

# Enersense

## Company report

8/15/2021 20:05



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✓ Inderes Corporate customer

This report is a summary translation of the report "Kannattavuuskäännö plakkarissa" published on 8/15/2021 at 8:05 pm

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# Profitability turnaround successful

Last Friday, Enersense released its Q2 report, which was well in line with our expectations both in regard to the figures and reiterating guidance. The increased profitability that was in line with our estimates strengthened confidence in a sustainable profitability turnaround and, in our view, in regard to valuation, sights can be set to 2022 already. In our view, the valuation multiples for next year are low, which together with the decreased risk profile offers an attractive risk/return ratio. Thus, we reiterate our Buy recommendation and raise our target price to EUR 12.0 (previously EUR 10.5).

## Growth and profitability met our expectations in Q2

Enersense's Q2 turnover almost quadrupled to EUR 61.6 million, which was well in line with our expectations. The turnover improvement was mainly a result of last summer's Empower acquisition and the new business areas that came with it. Operating profit took a large leap thanks to the turnover growth and the profitability turnaround that kept on progressing. Adjusted EBITDA-% was at a good 7.8% level and was in line with our estimates. In different business areas, there were certain positive and negative factors that affected profitability. However, the key metric, i.e., Group level profitability improved as we estimated which strengthens our confidence in a sustainable profitability turnaround. The result included more non-recurring items than we expected, whose effect was net positive, whereas we estimated the effect to be negative. Because of this, the reported result was better than we estimated. According to Enersense, after H1, it had reached most of the sought EUR 4-7 million in savings, which means that these savings have realized much faster than previously expected.

## Guidance unchanged, rather moderate adjustments to estimates

Enersense reiterated its 2021 guidance in the Q2 report. The company estimates its turnover to be EUR 215-245 million, adjusted EBITDA to be EUR 17-20 million and adjusted operating profit to be EUR 8-11 million. The reiteration was in line with our estimates. Given this and the order backlog which was at a good level of EUR 301 million at the end of Q2, we didn't make major adjustments to our estimates for H2. Our turnover estimate for 2021 is slightly above the middle of the guidance range, whereas our operating profit estimate is slightly below the middle of the guidance range. The profitability turnaround in combination with turnover growth and cost savings, particularly from the Empower integration, offer good conditions for earnings growth in 2022, when we expect operating profit to increase significantly.

## Valuation is quite attractive with estimates for 2022

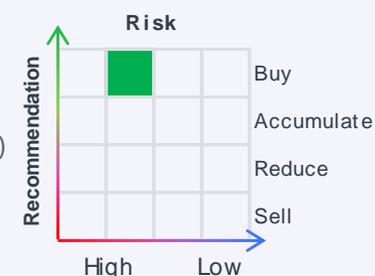
In our estimates, the adjusted P/E multiples for 2021 and 2022 are 21x and 15x and the respective EV/EBIT multiples that consider the sizable net cash are 13x and 9x. In our view, the valuation multiples for 2021 are slightly elevated, but with our 2022 estimates the valuation becomes quite attractive. Relatively, the 2022 multiples are in total 15% below the median of the peer group's multiples, which supports our view of there being upside in the valuation multiples. Given the profitability turnaround that has successfully progressed for four quarters, cost savings of which most have been already realized and the significantly lowered risk profile, we already set our sights to 2022.

## Recommendation

**Buy**  
(previous Buy)

**EUR 12.00**  
(previous EUR 10.50)

**Share price:**  
10.15



## Key indicators

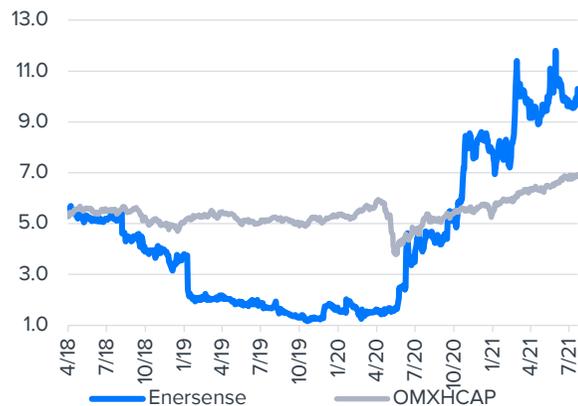
	2020	2021e	2022e	2023e
<b>Net sales</b>	147	235	241	248
<b>growth %</b>	154%	60%	2%	3%
<b>EBIT adj.</b>	7.5	9.0	12.2	13.3
<b>EBIT % adj.</b>	5.1%	3.8%	5.1%	5.4%
<b>Net profit</b>	2.4	4.8	9.1	10.5
<b>EPS (adj.)</b>	0.68	0.48	0.68	0.78
<b>P/E (adj.)</b>	12.2	21.1	14.9	12.9
<b>P/B</b>	3.9	2.8	2.4	2.2
<b>Dividend yield %</b>	0.0%	1.5%	2.5%	3.0%
<b>EV/EBIT (adj.)</b>	10.4	13.0	8.8	7.5
<b>EV/EBITDA</b>	8.0	6.4	4.9	4.4
<b>EV/Sales</b>	0.5	0.5	0.4	0.4

