

# NIBE INDUSTRIER B

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Lucas Mattsson  
+46 731589485  
lucas.mattsson@inderes.com

# COMPANY REPORT



# Gradual recovery but valuation looks stretched

NIBE's Q2 result was largely in line with our expectations, and we made only minor upside revisions to our earnings estimates. The company's performance, outlook and market indicators continue to show signs of a recovery. However, in our view, the pace of the recovery will likely remain slow, due to a weak consumer confidence, a sluggish new-build market, currency headwinds from a strengthening SEK, and subsidy uncertainty in certain markets. In our view, short-term drivers remain weak, and the stock is already sufficiently priced in for high earnings growth (2025e P/E: 34x). As a result, we reiterate our Sell recommendation and target price of SEK 40.0 per share.

## Q2 broadly in line with our expectations

NIBE's Q2 organic revenue increased by a modest 0.3% year-on-year to ~10.1 BNSEK, in line with our estimates and slightly above consensus forecasts. At the business area level, revenue performance was mixed. Climate Solutions slightly exceeded both our and consensus forecasts, delivering organic growth of 4.7% year-on-year to SEK 6.8bn. Growth was primarily driven by a gradual recovery in the European market, particularly in Sweden, Germany, and the Netherlands. The Element business area (SEK 2.8bn, -1.5% y/y) performed in line with our expectations, while Stoves (SEK 0.7bn, -15.5% y/y) underperformed, reflecting weaker consumer demand in Europe. NIBE's Q2 EBIT increased by 41% to 944 MSEK, roughly in line with our expectations but slightly higher than consensus forecast. On a business area level, Climate Solutions stood out slightly on the positive side, while Stoves disappointed. Overall, given the challenging operating environment, we believe the group's profitability level (Q2'25 EBIT margin: 9.4%) was stable, supported by increased sales volumes, better productivity and good cost control. It is worth noting, however, that the comparison level is very low, and achieving profitability consistent with historical levels will necessitate higher sales

growth.

## We have kept our estimates largely intact

While we have slightly increased our revenue estimates for Climate Solutions, these gains are largely offset by lowered estimates for Stoves, with Element's outlook remaining largely intact. This results in only a marginal positive impact on overall group revenue. We continue to anticipate a slow recovery pace, as evidenced by the last two quarters, due to a weak consumer demand, a sluggish new-build market, currency headwinds from a strengthening SEK, and ongoing subsidy uncertainty in certain markets. Due to slight increase in revenue estimates, our absolute EBIT estimate for the coming years has also seen a slight uptick. We believe margins will be supported by a combination of volume growth and effective operational cost control, though this will be partially offset by increased depreciation from recent capacity investments. However, a significant margin recovery hinges on a stronger volume rebound than seen in the last quarter, which remains uncertain given the continued weakness in residential markets. Additionally, rising competition and capacity expansion outpacing demand raise the risk of structural overcapacity and potential margin pressure.

## We reiterate our Sell recommendation

In our view, the valuation multiples are high in absolute terms (2025e P/E: 34x and EV/EBIT: 25x), and the DCF and relative valuation paints a similar picture. NIBE's long-term track record of profitable growth is convincing, but the earnings outlook is slower, and we believe that in the current uncertain macroeconomic situation, overstretched multiples are unwarranted. Hence, we continue on the sidelines and wait for a better risk/reward ratio.

## Recommendation

**Sell**

(prev. Sell)

## Target price:

**40.0 SEK**

(prev. 40.0 SEK)

## Share price:

46.0 SEK

## Business risk



## Valuation risk



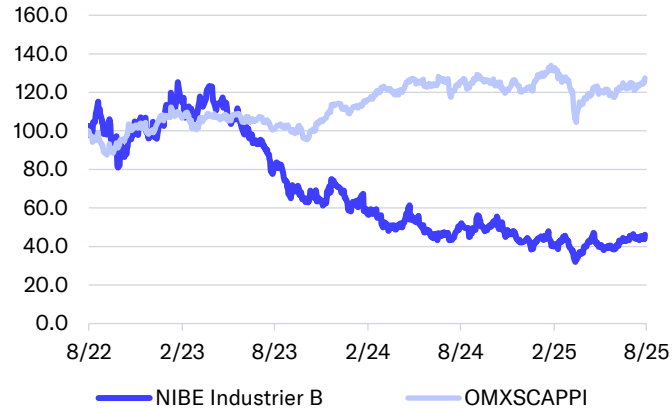
	2024	2025e	2026e	2027e
Revenue	40,521	41,749	44,213	47,010
growth-%	-13%	3%	6%	6%
EBIT adj.	3,226	4,396	5,024	5,448
EBIT-% adj.	8.0 %	10.5 %	11.4 %	11.6 %
Net Income	1,164	2,695	3,413	3,782
EPS (adj.)	0.80	1.34	1.69	1.88
P/E (adj.)	54.3	34.4	27.2	24.5
P/B	2.7	2.7	2.5	2.4
Dividend yield-%	0.7 %	1.0 %	1.4 %	1.4 %
EV/EBIT (adj.)	33.0	24.8	21.4	19.2
EV/EBITDA	21.6	16.2	14.3	13.3
EV/S	2.6	2.6	2.4	2.2

