

# PUUILO OYJ

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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Strengthening growth potential

*Puuiilo's Q2 result was excellent once again, and the company announced ambitious new targets extending to 2030. Although we see conditions for long-term growth and value creation only getting stronger, we remain on the sidelines due to high valuation. We raise the target price to EUR 14.5 (was EUR 13.50) and reiterate our Reduce recommendation.*

## Continued quarters of strong growth

In Q2, Puuilo's revenue increased by 13% to 136 MEUR driven particularly by new stores. The number of customers also increased in both new and old stores, which indicates the competitiveness of the concept. Sales of private label products grew strongly (22%), improving the gross margin, while fixed costs developed roughly in line with revenue growth. Consequently, Q2's adjusted EBITA also increased significantly to 28.2 MEUR (Q2'24: 24.8 MEUR). These figures aligned with consensus expectations, though they slightly underperformed our own forecasts. The company reiterated its guidance for 2025, which indicates that revenue will be between 425 and 455 MEUR and adj. EBITA 70-80 MEUR. Following the report, we lowered our estimates for the current financial year marginally, expecting now sales to grow by 15% to 443 MEUR and EBITA to stand at 78 MEUR.

## Strategy update and new ambitious targets

The company updated its strategy for 2026–30, with the most significant new developments being an increase in store potential in Finland and the piloting of the concept in Sweden. We increased our longer-term estimates because the company provided well-founded reasons for opening 90 highly profitable Puuilo stores in the Finnish market, whereas the previous target was 70 stores.

We view the Swedish market pilot as a positive option at this stage. The approach is very low risk, as the concept will be piloted

with around 10 stores over the next 5 years. However, we have not yet made any precise forecasts for Sweden because the company has not disclosed specific opening dates for the first stores in our western neighbor.

## Our longer-term projections are near new targets

We anticipate that the company will continue to grow strongly during 2025-2030. We now expect the company's revenue to rise to 770 MEUR in 2030 (previously 720 MEUR) and for the company to reach its targeted milestone of approximately 90 stores in Finland. We also project that the company will achieve an EBITA margin of 18% in its domestic market. Our estimates are close to the company's published targets for 2030 of 800 MEUR in revenue and a 17% EBITA margin. The success of expansion into Sweden is a big question mark at this stage, but if successful, the potential for long-term earnings growth beyond current levels will increase significantly. We are taking a cautious view of developments at this stage, as we believe that Sweden's contribution to earnings will only become significant in a positive scenario in the 2030s.

## Expensive but by no means bubbly

With our 2025 estimates, the stock trades at 22x P/E and 18x IFRS 16 adj. EV/EBIT multiples. These levels are above our comfort zone, meaning that the around 17% earnings growth we forecast will largely be used to digest multiples. This leaves dividend yield (~5%/year) as the main factor supporting the expected return in the coming years. Even the positive option of expanding into Sweden does not yet prompt us to accumulate more shares. We consider Puuilo to be clearly the highest-quality company in its sector, generating strong value from its business operations, while the concept has also proven its defensiveness in various economic situations. Against this backdrop, appreciation is not bubbling, but rather, we would characterize it as neutral.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 14.50**

(was 13.50 EUR)

## Share price:

EUR 14.72

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	383.4	442.7	504.0	566.9
growth-%	13%	15%	14%	12%
EBIT adj.	65.2	76.2	89.5	102.0
EBIT-% adj.	17.0 %	17.2 %	17.8 %	18.0 %
Net Income	48.1	56.4	66.6	78.2
EPS (adj.)	0.57	0.66	0.79	0.92
P/E (adj.)	18.0	22.1	18.7	16.0
P/B	8.5	12.6	10.4	8.6
Dividend yield-%	6.8 %	3.6 %	4.3 %	5.0 %
EV/EBIT (adj.)	15.1	17.9	15.3	13.4
EV/EBITDA	11.7	14.0	11.6	10.3
EV/S	2.6	3.1	2.7	2.4

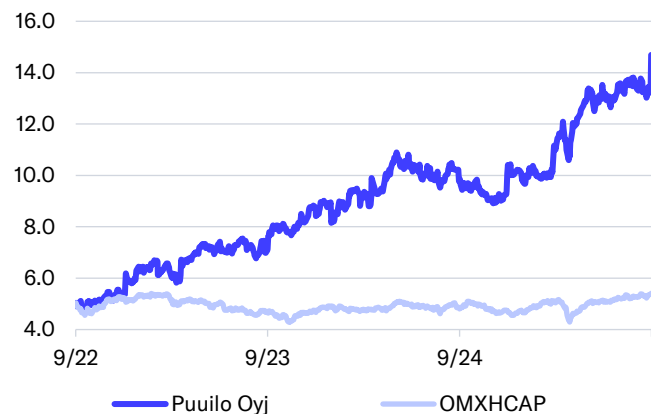
Source: Inderes

## Guidance

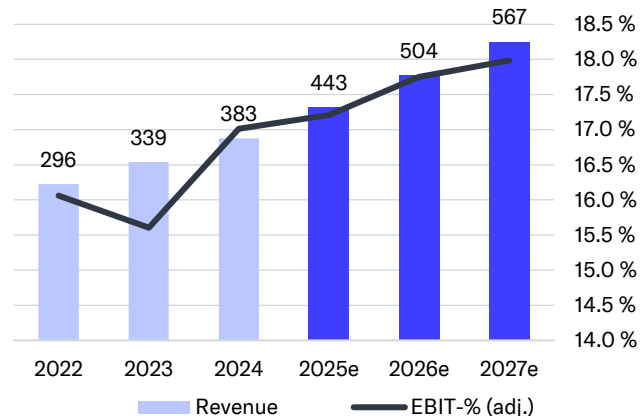
(Unchanged)

