

COMPONENTA OYJ

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COMPANY REPORT



A step forward on the path to turnaround

Componenta's half-year report was slightly better than we expected, with the key items slightly exceeding our forecasts. Although we kept our estimates for the next few years the same, we increased our medium-term estimates slightly, as the continued earnings turnaround has made us more confident about long-term profitability. In our view, the sharp rise in the share price reflects expectations of top-notch performance in the coming years, making the risk/reward ratio modest. We raise our target price to EUR 4.3 (was EUR 3.8) and reiterate our Reduce recommendation.

Report fulfilled our preliminary expectations

Componenta slightly exceeded our expectations in Q2, with revenue of 30.9 MEUR and EBITDA of 2.6 MEUR (8.5% EBITDA-%) The growth in revenue was practically entirely due to the impact of the business acquisition, so organic growth remained sluggish. Improved profitability was driven by higher volumes than in the comparison period and price increases that offset low utilization rates. The order book developed more dynamically than expected (14.2 MEUR, +31% y/y) and, according to our estimates, achieved organic growth of approximately 10%. This mitigates the risks to our growth forecasts for the rest of the year.

We expect earnings growth to continue in the coming years

Componenta reiterated its broad guidance, which we expect the company to easily achieve. We expect the company's revenue to grow by 17% to 114 MEUR in the current financial year. Most of the growth will come from business acquisitions made in H2'24, while we expect organic growth to remain below 5%. We forecast that the EBITDA for the full financial year will be 8.5 MEUR, corresponding to an EBITDA margin of 7.5%. Compared to the actual figures for the first half of the year (H1'25 EBITDA-% 8.4%), full-year profitability will be weighed

down by a seasonally weak Q3, while we expect performance to improve slightly in Q4 compared to the first half of the year as demand picks up slightly. Over the next few years, deliveries of a large order from the Finnish Defence Forces, the recovery of the agricultural machinery market and the moderate growth outlook for other customer segments will support our revenue growth expectations for Componenta. We project organic revenue growth of 16% and 8% in 2026–2027. We expect improved utilization rates in the foundry business and the Defence Industry's share of revenue to support profitability. Conversely, we expect the price increases justified by low production volumes that have supported profitability in the current financial year to be temporary in nature, which will slow down the scale of the profitability improvement in our forecast. High financing costs can be reduced as earnings levels improve either through repayment or refinancing of expensive debt financing. According to our estimates, the company will not pay taxes for several years as previous tax-deductible losses will not expire until after the turn of the decade.

Share fully priced following share price rise

The long-term DCF model gives Componenta a share value of EUR 4.3 (previously EUR 4.0). Due to the use of factoring financing, EV-based multiples are not very comparable, and the cost of debt in the DCF model is high. Assuming that factoring financing remains at the level at the end of the 2024 financial year (13 MEUR), the EV/EBIT multiples adjusted for this debt amount for 2025 and 2026 would be 19x and 10x, respectively, and the EV/EBITDA multiples would be 7x and 5x, respectively. Burdened by high financing costs, the P/E ratios are 39x and 12x for the same years. The expected return relies heavily on earnings growth in the coming years, and the valuation does not appear attractive until 2027 in our forecasts. Based on the valuation methods we use, the share is currently tightly priced.

Recommendation

Reduce
(was Reduce)

Target price:
EUR 4.30
(was EUR 3.80)

Share price:
EUR 4.41

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	97.1	114.1	132.3	142.9
growth-%	-5%	17%	16%	8%
EBIT adj.	-0.3	3.1	5.4	6.5
EBIT-% adj.	-0.3 %	2.7 %	4.1 %	4.5 %
Net Income	0.2	1.1	3.5	4.9
EPS (adj.)	-0.28	0.11	0.36	0.51
P/E (adj.)	>100	39.1	12.1	8.7
P/B	1.0	1.6	1.4	1.3
Dividend yield-%	0.0 %	0.7 %	3.2 %	4.5 %
EV/EBIT (adj.)	neg.	15.7	8.5	6.5
EV/EBITDA	4.1	5.8	4.1	3.4
EV/S	0.3	0.4	0.3	0.3

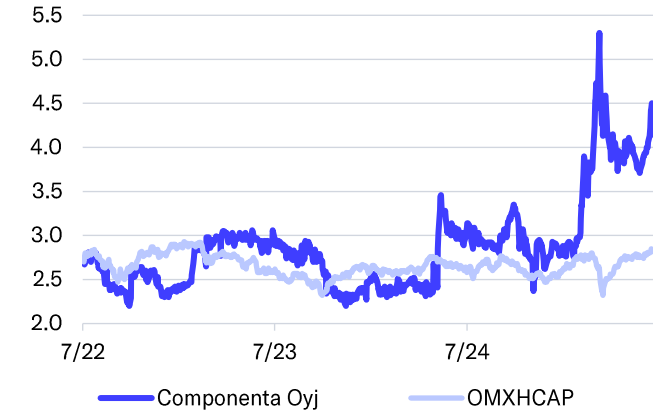
Source: Inderes

Guidance

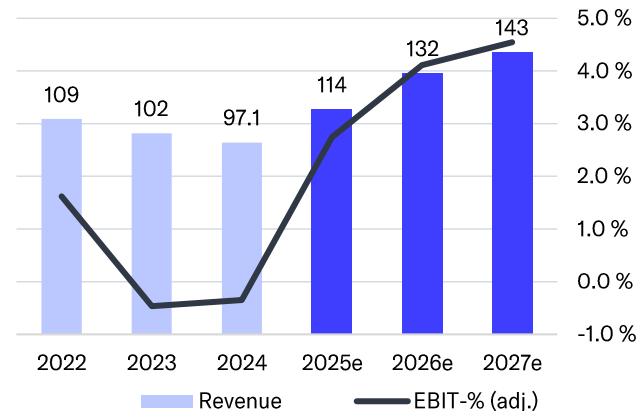
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Componenta expects the group's revenue and adjusted EBITDA to improve from the previous year. The Group's revenue in 2024 was 97.1 MEUR, and its adjusted EBITDA was 4.9 MEUR.

