

# KH GROUP

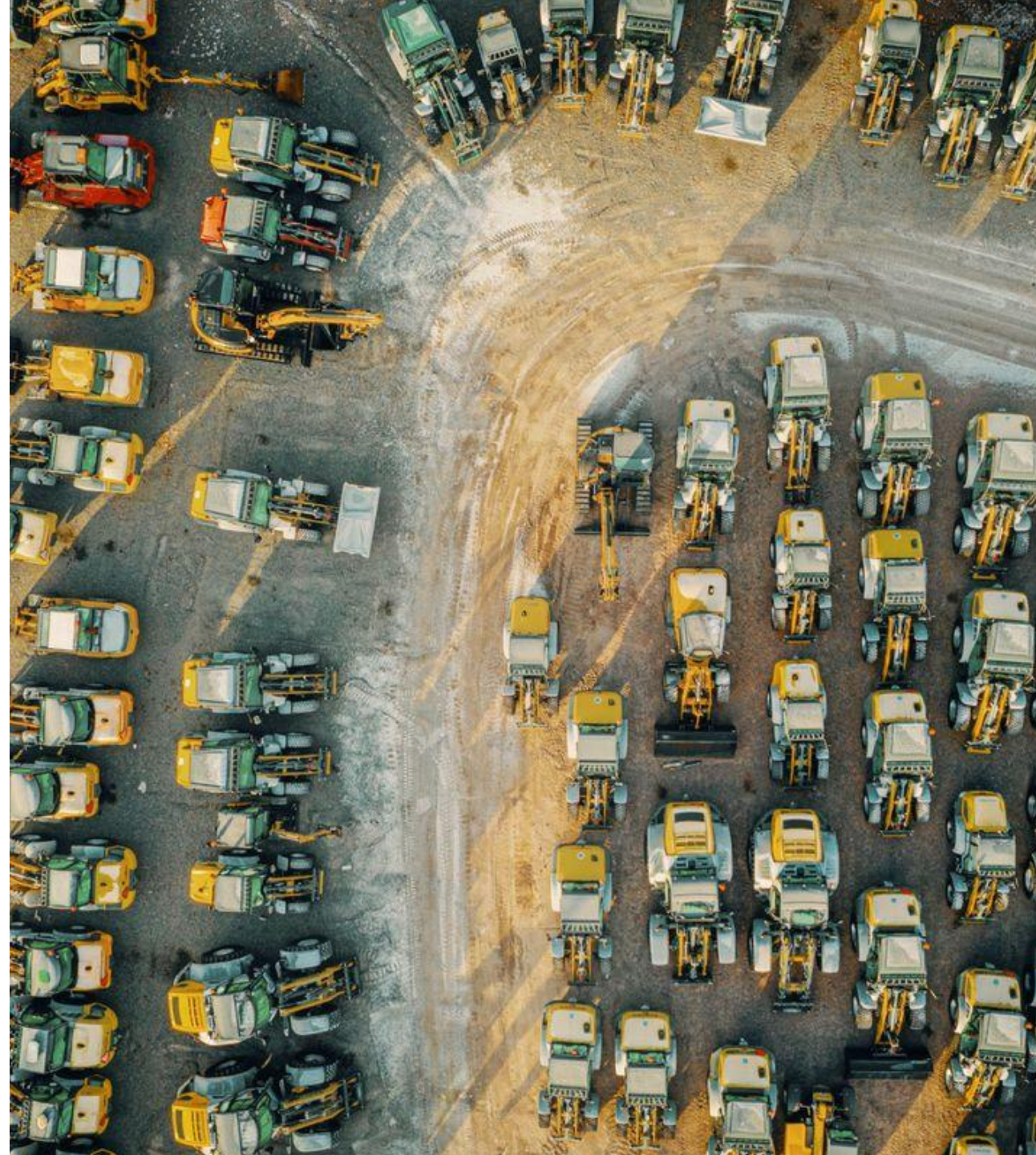
09/22/2025 8:00 EEST

This is a translated version of the "Epävarmuuden verho  
asettui tarinan ylle" report, published on 09/22/2025



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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# A veil of uncertainty settled over the story

*KH Group's feared profit warning was a disappointment, as it confirmed that the challenges of the company's most important business, KH-Koneet, continue. The performance of KH-Koneet is understandably under pressure as the weak construction sector depresses demand. Despite the cyclical recovery potential, the group's absolutely high earnings-based valuation keeps us away from the stock for now, until we get more clarity on the company's challenges and the background of the surprising CEO change. We cut our target price to EUR 0.52 (was EUR 0.60) and lower our recommendation to Reduce (was Accumulate).*

## KH-Koneet's difficulties resulted in a feared profit warning

KH Group issued a [profit warning](#) on Friday and lowered its 2025 guidance. The new guidance expects comparable EBIT from continuing operations to be 5-6 MEUR, whereas the earlier guidance was approximately at the previous year's level of 7.2 MEUR. The downgraded guidance is due to the weaker-than-expected earnings performance of the company's largest business area, KH-Koneet. After KH Group's weak Q2 report, the risk associated with a profit warning was obvious, and we flagged it in our latest company update. In Q2, challenges concentrated on KH-Koneet's Swedish machine rental business, but in connection with the profit warning, the group did not specify which businesses or target markets had performed worse than expected. Based on this, we interpret that KH-Koneet's Finnish business has also developed weaker than the Group's expectations during Q3.

