

Gabriel Holding AS

Company report

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Philip Coombes
447532247526
philip@hcandersencapital.dk



Rasmus Køjborg
4561203078
rasmus@hcandersencapital.dk

✓ HC Andersen Capital Corporate customer

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Q1'24-25 steady but carve-out uncertainty remains

Gabriel's Q1'24-25 results reflected relative stability during a moment of heightened uncertainty. A stable revenue of MDKK 228.1 (MDKK 227.7 Q1'23-24) was slightly below our expectations of +1% growth y/y as positive development in continuing operations was offset by a decline in FurnMaster driven by the restructuring of its Mexican subsidiary. Q1 was the first step towards greater stability, however, uncertainty relating to the carve-out process of FurnMaster remains high, and the range of outcomes is broader than normal. Group EBIT of MDKK 0.3 in Q1'24-25 was below our estimate of MDKK 4.6, impacted by elevated costs relating to restructuring, accounts verification, and carve-out advisory fees. The Q1 results support our view of long-term potential in the company, however, also reinforce our view of greater short-term risk due to the FurnMaster carve-out process. We reiterate our Reduce recommendation with a slightly revised price target of DKK 180 per share from DKK 195 previously.

The long-term positive outlook of continuing operations remains on track

The continuing Fabrics and Sample master business units maintained a 6% y/y growth rate in Q1'24-25 with Q1 revenue of MDKK 123.5, following +6% y/y growth FY'23-24. The business unit overcame diverted management focus towards the accounts verification and carve-out situations and ongoing market weakness to maintain its growth, while also realizing +3 p.p growth in gross and EBIT margins, to 53.1% and 3.3%, respectively, driven by efficiency improvements. The Q1 growth was primarily driven by the USA & Mexico, and Asia, while Europe, the driver of growth FY23/24, was more stable. We expect that flat to improving markets in 2025 can support revenue and EBIT landing in the top-end of full-year guidance, which was maintained after Q1'24-25.

Discontinuing operations marked by one-offs and restructuring, but no further write-downs

The carve-out of FurnMaster and restructuring of its subsidiary in Mexico remain a cause of uncertainty. Revenues declined -6% y/y in Q1, as the restructuring process in Mexico led to cancellation of unprofitable contracts, while the European subsidiary realized stable growth and a positive net result. FurnMaster's Q1'24-25 EBIT result was MDKK -3.8 as the lower overall revenue was compounded by additional one-off costs relating to the restructuring, account verification, and carve-out. No further write-downs relating to the Mexican subsidiary materialized, an early sign of greater stability. However, while we expect lower one-off costs during the remaining quarters of FY'24-25, there is greater scope for unforeseen one-offs, potential write-downs, and greater earnings volatility.

Positive cash flow can reduce debt, but from a high level

Cash flow from operations rose in Q1'24-25, supported by a net positive effect from working capital changes, which we expect can continue to positively impact cash flow FY'24-25. Gabriel has repaid some of its current debt in Q1 and previous quarters, and sustained positive cash flow may further support repayments to improve the leverage ratio, which remains high at NIBD/LTM EBITDA of 6.9x. However, we expect a completed carve-out of FurnMaster to be the primary driver of balance sheet strengthening.

Carve-out completion can de-risk the case, but short-term uncertainty remains

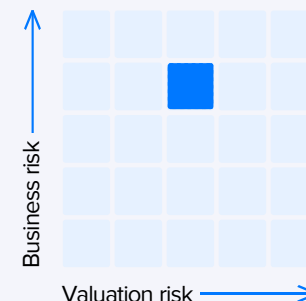
Despite general stability in the Q1'24-25 results, we still see uncertainty about the timing of the sale of its FurnMaster units. Currently, we see this as the most important short-term trigger, which can de-risk the case and strengthen the balance sheet. Based on our DCF model, we still see long-term potential in Gabriel.

Recommendation

Reduce
(prev. Reduce)

180 DKK
(prev. 195 DKK)

Share price:
153



Key indicators

	2024	2025e	2026e	2027e
Revenue	912.0	933.0	987.9	1052.7
growth-%	-2%	2%	6%	7%
EBIT adj.	10.9	6.1	37.4	75.0
EBIT-% adj.	1.2 %	0.7 %	3.8 %	7.1 %
Net Income	-15.7	-4.8	20.1	51.4
EPS (adj.)	-8.28	-2.55	10.62	27.21

P/E (adj.)	neg.	neg.	14.4	5.6
P/B	2.0	1.1	1.0	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	5.3 %
EV/EBIT (adj.)	78.4	>100	17.3	8.1
EV/EBITDA	13.4	10.9	7.2	4.8
EV/S	0.9	0.7	0.7	0.6

Source: HC Andersen Capital

Guidance (Unchanged)

