

# Innofactor

## Company report

7/22/2022 07:40



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✓ Inderes corporate customer

This report is a summary translation of the report “Kirittävää jäi loppuvuodelle” published on 7/22/2022 at 7:38 am

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# Still work to do in the rest of the year

We lower Innofactor's target price to EUR 1.00 (prev. 1.35) reflecting estimate cuts and the uncertainty of the earnings turnaround. We also lower our recommendation to Decrease (prev. Accumulate). Net sales decreased and was slightly below expectations in Q2 driven by weak billable utilization. This pushed the result clearly below estimates in Q2 and we expect this will also burden H2 and the company will not reach its guidance. Positive in the report was continued growth in the number of personnel and order backlog, which provides a good basis for returning to sustainable growth once the challenges are overcome. With our estimates, the share's valuation picture does not support a positive view (2022e EV/EBIT 10x), especially considering the uncertainty of the earnings turnaround and profit warning risk.

## Result fell clearly short of expectations due to fixed-price project overshoots

Q1 net sales decreased organically by 2% to EUR 16.9 million and were slightly below our estimates. Geographically, net sales in Denmark and Norway increased in Q2, but decreased in Finland and Sweden, mainly driven by challenges in a few fixed-price projects, which depressed billable utilization. Q2's comparable EBITDA decreased by 34% to EUR 1.4 million, representing 8.2% of net sales and being clearly below our estimate (10.7%). The EBITDA drop was due to weak billable utilization, primarily caused by an overshoot in fixed-price projects. The result was also depressed by the higher other operating expenses than in the comparison period, which were due to COVID savings ending and a couple of major transactions occurring in Q2 instead of Q3, which should make Q3 performance easier.

## Sales is working and the company now focuses on project management

We believe that the company will focus on project management in the future, which is important to make work as sales is already working (Q2 order backlog +6%) and we also expect there are other fixed-priced projects in the order backlog. However, we expect the challenges of current fixed-price projects to continue partly in H2 and depress billable utilization and thus also profitability.

## We expect the company to be slightly below its guidance

Innofactor reiterated its guidance and expects that 2022 net sales and adjusted EBITDA will increase from 2021. With the softer Q2 report, we cut our earnings estimates clearly (~15%) for the next few years. We expect Innofactor's net sales to grow by 4% to EUR 69 million in 2022 driven by the [Invenco acquisition](#). In addition, we expect the adjusted EBITDA to fall to EUR 7.4 million (10.8% of net sales) from EUR 7.5 million in 2021. We expect net sales to grow organically by 3% over the next few years, driven by billable utilization and EBITDA % to reach 11% in the next few years limited by wage inflation.

## We wait for better purchase opportunities

With our estimates the share's valuation is quite challenging with 2022 multiples (EV/EBIT 10x and PE 12x), especially considering the already expected earnings turnaround in H2. With corresponding 2023 multiples (8x and 9x) the valuation is attractive but contains uncertainty related to the turnaround. The share does not currently have clear positive drivers and we believe a profit warning is likely which has not yet been included in the share price. If the earnings turnaround is successful, the share price is low, as also indicated by the DCF calculation that reflects longer-term potential (EUR 1.4 per share). However, increased uncertainty following the weak Q2 report supports waiting for a better return/risk ratio.

## Recommendation

### Reduce

(previous Accumulate)

### EUR 1.00

(previous EUR 1.35)

### Share price:

1.02



## Key figures

	2021	2022e	2023e	2024e
<b>Revenue</b>	66	69	73	75
<b>growth-%</b>	0%	4%	6%	3%
<b>EBITDA</b>	10.1	7.4	7.7	8.1
<b>EBITDA-%</b>	15.2 %	10.8 %	10.5 %	10.7 %
<b>Net Income</b>	4.5	3.3	3.7	4.0
<b>EPS (adj.)</b>	0.07	0.09	0.11	0.12
<b>P/E (adj.)</b>	23.2	11.8	9.4	8.8
<b>P/B</b>	2.2	1.4	1.3	1.3
<b>Dividend yield-%</b>	5.3 %	4.9 %	5.9 %	6.9 %
<b>EV/EBIT (adj.)</b>	14.4	10.3	8.4	7.4
<b>EV/EBITDA</b>	6.3	6.4	5.8	5.1
<b>EV/S</b>	1.0	0.7	0.6	0.5

