

Construction

Key data

Price (EUR)	7.88
Country	Finland
Bloomberg	KREATE.FH
Reuters	KREATE.HE
Free float	100.0%
Market cap (EURm)	70
Net debt (current Y/E) (EURm)	26
No. of shares (m)	8.9
Next event	Q2: 15-Jul

* Price as at 11:00 EET on 24 April 2025

CEO	Timo Vikström
CFO	Mikko Laine

Company description

Kreate is an infrastructure construction company with a service offering in structural engineering and traffic routes. Kreate specialises in complex projects in challenging environments, for example construction in areas with existing buildings, infrastructure, people and traffic as well as projects that require minimising disruptions to surrounding buildings and traffic. Kreate primarily acts as a contractor in the project execution phase, but is also increasingly involved in the planning phase.

Ownership structure

Harjavalta Oy	19.9%
Tirinom Oy	11.1%
Ilmarinen	4.7%
Valtonen Seppo	4.5%
Varma	4.0%

Source: Company data (31 March 2025)

Estimate changes

	25E	26E	27E
Sales	0.0%	0.3%	0.0%
EBITDA	2.2%	1.3%	0.6%
EBIT (adj.)	-1.2%	-0.2%	-0.5%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Mika Karppinen

Find our research here:

<https://research.danskebank.com>

Important disclosures and certifications are contained from page 10 of this report

Kreate Group

Order backlog showing positive signs

Kreate's Q1 earnings were largely in line with expectations in the seasonally low quarter. A bright spot in the report was the continued improvement in the order backlog, supported by the gradually improving market outlook and success in tendering operations. It could still take some time before the projects are fully visible in earnings, but visibility has clearly started to improve, in our view. Further volumes should enable an improvement in margins as well. We expect a clear improvement in activity from H2 25. The share is valued at a wide discount to peers. We reiterate our fair value range of EUR8.0-9.4.

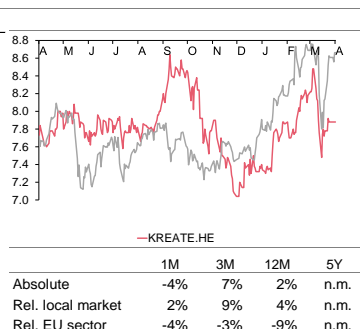
- **Impact on the investment case.** Kreate's Q1 earnings were largely in line with estimates in the seasonally low quarter. The low order book at the beginning of the quarter continued to dilute the volume development but the flexible cost base on the other hand supported earnings against weaker volumes. It also seems that the company's projects are now in a better shape than a couple of years ago, limiting earnings fluctuation. Improved volumes are key to improving margins going forward, we believe.
- **Order book improving.** A key positive item in Kreate's Q1 report was the continued clear improvement in the order book, increasing to EUR226m in Q1 from EUR177m in Q4 24 and EUR184m a year ago. The improvement was quite broad-based, arising from railway, bridge and Swedish operations. The order book does not yet fully include the announced major wins of certain railway-related projects (Tampere & Vantaa, in total some EUR260m+), which should further strengthen sales volume visibility in the coming quarters. Management was very optimistic about the longer-term market outlook, driven by the railway projects, the green transition and safety- and security-related projects. Some of the bigger projects could move to the execution phase in H2 25, gradually starting to turn the volume development upwards, and offering a good earnings leverage.
- **Estimate changes.** No major changes in our operating earnings estimates.
- **Valuation.** Kreate is trading at EV/EBITDA for 2025E of 9x, a 41% discount to the peer group

