

Suominen

Company report

2/6/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Nihkeää vauhtia parempaan päin” published on 2/6/2024 at 6:40 pm EET.

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Improving at a sluggish pace

Suominen's Q4 results missed expectations, but the company is on track for a recovery from weak levels this year. We slightly lowered our forecasts for this year, with the big picture relatively unchanged. However, we feel that the share is already pricing a much better future, some type of normal earnings level, which we only expect the company to achieve in 2025. We reiterate our Reduce recommendation and lower our target price to EUR 2.5 (previous 2.6).

Q4 result below expectations, dividend flat year-on-year

Suominen's Q4 revenue was almost in line with expectations. Volumes grew slightly but as expected, the fall in sales prices, together with the fall in raw materials, pushed revenue development clearly into negative territory. Adjusted EBITDA improved slightly year-on-year and amounted to 5.3 MEUR, practically at the same level as in Q3'23. Suominen's cash flow was strong both in Q4 and for the full year 2023 thanks to the release of working capital. Cash flow from operating activities stood at 31 MEUR, of which the change in working capital accounted for 26 MEUR. Suominen proposes a dividend of EUR 0.10 per share for 2023, i.e., an unchanged dividend even though the net result has been negative for two years. The company cited strong cash flow and shareholder consideration as the main reasons for this.

Guidance sees EBITDA improving this year too

Suominen's guidance for this year is the same as last year, i.e., the company expects the full-year comparable EBITDA to improve (2023: 16 MEUR). Last year, the guided improvement was less than 1 MEUR, but Suominen said that the guidance for this year is cautious, so we believe that the company is expecting a clearer earnings improvement this year. We have slightly lowered our forecast for this year (less than 1 MEUR at EBITDA level) and expect an improvement of more than 10 MEUR to an adjusted EBITDA level of almost 28 MEUR. The earnings momentum will therefore also have to increase significantly from the level of around 5 MEUR in H2'23 for the company to meet our expectations.

Earnings turnaround starts from a low level but can still be slower than expected

Suominen's result has been at a low level for a few years. We believe the competitive situation is tighter than before the COVID years, as the sector invested heavily in new capacity when demand was high. We believe that this is also reflected in price/margin pressure for Suominen. As Suominen's production is almost entirely in countries with higher cost levels, it is also exposed to competition from cheaper production countries. Although the earnings turnaround seems to have started towards the end of 2023, the level of performance is very weak, and we still see a risk that the turnaround will be slower than expected.

The stock is already pricing in normal earnings, and we think the expected return is weak.

We now feel that Suominen's normal earnings level is around EUR 20 million, which we believe will materialize in 2025-26. With 2025 earnings, the company is valued more on the expensive side (P/E 14x, EV/EBIT 11x), which means that we expect the growth in the next few years will digest the multiples. Considering the limited competitive advantages, we do not believe that the company will be able to achieve a return on capital that is substantially above the required return in the long term, and thus the P/B ratio should be close to 1x, so the 1.2x of 2025 seems a bit high. The expected return will therefore depend only on dividend yield, which is below 5% in the next few years due to lowered dividend estimates.

Recommendation

Reduce

(previous Reduce)

EUR 2.50

(previous EUR 2.60)

Share price:

2.65



Key figures

	2023	2024e	2025e	2026e
Revenue	451	444	453	462
growth-%	-9%	-2%	2%	2%
EBIT adj.	-2.7	12.5	19.0	19.2
EBIT-% adj.	-0.6 %	2.8 %	4.2 %	4.2 %
Net Income	-12.8	2.5	11.2	13.4
EPS (adj.)	-0.14	0.10	0.19	0.23

P/E (adj.)	neg.	27.6	13.6	11.4
P/B	1.2	1.3	1.2	1.1
Dividend yield-%	3.8 %	3.8 %	3.8 %	4.4 %
EV/EBIT (adj.)	neg.	15.9	10.5	10.1
EV/EBITDA	17.6	7.3	5.5	5.2
EV/S	0.4	0.5	0.4	0.4

Source: Inderes

Guidance

(New guidance)

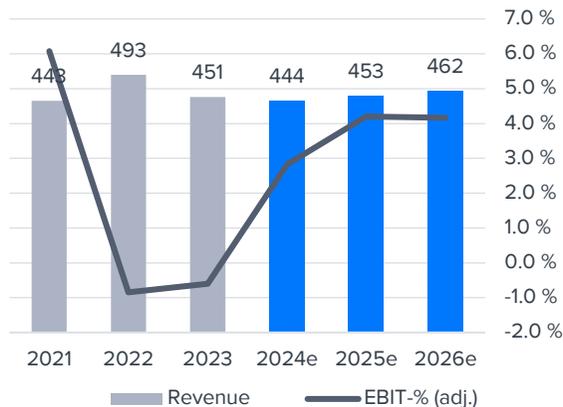
Suominen expects that its comparable EBITDA in 2024 will increase from 2023. In 2023, Suominen's comparable EBITDA was EUR 15.8 million.

