

# NYAB

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Ennusteet päivitetty IFRS-maailmaan” published on 7/28/2023 at 8:00 am

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# Estimates updated to the IFRS realm

We have updated our NYAB estimates to reflect the transition to IFRS reporting. NYAB also updated its long-term financial targets in the summer and clearly raised its growth target and therefore we raised our growth estimates for the next few years. However, the change in the accounting standard had a negative effect on our profitability estimates, which resulted in a slight decrease in our earnings estimates. As a whole, our view of the value of the share remained almost unchanged and thus we reiterate our Reduce recommendation and EUR 0.70 target price.

## Reported earnings figures improved clearly, long-term growth target clearly raised

In June, NYAB announced that it would start applying IFRS reporting (was FAS). The most important change in the income statement is the end of goodwill amortization, which significantly improved our estimates for reported figures. Correspondingly, profitability estimates were depressed by increased personnel costs as a result of share-based incentive schemes as well as PPA depreciation related to M&A transactions that depress the company's result especially this year. The main change in the balance sheet as a result of the IFRS transition is the treatment of the NYAB and Skarta Group merger as a reverse acquisition, which means goodwill was good EUR 85 million lower at the end of 2022 than in FAS. As a result, the equity ratio also decreased to 74% at the end of Q1'23 (FAS: 84%), while the balance sheet was still very strong. In connection with the change in reporting, NYAB also updated its long-term financial targets, where the key change was that the annual growth target that was raised to 15% (was 7%) reflecting the favorable outlook in the operating environment. Other changes related mainly to the IFRS transition (e.g. new profitability target: EBIT-% above 9% vs. previous EBITA-% >10%). We commented on the news [here](#).

## Updated guidance and estimates

Reflecting the IFRS transition, the company updated its 2023 guidance and expects its revenue to be EUR 315-340 million (unchanged) and EBIT EUR 21-29 million (previous FAS EBITA: 25-33 MEUR). According to the company, there have been no material changes in its outlook and the guidance was cut merely as a result of the changes in the reporting practices. We believe this is, in practice, the result of the effects of share-based incentive schemes (~2 MEUR/year) and PPA depreciation (~2 MEUR/year). With our updated estimates, we expect the company's revenue to be EUR 327 million (previous 330 MEUR) and EBIT EUR 25.5 million (previous EBITA 29.8 MEUR). We raised our growth estimates for the next few years reflecting the clearly higher growth target as we expect the company is quite confident about the demand outlook in the near future. However, due to changes in the reporting method (especially increased personnel costs), our profitability estimates for the next few years fell slightly.

## Valuation picture largely unchanged and thus we feel the share is priced quite correctly

With our updated estimates NYAB's P/E ratio for 2023 adjusted for PPA depreciation is around 20x and the corresponding EV/EBIT ratio is 16x. Thus, we feel the share's earnings-based valuation does not offer much upside in the short term, despite the rapid growth we expect that creates value. This is also supported by the medium-term expected total return until the end of 2025 that we forecast, which is below the required return that we use. Our updated sum-of-the-parts model indicates a share value of EUR 0.60-0.76 (was EUR 0.61-0.79). Considering this, we feel the current share price incorporates continued profitable growth and the potential of Skarta Energy. The main positive share price drivers are faster-than-expected earnings growth or value-creating acquisitions.

## Recommendation

**Reduce**

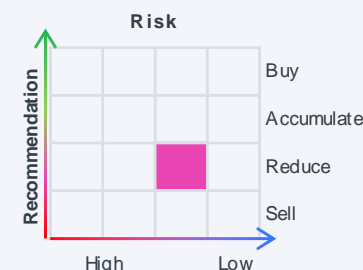
(previous Reduce)

**EUR 0.70**

(previous EUR 0.70)

