

LapWall

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Positiivisten ajureiden kypsyminen voi vaatia aikaa" published on 11/1/2023 at 9:18 am EET

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Positive drivers may need time to mature

The overall picture of the Q3 report published yesterday by LapWall was disappointing as new orders remained low. Due to the Q3 numbers and the prolonged weak market outlook for (housing) construction, we also cut our forecasts for LapWall clearly, although we still expect the company to gain market shares in the current industry turbulence and be in a good position when the next upward cycle starts. Reflecting our estimate changes, we lower our target price for LapWall to EUR 3.40 (was EUR 4.00). We cut our recommendation to Accumulate (was Buy), as we feel the short-term expected return has narrowed due to estimate cuts.

Result fell from the comparison period somewhat expectedly

LapWall's revenue in Q3 decreased by 19% to EUR 10.9 million, which was slightly below our estimates. Revenue was probably depressed especially by the weak demand in housing construction and consequently lower wall panel volumes. However, we also suspect that the decrease in the volume of the roof element segment driven by industrial and public construction and price cuts in the entire portfolio dampened revenue slightly. LapWall's EBIT adjusted for goodwill amortization was EUR 1.0 million in Q3. As expected, the result fell sharply from the strong comparison period, while EBIT was only a bit below our estimate. Thus, the company was able to maintain its profitability (adj. EBIT %) at a fairly good level of over 9% considering the difficult conditions in the industry. Considering the nature of the manufacturing industry, even LapWall is not able to fully compensate the profitability pressure resulting from the decrease in revenue.

We cut our forecasts for 2024-2025 clearly

LapWall gave guidance for 2023, according to which the company's revenue for the current year will be EUR 40-45 million and adjusted EBIT EUR 4-4.5 million. In Q3, LapWall's flow of new orders improved by 35% from the very weak comparison period to EUR 8.7 million but was clearly below our estimate and the Q2 outcome even adjusted by the single large project that occurred in Q2. The order backlog increased by 14% from the comparison period to a moderate EUR 21 million. The order backlog, the short-term outlook for housing construction that remains very weak and the interest rate risk related to public and industrial construction keep LapWall's outlook subdued and uncertain, even though we believe the company is among the relative winners in the current survival of the fittest scenario in the industry thanks to its product portfolio that is well aligned with market trends, efficiency and strong balance sheet. We lowered our earnings estimates for 2024-2025 by some 10-20% driven by revenue. We expect LapWall to reach its 2023 guidance, but only marginally improve next year, driven by the inorganic Kastelli cooperation, in a prolonged difficult market. Looking at the next upward cycle, we feel LapWall's earnings growth outlook is still very strong, but the timing of the cyclical turn is naturally still obscure.

We find pricing attractive both in the short and medium term

With our 2023-2024 estimates, LapWall's P/E ratios are 12x and 10x and corresponding EV/EBIT ratios are around 9x and 8x. The ratios for 2023 are within our acceptable ranges and 2024 ratios are at the bottom end of the ranges. Therefore, we still find the share pricing cheap, but see no significant upside in next year's multiples after the forecast cuts and the risk level that remains high. Thus, the 12-month expected return based on slight earnings growth, small upside in the valuation and a good 4% dividend yield has narrowed, but still exceeds the required return by a fairly clear margin. The signal of the DCF concerning the valuation is also still clearly positive.

Recommendation

Accumulate

(previous Buy)

EUR 3.40

(previous EUR 4.00)

Share price:

EUR 2.80



Key figures

	2022	2023e	2024e	2025e
Revenue	52.5	41.0	45.0	55.0
growth-%	9%	-22%	10%	22%
EBIT adj.	8.3	4.1	5.1	7.2
EBIT-% adj.	15.8 %	10.1 %	11.3 %	13.0 %
Net Income	5.7	2.6	3.2	5.0
EPS (adj.)	0.42	0.23	0.27	0.39

P/E (adj.)	8.6	12.4	10.3	7.2
P/B	3.2	2.3	2.2	1.9
Dividend yield-%	5.3 %	4.3 %	4.6 %	5.3 %
EV/EBIT (adj.)	5.5	9.5	7.6	5.0
EV/EBITDA	4.8	7.2	6.0	4.0
EV/S	0.9	1.0	0.9	0.6

Source: Inderes

Guidance

(Unchanged)

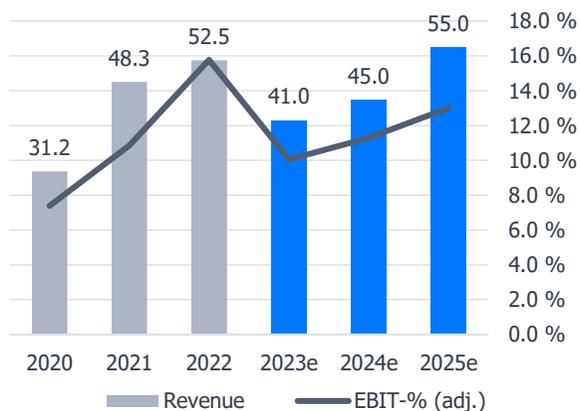
The company expects its revenue in 2023 to be EUR 40-45 million and operating profit excluding goodwill amortization (EBITA) to be EUR 4.0-4.5 million.