Share price



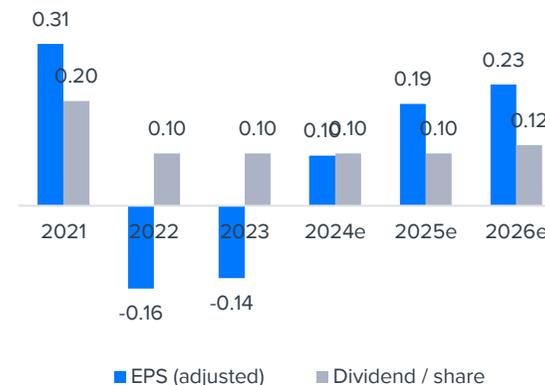
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Earnings normalizing as cost inflation stabilizes
- Steady end demand for products
- Suominen's expertise and products in sustainable non-wovens



Risk factors

- Tight competition in the industry
- Low pricing power
- Changes in raw material prices cause earnings fluctuation

Valuation	2024e	2025e	2026e
Share price	2.65	2.65	2.65
Number of shares, millions	57.7	57.7	57.7
Market cap	153	153	153
EV	200	200	194
P/E (adj.)	27.6	13.6	11.4
P/E	60.0	13.6	11.4
P/FCF	24.0	17.7	11.5
P/B	1.3	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	7.3	5.5	5.2
EV/EBIT (adj.)	15.9	10.5	10.1
Payout ratio (%)	226%	51%	50%
Dividend yield-%	3.8 %	3.8 %	4.4 %

Source: Inderes

Q4 missed expectations, dividend unchanged

Muted Q4 results

Suominen's Q4 revenue was almost in line with expectations. Volumes grew slightly but as expected, the fall in sales prices, together with the fall in raw materials, pushed revenue development clearly into negative territory. However, Suominen saw positive signs in demand during the quarter and also looking ahead.

Adjusted EBITDA improved slightly year-on-year but was practically at the same level as in Q3. Adjusted EBIT was slightly positive. The year-on-year improvement was supported by a higher gross margin and the closure of the Mozzate plant in spring 2023.

According to the company, the quarter's results were slightly below expectations due to the delayed impact of various efficiency measures. However,

there is no single major driver of improvement in sight, and we believe the expected improvement will be gradual and the sum of many factors.

Strong cash flow

Suominen's cash flow was strong both in Q4 and for the full year 2023 thanks to the release of working capital. Cash flow from operating activities stood at 31 MEUR, of which the change in working capital accounted for 26 MEUR. Net debt/EBITDA was around 2.8x at the end of the year, which is still high, but in our view not worrisome given the positive earnings trend and the maturity of the financing. The ratio also fell from the previous quarter.

Dividend unchanged despite loss-making result

Suominen proposes a dividend of EUR 0.10 per share for 2023, i.e., an unchanged dividend even though

the net result has been negative for two years. The company cited strong cash flow and shareholder consideration as the main reasons for this. With good cash flow and liquidity, the company can afford to do this, even if the dividend is not supported by earnings.

Estimates MEUR / EUR	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	133	115	114	113			1%	451
EBITDA (adj.)	5.0	5.3	6.2	7.0			-15%	16.0
EBIT (adj.)	-0.2	0.7	1.6	2.4			-57%	-2.7
EBIT	-5.0	0.7	1.6	2.2			-57%	-7.5
EPS (reported)	-0.15	-0.02	0.01	0.02			-340%	
DPS	0.10	0.10	0.05	0.09			100%	0.10
Revenue growth-%	15.1 %	-13.7 %	-14.3 %	-15.1 %			0.6 pp	-8.6 %
EBIT-% (adj.)	-0.1%	0.6 %	1.4 %	2.1 %			-0.8 pp	-0.6 %

Source: Inderes & Bloomberg & Vara Research, 3 analysts (consensus)

2024 estimates lowered; big picture unchanged

Guidance for improved performance was expected, 2024 estimates down slightly

Suominen's guidance for this year is the same as last year, i.e., the company expects the full-year comparable EBITDA to improve (2023: 16 MEUR). Last year, the guided improvement was less than 1 MEUR, but Suominen said that the guidance for this year is cautious, so we believe that the company is expecting a clearer earnings improvement this year.