Source: Inderes

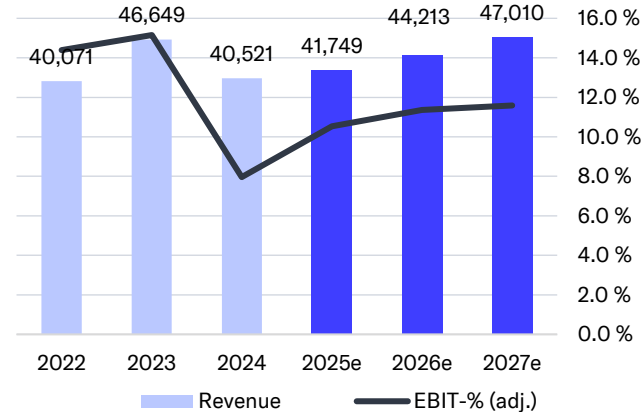
## Guidance

(Unchanged)

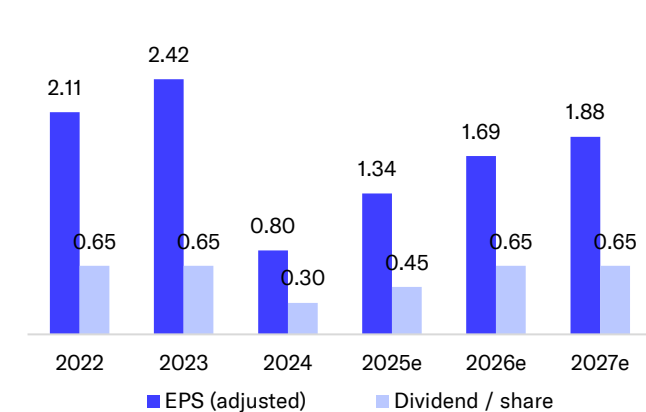
## Share price



## Revenue and EBIT-%



## EPS and dividend



## Value drivers

- Strong market position and globally well-known brands
- Good long-term prospects for renewable energy-based systems
- Energy efficiency investments support growth
- Vertical and horizontal synergies create efficiency and reduce costs

## Risk factors

- Weak new construction market and uncertainty regarding future heat pump subsidies
- Somewhat cyclical demand
- Persistently unfavorable gas-to-electricity price ratios
- Risks generated by acquisitions and/or expansion investments

Valuation	2025e	2026e	2027e
Share price	46.0	46.0	46.0
Number of shares, millions	2,016	2,016	2,016
Market cap	92,739	92,739	92,739
EV	109,200	107,325	104,748
P/E (adj.)	34.4	27.2	24.5
P/E	34.4	27.2	24.5
P/B	2.7	2.5	2.4
P/S	2.2	2.1	2.0
EV/Sales	2.6	2.4	2.2
EV/EBITDA	16.2	14.3	13.3
EV/EBIT (adj.)	24.8	21.4	19.2
Payout ratio (%)	33.7 %	38.4 %	34.6 %
Dividend yield-%	1.0 %	1.4 %	1.4 %

Source: Inderes

# Q2 came in roughly in line with our expectations

## Group revenue in line with expectations

NIBE's Q2 organic revenue increased by a modest 0.3% year-on-year to ~10.1 BNSEK, in line with our estimates and slightly above consensus forecasts. However, reported revenue was negatively affected by the stronger SEK. Overall, we believe that the H1 results, and market data suggest that the market has reached a trough, as anticipated, but continues to point to a slow recovery ahead, constrained by a still weak economic environment and subdued consumer confidence.

At the business area level, revenue performance was mixed. Climate Solutions slightly exceeded both our and consensus forecasts, delivering organic growth of 4.7% year-on-year to SEK 6.8bn. Growth was primarily driven by a gradual recovery in the European market, particularly in Sweden, Germany, and the Netherlands. The Element business area (SEK 2.8bn, -1.5% y/y) performed in line with our expectations, while Stoves (SEK 0.7bn, -15.5% y/y)

underperformed, reflecting weaker consumer demand in Europe. That said, we had already anticipated a relatively small revenue contribution from this business area in the quarter, as it returns to a more seasonal pattern with lower sales in the first half of the year and a larger share of sales in the second half.

## EBIT was also broadly in line with our estimates

NIBE's Q2 EBIT increased by 41% to 944 MSEK, roughly in line with our expectations but slightly higher than consensus forecast. On a business area level, profitability development painted a similar picture as revenue development, where Climate Solutions stood out slightly on the positive side, while Stoves disappointed. Overall, given the challenging operating environment, we believe the group's profitability level (Q2'25 EBIT margin: 9.4%) was stable, supported by increased sales volumes, better productivity and good cost control. It is worth noting, however, that the comparison level is very low, and

achieving profitability consistent with historical levels will necessitate higher sales growth. In the lower lines of the income statement, adj. EPS increased to 0.24 SEK, slightly below our expectations, mainly due to higher relative tax rate than expected.

## Cash flow was modest

While FCF improved compared to last year (-116 MSEK vs. -694 MSEK) it was still relatively weak, mainly due to increased working capital and continued investments in ongoing operations. The net debt/EBITDA ratio amounted to 3.2x by the end of the period. However, we are not currently concerned about the high ratio, as we believe it will improve with better profitability going forward. Nevertheless, the likelihood of a significant acquisition in the near term appears low, in our view.