Source: Inderes

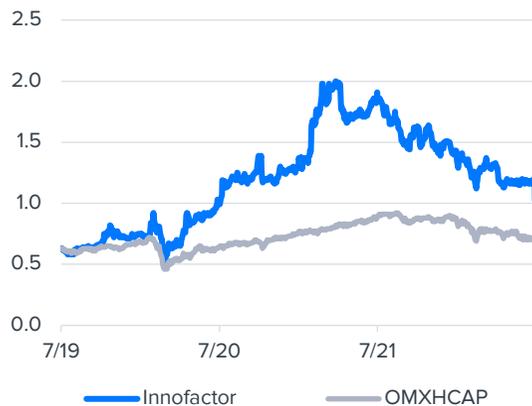
## Guidance

(Unchanged)

Innofactor's net sales and adjusted operating margin (EBITDA) in 2022 are estimated to increase from the year before (2021: 66.4 MEUR and 7.5 MEUR).

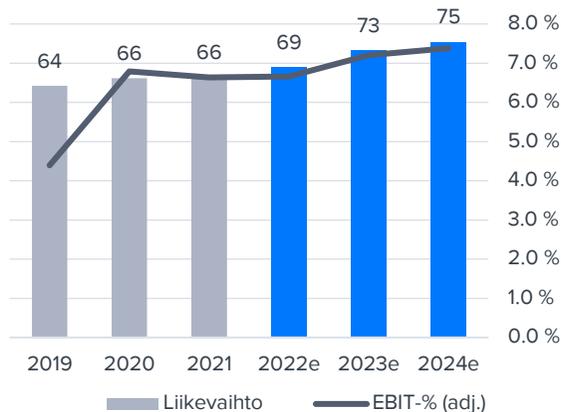
An extensive company report published in June is available [here](#), which is still relevant in terms of the business structure, market and strategy.

## Share price



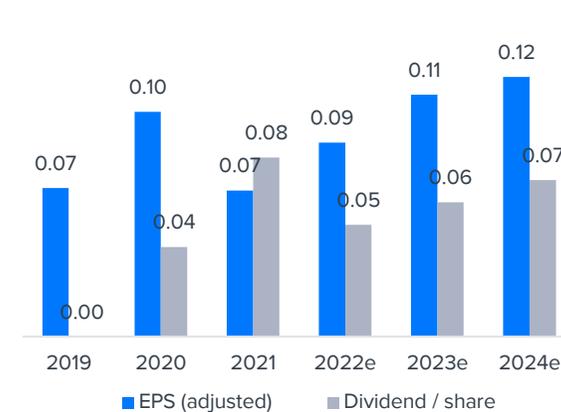
Source: Millstream Market Data AB

## Net sales and EBIT %



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Growth and profitability improvement in all Nordic countries, especially in Finland and Sweden
- Turnaround continuing and strengthening
- Restoring investor confidence, even though it has progressed well
- Organic and acquisition-driven growth
- Increasing share of continuous business and own product business



## Risk factors

- Failure of the new growth strategy
- Failure in project management
- Failure in strengthening international business
- Delay in building a Nordic organization
- Internationalization and acquisitions raise the risk level
- Weakening of Microsoft's position
- Geopolitical situation

Valuation	2022e	2023e	2024e
Share price	1.02	1.02	1.02
Number of shares, millions	36.6	36.6	36.6
Market cap	37	37	37
EV	48	44	41
P/E (adj.)	11.8	9.4	8.8
P/E	11.4	10.0	9.3
P/FCF	39.9	7.1	6.8
P/B	1.4	1.3	1.3
P/S	0.5	0.5	0.5
EV/Sales	0.7	0.6	0.5
EV/EBITDA	6.4	5.8	5.1
EV/EBIT (adj.)	10.3	8.4	7.4
Payout ratio (%)	55.7 %	58.8 %	63.7 %
Dividend yield-%	4.9 %	5.9 %	6.9 %

Source: Inderes

# Estimates

Estimates	Q2'21	Q2'22	Q2'22e	Q2'22e	Consensus		Difference (%)	2022e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	17.3	16.9	17.4				-3%	69.0
EBITDA	2.1	1.4	1.9				-25%	7.4
EBIT	1.3	0.7	1.4				-48%	4.7
PTP	1.3	0.6	1.2				-47%	4.1
EPS (reported)	0.03	0.02	0.03				-43%	0.09
Revenue growth-%	3.2 %	-2.3 %	0.4 %				-2.7 pp	4.0 %
EBITDA-%	12.1 %	8.3 %	10.7 %				-2.4 pp	10.8 %

