

INCAP

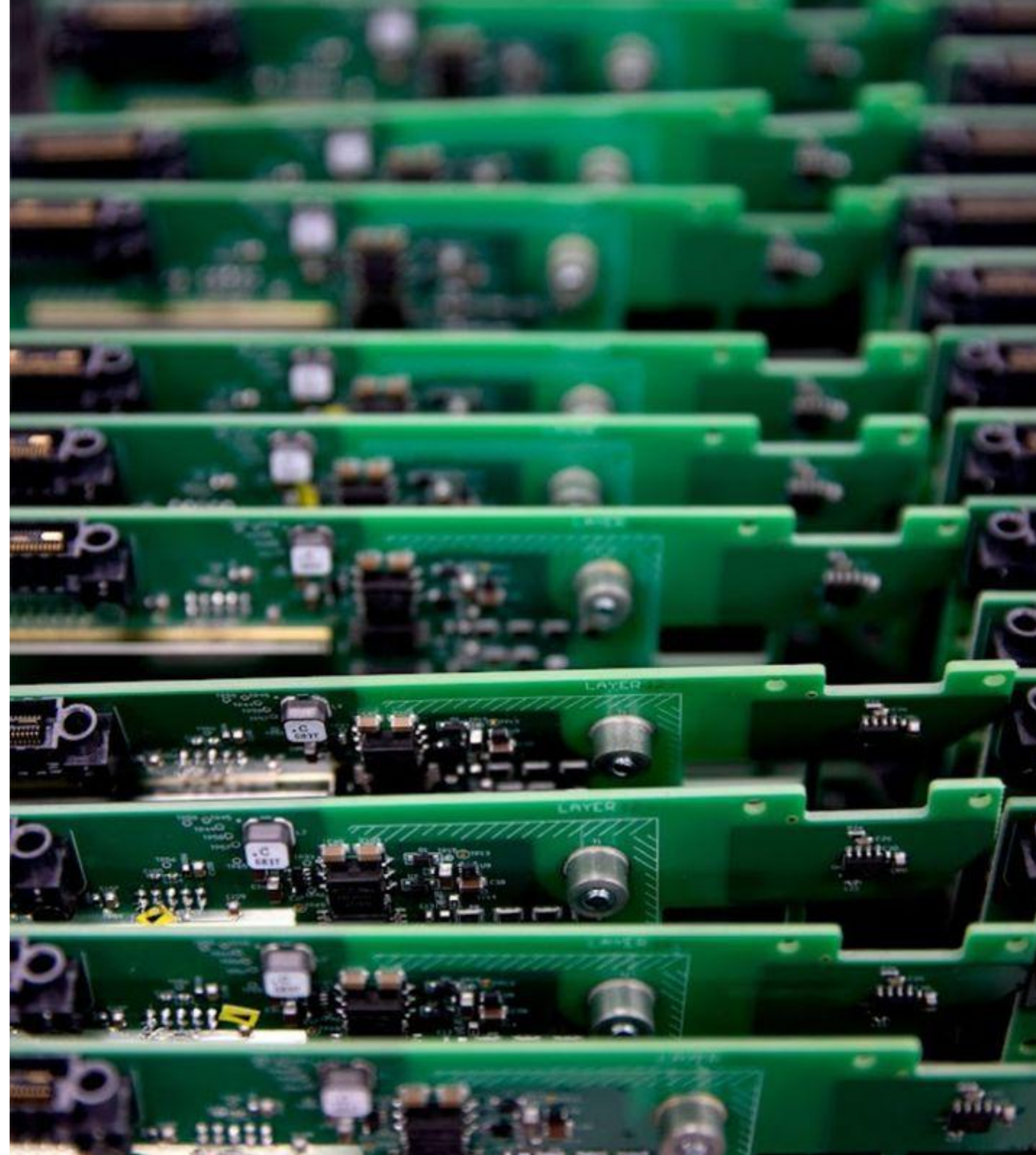
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INDERES CORPORATE CUSTOMER COMPANY REPORT



Good news outweighed bad, at least for now

Incap's Q3 figures clearly exceeded our forecasts in operational terms. While there will be some crosscurrents in the company's operations in India next year, we made no material changes to our estimates following the report. However, we slightly lowered our required return, which we had increased in the summer, as we feel that the good news outweighs the bad for now. We raise Incap's target price to EUR 11.00 (was EUR 9.50) and maintain our Accumulate recommendation. As the earnings turnaround that began in the summer continues, we believe the share remains reasonably attractively priced (2027e: EV/S 0.7x, EV/EBIT 8x).

Q3 exceeded our estimates at all earnings levels

Incap's revenue grew by 56% in Q3 to a record-breaking 81 MEUR and clearly exceeded our estimates. In addition to the Lacon acquisition, growth was driven by demand from defense sector customers, and organic growth accelerated to an impressive 18%. Incap's adjusted EBITA increased by 50% to 8.6 MEUR, and the adjusted EBITA-% was 10.7%. The result clearly exceeded our expectations, thanks to revenue growth and a likely favorable product mix as well. On the lower lines, the result was supported by a 1.2 MEUR revaluation of the earn-out, while there were no major surprises in financial expenses and taxes. Thus, Incap's EPS rose well above the comparison period and our estimates to EUR 0.23. The company's cash flow was burdened by working capital tied up by volume growth and the challenging component market.

