ANORA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Cost savings support earnings growth in coming years

We raised our medium-term forecasts slightly after Anora announced its plans for the coming years. Following the estimate changes, we raise our target price to EUR 3.5 (was EUR 3.3) and reiterate our Accumulate recommendation. A good dividend yield and earnings growth in the coming years provide a reasonable expected return, but weak growth prospects and subdued return on capital reduce the stock's attractiveness.

Anora updated its targets and aims for a 15 MEUR earnings improvement by 2028

Anora updated its strategy and financial targets and presented them at its Capital Markets Day. The company's strategy and targets for the coming years focus largely on improving profitability and the core business, and less on, for example, international growth or acquisitions. We consider this a good thing, given Anora's situation and its weak acquisition history to date. We commented on the targets earlier here. The company targets an adjusted EBITDA of 85-90 MEUR in 2028, which means an improvement of 15 MEUR compared to the 70-75 MEUR guided for this year. The company expects market development to remain negative for the coming years, which is a weaker view than our previous expectations. Positively, the company is targeting gross savings of 40 MEUR in 2026-27, which will support earnings improvement even in a declining market. There was no clear single theme or factor for achieving the savings, but they are being sought from several sources. However, the savings are targeted in such a way that there should be sufficient resources for supporting and developing the business.

One significant factor in the overall picture is the personnel savings previously announced by the company, which amount to 7 MEUR. We believe that the company will also make further personnel reductions during next year, as personnel costs account for almost half of its fixed costs. In our eyes, the targeted savings are relatively credible, as the company still has a surprising amount of room for efficiency improvements in its production network, IT systems, and procurement, following the merger of Altia and Arcus four years ago and the subsequent acquisition of Globus Wine.

We raised our medium-term earnings estimates

As Anora initiates quite strong savings measures, we believe these will support the company's earnings growth in 2026-27. We did not make changes to our 2025-26 operational forecasts, but we raised our 2027 forecasts by 3% for adjusted EBITDA and also our longer-term margin forecast. On the other hand, we lowered our expectations for revenue development. Our adjusted EBITDA forecast for 2028 is now 79 MEUR, so we do not believe Anora will achieve its earnings target, but it should still be able to achieve steady earnings growth in the coming years. Our forecast for this year is still at the lower end of Anora's guidance, so the risk of a profit warning remains.

Value creation still looks difficult

Although we believe Anora can improve its profitability by approximately 10 MEUR in the coming years, the company's return on capital will remain roughly at the level of our required return in our forecasts. The company's investment needs are small, and it continues to aim at freeing up working capital, which in our forecasts is only realized to a limited extent. The growth outlook for the longer term is also subdued, as we do not believe there is any growth in the alcohol market in sight.

Cash flow and dividend provide a sufficient expected return

Anora's 2025 P/E ~11x is at the midpoint of our acceptable multiple range. Anora's expected return is higher than our required return, supported by dividend and earnings growth. Dividend plays a significant role and it alone reaches close to our required return. However, a modest growth profile and return on capital weaken the risk/reward ratio. The value of our DCF model is in line with the target price at EUR 3.5 per share.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 3.50
(was EUR 3.30)

Share price:
EUR 3.42

Business risk
●●○○○

Valuation risk
●●●○○

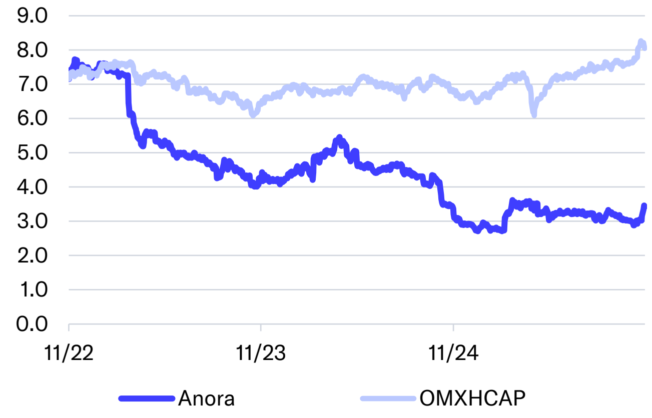
	2024	2025e	2026e	2027e
Revenue	692.0	663.6	664.4	665.4
growth-%	-5%	-4%	0%	0%
EBITDA (adj.)	69.0	69.9	72.2	76.2
EBITDA-% (adj.)	10.0 %	10.5 %	10.9 %	11.5 %
Net income	10.5	19.4	20.9	27.0
EPS (adj.)	0.27	0.30	0.35	0.40
P/E (adj.)	10.4	11.2	9.7	8.6
P/B	0.5	0.6	0.6	0.6
Dividend yield-%	7.9 %	6.4 %	7.3 %	7.3 %
EV/EBIT (adj.)	7.1	8.1	7.3	6.6
EV/EBITDA	4.9	5.1	4.9	4.3
EV/S	0.4	0.5	0.5	0.5

Source: Inderes

Guidance (Unchanged)

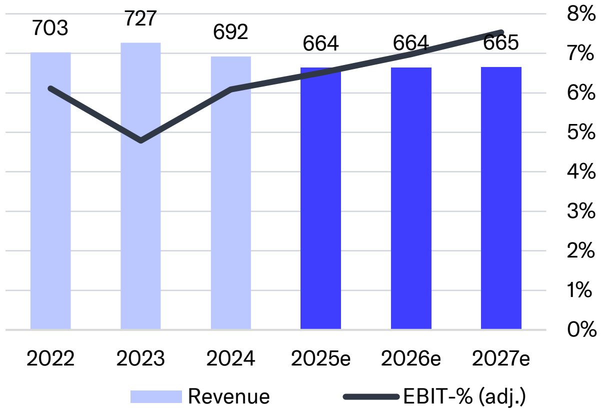
In 2025, Anora's comparable EBITDA is expected to be 70-75 MEUR (2024: 68.9 MEUR).

