

Solwers

Company report

1/30/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Yritysostoja ja toimialahajautusta” published on 1/30/2024 at 8:19 am EET.

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Acquisitions and sectoral diversification

On Monday, Solwers announced a small acquisition, which was a continuation of its recent active inorganic growth. We have accounted for M&A in our forecasts, and slightly revised our near-term organic growth forecasts in line with the sluggish economic outlook. The rise in the share price has removed the most significant undervaluation, but there is still room for acquisitions on the balance sheet. We expect inorganic growth to continue and act as a driver of expected returns. Therefore, we reiterate our target price of EUR 5.0, but as the risen share price has eaten into the expected return, we lower our recommendation to Accumulate (was Buy).

Plant engineering services in northern Sweden

Solwers announced on Monday that it will acquire Relitor Engineering, which provides plant engineering services in northern Sweden. The acquired company's more than 20 consultants have expertise in areas such as engineering and feasibility studies, machinery and piping design, steel structures, tanks, pressure vessels, technical calculations and customer support. According to Solwers, Relitor Engineer's unaudited financial statements show a revenue of 27 MSEK (2.4 MEUR) and an EBIT of 3.3 MSEK (0.3 MEUR or 12.2% margin) in 2023. The purchase price was not disclosed, but we expect it to be moderate, as usual. Solwers will organize a directed share issue and part of the purchase price will be paid in shares (58,000, EUR 4.77/share).

Acquisitions included in our forecasts

In addition to the latest acquisition, Solwers has announced two other acquisitions in just over a month. In December, its subsidiary Meskanen acquired the HVAC engineering company Plan-Air in Finland, and recently the company announced the acquisition of WiseGate. Based on the most recent financial statements and reported figures, the impact of the acquisitions on Solwers' consolidated revenue is around 17% and on EBIT just over 10%. At the end of H1'23, the company had a net debt of 17.3 MEUR, but at the same time a cash position of 14 MEUR. Even after the acquisitions made in the last six months or more, we estimate that the company's cash position is above the needs of the business, allowing it to allocate capital to debt repayment or inorganic growth. We expect the company to continue to prioritize inorganic growth in its capital allocation in line with its strategy. We have incorporated the recent acquisitions into our forecasts. We also slightly lowered our organic growth forecast for the current year, reflecting the weak economic outlook, which we believe is leading to a slowdown in industry activity levels. As a result, our 2024 revenue forecast increased by 15% to just over 75 MEUR, while our EBITA forecast rose to 7.4 MEUR (was 6.9 MEUR).

Balance sheet still loaded for inorganic growth

Based on our estimates, P/E ratios for 2023-2024 are 19x and 16x, respectively, and the corresponding EV/EBIT ratios taking into account the balance sheet structure are 13x and 12x, respectively. At 2023 earnings, the valuation is high, but considering the recent acquisitions, we believe the valuation multiples for the current year are fairly neutral in absolute terms. We believe that the balance sheet still has an unnecessarily large cash position from an operational perspective. We therefore expect the balance sheet structure to be optimized by allocating cash to inorganic growth, which supports the expected return. The balance sheet structure is also reflected in the relative valuation, where the stock trades at a small premium on a P/E basis, but at a significant discount to peers on an EV basis.

Recommendation

Accumulate

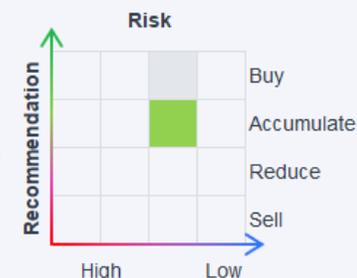
(previous Buy)

EUR 5.00

(previous EUR 5.00)

Share price:

4.60



Key figures

	2022	2023e	2024e	2025e
Revenue	62.8	63.9	75.0	77.3
growth-%	41%	2%	17%	3%
EBIT adj.	5.1	4.4	4.8	5.4
EBIT-% adj.	8.1 %	6.9 %	6.4 %	7.0 %
Net Income	3.4	2.4	2.9	3.3
EPS (adj.)	0.35	0.24	0.29	0.33
P/E (adj.)	12.2	18.9	16.1	13.8
P/B	1.1	1.2	1.1	1.1
Dividend yield-%	1.7 %	2.0 %	2.2 %	2.6 %
EV/EBIT (adj.)	9.8	12.8	12.0	10.2
EV/EBITDA	6.1	7.4	6.8	6.1
EV/S	0.8	0.9	0.8	0.7

