

TECNOTREE

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Positive cash flow trend continued as expected

Tecnotree's Q1 order intake and profitability were weaker than expected, but the cash flow trend was moderately positive, as anticipated. The multi-part guidance was reiterated, but to achieve it, profitability needs to improve and cash flow needs to remain positive for the rest of the year. With the relatively neutral report, we reiterate our target price of EUR 3.5 and our Reduce recommendation.

Cash flow moderately positive as expected

Tecnotree's Q1 revenue increased by just under 4% to 16.9 MEUR, slightly exceeding our estimate of 16.6 MEUR. The growth came especially from license revenue, which was zero in the comparison period. Geographically, the growth came from the MEA & APAC regions, with negative growth in Europe and the Americas. This was a slight disappointment given the company's growth targets in these markets, but on the positive side Tecnotree also announced a new deal in Europe on the day of the results. In Q1, Tecnotree's EBIT was 4.5 MEUR (Q1'24: 4.4 MEUR), below our forecast of 5.9 MEUR. Relative profitability was flat year-on-year, meaning that the efficiency gains from the company's savings program were not reflected in profitability in Q1 as expected. We estimate that this is due to a reduction in the capitalization of product development costs (negative profitability impact on the income statement), in addition to some one-off costs apparently resulting from the savings program in Q1, which have not been adjusted.

Tecnotree's order book amounted to 70.3 MEUR, down from the comparison period (Q1'24: 74.8 MEUR) and the turn of the year (2024: 79.6 MEUR). Although the low order flow at the beginning of the year is a cause for concern, there have been clear fluctuations in order flow from one quarter to the next in the past. Part of the decrease in the order book can be explained by the transition to the ARR model, where recurring revenue is only recognized in the order book for one year.

Tecnotree generated 1.0 MEUR of free cash flow in Q1 (0.5 MEUR including currency translation effects). The positive and clearly

improving cash flow (Q1'24: -4.3 MEUR) was naturally positive but also expected. In addition to declining investments, the company was able to reduce especially trade receivables, while other receivables increased significantly.

Multi-step guidance repeated

Tecnotree reiterated its guidance of low to mid-single-digit revenue growth, an EBIT margin improvement of at least 2 pp and free cash flow above 4 MEUR. In terms of growth, the company progressed in line with guidance in Q1. Tecnotree must improve its profitability towards the end of the year, for which the cost structure reduction of the savings program should provide the basis. In terms of cash flow, the company progressed exactly in line with guidance in Q1 and we consider the guidance to be realistic. There may be significant quarter-to-quarter volatility in cash flow, although the company's ARR transition should even out cash flow going forward.

We continue to monitor the evolution of the cash flow profile from the sidelines

We find it challenging to determine Tecnotree's fair value, as we cannot rely on seemingly cheap earnings-based multiples and visibility into the company's sustainable cash flow generation capacity is weak. At the lower end of the cash flow guidance, the cash flow yield would be in single digits, which we find unattractive given Tecnotree's risk level. Our DCF model, which assumes a significant improvement in cash flow over the next few years, suggests a value of EUR 4.8 per share. However, this does not take into account the dilution from the company's convertible bonds and employee stock option plan over the next few years (combined effect of around 40-50% at the current share price), which makes the upside unattractive. We see the continued improvement in cash flow over the coming years as the main driver for the stock, but we believe that the improving cash flow outlook is to some extent already priced into the stock at the current valuation. As a result, we find the risk/reward unattractive.

Recommendation

Reduce
(was Reduce)

Target price:
EUR 3.50
(was EUR 3.50)

Share price:
EUR 3.77

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	71.6	74.0	76.3	78.5
growth-%	-9%	3%	3%	3%
EBIT adj.	26.7	26.4	27.4	27.5
EBIT-% adj.	37.3 %	35.8 %	35.9 %	35.0 %
Net Income	8.3	13.4	16.3	16.5
EPS (adj.)	0.97	0.82	0.57	0.57

P/E (adj.)	2.7	4.6	6.6	6.6
P/B	0.4	0.6	0.7	0.6
P/FCF	6.2	12.4	7.9	8.3
EV/EBIT (adj.)	1.9	2.8	2.5	2.3
EV/EBITDA	1.7	2.2	1.8	1.7
EV/S	0.7	1.0	0.9	0.8

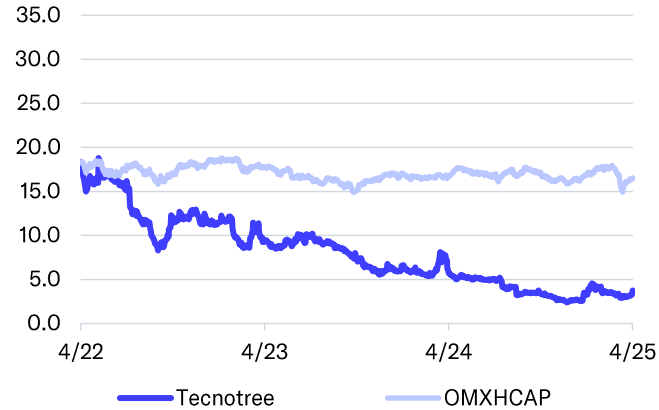
Source: Inderes

Guidance

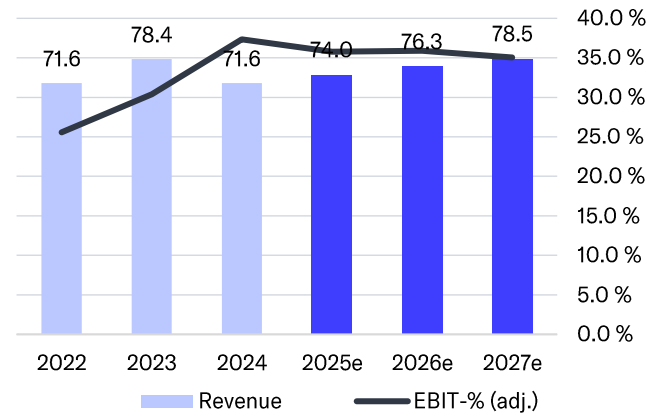
(Unchanged)