**Share price:**

0.73



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	253.3	326.7	385.6	443.4
<b>growth-%</b>	92%	29%	18%	15%
<b>EBIT adj.</b>	27.2	27.6	30.0	35.8
<b>EBIT-% adj.</b>	10.7 %	8.4 %	7.8 %	8.1 %
<b>Net Income</b>	23.3	21.2	24.7	30.3
<b>EPS (adj.)</b>	0.04	0.03	0.04	0.04

<b>P/E (adj.)</b>	24.8	22.1	20.1	16.7
<b>P/B</b>	3.4	2.6	2.4	2.2
<b>Dividend yield-%</b>	0.8 %	1.4 %	1.6 %	1.9 %
<b>EV/EBIT (adj.)</b>	22.9	18.0	16.2	13.2
<b>EV/EBITDA</b>	20.5	15.9	14.5	11.9
<b>EV/S</b>	2.5	1.5	1.3	1.1

Source: Inderes

## Guidance

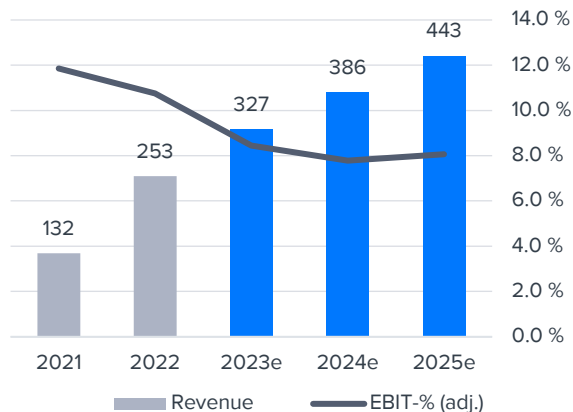
(New guidance)

NYAB expects its revenue to be EUR 315–340 million and EBIT EUR 21-29 million in 2023.

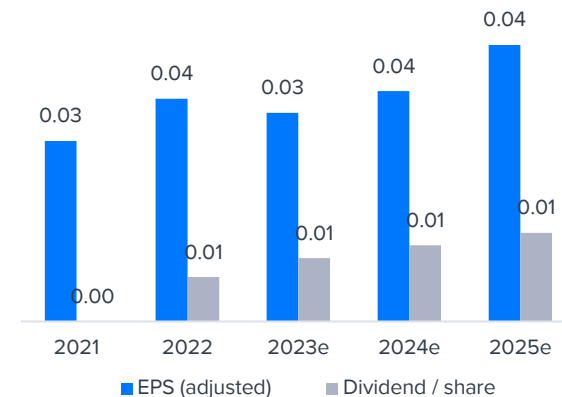
### Share price



### Revenue and EBIT-%



### EPS and dividend



### 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	0.73	0.73	0.73
Number of shares, millions	706.7	706.7	706.7
Market cap	514	514	514
EV	497	486	471
P/E (adj.)	22.1	20.1	16.7
P/E	24.3	20.8	17.0
P/FCF	22.4	26.8	21.0
P/B	2.6	2.4	2.2
P/S	1.6	1.3	1.2
EV/Sales	1.5	1.3	1.1
EV/EBITDA	15.9	14.5	11.9
EV/EBIT (adj.)	18.0	16.2	13.2
Payout ratio (%)	33.4 %	34.3 %	32.7 %
Dividend yield-%	1.4 %	1.6 %	1.9 %