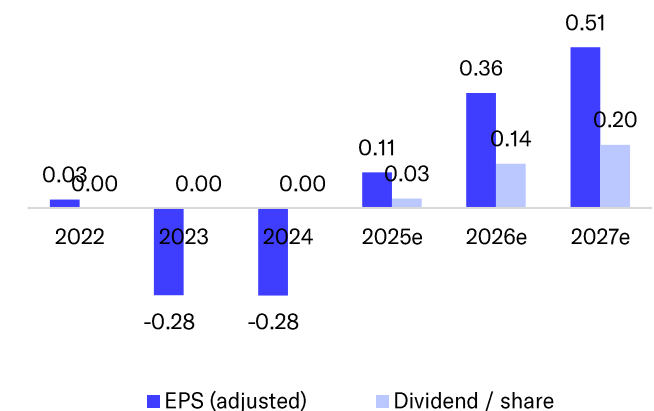
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Customer sector risk highly diversified
- Long-term customer relationships with global OEMs
- Cost changes can be quickly transferred to own prices
- Valuation has a lot of historical baggage

Risk factors

- Traditionally low-margin sector
- Customer sectors individually cyclical
- One big customer dependency

Valuation	2025e	2026e	2027e
Share price	4.41	4.41	4.41
Number of shares, millions	9.73	9.73	9.73
Market cap	43	43	43
EV	49	46	42
P/E (adj.)	39.1	12.1	8.7
P/E	39.1	12.1	8.7
P/B	1.6	1.4	1.3
P/S	0.4	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	5.8	4.1	3.4
EV/EBIT (adj.)	15.7	8.5	6.5
Payout ratio (%)	26.6 %	38.5 %	39.3 %
Dividend yield-%	0.7 %	3.2 %	4.5 %

Source: Inderes

Outcome slightly better than we expected

Organic revenue growth was modest

Componenta's revenue increased by about 17% to 30.9 MEUR in Q2, which was roughly in line with our expectations. Organic revenue growth was modest at around 2%, according to our estimates. Thus, a large part of the growth came from the business acquisitions made at the end of 2024. Organic growth was driven by the Defence Equipment Industry in particular, though we estimate that the Energy Industry achieved softer organic growth despite business acquisition being the main driver of growth in this customer segment. It was also positive that revenues in the larger customer segments did not decline much further.

At the end of the review period, Componenta's order book stood at 14.2 MEUR, which was slightly better than we expected and higher than in the comparison period. This gives the company a favorable starting point for pursuing organic growth towards the end of the year, despite the fact that uncertainty in the business environment remains clearly elevated.

Pricing adjustments supported profitability

Componenta's EBITDA for Q2 was 2.6 MEUR, corresponding to a margin of 8.5%. This means that the company managed to improve its profitability slightly more than we had expected. At the quarterly level, the company's reporting format does not provide a more detailed view of the cost structure, but based on the commentary, the drivers of the profitability improvement were pricing adjustments and stronger production volumes than in the comparison period. The sluggish agricultural machinery market continued to keep production volumes in the foundry business low, further weighing on profitability. On the lower lines, financing costs were high, as we expected, at -0.5 MEUR due to the use of factoring financing. With depreciation slightly higher than expected, Q2 EPS of EUR 0.07 also exceeded our forecast slightly. As expected, Componenta did not record taxes, reflecting the tax deductibility of previous losses.

Debt financing is currently expensive

Cash flow from operating activities for H1 amounted to 3.1 MEUR, which was burdened by a slight working capital commitment (-0.9 MEUR). We estimate that after usual investments of just under 1 MEUR and leasing payments of 1.2 MEUR, free cash flow settled at just under 1 MEUR. This reflects the significant difference between the company's EBITDA and free cash flow, explained by high financing costs as well as leasing payments. Componenta's net debt was low, at 4.1 MEUR, at the end of Q2. The company has unused financing channels as well as cash reserves of nearly 10 MEUR, which keep balance sheet risk low at present. Given the tight negotiating position of a contract manufacturer as well as demand fluctuations, maintaining a solid balance sheet is important for Componenta. Although balance sheet risk is low, we believe the high financing costs justify strengthening the balance sheet position beyond its current level.