Key financials

Year-end Dec (EUR)	2023	2024	2025E	2026E	2027E
Revenues (m)	320	276	301	328	337
Revenues growth	16.9%	-13.9%	9.2%	9.1%	2.7%
EBITDA (m)	14.0	15.3	15.9	17.6	18.6
EBIT adj. (m)	7.0	8.4	9.5	11.4	12.4
EBIT growth	-12.5%	20.0%	13.2%	20.4%	8.5%
Pre-tax profit (m)	4.7	5.9	8.4	10.2	11.4
EPS adj.	0.44	0.52	0.76	0.92	1.02
DPS	0.48	0.50	0.52	0.55	0.56
Dividend yield	6.6%	7.0%	6.6%	7.0%	7.1%
FCFE yield (pre-IFRS16)	35.4%	-3.3%	12.4%	11.5%	12.9%
EBIT margin (adj.)	2.2%	3.0%	3.2%	3.5%	3.7%
Net debt/EBITDA (x)	1.2	2.0	1.7	1.4	1.1
ROIC	8.3%	10.1%	10.5%	12.6%	13.5%
EV/sales (x)	0.2	0.3	0.3	0.3	0.2
EV/EBITDA (adj.) (x)	5.3	5.6	5.6	4.9	4.4
EV/EBIT (adj.) (x)	9.6	9.7	9.0	7.3	6.4
EV/EBIT (adj.) (x)	10.1	9.9	9.1	7.3	6.4
P/E (adj.) (x)	16.4	13.8	10.3	8.6	7.7

Source: Company data, Danske Bank Equity Research estimates

Price performance



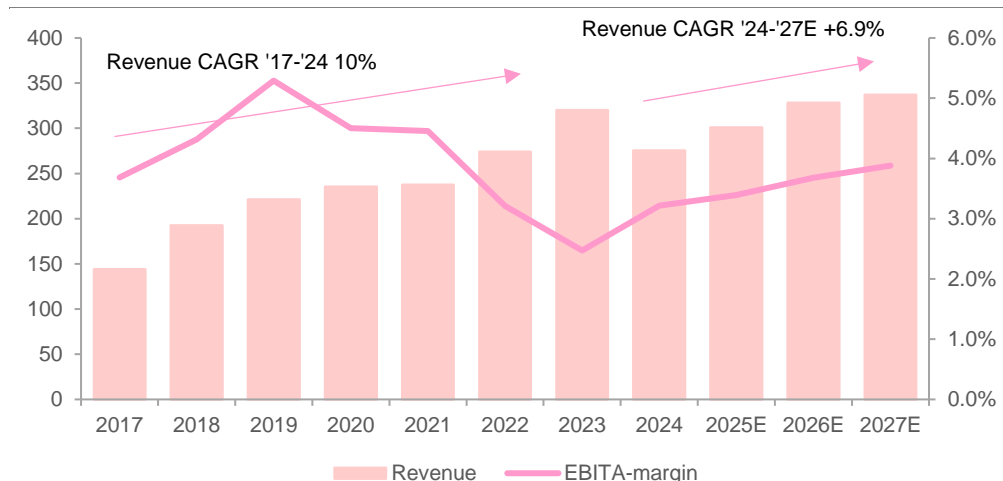
Source: FactSet

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Investment case

Kreate is an infrastructure construction company in the Finnish market, specialising in complex projects in challenging environments that require special competence in infrastructure construction. Kreate is the number four player in the Finnish infrastructure construction market, with a strong track record of growth and decent profitability. It reported a 2017-24 revenue CAGR of 10% with an average EBITA margin of 3.9%, driven by successful execution of projects. Kreate's financial targets include sales growth of 5-10%, an EBITA margin of over 5%, net debt/EBITDA < 2.5x and over 50% of net earnings as dividends.

Chart 1 : Kreate revenue (EURm) and EBITA-margin development



Source: Company data, Danske Bank Equity Research estimates

Table 1. Kreate estimates

EURm									DBER estimates			
	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E	2024	2025E	2026E	2027E
Sales	54.4	68.0	77.6	75.5	52.4	73.0	86.0	89.4	275.5	300.8	328.1	337.0
EBITA	0.3	2.6	3.1	2.8	0.1	2.7	3.6	3.8	8.9	10.2	12.1	13.1
EBIT	0.2	2.6	3.1	2.8	0.0	2.7	3.6	3.8	8.7	10.1	12.1	13.1
EBITA margin	0.5%	3.9%	4.0%	3.7%	0.2%	3.7%	4.2%	4.2%	3.2%	3.4%	3.7%	3.9%
EBIT margin	0.4%	3.8%	4.0%	3.7%	0.0%	3.7%	4.2%	4.2%	3.2%	3.4%	3.7%	3.9%
PTP	-0.6	2.1	2.4	2.0	-0.1	2.2	3.1	3.2	5.9	8.4	10.2	11.4
Net profit	-0.5	1.6	1.8	1.7	0.1	1.7	2.4	2.5	4.6	6.8	8.2	9.1
EPS	-0.06	0.18	0.20	0.19	0.01	0.19	0.27	0.29	0.52	0.76	0.92	1.02
DPS									0.50	0.52	0.55	0.56

