

Sitowise

Company report

05/19/2022 6:40



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✓ Inderes corporate customer

This report is a summary translation of the report “Hyvä kehitys jatkuu” published on 05/19/2022 at 6:40 am.

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Keeping up the good progress

We revise our recommendation for Sitowise to Buy and reiterate our EUR 7.20 target price. Q1 results were slightly better than our expectations and the future outlook remains positive with guidance and market activity. However, future economic activity is still subject to uncertainties due to the geopolitical situation. Sitowise's strong order book, efficient business model, light balance sheet and strong cash flow give the company good preconditions to continue profitable organic and inorganic growth. The upside potential in the valuation and dividend create a strong expected return, especially given the growth potential that comes through acquisitions.

Q1 report was slightly better than expected

Sitowise's operating profit rose by 15% to EUR 49.2 million year-on-year, clearly exceeding our EUR 45.6 million estimate. A major part of the growth is explained by acquisitions made by the company, but organic net sales also grew by 7% in Q1. The order book was at a record level of EUR 172 million, up by 29% from the comparison period. This is good news for the growth prospects of this year, together with market demand that has picked up. With good net sales growth, the result improved from the comparison period. Adjusted EBITA rose to EUR 5.2 million from the comparison period (Q1'21: 4.7 MEUR), exceeding our forecast of EUR 5.0 million. The EBITA margin fell to 10.6% year-on-year (Q1'21: 11.0%). The decrease in relative profitability was driven by increased sick leaves due to COVID and the flu season, but also by elimination of the so-called COVID savings in other operating expenses. The partial elimination of the savings has been expected and we don't think that one-off sick leaves cause major concerns about the sustainability of profitability, as without them profitability would have been at the target level (12.0%).

No significant changes to the forecasts

Sitowise reconfirmed its guidance. In 2022, the company estimates that both net sales and adjusted EBITA in euros will increase compared to 2021. Market demand in Q1 has been strong, although there are now uncertainties about economic activity due to the geopolitical situation. The direct impact on Sitowise is limited, but in the short term, customer decision-making may slow down. Based on the strong Q1 report, we now estimate that organic growth is strong and net sales increase by 9% to EUR 196 million in 2022. We estimate that the adjusted EBITA reaches EUR 22.3 million thanks to the increase in net sales. In the next few years, we expect an annual moderate growth rate of some 6% after 2022. In our forecasts, profitability improves (22-24e avg.: 11.8%) after a weaker period toward the company's historical levels and targets (at least 12%) through higher volumes and larger share of digital services. In addition to organic growth, the company is actively seeking acquisitions that create a good growth option for the company.

Upside in the valuation

For 2022, the share valuation has become moderate (2022e: adj. EV/EBITDA: 9x adj. P/E: 15x), given Sitowise's good performance and earnings growth outlook. The share still has upside compared to the lower end of our acceptable valuation range (EV/EBITDA: 11x, P/E: (18x) that has is formed through the company's profile and listed peers. Compared to a more extensive peer group, the company is below its peers with our 2022 indicators, when based on historical performance we believe a premium (+10%) should be accepted for Sitowise. In addition to the upside in the valuation, the 2-3% dividend yield supports the expected return. The value of our DCF calculation (EUR 8.8) is also higher than the current share price, which supports our recommendation.

Recommendation

Buy

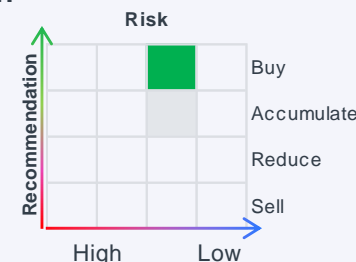
(previous Accumulate)

EUR 7.20

(previous EUR 7.20)

Share price:

5.74



Key figures

	2021	2022e	2023e	2024e
Net sales	179.3	195.6	206.2	216.3
growth-%	12%	9%	5%	5%
EBIT adj.	18.9	20.1	22.0	23.6
EBIT-% adj.	10.6 %	10.3 %	10.7 %	10.9 %
Net Income	7.8	12.2	15.3	16.6
EPS (adj.)	0.29	0.39	0.43	0.47

