

# UNITED BANKERS

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INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# Pause in earnings growth after record results

We revise our target price for UB to EUR 18.0 (was EUR 19.0) and reiterate our Reduce recommendation. There were no major surprises in the H2 report and, as expected, 2025 will be a gap year for earnings growth after a robust 2024. Valuation is neutral on our forecasts, and we see no upward drivers for the share price before a return to earnings growth.

## A good finish for an excellent year

UB's H2 revenue slightly exceeded our forecast at 29.1 MEUR (H2'24e: 27.8 MEUR). The overshoot was exclusively due to performance fees, which were about 2 MEUR higher than we had predicted. Meanwhile, fund management fees fell short of expectations following sluggish sales of the spearhead funds. The level of asset management fees was a clear positive surprise, while structured product volumes and Capital markets services remained very low. On the whole, H2 revenue development was neutral compared to our expectations.

EBIT was 9.9 MEUR, thus also exceeding our forecast. The earnings beat was, of course, explained by an overshoot in revenue and there were no material surprises on the expense lines. The dividend was increased by EUR 0.10 to EUR 1.10, in line with our expectations. The payout ratio remained low at around 70%, with the company favoring a steadily increasing dividend.

Overall, 2024 was an excellent year for UB in all respects, and the result is by far the best in its history. New sales performed reasonably well in a difficult market and portfolio management was good. The blemish was once again the sluggish profitability of recurring fees, and after adjusting for performance fees, profitability is still well below peers.

## No surprises in the outlook

UB's guidance was fully in line with our forecasts, and the company expects its adjusted operating profit to be significantly

below the level of 2024. This is entirely explained by the performance fees, which will fall from their exceptional level in 2024. In other respects, we think the outlook is still quite good. The market environment seems to be picking up and the company's product offering is in good shape. The key short-term issues are the impact of the media debate on new forest fund sales, real estate fund redemption rates and performance fee levels.

## Result falls sharply in 2025, back to earnings growth in 2026

We have lowered our 2025 projections substantially, but in other respects the changes to our estimates have remained small. In 2025, UB's result will fall sharply, driven entirely by performance fees. In 2026, the result should start to grow strongly again, and the record result of 2024 will be reached in 2027. In our forecasts, the company's earnings growth is driven by AUM growth in Wealth management, especially in strategically important funds (NFF, Renewable Energy and Forest). Real estate funds will slowly start to support growth from 2026 onwards, but the level of sales is more modest in our estimates than in previous years. The leap in profitability improvement based on recurring income remains to be seen, but we still see no reason why this indicator should not improve in line with growth in the coming years. In the next few years, we expect performance fees to remain below the 2022-2024 peak levels. The dividend is rising steadily.

## Valuation is neutral

UB's valuation (2025e P/E 17x 2026e 13x & dividend +6%) is neutral in absolute and relative terms and in line with historical pricing multiples. It is therefore difficult for us to see any upside until we see the depth of the earnings dip and, on the other hand, the timeframe for earnings growth to begin. The near-term expected return relies in particular on a strong dividend yield of +6%.

## Recommendation

**Reduce**  
(was Reduce)

## Target price:

**EUR 18.00**  
(was EUR 19.00)

**Share price:**  
17.90

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	62.1	54.3	61.0	68.0
<b>growth-%</b>	19%	-13%	12%	11%
<b>EBIT adj.</b>	23.4	15.5	19.6	23.7
<b>EBIT-% adj.</b>	37.6 %	28.6 %	32.2 %	34.8 %
<b>Net Income</b>	18.0	11.5	14.7	17.9
<b>EPS (adj.)</b>	1.65	1.04	1.33	1.62
<b>P/E (adj.)</b>	10.8	17.1	13.4	11.1
<b>P/B</b>	3.2	3.2	3.1	2.9
<b>Dividend yield-%</b>	6.2 %	6.4 %	6.7 %	7.0 %
<b>EV/EBIT (adj.)</b>	7.8	11.7	9.1	7.3
<b>EV/EBITDA</b>	7.0	10.0	8.1	6.6
<b>EV/S</b>	2.9	3.3	2.9	2.5

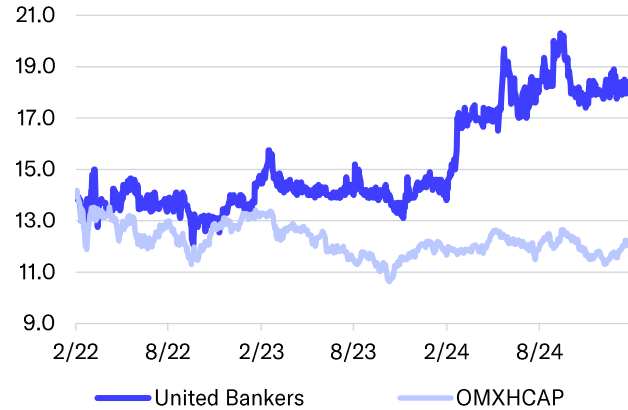
Source: Inderes

## Guidance

(New guidance)

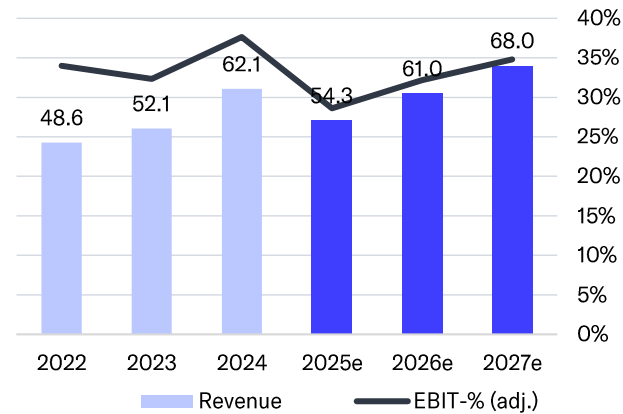
The company estimates its adjusted operating profit to be significantly below the level of 2024.

