

# Relais Group

## Company report

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This report is a summary translation of the report “Tukkumarkkina hakee tasapainoan” published on 8/12/2022 at 9:25 am

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# The wholesale market seeks its balance

Relais' Q2 figures published yesterday were unsurprising, as the company issued a profit warning and preliminary data on H1 development earlier in the week. We already updated our estimates for 2022 and the next few years but after the Q2 report we revised our estimate especially for H2 organic growth downwards. This also hurt our short-term earnings estimate, while our estimates for the next few years remained largely unchanged. Reflecting this overall view we revise our target price to EUR 14.0 (previously EUR 14.50) and reiterate our Accumulate recommendation.

## Q2 figures were unsurprising thanks to preliminary data

In Q2, Relais' net sales grew by 12% to EUR 58.6 million, which was known thanks to previously issued preliminary data. Net sales growth was driven by acquisitions, whereas the first half of the year has been difficult, especially in wholesale. The company estimates that the total value of wholesale has decreased even from the good comparison period by some 5% in H1. This inevitably involves the effects of prices that have crept upwards, so we estimate that the volume decrease was greater. We believe the demand for maintenance and repair businesses has been good, but COVID-19 and the mechanics shortage has depressed operational activities. Relais' Q2 EBITA of EUR 3.7 million was also known thanks to the preliminary data. In addition to a clear change in the sales mix, the 6.4% EBITA margin was also depressed by certain operational frictions that burdened the cost structure probably temporarily.

## 2022 estimates still slightly under pressure, estimate changes for the next few years were marginal

Relais has not provided numeric guidance for 2022, but in its outlook the company expects market growth to remain low this year and probably below the 2021 level. We made substantial cuts in estimates both for 2022 and 2023 in connection with the company's preliminary data. After the Q2 report and more detailed management comments, we cut our H2 organic growth estimates further, which resulted in our EBIT estimate decreasing by 7%. However, we only made marginal 1% adjustments to our corresponding estimates for the next few years. We expect 2022 to be poor result-wise, reflecting the wholesale business that has slowed down. However, we expect profitability to recover gradually in 2023 and 2024, which, together with moderate net sales growth will turn the result to a growth path.

## We believe there is upside in the valuation

Adjusted P/E ratios for 2022 and 2023 based on our estimates are 16x and 13x, while the corresponding EV/EBITA ratios are 14x and 13x. With this year's moderate result, we feel the valuation multiples are reasonable, while the 2023 multiples are already moderate and, in our view, do not price the value creation potential of inorganic growth almost at all. Relais is valued at a rather reasonable premium compared to its peers with similar businesses, but compared to the peer group of serial consolidators, the share is valued at a considerable discount. We believe that Relais' justified valuation level can be found in the middle ground of these peer groups, and overall the valuation levels of the peer groups have decreased to a moderate level in our opinion.

## Recommendation

**Accumulate**

(previous Accumulate)

**EUR 14.00**

(previous EUR 14.50)

**Share price:**

12.20



## Key figures

	2021	2022e	2023e	2024e
<b>Revenue</b>	237.9	260.7	265.0	275.6
<b>growth-%</b>	85%	10%	2%	4%
<b>EBIT adj.</b>	29.3	22.3	24.3	29.7
<b>EBIT-% adj.</b>	12.3 %	8.5 %	9.2 %	10.8 %
<b>Net Income</b>	7.7	-1.0	1.8	6.3
<b>EPS (adj.)</b>	1.15	0.76	0.91	1.15
<b>P/E (adj.)</b>	22.7	16.1	13.4	10.6
<b>P/B</b>	5.3	2.7	2.8	2.8
<b>Dividend yield-%</b>	1.4 %	2.5 %	2.6 %	2.8 %
<b>EV/EBIT (adj.)</b>	18.9	14.4	12.6	9.9
<b>EV/EBITDA</b>	17.9	13.2	11.7	9.2
<b>EV/S</b>	2.3	1.2	1.2	1.1

