

PUUILO OYJ

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Back on board the growth story

Puuiilo reported a well-anticipated result, with revenue and earnings growing at a rate of just over 10%. We continue to see strong long-term growth and value creation potential for the company, and the share valuation has moderated as well. We raise our recommendation to Accumulate (was Reduce) and reiterate a target price of EUR 14.5.

Good progress across the board

Puuiilo's Q3 was in line with our expectations, with revenue and earnings growing at a solid pace of just over 10%. Growth was supported by existing and new stores alike, though no new store openings occurred during the quarter due to timing factors. A key aspect of the company's development is seeing customer numbers continue to grow in both new and comparable stores, which is not guaranteed in the current challenging market situation. This market situation is reflected in the company's average purchase development, which has decreased in recent years. This is also partly due to the company's own initiatives, as Puuiilo has invested in commercializing its own brands. Private labels grew by as much as 18% in Q3, and a similar trend has been observed in previous years. This has led to positive developments in gross margin as well as profitability, offsetting the impact of cautious consumer behavior on the company's bottom line.

We made minor estimate revisions

Puuiilo refined its guidance in connection with the Q3 result and expects revenue in 2025 to settle at 430–450 MEUR (previously 425–455) and adj. EBITA at 72–79 MEUR (previously 70–80). We lowered our high expectations for Q4 and slightly raised our cost estimates for the coming years due to additional costs caused by the rapid pace of store openings and internationalization. Overall, our EBITA estimates decreased by 1-2%.

Expansion continues

The company announced that it will open at least 7 new stores next year and teased the possibility of opening even more. We

therefore estimate that the company will open 8 new stores in 2026, which would be a record number for Puuiilo. From now on, stores will open at a rate of approximately 7 per year, meaning that by the end of the strategy period (2030), there will be a network of 91 stores in Finland. The internationalization part of the strategy is still in the planning stages, as the company is currently recruiting a country manager for Sweden. Puuiilo's management stated on the earnings release day that they might have a clearer view of the exact store opening pace in the spring. In any case, costs associated with internationalization will increase in the coming years, requiring support from Finnish operations prior to store openings. We believe that the company will be able to offset these temporary costs weighing on the result by increasing volume, improving the gross margin (private label), and scaling up maturing stores. We expect the company's revenue to grow at an annual rate of approximately 12%, with Puuiilo achieving an EBITA margin of 18% by the end of 2030. Key forecast risks relate in the short term to consumer sentiment and the development of geopolitical risks, and in the longer term to intensifying competitive situation.

The stock's risk/reward has turned attractive

Based on the realized earnings, the share's valuation is somewhat tight, which, in our view, acts as a negative driver for the expected return. However, the earnings growth we predict (17%/year) will bring the multiples down to attractive levels in the medium term, which will more than compensate for the negative impact of the actualized multiples. In addition, expected returns are supported by the solid foundation of a 4-6% dividend yield. Overall, Puuiilo's expected return exceeds the required return, meaning the risk/reward ratio of the share can be considered attractive. With the fundamentals remaining unchanged in the big picture, the negative share price reaction offers an opportunity to get back on board with a high-quality company that has grown its market position, in which we see great long-term potential.

Recommendation

Accumulate
(was Reduce)

Target price:

EUR 14.50
(was EUR 14.50)

Share price:

EUR 13.15

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	383.4	440.2	506.6	569.5
growth-%	13%	15%	15%	12%
EBIT adj.	65.2	74.5	87.9	101.1
EBIT-% adj.	17.0 %	16.9 %	17.3 %	17.8 %
Net Income	48.1	55.2	65.3	77.5
EPS (adj.)	0.57	0.65	0.77	0.91
P/E (adj.)	18.0	20.2	17.1	14.4
P/B	8.5	11.4	9.4	7.7
Dividend yield-%	6.8 %	4.0 %	4.7 %	5.6 %
EV/EBIT (adj.)	15.1	16.7	14.2	12.3
EV/EBITDA	11.7	12.9	10.9	9.5
EV/S	2.6	2.8	2.5	2.2

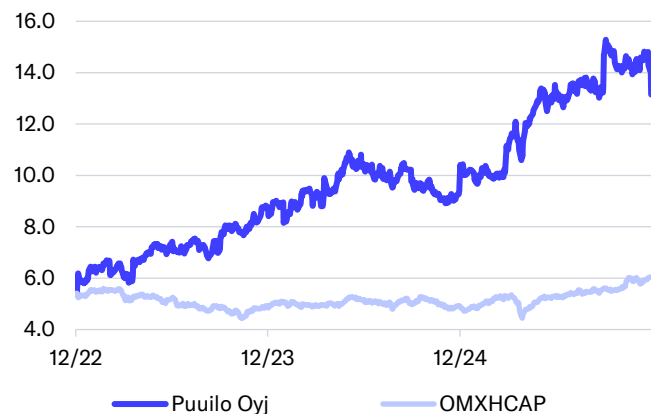
Source: Inderes

Guidance

(Adjusted)