Source: Company data, Danske Bank Equity Research (DBER) estimates

The Finnish infrastructure construction market, worth EUR7bn in 2024 according to Kreate, has historically been quite resilient – 2008-24 CAGR of 1.4%, with a limited correlation to GDP growth. The overall market outlook for the coming years is now quite positive, supported for example by the planned sizeable railway, industrial investment, mobility & military projects, and green transition projects. The market is also supported by the Finnish state's 12-year plan for transport infrastructure, which started in 2021. Kreate operates in segments with an addressable market of around EUR5bn, which are poised to benefit from structural drivers, such as urbanisation and a large renovation backlog. For example, the rail construction part of the market, in which Kreate has been strongly investing in recent years, looks set to perform well in the long term, driven by efforts to improve public transportation.

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Competitive advantage in complex projects with satisfied customers

Kreate is a medium-sized company with a broad offering in infrastructure construction. Kreate believes that it has a key competitive advantage in complex urban projects, which require expertise in multiple disciplines. According to the company, Kreate is the market leader (by revenue share) in two of five disciplines – foundations and ground engineering, and bridges. Within the disciplines of rock engineering, and roads and streets, Kreate is number two to three, and in railways Kreate is a challenger with a position of number three to five. According to Kreate, the company's customer satisfaction is high, driven by successful execution of previous projects. The customer base is diverse, with 58% of revenues from the public sector, of which 69% arises from the Finnish state.

Q1 25 results review

Kreate's Q1 sales declined by 4% y/y to EUR52.4m (+2% vs. consensus) with EBITA of EUR0.1m. EBIT was EUR0.0m vs. LSEG consensus and our estimate of EUR0.2m. EBITA margin was 0.2% vs. 0.5% a year ago. Q1 is seasonally a very low quarter, always keeping earnings close to break-even level. Q1 sales declined y/y due to a lower backlog at the beginning of the quarter.

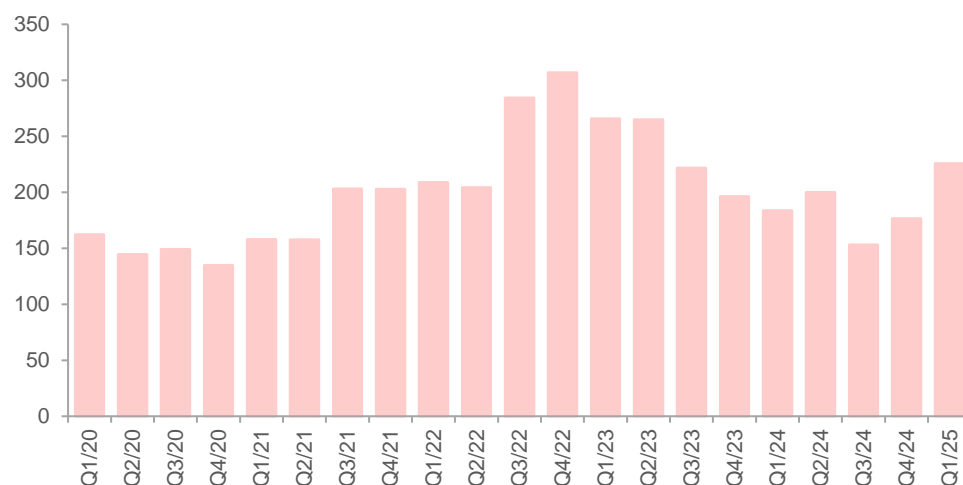
Table 2. Kreate Q1 figures

EURm	Reported Q1 25	DBER Q1 25E	Dev.	Consensus (LSEG)	Dev.	Actual Q1 24	Change y/y
Sales	52.4	50.0	5%	51.5	2%	54.4	-4%
EBITA	0.1	0.2	-50%			0.3	-66%
EBIT	0.0	0.2		0.2		0.2	
EBITA margin	0.2%	0.4%				0.5%	
EBIT margin	0.0%	0.4%		0.4%		0.4%	
PTP	0	-0.5		0.0		-0.6	
Net profit	0.1	-0.4		-0.1		-0.5	
EPS	0.01	-0.04		-0.03		-0.06	

