ENERSENSE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

From blueprint to live wire

We reiterate our Buy recommendation and EUR 5.2 target price for Enersense. The company's operational Q2 figures exceeded our estimates, but its performance will nevertheless be truly tested in H2 regarding achieving its guidance. We expect the efficiency measures implemented by the company to be concretely reflected in earnings performance, but the H2-weighted nature increases risks related to timing. The company's market outlook remains strong, and we estimate this will support earnings growth in the coming years. Despite slight estimate cuts, we believe the stock's expected return, driven by earnings growth, is at a very attractive level. However, in our view, an increase in valuation still requires evidence of improved profitability, which we expect to see in the coming quarters.

Slightly better-than-expected development

Enersense's adjusted EBITDA in Q2 was at the same level as the comparison period (3.1 MEUR), slightly exceeding our 2.7 MEUR estimate. Earnings and the Value Uplift outlook were hampered by subdued market conditions in the Estonian Power unit, which the company says weighed on performance by 1.4 MEUR. Enersense commented that it had implemented measures in Estonia to restore profitability, and these should be reflected in the Q3 figures. The company also announced that it had completed its Value Uplift efficiency program, achieving an annual earnings improvement run rate of 8.6 MEUR. The effects of this should become gradually more visible until 2027. However, in our view, this should not be interpreted as net savings. The strengthening of cash flow after an exceptional Q1 was also a positive aspect of the report.

Slight forecast cuts, but we expect the implemented measures to be reflected in the figures from H2 onwards

The company reiterated its guidance for the current year, estimating its adjusted EBITDA to be 19–23 MEUR (2025: 18.8 MEUR). According to Enersense, its order book includes several significant projects scheduled to commence in Q3. These, in turn, are expected to support development in H2, and in our view, especially in Q4. Given the performance in the first half of the year (H1'26 adjusted EBITDA: 4.6 MEUR), the second half of the year must also be strong for the company to achieve its guidance. We expect the company to be able to capitalize on the benefits of efficiency measures in connection with order backlog execution. Despite slight reductions in our forecasts, we expect the company to achieve its guidance, and we estimate the adjusted EBITDA to be 20.1 MEUR (prev. 21.2 MEUR). However, we note that our estimated Q4 weighting increases risks due to timing-related factors (e.g., weather, project schedules). We expect the company's earnings growth to accelerate further next year, driven by growth enabled by a favorable market situation and greater efficiency gains (adj. EBITDA 2027e: 23.7 MEUR). Thus, we expect to see concrete results from the strategic measures and Value Uplift in the near future.

Valuation is rather attractive, and there should be positive drivers during the next 12 months

With our estimates, EV-based multiples for the current year (hybrid bond included as debt) are, in our opinion, moderate (2026e EV/EBIT 8.5x, EV/EBITDA 5x) and at the lower end of the levels we consider neutral (EV/EBIT 8x-12x, EV/EBITDA 5x-7x). Next year's multiples are already very low (2027e EV/EBIT 6x, EV/EBITDA 4x), and we see clear upside in the earnings-based valuation. We estimate that the valuation is weighed down by the significant structural arrangements and strategic measures undertaken in recent years, which have not yet been fully reflected in the operational figures. Thus, we assume the market will require more concrete signs of earnings growth before the valuation picture changes. If the earnings turnaround progresses roughly as we expect from H2 onwards and the positive cash flow development continues, we see clear upside drivers for the valuation. Our view of the stock's significant upside is also supported by other methods (e.g. DCF EUR ~5.7/share).

Recommendation
Buy
(was Buy)

Target price:
EUR 5.20
(was EUR 5.20)

Share price:
EUR 3.66

Business risk
●●●●○

Valuation risk
●●●○○

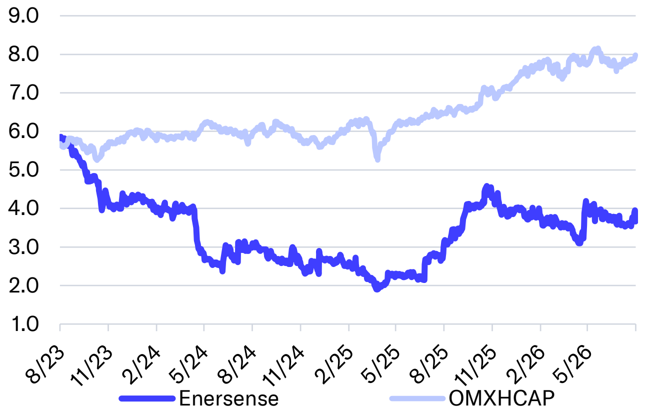
	2025	2026e	2027e	2028e
Revenue	307	319	364	390
growth-%	-28%	4%	14%	7%
EBIT adj.	9.9	12.0	15.4	17.1
EBIT-% adj.	3.2 %	3.8 %	4.2 %	4.4 %
Net Income	1.2	0.7	10.0	12.9
EPS (adj.)	-0.35	0.14	0.50	0.62
P/E (adj.)	neg.	26.5	7.4	5.9
P/B	2.9	2.8	2.1	1.6
Dividend yield-%	0.0 %	0.0 %	2.7 %	5.5 %
EV/EBIT (adj.)	10.0	8.5	6.0	4.8
EV/EBITDA	5.2	5.1	3.9	3.2
EV/S	0.3	0.3	0.3	0.2

Source: Inderes

Guidance (Unchanged)

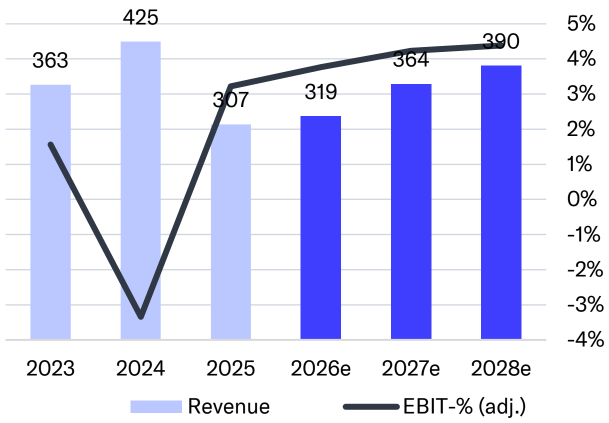
Enersense expects its adjusted EBITDA to be 19-23 MEUR (2025: 18.8 MEUR) in 2026.

