

Wolftank Group AG

Austria | Renewables | MCap EUR 44.1m

19 December 2024

UPDATE



Robust 9M 24 results: sales near EUR 100m milestone; BUY

What's it all about?

The Wolftank Group delivered impressive results in 9M24 with revenues of EUR 89.8m, up 57.5% yoy. Although no detailed figures were provided on a segment level, the Environmental Services segment is likely to have led the growth due to increased environmental efforts by customers, contributing EUR 62.2m in revenues, which is reflected in a rising revenue share to 69% (FY23: 59%). Conversely, Hydrogen & Renewables revenues were somewhat weaker with EUR 12.5m due to a generally weaker hydrogen market situation, while Industrial Coatings & Maintenance remained stable. Group EBITDA increased by 118.8% yoy to EUR 7.0m, resulting in an EBITDA margin improvement of 220 bps yoy to 7.8%. A positive free cash flow of EUR 3.7m further underlined the financial strength. Most impressive, the order backlog increased by 150% yoy to EUR 110m with a book-to-bill ratio of 1.74x, reflecting strong demand. With FY24 revenues likely to exceed EUR 100m and profitability on track, we reiterate our BUY rating and PT of EUR 20.00.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

BUY (BUY)

Target price	EUR 20.00 (20.00)
Current price	EUR 8.35
Up/downside	139.5%

 ResearchHub 



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Wolftank Group AG

Austria | Renewables | MCap EUR 44.1m | EV EUR 59.7m

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Robust 9M 24 results: revenue near EUR 100m milestone; BUY

9M 24 results show strong growth. Wolftank Group announced its 9M 24 results with revenues of EUR 89.8m, up 57.5% yoy. The Environmental Services segment was particularly strong with revenues of EUR 62.2m, already higher than in FY23, due to increased environmental efforts by customers. As a result, its share of revenues increased to 69% (FY23: 59%). On the other hand, the Hydrogen & Renewables segment weakened to EUR 12.5m due to a generally weaker situation in the hydrogen market, while the Industrial Coatings & Maintenance segment continued to show stable business. In the first nine months of the year, positive Group EBITDA of EUR 7.0m, up 118.8% yoy, increased the EBITDA margin by 220bps to 7.8% and EBIT was positive at EUR 2.3m, compared to EUR -0.2m in the same period last year. As a result, the Company generated a positive free cash flow of EUR 3.7m.

Strong order momentum in 2024. As we have already pointed out in our last updates, the company is experiencing a series of orders this year. The order backlog rose to EUR 110m in 9M 24, up 150% yoy, which translates into an order intake of EUR 155.8m in the first 9M 24 and a strong book-to-bill ratio of 1.74x. This order momentum continues into Q4 with many more orders announced in the somewhat weaker Hydrogen & Renewables segment, which should continue to fill the order books and drive revenue in this segment. Read [here](#) for a detailed update.

Q4 Preview: How Q3 sets the stage. Isolated Q3 24 revenues reached EUR 27.8m. If Q4 achieves a level comparable to Q3, FY24 revenues would amount to EUR 117.6m, surpassing the consensus forecast of EUR 115.7m. To reach the FY24 consensus EBITDA estimate of EUR 11.7m, EBITDA would have to increase from EUR 2.2m in Q3 to at least EUR 4.7m in Q4. We are more cautious and anticipate only a slight sequential increase to EUR 2.8m, with an EBITDA margin exceeding 8% (compared to 7.9% in Q3).

Wolftank Group AG	2021	2022	2023	2024E	2025E	2026E
Sales	44.6	62.7	86.8	118.0	138.1	158.8
<i>Growth yoy</i>	27.4%	40.6%	38.3%	36.0%	17.0%	15.0%
EBITDA	1.5	3.6	8.6	9.8	11.8	14.0
EBIT	-1.3	0.0	3.9	6.1	8.5	10.5
Net profit	-3.0	-1.9	-3.3	0.7	2.0	4.1
Net debt (net cash)	11.4	4.9	15.6	9.2	6.5	7.0
Net debt/EBITDA	7.6x	1.4x	1.8x	0.9x	0.6x	0.5x
EPS reported	-0.67	-0.43	-0.65	0.13	0.38	0.77
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	35.0%	36.4%	42.9%	36.8%	36.0%	35.8%
EBITDA margin	3.4%	5.7%	9.9%	8.3%	8.5%	8.8%
EBIT margin	-3.0%	0.1%	4.5%	5.2%	6.1%	6.6%
ROCE	-3.7%	0.1%	5.6%	7.8%	11.7%	14.5%
EV/Sales	1.2x	0.8x	0.7x	0.5x	0.4x	0.3x
EV/EBITDA	36.9x	14.3x	6.9x	5.5x	4.3x	3.7x
EV/EBIT	-41.4x	1,034.0x	15.2x	8.8x	6.0x	4.9x
PER	-12.4x	-19.6x	-12.8x	65.1x	21.8x	10.9x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 13.10 / 7.40
Price/Book Ratio 2.4x

Ticker / Symbols

ISIN AT0000A25NJ6
WKN A2PBHR
Bloomberg WAH:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	115.7	6.1	0.13
	Δ	2.0%	0.0%	0.0%
2025E	old	135.4	8.5	0.38
	Δ	2.0%	0.0%	0.0%
2026E	old	155.7	10.5	0.77
	Δ	2.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 5.28
Book value per share: (in EUR) 3.47
Ø trading vol.: (12 months) 2,494

Major shareholders

Management 15.2%
MuM Beteiligung / GCI 7.2%
Paladin Asset Management 9.1%
Free Float 50.1%

Company description

Wolftank is an Austria-based company that operates as an environmental technology company for tank systems and soil remediation. The company focuses on the remediation and monitoring of tank farms and environmental protection services for contaminated soils and facilities, as well as groundwater purification. In addition, Wolftank is active in the commissioning of LNG and hydrogen petrol stations.

