

HKFOODS

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Profitability improved more strongly than expected

HKFoods' upward trend in 2024 came to a great conclusion with a strong Q4 result. Strong earnings growth also supports the outlook for the coming years and, in a positive scenario, could accelerate the repayment of the hybrid bond and the start of dividend payments. The earnings-based valuation of the stock is close to fair value. However, we see even cheaper and more predictable companies in the industry in relation to earnings, so we maintain our Reduce recommendation on HKFoods and raise our target price to EUR 1.0 (was EUR 0.85).

2024 ended on a strong note

HKFoods announced on Wednesday, January 15 at 4:45 pm (EET) that it will raise its earnings forecast for 2024. Comparable EBIT from continuing operations for 2024 is now estimated to be 27-28 MEUR, compared to the previous guidance of 22-25 MEUR. The midpoint of the new guidance range is now 17% higher than before. The guidance indicates that Q4 EBIT has multiplied from a weak comparison period to approximately 10 MEUR (Q4'23: 3 MEUR). The company cited production efficiencies, commercial success and, in particular, a strong holiday season as reasons for raising guidance. We assume the decline in inflation to have had a modestly positive impact on consumer spending in the end of 2024. At the same time, cost pressures in the meat sector were lower than in the past, for example due to lower feed prices, which should have supported industry margins.

Still difficult to gauge a sustainable performance level

We raised our adjusted EBIT forecasts by 16% for 2024 and by 8-11% for 2025-26. The strong earnings position at the end of 2024 supports the earnings outlook for 2025, but we still find it challenging to forecast long-term sustainable earnings given the volatile historical performance. Positive drivers for 2025 include at least the improvement in

production efficiency (a significant positive turnaround started in mid-2024), a favorable cost environment and a small positive turnaround in Finland's economic growth, which could also support consumer spending. The start of poultry exports to China could also be a positive driver, allowing for a higher processing margin in poultry handling. Possible negative drivers could include high wage inflation, accelerating price pressure from retail chains, Chinese restrictions on EU pork imports, and changes in the cost of raw materials and other inputs. HKFoods' profitability has historically been well below current levels and volatile, which contributes to our cautious outlook and explains why we do not forecast significant earnings growth in the coming years.

Improved profitability bolsters dividend expectations

The higher-than-expected earnings level improves the prospects for strengthening HKFoods' balance sheet and could thus support the dividend outlook for 2025-26. The improved earnings level will increase the safety margins of the balance sheet covenants, which could potentially allow the company to repay the expensive 26 MEUR hybrid loan (16% interest rate) on its balance sheet as early as 2025. Our forecasts still assume that the loan will not be repaid until 2026, as we want to see the balance sheet in 2024 after the divestments before we make any significant changes to the balance sheet forecasts. We forecast a net debt to EBITDA ratio of 2.4x and net debt of 141 MEUR at the end of 2024. In our view, the current valuation of the stock is close to fair value. The EV/EBIT ratio is just above 9x in 2024e and falls to just below 9x in 2025-26. In our view, there are Finnish food stocks that are cheaper investments and also pay a higher dividend yield. On the other hand, if HKFoods' earnings level were to improve on a sustained basis, the value of the stock would increase significantly due to the company's high debt leverage.

Recommendation

Reduce

(was Reduce)

Target price:

1.00 EUR

(was EUR 0.85)

Share price:

1.00

Business risk



Valuation risk



	2023	2024e	2025e	2026e
Revenue	1163.2	1011.7	1057.5	1078.6
growth-%	-37%	-13%	5%	2%
EBIT adj.	14.9	27.5	27.7	28.0
EBIT-% adj.	1.3 %	2.7 %	2.6 %	2.6 %
Net Income	-19.5	3.3	7.4	10.0
EPS (adj.)	-0.25	0.01	0.04	0.08

P/E (adj.)	neg.	>100	28.0	13.0
P/B	0.5	0.6	0.5	0.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	2.8 %
EV/EBIT (adj.)	26.0	9.3	8.7	8.4
EV/EBITDA	7.3	4.4	4.0	3.9
EV/S	0.3	0.3	0.2	0.2

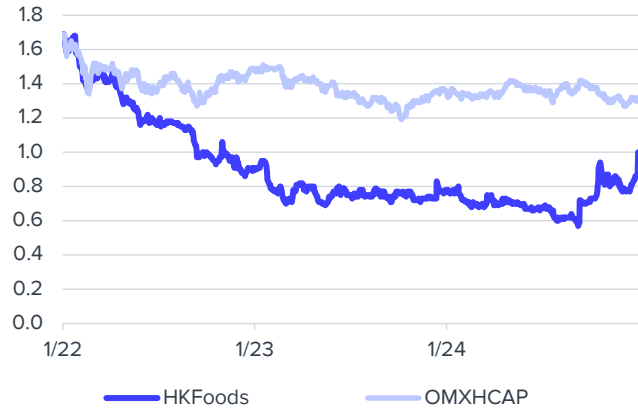
Source: Inderes

Guidance

(Upgraded)

