

Anora

Company report

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Rauli Juva
+358 50 588 0092
rauli.juva@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Heikko raportti kautta linjan" published on 3/1/2023 at 7:13 am

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Report was weak throughout

Anora's Q4 report was weaker than expected in terms of earnings, guidance, dividend and the balance sheet. We cut our estimates significantly for 2023 (15% at EBIT level), but clearly less for later years, as we still expect profitability to improve in coming years. The valuation for 2023 (P/E 18x) is high and we still find the expected return modest. We reiterate our Reduce recommendation and lower our target price to EUR 6.8 (previous EUR 7.5) due to estimate cuts.

Net sales grew thanks to the acquisition, decreased organically – earnings were weak

Anora's Q4 net sales increased by 8%, slightly less than we expected. The growth was generated by the Globus Wine acquisition last summer, and organically net sales decreased by 3%. Volumes have remained on a downward trend in the monopoly chains, especially in Finland and Norway, as the market normalizes from the exceptionally high demand in the COVID era, in addition to which previously announced customer losses and weak SEK have a negative effect. Anora's comparable EBITDA was EUR 20.9 million. This, however, includes Globus Wine's EUR 3.2 million inventory accounting adjustment which can be considered a non-recurring item. Thus, the actual EBITDA was about EUR 24 million, which was clearly lower than the comparison period (31 MEUR) and our estimate (29 MEUR).

Weak cash flow and balance sheet, dividend cut

The net cash flow from Anora's operations remained at zero in 2022 as growth in working capital destroyed cash flow. Due to this and lower than expected earnings, the company's net debt/EBITDA increased to 3.7x at the end of the year (considering Globus' result for the whole year) while the target level is below 2.5x. Anora proposes a dividend that is less than half of the 2021 level, i.e. EUR 0.22 (EUR 0.45), which is also lower than our and consensus expectations. With poor performance and balance sheet, a clear cut in dividends is justified. The company expects a clear decline in debt in 2023 thanks to improved earnings and release of working capital. However, with our estimates net debt/EBITDA is about 3x at the end of 2023, still above the target level. This is likely to reduce Anora's possibilities for acquisitions that are part of its strategy.

80-90 MEUR comparable EBITDA guidance for 2023 is muted

The Q4 profitability level was disappointing for both us and the company. The company also commented that the beginning of 2023 will be challenging both in terms of the market and pricing. The company's guidance for the full year 2023 is EUR 80-90 million (2022: 76 MEUR). We lowered our 2023 earnings estimate and now expect a comparable EBITDA of EUR 83 million. We also raised our financial expenses estimate, which resulted in a net profit drop of over 25% in 2023 and around 10% in 2024. We have also cut our dividend estimates with the result. In 2024, we expect a clear improvement in profitability as cost inflation stabilizes, prices have been raised and efficiency measures progress.

High valuation and weak expected returns

Although we expect earnings growth from Anora in the next few years, we believe that the expected return is mainly based on dividend yield that is around 4- 6% in our estimates. We find the 2023 P/E of 18x high and the company must succeed in improving profitability in 2024, when the multiples seem neutral. We expect that Anora will generate a ROCE that is roughly equivalent to the return requirement, i.e. 7-8%, which makes the P/B level of 1.0 seem justified.

Recommendation

Reduce

(previous Reduce)

EUR 6.80

(previous EUR 7.50)

Share price:

6.45



Key figures

	2022	2023e	2024e	2025e
Revenue	702.7	740.0	754.8	769.9
growth-%	6%	5%	2%	2%
EBITDA (adj.)	76.1	83.0	93.1	96.8
EBITDA-% (adj.)	10.8 %	11.2 %	12.3 %	12.6 %
Net Income	17.9	24.9	34.9	38.4
EPS (adj.)	0.39	0.37	0.52	0.57

P/E (adj.)	19.0	17.5	12.5	11.3
P/B	1.0	0.9	0.9	0.8
Dividend yield-%	3.0 %	4.0 %	5.6 %	6.2 %
EV/EBIT (adj.)	18.1	14.2	11.0	9.8
EV/EBITDA	11.5	8.0	6.8	6.3
EV/S	1.1	0.9	0.8	0.8

Source: Inderes

Guidance

(New guidance)