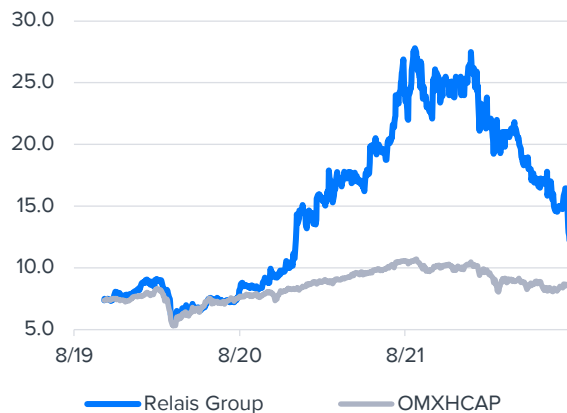
Source: Inderes

## Guidance

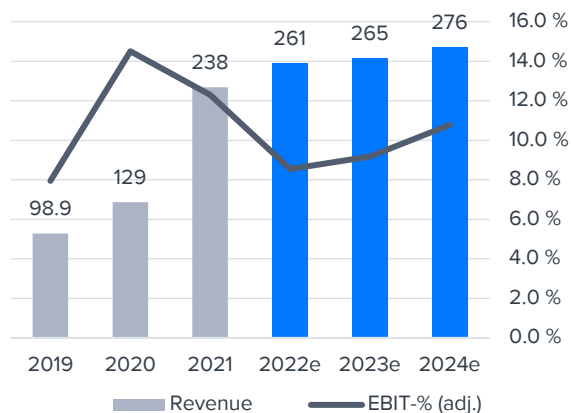
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Relais does not provide numeric guidance for the 2022 financial year

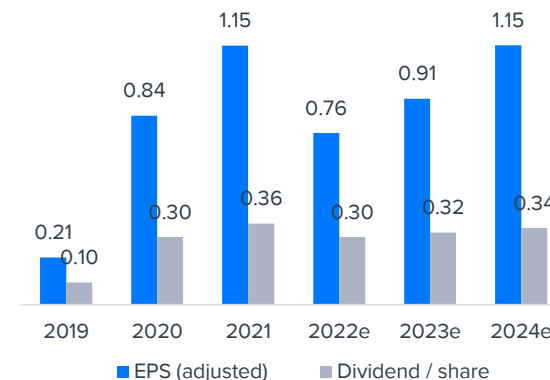
## Share price



## Revenue and EBIT %



## EPS and dividend



## Value drivers

- The stable and defensive market over time is huge relative to Relais' size class
- Plenty of room for consolidation on the fragmented vehicle aftermarket
- Serial consolidator business model's value creation potential and growth strategy is quite good
- Mutual sales synergies of the owned businesses support growth preconditions



## Risk factors

- Working capital commitment in the wholesale business slows down cash flow
- Typical risks associated with acquisitions
- Long-term risks associated with limited pricing power and competitive situation
- Upward pressure in costs caused by high inflation

Valuation	2022e	2023e	2024e
Share price	12.2	12.2	12.2
Number of shares, million	18.1	18.2	18.3
Market cap	221	221	221
EV	321	307	293
P/E (adj.)	16.1	13.4	10.6
P/E	neg.	>100	35.7
P/FCF	neg.	10.1	9.5
P/B	2.7	2.8	2.8
P/S	0.8	0.8	0.8
EV/Sales	1.2	1.2	1.1
EV/EBITDA	13.2	11.7	9.2
EV/EBIT (adj.)	14.4	12.6	9.9
Payout ratio (%)	neg.	328.4 %	99.4 %
Dividend yield-%	2.5 %	2.6 %	2.8 %

Source: Inderes

# Estimates

Estimates	Q2'21	Q2'22	Q2'22e	Q2'22e	Consensus		Difference (%)	2022e
MEUR / EUR	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	52.2	58.6	58.6				0%	261
EBITDA	5.4	4.2	4.2				0%	24.3
EBITA	4.8	3.7	3.7				0%	22.3
EBIT	1.5	0.0	0.0					7.5
PTP	1.3	-0.7	-0.7				0%	3.4
EPS (adj.)	0.21	0.07	0.07				0%	0.76
Revenue growth-%	78.9 %	12.2 %	12.2 %				0 pp	9.6 %
EBITA-%	9.2 %	6.4 %	6.4 %				0 pp	8.5 %