Source: Inderes

Guidance

(Unchanged)

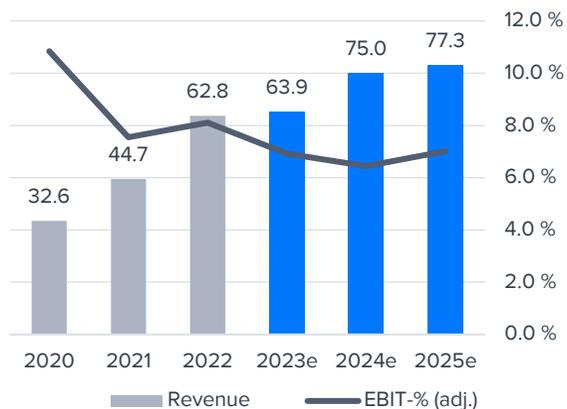
Solwers expects its revenue to grow and the result to remain at a good level

Share price



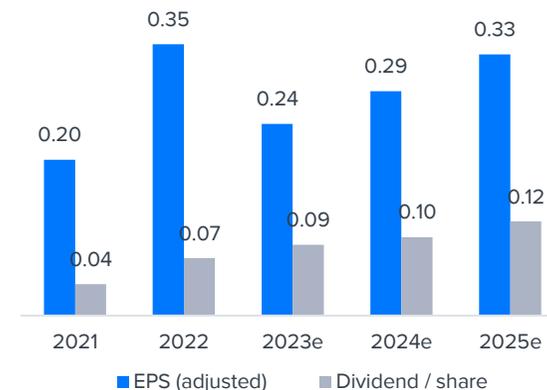
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Long-term organic growth supported by market growth
- Good profitability and cash flow ratio
- Good preconditions to continue the rapid and value creating inorganic growth strategy
- Efficient and agile acquisition process



Risk factors

- The cyclical nature of customer industries and a weaker investment outlook
- Uncertainty and low visibility related to the development of billable utilization and thus profitability
- Risks related to inorganic growth
- Personal dependence

Valuation	2023e	2024e	2025e
Share price	4.60	4.60	4.60
Number of shares, million	9.9	10	10
Market cap	46	46	46
EV	57	58	55
P/E (adj.)	18.9	16.1	13.8
P/E	18.9	16.1	13.8
P/B	1.2	1.1	1.1
P/S	0.7	0.6	0.6
EV/Sales	0.9	0.8	0.7
EV/EBITDA	7.4	6.8	6.1
EV/EBIT (adj.)	12.8	12.0	10.2
Payout ratio (%)	36.9 %	35.0 %	36.1 %
Dividend yield-%	2.0 %	2.2 %	2.6 %

Source: Inderes

Acquisitions included in our forecasts

Plant engineering in northern Sweden

Solwers announced on Monday the acquisition of the entire share capital of Relitor Engineering. Relitor provides plant engineering services in northern Sweden and its services cover a wide range from small projects to the supply of complete systems consisting of machinery and process plants. The acquired company's more than 20 consultants have expertise in areas such as engineering and feasibility studies, machinery and piping design, steel structures, tanks, pressure vessels, technical calculations and customer support.

The last few years have been profitable, historically profitability has been low

We understand that Relitor has a long history in northern Sweden, where it has been involved in project planning for an established customer base of

plant operations. With an established customer base, Relitor has also grown from a revenue of just over 21 MSEK (1.9 MEUR) in 2019 to around 27 MSEK (2.4 MEUR) in 2023. Over the past three years, its profitability has been at a good level for the industry, averaging 12.6%. Before that, however, the company's profitability has been historically much weaker (2018-2020 EBIT-%: 0-2%). We estimate that the lower historical profitability can be explained by the small scale of operations. However, at the current size and with an established customer base, we consider the profitability level in the coming years to be a realistic assumption for future development.