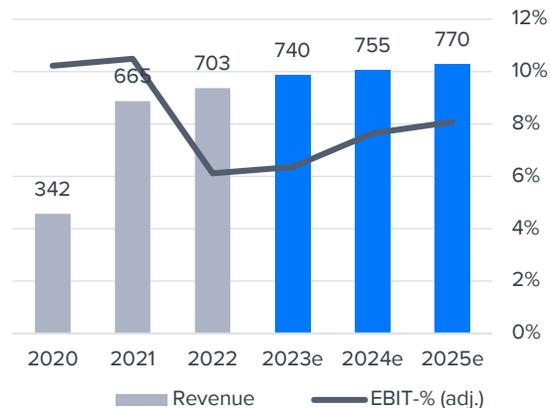
In 2023, Anora's comparable EBITDA is expected to be between EUR 80-90 million.

Share price



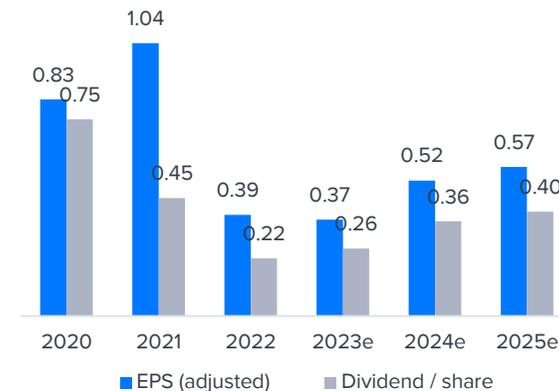
Source: Millstream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Strong market position and extensive product portfolio
- Stable market and profitability
- Synergy benefits from the merger will support growth and profitability in coming years
- Good dividend payment capacity



Risk factors

- Normalization of demand after COVID depressed earnings
- Price fluctuations of barley affects earnings
- Anora will continue to seek acquisitions which involves risks related to the price and integration

Valuation	2023e	2024e	2025e
Share price	6.45	6.45	6.45
Number of shares, millions	67.6	67.6	67.6
Market cap	436	436	436
EV	667	633	610
P/E (adj.)	17.5	12.5	11.3
P/E	17.5	12.5	11.3
P/FCF	5.6	7.0	7.6
P/B	0.9	0.9	0.8
P/S	0.6	0.6	0.6
EV/Sales	0.9	0.8	0.8
EV/EBITDA	8.0	6.8	6.3
EV/EBIT (adj.)	14.2	11.0	9.8
Payout ratio (%)	70.0 %	70.0 %	70.0 %
Dividend yield-%	4.0 %	5.6 %	6.2 %

Source: Inderes

Result missed expectations

Net sales grew thanks to the acquisition, decreased organically

Anora's Q4 net sales increased by 8%, slightly less than we expected. The growth was generated by the Globus Wine acquisition last summer, and organically net sales decreased by 3%. Volumes have remained on a downward trend in the monopoly chains, especially in Finland and Norway, as the market normalizes from the exceptionally high demand in the COVID era. Net sales declined organically, especially in the Wine segment, where previously reported customer losses and the weakened SEK had a negative impact in addition to the general market development.

Weak result even excluding the inventory accounting adjustment

Anora's comparable EBITDA was EUR 20.9 million. This, however, includes Globus Wine's EUR 3.2

million inventory accounting adjustment which can be considered a non-recurring item. Thus, the actual EBITDA was about EUR 24 million, which was also clearly lower than in the comparison period. Compared to the comparison period and our expectations, both Wine and Spirits segments were weaker, while the smaller Industrial segment was able to improve. Anora refers to increased production costs, which have only been partially compensated by price increases. The weakened SEK also had a negative impact on profitability. Pricing is quite rigid, as the monopoly chains can only raise prices 2-3 times per year and prices have to be given a few months in advance. This leads to delays in transferring costs to prices. We expected that cost inflation would stabilize in Q4 and thus the development was a slight surprise.

Weak cash flow and balance sheet, dividend cut

The net cash flow from Anora's operations remained at zero in 2022 as growth in working capital destroyed cash flow. Due to this and lower than expected earnings, the company's net debt/EBITDA increased to 3.7x at the end of the year (considering Globus' result for the whole year) while the target level is below 2.5x. Anora proposes a dividend that is less than half of the 2021 level, i.e. EUR 0.22 (EUR 0.45), which is also lower than our and consensus expectations. With poor performance and balance sheet, a clear cut in dividends is justified.

