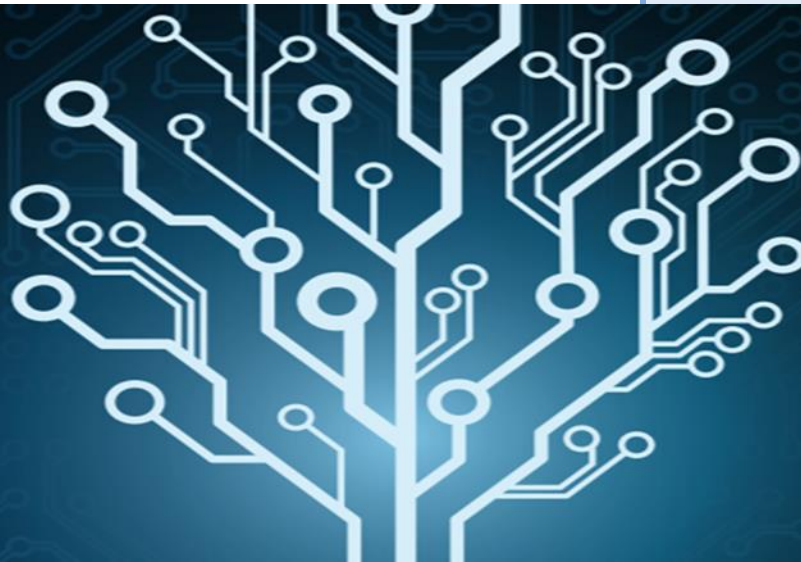


Kontron AG

Austria | Technology | MCap EUR 1,174m

3 July 2023

UPDATE



Executing on its buy-and-built IoT strategy; BUY

What's it all about?

Kontron today announced that it has signed an asset deal with US-based Telit Conterion to acquire the company's Cellular Automotive Module Unit. In 2022, the assets of the module unit generated sales of just over EUR 100m. The purchase price is EUR 24.5m, valuing the assets at a low 0.25x EV/sales multiple, compared to Kontron's own '22 EV/sales multiple of 0.9x. However, what appears to be a "bargain purchase" may indicate below-average margins (e.g., subscale), a potential restructuring situation and/or the potentially (geographic?) non-core nature of this specific unit for Telit Conterion. For Kontron, however, this acquisition represents a compelling opportunity to further enhance its IoT offering by executing on its strategy of replacing sales from its recently divested IT services business with strategic IoT acquisitions. We therefore reiterate our BUY rating with an unchanged PT of EUR 31.00.

BUY (BUY)

Target price	EUR 31.00 (31.00)
Current price	EUR 18.11
Up/downside	71.2%



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Kontron AG

Austria | Technology | MCap EUR 1,174m | EV EUR 988m

BUY (BUY)

Target price EUR 31.00 (31.00)
Current price EUR 18.11
Up/downside 71.2%

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Executing on its buy-and-built IoT strategy; BUY

Asset deal. Kontron announced that it has signed an asset deal with Telit Cinterion. The US-based IoT provider agreed to sell its Cellular Automotive Module Unit for a purchase price of EUR 24.5m. The assets in question generated sales of just over EUR 100m in 2022 and will be integrated into Kontron Europe GmbH. The transaction is expected to close in August this year.

Bargain purchase? Given the above purchase price and sales volume, the assets are valued at a low EV/sales multiple of 0.25x. This compares to Kontron's own '22 EV/sales multiple of 0.9x. Kontron has previously mentioned that it prefers restructuring situations where the targets are unprofitable and therefore have correspondingly low purchase prices. Therefore, what appears to be a "bargain purchase" could indicate below average margins (e.g., subscale), a restructuring situation and/or the potentially non-core (geographic?) nature of this specific unit for Telit Cinterion.

Deal rational. However, the acquisition of Telit Cinterion's Cellular Automotive Module Unit enables Kontron to expand its existing product portfolio, increase its internal development capabilities and meet the growing demand for advanced 4G/5G solutions. By integrating Telit Cinterion's Cellular Automotive solutions into its own IoT software technology portfolio, Kontron further expands its expertise. In addition, this acquisition represents a compelling opportunity to further enhance its IoT offering by executing on its strategy of replacing sales from its recently divested IT services business with strategic IoT acquisitions.

