

# COMPONENTA OYJ

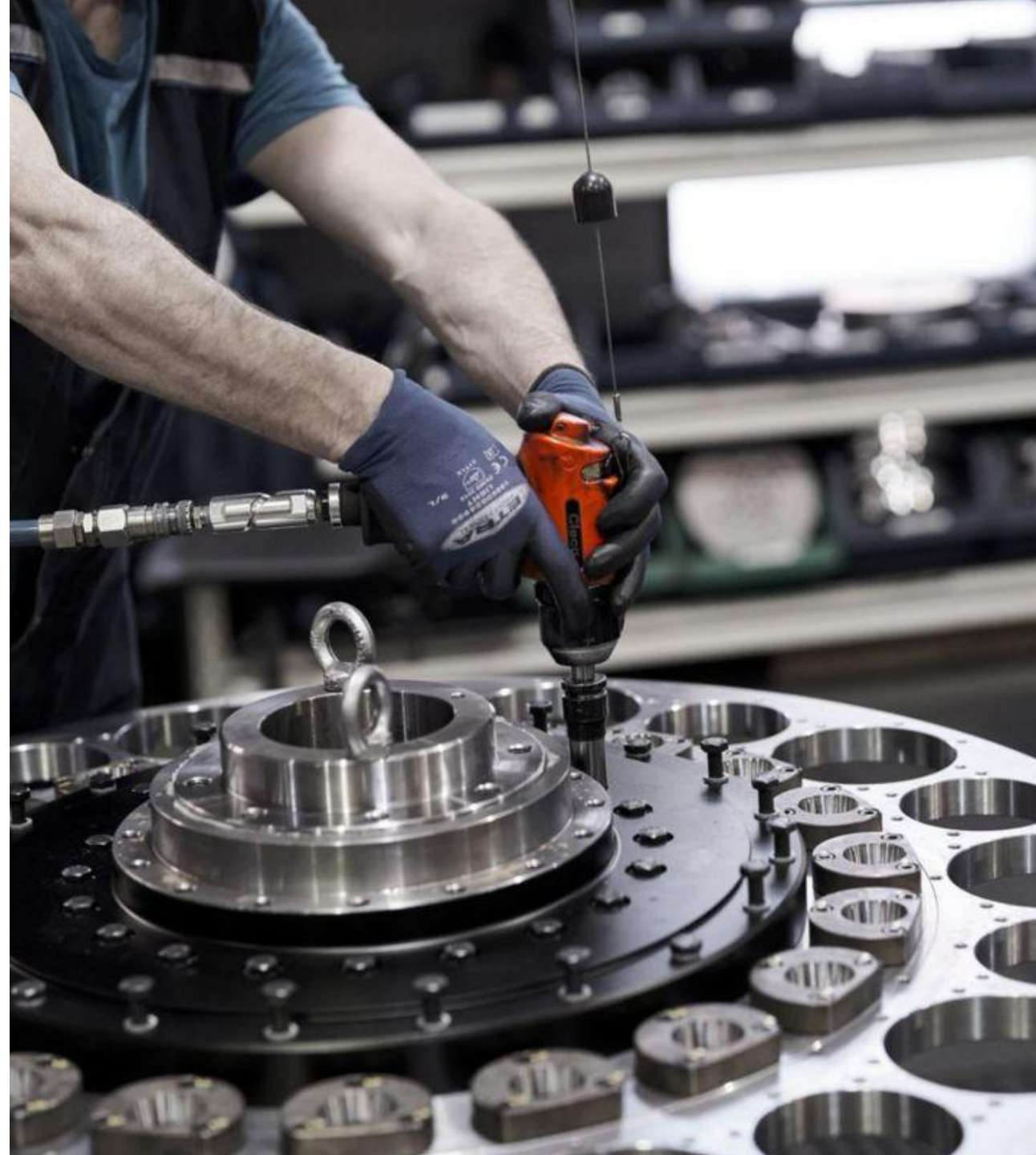
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**COMPANY REPORT**



# A glimpse of profitability potential

Componenta's Q3 report exceeded our expectations thanks to stronger profitability than we had anticipated. The development of the order book was in line with our expectations, and we anticipate rapid earnings growth in the coming years as production volumes begin to increase. Although there were few changes to our estimates, the excellent profitability achieved strengthened our confidence in realizing our projected earnings growth. Due to clear growth drivers, we are more confident leaning toward the expected return indicated for 2027 in our view. Reflecting our slightly lower required return, we raise our target price to EUR 4.7 (was EUR 4.3) and raise our recommendation to Accumulate (was Reduce).

## Profitability level was excellent for Q3

Componenta's Q3 revenue grew by 22% to 24.8 MEUR, which was below our estimated revenue growth of 30%. Production volumes thus appear to have fallen short of our expectations, likely due to more extensive maintenance measures than in the comparison period, as mentioned by the company. EBITDA reached 1.9 MEUR in Q3, exceeding our 1.4 MEUR estimate. Considering the missed revenue forecast, Componenta achieved an EBITDA margin that was significantly better than we expected (Q3: act. 7.9% vs. estimated 5.2%). No single factor could be identified as the reason for the strong profitability, but rather it was the sum of several positive elements. In terms of cash flow, Q3 was subdued due to an increase in inventory levels, which we interpret as being partly in preparation for an increase in production volumes. The order book, on the other hand, settled at the level we expected at 18 MEUR.

## Weak production volumes will not ruin the 2025 financial year

Componenta will achieve its guidance for revenue growth and stronger EBITDA as the company's earnings development during the first three quarters of the year has clearly

outperformed the comparison periods. We forecast revenue growth of just over 16% in 2025, most of which (around 10%) is due to business transactions made at the end of 2024. Considering the slight price increases at the beginning of 2025, production growth will ultimately remain at a fairly low level (~+5%). In light of this, our projected EBITDA margin of just over 8% is an impressive achievement compared to the company's performance in recent years. In addition to the company's operational successes, we believe the strengthening profitability is due to the favorable revenue distribution development (e.g., increased share of revenue from the defense industry). We expect several customer segments to allow for an increase in production volumes in the coming years. According to our estimates, the agricultural machinery segment has the greatest room for improvement, and its growth would support foundry utilization rates, production efficiency, and relative profitability. Our earnings forecasts for the current year increased mainly in reflection of the forecast beat, while our estimates for the coming years remain virtually unchanged. However, Q3's profitability level was clearly stronger than we expected, which increased our confidence in the ability to achieve better margins as production volumes grow.