Acquisitions included in forecasts

We have included Solwers' recent acquisitions in our forecasts. In total, the company has acquired around 11.2 MEUR in revenue based on the companies'

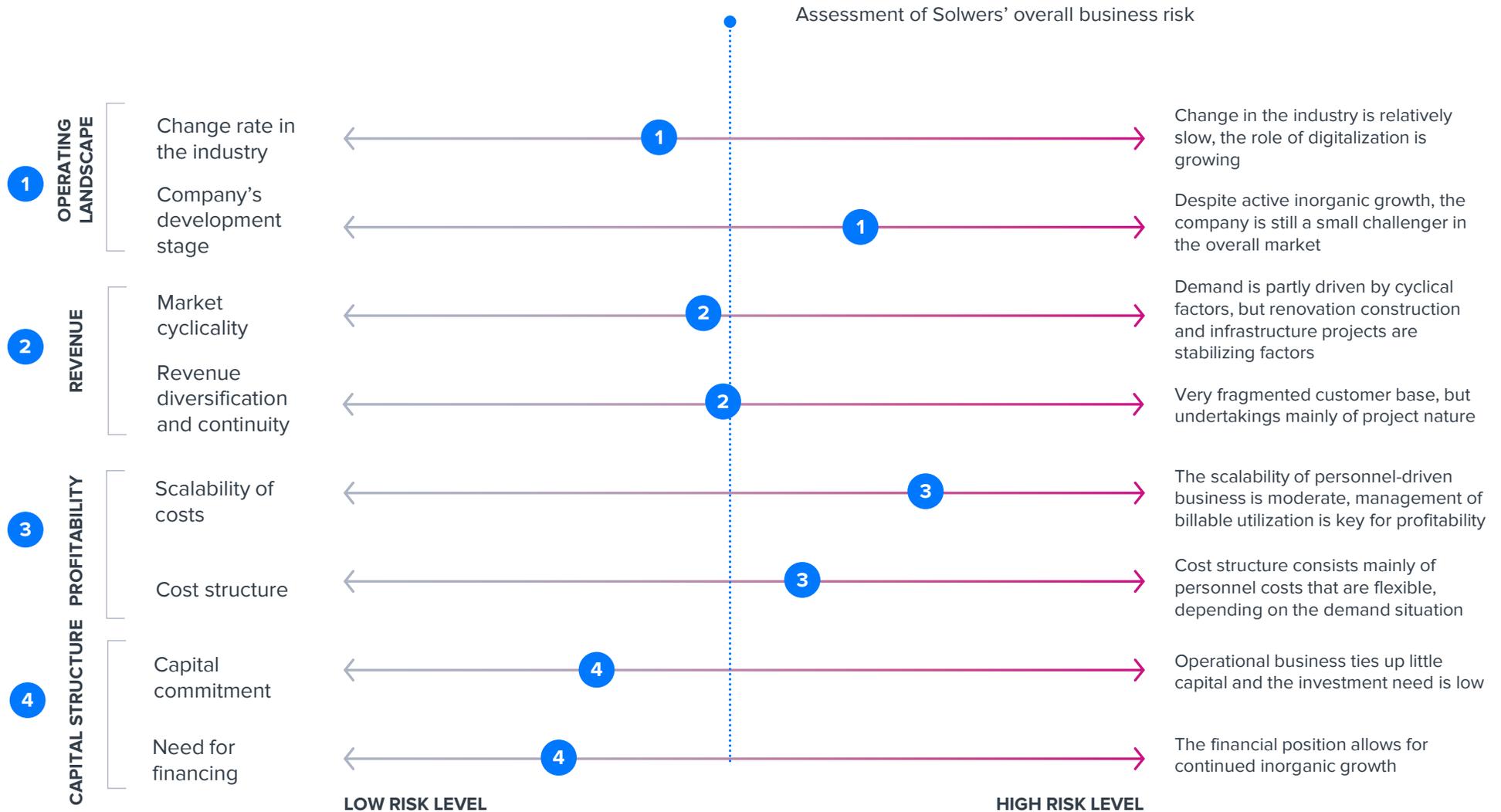
previous financial years, which corresponds to 17% of our revenue forecast for the company in FY2023. Correspondingly, the combined EBIT was around 0.8 MEUR, which corresponds to just over 10% of the EBIT forecast for the current year. For 2023, the forecast changes were within the margin of error due to the timing of acquisitions, but we included minor costs from the acquisitions. The acquisitions were almost fully reflected in the current and next years. However, we have lowered our organic growth forecast for 2024 to -2%, reflecting our expectation that industry activity will decline in the short term in line with economic developments.