## Share price



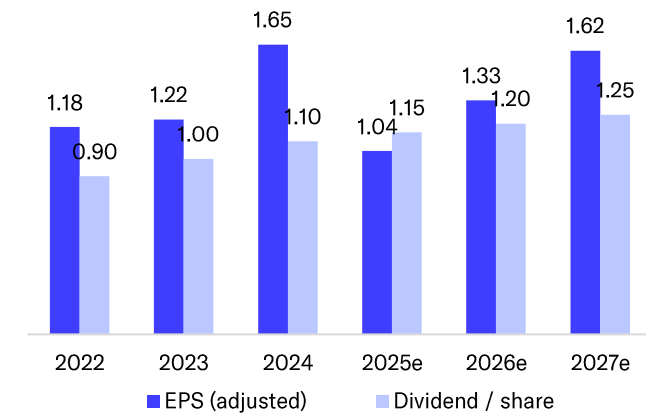
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- New product launches
- Increase in the size of existing products
- Further improvement potential in cost efficiency
- M&A transactions and consolidation of the industry

## Risk factors

- Deterioration of the market situation
- The share of non-recurring revenue is still significant
- Profitability still relatively weak without performance fees

	2025e	2026e	2027e
<b>Share price</b>	17.9	17.9	17.9
<b>Number of shares, millions</b>	11.0	11.0	11.1
<b>Market cap</b>	197	197	197
<b>EV</b>	181	178	172
<b>P/E (adj.)</b>	17.1	13.4	11.1
<b>P/E</b>	17.1	13.4	11.1
<b>P/B</b>	3.2	3.1	2.9
<b>P/S</b>	3.6	3.2	2.9
<b>EV/Sales</b>	3.3	2.9	2.5
<b>EV/EBITDA</b>	10.0	8.1	6.6
<b>EV/EBIT (adj.)</b>	11.7	9.1	7.3
<b>Payout ratio (%)</b>	110.2 %	90.1 %	77.4 %
<b>Dividend yield-%</b>	6.4 %	6.7 %	7.0 %

Source: Inderes

# A good finish for an excellent year

UB's H2 revenue slightly exceeded our forecast at 29.1 MEUR (H2'24e: 27.8 MEUR). The overshoot was exclusively due to performance fees, which were about 2 MEUR higher than we had predicted. Meanwhile, fund management fees fell short of expectations due to the lower-than-expected final closing of FIGG. The level of asset management fees was a clear positive surprise, while structured product volumes and Capital markets services remained very low. On the whole, H2 revenue development was neutral compared to our expectations.

EBIT was 9.9 MEUR, thus also exceeding our forecast. The earnings beat was, of course, explained by an overshoot in revenue and there were no material surprises on the expense lines. The dividend was increased by EUR 0.10 to EUR 1.10, in line with our expectations. The payout ratio remained low at around 70%, with the company favoring a steadily increasing dividend.

New sales in H2 were reasonably good. Sales of spearhead funds were sluggish, and in particular the final closing of FIGG at 114 MEUR was a clear disappointment, considering that the first closing was already over EUR 100. Forest funds saw moderate sales. Sales of real estate funds are very difficult due to the weakness of the market. However, the company's open real estate funds have avoided severe redemptions, and the launch of the Asuntorahasto housing fund (AUM 20 MEUR) at the end of the year is, in our view, an excellent indication of the company's sales capacity. The bright spot in sales was discretionary asset management, where sales for the full year increased to 237 MEUR.

## 2024 was an excellent year

Overall, 2024 was an excellent year for UB in all respects, and the result is by far the best in its history. New sales performed reasonably well in a difficult market and

portfolio management was good. The blemish was once again the sluggish profitability of recurring fees, and after adjusting for performance fees, profitability is still well below peers.

## No surprises in the outlook

UB's guidance was fully in line with our forecasts, and the company expects its adjusted operating profit to be significantly below the level of 2024. This is entirely explained by the performance fees, which will fall from their exceptional level in 2024. In other respects, we think the outlook is still quite good. The market environment seems to be picking up and the company's product offering is in good shape. The key short-term issues are the impact of the media debate on new forest fund sales, real estate fund redemption rates and performance fee levels.