MEUR / EUR	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	26.4	30.9	30.2				2%	114
EBITDA	2.1	2.6	2.4				8%	8.5
EBIT (adj.)	0.9	1.3	1.0				21%	3.1
EBIT	0.9	1.3	1.0				21%	3.1
PTP	0.3	0.8	0.5				50%	1.1
EPS (adj.)	0.03	0.07	0.05				34%	0.11
Revenue growth-%	-10.4 %	16.8 %	14.2 %				2.5 pp	17.5 %
EBIT-% (adj.)	3.5 %	4.1 %	3.5 %				0.6 pp	2.7 %

Source: Inderes

Short-term estimates unchanged

Estimate revisions

- Although we did not adjust our short-term estimates, we increased our medium-term profitability projections slightly as the earnings turnaround progressed as anticipated
- Q3 is typically a quiet period in Componenta's business, so we expect the result to be weighted towards Q4 in the latter part of the year
- We anticipate organic revenue growth of just over 8% for the remainder of the year, with the business acquisition providing additional support for growth in Q3. Overall, we expect revenue to grow by 15% in H2, bringing full-year revenue to 114 MEUR (+17% y/y)
- We forecast EBITDA of 8.5 MEUR in 2025 (EBITDA margin 7.5%)
- We expect the company to easily achieve its guidance for revenue growth and improved adjusted EBITDA
- In 2026, we anticipate substantial revenue growth, driven by growth in the agriculture segment and progress in fulfilling a substantial order from the Finnish Defence Forces

Operational earnings drivers

- The order book, having grown both organically and through business acquisition (14.2 MEUR, +31% y/y), provides a solid foundation for pursuing organic growth for the remainder of the year
- The recovery in agricultural machinery production volumes will support revenue and profitability in the coming years through improved foundry utilization rates.
- A large order from the Finnish Defense Forces will support production volumes and profitability in the coming years, but our forecasts do not rely on significant repeat orders
- We believe there are good prospects for profitability to improve as production volumes increase, although the tight negotiating position of the contract manufacturer and the potential rollbacks of price increases that took effect in Q1 will require continued efficiency improvements
- Factoring keeps financing costs high relative to net debt, and the use of alternative financing channels or debt repayment could reduce financing costs faster than we forecast
- Selling prices are largely linked to the development of capital cost items, which can lead to unstable revenue development in relation to EBIT in the short term

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	113	114	1%	132	132	0%	143	143	0%
EBITDA	8.5	8.5	0%	11.2	11.3	1%	12.5	12.4	0%
EBIT (exc. NRIs)	3.1	3.1	1%	5.4	5.4	1%	6.5	6.5	-1%
EBIT	3.1	3.1	1%	5.4	5.4	1%	6.5	6.5	-1%
PTP	1.0	1.1	10%	3.5	3.5	1%	4.9	4.9	0%
EPS (excl. NRIs)	0.10	0.11	10%	0.36	0.36	1%	0.51	0.51	0%
DPS	0.03	0.03	0%	0.14	0.14	0%	0.20	0.20	0%

Source: Inderes

Valuation tight after sharp rise in share price

Multiples for next year seem neutral

Based on our 2025 and 2026 estimates, EV/EBIT multiples are 16x and 9x, and the corresponding EV/EBITDA multiples are 6x and 4x. We believe that the enterprise value (EV) multiples currently reflect a more favorable valuation than is actually the case, as the company has a significant factoring arrangement in place, whereby trade receivables are sold to an external financial institution to finance the business. The arrangement strengthens Componenta's cash position and thereby reduces the level of EV-based multiples, although the arrangement is comparable to the use of interest-bearing debt. At the end of the financial year, the amount of trade receivables sold was 13 MEUR, and there is no visibility on the use of factoring financing beyond this point. Adjusting the EV multiples for the 13 MEUR factoring facility, our forecast EV/EBIT multiples for 2025 and 2026 are 20x and 11x, and EV/EBITDA multiples are 7x and 5x.

We see downside in the level of financing expenses as the company's profitability improves and the balance sheet strengthens. The P/E ratio takes into account the impact of high financing expenses, and our forecast shows P/E ratios of 39x and 12x for 2025 and 2026, respectively. According to our estimates, the company's free cash flow after interest expenses will be approximately equal to the net result in 2025 and 2026, at 1.1 and 3.3 MEUR, respectively, corresponding to free cash flow yields of 2.6% and 7.8%, respectively, on the market value.

Free cash flow could reduce the use of expensive financing channels, which we consider an attractive option for creating shareholder value. However, considering the dividend target (30% of earnings) and the strategy involving acquisitions, we consider it more likely that capital will be allocated to growth investments in the coming years. With

expensive financing, growth investments must be highly successful to generate returns exceeding the cost of capital.

Overall, we view the current year's valuation as challenging, while our projected improvement in profitability next year pushes the multiples to neutral. The decrease in financing costs associated with improved profitability will raise the expected return to roughly the level of our required return over a two-year horizon, so the expected return will only become clearly positive when viewed over the course of two years.

With a price increase of approximately 60% over the past six months, the share price reflects significantly stronger earnings growth than before. The wave of defense investments in Europe and the company's exposure to the defense sector (H1'25: 13% of revenue) have been the key drivers of the share price increase, in our view. This is partly justified because, in more negative geopolitical scenarios, the stock would likely significantly outperform the benchmark index. However, when viewed in the context of our medium-term baseline scenario, we believe that the stock is fully priced.