Share price



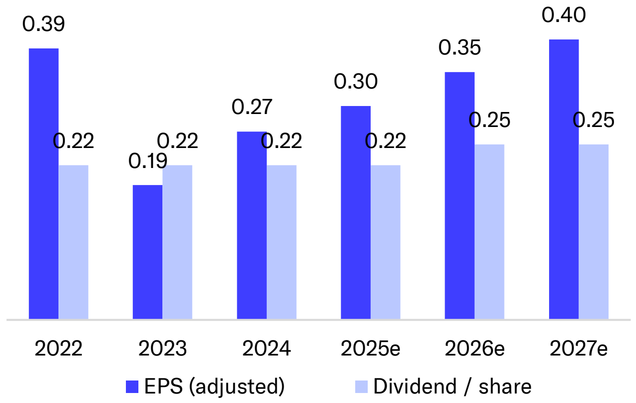
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong market position and extensive product portfolio
- Stable market and historically stable profitability
- Good potential for creating cash flow

Risk factors

- The alcohol market is on a downward trend Globus Wine's performance remaining weak
- Price fluctuations of barley affect earnings
- Anora will continue to seek acquisitions, which involves risks related to the price and integration

Valuation	2025e	2026e	2027e
Share price	3.42	3.42	3.42
Number of shares, millions	67.6	67.6	67.6
Market cap	231	231	231
EV	349	340	331
P/E (adj.)	11.2	9.7	8.6
P/E	11.9	11.1	8.6
P/B	0.6	0.6	0.6
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.5	0.5
EV/EBITDA	5.1	4.9	4.3
EV/EBIT (adj.)	8.1	7.3	6.6
Payout ratio (%)	77%	81%	63%
Dividend yield-%	6.4 %	7.3 %	7.3 %

Source: Inderes

Revenue slightly down, 2027 earnings up

Anora expects the markets to decline in the coming years

Anora's volume assumption for its 2026-28 strategy period is a 2-3% volume decrease. We think this is a cautious assumption, but a good starting point for the company's earnings improvement. The company aims to gain market share. We further lowered our revenue forecasts for the next few years in this report. We now assume the Spirits segment's development to be negative by 1% in 2026-28. This is weighed down by the large share of the Finnish market, where the market decline is likely to continue. In the Wine segment, we expect a slight growth of 1%, as the company is able to gain some market share, especially in Sweden and Denmark. Overall, however, our revenue forecasts anticipate practically flat development for the coming years.

Slightly upward revision of earnings estimates from 2027 onwards

We believe Anora's strong cost-saving measures will take effect in the coming years and support faster earnings growth than our previous expectations. Next year's earnings forecasts decreased slightly due to a lower revenue forecast, but we believe that fixed cost cuts will support earnings growth in 2026-28 and Anora will reach an adjusted EBITDA of 79 MEUR in 2028. However, this is below the company's target range of 85-90 MEUR. In our view, reaching the target range would primarily require successful growth initiatives and thus better revenue development than we expect.

We added non-recurring costs related to the savings programs for next year, whereas previously our estimates only included them for Q4'25. We also raised our long-term (from 2029 onwards) EBIT margin forecast from the previous 7.0% to 7.5%.

Anora CMD: Fit, Fix and Focus

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	664	664	0%	672	664	-1%	679	665	-2%
EBITDA (adj.)	69.9	69.9	0%	72.3	72.2	0%	73.9	76.2	3%
EBIT (exc. NRIs)	43.2	43.2	0%	47.0	46.4	-1%	49.2	50.1	2%
EBIT	41.6	41.6	0%	47.0	43.4	-8%	49.2	50.1	2%
PTP	25.6	25.6	0%	31.0	27.4	-12%	34.2	35.1	3%
EPS (excl. NRIs)	0.31	0.31	0%	0.35	0.35	1%	0.39	0.40	3%
DPS	0.22	0.22	0%	0.25	0.25	0%	0.25	0.25	0%

Source: Inderes

Anora Capital Markets Day 2025

Dividend and earnings growth support a reasonable return

Valuation summary

Anora's expected return over the next few years consists of both dividend yield and earnings growth. The stock's 2025 valuation level is rather neutral (P/E 11x). The valuation picture appears moderate by other metrics, and the dividend yield alone already reaches almost our required return level. Considering the expected earnings growth in 2026-28, the expected return turns positive.

DCF model value EUR 3.5

Due to the stable industry, steady growth and relatively easily predictable business, the DCF model is, in our opinion, a relevant valuation method for Anora. Our DCF model gives Anora a debt-free value of about 540 MEUR, which means that the value of the share capital is about 235 MEUR, or EUR 3.5 per share. Here we treat sold receivables as debt (about 160 MEUR at the end of 2024).

Earnings-based valuation is neutral

In terms of the P/E ratio, we see acceptable multiples being 10-12x, which puts the 2025 valuation within the range. However, we see no substantial upside in the multiples.

As regards the EV-based valuation, we note that Anora has a lease liability of around 60 MEUR, which is not actual financial liability. On the other hand, it has off-balance-sheet sold receivables of some 160 MEUR (at the end of 2024), which can be considered as debt-like assets. We have not adjusted this either way when calculating multiples, but for this reason we do not believe EV-based multiples are the most appropriate for Anora.

Expected return is reasonable in the longer term

We believe Anora has the possibility of substantially increasing its volumes within the existing production facilities. Thus, growth in the foreseeable future will not require significant factory investments and the company can use its free cash flow mainly for dividends and possible acquisitions.