Source: Company data, LSEG Data & Analytics, Danske Bank Equity Research (DBER) estimates

The positive part of the report was the improvement in the order book, increasing to EUR226m in Q1 from EUR177m in Q4 24 and EUR184m a year ago. EUR150m of the order book is due to be recognised as sales during 2025. The biggest orders in Q1 were the first phase of the Tampere railway yard project (EUR40m), Swedish projects (EUR16m) and bridge projects (EUR15m). The order book does not include the potential implementation phase of the second part of the Tampere railway yard project (EUR160m) or the possible implementation phase of the eastern section of the Vantaa tramway (EUR105m). These projects will clearly improve Kreate's volume visibility for the coming years.

Chart 2 : Kreate order backlog, EURm



Source: Company data, Danske Bank Equity Research

Kreate's cash flow totalled EUR6.0m vs. EUR -3.1m a year ago. The improvement arose mainly from better net working capital management.

The company reiterated its guidance for 2025. For 2025 Kreate is guiding for revenues of EUR290-310m (LSEG consensus at EUR299m) with EBITA in the range of EUR9-11m (consensus EUR10.2m). It expects sales and earnings generation to be tilted towards H2.

Kreate's management was highly optimistic about the longer-term market outlook. Market growth is supported by the declining interest rates, green transition/industrial investment projects, safety- and security-related projects and public transport investments aided by the Finnish government's stimulus. However, in the short term, the volume outlook is still slightly weak, before the bigger projects start to contribute to sales. The company expects the Finnish infrastructure construction market to grow by 3% in 2025. In Finland, it expects the market outlook will improve towards H2 25, while in Sweden the outlook continues to be strong.

Valuation

We reiterate our fair value range of EUR8.0-9.4 per Kreate share. The mid-point implies 9.7x 2025E EV/EBITA (previously 10.0x), which is slightly below the historical forward EV/EBITA multiple for the peer group. In our view a discount valuation to peers is justified due to its smaller size and higher expected earnings leverage for the peer companies (LSEG consensus). Currently the share is trading at EV/EBITA for 2025E of 9x, a 41% discount to the peer group.

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Table 3. Peer group valuation

Company	Ticker	Mkt		EV/Sales			EV/EBITA			P/E			Div	FCF
		cap	Price*	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	yield	yield
		Lcl ccy	(lcl ccy)											
AF Gruppen	AFG-NO	13,619	123.9	0.5	0.5	0.5				14.8	12.8	12.0	6.5	9.9
Bonava	BONAV.B-SE	3,743	11.5	1.0	0.9	0.7	18.0	9.3	5.9	-60.3	11.9	6.4	0.0	22.4
Consti	CONSTI-FI	82	10.2	0.3	0.2	0.2	7.6	6.7	6.1	8.9	8.8	7.8	7.1	9.2
JM	JM-SE	10,023	153.4	1.8	1.6	1.3	31.0	20.4	14.6	23.9	12.5	8.8	2.7	14.1
NCC	NCC.B-SE	20,344	201.3	0.3	0.3	0.3	10.6	10.1	9.4	13.1	11.7	10.3	4.9	9.7
NRC Group	NRC-NO	911	5.2	0.2	0.2	0.2				15.8	7.2	5.6		
Peab	PEAB.B-SE	20,308	76.6	0.6	0.5	0.5	12.4	10.7	10.2	12.6	10.8	10.1	4.3	14.1
Selvaag Bolig	SBO-NO	3,390	35.7	2.4	1.2	1.5	18.3	20.4	20.3	29.8	10.9	13.2	2.7	18.5
Skanska	SKA.B-SE	86,135	212.4	0.5	0.4	0.4	9.9	9.1	8.4	12.3	11.5	11.7	4.2	5.4
SRV	SRV1V-FI	88	5.1	0.2	0.2	0.2	21.3	10.4	7.5	6.7	6.2	4.7	4.3	15.9
Veidekke	VEI-NO	20,389	149.2	0.4	0.4	0.4	11.1	10.3	10.0	15.1	14.2	13.3	6.5	8.1
YIT	YIT-FI	561	2.4	0.7	0.7	0.6	30	14.6	10.3	-59.9	47.9	11.7	0.0	22.3
Median				0.5	0.5	0.4	15.2	10.4	9.7	12.8	11.6	10.2	4.3	14.1
Kreate by DBER	KREATE-FI	70	7.88	0.3	0.3	0.2	9.0	7.3	6.4	10.3	8.6	7.7	6.6	12.4