Share price



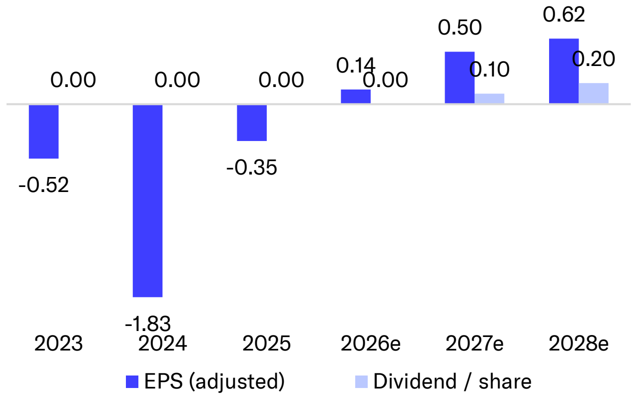
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Successful implementation of the strategy and a stronger transition to a lifecycle partner, which would increase the share of recurring and more stable revenue
- Improving profitability, which would also support cash flow
- The energy transition in industry supports growth prospects
- Investment outlook for the Power business

Risk factors

- Low entry barrier and tight competition in many of the company's markets
- Contractual and credit loss risks
- Failure in project pricing and fluctuation in profitability
- Revenue dependence on investments
- Weak transparency in contract structures and project pipeline development

Valuation	2026e	2027e	2028e
Share price	3.66	3.66	3.66
Number of shares, millions	16.5	16.5	16.5
Market cap	60	60	60
EV	102	92	83
P/E (adj.)	26.5	7.4	5.9
P/E	neg.	8.2	5.9
P/B	2.8	2.1	1.6
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.1	3.9	3.2
EV/EBIT (adj.)	8.5	6.0	4.8
Payout ratio (%)	0.0 %	16.5 %	25.7 %
Dividend yield-%	0.0 %	2.7 %	5.5 %

Source: Inderes

Operationally slightly above our expectations

Revenue slightly above our forecast

The company's reported revenue declined, reflecting the impact of divested or discontinued operations in the comparison period Adjusted for these, however, revenue development remained stable (73.0 MEUR vs. Q2'25: 72.5 MEUR) and slightly exceeded our forecast (70.6 MEUR). By business unit, Power's revenue grew by as much as 32%. However, this development was dampened by comparable revenue declines in Connectivity (-15% y/y) and especially in Energy Transition (-41% y/y). Compared to our forecasts, Power's performance exceeded our expectations, while Connectivity and Energy Transition fell short of our forecasts.

The company's order book at the end of Q2 was at the prior year's level at 373 MEUR (Q2’25: 374 MEUR). The order book decreased from the Q1 level (413 MEUR), mainly due to the timing of Power's projects. However, it should be noted that larger orders may cause fluctuations in the order book in the short term.

Operating result exceeded expectations

Enersense's adjusted EBITDA amounted to 3.1 MEUR, which also exceeded our 2.7 MEUR estimate. Power and Connectivity fell slightly short of our expectations, while Energy Transition, contrary to our expectations, fell into the red, similar to the comparison period. According to the company, the quiet market situation in Estonia weakened Power's result, and without this, the unit's result would have improved by 0.5 MEUR from the comparison period (cf. Q2'26: 2.2 MEUR vs. Q2'25: 3.1 MEUR). Connectivity's margin was pressured by a decrease in demand for fiber optic projects for homes, while Energy Transition's performance improved due to stronger service business, but we estimate that the result turned to a loss due to low revenue. Against this backdrop, the beat came from unallocated items, which were clearly positive. These were due to timing differences in the allocation and accrual of shared costs. Reflecting this, we do not believe the unit-specific figures provide a complete picture of the development. Reported figures fell below our estimates due to higher one-off costs and financial expenses, which, in our view, were also impacted by the non-cash flow related accounting entry for the wind power portfolio sold to Fortum (based on our calculations, this impact was 0.4 MEUR). After deducting hybrid bond interest, the reported earnings per share fell short of our estimate.

Cash flow from operating activities strengthened

The company's H1 net cash flow from operating activities was -11.6 MEUR after lease payments. However, cash flow strengthened significantly in Q2 (+5.1 MEUR). The weak cash flow in the first half of the year was mainly due to a one-off change of 12.5 MEUR in VAT liabilities. The company also commented that it expects to be able to operate with negative net working capital on an annual basis going forward. Reflecting the cash flow development, the company had interest-bearing net debt (excluding hybrid bond) of 10.1 MEUR at the end of Q2. Relative to the EBITDA for the previous 12 months, this corresponded to 1.3x (covenant 2.5x). Thus, the ratio was in the comfort zone, but the core of the investment story is the sustainable strengthening of operating cash flow.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	76.9	73.1	70.6				3%	319
EBITDA	2.9	1.2	2.0				-41%	16.6
EBITDA (adj.)	3.1	3.1	2.7				13%	20.1
EBIT	0.2	-0.9	0.0					8.5
PTP	-2.2	-2.9	-1.1				-162%	2.3
EPS (reported)	-0.12	-0.21	-0.08				-163%	-0.10
Revenue growth-%	-23.7 %	-4.9 %	-8.1 %				3.2 pp	3.8 %
EBITDA-% (adj.)	4.2 %	4.2 %	3.9 %				0.4 pp	6.3 %

Source: Inderes

Negative revisions to estimates

Guidance and outlook reiterated

In connection with the report, Enersense reiterated its guidance for the current year, as we expected, and estimates its adjusted EBITDA to be 19–23 MEUR (2025: 18.8 MEUR). According to the company, its order book contains several significant projects that are scheduled to start in Q3 and support development in H2. Thus, H2 must be strong for the company to achieve its guidance (H1'26 adjusted EBITDA: 4.6 MEUR), but this was already known in advance. We had already expected strong H2 performance before the report. However, we note that the H2-weighted nature increases risks related to timing factors (e.g., weather, project schedules) for achieving the guidance. It is still worth noting that the development in the comparison period was also quite H2-weighted (H1'25: 5.3 MEUR vs. H2'25: 13.5 MEUR), and achieving the lower end of the guidance does not require significantly better performance than last year (14.4 MEUR).

