

# COMPONENTA OYJ

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## COMPANY REPORT



# Missing clearer signs of a turnaround

Componenta's Q4 report was twofold. Profitability and especially cash flow at the end of the year exceeded our expectations, while comments on the financial year ahead were more cautious than expected. As a result, our volume-driven forecast cuts were weighted towards 2025. With a stronger balance sheet than we expected and a downward revision of our required return, we raise our target price to EUR 3.4 and upgrade our recommendation to Reduce (was Sell).

## Q4 was better than feared

In Q4, Componenta's revenue grew by 24% to 27 MEUR, slightly below our forecast. We estimate the organic growth rate to be slightly above 5%. Growth was supported by the start of a major delivery to the Finnish Defence Forces and the acquisition completed in Q4. EBITDA amounted to 4.7 MEUR, exceeding our forecast of 3.8 MEUR. Adjusted EBITDA after the positive fair value adjustment related to the asset deal was 1.8 MEUR, corresponding to a moderate EBITDA margin of 6.7%. The release of working capital resulted in a cash flow well above our expectations, which also led to a stronger than expected balance sheet. Nevertheless, as expected, the dividend proposal remained at zero.

## Comments on 2025 showed some softness

Rather as expected, Componenta provided guidance for an improvement in revenue and operational EBITDA for the financial year 2025 (2024: revenue 97 MEUR, and adj. EBITDA 4.9 MEUR). We find the guidance very loose given the weak level in the financial year 2024 and the inorganic support from the asset deal completed in Q4'24. Comments on expectations for 2025 remained cautious compared to our expectations, and we estimate that the organic order book grew only moderately year-on-year. As a result, achieving stronger volume growth in Q1 seems less likely than before, leading us to lower our

EBITDA guidance for the current year by 8%. The changes in estimates for the coming years were also negative, but much smaller.

We forecast Componenta's EBITDA to increase to 8.6 MEUR (2024 4.9 MEUR), supported by improved utilization rates in production due to volume growth. The volume growth in our forecast is driven by an increase in deliveries of Defence equipment industry and the recovery of the equipment business in the engineering industry from its low level. These volume-supporting customer segments accounted for approximately 60% of H2'24 revenue. We estimate that volume growth in 2025 will be held back by continued sluggish demand for Agricultural machinery. We believe that margins on orders from the Defence Forces are likely to be above average due to the urgency of the orders and the sudden increase in order volume, but to achieve the profitability we forecast for 2026 and 2027, we also believe that demand for agricultural machinery, an important market for Componenta, will need to pick up.

## Expected return relies on earnings growth

Based on our projections for 2025 and 2026, the EBIT-based EV/EBIT multiples taking into account the balance sheet position are 17x and 8x, while the corresponding earnings-based P/E multiples are 40x and 11x. In absolute terms, the multiples are high for the current year and not favorable for next year either. The low level of the EBITDA-based valuation multiples (5x and 4x in 2025 and 2026, respectively) reflects, in our view, both Componenta's high level of investment and the attractiveness of the valuation should the company manage to improve its profitability beyond our forecast. The value of the DCF model is below the share price. Thus, based on the valuation methods we use, the risk/reward ratio of the share remains insufficient.

## Recommendation

**Reduce**  
(was Sell)

## Target price:

**3.40 EUR**  
(was 2.90 EUR)

**Share price:**  
**3.71**

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	97.1	116.4	129.9	136.3
growth-%	-5%	20%	12%	5%
EBIT adj.	-0.3	2.5	4.8	6.0
EBIT-% adj.	-0.3 %	2.1 %	3.7 %	4.4 %
Net Income	0.2	0.9	3.3	5.0
EPS (adj.)	-0.28	0.09	0.34	0.51
P/E (adj.)	>100	40.4	10.8	7.3
P/B	1.5	1.3	1.2	1.1
Dividend yield-%	0.0 %	1.1 %	3.8 %	5.4 %
EV/EBIT (adj.)	neg.	17.2	8.3	6.0
EV/EBITDA	5.5	5.0	3.6	2.9
EV/S	0.4	0.4	0.3	0.3

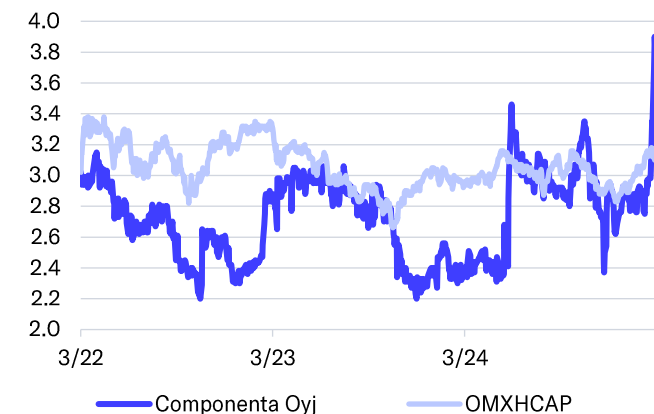
Source: Inderes

## Guidance

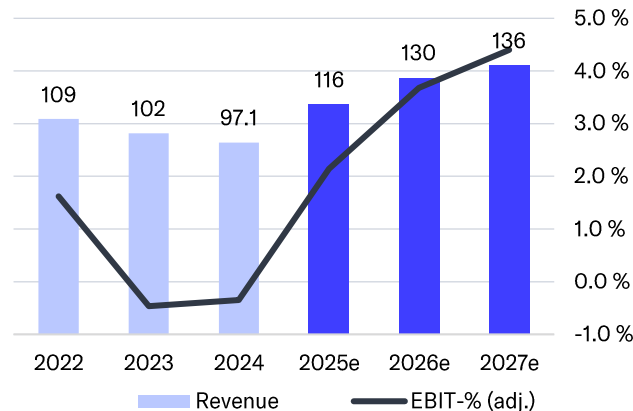
(New guidance)

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.

