

# Purmo Group

## Company report

10/23/2024



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

✓ Inderes corporate customer

This report is a summary translation of the report “Suunta jo ulos pörssistä” published on 10/23/2024 at 8:00 am EEST

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# Already on the way out of the stock market

Purmo is now 98% owned by Grand Bidco following the tender offer in August and the redemption proceedings for the remaining shares are underway. As a result, the company will be delisted in the coming months. We have now updated our forecast based on the company's Q3 report, but our target price is at the level of the offer. We reiterate our Reduce recommendation on the stock.

## Q3 revenue as expected, result somewhat soft

Purmo's Q3 revenue was slightly down year-on-year, along with the Climate Solutions segment, and broadly in line with our expectations. Adj. EBITDA was below our expectations and the comparison period, also due to the underperformance of the Climate Solutions segment. Purmo's efficiency program continued to support margin development, but on the other hand, further declining volumes, costs of production transfer as well as cost inflation weighed on the result. The efficiency program is expected to deliver annual savings of 50 MEUR by the end of the year, of which 47 MEUR have already been realized in Q3.

## Guidance unchanged - acquisition supported projections, earnings forecasts down organically

Purmo reiterated its guidance and expects adjusted EBITDA for the full year 2024 to be at the same level or above compared to 2023 (92.3 MEUR). After 9 months, the result is 4.5 MEUR below the comparison period. The company's definition of "at the same level" is +/-5%. Purmo commented that there are signs of a pick-up in the market, which, together with the progress of the efficiency program, supports the achievement of the guidance. In addition, we estimate that the acquisition made at the beginning of Q4 will already provide some support for this year's result. We lowered our profitability forecasts for this year and next year organically, but with the addition of the Unitherm acquisition in early October, our forecasts for 2025-26 increased. For this year, our adj. EBITDA forecast is essentially at last year's level (which was also the earnings level in 2022). As the company is exiting the stock market, we have removed our dividend forecasts for the coming years. However, our forecast does not take into account the changes in the company's balance sheet structure resulting from the change in ownership.

## Redemption proceedings and delisting underway

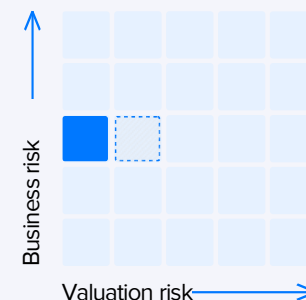
Purmo's share redemption proceedings are underway, and the company has announced its intention to delist from the stock exchange as soon as possible. This is expected to occur in the coming months, and we believe that the Q3 report will be Purmo's last as a public company. Our coverage of Purmo will also naturally end at the latest when trading stops. Our target price is set at the price proposed by the main shareholder Grand Bidco in the redemption proceedings (which is the same as the price paid in the tender offer), adjusted for the dividend installment to be paid this week. The arbitral tribunal may also set a higher redemption price for the share, but the price will only be determined after trading in the share has ceased. We have commented extensively on the earlier stages of the tender offer in our previous reports and comments.

## Recommendation

**Reduce**  
(was Reduce)

**EUR 10.97**  
(was EUR 11.06)

**Share price:**  
11.20



## Key figures

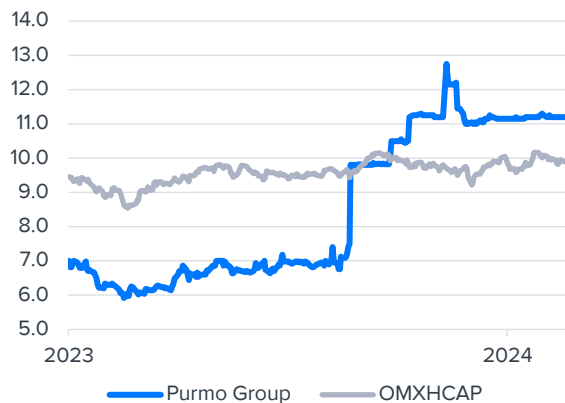
	2023	2024e	2025e	2026e
<b>Revenue</b>	743.2	720.7	768.3	790.5
<b>growth-%</b>	-18%	-3%	7%	3%
<b>EBIT adj.</b>	55.4	63.1	74.5	77.9
<b>EBIT-% adj.</b>	7.5 %	8.8 %	9.7 %	9.9 %
<b>Net Income</b>	-9.3	11.6	37.4	47.3
<b>EPS (adj.)</b>	0.68	0.59	1.00	1.09
<b>P/E (adj.)</b>	9.1	19.1	11.2	10.3
<b>P/B</b>	0.6	1.1	1.0	1.1
<b>Dividend yield-%</b>	5.7 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	8.7	10.9	8.9	8.7
<b>EV/EBITDA</b>	5.2	8.2	7.0	6.3
<b>EV/S</b>	0.6	1.0	0.9	0.9