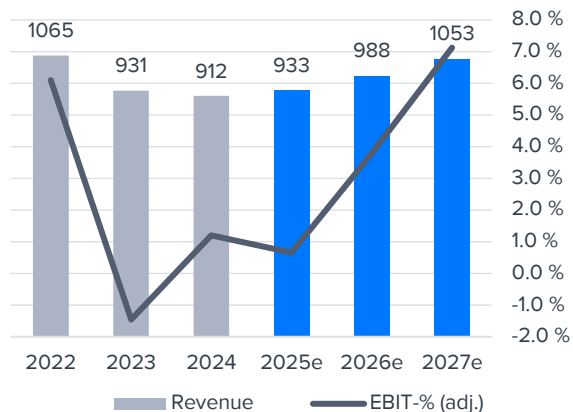
Gabriel maintained its FY'24/25 expectations for the ongoing operations, implying a revenue of MDKK 485-530 (0-10% growth) and an EBIT of MDKK 20-30.

Share price



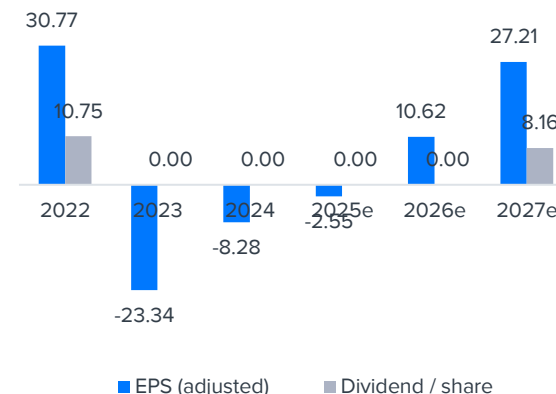
Source: S&P Capital IQ

Revenue and EBIT-% (adj.)



Source: HC Andersen Capital

EPS and DPS



Source: HC Andersen Capital

Value drivers

- Return to revenue and margin growth supported by improving macro conditions
- Industry turnaround, return to the office, and modernize workspaces
- Solid market position with room to grow with market-leading customers

Risk factors

- Short-term uncertainties surrounding the FurnMaster carve-out, including in the Mexican subsidiary
- Highly cyclical business correlated with housing market conditions and interest rates
- Gabriel's debt is high relative to EBITDA, implying a significant risk if interest rates increase or earnings decline
- Low share liquidity

Valuation	2025e	2026e	2027e
Share price	153.0	153.0	153.0
Number of shares, millions	1.89	1.89	1.89
Market cap	289	289	289
EV	657	645	606
P/E (adj.)	neg.	14.4	5.6
P/E	neg.	14.4	5.6
P/FCF	neg.	12.8	6.1
P/B	1.1	1.0	0.9
P/S	0.3	0.3	0.3
EV/Sales	0.7	0.7	0.6
EV/EBITDA	10.9	7.2	4.8
EV/EBIT (adj.)	>100	17.3	8.1
Payout ratio (%)	0.0 %	0.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	5.3 %

Source: HC Andersen Capital

Note: Gabriel has skewed reporting periods. Fiscal year 2024/2025 is 1 Oct 2024 – 30 Sept 2025. In the above graphs and table to the right, 2025e reflects Gabriel's 2024/25 fiscal period. 2026e reflects fiscal period 2025/26 and 2027e reflects fiscal period 2026/27.

FurnMaster restructuring offset continuing operations growth

Revenue stable y/y Q1'24-25, slightly behind expectations

Gabriel's revenue was flat at 0% y/y on a group level, driven by 6% growth in continuing operations, and a negative -6% in discontinuing operations. Our estimates were for a 1% growth against a backdrop of ongoing market weakness and challenges related to its subsidiary in Mexico. Continuing operations maintained the 6% growth level also realized in the full-year 2023/24, driven primarily by its smaller Americas and Asia markets. This is around the mid-range of guidance for 0-10% growth, and we still see the potential for continuing operations revenues near the top-end of full-year guidance if markets remain stable/improve. This growth was offset by FurnMaster's revenue decline, driven by a broader restructuring of the Mexican subsidiary, which included discontinuing loss-making contracts. However, FurnMaster's European operations

realized stable revenues y/y with a positive result offering a positive signal amidst the ongoing carve-out process.

Operating leverage supports gross margin expansion (continuing)

The continuing operations showed gross margin improvement of 3 percentage points y/y as higher revenue levels and more stable operating costs (staff and other) demonstrate the positive impact of operating leverage under growing sales. We assess there is also operating leverage in the FurnMaster business which can work in both directions despite no specific gross margin reporting.

FurnMaster's Mexican subsidiary and carve-out/restructuring costs drag on EBIT

On a group level, Gabriel realized an EBIT of MDKK 0.3, below our estimates of MDKK 4.6, primarily due to FurnMaster's Mexican activities. Continuing

operations' EBIT of MDKK 4.1 in Q1 was offset by FurnMaster's EBIT of MDKK -3.8. While FurnMaster's European operations delivered a positive net result, the subsidiary in Mexico realized softer revenue, with additional costs relating to restructuring, the process to verify the accounts, and ongoing advisory costs relating to the carve-out.