Historically, Solwers has said that it has made acquisitions at an EV/EBIT multiple of 5-6.5x and is targeting this level. Based on this information, we have modeled acquisitions with unknown purchase prices at a 6x multiple.

Estimate revisions MEUR / EUR	2023e	2023e	Change %	2024e	2024e	Change %	2025e	2025e	Change %
	Old	New		Old	New		Old	New	
Revenue	63.9	63.9	0%	65.5	75.0	15%	67.5	77.3	15%
EBITDA	7.7	7.6	-1%	8.0	8.5	6%	8.6	9.1	5%
EBIT (exc. NRIs)	4.5	4.4	-2%	4.5	4.8	6%	5.1	5.4	7%
EBIT	4.5	4.4	-2%	4.5	4.8	6%	5.1	5.4	7%
PTP	3.4	3.3	-3%	3.5	3.7	6%	4.1	4.3	4%
EPS (excl. NRIs)	0.25	0.24	-3%	0.27	0.29	5%	0.32	0.33	3%
DPS	0.09	0.09	0%	0.10	0.10	0%	0.12	0.12	0%

Source: Inderes

Risk profile of the business model



Investment profile

- 1. Strong growth-orientation and efficient acquisition process**
- 2. Business portfolio that balances cyclical fluctuations and good profitability**
- 3. Moderate investment needs and a good cash flow profile underpin the conditions for inorganic growth**
- 4. Risks related to inorganic growth and personnel dependency**
- 5. Managing billable utilization is key**

Potential



- Moderate organic and profitable growth in the core business
- An efficient and well-established acquisition process drives business growth
- Low investment needs and capital-light operational activities allow capital to be allocated to inorganic growth
- Established customer relationships and large number of small projects

Risks



- Typical risks associated with acquisitions
- Dependency on the availability and commitment of staff in an industry suffering from expert shortage
- We estimate that changes in billable utilization are reflected relatively strongly in profitability

Balance sheet is still loaded

Factors to be considered in valuation

We price Solwers mainly through earnings-based valuation multiples. We particularly favor EV/EBIT and P/E multiples for the next few years in the valuation. The use of EV-based multiples is supported by them considering the balance sheet structure, but due to the small minorities in the Group structure, the operating result does not flow to Solwers' shareholders in full. This, in turn, favors the use of net earnings-based valuation multiples (P/E), which consider the minority interests. However, the minorities are moderate considering the group's earnings scale and, thus, do not in our opinion fundamentally distort EV-based valuation multiples. We note that the company's EBITA includes IFRS16 depreciation, as the company considers them intangible assets. Thus, the EV/EBITA multiple is slightly distorted because it does not take into account the cash flows used to repay rental liabilities.

Absolute valuation multiples and relative valuation for the coming years

Solwers' P/E ratios for 2023 and 2024 according to our estimates are 19x and 16x. Corresponding EV/EBIT ratios that consider the balance sheet structure are 13x and 12x. In our view, the P/E ratio for the past year is well above the justified level in absolute terms and above the valuation level of peers. We also believe that this year's P/E ratio of 16x is at the upper end of the justified range. On the other hand, it should be noted that the company's balance sheet structure is not optimized and inorganic growth would allow the company to increase its EBIT. We estimate that this would effectively flow through to net income, as under the current balance sheet structure, small acquisitions would not require an increase in debt. The balance

sheet structure and its optimization potential is reflected in EV-based valuation multiples, as the EV/EBITDA multiples for 2023-2024 are 17-18% below peers. Even on an earnings-neutral EV/S, the company is valued at a discount of around 25% on 2023-2024 multiples, while we believe it is justified to price the company at the median of its peers.