Source: Inderes

## Guidance (Unchanged)

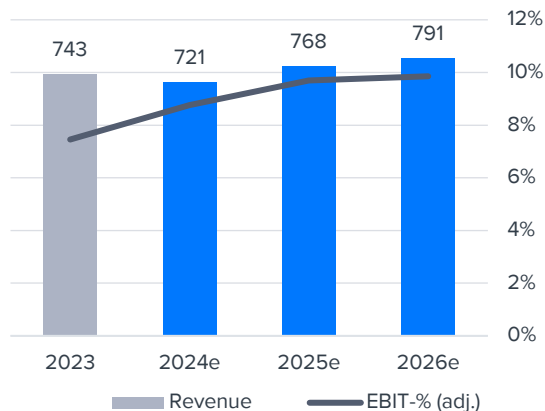
Adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (92.3 MEUR).

## Share price



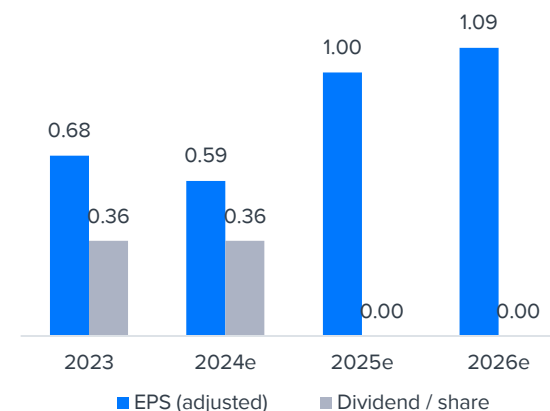
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- One of the largest product portfolios on the market
- Strong brands and market positions in Europe's radiator business
- Sustainable development, renovation debt, digitalization support the growth outlook of the market



## Risk factors

- Dependency on construction cycles, especially in housing construction
- Distribution is dependent on large wholesale customers
- Capacity management and successful growth investment

Valuation	2024e	2025e	2026e
Share price	11.2	11.2	11.2
Number of shares, millions	42.7	42.7	42.6
Market cap	478	478	478
EV	749	721	679
P/E (adj.)	19.1	11.2	10.3
P/B	1.1	1.0	1.1
P/S	0.7	0.6	0.6
EV/Sales	1.0	0.9	0.9
EV/EBITDA	8.2	7.0	6.3
EV/EBIT (adj.)	10.9	8.9	8.7
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0%	0.0%	0.0%

Source: Inderes

# Q3 revenue as expected, result somewhat soft

## Result below expectations

Purmo's Q3 revenue was slightly down year-on-year, along with the Climate Solutions segment, and broadly in line with our expectations. Adj. EBITDA was below our expectations and the comparison period, also due to the underperformance of the Climate Solutions segment.

Purmo's efficiency program continued to support the margin development, but on the other hand the still slightly declining revenue/volume, the costs of the production transfer as well as the cost inflation weighed on the result. Higher than expected one-off items and finance expenses put the reported earnings per share well into the red.

Estimates MEUR / EUR	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	176	173	174				0%	721
EBITDA (adj.)	23.5	21.3	23.0				-7%	92.6
EBIT	11.2	5.3	11.0				-52%	44.8
EPS (reported)	0.08	-0.15	0.08				-294%	0.16
Revenue growth-%	-	-1.6 %	-1.2 %				-0.4 pp	-3.0 %
EBITDA-% (adj.)	13.3 %	12.3 %	13.2 %				-0.9 pp	12.8 %

Source: Inderes

# Organic decline in forecasts, helped by acquisition

## Guidance unchanged

Purmo reiterated its guidance and expects adjusted EBITDA for the full year 2024 to be at the same level or above compared to 2023 (92.3 MEUR). After 9 months, the result is 4.5 MEUR below the comparison period. The company's definition of "at the same level" is +/-5%.

Purmo commented that there are signs of a pick-up in the market, which, together with the progress of the efficiency program, supports the achievement of the guidance. In addition, we estimate that the acquisition made at the beginning of Q4 will already provide some support to this year's result. For this year, our adj. EBITDA forecast is essentially at last year's level (which was also the earnings level in 2022).