Estimates MEUR / EUR	Q4'21	Q4'22	Q4'22e	Q4'22e	Consensus		Difference (%)	2022
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	206	222	231	225			-4%	703
EBITDA (adj.)	30.7	20.9	29.0	-			-28%	76.1
EBITDA	32.3	18.9	27.5	28.0			-31%	67.9
EBIT (adj.)	22.9	12.2	20.0	-			-39%	42.9
EBIT	24.5	10.2	18.5	19.7			-45%	34.7
EPS (reported)	0.39	0.05	0.17	0.18			-71%	0.26
DPS	0.45	0.22	0.35	0.36			-37%	0.22
Revenue growth-%	-40.0 %	7.8 %	12.4 %	9.4 %			-4.6 pp	5.7 %
EBIT-% (adj.)	11.1 %	5.5 %	8.7 %				-3.2 pp	6.1 %

Source: Inderes & Bloomberg, 4 analysts (consensus)

Earnings estimates fell clearly for 2023

Anora's guidance indicates an earnings improvement, but weaker result than expected

Anora's guidance indicates that 2023 comparable EBITDA will be EUR 80-90 million (2022: 76 MEUR). Before the result, our estimate was EUR 90 million and the consensus slightly above it, so the guidance was weaker than expected. Anora says the volume of the monopoly markets is significantly lower in 2023 than during the COVID pandemic. This is obvious, but we expect volumes to decrease further from 2022. Anora said that volumes in Norway at least will decrease and its competitor, Viva Wine Group, said it expects a drop in the Finnish market as well. Anora also expects production costs to remain high.

Slight increase in net sales estimates

We have raised our net sales estimates slightly for 2023-24, mainly because production costs were

higher than we expected in Q4 and they need to be passed on by increasing prices. Our 2023 estimate of EUR 740 million means a drop in organic net sales because if Globus Wine is included for the whole of 2022 (in figures only for H2), 2022 net sales amounted to EUR 767 million. The decrease is mainly due to a fall in the volume of the monopoly market.

Profitability estimates down due to weak Q4 and guidance

The Q4 profitability level was disappointing for both us and the company. The company also commented that the beginning of 2023 will be challenging both in terms of the market and pricing. In terms of volume, the comparison figure for 2022 is still relatively good, as the COVID pandemic shut down restaurants and increased monopoly sales during Q122. In terms of costs, Anora expects labor costs to increase and decreasing barley prices to have an impact starting

from Q2. As the company cannot raise prices on all markets from the beginning of the year, we do not expect pricing to compensate for increased costs in Q1 either. Therefore, we lowered our 2023 earnings estimate and now expect a comparable EBITDA of EUR 83 million.

In addition, due to higher net debt and rising financial costs than expected, we have also raised our financial expenses estimates. All in all, this results in a clear decrease in 2023 EPS and around 10% still in 2024. We also lowered our dividend estimate with the result, while the dividend payout ratio remains at 70%.

Estimate revisions	2022	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	712	703	-1%	729	740	2%	743	755	2%
EBITDA (adj.)	84.3	76.1	-10%	89.5	83.0	-7%	94.4	93.1	-1%
EBIT (exc. NRIs)	50.7	42.9	-15%	55.5	47.0	-15%	60.3	57.7	-4%
EBIT	43.0	34.7	-19%	55.5	47.0	-15%	60.3	57.7	-4%
PTP	32.7	23.4	-28%	43.0	31.5	-27%	48.8	44.2	-9%
EPS (excl. NRIs)	0.50	0.39	-22%	0.50	0.37	-27%	0.57	0.52	-9%
DPS	0.35	0.22	-37%	0.35	0.26	-26%	0.40	0.36	-10%

Source: Inderes

Valuation and recommendation

Valuation summary - Reduce

Anora's expected return for the next few years will consist of both a dividend yield and moderate earnings growth, as merger synergies materialize and the current headwind from raw material prices alleviates. We believe that the share's valuation level for 2022 is expensive considering the modest organic growth potential.

Thus we believe the total expected return to mainly be based on the dividend yield and to be below the required return. Therefore, our recommendation for the share is Reduce with a EUR 6.8 target price.