At the segment level, Hydrogen & Renewables delivered EUR 2.5m in Q3. Its underperformance may continue in Q4 as new orders won this year are likely to start slowly, potentially missing the FY23 result of EUR 21m. Conversely, the Environmental Services segment delivered EUR 21.2m in Q3 and is expected to grow further in Q4, supported by a strong order backlog. The Industrial Coatings & Maintenance segment achieved EUR 4.9m in Q3 and is expected to remain stable or grow slightly in Q4.

Conclusion. Despite the positive developments, the current share price performance does not reflect this progress. We believe that Wolf tank will not only surpass the EUR 100m milestone and have therefore raised our estimates. We see the strong order momentum as further evidence of Wolf tank's robust market position and expect further strong growth with increasing profitability in the coming years. The positive order development in the Hydrogen & Renewables segment should also contribute to this. We reiterate our BUY rating with an unchanged PT of EUR 20.00.

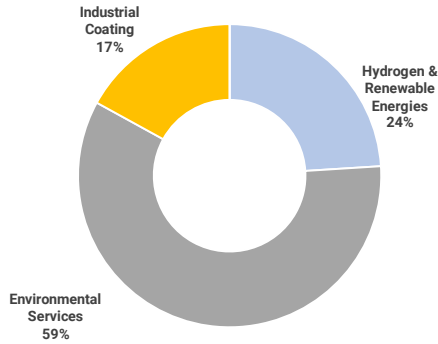
The following table displays the six-monthly performance of **Wolf tank Adisa Holding AG**:

P&L data	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024
Sales	22.2	20.3	24.4	29.0	33.8	30.1	56.7	62.0
yoy growth in %	-14.0%	57.5%	10.0%	43.0%	38.6%	3.8%	68.0%	106.3%
Gross profit	18.8	17.8	20.7	26.3	4.9	10.4	26.0	na
Gross margin in %	84.9%	88.1%	84.7%	90.8%	14.5%	34.7%	45.9%	na%
EBITDA	1.4	0.0	1.5	1.4	2.2	1.0	4.5	4.8
EBITDA margin in %	6.1%	0.2%	6.0%	4.8%	6.5%	3.5%	7.9%	7.7%
EBIT	-1.0	-1.3	-0.0	-0.3	0.3	-0.6	1.4	1.4
EBIT margin in %	-4.3%	-6.6%	-0.1%	-0.9%	0.9%	-2.0%	2.5%	2.3%
EBT	-0.9	-2.0	-0.8	-0.6	-0.1	-1.0	3.1	0.1
taxes paid	-0.7	0.1	0.1	0.5	0.4	-0.3	1.3	na
tax rate in %	77.2%	-3.0%	-10.3%	-81.4%	-570.7%	31.0%	41.3%	na%
net profit	-0.0	-1.9	-1.0	-1.0	-0.9	-1.6	-1.7	-0.8
yoy growth in %	na%	na%	na%	na%	na%	na%	na%	-49.9%
EPS	-0.00	-0.48	-0.21	-0.23	-0.20	-0.33	-0.32	-0.15