Share price



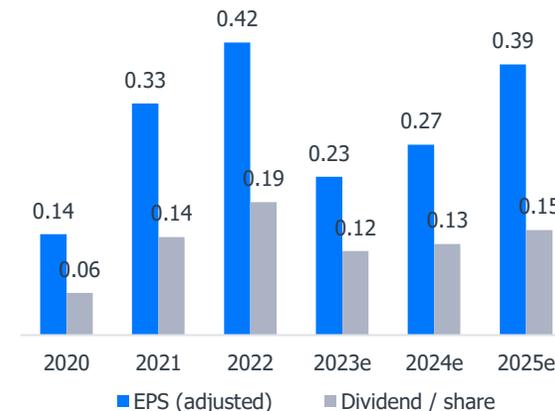
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- The company is well-positioned for growth in wood construction
- Strong competitive position enables market share growth
- Synergy benefits of the Termater business acquisition and the sales potential of the inorganically acquired Kastelli cooperation
- Room for improvement in productivity through investment
- Moderate valuation leaves upside for valuation multiples



Risk factors

- Finland's economic and construction cycle
- Inflation and pricing power
- New types of stronger competition
- Slowing down the proliferation of environmental trends and wood construction
- Project risks

Valuation	2023e	2024e	2025e
Share price	2.80	2.80	2.80
Number of shares, million:	14.9	14.9	14.9
Market cap	42	42	42
EV	39	39	36
P/E (adj.)	12.4	10.3	7.2
P/E	15.6	12.8	8.4
P/B	2.3	2.2	1.9
P/S	1.0	0.9	0.8
EV/Sales	1.0	0.9	0.6
EV/EBITDA	7.2	6.0	4.0
EV/EBIT (adj.)	9.5	7.6	5.0
Payout ratio (%)	67.0 %	59.6 %	45.0 %
Dividend yield-%	4.3 %	4.6 %	5.3 %

Source: Inderes

Q3 figures were only slightly lower than our estimates

Estimates MEUR / EUR	Q3'22	Q3'23	Q3'23e	Q3'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	13.4	10.9	11.3				-4%	41.0
EBIT (adj.)	2.2	1.0	1.1				-9%	4.1
EBIT	2.1	0.8	0.9				-11%	3.4
Revenue growth-%	39.0 %	-18.7 %	-15.7 %				-3 pp	-21.8 %
EBIT-% (adj.)	16.4 %	9.2 %	9.7 %				-0.6 pp	10.1 %

Source: Inderes

We cut our forecasts significantly especially for 2024 due to the market

Market softness still reflected in orders

LapWall's new order flow improved from a very weak comparison period by 35% to EUR 8.7 million in Q3. However, the order flow was significantly below our forecast and the Q2 outcome also adjusted for a single large delivery in Q2. Especially when compared to the fairly positive market comments made by the company in the August earnings report and the orders of some EUR 4 million announced at the Pyhäntä unit during Q3, we feel the order flow was disappointing. Therefore, the difficult market situation seems to still be challenging LapWall strongly, even though order flow is typically volatile at quarterly level.

LapWall's order backlog grew by 14% from the comparison period to a moderate level of EUR 21 million, which we believe secures the company's workload to a reasonable level for Q4. The company commented that

the Pyhäntä factory will run in two shifts and the small factory in Veteli will run in one shift (the Pälkäne factory that focuses on roof elements runs in two shifts). The level of the order backlog, the outlook for housing construction that remains very weak for next year, and also the interest rate risk related to public and industrial construction keep LapWall's short-term outlook uncertain when looking at 2024 and, we do not feel next year looks substantially better than the current year.

Guidance remained unchanged as expected

LapWall reiterated its guidance for 2023, according to which its revenue for the current year will be EUR 40-45 million and adjusted EBIT EUR 4.0-4.5 million. This was in line with our expectations. We also expect the company to meet the guidance, but based on the Q3 result and order backlog, we expect LapWall to be closer to the bottom end of the range.

It can take a while to reach a good performance level

We lowered our revenue estimates for 2023-2025 by around 5-10 % due to the sluggish construction cycle. Cuts in revenue forecasts led to a drop of some 10-20% in our adjusted EBIT forecasts reflecting LapWall's cost structure.