KH Group also [announced](#) on Friday that it had appointed Carl Haglund as the company's new CEO effective immediately. The change of CEO surprised us, as the role of KH Group's CEO is not operational due to the separate CEOs of the subsidiaries, and the current group structure is intended to be dismantled in the near future. In our view, the CEO change may be due to the Board's dissatisfaction with the pace of the current restructuring,

as the strategic direction is still towards an industrial group built around KH-Koneet. Haglund was appointed CEO of KH Group from the company's Board of Directors and has previously served as Chairman of the Board of its subsidiary NRG, so he is already very familiar with the group.

## We cut our estimates for KH-Koneet

In connection with the report, we cut our estimates for KH-Koneet. Our updated estimates expect the company's revenue in 2025 to be 198 MEUR (previous 200 MEUR) and comparable EBIT 5.7 MEUR (previously 6.6 MEUR). Our EBIT estimates for KH-Koneet's businesses for the coming years, in turn, decreased by 5-8%.

## Valuation multiples for the coming years seem unnecessarily high, with no apparent share price drivers

We have shifted the focus in KH Group's valuation from a sum-of-the-parts approach to group-level figures that consider continuing operations, as the differences in the companies' profitability profiles and capital intensity have narrowed due to the strategic transformation and the changed accounting treatment of Indoor Group. Based on our current year estimates, KH Group's EV/EBIT multiple is very high at 19x, and even with our forecasts accounting for a significant earnings improvement next year, it remains high at 14x. However, due to KH Group's relatively low profitability and significant financial leverage, an earnings-based valuation is sensitive to even small changes in forecasts. Our DCF model, which indicates longer-term potential, suggests a fair value of EUR 0.60 per share for the group. We identify the sale of NRG, in particular, as a potential driver for the stock, but based on the recently completed CEO change, we do not expect immediate divestments from the company. We, in turn, see the restructuring journey being prolonged as a risk, which, as in recent years, can burden the group's cost structure and erode the value of its parts.

## Recommendation

**Reduce**  
(was Accumulate)

## Target price:

**EUR 0.52**  
(was EUR 0.60)

**Share price:**  
EUR 0.49

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	194	198	212	234
growth-%	-52%	2%	7%	10%
EBIT adj.	7.2	5.7	7.0	9.2
EBIT-% adj.	3.7 %	2.9 %	3.3 %	3.9 %
PTP	1.6	0.3	1.5	3.9
Net Income	6.7	-0.1	0.7	2.7
EPS (adj.)	-0.40	0.01	0.01	0.05
Dividend	0.00	0.00	0.00	0.00

P/E (adj.)	neg.	59.9	41.7	10.5
P/B	0.6	0.6	0.6	0.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	14.2	18.5	13.9	10.5
EV/EBITDA	5.0	5.3	4.5	4.1
EV/S	0.5	0.5	0.5	0.4

Source: Inderes

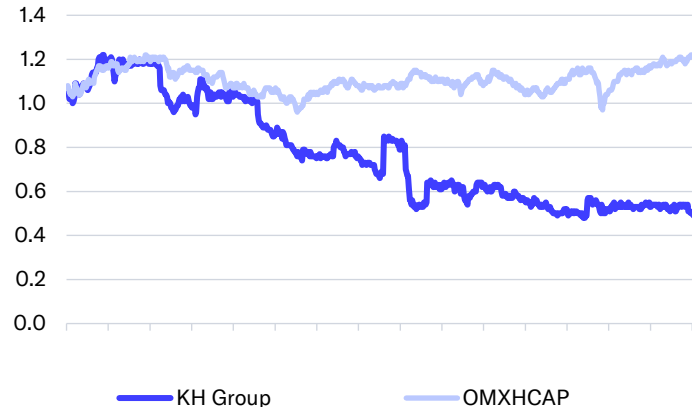
## Guidance

(Downgraded)

KH Group estimates that in 2025, the revenue from continuing operations will be 190-200 MEUR and the comparable EBIT will be 5-6 MEUR.

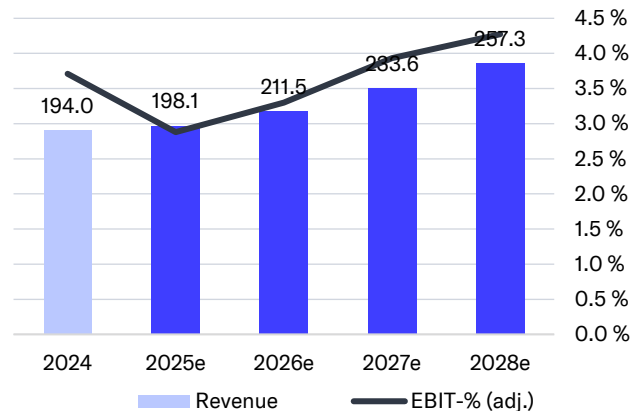


## Share price



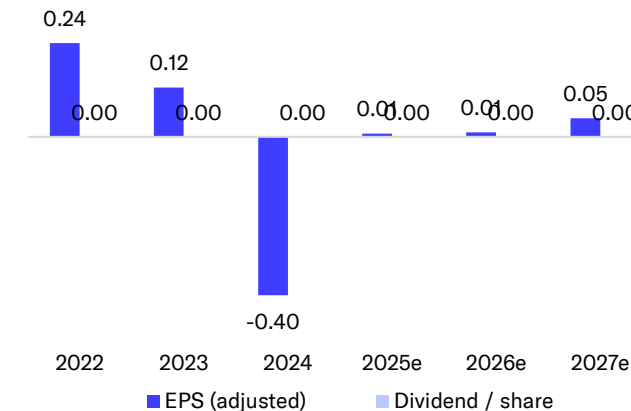
Source: Millistream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Systematic development of holdings
- M&A transactions
- Dismantling the current ownership structure

