

# NYAB

## Company report

12/3/2024 9:35 am EET



**Aapeli Pursimo**  
+358 40 719 6067  
aapeli.pursimo@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report “Kansainvälinen laajentuminen ennusteisiin” published on 12/2/2024 at 10:25 pm EET.

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# International expansion factored into forecasts

We reiterate our SEK 6.8 target price for NYAB but raise our recommendation to Buy (was Accumulate) on the back of a drop in the share price. We have included the recently announced platform acquisition in our forecasts even though the deal has not yet technically closed. However, we believe the deal is very likely to go through. The profile of the acquired businesses smoothes the seasonality of NYAB's performance, but this is offset by the acquired staffing businesses, which are considered to weigh on the acceptable valuation of the stock. Despite this, we see the stock as currently very attractively valued.

## Deal smoothes the seasonality of business

A couple of weeks ago, NYAB announced a major strategic platform acquisition after entering into a conditional agreement to acquire the Global Project Personnel and Norwegian Consulting businesses of Dovre Group. We believe that the Consulting business fits well with NYAB's business profile and also offers cross-selling opportunities with the Swedish business. In the Project Personnel business, however, synergies are considerably more limited, and we see this as an entry into a new business area. However, both businesses will offset the seasonal nature of NYAB's business, as their revenue streams are fairly stable on average throughout the year. We believe that this was also a significant factor behind the deal. We are neutral on the acquisition at this point and commented on it in more detail [here](#).

## Acquisition to be completed early next year

We added the acquisition to our forecasts already at this stage, although the deal is not expected to close until early 2025 and remains subject to approval by Dovre Group's Extraordinary General Meeting. However, we believe that the deal is likely to go through as more than 40% of Dovre shareholders have [announced](#) that they will vote in favor. Compared to this year (Q1-Q3'24: revenue 84.1 MEUR, adjusted EBIT 3.2 MEUR), we have expected a relatively stable development of the business, and thus our operational forecasts for the coming years went up significantly. In line with the rising debt level, we also increased our financing cost forecasts and slightly lowered our dividend forecasts. However, we will further clarify our assumptions with the company's reporting. Similarly, we have not made any material changes to our projections for NYAB's current operations. Overall, we expect revenue to increase to 493 MEUR (prev. 381 MEUR) and EBIT to increase to 32.7 MEUR (prev. 28.2 MEUR).

## Valuation down to rather attractive levels

We believe the acquisition has lowered NYAB's acceptable valuation by a notch, as Project Personnel represents a significantly larger portion of the acquired revenue streams and has a lower profitability profile than the rest of NYAB's business. Thus, we see the current acceptable valuation at 12x-16x P/E and 11x-15x EV/EBIT (prev. P/E: 13-17x, EV/EBIT 12-16x). Based on our updated forecasts, NYAB's 2025 adjusted P/E multiple is 13x and the corresponding EV/EBIT multiple is approximately 9x. We see significant upside next year relative to our accepted valuation, particularly on the EV-based multiple, which continues to reflect the strong balance sheet. Our range of expected total returns over the medium term is also above our required return. Further support for the strong positive recommendation comes from our sum-of-the-parts model, which now stands at SEK 6.3-7.6 (prev. SEK 6.1-7.4).

## Recommendation

**Buy**

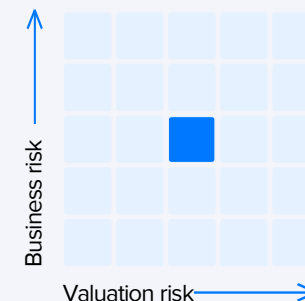
(was Accumulate)

**SEK 6.80**

(was SEK 6.80)

**Share price:**

SEK 5.20



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	280.4	329.8	493.5	539.4
<b>growth-%</b>	11%	18%	50%	9%
<b>EBIT adj.</b>	17.8	23.8	33.2	36.4
<b>EBIT-% adj.</b>	6.4 %	7.2 %	6.7 %	6.7 %
<b>Net income</b>	9.0	15.3	23.8	27.2
<b>EPS (adj.)</b>	0.02	0.03	0.03	0.04
<b>P/E (adj.)</b>	29.5	17.3	13.2	11.7
<b>P/B</b>	2.1	1.7	1.6	1.4
<b>Dividend yield-%</b>	2.5 %	2.2 %	3.3 %	4.0 %
<b>EV/EBIT (adj.)</b>	20.7	12.5	9.4	8.2
<b>EV/EBITDA</b>	17.2	10.7	8.3	7.3
<b>EV/S</b>	1.3	0.9	0.6	0.6

Source: Inderes

## Guidance

(Unchanged)

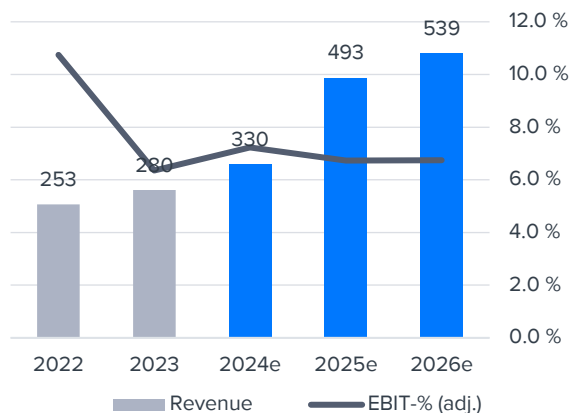
In 2024, NYAB expects its revenue (2023: 280 MEUR) and EBIT (2023: 15.2 MEUR) to grow from 2023.