Tecnotree expects revenue to grow by low to mid-single digit percentage in constant currency terms. The EBIT margin is expected to improve further by at least 2 percentage points. Tecnotree expects free cash flow to be over 4 MEUR. Tecnotree expects a capex/revenue ratio of 10-12%.

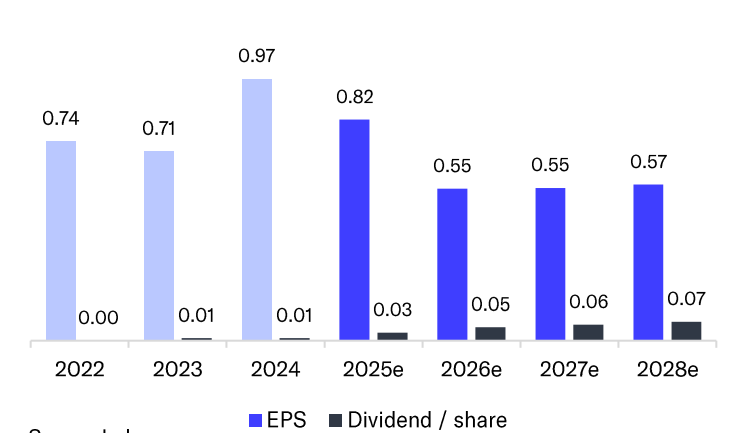
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Clear and sustainable improvement in cash flow
- Value-creating M&A
- Industry's organic drivers are strong and longer-term growth outlook is good
- Increase in recurring revenue
- Technologically competent product portfolio

Risk factors

- Shortcomings in investor communications and corporate governance
- Quality of trade receivables and intangible assets
- Risks related to cash collections
- Failure in M&A
- Customer portfolio structure concentrated at top level
- Failure in product development work and reading the industry
- Some cyclicity in operators' investments
- Political and legislative threats in emerging countries

Valuation	2025e	2026e	2027e
Share price	3.76	3.76	3.76
Number of shares, millions	16.3	28.7	29.1
Market cap	61	108	109
EV	73	68	62
P/E (adj.)	4.6	6.6	6.6
P/E	4.6	6.6	6.6
P/B	0.6	0.7	0.6
P/S	0.8	1.4	1.4
EV/Sales	1.0	0.9	0.8
EV/EBITDA	2.2	1.8	1.7
EV/EBIT (adj.)	2.8	2.5	2.3
Payout ratio (%)	3.6 %	8.8 %	10.6 %
Dividend yield-%	0.8 %	1.3 %	1.6 %

Source: Inderes

Cash flow moderately in the black

Growth broadly in line with our expectations

Tecnotree’s revenue grew by just under 4% to 16.9 MEUR, slightly exceeding our 16.6 MEUR estimate. The growth was particularly driven by license revenue (4.2 MEUR), which did not occur at all in the comparison period. Deliveries, on the other hand, decreased from last year (5.1 MEUR vs. Q1’24: 8.7 MEUR). Maintenance and management services, at 7.6 MEUR, were flat year-on-year.

Revenue from Europe & America fell to 2.7 MEUR (Q1’24: 3.9 MEUR), which was a bit disappointing given Tecnotree’s aim to grow in these markets. As the figures are quite small, we do not draw too many conclusions from one quarter. The growth, in any case, came entirely from MEA & APAC.

The order book decreased to 70.3 MEUR from 74.8 MEUR in the comparison period and 79.6 MEUR at the end of 2024. Thus, considering the Q1 revenue, the order intake, by our calculations, was at a low level of less than 8 MEUR. The order flow was weak in our view, but we have seen marked

order fluctuations from quarter to quarter in the past. Part of the decrease in the order book can be explained by the transition to the ARR model, where recurring revenue is only recognized in the order book for one year.

Earnings fell slightly short of our estimates

In Q1, Tecnotree's EBIT was 4.5 MEUR (Q1’24: 4.4 MEUR) missing our forecast of 5.9 MEUR. This means that the efficiency measures taken by the company did not show significant results in Q1. Taking into account the revenue growth and strong operational profitability in Q4, we believe that the Q1 result was lackluster. Profitability was weighed down by, among other things, a reduction in capitalized product development costs, as these have become more directly expensed to some extent. We also believe that profitability was negatively impacted by the costs associated with the redundancies made as part of the cost-saving program. However, these were not recorded as one-time costs. As a result of the savings program, the cost structure should continue to ease towards the end of the year.