Guidance appears cautious; India's customer profile is changing

Incap reiterated its guidance according to which its revenue for this year is 270-290 MEUR and comparable EBITA 26-29 MEUR. Considering the robust Q3 figures and comments indicating a strong order intake, this guidance seems cautious. Incap also stated, in connection with the report, that its largest customer is expanding its supplier base. While this will reduce the company's delivery volumes to this customer in the future, new data center customer accounts ramping up in India are expected to offset the impact. Based on current information, it is difficult to assess the net

impact of the crosswinds in India, especially for next year, although management certainly seemed confident about its ability to manage the situation. While the reduction in deliveries to the largest customer is certainly not positive news, Incap's customer risk is likely to continue decreasing in the near future as well.

We now expect Incap's revenue to grow by 35% this year to 289 MEUR and adjusted EBIT by 8% to 28.3 MEUR. Thus, our estimates are at the top end of the guidance ranges, and we also consider a positive profit warning possible at the end of Q4 or in January. In the coming years, we estimate the company will be able to grow organically at a rate of 6-8%. In our estimates, revenue growth is driven by the Lacon acquisition, deliveries to the defense sector, new customers at the Indian factory, and other relatively small customer wins, while the falling volume of the largest customer acts as a counterweight. As growth continues, we estimate that the company has the preconditions to maintain its profitability (adj. EBITA-%) at 10%, despite intensified competition in India, an estimate that is clearly lower than the company's historical outcomes from previous years. We expect the company to present a growth-oriented strategy at its November CMD and set financial targets that could range from 8–10% for organic growth and 10–11% for adjusted EBITA in the medium term.

Valuation metrics still lean green

Incap's adjusted P/E ratios for 2026 and 2027 based on our estimates are 14x and 13x, and the corresponding EV/EBIT ratios are 10x and 8x. We believe these are favorable multiples, even though a strong Q3, positive news flow in the sector, and the share buyback program that inspired confidence have quite justifiably raised the multiples slightly following the summer profit warning. The share's relative discount is significant, and the DCF value also supports a positive view on the stock. Due to the recent positive overall development (incl. capital efficiency and risks), we have lowered our required return in the model, even though we also raised the risk-free rate to 3% (was 2.5%).

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 11.00

(was EUR 9.50)

Share price:

EUR 9.50

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	215	289	325	342
growth-%	-7%	35%	12%	5%
EBIT adj.	26.1	28.3	31.7	35.0
EBIT-% adj.	12.2 %	9.8 %	9.8 %	10.3 %
Net Income	14.0	18.7	19.5	21.9
EPS (adj.)	0.49	0.69	0.73	0.82
P/E (adj.)	19.8	13.7	13.1	11.6
P/B	2.1	1.9	1.7	1.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	1.6 %
EV/EBIT (adj.)	9.0	9.7	8.1	7.0
EV/EBITDA	7.5	7.6	6.5	5.8
EV/S	1.1	0.9	0.8	0.7

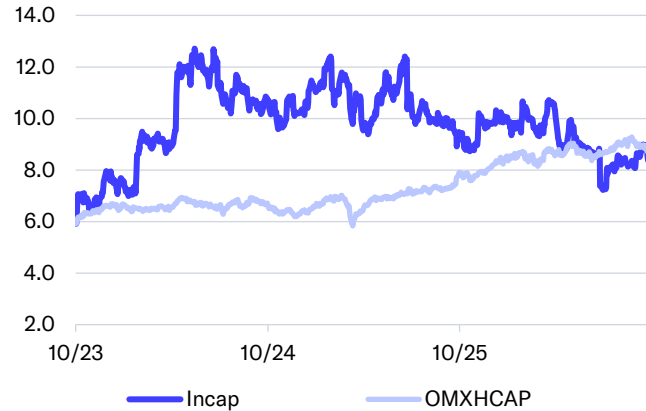
Source: Inderes

Guidance

(Unchanged)

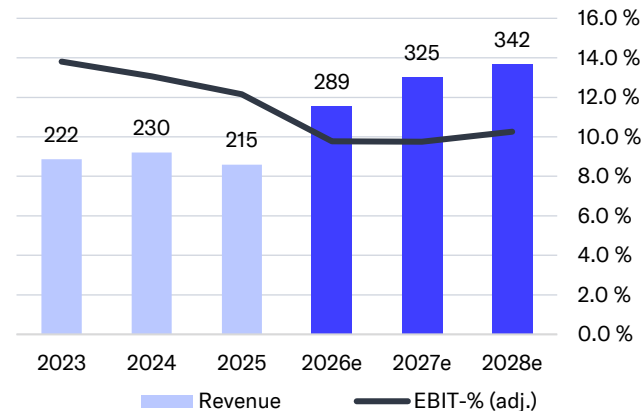
Incap still estimates that its revenue in 2026 will be significantly higher than in 2025, at 270-290 MEUR. Incap estimates that its comparable EBITA will be higher than in 2025 and will be 26–29 MEUR.