Value of the DCF model slightly exceeds the current share price

Due to the stable industry, steady growth and relatively easily predictable business, the DCF model is, in our opinion, a relevant valuation method for Anora. Our DCF model gives Anora a debt-free value of about EUR 770 million, which means that the value of the share capital is about EUR 490 million, or EUR 7.2 per share. However, the DCF model assumes a clear performance improvement in 2023-26.

Earnings-based valuation is expensive

Anora's EV/EBIT valuation is approximately 14x with 2023 earnings. Anora only has one year of history, but we find Altia's historic valuation levels relevant also to Anora, because the return on capital and growth profile are very similar. Examined like this, the average historical EV/EBIT of Altia/Anora is about 11.5x. Similarly, the P/E ratio for 2023 is 18x and the historical average is 12x. However, the historical ratios of former Arcus have been somewhat higher, P/E 14-18x and EV/EBIT 12-18x. The earnings multiples

for 2022 are high in our opinion considering the modest return on capital and growth outlook.

As regards the EV-based valuation, we note that Anora has a relatively high lease liability in its balance sheet, over EUR 100 million, relative to its value, which is not actual financial liability. On the other hand, it has off-balance-sheet sold receivables of some EUR 60 million which can be considered as debt-like assets.

Balance sheet-based valuation in order

With our estimates, Anora's return on capital (both ROE and ROCE) will be around 7-8% in 2024-25. We examine these years because at that time most merger synergies should be visible and the earnings level should correspond to the company's potential. This rate of return is practically the same as our return requirement (8.0% for equity, 7.5% for total capital). Therefore, the balance sheet-based valuation of the share, or P/B, should be around 1.0x. The same is true for the EV/IC ratio (i.e. enterprise value/invested capital). At the current share price, both the P/B and EV/IC ratios for 2022-24 are 0.9-1.0x. This would indicate that the valuation level is pretty much correct as is.

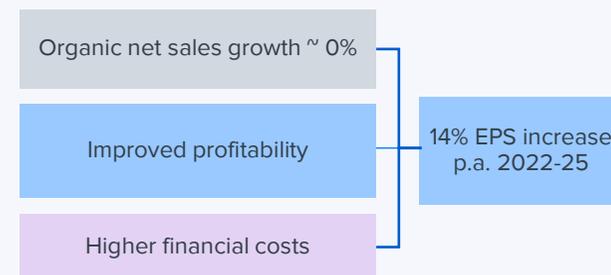
The expected return is below 10% even in the longer term

As the return on capital remains below 10 % and at the level of the required return also further into the future, we do not consider Anora's expected return as attractive even in the longer term. If Anora would distribute its entire free cash flow as dividends (some 40 MEUR) the dividend yield would be approximately 9%. In our opinion, this describes Anora's long-term annual return potential well.

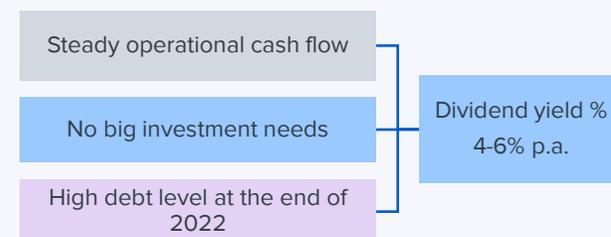
TSR drivers 2022-2025

■ Positive ■ Neutral ■ Negative

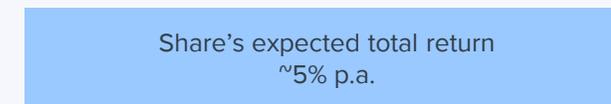
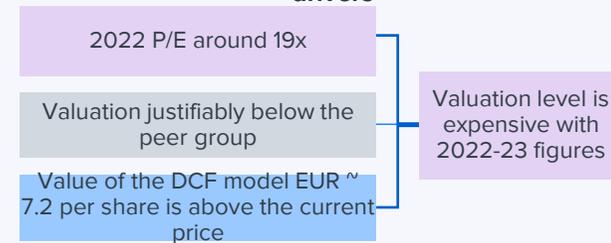
Profit drivers



