

SITOWISE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Staying on sidelines at the bottom of the cycle

Sitowise's Q3 earnings report was subdued overall. While Finland performed well, losses in Sweden deepened. During the bottom of the construction cycle, financial expenses consume all cash flow, but earnings can rebound rather quickly as demand recovers. However, we need clearer signs of an earnings turnaround before we can take a bolder view. We reiterate our Reduce recommendation and revise our target price to EUR 2.2 (prev. EUR 2.3), as we slightly decreased our estimates.

Sales and earnings below our low expectations

Sitowise's Q3 revenue declined by approximately 3% in both reported and organic terms to 40.4 MEUR, whereas we had expected a decline of 1%. Infra grew by 4% to 16.1 MEUR, and Digital Solutions grew by 1% to 8.3 MEUR. Sales in the Buildings segment declined by 8% to 11.3 MEUR, and the Sweden segment continued its sharp decline of 19.5% to 4.8 MEUR. The varying sales trends across segments were broadly in line with our expectations. Adjusted EBITA declined to 1.7 MEUR (Q3'24: 2.4 MEUR) and fell slightly short of our forecast. Verbal descriptions of the segments revealed that Infra delivered strong profitability (over 12%), as did the digital business. The Buildings segment continued to show a slight profit, as in the previous quarter, supported by the successful adjustment measures implemented. However, Sweden remained loss-making, and according to our calculations, the adjusted EBITA would have been around 1.5 MEUR higher without these losses. The net debt/EBITDA ratio, reflecting the current weak performance, rose to 7.2x, a very high level in absolute terms, underscoring the need for successful performance improvement measures.

No material surprises in outlook and order book

The company's order book decreased to 149 MEUR year-on-year (154 MEUR) but increased slightly from 148 MEUR in the previous quarter. An initial encouraging sign was that new orders received at the group level totaled 41.7 MEUR, thus recovering from the previous year's low (34.1 MEUR). Order books were at a good

level in the Infra and Digital Solutions businesses, while in the Buildings and Sweden business areas, order books were at low levels. The company expects the construction market recovery to be slow and materialize on a larger scale only in 2027.

We lowered our estimates slightly again

We forecast that Sitowise's revenue will decline by 4% in 2025 and that its adjusted EBITA margin will end up at 4.7% (2024: 5.0%). Without sales growth, we believe it will be challenging for the company to improve its profitability, although the restructuring measures will provide some support. We expect a clearer recovery to occur only in the second half of 2026 and in 2027, when growth will accelerate to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the group as a whole will return to the company's targeted EBITA margin of 12%.

Return to earnings growth critical in coming quarters

The average of the 2025–2026 EV/EBITDA multiples (10x) is elevated. High net financial expenses will also significantly erode earnings (and cash flow) in the coming years, leading to even clearly higher P/E ratios. DCF (EUR 2.3) and relative valuation paint a similar picture. A P/B of 0.8x would be very cheap, but we see a clear risk of goodwill impairment in Sweden, meaning investors cannot rely too much on this metric either. However, it is clear that the company's earnings potential is significantly higher than the current level because the company is now operating at the bottom of the market cycle. Therefore, we believe that the 2027 valuation in particular (EV/EBITDA: 7x, P/E: 14x) better reflects Sitowise's value. Earnings growth could accelerate quite rapidly if the demand outlook begins to recover. For the time being, however, we will continue to monitor developments from the sidelines and wait for concrete signs of an acceleration in earnings growth.

Recommendation
Reduce
(was Reduce)

Business risk

Target price:
EUR 2.20
(was EUR 2.30)

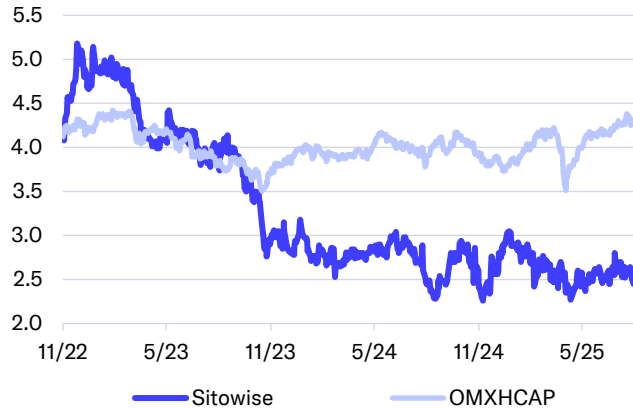
Valuation risk

Share price:
EUR 2.38

	2024	2025e	2026e	2027e
Revenue	192.9	186.1	191.5	206.0
growth-%	-9%	-4%	3%	8%
EBITA adj.	9.6	8.7	12.1	15.7
EBITA-% adj.	5.0 %	4.7 %	6.3 %	7.6 %
Net Income	-2.6	-3.2	2.4	6.2
EPS (adj.)	-0.01	-0.03	0.07	0.17
P/E (adj.)	neg.	neg.	35.4	13.8
P/B	0.9	0.8	0.7	0.7
Dividend yield-%	0.0 %	0.0 %	0.8 %	2.1 %
EV/EBIT (adj.)	40.6	42.5	17.9	11.4
EV/EBITDA	11.9	11.8	8.3	6.7
EV/S	1.0	0.9	0.8	0.8
Source: Inderes				