Positive cash flow supported by working capital

During Q1'24-25 significant reductions to receivables and increased payables, offset slight inventory growth to positively impact cash flow from changes to net working capital. This has been a target for Gabriel during the weaker market period and takes a step towards more normalized levels. Positive operating cash flow has supported reductions in credit facilities, however, gearing remains high, particularly with respect to cyclically low EBITDA earnings levels.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	HCA	Consensus	Low	High	Act. vs. HCA	HCA
MDKK / DKK								
Revenue	228	228	231				-1%	933
EBITDA	16.4	13.8	18.2				-24%	60.1
EBIT	3.2	0.3	4.6				-93%	6.1
PTP	-3.0	-2.7	0.7				nm	-6.0
EPS (reported)	-2.20		0.32					-2.55
Revenue growth-%	-5.7 %	0.2 %	1.4 %				-1.3 pp	2.3 %
EBIT-% (adj.)	1.4 %	0.1 %	0.1 %				0 pp	0.7 %

Source: HC Andersen Capital

Slightly downward revisions to 2024-25 estimates

Revenue revised lower following Q1'24-25 to reflect restructuring efforts

The Q1'24-25 results came in slightly below our estimates, both on the top line with a growth rate of 0% vs our estimated 1%, and the EBIT level, with a Q1 EBIT of MDKK 0.3 vs our estimated MDKK 4.6. The deviation mostly related to restructuring efforts in the FurnMaster subsidiary in Mexico, with a -6% revenue effect on the FurnMaster business unit compared to the same period last year. Given that the terminated contracts will also impact future quarters, we adjusted our revenue estimates slightly lower now expecting full-year group revenues of MDKK 933, from MDKK 943 previously. Despite adjusting revenue estimates lower we raise our conviction that Gabriel's market situation can enable growth in other business units FY2024-25.

EBIT adjusted slightly lower to reflect one-off costs

We also adjusted our full-year EBIT estimates slightly lower, however, not reflecting the full negative surprise seen in Q1. We estimate that one-off costs contributed to the lower-than-forecast Q1 EBIT result of MDKK 0.3. We expect one-offs to remain while the carve-out process is ongoing but at a lower level. When considering the negative EBIT surprise against MDKK -10m lower revenues, we assess that once one-off costs fall, the negative EBIT impact of FurnMaster will also decline, and we adjust our full-year EBIT forecast less in absolute terms than revenue.

The long-term outlook unchanged but from a lower base

As previously mentioned we do not see any changes to the long-term outlook for Gabriel following the Q1 results. Instead, the results suggest that market conditions are finding stability after several years of post-Covid-19 market contractions. We echo management's expectations for stable to slightly improving market conditions FY24-25, which can be a foundation for Gabriel to grow and realize its full-year guidance. The medium-long term outlook may be impacted by US tariffs at some point, following President Trump's current plans to introduce 25% tariffs on Mexico. We expect that this would impact the Mexican operations, however, will not adjust forecasts unless tariffs are imposed. We also expect that tariffs would affect many industry players, not just Gabriel, and would be mostly passed on to consumers.

Estimate revisions	2025e			2026e			2027e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MDKK / DKK									
Revenue	943	933	-1%	998	988	-1%	1064	1053	-1%
EBITDA	61.6	60.1	-2%	89.2	89.9	1%	128	127	0%
EBIT (exc. NRIs)	7.6	6.1	-19%	37.7	37.4	-1%	75.8	75.0	-1%
EBIT	7.6	6.1	-19%	37.7	37.4	-1%	75.8	75.0	-1%
PTP	-4.6	-6.0	-32%	25.4	25.2	-1%	65.2	64.6	-1%
EPS (excl. NRIs)	-1.78	-2.55	-44%	10.73	10.62	-1%	27.48	27.21	-1%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: HC Andersen Capital

Still awaiting trigger to justify valuation repricing

Risks have been more appropriately priced, but no clear trigger for a valuation re-rating after Q1

We feel the recent market adjustment in Gabriel's valuation more appropriately considers the elevated risks relating to the ongoing carve-out process and its negative impact on earnings. While the Q1 showed general signs of stability in the continuing operations we do not see a clear trigger for a valuation repricing at this time based on DCF and other valuation methods. We therefore reiterate our Reduce recommendation with a new price target of DKK 180

Near-term multiples remain high but more in line with peers on a FY2025/26 basis

Looking at our peer groups, including international furniture producers and Danish cyclical small/mid-cap companies with similar market drivers we find average/median levels are around the 10-12x EV/EBIT level for (2025e) according to estimates extracted from S&P Capital IQ. Our estimates have Gabriel trading at a very high EV/EBIT level for 2024-25e due to the low EBIT projection; on a 2025-26e basis, an EV/EBIT level around 17x is closer to the level of peers but does not reflect a clear discount. Multiples for the peer group are also generally trading below historical levels due to the market challenges and cyclical downturn which has impacted all peers.