P/E (adj.)	27.4	14.7	13.2	12.2
P/B	2.5	1.6	1.5	1.4
Dividend yield-%	1.2 %	2.4 %	2.8 %	3.1 %
EV/EBIT (adj.)	18.2	12.6	11.1	9.9
EV/EBITDA	13.3	8.9	7.7	7.1
EV/S	1.9	1.3	1.2	1.1

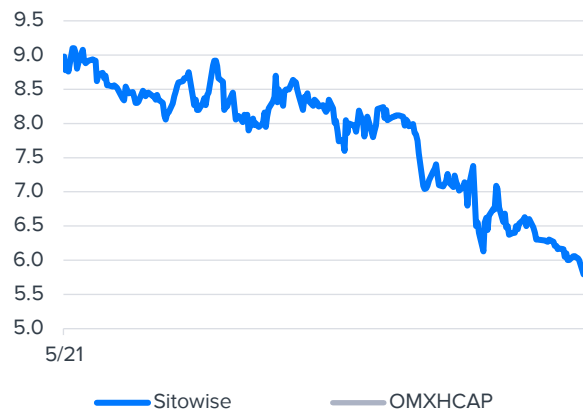
Source: Inderes

Guidance

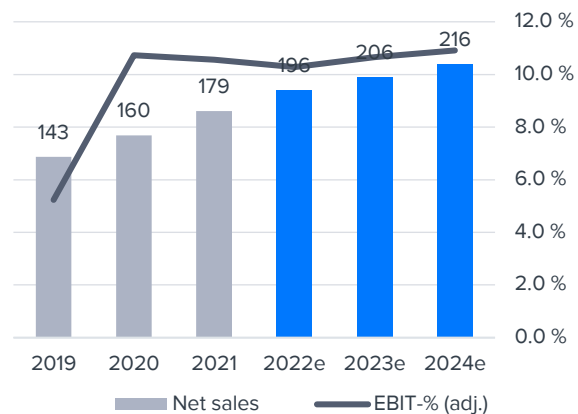
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Sitowise Group estimates that both net sales and adjusted EBITA in euros will increase compared to 2021.

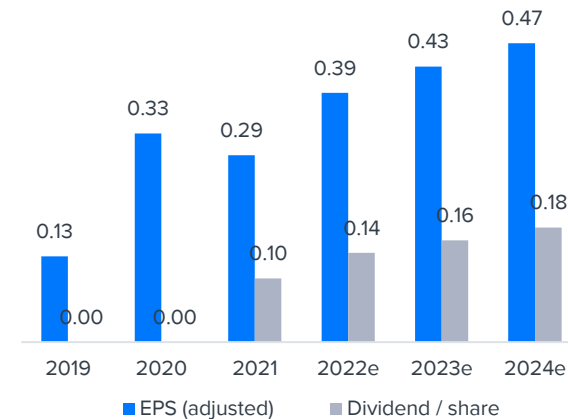
Share price



Net sales and EBIT %



EPS and dividend



Value drivers

- Faster organic growth than market growth and acquisitions
- Maintaining high profitability
- Expansion into Nordic countries
- Extending the offering
- Strong cash flow and low investment need
- Efficient and fragmented business model, as well as digitalization expertise create competitive advantage
- Increasing share of consulting and planning in construction value chain supported by megatrends
- Opportunities created by sustainable development regulation



Risk factors

- Cyclicalities of the underlying market in construction
- Sustainably maintain high profitability levels
- Weakening of the market after good years
- Challenges of Nordic expansions and a new market
- Failure in acquisitions
- Dependency on personnel and adequacy of incentives for key personnel