## Unitherm deal boosted forecasts

At the beginning of October, Purmo announced the acquisition of Unitherm, which operates in the British Isles. The company's revenue last year was 28 MEUR and we have assumed that it will remain at approximately the same level. No profitability or purchase price was disclosed, but we expect profitability to be around the average level of Purmo's Climate Solutions segment. We lowered our profitability forecasts for this year and next year organically, but with the addition of the Unitherm acquisition in early October, our forecasts for 2025-26 increased.

## Change of ownership will change the company's balance sheet

As the company is exiting the stock market, we have removed our dividend forecasts for the coming years.

However, our forecast does not take into account the changes in the company's balance sheet structure resulting from the change of ownership or possible future one-off items. As a result, the forecasts for the coming years are mainly accurate in terms of revenue and adj. EBITDA.

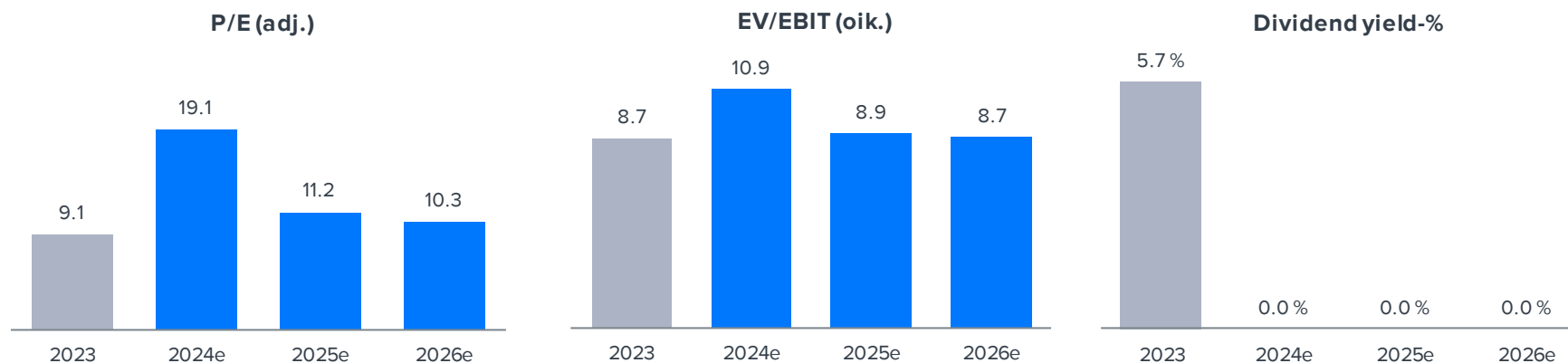
Estimate revisions MEUR / EUR	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	716	721	1%	742	768	4%	762	791	4%
EBITDA (adj.)	94	93	-1%	103	105	1%	104	108	4%
EBIT	50.2	44.8	-11%	63.8	64.5	1%	74.2	77.9	5%
PTP	29.8	19.9	-33%	47.8	48.5	2%	57.7	61.4	6%
EPS (excl. NRIs)	0.62	0.47	-23%	0.87	0.89	2%	1.00	1.07	7%
DPS	0.36	0.00	-100%	0.38	0.00	-100%	0.40	0.00	-100%