Source: Inderes

## Guidance (Unchanged)

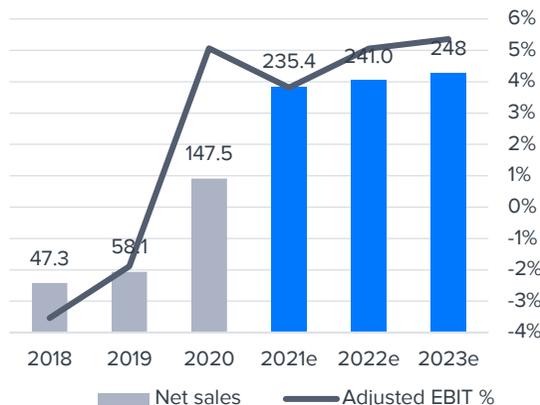
2021 turnover EUR 215-245 million, adj. EBITDA EUR 17-20 million and adj. operating profit EUR 8-11 million.

## Share price



Source: Thomson Reuters

## Revenue and EBIT %



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Improvement of the profitability of project base
- EUR 4-7 million synergies support earnings level significantly
- Increasing flexibility of cost structure has potential to further improve profitability
- Network and energy businesses' demand growth outlook
- Potential acquisitions



## Risk factors

- Contract and credit loss risks related to project business
- Failure in project pricing and potential fluctuation in profitability caused by this
- Occasional slow progress of investment-driven projects
- Low visibility to contract structures and development of the project base

Valuation	2021e	2022e	2023e
Share price	10.2	10.2	10.2
Number of shares, million	13.4	13.4	13.4
Market cap	136	136	136
EV	116	108	100
P/E (adj.)	21.1	14.9	12.9
P/FCF	15.7	11.2	10.6
P/B	2.8	2.4	2.2
P/S	0.6	0.6	0.5
EV/Sales	0.5	0.4	0.4
EV/EBITDA	6.4	4.9	4.4
EV/EBIT (adj.)	13.0	8.8	7.5
Payout ratio (%)	41.7 %	36.8 %	38.3 %
Dividend yield-%	1.5 %	2.5 %	3.0 %

Source: Inderes

# Growth and profitability met our expectations in Q2

## Turnover in line with our expectations

In Q2, Enersense's turnover leaped close to EUR 62 million and slightly exceeded our EUR 60 million estimate. For H1, the pro forma figures aren't available for the acquisition that was made in August 2020, so comparison on the annual level is not relevant and organic growth cannot be estimated.

On segment level, Smart Industry's turnover was slightly lower than our expectations, but it's noteworthy that the size of Staff Leasing which is reported within Smart Industry is unknown. Staff Leasing was sold during Q2 and, therefore, its development is no longer relevant to Enersense. Given this and the increase in order backlog size, we are not worried even though the turnover didn't meet our estimates.

On the Group level, International Operations and

Connectivity exceeded our expectations and made up for the weaker performance of Smart Industry, whereas Power's development was mostly in line with our estimates.

## Q2 profitability also in line with our estimates

In Q2, Enersense's adjusted EBITDA amounted to EUR 4.8 million, which was well in line with our expectations. This corresponds to a margin of 7.8% which is good for the company. On segment level, Smart Industry's adjusted profitability was excellent (Q2'21 15.3%), but its effect was brought down by the profitability of Connectivity (4.4%) and International Operations (4.7%). Both suffered from factors that lowered efficiency, on top of which cost pressure has caused problems in the Baltic region.

In Q2, Enersense recorded slightly smaller negative non-recurring items than we expected, but the net effect of the non-recurring items was clearly positive

thanks to gains from asset sales, which we didn't expect in our estimates. Therefore, the recorded result was quite significantly above our expectations.

## Working capital tied up cash flow

At the end of H1, the operational cash flow had decreased from the level of early 2021 and was EUR -12,5 million. Behind this a significant tying up of working capital. To our understanding, the capital is tied up cyclically, and business shouldn't tie up much capital over time thanks to e.g., factoring. We expect that significant amounts of working capital will be freed up in H2.

Reflecting the cash from directed share issues, at the end of H1'21, the company's net debt ratio was -16% and net cash was ca. EUR 3.5 million. Thus, the company's financial position is very good.

