

# INCAP

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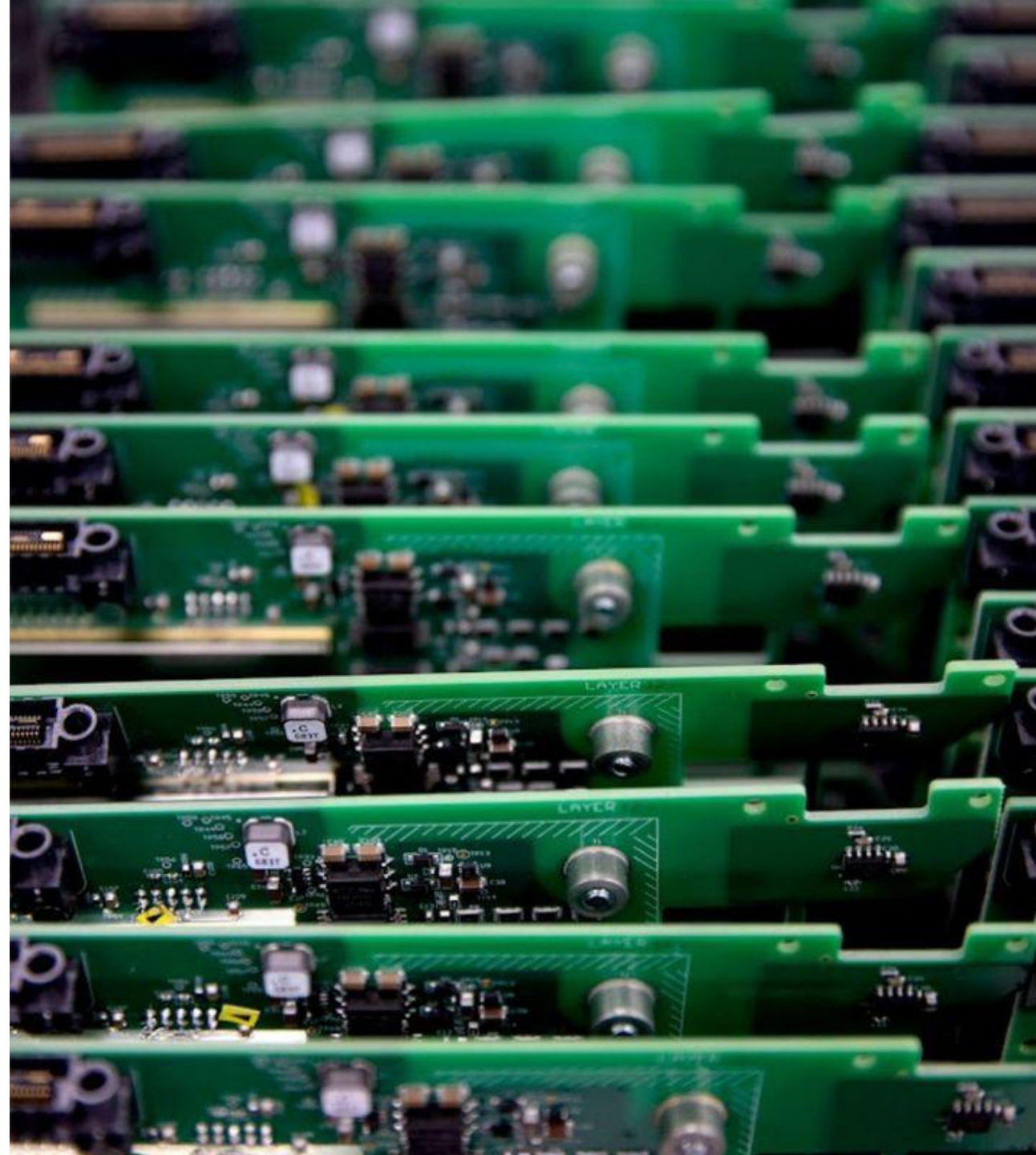
This is a translated version of "Suunta näyttää edelleen nousujohteiselta" report, published on 3/3/2025



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INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# Upward trend appears to continue

We reiterate our Buy recommendation for Incap and our target price of EUR 13.00. Despite some softness related to the quality of revenue and results for the rest of the year and a sluggish start to 2025, we think Incap's Q4 report met expectations overall, as the company delivered earnings growth guidance for this year in line with our expectations. In our view, the expected return on the stock remains good, driven by earnings growth (2025e: EV/EBIT 9x). A positive option is to further enhance growth through acquisitions.

## Year ended with strong earnings growth

Incap's revenue grew by 40% in Q4 to 59 MEUR, which was slightly below our estimate. The growth was driven by the recovery of the largest customer from destocking, while revenue from other customers decreased by 7% in Q4. The revenue underperformance was largely driven by other customers, which we had expected to perform slightly better in Q4, in line with other quarters in 2024. Incap explained the decline in revenue from other customers with seasonal fluctuations. In Q4, Incap's adjusted EBIT doubled to 8.8 MEUR (adj. EBIT-% excellent 14.8%). The operating result exceeded our forecast but was of course supported by the elimination of an inventory write-off of 0.9 MEUR, so the result was qualitatively slightly below our estimate. Financial expenses were lower than expected, presumably partly for non-cash FX reasons, while taxes were slightly above our estimates. As a result, Incap's Q4 EPS increased to EUR 0.26, well above forecasts. The report was also strong from a cash-flow perspective, as the company was able to push its working capital down to pre-pandemic levels relative to revenue, mainly due to the successful collection of receivables. Incap, which profiles itself as a growth company and pursues acquisitions, does not pay a dividend, which we believe is fully expected and also justified.