Waiting for the carve-out to unlock value

We expect a completed carve-out of FurnMaster can unlock value. A sale of FurnMaster would remove the business unit's recent negative EBIT and net earnings impact group results immediately repricing valuation from a multiples perspective. A successful carve-out will also strengthen the balance sheet with some proceeds used to repay debt and reduce the

company's gearing ratio, setting a more stable foundation for onward growth. The FurnMaster business unit is currently reported by Gabriel to have a book value on a debt-free basis of around MDKK 200. However, further details regarding a prospective sales price are not presented. In connection with the Q1'24-25 report management restated its ambitions to complete the carve-out within the financial year 2024-25 which runs until 30 September 2025.

DCF suggests long-term outlook remains positive.

Following the model revisions made in response to the Q1 2024-25 results our DCF model suggests a value of DKK 214 per share, reflecting an equity value of MDKK 404. We maintain our required return on capital (WACC) at 9.1%, including a relatively high cost of equity of 11.2%, also due to an added liquidity premium. The DCF value is significantly above the current share price, however, is not the sole foundation for our recommendation. Our DCF model reflects the long-term value of Gabriel based on current assumptions. While these assumptions remain our base case, current uncertainties relating to the restructuring in Mexico and broader carve-out of FurnMaster cloud this outlook. Our DCF thus offers a valuation perspective for a de-risked case with greater clarity on the market outlook and company-specific challenges. The sensitivity analysis on page 11, offers perspectives on how the DCF value varies in response to key assumptions showing significant sensitivity to WACC and the terminal EBIT margin assumptions.

Valuation	2025e	2026e	2027e
Share price	153.0	153.0	153.0
Number of shares, millions	1.89	1.89	1.89
Market cap	289	289	289
EV	657	645	606
P/E (adj.)	neg.	14.4	5.6
P/E	neg.	14.4	5.6
P/FCF	neg.	12.8	6.1
P/B	1.1	1.0	0.9
P/S	0.3	0.3	0.3
EV/Sales	0.7	0.7	0.6
EV/EBITDA	10.9	7.2	4.8
EV/EBIT (adj.)	>100	17.3	8.1
Payout ratio (%)	0.0 %	0.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	5.3 %

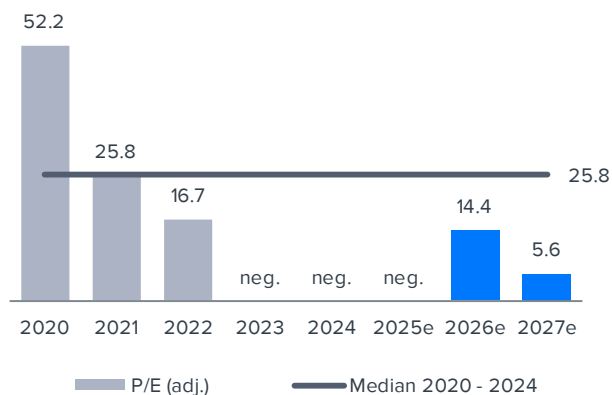
Source: HC Andersen Capital

Valuation table

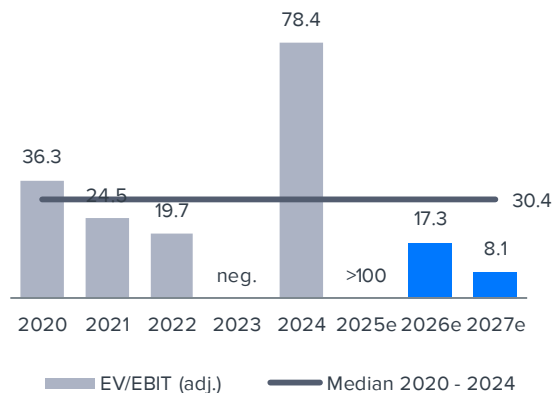
Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	690.0	630.0	515.0	306.0	270.0	153.0	153.0	153.0	153.0
Number of shares, millions	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89
Market cap	1304	1191	973	578	510	289	289	289	289
EV	1522	1435	1282	940	855	657	645	606	568
P/E (adj.)	52.2	25.8	16.7	neg.	neg.	neg.	14.4	5.6	4.3
P/E	52.2	25.8	16.7	neg.	neg.	neg.	14.4	5.6	4.3
P/FCF	35.8	>100	neg.	32.7	neg.	neg.	12.8	6.1	4.9
P/B	4.6	3.7	2.8	2.1	2.0	1.1	1.0	0.9	0.8
P/S	1.8	1.5	0.9	0.6	0.6	0.3	0.3	0.3	0.3
EV/Sales	2.1	1.8	1.2	1.0	0.9	0.7	0.7	0.6	0.5
EV/EBITDA	18.9	14.9	11.9	26.2	13.4	10.9	7.2	4.8	3.9
EV/EBIT (adj.)	36.3	24.5	19.7	neg.	78.4	>100	17.3	8.1	6.1
Payout ratio (%)	37.8 %	39.9 %	34.9 %	0.0 %	0.0 %	0.0 %	0.0 %	30.0 %	40.0 %
Dividend yield-%	0.7 %	1.5 %	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %	5.3 %	9.3 %