## Good performance encourages reliance on earnings growth

After adjusting for the amount of factoring financing, which corresponds to interest-bearing debt, the EV/EBITDA multiples are 6x and 5x for 2025 and 2026, respectively, and the corresponding EV/EBIT multiples are 15x and 10x. P/E multiples that account for high financial expenses are at 20x and 11x. The DCF model yields a value of EUR 4.7. There is clear upside in the multiples in 2027. Due to clear growth drivers and increased confidence in earnings growth projections, we feel confident relying in our view to the estimates for 2027, where the expected return from dividends and share price growth exceeds our required return.

## Recommendation

**Accumulate**

(was Reduce)

## Target price:

**EUR 4.70**

(was EUR 4.30)

## Share price:

EUR 4.17

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	97.1	113.3	129.5	140.9
<b>growth-%</b>	-5%	17%	14%	9%
<b>EBIT adj.</b>	-0.3	4.0	5.6	6.6
<b>EBIT-% adj.</b>	-0.3 %	3.5 %	4.3 %	4.7 %
<b>Net Income</b>	0.2	2.0	3.7	5.3
<b>EPS (adj.)</b>	-0.28	0.21	0.38	0.54
<b>P/E (adj.)</b>	>100	20.0	10.9	7.7
<b>P/B</b>	1.0	1.5	1.3	1.2
<b>Dividend yield-%</b>	0.0 %	1.7 %	3.4 %	4.8 %
<b>EV/EBIT (adj.)</b>	neg.	11.4	7.5	5.6
<b>EV/EBITDA</b>	4.1	4.9	3.8	3.0
<b>EV/S</b>	0.3	0.4	0.3	0.3

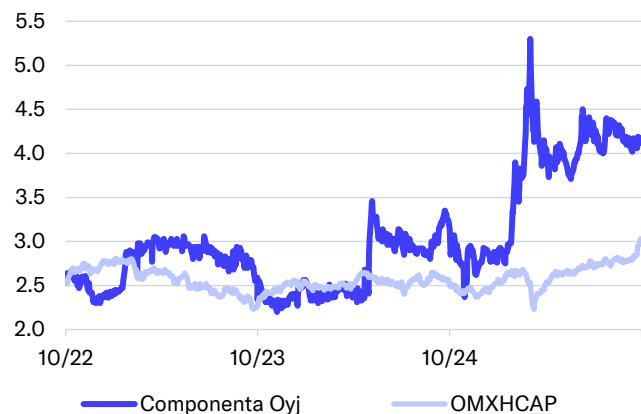
Source: Inderes

## Guidance

(Unchanged)

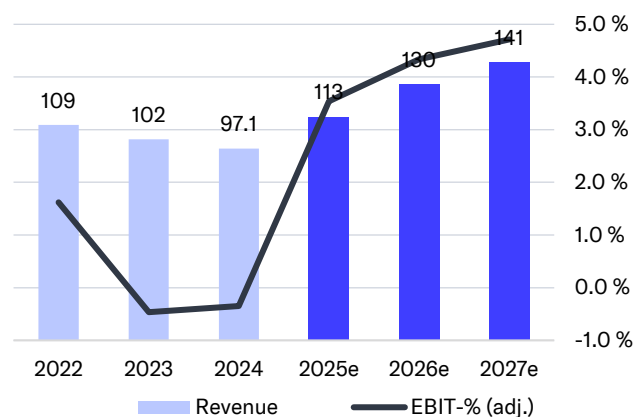
Componenta expects the group's revenue and adjusted EBITDA to improve from the previous year. The Group's revenue in 2024 was 97.1 MEUR, and its adjusted EBITDA was 4.9 MEUR.

## Share price



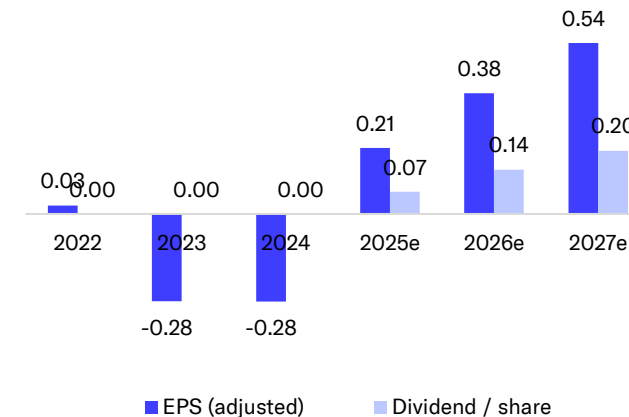
Source: Millistream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Customer sector risk highly diversified
- Long-term customer relationships with global OEMs
- Cost changes can be quickly transferred to own prices
- Valuation has a lot of historical baggage

## Risk factors

- Traditionally low-margin sector
- Customer sectors individually cyclical
- Two major customer dependencies

Valuation	2025e	2026e	2027e
Share price	4.17	4.17	4.17
Number of shares, millions	9.73	9.73	9.73
Market cap	41	41	41
EV	46	42	37
P/E (adj.)	20.0	10.9	7.7
P/E	20.0	10.9	7.7
P/B	1.5	1.3	1.2
P/S	0.4	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	4.9	3.8	3.0
EV/EBIT (adj.)	11.4	7.5	5.6
Payout ratio (%)	33.6 %	36.6 %	37.0 %
Dividend yield-%	1.7 %	3.4 %	4.8 %

Source: Inderes

# Excellent profitability achieved during seasonally quiet period

## Revenue fell short of our expectations

Componenta's Q3 revenue grew by 22% to 24.8 MEUR, which was below our estimated revenue growth of 30%. Production volumes thus appear to have fallen short of our expectations, likely due to more extensive maintenance measures than in the comparison period, as mentioned by the company. Componenta's EBITDA reached 1.9 MEUR, exceeding our 1.4 MEUR estimate. Considering the missed revenue forecast, Componenta achieved an EBITDA margin that was significantly better than we expected (Q3: act. 7.9% vs. estimated 5.2%). The company commented that this was also better than its own expectations, considering the maintenance measures carried out during the review period. Excellent profitability, compared to Componenta's review history, was supported by new business operations, increased volumes, and improved production efficiency and quality factors, according to the company. We estimate that efficiency and quality factors include a favorable sales mix, which appears to have been

particularly advantageous in Q3. Therefore, in our view, the profitability achieved in Q3 does not represent the new normal, although it is an encouraging sign in terms of higher production volumes.