Dividend yield drivers



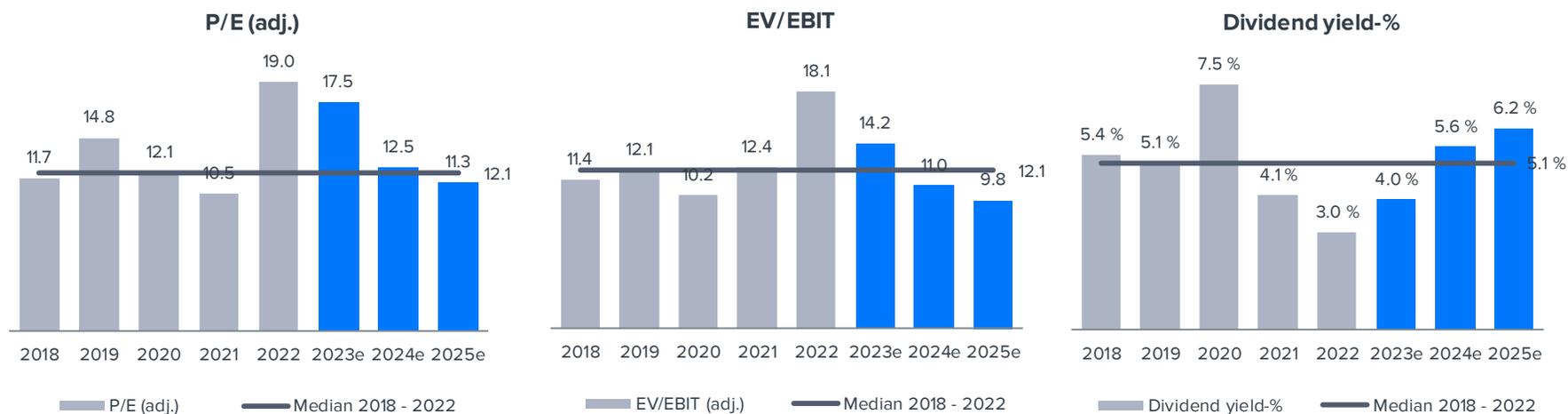
Valuation multiple drivers



Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	7.10	8.20	9.98	10.9	7.36	6.45	6.45	6.45	6.45
Number of shares, millions	36.1	36.1	36.1	46.6	67.6	67.6	67.6	67.6	67.6
Market cap	257	296	361	736	498	436	436	436	436
EV	304	325	357	864	778	667	633	610	586
P/E (adj.)	11.7	14.8	12.1	10.5	19.0	17.5	12.5	11.3	9.6
P/E	17.0	16.1	20.3	11.9	27.7	17.5	12.5	11.3	9.6
P/FCF	73.7	8.2	7.0	neg.	neg.	5.6	7.0	7.6	7.4
P/B	1.7	2.0	2.3	1.5	1.0	0.9	0.9	0.8	0.8
P/S	0.7	0.8	1.1	1.1	0.7	0.6	0.6	0.6	0.6
EV/Sales	0.9	0.9	1.0	1.3	1.1	0.9	0.8	0.8	0.7
EV/EBITDA	8.9	7.6	8.9	9.1	11.5	8.0	6.8	6.3	5.8
EV/EBIT (adj.)	11.4	12.1	10.2	12.4	18.1	14.2	11.0	9.8	8.7
Payout ratio (%)	91.3 %	82.6 %	152.7 %	71.2 %	82.9 %	70.0 %	70.0 %	70.0 %	70.0 %
Dividend yield-%	5.4 %	5.1 %	7.5 %	4.1 %	3.0 %	4.0 %	5.6 %	6.2 %	7.3 %