Source: Inderes

# We updated our estimates to include the transition to IFRS reporting

## Estimate revisions 2023e-2025e

- The most significant change in the balance sheet as a result of the IFRS transition is the treatment of the NYAB and Skarta Group merger as a reverse acquisition, which means goodwill in the balance sheet was good EUR 85 million lower at the end of 2022 than in FAS accounting.
- The main change from the reporting method on the income statement was the end of goodwill amortization, which clearly increased our estimates of the reported figures.
- Personnel costs (estimate 2 MEUR/year) that increased with IFRS 2 (share-based incentive schemes ) depressed our EBITDA estimates for the next few years. Correspondingly, our EBITDA estimates were supported by lease liabilities moving to depreciation, but due to the limited amount of right of use assets, the impact was small and at EBIT level IFRS 16 did not have any practical relevance.
- Reported EBIT is also depressed by PPA depreciation from M&A transactions especially this year (2 MEUR). These will decrease significantly next year, when the order book amortization related to the Skarta-NYAB business merger (1.5 MEUR/year) ends after Q1'24.
- We also cut our 2023 estimates slightly reflecting the weak SEK and adjusted the periodicity of EBIT (i.e. we expect the result to be more backloaded within the year).
- We raised our growth estimates for the next few years reflecting the clearly higher growth target of the company as we expect the company management is quite confident about the demand outlook at least in the near future. In the longer term, however, achieving the growth target is hampered by the company's significantly increasing size class as it reaches its target level, also considering the number of sufficiently attractive projects (cf. profitability target: EBIT-% >9%).

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	330	327	-1%	378	386	2%	416	443	7%
EBITDA	32.6	31.2	-4%	35.0	33.6	-4%	39.7	39.5	0%
EBIT (exc. NRIs)	29.8	27.6	-8%	31.9	30.0	-6%	36.6	35.8	-2%
EBIT	6.7	25.5	279%	8.8	29.1	231%	13.5	35.2	162%
PTP	4.0	23.5	490%	6.5	27.5	322%	11.2	33.7	201%
EPS (excl. NRIs)	0.03	0.03	-5%	0.04	0.04	-12%	0.04	0.04	-3%
DPS	0.010	0.010	0%	0.012	0.012	0%	0.014	0.014	0%

Source: Inderes

# IFRS transition does not affect the value of the share

## Valuation methods

In particular, we approach the valuation of NYAB using absolute valuation multiples and the sum-of-the-parts calculation, as this also 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

Considering the impact of changes in accounting practices on the income statement, we have raised our acceptable valuation by a notch (EV/EBIT: 13x-17x, P/E: 14x-18x). Based on our updated estimates, the 2023 EV/EBIT ratio is 18x and the corresponding P/E ratio is 22x. However, the multiples are supported by a one-off compensation payment of EUR 3.6 million in Q2. Adjusted for this, the EV/EBIT multiple increases to 21x and the corresponding P/E multiple to 26x. Thus, looking at this year, the earnings-based valuation is challenging. However, we expect continued strong growth and increase in operating profitability to lower multiples to more neutral levels next year (EV/EBIT 16x, P/E 20x). If the development continues on the path we expect, there could be a slight upside in the 2025 multiples (EV/EBIT 13x, P/E 17x). Overall, however, we believe that the current share price has already priced in much of the continued profitable growth that we forecast.

Given NYAB's strong track record, we believe that the valuation of the share is also justified in terms of total expected return for the coming years. We have therefore looked at this in a simplified way, using an acceptable valuation and our 2025 earnings estimates.

In our view, NYAB's businesses could be valued at 14x-16x EV/EBIT and around 15x-17x P/E at the end of 2025 on our current estimates, once the company's strongest growth phase is behind it. The multiples would still be well above the current and historical median of peer companies and pricing would naturally 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 0.70-0.85 per share at the end of 2025. At the current share price, we estimate the expected annual return to be 0-7%. On top of this, we expect the investor to receive a low base return of 1-2% through dividends, but this still does not bring the average annual expected total return above the 9.6% WACC that we use.

