

SITOWISE

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COMPANY REPORT



Direction is slowly starting to level out

Sitowise's Q4 bottom line was in line with our expectations, and the long-awaited turnaround began to take its first steps. Cash flow at the end of the year was much better than we expected, which was encouraging given the tight balance sheet situation. However, investors cannot yet breathe a sigh of relief, as financial risks are high. Nevertheless, with the stabilization of the earnings slide, we are now ready to explore the company's potential. We raise our recommendation to Accumulate (was Reduce) and our target price to EUR 2.6 (was EUR 2.20).

Sales exceeded our estimates and the result was as expected

Sitowise's Q4 revenue grew by about 3% in reported terms to 50.2 MEUR, while we had expected a 1% decline to 48.0 MEUR. Infra grew by a robust 13% to 20.2 MEUR, beating our expectations. Digital Solutions sales, on the other hand, fell by 2% to 9.4 MEUR, contrary to our expectations, due to declining project business volumes, but the segment's strategically important recurring revenue continued to grow by 10%. Sales in the Buildings segment decreased by 3% to 13.3 MEUR. The decline in sales in Sweden slowed significantly from previous quarters, decreasing by only 3% at 7.3 MEUR, compared to a 19% decline last quarter.

Adjusted EBITA increased to 2.2 MEUR (Q4'24: 1.2 MEUR), in line with our forecast. Verbal descriptions of the segments revealed that Infra remained highly profitable (over 12%). Digital Solutions also continued to deliver healthy profitability (5-10%). The Swedish and Buildings businesses were loss-making. The net debt/EBITDA ratio decreased to 4.9x (Q3'25: 7.2x), thanks to improved earnings and strong cash flow in Q4, though it remains at a high level. If the result improves in line with our forecasts, the target level of 2.5x will be reached in 2027. This is important because the company's current financing package is set to expire in the summer of 2027.

No major surprises in the guidance

The company's order book also increased initially to 152.5 MEUR (Q4'24: 151 MEUR), while the number of full-time employees fell by

5% year-on-year to 1,684. The current ratio of employees to workload appears balanced, forming a basis for our expectations for earnings growth in 2026. As in the previous year, the company did not venture to provide earnings guidance and expects the recovery of the construction market to be slow, not becoming more widespread until 2027.

Our big-picture forecasts unchanged

We forecast that Sitowise's revenue will increase by 2% in 2026 and that its adjusted EBITA margin will end up at 6.1% (2025: 4.7%). Without sales growth, improving profitability will be challenging for the company, and we expect a clearer recovery to occur only in the latter half of 2026 and in 2027. Growth will accelerate then to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the group as a whole will return to the company's targeted EBITA margin of 12%.

Realizing earnings growth is crucial

According to our forecasts, the EV/EBITDA ratio will remain high at 8x in 2026. High financial expenses will also significantly erode net earnings, leading to an even higher P/E ratio of 59x. However, it is clear that the company's earnings potential is significantly higher than the current level because the company is now operating at the bottom of the market cycle. Therefore, we believe that the 2027 valuation (EV/EBITDA: 6x, P/E: 14x), as well as the one for 2028 (EV/EBITDA: 5x, P/E: 9x), better reflect Sitowise's valuation in relation to the company's normalized earnings performance. In our view, the halt in the decline of earnings has improved the risk/reward ratio of the share, and we are now prepared to examine the share's potential more closely. Financial risks remain high if our projected earnings growth were not to materialize.

Recommendation

Accumulate

(was Reduce)

Business risk



Target price:

EUR 2.60

(was EUR 2.20)

Valuation risk



Share price:

EUR 2.34

| | 2025 | 2026e | 2027e | 2028e |
|--------------|-------|-------|-------|-------|
| Revenue | 188.7 | 192.3 | 206.8 | 215.0 |
| growth-% | -2% | 2% | 7% | 4% |
| EBITA adj. | 8.9 | 11.8 | 15.4 | 18.7 |
| EBITA-% adj. | 4.7 % | 6.1 % | 7.5 % | 8.7 % |
| Net Income | -42.4 | 1.4 | 6.0 | 9.7 |
| EPS (adj.) | -0.01 | 0.04 | 0.17 | 0.27 |

| | | | | |
|------------------|-------|-------|-------|-------|
| P/E (adj.) | neg. | 58.9 | 13.9 | 8.7 |
| P/B | 1.2 | 1.1 | 1.0 | 0.9 |
| Dividend yield-% | 0.0 % | 0.9 % | 2.1 % | 5.2 % |
| EV/EBIT (adj.) | 38.0 | 19.5 | 10.9 | 7.7 |
| EV/EBITDA | 11.4 | 7.7 | 6.1 | 5.0 |
| EV/S | 0.9 | 0.8 | 0.7 | 0.6 |

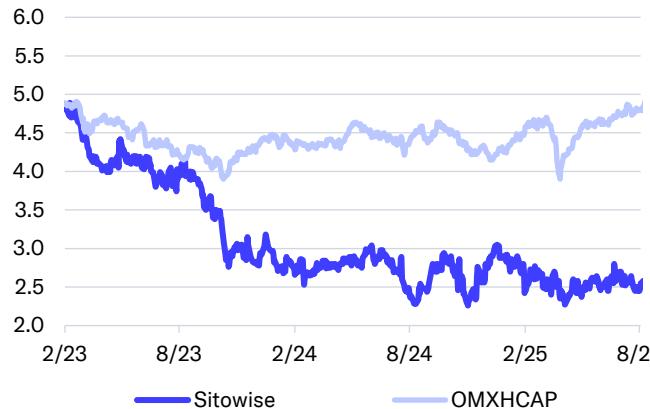
Source: Inderes

Guidance

(Unchanged)

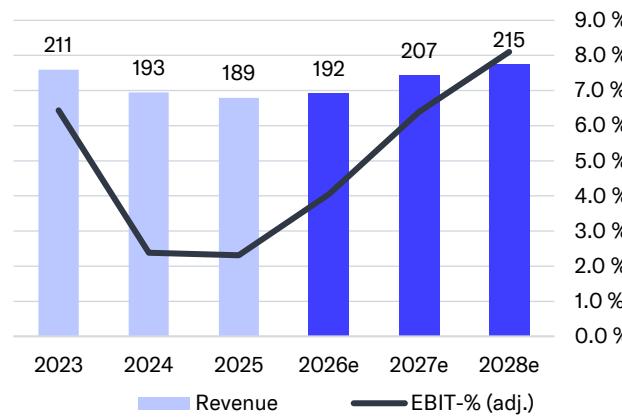
No guidance due to market uncertainty

Share price



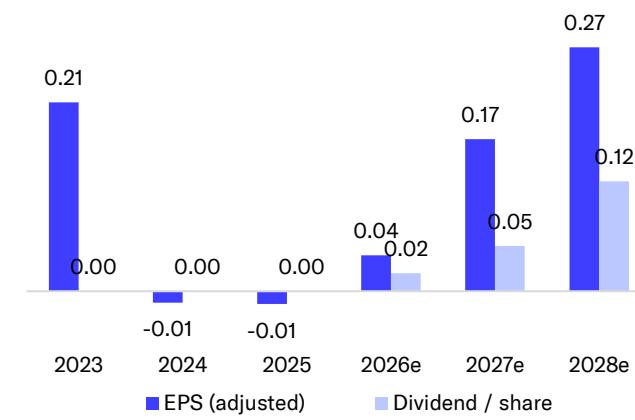
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in a recovering market
- Return to strong profitability
- Strong cash flow and low investment need in a normal market
- Efficient business model as well as digitalization expertise create competitive advantage
- Increasing share of consulting and design in the construction value chain driven by megatrends
- Opportunities created by sustainable development regulation