Source: Inderes

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				8.22	6.18	11.2	11.2	11.2	11.2
Number of shares, millions				41.2	42.7	42.7	42.7	42.6	42.6
Market cap				351	264	478	478	478	478
EV				627	479	749	721	679	634
P/E (adj.)				9.7	9.1	19.1	11.2	10.3	9.8
P/B				0.9	0.6	1.1	1.0	1.1	1.0
P/S				0.4	0.4	0.7	0.6	0.6	0.6
EV/Sales				0.7	0.6	1.0	0.9	0.9	0.8
EV/EBITDA				6.8	5.2	8.2	7.0	6.3	5.8
EV/EBIT (adj.)				10.3	8.7	10.9	8.9	8.7	8.0
Payout ratio (%)				112.9 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%				4.3 %	5.7 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/Liikevaihto		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Nibe Industrier AB	8996	10875	43.8	23.8	24.7	17.3	3.0	2.8	106.3	29.7	0.8	1.1	3.4
Lindab International AB	1821	2195	20.2	15.6	13.3	11.1	1.8	1.7	25.1	17.2	1.9	2.2	2.7
Systemair AB	1496	1587	17.8	15.9	12.6	10.9	1.5	1.4	24.9	20.8	1.5	1.8	2.9
Arbonia AG	921	1272	56.7	57.1	17.6	16.7	2.0	1.8	37.4	40.5	1.6	1.8	1.1
Volution Group PLC	1413	1494	17.2	15.4	14.3	12.7	3.6	3.1	22.0	19.9	1.4	1.6	4.5
Zehnder Group AG	1035	995	26.1	17.7	15.8	12.0	1.5	1.4	25.9	14.9	1.9	2.7	1.8
Stelrad Group PLC	229	316	8.6	7.7	6.2	5.7	0.9	0.8	11.9	9.9	5.1	5.2	
Ecoclime Group AB	7	7				27.0	0.4	0.3	4.6	2.6			0.4
<b>Purmo Group (Inderes)</b>	<b>478</b>	<b>689</b>	<b>10.9</b>	<b>8.9</b>	<b>8.2</b>	<b>7.0</b>	<b>1.0</b>	<b>0.9</b>	<b>19.1</b>	<b>11.2</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>
<b>Average</b>			<b>27.2</b>	<b>21.9</b>	<b>14.9</b>	<b>14.2</b>	<b>1.8</b>	<b>1.7</b>	<b>32.3</b>	<b>19.4</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>
<b>Median</b>			<b>20.2</b>	<b>15.9</b>	<b>14.3</b>	<b>12.4</b>	<b>1.7</b>	<b>1.6</b>	<b>25.0</b>	<b>18.5</b>	<b>1.6</b>	<b>1.8</b>	<b>2.7</b>
<b>Diff.% to median</b>			<b>-46%</b>	<b>-44%</b>	<b>-43%</b>	<b>-43%</b>	<b>-42%</b>	<b>-45%</b>	<b>-24%</b>	<b>-39%</b>	<b>-100%</b>	<b>-100%</b>	<b>-58%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>212</b>	<b>180</b>	<b>176</b>	<b>175</b>	<b>743</b>	<b>188</b>	<b>172</b>	<b>173</b>	<b>188</b>	<b>721</b>	<b>768</b>	<b>791</b>	<b>814</b>
Climate Products & Systems	169	145	143	135	592	153	138	144	145	580	597	609	621
Climate Solutions	43	36	33	40	152	35	34	30	43	142	171	181	192
<b>EBITDA</b>	<b>23.1</b>	<b>16.9</b>	<b>17.3</b>	<b>-10.8</b>	<b>46.6</b>	<b>25.3</b>	<b>13.0</b>	<b>13.0</b>	<b>23.0</b>	<b>74.3</b>	<b>94.5</b>	<b>108.4</b>	<b>109.9</b>
