

SCANFIL

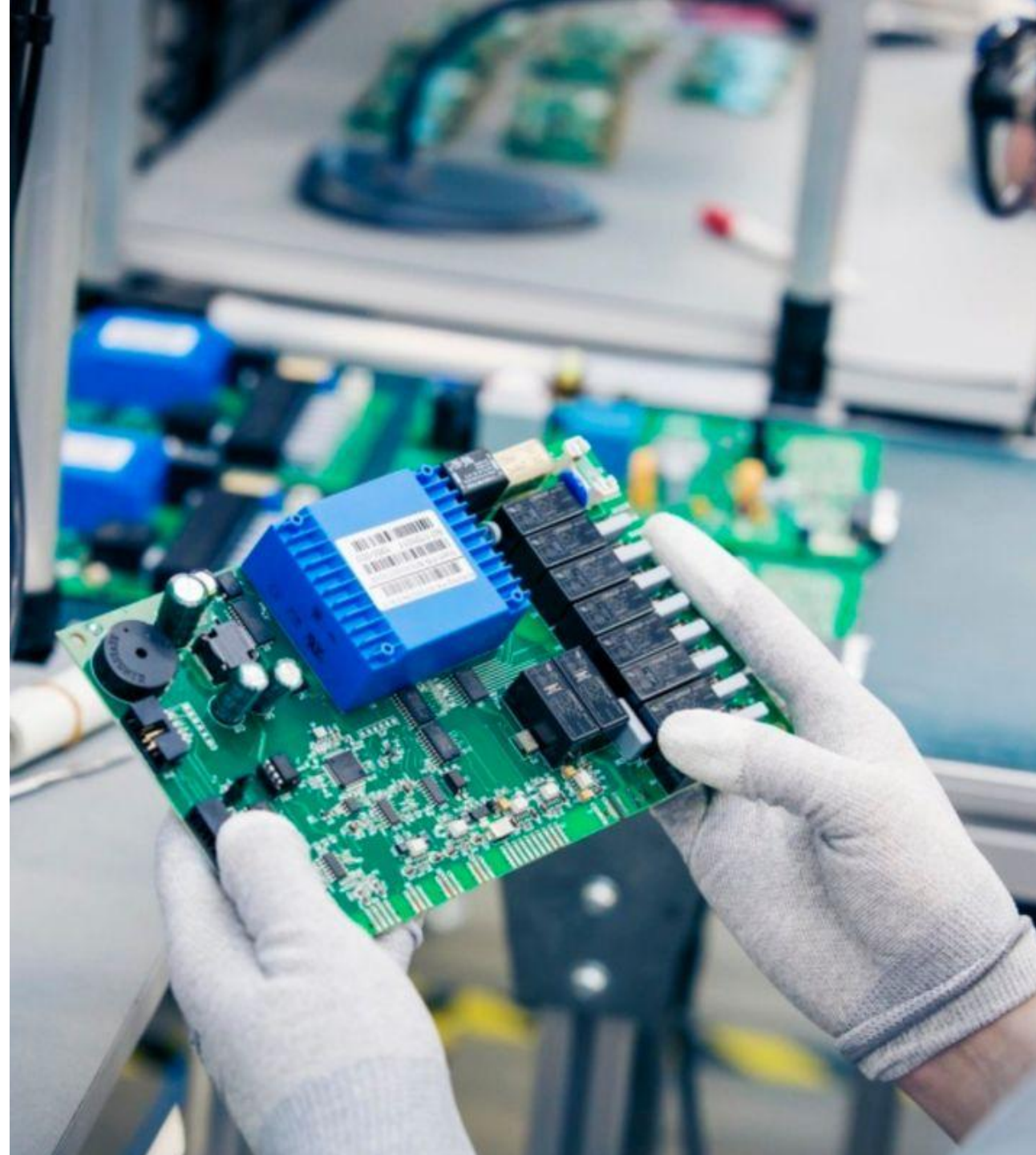
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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Expected return determined by earnings growth

The overall picture of Scanfil's Q4 report released on Friday was, in our view, cautiously positive, with the company's performance showing signs of a turnaround. After the report, we did not make any changes to our earnings forecasts, but we did revise our required return slightly downwards, as we believe the risk level of the stock has decreased somewhat following the guidance that was in line with expectations. Thus, we revise our target price for Scanfil to EUR 9.40 (was EUR 8.70) and reiterate our Accumulate recommendation. In our view, the stock is moderately valued (2025e: P/E 13x, EV/EBIT 10x). As a result, the company's attractive long-term investment story can still be accessed at what we believe is a sufficient near-term expected return at current price levels. However, the expected return hinges on the realization of our earnings growth forecasts.

Performance turned slightly upward in Q4

In Q4, Scanfil's revenue decreased by 4% to 212 MEUR from a good comparison level, which was slightly above our forecast. In organic terms, the decline in revenue was still around 9% due to the weak market situation, as the SRX acquisition supported the profitability inorganically. In Q4, revenue also included low- or zero-cost consignment sales of around 15 MEUR, so the overshoot was not purely demand-driven. Scanfil's adjusted EBIT turned upward and increased by about 4% to 14.0 MEUR from the satisfactory comparison period. The operating result was practically in line with our forecast. In Q4, the company's performance was supported in particular by savings and efficiency measures, as the contribution from the SRX acquisition to the result in Q4 was still limited and the decline in revenue naturally also put pressure on the result. We commented on Scanfil's Q4 numbers in more detail on Friday [here](#).

No changes to estimates after Q4 report

Scanfil gave guidance for the current year, according to which the company's 2025 revenue will be 780-920 MEUR and adjusted EBIT 53-66 MEUR. Prior to the report, we expected Scanfil's

revenue to grow by 9% to 844 MEUR and adjusted EBIT to grow by 11% to 59 MEUR. We also suspect that consensus forecasts were roughly similar. Thus, we believe the current-year outlook was sufficient to meet expectations, although the relatively wide ranges reflect, in our view, the uncertainty still related to the near-term outlook, especially regarding external factors (e.g., geopolitics, global economy and trade policy). Fundamentally, however, Scanfil's demand outlook should be improving as a modest economic recovery and a decline in interest rates will support the company's investment-driven demand from H2 onwards. In addition, the rather encouraging new sales successes in 2024 should support growth and earnings growth from Q2 onwards.

We did not make any forecast changes to our earnings estimates for Scanfil after the report. Our forecasts for the current year are around the mid-points of the company's guidance ranges. We predict that Scanfil's adjusted EBIT will grow at a revenue-driven annual rate of around 10% over the next few years. The main risks to our forecasts relate to external factors such as the global economy, while internally we believe the company is in relatively good shape.

If earnings growth is realized, stock's expected return is still good

Based on our estimates for 2025 and 2026, Scanfil's adjusted P/E ratios are 13x and 11x, while the corresponding EV/EBIT ratios are 10x and 9x. This year's multiples are in line with or slightly below the company's moderate 5-year medians, and next year's multiples are below them. In relative terms, Scanfil is atypically and unjustifiably discounted. As such, we believe the valuation of the stock is still attractive. Therefore, we still consider Scanfil's expected return based on earnings growth and a dividend yield of around 3% to be above the required return. The DCF also indicates that the stock is still cheaply priced.