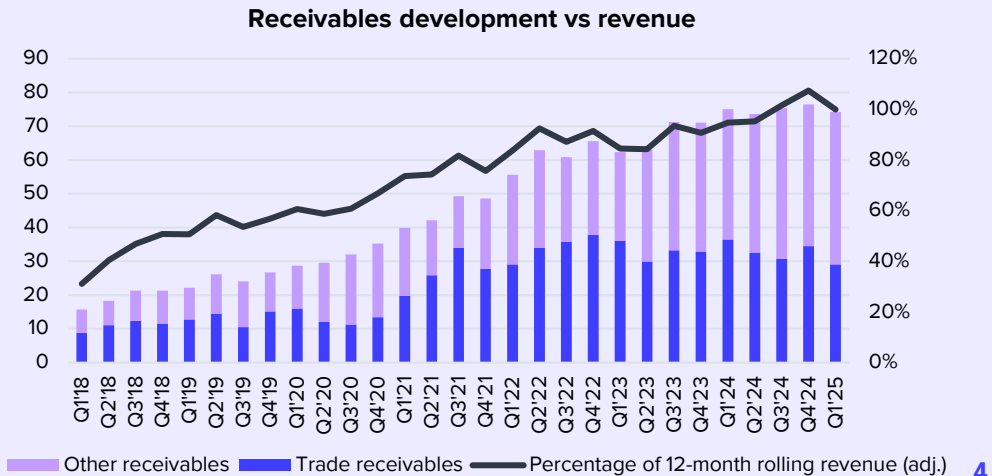
Financial expenses were more or less at the level we expected, which is why the bottom lines of the income statement fell short of our forecasts in absolute terms by roughly the same amount as EBIT.

Expected improvement in cash flow

Tecnotree's cash flow from operating activities in Q1 was 3.5 MEUR, a clear improvement over the comparison period (-0.9 MEUR). Investments amounted to 2.5 MEUR, a decrease (Q1’24: 3.4 MEUR) in line with the company's targets. Due to this, the company's free cash flow was positive at 1.0 MEUR. Cash flow after translation effects was lower at 0.5 MEUR, but these are not included in the guidance. In any case, after Q1, the company is on track to reach its guidance for free cash flow of over 4 MEUR. Receivables decreased slightly to 74.2 MEUR in total from 75.1 MEUR in the comparison period. A clear decline was seen in trade receivables, but other receivables increased. We understand that there are timing factors involved and that these should be converted into trade receivables in future quarters.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	16.3	16.9	16.6				74.0
EBIT (adj.)	4.4	4.5	5.9				26.4
EBIT	4.4	4.5	5.9				26.4
PTP	2.1	2.3	3.9				18.2
EPS (reported)	0.10	0.10	0.18				0.82
Revenue growth-%	4.7 %	3.7 %	2.1 %				3.6 %
EBIT-% (adj.)	27.0 %	26.9 %	35.4 %				35.8 %

Source: Inderes



Guidance reiterated

As expected, Tecnotree reiterated its complex guidance. Tecnotree expects revenue to grow by low to mid-single digit percentage in constant currency terms. The EBIT margin is expected to improve further by at least 2 percentage points. Free cash flow is expected to be above 4 MEUR and the capex/revenue ratio is expected to be 10-12%.

In terms of growth, the company started the year exactly in line with the guidance. Q1 revenue slightly exceeded our forecast, but order intake was sluggish, leaving our growth forecast largely unchanged. In terms of profitability, the stable EBIT margin is slightly behind the guidance, but the savings program should show further benefits towards the end of the year. In our estimates, we still expect the company to meet the profitability guidance. On the free cash flow side, Q1 shows that the company is on track to achieve the guidance. Cash flow should also be more consistent between quarters going forward, although we expect Q2 and Q3 to be stronger than the end of the year.

No comment on trade war and its impact

Tecnotree had practically no comment on the US trade war and the resulting uncertainty. There should be no direct impact, however, as the company's business mainly consists of software and services, which are not subject to tariffs. In addition, Tecnotree operates mainly in emerging markets, which are largely moving at their own pace. Nevertheless, the uncertainty caused by the trade war could have an impact on the company's expansion in North America. Indirect effects, reflected in the demand outlook, are indeed possible.

New business in Europe

Tecnotree announced on the day of the results [that it had signed an agreement](#) with a private network service provider in the Netherlands. This is a new relationship for the company. Under the agreement, Tecnotree will deliver its core digital BSS platform and related AI/ML products to the customer. The contract value is below 10% of Tecnotree's revenue in the previous financial year and will be delivered over multiple years. This will not impact the Tecnotree's current guidance. The economic impact of this

agreement alone is therefore very limited, but it is another promising sign of the company's competitiveness also in the European market.

Estimates for 2025

Our estimates for the next few years remain practically unchanged after the Q1 report. We expect Tecnotree's 2025 revenue to increase by just over 3% to 74 MEUR. We expect EBIT to improve to 26.4 MEUR, which would correspond to an EBIT margin of 35.8% (2024: 33.3%). Operating free cash flow is expected to reach 5.0 MEUR. The informative value of the forecast is limited in the case of Tecnotree, as the operating free cash flow does not include exchange rate losses. Forecasting cash flow also involves uncertainty, as timing factors related to the release of working capital can significantly alter the situation in either direction. In any case, we expect cash flow to remain positive and in line with guidance this year. What is important for the investment story, however, is that the current year is not an exception in terms of cash flow and that the company will continue to maintain a positive cash flow trend in the coming years.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	74.1	74.0	0%	76.4	76.3	0%	78.6	78.5	0%
EBITDA	33.6	33.4	0%	36.8	36.7	0%	37.4	37.4	0%
EBIT (exc. NRIs)	26.5	26.4	0%	27.5	27.4	0%	27.6	27.5	0%
EBIT	26.5	26.4	0%	27.5	27.4	0%	27.6	27.5	0%
PTP	18.5	18.2	-2%	21.5	21.4	0%	21.6	21.5	0%
EPS (excl. NRIs)	0.85	0.82	-3%	0.57	0.57	-1%	0.57	0.57	-1%
DPS	0.03	0.03	0%	0.05	0.05	0%	0.06	0.06	0%

Source: Inderes

Valuation

Tecnotree is difficult to value when result quality is poor

In our view, determining the fair value of Tecnotree is very challenging. We do not believe that the cheap-looking earnings-based multiples (2025e P/E 5x) can be relied upon, and visibility on the company's sustainable cash flow generation capacity in the coming years is weak. That said, the Q1 report showed that the cash flow trend is right and this year the company will generate positive free cash flow on an annual basis for the first time since 2021.

