

TECNOTREE

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Order book showing expected growth

Tecnotree's Q2 figures fell short of our estimates, but this was largely due to the weakening US dollar. The order book grew thanks to major contract wins, and, quite as expected, the upper end of the growth guidance was increased, which we had already taken into account in our forecasts. In our opinion, the improved cash flow has substantially been priced into the stock. We raise the target price to EUR 4.5 (was EUR 4.3) in line with the decline in the required return and reiterate our Reduce recommendation.

Weakening dollar weighed on Q2 progress

Tecnotree's revenue decreased by 7% to 17.3 MEUR, clearly below our forecast of 19.8 MEUR. The revenue decline was primarily driven by the weakening US dollar, as revenue growth at constant exchange rates was narrowly positive (+0.7%), still falling short of our estimates. Revenue grew significantly in the Americas & Europe segment but declined in the MEA & APAC segment. These results represent steps forward in the company's expansion into developed markets. Tecnotree's Q2 EBIT was 5.1 MEUR, also falling short of our forecast (8.2 MEUR), which was natural, given that revenue was clearly below our expectations. The weakening dollar was also reflected in the EBIT level because the natural hedge provided by the company's dollar-based expenses is only partial. Due to significant exchange rate losses, earnings per share amounted to only EUR 0.06, falling well short of our estimate of EUR 0.26. Free cash flow was 1.1 MEUR, consistent with the company's guidance. However, after accounting for negative translation effects (-1.1 MEUR), the change in cash and cash equivalents remained positive due to the withdrawal of loans (1.3 MEUR).

Growth guidance updated as expected

Tecnotree revised its growth guidance upward, with the company now expecting revenue to grow at a low to high single-digit rate (previously low to medium). This was anticipated given the several major deals the company announced during Q2. However, they will only have a greater impact on the company's growth in the coming years. We made minor negative adjustments to our estimates

based on Q2 results, most of which were due to the actual Q2 numbers and the weakening USD, which our estimates had factored in too conservatively. We now expect revenue for the current year to grow by 3% to 73.8 MEUR, which, at fixed exchange rates, would still represent high single-digit growth in our view. We expect EBIT to end up at 27.1 MEUR (35.7% of revenue, 2024: 33.3%). Next year, we expect growth to accelerate to 10%, supported by strong order book growth following the major contracts the company signed in Q2 (105.7 MEUR vs. Q1'25: 70.3 MEUR). We expect EBIT to improve to 28.9 MEUR (note: a greater improvement is expected at the EBITDA level). While large deliveries will naturally require certain efforts and investments, a significant part of the development work can also be "replicated" from the company's previous projects, limiting the need for customization.

Improved growth and cash flow outlook reflected in price

Tecnotree's growth outlook for the coming years has improved significantly thanks to the major contracts won during Q2. The company's share price has recently jumped considerably, and the negative price reaction (-7%) to the Q2 results suggests, in our opinion, that expectations had become overly optimistic. With cash flow guidance remaining unchanged, Tecnotree's cash flow yield is clearly in the single digits, which we find unattractive given Tecnotree's risk level. Our DCF model, which indicates a significant improvement in cash flow in the coming years, suggests a value of EUR 4.5 per share (we further reduced our required return to 14.0%). However, this does not account for the dilution caused by the company's convertible bonds and the staff incentive plan in the coming years (combined effect of around 40% at the current share price). We believe that the improving cash flow outlook after the recent price rise is already significantly priced into the stock, and thus we will continue to monitor the development of the cash flow profile from the sidelines. Nevertheless, we also see opportunities for positive surprises given the improved growth outlook and reduced exposure to emerging market currencies.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 4.50

(was EUR 4.30)

Share price:

EUR 4.86

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	71.6	73.8	82.0	86.4
growth-%	-9%	3%	11%	5%
EBIT adj.	26.7	26.2	29.2	30.8
EBIT-% adj.	37.3 %	35.5 %	35.7 %	35.7 %
Net Income	8.3	12.0	17.7	18.9
EPS (adj.)	0.97	0.74	0.68	0.71

P/E (adj.)	2.7	6.6	7.2	6.8
P/B	0.4	0.8	0.8	0.7
P/FCF	6.2	13.2	17.2	12.1
EV/EBIT (adj.)	1.9	3.4	3.1	2.9
EV/EBITDA	1.7	2.7	2.4	2.2
EV/S	0.7	1.2	1.1	1.0

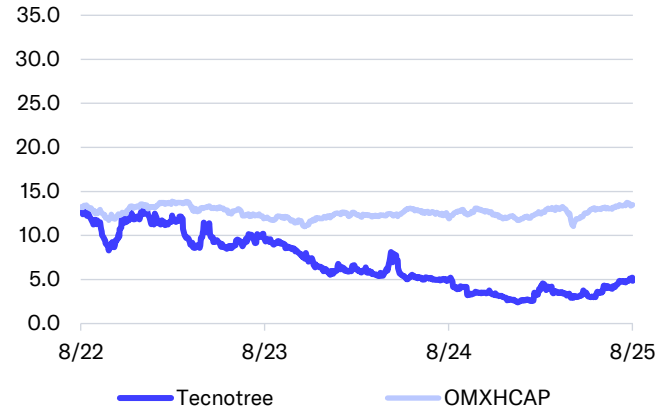
Source: Inderes

Guidance

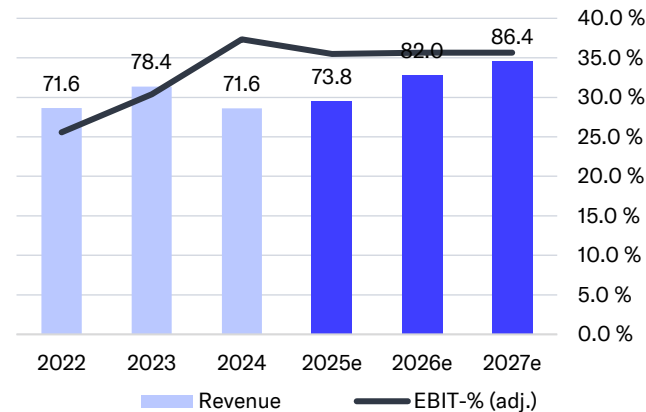
(Upgraded)