Source: Inderes

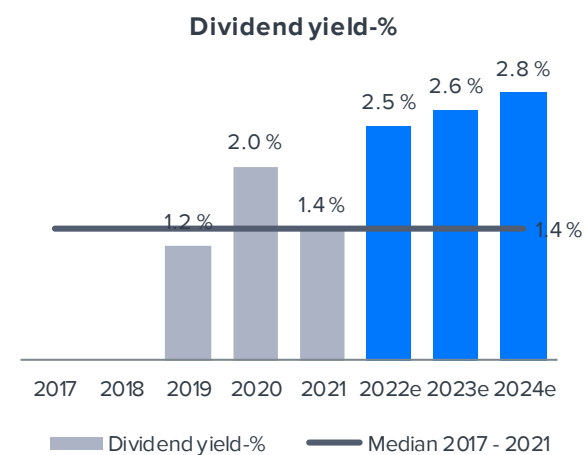
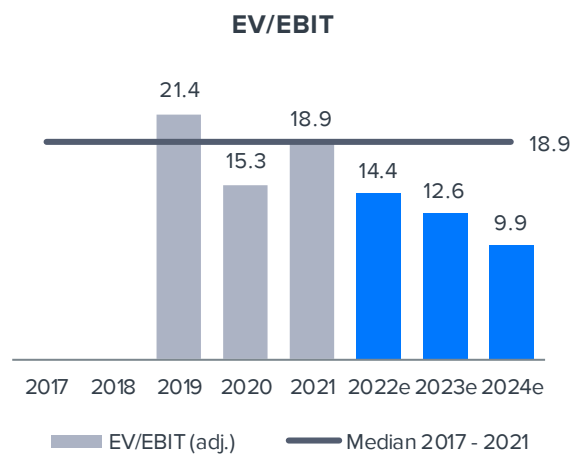
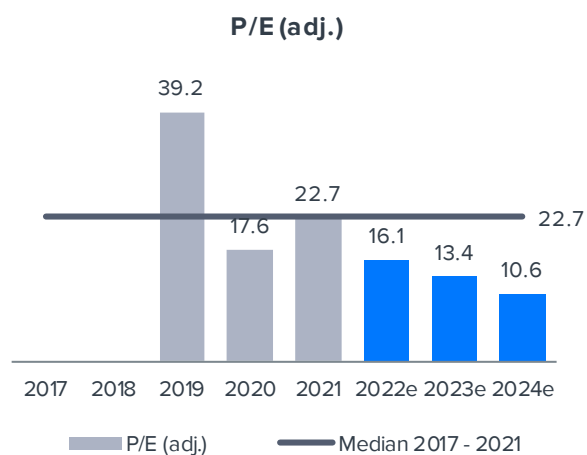
Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	263	261	-1%	268	265	-1%	276	276	0%
EBITDA	25.8	24.3	-6%	26.7	26.4	-1%	32.1	31.8	-1%
EBIT (exc. NRIs)	23.8	22.3	-6%	24.6	24.3	-1%	30.1	29.7	-1%
EBIT	9.1	7.5	-18%	9.9	9.5	-4%	15.4	15.0	-3%
PTP	5.6	3.4	-39%	6.3	5.9	-6%	11.9	11.5	-3%
EPS (excl. NRIs)	0.84	0.76	-9%	0.92	0.91	-1%	1.17	1.15	-2%
DPS	0.38	0.30	-21%	0.40	0.32	-20%	0.42	0.34	-19%

Source: Inderes

# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price			8.25	14.7	26.0	12.2	12.2	12.2	12.2
Number of shares, millions			16.2	17.4	17.9	18.1	18.2	18.3	18.4
Market cap			134	256	466	221	221	221	221
EV			168	285	554	321	307	293	280
P/E (adj.)			39.2	17.6	22.7	16.1	13.4	10.6	10.3
P/E			>100	36.9	60.5	neg.	>100	35.7	31.7
P/FCF			neg.	31.7	neg.	neg.	10.1	9.5	10.0
P/B			2.1	3.6	5.3	2.7	2.8	2.8	2.8
P/S			1.4	2.0	2.0	0.8	0.8	0.8	0.8
EV/Sales			1.7	2.2	2.3	1.2	1.2	1.1	1.0
EV/EBITDA			12.6	14.9	17.9	13.2	11.7	9.2	8.6
EV/EBIT (adj.)			21.4	15.3	18.9	14.4	12.6	9.9	9.1
Payout ratio (%)			421.1 %	75.3 %	83.8 %	neg.	328.4 %	99.4 %	93.7 %
Dividend yield-%			1.2 %	2.0 %	1.4 %	2.5 %	2.6 %	2.8 %	3.0 %