## Share price



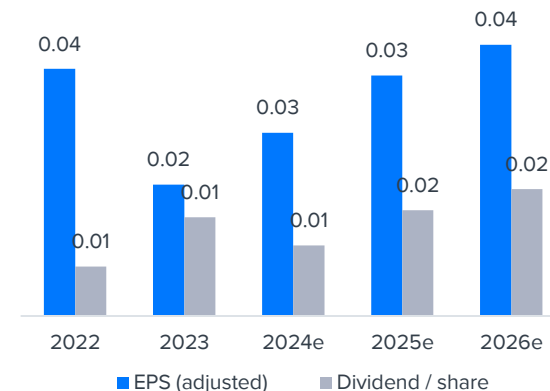
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Continued growth and higher profitability than competitors
- Strong market position in target markets, especially in the Norrbotten region
- The company is well positioned in the green transition and urbanization it offers, with promising growth prospects well into the future
- Focus on less cyclical and counter-cyclical construction sectors
- Sustainable improvement in the profitability of Finnish businesses
- Potential of the renewable energy project development joint venture, Skarta Energy (including sale of ownership)
- Acquisitions that create value



## Risk factors

- Fluctuations in demand in the construction market and general economic developments
- Pricing and project risks
- Tighter competition
- Personnel risks
- EUR/SEK currency pair (+/-) may swing reported figures
- Failure in acquisitions

Valuation	2024e	2025e	2026e
Share price	0.45	0.45	0.45
Number of shares, millions	713.0	713.0	713.0
Market cap	322	322	322
EV	298	313	300
P/E (adj.)	17.3	13.2	11.7
P/E	21.0	13.5	11.8
P/B	1.7	1.6	1.4
P/S	1.0	0.7	0.6
EV/Sales	0.9	0.6	0.6
EV/EBITDA	10.7	8.3	7.3
EV/EBIT (adj.)	12.5	9.4	8.2
Payout ratio (%)	46.5 %	44.9 %	47.2 %
Dividend yield-%	2.2 %	3.3 %	4.0 %

Source: Inderes

# We added the businesses acquired from Dovre Group to our forecasts

## Estimate revisions 2024e-2026e

- We have provisionally included the businesses acquired from Dovre Group in our forecasts, but we will clarify our assumptions on this with company's reporting (at the latest in the Q1'25 report).
- The acquisition is expected to close on January 2, 2025, so it had no impact on our operational forecasts for the current year.
- In Q1-Q3'24, revenue of the acquired businesses was 84.1 MEUR and adjusted EBIT was 3.2 MEUR. Correspondingly, their adjusted EBIT for the full year is expected to be 4.3 MEUR.
- We have expected the businesses to continue to develop steadily, which gave a clear boost to our operational forecasts for the coming years through the inclusion of the acquired businesses.
- At this time, we have not considered the impact of potential PPA amortization.
- In view of the increased debt resulting from the acquisition, we have also increased our financing cost forecasts for the coming years.
- We have slightly reduced our dividend forecasts for this year and next year to reflect the increase in debt.

Estimate revisions MEUR / EUR	2024e		Change %	2025e		Change %	2026e		Change %
	Old	New		Old	New		Old	New	
Revenue	330	330	0%	381	493	29%	422	539	28%
EBITDA	27.7	27.7	0%	32.9	37.8	15%	36.1	41.3	14%
EBIT (exc. NRIs)	23.8	23.8	0%	28.8	33.2	15%	32.0	36.4	14%
EBIT	22.9	22.9	0%	28.2	32.7	16%	31.7	36.1	14%
PTP	18.4	18.4	0%	26.1	29.4	13%	30.2	33.8	12%
EPS (excl. NRIs)	0.03	0.03	0%	0.03	0.03	7%	0.04	0.04	7%
DPS	0.012	0.010	-17%	0.016	0.015	-6%	0.018	0.018	0%

Source: Inderes

# Valuation down to rather attractive levels 1/2

## We see a one-notch decrease in the acceptable valuation as a result of the acquisition

Of the acquired businesses, we believe that the Norwegian Consulting business is quite well aligned with NYAB's business profile and also offers cross-selling opportunities with the Swedish businesses. The profitability profile of the business is also better than the average NYAB business, which we would have seen as supporting the acceptable valuation.

In contrast, we consider the acceptable valuation of the global Project Personnel business to be lower than the rest of NYAB's business due to the nature of the business (i.e. staffing). In our view, this is partly affected by the cyclical nature of the business, the competitive situation and the resulting limited bargaining power, which is also reflected in the profitability potential of the business (lower than other NYAB businesses). On the other hand, however, business is by definition quite capital-light.

Overall, however, we see the acquisition as a small drag on NYAB's acceptable valuation, as the Project Personnel business represents a significantly larger portion of the acquired revenue streams. As a result, we lower the valuation we accept for NYAB to a P/E multiple of 12x-16x and an EV/EBIT multiple of 11x-15x (prev. P/E: 13-17x, EV/EBIT 12-16x). In our view, the stock as a whole cannot be valued at the top of the range, given, among other things, the weaker outlook in Finland and factors related to the integration of the acquired businesses.

As the business expands again following the acquisition, we would also expect expanded reporting to improve the transparency of the company's performance and valuation.