Puuilo predicts that its revenue for 2025 will be 425-455 MEUR (2024: 383 MEUR) and the adjusted EBITA will be in the range of 70-80 MEUR (2024: 67 MEUR).

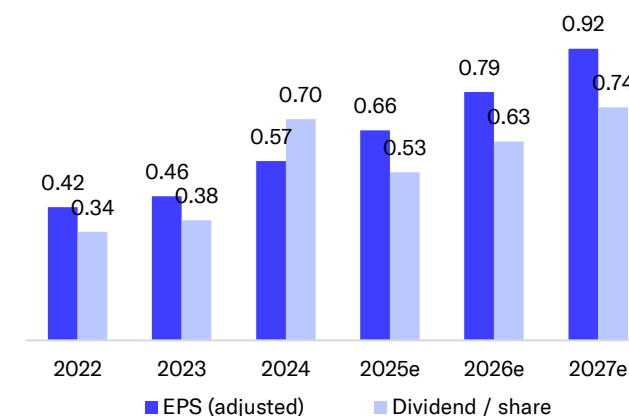
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Increasing the number of stores to over 70
- Significant growth potential remaining in ramping up existing stores
- Growth in private label
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

## Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment
- Professionalization of construction and urbanization

Valuation	2025e	2026e	2027e
Share price	14.7	14.7	14.7
Number of shares, millions	84.8	84.8	84.8
Market cap	1248	1248	1248
EV	1367	1367	1366
P/E (adj.)	22.1	18.7	16.0
P/E	22.1	18.7	16.0
P/B	12.6	10.4	8.6
P/S	2.8	2.5	2.2
EV/Sales	3.1	2.7	2.4
EV/EBITDA	14.0	11.6	10.3
EV/EBIT (adj.)	17.9	15.3	13.4
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	3.6 %	4.3 %	5.0 %

Source: Inderes

# Summer went well and targets are boldly forward-looking

## Strong sales development in the summer as well

Puulo's Q2 revenue grew by 13% to 136 MEUR. This figure fell slightly short of our high expectations (138 MEUR). As expected, revenue growth was driven by new stores (+8 y/y), but comparable store growth slightly missed our expectations (+1.3%), as did online sales growth (+2,4%). We estimate that the company has continued to gain market share, given the continued growth of 16% in customer numbers.

Adjusted EBITA for Q2 rose significantly from the comparison period to 28.2 MEUR (20.8% of revenue), slightly missing our robust expectation of 29.6 MEUR. As anticipated, the improvement in earnings was driven by a 0.6 percentage point increase in the gross margin (38.2%), supported once again by strong private label growth. However, the ratio of fixed costs did not improve as much as we had expected, mainly due to sales falling short of expectations. The company reiterated its guidance range

(revenue of 425-455 MEUR and adj. EBITA of 70-80 MEUR), whereas we had anticipated a refinement of the earnings range toward the upper end of the guidance. We do not consider this to be particularly dramatic since the current guidance of 15% growth and 17% profitability is already very strong, and our expectations had risen somewhat too high following a strong Q1. There were no surprises on the lower lines (financial expenses and taxes), and EPS was EUR 0.25.

## Long-term targets were set high

Puulo said that during the upcoming strategy period, it will continue to grow in Finland but will also seek international growth for the first time. Puulo's targets are average annual revenue growth of over 10% and revenue of over 800 MEUR by the end of the 2026-2030 strategy period. The revenue target's ambitious nature is illustrated by the fact that the company aims to nearly double its current revenue level within this decade (last 12 months: 413 MEUR). In connection with the strategy update, Puulo's management

raised its estimate of store potential in Finland to a total of over 90 stores (previously over 70 stores). The company is also embarking on organic international expansion in the next few years by opening pilot stores in Sweden. Overall, the company now plans to open 7–10 new stores per year and aims to have a network of over 100 stores by the end of the 2030 financial year. The 2030 target is an EBITA result of over 136 MEUR (17% margin).

## Targets are high but achievable

The path to profitable growth seems credible, especially in Finland, as the company's concept continues to gain market share quarter after quarter. This is despite the fact that competitors are also seeking to expand. In Sweden, the competitors are largely the same, but the Puulo brand is not well known in the market. Even in the best-case scenario, conquering Sweden will take time, but we believe it is valuable to experiment boldly with this while keeping risks low.