Share price



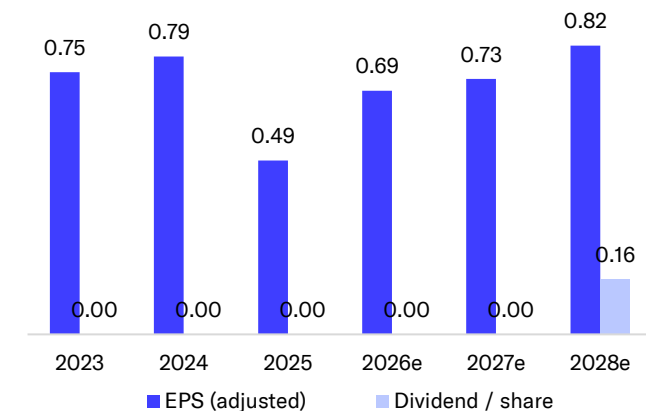
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Organic growth in the electronics market, supported by global megatrends and increased outsourcing rate
- Light organization and cost structure enable a high profitability level
- Quick decision-making supports new customer procurement
- Accelerating growth with acquisitions
- Cross-selling potential created by the Pennatronics acquisition

Risk factors

- Mutually challenging value chain position upholds a brutal competitive situation
- Cyclical or volatile nature of customer industries
- Tightening competitive situation, especially in India
- Company's cost efficiency deteriorating
- Supply chain disruptions
- Risk related to individual customers still elevated

Valuation	2026e	2027e	2028e
Share price	9.50	9.50	9.50
Number of shares, millions	29.2	28.3	28.0
Market cap	275	266	266
EV	273	256	244
P/E (adj.)	13.7	13.1	11.6
P/E	14.9	13.8	12.2
P/B	1.9	1.7	1.5
P/S	1.0	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	7.6	6.5	5.8
EV/EBIT (adj.)	9.7	8.1	7.0
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	1.6 %

Source: Inderes

Estimates clearly exceeded for all lines

Revenue growth supported by an acquisition

Incap's revenue grew significantly faster than our estimates by 56% to 81 MEUR in Q3 . While the Lacon acquisition boosted revenue growth, the actual beat against our estimate came from organic growth of 18%, which was clearly faster than expected. According to Incap, both existing and new customers contributed to organic growth. Thus, Incap has clearly accelerated its organic growth, which was just 4% in Q2 and even fell in H1. Growth was especially stimulated by the defense sector, where deliveries delayed in H1 began rolling out from Lacon's German facility, as we understand it.

Profitability was above our expectations

In Q3, adjusted EBITA increased by ~50% to 8.6 MEUR, which exceeded our estimate by ~23%. The overperformance was largely due to revenue, with no notable deviations in the relative shares of the various expense lines compared to our expectations. Adjusted EBITA grew at a slightly slower rate than revenue, with the EBITA margin decreasing slightly year-

on-year to 10.7% (Q3'25: 11.1%). We consider the performance good, given the intensifying competition in India and the price and availability pressures of components and printed circuit boards. The good relative profitability is therefore likely the result of sharply increased volumes, a fairly favorable product mix (including growth in deliveries to the defense sector), and market conditions that remained moderate outside India.

Reported EBIT rose less than adjusted EBITA, by 17%, as the comparison period was positively affected by a one-off insurance proceeding of 1.5 MEUR. The result reported on the lower line was positively impacted by a non-cash reassessment of acquisition-related earn-out in the amount of 1.2 MEUR (i.e., the value of the earn-out recorded on the company's balance sheet in connection with the Lacon acquisition lowered). Reported EPS thus came in at EUR 0.23, clearly exceeding our estimate and the comparison figure.

In terms of cash flow, the report was weaker than the comparison period. According to our calculations, cash flow

from operations in Q3 was -2.1 MEUR (Q3'25: 6.0 MEUR). Cash flow was negatively affected by the tie-up of working capital alongside revenue growth and likely material inflation as well, which is typical for Incap's business. We expect cash flow to strengthen in Q4 as working capital is released, reflecting the company's normal seasonal pattern, though more sluggishly than in previous years.

Balance sheet remained strong despite weak cash flow

Incap's net gearing has risen to 10%, in line with the Lacon acquisition and working capital commitment (Q3'25: -29%). Even though Incap's leverage has increased somewhat, the company's financial position remains good, and the balance sheet would also enable new acquisitions. However, we primarily expect the company to digest and integrate its Lacon acquisition in the coming quarters, unless exceptionally attractive M&A opportunities arise. In our view, the current share buyback program offers the company an attractive expected return, considering the current valuation of the share, rather than acquisitions.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	51.8	80.7	72.9				11%	289
EBIT (adj.)	5.9	8.6	7.0				22%	28.3
EBIT	6.7	7.9	6.4				22%	25.8
PTP	5.9	8.4	5.9				42%	25.6
EPS (reported)	0.14	0.23	0.15				53%	0.64
Revenue growth-%	-16.2 %	55.9 %	40.8 %				15.1 pp	34.7 %
EBIT-% (adj.)	11.3 %	10.7 %	9.6 %				1 pp	9.8 %

Source: Inderes

Incap Q3'26: Strong growth driven by the defense industry



Guidance upper limit is well within reach

Guidance seems cautious

Incap reiterated its guidance according to which its revenue for this year is 270-290 MEUR and comparable EBITA 26-29 MEUR. Taking the Q1–Q3 actuals into account, the range requires revenue of 59–79 MEUR and comparable EBITA of 5.7–8.7 MEUR for Q4. In light of the strong order intake noted by the company (which is also supported by continued inventory growth), we consider the guidance conservative and believe its upper end is very achievable. Q4 has also typically been seasonally strong for Incap.