Estimates MEUR / EUR	H2'23	H2'24	H2'24e	H2'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	27.4	29.1	27.8				5%	62.1
EBIT (adj.)	9.9	9.9	9.0				10%	23.4
EPS (adj.)	0.73	0.70	0.60				17%	1.65
DPS	1.00	1.10	1.10				0	1.10
Revenue growth-%	8.8 %	6.1 %	1.4 %				4.7 pp	19.2 %
EBIT-% (adj.)	36.0 %	33.9 %	32.4 %				1.5 pp	37.6 %

Source: Inderes

# 2025 estimates significantly lowered

## Estimate revisions

- We have substantially lowered our projections for 2025. This is a result of a much smaller than expected scale for FIGG and lower new sales forecasts for real estate funds. As a result, we have significantly lowered our management fee forecast. In asset management, our forecasts are raised substantially due to strong sales in discretionary asset management, which partially offset the decline in management fees. In other respects, the estimate changes have remained much smaller.
- For 2026, the changes in estimates at the group level are small. The main change in the figures below is the much higher level of asset management revenue and the corresponding lower level of fund management fees.
- Our dividend forecasts have remained unchanged. We still expect UB to favor stable dividend growth, and thus the payout could be 100% or more in a bad year and low in a good year (e.g., 2024).

## Operational earnings drivers:

- In our forecasts, the company's earnings growth is driven by AUM growth in Wealth management, especially in strategically important funds (NFF, Renewable Energy and Forest). Real estate funds will slowly start to support growth from 2026 onwards, but the level of sales is more modest in our estimates than in previous years. As a result of strong new sales, we forecast management fees to increase by an annual average of more than 10% between 2025 and 2028, with accelerating growth towards the end of the period. Asset management is also contributing more to growth than in the past.
- The leap in profitability improvement based on recurring income remains to be seen, but we still see no reason why this indicator should not improve in line with growth in the coming years.
- Over the next few years, we expect performance fees to remain below the 2022-2024 peak levels, which will bury the strong growth in management fees. However, we expect performance fee levels to remain healthy in the coming years.
- In 2025, UB's result will fall sharply, driven entirely by performance fees. In 2026, the result should start to grow strongly again, and the record result of 2024 will be reached in 2027.

Estimate revisions	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	59.5	62.1	4%	60.1	54.3	-10%	61.9	61.0	-1%
EBIT (exc. NRIs)	21.5	23.4	9%	19.5	15.5	-20%	19.2	19.6	2%
EBIT	21.5	23.4	9%	19.5	15.5	-20%	19.2	19.6	2%
EPS (excl. NRIs)	1.48	1.65	12%	1.34	1.04	-22%	1.31	1.33	2%
DPS	1.10	1.10	0%	1.15	1.15	0%	1.20	1.20	0%

Source: Inderes

# Valuation is neutral

We have examined the valuation of UB using a cash flow model (DCF) and valuation multiples. Our key valuation metrics suggest that the stock is fairly neutrally valued as a result of the recent rise in the share price. The different methods are also all quite well aligned with our target price of EUR 18.0 (was EUR 19.0).

## Expected return remains poor at current exchange rate

Our forecasts for the current year show a high P/E ratio for UB (~17x). In 2026, rapid earnings growth will neutralize the multiple to 13x. Over the past five years, UB has traded at an average P/E of 14x. We believe this level is reasonable and justified by the company's low investment needs, earnings growth prospects, and the current risk level.

As a result, we view the valuation of the share as neutral at current levels and find it difficult to see any upside until we see the depth of the earnings dip and, on the other hand, the timeframe for earnings growth to begin. The expected near-term return relies in particular on a strong dividend yield of +6%. Investors should also note that the level of performance fees is quite high in our estimates (~20% of operating income), which is a key forecast risk for the stock.

Relative to its peers, UB is at a premium with 2025 multiples and with 2026 multiples fairly well aligned. This also supports our view that the stock is correctly priced.

## Cash flow model supports our view

According to our DCF model, the value for UB is around EUR 20. We note that the model expects UB to recover quickly from the earnings dip in 2025 and to deliver strong earnings growth from then on. We believe that the DCF model gives a true picture of the company's potential once the short-term uncertainty is resolved. We apply a 10% ROE requirement to UB, which is moderately in line with the company's main peers. With UB, the required return is increased in particular by the forecast risks associated with performance fees. Therefore, a lower level would also be justified if UB is able to demonstrate that the current level of earnings is sustainable and to shift the earnings focus even more towards recurring income.

