

ORTHEX

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Erratic growth

Orthex's Q2 report was reassuring regarding European growth after a weak start to the year, but sales in the Nordics developed surprisingly sluggishly. Despite the revenue decline, the company improved its profitability, which we consider a good performance on paper. The overall picture of our estimates is largely unchanged, so we reiterate our target price of EUR 5.5 and Accumulate recommendation.

Rest of Europe was a relief, but the Nordics disappointed

Orthex's Q2 revenue decreased by 2% to 20,5 MEUR, which was fully in line with our expectations. However, the sales structure clearly deviated from our expectations, as sales in export markets grew against our expectations and the company struggled with weak demand in the Nordics. The company highlighted cautious purchasing behavior from a few Nordic customers, but no distribution or shelf space was lost, which is reassuring. Sales in the rest of Europe grew strongly due to improved distribution, successful new product launches, and effective in-store campaigns. The strong growth in the rest of Europe was surprising after a weak start to the year, as sales to customers with increased credit risks were restricted, as in Q1. The comparable EBIT settled at 1.7 MEUR, which clearly exceeded our 1.4 MEUR estimate and the level of the comparison period. We consider the earnings improvement a strong performance given the contracted revenue. The earnings improvement was due to a stronger gross margin, which received slight support from raw material prices. According to management, however, actions related to production planning and efficiency were more important.

This year is in danger of being a gap year in terms of growth

Orthex's revenue decreased by 3.5% in H1, depressed by intermittent performance in the Nordics and the rest of Europe. For the Nordic countries, the factors that plagued development appear to be temporary, but after the sharp Q2 decline, we

believe the company must demonstrate that market shares are not being lost in the Nordics. European development showed the growth strategy to be effective in export markets despite limited deliveries from some customers. For Orthex's growth story, increased credit risks among customers are a frustrating situation, as they overshadow the positive developments in export markets. We recognize a possibility of clear acceleration in export market growth if credit risks decrease among these customers, but our forecasts do not yet rely on this. This year, we expect the company's revenue to contract by 1%, but next year, we anticipate growth to accelerate to 5%, driven by European export markets. Despite the subdued H1 development, we still believe Orthex is well-positioned to achieve its revenue growth target of over 5%, but the EBITA margin target of over 18% seems to be a long way off with the current growth efforts. Thus, the normalized EBIT margin for Orthex in our forecasts is 11-12%. The company has an ongoing strategy process, in connection with which we find it possible that the financial targets will be updated to be more growth-driven. We feel a stronger pursuit of growth than at present would be justified for the investment story, as we see Orthex's growth as value-creating.

The valuation level is moderate, but future growth determines the expected return

Orthex's earnings-based valuation (2025e: EV/EBIT 11x, P/E: 14x) seems neutral to us and turns attractive with our forecasts for next year. Driven by a 5-6% dividend yield in the coming years and earnings growth, we see potential for the share to generate an annual return of 12-16% as revenue returns to a growth path. With our 2025-2026 EBIT forecasts, Orthex is priced at a 16-18% discount to its peers, which we believe provides a margin of safety against the forecast risk related to near-term growth. Our DCF model indicates a per-share value of EUR 6.4, which supports looking beyond the short-term challenges of the stock.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 5.50

(was EUR 6.00)

Share price:

EUR 4.81

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	89.7	88.6	93.3	98.1
growth-%	4%	-1%	5%	5%
EBIT adj.	9.8	9.0	11.0	12.0
EBIT-% adj.	11.0 %	10.2 %	11.8 %	12.2 %
Net Income	6.1	6.0	7.6	8.5
EPS (adj.)	0.34	0.34	0.43	0.48
P/E (adj.)	14.5	14.3	11.3	10.1
P/B	2.5	2.3	2.1	1.9
Dividend yield-%	4.4 %	5.0 %	5.8 %	6.2 %
EV/EBIT (adj.)	11.1	11.4	9.1	8.2
EV/EBITDA	7.7	7.5	6.4	6.0
EV/S	1.2	1.2	1.1	1.0

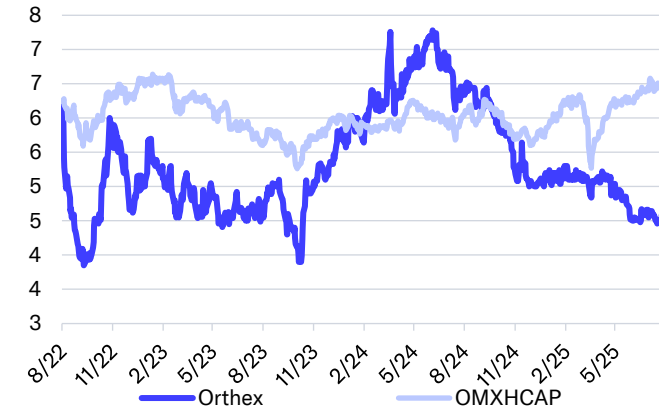
Source: Inderes

Guidance

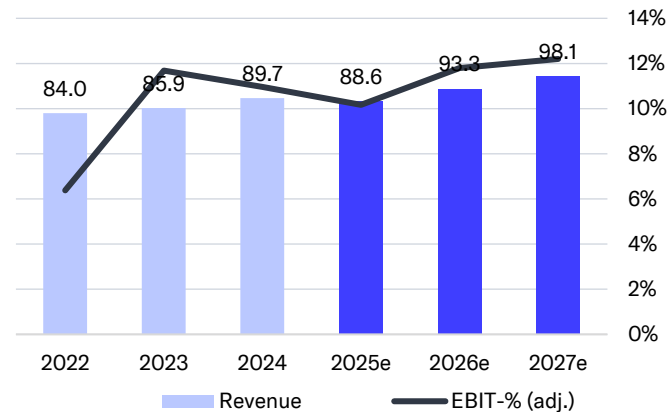
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Orthex does not publish a short-term outlook. In the long term, the company targets average organic growth of over 5% and an adjusted EBITA margin of over 18%.