Conclusion. With this deal, Kontron delivers on its promised game-changing acquisitions for 2023 and 2024. In its Q1 presentation, Kontron mentioned that it aims to close at least two deals with a total sales volume of EUR 250-700m. With this transaction, Kontron is well on track to achieve this goal. We therefore confirm our PT of EUR 31.00 and our BUY rating. Note: We have included the deal "pro rata temporis" as of August this year.

Kontron AG	2020	2021	2022	2023E	2024E	2025E
Sales*	1,255	1,003	1,096	1,236	1,395	1,464
Growth yoy	11.7%	-20.1%	9.3%	12.7%	12.9%	5.0%
EBITDA	130	90	70	123	146	161
EBIT	69	40	-2	85	97	107
Net profit	56	48	232	69	78	89
Net debt (net cash)	44	65	-203	-473	-518	-566
Net debt/EBITDA	0.3x	0.7x	-2.9x	-3.9x	-3.5x	-3.5x
EPS reported	0.84	0.74	3.59	1.07	1.20	1.37
DPS	0.30	0.35	1.00	0.48	0.54	0.62
Dividend yield	1.7%	1.9%	5.5%	2.7%	3.0%	3.4%
Gross profit margin	37.7%	37.8%	35.8%	36.2%	36.4%	36.4%
EBITDA margin	10.4%	9.0%	6.4%	9.9%	10.5%	11.0%
EBIT margin	5.5%	4.0%	-0.2%	6.9%	7.0%	7.3%
ROCE	8.3%	4.6%	-0.2%	8.2%	9.8%	10.2%
EV/EBITDA	9.5x	14.0x	14.1x	5.9x	4.6x	3.9x
EV/EBIT	18.1x	31.5x	-490.2x	8.5x	7.0x	5.9x
PER	21.5x	24.4x	5.1x	16.9x	15.1x	13.2x
FCF yield	9.2%	6.0%	2.5%	21.9%	9.0%	9.2%

Source: Company data, AlsterResearch; * 2021 adj. for discontinued operation



Source: Company data, AlsterResearch

High/low 52 weeks 20.08 / 13.04
Price/Book Ratio 1.9x

Ticker / Symbols

ISIN AT0000A0E9W5
WKN A0X9EJ
Bloomberg KTN:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	1,195	84	1.06
	Δ	3.4%	1.0%	1.1%
2024E	old	1,290	94	1.15
	Δ	8.1%	3.9%	4.3%
2025E	old	1,355	102	1.30
	Δ	8.1%	4.7%	5.0%

Key share data

Number of shares: (in m pcs) 64.83
Book value per share: (in EUR) 9.78
Ø trading volume: (12 months) 48,500

Major shareholders

Ennoconn Corporation 27.6%
Kontron Management 7.0%
Amiral Gestion 5.4%
Free Float 54.6%

Company description

Kontron AG (formerly S&T AG) is a supplier of information technology (IT) solutions, specializing in Industry 4.0, embedded computer systems and Internet of Things (IoT) technology. Germany, Austria, Switzerland, France, Eastern Europe and North America are its core markets.

