

Componenta Oyj

Company report

5/7/2024 7:00 pm EEST



Erkki Vesola
+358 50 549 5512
erkki.vesola@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Pohjaonginnan jälkeen" published on 5/7/2024 at 7:00 pm EEST.

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After bottoming out

Componenta's Q1 figures were below expectations across the board. However, there was nothing surprising about the reasons for the poor profitability. Componenta's customer field is in a positive mood and the company repeated its 2024 guidance. The valuation of the share is still unjustifiably low. We maintain our Buy recommendation but lower our target price to EUR 2.80 (was EUR 3.00).

Low volumes weighed on Q1 results

Q1 revenue was quite close to our expectations, but down 23% year-on-year. However, as the quarter progressed, the operating environment and order book began to show signs of recovery. This message is reinforced by the fact that Componenta's order book at the end of Q1 was 9% higher than at the end of Q4'23. The Q1 result was weak and well below our expectations. Even the group-level EBITDA fell to -0.2 MEUR (margin -0.6%). According to Componenta, half of the year-on-year decline in EBITDA was due to lower volumes, while the other half was due to efficiency and quality losses caused by the ramp-up of new volume products, strikes at the beginning of the year and index developments for electricity and key raw materials. Financing expenses were approximately 0.1 MEUR higher than a year ago and taxes were virtually zero. EPS were well into the red.

More safety margin in the 2024-2025 estimates

The published outlook comments for 2024 were unchanged. Order intake varies by customer and industry, but the outlook through 2024 remains broadly positive. With the start of serial production of new volume products from Q2'24 and Componenta's growing market share, total production volumes are expected to increase this year. The company's order book has continued to develop positively even after Q1 and customers' own inventory levels were also reported to be low. In its guidance, Componenta continues to expect 2024 revenue and EBITDA to improve from 2023, with the improvement concentrated in H2'24. We do not consider the guidance to be demanding, although the weak Q1'24 figures put additional pressure on it. Our EBITDA forecast for 2024 has been cut after a weak Q1, but we still expect the company to land clearly above the lower end of the guidance range. Our EBITDA forecast for 2025 is only slightly lower in euro terms, but the percentage changes in the bottom lines of the income statement are larger.

Valuation is low, but rise requires evidence

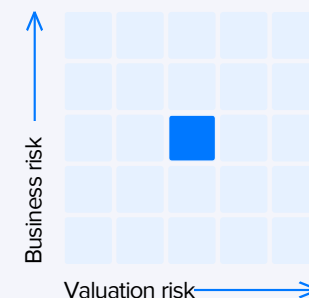
The total expected return on the share exceeds the required return by a wide margin using EV/EBITDA-based calculations for 2024-2025. Calculations based on EV/EBIT or P/E multiples give an overly negative picture of the return potential, as EBIT and EPS figures are currently disproportionately low compared to EBITDA. Overall, we find the risk-adjusted return on the stock very attractive. The relative valuation multiples are distorted by the same factors as above. As a result, the EV/EBITDA multiple for 2024 is at a 52% discount to the peer median, but EV/EBIT is at a premium. However, at 2025 multiples, the stock is discounted by -17% to -48% relative to its peers, and overall, the valuation discount of Componenta's stock is unduly large. The DCF model indicates Componenta a share value of EUR 3.3, with an upside of 42%. However, the realization of the share price potential requires evidence from the company.

Recommendation

Buy
(previous Buy)

EUR 2.80
(previous EUR 3.00)

Share price:
2.30



Key figures

	2023	2024e	2025e	2026e
Revenue	101.8	104.3	109.3	116.4
growth-%	-7%	2%	5%	6%
EBIT adj.	-0.5	1.8	3.7	5.5
EBIT-% adj.	-0.5 %	1.7 %	3.4 %	4.7 %
Net Income	1.5	0.0	2.1	4.1
EPS (adj.)	-0.28	0.00	0.22	0.42
P/E (adj.)	>100	>100	10.6	5.5
P/B	0.9	0.9	0.8	0.7
Dividend yield-%	0.0 %	0.0 %	4.3 %	7.8 %
EV/EBIT (adj.)	neg.	17.8	8.2	5.0
EV/EBITDA	6.0	4.1	3.2	2.5
EV/S	0.3	0.3	0.3	0.2

