

# NYAB

## Company report

11/13/2023



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This report is a summary translation of the report “Markkinanäkymissä edelleen epävarmuutta” published on 11/13/2023 at 8:20 am EET.

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# Market outlook still uncertain

NYAB's Q3 results were below our expectations, and revenue in particular developed more moderately than expected, driven by delays in investment decisions and project start-ups. Reflecting this, the company revised its revenue guidance to the lower end of the previous range. Considering the report and the still uncertain outlook, we lowered our growth forecasts for the coming years, which were also reflected in our earnings forecasts. We still believe NYAB's longer-term earnings growth prospects are good, given the investments required for the green transition. However, in light of the slightly weaker near-term outlook, we believe the stock is correctly priced and reiterate our Reduce recommendation, but with the estimate revisions we lower the target price to EUR 0.50 (was EUR 0.55).

## Q3 results improved year-on-year, but missed our expectations

NYAB's Q3 revenue was roughly flat at of EUR 88.1 million, well below our forecast of around 10% growth. Geographically, the Finnish operations continued to grow strongly (+41%), while revenue in Sweden fell by as much as 15%, with SEK weakening (~9% y-o-y) as a headwind. Reported EBIT also increased year-on-year and stood at EUR 6.6 million in Q3 (EBITA adjusted for PPA depreciation 7.1 MEUR). The improvement was supported in particular by a continued turnaround in the profitability of the Finnish businesses. However, the result was quite clearly below our expectations, reflecting in particular the development of revenue, but also a slightly higher cost structure. In the sub-lines, the loss of associates and taxes were roughly in line with our expectations, while financial expenses were clearly higher than expected due to, among other things, the costs related to the re-domiciliation and transferring listing to Sweden. Against this backdrop, the net result missed our forecast more clearly than the operating result.

## Near-term forecasts cut in the face of a more challenging market outlook

The company revised its revenue guidance for this year and now expects it to be at the lower end of the previous range (315-340 MEUR), while it made no changes to its EBIT guidance (16-24 MEUR). The revision was due to the challenging macroeconomic environment (e.g. inflation, rising interest rates), which has delayed both new orders (especially in the Swedish infrastructure and Finnish energy construction markets) and project deliveries. In line with the guidance given, we kept our operational forecasts for Q4 practically unchanged, but with a weaker-than-expected Q3, we lowered our forecasts for the current year. Our current revenue forecast (291 MEUR) is right at the lower end of the range, and we see a risk in meeting the guidance if there were shifts in project schedules. With the uncertainty related to a more comprehensive recovery in demand, we also lowered our forecasts for revenue (3-4%) and adjusted EBIT (6-7%) for the coming years, despite small signs of a pick-up in demand in Q4 (incl. a significant [contract](#) for the Aurora Line).

## We believe the stock is largely correctly priced in light of the current weaker near-term outlook

We forecast an adjusted 2024 P/E ratio of 19x and a corresponding EV/EBIT ratio of 14x. Thus, we see the EV-based valuation reflecting the strong balance sheet as neutral, while the earnings-based valuation picture as a whole is slightly elevated relative to our acceptable valuation range (EV/EBIT: 12x-16x, P/E: 13x-17x). Our medium-term total expected returns, which are on average clearly positive, but slightly below our required return also indicate that the valuation is neutral. The stock also falls within the range indicated by our sum-of-the-parts model (EUR 0.41-0.52, was EUR 0.45-0.57), reflecting the cut estimates for the next few years and Skarta Energy's peer valuation. As such, we believe the stock is largely correctly priced against a weaker near-term market outlook, and we remain on the sidelines waiting for the outlook to strengthen.

## Recommendation

**Reduce**

(previous Reduce)

**EUR 0.50**

(previous EUR 0.55)

**Share price:**

0.49



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	253.3	291.3	334.4	398.0
<b>growth-%</b>	92%	15%	15%	19%
<b>EBIT adj.</b>	27.2	19.1	23.6	29.8
<b>EBIT-% adj.</b>	10.7 %	6.6 %	7.1 %	7.5 %
<b>Net Income</b>	23.3	11.8	16.9	24.6
<b>EPS (adj.)</b>	0.04	0.02	0.03	0.04
<b>P/E (adj.)</b>	24.8	23.6	18.6	13.8
<b>P/B</b>	3.4	1.8	1.7	1.6
<b>Dividend yield-%</b>	0.8 %	1.6 %	2.0 %	2.4 %
<b>EV/EBIT (adj.)</b>	22.9	17.6	14.0	10.7
<b>EV/EBITDA</b>	20.5	14.8	12.1	9.5
<b>EV/S</b>	2.5	1.2	1.0	0.8

