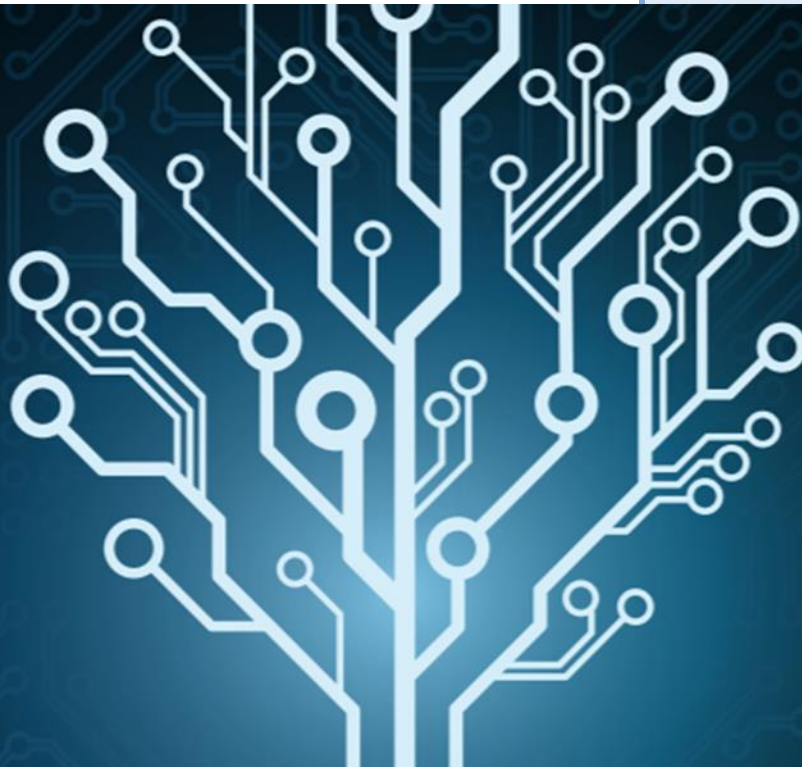


S&T AG

Austria | Technology | MCap EUR 1,397.8m

10 May 2021

UPDATE



Off to a good start; Guidance reiterated

What's it all about?

S&T is off to a good start, with both top-line and EBITDA coming in ahead of market expectations. Management is bullish that the strong order/design wins in Q1 will allow the group to surpass its 2021 target of at least EUR 1.4bn in revenue with an EBITDA of EUR140m minimum and earnings per share of EUR 1.00 (2020: EUR 0.86). Current shortages of microchips might however lead to a marginal shift in sales to subsequent quarters. Thus, S&T remains an attractive growth play at a favourable price, which is why we maintain our BUY rating and price target of EUR 31.00.

BUY (BUY)

Target price	EUR 31.00 (31.00)
Current price	EUR 21.22
Up/downside	46.1%



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S&T AG

Austria | Technology | MCap EUR 1,397.8m | EV EUR 1,463.8m

BUY (BUY)

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Current price EUR 21.22
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Off to a good start; Guidance reiterated

S&T's Q1 witnessed **strong momentum in new orders**, with particularly rising demand from medical technology and transportation sectors, albeit a slump in the aviation industry due to the COVID-19 pandemic. Current shortages of microchips might lead to a **marginal shift in sales from Q1 2021 to subsequent quarters**. Meanwhile, transformation towards an internet of things (IoT)-as-a-service company should help improve gross margins. Thus, the company maintained its medium-term target of EUR 2.0bn in revenues and EBITDA of EUR 220m. Furthermore, its policy of paying 50% of annual net profits as dividends and repurchases and allocating the remainder for further investment looks impressive.

Q1 revenues increased 9% yoy to EUR 294.1m, which stood ahead of analysts consensus of EUR 270m. This yoy rise was underpinned by the consolidation of CITYCOMP and Iskratel group, partly offset by chip shortage, which impacted organic growth, and an adverse currency effect. The **record order intake of EUR 404m** increased the order backlog by 12% qoq to EUR 1.0bn, reflecting strong revenue visibility. The project pipeline was up 17% qoq to EU R3.2bn.

IoT Solutions Europe posted 12% yoy rise in revenues to EUR143.9m, gaining from the COVID-19-induced crisis that led to a boom in the medical industry, as well as transportation business and the absence of subsidies due to full utilisation albeit income loss due to chip shortage. **IT Services** revenue moved up 9% yoy to EUR 128.4m supported by consolidation benefit. However, **IoT Solutions America** remained soft with revenue dropping 8% yoy to EUR 21.9m on delays in supply chain, decline in the avionics business (with EUR 3m contribution; but picked up in the US) and a stronger USD against the EUR.