Risk factors

- Cyclical nature of the underlying construction market
- Maintaining a good profitability level sustainably
- A clear and prolonged market downturn after good years
- Challenges created by Nordic expansion and a new market
- Failure in acquisitions
- Leverage and growth financing

| Valuation | 2026e | 2027e | 2028e |
|----------------------------|--------|--------|--------|
| Share price | 2.34 | 2.34 | 2.34 |
| Number of shares, millions | 35.8 | 35.8 | 35.8 |
| Market cap | 84 | 84 | 84 |
| EV | 152 | 144 | 135 |
| P/E (adj.) | 58.9 | 13.9 | 8.7 |
| P/B | 1.1 | 1.0 | 0.9 |
| EV/Sales | 0.8 | 0.7 | 0.6 |
| EV/EBITDA | 7.7 | 6.1 | 5.0 |
| EV/EBIT (adj.) | 19.5 | 10.9 | 7.7 |
| Payout ratio (%) | 50.3 % | 29.7 % | 45.0 % |
| Dividend yield-% | 0.9 % | 2.1 % | 5.2 % |

Source: Inderes

Sales exceeded our forecast and result met our expectations

Infra was in good shape and Digital Solutions also performed reasonably well

Sitowise's Q4 revenue grew by 3% in reported terms to 50.2 MEUR, whereas we had expected a decline of 1% to 48.0 MEUR. Our expectations for stronger growth were met by Infra, which grew by 13% to 20.2 MEUR in reported terms, driven by rail transport projects, as well as green transition and industrial projects.

Digital Solutions sales, on the other hand, decreased by 2% to 9.4 MEUR due to lower project business volumes, despite our expectation of growth from the segment. Strategically important annual recurring revenue (ARR), however, grew by 10% from the comparison period, with SaaS products already accounting for approximately one-third of Digital Solutions' revenue. For all of 2025, ARR grew by 17%.

Decline in Buildings and Sweden also slowed down

Sales in the Buildings segment decreased by 3%, settling to 13.3 MEUR. The decline in sales in the Swedish segment

slowed significantly from previous quarters, decreasing by only 3% to 7.3 MEUR, compared to a 19% decline last quarter.

One additional working day than in the comparison period supported sales and earnings (a positive impact of 0.6-0.7 MEUR on revenue and EBITA). The utilization rate rose to 74.2% during the quarter (Q4'24: 72.5%) and also improved from the previous quarter (Q3: 73.4%). The utilization rate is still far from the company's target level of 78%.

EBITA improved as expected from weak comparison period

Sitowise's adjusted EBITA for Q4 turned to growth as expected, reaching 2.2 MEUR (Q4'24: 1.2 MEUR). Verbal descriptions of the segments revealed that Infra continued to deliver strong profitability (over 12%). In contrast, the digital business fell short of the group's target level with an EBITA margin of 5-10%, whereas it was above this level in the previous quarter.

In the Buildings and Sweden business areas, full-time equivalent productivity was reported to have improved year-

on-year. Their EBITA margins were nevertheless described as loss-making. The loss in Sweden was expected, but the loss in the Buildings business was explained by write-downs related to delayed projects, which can be considered more as one-time items.

The gearing ratio (net debt/adjusted EBITDA) has now fallen to 4.9x. While the level remains very high, it is clearly down from 7.2x in the previous quarter, as strong cash flow at the end of the year reduced net debt and improved earnings strengthened EBITDA. Cash flow from operating activities before financial items and taxes improved in Q4 to 14.1 MEUR (2024: 10.9 MEUR). This was due to improved working capital management and capital gains from the sale of Fimpec Group shares (approx. 3 MEUR).

As expected, the reported EBIT was deeply negative since the company announced in December that it would recognize a goodwill impairment of approximately 40 MEUR related to its Swedish operations.

| Estimates MEUR / EUR | Q4'24 | Q4'25 | Q4'25e | Q4'25e | Consensus | | Difference (%) | 2025 |
|-------------------------|------------|------------|---------|-----------|-----------|------|------------------|---------|
| | Comparison | Actualized | Inderes | Consensus | Low | High | Act. vs. Inderes | Inderes |
| Revenue | 48.7 | 50.2 | 50.2 | | | | 0% | 188.7 |
| EBITA (adj.) | 1.2 | 2.2 | 2.2 | | | | 0% | 11.8 |
| EBIT | -0.4 | -38.8 | -38.8 | | | | 0% | -37.5 |
| EPS (reported) | -0.05 | -1.11 | 0.03 | | | | -4260% | -1.18 |
| DPS | 0.00 | 0.00 | 0.00 | | | | 0% | 0.00 |
| Revenue growth-% | -7.8 % | 3.1 % | 3.1 % | | | | 0 pp | 1.9 % |
| EBITA-% (adj.) | 2.5 % | 4.4 % | 4.4 % | | | | 0 pp | 6.2 % |

Source: Inderes

Forecasts remain unchanged overall, and we expect recovery in the coming years

Outlook remains uncertain

As in the previous year, the company did not provide numerical guidance for the current year. The rationale was that due to the unpredictable timing of construction market recoveries both in Finland and Sweden, there is significant uncertainty related to Sitowise's revenue development in 2026 as well. The company expects the technical consulting market environment to remain mixed in 2026. Good demand for services related to green transition, security, and digitalization will support business performance especially in the Infra and Digital Solutions business areas. In the Buildings business area, there have been signs of moderate recovery in the construction market. However, the company anticipates that a larger-scale recovery in the construction market will occur only in 2027.

In the Swedish business area, Sitowise reiterated that it has taken decisive improvement measures and expects them to gradually enhance performance. A profitability turnaround in Sweden will be achieved primarily by increasing revenue.

According to the company, there is uncertainty related to the timing of the Swedish construction market recovery. However, the company anticipates it will occur in 2026.

The company also commented on the outlook for its segments over the next 12 months. There were no changes to the verbal descriptions compared to the previous quarter. The outlook for Infra and Digital Solutions was described as stable, while the outlook for Buildings and Sweden was weak but improving.