Source: Inderes



# Peer group valuation 1/2

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Inter Cars SA	1228	1618	7.4	6.9	6.5	6.3	0.5	0.5	7.8	7.3	2.4	3.9	1.6
Advance Auto Parts Inc	11400	12413	11.3	10.4	9.1	8.5	1.1	1.1	14.3	12.7	3.0	3.1	3.5
Duell	67	67	9.6	6.4	7.1	5.2	0.6	0.5	21.9	10.7	1.5	3.0	2.1
Auto Partner SA	361	434	8.1	6.3	7.5	5.9	0.8	0.6	10.8	9.2	2.3	2.3	2.2
Genuine Parts Co	21163	23878	15.3	14.1	12.5	11.9	1.2	1.1	19.4	18.3	2.3	2.6	5.6
Uni-Select Inc	1252	1623	18.6	13.0	8.9	8.0	1.0	0.9	19.0	17.8			
LKQ Corp	14560	16617	11.3	10.9	9.6	9.5	1.3	1.3	13.9	12.9	1.8	2.0	2.6
O'Reilly Automotive Inc	44013	48277	17.4	16.3	15.6	14.6	3.5	3.3	22.6	20.2			
Autozone Inc	41838	47433	15.2	14.7	13.4	12.9	3.1	2.9	19.3	17.6			
Bapcor Ltd	1554	1864	13.6	12.6	9.5	8.8	1.5	1.4	17.5	16.1	3.2	3.4	2.1
Mekonomen AB	624	1040	11.3	9.3	6.3	5.6	0.8	0.7	9.4	7.9	3.5	3.7	1.2
<b>Relais Group (Inderes)</b>	<b>221</b>	<b>321</b>	<b>14.4</b>	<b>12.6</b>	<b>13.2</b>	<b>11.7</b>	<b>1.2</b>	<b>1.2</b>	<b>16.1</b>	<b>13.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>
<b>Average</b>			<b>12.8</b>	<b>11.2</b>	<b>10.0</b>	<b>9.1</b>	<b>1.4</b>	<b>1.4</b>	<b>16.7</b>	<b>14.3</b>	<b>2.4</b>	<b>2.9</b>	<b>2.8</b>
<b>Median</b>			<b>12.4</b>	<b>11.7</b>	<b>9.3</b>	<b>8.6</b>	<b>1.1</b>	<b>1.1</b>	<b>18.3</b>	<b>14.5</b>	<b>2.3</b>	<b>3.0</b>	<b>2.2</b>
<b>Diff-% to median</b>			<b>16%</b>	<b>8%</b>	<b>43%</b>	<b>35%</b>	<b>8%</b>	<b>5%</b>	<b>-12%</b>	<b>-8%</b>	<b>6%</b>	<b>-13%</b>	<b>25%</b>

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

## Peer group valuation 2/2

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Indutrade AB	8370	9045	27.7	27.7	20.4	20.2	3.6	3.5	34.3	34.4	1.1	1.3	7.3
Bergman & Beving AB	269	394	13.4	12.3	8.1	7.5	0.9	0.9	11.1	11.5	3.5	3.8	1.5
Bufab AB (publ)	1087	1438	16.4	15.7	13.3	12.7	1.8	1.8	18.2	17.0	1.7	1.8	3.9
Christian Berner Tech Trade AB	36	53	9.1	7.8	6.2	5.6	0.7	0.7	8.7	7.8	5.6	6.5	1.8
Addtech AB	4464	4910	35.3	27.6	25.4	20.7	3.7	3.0	39.5	32.9	1.1	1.1	11.0
Beijer Ref AB (publ)	5572	6010	32.3	27.4	25.2	21.6	2.9	2.7	43.0	36.2	0.9	1.0	9.3
Beijer Alma AB	1138	1325	14.3	13.6	11.4	10.6	2.2	2.1	14.8	15.5	2.5	2.7	3.4
Lifco AB (publ)	7679	8325	23.5	24.3	18.6	19.1	4.2	4.1	30.1	30.1	1.0	1.0	6.7
Lagercrantz Group AB	2286	2528	34.6	26.9	24.2	20.1	4.9	3.9	38.0	30.1	1.2	1.5	9.6
Volati Ab	1138	1384	20.8	17.7	14.5	13.2	1.8	1.7	23.5	21.5	1.2	1.4	6.4
Boreo OYJ	145	173	24.7	17.3	15.7	12.4	1.1	1.0	23.6	18.9	0.9	1.0	2.9
AddLife AB	1954	2471	33.2	34.9	18.0	18.9	2.9	2.9	44.8	47.2	0.8	0.9	4.2
Addnode Group AB	1390	1425	32.3	29.6	19.9	18.4	2.6	2.4	45.6	40.1	0.7	0.8	8.8
Instalco AB	1254	1697	20.9	19.3	17.0	15.5	1.6	1.5	21.2	18.1	1.5	1.6	4.5
Seafire AB	82	102	12.4	9.0	8.4	6.5	1.2	1.1	29.0	14.5			1.5
Sdipotech AB	894	894	15.1	12.5	11.6	10.0	2.7	2.3	22.9	18.7			3.4
Storskogen Group AB	2143	2949	11.9	9.9	7.7	6.5	1.0	0.8	14.5	11.6	0.7	0.7	1.4
Fasadgruppen Group AB	422	487	12.6	10.9	10.2	8.9	1.2	1.1	14.2	12.5	1.7	2.0	2.3
<b>Relais Group (Inderes)</b>	<b>221</b>	<b>321</b>	<b>14.4</b>	<b>12.6</b>	<b>13.2</b>	<b>11.7</b>	<b>1.2</b>	<b>1.2</b>	<b>16.1</b>	<b>13.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>
<b>Average</b>			<b>21.7</b>	<b>19.2</b>	<b>15.4</b>	<b>13.8</b>	<b>2.3</b>	<b>2.1</b>	<b>26.7</b>	<b>23.4</b>	<b>1.6</b>	<b>1.8</b>	<b>4.9</b>
<b>Median</b>			<b>20.9</b>	<b>17.3</b>	<b>15.7</b>	<b>12.7</b>	<b>2.2</b>	<b>2.1</b>	<b>23.6</b>	<b>18.7</b>	<b>1.1</b>	<b>1.3</b>	<b>3.9</b>
<b>Diff.% to median</b>			<b>-31%</b>	<b>-27%</b>	<b>-16%</b>	<b>-8%</b>	<b>-45%</b>	<b>-46%</b>	<b>-32%</b>	<b>-28%</b>	<b>124%</b>	<b>111%</b>	<b>-31%</b>