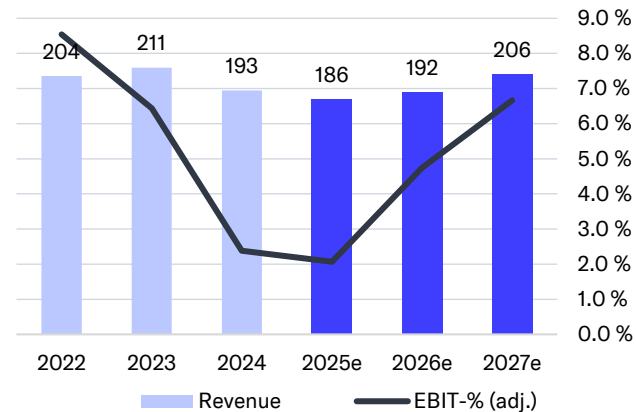
Guidance
(No guidance)

Share price



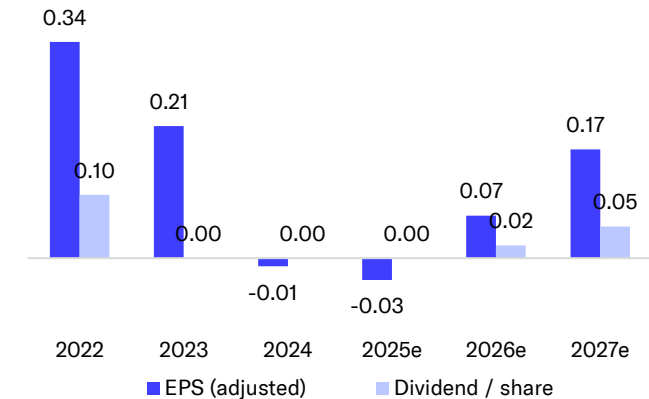
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Above-market growth in a recovering market
- Return to strong profitability
- Strong cash flow and low investment need
- Efficient and diversified business model as well as digitalization expertise create competitive advantage
- Increasing share of consulting and design in the construction value chain driven by megatrends
- Opportunities created by sustainable development regulation

Risk factors

- Cyclical of the underlying construction market
- Maintaining a good profitability level sustainably
- A clear and prolonged market downturn after good years
- Challenges created by Nordic expansion and a new market
- Failure in acquisitions
- Leverage and growth financing

Valuation	2025e	2026e	2027e
Share price	2.38	2.38	2.38
Number of shares, millions	35.8	35.8	35.8
Market cap	85	85	85
EV	164	162	157
P/E (adj.)	neg.	35.4	13.8
P/B	0.8	0.7	0.7
EV/Sales	0.9	0.8	0.8
EV/EBITDA	11.8	8.3	6.7
EV/EBIT (adj.)	42.5	17.9	11.4
Payout ratio (%)	0.0 %	29.8 %	29.0 %
Dividend yield-%	0.0 %	0.8 %	2.1 %

Source: Inderes

Company fell slightly short of our expectations as losses in Sweden deepened

Divergent development between segments again

Sitowise's Q3 revenue declined by approximately 3% in both reported and organic terms to 40.4 MEUR, whereas we had expected a decline of 1% to 41.5 MEUR.

Infra grew by 4% to 16.1 MEUR, and Digital Solutions grew by 1% to 8.3 MEUR. Sales in the Buildings segment declined by 8% to 11.3 MEUR, and the Sweden segment continued its sharp decline of 19.5% to 4.8 MEUR. The varying sales trends across segments were broadly in line with our expectations. The number of working days matched that of the comparison period, so comparability was not affected by that this time, and acquisitions no longer greatly impacted growth figures. The utilization rate improved to 73.4% in the quarter (Q3'24: 72%) but was still a bit below the previous quarter (Q2: 74.2%) and is still far from the company's target level of 78%.

Losses in Sweden appear to have deepened further

Sitowise's adjusted EBITA for Q3 decreased to 1.7 MEUR (Q3'24: 2.4 MEUR), while our estimate was 2.1 MEUR.

Verbal descriptions of the segments revealed that Infra continued to deliver strong profitability (over 12%), and the digital business also exceeded the group's targeted level this quarter after approaching it last quarter. Growth in the profitable product business boosted margins there and already accounts for about one-third of the segment's sales. The utilization rate for the digital business increased as well.

The Buildings segment continued to show a slight profit, as in the previous quarter, supported by the successful adjustment measures implemented.

However, Sweden remained loss-making, and according to our calculations, its EBITA margin plummeted to about -30%. The company still reported a clear improvement in utilization rates in Sweden's largest business line, structural engineering, thanks to earlier actions, but challenges persisted in other Swedish areas, particularly in building services engineering.

According to the company, achieving a profitability turnaround in Sweden requires substantial sales and order book growth from current levels. However, given the challenges in significantly expanding the order book under current market conditions, additional actions are needed to enhance organizational efficiency.

