

Suominen

Company report

08/09/2023 18:58



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✓ Inderes corporate customer

This report is a summary translation of the report “Heikosti pyyhkii” published on 8/9/2023 at 7:08 pm EEST

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Not convincing

Suominen's Q2 result fell short of expectations, although it improved slightly from the weak comparison period. The company reiterated its guidance of an improving full-year result, but the earnings turnaround has not materialized so far. Due to the weak result, we clearly lowered our estimates for 2023-25. Even with the 2025 earnings level, the valuation remains highish and the expected return is weak. We lower the target price to EUR 2.6 (previously EUR 2.8) and our recommendation to Sell (previously Reduce).

Q2 fell short of expectations, but improved from a very weak comparison period

Suominen's net sales decreased by 5% in Q2 from the comparison period. This is mainly explained by the decrease in sales prices, which followed declining raw material prices. Suominen also indicated that competition in Europe had tightened. Suominen's adjusted EBITDA was EUR 2.7 million, slightly better than the weak comparison period (1.9 MEUR) and around the level of Q1. However, this is a weak level and the adjusted EBIT remained clearly negative. The company explained the weak performance especially with weak volumes and the fact that it takes time for the effects of its efficiency measures to become visible. However, we consider it a bad sign that sales prices are already clearly falling with the raw materials, but the decrease in costs does not seem to improve the company's profitability.

The company's guidance still indicates an earnings improvement in 2023

Suominen still expects that its comparable EBITDA in 2023 will increase from 2022 (15 MEUR). For H1, the result was at the level of the comparison period, and Suominen reiterated its view given in spring that improvements will be seen especially in H2. This is influenced by the company's efficiency measures, e.g., closing the Mozzate plant and typical seasonality of the market. In terms of adjusted EBITDA, our estimate decreased to EUR 20 million, while at the start of the year we expected a clearly better earnings level. We also significantly cut our estimates for the next few years, by EUR 4-8 million depending on the year and result line.

Earnings turnaround seems to linger and may still be slower than expected

Suominen's result has been at a low level in H1'23. We believe the competitive situation is tighter than before the COVID years, as the sector invested heavily in new capacity when demand was high. Suominen said that Europe is now facing import pressure from, e.g., Turkey, China and India. We believe that this is also reflected in price/margin pressure for Suominen. As Suominen's production is almost entirely in countries with higher cost levels, it is also exposed to competition from cheaper production countries. We have been waiting for an earnings turnaround in vain for several quarters and we still see a risk that the turn will be slower than expected when it happens.

The share is already pricing normal earnings, we feel the expected return is weak

We now feel Suominen's normal earnings level is around EUR 20 million (previous estimate 20-25 MEUR), which we believe will materialize in 2025. Even with this expectation we feel that the company's valuation is highish (P/E 13x, EV/EBIT 11x), so we find the expected return weak. Considering the limited competitive advantages, we do not believe that the company will be able to achieve a return on capital that is at least substantially above the required return in the long term, and thus the P/B ratio should be close to 1x, so the 1.2x of 2025 also seems high. Even considering dividends we believe the expected return remains negative.

Recommendation

Sell

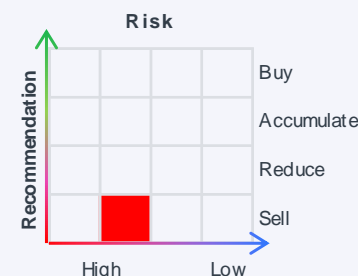
(previous Reduce)

EUR 2.60

(previous EUR 2.80)

Share price:

2.94



Key figures

	2022	2023e	2024e	2025e
Revenue	493	466	462	466
growth-%	11%	-5%	-1%	1%
EBIT adj.	-4.2	1.3	15.5	20.0
EBIT-% adj.	-0.8 %	0.3 %	3.4 %	4.3 %
Net Income	-13.9	-9.5	6.1	12.7
EPS (adj.)	-0.16	-0.08	0.16	0.22