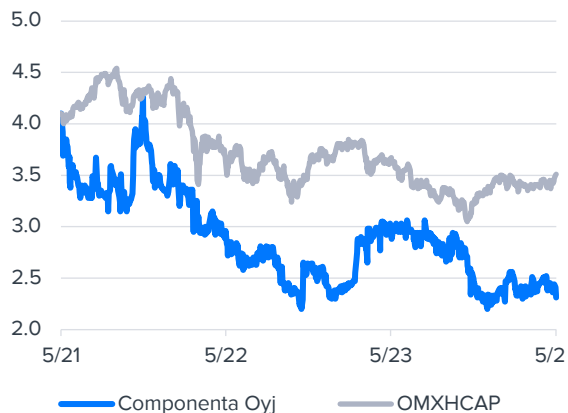
Source: Inderes

Guidance

(Unchanged)

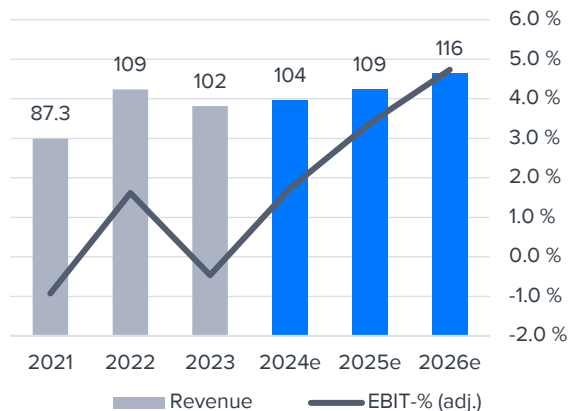
Componenta expects the Group's revenue and EBITDA for 2024 to improve from the previous year. The annual improvement is expected to focus clearly on H2'24.

Share price



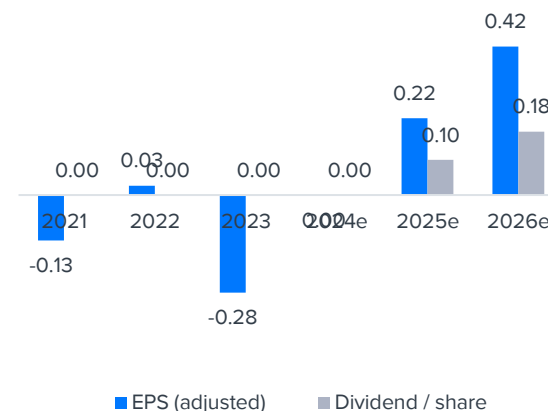
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Customer sector risk highly diversified
- Long-term customer relationships with global OEMs
- Customer-initiated repatriation of supply chains
- Cost changes can be quickly transferred to own prices
- Valuation has a lot of historical baggage



Risk factors

- Traditionally low-margin sector
- Customer sectors individually cyclical
- One big customer dependency

Valuation	2024e	2025e	2026e
Share price	2.31	2.31	2.31
Number of shares, millions	9.71	9.71	9.71
Market cap	22	22	22
EV	32	30	28
P/E (adj.)	>100	10.6	5.5
P/E	>100	10.6	5.5
P/B	0.9	0.8	0.7
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	4.1	3.2	2.5
EV/EBIT (adj.)	17.8	8.2	5.0
Payout ratio (%)	0.0 %	45.7 %	42.7 %
Dividend yield-%	0.0 %	4.3 %	7.8 %

Source: Inderes

Low volumes weighed on Q1 results

Surprisingly unsurprising Q1

Componenta's Q1 figures were below expectations across the board. However, there was nothing surprising about the reasons for the poor profitability.

Early signs of recovery already seen in orders

Q1 revenue was quite close to our expectations, but down 23% year-on-year. According to Componenta, volume and order intake growth were well below expectations due to continued low demand. The company cited interest rates and inflationary trends that have weakened demand for its customers' end products. We interpret this as referring to products such as AGCO/Valtra tractors.

However, according to Componenta, the operating environment and order book showed signs of recovery during the quarter. The book-to-bill ratio and

the order intake of the company's main customers are moving in a positive direction, starting from the lower end of the equipment range. This message is bolstered by the fact that Componenta's order book at the end of Q1 (15.8 MEUR) was 9% higher than at the end of Q4'23. Componenta only records binding deliveries for the next two months in its order book.

Volume and a couple of other factors weighed on the result

The Q1 result was weak and well below our expectations. Even the group-level EBITDA fell to -0.2 MEUR (margin -0.6%). According to Componenta, half of the year-on-year decline in EBITDA (Q1'23 EBITDA 2.8 MEUR) was due to lower volumes. Gross margins were said to be at a satisfactory level and Componenta did not want to cut fixed costs (e.g. product development projects)

too much. The other half of the decline in EBITDA was due to the still lower than normal efficiency and quality of new high-volume products ramping up, strikes at the beginning of the year and index developments for electricity and key raw materials. Most of the factors weighing on profitability were already mentioned in our pre-commentary.