Source: Inderes

## Guidance

(Adjusted)

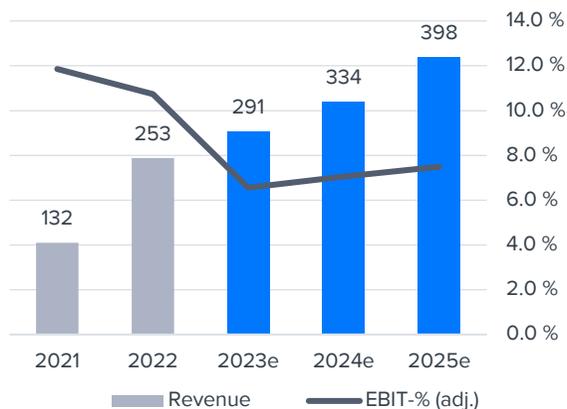
NYAB expects its revenue to be EUR 290-315 million and EBIT EUR 16-24 million in 2023. In the revised guidance, the company expects its revenue to be at the lower end of the range.

## Share price



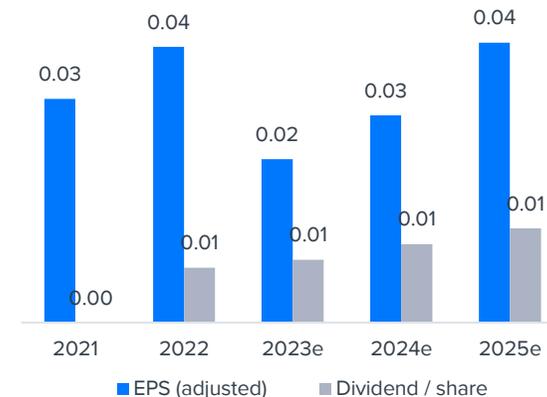
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

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



## Risk factors

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

Valuation	2023e	2024e	2025e
Share price	0.49	0.49	0.49
Number of shares, millions	706.7	706.7	706.7
Market cap	346	346	346
EV	336	330	320
P/E (adj.)	23.6	18.6	13.8
P/E	29.3	20.5	14.1
P/B	1.8	1.7	1.6
P/S	1.2	1.0	0.9
EV/Sales	1.2	1.0	0.8
EV/EBITDA	14.8	12.1	9.5
EV/EBIT (adj.)	17.6	14.0	10.7
Payout ratio (%)	47.8 %	41.8 %	34.4 %
Dividend yield-%	1.6 %	2.0 %	2.4 %

Source: Inderes

# Q3 results improved year-on-year, but missed our expectations

## Revenue roughly flat

NYAB's Q3 revenue was roughly flat at of EUR 88.1 million, well below our forecast of around 10% growth. Geographically, the Finnish operations continued to grow strongly (+41%), while reported revenue in Sweden fell by as much as 15%, with SEK weakening (~9% y-o-y) as a headwind. At constant currencies, the growth at group level would have been just under 4%. In addition, the timing of revenue may be subject to fluctuations due to project timing.

During the review period, a continuation of delays in demand was seen due to macroeconomic factors (inflation and rising interest rates) in the Swedish infrastructure construction and Finnish energy construction markets (especially wind power BoP). This was also reflected in the company's order book, which clearly decreased year-on-year (Q3'23: 183 MEUR vs. Q3'22: 268 MEUR). However, it is worth noting that after the reporting period, the company announced a significant [contract](#) worth EUR 89 million for the construction of Aurora Line. As such, we expect the current order book to provide visibility for the rest of the year and to some extent next year, despite the slowdown in the investment environment.

## EBIT missed our estimates with sluggish revenue development

Reported EBIT grew year-on-year and stood at EUR 6.6 million in Q3 (Q3'22: 5.2 MEUR). The improvement was supported in particular by a continued turnaround in the profitability of the Finnish businesses. However, the result was quite clearly below our expectations, reflecting in particular the development of revenue, but also a slightly higher cost structure. Correspondingly, EBITA adjusted for PPA depreciation was EUR 7.1 million.

In the bottom lines of the income statement, the share of the loss of associates (Skarta Energy) was around the level we expected, while financial expenses were clearly above our expectations. Financial expenses included slightly higher-than-expected (0.4 MEUR) costs related to the possible re-domiciliation and transferring listing to Sweden but even adjusted for these, the level of financial expenses was higher than expected. In contrast, taxes were about in line with our expectations. With the above, net profit missed our estimates slightly more clearly than EBIT (due to the large number of shares, EPS comparisons are not meaningful).