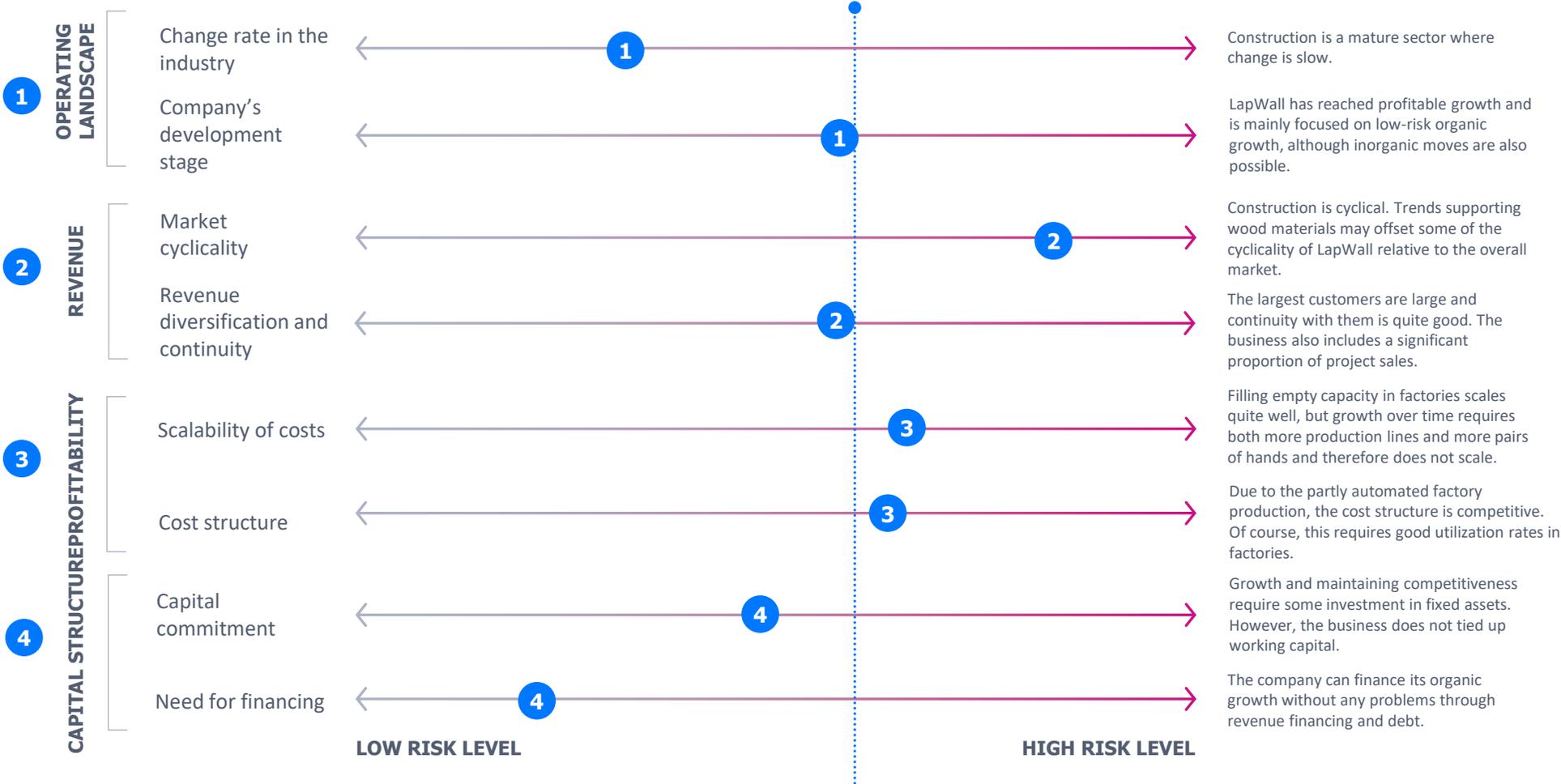
We continue to have strong confidence in LapWall's competitiveness due to its product portfolio that is in line with market trends (e.g. environmental friendliness and productivity improvements) and very good relative competitiveness (incl. very high customer satisfaction and strong financial position). In addition, we see that the survival of the fittest especially among wall panel manufacturers opens organic or inorganic growth opportunities for LapWall. Thus, the long game continues developing promisingly for the company, but reaching a good earnings level is likely to require a better market also for LapWall or at least more time to win market shares.