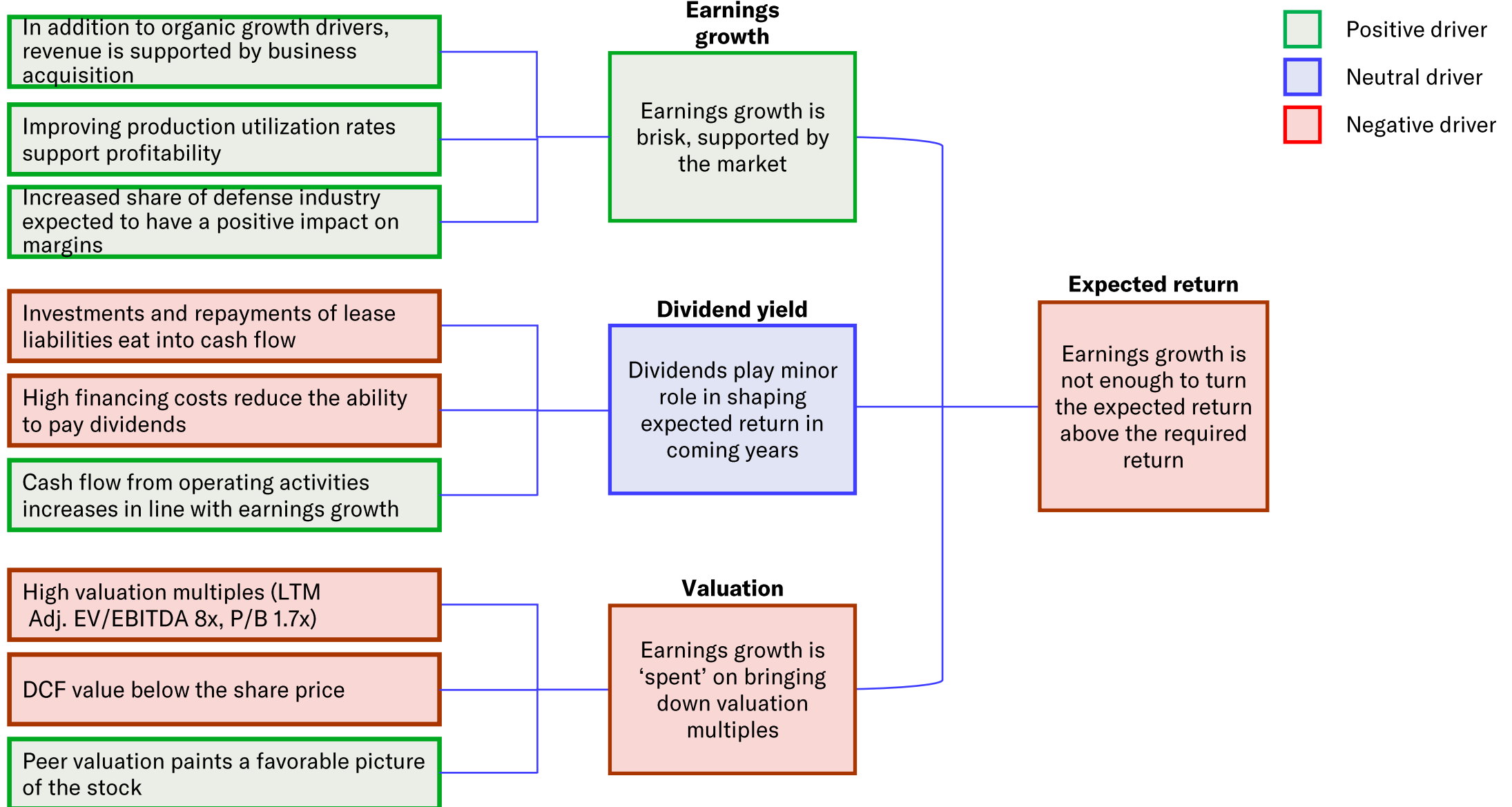
Cash flow model is sensitive to profitability assumptions

The long-term DCF model gives Componenta a share value of EUR 4.3 (previously EUR 4.0). The DCF model's value increased due to positive changes in medium-term projections and revisions to our investment forecasts. Although the cost of debt is high (7%), this also reflects the expectation that the cost of debt financing will decrease from its current level. According to our forecasts, the company will slightly miss its financial targets for 2027 (revenue 150 MEUR & EBIT-% > 5%), though it will clearly improve its profitability compared to recent years.

Valuation	2025e	2026e	2027e
Share price	4.41	4.41	4.41
Number of shares, millions	9.73	9.73	9.73
Market cap	43	43	43
EV	49	46	42
P/E (adj.)	39.1	12.1	8.7
P/E	39.1	12.1	8.7
P/B	1.6	1.4	1.3
P/S	0.4	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	5.8	4.1	3.4
EV/EBIT (adj.)	15.7	8.5	6.5
Payout ratio (%)	26.6 %	38.5 %	39.3 %
Dividend yield-%	0.7 %	3.2 %	4.5 %