Source: HC Andersen Capital

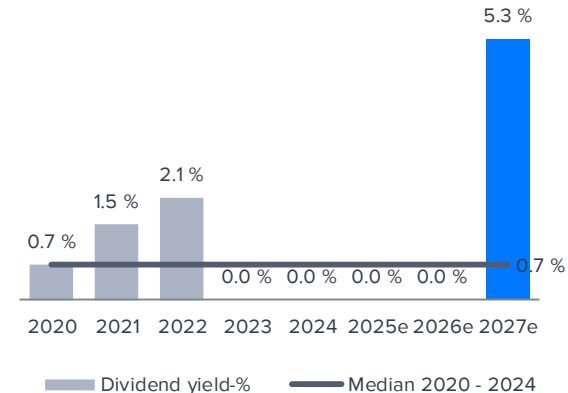
P/E (adj.)



EV/EBIT



Dividend yield-%



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MDKK	MDKK	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Culp, Inc.	477	452		10.4			0.3	0.3			17.6		
<u>International customers/producers</u>													
MillerKnoll, Inc.	10,764	22,937	12.6	10.8	8.0	7.4	0.9	0.8	10.4	8.9	3.4%	3.4%	
Steelcase Inc.	9,470	10,857	8.6	8.8	5.6	5.4	0.5	0.5	11.2	10.6	3.5%	3.5%	
HNI Corporation	16,803	19,976	11.5	10.4	7.9	7.4	1.1	1.0	14.1	12.3			
<u>Danish cyclical small/mid cap</u>													
HusCompagniet A/S	1,186	1,422	13.7	6.8	9.4	5.5	0.5	0.4	21.0	8.2	1.3%	1.3%	
TCM Group A/S	693	981	9.6	7.5	7.3	5.9	0.8	0.7	10.4	7.5	4.3%	4.3%	
H+H International A/S	1,258	2,187	12.5	9.2	5.7	4.7	0.8	0.7	14.4	8.6			
Gabriel Holding AS (HCA)	289	657	107.4	17.3	10.9	7.2	0.7	0.7	-60.0	14.4	0.0%	0.0%	1.1
Average			11.4	9.1	7.3	6.0	0.7	0.6	13.6	10.5	3.1%	3.1%	
Median			12.0	9.2	7.6	5.7	0.8	0.7	12.6	8.9	3.4%	3.4%	
Diff.% to median			796%	87%	44%	26%	-8%	-9%	-576%	62%	N/A	N/A	

Source: HC Andersen Capital, S&P Capital IQ

Income statement

Income statement	2023	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	931	912	228	236	240	228	933	988	1053	1123
Fabrics	928	909	227	236	239	227	930	984	1049	1119
Letting offices	3.2	3.3	0.8	0.8	0.8	0.8	3.3	3.5	3.7	3.9
EBITDA	35.8	63.9	13.8	14.7	15.9	15.7	60.1	89.9	127	146
Depreciation	-49.4	-53.0	-13.5	-13.5	-13.5	-13.5	-54.0	-52.5	-52.4	-53.3
EBIT (excl. NRI)	-13.6	10.9	0.3	1.2	2.4	2.2	6.1	37.4	75.0	92.6
EBIT	-13.6	10.9	0.3	1.2	2.4	2.2	6.1	37.4	75.0	92.6
Fabrics	-15.8	9.2	0.0	0.7	2.0	1.8	4.5	37.2	74.7	92.3
Letting offices	2.2	1.8	0.3	0.5	0.5	0.5	1.7	0.1	0.3	0.3
Share of profits in assoc. compan.	0.4	0.9	0.8	0.8	0.8	0.8	3.3	1.0	2.0	3.2
Net financial items	-15.6	-19.7	-3.9	-3.9	-3.9	-3.9	-15.4	-13.1	-12.4	-11.4
PTP	-28.8	-7.9	-2.7	-1.9	-0.6	-0.8	-6.0	25.2	64.6	84.5
Taxes	-15.4	-7.8	0.5	0.4	0.1	0.2	1.2	-5.1	-13.1	-17.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-44.1	-15.7	-2.2	-1.5	-0.5	-0.6	-4.8	20.1	51.4	67.4
EPS (adj.)	-23.34	-8.28	-1.17	-0.78	-0.27	-0.34	-2.55	10.62	27.21	35.66
EPS (rep.)	-23.34	-8.28	-1.17	-0.78	-0.27	-0.34	-2.55	10.62	27.21	35.66
Key figures	2023	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-12.6 %	-2.1 %	0.2 %	-2.0 %	4.0 %	7.6 %	2.3 %	5.9 %	6.6 %	6.7 %
Adjusted EBIT growth-%	-120.9 %	-180.3 %	-90.7 %	-83.7 %	-72.0 %	-127.4 %	-43.9 %	510.5 %	100.8 %	23.5 %
EBITDA-%	3.8 %	7.0 %	6.0 %	6.2 %	6.6 %	6.9 %	6.4 %	9.1 %	12.1 %	13.0 %
Adjusted EBIT-%	-1.5 %	1.2 %	0.1 %	0.5 %	1.0 %	1.0 %	0.7 %	3.8 %	7.1 %	8.3 %
Net earnings-%	-4.7 %	-1.7 %	-1.0 %	-0.6 %	-0.2 %	-0.3 %	-0.5 %	2.0 %	4.9 %	6.0 %

