

Stockmann

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Maltillinen arvostus tarjoaa edullisen option" published on 3/21/2023 at 7:11 am

**inde
res.**

Moderate valuation offers a cheap option

We feel that Stockmann's share price drop has pushed the valuation to moderate (price adjusted P/E 8x). Although we do not consider structural arrangements likely in the near future, their potential in the medium term is significant. We believe the current share price level offers a cheap option for the value increase from potential structural arrangements. However, this is only possible in practice after the restructuring is over. We raise our recommendation to Accumulate (previous Reduce) and maintain the target price of EUR 2.1 and our estimates unchanged.

Share price drop turned the risk/return ratio interesting although there are no clear drivers in the near term

We believe Stockmann's share is quite moderately valued at the moment compared to its current earnings level. The share's greater return potential consists of a possible realization of the sum of the parts value in coming years, either through structural arrangements and/or better than expected performance in the Stockmann division. In our view, the restructuring process ending would be positive for the share, as it would enable, e.g., structural arrangements, dividend payment and making new financial arrangements. The company has reported that it aims to end the restructuring already this year, but considering several outstanding disputes in different courts, this would, in our view, require at least some of the disputes to be settled. We find it more likely that the restructuring will end in 2024 and in the worst-case scenario even later. So we see no clear positive events in the near term that would release hidden value, but we believe that the current share price level offers an interesting risk/return ratio.

Guidance range for 2023 provides support with estimates

The company's 2023 guidance is that revenue will be EUR 960-1,020 million (2022: 982 MEUR) and adjusted EBIT EUR 60- 80 million (2022: 80 MEUR). We consider clear guidance ranges positive, as they provide support for estimates and clarify the outlook in the current weak economic environment. We estimate EUR 980 million revenue and EUR 69 million adjusted EBIT, both of which are close to the middle of the company's guidance range. For upcoming years we expect Lindex to continue roughly on the current good earnings level and the Stockmann division to continue as clearly cash flow negative even though the operating result will improve to zero in 2025. We have not changed our earnings estimates in this report but added dividends from 2025 onwards.

Sufficient expected return considering possible structural arrangements in the medium term

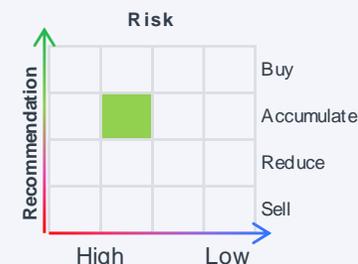
Our estimate for Stockmann's 2023-24 P/E ratio adjusted for lease liabilities and cash is about 8x and EV/EBIT about 7x. Considering only the company's earnings and cash flow generation, these are, in our opinion, at the bottom end of the acceptable valuation multiple range. However, when assessing the company, one should also consider possible structural arrangements, which can be outlined through the sum of the parts, which we estimate to be EUR 3-4. We believe releasing it would require a clear improvement in the performance of the department stores, which we do not expect in the next few years, or structural arrangements that in practice are possible only after the debt restructuring ends. So we do not see this hidden value realizing in the near future, but we consider it possible when looking 3-5 years down the road even though we do not consider it the most likely scenario. In the longer term, we do not expect significant earnings growth and with our estimates the Group's return on capital is below our required return, which highlights the need for structural arrangements and their role in the share's expected return. We believe the current valuation offers a cheap option into potential value creating structural arrangements.

Recommendation

Accumulate
(previous Reduce)

2.10 EUR
(previous EUR 2.10)

Share price:
1.76



Key figures

	2022	2023e	2024e	2025e
Revenue	982	980	990	1005
growth-%	9%	0%	1%	2%
EBIT adj.	80	69	63	67
EBIT-% adj.	8.1 %	7.0 %	6.4 %	6.7 %
Net Income	102	30	26	30
EPS (adj.)	0.32	0.19	0.16	0.18