Recommendation

Accumulate
(was Accumulate)

Business risk



Target price:

EUR 9.40
(was EUR 8.70)

Valuation risk



Share price:
EUR 8.76

	2024	2025e	2026e	2027e
Revenue	780	844	912	970
growth-%	-13%	8%	8%	6%
EBIT adj.	53.1	58.7	64.9	69.5
EBIT-% adj.	6.8 %	7.0 %	7.1 %	7.2 %
Net Income	38.6	44.7	49.8	53.7
EPS (adj.)	0.60	0.68	0.76	0.82
P/E (adj.)	13.8	12.8	11.5	10.7
P/B	1.9	1.8	1.6	1.5
Dividend yield-%	2.9 %	3.0 %	3.2 %	3.4 %
EV/EBIT (adj.)	10.5	9.7	8.5	7.6
EV/EBITDA	7.6	7.0	6.3	5.7
EV/S	0.7	0.7	0.6	0.5

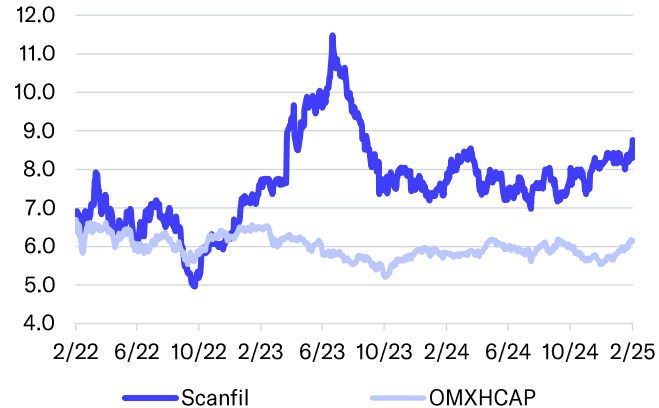
Source: Inderes

Guidance

(New guidance)

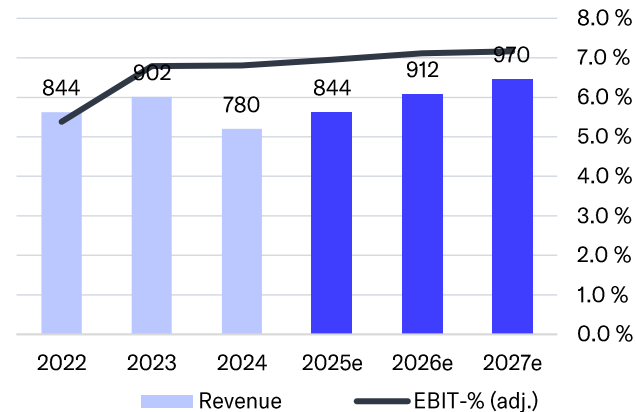
Scanfil estimates that in 2025, its revenue is 780-920 MEUR and adjusted EBIT 53-66 MEUR

Share price



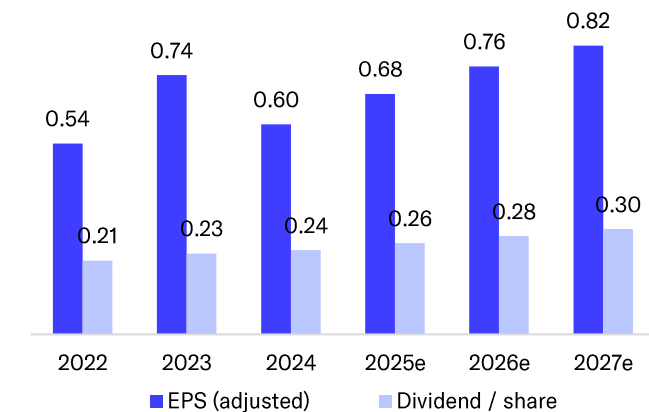
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Organic growth with the market and key customers
- Benefiting from the green trend
- Accelerating growth through M&A
- Strong financial track record
- Increase in acceptable valuation

Risk factors

- Demand comes partly from somewhat cyclical sectors
- Demand is investment-driven and therefore somewhat sensitive to interest rates
- Tightening competition and changes in the competitive field
- Limited pricing power
- Inflation

Valuation	2025e	2026e	2027e
Share price	8.76	8.76	8.76
Number of shares, millions	65.3	65.3	65.3
Market cap	572	572	572
EV	570	554	529
P/E (adj.)	12.8	11.5	10.7
P/E	12.8	11.5	10.7
P/B	1.8	1.6	1.5
P/S	0.7	0.6	0.6
EV/Sales	0.7	0.6	0.5
EV/EBITDA	7.0	6.3	5.7
EV/EBIT (adj.)	9.7	8.5	7.6
Payout ratio (%)	38.0 %	36.7 %	36.5 %
Dividend yield-%	3.0 %	3.2 %	3.4 %

Source: Inderes

No major surprise elements in the Q4 result

Rate of revenue contraction slowed in Q4

In Q4, Scanfil's revenue decreased by 4% to 202 MEUR from a relatively good comparison level. Organically, we estimate the decline to be around 9%, as the SRX acquisition boosted revenue by around 10 MEUR in the quarter. However, the Q4 organic rate of revenue decline was the lowest of last year. In the last part of the year, revenue development was also a bit better than our forecasts, driven by slightly better-than-expected traction in all three customer segments. However, Scanfil sold almost 15 MEUR of customer inventory in Q4. Thus, the outperformance was probably not only due to better-than-expected demand, which was still rather weak at the end of the year, as it was throughout 2024. By segment, MedTech&Life Science turned to growth as expected in Q4, while Industrial and Energy&Cleantech still declined slightly.

Performance slightly improved towards end of the year

Scanfil's adjusted EBIT improved by some 4% to 14.0 MEUR in Q4, mainly driven by efficiency measures. In Q4, SRX still

seemed to have a limited impact on the result. The result settled around the lower end of the guidance, practically in line with our estimate. Scanfil's profitability (EBIT-%) ended at a satisfactory level at 6.6%, but low-margin consignment sales certainly diluted the margin by several tenths of a percent. Profitability also improved significantly from the comparison period, when the margin was burdened by non-recurring restructuring costs of around 1.5 MEUR. Scanfil was therefore still able to alleviate the pressure on earnings caused by the organic decline in revenue relatively well through savings and efficiency measures.

On the bottom line, Scanfil recorded marginal adjustments in Q4 related to the SRX acquisition, and financial expenses were higher than our expectations, likely mainly due to currency-based and non-cash reasons. The tax rate was also just above our expectations. Thus, Scanfil's EPS decreased clearly in Q4 to EUR 0.14 per share and was also below our forecast, which expected a more moderate decline.

From cash-flow perspective, year-end was good

From a cash-flow perspective, the report was good, as the decline in revenue, the sale of inventories and the seasonal nature of the business resulted in a slight release of working capital. Cash flow from operating activities in Q4 decreased by 33% to 23 MEUR from Q4'23, which was characterized by exceptional working capital movements. Free cash flow was below zero in Q4, which was of course impacted by the SRX acquisition (EV 23 MEUR before additional purchase price).

