

Koskisen

Company report

4/12/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Otamme happea selvän aliarvostuksen purkauduttua” published on 12/4/2024 at 8:33 am EEST.

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res.**

A pause for breath as the major undervaluation has dissipated

We reiterate our EUR 6.75 target price for Koskisen but lower our recommendation to Reduce (previously Accumulate) after the share price exceeded our target price. Despite some crosswinds, Koskisen's operating environment seems to have developed broadly in line with our expectations in early 2024, and we have fine-tuned our forecasts mainly in relation to the indirect effects of the Finnish strikes and the birch log prices. After the 20% rise in the share price at the beginning of the year, we think Koskisen is fairly correctly priced, especially on a one-year horizon. Thus, the expected return on the stock is already in line with our required return, and the clear incentives for further purchases have faded.

News flow has been mixed

The news flow from the final product and raw material markets relevant to Koskisen has been mixed. Demand for sawn timber is suffering from the weak construction cycle in Europe and also in Japan, but due to very low inventory levels in the value chain at the end of the year, we believe demand has been moderate in Q1. There has also been upward rather than downward pressure on prices, although the changes are not necessarily large, at least not yet. In birch plywood, the war-based supply disruption still keeps the market tight, although demand driven by logistics and construction is hardly at its best. Demand for chipboard has improved slightly, but the main reason may have been the strikes that limited imports to Finland. Log prices are high and the price of birch is still rising slightly, which is challenging Koskisen's margins. In addition, the Finnish port strikes have delayed the Sawn Timber Industry's deliveries from Q1 to Q2 and caused slight additional costs. However, the company has avoided major production breaks.

Slight negative fine-tuning of our forecasts due to strikes and other factors

Koskisen has issued a guidance for 2024 according to which revenue will grow from last year (2023: 271 MEUR revenue) and the adjusted EBITDA margin will be 8-12%. Due to the delivery delays and additional costs caused by the ongoing strikes, the development of birch logs prices and the adjustments to our price forecasts, we have lowered Koskisen's EBITDA forecasts for this year by 3% and for the coming years by 1-2%, especially for the Panel Industry. In our 2024 forecasts, revenue and earnings have been shifted from Q1 to Q2, mainly due to the strikes. We expect Koskisen to grow by 8% this year, with an adjusted EBITDA-% of 10%. The realization of our forecast is based on a slight recovery of the European economy towards the end of the year, which together with the ramp-up of the new sawmill line in Järvelä should support volumes, prices and efficiency, especially in the Sawn Timber Industry. In the coming years, we expect moderate earnings growth from the company, as falling interest rates will gradually revive demand in the construction sector and provide some support for product pricing in both units. However, this will be offset by high log prices. Nevertheless, our forecasts are clearly below Koskisen's target of over 15% EBITDA (2024e-2027e 10-12%).

In our view, the stock is quite well priced relative to the risks

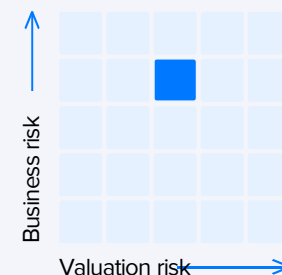
Koskisen's 2024 and 2025 EV/EBITDA ratios that consider the strong balance sheet are around 6x and 5x and the P/B ratio is around 1.1x (2023 ACT.). We expect dividend income for the next few years to be 4-5%. The multiples are close to the mid-point of the ranges (EV/EBITDA 3.5x-6.5x and P/B 0.7x-1.3x) we accept that consider the company's estimated return on capital and risk profile. The DCF value is also around the current share price level with the conservative long-term parameters of our model. Thus, in our view, Koskisen's 12-month expected return is already in line with the required return. At the same time, we believe that the clear incentives for further purchases have faded, although in the longer term the stock could have a nice bounce from current levels as the European construction picks up.

Recommendation

Reduce
(previous Accumulate)

EUR 6.75
(previous EUR 6.75)

Share price:
EUR 7.18



Key figures

	2023	2024e	2025e	2026e
Revenue	271.2	294.0	326.7	341.2
growth-%	-15%	8%	11%	4%
EBIT adj.	24.4	17.6	21.9	26.1
EBIT-% adj.	9.0 %	6.0 %	6.7 %	7.7 %
Net Income	20.2	12.8	16.4	19.7
EPS (adj.)	0.88	0.55	0.71	0.86

P/E (adj.)	6.8	13.0	10.1	8.4
P/B	0.9	1.1	1.0	0.9
Dividend yield-%	5.0 %	4.5 %	4.5 %	4.5 %
EV/EBIT (adj.)	6.0	10.2	7.9	6.1
EV/EBITDA	4.4	6.1	4.9	4.1
EV/S	0.5	0.6	0.5	0.5

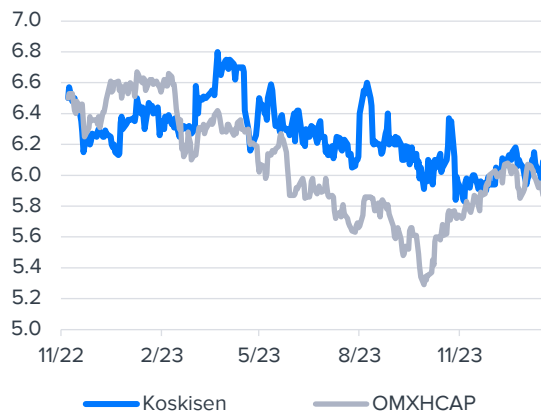
Source: Inderes

Guidance

(Unchanged)

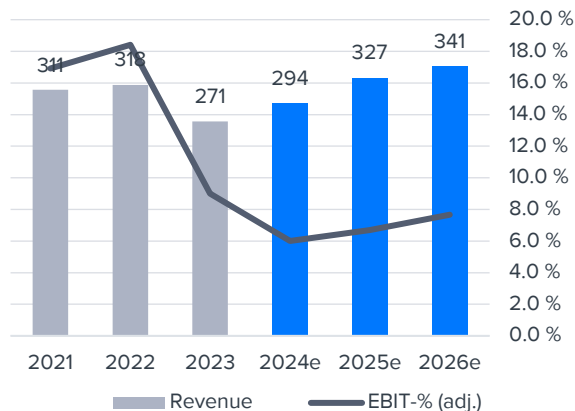
Koskisen Group's revenue for 2024 is expected to grow from the 2023 level. The adjusted EBITDA margin is expected to be 8-12%.