Estimate revisions MEUR / EUR	2023e	2023e	Change %	2024e	2024e	Change %	2025e	2025e	Change %
	Old	New		Old	New		Old	New	
Revenue	43.2	41.0	-5%	49.9	45.0	-10%	57.7	55.0	-5%
EBITDA	5.6	5.5	-3%	7.9	6.5	-17%	9.7	8.9	-8%
EBIT (exc. NRIs)	4.3	4.1	-4%	6.5	5.1	-22%	8.0	7.2	-10%
EBIT	3.6	3.4	-5%	5.7	4.3	-25%	7.2	6.4	-12%
PTP	3.6	3.4	-5%	5.7	4.3	-25%	7.3	6.4	-12%
EPS (excl. NRIs)	0.24	0.23	-4%	0.35	0.27	-22%	0.43	0.39	-11%
DPS	0.14	0.12	-14%	0.16	0.13	-19%	0.18	0.15	-17%

Source: Inderes

Risk profile of LapWall's business model

Assessment of the overall business risk of Lapwall (mid-range corresponds to the average assessed risk level of Nasdaq Helsinki)



Source: Inderes

Overall, the valuation is still too low

Multiples are favorable and the expected return is good for investors aiming for the next upward cycle

In our estimate, LapWall's adjusted P/E ratios for 2023 and 2024 are 12x and 10x, while the corresponding EV/EBIT ratios are around 10x and 9x. In LapWall, we recommend that investors use the EV/EBIT ratio that better reflects the company's very strong balance sheet. We consider the multiples moderate in absolute terms relative to our required return for next year, and even with modest results for the current year, the multiples are within our acceptable ranges (cf. in our May 2023 extensive report, the acceptable valuation ranges were P/E 10x-14x and EV/EBIT 8x-12x in the short term). In relative terms, the share is priced at a clear discount, but the whole peer group is only loosely connected to LapWall.

For the coming years, we expect dividend yields to settle at around 4-6 %, even in a weak cycle, as a result of a satisfactory earnings position and a strong balance sheet, although we cut our dividend estimates due to lower earnings projections. Thus, investors get a good base return from dividends, even though LapWall is, in our opinion, primarily a growth company. We feel the 12-month return expectation, consisting of marginal earnings growth, slight upside in the valuation and dividend is clearly double-digit, which still easily exceeds our required return. In the medium term, the expected return is supported by earnings growth and we estimate that the medium-term expected return is also clearly above the required return. In the medium term, the expected return can be clearly above the required return as earnings growth accelerates. However, we believe that the medium-term expected return is backloaded, so we do not rely on it at full weight, especially when there are no signs of improvement in the company's market yet.

DCF value is above our target price

On a DCF basis, we get a value of around EUR 4 per share for the company. The weight of the terminal period in the value of cash flows is very reasonable, i.e. under 50%. Thus, we do not believe the model is particularly aggressive, especially in terms of long-term profitability assumptions or required returns, but our forecast does assume that LapWall will continue to grow profitably through the decade. However, considering the naturally wide tolerances of the method and the limited short-term drivers, we place more emphasis on the signals derived from valuation multiples in the company than on DCF.