## Sum of the parts EUR 0.60-0.76 per share

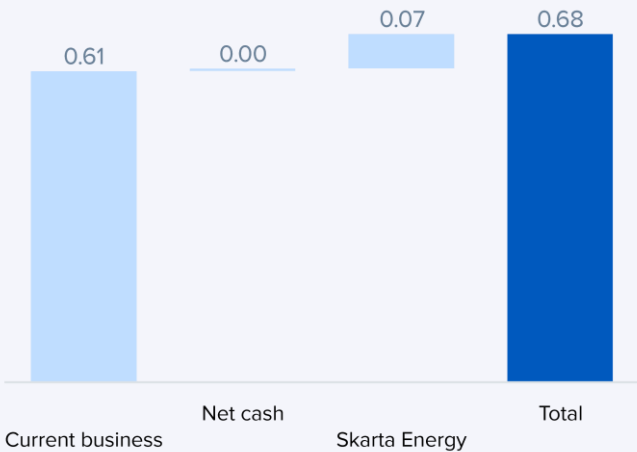
In turn, the indicative value of our updated sum-of-the-parts calculation (detailed parameters presented [in our extensive report](#)) decreased slightly as the valuation of Skarta Energy's peer companies decreased and now stands at EUR 427-539 million in our neutral scenario (was 433-559 MEUR), which corresponds to a value per share of EUR 0.60-0.76 (was EUR 0.61). From this perspective, we believe that the share is largely correctly priced at the current price level.

Given this overall picture we believe the share is fully priced in the short term. As such, we see that faster-than-expected earnings growth is the key share price driver. 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 believe that the risk-adjusted expected return on the share is insufficient for the next 12 months.

Valuation	2023e	2024e	2025e
Share price	0.73	0.73	0.73
Number of shares, millions	706.7	706.7	706.7
Market cap	514	514	514
EV	497	486	471
P/E (adj.)	22.1	20.1	16.7
P/E	24.3	20.8	17.0
P/FCF	22.4	26.8	21.0
P/B	2.6	2.4	2.2
P/S	1.6	1.3	1.2
EV/Sales	1.5	1.3	1.1
EV/EBITDA	15.9	14.5	11.9
EV/EBIT (adj.)	18.0	16.2	13.2
Payout ratio (%)	33.4 %	34.3 %	32.7 %
Dividend yield-%	1.4 %	1.6 %	1.9 %

Source: Inderes

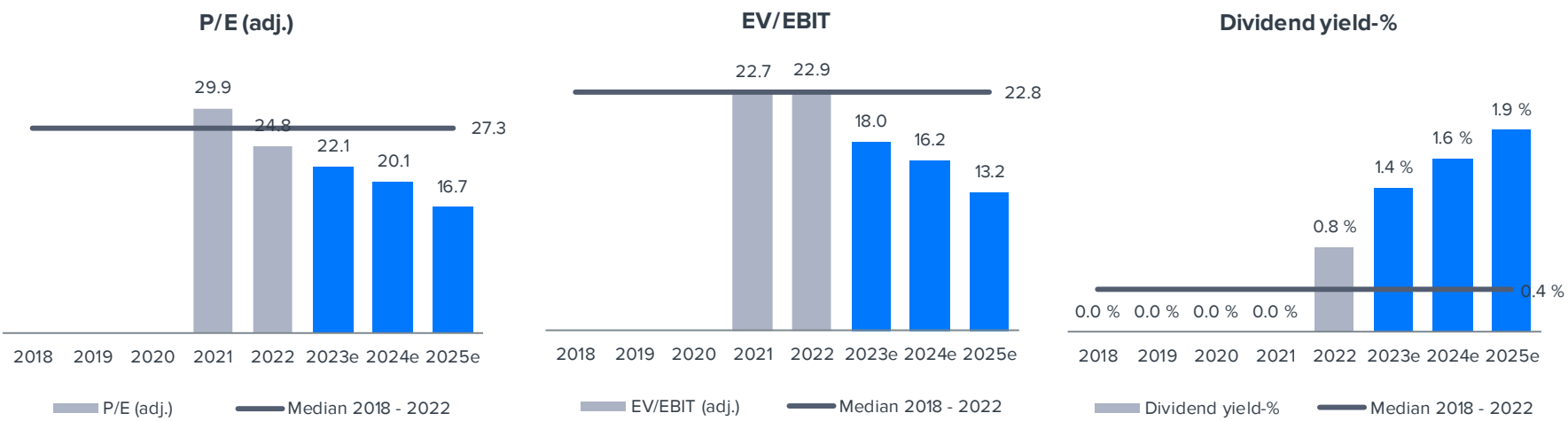
## Mid-point of the sum of the parts in the neutral scenario (EUR per share)



# Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				0.85	0.87	0.73	0.73	0.73	0.73
Number of shares, millions				414.2	706.7	706.7	706.7	706.7	706.7
Market cap				352	615	514	514	514	514
EV				354	622	497	486	471	454
P/E (adj.)				29.9	24.8	22.1	20.1	16.7	15.3
P/E				29.9	26.4	24.3	20.8	17.0	15.5
P/FCF				54.6	10.5	22.4	26.8	21.0	18.1
P/B				13.5	3.4	2.6	2.4	2.2	2.0
P/S				2.7	2.4	1.6	1.3	1.2	1.1
EV/Sales				2.7	2.5	1.5	1.3	1.1	0.9
EV/EBITDA				21.1	20.5	15.9	14.5	11.9	10.2
EV/EBIT (adj.)				22.7	22.9	18.0	16.2	13.2	11.2
Payout ratio (%)				0.0 %	21.2 %	33.4 %	34.3 %	32.7 %	34.0 %
Dividend yield-%				0.0 %	0.8 %	1.4 %	1.6 %	1.9 %	2.2 %

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	1208	3050	13.2	16.0	8.7	9.5	0.6	0.6	6.4	8.5	7.7	8.0	0.9
NCC	1010	1468	9.3	10.1	5.5	5.8	0.3	0.3	7.7	8.4	5.5	6.0	1.4
Skanska	6096	6081	11.9	9.9	8.6	7.2	0.4	0.4	13.7	11.6	4.5	4.8	1.2
YIT	469	1421	27.3	17.6	18.8	13.7	0.6	0.7	26.2	12.6	4.5	5.8	0.6
AF Gruppen	1272	1443	12.7	9.3	9.0	7.1	0.5	0.5	19.0	13.9	7.3	7.3	5.6
NRC Group	71	161	9.4	6.6	4.7	3.8	0.3	0.3	7.1	4.8	4.6	6.8	0.3
Veidekke	1384	1166	9.6	8.4	5.5	5.0	0.3	0.3	14.7	13.0	6.8	7.1	5.1
MT Hoejgaard Holding	111	161	4.3	3.5	2.9	2.3	0.1	0.1	5.5	3.5			1.0
Kreate	67	106	12.7	12.2	7.7	6.6	0.3	0.3	14.0	11.5	5.3	6.1	1.6
Sitowise	137	220	11.9	9.8	7.5	6.7	1.0	1.0	12.2	9.4	3.1	3.8	1.1
Sweco	3460	4042	18.0	16.4	13.7	12.7	1.7	1.6	20.4	18.3	2.5	2.7	3.6
AFRY	1432	2097	12.7	11.2	8.5	7.9	0.9	0.9	12.7	11.1	4.2	4.7	1.3
Enersense	98	133	19.9	12.1	8.5	6.5	0.4	0.4	149.0	20.1	1.7	2.0	1.7
Eltel	111	272		21.8	9.9	6.2	0.3	0.3					0.6
Dovre Group	52	45	6.5	5.7	6.5	5.7	0.2	0.2	12.3	12.3	2.0	2.0	1.4
Netel	50	118	8.9	5.9	6.1	4.4	0.4	0.4	6.7	4.0	8.3	8.5	0.5