This is also in line with our expectations, as we are forecasting an EBITDA improvement of more than 10 MEUR this year. However, given the weaker-than-expected Q4 result, we are somewhat concerned about the pace at which Suominen will be able to improve its results this year. As a result, we have slightly lowered our guidance for this year. We have also increased our financing cost forecasts as

Suominen continues to have a relatively high level of gross debt, although it also has a relatively high level of cash. As a result, the estimates for the bottom rows of the 2024 results are significantly reduced in percentage terms.

Regarding the dividend, we have raised this year's forecast to EUR 0.10, which Suominen proposes as the dividend for 2023.

Longer-term earnings outlook relatively unchanged

We believe that Suominen's competitive situation will be tougher in the coming years than it was before the pandemic years, as the industry invested heavily in new capacity when demand was high. Suominen has said that Europe is now facing import pressure from, e.g., Turkey, China and India. We believe that this is also reflected in price/margin pressure for Suominen. As Suominen's production is almost entirely in

countries with higher cost levels, it is also exposed to competition from cheaper production countries.

We continue to believe that an EBIT level of around 20 MEUR is somewhat normal for Suominen, which we forecast it to reach in 2025-26.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	450	451	0%	450	444	-1%	459	453	-1%
EBITDA	12.0	11.2	-7%	28.2	27.5	-2%	35.8	36.7	3%
EBIT (exc. NRIs)	-1.8	-2.7	53%	13.3	12.5	-6%	18.7	19.0	2%
EBIT	-6.6	-7.5	14%	10.3	9.5	-7%	18.7	19.0	2%
PTP	-11.5	-13.5	17%	6.3	3.5	-44%	15.7	15.0	-5%
EPS (excl. NRIs)	-0.11	-0.14	31%	0.13	0.10	-27%	0.20	0.19	-5%
DPS	0.05	0.10	100%	0.08	0.10	25%	0.10	0.10	0%

Source: Inderes

Valuation becomes more neutral only at 2025 multiples

Recommendation to Reduce

Using earnings and balance sheet-based multiples and supported by the DCF model, we reiterate our Reduce recommendation. The estimated earnings improvement will be digesting multiples in the next few years, which means that the investor's expected return mainly consists of dividend yield. Therefore, the expected return is 0-5%.

Valuation neutral to slightly expensive in the 2025s

Due to the poor result, valuation multiples for 2022-23 cannot be calculated or they are high, and we feel the earnings level does not depict the company's normal level. We believe that the company's result will only reach the EUR 20 million EBIT level that we consider normal in 2025-26. For 2025, the company is valued at 14x P/E and 5.5x EV/EBITDA. We feel Suominen's acceptable valuation multiples in the current interest rate environment are P/E around 10-12x and EV/EBITDA 5-6x. However, the 2025 multiples are still some way off, as they assume a significant improvement in performance from current levels.

The P/B ratio for Suominen is 1.2-1.3x in 2024-25. With our estimates the company can deliver a return on capital of around 10% starting from 2025, which is on par or slightly above our required return, so the correct P/B level is around 1x or slightly above in the longer term. In 2024, the return on capital is below our required return. We forecast a dividend yield of just under 4% in 2024-25.

The value of the DCF model is around EUR 2.5

The value of the DCF model is around EUR 2.5, which is in line with our target price. The model assumes a longer-term EBIT-% of 4.5% and thus an EBIT of EUR

20-25 million. We use a WACC of 8.6% for Suominen, which results in a share capital value of approximately 140 MEUR.

Longer-term return potential is moderate

In the longer term, we believe that Suominen's return on capital will be roughly at the level of the required return. We believe that the company will be able to achieve small earnings growth, but in the absence of clear competitive advantages, with strong competition in the sector and volatile raw material prices swaying profitability, we do not believe in significant and sustainable earnings growth nor return on capital that exceeds the required return in the long-term. We expect that the company can pay good 5% dividend yield in the longer term compared to the current share price, which also supports the longer-term expected return. However, the expected return in both the short and long term is below 10%, which is below our required return.