## Company gave guidance for earnings growth again this year

Incap gave guidance for the current year that the company's revenue and reported operating profit will be higher than last year.

On Incap's scale, "higher" means a change of 0-20%. The company also said that 2025 will start "cautiously" as customers anticipate the impact of changes related to taxes, tariffs, and geopolitical challenges. As a result, Q1 is unlikely to produce strong numbers, despite the upbeat guidance for the full year. Prior to the report, we were forecasting 10% revenue growth and 14% adjusted operating profit growth for Incap, so the guidance was in line with our expectations, especially given the conservatism typically embedded in the company's guidance at the beginning of the year. Following the report, we have made no changes to our forecasts for Incap in the future years. Being highly competitive, Incap should have a good capacity for organic growth, especially in India, and we expect the company to post average adjusted EPS growth of around 11% on a revenue-driven basis (incl. recovery of the largest customer, cross-selling, new customer acquisition and gradual improvement of the economic situation) by 2027. The main risks to our forecasts relate to the continued significant revenue share of the largest customer, global investment demand and competition. Of course, our forecast does not include acquisitions, which, based on the comments in the report, may be on the cards in the near future. After two successful deals, we see acquisitions as a positive option for value creation.

## Valuation picture is still attractive

Incap's adjusted P/E ratios for 2025 and 2026 based on our estimates are 13x and 12x, and the corresponding EV/EBIT ratios are 8x and 7x. This year's multiples are around the median levels of the company's medium-term averages and within our accepted ranges, so the stock is not remarkably cheap in the near term. We continue to find the stock's 12-month expected return, based in particular on earnings growth and a slight valuation upside, very attractive. The DCF value, which is slightly above our target price level, also supports a stronger positive view on the stock.

## Recommendation

**Buy**  
(was Buy)

## Target price:

**EUR 13.00**

(was EUR 13.00)

## Share price:

**EUR 11.14**

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	230.1	255.0	285.9	314.5
<b>growth-%</b>	4%	11%	12%	10%
<b>EBIT adj.</b>	30.0	33.6	37.3	41.2
<b>EBIT-% adj.</b>	13.0 %	13.2 %	13.1 %	13.1 %
<b>Net Income</b>	22.7	24.9	27.7	30.8
<b>EPS (adj.)</b>	0.79	0.87	0.96	1.07
<b>P/E (adj.)</b>	13.0	12.8	11.6	10.4
<b>P/B</b>	2.3	2.1	1.8	1.5
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	1.9 %
<b>EV/EBIT (adj.)</b>	8.7	8.4	7.0	5.8
<b>EV/EBITDA</b>	7.5	8.4	6.0	5.0
<b>EV/S</b>	1.1	1.1	0.9	0.8

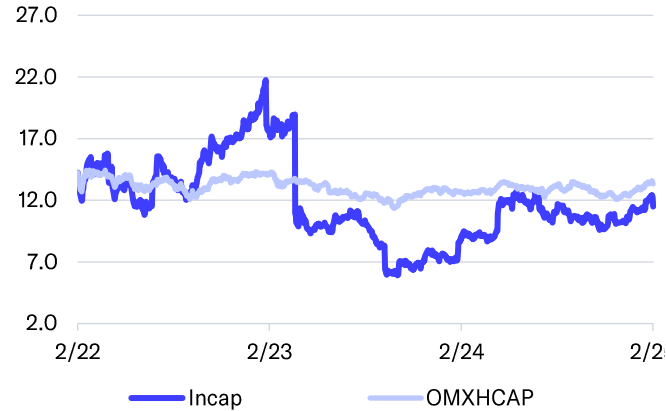
Source: Inderes

## Guidance

(New guidance)

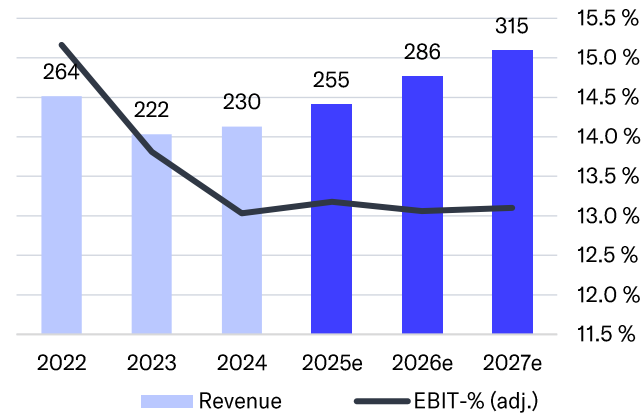
Incap estimates that the company's revenue and operating profit (EBIT) in 2025 will be higher than in 2024.