Cash flow was also weak now

The net debt/EBITDA ratio weakened further, reaching 7.2x, up from 5.9x in the previous quarter. This level is very high and increases the pressure to improve profitability. High gearing also limits the company's operational freedom, so acquisitions, for example, are unrealistic at this time. Cash flow from operating activities weakened in Q3 to -2.9 MEUR (-0.3 MEUR), a surprisingly large year-on-year decline. The company reported that the increase in the VAT rate during the comparison period accelerated customer payments, and we expect cash flow to improve in Q4 this year.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes
Revenue	41.8	40.4	41.5				-3%
EBITA (adj.)	2.4	1.7	2.1				-19%
EBIT	-0.2	0.5	0.7				-29%
EPS (reported)	-0.04	-0.02	-0.01				-100%
Revenue growth-%	-8.4 %	-3.3 %	-0.7 %				-2.6 pp
EBITA-% (adj.)	5.7 %	4.2 %	5.1 %				-0.9 pp

Source: Inderes

We adjusted our estimates slightly downward due to sluggish development

No significant upturn in order book so far

The company has not issued guidance for the current year, but it has commented on the outlook for the next 12 months across different segments, which revealed no surprises. The outlook for Infra was described as stable. The outlook for Digital Solutions was also stable. The outlooks for the Buildings and Sweden were weak but improving. The outlook formulations now remain otherwise unchanged from the previous quarter, but the word "improving" was removed from Digital Solutions' outlook.

The reported order book decreased to 149 MEUR year-on-year (154 MEUR) but increased slightly from 148 MEUR in the previous quarter. An initial encouraging sign was that new orders received at the group level totaled 41.7 MEUR, recovering significantly from the previous year's low (34.1 MEUR). Of course, large orders received during the quarter, such as the Lohja-Salo railway plan update in Infra, can easily cause fluctuations in the figures between

quarters. Other major multi-year projects announced during the quarter included projects related to Digital Solutions from the Finnish Transport Agency (2.7 MEUR) and Trafikverket (4 MEUR). In the Buildings business, the company was selected to design the building technology for a new hot hospital to be built in Pori (1 MEUR). As expected, the company reported that, by segment at the end of September, order books were at a good level in the Infra and Digital Solutions businesses, while in the Buildings and Sweden business areas, order books were at low levels.

Market recovery is slow

The company expects the technical consulting market environment to remain mixed in the coming months. Good demand for services related to green transition, security, and digitalization will support business performance especially in the Infra and Digital Solutions business areas. In the Buildings business area, there have been signs of

moderate recovery in the construction market, and the company believes that the market bottom is already behind. However, the company expects the construction market recovery to be slow and materialize on a larger scale only in 2027. There is uncertainty related to the timing of the Swedish construction market recovery, but it is generally anticipated to take place in 2026.

We lowered our estimates slightly again

We forecast that Sitowise's revenue will decline by 4% in 2025 and that its adjusted EBITA margin will end up at 4.7% (2024: 5%). We expect a clearer recovery to occur only in the second half of 2026 and in 2027, when growth will accelerate to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the group will return to the company's targeted EBITA margin of 12%.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	188	186	-1%	200	192	-4%	214	206	-4%
EBITA (adj.)	8.7	8.7	0%	12.2	12.1	-1%	15.9	15.7	-1%
EBITA	5.9	5.9	0%	12.2	12.1	-1%	15.9	15.7	-1%
PTP	-3.9	-4.3	-8%	3.1	3.1	-2%	8.1	7.9	-2%
EPS (excl. NRIs)	-0.03	-0.03	-20%	0.07	0.07	-2%	0.18	0.17	-2%
DPS	0.00	0.00		0.02	0.02	0%	0.05	0.05	0%

Clearer signs of a turnaround needed

High earnings-based valuation multiples

Sitowise's 2025-26e valuation is rising to a high level in absolute terms due to weak performance (2025e EV/EBITDA: 12x and 2026e EV/EBITDA: 8x and 2026 P/E 36x). Thus, the valuation for the current year, as well as the next, is quite high and, on a net-profit basis, reflects the fact that financial expenses eat up a large part of the operating result. During the second half of 2026 and in 2027, Sitowise's performance should gradually improve towards the company's normal profit level. Therefore, we believe that the 2027 valuation in particular (EV/EBITDA: 7x, P/E: 14x) better reflects Sitowise's value.

If the earnings recovery and market upturn occur as our estimates predict, valuation multiples will decrease even more in the long term. However, it is still too early to rely on the longer-term outlook at this stage until the company begins showing clearer evidence of a successful turnaround. Sitowise's performance has been deteriorating for many years now, and there are no signs of a sustainable turnaround. Uncertainties about the timing of the market recovery, the resolution of Sitowise's internal challenges in Sweden and the level of sustainable profitability are currently high and increase the risks to the stock.

Relative valuation offers no upside either

In relative terms, based on the 2025-2026 EV/EBITDA multiples, Sitowise is valued similarly to its peers, while the corresponding P/E ratios give the company a clear premium valuation (page 8).

A P/B of 0.8x would be very cheap relative to peers (-60%), but we see a clear risk of goodwill impairment in Sweden, meaning that investors cannot rely too much on this indicator either.

Cash flow model offers no upside under current assumptions

Our DCF calculation on page 11 gives a value of EUR 2.3, therefore offering no upside for the share. We normally consider the DCF model to be well suited to Sitowise's valuation. In a good market, the company's business generates healthy, predictable cash flow and requires little investment. However, at the bottom of the cycle and with current performance, cash flow is already being absorbed by financial expenses, leaving nothing to distribute to owners. An essential question, from the perspective of the value provided by the DCF calculation as well, is when the market and Sitowise's results will begin to recover, and at what rate.