No real surprises on the bottom line of the income statement

Componenta's financing expenses were approximately 0.1 MEUR higher than in the previous year due to the use of a working capital loan and a credit line of 1 MEUR. The credit withdrawn has already been repaid. Taxes were practically zero. However, EPS landed clearly in the negative territory.

Estimates MEUR / EUR	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	30.7	23.6	24.2				-3%	106
EBITDA	2.8	-0.2	1.3				-112%	8.6
EBIT (adj.)	1.4	-1.7	-0.2				726%	2.5
EBIT	1.4	-1.7	-0.2				726%	2.5
PTP	0.9	-2.3	-0.6				266%	0.9
EPS (adj.)	0.09	-0.23	-0.06				267%	0.09
EPS (reported)	0.09	-0.21	-0.06				230%	0.09
Revenue growth-%	20.4 %	-23.3 %	-21.2 %				-2.1 pp	2.4 %
EBIT-% (adj.)	4.5 %	-7.3 %	-0.9 %				-6.4 pp	2.4 %

Source: Inderes

More safety margin in the 2024-2025 estimates

Confidence in the future is returning

Componenta's customer base is positively buoyant, and the company reiterated its 2024 guidance. Our estimate revisions focus on 2024.

More positive signals for the future

The published outlook comments for 2024 were unchanged. Order intake varies by customer and industry, but the outlook through 2024 remains broadly positive. With the start of serial production of new high-volume products from Q2'24 and Componenta's growing market share, total production volumes are expected to increase in 2024.

Componenta comments on the situation in its customer industries as follows: 1) in machinery (45% of 2023 revenue), the worst is believed to be behind; 2) in agricultural and forestry machines (37% share), volumes in the former have been declining since

H2'23 and Componenta expects stable development in the next 2-3 quarters. In forest machinery, customers have found it difficult to fully replace the Russian market with other markets; 3) the energy industry (9%) has "positive buzz", and Componenta is already delivering "reasonable volumes" in H2'24; 4) in defense equipment (4%), demand is strong and Componenta is seeking to participate in selected projects.

Componenta's order book has continued its positive development after Q1. Customers' own inventory levels were also reported to be low. Componenta's focus in acquiring new customers continues to be on Sweden and, to a lesser extent, Central Europe.

Guidance does not change and is valid

Componenta still expects 2024 revenue and EBITDA to improve from 2023. The improvement is weighted towards H2'24. For Q2-Q4'24, the lower end of the

guidance requires around 10% year-on-year revenue growth and an EBITDA margin of around 7% (Q2-Q4'2024: 3.5%). We do not consider the guidance demanding, but the weak numbers in Q1'24 put additional pressure on it.

Earnings forecasts for 2024-2025 cut

We have revised our revenue forecasts for 2024-2026 slightly downwards to take into account the revenue development of Componenta's assumed main customers. Our 2024 EBITDA forecast has been trimmed after a weak Q1, but we still expect to clearly exceed the lower bound of the guidance range (5.3 MEUR). Our EBITDA forecast for 2025 is only slightly lower in euro terms, but the percentage changes in the bottom lines of the income statement are larger.

Estimate revisions MEUR / EUR	2024e		Change %	2025e		Change %	2026e		Change %
	Old	New		Old	New		Old	New	
Revenue	106	104	-2%	111	109	-2%	117	116	-1%
EBITDA	8.6	7.8	-9%	9.7	9.4	-3%	11.1	11.0	0%
EBIT (exc. NRIs)	2.5	1.8	-29%	4.0	3.7	-8%	5.6	5.5	-1%
EBIT	2.5	1.8	-29%	4.0	3.7	-8%	5.6	5.5	-1%
PTP	0.9	0.0	-100%	2.5	2.1	-14%	4.2	4.1	-2%
EPS (excl. NRIs)	0.09	0.00	-101%	0.26	0.22	-14%	0.43	0.42	-2%
DPS	0.05	0.00	-100%	0.10	0.10	0%	0.15	0.18	20%

Source: Inderes

Valuation is low, but rise requires evidence

The worst is probably behind; Buy recommendation remains

Based on Componenta's outlook comments, the reiteration of the 2024 guidance and the company's own numbers and comments from assumed customers, we believe that Componenta is at the beginning of a moderate growth path. The company's indications of new volume product ramp-ups and market share gains support this view. Componenta's strengths of close relationships with well-known customers, improved cost flexibility and a still strong balance sheet remain unchanged. The key performance driver will be volume growth, which is now visible but not yet very fast.

