AlsterResearch

# Friedrich Vorwerk Group SE

**Germany | Industrial Goods & Services | MCap EUR 420.0m**

24 January 2023

**INITIATION**




# Beneficiary of the Clean Energy Transition; Initiate with BUY, PT EUR 40.90.

## What's it all about?

The reorganization of the European energy markets requires huge investments in energy infrastructure, and Friedrich Vorwerk Group SE (FVG) is one of the main beneficiaries. With its integrated turnkey approach to energy conversion and transport and a range of proprietary technologies, FVG is able to offer its customers high-quality, tailor-made solutions from a single source. With a P/E of 12.3x for 2024E and a ROCE around 20%, as well as near double-digit growth, FVG is an attractive investment. The icing on the cake is a long-term dividend payout ratio of 20-30% and a CEO with an 18% stake in the company, who has a strong incentive to create shareholder value. We initiate our coverage of FVG with a BUY recommendation and a target price of EUR 40.90, which represents an upside of over 90%.

**BUY** (BUY)

| | |
|---|---|
| **Target price** | **EUR 40.90 (none)** |
| Current price | EUR 21.00 |
| Up/downside | 94.8% |

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



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# Friedrich Vorwerk Group SE

## Germany | Industrial Goods & Services | MCap EUR 420.0m | EV EUR 342.4m

**BUY** (BUY)

| | |
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## Beneficiary of the Clean Energy Transition; BUY, PT EUR 40.90.

**Beneficiary of the Clean Energy Transition** The reorganization of European energy markets requires huge investment in energy infrastructure, and FVG is a major beneficiary. The company offers the opportunity to benefit from the transition to clean energy, which will lead to lower CO2 emissions and reduce Germany's dependence on Russian gas. With its integrated turnkey approach to energy conversion and transport, and a range of proprietary technologies, FVG is able to offer its customers high-quality, tailor-made solutions from a single source.

**Energy Infrastructure Investment Boom** FVG will benefit from planned investments of c. EUR 4.2bn for the LNG network infrastructure in Germany from 2022 to 2032, EUR 30.0bn for direct current transmission grids from 2020 to 2030, c. EUR 9.2bn for the operation of hydrogen networks in Germany from 2022 to 2032, and EUR 33.0bn for the expansion & refurbishment of the district heating networks in Germany from 2020 to 2030.

**Record level order backlog provides strong basis for further growth** FVG's record level order backlog provides excellent visibility and a strong basis for further growth. The order backlog reached the third highest level in the company's history in Q3 2022 at EUR 371.8m. Demand for the services of FVG has grown in the wake of energy policy developments, while at the same time a trend towards more integrated and complex large-scale projects is emerging. Order intake amounted to EUR 65.8m in Q3 2022.

**Attractive Valuation combined with a ROCE around 20%; Initiate with BUY** With a P/E multiple of 12.3x for 2024E and a ROCE of around 20% as well as double-digit growth, FVG is an attractive investment. The icing on the cake is a long-term dividend payout ratio of 20 to 30%. CEO Torben Kleinfeldt has a strong incentive to create shareholder value given his indirect shareholding in the company. AR initiates coverage of FVG with a BUY recommendation and a PT of EUR 40.90 based on our DCF valuation, implying an upside potential of over 90%.

| Friedrich Vorwerk | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Sales | 179.3 | 291.8 | 279.1 | 329.3 | 358.9 | 405.6 |
| *Growth yoy* | Infinity% | 62.7% | -4.4% | 18.0% | 9.0% | 13.0% |
| EBITDA | 41.8 | 58.8 | 54.5 | 61.9 | 66.0 | 75.0 |
| EBIT | 33.8 | 47.5 | 41.4 | 45.0 | 49.9 | 58.5 |
| Net profit | 28.4 | 30.6 | 26.8 | 27.3 | 29.0 | 34.2 |
| Net debt (net cash) | -31.8 | -27.9 | -80.3 | -111.8 | -140.6 | -175.1 |
| Net debt/EBITDA | -0.8x | -0.5x | -1.5x | -1.8x | -2.1x | -2.3x |
| EPS reported | #DIV/0! | 1.70 | 1.37 | 1.36 | 1.45 | 1.71 |
| DPS | 0.00 | 0.00 | 0.20 | 0.27 | 0.29 | 0.34 |
| *Dividend yield* | 0.0% | 0.0% | 1.0% | 1.3% | 1.4% | 1.6% |
| Gross profit margin | 59.5% | 59.6% | 63.4% | 63.0% | 62.4% | 61.5% |
| EBITDA margin | 23.3% | 20.2% | 19.5% | 18.8% | 18.4% | 18.5% |
| EBIT margin | 18.9% | 16.3% | 14.8% | 13.7% | 13.9% | 14.4% |
| ROCE | 47.2% | 48.1% | 20.8% | 19.4% | 22.3% | 22.9% |
| EV/EBITDA | 9.3x | 6.7x | 6.3x | 5.0x | 4.3x | 3.3x |
| EV/EBIT | 11.5x | 8.3x | 8.3x | 6.9x | 5.7x | 4.3x |
| PER | 0.0x | 12.4x | 15.3x | 15.4x | 14.5x | 12.3x |
| FCF yield | Infinity% | 6.2% | 6.5% | 8.5% | 8.6% | 10.5% |

Source: Company data, AlsterResearch




Source: Company data, AlsterResearch

| | |
|---|---|
| **High/low 52 weeks** | 41.70 / 15.84 |
| **Price/Book Ratio** | 2.7x |

**Ticker / Symbols**

| | |
|---|---|
| ISIN | DE000A255F11 |
| WKN | A255F1 |
| Bloomberg | VH2:GR |

**Changes in estimates**

| | | Sales | EBIT | EPS |
|---|---|---|---|---|
| **2022E** | old | 329.3 | 45.0 | 1.36 |
| | Δ | 0.0% | 0.0% | 0.0% |
| **2023E** | old | 358.9 | 49.9 | 1.45 |
| | Δ | 0.0% | 0.0% | 0.0% |
| **2024E** | old | 405.6 | 58.5 | 1.71 |
| | Δ | 0.0% | 0.0% | 0.0% |

**Key share data**

| | |
|---|---|
| Number of shares: (in m pcs) | 20.00 |
| Book value per share: (in EUR) | 7.75 |
| Ø trading volume: (12 months) | 19,100 |

**Major shareholders**

| | |
|---|---|
| MBB SE | 36.0% |
| ALX Beteiligungsgesellschaft | 18.0% |
| Mondrian Investment Partners | 4.9% |
| Free Float | 30.4% |

**Company description**

Friedrich Vorwerk Group SE is a Germany based provider of energy transportation and transformation infrastructure for the gas, electricity and hydrogen markets. The Company activity is divided into four divisions, such as: Engineering, Energy Grids, Energy Transformation and Service & Operations.

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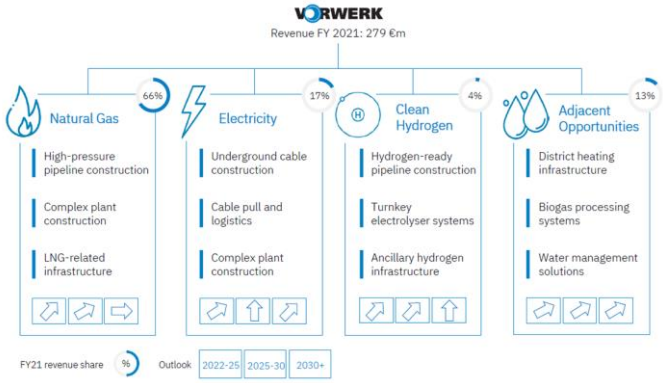
# Investment case in six charts

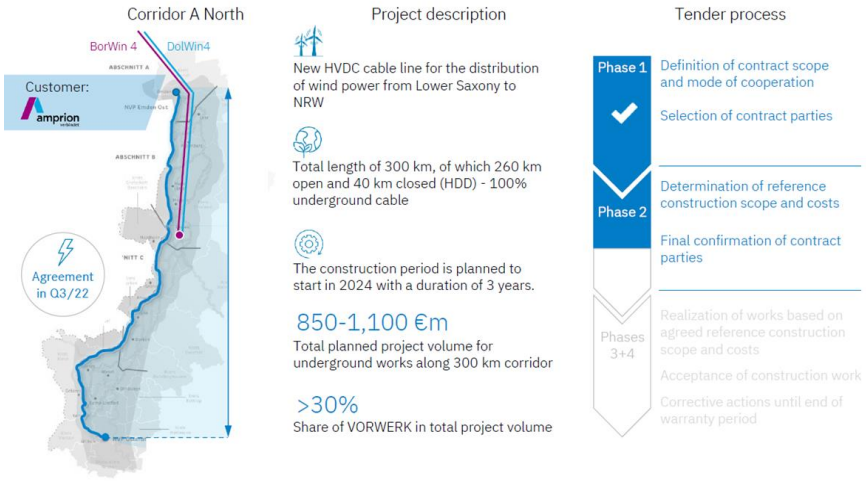
## FVG is ideally positioned to drive the energy transition



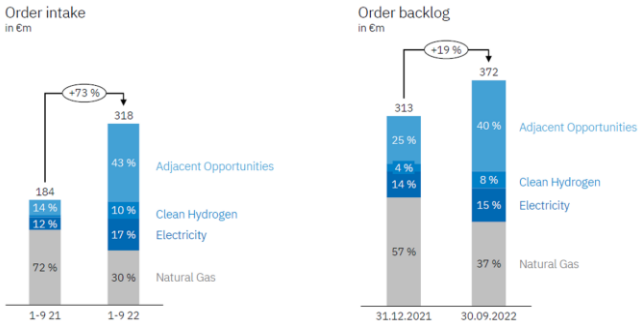

## Planned Investments in FVG's Markets

| Investment Purpose | Amount | Period |
|---|---|---|
| LNG network infrastructure in Germany | EUR 4.2bn | 2022-2032 |
| Direct current transmission grids | EUR 30.0bn | 2020-2030 |
| Operation of hydrogen networks in Germany | EUR 9.2bn | 2022-2032 |
| Expansion and refurbishment of the district heating networks in Germany | EUR 33.0bn | 2022-2030 |

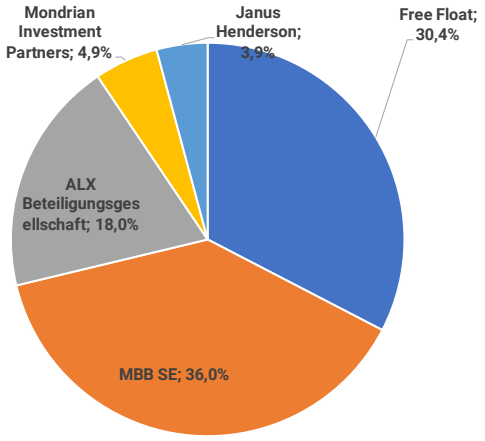
## FVG achieved an important Milestone to drive one of Germany's largest Cable Projects




## Record Order Backlog provides Strong Basis for Growth




## Major Shareholders




Source: Company data; AlsterResearch

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# Company background

## Products & services

Friedrich Vorwerk Group SE (FVG) is a leading, fully integrated solutions provider for critical onshore energy transformation and transport infrastructure in Germany and Europe.

The Group operates in the "midstream" sector of the market and **designs, manufactures, installs, operates and maintains critical onshore energy infrastructure** across the entire value chain. Energy sources such as raw natural gas, wind energy and solar energy are converted into usable natural gas, electricity and clean hydrogen. These are then transported from FVG's customers, mainly transmission system operators (TSOs), distribution system operators (DSOs), energy and industrial companies, to their end customers.

FVG provides its services to its customers both on the basis of large turnkey projects as a one-stop shop and in connection with customised projects for special solutions. The Group also provides customer services for the maintenance, operation and repair of its customers' critical onshore energy infrastructure. The company thus plays a crucial role in securing the energy supply and enabling the clean energy transition in Germany.