*Prices as at 11:00 EET on 24 April 2025

Source: Company data, LSEG Data & Analytics, Danske Bank Equity Research estimates

Key risks

We consider the governance of operational project management a key risk for Kreate in low-margin infrastructure construction. While Kreate has a good track record of generating quite good margins, margins are currently at a low level, and therefore history is no guarantee for the future. We find the following factors mitigating the typical project risk.

- In infrastructure markets, costs from changes / surprises are typically borne by the customer.
- Contract prices are typically fixed, but the customer is responsible for designs and risk related to quantities.
- The infrastructure contractor usually has independent responsibilities.
 - The infrastructure contractor is usually a sole provider in a work phase, whereas in building construction there can be several contractors working in overlapping phases.
 - The infrastructure contractor works more independently and with fewer dependencies on others, compared with building construction.
- Thorough risk assessment and pricing of risks.
- Incentives aligned with responsibility for project profitability is a key parameter.
- Transparent and frequent monitoring in a lean organisation.
- Heavily increasing construction costs can cause fluctuation in margins.
- In infrastructure construction, the lead times between the signing and the start of the project are usually shorter than in building construction, enabling the company to hedge its sourcing volumes better.

Key personnel leaving the company poses a risk for continuity. The operational competence is held by project directors, project managers, tender calculators, and everyday worksite management. We believe the high level of employee ownership and incentive culture could mitigate the risk.

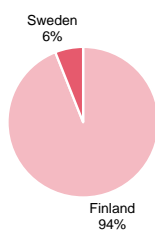
A high share of public sector revenue may cause a risk if public finances were to deteriorate significantly. However, the public sector is usually viewed as a mitigating factor for risk levels. In times of economic downturn, governments usually stimulate the economy through monetary and fiscal policy.

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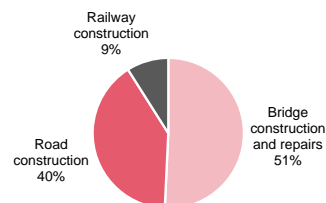
Kreate is exposed to the construction cycle, even though cyclicalities are more limited in infrastructure construction than in building construction. The competitive landscape is naturally always tight, but in the most demanding projects requiring special expertise, competition has remained more moderate.

Company summary

Sales breakdown by geographical area



Sales breakdown by division



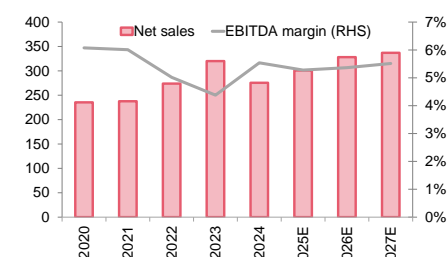
Company information

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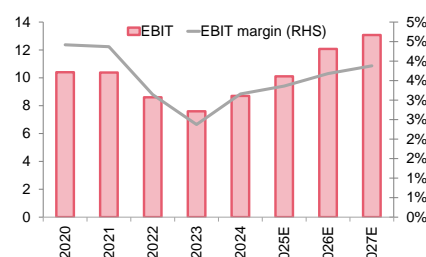
Main shareholders

Name	Votes (%)	Capital (%)
Harjavalta Oy	19.9%	19.9%
Tirnom Oy	11.1%	11.1%
Ilmarinen	4.7%	4.7%
Valtonen Seppo	4.5%	4.5%
Varma	4.0%	4.0%

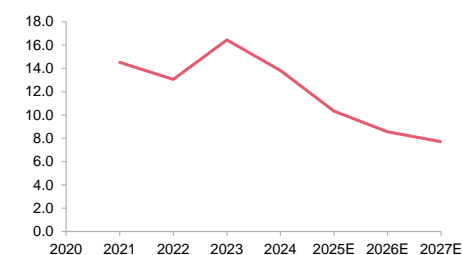
Net sales and EBITDA margin (EURm)