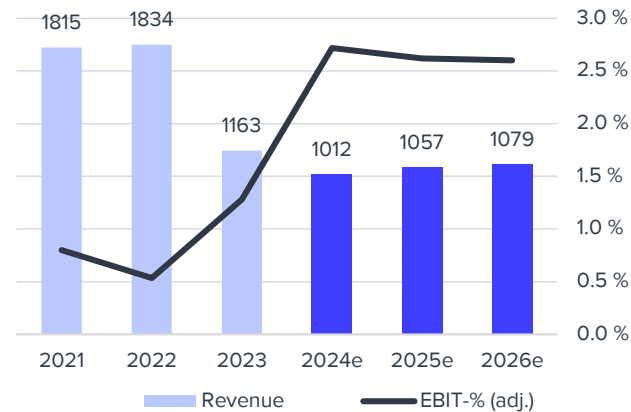
The comparable EBIT in 2024 is estimated to be 27-28 MEUR.

Share price



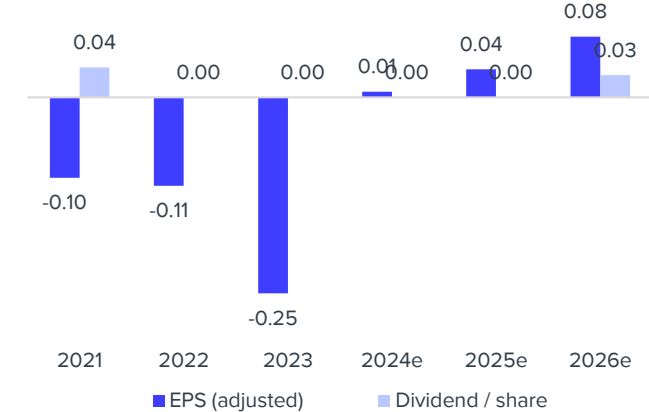
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong commercial position in Finland through scale and well-known brands
- Investments in poultry and other growing segments such as ready meals
- Focus on Finland allows concentration of investments and strengthening of industrial efficiency
- Balance sheet strengthened through divestments

Risk factors

- Long-term decline in red meat consumption
- Fierce competition in the food sector and strong bargaining power of retailers limit profitability
- Changes in consumer demand and cost environment may affect profitability
- Animal diseases may impact export licenses
- Indebtedness remains quite high

Valuation	2024e	2025e	2026e
Share price	1.00	1.00	1.00
Number of shares, millions	89.9	89.9	89.9
Market cap	90	90	90
EV	255	241	236
P/E (adj.)	>100	28.0	13.0
P/E	neg.	28.0	13.0
P/B	0.6	0.5	0.5
P/S	0.1	0.1	0.1
EV/Sales	0.3	0.2	0.2
EV/EBITDA	4.4	4.0	3.9
EV/EBIT (adj.)	9.3	8.7	8.4
Payout ratio (%)	0.0 %	0.0 %	25.4 %
Dividend yield-%	0.0 %	0.0 %	2.8 %

Source: Inderes

Earnings forecasts raised

Drivers for continued earnings growth in 2025 are in place, but predictability remains weak

- HKFoods updated its guidance for 2024 results. Comparable EBIT from continuing operations in 2024 is 27-28 MEUR.
- According to the previous guidance issued on September 26, 2024, adjusted EBIT was estimated to be in the range of 22-25 MEUR. Adjusted EBIT for 2023 was 11.6 MEUR.
- According to the company, the improvement in results was due to more efficient production, commercial success and, in particular, a successful Christmas season.
- In addition to company-specific factors, we believe the improvement in profitability was also driven by improved consumer spending due to lower interest rates and moderate cost pressure in primary meat production.
- We raised our forecasts for 2025-26 by 11% and 8% respectively. Our forecasts do not assume significant additional earnings growth in the coming years, in part because of the difficulty of forecasting due to weak historical performance and uncertainties related to the operating environment. In a positive scenario, however, we see an opportunity for the company to significantly improve its results even from the current level, as the efficiency measures completed in 2024, among other things, should be fully reflected in the 2025 figures and the demand environment should develop moderately positively.