Our cash flow forecast (FCFF) for this year has a free cash flow yield of 7%, well into single digits, which we find unattractive given Tecnotree's risk level (versus a required return well into double digits), as our forecast does not take into account, among other things, FX losses. Under the dividend policy, dividends will also not support investors' expected return either (dividend yield of less than 1%).

Our DCF model indicates a value of EUR 4.8 per share. However, the model expects a significant improvement in cash flow in the coming years. It also does not take into account the dilution from the company's convertible bonds and employee stock option plan over the next few years (combined effect of nearly 40-50% at the current share price), which we believe makes the upside unattractive. The required return (WACC) is unchanged at a high level (16.9%) in our model. The effect of the WACC on the valuation of the company can be examined by means of a sensitivity calculation in the notes.

Signs of improving cash flow, but visibility on sustainable cash flow levels is weak

Tecnotree aims to improve its cash flow through more efficient collection of receivables, more focused investments, currency hedging, a business model shift towards the ARR model, and expansion into developed markets. Growth in developed markets can improve the cash flow profile in a good scenario, and the US deal at the beginning of the year as well as the now announced agreement in Europe are good first steps in that direction. But more successes are needed, and we do not think it will be easy to survive, for instance, in the highly competitive US market. In the long term, we believe that market success may require, for example, increased R&D investment or margin flexibility. If the company were to enter a positive spiral here, it would certainly be reflected in the cash flow forecasts and the required return, supporting the valuation. In the short term, however, the trade war poses some risks to growth here if the US economy were to deteriorate with the increased uncertainty.

In the current situation, we continue to view the company's business risk profile as high, and in particular see clear risks related to the quality of the company's receivables. Given the still relatively slow improvement in the cash flow outlook, we believe that the risk/reward for investors is still relatively weak. In the case of Tecnotree, we continue to recommend focusing on the recommendation rather than the target price.

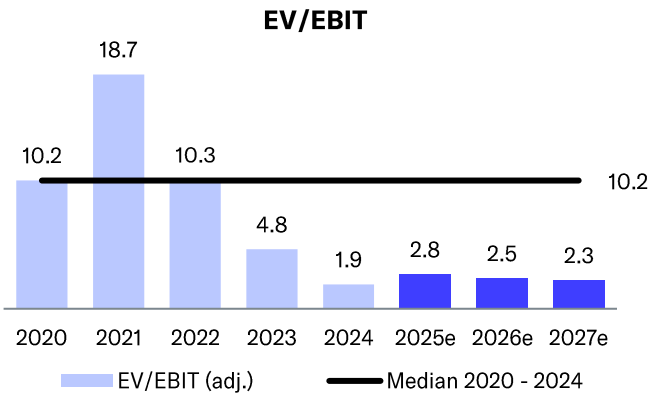
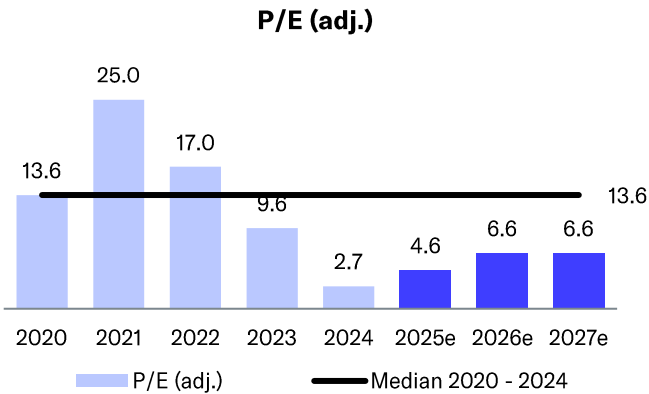
Valuation	2025e	2026e	2027e
Share price	3.76	3.76	3.76
Number of shares, millions	16.3	28.7	29.1
Market cap	61	108	109
EV	73	68	62
P/E (adj.)	4.6	6.6	6.6
P/E	4.6	6.6	6.6
P/B	0.6	0.7	0.6
P/S	0.8	1.4	1.4
EV/Sales	1.0	0.9	0.8
EV/EBITDA	2.2	1.8	1.7
EV/EBIT (adj.)	2.8	2.5	2.3
Payout ratio (%)	3.6 %	8.8 %	10.6 %
Dividend yield-%	0.8 %	1.3 %	1.6 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	14.0	29.4	12.6	6.80	2.61	3.76	3.76	3.76	3.76
Number of shares, millions	13.7	15.7	15.5	15.8	16.0	16.3	28.7	29.1	29.1
Market cap	192	460	196	108	42	61	108	109	109
EV	198	443	189	114	52	73	68	62	54
P/E (adj.)	13.6	25.0	17.0	9.6	2.7	4.6	6.6	6.6	6.5
P/E	14.2	25.0	17.0	9.6	5.0	4.6	6.6	6.6	6.5
P/B	9.7	6.8	2.4	1.2	0.4	0.6	0.7	0.6	0.6
P/S	3.6	7.2	2.7	1.4	0.6	0.8	1.4	1.4	1.4
EV/Sales	3.7	6.9	2.6	1.4	0.7	1.0	0.9	0.8	0.7
EV/EBITDA	9.7	17.5	9.5	4.1	1.7	2.2	1.8	1.7	1.4
EV/EBIT (adj.)	10.2	18.7	10.3	4.8	1.9	2.8	2.5	2.3	1.9
Payout ratio (%)	0.0 %	0.0 %	0.0 %	1.4 %	1.9 %	3.6 %	8.8 %	10.6 %	12.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.1 %	0.4 %	0.8 %	1.3 %	1.6 %	1.9 %