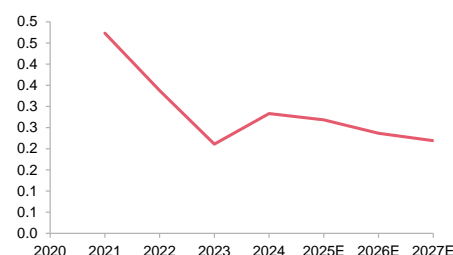
EBIT and EBIT margin (EURm)



P/E NTM (x)



EV/sales NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

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Summary tables

INCOME STATEMENT

Year end Dec, EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Net sales	144	192	221	235	238	274	320	276	301	328
Cost of sales & operating costs	-136	-182	-206	-221	-223	-260	-306	-260	-285	-310
EBITDA	7.5	10.7	14.9	14.3	14.3	13.7	14.0	15.3	15.9	17.6
EBITDA, adj.	7.2	9.2	13.9	13.1	13.6	13.1	13.4	15.0	15.3	17.0
Depreciation	-2.2	-2.4	-3.2	-3.7	-3.7	-5.0	-6.1	-6.4	-5.7	-5.5
EBITA	5.3	8.3	11.7	10.6	10.6	8.8	7.9	8.9	10.2	12.1
EBIT incl. EO, bef. ass.	4.5	7.7	11.5	10.4	10.4	8.6	7.6	8.7	10.1	12.1
EBIT, adj.	4.2	6.2	10.5	9.2	9.7	8.0	7.0	8.4	9.5	11.4
Financial items, net	-2.9	-3.0	-1.2	-1.1	-2.1	-2.0	-2.9	-2.8	-1.7	-1.8
Pre-tax profit	1.6	4.7	10.3	9.3	8.3	6.6	4.7	5.9	8.4	10.2
Taxes	-0.6	-0.9	-1.6	-1.5	-1.3	-1.1	-0.8	-1.3	-1.6	-2.0
Net profit, rep.	1.0	3.8	8.7	7.8	7.0	5.5	3.9	4.6	6.8	8.2
Net profit, adj.	1.0	3.8	8.7	7.8	7.9	5.5	3.9	4.6	6.8	8.2

CASH FLOW

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
EBITDA	7.5	10.7	14.9	14.3	14.3	13.7	14.0	15.3	15.9	17.6
Change in working capital	11.5	-1.9	5.6	1.6	-4.5	-5.1	17.1	-13.4	1.2	-0.4
Net interest paid	0.0	-0.1	-0.2	-0.3	-1.4	-1.9	-2.9	-2.8	-1.7	-1.8
Taxes paid	0.3	-1.0	-1.0	-1.3	-2.1	-1.1	-0.7	-1.3	-1.6	-2.0
Other operating cash items	-0.7	-0.1	0.0	-0.4	-0.2	0.7	2.4	2.1		
Cash flow from operations	18.5	6.2	18.3	13.2	5.4	6.0	29.6	-0.3	13.5	13.0
Capex	-2.0	-3.7	-5.0	-4.6	-5.6	-4.6	-6.9	-1.9	-4.8	-5.0
Div to min										
Free cash flow	16.5	2.5	13.3	8.6	-0.2	1.4	22.7	-2.2	8.6	8.0
Disposals/(acquisitions)	-13.4	-0.9	1.3		0.6	-5.5				
Free cash flow to equity	3.1	1.6	14.6	8.6	0.4	-4.1	22.7	-2.2	8.6	8.0
Dividend paid					-4.0	-4.0	-4.1	-4.2	-4.4	-4.6
Share buybacks						-0.5				
New issue common stock					11.2					
Incr./(decr.) in debt				6.1	-8.6	-16.8	-3.0		-2.0	-2.0
Minorities & other financing CF	0.7	-0.5	-0.6	-1.1	-0.8	28.5	-0.8	-6.5	-0.6	-0.6
Cash flow from financing	0.7	-0.5	-1.7	-13.2	-2.2	7.2	-8.4	-10.7	-7.0	-7.2
Disc. ops & other			0.1	0.1	0.2					
Incr./(decr.) in cash	3.8	-0.1	6.6	-4.6	-1.8	3.1	14.3	-12.9	1.6	0.8