Estimates MEUR / EUR	Q2'20	Q2'21	Q2'21e	Q2'21e	Consensus		Difference (%)	2021e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	-	61.6	59.7				3%	235
EBITDA (oik.)	-	4.8	4.7				2%	18.1
EBIT	-	3.0	0.8				274%	7.8
EPS (reported)	-	0.16	0.01				1091%	0.36
Revenue growth-%								59.6 %
EBITDA-%	-	7.8 %	7.9 %				-0.1 pp	7.7 %

Source: Inderes

# Guidance unchanged, rather moderate adjustments to estimates

## Estimate changes 2021e-2023e

- After H1, considering the seasonally strong Q3, Enersense seems to proceed stably on the turnover and operating profit level of its guidance.
- We haven't made significant adjustments to our estimates, and for 2021, we expect EUR 235 million in turnover and EUR 18.1 million in adjusted EBITDA, which are in line with the guidance.
- The non-adjusted estimates faced sizable changes, when we included IFRS figures from Q1 to the estimates (Q1 was still FAS reporting)
- Additionally, the reported figures reflected the non-recurring items of Q2.
- We made only marginal adjustments to our 2022-2023 estimates.
- We considered the directed share issue that was carried out in June in our estimates, which brought down the EPS estimates of the next few years and strengthened the already strong cash position.
- Reflecting the cyclical nature of the business, we expect that significant amounts of working capital is freed up in H2, which further strengthens the net cash and the conditions for inorganic growth.

## Operational result drivers 2021-2023e:

- With the H1 report, Enersense commented that most of the sought EUR 4-7 million cost savings from the Empower integration had already been reached but didn't specify the ballpark of the total savings.
- The savings reached during H1 offer a considerable result driver for H2, but for especially for 2022 they offer clear room for earnings growth, even if the savings amount to the low end of the EUR 4-7 million range.
- Our 2022 earnings growth estimate reflects slight increase in turnover, development of the underlying profitability that is quite stable in practice, and the effect that the low end of the cost savings range has on earnings. For cost savings, we assume that in H1 only very little cost savings have been realized and that, in H2'21, they will be at a EUR 4 million run rate level.

Estimate revisions	2021e	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	234	235	1%	238	241	1%	244	248	1%
EBITDA	16.3	18.2	12%	21.3	21.7	2%	22.0	22.5	2%
EBIT (exc. NRIs)	8.5	9.0	5%	11.9	12.2	3%	13.0	13.3	3%
EBIT	6.7	7.8	17%	11.9	12.2	3%	13.0	13.3	3%
PTP	3.2	4.8	51%	9.5	9.8	3%	11.0	11.3	3%
EPS (excl. NRIs)	0.43	0.48	12%	0.76	0.68	-10%	0.88	0.78	-11%
DPS	0.15	0.15	0%	0.25	0.25	0%	0.30	0.30	0%

Source: Inderes

# Valuation is attractive with estimates for 2022

## Valuation multiples for 2021 and 2022

For our 2021 estimates, Enersense's EV/EBIT multiple is ca. 13x, whereas the respective P/E multiple is ca. 21x. Given this year's multiple, the earnings-based valuation is in our view slightly elevated also with the EV/EBIT multiple which considers the strong balance sheet. Relatively, these valuation multiples are 11% below the peer group median. However, the peer group's valuation for the current year is in our view at a quite high level.

After the past four quarters, the company's profitability turnaround is on a solid base, which in combination with the cost savings offer good preconditions for earnings growth in 2022. Furthermore, Enersense's financial position is very good, which has decreased the risk profile significantly. Because of this, in regard to valuation we have set our sights to 2022 in particular.

Based on our estimates, the EV/EBIT and P/E multiples for 2022 are 9x and 15x. In our view, these are absolutely low and the valuation multiples have significant upside. Relatively, these valuation multiples are 15% below the median of the peer group that is in our view quite neutrally valued. With EV/EBIT that the balance sheet into account, the discount is as much as 25%.

## DCF model indicates significant upside

The value of the share based on the DCF model that reflects the longer-term potential is EUR 12.9 per share. Thus, our DCF model indicates significant upside potential for the stock.

After the estimated turnover growth for the next few years, we expect that the medium-term turnover

growth is in 2-4% range, whereas our growth estimate for the terminal period is 2%. Similarly, our profitability growth estimate is at 8.7% (EBITDA-%) and profitability in the terminal period is 8.1%. Therefore, in our view, our DCF model doesn't rely on particularly aggressive long-term estimates. Also, our turnover estimate for 2025 is 10% below the EUR 300 million turnover level that the company seeks organically. For the whole estimate period, the profitability estimates are considerably below the long-term financial objective of a 10% EBITDA margin. Thus, in a favorable scenario, the background assumptions of the DCF model can even prove to be conservative. However, it's important to keep in mind that the organic growth target requires quite strong medium-term growth and quite good profitability for this industry.