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

# Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue</b>	<b>128.9</b>	<b>53.5</b>	<b>52.2</b>	<b>58.6</b>	<b>73.5</b>	<b>237.9</b>	<b>61.9</b>	<b>58.6</b>	<b>64.8</b>	<b>75.3</b>	<b>261</b>	<b>265</b>	<b>276</b>	<b>284</b>
Relais Group	129	53.5	52.2	58.6	73.5	238	61.9	58.6	64.8	75.3	261	265	276	284
<b>EBITDA</b>	<b>19.1</b>	<b>7.6</b>	<b>5.4</b>	<b>8.7</b>	<b>9.3</b>	<b>31.0</b>	<b>6.6</b>	<b>4.2</b>	<b>6.3</b>	<b>7.1</b>	<b>24.3</b>	<b>26.4</b>	<b>31.8</b>	<b>32.7</b>
Depreciation	-8.0	-3.1	-3.9	-3.7	-3.9	-14.6	-4.1	-4.3	-4.2	-4.2	-16.7	-16.9	-16.8	-16.7
<b>EBIT (excl. NRI)</b>	<b>18.7</b>	<b>7.4</b>	<b>4.8</b>	<b>8.3</b>	<b>8.8</b>	<b>29.3</b>	<b>6.1</b>	<b>3.7</b>	<b>5.8</b>	<b>6.6</b>	<b>22.3</b>	<b>24.3</b>	<b>29.7</b>	<b>30.7</b>
<b>EBIT</b>	<b>11.1</b>	<b>4.6</b>	<b>1.5</b>	<b>5.0</b>	<b>5.3</b>	<b>16.4</b>	<b>2.5</b>	<b>0.0</b>	<b>2.1</b>	<b>2.9</b>	<b>7.5</b>	<b>9.5</b>	<b>15.0</b>	<b>16.0</b>
Net financial items	-0.7	-1.4	-0.2	-0.8	-0.9	-3.3	-0.9	-1.7	-0.8	-0.8	-4.1	-3.6	-3.5	-3.5
<b>PTP</b>	<b>10.4</b>	<b>3.2</b>	<b>1.3</b>	<b>4.2</b>	<b>4.4</b>	<b>13.1</b>	<b>1.7</b>	<b>-1.7</b>	<b>1.3</b>	<b>2.1</b>	<b>3.4</b>	<b>5.9</b>	<b>11.5</b>	<b>12.5</b>
Taxes	-3.4	-1.3	-1.0	-1.8	-1.3	-5.3	-1.3	-0.9	-1.0	-1.2	-4.4	-4.1	-5.3	-5.5
Minority interest	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>6.9</b>	<b>1.9</b>	<b>0.4</b>	<b>2.4</b>	<b>3.1</b>	<b>7.7</b>	<b>0.4</b>	<b>-2.6</b>	<b>0.3</b>	<b>0.9</b>	<b>-1.0</b>	<b>1.8</b>	<b>6.3</b>	<b>7.1</b>
<b>EPS (adj.)</b>	<b>0.84</b>	<b>0.26</b>	<b>0.21</b>	<b>0.32</b>	<b>0.36</b>	<b>1.15</b>	<b>0.22</b>	<b>0.06</b>	<b>0.22</b>	<b>0.26</b>	<b>0.76</b>	<b>0.91</b>	<b>1.15</b>	<b>1.19</b>
<b>EPS (rep.)</b>	<b>0.40</b>	<b>0.11</b>	<b>0.02</b>	<b>0.13</b>	<b>0.17</b>	<b>0.43</b>	<b>0.02</b>	<b>-0.14</b>	<b>0.02</b>	<b>0.05</b>	<b>-0.05</b>	<b>0.10</b>	<b>0.34</b>	<b>0.38</b>
<b>Key figures</b>	<b>2020</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21</b>	<b>Q4'21</b>	<b>2021</b>	<b>Q1'22</b>	<b>Q2'22</b>	<b>Q3'22e</b>	<b>Q4'22e</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
<b>Revenue growth-%</b>	30.3 %	79.8 %	78.9 %	79.2 %	97.5 %	84.5 %	15.7 %	12.2 %	10.5 %	2.4 %	9.6 %	1.6 %	4.0 %	3.0 %
<b>Adjusted EBIT growth-%</b>	138.2 %	451.4 %	107.3 %	131.0 %	-23.5 %	56.4 %	-17.4 %	-22.6 %	-29.8 %	-24.6 %	-23.9 %	9.3 %	22.1 %	3.4 %
<b>EBITDA-%</b>	14.8 %	14.3 %	10.3 %	14.8 %	12.6 %	13.0 %	10.7 %	7.2 %	9.8 %	9.4 %	9.3 %	10.0 %	11.5 %	11.5 %
<b>Adjusted EBIT-%</b>	14.5 %	13.8 %	9.2 %	14.2 %	11.9 %	12.3 %	9.9 %	6.4 %	9.0 %	8.8 %	8.5 %	9.2 %	10.8 %	10.8 %
<b>Net earnings-%</b>	5.4 %	3.6 %	0.7 %	4.1 %	4.2 %	3.2 %	0.6 %	-4.4 %	0.5 %	1.3 %	-0.4 %	0.7 %	2.3 %	2.5 %