Volumes of largest customer are declining in India

Incap reported that its largest customer (Victron Energy, according to Inderes's estimate; Incap has not disclosed its customers) is diversifying its supplier base, which the company expects will put pressure on its volumes going forward. Incap ships products to this largest customer from its Indian factory, so the change will affect that facility. In recent years (2023–2025), average deliveries to this customer have

been around 100 MEUR. Meanwhile, Incap is ramping up new customer accounts in India, particularly in data center applications, which are expected to offset the impact. We estimate that the strongest crosswinds will hit next year, although it is very difficult to assess them and their scale from outside the company. While the reduction in deliveries to the largest customer is certainly not positive news, Incap's customer risk is likely to decreasing further in the near future. There is thus a silver lining as long as the decline in the largest customer's volumes does not cause next year to be an interim year in terms of growth and earnings growth.

Our forecasts for future earnings growth remain unaltered

We expect Incap's revenue to grow by 35% this year to 289 MEUR and adjusted EBIT by 8% to 28.3 MEUR. Thus, our estimates are at the upper end of the guidance ranges, and we also consider a positive profit warning possible at the end of Q4 or in January if organic growth continues and/or the component market does not disrupt deliveries. In the coming years, we estimate the company will be able to grow

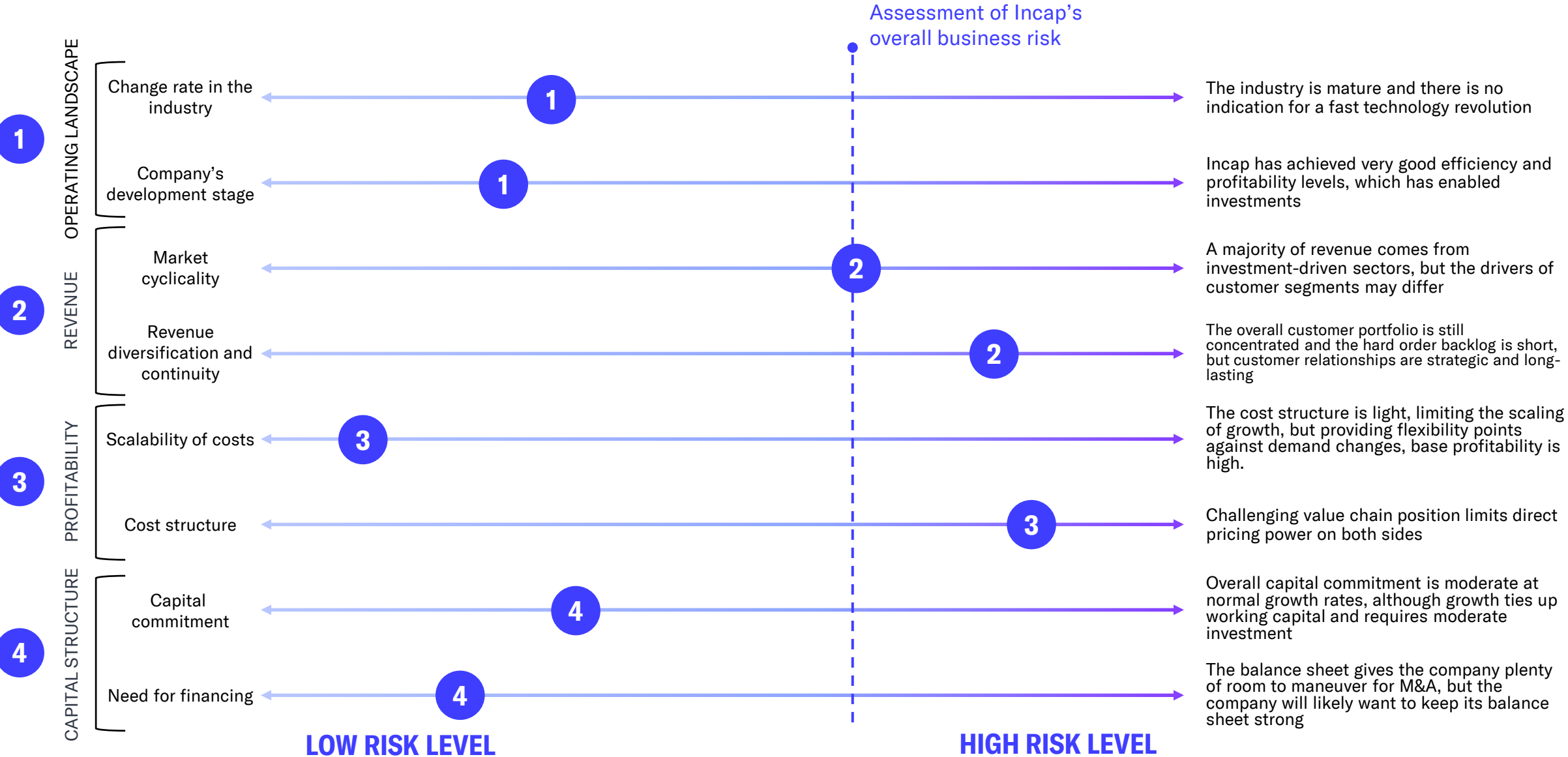
organically at a rate of around 6-8%. In our estimates, revenue growth is driven by the Lacon acquisition, deliveries to the defense sector, new customers at the Indian factory, and other customer wins, while the counterweight is the contraction of the largest customer. As growth continues, we estimate that the company has the preconditions to stabilize its profitability (adj. EBITA-%) at 10%, despite intensified competition in India, an estimate that is clearly lower than the company's historical outcomes from previous years.