## Risk/return ratio is quite good

The profitability turnaround that has progressed rather convincingly for a while has increased our confidence in the sustainable profitability potential of Enersense's current business model. Furthermore, the directed share issues that have been carried out during last six months have removed the threat related to the company's financial position. Therefore, a moderate valuation combined with lowered risk profile create, in our view, an attractive risk/return ratio.

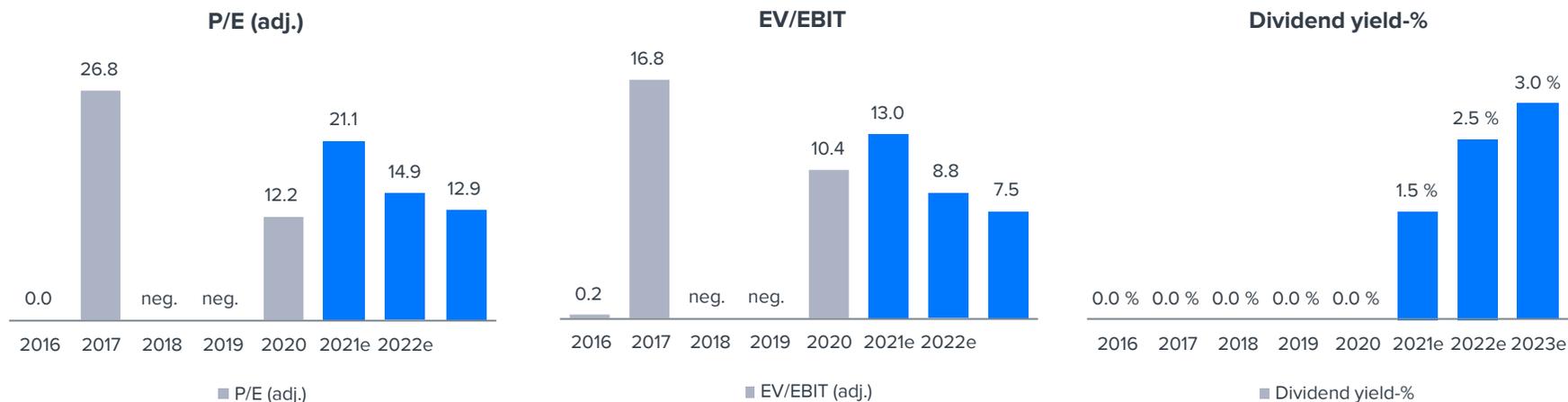
Valuation	2021e	2022e	2023e
Share price	10.2	10.2	10.2
Number of shares, millions	13.4	13.4	13.4
Market cap	136	136	136
EV	116	108	100
P/E (adj.)	21.1	14.9	12.9
P/FCF	15.7	11.2	10.6
P/B	2.8	2.4	2.2
P/S	0.6	0.6	0.5
EV/Sales	0.5	0.4	0.4
EV/EBITDA	6.4	4.9	4.4
EV/EBIT (adj.)	13.0	8.8	7.5
Payout ratio (%)	41.7 %	36.8 %	38.3 %
Dividend yield-%	1.5 %	2.5 %	3.0 %

Source: Inderes

# Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price		5.90	3.25	1.78	8.30	10.2	10.2	10.2	10.2
Number of shares, millions	4.53	4.53	5.95	5.9	7.4	13.4	13.4	13.4	13.4
Market cap		27	19	11	62	136	136	136	136
EV	0.8	29	18	13	78	116	108	100	92
P/E (adj.)	0.0	26.8	neg.	neg.	12.2	21.1	14.9	12.9	11.9
P/FCF	0.0	22.7	9.2	neg.	neg.	15.7	11.2	10.6	10.4
P/B	0.0	9.6	2.1	1.5	3.9	2.8	2.4	2.2	1.9
P/S	0.0	0.6	0.4	0.2	0.4	0.6	0.6	0.5	0.5
EV/Sales	0.0	0.6	0.4	0.2	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	0.2	14.9	neg.	neg.	8.0	6.4	4.9	4.4	4.0
EV/EBIT (adj.)	0.2	16.8	neg.	neg.	10.4	13.0	8.8	7.5	6.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	41.7 %	36.8 %	38.3 %	35.0 %
Dividend yield-%		0.0 %	0.0 %	0.0 %	0.0 %	1.5 %	2.5 %	3.0 %	2.9 %

