

# HARVIA

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INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# Still against strong comparables in Q1

We do not expect the war in Iran to have a significant impact on Harvia. However, we expect Q1 earnings to be slightly below last year due to strong comparison figures. We expect Harvia to continue its strong growth and value creation in the coming years. As the valuation (e.g. 2026 P/E 21x) is at an acceptable level in our view, the stock offers a good expected return. We reiterate our Buy recommendation and EUR 44 target price.

## We do not expect significant effects from Iran war for the time being

In our view, the effects of the war in Iran will primarily manifest as increased logistics costs for Harvia. However, we believe that Harvia, thanks to its strong pricing power, will be able to pass on higher costs to sales prices. The war may, to some extent, be reflected in deliveries in the Middle East, although we do not expect this to have a significant impact on the overall picture. We consider the biggest risk for the company to be a significant weakening of consumer demand. It is worth noting that in recent years, the sauna market has developed positively, especially outside Europe, even though overall consumer demand has been subdued. Thus, in our opinion, Harvia still has good preconditions to continue its growth trend.

## We believe earnings will be slightly below the comparison period in Q1

We believe Harvia's Q1 growth will be slowed, similar to Q4'25, by a strong comparison period in the US, the weakening dollar, and to a small extent, the impact of the war in Iran on Middle East deliveries. Regarding the result, we note that the material margin in the comparison period was strong (over 66%), while the company's average level in recent years has been slightly over 64%, which we also forecast for Q1'26. As Harvia has systematically increased its fixed costs in recent years, we expect slightly weaker growth and a lower margin to also be reflected in the operating profit. We forecast adjusted EBIT to

decrease from 11.9 MEUR in the comparison period to 11.4 MEUR. We estimate the margin to be around 21%, which is in line with the company's target level (above 20%), although Q1 is typically a seasonally strong quarter. We marginally cut our estimates (by about 1%) for the entire forecast period in this report.

## In coming years, we expect progress to be in line with targets

Harvia's targets include annual sales growth of 10% (incl. acquisitions) and an EBIT margin of over 20%. We believe it will reach these targets in the coming years through organic growth alone. As in recent years, growth in our estimates is driven by non-European regions, with growth in the US, in particular, supported by the company's increased expansion in steam and infrared products. We believe this will allow Harvia to gain further market share in the US. We also believe that the growth of the APAC&MEA region will increasingly support the Group's overall growth as the region's share of revenue increases (11% in 2025). We also expect Harvia to maintain profitability at the target level of 20-22%. However, we estimate that growth investments will be reflected in the margin, which, despite strong growth, will not scale up significantly in our forecasts.

## Valuation is attractive

This year's multiples (EV/EBIT 16x, P/E 21x) appear acceptable in our view, considering the company's quality and growth profile. We consider the company's return on capital and cash flow generation capabilities excellent, and multiples will moderate further in the coming years. We believe that Harvia's capital allocation will continue to be value-creating, and thus channeling cash either to acquisitions or larger dividends would support the investor's expected return. The company hinted at the possibility of acquisitions in the near future, which we consider realistic in light of its strong balance sheet. We also see Harvia as a viable acquisition target.

## Recommendation

**Buy**

(was Buy)

## Target price:

**EUR 44.00**

(was EUR 44.00)

## Share price:

EUR 34.95

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	199	218	241	265
<b>growth-%</b>	14%	10%	10%	10%
<b>EBIT adj.</b>	39.1	44.1	51.4	57.8
<b>EBIT-% adj.</b>	19.7 %	20.2 %	21.3 %	21.8 %
<b>Net income</b>	26.4	31.5	37.8	43.5
<b>EPS (adj.)</b>	1.46	1.69	2.01	2.32
<b>P/E (adj.)</b>	29.4	20.7	17.4	15.1
<b>P/B</b>	6.2	4.5	3.9	3.4
<b>Dividend yield-%</b>	1.8 %	2.3 %	2.9 %	4.0 %
<b>EV/EBIT (adj.)</b>	22.1	16.2	13.6	11.8
<b>EV/EBITDA</b>	18.9	13.8	11.7	10.1
<b>EV/S</b>	4.3	3.3	2.9	2.6

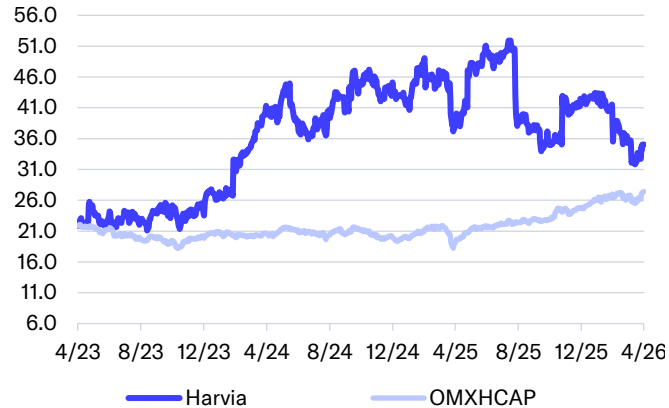
Source: Inderes

## Guidance

(Unchanged)

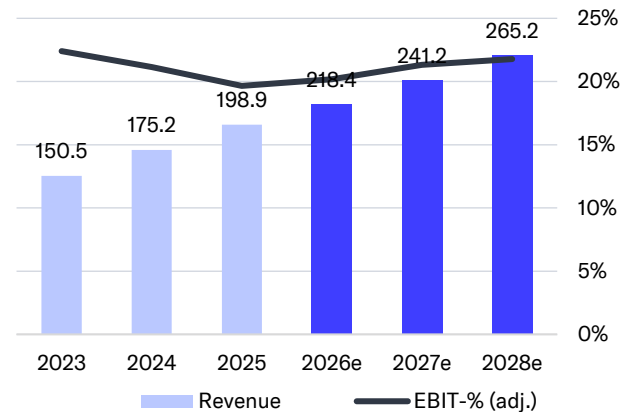
Harvia does not publish a short-term outlook.