## Profitability clearly above our expectations

The company's order book stood at 18.2 MEUR at the end of Q3 (30.9% y/y). Most of the growth came from business transactions in 2024, but we estimate that the order book also grew organically by around 10%. However, due to slight price increases (~1%) at the beginning of the year, this means slightly lower growth in production volumes. This was consistent with our estimate of approximately 18 MEUR. Considering that the revenue was lower than we expected, new sales seem to have been somewhat **more modest** than we anticipated. Market comments were also somewhat as expected: demand in the energy and defense sectors is at a good level, while the market situation for agricultural machinery remains very sluggish.

## Growth on the horizon ties up capital now

Cash flow from operational activities remained very weak in Q3 due to increased inventory levels. Reflecting this, the company's 9-month cash flow turned negative at -0.4 MEUR. We believe that the increase in inventory levels is a slightly positive indication of growth in the coming quarters. On the other hand, the company also announced new customer agreements in which the responsibility for raw material storage was transferred to Componenta. While this ties up cash flow on Componenta's balance sheet, we expect this type of agreement to correspondingly generate a better-than-average margin in order to achieve a satisfactory ROE requirement. Due to weak cash flow and investments, net debt increased to approximately 10 MEUR, almost entirely consisting of leasing liabilities. Additionally, the company uses factoring financing, comparable to debt, which we estimate to have been just under 10 MEUR at the end of Q3.

	Q3'24	Q3'25	Q3'25e	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. Inderes	Inderes
Revenue	20.3	24.8	26.3	-6%	113
EBITDA	1.2	1.9	1.4	36%	9.4
EBIT	-0.1	0.6	0.2	200%	4.0
Revenue growth-%	1.7 %	22.2 %	29.6 %	-7.4 pp	16.6 %
EBIT-% (adj.)	-0.5 %	2.4 %	0.0 %	2.4 pp	3.5 %

Source: Inderes

# Earnings forecast for the current year raised due to deviation from estimates

## Current financial year marks a clear turnaround for the better

The guidance for growing revenue and adjusted EBITDA will certainly be achieved after a significantly better 9-month period than in the comparison period. Considering the price increases implemented at the beginning of the current year and the positive impact of business transactions, we believe that the order book would indicate a slight organic growth in production volumes for Q4. We also believe that the comments expressing confidence in the short-term outlook, as stated during the company's webcast, give reason to expect a decent final quarter of 2025.

## Slight increases in estimates for the current year

In line with achieved profitability exceeding our expectations, we slightly raised our profitability (EBITDA-%) forecasts for the coming years. At the same time, we revised our estimates for fairly rapid organic revenue

growth slightly downward. Our EBITDA forecasts for 2025 increased slightly due to the estimate beat and a minor positive change in the Q4 forecast, while our EBITDA forecasts for the following years remain unchanged. Forecasts for the lower lines of the income statement were supported by downward revisions to our depreciation estimates. We increased our dividend forecast for the current year to reflect the higher earnings and the company's objective to distribute one-third of its financial year profits as dividends. We expect the company to pay a dividend of EUR 0.07 for the current financial year. Considering the capital requirements of growth, high financing costs, and the cyclical nature of the business, we believe that strengthening the balance sheet is the most beneficial option in terms of shareholder value. However, dividend payments are justified by the signal value of dividend distribution and the improving cash flow performance resulting from the increased earnings level. In the coming years, earnings estimates will be supported by lower financial expense estimates based on lower interest

rates and our assessment that the financing structure can be streamlined.

## Our growth expectations are weighted towards H2'26

The most significant growth drivers in our estimates are the recovery of the agricultural machinery market from a very subdued level and progress in delivering large orders to the Finnish Defence Forces. The timing of the agricultural machinery market recovery is subject to significant uncertainty, and we expect clearer growth impulses to emerge in Q2-Q4 of 2026. While we expect this to improve profitability through higher foundry utilization rates, the excellent comparison period in Q3'25 will slow the scale of the improvement. The delivery of exceptionally long and predictable orders from the Finnish Defence Forces will facilitate production planning and capacity management. Our 2027 estimates reflect the revenue and earnings potential of a more normal cycle overall, which is 35% above the current level in terms of EBITDA.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	115	113	-2%	132	130	-2%	143	141	-2%
EBITDA	8.8	9.4	7%	11.2	11.2	0%	12.5	12.4	-1%
EBIT (exc. NRIs)	3.4	4.0	18%	5.4	5.6	4%	6.5	6.6	2%
EBIT	3.4	4.0	18%	5.4	5.6	4%	6.5	6.6	2%
PTP	1.4	2.0		3.5	3.7	6%	4.9	5.3	6%
EPS (excl. NRIs)	0.14	0.21		0.36	0.38	6%	0.51	0.54	6%
DPS	0.03	0.07		0.14	0.14	0%	0.20	0.20	0%

Source: Inderes

# Earnings growth renders the expected return sufficient

## Multiples for next year seem neutral

We believe that the enterprise value (EV) multiples calculated with the reported net debt reflect a more favorable valuation than is actually the case, as the company has a factoring arrangement in place, whereby trade receivables are sold to an external financial institution to finance the business. This arrangement strengthens Componenta's cash position and thereby reduces the level of EV-based multiples. The arrangement is thus comparable to the use of interest-bearing debt. At the end of the FY 2024, the amount of trade receivables sold was 13 MEUR, and there is no visibility on the use of factoring financing beyond this point. Adjusting the EV multiples for the 13 MEUR factoring facility, our forecast EV/EBIT multiples for 2025 and 2026 are 15x and 10x, and EV/EBITDA multiples are 6x and 5x.

We see downside in the level of financing expenses as the company's profitability improves and the balance sheet strengthens. The P/E ratio takes into account the impact of high financing expenses, and our forecast shows P/E ratios of 20x and 11x for 2025 and 2026, respectively. According to our estimates, the company's free cash flow after interest expenses will remain close to zero in 2025 due to the commitment of working capital, but in 2026, we expect free cash flow to reach 4 MEUR (~10% of market value). With support from free cash flow, fewer expensive financing channels could be used, which we consider an attractive option for creating shareholder value. However, considering the dividend target (30% of earnings) and the strategy involving acquisitions, we consider it more likely that capital will be allocated to growth investments in the coming years. With expensive financing, growth investments must be highly successful to generate returns exceeding the cost of capital.

## Cash flow model is sensitive to profitability assumptions

The long-term DCF model gives Componenta a share value of EUR 4.7 (previously EUR 4.3). The value of the DCF model was increased by positive estimates changes, revisions to our investment estimates, and a downward revision of the required return (WACC 9.8%). Although the cost of debt is high (7%), this also reflects the expectation that the cost of debt financing will decrease from its current level. In our forecasts, the company will achieve its financial targets set for 2027 one year behind schedule (revenue 150 MEUR & EBIT-% > 5%).