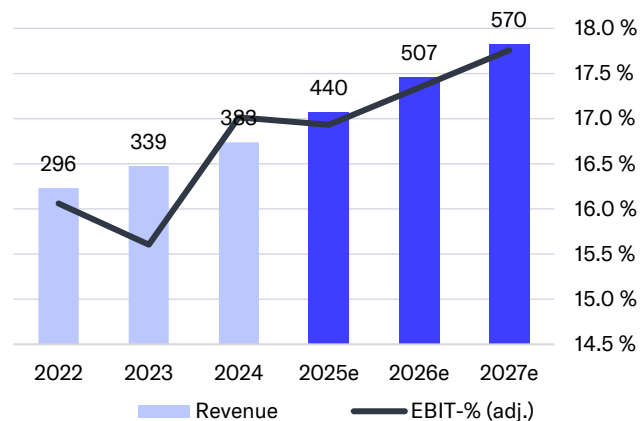
Puuiilo predicts that its revenue for 2025 will be 430-450 MEUR (2024: 383 MEUR) and the adjusted EBITA will be in the range of 72-79 MEUR (2024: 67 MEUR).

Share price



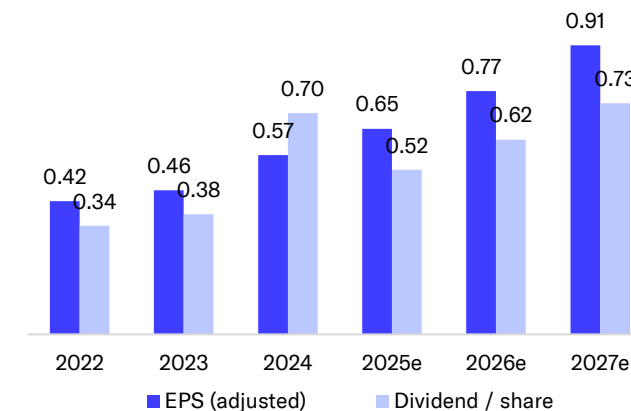
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Increasing the number of stores to over 90
- Internationalization
- Significant growth potential remaining in ramping up existing stores
- Growth in private label
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment
- Professionalization of construction and urbanization

Valuation	2025e	2026e	2027e
Share price	13.2	13.2	13.2
Number of shares, millions	84.8	84.8	84.8
Market cap	1115	1115	1115
EV	1243	1248	1248
P/E (adj.)	20.2	17.1	14.4
P/E	20.2	17.1	14.4
P/B	11.4	9.4	7.7
P/S	2.5	2.2	2.0
EV/Sales	2.8	2.5	2.2
EV/EBITDA	12.9	10.9	9.5
EV/EBIT (adj.)	16.7	14.2	12.3
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	4.0 %	4.7 %	5.6 %

Source: Inderes

Q3 fundamentals met our expectations

Concept is still attracting new customers

Puulo's Q3 revenue grew by 14% to 116 MEUR. Revenue growth was driven by new stores (+7 y/y) as well as by like-for-like growth (2%) picking up slightly from the last quarter. The number of customers also increased both for the entire network (16%) and comparable stores (5%), indicating the appeal of the Puulo concept. The average purchase amount, in turn, decreased, which suggests that consumer behavior remains cautious. This partial driver may also be explained by the strong growth (18%) of private labels with lower price points.

Result at a strong level

Q3 EBITA improved from the comparison period to 22 MEUR, corresponding to 18.8% of revenue. The improvement in earnings was driven by both volume growth and a positive development in product margins. In our view, robust growth of own brands, as well as changes

in the sales mix, supported the approximately 0.6 percentage point improvement in the gross margin (38.6%). Earnings growth in turn was limited by fixed expenses which grew faster than revenue due largely to new store openings and wage inflation. In the big picture, higher earnings per share (EUR 0.19) than in the comparison period (EUR 0.17) were due to an improved operating result.

Cash flow at a healthy level and balance sheet in strong shape

Between Q1 and Q3, the company accumulated 65 MEUR in cash flow, an increase in relation to the comparison period (44 MEUR), thanks to higher results. Although the Q3 report does not provide precise figures for calculating free cash flow, the pace of investment this year has been moderate. With the expansion of the store network, lease payments have naturally increased, but free cash flow is still likely to remain at a healthy level. Puulo's strong balance sheet position is reflected in a net debt/EBITDA ratio of

0.5x (IFRS 16 adjusted), while the company's self-imposed upper limit is 2.5x. Thus, financing for faster growth (e.g., internationalization or acquisitions) is also secured when necessary. However, thus far, the company has been able to expand through self-financing, reflecting its business model's strong cash flow profile and low investment needs.

Estimates MEUR / EUR	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	102	116	114	118			2%	440
EBITA (adj.)	19.7	21.9	22.0	-			-1%	76.2
EBIT	19.3	21.4	21.6	22.2			-1%	74.5
EPS (reported)	0.17	0.19	0.19	0.20			0%	0.65
Revenue growth-%	10.7 %	13.7 %	11.9 %	15.0 %			1.8 pp	14.8 %
EBITA-% (adj.)	19.3 %	18.8 %	19.3 %	-			-0.4 pp	17.3 %

Source: Inderes & Bloomberg (consensus, 4 estimates)

Forecast changes remained moderate

Fine-tuning of guidance

The company revised its guidance ranges at both the upper and lower ends, but without significantly changing the midpoint of the ranges. The new guidance indicates that revenue will be between 430 and 450 MEUR (previously 425-455) and adj. EBITA between 72 and 79 MEUR (previously 70–80). Based on actual results thus far this year and the new guidance, EBITA for Q4 is projected to be in the range of 11–18 MEUR (Q4' 24: 14 MEUR).