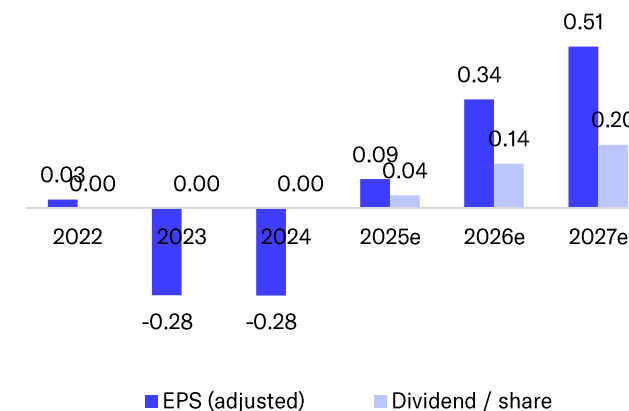
## Share price



## Revenue and EBIT-%



## 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	3.71	3.71	3.71
Number of shares, millions	9.71	9.71	9.71
Market cap	36	36	36
EV	43	40	36
P/E (adj.)	40.4	10.8	7.3
P/E	40.4	10.8	7.3
P/B	1.3	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	5.0	3.6	2.9
EV/EBIT (adj.)	17.2	8.3	6.0
Payout ratio (%)	43.6 %	40.7 %	39.2 %
Dividend yield-%	1.1 %	3.8 %	5.4 %

Source: Inderes

# Defensive win

## Revenue achieved organic growth

In Q4, Componenta’s revenue grew by 24% to 27 MEUR, slightly below our forecast. Our estimated organic growth rate for Q4 was slightly above 5%. We expect volumes to have developed slightly better than this due to the weak comparison period, as raw material costs (iron and electricity), which are passed on to customer prices, were on the decline. As a result, we estimate that the asset deal completed at the beginning of Q4 will contribute approximately 20% growth in Q4. Organic growth was driven by an increase in the share of revenue generated by the defense industry (H2’24 23% of revenue vs. 7% in H2’23). This follows the start of a major delivery to the Finnish Defence Forces announced by Componenta last year. In the other revenue segments, organic revenue development was weak and revenues clearly declined at double-digit rates. Geographically, the share of revenue generated in the home market and Sweden increased, while exports to the rest of Europe declined.

## Profitability was better than feared

Componenta's EBITDA amounted to 4.7 MEUR, exceeding our forecast of 3.8 MEUR. Adjusted EBITDA after the positive fair value adjustment related to the asset deal was 1.8 MEUR, corresponding to a moderate EBITDA margin of 6.7%. As a result, the company managed to defend its lower lines better than expected against the impact of low production volumes and, based on the comments, the adjustment measures for the rest of the year were substantial. More detailed information on the cost items for the past financial year will be provided in the financial statements, which will be published only in the near future. Depreciation was slightly below our expectations, while financial expenses marginally exceeded our forecasts. Thus, the forecast overshoot at the reported EPS level (actual EUR 0.29 vs. forecast EUR 0.19) is entirely attributable to the better-than-expected operational EBITDA.

## Working capital fell to low level

Cash flow from operating activities in H2 was as high as 6.4 MEUR, with working capital supporting the cash flow significantly above our expectations. Working capital ended up clearly negative (-6 MEUR), which partly reflects the factoring arrangements for the company's accounts receivable. We expect working capital to settle closer to zero in the long run, so we do not think the abundant cash flow in H2 is something to get too excited about, although the low working capital intensity of the business is a positive. After investments (incl. the 1.8 MEUR payment for the asset deal) and repayments of lease liabilities, free cash flow was just under 3 MEUR, which reduced net debt to a comfortable level of 5.5 MEUR. In line with our expectations, Componenta will not pay a dividend based on the result for the financial year 2024.

MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	ACT
Revenue	21.7	26.9	27.9				-4%	97.1
EBITDA	-0.5	4.7	3.8				25%	7.9
EBIT (adj.)	-1.9	0.6	-0.6				200%	-0.3
EBIT	-1.9	3.5	2.3				52%	2.6
PTP	-2.5	2.9	1.9				55%	0.2
EPS (adj.)	-0.27	0.00	-0.11				96%	-0.28
EPS (reported)	-0.27	0.29	0.19				53%	0.02
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	-27.9 %	24.1 %	29.0 %				-4.8 pp	-4.6 %
EBIT-% (adj.)	-8.9 %	2.2 %	-2.2 %				4.4 pp	-0.3 %

Source: Inderes

# Reducing our expectations for the scale of profitability improvement

## We lowered our expectations for the pace of improvement

We slightly lowered our EBITDA forecasts for the next few years. We expect Q1'25 to be even somewhat weaker than previously estimated, as the most acute strike threats did not abate until late February and the company's commentary on the demand outlook was more optimistic only for the end of 2025. We also expect Q3 volumes, and thus profitability, to remain below the level of the rest of the year, as has been the case in recent years. For the full year 2025, we expect EBITDA to increase significantly to 8.6 MEUR (cf. 2024 adj. EBITDA 4.9 MEUR), supported by improving volumes and consequently stronger production utilization rates.