<b>EBITDA (adj.)</b>	<b>29.2</b>	<b>27.8</b>	<b>19.6</b>	<b>16.3</b>	<b>92.9</b>	<b>26.6</b>	<b>18.7</b>	<b>21.3</b>	<b>26.0</b>	<b>92.6</b>	<b>104.5</b>	<b>108.4</b>	<b>109.9</b>
Depreciation	-8.0	-8.0	-6.1	-14.8	-36.9	-7.4	-7.2	-7.6	-7.3	-29.5	-30.0	-30.5	-30.9
<b>EBIT (excl. NRI)</b>	<b>18.5</b>	<b>13.1</b>	<b>17.4</b>	<b>6.4</b>	<b>55.4</b>	<b>19.3</b>	<b>11.3</b>	<b>13.8</b>	<b>18.7</b>	<b>63.1</b>	<b>74.5</b>	<b>77.9</b>	<b>79.0</b>
<b>EBIT</b>	<b>15.1</b>	<b>8.9</b>	<b>11.2</b>	<b>-25.5</b>	<b>9.7</b>	<b>17.9</b>	<b>5.8</b>	<b>5.4</b>	<b>15.7</b>	<b>44.8</b>	<b>64.5</b>	<b>77.9</b>	<b>79.0</b>
Climate Products & Systems (adj. EBITDA)	22.7	17.3	22.2	16.3	78.5	23.7	16.3	20.3	22.0	82.3	88.5	90.0	90.0
Climate Solutions (adj. EBITDA)	6.2	6.6	3.6	7.3	23.7	5.6	5.4	3.0	6.5	20.5	26.5	29.0	30.8
Other	-2.5	-2.7	-2.3	-2.4	-9.9	-2.7	-3.1	-1.9	-2.5	-10.2	-10.5	-10.7	-10.9
Share of profits in assoc. compan.	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	-5.6	-4.8	-4.0	-4.9	-19.3	-5.5	-4.9	-9.5	-5.0	-24.9	-16.0	-16.5	-15.6
<b>PTP</b>	<b>9.5</b>	<b>4.1</b>	<b>7.2</b>	<b>-30.4</b>	<b>-9.6</b>	<b>12.4</b>	<b>0.9</b>	<b>-4.1</b>	<b>10.7</b>	<b>19.9</b>	<b>48.5</b>	<b>61.4</b>	<b>63.4</b>
Taxes	-2.7	-1.3	-2.7	7.0	0.3	-3.0	-1.7	-1.0	-2.7	-8.4	-11.2	-14.1	-14.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>6.8</b>	<b>2.8</b>	<b>4.5</b>	<b>-23.4</b>	<b>-9.3</b>	<b>8.2</b>	<b>-2.0</b>	<b>-6.3</b>	<b>6.8</b>	<b>6.7</b>	<b>32.6</b>	<b>46.5</b>	<b>48.8</b>
<b>EPS (adj.)</b>	<b>0.15</b>	<b>0.04</b>	<b>0.11</b>	<b>-0.61</b>	<b>-0.31</b>	<b>0.16</b>	<b>-0.08</b>	<b>-0.18</b>	<b>0.13</b>	<b>0.16</b>	<b>0.76</b>	<b>1.09</b>	<b>1.15</b>
<b>EPS (rep.)</b>	<b>0.16</b>	<b>0.07</b>	<b>0.11</b>	<b>-0.55</b>	<b>-0.22</b>	<b>0.19</b>	<b>-0.05</b>	<b>-0.15</b>	<b>0.16</b>	<b>0.16</b>	<b>0.76</b>	<b>1.09</b>	<b>1.15</b>
<b>Key figures</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	-10.4 %	-26.3 %	-18.6 %	-15.3 %	-17.8 %	-11.2 %	-4.7 %	-1.9 %	7.4 %	-3.0 %	6.6 %	2.9 %	2.9 %
<b>Adj. EBITDA growth-%</b>	0.3 %	3.8 %	-22.8 %	-27.9 %	-10.6 %	-8.9 %	-32.8 %	8.7 %	59.5 %	-0.3 %	12.9 %	3.7 %	1.4 %
<b>EBITDA-%</b>	10.9 %	9.4 %	9.8 %	-6.1 %	6.3 %	13.5 %	7.6 %	7.5 %	12.2 %	10.3 %	12.3 %	13.7 %	13.5 %
<b>EBITDA-% (adj.)</b>	13.8 %	15.4 %	11.1 %	3.7 %	12.5 %	14.1 %	10.9 %	12.3 %	13.8 %	12.8 %	13.6 %	13.7 %	13.5 %
<b>Net earnings-%</b>	3.2 %	1.6 %	2.6 %	-13.4 %	-1.3 %	4.4 %	-1.2 %	-3.6 %	3.6 %	0.9 %	4.2 %	5.9 %	6.0 %

