

Q3 figures a bit soft

Exel's Q3 results came in soft relative to our estimates. There appears to be nothing particularly dramatic, but both top and bottom line landed relatively low after the strong Q2 report.

- Exel Q3 revenue grew by 1% y/y to EUR 33.8m vs our EUR 37.5m estimate. Growth was driven by North America while sales also increased in Europe.
- Wind power landed at EUR 8.0m vs our EUR 8.0m estimate, while Buildings and infrastructure was EUR 7.8m vs our EUR 8.3m estimate. Equipment and other industries amounted to EUR 5.6m, compared to our EUR 6.0m estimate. Growth was particularly strong within Transportation.
- Adjusted EBIT amounted to EUR 1.8m, compared to our EUR 2.7m estimate. The US unit performs at a better level compared to last year while Exel has succeeded quite well in transferring inflation to its prices.
- Order intake was EUR 24.5m during Q3, in other words flat y/y.
- Exel guides FY '22 revenue to be at last year's level and adjusted EBIT to increase compared to previous year (unchanged).

Rating + BUY				
Q3'22	Actual	Evli	Year ago	Q2'22
Revenue	33.8	37.5	33.4	38.1
Adj. EBIT	1.8	2.7	0.1	3.1
Adj. EBIT margin	5.4 %	7.2 %	0.3 %	8.2 %
Deviation				
	Actual	Evli	Year ago	Q2'22
Revenue		-10 %	1 %	-11 %
Adj. EBIT		-33 %	1700 %	-42 %
Adj. EBIT margin		-25 %	1700 %	-34 %
Share price, EUR (Last trading day's closing price)				5.30
Target price, EUR				8.5
Latest change in recommendation				20-Jul-21
Latest report on company				21-Jul-22
Research paid by issuer:				YES
No. of shares outstanding, '000's				11,897
No. of shares fully diluted, '000's				11,897
Market cap, EURm				63
Free float, %				100.0
Exchange rate EUR/USD				1.00
Reuters code				EXL1V.HE
Bloomberg code				EXL1V FH
Average daily volume, EURm				0.1
Next interim report				03-Nov-22
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+ BUY + HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	108.6	9.4	8.7%	0.5	0.45	16.4	1.1	12.5	0.6	0.20
2021	134.4	3.7	2.8%	-6.2	0.14	57.0	1.0	34.9	-6.5	0.20
2022E	147.8	8.7	5.9%	5.7	0.68	7.8	0.6	11.0	9.1	0.25
2023E	158.2	13.4	8.5%	7.6	0.80	6.6	0.6	6.8	12.1	0.30
2024E	166.1	16.6	10.0%	10.3	1.00	5.3	0.5	5.1	16.4	0.32
Market cap, EURm	63		BV per share 2022E, EUR		89.0		CAGR EPS 2021-24, %		93.2	
Net debt 2022E, EURm	33		Price/book 2022E		1.7		CAGR sales 2021-24, %		7.3	
Enterprise value, EURm	96		Dividend yield 2022E, %		4.7		ROE 2022E, %		23.7	
Total assets 2022E, EURm	125		Tax rate 2022E, %		24.6		ROCE 2022E, %		10.5	
Goodwill 2022E, EURm	13		Equity ratio 2022E, %		29.6		PEG, P/E 22/CAGR		0.4	

All the important disclosures can be found on the last pages of this report.

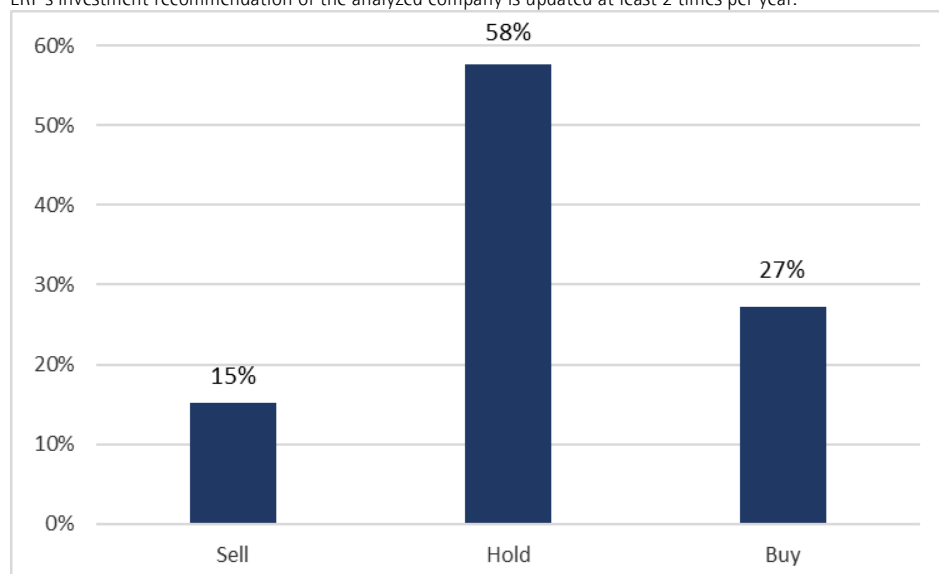
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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