The impact of growth on earnings and return on capital depends on what type of products the company can grow with. However, with our current estimates, growth is rather neutral from the point of view of return on capital and hence value creation. On the other hand, our forecasts do not expect much volume growth. Therefore, the company's level of return on capital is mainly determined by its profitability level. In recent years (after the strong period caused by COVID), the company's profitability has been at a weakish level. However, in the next few years we expect profitability to improve slightly from the level of recent years.

Although our return on capital projections are only around our required return levels even looking further into the future, Anora's expected return at current valuations is also decent in the longer term. If Anora were to pay out all of its 2025 net result/free cash flow in dividends (~20 MEUR), the dividend yield would be around 9%, which exceeds our required return of around 8%. With earnings rising in the coming years, the yield potential increases to over 10% in the medium term. If the result is potentially lower than our expectations, the indebted balance sheet would bring additional risk to the shareholder.

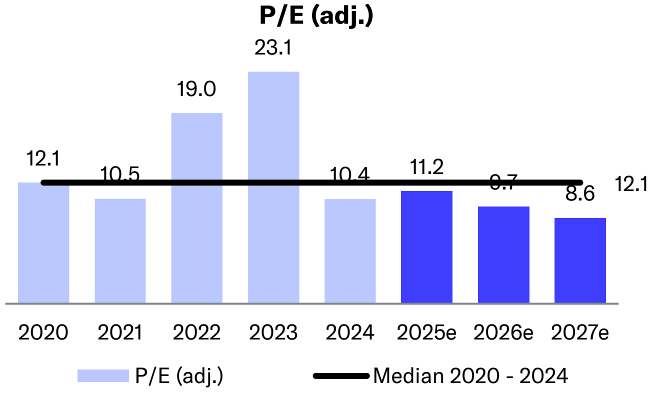
Valuation	2025e	2026e	2027e
Share price	3.42	3.42	3.42
Number of shares, millions	67.6	67.6	67.6
Market cap	231	231	231
EV	349	340	331
P/E (adj.)	11.2	9.7	8.6
P/E	11.9	11.1	8.6
P/B	0.6	0.6	0.6
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.5	0.5
EV/EBITDA	5.1	4.9	4.3
EV/EBIT (adj.)	8.1	7.3	6.6
Payout ratio (%)	77%	81%	63%
Dividend yield-%	6.4 %	7.3 %	7.3 %