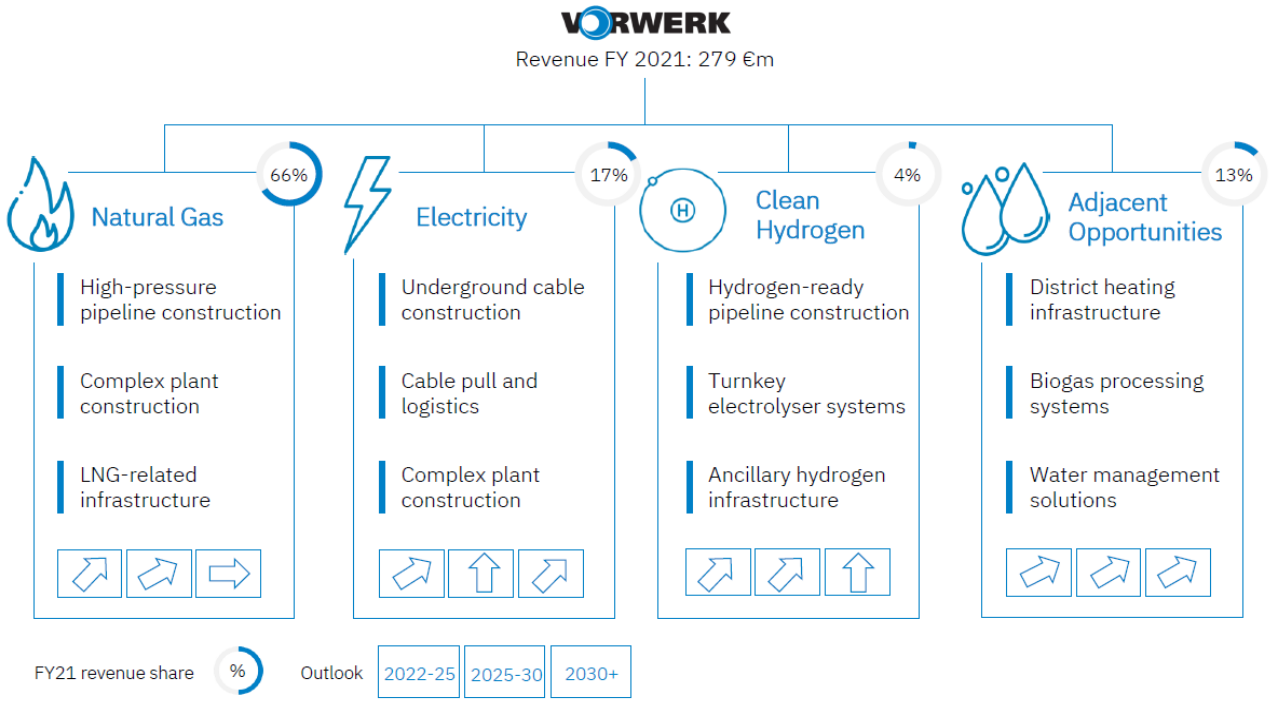
**Performance Overview**




Source: Company data

FVG distinguishes between the four business areas of Natural Gas, Electricity, Clean Hydrogen and Adjacent Opportunities, which are described in more detail below.

## FVG is ideally positioned to drive the energy transition

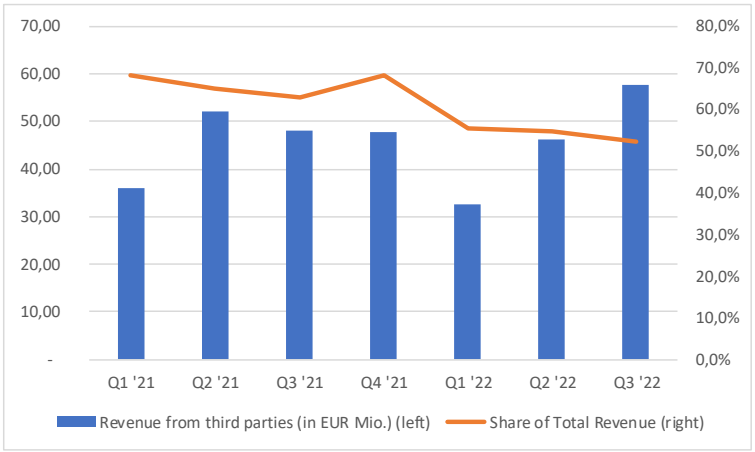



Source: Company data

### Natural Gas segment

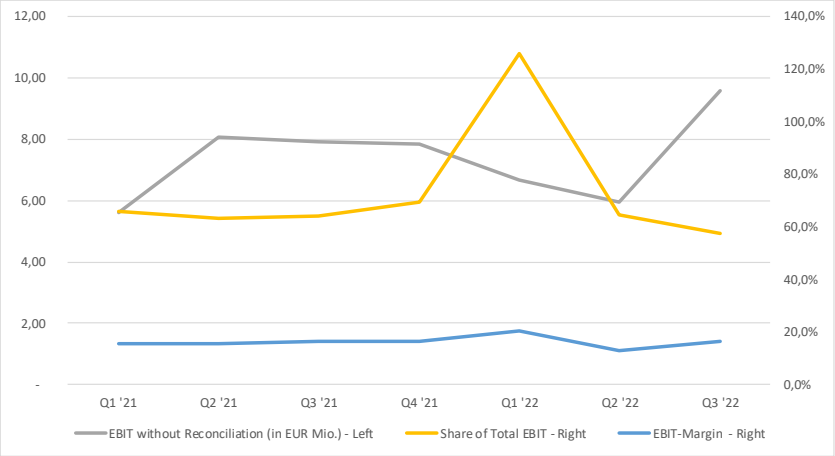
The natural gas segment accounted for 55.8% of total revenue from third parties and 70.9% of total EBIT without reconciliation in LTM (30 Sep. 2022). Note that shares in revenue and EBIT can be quite volatile due to large projects. The natural gas segment's share of total revenue has fallen from 74.0% in FY21. The EBIT margin of 16.3% in this segment is the second highest in the group in LTM, and has increased from 16.1% in FY21.

**Natural Gas Segment**




Source: Company data

**Natural Gas Segment - EBIT Development**

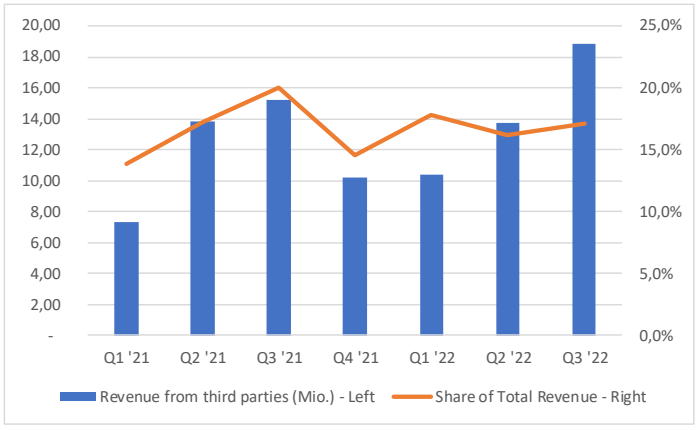



Source: Company data

### Electricity segment

The electricity segment accounted for 16.1% of revenues and 9.0% of EBIT without reconciliation in LTM (30 Sep. 2022). While the share of segment revenue in total revenues has risen from 12.5% in FY21 to 16.1% in LTM (30 Sep. FY22), the EBIT margin has declined from 21.3% to 7.2% in the same period.

**Electricity Segment - Revenue Development**




Source: Company data

**Electricity Segment - EBIT Development**

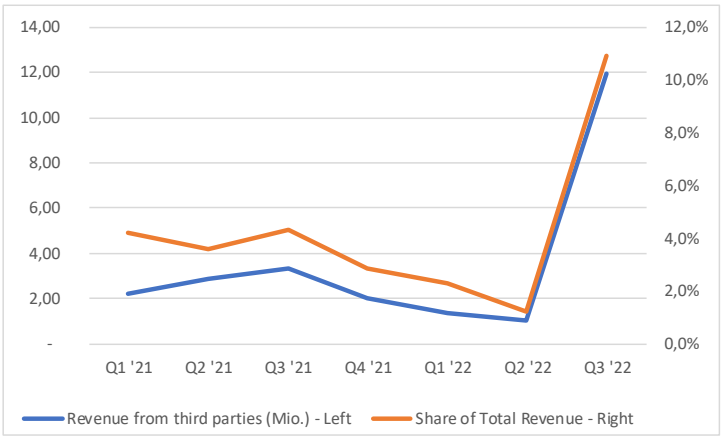



Source: Company data

### Clean Hydrogen segment

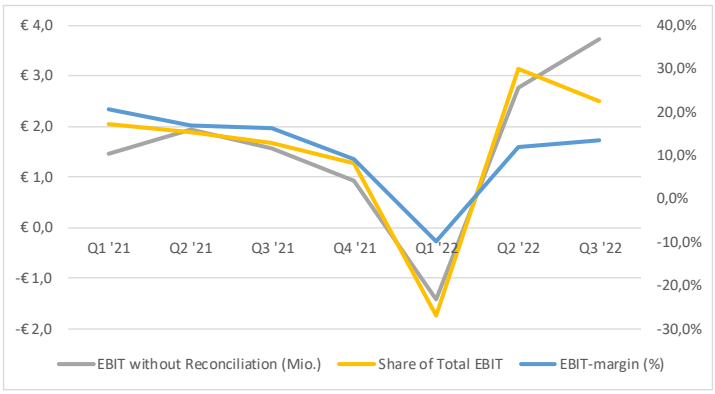
The clean hydrogen segment is the smallest unit in terms of revenue with a share in total revenue of 5.0% and EBIT of 6.0% in LTM (30 Sep. FY22). While the share of segment revenue in total revenues has risen from 4.4% in FY21 to 5.0% in LTM (30 Sep. FY22), the EBIT margin has increased from 13.5% to 15.6% in the same period.

**Clean Hydrogen Segment - Revenue Development**




Source: Company data

**Clean Hydrogen Segment - EBIT Development**

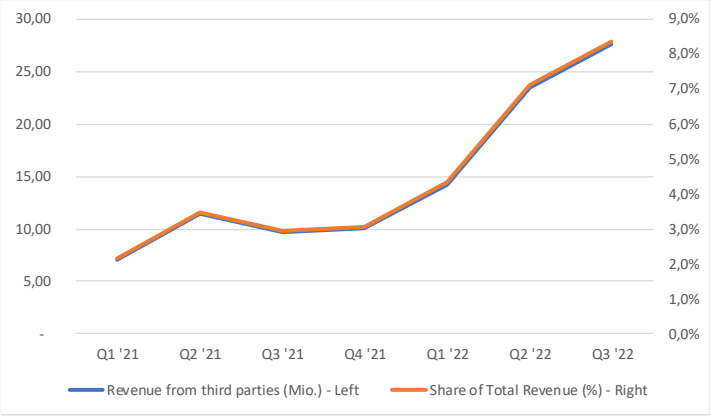



Source: Company data

### Adjacent Opportunities segment

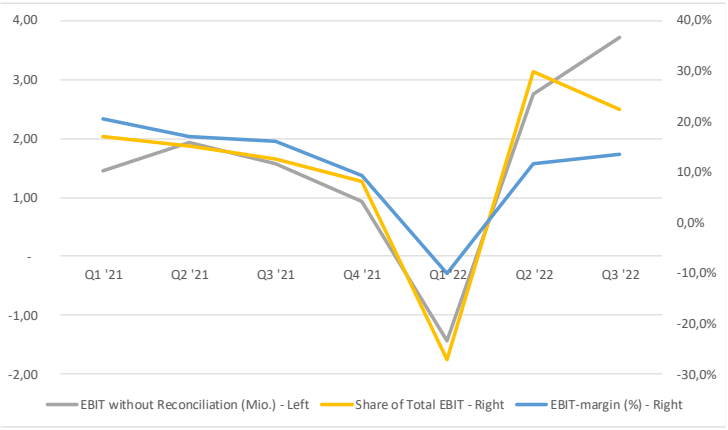
The adjacent opportunities segment had the second largest share in the Group in terms of total revenue from third parties (22.9%) and EBIT without reconciliation (14.1%) in LTM (30 Sep. FY22). The share of segment revenue in total revenues has risen from 11.3% in FY21 to 22.9% in LTM (30 Sep. FY22) and the share of total EBIT has also risen from 10.3% to 14.1%, respectively. But the EBIT margin has declined from 13.1% to 7.9% in the same period.

**Adjacent Opportunities Segment - Revenue Development**




Source: Company data

**Adjacent Opportunities Segment - EBIT Development**




Source: Company data

## Management

**Torben Kleinfeldt** is **CEO** and major shareholder in ALX Beteiligungsgesellschaft, which in turn holds 18% of FVG. Kleinfeldt is therefore significantly committed to ensuring the future growth and success of the company. He is responsible for overall strategy and development. Mr. Kleinfeldt is with FVG since 2001 and has more than 20 years of experience in the critical on-shore energy infrastructure industry.