Source: Inderes



# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>619</b>	<b>628</b>	<b>639</b>	<b>641</b>	<b>644</b>
Goodwill	371	371	396	396	396
Intangible assets	47.0	45.9	45.6	45.3	45.1
Tangible assets	167	163	167	170	173
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	5.6	5.5	5.5	5.5	5.5
Deferred tax assets	29.2	42.8	25.0	25.0	25.0
<b>Current assets</b>	<b>365</b>	<b>370</b>	<b>313</b>	<b>353</b>	<b>311</b>
Inventories	174	144	123	131	134
Other current assets	45.4	38.9	38.9	38.9	38.9
Receivables	89.1	75.2	72.1	76.8	79.1
Cash and equivalents	56.3	112	79.1	106	59.1
<b>Balance sheet total</b>	<b>984</b>	<b>998</b>	<b>951</b>	<b>994</b>	<b>956</b>

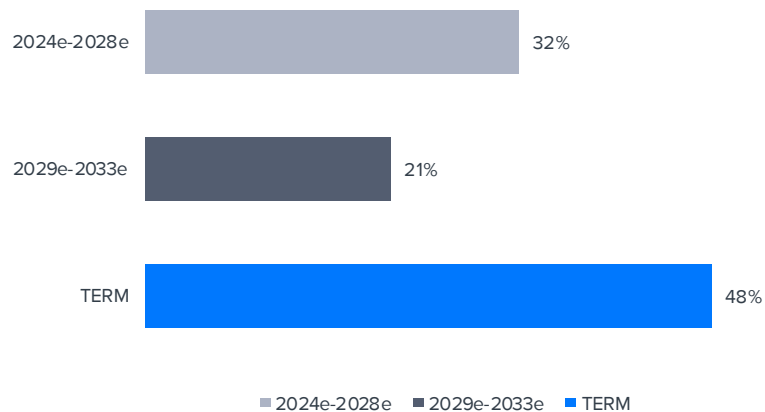
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>403</b>	<b>436</b>	<b>428</b>	<b>461</b>	<b>448</b>
Share capital	3.1	3.1	3.1	3.1	3.1
Retained earnings	24.4	22.8	14.6	47.2	93.7
Hybrid bonds	0.0	59.3	60.0	60.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	376	351	351	351	351
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>346</b>	<b>344</b>	<b>294</b>	<b>284</b>	<b>254</b>
Deferred tax liabilities	5.4	6.4	6.4	6.4	6.4
Provisions	7.8	8.1	8.1	8.1	8.1
Interest bearing debt	312	310	260	250	220
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	20.1	19.6	19.6	19.6	19.6
<b>Current liabilities</b>	<b>235</b>	<b>218</b>	<b>229</b>	<b>249</b>	<b>254</b>
Interest bearing debt	20.7	17.7	30.0	40.0	40.0
Payables	193	161	159	169	174
Other current liabilities	20.7	40.0	40.0	40.0	40.0
<b>Balance sheet total</b>	<b>984</b>	<b>998</b>	<b>951</b>	<b>994</b>	<b>956</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-17.8 %	-3.0 %	6.6 %	2.9 %	2.9 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	1.3 %	6.2 %	8.4 %	9.9 %	9.7 %	9.0 %	9.0 %	9.0 %	9.0 %	7.0 %	7.0 %	7.0 %
<b>EBIT (operating profit)</b>	<b>9.7</b>	<b>44.8</b>	<b>64.5</b>	<b>77.9</b>	<b>79.0</b>	<b>75.1</b>	<b>76.9</b>	<b>78.9</b>	<b>80.8</b>	<b>64.4</b>	<b>65.7</b>	
+ Depreciation	36.9	29.5	30.0	30.5	30.9	31.3	31.7	32.1	32.5	35.4	35.4	
- Paid taxes	-12.3	9.5	-11.2	-14.1	-14.6	-13.7	-14.1	-14.5	-15.0	-11.2	-11.5	
- Tax, financial expenses	-0.6	-5.7	-3.7	-3.8	-3.6	-3.6	-3.6	-3.6	-3.6	-3.6	-3.6	
+ 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	37.2	22.4	-2.4	-1.1	-1.2	-1.0	-1.0	-1.1	-1.1	-1.1	-0.9	
<b>Operating cash flow</b>	<b>70.9</b>	<b>100</b>	<b>77.3</b>	<b>89.3</b>	<b>90.6</b>	<b>88.1</b>	<b>89.9</b>	<b>91.7</b>	<b>93.6</b>	<b>83.8</b>	<b>85.1</b>	
+ Change in other long-term liabilities	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-32.5	-57.6	-32.9	-33.2	-33.5	-33.8	-34.1	-34.4	-51.0	-35.7	-38.7	
<b>Free operating cash flow</b>	<b>38.2</b>	<b>42.8</b>	<b>44.4</b>	<b>56.2</b>	<b>57.1</b>	<b>54.3</b>	<b>55.8</b>	<b>57.4</b>	<b>42.6</b>	<b>48.2</b>	<b>46.4</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	38.2	42.8	44.4	56.2	57.1	54.3	55.8	57.4	42.6	48.2	46.4	693
<b>Discounted FCFF</b>		<b>42.1</b>	<b>40.2</b>	<b>46.7</b>	<b>43.6</b>	<b>38.1</b>	<b>36.0</b>	<b>34.0</b>	<b>23.2</b>	<b>24.1</b>	<b>21.3</b>	<b>319</b>
Sum of FCFF present value		668	626	586	539	495	457	421	387	364	340	319
<b>Enterprise value DCF</b>		<b>668</b>										
- Interest bearing debt		-387										
+ Cash and cash equivalents		112										
-Minorities		0.0										
-Dividend/capital return		-14.9										
<b>Equity value DCF</b>		<b>378</b>										
<b>Equity value DCF per share</b>		<b>8.9</b>										