DCF model above current share price

Our DCF model indicates a share value of EUR 6.1 per share. This is well above the current share price, but it should be noted that a significant part of the value in the cash flow model is cash, which does not generate much except for a small interest income. Adjusted for excess cash, the DCF would be roughly in line with our target price, indicating a slight upside to the cash flow generating capacity of the existing businesses. The higher price potential relies on the optimization of the balance sheet structure and thus on future value-creating inorganic growth.

Cash and cash flow enable acquisitions

Given Solvay's financial position and cash flow, we estimate that the company has approximately 5-10 MEUR of acquisition headroom over the next 12 months without excessive risk upside. In our view, successful and low-valued acquisitions (i.e. high return on investment) would serve as a driver for value development over the next 12 months. However, based purely on our current forecasts, we do not believe there is material upside to the valuation. However, we expect the company to continue its inorganic growth at moderate valuation levels, which together with the overall valuation picture keeps the risk/reward ratio good in our view.

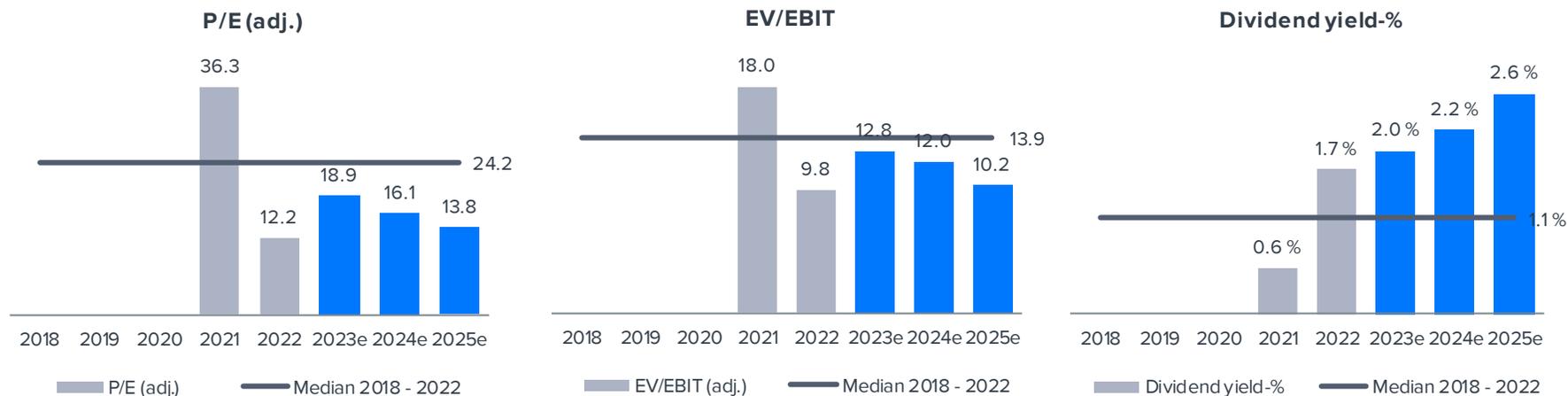
Valuation	2023e	2024e	2025e
Share price	4.60	4.60	4.60
Number of shares, millions	9.9	10	10
Market cap	46	46	46
EV	57	58	55
P/E (adj.)	18.9	16.1	13.8
P/E	18.9	16.1	13.8
P/B	1.2	1.1	1.1
P/S	0.7	0.6	0.6
EV/Sales	0.9	0.8	0.7
EV/EBITDA	7.4	6.8	6.1
EV/EBIT (adj.)	12.8	12.0	10.2
Payout ratio (%)	36.9 %	35.0 %	36.1 %
Dividend yield-%	2.0 %	2.2 %	2.6 %