Estimates MEUR / EUR	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Q2'25e Consensus	Consensus Low High	Difference (%) Act. vs. Inderes	2025e Inderes
Revenue	120	136	138	136		-2%	443
EBITA (adj.)	24.8	28.2	29.6	28.0		-5%	77.8
EBIT	24.4	27.3	29.2	27.6		-6%	76.2
EPS (reported)	0.22	0.25	0.26	0.25		-4%	0.66
Revenue growth-%	14.9 %	13.2 %	15.1 %	13.2 %		-1.9 pp	15.5 %
EBITA-% (adj.)	20.7 %	20.8 %	21.4 %	~20.6 %		-0.7 pp	17.6 %

Source: Inderes & Bloomberg (consensus, 5 estimates)

# We raised our long-term estimates

## Estimate revisions

- We lowered our estimates for the current year marginally because Q2 fell slightly short of our expectations.
- Conversely, we increased our long-term growth and earnings forecasts and now anticipate that revenue will reach 770 MEUR in 2030 (prev. 720 MEUR) and that EBITA will reach 138 MEUR (prev. 130 MEUR).
- We increased our store projection for 2026–2030 to 7, meaning the company will have 91 stores in Finland at the end of the 2030 financial year.
- This bolstered our estimates, especially towards the end of the period, as our previous projections indicated that the company's store growth would saturate at 74 stores already in 2029.

## Operational earnings drivers

- Increase the number of stores in Finland to 90 (now 56) and increase like-for-like growth in old stores
- Growth in more profitable private label products
- As a result of growth, improved bargaining power with suppliers and scaling of fixed costs (administration, marketing, etc.)
- Further improving the efficiency of business costs
- The success of the expansion into Sweden will determine earnings development in the 2030s

Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	445	443	-1%	501	504	1%	556	567	2%
EBITDA	99.7	97.7	-2%	119	118	-1%	131	132	1%
EBIT (exc. NRIs)	78.1	76.2	-2%	90.1	89.5	-1%	101	102	1%
EBIT	78.1	76.2	-2%	90.1	89.5	-1%	101	102	1%
PTP	72.4	70.5	-3%	84.0	83.3	-1%	94.2	95.4	1%
EPS (excl. NRIs)	0.68	0.66	-3%	0.79	0.79	-1%	0.91	0.92	1%
DPS	0.55	0.53	-3%	0.63	0.63	-1%	0.73	0.74	1%

Source: Inderes

Puulo, Webcast, Q2'25 (in Finnish)





# Expensive but not bubbly

## We feel the absolute valuation is elevated

The trailing 12-month P/E (24x) is slightly above our range of acceptable valuation levels, and we see a downside in it. Thus, the 17% earnings growth we expect will be used to digest multiples, and the P/E ratio will only fall to an attractive level in 2027. EV-based earnings multiples that consider the healthy balance sheet (2025-26e IFRS 16 adj. EV/EBIT 18-15x) are neutral, and we do not see any upside in them.

## Premium is justified

When gauging the relative valuation, we give main weight to the P/E ratio. The comparability of EV-based multiples within the peer group is weakened by differences in the length of IFRS 16 leases affecting net debt between the companies.

Examined with the P/E ratio, the company is priced at a small premium to its retail peer group. We see Puuilo's premium as justified due to its strong earnings growth outlook and better return on capital than its peers. However, we do not see preconditions for the premium to stretch, as the median valuation level of the peer group seems high.

## The cash flow model reflects high expectations

Our DCF model indicates that the stock's fair value is EUR 15. This is close to the share price, offering very limited upside and signaling a correctly priced stock. The share value according to the DCF model and the underlying estimate parameters (91 stores in 2030, revenue growth of 12% p.a., and an average EBIT margin of 18% in 2025-30e) reflect the high expectations loaded into the current share

price. We feel these are close to their full potential when examined through a cash flow model, and thus, the model supports our view of the stock's neutral pricing.

We consider the DCF model a reliable valuation method due to Puuilo's strong and fairly predictable cash flow profile. Of course, success in expanding into Sweden offers an additional positive option. However, Finnish retail companies that have recently succeeded in expanding into Sweden are few and far between. Nevertheless, Puuilo's concept has been exceptionally successful in Finland, increasing the likelihood of success.

## Time is on the side of the owner of a high-quality company

In terms of realized earnings multiples, the company is priced above our comfort zone. Thus, the earnings growth we expect will largely go to digesting the multiples. In this case, the short-term total expected return of the share depends almost entirely on dividends. The high valuation limits the share's return potential, especially over the 12-month horizon on which our recommendation is based.

Although we consider Puuilo's multiples high for the next few years, we point out that we expect the company's earnings growth and good cash flow to push multiples down over the years. The current cash flow level and strong earnings growth therefore offer an expected return in line with our required return (~9%) for the long-term investor (investment period 5 years).