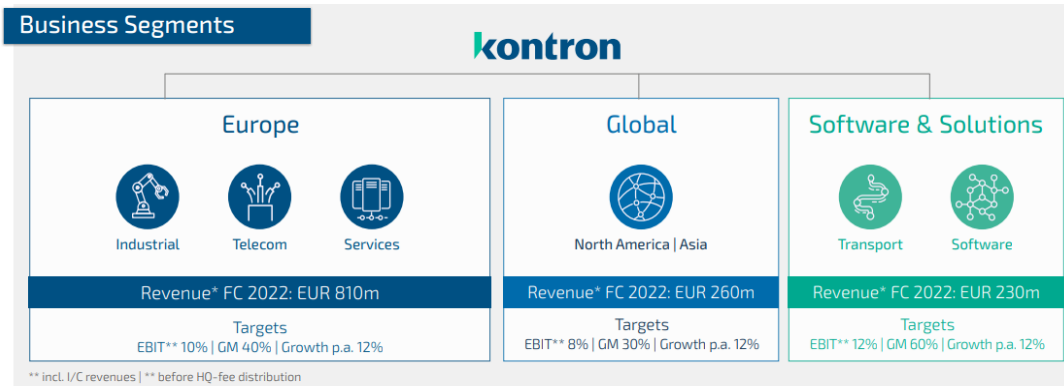
Quarterly performance table

P&L data	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Sales	306.5	313.2	428.1	247.0	331.0	262.4	255.7	277.7
yoy growth in %	14.1%	5.2%	2.3%	-16.0%	8.0%	-16.2%	-40.3%	12.4%
Gross profit	121.0	90.4	148.8	89.3	131.4	90.7	81.4	107.3
Gross margin in %	39.5%	28.9%	34.8%	36.2%	39.7%	34.6%	31.8%	38.7%
EBITDA	30.1	23.0	45.0	23.7	33.1	20.4	-7.2	29.6
EBITDA margin in %	9.8%	7.3%	10.5%	9.6%	10.0%	7.8%	-2.8%	10.7%
EBIT	13.9	7.4	28.6	12.0	17.7	8.5	-40.2	20.6
EBIT margin in %	4.5%	2.4%	6.7%	4.9%	5.3%	3.2%	-15.7%	7.4%
EBT	11.5	5.2	22.6	10.1	15.3	6.7	-42.7	20.2
taxes paid	1.1	-2.1	4.3	0.6	2.7	0.9	-2.0	3.6
tax rate in %	9.6%	-40.4%	19.0%	5.5%	17.6%	13.3%	4.6%	17.9%
net profit	10.4	10.2	17.6	11.6	12.8	8.3	199.7	16.6
yoy growth in %	3.0%	-13.6%	-27.3%	14.8%	23.1%	-18.1%	1,034.8%	43.1%
EPS	0.16	0.16	0.28	0.16	0.20	0.13	3.10	0.26

Source: Company data; AlsterResearch

Investment case in six charts

Business units and end markets

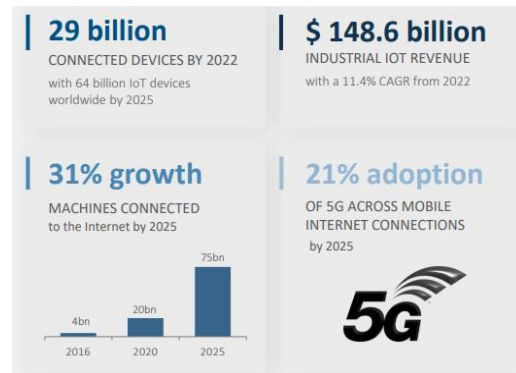


Guidance

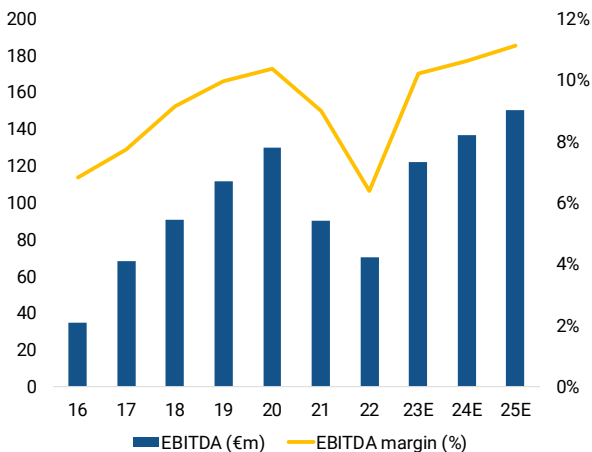
Guidance 2023/ Outlook Agenda 2025	2023E	2025E
Revenues	EUR 1,200m	EUR 2,000m
EBITDA	11%	13%
Net Profit	>60m	140m

Best available estimation at beginning of 2023 before consolidation has been finalized.

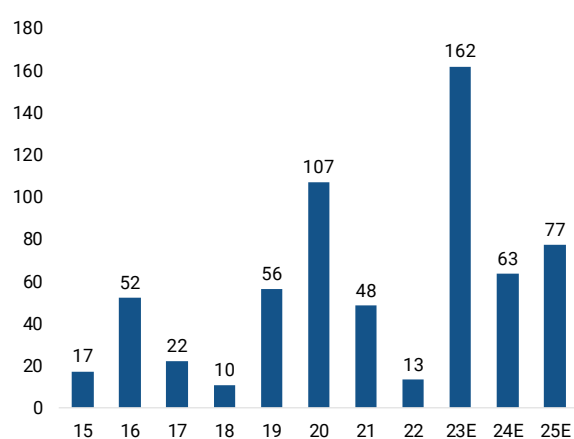
The IoT market



EBITDA and margins on an upwards trend



FCF to strengthen going forward



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Strong and strategic partnership with Foxconn
- Offers comprehensive suite of solutions in IT Service business
- Strong presence in DACH and EE countries
- Has diversified clients and is present in multiple geographies, minimising concentration risk