We have used a relatively high cost of capital (WACC 9.4%) because forecast risks are elevated in the current market, as discussed above.

In our model, the company's revenue growth stabilizes at 1% in the terminal period after stronger growth (~5% CAGR) during a period marked by market recovery (2026-2029), and the EBIT margin gradually rises to 8.5% of revenue. This corresponds to an EBITA margin of around 9%, which is clearly below the company's target level (+12%).

Our longer-term growth projections are moderate, but it should be noted that Sitowise cannot grow faster than the market indefinitely, nor can construction consulting grow faster than construction indefinitely. Our profitability expectations are optimistic based on current performance, but moderate based on history and potential.

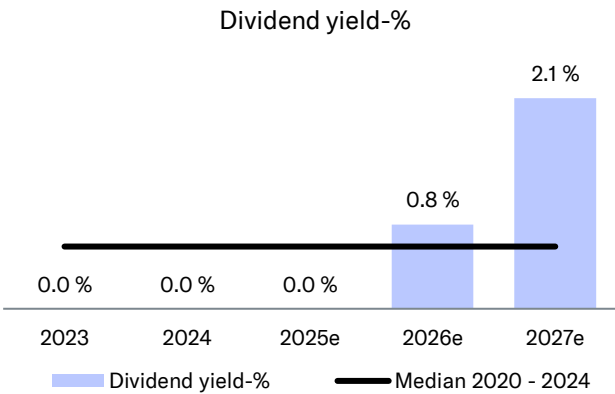
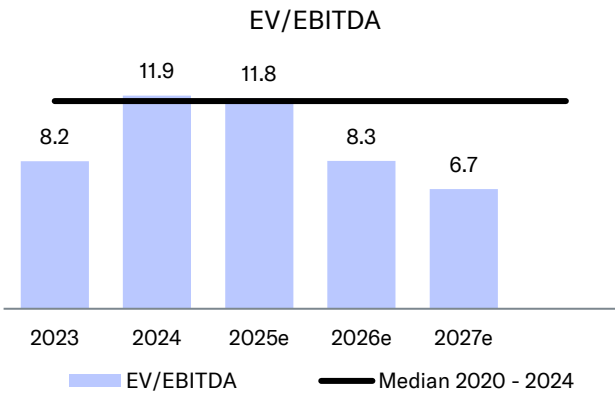
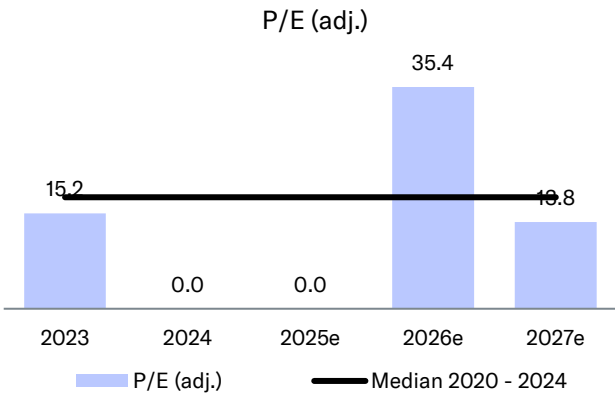
Valuation	2025e	2026e	2027e
Share price	2.38	2.38	2.38
Number of shares, millions	35.8	35.8	35.8
Market cap	85	85	85
EV	164	162	157
P/E (adj.)	neg.	35.4	13.8
P/B	0.8	0.7	0.7
EV/Sales	0.9	0.8	0.8
EV/EBITDA	11.8	8.3	6.7
EV/EBIT (adj.)	42.5	17.9	11.4
Payout ratio (%)	0.0 %	29.8 %	29.0 %
Dividend yield-%	0.0 %	0.8 %	2.1 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.05	5.14	3.18	3.05	2.38	2.38	2.38	2.38
Number of shares, millions	35.4	35.5	35.6	35.8	35.8	35.8	35.8	35.8
Market cap	285	182	113	109	85	85	85	85
EV	345	268	197	186	164	162	157	149
P/E (adj.)	27.4	15.0	15.2	neg.	neg.	35.4	13.8	9.1
P/B	2.5	1.6	0.9	0.9	0.8	0.7	0.7	0.7
EV/Sales	1.9	1.3	0.9	1.0	0.9	0.8	0.8	0.7
EV/EBITDA	13.3	11.3	8.2	11.9	11.8	8.3	6.7	5.6
EV/EBIT (adj.)	18.2	15.4	14.5	40.6	42.5	17.9	11.4	8.5
Payout ratio (%)	45.2 %	45.2 %	0.0 %	0.0 %	0.0 %	29.8 %	29.0 %	45.0 %
Dividend yield-%	1.2 %	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %	2.1 %	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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Sweco AB	5565	6159	21.0	18.9	16.5	15.0	2.1	2.0	26.6	23.5	2.1	2.3	4.8
Afry AB	1685	2258	15.8	12.4	10.0	8.6	1.0	0.9	18.3	13.2	3.3	4.3	1.4
Rejlers AB	405	475	16.8	13.4	9.3	8.5	1.1	1.0	16.7	13.6	2.5	2.9	2.2
Solwers Oyj	22	47	62.5	12.2	9.5	5.8	0.6	0.5		11.1	1.8	2.1	0.5
Etteplan Oyj	248	334	18.1	14.2	9.0	7.9	0.9	0.9	23.0	16.6	2.2	3.0	2.0
Norconsult ASA	1264	1296	16.8	13.8	10.6	9.2	1.5	1.4	20.4	17.1	3.6	4.0	4.8
Sitowise (Inderes)	85	164	42.5	17.9	11.8	8.3	0.9	0.8	-69.3	35.4	0.0	0.8	0.8
Average			25.2	14.2	10.8	9.2	1.2	1.1	21.0	15.9	2.6	3.1	2.6
Median			17.5	13.6	9.7	8.6	1.0	1.0	20.4	15.1	2.3	3.0	2.1
