

# NYAB

## Company report

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# Winter came early

NYAB issued its second profit warning of the year on Friday after weather conditions slowed down the progress of its projects. At the same time, the company updated its strategic plan for the next few years and its long-term financial targets, which saw a fairly clear moderation. Reflecting these factors, we lowered our growth and earnings expectations for the next few years, which means that the stock's valuation picture seems quite expensive. Hence, we lower our recommendation to Sell (was Reduce) and our target price to EUR 0.45 (was EUR 0.50).

## Weather conditions behind the decline in 2023 guidance, financial targets became more moderate

NYAB estimates that its revenue for 2023 will be EUR 270-285 MEUR (was 290-315 MEUR) and EBIT will be 14-17 MEUR (was 16-24 MEUR). According to the company, the guidance downgrade was caused by the winter starting exceptionally early and fiercely in its key markets in Northern Sweden and Finland, which resulted in its projects progressing slower than expected and revenue accrual being postponed to 2024 more than expected. We believe the warning is based on the postponement of projects and not actual problems in implementing projects, which we feel slightly softens the quality of the warning. At the same time, the company announced updated long-term financial targets and its new strategic plan for 2024-2026, the basic pillars of which were presented [here](#). Correspondingly, the new financial targets that saw some moderation, are annual revenue growth of over 10% (was over 15%), EBIT margin exceeding 7.5% (was exceeding 9%), net debt/EBITDA less than 1.5x and dividend exceeding 35% of net profit (was exceeding 30%). We feel the targets are reasonable and achievable, even though the company in its present form has to prove it can achieve the EBIT margin adjusted from one-off income. NYAB has also decided to launch a strategic review of its minority holdings (incl. Skarta Energy), which we are cautiously optimistic about as this would enable capital to be allocated to the core business.

## We lowered our estimates for the next few years

With the profit warning, we lowered our Q4 revenue and profitability forecasts and expect revenue to be 278 MEUR (was 291 MEUR) and EBIT 15.5 MEUR (was 17.0 MEUR) in 2023. Reflecting the more moderate financial targets, we lowered our growth expectations for the coming years. We still expect brisk growth to continue (+17%) next year, considering project postponements, two major projects recorded in Q4 (see comments [here](#) and [here](#)) and the stronger SEK. We have, however, lowered the slope of longer-term growth forecasts, but we expect the growth target to be exceeded still in 2025 (+13%). We also cut our margin expectations in light of the financial targets and the actual figures in recent history, and expect NYAB's EBIT to be 6.4-7.3% in 2024-2026 (was 6.8-7.6%).

## Share valuation is on the expensive side

With our forecasts, NYAB's adjusted P/E ratio for 2024 is 23x and the corresponding EV/EBIT ratio is 17x, which are clearly elevated compared to the accepted valuation range (P/E: 13-17x, EV/EBIT 12-16x). Thus, we consider the short-term valuation very challenging. This is also indicated by the medium-term expected return, which on average turns negative with our current forecasts. Thus, the investor's expected return consists of a low 1-2% dividend yield and an option that Skarta Energy develops favorably (incl. ownership arrangements). The challenge of the current valuation is also indicated by our sum of the parts model, which stands at EUR 0.38-0.49 per share after the forecast changes (was EUR 0.41-0.52). At the current share price level, the risk-adjusted expected return for the next 12 months is, in our view, very weak due to the downside of high multiples.

## Recommendation

### Sell

(previous Reduce)

### EUR 0.45

(previous EUR 0.50)

### Share price:

EUR 0.56



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	253.3	277.8	325.0	367.2
<b>growth-%</b>	92%	10%	17%	13%
<b>EBIT adj.</b>	27.2	17.6	21.7	25.8
<b>EBIT-% adj.</b>	10.7 %	6.3 %	6.7 %	7.0 %
<b>Net Income</b>	23.3	10.5	15.3	21.0
<b>EPS (adj.)</b>	0.04	0.02	0.02	0.03

<b>P/E (adj.)</b>	24.8	29.8	23.5	18.5
<b>P/B</b>	3.4	2.1	2.0	1.9
<b>Dividend yield-%</b>	0.8 %	1.1 %	1.4 %	2.0 %
<b>EV/EBIT (adj.)</b>	22.9	22.1	17.6	14.4
<b>EV/EBITDA</b>	20.5	18.3	15.1	12.6
<b>EV/S</b>	2.5	1.4	1.2	1.0

Source: Inderes

## Guidance

(Downgraded)

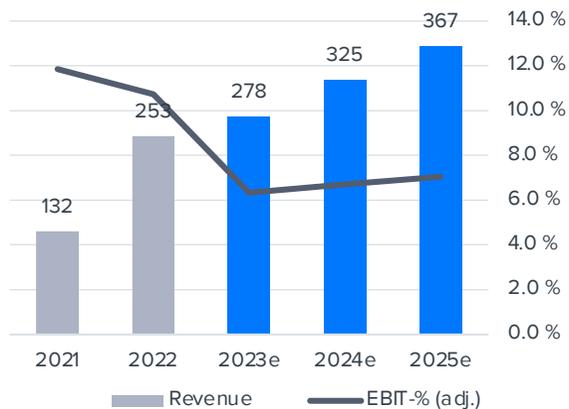
NYAB estimates that its revenue will be 270-285 MEUR and EBIT 14-17 MEUR in 2023.