Valuation	2022e	2023e	2024e
Share price	5.74	5.74	5.74
Number of shares, millions	35.4	35.4	35.4
Market cap	203	203	203
EV	254	244	233
P/E (adj.)	14.7	13.2	12.2
P/B	1.6	1.5	1.4
EV/Sales	1.3	1.2	1.1
EV/EBITDA	8.9	7.7	7.1
EV/EBIT (adj.)	12.6	11.1	9.9
Payout ratio (%)	40.7 %	36.9 %	38.3 %
Dividend yield-%	2.4 %	2.8 %	3.1 %

Source: Inderes

Slightly better result than expected

Significant net sales growth

Sitowise's operating profit rose by 15% to EUR 49.2 million year-on-year, clearly exceeding our EUR 45.6 million estimate. A major part of the growth is explained by acquisitions made by the company, but organic net sales also grew by 7% in Q1. By business areas, Sweden (+20%) and Digital Solutions (+75%) grew strongly. Furthermore, net sales growth in the Buildings business area (+10%) and the Infrastructure business area (+3%) also reflects a pick-up in the market and organic growth.

However, the growth of Infrastructure slowed down, which may be the result of changes in the geopolitical situation. The company said that the direct effects were limited, but that it would suspend new and ongoing projects with Russian-owned entities. This has a major impact particularly on the Infrastructure business, which could explain the slowdown to some extent.

However, the order book was at a record level of EUR 172 million, up by 29% from the comparison period. This is good news for the growth outlook of this year, together with market demand that has picked up.

Reasonably good profitability in a difficult quarter

With good net sales growth, the result improved from the comparison period. Adjusted EBITA rose to EUR 5.2 million from the comparison period (Q1'21: 4.7 MEUR), exceeding our forecast of EUR 5.0 million. The EBITA margin fell to 10.6% year-on-year (Q1'21: 11.0%). The decrease in relative profitability was driven by increased sick leaves due to COVID and the flu season, but also by elimination of the so-called COVID savings in other operating expenses. However, maintaining a sustainably good level of profitability in a difficult environment is a good sign. The utilization rate was 75.7% for Q1, up from the 74.8% of the comparison period. Maintaining or

improving the utilization rate is an important objective for the company to keep profitability at the company's target level of at least 12% (EBITA-%). In the bottom rows, large one-off items related to, among other things, M&A (not considered in estimates) weakened reported figures.

Guidance was reconfirmed

As expected, Sitowise reconfirmed its guidance for 2022. The company estimates that both net sales and adjusted EBITA in euros will increase compared to 2021. Market demand remained strong in the first quarter in each business area, but in the short term, market uncertainties may slow down customer decision-making. However, the order book that grew by 30% strongly supports the growth outlook for 2022 and the company's active stance on the acquisition market can further stimulate growth in the coming years.

Estimates	Q1'21	Q1'22	Q1'22e	Q1'22e	Consensus	Difference (%)	2022e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes
Net sales	42.8	49.2	45.6				8%
EBITA (adj.)	4.7	5.2	5.0				4%
EBIT	3.7	2.9	4.5				-35%
PTP	-1.1	1.5	4.0				-61%
EPS (reported)	-0.79	0.03	0.09				-65%
Net sales growth-%	7.0 %	15.0 %	6.5 %				8.4 pp
EBITA-% (adj.)	11.0 %	10.6 %	11.0 %				-0.4 pp

Source: Inderes

No significant changes to the forecasts

Market has picked up despite uncertainties

We made no significant changes to our estimates. High costs that affect comparability and higher-than-expected financing costs decreased the reported figures.

Since the weaker market period in 2021, the order book has started to pick up again and Sitowise has also achieved organic growth. We estimate that organic growth will continue in 2022 and will be supported by acquisitions made by the company. We expect growth from the Buildings and Infrastructure business areas thanks to strengthened order books. At the same time, we estimate that the Swedish and Digital Solutions business areas will grow strongly from their low levels. We expect net sales to grow by 9% to ca. EUR 196 million in 2022.