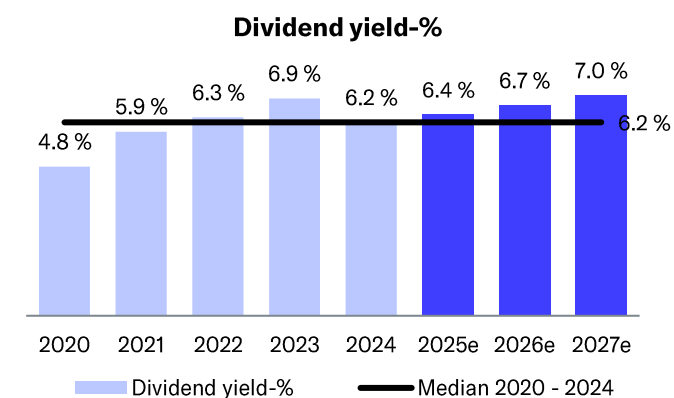
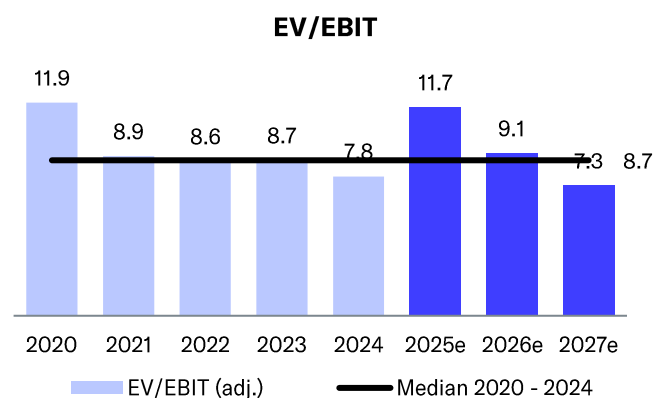
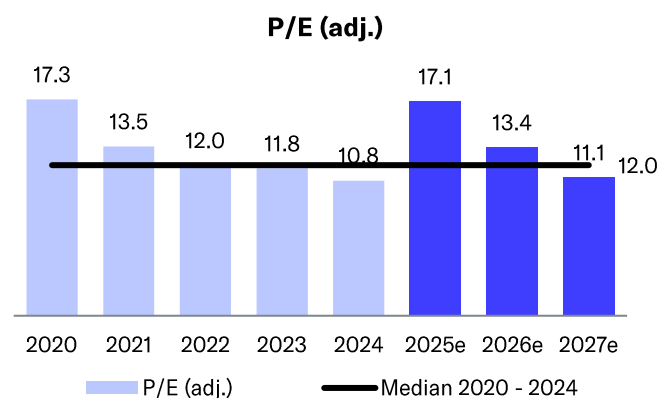
	2025e	2026e	2027e
Share price	17.9	17.9	17.9
Number of shares, millions	11.0	11.0	11.1
Market cap	197	197	197
EV	181	178	172
P/E (adj.)	17.1	13.4	11.1
P/E	17.1	13.4	11.1
P/B	3.2	3.1	2.9
P/S	3.6	3.2	2.9
EV/Sales	3.3	2.9	2.5
EV/EBITDA	10.0	8.1	6.6
EV/EBIT (adj.)	11.7	9.1	7.3
Payout ratio (%)	110.2 %	90.1 %	77.4 %
Dividend yield-%	6.4 %	6.7 %	7.0 %

Source: Inderes

# Valuation table

	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.7	13.6	14.2	14.4	17.8	17.9	17.9	17.9	17.9
Number of shares, millions	10.4	10.4	10.6	10.8	10.9	11.0	11.0	11.1	11.1
Market cap	112	141	151	155	195	197	197	197	197
EV	102	129	142	147	182	181	178	172	163
P/E (adj.)	17.3	13.5	12.0	11.8	10.8	17.1	13.4	11.1	9.2
P/E	17.9	13.7	12.0	11.7	10.8	17.1	13.4	11.1	9.2
P/B	2.9	3.2	3.2	3.0	3.2	3.2	3.1	2.9	2.6
P/S	3.3	3.2	3.1	3.0	3.1	3.6	3.2	2.9	2.6
EV/Sales	3.0	2.9	2.9	2.8	2.9	3.3	2.9	2.5	2.2
EV/EBITDA	10.2	8.1	7.7	7.6	7.0	10.0	8.1	6.6	5.2
EV/EBIT (adj.)	11.9	8.9	8.6	8.7	7.8	11.7	9.1	7.3	5.7
Payout ratio (%)	85.4 %	80.3 %	76.4 %	81.1 %	66.7 %	110.2 %	90.1 %	77.4 %	85.0 %
Dividend yield-%	4.8 %	5.9 %	6.3 %	6.9 %	6.2 %	6.4 %	6.7 %	7.0 %	9.4 %