Source: Company data; mwb research

Investment case in six charts

Segmental breakdown 2023 in %



Wolf tank's track record



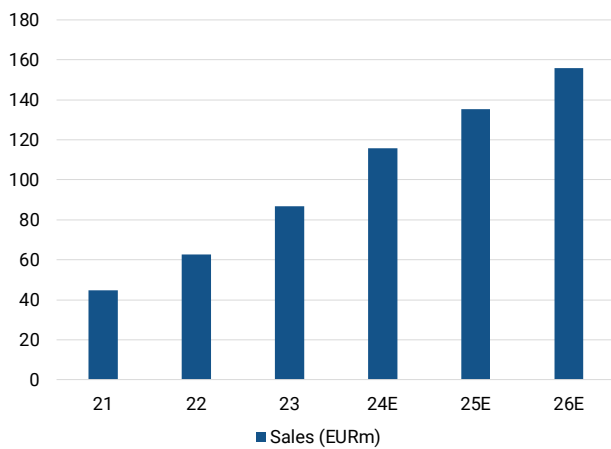
Blue chip clients



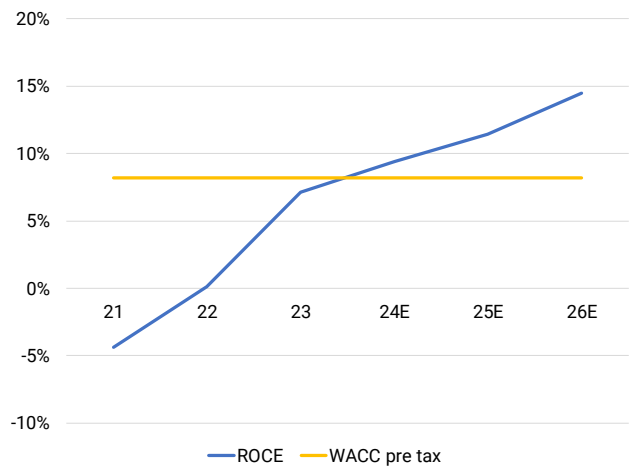
LNG Map Europe



Sales development



ROCE vs. WACC



Source: Company data, mwb research

SWOT analysis

Strengths

- structural growth due to rising environmental awareness
- strong product know-how and expertise, patents
- long track record
- long lasting customer loyalty
- cost-efficiency of refurbishment (50% less than new tanks)
- blue chip client base
- During recessions customers tend to postpone orders rather than cancelling them

Weaknesses

- Customers face lengthy approval and financing processes
- pricing pressure and potentially low bargaining power
- regional cluster risk (Italy)

Opportunities

- Growing market renovation/remodelling LNG stations
- Expansion towards China and USA
- Acquisition of smaller competitors

Threats

- Niche market
- Increasing customer concentration

Valuation

DCF Model

The DCF model results in a **fair value of EUR 20.46 per share**:

Top-line growth: We expect Wolfbank Group AG to grow revenues at a CAGR of 12.8% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 7.8% in 2024E to 23.1% in 2031E.

WACC. Starting point is a historical equity beta of 1.00. Unlevering and correcting for mean reversion yields an asset beta of 0.97. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 10.7%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.4%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	2.2	2.9	4.7	7.1	8.9	11.2	12.9	14.4	
Depreciation & amortization	3.7	3.3	3.5	3.7	4.2	4.3	4.4	4.3	
Change in working capital	-3.3	0.3	-2.9	-3.3	-3.2	-3.0	-3.2	-3.4	
Chg. in long-term provisions	4.1	-0.5	-1.6	-0.7	-7.8	-6.4	0.5	0.5	
Capex	-4.7	-5.5	-6.4	-7.3	-5.2	-4.5	-3.7	-4.1	
Cash flow	2.0	0.5	-2.7	-0.4	-3.1	1.7	10.8	11.7	186.9
Present value	2.0	0.5	-2.3	-0.3	-2.2	1.1	6.7	6.7	106.0
WACC	8.6%	8.2%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.4%

DCF per share derived from	
Total present value	118.1
Mid-year adj. total present value	122.9
Net debt / cash at start of year	15.6
Financial assets	0.7
Provisions and off b/s debt	0.3
Equity value	108.1
No. of shares outstanding	5.3
Discounted cash flow / share	20.46
upside/(downside)	145.1%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	12.8%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	23.1%
Terminal year WACC	8.4%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.00
Unlevered beta (industry or company)	0.97
Target debt / equity	0.5
Relevered beta	1.34
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	10.7%

Share price	8.35
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Sensitivity analysis DCF							
Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	11.8	12.6	13.4	14.4	15.5	2024E-2027E	-0.1%
1.0%	14.3	15.3	16.5	17.8	19.3	2028E-2031E	10.3%
0.0%	17.5	18.8	20.5	22.3	24.6	terminal value	89.8%
-1.0%	21.7	23.7	26.0	28.9	32.3		
-2.0%	27.6	30.5	34.2	38.8	44.8		

Source: mwb research

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 9.68 per share based on 2024E and EUR 27.42 per share on 2028E estimates.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2024E	2025E	2026E	2027E	2028E
EBITDA	9.8	11.8	14.0	17.1	20.1
- Maintenance capex	2.7	2.9	3.3	3.7	4.1
- Minorities	2.7	3.0	2.7	2.2	2.2
- tax expenses	0.8	2.2	2.9	3.8	4.7
= Adjusted FCF	3.6	3.7	5.1	7.3	9.1
Actual Market Cap	44.1	44.1	44.1	44.1	44.1
+ Net debt (cash)	9.2	6.5	7.0	5.6	6.8
+ Pension provisions	0.5	0.6	0.6	0.7	0.8
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.7	0.7	0.7	0.7	0.7
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	8.9	6.3	6.9	5.7	6.9
= Actual EV'	53.0	50.4	51.0	49.8	51.0
Adjusted FCF yield	6.8%	7.2%	10.1%	14.7%	17.9%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	60.1	60.9	85.8	122.3	151.7
- <i>EV Reconciliations</i>	8.9	6.3	6.9	5.7	6.9
Fair Market Cap	51.1	54.6	78.9	116.6	144.8
No. of shares (million)	5.3	5.3	5.3	5.3	5.3
Fair value per share in EUR	9.68	10.34	14.93	22.08	27.42
Premium (-) / discount (+)	16.0%	23.8%	78.9%	164.5%	228.4%

Sensitivity analysis FV						
Adjusted hurdle rate	4.0%	15.4	16.1	23.1	33.7	41.8
	5.0%	12.0	12.6	18.2	26.7	33.2
	6.0%	9.7	10.3	14.9	22.1	27.4
	7.0%	8.1	8.7	12.6	18.8	23.3
	8.0%	6.8	7.5	10.9	16.3	20.2