We expect that the profitability margin decreases this

year. According to our estimates, the company's expansion phase, recruitment for growth, comparison periods that were boosted by COVID savings and cost pressures will burden Sitowise's profitability in the near future. An example of this was also seen in Q1 results, as normal activity is resuming after COVID. However, we wouldn't be seriously concerned about the profitability level, as Q1 also included one-off elements (COVID sick leaves). However, thanks to strong growth in the top line, adjusted EBITA will grow by 6% to around EUR 22.3 million. The margin is expected to fall to 11.4% from 11.8% of the comparison period. This is below the peak level (2020: 12.9%), but close to the company's 12% target.

For 2023, we expect market growth to still remain moderate and support organic growth. We expect net sales to grow by 5% to around EUR 206 million. Growth is supported by the company's expanded

offering and good long-term market trends, as well as an increase in the degree of penetration of consultation and Sitowise's digitalization expertise.

With strong growth, we will also see growth in margins and earnings in 2023, as the risk factors in the market also subside (inflation) and front-loaded costs start to pay off. We predict that the adjusted EBITA for 2023 will rise to EUR 24.5 million and that the margin will be 11.9%.

Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Net sales	193	196	1%	204	206	1%	214	216	1%
EBITA (adj.)	22.5	22.3	-1%	24.7	24.5	-1%	26.1	26.2	0%
EBITA	22.5	20.6	-8%	24.7	24.5	-1%	26.1	26.2	0%
PTP	18.2	15.2	-17%	19.7	19.3	-2%	21.1	20.9	-1%
EPS (excl. NRIs)	0.41	0.39	-4%	0.44	0.43	-2%	0.47	0.47	-1%
DPS	0.14	0.14	0%	0.16	0.16	0%	0.18	0.18	0%

Valuation is attractive

Acceptable valuation

We have gauged Sitowise's acceptable valuation through the company's closest peers in our very recent [extensive report](#). Due to Sitowise's good historical performance, a strong willingness to grow and better profitability, we believe it deserves at least the historical multiples of them. Our acceptable valuation range for Sitowise is P/E 18-22x and EV/EBITDA: 11-13x.

Absolute multiples

For 2022, the share valuation has become moderate (2022e: adj. EV/EBITDA: 9x adj. P/E: 15x), given Sitowise's good performance and earnings growth outlook. Relative to the lower end of the acceptable valuation range (P/E: 18x, EV/EBITDA: 11x) the share would offer an upside of ca. 20%. In 2023, the valuation drops to even more attractive levels (2023e: adj. P/E: 14x adj. EV/EBITDA: 8), although we continue to rely on 2022.

We are relying on the lower end of our acceptable range because of increased market risks. Uncertainty about the final effects of the geopolitical situation also increases the risks for Sitowise, even if there are no significant direct effects. In addition, although consulting and design companies are valued higher than the average on the stock exchange, the quality and performance of the company is already well reflected in our range.

We expect a growing dividend from the company over the next few years. Dividend yield is already moderate at current levels of 2-3% and supports the expected return.

Peer group valuation

The valuation of the peer group recovered clearly with the economy in 2021 but has recently been clearly moderated in the early part of the year. Now the 2022 median valuations of the peers (P/E: 18x, EV/EBITDA: (10x) have in our view fallen to a reasonable level. Currently, Sitowise is valued at 5-10% below its peers, when we consider it justified to price Sitowise above the peer group due to the combination of historical profitability and future earnings growth. We consider a premium of about 10% compared to the peers justified.

DCF valuation

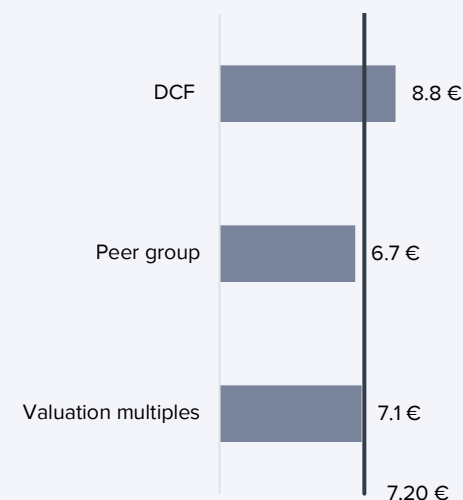
We also use the DCF model in the valuation. The value of the DCF model (EUR 8.8) is higher than the current share price and our target price. However, due to the company's acquisition-driven growth, our organic growth-based estimates do not necessarily give the best picture of the company's valuation.