P/E (adj.)	neg.	neg.	18.5	13.3
P/B	1.2	1.3	1.3	1.2
Dividend yield-%	3.3 %	3.4 %	5.1 %	5.1 %
EV/EBIT (adj.)	neg.	>100	14.4	11.1
EV/EBITDA	15.8	14.4	7.3	5.9
EV/S	0.5	0.5	0.5	0.5

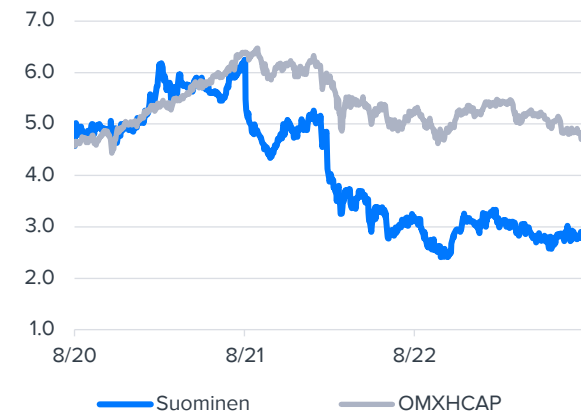
Source: Inderes

Guidance

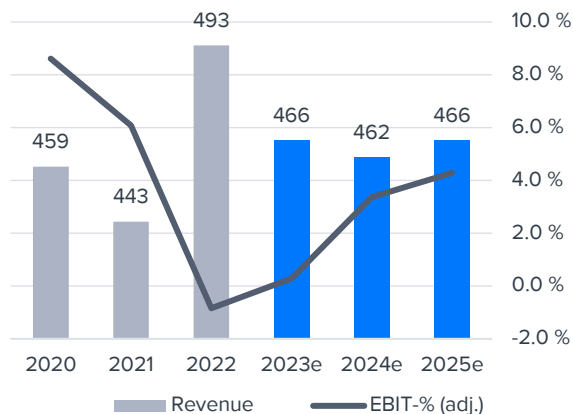
(Unchanged)

Suominen expects that its comparable EBITDA in 2023 will increase from 2022. In 2022, Suominen's comparable EBITDA was EUR 15 million.

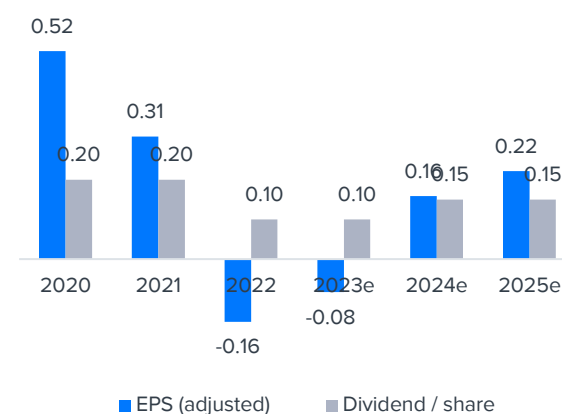
Share price



Revenue and EBIT-%



EPS and dividend



Value drivers

- Earnings normalizing as cost inflation stabilizes
- Steady end demand for products
- Suominen's expertise and products in sustainable non-wovens



Risk factors

- Tight competition in the industry
- Low pricing power
- Changes in raw material prices cause earnings fluctuation

Valuation	2023e	2024e	2025e
Share price	2.94	2.94	2.94
Number of shares, millions	57.5	57.5	57.5
Market cap	169	169	169
EV	221	223	223
P/E (adj.)	neg.	18.5	13.3
P/E	neg.	27.6	13.3
P/FCF	13.1	25.5	14.6
P/B	1.3	1.3	1.2
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.5
EV/EBITDA	14.4	7.3	5.9
EV/EBIT (adj.)	>100	14.4	11.1
Payout ratio (%)	neg.	141%	68%
Dividend yield-%	3.4 %	5.1 %	5.1 %

Source: Inderes

Q2 figures below expectations, but result improved slightly from last year

Net sales fell with raw material prices

Suominen's net sales decreased by 5% in Q2 from the comparison period. Of this, good 1% came from exchange rates, while volume development was slightly positive. The decrease in net sales is mainly explained by the decrease in sales prices, which followed declining raw material prices. This effect hit harder than we expected in Q2, and on the other hand, volumes were slightly below our expectations and thus net sales was lower than we estimated.