Tecnotree expects revenue to grow by low to high-single digit percentage in constant currency terms. The EBIT margin is expected to improve further by at least 2 percentage points. Tecnotree expects free cash flow to be over 4 MEUR. Tecnotree expects a capex/revenue ratio of 10-12%.

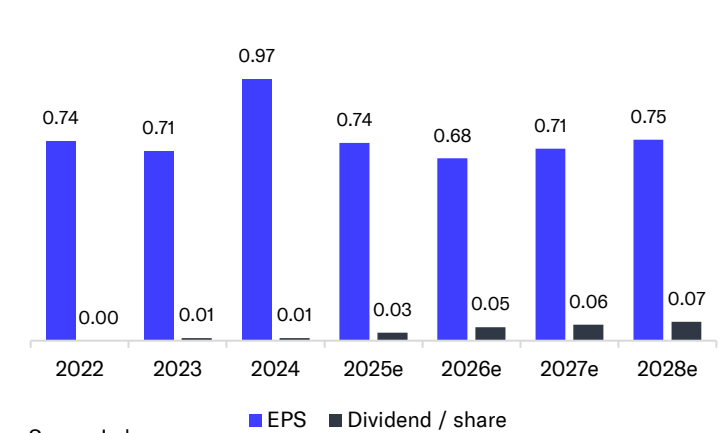
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Clear and sustainable improvement in cash flow
- Value-creating M&A
- Industry's organic drivers are strong and longer-term growth outlook is good
- Increase in recurring revenue
- Technologically competent product portfolio

Risk factors

- Quality of trade receivables and intangible assets
- Risks related to cash collections
- Failure in M&A
- Customer portfolio structure concentrated at top level
- Failure in product development work and reading the industry
- Some cyclicity in operators' investments
- Political and legislative threats in emerging countries

Valuation	2025e	2026e	2027e
Share price	4.86	4.86	4.86
Number of shares, millions	16.3	26.0	26.4
Market cap	79	126	128
EV	90	92	89
P/E (adj.)	6.6	7.2	6.8
P/E	6.6	7.2	6.8
P/B	0.8	0.8	0.7
P/S	1.1	1.5	1.5
EV/Sales	1.2	1.1	1.0
EV/EBITDA	2.7	2.4	2.2
EV/EBIT (adj.)	3.4	3.1	2.9
Payout ratio (%)	4.1 %	7.4 %	8.4 %
Dividend yield-%	0.6 %	1.0 %	1.2 %

Source: Inderes

Q2 figures fell well short of our estimates

Weakening dollar led to decline in revenue

Tecnotree's revenue decreased by 7% to 17.3 MEUR, falling well short of our forecast of 19.8 MEUR. The weakening USD significantly impacted growth, with revenue growing by 0.7% at constant exchange rates. Thus, revenue progress fell short of our estimates even at constant exchange rates.

In terms of revenue, growth was seen in licenses (6.0 MEUR vs. Q2'24: 4.6 MEUR). The Europe & Americas segment saw particularly strong growth in licenses, while license income in the MEA & APAC segment declined sharply. Deliveries declined (4.7 MEUR vs. 6.7 MEUR), as did maintenance and management services (6.6 MEUR vs. 7.4 MEUR).

Geographically, revenue increased significantly in the Europe & Americas segment (6.3 MEUR vs. Q2'24: 2.5 MEUR), reflecting the company's expansion into developed markets. Revenue in the MEA & APAC segment decreased to 11.1 MEUR (vs. Q2'24: 16.1 MEUR).

The order book grew robustly to 105.7 MEUR from 72.6 MEUR in the comparison period and 79.6 MEUR at the

end of 2024. This growth was anticipated given the several very large orders the company announced during Q2. In addition to the large agreements announced, we estimate that no other significant orders occurred during the quarter based on order flow.