Share price



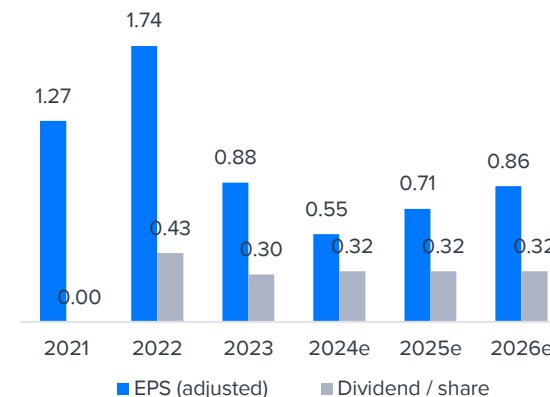
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Healthy long-term demand trends
- Increasing exports
- Improvement potential in the normalized profitability level
- Business generates value (ROIC>WACC) at least in a favorable cycle



Risk factors

- Cyclical demand
- Tight competition situation in the sawmill industry
- Bulky end products offer little room for differentiation Price is the main differentiation factor and thus demand is market driven
- Success in exports
- Tight timber market in Finland

Valuation	2024e	2025e	2026e
Share price	7.18	7.18	7.18
Number of shares, million:	23.0	23.0	23.0
Market cap	165	165	165
EV	180	173	161
P/E (adj.)	13.0	10.1	8.4
P/E	13.0	10.1	8.4
P/B	1.1	1.0	0.9
P/S	0.6	0.5	0.5
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	4.9	4.1
EV/EBIT (adj.)	10.2	7.9	6.1
Payout ratio (%)	57.8 %	44.8 %	37.4 %
Dividend yield-%	4.5 %	4.5 %	4.5 %