Source: Inderes

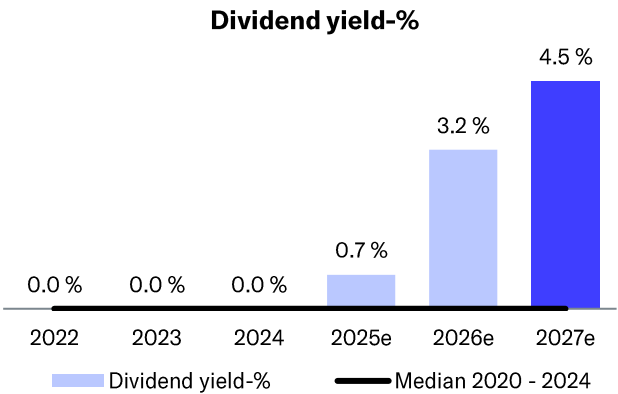
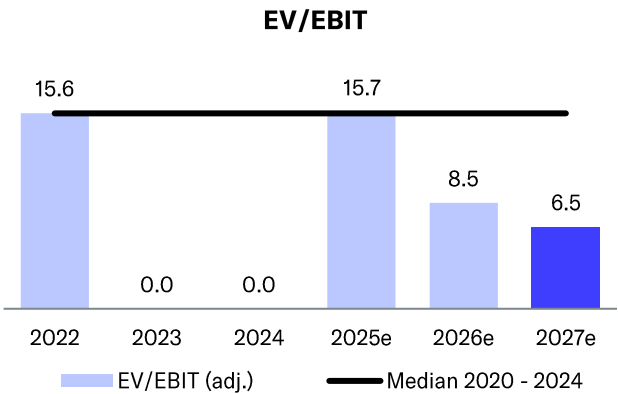
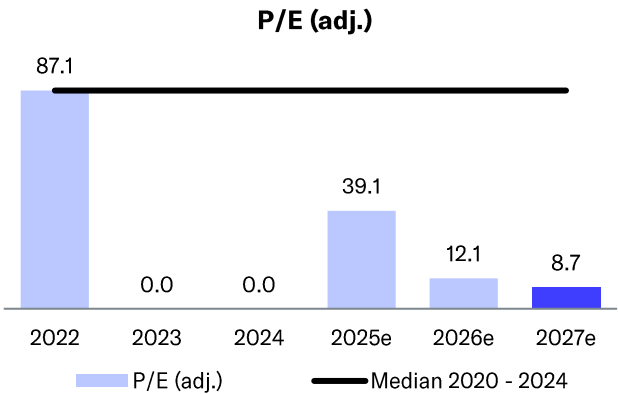
EPS drivers 2024-2027e



Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	3.34	2.34	2.35	2.76	4.41	4.41	4.41	4.41
Number of shares, millions	9.52	9.71	9.71	9.71	9.73	9.73	9.73	9.73
Market cap	32	23	23	27	43	43	43	43
EV	39	28	32	32	49	46	42	39
P/E (adj.)	>100	87.1	>100	>100	39.1	12.1	8.7	7.9
P/E	>100	>100	14.7	>100	39.1	12.1	8.7	7.9
P/B	1.4	1.0	0.9	1.0	1.6	1.4	1.3	1.2
P/S	0.4	0.2	0.2	0.3	0.4	0.3	0.3	0.3
EV/Sales	0.4	0.3	0.3	0.3	0.4	0.3	0.3	0.3
EV/EBITDA	7.8	3.9	6.0	4.1	5.8	4.1	3.4	3.0
EV/EBIT (adj.)	neg.	15.6	neg.	neg.	15.7	8.5	6.5	5.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	26.6 %	38.5 %	39.3 %	39.2 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.7 %	3.2 %	4.5 %	5.0 %

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	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
Norrhydro	15	25	24.8	12.4	12.4	8.3	0.9	0.8		27.4	2.2	5.1	2.0
Castings plc	149	134	23.7	12.4	7.9	5.8	0.7	0.7	30.3	17.5	6.2	6.3	
Georg Fischer	5426	7519	17.4	16.5	13.4	12.2	1.8	1.8	18.1	17.4	2.3	2.4	23.1
Kesla	10	22		22.1	22.1	7.4	0.6	0.5		20.5		1.6	1.0
Ponsse	848	842	16.2	14.4	9.8	9.1	1.1	1.1	23.5	19.9	2.2	2.3	2.4
Wärtsilä	13397	12308	15.5	14.2	12.9	12.0	1.7	1.6	23.4	21.4	2.2	2.4	4.8
AGCO	6971	9289	16.9	13.1	11.1	9.3	1.1	1.1	25.6	18.1	2.0	2.1	2.1
ElringKlinger	272	695	9.9	8.1	4.0	3.6	0.4	0.4	8.7	5.7	3.4	5.0	0.4
Componenta Oyj (Inderes)	43	49	15.7	8.5	5.8	4.1	0.4	0.3	39.1	12.1	0.7	3.2	1.6
Average			17.8	14.1	11.7	8.5	1.0	1.0	21.6	18.5	2.9	3.4	5.1
Median			16.9	13.7	11.8	8.7	1.0	0.9	23.4	19.0	2.2	2.4	2.1
Diff-% to median			-7%	-38%	-51%	-53%	-57%	-63%	67%	-36%	-69%	33%	-23%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	2023	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	109	102	97.1	28.8	30.9	25.8	28.6	114	132	143	151
Group	109	102	97.1	28.8	30.9	25.8	28.6	114	132	143	151
EBITDA	7.1	5.3	7.9	2.4	2.6	1.0	2.5	8.5	11.3	12.4	12.9
Depreciation	-5.5	-1.5	-5.3	-1.3	-1.4	-1.4	-1.4	-5.4	-5.8	-5.9	-5.9
EBIT (excl. NRI)	1.8	-0.5	-0.3	1.1	1.3	-0.3	1.1	3.1	5.4	6.5	7.0
EBIT	1.6	3.8	2.6	1.1	1.3	-0.3	1.1	3.1	5.4	6.5	7.0
Net financial items	-1.7	-2.2	-2.4	-0.5	-0.5	-0.5	-0.5	-2.0	-1.9	-1.5	-1.1
PTP	-0.1	1.6	0.2	0.5	0.8	-0.8	0.6	1.1	3.5	4.9	5.8
Taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	0.1	1.5	0.2	0.5	0.8	-0.8	0.6	1.1	3.5	4.9	5.5
EPS (adj.)	0.03	-0.28	-0.28	0.05	0.08	-0.08	0.07	0.11	0.36	0.51	0.56
EPS (rep.)	0.01	0.16	0.02	0.05	0.08	-0.08	0.07	0.11	0.36	0.51	0.56

