

## Profitability remains strong

LapWall's fourth quarter performance was solid, despite net sales falling 13% y/y. The combination of operating leverage and the company's fixed cost discipline continued to support the profitability. Dividend proposal beat our estimates at EUR 0.18 per share (Evli est. EUR 0.11 per share).

- Net sales in Q4 were EUR 10.5 (EUR 12.1m Q4/23, EUR 11.1m Evli est.), falling 13.3% y/y.
- Demand for roof element products fell slightly in H2 while wall elements business gained some traction during the second half.
- EBITA was EUR 1.3m (EUR 1.0m Q4/23, EUR 1.2m Evli est.), at a margin of 12.3 % (8.4%)
- The main drivers behind the improved profitability in a tough operating environment were efficient production, improved capacity utilization and fixed costs discipline.
- Backlog fell 27.9% y/y to EUR 12.3m, down from EUR 17.1m at the end of Q4/23.
- Last year's backlog included one larger order worth EUR 6.5 million.
- LapWall updated its strategy and long-term financial targets yesterday.
- Previously, the company targeted net sales of over EUR 70m by 2026 and EBITA margin of 12–15% on the medium-term.
- The new targets aim towards net sales of EUR 100m by the end of 2030 and EBITA margin of 15–20%.
- Our current estimates sit below the company's new targets as we forecast net sales of EUR 85m for 2030 with EBITA margin of 12.5%.
- We see the new targets realistic yet reaching the targets would require higher capacity utilization than we currently estimate.

Rating + Accumulate

Q4/24	Actual	Evli	Consensus	Q4/23	Q3/24
Net sales	10.5	11.1	11.1	12.1	11.7
EBITDA	1.6	1.5	1.5	1.3	2.0
EBITA	1.3	1.2	1.1	1.0	1.7
EBIT	1.1	1.0	1.0	0.8	1.4
Deviation	Actual	Evli	Consensus	Year ago	Q3/24
Net sales		-5 %	-6 %	-13 %	-10 %
EBITDA		9 %	7 %	19 %	-19 %
EBITA		10 %	17 %	27 %	-23 %
EBIT		9 %	6 %	34 %	-26 %

<b>Share price, EUR</b> (Last trading day's closing price)	<b>3.95</b>
Target price, EUR	4.2
Latest change in recommendation	31-Jan-25
Latest report on company	31-Jan-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 526
No. of shares fully diluted, '000's	14 526
Market cap, EURm	57
Free float, %	
Exchange rate	
Reuters code	LAPWALL.HE
Bloomberg code	LAPWALL FH
Average daily volume, EURm	
Next interim report	06-Feb-25
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**++ BUY + ACCUMULATE - REDUCE -- SELL**

### KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	52.5	7.8	14.9%	3.5	0.38	9.3	0.9	5.8	7.0%	0.19
2023	41.9	3.2	7.7%	-0.9	0.18	17.6	1.0	13.1	-2.0%	0.13
2024E	43.9	4.1	9.4%	-2.1	0.22	17.9	1.3	14.2	-3.6%	0.11
2025E	47.6	5.0	10.4%	-3.1	0.25	16.0	1.3	12.7	-5.4%	0.12
2026E	59.2	6.8	11.5%	6.8	0.35	11.3	1.0	8.5	11.9%	0.18
Market cap, EURm		57	Gearing 2024E, %		5.4 %	CAGR EPS 2023–26, %		25.7 %		
Net debt 2024E, EURm		1	Price/book 2024E		3.2	CAGR Sales 2023–26, %		12.2 %		
Enterprise value, EURm		58	Dividend yield 2024E, %		2.8 %	ROE 2024E, %		18.4 %		
Total assets 2024E, EURm		37	Tax rate 2024E, %		18.8 %	ROCE 2024E, %		19.2 %		
Goodwill 2024E, EURm		5	Equity ratio 2024E, %		49.2 %	PEG, P/E 24/CAGR		0.6		

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

**Important Disclosures**

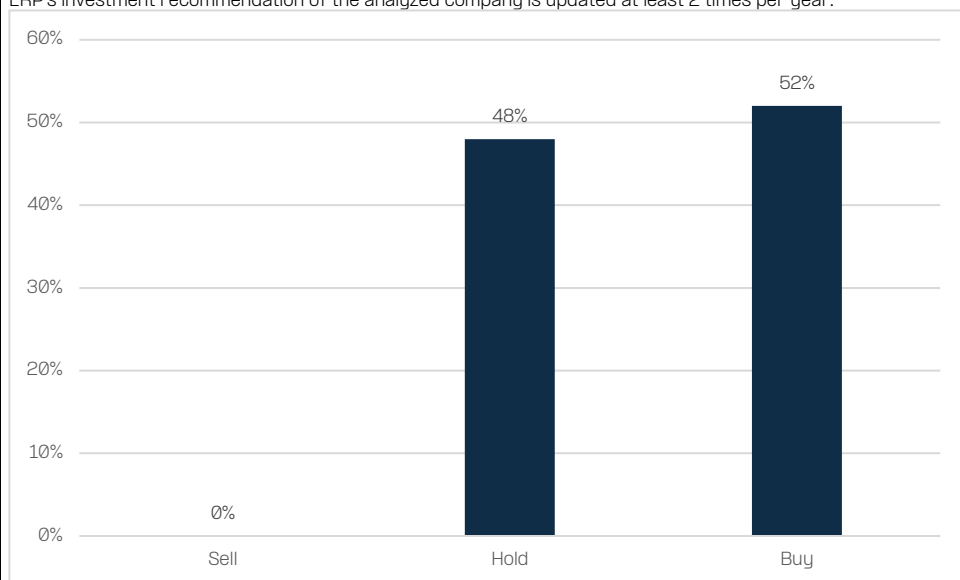
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Atte Jortikka

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