Source: Inderes



# Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company		MEUR	MEUR	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e
Bilfinger	28.32	1273	1044	11.7	8.3	6.7	5.1	0.3	0.3	21.4	12.9	5.4	3.8	1.0
Eltel	21.35	331	446	24.3	16.7	9.0	7.5	0.6	0.5	32.8	19.6		1.6	1.5
Viafin	15.35	57	44					0.6	0.6	18.6	17.1	2.6	2.9	2.7
Engie	11.88	28746	57097	12.6	11.7	7.0	6.7	1.2	1.2	11.3	10.1	6.3	6.8	1.0
Caverion	7.45	1048	1195	16.0	11.8	8.0	6.6	0.5	0.5	20.6	16.0	2.0	2.9	5.1
Spie	20.06	3215	4834	12.6	11.3	8.7	7.9	0.7	0.7	13.4	11.8	3.0	3.4	2.0
Mitie Group	70.10	1157	1248		5.3		3.3		0.2	19.1	11.6		2.1	
Lassila&Tikanoja	14.92	589	772	15.8	14.2	7.1	6.7	0.9	0.8	17.7	15.5	4.0	4.4	2.8
Bravida Holding	135.50	2710	2679	19.5	17.4	14.9	13.5	1.3	1.2	25.4	23.4	2.0	2.1	4.2
Duerr	43.86	2975	3052	16.9	11.6	10.4	8.0	0.9	0.8	25.9	17.0	1.7	2.4	3.0
<b>Enersense (Inderes)</b>	<b>10.15</b>	<b>136</b>	<b>116</b>	<b>13.0</b>	<b>8.8</b>	<b>6.4</b>	<b>4.9</b>	<b>0.5</b>	<b>0.4</b>	<b>21.1</b>	<b>14.9</b>	<b>1.5</b>	<b>2.5</b>	<b>2.8</b>
<b>Average</b>				<b>16.2</b>	<b>12.0</b>	<b>9.0</b>	<b>7.3</b>	<b>0.8</b>	<b>0.7</b>	<b>20.6</b>	<b>15.5</b>	<b>3.4</b>	<b>3.2</b>	<b>2.6</b>
<b>Median</b>				<b>15.9</b>	<b>11.7</b>	<b>8.4</b>	<b>6.7</b>	<b>0.7</b>	<b>0.6</b>	<b>19.9</b>	<b>15.8</b>	<b>2.8</b>	<b>2.9</b>	<b>2.7</b>
<b>Diff-% to median</b>				<b>-18%</b>	<b>-25%</b>	<b>-24%</b>	<b>-26%</b>	<b>-32%</b>	<b>-28%</b>	<b>6%</b>	<b>-5%</b>	<b>-47%</b>	<b>-15%</b>	<b>2%</b>

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company

# Income statement

Income statement	2019	2020	Q1'21	Q2'21	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue</b>	<b>58.1</b>	<b>147</b>	<b>53.3</b>	<b>61.6</b>	<b>60.4</b>	<b>60.1</b>	<b>235</b>	<b>241</b>	<b>248</b>	<b>256</b>
Smart Industry	0.0	0.0	22.3	23.5	22.0	21.5	89	91	94	97
Power	0.0	0.0	10.8	12.0	12.3	10.5	45.6	47	49	51
Connectivity	0.0	0.0	8.5	11.4	13.3	13.8	47.0	48	49	51
International operations	0.0	0.0	11.6	14.8	12.7	14.3	53.4	54	56	58
<b>EBITDA</b>	<b>-0.8</b>	<b>9.8</b>	<b>1.7</b>	<b>5.8</b>	<b>6.0</b>	<b>4.7</b>	<b>18.2</b>	<b>21.7</b>	<b>22.5</b>	<b>22.9</b>
Depreciation	-1.1	-5.0	-2.3	-2.8	-2.6	-2.7	-10.4	-9.6	-9.2	-9.0
<b>EBIT (excl. NRI)</b>	<b>-1.1</b>	<b>7.5</b>	<b>0.8</b>	<b>2.8</b>	<b>3.4</b>	<b>2.0</b>	<b>9.0</b>	<b>12.2</b>	<b>13.3</b>	<b>13.8</b>
<b>EBIT</b>	<b>-1.9</b>	<b>4.8</b>	<b>-0.6</b>	<b>3.0</b>	<b>3.4</b>	<b>2.0</b>	<b>7.8</b>	<b>12.2</b>	<b>13.3</b>	<b>13.8</b>
Net financial items	-0.4	-1.9	-0.7	-1.1	-0.6	-0.6	-3.0	-2.4	-2.0	-1.6
<b>PTP</b>	<b>-2.3</b>	<b>2.9</b>	<b>-1.3</b>	<b>1.9</b>	<b>2.8</b>	<b>1.4</b>	<b>4.8</b>	<b>9.8</b>	<b>11.3</b>	<b>12.2</b>
Taxes	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	-0.7	-0.8	-0.9
Minority interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>-2.1</b>	<b>2.4</b>	<b>-1.3</b>	<b>1.9</b>	<b>2.8</b>	<b>1.4</b>	<b>4.8</b>	<b>9.1</b>	<b>10.5</b>	<b>11.4</b>
<b>EPS (adj.)</b>	<b>-0.22</b>	<b>0.68</b>	<b>0.01</b>	<b>0.16</b>	<b>0.21</b>	<b>0.10</b>	<b>0.48</b>	<b>0.68</b>	<b>0.78</b>	<b>0.85</b>
<b>EPS (rep.)</b>	<b>-0.36</b>	<b>0.32</b>	<b>-0.10</b>	<b>0.14</b>	<b>0.21</b>	<b>0.10</b>	<b>0.36</b>	<b>0.68</b>	<b>0.78</b>	<b>0.85</b>