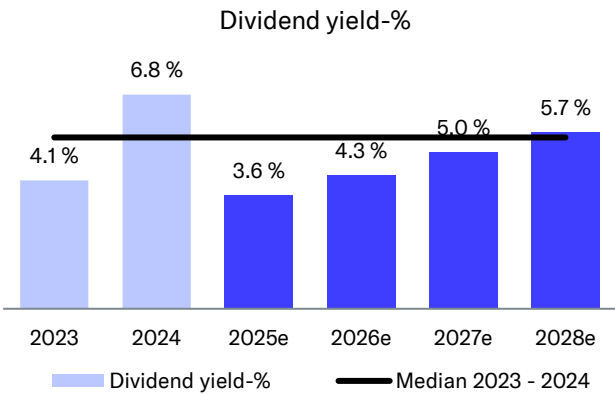
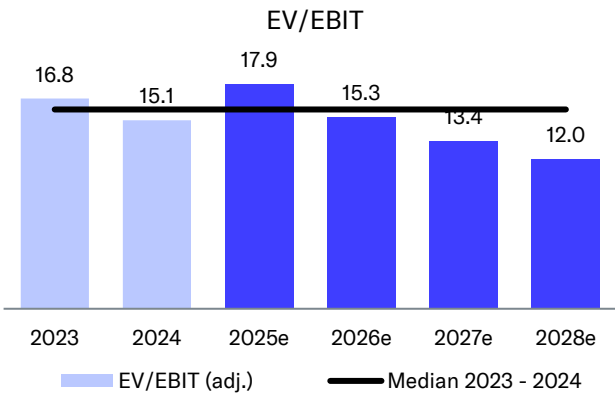
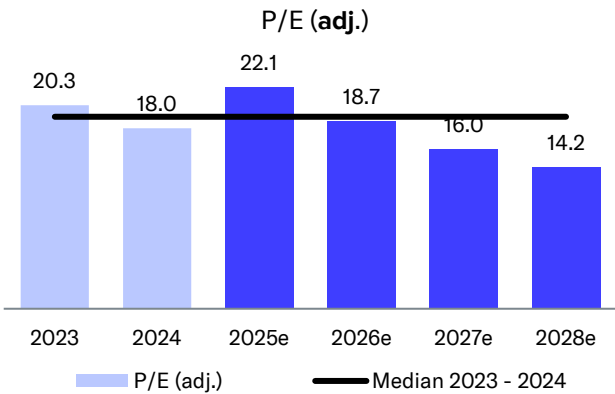
Valuation	2025e	2026e	2027e
Share price	14.7	14.7	14.7
Number of shares, millions	84.8	84.8	84.8
Market cap	1248	1248	1248
EV	1367	1367	1366
P/E (adj.)	22.1	18.7	16.0
P/E	22.1	18.7	16.0
P/B	12.6	10.4	8.6
P/S	2.8	2.5	2.2
EV/Sales	3.1	2.7	2.4
EV/EBITDA	14.0	11.6	10.3
EV/EBIT (adj.)	17.9	15.3	13.4
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	3.6 %	4.3 %	5.0 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price				9.26	10.2	14.7	14.7	14.7	14.7
Number of shares, millions				84.8	84.8	84.8	84.8	84.8	84.8
Market cap				785	867	1248	1248	1248	1248
EV				886	982	1367	1367	1366	1364
P/E (adj.)				20.3	18.0	22.1	18.7	16.0	14.2
P/E				20.3	18.0	22.1	18.7	16.0	14.2
P/B				9.2	8.5	12.6	10.4	8.6	7.3
P/S				2.3	2.3	2.8	2.5	2.2	2.0
EV/Sales				2.6	2.6	3.1	2.7	2.4	2.2
EV/EBITDA				13.1	11.7	14.0	11.6	10.3	9.2
EV/EBIT (adj.)				16.8	15.1	17.9	15.3	13.4	12.0
Payout ratio (%)				83.3 %	123.3 %	80.0 %	80.0 %	80.0 %	80.0 %
Dividend yield-%				4.1 %	6.8 %	3.6 %	4.3 %	5.0 %	5.7 %

Source: Inderes



# 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
Europris ASA	1455	1913	16.4	13.8	9.5	8.4	1.5	1.4	19.2	15.4	3.5	4.0	3.9
Bygghmax Group AB	316	514	20.8	17.3	6.0	5.9	0.9	0.8	22.4	17.4	2.2	2.9	1.4
Clas Ohlson AB	2240	2303	21.8	18.1	13.0	11.7	2.2	2.0	27.4	22.6	2.1	2.2	9.3
Axfood AB	6049	7456	21.6	19.0	10.3	9.5	0.9	0.9	26.5	22.2	3.0	3.1	9.4
Dollar General Corp	19983	23787	14.6	13.9	9.7	9.2	0.7	0.7	18.6	17.3	2.2	2.2	3.1
Kesko Oyj	7631	11089	16.7	15.2	8.8	8.2	0.9	0.9	17.3	15.4	4.9	5.3	2.8
Musti Group Oyj	681	873	16.2	14.1	9.2	8.4	1.8	1.7	17.2	15.2	3.9	4.4	3.3
Verkkokauppa.com Oyj	174	201	16.0	15.4	10.5	10.1	0.4	0.4	19.4	19.4	2.3	2.8	4.7
Tokmanni Oyj	560	1476	16.5	13.6	6.7	6.0	0.9	0.8	13.3	9.7	5.8	7.4	2.1
Rusta	1040	1549	19.3	15.2	9.2	7.8	1.4	1.3	22.2	15.7	1.9	2.5	5.0
Tractor Supply	26413	27673	21.4	19.8	16.1	14.9	2.1	2.0	27.8	25.1	1.6	1.7	12.1
Puulo Oyj (Inderes)	1248	1367	17.9	15.3	14.0	11.6	3.1	2.7	22.1	18.7	3.6	4.3	12.6
Average			18.3	15.9	9.9	9.1	1.2	1.2	21.0	17.8	3.0	3.5	5.2
Median			16.7	15.2	9.5	8.4	0.9	0.9	19.4	17.3	2.3	2.9	3.9
Diff-% to median			8%	0%	47%	38%	239%	208%	14%	8%	58%	49%	225%