Result also missed our estimates due to decline in revenue

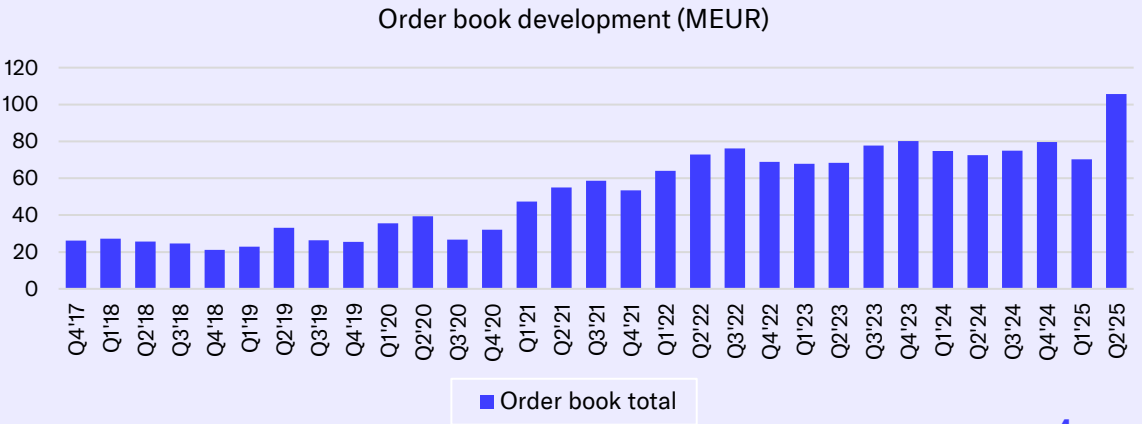
In Q2, Tecnotree's EBIT was 5.1 MEUR (Q2'24 adj. EBIT: 6.4 MEUR) clearly missing our forecast of 8.2 MEUR. It was logical that the result fell short of our projections, considering the lower-than-expected revenue. This primarily explained the weaker-than-expected result, and no significant deviations from our estimates were seen in the fixed cost structure. In our view, the company has more income than expenses in USD, which is why the weakening of the dollar was also reflected in the operating result. In addition to the operating result, financial expenses were high due to exchange rate losses related to the dollar. Ultimately, earnings per share came in at just EUR 0.06, far below our forecast of EUR 0.26.

Cash flow

Tecnotree's cash flow from operating activities in Q2 was 3.3 MEUR, slightly weaker than the comparison period (Q2'24: 4.4 MEUR). Investments amounted to 2.2 MEUR, a decrease (Q2'24: 4.7 MEUR) in line with the company's targets. As a result, the company's free cash flow was positive at 1.1 MEUR. Conversely, negative translation effects from exchange rates were equal to the free cash flow, meaning that the change in cash and cash equivalents (1.2 MEUR) relied on new loans taken out (1.3 MEUR). A translation effect occurs when a company has cash reserves in currencies weakening against the euro (e.g., the Nigerian naira), which are then revalued in euros. During the entire H1, cash reserves increased by 2.3 MEUR, while new loans were taken out for 2.9 MEUR. Receivables decreased slightly from 73.6 MEUR in the comparison period and 74.2 MEUR in the previous quarter to 70.5 MEUR, which is partly explained by the weakening of the dollar (the value of dollar-based receivables decreases in euros).

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	18.7	17.3	19.8				73.8
EBIT (adj.)	6.4	5.1	8.2				26.2
EBIT	3.5	5.1	8.2				26.2
PTP	2.8	2.1	6.2				17.0
EPS (reported)	0.13	0.06	0.28				0.74
Revenue growth-%	-3.4 %	-7.2 %	5.9 %				0.0 %
EBIT-% (adj.)	34.4 %	29.5 %	41.4 %				35.5 %

Source: Inderes



Growth guidance raised as expected due to increased order book

Growth guidance raised as expected

Tecnotree kept its guidance otherwise unchanged but changed its revenue growth guidance. Tecnotree now expects revenue growth to be in the low to high single digits, whereas the previous guidance anticipated low to medium growth. Thus, the upper limit of the guidance was raised slightly, which was very much expected. H1 growth at constant exchange rates was 2.7% (reported -2.1%), promising an acceleration in growth towards the end of the year. In any case, due to the weakening dollar, the reported growth will likely remain well below comparable growth this year.

Otherwise, the guidance is unchanged:

- The EBIT margin is expected to improve further by at least 2 percentage points.
- Free cash flow is expected to be over 4 MEUR
- A capex/revenue ratio of 10-12% is expected

In addition, receivables days are expected to range between 100-140 days, the dividend distribution target is 10% of free cash flow and FX exposure to developing countries will be reduced to 10-15% within three years.

Of these targets, the company is behind schedule for receivables (H1: 174 days) and investments (H1: 14%). However, the company is confident it will meet its targets as it expects to collect certain receivables during the rest of the year, which will support the figure's development. Investments have also been high in the first half of the year as the company prepares to deliver larger orders.

Estimates for the coming years in brief

We made minor negative adjustments to our estimates after the Q2 report. These adjustments were primarily due to the actual Q2 results and the weakening dollar, which our projections did not sufficiently consider. The significant growth in the order book was expected, and we anticipate continued strong growth from the company in the coming years, supported by the major deals announced in Q2.

However, we have already accounted for these deals in our forecasts in previous updates.

We expect Tecnotree's reported revenue to grow by 3% to 73.8 MEUR this year, which, at fixed exchange rates, would still represent high single-digit growth in our view. We expect EBIT to amount to 26.2 MEUR. This would mean an EBIT margin of 35.5% (2024: 33.3%), which would be in line with the guidance.