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
Alexandria	97	90	8.6	8.0	7.1	6.7	1.9	1.8	12.4	11.8	6.9	7.0	2.8
Aktia	722								8.0	8.4	8.5	8.7	1.0
CapMan	334	324	10.1	8.3	9.6	7.9	4.9	4.5	16.3	12.8	7.5	7.8	1.7
eQ	470	434	12.2	9.6	11.8	9.3	6.5	5.4	16.6	13.4	6.3	7.7	5.9
Evli	518	519	12.0	10.7	11.0	9.9	4.8	4.5	16.1	14.3	6.2	6.3	3.4
Taaleri	219	195	6.1	6.5	6.0	6.4	3.1	3.2	10.2	9.2	5.9	6.6	1.0
Titanium	84	71	8.8	9.2	8.0	8.3	3.3	3.2	13.0	13.5	7.9	7.7	5.1
<b>United Bankers (Inderes)</b>	<b>197</b>	<b>178</b>	<b>11.7</b>	<b>9.1</b>	<b>10.0</b>	<b>8.1</b>	<b>3.3</b>	<b>2.9</b>	<b>17.1</b>	<b>13.4</b>	<b>6.4</b>	<b>6.7</b>	<b>3.2</b>
<b>Average</b>			<b>9.6</b>	<b>8.7</b>	<b>8.9</b>	<b>8.1</b>	<b>4.1</b>	<b>3.8</b>	<b>13.2</b>	<b>11.9</b>	<b>7.0</b>	<b>7.4</b>	<b>3.0</b>
<b>Median</b>			<b>9.4</b>	<b>8.7</b>	<b>8.8</b>	<b>8.1</b>	<b>4.0</b>	<b>3.8</b>	<b>13.0</b>	<b>12.8</b>	<b>6.9</b>	<b>7.7</b>	<b>2.8</b>
<b>Diff-% to median</b>			<b>24%</b>	<b>4%</b>	<b>14%</b>	<b>0%</b>	<b>-17%</b>	<b>-24%</b>	<b>32%</b>	<b>5%</b>	<b>-7%</b>	<b>-13%</b>	<b>16%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>52.1</b>	<b>33.0</b>	<b>29.1</b>	<b>62.1</b>	<b>26.1</b>	<b>28.2</b>	<b>54.3</b>	<b>61.0</b>	<b>68.0</b>	<b>74.7</b>
<b>EBITDA</b>	<b>19.2</b>	<b>14.7</b>	<b>11.4</b>	<b>26.1</b>	<b>8.0</b>	<b>10.0</b>	<b>18.0</b>	<b>21.8</b>	<b>26.1</b>	<b>31.2</b>
Depreciation	-2.2	-1.2	-1.5	-2.7	-1.2	-1.3	-2.5	-2.2	-2.4	-2.6
<b>EBIT (excl. NRI)</b>	<b>16.9</b>	<b>13.5</b>	<b>9.9</b>	<b>23.4</b>	<b>6.8</b>	<b>8.7</b>	<b>15.5</b>	<b>19.6</b>	<b>23.7</b>	<b>28.5</b>
<b>EBIT</b>	<b>17.0</b>	<b>13.5</b>	<b>9.9</b>	<b>23.4</b>	<b>6.8</b>	<b>8.7</b>	<b>15.5</b>	<b>19.6</b>	<b>23.7</b>	<b>28.5</b>
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>PTP</b>	<b>17.0</b>	<b>13.5</b>	<b>9.9</b>	<b>23.4</b>	<b>6.8</b>	<b>8.7</b>	<b>15.5</b>	<b>19.6</b>	<b>23.7</b>	<b>28.5</b>
Taxes	-3.1	-3.0	-2.0	-4.9	-1.4	-1.8	-3.3	-4.1	-5.0	-6.0
Minority interest	-0.5	-0.2	-0.2	-0.4	-0.3	-0.5	-0.8	-0.8	-0.8	-0.8
<b>Net earnings</b>	<b>13.3</b>	<b>10.3</b>	<b>7.7</b>	<b>18.0</b>	<b>5.1</b>	<b>6.4</b>	<b>11.5</b>	<b>14.7</b>	<b>17.9</b>	<b>21.7</b>
<b>EPS (adj.)</b>	<b>1.22</b>	<b>0.96</b>	<b>0.71</b>	<b>1.65</b>	<b>0.46</b>	<b>0.58</b>	<b>1.04</b>	<b>1.33</b>	<b>1.62</b>	<b>1.95</b>
<b>EPS (rep.)</b>	<b>1.23</b>	<b>0.96</b>	<b>0.71</b>	<b>1.65</b>	<b>0.46</b>	<b>0.58</b>	<b>1.04</b>	<b>1.33</b>	<b>1.62</b>	<b>1.95</b>

Key figures	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	7.4 %	33.5 %	6.2 %	19.2 %	-20.9 %	-3.3 %	-12.7 %	12.4 %	11.4 %	9.8 %
<b>Adjusted EBIT growth-%</b>	2.2 %	93.2 %	-0.1 %	38.6 %	-49.7 %	-11.5 %	-33.6 %	26.4 %	20.6 %	20.5 %
<b>EBITDA-%</b>	36.8 %	44.6 %	39.1 %	42.0 %	30.6 %	35.6 %	33.2 %	35.8 %	38.4 %	41.7 %
<b>Adjusted EBIT-%</b>	32.3 %	40.9 %	33.9 %	37.6 %	26.0 %	31.0 %	28.6 %	32.2 %	34.8 %	38.2 %
<b>Net earnings-%</b>	25.5 %	31.2 %	26.6 %	29.0 %	19.4 %	22.7 %	21.1 %	24.1 %	26.3 %	29.1 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>32.8</b>	<b>47.0</b>	<b>47.6</b>	<b>48.5</b>	<b>49.3</b>
Goodwill	15.6	15.6	15.6	15.6	15.6
Intangible assets	6.1	6.6	7.3	8.1	8.7
Tangible assets	2.9	2.1	1.9	2.0	2.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	8.2	22.8	22.8	22.8	22.8
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>43.3</b>	<b>41.5</b>	<b>39.3</b>	<b>42.7</b>	<b>48.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	32.7	26.3	21.3	21.3	21.3
Receivables	1.2	1.8	1.6	1.8	2.0
Cash and equivalents	9.4	13.3	16.4	19.5	25.3
<b>Balance sheet total</b>	<b>76.1</b>	<b>88.5</b>	<b>86.9</b>	<b>91.1</b>	<b>98.0</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>51.6</b>	<b>61.4</b>	<b>61.7</b>	<b>64.5</b>	<b>70.0</b>
Share capital	5.5	5.5	5.5	5.5	5.5
Retained earnings	22.8	35.3	34.8	36.8	41.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	22.9	20.3	20.3	20.3	20.3
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.4	0.3	1.1	1.9	2.7
<b>Non-current liabilities</b>	<b>3.0</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
Deferred tax liabilities	3.0	1.8	1.8	1.8	1.8
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>21.5</b>	<b>25.2</b>	<b>23.4</b>	<b>24.8</b>	<b>26.2</b>
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	8.1	12.6	10.9	12.2	13.6
Other current liabilities	13.5	12.6	12.6	12.6	12.6
<b>Balance sheet total</b>	<b>76.1</b>	<b>88.4</b>	<b>86.9</b>	<b>91.1</b>	<b>98.0</b>