Key figures	2022	2023	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	25.0 %	-6.7 %	-4.6 %	22.4 %	16.8 %	27.5 %	6.3 %	17.5 %	16.0 %	8.0 %	6.0 %
EBITDA-%	6.5 %	5.2 %	8.1 %	8.2 %	8.5 %	4.0 %	8.7 %	7.5 %	8.5 %	8.7 %	8.5 %
Adjusted EBIT-%	1.6 %	-0.5 %	-0.3 %	3.7 %	4.1 %	-1.2 %	4.0 %	2.7 %	4.1 %	4.5 %	4.6 %
Net earnings-%	0.1 %	1.5 %	0.2 %	1.7 %	2.6 %	-3.2 %	2.2 %	1.0 %	2.7 %	3.5 %	3.6 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	36.6	38.1	37.9	37.9	37.9
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	2.0	1.6	1.7	1.5	1.3
Tangible assets	31.0	33.0	32.6	32.8	33.0
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	0.4	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	20.7	25.3	24.9	28.9	31.2
Inventories	12.6	14.0	14.5	16.8	18.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.8	2.6	4.7	5.4	5.9
Cash and equivalents	5.3	8.7	5.7	6.6	7.1
Balance sheet total	57.3	63.4	62.8	66.7	69.0

Source: Inderes

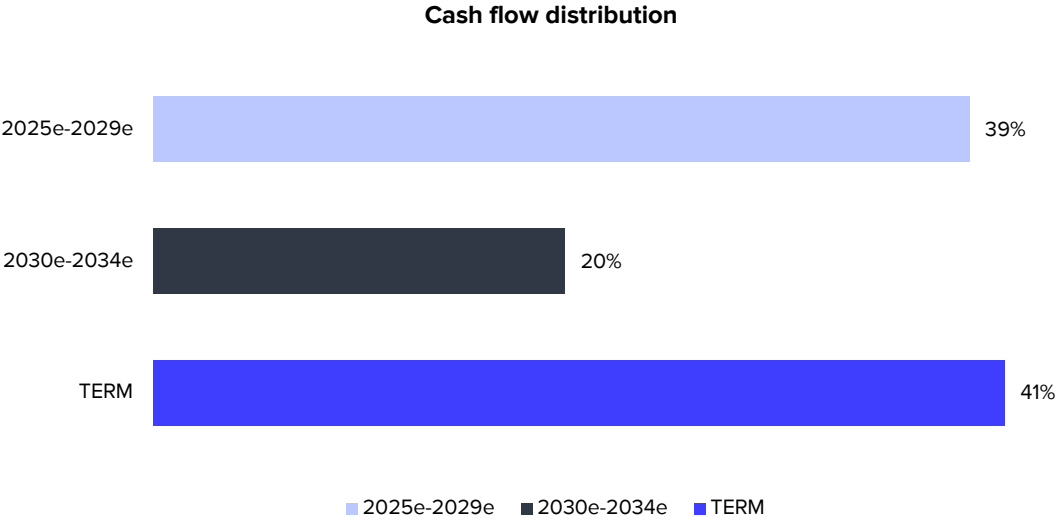
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	25.6	25.8	26.9	30.2	33.8
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	4.8	5.3	6.4	9.7	13.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	19.8	19.5	19.5	19.5	19.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	12.3	11.7	10.1	8.3	5.9
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.3	0.0	0.0	0.0	0.0
Korolliset velat	11.3	10.7	9.1	7.4	5.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.9	0.9	0.9	0.9
Current liabilities	19.5	25.9	25.8	28.2	29.3
Korolliset velat	3.1	3.5	3.0	2.4	1.6
Payables	16.4	22.1	22.8	25.8	27.7
Other current liabilities	0.0	0.4	0.0	0.0	0.0
Balance sheet total	57.3	63.4	62.8	66.7	69.0