BALANCE SHEET

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Cash & cash equivalents	6.2	6.1	12.7	8.1	6.3	9.4	23.7	10.8	12.4	13.2
Inventory	0.1	0.1	0.0							
Trade receivables	21.8	31.6	32.1	30.4	34.2	49.8	34.6	44.8	46.6	50.9
Other current assets	0.0		0.3	0.1	0.6	0.4	0.7			
Goodwill	35.6	35.6	35.6	35.6	35.6	40.0	40.0	40.4	40.4	40.4
Other intangible assets	1.4	1.0	0.9	1.0	0.9	0.7	0.5	0.3	0.4	0.5
Fixed tangible assets	10.2	12.1	14.1	15.8	17.9	19.9	20.4	18.3	17.8	17.8
Associated companies	7.4	7.9	7.6	8.4	8.9	10.0	10.5	10.5	10.8	11.1
Other non-current assets	0.2	0.3	0.5	0.4	1.1	1.4	1.3	1.1	1.1	1.1
Total assets	82.9	96.0	105	101	107	135	135	131	135	140
Shareholders' equity	8.1	12.7	20.2	26.6	41.1	42.5	42.8	43.6	45.9	49.5
Of which minority interests								0.3	0.3	0.3
Current liabilities	27.5	31.9	38.6	38.0	37.2	47.7	49.9	45.7	48.7	52.5
Interest-bearing debt	47.1	32.3	28.4	34.5	25.7	39.9	37.5	35.5	33.5	31.5
Pension liabilities										
Oth non-curr. liabilities	0.3	0.4	0.5	0.7	1.1	1.5	1.5	1.4	1.4	1.4
Total liabilities	74.9	65.9	69.1	74.7	65.5	92.0	91.8	87.8	88.9	90.9
Total liabilities and equity	82.9	96.0	105	101	107	135	135	131	135	140
Net debt	40.9	43.5	31.9	26.4	19.4	30.5	13.8	24.7	21.1	18.3