Source: Inderes



The market value and enterprise value in the table take into account the projected change in the number of shares and net debt for the forecast years

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Amdocs Ltd	8554	8853	10.9	10.4	9.3	8.8	2.0	2.2	13.5	12.4	2.1	2.0	2.8
CSG Systems International Inc	1501	1832	10.6	10.1	8.3	8.1	1.8	1.7	13.8	12.7	2.0	2.2	
Comarch SA													
Sterlite Technologies Ltd	344	573	13.9	32.3	7.3	11.0	0.9	1.0	9.8		3.7	1.0	1.3
Cerillion PLC	542	510	24.7	22.4	22.0	19.9	9.9	8.8	31.9	29.0	0.8	0.9	9.7
Tecnotree (Inderes)	61	73	2.8	2.5	2.2	1.8	1.0	0.9	4.6	6.6	0.8	1.3	0.6
Average			15.0	18.8	11.7	12.0	3.6	3.5	17.2	18.0	2.2	1.5	4.6
Median			12.4	16.4	8.8	9.9	1.9	2.0	13.7	12.7	2.1	1.5	2.8
Diff-% to median			-78%	-85%	-75%	-81%	-48%	-55%	-67%	-48%	-61%	-11%	-79%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	78.4	16.3	18.7	19.0	17.6	71.6	16.9	19.0	19.6	18.5	74.0	76.3	78.5	80.7
EBITDA	27.7	6.0	5.8	7.1	11.9	30.7	6.0	9.5	9.4	8.5	33.4	36.7	37.4	38.5
Depreciation	-3.9	-1.6	-2.2	-2.1	-1.0	-6.9	-1.5	-1.7	-1.8	-2.0	-7.0	-9.3	-9.9	-10.8
EBIT (excl. NRI)	23.8	4.4	6.5	5.0	10.9	26.7	4.5	7.8	7.6	6.5	26.4	27.4	27.5	27.7
EBIT	23.8	4.4	3.6	5.0	10.9	23.8	4.5	7.8	7.6	6.5	26.4	27.4	27.5	27.7
Net financial items	-9.9	-2.3	-0.8	-0.1	-7.8	-11.0	-2.3	-2.0	-2.0	-2.0	-8.3	-6.0	-6.0	-6.0
PTP	13.9	2.1	2.8	4.9	3.0	12.8	2.3	5.8	5.6	4.5	18.2	21.4	21.5	21.7
Taxes	-2.8	-0.4	-0.8	-0.8	-2.5	-4.5	-0.8	-1.4	-1.4	-1.1	-4.7	-5.1	-4.9	-4.8
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	11.2	1.6	2.0	4.1	0.5	8.3	1.5	4.3	4.2	3.4	13.4	16.3	16.5	16.9
EPS (adj.)	0.71	0.10	0.31	0.25	0.31	0.97	0.09	0.27	0.26	0.21	0.82	0.57	0.57	0.58
EPS (rep.)	0.71	0.10	0.13	0.25	0.03	0.52	0.09	0.27	0.26	0.21	0.82	0.57	0.57	0.58

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	9.5 %	4.7 %	-3.4 %	-10.9 %	-20.7 %	-8.7 %	3.7 %	1.7 %	3.0 %	5.1 %	3.3 %	3.2 %	2.8 %	2.8 %
Adjusted EBIT growth-%	30.2 %	21.5 %	5.2 %	-19.6 %	38.1 %	12.1 %	3.2 %	19.8 %	53.5 %	-40.1 %	-1.0 %	3.6 %	0.3 %	0.8 %
EBITDA-%	35.4 %	37.1 %	30.9 %	37.1 %	67.4 %	42.9 %	35.8 %	50.0 %	48.0 %	46.0 %	45.2 %	48.1 %	47.6 %	47.7 %
Adjusted EBIT-%	30.4 %	27.0 %	34.9 %	26.1 %	61.7 %	37.3 %	26.9 %	41.0 %	38.8 %	35.2 %	35.8 %	35.9 %	35.0 %	34.3 %
Net earnings-%	14.3 %	10.0 %	10.9 %	21.3 %	3.1 %	11.5 %	8.9 %	22.9 %	21.5 %	18.3 %	18.2 %	21.3 %	21.1 %	21.0 %

Source: Inderes

The full-year EPS was calculated using the number of shares at the end of the year.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	36.3	45.5	48.7	51.6	55.9
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	33.5	43.1	46.1	48.9	53.1
Tangible assets	0.4	0.1	0.3	0.4	0.5
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	1.9	2.2	2.2	2.2	2.2
Deferred tax assets	0.5	0.0	0.0	0.0	0.0
Current assets	91.9	93.4	116	129	140
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	71.1	76.5	81.0	85.5	89.4
Cash and equivalents	20.8	16.8	34.6	43.3	50.4
Balance sheet total	128	139	164	180	196