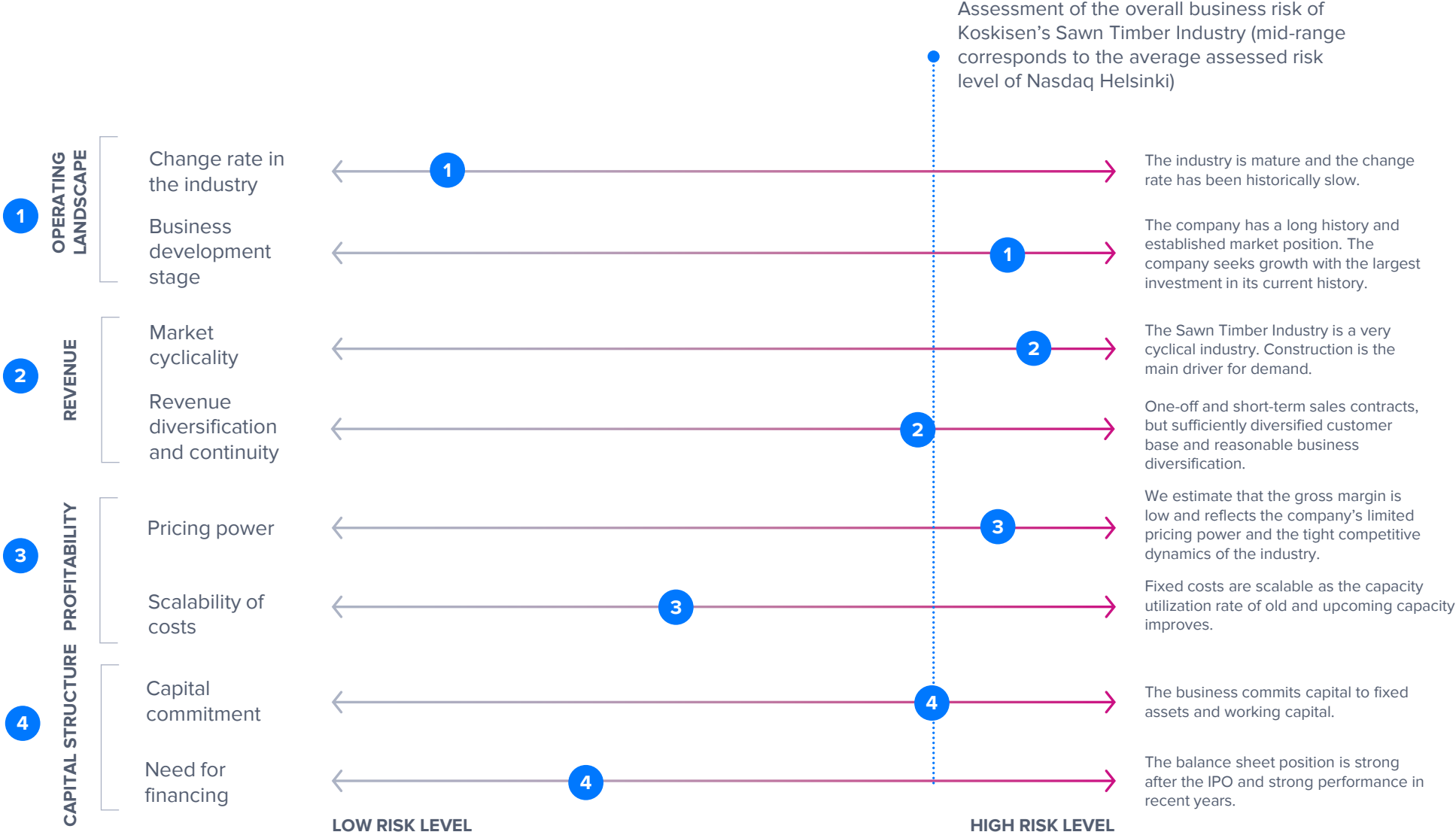
Source: Inderes

Just a small readjustment to our forecasts for the coming years

Estimate revisions MEUR / EUR	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
	Old	New	%	Old	New	%	Old	New	%
Revenue	294	294	0%	322	327	1%	342	341	0%
EBITDA	30.6	29.6	-3%	35.6	35.0	-1%	40.4	39.5	-2%
EBIT (exc. NRIs)	18.6	17.6	-5%	22.4	21.9	-2%	27.1	26.1	-4%
EBIT	18.6	17.6	-5%	22.4	21.9	-2%	27.1	26.1	-4%
PTP	16.9	15.9	-5%	21.1	20.5	-2%	25.7	24.7	-4%
EPS (excl. NRIs)	0.59	0.55	-5%	0.73	0.71	-2%	0.89	0.86	-4%
DPS	0.32	0.32	0%	0.32	0.32	0%	0.32	0.32	0%

Source: Inderes

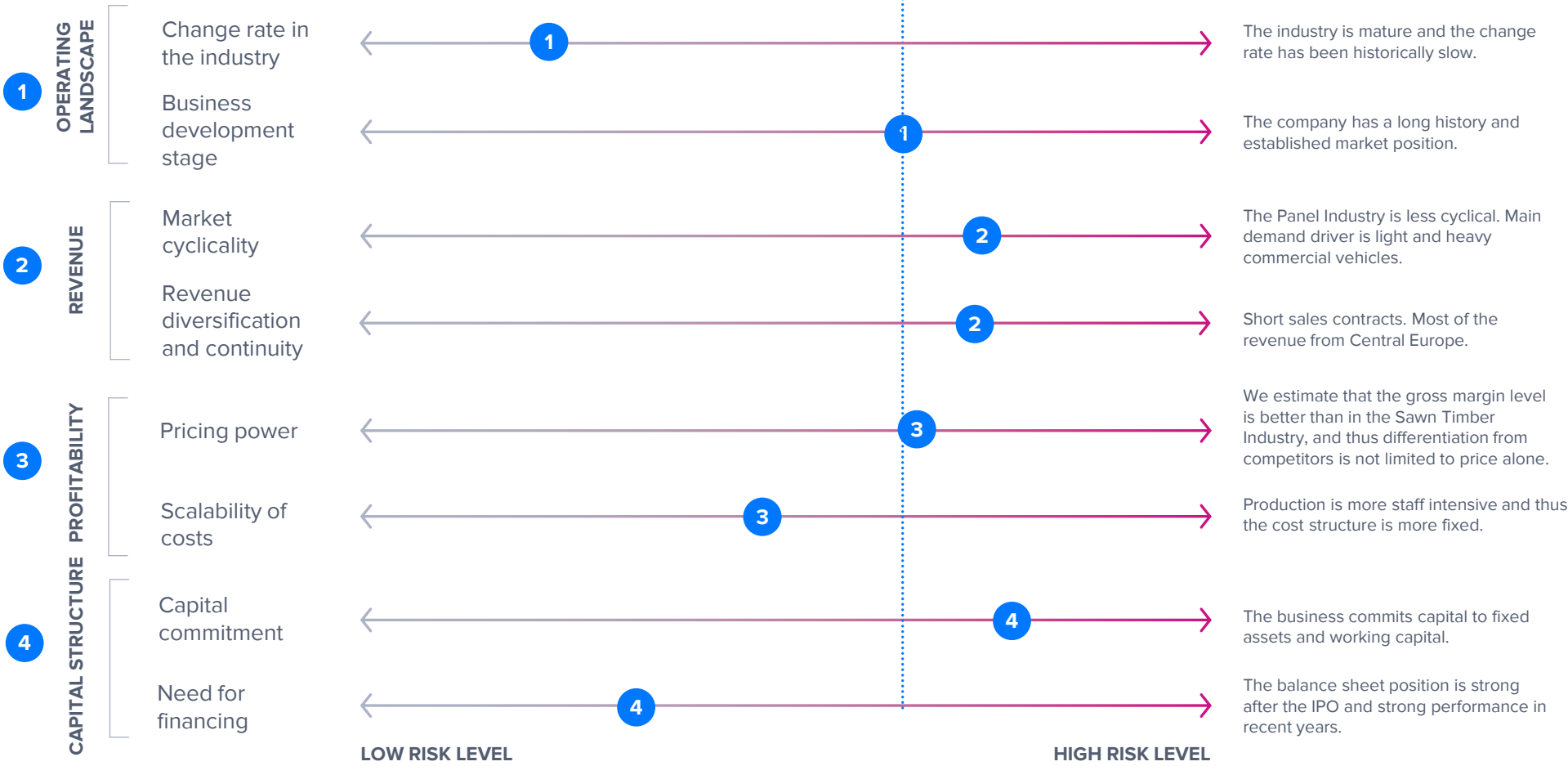
Risk profile of Koskisen' Sawn Timber Industry