### Share price



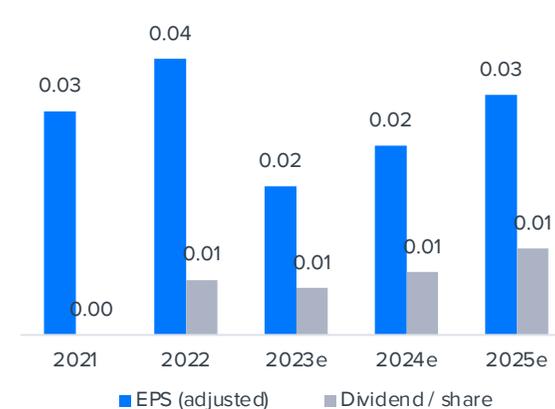
Source: Millstream Market Data AB

### Revenue and EBIT-%



Source: Inderes

### EPS and dividend



Source: Inderes



### Value drivers

- Continued growth and higher profitability than competitors
- Strong market position in target markets, especially in the Norrbotten region
- The company is well positioned in the green transition and urbanization it offers, with promising growth prospects well into the future
- Focus on less cyclical and counter-cyclical construction sectors
- Sustainable improvement in the profitability of Finnish businesses
- Potential of the renewable energy project development joint venture (Skarta Energy) if the strategy is successful
- Acquisitions that create value



### Risk factors

- Fluctuations in demand in the construction market and general economic developments
- Pricing and project risks
- Tighter competition
- Personnel risks
- EUR/SEK currency pair (+/-) may swing reported figures
- Failure in acquisitions

Valuation	2023e	2024e	2025e
Share price	0.56	0.56	0.56
Number of shares, millions	706.7	706.7	706.7
Market cap	399	399	399
EV	388	383	372
P/E (adj.)	29.8	23.5	18.5
P/E	38.0	26.1	18.9
P/B	2.1	2.0	1.9
P/S	1.4	1.2	1.1
EV/Sales	1.4	1.2	1.0
EV/EBITDA	18.3	15.1	12.6
EV/EBIT (adj.)	22.1	17.6	14.4
Payout ratio (%)	40.4 %	37.0 %	36.9 %
Dividend yield-%	1.1 %	1.4 %	2.0 %

Source: Inderes

# We lowered our estimates for the next few years

## Estimate revisions 2023e-2025e

- NYAB estimates that its revenue for 2023 will be 270-285 MEUR (was 290-315 MEUR) and EBIT will be 14-17 MEUR (was 16-24 MEUR).
- With the profit warning, we cut our Q4 revenue and profitability forecasts quite clearly and expect the company's revenue to be 278 MEUR this year (was 291 MEUR) and EBIT 15.5 MEUR (previous 17.0 MEUR).
- Correspondingly, reflecting the moderation of the financial targets, we also lowered our expectations for growth in the coming years. However, we expect the company to continue growing rapidly (+17%), especially next year, considering project postponements, two major projects recorded in Q4 (see comments [here](#) and [here](#)) and the strengthened SEK. We have, however, lowered the slope of longer-term growth forecasts, but we expect the growth target to be exceeded still in 2025 (+13%).
- We also cut our margin expectations for the next few years in light of the financial targets and the actual figures in recent history, and expect NYAB's EBIT to be 6.4-7.3% in 2024-2026 (was 6.8-7.6 %).
- Considering the cut earnings forecasts, we also cut our dividend forecasts for the coming years.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	291	278	-5%	334	325	-3%	398	367	-8%
EBITDA	22.7	21.2	-7%	27.2	25.3	-7%	33.5	29.6	-12%
EBIT (exc. NRIs)	19.1	17.6	-8%	23.6	21.7	-8%	29.8	25.8	-13%
EBIT	17.0	15.5	-9%	22.7	20.8	-8%	29.3	25.3	-14%
PTP	13.0	11.5	-11%	18.8	17.0	-10%	27.4	23.4	-15%
EPS (excl. NRIs)	0.02	0.02	-9%	0.03	0.02	-9%	0.04	0.03	-14%
DPS	0.008	0.006	-25%	0.010	0.008	-20%	0.012	0.011	-8%

Source: Inderes

# Financial targets revised to more moderate

## Strategic plan for the coming years

NYAB also published a new strategic plan for 2024-2026 on Friday. The company's vision is to be the primary partner in building a better future for future generations and the preferred workplace for dedicated professionals. Its strategic plan is based on four pillars: people first, responsibility to customers and society, operational excellence, and profitable growth. We discuss these briefly below, but a more detailed descriptions of the pillars can be found [here](#).

