1.1	0.6	0.4	0.5	0.4	0.4	0.4
EV/EBITDA	8.9	9.1	11.5	6.2	4.9	4.6	4.1	3.9	3.6
EV/EBIT (adj.)	10.2	12.4	18.1	12.0	7.1	7.3	6.2	5.8	5.3
Payout ratio (%)	152.7 %	71.2 %	82.9 %	neg.	141.2 %	73.5 %	64.3 %	60.0 %	60.0 %
Dividend yield-%	7.5 %	4.1 %	3.0 %	5.0 %	7.9 %	7.1 %	8.0 %	8.1 %	8.7 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Brown-Forman	14385	17070	14.9	14.2	13.9	13.2	4.3	4.2	17.5	16.7	2.8	3.0	3.9
Davide Campari Milano	6371	8581	13.2	12.0	10.7	9.9	2.7	2.5	16.4	14.4	1.4	1.5	1.5
Diageo	57942	79347	14.3	13.7	12.7	12.1	4.0	3.9	16.4	15.5	3.9	4.0	5.2
Pernod-Ricard	24667	36526	12.4	12.1	10.8	10.6	3.3	3.2	13.5	13.1	4.6	4.7	1.5
Remy-Cointreau	2586	3216	14.6	13.7	12.2	11.6	3.3	3.1	20.2	18.9	3.2	3.4	1.3
Constellation Brands	28788	40211	12.0	11.4	10.7	10.0	4.1	3.9	12.2	11.3	2.5	2.7	3.8
Olvi	626	590	6.8	6.4	5.2	4.9	0.9	0.8	9.3	8.7	4.4	4.6	1.7
Royal Unibrew	3359	4080	13.9	12.9	10.6	10.0	1.9	1.9	16.6	15.0	3.3	3.7	3.5
Anora (Inderes)	210	319	7.3	6.2	4.6	4.1	0.5	0.4	10.4	8.0	7.1	8.0	0.5
Average			12.8	12.0	10.9	10.3	3.0	2.9	15.3	14.2	3.3	3.4	2.8
Median			13.6	12.5	10.8	10.3	3.3	3.1	16.4	14.7	3.3	3.5	2.6
Diff-% to median			-46%	-50%	-58%	-60%	-86%	-86%	-37%	-46%	117%	129%	-80%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	727	147	177	163	205	692	146	172	164	206	688	702	709	716
Wine	334	67	82	74	100	323	66	80	75	101	322	328	332	335
Spirits	237	47	59	53	69	227	46	56	53	70	225	230	234	239
Industrial	270	55	61	60	58	234	58	61	60	60	239	244	244	244
Group and eliminations	-114.3	-22	-25	-24	-22	-92.0	-24	-25	-24	-25	-98	-100	-101	-102
EBITDA	67.5	7.7	14.9	15.4	23.3	61.3	10.5	15.5	15.5	28.5	70.0	74.6	75.7	77.8
Depreciation	-98.8	-6.9	-6.5	-6.8	-6.6	-26.8	-6.6	-6.6	-6.6	-6.6	-26.4	-25.4	-24.7	-24.3
EBIT (excl. NRI)	34.8	1.9	8.7	9.2	22.3	42.1	3.9	8.9	8.9	21.9	43.6	49.3	51.0	53.5
EBIT	-31.3	0.8	8.4	8.6	16.7	34.5	3.9	8.9	8.9	21.9	43.6	49.3	51.0	53.5
Wine (EBITDA)	12.4	2.6	4.4	1.5	13.6	22.1	2.0	5.0	4.0	12.0	23.0	24.6	24.9	25.1
Spirits (EBITDA)	40.3	6.8	8.9	9.2	13.1	38.0	6.0	8.0	9.0	14.0	37.0	40.2	41.0	41.8
Industrial (EBITDA)	17.5	0.8	3.4	5.4	5.1	14.7	4.0	4.0	4.0	4.0	16.0	15.8	15.8	15.8
Group and eliminations	-1.9	-1.4	-1.4	-0.3	-2.8	-5.9	-1.5	-1.5	-1.5	-1.5	-6.0	-6.0	-6.0	-5.0
Share of profits in assoc. compan.	0.2	0.7	-0.3	-0.2	0.0	0.3	0.6	-0.1	-0.1	0.0	0.4	0.4	0.4	0.4
Net financial items	-22.8	-4.5	-5.7	-4.8	-5.1	-20.0	-4.5	-4.5	-4.5	-4.5	-18.0	-16.0	-15.0	-15.0
PTP	-53.8	-3.0	2.5	3.6	11.6	14.7	0.0	4.3	4.3	17.4	26.0	33.7	36.4	38.9
Taxes	13.9	0.8	-0.7	-0.5	-3.3	-3.7	0.0	-0.9	-0.9	-3.7	-5.5	-7.1	-7.7	-8.2
Minority interest	0.0	0.0	-0.1	0.0	-0.4	-0.5	0.0	0.0	0.0	-0.3	-0.3	-0.3	-0.3	-0.3
Net earnings	-39.9	-2.2	1.7	3.1	7.9	10.5	0.0	3.4	3.4	13.4	20.2	26.3	28.4	30.4
EPS (adj.)	0.19	-0.02	0.03	0.06	0.20	0.27	0.00	0.05	0.05	0.20	0.30	0.39	0.42	0.45
EPS (rep.)	-0.59	-0.03	0.03	0.05	0.12	0.16	0.00	0.05	0.05	0.20	0.30	0.39	0.42	0.45