Net sales increased in the US, but decreased markedly in Europe where the closure of the Mozzate plant at the beginning of Q2 hit the company harder than previously indicated. Suominen also indicated that competition had tightened in Europe, as there is global overcapacity, which after the COVID era is imported into Europe more. In terms

of volumes we believe the company no longer suffers from destocking or other exceptional factors, so market demand is now relatively normal.

The result remained weak

Suominen's adjusted EBITDA was EUR 2.7 million, slightly better than the weak comparison period and around the Q1 level. However, this is a weak level and the adjusted EBIT remained clearly negative. The company explained the weak performance especially with weak volumes and the fact that it takes some time for the effects of its efficiency measures to become visible. However, we consider it a bad sign that sales prices are already clearly falling with the raw materials, but the decrease in costs does not seem to improve the company's profitability. So, this may not necessarily support the result in the future either.

Cash flow is good compared to the result; leverage is high

Despite the weak result, Suominen generated positive cash flow both in Q2 and H1. This was supported by release of net working capital and the low investment level. Due to the weak earnings level, the company's net debt/adj. EBITDA is still highish, good 3.5x. This should not, however, cause immediate problems for the company, as its loans will only mature in 2025 (credit line) and 2027 (bond) and we expect cash flow to remain positive despite the poor earnings level. We expect the ratio to improve later in the year due to the improving result and positive cash flow.

Estimates	Q2'22	Q2'23	Q2'23e	Q2'23e	Consensus	Difference (%)	2023e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	118	113	119	120			466
EBITDA (adj.)	1.9	2.7	4.7	-			20.0
EBITDA	1.9	-1.9	2.2	4.3			15.3
EBIT (adj.)	-2.9	-2.1	0.1	0.7			1.3
EBIT	-2.9	-6.7	-2.4	-			-3.4
EPS (reported)	-0.04	-0.14	-0.04	-0.02			-0.16
Revenue growth-%	3.8 %	-4.5 %	0.9 %	1.3 %			-5.5 %
EBIT-% (adj.)	-2.5 %	-5.9 %	0.1 %	0.6 %			0.3 %

Source: Inderes & Vara Research, 2 analysts (consensus)

Again, clearly below estimates

Guidance of improving full-year adjusted EBITDA unchanged

Suominen repeated its guidance for 2023 that its comparable EBITDA in 2023 will increase from 2022 (15 MEUR). For H1, the result was at the level of the comparison period, and Suominen reiterated its view given in spring that improvements will be seen especially in H2. This is influenced by the company's efficiency measures, e.g., closing the Mozzate plant and typical seasonality of the market. In terms of adjusted EBITDA, our estimate decreased to EUR 20 million, while at the start of the year we expected a clearly better earnings level.

Earnings turnaround seems to linger and may still be slower than expected

Suominen's result has been at a historically low level in H1'23. Falling raw material prices have not helped

the result, and we do not expect any significant support from there in the future either. We also believe the competitive situation is tighter than before the COVID years, as the sector invested heavily in new capacity when demand was high. Suominen said that Europe is now facing import pressure from, e.g., Turkey, China and India. We also believe that this is reflected in price/margin pressure for Suominen. As Suominen's production is almost entirely in countries with higher cost levels, it is also exposed to competition from cheaper production countries.