The company also announced the completion of its Value Uplift efficiency program, achieving an annual earnings improvement run-rate (EBIT/EBITDA run-rate) of 8.6 MEUR by the end of Q2. Thus, the program clearly exceeded its original targets (5 MEUR). We believe this will also partly support the achievement of the guidance.

The company's market commentary remained unchanged, and it expects the situation to remain good in its key strategic market segments. Currently, data center investments, in particular, are increasing the need for capacity. In our interpretation, the strongest market situation is currently in Power, but Connectivity also benefits from data center investments. In our view, the situation in Energy Transition is still more subdued, but it could change with larger projects like the recently announced Aquatech agreement or maintenance contracts similar to Helen's.

We slightly lowered our estimates

Reflecting the realized development, we lowered our growth forecasts for Connectivity and Energy Transition. However, we expect the latter's revenue to see a clear step change in H2 due to the Aquatech agreement. In contrast, we once again raised our Power estimates in line with actual performance and high market activity, even though we estimate that the situation in Estonia will be reflected slightly in growth. We also made revisions to the units' margin forecasts and group costs. The decrease in operational earnings estimates was due to lower revenue estimates and our slightly downward-revised Power margin, reflecting the situation in Estonia. The company commented that it has already implemented measures in Estonia to restore profitability, which should be visible in Q3. However, we estimate that the company will not be able to fully offset the lost volumes with these measures. Due to these measures, we also slightly increased non-recurring costs for Q3. We now expect this year's adjusted EBITDA to be 20.1 MEUR (was 21.2 MEUR).

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	330	319	-3%	374	364	-2%	396	390	-1%
EBITDA	19.4	16.6	-15%	23.6	22.7	-4%	26.4	25.6	-3%
EBIT (exc. NRIs)	13.1	12.0	-9%	16.3	15.4	-5%	17.9	17.1	-5%
EBIT	11.3	8.5	-25%	15.3	14.4	-5%	17.9	17.1	-5%
PTP	6.4	2.3	-65%	12.7	11.8	-7%	16.1	15.3	-5%
EPS (excl. NRIs)	0.23	0.14	-40%	0.54	0.50	-8%	0.66	0.62	-6%
DPS	0.00	0.00		0.10	0.10	0%	0.20	0.20	0%

Source: Inderes

Enersense, Webcast, Q2'26

Very attractive valuation if earnings growth materializes

There should be short-term drivers for the valuation

In our view, Enersense should be valued primarily using earnings-based multiples and sum-of-the-parts calculations, which also consider assets outside the core business. We consider an acceptable valuation of the share to be, for the time being, around 10x-14x P/E, 8x-12x EV/EBIT and 5x-7x EV/EBITDA. We estimate the acceptable valuation to currently be around the midpoint of the ranges, as this year's guidance indicates earnings growth, and the earnings growth outlook is also good for the coming years, supported by demand prospects. In our opinion, an increase in the acceptable valuation above this level requires concrete additional evidence of earnings growth, for which cleaner figures should be available this year.

With our estimates, current year EV-based multiples (hybrid bond treated as debt) are, in our opinion, moderate and at the lower end of the levels we consider neutral (2026e EV/EBIT 8.5x, EV/EBITDA 5x). The P/E ratio, on the other hand, is high (26x), even though we have adjusted for non-cash flow-related items associated with the renewable energy portfolio. In our view, this earnings-based valuation reflects an absolutely rather low net profit, which is also affected by still relatively high financing costs. Thus, net income-based multiples are very sensitive to even small changes in forecasts. In contrast, we see upside in the EV-based valuation already looking at this year. Looking to next year, the multiples fall to a very low level as the company's earnings development progresses in line with our expectations (2027e EV/EBIT 6x, EV/EBITDA 4x). We estimate that the current valuation of the stock is weighed down, partly justifiably, by several recent non-recurring items related to restructuring and strategy, which have led to very volatile reported earnings development for the company. At the same time, this has partly overshadowed the measures taken on the operational side, along with the headwind experienced in Estonia in H1'26. Thus, we estimate that the market will require more concrete signs of earnings growth before the valuation picture changes. However, as the earnings turnaround (incl. cash flow) progresses as expected and non-recurring items decrease, we see clear upside drivers for the valuation.

Our sum-of-the-parts also supports our positive view

In our view, Enersense's valuation and fair value can also be assessed through a sum-of-the-parts calculation, the more detailed parameters of which we have discussed in our extensive report. With our updated estimates (2025a + 2026e-27e), we arrive at a value of 82.9 MEUR, or EUR 5.0 per share, for the core businesses (using an EV/EBITDA multiple of 6x). Similarly, considering items outside the core businesses, the value would be EUR 6.3 per share. However, we do not rely on the realization of the value of these assets in the short term, even though we believe the P2X ownership is not part of the company's core business. On the other hand, Enersense's reduction of influence in the company could also indicate that the company might be willing to divest its ownership, at least in the medium term. Overall, the sum of the parts supports our view of the clear upside in the share.

DCF model is clearly above the current share price

Our positive stance on the share is also supported by our DCF model, which provides an indication of longer-term potential and is currently well above the current share price of around EUR 5.7 per share. We see the share as attractively priced from multiple angles, provided our forecast earnings growth materializes at least broadly in line with our expectations.

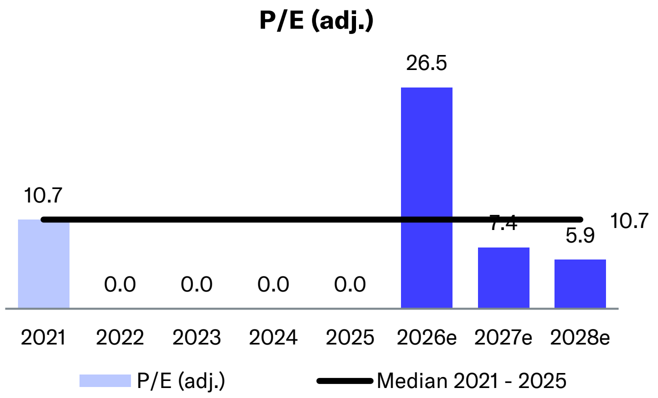
Valuation	2026e	2027e	2028e
Share price	3.66	3.66	3.66
Number of shares, millions	16.5	16.5	16.5
Market cap	60	60	60
EV	102	92	83
P/E (adj.)	26.5	7.4	5.9
P/E	neg.	8.2	5.9
P/B	2.8	2.1	1.6
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.1	3.9	3.2
EV/EBIT (adj.)	8.5	6.0	4.8
Payout ratio (%)	0.0 %	16.5 %	25.7 %
Dividend yield-%	0.0 %	2.7 %	5.5 %