In 2026, we expect growth to accelerate as announced deals begin generating higher revenues than before. We expect revenue to grow by 11% to 82.0 MEUR. We project that EBIT will improve to 29.2 MEUR as profitability scales with growth. Due to the increase in depreciation, we anticipate even stronger earnings growth at the EBITDA level. Growth reflected in the results is supported, in part, by the fact that the South African contract does not require significant technical development work because much of it can be replicated from projects carried out for MTN Nigeria.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	76.2	73.8	-3%	83.0	82.0	-1%	87.5	86.4	-1%
EBITDA	34.5	33.0	-4%	39.3	38.5	-2%	40.9	40.9	0%
EBIT (exc. NRIs)	27.5	26.2	-5%	30.0	29.2	-2%	30.8	30.8	0%
EBIT	27.5	26.2	-5%	30.0	29.2	-2%	30.8	30.8	0%
PTP	19.3	17.0	-12%	24.0	23.2	-3%	24.8	24.8	0%
EPS (excl. NRIs)	0.87	0.74	-16%	0.67	0.68	1%	0.68	0.71	4%
DPS	0.03	0.03	0%	0.05	0.05	0%	0.06	0.06	0%

Source: Inderes

Valuation

Valuation is demanding on a cash-flow basis

In our view, determining the fair value of Tecnotree is challenging. We do not believe that the cheap-looking earnings-based multiples (2025e- 2026e P/E 7x) can be relied upon in Tecnotree's case, and visibility on the company's sustainable cash flow generation capacity in the coming years is still lacking.

Based on our current year's FCFF forecast, free cash flow yield is clearly in the single digits (7%), which in our view is not attractive considering Tecnotree's risk level (cf. required rate of return clearly in the double digits), given that our forecast does not take into account, e.g., FX losses. Under the dividend policy, dividends will not support investors' expected return either (dividend yield of less than 1%).

We have further decreased our cost of equity in our DCF model to 14.0% (was 14.5%) largely due to improved cash flow and reduced exposure to developed market currencies. Our model now indicates a value of EUR 4.5 per share. However, the model expects a significant improvement in cash flow in the coming years. The model does not account for the dilution caused by the company's convertible bonds and the staff incentive plan in the coming years (combined effect of around 40% at the current share price, if the convertible bonds are subscribed in full).

There are initiatives to improve cash flow

Tecnotree aims to improve its cash flow through more efficient collection of receivables, more focused investments, a business model shift towards the ARR

model, and expansion into developed markets. In a positive scenario, growth in developed markets may improve the cash flow profile, and the company has shown promising signs of this with its strong sales momentum in the first half of the year (some deals are in Europe). The company has reduced its exposure to emerging market currencies, which will provide stability for its outlook moving forward. However, the Q2 report showed that new contracts are not immediately reflected in the figures. The recent rise in the share price has valued the future somewhat too optimistically, as reflected by the negative reaction on the day the results were announced (-7%). That said, the cash flow trend is correct, and this year the company will generate positive free cash flow on an annual basis for the first time since 2021.

In our opinion, the company's risk profile remains high but is trending downward. In our view, the improving cash flow outlook is already significantly priced into the share price, and we do not believe that the current valuation is attractive enough to justify taking risks related to the improving cash flow profile. Nevertheless, we also see opportunities for positive surprises, given the improved growth outlook and reduced exposure to emerging market currencies.

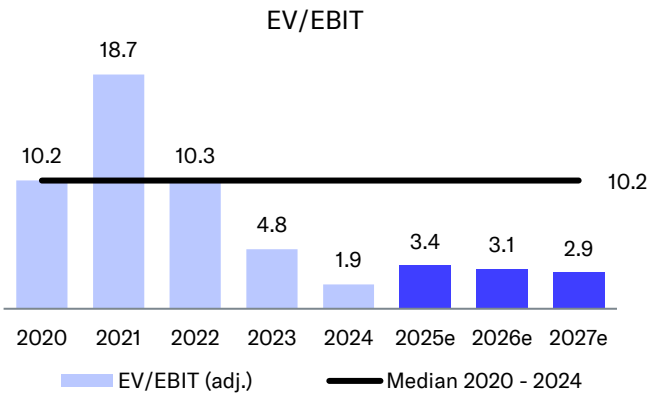
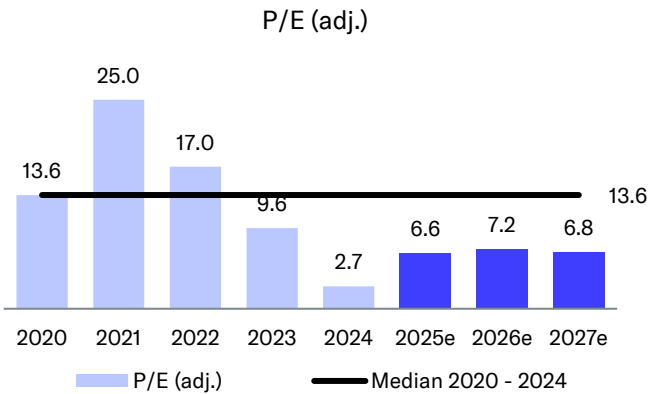
Valuation	2025e	2026e	2027e
Share price	4.86	4.86	4.86
Number of shares, millions	16.3	26.0	26.4
Market cap	79	126	128
EV	90	92	89
P/E (adj.)	6.6	7.2	6.8
P/E	6.6	7.2	6.8
P/B	0.8	0.8	0.7
P/S	1.1	1.5	1.5
EV/Sales	1.2	1.1	1.0
EV/EBITDA	2.7	2.4	2.2
EV/EBIT (adj.)	3.4	3.1	2.9
Payout ratio (%)	4.1 %	7.4 %	8.4 %
Dividend yield-%	0.6 %	1.0 %	1.2 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	14.0	29.4	12.6	6.80	2.61	4.86	4.86	4.86	4.86
Number of shares, millions	13.7	15.7	15.5	15.8	16.0	16.3	26.0	26.4	26.4
Market cap	192	460	196	108	42	79	126	128	128
EV	198	443	189	114	52	90	92	89	83
P/E (adj.)	13.6	25.0	17.0	9.6	2.7	6.6	7.2	6.8	6.5
P/E	14.2	25.0	17.0	9.6	5.0	6.6	7.2	6.8	6.5
P/B	9.7	6.8	2.4	1.2	0.4	0.8	0.8	0.7	0.6
P/S	3.6	7.2	2.7	1.4	0.6	1.1	1.5	1.5	1.4
EV/Sales	3.7	6.9	2.6	1.4	0.7	1.2	1.1	1.0	0.9
EV/EBITDA	9.7	17.5	9.5	4.1	1.7	2.7	2.4	2.2	1.9
EV/EBIT (adj.)	10.2	18.7	10.3	4.8	1.9	3.4	3.1	2.9	2.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %	1.4 %	1.9 %	4.1 %	7.4 %	8.4 %	9.4 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.1 %	0.4 %	0.6 %	1.0 %	1.2 %	1.4 %