## Share price



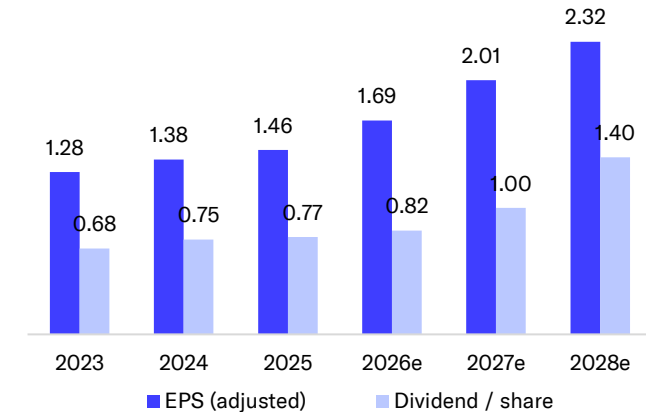
Source: Millstream Market Data AB

## Revenue and EBIT % (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Stably growing sauna and spa market in the longer term
- Leading market position and best profitability in the sector
- Strong cash flow and low investment need
- Revenue growth through complementing acquisitions and expansion of the reseller network

## Risk factors

- Dependence on the Muurame plant
- Changes in the competitive field or position
- Economic fluctuations and fluctuations on the construction market may slow down growth
- Successful integration of acquisitions
- Weakening global demand trend for saunas

Valuation	2026e	2027e	2028e
Share price	35.0	35.0	35.0
Number of shares, millions	18.8	18.8	18.8
Market cap	657	657	657
EV	712	699	684
P/E (adj.)	20.7	17.4	15.1
P/E	20.9	17.4	15.1
P/B	4.5	3.9	3.4
P/S	3.0	2.7	2.5
EV/Sales	3.3	2.9	2.6
EV/EBITDA	13.8	11.7	10.1
EV/EBIT (adj.)	16.2	13.6	11.8
Payout ratio (%)	49.0 %	49.7 %	60.5 %
Dividend yield-%	2.3 %	2.9 %	4.0 %

Source: Inderes

# Fine-tuned estimates

## We believe earnings will be slightly below the comparison period in Q1

We believe Harvia's Q1 growth will be slowed, similar to Q4'25, by a strong comparison period in the US, the weakening dollar, and to a small extent, the impact of the war in Iran on Middle East deliveries. We believe growth in euros will remain at 5%, similar to Q4, although in comparable currencies, growth is close to the company's long-term target of 10%. We expect growth to continue in all geographical areas, similar to last year.

Regarding the bottom line, it is worth noting that the material margin in the comparison period was strong (over 66%), whereas the company's average level in recent years has been slightly over 64%, which we also forecast for Q1. Because Harvia has systematically increased its fixed costs in recent years, we estimate that slightly weaker growth combined with a lower margin will also be reflected in EBIT. We forecast adjusted EBIT to decrease from 11.9

MEUR in the comparison period to 11.4 MEUR. We estimate the margin to be around 21%, which is in line with the company's target level (above 20%), although Q1 is typically a seasonally strong quarter.

At the current USD exchange rate, the headwind will decrease in Q2. Q2 was a weak quarter for Harvia last year, so the comparison figure for Q2 is clearly weaker than for the two preceding quarters. We believe the comparison figures for the rest of the year are relatively normal.

## Only minor adjustments to full-year estimates

We lowered our estimates for Q1'26, but the changes on an annual level remain very small. Our estimates decreased by 1% throughout our forecast years.

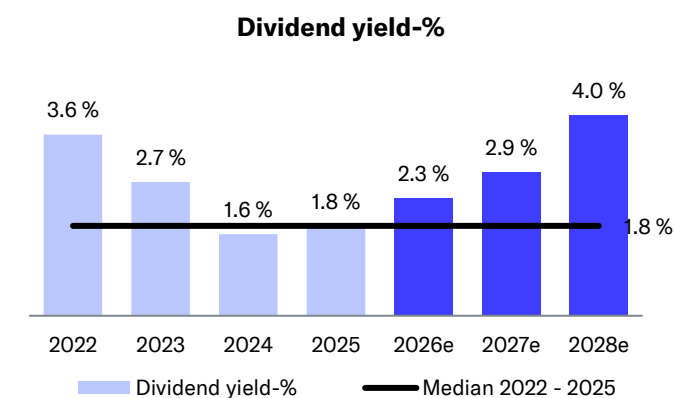
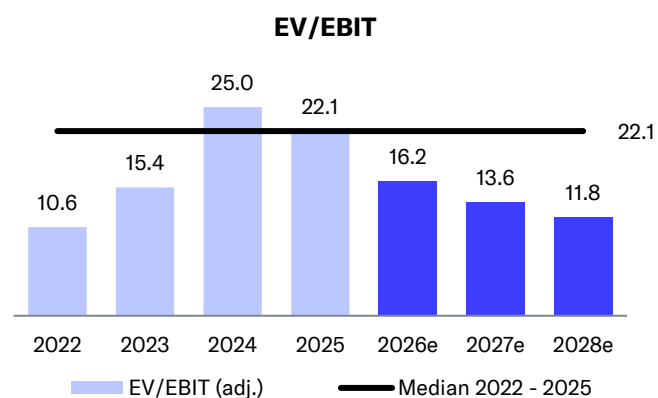
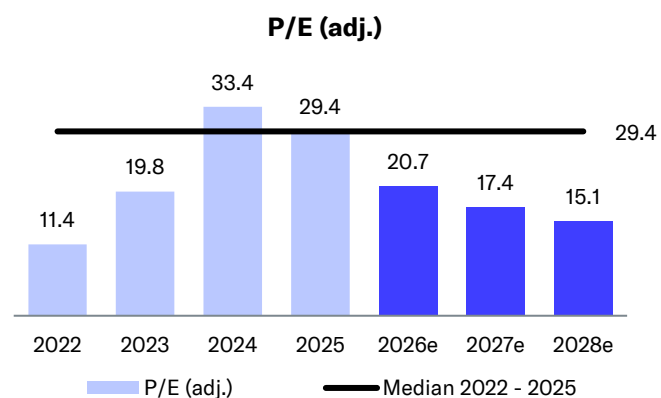
Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	220	218	-1%	243	241	-1%	267	265	-1%
EBITDA	52.2	51.6	-1%	60.0	59.6	-1%	68.2	67.8	-1%
EBIT	44.4	43.8	-1%	51.8	51.4	-1%	58.2	57.8	-1%
PTP	41.0	40.4	-1%	48.8	48.5	-1%	56.2	55.8	-1%
EPS (excl. NRIs)	1.72	1.69	-1%	2.03	2.01	-1%	2.33	2.32	-1%
DPS	0.82	0.82	0%	1.00	1.00	0%	1.40	1.40	0%