## Risk factors

- Deteriorating economic situation
- Among the portfolio companies, especially Indoor Group and KH-Koneet Group are cyclical
- Indoor's balance sheet risk
- Tightening competitive situation
- Postponement of sensible exit opportunities due to weak capital markets

Valuation	2025e	2026e	2027e
Share price	0.49	0.49	0.49
Number of shares, millions	58.1	58.1	58.1
Market cap	28	28	28
EV	106	97	97
P/E (adj.)	59.9	41.7	10.5
P/E	neg.	41.7	10.5
P/B	0.6	0.6	0.5
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.3	4.5	4.1
EV/EBIT (adj.)	18.5	13.9	10.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Based on the profit warning, challenges focus on KH-Koneet

## Estimate revisions

- In connection with the report, we lowered our revenue and earnings estimates for KH-Koneet, as, according to the release, the challenges concentrated on KH-Koneet. Based on the updated guidance range, the company's challenges have been related to profitability, as the updated revenue range is still in line with the previous verbal guidance.
- In our view, Haglund seems to be a highly competent CEO choice given his background, and KH Group's Chairman of the Board emphasized his expertise in strategic change management in the press release. However, we find the CEO change surprising, as KH Group is changing its CEO for the third time to implement a seemingly straightforward restructuring journey, considering the limited role of the Group CEO. We feel the unexpected CEO change in the final stretch of the restructuring journey increases the short-term risk of new negative surprises emerging.
- In our view, a key potential value driver for the group would be the rapid dismantling of the current group structure and the consequent reduction of administrative costs that burden the group's profitability. However, the change of CEO indicates that the company does not yet have advanced sales negotiations, and we see a risk of the restructuring phase of the investment case being prolonged.
- In connection with the report, we have slightly raised our estimate for the parent company's 2025 cost level due to the CEO change.

Estimate changes	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
Revenue (MEUR)	Old	New	%	Old	New	%	Old	New	%
Indoor Group	136	136	0 %	138	138	0 %	141	141	0 %
KH Koneet	158	156	-1 %	169	167	-1 %	193	190	-1 %
NRG	42.1	42.1	0 %	44.6	44.6	0 %	43.3	43.3	0 %
Adj EBIT (MEUR)									
Indoor Group	-4.1	-4.1		1.7	1.7	0 %	3.1	3.1	0 %
KH Koneet	6.0	5.2	-13 %	7.1	6.5	-8 %	9.5	9.0	-5 %
NRG	3.1	3.1	0 %	2.9	2.9	0 %	2.2	2.2	0 %
Unallocated costs	-2.3	-2.5		-2.0	-2.0	0 %	-1.9	-1.9	0 %

Soure: Inderes

# Valuation requires too much patience

## Earnings-based valuation is high for the coming years

KH Group's earnings-based valuation is very high based on our estimates for this year and remains elevated even with next year's estimates, which account for a significant improvement in earnings. In our view, the valuation becomes neutral with 2027 figures. The company's accepted valuation level is elevated in the short term due to cyclically pressured profitability, but the multiples for the coming years still seem high in our view, considering the current downward trend in earnings and the group's surprising CEO change. Due to KH Group's significant financial leverage, the equity value is very sensitive to changes in the company's performance, which, together with the volatile earnings performance and KH-Koneet's cyclical business, complicate valuation.

The group's earnings-based multiples do not consider Indoor Group, classified as an asset held for sale. In our view, Indoor Group can no longer be valued due to its very weak earnings performance and indebted balance sheet. The company's exit from the group would presumably be a relief for investors, as this would ensure that management's time or resources are not unnecessarily spent on the company and that the parent company does not allocate capital to the company.

## Balance sheet-based valuation does not support the stock without an earnings turnaround

KH Group's balance sheet-based P/B ratio is low at 0.6x on the Nasdaq Helsinki scale. However, the usability of the indicator is hampered by a few factors. Firstly, KH Group's balance sheet values are based on the intrinsic values estimated for KH-Koneet's and NRG's assets in connection

with the reporting change for the industrial group. Secondly, benchmarking the indicator is challenging under IFRS, as there is limited evidence available on KH Group's capital returns as an industrial conglomerate, which makes it difficult to estimate the cycle-normalized capital return level. Based on the performance of recent years and current profitability challenges, a clear discount to the balance sheet's book value seems justified.

## The DCF model indicates the value over the cycle

Our DCF model, which reflects the potential of KH Group's continuing businesses, indicates a value of EUR 0.60 per share. The model considers the company's normalized potential over the longer-term cycle. We assume KH Group's EBIT margin will normalize to a higher level of 5.5% compared to recent years, as KH-Koneet's Swedish operations mature, the rapid growth rate stabilizes, and the weight of machine rental, which has a higher relative profitability profile, increases. We believe it is clear that a recovery in the demand environment would also support a strengthening of relative profitability. Looking further ahead, however, strengthening the profitability of the Swedish business plays a critical role in enabling growth-driven value creation. However, in our view, it is challenging to fully rely on the long-term potential in the current situation, as KH-Koneet's profitability is developing in the wrong direction, and the group's surprising CEO change increases the risk of negative surprises.