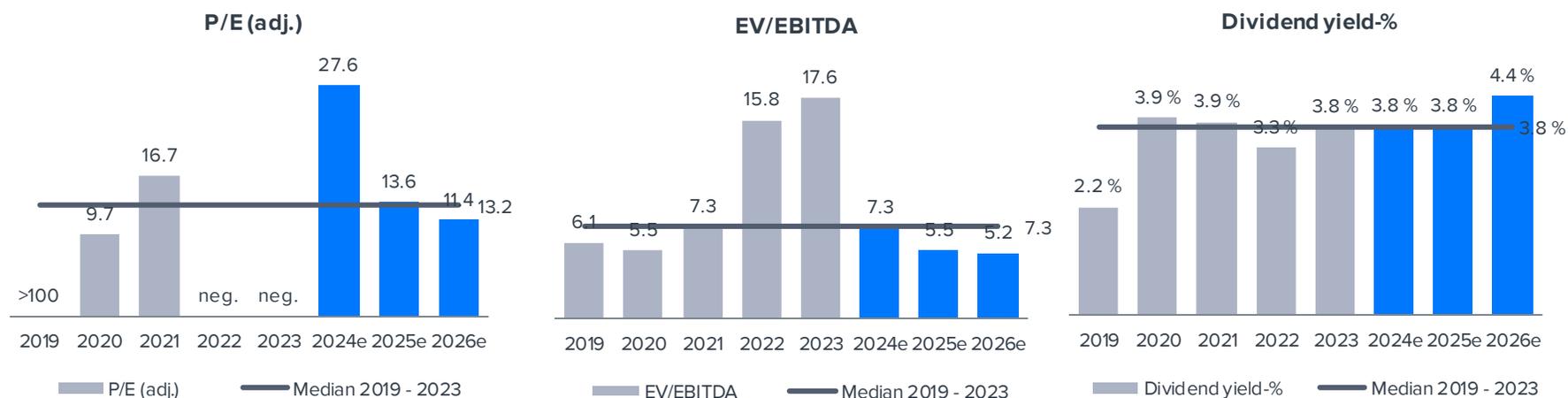
Valuation	2024e	2025e	2026e
Share price	2.65	2.65	2.65
Number of shares, millions	57.7	57.7	57.7
Market cap	153	153	153
EV	200	200	194
P/E (adj.)	27.6	13.6	11.4
P/E	60.0	13.6	11.4
P/FCF	24.0	17.7	11.5
P/B	1.3	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	7.3	5.5	5.2
EV/EBIT (adj.)	15.9	10.5	10.1
Payout ratio (%)	226%	51%	50%
Dividend yield-%	3.8 %	3.8 %	4.4 %

Source: Inderes

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	2.31	5.08	5.18	3.00	2.66	2.65	2.65	2.65	2.65
Number of shares, millions	57.5	57.5	57.5	57.5	57.7	57.7	57.7	57.7	57.7
Market cap	133	292	298	172	153	153	153	153	153
EV	204	334	345	226	197	200	200	194	188
P/E (adj.)	>100	9.7	16.7	neg.	neg.	27.6	13.6	11.4	11.4
P/E	>100	9.7	14.4	neg.	neg.	60.0	13.6	11.4	11.4
P/FCF	6.3	5.8	>100	22.4	6.3	24.0	17.7	11.5	10.7
P/B	1.0	2.0	1.8	1.2	1.2	1.3	1.2	1.1	1.1
P/S	0.3	0.6	0.7	0.3	0.3	0.3	0.3	0.3	0.3
EV/Sales	0.5	0.7	0.8	0.5	0.4	0.5	0.4	0.4	0.4
EV/EBITDA	6.1	5.5	7.3	15.8	17.6	7.3	5.5	5.2	4.9
EV/EBIT (adj.)	25.1	8.5	12.8	neg.	neg.	15.9	10.5	10.1	9.1
Payout ratio (%)	1282.8 %	38.2 %	55.4 %	neg.	neg.	226.4 %	51.3 %	50.0 %	50.0 %
Dividend yield-%	2.2 %	3.9 %	3.9 %	3.3 %	3.8 %	3.8 %	3.8 %	4.4 %	4.4 %