## Share price



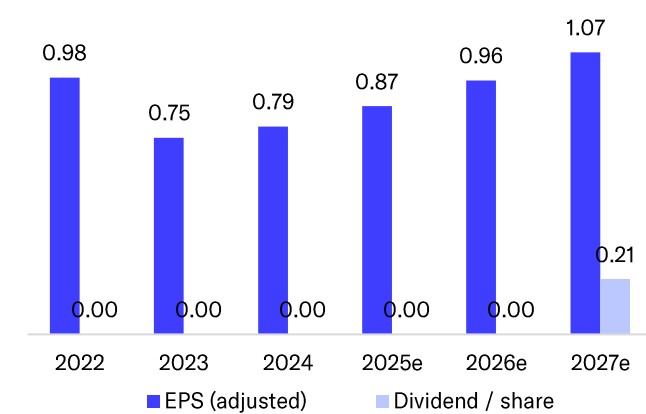
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Organic growth in the electronics market, supported by global megatrends and increased outsourcing rate
- Light organization and cost structure enable a high profitability level
- Quick decision-making supports new customer procurement
- Accelerating growth with acquisitions
- Cross-selling potential created by the Pennatronics acquisition

## Risk factors

- Mutually challenging value chain position upholds a brutal competitive situation
- Cyclical or volatile nature of customer industries
- Tightening competitive situation
- Company's cost efficiency deteriorating
- Supply chain disruptions
- Risk related to individual customers still elevated

Valuation	2025e	2026e	2027e
<b>Share price</b>	11.1	11.1	11.1
<b>Number of shares, millions</b>	29.4	29.4	29.4
<b>Market cap</b>	328	328	328
<b>EV</b>	281	263	239
<b>P/E (adj.)</b>	12.8	11.6	10.4
<b>P/E</b>	13.2	11.8	10.6
<b>P/B</b>	2.1	1.8	1.5
<b>P/S</b>	1.3	1.1	1.0
<b>EV/Sales</b>	1.1	0.9	0.8
<b>EV/EBITDA</b>	8.4	6.0	5.0
<b>EV/EBIT (adj.)</b>	8.4	7.0	5.8
<b>Payout ratio (%)</b>	0.0 %	0.0 %	20.0 %
<b>Dividend yield-%</b>	0.0 %	0.0 %	1.9 %

Source: Inderes

# Estimates and estimate revisions

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	ACT
Revenue	42.4	59.3	63.0				-6%	230
EBIT (adj.)	4.4	8.8	8.1				8%	30.0
EBIT	3.7	8.6	7.9				8%	29.2
PTP	2.4	10.5	7.7				35%	30.1
EPS (reported)	0.05	0.26	0.20				32%	0.77
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	-46.1 %	39.7 %	48.4 %				-8.7 pp	3.8 %
EBIT-% (adj.)	10.4 %	14.8 %	12.9 %				1.9 pp	13.0 %

Source: Inderes

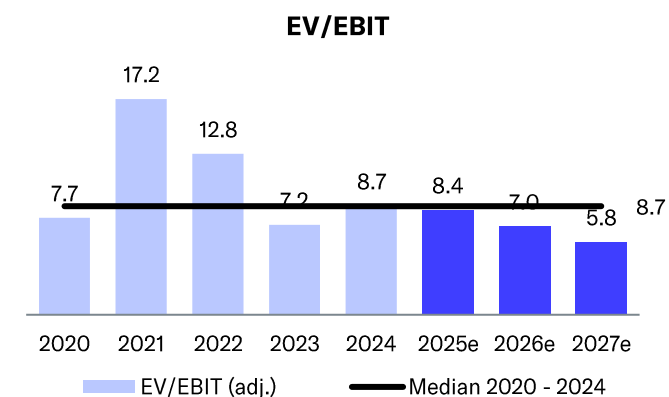
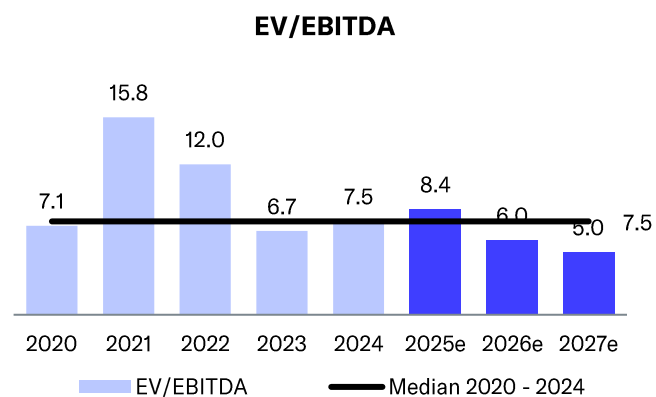
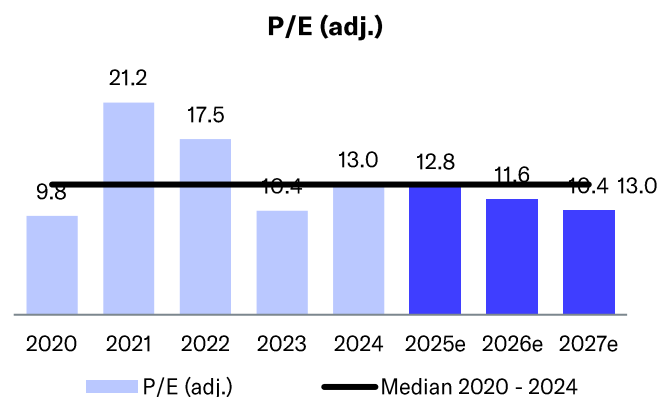
Estimate revisions MEUR / EUR	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	234	230	-2%	257	255	-1%	291	286	-2%
EBIT	28.6	29.2	2%	32.6	32.8	1%	37.2	36.5	-2%
PTP	27.3	30.1	10%	32.2	33.0	2%	37.1	36.7	-1%
EPS (excl. NRIs)	0.73	0.79	9%	0.85	0.87	2%	0.98	0.96	-2%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	3.69	15.70	17.10	7.75	10.24	<b>11.14</b>	<b>11.14</b>	<b>11.14</b>	<b>11.14</b>
Number of shares, millions	29.1	29.2	29.3	29.3	29.4	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>
Market cap	107	459	500	228	301	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>
EV	113	461	514	220	260	<b>281</b>	<b>263</b>	<b>239</b>	<b>217</b>
P/E (adj.)	9.8	21.2	17.5	10.4	13.0	<b>12.8</b>	<b>11.6</b>	<b>10.4</b>	<b>9.9</b>
P/E	11.6	21.8	18.1	11.5	13.2	<b>13.2</b>	<b>11.8</b>	<b>10.6</b>	<b>9.9</b>
P/B	2.8	7.3	5.7	2.1	2.3	<b>2.1</b>	<b>1.8</b>	<b>1.5</b>	<b>1.3</b>
P/S	1.0	2.7	1.9	1.0	1.3	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>
EV/Sales	1.1	2.7	1.9	1.0	1.1	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>
EV/EBITDA	7.1	15.8	12.0	6.7	7.5	<b>8.4</b>	<b>6.0</b>	<b>5.0</b>	<b>4.4</b>
EV/EBIT (adj.)	7.7	17.2	12.8	7.2	8.7	<b>8.4</b>	<b>7.0</b>	<b>5.8</b>	<b>5.1</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>20.0 %</b>	<b>30.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>1.9 %</b>	<b>3.0 %</b>