## Strong profitability encourages a longer-term perspective

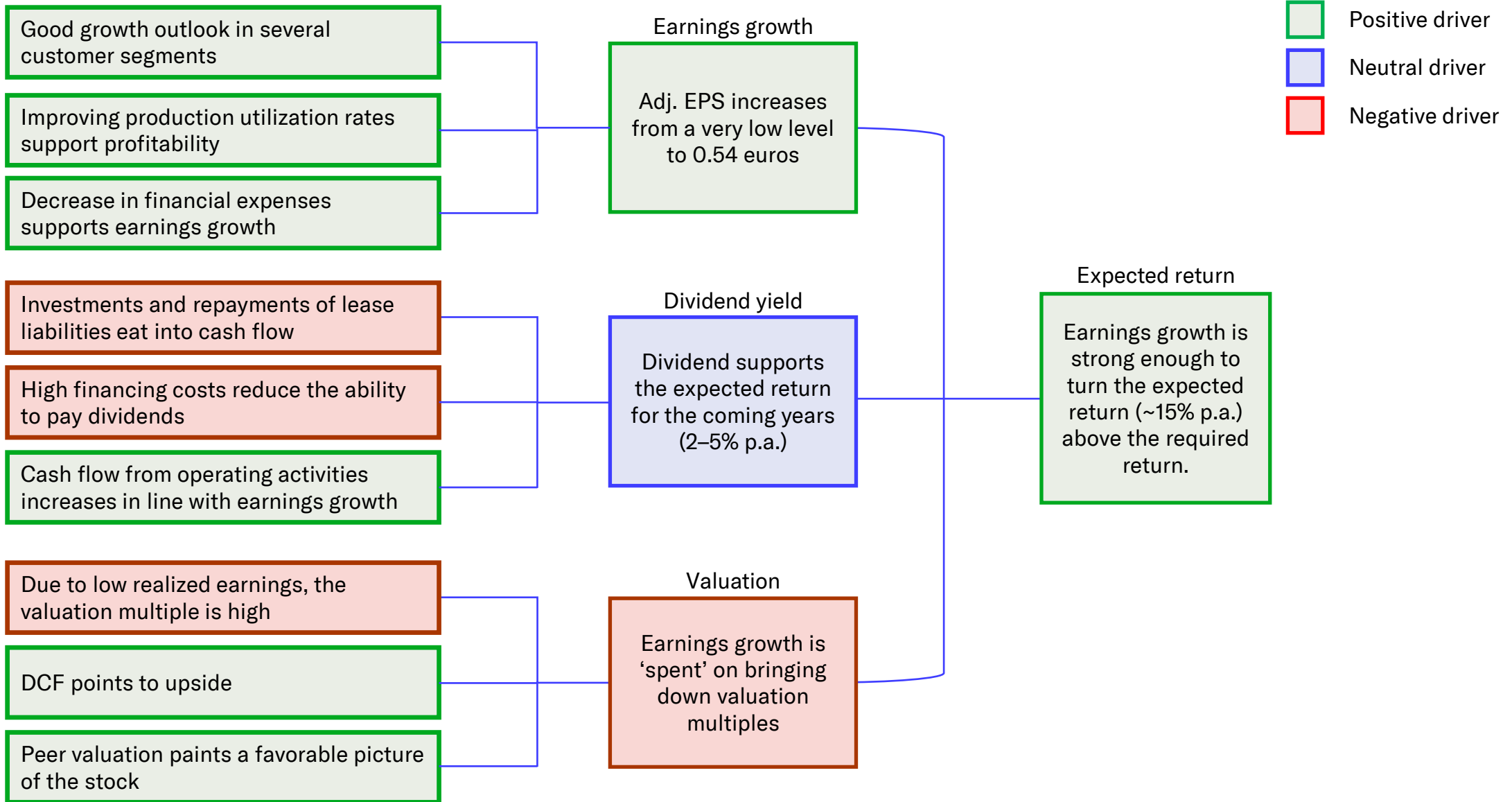
Our confidence in our earnings growth estimates for the coming years was strengthened by the profitability in Q3, which clearly exceeded our expectations. As the economic cycle normalizes within customer segments, revenue will improve. This will make it possible for the company to achieve even greater profitability than our forecasts for the next few years, which would further support the expected return. With current estimates, the expected return will rise to over 15% per year by the end of 2027, supported by dividends. Looking ahead one year, we expect the 2026 multiples to have upside, given the positive growth outlook for 2027, which, supported by a moderate dividend yield, should suffice to make the risk/reward ratio adequate on a one-year horizon as well.

The main risks relate to operational problems similar to those experienced at the turn of 2023 and 2024, which could impact profitability. Additionally, if the turnaround in the economic cycle is postponed further until 2027, the expected return would fall below the required return.

Valuation	2025e	2026e	2027e
Share price	4.17	4.17	4.17
Number of shares, millions	9.73	9.73	9.73
Market cap	41	41	41
EV	46	42	37
P/E (adj.)	20.0	10.9	7.7
P/E	20.0	10.9	7.7
P/B	1.5	1.3	1.2
P/S	0.4	0.3	0.3
EV/Sales	0.4	0.3	0.3
EV/EBITDA	4.9	3.8	3.0
EV/EBIT (adj.)	11.4	7.5	5.6
Payout ratio (%)	33.6 %	36.6 %	37.0 %
Dividend yield-%	1.7 %	3.4 %	4.8 %