DCF-calculation

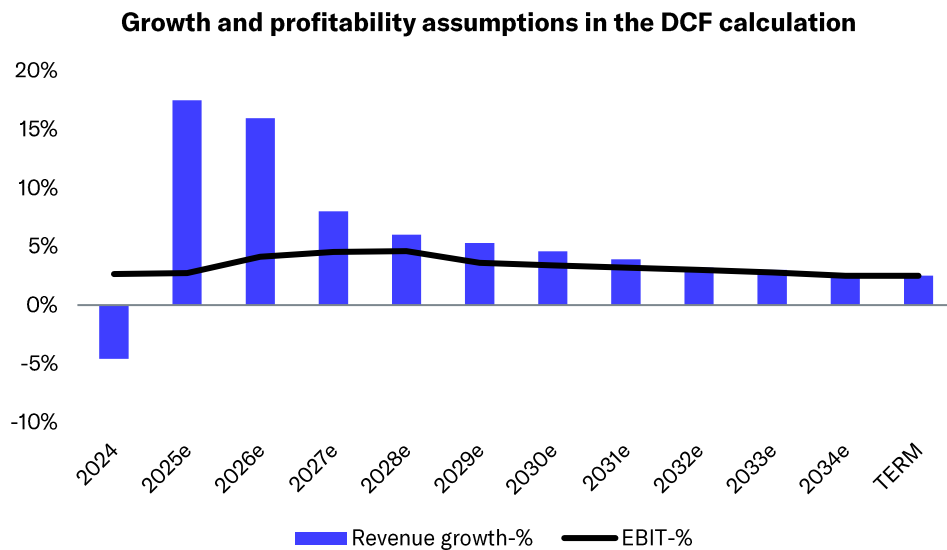
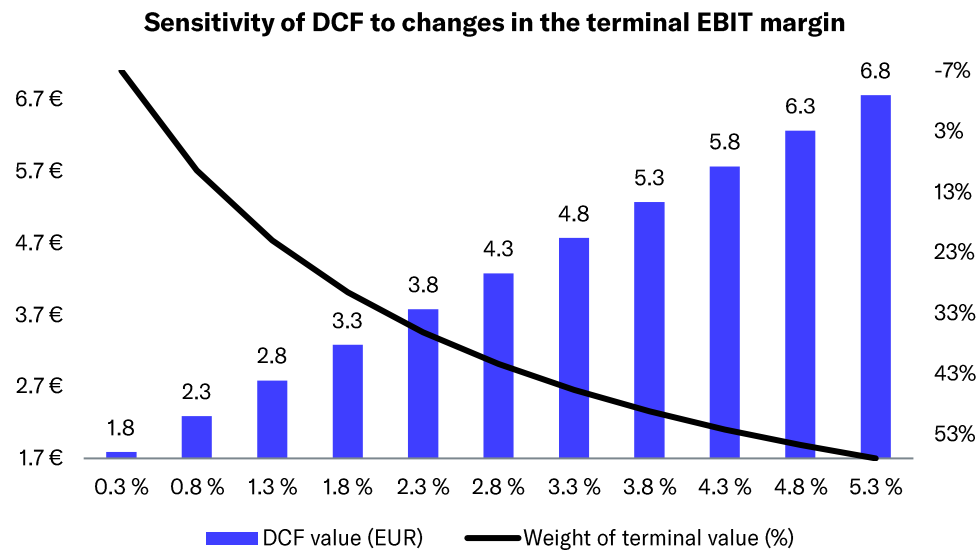
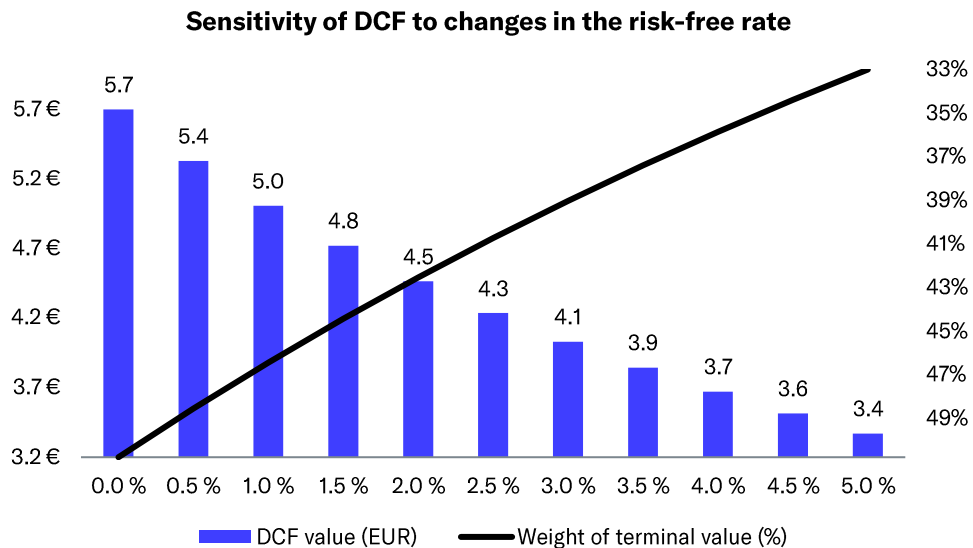
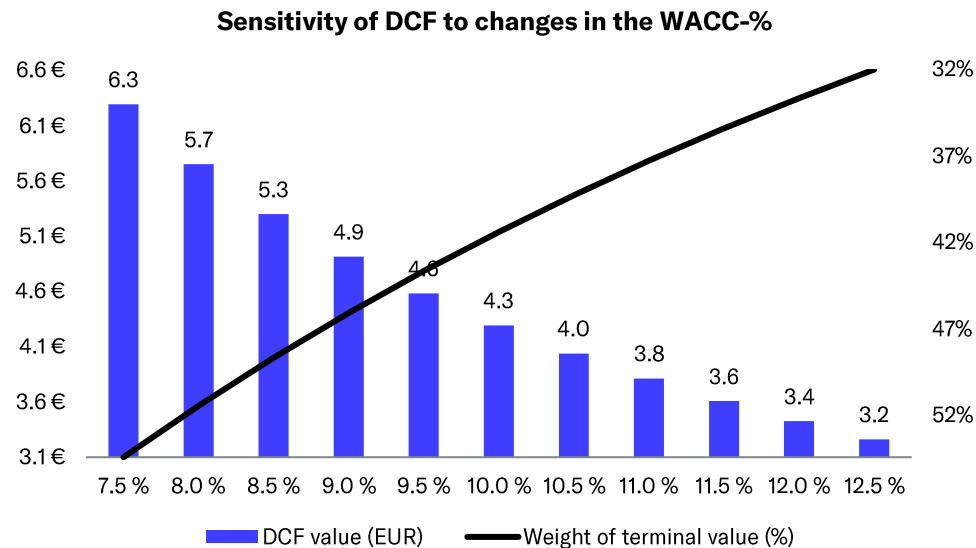
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-4.6 %	17.5 %	16.0 %	8.0 %	6.0 %	5.3 %	4.6 %	3.9 %	3.2 %	3.0 %	2.5 %	2.5 %
EBIT-%	2.6 %	2.7 %	4.1 %	4.5 %	4.6 %	3.6 %	3.4 %	3.2 %	3.0 %	2.8 %	2.5 %	2.5 %
EBIT (operating profit)	2.6	3.1	5.4	6.5	7.0	5.7	5.7	5.5	5.4	5.2	4.7	
+ Depreciation	5.3	5.4	5.8	5.9	5.9	5.9	6.0	6.1	6.2	6.2	6.3	
- Paid taxes	0.0	0.0	0.0	0.0	-0.4	-1.0	-1.0	-1.0	-0.9	-0.9	-0.8	
- Tax, financial expenses	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	
+ 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	4.9	-2.2	-0.1	0.1	0.1	0.0	0.0	0.0	-0.2	-0.3	-0.1	
Operating cash flow	12.7	6.3	11.2	12.6	12.5	10.6	10.5	10.5	10.2	10.1	9.9	
+ 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	0.0	
- Gross CAPEX	-6.8	-5.2	-5.8	-5.9	-6.1	-6.3	-6.5	-6.7	-6.6	-6.5	-6.5	
Free operating cash flow	5.9	1.1	5.4	6.6	6.4	4.3	4.1	3.8	3.7	3.6	3.5	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	5.9	1.1	5.4	6.6	6.4	4.3	4.1	3.8	3.7	3.6	3.5	47.4
Discounted FCFF		1.1	4.7	5.3	4.6	2.8	2.4	2.1	1.8	1.6	1.4	19.3
Sum of FCFF present value		47.1	46.0	41.3	36.0	31.4	28.6	26.2	24.1	22.3	20.7	19.3
Enterprise value DCF		47.1										
- Interest bearing debt		-14.2										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		41.6										
Equity value DCF per share		4.3										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	7.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	11.1 %
Weighted average cost of capital (WACC)	10.0 %