New orders increased across all segments

In Q4, the group's new orders grew 19% from the comparison period and amounted to 53.9 MEUR. Development was particularly driven by significant project wins in the Infra business area. The Digital Solutions business also succeeded in securing continuations for long-term software development projects, which contributed significantly to the growth of order intake. Order intake also increased in the Buildings and Sweden businesses.

Overall, the order book increased by 2.5% from the end of the previous quarter, reaching 152.5 MEUR (Q4'24: 151 MEUR). Order books for Infra and Digital Solutions remained at a good level. Order books remained low in the Buildings and Swedish business areas. During Q4, the number of full-time employees decreased by 5% year-on-year to 1,684. The current number of employees in relation to the workload appears to be more balanced, which forms a basis for our earnings growth expectations in 2026.

We expect a clearer recovery to occur only in the latter half of 2026 and in 2027, when growth will accelerate to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the group as a whole will return to the company's targeted EBITA margin of 12%.

| Estimate revisions | 2025 | 2025 | Change | 2026e | 2026e | Change | 2027e | 2027e | Change |
|--------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| MEUR / EUR | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 186 | 189 | 1% | 192 | 192 | 0% | 206 | 207 | 0% |
| EBITA (adj.) | 8.8 | 8.8 | 0% | 12.1 | 11.8 | -3% | 16.0 | 15.4 | -3% |
| PTP | -44.1 | -43.7 | 1% | 3.1 | 1.8 | -42% | 7.9 | 7.5 | -5% |
| EPS (excl. NRIs) | -0.02 | -0.01 | 29% | 0.07 | 0.04 | -41% | 0.17 | 0.17 | -2% |
| DPS | 0.00 | 0.00 | | 0.02 | 0.02 | 0% | 0.05 | 0.05 | 0% |

Normalized earnings level is higher than today

Looking further ahead, the multiples are attractive

Sitowise's 2026e valuation is still rising to a high level due to weak performance (2026e EV/EBITDA: 8x and 2026 P/E 59x). During 2027, Sitowise's performance should gradually improve towards the company's normal profit level. Therefore, we believe that the 2027 valuation (EV/EBITDA: 6x, P/E: 14x) and the one for 2028 (EV/EBITDA: 5x, P/E: 9x) better reflect Sitowise's valuation in relation to the company's normalized earnings.

The key question for the investment case and the expected return on the share is thus the company's normal margin level. There is more uncertainty than usual associated with this because we believe the Buildings market, which is important to the company, will remain lower than in its peak years for a long time to come. We also note that the company's debt sustainability and, at the same time, the level of risk associated with the debt depend on normalized earnings and cash flow. If the margin were to remain close to the 2025 level, the share would be very expensive, and the balance sheet would need to be strengthened, for example, with a share issue or an expensive hybrid loan.

Relative valuation does not offer significant support

Based on the 2026e and 2027e EV/EBITDA multiples, Sitowise is valued in line with its peers. However, the company's valuation rises to a clear premium when measured by P/E ratios, as financial expenses consume a large portion of the operating result. However, the longer-term earnings improvement potential on the bottom line is greater than that of its competitors due to a weak starting point and Sitowise having suffered more from the weak Buildings market than its peers.

If the earnings recovery and market upturn occur as our estimates predict, valuation multiples will decrease to more attractive levels than peers in the long term.

Cash flow model offers upside

Our DCF calculation on page 11 gives a value of EUR 2.8, offering an upside for the share. We normally consider the DCF model to be well suited to Sitowise's valuation. In a good market, the company's business generates healthy, predictable cash flow and requires little investment.

However, at the bottom of the cycle and with current performance, cash flow is being absorbed by financial expenses, leaving nothing to distribute to owners. An essential question, from the perspective of the value provided by the DCF calculation as well, is at what rate the market and Sitowise's results will begin to recover. We have used a rather high cost of capital (WACC 9.4%), as forecasting risks are elevated in the current market.

In our model, the company's revenue growth stabilizes at 1% in the terminal period after stronger growth (~5%) during a period marked by market recovery (2027-2029), and the EBIT margin gradually rises to 8.5% of revenue. This corresponds to an EBITA margin of around 9%, which is clearly below the company's target level (12%).

Our longer-term growth projections are moderate, but it should be noted that Sitowise cannot grow faster than the market indefinitely, nor can construction consulting grow faster than construction indefinitely. Our profitability expectations are optimistic based on current performance, but moderate based on history and potential.

Based on various valuation methods, we consider Sitowise's current valuation to have a sufficiently attractive risk/reward for a positive recommendation, even though both potential returns and risks are currently elevated.

| Valuation | 2026e | 2027e | 2028e |
|----------------------------|--------|--------|--------|
| Share price | 2.34 | 2.34 | 2.34 |
| Number of shares, millions | 35.8 | 35.8 | 35.8 |
| Market cap | 84 | 84 | 84 |
| EV | 152 | 144 | 135 |
| P/E (adj.) | 58.9 | 13.9 | 8.7 |
| P/B | 1.1 | 1.0 | 0.9 |
| EV/Sales | 0.8 | 0.7 | 0.6 |
| EV/EBITDA | 7.7 | 6.1 | 5.0 |
| EV/EBIT (adj.) | 19.5 | 10.9 | 7.7 |
| Payout ratio (%) | 50.3 % | 29.7 % | 45.0 % |
| Dividend yield-% | 0.9 % | 2.1 % | 5.2 % |