## Cash flow in the red with heavy working capital commitment

NYAB's cash flow from operating activities in Q3 was EUR -4.0 million, reflecting the working capital commitment (-6.9 MEUR). In addition to seasonally higher volumes, this was due to delays in the realization of receivables for certain projects in Sweden. In our view, these were mainly related to the approval processes for additional work and therefore there is no acute risk of write-downs on the receivables. In terms of operating cash flow, free cash flow was also negative, even though less so (-3.8 MEUR), reflecting moderate investment needs and small sales of fixed assets. Thus, NYAB's balance sheet position was very strong with an equity ratio of 71% (Q3'23: 63%). In turn, the ratio of net debt (10.0 MEUR) to our 2023 EBITDA estimate is around 0.4x, which means that the NYAB's financial position is at a good level and allows the company to implement its growth strategy.

Estimates MEUR / EUR	Q3'22	Q3'23	Q3'23e	Q3'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	90.3	88.1	99.4				-11%	291
EBIT	5.2	6.6	8.6				-24%	17.0
PTP	5.0	5.2	7.6				-31%	13.0
Net profit	4.3	4.6	7.1				-35%	11.8
Revenue growth-%		-2.5 %	10.0 %				-12.5 pp	15.0 %
EBIT-% (rep.)	5.8 %	7.5 %	8.7 %				-1.2 pp	5.8 %

Source: Inderes

## NYAB Q3'23: Small positive signs in demand



# Forecasts for the coming years down, reflecting a slowdown in the investment outlook

## Estimate revisions 2023e-2025e

- NYAB revised its revenue guidance for the current year and expects its revenue to be at the lower end of the previously indicated range (290-315 MEUR). At the same time, the company reiterated its EBIT guidance (16-24 MEUR).
- In line with the guidance given, we kept our operational forecasts for Q4 practically unchanged, but with a weaker-than-expected Q3, we lowered our forecasts for the current year. Our current revenue forecast is right at the lower end of the range, which is why we see a small risk in the current guidance if there are shifts in project schedules during the rest of the year.
- According to the company, the current market situation has continued to be reflected in delays in investment decisions, especially in the Swedish infrastructure and Finnish energy construction (BoP construction) markets, although during Q4 an upturn in orders has started to show (incl. a significant contract for Aurora Line). Reflecting the risk associated with the current weaker demand situation and its prolongation, we also lowered our growth and profitability forecasts for next year. In turn, we made smaller changes to our longer-term expectations and expect partly stagnant demand to pick up over the next year and especially in 2025. Overall, however, we expect growth to remain buoyant and profitability to rise as inflationary pressures ease.
- We also slightly increased our financial cost forecasts for the coming years (including costs related to re-domiciliation and IPO), reflecting which our bottom-line forecasts declined more markedly than EBIT forecasts.

## Operational earnings drivers 2022-2025e:

- NYAB's order backlog at the end of Q3 was EUR 183 million, which together with the contracts announced in Q4 (e.g. Aurora Line, 89 MEUR) already gives the company partial visibility into the next year. Despite temporary postponement of investment decisions, the demand outlook is good in the longer term due to the investments required by the green transition
- Strengthening the contract portfolio with several multi-year contracts (incl. framework and maintenance contracts) would improve business predictability and reduce the impact of macroeconomic factors on sales
- We expect that once the worst inflationary pressures ease (i.e. as the order book rolls on) it will support the company's profitability development in the coming years
- Sustainable profitability improvement in Finnish businesses closer to the level of the Swedish business
- Progress in Skarta Energy's project development (incl. possible project development fees)
- The company's strong balance sheet enables acquisitions to support growth already in the short term and the company said has continued to monitor the market

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	303	291	-4%	348	334	-4%	411	398	-3%
EBITDA	24.7	22.7	-8%	29.1	27.2	-7%	35.4	33.5	-5%
EBIT (exc. NRIs)	21.1	19.1	-10%	25.5	23.6	-7%	31.7	29.8	-6%
EBIT	19.1	17.0	-11%	24.6	22.7	-8%	31.2	29.3	-6%
PTP	15.7	13.0	-17%	22.0	18.8	-14%	29.5	27.4	-7%
EPS (excl. NRIs)	0.02	0.02	-13%	0.03	0.03	-10%	0.04	0.04	-7%
DPS	0.008	0.008	0%	0.010	0.010	0%	0.012	0.012	0%

# Short-term uncertainty tips the scales

## Valuation methods

In particular, we approach the valuation of NYAB using absolute valuation multiples and the sum-of-the-parts calculation, as this takes into account the longer-term potential of Skarta Energy. However, it's worth noting that with Skarta Energy still in its start-up phase, there is considerable uncertainty in both directions about its future development.