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Cicor Technologies	361	506	11.5	10.4	7.5	7.0	0.9	0.8	12.4	11.1			1.9
Integrated Micro-Electronics	58	282	8.1		3.6		0.2						0.1
Data Modul	87	85	6.5	5.3	5.8	4.9	0.6	0.6	10.8	9.7	0.5	0.5	0.6
Hanza	324	389	12.6	9.0	5.0	4.3	0.4	0.4	13.3	10.8	2.2	2.4	1.1
Kitron	681	795	13.9	11.8	10.4	9.1	1.2	1.0	17.1	13.7	2.0	2.9	2.9
Lacroix Group SA	39	150	5.5	4.0	3.2	2.6	0.2	0.2	2.6	1.7	10.0	16.1	
Jabil	16212	17020	12.2	11.0	8.4	7.7	0.7	0.6	17.6	15.3	0.2	0.2	12.2
Note AB	411	431	11.6	10.1	8.8	7.8	1.2	1.0	14.8	12.7		0.6	2.4
Scanfil	573	605	10.3	9.6	7.4	7.0	0.7	0.7	12.8	11.7	3.0	3.2	1.8
Fabrinet	6747	5838	17.2	15.2	14.8	12.8	1.8	1.6	19.0	16.8			3.6
Hana Microelectronics	504	257	5.0	4.2	2.4	2.1	0.3	0.3	9.8	8.4	5.1	6.1	0.6
SVI	424	457	11.2	10.2	8.9	8.2	0.7	0.6	11.4	10.6	3.4	3.8	1.1
TT Electronics	183	334	6.5	5.0	4.4	3.7	0.5	0.5	5.3	3.9	7.9	9.0	0.6
AQ Group AB	1341	1317	17.0	15.1	12.2	10.7	1.6	1.4	22.2	19.5	1.1	1.3	3.1
Nolato AB	1490	1567	16.9	14.9	10.6	9.9	1.7	1.6	21.6	18.5	2.7	3.0	2.7
Celestica	12048	12406	16.9	14.4	14.4	12.2	1.2	1.0	22.4	18.5			5.6
<b>Incap (Inderes)</b>	<b>328</b>	<b>281</b>	<b>8.4</b>	<b>7.0</b>	<b>8.4</b>	<b>6.0</b>	<b>1.1</b>	<b>0.9</b>	<b>12.8</b>	<b>11.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2.1</b>
<b>Average</b>			<b>11.4</b>	<b>10.0</b>	<b>8.0</b>	<b>7.3</b>	<b>0.9</b>	<b>0.8</b>	<b>14.2</b>	<b>12.2</b>	<b>3.5</b>	<b>4.1</b>	<b>2.7</b>
<b>Median</b>			<b>11.6</b>	<b>10.2</b>	<b>7.9</b>	<b>8.1</b>	<b>0.7</b>	<b>0.7</b>	<b>13.3</b>	<b>11.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.9</b>
<b>Diff-% to median</b>			<b>-28%</b>	<b>-31%</b>	<b>6%</b>	<b>-26%</b>	<b>58%</b>	<b>37%</b>	<b>-4%</b>	<b>-1%</b>	<b>-100%</b>	<b>-100%</b>	<b>9%</b>