# DCF-calculation

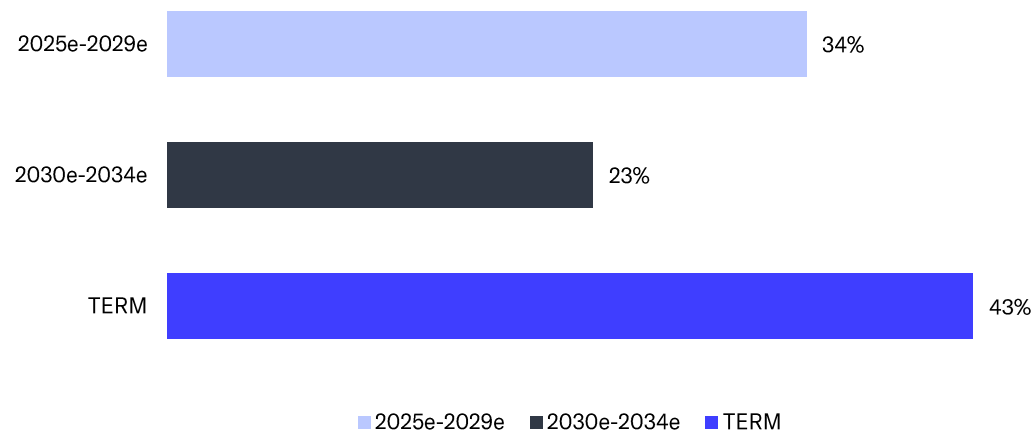
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	19.2 %	-12.7 %	12.4 %	11.4 %	9.8 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	37.6 %	28.6 %	32.2 %	34.8 %	38.2 %	34.0 %	33.0 %	32.0 %	30.0 %	29.0 %	29.0 %	29.0 %
<b>EBIT (operating profit)</b>	<b>23.4</b>	<b>15.5</b>	<b>19.6</b>	<b>23.7</b>	<b>28.5</b>	<b>26.1</b>	<b>26.1</b>	<b>26.1</b>	<b>25.2</b>	<b>25.1</b>	<b>25.7</b>	
+ Depreciation	2.7	2.5	2.2	2.4	2.6	2.8	3.0	3.1	3.2	3.3	3.4	
- Paid taxes	-6.2	-3.3	-4.1	-5.0	-6.0	-5.5	-5.5	-5.5	-5.3	-5.3	-5.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	9.4	3.5	1.1	1.2	1.1	0.4	0.4	0.4	0.4	0.4	0.4	
<b>Operating cash flow</b>	<b>29.4</b>	<b>18.2</b>	<b>18.9</b>	<b>22.3</b>	<b>26.3</b>	<b>23.8</b>	<b>24.0</b>	<b>24.1</b>	<b>23.5</b>	<b>23.5</b>	<b>24.1</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-16.9	-3.1	-3.1	-3.3	-3.3	-3.5	-3.5	-3.6	-3.6	-3.7	-7.4	
<b>Free operating cash flow</b>	<b>12.4</b>	<b>15.2</b>	<b>15.7</b>	<b>19.1</b>	<b>23.0</b>	<b>20.4</b>	<b>20.5</b>	<b>20.6</b>	<b>19.9</b>	<b>19.9</b>	<b>16.6</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	12.4	15.2	15.7	19.1	23.0	20.4	20.5	20.6	19.9	19.9	16.6	227
<b>Discounted FCFF</b>		<b>14.0</b>	<b>13.2</b>	<b>14.5</b>	<b>15.9</b>	<b>12.8</b>	<b>11.7</b>	<b>10.7</b>	<b>9.4</b>	<b>8.5</b>	<b>6.5</b>	<b>88.6</b>
Sum of FCFF present value		206	192	179	164	148	135	124	113	104	95.1	88.6
<b>Enterprise value DCF</b>		<b>206</b>										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		13.3										
-Minorities		-0.8										
-Dividend/capital return		5.4										
<b>Equity value DCF</b>		<b>224</b>										
<b>Equity value DCF per share</b>		<b>20.4</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.80%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.0 %</b>