## Valuation is nevertheless quite attractive

Based on our updated forecasts, NYAB's 2025 adjusted P/E multiple is 13x and the corresponding EV/EBIT multiple is approximately 9x. We see significant upside next year relative to our accepted valuation range, particularly on the EV-based multiple, which reflects the strong balance sheet.

Similarly, based on our forecast for this year with NYAB's adjusted EBIT, the expected EBIT of the acquired businesses and the preliminary purchase price, our pro forma EV/EBIT ratio for the current year would be just under 12x. Thus, the realization of the expected return depends in practice on the realization of our forecast earnings growth. However, with NYAB's strong order book, stronger margins this year and a positive demand outlook in Sweden, we see the associated risk level decreasing.

In addition, we expect the stock to offer a base dividend yield of around 2-4% over the next few years. Despite the acquisition, we expect the company's balance sheet to remain strong, which would allow it to pay a more generous dividend, supported by its strong cash flow. However, we will continue to monitor the company's decisions before raising our dividend forecasts.

## Expected return for the coming years is also attractive

We have also looked at valuation through total expected returns for the coming years. We believe NYAB's businesses could be valued at 12x-14x EV/EBIT (prev. 13x-15x) and 13x-15x P/E (prev. 14x-16x) at the end of 2026, reflecting our approved valuation revisions, assuming the company meets our expectations and its strongest organic growth period is already behind it.

Valuation	2024e	2025e	2026e
Share price	0.45	0.45	0.45
Number of shares, millions	713.0	713.0	713.0
Market cap	322	322	322
EV	298	313	300
P/E (adj.)	17.3	13.2	11.7
P/E	21.0	13.5	11.8
P/B	1.7	1.6	1.4
P/S	1.0	0.7	0.6
EV/Sales	0.9	0.6	0.6
EV/EBITDA	10.7	8.3	7.3
EV/EBIT (adj.)	12.5	9.4	8.2
Payout ratio (%)	46.5 %	44.9 %	47.2 %
Dividend yield-%	2.2 %	3.3 %	4.0 %

Source: Inderes

## Valuation down to rather attractive levels 2/2

Pricing would, of course, require NYAB to maintain a higher profitability than its peers without a material change in overall equity market pricing or interest rates. Taking this into account, we estimate that the current business could be roughly valued at SEK 5.8-8.3 per share at the current EUR/SEK exchange rate at the end of 2026.

At the current share price, the expected average annual return would be around 15%, and we expect the investor to receive an annual dividend yield of around 2-3%. The average annual expected total return on these is well above the 9.6% return on equity we use. Thus, this method also indicates an attractive valuation of the stock, albeit with slightly less upside than the other methods. At the same time, as noted above, we believe that the company's strong balance sheet would allow for a more generous distribution of earnings or inorganic growth than we forecast, which would increase the expected return.

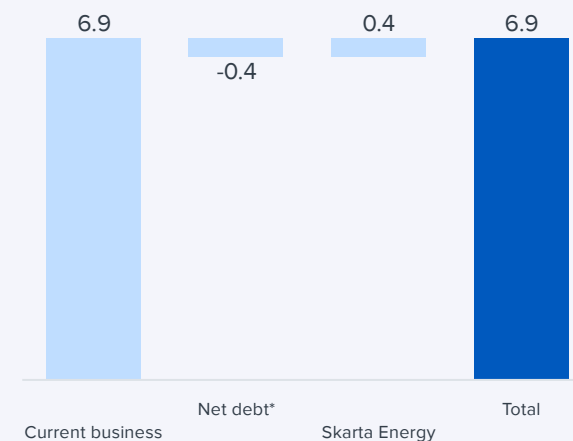
### SOTP in slight upward trend

The indicative value of our sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) is now set at 376-437 MEUR in our baseline scenario (prev. MEUR 372-450). At the current EUR/SEK exchange rate, this corresponds to a value of SEK 6.3-7.6 per share. The changes were driven by the impact of the acquisition (forecasts, lower eligible valuation, increase in net debt) and the lower peer valuation of Skarta Energy, as well as minor revisions to underlying assumptions (e.g. future prices for electricity).

Similarly, our DCF model currently stands at around SEK 6.9 per share, but it should be noted that it does not fully take into account Skarta Energy's long-term

potential (value in the model is 16.8 MEUR). Overall, however, we see clear upside in the stock from a number of perspectives.