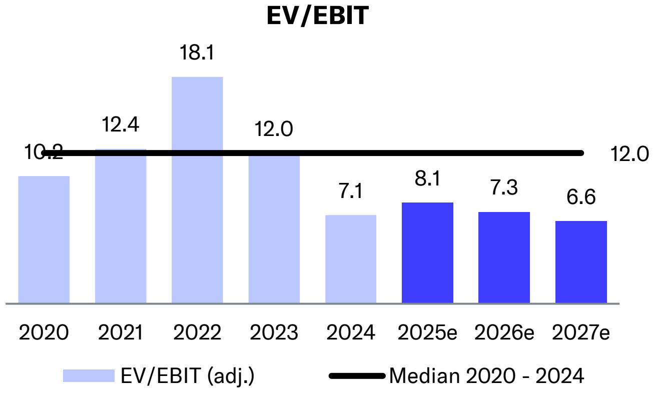
Source: Inderes

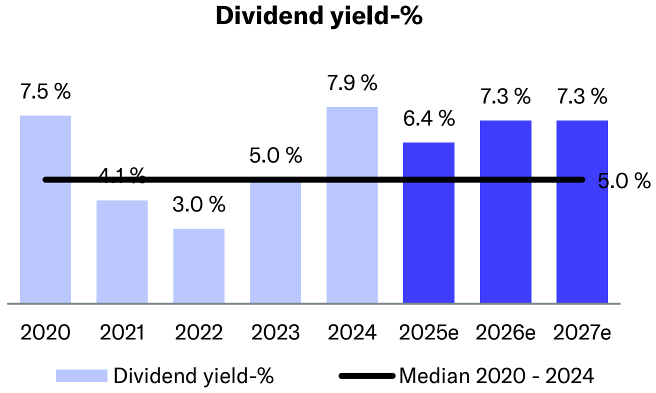
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	9.98	10.9	7.36	4.44	2.80	**3.42**	**3.42**	**3.42**	**3.42**
Number of shares, millions	36.1	46.6	67.6	67.6	67.6	**67.6**	**67.6**	**67.6**	**67.6**
Market cap	361	736	498	300	189	**231**	**231**	**231**	**231**
EV	357	864	778	419	298	**349**	**340**	**331**	**314**
P/E (adj.)	12.1	10.5	19.0	23.1	10.4	**11.2**	**9.7**	**8.6**	**8.1**
P/E	20.3	11.9	27.7	neg.	18.0	**11.9**	**11.1**	**8.6**	**8.1**
P/B	2.3	1.5	1.0	0.7	0.5	**0.6**	**0.6**	**0.6**	**0.5**
P/S	1.1	1.1	0.7	0.4	0.3	**0.3**	**0.3**	**0.3**	**0.3**
EV/Sales	1.0	1.3	1.1	0.6	0.4	**0.5**	**0.5**	**0.5**	**0.5**
EV/EBITDA	8.9	9.1	11.5	6.2	4.9	**5.1**	**4.9**	**4.3**	**4.0**
EV/EBIT (adj.)	10.2	12.4	18.1	12.0	7.1	**8.1**	**7.3**	**6.6**	**6.0**
Payout ratio (%)	152.7 %	71.2 %	82.9 %	neg.	141.2 %	**76.7 %**	**81.0 %**	**62.6 %**	**60.0 %**
Dividend yield-%	7.5 %	4.1 %	3.0 %	5.0 %	7.9 %	**6.4 %**	**7.3 %**	**7.3 %**	**7.4 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Brown-Forman	11223	13147	13.2	13.7	12.2	12.8	3.7	3.9	15.0	16.6	3.3	3.4	3.3
Davide Campari Milano	7336	9446	15.4	14.6	12.6	12.0	3.1	3.0	20.1	18.6	1.2	1.2	1.4
Diageo	45170	64861	12.8	12.3	11.2	10.8	3.6	3.6	14.5	13.7	4.5	4.5	4.9
Pernod-Ricard	21070	32826	11.4	12.6	9.9	10.9	3.0	3.3	11.9	13.5	5.3	5.4	1.3
Remy-Cointreau	2228	2879	13.4	16.8	11.1	13.1	2.9	3.0	17.8	24.7	3.7	3.0	1.1
Constellation Brands	19673	29030	9.6	11.5	8.6	9.9	3.3	3.7	9.6	11.2	3.1	3.2	3.0
Olvi	594	559	7.0	6.3	5.3	4.8	0.8	0.8	10.3	8.7	5.2	5.8	1.7
Royal Unibrew	3329	4183	14.4	13.2	10.8	10.1	2.0	1.9	16.3	14.7	3.2	3.5	3.7
Anora (Inderes)	**231**	**349**	**8.1**	**7.3**	**5.1**	**4.9**	**0.5**	**0.5**	**11.2**	**9.7**	**6.4**	**7.3**	**0.6**
Average			**12.5**	**12.5**	**10.3**	**10.3**	**2.6**	**2.7**	**14.8**	**14.9**	**3.7**	**3.8**	**2.5**
Median			**13.2**	**12.6**	**10.8**	**10.8**	**3.0**	**3.0**	**15.0**	**13.7**	**3.7**	**3.5**	**2.0**
Diff-% to median			**-39%**	**-42%**	**-53%**	**-55%**	**-82%**	**-83%**	**-25%**	**-29%**	**75%**	**112%**	**-71%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**727**	**147**	**177**	**163**	**205**	**692**	**141**	**165**	**157**	**200**	**664**	**664**	**665**	**671**
Wine	334	67	82	74	100	323	65	75	70	96	306	309	312	315
Spirits	237	47	59	53	69	227	45	54	51	67	216	214	212	214
Industrial	270	55	61	60	58	234	51	58	60	60	228	228	228	228
Group and eliminations	-114.3	-22	-25	-24	-22	-92.0	-19	-21	-24	-23	-87	-87	-87	-87
EBITDA	**67.5**	**7.7**	**14.9**	**15.4**	**23.3**	**61.3**	**8.9**	**13.4**	**18.0**	**28.0**	**68.3**	**69.2**	**76.2**	**78.5**
Depreciation	-98.8	-6.9	-6.5	-6.8	-6.6	-26.8	-6.8	-6.7	-6.6	-6.6	-26.7	-25.9	-26.1	-26.3
EBIT (excl. NRI)	**34.8**	**1.9**	**8.7**	**9.2**	**22.3**	**42.1**	**1.2**	**7.3**	**11.3**	**23.4**	**43.2**	**46.4**	**50.1**	**52.2**
EBIT	**-31.3**	**0.8**	**8.4**	**8.6**	**16.7**	**34.5**	**2.1**	**6.7**	**11.4**	**21.4**	**41.6**	**43.4**	**50.1**	**52.2**
Wine (EBITDA)	12.4	2.6	4.4	1.5	13.6	22.1	0.2	2.0	3.4	12.5	18.1	21.6	25.0	26.8
Spirits (EBITDA)	40.3	6.8	8.9	9.2	13.1	38.0	7.2	8.6	9.3	14.0	39.1	39.6	40.3	40.7
Industrial (EBITDA)	17.5	0.8	3.4	5.4	5.1	14.7	3.1	3.9	5.9	4.5	17.4	16.0	16.0	16.0
Group and eliminations	-1.9	-1.4	-1.4	-0.3	-2.8	-5.9	-2.5	-0.5	-0.6	-1.0	-4.6	-5.0	-5.0	-5.0
Share of profits in assoc. compan.	0.2	0.7	-0.3	-0.2	0.0	0.3	-0.2	-0.3	-0.2	0.0	-0.7	0.0	0.0	0.0
Net financial items	-22.8	-4.5	-5.7	-4.8	-5.1	-20.0	-4.3	-3.5	-3.5	-4.0	-15.3	-16.0	-15.0	-15.0
PTP	**-53.8**	**-3.0**	**2.5**	**3.6**	**11.6**	**14.7**	**-2.4**	**2.9**	**7.7**	**17.4**	**25.6**	**27.4**	**35.1**	**37.2**
Taxes	13.9	0.8	-0.7	-0.5	-3.3	-3.7	0.1	-0.8	-1.5	-3.7	-5.9	-6.1	-7.7	-8.2
Minority interest	0.0	0.0	-0.1	0.0	-0.4	-0.5	0.0	0.0	0.0	-0.3	-0.3	-0.4	-0.4	-0.4
Net earnings	**-39.9**	**-2.2**	**1.7**	**3.1**	**7.9**	**10.5**	**-2.3**	**2.1**	**6.2**	**13.4**	**19.4**	**20.9**	**27.0**	**28.6**
EPS (adj.)	**0.19**	**-0.02**	**0.03**	**0.06**	**0.20**	**0.27**	**-0.04**	**0.04**	**0.09**	**0.22**	**0.31**	**0.35**	**0.40**	**0.42**
EPS (rep.)	**-0.59**	**-0.03**	**0.03**	**0.05**	**0.12**	**0.16**	**-0.03**	**0.03**	**0.09**	**0.20**	**0.29**	**0.31**	**0.40**	**0.42**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	3.4 %	-7.9 %	-3.1 %	-6.0 %	-2.8 %	-4.7 %	-3.7 %	-6.6 %	-3.6 %	-2.6 %	-4.1 %	0.1 %	0.1 %	0.8 %
Adjusted EBIT growth-%	-19.0 %	-392.3 %	79.4 %	-21.7 %	18.3 %	21.0 %	-36.8 %	-16.2 %	22.9 %	4.9 %	2.6 %	7.3 %	8.1 %	4.1 %
EBITDA-%	9.3 %	5.2 %	8.4 %	9.5 %	11.3 %	8.9 %	6.3 %	8.1 %	11.5 %	14.0 %	10.3 %	10.4 %	11.5 %	11.7 %
Adjusted EBIT-%	4.8 %	1.3 %	4.9 %	5.7 %	10.9 %	6.1 %	0.8 %	4.4 %	7.2 %	11.7 %	6.5 %	7.0 %	7.5 %	7.8 %
Net earnings-%	-5.5 %	-1.5 %	1.0 %	1.9 %	3.9 %	1.5 %	-1.6 %	1.3 %	4.0 %	6.7 %	2.9 %	3.1 %	4.1 %	4.3 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**654**	**628**	**629**	**633**	**637**
Goodwill	304	299	299	299	299
Intangible assets	206	194	194	194	194
Tangible assets	131	122	120	125	128
Associated companies	12.3	11.6	11.6	11.6	11.6
Other investments	0.7	0.7	1.0	1.0	1.0
Other non-current assets	0.0	0.2	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	3.0	3.0	3.0
Current assets	**482**	**442**	**405**	**403**	**403**
Inventories	144	139	126	123	123
Other current assets	14.5	7.2	7.2	7.2	7.2
Receivables	110	114	106	106	106
Cash and equivalents	213	182	166	166	166
Balance sheet total	**1136**	**1070**	**1035**	**1036**	**1040**