Source: Inderes

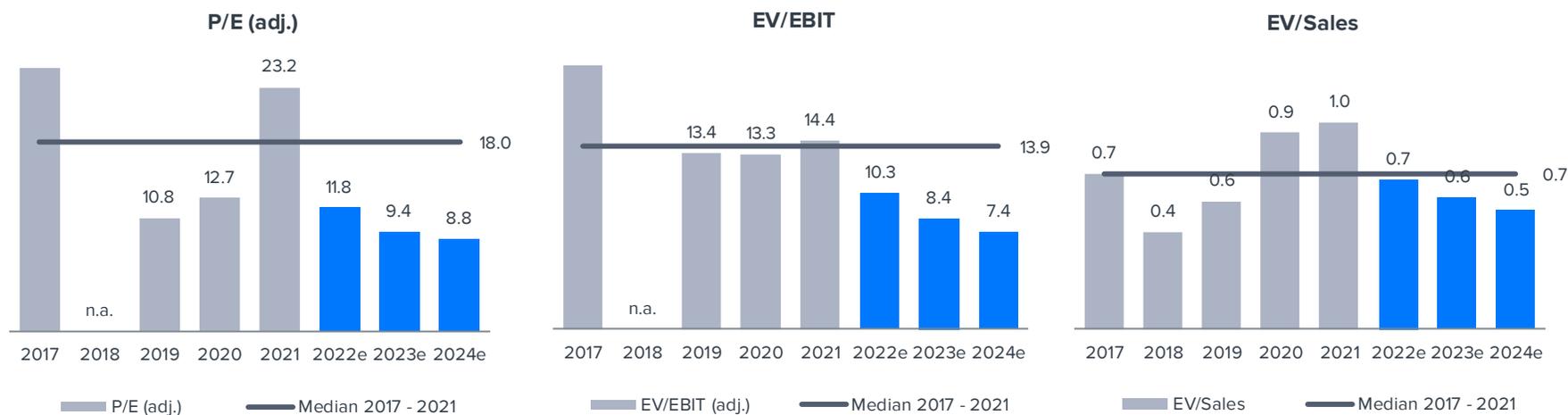
Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	69.9	69.0	-1%	74.6	73.3	-2%	76.8	75.4	-2%
EBITDA	8.0	7.4	-7%	8.5	7.7	-10%	8.9	8.1	-10%
EBIT (excl. NRIs)	5.5	4.6	-17%	6.1	5.3	-14%	6.4	5.6	-13%
EBIT	5.3	4.7	-12%	5.7	5.1	-12%	6.0	5.3	-11%
PTP	4.6	4.1	-11%	5.4	4.7	-13%	5.8	5.1	-12%
EPS (excl. NRIs)	0.11	0.09	-18%	0.13	0.11	-16%	0.14	0.12	-15%
DPS	0.05	0.05	0%	0.06	0.06	0%	0.07	0.07	0%

Source: Inderes

# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	0.94	0.36	0.72	1.28	1.52	1.02	1.02	1.02	1.02
Number of shares, millions	37.2	37.2	36.8	37.4	36.6	36.6	36.6	36.6	36.6
Market cap	34	13	27	48	55	37	37	37	37
EV	47	28	38	60	63	48	44	41	38
P/E (adj.)	93.7	n.a.	10.8	12.7	23.2	11.8	9.4	8.8	7.6
P/E	neg.	neg.	63.3	27.1	12.3	11.4	10.0	9.3	8.0
P/FCF	neg.	neg.	2.7	neg.	7.3	39.9	7.1	6.8	6.0
P/B	1.3	0.6	1.2	2.0	2.2	1.4	1.3	1.3	1.2
P/S	0.5	0.2	0.4	0.7	0.8	0.5	0.5	0.5	0.5
EV/Sales	0.7	0.4	0.6	0.9	1.0	0.7	0.6	0.5	0.5
EV/EBITDA	36.1	neg.	7.4	8.4	6.3	6.4	5.8	5.1	4.3
EV/EBIT (adj.)	83.2	n.a.	13.4	13.3	14.4	10.3	8.4	7.4	6.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %	84.9 %	65.1 %	55.7 %	58.8 %	63.7 %	62.6 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	3.1 %	5.3 %	4.9 %	5.9 %	6.9 %	7.8 %