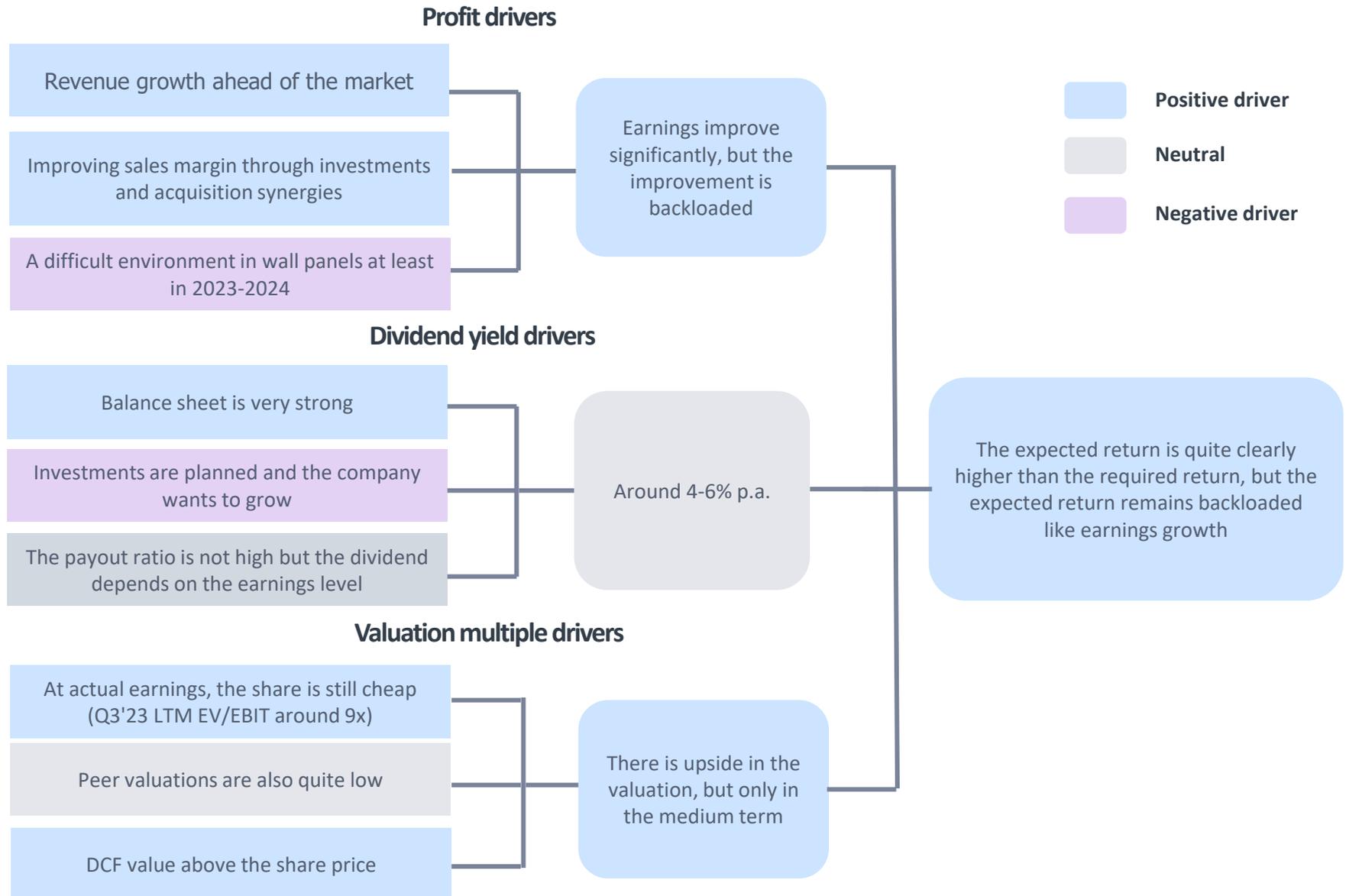
The value of the company is well placed to grow over time

Over the next few years, we see clear upside in LapWall's value from current levels, but this naturally requires that the company's business develops at least in line with our estimates (our estimates are well below the company's targets in terms of business size). In our view, LapWall also has the makings to be a steady grower and value creator, at least in the medium term. In our view, the main risks to the company are the cyclical nature of construction and the prolongation of the current weak cycle, new types of competition, inflation, and the slowing or reversal of environmental trends. If these risks materialize, the company's short- or longer-term growth and/or profitability could fall short of our forecasts. We, therefore, still recommend the share, especially to investors who are willing to wait for the next upward cycle. Maturing of clear positive drivers for the share can take time in the current market.

Valuation	2023e	2024e	2025e
Share price	2.80	2.80	2.80
Number of shares, million:	14.9	14.9	14.9
Market cap	42	42	42
EV	39	39	36
P/E (adj.)	12.4	10.3	7.2
P/E	15.6	12.8	8.4
P/B	2.3	2.2	1.9
P/S	1.0	0.9	0.8
EV/Sales	1.0	0.9	0.6
EV/EBITDA	7.2	6.0	4.0
EV/EBIT (adj.)	9.5	7.6	5.0
Payout ratio (%)	67.0 %	59.6 %	45.0 %
Dividend yield-%	4.3 %	4.6 %	5.3 %