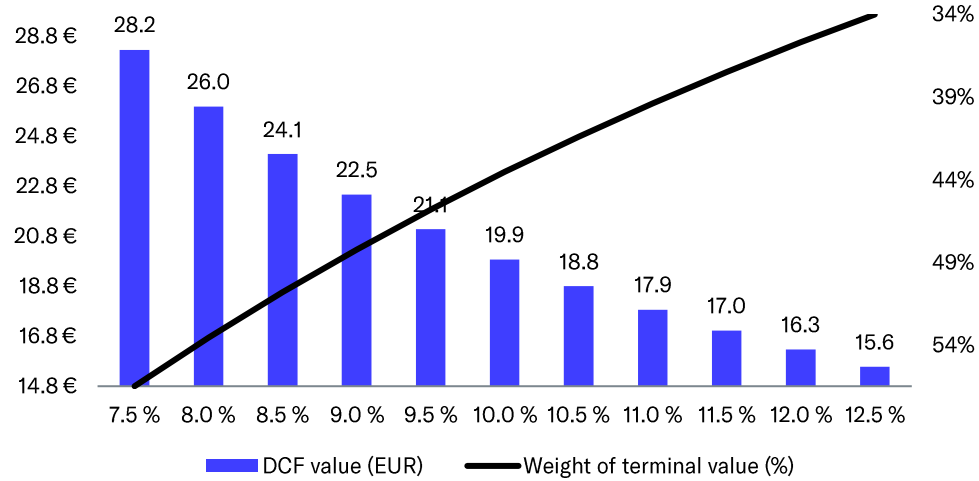
Source: Inderes

## Cash flow distribution

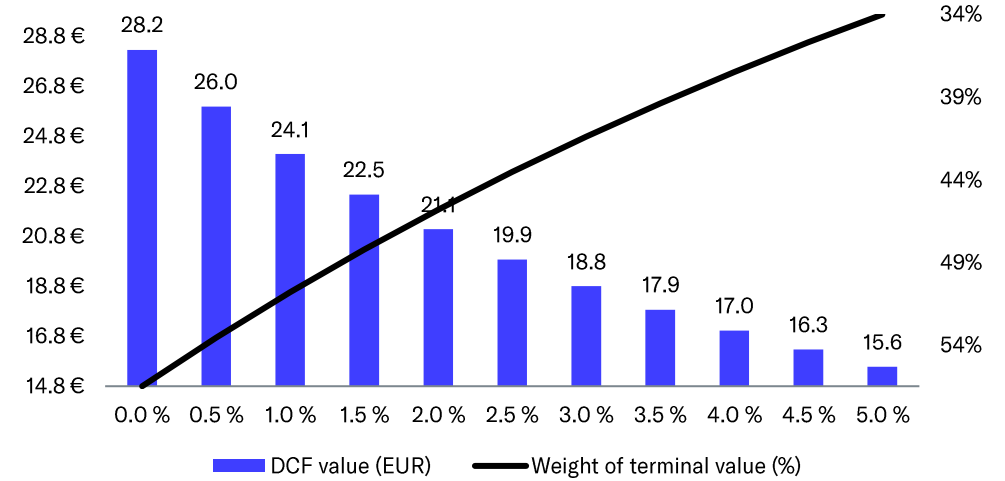


# DCF sensitivity calculations and key assumptions in graphs

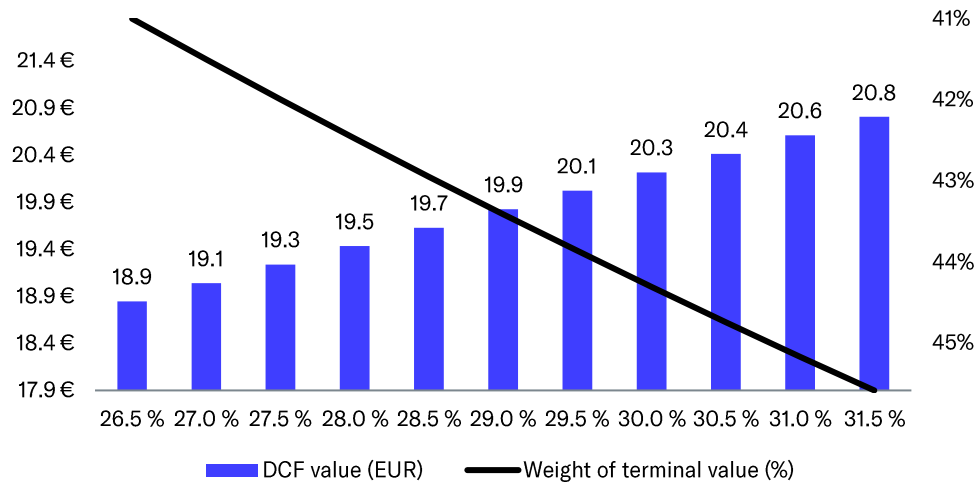
Sensitivity of DCF to changes in the WACC-%



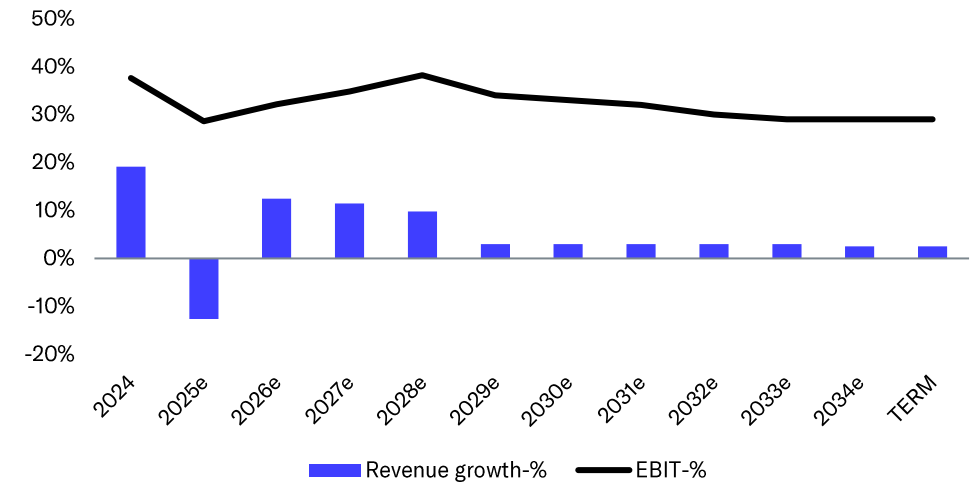
Sensitivity of DCF to changes in the risk-free rate