In our view, the people first strategic focus point is quite relevant to a personnel-driven business, and we consider it critical to the company's growth strategy to be able to gain and retain its key resources.

Correspondingly, we think that considering sustainability perspectives is quite natural and partly obligatory for the company, as the focus of its growth strategy include, e.g., solutions for construction of renewable energy and industry. This way it seeks to facilitate the green transition in the Nordic countries. Currently, the company only operates in Sweden and Finland, but based on the wording, we find it possible that the company will seek expansion to new geographic markets during the strategy period.

In operational excellence NYAB aims to scale the company's business model, which has enabled a strong track record of profitable growth in the past. It aims to further strengthen its key enablers by focusing on continuous improvement in its operations. In addition, more information and resources will be shared between businesses and countries. At the same time, the company announced that it has decided to initiate a strategic review of the company's minority holdings (incl. Skarta Energy). We are cautiously optimistic about this, as we believe that this could, especially in the case of Skarta Energy,

release capital to grow core businesses (incl. acquisitions). We believe the review also concerns, e.g., the holdings that entered the Group in connection with the Skarta Group-Privanet merger, which have already been outside the strategy and the impact of these on NYAB is also significantly smaller.

To continue profitable growth, NYAB aims to utilize its business model to a larger extent and grow organically, e.g., in projects related to green transition investments in Sweden and Finland, large-scale infrastructure projects in Sweden and energy projects in Finland. The company also announced that it aims to increase the share of collaborative and long-term maintenance contracts and supplementing its growth with strategic acquisitions that provide synergies and/or key competencies for the prioritized business areas. According to our estimate, increasing the number of collaborative and maintenance contracts would indicate that the company is aiming to move to slightly larger projects in the average project size, which would contribute to the growth targets. We suspect that as the size of the projects increases, the related risks also increase, but we believe that the company aims to tackle these risks especially through collaborative contract models and long continuous maintenance contracts. Acquisitions, in turn, have been part of the company's toolbox already in the past, and we do not believe the strategy concerning these has changed significantly.

## Financial targets

NYAB also updated its long-term financial targets, which saw a clear moderation from the targets [updated](#) as recently as in the summer. The new targets are (old in parentheses if comparable):

- Annual revenue growth over 10% (was over 15%)
- EBIT margin exceeding 7.5% (was exceeding 9%)
- Net debt/EBITDA less than 1.5x
- Dividend exceeding 35% of net profit (was exceeding 30%)

According to the company, the decision to update the targets was made as a result of a thorough strategy work that was conducted during the fall. It will continue to aim to achieve industry-leading margins and outpacing market growth without compromising meticulous focus on project risk management. In addition, it aims to maintain a strong balance sheet that is seen as an important enabler for achieving its targets pertaining to sustainable profitable growth and future value creation for shareholders.

In our opinion, the targets are reasonable and achievable, although the company has to prove it can achieve the EBIT margin adjusted from one-off income (cf. 2022 and 2023e EBIT % adjusted for one-off income based on our calculations: 5.7% and 4.4%). However, we believe the growth target is supported by the favorable growth outlook on the market, which we have discussed in more detail in our [extensive report](#). Correspondingly, the company's financial position is currently very strong and the company clearly meets the target level (net debt/ EBITDA ~0.5x at the end of Q3). We believe raising the dividend distribution target is justified due to the limited investment needs of the business (excl. acquisitions).

# Valuation on the expensive side

## Valuation methods

In particular, we approach the valuation of NYAB using absolute valuation multiples and the sum-of-the-parts calculation, as this takes into account the longer-term potential of Skarta Energy. However, it's worth noting that with Skarta Energy still in its start-up phase, there is considerable uncertainty in both directions about its future development.

## Absolute valuation and expected return in the coming years

With the profit warning, we do not see much upside in the company's acceptable valuation (EV/EBIT 12x-16x, P/E 13x-17x) in the short term and until the outlook (incl. performance) improves more clearly, we do not feel it is justified to value the share at the top end of the ranges. Despite this and the slightly raised required return after the profit warning, we feel it is still justified to value the share with a premium to the peer group due to its higher profitability level than in the industry (also this year despite the profit warnings). With the forecast updates, we find the 2023 valuation picture very challenging, especially adjusted for the one-off compensation of 3.6 MEUR (EV/EBIT 3.3 MEUR in the result) in Q2 (EV/EBIT 27x, P/E 45x). Despite the growth we expect and increased profitability, we feel the multiples for 2025 are still at a challenging level (2025e EV/EBIT 14x, P/E 19x).