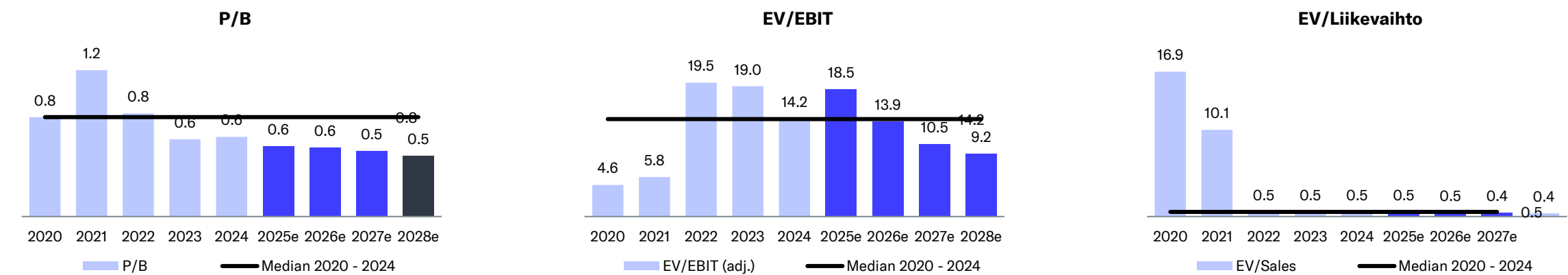
Valuation	2025e	2026e	2027e
Share price	0.49	0.49	0.49
Number of shares, millions	58.1	58.1	58.1
Market cap	28	28	28
EV	106	97	97
P/E (adj.)	59.9	41.7	10.5
P/E	neg.	41.7	10.5
P/B	0.6	0.6	0.5
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.3	4.5	4.1
EV/EBIT (adj.)	18.5	13.9	10.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.08	1.92	1.18	0.81	0.56	0.49	0.49	0.49	0.49
Number of shares, millions	58.0	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
Market cap	63	112	69	47	32	28	28	28	28
EV	54	116	232	205	102	106	97	97	101
P/E (adj.)	6.3	6.1	5.0	6.5	neg.	59.9	41.7	10.5	6.8
P/E	6.3	6.1	5.0	neg.	neg.	neg.	41.7	10.5	6.8
P/B	0.8	1.2	0.8	0.6	0.6	0.6	0.6	0.5	0.5
P/S	19.6	9.7	0.2	0.1	0.2	0.1	0.1	0.1	0.1
EV/Sales	16.9	10.1	0.5	0.5	0.5	0.5	0.5	0.4	0.4
EV/EBITDA	4.6	5.8	19.5	6.4	5.0	5.3	4.5	4.1	3.9
EV/EBIT (adj.)	4.6	5.8	19.5	19.0	14.2	18.5	13.9	10.5	9.2
Payout ratio (%)	23.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	3.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
United Rentals Inc	51519	62436	17.7	16.6	10.0	9.6	4.6	4.4	21.7	19.8	0.8	0.8	6.7
H&E Equipment Services Inc													
McGrath RentCorp	2528	3013	15.1	13.7	10.1	9.5	3.7	3.6	19.5	17.9	1.6	1.6	
Speedy Hire PLC	123	374	13.4	10.8	3.4	3.1	0.8	0.7	13.1	9.2	10.6	11.2	0.5
VP PLC	276	510	9.5	9.4	4.1	4.0	1.2	1.2	8.7	8.7	6.6	6.7	1.6
Wetteri Oyj	35	134	401.6	16.0	10.4	7.0	0.3	0.3		16.6			0.6
Bilia AB	1009	1767	14.6	12.6	7.6	7.0	0.5	0.5	13.7	11.0	5.3	6.1	2.1
Ferronordic AB	61	213	26.4	13.1	5.7	4.8	0.5	0.5		10.6	1.9	1.2	0.5
<b>KH Group (Inderes)</b>	<b>28</b>	<b>106</b>	<b>18.5</b>	<b>13.9</b>	<b>5.3</b>	<b>4.5</b>	<b>0.5</b>	<b>0.5</b>	<b>59.9</b>	<b>41.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>
<b>Average</b>			<b>71.2</b>	<b>13.2</b>	<b>7.3</b>	<b>6.4</b>	<b>1.7</b>	<b>1.6</b>	<b>15.4</b>	<b>13.4</b>	<b>4.4</b>	<b>4.6</b>	<b>2.0</b>
<b>Median</b>			<b>15.1</b>	<b>13.1</b>	<b>7.6</b>	<b>7.0</b>	<b>0.8</b>	<b>0.7</b>	<b>13.7</b>	<b>11.0</b>	<b>3.6</b>	<b>3.8</b>	<b>1.1</b>
<b>Diff-% to median</b>			<b>23%</b>	<b>6%</b>	<b>-30%</b>	<b>-36%</b>	<b>-30%</b>	<b>-37%</b>	<b>336%</b>	<b>279%</b>	<b>-100%</b>	<b>-100%</b>	<b>-47%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	40.4	52.2	39.7	61.7	194	41.8	54.2	41.9	60.2	198	212	234	257
KH-Koneet	29.2	41.1	33.6	45.8	150	33.1	43.6	35.3	44.0	156	167	190	213
Indoor Group	37.8	37.1	46.0	40.7	162	34.1	30.5	36.8	34.6	136	138	141	144
Nordic Rescue Group	11.1	11.1	6.1	15.9	44.2	8.7	10.6	6.6	16.2	42.1	44.6	43.3	44.2
EBITDA	2.4	6.4	3.3	8.2	20.3	3.6	4.2	5.1	7.0	19.9	21.5	23.7	26.1
Depreciation	-2.9	-4.3	-2.2	-5.1	-14.5	-3.7	-3.7	-3.7	-3.7	-14.8	-14.5	-14.5	-15.1
EBIT (excl. NRI)	-0.1	2.4	1.0	4.0	7.2	0.2	0.8	1.4	3.3	5.7	7.0	9.2	11.0
EBIT	-0.5	2.1	0.5	3.7	5.8	-0.1	0.5	1.4	3.3	5.1	7.0	9.2	11.0
KH-Koneet	-0.4	2.0	1.9	2.8	6.3	-0.1	0.8	1.7	2.7	5.2	6.5	9.0	10.6
Indoor Group	-0.3	-2.6	1.8	-0.4	-1.6	-2.5	-2.8	1.0	0.2	-4.1	1.7	3.1	3.2
Nordic Rescue Group	0.7	0.9	0.0	1.2	2.8	0.8	0.8	0.2	1.3	3.1	2.9	2.2	2.3
Unallocated items	-0.8	-0.8	-1.4	-0.3	-3.3	-0.8	-1.1	-0.6	-0.7	-3.2	-2.5	-2.0	-1.9
Net financial items	-1.5	-1.4	-1.2	-0.1	-4.2	-0.4	-1.3	-1.6	-1.6	-4.8	-5.5	-5.3	-5.4
PTP	-1.9	0.7	-0.2	3.0	1.6	-0.5	-0.9	-0.2	1.8	0.3	1.5	3.9	5.6
Taxes	0.2	-0.1	0.0	-0.3	-0.2	0.1	0.2	0.0	-0.4	0.0	-0.3	-0.8	-1.1
Minority interest	0.5	1.5	0.0	3.3	5.3	-0.1	-0.2	0.0	-0.1	-0.4	-0.5	-0.4	-0.3
Net earnings	-2.8	-1.5	2.8	-23.3	-24.7	-0.5	-0.8	-0.1	1.3	-0.1	0.7	2.7	4.2
EPS (adj.)	-0.04	-0.02	0.06	-0.40	-0.40	0.00	-0.01	0.00	0.02	0.01	0.01	0.05	0.07
EPS (rep.)	-0.05	-0.02	0.05	-0.40	-0.42	-0.01	-0.01	0.00	0.02	0.00	0.01	0.05	0.07