Source: Inderes



# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>59.7</b>	<b>116</b>	<b>117</b>	<b>102</b>	<b>86.6</b>
Goodwill	58.2	110	110	95.4	80.6
Intangible assets	0.5	1.8	1.8	1.8	1.8
Tangible assets	0.7	4.2	4.6	4.3	4.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.1	0.1	0.1	0.1	0.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.3	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>94.9</b>	<b>119</b>	<b>123</b>	<b>122</b>	<b>123</b>
Inventories	44.3	73.2	78.2	76.8	77.2
Other current assets	2.9	6.9	6.9	6.9	6.9
Receivables	13.1	26.9	30.5	29.9	31.1
Cash and equivalents	34.7	11.8	7.8	7.9	8.3
<b>Balance sheet total</b>	<b>155</b>	<b>235</b>	<b>240</b>	<b>223</b>	<b>210</b>

Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>72.3</b>	<b>89.1</b>	<b>83.0</b>	<b>79.4</b>	<b>79.8</b>
Share capital	0.1	0.1	1.4	1.4	1.4
Retained earnings	15.6	19.4	11.9	8.3	8.7
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	56.2	69.3	69.3	69.3	69.3
Minorities	0.3	0.4	0.4	0.4	0.4
<b>Non-current liabilities</b>	<b>61.1</b>	<b>95.6</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
Deferred tax liabilities	2.8	3.3	3.3	3.3	3.3
Provisions	0.2	0.0	0.0	0.0	0.0
Long term debt	58.0	90.7	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	1.6	1.6	1.6	1.6
<b>Current liabilities</b>	<b>21.2</b>	<b>50.1</b>	<b>152</b>	<b>139</b>	<b>125</b>
Short term debt	5.0	6.0	107	93.1	78.9
Payables	8.6	15.4	16.9	17.2	17.9
Other current liabilities	7.6	28.6	28.6	28.6	28.6
<b>Balance sheet total</b>	<b>155</b>	<b>235</b>	<b>240</b>	<b>223</b>	<b>210</b>