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	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Huhtamäki	3882	5237	12.7	11.8	8.4	7.9	1.2	1.2	14.6	13.3	3.2	3.4	1.8
Duni	444	518	7.7	8.0	5.7	5.8	0.7	0.7	10.5	10.8	4.4	5.1	1.3
Sealed Air	4681	8960	11.1	10.3	8.5	8.0	1.8	1.7	11.5	10.2	2.3	2.3	5.1
Riverstone	739	548	8.7	7.6	7.2	6.4	2.6	2.3	14.7	13.1	4.7	3.6	2.0
Berry Plastics	6929	14180	11.3	10.7	7.2	7.0	1.2	1.2	8.5	7.7	1.7	1.7	2.1
Glatfelter	54	799											
Suominen (Inderes)	153	200	15.9	10.5	7.3	5.5	0.5	0.4	27.6	13.6	3.8	3.8	1.3
Average			10.3	9.7	7.4	7.0	1.5	1.4	11.9	11.0	3.2	3.2	2.5
Median			11.1	10.3	7.2	7.0	1.2	1.2	11.5	10.8	3.2	3.4	2.0
Diff-% to median			44%	2%	0%	-22%	-63%	-62%	140%	26%	19%	10%	-36%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	493	117	113	106	115	451	107	108	110	118	444	453	462	471
EBITDA	14.3	2.6	-1.9	5.0	5.5	11.2	5.4	6.3	7.5	8.4	27.5	36.7	37.0	38.3
Depreciation	-23.2	-4.7	-4.8	-4.4	-4.8	-18.7	-4.5	-4.5	-4.5	-4.5	-18.0	-17.7	-17.7	-17.8
EBIT (excl. NRI)	-4.2	-2.0	-2.1	0.7	0.7	-2.7	1.9	2.8	3.5	4.4	12.5	19.0	19.2	20.6
EBIT	-9.0	-2.1	-6.7	0.6	0.7	-7.5	0.9	1.8	3.0	3.9	9.5	19.0	19.2	20.6
Net financial items	-2.9	-1.5	-1.3	-1.2	-2.0	-6.0	-1.5	-1.5	-1.5	-1.5	-6.0	-4.0	-1.4	-2.7
PTP	-11.9	-3.6	-8.0	-0.6	-1.3	-13.5	-0.6	0.3	1.5	2.4	3.5	15.0	17.8	17.9
Taxes	-2.0	-0.3	-0.2	1.3	-0.1	0.7	0.2	-0.1	-0.4	-0.7	-1.0	-3.7	-4.5	-4.5
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
Net earnings	-13.9	-3.9	-8.2	0.8	-1.4	-12.8	-0.5	0.2	1.1	1.7	2.5	11.2	13.4	13.4
EPS (adj.)	-0.16	-0.07	-0.06	0.01	-0.02	-0.14	0.01	0.02	0.03	0.04	0.10	0.19	0.23	0.23
EPS (rep.)	-0.24	-0.07	-0.14	0.01	-0.02	-0.22	-0.01	0.00	0.02	0.03	0.04	0.19	0.23	0.23
Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	11.3 %	5.9 %	-4.5 %	-19.4 %	-13.7 %	-8.6 %	-8.0 %	-4.0 %	3.0 %	3.0 %	-1.6 %	2.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	-115.4 %	57.7 %	-27.7 %	246.5 %	-456.0 %	-34.6 %	-194%	-232%	394%	551%	-561%	51%	1.3 %	7.0 %
EBITDA-%	2.9 %	2.2 %	-1.7 %	4.7 %	4.8 %	2.5 %	5.0 %	5.8 %	6.8 %	7.1 %	6.2 %	8.1 %	8.0 %	8.1 %
Adjusted EBIT-%	-0.8 %	-1.7 %	-1.9 %	0.7 %	0.6 %	-0.6 %	1.7 %	2.6 %	3.2 %	3.7 %	2.8 %	4.2 %	4.2 %	4.4 %
Net earnings-%	-2.8 %	-3.3 %	-7.3 %	0.7 %	-1.2 %	-2.8 %	-0.4 %	0.2 %	1.0 %	1.5 %	0.6 %	2.5 %	2.9 %	2.9 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	154	148	142	142	142
Goodwill	15.5	15.5	15.5	15.5	15.5
Intangible assets	9.7	6.1	6.2	6.3	6.4
Tangible assets	128	124	118	118	118
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.7	2.0	1.7	1.7	1.7
Current assets	189	168	136	138	141
Inventories	63.3	37.9	42.1	43.0	43.8
Other current assets	9.6	9.4	9.4	9.4	9.4
Receivables	66.6	62.3	57.7	58.8	60.0
Cash and equivalents	49.5	58.8	26.6	27.2	27.7
Balance sheet total	343	316	278	281	283