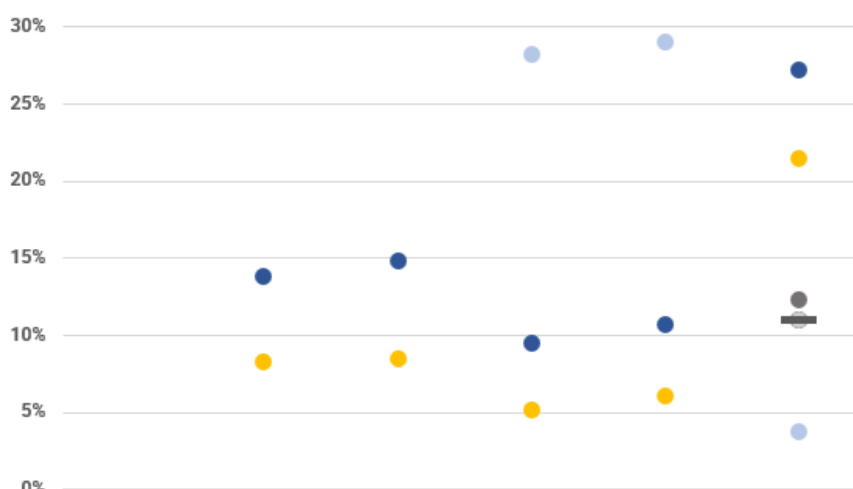
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Wolftank Group AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Wolftank Group AG consists of the stocks displayed in the chart below. As of 19 December 2024 the median market cap of the peer group was EUR 447.6m, compared to EUR 44.1m for Wolftank Group AG. In the period under review, the peer group was less profitable than Wolftank Group AG. The expectations for sales growth are lower for the peer group than for Wolftank Group AG.

Peer Group – Key data



19-Dec-24

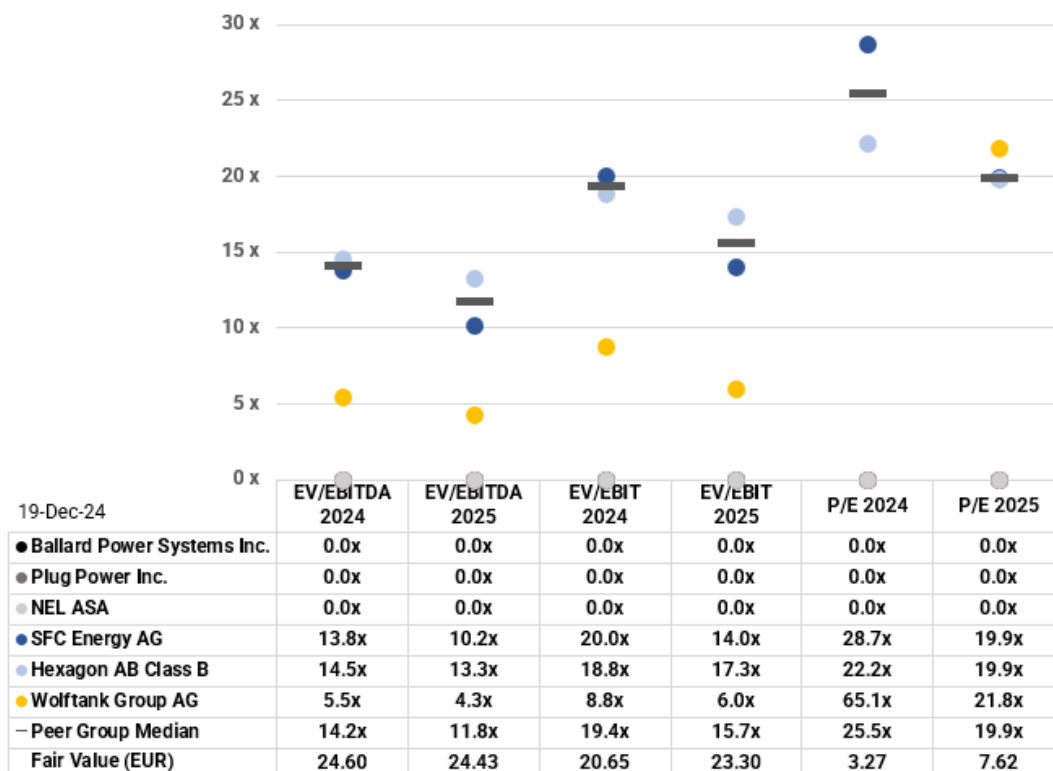
	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
● Ballard Power Systems Inc.	439	-214.1%	-116.3%	-239.2%	-133.2%	11.1%
● Plug Power Inc.	1,932	-101.0%	-34.4%	-126.2%	-57.8%	12.4%
● NEL ASA	448	-14.7%	-12.1%	-28.1%	-25.4%	11.1%
● SFC Energy AG	289	13.9%	14.8%	9.6%	10.8%	27.3%
● Hexagon AB Class B	24,053	36.6%	37.7%	28.3%	29.0%	3.8%
● Wolftank Group AG	44	8.3%	8.5%	5.2%	6.1%	21.6%
– Peer Group Median	448	-14.7%	-12.1%	-28.1%	-25.4%	11.1%

Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to Wolf tank Group AG results in a range of fair values from EUR 3.27 to EUR 24.60.