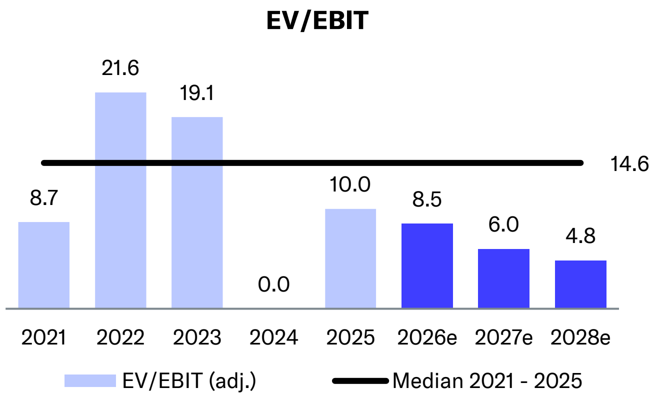
Source: Inderes

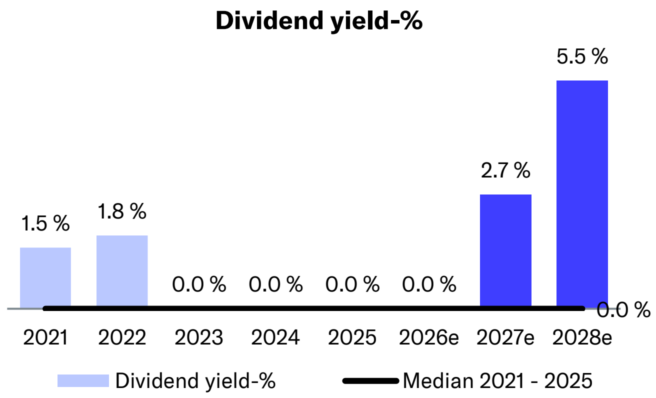
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	6.84	5.69	4.35	2.65	4.00	**3.66**	**3.66**	**3.66**	**3.66**
Number of shares, millions	13	16	16	16.5	16.5	**16.5**	**16.5**	**16.5**	**16.5**
Market cap	92	94	72	44	66	**60**	**60**	**60**	**60**
EV	95	106	109	74	99	**102**	**92**	**83**	**72**
P/E (adj.)	10.7	neg.	neg.	neg.	neg.	**26.5**	**7.4**	**5.9**	**4.4**
P/E	23.1	neg.	neg.	neg.	65.2	**neg.**	**8.2**	**5.9**	**4.4**
P/B	1.9	1.5	1.4	1.9	2.9	**2.8**	**2.1**	**1.6**	**1.3**
P/S	0.4	0.3	0.2	0.1	0.2	**0.2**	**0.2**	**0.2**	**0.1**
EV/Sales	0.4	0.4	0.3	0.2	0.3	**0.3**	**0.3**	**0.2**	**0.2**
EV/EBITDA	5.7	8.7	7.4	5.1	5.2	**5.1**	**3.9**	**3.2**	**2.7**
EV/EBIT (adj.)	8.7	21.6	19.1	neg.	10.0	**8.5**	**6.0**	**4.8**	**3.9**
Payout ratio (%)	33.7 %	neg.	0.0 %	0.0 %	0.0 %	**0.0 %**	**16.5 %**	**25.7 %**	**30.0 %**
Dividend yield-%	1.5 %	1.8 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**2.7 %**	**5.5 %**	**6.8 %**

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 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Bilfinger SE	2858	2743	8.4	7.2	6.0	5.4	0.5	0.5	12.6	11.0	4.0	4.6	1.9
Bravida Holding	2417	2711	15.5	13.5	11.6	10.4	1.0	0.9	18.5	15.8	3.1	3.3	2.7
Eltel AB	181	360	12.6	10.4	6.0	5.4	0.4	0.4	19.2	10.5	1.7	3.5	1.1
Instalco	896	1264	14.3	11.4	9.3	8.0	0.9	0.8	15.7	11.8	2.8	2.6	2.7
Netel	14	110	11.5	10.0	6.6	6.0	0.5	0.4	10.0	4.4			0.2
Spie SA	8075	10578	13.2	12.0	9.2	8.5	0.9	0.9	15.8	13.7	2.6	2.9	3.4
Transtema Group	21	69		15.8	6.2	4.6	0.3	0.3		12.3			0.4
Viafin Service	71	65	9.4	9.4	7.3	7.3	0.7	0.6	12.4	11.8	4.1	4.2	2.4
Vinci SA	72381	98015	10.0	9.6	7.0	6.7	1.3	1.2	13.4	12.3	4.3	4.7	2.2
Enersense (Inderes)	**60**	**102**	**8.5**	**6.0**	**5.1**	**3.9**	**0.3**	**0.3**	**26.5**	**7.4**	**0.0**	**2.7**	**2.8**
Average			**11.8**	**11.0**	**7.7**	**6.9**	**0.7**	**0.7**	**14.7**	**11.5**	**3.2**	**3.7**	**1.9**
Median			**12.0**	**10.4**	**7.0**	**6.7**	**0.7**	**0.6**	**14.6**	**11.8**	**3.1**	**3.5**	**2.2**
Diff-% to median			**-29%**	**-42%**	**-28%**	**-42%**	**-51%**	**-60%**	**82%**	**-38%**	**-100%**	**-21%**	**32%**