We expect the company to unveil a growth-oriented strategy at its CMD in November. We also expect the company to issue financial targets, which could be at the 10% level for mid-term organic growth and above 10% or 11% for adjusted EBITA. In terms of growth, the target could be even slightly higher, especially when acquisitions are considered. As for the margin, setting the lower limit at the levels of previous years would not necessarily be realistic or even desirable, as an excessively high profitability target could, at worst, undermine the company's competitiveness and/or growth.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	281	289	3%	328	325	-1%	348	342	-2%
EBITDA	33.9	36.0	6%	39.6	39.3	-1%	42.9	42.4	-1%
EBIT	24.3	25.8	6%	30.6	30.2	-1%	33.9	33.5	-1%
PTP	23.0	25.6	11%	28.7	27.8	-3%	32.2	31.2	-3%
EPS (excl. NRIs)	0.61	0.69	13%	0.75	0.73	-3%	0.85	0.82	-3%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risk profile of the business model



Valuation is moderate if earnings growth continues

Earnings valuation is still rather low...

Incap's adjusted P/E ratios for 2026-2027 based on our estimates are 14x and 13x, while the corresponding EV/EBIT ratios, which better reflect the strong balance sheet even after the Lacon acquisition, are around 10x and 8x. This year's multiples are below Incap's 5-year medians, while for next year, the difference to historical valuation widens. [In our extensive report](#), we have outlined Incap's acceptable valuation, adjusted, as P/E 12x-15x and EV/EBIT 9x-12x. In addition, the tax rate, elevated by Indian withholding taxes, decreases the acceptable EV-based valuation by a notch. Even with these revisions, the current multiples are still at the lower end of the acceptable ranges for the company, especially for next year, and we see the stock's valuation as cautiously attractive.

...and the expected return is good if earnings growth materializes

With the actualized result, we believe Incap's valuation is moderate (Q3'26 LTM EV/EBITDA 10x), while earnings turned to growth in Q3. If earnings growth materializes even in line with our estimates, there could be slight upside in valuation multiples over a one-year horizon. We do not expect dividend yield to support the expected return, as the company has a fairly substantial share buyback program underway (shareholders receive a profit distribution yield through an increase in share price resulting from the buybacks). Overall, we still consider the expected return, particularly from earnings growth, to be cautiously attractive at the current valuation in both the short and medium term. We emphasize, however, that without earnings growth, we do not believe there is any upside in the share. The risks in this regard are somewhat elevated due to geopolitical uncertainty and company-specific crosscurrents largely lying ahead in India.

Peer valuation and DCF tell the same story

Compared to a peer group of global contract manufacturers, Incap's earnings-based valuation is clearly discounted. We believe this is a moderate starting point, even though at least a temporary weakening of the margin weighs on the acceptable valuation. However, the relative valuation supports our view of the share's attractive valuation level.

Our DCF value for Incap is also at our target price. In this report, we lowered the required return in our DCF model, which we had increased over the summer, by approximately 0.7 percentage points for the cost of equity (CoE) because encouraging Q3, recent industry news, and the likely further decline in customer risk still offset the relatively high short-term forecast risk associated with the largest customer, as well as the risk-free rate parameter, which increased to 3% (was 2.5%). For the aforementioned reasons, however, our required return for Incap remains somewhat high, higher than that of its peer Scanfil, for instance. Nevertheless, the DCF, which also considers the longer term, indicates that the share is quite cheap.