Peer Group – Multiples and valuation

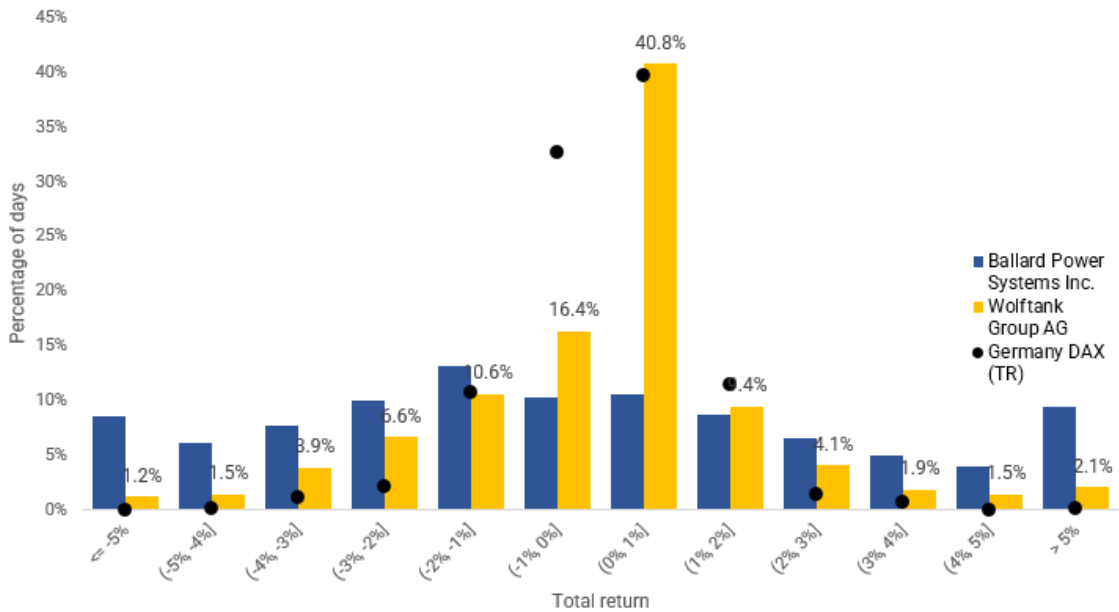


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Wolf tank Group AG** over the last 3 years, compared to the same distribution for Ballard Power Systems Inc.. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Wolf tank Group AG, the worst day during the past 3 years was 21/11/2024 with a share price decline of -13.5%. The best day was 25/09/2024 when the share price increased by 13.5%.

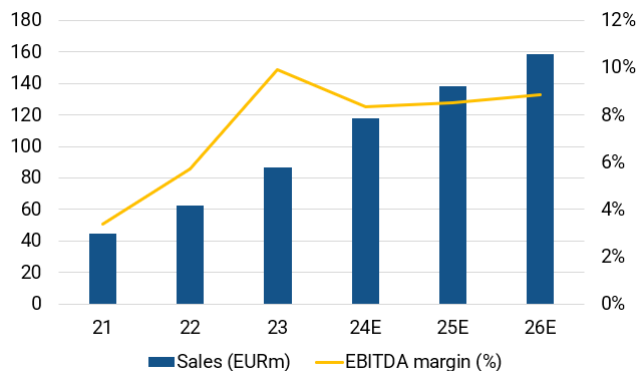
Risk – Daily Returns Distribution (trailing 3 years)