Scanfil's net debt to EBITDA ratio was 0.4x (cf. below 1.5x financial target). Thus, its balance sheet and liquidity are strong. Based on our calculations, the company would still have over 100 MEUR of debt capacity for inorganic growth. This would allow for significant inorganic growth at normal industry valuations. The company also seems to be hungry to buy, judging by its comments. Scanfil plans to raise its dividend for the 12th straight year, although the increase is in practice the smallest possible and one cent below our forecast. However, we are neutral on the dividend proposal.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	221	212	205				4%	780
EBIT (adj.)	13.4	14.0	14.2				-1%	53.1
EBIT	13.4	13.8	14.2				-3%	52.6
PTP	14.1	12.3	13.8				-11%	51.1
EPS (reported)	0.17	0.14	0.16				-14%	
DPS	0.23	0.24	0.25				-4%	0.24
Revenue growth-%	-0.7 %	-3.8 %	-7.2 %				3.3 pp	-13.5 %
EBIT-% (adj.)	6.1 %	6.6 %	6.9 %				-0.3 pp	6.8 %

Source: Inderes

We made no significant estimate revisions

Guidance met expectations

Scanfil gave guidance for the current year, according to which the company's 2025 revenue will be 780-920 MEUR and adjusted EBIT 53-66 MEUR. Prior to the report, we expected Scanfil's revenue to grow by 9% to 844 MEUR and adjusted EBIT to grow by 11% to 59 MEUR. We also suspect that consensus forecasts were roughly similar. Thus, we believe the current-year outlook was sufficient to meet expectations, although the relatively wide ranges reflect, in our view, the uncertainty still related to the near-term outlook, especially regarding external factors (e.g., geopolitics, global economy and trade policy).

Based on the comments, the guidance is somewhat backloaded, as in Q1, Scanfil is ramping up production of several projects won last year (total 188 MEUR in 2024, Q4 annualized 61 MEUR, no comparison figures available). Therefore, growth will only be able to accelerate from Q2 onwards. Similarly, we suspect that the ramp-up of new

projects and the resulting inefficiencies may also dilute profitability in Q1, according to our estimates. In principle, a recovery of the general economic situation should also support Scanfil's demand, especially in H2, while the general market situation may not have time in H1 to recover significantly from the rather sluggish levels of H2'24. On the positive side, however, the order flows in the Nordic technology industry (Scanfil's customer base) have generally developed cautiously positively in Q4 relative to comparison figures and expectations, so that the weakest phase in the overall market situation may already be over.

We made no changes to our estimates after the report

Following the report, we did not make any changes to our earnings forecasts for Scanfil, but we did slightly revise our growth forecasts for 2026 and beyond. We estimate that Scanfil's revenue will increase by 9% to 844 MEUR this year on a year-end weighted basis and that the result will increase by 11% to 58 MEUR, driven by growth. Growth and

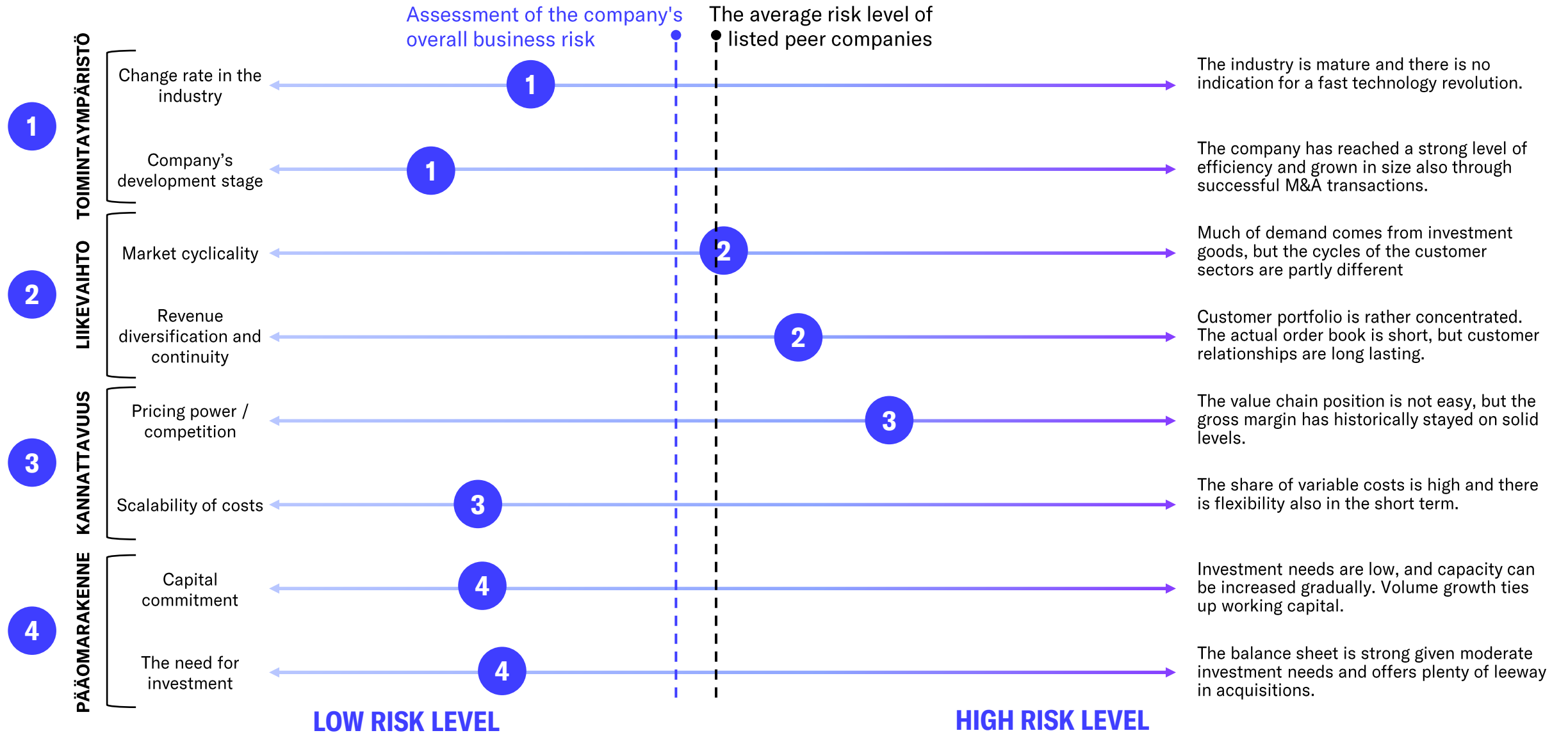
earnings development in Q1-Q3 will also be inorganically supported by the SRX acquisition and last year's sales successes. Our forecasts are around the mid-points of the company's guidance ranges. In the coming years, we expect the company to continue its earnings growth in a gradually improving economic environment. Our forecasts do not include acquisitions, which according to comments could be on the cards as early as this year.

The main uncertainties relate to the top line, as Q4 once again showed that Scanfil's own house is in order. In our view, Scanfil should be able to consistently deliver margins in line with our forecasts and around the lower end of the company's target range (EBIT-% 7-8%), as long as volumes are sufficiently high. Volume is critical to profit growth because, in principle, growth in contract manufacturing also brings absolute profit growth.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	773	780	1%	844	844	0%	927	912	-2%
EBIT (exc. NRIs)	53.0	53.1	0%	58.7	58.7	0%	64.9	64.9	0%
EBIT	53.0	52.6	-1%	58.7	58.7	0%	64.9	64.9	0%
PTP	52.6	51.1	-3%	57.3	57.3	0%	64.3	63.8	-1%
EPS (excl. NRIs)	0.61	0.60	-3%	0.68	0.68	0%	0.77	0.76	-1%
DPS	0.25	0.24	-4%	0.27	0.26	-4%	0.29	0.28	-3%

Source: Inderes

Risk profile of the business



Expected return reflects earnings growth

Multiples are still very reasonable

Our forecast P/E ratios for Scanfil for 2025 and 2026 are around 13x and 11x, respectively, while the corresponding EV/EBIT ratios are approximately 10x and 9x. We expect dividend yields over the next few years to settle at a reasonable 3%. However, we do not deem dividends very significant for Scanfil's expected returns, as its profile is one of a growth company, even if the dividends of the next few years provide a reasonable base return. The earnings-based valuation is slightly below the company's historical medians for the current year, especially with EV multiples that better reflect the strong balance sheet. Similarly, next year's projected earnings growth brings multiples well below the company's own medians.