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	86.5	92.6	106	165	180
Share capital	1.3	1.3	1.3	1.3	1.3
Retained earnings	55.9	62.0	75.3	91.0	106
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	29.3	29.3	29.3	72.4	72.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.8	27.3	45.8	2.7	2.7
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	1.0	0.0	0.0	0.0	0.0
Convertibles	21.1	23.1	43.1	0.0	0.0
Other long term liabilities	3.7	4.2	2.7	2.7	2.7
Current liabilities	15.9	19.0	12.6	12.9	13.2
Interest bearing debt	4.5	3.9	3.0	3.0	3.0
Payables	11.3	15.1	9.6	9.9	10.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	128	139	164	180	196

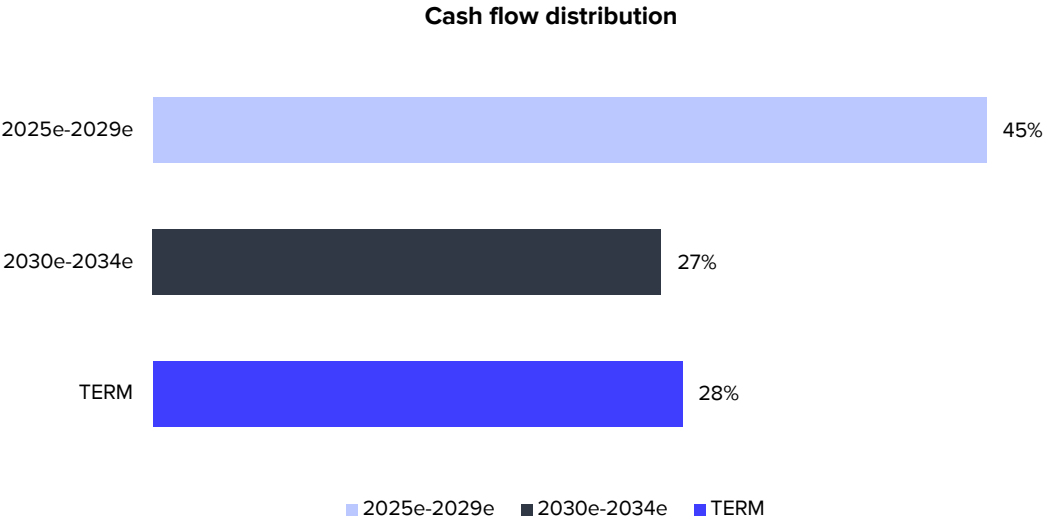
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.7 %	3.3 %	3.2 %	2.8 %	2.8 %	2.6 %	2.6 %	2.4 %	2.4 %	2.2 %	2.0 %	2.0 %
EBIT-%	33.3 %	35.8 %	35.9 %	35.0 %	34.3 %	32.1 %	29.8 %	28.1 %	27.2 %	26.5 %	26.5 %	26.5 %
EBIT (operating profit)	23.8	26.4	27.4	27.5	27.7	26.6	25.3	24.4	24.2	24.1	24.6	
+ Depreciation	6.9	7.0	9.3	9.9	10.8	11.5	12.3	12.8	13.1	13.4	13.7	
- Paid taxes	-4.0	-4.7	-5.1	-4.9	-4.8	-4.5	-4.2	-4.1	-4.0	-4.0	-5.0	
- Tax, financial expenses	-2.2	-2.2	-1.4	-1.4	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-0.4	
+ 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	-1.7	-9.9	-4.2	-3.7	-3.0	-2.1	-2.2	-2.1	-2.1	-2.0	-1.9	
Operating cash flow	22.8	16.7	26.0	27.3	29.3	30.1	29.8	29.7	29.9	30.2	31.0	
+ Change in other long-term liabilities	0.5	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-16.6	-10.2	-12.2	-14.2	-14.7	-15.2	-14.7	-14.6	-14.6	-14.6	-14.6	
Free operating cash flow	6.7	5.0	13.8	13.1	14.6	14.9	15.1	15.1	15.3	15.6	16.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.7	5.0	13.8	13.1	14.6	14.9	15.1	15.1	15.3	15.6	16.4	112
Discounted FCFF		4.5	10.6	8.7	8.2	7.2	6.2	5.4	4.6	4.0	3.6	24.9
Sum of FCFF present value		87.9	83.5	72.9	64.2	56.0	48.8	42.5	37.2	32.5	28.5	24.9
Enterprise value DCF		87.9										
- Interest bearing debt		-27.0										
+ Cash and cash equivalents		16.8										
-Minorities		0.0										
-Dividend/capital return		-0.2										
Equity value DCF		77.6										
Equity value DCF per share		4.8										