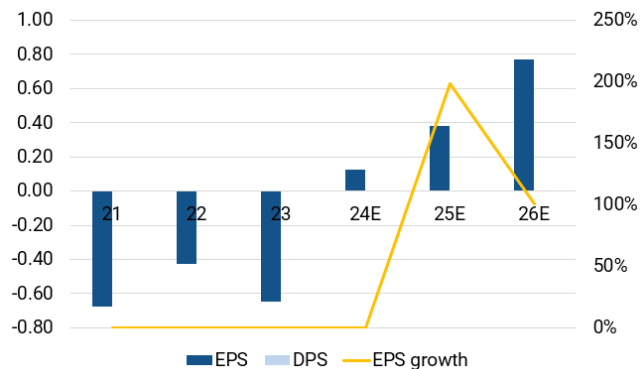
Source: FactSet, mwb research

Financials in six charts

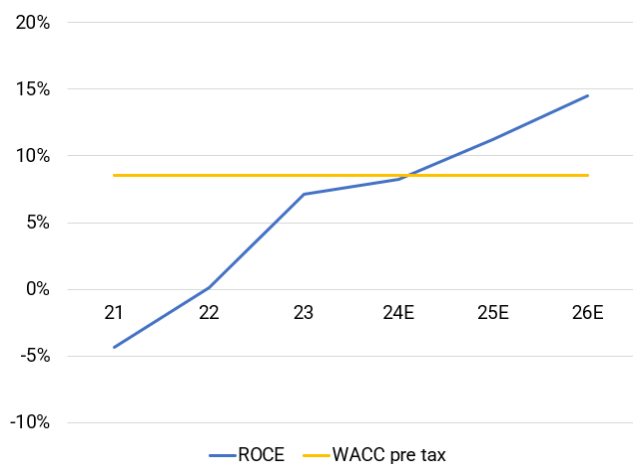
Sales vs. EBITDA margin development



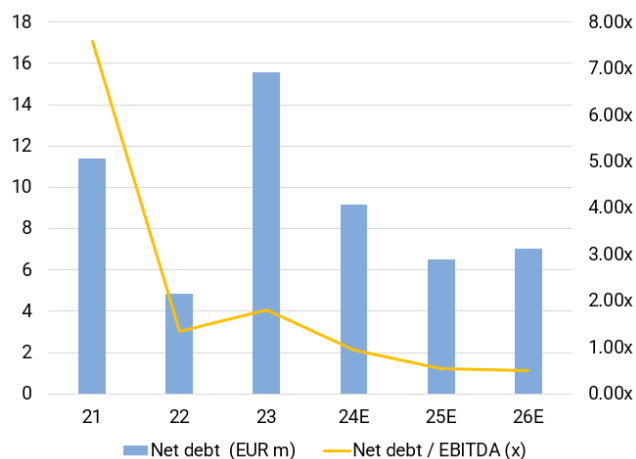
EPS, DPS in EUR & yoy EPS growth



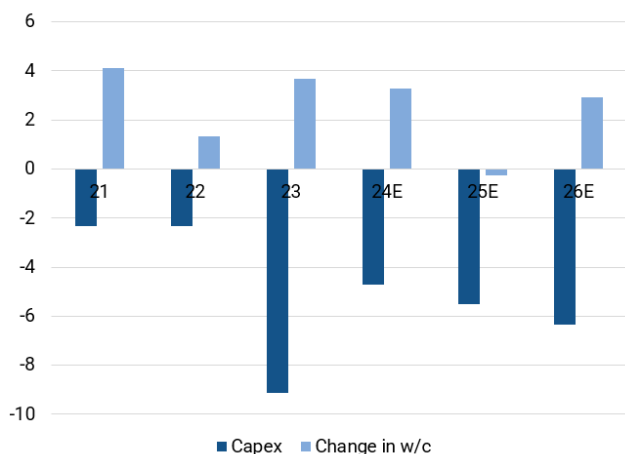
ROCE vs. WACC (pre tax)



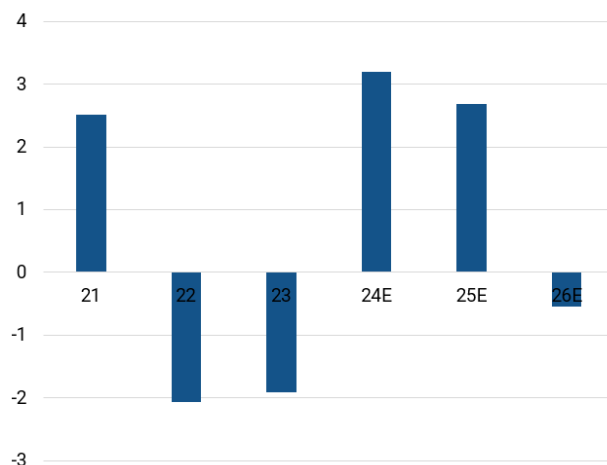
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	44.6	62.7	86.8	118.0	138.1	158.8
Sales growth	27.4%	40.6%	38.3%	36.0%	17.0%	15.0%
Change in finished goods and work-in-process	1.2	1.2	7.5	1.2	0.7	0.0
Total sales	45.8	63.9	94.3	119.2	138.8	158.8
Material expenses	30.2	41.0	57.0	75.7	89.0	101.9
Gross profit	15.6	22.9	37.3	43.5	49.8	56.9
Other operating income	1.3	1.4	1.0	2.4	2.8	3.2
Personnel expenses	7.9	13.3	19.1	23.6	26.9	31.0
Other operating expenses	7.5	7.4	10.5	12.4	13.8	15.1
EBITDA	1.5	3.6	8.6	9.8	11.8	14.0
Depreciation	2.8	3.5	4.6	2.7	2.9	3.3
EBITA	-1.3	0.0	4.0	7.2	8.9	10.8
Amortisation of goodwill and intangible assets	0.0	0.0	0.1	1.0	0.4	0.2
EBIT	-1.3	0.0	3.9	6.1	8.5	10.5
Financial result	-1.4	-0.7	-1.9	-1.9	-1.2	-0.9
Recurring pretax income from continuing operations	-2.8	-0.7	2.0	4.2	7.2	9.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-2.8	-0.7	2.0	4.2	7.2	9.7
Taxes	0.1	0.9	1.6	0.8	2.2	2.9
Net income from continuing operations	-2.9	-1.6	0.4	3.4	5.1	6.8
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-2.9	-1.6	0.4	3.4	5.1	6.8
Minority interest	-0.0	-0.3	-3.7	-2.7	-3.0	-2.7
Net profit (reported)	-3.0	-1.9	-3.3	0.7	2.0	4.1
Average number of shares	4.38	4.39	5.03	5.28	5.28	5.28
EPS reported	-0.67	-0.43	-0.65	0.13	0.38	0.77