We have also looked at valuation through total expected returns for the coming years. In our view, NYAB's businesses could be valued at 12x-15x EV/EBIT and around 13x-16x P/E at the end of 2025 on our current forecasts, assuming the company meets our expectations and its strongest growth phase is already behind it. The multiples would still be

well above the current and historical median of peer companies and the valuation would require NYAB to maintain a profitability well above the industry average, with no substantial change in the overall pricing of the stock market or the interest rate level. Based on this, we estimate that the current business could be valued at roughly EUR 0.40-0.57 per share at the end of 2025. At the current share price, the average annual expected return would be slightly in the red, so the investor's expected return would consist of a low dividend yield of 1-2% and the option that Skarta Energy develops favorably (incl. ownership arrangements). As a whole, we feel that the current share price already prices a higher earnings growth for the next few years than we expect (incl. an increase in the acceptable valuation).

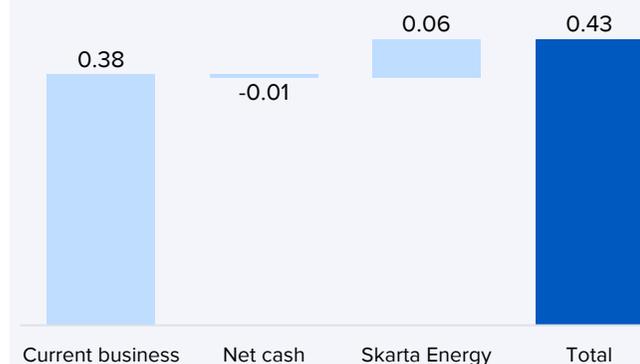
## SOTP down with revised estimates

The value indicated by our sum-of-the-parts calculation (more detailed parameters presented in [our extensive report](#)) fell to 266-346 MEUR in our neutral scenario, especially reflecting the decline in operational forecasts. This corresponds to a value of EUR 0.38-0.49 per share (was EUR 0.43-0.52). From this perspective, we feel the stock has a clear downside but it is worth noting that the calculation is depressed by weaker short-term earnings performance. Considering this overall picture, we believe that there is a downside in the share from the current level in the short term. We believe the company has the potential to accelerate its growth through acquisitions, but it is too early to comment on the value creation potential of these. At the current share price level, we feel the risk-adjusted expected return is very weak for the next 12 months, despite the favorable growth prospects in the longer term.

Valuation	2023e	2024e	2025e
Share price	0.56	0.56	0.56
Number of shares, millions	706.7	706.7	706.7
Market cap	399	399	399
EV	388	383	372
P/E (adj.)	29.8	23.5	18.5
P/E	38.0	26.1	18.9
P/B	2.1	2.0	1.9
P/S	1.4	1.2	1.1
EV/Sales	1.4	1.2	1.0
EV/EBITDA	18.3	15.1	12.6
EV/EBIT (adj.)	22.1	17.6	14.4
Payout ratio (%)	40.4 %	37.0 %	36.9 %
Dividend yield-%	1.1 %	1.4 %	2.0 %

Source: Inderes

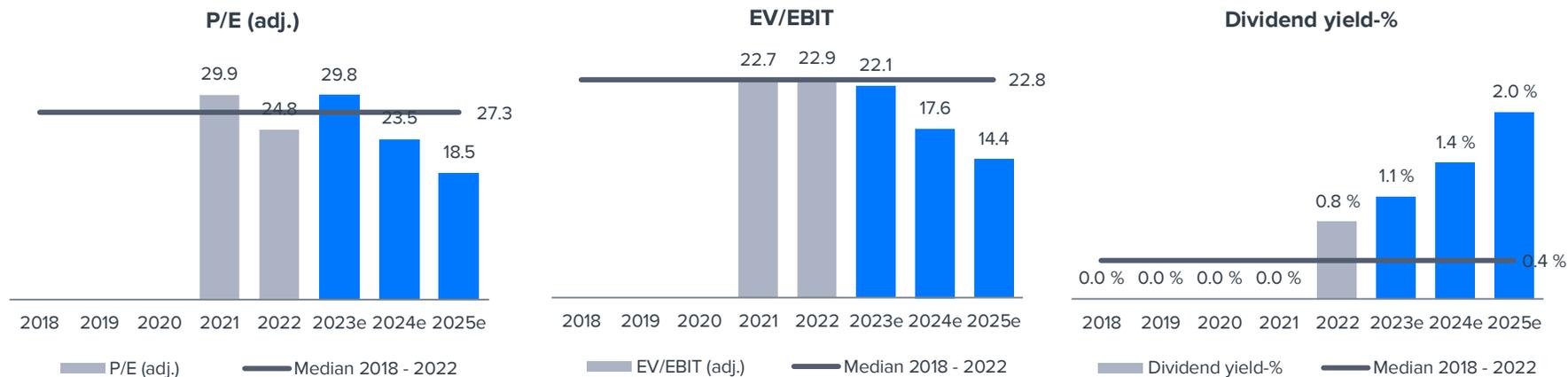
## Mid-point of SOTP in the neutral scenario



# Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				0.85	0.87	<b>0.56</b>	<b>0.56</b>	<b>0.56</b>	<b>0.56</b>
Number of shares, millions				414.2	706.7	<b>706.7</b>	<b>706.7</b>	<b>706.7</b>	<b>706.7</b>
Market cap				352	615	<b>399</b>	<b>399</b>	<b>399</b>	<b>399</b>
EV				354	622	<b>388</b>	<b>383</b>	<b>372</b>	<b>361</b>
P/E (adj.)				29.9	24.8	<b>29.8</b>	<b>23.5</b>	<b>18.5</b>	<b>16.7</b>
P/E				29.9	26.4	<b>38.0</b>	<b>26.1</b>	<b>18.9</b>	<b>16.9</b>
P/B				13.5	3.4	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>1.7</b>
P/S				2.7	2.4	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>
EV/Sales				2.7	2.5	<b>1.4</b>	<b>1.2</b>	<b>1.0</b>	<b>0.9</b>
EV/EBITDA				21.1	20.5	<b>18.3</b>	<b>15.1</b>	<b>12.6</b>	<b>10.8</b>
EV/EBIT (adj.)				22.7	22.9	<b>22.1</b>	<b>17.6</b>	<b>14.4</b>	<b>12.2</b>
Payout ratio (%)				0.0 %	21.2 %	<b>40.4 %</b>	<b>37.0 %</b>	<b>36.9 %</b>	<b>38.9 %</b>
Dividend yield-%				0.0 %	0.8 %	<b>1.1 %</b>	<b>1.4 %</b>	<b>2.0 %</b>	<b>2.3 %</b>

