

Market: First North DK

Ticker: WMA

Share price (DKK): 5.50

Market cap (DKK): 79.8

Net debt (DKK): 64.7 (end 2023)

Enterprise value (DKK): 144.5

## Share information



YTD: 21.2% 1 year: -6.0%  
1 month: 28.5% Since IPO\*: -47.2%

Note: \*WindowMaster's IPO date was 27 October 2020 (subscription price of DKK 10.42). We apply the closing price from 15 April 2024 (Source: Nasdaq).

## Financials

(DKKm)	2022	2023	2024E*
Revenue	241.4	238.0	255.0-265.0
Revenue growth	14%	-1%	7-11%
EBITDA	22.8	19.3	25.0-29.0
EBITDA margin	9%	8%	9-11%
Net income	-2.4	-11.1	N/A
Net income margin	-1%	-5%	N/A
Cash	3.0	2.5	N/A
Interest-bearing debt	71.2	67.2	N/A

Note: Interest-bearing debt include lease liabilities.  
\*WindowMaster's 2024 guidance.

## Valuation multiples

	2022	2023	2024E*
P/S (x)	0.4	0.3	0.3
EV/Sales (x)	0.7	0.5	0.6
EV/EBITDA (x)	7.0	6.8	5.4
EV/EBIT (x)	47.7	-97.7	N/A
P/E (x)	-46.4	-5.9	N/A
P/B (x)	2.6	2.5	N/A
P/CF (x)	6.3	3.1	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers. \*Multiples for 2024E are based on the midpoint in WindowMaster's guidance range.

## Company description

Founded in 1990, WindowMaster is a CleanTech company that provides natural ventilation solutions and heat and smoke ventilation solutions, primarily for larger buildings and for commercial use. With production in Germany and sales offices across Europe and North America, WindowMaster has a global presence. In 2015, the CEO and major shareholder Erik Boyter made a management buy-in. The company was listed in 2020.

## Investment case

Buildings account for approx. 40% of Europe's energy consumption and 72% hereof originate from heating, ventilation, and lightning. WindowMaster's natural ventilation solutions support the transition to net-zero emission buildings, which also is a focus area in the EU Green Deal Industrial Plan. Compared to other Nordic GreenTech companies, WindowMaster is relatively far in its commercialization phase, and should therefore be able to utilize the increased market opportunities.

Despite challenging market conditions in the construction industry, WindowMaster delivered flat growth (approx. -1%) in 2023, which is better than the construction/building-related companies in the peer group. This supports that WindowMaster is less cyclical and exposed to secular growth trends. Pick-up in its order intake in the second half of 2023 seems to continue in 2024 with Q1 2024 order intake showing 24% growth. This supports the company's 2024 guidance of improved growth and profitability.

Looking at valuation, WindowMaster trades at 0.6x EV/Sales (2024E) and 5.4x EV/EBITDA (2024E), if WindowMaster delivers on the 2024 guidance (midpoints in ranges). The valuation multiples are below the peer group median (0.8x EV/Sales and 8.3x EV/EBITDA), consisting of larger Danish building-related companies and a Finnish company. Being somewhat less cyclical than the peer group may justify a premium to WindowMaster's multiples. On the other hand, investors may demand a discount on WindowMaster due to its less liquid shares and smaller size compared to its peers.

## Key investment reasons

Interest rates topping out could change the negative investor sentiment and market outlook toward companies exposed to both the green- and construction sectors. WindowMaster's upward adjustment of its 2024 guidance range was followed by comments of a better market sentiment. With high operational gearing, an improved topline could further fuel earnings growth.

In 2023 and the first part of 2024, WindowMaster delivered increased sales from its project business. Higher growth and thereby capacity utilization is an important part of its strategy plan, which targets 10-15% yearly organic growth and an EBITDA margin of approx. 15% in 2026 (up from 9-11% in 2024E).

A potential long-term growth driver may be M&A activities. Recently, some larger industry players have acquired smaller companies, and some of the large industry players are also looking to sell their non-core business areas.

## Key investment risks

The future growth and demand for WindowMaster's natural ventilation solutions are somewhat dependent on the continued political focus on green building regulations. Potential postponements of new regulations could lead to lower-than-expected growth rates in the future.

Despite being less cyclical due to secular trends from energy renovation and public investment commitments as well as recurring revenue from service contracts, WindowMaster is still dependent on the building activity and thus also macroeconomic risk. This was shown in 2023 which caused a one-year delay in its financial targets.

After a challenging 2023, it is important that WindowMaster delivers on its 2024 guidance to increase the investors' beliefs in the 2026 financial targets. A strong start to 2024 with an upward adjusted guidance range minimizes this risk.

## Peer group

Company	Price (local)	Total return YTD	Market cap (EURm)	Latest net debt (EURm)	EV/Sales (x) 2023	EV/Sales (x) 2024E	EV/EBITDA (x) 2023	EV/EBITDA (x) 2024E	Revenue growth (CAGR) 2022-2024E	EBITDA growth (CAGR) 2022-2024E
Rockwool A/S	2242.0 DKK	13.5%	3,494.6	-239.0	1.7	1.7	7.9	8.2	-4.1%	8.3%
Purmo Group Oyj	6.94 EUR	3.6%	285.3	236.6	0.8	0.8	6.1	6.6	-0.3%	-1.0%
H+H International A/S	67.6 DKK	-23.9%	149.5	119.0	0.8	0.8	8.7	10.0	-13.1%	-43.1%
TCM Group A/S	50.8 DKK	11.7%	71.6	41.9	0.8	0.8	9.9	8.4	-2.5%	-8.6%
<b>Median of selected companies</b>		<b>7.6%</b>	<b>217.4</b>	<b>80.5</b>	<b>0.8</b>	<b>0.8</b>	<b>8.3</b>	<b>8.3</b>	<b>-3.3%</b>	<b>-4.8%</b>
<b>WindowMaster International A/S</b>	<b>5.5 DKK</b>	<b>21.2%</b>	<b>10.7</b>	<b>8.6</b>	<b>0.5</b>	<b>0.6</b>	<b>6.8</b>	<b>5.4</b>	<b>2.3%</b>	<b>6.8%</b>

Note: Being in a B2B niche market with high exposure to the green agenda, there is no direct peer to WindowMaster. For perspective, however, the peer group primarily consists of Danish building-related companies, which are Rockwool, H+H International, and TCM Group (larger companies). We have also included the Finnish-based Purmo Group, which is a large supplier of sustainable indoor climate comfort solutions. We apply the midpoint in WindowMaster's guidance range for 2024E, and Refinitiv mean analyst estimates for all peers in 2024E. Data is extracted on 15 April 2024. Source: Refinitiv, WindowMaster, and HC Andersen Capital.