We continue to believe that the valuation of the stock is unjustifiably low. We maintain our Buy recommendation but lower our target price to EUR 2.80 (was EUR 3.00). At the target price, the discount to the peer group median EV/EBITDA for 2024-2025 is -40% to -45%, which is significant. We have considered a -25% discount acceptable for Componenta. However, a price rise requires evidence to support it.

Total return is very attractive

The total expected return on Componenta's share (upside potential based on earnings growth and expected change in valuation multiples plus dividend yield) exceeds the required return by a wide margin with EV/EBITDA-based calculations for 2024-2025, where EV/EBITDA = 5-6x. For example, in a calculation based on 2025 forecasts, the total return is +35% p.a. (upside potential +31% and dividend yield +4%), which is well above the ROE requirement of 12%. Calculations based on EV/EBIT or P/E ratios paint

an overly negative picture of the potential return, as these ratios are currently subject to significant leverage. This is due to Componenta's temporarily disproportionately low EBIT and EPS numbers compared to EBITDA.

It should be noted that in the multiple-based calculation, we have still considered a high discount of -25% relative to the median of the peers acceptable. By setting the discount at, for example, -10 %, the risk-adjusted return with all multiples would be attractive or very attractive with the 2025 forecasts. In view of the above, we consider the risk-adjusted return on the stock to be very attractive.

Peer valuation is inconsistent

Componenta's relative valuation multiples are biased by the same factors as mentioned above. As a result, the EV/EBITDA ratio for 2024 is well discounted (-52%) relative to the peer median, but EV/EBIT is at a premium (+24%) and the P/E ratio cannot be used to calculate the valuation gap. At 2025 valuation multiples, the stock is -17% to -48% discounted to peers. The result is inconsistent and the -25% discount we require is not fully achieved. We find the EV/EBITDA to be a more meaningful benchmark in the current situation than other multiples in peer group valuation and based on it, the unduly high valuation discount of Componenta's stock is obvious.

DCF upside is considerable

The DCF model indicates Componenta a share value of EUR 3.3, with an upside of 42%. Despite the significant leverage related to the parameters of the DCF model, we consider the upside significant. A more detailed calculation can be found in the appendices.

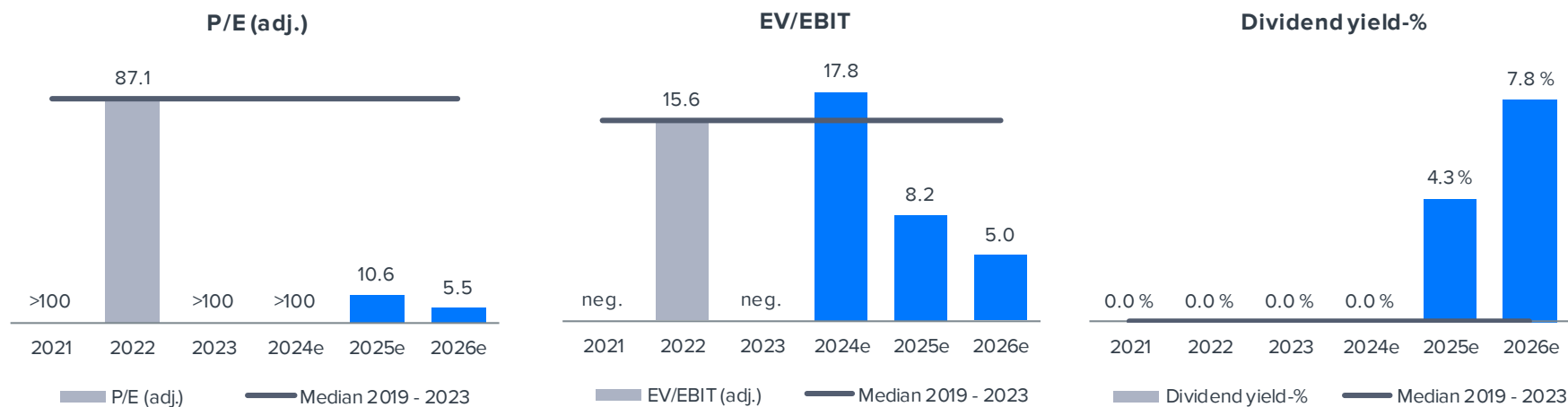
Valuation	2024e	2025e	2026e
Share price	2.31	2.31	2.31
Number of shares, millions	9.71	9.71	9.71
Market cap	22	22	22
EV	32	30	28
P/E (adj.)	>100	10.6	5.5
P/E	>100	10.6	5.5
P/B	0.9	0.8	0.7
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	4.1	3.2	2.5
EV/EBIT (adj.)	17.8	8.2	5.0
Payout ratio (%)	0.0 %	45.7 %	42.7 %
Dividend yield-%	0.0 %	4.3 %	7.8 %