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	3.4 %	-7.9 %	-3.1 %	-6.0 %	-2.8 %	-4.7 %	-0.6 %	-2.9 %	0.8 %	0.3 %	-0.6 %	2.0 %	1.0 %	1.0 %
Adjusted EBIT growth-%	-19.0 %	-392.3 %	79.4 %	-21.7 %	18.3 %	21.0 %	105.3 %	2.3 %	-3.3 %	-1.8 %	3.6 %	13.0 %	3.4 %	4.9 %
EBITDA-%	9.3 %	5.2 %	8.4 %	9.5 %	11.3 %	8.9 %	7.2 %	9.0 %	9.5 %	13.8 %	10.2 %	10.6 %	10.7 %	10.9 %
Adjusted EBIT-%	4.8 %	1.3 %	4.9 %	5.7 %	10.9 %	6.1 %	2.7 %	5.2 %	5.4 %	10.6 %	6.3 %	7.0 %	7.2 %	7.5 %
Net earnings-%	-5.5 %	-1.5 %	1.0 %	1.9 %	3.9 %	1.5 %	0.0 %	2.0 %	2.1 %	6.5 %	2.9 %	3.7 %	4.0 %	4.2 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	654	628	630	629	630
Goodwill	304	299	299	299	299
Intangible assets	206	194	194	194	194
Tangible assets	131	122	121	121	121
Associated companies	12.3	11.6	11.6	11.6	11.6
Other investments	0.7	0.7	1.0	1.0	1.0
Other non-current assets	0.0	0.2	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	3.0	3.0	3.0
Current assets	482	442	420	428	432
Inventories	144	139	138	140	142
Other current assets	14.5	7.2	7.2	7.2	7.2
Receivables	110	114	103	105	106
Cash and equivalents	213	182	172	175	177
Balance sheet total	1136	1070	1050	1058	1063

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	409	399	405	416	428
Share capital	61.5	61.5	61.5	61.5	61.5
Retained earnings	55.4	50.1	55.5	66.9	78.4
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	291	286	286	286	286
Minorities	0.5	0.9	1.2	1.5	1.8
Non-current liabilities	375	306	302	288	279
Deferred tax liabilities	36.8	35.4	35.4	35.4	35.4
Provisions	2.4	2.6	2.6	2.6	2.6
Interest bearing debt	336	268	264	250	241
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.0	0.0	0.0
Current liabilities	352	364	343	353	356
Interest bearing debt	15.4	34.9	21.6	25.6	24.6
Payables	328	324	316	323	326
Other current liabilities	8.7	5.0	5.0	5.0	5.0
Balance sheet total	1136	1070	1050	1058	1063