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	3%	2%	9%	1%	1%	0%
Total sales	103%	102%	109%	101%	100%	100%
Material expenses	68%	65%	66%	64%	64%	64%
Gross profit	35%	36%	43%	37%	36%	36%
Other operating income	3%	2%	1%	2%	2%	2%
Personnel expenses	18%	21%	22%	20%	19%	20%
Other operating expenses	17%	12%	12%	11%	10%	10%
EBITDA	3%	6%	10%	8%	9%	9%
Depreciation	6%	6%	5%	2%	2%	2%
EBITA	-3%	0%	5%	6%	6%	7%
Amortisation of goodwill and intangible assets	0%	0%	0%	1%	0%	0%
EBIT	-3%	0%	5%	5%	6%	7%
Financial result	-3%	-1%	-2%	-2%	-1%	-1%
Recurring pretax income from continuing operations	-6%	-1%	2%	4%	5%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-6%	-1%	2%	4%	5%	6%
Taxes	0%	1%	2%	1%	2%	2%
Net income from continuing operations	-7%	-2%	1%	3%	4%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-7%	-2%	1%	3%	4%	4%
Minority interest	-0%	-0%	-4%	-2%	-2%	-2%
Net profit (reported)	-7%	-3%	-4%	1%	1%	3%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	1.8	1.7	3.0	1.9	1.6	1.3
Goodwill	7.1	6.2	10.5	10.5	10.5	10.5
Property, plant and equipment	10.6	10.5	20.6	22.6	25.2	28.3
Financial assets	0.7	0.7	0.7	0.7	0.7	0.7
FIXED ASSETS	20.3	19.0	34.8	35.8	38.0	40.8
Inventories	5.7	6.4	12.4	11.4	13.4	15.4
Accounts receivable	23.9	20.5	42.4	40.4	47.3	54.4
Other current assets	2.8	2.7	6.5	6.5	6.5	6.5
Liquid assets	7.5	12.7	11.7	16.1	8.5	3.0
Deferred taxes	1.4	0.9	0.7	0.7	0.7	0.7
Deferred charges and prepaid expenses	0.3	0.5	1.4	0.6	0.7	0.8
CURRENT ASSETS	41.5	43.8	75.1	75.8	77.2	80.8
TOTAL ASSETS	61.8	62.8	109.9	111.6	115.2	121.6
SHAREHOLDERS EQUITY	13.9	17.8	17.5	24.0	29.1	35.9
MINORITY INTEREST	2.3	2.7	7.2	7.2	7.2	7.2
Long-term debt	7.7	6.1	12.3	10.3	10.0	10.0
Provisions for pensions and similar obligations	0.0	2.4	0.0	0.5	0.6	0.6
Other provisions	1.6	0.0	17.6	21.2	20.7	19.1
Non-current liabilities	9.4	8.4	29.9	32.0	31.3	29.7
short-term liabilities to banks	11.1	11.5	15.0	15.0	5.0	0.0
Accounts payable	18.2	13.9	31.2	24.5	28.8	32.9
Advance payments received on orders	1.6	1.7	5.0	2.4	2.8	3.2
Other liabilities (incl. from lease and rental contracts)	4.5	6.0	4.2	4.7	5.5	6.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.7	0.8	0.0	1.8	5.5	6.4
Current liabilities	36.2	33.9	55.3	48.3	47.6	48.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	61.8	62.8	109.9	111.6	115.1	121.5

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	3%	3%	3%	2%	1%	1%
Goodwill	12%	10%	10%	9%	9%	9%
Property, plant and equipment	17%	17%	19%	20%	22%	23%
Financial assets	1%	1%	1%	1%	1%	1%
FIXED ASSETS	33%	30%	32%	32%	33%	34%
Inventories	9%	10%	11%	10%	12%	13%
Accounts receivable	39%	33%	39%	36%	41%	45%
Other current assets	5%	4%	6%	6%	6%	5%
Liquid assets	12%	20%	11%	14%	7%	2%
Deferred taxes	2%	1%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	1%	1%	1%	1%	1%
CURRENT ASSETS	67%	70%	68%	68%	67%	66%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	22%	28%	16%	22%	25%	29%
MINORITY INTEREST	4%	4%	7%	6%	6%	6%
Long-term debt	13%	10%	11%	9%	9%	8%
Provisions for pensions and similar obligations	0%	4%	0%	0%	0%	1%
Other provisions	3%	0%	16%	19%	18%	16%
Non-current liabilities	15%	13%	27%	29%	27%	24%
short-term liabilities to banks	18%	18%	14%	13%	4%	0%
Accounts payable	29%	22%	28%	22%	25%	27%
Advance payments received on orders	3%	3%	5%	2%	2%	3%
Other liabilities (incl. from lease and rental contracts)	7%	10%	4%	4%	5%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	1%	1%	0%	2%	5%	5%
Current liabilities	59%	54%	50%	43%	41%	40%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	-2.9	-1.6	2.0	3.4	5.1	6.8
Depreciation of fixed assets (incl. leases)	2.8	3.5	4.6	2.7	2.9	3.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	3.7	1.0	0.4	0.2
Others	3.0	-0.6	0.6	4.1	-0.5	-1.6
Cash flow from operations before changes in w/c	3.0	1.4	10.9	11.2	7.9	8.7
Increase/decrease in inventory	-0.2	-0.7	0.0	1.0	-2.0	-1.9
Increase/decrease in accounts receivable	-1.9	3.4	8.1	2.0	-6.9	-7.1
Increase/decrease in accounts payable	4.9	-4.3	-11.2	-6.7	4.3	4.2
Increase/decrease in other w/c positions	-6.9	0.3	-0.5	0.5	4.9	2.0
Increase/decrease in working capital	-4.1	-1.3	-3.7	-3.3	0.3	-2.9
Cash flow from operating activities	4.8	0.3	7.2	7.9	8.2	5.8
CAPEX	-2.3	-2.3	-9.1	-4.7	-5.5	-6.4
Payments for acquisitions	-3.0	-0.1	-2.8	0.0	0.0	0.0
Financial investments	0.0	0.0	3.2	0.0	0.0	0.0
Income from asset disposals	0.0	-0.1	0.3	0.0	0.0	0.0
Cash flow from investing activities	-5.3	-2.5	-8.5	-4.7	-5.5	-6.4
Cash flow before financing	-0.5	-2.2	-1.3	3.2	2.7	-0.5
Increase/decrease in debt position	-1.8	1.2	3.9	-2.0	-10.3	-5.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	11.0	5.9	4.3	3.2	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.2	-0.7	-1.9	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	-0.1	-0.0	0.0	0.0	0.0
Cash flow from financing activities	8.0	6.3	6.2	1.2	-10.3	-5.0
Increase/decrease in liquid assets	1.5	4.1	5.0	4.4	-7.6	-5.5
Liquid assets at end of period	2.3	6.4	10.9	15.3	7.7	2.1

