

## Q4 figures missed estimates

Exel's Q4 figures missed our and consensus estimates. Top line declined as there was temporary softness in e.g. wind power orders. Cost management helped profitability remain flat y/y. Exel guides flat revenue for the year and expects adjusted EBIT to increase.

- Q4 revenue decreased by 15% y/y to EUR 31.0m, compared to the EUR 36.3m/35.0m Evli/consensus estimates. All geographical regions declined y/y, particularly North America.
- Wind power amounted to EUR 5.5m vs our EUR 7.2m estimate. Buildings and infrastructure came in at EUR 8.1m, compared to our EUR 7.8m estimate, whereas Equipment and other industries totaled EUR 4.3m vs our EUR 7.3m estimate. Machinery and electrical as well as Transportation grew y/y.
- Adjusted EBIT was EUR 0.9m, compared to the EUR 2.4m/2.0m Evli/consensus estimates. Absolute profitability and operating margin hence remained roughly flat y/y as good cost management compensated for lower revenue.
- Order intake amounted to EUR 25.6m in Q4, in other words decreased by 16% y/y.
- The BoD proposes EUR 0.20 per share dividend to be distributed for the year, compared to the EUR 0.25/0.23 Evli/consensus estimates.
- Exel guides FY '23 revenue to be at last year's level and adjusted EBIT to increase compared to last year. Wind power particularly should support development during the latter part of the year.

Rating <span style="float: right;">+ BUY</span>				
Q4'22	Actual	Evli	Year ago	Q3'22
Revenue	31.0	36.3	36.5	33.8
Adj. EBIT	0.9	2.4	1.0	1.8
Adj. EBIT margin	3.0 %	6.6 %	2.8 %	5.4 %
Deviation				
Actual	Evli	Year ago	Q3'22	
Revenue	-15 %	-15 %	-8 %	
Adj. EBIT	-63 %	-10 %	-50 %	
Adj. EBIT margin	-55 %	7 %	-44 %	
Share price, EUR (Last trading day's closing price)				5.38
Target price, EUR				6.5
Latest change in recommendation				20-Jul-21
Latest report on company				04-Nov-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				64
Free float, %				100.0
Exchange rate EUR/USD				1.07
Reuters code				EXL1V.HE
Bloomberg code				EXL1V FH
Average daily volume, EURm				0.1
Next interim report				17-Feb-23
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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	142.3	7.1	5.0%	6.4	0.65	8.3	0.7	13.5	10.0	0.25
2023E	150.8	11.3	7.5%	5.9	0.63	8.6	0.6	8.2	9.2	0.30
2024E	158.4	14.3	9.0%	9.2	0.90	6.0	0.6	6.1	14.4	0.32
Market cap, EURm	64		BV per share 2022E, EUR		87.9	CAGR EPS 2021-24, %		86.5		
Net debt 2022E, EURm	32		Price/book 2022E		1.7	CAGR sales 2021-24, %		5.6		
Enterprise value, EURm	96		Dividend yield 2022E, %		4.6	ROE 2022E, %		22.9		
Total assets 2022E, EURm	122		Tax rate 2022E, %		29.0	ROCE 2022E, %		8.7		
Goodwill 2022E, EURm	13		Equity ratio 2022E, %		30.0	PEG, P/E 22/CAGR		0.4		

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

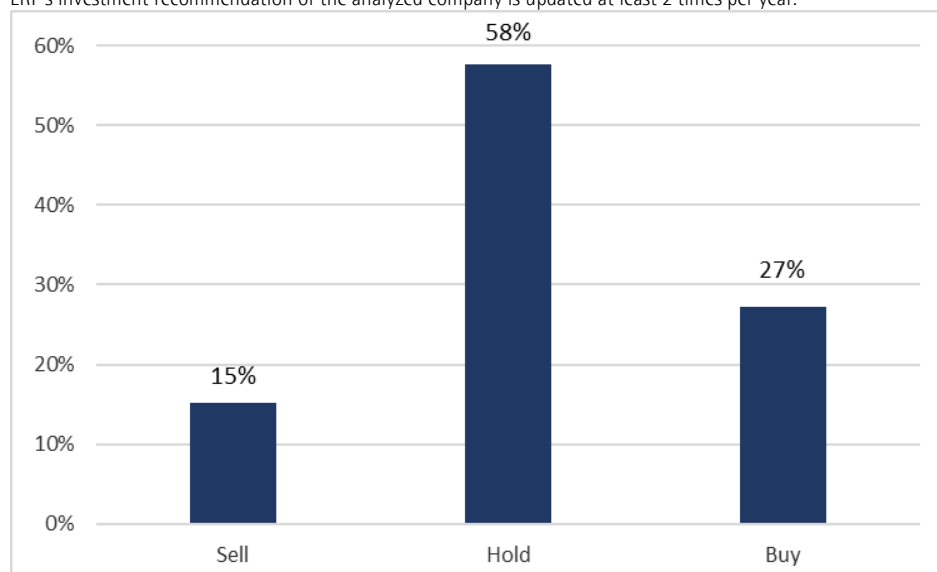
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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## Name(s) of the analyst(s): Ilvonen

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