DCF-calculation

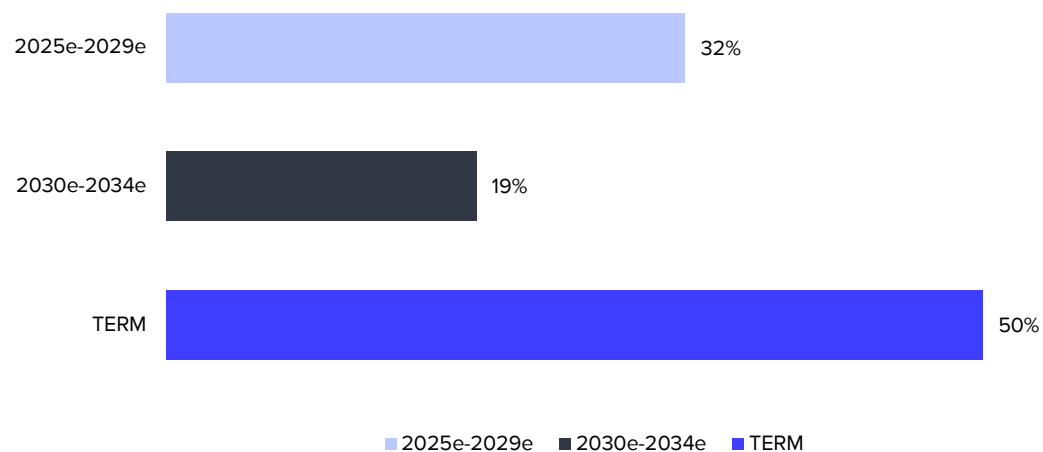
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-4.7 %	-0.6 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	5.0 %	6.3 %	7.0 %	7.2 %	7.5 %	7.0 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %	6.5 %
EBIT (operating profit)	34.5	43.6	49.3	51.0	53.5	50.6	51.1	51.6	48.4	48.9	49.4	
+ Depreciation	26.8	26.4	25.4	24.7	24.3	24.6	24.9	26.3	26.5	26.8	27.1	
- Paid taxes	-5.1	-8.5	-7.1	-7.7	-8.2	-7.6	-7.7	-7.8	-7.1	-7.2	-6.6	
- Tax, financial expenses	-6.4	-4.9	-4.5	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3	-4.3	-4.0	
+ Tax, financial income	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	
- Change in working capital	1.2	4.3	1.5	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
Operating cash flow	52.3	62.0	65.6	65.6	67.1	65.2	65.9	67.7	65.4	66.1	66.7	
+ Change in other long-term liabilities	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.2	-25.1	-25.3	-25.5	-25.8	-26.0	-31.9	-36.3	-29.9	-30.2	-30.5	
Free operating cash flow	51.3	36.8	40.4	40.1	41.4	39.2	33.9	31.4	35.5	35.9	36.3	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	51.3	36.8	40.4	40.1	41.4	39.2	33.9	31.4	35.5	35.9	36.3	531
Discounted FCFF		34.4	35.0	32.2	30.8	27.0	21.7	18.6	19.5	18.3	17.1	251
Sum of FCFF present value		505	471	436	404	373	346	324	306	286	268	251
Enterprise value DCF		505										
- Interest bearing debt		-467										
+ Cash and cash equivalents		182										
-Minorities		-0.6										
-Dividend/capital return		0.0										
Equity value DCF		224										
Equity value DCF per share		3.3										