## Absolute valuation and expected return in the coming years

On our updated estimates, the 2023 EV/EBIT ratio is 18x and the corresponding P/E ratio is 24x. However, the multiples are supported by a non-recurring settlement of EUR 3.6 million in Q2 (EV/EBIT 3.3 MEUR in result). Adjusted for this, the EV/EBIT ratio is 21x and the corresponding P/E ratio 34x. Thus, the earnings-based valuation is very challenging for this year (cf. acceptable valuation of EV/EBIT 12x-16x, P/E 13x-17x), also considering that we do not feel it is justified to value the share at the top of the ranges before the outlook is confirmed. We expect continued growth and rising operational profitability to lower multiples next year, while the valuation remains slightly elevated overall (adj. EV/EBIT 14x, adj. P/E 19x). In contrast, based on our current assumptions, the 2025 multiples would already have some upside, but we believe it is premature to rely on them until the outlook improves more clearly.

We have also looked at valuation through total expected returns for the coming years. In our view, NYAB's businesses could be valued at 12x-15x EV/EBIT and around 13x-16x P/E at the end of 2025 on our current forecasts, assuming the company meets our expectations, and its strongest growth

phase is already behind it. The multiples would still be well above the current and historical median of peer companies and the valuation would require NYAB to maintain a profitability well above the industry average, with no substantial change in the overall pricing of the stock market. Based on this, we estimate that the current business could be valued at roughly EUR 0.46-0.65 per share at the end of 2025. At the current share price, the average expected annual return would be just under 6%, and we estimate that the investor would receive a base return of around 2% on the dividend. However, this does not raise the total average expected annual return above the 9.7% return on equity we use.

## SOTP down with revised estimates

The value indicated by our sum-of-the-parts calculation (more detailed parameters presented in [our extensive report](#)) fell to EUR 289-367 million in our baseline scenario, reflecting the decline in operational forecasts and Skarta Energy's peer valuation. This corresponds to a value of EUR 0.41-0.52 per share (was EUR 0.45-0.57). From this perspective, we think the stock is largely correctly priced, but it is worth noting that the calculation is weighed down by weaker short-term earnings performance.

Looking at the overall valuation picture and our current forecasts, we believe the stock is largely correctly priced in the light of a slightly weaker near-term market outlook. We believe the company has the potential to accelerate its growth through acquisitions, but it is too early to comment on the value creation potential of these. Thus, we think that the risk-adjusted expected return remains insufficient for the next 12 months, despite good longer-term growth prospects.

Valuation	2023e	2024e	2025e
Share price	0.49	0.49	0.49
Number of shares, millions	706.7	706.7	706.7
Market cap	346	346	346
EV	336	330	320
P/E (adj.)	23.6	18.6	13.8
P/E	29.3	20.5	14.1
P/B	1.8	1.7	1.6
P/S	1.2	1.0	0.9
EV/Sales	1.2	1.0	0.8
EV/EBITDA	14.8	12.1	9.5
EV/EBIT (adj.)	17.6	14.0	10.7
Payout ratio (%)	47.8 %	41.8 %	34.4 %
Dividend yield-%	1.6 %	2.0 %	2.4 %

Source: Inderes

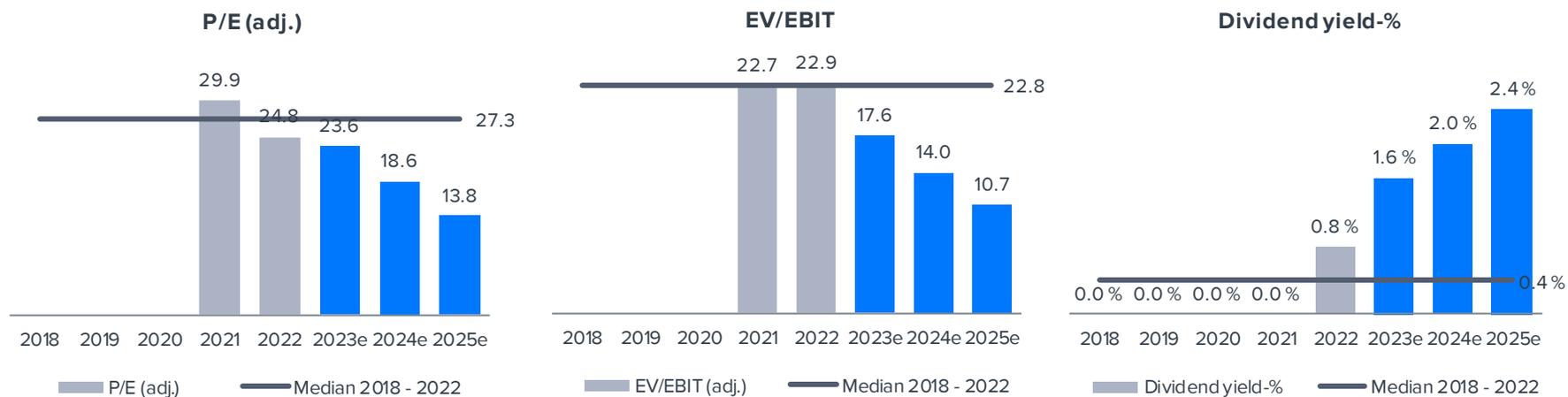
## Mid-point of the SOTP in the baseline scenario



# Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				0.85	0.87	0.49	0.49	0.49	0.49
Number of shares, millions				414.2	706.7	706.7	706.7	706.7	706.7
Market cap				352	615	346	346	346	346
EV				354	622	336	330	320	307
P/E (adj.)				29.9	24.8	23.6	18.6	13.8	12.5
P/E				29.9	26.4	29.3	20.5	14.1	12.6
P/B				13.5	3.4	1.8	1.7	1.6	1.5
P/S				2.7	2.4	1.2	1.0	0.9	0.8
EV/Sales				2.7	2.5	1.2	1.0	0.8	0.7
EV/EBITDA				21.1	20.5	14.8	12.1	9.5	8.1
EV/EBIT (adj.)				22.7	22.9	17.6	14.0	10.7	9.0
Payout ratio (%)				0.0 %	21.2 %	47.8 %	41.8 %	34.4 %	36.0 %
Dividend yield-%				0.0 %	0.8 %	1.6 %	2.0 %	2.4 %	2.9 %

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
Peab	1150	2907	13.0	16.6	8.5	9.5	0.6	0.6	6.7	9.5	6.1	6.1	0.9
NCC	979	1382	10.6	9.5	5.2	5.5	0.3	0.3	7.4	8.2	5.8	6.1	1.4
Skanska	5648	5553	14.0	9.8	9.9	7.1	0.4	0.4	15.7	11.2	4.3	4.7	1.1
YIT	383	1364	29.2	20.9	20.4	16.1	0.6	0.7	113.4	17.1	6.3	6.6	0.5
AF Gruppen	1118	1365	13.0	10.0	9.1	7.5	0.5	0.5	18.7	14.3	7.5	7.3	5.3
NRC Group	74	155	10.5	8.0	4.9	4.2	0.3	0.3	9.9	6.7	4.2	6.2	0.3
Veidekke	1150	1031	9.6	8.5	5.2	5.0	0.3	0.3	14.5	12.9	7.7	7.5	4.7
MT Hoejgaard Holding	123	162	4.0	3.0	2.6	2.1	0.1	0.1	8.3	3.2			1.1
Kreate	58	90	12.3	9.3	6.8	5.7	0.3	0.3	14.1	9.3	5.5	6.3	1.4
Sitowise	107	196	13.7	12.2	7.5	7.3	0.9	1.0	13.7	11.6	3.5	4.0	0.9
Sweco	3506	4086	18.5	16.0	13.5	12.4	1.7	1.6	21.7	18.1	2.4	2.7	3.8
AFRY	1181	1826	12.2	11.0	7.8	7.3	0.8	0.8	11.7	10.3	4.8	5.6	1.1
Enersense	73	112	18.8	9.6	7.2	5.3	0.3	0.3		23.2	2.3	2.7	1.3
Eltel	100	264		13.9	9.1	4.9	0.3	0.3		63.9			0.5
Dovre Group	42	36	5.1	5.1	1.7	4.5	0.2	0.2	10.0	13.3	2.5	2.5	1.1
Netel	35	103	7.4	5.2	5.1	3.9	0.4	0.3	5.1	3.2	4.2	10.0	0.4
<b>NYAB (Inderes)</b>	<b>346</b>	<b>336</b>	<b>17.6</b>	<b>14.0</b>	<b>14.8</b>	<b>12.1</b>	<b>1.2</b>	<b>1.0</b>	<b>23.6</b>	<b>18.6</b>	<b>1.6</b>	<b>2.0</b>	<b>1.8</b>
<b>Average</b>			<b>12.8</b>	<b>10.5</b>	<b>7.8</b>	<b>6.8</b>	<b>0.5</b>	<b>0.5</b>	<b>19.3</b>	<b>14.7</b>	<b>4.8</b>	<b>5.6</b>	<b>1.6</b>
<b>Median</b>			<b>12.3</b>	<b>9.7</b>	<b>7.4</b>	<b>5.6</b>	<b>0.3</b>	<b>0.3</b>	<b>12.7</b>	<b>11.4</b>	<b>4.6</b>	<b>6.1</b>	<b>1.1</b>
<b>Diff-% to median</b>			<b>44%</b>	<b>44%</b>	<b>102%</b>	<b>116%</b>	<b>244%</b>	<b>208%</b>	<b>86%</b>	<b>63%</b>	<b>-64%</b>	<b>-67%</b>	<b>65%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	2024e	2025e	2026e
<b>Revenue</b>	<b>132</b>	<b>17.5</b>	<b>55.7</b>	<b>90.3</b>	<b>89.8</b>	<b>253</b>	<b>39.2</b>	<b>65.3</b>	<b>88.1</b>	<b>98.7</b>	<b>291</b>	<b>334</b>	<b>398</b>	<b>446</b>
Group	132	17.5	55.7	90.3	89.8	253	39.2	65.3	88.1	98.7	291	334	398	446
<b>EBITDA</b>	<b>16.7</b>	<b>-0.4</b>	<b>3.5</b>	<b>6.6</b>	<b>20.8</b>	<b>30.4</b>	<b>-0.6</b>	<b>5.4</b>	<b>8.0</b>	<b>9.9</b>	<b>22.7</b>	<b>27.2</b>	<b>33.5</b>	<b>38.1</b>