<b>NYAB (Inderes)</b>	<b>514</b>	<b>497</b>	<b>18.0</b>	<b>16.2</b>	<b>15.9</b>	<b>14.5</b>	<b>1.5</b>	<b>1.3</b>	<b>22.1</b>	<b>20.1</b>	<b>1.4</b>	<b>1.6</b>	<b>2.6</b>
<b>Average</b>			<b>12.5</b>	<b>11.0</b>	<b>8.2</b>	<b>6.9</b>	<b>0.5</b>	<b>0.5</b>	<b>21.8</b>	<b>10.9</b>	<b>4.9</b>	<b>5.4</b>	<b>1.7</b>
<b>Median</b>			<b>11.9</b>	<b>10.0</b>	<b>8.1</b>	<b>6.5</b>	<b>0.4</b>	<b>0.4</b>	<b>12.7</b>	<b>11.5</b>	<b>4.5</b>	<b>5.9</b>	<b>1.3</b>
<b>Diff-% to median</b>			<b>51%</b>	<b>62%</b>	<b>97%</b>	<b>121%</b>	<b>271%</b>	<b>227%</b>	<b>74%</b>	<b>75%</b>	<b>-70%</b>	<b>-72%</b>	<b>108%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	132	17.5	55.7	90.3	89.8	253	39.2	69.7	108	110	327	386	443	488
Group	132	17.5	55.7	90.3	89.8	253	39.2	69.7	108	110	327	386	443	488
EBITDA	16.7	-0.4	3.5	6.6	20.8	30.4	-0.6	5.8	12.3	13.7	31.2	33.6	39.5	44.6
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	-4.3	-4.3
EBIT (excl. NRI)	15.6	-0.9	2.7	5.7	19.7	27.2	-1.5	4.9	11.4	12.8	27.6	30.0	35.8	40.6
EBIT	15.6	-0.9	2.2	5.2	19.2	25.7	-2.1	4.4	10.9	12.3	25.5	29.1	35.2	40.3
Group	15.6	-0.9	2.2	5.2	19.2	25.7	-2.1	4.4	10.9	12.3	25.5	29.1	35.2	40.3
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	-0.1	0.0	-0.2	-0.2	-0.2	-0.2	-0.8	-0.3	-0.5	-0.2
Net financial items	0.0	-0.1	-0.3	-0.2	0.2	-0.4	-0.3	-0.3	-0.3	-0.3	-1.2	-1.2	-1.1	-1.0
PTP	15.6	-0.9	1.9	5.0	19.3	25.3	-2.6	3.9	10.4	11.8	23.5	27.5	33.7	39.1
Taxes	-3.4	-0.1	-1.3	-0.6	0.0	-2.0	-0.3	-0.3	-0.8	-0.9	-2.3	-2.8	-3.4	-5.9
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
Net earnings	11.8	-1.0	0.7	4.3	19.3	23.3	-2.8	3.6	9.6	10.8	21.2	24.7	30.3	33.2
EPS (adj.)	0.03	0.00	0.00	0.01	0.03	0.04	0.00	0.01	0.01	0.02	0.03	0.04	0.04	0.05
EPS (rep.)	0.03	0.00	0.00	0.01	0.03	0.03	0.00	0.01	0.01	0.02	0.03	0.03	0.04	0.05