We believe that Scanfil's P/E multiple of 12x-16x and EV/EBIT multiple of 10x-13x are acceptable based on the company's growth and return on capital potential, the stock's risk level, and its largely strong historical track record. However, given the significant uncertainties that still surround the rate of earnings growth, we believe that the lower halves of the ranges are the most relevant valuation measures in the near term.

With earnings growth, a dividend yield of around 3% and a relatively small change in multiples (2024 ACT P/E 14x), the expected return on equity remains above the required return in our view. However, the return expectation is based on earnings growth and we do not see any upside in the stock if earnings do not increase this year. In the medium term, the expected return driven by earnings growth is also quite good.

Balance sheet value is cheap relative to achieved ROE

Scanfil's P/B ratio 2.0x (2024 ACT) is also low relative to the adjusted ROE of the last five years of just under 17%. With these numbers, Scanfil's backward-looking static earnings yield alone would be quite close to the required return. As a result, we believe that Scanfil's medium- to long-term profitable growth potential, which we believe is quite good, is not yet well priced into the stock.

Peer valuation and DCF tell the same story

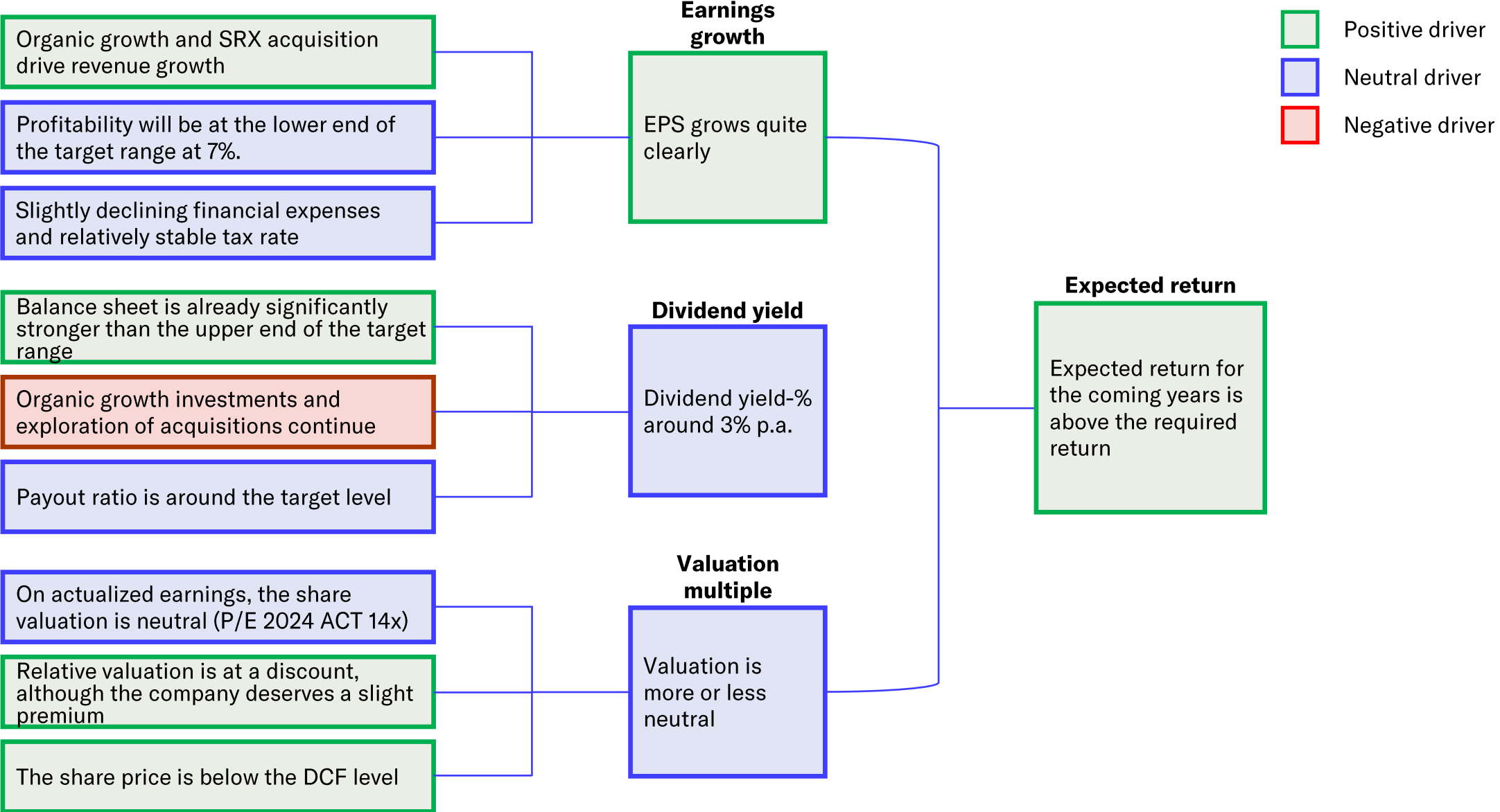
Compared to a peer group of global contract manufacturers, Scanfil's earnings-based valuation has fallen to a discount. We believe that Scanfil deserves a small premium due to its long-term track record and positioning in industrial electronics with better margin potential. We do not see peer valuation as a material driver of Scanfil's pricing, but relative valuation also supports the realization of our earnings expectations.

Our DCF model for Scanfil is also above the share price and around our target price at just under EUR 10 per share. We have slightly lowered our required return on the stock, as we believe the near-term risk level of the stock has declined a notch since our last update (cf. very moderate realization of profit warning risk in Q4'24 and 2025 guidance in line with expectations). Thus, also in light of DCF, the share's valuation is cheap in our view. We also believe that the model parameters are quite conservative, as the average profitability is in line with Scanfil's actual margin level (and slightly below the new target level of 7-8%). Considering these factors and Scanfil's reasonable long-term predictability, we also give a reasonable weight to the DCF signals in Scanfil despite the chronic inaccuracy of the method.

Valuation	2025e	2026e	2027e
Share price	8.76	8.76	8.76
Number of shares, millions	65.3	65.3	65.3
Market cap	572	572	572
EV	570	554	529
P/E (adj.)	12.8	11.5	10.7
P/E	12.8	11.5	10.7
P/B	1.8	1.6	1.5
P/S	0.7	0.6	0.6
EV/Sales	0.7	0.6	0.5
EV/EBITDA	7.0	6.3	5.7
EV/EBIT (adj.)	9.7	8.5	7.6
Payout ratio (%)	38.0 %	36.7 %	36.5 %
Dividend yield-%	3.0 %	3.2 %	3.4 %