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	10,035	10,082	10,128	9,980	9,837 - 10,128	0%	41,749
EBIT (adj.)	669	944	936	925	875 - 975	1%	4,396
EBIT	669	944	936	925	875 - 975	1%	4,396
PTP	396	700	686	711	642 - 769	2%	3,549
EPS (adj.)	0.11	0.24	0.26	0.27	0.24 - 0.29	-6%	1.34
Revenue growth-%	-15.2 %	0.5 %	0.9 %	-0.5 %	-2.0 % - 0.9 %	-0.5 pp	3.0 %
EBIT-%	6.7 %	9.4 %	9.2 %	9.3 %	8.9 % - 9.6 %	0.1 pp	10.5 %

Source: Inderes & Bloomberg  
(19.08.25, 8 analysts)  
(consensus)

# We have kept our estimates largely unchanged

## Estimate changes 2025e-2027e

- Our revenue estimates for the coming years remain largely unchanged at the group level. While we've slightly increased our revenue estimates for Climate Solutions, these gains are largely offset by lowered estimates for Stoves, with Element's outlook remaining largely intact. This results in only a marginal positive impact on overall group revenue. We continue to anticipate a slow recovery pace, as evidenced by the last two quarters. Near-term challenges persist, driven by a weak consumer demand, a sluggish new-build market, currency headwinds from a strengthening SEK, and ongoing subsidy uncertainty in certain markets.
- Due to slight increase in revenue estimates, our absolute EBIT estimate for the coming years has also seen a slight uptick, primarily driven by the improved Climate Solutions outlook. We believe margins will be supported by a combination of volume growth and effective operational cost control, though this will be partially offset by increased depreciation from recent capacity investments. However, a significant margin recovery hinges on a stronger volume rebound than seen in the last quarter, which remains uncertain given the continued weakness in residential markets. Additionally, rising competition and capacity expansion outpacing demand raise the risk of structural overcapacity and potential margin pressure. Considering these dynamics, and NIBE's H1 performance, we still regard their ambition to return to historical margins across all three business areas by 2025 as optimistic.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	41,557	41,749	0%	43,914	44,213	1%	47,008	47,010	0%
EBITDA	6,713	6,724	0%	7,466	7,528	1%	7,822	7,897	1%
EBIT (excl. NRIs)	4,336	4,396	1%	4,978	5,024	1%	5,389	5,448	1%
EBIT	4,336	4,396	1%	4,978	5,024	1%	5,389	5,448	1%
PTP	3,483	3,549	2%	4,378	4,424	1%	4,789	4,898	2%
EPS (excl. NRIs)	1.34	1.34	0%	1.65	1.69	2%	1.83	1.88	2%
DPS	0.45	0.45	0%	0.65	0.65	0%	0.65	0.65	0%

Source: Inderes



# We reiterate our Sell recommendation

## Valuation multiples are still high for the coming years

The past 18 months have been challenging, with earnings falling short of their potential due to challenging market conditions. Looking ahead, if the market environment continues to improve and our forecast of an earnings recovery continues to materialize, the estimated 2025 valuation multiples (P/E: 34x and EV/EBIT: 25x) are above our acceptable range and exceed the company's historical long-term medians. In our view, the stock already reflects high expectations for earnings growth, yet there are several risks associated with the anticipated recovery. These include a weak economic development, a slow construction market, subsidy uncertainty in some European markets and heightened geopolitical tensions. In addition, intensifying market competition could put pressure on pricing power over time. In our view, the market is currently relying heavily on interest rate cuts to revive consumer purchasing power. However, we believe that this will likely not be visible in the economy until at least the end of this year or even 2026. As a result, we consider the 2025 valuation to be on the high side. From our perspective, more attractive valuation levels may only emerge when looking at 2026 multiples (2026e: P/E: 27x and EV/EBIT: 21x), even though these estimates hinge on substantial and still uncertain improvements in earnings.

## Priced to a premium compared to peers

On a relative basis, NIBE is trading at a premium of around 30% compared to its peers, based on earnings multiples for 2025-26. We believe that this premium is high, despite the company's good long-term track record of profitable growth and returns on capital. Also, compared to its

international heat pump peers (such as Carrier, Trane, Lennox, and Beijer Ref), NIBE is trading around 13% above them based on 2025-26 earnings multiples. We believe this valuation spread is unjustified, given similar growth expectations and margin potential.

## DCF value also below the current share price

We also believe that the DCF model is a relevant valuation method for NIBE, given the availability of sufficient historical financial information, the stability of the industry, consistent growth and a relatively predictable business. Overall, the model expects NIBE to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. From a DCF-based valuation perspective, therefore, one year of challenging figures does not affect the valuation too much. However, the value of our DCF model (SEK 40 per share) is below the current share price. Therefore, even in a DCF context, the current valuation is not attractive.

## Thin expected returns at current valuations

We expect investors to receive an annual dividend yield of 1-2% over the next few years at the current share price, which leaves a thin dividend yield base. The earnings growth driver is currently turning in the right direction, but the starting level is low, and the growth rate is unclear. The share is expensive on an actual earnings basis and, in our view, NIBE's expected return is significantly lower than the required return. As a result, we reiterate our Sell recommendation and target price of SEK 40.0 per share.