Expectations for Q4

- Figures other than adjusted EBIT are not yet available for Q4.
- We expect revenue to grow by 11% year-on-year, more than half of which is technically related to the accounting arrangements for the Polish bacon business. We estimate organic growth of 5.6%, which would likely imply strong volume growth as food prices were relatively stable year-on-year in Q4.
- In the 2024 financial statements, we will also focus on the balance sheet numbers, as the divestment of the Danish poultry business was completed in Q4, reducing the balance sheet leverage. We forecast net debt of 141 MEUR and a net debt/EBITDA ratio of 2.4x at the end of 2024. Significant deviations from the forecast in either direction may affect the valuation of the stock and the potential timing of the redemption of the hybrid bond.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1009	1012	0%	1055	1057	0%	1076	1079	0%
EBITDA	53.9	57.7	7%	57.6	60.3	5%	59.2	61.2	3%
EBIT (exc. NRIs)	23.7	27.5	16%	25.0	27.7	11%	26.0	28.0	8%
EBIT	22.2	26.0	17%	25.0	27.7	11%	26.0	28.0	8%
PTP	4.3	8.1	89%	11.6	14.3	23%	14.6	16.6	14%
EPS (excl. NRIs)	-0.04	0.01	120%	0.01	0.04	549%	0.06	0.08	30%
DPS	0.00	0.00		0.00	0.00		0.03	0.03	0%

Source: Inderes

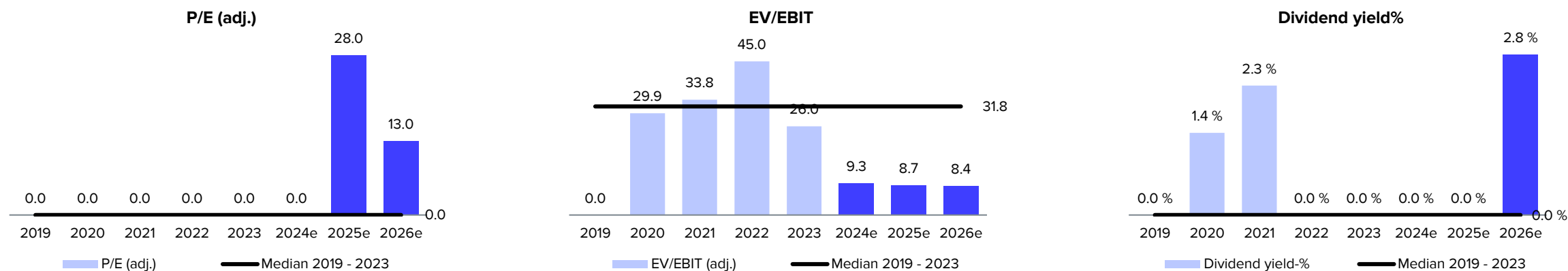
Estimates	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus	2024e	
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	250		277				1012
EBITDA	10.7		18.2				57.7
EBIT (adj.)	3.0		10.1				27.5
EBIT	3.1		10.1				26.0
EPS (adj.)			0.03				0.01
Revenue growth-%	-0.9 %		10.8 %				8.4 %
EBIT-% (adj.)	1.2 %		3.6 %				2.7 %

Source: Inderes

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	2.76	1.96	1.66	0.87	0.89	1.00	1.00	1.00	1.00
Number of shares, millions	99.0	97.0	97.1	97.3	97.4	89.9	89.9	89.9	89.9
Market cap	273	190	161	85	87	90	90	90	90
EV	529	508	490	441	387	255	241	236	227
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	>100	28.0	13.0	7.6
P/E	neg.	neg.	neg.	neg.	neg.	neg.	28.0	13.0	7.6
P/B	0.8	0.7	0.6	0.4	0.5	0.6	0.5	0.5	0.5
P/S	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
EV/Sales	0.3	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	9.3	6.5	6.3	7.9	7.3	4.4	4.0	3.9	3.6
EV/EBIT (adj.)	neg.	29.9	33.8	45.0	26.0	9.3	8.7	8.4	7.9
Payout ratio (%)	0.0 %	249.7 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %	25.4 %	28.5 %
Dividend yield-%	0.0 %	1.4 %	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	2.8 %	3.8 %