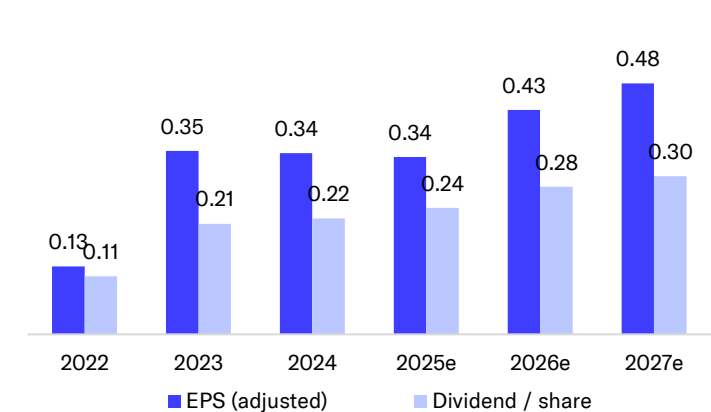
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Large and defensive target market
- Favorable megatrends drive product demand growth
- Leading position in the Nordic countries and the possibility of expanding to Europe through key customers
- Fragmented industry offers opportunities for acquisitions
- Known consumer brands
- Strong relations with retail chains
- Efficient and automated production with short delivery times

Risk factors

- Fluctuations in raw material prices and disruptions in availability
- Dependence on the operation of own production facilities
- Production capacity limits growth
- Success on export markets
- M&A risks
- Plastics have a bad reputation as a raw material

Valuation	2025e	2026e	2027e
Share price	4.82	4.82	4.82
Number of shares, millions	17.8	17.8	17.8
Market cap	86	86	86
EV	103	100	98
P/E (adj.)	14.3	11.3	10.1
P/E	14.3	11.3	10.1
P/B	2.3	2.1	1.9
P/S	1.0	0.9	0.9
EV/Sales	1.2	1.1	1.0
EV/EBITDA	7.5	6.4	6.0
EV/EBIT (adj.)	11.4	9.1	8.2
Payout ratio (%)	71.3 %	65.7 %	63.0 %
Dividend yield-%	5.0 %	5.8 %	6.2 %

Source: Inderes

The sales structure was the biggest surprise

Revenue in line with expectations

Orthex's revenue of 20.5 MEUR decreased by 2%, which was fully in line with our forecasts. However, adjusted for currency rates, revenue declined by 5%. Contrary to our expectations, invoiced sales in the Nordics decreased by 8%, which we believe lagged Orthex's category development from a sell-out perspective. The reason for this, according to the company, was the timing of campaigns and slower sell-out among a few customers. According to the company, some Nordic customers have been cautious in their buying patterns. According to management, the company has not lost distribution or shelf space, but retail buyers appear to have favored lower-priced products due to consumer caution. We believe that the supply challenges resulting from the strikes in Finland during Q1 somewhat limited sales in the past quarter, e.g., through lost campaigns.

In the rest of Europe, Orthex achieved strong growth of 22% due to improved distribution, successful product launches, and effective in-store campaigns. The recovered growth was particularly reassuring after the sharp drop in Q1 sales in the rest of Europe. Based on management comments, the growth did not stem from deliveries to customers whose sales were restricted earlier in the year due to increased credit risks, which indicates very strong new sales.

A strong gross margin led to stronger profitability than we expected

Orthex's Q2 EBIT was 1.7 MEUR, exceeding our estimate of 1.4 MEUR and the comparison period's 1.6 MEUR. Overall, we consider the earnings improvement a good performance given the decline in revenue. The forecast beat was due to a stronger gross margin than we expected, as the company's cost structure otherwise met our expectations. The prices of the company's plastic raw

materials have provided a slight tailwind for profitability improvement, but in our view, the 3% reduction in personnel also supported the gross margin.

Strong balance sheet provides room to maneuver

Orthex H1's operating cash flow was at a reasonable level of 3.9 MEUR. In Q2, however, it remained at -0.8 MEUR due to committed working capital. At the end of the period, Orthex's balance sheet position was strong and the company's net debt/adjusted EBITDA ratio was 1.4x, while the target is below 2.5x. Given Orthex's goal of bringing production closer to its key customers and the high return on invested capital of the business, we believe that strengthening the balance sheet and increasing financial flexibility is justified. A strong balance sheet creates prerequisites for a moderate-sized M&A transaction or a larger organic growth investment to bring production capacity closer to strategically important growth markets.