Source: Inderes

# EPS drivers 2024-2027e



# Development of key business indicators

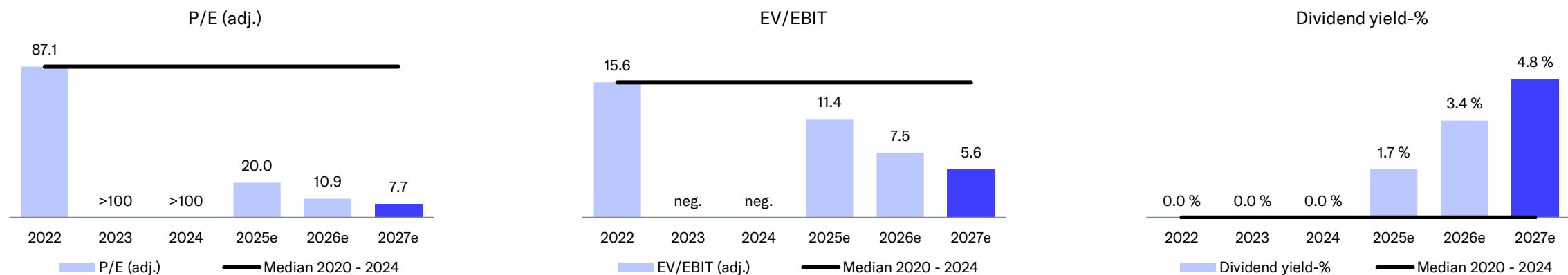
REVENUE	2019	2020	2021	2022	2023	2024	2025	Average
Q1	10.99	19.59	20.38	25.51	30.73	23.57	28.80	22.80
Q2	11.29	17.14	23.09	28.90	29.50	26.44	30.88	23.89
Q3	10.05	15.78	18.53	24.62	19.91	20.25	24.77	19.13
Q4	18.40	17.53	25.26	30.06	21.67	26.90		23.30
Average	12.68	17.51	21.81	27.27	25.45	24.29	28.15	
<b>ORDER BOOK</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Average</b>
Q1	20.50	9.13	11.86	16.19	16.58	15.77	17.40	15.35
Q2	9.60	8.29	11.95	13.43	10.42	10.81	14.20	11.24
Q3	10.80	8.86	16.05	18.74	13.54	13.92	17.97	14.27
Q4	9.00	9.54	13.95	18.48	14.53	16.68		13.70
Average	12.48	8.96	13.45	16.71	13.77	14.29	16.52	
EBITDA-%	2019	2020	2021	2022	2023	2024	2025	Average
Q1	14.5 %	4.3 %	7.4 %	5.7 %	9.1 %	-0.6 %	8.3 %	6.9 %
Q2	8.8 %	2.9 %	7.7 %	8.2 %	8.9 %	7.8 %	8.5 %	7.5 %
Q3	-7.0 %	3.5 %	1.4 %	1.9 %	2.0 %	6.0 %	7.7 %	2.2 %
Q4	-1.7 %	10.6 %	5.6 %	9.3 %	-2.5 %	6.7 %		4.7 %
Average	3.7 %	5.3 %	5.5 %	6.3 %	4.4 %	5.0 %	8.1 %	



# Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	3.34	2.34	2.35	2.76	<b>4.17</b>	<b>4.17</b>	<b>4.17</b>	<b>4.17</b>
Number of shares, millions	9.52	9.71	9.71	9.71	<b>9.73</b>	<b>9.73</b>	<b>9.73</b>	<b>9.73</b>
Market cap	32	23	23	27	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
EV	39	28	32	32	<b>46</b>	<b>42</b>	<b>37</b>	<b>33</b>
P/E (adj.)	>100	87.1	>100	>100	<b>20.0</b>	<b>10.9</b>	<b>7.7</b>	<b>6.8</b>
P/E	>100	>100	14.7	>100	<b>20.0</b>	<b>10.9</b>	<b>7.7</b>	<b>6.8</b>
P/B	1.4	1.0	0.9	1.0	<b>1.5</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>
P/S	0.4	0.2	0.2	0.3	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
EV/Sales	0.4	0.3	0.3	0.3	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>
EV/EBITDA	7.8	3.9	6.0	4.1	<b>4.9</b>	<b>3.8</b>	<b>3.0</b>	<b>2.5</b>
EV/EBIT (adj.)	neg.	15.6	neg.	neg.	<b>11.4</b>	<b>7.5</b>	<b>5.6</b>	<b>4.4</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	<b>33.6 %</b>	<b>36.6 %</b>	<b>37.0 %</b>	<b>35.9 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	<b>1.7 %</b>	<b>3.4 %</b>	<b>4.8 %</b>	<b>5.3 %</b>

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Norrhydro	15	24	24.4	12.2	12.2	8.2	1.8	0.8		16.7			1.8
Castings plc	122	107	19.3	10.0	6.4	4.7	0.6	0.5	25.2	14.5	7.5	7.5	
Georg Fischer	5050	6806	18.3	16.4	12.5	12.2	1.6	1.8	20.2	18.4	2.6	2.4	15.8
Kesla	10	21		21.4	21.4	10.7	0.6	0.5		19.3		1.7	0.9
Ponsse	706	736	16.9	13.2	9.4	8.2	1.0	1.0	22.2	17.7	2.7	2.8	2.0
Wärtsilä	16752	15338	19.0	17.3	15.6	14.7	2.2	2.1	28.1	25.7	1.8	2.0	5.9
AGCO	6929	9088	16.0	12.7	10.4	8.9	1.1	1.0	22.5	16.9	1.1	1.2	1.9
ElringKlinger	256	684	11.4	8.1	3.9	3.4	0.4	0.4	15.1	6.2	3.7	5.1	0.4
Componenta Oyj (Inderes)	41	46	11.4	7.5	4.9	3.8	0.4	0.3	20.0	10.9	1.7	3.4	1.5
Average			17.9	13.9	11.5	8.9	1.2	1.0	22.2	16.9	3.2	3.2	4.1
Median			18.3	12.9	11.3	8.5	1.0	0.9	22.4	17.3	2.6	2.4	1.9
Diff-% to median			-38%	-42%	-57%	-56%	-61%	-62%	-11%	-37%	-36%	41%	-22%