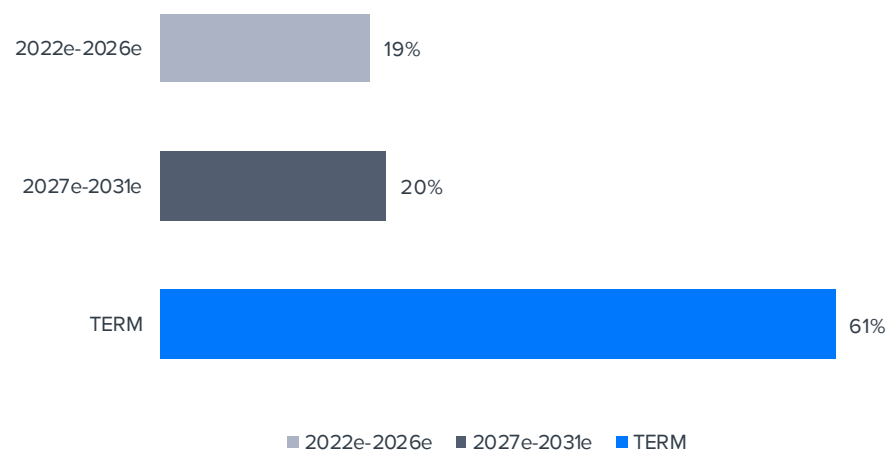
# DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
<b>EBIT (operating profit)</b>	<b>16.4</b>	<b>7.5</b>	<b>9.5</b>	<b>15.0</b>	<b>16.0</b>	<b>18.9</b>	<b>20.3</b>	<b>20.8</b>	<b>20.4</b>	<b>19.3</b>	<b>19.7</b>	
+ Depreciation	14.6	16.7	16.9	16.8	16.7	16.7	16.6	16.6	16.6	16.6	16.6	
- Paid taxes	-4.5	-4.4	-4.1	-5.3	-5.5	-6.1	-6.4	-6.5	-6.4	-6.2	-6.9	
- Tax, financial expenses	-0.7	-1.0	-0.7	-0.7	-0.7	-0.7	-0.6	-0.6	-0.6	-0.6	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	-19.0	-7.0	2.2	-0.8	-2.7	-2.3	-2.4	-2.4	-2.5	-2.6	-2.1	
<b>Operating cash flow</b>	<b>6.8</b>	<b>11.9</b>	<b>23.7</b>	<b>25.0</b>	<b>23.8</b>	<b>26.5</b>	<b>27.5</b>	<b>27.8</b>	<b>27.4</b>	<b>26.5</b>	<b>27.3</b>	
+ Change in other long-term liabilities	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-71.2	-17.4	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	
<b>Free operating cash flow</b>	<b>-63.0</b>	<b>-5.5</b>	<b>21.9</b>	<b>23.2</b>	<b>22.0</b>	<b>24.7</b>	<b>25.7</b>	<b>26.0</b>	<b>25.6</b>	<b>24.7</b>	<b>25.5</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	-63.0	-5.5	21.9	23.2	22.0	24.7	25.7	26.0	25.6	24.7	25.5	446
<b>Discounted FCFF</b>		<b>-5.3</b>	<b>19.7</b>	<b>19.4</b>	<b>17.1</b>	<b>17.8</b>	<b>17.1</b>	<b>16.1</b>	<b>14.7</b>	<b>13.1</b>	<b>12.6</b>	<b>220</b>
Sum of FCFF present value		362	368	348	329	311	294	277	260	246	233	220
<b>Enterprise value DCF</b>		<b>362</b>										
- Interesting bearing debt		-97										
+ Cash and cash equivalents		11.8										
-Minorities		-1.1										
-Dividend/capital return		-6.5										
<b>Equity value DCF</b>		<b>270</b>										
<b>Equity value DCF per share</b>		<b>14.9</b>										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	3.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>9.2 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>7.8 %</b>