## Cash flow distribution

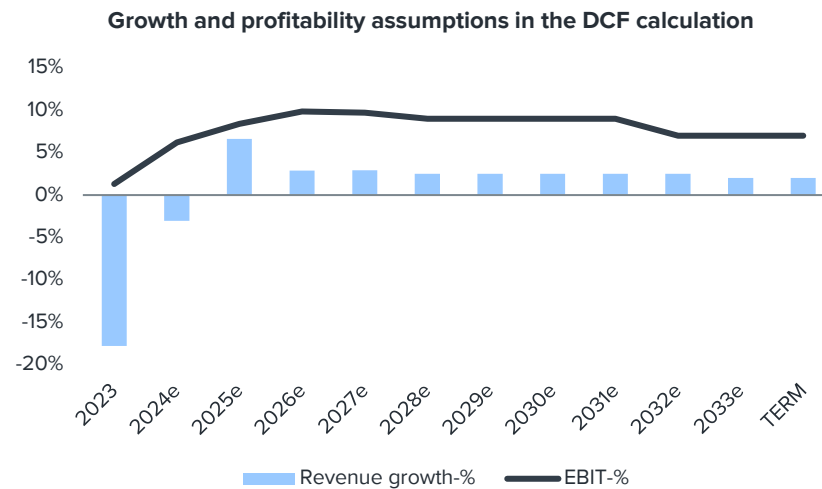
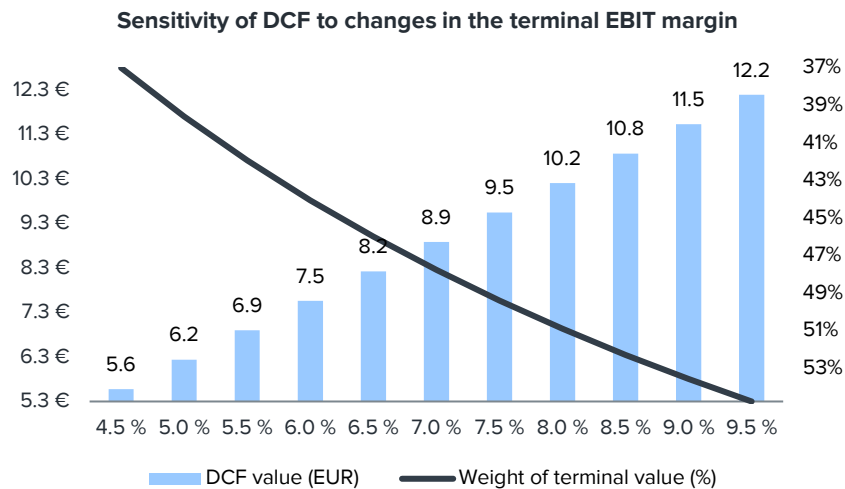
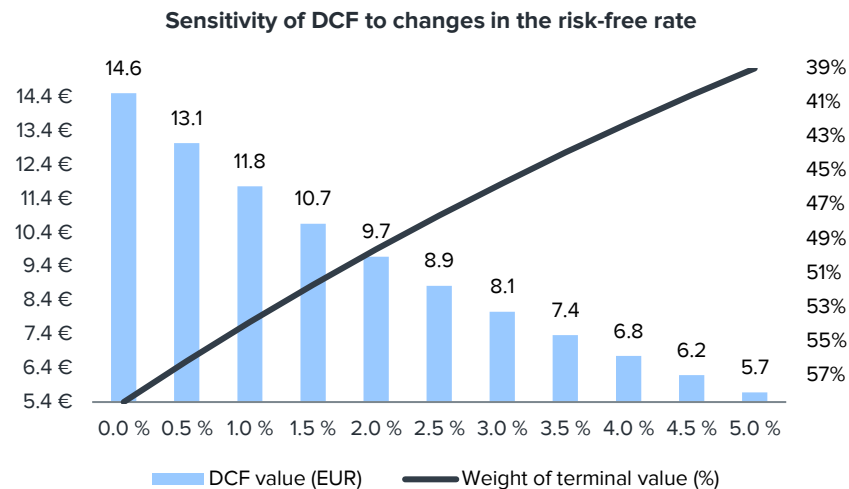
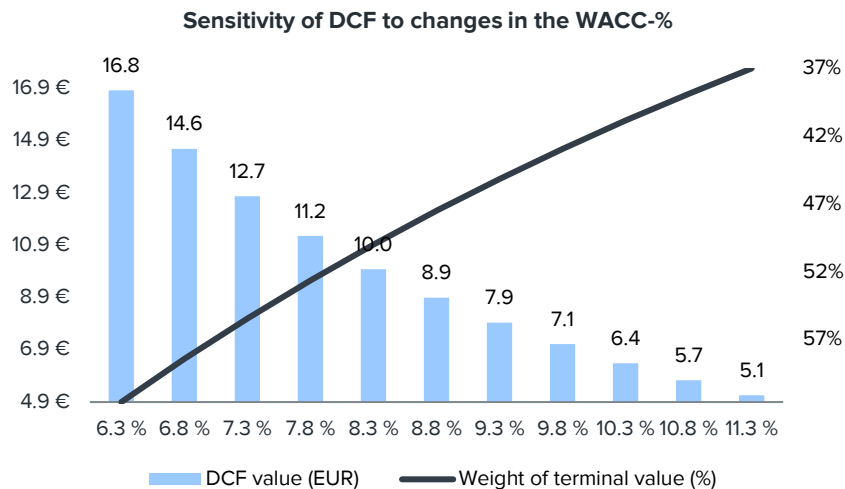