In our model, the company's net sales growth will stabilize at 2% in the terminal period after stronger medium-term growth, and the EBIT margin will be 11.0% of net sales. The average cost of capital (WACC) used is 7.0% and the cost of equity is 9.1%. The required return level is already low for Sitowise, and we don't think there is any downside left. An increase in the DCF value should come through improving cash flows in the company.

Valuation	2022e	2023e	2024e
Share price	5.74	5.74	5.74
Number of shares, millions	35.4	35.4	35.4
Market cap	203	203	203
EV	254	244	233
P/E (adj.)	14.7	13.2	12.2
P/B	1.6	1.5	1.4
EV/Sales	1.3	1.2	1.1
EV/EBITDA	8.9	7.7	7.1
EV/EBIT (adj.)	12.6	11.1	9.9
Payout ratio (%)	40.7 %	36.9 %	38.3 %
Dividend yield-%	2.4 %	2.8 %	3.1 %

Source: Inderes

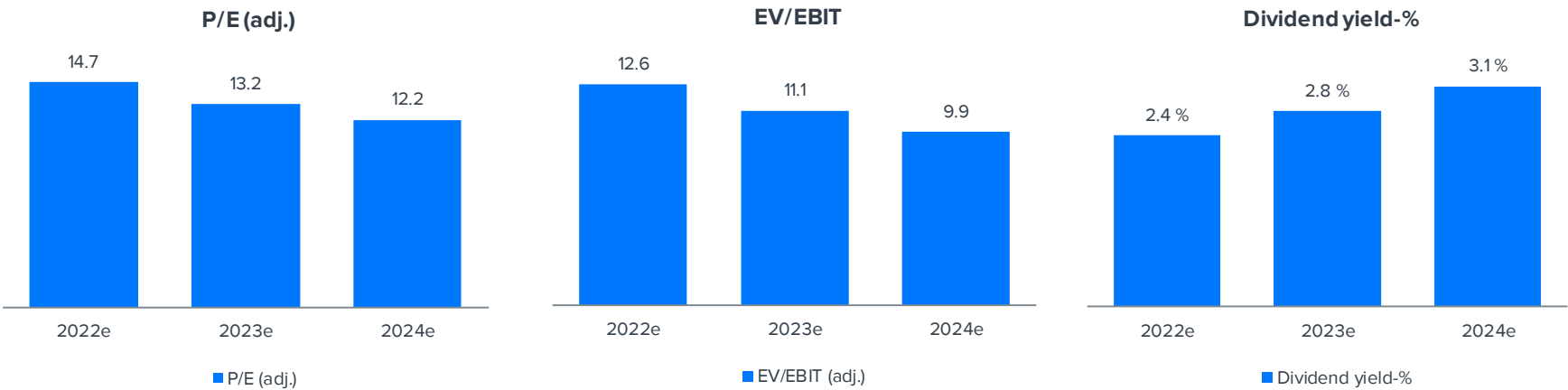
Formation of the target price



Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price					8.05	5.74	5.74	5.74	5.74
Number of shares, millions					35.4	35.4	35.4	35.4	35.4
Market cap					285	203	203	203	203
EV					345	254	244	233	223
P/E (adj.)					27.4	14.7	13.2	12.2	11.4
P/B					2.5	1.6	1.5	1.4	1.3
EV/Sales					1.9	1.3	1.2	1.1	1.0
EV/EBITDA					13.3	8.9	7.7	7.1	6.4
EV/EBIT (adj.)					18.2	12.6	11.1	9.9	8.8
Payout ratio (%)					45.2 %	40.7 %	36.9 %	38.3 %	40.0 %
Dividend yield-%					1.2 %	2.4 %	2.8 %	3.1 %	3.5 %