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	339	75.4	120	102	85.8	383	89.3	136	115	103	443	504	567	632
EBITDA	67.8	12.4	29.0	23.9	18.7	84.0	15.8	32.8	26.8	22.3	97.7	118	132	148
Depreciation	-15.0	-4.8	-4.5	-4.6	-4.8	-18.7	-5.4	-5.3	-5.2	-5.7	-21.5	-28.5	-30.5	-34.2
EBIT (excl. NRI)	52.8	7.6	24.4	19.3	13.9	65.2	10.4	27.5	21.6	16.6	76.2	89.5	102	114
EBIT	52.8	7.6	24.4	19.3	13.9	65.2	10.4	27.5	21.6	16.6	76.2	89.5	102	114
Net financial items	-4.5	-1.3	-1.3	-1.2	-1.3	-5.1	-1.4	-1.4	-1.4	-1.4	-5.7	-6.2	-6.6	-6.7
PTP	48.4	6.3	23.1	18.1	12.6	60.1	9.0	26.0	20.2	15.2	70.5	83.3	95.4	107
Taxes	-9.7	-1.3	-4.6	-3.6	-2.5	-12.0	-1.8	-5.2	-4.0	-3.0	-14.1	-16.7	-17.2	-19.3
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	38.7	5.0	18.5	14.5	10.1	48.1	7.2	20.8	16.2	12.1	56.4	66.6	78.2	88.1
EPS (adj.)	0.46	0.06	0.22	0.17	0.12	0.57	0.09	0.25	0.19	0.14	0.66	0.79	0.92	1.04
EPS (rep.)	0.46	0.06	0.22	0.17	0.12	0.57	0.09	0.25	0.19	0.14	0.66	0.79	0.92	1.04

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	14.2 %	16.1 %	14.9 %	10.7 %	11.8 %	13.3 %	18.4 %	13.2 %	12.2 %	19.9 %	15.5 %	13.8 %	12.5 %	11.6 %
Adjusted EBIT growth-%	11.0 %	8.1 %	18.8 %	28.8 %	35.8 %	23.5 %	37.6 %	12.5 %	12.1 %	19.5 %	16.8 %	17.4 %	14.0 %	12.0 %
EBITDA-%	20.0 %	16.4 %	24.2 %	23.4 %	21.8 %	21.9 %	17.7 %	24.1 %	23.4 %	21.7 %	22.1 %	23.4 %	23.4 %	23.5 %
Adjusted EBIT-%	15.6 %	10.0 %	20.4 %	18.9 %	16.2 %	17.0 %	11.7 %	20.2 %	18.9 %	16.2 %	17.2 %	17.8 %	18.0 %	18.1 %
Net earnings-%	11.4 %	6.7 %	15.4 %	14.2 %	11.8 %	12.6 %	8.1 %	15.3 %	14.1 %	11.8 %	12.7 %	13.2 %	13.8 %	13.9 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	127	139	151	163	177
Goodwill	33.5	33.5	33.5	33.5	33.5
Intangible assets	16.4	16.0	16.3	16.6	16.9
Tangible assets	75.9	88.0	101	113	127
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.0	1.3	0.0	0.0	0.0
Current assets	122	142	166	195	225
Inventories	93.1	116	111	126	142
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	7.2	8.2	8.9	11.0	12.4
Cash and equivalents	21.5	18.3	46.3	58.0	70.5
Balance sheet total	249	281	317	358	402