## WACC

Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.8 %</b>

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	2022	2023	2024e	2025e	Per share data	2022	2023	2024e	2025e
Revenue	904.1	743.2	720.7	768.3	EPS (reported)	0.32	-0.31	0.16	0.76
EBITDA	78.4	46.6	74.3	94.5	EPS (adj.)	0.85	0.68	0.59	1.00
EBIT	39.0	9.7	44.8	64.5	OCF / share	0.80	1.66	2.35	1.81
PTP	21.6	-9.6	19.9	48.5	FCF / share	-0.60	0.90	1.00	1.04
Net Income	13.2	-9.3	11.6	37.4	Book value / share	9.79	10.22	10.04	10.81
Extraordinary items	-21.7	-45.7	-18.3	-10.0	Dividend / share	0.36	0.36	0.00	0.00
Balance sheet	2022	2023	2024e	2025e	Growth and profitability	2022	2023	2024e	2025e
Balance sheet total	983.9	997.7	951.1	994.2	Revenue growth-%	7%	-18%	-3%	7%
Equity capital	403.3	435.9	428.4	461.0	EBITDA growth-%	133%	-41%	59%	27%
Goodwill	370.6	370.6	395.6	395.6	EBIT (adj.) growth-%	-18%	-9%	14%	18%
Net debt	276.8	215.6	210.9	183.6	EPS (adj.) growth-%	-53%	-19%	-14%	70%
Cash flow	2022	2023	2024e	2025e	EBITDA-%	8.7 %	6.3 %	10.3 %	12.3 %
EBITDA	78.4	46.6	74.3	94.5	EBIT (adj.)-%	6.7 %	7.5 %	8.8 %	9.7 %
Change in working capital	-32.0	37.2	22.4	-2.4	EBIT-%	4.3 %	1.3 %	6.2 %	8.4 %
Operating cash flow	33.1	70.9	100.4	77.3	ROE-%	3.3 %	-2.2 %	2.7 %	8.4 %
CAPEX	-53.3	-32.5	-57.6	-32.9	ROI-%	5.1%	1.3 %	6.0 %	8.8 %
Free cash flow	-24.6	38.2	42.8	44.4	Equity ratio	41.0 %	43.7 %	45.0 %	46.4 %
					Gearing	68.6 %	49.5 %	49.2 %	39.8 %
Valuation multiples	2022	2023	2024e	2025e					
EV/S	0.7	0.6	1.0	0.9					
EV/EBITDA	6.8	5.2	8.2	7.0					
EV/EBIT (adj.)	10.3	8.7	10.9	8.9					
P/E (adj.)	9.7	9.1	19.1	11.2					
P/B	0.9	0.6	1.1	1.0					
Dividend-%	4.3 %	5.7 %	0.0 %	0.0 %					

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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Date	Recommendation	Target	Share price
1/5/2022	Accumulate	16.00 €	14.80 €
3/4/2022	Accumulate	12.50 €	10.90 €
4/13/2022	Accumulate	13.00 €	12.00 €
5/13/2022	Buy	13.00 €	10.35 €
8/12/2022	Buy	13.00 €	11.00 €
11/9/2022	Buy	12.00 €	10.00 €
11/11/2022	Buy	12.00 €	9.00 €
12/9/2022	Accumulate	10.00 €	9.20 €
2/10/2023	Accumulate	9.50 €	8.38 €
4/5/2023	Accumulate	9.50 €	8.32 €
4/27/2023	Accumulate	9.50 €	8.68 €
7/20/2023	Accumulate	8.50 €	7.20 €
10/26/2023	Buy	8.00 €	6.18 €
2/14/2024	Buy	8.00 €	6.90 €
4/25/2024	Buy	8.50 €	7.40 €
4/29/2024	Reduce	9.90 €	9.80 €
6/17/2024	Reduce	11.15 €	11.20 €
7/16/2024	Reduce	13.50 €	12.75 €
7/18/2024	Accumulate	13.50 €	12.15 €
8/6/2024	Reduce	11.06 €	11.05 €
10/23/2024	Reduce	10.97 €	11.20 €



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**Inderes Oyj**

Itämerentori 2

FI-00180 Helsinki, Finland

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