Source: Inderes

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				7.20	4.22	4.60	4.60	4.60	4.60
Number of shares, millions				7.24	9.8	9.9	10	10	10
Market cap				52	41	45.6	45.6	45.6	45.6
EV				61	50	56.7	58.0	55.1	52.3
P/E (adj.)				36.3	12.2	18.9	16.1	13.8	13.1
P/E				36.3	12.2	18.9	16.1	13.8	13.1
P/B				1.7	1.1	1.2	1.1	1.1	1.0
P/S				1.2	0.7	0.7	0.6	0.6	0.6
EV/Sales				1.4	0.8	0.9	0.8	0.7	0.7
EV/EBITDA				11.0	6.1	7.4	6.8	6.1	5.7
EV/EBIT (adj.)				18.0	9.8	12.8	12.0	10.2	9.5
Payout ratio (%)				20.2 %	21.1 %	36.9 %	35.0 %	36.1 %	37.0 %
Dividend yield-%				0.6 %	1.7 %	2.0 %	2.2 %	2.6 %	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
Sitowise	96	184	12.8	11.5	7.1	6.8	0.9	0.9	12.2	10.3	3.9	4.5	0.8
Sweco AB	4084	4678	20.8	17.9	15.2	13.8	1.9	1.7	24.9	20.6	2.2	2.4	4.3
Afry AB	1433	2094	13.8	12.6	8.7	8.3	0.9	0.9	14.0	12.7	4.1	4.6	1.3
Rejlers AB	235	292	12.4	10.8	7.5	6.8	0.8	0.8	13.8	11.9	3.5	4.1	1.5
WSP Global	16732	19710	33.1	28.5	15.0	13.6	2.6	2.5	28.7	25.4	0.8	0.8	3.8
Etteplan	341	413	16.0	13.9	9.2	8.4	1.2	1.1	18.1	15.6	2.5	3.0	2.9
Arcadis NV	4536	5717	16.7	14.3	11.9	10.6	1.2	1.3	19.5	16.5	1.8	2.0	3.8
Solwers (Inderes)	46	57	12.8	12.0	7.4	6.8	0.9	0.8	18.9	16.1	2.0	2.2	1.2
Average			17.9	15.6	10.7	9.8	1.3	1.3	18.7	16.1	2.7	3.1	2.6
Median			16.0	13.9	9.2	8.4	1.2	1.1	18.1	15.6	2.5	3.0	2.9
Diff-% to median			-20%	-14%	-19%	-19%	-23%	-30%	4%	3%	-22%	-27%	-59%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	H1'22	H2'22	2022	H1'23	H2'23e	2023e	2024e	2025e	2026e
Revenue	44.7	32.6	30.2	62.8	33.2	30.7	63.9	75.0	77.3	79.2
Group	44.7	32.6	30.2	62.8	33.2	30.7	63.9	75.0	77.3	79.2
EBITDA	5.5	4.2	3.9	8.2	4.0	3.6	7.6	8.5	9.1	9.2
Depreciation	-2.1	-1.4	-1.6	-3.1	-1.5	-1.7	-3.2	-3.7	-3.7	-3.8
EBIT	3.4	2.8	2.3	5.1	2.5	1.9	4.4	4.8	5.4	5.5
EBITA	4.7	3.8	3.4	7.2	3.5	3.1	6.6	7.3	7.8	7.9
Net financial items	-1.3	-0.2	-0.3	-0.5	-0.5	-0.7	-1.2	-1.1	-1.1	-0.9
PTP	2.1	2.6	2.0	4.6	2.0	1.3	3.3	3.7	4.3	4.5
Taxes	-0.4	-0.7	-0.3	-1.0	-0.5	-0.3	-0.8	-0.8	-0.9	-1.0
Minority interest	-0.2	-0.1	-0.1	-0.2	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Net earnings	1.4	1.8	1.6	3.4	1.5	0.9	2.4	2.9	3.3	3.5
EPS (adj.)	0.20	0.18	0.16	0.35	0.15	0.09	0.24	0.29	0.33	0.35
EPS (rep.)	0.20	0.18	0.16	0.35	0.15	0.09	0.24	0.29	0.33	0.35