Weaknesses

- A large part of revenue accrues from IT Services segment, which is a low-margin business and has low pricing power
- Lacks a scalable platform
- Avionics, one of its target IoT markets, is witnessing a rough phase due to travel restrictions

Opportunities

- Has a strong presence in medical and transport segments of IoT market, which are expected to grow well
- Has sufficient liquidity and balance sheet strength to undertake acquisitions in current market where valuations are attractive
- Margin expansion, as focus shifts to higher margin IoT segment and proprietary products
- Expanding presence in China, one of the fastest-growing IoT markets

Threats

- A relatively small player in the IoT market and could be hard pressed to defend its turf if a larger player enters its segment
- Dependent on Asia for hardware manufacturing and China for raw material. Geopolitical tension in the area could impair its supply chain
- Aggressive acquisitions could drag company's prospects if not properly synergized

Valuation

DCF Model

The DCF model results in a **fair value of EUR 32.51 per share**:

Top-line growth: We expect Kontron AG to grow revenues at a CAGR of 4.6% between 2023E and 2030E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 8.2% in 2023E to 9.2% in 2030E.

WACC. Starting point is a historical equity beta of 1.10. Unlevering and correcting for mean reversion yields an asset beta of 1.10. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.1%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 8.6%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	75	85	94	94	96	97	102	105	
Depreciation & amortization	38	49	54	58	62	65	68	71	
Change in working capital	118	4	5	3	3	3	3	3	
Chg. in long-term provisions	56	11	5	3	3	3	3	4	
Capex	-58	-66	-69	-71	-73	-75	-77	-80	
Cash flow	229	85	89	88	91	94	100	103	1,578
Present value	219	75	72	66	62	59	58	55	849
WACC	8.8%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.6%

DCF per share derived from	
Total present value	1,515
Mid-year adj. total present value	1,579
Net debt / cash at start of year	-473
Financial assets	55
Provisions and off b/s debt	19
Equity value	2,107
No. of shares outstanding	64.8
Discounted cash flow / share upside/(downside)	32.51 / 79.5%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	4.6%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	9.2%
Terminal year WACC	8.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.10
Unlevered beta (industry or company)	1.10
Target debt / equity	0.5
Relevered beta	1.51
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.1%

Share price	18.11
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Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		0.0%	1.0%	2.0%	3.0%	4.0%		
2.0%		25.7	26.6	27.6	28.9	30.6	2023E-2026E	28.5%
1.0%		27.3	28.4	29.7	31.5	34.0	2027E-2030E	15.5%
0.0%		29.1	30.6	32.5	35.0	38.7	terminal value	56.0%
-1.0%		31.5	33.5	36.3	40.2	46.2		
-2.0%		34.6	37.5	41.6	48.0	59.3		

Source: AlsterResearch

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 28.49 per share based on 2023E and EUR 36.53 per share on 2027E 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	2023E	2024E	2025E	2026E	2027E
EBITDA	123	146	161	166	171
- Maintenance capex	24	36	43	50	55
- Minorities	-1	-1	-1	-1	-1
- tax expenses	10	11	13	13	13
= Adjusted FCF	89	100	105	104	103
Actual Market Cap	1,174	1,174	1,174	1,174	1,174
+ Net debt (cash)	-473	-518	-566	-608	-652
+ Pension provisions	21	24	25	26	26
+ Off B/S financing	0	0	0	0	0
- Financial assets	55	55	55	55	55
- Acc. dividend payments	65	96	131	171	211
<i>EV Reconciliations</i>	-572	-645	-727	-808	-892
= Actual EV'	602	529	447	366	282
Adjusted FCF yield	14.8%	18.8%	23.6%	28.3%	36.6%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	1,275	1,424	1,506	1,483	1,476
- <i>EV Reconciliations</i>	-572	-645	-727	-808	-892
Fair Market Cap	1,847	2,069	2,232	2,291	2,368
No. of shares (million)	65	65	65	65	65
Fair value per share in EUR	28.49	31.91	34.43	35.34	36.53
Premium (-) / discount (+)	57.3%	76.2%	90.1%	95.1%	101.7%