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	21.0	20.5	20.5	21.3	20.5 - 21.8	0%	88.6
Bruttokate	5.7	5.8	5.5		-	5%	25.1
EBIT (adj.)	1.6	1.7	1.4	1.6	1.4 - 1.9	21%	9.0
EBIT	1.6	1.7	1.4	1.6	1.4 - 1.9	21%	9.0
EPS (reported)	0.05	0.05	0.04	0.05	0.04 - 0.06	16%	0.34
Revenue growth-%	4.3 %	-2.3 %	-2.4 %	1.2 %	-2.5 % - 3.7 %	0.1 pp	-1.2 %
EBIT-% (adj.)	7.4 %	8.4 %	6.9 %	7.4 %	6.8 % - 8.7 %	1.5 pp	10.2 %

Source: Inderes & Bloomberg
(consensus)

No major changes to forecasts

The company must prove that the weakness in the Nordics is not due to loss of market share

True to form, Orthex did not provide guidance for the current year. Based on the Q2 results, we cut our growth estimates for the Nordic countries but raised our estimates for the European export markets. We believe it is critical for the investment case that Orthex proves that the weakness in Nordic sales is one-off and solely due to the timing of customer orders and campaigns. Orthex’s product categories are defensive for durable consumer goods, so we assume that retail sell-out in the Nordic countries were stronger than Orthex’s development during the quarter. If the weakness in Q2 was due to a difference between retail purchases and sales (i.e., retailers have decreased their inventory levels), invoiced sales in the Nordics should find a quick recovery. Orthex's quarterly sales have previously fluctuated significantly depending on the timing of campaigns, and as a result, we are not drawing major

conclusions about the company's competitiveness in the Nordics based on the past quarter. The generally subdued economic environment has a more severe impact on companies like Orthex, whose price points are higher within the category.

The recovery in Europe was the highlight of the report

The recovery in sales in the rest of Europe was definitely the highlight of Orthex's Q2 report, as the company's growth story increasingly relies on export markets. In Q1, invoiced sales in the market area contracted significantly, but based on the review period, the growth story in the rest of Europe is back on track despite the weak financial position of some customers. We see conditions for a significant acceleration in European growth if the financial situation of these customers improves. However, our current estimates do not rely on this, so our revenue estimate for the current year remains at the comparison period’s level.

Our profitability estimates for the coming years experienced slight downward pressure due to estimate revisions, as we expect growth in Europe to require more marketing investments than in the Nordics, and logistics costs to erode European sales margins more significantly. In any case, given the company's high return on invested capital, we consider growth investments justified from a value creation perspective.

We expect Orthex's revenue to turn back to cautious growth toward the end of the year, which will accelerate next year. However, considering the growth outlook for the coming years, we recognize a risk that competition, especially in the kitchen category (20% of Orthex's revenue), could intensify due to US import tariffs, as Asian and European manufacturers turn their attention more strongly towards Europe.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	88.7	88.6	0%	94.1	93.3	-1%	98.6	98.1	-1%
EBITDA	13.1	13.6	4%	15.9	15.5	-2%	16.9	16.5	-2%
EBIT (excl. NRIs)	8.7	9.0	4%	11.3	11.0	-3%	12.3	12.0	-3%
EBIT	8.7	9.0	4%	11.3	11.0	-3%	12.3	12.0	-3%
PTP	7.3	7.5	3%	9.8	9.5	-3%	11.0	10.6	-3%
EPS (excl. NRIs)	0.33	0.34	3%	0.44	0.43	-3%	0.49	0.48	-3%
DPS	0.24	0.24	0%	0.28	0.28	0%	0.30	0.30	0%

Source: Inderes

Orthex, Webcast, Q2'25



Valuation supports owning the stock

Earnings growth melts valuation multiples

Based on our updated estimates, adjusted P/E ratios for 2025 and 2026 are 14x and 11x, while the corresponding EV/EBIT ratios are 12x and 9x. We find the valuation of the stock neutral with the profit level this year and turns attractive with next year's forecasts. We have assumed that the company's gross margin will normalize roughly around the historical average of 29% in the coming years. Orthex's relative profitability can stretch further if raw material prices continue to decline in the next few years. We do not expect this to be fully reflected in Orthex's profitability, as we believe that competition would cause pressure in the future to either lower prices or rely more on campaign sales to protect the market position (however, storage solutions are not Giffen goods).

We have reservations about the company's ability to maintain price increases in the face of a significant decline in raw material prices, but so far, the track record speaks for pricing power. In our forecasts, Orthex's normalized EBIT margin over the cycle is approximately 12%, which is a good level compared to history. In our view, relying on Orthex's targeted 18% EBITA margin is unwarranted at this stage of the investment story and with the current track record.

DCF model argues for upside

Our DCF model indicates a value of EUR 6.4 per share for Orthex. Our DCF model assumes an EBIT margin of around 11-12% and revenue growth of approximately 2-5%. We consider the assumptions realistic, but due to Orthex's short history as a listed company, its track record of cycle-normalized performance is still limited. We suspect that

bulking of the storage solution product group is a key risk for maintaining the company's longer-term profitability. However, in our view, the desire (and pressure) of retailers to move their supply chains closer to their customers is one factor limiting the intensification of competition.

The consolidator is also a potential takeover target

In connection with the IPO, Orthex stated that the plastic industry is suitable for consolidation and it intends to actively monitor the acquisition targets. The growing balance sheet provides more leeway in M&A transactions, and we estimate that with debt financing alone, the company has firepower worth around 20 MEUR, which would mean a revenue potential of over 20 MEUR to be purchased with a 1x revenue multiple (presumably, the revenue multiple of the acquisition target would be lower than this). However, at current valuation levels, Orthex itself could be an attractive target for an industrial buyer. With our 2025-2026 EBIT estimates, Orthex is priced at a discount of almost 20% compared to its peers. In our view, the discount pricing relative to peers provides limited support for the valuation given the risk of prolonged growth challenges.