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
<b>Revenue</b>	<b>222</b>	<b>51.4</b>	<b>57.6</b>	<b>61.8</b>	<b>59.3</b>	<b>230</b>	<b>55.0</b>	<b>63.0</b>	<b>67.0</b>	<b>70.0</b>	<b>255</b>	<b>286</b>	<b>315</b>	<b>330</b>
Incap	222	51.4	57.6	61.8	59.3	230	55.0	63.0	67.0	70.0	255	286	315	330
<b>EBITDA</b>	<b>32.8</b>	<b>7.3</b>	<b>8.2</b>	<b>9.3</b>	<b>10.0</b>	<b>34.9</b>	<b>6.5</b>	<b>8.2</b>	<b>8.9</b>	<b>9.6</b>	<b>33.4</b>	<b>44.1</b>	<b>47.8</b>	<b>49.5</b>
Depreciation	-4.6	-1.4	-1.4	-1.4	-1.4	-5.6	-0.1	-0.1	-0.1	-0.1	-0.6	-7.6	-7.4	-6.6
<b>EBIT (excl. NRI)</b>	<b>30.6</b>	<b>6.2</b>	<b>7.0</b>	<b>8.1</b>	<b>8.8</b>	<b>30.0</b>	<b>6.6</b>	<b>8.3</b>	<b>9.0</b>	<b>9.7</b>	<b>33.6</b>	<b>37.3</b>	<b>41.2</b>	<b>42.9</b>
<b>EBIT</b>	<b>28.2</b>	<b>6.0</b>	<b>6.8</b>	<b>7.9</b>	<b>8.6</b>	<b>29.2</b>	<b>6.4</b>	<b>8.1</b>	<b>8.8</b>	<b>9.5</b>	<b>32.8</b>	<b>36.5</b>	<b>40.4</b>	<b>42.9</b>
Kertaerät	-2.4	-0.2	-0.1	-0.2	-0.3	-0.8	-0.2	-0.2	-0.2	-0.2	-0.8	-0.8	-0.8	0.0
Net financial items	-1.8	0.3	-0.3	-1.1	1.9	0.9	0.1	0.0	0.0	0.1	0.2	0.1	0.4	0.8
<b>PTP</b>	<b>26.4</b>	<b>6.3</b>	<b>6.6</b>	<b>6.7</b>	<b>10.5</b>	<b>30.1</b>	<b>6.5</b>	<b>8.1</b>	<b>8.8</b>	<b>9.6</b>	<b>33.0</b>	<b>36.7</b>	<b>40.9</b>	<b>43.7</b>
Taxes	-6.6	-1.4	-1.4	-1.8	-2.7	-7.4	-1.6	-2.0	-2.1	-2.4	-8.1	-9.0	-10.0	-10.7
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>19.8</b>	<b>4.9</b>	<b>5.1</b>	<b>4.9</b>	<b>7.8</b>	<b>22.7</b>	<b>4.9</b>	<b>6.1</b>	<b>6.6</b>	<b>7.2</b>	<b>24.9</b>	<b>27.7</b>	<b>30.8</b>	<b>33.0</b>
<b>EPS (adj.)</b>	<b>0.75</b>	<b>0.17</b>	<b>0.18</b>	<b>0.17</b>	<b>0.27</b>	<b>0.79</b>	<b>0.17</b>	<b>0.21</b>	<b>0.23</b>	<b>0.25</b>	<b>0.87</b>	<b>0.96</b>	<b>1.07</b>	<b>1.12</b>
<b>EPS (rep.)</b>	<b>0.68</b>	<b>0.17</b>	<b>0.17</b>	<b>0.17</b>	<b>0.26</b>	<b>0.77</b>	<b>0.17</b>	<b>0.21</b>	<b>0.23</b>	<b>0.25</b>	<b>0.85</b>	<b>0.94</b>	<b>1.05</b>	<b>1.12</b>

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	-16.0 %	-29.3 %	2.1 %	23.4 %	39.7 %	3.8 %	7.1 %	9.3 %	8.5 %	18.1 %	10.8 %	12.1 %	10.0 %	5.0 %
<b>Adjusted EBIT growth-%</b>	-23.5 %	-46.0 %	-16.9 %	25.7 %	100.1 %	-2.0 %	7.3 %	19.1 %	11.7 %	10.2 %	12.1 %	11.1 %	10.3 %	4.2 %
<b>EBITDA-%</b>	14.8 %	14.2 %	14.3 %	15.0 %	16.9 %	15.2 %	11.9 %	13.1 %	13.3 %	13.8 %	13.1 %	15.4 %	15.2 %	15.0 %
<b>Adjusted EBIT-%</b>	13.8 %	12.0 %	12.1 %	13.0 %	14.8 %	13.0 %	12.0 %	13.2 %	13.4 %	13.9 %	13.2 %	13.1 %	13.1 %	13.0 %
<b>Net earnings-%</b>	8.9 %	9.6 %	8.9 %	8.0 %	13.1 %	9.9 %	8.9 %	9.7 %	9.9 %	10.4 %	9.8 %	9.7 %	9.8 %	10.0 %

Source: Inderes



# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>39</b>	<b>46</b>	<b>52</b>	<b>50</b>	<b>50</b>
Goodwill	8	9	9	9	9
Intangible assets	0	6	6	4	3
Tangible assets	30	31	36	36	37
Associated companies	0	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	0	0	0	0	0
Deferred tax assets	1	1	1	1	1
<b>Current assets</b>	<b>137</b>	<b>168</b>	<b>182</b>	<b>218</b>	<b>255</b>
Inventories	71	61	70	79	86
Other current assets	0	0	0	0	0
Receivables	24	35	46	54	60
Cash and equivalents	43	72	66	85	108
<b>Balance sheet total</b>	<b>182</b>	<b>215</b>	<b>234</b>	<b>268</b>	<b>305</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>107</b>	<b>133</b>	<b>158</b>	<b>186</b>	<b>216</b>
Share capital	1	1	1	1	1
Retained earnings	90	113	138	166	197
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	16	19	19	19	19
Minorities	0	0	0	0	0
<b>Non-current liabilities</b>	<b>33</b>	<b>32</b>	<b>20</b>	<b>20</b>	<b>20</b>
Deferred tax liabilities	1	2	2	2	2
Provisions	0	0	0	0	0
Interest bearing debt	30	27	15	15	15
Convertibles	0	0	0	0	0
Other long term liabilities	2	3	3	3	3
<b>Current liabilities</b>	<b>42</b>	<b>50</b>	<b>57</b>	<b>63</b>	<b>69</b>
Interest bearing debt	4	4	5	5	5
Payables	38	45	51	57	63
Other current liabilities	1	1	1	1	1
<b>Balance sheet total</b>	<b>182</b>	<b>215</b>	<b>234</b>	<b>268</b>	<b>305</b>