Sensitivity analysis FV

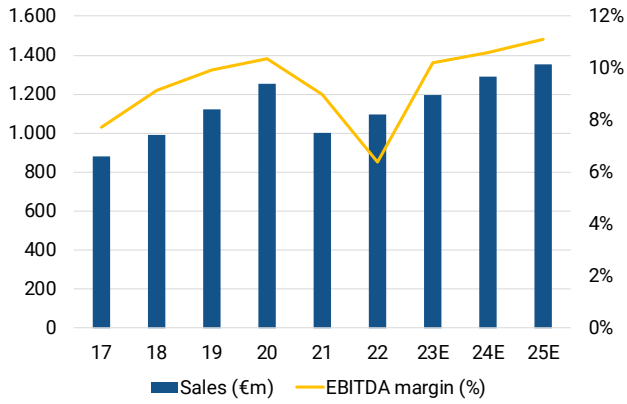
Adjusted hurdle rate	5.0%	36	41	44	44	46
	6.0%	32	36	38	39	40
	7.0%	28	32	34	35	37
	8.0%	26	29	32	32	34
	9.0%	24	27	29	30	31

Source: Company data; AlsterResearch

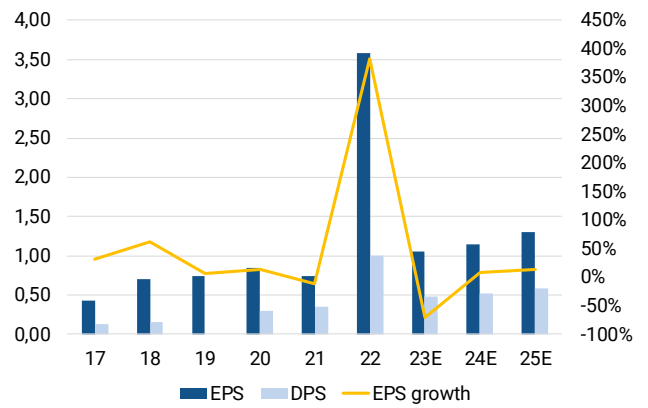
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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.**