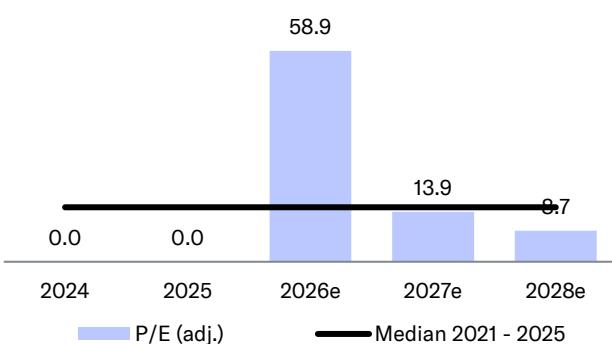
Source: Inderes

Valuation table

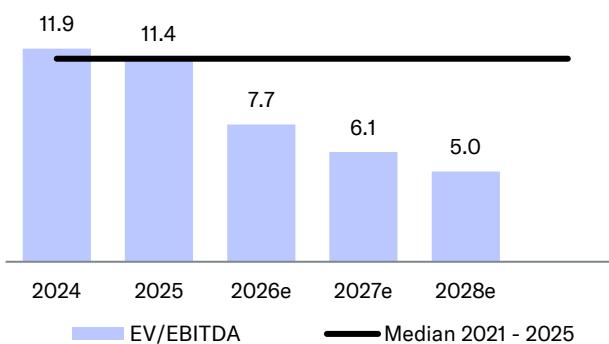
| Valuation | 2022 | 2023 | 2024 | 2025 | 2026e | 2027e | 2028e | 2029e |
|----------------------------|--------|-------|-------|-------|--------|--------|--------|--------|
| Share price | 5.14 | 3.18 | 3.05 | 2.59 | 2.34 | 2.34 | 2.34 | 2.34 |
| Number of shares, millions | 35.5 | 35.6 | 35.8 | 35.8 | 35.8 | 35.8 | 35.8 | 35.8 |
| Market cap | 182 | 113 | 109 | 93 | 84 | 84 | 84 | 84 |
| EV | 268 | 197 | 186 | 165 | 152 | 144 | 135 | 128 |
| P/E (adj.) | 15.0 | 15.2 | neg. | neg. | 58.9 | 13.9 | 8.7 | 7.7 |
| P/B | 1.6 | 0.9 | 0.9 | 1.2 | 1.1 | 1.0 | 0.9 | 0.9 |
| EV/Sales | 1.3 | 0.9 | 1.0 | 0.9 | 0.8 | 0.7 | 0.6 | 0.6 |
| EV/EBITDA | 11.3 | 8.2 | 11.9 | 11.4 | 7.7 | 6.1 | 5.0 | 4.6 |
| EV/EBIT (adj.) | 15.4 | 14.5 | 40.6 | 38.0 | 19.5 | 10.9 | 7.7 | 6.8 |
| Payout ratio (%) | 45.2 % | 0.0 % | 0.0 % | 0.0 % | 50.3 % | 29.7 % | 45.0 % | 50.0 % |
| Dividend yield-% | 1.9 % | 0.0 % | 0.0 % | 0.0 % | 0.9 % | 2.1 % | 5.2 % | 6.5 % |

Source: Inderes

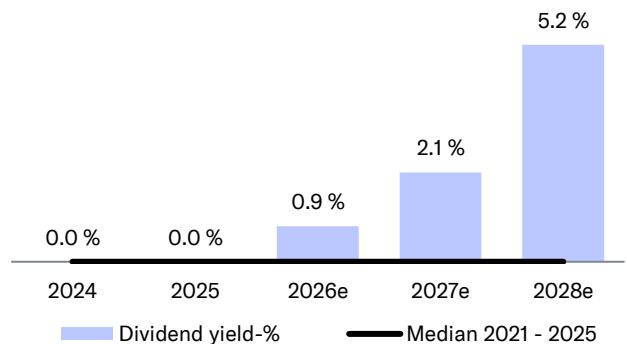
P/E (adj.)



EV/EBITDA



Dividend yield-%



Peer group valuation

| Peer group valuation Company | Market cap MEUR | EV MEUR | EV/EBIT | | EV/EBITDA | | EV/S | | P/E | | Dividend yield-% | | P/B 2026e |
|---------------------------------|--------------------|------------|---------|-------|-----------|-------|-------|-------|-------|-------|------------------|-------|--------------|
| | | | 2026e | 2027e | 2026e | 2027e | 2026e | 2027e | 2026e | 2027e | 2026e | 2027e | |
| Sweco AB | 5000 | 5617 | 16.5 | 14.9 | 13.2 | 12.2 | 1.8 | 1.7 | 19.1 | 17.4 | 2.7 | 2.9 | 3.8 |
| Afry AB | 1498 | 1992 | 10.4 | 8.7 | 7.4 | 6.4 | 0.8 | 0.8 | 12.0 | 9.3 | 5.1 | 5.5 | 1.1 |
| Rejlers AB | 374 | 435 | 12.7 | 10.7 | 7.5 | 6.8 | 0.9 | 0.9 | 13.5 | 11.5 | 3.2 | 3.4 | 1.8 |
| Solwers Oyj | 24 | 51 | 12.1 | 9.3 | 5.8 | 4.9 | 0.6 | 0.5 | 11.6 | 8.0 | 1.9 | 2.1 | 0.5 |
| Etteplan Oyj | 232 | 318 | 13.4 | 11.0 | 7.4 | 6.5 | 0.9 | 0.8 | 13.9 | 11.1 | 3.3 | 4.2 | 1.7 |
| Norconsult ASA | 1256 | 1409 | 14.0 | 12.3 | 9.3 | 8.6 | 1.4 | 1.3 | 15.9 | 14.2 | 4.3 | 5.0 | 4.1 |
| Sitowise (Inderes) | 84 | 152 | 19.5 | 10.9 | 7.7 | 6.1 | 0.8 | 0.7 | 58.9 | 13.9 | 0.9 | 2.1 | 1.1 |
| Average | | | 13.0 | 11.0 | 8.3 | 7.5 | 1.0 | 1.0 | 14.1 | 11.8 | 3.7 | 4.2 | 2.3 |
| Median | | | 12.7 | 10.7 | 7.5 | 6.8 | 0.9 | 0.9 | 13.5 | 11.1 | 3.3 | 4.2 | 1.8 |
| Diff-% to median | | | 54% | 2% | 3% | -9% | -11% | -18% | 336% | 26% | -74% | -49% | -39% |

Source: Refinitiv / Inderes

Income statement

| Income statement | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26e | Q2'26e | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---------------------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-------|-------|-------|-------|
| Revenue | 192.9 | 48.1 | 49.8 | 40.5 | 50.3 | 188.7 | 48.3 | 49.8 | 41.9 | 52.3 | 192.3 | 206.8 | 215.0 | 221.5 |
| Group | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Infra | 68.4 | 17.6 | 19.2 | 16.1 | 20.2 | 73.1 | 18.1 | 19.8 | 16.6 | 20.8 | 75.3 | 77.6 | 79.1 | 81.5 |
| Buildings | 57.4 | 14.2 | 14.1 | 11.3 | 13.3 | 52.9 | 13.8 | 13.7 | 11.5 | 13.8 | 52.8 | 60.2 | 63.2 | 65.1 |
| Digital Solutions | 33.6 | 9.3 | 9.4 | 8.3 | 9.4 | 36.4 | 9.4 | 9.4 | 9.0 | 10.2 | 38.0 | 40.9 | 42.9 | 44.2 |
| Sweden | 33.6 | 7.0 | 7.2 | 4.8 | 7.4 | 26.4 | 7.0 | 6.9 | 4.8 | 7.5 | 26.3 | 28.1 | 29.8 | 30.7 |
| EBITDA | 15.6 | 2.8 | 4.1 | 3.5 | 4.1 | 14.5 | 4.3 | 5.2 | 4.6 | 5.7 | 19.8 | 23.4 | 26.7 | 27.7 |
| Depreciation | -13.2 | -3.1 | -3.0 | -3.0 | -42.9 | -52.0 | -3.0 | -3.0 | -3.0 | -3.0 | -12.0 | -10.2 | -9.3 | -8.8 |
| EBIT | 2.5 | -0.3 | 1.0 | 0.5 | -38.8 | -37.5 | 1.3 | 2.2 | 1.6 | 2.7 | 7.8 | 13.2 | 17.4 | 18.8 |
| EBITA (adj.) | 9.6 | 2.4 | 2.5 | 1.7 | 2.2 | 8.9 | 2.3 | 3.2 | 2.6 | 3.7 | 11.8 | 15.4 | 18.7 | 19.3 |
| Net financial items | -5.8 | -1.6 | -1.6 | -1.5 | -1.5 | -6.1 | -1.5 | -1.5 | -1.5 | -1.5 | -6.0 | -5.7 | -5.3 | -5.2 |
| PTP | -3.4 | -1.8 | -0.6 | -1.0 | -40.3 | -43.7 | -0.2 | 0.7 | 0.1 | 1.2 | 1.8 | 7.5 | 12.1 | 13.7 |
| Taxes | 0.7 | 0.4 | 0.1 | 0.3 | 0.2 | 1.1 | 0.0 | -0.1 | 0.0 | -0.2 | -0.4 | -1.5 | -2.4 | -2.7 |
| Minority interest | 0.1 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net earnings | -0.1 | 0.0 | 0.0 | 0.0 | -1.1 | -1.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.3 | 0.3 |
| Net earnings | -2.6 | -1.4 | -0.4 | -0.7 | -39.9 | -42.4 | -0.2 | 0.5 | 0.1 | 1.0 | 1.4 | 6.0 | 9.7 | 10.9 |
| EPS (adj.) | -0.01 | 0.01 | -0.01 | -0.02 | 0.00 | -0.01 | 0.00 | 0.02 | 0.00 | 0.03 | 0.04 | 0.17 | 0.27 | 0.31 |
| EPS (rep.) | -0.07 | -0.04 | -0.01 | -0.02 | -1.11 | -1.18 | 0.00 | 0.02 | 0.00 | 0.03 | 0.04 | 0.17 | 0.27 | 0.31 |