Source: Refinitiv / Inderes

Income statement

Income statement	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**69.7**	**76.9**	**81.1**	**79.2**	**307**	**61.1**	**73.1**	**83.1**	**101**	**319**	**364**	**390**	**408**
Energy Transition	22.3	21.9	21.8	17.7	83.7	13.1	10.3	17.5	23.0	64	75	87	93
Power	37.1	35.3	34.3	32.3	139	36.7	45.1	42.7	55.1	180	210	225	238
Connectivity	10.3	19.7	25.0	29.2	84.3	11.3	17.7	23.0	23.2	75.2	79.7	78.9	77.4
EBITDA	**21.2**	**2.9**	**5.8**	**-4.6**	**25.3**	**1.4**	**1.2**	**5.6**	**8.4**	**16.6**	**22.7**	**25.6**	**27.0**
Depreciation	-2.3	-2.6	-2.0	-2.0	-8.9	-2.0	-2.1	-2.1	-2.1	-8.1	-8.3	-8.5	-8.8
EBIT (excl. NRI)	**-0.4**	**0.9**	**7.2**	**2.3**	**9.9**	**-0.5**	**1.0**	**4.6**	**6.8**	**12.0**	**15.4**	**17.1**	**18.2**
EBIT	**18.9**	**0.2**	**3.8**	**-6.6**	**16.4**	**-0.6**	**-0.9**	**3.6**	**6.3**	**8.5**	**14.4**	**17.1**	**18.2**
Net financial items	-1.8	-2.5	-2.2	-7.6	-14.0	-1.9	-2.0	-1.2	-1.1	-6.2	-2.6	-1.8	-1.3
PTP	**17.2**	**-2.2**	**1.6**	**-14.1**	**2.4**	**-2.5**	**-2.9**	**2.4**	**5.2**	**2.3**	**11.8**	**15.3**	**16.8**
Taxes	0.0	0.2	0.0	-1.5	-1.2	-0.2	0.0	-0.4	-1.0	-1.6	-1.8	-2.4	-3.1
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
Net earnings	**17.2**	**-2.0**	**1.6**	**-15.6**	**1.2**	**-2.7**	**-2.9**	**2.0**	**4.2**	**0.7**	**10.0**	**12.9**	**13.7**
EPS (adj.)	**-0.13**	**-0.09**	**0.29**	**-0.42**	**-0.35**	**-0.14**	**-0.10**	**0.14**	**0.24**	**0.14**	**0.50**	**0.62**	**0.83**
EPS (rep.)	**1.04**	**-0.12**	**0.10**	**-0.96**	**0.06**	**-0.20**	**-0.21**	**0.09**	**0.22**	**-0.10**	**0.45**	**0.62**	**0.83**

Key figures	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-29.0 %	-23.7 %	-27.3 %	-30.7 %	-27.7 %	-12.4 %	-5.0 %	2.5 %	28.0 %	3.8 %	14.4 %	7.1 %	4.6 %
Adjusted EBIT growth-%					169.7 %	-4.3 %	22.4 %	-36.3 %	200.5 %	21.2 %	28.6 %	10.9 %	6.3 %
EBITDA-%	30.4 %	3.7 %	7.1 %	-5.8 %	8.2 %	2.3 %	1.6 %	6.8 %	8.2 %	5.2 %	6.2 %	6.6 %	6.6 %
Adjusted EBIT-%	-0.6 %	1.1 %	8.9 %	2.9 %	3.2 %	-0.7 %	1.4 %	5.5 %	6.7 %	3.8 %	4.2 %	4.4 %	4.5 %
Net earnings-%	24.7 %	-2.6 %	2.0 %	-19.7 %	0.4 %	-4.4 %	-4.0 %	2.5 %	4.1 %	0.2 %	2.7 %	3.3 %	3.4 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**75.3**	**90.8**	**90.6**	**91.6**	**92.6**
Goodwill	26.1	26.1	26.1	26.1	26.1
Intangible assets	11.1	6.7	5.4	4.3	3.5
Tangible assets	20.1	14.9	17.2	19.2	21.0
Associated companies	13.1	1.0	1.0	1.0	1.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	3.7	39.4	38.3	38.3	38.3
Deferred tax assets	1.3	2.7	2.7	2.7	2.7
Current assets	**119**	**91.5**	**84.4**	**96.6**	**104**
Inventories	15.8	19.8	15.9	18.2	19.5
Other current assets	20.9	0.0	0.0	0.0	0.0
Receivables	62.6	48.3	49.4	56.5	60.5
Cash and equivalents	19.8	23.4	19.1	21.9	24.1
Balance sheet total	**194**	**182**	**175**	**188**	**197**

Source: Inderes

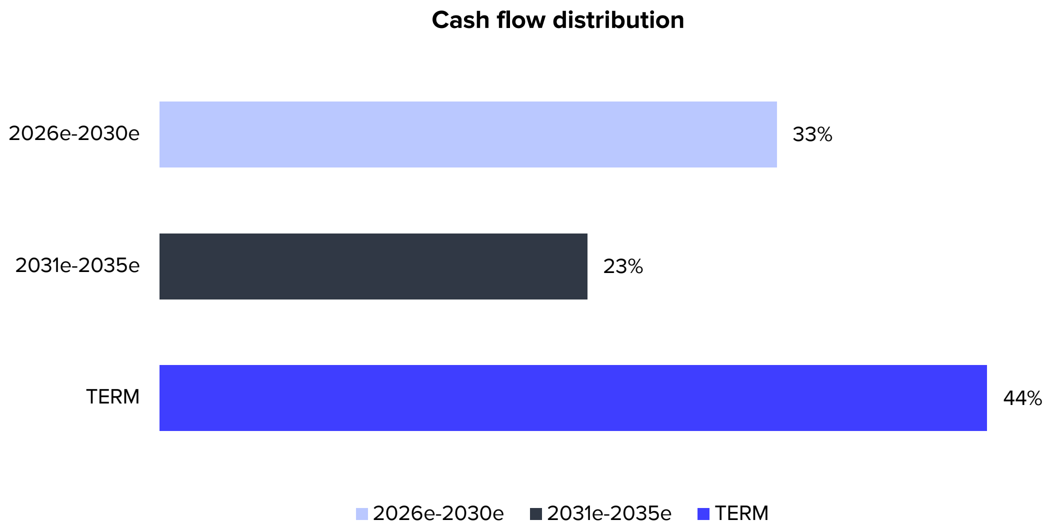
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**22.5**	**52.4**	**50.7**	**58.1**	**66.7**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-40.3	-39.1	-40.8	-33.4	-24.8
Hybrid bonds	0.0	29.4	29.4	29.4	29.4
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	62.7	62.1	62.1	62.1	62.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**42.2**	**24.7**	**23.2**	**18.6**	**13.7**
Deferred tax liabilities	4.7	1.3	1.3	1.3	1.3
Provisions	3.6	2.2	2.2	2.2	2.2
Interest bearing debt	7.7	21.0	19.5	14.8	10.0
Convertibles	26.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.3	0.2	0.2	0.2	0.2
Current liabilities	**130**	**105**	**101**	**112**	**116**
Interest bearing debt	16.7	5.8	11.9	9.5	7.0
Payables	111	99.4	89.2	102	109
Other current liabilities	2.5	0.0	0.0	0.0	0.0
Balance sheet total	**195**	**182**	**175**	**188**	**197**