Source: Refinitiv / Inderes

# Income statement

Income statement	2022	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>109</b>	<b>102</b>	<b>97.1</b>	<b>28.8</b>	<b>30.9</b>	<b>24.8</b>	<b>28.8</b>	<b>113</b>	<b>130</b>	<b>141</b>	<b>149</b>
Group	109	102	97.1	28.8	30.9	24.8	28.8	113	130	141	149
<b>EBITDA</b>	<b>7.1</b>	<b>5.3</b>	<b>7.9</b>	<b>2.4</b>	<b>2.6</b>	<b>1.9</b>	<b>2.5</b>	<b>9.4</b>	<b>11.2</b>	<b>12.4</b>	<b>13.4</b>
Depreciation	-5.5	-1.5	-5.3	-1.3	-1.4	-1.4	-1.4	-5.4	-5.6	-5.7	-5.8
<b>EBIT (excl. NRI)</b>	<b>1.8</b>	<b>-0.5</b>	<b>-0.3</b>	<b>1.1</b>	<b>1.3</b>	<b>0.6</b>	<b>1.1</b>	<b>4.0</b>	<b>5.6</b>	<b>6.6</b>	<b>7.5</b>
<b>EBIT</b>	<b>1.6</b>	<b>3.8</b>	<b>2.6</b>	<b>1.1</b>	<b>1.3</b>	<b>0.6</b>	<b>1.1</b>	<b>4.0</b>	<b>5.6</b>	<b>6.6</b>	<b>7.5</b>
Net financial items	-1.7	-2.2	-2.4	-0.5	-0.5	-0.4	-0.5	-2.0	-1.9	-1.4	-1.0
<b>PTP</b>	<b>-0.1</b>	<b>1.6</b>	<b>0.2</b>	<b>0.5</b>	<b>0.8</b>	<b>0.1</b>	<b>0.6</b>	<b>2.0</b>	<b>3.7</b>	<b>5.3</b>	<b>6.5</b>
Taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
Minority interest	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>0.1</b>	<b>1.5</b>	<b>0.2</b>	<b>0.5</b>	<b>0.8</b>	<b>0.1</b>	<b>0.6</b>	<b>2.0</b>	<b>3.7</b>	<b>5.3</b>	<b>6.0</b>
<b>EPS (adj.)</b>	<b>0.03</b>	<b>-0.28</b>	<b>-0.28</b>	<b>0.05</b>	<b>0.08</b>	<b>0.01</b>	<b>0.06</b>	<b>0.21</b>	<b>0.38</b>	<b>0.54</b>	<b>0.61</b>
<b>EPS (rep.)</b>	<b>0.01</b>	<b>0.16</b>	<b>0.02</b>	<b>0.05</b>	<b>0.08</b>	<b>0.01</b>	<b>0.06</b>	<b>0.21</b>	<b>0.38</b>	<b>0.54</b>	<b>0.61</b>
<b>Key figures</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Q1'25</b>	<b>Q2'25</b>	<b>Q3'25</b>	<b>Q4'25e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
<b>Revenue growth-%</b>	25.0 %	-6.7 %	-4.6 %	22.4 %	16.8 %	22.3 %	6.9 %	16.6 %	14.4 %	8.8 %	6.0 %
<b>EBITDA-%</b>	6.5 %	5.2 %	8.1 %	8.2 %	8.5 %	7.9 %	8.6 %	8.3 %	8.7 %	8.8 %	8.9 %
<b>Adjusted EBIT-%</b>	1.6 %	-0.5 %	-0.3 %	3.7 %	4.1 %	2.4 %	3.8 %	3.5 %	4.3 %	4.7 %	5.0 %
<b>Net earnings-%</b>	0.1 %	1.5 %	0.2 %	1.7 %	2.6 %	0.6 %	2.1 %	1.8 %	2.9 %	3.7 %	4.0 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>36.6</b>	<b>38.1</b>	<b>37.1</b>	<b>36.7</b>	<b>36.2</b>
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	2.0	1.6	1.7	1.5	1.3
Tangible assets	31.0	33.0	31.8	31.6	31.4
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	0.4	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>20.7</b>	<b>25.3</b>	<b>27.4</b>	<b>28.5</b>	<b>30.3</b>
Inventories	12.6	14.0	18.9	18.1	18.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.8	2.6	2.8	3.9	4.9
Cash and equivalents	5.3	8.7	5.7	6.5	7.0
<b>Balance sheet total</b>	<b>57.3</b>	<b>63.4</b>	<b>64.5</b>	<b>65.2</b>	<b>66.5</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>25.6</b>	<b>25.8</b>	<b>27.9</b>	<b>30.9</b>	<b>34.8</b>
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	4.8	5.3	7.3	10.4	14.3
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	19.8	19.5	19.5	19.5	19.5
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>12.3</b>	<b>11.7</b>	<b>9.1</b>	<b>7.0</b>	<b>3.6</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.3	0.0	0.0	0.0	0.0
Interest-bearing liabilities	11.3	10.7	8.1	6.1	2.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.9	0.9	0.9	0.9
<b>Current liabilities</b>	<b>19.5</b>	<b>25.9</b>	<b>27.6</b>	<b>27.2</b>	<b>28.2</b>
Interest-bearing liabilities	3.1	3.5	2.6	2.0	0.8
Payables	16.4	22.1	24.9	25.3	27.3
Other current liabilities	0.0	0.4	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>57.3</b>	<b>63.4</b>	<b>64.5</b>	<b>65.2</b>	<b>66.5</b>

# DCF-calculation

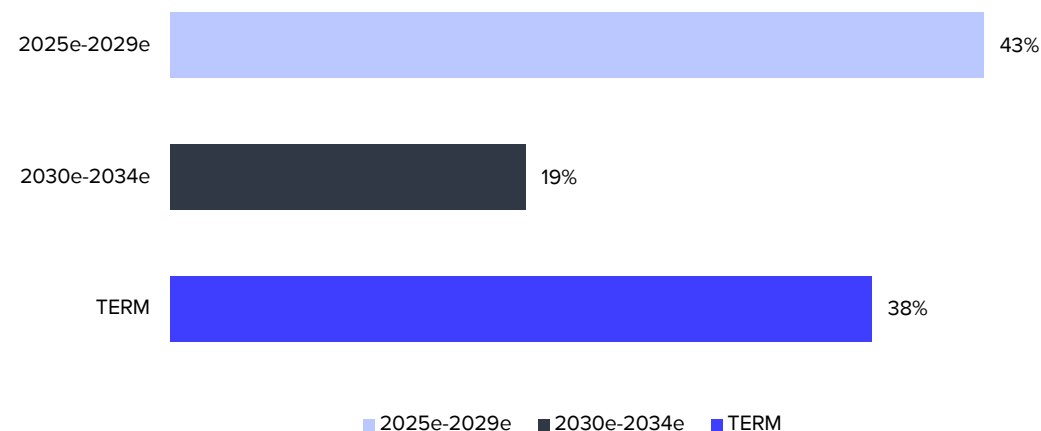
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-4.6 %	16.6 %	14.4 %	8.8 %	6.0 %	5.3 %	4.6 %	3.9 %	3.2 %	3.0 %	2.5 %	2.5 %
EBIT-%	2.6 %	3.5 %	4.3 %	4.7 %	5.0 %	3.6 %	3.4 %	3.2 %	3.0 %	2.8 %	2.5 %	2.5 %
<b>EBIT (operating profit)</b>	<b>2.6</b>	<b>4.0</b>	<b>5.6</b>	<b>6.6</b>	<b>7.5</b>	<b>5.7</b>	<b>5.6</b>	<b>5.5</b>	<b>5.3</b>	<b>5.1</b>	<b>4.7</b>	
+ Depreciation	5.3	5.4	5.6	5.7	5.8	5.7	5.7	5.7	5.8	5.9	6.0	
- Paid taxes	0.0	0.0	0.0	0.0	-0.6	-0.9	-0.9	-0.9	-0.9	-0.8	-0.8	
- Tax, financial expenses	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	4.9	-2.7	0.1	0.8	-0.8	0.0	0.0	0.0	-0.2	-0.3	-0.1	
<b>Operating cash flow</b>	<b>12.7</b>	<b>6.7</b>	<b>11.3</b>	<b>13.2</b>	<b>11.9</b>	<b>10.4</b>	<b>10.3</b>	<b>10.2</b>	<b>9.9</b>	<b>9.8</b>	<b>9.7</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-6.8	-4.4	-5.2	-5.3	-5.5	-5.6	-5.8	-6.0	-6.6	-6.5	-6.5	
<b>Free operating cash flow</b>	<b>5.9</b>	<b>2.3</b>	<b>6.1</b>	<b>7.9</b>	<b>6.4</b>	<b>4.8</b>	<b>4.5</b>	<b>4.2</b>	<b>3.3</b>	<b>3.3</b>	<b>3.2</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	5.9	2.3	6.1	7.9	6.4	4.8	4.5	4.2	3.3	3.3	3.2	45.2
<b>Discounted FCFF</b>		<b>2.3</b>	<b>5.5</b>	<b>6.5</b>	<b>4.8</b>	<b>3.2</b>	<b>2.8</b>	<b>2.4</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	<b>19.2</b>
Sum of FCFF present value		51.1	48.8	43.3	36.9	32.1	28.9	26.1	23.8	22.1	20.5	19.2
<b>Enterprise value DCF</b>		<b>51.1</b>										
- Interest bearing debt		-14.2										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>45.6</b>										
<b>Equity value DCF per share</b>		<b>4.7</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	7.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.9 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.8 %</b>