Source: Inderes



Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		P/E		Dividend yield-%		P/B
Company		MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Sweco AB (publ)	122.80	4183	4579	32.3	19.7	13.7	14.1	24.6	23.1	2.1	2.3	4.6
Afry AB	154.00	1599	1534	9.8	8.2	6.3	5.7	13.1	11.7	3.9	4.3	1.5
Rejlers AB (publ)	145.00	244	278	13.9	11.8	7.8	7.0	17.2	14.8	2.7	3.0	2.2
WSP Global Inc	136.46	11894	13379	19.9	17.5	12.2	11.1	24.1	21.2	1.1	1.1	3.2
Solwers Oyj	6.58	60	72	16.0	14.0	10.0	9.0	20.2	17.6	1.0	1.2	1.8
Etteplan Oyj	16.65	421	489	21.6	14.7	9.8	9.0	18.3	16.7	2.7	3.0	3.8
Arcadis NV	36.82	3308	3541	13.4	12.3	9.5	8.9	18.0	16.3	2.3	2.6	3.0
Sitowise (Inderes)	5.74	203	254	12.6	11.1	8.9	7.7	14.7	13.2	2.4	2.8	1.6
Average				18.1	14.0	9.9	9.3	19.4	17.4	2.3	2.5	2.9
Median				16.0	14.0	9.8	9.0	18.3	16.7	2.3	2.6	3.0
Diff-% to median				-21%	-21%	-10%	-14%	-20%	-21%	4%	7%	-46%

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Net sales	143	160	42.8	46.5	39.6	50.5	179.3	49.2	50.9	42.1	53.4	196	206	216	227
EBITDA	19.3	26.3	5.9	6.5	6.5	6.9	25.8	5.4	8.2	7.1	7.9	28.5	31.5	33.1	34.6
Depreciation	-8.7	-8.0	-2.3	-2.3	-2.5	-2.4	-9.4	-2.5	-2.5	-2.5	-2.5	-10.1	-9.6	-9.5	-9.5
EBIT	10.6	18.3	3.7	4.2	4.0	4.6	16.4	2.9	5.6	4.5	5.3	18.4	22.0	23.6	25.1
EBITA (adj.)	15.5	20.6	4.7	5.9	4.9	5.6	21.1	5.2	6.2	5.1	5.9	22.3	24.5	26.2	27.7
EBITA	13.8	12.3	4.1	4.7	4.6	5.2	18.6	3.5	6.2	5.1	5.9	20.6	24.5	26.2	27.7
Net financial items	-2.3	-2.4	-4.7	0.1	-0.7	-0.8	-6.1	-1.4	-0.6	-0.6	-0.6	-3.2	-2.7	-2.7	-2.7
PTP	8.4	15.9	-1.1	4.3	3.3	3.7	10.3	1.5	5.0	3.9	4.7	15.2	19.3	20.9	22.4
Taxes	-0.5	-3.2	0.3	-0.9	-0.7	-1.0	-2.4	-0.4	-0.9	-0.9	-0.9	-3.0	-3.9	-4.2	-4.5
Minority interest	0.0	-0.1	0.0	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Net earnings	7.9	12.6	-0.8	3.3	2.5	2.7	7.8	1.1	4.1	3.0	3.9	12.2	15.3	16.6	17.9
EPS (adj.)	0.13	0.33	-0.01	0.14	0.08	0.09	0.29	0.08	0.12	0.09	0.11	0.39	0.43	0.47	0.50
EPS (rep.)	0.22	0.36	-0.02	0.09	0.07	0.08	0.22	0.03	0.12	0.09	0.11	0.34	0.43	0.47	0.50
Key figures	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Net sales growth-%	13.8 %	11.9 %	6.9 %	7.6 %	14.9 %	19.0 %	12.0 %	15.0 %	9.4 %	6.4 %	5.9 %	9.1 %	5.4 %	4.9 %	5.0 %
Adjusted EBITA growth-%		33.3 %	-8.9 %	-17.2 %	11.1 %	44.0 %	2.4 %	10.4 %	3.9 %	3.2 %	5.0 %	5.5 %	10.1 %	6.7 %	5.9 %
Adjusted EBITA-%	10.8 %	12.9 %	11.0 %	12.7 %	12.4 %	11.1 %	11.8 %	10.6 %	12.1 %	12.0 %	11.0 %	11.4 %	11.9 %	12.1 %	12.2 %
Net earnings-%	5.5 %	7.9 %	-1.8 %	7.2 %	6.4 %	5.4 %	4.4 %	2.3 %	8.1 %	7.2 %	7.2 %	6.2 %	7.4 %	7.7 %	7.9 %