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 %

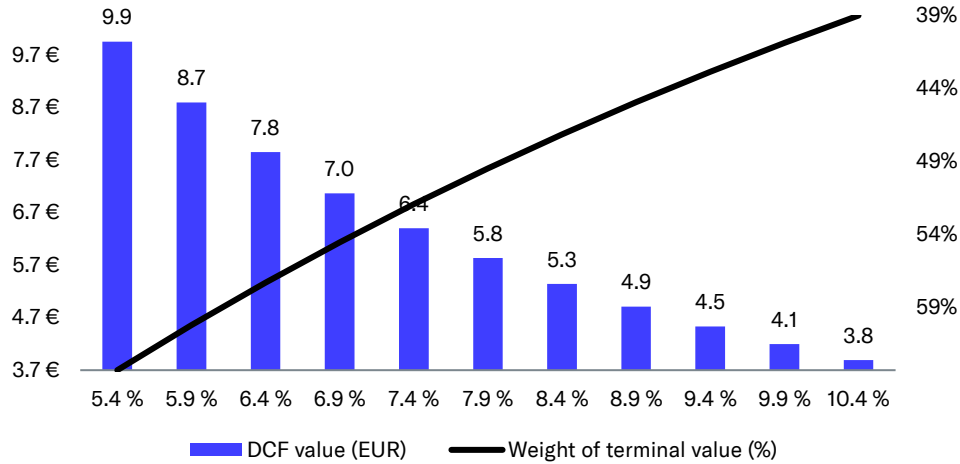
Source: Inderes

Cash flow distribution

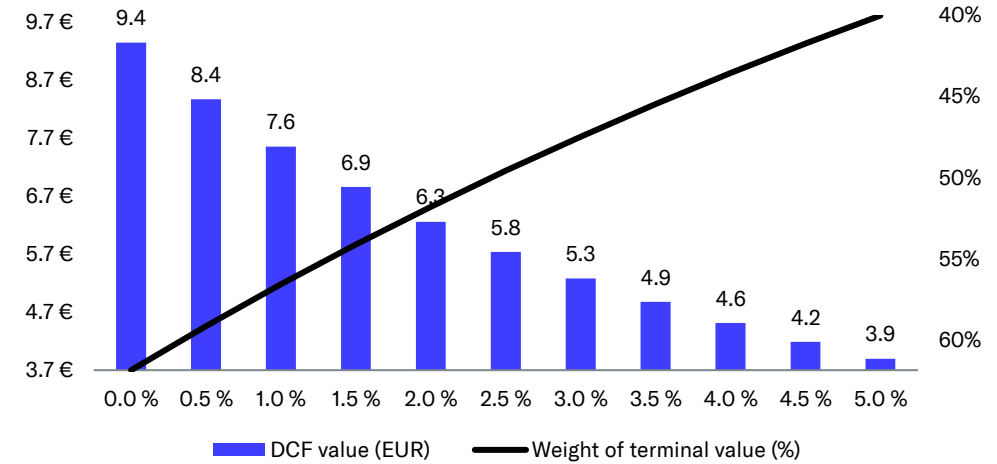


DCF sensitivity calculations and key assumptions in graphs

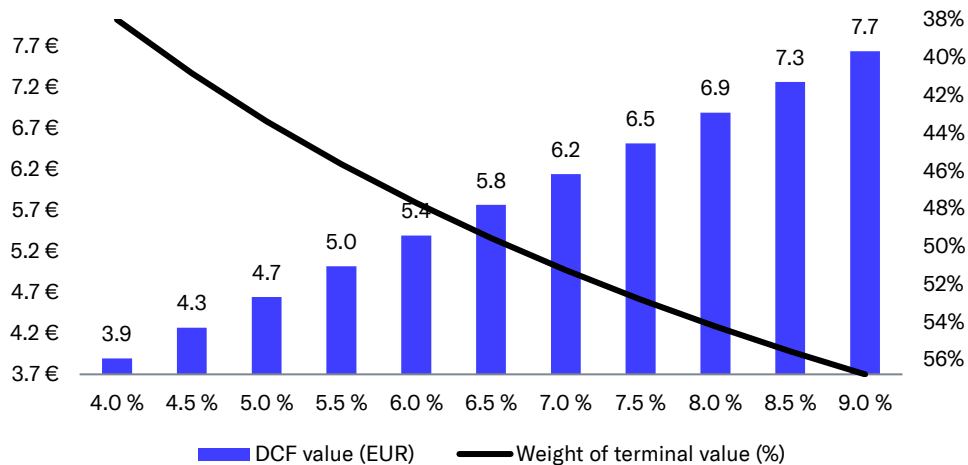
Sensitivity of DCF to changes in the WACC-%