**Tim Hameister** is **CFO** of FVG, responsible for finance and controlling. Mr Hameister is with the firm since 2019 and has seven years of experience in the energy industry with a particular focus on financial and accounting matters, having worked previously at MBB SE (VP CF) and as head of group accounting at Encavis AG.

**Klaus-Dieter Ehlen** is member of the **Management Board** of FRIEDRICH VORWERK Management SE and responsible for **technologies** and **project management**. Mr Ehlen has been with the firm since 1990.

**Kevin Loots** is member of the **Management Board** of FRIEDRICH VORWERK Management SE and responsible for **sales** and **project management**. Mr Loots has been with the firm since 2005.

**Günter Albers** is **Managing Director** of **Bohlen & Doyen,** a subsidiary of FVG, and responsible for **sales** and **project management**. Mr Albers has been with the firm since 2003.

| | | | | |
|---|---|---|---|---|
|  |  |  |  |  |
| **Torben Kleinfeldt**<br><br>CEO since 2006 | **Tim Hameister**<br><br>CFO since Sep. 2020, formerly with MBB SE (VP CF) and Encavis AG (Head Accounting) | **Klaus-Dieter Ehlen**<br><br>Management Board, Technologies, project management | **Kevin Loots**<br><br>Management Board since Sep. 2017 | **Günter Albers**<br><br>Managing Director since 2017, responsible for Sales and project management |

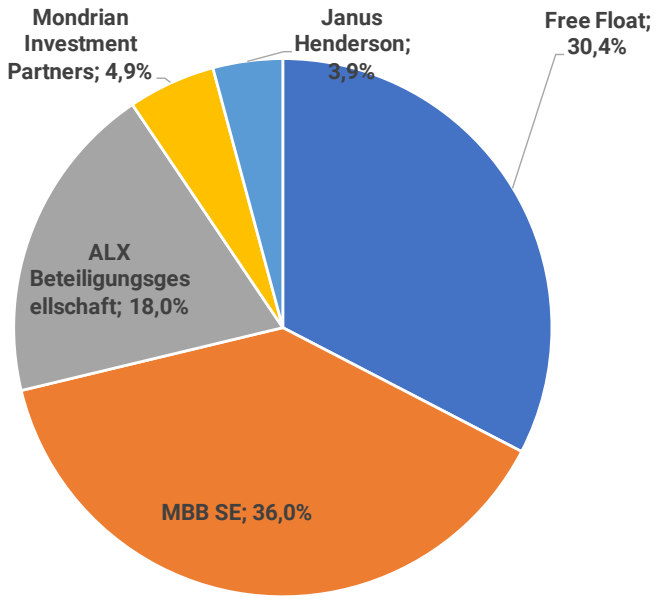
Source: Company data; AlsterResearch

## Shareholders

Private equity group **MBB SE**, is the largest shareholder with a stake of **36%**. MBB was also the largest shareholder before the IPO in 2021 with a stake of 66.67%. Dr Christof Nesemeier is Executive Chairman (Chairman of the Board and Executive Director) as well as founding shareholder of MBB. Dr Nesemeier is also Chairman of the Supervisory Board of FVG and Friedrich Vorwerk Management SE. MBB identifies potential M&A targets, amongst others.

Second largest shareholder is **ALX Beteiligungsgesellschaft mbH** with a stake of **18%**. This is the investment vehicle controlled by the CEO Torben Kleinfeldt.

### Major Shareholders




Source: Company data; AlsterResearch

# Quality

## Customers

FVG's customers are utilities, grid operators, DSOs, industrial companies and municipalities. With its integrated turnkey concept for the conversion and transport of energy, and a range of proprietary components and technologies, FVG is able to offer its customers high-quality and customised solutions from a single source. In this way, FVG enables its customers to operate complex energy grids and systems.

FVG supplies energy infrastructure solutions for **natural gas** projects to a number of leading European transmission system operators (TSOs) and certain energy and industrial companies such as **Gascade, Open Grid Europe and Ontras**.

In the **electricity** segment, FVG provides energy infrastructure solutions for the operation of a number of leading **European TSOs** and certain energy and industrial companies such as **TenneT, Prysmian and ABB**.

FVG is committed to providing clean **hydrogen** energy infrastructure solutions to a number of leading **European TSOs** and certain **energy** as well as **industrial companies**, many of which are long-term customers or buyers of its solutions.

FVG generated 94.7% of sales in Germany, 3.7% in Europe and 1.6% in the rest of the world in FY21. Sales in Europe are likely to increase given the company's acquisition strategy.

| Regional sales split (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Domestic | 176.0 | 278.3 | 264.4 | 305.0 | 335.0 | 379.0 |
| Europe (ex domestic) | 2.9 | 5.0 | 10.4 | 15.0 | 15.0 | 18.0 |
| 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 | 0.4 | 8.6 | 4.2 | 9.0 | 9.0 | 9.0 |
| **Sales** | **179.3** | **291.8** | **279.1** | **329.3** | **358.9** | **405.6** |

Source: Company data; AlsterResearch

## Competition

**Competition in the natural gas segment**

FVG targets the natural gas transmission market with a wide range of solutions and services, including engineering, pipeline construction, plant engineering, turnkey solutions & service, and maintenance. The main competitors in this sector are differentiated by technology.

Relevant competitors in this market include, for example, **Max Streicher, PPS Pipeline Systems, Denys, Anton Mayer or Ludwig Freytag** when it comes to products and services for pipeline construction.

Although all these companies also offer products and services in the field of gas transport infrastructure, this is generally just one of many segments. The other core segments of the main competitors are, for example, building construction and civil engineering, the manufacture of amusement rides or raw and building materials.

In the gas-related plant construction sector, which includes, for example, compressor stations and gas pressure control and measurement systems, FVG sees typical overlaps with competitors in pipeline construction, but it also faces a number of different players. In addition to companies such as **Max Streicher, RMT (Ludwig Freytag) or PPS**, the company also competes with large focused energy technology companies such as **Bilfinger** or smaller local competitors such as **CeH4**.

In the area of service, maintenance and operation, the most important competitors are usually the **TSOs (TenneT, 50Hertz Transmission, Amprion and TransnetBW** in Germany**)** themselves, as they sometimes also operate and maintain their own infrastructure. In addition to the TSOs, FGV also sees companies such as **Spie, Bilfinger, Siemens Energy or Ørsted** as relevant competitors in this area. Finally, the company also sees a number of smaller and more specialised providers, such as **CeH4**, as competitors.

**Competition in the electricity segment**

The TSOs in some cases award the contract to large cable manufacturers (such as **ABB, NKT** or **Prysmian**), who subsequently subcontract the laying of the cable on their behalf. This is why FVG not only has a long history of relationships with most of the TSOs and Distribution system operators (DSOs), but also with the majority of Europe's major cable producers, most of which can be traced back to Bohlen & Doyen.

Between 2015 and 2020, FVG accounted for around 20% of the total length of all relevant German Network Development Plan (NDP) projects with an underground section.

**High competitive quality, high ROCE**

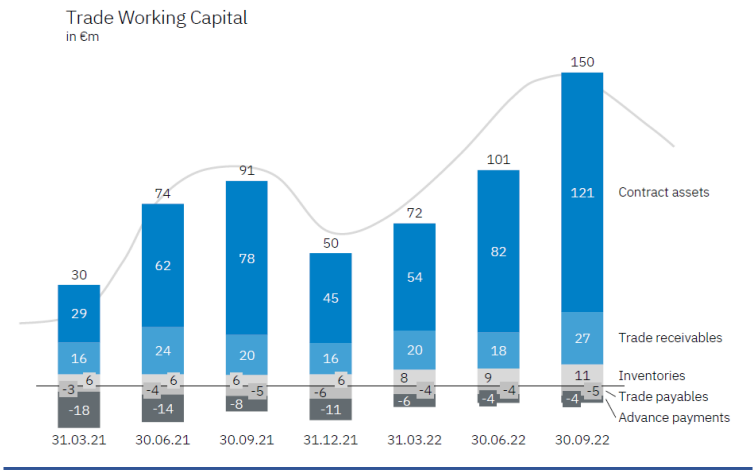
With its outstanding **technological know-how**, excellent **reputation** and **customer relationships**, as well as its **fully integrated business model**, FVG is ideally positioned to benefit in the long term from its core markets of underground gas, hydrogen and power lines and related energy transformation projects (e.g. gas pressure control and metering systems, compressor stations, cavern storage facilities, LNG terminals and substations).

The basis for FVG's good market position in the energy infrastructure sector is its ability to combine components and solutions developed and produced in-house and its own technologies with its strengths as a fully integrated turnkey provider. The resulting competitive quality can be seen in **returns approaching 20%** and thus well above cost of capital.

## Suppliers

Material, labour, transport and energy costs have increased significantly in 2022, which has put pressure on margins. But material, transport and energy costs are coming down already at end of 2022, which will lead to a margin stabilisation in 2023. FVG's trade working capital typically shows a seasonal development, as can be seen in the following graph.

**FVG's Trade Working Capital with Seasonal Development**




*Source: Company data*

Several temporary effects **increased the magnitude of seasonal working capital build-up** by end of Sep. 2022.

- Significant revenue growth
  - Significant revenue growth leads to proportionally higher working capital build up
- Build-up of inventory
  - Planned increase in project inventories to avoid potentially costly project delays or stops due to supply chain issues and to secure lower prices in an inflationary environment
- Pre-financing of select large projects
  - Typical time-lag in invoicing of select very large projects with significant monthly revenues requires temporary pre financing
- Typical milestone-based invoicing process
  - Contractually agreed milestone based invoicing process prevents frequent invoicing process when milestones have not yet been completed

# SWOT analysis

**Strengths**

- state-of-the-art technical expertise and a range of proprietary technologies
- coverage of full value chain (planning & design, construction and service operations)
- integrated turnkey approach allows high-quality single source solutions

**Weaknesses**

- lacks scale to take on larger projects on its own

**Opportunities**

- reorganization of the European energy markets requires enormous investment in energy infrastructure
- numerous growth drivers in Germany (Ukraine war / LNG infrastructure, expansion of renewables incl. green hydrogen and biogas)
- external growth through acquisitions in core markets

**Threats**

- high material and labour costs
- lack of qualified engineers

# Growth

**Overall industrial setting**

Energy supply faces a structural environment of increasing energy demand and the need to significantly reduce carbon dioxide emissions in order to slow the progress of climate change. The European energy transition entails a fundamental reorganisation of European energy markets, which will require enormous investments in existing and new energy infrastructures in the coming years. Germany is especially under pressure to accelerate the energy transition because of the war in Ukraine.

The **Climate Change Act 2021** in Germany for example consists of:

- Mandatory Carbon Reduction Targets by Sector,
- Carbon Emissions Reduction of 65% by 2030 and
- Carbon Neutrality by 2045.

With Germany's gradual phase-out of fossil fuels, renewable energy sources are becoming an increasingly important source of energy and a key factor in the clean energy transition.

The German Association of Energy and Water Industries (BDEW) estimates that the energy industry is one of the sectors with the highest investment in Germany, with more than EUR 320bn forecast by 2030. In comparison, companies in the energy industry invested EUR 20.5bn in 2021. The following table gives an overview of investment in the energy sector in Germany for 2021 und estimates for 2022. The largest investments are done by the power supply companies (EUR 15.4bn), followed by gas suppliers (EUR 3.1bn) and by district heating suppliers (EUR 1.6bn).

**Investments in the German Energy Sector**

| Investment Purpose | Amount in 2021 | Amount in 2022(E) |
|---|---|---|
| **Investments in the Geman Energy Sector** | **EUR 20.1bn** | **EUR 21.1bn** |
| **Power Supply Companies** | **EUR 15.4bn** | **EUR 16.1bn** |
| Electricity Generation Plants | EUR 4.3bn | EUR 4.5bn |
| Transmission and distribution facilities | EUR 9.9bn | EUR 10.2bn |
| Measuring points, IT and others | EUR 1.2bn | EUR 1.4bn |
| **Gas Supply Companies** | **EUR 3.1bn** | **EUR 3.3bn** |
| Expansion and Repair of the Pipe Network | EUR 2.6bn | EUR 2.7bn |
| Exploratory drilling, gas processing, gas storage | EUR 0.5bn | EUR 0.6bn |
| **District Heating/Cooling Supply** | **EUR 1.6bn** | **EUR 1.7bn** |

Source: BDEW, AlsterResearch estimates

The 2030 target of 65% renewables in the power mix would require 117 GW new green power capacity, and new policies like the hydrogen strategy would increase demand for electricity.