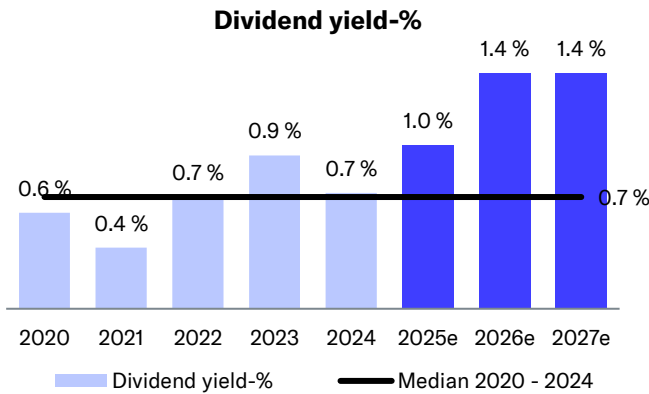
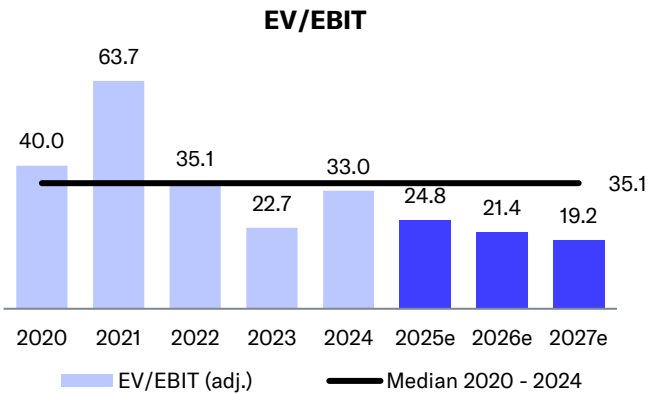
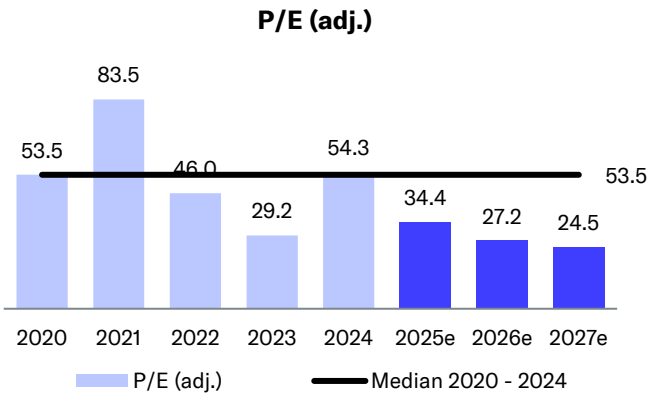
Valuation	2025e	2026e	2027e
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Number of shares, millions	2,016	2,016	2,016
Market cap	92,739	92,739	92,739
EV	109,200	107,325	104,748
P/E (adj.)	34.4	27.2	24.5
P/E	34.4	27.2	24.5
P/B	2.7	2.5	2.4
P/S	2.2	2.1	2.0
EV/Sales	2.6	2.4	2.2
EV/EBITDA	16.2	14.3	13.3
EV/EBIT (adj.)	24.8	21.4	19.2
Payout ratio (%)	33.7 %	38.4 %	34.6 %
Dividend yield-%	1.0 %	1.4 %	1.4 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	67.4	136.8	97.1	70.8	43.2	46.0	46.0	46.0	46.0
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Market cap	135,933	275,697	195,760	142,738	87,175	92,739	92,739	92,739	92,739
EV	142,293	283,549	202,352	160,174	106,382	109,200	107,325	104,748	101,793
P/E (adj.)	53.5	83.5	46.0	29.2	54.3	34.4	27.2	24.5	21.6
P/E	47.4	83.0	45.0	29.8	74.9	34.4	27.2	24.5	21.6
P/B	7.7	12.9	7.0	5.2	2.7	2.7	2.5	2.4	2.2
P/S	5.0	8.9	4.9	3.1	2.2	2.2	2.1	2.0	1.8
EV/Sales	5.2	9.2	5.0	3.4	2.6	2.6	2.4	2.2	2.0
EV/EBITDA	27.8	49.2	27.1	18.2	21.6	16.2	14.3	13.3	12.0
EV/EBIT (adj.)	40.0	63.7	35.1	22.7	33.0	24.8	21.4	19.2	16.8
Payout ratio (%)	27.3 %	30.4 %	30.1 %	27.4 %	52.0 %	33.7 %	38.4 %	34.6 %	30.0 %
Dividend yield-%	0.6 %	0.4 %	0.7 %	0.9 %	0.7 %	1.0 %	1.4 %	1.4 %	1.4 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Kone	28,587	28,184	20.7	18.7	16.7	15.4	2.5	2.4	26.5	24.1	3.5	3.7	9.4
Assa Abloy	34,144	40,523	18.6	16.7	15.0	13.8	2.9	2.8	24.2	21.0	1.8	2.0	3.4
Hexagon	26,519	30,382	22.0	19.5	15.7	14.2	5.6	5.3	24.3	21.6	1.4	1.5	2.4
Beijer Ref	7,896	8,807	25.2	23.3	20.1	18.7	2.6	2.5	35.0	31.0	0.9	1.0	3.5
Tomra Systems	3,891	4,420	24.9	18.1	16.2	12.5	3.1	2.6	34.3	23.2	1.6	2.3	5.9
Thule Group	2,817	3,181	19.6	16.8	16.5	14.4	3.3	3.1	25.1	21.0	3.1	3.6	4.0
Munters Group	2,277	2,865	18.0	14.7	12.9	11.0	2.1	2.0	25.8	18.5	1.2	1.6	4.3
Trane Technologies	80,533	83,818	24.8	22.4	22.6	20.5	4.6	4.2	32.4	28.8	0.9	0.9	11.2
Carrier	49,202	57,735	17.5	15.9	14.7	13.5	2.9	2.8	22.4	19.6	1.4	1.5	4.2
Lennox International Inc	17,742	18,703	20.0	18.2	18.3	16.7	4.0	3.8	24.6	22.5	0.8	0.9	17.6
<b>NIBE Industrier B (Inderes)</b>	<b>8,508</b>	<b>10,018</b>	<b>24.8</b>	<b>21.4</b>	<b>16.2</b>	<b>14.3</b>	<b>2.6</b>	<b>2.4</b>	<b>34.4</b>	<b>27.2</b>	<b>1.0</b>	<b>1.4</b>	<b>2.7</b>
<b>Average</b>			<b>21.1</b>	<b>18.4</b>	<b>16.8</b>	<b>15.1</b>	<b>3.4</b>	<b>3.1</b>	<b>27.4</b>	<b>23.1</b>	<b>1.6</b>	<b>1.9</b>	<b>6.6</b>
<b>Median</b>			<b>20.3</b>	<b>18.1</b>	<b>16.4</b>	<b>14.3</b>	<b>3.0</b>	<b>2.8</b>	<b>25.4</b>	<b>22.1</b>	<b>1.4</b>	<b>1.5</b>	<b>4.2</b>
<b>Diff-% to median</b>			<b>22%</b>	<b>18%</b>	<b>-1%</b>	<b>0%</b>	<b>-13%</b>	<b>-13%</b>	<b>35%</b>	<b>23%</b>	<b>-29%</b>	<b>-8%</b>	<b>-36%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	46,649	9,494	10,035	9,967	11,025	40,521	9,673	10,082	10,317	11,676	41,749	44,213	47,010	50,382
Climate Solutions	31,373	5,834	6,516	6,502	7,185	26,037	6,022	6,824	6,892	7,760	27,498	29,285	31,189	33,372
Element	11,898	2,711	2,819	2,711	2,851	11,092	2,888	2,792	2,725	2,894	11,298	11,750	12,455	13,389
Stoves	4,758	1,052	802	847	1,163	3,864	926	678	855	1,198	3,657	3,840	4,071	4,376
Eliminations	-1,380	-103	-102	-93	-174	-472	-163	-212	-155	-175	-705	-663	-705	-756
EBITDA	8,797	-76	1,210	1,383	2,399	4,916	1,309	1,455	1,688	2,271	6,724	7,528	7,897	8,448
Depreciation	-1,824	-503	-541	-471	-730	-2,245	-527	-511	-540	-750	-2,328	-2,504	-2,449	-2,401
EBIT (excl. NRI)	7,069	516	669	912	1,129	3,226	782	944	1,148	1,521	4,396	5,024	5,448	6,047
EBIT	6,973	-579	669	912	1,669	2,671	782	944	1,148	1,521	4,396	5,024	5,448	6,047
Climate Solutions	5,596	-462	506	726	830	1,600	555	842	930	1,203	3,530	3,866	4,117	4,505
Element	942	-126	142	160	186	362	179	184	204	246	813	940	1,059	1,205
Stoves	533	27	-3	24	95	143	61	-51	34	96	140	307	366	438
Eliminations	-98	-18	24	2	558	566	-13	-31	-21	-23	-88	-88	-94	-101
Share of profits in assoc. compan.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net financial items	-642	-332	-273	-286	-244	-1,135	-268	-244	-175	-160	-847	-600	-550	-500
PTP	6,331	-911	396	626	1,425	1,536	514	700	973	1,361	3,549	4,424	4,898	5,547
Taxes	-1,535	50	-180	-193	-51	-374	-123	-206	-214	-299	-843	-973	-1,078	-1,220
Minority interest	-11	4	3	0	-5	2	1	-2	-5	-5	-11	-38	-38	-38
Net earnings	4,785	-857	219	433	1,369	1,164	392	492	754	1,057	2,695	3,413	3,782	4,289
EPS (adj.)	2.42	0.02	0.11	0.21	0.45	0.80	0.19	0.24	0.37	0.52	1.34	1.69	1.88	2.13
EPS (rep.)	2.37	-0.43	0.11	0.21	0.68	0.58	0.19	0.24	0.37	0.52	1.34	1.69	1.88	2.13