Source: HC Andersen Capital

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	385	382	399	404	410
Goodwill	51.2	52.1	52.1	52.1	52.1
Tangible & intangible assets	286	284	290	295	300
Associated companies	32.3	32.9	33.3	33.8	34.3
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	14.7	14.0	23.2	23.2	23.2
Current assets	389	395	395	405	422
Inventories	198	203	201	205	216
Other current assets	22.8	15.9	20.1	20.1	21.4
Receivables	130	137	137	140	143
Cash and equivalents	38.5	38.5	37.3	39.5	42.1
Balance sheet total	774	777	793	809	832

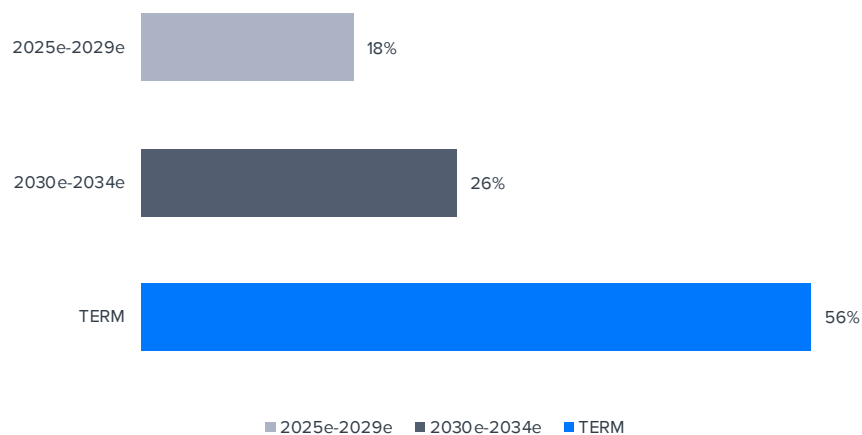
Source: HC Andersen Capital

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	276	262	257	277	328
Share capital	37.8	37.8	37.8	37.8	37.8
Retained earnings	250	235	230	250	301
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-12.4	-10.7	-10.7	-10.7	-10.7
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	84.1	72.8	72.8	72.8	72.8
Deferred tax liabilities	12.0	11.6	11.6	11.6	11.6
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	72.0	61.1	61.1	61.1	61.1
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	414	443	464	460	431
Interest bearing debt	328	353	378	367	331
Payables	47.8	53.3	56.0	61.7	68.4
Other current liabilities	38.2	36.7	30.1	30.7	31.4

DCF calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-2.1%	2.3%	5.9%	6.6%	6.7%	5.6%	4.5%	3.3%	2.6%	2.0%	2.0%	2.0%
EBIT-%	1.2%	0.7%	3.8%	7.1%	8.3%	9.3%	9.6%	8.5%	8.0%	7.0%	7.0%	7.0%
EBIT (operating profit)	10.9	6.1	37.4	75.0	92.6	111	119	109	105	93.8	95.6	
+ Depreciation	53.0	54.0	52.5	52.4	53.3	54.0	57.1	55.0	55.1	56.6	56.3	
- Paid taxes	-7.4	-8.1	-5.1	-13.1	-17.1	-21.1	-23.1	-21.2	-21.7	-19.4	-19.9	
- Tax, financial expenses	-4.3	-2.0	-2.8	-2.6	-2.4	-2.2	-1.9	-1.7	-1.5	-1.2	-1.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
- Change in working capital	-1.6	-5.0	-1.9	-7.0	-9.3	-8.4	-6.9	-2.7	-1.9	2.4	-5.6	
Operating cash flow	50.5	45.1	80.2	105	117	133	144	138	135	132	125	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-51.1	-60.4	-57.5	-57.4	-58.2	-59.0	-62.1	-60.0	-55.1	-55.3	-56.3	
Free operating cash flow	-0.6	-15.4	22.6	47.3	59.0	74.2	82.1	78.2	80.1	76.7	69.0	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.6	-15.4	22.6	47.3	59.0	74.2	82.1	78.2	80.1	76.7	69.0	990
Discounted FCFF		-14.2	19.2	36.7	42.0	48.4	49.1	42.9	40.2	35.3	29.1	418
Sum of FCFF present value		746	761	742	705	663	614	565	522	482	447	418
Enterprise value DCF		746										
- Interest bearing debt		-414.0										
+ Cash and cash equivalents		38.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		404										
Equity value DCF per share		213.9										