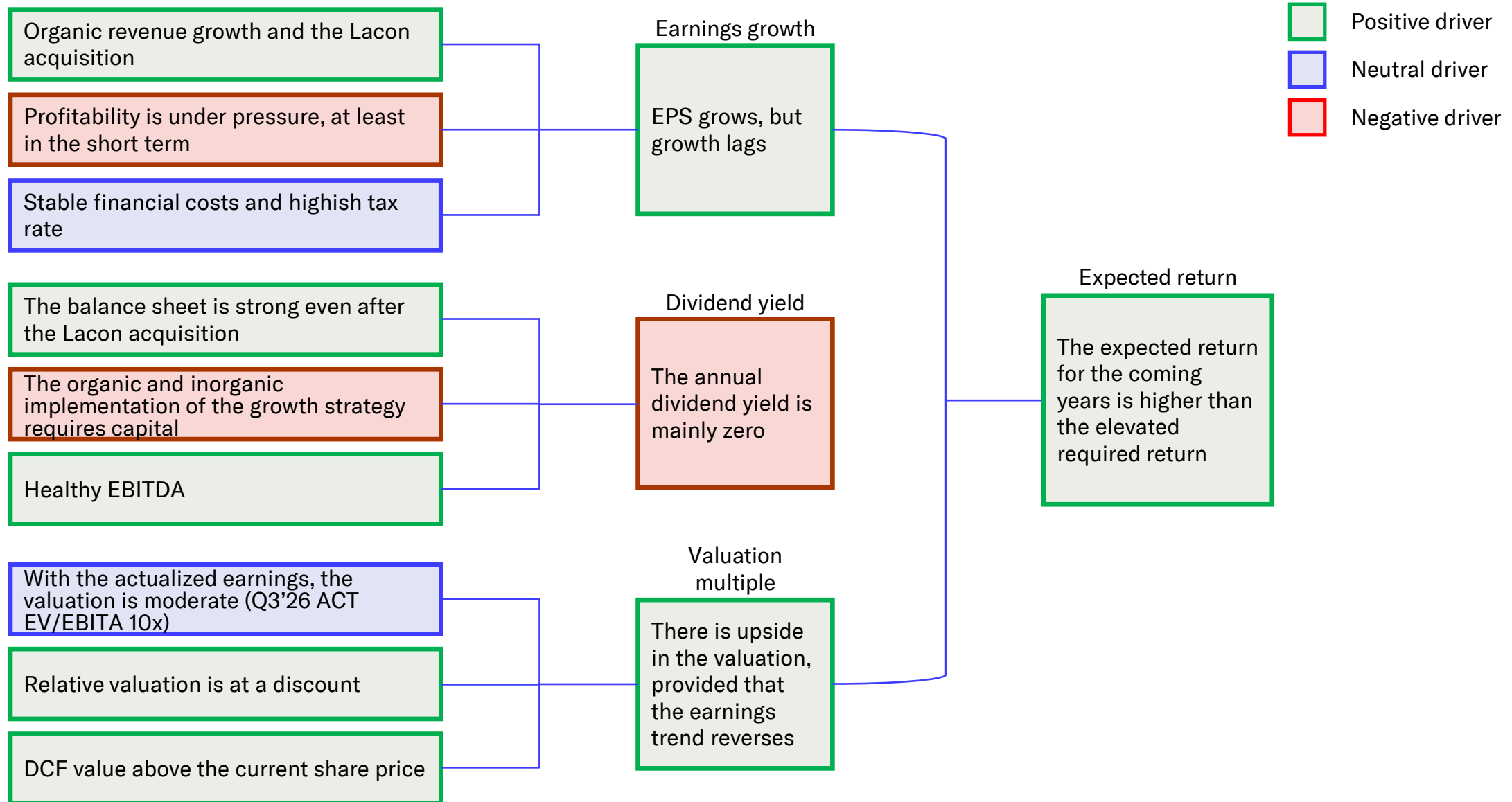
Volume- and balance sheet-based multiples are also at moderate levels

Incap's volume and balance sheet-based valuation has decreased below the long-term averages, as the company's current year EV/S multiple is 0.9x and P/B ratio is 1.9x. Due to weaker profitability, this is naturally partly justified, but relative to the company's growth and return-on-capital potential, we still consider the prevailing levels to be reasonable. However, these levels would no longer provide clear support for the share if earnings growth were to stall next year for any reason.

Valuation	2026e	2027e	2028e
Share price	9.50	9.50	9.50
Number of shares, millions	29.2	28.3	28.0
Market cap	275	266	266
EV	273	256	244
P/E (adj.)	13.7	13.1	11.6
P/E	14.9	13.8	12.2
P/B	1.9	1.7	1.5
P/S	1.0	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	7.6	6.5	5.8
EV/EBIT (adj.)	9.7	8.1	7.0
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	1.6 %

Source: Inderes

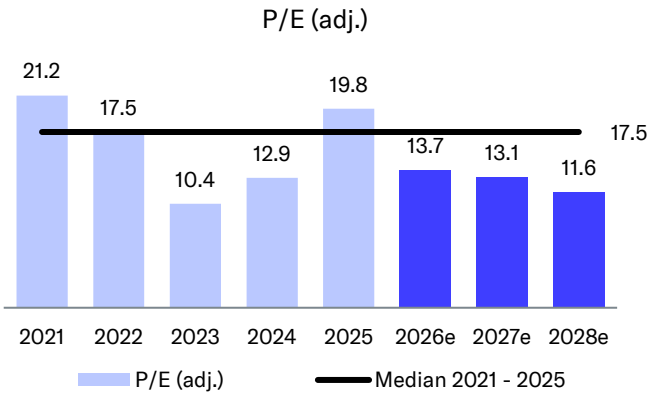
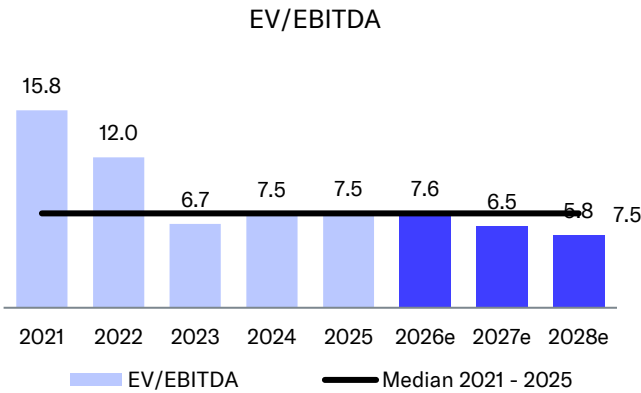
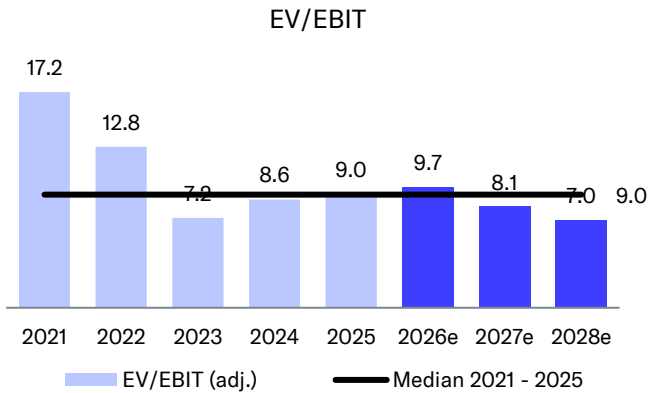
Total Shareholder Return drivers Q3'26 ACT-2028e