Source: Inderes

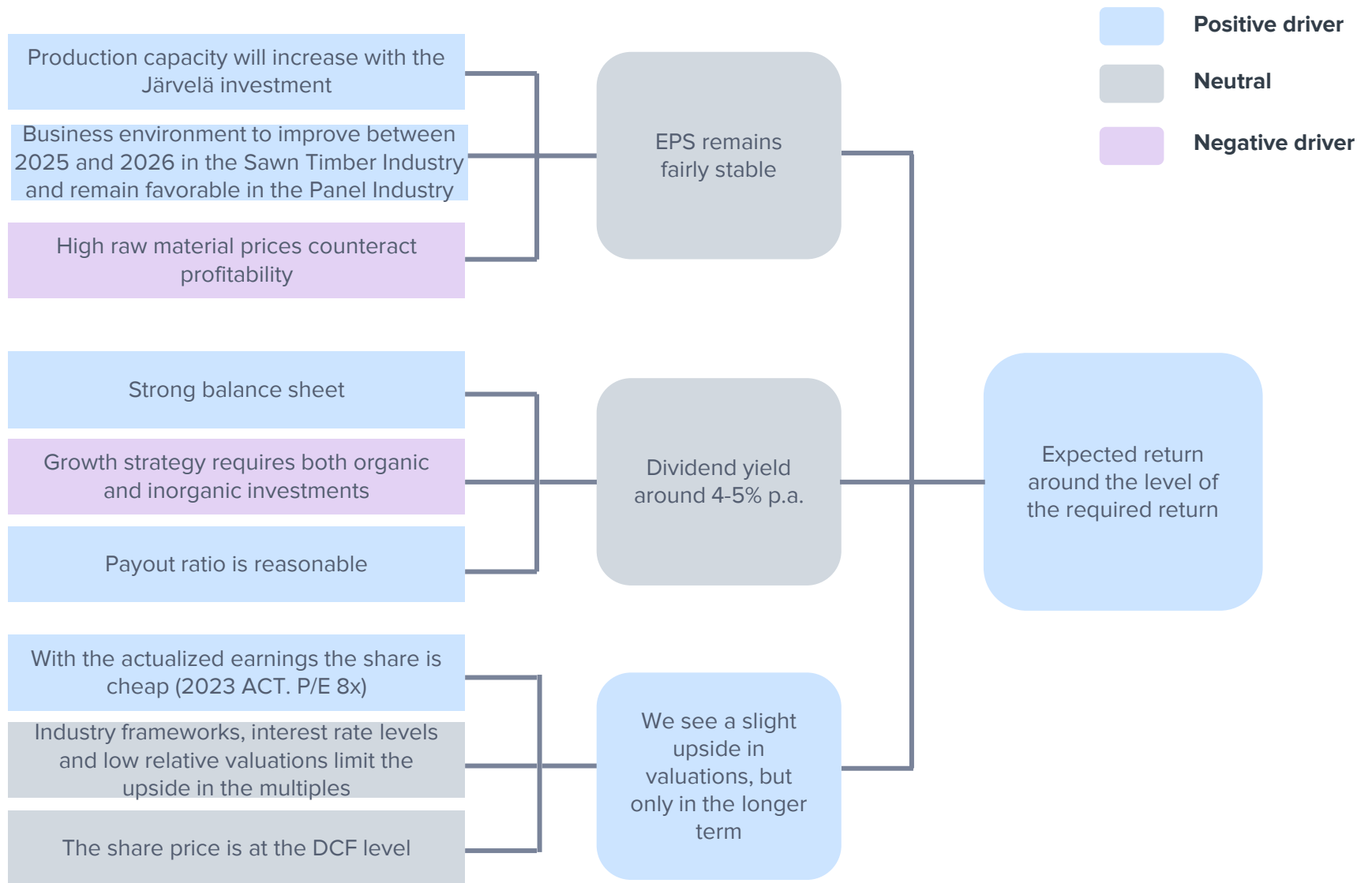
Risk profile of the Koskisen's Panel Industry

Assessment of the overall business risk of Koskisen's Panel Industry (mid-range corresponds to the average assessed risk level of Nasdaq Helsinki)



Source: Inderes

TSR drivers 2023-2026e



The share is correctly priced on a one-year horizon

Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 3.5-6.5x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. On an annual basis, the multiples may occasionally stretch to a wide range, due to the strong cyclicity of the Sawn Timber Industry.

While the valuation is not unreasonable, we no longer consider the stock materially mispriced

With our 2024 and 2025 estimates, Koskisen's P/E ratios are around 13x and 10x and corresponding EV/EBITDA ratios are around 6x and 5x. As a result, the stock is priced above the midpoint of the valuation ranges we accept, with multiples based on this year's lackluster earnings, and below the midpoint, with multiples based on next year's more normalized earnings. As a result, we see the valuation as fairly neutral, and we also believe that the forecast risks are somewhat balanced. In our neutral scenario of declining earnings this year, the acceptable valuation is not particularly high, especially in the current interest rate environment.

The balance sheet-based P/B of 1.1x (2023 ACT.) is quite neutral, as we expect Koskisen's average ROCE and ROE for 2024-2026 to be roughly in line with our estimate of the company's cost of capital. We continue to believe that the balance sheet value of equity provides certain support for the share, even though balance sheet valuations below the balance sheet value of equity are no exception in the industry. However, a more pronounced increase in the balance sheet valuation would already require clearer visibility on the return to value creation (i.e. ROCE-% > WACC-%).