### Midpoint of baseline scenario SOTP (SEK per share)

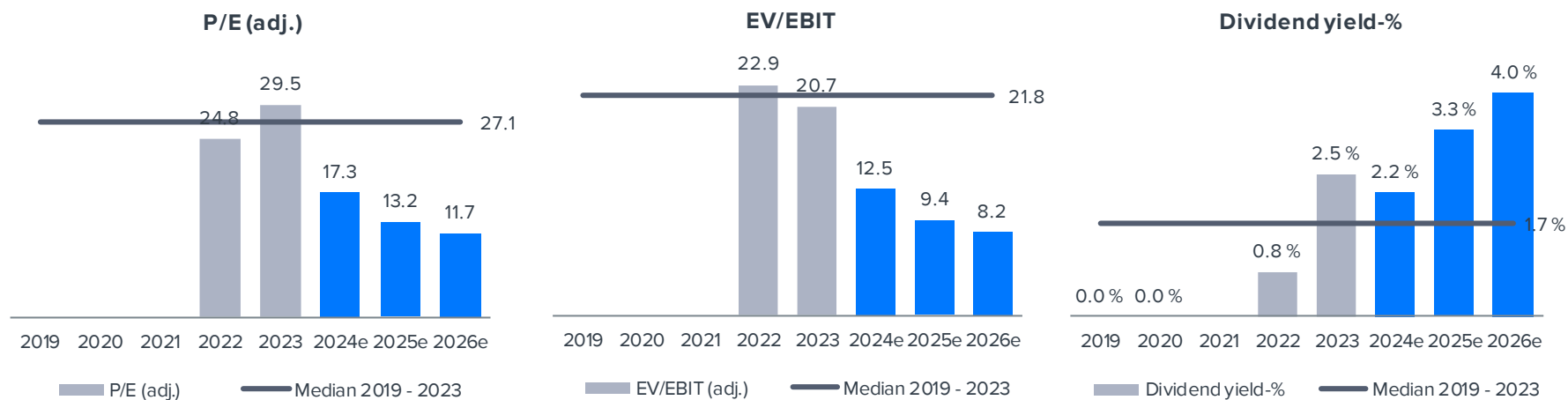


\* Net debt at the end of 2024 adjusted for the acquisition

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				0.87	0.55	0.45	0.45	0.45	0.45
Number of shares, millions				706.7	706.7	713.0	713.0	713.0	713.0
Market cap				615	389	322	322	322	322
EV				622	369	298	313	300	285
P/E (adj.)				24.8	29.5	17.3	13.2	11.7	10.6
P/E				26.4	43.0	21.0	13.5	11.8	10.7
P/B				3.4	2.1	1.7	1.6	1.4	1.3
P/S				2.4	1.4	1.0	0.7	0.6	0.6
EV/Sales				2.5	1.3	0.9	0.6	0.6	0.5
EV/EBITDA				20.5	17.2	10.7	8.3	7.3	6.4
EV/EBIT (adj.)				22.9	20.7	12.5	9.4	8.2	7.3
Payout ratio (%)				21.2 %	109.3 %	46.5 %	44.9 %	47.2 %	49.6 %
Dividend yield-%				0.8 %	2.5 %	2.2 %	3.3 %	4.0 %	4.7 %