Source: Inderes

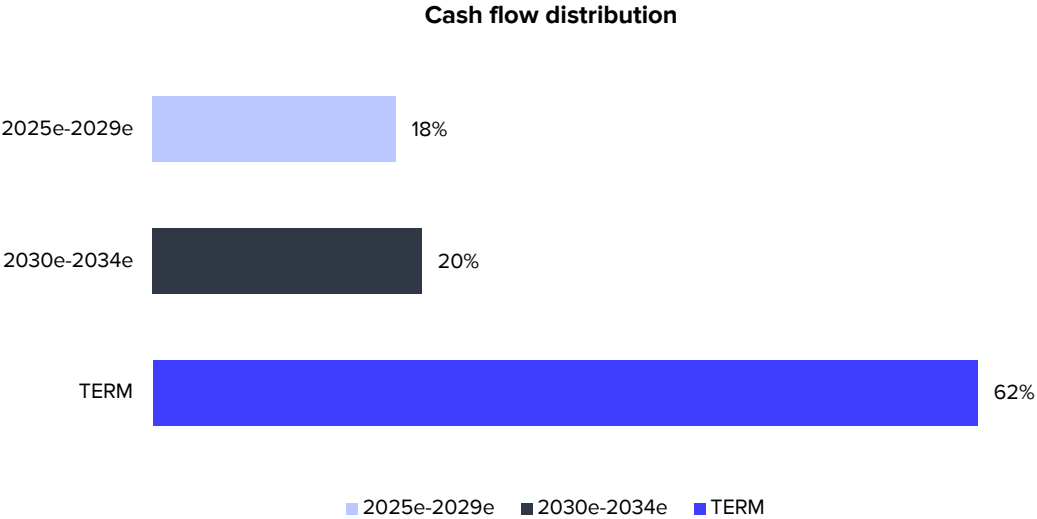
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	85.0	102	98.8	120	145
Share capital	29.1	29.1	29.1	29.1	29.1
Retained earnings	55.9	72.7	69.7	91.3	116
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	112	122	165	177	189
Deferred tax liabilities	2.7	2.5	0.0	0.0	0.0
Provisions	0.9	1.0	0.0	0.0	0.0
Interest bearing debt	108	118	165	177	189
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	51.7	57.4	53.1	60.5	68.0
Interest bearing debt	14.6	15.0	0.0	0.0	0.0
Payables	37.1	42.4	53.1	60.5	68.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	249	281	317	358	402