Diff-% to median			143%	31%	21%	-4%	-15%	-13%	-440%	135%	-100%	-72%	-63%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	204.4	210.9	51.5	50.9	41.8	48.7	192.9	48.1	49.8	40.5	47.7	186.1	191.5	206.0	214.3
Infra	60.0	65.6	17.0	18.0	15.5	17.9	68.4	17.6	19.2	16.1	18.6	71.5	73.7	75.9	77.4
Buildings	79.4	70.8	16.1	15.5	12.2	13.6	57.4	14.2	14.1	11.3	12.9	52.5	53.8	61.3	64.4
Digital Solutions	22.1	29.9	7.0	7.0	6.5	7.6	28.1	9.3	9.4	8.3	9.7	36.6	39.9	43.0	45.1
Sweden	42.9	44.5	11.4	10.4	7.7	9.6	39.1	7.0	7.2	4.8	6.5	25.4	24.1	25.8	27.4
EBITDA	23.8	23.2	5.1	4.3	3.3	3.0	15.6	2.8	4.1	3.5	3.5	13.9	19.6	23.4	26.6
Depreciation	-10.6	-11.5	-3.1	-3.2	-3.5	-3.3	-13.2	-3.1	-3.0	-3.0	-2.9	-12.0	-10.6	-9.6	-9.1
EBITA (adj.)	20.4	17.0	3.4	2.6	2.4	1.2	9.6	2.4	2.5	1.7	2.0	8.7	12.1	15.7	18.8
EBITA	16.1	15.3	3.1	2.2	1.3	0.9	7.4	0.8	2.1	1.5	1.6	5.9	12.1	15.7	18.8
EBIT	13.2	11.7	2.0	1.1	-0.2	-0.4	2.5	-0.3	1.0	0.5	0.6	1.9	9.1	13.7	17.5
Net financial items	-2.9	-4.6	-1.2	-1.3	-1.6	-1.7	-5.8	-1.6	-1.6	-1.5	-1.5	-6.1	-6.0	-5.8	-5.5
PTP	10.3	7.1	0.7	-0.2	-1.8	-2.1	-3.4	-1.8	-0.6	-1.0	-0.9	-4.3	3.1	7.9	12.1
Taxes	-2.4	-1.6	-0.2	0.0	0.4	0.5	0.7	0.4	0.1	0.3	0.2	1.0	-0.7	-1.7	-2.7
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	7.8	5.6	0.6	-0.1	-1.4	-1.6	-2.6	-1.4	-0.4	-0.7	-0.7	-3.2	2.4	6.2	9.4
EPS (adj.)	0.34	0.21	0.03	0.01	-0.01	-0.04	-0.01	0.01	-0.01	-0.02	-0.02	-0.03	0.07	0.17	0.26
EPS (rep.)	0.22	0.16	0.02	0.00	-0.04	-0.05	-0.07	-0.04	-0.01	-0.02	-0.02	-0.09	0.07	0.17	0.26
Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	14.0 %	3.2 %	-8.0 %	-9.9 %	-8.4 %	-7.8 %	-8.5 %	-6.6 %	-2.2 %	-3.1 %	-2.0 %	-3.5 %	2.9 %	7.6 %	4.0 %
Adjusted EBITA growth-%	-3.6 %	-16.6 %	-28.3 %	-56.9 %	-50.4 %	-78.7 %	-43.8 %	-27.7 %	-1.1 %	-30.0 %	70.9 %	-8.9 %	38.8 %	29.7 %	19.9 %
EBITDA-%	11.6 %	11.0 %	9.9 %	8.4 %	7.9 %	6.1 %	8.1 %	5.9 %	8.2 %	8.6 %	7.4 %	7.5 %	10.3 %	11.3 %	12.4 %
Adjusted EBITA-%	10.0 %	8.1 %	6.6 %	5.0 %	5.8 %	2.5 %	5.0 %	5.1 %	5.1 %	4.2 %	4.3 %	4.7 %	6.3 %	7.6 %	8.8 %

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	202	198	194	192	190
Goodwill	158	159	159	159	159
Intangible assets	11.9	11.6	8.6	5.6	3.6
Tangible assets	29.3	25.3	24.4	24.8	25.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	1.9	1.9	1.9	1.9
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.7	0.8	0.8	0.8	0.8
Current assets	76.6	68.8	63.9	66.7	72.7
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	1.8	0.6	0.6	0.6	0.6
Receivables	59.2	50.7	50.3	52.7	57.7
Cash and equivalents	15.6	17.5	13.0	13.4	14.4
Balance sheet total	278	267	258	258	263