Source: Inderes

# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.7	17.7	25.5	46.1	42.9	35.0	35.0	35.0	35.0
Number of shares, millions	18.6	18.7	18.7	18.7	18.7	18.8	18.8	18.8	18.8
Market cap	1091	330	476	860	801	657	657	657	657
EV	1181	388	518	926	865	712	699	684	670
P/E (adj.)	31.7	11.4	19.8	33.4	29.4	20.7	17.4	15.1	13.4
P/E	32.4	12.2	20.4	35.6	30.3	20.9	17.4	15.1	13.4
P/B	13.5	3.4	4.4	7.0	6.2	4.5	3.9	3.4	3.0
P/S	6.1	1.9	3.2	4.9	4.0	3.0	2.7	2.5	2.2
EV/Sales	6.6	2.3	3.4	5.3	4.3	3.3	2.9	2.6	2.3
EV/EBITDA	22.5	9.2	13.2	21.8	18.9	13.8	11.7	10.1	8.9
EV/EBIT (adj.)	24.9	10.6	15.4	25.0	22.1	16.2	13.6	11.8	10.3
Payout ratio (%)	33%	44%	55%	58%	54%	49%	50%	60%	60%
Dividend yield-%	1.0 %	3.6 %	2.7 %	1.6 %	1.8 %	2.3 %	2.9 %	4.0 %	4.5 %