**Growth in the Gas Segment**

Germany continues to focus on a number of key measures to transform the natural energy supply. These include the massive expansion and rehabilitation of the natural gas infrastructure to ensure the security of energy supply in the course of the decided phase-out of nuclear and coal power. Even a temporary extension of the operating times of German coal and nuclear power plants in the wake of the Russian war against Ukraine will not be able to change the fundamental need for the expansion of the natural gas infrastructure.

A portion of the German gas market is supplied with low-calorific gas (L-gas). The L-gas comes entirely from production in Germany and the Netherlands. The decline

in German domestic production and strongly declining supplies from the Netherlands lead to a lower availability of L-gas on the German market, both in terms of the annual volumes available in Germany and the injection capacities. Thus there needs to be a gradual conversion from L-gas to high-calorific gas (H-gas). The various international pipeline connections are another important area of investment for the transmission system operators in the gas sector. Expansion investments of around EUR 9.0bn are expected to flow into the German gas transmission network by 2030.

According to the preliminary Network Development Plan Gas (NEP) 2022-2032, additional investments of EUR 4.2bn are estimated for the LNG infrastructure in Germany until the end of 2032, as shown in the following table.

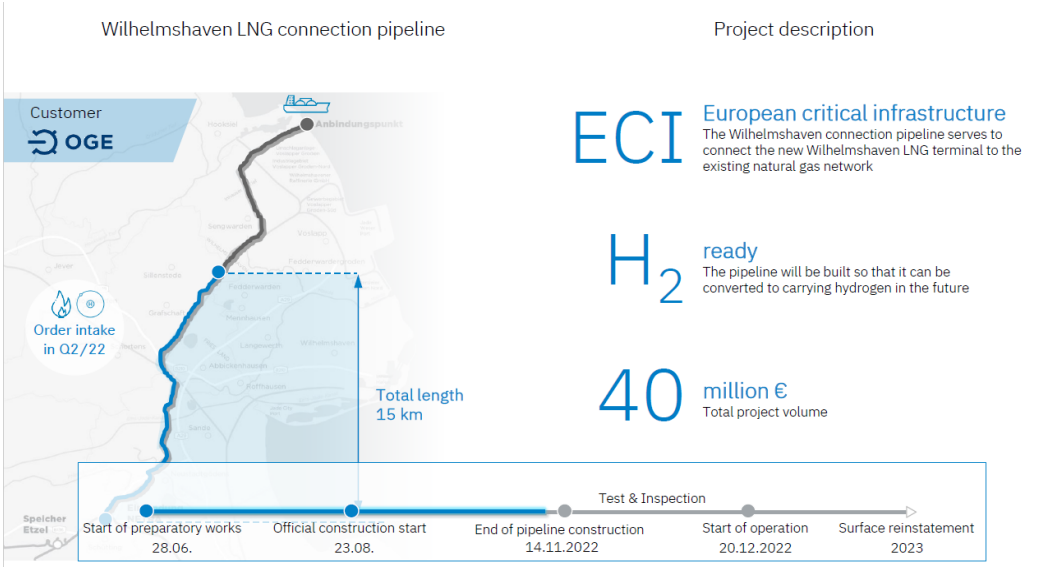
**LNG Infrastructure Investment Plans in Germany**

| | |
|---|---|
| Pipeline (km) | 805 |
| Compressor stations (additional capacity and necessary reversals) [MW] | 175 |
| Investments (in EUR bn) | 4,2 |
| Network expansion measures from the NDP 2020-2030 (without LNG) | 1,8 |
| LNG measures | 1,9 |
| Further new network expansion from the NDP 2022-2032 | 0,4 |

Source: FNB Gas

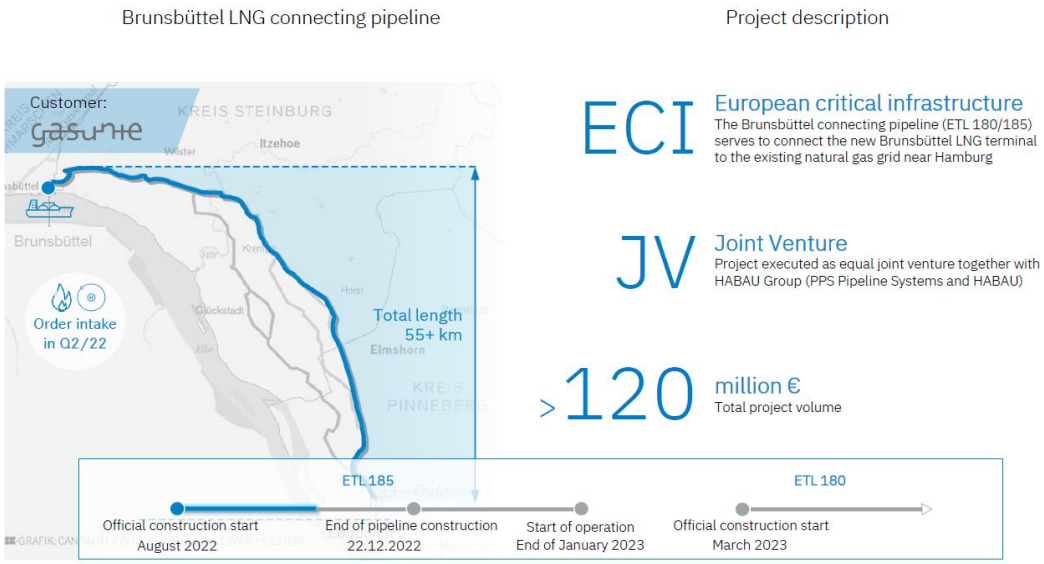
FVG is already making an important contribution to the secure energy supply of Germany as an industrial location by realising parts of the connection pipelines of the LNG terminals in Wilhelmshaven (operation has started 22 Dec. '22) and Brunsbüttel, which will enable the import of LNG and thus reduce dependence on Russian gas in the near future. The following two graphs provide a good overview of the projects.

**Wilhelmshaven LNG connection pipeline**




Source: Company data

**LNG connection line in Brunsbüttel**




Source: Company data

However, floating LNG terminals should only be a transitional solution. The decision-makers are now considering pressing ahead with the planning and construction of stationary terminals, which in the future can also be used as hydrogen terminals. With the perspective of the hydrogen economy, LNG terminals are an essential building block for a successful energy transition.

**Growth in the Electricity Segment**

With the passing of the Energy Line Expansion Act in 2015, the legal framework for the rapid expansion of underground power lines was created, which led to new projects for the laying of underground cables.

The table below shows the total investment volumes as presented in the electricity industry's network development plans (NDP) since 2013 in Germany.

**Total Investment Volumes by the Network Development Plans Electricity**

| Year | NDP Investment Volume |
|---|---|
| NDP 2013-2023 | EUR 22bn |
| NDP 2014-2024 | EUR 21-26bn |
| NDP 2015-2025 | EUR 30-34bn |
| NDP 2020-2030 | EUR 61bn |
| NDP 2025-2035 | EUR 72-77bn |

Source: Company data

As shown in the table above, the four TSOs foresee a total investment volume of around EUR 61bn by 2030 based on the NDP 2020-2030.

They include a minimum of 3,780 kilometres of cross-border high-voltage direct current transmission lines (HVDC) with a total investment volume of around EUR 28.5bn by 2030.

The table below shows the total investment volume divided between the expansion and modernisation of the Direct Current (DC) and Alternating Current (AC) transmission grids from 2019 to 2030, including the landfall of offshore wind farm connections and the construction of the necessary substations.

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| Investment for Expansion/Upgrade of Transmission Grids | | |
|---|---|---|
| | Investment volume | Grid length |
| DC-Grids expansion | EUR 28.5bn | 3,780km |
| DC-Grid enhancements | EUR 1.5bn | 340km |
| AC-Grid expansion | > EUR 20bn | > 1,030km |
| AC-Grid enhancements | EUR 11bn | > 6,330km |
| **Total** | **> EUR 61bn** | **> 11,840km** |

Source: Company data, NDP Electricity 2030

The biggest and most significant high-voltage direct current (HVDC) projects, which also account for the bulk of the investments in the DC grid, are generally known as "electricity highways". The primary objective of the three high-voltage lines, with a planned total length of over 1,500km, is to expand north-south transmission capacity and to balance the increasing imbalance between electricity generation in the north and the growing demand in the south, as can be seen in the following table.

| Investment in DC Grid | | | | | |
|---|---|---|---|---|---|
| | Technical date | TSOs | Length | Planned completion | Investment volume |
| A-Nord | DC, 2 GW, 380 kV | Amprion | 300km | 2025 | EUR 2bn |
| SuedOstLink | DC, 2 GW, 525 kV | 50 hertz, TenneT | 539km | 2025 | EUR 5bn |
| Suedlink | DC, 4 GW, 525 kV | TenneT, TransnetBW | Route 2: 684km; Route 3: 532km | 2026 | EUR 10bn |

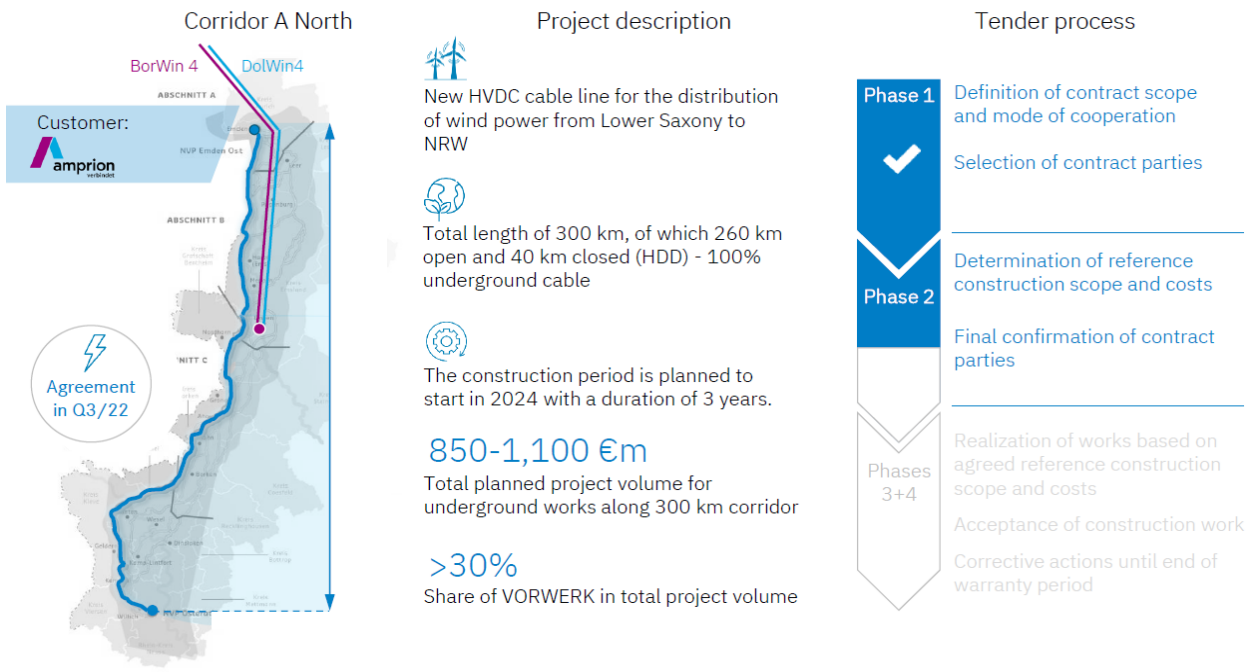
Source: Company data

Nearly all of the DC grid expansion projects described above are expected to be built as underground power lines by law, which is why FVG considers them to be fundamentally addressable by itself due to its long-standing core competence for complex underground energy infrastructures. This corresponds to an addressable market of around EUR 30bn by 2030.

Given that the currently planned and approved DC connections described above have an estimated investment volume of at least EUR 17bn and are scheduled for completion by 2026 at the latest, FVG expects, on the basis of the Grid Development Plan (NDP Electricity 2030), that the total addressable market volume of EUR 30bn will be distributed relatively evenly over the first and second halves of the periods up to 2030 respectively.