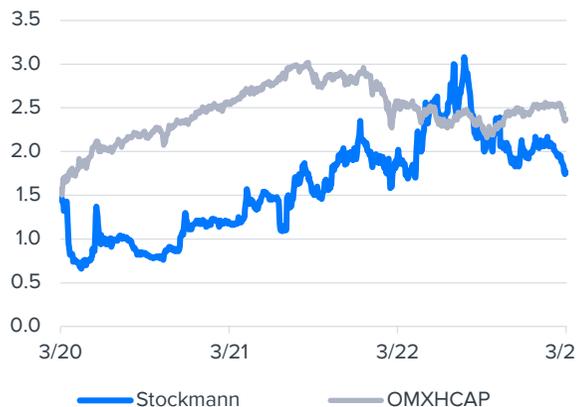
P/E (adj.)	6.3	9.3	11.1	9.7
P/B	1.0	0.8	0.7	0.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	4.1 %
EV/EBIT (adj.)	9.7	11.8	12.4	11.3
EV/EBITDA	3.0	4.7	4.5	4.2
EV/S	0.8	0.8	0.8	0.8

Source: Inderes

Guidance (Unchanged)

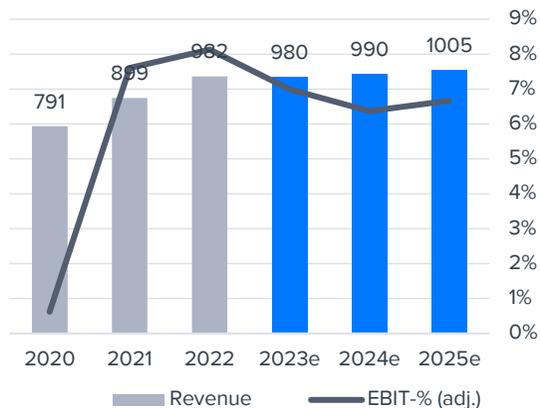
In 2023, Stockmann expects the Group's revenue to be in the range of EUR 960–1,020 million and the Group's adjusted operating result to be EUR 60–80 million, subject to foreign exchange rate fluctuation.

Share price



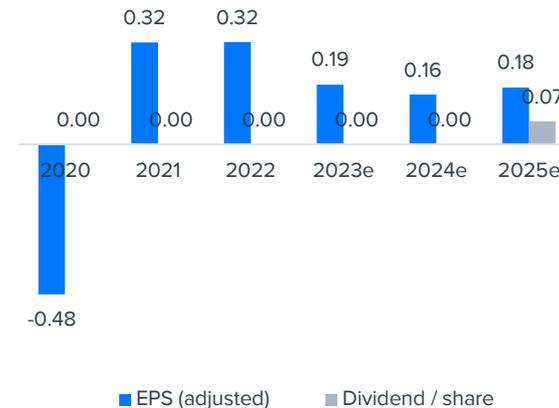
Source: Millstream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Lindex's cash flow and value creation
- Gradual improvement in the profitability of department stores
- Corporate restructuring ending, which enables, e.g., dividend distribution and structural arrangements



Risk factors

- Department stores destroy value and we see no change to this in the next few years
- During and after the restructuring, Stockmann's access to funding may be limited
- Lindex's result, like the fashion industry in general, has been unpredictable

Valuation	2023e	2024e	2025e
Share price	1.76	1.76	1.76
Number of shares, millions	160.5	165.0	165.0
Market cap	290	290	290
EV	810	782	756
P/E (adj.)	9.3	11.1	9.7
P/E	9.3	11.1	9.7
P/FCF	neg.	5.7	5.9
P/B	0.8	0.7	0.7
P/S	0.3	0.3	0.3
EV/Sales	0.8	0.8	0.8
EV/EBITDA	4.7	4.5	4.2
EV/EBIT (adj.)	11.8	12.4	11.3
Payout ratio (%)	0.0 %	0.0 %	40.0 %
Dividend yield-%	0.0 %	0.0 %	4.1 %

Source: Inderes

Valuation and recommendation 1/3

Some challenges in valuation

We feel there are a few factors that make the valuation of Stockmann difficult. Firstly, a loss-making department store business affects the company's earnings multiples, which make it difficult to use group figures as a whole. Secondly, the performance of both divisions has been very volatile over the last decade, so finding some kind of normal level is not self-evident. This is also muddled by the effects of COVID and the structural changes in the Stockmann division. Thirdly, the company's large lease liabilities distort balance sheet and EV-based figures and, on the other hand, without lease liabilities, the company has net cash. Based on these facts, we feel a need to look at figures that have been adjusted in various ways. We also feel that a sum of the parts approach is relevant for Stockmann but in its use one should note the timing of when the possible hidden value can realistically be released. We have also evaluated different scenarios in the sum of the parts calculations.