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
Brown-Forman	29507	30755	26.7	24.4	24.8	22.8	8.0	7.5	35.2	31.9	1.2	1.3	9.5
Davide Campari Milano	12336	13608	21.7	19.5	18.6	16.8	4.7	4.4	28.2	25.0	0.7	0.8	4.0
Diageo	92328	111204	0.2	0.2	0.2	0.2	0.1	0.1	21.7	20.0	2.2	2.4	9.7
Remy-Cointreau	8588	8917	20.5	19.1	18.7	17.3	5.7	5.5	29.2	27.1	1.4	1.5	4.9
Constellation Brands	39103	50691	18.4	16.8	15.8	14.6	5.7	5.4	21.4	19.3	1.4	1.5	4.2
Olvi	624	569	10.2	8.6	6.7	6.0	0.9	0.9	13.9	12.0	4.2	4.4	2.1
Royal Unibrew	3328	3914	17.4	15.6	13.3	11.7	2.3	2.2	19.1	17.0	2.9	3.3	5.4
Anora (Inderes)	436	667	14.2	11.0	8.0	6.8	0.9	0.8	17.5	12.5	4.0	5.6	0.9
Average			16.4	14.9	14.0	12.8	3.9	3.7	24.1	21.7	2.0	2.2	5.7
Median			18.4	16.8	15.8	14.6	4.7	4.4	21.7	20.0	1.4	1.5	4.9
Diff-% to median			-23%	-35%	-49%	-53%	-81%	-81%	-19%	-38%	182%	267%	-82%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	665	133	166	182	222	703	146	179	184	231	740	755	770	785
Wine	303	53.2	70.4	85.1	108	317	65.0	84.0	85.0	110	344	351	358	365
Spirits	225	44.9	59.5	57.1	72.3	234	46.0	60.0	56.0	79.0	241	246	251	256
Industrial	255	60.8	67.5	78.5	78.7	286	60.0	65.0	75.0	75.0	275	281	286	292
Group and eliminations	-117.5	-25.5	-31.6	-38.8	-37.2	-133.2	-25.0	-30.0	-32.0	-33.0	-120	-122	-125	-127
EBITDA	95.2	11.9	15.4	21.7	18.9	67.9	10.0	18.5	26.0	28.5	83.0	93.1	96.8	101
Depreciation	-31.2	-7.8	-7.8	-9.0	-8.6	-33.2	-9.0	-9.0	-9.0	-9.0	-36.0	-35.4	-34.7	-33.1
EBIT (excl. NRI)	69.8	5.2	11.2	14.3	12.3	42.9	1.0	9.5	17.0	19.5	47.0	57.7	62.1	67.4
EBIT	64.0	4.1	7.6	12.8	10.3	34.7	1.0	9.5	17.0	19.5	47.0	57.7	62.1	67.4
Wine (EBITDA)	39.5	3.1	4.6	9.0	6.9	23.5	2.0	5.5	11.0	11.0	29.5	33.3	35.8	38.3
Spirits (EBITDA)	47.5	8.1	9.0	9.2	11.5	37.8	5.0	10.0	11.0	13.5	39.5	44.2	45.1	46.0
Industrial (EBITDA)	18.1	3.3	4.1	5.5	4.8	17.7	4.0	4.0	5.0	5.0	18.0	19.6	20.0	20.4
Group and eliminations	-4.0	-1.4	1.2	-0.4	-2.2	-2.8	-1.0	-1.0	-1.0	-1.0	-4.0	-4.1	-4.2	-4.2
Share of profits in assoc. compan.	1.6	0.9	0.0	-0.4	0.1	0.6	1.0	0.0	0.2	0.3	1.5	1.5	1.5	1.5
Net financial items	-11.1	-2.4	-2.3	-2.9	-4.4	-11.9	-4.5	-4.5	-4.0	-4.0	-17.0	-15.0	-15.0	-11.4
PTP	54.5	2.6	5.4	9.5	5.9	23.4	-2.5	5.0	13.2	15.8	31.5	44.2	48.6	57.6
Taxes	-11.4	-0.6	-1.0	-1.5	-2.2	-5.3	0.5	-1.0	-2.6	-3.2	-6.3	-9.0	-9.9	-11.8
Minority interest	-0.4	-0.1	0.0	0.0	-0.1	-0.2	-0.1	0.0	-0.1	-0.1	-0.3	-0.3	-0.3	-0.3
Net earnings	42.7	1.9	4.4	8.0	3.6	17.9	-2.1	4.0	10.5	12.5	24.9	34.9	38.4	45.5
Net earnings	42.7	1.9	4.4	8.0	3.6	17.9	-2.1	4.0	10.5	12.5	24.9	34.9	38.4	45.5
EPS (adj.)	1.04	0.04	0.12	0.14	0.08	0.39	-0.03	0.06	0.15	0.19	0.37	0.52	0.57	0.67
EPS (rep.)	0.92	0.03	0.06	0.12	0.05	0.27	-0.03	0.06	0.15	0.19	0.37	0.52	0.57	0.67