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
Peab	2058	3305	15.7	15.6	9.8	9.6	0.7	0.6	13.8	13.3	3.3	4.0	1.5
NCC	1409	1899	11.9	11.8	7.1	7.1	0.4	0.4	11.6	11.0	4.7	4.8	2.0
Skanska	8284	7664	13.1	10.8	9.7	8.4	0.5	0.5	16.1	13.5	3.4	3.7	1.6
YIT	551	1517	76.5	24.1	52.0	17.4	0.8	0.8		1187.0			0.7
AF Gruppen	1298	1484	17.2	11.3	10.2	7.6	0.6	0.5	18.5	12.4	3.3	6.3	3.8
NRC Group	71	157		9.9	10.3	4.7	0.3	0.3		4.9		13.7	0.1
Veidekke	1579	1420	10.5	9.7	6.3	6.0	0.4	0.4	14.8	14.1	6.0	6.3	5.6
MT Hoejgaard Holding	284	283	4.6	4.7	3.8	3.9	0.2	0.2	6.4	6.0		4.2	2.1
Kreate	69	98	10.9	8.9	6.7	5.7	0.4	0.3	14.0	10.0	6.2	6.8	1.6
Sitowise	99	185	38.2	15.3	10.4	7.6	1.0	0.9		16.7		3.1	0.8
Sweco	5154	5739	22.2	19.0	16.8	14.8	2.1	2.0	27.3	22.7	2.0	2.3	5.3
AFRY	1489	2106	12.4	10.9	8.5	7.7	0.9	0.9	13.6	11.3	4.1	4.6	1.3
Enersense	39	81		8.7	11.1	4.2	0.2	0.2		118.5			1.1
Eltel	89	263		12.8	8.6	5.0	0.3	0.3		38.0			0.5
Dovre Group	36	40	20.2	5.8	13.5	5.8	0.2	0.2	11.4	4.9	2.9	2.9	1.0
Netel	56	122	8.9	6.4	6.1	4.7	0.4	0.4	9.5	5.4	3.6	5.5	0.6
Brunel International	445	507	8.9	7.1	6.4	5.3	0.4	0.3	12.0	9.6	6.5	7.7	1.5
Randstad	7526	8905	12.4	10.3	8.9	7.7	0.4	0.4	14.6	12.2	4.8	5.7	1.7
Eezy	28	89	26.6	14.4	8.0	6.5	0.5	0.5	73.7	11.6		4.5	0.3
Etteplan	262	344	15.9	13.4	8.5	7.3	1.0	0.9	19.5	14.7	2.0	3.1	2.2
Rejlers	270	333	12.8	11.0	7.6	6.9	0.9	0.8	13.4	11.2	3.5	4.2	1.6
Staffline Group	44	61	5.0	4.4	3.5	3.1	0.1	0.1	8.6	6.8			
Solwers	35	45	11.2	9.0	5.6	5.0	0.6	0.5	16.3	11.6	2.1	2.2	0.8
<b>NYAB (Inderes)</b>	<b>322</b>	<b>298</b>	<b>12.5</b>	<b>9.4</b>	<b>10.7</b>	<b>8.3</b>	<b>0.9</b>	<b>0.6</b>	<b>17.3</b>	<b>13.2</b>	<b>2.2</b>	<b>3.3</b>	<b>1.7</b>
<b>Average</b>			<b>17.7</b>	<b>11.1</b>	<b>10.4</b>	<b>7.0</b>	<b>0.6</b>	<b>0.5</b>	<b>17.5</b>	<b>68.2</b>	<b>3.9</b>	<b>5.0</b>	<b>1.7</b>
<b>Median</b>			<b>12.6</b>	<b>10.8</b>	<b>8.5</b>	<b>6.5</b>	<b>0.4</b>	<b>0.4</b>	<b>13.9</b>	<b>11.6</b>	<b>3.5</b>	<b>4.5</b>	<b>1.5</b>
<b>Diff-% to median</b>			<b>-1%</b>	<b>-12%</b>	<b>26%</b>	<b>28%</b>	<b>126%</b>	<b>63%</b>	<b>25%</b>	<b>14%</b>	<b>-37%</b>	<b>-26%</b>	<b>16%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>253</b>	<b>39.2</b>	<b>65.3</b>	<b>88.1</b>	<b>87.8</b>	<b>280</b>	<b>59.2</b>	<b>76.1</b>	<b>93.6</b>	<b>101</b>	<b>330</b>	<b>493</b>	<b>539</b>	<b>574</b>
Group	253	39.2	65.3	88.1	87.8	280	59.2	76.1	93.6	101	330	493	539	574
<b>EBITDA</b>	<b>30.4</b>	<b>-0.6</b>	<b>5.4</b>	<b>8.0</b>	<b>8.6</b>	<b>21.4</b>	<b>1.7</b>	<b>4.9</b>	<b>10.1</b>	<b>11.0</b>	<b>27.7</b>	<b>37.8</b>	<b>41.3</b>	<b>44.2</b>
Depreciation	-4.6	-1.4	-1.4	-1.4	-2.0	-6.2	-1.4	-1.1	-1.2	-1.2	-4.8	-5.1	-5.2	-5.3
<b>EBIT (excl. NRI)</b>	<b>27.2</b>	<b>-1.5</b>	<b>4.6</b>	<b>7.1</b>	<b>7.6</b>	<b>17.8</b>	<b>0.9</b>	<b>3.9</b>	<b>9.0</b>	<b>10.0</b>	<b>23.8</b>	<b>33.2</b>	<b>36.4</b>	<b>38.9</b>
<b>EBIT</b>	<b>25.7</b>	<b>-2.1</b>	<b>4.0</b>	<b>6.6</b>	<b>6.6</b>	<b>15.2</b>	<b>0.4</b>	<b>3.8</b>	<b>8.9</b>	<b>9.8</b>	<b>22.9</b>	<b>32.7</b>	<b>36.1</b>	<b>38.8</b>
Group	25.7	-2.1	4.0	6.6	6.6	15.2	0.4	3.8	8.9	9.8	22.9	32.7	36.1	38.8
Share of profits in assoc. compan.	0.0	-0.2	-0.4	-0.4	-0.7	-1.8	0.1	-0.3	-0.2	-0.2	-0.6	-0.8	-0.3	0.4
Net financial items	-0.4	-0.3	-0.4	-0.9	-1.1	-2.7	-1.0	-1.9	-0.6	-0.4	-3.9	-2.5	-2.0	-1.5
<b>PTP</b>	<b>25.3</b>	<b>-2.6</b>	<b>3.3</b>	<b>5.2</b>	<b>4.8</b>	<b>10.7</b>	<b>-0.5</b>	<b>1.5</b>	<b>8.1</b>	<b>9.2</b>	<b>18.4</b>	<b>29.4</b>	<b>33.8</b>	<b>37.7</b>
Taxes	-2.0	-0.3	0.5	-0.6	-1.2	-1.6	-0.1	-0.1	-1.4	-1.4	-3.1	-5.6	-6.6	-7.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>23.3</b>	<b>-2.8</b>	<b>3.7</b>	<b>4.6</b>	<b>3.6</b>	<b>9.0</b>	<b>-0.6</b>	<b>1.4</b>	<b>6.7</b>	<b>7.8</b>	<b>15.3</b>	<b>23.8</b>	<b>27.2</b>	<b>30.2</b>
<b>EPS (adj.)</b>	<b>0.04</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>
<b>EPS (rep.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>
<b>Key figures</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>						10.7 %	51.1 %	16.5 %	6.2 %	15.0 %	17.6 %	49.6 %	9.3 %	6.5 %
<b>Adjusted EBIT growth-%</b>	74.3 %	79.1 %	72.1 %	25.4 %	-61.2 %	-34.5 %	-157.8 %	-13.9 %	26.6 %	30.5 %	33.8 %	39.3 %	9.6 %	7.0 %
<b>EBITDA-%</b>	12.0 %	-1.7 %	8.3 %	9.1 %	9.8 %	7.6 %	2.9 %	6.4 %	10.8 %	10.9 %	8.4 %	7.7 %	7.6 %	7.7 %
<b>Adjusted EBIT-%</b>	10.7 %	-3.9 %	7.0 %	8.1 %	8.7 %	6.4 %	1.5 %	5.2 %	9.7 %	9.9 %	7.2 %	6.7 %	6.7 %	6.8 %
<b>Net earnings-%</b>	9.2 %	-7.2 %	5.7 %	5.2 %	4.1 %	3.2 %	-1.1 %	1.9 %	7.2 %	7.8 %	4.6 %	4.8 %	5.0 %	5.3 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>160</b>	<b>158</b>	<b>162</b>	<b>184</b>	<b>184</b>
Goodwill	121	121	123	137	137
Intangible assets	3.8	1.6	0.7	5.3	4.6
Tangible assets	17.7	16.3	17.1	20.3	21.1
Associated companies	11.1	16.7	18.7	18.7	18.7
Other investments	5.6	2.5	2.2	2.2	2.2
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.5	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>99.1</b>	<b>108</b>	<b>111</b>	<b>154</b>	<b>169</b>
Inventories	2.3	1.4	3.0	3.9	4.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	83.0	83.8	85.8	126	138
Cash and equivalents	13.8	22.6	22.0	24.7	27.0
<b>Balance sheet total</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>338</b>	<b>353</b>