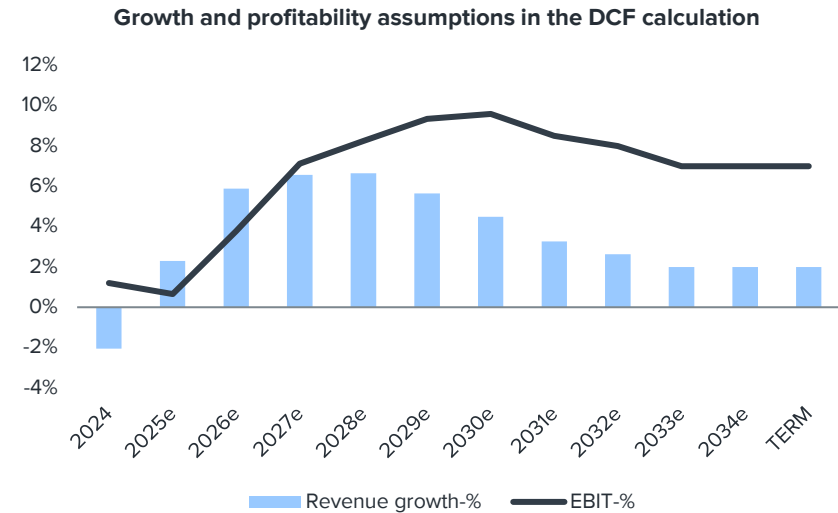
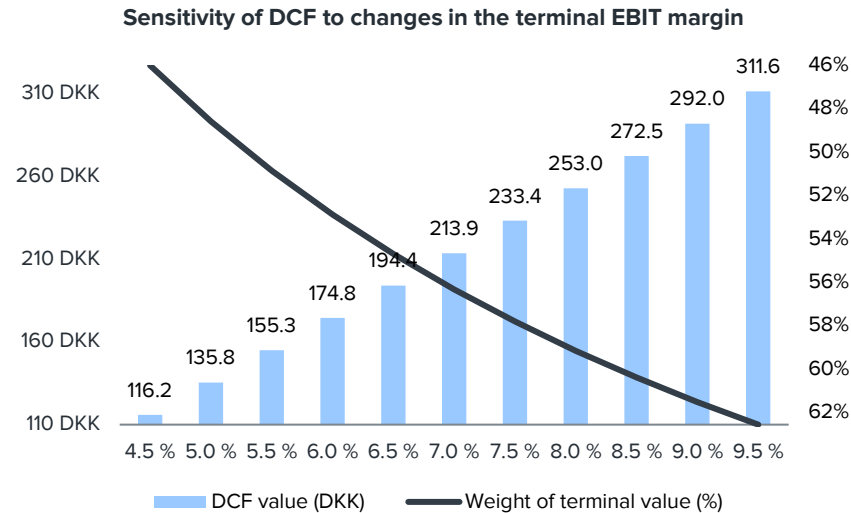
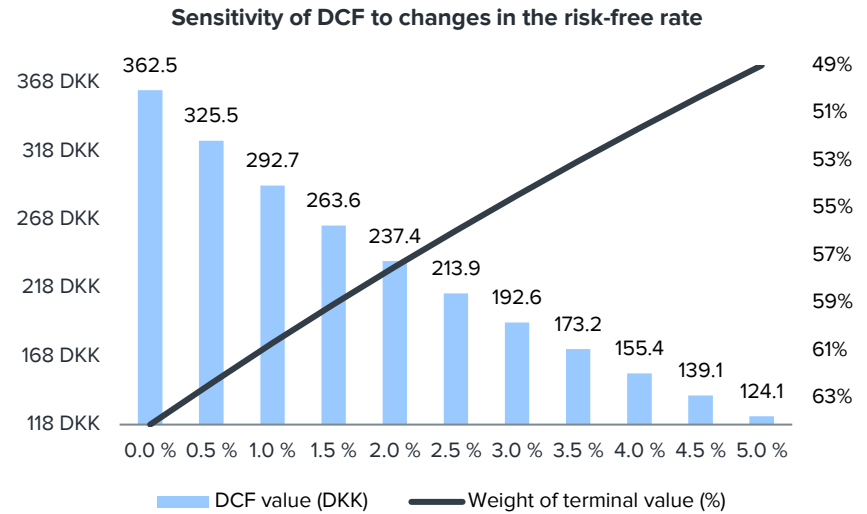
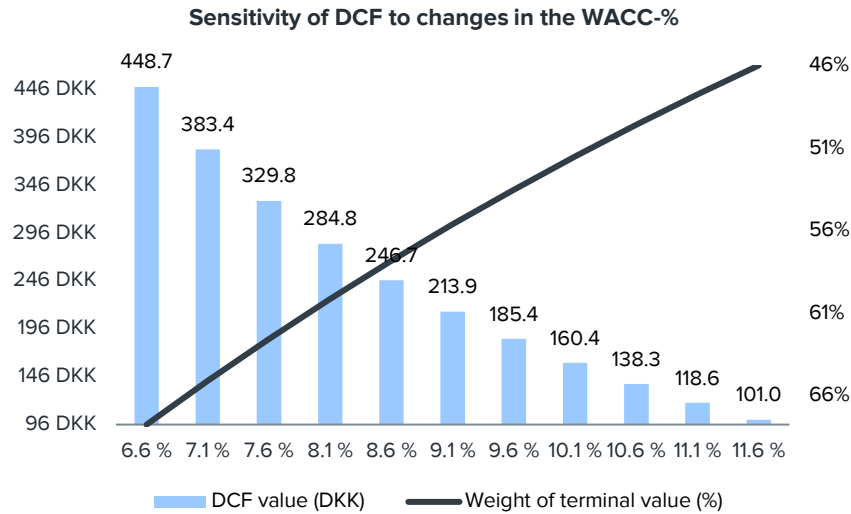
Cash flow distribution