-continued-

S&T AG	2018	2019	2020	2021E	2022E	2023E
Sales	990.9	1,122.9	1,254.8	1,443.0	1,600.6	1,750.2
<i>Growth yoy</i>	12.3%	13.3%	11.7%	15.0%	10.9%	9.3%
EBITDA	90.5	111.7	130.0	142.9	158.5	173.3
EBIT	61.5	61.8	68.6	89.5	107.6	123.3
Net profit	45.0	49.1	55.6	70.3	86.9	100.7
Net debt (net cash)	-52.7	31.6	44.2	-41.4	-119.3	-199.6
Net debt/EBITDA	-0.6x	0.3x	0.3x	-0.3x	-0.8x	-1.2x
EPS recurring	0.70	0.75	0.84	1.07	1.32	1.53
DPS	0.16	0.00	0.30	0.38	0.47	0.54
<i>Dividend yield</i>	0.8%	0.0%	1.4%	1.8%	2.2%	2.6%
Gross profit margin	36.5%	37.7%	37.7%	38.0%	38.0%	38.0%
EBITDA margin	9.1%	9.9%	10.4%	9.9%	9.9%	9.9%
EBIT margin	6.2%	5.5%	5.5%	6.2%	6.7%	7.0%
ROCE	11.7%	7.8%	8.3%	10.5%	12.9%	14.0%
EV/EBITDA	14.9x	13.0x	11.3x	9.7x	8.2x	7.1x
EV/EBIT	22.0x	23.5x	21.3x	15.4x	12.1x	10.0x
PER	30.3x	28.5x	25.1x	19.9x	16.1x	13.9x
FCF yield	2.0%	2.4%	7.9%	7.9%	7.9%	8.7%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 25.72 / 15.10
Price/Book Ratio 3.5x

Ticker / Symbols

ISIN AT0000A0E9W5
WKN A0X9EJ
Bloomberg SANT:GR

Changes in estimates

		Sales	EBIT	EPS
2021	old	00.0	00.0	00.0
	Δ	-	-	-
2022	old	00.0	00.0	00.0
	Δ	-	-	-
2023	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 65.9
Book value per share: (in EUR) 6.13
Ø trading volume: (12 months) 48,500

Major shareholders

Ennoconn Corporation 26.6%
Allianz Global Investors 5.0%
Free Float 68.4%

Company description

S&T is an Austria-based technology company. It provides end-to-end IT services, including consulting, integration and support services. In the IoT segment, it provides products and solutions such as industrial PCs and embedded boards installed with proprietary software. Germany, Austria, Switzerland, France, Eastern Europe and North America are its core markets.

EBITDA increased 13% yoy to EUR 28.2m in Q1, and came also ahead of the consensus of EUR 25m, reflecting operational improvement and favourable change in the portfolio mix. The margin expanded 33bps yoy to 9.6%. Adjusting for headquarter fees, the EBITDA margin widened 4.0ppt yoy in IT Services to 8.3% on better top-line and progress in PEC programme measures. Merger and acquisitions dragged the IoT Solutions Europe margin down by 60bps yoy to 12.6%. However, lower revenues resulted in EBITDA loss of EUR 0.5m (vs EBITDA of EUR 2.7m in Q1 2020) in IoT Solutions America. Solid EBITDA was somewhat mitigated by higher depreciation and amortisation as well as taxes leading to a slower 6% yoy rise in net profit to EUR10.1m.

Higher inventories (EUR 11.2m) and reduction in factoring (EUR 20.5m) severely impacted S&T's operating cash flow, which came in at a negative EUR 26.8m (inflow of EUR 6.4m in Q1 2020). The company aims to spend EUR 40.5m on dividend (EUR 19.5m) and share buyback (EUR 21.0m; Q1: EUR8.7m) in 2021. In Q1, S&T entered into an agreement to acquire a 100% stake in German IT system integrator Axino Solutions for a consideration of EUR 0.2m.

Conclusion: S&T is off to a good start, with both top-line and EBITDA coming in ahead of market expectations. Management is bullish that the strong order/design wins in Q1 will allow the group to surpass its 2021 target of at least EUR 1.4bn in revenue with an EBITDA of EUR140m minimum and earnings per share of EUR 1.0 (2020: EUR 0.86). Thus, **S&T remains an attractive growth play at a favourable price, which is why we maintain our BUY rating and price target of EUR 31.00.**