# DCF-calculation

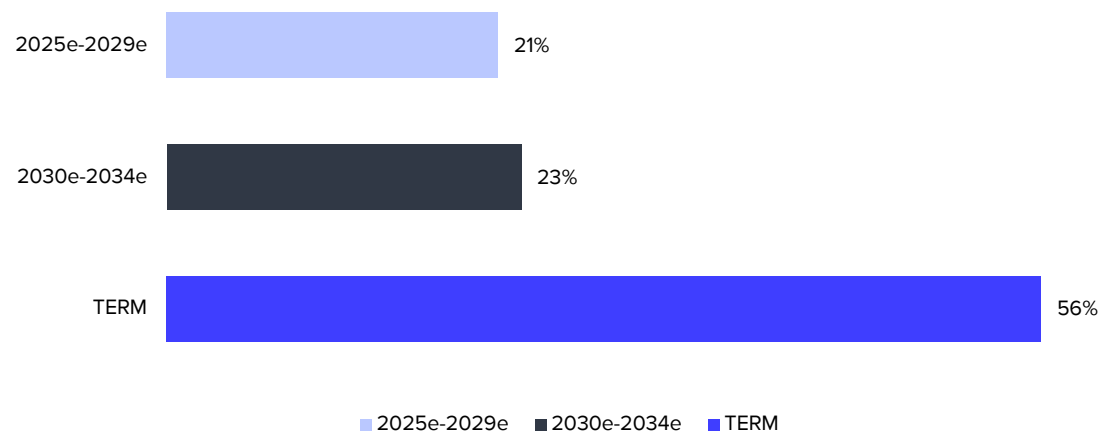
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	3.8 %	10.8 %	12.1 %	10.0 %	5.0 %	5.0 %	4.0 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-% (adj.)	12.7 %	12.9 %	12.8 %	12.8 %	13.0 %	13.0 %	13.0 %	12.7 %	12.5 %	12.5 %	12.5 %	12.5 %
<b>EBIT (operating profit)</b>	<b>29.2</b>	<b>32.8</b>	<b>36.5</b>	<b>40.4</b>	<b>42.9</b>	<b>45.1</b>	<b>46.9</b>	<b>47.6</b>	<b>48.3</b>	<b>49.7</b>	<b>50.7</b>	
+ Depreciation	5.6	0.6	7.6	7.4	6.6	6.6	6.6	6.7	6.7	6.7	6.8	
- Paid taxes	-6.9	-8.1	-9.0	-10.0	-10.7	-11.3	-11.8	-12.1	-12.3	-12.7	-13.0	
- Tax, financial expenses	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.7	0.7	0.8	
- Change in working capital	6.5	-14.3	-10.7	-7.6	-4.2	-4.4	-3.7	-3.8	-3.0	-3.1	-2.1	
<b>Operating cash flow</b>	<b>34.6</b>	<b>11.0</b>	<b>24.5</b>	<b>30.3</b>	<b>34.9</b>	<b>36.3</b>	<b>38.4</b>	<b>38.9</b>	<b>40.2</b>	<b>41.2</b>	<b>42.9</b>	
+ Change in other long-term liabilities	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.2	-6.0	-6.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.1	
<b>Free operating cash flow</b>	<b>28.6</b>	<b>5.0</b>	<b>18.4</b>	<b>23.3</b>	<b>27.8</b>	<b>29.3</b>	<b>31.3</b>	<b>31.8</b>	<b>33.2</b>	<b>34.2</b>	<b>35.8</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	28.6	5.0	18.4	23.3	27.8	29.3	31.3	31.8	33.2	34.2	35.8	492
<b>Discounted FCFF</b>		<b>4.6</b>	<b>15.6</b>	<b>18.0</b>	<b>19.7</b>	<b>18.9</b>	<b>18.5</b>	<b>17.2</b>	<b>16.4</b>	<b>15.4</b>	<b>14.8</b>	<b>203</b>
Sum of FCFF present value		362	358	342	324	304	285	267	250	233	218	203
<b>Enterprise value DCF</b>		<b>362</b>										
- Interest bearing debt		-30.9										
+ Cash and cash equivalents		72.2										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>404</b>										
<b>Equity value DCF per share</b>		<b>13.7</b>										

## WACC

Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	0.90%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.4 %</b>