Source: Inderes

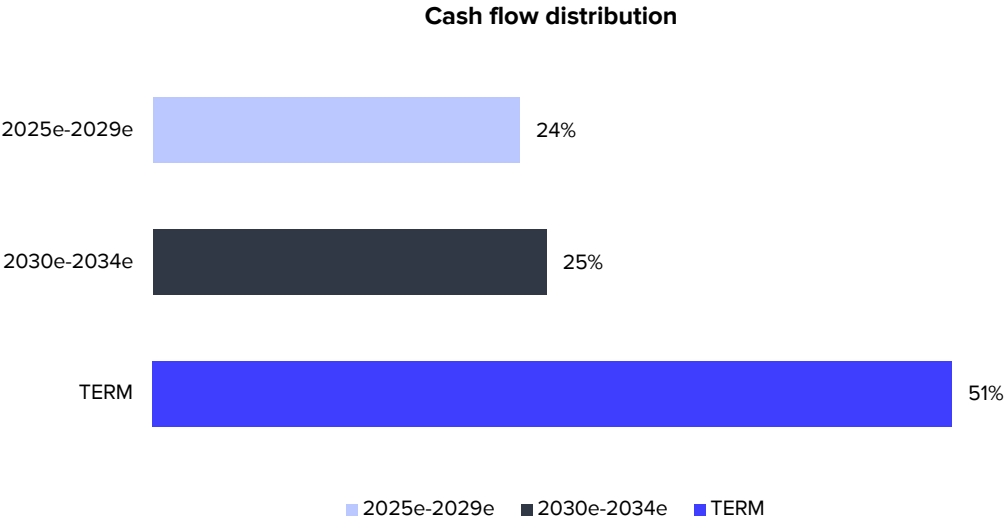
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	120	115	112	115	120
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	25.8	23.3	20.0	22.5	27.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.3	-0.1	0.0	0.0	0.0
Other equity	93.2	92.0	92.0	92.0	92.0
Minorities	0.3	0.0	0.0	0.0	0.0
Non-current liabilities	92.0	87.5	81.3	81.3	76.3
Deferred tax liabilities	1.5	1.0	1.0	1.0	1.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	90.5	86.2	80.0	80.0	75.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.3	0.3	0.3	0.3
Current liabilities	66.9	64.3	64.7	62.5	66.6
Interest bearing debt	8.2	8.4	11.3	10.4	10.6
Payables	58.3	55.5	53.0	51.7	55.6
Other current liabilities	0.4	0.4	0.4	0.4	0.4
Balance sheet total	278	267	258	258	263