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
Peab	1500	3337	14.3	18.2	9.3	10.4	0.6	0.7	8.3	11.9	4.9	4.9	1.1
NCC	1100	1521	11.1	10.0	5.5	5.8	0.3	0.3	8.1	8.8	5.4	5.7	1.5
Skanska	6808	6708	15.9	11.3	11.2	8.2	0.5	0.5	18.0	13.1	3.8	4.1	1.3
YIT	415	1396	29.9	21.4	20.6	15.9	0.6	0.7	123.0	18.6	1.5	6.1	0.5
AF Gruppen	1132	1372	16.2	10.3	10.3	7.5	0.5	0.5	20.4	12.2	6.3	6.3	4.1
NRC Group	67	155	13.0	9.2	5.1	4.4	0.3	0.3	13.8	7.8	4.8	7.2	0.3
Veidekke	1228	1103	9.5	8.7	5.3	5.0	0.3	0.3	14.4	13.1	7.6	7.4	4.7
MT Hoejgaard Holding	130	136	2.8	2.5	1.9	1.8	0.1	0.1	12.0	3.4			1.2
Kreate	65	98	13.3	10.1	7.4	6.3	0.3	0.3	16.0	10.6	4.8	5.6	1.6
Sitowise	104	193	13.4	12.0	7.4	7.1	0.9	0.9	13.3	11.2	3.6	4.1	0.9
Sweco	4345	4952	21.5	18.6	15.6	14.4	1.9	1.8	25.7	21.5	2.1	2.3	4.5
AFRY	1388	2062	13.2	11.9	8.4	7.9	0.9	0.8	13.1	11.5	4.3	5.0	1.2
Enersense	70	110	17.5	9.5	7.0	5.2	0.3	0.3		26.4	2.4	2.8	1.3
Eltel	97	268		14.1	9.2	5.0	0.3	0.3		61.7			0.5
Dovre Group	42	35	5.1	5.1	5.1	5.1	0.2	0.2	9.9	13.2	2.5	2.5	1.1
Netel	53	125	8.7	6.0	5.9	4.6	0.4	0.4	7.5	4.8	2.9	6.8	0.5
<b>NYAB (Inderes)</b>	<b>399</b>	<b>388</b>	<b>22.1</b>	<b>17.6</b>	<b>18.3</b>	<b>15.1</b>	<b>1.4</b>	<b>1.2</b>	<b>29.8</b>	<b>23.5</b>	<b>1.1</b>	<b>1.4</b>	<b>2.1</b>
<b>Average</b>			<b>13.7</b>	<b>11.2</b>	<b>8.4</b>	<b>7.1</b>	<b>0.5</b>	<b>0.5</b>	<b>21.7</b>	<b>15.6</b>	<b>4.1</b>	<b>5.1</b>	<b>1.6</b>
<b>Median</b>			<b>13.3</b>	<b>10.2</b>	<b>7.4</b>	<b>6.0</b>	<b>0.4</b>	<b>0.3</b>	<b>13.6</b>	<b>12.1</b>	<b>4.0</b>	<b>5.3</b>	<b>1.2</b>
<b>Diff-% to median</b>			<b>65%</b>	<b>73%</b>	<b>148%</b>	<b>151%</b>	<b>288%</b>	<b>241%</b>	<b>120%</b>	<b>94%</b>	<b>-74%</b>	<b>-73%</b>	<b>76%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	2024e	2025e	2026e
<b>Revenue</b>	<b>132</b>	<b>17.5</b>	<b>55.7</b>	<b>90.3</b>	<b>89.8</b>	<b>253</b>	<b>39.2</b>	<b>65.3</b>	<b>88.1</b>	<b>85.3</b>	<b>278</b>	<b>325</b>	<b>367</b>	<b>400</b>
Group	132	17.5	55.7	90.3	89.8	253	39.2	65.3	88.1	85.3	278	325	367	400
<b>EBITDA</b>	<b>16.7</b>	<b>-0.4</b>	<b>3.5</b>	<b>6.6</b>	<b>20.8</b>	<b>30.4</b>	<b>-0.6</b>	<b>5.4</b>	<b>8.0</b>	<b>8.4</b>	<b>21.2</b>	<b>25.3</b>	<b>29.6</b>	<b>33.5</b>
Depreciation	-1.1	-0.4	-1.3	-1.3	-1.6	-4.6	-1.4	-1.4	-1.4	-1.4	-5.6	-4.5	-4.2	-4.2
<b>EBIT (excl. NRI)</b>	<b>15.6</b>	<b>-0.9</b>	<b>2.7</b>	<b>5.7</b>	<b>19.7</b>	<b>27.2</b>	<b>-1.5</b>	<b>4.6</b>	<b>7.1</b>	<b>7.5</b>	<b>17.6</b>	<b>21.7</b>	<b>25.8</b>	<b>29.6</b>
<b>EBIT</b>	<b>15.6</b>	<b>-0.9</b>	<b>2.2</b>	<b>5.2</b>	<b>19.2</b>	<b>25.7</b>	<b>-2.1</b>	<b>4.0</b>	<b>6.6</b>	<b>7.0</b>	<b>15.5</b>	<b>20.8</b>	<b>25.3</b>	<b>29.3</b>
Group	15.6	-0.9	2.2	5.2	19.2	25.7	-2.1	4.0	6.6	7.0	15.5	20.8	25.3	29.3
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	-0.1	0.0	-0.2	-0.4	-0.4	-0.5	-1.5	-1.3	-0.6	-0.3
Net financial items	0.0	-0.1	-0.3	-0.2	0.2	-0.4	-0.3	-0.4	-0.9	-1.0	-2.6	-2.6	-1.3	-1.2
<b>PTP</b>	<b>15.6</b>	<b>-0.9</b>	<b>1.9</b>	<b>5.0</b>	<b>19.3</b>	<b>25.3</b>	<b>-2.6</b>	<b>3.3</b>	<b>5.2</b>	<b>5.6</b>	<b>11.5</b>	<b>17.0</b>	<b>23.4</b>	<b>27.8</b>
Taxes	-3.4	-0.1	-1.3	-0.6	0.0	-2.0	-0.3	0.5	-0.6	-0.6	-1.0	-1.7	-2.4	-4.2
Minority interest	-0.4	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>11.8</b>	<b>-1.0</b>	<b>0.7</b>	<b>4.3</b>	<b>19.3</b>	<b>23.3</b>	<b>-2.8</b>	<b>3.7</b>	<b>4.6</b>	<b>5.0</b>	<b>10.5</b>	<b>15.3</b>	<b>21.0</b>	<b>23.6</b>
<b>EPS (adj.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.03</b>	<b>0.04</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>
<b>EPS (rep.)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.03</b>	<b>0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	2024e	2025e	2026e
<b>Revenue growth-%</b>						92.3 %	124.0 %	17.2 %	-2.5 %	-5.0 %	9.7 %	17.0 %	13.0 %	9.0 %
<b>Adjusted EBIT growth-%</b>						74.3 %	79.1 %	72.1 %	24.7 %	-62.1 %	-35.3 %	23.6 %	18.8 %	14.6 %
<b>EBITDA-%</b>	12.7 %	-2.5 %	6.3 %	7.3 %	23.1 %	12.0 %	-1.7 %	8.3 %	9.1 %	9.8 %	7.6 %	7.8 %	8.0 %	8.4 %
<b>Adjusted EBIT-%</b>	11.9 %	-4.9 %	4.8 %	6.3 %	22.0 %	10.7 %	-3.9 %	7.0 %	8.1 %	8.8 %	6.3 %	6.7 %	7.0 %	7.4 %
<b>Net earnings-%</b>	8.9 %	-5.8 %	1.2 %	4.8 %	21.5 %	9.2 %	-7.2 %	5.7 %	5.2 %	5.9 %	3.8 %	4.7 %	5.7 %	5.9 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>8.5</b>	<b>160</b>	<b>161</b>	<b>161</b>	<b>161</b>
Goodwill	0.0	121	121	121	121
Intangible assets	0.0	3.8	1.9	1.0	0.7
Tangible assets	8.2	17.7	18.3	18.9	19.4
Associated companies	0.0	11.1	12.6	12.6	12.6
Other investments	0.0	5.6	7.1	7.1	7.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.2	0.5	0.5	0.5	0.5
<b>Current assets</b>	<b>45.3</b>	<b>99.1</b>	<b>97.0</b>	<b>114</b>	<b>137</b>
Inventories	0.7	2.3	2.5	2.9	3.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	35.2	83.0	80.6	94.2	106
Cash and equivalents	9.4	13.8	13.9	16.6	26.8
<b>Balance sheet total</b>	<b>53.7</b>	<b>259</b>	<b>258</b>	<b>275</b>	<b>298</b>