Key figures	2021	H1'22	H2'22	2022	H1'23	H2'23e	2023e	2024e	2025e	2026e
Revenue growth-%	36.8 %	48.3 %		40.6 %	1.9 %	1.6 %	1.8 %	17.4 %	3.0 %	2.5 %
EBITDA-%	12.3 %	13.0 %	12.9 %	13.0 %	12.1 %	11.8 %	11.9 %	11.3 %	11.8 %	11.7 %
EBITA-%	10.5 %	11.7 %	11.3 %	11.5 %	10.7 %	10.0 %	10.4 %	9.7 %	10.1 %	10.0 %
Net earnings-%	3.2 %	5.6 %	5.2 %	5.4 %	4.5 %	3.0 %	3.8 %	3.8 %	4.3 %	4.4 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	44	48	51	52	51
Goodwill	16.6	18.6	19.9	20.1	20.1
Intangible assets	17.8	20.5	20.2	20.5	19.8
Tangible assets	5.9	5.7	7.2	8.5	8.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	1.9	1.9	1.9	1.9
Other non-current assets	1.4	1.5	1.4	1.4	1.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	27	34	35	38	39
Inventories	0.2	0.2	0.2	0.2	0.2
Other current assets	0.3	0.3	0.3	0.3	0.3
Receivables	13.6	14.6	16.6	18.8	19.3
Cash and equivalents	12.6	18.5	18.1	18.8	19.3
Balance sheet total	70	82	86	90	91

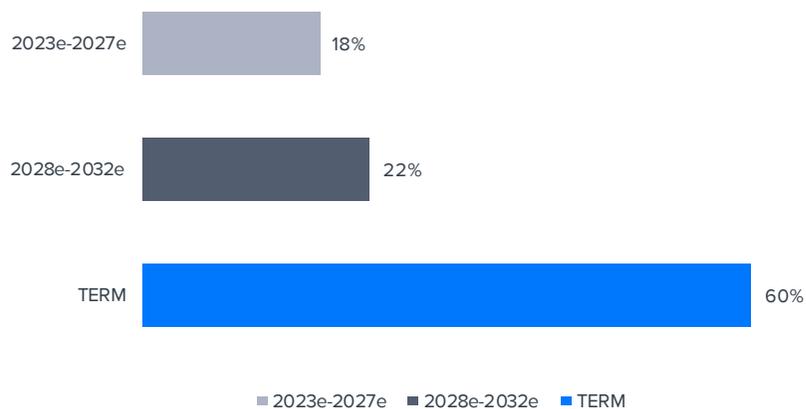
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	32	38	40	41	44
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	-0.9	0.6	2.3	4.2	6.6
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	31.1	35.9	36	36	36
Minorities	0.6	0.6	0.6	0.6	0.6
Non-current liabilities	20	28	30	28	27
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	16.4	25.0	26.5	25.0	24.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.9	3.0	3.0	3.0	3.0
Current liabilities	18	16	17	21	20
Interest bearing debt	3.8	1.2	2.0	5.5	4.2
Payables	2.0	3.3	3.8	4.5	4.6
Other current liabilities	12.4	11.0	11.0	11.0	11.0
Balance sheet total	70	82	86	90	91

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	40.6 %	1.8 %	17.4 %	3.0 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	8.1 %	6.9 %	6.4 %	7.0 %	6.9 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	5.1	4.4	4.8	5.4	5.5	6.9	7.1	7.2	7.4	7.5	7.7	
+ Depreciation	3.1	3.2	3.7	3.7	3.8	3.7	3.7	3.0	3.1	3.1	3.1	
- Paid taxes	-1.0	-0.8	-0.8	-0.9	-1.0	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5	
- Tax, financial expenses	-0.1	-0.3	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	-1.0	-1.5	-1.5	-0.4	-0.4	0.0	-0.4	-0.3	-0.3	-0.3	-0.3	
Operating cash flow	6.0	5.1	6.0	7.5	7.7	9.2	8.9	8.4	8.6	8.7	8.8	
+ Change in other long-term liabilities	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.6	-5.8	-5.4	-2.7	-3.0	-3.0	-3.2	-3.2	-3.2	-3.2	-3.3	
Free operating cash flow	-2.5	-0.7	0.6	4.8	4.7	6.2	5.7	5.2	5.4	5.5	5.5	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-2.5	-0.7	0.6	4.8	4.7	6.2	5.7	5.2	5.4	5.5	5.5	86.4
Discounted FCFF		-0.7	0.5	4.1	3.7	4.5	3.8	3.2	3.1	2.9	2.7	41.6
Sum of FCFF present value		69.4	70.1	69.6	65.4	61.7	57.2	53.4	50.2	47.2	44.3	41.6
Enterprise value DCF		69.4										
- Interest bearing debt		-26										
+ Cash and cash equivalents		18.5										
-Minorities		-0.7										
-Dividend/capital return		-0.7										
Equity value DCF		60										
Equity value DCF per share		6.1										