Source: Inderes

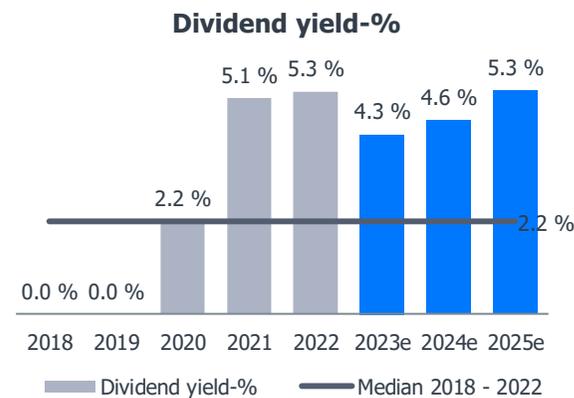
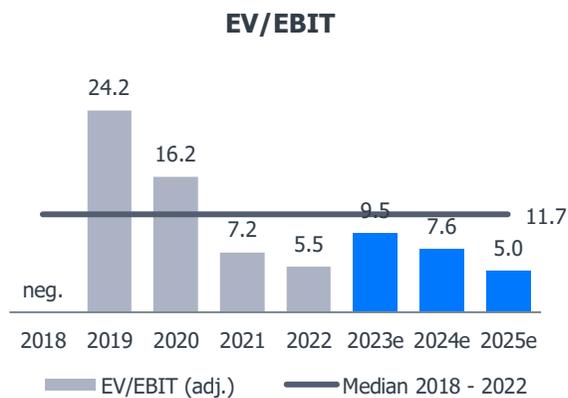
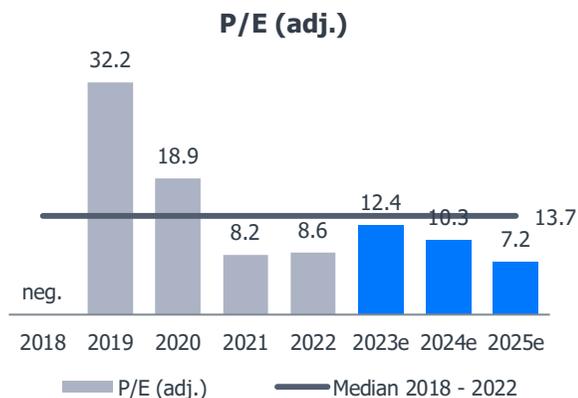
Market value drivers Q3'23 LTM-2026e



Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price		2.72	2.72	2.72	3.58	2.80	2.80	2.80	2.80
Number of shares, millions		12.4	12.4	12.4	14.2	14.9	14.9	14.9	14.9
Market cap		33.7	33.7	33.7	50.9	41.8	41.8	41.8	41.8
EV		39.9	37.4	37.7	45.4	39.2	38.7	35.7	31.7
P/E (adj.)		32.2	18.9	8.2	8.6	12.4	10.3	7.2	5.9
P/E		32.2	18.9	9.3	9.3	15.6	12.8	8.4	6.7
P/B		9.9	6.3	4.7	3.2	2.3	2.2	1.9	1.6
P/S		1.0	1.1	0.7	1.0	1.0	0.9	0.8	0.7
EV/Sales		1.2	1.2	0.8	0.9	1.0	0.9	0.6	0.5
EV/EBITDA		11.5	9.1	5.7	4.8	7.2	6.0	4.0	2.9
EV/EBIT (adj.)		24.2	16.2	7.2	5.5	9.5	7.6	5.0	3.7
Payout ratio (%)		0.0 %	41.7 %	48.1 %	49.5 %	67.0 %	59.6 %	45.0 %	38.4 %
Dividend yield-%		0.0 %	2.2 %	5.1 %	5.3 %	4.3 %	4.6 %	5.3 %	5.7 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
	MEUR	MEUR	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Steico	368	545	18.1	15.7	9.3	8.4	1.5	1.4	20.5	15.8	1.5	1.7	1.3
EcoUp	15	20		20.0	6.7	4.0	0.6	0.5	43.3	21.6		1.2	0.8
Purmo	252	544	14.8	8.9	6.0	5.9	0.7	0.8	9.2	7.4	5.6	5.8	0.6
Inwido	550	684	8.4	9.1	6.2	6.5	0.9	0.9	9.9	11.1	5.8	5.4	1.2
Western Forest	155	196		86.5		7.7	0.3	0.3			6.9	6.9	0.4
LapWall (Inderes)	42	39	9.5	7.6	7.2	6.0	1.0	0.9	12.4	10.3	4.3	4.6	2.3
Average			13.2	25.3	7.2	6.7	0.8	0.8	19.1	13.8	4.6	4.1	0.9
Median			13.1	13.7	6.7	7.1	0.8	0.8	12.5	12.9	5.6	4.4	0.9
Diff-% to median			-28%	-44%	8%	-16%	20%	5%	-1%	-20%	-23%	6%	153%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	H1'22	H2'22	2022	H1'23	H2'23e	2023e	2024e	2025e	2026e
Revenue	48.3	25.5	27.0	52.5	18.9	22.2	41.0	45.0	55.0	61.6
Group	48.3	25.5	27.0	52.5	18.9	22.2	41.0	45.0	55.0	61.6
Goodwill amortization adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	6.6	5.2	4.4	9.5	2.6	2.9	5.5	6.5	8.9	10.7
Depreciation	-1.8	-0.8	-0.9	-1.8	-0.9	-1.1	-2.0	-2.2	-2.6	-2.9
EBIT (excl. NRI)	5.2	4.6	3.7	8.3	1.9	2.2	4.1	5.1	7.2	8.6
EBIT	4.8	4.3	3.5	7.8	1.7	1.8	3.4	4.3	6.4	7.8
Group	5.2	4.6	3.7	8.3	1.9	2.2	4.2	5.1	7.2	8.6
Goodwill amortization adjustment	-0.5	-0.2	-0.2	-0.5	-0.3	-0.5	-0.7	-0.8	-0.8	-0.8
Net financial items	-0.2	-0.7	0.0	-0.7	0.0	-0.1	0.0	0.0	0.1	0.1
PTP	4.6	3.6	3.4	7.0	1.7	1.7	3.4	4.3	6.4	8.0
Taxes	-0.9	-0.7	-0.7	-1.4	-0.3	-0.4	-0.7	-1.0	-1.5	-1.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	3.7	2.9	2.8	5.7	1.3	1.3	2.6	3.2	5.0	6.2
EPS (adj.)	0.33	0.21	0.20	0.42	0.11	0.12	0.23	0.27	0.39	0.47
EPS (rep.)	0.29	0.20	0.19	0.38	0.09	0.09	0.18	0.22	0.33	0.42