Source: Inderes

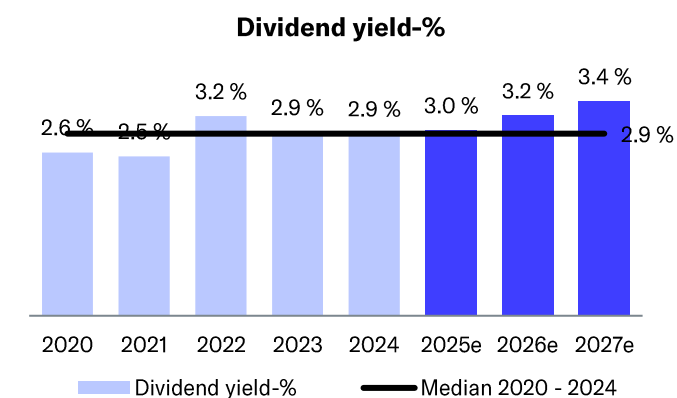
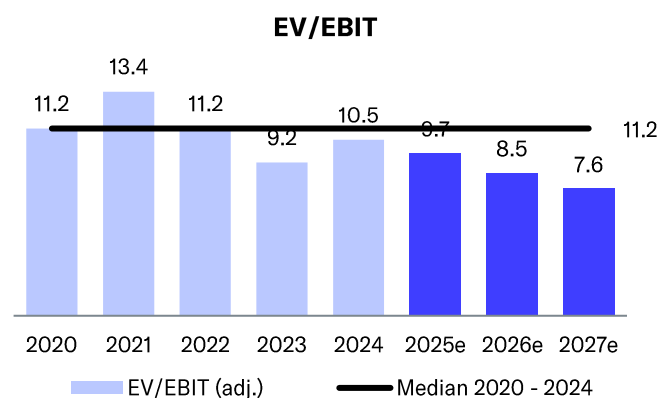
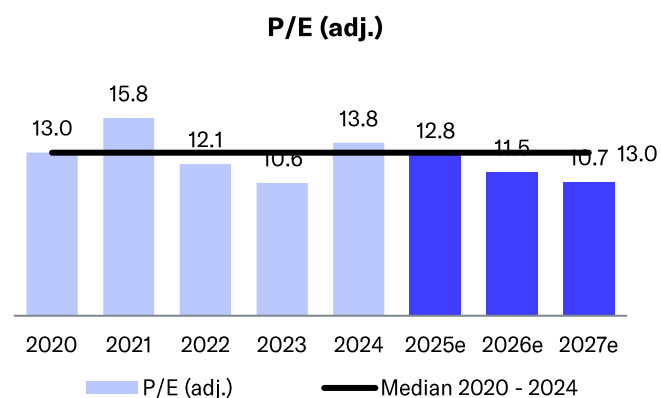
Total Shareholder Return drivers 2024-2026e



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	6.52	7.46	6.58	7.83	8.25	8.76	8.76	8.76	8.76
Number of shares, millions	64.5	64.5	64.5	65.3	65.3	65.3	65.3	65.3	65.3
Market cap	420	481	424	511	538	572	572	572	572
EV	439	541	510	563	560	570	554	529	500
P/E (adj.)	13.0	15.8	12.1	10.6	13.8	12.8	11.5	10.7	10.2
P/E	11.4	16.2	12.1	10.6	13.9	12.8	11.5	10.7	10.2
P/B	2.3	2.3	1.9	1.9	1.9	1.8	1.6	1.5	1.3
P/S	0.7	0.7	1.9	0.6	0.7	0.7	0.6	0.6	0.6
EV/Sales	0.7	0.8	0.5	0.6	0.7	0.7	0.6	0.5	0.5
EV/EBITDA	7.2	9.8	8.1	7.0	7.6	7.0	6.3	5.7	5.3
EV/EBIT (adj.)	11.2	13.4	11.2	9.2	10.5	9.7	8.5	7.6	6.9
Payout ratio (%)	29.7 %	41.1 %	38.7 %	31.2 %	40.6 %	38.0 %	36.7 %	36.5 %	40.0 %
Dividend yield-%	2.6 %	2.5 %	3.2 %	2.9 %	2.9 %	3.0 %	3.2 %	3.4 %	3.9 %

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	
Incap	359	348	10.6	9.7	8.8	8.2	1.3	1.2	14.4	13.1			2.4
Kitron	718	833	14.5	12.4	10.9	9.6	1.2	1.1	18.2	14.2	2.1	2.8	3.1
Hanza	309	374	10.1	8.1	5.8	5.0	0.7	0.6	12.6	10.3	2.3	2.5	2.1
Pegatron	7600	5721	9.4	8.3	5.4	5.2	0.2	0.2	13.8	12.9	4.8	4.8	1.3
Celestica	13267	13628	19.0	16.0	16.1	13.7	1.3	1.1	24.9	20.7			
Flextronics	14789	16105	11.8	11.0	8.6	8.1	0.7	0.6	15.5	14.0			3.2
Foxconn	74250	67798	9.2	7.7	6.8	5.8	0.3	0.2	12.4	10.7	4.2	4.8	1.4
Jabil	17037	17841	12.8	11.6	8.8	8.1	0.7	0.7	18.6	16.1	0.2	0.2	12.8
Hana Microelectronics	529	280	5.3	4.4	2.6	2.3	0.4	0.3	9.9	8.6	4.9	5.8	0.6
TT Electronics	179	330	6.1	4.7	4.3	3.6	0.5	0.5	5.1	3.8	8.1	9.3	0.6
Fabrinet	7639	6733	19.9	17.6	17.1	14.9	2.1	1.8	21.6	19.1			4.1
Universal Scientific	5436	5062	15.6	12.1	10.2	8.5	0.6	0.5	18.6	14.5	1.7	2.3	2.1
Venture Corporation	2690	1854	8.5	8.0	7.6	7.2	0.9	0.8	13.6	12.9	5.7	5.7	1.3
Plexus	3552	3450	15.5	13.7	11.4	10.3	0.9	0.8	20.0	18.0			2.7
Note	412	432	11.6	10.0	8.8	7.8	1.2	1.0	14.8	12.7		0.6	2.4
Lacroix	40	150	5.5	4.1	3.2	2.6	0.2	0.2	2.6	1.7	9.9	15.9	
Scanfil (Inderes)	572	570	9.7	8.5	7.0	6.3	0.7	0.6	12.8	11.5	3.0	3.2	1.8
Average			11.6	10.0	8.5	7.5	0.8	0.7	14.8	12.7	4.4	5.0	2.8
Median			11.1	9.9	8.7	7.9	0.7	0.6	14.6	13.0	4.5	4.8	2.2
Diff-% to median			-12%	-14%	-19%	-20%	1%	-6%	-12%	-12%	-34%	-33%	-20%

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	902	199	196	173	212	780	196	214	206	228	844	912	970	1010
Industrial	428	94.2	90.4	83.9	99.8	368	93.0	101	96.0	108	398	417	435	450
Energy & Cleantech	320	70.4	67.5	55.6	72.4	266	68.0	74.0	73.0	78.0	293	330	360	378
Medtec & Life Science	154	34.3	37.7	33.8	40.0	146	35.0	39.0	37.0	42.0	153	165	175	182
Kertaerät	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
Konserni	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
EBITDA	80.4	17.7	19.0	17.3	19.7	73.7	18.5	20.7	20.5	21.8	81.3	87.8	92.4	94.5
Depreciation	-19.1	-5.0	-5.1	-5.1	-5.9	-21.1	-5.7	-5.7	-5.7	-5.7	-22.6	-22.9	-22.9	-22.5
EBIT (excl. NRI)	61.3	12.7	13.9	12.4	14.0	53.1	12.8	15.0	14.8	16.1	58.7	64.9	69.5	72.0
EBIT	61.3	12.7	13.9	12.2	13.8	52.6	12.8	15.0	14.8	16.1	58.7	64.9	69.5	72.0
Connectivity (old)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.3	0.2	0.0	-0.2	-1.5	-1.5	-0.4	-0.4	-0.3	-0.3	-1.4	-1.1	-0.7	-0.4
PTP	61.6	12.9	14.0	12.0	12.3	51.1	12.4	14.6	14.5	15.8	57.3	63.8	68.8	71.6
Taxes	-13.4	-3.1	-3.2	-3.1	-3.1	-12.5	-2.7	-3.2	-3.2	-3.5	-12.6	-14.0	-15.1	-15.7
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
Net earnings	48.2	9.8	10.8	8.9	9.2	38.6	9.7	11.4	11.3	12.3	44.7	49.8	53.7	55.8
Net earnings	48.2	9.8	10.8	8.9	9.2	38.6	9.7	11.4	11.3	12.3	44.7	49.8	53.7	55.8
EPS (adj.)	0.74	0.15	0.17	0.14	0.14	0.60	0.15	0.17	0.17	0.19	0.68	0.76	0.82	0.86
EPS (rep.)	0.74	0.15	0.17	0.14	0.14	0.59	0.15	0.17	0.17	0.19	0.68	0.76	0.82	0.86