Quarterly table

P&L data	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Sales	248.7	279.4	369.7	270.1	268.6	297.7	418.4	294.1
yoy growth in %	13.5%	17.7%	11.7%	20.0%	8.0%	6.6%	13.2%	8.9%
Gross profit	92.9	109.6	131.9	111.6	107.2	110.8	143.8	120.3
Gross margin in %	37.3%	39.2%	35.7%	41.3%	39.9%	37.2%	34.4%	40.9%
EBITDA	23.2	27.4	40.0	23.2	27.0	31.7	46.4	28.2
EBITDA margin in %	9.3%	9.8%	10.8%	8.6%	10.0%	10.7%	11.1%	9.6%
EBIT	11.7	14.5	24.9	9.4	13.1	17.2	27.1	12.7
EBIT margin in %	4.7%	5.2%	6.7%	3.5%	4.9%	5.8%	6.5%	4.3%
EBT	10.2	12.2	22.1	9.1	11.9	15.3	24.4	10.8
taxes paid	1.4	1.5	0.6	0.6	1.9	3.3	0.2	1.1
tax rate in %	14.2%	12.6%	2.7%	6.7%	16.1%	21.6%	0.9%	10.4%
net profit	8.8	10.8	20.1	9.5	10.1	11.8	24.2	10.1
yoy growth in %	-0.6%	16.0%	3.5%	1.8%	14.4%	8.9%	20.4%	5.8%
EPS	0.13	0.16	0.31	0.15	0.16	0.18	0.37	0.16

Source: Company data; AlsterResearch

Investment case in six charts

Business units and end markets



Growth projection until 2023E

› Organic growth in line with market growth per segment
 › Additional organic growth potential from the ITP programs
 › More inorganic acquisitions based on reduced Corona prices

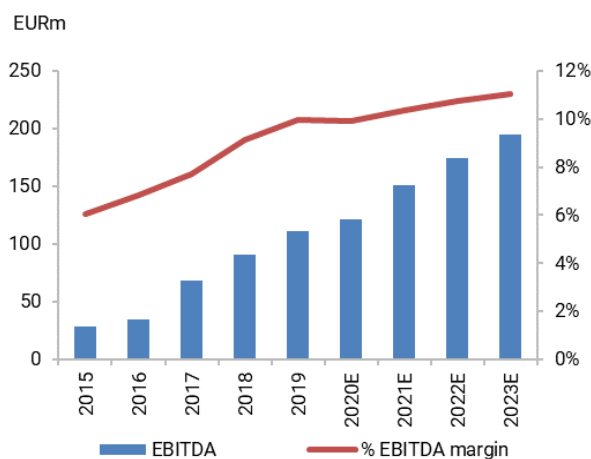
2018
EUR 1 Bn.

- IOT TECHNOLOGIES: Potential up to EUR 300 Mio.
- EDGE SERVER: Potential up to EUR 200 Mio.
- SMART METER: Potential up to EUR 100 Mio.
- EMBEDDED ODM SERVICES: Potential up to EUR 100 Mio.
- GROWTH IN ASIA: Potential up to EUR 200 Mio.
- ACQUISITIONS: Potential up to EUR 400 Mio.

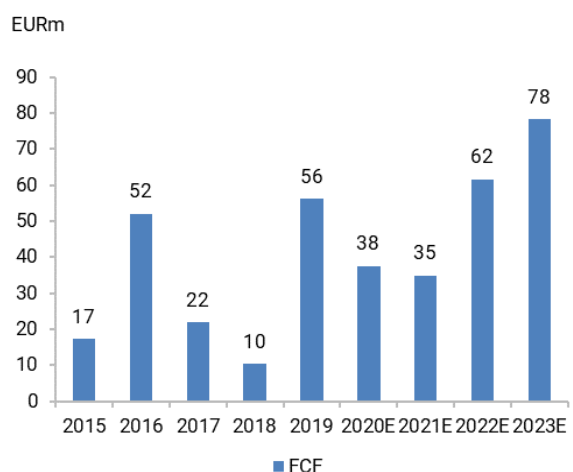
2023
EUR 2 Bn.

5 years plan	2018	2023p	Growth
Revenues	990 Mio.	2,000 Mio.	+102%
EBITDA	90.5 Mio.	220 Mio.	+143%
EPS	70 cent	175 cent	+150%

EBITDA and margins on an upwards trend



FCF to strengthen going forward



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

The DCF model results in a price target of **EUR 32.00** per share. Key model assumptions:

- Top-line growth: We expect S&T AG to continue benefitting from structural growth. Hence our growth estimates for 2021-28E is in the range of 8% p.a.
- The long-term growth rate is set at 2.0%.
- EBIT margins. The scalable business model should allow for EBIT margins of 7% by 2023E, which look defensible given high competitive quality based on scale geography and expertise. Accordingly, we model approx. 7% EBIT margins in the long-term.
- WACC. We model a weighted average cost of capital of 8.7% to reflect the mature stage of the business model, consisting of a 6.0% risk premium beta of 1.0x and 2.0% risk free rate.