Key figures	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-59.7 %	-48.0 %	-59.3 %	-41.3 %	-51.9 %	3.5 %	3.9 %	5.5 %	-2.5 %	2.1 %	6.8 %	10.4 %	10.1 %
Adjusted EBIT growth-%	-111.8 %	-18.3 %	-81.2 %	135.3 %	-33.3 %	-253.8 %	-67.1 %	44.9 %	-16.7 %	-20.8 %	22.3 %	31.6 %	19.7 %
EBITDA-%	6.0 %	12.3 %	8.2 %	13.3 %	10.5 %	8.7 %	7.7 %	12.1 %	11.6 %	10.0 %	10.2 %	10.2 %	10.1 %
Adjusted EBIT-%	-0.3 %	4.5 %	2.4 %	6.5 %	3.7 %	0.5 %	1.4 %	3.3 %	5.5 %	2.9 %	3.3 %	3.9 %	4.3 %
Net earnings-%	-6.8 %	-2.8 %	7.1 %	-37.7 %	-12.7 %	-1.2 %	-1.5 %	-0.3 %	2.2 %	-0.1 %	0.3 %	1.2 %	1.6 %

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	213	184	183	182	182
Goodwill	39.9	7.7	7.7	7.7	7.7
Intangible assets	63.8	10.3	9.4	8.7	8.4
Tangible assets	103	51.4	52.4	53.3	56.1
Associated companies	0.0	110	110	110	110
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.7	0.4	0.0	0.0	0.0
Deferred tax assets	5.3	4.1	3.9	2.4	0.0
Current assets	135	87.7	84.2	87.8	94.6
Inventories	100.0	60.2	59.4	61.3	65.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	23.7	18.5	17.8	19.0	21.0
Cash and equivalents	11.1	9.0	6.9	7.4	8.2
Balance sheet total	348	272	268	270	277

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	79.3	49.3	49.8	50.5	53.2
Share capital	15.2	15.2	15.2	15.2	15.2
Retained earnings	46.6	21.9	21.7	22.4	25.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	12.9	12.9	12.9	12.9	12.9
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	4.7	-0.6	0.0	0.0	0.0
Non-current liabilities	122	57.9	55.2	55.0	55.6
Deferred tax liabilities	12.7	2.1	2.1	2.1	2.1
Provisions	0.1	0.0	0.0	0.0	0.0
Interest bearing debt	106	55.9	53.2	52.9	53.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.6	0.0	0.0	0.0	0.0
Current liabilities	147	165	163	164	168
Interest bearing debt	60.4	23.3	22.8	22.7	22.9
Payables	86.2	31.3	29.7	31.7	35.0
Other current liabilities	0.0	110	110	110	110
Balance sheet total	348	272	268	270	277