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-%	6.8 %	-11.4 %	-19.6 %	-18.6 %	-3.9 %	-13.5 %	-1.5 %	9.5 %	18.9 %	7.4 %	8.2 %	8.1 %	6.4 %	4.1 %
Adjusted EBIT growth-%	34.9 %	-15.9 %	-20.6 %	-18.3 %	4.7 %	-13.3 %	0.8 %	7.8 %	19.0 %	14.8 %	10.6 %	10.6 %	7.1 %	3.6 %
EBITDA-%	8.9 %	8.9 %	9.7 %	10.0 %	9.3 %	9.5 %	9.4 %	9.6 %	9.9 %	9.5 %	9.6 %	9.6 %	9.5 %	9.4 %
Adjusted EBIT-%	6.8 %	6.4 %	7.1 %	7.2 %	6.6 %	6.8 %	6.5 %	7.0 %	7.2 %	7.1 %	7.0 %	7.1 %	7.2 %	7.1 %
Net earnings-%	5.3 %	4.9 %	5.5 %	5.1 %	4.3 %	5.0 %	4.9 %	5.3 %	5.5 %	5.4 %	5.3 %	5.5 %	5.5 %	5.5 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	112	152	155	148	146
Goodwill	7.7	29.1	29.1	22.1	22.1
Intangible assets	10.4	20.0	20.1	20.2	20.3
Tangible assets	85.3	94.9	97.3	97.4	95.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	7.7	7.7	7.7	7.7	7.7
Current assets	406	387	386	427	476
Inventories	209	168	179	192	204
Other current assets	2.7	4.9	4.9	4.9	4.9
Receivables	174	165	169	182	194
Cash and equivalents	21.2	48.5	33.8	48.2	73.0
Balance sheet total	518	539	541	575	622

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	266	291	320	353	388
Share capital	2.0	2.0	2.0	2.0	2.0
Retained earnings	230	256	285	317	353
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	33.8	33.4	33.4	33.4	33.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.4	63.7	48.0	36.5	36.5
Deferred tax liabilities	5.7	9.7	9.7	9.7	9.7
Provisions	1.1	1.8	1.8	1.8	1.8
Interest bearing debt	18.6	41.9	26.2	25.0	25.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	10.3	10.3	0.0	0.0
Current liabilities	227	184	173	186	197
Interest bearing debt	54.3	27.8	5.7	5.0	5.0
Payables	167	154	165	178	189
Other current liabilities	5.5	2.8	2.8	2.8	2.8
Balance sheet total	518	539	541	575	622

DCF-calculation

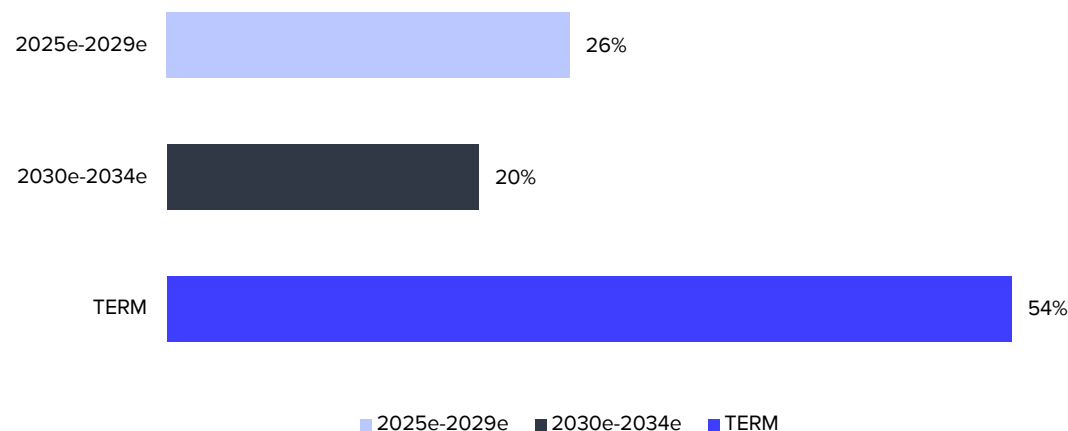
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.5 %	8.2 %	8.1 %	6.4 %	4.1 %	4.0 %	4.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	6.7 %	7.0 %	7.1 %	7.2 %	7.1 %	6.8 %	6.5 %	6.4 %	6.4 %	6.4 %	6.4 %	6.4 %
EBIT (operating profit)	52.6	58.7	64.9	69.5	72.0	71.4	71.0	72.0	74.2	76.4	77.9	
+ Depreciation	21.1	22.6	22.9	22.9	22.5	22.1	21.8	21.6	21.7	21.8	21.8	
- Paid taxes	-8.5	-12.6	-14.0	-15.1	-15.7	-15.7	-15.6	-15.9	-16.4	-16.9	-17.3	
- Tax, financial expenses	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4	0.5	
- Change in working capital	31.1	-3.4	-12.9	-12.5	-8.6	-8.7	-9.0	-7.0	-7.3	-7.5	-5.1	
Operating cash flow	96.0	65.0	60.6	64.6	70.0	69.1	68.2	70.8	72.3	73.9	77.5	
+ Change in other long-term liabilities	11.0	0.0	-10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-61.7	-25.1	-16.1	-21.1	-21.1	-21.1	-21.1	-22.1	-22.1	-22.1	-23.1	
Free operating cash flow	45.3	39.9	34.2	43.5	48.9	48.0	47.1	48.7	50.2	51.8	54.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	45.3	39.9	34.2	43.5	48.9	48.0	47.1	48.7	50.2	51.8	54.4	810
Discounted FCFF		37.1	29.2	34.2	35.3	31.8	28.7	27.2	25.8	24.4	23.6	351
Sum of FCFF present value		648	611	582	548	513	481	452	425	399	375	351
Enterprise value DCF		648										
- Interest bearing debt		-69.7										
+ Cash and cash equivalents		48.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		627										
Equity value DCF per share		9.6										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.4 %
Weighted average cost of capital (WACC)	8.9 %