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	16.4 %	-18.5 %	-15.2 %	-13.4 %	-5.4 %	-13.1 %	1.9 %	0.5 %	3.5 %	5.9 %	3.0 %	5.9 %	6.3 %	7.2 %
Adjusted EBIT growth-%	22.6 %	-71.1 %	-63.4 %	-51.0 %	-29.3 %	-54.4 %	51.6 %	41.1 %	25.9 %	34.7 %	36.3 %	14.3 %	8.4 %	11.0 %
EBITDA-%	18.9 %	-0.8 %	12.1 %	13.9 %	21.8 %	12.1 %	13.5 %	14.4 %	16.4 %	19.5 %	16.1 %	17.0 %	16.8 %	16.8 %
Adjusted EBIT-%	15.2 %	5.4 %	6.7 %	9.2 %	10.2 %	8.0 %	8.1 %	9.4 %	11.1 %	13.0 %	10.5 %	11.4 %	11.6 %	12.0 %
Net earnings-%	10.3 %	-9.0 %	2.2 %	4.3 %	12.4 %	2.9 %	4.1 %	4.9 %	7.3 %	9.1 %	6.5 %	7.7 %	8.0 %	8.5 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>43,906</b>	<b>46,979</b>	<b>46,811</b>	<b>46,489</b>	<b>46,245</b>
Goodwill	26,076	26,076	26,076	26,076	26,076
Intangible assets	4,938	6,165	5,758	5,791	5,856
Tangible assets	11,568	13,214	13,453	13,098	12,789
Associated companies	753	953	953	953	953
Other investments	31	31	31	31	31
Other non-current assets	192	192	192	192	192
Deferred tax assets	348	348	348	348	348
<b>Current assets</b>	<b>24,198</b>	<b>23,427</b>	<b>21,709</b>	<b>23,875</b>	<b>24,915</b>
Inventories	13,227	10,644	9,185	9,727	9,872
Other current assets	0	0	0	0	0
Receivables	6,688	7,176	7,097	7,516	7,992
Cash and equivalents	4,283	5,607	5,427	6,632	7,051
<b>Balance sheet total</b>	<b>68,104</b>	<b>70,406</b>	<b>68,520</b>	<b>70,364</b>	<b>71,160</b>