Estimates cut

We again significantly cut our estimates. Changes are more moderate at net sales level, but our earnings estimates decreased significantly. At an absolute level, the changes are EUR 4-8 million. The current

more challenging competitive environment has also affected our estimate of Suominen's "normal" EBIT level, which we now believe to be around EUR 20 million in the medium term (previously 20-25 MEUR), which is our 2025 estimate. We also raised our financial cost estimates slightly, which is why the estimate changes in the lines below EBIT are slightly larger.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	476	466	-2%	471	462	-2%	476	466	-2%
EBITDA	22.5	15.3	-32%	36.4	30.4	-16%	41.5	37.5	-10%
EBIT (exc. NRIs)	8.6	1.3	-85%	20.7	15.5	-25%	22.9	20.0	-13%
EBIT	4.0	-3.4	-184%	17.7	12.5	-29%	22.9	20.0	-13%
PTP	0.3	-8.2	-2745%	15.2	8.5	-44%	20.4	17.0	-17%
EPS (excl. NRIs)	0.07	-0.08	-221%	0.24	0.16	-34%	0.27	0.22	-17%
DPS	0.10	0.10	0%	0.15	0.15	0%	0.15	0.15	0%

Source: Inderes

Expected return is still weak

Recommendation cut to Sell

With support from earnings and balance sheet multiples and the DCF model, we lower the target price to EUR 2.6. The share ended up rising on the report day despite the weak report. Therefore, we lower our recommendation to Sell (was Reduce), as the 12-month expected return is negative.

Valuation high also with 2024-25 figures

Due to poor performance, the valuation multiples for 2022 cannot be calculated or are high. With the lower estimates, 2023 key figures also remain very high, and we do not believe that the earnings level reflects the company's normal level. We believe that the company's result will only reach the EUR 20 million EBIT level that we consider normal in 2025. With this result, the P/E at 13x and EV/EBIT at 11x are still high. We see P/E ratios of around 10-12x as acceptable for Suominen in the current interest rate environment. This, however, includes an expectation of a significant earnings improvement from the current loss-making EBIT level.

The P/B ratio for Suominen is 1.2-1.3x in 2023-25. With our estimates the company can deliver a return on capital of around 10% starting from 2025, which is on par or slightly above our required return, so the correct P/B level is around 1x or slightly above in the longer term. In 2023-24, the return on capital is below our required return. Even with this indicator, the valuation is highish. With our estimates the dividend yield is close on 4% for 2022-23 and 6% from 2024 onwards. However, we believe the dividend for this year may be at risk if the result/cash flow does not develop as expected in the second half of the year.

The value of the DCF model is around EUR 2.6

The value of the DCF model is around EUR 2.6, i.e. at the level of our target price. The value has decreased due to both lower estimates for the next few years and a decrease in the longer-term EBIT margin estimate to 4.5% (previously 5%).

Longer-term return potential is moderate

In the longer term, we believe that Suominen's return on capital will be roughly at the level of the required return. We believe that the company will be able to achieve small earnings growth, but in the absence of clear competitive advantages, with strong competition in the sector and volatile raw material prices swaying profitability, we do not believe in significant and sustainable earnings growth nor return on capital that exceeds the required return in the long-term. We expect that the company can pay good 5% dividend yield in the longer term compared to the current share price, which also supports the longer-term expected return of the share. However, the expected return will be negative in the short term (12 months) in our opinion and even in the long term it is 0-10% which is below our required return.