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
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Atria	315	595	8.6	8.4	4.5	4.4	0.3	0.3	7.6	7.1	7.0	7.4	0.7
Apetit	88	82	11.7	11.7	5.9	5.9	0.5	0.5	13.5	13.5	5.4	5.4	0.8
Raisio	341	276	11.0	9.7	7.9	7.1	1.2	1.1	16.4	16.1	6.3	6.6	1.3
Hilton Foods	911	1331	10.5	10.3	6.7	6.5	0.3	0.3	13.5	12.7	4.1	4.4	2.2
Scandi Standard	477	624	12.4	10.5	7.3	6.6	0.5	0.5	15.4	12.8	3.7	4.5	2.0
Cranswick	2991	3121	13.3	12.7	9.2	8.8	1.0	0.9	17.8	16.9	2.1	2.2	2.5
Societe LDC	2355	2062	6.2	5.8	3.7	3.5	0.3	0.3	8.9	8.2	2.4	2.4	1.0
Bell Foods	1739	2695	15.3	15.2	7.2	6.7	0.5	0.5	12.0	11.8	2.7	3.0	1.0
Orior	268	425	14.7	13.0	7.1	6.6	0.6	0.6	12.8	11.1	6.5	6.6	4.7
Prima Meat Packers	664	762			4.9	4.6	0.3	0.3	12.6	12.4	3.8	3.8	0.9
NH Foods	3076	4114			8.0	7.4	0.5	0.5	17.6	14.4	2.9	3.0	0.9
HKFoods (Inderes)	90	255	9.3	8.7	4.4	4.0	0.3	0.2	140.4	28.0	0.0	0.0	0.5
Average			11.5	10.8	6.6	6.2	0.5	0.5	13.5	12.5	4.3	4.5	1.6
Median			11.7	10.5	7.1	6.6	0.5	0.5	13.5	12.7	3.8	4.4	1.0
Diff-% to median			-21%	-17%	-38%	-40%	-50%	-53%	943%	120%	-100%	-100%	-53%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	1815	1834	279	293	289	302	1163	229	255	252	277	1012	1057	1079	1100
Finland	772	868	218	234	231	250	933	229	255	252	277	1012	1057	1079	1100
Denmark	173	220	61.4	59.1	57.5	52.2	230	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	78.1	56.0	9.3	14.1	17.2	12.2	52.8	8.9	11.4	19.2	18.2	57.7	60.3	61.2	62.4
Depreciation	-60.2	-45.8	-8.4	-8.7	-9.0	-9.2	-35.3	-7.7	-8.3	-7.5	-8.2	-31.7	-32.6	-33.2	-33.8
EBIT (excl. NRI)	14.5	9.8	-0.8	5.2	7.7	2.8	14.9	1.4	4.4	11.6	10.1	27.5	27.7	28.0	28.6
EBIT	17.9	10.2	0.9	5.4	8.2	3.0	17.5	1.2	3.1	11.6	10.1	26.0	27.7	28.0	28.6
Finland	12.1	5.6	0.5	6.2	7.6	6.3	20.6	3.4	5.9	13.2	12.1	34.6	35.0	35.3	36.1
Denmark	0.0	1.4	1.2	1.1	1.1	-0.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group admin	5.8	3.2	-0.8	-1.9	-0.5	-3.2	-6.4	-2.2	-2.8	-1.5	-2.1	-8.6	-7.3	-7.3	-7.4
Share of profits in assoc. compan.	3.4	5.4	1.0	0.3	0.3	-0.2	1.3	0.1	0.3	0.4	0.6	1.4	1.5	1.5	1.8
Net financial items	-14.7	-16.3	-6.7	-7.0	-7.1	-6.9	-27.7	-4.9	-4.9	-5.0	-4.5	-19.3	-14.9	-13.0	-11.5
PTP	6.6	-0.7	-4.8	-1.3	1.4	-4.1	-8.9	-3.7	-1.4	7.0	6.2	8.1	14.3	16.6	18.9
Taxes	-7.8	-4.0	0.0	-2.0	-1.3	-3.3	-6.6	-0.1	-0.2	-0.6	-0.6	-1.5	-3.4	-3.0	-3.4
Minority interest	-3.2	-3.7	-0.4	-1.1	-0.9	-1.6	-4.0	-0.1	-0.5	-0.9	-1.8	-3.3	-3.5	-3.6	-3.6
Nettotos	-2.3	-6.3	-4.7	-3.9	-0.3	-8.5	-17.4	-2.8	-1.1	6.5	4.9	7.5	11.6	13.1	11.8
Hybrid loan interest	-2.1	-2.1	-0.5	-0.5	-0.5	-0.5	-2.1	-1.0	-1.0	-1.0	-1.0	-4.2	-4.2	-3.1	0.0
EPS (adj.)	-0.07	-0.11	-0.06	-0.05	-0.01	-0.10	-0.22	-0.05	-0.04	0.05	0.03	-0.01	0.04	0.08	0.13
EPS (rep.)	-0.05	-0.09	-0.05	-0.05	-0.01	-0.09	-0.20	-0.04	-0.02	0.06	0.04	0.04	0.08	0.11	0.13

Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	1.9 %	1.0 %	0.0 %	0.0 %	0.0 %	-83.5 %	-36.6 %	-18.1 %	-13.2 %	-12.9 %	-8.3 %	-13.0 %	4.5 %	2.0 %	2.0 %
Adjusted EBIT growth-%		-32.4 %				-71.4 %	52.0 %	-275.0 %	-15.4 %	51.2 %	259.3 %	84.6 %	0.7 %	1.2 %	2.0 %
EBITDA-%	4.3 %	3.1 %	3.3 %	4.8 %	6.0 %	4.0 %	4.5 %	3.9 %	4.5 %	7.6 %	6.6 %	5.7 %	5.7 %	5.7 %	5.7 %
Adjusted EBIT-%	0.8 %	0.5 %	-0.3 %	1.8 %	2.7 %	0.9 %	1.3 %	0.6 %	1.7 %	4.6 %	3.6 %	2.7 %	2.6 %	2.6 %	2.6 %
Net earnings-%	-0.2 %	-0.5 %	-1.9 %	-1.5 %	-0.3 %	-3.0 %	-1.7 %	-1.7 %	-0.8 %	2.2 %	1.4 %	0.3 %	0.7 %	0.9 %	1.1 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	679	651	371	360	360
Goodwill	46.8	27.8	27.8	27.8	27.8
Intangible assets	67.0	16.2	16.2	16.2	16.2
Tangible assets	379	285	256	259	262
Associated companies	41.1	24.3	24.0	24.0	24.0
Other investments	102	246	0.0	0.0	0.0
Other non-current assets	12.2	26.2	21.2	7.7	4.2
Deferred tax assets	31.8	25.1	25.1	25.1	25.1
Current assets	297	201	186	163	167
Inventories	124	75.2	60.7	63.4	65.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	156	97.3	74.9	78.3	79.8
Cash and equivalents	17.2	28.7	50.6	21.1	21.6
Balance sheet total	976	852	557	523	527

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	286	238	216	219	200
Share capital	0.0	0.0	0.0	0.0	0.0
Retained earnings	0.0	0.0	-21.8	-18.6	-11.7
Hybrid bonds	25.9	25.9	25.9	25.9	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	235	185	185	185	185
Minorities	24.6	26.9	26.9	26.9	26.9
Non-current liabilities	417	434	25.2	139	157
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	334	289	19.2	133	151
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	82.7	145	6.0	6.0	6.0
Current liabilities	274	179	315	164	169
Interest bearing debt	30.6	17.9	173	14.8	16.8
Payables	243	162	143	149	152
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	976	852	557	523	527

DCF-calculation

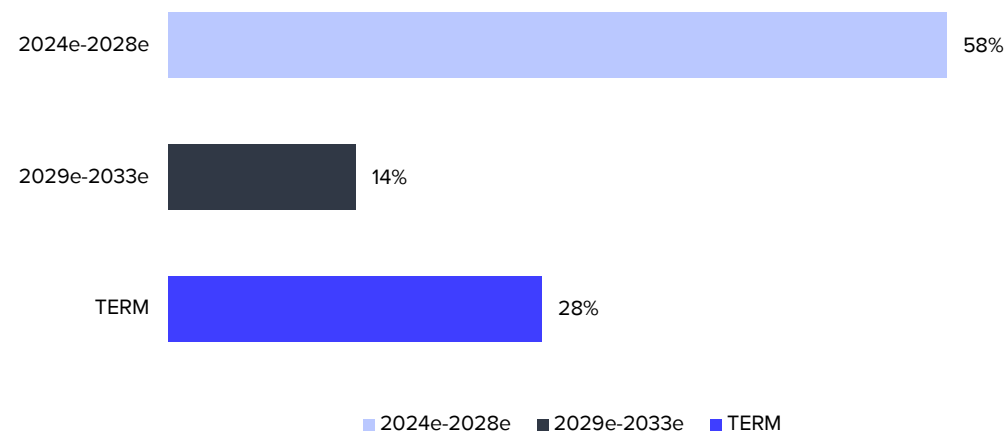
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-36.6 %	-13.0 %	4.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	1.5 %	2.6 %	2.6 %	2.6 %	2.6 %	2.6 %	2.6 %	2.6 %	2.6 %	2.0 %	2.0 %	2.0 %
EBIT (operating profit)	17.5	26.0	27.7	28.0	28.6	29.2	29.8	30.4	31.0	24.3	24.8	
+ Depreciation	35.3	31.7	32.6	33.2	33.8	34.4	34.7	35.0	35.4	35.8	35.9	
- Paid taxes	0.1	-1.5	-3.4	-3.0	-3.4	-4.3	-4.5	-4.7	-5.2	-3.9	-4.1	
- Tax, financial expenses	-5.5	-4.3	-4.0	-2.6	-2.3	-1.6	-1.5	-1.4	-1.0	-0.9	-0.9	
+ 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	25.1	18.1	0.3	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	0.0	0.0	
Operating cash flow	72.5	70.0	53.3	54.7	55.7	56.7	57.4	58.2	59.0	55.3	55.8	
+ Change in other long-term liabilities	62.6	-139.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-29.9	248	-22.1	-32.8	-33.2	-35.6	-36.0	-36.4	-36.8	-37.2	-38.9	
Free operating cash flow	105	179	31.2	21.9	22.5	21.1	21.4	21.8	22.2	18.0	16.9	
+/- Other	-6.9	-26.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	98.3	152	31.2	21.9	22.5	21.1	21.4	21.8	22.2	18.0	16.9	243
Discounted FCFF		152	28.7	18.5	17.4	15.0	13.9	13.0	12.1	9.0	7.7	111
Sum of FCFF present value		399	246	218	199	182	167	153	140	128	119	111
Enterprise value DCF		399										
- Interest bearing debt		-332.8										
+ Cash and cash equivalents		28.7										
-Minorities		-12.8										
-Dividend/capital return		0.0										
Equity value DCF		96.3										
Equity value DCF per share		1.07										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	6.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	9.1 %