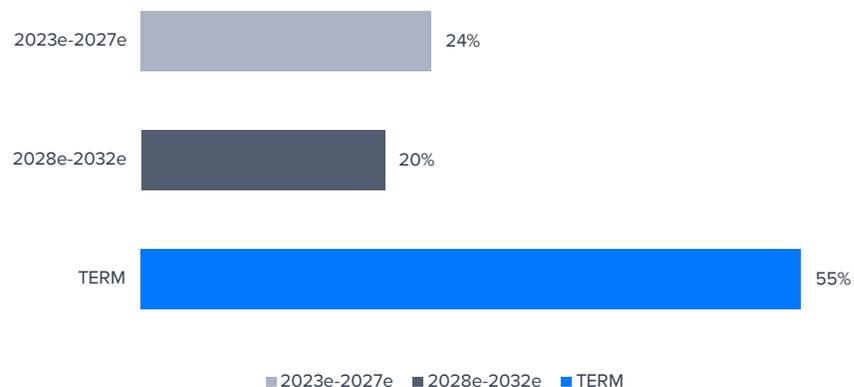
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>26.7</b>	<b>180</b>	<b>186</b>	<b>197</b>	<b>212</b>
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	26.7	40.3	45.9	56.9	72.3
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	-0.5	140	140	140	140
Minorities	0.5	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>5.1</b>	<b>17.2</b>	<b>17.2</b>	<b>14.6</b>	<b>14.6</b>
Deferred tax liabilities	2.4	4.4	4.4	4.4	4.4
Provisions	0.0	0.1	0.1	0.1	0.1
Interest bearing debt	2.7	12.6	12.6	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.1	0.1	0.1	0.1
<b>Current liabilities</b>	<b>21.9</b>	<b>61.5</b>	<b>55.3</b>	<b>63.5</b>	<b>71.1</b>
Interest bearing debt	0.8	8.2	5.3	5.0	5.0
Payables	21.1	53.3	50.0	58.5	66.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>53.7</b>	<b>259</b>	<b>258</b>	<b>275</b>	<b>298</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	92.3 %	9.7 %	17.0 %	13.0 %	9.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	10.2 %	5.6 %	6.4 %	6.9 %	7.3 %	7.2 %	7.0 %	6.8 %	6.6 %	6.5 %	6.5 %	6.5 %
<b>EBIT (operating profit)</b>	<b>25.7</b>	<b>15.5</b>	<b>20.8</b>	<b>25.3</b>	<b>29.3</b>	<b>30.8</b>	<b>31.8</b>	<b>32.4</b>	<b>32.7</b>	<b>33.2</b>	<b>33.9</b>	
+ Depreciation	4.6	5.6	4.5	4.2	4.2	4.2	4.2	4.3	4.4	4.5	4.6	
- Paid taxes	-0.3	-1.0	-1.7	-2.4	-4.2	-6.1	-6.3	-6.4	-6.5	-6.6	-6.7	
- Tax, financial expenses	0.0	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-17.2	-1.0	-5.6	-5.0	-3.9	-3.3	-3.1	-2.7	-2.3	-1.8	-1.2	
<b>Operating cash flow</b>	<b>12.9</b>	<b>19.0</b>	<b>17.8</b>	<b>22.0</b>	<b>25.2</b>	<b>25.4</b>	<b>26.5</b>	<b>27.4</b>	<b>28.2</b>	<b>29.2</b>	<b>30.3</b>	
+ Change in other long-term liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-145	-5.7	-4.3	-4.4	-4.5	-4.6	-4.7	-4.8	-4.9	-5.0	-4.7	
<b>Free operating cash flow</b>	<b>-132</b>	<b>13.3</b>	<b>13.5</b>	<b>17.6</b>	<b>20.7</b>	<b>20.8</b>	<b>21.8</b>	<b>22.6</b>	<b>23.3</b>	<b>24.2</b>	<b>25.7</b>	
+/- Other	190	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	58.3	18.9	13.5	17.6	20.7	20.8	21.8	22.6	23.3	24.2	25.7	377
<b>Discounted FCFF</b>		<b>1889</b>	<b>12.3</b>	<b>14.8</b>	<b>16.0</b>	<b>14.7</b>	<b>14.2</b>	<b>13.5</b>	<b>12.8</b>	<b>12.2</b>	<b>11.8</b>	<b>174</b>
Sum of FCFF present value		315	297	284	269	253	239	225	211	198	186	174
<b>Enterprise value DCF</b>		<b>315</b>										
- Interest bearing debt		-20.8										
+ Cash and cash equivalents		13.8										
-Minorities		0.0										
-Dividend/capital return		-4.9										
<b>Equity value DCF</b>		<b>318</b>										
<b>Equity value DCF per share</b>		<b>0.45</b>										