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	15.70	17.10	7.75	10.24	9.82	9.50	9.50	9.50	9.50
Number of shares, millions	29.2	29.3	29.3	29.4	29.4	29.2	28.3	28.0	28.0
Market cap	459	500	228	301	289	275	266	266	266
EV	461	514	220	260	236	273	256	244	236
P/E (adj.)	21.2	17.5	10.4	12.9	19.8	13.7	13.1	11.6	10.4
P/E	21.8	18.1	11.5	13.2	20.7	14.9	13.8	12.2	10.8
P/B	7.3	5.7	2.1	2.3	2.1	1.9	1.7	1.5	1.4
P/S	2.7	1.9	1.0	1.3	1.3	1.0	0.8	0.8	0.7
EV/Sales	2.7	1.9	1.0	1.1	1.1	0.9	0.8	0.7	0.7
EV/EBITDA	15.8	12.0	6.7	7.5	7.5	7.6	6.5	5.8	5.2
EV/EBIT (adj.)	17.2	12.8	7.2	8.6	9.0	9.7	8.1	7.0	6.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	20.0 %	40.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.6 %	3.7 %

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Cicor Technologies	690	780	16.1	11.6	10.1	8.1	1.0	0.9	20.7	14.3			3.3
Data Modul	88	91	30.2	13.0	7.6	6.1	0.4	0.4	105.8	24.9	0.5	0.5	0.6
Hanza	911	1088	6.5	5.3	5.8	4.9	0.6	0.6	10.8	9.7	1.1	1.7	2.5
Kitron	1893	1934	12.6	9.0	5.0	4.3	0.4	0.4	23.3	18.9	1.4	1.7	1.1
Lacroix Group SA	76	130	4.5	4.5	3.1	3.1	0.3	0.3	11.3	11.2	3.1	8.6	
Jabil	26893	28655	16.0	11.8	11.5	9.1	0.9	0.7	22.8	16.5	0.1	0.1	19.9
Note AB	409	557	14.7	11.7	10.4	8.6	1.4	1.2	15.8	12.4			2.3
Scanfil	795	936	13.9	12.3	9.5	8.8	0.9	0.9	16.4	14.2	2.2	2.3	2.3
Fabrinet	11815	11019	25.0	18.4	21.8	16.1	2.7	2.0	26.7	20.2			5.6
Hana Microelectronics	1160	862	37.1	21.5	12.6	9.9	1.5	1.3	42.0	27.3	1.6	2.2	1.6
TT Electronics	412	490	10.2	9.0	7.7	7.0	0.9	0.8	16.2	12.4	1.0	1.7	1.6
AQ Group AB	1958	1918	21.3	18.6	15.7	13.7	2.1	1.9	27.7	24.1	0.9	1.0	4.0
Celestica	33915	31056	19.8	10.0	17.8	9.0	1.7	0.9	26.4	13.7			8.2
Incap (Inderes)	275	273	9.7	8.1	7.6	6.5	0.9	0.8	13.7	13.1	0.0	0.0	1.9
Average			17.5	12.1	10.7	8.4	1.1	0.9	28.1	16.9	1.3	2.2	4.4
Median			16.0	11.7	10.1	9.1	0.9	0.9	22.8	14.3	1.1	1.7	2.4
Diff-% to median			-39%	-31%	-25%	-28%	3%	-7%	-40%	-9%	-100%	-100%	-22%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	230	52.2	55.3	51.8	55.3	215	56.0	74.2	80.7	78.2	289	325	342	362
Incap	230	52.2	55.3	51.8	55.3	215	56.0	74.2	80.7	78.2	289	325	342	362
EBITDA	34.9	7.2	7.4	8.2	8.5	31.3	6.7	8.5	10.7	10.0	36.0	39.3	42.4	45.1
Depreciation	-5.6	-1.5	-1.4	-1.6	-1.5	-6.0	-2.0	-2.8	-2.8	-2.6	-10.2	-9.1	-8.8	-8.7
EBIT (excl. NRI)	30.1	5.9	6.3	5.9	8.0	26.1	5.2	6.5	8.6	8.0	28.3	31.7	35.0	37.9
EBIT	29.2	5.7	6.0	6.7	6.9	25.3	4.8	5.8	7.9	7.4	25.8	30.2	33.5	36.4
NRI	-0.8	-0.1	-0.5	0.9	-1.1	-0.8	-0.4	-0.8	-0.7	-0.6	-2.5	-1.5	-1.5	-1.5
Net financial items	0.9	-0.7	-1.6	-0.7	0.1	-3.0	0.4	-0.6	0.6	-0.5	-0.2	-2.4	-2.3	-1.4
PTP	30.1	5.0	4.4	5.9	7.0	22.3	5.1	5.1	8.4	6.9	25.6	27.8	31.2	35.0
Taxes	-7.4	-1.2	-3.5	-1.7	-1.9	-8.3	-1.3	-2.3	-1.6	-1.8	-6.9	-8.3	-9.4	-10.5
Minority interest	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
Net earnings	22.7	3.8	0.9	4.2	5.1	14.0	3.9	2.9	6.9	5.1	18.7	19.5	21.9	24.5
EPS (adj.)	0.80	0.13	0.04	0.12	0.20	0.49	0.14	0.12	0.24	0.19	0.69	0.73	0.82	0.92
EPS (rep.)	0.77	0.13	0.03	0.14	0.17	0.47	0.13	0.10	0.23	0.17	0.64	0.69	0.78	0.88