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 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Thule Group AB	2258	2631	15.7	14.0	13.1	11.8	2.7	2.5	19.3	17.0	4.0	4.6	3.1
Nobia AB	256	663	17.3	12.1	7.5	6.2	1.0	1.0	10.4	7.2	2.6	2.6	0.9
Dometic Group AB	854	1926	9.6	8.4	6.5	6.1	1.0	1.0	6.8	5.7	4.8	5.8	0.4
Nokian Tyres plc	1335	1999	20.0	13.2	7.9	6.5	1.4	1.3	21.3	12.2	3.0	3.7	1.1
Rapala VMC Oyj	40	139	13.9	10.7	6.5	5.9	0.6	0.6	68.7	11.4		1.0	0.4
Husqvarna AB	2144	3108	10.6	9.2	5.5	5.0	0.7	0.7	13.3	10.4	3.6	4.6	0.9
Inwido AB	868	1067	11.5	10.5	8.3	7.7	1.2	1.1	14.6	12.8	3.8	4.0	1.6
Nibe Industrier AB	7262	8838	19.2	17.2	13.4	12.2	2.3	2.1	24.3	21.1	1.3	1.4	2.4
Technogym SpA	3926	3772	21.3	19.1	15.9	14.5	3.4	3.2	30.0	26.8	2.2	2.4	9.6
Rockwool A/S	5574	5742	11.1	10.3	7.2	6.7	1.5	1.5	13.9	13.0	2.4	2.6	1.9
Kingspan Group PLC	13905	16256	16.1	14.5	12.3	11.1	1.6	1.5	18.5	16.2	0.8	0.9	2.8
Electrolux AB	1641	4179	9.5	8.3	4.4	4.1	0.4	0.3	7.6	6.0	4.2	5.2	1.6
De' Longhi SpA	5135	4604	9.0	8.3	7.1	6.6	1.2	1.1	14.2	13.1	3.1	3.3	2.4
Tulikivi	34	45	45.4	22.7	11.4	11.4	1.5	1.4	57.0	19.0		3.5	2.0
<b>Harvia (Inderes)</b>	<b>657</b>	<b>712</b>	<b>16.2</b>	<b>13.6</b>	<b>13.8</b>	<b>11.7</b>	<b>3.3</b>	<b>2.9</b>	<b>20.7</b>	<b>17.4</b>	<b>2.3</b>	<b>2.9</b>	<b>4.5</b>
<b>Average</b>			<b>16.4</b>	<b>12.7</b>	<b>9.1</b>	<b>8.3</b>	<b>1.5</b>	<b>1.4</b>	<b>22.8</b>	<b>13.7</b>	<b>3.0</b>	<b>3.3</b>	<b>2.2</b>
<b>Median</b>			<b>14.8</b>	<b>11.4</b>	<b>7.7</b>	<b>6.7</b>	<b>1.3</b>	<b>1.2</b>	<b>16.6</b>	<b>12.9</b>	<b>3.1</b>	<b>3.4</b>	<b>1.7</b>
<b>Diff-% to median</b>			<b>9%</b>	<b>19%</b>	<b>80%</b>	<b>76%</b>	<b>158%</b>	<b>144%</b>	<b>25%</b>	<b>35%</b>	<b>-23%</b>	<b>-16%</b>	<b>159%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>175</b>	<b>52.0</b>	<b>47.2</b>	<b>46.0</b>	<b>53.7</b>	<b>199</b>	<b>54.6</b>	<b>53.5</b>	<b>50.5</b>	<b>59.8</b>	<b>218</b>	<b>241</b>	<b>265</b>	<b>292</b>
North Europe	43.8	11.9	11.5	11.1	12.1	46.6	12.5	12.1	11.4	12.7	48.7	50.7	52.2	53.7
Continental Europe	52.7	14.5	12.7	12.6	15.8	55.6	15.1	13.7	13.1	16.7	58.5	61.5	64.5	67.8
North America	62.0	21.8	16.6	16.6	20.8	75.8	22.5	20.8	19.1	23.8	86.1	99.0	114	131
APAC & MEA	16.7	3.8	6.4	5.7	5.1	21.0	4.6	7.0	6.8	6.6	25.1	30.1	34.6	39.8
<b>EBITDA</b>	<b>42.4</b>	<b>13.8</b>	<b>9.4</b>	<b>10.2</b>	<b>12.4</b>	<b>45.8</b>	<b>13.2</b>	<b>11.8</b>	<b>11.4</b>	<b>15.2</b>	<b>51.6</b>	<b>59.6</b>	<b>67.8</b>	<b>75.6</b>
Depreciation	-7.0	-1.9	-1.8	-1.8	-2.0	-7.5	-1.9	-1.9	-2.0	-2.0	-7.8	-8.2	-10.0	-10.5
<b>EBIT (excl. NRI)</b>	<b>37.1</b>	<b>11.9</b>	<b>8.2</b>	<b>8.5</b>	<b>10.5</b>	<b>39.1</b>	<b>11.4</b>	<b>10.1</b>	<b>9.4</b>	<b>13.2</b>	<b>44.1</b>	<b>51.4</b>	<b>57.8</b>	<b>65.1</b>
<b>EBIT</b>	<b>35.5</b>	<b>11.9</b>	<b>7.6</b>	<b>8.4</b>	<b>10.4</b>	<b>38.3</b>	<b>11.3</b>	<b>9.9</b>	<b>9.4</b>	<b>13.2</b>	<b>43.8</b>	<b>51.4</b>	<b>57.8</b>	<b>65.1</b>
Net financial items	-3.6	-1.4	-2.2	-0.5	-1.1	-5.1	-0.9	-0.9	-0.8	-0.8	-3.4	-3.0	-2.0	-2.2
<b>PTP</b>	<b>31.8</b>	<b>10.5</b>	<b>5.4</b>	<b>8.0</b>	<b>9.3</b>	<b>33.2</b>	<b>10.4</b>	<b>9.0</b>	<b>8.6</b>	<b>12.4</b>	<b>40.4</b>	<b>48.5</b>	<b>55.8</b>	<b>62.9</b>
Taxes	-7.6	-2.1	-1.1	-1.9	-1.7	-6.8	-2.3	-2.0	-1.9	-2.7	-8.9	-10.7	-12.3	-13.8
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
<b>Net earnings</b>	<b>24.2</b>	<b>8.4</b>	<b>4.4</b>	<b>6.1</b>	<b>7.6</b>	<b>26.4</b>	<b>8.1</b>	<b>7.0</b>	<b>6.7</b>	<b>9.7</b>	<b>31.5</b>	<b>37.8</b>	<b>43.5</b>	<b>49.1</b>
<b>EPS (adj.)</b>	<b>1.38</b>	<b>0.45</b>	<b>0.27</b>	<b>0.33</b>	<b>0.41</b>	<b>1.46</b>	<b>0.44</b>	<b>0.38</b>	<b>0.35</b>	<b>0.51</b>	<b>1.69</b>	<b>2.01</b>	<b>2.32</b>	<b>2.61</b>
<b>EPS (rep.)</b>	<b>1.30</b>	<b>0.45</b>	<b>0.23</b>	<b>0.33</b>	<b>0.41</b>	<b>1.42</b>	<b>0.43</b>	<b>0.37</b>	<b>0.35</b>	<b>0.51</b>	<b>1.68</b>	<b>2.01</b>	<b>2.32</b>	<b>2.61</b>