Valuation summary - Accumulate

With the current performance level, we consider Stockmann's valuation interesting in terms of the risk/return ratio, given the potential of structural arrangements in the coming years. We consider the earnings-based valuation quite neutral as such and we only expect dividends in 2025 so its effect is minor.

The values indicated by the sum of the parts and the DCF model are well above the current share price. They, however, assume that the department stores will at some point turn cash-flow positive, which we

still consider very uncertain and, in any case, years away. However, we see a realistic opportunity of the sum of the parts value realizing within 3-5-years, either through structural arrangements and/or a better-than-expected performance in the Stockmann division.

In the medium term, we expect Stockmann to reach 5-7% return on capital and 9-10% return on free cash flow. The company could also pay this out as a dividend in the longer term if there are no bigger investments. The earnings and dividend income generated by the current estimates are not as such necessarily sufficient to award a positive view of the share.

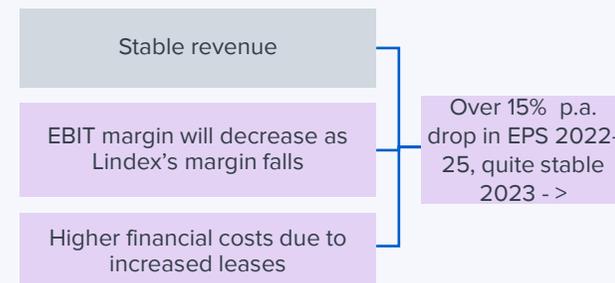
Earnings and cash flow multiples

We feel one should not look directly at multiples calculated based on reported figures in Stockmann's valuation. We believe a better way is to adjust the market cap for net cash in the P/E ratio and to remove lease liabilities from EV. If we remove lease liabilities from EV their earnings impact included in financial items should, in our opinion, be considered, which gives a comparable figure without IFRS 16 effects. In addition, we consider the expected impact of the disputed debts (both on debt and number of shares). P/E for this year would be about 8x and EV/EBIT (or in practice EV/PTP) 7x. The figures for 2024 are at the same level as we do not expect the result to change significantly and the debt situation to change substantially. We feel that these multiples are at the bottom end of the acceptable multiple range for Stockmann.

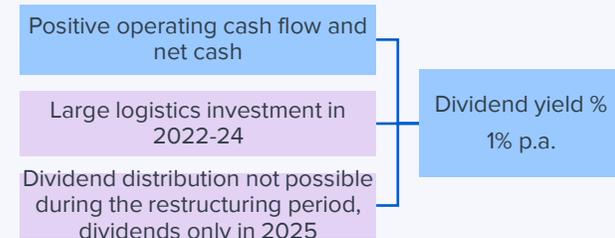
TSR drivers 2022-2025

■ Positive ■ Neutral ■ Negative

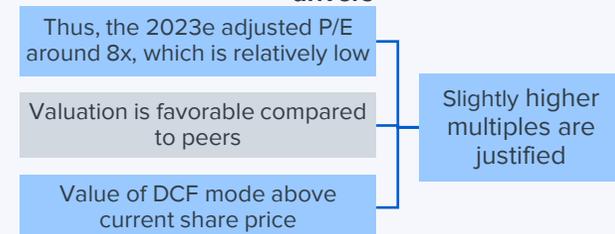
Profit drivers



Dividend yield drivers



Valuation multiple drivers



Valuation 2/3

Our estimate of Stockmann's sustainable free cash flow is EUR 25-30 million and we do not expect the company to achieve substantial earnings growth in the longer term. This means a cash flow rate of 9-10% at current market cap. If Stockmann is net cash positive, the company could at least in principle distribute the entire cash flow as dividends, as long as it is technically possible after the restructuring. However, the post-restructuring investments the company mentioned may reduce cash flow and dividend potential. In any case, the longer-term cash-flow rate is around our 10% required return.