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
Amdocs Ltd	8240	8557	10.8	10.3	9.1	8.7	2.0	2.2	13.3	12.3	2.2	2.0	2.8
CSG Systems International Inc	1543	1890	11.1	10.5	8.7	8.4	1.9	1.8	14.4	13.0	2.0	2.1	
Sterlite Technologies Ltd	571	715	18.2	42.2	9.5	14.4	1.2	1.4	17.0		2.1	0.6	2.2
Cerillion PLC	524	492	24.4	22.1	21.7	19.7	9.7	8.7	31.5	28.7	0.8	0.9	9.6
Tecnotree (Inderes)	79	90	3.4	3.1	2.7	2.4	1.2	1.1	6.6	7.2	0.6	1.0	0.8
Average			16.1	21.3	12.2	12.8	3.7	3.5	19.0	18.0	1.8	1.4	4.9
Median			14.7	16.3	9.3	11.5	1.9	2.0	15.7	13.0	2.0	1.5	2.8
Diff-% to median			-77%	-81%	-71%	-79%	-36%	-44%	-58%	-45%	-70%	-30%	-73%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	78.4	16.3	18.7	19.0	17.6	71.6	16.9	17.3	20.1	19.5	73.8	82.0	86.4	90.2
EBITDA	27.7	6.0	5.8	7.1	11.9	30.7	6.0	6.6	10.1	10.3	33.0	38.5	40.9	42.9
Depreciation	-3.9	-1.6	-2.2	-2.1	-1.0	-6.9	-1.5	-1.5	-1.8	-2.0	-6.8	-9.3	-10.1	-10.9
EBIT (excl. NRI)	23.8	4.4	6.5	5.0	10.9	26.7	4.5	5.1	8.3	8.3	26.2	29.2	30.8	32.0
EBIT	23.8	4.4	3.6	5.0	10.9	23.8	4.5	5.1	8.3	8.3	26.2	29.2	30.8	32.0
Net financial items	-9.9	-2.3	-0.8	-0.1	-7.8	-11.0	-2.3	-2.9	-2.0	-2.0	-9.2	-6.0	-6.0	-6.0
PTP	13.9	2.1	2.8	4.9	3.0	12.8	2.3	2.1	6.3	6.3	17.0	23.2	24.8	26.0
Taxes	-2.8	-0.4	-0.8	-0.8	-2.5	-4.5	-0.8	-1.1	-1.6	-1.6	-5.0	-5.6	-6.0	-6.2
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	11.2	1.6	2.0	4.1	0.5	8.3	1.5	1.1	4.7	4.7	12.0	17.7	18.9	19.7
EPS (adj.)	0.71	0.10	0.31	0.25	0.31	0.97	0.09	0.06	0.29	0.29	0.74	0.68	0.71	0.75
EPS (rep.)	0.71	0.10	0.13	0.25	0.03	0.52	0.09	0.06	0.29	0.29	0.74	0.68	0.71	0.75

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	9.5 %	4.7 %	-3.4 %	-10.9 %	-20.7 %	-8.7 %	3.7 %	-7.2 %	5.8 %	10.7 %	3.1 %	11.1 %	5.4 %	4.4 %
Adjusted EBIT growth-%	30.2 %	21.5 %	5.2 %	-19.6 %	38.1 %	12.1 %	3.2 %	-22.2 %	66.7 %	-23.3 %	-2.0 %	11.6 %	5.4 %	3.8 %
EBITDA-%	35.4 %	37.1 %	30.9 %	37.1 %	67.4 %	42.9 %	35.8 %	37.9 %	50.0 %	53.0 %	44.7 %	47.0 %	47.3 %	47.5 %
Adjusted EBIT-%	30.4 %	27.0 %	34.9 %	26.1 %	61.7 %	37.3 %	26.9 %	29.2 %	41.1 %	42.7 %	35.5 %	35.7 %	35.7 %	35.5 %
Net earnings-%	14.3 %	10.0 %	10.9 %	21.3 %	3.1 %	11.5 %	8.9 %	6.1 %	23.3 %	24.4 %	16.3 %	21.5 %	21.8 %	21.9 %

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	36.3	45.5	48.6	52.5	56.6
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	33.5	43.1	46.0	49.8	53.9
Tangible assets	0.4	0.1	0.3	0.4	0.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.9	2.2	2.2	2.2	2.2
Deferred tax assets	0.5	0.0	0.0	0.0	0.0
Current assets	91.9	93.4	115	129	143
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	71.1	76.5	79.7	91.0	100
Cash and equivalents	20.8	16.8	35.3	37.6	42.4
Balance sheet total	128	139	164	181	199