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
No. of shares, fully diluted (y.e.) (m)	9.0	9.0	9.0	9.0	9.0	8.9	8.9	8.9	8.9	8.9
No. of shares, fully diluted (avg.) (m)	9.0	9.0	9.0	9.0	9.0	8.9	8.9	8.9	8.9	8.9
EPS (EUR)	0.11	0.43	0.97	0.87	0.78	0.62	0.44	0.52	0.76	0.92
EPS adj. (EUR)	0.11	0.43	0.97	0.87	0.88	0.62	0.44	0.52	0.76	0.92
DPS (EUR)	0.00	0.00	0.00	0.44	0.45	0.46	0.48	0.50	0.52	0.55
CFFO/share (EUR)	2.0	0.5	1.9	1.3	0.6	0.7	3.3	-0.0	1.5	1.5
Book value/share (EUR)	0.90	1.41	2.24	2.96	4.57	4.78	4.81	4.87	5.13	5.53
MARGINS AND GROWTH	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
EBITDA margin	5.2%	5.6%	6.7%	6.1%	6.0%	5.0%	4.4%	5.5%	5.3%	5.4%
EBITA margin	3.7%	4.3%	5.3%	4.5%	4.5%	3.2%	2.5%	3.2%	3.4%	3.7%
EBIT margin	3.2%	4.0%	5.2%	4.4%	4.4%	3.1%	2.4%	3.2%	3.4%	3.7%
EBIT adj margin	2.9%	3.2%	4.7%	3.9%	4.1%	2.9%	2.2%	3.0%	3.2%	3.5%
Sales growth		33.7%	14.9%	6.4%	1.0%	15.3%	16.9%	-13.9%	9.2%	9.1%
EBITDA growth		43.4%	38.7%	-4.0%	-0.1%	-3.8%	2.0%	8.9%	4.1%	10.9%
EBITA growth		56.6%	41.0%	-9.4%	-0.2%	-16.9%	-10.0%	12.0%	15.2%	18.3%
EPS adj growth		n.m.	n.m.	-10.7%	1.5%	-29.7%	-29.2%	17.7%	47.6%	20.7%
PROFITABILITY	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
ROIC (after tax, incl. GW, adj.)	13.8%	9.3%	15.0%	13.6%	13.2%	9.3%	8.3%	10.1%	10.5%	12.6%
ROIC (after tax, excl. GW, adj.)	49.9%	27.7%	41.3%	39.2%	33.7%	20.4%	20.1%	25.3%	23.2%	28.0%
ROE (adj.)	24.4%	20.1%	26.3%	24.8%	23.4%	13.3%	9.2%	10.6%	15.2%	17.2%
ROIC (adj.) - WACC	4.6%	0.1%	5.8%	4.3%	4.0%	0.1%	-1.0%	0.9%	1.2%	3.3%
MARKET VALUE	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Share price (EUR)					11.4	8.09	7.22	7.14	7.88	7.88
No. shares reduced by buybacks (m)	9.0	9.0	9.0	9.0		8.9	8.9	8.9	8.9	8.9
Mkt cap used in EV (m)					102	72	64	64	70	70
Net debt, year-end (m)	41	45	33	28	21	33	17	30	26	24
MV of min/ass and oth (m)	-7	-8	-8	-8		-9	-10	-10	-11	-11
Enterprise value (m)					114	95	70	83	86	83
VALUATION	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
EV/sales (x)					0.48	0.35	0.22	0.30	0.29	0.25
EV/EBITDA (x)					8.4	7.3	5.3	5.6	5.6	4.9
EV/EBITA (x)					11.5	11.6	9.6	9.7	9.0	7.3
EV/EBIT (x)					11.8	11.9	10.1	9.9	9.1	7.3
P/E (reported) (x)					14.5	13.1	16.4	13.8	10.3	8.6
P/E (adj.) (x)					12.9	13.1	16.4	13.8	10.3	8.6
P/BV (x)					2.48	1.69	1.50	1.47	1.54	1.42
EV/invested capital (x)					4.3	2.6	3.5	2.5	2.6	2.5
Dividend yield					3.96%	5.69%	6.65%	7.00%	6.60%	7.01%
Total yield (incl. buybacks)					3.96%	6.38%	7.43%	7.00%	6.60%	7.01%
FCFE-yield					-0.20%	1.95%	35.35%	-3.46%	12.28%	11.41%
FINANCIAL RATIOS	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Net debt/EBITDA (x)	5.7	3.9	1.8	2.1	1.5	2.5	1.2	2.0	1.7	1.4
Net debt/equity (x), year-end	5.1	2.9	1.3	1.0	0.5	0.8	0.4	0.7	0.6	0.5
Dividend payout ratio	0.0%	0.0%	0.0%	50.7%	57.6%	74.2%	109.3%	96.8%	68.2%	60.0%
Interest coverage (x)	1.5	2.5	9.4	8.8	5.0	4.4	2.6	3.1	5.7	6.5
Cash conversion (FCF/net profit)	n.m.	65.7%	152.4%	110.3%	-2.8%	25.3%	581.4%	-47.9%	126.9%	97.6%
Capex/sales	1.4%	1.9%	2.2%	2.0%	2.4%	1.7%	2.2%	0.7%	1.6%	1.5%
NWC/sales	-3.9%	-0.1%	-2.8%	-3.2%	-1.0%	0.9%	-4.6%	-0.3%	-0.7%	-0.5%
QUARTERLY P&L			Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E
Sales (m)			54.4	68.0	77.6	75.5	52.4	73.0	86.0	89.4
EBITDA (m)			1.6	4.0	4.7	4.9	1.7	4.1	5.0	5.2
EBIT before non-recurring items (m)			0.6	2.8	2.7	2.3	0.0	2.6	3.3	3.5
Net profit (adj.) (m)			-0.1	1.8	1.4	1.5	0.2	1.6	2.1	2.8
EPS (adj.) (EUR)			-0.01	0.20	0.16	0.17	0.03	0.18	0.24	0.32
EBITDA margin			2.9%	5.9%	6.1%	6.5%	3.2%	5.5%	5.8%	5.8%
EBIT margin (adj.)			1.1%	4.1%	3.5%	3.0%	0.0%	3.6%	3.9%	3.9%

Source: Company data, Danske Bank Equity Research estimates

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