Source: Inderes

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price		3.16	3.34	2.34	2.35	2.31	2.31	2.31	2.31
Number of shares, millions	237.3	9.49	9.52	9.71	9.71	9.71	9.71	9.71	9.71
Market cap		30	32	23	23	22	22	22	22
EV	8.7	27	39	28	32	32	30	28	25
P/E (adj.)	>100	>100	>100	87.1	>100	> 100	10.6	5.5	4.5
P/E	>100	>100	>100	>100	14.7	> 100	10.6	5.5	4.5
P/B	0.0	1.3	1.4	1.0	0.9	0.9	0.8	0.7	0.7
P/S	0.0	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.2
EV/Sales	0.2	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2
EV/EBITDA	5.5	7.3	7.8	3.9	6.0	4.1	3.2	2.5	2.1
EV/EBIT (adj.)	neg.	neg.	neg.	15.6	neg.	17.8	8.2	5.0	4.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	45.7 %	42.7 %	50.0 %
Dividend yield-%		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	4.3 %	7.8 %	11.2 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Norrhydro	17	17		8.5	8.5	4.2	0.6	0.5		30.6	3.9	4.6	2.2
Castings plc	187	145	6.3	6.3	4.4	4.4	0.6	0.6	10.2	10.2	4.9	5.1	
Georg Fischer	5569	7566	14.4	13.2	10.9	10.2	1.4	1.4	17.1	15.0	2.1	2.3	2.9
ElringKlinger	419	805	8.1	6.9	3.8	3.5	0.4	0.4	8.8	6.7	3.2	4.5	0.5
Kesla	14	27	27.0	13.5	9.0	6.8	0.6	0.6	19.6	9.8	2.4	4.4	1.1
Ponsse	624	670	15.4	11.9	8.7	7.5	0.9	0.9	21.8	15.3	2.5	3.0	1.8
Wärtsilä	10728	10660	15.8	13.9	12.8	11.8	1.6	1.5	23.2	20.1	2.2	2.5	4.3
AGCO	7993	9171	6.8	7.0	5.7	5.6	0.7	0.8	9.5	9.5	2.7	2.3	1.6
Componenta Oyj (Inderes)	22	32	17.8	8.2	4.1	3.2	0.3	0.3	n.a.	10.6	0.0	4.3	0.9
Average			13.4	10.1	8.0	6.7	0.9	0.8	15.7	14.7	3.0	3.6	2.0
Median			14.4	10.2	8.6	6.2	0.7	0.7	17.1	12.6	2.6	3.7	1.8
Diff-% to median			24%	-19%	-52%	-48%	-54%	-58%		-16%	-100%	17%	-52%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	87.3	109	102	23.6	25.7	25.0	30.0	104	109	116	122
Group	87.3	109	102	23.6	25.7	25.0	30.0	104	109	116	122
EBITDA	5.0	7.1	5.3	-0.2	1.7	2.1	4.1	7.8	9.4	11.0	11.9
Depreciation	-4.9	-5.5	-1.5	-1.6	-1.5	-1.5	-1.5	-6.0	-5.7	-5.5	-5.6
EBIT (excl. NRI)	-0.8	1.8	-0.5	-1.7	0.2	0.6	2.6	1.8	3.7	5.5	6.2
EBIT	0.0	1.6	3.8	-1.7	0.2	0.6	2.6	1.8	3.7	5.5	6.2
Group	0.0	1.6	3.8	-1.7	0.2	0.6	2.6	1.8	3.7	5.5	6.2
Share of profits in assoc. compan.	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	-0.4	-1.7	-2.2	-0.5	-0.4	-0.4	-0.4	-1.8	-1.6	-1.4	-1.2
PTP	-0.4	-0.1	1.6	-2.3	-0.2	0.2	2.2	0.0	2.1	4.1	5.0
Taxes	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-0.4	0.1	1.5	-2.3	-0.2	0.2	2.2	0.0	2.1	4.1	5.0
EPS (adj.)	-0.13	0.03	-0.28	-0.23	-0.02	0.02	0.23	0.00	0.22	0.42	0.52
EPS (rep.)	-0.04	0.01	0.16	-0.23	-0.02	0.02	0.23	0.00	0.22	0.42	0.52