Volumes are supported in our forecast by a return to growth in Machine Building (39% of Componenta's 2024 revenue), supported by the projected growth in the engineering equipment business (~+5%) after the 2024 drop (~-10%). In addition, the Defence equipment industry's

share of revenue will continue to grow strongly (15% of 2024 revenue), supported by a large order from the Finnish Defence Forces and possible additional sales. We also believe that margins on orders from the Defence Forces are likely to be above average due to the urgency of the orders and the sudden increase in order volume. On the negative side, volumes will continue to be affected by the low level of demand for agricultural machinery (20% of 2024 revenue) in the Nordic countries. In addition, revenue growth will be held back by a fall in the price levels of the main raw materials, which are passed on to customers, but this will of course have a very small impact on total EBITDA.

### Investments eat into cash flow

Our organic investment forecasts for the coming years are slightly lower than the depreciation forecasts, but investments, including lease payments, take up a significant part of the operating cash flow, reflecting the dynamics of Componenta's businesses. The changes in the forecast for depreciation and financial items were a fine-

tuning exercise, while our dividend forecasts were revised to reflect the changes in our EPS forecasts. Componenta is not expected to pay taxes in the coming years due to deductible losses.

## We expect further improvement in 2026 and 2027

The significant improvement in profitability we forecast for the coming years is based on growing production volumes that are more stable than in recent years, which will enable Componenta to improve its production utilization rates. Investments in the defense industry above our expectations and/or industrial demand supported by a more pronounced easing of fiscal policy in Europe could help Componenta to outperform our forecasts in the coming years. On the other hand, the potential rise in interest rates, the threat of tariffs caused by the geopolitical environment and the fragile industrial investment climate keep the risk picture rather symmetrical in our view (equal amounts of upside and downside estimate risks).

Estimate revisions	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	98.2	97.1	-1%	116	116	0%	132	130	-2%
EBITDA	6.9	7.9	14%	9.3	8.6	-8%	11.4	10.9	-4%
EBIT (exc. NRIs)	-1.5	-0.3	77%	3.2	2.5	-23%	5.2	4.8	-8%
EBIT	1.4	2.6	82%	3.2	2.5	-23%	5.2	4.8	-8%
PTP	-0.8	0.2	126%	1.4	0.9	-38%	3.5	3.3	-5%
EPS (excl. NRIs)	-0.38	-0.28	27%	0.15	0.09	-38%	0.36	0.34	-5%
DPS	0.00	0.00		0.08	0.04	-50%	0.16	0.14	-13%

Source: Inderes



# Overvaluation is not glaring

With our slightly lowered required return and a better balance sheet in H2'24 than we expected (cash flow well above our forecast), our view of Componenta's fair value has increased. On the other hand, the share price, which has fallen from its peak levels, has also reduced the scale of the overvaluation that we estimate. Therefore, we believe that the risk/reward ratio has improved but remains at an unsatisfactory level. In line with these considerations, we raise our target price for EUR 3.4 (previously EUR 2.9) and our recommendation to Reduce (previously Sell).

## Current year valuation multiples are high

Based on our projections for 2025 and 2026, the EBIT-based EV/EBIT multiples taking into account the balance sheet position are 17x and 8x, while the corresponding earnings-based P/E multiples are 40x and 11x. In absolute terms, the multiples are high for the current year and not favorable even for next year.

The low level of the EBITDA-based valuation multiples (5x and 4x in 2025 and 2026, respectively) reflects, in our view, both Componenta's high level of investment (investments/EBITDA ~50% in our estimates for the coming years) and the attractiveness of the valuation should the company manage to improve its profitability beyond our forecast. This is because stronger EBITDA would effectively trickle down to the lower lines, while depreciation and financial expenses would remain unchanged.

## Interpreting peer valuation is not straightforward

The peer group we have constructed is valued higher than Componenta on most valuation multiples. The exception is the current year's P/E, as Componenta's reported result

remains low in our estimates for 2025, despite the improvement in profitability. Due to the differences in business models and the high valuation of the peer group median in our view (2025e P/E 18x & EV/EBIT 19x), we consider the indication of undervaluation given by the peer group valuation to be of limited relevance.

## Cash flow model slightly below share price

The long-term DCF model gives Componenta a share value of EUR 3.5 (previously EUR 3.2), which is below the share price. Despite the negative estimate revisions, the value of the model increased as the cash flow for the financial year 2024 was significantly better than we expected, pushing the debt below our expectations, and as we slightly lowered our required return.