Source: Inderes

## Cash flow distribution



# Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	98.9	128.9	237.9	<b>260.7</b>	<b>265.0</b>	EPS (reported)	0.02	0.40	0.43	<b>-0.05</b>	<b>0.10</b>
EBITDA	13.3	19.1	31.0	<b>24.3</b>	<b>26.4</b>	EPS (adj.)	0.21	0.84	1.15	<b>0.76</b>	<b>0.91</b>
EBIT	7.9	11.1	16.4	<b>7.5</b>	<b>9.5</b>	OCF / share	-0.19	1.17	0.38	<b>0.66</b>	<b>1.30</b>
PTP	2.5	10.4	13.1	<b>3.4</b>	<b>5.9</b>	FCF / share	-3.66	0.46	-3.51	<b>-0.30</b>	<b>1.20</b>
Net Income	0.4	6.9	7.7	<b>-1.0</b>	<b>1.8</b>	Book value / share	3.93	4.13	4.94	<b>4.56</b>	<b>4.34</b>
Extraordinary items	0.0	-7.6	-12.9	<b>-14.7</b>	<b>-14.8</b>	Dividend / share	0.10	0.30	0.36	<b>0.30</b>	<b>0.32</b>
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	143.0	154.6	234.9	<b>240.0</b>	<b>223.2</b>	Revenue growth-%	37%	30%	85%	<b>10%</b>	<b>2%</b>
Equity capital	63.7	72.3	89.1	<b>83.0</b>	<b>79.4</b>	EBITDA growth-%	53%	43%	62%	<b>-22%</b>	<b>9%</b>
Goodwill	53.7	58.2	109.9	<b>110.2</b>	<b>95.4</b>	EBIT (adj.) growth-%	37%	138%	56%	<b>-24%</b>	<b>9%</b>
Net debt	34.5	28.3	85.0	<b>98.7</b>	<b>85.1</b>	EPS (adj.) growth-%	-99%	298%	37%	<b>-34%</b>	<b>20%</b>
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	13.5 %	14.8 %	13.0 %	<b>9.3 %</b>	<b>10.0 %</b>
EBITDA	13.3	19.1	31.0	<b>24.3</b>	<b>26.4</b>	EBIT (adj.)-%	7.9 %	14.5 %	12.3 %	<b>8.5 %</b>	<b>9.2 %</b>
Change in working capital	-15.1	1.3	-19.0	<b>-7.0</b>	<b>2.2</b>	EBIT-%	7.9 %	8.6 %	6.9 %	<b>2.9 %</b>	<b>3.6 %</b>
Operating cash flow	-3.1	20.3	6.8	<b>11.9</b>	<b>23.7</b>	ROE-%	1.0 %	10.2 %	9.6 %	<b>-1.1 %</b>	<b>2.2 %</b>
CAPEX	-54.7	-12.4	-71.2	<b>-17.4</b>	<b>-1.8</b>	ROI-%	9.6 %	8.4 %	10.2 %	<b>4.0 %</b>	<b>5.3 %</b>
Free cash flow	-59.4	8.1	-63.0	<b>-5.5</b>	<b>21.9</b>	Equity ratio	44.5 %	46.7 %	37.9 %	<b>34.6 %</b>	<b>35.6 %</b>
Valuation multiples	2019	2020	2021	2022e	2023e	Gearing	54.2 %	39.2 %	95.3 %	<b>118.9 %</b>	<b>107.3 %</b>
EV/S	1.7	2.2	2.3	<b>1.2</b>	<b>1.2</b>						
EV/EBITDA (adj.)	12.6	14.9	17.9	<b>13.2</b>	<b>11.7</b>						
EV/EBIT (adj.)	21.4	15.3	18.9	<b>14.4</b>	<b>12.6</b>						
P/E (adj.)	39.2	17.6	22.7	<b>16.1</b>	<b>13.4</b>						
P/B	2.1	3.6	5.3	<b>2.7</b>	<b>2.8</b>						
Dividend-%	1.2 %	2.0 %	1.4 %	<b>2.5 %</b>	<b>2.6 %</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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Date	Recommendation	Target price	Share price
18-10-19	Buy	9.00 €	7.35 €
24-02-20	Accumulate	9.00 €	8.37 €
28-02-20	Accumulate	9.00 €	8.25 €
27-03-20	Accumulate	7.00 €	6.51 €
10-08-20	Accumulate	8.50 €	7.80 €
17-08-20	Accumulate	9.50 €	8.68 €
08-12-20	Accumulate	12.00 €	10.15 €
15-12-20	Accumulate	13.00 €	12.25 €
05-01-21	Reduce	13.70 €	14.20 €
01-02-21	Reduce	16.50 €	15.60 €
26-02-21	Reduce	17.50 €	17.90 €
01-04-21	Reduce	18.00 €	17.80 €
13-08-21	Reduce	24.00 €	24.50 €
15-10-21	Reduce	25.00 €	25.30 €
05-11-21	Reduce	26.00 €	25.20 €
04-03-22	Accumulate	24.00 €	22.00 €
Analyst changes			
04-04-22	Accumulate	24.00 €	21.00 €
13-05-22	Accumulate	20.00 €	18.00 €
09-08-22	Accumulate	14.50 €	13.25 €
12-08-22	Accumulate	14.00 €	12.20 €



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