Depreciation	-1.1	-0.4	-1.3	-1.3	-1.6	-4.6	-1.4	-1.4	-1.4	-1.4	-5.6	-4.5	-4.2	-4.2
<b>EBIT (excl. NRI)</b>	<b>15.6</b>	<b>-0.9</b>	<b>2.7</b>	<b>5.7</b>	<b>19.7</b>	<b>27.2</b>	<b>-1.5</b>	<b>4.6</b>	<b>7.1</b>	<b>9.0</b>	<b>19.1</b>	<b>23.6</b>	<b>29.8</b>	<b>34.2</b>
<b>EBIT</b>	<b>15.6</b>	<b>-0.9</b>	<b>2.2</b>	<b>5.2</b>	<b>19.2</b>	<b>25.7</b>	<b>-2.1</b>	<b>4.0</b>	<b>6.6</b>	<b>8.4</b>	<b>17.0</b>	<b>22.7</b>	<b>29.3</b>	<b>33.9</b>
Group	15.6	-0.9	2.2	5.2	19.2	25.7	-2.1	4.0	6.6	8.4	17.0	22.7	29.3	33.9
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	-0.1	0.0	-0.2	-0.4	-0.4	-0.5	-1.5	-1.3	-0.6	-0.3
Net financial items	0.0	-0.1	-0.3	-0.2	0.2	-0.4	-0.3	-0.4	-0.9	-1.0	-2.6	-2.6	-1.3	-1.2
<b>PTP</b>	<b>15.6</b>	<b>-0.9</b>	<b>1.9</b>	<b>5.0</b>	<b>19.3</b>	<b>25.3</b>	<b>-2.6</b>	<b>3.3</b>	<b>5.2</b>	<b>7.0</b>	<b>13.0</b>	<b>18.8</b>	<b>27.4</b>	<b>32.4</b>
Taxes	-3.4	-0.1	-1.3	-0.6	0.0	-2.0	-0.3	0.5	-0.6	-0.7	-1.1	-1.9	-2.8	-4.9
Minority interest	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>11.8</b>	<b>-1.0</b>	<b>0.7</b>	<b>4.3</b>	<b>19.3</b>	<b>23.3</b>	<b>-2.8</b>	<b>3.7</b>	<b>4.6</b>	<b>6.3</b>	<b>11.8</b>	<b>16.9</b>	<b>24.6</b>	<b>27.5</b>
<b>EPS (adj.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.03</b>	<b>0.04</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>
<b>EPS (rep.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.03</b>	<b>0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>
<b>Key figures</b>	<b>2021</b>	<b>Q1'22</b>	<b>Q2'22</b>	<b>Q3'22</b>	<b>Q4'22</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
<b>Revenue growth-%</b>						92.3 %	124.0 %	17.2 %	-2.5 %	10.0 %	15.0 %	14.8 %	19.0 %	12.0 %
<b>Adjusted EBIT growth-%</b>						74.3 %	79.1%	72.1 %	24.7 %	-54.6 %	-29.9 %	23.6 %	26.4 %	14.6 %
<b>EBITDA-%</b>	12.7 %	-2.5 %	6.3 %	7.3 %	23.1 %	12.0 %	-1.7 %	8.3 %	9.1 %	10.0 %	7.8 %	8.1 %	8.4 %	8.6 %
<b>Adjusted EBIT-%</b>	11.9 %	-4.9 %	4.8 %	6.3 %	22.0 %	10.7 %	-3.9 %	7.0 %	8.1 %	9.1 %	6.6 %	7.1 %	7.5 %	7.7 %
<b>Net earnings-%</b>	8.9 %	-5.8 %	1.2 %	4.8 %	21.5 %	9.2 %	-7.2 %	5.7 %	5.2 %	6.4 %	4.1 %	5.1 %	6.2 %	6.2 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>8.5</b>	<b>160</b>	<b>161</b>	<b>161</b>	<b>161</b>
Goodwill	0.0	121	121	121	121
Intangible assets	0.0	3.8	1.9	1.0	0.7
Tangible assets	8.2	17.7	18.3	18.9	19.4
Associated companies	0.0	11.1	12.6	12.6	12.6
Other investments	0.0	5.6	7.1	7.1	7.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.2	0.5	0.5	0.5	0.5
<b>Current assets</b>	<b>45.3</b>	<b>99.1</b>	<b>102</b>	<b>117</b>	<b>146</b>
Inventories	0.7	2.3	2.6	3.0	3.6
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	35.2	83.0	84.5	97.0	115
Cash and equivalents	9.4	13.8	14.6	17.1	26.9
<b>Balance sheet total</b>	<b>53.7</b>	<b>259</b>	<b>263</b>	<b>278</b>	<b>307</b>