Financials in six charts

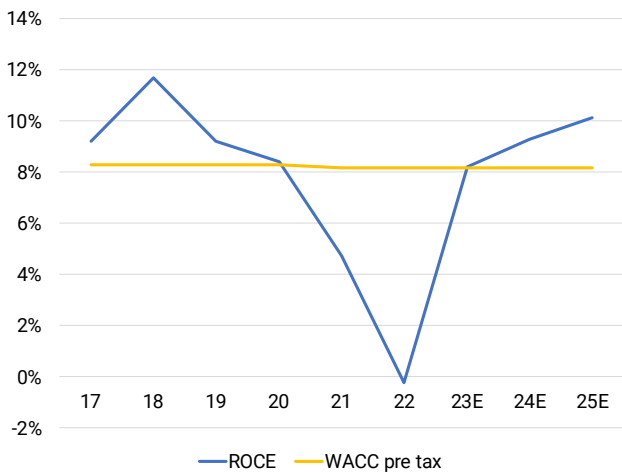
Sales vs. EBITDA margin development



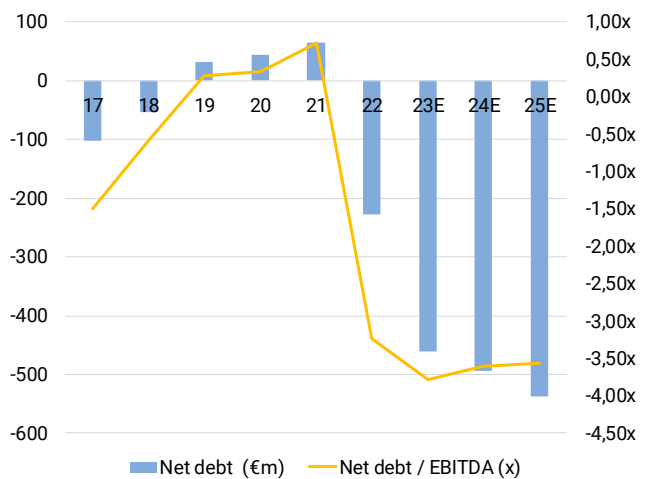
EPS, DPS in EUR & yoy EPS growth



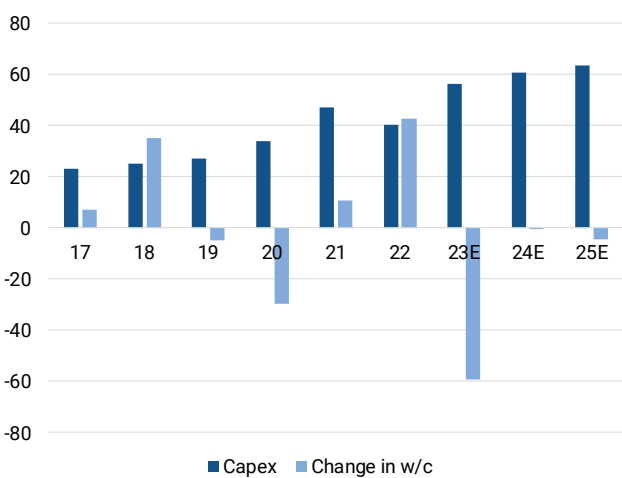
ROCE vs. WACC (pre tax)



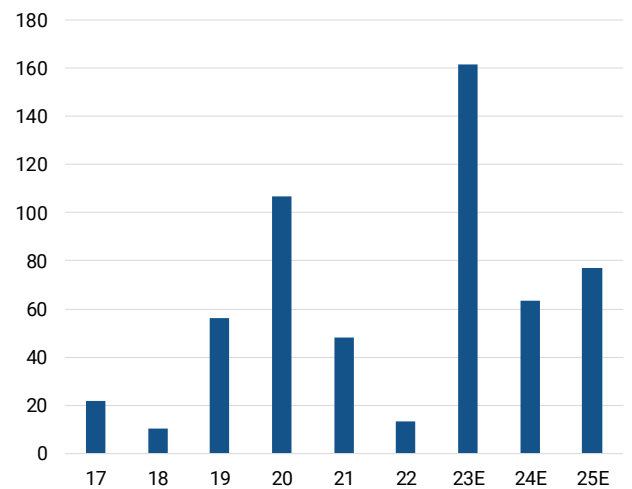
Net debt and net debt/EBITDA



Capex & chg in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	1,255	1,003	1,096	1,236	1,395	1,464
Sales growth	11.7%	-20.1%	9.3%	12.7%	12.9%	5.0%
Change in finished goods and work-in-process	18	21	23	0	0	0
Total sales	1,272	1,024	1,119	1,236	1,395	1,464
Material expenses	799	645	727	788	887	931
Gross profit	473	379	393	448	508	533
Other operating income	9	15	20	19	21	22
Personnel expenses	273	238	259	263	294	302
Other operating expenses	79	66	84	80	88	92
EBITDA	130	90	70	123	146	161
Depreciation	31	25	24	24	36	43
EBITA	99	65	46	99	110	118
Amortisation of goodwill and intangible assets	31	25	48	14	13	11
EBIT	69	40	-2	85	97	107
Financial result	-8	-8	-9	-6	-9	-6
Recurring pretax income from continuing operations	61	32	-11	79	88	101
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	61	32	-11	79	88	101
Taxes	6	2	2	10	11	13
Net income from continuing operations	55	30	-13	69	77	88
Result from discontinued operations (net of tax)	0	19	245	0	0	0
Net income	55	49	232	69	77	88
Minority interest	1	-1	1	1	1	1
Net profit (reported)	56	48	232	69	78	89
Average number of shares	66.00	64.96	64.83	64.83	64.83	64.83
EPS reported	0.84	0.74	3.59	1.07	1.20	1.37