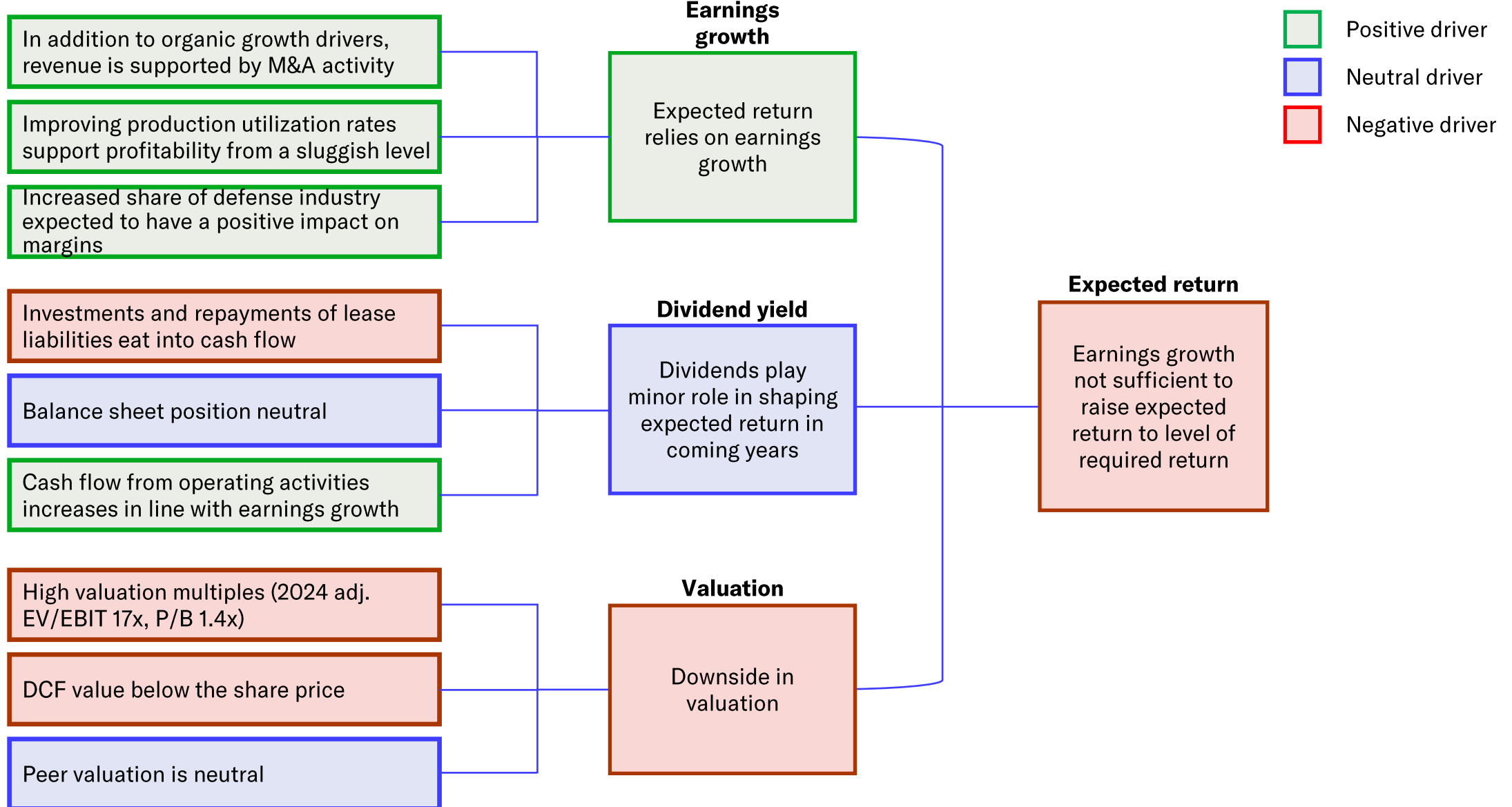
We lowered our required return because the stronger-than-expected balance sheet reduced financing risks and because the heightened geopolitical environment inherently creates more opportunities than risks for Componenta's business.

In our DCF model, we expect Componenta to achieve a sustainable higher level of profitability than in recent years (average for the forecast period 8% vs. 6.4% average for the previous four years). The parameters of the DCF model involve a significant leverage effect in both directions, but overall it signals a slight overvaluation of the share.

Valuation	2025e	2026e	2027e
Share price	3.71	3.71	3.71
Number of shares, millions	9.71	9.71	9.71
Market cap	36	36	36
EV	43	40	36
P/E (adj.)	40.4	10.8	7.3
P/E	40.4	10.8	7.3
P/B	1.3	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	5.0	3.6	2.9
EV/EBIT (adj.)	17.2	8.3	6.0
Payout ratio (%)	43.6 %	40.7 %	39.2 %
Dividend yield-%	1.1 %	3.8 %	5.4 %

Source: Inderes

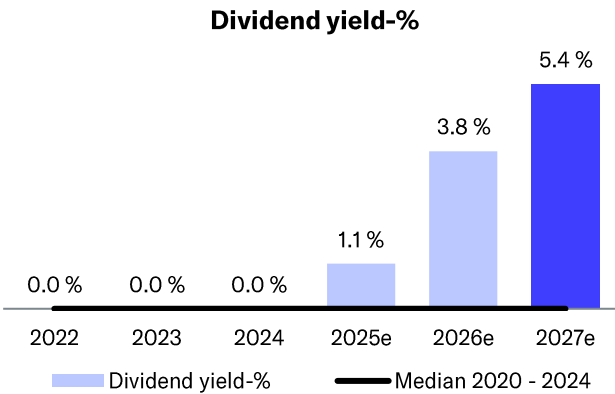
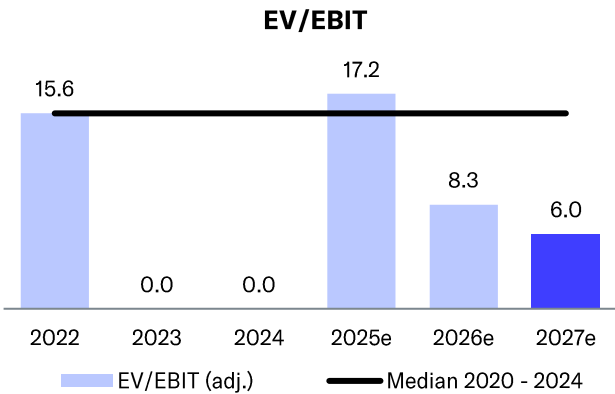
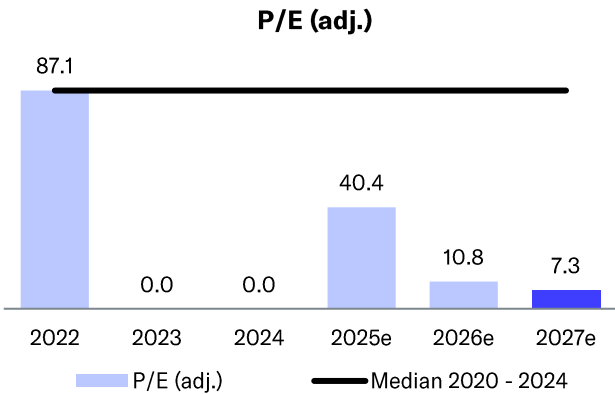
# EPS drivers 2024-2027e



# Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	3.34	2.34	2.35	3.90	3.71	3.71	3.71	3.71
Number of shares, millions	9.52	9.71	9.71	9.71	9.71	9.71	9.71	9.71
Market cap	32	23	23	38	36	36	36	36
EV	39	28	32	43	43	40	36	33
P/E (adj.)	>100	87.1	>100	>100	40.4	10.8	7.3	8.1
P/E	>100	>100	14.7	>100	40.4	10.8	7.3	8.1
P/B	1.4	1.0	0.9	1.5	1.3	1.2	1.1	1.0
P/S	0.4	0.2	0.2	0.4	0.3	0.3	0.3	0.3
EV/Sales	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.2
EV/EBITDA	7.8	3.9	6.0	5.5	5.0	3.6	2.9	2.9
EV/EBIT (adj.)	neg.	15.6	neg.	neg.	17.2	8.3	6.0	6.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	43.6 %	40.7 %	39.2 %	47.9 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	1.1 %	3.8 %	5.4 %	5.9 %

Source: Inderes





# 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	15		15.1	7.5	7.5	0.5	0.6				2.2	1.8
Castings plc	139	122	5.2	20.9	3.6	7.0	0.5	0.6	7.4	27.3	6.6	6.9	
Georg Fischer	6311	8356	19.3	18.4	14.2	13.8	1.7	1.9	24.5	19.3	1.8	2.0	100.7
ElringKlinger	285	606	82.2	6.9	3.6	3.0	0.3	0.3		6.5	3.5	4.4	0.4
Kesla	13	24	24.2	24.2	8.1	12.1	0.6	0.6	10.9		3.2		1.0
Ponsse	745	748	21.2	13.6	10.7	8.3	1.0	1.0	80.6	20.9	1.7	2.6	2.3
Wärtsilä	10533	9751	14.8	12.4	12.3	10.2	1.5	1.3	22.5	18.1	2.3	2.8	4.2
AGCO	7047	9217	9.9	16.4	7.6	10.4	0.8	1.1	13.8	25.0	3.3	2.3	1.8
Componenta Oyj (Inderes)	36	43	17.2	8.3	5.0	3.6	0.4	0.3	40.4	10.8	1.1	3.8	1.3
Average			25.2	16.0	8.4	9.1	0.9	0.9	26.6	19.5	3.2	3.3	16.0
Median			19.3	15.7	7.8	9.3	0.7	0.8	18.2	20.1	3.2	2.6	1.8
Diff-% to median			-11%	-47%	-36%	-61%	-47%	-61%	123%	-46%	-67%	43%	-25%

Source: Refinitiv / Inderes

# Income statement

Income statement	2022	2023	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	109	102	97.1	28.3	31.5	25.1	31.5	116	130	136	142
Group	109	102	97.1	28.3	31.5	25.1	31.5	116	130	136	142
EBITDA	7.1	5.3	7.9	1.9	2.8	1.0	2.9	8.6	10.9	12.3	11.6
Depreciation	-5.5	-1.5	-5.3	-1.5	-1.5	-1.5	-1.5	-6.1	-6.2	-6.3	-6.2
EBIT (excl. NRI)	1.8	-0.5	-0.3	0.4	1.2	-0.5	1.4	2.5	4.8	6.0	5.4
EBIT	1.6	3.8	2.6	0.4	1.2	-0.5	1.4	2.5	4.8	6.0	5.4
Group	1.6	3.8	2.6	0.4	1.2	-0.5	1.4	2.5	4.8	6.0	5.4
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-1.7	-2.2	-2.4	-0.4	-0.4	-0.4	-0.4	-1.6	-1.4	-1.0	-0.8
PTP	-0.1	1.6	0.2	0.0	0.8	-0.9	1.0	0.9	3.3	5.0	4.6
Taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	0.1	1.5	0.2	0.0	0.8	-0.9	1.0	0.9	3.3	5.0	4.5
EPS (adj.)	0.03	-0.28	-0.28	0.00	0.09	-0.09	0.10	0.09	0.34	0.51	0.46
EPS (rep.)	0.01	0.16	0.02	0.00	0.09	-0.09	0.10	0.09	0.34	0.51	0.46