| Key figures | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26e | Q2'26e | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|-------------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-% | -8.5 % | -6.6 % | -2.2 % | -3.1 % | 3.3 % | -2.2 % | 0.4 % | 0.1 % | 3.4 % | 4.1 % | 1.9 % | 7.5 % | 4.0 % | 3.0 % |
| Adjusted EBITA growth-% | -52.9 % | -48.2 % | -57.4 % | -65.3 % | -60.4 % | -7.4 % | -5.6 % | 26.2 % | 52.7 % | 66.5 % | 32.6 % | 31.1 % | 20.9 % | 3.4 % |
| EBITDA-% | 8.1 % | 5.9 % | 8.2 % | 8.6 % | 8.2 % | 7.7 % | 8.9 % | 10.4 % | 11.0 % | 10.9 % | 10.3 % | 11.3 % | 12.4 % | 12.5 % |
| Adjusted EBITA-% | 5.0 % | 5.1 % | 5.1 % | 4.2 % | 4.4 % | 4.7 % | 4.8 % | 6.4 % | 6.2 % | 7.1 % | 6.1 % | 7.5 % | 8.7 % | 8.7 % |

Balance sheet

| Assets | 2024 | 2025 | 2026e | 2027e | 2028e |
|--------------------------|------|------|-------|-------|-------|
| Non-current assets | 198 | 158 | 154 | 152 | 151 |
| Goodwill | 159 | 121 | 121 | 121 | 121 |
| Intangible assets | 11.6 | 9.1 | 5.1 | 2.9 | 1.6 |
| Tangible assets | 25.3 | 26.4 | 26.4 | 26.6 | 26.8 |
| Associated companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other investments | 1.9 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other non-current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | 0.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Current assets | 68.8 | 71.5 | 73.0 | 78.4 | 84.8 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current assets | 0.6 | 0.9 | 0.9 | 0.9 | 0.9 |
| Receivables | 50.7 | 48.1 | 49.0 | 52.7 | 54.8 |
| Cash and equivalents | 17.5 | 22.6 | 23.0 | 24.8 | 29.1 |
| Balance sheet total | 267 | 230 | 227 | 231 | 236 |

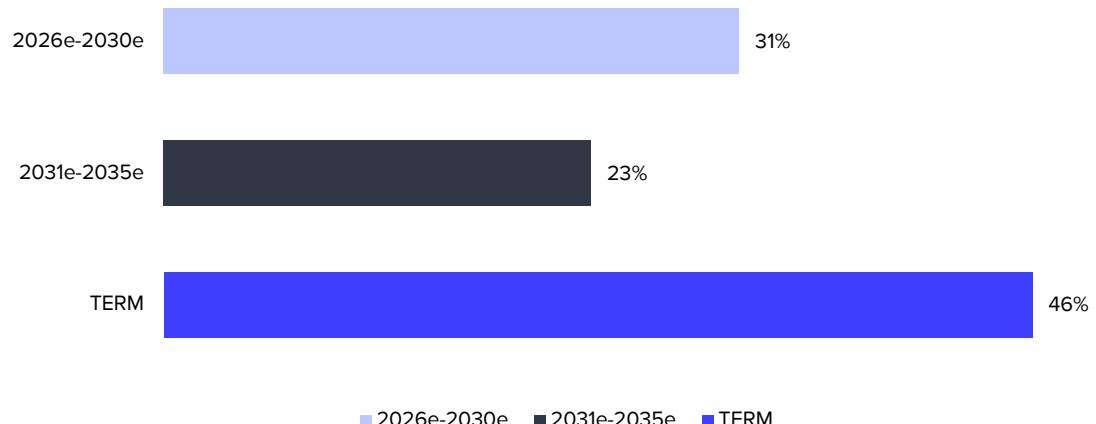
Source: Inderes

| Liabilities & equity | 2024 | 2025 | 2026e | 2027e | 2028e |
|-----------------------------|------|-------|-------|-------|-------|
| Equity | 115 | 76.9 | 78.3 | 83.6 | 91.5 |
| Share capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Retained earnings | 23.3 | -17.1 | -15.6 | -10.3 | -2.4 |
| Hybrid bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation reserve | -0.1 | -3.5 | -3.5 | -3.5 | -3.5 |
| Other equity | 92.0 | 97.3 | 97.3 | 97.3 | 97.3 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 87.5 | 87.4 | 0.7 | 75.7 | 75.7 |
| Deferred tax liabilities | 1.0 | 0.6 | 0.6 | 0.6 | 0.6 |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest bearing debt | 86.2 | 86.7 | 0.0 | 75.0 | 75.0 |
| Convertibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long term liabilities | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current liabilities | 64.3 | 65.5 | 148 | 71.3 | 68.9 |
| Interest bearing debt | 8.4 | 8.5 | 91.0 | 9.8 | 5.0 |
| Payables | 55.5 | 55.5 | 55.8 | 60.0 | 62.4 |
| Other current liabilities | 0.4 | 1.5 | 1.5 | 1.5 | 1.5 |
| Balance sheet total | 267 | 230 | 227 | 231 | 236 |