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	94.2 %	-0.5 %	3.5 %	10.1 %	7.8 %	5.7 %	9.4 %	8.0 %	1.1 %	4.3 %	5.3 %	2.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	99.3 %	-41.1 %	-28.9 %	-36.0 %	-46.5 %	-38.5 %	-80.7 %	-15.3 %	19.0 %	59.1 %	9.5 %	22.8 %	7.7 %	8.6 %
EBITDA-%	14.3 %	8.9 %	9.3 %	11.9 %	8.5 %	9.7 %	6.8 %	10.3 %	14.1 %	12.3 %	11.2 %	12.3 %	12.6 %	12.8 %
Adjusted EBIT-%	10.5 %	3.9 %	6.8 %	7.8 %	5.5 %	6.1 %	0.7 %	5.3 %	9.2 %	8.4 %	6.4 %	7.6 %	8.1 %	8.6 %
Net earnings-%	6.4 %	1.4 %	2.6 %	4.4 %	1.6 %	2.6 %	-1.4 %	2.2 %	5.7 %	5.4 %	3.4 %	4.6 %	5.0 %	5.8 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	692	772	764	754	745
Goodwill	278	311	311	311	311
Intangible assets	197	226	226	226	226
Tangible assets	197	214	203	193	184
Associated companies	16.3	20.7	20.7	20.7	20.7
Other investments	0.7	0.7	1.0	1.0	1.0
Other non-current assets	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	3.1	0.6	3.0	3.0	3.0
Current assets	542	529	537	548	558
Inventories	140	186	163	166	169
Other current assets	0.2	4.1	4.1	4.1	4.1
Receivables	233	248	259	264	269
Cash and equivalents	169	91.4	111	113	115
Balance sheet total	1233	1301	1301	1301	1304

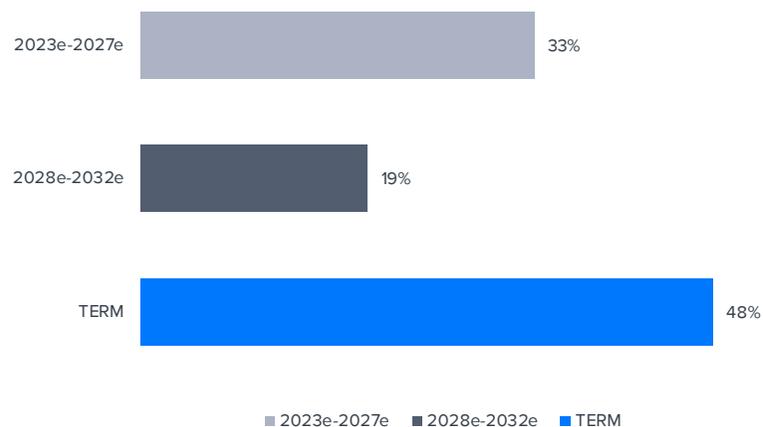
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	508	482	492	510	524
Share capital	61.5	61.5	61.5	61.5	61.5
Retained earnings	122	111	121	138	152
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	324	309	309	309	309
Minorities	0.9	0.9	1.2	1.5	1.8
Non-current liabilities	310	409	385	356	338
Deferred tax liabilities	48.4	57.3	57.3	57.3	57.3
Provisions	3.0	2.7	2.7	2.7	2.7
Long term debt	257	348	325	296	278
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.7	0.6	0.0	0.0	0.0
Current liabilities	415	411	424	436	442
Short term debt	38.1	43.9	36.1	32.9	30.9
Payables	374	364	385	400	408
Other current liabilities	2.8	2.8	2.8	2.8	2.8
Balance sheet total	1233	1301	1301	1301	1304