Key figures	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	24.6 %	25.0 %	-6.7 %	-23.3 %	-13.0 %	25.7 %	38.6 %	2.4 %	4.8 %	6.4 %	5.1 %
Adjusted EBIT growth-%		-318.4 %	-126.8 %	-224.6 %	-78.4 %	-162.3 %	-236.1 %	-482.6 %	104.5 %	48.9 %	13.1 %
EBITDA-%	5.7 %	6.5 %	5.2 %	-0.6 %	6.7 %	8.5 %	13.6 %	7.5 %	8.6 %	9.5 %	9.7 %
Adjusted EBIT-%	-0.9 %	1.6 %	-0.5 %	-7.3 %	0.9 %	2.6 %	8.7 %	1.7 %	3.4 %	4.7 %	5.1 %
Net earnings-%	-0.5 %	0.1 %	1.5 %	-9.6 %	-0.7 %	0.9 %	7.4 %	0.0 %	1.9 %	3.5 %	4.1 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	32.8	36.6	36.3	36.5	37.0
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	2.0	2.0	2.0	2.1	2.2
Tangible assets	27.0	31.0	30.7	30.8	31.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.5	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	25.8	20.7	22.4	25.8	28.9
Inventories	13.3	12.6	12.9	13.6	14.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	3.9	2.8	4.3	4.5	4.8
Cash and equivalents	8.6	5.3	5.2	7.7	9.7
Balance sheet total	58.6	57.3	58.8	62.3	66.0

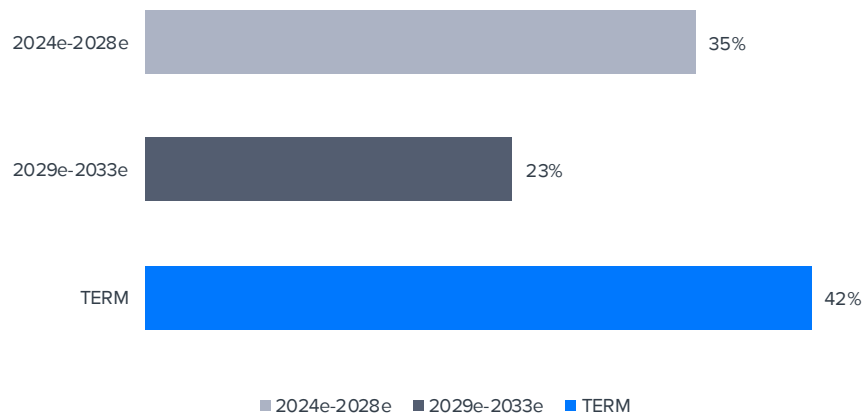
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	23.9	25.6	25.5	27.7	30.8
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	3.2	4.8	4.8	6.9	10.0
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	19.7	19.8	19.8	19.8	19.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	10.9	12.3	13.0	13.5	13.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.4	0.3	0.3	0.3	0.3
Korolliset velat	9.9	11.3	12.0	12.5	12.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.7	0.6	0.6	0.6	0.6
Current liabilities	23.8	19.5	20.3	21.2	22.2
Korolliset velat	3.6	3.1	3.1	3.1	3.0
Payables	20.2	16.4	17.2	18.0	19.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	58.6	57.3	58.8	62.3	66.0

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-6.7 %	2.4 %	4.8 %	6.4 %	5.1 %	4.7 %	4.2 %	3.8 %	3.4 %	2.9 %	2.5 %	2.5 %
EBIT-%	3.7 %	1.7 %	3.4 %	4.7 %	5.1 %	4.9 %	4.7 %	4.5 %	4.3 %	3.8 %	3.6 %	3.6 %
EBIT (operating profit)	3.8	1.8	3.7	5.5	6.2	6.3	6.3	6.3	6.2	5.6	5.4	
+ Depreciation	1.5	6.0	5.7	5.5	5.6	5.7	5.8	6.0	6.1	6.2	6.4	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-1.1	-1.1	-1.1	-1.1	-1.0	-1.0	
- Tax, financial expenses	0.0	-0.4	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	
+ 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	-2.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	3.3	6.4	9.4	11.0	11.9	10.8	10.9	11.0	11.1	10.7	10.7	
+ Change in other long-term liabilities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.4	-5.7	-5.9	-6.0	-6.2	-6.4	-6.5	-6.7	-6.9	-7.1	-7.3	
Free operating cash flow	-2.2	0.7	3.5	5.0	5.7	4.4	4.3	4.3	4.2	3.6	3.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-2.2	0.7	3.5	5.0	5.7	4.4	4.3	4.3	4.2	3.6	3.4	44.5
Discounted FCFF		0.7	3.0	3.9	3.9	2.8	2.5	2.2	2.0	1.5	1.3	17.2
Sum of FCFF present value		40.9	40.2	37.2	33.4	29.4	26.7	24.2	22.0	20.0	18.5	17.2
Enterprise value DCF		40.9										
- Interest bearing debt		-14.4										
+ Cash and cash equivalents		5.3										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		31.8										
Equity value DCF per share		3.3										