Source: Inderes



# Peer group valuation

Company	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e
Digia	197	208	11.1	9.3	9.2	7.8	1.2	1.1	13.0	11.6	2.7	3.1
Digital Workforce	49	33					1.4	1.3				
Gofore	353	331	16.1	14.1	14.9	12.6	2.3	2.0	20.9	18.9	1.5	1.7
Loihde	72	32	6.6	5.2	3.1	4.0	0.3	0.2	16.6	14.1	3.0	3.1
Netum Group	47	46	11.1	9.8	10.6	9.4	1.6	1.4	14.3	13.1	3.0	3.2
Nixu	46	50	137.3	19.5	27.0	12.7	0.9	0.8		25.4		
Siili Solutions	98	112	9.3	8.0	7.5	6.6	1.0	0.9	11.3	10.1	2.9	3.6
Solteq	45	74	11.9	9.4	6.4	5.4	1.0	0.9	12.5	9.9	5.2	6.0
Tietoevry	2930	3432	9.0	8.1	7.9	6.6	1.2	1.1	10.3	9.4	5.7	6.1
Vincit	94	81	8.7	6.2	8.8	5.8	0.9	0.7	11.1	9.5	3.8	4.2
Witted Megacorp	74	64	63.8	21.4	61.3	21.2	1.2	0.8	193.8	33.5		
Bouvet	648	658	17.4	15.3	14.4	12.8	2.2	1.9	22.2	19.5	40.9	47.3
Enea	183	251	21.4	16.5	9.3	8.1	2.8	2.8	12.0	19.5		
Knowit	759	777	14.3	12.7	9.7	8.8	1.2	1.1	17.5	14.8	2.5	2.8
Netcompany Group	2475	2767	21.7	17.8	17.8	15.0	3.7	3.3	23.9	19.3	0.6	0.9
<b>Innofactor (Inderes)</b>	<b>37</b>	<b>48</b>	<b>10.3</b>	<b>8.4</b>	<b>6.4</b>	<b>5.8</b>	<b>0.7</b>	<b>0.6</b>	<b>11.8</b>	<b>9.4</b>	<b>4.9</b>	<b>5.9</b>
<b>Median Nordic companiest</b>			<b>13.1</b>	<b>11.2</b>	<b>9.5</b>	<b>8.5</b>	<b>1.2</b>	<b>1.1</b>	<b>14.3</b>	<b>14.4</b>	<b>3.0</b>	<b>3.2</b>
<i>Diff-% to median</i>			-21%	-25%	-33%	-31%	-44%	-45%	-18%	-35%	65%	83%
<b>Median Finnish companies</b>			<b>11.1</b>	<b>9.4</b>	<b>9.0</b>	<b>7.2</b>	<b>1.2</b>	<b>0.9</b>	<b>13.0</b>	<b>12.3</b>	<b>3.0</b>	<b>3.4</b>
<i>Diff-% to median</i>			-7%	-10%	-29%	-20%	-41%	-31%	-9%	-23%	65%	74%

Source: Refinitiv / \*Inderes' adjusted estimate. NB: The market cap Inderes uses does not consider own shares held by the company.

# Income statement

Income statement	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e
Revenue	64.2	66.2	17.8	17.3	13.7	17.6	66.4	17.0	16.9	15.4	19.8	69.0	73.3	75.4
EBITDA	5.1	7.2	4.7	2.1	1.7	1.7	10.1	2.0	1.4	1.9	2.1	7.4	7.7	8.1
Depreciation	-4.3	-4.7	-0.8	-0.8	-0.8	-1.1	-3.6	-0.7	-0.7	-0.6	-0.6	-2.7	-2.6	-2.7
EBIT (excl. NRI)	2.8	4.5	1.3	1.4	1.1	0.6	4.4	1.3	0.7	1.2	1.4	4.6	5.3	5.6
EBIT	0.8	2.5	3.8	1.3	0.9	0.5	6.5	1.3	0.7	1.3	1.4	4.7	5.1	5.3
Net financial items	-0.8	-0.5	-0.5	0.0	-0.2	-0.2	-0.8	-0.2	0.0	-0.2	-0.2	-0.6	-0.4	-0.3
PTP	0.0	2.1	3.4	1.3	0.8	0.3	5.7	1.1	0.6	1.1	1.3	4.1	4.7	5.1
Taxes	0.4	-0.3	-0.7	-0.3	-0.2	0.0	-1.2	-0.3	-0.1	-0.2	-0.3	-0.8	-0.9	-1.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	0.4	1.8	2.6	1.0	0.6	0.3	4.5	0.8	0.5	0.9	1.0	3.3	3.7	4.0
EPS (adj.)	0.07	0.10	0.00	0.03	0.02	0.01	0.07	0.02	0.01	0.02	0.03	0.09	0.11	0.12
EPS (rep.)	0.01	0.05	0.07	0.03	0.02	0.01	0.12	0.02	0.01	0.02	0.03	0.09	0.10	0.11