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	146	125	122	127	135
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	30.7	12.3	9.0	14.5	22.1
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	103	101	101	101	101
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	74.6	69.4	79.5	80.1	74.8
Deferred tax liabilities	11.7	9.4	9.4	9.4	9.4
Provisions	2.0	0.6	2.0	2.0	2.0
Interest bearing debt	60.5	59.2	67.9	68.5	63.2
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.2	0.2	0.2	0.2
Current liabilities	123	122	76.4	73.3	74.0
Interest bearing debt	42.9	43.1	5.9	5.9	5.4
Payables	79.8	75.1	66.5	63.4	64.6
Other current liabilities	0.3	4.0	4.0	4.0	4.0
Balance sheet total	344	317	278	281	283

DCF calculation

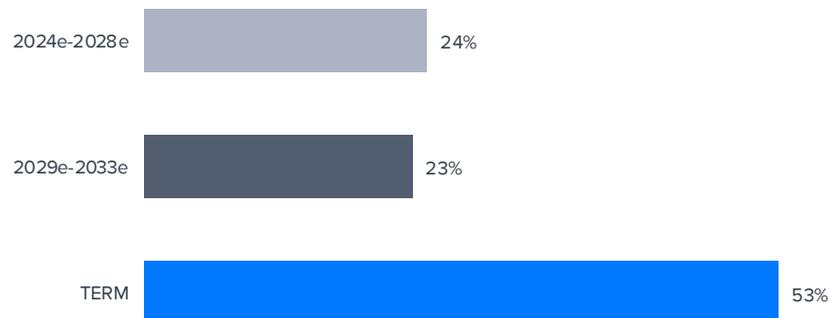
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-8.6 %	-1.6 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.7 %	2.2 %	4.2 %	4.2 %	4.4 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %
EBIT (operating profit)	-7.5	9.5	19.0	19.2	20.6	21.6	22.0	22.5	22.9	23.4	23.9	
+ Depreciation	18.7	18.0	17.7	17.7	17.8	17.8	17.8	17.9	18.0	17.6	17.5	
- Paid taxes	-2.9	-0.6	-3.7	-4.5	-4.5	-4.8	-4.9	-5.0	-5.1	-5.2	-5.3	
- Tax, financial expenses	-0.3	-1.7	-1.0	-0.4	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	
+ 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	28.9	-8.2	-5.2	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	-0.9	
Operating cash flow	36.8	17.1	26.7	31.4	32.4	33.2	33.5	33.9	34.3	34.3	34.5	
+ Change in other long-term liabilities	-1.6	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-10.8	-12.1	-18.1	-18.1	-18.1	-18.1	-18.1	-19.5	-15.4	-17.5	-20.1	
Free operating cash flow	24.4	6.4	8.6	13.3	14.3	15.1	15.4	14.4	18.9	16.8	14.5	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	24.4	6.4	8.6	13.3	14.3	15.1	15.4	14.4	18.9	16.8	14.5	224
Discounted FCFF		5.9	7.4	10.4	10.4	10.1	9.5	8.1	9.8	8.0	6.4	99
Sum of FCFF present value		185	179	172	161	151	141	131	123	113	105	99
Enterprise value DCF		185										
- Interest bearing debt		-102										
+ Cash and cash equivalents		59										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		141										
Equity value DCF per share		2.5										