The commissioning of the second and now exclusive project phase for the realisation of the new A-North direct current link by the transmission grid operator Amprion is particularly positive. In the second project phase, the reference construction target and the associated reference costs are to be determined. In the event of a successful agreement as well as a subsequent commissioning of the next project phase by Amprion, a **total contract volume** for the total of eight parties in the order of **EUR 850m to 1,100m** is expected, in which **FVG would have a share of at least 30%.** The following graph gives an overview of one of Germany's largest cable project.

## Cable Project - Corridor A North




Source: Company data

**Growth in the Hydrogen Segment**

In order to achieve the goals of the European hydrogen strategy, a total investment volume including production of up to EUR 430bn is expected by 2030. The creation of the European hydrogen backbone with a length of approx. 40,000km is expected to require up to EUR 81bn.

Investments in the operation of hydrogen networks in Germany are estimated at EUR 2.3-2.8bn from 2022 to 2027 and EUR 8.1-10.2bn by the end of 2032. The following table provides an overview of the investment plans for hydrogen.

**Planned Investments in German Hydrogen Network Operations**

| | 2022-2027 | 2022-2032 |
|---|---|---|
| Mainline compressor | 0-25 MW | 0-245 MW |
| Lead compressor | 0 MW | 0-100 MW |
| Pipelines | 2,900-3,000 km | 7,600-8,500 km |
| **Investments** | **EUR 2.3-2.3bn** | **EUR 8.1-10.2bn** |

Source: FNB Gas

**Growth in Adjacent Opportunities Segment**

District heating is expected to account for at least 30% of heat generation in the building sector in Germany by 2030. For the expansion and refurbishment of the district heating networks in Germany, a significant investment requirement of EUR 33bn and a number of other major projects are expected by 2030.

With its broad service and technology portfolio and decades of experience in the planning and realisation of district heating projects, not least through the acquisition of Gottfried Puhlmann, FVG believes it is ideally positioned in this market, which we agree on.

The following table provides historical sales, EBIT and margin numbers as well as growth estimates. FVG expects sales of more than EUR 320m (eAR: EUR 329.3m) and an adjusted EBIT margin of 13-15% for FY22, which we think is achievable. Adjustments primarily refer to IPO related costs.

| Growth table (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Sales | 179.3 | 291.8 | 279.1 | 329.3 | 358.9 | 405.6 |
| Sales growth | Infinity% | 62.7% | -4.4% | 18.0% | 9.0% | 13.0% |
| EBIT | 33.8 | 47.5 | 41.4 | 45.0 | 49.9 | 58.5 |
| EBIT margin | 18.9% | 16.3% | 14.8% | 13.7% | 13.9% | 14.4% |
| Net profit | 28.4 | 30.6 | 26.8 | 27.3 | 29.0 | 34.2 |

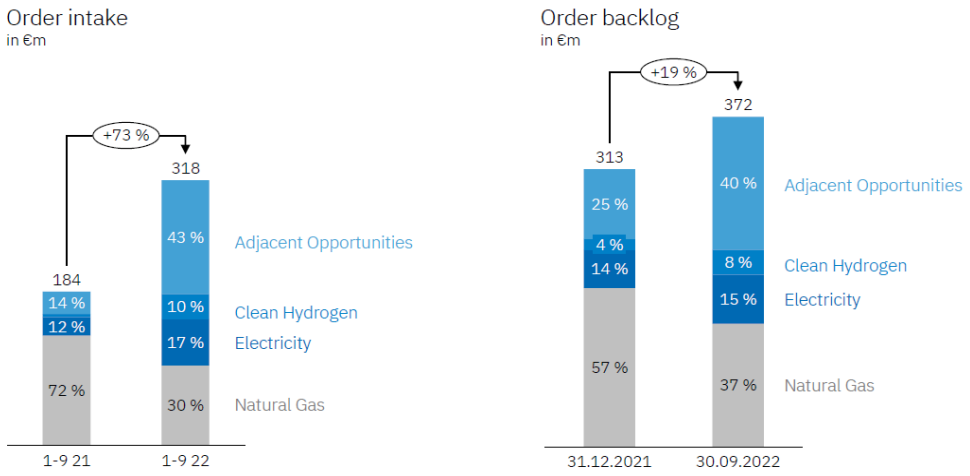
Source: Company data; AlsterResearch

**Record-level Order Backlog provides Strong Basis for further Growth**

The order backlog reached the third highest level in the company's history in Q3 2022 with EUR 372m, as can be seen in the next table. Adjacent Opportunities Segment has the largest share of order backlog as of 30 Sep. 2022 with 40.0%, followed by Natural Gas (37.0%), Electricity (15.0%) and Clean Hydrogen (8.0%). Demand for the services of FVG has grown in the wake of energy policy developments, while at the same time a trend towards more integrated and complex large-scale projects is emerging. FVG's record level order backlog provides excellent visibility and a strong basis for further growth.

Order intake in Q3 2022 reached EUR 65,8m. Adjacent Opportunities Segment had a 43% (14%) share of total order intake in 9M 2022 (9M 2021), followed by Natural of 30% (72%), Electricity of 17% (12%) and Clean Hydrogen of 10% (2%), respectively.

**Record-level Order Backlog provides excellent Visibility and a Strong Basis for further Growth**




Source: Company data

**Growth in Sales and EBIT in 9M FY22 in challenging macroeconomic environment**

In this challenging macroeconomic environment, FVG was able to increase its turnover by 23.8% to EUR 258.7m in 9M FY22 vs. the previous year period. A significant contribution to this development was made on the one hand by the recently acquired LNG pipeline in Wilhelmshaven, where very good construction progress was made, and on the other hand by a further acceleration of the major projects started at the beginning of the year.

Income from equity investments increased significantly yoy to EUR 10.4m (previous year: EUR 3.9m), which is attributable to FVG's participation in joint ventures as part of several major projects.

The cost of materials increased to EUR 119.2m (previous year: EUR 81.8m). The cost of materials ratio rose to 46.1% from 39.1% in the previous year.

The increase is mainly due to a change in the composition of the order backlog with a higher proportion of materials and subcontractors compared with the prior-year period. In addition, the cost of materials increased as a result of in some cases significantly higher material prices and higher energy costs, which could not be passed on in full to the customers.

Adjusted personnel expenses of EUR 89.0 were up 24.8% on the previous year of EUR 71.4m. However, at 34.4%, the personnel expense ratio is slightly lower than in the previous year of 35.5%. The increase in personnel expenses is mainly due to the yoy increase in the number of employees (+19%) and to wage and salary increases. Adjusted overheads increased moderately by 15.3% to EUR 22.7m in the reporting period from EUR 19.6m in the previous year.

Adj. EBITDA remained almost constant at EUR 43.0m in 9M FY22. Following a decline in profitability in 1H FY22 due to integration measures at the Gottfried Puhlmann Group and the aforementioned cost increases in the areas of materials, energy and personnel, profitability increased significantly in Q3 FY22. At EUR 20.7m, adj. EBITDA in Q3 FY22 was thus 32.8% higher than in Q3 FY21 of EUR 15.6m. The adjustments relate to the previous year and consist of expenses totalling EUR 3.2m attributable to the IPO.

Adjusted EBIT in 9M FY22 amounted to EUR 31.1m, which corresponds to an EBIT margin of 12% and thus a slight decrease of EUR 2.5m compared to the same period last year. In Q3 FY22, the recovery in profitability that had already begun in Q2 continued with an EBIT margin of 14.3 %.

Adjusted Group earnings after minority interests amounted to EUR 19.6m in 9M FY22 (prior-year period: EUR 21.1m) or EUR 0.98 per share (previous year: EUR 1.09 per share).

| P&L data | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 |
|---|---|---|---|---|---|---|---|---|
| Sales | 69.9 | 52.5 | 80.1 | 76.3 | 70.1 | 58.4 | 84.4 | 115.9 |
| yoy growth in % | na | -16.1% | 6.3% | -9.1% | 0.4% | 11.1% | 5.4% | 52.0% |
| Gross profit | 48.4 | 37.6 | 46.1 | 43.4 | 44.6 | 37.4 | 48.9 | 53.3 |
| Gross margin in % | 69.2% | 71.6% | 57.5% | 57.0% | 63.6% | 64.0% | 57.9% | 46.0% |
| EBITDA | 19.3 | 5.3 | 16.0 | 15.6 | 14.3 | 5.9 | 13.2 | 27.1 |
| EBITDA margin in % | 27.6% | 10.1% | 20.0% | 20.5% | 20.5% | 10.1% | 15.7% | 23.4% |
| EBIT | 16.2 | 2.3 | 12.8 | 12.3 | 10.9 | 2.0 | 9.1 | 22.9 |
| EBIT margin in % | 23.1% | 4.4% | 15.9% | 16.2% | 15.5% | 3.5% | 10.8% | 19.8% |
| EBT | 14.5 | 4.6 | 11.5 | 11.2 | 9.8 | 4.5 | 8.2 | 15.0 |
| taxes paid | 6.7 | 2.3 | 3.5 | 3.0 | 1.6 | 1.4 | 2.4 | 4.5 |
| tax rate in % | 46.5% | 49.7% | 30.4% | 27.2% | 15.9% | 31.0% | 29.2% | 30.2% |
| net profit | 7.7 | 2.4 | 8.0 | 8.1 | 8.3 | 3.3 | 5.8 | 10.3 |
| yoy growth in % | na | -22.8% | 19.0% | -37.8% | 7.1% | 37.7% | -27.2% | 28.0% |
| **EPS** | **0.39** | **0.12** | **0.40** | **0.40** | **0.46** | **0.17** | **0.29** | **0.52** |

Source: Company data; AlsterResearch

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 40.95 per share**:

**Top-line growth**: We expect Friedrich Vorwerk Group SE to grow revenues at a CAGR of 9.6% between 2022E and 2029E. The long-term growth rate is set at 2.0%.

**ROCE**. Returns on capital are developing from 19.4% in 2022E to 20.7% in 2029E.

**WACC**. Starting point is a historical equity beta of 1.40. Unleverering and correcting for mean reversion yields an asset beta of 1.21. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 14.7%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 1.0 this results in a long-term WACC of 9.2%.

| DCF (EURm) (except per share data and beta) | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | Terminal value |
|---|---|---|---|---|---|---|---|---|---|
| NOPAT | 29.3 | 32.4 | 38.0 | 44.8 | 49.5 | 53.4 | 56.3 | 59.3 | |
| Depreciation & amortization | 16.9 | 16.2 | 16.5 | 17.3 | 18.6 | 20.2 | 21.8 | 23.5 | |
| Change in working capital | 4.2 | 4.9 | 6.7 | 9.9 | 2.8 | 2.9 | 1.9 | 1.7 | |
| Chg. in long-term provisions | 3.6 | 2.0 | 3.2 | 5.0 | 3.3 | 2.9 | 2.3 | 1.6 | |
| Capex | -16.5 | -17.9 | -20.3 | -23.9 | -26.3 | -28.4 | -30.1 | -31.3 | |
| Cash flow | 37.5 | 37.6 | 44.1 | 52.9 | 47.9 | 50.9 | 52.3 | 54.8 | 773.9 |
| Present value | 37.7 | 34.6 | 37.2 | 40.8 | 33.8 | 32.9 | 31.0 | 29.7 | 419.9 |
| WACC | 9.1% | 9.2% | 9.2% | 9.2% | 9.2% | 9.2% | 9.2% | 9.2% | 9.2% |

| DCF per share derived from | |
|---|---|
| Total present value | 697.6 |
| Mid-year adj. total present value | 729.0 |
| Net debt / cash at start of year | -80.3 |
| Financial assets | 12.4 |
| Provisions and off b/s debt | 2.7 |
| Equity value | 819.0 |
| No. of shares outstanding | 20.0 |
| **Discounted cash flow / share** | **40.95** |
| **upside/(downside)** | **95.0%** |
| **Share price** | **21.00** |

| DCF avg. growth and earnings assumptions | |
|---|---|
| Planning horizon avg. revenue growth (2022E-2029E) | 9.6% |
| Terminal value growth (2029E - infinity) | 2.0% |
| Terminal year ROCE | 20.7% |
| Terminal year WACC | 9.2% |

| Terminal WACC derived from | |
|---|---|
| Cost of borrowing (before taxes) | 5.0% |
| Long-term tax rate | 25.0% |
| Equity beta | 1.40 |
| Unlevered beta (industry or company) | 1.21 |
| Target debt / equity | 1.0 |
| Relevered beta | 2.11 |
| Risk-free rate | 2.0% |
| Equity risk premium | 6.0% |
| Cost of equity | 14.7% |