Cash flow distribution



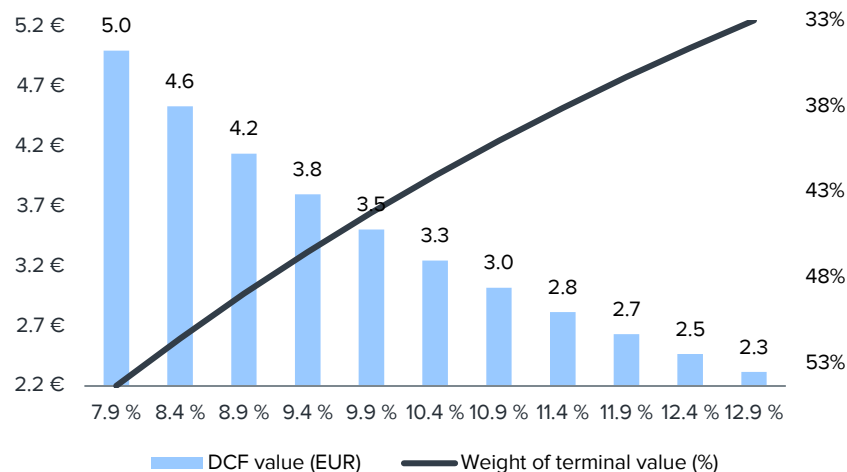
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	12.1 %
Weighted average cost of capital (WACC)	10.4 %

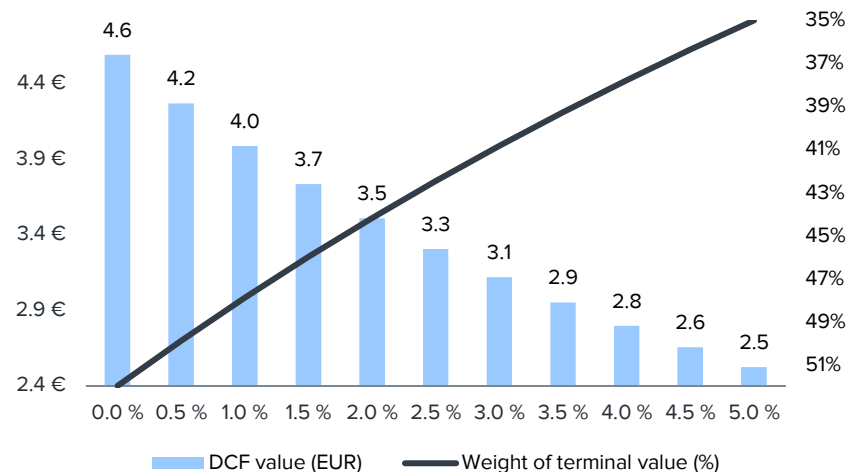
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

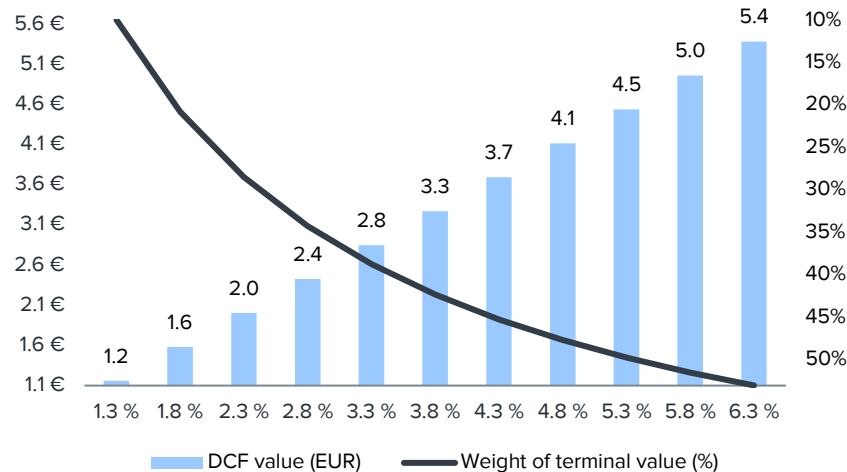
Sensitivity of DCF to changes in the WACC-%