Key figures	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e
Revenue growth-%	1.7 %	3.1 %	3.8 %	3.2 %	-2.2 %	-3.8 %	0.3 %	-4.7 %	-2.0 %	12.1 %	12.6 %	4.0 %	6.1 %	2.9 %
Adjusted EBIT growth-%		59.2 %	3%	6%	21%	-39%	-2%	-2%	-53%	17%	132%	4%	15%	5.4 %
EBITDA-%	7.9 %	10.8 %	26.2 %	12.1 %	12.4 %	9.4 %	15.2 %	12.0 %	8.1 %	12.6 %	10.5 %	10.8 %	10.5 %	10.7 %
Adjusted EBIT-%	4.4 %	6.8 %	7.6 %	8.2 %	7.7 %	3.4 %	6.6 %	7.8 %	3.9 %	8.0 %	7.0 %	6.7 %	7.2 %	7.4 %
Net earnings-%	0.6 %	2.7 %	14.8 %	5.7 %	4.3 %	1.7 %	6.8 %	5.0 %	3.2 %	5.8 %	5.1 %	4.8 %	5.1 %	5.3 %

Source: Inderes

# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>39.6</b>	<b>35.7</b>	<b>37.3</b>	<b>36.5</b>	<b>35.5</b>
Goodwill	26.5	26.4	27.9	27.9	27.9
Intangible assets	2.1	0.6	0.6	0.6	0.6
Tangible assets	4.3	3.7	4.7	4.8	4.8
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	0.2	0.1	0.1	0.1	0.1
Deferred tax assets	6.4	4.8	4.0	3.1	2.0
<b>Current assets</b>	<b>17.0</b>	<b>15.4</b>	<b>15.9</b>	<b>18.2</b>	<b>18.3</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	13.9	13.4	14.5	15.4	15.8
Cash and equivalents	3.1	2.0	1.4	2.8	2.4
<b>Balance sheet total</b>	<b>56.6</b>	<b>51.1</b>	<b>55.5</b>	<b>56.8</b>	<b>55.7</b>

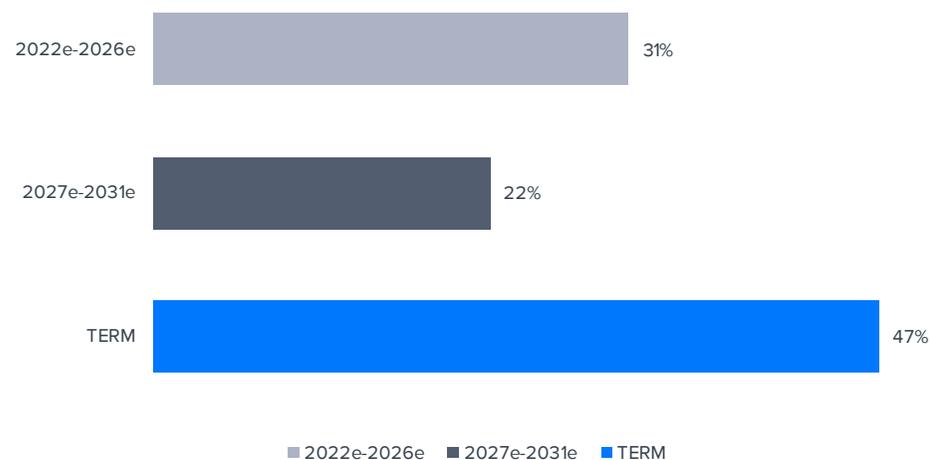
Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>23.4</b>	<b>25.5</b>	<b>25.8</b>	<b>27.7</b>	<b>29.6</b>
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	0.4	3.1	3.5	5.4	7.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.1	0.1	0.1	0.1	0.1
Other equity	20.9	20.2	20.2	20.2	20.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>12.9</b>	<b>7.8</b>	<b>10.7</b>	<b>9.5</b>	<b>6.5</b>
Deferred tax liabilities	1.8	1.5	1.5	1.5	1.5
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	11.1	6.3	9.2	8.0	5.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>20.2</b>	<b>17.8</b>	<b>19.0</b>	<b>19.6</b>	<b>19.6</b>
Short term debt	4.3	3.5	2.5	2.0	1.5
Payables	16.0	14.3	16.6	17.6	18.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>56.6</b>	<b>51.1</b>	<b>55.5</b>	<b>56.8</b>	<b>55.7</b>

# DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
<b>EBIT (operating profit)</b>	<b>6.5</b>	<b>4.7</b>	<b>5.1</b>	<b>5.3</b>	<b>6.1</b>	<b>6.8</b>	<b>6.5</b>	<b>5.9</b>	<b>6.0</b>	<b>6.2</b>	<b>6.3</b>	
+ Depreciation	3.6	2.7	2.6	2.7	2.7	2.7	2.8	2.8	3.4	3.3	3.1	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.0	-1.4	-1.2	-1.3	-1.3	-1.3	
- Tax, financial expenses	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0	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	-1.1	1.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
<b>Operating cash flow</b>	<b>8.9</b>	<b>8.4</b>	<b>7.7</b>	<b>8.1</b>	<b>8.8</b>	<b>9.6</b>	<b>8.1</b>	<b>7.5</b>	<b>8.3</b>	<b>8.2</b>	<b>8.1</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	-1.3	-7.5	-2.5	-2.6	-2.6	-2.7	-2.7	-2.8	-2.8	-2.8	-2.9	
<b>Free operating cash flow</b>	<b>7.6</b>	<b>0.9</b>	<b>5.2</b>	<b>5.5</b>	<b>6.2</b>	<b>6.9</b>	<b>5.4</b>	<b>4.8</b>	<b>5.5</b>	<b>5.4</b>	<b>5.2</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	7.6	0.9	5.2	5.5	6.2	6.9	5.4	4.8	5.5	5.4	5.2	68.1
<b>Discounted FCFF</b>		<b>0.9</b>	<b>4.6</b>	<b>4.4</b>	<b>4.6</b>	<b>4.6</b>	<b>3.3</b>	<b>2.7</b>	<b>2.8</b>	<b>2.5</b>	<b>2.2</b>	<b>29.3</b>
Sum of FCFF present value		62.0	61.1	56.5	52.0	47.5	42.8	39.5	36.8	34.0	31.5	29.3
<b>Enterprise value DCF</b>		<b>62.0</b>										
- Interesting bearing debt		-9.8										
+ Cash and cash equivalents		2.0										
- Minorities		0.0										
- Dividend/capital return		-2.9										
<b>Equity value DCF</b>		<b>51.2</b>										
<b>Equity value DCF per share</b>		<b>1.40</b>										

Cash flow distribution



Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>9.9 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.4 %</b>