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	16.4 %	22.6 %	9.3 %	18.9 %	5.5 %	13.5 %	5.0 %	13.4 %	9.7 %	11.4 %	9.8 %	10.4 %	9.9 %	10.2 %
<b>Adjusted EBIT growth-%</b>	9.9 %	17.8 %	-12.7 %	-3.8 %	20.3 %	5.5 %	-4.1 %	23.3 %	9.7 %	26.0 %	12.7 %	16.7 %	12.3 %	12.6 %
<b>EBITDA-%</b>	24.2 %	26.5 %	19.9 %	22.2 %	23.0 %	23.0 %	24.2 %	22.1 %	22.5 %	25.4 %	23.6 %	24.7 %	25.6 %	25.9 %
<b>Adjusted EBIT-%</b>	21.2 %	22.9 %	17.4 %	18.5 %	19.5 %	19.7 %	20.9 %	18.9 %	18.5 %	22.0 %	20.2 %	21.3 %	21.8 %	22.3 %
<b>Net earnings-%</b>	13.8 %	16.1 %	9.2 %	13.2 %	14.2 %	13.3 %	14.9 %	13.1 %	13.2 %	16.2 %	14.4 %	15.7 %	16.4 %	16.8 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>146</b>	<b>149</b>	<b>156</b>	<b>163</b>	<b>168</b>
Goodwill	91.1	89.3	89.3	89.3	89.3
Intangible assets	16.9	19.2	24.2	29.2	32.7
Tangible assets	36.3	38.8	41.0	42.8	44.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.0	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	0.8	1.4	1.4	1.4	1.4
<b>Current assets</b>	<b>119</b>	<b>123</b>	<b>127</b>	<b>114</b>	<b>125</b>
Inventories	49.2	52.1	54.6	57.9	63.6
Other current assets	0.6	0.8	0.8	0.8	0.8
Receivables	22.3	24.6	28.4	31.4	34.5
Cash and equivalents	46.4	45.2	43.7	24.1	26.5
<b>Balance sheet total</b>	<b>265</b>	<b>271</b>	<b>283</b>	<b>277</b>	<b>293</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>124</b>	<b>130</b>	<b>148</b>	<b>170</b>	<b>195</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	86.8	99.1	116	139	163
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	35.9	30.2	30.2	30.2	30.2
Minorities	1.2	1.1	1.1	1.1	1.1
<b>Non-current liabilities</b>	<b>111</b>	<b>107</b>	<b>87.8</b>	<b>54.7</b>	<b>45.0</b>
Deferred tax liabilities	2.7	2.2	2.2	2.2	2.2
Provisions	2.8	2.4	2.4	2.4	2.4
Interest bearing debt	103	102	82.3	49.2	39.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	3.0	0.9	0.9	0.9	0.9
<b>Current liabilities</b>	<b>29.3</b>	<b>33.5</b>	<b>47.8</b>	<b>52.1</b>	<b>53.3</b>
Interest bearing debt	1.0	1.3	11.5	12.3	9.9
Payables	26.4	28.6	32.8	36.2	39.8
Other current liabilities	1.9	3.6	3.6	3.6	3.6
<b>Balance sheet total</b>	<b>264</b>	<b>271</b>	<b>283</b>	<b>277</b>	<b>293</b>

# DCF calculation

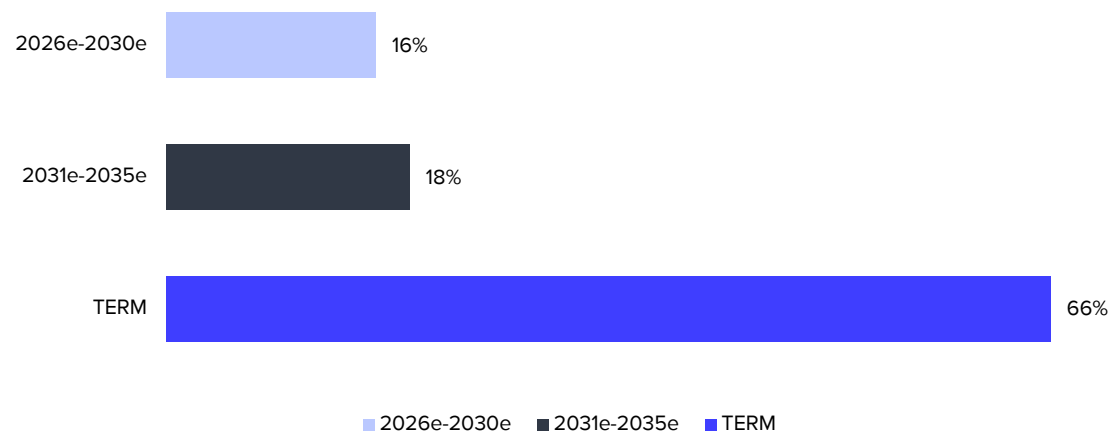
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	13.5 %	9.8 %	10.4 %	9.9 %	10.2 %	9.5 %	9.5 %	9.5 %	9.5 %	9.5 %	3.0 %	3.0 %
EBIT-%	19.3 %	20.0 %	21.3 %	21.8 %	22.3 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %
<b>EBIT (operating profit)</b>	<b>38.3</b>	<b>43.8</b>	<b>51.4</b>	<b>57.8</b>	<b>65.1</b>	<b>72.0</b>	<b>78.8</b>	<b>86.3</b>	<b>94.5</b>	<b>104</b>	<b>107</b>	
+ Depreciation	7.5	7.8	8.2	10.0	10.5	12.4	12.7	13.2	13.7	14.4	15.1	
- Paid taxes	-7.9	-8.9	-10.7	-12.3	-13.8	-15.5	-17.2	-19.0	-20.8	-22.8	-23.5	
- Tax, financial expenses	-1.1	-0.8	-0.7	-0.4	-0.5	-0.3	-0.2	0.0	0.0	0.0	0.0	
+ 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	-1.4	-2.1	-2.8	-5.3	-6.0	-6.1	-6.7	-7.3	-8.0	-8.8	-3.0	
<b>Operating cash flow</b>	<b>35.4</b>	<b>39.8</b>	<b>45.5</b>	<b>49.8</b>	<b>55.3</b>	<b>62.5</b>	<b>67.5</b>	<b>73.2</b>	<b>79.4</b>	<b>86.4</b>	<b>95.3</b>	
+ Change in other long-term liabilities	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.4	-15.0	-15.0	-15.0	-13.8	-14.6	-15.5	-16.5	-17.6	-18.4	-19.2	
<b>Free operating cash flow</b>	<b>23.6</b>	<b>24.8</b>	<b>30.5</b>	<b>34.8</b>	<b>41.5</b>	<b>47.9</b>	<b>52.0</b>	<b>56.7</b>	<b>61.8</b>	<b>67.9</b>	<b>76.1</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	23.6	24.8	30.5	34.8	41.5	47.9	52.0	56.7	61.8	67.9	76.1	1342
<b>Discounted FCFF</b>		<b>23.4</b>	<b>26.4</b>	<b>27.7</b>	<b>30.3</b>	<b>32.1</b>	<b>32.1</b>	<b>32.1</b>	<b>32.2</b>	<b>32.5</b>	<b>33.4</b>	<b>590</b>
Sum of FCFF present value		892	868	842	814	784	752	720	688	655	623	590
<b>Enterprise value DCF</b>		<b>892</b>										
- Interest bearing debt		-103										
+ Cash and cash equivalents		45										
+ Associated companies		0										
-Minorities		-5										
-Dividend/capital return		0										
<b>Equity value DCF</b>		<b>829</b>										
<b>Equity value DCF per share</b>		<b>44.1</b>										

## WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.5
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.8 %</b>

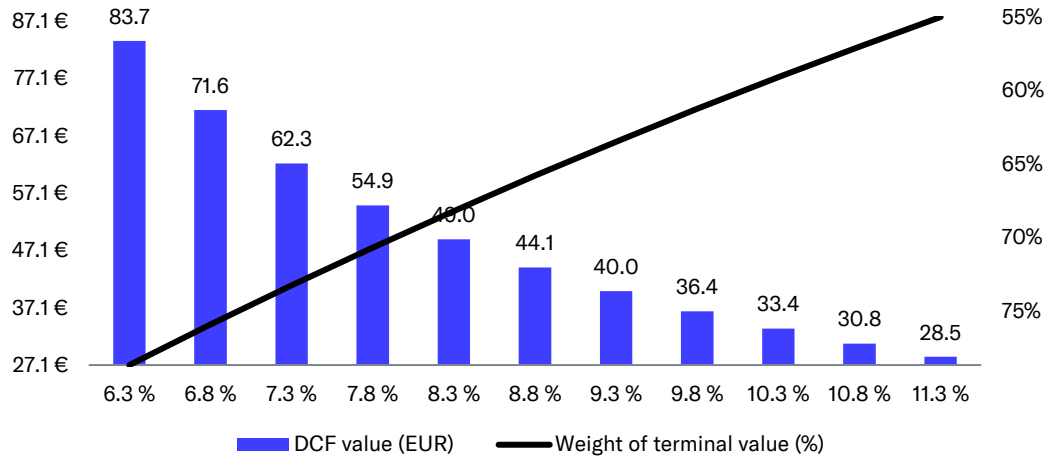
Source: Inderes

## Cash flow distribution

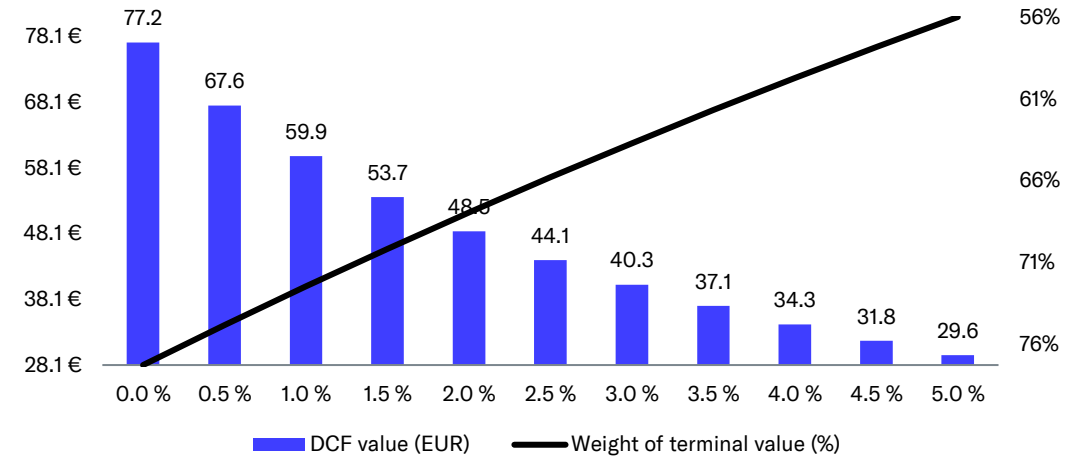


# DCF sensitivity calculations and key assumptions in graphs

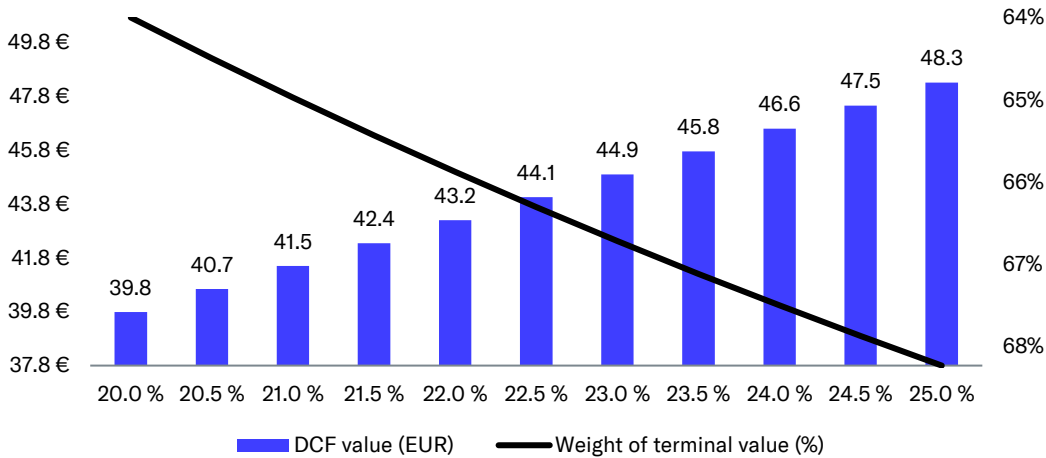
**Sensitivity of DCF to changes in the WACC-%**