Cash flow distribution



WACC

Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	9.7 %
Weighted average cost of capital (WACC)	8.5 %

Source: Inderes

Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	32.6	44.7	62.8	63.9	75.0	EPS (reported)	7.98	0.20	0.35	0.24	0.29
EBITDA	5.0	5.5	8.2	7.6	8.5	EPS (adj.)	7.98	0.20	0.35	0.24	0.29
EBIT	3.5	3.4	5.1	4.4	4.8	OCF / share	20.51	0.76	0.61	0.51	0.60
PTP	3.4	2.1	4.6	3.3	3.7	FCF / share	-14.31	-1.85	-0.25	-0.07	0.06
Net Income	1.7	1.4	3.4	2.4	2.9	Book value / share	48.05	4.32	3.81	3.93	4.09
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share		0.04	0.07	0.09	0.10
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	40.0	70.3	81.7	85.9	90.5	Revenue growth-%	27%	37%	41%	2%	17%
Equity capital	12.7	31.9	38.1	39.5	41.5	EBITDA growth-%	103%	11%	48%	-7%	11%
Goodwill	16.6	16.6	18.6	19.9	20.1	EBIT (adj.) growth-%	139%	-5%	51%	-13%	9%
Net debt	10.6	7.5	7.7	10.4	11.7	EPS (adj.) growth-%		-98%	74%	-29%	17%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	15.2 %	12.3 %	13.0 %	11.9 %	11.3 %
EBITDA	5.0	5.5	8.2	7.6	8.5	EBIT (adj.)-%	10.8 %	7.5 %	8.1 %	6.9 %	6.4 %
Change in working capital	-0.5	0.7	-1.0	-1.5	-1.5	EBIT-%	10.8 %	7.5 %	8.1 %	6.9 %	6.4 %
Operating cash flow	4.5	5.5	6.0	5.1	6.0	ROE-%	23.7 %	6.9 %	9.9 %	6.3 %	7.2 %
CAPEX	-8.7	-21.8	-7.6	-5.8	-5.4	ROI-%	14.0 %	8.3 %	8.8 %	6.7 %	6.9 %
Free cash flow	-3.1	-13.4	-2.5	-0.7	0.6	Equity ratio	31.8 %	45.4 %	46.6 %	46.0 %	45.8 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	83.4 %	23.6 %	20.3 %	26.4 %	28.2 %
EV/S			0.8	0.9	0.8						
EV/EBITDA (adj.)			6.1	7.4	6.8						
EV/EBIT (adj.)			9.8	12.8	12.0						
P/E (adj.)			12.2	18.9	16.1						
P/B			1.1	1.2	1.1						
Dividend-%			1.7 %	2.0 %	2.2 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/21/2021	Reduce	8.20 €	8.35 €
9/16/2021	Accumulate	8.20 €	7.40 €
11/3/2021	Accumulate	8.60 €	7.34 €
12/1/2021	Accumulate	9.00 €	7.90 €
3/9/2022	Accumulate	8.00 €	7.20 €
3/16/2022	Reduce	7.00 €	6.97 €
9/16/2022	Reduce	5.50 €	5.34 €
1/25/2023	Buy	5.50 €	4.39 €
3/1/2023	Accumulate	6.00 €	5.36 €
9/1/2023	Accumulate	5.00 €	4.32 €
9/15/2023	Buy	5.00 €	4.06 €
1/30/2024	Accumulate	5.00 €	4.60 €



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