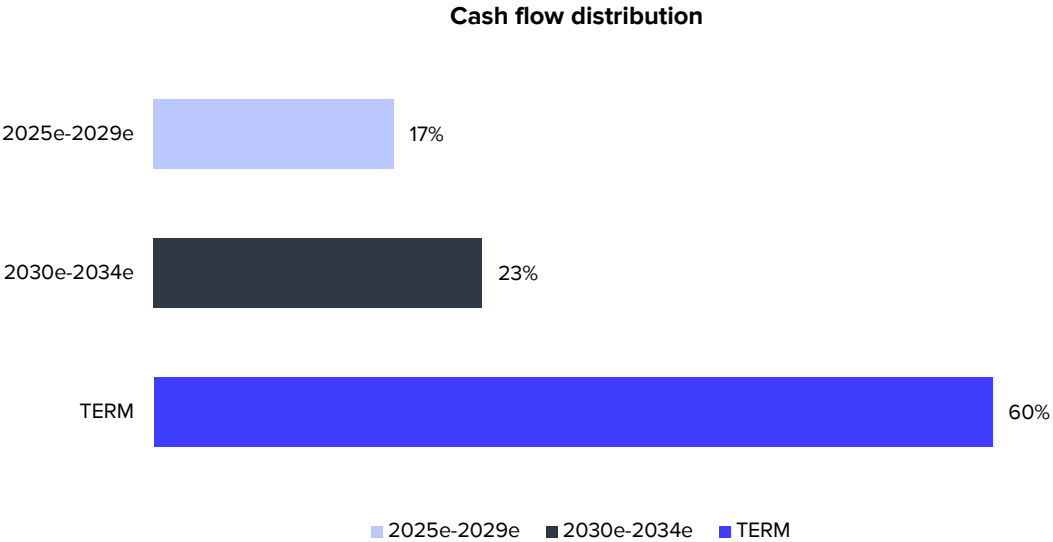
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%		2.1 %	6.8 %	10.4 %	10.1 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	3.0 %	2.6 %	3.3 %	3.9 %	4.3 %	5.0 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %
<b>EBIT (operating profit)</b>	<b>5.8</b>	<b>5.1</b>	<b>7.0</b>	<b>9.2</b>	<b>11.0</b>	<b>13.2</b>	<b>14.9</b>	<b>15.2</b>	<b>15.5</b>	<b>15.8</b>	<b>16.0</b>	
+ Depreciation	14.5	14.8	14.5	14.5	15.1	15.8	15.8	16.2	16.6	16.9	17.2	
- Paid taxes	-9.6	0.3	1.2	1.6	-1.1	-1.6	-2.0	-2.3	-2.4	-2.5	-2.7	
- Tax, financial expenses	-0.5	0.3	-1.1	-1.1	-1.1	-1.1	-1.0	-0.8	-0.7	-0.6	-0.5	
+ 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		-0.1	-1.1	-2.7	-5.2	-1.4	-1.5	-1.2	-1.2	-1.2	-0.9	
<b>Operating cash flow</b>		<b>20.3</b>	<b>20.5</b>	<b>21.6</b>	<b>18.7</b>	<b>24.9</b>	<b>26.3</b>	<b>27.2</b>	<b>27.7</b>	<b>28.3</b>	<b>29.1</b>	
+ 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	
- Gross CAPEX		-14.3	-14.8	-17.0	-18.2	-16.0	-17.4	-17.6	-17.9	-18.3	-18.3	
<b>Free operating cash flow</b>		<b>6.0</b>	<b>5.7</b>	<b>4.6</b>	<b>0.5</b>	<b>8.9</b>	<b>8.9</b>	<b>9.6</b>	<b>9.8</b>	<b>10.0</b>	<b>10.8</b>	
+/- Other		-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		4.0	5.7	4.6	0.5	8.9	8.9	9.6	9.8	10.0	10.8	148
<b>Discounted FCFF</b>		<b>3.9</b>	<b>5.1</b>	<b>3.8</b>	<b>0.4</b>	<b>6.2</b>	<b>5.7</b>	<b>5.6</b>	<b>5.3</b>	<b>4.9</b>	<b>4.9</b>	<b>67.4</b>
Sum of FCFF present value		113	109	104	100	100	93.8	88.2	82.6	77.3	72.3	67.4
<b>Enterprise value DCF</b>		<b>113</b>										
- Interest bearing debt		-79.2										
+ Cash and cash equivalents		9.0										
-Minorities		-7.3										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>34.7</b>										
<b>Equity value DCF per share</b>		<b>0.60</b>										