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%						92.3 %	124.0 %	25.0 %	20.0 %	22.0 %	29.0 %	18.0 %	15.0 %	10.0 %
Adjusted EBIT growth-%						74.3 %	79.1 %	85.5 %	100.8 %	-35.3 %	1.3 %	8.7 %	19.4 %	13.5 %
EBITDA-%	12.7 %	-2.5 %	6.3 %	7.3 %	23.1 %	12.0 %	-1.7 %	8.4 %	11.4 %	12.5 %	9.5 %	8.7 %	8.9 %	9.1 %
Adjusted EBIT-%	11.9 %	-4.9 %	4.8 %	6.3 %	22.0 %	10.7 %	-3.9 %	7.1 %	10.6 %	11.7 %	8.4 %	7.8 %	8.1 %	8.3 %
Net earnings-%	8.9 %	-5.8 %	1.2 %	4.8 %	21.5 %	9.2 %	-7.2 %	5.2 %	8.8 %	9.9 %	6.5 %	6.4 %	6.8 %	6.8 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>8.5</b>	<b>160</b>	<b>159</b>	<b>158</b>	<b>159</b>
Goodwill	0.0	121	121	121	121
Intangible assets	0.0	3.8	1.9	1.1	0.7
Tangible assets	8.2	17.7	18.2	18.9	19.6
Associated companies	0.0	11.1	11.1	11.1	11.1
Other investments	0.0	5.6	5.6	5.6	5.6
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>117</b>	<b>145</b>	<b>177</b>
Inventories	0.7	2.3	3.3	3.9	4.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	35.2	83.0	94.8	112	129
Cash and equivalents	9.4	13.8	18.5	29.2	43.7
<b>Balance sheet total</b>	<b>53.7</b>	<b>259</b>	<b>275</b>	<b>303</b>	<b>335</b>

Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>26.7</b>	<b>180</b>	<b>197</b>	<b>214</b>	<b>236</b>
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	26.7	40.3	56.6	74.2	96.0
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>14.6</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
Long term debt	2.7	12.6	10.0	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>63.8</b>	<b>74.4</b>	<b>84.8</b>
Short term debt	0.8	8.2	5.0	5.0	5.0
Payables	21.1	53.3	58.8	69.4	79.8
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>275</b>	<b>303</b>	<b>335</b>

# DCF calculation

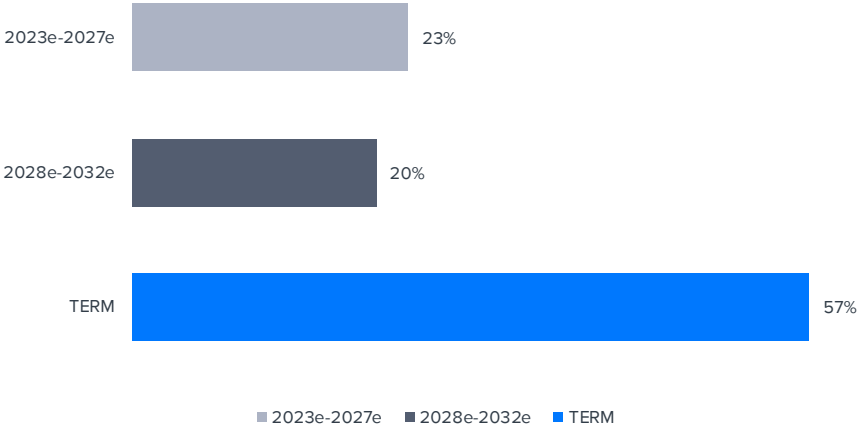
DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	92.3 %	29.0 %	18.0 %	15.0 %	10.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	10.2 %	7.8 %	7.5 %	7.9 %	8.3 %	8.1 %	8.0 %	7.8 %	7.6 %	7.3 %	7.0 %	7.0 %
<b>EBIT (operating profit)</b>	<b>25.7</b>	<b>25.5</b>	<b>29.1</b>	<b>35.2</b>	<b>40.3</b>	<b>42.3</b>	<b>44.3</b>	<b>45.3</b>	<b>45.9</b>	<b>45.4</b>	<b>44.4</b>	
+ Depreciation	4.6	5.6	4.5	4.3	4.3	4.3	4.4	4.5	4.7	4.8	4.9	
- Paid taxes	-0.3	-2.3	-2.8	-3.4	-5.9	-8.4	-8.8	-9.0	-9.2	-9.1	-8.8	
- Tax, financial expenses	0.0	-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	
- Change in working capital	-17.2	-7.2	-7.1	-6.9	-5.3	-4.1	-3.8	-3.3	-2.8	-2.2	-1.5	
<b>Operating cash flow</b>	<b>12.9</b>	<b>21.6</b>	<b>23.6</b>	<b>29.1</b>	<b>33.2</b>	<b>33.9</b>	<b>35.9</b>	<b>37.3</b>	<b>38.4</b>	<b>38.8</b>	<b>38.8</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	-4.2	-4.4	-4.6	-4.8	-4.9	-5.1	-5.3	-5.3	-5.3	-4.9	
<b>Free operating cash flow</b>	<b>-132</b>	<b>17.4</b>	<b>19.2</b>	<b>24.5</b>	<b>28.4</b>	<b>29.0</b>	<b>30.8</b>	<b>32.0</b>	<b>33.1</b>	<b>33.5</b>	<b>33.9</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	23.0	19.2	24.5	28.4	29.0	30.8	32.0	33.1	33.5	33.9	533
<b>Discounted FCFF</b>		<b>22.2</b>	<b>17.1</b>	<b>20.1</b>	<b>21.5</b>	<b>20.2</b>	<b>19.8</b>	<b>18.9</b>	<b>18.1</b>	<b>16.9</b>	<b>15.7</b>	<b>248</b>
Sum of FCFF present value		438	416	399	379	357	337	317	298	280	263	248
<b>Enterprise value DCF</b>		<b>438</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>441</b>										
<b>Equity value DCF per share</b>		<b>0.62</b>										