Key figures	2022	2023	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	25.0 %	-6.7 %	-4.6 %	20.0 %	19.0 %	24.1 %	17.1 %	19.8 %	11.7 %	4.9 %	4.5 %
Adjusted EBIT growth-%		-126.8 %	-28.5 %	-121.6 %	35.8 %	452.9 %	155.0 %	-838.4 %	91.4 %	25.6 %	-10.0 %
EBITDA-%	6.5 %	5.2 %	8.1 %	6.7 %	8.8 %	4.0 %	9.3 %	7.4 %	8.4 %	9.0 %	8.1 %
Adjusted EBIT-%	1.6 %	-0.5 %	-0.3 %	1.3 %	4.0 %	-2.1 %	4.5 %	2.1 %	3.7 %	4.4 %	3.8 %
Net earnings-%	0.1 %	1.5 %	0.2 %	-0.1 %	2.7 %	-3.7 %	3.2 %	0.8 %	2.6 %	3.6 %	3.1 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>36.6</b>	<b>38.1</b>	<b>38.2</b>	<b>37.8</b>	<b>37.5</b>
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	2.0	1.6	1.1	1.0	0.9
Tangible assets	31.0	33.0	33.5	33.2	32.9
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
<b>Current assets</b>	<b>20.7</b>	<b>25.3</b>	<b>25.4</b>	<b>28.3</b>	<b>29.7</b>
Inventories	12.6	14.0	14.8	16.5	17.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.8	2.6	4.8	5.3	5.6
Cash and equivalents	5.3	8.7	5.8	6.5	6.8
<b>Balance sheet total</b>	<b>57.3</b>	<b>63.4</b>	<b>63.6</b>	<b>66.1</b>	<b>67.2</b>

Source: Inderes

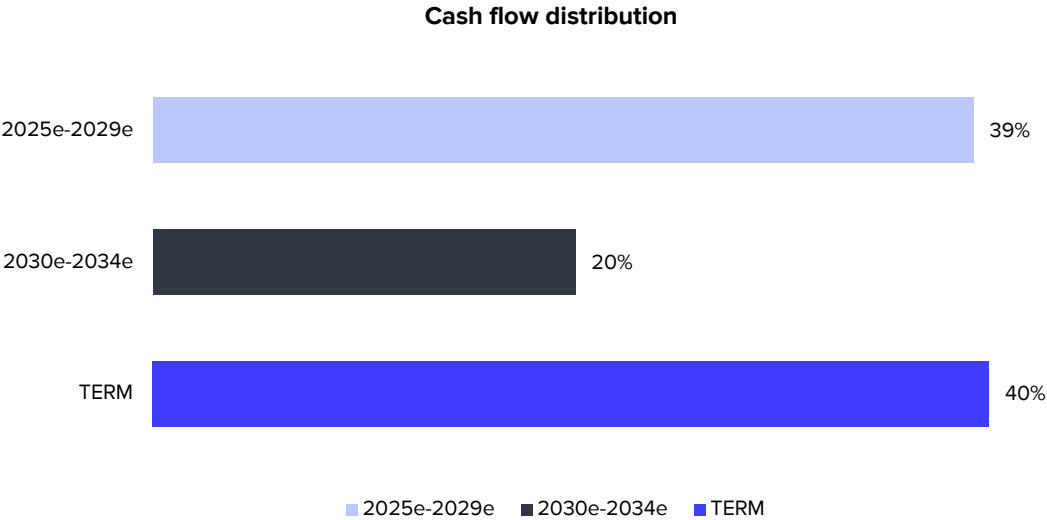
Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>25.6</b>	<b>25.8</b>	<b>26.7</b>	<b>29.7</b>	<b>33.3</b>
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	4.8	5.3	6.2	9.2	12.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	19.8	19.5	19.5	19.5	19.5
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>12.3</b>	<b>11.7</b>	<b>10.5</b>	<b>8.6</b>	<b>5.9</b>
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	9.5	7.7	4.9
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
<b>Current liabilities</b>	<b>19.5</b>	<b>25.9</b>	<b>26.4</b>	<b>27.8</b>	<b>28.1</b>
Korolliset velat	3.1	3.5	3.1	2.5	1.6
Payables	16.4	22.1	23.3	25.3	26.4
Other current liabilities	0.0	0.4	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>57.3</b>	<b>63.4</b>	<b>63.6</b>	<b>66.1</b>	<b>67.2</b>