Estimate changes for the coming years remained limited

We lowered our Q4'25 earnings estimates. Quite high growth expectations had been placed on Q4, which, based on the report, appeared to be overly optimistic. However, it is important to note that Q4 is a slow quarter on Puuilo's scale and the changes will therefore not have a significant impact on the total for the full year.

Forecast changes for the coming years also remained moderate. We added one new store for the coming year and raised our fixed expense estimates due to the additional costs arising from the rapid pace of store openings and internationalization.

The growth outlook is also favorable in the long term

We see the company continuing its strong growth (2025-30e ~12% y/y) throughout the 2020s, and by the end of the decade, Puuilo is likely to reach the 91-store milestone, according to our estimates. Thus far, we estimate that the company's EBITA-% has increased to approximately 18% (2025e 17.3%, target >17%) thanks to volume growth, an aging store network (improved efficiency), and a growing private label share. We have also included the assumption in our forecasts that competition in the Finnish discount retail market will intensify (as reflected in the gross margin estimates) as several operators rapidly expand their store networks. Our forecasts do not yet include stores to be

opened in Sweden, as there is considerable uncertainty regarding their opening schedule and quantity. We will add these stores to our forecasts as internationalization plans become more specific.

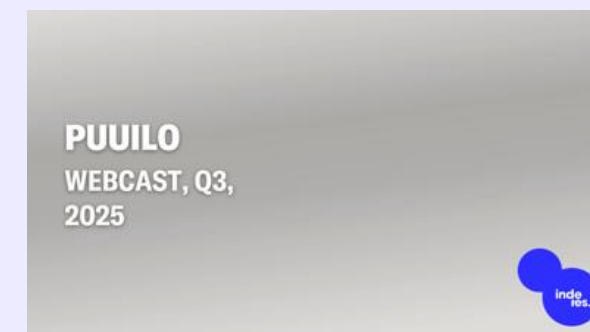
Given Puuilo's conservative growth appetite (no intention to grow at the expense of profitability), it is possible that, after the pilot phase in Sweden, store expansion will cease if the concept does not work as intended. In this case, the company's growth would slow down (though it would remain reasonable for some time, as younger stores continue to grow), and the investor profile would shift toward a cash flow machine that would guarantee investors generous dividends. If the concept proves successful in Sweden, it is possible that the company will grow in the coming decades by entering new markets.

Key forecast risks relate in the short term to consumer sentiment and the development of geopolitical risks, and in the longer term to the development of the competitive situation.

Estimates MEUR / EUR	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	102	116	114	118			2%	440
EBITA (adj.)	19.7	21.9	22.0	-			-1%	76.2
EBIT	19.3	21.4	21.6	22.2			-1%	74.5
EPS (reported)	0.17	0.19	0.19	0.20			0%	0.65
Revenue growth-%	10.7 %	13.7 %	11.9 %	15.0 %			1.8 pp	14.8 %
EBITA-% (adj.)	19.3 %	18.8 %	19.3 %	-			-0.4 pp	17.3 %

Source: Inderes & Bloomberg (consensus, 4 estimates)

Puuilo, Webcast, Q3'25 (in Finnish)



Risk/reward ratio turned attractive again

Valuation becomes attractive, supported by earnings growth

Puuiilo's P/E ratio (20x), measured by the last 12 months' realized earnings, is high. However, our estimated earnings growth (17%) will reduce the valuation multiples to moderate levels in the medium term. In our view, the 2027e 14x P/E and 12x EV/EBITA (IFRS 16 adj.) are attractive for a high-quality, growing company. Thus, earnings growth acts as an essential driver of the expected return and share price. However, it must be stated that if the earnings growth engine falters, there will be no positive drivers for the share.

Premium is justified

When gauging the relative valuation, we give main weight to the P/E ratio. The comparability of EV-based multiples within the peer group is weakened by differences in the length of IFRS 16 leases affecting net debt between the companies.

Examined with the P/E ratio, the company is priced at a small premium to its retail peer group. Peers trade at a 2026e P/E ratio of around 16x and Puuilo at 17x. We see Puuilo's premium as justified due to its strong earnings growth outlook and better return on capital than its peers.

Cash flow model supports upside

We consider the DCF model a reliable valuation method due to Puuilo's strong and fairly predictable cash flow profile. Our DCF model indicates that the stock's fair value is just over EUR 15. This is above the share price, offering plenty of upside and supporting a positive view of the stock. Success in expanding into Sweden offers an

additional positive option. However, Finnish retail companies that have recently succeeded in expanding into Sweden are few and far between. Nevertheless, Puuilo's concept has been exceptionally successful in Finland, increasing the likelihood of success.