DCF calculation

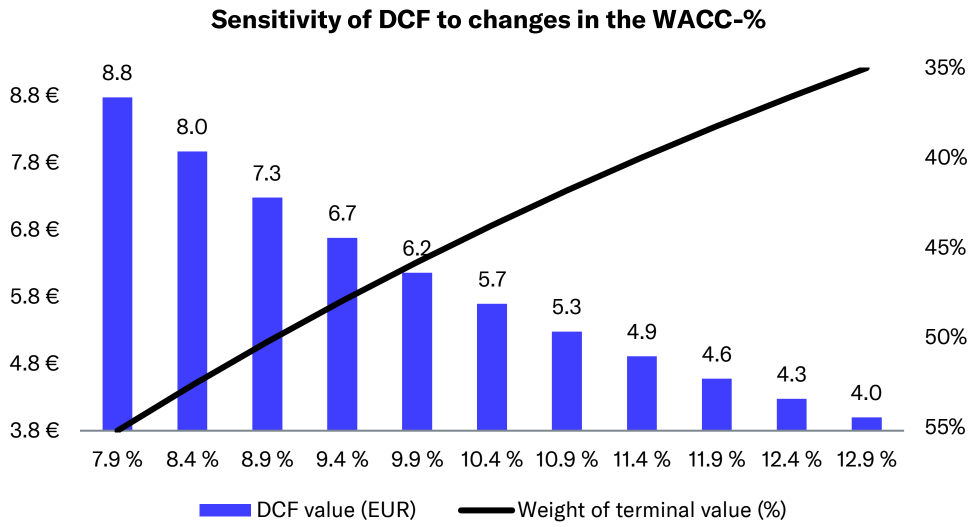
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-27.7 %	3.8 %	14.4 %	7.1 %	4.6 %	2.8 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	5.3 %	2.7 %	4.0 %	4.4 %	4.5 %	4.3 %	3.7 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %
EBIT (operating profit)	**16.4**	**8.5**	**14.4**	**17.1**	**18.2**	**18.0**	**15.9**	**14.0**	**13.4**	**13.7**	**14.0**	
+ Depreciation	8.9	8.1	8.3	8.5	8.8	9.0	9.1	9.4	9.6	9.7	9.8	
- Paid taxes	-6.1	-1.6	-1.8	-2.4	-3.1	-3.1	-2.7	-2.4	-2.3	-2.4	-2.4	
- Tax, financial expenses	-2.6	-1.2	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	17.5	-7.4	3.4	1.9	1.3	0.9	0.8	0.6	0.7	0.7	0.7	
Operating cash flow	**34.1**	**6.5**	**23.9**	**24.8**	**25.0**	**24.6**	**22.9**	**21.5**	**21.2**	**21.5**	**21.8**	
+ Change in other long-term liabilities	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-35.0	-7.9	-9.3	-9.5	-9.6	-9.7	-9.8	-9.9	-9.9	-9.9	-10.1	
Free operating cash flow	**-2.3**	**-1.4**	**14.6**	**15.3**	**15.4**	**14.9**	**13.1**	**11.6**	**11.3**	**11.6**	**11.7**	
+/- Other	4.3	-1.7	-0.4	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	2.0	-3.1	14.2	14.9	15.4	14.9	13.1	11.6	11.3	11.6	11.7	
Discounted FCFF		**-3.0**	**12.4**	**11.7**	**11.0**	**9.6**	**7.7**	**6.2**	**5.4**	**5.1**	**4.6**	**56.0**
Sum of FCFF present value		127	130	117	106	94.6	84.9	77.3	71.1	65.7	60.6	56.0
Enterprise value DCF		**127**										
- Interest bearing debt		-56										
+ Cash and cash equivalents		23.4										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**93.9**										
Equity value DCF per share		**5.7**										

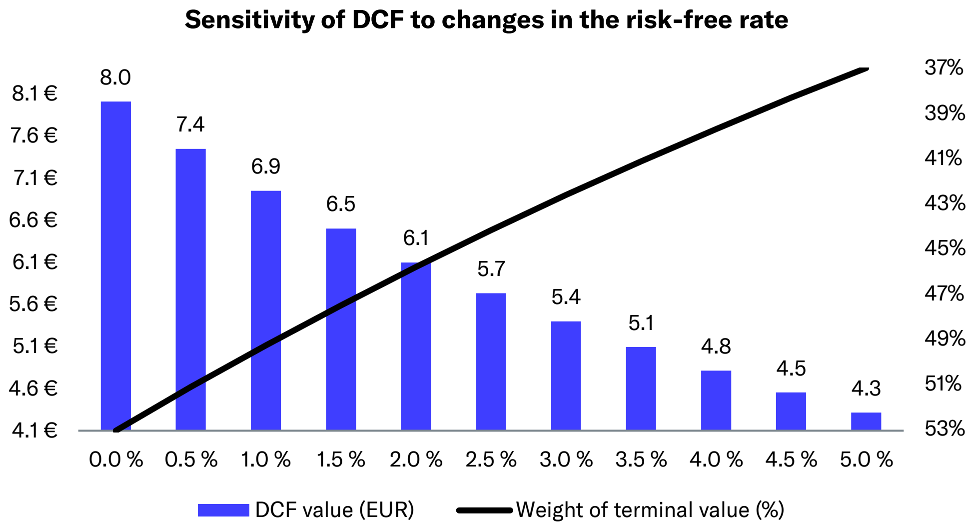
WACC	
Tax-% (WACC)	18.5 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	8.0 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	**11.4 %**
Weighted average cost of capital (WACC)	**10.4 %**