DCF-calculation

| DCF model | 2025 | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | 2035e | TERM |
|---|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue growth-% | -2.2 % | 1.9 % | 7.5 % | 4.0 % | 3.0 % | 2.5 % | 2.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % |
| EBIT-% | -19.9 % | 4.0 % | 6.4 % | 8.1 % | 8.5 % | 8.5 % | 8.5 % | 8.5 % | 8.5 % | 8.5 % | 8.5 % | 8.5 % |
| EBIT (operating profit) | -37.5 | 7.8 | 13.2 | 17.4 | 18.8 | 19.3 | 19.7 | 19.9 | 20.1 | 20.3 | 20.5 | |
| + Depreciation | 52.0 | 12.0 | 10.2 | 9.3 | 8.8 | 8.6 | 8.6 | 8.6 | 8.7 | 8.9 | 9.0 | |
| - Paid taxes | -0.4 | -0.4 | -1.5 | -2.4 | -2.7 | -2.8 | -2.9 | -2.9 | -3.0 | -3.0 | -3.1 | |
| - Tax, financial expenses | -1.8 | -1.2 | -1.1 | -1.1 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | |
| + Tax, financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Change in working capital | 3.5 | -0.8 | 0.5 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Operating cash flow | 15.8 | 17.5 | 21.3 | 23.5 | 24.1 | 24.3 | 24.5 | 24.6 | 24.9 | 25.2 | 25.5 | |
| + Change in other long-term liabilities | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Gross CAPEX | -11.0 | -8.0 | -8.2 | -8.3 | -8.5 | -8.7 | -8.8 | -9.0 | -9.2 | -9.4 | -9.6 | |
| Free operating cash flow | 4.6 | 9.5 | 13.1 | 15.2 | 15.6 | 15.6 | 15.7 | 15.6 | 15.7 | 15.8 | 15.9 | |
| +/- Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 4.6 | 9.5 | 13.1 | 15.2 | 15.6 | 15.6 | 15.7 | 15.6 | 15.7 | 15.8 | 15.9 | 193 |
| Discounted FCFF | | 8.7 | 11.1 | 11.7 | 11.0 | 10.1 | 9.3 | 8.4 | 7.8 | 7.1 | 6.6 | 79.6 |
| Sum of FCFF present value | | 171 | 163 | 152 | 140 | 129 | 119 | 109 | 101 | 93.3 | 86.2 | 79.6 |
| Enterprise value DCF | | 171 | | | | | | | | | | |
| - Interest bearing debt | | -95.2 | | | | | | | | | | |
| + Cash and cash equivalents | | 22.6 | | | | | | | | | | |
| -Minorities | | 0.0 | | | | | | | | | | |
| -Dividend/capital return | | 0.0 | | | | | | | | | | |
| Equity value DCF | | 98.9 | | | | | | | | | | |
| Equity value DCF per share | | 2.8 | | | | | | | | | | |

Cash flow distribution

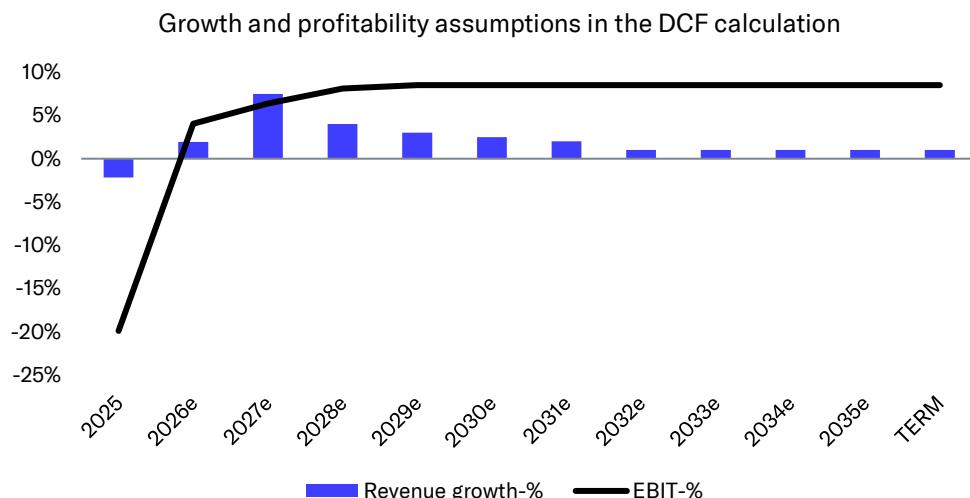
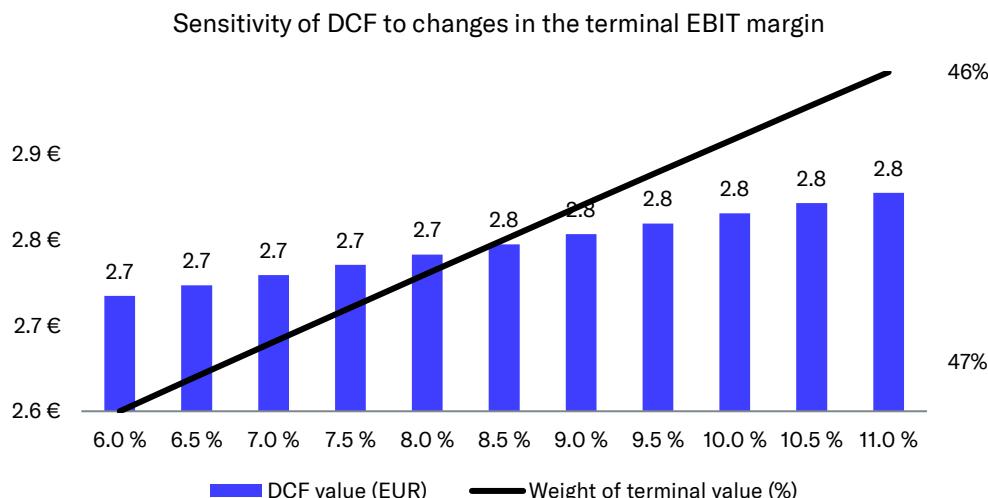
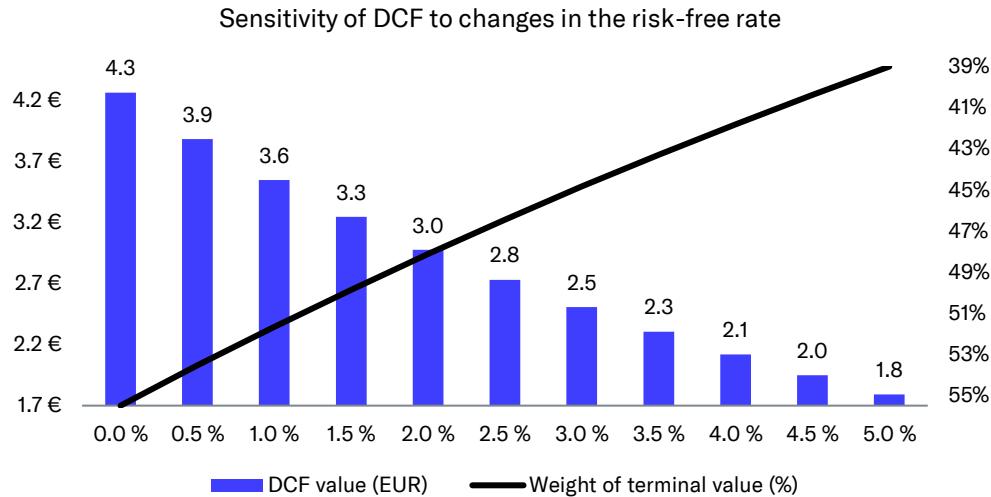
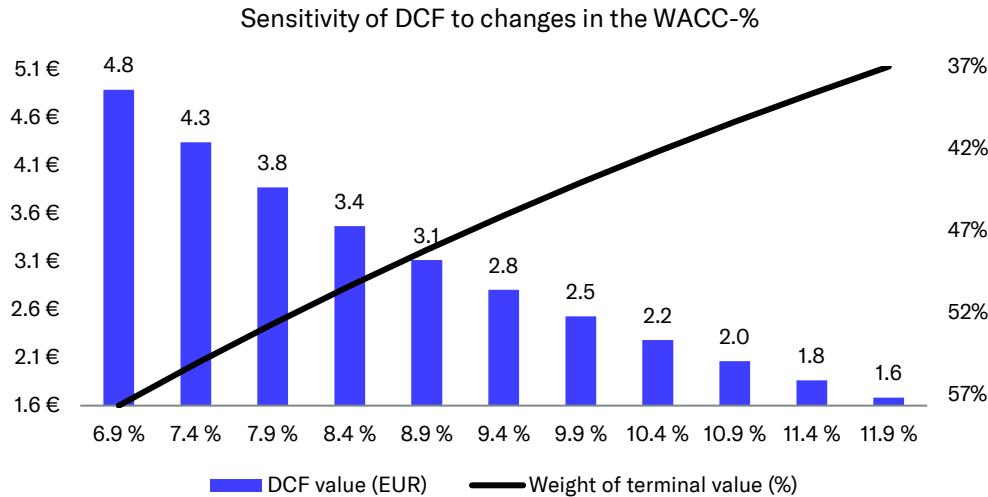