DCF (EUR m) (except per share data and beta)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	92.7	107.3	118.4	140.1	145.6	151.7	158.4	165.6	
Depreciation	33.8	35.1	37.1	39.7	43.5	47.0	50.3	53.6	
Change in working capital	7.2	-2.1	-2.0	-3.7	-1.4	-1.4	-1.5	-1.6	
Chg. in long-term provisions	14.3	11.4	10.8	20.1	7.3	7.7	8.1	8.5	
Capex	-39.0	-43.3	-47.3	-54.8	-57.6	-60.4	-63.5	-66.6	
Cash flow	109.0	108.4	117.1	141.3	137.4	144.5	151.9	159.5	2,447.1
Present value	103.2	94.4	93.7	104.3	93.3	90.2	87.2	84.3	1,297.9
WACC	8.8%	8.8%	8.8%	8.7%	8.7%	8.7%	8.7%	8.7%	8.6%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	2,048.4	Planning horizon avg. revenue growth (2021E - 2028E)	7.9%
Mid-year adj. total present value	2,136.0	Terminal value growth (2028E - infinity)	2.0%
Net debt / cash at start of year	44.2	Terminal year ROCE	14.8%
Financial assets	68.6	Terminal year WACC	8.6%
Provisions and off b/s debt	21.8		
Equity value	2,138.6		
No. of shares outstanding	65.9		
		Terminal WACC derived from	
		Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	25.0%
		Equity beta	0.96
		Unlevered beta (industry or company)	1.10
		Target debt / equity	1.0
		Relevered beta	1.93
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	13.6%
Discounted cash flow per share	32.47		
upside/(downside)	53.0%		
Share price	21.22		

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%	22.2	23.5	25.1	27.0	29.6	2021E - 2024E	19.3%
1.0%	24.6	26.2	28.3	31.0	34.6	2025E - 2028E	17.3%
0.0%	27.4	29.6	32.4	36.3	41.8	terminal value	63.4%
-1.0%	31.0	34.0	38.1	44.0	53.1		
-2.0%	35.8	40.1	46.3	55.9	72.8		

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 25.90 per share based on 2021E and EUR 45.40 per share on 2025E estimates. **We value S&T AG on 2022E, which derive at price target of EUR 31.00.** It thus supports the DCF based fair value calculations.

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	2021E	2022E	2023E	2024E	2025E
EBITDA	142,9	158,9	174,1	199,6	209,5
- Maintenance capex	33,8	35,1	37,2	39,8	43,4
- Minorities	0,7	0,9	1,0	1,3	1,3
- tax expenses	12,3	12,9	15,0	18,8	19,9
= Adjusted Free Cash Flow	96,1	110,0	120,9	139,7	144,9
Actual Market Cap	1.365	1.365	1.365	1.365	1.365
+ Net debt (cash)	-36,2	-108,6	-184,4	-276,0	-361,9
+ Pension provisions	25,0	27,8	30,5	35,0	36,7
+ Off balance sheet financing	0,0	0,0	0,0	0,0	0,0
- Financial assets	68,6	68,6	68,6	68,6	68,6
- Accumulated dividend payments	25,0	56,0	92,0	137,2	184,9
<i>EV Reconciliations</i>	<i>-104,6</i>	<i>-205,3</i>	<i>-314,5</i>	<i>-446,7</i>	<i>-578,6</i>
= Actual EV'	1.260	1.160	1.050	918	786
Adjusted Free Cash Flow yield	7,6%	9,5%	11,5%	15,2%	18,4%
base hurdle rate	6,0%	6,0%	6,0%	6,0%	6,0%
ESG adjustment (score 50/100)	0,0%	0,0%	0,0%	0,0%	0,0%
adjusted hurdle rate	6,0%	6,0%	6,0%	6,0%	6,0%
Fair EV	1.602	1.834	2.015	2.329	2.415
- <i>EV Reconciliations</i>	<i>-105</i>	<i>-205</i>	<i>-314</i>	<i>-447</i>	<i>-579</i>
Fair Market Cap	1.706	2.039	2.330	2.776	2.993
No. of shares (million)	65,9	65,9	65,9	65,9	65,9
Fair value per share in EUR	25,9	31,0	35,4	42,1	45,4
Premium (-) / discount (+) in %	25,0%	49,4%	70,7%	103,4%	119,3%

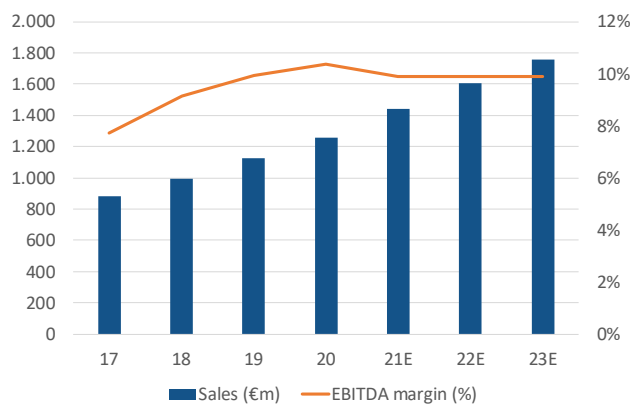
Sensitivity analysis fair value						
Adjusted hurdle rate	4,0%	38,1	44,9	50,7	59,8	63,8
	5,0%	30,8	36,5	41,5	49,2	52,8
	6,0%	25,9	31,0	35,4	42,1	45,4
	7,0%	22,4	27,0	31,0	37,1	40,2
	8,0%	19,8	24,0	27,7	33,3	36,3