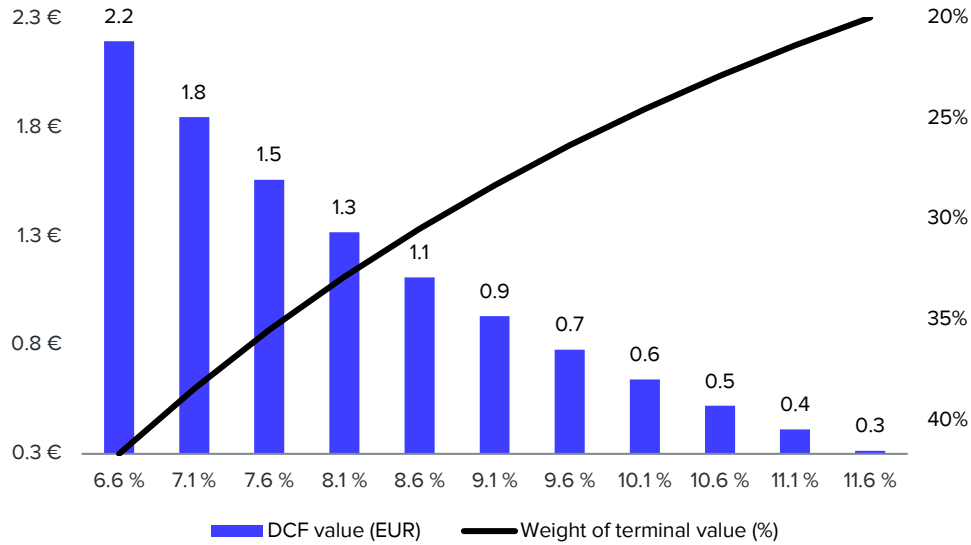
Source: Inderes

Cash flow distribution

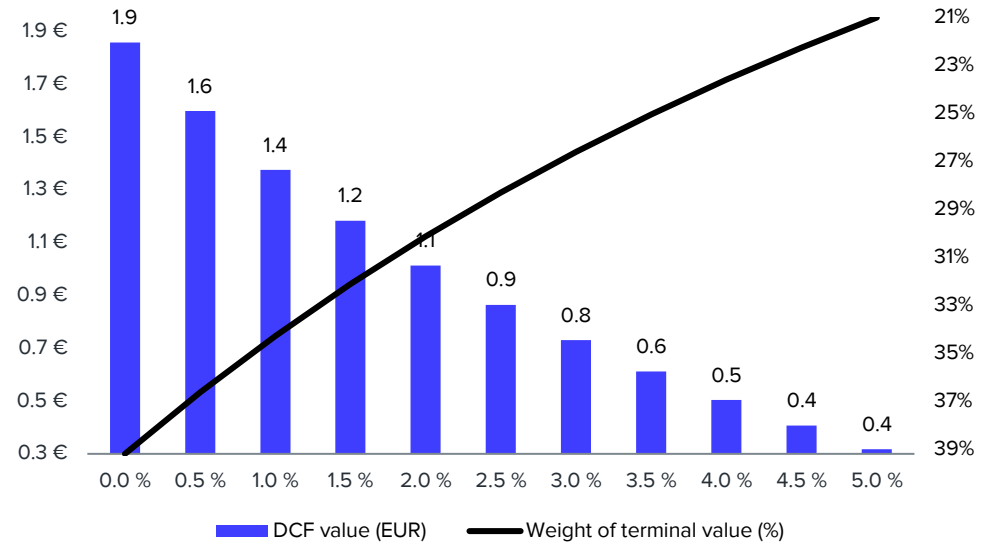


DCF sensitivity calculations and key assumptions in graphs

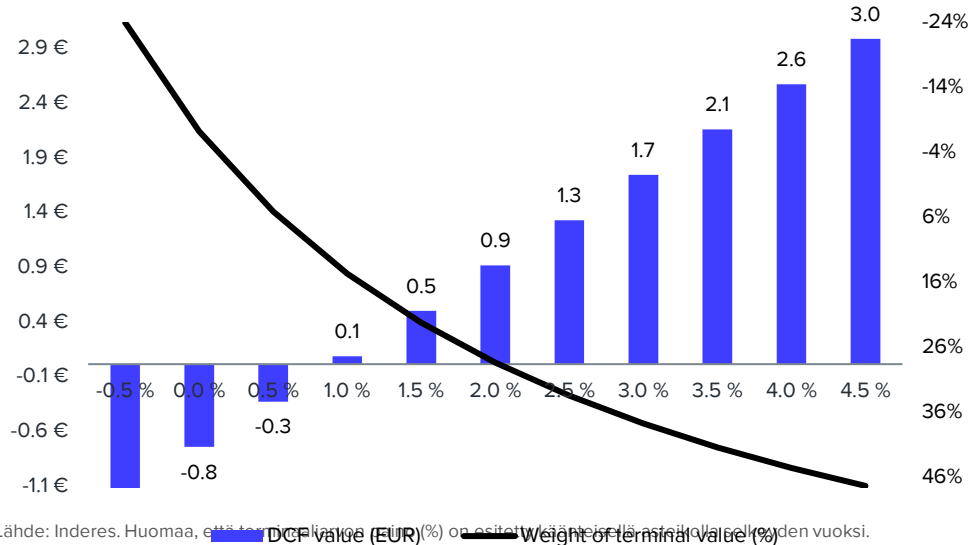
Sensitivity of DCF to changes in the WACC-%



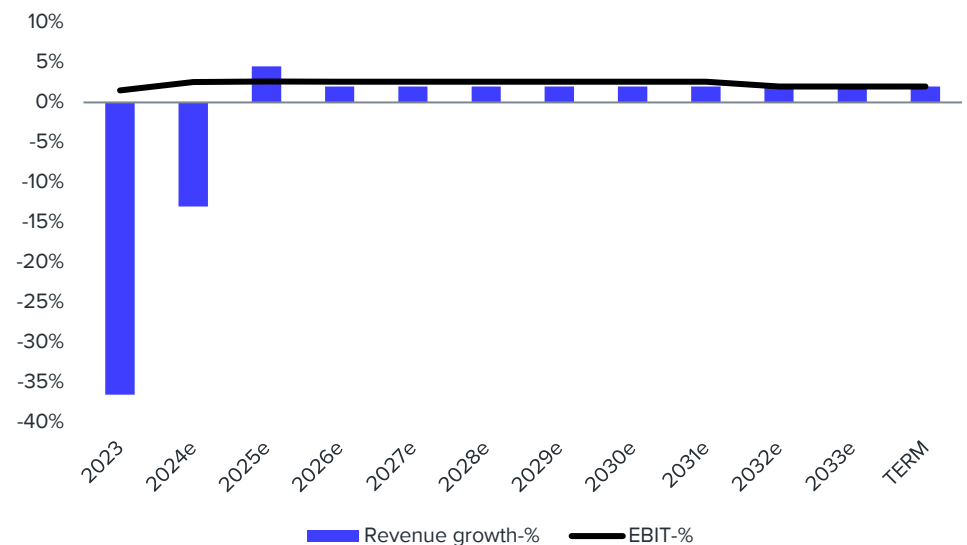
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että tällä DCF-luvulla ei ole mitään väliä, jos oletat, että kasvunopeus on jatkuvasti positiivinen.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	1815.4	1833.8	1163.2	1011.7	1057.5	EPS (reported)	-0.07	-0.11	-0.22	-0.01	0.04
EBITDA	78.1	56.0	52.8	57.7	60.3	EPS (adj.)	-0.10	-0.11	-0.25	0.01	0.04
EBIT	17.9	10.2	17.5	26.0	27.7	OCF / share	0.61	0.41	0.74	0.78	0.59
PTP	6.6	-0.7	-8.9	8.1	14.3	FCF / share	-0.05	-0.45	1.01	1.69	0.35
Net Income	-4.4	-69.5	-26.4	-17.6	7.4	Book value / share	3.17	2.68	2.17	2.11	2.14
Extraordinary items	3.4	0.4	2.6	-1.5	0.0	Dividend / share	0.04	0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	985.6	976.0	851.7	556.7	522.9	Revenue growth-%	2%	1%	-37%	-13%	5%