Source: Inderes

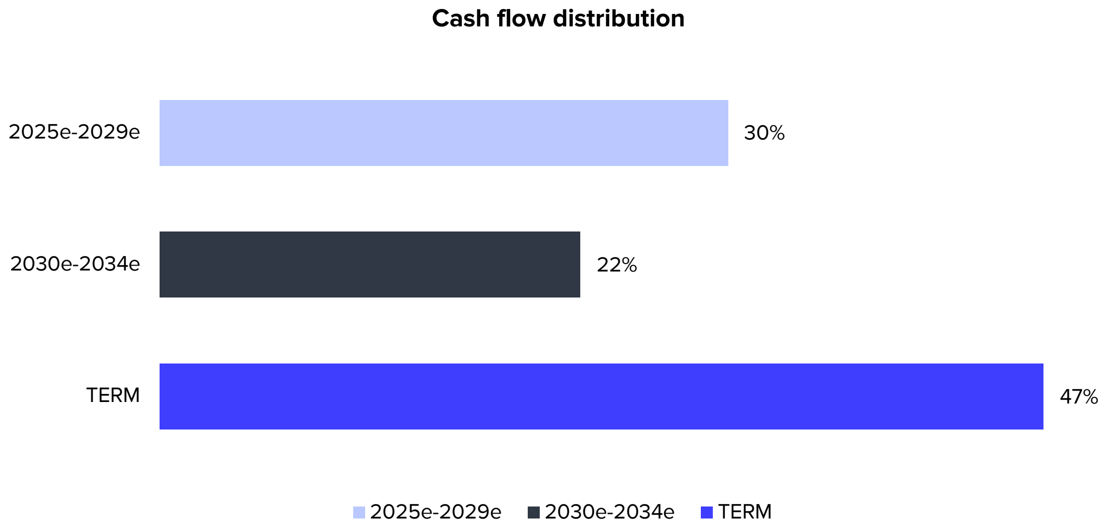
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**409**	**399**	**404**	**410**	**421**
Share capital	61.5	61.5	61.5	61.5	61.5
Retained earnings	55.4	50.1	54.6	60.6	70.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	291	286	286	286	286
Minorities	0.5	0.9	1.3	1.7	2.1
Non-current liabilities	**375**	**306**	**299**	**286**	**277**
Deferred tax liabilities	36.8	35.4	35.4	35.4	35.4
Provisions	2.4	2.6	2.6	2.6	2.6
Interest bearing debt	336	268	261	248	239
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.0	0.0	0.0
Current liabilities	**352**	**364**	**332**	**339**	**342**
Interest bearing debt	15.4	34.9	21.2	25.4	24.4
Payables	328	324	305	309	313
Other current liabilities	8.7	5.0	5.0	5.0	5.0
Balance sheet total	**1136**	**1070**	**1035**	**1036**	**1040**