DCF-calculation

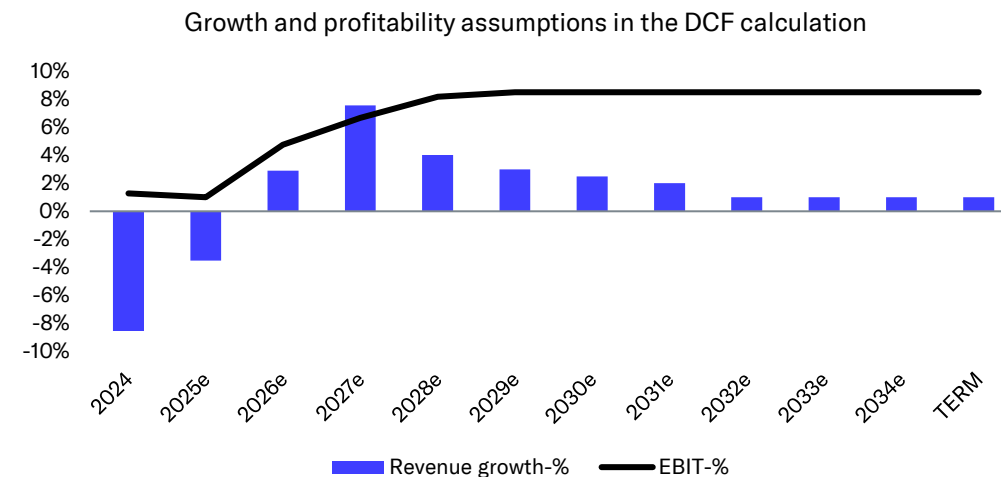
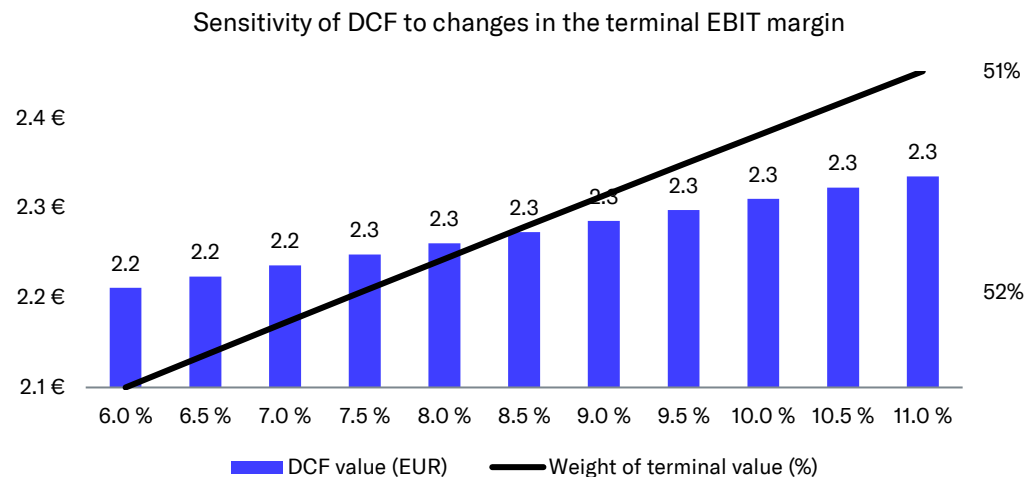
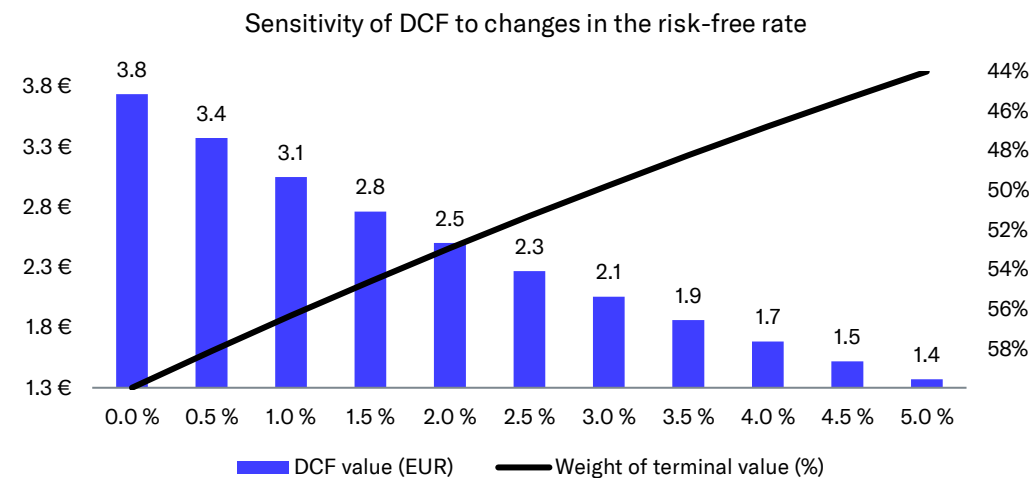
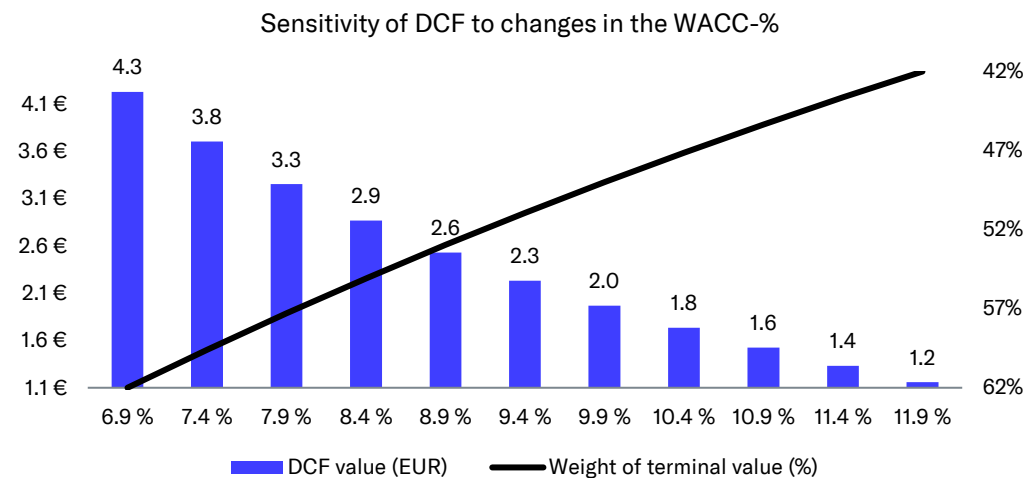
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.5 %	-3.5 %	2.9 %	7.6 %	4.0 %	3.0 %	2.5 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	1.3 %	1.0 %	4.7 %	6.7 %	8.2 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	2.5	1.9	9.1	13.7	17.5	18.8	19.2	19.6	19.8	20.0	20.2	
+ Depreciation	13.2	12.0	10.6	9.6	9.1	8.8	8.7	8.6	8.7	8.8	8.9	
- Paid taxes	0.1	1.0	-0.7	-1.7	-2.7	-3.0	-3.1	-3.2	-3.2	-3.2	-3.3	
- Tax, financial expenses	-1.2	-1.5	-1.3	-1.3	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	
+ 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	6.9	-2.0	-3.7	-1.1	-1.2	-1.2	-0.1	-0.1	0.0	0.0	0.0	
Operating cash flow	21.4	11.4	13.9	19.2	21.6	22.2	23.6	23.9	24.1	24.3	24.6	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.6	-8.0	-8.0	-8.2	-8.3	-8.5	-8.7	-8.8	-9.0	-9.2	-9.4	
Free operating cash flow	12.2	3.4	5.9	11.1	13.3	13.8	14.9	15.0	15.1	15.2	15.2	
+/- Other	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	11.7	3.4	5.9	11.1	13.3	13.8	14.9	15.0	15.1	15.2	15.2	184
Discounted FCFF		3.4	5.3	9.1	10.0	9.5	9.4	8.7	8.0	7.3	6.7	81.4
Sum of FCFF present value		159	155	150	141	131	122	112	103	95.5	88.1	81.4
Enterprise value DCF		159										
- Interest bearing debt		-94.6										
+ Cash and cash equivalents		17.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		81.8										
Equity value DCF per share		2.3										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.5 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	1.20%
Risk free interest rate	2.5 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	9.4 %