# DCF-calculation

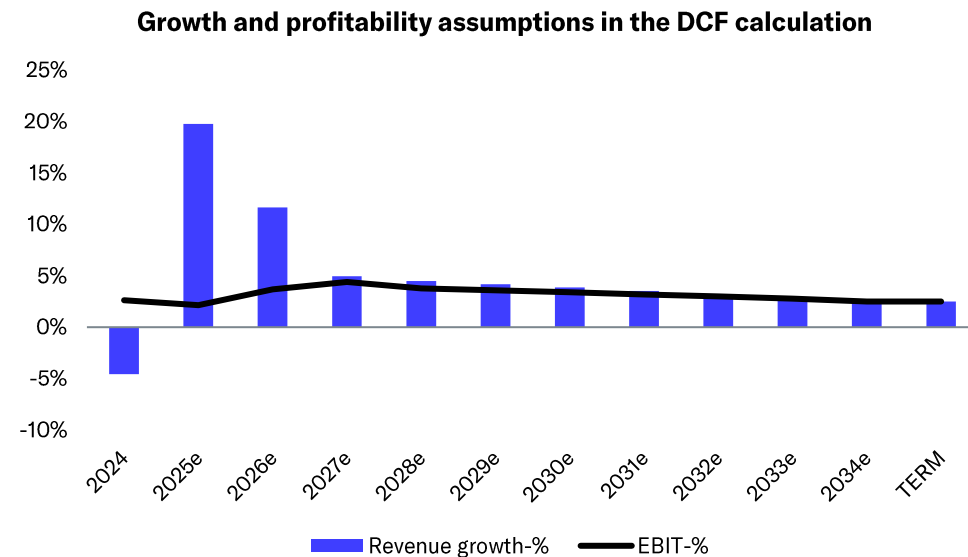
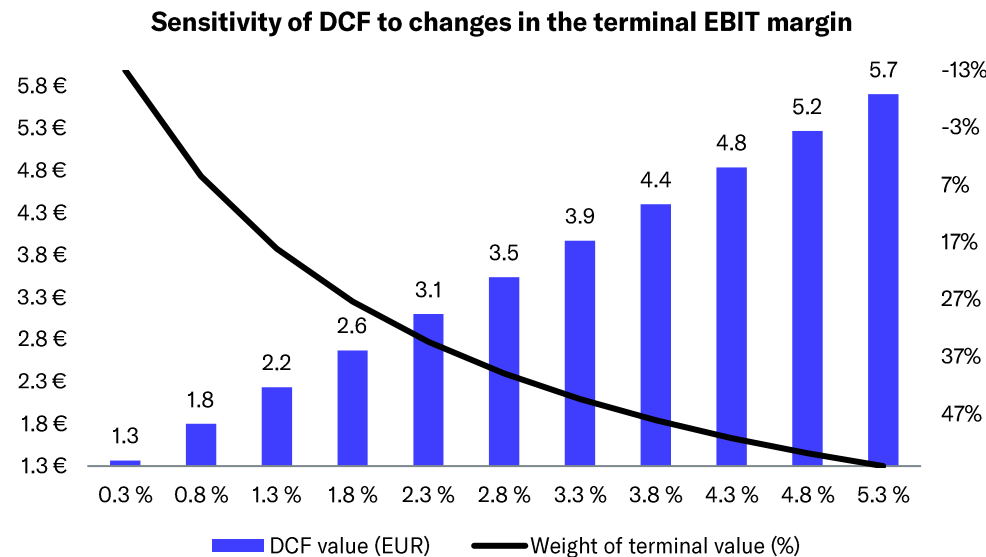
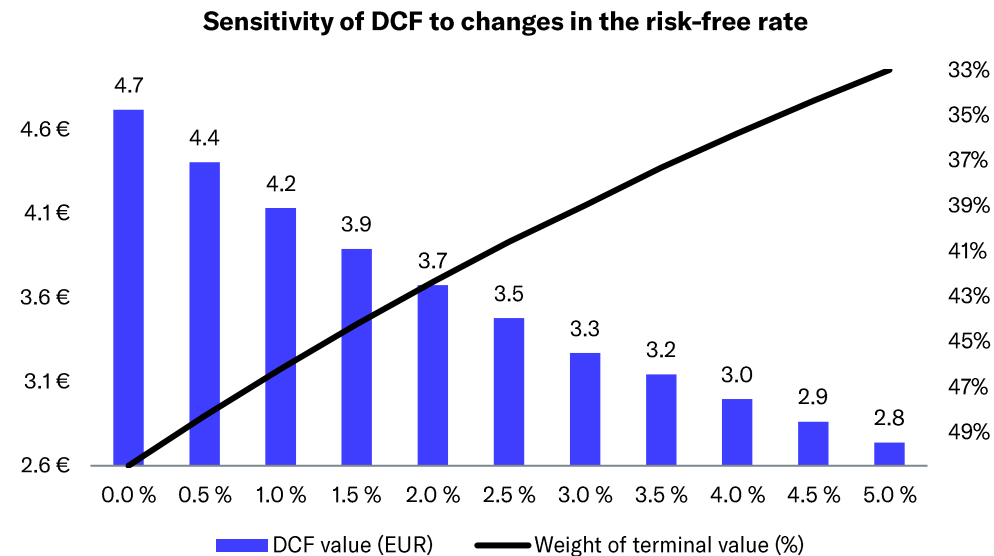
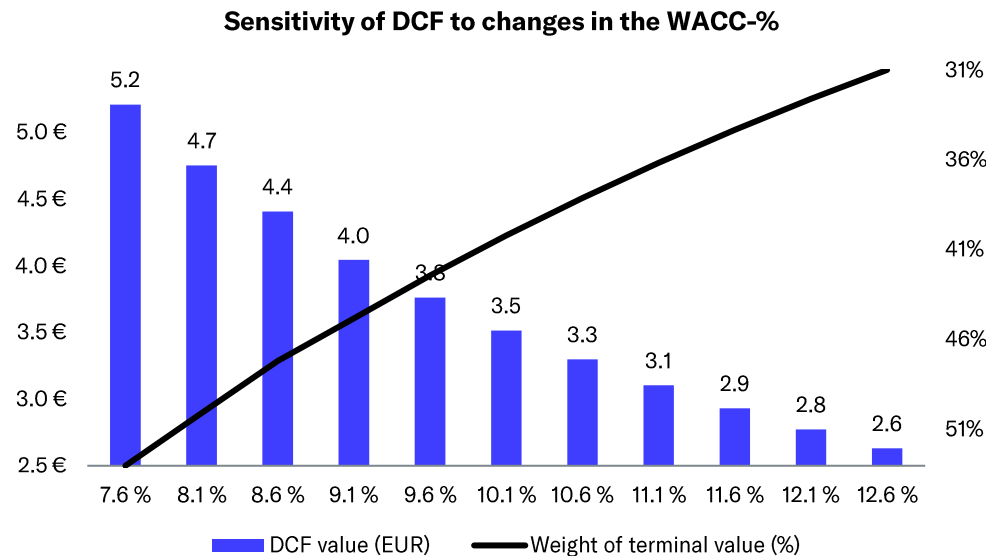
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-4.6 %	19.8 %	11.7 %	4.9 %	4.5 %	4.2 %	3.9 %	3.5 %	3.2 %	2.9 %	2.5 %	2.5 %
EBIT-%	2.6 %	2.1 %	3.7 %	4.4 %	3.8 %	3.6 %	3.4 %	3.2 %	3.0 %	2.8 %	2.5 %	2.5 %
<b>EBIT (operating profit)</b>	<b>2.6</b>	<b>2.5</b>	<b>4.8</b>	<b>6.0</b>	<b>5.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.1</b>	<b>4.9</b>	<b>4.7</b>	<b>4.3</b>	
+ Depreciation	5.3	6.1	6.2	6.3	6.2	6.2	6.2	6.2	6.3	6.4	6.5	
- Paid taxes	0.0	0.0	0.0	0.0	-0.1	-0.9	-0.9	-0.9	-0.9	-0.9	-0.8	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-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	-0.2	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.1	
<b>Operating cash flow</b>	<b>12.7</b>	<b>6.4</b>	<b>10.7</b>	<b>12.3</b>	<b>11.5</b>	<b>10.5</b>	<b>10.4</b>	<b>10.3</b>	<b>10.0</b>	<b>10.0</b>	<b>9.9</b>	
+ 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	-6.2	-5.8	-5.9	-6.1	-6.3	-6.5	-6.7	-6.9	-7.1	-6.9	
<b>Free operating cash flow</b>	<b>5.9</b>	<b>0.3</b>	<b>5.0</b>	<b>6.4</b>	<b>5.4</b>	<b>4.2</b>	<b>3.9</b>	<b>3.6</b>	<b>3.2</b>	<b>2.9</b>	<b>3.0</b>	
+/- 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	0.3	5.0	6.4	5.4	4.2	3.9	3.6	3.2	2.9	3.0	40.8
<b>Discounted FCFF</b>		<b>0.2</b>	<b>4.2</b>	<b>4.9</b>	<b>3.7</b>	<b>2.6</b>	<b>2.2</b>	<b>1.9</b>	<b>1.5</b>	<b>1.2</b>	<b>1.2</b>	<b>15.9</b>
Sum of FCFF present value		39.5	39.3	35.1	30.3	26.6	23.9	21.7	19.8	18.3	17.1	15.9
<b>Enterprise value DCF</b>		<b>39.5</b>										
- Interest bearing debt		-14.2										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>34.1</b>										
<b>Equity value DCF per share</b>		<b>3.5</b>										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.73
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.1 %</b>