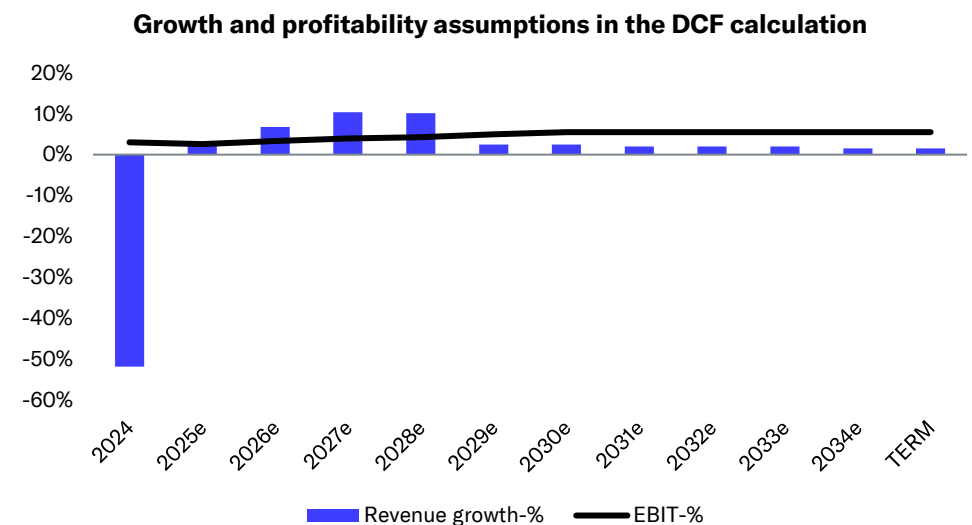
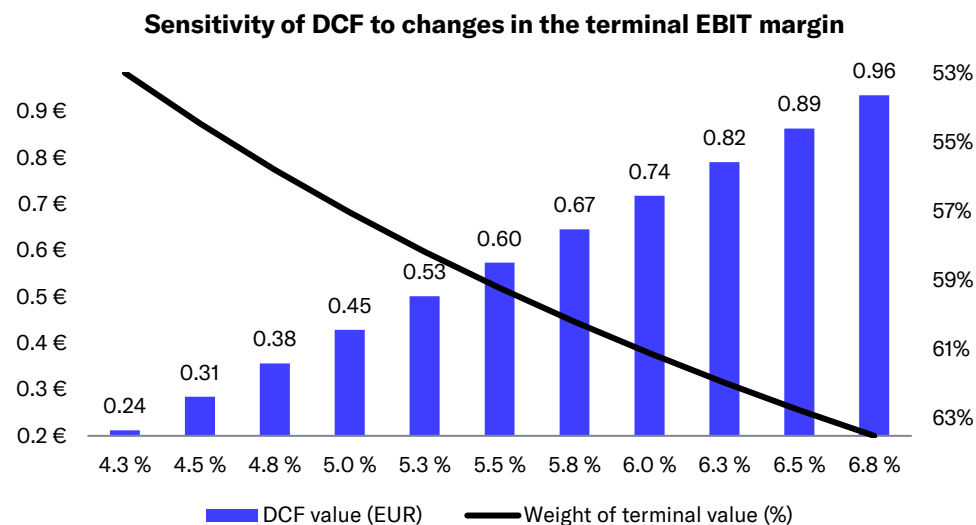
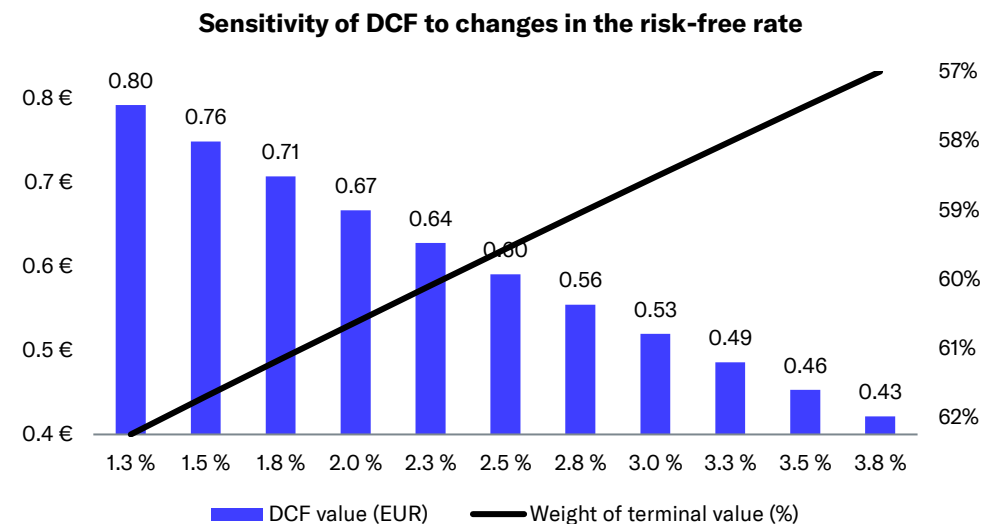
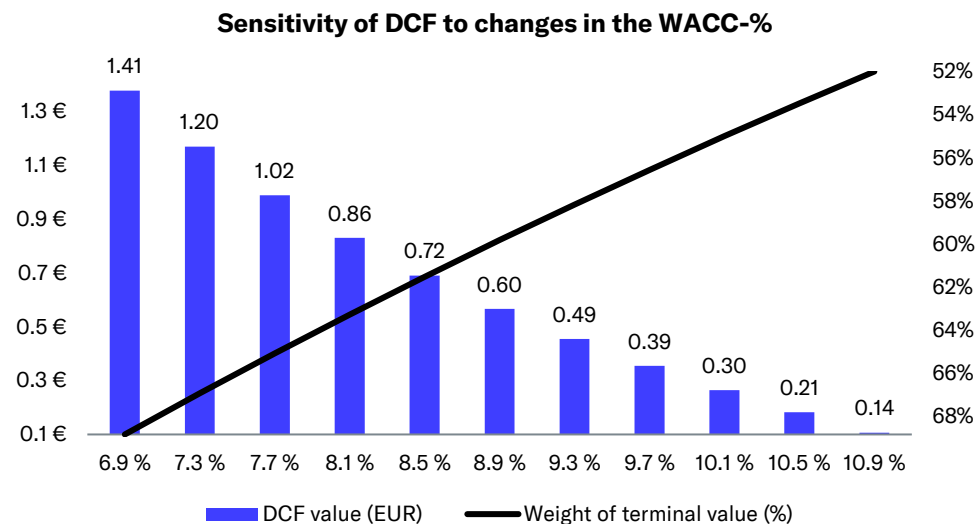
## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	50.0 %
Cost of debt	7.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>12.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.9 %</b>