Source: Inderes

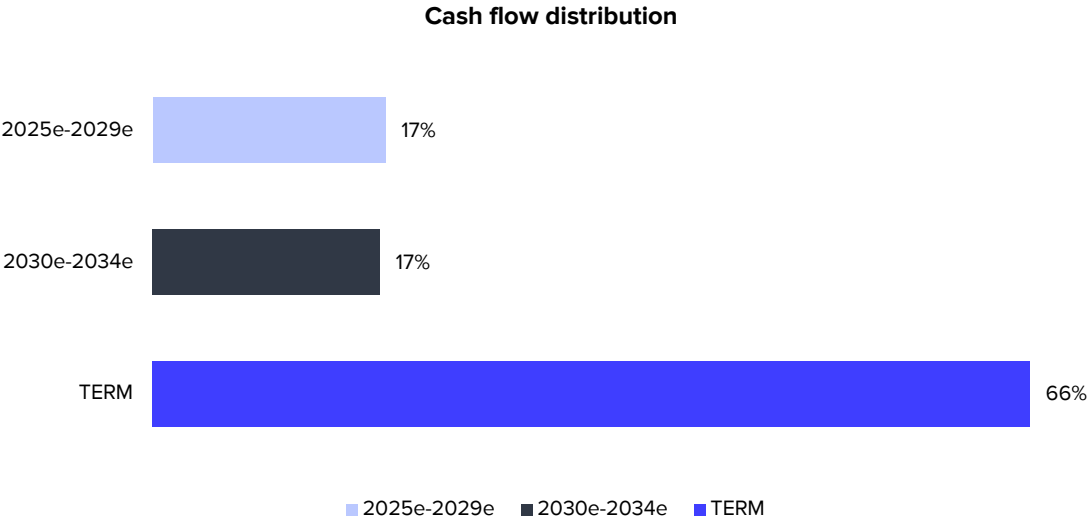
Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>27,420</b>	<b>32,140</b>	<b>34,230</b>	<b>36,736</b>	<b>39,208</b>
Share capital	79	79	79	79	79
Retained earnings	22,760	27,480	29,570	32,076	34,548
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	4,543	4,543	4,543	4,543	4,543
Minorities	38	38	38	38	38
<b>Non-current liabilities</b>	<b>25,119</b>	<b>22,615</b>	<b>19,503</b>	<b>19,105</b>	<b>17,814</b>
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	16,922	17,625	14,513	14,115	12,824
Convertibles	0	0	0	0	0
Other long term liabilities	5,410	2,203	2,203	2,203	2,203
<b>Current liabilities</b>	<b>15,565</b>	<b>15,651</b>	<b>14,787</b>	<b>14,523</b>	<b>14,138</b>
Interest bearing debt	4,599	7,086	7,273	7,007	6,147
Payables	10,966	8,565	7,515	7,516	7,992
Other current liabilities	0	0	0	0	0
<b>Balance sheet total</b>	<b>68,104</b>	<b>70,406</b>	<b>68,520</b>	<b>70,364</b>	<b>71,160</b>

# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.1 %	3.0 %	5.9 %	6.3 %	7.2 %	8.0 %	7.7 %	7.0 %	7.0 %	5.5 %	2.5 %	2.5 %
EBIT-%	6.6 %	10.5 %	11.4 %	11.6 %	12.0 %	12.2 %	12.5 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
EBIT (operating profit)	2,671	4,396	5,024	5,448	6,047	6,638	7,325	8,152	8,722	9,202	9,465	
+ Depreciation	2,245	2,328	2,504	2,449	2,401	2,360	2,355	2,322	2,301	2,288	2,193	
- Paid taxes	-374	-843	-973	-1,078	-1,220	-1,372	-1,546	-1,749	-1,875	-1,980	-2,069	
- Tax, financial expenses	-276	-201	-132	-121	-110	-88	-66	-44	-44	-44	-13	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-306	488	-960	-145	-204	-806	-838	-820	-878	-738	-360	
Operating cash flow	3,960	6,168	5,463	6,553	6,914	6,732	7,230	7,860	8,227	8,727	9,216	
+ Change in other long-term liabilities	-3,207	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-5,118	-2,160	-2,182	-2,204	-2,227	-2,249	-2,272	-2,295	-2,313	-2,331	-2,155	
Free operating cash flow	-4,365	4,008	3,281	4,349	4,687	4,483	4,959	5,565	5,914	6,396	7,061	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-4,365	4,008	3,281	4,349	4,687	4,483	4,959	5,565	5,914	6,396	7,061	133,608
Discounted FCFF		3,901	2,958	3,632	3,626	3,212	3,291	3,421	3,368	3,374	3,450	65,280
Sum of FCFF present value		99,513	95,612	92,654	89,022	85,397	82,184	78,893	75,472	72,104	68,730	65,280
Enterprise value DCF		99,513										
- Interest bearing debt		-24,711										
+ Cash and cash equivalents		5,607										
-Minorities		-103										
-Dividend/capital return		-605										
Equity value DCF		79,701										
Equity value DCF per share		40										