DCF-calculation

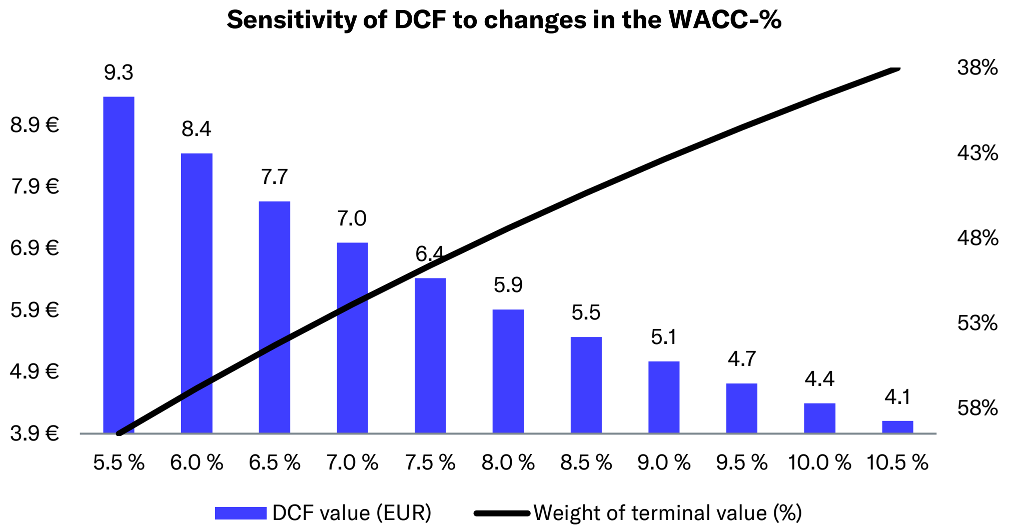
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-4.7 %	-4.1 %	0.1 %	0.1 %	0.8 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	0.0 %	0.0 %
EBIT-%	5.0 %	6.3 %	6.5 %	7.5 %	7.8 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %
EBIT (operating profit)	**34.5**	**41.6**	**43.4**	**50.1**	**52.2**	**50.8**	**51.3**	**51.8**	**52.3**	**52.9**	**52.9**	
+ Depreciation	26.8	26.8	25.9	26.1	26.3	25.5	25.5	25.6	25.7	25.9	25.4	
- Paid taxes	-5.1	-8.9	-6.1	-7.7	-8.2	-7.9	-8.0	-8.1	-8.2	-8.3	-7.8	
- Tax, financial expenses	-6.4	-4.5	-4.7	-4.4	-4.4	-4.4	-4.4	-4.4	-4.4	-4.4	-3.9	
+ Tax, financial income	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	
- Change in working capital	1.2	1.6	6.7	3.4	4.0	0.9	0.9	0.9	0.9	0.9	0.0	
Operating cash flow	**52.3**	**57.7**	**66.3**	**68.7**	**71.0**	**66.0**	**66.4**	**66.9**	**67.4**	**68.0**	**66.6**	
+ Change in other long-term liabilities	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.2	-25.1	-30.0	-30.0	-25.4	-25.7	-25.9	-22.1	-28.3	-25.3	-25.4	
Free operating cash flow	**51.3**	**32.5**	**36.3**	**38.7**	**45.6**	**40.3**	**40.5**	**44.8**	**39.1**	**42.7**	**41.2**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	51.3	32.5	36.3	38.7	45.6	40.3	40.5	44.8	39.1	42.7	41.2	514
Discounted FCFF		**32.1**	**33.2**	**32.8**	**35.8**	**29.3**	**27.2**	**27.9**	**22.5**	**22.8**	**20.4**	**254**
Sum of FCFF present value		538	505	472	440	404	374	347	319	297	274	254
Enterprise value DCF		**538**										
- Interest bearing debt		-467										
+ Cash and cash equivalents		182										
-Minorities		-0.7										
-Dividend/capital return		-14.9										
Equity value DCF		**236**										
Equity value DCF per share		**3.5**										

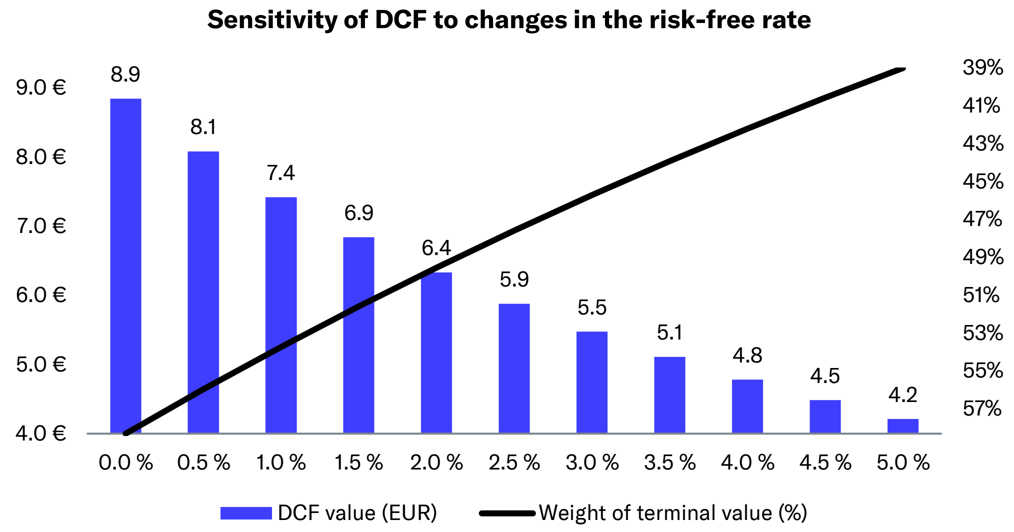
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.0 %
Equity Beta	1.03
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**8.4 %**
Weighted average cost of capital (WACC)	**8.0 %**