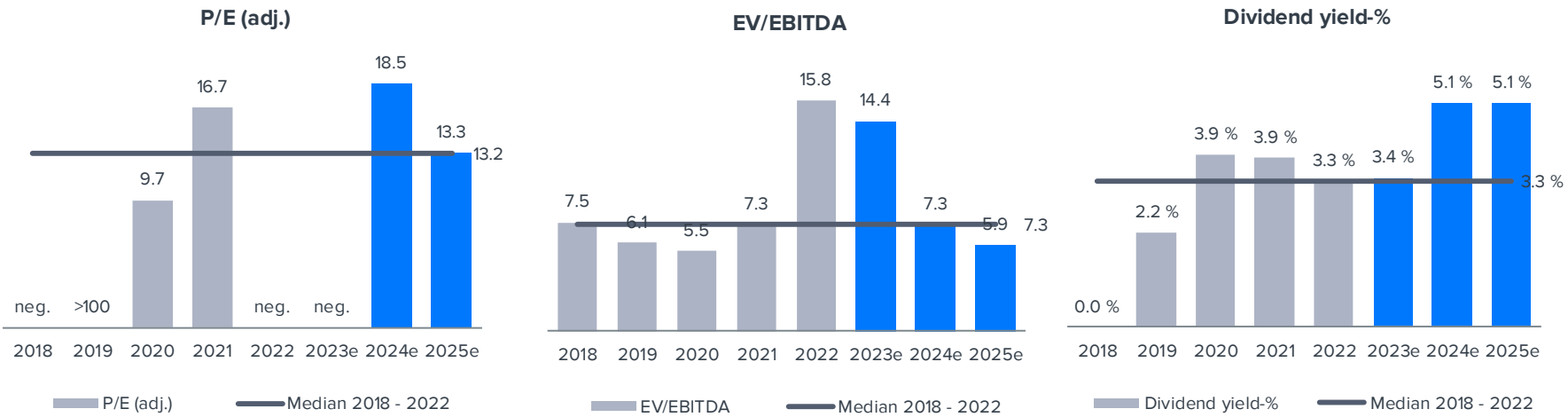
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P/E	neg.	27.6	13.3
P/FCF	13.1	25.5	14.6
P/B	1.3	1.3	1.2
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.5
EV/EBITDA	14.4	7.3	5.9
EV/EBIT (adj.)	>100	14.4	11.1
Payout ratio (%)	neg.	141%	68%
Dividend yield-%	3.4 %	5.1%	5.1%

Source: Inderes

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	2.05	2.31	5.08	5.18	3.00	2.94	2.94	2.94	2.94
Number of shares, millions	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5
Market cap	118	133	292	298	172	169	169	169	169
EV	192	204	334	345	226	221	223	223	220
P/E (adj.)	neg.	>100	9.7	16.7	neg.	neg.	18.5	13.3	11.5
P/E	neg.	>100	9.7	14.4	neg.	neg.	27.6	13.3	11.5
P/FCF	5.5	6.3	5.8	>100	22.4	13.1	25.5	14.6	13.5
P/B	0.9	1.0	2.0	1.8	1.2	1.3	1.3	1.2	1.2
P/S	0.3	0.3	0.6	0.7	0.3	0.4	0.4	0.4	0.4
EV/Sales	0.4	0.5	0.7	0.8	0.5	0.5	0.5	0.5	0.5
EV/EBITDA	7.5	6.1	5.5	7.3	15.8	14.4	7.3	5.9	5.7
EV/EBIT (adj.)	41.7	25.1	8.5	12.8	neg.	>100	14.4	11.1	10.4
Payout ratio (%)	0.0 %	1282.8 %	38.2 %	55.4 %	neg.	neg.	140.8 %	67.7 %	50.0 %
Dividend yield-%	0.0 %	2.2 %	3.9 %	3.9 %	3.3 %	3.4 %	5.1 %	5.1 %	4.3 %