Equity capital	330.3	285.5	238.0	216.2	219.4	EBITDA growth-%	0%	-28%	-6%	9%	5%
Goodwill	71.3	46.8	27.8	27.8	27.8	EBIT (adj.) growth-%	-15%	-32%	52%	85%	1%
Net debt	314.7	347.3	278.2	141.2	127.2	EPS (adj.) growth-%	87%	10%	122%	-103%	401%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	4.3 %	3.1 %	4.5 %	5.7 %	5.7 %
EBITDA	78.1	56.0	52.8	57.7	60.3	EBIT (adj.)-%	0.8 %	0.5 %	1.3 %	2.7 %	2.6 %
Change in working capital	-12.4	-13.5	25.1	18.1	0.3	EBIT-%	1.0 %	0.6 %	1.5 %	2.6 %	2.6 %
Operating cash flow	59.5	39.7	72.5	70.0	53.3	ROE-%	-1.4 %	-3.0 %	-8.3 %	1.6 %	3.9 %
CAPEX	-58.5	-41.1	-29.9	247.9	-22.1	ROI-%	3.2 %	2.4 %	3.2 %	5.8 %	7.5 %
Free cash flow	-4.5	-43.3	98.3	151.7	31.2	Equity ratio	33.5 %	29.3 %	27.9 %	38.8 %	42.0 %
						Gearing	95.3 %	121.6 %	116.9 %	65.3 %	58.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	0.3	0.2	0.3	0.3	0.2						
EV/EBITDA	6.3	7.9	7.3	4.4	4.0						
EV/EBIT (adj.)	33.8	45.0	26.0	9.3	8.7						
P/E (adj.)	neg.	neg.	neg.	>100	28.0						
P/B	0.5	0.3	0.4	0.5	0.5						
Dividend-%	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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