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	1%	2%	2%	0%	0%	0%
Total sales	101%	102%	102%	100%	100%	100%
Material expenses	64%	64%	66%	64%	64%	64%
Gross profit	38%	38%	36%	36%	36%	36%
Other operating income	1%	1%	2%	2%	2%	2%
Personnel expenses	22%	24%	24%	21%	21%	21%
Other operating expenses	6%	7%	8%	7%	6%	6%
EBITDA	10%	9%	6%	10%	11%	11%
Depreciation	2%	2%	2%	2%	3%	3%
EBITA	8%	7%	4%	8%	8%	8%
Amortisation of goodwill and intangible assets	2%	3%	4%	1%	1%	1%
EBIT	5%	4%	-0%	7%	7%	7%
Financial result	-1%	-1%	-1%	-0%	-1%	-0%
Recurring pretax income from continuing operations	5%	3%	-1%	6%	6%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	5%	3%	-1%	6%	6%	7%
Taxes	0%	0%	0%	1%	1%	1%
Net income from continuing operations	4%	3%	-1%	6%	6%	6%
Result from discontinued operations (net of tax)	0%	2%	22%	0%	0%	0%
Net income	4%	5%	21%	6%	6%	6%
Minority interest	0%	-0%	0%	0%	0%	0%
Net profit (reported)	4%	5%	21%	6%	6%	6%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	103	104	72	69	56	45
Goodwill	199	208	189	189	189	189
Property, plant and equipment	135	133	95	144	174	199
Financial assets	69	74	55	55	55	55
FIXED ASSETS	506	519	412	457	474	488
Inventories	160	187	193	153	173	181
Accounts receivable	228	265	202	237	267	281
Other current assets	25	26	30	30	30	30
Liquid assets	286	308	565	643	588	636
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	43	47	39	37	49	51
CURRENT ASSETS	741	833	1,029	1,100	1,107	1,179
TOTAL ASSETS	1,247	1,352	1,441	1,557	1,580	1,667
SHAREHOLDERS EQUITY	404	419	634	775	820	873
MINORITY INTEREST	5	5	2	2	2	2
Long-term debt	264	277	220	100	0	0
Provisions for pensions and similar obligations	22	21	17	21	24	25
Other provisions	68	49	16	68	77	81
Non-current liabilities	354	348	253	189	100	105
short-term liabilities to banks	66	95	143	70	70	70
Accounts payable	210	270	226	250	282	296
Advance payments received on orders	72	87	79	77	86	91
Other liabilities (incl. from lease and rental contracts)	86	76	64	148	167	176
Deferred taxes	13	13	6	6	6	6
Deferred income	37	40	35	41	46	48
Current liabilities	483	581	553	592	657	687
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,247	1,352	1,441	1,557	1,580	1,667

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	8%	8%	5%	4%	4%	3%
Goodwill	16%	15%	13%	12%	12%	11%
Property, plant and equipment	11%	10%	7%	9%	11%	12%
Financial assets	5%	5%	4%	4%	3%	3%
FIXED ASSETS	41%	38%	29%	29%	30%	29%
Inventories	13%	14%	13%	10%	11%	11%
Accounts receivable	18%	20%	14%	15%	17%	17%
Other current assets	2%	2%	2%	2%	2%	2%
Liquid assets	23%	23%	39%	41%	37%	38%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	3%	3%	2%	3%	3%
CURRENT ASSETS	59%	62%	71%	71%	70%	71%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	32%	31%	44%	50%	52%	52%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	21%	21%	15%	6%	0%	0%
Provisions for pensions and similar obligations	2%	2%	1%	1%	2%	1%
Other provisions	5%	4%	1%	4%	5%	5%
Non-current liabilities	28%	26%	18%	12%	6%	6%
short-term liabilities to banks	5%	7%	10%	4%	4%	4%
Accounts payable	17%	20%	16%	16%	18%	18%
Advance payments received on orders	6%	6%	5%	5%	5%	5%
Other liabilities (incl. from lease and rental contracts)	7%	6%	4%	10%	11%	11%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred income	3%	3%	2%	3%	3%	3%
Current liabilities	39%	43%	38%	38%	42%	41%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	61	54	232	69	77	88
Depreciation of fixed assets (incl. leases)	61	64	24	24	36	43
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	48	14	13	11
Others	-11	-12	-217	56	11	5
Cash flow from operations before changes in w/c	111	106	87	162	137	147
Increase/decrease in inventory	9	-26	-18	39	-19	-9
Increase/decrease in accounts receivable	47	-41	-23	-35	-30	-13
Increase/decrease in accounts payable	-2	69	24	24	31	14
Increase/decrease in other w/c positions	-24	-13	-26	90	22	13
Increase/decrease in working capital	30	-11	-43	118	4	5
Cash flow from operating activities	141	95	54	281	142	152
CAPEX	-34	-47	-40	-58	-66	-69
Payments for acquisitions	-41	-16	-5	-25	0	0
Financial investments	-3	-7	0	0	0	0
Income from asset disposals	1	4	189	137	0	0
Cash flow from investing activities	-77	-66	144	54	-66	-69
Cash flow before financing	64	29	197	335	76	83
Increase/decrease in debt position	-41	29	-65	-192	-100	0
Purchase of own shares	-12	-21	0	0	0	0
Capital measures	1	0	0	0	0	0
Dividends paid	0	-20	-22	-65	-31	-35
Others	-14	-9	-3	0	0	0
Effects of exchange rate changes on cash	-8	4	0	0	0	0
Cash flow from financing activities	-74	-16	-90	-257	-131	-35
Increase/decrease in liquid assets	-10	13	107	78	-55	48
Liquid assets at end of period	255	268	438	516	461	509