Source: AlsterResearch

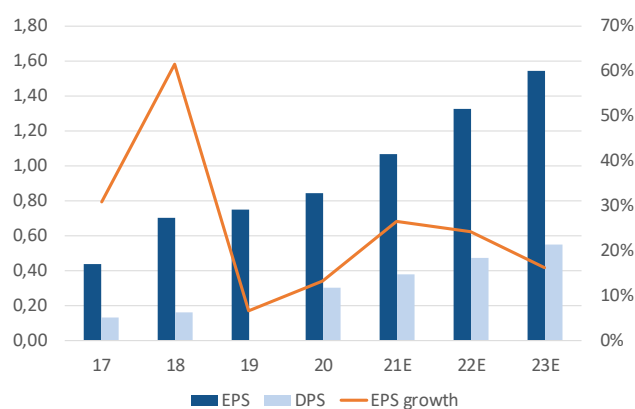
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. 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

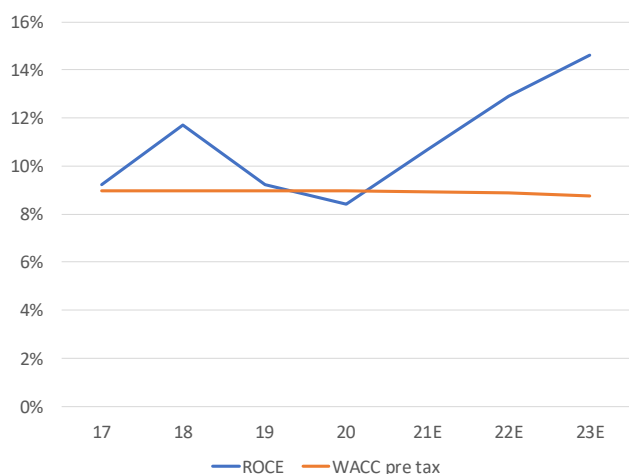
Sales vs. EBITDA margin development



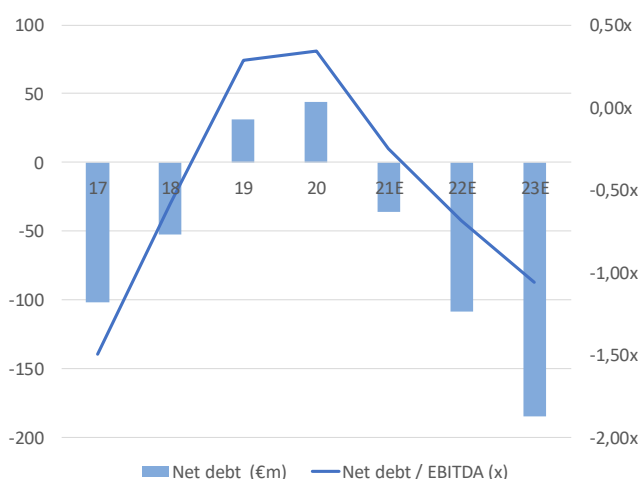
EPS, DPS in EUR & yoy EPS growth



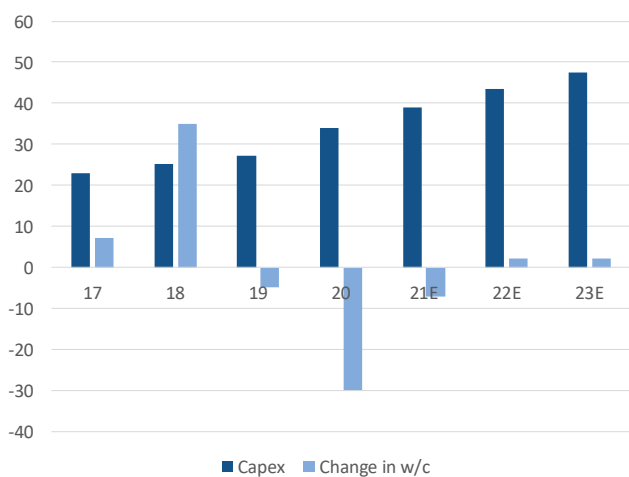
ROCE vs. WACC (pre tax)