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	116.4	129.9	EPS (reported)	0.01	0.16	0.02	0.09	0.34
EBITDA	7.1	5.3	7.9	8.6	10.9	EPS (adj.)	0.03	-0.28	-0.28	0.09	0.34
EBIT	1.6	3.8	2.6	2.5	4.8	OCF / share	0.78	0.34	1.31	0.66	1.10
PTP	-0.1	1.6	0.2	0.9	3.3	FCF / share	0.29	-0.23	0.61	0.03	0.51
Net Income	0.1	1.5	0.2	0.9	3.3	Book value / share	2.46	2.63	2.66	2.75	3.05
Extraordinary items	-0.2	4.2	2.9	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.04	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	63.6	66.1	Revenue growth-%	25%	-7%	-5%	20%	12%
Equity capital	23.9	25.6	25.8	26.7	29.7	EBITDA growth-%	43%	-26%	49%	9%	27%
Goodwill	3.2	3.2	3.2	3.2	3.2	EBIT (adj.) growth-%	-318%	-127%	-29%	-838%	91%
Net debt	4.8	9.1	5.5	6.8	3.7	EPS (adj.) growth-%	-121%	-1130%	0%	-133%	274%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	6.5 %	5.2 %	8.1 %	7.4 %	8.4 %
EBITDA	7.1	5.3	7.9	8.6	10.9	EBIT (adj.)-%	1.6 %	-0.5 %	-0.3 %	2.1 %	3.7 %
Change in working capital	0.9	-2.0	4.9	-2.2	-0.2	EBIT-%	1.4 %	3.7 %	2.6 %	2.1 %	3.7 %
Operating cash flow	7.6	3.3	12.7	6.4	10.7	ROE-%	0.3 %	6.3 %	0.8 %	3.4 %	11.8 %
CAPEX	-4.4	-5.4	-6.8	-6.2	-5.8	ROI-%	4.3 %	9.9 %	6.6 %	6.5 %	12.2 %
Free cash flow	2.8	-2.2	5.9	0.3	5.0	Equity ratio	40.8 %	44.6 %	40.7 %	42.0 %	44.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	20.2 %	35.6 %	21.2 %	25.5 %	12.4 %
EV/S	0.3	0.3	0.4	0.4	0.3						
EV/EBITDA	3.9	6.0	5.5	5.0	3.6						
EV/EBIT (adj.)	15.6	neg.	neg.	17.2	8.3						
P/E (adj.)	87.1	>100	>100	40.4	10.8						
P/B	1.0	0.9	1.5	1.3	1.2						
Dividend-%	0.0 %	0.0 %	0.0 %	1.1 %	3.8 %						

Source: Inderes



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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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 €



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