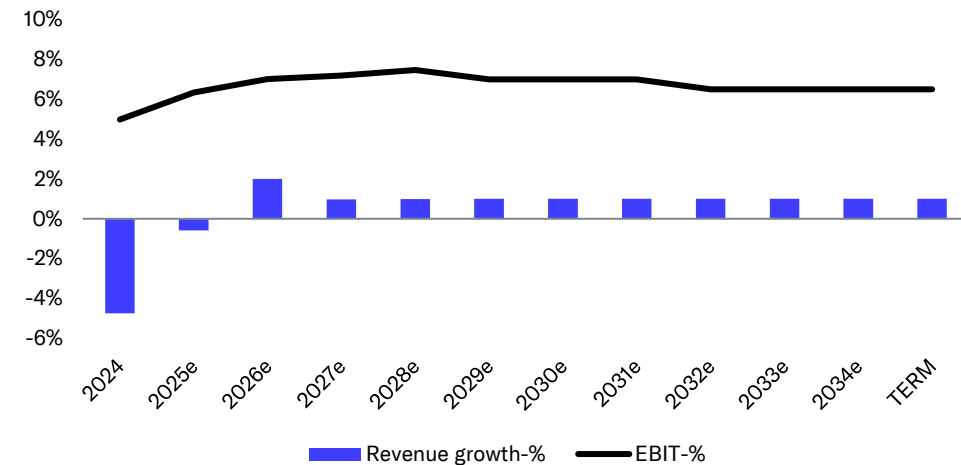
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	702.7	726.5	692.0	688.0	701.8	EPS (reported)	0.27	-0.59	0.16	0.30	0.39
EBITDA	67.9	67.5	61.3	70.0	74.6	EPS (adj.)	0.39	0.19	0.27	0.30	0.39
EBIT	34.7	-31.3	34.5	43.6	49.3	OCF / share	-0.06	2.88	0.77	0.92	0.97
PTP	23.4	-53.8	14.7	26.0	33.7	FCF / share	-1.73	3.02	0.76	0.54	0.60
Net Income	17.9	-39.9	10.5	20.2	26.3	Book value / share	7.11	6.04	5.89	5.97	6.14
Extraordinary items	-8.2	-66.1	-7.6	0.0	0.0	Dividend / share	0.22	0.22	0.22	0.22	0.25
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1301.3	1135.7	1069.6	1049.6	1057.7	Revenue growth-%	6%	3%	-5%	-1%	2%
Equity capital	481.6	408.7	398.9	404.6	416.3	EBITDA growth-%	-29%	-1%	-9%	14%	7%
Goodwill	310.5	304.3	299.1	299.1	299.1	EBIT (adj.) growth-%	-38%	-19%	21%	4%	13%
Net debt	300.9	138.2	121.6	113.6	100.2	EPS (adj.) growth-%	-63%	-50%	40%	12%	30%
						EBITDA-%	9.7 %	9.3 %	8.9 %	10.2 %	10.6 %
Cash flow	2022	2023	2024	2025e	2026e	EBIT (adj.)-%	6.1 %	4.8 %	6.1 %	6.3 %	7.0 %
EBITDA	67.9	67.5	61.3	70.0	74.6	EBIT-%	4.9 %	-4.3 %	5.0 %	6.3 %	7.0 %
Change in working capital	-75.4	138.9	1.2	4.3	1.5	ROE-%	3.6 %	-9.0 %	2.6 %	5.1 %	6.4 %
Operating cash flow	-4.1	194.5	52.3	62.0	65.6	ROI-%	4.9 %	-3.2 %	5.4 %	7.0 %	7.9 %
CAPEX	-111.7	10.1	-1.2	-25.1	-25.3	Equity ratio	37.0 %	36.0 %	37.3 %	38.5 %	39.4 %
Free cash flow	-117.2	203.8	51.3	36.8	40.4	Gearing	62.5 %	33.8 %	30.5 %	28.1 %	24.1 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.1	0.6	0.4	0.5	0.4						
EV/EBITDA	11.5	6.2	4.9	4.6	4.1						
EV/EBIT (adj.)	18.1	12.0	7.1	7.3	6.2						
P/E (adj.)	19.0	23.1	10.4	10.4	8.0						
P/B	1.0	0.7	0.5	0.5	0.5						
Dividend-%	3.0 %	5.0 %	7.9 %	7.1 %	8.0 %						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
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 €
2/13/2025	Accumulate	3.30 €	3.11 €



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