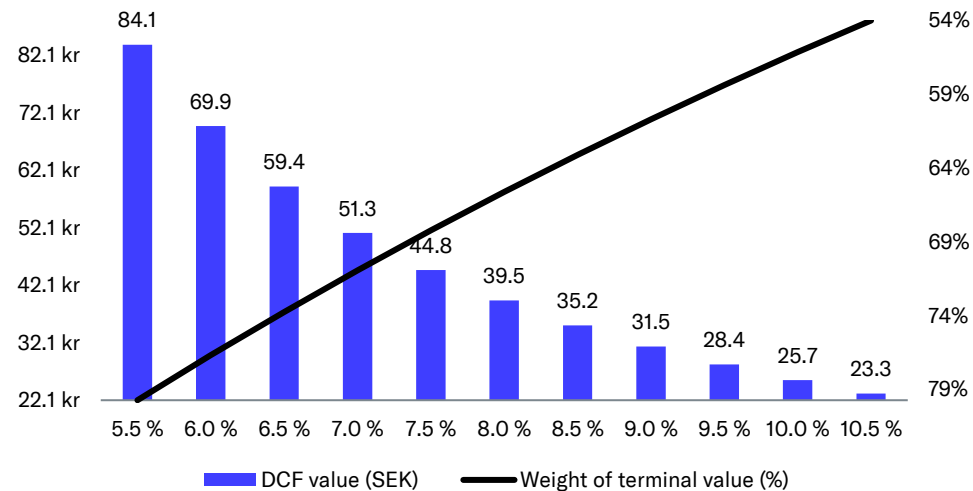
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	8.0 %

Source: Inderes

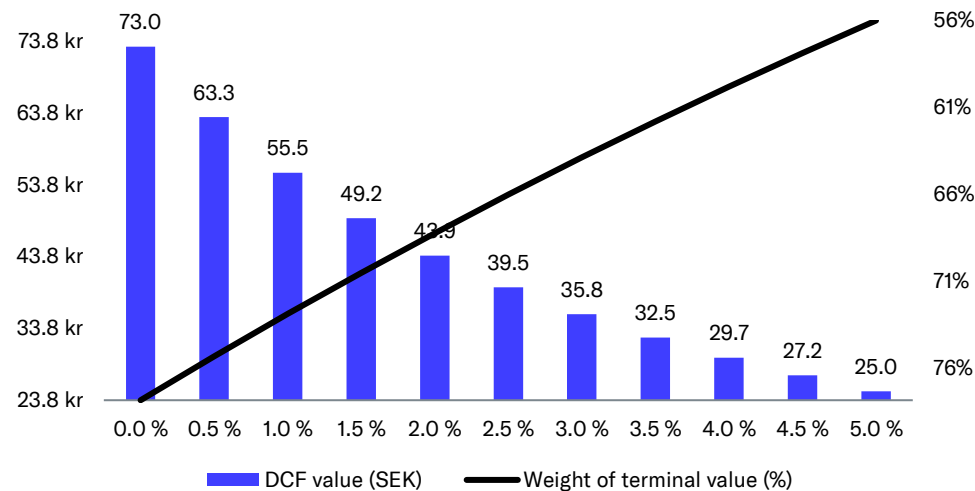


# DCF sensitivity calculations and key assumptions in graphs

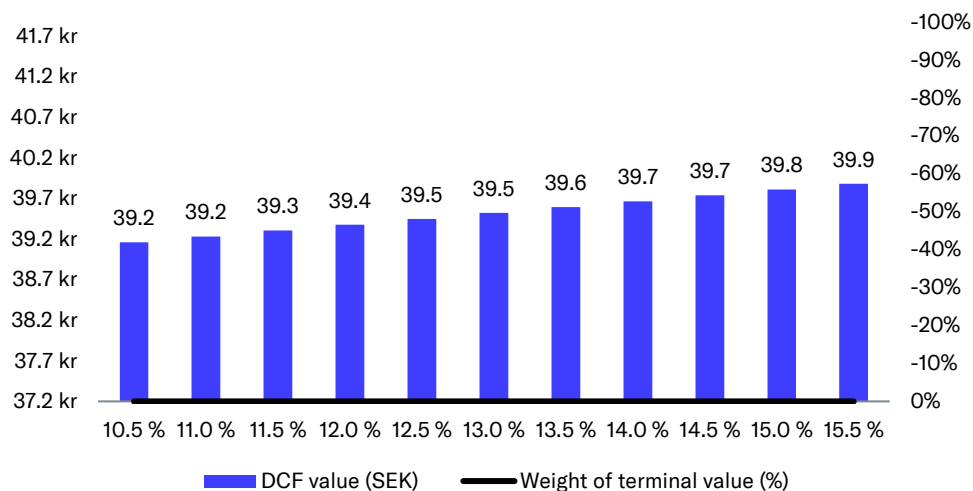
Sensitivity of DCF to changes in the WACC-%