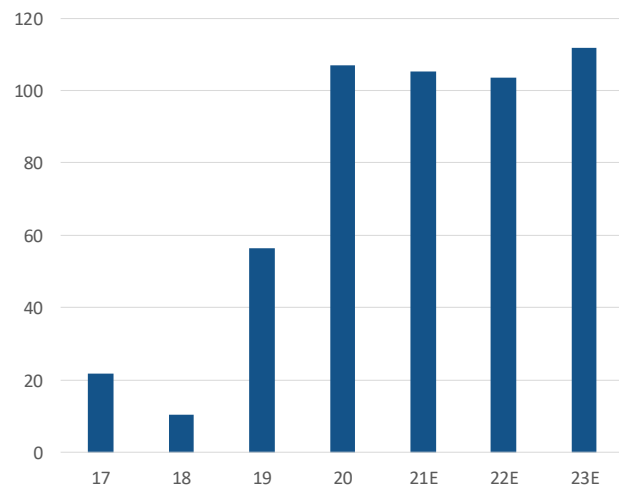
Net debt and net debt/EBITDA



Capex & chg in w/c requirements in EURm



Free Cash Flow in EURm



Financials

Profit and loss (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net sales	990.9	1,122.9	1,254.8	1,443.0	1,600.6	1,750.2
Sales growth	12.3%	13.3%	11.7%	15.0%	10.9%	9.3%
Change in finished goods and work-in-process	15.1	15.5	17.6	0.0	0.0	0.0
Total sales	1,006.0	1,138.4	1,272.4	1,443.0	1,600.6	1,750.2
Material expenses	644.3	715.4	799.0	894.7	992.4	1,085.1
Gross profit	361.7	423.0	473.4	548.3	608.2	665.1
Other operating income	7.5	8.0	8.8	7.2	8.0	8.8
Personnel expenses	194.6	245.2	273.3	314.6	348.9	381.5
Other operating expenses	84.0	74.2	78.8	98.1	108.8	119.0
EBITDA	90.5	111.7	130.0	142.9	158.5	173.3
Depreciation	8.2	49.9	30.9	33.8	35.1	37.1
EBITA	82.3	61.8	99.1	109.1	123.4	136.1
Amortisation of goodwill and intangible assets	20.8	0.0	30.5	19.5	15.8	12.8
EBIT	61.5	61.8	68.6	89.5	107.6	123.3
Financial result	-5.2	-7.7	-7.9	-7.7	-8.7	-8.7
Recurring pretax income from continuing operations	56.3	54.1	60.7	81.8	98.8	114.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	56.3	54.1	60.7	81.8	98.8	114.6
Taxes	7.9	4.6	6.1	12.3	12.8	14.9
Net income from continuing operations	48.5	49.5	54.6	69.6	86.0	99.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	48.5	49.5	54.6	69.6	86.0	99.7
Minority interest	-3.5	-0.4	1.0	0.7	0.9	1.0
Net profit (reported)	45.0	49.1	55.6	70.3	86.9	100.7
Average number of shares	64.33	65.87	65.87	65.87	65.87	65.87
EPS reported	0.70	0.75	0.84	1.07	1.32	1.53