Overall expected return attractive again

Based on the realized earnings, the share's valuation is somewhat tight, which, in our view, acts as a negative driver for the expected return. However, the earnings growth we predict more than offsets the negative impact of the multiples. In addition, expected returns are supported by the reasonably solid foundation of a 4-6% dividend yield. Overall, the share's expected return thus exceeds the required return, meaning the risk/reward ratio of the share can be characterized as attractive.

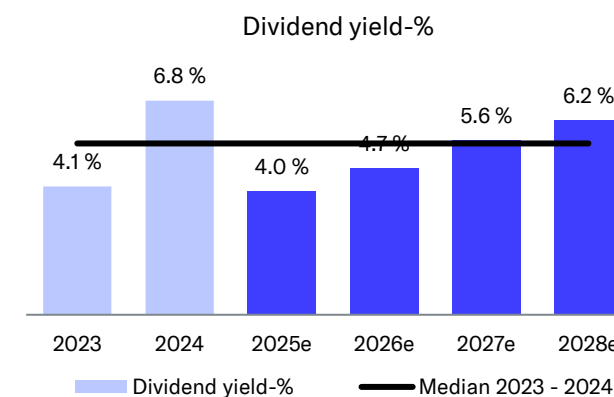
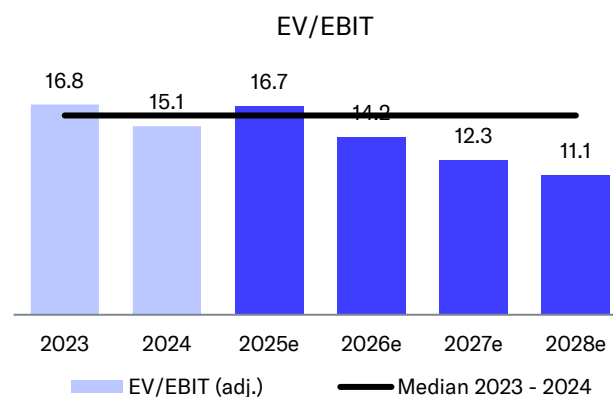
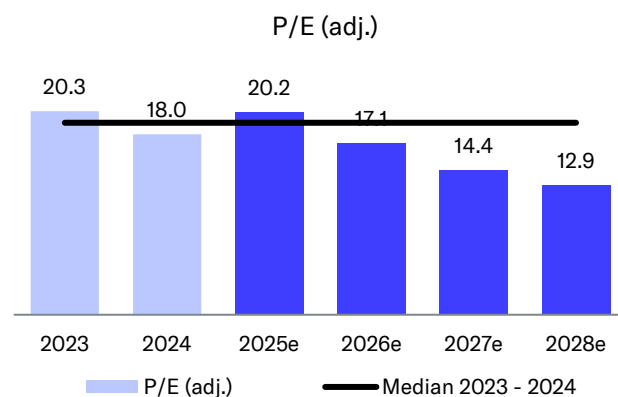
Valuation	2025e	2026e	2027e
Share price	13.2	13.2	13.2
Number of shares, millions	84.8	84.8	84.8
Market cap	1115	1115	1115
EV	1243	1248	1248
P/E (adj.)	20.2	17.1	14.4
P/E	20.2	17.1	14.4
P/B	11.4	9.4	7.7
P/S	2.5	2.2	2.0
EV/Sales	2.8	2.5	2.2
EV/EBITDA	12.9	10.9	9.5
EV/EBIT (adj.)	16.7	14.2	12.3
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	4.0 %	4.7 %	5.6 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price				9.26	10.2	13.2	13.2	13.2	13.2
Number of shares, millions				84.8	84.8	84.8	84.8	84.8	84.8
Market cap				785	867	1115	1115	1115	1115
EV				886	982	1243	1248	1248	1250
P/E (adj.)				20.3	18.0	20.2	17.1	14.4	12.9
P/E				20.3	18.0	20.2	17.1	14.4	12.9
P/B				9.2	8.5	11.4	9.4	7.7	6.6
P/S				2.3	2.3	2.5	2.2	2.0	1.8
EV/Sales				2.6	2.6	2.8	2.5	2.2	2.0
EV/EBITDA				13.1	11.7	12.9	10.9	9.5	8.6
EV/EBIT (adj.)				16.8	15.1	16.7	14.2	12.3	11.1
Payout ratio (%)				83.3 %	123.3 %	80.0 %	80.0 %	80.0 %	80.0 %
Dividend yield-%				4.1 %	6.8 %	4.0 %	4.7 %	5.6 %	6.2 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Europris ASA	1320	1760	15.4	13.6	8.9	8.2	1.4	1.3	17.6	14.4	3.8	4.3	3.6
Byggmax Group AB	280	459	17.9	15.0	5.3	5.2	0.8	0.8	19.1	14.8	2.6	3.4	1.2
Clas Ohlson AB	2139	2191	20.7	16.0	12.3	10.7	2.1	1.9	26.1	20.0	2.2	2.5	8.8
Axfood AB	5383	6821	20.4	17.7	9.7	8.9	0.8	0.8	24.2	20.1	3.4	3.5	7.8
Dollar General Corp	23762	27111	16.5	15.0	11.0	10.1	0.8	0.7	21.9	19.4	1.9	1.9	3.7
Kesko Oyj	7405	10862	16.7	15.3	8.8	8.1	0.9	0.8	16.9	15.3	5.0	5.5	2.7
Musti Group Oyj	616	808	15.0	13.0	8.5	7.8	1.6	1.6	15.6	13.7	4.4	4.9	3.0
Verkkokauppa.com Oyj	168	167	10.6	11.5	7.8	7.8	0.3	0.3	15.4	16.4	3.1	3.5	4.1
Tokmanni Oyj	439	763	9.0	7.7	3.5	3.3	0.4	0.4	11.4	8.8	5.7	7.9	1.6
Rusta	1116	1594	19.8	17.5	9.4	8.7	1.5	1.4	23.7	20.3	1.8	2.5	5.4
Tractor Supply	23786	25156	19.4	17.8	14.5	13.4	1.9	1.8	24.8	22.4	1.8	1.9	10.5
Puulo Oyj (Inderes)	1115	1243	16.7	14.2	12.9	10.9	2.8	2.5	20.2	17.1	4.0	4.7	11.4
Average			16.5	14.6	9.1	8.4	1.1	1.1	19.7	16.9	3.2	3.8	4.8
Median			16.7	15.0	8.9	8.2	0.9	0.8	19.1	16.4	3.1	3.5	3.7
Diff-% to median			0%	-5%	44%	34%	224%	197%	6%	4%	27%	35%	209%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	339	75.4	120	102	85.8	383	89.3	136	116	98.9	440	507	570	633
EBITDA	67.8	12.4	29.0	23.9	18.7	84.0	15.8	32.8	27.0	20.8	96.5	114	131	146
Depreciation	-15.0	-4.8	-4.5	-4.6	-4.8	-18.7	-5.4	-5.3	-5.6	-5.6	-21.9	-26.4	-29.8	-33.5
EBIT (excl. NRI)	52.8	7.6	24.4	19.3	13.9	65.2	10.4	27.5	21.4	15.2	74.5	87.9	101	112
EBIT	52.8	7.6	24.4	19.3	13.9	65.2	10.4	27.5	21.4	15.2	74.5	87.9	101	112
Net financial items	-4.5	-1.3	-1.3	-1.2	-1.3	-5.1	-1.4	-1.4	-1.4	-1.4	-5.7	-6.2	-6.6	-6.7
PTP	48.4	6.3	23.1	18.1	12.6	60.1	9.0	26.0	20.0	13.8	68.8	81.6	94.5	105
Taxes	-9.7	-1.3	-4.6	-3.6	-2.5	-12.0	-1.8	-5.2	-3.9	-2.8	-13.7	-16.3	-17.0	-19.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	38.7	5.0	18.5	14.5	10.1	48.1	7.2	20.8	16.1	11.0	55.2	65.3	77.5	86.4
EPS (adj.)	0.46	0.06	0.22	0.17	0.12	0.57	0.09	0.25	0.19	0.13	0.65	0.77	0.91	1.02
EPS (rep.)	0.46	0.06	0.22	0.17	0.12	0.57	0.09	0.25	0.19	0.13	0.65	0.77	0.91	1.02