Source: Inderes

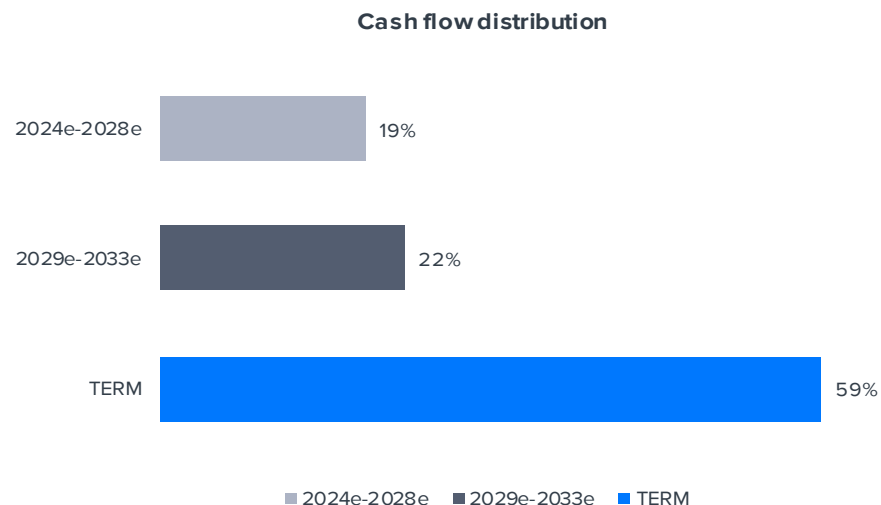
Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>180</b>	<b>185</b>	<b>191</b>	<b>207</b>	<b>224</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	40.3	50.1	55.5	72.2	88.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	140	135	135	135	135
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>17.2</b>	<b>15.7</b>	<b>14.2</b>	<b>30.2</b>	<b>20.6</b>
Deferred tax liabilities	4.4	3.9	3.9	3.9	3.9
Provisions	0.1	0.2	0.2	0.2	0.2
Interest bearing debt	12.6	11.5	10.0	25.9	16.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.1	0.1	0.1
<b>Current liabilities</b>	<b>61.5</b>	<b>65.0</b>	<b>67.7</b>	<b>101</b>	<b>108</b>
Interest bearing debt	8.2	5.5	5.0	6.8	5.7
Payables	53.3	59.5	62.7	93.8	102
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>259</b>	<b>266</b>	<b>273</b>	<b>338</b>	<b>353</b>