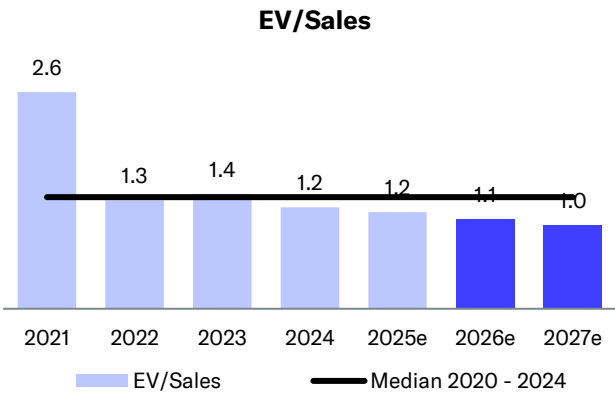
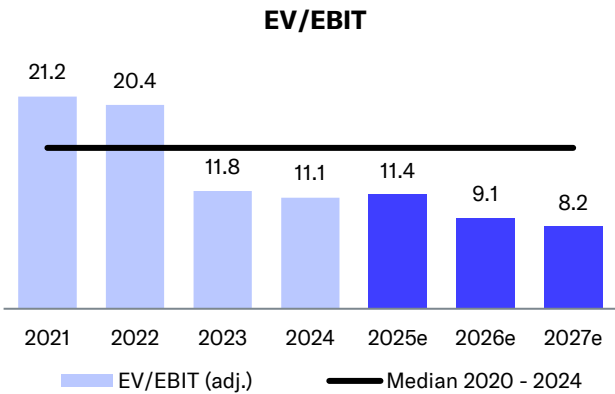
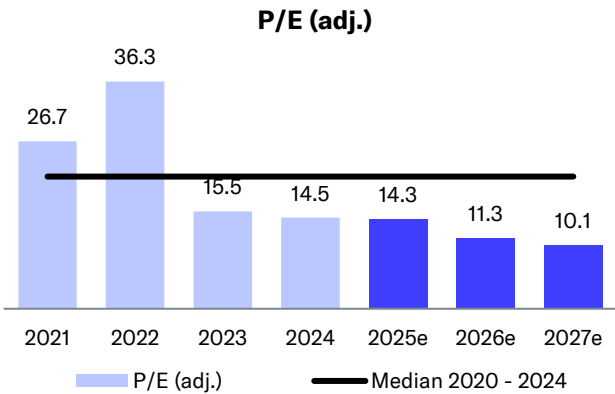
Valuation	2025e	2026e	2027e
Share price	4.82	4.82	4.82
Number of shares, millions	17.8	17.8	17.8
Market cap	86	86	86
EV	103	100	98
P/E (adj.)	14.3	11.3	10.1
P/E	14.3	11.3	10.1
P/B	2.3	2.1	1.9
P/S	1.0	0.9	0.9
EV/Sales	1.2	1.1	1.0
EV/EBITDA	7.5	6.4	6.0
EV/EBIT (adj.)	11.4	9.1	8.2
Payout ratio (%)	71.3 %	65.7 %	63.0 %
Dividend yield-%	5.0 %	5.8 %	6.2 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price		11.5	4.68	5.40	5.00	4.82	4.82	4.82	4.82
Number of shares, millions		17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Market cap		204	83	96	89	86	86	86	86
EV		230	109	118	109	103	100	98	96
P/E (adj.)		26.7	36.3	15.5	14.5	14.3	11.3	10.1	9.2
P/E		33.8	39.2	13.9	14.5	14.3	11.3	10.1	9.2
P/B		6.4	2.8	2.8	2.5	2.3	2.1	1.9	1.8
P/S		2.3	1.0	1.1	1.0	1.0	0.9	0.9	0.8
EV/Sales		2.6	1.3	1.4	1.2	1.2	1.1	1.0	0.9
EV/EBITDA		17.4	11.8	7.9	7.7	7.5	6.4	6.0	5.5
EV/EBIT (adj.)		21.2	20.4	11.8	11.1	11.4	9.1	8.2	7.5
Payout ratio (%)		53.0 %	92.2 %	54.1 %	63.9 %	71.3 %	65.7 %	63.0 %	60.0 %
Dividend yield-%		1.6 %	2.4 %	3.9 %	4.4 %	5.0 %	5.8 %	6.2 %	6.5 %