Balance sheet

Assets	2020	2021	2022e	2023e	2024e
Non-current assets	160	177	177	177	178
Goodwill	118	135	135	135	135
Intangible assets	5.7	7.5	7.3	6.4	5.8
Tangible assets	34.2	31.4	31.5	32.9	34.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.7	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	0.3	1.1	1.1	1.1	1.1
Current assets	61.6	72.7	87.5	100	114
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	46.1	53.3	57.7	60.8	63.8
Cash and equivalents	15.5	19.4	29.8	39.6	50.0
Balance sheet total	222	250	265	278	292

Source: Inderes

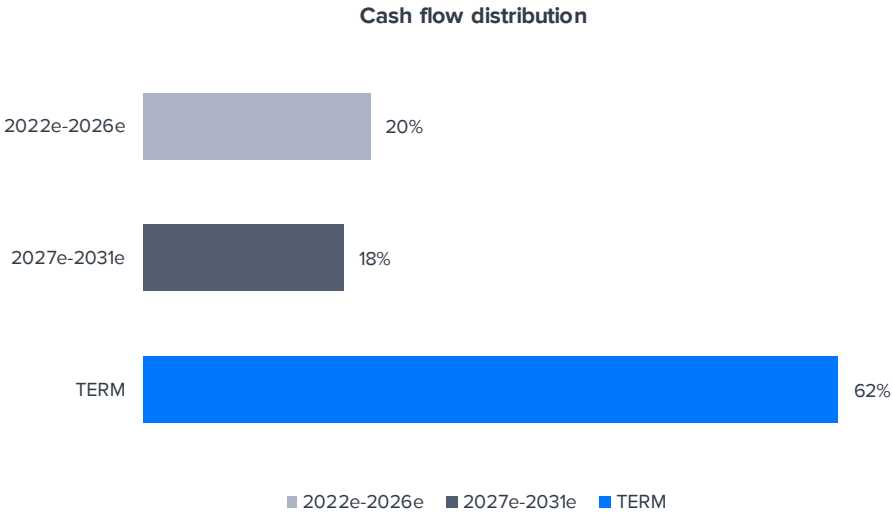
Liabilities & equity	2020	2021	2022e	2023e	2024e
Equity	66.9	115	123	134	145
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	11.4	18.8	27.5	37.8	48.8
Hybrid bonds	14.1	0.0	0.0	0.0	0.0
Revaluation reserve	0.2	0.3	0.3	0.3	0.3
Other equity	41.0	95.5	95.5	95.5	95.5
Minorities	0.1	0.2	0.2	0.2	0.2
Non-current liabilities	94.5	72.6	71.6	71.6	71.6
Deferred tax liabilities	2.0	1.6	1.6	1.6	1.6
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	92.6	71.0	70.0	70.0	70.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	60.1	62.3	69.5	72.5	75.3
Short term debt	9.4	7.6	10.0	10.0	10.0
Payables	47.3	51.0	55.8	58.8	61.6
Other current liabilities	3.4	3.7	3.7	3.7	3.7
Balance sheet total	222	250	265	278	292

DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
EBIT (operating profit)	16.4	18.4	22.0	23.6	25.1	26.7	27.7	28.3	28.5	29.2	29.8	
+ Depreciation	9.4	10.1	9.6	9.5	9.5	9.5	9.6	9.6	9.7	9.8	9.8	
- Paid taxes	-3.6	-3.0	-3.9	-4.2	-4.5	-4.8	-5.0	-5.2	-5.3	-5.4	-5.5	
- Tax, financial expenses	-1.4	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	
+ 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	-3.2	0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	17.7	25.2	27.0	28.3	29.5	30.8	31.7	32.2	32.5	33.1	33.6	
+ 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	-25.8	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-12.0	
Free operating cash flow	-8.2	15.2	17.0	18.3	19.5	20.8	21.7	22.2	22.5	23.1	21.7	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-8.2	15.2	17.0	18.3	19.5	20.8	21.7	22.2	22.5	23.1	21.7	442
Discounted FCFF		14.6	15.3	15.3	15.3	15.2	14.8	14.2	13.4	12.9	11.3	231
Sum of FCFF present value		373	358	343	328	313	297	283	268	255	242	231
Enterprise value DCF		373										
- Interesting bearing debt		-78.6										
+ Cash and cash equivalents		19.4										
-Minorities		-0.3										
-Dividend/capital return		-3.5										
Equity value DCF		310										
Equity value DCF per share		8.8										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	30.0 %
Cost of debt	2.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.20%
Risk free interest rate	2.0 %
Cost of equity	9.1%
Weighted average cost of capital (WACC)	7.0 %

Source: Inderes



Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	143.0	160.1	179.3	195.6	206.2	EPS (reported)	0.22	0.36	0.22	0.34	0.43
EBITDA	19.3	26.3	25.8	28.5	31.5	EPS (adj.)	0.13	0.33	0.29	0.39	0.43
EBIT	10.6	18.3	16.4	18.4	22.0	OCF / share	0.62	0.79	0.50	0.71	0.76
PTP	8.4	15.9	10.3	15.2	19.3	FCF / share	-0.65	-0.15	-0.23	0.43	0.48
Net Income	7.1	12.7	7.8	12.2	15.3	Book value / share	1.62	1.90	3.24	3.48	3.78
Extraordinary items	3.2	1.1	-2.6	-1.7	0.0	Dividend / share	0.00	0.00	0.10	0.14	0.16
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	188.4	221.5	249.8	264.5	277.9	Revenue growth-%	14%	12%	12%	9%	5%
Equity capital	57.4	66.9	114.9	123.5	133.9	EBITDA growth-%	-1%	36%	-2%	10%	11%
Goodwill	101.7	118.1	135.2	135.2	135.2	EBIT (adj.) growth-%	-41%	130%	10%	6%	9%
Net debt	74.8	86.5	59.3	50.2	40.4	EPS (adj.) growth-%	-47%	144%	-10%	33%	11%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	13.5 %	16.4 %	14.4 %	14.6 %	15.3 %
EBITDA	19.3	26.3	25.8	28.5	31.5	EBIT (adj.)-%	5.2 %	10.7 %	10.6 %	10.3 %	10.7 %
Change in working capital	3.1	2.1	-3.2	0.3	-0.1	EBIT-%	7.4 %	11.4 %	9.1 %	9.4 %	10.7 %
Operating cash flow	21.7	27.9	17.7	25.2	27.0	ROE-%	15.4 %	20.4 %	8.6 %	10.2 %	11.9 %
CAPEX	-43.8	-33.1	-25.8	-10.0	-10.0	ROI-%	8.5 %	11.7 %	9.0 %	9.3 %	10.5 %
Free cash flow	-22.9	-5.1	-8.2	15.2	17.0	Equity ratio	30.4 %	30.2 %	46.0 %	46.7 %	48.2 %
						Gearing	130.4 %	129.3 %	51.6 %	40.6 %	30.2 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	0.5	0.5	1.9	1.3	1.2						
EV/EBITDA (adj.)	3.9	3.3	13.3	8.9	7.7						
EV/EBIT (adj.)	10.0	5.0	18.2	12.6	11.1						
P/E (adj.)	0.0	0.0	27.4	14.7	13.2						
P/B	0.0	0.0	2.5	1.6	1.5						
Dividend-%			1.2 %	2.4 %	2.8 %						

Source: Inderes

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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 price	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 €



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