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	109.1	101.8	97.1	114.1	132.3	EPS (reported)	0.01	0.16	0.02	0.11	0.36
EBITDA	7.1	5.3	7.9	8.5	11.3	EPS (adj.)	0.03	-0.28	-0.28	0.11	0.36
EBIT	1.6	3.8	2.6	3.1	5.4	OCF / share	0.78	0.34	1.31	0.65	1.15
PTP	-0.1	1.6	0.2	1.1	3.5	OFCF / share	0.29	-0.23	0.61	0.11	0.56
Net Income	0.1	1.5	0.2	1.1	3.5	Book value / share	2.46	2.63	2.66	2.77	3.10
Extraordinary items	-0.2	4.2	2.9	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.03	0.14
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	58.6	57.3	63.4	62.8	66.7	Revenue growth-%	25%	-7%	-5%	17%	16%
Equity capital	23.9	25.6	25.8	26.9	30.2	EBITDA growth-%	43%	-26%	49%	8%	32%
Goodwill	3.2	3.2	3.2	3.2	3.2	EBIT (adj.) growth-%	-318%	-127%	-29%	-1027%	74%
Net debt	4.8	9.1	5.5	6.4	3.2	EPS (adj.) growth-%	-121%	-1130%	0%	-141%	223%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	6.5 %	5.2 %	8.1 %	7.5 %	8.5 %
EBITDA	7.1	5.3	7.9	8.5	11.3	EBIT (adj.)-%	1.6 %	-0.5 %	-0.3 %	2.7 %	4.1 %
Change in working capital	0.9	-2.0	4.9	-2.2	-0.1	EBIT-%	1.4 %	3.7 %	2.6 %	2.7 %	4.1 %
Operating cash flow	7.6	3.3	12.7	6.3	11.2	ROE-%	0.3 %	6.3 %	0.8 %	4.2 %	12.4 %
CAPEX	-4.4	-5.4	-6.8	-5.2	-5.8	ROI-%	4.3 %	9.9 %	6.6 %	8.1 %	13.9 %
Free cash flow	2.8	-2.2	5.9	1.1	5.4	Equity ratio	40.8 %	44.6 %	40.7 %	42.9 %	45.2 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	20.2 %	35.6 %	21.2 %	23.8 %	10.5 %
EV/S	0.3	0.3	0.3	0.4	0.3						
EV/EBITDA	3.9	6.0	4.1	5.8	4.1						
EV/EBIT (adj.)	15.6	neg.	neg.	15.7	8.5						
P/E (adj.)	87.1	>100	>100	39.1	12.1						
P/B	1.0	0.9	1.0	1.6	1.4						
Dividend-%	0.0 %	0.0 %	0.0 %	0.7 %	3.2 %						

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
9/19/2023	Accumulate	3.20 €	2.73 €
9/27/2023	Accumulate	3.20 €	2.90 €
11/6/2023	Accumulate	3.00 €	2.55 €
1/15/2024	Buy	3.00 €	2.27 €
3/3/2024	Buy	3.00 €	2.32 €
5/7/2024	Buy	2.80 €	2.31 €
6/6/2024	Accumulate	3.60 €	3.30 €
7/23/2024	Accumulate	3.60 €	3.04 €
11/3/2024	Accumulate	3.30 €	2.85 €
11/27/2024	Accumulate	2.90 €	2.43 €
Analyst changed			
3/4/2025	Sell	2.90 €	3.90 €
3/9/2025	Reduce	3.40 €	3.71 €
5/5/2025	Reduce	3.40 €	4.05 €
5/10/2025	Reduce	3.80 €	3.96 €
7/24/2025	Reduce	4.30 €	4.41 €



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