Key figures	2019	2020	Q1'21	Q2'21	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue growth-%</b>	22.8 %	153.8 %					59.6 %	2.4 %	2.8 %	3.5 %
<b>Adjusted EBIT growth-%</b>								36.1 %	9.0 %	4.1 %
<b>EBITDA-%</b>	-1.3 %	6.6 %	3.2 %	9.4 %	10.0 %	7.8 %	7.7 %	9.0 %	9.1 %	8.9 %
<b>Adjusted EBIT-%</b>	-1.9 %	5.1 %	1.5 %	4.5 %	5.7 %	3.3 %	3.8 %	5.1 %	5.4 %	5.4 %
<b>Net earnings-%</b>	-3.7 %	1.6 %	-2.5 %	3.1 %	4.7 %	2.3 %	2.0 %	3.8 %	4.2 %	4.4 %

Source: Inderes

# Balance sheet

Assets	2019	2020	2021e	2022e	2023e
<b>Non-current assets</b>	<b>2.2</b>	<b>61.9</b>	<b>60.0</b>	<b>58.9</b>	<b>58.2</b>
Goodwill	0.2	26.4	26.4	26.4	26.4
Intangible assets	0.1	13.6	14.6	14.1	13.7
Tangible assets	0.6	18.8	15.9	15.3	15.0
Associated companies	1.2	1.5	1.5	1.5	1.5
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	1.1	1.1	1.1	1.1
Deferred tax assets	0.0	0.6	0.6	0.6	0.6
<b>Current assets</b>	<b>15.0</b>	<b>54.0</b>	<b>83.6</b>	<b>90.2</b>	<b>96.6</b>
Inventories	0.4	3.6	4.7	4.8	5.0
Other current assets	3.3	8.6	8.6	8.6	8.6
Receivables	10.0	24.2	23.5	24.1	24.8
Cash and equivalents	1.3	17.7	46.7	52.6	58.2
<b>Balance sheet total</b>	<b>20.4</b>	<b>116</b>	<b>144</b>	<b>149</b>	<b>155</b>

Source: Inderes

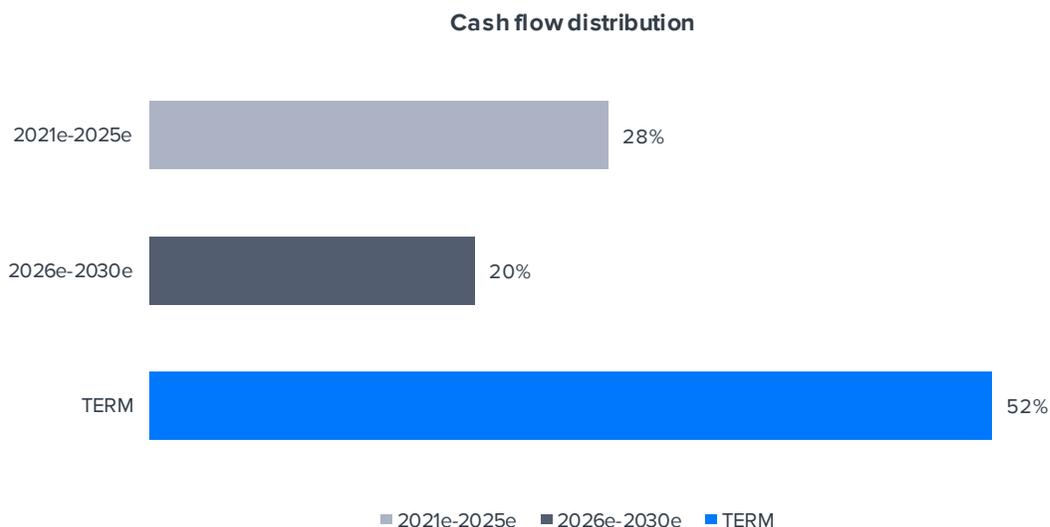
Liabilities & equity	2019	2020	2021e	2022e	2023e
<b>Equity</b>	<b>6.6</b>	<b>17.6</b>	<b>50.7</b>	<b>57.8</b>	<b>65.0</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-1.8	0.2	5.1	12.2	19.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	15.6	0.0	0.0	0.0
Other equity	8.6	-0.1	43.8	43.8	43.8
Minorities	-0.3	1.8	1.8	1.8	1.8
<b>Non-current liabilities</b>	<b>1.1</b>	<b>10.7</b>	<b>25.0</b>	<b>23.0</b>	<b>21.0</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.5	0.5	0.5	0.5
Long term debt	1.1	9.2	18.0	16.0	14.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	1.0	6.5	6.5	6.5
<b>Current liabilities</b>	<b>12.7</b>	<b>87.6</b>	<b>67.8</b>	<b>68.3</b>	<b>68.8</b>
Short term debt	2.7	17.7	4.0	4.0	4.0
Payables	4.2	16.5	18.8	19.3	19.8
Other current liabilities	5.8	53.4	45.0	45.0	45.0
<b>Balance sheet total</b>	<b>20.4</b>	<b>116</b>	<b>144</b>	<b>149</b>	<b>155</b>

# DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e
<b>EBIT (operating profit)</b>	<b>4.8</b>	<b>7.8</b>	<b>12.2</b>	<b>13.3</b>	<b>13.8</b>	<b>14.7</b>	<b>15.1</b>	<b>15.4</b>	<b>15.7</b>	<b>16.0</b>	<b>15.8</b>	<b>16.1</b>	<b>16.4</b>
+ Depreciation	5.0	10.4	9.6	9.2	9.0	8.9	8.7	8.7	8.7	8.7	8.4	8.5	8.6
- Paid taxes	-1.1	0.0	-0.7	-0.8	-0.9	-1.0	-2.9	-2.9	-3.0	-3.1	-3.0	-3.1	-3.1
- Tax, financial expenses	-0.3	0.0	-0.2	-0.1	-0.1	-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	0.0	0.0
- Change in working capital	37.2	-6.6	-0.2	-0.3	-0.3	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
<b>Operating cash flow</b>	<b>45.6</b>	<b>11.6</b>	<b>20.7</b>	<b>21.3</b>	<b>21.5</b>	<b>22.1</b>	<b>20.5</b>	<b>20.8</b>	<b>21.1</b>	<b>21.3</b>	<b>20.8</b>	<b>21.1</b>	<b>21.5</b>
+ Change in other long-term liabilities	1.4	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Gross CAPEX	-60.7	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.6
<b>Free operating cash flow</b>	<b>-13.6</b>	<b>8.7</b>	<b>12.2</b>	<b>12.8</b>	<b>13.0</b>	<b>13.6</b>	<b>12.0</b>	<b>12.3</b>	<b>12.6</b>	<b>12.8</b>	<b>12.3</b>	<b>12.6</b>	<b>12.8</b>
+/- Other	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
FCFF	-13.6	8.7	12.2	12.8	13.0	13.6	12.0	12.3	12.6	12.8	12.3	12.6	12.8
<b>Discounted FCFF</b>		<b>8.4</b>	<b>11.0</b>	<b>10.7</b>	<b>10.1</b>	<b>9.7</b>	<b>7.9</b>	<b>7.6</b>	<b>7.1</b>	<b>6.7</b>	<b>6.0</b>	<b>5.7</b>	<b>5.4</b>
Sum of FCFF present value		188	179	168	158	148	138	130	122	115	109	103	96.9
<b>Enterprise value DCF</b>		<b>188</b>											
- Interesting bearing debt		-27											
+ Cash and cash equivalents		17.7											
-Minorities		-4.9											
-Dividend/capital return		0.0											
<b>Equity value DCF</b>		<b>174</b>											
<b>Equity value DCF per share</b>		<b>13.0</b>											

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	3.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.20%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.0 %</b>