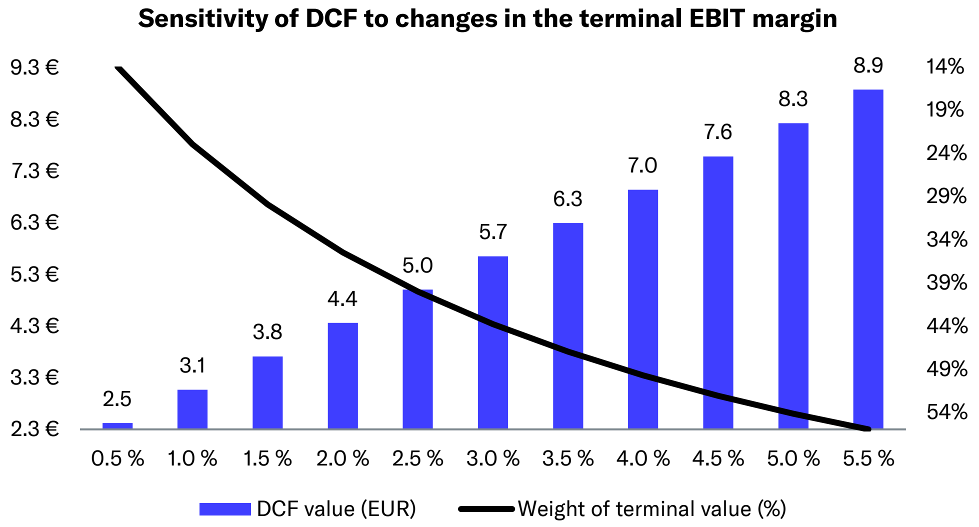
Source: Inderes

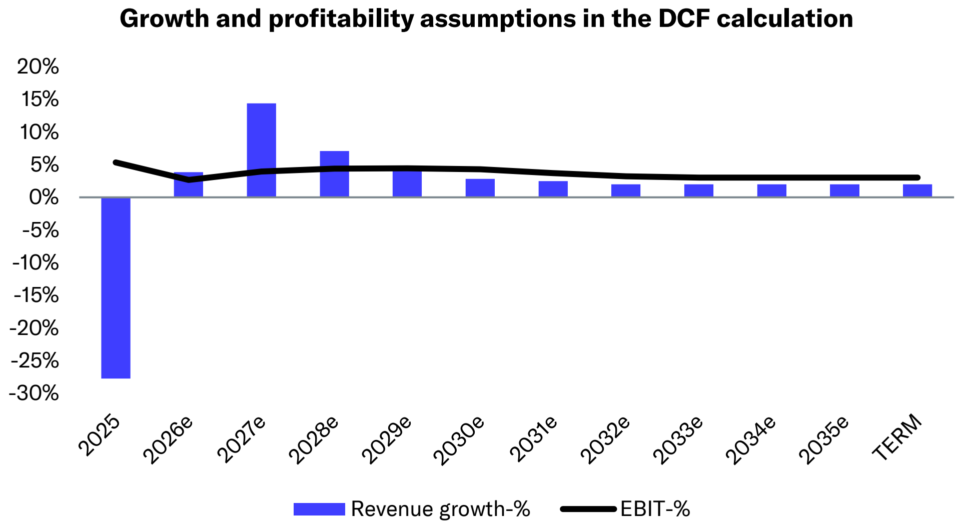


DCF sensitivity calculations and key assumptions in graphs









Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	363.3	424.7	306.9	**318.6**	**364.5**
EBITDA	14.7	14.5	25.3	**16.6**	**22.7**
EBIT	5.3	-14.1	16.4	**8.5**	**14.4**
PTP	-8.5	-28.4	2.4	**2.3**	**11.8**
Net Income	-8.9	-30.2	1.2	**0.7**	**10.0**
Extraordinary items	-0.4	0.1	6.5	**-3.5**	**-1.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	213.7	194.5	182.3	**175.0**	**188.2**
Equity capital	52.1	22.5	52.4	**50.7**	**58.1**
Goodwill	27.8	26.1	26.1	**26.1**	**26.1**
Net debt	36.6	30.6	3.4	**12.3**	**2.5**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	14.7	14.5	25.3	**16.6**	**22.7**
Change in working capital	-13.8	0.6	17.5	**-7.4**	**3.4**
Operating cash flow	0.7	13.6	34.1	**6.5**	**23.9**
CAPEX	-5.7	4.0	-35.0	**-7.9**	**-9.3**
Free cash flow	-16.3	5.7	2.0	**-3.1**	**14.2**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.3	0.2	0.3	**0.3**	**0.3**
EV/EBITDA	7.4	5.1	5.2	**5.1**	**3.9**
EV/EBIT (adj.)	19.1	neg.	10.0	**8.5**	**6.0**
P/E (adj.)	neg.	neg.	neg.	**26.5**	**7.4**
P/B	1.4	1.9	2.9	**2.8**	**2.1**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**2.7 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.54	-1.83	0.06	**-0.10**	**0.45**
EPS (adj.)	-0.52	-1.83	-0.35	**0.14**	**0.50**
OCF / share	0.04	0.83	2.07	**0.39**	**1.45**
OFCF / share	-0.99	0.35	0.12	**-0.19**	**0.86**
Book value / share	3.15	1.36	3.18	**3.07**	**3.52**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.10**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	29%	17%	-28%	**4%**	**14%**
EBITDA growth-%	20%	-1%	74%	**-34%**	**37%**
EBIT (adj.) growth-%	15%	-350%	170%	**21%**	**29%**
EPS (adj.) growth-%	-10%	-255%	81%	**139%**	**260%**
EBITDA-%	4.0 %	3.4 %	8.2 %	**5.2 %**	**6.2 %**
EBIT (adj.)-%	1.6 %	-3.3 %	3.2 %	**3.8 %**	**4.2 %**
EBIT-%	1.4 %	-3.3 %	5.3 %	**2.7 %**	**4.0 %**
ROE-%	-15.6 %	-81.1 %	3.1 %	**1.3 %**	**18.4 %**
ROI-%	4.9 %	-16.3 %	21.6 %	**10.5 %**	**17.5 %**
Equity ratio	26.0 %	12.7 %	32.1 %	**32.5 %**	**34.3 %**
Gearing	70.2 %	136.2 %	6.5 %	**24.3 %**	**4.3 %**
Net debt/EBITDA	2.5	2.1	0.1	**0.7**	**0.1**
EBITDA/net financials	1.1	1.0	1.8	**2.7**	**8.7**