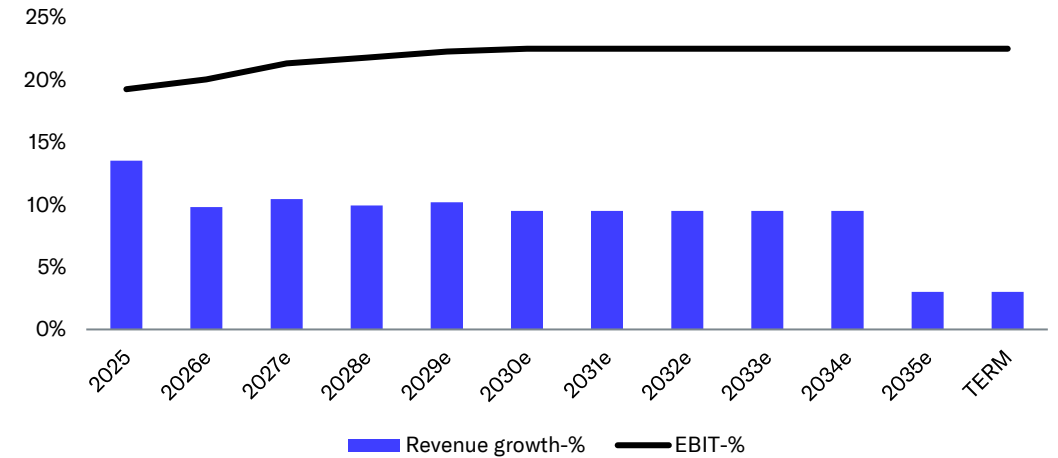
**Sensitivity of DCF to changes in the risk-free rate**



**Sensitivity of DCF to changes in the terminal EBIT margin**



**Growth and profitability assumptions in the DCF calculation**



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	150.5	175.2	198.9	<b>218.4</b>	<b>241.2</b>	EPS (reported)	1.25	1.30	1.42	<b>1.68</b>	<b>2.01</b>
EBITDA	39.3	42.4	45.8	<b>51.6</b>	<b>59.6</b>	EPS (adj.)	1.28	1.38	1.46	<b>1.69</b>	<b>2.01</b>
EBIT	33.0	35.5	38.3	<b>43.8</b>	<b>51.4</b>	OCF / share	2.09	1.43	1.90	<b>2.12</b>	<b>2.42</b>
PTP	29.5	31.8	33.2	<b>40.4</b>	<b>48.5</b>	OFCF / share	1.74	-0.44	1.26	<b>1.32</b>	<b>1.62</b>
Net Income	23.3	24.2	26.4	<b>31.5</b>	<b>37.8</b>	Book value / share	5.76	6.58	6.93	<b>7.79</b>	<b>8.98</b>
Extraordinary items	-0.7	-1.6	-0.8	<b>-0.3</b>	<b>0.0</b>	Dividend / share	0.68	0.75	0.77	<b>0.82</b>	<b>1.00</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	214.3	264.6	271.3	<b>283.3</b>	<b>276.8</b>	Revenue growth-%	-13%	16%	14%	<b>10%</b>	<b>10%</b>
Equity capital	108.7	124.0	130.5	<b>147.6</b>	<b>170.0</b>	EBITDA growth-%	-7%	8%	8%	<b>13%</b>	<b>16%</b>
Goodwill	73.4	91.1	89.3	<b>89.3</b>	<b>89.3</b>	EBIT (adj.) growth-%	-8%	10%	6%	<b>13%</b>	<b>17%</b>
Net debt	37.6	57.3	57.7	<b>50.1</b>	<b>37.4</b>	EPS (adj.) growth-%	-17%	8%	5%	<b>16%</b>	<b>19%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	26.1 %	24.2 %	23.0 %	<b>23.6 %</b>	<b>24.7 %</b>
EBITDA	39.3	42.4	45.8	<b>51.6</b>	<b>59.6</b>	EBIT (adj.)-%	22.4 %	21.2 %	19.7 %	<b>20.2 %</b>	<b>21.3 %</b>
Change in working capital	6.9	-8.9	-1.4	<b>-2.1</b>	<b>-2.8</b>	EBIT-%	21.9 %	20.2 %	19.3 %	<b>20.0 %</b>	<b>21.3 %</b>
Operating cash flow	39.1	26.7	35.4	<b>39.8</b>	<b>45.5</b>	ROE-%	22.7 %	21.0 %	20.9 %	<b>22.8 %</b>	<b>24.0 %</b>
CAPEX	-3.2	-38.4	-9.4	<b>-15.0</b>	<b>-15.0</b>	ROI-%	18.1 %	17.1 %	16.6 %	<b>18.5 %</b>	<b>21.8 %</b>
Free cash flow	32.5	-8.1	23.6	<b>24.8</b>	<b>30.5</b>	Equity ratio	50.7 %	46.9 %	48.1 %	<b>52.1 %</b>	<b>61.4 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	34.6 %	46.2 %	44.2 %	<b>34.0 %</b>	<b>22.0 %</b>
EV/S	3.4	5.3	4.3	<b>3.3</b>	<b>2.9</b>	Net debt/EBITDA	1.0	1.4	1.3	<b>1.0</b>	<b>0.6</b>
EV/EBITDA	13.2	21.8	18.9	<b>13.8</b>	<b>11.7</b>	EBITDA/net financials	11.2	11.7	9.0	<b>15.2</b>	<b>20.1</b>
EV/EBIT (adj.)	15.4	25.0	22.1	<b>16.2</b>	<b>13.6</b>						
P/E (adj.)	19.8	33.4	29.4	<b>20.7</b>	<b>17.4</b>						
P/B	4.4	7.0	6.2	<b>4.5</b>	<b>3.9</b>						
Dividend-%	2.7 %	1.6 %	1.8 %	<b>2.3 %</b>	<b>2.9 %</b>						