Considering this overall picture, we estimate that the expected return, consisting of decreased earnings, a slight increase in the acceptable valuation and a dividend yield of approximately little above 4%, is in line with the required return for the 12 months. The expected return would turn positive if the company outperformed our forecast this year and ended up closer to the upper end of the profitability guidance range. Nevertheless, the overall picture is neutral, with downward risks to the forecasts stemming from European economic and interest rate risks as well as the tight raw materials market. The expected return would turn more clearly positive if Koskisen could raise its profitability to its target of over 15% adj. EBITDA-% (cf. our estimates of adj. EBITDA-%: 10-12%). At best, this will only be possible at the start of a better cycle, i.e. beyond our 12-month target price horizon.

DCF value at around the exchange rate

In relative terms, with 2024 and 2025 estimates Koskisen is priced at a discount relative to the loosely connected peer group. On a balance sheet basis, valuation is at a premium. The overall picture is therefore ambiguous and, in our view, does not support a strong view in either direction.

We give weight to the DCF model in our valuation despite it being sensitive to the variables of the terminal period. According to our DCF model, the share value is around EUR 7 per share, which supports our view based on the other methods that the share is priced more neutrally than before. Our model is also conservative about long-term profitability and required return.

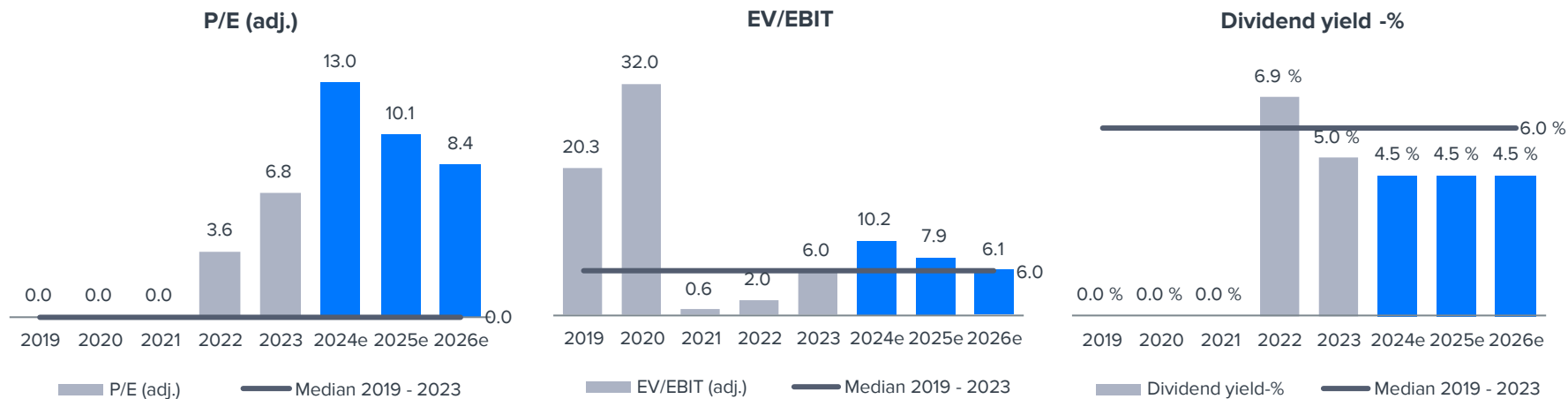
Valuation	2024e	2025e	2026e
Share price	7.18	7.18	7.18
Number of shares, millions	23.0	23.0	23.0
Market cap	165	165	165
EV	180	173	161
P/E (adj.)	13.0	10.1	8.4
P/E	13.0	10.1	8.4
P/B	1.1	1.0	0.9
P/S	0.6	0.5	0.5
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	4.9	4.1
EV/EBIT (adj.)	10.2	7.9	6.1
Payout ratio (%)	57.8 %	44.8 %	37.4 %
Dividend yield-%	4.5 %	4.5 %	4.5 %

Source: Inderes

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price					6.00	7.18	7.18	7.18	7.18
Number of shares, millions					23.0	23.0	23.0	23.0	23.0
Market cap					138	165	165	165	165
EV					146	180	173	161	145
P/E (adj.)					6.8	13.0	10.1	8.4	7.6
P/E					6.8	13.0	10.1	8.4	7.6
P/B					0.9	1.1	1.0	0.9	0.9
P/S					0.5	0.6	0.5	0.5	0.5
EV/Sales					0.5	0.6	0.5	0.5	0.4
EV/EBITDA					4.4	6.1	4.9	4.1	3.5
EV/EBIT (adj.)					6.0	10.2	7.9	6.1	5.2
Payout ratio (%)					34.2 %	57.8 %	44.8 %	37.4 %	37.0 %
Dividend yield-%					5.0 %	4.5 %	4.5 %	4.5 %	4.9 %