**Sensitivity analysis DCF**

| Change in WACC (%-points) | Long term growth 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
|---|---|---|---|---|---|
| 2.0% | 32.0 | 32.7 | 33.6 | 34.6 | 35.6 |
| 1.0% | 34.7 | 35.7 | 36.8 | 38.1 | 39.5 |
| 0.0% | 38.1 | 39.4 | 40.9 | 42.7 | 44.7 |
| -1.0% | 42.4 | 44.3 | 46.4 | 48.9 | 51.9 |
| -2.0% | 48.2 | 50.8 | 54.0 | 57.8 | 62.5 |

| Share of present value | |
|---|---|
| 2022E-2025E | 21.5% |
| 2026E-2029E | 18.3% |
| terminal value | 60.2% |

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 32.16 per share based on 2022E and EUR 57.91 per share on 2026E 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 | 2022E | 2023E | 2024E | 2025E | 2026E |
|---|---|---|---|---|---|
| **EBITDA** | **61.9** | **66.0** | **75.0** | **86.2** | **94.8** |
| - Maintenance capex | 16.1 | 16.2 | 16.5 | 17.3 | 18.6 |
| - Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - tax expenses | 14.7 | 15.6 | 18.4 | 21.7 | 24.0 |
| **= Adjusted FCF** | **31.1** | **34.2** | **40.1** | **47.2** | **52.2** |
| | | | | | |
| **Actual Market Cap** | **420.0** | **420.0** | **420.0** | **420.0** | **420.0** |
| + Net debt (cash) | -111.8 | -140.6 | -175.1 | -216.7 | -251.6 |
| + Pension provisions | 3.3 | 3.6 | 4.1 | 4.8 | 5.3 |
| + Off B/S financing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Financial assets | 12.4 | 12.4 | 12.4 | 12.4 | 12.4 |
| - Acc. dividend payments | 3.9 | 9.4 | 15.2 | 22.0 | 30.1 |
| *EV Reconciliations* | -124.8 | -158.7 | -198.6 | -246.3 | -288.7 |
| **= Actual EV'** | **295.2** | **261.3** | **221.4** | **173.7** | **131.3** |
| | | | | | |
| **Adjusted FCF yield** | **10.5%** | **13.1%** | **18.1%** | **27.2%** | **39.7%** |
| base hurdle rate | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| ESG adjustment | 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** | **518.4** | **570.4** | **668.0** | **786.5** | **869.5** |
| *- EV Reconciliations* | -124.8 | -158.7 | -198.6 | -246.3 | -288.7 |
| **Fair Market Cap** | **643.3** | **729.2** | **866.6** | **1,032.7** | **1,158.2** |
| | | | | | |
| No. of shares (million) | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| **Fair value per share in EUR** | **32.16** | **36.46** | **43.33** | **51.64** | **57.91** |
| **Premium (-) / discount (+)** | **53.2%** | **73.6%** | **106.3%** | **145.9%** | **175.8%** |

| Sensitivity analysis FV | | | | | | |
|---|---|---|---|---|---|---|
| **Adjusted hurdle rate** | 4.0% | 45.1 | 50.7 | 60.0 | 71.3 | 79.6 |
| | 5.0% | 37.3 | 42.2 | 50.0 | 59.5 | 66.6 |
| | **6.0%** | **32.2** | **36.5** | **43.3** | **51.6** | **57.9** |
| | 7.0% | 28.5 | 32.4 | 38.6 | 46.0 | 51.7 |
| | 8.0% | 25.7 | 29.3 | 35.0 | 41.8 | 47.0 |

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 6.0%. 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

A peer group analysis has been conducted using other national and international energy firms. Given that FVG differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a "proxy only".

The following table gives an overview of FVG's peer group:

| | Company name | EV/Sales | | | EV/EBITDA | | | EV/EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| RMT:IN | | | | | | | | | | |
| GBF:SW | | | | | | | | | | |
| SPIE:FP | Spie SA | 0,7x | 0,7x | 0,7x | 8,1x | 7,9x | 7,6x | 12,3x | 11,9x | 11,2x |
| ENR:GR | Siemens Energy AG | 0,3x | 0,3x | 0,2x | 4,3x | 3,0x | 2,5x | 16,2x | 6,6x | 4,9x |
| ORSTED:DC | Oersted A/S | 3,0x | 3,7x | 3,5x | 9,9x | 12,3x | 11,0x | 14,5x | 21,5x | 18,4x |
| GLO:LN | Contourglobal PLC | 3,7x | 3,7x | 3,9x | 6,9x | 7,0x | 8,0x | 12,5x | 13,1x | 16,8x |
| 2GB:GR | 2G Energy AG | 1,4x | 1,4x | 1,2x | 16,3x | 14,6x | 11,4x | 19,6x | 16,8x | 12,8x |
| WAH:GR | Wolftank Adisa Holding AG | 0,8x | 0,7x | 0,6x | 12,1x | 9,0x | 6,7x | 34,7x | 16,8x | 9,7x |
| F3C:GR | SFC Energy AG | 4,5x | 3,4x | 2,2x | 34,4x | 32,5x | 17,0x | 67,4x | 72,8x | 27,9x |
| D7G:SW | Nel ASA | 19,0x | 11,5x | 7,1x | -24,7x | -31,7x | -54,9x | -20,1x | -24,4x | -33,1x |
| TECO:NO | Teco 2030 ASA | 162,3x | 27,3x | 2,1x | -29,6x | -19,8x | 14,5x | -24,7x | -16,6x | 43,6x |
| MPCES:NO | MPC Energy Solutions NV | 1,4x | 0,3x | 0,2x | -1,7x | 0,7x | 0,3x | -1,1x | 3,9x | 0,7x |
| 59FE:GR | Fluxys Belgium NV | 3,6x | 3,6x | 3,6x | 6,5x | 6,5x | 6,4x | 14,9x | 15,0x | 15,1x |
| SRG:IM | Snam SpA | 8,8x | 8,9x | 8,2x | 13,3x | 13,3x | 11,9x | 21,7x | 22,0x | 18,8x |
| QAT2:GR | Stabilis Solutions Inc | 1,5x | 1,4x | 1,0x | 17,2x | 11,2x | 5,6x | -65,5x | 1288,8x | 15,1x |
| KEU1:GR | EQTEC PLC | 4,1x | 1,1x | 0,6x | -10,8x | 15,2x | 4,1x | -9,2x | 15,9x | 3,5x |
| | **Median** | **3,3x** | **2,4x** | **1,7x** | **7,5x** | **8,4x** | **7,1x** | **13,5x** | **15,5x** | **14,0x** |
| | **Mean** | **15,4x** | **4,8x** | **2,5x** | **4,4x** | **5,8x** | **3,7x** | **6,7x** | **104,6x** | **11,8x** |
| VH2:GR | Friedrich Vorwerk Group SE | 0,9x | 0,8x | 0,6x | 5,0x | 4,2x | 3,3x | 6,8x | 5,6x | 4,2x |
| VH2:GR | Friedrich Vorwerk Group SE | 1,4x | 1,2x | 1,1x | 8,1x | 6,6x | 5,7x | 11,0x | 8,9x | 7,6x |

Source: FactSet Estimates; AlsterResearch

| | Company name | P/E Ratio | | | P/BV | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| RMT:IN | | | | | | | |
| GBF:SW | | | | | | | |
| SPIE:FP | Spie SA | 13,6x | 12,8x | 12,0x | 2,2x | 2,1x | 1,9x |
| ENR:GR | Siemens Energy AG | 37,6x | 16,8x | 10,6x | 0,9x | 0,8x | 0,8x |
| ORSTED:DC | Oersted A/S | 16,5x | 29,6x | 25,7x | 3,4x | 3,0x | 2,9x |
| GLO:LN | Contourglobal PLC | 21,8x | 21,8x | 38,1x | 11,3x | 13,9x | 38,1x |
| 2GB:GR | 2G Energy AG | 28,8x | 25,2x | 19,1x | 4,0x | 3,9x | 3,3x |
| WAH:GR | Wolftank Adisa Holding AG | 61,2x | 19,8x | 17,8x | 4,1x | 3,7x | 3,1x |
| F3C:GR | SFC Energy AG | 411,5x | 80,7x | 42,2x | 4,0x | 4,0x | 3,6x |
| D7G:SW | Nel ASA | -31,2x | -31,4x | -45,3x | 3,4x | 3,7x | 3,8x |
| TECO:NO | Teco 2030 ASA | -6,2x | -4,2x | 3,8x | 15,6x | 8,1x | 10,1x |
| MPCES:NO | MPC Energy Solutions NV | -0,4x | -0,6x | 0,8x | 0,0x | 0,0x | 0,0x |
| 59FE:GR | Fluxys Belgium NV | 20,0x | 19,6x | 19,6x | 2,3x | 2,3x | 2,3x |
| SRG:IM | Snam SpA | 13,2x | 14,7x | 13,4x | 2,0x | 2,1x | 2,0x |
| QAT2:GR | Stabilis Solutions Inc | -39,7x | -112,5x | 20,5x | | | |
| KEU1:GR | EQTEC PLC | -0,1x | | 3,6x | | | |
| | **Median** | **15,1x** | **16,8x** | **15,6x** | **3,4x** | **3,3x** | **3,0x** |
| | **Mean** | **39,0x** | **7,1x** | **13,0x** | **4,4x** | **4,0x** | **6,0x** |
| VH2:GR | Friedrich Vorwerk Group SE | 15,3x | 14,3x | 12,2x | 2,4x | 2,1x | 1,8x |
| VH2:GR | Friedrich Vorwerk Group SE | 15,7x | 12,4x | 10,8x | | 0,1x | 0,1x |

Source: FactSet Estimates; AlsterResearch

### National and international peers

**SPIE SA** provides multi-technical services in the areas of energy and communication. It provides technical engineering solutions for buildings, integrated ICT solutions, including IT consulting, integration, and maintenance, electrical, mechanical, HVAC engineering services, and operation and maintenance of real estate and facilities. The company also offers oil and gas services, including

exploring and investigating new fields, buildings and operating facilities, and optimizing production. SPIE was founded in 1900 and is headquartered in France.

**Siemens Energy AG** operates as an energy technology company worldwide. It operates in two segments, Gas and Power; and Siemens Gamesa Renewable Energy. The company provides gas and steam turbines, generators, gas engines, instrumentation and controls, and electrical systems, and professional consulting services for central and distributed power generation; and transformers, air and gas-insulated switchgears, AC transmission systems, offshore windfarm grid connections, and high voltage direct current transmission systems.

**Orsted** A/S provides utility services. The Company engages in the development, construction, and operation of offshore wind farms, as well as generates power and heat from power stations.

**ContourGlobal PLC** operates as power generation company. The Company owns, manages, and generates electricity through wind, solar, and hydro power plants.

**2G Energy AG** develops, produces, and installs combined heat and power (CHP) plants in a range of 20 kW to 4 MW. 2G's plants run on natural gas, biogas, landfill gas, sewage gas, and hydrogen, which supply electricity and heat to residential and public buildings, industrial and commercial enterprises, municipal utilities, and the big utilities.

**Wolftank-Adisa Holding AG** is the parent company of an international group of companies focusing on environmental protection services for polluted soil, facilities and water, remediation and monitoring of (large) tank facilities, as well as full-service engineering & construction services for (Hydrogen/LNG) tank facilities.

**SFC Energy AG** develops, produces and markets fuel cells. The cells provide power for leisure and recreational activities, electric vehicles, remote industrial applications and mobile and stationary defense applications.

**NEL ASA** is a global supplier of hydrogen technology for industrial/energy purposes. The Company's main products are hydrogen production plants based on water electrolysis, complete hydrogen stations for transport and renewable energy storage solutions.

**TECO 2030 ASA** operates as an engineering and equipment development company. The Company designs and develops green marine technology to reduce the marine environmental footprint. TECO 2030 serves customers in Norway, Singapore, and the United States.

**MPC Energy Solutions N.V**. develops, constructs, owns, and operates renewable energy projects. The Company focuses on low-carbon energy infrastructure, including solar and wind assets, and other hybrid and energy solutions.

**Fluxys Belgium** operates and develops a natural gas transport network in Belgium. The network comprises pipeline, storage facilities, and a terminal for liquefied natural gas. Fluxys serves industrial sites, local distribution companies, and power producers. The Company also offers hub to gas flow management services.