Source: Inderes

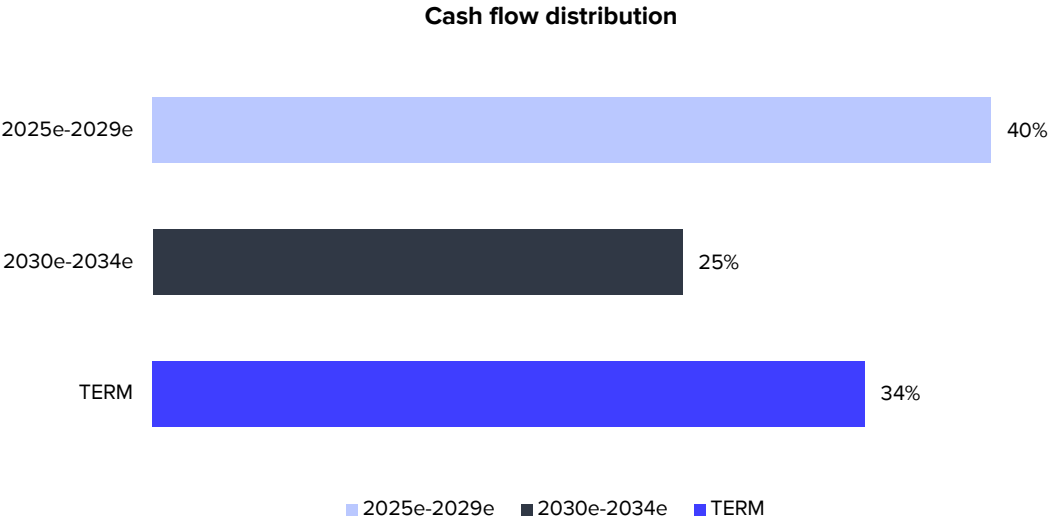
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	86.5	92.6	104	165	182
Share capital	1.3	1.3	1.3	1.3	1.3
Retained earnings	55.9	62.0	73.8	91.0	109
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	29.3	29.3	29.3	72.4	72.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.8	27.3	45.8	2.7	2.7
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	1.0	0.0	0.0	0.0	0.0
Convertibles	21.1	23.1	43.1	0.0	0.0
Other long term liabilities	3.7	4.2	2.7	2.7	2.7
Current liabilities	15.9	19.0	13.3	13.7	14.2
Interest bearing debt	4.5	3.9	3.0	3.0	3.0
Payables	11.3	15.1	10.3	10.7	11.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	128	139	164	181	199