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	103	106	103	116	131	137
Europe (ex domestic)	785	604	644	727	820	861
The Americas	122	96	110	124	140	147
Asia	42	62	80	90	102	107
Rest of World	204	134	159	179	202	212
Total sales	1,255	1,003	1,096	1,236	1,395	1,464

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	8.2%	10.5%	9.4%	9.4%	9.4%	9.4%
Europe (ex domestic)	62.5%	60.3%	58.8%	58.8%	58.8%	58.8%
The Americas	9.7%	9.6%	10.0%	10.0%	10.0%	10.0%
Asia	3.3%	6.2%	7.3%	7.3%	7.3%	7.3%
Rest of World	16.2%	13.4%	14.5%	14.5%	14.5%	14.5%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	0.84	0.74	3.59	1.07	1.20	1.37
Cash flow per share	1.66	1.09	0.45	3.96	1.63	1.67
Book value per share	6.12	6.44	9.78	11.95	12.65	13.47
Dividend per share	0.30	0.35	1.00	0.48	0.54	0.62
Valuation						
P/E	21.5x	24.4x	5.1x	16.9x	15.1x	13.2x
P/CF	10.9x	16.6x	39.8x	4.6x	11.1x	10.9x
P/BV	3.0x	2.8x	1.9x	1.5x	1.4x	1.3x
Dividend yield (%)	1.7%	1.9%	5.5%	2.7%	3.0%	3.4%
FCF yield (%)	9.2%	6.0%	2.5%	21.9%	9.0%	9.2%
EV/Sales	1.0x	1.3x	0.9x	0.6x	0.5x	0.4x
EV/EBITDA	9.5x	14.0x	14.1x	5.9x	4.6x	3.9x
EV/EBIT	18.1x	31.5x	-490.2x	8.5x	7.0x	5.9x
Income statement (EURm)						
Sales	1,255	1,003	1,096	1,236	1,395	1,464
yoy chg in %	11.7%	-20.1%	9.3%	12.7%	12.9%	5.0%
Gross profit	473	379	393	448	508	533
Gross margin in %	37.7%	37.8%	35.8%	36.2%	36.4%	36.4%
EBITDA	130	90	70	123	146	161
EBITDA margin in %	10.4%	9.0%	6.4%	9.9%	10.5%	11.0%
EBIT	69	40	-2	85	97	107
EBIT margin in %	5.5%	4.0%	-0.2%	6.9%	7.0%	7.3%
Net profit	56	48	232	69	78	89
Cash flow statement (EURm)						
CF from operations	141	95	54	281	142	152
Capex	-34	-47	-40	-58	-66	-69
Maintenance Capex	31	25	24	24	36	43
Free cash flow	107	48	13	223	76	83
Balance sheet (EURm)						
Intangible assets	302	312	262	258	245	234
Tangible assets	135	133	95	144	174	199
Shareholders' equity	404	419	634	775	820	873
Pension provisions	22	21	17	21	24	25
Liabilities and provisions	420	443	395	259	170	175
Net financial debt	44	65	-203	-473	-518	-566
w/c requirements	106	96	90	63	72	75
Ratios						
ROE	13.5%	11.7%	36.6%	8.9%	9.4%	10.1%
ROCE	8.3%	4.6%	-0.2%	8.2%	9.8%	10.2%
Net gearing	10.9%	15.4%	-32.0%	-61.1%	-63.1%	-64.8%
Net debt / EBITDA	0.3x	0.7x	-2.9x	-3.9x	-3.5x	-3.5x

Source: Company data; AlsterResearch

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