Source: Inderes



The market cap and EV in the table consider the forecast change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Duni AB	385	587	13.6	10.3	8.3	6.9	0.8	0.8	14.4	11.3	5.7	6.2	1.3
Fiskars Oyj Abp	1137	1698	20.4	14.6	11.2	8.8	1.5	1.4	21.6	15.1	5.1	5.6	1.5
Harvia Oyj	744	803	20.1	17.2	17.0	14.7	4.1	3.7	26.2	21.6	2.1	2.3	5.5
Leifheit AG	152	131	14.1	9.0	7.1	5.4	0.6	0.5	23.0	14.6	6.6	7.1	1.6
Marimekko Oyj	483	479	14.0	12.4	10.9	9.9	2.5	2.3	18.2	16.1	4.1	5.1	6.4
Rapala VMC Corp	49	138	16.5	13.4	6.7	6.6	0.6	0.6				0.8	0.4
Thule Group AB	2719	3082	19.1	16.3	16.1	14.0	3.2	3.1	24.3	20.4	3.2	3.7	3.9
Nokian Tyres plc	1142	2006	33.1	17.0	9.4	7.4	1.4	1.3	30.4	14.4	3.5	3.9	0.9
Assa Abloy AB	33459	39815	18.4	16.4	14.8	13.6	2.9	2.8	23.9	20.7	1.8	2.1	3.3
Newell Brands Inc	2001	6167	10.9	10.1	7.6	7.3	1.0	1.0	8.2	7.5	5.0	5.0	0.8
DOMETIC Group	1594	2696	14.8	11.6	9.1	7.7	1.4	1.4	15.7	10.6	2.4	3.2	0.7
Raisio Oyj	400	334	11.6	10.9	8.7	8.2	1.5	1.4	16.8	15.7	5.6	5.6	1.5
Husqvarna AB	2950	3856	12.2	10.4	6.6	6.0	0.9	0.9	15.4	12.7	3.1	4.2	1.3
Helen of Troy Ltd	480	1207	5.7	8.4	4.8	6.7	0.7	0.8	3.4	5.4			0.3
Orthex (Inderes)	86	103	11.4	9.1	7.5	6.4	1.2	1.1	14.3	11.3	5.0	5.8	2.3
Average			16.0	12.7	9.9	8.8	1.6	1.6	18.6	14.3	4.0	4.2	2.1
Median			14.4	12.0	8.9	7.5	1.4	1.3	18.2	14.6	3.8	4.2	1.4
Diff-% to median			-21%	-25%	-15%	-15%	-18%	-19%	-21%	-22%	30%	40%	61%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	84.0	85.9	22.0	21.0	22.8	23.9	89.7	21.0	20.5	23.0	24.1	88.6	93.3	98.1	103
Nordics	68.4	68.7	17.5	17.2	17.9	18.5	71.1	17.3	15.9	17.5	18.6	69.3	70.0	71.8	75.4
Rest of Europe	15.9	18.5	5.3	4.2	5.1	5.7	20.3	4.3	5.1	5.6	6.0	21.1	24.4	27.6	29.0
Rest of world	1.4	0.8	0.1	0.2	0.4	0.2	0.9	0.1	0.2	0.4	0.1	0.7	0.7	0.8	0.8
Discounts and refunds	-1.7	-2.0	-0.9	-0.6	-0.6	-0.5	-2.6	-0.7	-0.7	-0.5	-0.6	-2.5	-1.9	-2.0	-2.1
EBITDA	9.2	14.9	3.8	2.6	3.9	3.9	14.3	2.9	2.9	4.0	3.8	13.6	15.5	16.5	17.4
Depreciation	-4.0	-4.1	-1.1	-1.1	-1.1	-1.2	-4.4	-1.2	-1.2	-1.1	-1.1	-4.6	-4.5	-4.5	-4.5
EBIT (excl. NRI)	5.4	10.0	2.8	1.6	2.8	2.7	9.8	1.7	1.7	2.9	2.7	9.0	11.0	12.0	12.9
EBIT	5.2	10.8	2.8	1.6	2.8	2.7	9.8	1.7	1.7	2.9	2.7	9.0	11.0	12.0	12.9
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-2.2	-2.2	-0.7	-0.4	-0.5	-0.5	-2.1	-0.1	-0.6	-0.4	-0.4	-1.5	-1.5	-1.3	-1.2
PTP	3.0	8.5	2.1	1.2	2.3	2.2	7.8	1.6	1.2	2.5	2.3	7.5	9.5	10.6	11.7
Taxes	-0.9	-1.6	-0.5	-0.3	-0.5	-0.4	-1.7	-0.3	-0.3	-0.5	-0.5	-1.6	-2.0	-2.2	-2.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	2.1	6.9	1.6	0.9	1.8	1.8	6.1	1.3	0.9	1.9	1.8	6.0	7.6	8.5	9.3
EPS (adj.)	0.13	0.35	0.09	0.05	0.10	0.10	0.34	0.07	0.05	0.11	0.10	0.34	0.43	0.48	0.52
EPS (rep.)	0.12	0.39	0.09	0.05	0.10	0.10	0.34	0.07	0.05	0.11	0.10	0.34	0.43	0.48	0.52

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-5.2 %	2.2 %	7.5 %	4.3 %	4.2 %	2.0 %	4.4 %	-4.7 %	-2.3 %	0.8 %	1.0 %	-1.2 %	5.2 %	5.2 %	5.0 %
Adjusted EBIT growth-%	-50.1 %	87.3 %	16.5 %	20.2 %	-20.1 %	-5.4 %	-2.1 %	-37.8 %	11.0 %	1.8 %	0.1 %	-8.3 %	22.1 %	8.8 %	7.6 %
EBITDA-%	11.0 %	17.3 %	17.4 %	12.5 %	17.0 %	16.4 %	15.9 %	14.0 %	14.2 %	17.2 %	15.9 %	15.4 %	16.7 %	16.8 %	16.9 %
Adjusted EBIT-%	6.4 %	11.7 %	12.5 %	7.4 %	12.3 %	11.4 %	11.0 %	8.2 %	8.4 %	12.4 %	11.3 %	10.2 %	11.8 %	12.2 %	12.5 %
Net earnings-%	2.5 %	8.0 %	7.1 %	4.4 %	7.9 %	7.6 %	6.8 %	6.2 %	4.4 %	8.5 %	7.6 %	6.7 %	8.1 %	8.6 %	9.0 %