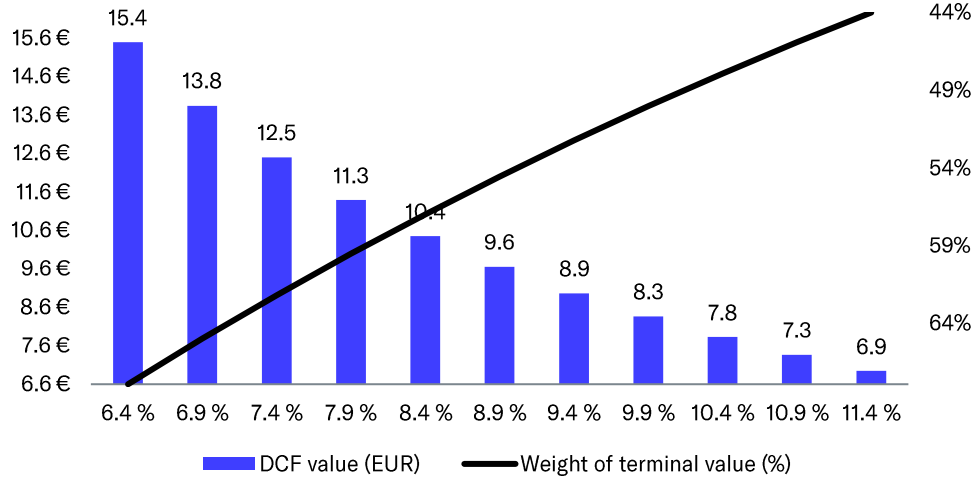
Source: Inderes

Cash flow distribution

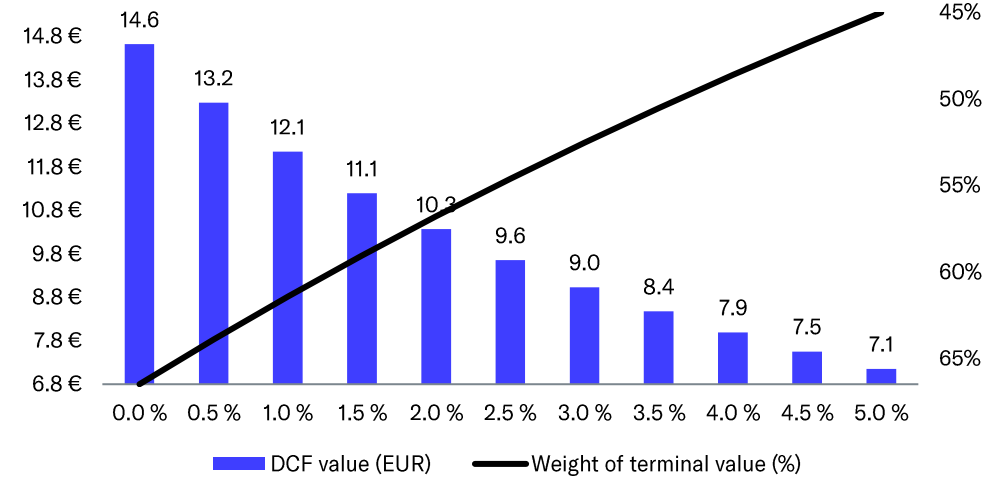


DCF sensitivity calculations and key assumptions in graphs

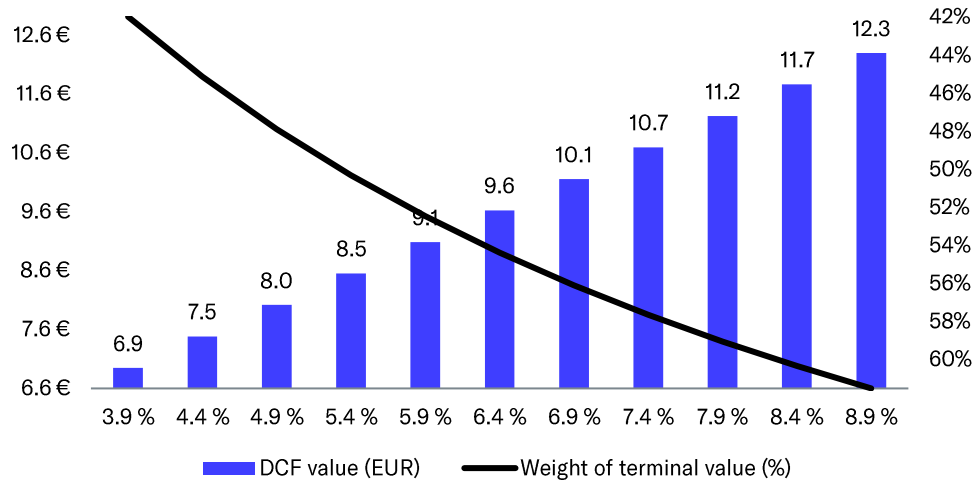
Sensitivity of DCF to changes in the WACC-%



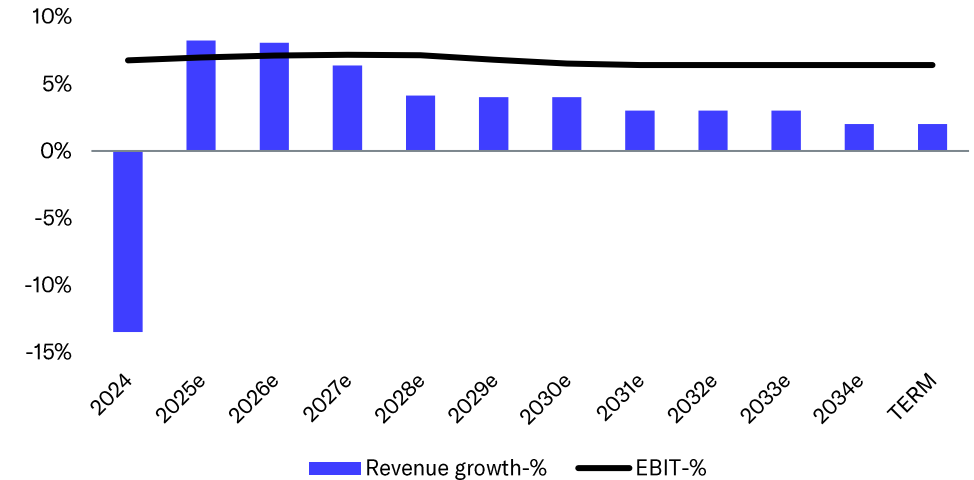
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	844	902	780	844	912	EPS (reported)	0.54	0.74	0.59	0.68	0.76
EBITDA	62.9	80.4	73.7	81.3	87.8	EPS (adj.)	0.54	0.74	0.60	0.68	0.76
EBIT	45.4	61.3	52.6	58.7	64.9	OCF / share	0.24	1.01	1.47	1.00	0.93
PTP	41.7	61.6	51.1	57.3	63.8	FCF / share	-0.10	0.65	0.69	0.61	0.52
Net Income	35.0	48.2	38.6	44.7	49.8	Book value / share	3.51	4.08	4.46	4.90	5.41
Extraordinary items	0.0	0.0	-0.5	0.0	0.0	Dividend / share	0.21	0.23	0.24	0.26	0.28
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	526	518	539	541	575	Revenue growth-%	21%	7%	-13%	8%	8%
Equity capital	227	266	291	320	353	EBITDA growth-%	14%	28%	-8%	10%	8%
Goodwill	7.7	7.7	29.1	29.1	22.1	EBIT (adj.) growth-%	13%	35%	-13%	11%	11%
Net debt	85.5	51.7	21.2	-1.9	-18.2	EPS (adj.) growth-%	15%	36%	-19%	15%	11%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	7.5 %	8.9 %	9.5 %	9.6 %	9.6 %
EBITDA	62.9	80.4	73.7	81.3	87.8	EBIT (adj.)-%	5.4 %	6.8 %	6.8 %	7.0 %	7.1 %
Change in working capital	-39.9	-2.0	31.1	-3.4	-12.9	EBIT-%	5.4 %	6.8 %	6.7 %	7.0 %	7.1 %
Operating cash flow	15.7	66.2	96.0	65.0	60.6	ROE-%	16.1 %	19.6 %	13.9 %	14.6 %	14.8 %
CAPEX	-22.6	-24.3	-61.7	-25.1	-16.1	ROI-%	14.5 %	18.2 %	15.2 %	16.6 %	17.8 %
Free cash flow	-6.7	42.2	45.3	39.9	34.2	Equity ratio	43.1 %	51.3 %	54.0 %	59.1 %	61.4 %
						Gearing	37.7 %	19.4 %	7.3 %	-0.6 %	-5.2 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.6	0.6	0.7	0.7	0.6						
EV/EBITDA	8.1	7.0	7.6	7.0	6.3						
EV/EBIT (adj.)	11.2	9.2	10.5	9.7	8.5						
P/E (adj.)	12.1	10.6	13.8	12.8	11.5						
P/B	1.9	1.9	1.9	1.8	1.6						
Dividend-%	3.2 %	2.9 %	2.9 %	3.0 %	3.2 %						