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	48.6	52.1	62.1	<b>54.3</b>	<b>61.0</b>	EPS (reported)	1.18	1.23	1.65	<b>1.04</b>	<b>1.33</b>
EBITDA	18.4	19.2	26.1	<b>18.0</b>	<b>21.8</b>	EPS (adj.)	1.18	1.22	1.65	<b>1.04</b>	<b>1.33</b>
EBIT	16.5	17.0	23.4	<b>15.5</b>	<b>19.6</b>	OCF / share	0.74	1.22	2.69	<b>1.66</b>	<b>1.71</b>
PTP	16.5	17.0	23.4	<b>15.5</b>	<b>19.6</b>	FCF / share	0.53	0.94	1.14	<b>1.38</b>	<b>1.43</b>
Net Income	12.5	13.3	18.0	<b>11.5</b>	<b>14.7</b>	Book value / share	4.50	4.75	5.59	<b>5.51</b>	<b>5.68</b>
Extraordinary items	0.0	0.1	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.90	1.00	1.10	<b>1.15</b>	<b>1.20</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	71.6	76.1	88.5	<b>86.9</b>	<b>91.1</b>	Revenue growth-%	11%	7%	19%	<b>-13%</b>	<b>12%</b>
Equity capital	48.1	51.6	61.4	<b>61.7</b>	<b>64.5</b>	EBITDA growth-%	16%	4%	36%	<b>-31%</b>	<b>21%</b>
Goodwill	15.6	15.6	15.6	<b>15.6</b>	<b>15.6</b>	EBIT (adj.) growth-%	14%	2%	39%	<b>-34%</b>	<b>26%</b>
Net debt	-9.5	-9.4	-13.3	<b>-16.4</b>	<b>-19.5</b>	EPS (adj.) growth-%	17%	4%	35%	<b>-37%</b>	<b>28%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	37.9 %	36.8 %	42.0 %	<b>33.2 %</b>	<b>35.8 %</b>
EBITDA	18.4	19.2	26.1	<b>18.0</b>	<b>21.8</b>	EBIT (adj.)-%	34.0 %	32.3 %	37.6 %	<b>28.6 %</b>	<b>32.2 %</b>
Change in working capital	-8.1	-3.4	9.4	<b>3.5</b>	<b>1.1</b>	EBIT-%	34.0 %	32.5 %	37.6 %	<b>28.6 %</b>	<b>32.2 %</b>
Operating cash flow	7.8	13.2	29.4	<b>18.2</b>	<b>18.9</b>	ROE-%	27.5 %	26.9 %	32.1 %	<b>18.8 %</b>	<b>23.9 %</b>
CAPEX	-2.3	-3.0	-16.9	<b>-3.1</b>	<b>-3.1</b>	ROI-%	35.0 %	34.1 %	41.4 %	<b>25.2 %</b>	<b>31.1 %</b>
Free cash flow	5.6	10.2	12.4	<b>15.2</b>	<b>15.7</b>	Equity ratio	67.1 %	67.8 %	69.4 %	<b>71.0 %</b>	<b>70.8 %</b>
						Gearing	-19.8 %	-18.1 %	-21.6 %	<b>-26.6 %</b>	<b>-30.2 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	2.9	2.8	2.9	<b>3.3</b>	<b>2.9</b>						
EV/EBITDA	7.7	7.6	7.0	<b>10.0</b>	<b>8.1</b>						
EV/EBIT (adj.)	8.6	8.7	7.8	<b>11.7</b>	<b>9.1</b>						
P/E (adj.)	12.0	11.8	10.8	<b>17.1</b>	<b>13.4</b>						
P/B	3.2	3.0	3.2	<b>3.2</b>	<b>3.1</b>						
Dividend-%	6.3 %	6.9 %	6.2 %	<b>6.4 %</b>	<b>6.7 %</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
8/23/2019	Reduce	7.50 €	7.40 €
12/16/2019	Sell	8.20 €	9.35 €
12/20/2019	Sell	8.20 €	8.95 €
2/7/2020	Reduce	9.00 €	9.45 €
3/3/2020	Reduce	9.00 €	8.90 €
3/23/2020	Reduce	6.40 €	6.90 €
5/14/2020	Reduce	7.50 €	7.75 €
6/8/2020	Reduce	8.00 €	7.95 €
8/27/2020	Reduce	8.80 €	9.00 €
10/26/2020	Reduce	9.00 €	9.30 €
2/22/2021	Reduce	11.00 €	12.80 €
5/26/2021	Reduce	13.00 €	13.15 €
8/27/2021	Reduce	12.50 €	14.30 €
9/24/2021	Reduce	14.00 €	13.60 €
2/21/2022	Reduce	14.00 €	13.95 €
4/11/2022	Reduce	14.00 €	13.70 €
8/29/2022	Reduce	14.00 €	13.85 €
2/6/2023	Accumulate	16.00 €	14.30 €
2/20/2023	Accumulate	16.00 €	14.80 €
8/25/2023	Accumulate	16.00 €	14.80 €
2/19/2024	Accumulate	17.00 €	14.60 €
3/7/2024	Accumulate	19.00 €	17.00 €
6/26/2024	Reduce	19.00 €	18.55 €
8/26/2024	Reduce	19.00 €	19.35 €
2/14/2025	Reduce	18.00 €	17.90 €



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