# DCF-calculation

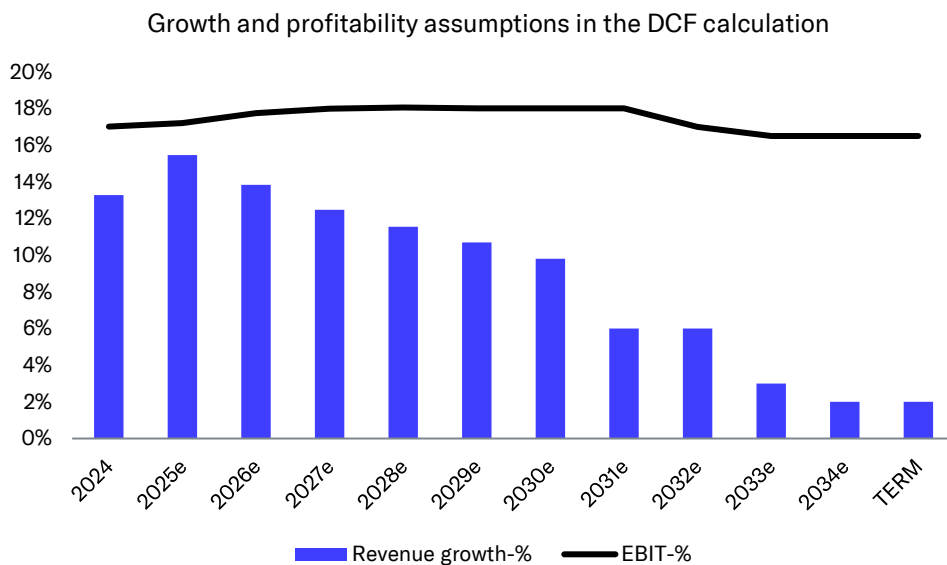
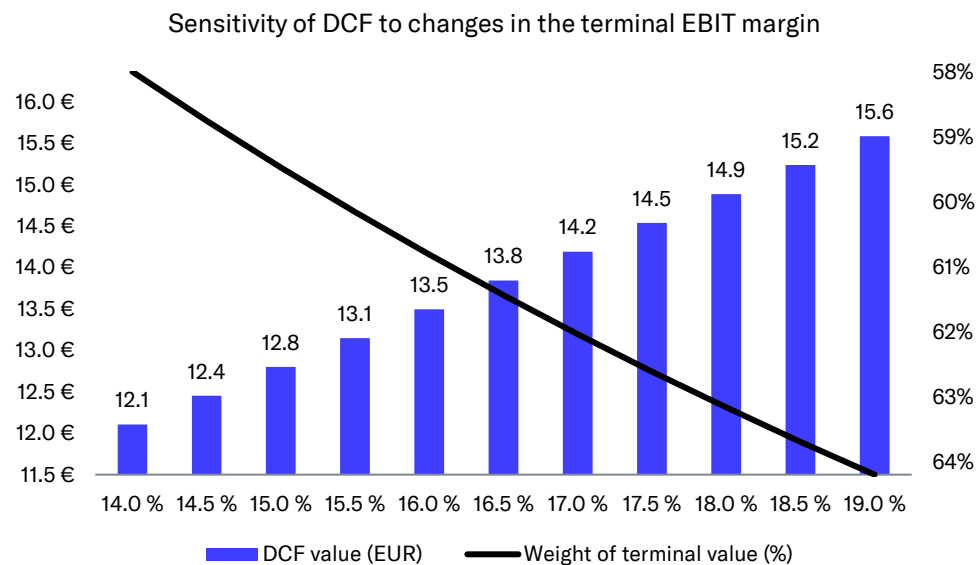
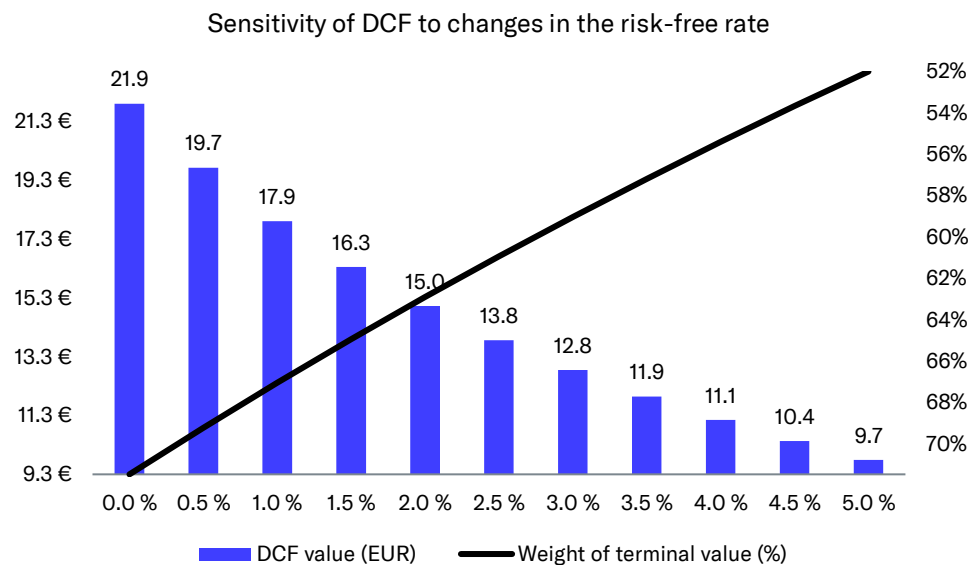
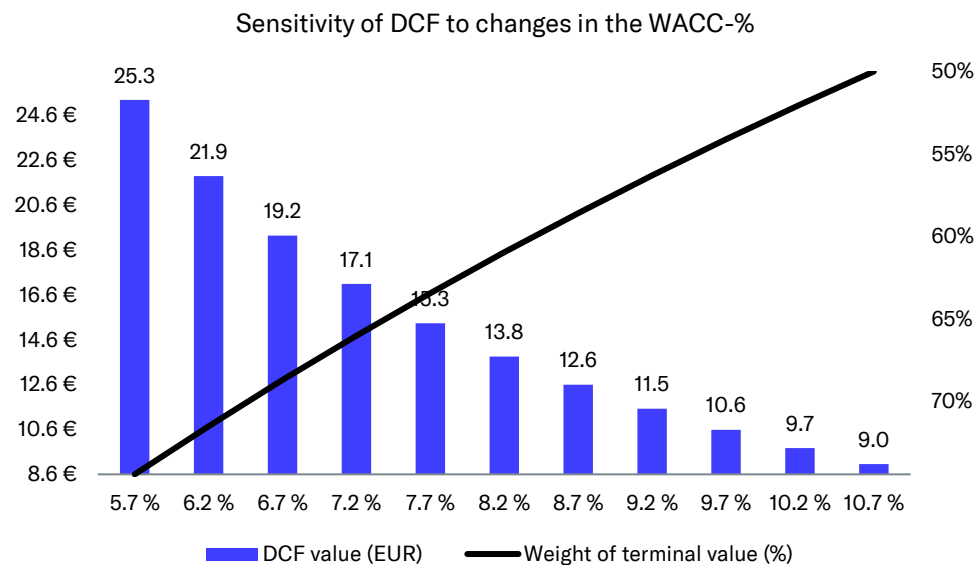
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.3 %	15.5 %	13.8 %	12.5 %	11.6 %	10.7 %	9.8 %	6.0 %	6.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	17.0 %	17.2 %	17.8 %	18.0 %	18.1 %	18.0 %	18.0 %	18.0 %	17.0 %	16.5 %	16.5 %	16.5 %
EBIT (operating profit)	65.2	76.2	89.5	102	114	126	138	147	147	147	150	
+ Depreciation	18.7	21.5	28.5	30.5	34.2	34.5	37.9	40.7	43.1	45.2	47.0	
- Paid taxes	-12.5	-15.3	-16.7	-17.2	-19.3	-21.2	-23.3	-24.7	-24.6	-24.5	-26.2	
- Tax, financial expenses	-1.0	-1.1	-1.2	-1.2	-1.2	-1.4	-1.6	-1.7	-1.8	-1.9	-1.9	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	
- Change in working capital	-18.2	14.9	-10.1	-9.6	-10.0	-10.3	-10.4	-7.0	-7.4	-3.9	-2.7	
Operating cash flow	52.3	96.2	90.0	105	118	128	141	154	156	162	167	
+ Change in other long-term liabilities	0.1	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-30.5	-35.1	-40.1	-45.1	-48.1	-49.6	-50.6	-51.6	-52.6	-53.6	-54.9	
Free operating cash flow	21.9	60.0	49.8	59.4	69.7	78.0	90.3	102	103	108	112	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	21.9	60.0	49.8	59.4	69.7	78.0	90.3	102	103	108	112	1851
Discounted FCFF		58.6	45.0	49.5	53.8	55.6	59.5	62.4	58.3	56.2	54.0	891
Sum of FCFF present value		1444	1385	1340	1291	1237	1181	1122	1060	1001	945	891
Enterprise value DCF		1444										
- Interest bearing debt		-133.1										
+ Cash and cash equivalents		18.3										
-Minorities		0.0										
-Dividend/capital return		-59.3										
Equity value DCF		1270										
Equity value DCF per share		15.0										