# DCF calculation

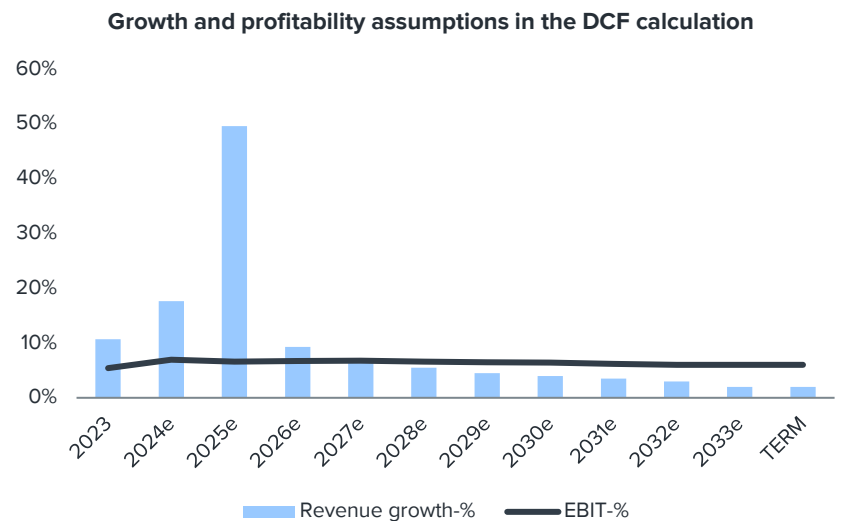
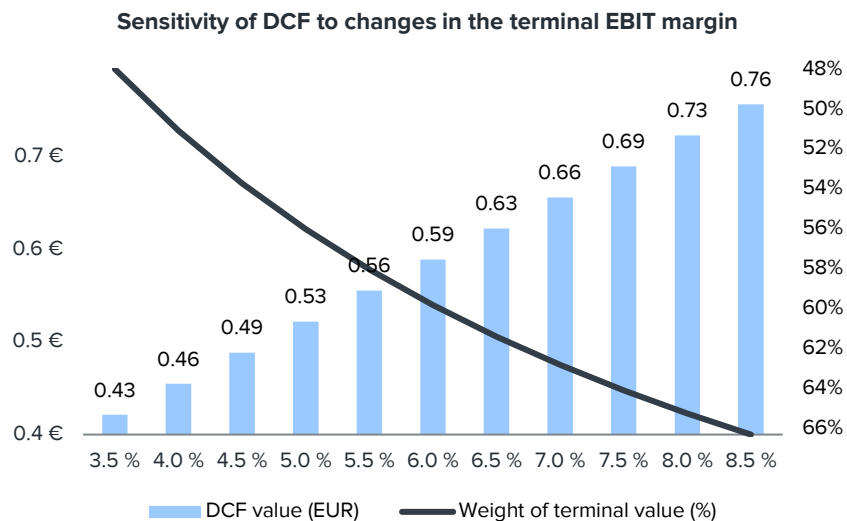
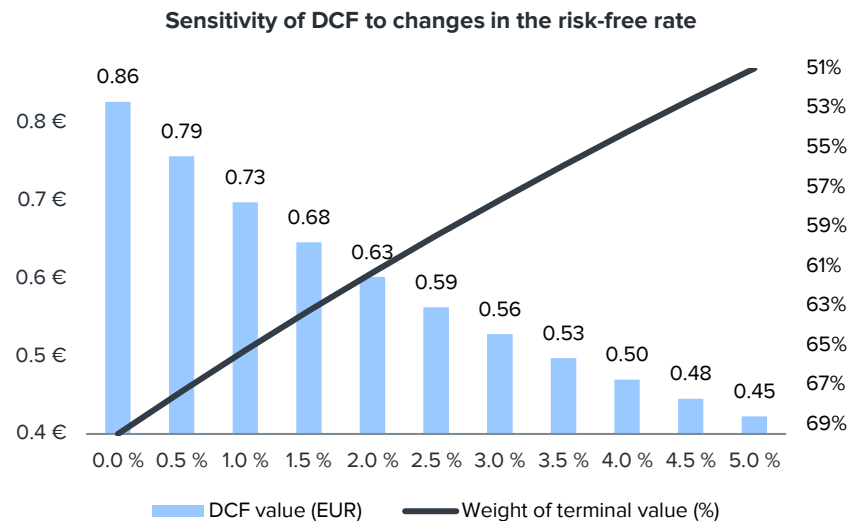
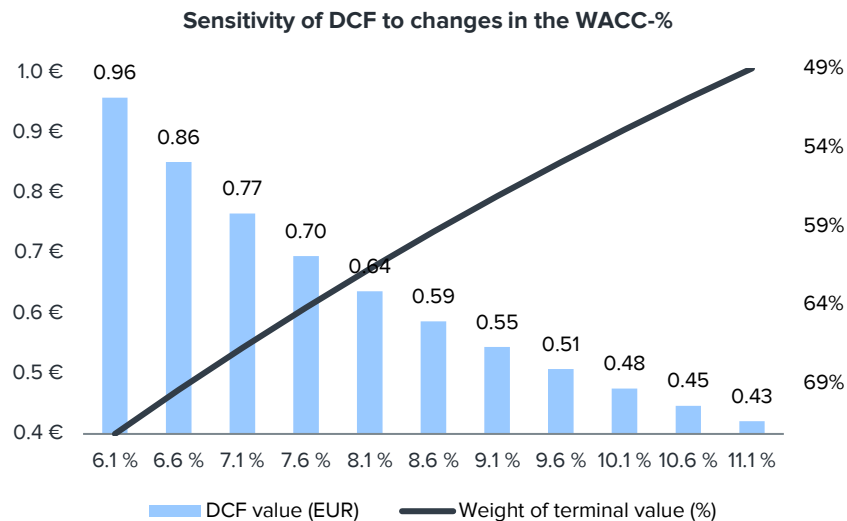
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	10.7 %	17.6 %	49.6 %	9.3 %	6.5 %	5.5 %	4.5 %	4.0 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	5.4 %	7.0 %	6.6 %	6.7 %	6.8 %	6.6 %	6.5 %	6.4 %	6.2 %	6.0 %	6.0 %	6.0 %
<b>EBIT (operating profit)</b>	<b>15.2</b>	<b>22.9</b>	<b>32.7</b>	<b>36.1</b>	<b>38.8</b>	<b>40.0</b>	<b>41.2</b>	<b>42.2</b>	<b>42.3</b>	<b>42.1</b>	<b>43.0</b>	
+ Depreciation	6.2	4.8	5.1	5.2	5.3	5.4	5.4	5.6	5.7	5.8	5.9	
- Paid taxes	-1.6	-3.1	-5.6	-6.6	-7.5	-7.9	-8.1	-8.3	-8.4	-8.3	-8.5	
- Tax, financial expenses	-0.4	-0.6	-0.5	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	6.4	-0.5	-10.0	-3.4	-2.0	-2.3	-1.3	-1.1	-1.6	-1.4	-1.0	
<b>Operating cash flow</b>	<b>25.8</b>	<b>23.6</b>	<b>21.8</b>	<b>30.9</b>	<b>34.3</b>	<b>35.0</b>	<b>37.0</b>	<b>38.1</b>	<b>37.8</b>	<b>38.0</b>	<b>39.2</b>	
+ 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	0.6	-6.4	-26.9	-5.3	-5.4	-5.5	-5.6	-5.7	-5.8	-5.9	-6.1	
<b>Free operating cash flow</b>	<b>26.6</b>	<b>17.2</b>	<b>-5.1</b>	<b>25.6</b>	<b>28.9</b>	<b>29.5</b>	<b>31.4</b>	<b>32.4</b>	<b>32.0</b>	<b>32.1</b>	<b>33.1</b>	
+/- Other	5.6	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	32.2	15.9	-5.1	25.6	28.9	29.5	31.4	32.4	32.0	32.1	33.1	515
<b>Discounted FCFF</b>		<b>15.8</b>	<b>-4.7</b>	<b>21.6</b>	<b>22.5</b>	<b>21.1</b>	<b>20.7</b>	<b>19.7</b>	<b>17.9</b>	<b>16.6</b>	<b>15.7</b>	<b>245</b>
Sum of FCFF present value		411	396	400	379	356	335	314	295	277	260	245
<b>Enterprise value DCF</b>		<b>411</b>										
- Interest bearing debt		-17.0										
+ Cash and cash equivalents		22.6										
-Minorities		0.0										
-Dividend/capital return		-9.9										
<b>Equity value DCF</b>		<b>424</b>										
<b>Equity value DCF per share</b>		<b>0.59</b>										