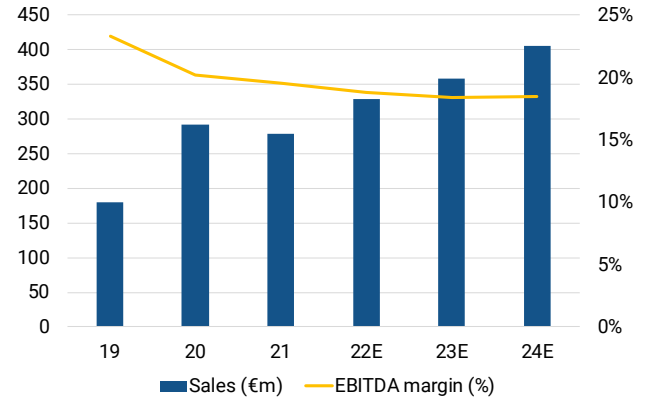
**Snam S.p.A.** owns and operates Italy's natural-gas distribution network. The Company transports gas on behalf of importers, distributors, and companies supplying Italian households. Snam owns a network of high-and medium-pressure pipes, including trunk lines connected to production and importation sites in Italy.

**Stabilis Solutions**, Inc. provides integrated LNG fuelling solutions. The Company specializes in the production and distribution of liquefied natural gas (LNG), as well as offers technical support services. Stabilis Solutions operates in North America.

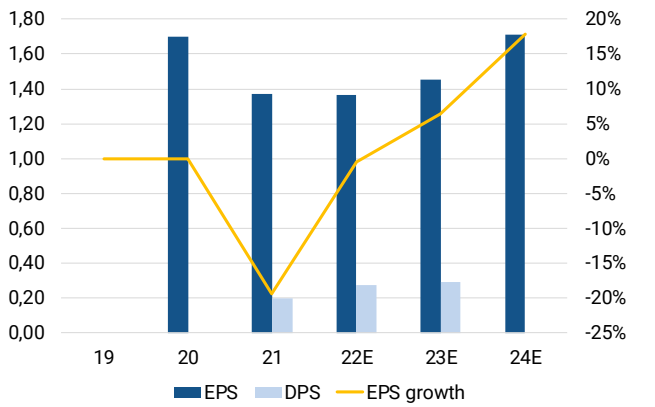
**EQTEC Public Limited Company** operates as a waste to energy company. The Company provides advanced gasification technology to generate safe, clean energy, and biofuels from nearly 60 different kinds of feedstock including municipal, agricultural and industrial waste, biomass, and plastics. EQTEC serves customers in the UK, the US, and across Europe.

# Financials in six charts

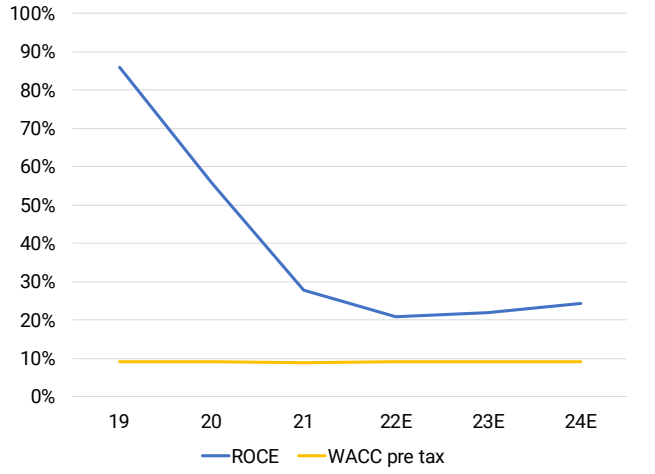
### Sales vs. EBITDA margin development



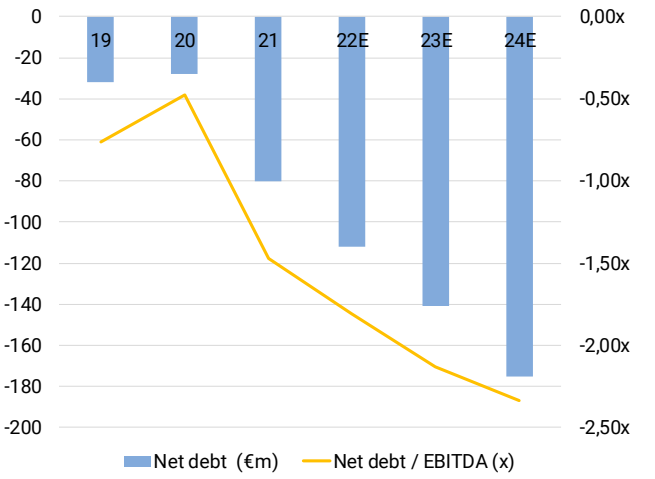

### EPS, DPS in EUR & yoy EPS growth



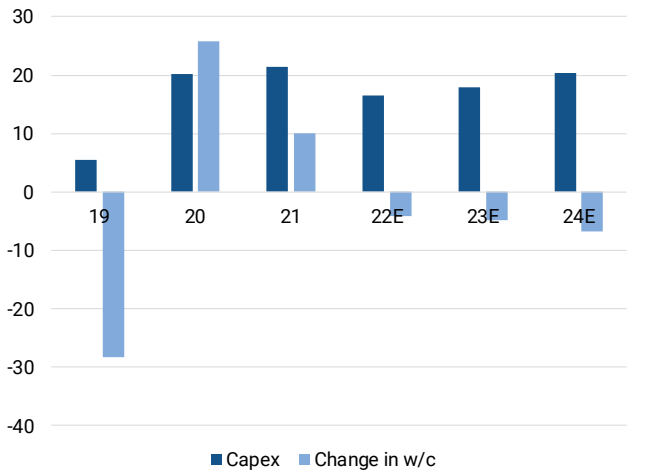

### ROCE vs. WACC (pre tax)



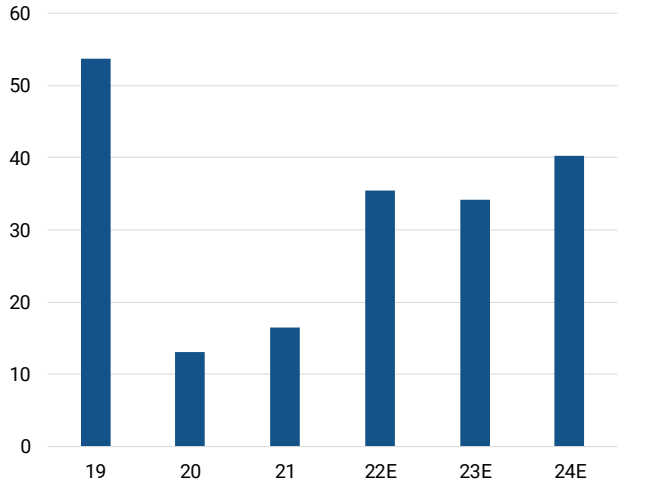

### Net debt and net debt/EBITDA




### Capex & chgn in w/c requirements in EURm




### Free Cash Flow in EURm




Source: Company data; AlsterResearch

AlsterResearch

# Financials

| Profit and loss (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Net sales** | **179.3** | **291.8** | **279.1** | **329.3** | **358.9** | **405.6** |
| Sales growth | Infinity% | 62.7% | -4.4% | 18.0% | 9.0% | 13.0% |
| Change in finished goods and work-in-process | 9.9 | 10.6 | 4.7 | 9.9 | 9.0 | 10.1 |
| **Total sales** | **189.2** | **302.4** | **283.8** | **339.2** | **367.9** | **415.7** |
| Material expenses | 82.5 | 128.5 | 106.7 | 131.7 | 143.9 | 166.3 |
| **Gross profit** | **106.7** | **173.9** | **177.0** | **207.5** | **224.0** | **249.4** |
| Other operating income | 1.5 | 3.6 | 4.8 | 6.6 | 7.2 | 8.1 |
| Personnel expenses | 51.6 | 89.4 | 99.1 | 115.9 | 125.6 | 142.0 |
| Other operating expenses | 14.9 | 29.2 | 28.2 | 36.2 | 39.5 | 40.6 |
| **EBITDA** | **41.8** | **58.8** | **54.5** | **61.9** | **66.0** | **75.0** |
| Depreciation | 6.6 | 10.0 | 11.3 | 16.1 | 16.2 | 16.5 |
| EBITA | 35.2 | 48.8 | 43.2 | 45.8 | 49.9 | 58.5 |
| Amortisation of goodwill and intangible assets | 1.4 | 1.3 | 1.7 | 0.8 | 0.0 | 0.0 |
| **EBIT** | **33.8** | **47.5** | **41.4** | **45.0** | **49.9** | **58.5** |
| Financial result | -0.7 | -4.8 | -4.3 | -3.1 | -5.2 | -5.9 |
| Recurring pretax income from continuing operations | 33.1 | 42.7 | 37.1 | 41.9 | 44.6 | 52.6 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 33.1 | 42.7 | 37.1 | 41.9 | 44.6 | 52.6 |
| Taxes | 4.7 | 12.2 | 10.4 | 14.7 | 15.6 | 18.4 |
| Net income from continuing operations | 28.4 | 30.6 | 26.7 | 27.3 | 29.0 | 34.2 |
| Result from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net income** | **28.4** | **30.6** | **26.7** | **27.3** | **29.0** | **34.2** |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | 28.4 | 30.6 | 26.8 | 27.3 | 29.0 | 34.2 |
| Average number of shares | 0.00 | 18.00 | 19.54 | 20.00 | 20.00 | 20.00 |
| **EPS reported** | **#DIV/0!** | **1.70** | **1.37** | **1.36** | **1.45** | **1.71** |

| Profit and loss (common size) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Net sales** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Change in finished goods and work-in-process | 6% | 4% | 2% | 3% | 3% | 3% |
| **Total sales** | **106%** | **104%** | **102%** | **103%** | **102%** | **102%** |
| Material expenses | 46% | 44% | 38% | 40% | 40% | 41% |
| **Gross profit** | **60%** | **60%** | **63%** | **63%** | **62%** | **62%** |
| Other operating income | 1% | 1% | 2% | 2% | 2% | 2% |
| Personnel expenses | 29% | 31% | 36% | 35% | 35% | 35% |
| Other operating expenses | 8% | 10% | 10% | 11% | 11% | 10% |
| **EBITDA** | **23%** | **20%** | **20%** | **19%** | **18%** | **19%** |
| Depreciation | 4% | 3% | 4% | 5% | 5% | 4% |
| EBITA | 20% | 17% | 15% | 14% | 14% | 14% |
| Amortisation of goodwill and intangible assets | 1% | 0% | 1% | 0% | 0% | 0% |
| **EBIT** | **19%** | **16%** | **15%** | **14%** | **14%** | **14%** |
| Financial result | -0% | -2% | -2% | -1% | -1% | -1% |
| Recurring pretax income from continuing operations | 18% | 15% | 13% | 13% | 12% | 13% |
| Extraordinary income/loss | 0% | 0% | 0% | 0% | 0% | 0% |
| Earnings before taxes | 18% | 15% | 13% | 13% | 12% | 13% |
| Taxes | 3% | 4% | 4% | 4% | 4% | 5% |
| Net income from continuing operations | 16% | 10% | 10% | 8% | 8% | 8% |
| Result from discontinued operations (net of tax) | 0% | 0% | 0% | 0% | 0% | 0% |
| **Net income** | **16%** | **10%** | **10%** | **8%** | **8%** | **8%** |
| Minority interest | 0% | 0% | 0% | 0% | 0% | 0% |
| **Net profit (reported)** | **16%** | **10%** | **10%** | **8%** | **8%** | **8%** |