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	204.4	210.9	192.9	186.1	191.5	EPS (reported)	0.22	0.16	-0.07	-0.09	0.07
EBITDA	23.8	23.2	15.6	13.9	19.6	EPS (adj.)	0.34	0.21	-0.01	-0.03	0.07
EBIT	13.2	11.7	2.5	1.9	9.1	OCF / share	0.50	0.56	0.60	0.32	0.39
PTP	10.3	7.1	-3.4	-4.3	3.1	OFCE / share	-0.51	0.25	0.33	0.10	0.16
Net Income	7.8	5.6	-2.6	-3.2	2.4	Book value / share	3.29	3.35	3.22	3.13	3.19
Extraordinary items	-4.3	-1.9	-2.1	-2.0	0.0	Dividend / share	0.10	0.00	0.00	0.00	0.02
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	280.7	278.4	267.1	258.1	258.4	Revenue growth-%	14%	3%	-9%	-4%	3%
Equity capital	116.9	119.6	115.3	112.1	114.5	EBITDA growth-%	-8%	-2%	-33%	-11%	41%
Goodwill	157.6	158.0	158.6	158.6	158.6	EBIT (adj.) growth-%	-8%	-22%	-66%	-16%	136%
Net debt	85.6	83.1	77.1	78.2	77.0	EPS (adj.) growth-%	16%	-39%	-106%	170%	-296%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	11.6 %	11.0 %	8.1 %	7.5 %	10.3 %
EBITDA	23.8	23.2	15.6	13.9	19.6	EBIT (adj.)-%	8.5 %	6.4 %	2.4 %	2.1 %	4.7 %
Change in working capital	-3.0	-0.7	6.9	-2.0	-3.7	EBIT-%	6.4 %	5.5 %	1.3 %	1.0 %	4.7 %
Operating cash flow	17.9	20.1	21.4	11.4	13.9	ROE-%	6.8 %	4.7 %	-2.2 %	-2.8 %	2.1 %
CAPEX	-36.1	-11.1	-9.6	-8.0	-8.0	ROI-%	6.4 %	5.4 %	1.2 %	0.9 %	4.4 %
Free cash flow	-18.2	9.0	11.7	3.4	5.9	Equity ratio	41.6 %	42.9 %	43.2 %	43.4 %	44.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	73.2 %	69.5 %	66.9 %	69.8 %	67.3 %
EV/S	1.3	0.9	1.0	0.9	0.9						
EV/EBITDA	11.3	8.2	11.9	11.9	8.4						
EV/EBIT (adj.)	15.4	14.5	40.6	43.1	18.1						
P/E (adj.)	15.0	15.2	neg.	neg.	35.3						
P/B	1.6	0.9	0.9	0.8	0.8						
Dividend-%	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %						

Source: Inderes

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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
3/29/2021	Reduce	8.60 €	8.50 €
5/20/2021	Accumulate	9.30 €	8.78 €
8/26/2021	Accumulate	9.30 €	8.27 €
11/11/2021	Accumulate	9.30 €	8.33 €
3/3/2022	Accumulate	7.60 €	6.50 €
5/4/2022	Accumulate	7.20 €	6.05 €
5/19/2022	Buy	7.20 €	5.74 €
8/18/2022	Accumulate	6.50 €	5.50 €
10/27/2022	Buy	5.50 €	3.90 €
11/2/2022	Buy	5.50 €	4.15 €
11/29/2022	Accumulate	5.50 €	4.75 €
3/1/2023	Accumulate	5.40 €	4.89 €
5/10/2023	Accumulate	5.10 €	4.40 €
8/17/2023	Buy	5.00 €	4.00 €
9/5/2023	Buy	5.00 €	3.99 €
10/20/2023	Accumulate	4.00 €	3.38 €
11/3/2023	Accumulate	3.30 €	2.88 €
2/28/2024	Accumulate	3.00 €	2.65 €
5/10/2024	Accumulate	3.20 €	2.88 €
7/15/2024	Reduce	2.90 €	2.80 €
8/1/2024	Reduce	2.70 €	2.89 €
8/14/2024	Reduce	2.50 €	2.42 €
11/8/2024	Reduce	2.50 €	2.41 €
1/24/2025	Reduce	2.70 €	2.85 €
2/13/2025	Reduce	2.50 €	2.42 €
5/14/2025	Reduce	2.40 €	2.37 €
8/14/2025	Reduce	2.30 €	2.45 €
11/7/2025	Reduce	2.20 €	2.38 €



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