WACC	
Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.2 %

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	2023	2024	2025e	2026e	Per share data	2023	2024	2025e	2026e
Revenue	338.5	383.4	442.7	504.0	EPS (reported)	0.46	0.57	0.66	0.79
EBITDA	67.8	84.0	97.7	118.0	EPS (adj.)	0.46	0.57	0.66	0.79
EBIT	52.8	65.2	76.2	89.5	OCF / share	0.71	0.62	1.13	1.06
PTP	48.4	60.1	70.5	83.3	OFCF / share	0.31	0.26	0.71	0.59
Net Income	38.7	48.1	56.4	66.6	Book value / share	1.00	1.20	1.17	1.42
Extraordinary items	0.0	0.0	0.0	0.0	Dividend / share	0.38	0.70	0.53	0.63
Balance sheet	2023	2024	2025e	2026e	Growth and profitability	2023	2024	2025e	2026e
Balance sheet total	248.5	280.8	316.9	357.7	Revenue growth-%	14%	13%	15%	14%
Equity capital	85.0	101.8	98.8	120.4	EBITDA growth-%	12%	24%	16%	21%
Goodwill	33.5	33.5	33.5	33.5	EBIT (adj.) growth-%	11%	24%	17%	17%
Net debt	101.3	114.8	118.7	118.9	EPS (adj.) growth-%	8%	24%	17%	18%
Cash flow	2023	2024	2025e	2026e	EBITDA-%	20.0 %	21.9 %	22.1 %	23.4 %
EBITDA	67.8	84.0	97.7	118.0	EBIT (adj.)-%	15.6 %	17.0 %	17.2 %	17.8 %
Change in working capital	0.4	-18.2	14.9	-10.1	EBIT-%	15.6 %	17.0 %	17.2 %	17.8 %
Operating cash flow	60.0	52.3	96.2	90.0	ROE-%	48.0 %	51.5 %	56.2 %	60.8 %
CAPEX	-34.2	-30.5	-35.1	-40.1	ROI-%	25.9 %	29.5 %	30.6 %	31.9 %
Free cash flow	26.7	21.9	60.0	49.8	Equity ratio	34.2 %	36.3 %	31.2 %	33.7 %
Valuation multiples	2023	2024	2025e	2026e	Gearing	119.2 %	112.8 %	120.1 %	98.8 %
EV/S	2.6	2.6	3.1	2.7					
EV/EBITDA	13.1	11.7	14.0	11.6					
EV/EBIT (adj.)	16.8	15.1	17.9	15.3					
P/E (adj.)	20.3	18.0	22.1	18.7					
P/B	9.2	8.5	12.6	10.4					
Dividend-%	4.1 %	6.8 %	3.6 %	4.3 %					

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
10/12/2021	Accumulate	8.50 €	7.77 €
12/17/2021	Accumulate	10.00 €	8.88 €
4/1/2022	Buy	8.50 €	6.72 €
5/27/2022	Buy	6.00 €	5.16 €
6/15/2022	Buy	6.00 €	4.79 €
9/8/2022	Buy	6.00 €	4.94 €
9/16/2022	Buy	6.00 €	4.92 €
12/16/2022	Buy	6.70 €	5.92 €
3/31/2023	Buy	7.00 €	6.11 €
5/16/2023	Accumulate	8.00 €	7.34 €
6/15/2023	Accumulate	8.00 €	7.18 €
<i>Analyst changed</i>			
9/13/2023	Accumulate	8.50 €	7.63 €
9/25/2023	Accumulate	9.00 €	7.93 €
12/14/2023	Accumulate	9.00 €	8.41 €
3/21/2024	Reduce	9.00 €	9.26 €
3/28/2024	Accumulate	10.00 €	9.18 €
4/24/2024	Accumulate	11.00 €	9.99 €
6/13/2024	Accumulate	11.50 €	10.31 €
9/13/2024	Accumulate	11.00 €	9.84 €
12/12/2024	Accumulate	11.50 €	10.07 €
12/30/2024	Accumulate	11.50 €	10.14 €
3/10/2025	Accumulate	12.00 €	11.16 €
3/28/2025	Reduce	12.00 €	12.09 €
6/11/2025	Reduce	13.50 €	13.52 €
9/12/2025	Reduce	14.50 €	14.72 €





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