Key figures	2021	H1'22	H2'22	2022	H1'23	H2'23e	2023e	2024e	2025e	2026e
Revenue growth-%	54.9 %		-44.1 %	8.6 %	-26.0 %	-17.9 %	-21.8 %	9.5 %	22.4 %	12.0 %
Adjusted EBIT growth-%	127.4 %		-29.4 %	57.9 %	-58.5 %	-40.0 %	-50.2 %	23.2 %	40.8 %	20.8 %
EBITDA-%	13.7 %	20.3 %	16.2 %	18.2 %	13.7 %	13.0 %	13.3 %	14.5 %	16.2 %	17.4 %
Adjusted EBIT-%	10.9 %	18.0 %	13.7 %	15.8 %	10.1 %	10.0 %	10.1 %	11.3 %	13.0 %	14.0 %
Net earnings-%	7.5 %	11.0 %	9.8 %	10.4 %	7.1 %	6.0 %	6.5 %	7.2 %	9.0 %	10.1 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	11.5	12.1	15.6	16.3	16.8
Goodwill	3.0	2.4	5.6	4.7	3.8
Intangible assets	0.2	0.4	0.4	0.4	0.4
Tangible assets	8.3	9.2	9.5	11.2	12.5
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	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	8.4	16.1	11.4	12.4	16.2
Inventories	3.0	3.2	2.9	3.1	3.3
Other current assets	1.8	2.3	2.0	2.0	2.0
Receivables	1.6	2.7	2.5	2.7	3.4
Cash and equivalents	2.1	7.8	4.0	4.5	7.6
Balance sheet total	19.9	28.2	26.9	28.7	33.0

Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	7.1	15.9	17.9	19.4	22.4
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-2.2	4.8	4.8	6.3	9.3
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	9.3	10.9	13.0	13.0	13.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	2.6	1.9	1.5	1.5	1.5
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	2.3	1.4	1.0	1.0	1.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.5	0.5	0.5	0.5
Current liabilities	10.2	10.5	7.5	7.9	9.1
Interest bearing debt	3.8	1.0	0.5	0.5	0.5
Payables	3.4	4.6	3.9	4.3	5.5
Other current liabilities	2.9	4.8	3.1	3.1	3.1
Balance sheet total	19.9	28.2	26.9	28.7	33.0

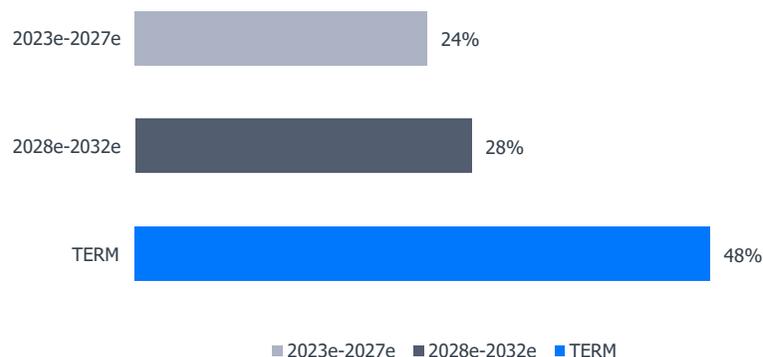
DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	8.6 %	-21.8 %	9.5 %	22.4 %	12.0 %	5.0 %	4.0 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	14.8 %	8.3 %	9.5 %	11.6 %	12.7 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	7.8	3.4	4.3	6.4	7.8	7.8	7.4	7.0	6.5	5.9	6.1	
+ Depreciation	1.8	2.0	2.2	2.6	2.9	3.0	2.5	2.4	2.3	2.3	2.2	
- Paid taxes	-1.4	-0.7	-1.0	-1.5	-1.8	-1.7	-1.6	-1.5	-1.4	-1.3	-1.3	
- Tax, financial expenses	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	1.3	-1.6	-0.2	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	9.3	3.1	5.3	7.9	9.2	9.0	8.3	7.9	7.4	6.9	7.0	
+ Change in other long-term liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-2.3	-5.5	-3.0	-3.0	-3.0	-2.0	-1.5	-1.5	-1.5	-2.0	-2.0	
Free operating cash flow	7.2	-2.4	2.3	4.9	6.2	7.0	6.8	6.4	5.9	4.9	4.9	
+/- Other	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.0	-2.3	2.3	4.9	6.2	7.0	6.8	6.4	5.9	4.9	4.9	61.7
Discounted FCFF		-2.3	2.0	4.0	4.5	4.6	4.1	3.5	3.0	2.2	2.0	25.4
Sum of FCFF present value		53.2	55.5	53.5	49.5	44.9	40.3	36.2	32.6	29.7	27.4	25.4
Enterprise value DCF		53.2										
- Interest bearing debt		-2.3										
+ Cash and cash equivalents		7.8										
-Minorities		0.0										
-Dividend/capital return		-2.7										
Equity value DCF		56.0										
Equity value DCF per share		3.8										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	0.75%
Risk free interest rate	2.5 %
Cost of equity	10.9 %
Weighted average cost of capital (WACC)	10.2 %