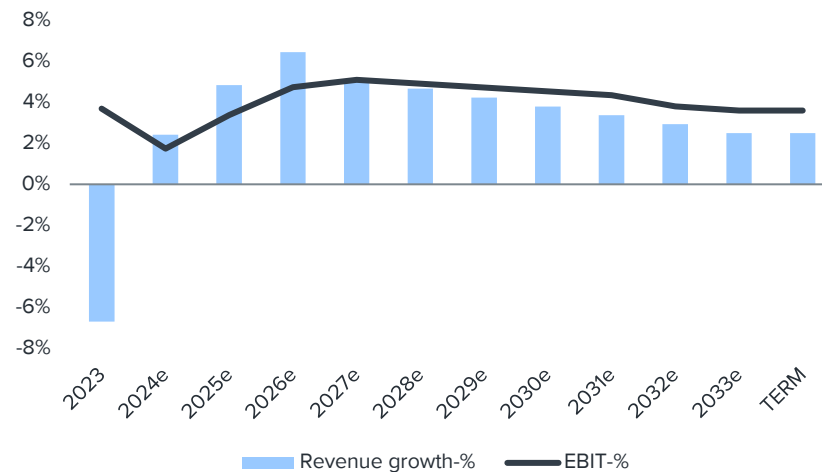
Sensitivity of DCF to changes in the risk-free rate



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	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	87.3	109.1	101.8	104.3	109.3	EPS (reported)	-0.04	0.01	0.16	0.00	0.22
EBITDA	5.0	7.1	5.3	7.8	9.4	EPS (adj.)	-0.13	0.03	-0.28	0.00	0.22
EBIT	0.0	1.6	3.8	1.8	3.7	OCF / share	0.27	0.78	0.34	0.66	0.97
PTP	-0.4	-0.1	1.6	0.0	2.1	FCF / share	-0.93	0.29	-0.23	0.07	0.36
Net Income	-0.4	0.1	1.5	0.0	2.1	Book value / share	2.46	2.46	2.63	2.63	2.85
Extraordinary items	0.8	-0.2	4.2	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.10
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	55.5	58.6	57.3	58.8	62.3	Revenue growth-%	25%	25%	-7%	2%	5%
Equity capital	23.5	23.9	25.6	25.5	27.7	EBITDA growth-%	32%	43%	-26%	47%	21%
Goodwill	3.2	3.2	3.2	3.2	3.2	EBIT (adj.) growth-%	-72%	-318%	-127%	-483%	104%
Net debt	6.7	4.8	9.1	9.8	7.9	EPS (adj.) growth-%	-70%	-121%	-1130%	-100%	-32061%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	5.7 %	6.5 %	5.2 %	7.5 %	8.6 %
EBITDA	5.0	7.1	5.3	7.8	9.4	EBIT (adj.)-%	-0.9 %	1.6 %	-0.5 %	1.7 %	3.4 %
Change in working capital	-2.3	0.9	-2.0	-1.0	0.0	EBIT-%	0.0 %	1.4 %	3.7 %	1.7 %	3.4 %
Operating cash flow	2.6	7.6	3.3	6.4	9.4	ROE-%	-1.7 %	0.3 %	6.3 %	0.0 %	8.0 %
CAPEX	-2.0	-4.4	-5.4	-5.7	-5.9	ROI-%	3.2 %	4.3 %	9.9 %	4.7 %	9.1 %
Free cash flow	-8.9	2.8	-2.2	0.7	3.5	Equity ratio	42.3 %	40.8 %	44.6 %	43.5 %	44.4 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	28.6 %	20.2 %	35.6 %	38.5 %	28.6 %
EV/S	0.4	0.3	0.3	0.3	0.3						
EV/EBITDA (adj.)	7.8	3.9	6.0	4.1	3.2						
EV/EBIT (adj.)	neg.	15.6	neg.	17.8	8.2						
P/E (adj.)	>100	87.1	>100	>100	10.6						
P/B	1.4	1.0	0.9	0.9	0.8						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	4.3 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/19/2023	Accumulate	3.20 €	2.73 €
9/27/2023	Accumulate	3.20 €	2.90 €
11/6/2023	Accumulate	3.00 €	2.55 €
1/15/2024	Buy	3.00 €	2.27 €
3/3/2024	Buy	3.00 €	2.32 €
5/7/2024	Buy	2.80 €	2.31 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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