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	5.7 %	5.3 %	2.0 %	2.0 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	4.9 %	6.4 %	7.6 %	8.1 %	8.6 %	7.5 %	7.5 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	34.7	47.0	57.7	62.1	67.4	59.5	60.1	60.7	65.4	66.0	66.7	
+ Depreciation	33.2	36.0	35.4	34.7	33.1	31.9	32.8	31.8	31.1	29.5	29.8	
- Paid taxes	6.1	-8.7	-9.0	-9.9	-11.8	-10.3	-10.6	-10.9	-12.1	-12.4	-11.6	
- Tax, financial expenses	-4.1	-4.6	-4.2	-4.2	-3.4	-3.2	-3.1	-2.9	-2.7	-2.5	-2.4	
+ Tax, financial income	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	
- Change in working capital	-75.4	32.6	6.8	-0.6	-0.6	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Operating cash flow	-4.1	103	87.8	83.1	85.8	78.6	79.9	79.4	82.4	81.3	82.1	
+ Change in other long-term liabilities	-1.4	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-111.7	-25.3	-25.5	-26.0	-26.5	-27.1	-27.6	-28.2	-26.8	-31.1	-32.0	
Free operating cash flow	-117.2	77.4	62.3	57.1	59.2	51.5	52.3	51.3	55.6	50.2	50.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-117.2	77.4	62.3	57.1	59.2	51.5	52.3	51.3	55.6	50.2	50.1	763
Discounted FCFF		72.8	54.5	46.4	44.7	36.1	34.1	31.0	31.3	26.2	24.3	370
Sum of FCFF present value		772	699	644	598	553	517	483	452	421	395	370
Enterprise value DCF		772										
- Interesting bearing debt		-392										
+ Cash and cash equivalents		91.4										
-Minorities		-1.1										
-Dividend/capital return		0.0										
Equity value DCF		490										
Equity value DCF per share		7.2										

Cash flow distribution



Wacc

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.5 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	0.75%
Risk free interest rate	2.5 %
Cost of equity	8.0 %
Weighted average cost of capital (WACC)	7.6 %

Source: Inderes

Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	342.4	665.0	702.7	740.0	754.8	EPS (reported)	0.49	0.92	0.27	0.37	0.52
EBITDA	40.3	95.2	67.9	83.0	93.1	EPS (adj.)	0.83	1.04	0.39	0.37	0.52
EBIT	22.9	64.0	34.7	47.0	57.7	OCF / share	1.77	2.21	-0.06	1.53	1.30
PTP	21.3	54.5	23.4	31.5	44.2	FCF / share	1.43	-9.11	-1.73	1.15	0.92
Net Income	17.8	42.7	17.9	24.9	34.9	Book value / share	4.32	10.88	7.11	7.26	7.52
Extraordinary items	-12.1	-5.8	-8.2	0.0	0.0	Dividend / share	0.75	0.45	0.22	0.26	0.36
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	455.5	1233.3	1301.3	1300.7	1301.4	Revenue growth-%	-5%	94%	6%	5%	2%
Equity capital	156.3	507.9	481.6	491.9	509.7	EBITDA growth-%	-6%	136%	-29%	22%	12%
Goodwill	81.4	277.8	310.5	310.5	310.5	EBIT (adj.) growth-%	31%	99%	-38%	9%	23%
Net debt	-3.8	126.1	300.9	250.2	215.6	EPS (adj.) growth-%	49%	26%	-63%	-5%	40%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	11.8 %	14.3 %	9.7 %	11.2 %	12.3 %
EBITDA	40.3	95.2	67.9	83.0	93.1	EBIT (adj.)-%	10.2 %	10.5 %	6.1 %	6.4 %	7.6 %
Change in working capital	24.2	-10.8	-75.4	32.6	6.8	EBIT-%	6.7 %	9.6 %	4.9 %	6.4 %	7.6 %
Operating cash flow	64.0	102.9	-4.1	103.3	87.8	ROE-%	11.5 %	12.9 %	3.6 %	5.1 %	7.0 %
CAPEX	-12.0	-530.9	-111.7	-25.3	-25.5	ROI-%	9.2 %	12.1 %	4.9 %	6.2 %	7.6 %
Free cash flow	51.7	-424.4	-117.2	77.4	62.3	Equity ratio	34.3 %	41.2 %	37.0 %	37.8 %	39.2 %
						Gearing	-2.4 %	24.8 %	62.5 %	50.9 %	42.3 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	1.0	1.3	1.1	0.9	0.8						
EV/EBITDA (adj.)	8.9	9.1	11.5	8.0	6.8						
EV/EBIT (adj.)	10.2	12.4	18.1	14.2	11.0						
P/E (adj.)	12.1	10.5	19.0	17.5	12.5						
P/B	2.3	1.5	1.0	0.9	0.9						
Dividend-%	7.5 %	4.1 %	3.0 %	4.0 %	5.6 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
27-09-22	Reduce	7.50 €	7.05 €
24-11-22	Reduce	7.50 €	7.40 €
01-03-23	Reduce	6.80 €	6.45 €



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Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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