## 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	1.40%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.5 %</b>

Source: Inderes

## Cash flow distribution



# Summary

Income statement	2021	2022	2023e	2024e	Per share data	2021	2022	2023e	2024e
Revenue	131.7	253.3	326.7	385.6	EPS (reported)	0.03	0.03	0.03	0.03
EBITDA	16.7	30.4	31.2	33.6	EPS (adj.)	0.03	0.04	0.03	0.04
EBIT	15.6	25.7	25.5	29.1	OCF / share	0.02	0.02	0.03	0.03
PTP	15.6	25.3	23.5	27.5	FCF / share	0.02	0.08	0.03	0.03
Net Income	11.8	23.3	21.2	24.7	Book value / share	0.06	0.26	0.28	0.30
Extraordinary items	0.0	-1.5	-2.0	-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	275.0	303.3	Revenue growth-%	0%	92%	29%	18%
Equity capital	26.7	180.4	196.7	214.3	EBITDA growth-%		82%	3%	8%
Goodwill	0.0	121.2	121.2	121.2	EBIT (adj.) growth-%		74%	1%	9%
Net debt	-5.8	7.0	-3.5	-14.2	EPS (adj.) growth-%		23%	-6%	10%
Cash flow	2021	2022	2023e	2024e	EBITDA-%	12.7 %	12.0 %	9.5 %	8.7 %
EBITDA	16.7	30.4	31.2	33.6	EBIT (adj.)-%	11.9 %	10.7 %	8.4 %	7.8 %
Change in working capital	-4.7	-17.2	-7.2	-7.1	EBIT-%	11.8 %	10.2 %	7.8 %	7.5 %
Operating cash flow	8.8	12.9	21.6	23.6	ROE-%	47.0 %	22.6 %	11.2 %	12.0 %
CAPEX	-2.4	-144.7	-4.2	-4.4	ROI-%	51.7 %	22.2 %	12.0 %	13.0 %
Free cash flow	6.4	58.3	23.0	19.2	Equity ratio	49.7 %	69.6 %	71.5 %	70.7 %
Valuation multiples	2021	2022	2023e	2024e	Gearing	-21.7 %	3.9 %	-1.8 %	-6.6 %
EV/S	2.7	2.5	1.5	1.3					
EV/EBITDA (adj.)	21.1	20.5	15.9	14.5					
EV/EBIT (adj.)	22.7	22.9	18.0	16.2					
P/E (adj.)	29.9	24.8	22.1	20.1					
P/B	13.5	3.4	2.6	2.4					
Dividend-%	0.0 %	0.8 %	1.4 %	1.6 %					

Source: Inderes

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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 €



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