Structural arrangements possible, but not our main scenario

As Stockmann consists of two clearly separate business operations and department stores generate a loss, we see sum of the parts as a useful way to determine the value of the company. Stockmann was selling Lindex in 2019-20, but the deal could not be completed before the COVID crisis. Investors should, however, note that since then Stockmann has sold its properties and during the restructuring program no significant structural arrangements can, in practice, be made. When the value of real estate and cash flow supported the department stores, separating Lindex would have been easier, while in the current situation we believe it is only possible/likely when department stores generate sufficiently good and sustainable positive earnings/cash flow. With our estimates, this situation is not on the horizon at least in the next few years. We therefore see that any (partial) sale of Lindex is only realistic on a longer horizon.

Comments from the largest shareholder (a 15% stake jointly held by Konstsamfundet and JC Switzerland) also suggest that no structural measures are planned for Lindex in the short term.

Sum of the parts EUR 3.4 per share

Nevertheless, we believe that the sum of the parts is an interesting and useful perspective to the valuation of the stock. In our neutral scenario, we value Lindex at around EUR 600 million, which, with next year's earnings estimates, means an EV/EBIT of around 8.5x (excluding lease liabilities). Lindex's closest peers KappAhl and MQ were usually priced below 10x EV/EBIT when listed. Given the higher interest rates and the impact of IFRS 16, the valuation could be expected to be slightly lower in today's market. With an EBIT of EUR 70 million, which we estimate to be the normalized earnings level, Lindex generates about EUR 50 million in free cash flow/net profit. By discounting this with a 1.5% growth assumption and a 10% required return, Lindex's current value is about EUR 600 million. Translated into a P/E ratio this means around 12x. This is close to the level of Nordic retail sector peers (10-15x for 2024), but well below the level of the larger global competitors H&M and Inditex of about 20x. We believe that the strong global market position and brand of these companies offer them clearly better growth prospects than Lindex, which makes the higher valuation justified.

Sum of the parts	Value, MEUR
Lindex	600
Department stores and other costs	-100
Total	500
Liabilities excl. lease liabilities	-68
Cash at the end of 2024	133
Value of the share capital	565
Value / share	3.4

Valuation 3/3

We value department stores and group expenses, which we expect to have a negative impact on earnings and cash flow in the coming years, at a negative EUR 100 million. Most of this is the negative value of the department stores, while group expenses are only EUR 2-3 million per year.

This estimate also requires that the cash flow of department stores be at least zero in one way or another in 3-5 years, in order to stop negative cash flow. Currently, we expect the Stockmann division to generate a negative cash flow of EUR 20-30 million. The company's total EV would be EUR 500 million. We subtract the bond from this and consider the cash position at the end of 2024. We do this because the cash position at the end of 2024 considers the amount of disputed claims we assume to fall due and Lindex's large logistics investments in the next few years. As a result, the value of the share capital is EUR 565 million, or EUR 3.4 per share.

The potential relative to the current share price is considerable. If we look at this through the required return and assume that the investor would receive this EUR 3.4 in five years' time, the annual return would be about 15%. This could be further supported by dividend distribution after the restructuring, so the total return could reach 15-20%. Even considering the uncertainty related to the value realizing (and naturally the value itself) the return potential is interesting relative to our required return of around 10%.

We do not consider this our main scenario, as we do not see the separation of Lindex as realistic with

the development we estimate for the department stores. We believe Stockmann without Lindex would generate clearly negative cash flow and would therefore not be viable. We believe that the (partial) sale/listing of Lindex and using the received funds to cover the losses of the department stores would be a very risky move from the company's management, which we do not believe in either. In our view, possible value creation in the coming years is more likely to take place as the earnings levels of the department store business improve, thus reducing or eliminating the negative value currently attributed to it.