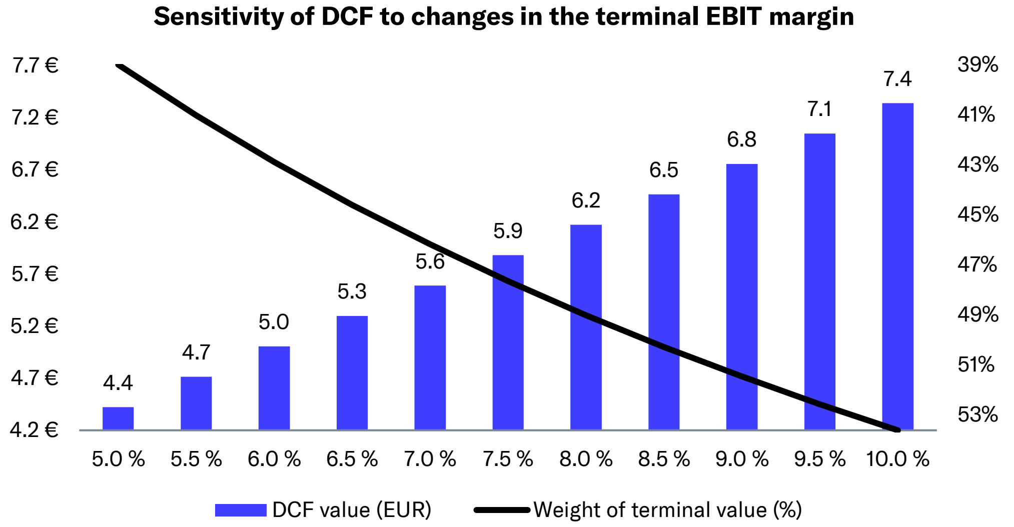
Source: Inderes

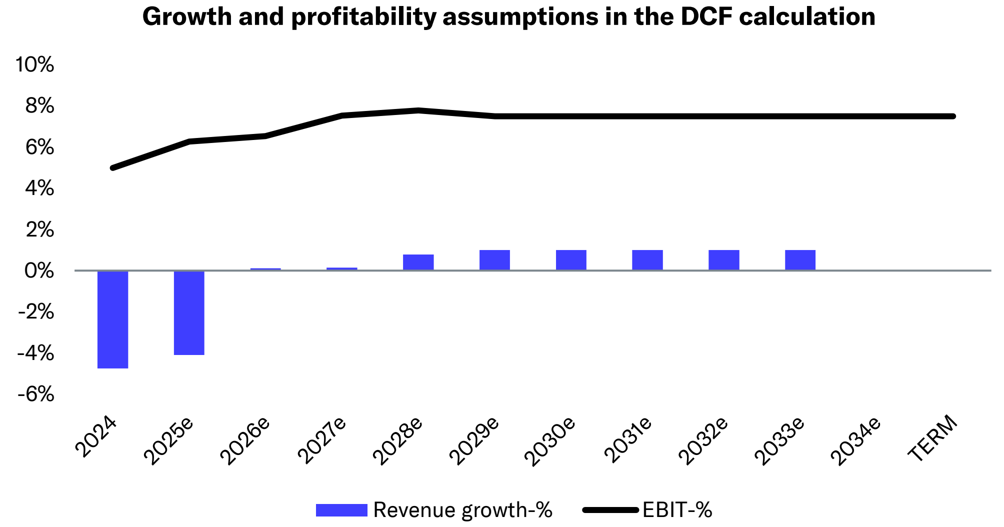


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	702.7	726.5	692.0	**663.6**	**664.4**
EBITDA	67.9	67.5	61.3	**68.4**	**69.2**
EBIT	34.7	-31.3	34.5	**41.6**	**43.4**
PTP	23.4	-53.8	14.7	**25.7**	**27.4**
Net Income	17.9	-39.9	10.5	**19.4**	**20.9**
Extraordinary items	-8.2	-66.1	-7.6	**-1.6**	**-3.0**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	1301.3	1135.7	1069.6	**1034.6**	**1035.8**
Equity capital	481.6	408.7	398.9	**403.8**	**410.2**
Goodwill	310.5	304.3	299.1	**299.1**	**299.1**
Net debt	300.9	138.2	121.6	**116.6**	**107.6**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	67.9	67.5	61.3	**68.4**	**69.2**
Change in working capital	-75.4	138.9	1.2	**1.6**	**6.7**
Operating cash flow	-4.1	194.5	52.3	**57.7**	**66.3**
CAPEX	-111.7	10.1	-1.2	**-25.1**	**-30.0**
Free cash flow	-117.2	203.8	51.3	**32.5**	**36.3**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	1.1	0.6	0.4	**0.5**	**0.5**
EV/EBITDA	11.5	6.2	4.9	**5.1**	**4.9**
EV/EBIT (adj.)	18.1	12.0	7.1	**8.1**	**7.3**
P/E (adj.)	19.0	23.1	10.4	**11.2**	**9.7**
P/B	1.0	0.7	0.5	**0.6**	**0.6**
Dividend-%	3.0 %	5.0 %	7.9 %	**6.4 %**	**7.3 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	0.27	-0.59	0.16	**0.29**	**0.31**
EPS (adj.)	0.39	0.19	0.27	**0.30**	**0.35**
OCF / share	-0.06	2.88	0.77	**0.85**	**0.98**
OFCF / share	-1.73	3.02	0.76	**0.48**	**0.54**
Book value / share	7.11	6.04	5.89	**5.95**	**6.04**
Dividend / share	0.22	0.22	0.22	**0.22**	**0.25**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	6%	3%	-5%	**-4%**	**0%**
EBITDA growth-%	-29%	-1%	-9%	**12%**	**1%**
EBIT (adj.) growth-%	-38%	-19%	21%	**3%**	**7%**
EPS (adj.) growth-%	-63%	-50%	40%	**14%**	**16%**
EBITDA-%	9.7 %	9.3 %	8.9 %	**10.3 %**	**10.4 %**
EBIT (adj.)-%	6.1 %	4.8 %	6.1 %	**6.5 %**	**7.0 %**
EBIT-%	4.9 %	-4.3 %	5.0 %	**6.3 %**	**6.5 %**
ROE-%	3.6 %	-9.0 %	2.6 %	**4.8 %**	**5.1 %**
ROI-%	4.9 %	-3.2 %	5.4 %	**6.6 %**	**7.1 %**
Equity ratio	37.0 %	36.0 %	37.3 %	**39.0 %**	**39.6 %**
Gearing	62.5 %	33.8 %	30.5 %	**28.9 %**	**26.2 %**