Profit and loss (common size)	2018	2019	2020	2021E	2022E	2023E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	2%	1%	1%	0%	0%	0%
Total sales	102%	101%	101%	100%	100%	100%
Material expenses	65%	64%	64%	62%	62%	62%
Gross profit	36%	38%	38%	38%	38%	38%
Other operating income	1%	1%	1%	1%	0%	0%
Personnel expenses	20%	22%	22%	22%	22%	22%
Other operating expenses	8%	7%	6%	7%	7%	7%
EBITDA	9%	10%	10%	10%	10%	10%
Depreciation	1%	4%	2%	2%	2%	2%
EBITA	8%	6%	8%	8%	8%	8%
Amortisation of goodwill and intangible assets	2%	0%	2%	1%	1%	1%
EBIT	6%	6%	5%	6%	7%	7%
Financial result	-1%	-1%	-1%	-1%	-1%	-0%
Recurring pretax income from continuing operations	6%	5%	5%	6%	6%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	6%	5%	5%	6%	6%	7%
Taxes	1%	0%	0%	1%	1%	1%
Net income from continuing operations	5%	4%	4%	5%	5%	6%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	5%	4%	4%	5%	5%	6%
Minority interest	-0%	-0%	0%	0%	0%	0%
Net profit (reported)	5%	4%	4%	5%	5%	6%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	87.6	100.5	102.8	83.3	67.4	54.6
Goodwill	120.0	194.4	199.5	199.5	199.5	199.5
Property, plant and equipment	37.1	99.8	135.1	140.3	148.5	158.7
Financial assets	47.8	62.5	68.6	68.6	68.6	68.6
FIXED ASSETS	292.5	457.2	506.0	491.7	484.0	481.4
Inventories	130.8	146.8	159.9	174.0	193.0	211.1
Accounts receivable	207.0	239.4	228.0	276.7	307.0	335.7
Other current assets	18.5	21.1	24.6	24.6	24.6	24.6
Liquid assets	171.8	322.0	285.6	331.4	319.3	369.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	27.5	39.4	42.6	49.0	54.3	59.4
CURRENT ASSETS	555.5	768.5	740.7	855.7	898.3	1,000.4
TOTAL ASSETS	847.9	1,225.7	1,246.6	1,347.4	1,382.3	1,481.7
SHAREHOLDERS EQUITY	356.0	372.7	404.0	453.8	514.9	583.7
MINORITY INTEREST	11.3	12.4	5.4	5.4	5.4	5.4
Long-term debt	79.4	267.1	263.7	250.0	200.0	100.0
Provisions for pensions and similar obligations	5.6	19.9	21.8	25.0	27.8	30.4
Other provisions	46.8	44.8	68.3	79.4	88.0	96.3
Non-current liabilities	131.9	331.8	353.8	354.4	315.8	226.6
short-term liabilities to banks	39.6	86.5	66.1	40.0	0.0	70.0
Accounts payable	177.0	205.0	210.0	257.4	285.5	312.2
Advance payments received on orders	38.1	61.1	71.6	82.4	91.4	99.9
Other liabilities (incl. from lease and rental contracts)	55.6	109.0	85.7	98.5	109.3	119.5
Deferred taxes	12.6	13.4	13.3	13.3	13.3	13.3
Deferred income	25.9	33.8	36.7	42.2	46.8	51.1
Current liabilities	348.8	508.8	483.4	533.7	546.2	666.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	847.9	1,225.7	1,246.6	1,347.4	1,382.3	1,481.7

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	10%	8%	8%	6%	5%	4%
Goodwill	14%	16%	16%	15%	14%	13%
Property, plant and equipment	4%	8%	11%	10%	11%	11%
Financial assets	6%	5%	5%	5%	5%	5%
FIXED ASSETS	34%	37%	41%	36%	35%	32%
Inventories	15%	12%	13%	13%	14%	14%
Accounts receivable	24%	20%	18%	21%	22%	23%
Other current assets	2%	2%	2%	2%	2%	2%
Liquid assets	20%	26%	23%	25%	23%	25%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	3%	3%	4%	4%	4%
CURRENT ASSETS	66%	63%	59%	64%	65%	68%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	42%	30%	32%	34%	37%	39%
MINORITY INTEREST	1%	1%	0%	0%	0%	0%
Long-term debt	9%	22%	21%	19%	14%	7%
Provisions for pensions and similar obligations	1%	2%	2%	2%	2%	2%
Other provisions	6%	4%	5%	6%	6%	6%
Non-current liabilities	16%	27%	28%	26%	23%	15%
short-term liabilities to banks	5%	7%	5%	3%	0%	5%
Accounts payable	21%	17%	17%	19%	21%	21%
Advance payments received on orders	4%	5%	6%	6%	7%	7%
Other liabilities (incl. from lease and rental contracts)	7%	9%	7%	7%	8%	8%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred income	3%	3%	3%	3%	3%	3%
Current liabilities	41%	42%	39%	40%	40%	45%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	56.3	54.1	60.7	69.6	86.0	99.7
Depreciation of fixed assets (incl. leases)	29.0	49.9	61.5	33.8	35.1	37.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	19.5	15.8	12.8
Others	-14.8	-25.5	-11.1	14.3	11.4	10.8
Cash flow from operations before changes in w/c	70.5	78.5	111.0	137.2	148.3	160.5
Increase/decrease in inventory	-4.1	-1.4	8.6	-14.2	-19.0	-18.0
Increase/decrease in accounts receivable	-22.2	42.7	47.4	-48.7	-30.2	-28.7
Increase/decrease in accounts payable	2.1	-30.0	-2.5	47.4	28.1	26.7
Increase/decrease in other w/c positions	-10.8	-6.4	-23.7	22.7	19.0	18.0
Increase/decrease in working capital	-35.0	4.9	29.8	7.2	-2.1	-2.0
Cash flow from operating activities	35.5	83.4	140.8	144.4	146.2	158.5
CAPEX	-25.1	-27.1	-33.9	-39.0	-43.3	-47.3
Payments for acquisitions	-39.6	-27.2	-41.0	0.0	0.0	0.0
Financial investments	0.5	-3.7	-3.1	0.0	0.0	0.0
Income from asset disposals	1.1	2.2	0.8	0.0	0.0	0.0
Cash flow from investing activities	-63.1	-55.8	-77.2	-39.0	-43.3	-47.3
Cash flow before financing	-27.6	27.6	63.6	105.4	102.9	111.2
Increase/decrease in debt position	1.2	128.1	-40.9	-39.8	-90.0	-30.0
Purchase of own shares	0.0	-14.6	-12.2	0.0	0.0	0.0
Capital measures	0.0	0.0	1.4	0.0	0.0	0.0
Dividends paid	-8.3	-10.6	0.0	-19.8	-25.0	-30.9
Others	-15.9	-19.1	-14.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.3	1.1	-8.1	0.0	0.0	0.0
Cash flow from financing activities	-22.7	84.9	-73.8	-59.6	-115.0	-60.9
Increase/decrease in liquid assets	-50.3	112.5	-10.2	45.8	-12.0	50.3
Liquid assets at end of period	152.6	265.2	255.0	300.7	288.7	339.0