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	14.2 %	16.1 %	14.9 %	10.7 %	11.8 %	13.3 %	18.4 %	13.2 %	13.7 %	15.3 %	14.8 %	15.1 %	12.4 %	11.2 %
Adjusted EBIT growth-%	11.0 %	8.1 %	18.8 %	28.8 %	35.8 %	23.5 %	37.6 %	12.5 %	11.1 %	9.2 %	14.3 %	17.9 %	15.1 %	10.8 %
EBITDA-%	20.0 %	16.4 %	24.2 %	23.4 %	21.8 %	21.9 %	17.7 %	24.1 %	23.3 %	21.1 %	21.9 %	22.6 %	23.0 %	23.0 %
Adjusted EBIT-%	15.6 %	10.0 %	20.4 %	18.9 %	16.2 %	17.0 %	11.7 %	20.2 %	18.5 %	15.4 %	16.9 %	17.3 %	17.8 %	17.7 %
Net earnings-%	11.4 %	6.7 %	15.4 %	14.2 %	11.8 %	12.6 %	8.1 %	15.3 %	13.9 %	11.1 %	12.5 %	12.9 %	13.6 %	13.6 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	127	139	151	164	180
Goodwill	33.5	33.5	33.5	33.5	33.5
Intangible assets	16.4	16.0	16.3	16.6	16.9
Tangible assets	75.9	88.0	101	114	129
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	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.0	1.3	0.0	0.0	0.0
Current assets	122	142	165	194	221
Inventories	93.1	116	119	137	154
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	7.2	8.2	8.8	11.1	12.5
Cash and equivalents	21.5	18.3	37.1	45.8	55.1
Balance sheet total	249	281	315	358	401