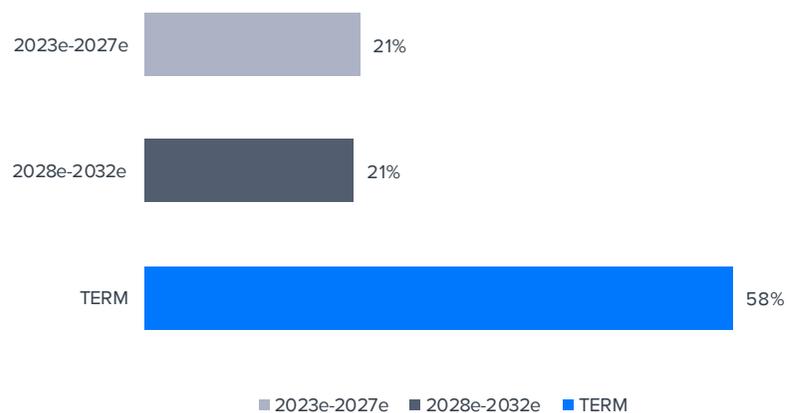
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>26.7</b>	<b>180</b>	<b>187</b>	<b>199</b>	<b>216</b>
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	26.7	40.3	47.2	58.5	76.0
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	-0.5	140	140	140	140
Minorities	0.5	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>5.1</b>	<b>17.2</b>	<b>18.0</b>	<b>14.6</b>	<b>14.6</b>
Deferred tax liabilities	2.4	4.4	4.4	4.4	4.4
Provisions	0.0	0.1	0.1	0.1	0.1
Interest bearing debt	2.7	12.6	13.5	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.1	0.1	0.1	0.1
<b>Current liabilities</b>	<b>21.9</b>	<b>61.5</b>	<b>57.8</b>	<b>65.2</b>	<b>76.6</b>
Interest bearing debt	0.8	8.2	5.4	5.0	5.0
Payables	21.1	53.3	52.4	60.2	71.6
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>53.7</b>	<b>259</b>	<b>263</b>	<b>278</b>	<b>307</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	92.3 %	15.0 %	14.8 %	19.0 %	12.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	10.2 %	5.8 %	6.8 %	7.4 %	7.6 %	7.6 %	7.6 %	7.5 %	7.4 %	7.3 %	7.0 %	7.0 %
<b>EBIT (operating profit)</b>	<b>25.7</b>	<b>17.0</b>	<b>22.7</b>	<b>29.3</b>	<b>33.9</b>	<b>36.2</b>	<b>38.4</b>	<b>39.8</b>	<b>40.9</b>	<b>41.5</b>	<b>40.6</b>	
+ Depreciation	4.6	5.6	4.5	4.2	4.2	4.2	4.2	4.3	4.4	4.5	4.6	
- Paid taxes	-0.3	-1.1	-1.9	-2.8	-4.9	-7.2	-7.6	-7.9	-8.1	-8.3	-8.1	
- Tax, financial expenses	0.0	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-17.2	-2.6	-5.1	-7.6	-5.7	-3.7	-3.4	-3.0	-2.5	-2.0	-1.4	
<b>Operating cash flow</b>	<b>12.9</b>	<b>18.7</b>	<b>19.9</b>	<b>23.0</b>	<b>27.3</b>	<b>29.3</b>	<b>31.4</b>	<b>33.0</b>	<b>34.4</b>	<b>35.6</b>	<b>35.6</b>	
+ Change in other long-term liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-145	-5.7	-4.3	-4.4	-4.5	-4.6	-4.7	-4.8	-4.9	-5.0	-4.7	
<b>Free operating cash flow</b>	<b>-132</b>	<b>13.0</b>	<b>15.6</b>	<b>18.6</b>	<b>22.8</b>	<b>24.7</b>	<b>26.7</b>	<b>28.2</b>	<b>29.5</b>	<b>30.6</b>	<b>30.9</b>	
+/- Other	190	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	58.3	18.6	15.6	18.6	22.8	24.7	26.7	28.2	29.5	30.6	30.9	481
<b>Discounted FCFF</b>		<b>18.4</b>	<b>14.2</b>	<b>15.7</b>	<b>17.7</b>	<b>17.6</b>	<b>17.5</b>	<b>17.0</b>	<b>16.4</b>	<b>15.7</b>	<b>14.6</b>	<b>227</b>
Sum of FCFF present value		392	374	359	344	326	309	291	274	258	242	227
<b>Enterprise value DCF</b>		<b>392</b>										
- Interest bearing debt		-20.8										
+ Cash and cash equivalents		13.8										
-Minorities		0.0										
-Dividend/capital return		-4.9										
<b>Equity value DCF</b>		<b>395</b>										
<b>Equity value DCF per share</b>		<b>0.56</b>										