DCF-calculation

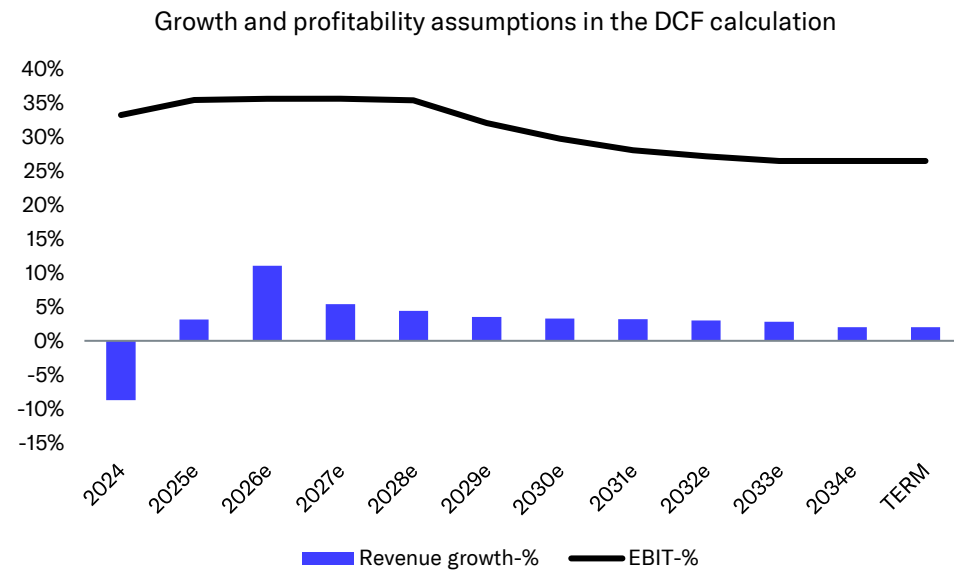
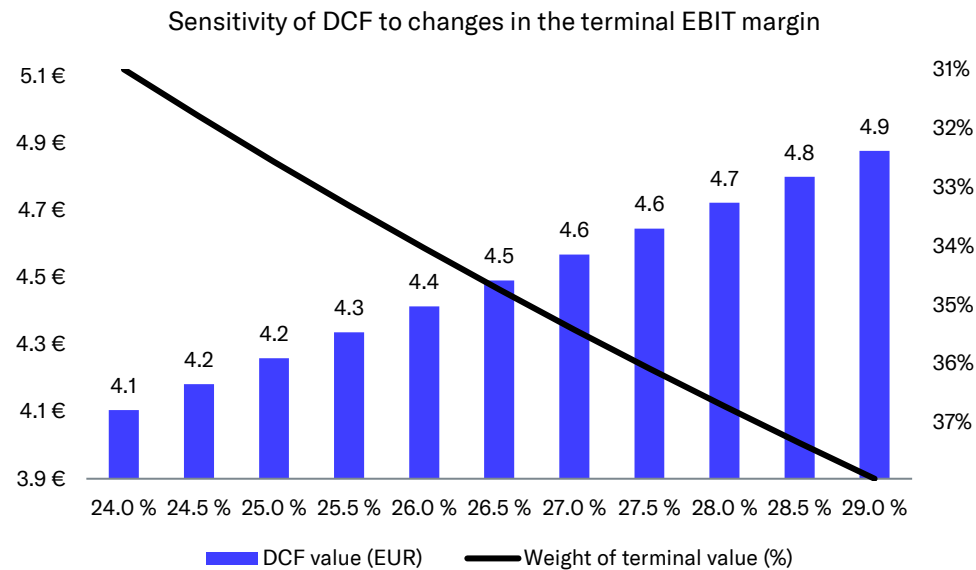
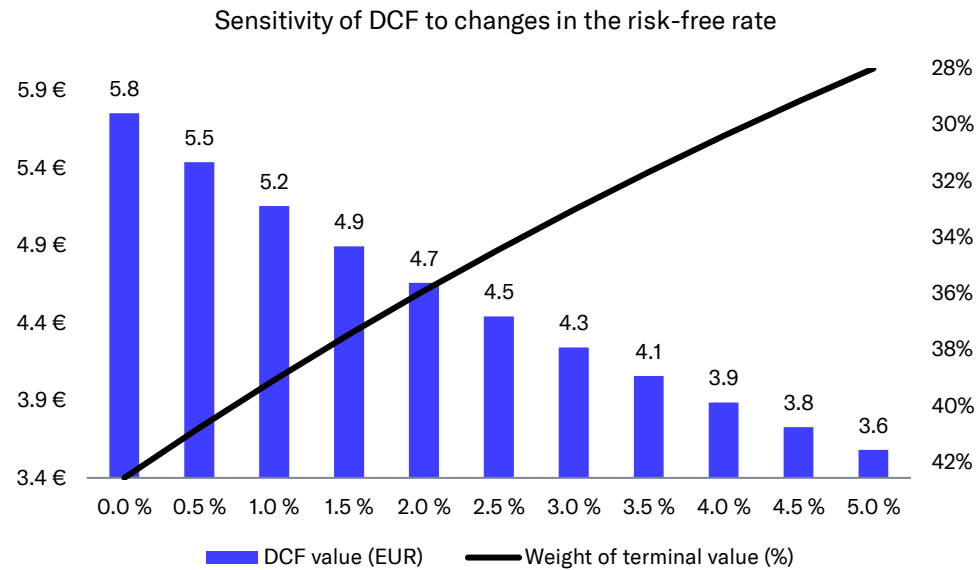
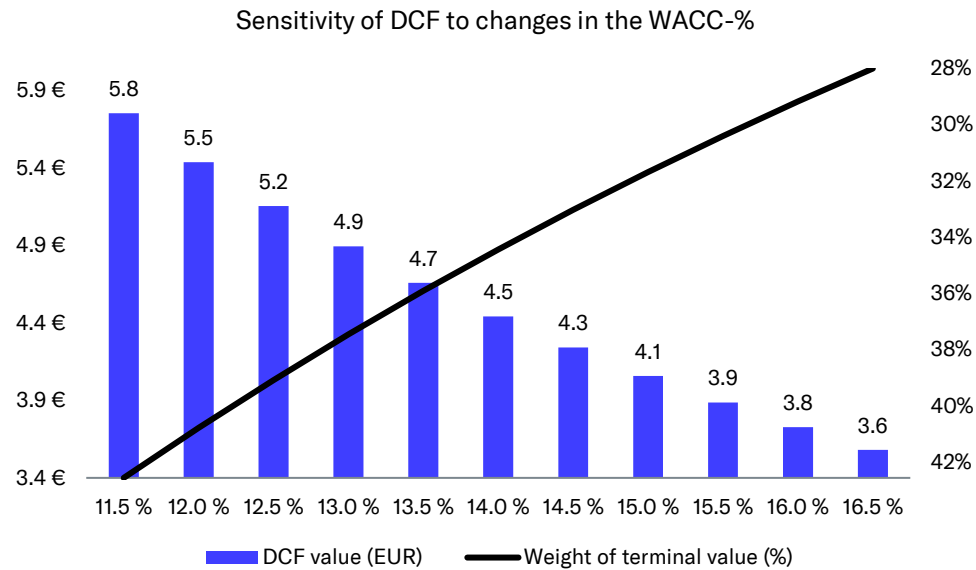
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.7 %	3.1 %	11.1 %	5.4 %	4.4 %	3.5 %	3.3 %	3.2 %	3.0 %	2.8 %	2.0 %	2.0 %
EBIT-%	33.3 %	35.5 %	35.7 %	35.7 %	35.5 %	32.1 %	29.8 %	28.1 %	27.2 %	26.5 %	26.5 %	26.5 %
EBIT (operating profit)	23.8	26.2	29.2	30.8	32.0	30.0	28.7	28.0	27.9	27.9	28.5	
+ Depreciation	6.9	6.8	9.3	10.1	10.9	11.7	12.4	12.9	13.4	13.8	14.0	
- Paid taxes	-4.0	-5.0	-5.6	-6.0	-6.2	-5.8	-5.5	-5.3	-5.3	-5.3	-6.4	
- Tax, financial expenses	-2.2	-2.7	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-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	-1.7	-7.9	-10.9	-8.6	-8.4	-8.1	-7.3	-8.6	-8.8	-8.9	-9.2	
Operating cash flow	22.8	17.4	20.6	24.8	26.8	26.4	26.9	25.6	25.8	26.1	26.5	
+ Change in other long-term liabilities	0.5	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-16.6	-9.9	-13.2	-14.2	-14.7	-15.2	-15.2	-15.2	-15.2	-15.2	-14.9	
Free operating cash flow	6.7	6.0	7.4	10.6	12.1	11.2	11.7	10.4	10.6	10.9	11.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.7	6.0	7.4	10.6	12.1	11.2	11.7	10.4	10.6	10.9	11.6	98.1
Discounted FCFF		5.7	6.1	7.8	7.7	6.3	5.7	4.5	4.0	3.6	3.4	28.5
Sum of FCFF present value		83.4	77.6	71.5	63.8	56.0	49.8	44.0	39.5	35.5	31.9	28.5
Enterprise value DCF		83.4										
- Interest bearing debt		-27.0										
+ Cash and cash equivalents		16.8										
-Minorities		0.0										
-Dividend/capital return		-0.2										
Equity value DCF		73.0										
Equity value DCF per share		4.5										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	3.0 %
Equity Beta	1.90
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	14.0 %
Weighted average cost of capital (WACC)	14.0 %