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

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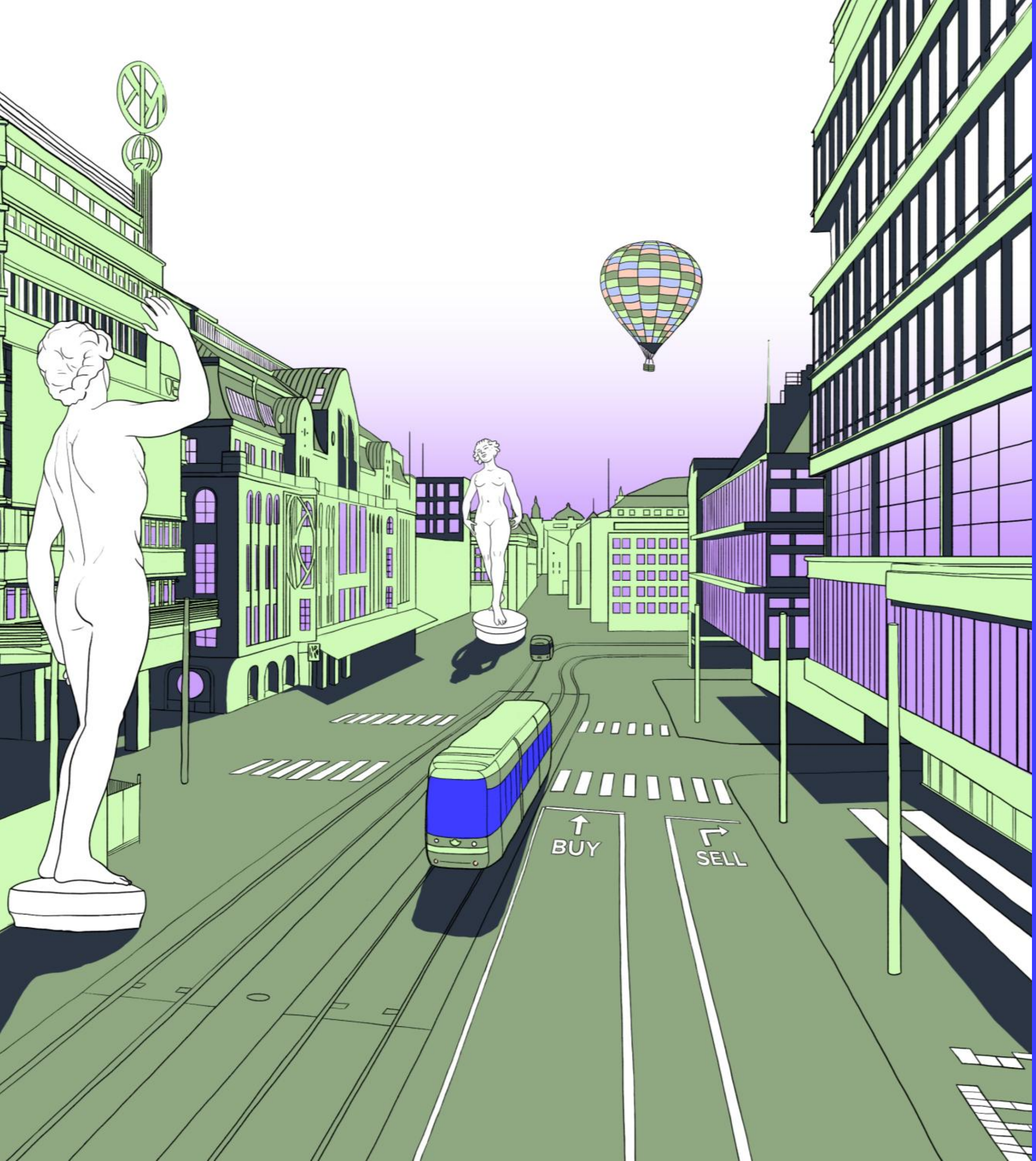
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/16/2021	Accumulate	9.00 €	8.50 €
5/5/2021	Accumulate	10.50 €	9.60 €
5/17/2021	Buy	10.50 €	8.94 €
8/16/2021	Buy	12.00 €	10.15 €
9/23/2021	Accumulate	11.00 €	9.56 €
11/3/2021	Reduce	8.00 €	7.88 €
12/21/2021	Reduce	7.00 €	6.54 €
12/23/2021	Accumulate	7.00 €	6.36 €
3/1/2022	Reduce	7.00 €	6.94 €
5/2/2022	Reduce	7.00 €	7.64 €
7/28/2022	Sell	5.00 €	6.40 €
8/5/2022	Sell	5.00 €	6.20 €
Analyst changed			
10/13/2022	Reduce	6.00 €	6.00 €
10/31/2022	Reduce	6.00 €	6.12 €
1/19/2023	Reduce	6.00 €	6.26 €
1/24/2023	Reduce	6.00 €	6.74 €
2/28/2023	Reduce	6.00 €	6.09 €
5/9/2023	Accumulate	6.00 €	5.32 €
8/4/2023	Reduce	6.00 €	6.10 €
10/30/2023	Reduce	4.70 €	4.47 €
3/1/2024	Reduce	4.40 €	4.15 €
4/29/2024	Reduce	4.20 €	3.74 €
5/6/2024	Reduce	3.10 €	2.96 €
8/5/2024	Accumulate	3.40 €	2.92 €
10/29/2024	Accumulate	3.40 €	2.95 €
12/20/2024	Accumulate	3.60 €	2.90 €
1/29/2025	Accumulate	3.20 €	2.80 €
3/3/2025	Reduce	2.70 €	2.43 €
4/23/2025	Accumulate	2.40 €	2.01 €
4/29/2025	Buy	2.80 €	2.15 €
8/8/2025	Buy	3.50 €	2.64 €
8/13/2025	Buy	3.70 €	2.84 €
10/10/2025	Accumulate	4.70 €	4.00 €
11/3/2025	Accumulate	5.20 €	4.50 €
12/29/2025	Buy	5.20 €	3.85 €
2/13/2026	Buy	5.20 €	3.76 €
4/28/2026	Buy	4.90 €	3.10 €
5/8/2026	Buy	5.20 €	3.55 €
8/6/2026	Buy	5.20 €	3.54 €
8/6/2026	Buy	5.20 €	3.66 €



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