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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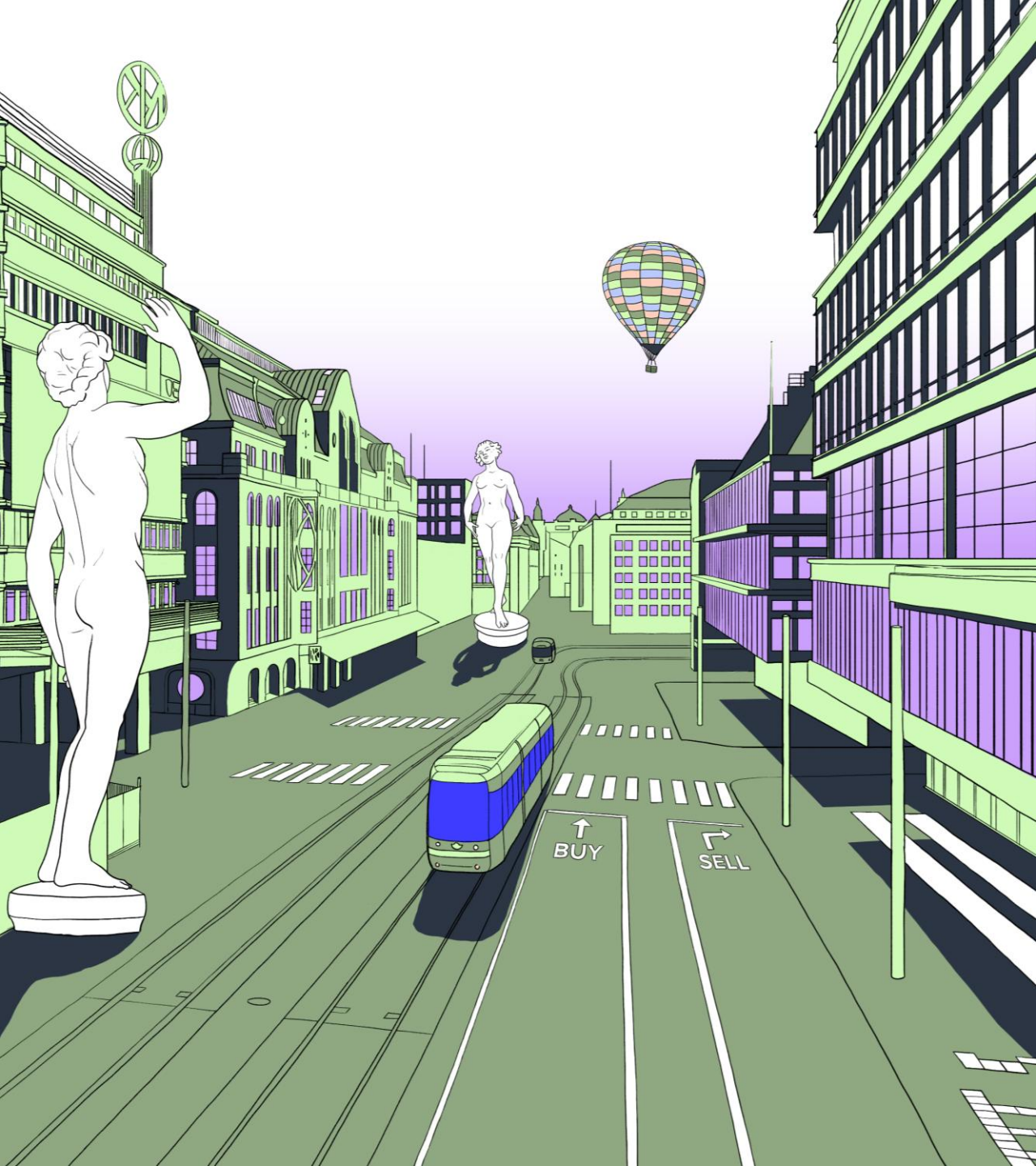
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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2022	Accumulate	22.00 €	19.93 €
9/9/2022	Buy	20.00 €	15.23 €
11/4/2022	Buy	20.00 €	15.46 €
12/19/2022	Accumulate	21.00 €	18.33 €
2/10/2023	Reduce	22.00 €	22.10 €
5/5/2023	Reduce	24.00 €	25.06 €
5/29/2023	Accumulate	24.00 €	22.14 €
8/11/2023	Accumulate	24.00 €	22.00 €
9/13/2023	Accumulate	25.50 €	24.00 €
11/3/2023	Accumulate	25.00 €	23.50 €
12/11/2023	Reduce	25.00 €	25.48 €
2/9/2024	Sell	28.00 €	32.60 €
5/6/2024	Sell	30.00 €	38.60 €
8/6/2024	Sell	32.00 €	36.50 €
8/9/2024	Sell	35.00 €	40.40 €
9/24/2024	Sell	37.00 €	42.45 €
11/8/2024	Sell	40.00 €	46.10 €
2/14/2025	Reduce	46.00 €	47.10 €
4/24/2025	Reduce	40.00 €	38.70 €
5/8/2025	Reduce	43.00 €	47.10 €
8/8/2025	Reduce	41.00 €	43.05 €
10/8/2025	Accumulate	40.00 €	35.15 €
11/7/2025	Reduce	43.00 €	42.95 €
2/13/2026	Buy	44.00 €	35.50 €
4/14/2026	Buy	44.00 €	34.95 €



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