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	Per share data	2022	2023	2024	2025e	2026e
Revenue	71.6	78.4	71.6	73.8	82.0	EPS (reported)	0.74	0.71	0.52	0.74	0.68
EBITDA	19.8	27.7	30.7	33.0	38.5	EPS (adj.)	0.74	0.71	0.97	0.74	0.68
EBIT	18.3	23.8	23.8	26.2	29.2	OCF / share	0.28	0.80	1.43	1.07	0.79
PTP	17.2	13.9	12.8	17.0	23.2	OFCF / share	-0.32	-0.04	0.42	0.37	0.28
Net Income	11.6	11.2	8.3	12.0	17.7	Book value / share	5.15	5.46	5.80	6.40	6.33
Extraordinary items	0.0	0.0	-2.9	0.0	0.0	Dividend / share	0.00	0.01	0.01	0.03	0.05
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	103.8	128.2	138.9	163.6	181.1	Revenue growth-%	12%	9%	-9%	3%	11%
Equity capital	80.1	86.5	92.6	104.4	164.7	EBITDA growth-%	-22%	40%	11%	7%	17%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-23%	30%	12%	-2%	12%
Net debt	-7.5	5.9	10.2	10.8	-34.6	EPS (adj.) growth-%	-37%	-5%	38%	-25%	-8%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	27.7 %	35.4 %	42.9 %	44.7 %	47.0 %
EBITDA	19.8	27.7	30.7	33.0	38.5	EBIT (adj.)-%	25.6 %	30.4 %	37.3 %	35.5 %	35.7 %
Change in working capital	-9.6	-10.4	-1.7	-7.9	-10.9	EBIT-%	25.6 %	30.4 %	33.3 %	35.5 %	35.7 %
Operating cash flow	4.4	12.7	22.8	17.4	20.6	ROE-%	15.6 %	13.4 %	9.2 %	12.2 %	13.1 %
CAPEX	-14.8	-13.9	-16.6	-9.9	-13.2	ROI-%	24.0 %	24.1 %	20.5 %	19.4 %	18.4 %
Free cash flow	-4.9	-0.6	6.7	6.0	7.4	Equity ratio	77.1 %	67.5 %	66.7 %	63.9 %	91.0 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-9.3 %	6.8 %	11.0 %	10.3 %	-21.0 %
EV/S	2.6	1.4	0.7	1.2	1.1						
EV/EBITDA	9.5	4.1	1.7	2.7	2.4						
EV/EBIT (adj.)	10.3	4.8	1.9	3.4	3.1						
P/E (adj.)	17.0	9.6	2.7	6.6	7.2						
P/B	2.4	1.2	0.4	0.8	0.8						
Dividend-%	0.0 %	0.1 %	0.4 %	0.6 %	1.0 %						

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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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
8/5/2022	Accumulate	0.80 €	0.69 €
9/15/2022	Accumulate	0.65 €	0.54 €
10/24/2022	Accumulate	0.65 €	0.54 €
12/15/2022	Accumulate	0.70 €	0.63 €
2/27/2023	Reduce	0.58 €	0.54 €
3/28/2023	Accumulate	0.54 €	0.44 €
4/19/2023	Reduce	0.54 €	0.52 €
8/7/2023	Accumulate	0.54 €	0.48 €
10/30/2023	Reduce	0.42 €	0.38 €
2/23/2024	Reduce	0.35 €	0.32 €
Reverse split at 20:1 ratio			
4/29/2024	Reduce	7.00 €	6.30 €
5/10/2024	Reduce	6.00 €	5.41 €
8/12/2024	Reduce	5.50 €	5.14 €
9/9/2024	Sell	3.00 €	3.87 €
10/28/2024	Sell	3.00 €	3.65 €
1/28/2025	Reduce	3.00 €	3.29 €
2/27/2025	Reduce	3.50 €	3.77 €
4/30/2025	Reduce	3.50 €	3.76 €
5/28/2025	Reduce	3.80 €	3.60 €
6/10/2025	Reduce	4.30 €	4.30 €
8/6/2025	Reduce	4.50 €	4.86 €



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