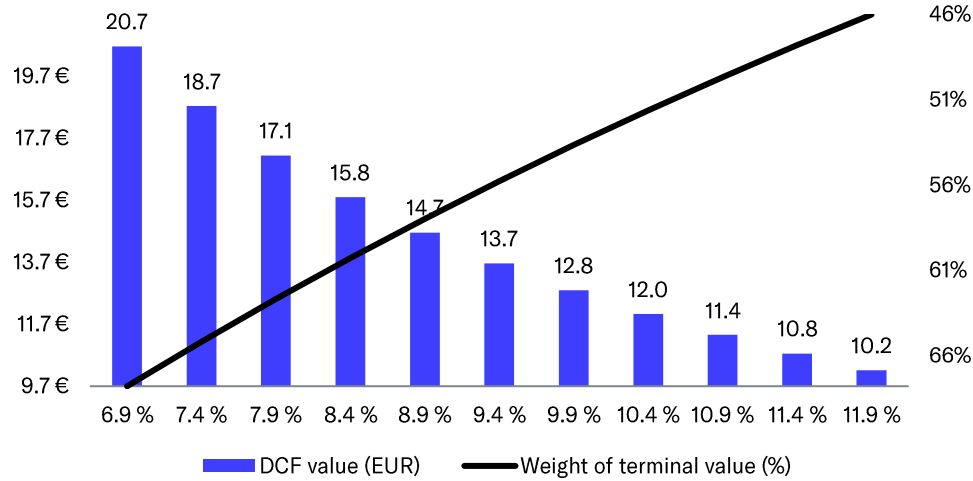
Source: Inderes

## Cash flow distribution

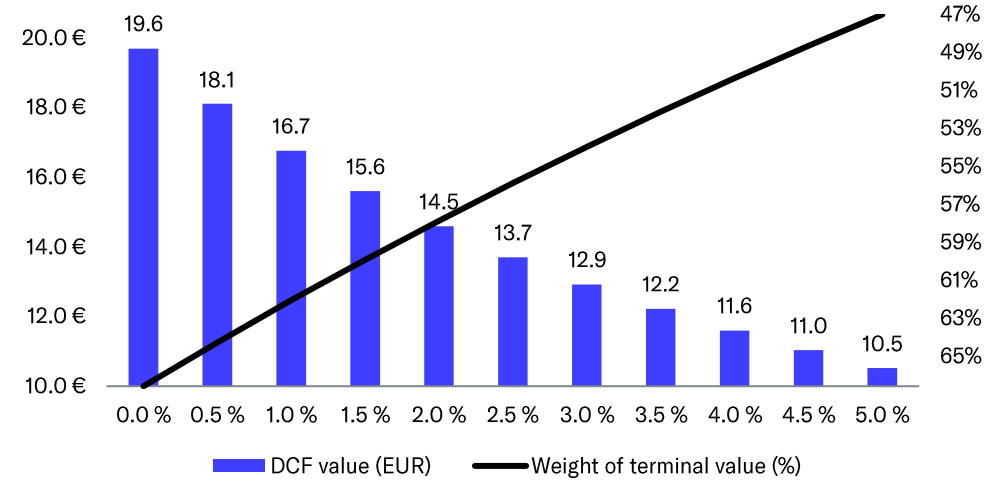


# DCF sensitivity calculations and key assumptions in graphs

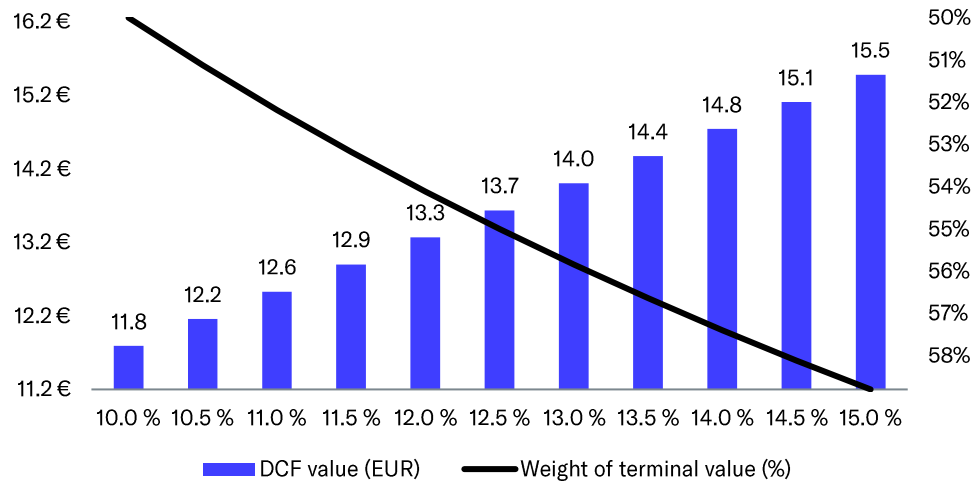
Sensitivity of DCF to changes in the WACC-%