Source: Inderes

# Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	64.2	66.2	66.4	<b>69.0</b>	<b>73.3</b>	EPS (reported)	0.01	0.05	0.12	<b>0.09</b>	<b>0.10</b>
EBITDA	5.1	7.2	10.1	<b>7.4</b>	<b>7.7</b>	EPS (adj.)	0.07	0.10	0.07	<b>0.09</b>	<b>0.11</b>
EBIT	0.8	2.5	6.5	<b>4.7</b>	<b>5.1</b>	OCF / share	0.22	0.13	0.24	<b>0.23</b>	<b>0.21</b>
PTP	0.0	2.1	5.7	<b>4.1</b>	<b>4.7</b>	FCF / share	0.27	-0.01	0.21	<b>0.03</b>	<b>0.14</b>
Net Income	0.4	1.8	4.5	<b>3.3</b>	<b>3.7</b>	Book value / share	0.60	0.63	0.70	<b>0.71</b>	<b>0.76</b>
Extraordinary items	-2.0	-2.0	2.1	<b>0.1</b>	<b>-0.2</b>	Dividend / share	0.00	0.04	0.08	<b>0.05</b>	<b>0.06</b>
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	55.7	56.6	51.1	<b>55.5</b>	<b>56.8</b>	Revenue growth-%	2%	3%	0%	<b>4%</b>	<b>6%</b>
Equity capital	22.1	23.4	25.5	<b>25.8</b>	<b>27.7</b>	EBITDA growth-%	n.a.	n.a.	41%	<b>-27%</b>	<b>3%</b>
Goodwill	26.0	26.5	26.4	<b>27.9</b>	<b>27.9</b>	EBIT (adj.) growth-%	n.a.	n.a.	-2%	<b>4%</b>	<b>15%</b>
Net debt	11.1	12.3	7.9	<b>10.3</b>	<b>7.2</b>	EPS (adj.) growth-%	n.a.	n.a.	-35%	<b>33%</b>	<b>25%</b>
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	7.9 %	10.8 %	15.2 %	<b>10.8 %</b>	<b>10.5 %</b>
EBITDA	5.1	7.2	10.1	<b>7.4</b>	<b>7.7</b>	EBIT (adj.)-%	4.4 %	6.8 %	6.6 %	<b>6.7 %</b>	<b>7.2 %</b>
Change in working capital	3.2	-2.0	-1.1	<b>1.1</b>	<b>0.1</b>	EBIT-%	1.2 %	3.8 %	9.8 %	<b>6.8 %</b>	<b>6.9 %</b>
Operating cash flow	8.1	5.0	8.9	<b>8.4</b>	<b>7.7</b>	ROE-%	1.9 %	7.7 %	18.4 %	<b>12.8 %</b>	<b>13.9 %</b>
CAPEX	-7.0	-2.2	-1.3	<b>-7.5</b>	<b>-2.5</b>	ROI-%	2.3 %	6.9 %	17.7 %	<b>13.0 %</b>	<b>13.5 %</b>
Free cash flow	9.8	-0.5	7.6	<b>0.9</b>	<b>5.2</b>	Equity ratio	39.7 %	41.4 %	49.9 %	<b>46.5 %</b>	<b>48.8 %</b>
Valuation multiples	2019	2020	2021	2022e	2023e	Gearing	49.9 %	52.6 %	30.8 %	<b>39.7 %</b>	<b>25.8 %</b>
EV/S	0.6	0.9	1.0	<b>0.7</b>	<b>0.6</b>						
EV/EBITDA (adj.)	7.4	8.4	6.3	<b>6.4</b>	<b>5.8</b>						
EV/EBIT (adj.)	13.4	13.3	14.4	<b>10.3</b>	<b>8.4</b>						
P/E (adj.)	10.8	12.7	23.2	<b>11.8</b>	<b>9.4</b>						
P/E	1.2	2.0	2.2	<b>1.4</b>	<b>1.3</b>						
Dividend-%	0.0 %	3.1 %	5.3 %	<b>4.9 %</b>	<b>5.9 %</b>						

Source: Inderes

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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 price	Share price
15-06-18	Reduce	0.80 €	0.79 €
25-07-18	Reduce	0.77 €	0.76 €
09-10-18	Reduce	0.63 €	0.63 €
31-10-18	Reduce	0.52 €	0.50 €
28-01-19	Sell	0.35 €	0.40 €
06-03-19	Reduce	0.45 €	0.47 €
15-05-19	Reduce	0.58 €	0.60 €
05-06-19	Reduce	0.68 €	0.71 €
24-07-19	Accumulate	0.68 €	0.63 €
30-10-19	Accumulate	0.80 €	0.75 €
26-02-20	Accumulate	0.90 €	0.78 €
01-04-20	Reduce	0.68 €	0.66 €
05-05-20	Accumulate	0.90 €	0.84 €
23-06-20	Accumulate	0.95 €	0.90 €
24-06-20	Accumulate	1.30 €	1.19 €
28-10-20	Accumulate	1.40 €	1.28 €
19-02-21	Buy	1.80 €	1.43 €
28-04-21	Reduce	2.00 €	1.97 €
10-06-21	Accumulate	2.00 €	1.72 €
23-07-21	Accumulate	2.00 €	1.86 €
27-10-21	Accumulate	1.80 €	1.59 €
18-02-22	Accumulate	1.50 €	1.33 €
27-04-22	Accumulate	1.45 €	1.24 €
28-06-22	Accumulate	1.35 €	1.17 €
22-07-22	Accumulate	1.00 €	1.02 €



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