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	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Interfor Corp	671	1269			21.2	16.2	0.6	0.6					0.5
Boise Cascade	5574	5137	8.8	9.3	7.3	7.6	0.8	0.8	12.5	13.4	5.7	0.5	2.8
West Fraser Timber	6274	5949		21.0	11.4	7.3	1.0	1.0	8337.8	25.3	1.4	1.5	0.9
Canfor	1288	1449			74.7	6.7	0.4	0.4					0.5
Stora Enso	10346	12935	51.0	22.8	13.8	10.8	1.4	1.4	69.0	29.9	2.1	2.3	0.9
STEICO	418	595	19.5	18.6	10.0	9.5	1.6	1.6	23.5	20.6	1.5	1.7	1.5
Koskisen (Inderes)	165	180	10.2	7.9	6.1	4.9	0.6	0.5	13.0	10.1	4.5	4.5	1.1
Average			26.4	17.9	23.1	9.7	1.0	1.0	2110.7	22.3	2.7	1.5	1.2
Median			19.5	19.8	12.6	8.5	0.9	0.9	46.3	22.9	1.8	1.6	0.9
Diff-% to median			-48%	-60%	-52%	-42%	-33%	-42%	-72%	-56%	147%	181%	18%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	318	73.2	73.9	55.5	68.7	271	68.2	75.1	69.6	81.1	294	327	341	348
Sawn timber industry	166	32.1	29.6	24.9	35.8	122	33.3	38.1	36.1	41.7	149	170	177	181
Panel industry	152	41.1	44.2	30.6	32.9	149	34.9	37.0	33.5	39.4	145	157	165	167
Other	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
Depreciation	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
Adjustments	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
EBITDA	66.3	12.6	13.8	1.3	5.3	33.0	5.9	9.7	5.1	8.9	29.6	35.0	39.5	41.5
Depreciation	-8.1	-2.0	-2.1	-2.3	-2.3	-8.6	-3.0	-3.0	-3.0	-3.0	-12.0	-13.2	-13.3	-13.3
EBIT (excl. NRI)	58.5	10.7	11.7	-1.0	3.0	24.4	2.9	6.7	2.1	5.9	17.6	21.9	26.1	28.2
EBIT	58.2	10.7	11.7	-1.0	3.0	24.4	2.9	6.7	2.1	5.9	17.6	21.9	26.1	28.2
Sawn timber industry (EBITDA)	41.6	1.6	1.6	-1.0	1.0	3.3	0.7	2.9	1.4	3.1	8.1	13.9	18.5	19.7
Panel industry (EBITDA)	29.3	9.8	12.2	2.6	4.7	29.3	4.9	7.0	3.9	5.8	21.7	21.3	21.2	22.0
Other	-4.3	1.2	-0.1	-0.3	-0.4	0.4	0.3	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2
Depreciation	-8.1	-2.0	-2.1	-2.3	-2.3	-8.6	-3.0	-3.0	-3.0	-3.0	-12.0	-13.2	-13.3	-13.3
Adjustments	-0.3	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 financial items	-0.4	-0.4	0.6	-0.3	-0.2	-0.3	-0.3	-0.4	-0.5	-0.5	-1.7	-1.3	-1.5	-0.9
PTP	57.8	10.3	12.3	-1.3	2.8	24.0	2.6	6.3	1.6	5.4	15.9	20.5	24.7	27.2
Taxes	-11.8	-1.5	-2.5	0.4	-0.2	-3.8	-0.5	-1.3	-0.3	-1.1	-3.2	-4.1	-4.9	-5.4
Minority interest	-6.2	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	39.8	8.8	9.8	-1.0	2.6	20.2	2.1	5.1	1.3	4.3	12.8	16.4	19.7	21.8
EPS (adj.)	1.74	0.38	0.43	-0.04	0.11	0.88	0.09	0.22	0.06	0.19	0.55	0.71	0.86	0.95
EPS (rep.)	1.73	0.38	0.43	-0.04	0.11	0.88	0.09	0.22	0.06	0.19	0.55	0.71	0.86	0.95

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	2.1 %	0.0 %	0.0 %	0.0 %	-78.4 %	-14.6 %	-6.9 %	1.6 %	25.5 %	18.1 %	8.4 %	11.1 %	4.5 %	2.0 %
EBITDA-%	20.9 %	17.2 %	18.7 %	2.4 %	7.6 %	12.2 %	8.7 %	12.9 %	7.4 %	10.9 %	10.1 %	10.7 %	11.6 %	11.9 %
Adjusted EBIT-%	18.4 %	14.5 %	15.9 %	-1.7 %	4.4 %	9.0 %	4.3 %	8.9 %	3.1 %	7.2 %	6.0 %	6.7 %	7.7 %	8.1 %
Net earnings-%	12.5 %	12.0 %	13.3 %	-1.8 %	3.8 %	7.4 %	3.1 %	6.7 %	1.9 %	5.3 %	4.3 %	5.0 %	5.8 %	6.3 %

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	105	130	138	137	135
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.9	1.3	1.7	2.1	2.5
Tangible assets	99.0	124	132	131	128
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	4.5	4.6	4.6	4.6	4.6
Other non-current assets	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	0.1	0.1	0.1	0.1	0.1
Current assets	154	140	140	137	142
Inventories	34.2	37.5	38.2	42.5	44.4
Other current assets	9.9	22.9	22.9	22.9	22.9
Receivables	25.5	23.4	29.4	32.7	34.1
Cash and equivalents	84.4	55.8	50.0	39.2	40.9
Balance sheet total	259	269	278	274	278

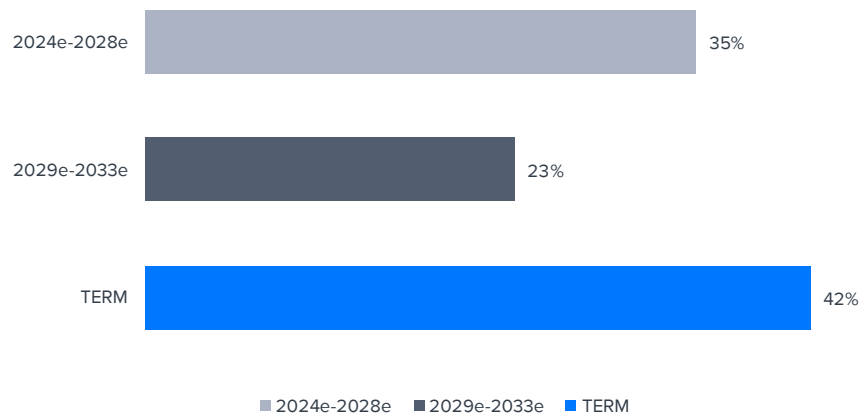
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	136	147	153	162	175
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	60.6	51.5	57.3	66.4	78.8
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	73.7	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	56.3	64.1	67.3	51.8	42.0
Deferred tax liabilities	3.7	5.7	5.7	5.7	5.7
Provisions	0.1	0.2	0.2	0.2	0.2
Interest bearing debt	49.4	55.2	58.3	42.9	33.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.0	3.1	3.1	3.1	3.1
Current liabilities	66.5	57.8	58.1	60.5	61.2
Interest bearing debt	6.5	8.5	6.1	4.5	3.4
Payables	59.1	32.8	35.6	39.5	41.3
Other current liabilities	0.9	16.5	16.5	16.5	16.5
Balance sheet total	259	269	278	274	278