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	41.1	57.1	85.2	115.9	135.6	156.0
The Americas	0.9	1.3	0.4	0.6	0.7	0.8
Asia	1.8	3.1	1.0	1.4	1.7	1.9
Rest of World	0.9	1.3	0.1	0.1	0.1	0.2
Total sales	44.6	62.7	86.8	118.0	138.1	158.8

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	92.0%	91.0%	98.2%	98.2%	98.2%	98.2%
The Americas	2.0%	2.0%	0.5%	0.5%	0.5%	0.5%
Asia	4.0%	5.0%	1.2%	1.2%	1.2%	1.2%
Rest of World	2.0%	2.0%	0.1%	0.1%	0.1%	0.1%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	-0.67	-0.43	-0.65	0.13	0.38	0.77
Cash flow per share	1.11	0.06	1.43	0.99	1.00	0.48
Book value per share	3.17	4.07	3.47	4.55	5.51	6.79
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-12.4x	-19.6x	-12.8x	65.1x	21.8x	10.9x
P/CF	7.5x	131.9x	5.8x	8.4x	8.4x	17.4x
P/BV	2.6x	2.1x	2.4x	1.8x	1.5x	1.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	13.3%	0.8%	17.2%	11.9%	11.9%	5.7%
EV/Sales	1.2x	0.8x	0.7x	0.5x	0.4x	0.3x
EV/EBITDA	36.9x	14.3x	6.9x	5.5x	4.3x	3.7x
EV/EBIT	-41.4x	1,034.0x	15.2x	8.8x	6.0x	4.9x
Income statement (EURm)						
Sales	44.6	62.7	86.8	118.0	138.1	158.8
yoy chg in %	27.4%	40.6%	38.3%	36.0%	17.0%	15.0%
Gross profit	15.6	22.9	37.3	43.5	49.8	56.9
Gross margin in %	35.0%	36.4%	42.9%	36.8%	36.0%	35.8%
EBITDA	1.5	3.6	8.6	9.8	11.8	14.0
EBITDA margin in %	3.4%	5.7%	9.9%	8.3%	8.5%	8.8%
EBIT	-1.3	0.0	3.9	6.1	8.5	10.5
EBIT margin in %	-3.0%	0.1%	4.5%	5.2%	6.1%	6.6%
Net profit	-3.0	-1.9	-3.3	0.7	2.0	4.1
Cash flow statement (EURm)						
CF from operations	4.8	0.3	7.2	7.9	8.2	5.8
Capex	-2.3	-2.3	-9.1	-4.7	-5.5	-6.4
Maintenance Capex	0.0	0.0	0.0	2.7	2.9	3.3
Free cash flow	2.5	-2.1	-1.9	3.2	2.7	-0.5
Balance sheet (EURm)						
Intangible assets	8.9	7.8	13.5	12.4	12.0	11.8
Tangible assets	10.6	10.5	20.6	22.6	25.2	28.3
Shareholders' equity	13.9	17.8	17.5	24.0	29.1	35.9
Pension provisions	0.0	2.4	0.0	0.5	0.6	0.6
Liabilities and provisions	20.5	20.0	44.9	47.0	36.3	29.7
Net financial debt	11.4	4.9	15.6	9.2	6.5	7.0
w/c requirements	9.7	11.3	18.6	25.0	29.2	33.6
Ratios						
ROE	-20.9%	-8.7%	2.6%	14.1%	17.4%	18.9%
ROCE	-3.7%	0.1%	5.6%	7.8%	11.7%	14.5%
Net gearing	82.2%	27.3%	89.2%	38.2%	22.3%	19.6%
Net debt / EBITDA	7.6x	1.4x	1.8x	0.9x	0.6x	0.5x

Source: Company data; mwb research

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