Source: Inderes

Cash flow distribution



Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	31.2	48.3	52.5	41.0	45.0	EPS (reported)	0.14	0.29	0.38	0.18	0.22
EBITDA	4.1	6.6	9.5	5.5	6.5	EPS (adj.)	0.14	0.33	0.42	0.23	0.27
EBIT	2.3	4.8	7.8	3.4	4.3	OCF / share	0.29	0.34	0.66	0.21	0.36
PTP	1.9	4.6	7.0	3.4	4.3	FCF / share	0.23	0.13	0.49	-0.16	0.15
Net Income	1.8	3.6	5.5	2.7	3.2	Book value / share	0.43	0.58	1.11	1.20	1.30
Extraordinary items	0.0	-0.5	-0.5	-0.7	-0.8	Dividend / share	0.06	0.14	0.19	0.12	0.13
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	17.2	19.9	28.2	26.9	28.7	Revenue growth-%	-8%	55%	9%	-22%	10%
Equity capital	5.4	7.1	15.9	17.9	19.4	EBITDA growth-%	18%	61%	45%	-43%	19%
Goodwill	2.4	3.0	2.4	5.6	4.7	EBIT (adj.) growth-%	40%	127%	58%	-50%	23%
Net debt	3.7	4.1	-5.5	-2.5	-3.0	EPS (adj.) growth-%	71%	130%	26%	-46%	20%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	13.1 %	13.7 %	18.2 %	13.3 %	14.5 %
EBITDA	4.1	6.6	9.5	5.5	6.5	EBIT (adj.)-%	7.4 %	10.9 %	15.8 %	10.1 %	11.3 %
Change in working capital	-0.5	-1.5	1.3	-1.6	-0.2	EBIT-%	7.4 %	9.8 %	14.8 %	8.3 %	9.5 %
Operating cash flow	3.6	4.2	9.3	3.1	5.3	ROE-%	40.7 %	57.7 %	47.5 %	15.8 %	17.4 %
CAPEX	-0.2	-2.6	-2.3	-5.5	-3.0	ROI-%	21.9 %	39.5 %	49.6 %	18.7 %	21.7 %
Free cash flow	2.9	1.6	7.0	-2.3	2.3	Equity ratio	33.6 %	37.6 %	61.1 %	70.5 %	71.5 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	69.6 %	57.0 %	-34.7 %	-14.1 %	-15.6 %
EV/S	1.2	0.8	0.9	1.0	0.9						
EV/EBITDA (adj.)	9.1	5.7	4.8	7.2	6.0						
EV/EBIT (adj.)	16.2	7.2	5.5	9.5	7.6						
P/E (adj.)	18.9	8.2	8.6	12.4	10.3						
P/B	6.3	4.7	3.2	2.3	2.2						
Dividend-%	2.2 %	5.1 %	5.3 %	4.3 %	4.6 %						

Source: Inderes

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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
4/10/2022	Accumulate	3.40 €	3.11 €
5/19/2022	Accumulate	3.40 €	3.05 €
8/17/2022	Accumulate	4.00 €	3.55 €
11/1/2022	Accumulate	3.75 €	3.27 €
1/31/2023	Reduce	3.75 €	3.68 €
2/8/2023	Reduce	3.75 €	3.95 €
4/27/2023	Accumulate	3.75 €	3.51 €
6/1/2023	Buy	4.00 €	3.24 €
8/9/2023	Buy	4.00 €	3.18 €
11/1/2023	Accumulate	3.40 €	2.80 €



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