Scenario of the sum-of-the-parts valuation

If the company were to find a buyer for its department store business (i.e. sell it off at zero price), the value of the company would only consist of Lindex and would be close to EUR 4. Therefore, structural arrangements clearly have the potential to create value in the company, especially if it can reduce/eliminate the negative impact of department stores on the value of the company.

Probability weighted expected return

We expect that without structural arrangements, the share's expected return will be at the level of its sustainable cash flow rate, i.e. 9-10%. If we assume that the probability of the EUR 3.4 sum of the parts value realizing is, e.g., 20% within 5 years (and the remaining 80% for the 9-10% return) the expected return rises to 10-12%.

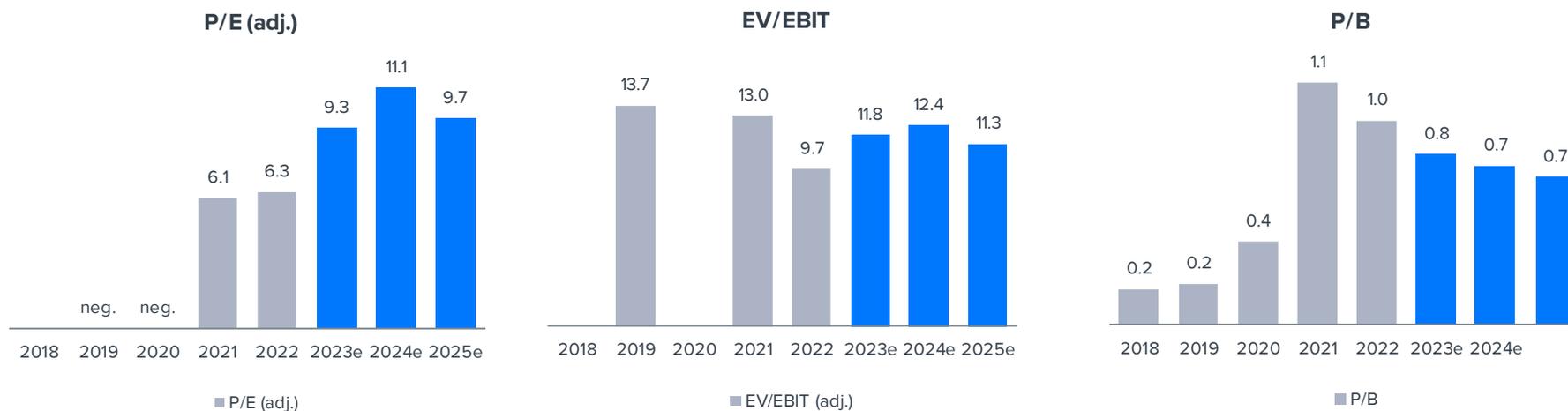
Valuation	2023e	2024e	2025e
Share price	1.76	1.76	1.76
Number of shares, millions	160.5	165.0	165.0
Market cap	290	290	290
EV	810	782	756
P/E (adj.)	9.3	11.1	9.7
P/E	9.3	11.1	9.7
P/FCF	neg.	5.7	5.9
P/B	0.8	0.7	0.7
P/S	0.3	0.3	0.3
EV/Sales	0.8	0.8	0.8
EV/EBITDA	4.7	4.5	4.2
EV/EBIT (adj.)	11.8	12.4	11.3
Payout ratio (%)	0.0 %	0.0 %	40.0 %
Dividend yield-%	0.0 %	0.0 %	4.1 %

Source: Inderes

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	2.00	2.26	1.14	1.96	2.05	1.76	1.76	1.76	1.76
Number of shares, millions	72.0	72.0	72.0	114.0	155.2	160.5	165.0	165.0	165.0
Market cap	141	155	80	303	320	290	290	290	290
EV	685	542		889	774	810	782	756	736
P/E (adj.)		neg.	neg.	6.1	6.3	9.3	11.1	9.7	8.5
P/E		neg.	neg.	4.7	3.1	9.3	11.1	9.7	8.5
P/FCF	0.3	0.8	0.8	2.3	1.1	neg.	5.7	5.9	5.4
P/B	0.2	0.2	0.4	1.1	1.0	0.8	0.7	0.7	0.7
P/S	>100	0.2	0.1	0.3	0.3	0.3	0.3	0.3	0.3
EV/Sales	>100	0.6		1.0	0.8	0.8	0.8	0.8	0.7
EV/EBITDA		22.5		4.8	3.0	4.7	4.5	4.2	4.0
EV/EBIT (adj.)		13.7		13.0	9.7	11.8	12.4	11.3	10.2
Payout ratio (%)		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	40.0 %	50.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	4.1 %	5.9 %