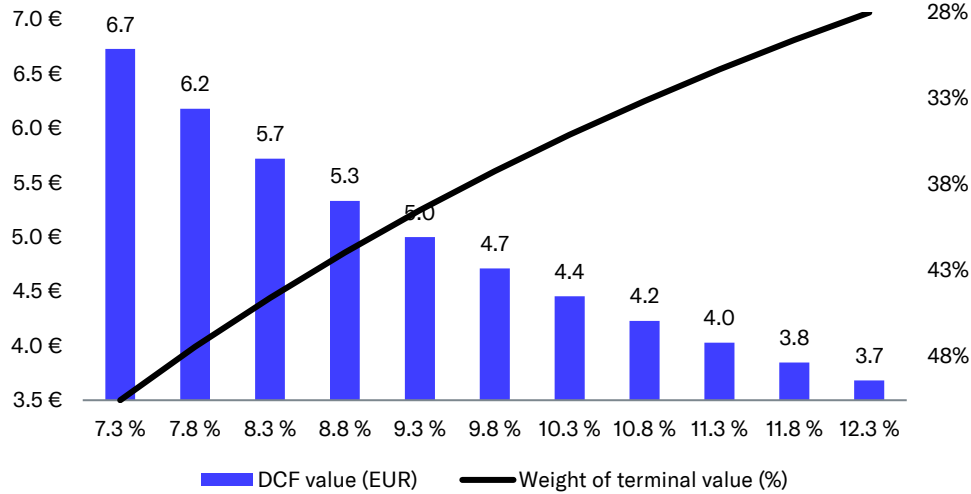
Source: Inderes

## Cash flow distribution

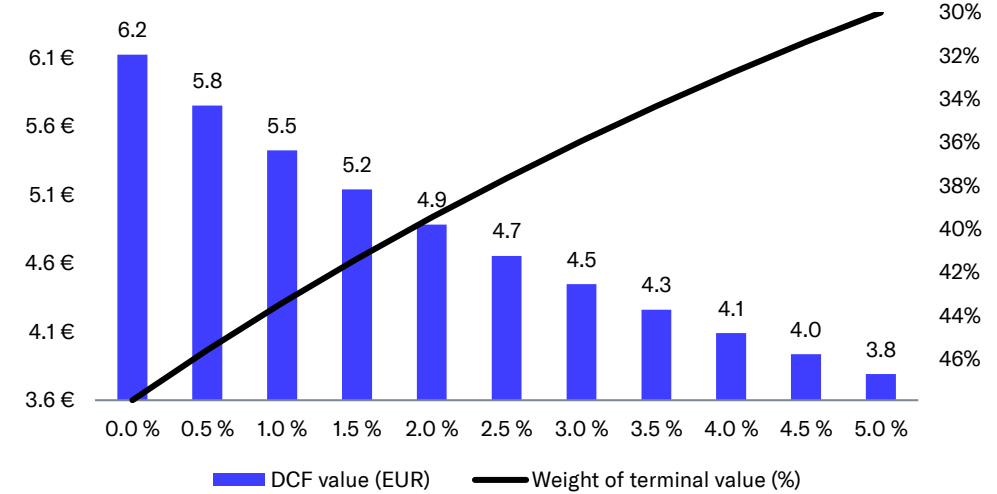


# DCF sensitivity calculations and key assumptions in graphs

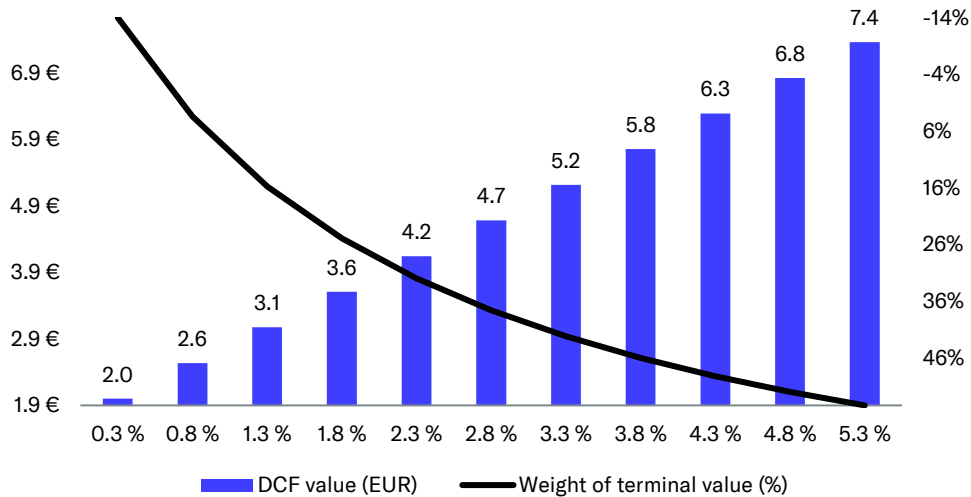
Sensitivity of DCF to changes in the WACC-%