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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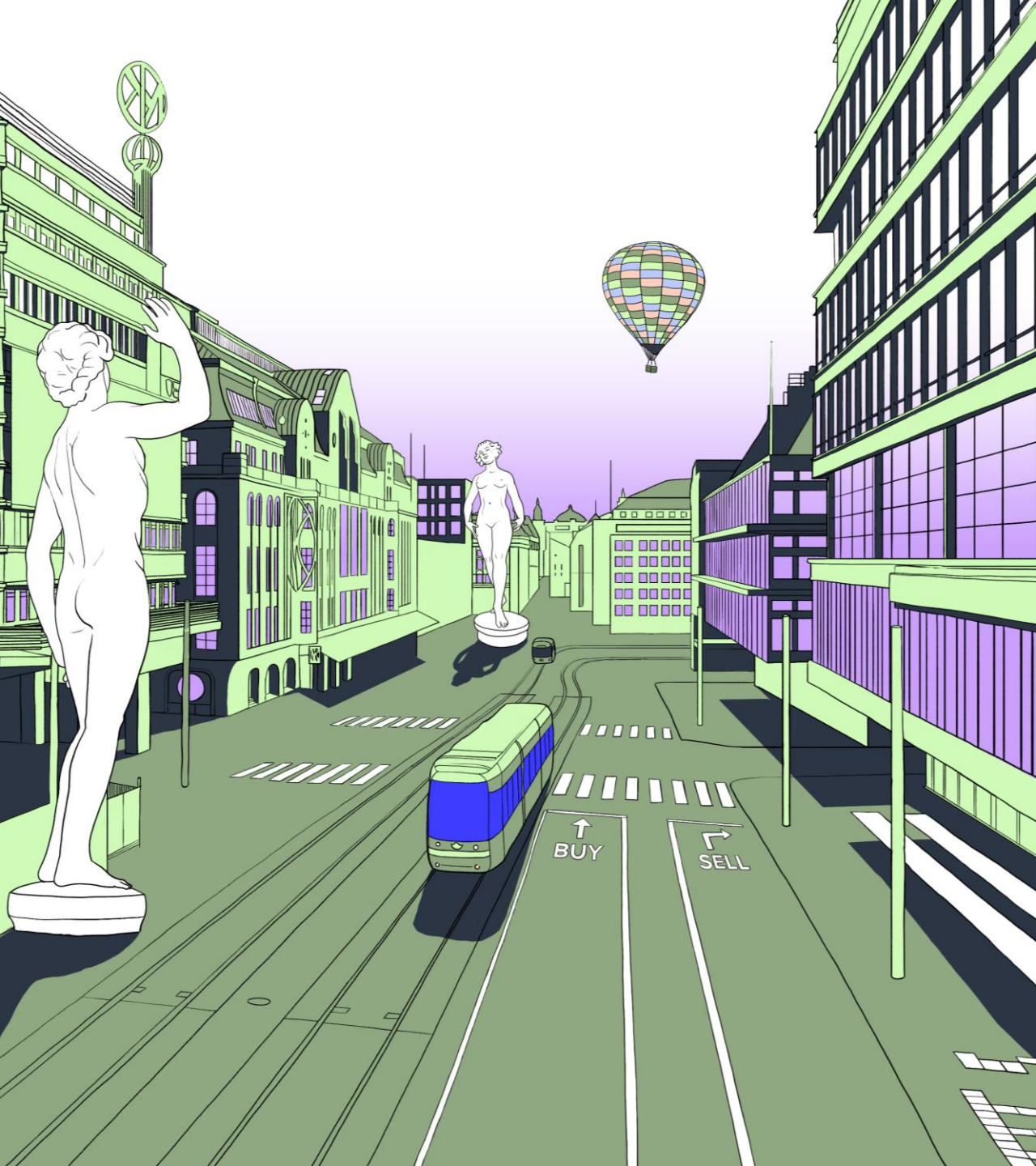
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/26/2019	Accumulate	4.50 €	4.20 €
8/12/2019	Accumulate	4.50 €	4.04 €
10/28/2019	Accumulate	4.75 €	4.35 €
1/17/2020	Accumulate	5.25 €	4.94 €
2/20/2020	Accumulate	5.60 €	5.20 €
3/23/2020	Accumulate	4.25 €	3.73 €
4/25/2020	Accumulate	5.00 €	4.48 €
8/5/2020	Accumulate	5.50 €	5.18 €
8/10/2020	Accumulate	6.00 €	5.56 €
10/28/2020	Buy	6.00 €	5.14 €
12/15/2020	Accumulate	6.30 €	5.96 €
3/19/2021	Accumulate	7.30 €	6.90 €
4/9/2021	Accumulate	8.00 €	7.56 €
4/26/2021	Accumulate	8.60 €	8.08 €
6/14/2021	Accumulate	8.60 €	8.06 €
8/8/2021	Accumulate	8.75 €	8.30 €
10/14/2021	Accumulate	8.75 €	7.94 €
10/27/2021	Accumulate	8.75 €	7.78 €
12/13/2021	Reduce	8.30 €	7.96 €
2/16/2022	Accumulate	8.00 €	7.08 €
2/23/2022	Accumulate	8.00 €	6.84 €
4/19/2022	Accumulate	8.00 €	7.04 €
6/1/2022	Accumulate	7.60 €	6.66 €
7/14/2022	Accumulate	7.60 €	6.98 €
8/8/2022	Accumulate	7.60 €	6.76 €
10/27/2022	Buy	7.25 €	5.84 €
2/22/2023	Accumulate	8.25 €	7.74 €
4/23/2023	Reduce	9.00 €	9.13 €
4/26/2023	Reduce	9.00 €	9.67 €
7/6/2023	Reduce	9.50 €	10.38 €
7/31/2023	Reduce	10.00 €	10.56 €
8/7/2023	Reduce	10.00 €	10.64 €
9/14/2023	Accumulate	10.00 €	8.51 €
10/16/2023	Accumulate	9.00 €	7.64 €
10/30/2023	Accumulate	9.00 €	7.38 €
2/25/2024	Accumulate	9.00 €	7.71 €
4/25/2024	Accumulate	9.00 €	7.78 €
6/11/2024	Accumulate	9.00 €	7.48 €
8/7/2024	Accumulate	9.00 €	7.35 €
10/7/2024	Accumulate	9.00 €	7.38 €
10/28/2024	Accumulate	8.70 €	7.87 €
10/24/2025	Accumulate	9.40 €	8.76 €



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