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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Huhtamäki	3378	4930	13.5	12.3	8.6	8.1	1.2	1.1	14.5	13.2	3.2	3.6	1.7
Duni	392	540	10.3	8.8	7.3	6.5	0.8	0.8	12.7	10.6	3.6	4.6	1.3
Sealed Air	5261	9397	11.3	10.2	8.7	8.0	1.8	1.7	11.9	10.6	2.1	2.1	8.1
Riverstone	628	426	8.3	7.2	6.9	6.0	2.0	1.7	14.8	13.4	5.4	5.0	1.7
Berry Plastics	6701	14567	11.6	10.8	7.6	7.3	1.2	1.2	8.3	7.5	1.6	1.7	2.2
Glatfelter	85	821	15.2		7.1		0.6		6.1				
Suominen (Inderes)	169	221	166.0	14.4	14.4	7.3	0.5	0.5	-35.5	18.5	3.4	5.1	1.3
Average			11.7	9.9	7.7	7.2	1.3	1.3	11.4	11.1	3.2	3.4	3.0
Median			11.4	10.2	7.5	7.3	1.2	1.2	12.3	10.6	3.2	3.6	1.7
Diff-% to median			1351%	41%	94%	1%	-60%	-59%	-389%	75%	6%	41%	-25%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	443	110	118	132	133	493	117	113	118	119	466	462	466	471
EBITDA	47.0	3.3	1.9	5.1	4.0	14.3	2.6	-1.9	6.7	7.9	15.3	30.4	37.5	38.7
Depreciation	-20.1	-4.6	-4.8	-4.9	-9.0	-23.2	-4.7	-4.8	-4.6	-4.6	-18.7	-17.9	-17.5	-17.6
EBIT (excl. NRI)	26.9	-1.3	-2.9	0.2	-0.2	-4.2	-2.0	-2.1	2.1	3.3	1.3	15.5	20.0	21.1
EBIT	26.9	-1.3	-2.9	0.2	-5.0	-9.0	-2.1	-6.7	2.1	3.3	-3.4	12.5	20.0	21.1
Net financial items	-0.4	-0.9	0.7	-0.1	-2.6	-2.9	-1.5	-1.3	-1.0	-1.0	-4.8	-4.0	-3.0	-1.6
PTP	26.6	-2.2	-2.2	0.1	-7.6	-11.9	-3.6	-8.0	1.1	2.3	-8.2	8.5	17.0	19.5
Taxes	-5.8	-0.1	-0.1	-0.5	-1.2	-2.0	-0.3	-0.2	-0.3	-0.5	-1.3	-2.4	-4.2	-4.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	20.7	-2.3	-2.3	-0.4	-8.8	-13.9	-3.9	-8.2	0.9	1.8	-9.5	6.1	12.7	14.7
EPS (adj.)	0.31	-0.04	-0.04	-0.01	-0.07	-0.16	-0.07	-0.06	0.02	0.03	-0.08	0.16	0.22	0.25
EPS (rep.)	0.36	-0.04	-0.04	-0.01	-0.15	-0.24	-0.07	-0.14	0.02	0.03	-0.16	0.11	0.22	0.25

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	-3.4 %	-4.4 %	3.8 %	33.7 %	15.1 %	11.3 %	5.9 %	-4.5 %	-10.7 %	-10.6 %	-5.5 %	-1.0 %	1.0 %	1.0 %
Adjusted EBIT growth-%	-31.8 %	-109.3 %	-128.1 %	-124.0 %	-104.9 %	-115.4 %	58%	-28%	951%	-1833%	-132%	1063%	28.9 %	5.8 %
EBITDA-%	10.6 %	3.0 %	1.6 %	3.9 %	3.0 %	2.9 %	2.2 %	-1.7 %	5.7 %	6.6 %	3.3 %	6.6 %	8.0 %	8.2 %
Adjusted EBIT-%	6.1 %	-1.1 %	-2.5 %	0.2 %	-0.1 %	-0.8 %	-1.7 %	-1.9 %	1.8 %	2.8 %	0.3 %	3.4 %	4.3 %	4.5 %
Net earnings-%	4.7 %	-2.1 %	-2.0 %	-0.3 %	-6.6 %	-2.8 %	-3.3 %	-7.3 %	0.7 %	1.5 %	-2.0 %	1.3 %	2.7 %	3.1 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	162	154	147	144	145
Goodwill	15.5	15.5	15.4	15.4	15.4
Intangible assets	13.2	9.7	9.8	9.9	10.0
Tangible assets	131	128	120	117	117
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.7	0.7	1.7	1.7	1.7
Current assets	225	189	149	150	152
Inventories	49.8	63.3	51.3	53.1	53.6
Other current assets	8.0	9.6	9.6	9.6	9.6
Receivables	65.5	66.6	60.6	60.0	60.6
Cash and equivalents	101	49.5	27.7	27.7	28.0
Balance sheet total	387	343	296	294	296

Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	163	146	131	131	135
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	56.5	30.7	15.5	15.9	20.0
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	94.8	103	103	103	103
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	78.8	74.6	75.1	89.4	89.0
Deferred tax liabilities	13.9	11.7	11.7	11.7	11.7
Provisions	1.9	2.0	3.0	2.0	2.0
Long term debt	62.3	60.5	60.0	75.3	74.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.7	0.4	0.4	0.4	0.4
Current liabilities	145	123	90.2	73.9	72.2
Short term debt	86.8	42.9	20.0	6.7	6.7
Payables	57.2	79.8	69.9	66.9	65.3
Other current liabilities	0.7	0.3	0.3	0.3	0.3
Balance sheet total	387	344	296	294	296

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	11.3 %	-5.5 %	-1.0 %	1.0 %	1.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.8 %	-0.7 %	2.7 %	4.3 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %
EBIT (operating profit)	-9.0	-3.4	12.5	20.0	21.1	21.6	22.0	22.5	22.9	23.4	23.9	
+ Depreciation	23.2	18.7	17.9	17.5	17.6	17.6	17.7	17.7	17.8	12.2	12.5	
- Paid taxes	-3.2	-2.3	-2.4	-4.2	-4.9	-4.6	-4.8	-5.0	-5.1	-5.2	-5.3	
- Tax, financial expenses	0.7	0.8	-1.1	-0.8	-0.4	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7	
+ 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	6.0	8.1	-4.2	-2.8	-2.8	-1.0	-1.1	-1.1	-1.1	-1.1	-1.2	
Operating cash flow	17.7	22.0	22.7	29.7	30.6	32.8	33.2	33.5	33.9	28.7	29.2	
+ Change in other long-term liabilities	-0.2	1.1	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.8	-10.1	-15.1	-18.1	-18.1	-18.1	-18.1	-18.1	16.8	-14.1	-14.4	
Free operating cash flow	7.7	12.9	6.6	11.6	12.5	14.7	15.1	15.4	50.7	14.5	14.8	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.7	12.9	6.6	11.6	12.5	14.7	15.1	15.4	50.7	14.5	14.8	225
Discounted FCFF		12.5	5.9	9.5	9.4	10.2	9.6	9.0	27.3	7.2	6.7	103
Sum of FCFF present value		210	197	192	182	173	162	153	144	117	109	103
Enterprise value DCF		210										
- Interest bearing debt		-103.4										
+ Cash and cash equivalents		49.5										
-Minorities		0.0										
-Dividend/capital return		-5.7										
Equity value DCF		150										
Equity value DCF per share		2.62										
WACC												
Tax-% (WACC)		25.0 %										
Target debt ratio (D/(D+E))		20.0 %										
Cost of debt		4.0 %										
Equity Beta		1.35										
Market risk premium		4.75%										
Liquidity premium		1.25%										
Risk free interest rate		2.5 %										
Cost of equity		10.2 %										
Weighted average cost of capital (WACC)		8.7 %										