Cash flow distribution



## WACC

Tax-% (WACC)	20.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.6 %</b>

Source: Inderes

# Summary

Income statement	2021	2022	2023e	2024e	Per share data	2021	2022	2023e	2024e
Revenue	131.7	253.3	291.3	334.4	EPS (reported)	0.03	0.03	0.02	0.02
EBITDA	16.7	30.4	22.7	27.2	EPS (adj.)	0.03	0.04	0.02	0.03
EBIT	15.6	25.7	17.0	22.7	OCF / share	0.02	0.02	0.03	0.03
PTP	15.6	25.3	13.0	18.8	FCF / share	0.02	0.08	0.03	0.02
Net Income	11.8	23.3	11.8	16.9	Book value / share	0.06	0.26	0.27	0.28
Extraordinary items	0.0	-1.5	-2.1	-0.9	Dividend / share	0.00	0.01	0.01	0.01
Balance sheet	2021	2022	2023e	2024e	Growth and profitability	2021	2022	2023e	2024e
Balance sheet total	53.7	259.1	263.2	278.3	Revenue growth-%	0%	92%	15%	15%
Equity capital	26.7	180.4	187.3	198.5	EBITDA growth-%		82%	-25%	20%
Goodwill	0.0	121.2	121.2	121.2	EBIT (adj.) growth-%		74%	-30%	24%
Net debt	-5.8	7.0	4.3	-2.1	EPS (adj.) growth-%		23%	-41%	27%
Cash flow	2021	2022	2023e	2024e	EBITDA-%	12.7 %	12.0 %	7.8 %	8.1 %
EBITDA	16.7	30.4	22.7	27.2	EBIT (adj.)-%	11.9 %	10.7 %	6.6 %	7.1 %
Change in working capital	-4.7	-17.2	-2.6	-5.1	EBIT-%	11.8 %	10.2 %	5.8 %	6.8 %
Operating cash flow	8.8	12.9	18.7	19.9	ROE-%	47.0 %	22.6 %	6.4 %	8.8 %
CAPEX	-2.4	-144.7	-5.7	-4.3	ROI-%	51.7 %	22.2 %	7.6 %	10.2 %
Free cash flow	6.4	58.3	18.6	15.6	Equity ratio	49.7 %	69.6 %	71.2 %	71.3 %
Valuation multiples	2021	2022	2023e	2024e	Gearing	-21.7 %	3.9 %	2.3 %	-1.0 %
EV/S	2.7	2.5	1.2	1.0					
EV/EBITDA (adj.)	21.1	20.5	14.8	12.1					
EV/EBIT (adj.)	22.7	22.9	17.6	14.0					
P/E (adj.)	29.9	24.8	23.6	18.6					
P/B	13.5	3.4	1.8	1.7					
Dividend-%	0.0 %	0.8 %	1.6 %	2.0 %					

Source: Inderes

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

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Date	Recommendation	Target	Share price
4/25/2023	Reduce	0.70 €	0.71 €
5/15/2023	Reduce	0.70 €	0.67 €
7/28/2023	Reduce	0.70 €	0.73 €
8/11/2023	Reduce	0.55 €	0.62 €
8/28/2023	Sell	0.55 €	0.63 €
10/11/2023	Reduce	0.55 €	0.51 €
11/13/2023	Reduce	0.50 €	0.49 €



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