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	85.0	102	97.6	119	144
Share capital	29.1	29.1	29.1	29.1	29.1
Retained earnings	55.9	72.7	68.5	89.7	115
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	112	122	165	179	189
Deferred tax liabilities	2.7	2.5	0.0	0.0	0.0
Provisions	0.9	1.0	0.0	0.0	0.0
Interest bearing debt	108	118	165	179	189
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	51.7	57.4	52.8	60.8	68.3
Interest bearing debt	14.6	15.0	0.0	0.0	0.0
Payables	37.1	42.4	52.8	60.8	68.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	249	281	315	358	401

DCF-calculation

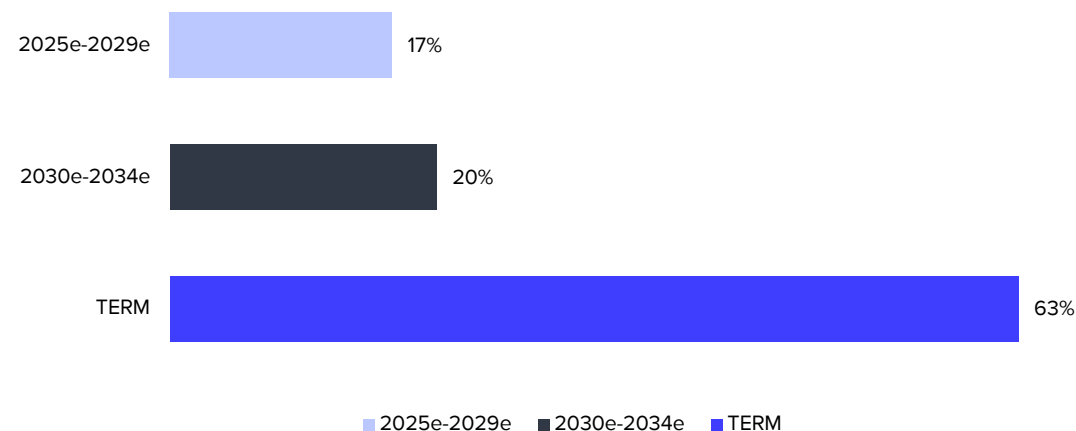
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.3 %	14.8 %	15.1 %	12.4 %	11.2 %	10.7 %	9.8 %	6.0 %	6.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	17.0 %	16.9 %	17.3 %	17.8 %	17.7 %	18.0 %	18.0 %	18.0 %	17.0 %	16.5 %	16.5 %	16.5 %
EBIT (operating profit)	65.2	74.5	87.9	101	112	126	139	147	147	147	150	
+ Depreciation	18.7	21.9	26.4	29.8	33.5	35.3	38.5	41.2	43.5	45.5	47.2	
- Paid taxes	-12.5	-14.9	-16.3	-17.0	-19.0	-21.3	-23.4	-24.7	-24.7	-24.6	-26.2	
- Tax, financial expenses	-1.0	-1.1	-1.2	-1.2	-1.2	-1.4	-1.6	-1.7	-1.8	-1.9	-1.9	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	
- Change in working capital	-18.2	6.5	-12.2	-10.8	-11.0	-11.6	-11.8	-7.9	-8.4	-4.5	-3.1	
Operating cash flow	52.3	86.9	84.5	102	114	127	140	154	156	162	167	
+ Change in other long-term liabilities	0.1	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-30.5	-35.1	-40.1	-45.1	-48.1	-49.6	-50.6	-51.6	-52.6	-53.6	-50.1	
Free operating cash flow	21.9	50.8	44.3	56.7	66.3	77.5	89.7	102	103	108	117	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	21.9	50.8	44.3	56.7	66.3	77.5	89.7	102	103	108	117	1931
Discounted FCFF		50.6	40.8	48.3	52.2	56.3	60.2	63.4	59.1	57.3	57.4	947
Sum of FCFF present value		1493	1442	1402	1353	1301	1245	1185	1121	1062	1005	947
Enterprise value DCF		1493										
- Interest bearing debt		-133.1										
+ Cash and cash equivalents		18.3										
-Minorities		0.0										
-Dividend/capital return		-59.3										
Equity value DCF		1319										
Equity value DCF per share		15.6										

WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.2 %

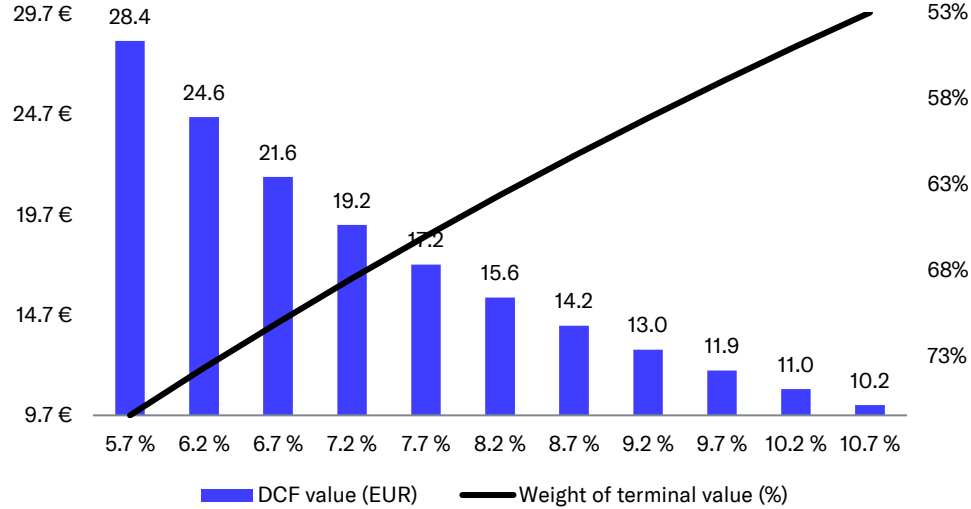
Source: Inderes

Cash flow distribution

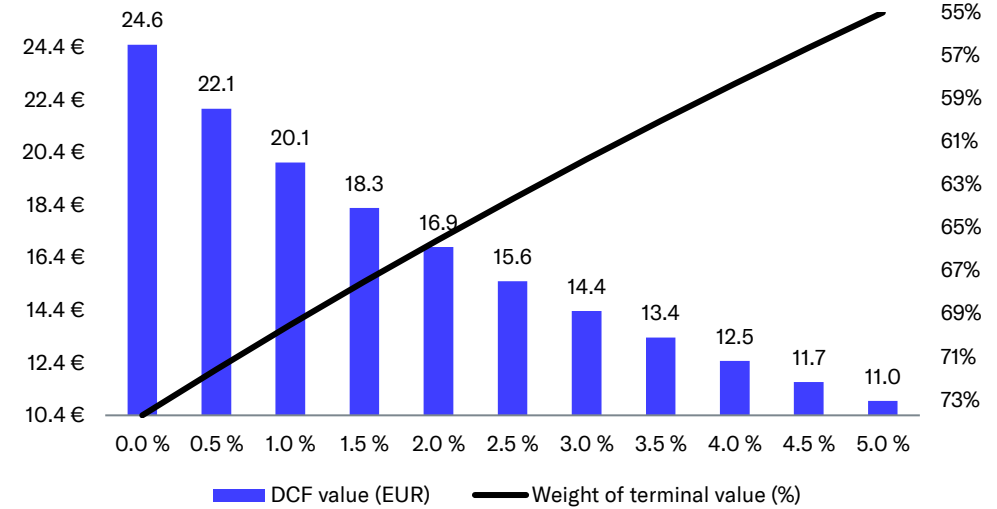


DCF sensitivity calculations and key assumptions in graphs

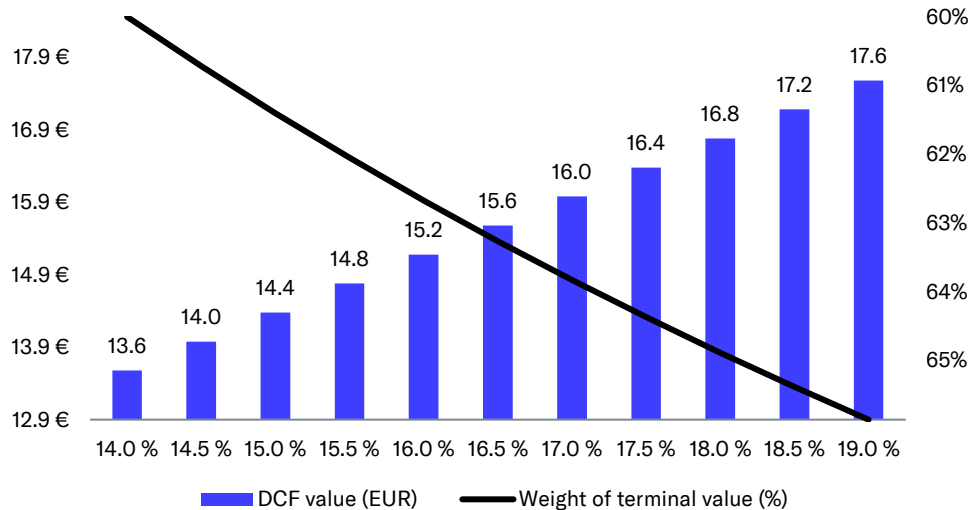
Sensitivity of DCF to changes in the WACC-%