Source: Inderes

Full-year EPS is calculated using the number of shares at the end of the year.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	44.0	44.6	43.2	43.0	43.0
Goodwill	22.3	21.7	21.7	21.7	21.7
Intangible assets	0.0	0.0	0.2	0.2	0.2
Tangible assets	20.9	21.9	21.2	21.0	21.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	0.7	0.9	0.0	0.0	0.0
Current assets	41.5	40.9	39.9	41.0	43.2
Inventories	12.1	12.5	12.4	13.1	13.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	17.9	18.0	16.8	16.8	17.7
Cash and equivalents	11.6	10.5	10.6	11.2	11.8
Balance sheet total	85.6	85.6	83.1	84.0	86.2

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	34.4	35.8	37.9	41.2	44.7
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	26.9	29.3	31.4	34.7	38.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-0.4	-1.4	-1.4	-1.4	-1.4
Other equity	7.9	7.9	7.9	7.9	7.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	30.4	27.1	25.7	23.7	22.6
Deferred tax liabilities	0.8	0.8	0.8	0.8	0.8
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	29.6	26.3	25.0	22.9	21.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	20.7	22.6	19.5	19.2	18.9
Interest bearing debt	4.3	4.5	2.8	2.5	2.4
Payables	15.7	17.4	16.0	15.9	15.7
Other current liabilities	0.7	0.8	0.8	0.8	0.8
Balance sheet total	85.5	85.6	83.1	84.0	86.2

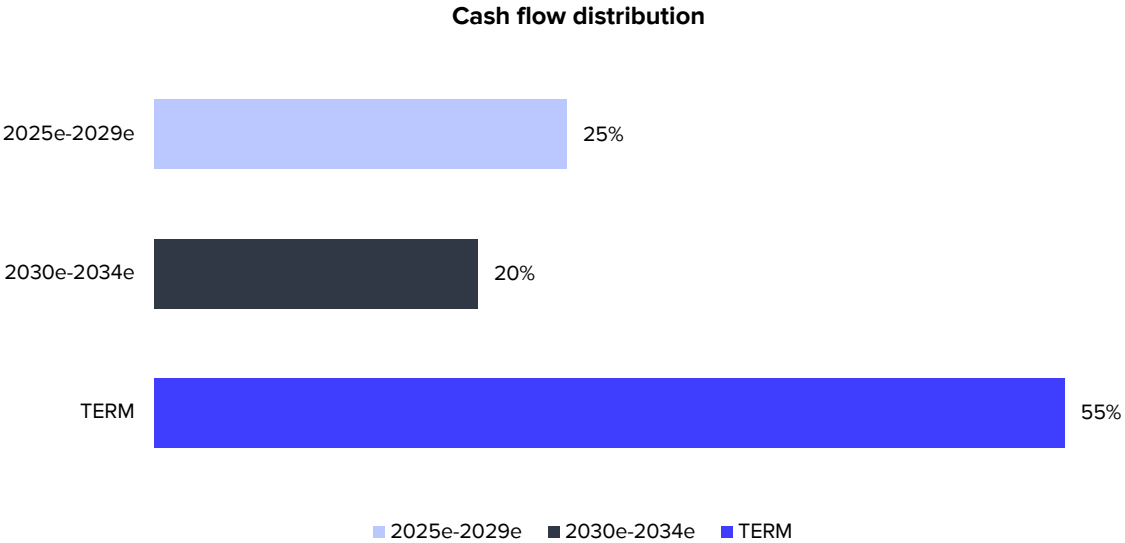
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	4.4 %	-1.2 %	5.2 %	5.2 %	5.0 %	3.5 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	11.0 %	10.2 %	11.8 %	12.2 %	12.5 %	12.0 %	12.0 %	12.0 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	9.8	9.0	11.0	12.0	12.9	12.8	13.2	13.5	13.2	13.5	13.7	
+ Depreciation	4.4	4.6	4.5	4.5	4.5	4.5	4.6	4.7	4.8	4.9	5.0	
- Paid taxes	-1.9	-0.7	-2.0	-2.2	-2.4	-2.4	-2.5	-2.6	-2.6	-2.6	-2.7	
- Tax, financial expenses	-0.4	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-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	1.2	-0.2	-0.7	-1.7	-1.8	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	
Operating cash flow	13.2	12.5	12.6	12.3	12.9	14.1	14.6	15.0	14.9	15.2	15.5	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.8	-4.1	-4.3	-4.5	-4.7	-4.9	-5.0	-5.2	-5.3	-5.4	-5.4	
Free operating cash flow	8.4	8.3	8.3	7.8	8.2	9.2	9.5	9.8	9.7	9.9	10.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	8.4	8.3	8.3	7.8	8.2	9.2	9.5	9.8	9.7	9.9	10.2	163
Discounted FCFF		8.1	7.5	6.4	6.2	6.5	6.2	5.9	5.3	5.0	4.8	76.6
Sum of FCFF present value		139	130	123	117	110	104	97.6	91.7	86.4	81.4	76.6