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. NB! 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	428.9	403.2	194.0	198.1	211.5	EPS (reported)	0.24	-0.11	-0.42	0.00	0.01
EBITDA	11.9	31.9	20.3	19.9	21.5	EPS (adj.)	0.24	0.12	-0.40	0.01	0.01
EBIT	11.9	-3.1	5.8	5.1	7.0	OCF / share	-0.64	0.75	1.90	0.35	0.35
PTP	11.7	-15.4	1.6	0.3	1.5	FCF / share	-4.17	0.17	3.91	0.07	0.10
Net Income	13.8	-6.7	-24.7	-0.1	0.7	Book value / share	1.40	1.29	0.86	0.86	0.87
Extraordinary items	0.0	-13.9	-1.4	-0.6	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	377.0	347.7	271.7	267.5	269.9	Revenue growth-%	3630%	-6%	-52%	2%	7%
Equity capital	87.8	79.3	49.3	49.8	50.5	EBITDA growth-%	-41%	168%	-36%	-2%	8%
Goodwill	37.7	39.9	7.7	7.7	7.7	EBIT (adj.) growth-%	-41%	-9%	-33%	-21%	22%
Net debt	158.2	154.9	70.2	69.0	68.2	EPS (adj.) growth-%	-25%	-48%	-422%	-102%	44%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	2.8 %	7.9 %	10.5 %	10.0 %	10.2 %
EBITDA	11.9	31.9	20.3	19.9	21.5	EBIT (adj.)-%	2.8 %	2.7 %	3.7 %	2.9 %	3.3 %
Change in working capital	-55.7	14.0	100.1	-0.1	-1.1	EBIT-%	2.8 %	-0.8 %	3.0 %	2.6 %	3.3 %
Operating cash flow	-37.3	43.4	110.3	20.3	20.5	ROE-%	15.8 %	-8.5 %	-39.6 %	-0.2 %	1.4 %
CAPEX	-207.3	-35.1	123.2	-14.3	-14.8	ROI-%	6.4 %	-1.2 %	3.1 %	4.0 %	5.5 %
Free cash flow	-242.1	9.7	227.4	4.0	5.7	Equity ratio	23.3 %	22.8 %	18.1 %	18.6 %	18.7 %
						Gearing	180.2 %	195.2 %	142.4 %	138.6 %	135.1 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.5	0.5	0.5	0.5	0.5						
EV/EBITDA	19.5	6.4	5.0	5.3	4.5						
EV/EBIT (adj.)	19.5	19.0	14.2	18.5	13.9						
P/E (adj.)	5.0	6.5	neg.	59.9	41.7						
P/B	0.8	0.6	0.6	0.6	0.6						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

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. 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
12/15/2021	Accumulate	2.00 €	1.94 €
3/4/2022	Buy	1.80 €	1.52 €
3/17/2022	Accumulate	1.80 €	1.64 €
5/6/2022	Buy	1.80 €	1.36 €
8/18/2022	Accumulate	1.50 €	1.29 €
11/4/2022	Buy	1.40 €	1.14 €
12/16/2022	Buy	1.40 €	1.17 €
2/21/2023	Accumulate	1.35 €	1.20 €
3/1/2023	Accumulate	1.20 €	1.08 €
5/5/2023	Buy	1.20 €	1.03 €
8/18/2023	Accumulate	1.05 €	0.95 €
Analyst changed			
10/30/2023	Accumulate	0.90 €	0.77 €
11/2/2023	Accumulate	0.90 €	0.79 €
3/11/2024	Accumulate	0.80 €	0.68 €
3/22/2024	Accumulate	0.95 €	0.85 €
5/2/2024	Accumulate	0.80 €	0.70 €
5/7/2024	Reduce	0.65 €	0.61 €
6/10/2024	Accumulate	0.72 €	0.64 €
8/12/2024	Reduce	0.60 €	0.58 €
8/19/2024	Accumulate	0.65 €	0.57 €
11/4/2024	Accumulate	0.68 €	0.60 €
3/17/2025	Accumulate	0.68 €	0.56 €
3/24/2025	Accumulate	0.65 €	0.55 €
5/7/2025	Accumulate	0.65 €	0.53 €
8/18/2025	Accumulate	0.60 €	0.51 €
9/22/2025	Reduce	0.52 €	0.49 €





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