Cash flow distribution

2023e-2027e

23%

2028e-2032e

29%

TERM

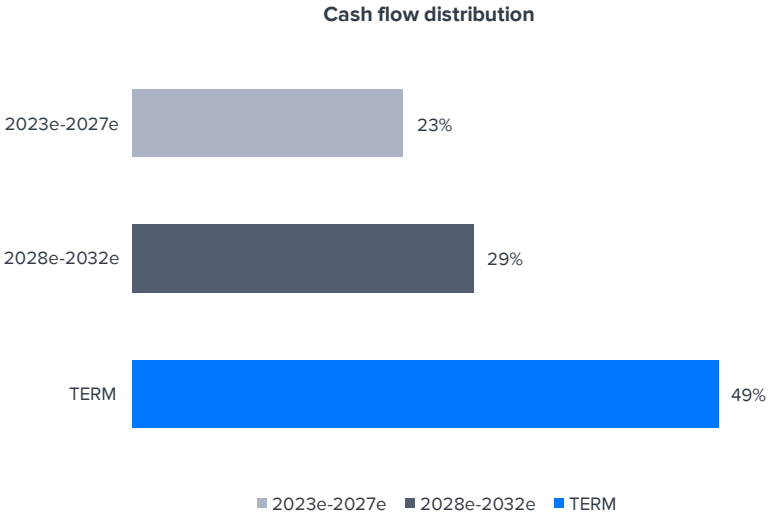
49%

2023e-2027e

2028e-2032e

TERM

Source: Inderes



Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	458.9	443.2	493.3	466.3	461.6	EPS (reported)	0.52	0.36	-0.24	-0.16	0.11
EBITDA	60.9	47.0	14.3	15.3	30.4	EPS (adj.)	0.52	0.31	-0.16	-0.08	0.16
EBIT	39.5	26.9	-9.0	-3.4	12.5	OCF / share	0.96	0.34	0.31	0.38	0.40
PTP	33.9	26.6	-11.9	-8.2	8.5	FCF / share	0.88	0.03	0.13	0.22	0.12
Net Income	30.1	20.7	-13.9	-9.5	6.1	Book value / share	2.54	2.84	2.54	2.28	2.28
Extraordinary items	0.0	0.0	-4.8	-4.7	-3.0	Dividend / share	0.20	0.20	0.10	0.10	0.15
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	317.4	386.7	343.5	296.1	294.5	Revenue growth-%	12%	-3%	11%	-5%	-1%
Equity capital	145.9	163.2	146.0	130.8	131.1	EBITDA growth-%	81%	-23%	-70%	7%	98%
Goodwill	15.5	15.5	15.5	15.4	15.4	EBIT (adj.) growth-%	386%	-32%	-115%	-132%	1063%
Net debt	42.4	47.8	53.9	52.3	54.3	EPS (adj.) growth-%	13345%	-41%	-151%	-47%	-292%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	13.3 %	10.6 %	2.9 %	3.3 %	6.6 %
EBITDA	60.9	47.0	14.3	15.3	30.4	EBIT (adj.)-%	8.6 %	6.1 %	-0.8 %	0.3 %	3.4 %
Change in working capital	0.3	-24.7	6.0	8.1	-4.2	EBIT-%	8.6 %	6.1 %	-1.8 %	-0.7 %	2.7 %
Operating cash flow	55.4	19.4	17.7	22.0	22.7	ROE-%	21.6 %	13.4 %	-9.0 %	-6.8 %	4.7 %
CAPEX	-5.0	-17.6	-9.8	-10.1	-15.1	ROI-%	16.2 %	9.7 %	-3.2 %	-1.5 %	5.9 %
Free cash flow	50.5	1.8	7.7	12.9	6.6	Equity ratio	46.0 %	42.2 %	42.5 %	44.2 %	44.5 %
						Gearing	29.1 %	29.3 %	36.9 %	40.0 %	41.4 %

Source: Inderes

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Reduce The 12-month risk-adjusted expected shareholder return of the share is weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/8/2019	Reduce	2.40 €	2.48 €
10/23/2019	Reduce	2.25 €	2.33 €
1/30/2020	Reduce	2.35 €	2.48 €
4/24/2020	Accumulate	3.25 €	3.02 €
5/13/2020	Accumulate	3.40 €	3.17 €
6/18/2020	Accumulate	4.00 €	3.69 €
8/13/2020	Accumulate	5.40 €	5.00 €
10/28/2020	Accumulate	5.40 €	5.06 €
2/5/2021	Accumulate	6.00 €	5.74 €
4/29/2021	Accumulate	6.25 €	5.87 €
6/24/2021	Accumulate	6.25 €	5.45 €
8/16/2021	Accumulate	5.60 €	5.27 €
10/29/2021	Accumulate	5.25 €	4.72 €
2/4/2022	Reduce	4.50 €	4.33 €
5/5/2022	Reduce	3.30 €	3.12 €
7/15/2022	Reduce	3.30 €	3.12 €
8/10/2022	Reduce	3.30 €	3.18 €
Analyst changed			
10/27/2022	Accumulate	3.00 €	2.48 €
12/14/2022	Reduce	3.00 €	3.10 €
1/11/2023	Reduce	3.00 €	3.00 €
2/6/2023	Reduce	3.00 €	3.08 €
5/5/2023	Reduce	2.80 €	2.88 €
8/10/2023	Sell	2.60 €	2.94 €



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