Enterprise value DCF	139
- Interest bearing debt	-30.8
+ Cash and cash equivalents	10.5
-Minorities	0.0
-Dividend/capital return	-3.9
Equity value DCF	114
Equity value DCF per share	6.4

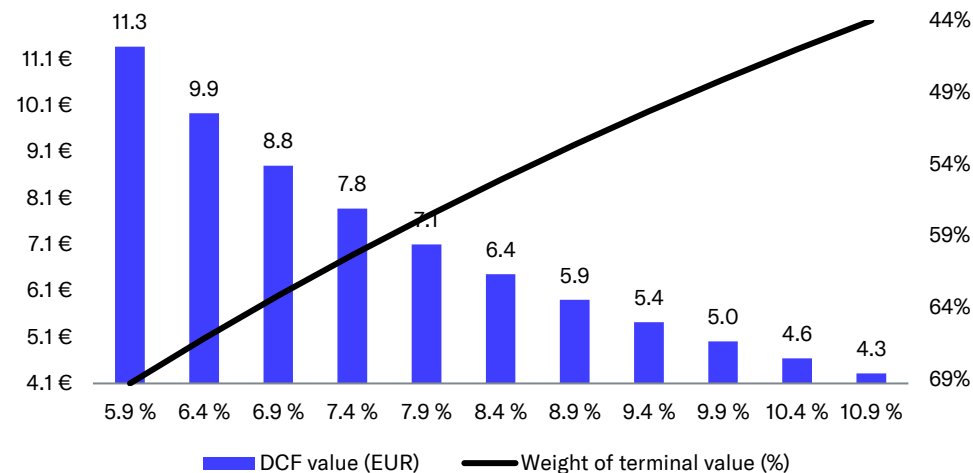
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.5 %
Equity Beta	1.10
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	8.4 %

Source: Inderes

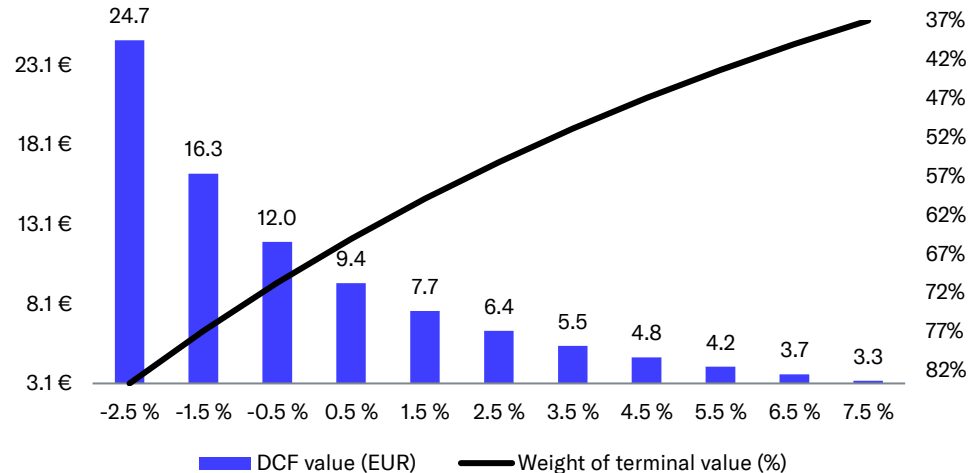


DCF sensitivity calculations and key assumptions in graphs

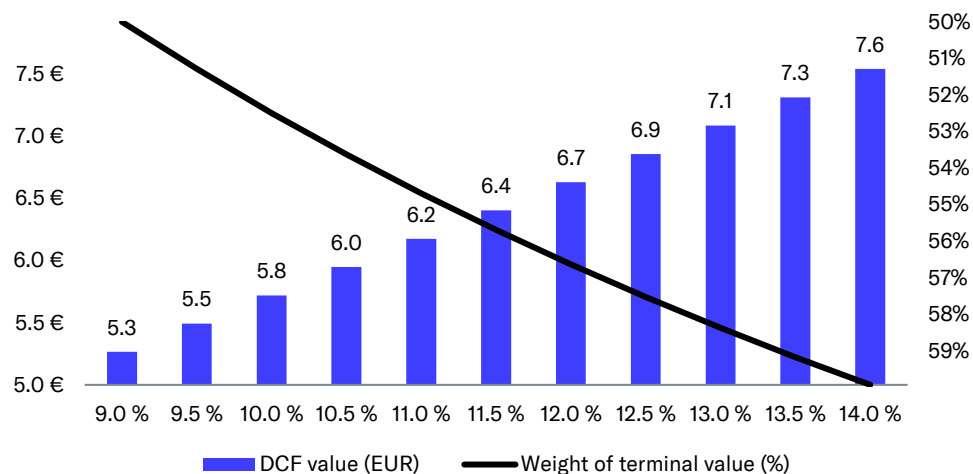
Sensitivity of DCF to changes in the WACC-%