WACC

| | |
|---|--------|
| Tax-% (WACC) | 20.0 % |
| Target debt ratio (D/(D+E)) | 20.0 % |
| Cost of debt | 5.5 % |
| Equity Beta | 1.45 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.20% |
| Risk free interest rate | 2.5 % |
| Cost of equity | 10.6 % |
| Weighted average cost of capital (WACC) | 9.4 % |

Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



Summary

| Income statement | 2023 | 2024 | 2025 | 2026e | 2027e | Per share data | 2023 | 2024 | 2025 | 2026e | 2027e |
|---------------------------|-------|-------|-------|-------|-------|--------------------------|--------|--------|---------|--------|--------|
| Revenue | 210.9 | 192.9 | 188.7 | 192.3 | 206.8 | EPS (reported) | 0.16 | -0.07 | -1.18 | 0.04 | 0.17 |
| EBITDA | 23.2 | 15.6 | 14.5 | 19.8 | 23.4 | EPS (adj.) | 0.21 | -0.01 | -0.01 | 0.04 | 0.17 |
| EBIT | 11.7 | 2.5 | -37.5 | 7.8 | 13.2 | OCF / share | 0.56 | 0.60 | 0.44 | 0.49 | 0.59 |
| PTP | 7.1 | -3.4 | -43.7 | 1.8 | 7.5 | OFCF / share | 0.25 | 0.33 | 0.13 | 0.26 | 0.37 |
| Net Income | 5.6 | -2.6 | -42.4 | 1.4 | 6.0 | Book value / share | 3.35 | 3.22 | 2.14 | 2.18 | 2.33 |
| Extraordinary items | -1.9 | -2.1 | -41.9 | 0.0 | 0.0 | Dividend / share | 0.00 | 0.00 | 0.00 | 0.02 | 0.05 |
| Balance sheet | 2023 | 2024 | 2025 | 2026e | 2027e | Growth and profitability | 2023 | 2024 | 2025 | 2026e | 2027e |
| Balance sheet total | 278.4 | 267.1 | 229.8 | 227.3 | 230.6 | Revenue growth-% | 3% | -9% | -2% | 2% | 7% |
| Equity capital | 119.6 | 115.3 | 76.9 | 78.3 | 83.6 | EBITDA growth-% | -2% | -33% | -7% | 36% | 19% |
| Goodwill | 158.0 | 158.6 | 120.7 | 120.7 | 120.7 | EBIT (adj.) growth-% | -22% | -66% | -5% | 79% | 70% |
| Net debt | 83.1 | 77.1 | 72.6 | 68.0 | 60.1 | EPS (adj.) growth-% | -39% | -106% | 12% | -380% | 323% |
| | | | | | | EBITDA-% | 11.0 % | 8.1 % | 7.7 % | 10.3 % | 11.3 % |
| Cash flow | 2023 | 2024 | 2025 | 2026e | 2027e | EBIT (adj.)-% | 6.4 % | 2.4 % | 2.3 % | 4.0 % | 6.4 % |
| EBITDA | 23.2 | 15.6 | 14.5 | 19.8 | 23.4 | EBIT-% | 5.5 % | 1.3 % | -19.9 % | 4.0 % | 6.4 % |
| Change in working capital | -0.7 | 6.9 | 3.5 | -0.8 | 0.5 | ROE-% | 4.7 % | -2.2 % | -44.1 % | 1.8 % | 7.4 % |
| Operating cash flow | 20.1 | 21.4 | 15.8 | 17.5 | 21.3 | ROI-% | 5.4 % | 1.2 % | -19.7 % | 4.6 % | 7.8 % |
| CAPEX | -11.1 | -9.6 | -11.0 | -8.0 | -8.2 | Equity ratio | 42.9 % | 43.2 % | 33.4 % | 34.5 % | 36.3 % |
| Free cash flow | 9.0 | 11.7 | 4.6 | 9.5 | 13.1 | Gearing | 69.5 % | 66.9 % | 94.4 % | 86.8 % | 71.8 % |
| Valuation multiples | 2023 | 2024 | 2025 | 2026e | 2027e | | | | | | |
| EV/S | 0.9 | 1.0 | 0.9 | 0.8 | 0.7 | | | | | | |
| EV/EBITDA | 8.2 | 11.9 | 11.4 | 7.7 | 6.1 | | | | | | |
| EV/EBIT (adj.) | 14.5 | 40.6 | 38.0 | 19.5 | 10.9 | | | | | | |
| P/E (adj.) | 15.2 | neg. | neg. | 58.9 | 13.9 | | | | | | |
| P/B | 0.9 | 0.9 | 1.2 | 1.1 | 1.0 | | | | | | |
| Dividend-% | 0.0 % | 0.0 % | 0.0 % | 0.9 % | 2.1 % | | | | | | |

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. Per-share figures are calculated using the number of shares at year-end.