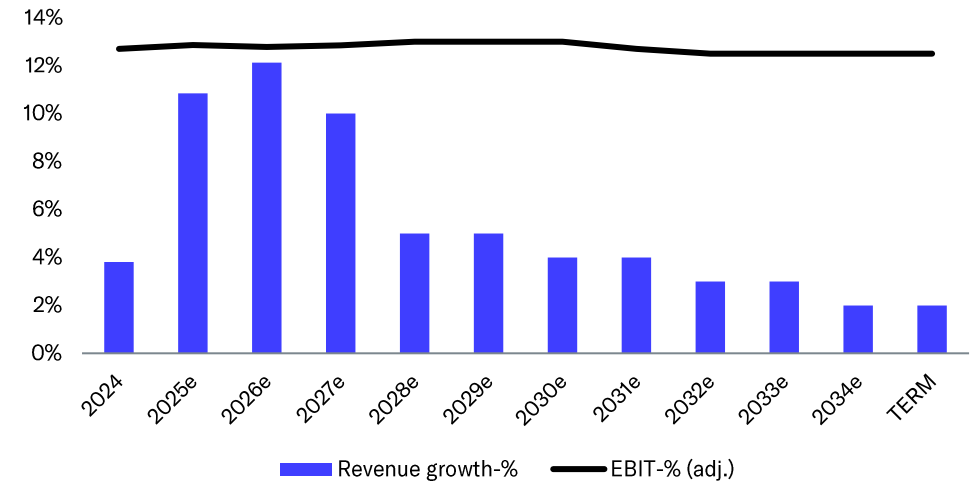
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	263.8	221.6	230.1	<b>255.0</b>	<b>285.9</b>	EPS (reported)	0.94	0.68	0.77	<b>0.85</b>	<b>0.94</b>
EBITDA	42.8	32.8	34.9	<b>33.4</b>	<b>44.1</b>	EPS (adj.)	0.98	0.75	0.79	<b>0.87</b>	<b>0.96</b>
EBIT	39.0	28.2	29.2	<b>32.8</b>	<b>36.5</b>	OCF / share	0.09	1.37	1.18	<b>0.37</b>	<b>0.83</b>
PTP	36.7	26.4	30.1	<b>33.0</b>	<b>36.7</b>	FCF / share	-0.23	0.81	0.97	<b>0.17</b>	<b>0.63</b>
Net Income	27.6	19.8	22.7	<b>24.9</b>	<b>27.7</b>	Book value / share	2.99	3.64	4.52	<b>5.37</b>	<b>6.31</b>
Extraordinary items	-1.0	-2.4	-0.8	<b>-0.8</b>	<b>-0.8</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	168.4	182.3	214.8	<b>234.3</b>	<b>268.2</b>	Revenue growth-%	55%	-16%	4%	<b>11%</b>	<b>12%</b>
Equity capital	87.4	106.8	133.0	<b>157.9</b>	<b>185.6</b>	EBITDA growth-%	46%	-23%	6%	<b>-4%</b>	<b>32%</b>
Goodwill	7.2	8.2	8.6	<b>8.6</b>	<b>8.6</b>	EBIT (adj.) growth-%	49%	-24%	-2%	<b>12%</b>	<b>11%</b>
Net debt	13.6	-8.5	-41.2	<b>-46.3</b>	<b>-64.8</b>	EPS (adj.) growth-%	31%	-23%	6%	<b>10%</b>	<b>11%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	16%	15%	15%	<b>13%</b>	<b>15%</b>
EBITDA	42.8	32.8	34.9	<b>33.4</b>	<b>44.1</b>	EBIT (adj.)-%	15%	14%	13%	<b>13%</b>	<b>13%</b>
Change in working capital	-30.7	14.4	6.5	<b>-14.3</b>	<b>-10.7</b>	EBIT-%	15%	13%	13%	<b>13%</b>	<b>13%</b>
Operating cash flow	2.8	40.2	34.6	<b>11.0</b>	<b>24.5</b>	ROE-%	37%	20%	19%	<b>17%</b>	<b>16%</b>
CAPEX	-9.7	-16.3	-7.2	<b>-6.0</b>	<b>-6.0</b>	ROI-%	43%	23%	20%	<b>20%</b>	<b>20%</b>
Free cash flow	-6.7	23.9	28.6	<b>5.0</b>	<b>18.4</b>	Equity ratio	54%	61%	64%	<b>69%</b>	<b>71%</b>
						Gearing	16%	-8%	-31%	<b>-29%</b>	<b>-35%</b>
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.9	1.0	1.1	<b>1.1</b>	<b>0.9</b>						
EV/EBITDA	12.0	6.7	7.5	<b>8.4</b>	<b>6.0</b>						
EV/EBIT (adj.)	12.8	7.2	8.7	<b>8.4</b>	<b>7.0</b>						
P/E (adj.)	17.5	10.4	13.0	<b>12.8</b>	<b>11.6</b>						
P/B	5.7	2.1	2.3	<b>2.1</b>	<b>1.8</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

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
7/28/2022	Accumulate	16.00 €	14.66 €
10/19/2022	Accumulate	17.00 €	15.08 €
10/28/2022	Reduce	17.00 €	16.06 €
11/18/2022	Reduce	17.00 €	16.18 €
2/23/2023	Reduce	17.00 €	18.04 €
4/19/2023	Accumulate	12.00 €	10.92 €
4/27/2023	Accumulate	12.00 €	10.36 €
6/15/2023	Accumulate	12.00 €	9.96 €
7/4/2023	Accumulate	12.00 €	10.76 €
7/31/2023	Accumulate	12.00 €	10.72 €
10/9/2023	Accumulate	8.00 €	6.40 €
10/26/2023	Accumulate	8.00 €	6.19 €
2/23/2024	Accumulate	9.00 €	7.94 €
5/10/2024	Accumulate	12.50 €	10.92 €
6/24/2024	Accumulate	13.50 €	12.12 €
7/29/2024	Accumulate	13.50 €	11.29 €
10/25/2024	Buy	13.00 €	10.85 €
3/3/2025	Buy	13.00 €	11.14 €



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