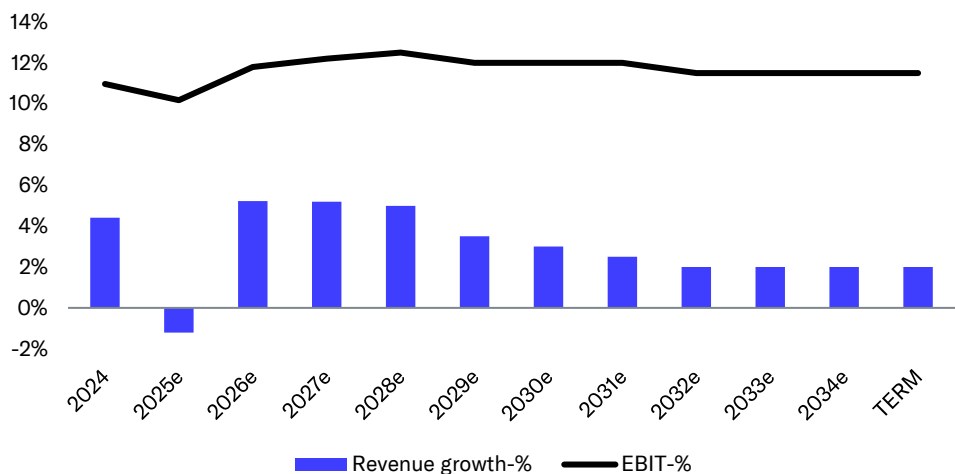
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NBI The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	84.0	85.9	89.7	88.6	93.3	EPS (reported)	0.12	0.39	0.34	0.34	0.43
EBITDA	9.2	14.9	14.3	13.6	15.5	EPS (adj.)	0.13	0.35	0.34	0.34	0.43
EBIT	5.2	10.8	9.8	9.0	11.0	OCF / share	0.42	0.68	0.74	0.70	0.71
PTP	3.0	8.5	7.8	7.5	9.5	FCF / share	0.31	0.43	0.47	0.47	0.47
Net Income	2.1	6.9	6.1	6.0	7.6	Book value / share	1.67	1.94	2.02	2.13	2.32
Extraordinary items	-0.2	0.7	0.0	0.0	0.0	Dividend / share	0.11	0.21	0.22	0.24	0.28
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	81.8	85.6	85.6	83.1	84.0	Revenue growth-%	-5%	2%	4%	-1%	5%
Equity capital	29.7	34.4	35.8	37.9	41.2	EBITDA growth-%	-30%	61%	-4%	-4%	14%
Goodwill	22.3	22.3	21.7	21.7	21.7	EBIT (adj.) growth-%	-51%	87%	-2%	-8%	22%
Net debt	26.0	22.3	20.3	17.1	14.2	EPS (adj.) growth-%	-70%	170%	-1%	-2%	27%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	11.0 %	17.3 %	15.9 %	15.4 %	16.7 %
EBITDA	9.2	14.9	14.3	13.6	15.5	EBIT (adj.)-%	6.4 %	11.7 %	11.0 %	10.2 %	11.8 %
Change in working capital	-0.6	-0.8	1.2	-0.2	-0.7	EBIT-%	6.2 %	12.5 %	11.0 %	10.2 %	11.8 %
Operating cash flow	7.5	12.1	13.2	12.5	12.6	ROE-%	6.9 %	21.5 %	17.4 %	16.2 %	19.1 %
CAPEX	-1.9	-4.4	-4.8	-4.1	-4.3	ROI-%	7.5 %	16.0 %	14.6 %	13.6 %	16.7 %
Free cash flow	5.6	7.7	8.4	8.3	8.3	Equity ratio	36.3 %	40.3 %	41.9 %	45.6 %	49.0 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	87.6 %	64.8 %	56.8 %	45.1 %	34.5 %
EV/S	1.3	1.4	1.2	1.2	1.1						
EV/EBITDA	11.8	7.9	7.7	7.5	6.4						
EV/EBIT (adj.)	20.4	11.8	11.1	11.4	9.1						
P/E (adj.)	36.3	15.5	14.5	14.3	11.3						
P/B	2.8	2.8	2.5	2.3	2.1						
Dividend-%	2.4 %	3.9 %	4.4 %	5.0 %	5.8 %						

Source: Inderes

The market cap and EV in the table consider the forecast change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the year-end number of shares.

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/26/2021	Accumulate	8.50 €	7.42 €
5/12/2021	Accumulate	11.00 €	10.15 €
8/26/2021	Accumulate	13.00 €	11.48 €
9/20/2021	Buy	13.00 €	10.50 €
11/11/2021	Accumulate	12.50 €	11.63 €
Analyst changed			
1/13/2022	Accumulate	11.50 €	10.44 €
3/10/2022	Accumulate	8.00 €	7.14 €
5/11/2022	Reduce	7.00 €	6.68 €
8/26/2022	Reduce	5.00 €	5.42 €
10/11/2022	Accumulate	4.40 €	3.93 €
11/14/2022	Accumulate	5.80 €	5.27 €
3/9/2023	Accumulate	5.60 €	5.05 €
5/18/2023	Accumulate	5.60 €	4.99 €
8/25/2023	Accumulate	5.40 €	4.64 €
11/8/2023	Buy	6.00 €	4.95 €
3/6/2024	Accumulate	7.00 €	6.39 €
3/22/2024	Accumulate	7.00 €	6.26 €
5/16/2024	Accumulate	7.20 €	6.74 €
8/23/2024	Accumulate	7.00 €	6.34 €
11/17/2024	Buy	6.50 €	5.54 €
2/26/2025	Accumulate	6.00 €	5.22 €
3/13/2025	Accumulate	6.00 €	5.24 €
5/16/2025	Accumulate	5.50 €	4.87 €
8/22/2025	Accumulate	5.50 €	4.82 €



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