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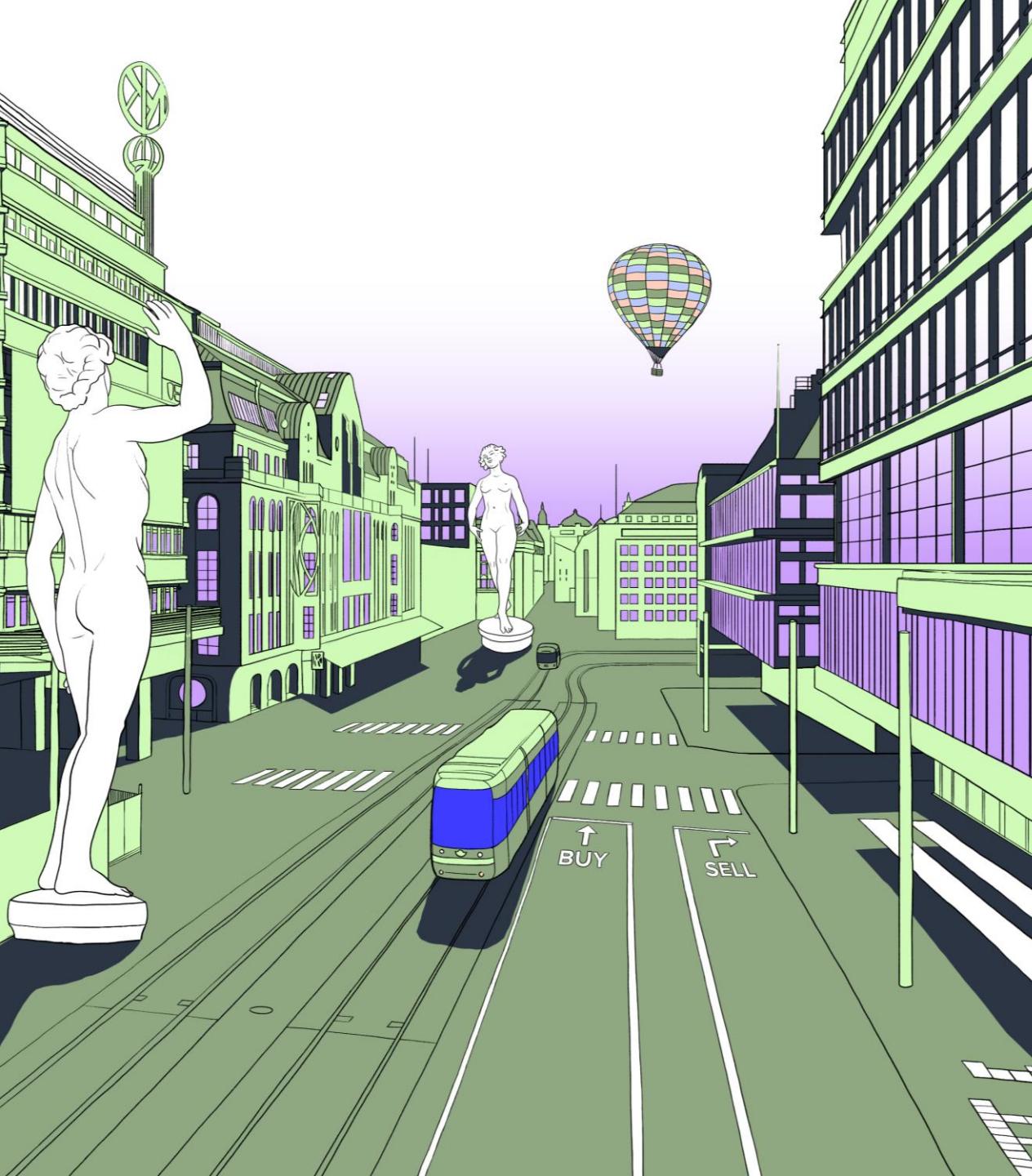
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| | |
|--|--|
| Buy | The 12-month risk-adjusted expected shareholder return of the share is very attractive |
| Accumulate | The 12-month risk-adjusted expected shareholder return of the share is attractive |
| Reduce | The 12-month risk-adjusted expected shareholder return of the share is weak |
| Sell | The 12-month risk-adjusted expected shareholder return of the share is very weak |
| <p>The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.</p> | |
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Recommendation history (>12 mo)

| Date | Recommendation | Target | Share price |
|------------|----------------|--------|-------------|
| 3/29/2021 | Reduce | 8.60 € | 8.50 € |
| 5/20/2021 | Accumulate | 9.30 € | 8.78 € |
| 8/26/2021 | Accumulate | 9.30 € | 8.27 € |
| 11/11/2021 | Accumulate | 9.30 € | 8.33 € |
| 3/3/2022 | Accumulate | 7.60 € | 6.50 € |
| 5/4/2022 | Accumulate | 7.20 € | 6.05 € |
| 5/19/2022 | Buy | 7.20 € | 5.74 € |
| 8/18/2022 | Accumulate | 6.50 € | 5.50 € |
| 10/27/2022 | Buy | 5.50 € | 3.90 € |
| 11/2/2022 | Buy | 5.50 € | 4.15 € |
| 11/29/2022 | Accumulate | 5.50 € | 4.75 € |
| 3/1/2023 | Accumulate | 5.40 € | 4.89 € |
| 5/10/2023 | Accumulate | 5.10 € | 4.40 € |
| 8/17/2023 | Buy | 5.00 € | 4.00 € |
| 9/5/2023 | Buy | 5.00 € | 3.99 € |
| 10/20/2023 | Accumulate | 4.00 € | 3.38 € |
| 11/3/2023 | Accumulate | 3.30 € | 2.88 € |
| 2/28/2024 | Accumulate | 3.00 € | 2.65 € |
| 5/10/2024 | Accumulate | 3.20 € | 2.88 € |
| 7/15/2024 | Reduce | 2.90 € | 2.80 € |
| 8/1/2024 | Reduce | 2.70 € | 2.89 € |
| 8/14/2024 | Reduce | 2.50 € | 2.42 € |
| 11/8/2024 | Reduce | 2.50 € | 2.41 € |
| 1/24/2025 | Reduce | 2.70 € | 2.85 € |
| 2/13/2025 | Reduce | 2.50 € | 2.42 € |
| 5/14/2025 | Reduce | 2.40 € | 2.37 € |
| 8/14/2025 | Reduce | 2.30 € | 2.45 € |
| 11/7/2025 | Reduce | 2.20 € | 2.38 € |
| 1/13/2026 | Reduce | 2.20 € | 2.35 € |
| 2/12/2026 | Accumulate | 2.60 € | 2.34 € |



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