WACC	
Tax-% (WACC)	20.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.5 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.6 %</b>

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



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

# Summary

Income statement	2022	2023	2024e	2025e	Per share data	2022	2023	2024e	2025e
Revenue	253.3	280.4	329.8	493.5	EPS (reported)	0.03	0.01	0.02	0.03
EBITDA	30.4	21.4	27.7	37.8	EPS (adj.)	0.04	0.02	0.03	0.03
EBIT	25.7	15.2	22.9	32.7	OCF / share	0.02	0.04	0.03	0.03
PTP	25.3	10.7	18.4	29.4	FCF / share	0.08	0.05	0.02	-0.01
Net Income	23.3	9.0	15.3	23.8	Book value / share	0.26	0.26	0.27	0.29
Extraordinary items	-1.5	-2.6	-0.9	-0.5	Dividend / share	0.01	0.01	0.01	0.02
Balance sheet	2022	2023	2024e	2025e	Growth and profitability	2022	2023	2024e	2025e
Balance sheet total	259.1	266.1	272.7	338.1	Revenue growth-%	0%	11%	18%	50%
Equity capital	180.4	185.3	190.8	207.4	EBITDA growth-%		-30%	30%	36%
Goodwill	121.2	121.2	123.2	137.2	EBIT (adj.) growth-%		-35%	34%	39%
Net debt	7.0	-5.6	-7.0	8.0	EPS (adj.) growth-%		-47%	39%	31%
Cash flow	2022	2023	2024e	2025e	EBITDA-%	12.0 %	7.6 %	8.4 %	7.7 %
EBITDA	30.4	21.4	27.7	37.8	EBIT (adj.)-%	10.7 %	6.4 %	7.2 %	6.7 %
Change in working capital	-17.2	6.4	-0.5	-10.0	EBIT-%	10.2 %	5.4 %	7.0 %	6.6 %
Operating cash flow	12.9	25.8	23.6	21.8	ROE-%	22.6 %	4.9 %	8.2 %	12.0 %
CAPEX	-144.7	0.6	-6.4	-26.9	ROI-%	22.2 %	6.6 %	10.9 %	14.3 %
Free cash flow	58.3	32.2	15.9	-5.1	Equity ratio	69.6 %	73.0 %	73.2 %	63.6 %
Valuation multiples	2022	2023	2024e	2025e	Gearing	3.9 %	-3.0 %	-3.7 %	3.9 %
EV/S	2.5	1.3	0.9	0.6					
EV/EBITDA	20.5	17.2	10.7	8.3					
EV/EBIT (adj.)	22.9	20.7	12.5	9.4					
P/E (adj.)	24.8	29.5	17.3	13.2					
P/B	3.4	2.1	1.7	1.6					
Dividend-%	0.8 %	2.5 %	2.2 %	3.3 %					

Source: Inderes

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Date	Recommendation	Target	Share price
4/25/2023	Reduce	0.70 €	0.71 €
5/15/2023	Reduce	0.70 €	0.67 €
7/28/2023	Reduce	0.70 €	0.73 €
8/11/2023	Reduce	0.55 €	0.62 €
8/28/2023	Sell	0.55 €	0.63 €
10/11/2023	Reduce	0.55 €	0.51 €
11/13/2023	Reduce	0.50 €	0.49 €
12/27/2023	Sell	0.45 €	0.56 €
2/26/2024	Reduce	0.45 €	0.49 €
2/29/2024	Reduce	0.45 €	0.50 €
5/6/2024	Reduce	0.45 €	0.48 €
5/10/2024	Accumulate	0.55 €	0.49 €
Re-domiciliation and listing to Sweden June 28, 2024			
8/15/2024	Reduce	6,80 SEK	6,75 SEK
11/4/2024	Accumulate	6,80 SEK	5,93 SEK
11/7/2024	Accumulate	6,80 SEK	5,80 SEK
12/3/2024	Buy	6,80 SEK	5,20 SEK



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Itämerentori 2

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