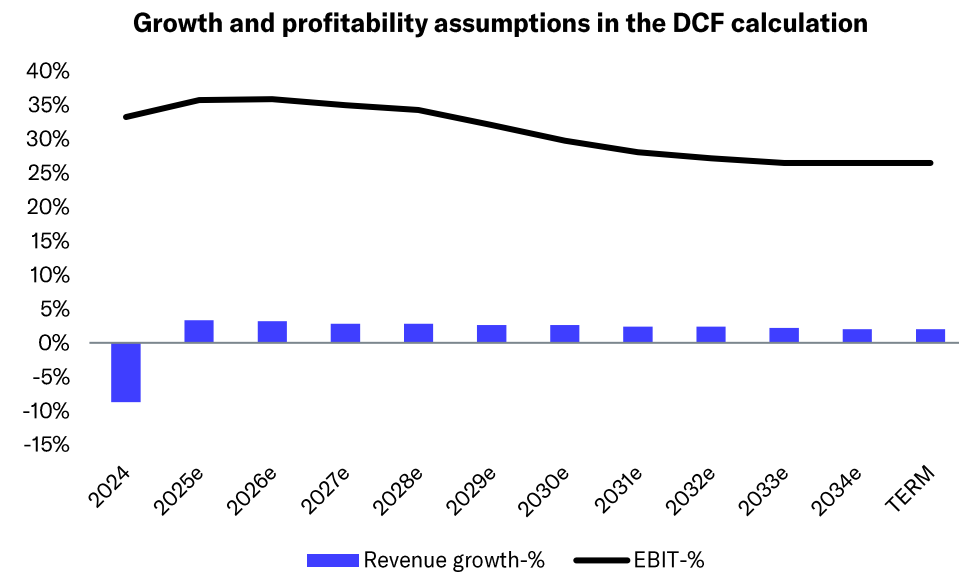
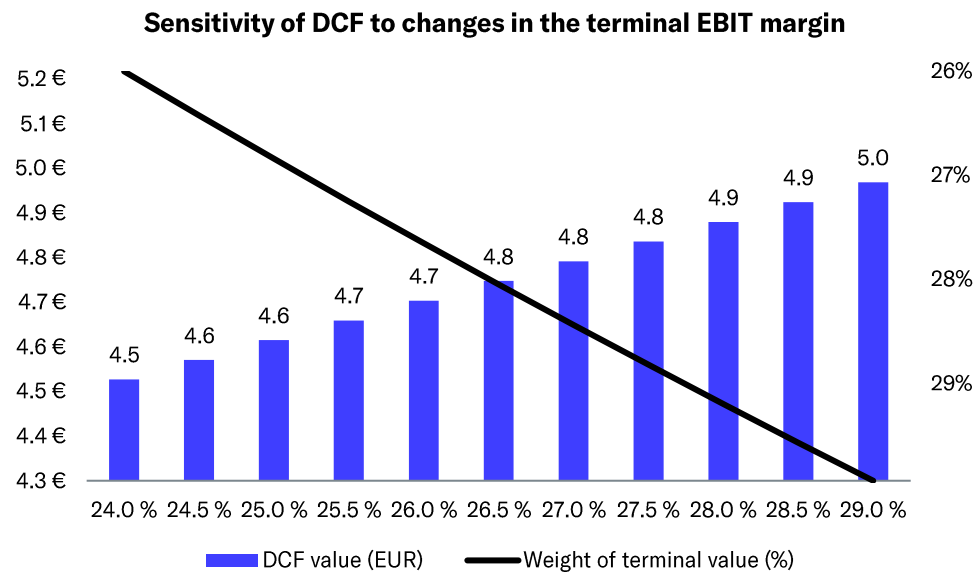
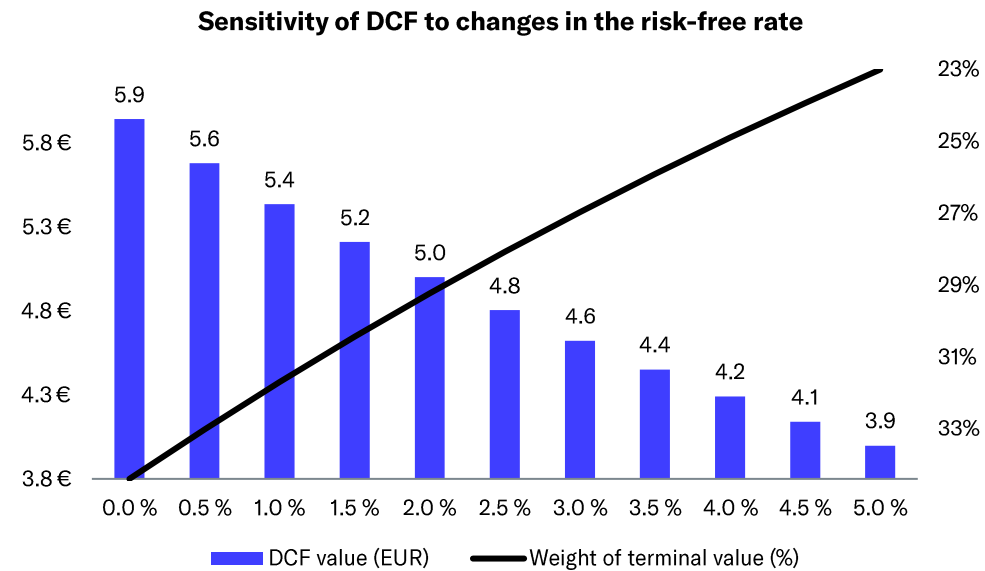
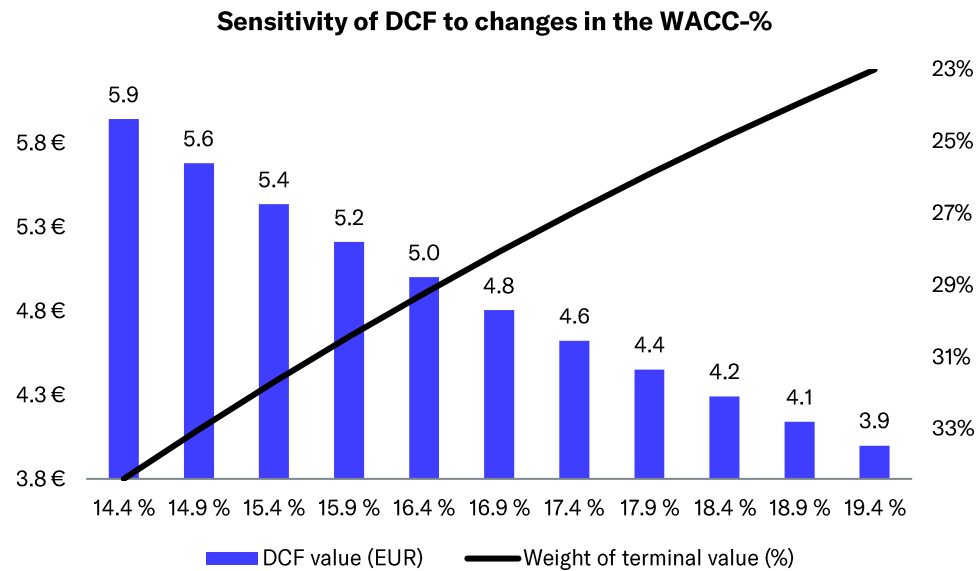
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	3.0 %
Equity Beta	2.50
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	16.9 %
Weighted average cost of capital (WACC)	16.9 %