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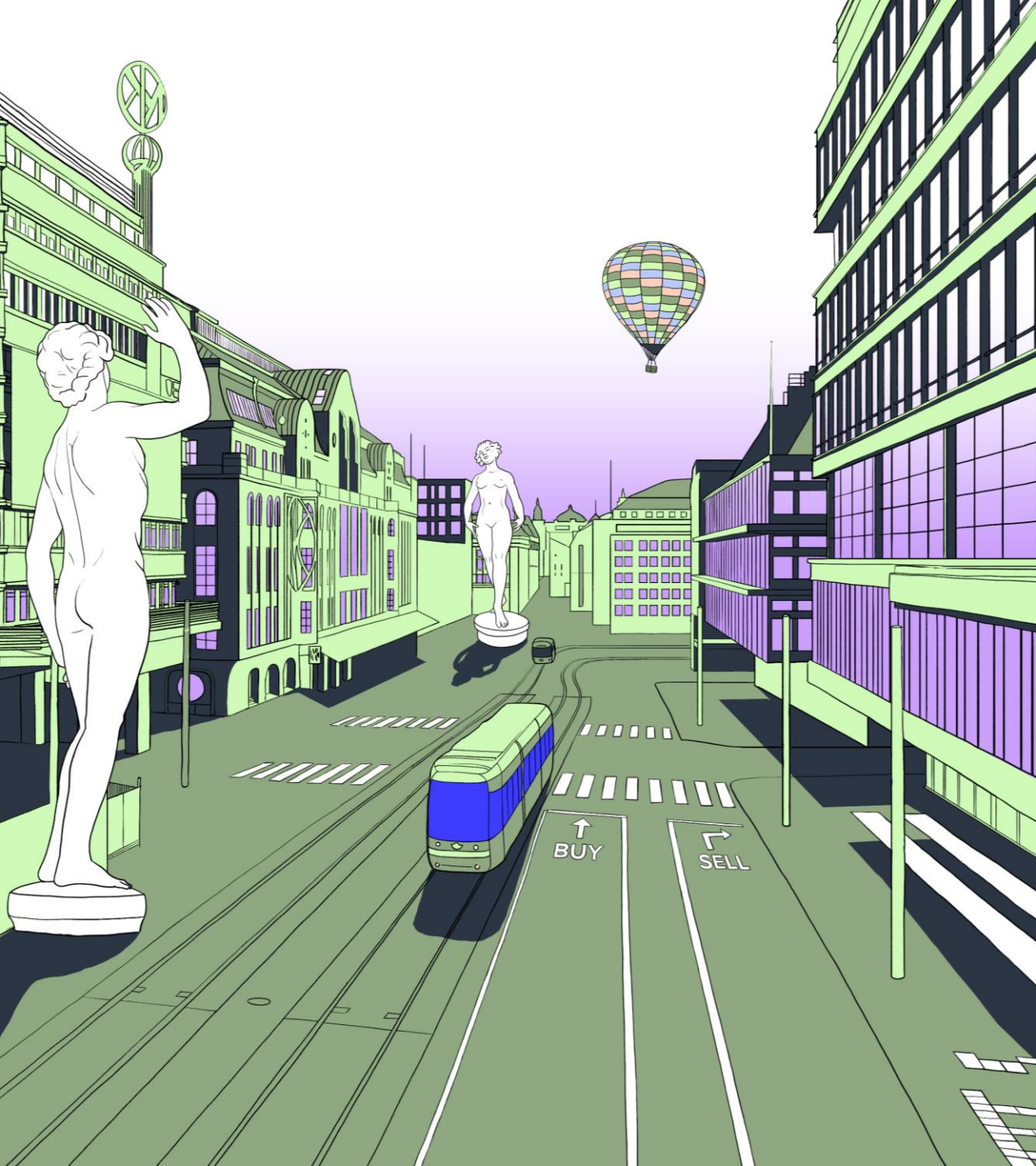
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/1/2024	Reduce	0.65 €	0.70 €
8/8/2024	Reduce	0.55 €	0.63 €
9/26/2024	Reduce	0.70 €	0.72 €
11/6/2024	Reduce	0.85 €	0.88 €
1/15/2025	Reduce	1.00 €	1.00 €



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