WACC

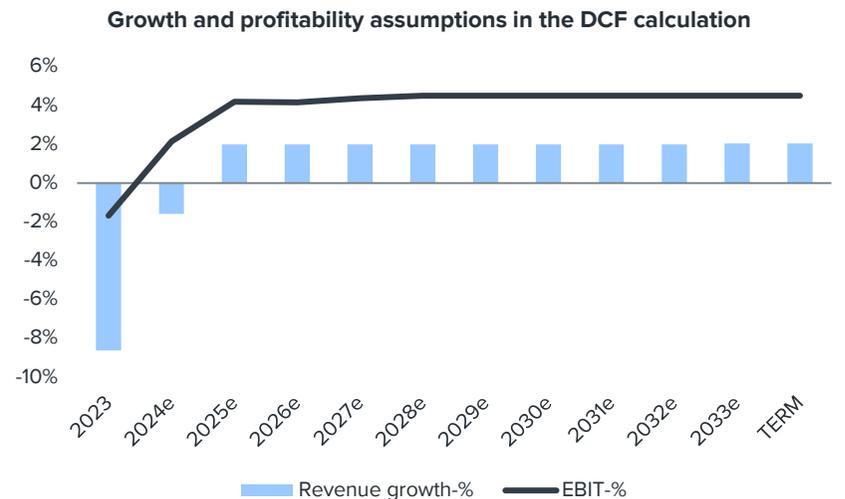
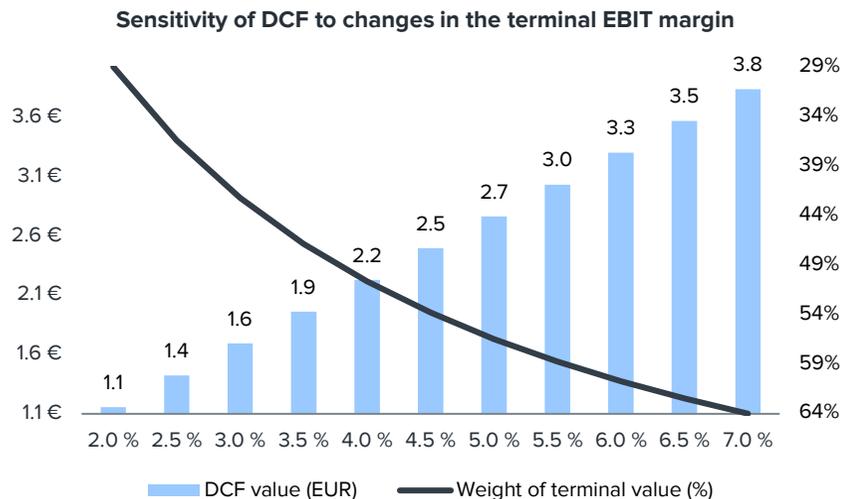
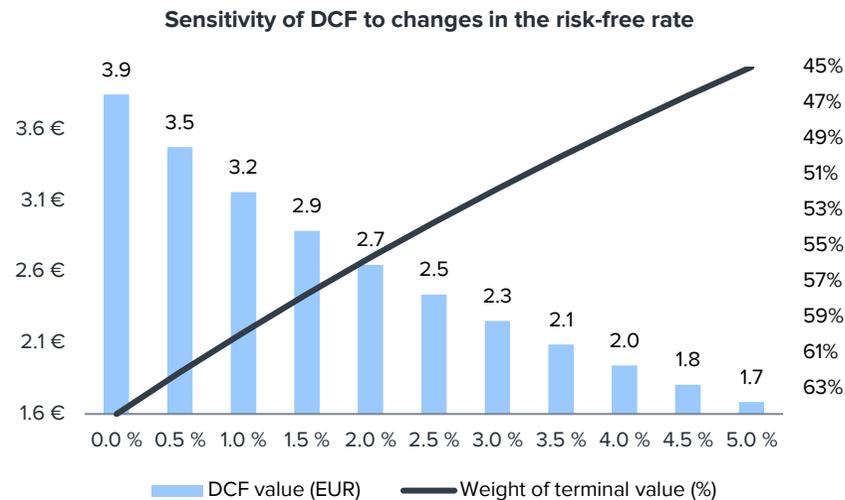
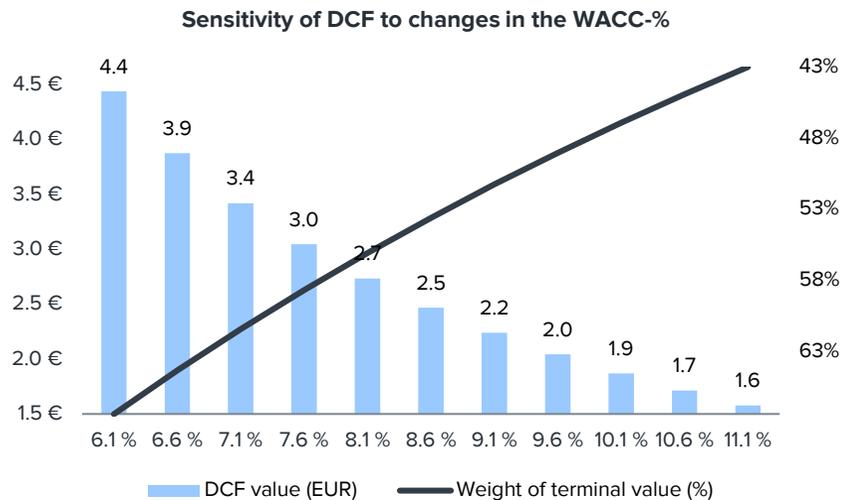
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.32
Market risk premium	4.75%
Liquidity premium	1.25%
Risk free interest rate	2.5 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	8.6 %