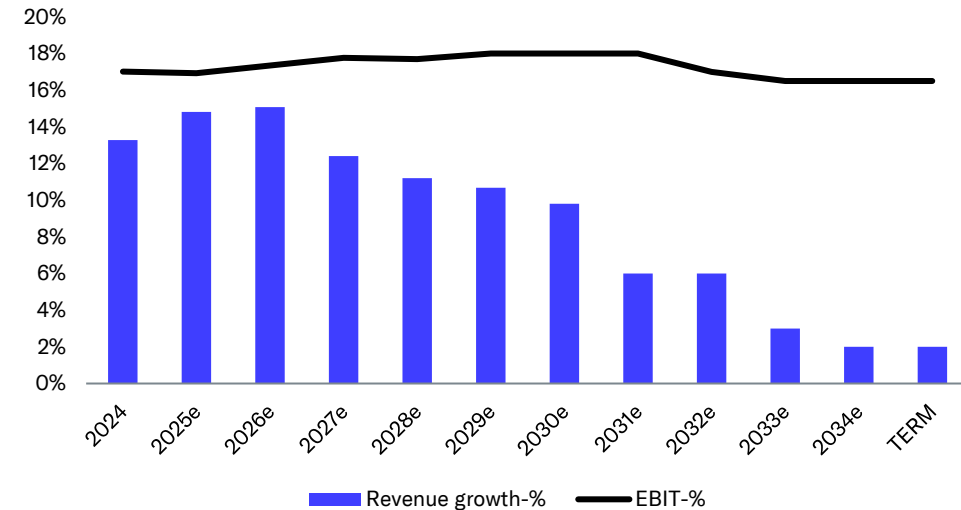
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025e	2026e	Per share data	2023	2024	2025e	2026e
Revenue	338.5	383.4	440.2	506.6	EPS (reported)	0.46	0.57	0.65	0.77
EBITDA	67.8	84.0	96.5	114.3	EPS (adj.)	0.46	0.57	0.65	0.77
EBIT	52.8	65.2	74.5	87.9	OCF / share	0.71	0.62	1.03	1.00
PTP	48.4	60.1	68.8	81.6	OFCF / share	0.31	0.26	0.60	0.52
Net Income	38.7	48.1	55.2	65.3	Book value / share	1.00	1.20	1.15	1.40
Extraordinary items	0.0	0.0	0.0	0.0	Dividend / share	0.38	0.70	0.52	0.62
Balance sheet	2023	2024	2025e	2026e	Growth and profitability	2023	2024	2025e	2026e
Balance sheet total	248.5	280.8	315.4	358.1	Revenue growth-%	14%	13%	15%	15%
Equity capital	85.0	101.8	97.6	118.8	EBITDA growth-%	12%	24%	15%	18%
Goodwill	33.5	33.5	33.5	33.5	EBIT (adj.) growth-%	11%	24%	14%	18%
Net debt	101.3	114.8	127.9	132.7	EPS (adj.) growth-%	8%	24%	15%	18%
Cash flow	2023	2024	2025e	2026e	EBITDA-%	20.0 %	21.9 %	21.9 %	22.6 %
EBITDA	67.8	84.0	96.5	114.3	EBIT (adj.)-%	15.6 %	17.0 %	16.9 %	17.3 %
Change in working capital	0.4	-18.2	6.5	-12.2	EBIT-%	15.6 %	17.0 %	16.9 %	17.3 %
Operating cash flow	60.0	52.3	86.9	84.5	ROE-%	48.0 %	51.5 %	55.3 %	60.3 %
CAPEX	-34.2	-30.5	-35.1	-40.1	ROI-%	25.9 %	29.5 %	30.0 %	31.4 %
Free cash flow	26.7	21.9	50.8	44.3	Equity ratio	34.2 %	36.3 %	30.9 %	33.2 %
					Gearing	119.2 %	112.8 %	131.0 %	111.7 %
Valuation multiples	2023	2024	2025e	2026e					
EV/S	2.6	2.6	2.8	2.5					
EV/EBITDA	13.1	11.7	12.9	10.9					
EV/EBIT (adj.)	16.8	15.1	16.7	14.2					
P/E (adj.)	20.3	18.0	20.2	17.1					
P/B	9.2	8.5	11.4	9.4					
Dividend-%	4.1 %	6.8 %	4.0 %	4.7 %					

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2021	Accumulate	8.50 €	7.77 €
12/17/2021	Accumulate	10.00 €	8.88 €
4/1/2022	Buy	8.50 €	6.72 €
5/27/2022	Buy	6.00 €	5.16 €
6/15/2022	Buy	6.00 €	4.79 €
9/8/2022	Buy	6.00 €	4.94 €
9/16/2022	Buy	6.00 €	4.92 €
12/16/2022	Buy	6.70 €	5.92 €
3/31/2023	Buy	7.00 €	6.11 €
5/16/2023	Accumulate	8.00 €	7.34 €
6/15/2023	Accumulate	8.00 €	7.18 €
<i>Analyst changed</i>			
9/13/2023	Accumulate	8.50 €	7.63 €
9/25/2023	Accumulate	9.00 €	7.93 €
12/14/2023	Accumulate	9.00 €	8.41 €
3/21/2024	Reduce	9.00 €	9.26 €
3/28/2024	Accumulate	10.00 €	9.18 €
4/24/2024	Accumulate	11.00 €	9.99 €
6/13/2024	Accumulate	11.50 €	10.31 €
9/13/2024	Accumulate	11.00 €	9.84 €
12/12/2024	Accumulate	11.50 €	10.07 €
12/30/2024	Accumulate	11.50 €	10.14 €
3/10/2025	Accumulate	12.00 €	11.16 €
3/28/2025	Reduce	12.00 €	12.09 €
6/11/2025	Reduce	13.50 €	13.52 €
9/12/2025	Reduce	14.50 €	14.72 €
12/11/2025	Accumulate	14.50 €	13.15 €



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