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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Stockmann	271	725	10.6	11.2	4.2	4.1	0.7	0.7	9.1	10.9			0.8
H & M	18173	22729	21	15	8	7	1	1	24.2	16.9	5.2	5.5	4.1
Fast Retailing	63362	60668	25.3	21.3	15.9	14.7	3.3	3.0	37.3	32.5	0.8	0.9	5.1
Inditex	89230	84617	15.2	14.5	9.9	9.6	2.6	2.5	21.2	20.0	4.1	4.4	5.4
Tokmanni	776	1159	12.7	11.3	6.9	6.4	1.0	0.9	12.1	10.7	6.0	6.6	2.9
Puuhilo	515	600	12.5	11.9	9.8	9.4	2.0	1.8	14.2	13.6	5.5	5.9	6.4
Kesko	7656	9760	13.2	12.8	7.9	7.7	0.8	0.8	13.9	13.5	5.7	5.8	2.7
Clas Ohlson	433	579	20.1	11.2	5.6	4.8	0.7	0.7	22.2	11.6	6.5	7.7	3.0
Stockmann (Inderes)	290	810	11.8	12.4	4.7	4.5	0.8	0.8	9.3	11.1	0.0	0.0	0.8
Average			16	13	8	8	2	1	18.6	15.7	4.8	5.2	3.7
Median			13.2	11.9	7.8	7.4	1.1	1.0	14.2	13.5	5.3	5.6	3.3
Diff-% to median			-10%	4%	-39%	-40%	-22%	-23%	-35%	-18%	-100%	-100%	-76%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	899	196	269	244	273	982	200	260	240	280	980	990	1005	1003
Lindex	607	134	188	167	172	661	135	180	165	180	660	670	685	699
Stockmann	292	62	81	77	100	321	65	80	75	100	320	320	320	304
EBITDA	185	35.5	141	31.9	49.3	258	17.5	54.5	45.0	55.5	173	175	179	184
Depreciation	-103	-25.7	-26.9	-25.9	-24.7	-103	-26.0	-26.0	-26.0	-26.0	-104	-112	-112	-112
EBIT (excl. NRI)	68.3	-3.7	35.4	22.0	26.1	80	-8.5	28.5	19.0	29.5	69	63	67	72
EBIT	82.1	9.8	115	6.0	24.6	155	-8.5	28.5	19.0	29.5	69	63	67	72
Lindex	75	5.5	39.0	22.8	23.0	90	0.0	30.0	20.0	25.0	75	70	70	75
Stockmann	12	6.3	78.3	-15.8	2.4	71	-8.0	-1.0	-0.5	5.0	-4.5	-4.0	0.0	0.0
Undistributed	-4.1	-2.0	-2.8	-1.0	-0.9	-6.7	-0.5	-0.5	-0.5	-0.5	-2.0	-3.0	-3.0	-3.0
Net financial items	-17	-5.4	-6.5	-7.3	-6.5	-26	-7.5	-7.5	-7.5	-7.5	-30	-30	-29	-29
PTP	65	4.4	108	-1.3	18.1	129	-16.0	21.0	11.5	22.0	39	33	38	44
Taxes	-17.3	-1.6	-27.4	2.0	-0.5	-27.5	3.4	-4.4	-2.4	-4.6	-8.1	-6.9	-7.9	-9.1
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	48	2.8	80.6	0.7	17.5	102	-12.6	16.6	9.1	17.4	30	26	30	34
EPS (adj.)	0.32	-0.05	0.12	0.13	0.12	0.32	-0.08	0.10	0.06	0.11	0.19	0.16	0.18	0.21
EPS (rep.)	0.42	0.02	0.52	0.00	0.11	0.66	-0.08	0.10	0.06	0.11	0.19	0.16	0.18	0.21
Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	13.7 %	26.0 %	17.9 %	2.6 %	-1.8 %	9.2 %	2.0 %	-3.3 %	-1.7 %	2.7 %	-0.2 %	1.0 %	1.5 %	-0.2 %
Adjusted EBIT growth-%	1293.9 %	-82.5 %	32.1 %	-33.1 %	-12.2 %	16.8 %	129.7 %	-19.5 %	-13.6 %	13.1 %	-14.1 %	-8.0 %	6.3 %	7.5 %
EBITDA-%	20.6 %	18.1 %	52.6 %	13.1 %	18.1 %	26.3 %	8.8 %	21.0 %	18.8 %	19.8 %	17.6 %	17.7 %	17.8 %	18.4 %
Adjusted EBIT-%	7.6 %	-1.9 %	13.2 %	9.0 %	9.6 %	8.1 %	-4.3 %	11.0 %	7.9 %	10.5 %	7.0 %	6.4 %	6.7 %	7.2 %
Net earnings-%	5.3 %	1.4 %	30.0 %	0.3 %	6.4 %	10.4 %	-6.3 %	6.4 %	3.8 %	6.2 %	3.1 %	2.6 %	3.0 %	3.4 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	1002	890	946	949	952
Goodwill	272	251	251	251	251
Intangible assets	120	114	114	114	114
Tangible assets	583	498	554	557	560
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.7	0.7	0.7	0.7
Other non-current assets	3.8	3.1	3.1	3.1	3.1
Deferred tax assets	23.8	23.8	23.8	23.8	23.8
Current assets	414	385	326	351	381
Inventories	155	174	172	168	171
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	45.7	43.2	49.0	49.5	50.3
Cash and equivalents	214	168	106	133	160
Balance sheet total	1416	1276	1272	1300	1333