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

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

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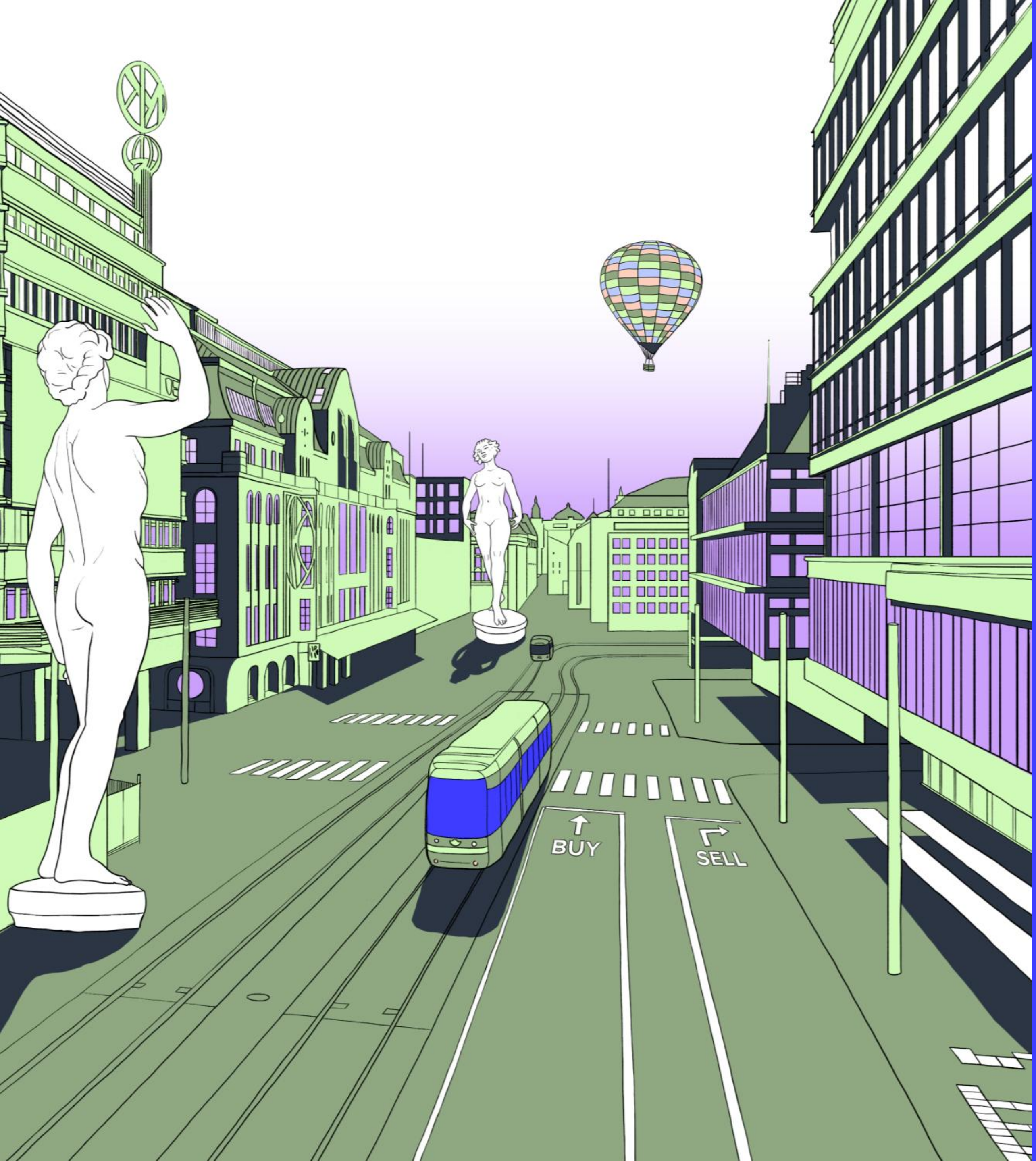
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/27/2022	Reduce	7.50 €	7.05 €
11/24/2022	Reduce	7.50 €	7.40 €
3/1/2023	Reduce	6.80 €	6.45 €
3/29/2023	Accumulate	6.20 €	5.19 €
5/12/2023	Accumulate	6.20 €	5.26 €
7/26/2023	Accumulate	5.50 €	4.80 €
8/16/2023	Accumulate	4.70 €	4.30 €
8/28/2023	Accumulate	5.00 €	4.46 €
9/7/2023	Buy	5.50 €	4.74 €
11/10/2023	Buy	5.50 €	4.44 €
1/12/2024	Buy	5.50 €	4.44 €
2/15/2024	Buy	5.50 €	4.42 €
4/8/2024	Accumulate	5.50 €	5.39 €
5/8/2024	Accumulate	5.30 €	4.72 €
8/14/2024	Accumulate	5.00 €	4.43 €
8/21/2024	Accumulate	5.00 €	4.32 €
10/15/2024	Reduce	3.80 €	3.77 €
11/8/2024	Reduce	3.40 €	3.22 €
1/15/2025	Reduce	3.00 €	2.80 €
2/13/2025	Accumulate	3.30 €	3.11 €
4/10/2025	Accumulate	3.50 €	3.32 €
5/5/2025	Accumulate	3.50 €	3.38 €
5/8/2025	Accumulate	3.50 €	3.03 €
8/18/2025	Accumulate	3.30 €	3.01 €
11/3/2025	Accumulate	3.30 €	3.15 €
11/6/2025	Accumulate	3.50 €	3.42 €



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