

Transtema - Hurt by 5G

Redeye maintains its positive view on Transtema despite lowering its Base Case and forecasts. The sharp decline in demand for 5G installations affected the group more than we expected. However, the 5G demand seems to have stabilized, and new revenue streams from Site Maintenance and EV-charging deals support Transtema's ability to offset the decline in copper. While the acquisition of UBConnect has been a drawback so far, the stock is trading at low levels (4.0x EBIT 2024e), even on slightly depressed margins (6% EBITA margin 2024e).

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Attachments

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