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021E	2022E	2023E
Domestic	98.4	102.9	115.0	132.2	146.7	160.4
Europe (ex domestic)	540.0	600.6	671.2	771.9	856.2	936.2
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	352.4	419.3	468.6	538.9	597.7	653.6
Total sales	990.9	1,122.9	1,254.8	1,443.0	1,600.6	1,750.2

Regional sales split (common size)	2018	2019	2020	2021E	2022E	2023E
Domestic	9.9%	9.2%	9.2%	9.2%	9.2%	9.2%
Europe (ex domestic)	54.5%	53.5%	53.5%	53.5%	53.5%	53.5%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	35.6%	37.3%	37.3%	37.3%	37.3%	37.3%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021E	2022E	2023E
Per share data						
Earnings per share reported	0.70	0.75	0.84	1.07	1.32	1.53
Cash flow per share	0.42	0.51	1.67	1.68	1.69	1.84
Book value per share	5.53	5.66	6.13	6.89	7.82	8.86
Dividend per share	0.16	0.00	0.30	0.38	0.47	0.54
Valuation						
P/E	30.3x	28.5x	25.1x	19.9x	16.1x	13.9x
P/CF	50.0x	41.8x	12.7x	12.6x	12.6x	11.5x
P/BV	3.9x	3.8x	3.5x	3.1x	2.8x	2.4x
Dividend yield (%)	0.8%	0.0%	1.4%	1.8%	2.2%	2.6%
FCF yield (%)	2.0%	2.4%	7.9%	7.9%	7.9%	8.7%
EV/Sales	1.4x	1.3x	1.2x	1.0x	0.8x	0.7x
EV/EBITDA	14.9x	13.0x	11.3x	9.7x	8.2x	7.1x
EV/EBIT	22.0x	23.5x	21.3x	15.4x	12.1x	10.0x
Income statement (EURm)						
Sales	990.9	1,122.9	1,254.8	1,443.0	1,600.6	1,750.2
yoy chg in %	12.3%	13.3%	11.7%	15.0%	10.9%	9.3%
Gross profit	361.7	423.0	473.4	548.3	608.2	665.1
Gross margin in %	36.5%	37.7%	37.7%	38.0%	38.0%	38.0%
EBITDA	90.5	111.7	130.0	142.9	158.5	173.3
EBITDA margin in %	9.1%	9.9%	10.4%	9.9%	9.9%	9.9%
EBIT	61.5	61.8	68.6	89.5	107.6	123.3
EBIT margin in %	6.2%	5.5%	5.5%	6.2%	6.7%	7.0%
Net profit	45.0	49.1	55.6	70.3	86.9	100.7
Cash flow statement (EURm)						
CF from operations	35.5	83.4	140.8	144.4	146.2	158.5
Capex	-25.1	-27.1	-33.9	-39.0	-43.3	-47.3
Maintenance Capex	8.2	49.9	30.9	33.8	35.1	37.1
Free cash flow	10.4	56.3	106.9	105.4	102.9	111.2
Balance sheet (EURm)						
Intangible assets	207.6	294.9	302.3	282.7	266.9	254.1
Tangible assets	37.1	99.8	135.1	140.3	148.5	158.7
Shareholders' equity	356.0	372.7	404.0	453.8	514.9	583.7
Pension provisions	5.6	19.9	21.8	25.0	27.8	30.4
Liabilities and provisions	171.5	418.3	419.9	394.4	315.8	296.6
Net financial debt	-52.7	31.6	44.2	-41.4	-119.3	-199.6
w/c requirements	122.7	119.9	106.3	111.0	123.2	134.7
Ratios						
ROE	13.6%	13.3%	13.5%	15.3%	16.7%	17.1%
ROCE	11.7%	7.8%	8.3%	10.5%	12.9%	14.0%
Net gearing	-14.8%	8.5%	10.9%	-9.1%	-23.2%	-34.2%
Net debt / EBITDA	-0.6x	0.3x	0.3x	-0.3x	-0.8x	-1.2x

Source: Company data; AlsterResearch

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