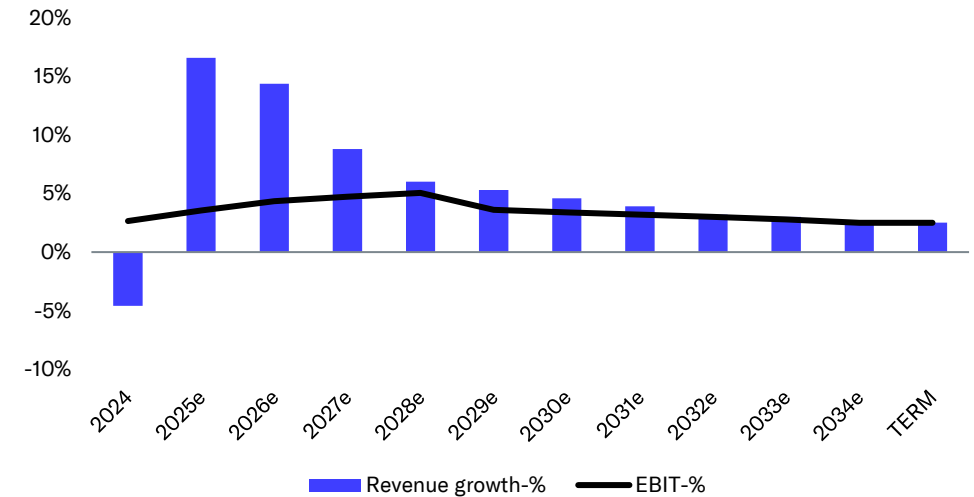
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	109.1	101.8	97.1	<b>113.3</b>	<b>129.5</b>	EPS (reported)	0.01	0.16	0.02	<b>0.21</b>	<b>0.38</b>
EBITDA	7.1	5.3	7.9	<b>9.4</b>	<b>11.2</b>	EPS (adj.)	0.03	-0.28	-0.28	<b>0.21</b>	<b>0.38</b>
EBIT	1.6	3.8	2.6	<b>4.0</b>	<b>5.6</b>	OCF / share	0.78	0.34	1.31	<b>0.69</b>	<b>1.16</b>
PTP	-0.1	1.6	0.2	<b>2.0</b>	<b>3.7</b>	OFCF / share	0.29	-0.23	0.61	<b>0.24</b>	<b>0.63</b>
Net Income	0.1	1.5	0.2	<b>2.0</b>	<b>3.7</b>	Book value / share	2.46	2.63	2.66	<b>2.86</b>	<b>3.18</b>
Extraordinary items	-0.2	4.2	2.9	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.07</b>	<b>0.14</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	58.6	57.3	63.4	<b>64.5</b>	<b>65.2</b>	Revenue growth-%	25%	-7%	-5%	<b>17%</b>	<b>14%</b>
Equity capital	23.9	25.6	25.8	<b>27.9</b>	<b>30.9</b>	EBITDA growth-%	43%	-26%	49%	<b>20%</b>	<b>19%</b>
Goodwill	3.2	3.2	3.2	<b>3.2</b>	<b>3.2</b>	EBIT (adj.) growth-%	-318%	-127%	-29%	<b>-1287%</b>	<b>40%</b>
Net debt	4.8	9.1	5.5	<b>5.1</b>	<b>1.6</b>	EPS (adj.) growth-%	-121%	-1130%	0%	<b>-175%</b>	<b>83%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	6.5 %	5.2 %	8.1 %	<b>8.3 %</b>	<b>8.7 %</b>
EBITDA	7.1	5.3	7.9	<b>9.4</b>	<b>11.2</b>	EBIT (adj.)-%	1.6 %	-0.5 %	-0.3 %	<b>3.5 %</b>	<b>4.3 %</b>
Change in working capital	0.9	-2.0	4.9	<b>-2.7</b>	<b>0.1</b>	EBIT-%	1.4 %	3.7 %	2.6 %	<b>3.5 %</b>	<b>4.3 %</b>
Operating cash flow	7.6	3.3	12.7	<b>6.7</b>	<b>11.3</b>	ROE-%	0.3 %	6.3 %	0.8 %	<b>7.6 %</b>	<b>12.7 %</b>
CAPEX	-4.4	-5.4	-6.8	<b>-4.4</b>	<b>-5.2</b>	ROI-%	4.3 %	9.9 %	6.6 %	<b>10.4 %</b>	<b>14.7 %</b>
Free cash flow	2.8	-2.2	5.9	<b>2.3</b>	<b>6.1</b>	Equity ratio	40.8 %	44.6 %	40.7 %	<b>43.2 %</b>	<b>47.4 %</b>
						Gearing	20.2 %	35.6 %	21.2 %	<b>18.3 %</b>	<b>5.1 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.3	0.3	0.3	<b>0.4</b>	<b>0.3</b>						
EV/EBITDA	3.9	6.0	4.1	<b>4.9</b>	<b>3.8</b>						
EV/EBIT (adj.)	15.6	neg.	neg.	<b>11.4</b>	<b>7.5</b>						
P/E (adj.)	87.1	>100	>100	<b>20.0</b>	<b>10.9</b>						
P/B	1.0	0.9	1.0	<b>1.5</b>	<b>1.3</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>1.7 %</b>	<b>3.4 %</b>						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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
9/19/2023	Accumulate	3.20 €	2.73 €
9/27/2023	Accumulate	3.20 €	2.90 €
11/6/2023	Accumulate	3.00 €	2.55 €
1/15/2024	Buy	3.00 €	2.27 €
3/3/2024	Buy	3.00 €	2.32 €
5/7/2024	Buy	2.80 €	2.31 €
6/6/2024	Accumulate	3.60 €	3.30 €
7/23/2024	Accumulate	3.60 €	3.04 €
11/3/2024	Accumulate	3.30 €	2.85 €
11/27/2024	Accumulate	2.90 €	2.43 €
----- <i>Analyst changed</i> -----			
3/4/2025	Sell	2.90 €	3.90 €
3/9/2025	Reduce	3.40 €	3.71 €
5/5/2025	Reduce	3.40 €	4.05 €
5/10/2025	Reduce	3.60 €	3.96 €
7/24/2025	Reduce	4.30 €	4.41 €
10/27/2025	Reduce	4.30 €	4.19 €
10/30/2025	Accumulate	4.70 €	4.17 €





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