Source: Inderes

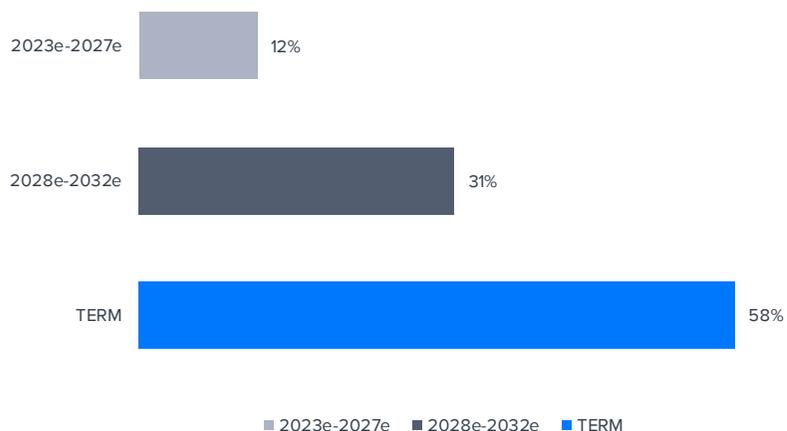
Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	268	336	366	392	422
Share capital	77.6	77.6	77.6	77.6	77.6
Retained earnings	103	205	235	261	291
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	14.4	-18.9	-18.9	-18.9	-18.9
Other equity	73.2	72.3	72.3	72.3	72.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	409	586	590	590	590
Deferred tax liabilities	40.6	40.3	40.3	40.3	40.3
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	330	545	550	550	550
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	37.8	0.7	0.0	0.0	0.0
Current liabilities	740	361	316	318	321
Short term debt	470	77.3	75.0	75.0	75.0
Payables	223	179	191	193	196
Other current liabilities	46.4	105	50.0	50.0	50.0
Balance sheet total	1416	1283	1272	1300	1333