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-14.6 %	8.4 %	11.1 %	4.5 %	2.0 %	3.0 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	9.0 %	6.0 %	6.7 %	7.7 %	8.1 %	6.0 %	6.0 %	5.5 %	5.0 %	5.0 %	5.0 %	5.0 %
EBIT (operating profit)	24.4	17.6	21.9	26.1	28.2	21.5	22.1	20.7	19.3	19.8	20.2	
+ Depreciation	8.6	12.0	13.2	13.3	13.3	13.6	13.6	13.3	13.0	12.9	12.8	
- Paid taxes	-1.8	-3.2	-4.1	-4.9	-5.4	-4.2	-4.3	-4.1	-3.8	-3.9	-4.0	
- Tax, financial expenses	-0.1	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
+ Tax, financial income	0.0	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	
- Change in working capital	-24.9	-4.0	-3.6	-1.6	-0.8	-1.1	-1.0	-1.0	-1.0	-1.1	-0.9	
Operating cash flow	6.2	22.2	27.1	32.6	35.1	29.7	30.2	28.9	27.4	27.7	28.1	
+ 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	-33.7	-20.4	-12.4	-11.4	-11.4	-11.4	-11.4	-11.4	-12.4	-12.4	-13.3	
Free operating cash flow	-27.3	1.8	14.7	21.2	23.7	18.3	18.8	17.5	15.0	15.3	14.8	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-27.3	1.8	14.7	21.2	23.7	18.3	18.8	17.5	15.0	15.3	14.8	182
Discounted FCFF		1.7	12.4	16.3	16.5	11.5	10.8	9.0	7.1	6.5	5.7	70.4
Sum of FCFF present value		168	166	154	137	121	109	98.7	89.7	82.6	76.1	70.4
Enterprise value DCF		168										
- Interest bearing debt		-63.7										
+ Cash and cash equivalents		55.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		160										
Equity value DCF per share		6.9										

Cash flow distribution

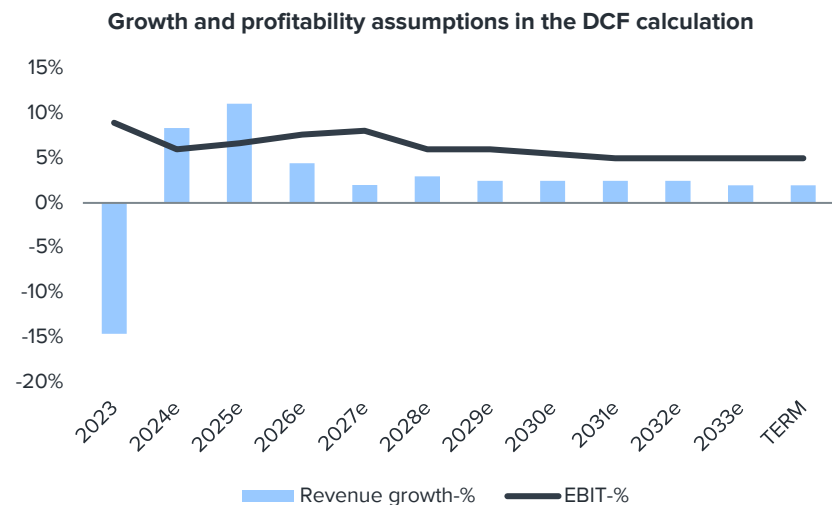
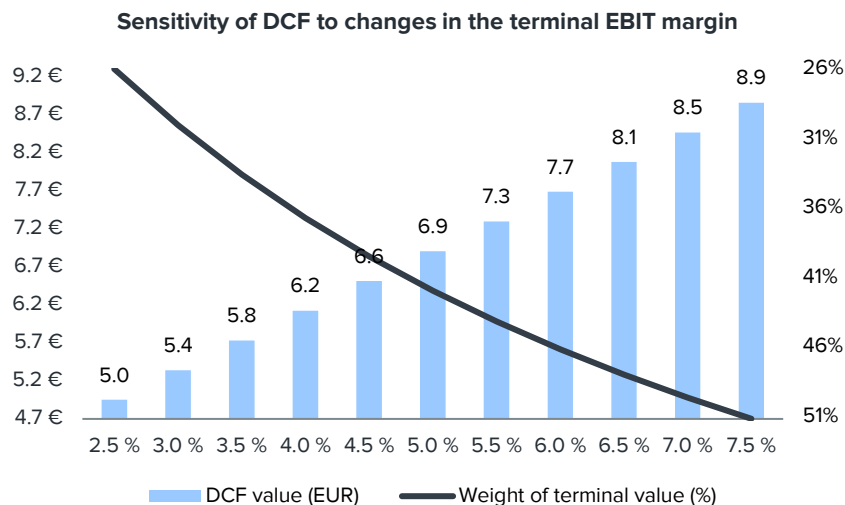
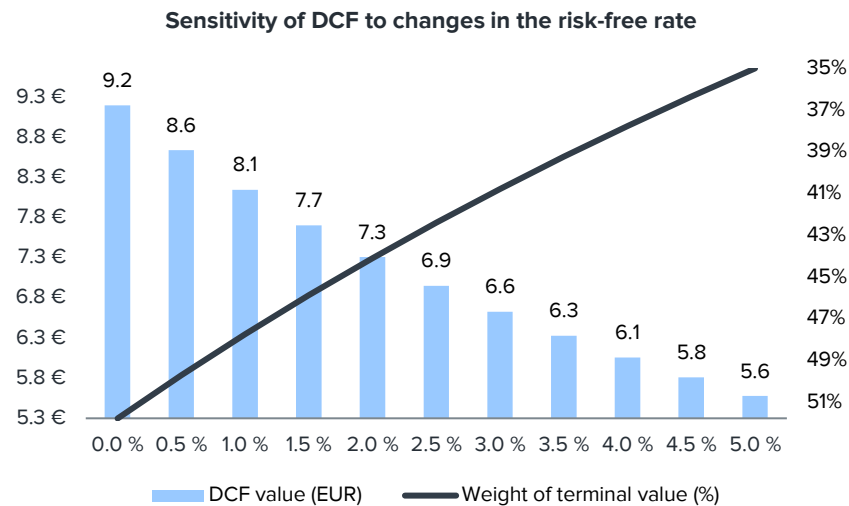
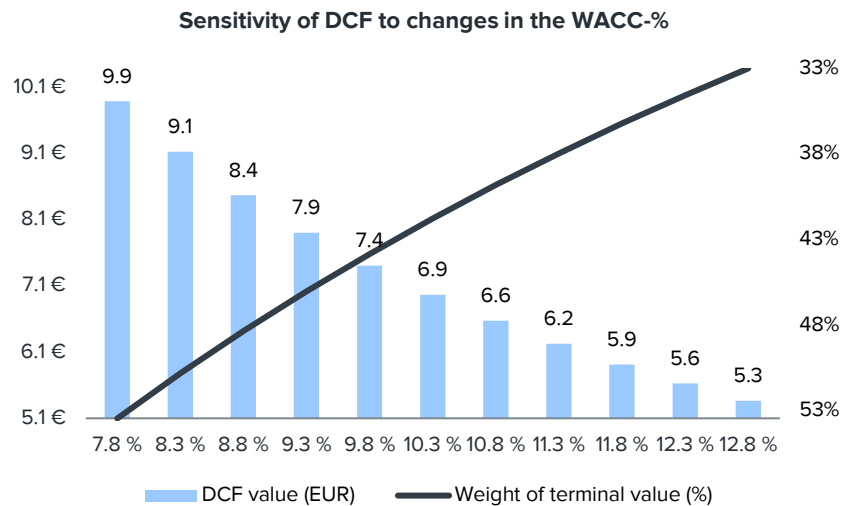


WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	17.5 %
Cost of debt	5.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	11.6 %
Weighted average cost of capital (WACC)	10.3 %

Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



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

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	311.3	317.7	271.2	294.0	326.7	EPS (reported)	1.27	1.73	0.88	0.55	0.71
EBITDA	62.2	66.3	33.0	29.6	35.0	EPS (adj.)	1.27	1.74	0.88	0.55	0.71
EBIT	52.7	58.2	24.4	17.6	21.9	OCF / share	2.29	2.07	0.27	0.96	1.18
PTP	47.9	57.8	24.0	15.9	20.5	FCF / share	1.44	2.43	-1.19	0.08	0.64
Net Income	29.2	39.8	20.2	12.8	16.4	Book value / share	1.55	5.90	6.40	6.65	7.04
Extraordinary items	0.0	-0.3	0.0	0.0	0.0	Dividend / share	0.00	0.43	0.30	0.32	0.32
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	200.3	258.6	269.2	278.5	274.5	Revenue growth-%	0%	2%	-15%	8%	11%
Equity capital	58.8	135.8	147.2	153.1	162.1	EBITDA growth-%		7%	-50%	-10%	18%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%		11%	-58%	-28%	24%
Net debt	34.1	-28.5	7.9	14.4	8.1	EPS (adj.) growth-%		37%	-50%	-37%	29%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	20.0 %	20.9 %	12.2 %	10.1 %	10.7 %
EBITDA	62.2	66.3	33.0	29.6	35.0	EBIT (adj.)-%	16.9 %	18.4 %	9.0 %	6.0 %	6.7 %
Change in working capital	-6.1	12.3	-24.9	-4.0	-3.6	EBIT-%	16.9 %	18.3 %	9.0 %	6.0 %	6.7 %
Operating cash flow	52.7	47.6	6.2	22.2	27.1	ROE-%	0.0 %	46.4 %	14.3 %	8.5 %	10.4 %
CAPEX	-9.7	-22.0	-33.7	-20.4	-12.4	ROI-%	0.0 %	35.8 %	12.1 %	8.6 %	10.6 %
Free cash flow	33.0	55.9	-27.3	1.8	14.7	Equity ratio	29.4 %	52.5 %	54.7 %	55.0 %	59.1 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	57.9 %	-21.0 %	5.4 %	9.4 %	5.0 %
EV/S	0.1	0.4	0.5	0.6	0.5						
EV/EBITDA (adj.)	0.5	1.8	4.4	6.1	4.9						
EV/EBIT (adj.)	0.6	2.0	6.0	10.2	7.9						
P/E (adj.)	0.0	3.6	6.8	13.0	10.1						
P/B	0.0	1.1	0.9	1.1	1.0						
Dividend-%		6.9 %	5.0 %	4.5 %	4.5 %						

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	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
----- Analyst changed -----			
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2023	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €



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