WACC	
Tax-% (WACC)	22.0%
Target debt ratio (D/(D+E))	30.0%
Cost of debt	5.50%
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.50%
Cost of equity	11.2%
Weighted average cost of capital (WACC)	9.1%

Source: HC Andersen Capital

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	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	1065.0	931.2	912.0	933.0	987.9	EPS (reported)	30.77	-23.34	-8.28	-2.55	10.62
EBITDA	107.5	35.8	63.9	60.1	89.9	EPS (adj.)	30.77	-23.34	-8.28	-2.55	10.62
EBIT	64.9	-13.6	10.9	6.1	37.4	OCF / share	-1.12	27.74	26.72	23.84	42.43
PTP	80.6	-28.8	-7.9	-6.0	25.2	FCF / share	-22.86	9.34	-0.30	-8.14	11.98
Net Income	58.2	-44.1	-15.7	-4.8	20.1	Book value / share	183.66	145.86	138.43	135.88	146.50
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	10.75	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	861.0	773.7	777.2	793.3	809.2	Revenue growth-%	32%	-13%	-2%	2%	6%
Equity capital	347.1	275.7	261.6	256.8	276.9	EBITDA growth-%	11%	-67%	78%	-6%	50%
Goodwill	50.7	51.2	52.1	52.1	52.1	EBIT (adj.) growth-%	11%	-121%	-180%	-44%	511%
Net debt	308.9	361.5	344.2	368.1	355.4	EPS (adj.) growth-%	26%	-176%	-65%	-69%	-516%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	10.1 %	3.8 %	7.0 %	6.4 %	9.1 %
EBITDA	107.5	35.8	63.9	60.1	89.9	EBIT (adj.)-%	6.1 %	-1.5 %	1.2 %	0.7 %	3.8 %
Change in working capital	-77.0	5.1	-1.6	-5.0	-1.9	EBIT-%	6.1 %	-1.5 %	1.2 %	0.7 %	3.8 %
Operating cash flow	-2.1	52.4	50.5	45.1	80.2	ROE-%	17.4 %	-14.2 %	-5.8 %	-1.9 %	7.5 %
CAPEX	-43.0	-39.6	-51.1	-60.4	-57.5	ROI-%	12.8 %	-1.8 %	1.7 %	1.4 %	5.5 %
Free cash flow	-43.2	17.7	-0.6	-15.4	22.6	Equity ratio	40.3 %	35.6 %	33.7 %	32.4 %	34.2 %
						Gearing	89.0 %	131.1 %	143.5 %	156.3 %	140.4 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.2	1.0	0.9	0.7	0.7						
EV/EBITDA	11.9	26.2	13.4	10.9	7.2						
EV/EBIT (adj.)	19.7	neg.	78.4	>100	17.3						
P/E (adj.)	16.7	neg.	neg.	neg.	14.4						
P/B	2.8	2.1	2.0	1.1	1.0						
Dividend-%	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: HC Andersen Capital

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
09/01/2025	Reduce	195.0 DKK	182.0 DKK
18/11/2024	Reduce	225.0 DKK	230.0 DKK
30/08/2024	Accumulate	300.0 DKK	272.0 DKK
30/06/2024	Accumulate	295.0 DKK	260.0 DKK

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HC Andersen Capital

Bredgade 23B 2. sal
1260 København K, Denmark
CVR: 41474793

All research available at [inderes.dk](https://www.inderes.dk)

Equity research team



Kasper Lihn
Head of Research, MD



Michael Friis
Head of Equities



Rasmus Kjøjborg
Head of Research, Stables



Philip Coombes
Equity Analyst



Victor Skriver
Equity Analyst Assistant



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