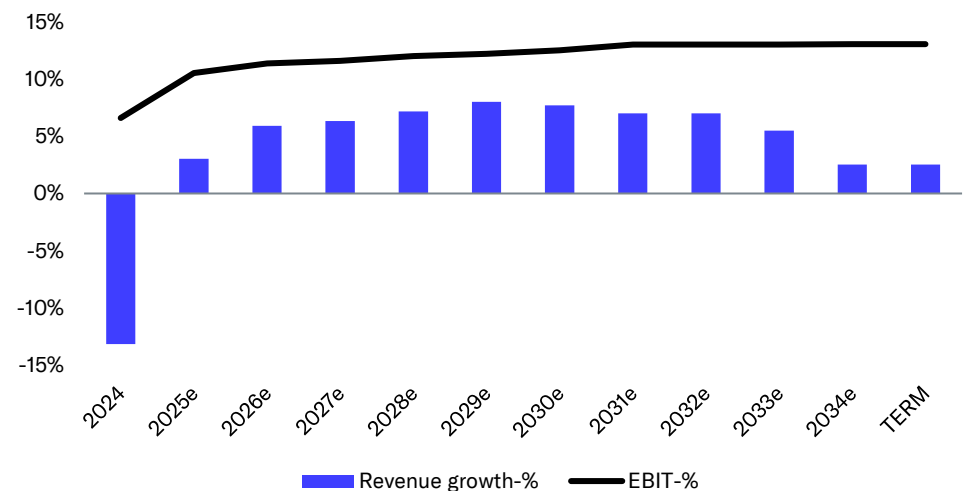
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	40,071	46,649	40,521	41,749	44,213	EPS (reported)	2.16	2.37	0.58	1.34	1.69
EBITDA	7,460	8,797	4,916	6,724	7,528	EPS (adj.)	2.11	2.42	0.80	1.34	1.69
EBIT	5,863	6,973	2,671	4,396	5,024	OCF / share	1.48	3.32	1.96	3.06	2.71
PTP	5,675	6,331	1,536	3,549	4,424	OFCF / share	-1.34	-2.36	-2.17	1.99	1.63
Net Income	4,351	4,785	1,164	2,695	3,413	Book value / share	13.86	13.58	15.92	16.96	18.20
Extraordinary items	99	-96	-555	0	0	Dividend / share	0.65	0.65	0.30	0.45	0.65
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	53,994	68,104	70,406	68,520	70,364	Revenue growth-%	30%	16%	-13%	3%	6%
Equity capital	27,973	27,420	32,140	34,230	36,736	EBITDA growth-%	29%	18%	-44%	37%	12%
Goodwill	17,630	26,076	26,076	26,076	26,076	EBIT (adj.) growth-%	29%	23%	-54%	36%	14%
Net debt	6,326	17,238	19,104	16,358	14,490	EPS (adj.) growth-%	29%	15%	-67%	68%	27%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	18.6 %	18.9 %	12.1 %	16.1 %	17.0 %
EBITDA	7,460	8,797	4,916	6,724	7,528	EBIT (adj.)-%	14.4 %	15.2 %	8.0 %	10.5 %	11.4 %
Change in working capital	-3,180	-409	-306	488	-960	EBIT-%	14.6 %	14.9 %	6.6 %	10.5 %	11.4 %
Operating cash flow	2,994	6,697	3,960	6,168	5,463	ROE-%	17.6 %	17.3 %	3.9 %	8.1 %	9.6 %
CAPEX	-5,983	-13,565	-5,118	-2,160	-2,182	ROI-%	16.7 %	15.8 %	5.0 %	7.8 %	8.8 %
Free cash flow	-2,696	-4,754	-4,365	4,008	3,281	Equity ratio	51.8 %	40.3 %	45.6 %	50.0 %	52.2 %
						Gearing	22.6 %	62.9 %	59.4 %	47.8 %	39.4 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	5.0	3.4	2.6	2.6	2.4						
EV/EBITDA	27.1	18.2	21.6	16.2	14.3						
EV/EBIT (adj.)	35.1	22.7	33.0	24.8	21.4						
P/E (adj.)	46.0	29.2	54.3	34.4	27.2						
P/B	7.0	5.2	2.7	2.7	2.5						
Dividend-%	0.7 %	0.9 %	0.7 %	1.0 %	1.4 %						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-09-20	Reduce	74.1 kr	70.5 kr
2023-11-16	Reduce	62.0 kr	67.5 kr
2023-02-13	Reduce	59.0 kr	66.5 kr
2023-02-19	Reduce	56.0 kr	59.0 kr
2024-05-17	Reduce	55.0 kr	61.3 kr
2024-08-19	Accumulate	53.0 kr	47.8 kr
2024-11-18	Reduce	52.0 kr	50.1 kr
2025-02-04	Reduce	42.0 kr	43.5 kr
2025-02-17	Reduce	44.0 kr	44.7 kr
2025-05-04	Reduce	40.0 kr	42.7 kr
2025-05-16	Reduce	40.0 kr	44.0 kr
2025-08-19	Sell	40.0 kr	44.0 kr
2025-08-25	Sell	40.0 kr	46.0 kr





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## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

**inderes.se**

**inderes.fi**

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