Source: Company data; AlsterResearch

| Balance sheet (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Intangible assets (exl. Goodwill)** | **0.2** | **0.3** | **0.8** | **0.0** | **0.0** | **0.0** |
| Goodwill | 0.0 | 0.0 | 1.7 | 1.7 | 1.7 | 1.7 |
| Property, plant and equipment | 48.8 | 59.9 | 80.6 | 81.0 | 82.7 | 86.4 |
| Financial assets | 6.4 | 5.4 | 12.4 | 12.4 | 12.4 | 12.4 |
| **FIXED ASSETS** | **55.4** | **65.6** | **95.5** | **95.0** | **96.8** | **100.5** |
| Inventories | 3.8 | 4.9 | 6.1 | 6.5 | 6.7 | 6.8 |
| Accounts receivable | 24.6 | 20.9 | 15.8 | 22.6 | 24.6 | 27.8 |
| Other current assets | 5.2 | 6.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Liquid assets | 52.4 | 45.3 | 108.3 | 145.9 | 140.6 | 175.1 |
| Deferred taxes | 5.8 | 6.5 | 11.6 | 11.6 | 11.6 | 11.6 |
| Deferred charges and prepaid expenses | 20.3 | 27.8 | 45.2 | 49.4 | 50.3 | 52.7 |
| **CURRENT ASSETS** | **112.1** | **111.4** | **195.0** | **243.9** | **241.7** | **282.0** |
| **TOTAL ASSETS** | **167.5** | **177.0** | **290.5** | **338.9** | **338.5** | **382.5** |
| **SHAREHOLDERS EQUITY** | **37.9** | **63.6** | **151.4** | **174.8** | **198.3** | **226.7** |
| MINORITY INTEREST | 0.0 | 0.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Long-term debt | 15.0 | 11.1 | 21.3 | 24.8 | 0.0 | 0.0 |
| Provisions for pensions and similar obligations | 0.4 | 0.4 | 2.7 | 3.3 | 3.6 | 4.1 |
| Other provisions | 12.8 | 17.3 | 16.1 | 19.1 | 20.8 | 23.5 |
| **Non-current liabilities** | **28.2** | **28.8** | **40.1** | **47.2** | **24.4** | **27.6** |
| short-term liabilities to banks | 5.6 | 6.3 | 6.7 | 9.3 | 0.0 | 0.0 |
| Accounts payable | 6.1 | 2.0 | 6.8 | 8.3 | 9.2 | 10.5 |
| Advance payments received on orders | 21.5 | 17.8 | 10.8 | 16.5 | 17.9 | 20.3 |
| Other liabilities (incl. from lease and rental contracts) | 55.1 | 44.4 | 54.3 | 62.6 | 68.2 | 77.1 |
| Deferred taxes | 13.2 | 14.0 | 19.3 | 19.3 | 19.3 | 19.3 |
| Deferred income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Current liabilities** | **101.4** | **84.5** | **97.9** | **115.9** | **114.6** | **127.1** |
| **TOTAL LIABILITIES AND SHAREHOLDERS EQUITY** | **167.5** | **176.9** | **290.5** | **338.9** | **338.5** | **382.5** |

| Balance sheet (common size) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Intangible assets (excl. Goodwill)** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** |
| Goodwill | 0% | 0% | 1% | 0% | 0% | 0% |
| Property, plant and equipment | 29% | 34% | 28% | 24% | 24% | 23% |
| Financial assets | 4% | 3% | 4% | 4% | 4% | 3% |
| **FIXED ASSETS** | **33%** | **37%** | **33%** | **28%** | **29%** | **26%** |
| Inventories | 2% | 3% | 2% | 2% | 2% | 2% |
| Accounts receivable | 15% | 12% | 5% | 7% | 7% | 7% |
| Other current assets | 3% | 3% | 3% | 2% | 2% | 2% |
| Liquid assets | 31% | 26% | 37% | 43% | 42% | 46% |
| Deferred taxes | 3% | 4% | 4% | 3% | 3% | 3% |
| Deferred charges and prepaid expenses | 12% | 16% | 16% | 15% | 15% | 14% |
| **CURRENT ASSETS** | **67%** | **63%** | **67%** | **72%** | **71%** | **74%** |
| **TOTAL ASSETS** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **SHAREHOLDERS EQUITY** | **23%** | **36%** | **52%** | **52%** | **59%** | **59%** |
| MINORITY INTEREST | 0% | 0% | 0% | 0% | 0% | 0% |
| Long-term debt | 9% | 6% | 7% | 7% | 0% | 0% |
| Provisions for pensions and similar obligations | 0% | 0% | 1% | 1% | 1% | 1% |
| Other provisions | 8% | 10% | 6% | 6% | 6% | 6% |
| **Non-current liabilities** | **17%** | **16%** | **14%** | **14%** | **7%** | **7%** |
| short-term liabilities to banks | 3% | 4% | 2% | 3% | 0% | 0% |
| Accounts payable | 4% | 1% | 2% | 2% | 3% | 3% |
| Advance payments received on orders | 13% | 10% | 4% | 5% | 5% | 5% |
| Other liabilities (incl. from lease and rental contracts) | 33% | 25% | 19% | 18% | 20% | 20% |
| Deferred taxes | 8% | 8% | 7% | 6% | 6% | 5% |
| Deferred income | 0% | 0% | 0% | 0% | 0% | 0% |
| **Current liabilities** | **61%** | **48%** | **34%** | **34%** | **34%** | **33%** |
| **TOTAL LIABILITIES AND SHAREHOLDERS EQUITY** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

Source: Company data; AlsterResearch

ResearchHub

| Cash flow statement (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Net profit/loss | 28.4 | 30.6 | 26.8 | 27.3 | 29.0 | 34.2 |
| Depreciation of fixed assets (incl. leases) | 2.6 | 10.0 | 11.3 | 16.1 | 16.2 | 16.5 |
| Amortisation of goodwill | 5.1 | 1.3 | 1.7 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.8 | 0.0 | 0.0 |
| Others | -5.2 | 17.3 | 8.0 | 3.6 | 2.0 | 3.2 |
| Cash flow from operations before changes in w/c | 30.9 | 59.2 | 47.8 | 47.7 | 47.2 | 53.9 |
| Increase/decrease in inventory | 0.0 | 0.0 | 0.0 | -0.3 | -0.2 | -0.1 |
| Increase/decrease in accounts receivable | 5.1 | -5.8 | 1.1 | -6.7 | -2.0 | -3.2 |
| Increase/decrease in accounts payable | 18.5 | -20.1 | -10.8 | 1.5 | 0.9 | 1.3 |
| Increase/decrease in other w/c positions | 4.6 | 0.0 | -0.3 | 9.8 | 6.3 | 8.7 |
| Increase/decrease in working capital | 28.2 | -25.8 | -10.0 | 4.2 | 4.9 | 6.7 |
| **Cash flow from operating activities** | **59.1** | **33.3** | **37.8** | **51.9** | **52.1** | **60.6** |
| CAPEX | -5.4 | -20.2 | -21.4 | -16.5 | -17.9 | -20.3 |
| Payments for acquisitions | 0.0 | 0.0 | -3.2 | 0.0 | 0.0 | 0.0 |
| Financial investments | 0.0 | -0.2 | -3.9 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from investing activities** | **-4.0** | **-20.4** | **-28.5** | **-16.5** | **-17.9** | **-20.3** |
| Cash flow before financing | 55.1 | 12.9 | 9.4 | 35.5 | 34.2 | 40.3 |
| Increase/decrease in debt position | -3.1 | -5.2 | 3.3 | 6.1 | -34.1 | 0.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | -3.7 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | -12.4 | -25.1 | -3.9 | -5.5 | -5.8 |
| Others | -8.6 | -2.3 | 87.1 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from financing activities** | **-11.6** | **-20.0** | **61.7** | **2.2** | **-39.5** | **-5.8** |
| Increase/decrease in liquid assets | 43.5 | -7.1 | 71.0 | 37.6 | -5.3 | 34.5 |
| **Liquid assets at end of period** | **52.4** | **45.3** | **116.3** | **153.9** | **148.6** | **183.1** |

Source: Company data; AlsterResearch

| Regional sales split (EURm) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Domestic | 176.0 | 278.3 | 264.4 | 305.0 | 335.0 | 379.0 |
| Europe (ex domestic) | 2.9 | 5.0 | 10.4 | 15.0 | 15.0 | 18.0 |
| 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 | 0.4 | 8.6 | 4.2 | 9.0 | 9.0 | 9.0 |
| **Total sales** | **179.3** | **291.8** | **279.1** | **329.3** | **358.9** | **405.6** |

| Regional sales split (common size) | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Domestic | 98.2% | 95.4% | 94.7% | 92.6% | 93.3% | 93.4% |
| Europe (ex domestic) | 1.6% | 1.7% | 3.7% | 4.6% | 4.2% | 4.4% |
| 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 | 0.2% | 2.9% | 1.5% | 2.7% | 2.5% | 2.2% |
| **Total sales** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

Source: Company data; AlsterResearch

| Ratios | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Per share data** | | | | | | |
| Earnings per share reported | Infinity | 1.70 | 1.37 | 1.36 | 1.45 | 1.71 |
| Cash flow per share | Infinity | 1.30 | 1.36 | 1.79 | 1.80 | 2.20 |
| Book value per share | Infinity | 3.53 | 7.75 | 8.74 | 9.92 | 11.34 |
| Dividend per share | 0.00 | 0.00 | 0.20 | 0.27 | 0.29 | 0.34 |
| **Valuation** | | | | | | |
| P/E | 0.0x | 12.4x | 15.3x | 15.4x | 14.5x | 12.3x |
| P/CF | 0.0x | 16.2x | 15.5x | 11.7x | 11.7x | 9.5x |
| P/BV | 0.0x | 5.9x | 2.7x | 2.4x | 2.1x | 1.9x |
| Dividend yield (%) | 0.0% | 0.0% | 1.0% | 1.3% | 1.4% | 1.6% |
| FCF yield (%) | Infinity% | 6.2% | 6.5% | 8.5% | 8.6% | 10.5% |
| EV/Sales | 2.2x | 1.3x | 1.2x | 0.9x | 0.8x | 0.6x |
| EV/EBITDA | 9.3x | 6.7x | 6.3x | 5.0x | 4.3x | 3.3x |
| EV/EBIT | 11.5x | 8.3x | 8.3x | 6.9x | 5.7x | 4.3x |
| **Income statement (EURm)** | | | | | | |
| Sales | 179.3 | 291.8 | 279.1 | 329.3 | 358.9 | 405.6 |
| yoy chg in % | Infinity% | 62.7% | -4.4% | 18.0% | 9.0% | 13.0% |
| Gross profit | 106.7 | 173.9 | 177.0 | 207.5 | 224.0 | 249.4 |
| Gross margin in % | 59.5% | 59.6% | 63.4% | 63.0% | 62.4% | 61.5% |
| EBITDA | 41.8 | 58.8 | 54.5 | 61.9 | 66.0 | 75.0 |
| EBITDA margin in % | 23.3% | 20.2% | 19.5% | 18.8% | 18.4% | 18.5% |
| EBIT | 33.8 | 47.5 | 41.4 | 45.0 | 49.9 | 58.5 |
| EBIT margin in % | 18.9% | 16.3% | 14.8% | 13.7% | 13.9% | 14.4% |
| Net profit | 28.4 | 30.6 | 26.8 | 27.3 | 29.0 | 34.2 |
| **Cash flow statement (EURm)** | | | | | | |
| CF from operations | 59.1 | 33.3 | 37.8 | 51.9 | 52.1 | 60.6 |
| Capex | -5.4 | -20.2 | -21.4 | -16.5 | -17.9 | -20.3 |
| Maintenance Capex | 6.6 | 10.0 | 11.3 | 16.1 | 16.2 | 16.5 |
| Free cash flow | 53.7 | 13.1 | 16.4 | 35.5 | 34.2 | 40.3 |
| **Balance sheet (EURm)** | | | | | | |
| Intangible assets | 0.2 | 0.3 | 2.5 | 1.7 | 1.7 | 1.7 |
| Tangible assets | 48.8 | 59.9 | 80.6 | 81.0 | 82.7 | 86.4 |
| Shareholders' equity | 37.9 | 63.6 | 151.4 | 174.8 | 198.3 | 226.7 |
| Pension provisions | 0.4 | 0.4 | 2.7 | 3.3 | 3.6 | 4.1 |
| Liabilities and provisions | 33.7 | 35.1 | 46.8 | 56.4 | 24.4 | 27.6 |
| Net financial debt | -31.8 | -27.9 | -80.3 | -111.8 | -140.6 | -175.1 |
| w/c requirements | 0.8 | 6.0 | 4.3 | 4.3 | 4.1 | 3.9 |
| **Ratios** | | | | | | |
| ROE | 74.9% | 48.0% | 17.7% | 15.6% | 14.6% | 15.1% |
| ROCE | 47.2% | 48.1% | 20.8% | 19.4% | 22.3% | 22.9% |
| Net gearing | -84.0% | -43.8% | -53.0% | -64.0% | -70.9% | -77.2% |
| Net debt / EBITDA | -0.8x | -0.5x | -1.5x | -1.8x | -2.1x | -2.3x |

Source: Company data; AlsterResearch

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