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	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	71.6	78.4	71.6	74.0	76.3	EPS (reported)	0.74	0.71	0.52	0.82	0.57
EBITDA	19.8	27.7	30.7	33.4	36.7	EPS (adj.)	0.74	0.71	0.97	0.82	0.57
EBIT	18.3	23.8	23.8	26.4	27.4	OCF / share	0.28	0.80	1.43	1.02	0.90
PTP	17.2	13.9	12.8	18.2	21.4	OFCF / share	-0.32	-0.04	0.42	0.30	0.48
Net Income	11.6	11.2	8.3	13.4	16.3	Book value / share	5.15	5.46	5.80	6.49	5.73
Extraordinary items	0.0	0.0	-2.9	0.0	0.0	Dividend / share	0.00	0.01	0.01	0.03	0.05
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	103.8	128.2	138.9	164.3	180.4	Revenue growth-%	12%	9%	-9%	3%	3%
Equity capital	80.1	86.5	92.6	105.9	164.7	EBITDA growth-%	-22%	40%	11%	9%	10%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-23%	30%	12%	-1%	4%
Net debt	-7.5	5.9	10.2	11.5	-40.3	EPS (adj.) growth-%	-37%	-5%	38%	-16%	-31%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	27.7 %	35.4 %	42.9 %	45.2 %	48.1 %
EBITDA	19.8	27.7	30.7	33.4	36.7	EBIT (adj.)-%	25.6 %	30.4 %	37.3 %	35.8 %	35.9 %
Change in working capital	-9.6	-10.4	-1.7	-9.9	-4.2	EBIT-%	25.6 %	30.4 %	33.3 %	35.8 %	35.9 %
Operating cash flow	4.4	12.7	22.8	16.7	26.0	ROE-%	15.6 %	13.4 %	9.2 %	13.5 %	12.0 %
CAPEX	-14.8	-13.9	-16.6	-10.2	-12.2	ROI-%	24.0 %	24.1 %	20.5 %	19.5 %	17.1 %
Free cash flow	-4.9	-0.6	6.7	5.0	13.8	Equity ratio	77.1 %	67.5 %	66.7 %	64.4 %	91.3 %
						Gearing	-9.3 %	6.8 %	11.0 %	10.8 %	-24.5 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	2.6	1.4	0.7	1.0	0.9						
EV/EBITDA	9.5	4.1	1.7	2.2	1.8						
EV/EBIT (adj.)	10.3	4.8	1.9	2.8	2.5						
P/E (adj.)	17.0	9.6	2.7	4.6	6.6						
P/B	2.4	1.2	0.4	0.6	0.7						
Dividend-%	0.0 %	0.1 %	0.4 %	0.8 %	1.3 %						

Source: Inderes

The market value and enterprise value in the table take into account the projected change in the number of shares and net debt for the forecast years. Key figures per share have been calculated using the number of shares at the end of the year.

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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
8/5/2022	Accumulate	0.80 €	0.69 €
9/15/2022	Accumulate	0.65 €	0.54 €
10/24/2022	Accumulate	0.65 €	0.54 €
12/15/2022	Accumulate	0.70 €	0.63 €
2/27/2023	Reduce	0.58 €	0.54 €
3/28/2023	Accumulate	0.54 €	0.44 €
4/19/2023	Reduce	0.54 €	0.52 €
8/7/2023	Accumulate	0.54 €	0.48 €
10/30/2023	Reduce	0.42 €	0.38 €
2/23/2024	Reduce	0.35 €	0.32 €
Reverse split at 20:1 ratio			
4/29/2024	Reduce	7.00 €	6.30 €
5/10/2024	Reduce	6.00 €	5.41 €
8/12/2024	Reduce	5.50 €	5.14 €
9/9/2024	Sell	3.00 €	3.87 €
10/28/2024	Sell	3.00 €	3.65 €
1/28/2025	Reduce	3.00 €	3.29 €
2/27/2025	Reduce	3.50 €	3.77 €
4/30/2025	Reduce	3.50 €	3.76 €



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