Source: Inderes



# Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	47.3	58.1	147.5	<b>235.4</b>	<b>241.0</b>	EPS (reported)	-0.32	-0.36	0.32	<b>0.36</b>	<b>0.68</b>
EBITDA	-1.2	-0.8	9.8	<b>18.2</b>	<b>21.7</b>	EPS (adj.)	-0.20	-0.22	0.68	<b>0.48</b>	<b>0.68</b>
EBIT	-1.7	-1.9	4.8	<b>7.8</b>	<b>12.2</b>	OCF / share	0.06	-0.29	6.14	<b>0.87</b>	<b>1.54</b>
PTP	-2.7	-2.3	2.9	<b>4.8</b>	<b>9.8</b>	FCF / share	0.35	-0.35	-1.83	<b>0.65</b>	<b>0.91</b>
Net Income	-1.9	-2.1	2.4	<b>4.8</b>	<b>9.1</b>	Book value / share	1.52	1.16	2.14	<b>3.65</b>	<b>4.18</b>
Extraordinary items	0.0	-0.8	-2.7	<b>-1.1</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.15</b>	<b>0.25</b>
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	19.1	20.4	115.9	<b>143.5</b>	<b>149.1</b>	Revenue growth-%	1%	23%	154%	<b>60%</b>	<b>2%</b>
Equity capital	8.8	6.6	17.6	<b>50.7</b>	<b>57.8</b>	EBITDA growth-%	-164%	-40%	-1402%	<b>86%</b>	<b>19%</b>
Goodwill	0.3	0.2	26.4	<b>26.4</b>	<b>26.4</b>	EBIT (adj.) growth-%	-197%	-34%	-781%	<b>20%</b>	<b>36%</b>
Net debt	-0.4	2.5	9.2	<b>-24.7</b>	<b>-32.6</b>	EPS (adj.) growth-%	-193%	10%	-404%	<b>-29%</b>	<b>41%</b>
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	-2.6 %	-1.3 %	6.6 %	<b>7.7 %</b>	<b>9.0 %</b>
EBITDA	-1.2	-0.8	9.8	<b>18.2</b>	<b>21.7</b>	EBIT (adj.)-%	-3.5 %	-1.9 %	5.1 %	<b>3.8 %</b>	<b>5.1 %</b>
Change in working capital	1.3	-1.0	37.2	<b>-6.6</b>	<b>-0.2</b>	EBIT-%	-3.5 %	-3.3 %	3.2 %	<b>3.3 %</b>	<b>5.1 %</b>
Operating cash flow	0.4	-1.7	45.6	<b>11.6</b>	<b>20.7</b>	ROE-%	-32.5 %	-26.8 %	20.9 %	<b>14.9 %</b>	<b>17.3 %</b>
CAPEX	-4.7	-0.3	-60.7	<b>-8.5</b>	<b>-8.5</b>	ROI-%	-17.9 %	-17.5 %	17.6 %	<b>13.3 %</b>	<b>16.2 %</b>
Free cash flow	2.1	-2.1	-13.6	<b>8.7</b>	<b>12.2</b>	Equity ratio	46.3 %	32.4 %	15.2 %	<b>35.3 %</b>	<b>38.8 %</b>
Valuation multiples	2018	2019	2020	2021e	2022e	Gearing	-4.4 %	38.0 %	52.3 %	<b>-48.7 %</b>	<b>-56.4 %</b>
EV/S	0.4	0.2	0.5	<b>0.5</b>	<b>0.4</b>						
EV/EBITDA (adj.)	neg.	neg.	8.0	<b>6.4</b>	<b>4.9</b>						
EV/EBIT (adj.)	neg.	neg.	10.4	<b>13.0</b>	<b>8.8</b>						
P/E (adj.)	neg.	neg.	12.2	<b>21.1</b>	<b>14.9</b>						
P/E	2.1	1.5	3.9	<b>2.8</b>	<b>2.4</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>1.5 %</b>	<b>2.5 %</b>						

Source: Inderes

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Date	Recommendation	Target price	Share price
4/25/2018	Buy	6.70 €	5.30 €
8/31/2018	Buy	6.00 €	4.61 €
10/5/2018	Buy	6.00 €	4.56 €
2/1/2019	Sell	3.00 €	3.75 €
3/18/2019	Reduce	2.30 €	2.24 €
6/5/2019	Reduce	2.00 €	1.94 €
7/18/2019	Reduce	2.00 €	2.00 €
9/2/2019	Reduce	1.65 €	1.70 €
11/14/2019	Accumulate	1.35 €	1.16 €
12/23/2019	Accumulate	1.75 €	1.50 €
3/17/2020	Reduce	1.35 €	1.41 €
6/16/2020	Buy	2.50 €	2.08 €
7/3/2020	Accumulate	3.60 €	3.24 €
8/18/2020	Accumulate	5.00 €	4.48 €
11/3/2020	Buy	6.50 €	5.45 €
12/21/2020	Accumulate	9.00 €	8.30 €
2/27/2021	Accumulate	9.00 €	7.90 €
3/16/2021	Accumulate	9.00 €	8.50 €
5/5/2021	Accumulate	10.50 €	9.60 €
5/17/2021	Buy	10.50 €	8.94 €
8/16/2021	Buy	12.00 €	10.15 €



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