DCF calculation - estimates excl. IFRS 16 impact

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	9.2 %	-0.2 %	1.0 %	1.5 %	-0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %	1.0 %
EBIT-%	15.8 %	7.0 %	6.4 %	6.7 %	7.2 %	7.0 %	7.0 %	7.0 %	7.0 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	155	69	63	67	72	70	70	70	70	85	86	
+ Depreciation	28	24	32	32	32	32	32	32	32	33	33	
- Paid taxes	-28	-8	-7	-8	-9	-9	-9	-9	-9	-13	-13	
- Tax, financial expenses	-5	-6	-6	-6	-6	-6	-6	-6	-5	-5	-5	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-2	-46	5	0	0	0	0	0	0	0	0	
Operating cash flow	147	32	86	85	89	88	88	88	88	100	100	
+ Change in other long-term liabilities	-49	-1	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	9	-75	-30	-30	-30	-30	-30	-30	-33	-28	-39	
Free operating cash flow	107	-44	56	55	59	58	58	58	55	72	61	
+/- Other	100	-21	-26	-26	-26	-26	-27	-27	-27	-27	-27	
FCFF	207	-65	30	29	33	31	31	31	28	45	34	386
Discounted FCFF		-66	28	24	25	22	20	18	15	22	15	168
Sum of FCFF present value		290	356	328	304	279	257	237	219	205	183	168
Enterprise value DCF		290										
- Interesting bearing debt		-68										
+ Cash and cash equivalents		168										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		390										
Equity value DCF per share		2.4										

Wacc	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	9.9 %

Cash flow distribution



Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	790.7	899.0	981.7	980.0	990.0	EPS (reported)	-4.05	0.42	0.66	0.19	0.16
EBITDA	-252.4	185.0	258.1	172.5	174.9	EPS (adj.)	-0.48	0.32	0.32	0.19	0.16
EBIT	-252.4	82.1	154.9	68.5	63.0	OCF / share	-3.65	1.01	1.43	0.70	1.01
PTP	-294.0	65.2	129.2	38.5	33.0	FCF / share	1.48	1.16	1.89	-0.30	0.31
Net Income	-291.6	45.1	101.6	30.4	26.1	Book value / share	2.86	2.35	2.16	2.28	2.38
Extraordinary items	-257.3	13.8	75.1	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	1424.3	1416.1	1275.5	1272.4	1300.4	Revenue growth-%	-18%	14%	9%	0%	1%
Equity capital	206.1	268.1	335.5	366.0	392.0	EBITDA growth-%	-1147%	-173%	40%	-33%	1%
Goodwill	277.5	271.5	250.9	250.9	250.9	EBIT (adj.) growth-%	-88%	1294%	17%	-14%	-8%
Net debt	724.5	586.7	454.4	519.3	491.7	EPS (adj.) growth-%	14%	-168%	0%	-42%	-17%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-31.9 %	20.6 %	26.3 %	17.6 %	17.7 %
EBITDA	-252.4	185.0	258.1	172.5	174.9	EBIT (adj.)-%	0.6 %	7.6 %	8.1 %	7.0 %	6.4 %
Change in working capital	-9.8	-56.9	-2.4	-46.0	4.7	EBIT-%	-31.9 %	9.1 %	15.8 %	7.0 %	6.4 %
Operating cash flow	-262.5	115.0	222.4	112.1	166.4	ROE-%	-57.9 %	20.2 %	33.7 %	8.7 %	6.9 %
CAPEX	809.3	-17.1	8.5	-160.0	-115.0	ROI-%	-22.0 %	7.6 %	15.3 %	7.0 %	6.3 %
Free cash flow	106.8	132.7	293.8	-48.6	51.4	Equity ratio	14.5 %	18.9 %	26.3 %	28.8 %	30.1 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	351.5 %	218.8 %	135.4 %	141.9 %	125.4 %
EV/S		1.0	0.8	0.8	0.8						
EV/EBITDA (adj.)		4.8	3.0	4.7	4.5						
EV/EBIT (adj.)		13.0	9.7	11.8	12.4						
P/E (adj.)	neg.	6.1	6.3	9.3	11.1						
P/B	0.4	1.1	1.0	0.8	0.7						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target price	Share price
18-11-22	Reduce	2.00 €	1.97 €
20-01-23	Reduce	2.10 €	2.05 €
27-02-23	Reduce	2.10 €	2.00 €
21-03-23	Accumulate	2.10 €	1.76 €



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