Cash flow distribution



WACC	
Tax-% (WACC)	20.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.2 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.9 %</b>

Source: Inderes

# Summary

Income statement	2021	2022	2023e	2024e	Per share data	2021	2022	2023e	2024e
Revenue	131.7	253.3	277.8	325.0	EPS (reported)	0.03	0.03	0.01	0.02
EBITDA	16.7	30.4	21.2	25.3	EPS (adj.)	0.03	0.04	0.02	0.02
EBIT	15.6	25.7	15.5	20.8	OCF / share	0.02	0.02	0.03	0.03
PTP	15.6	25.3	11.5	17.0	FCF / share	0.02	0.08	0.03	0.02
Net Income	11.8	23.3	10.5	15.3	Book value / share	0.06	0.26	0.26	0.28
Extraordinary items	0.0	-1.5	-2.1	-0.9	Dividend / share	0.00	0.01	0.01	0.01
Balance sheet	2021	2022	2023e	2024e	Growth and profitability	2021	2022	2023e	2024e
Balance sheet total	53.7	259.1	258.5	275.1	Revenue growth-%	0%	92%	10%	17%
Equity capital	26.7	180.4	186.0	197.0	EBITDA growth-%		82%	-30%	20%
Goodwill	0.0	121.2	121.2	121.2	EBIT (adj.) growth-%		74%	-35%	24%
Net debt	-5.8	7.0	4.0	-1.6	EPS (adj.) growth-%		23%	-46%	27%
Cash flow	2021	2022	2023e	2024e	EBITDA-%	12.7 %	12.0 %	7.6 %	7.8 %
EBITDA	16.7	30.4	21.2	25.3	EBIT (adj.)-%	11.9 %	10.7 %	6.3 %	6.7 %
Change in working capital	-4.7	-17.2	-1.0	-5.6	EBIT-%	11.8 %	10.2 %	5.6 %	6.4 %
Operating cash flow	8.8	12.9	19.0	17.8	ROE-%	47.0 %	22.6 %	5.7 %	8.0 %
CAPEX	-2.4	-144.7	-5.7	-4.3	ROI-%	51.7 %	22.2 %	6.9 %	9.4 %
Free cash flow	6.4	58.3	18.9	13.5	Equity ratio	49.7 %	69.6 %	71.9 %	71.6 %
					Gearing	-21.7 %	3.9 %	2.2 %	-0.8 %
Valuation multiples	2021	2022	2023e	2024e					
EV/S	2.7	2.5	1.4	1.2					
EV/EBITDA (adj.)	21.1	20.5	18.3	15.1					
EV/EBIT (adj.)	22.7	22.9	22.1	17.6					
P/E (adj.)	29.9	24.8	29.8	23.5					
P/B	13.5	3.4	2.1	2.0					
Dividend-%	0.0 %	0.8 %	1.1 %	1.4 %					

Source: Inderes

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Date	Recommendation	Target	Share price
4/25/2023	Reduce	0.70 €	0.71 €
5/15/2023	Reduce	0.70 €	0.67 €
7/28/2023	Reduce	0.70 €	0.73 €
8/11/2023	Reduce	0.55 €	0.62 €
8/28/2023	Sell	0.55 €	0.63 €
10/11/2023	Reduce	0.55 €	0.51 €
11/13/2023	Reduce	0.50 €	0.49 €
12/27/2023	Sell	0.45 €	0.56 €



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