Source: Inderes

Cash flow distribution



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	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	443.2	493.3	450.8	443.6	452.5	EPS (reported)	0.36	-0.24	-0.22	0.04	0.19
EBITDA	47.0	14.3	11.2	27.5	36.7	EPS (adj.)	0.31	-0.16	-0.14	0.10	0.19
EBIT	26.9	-9.0	-7.5	9.5	19.0	OCF / share	0.34	0.31	0.64	0.30	0.46
PTP	26.6	-11.9	-13.5	3.5	15.0	FCF / share	0.03	0.13	0.42	0.11	0.15
Net Income	20.7	-13.9	-12.8	2.5	11.2	Book value / share	2.84	2.54	2.17	2.11	2.20
Extraordinary items	0.0	-4.8	-4.8	-3.0	0.0	Dividend / share	0.20	0.10	0.10	0.10	0.10
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	386.7	343.5	316.4	277.6	280.5	Revenue growth-%	-3%	11%	-9%	-2%	2%
Equity capital	163.2	146.0	124.9	121.7	127.2	EBITDA growth-%	-23%	-70%	-22%	146%	33%
Goodwill	15.5	15.5	15.5	15.5	15.5	EBIT (adj.) growth-%	-32%	-115%	-35%	-561%	51%
Net debt	47.8	53.9	43.5	47.1	47.3	EPS (adj.) growth-%	-41%	-151%	-12%	-170%	103%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	10.6 %	2.9 %	2.5 %	6.2 %	8.1 %
EBITDA	47.0	14.3	11.2	27.5	36.7	EBIT (adj.)-%	6.1 %	-0.8 %	-0.6 %	2.8 %	4.2 %
Change in working capital	-24.7	6.0	28.9	-8.2	-5.2	EBIT-%	6.1 %	-1.8 %	-1.7 %	2.2 %	4.2 %
Operating cash flow	19.4	17.7	36.8	17.1	26.7	ROE-%	13.4 %	-9.0 %	-9.4 %	2.1 %	9.0 %
CAPEX	-17.6	-9.8	-10.8	-12.1	-18.1	ROI-%	9.7 %	-3.2 %	-3.2 %	4.5 %	9.6 %
Free cash flow	1.8	7.7	24.4	6.4	8.6	Equity ratio	42.2 %	42.5 %	39.5 %	43.8 %	45.3 %
						Gearing	29.3 %	36.9 %	34.8 %	38.7 %	37.2 %

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/8/2019	Reduce	2.40 €	2.48 €
10/23/2019	Reduce	2.25 €	2.33 €
1/30/2020	Reduce	2.35 €	2.48 €
4/24/2020	Accumulate	3.25 €	3.02 €
5/13/2020	Accumulate	3.40 €	3.17 €
6/18/2020	Accumulate	4.00 €	3.69 €
8/13/2020	Accumulate	5.40 €	5.00 €
10/28/2020	Accumulate	5.40 €	5.06 €
2/5/2021	Accumulate	6.00 €	5.74 €
4/29/2021	Accumulate	6.25 €	5.87 €
6/24/2021	Accumulate	6.25 €	5.45 €
8/16/2021	Accumulate	5.60 €	5.27 €
10/29/2021	Accumulate	5.25 €	4.72 €
2/4/2022	Reduce	4.50 €	4.33 €
5/5/2022	Reduce	3.30 €	3.12 €
7/15/2022	Reduce	3.30 €	3.12 €
8/10/2022	Reduce	3.30 €	3.18 €
	Analyst changed		
10/27/2022	Accumulate	3.00 €	2.48 €
12/14/2022	Reduce	3.00 €	3.10 €
1/11/2023	Reduce	3.00 €	3.00 €
2/6/2023	Reduce	3.00 €	3.08 €
5/5/2023	Reduce	2.80 €	2.88 €
8/10/2023	Sell	2.60 €	2.94 €
9/20/2023	Sell	2.60 €	2.84 €
10/30/2023	Reduce	2.60 €	2.66 €
2/7/2024	Reduce	2.50 €	2.65 €



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