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	3.8 %	1.6 %	-4.1 %	-16.2 %	-6.7 %	-6.7 %	7.3 %	34.1 %	55.9 %	41.3 %	34.7 %	12.5 %	5.0 %	6.0 %
Adjusted EBIT growth-%	-1.8 %	-4.9 %	-9.5 %	-27.7 %	-8.5 %	-13.2 %	-11.8 %	3.0 %	46.8 %	-1.0 %	8.3 %	12.2 %	10.4 %	8.1 %
EBITDA-%	15.2 %	13.8 %	13.4 %	15.9 %	15.3 %	14.6 %	12.0 %	11.5 %	13.3 %	12.7 %	12.4 %	12.1 %	12.4 %	12.5 %
Adjusted EBIT-%	13.1 %	11.2 %	11.5 %	11.3 %	14.5 %	12.2 %	9.2 %	8.8 %	10.7 %	10.2 %	9.8 %	9.8 %	10.3 %	10.5 %
Net earnings-%	9.9 %	7.3 %	1.6 %	8.1 %	9.2 %	6.5 %	6.9 %	3.9 %	8.5 %	6.5 %	6.5 %	6.0 %	6.4 %	6.8 %

Lähde: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	41	45	86	82	81
Goodwill	9	8	31	29	29
Intangible assets	0	5	15	13	11
Tangible assets	31	31	39	39	40
Associated companies	0	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	0	0	0	0	0
Deferred tax assets	1	1	1	1	1
Current assets	168	162	181	194	206
Inventories	61	52	75	81	85
Other current assets	1	2	2	2	2
Receivables	34	28	46	52	55
Cash and equivalents	72	81	57	59	64
Balance sheet total	215	208	267	276	287

Source: Inderes

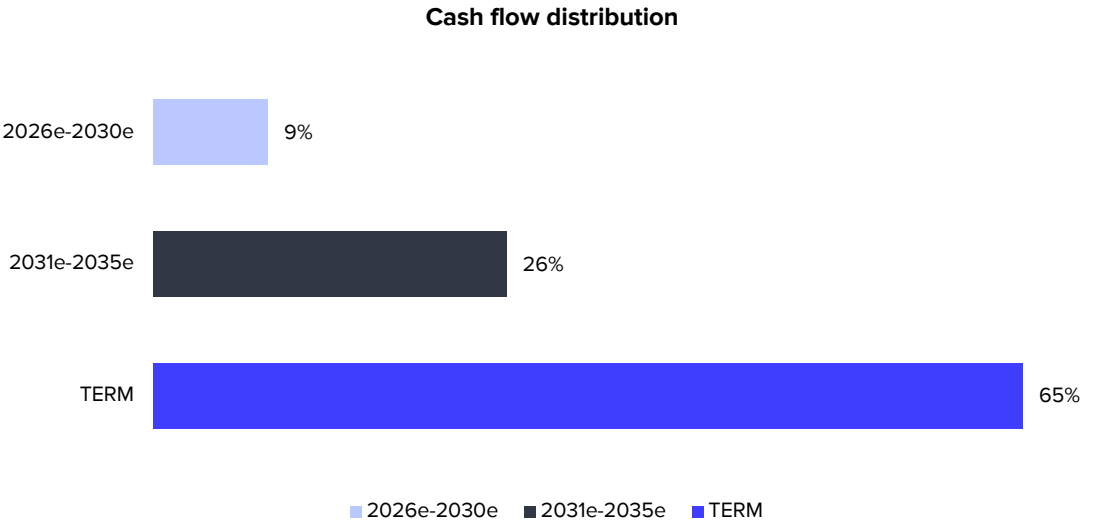
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	133	135	148	159	173
Share capital	1	1	1	1	1
Retained earnings	113	127	146	165	187
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	19	7	1	-7	-15
Minorities	0	0	0	0	0
Non-current liabilities	32	28	58	50	45
Deferred tax liabilities	2	2	2	2	2
Provisions	0	0	0	0	0
Interest bearing debt	27	23	50	45	40
Convertibles	0	0	0	0	0
Other long term liabilities	3	2	6	3	3
Current liabilities	50	44	61	67	69
Interest bearing debt	4	4	5	4	3
Payables	45	39	55	62	65
Other current liabilities	1	1	1	1	1
Balance sheet total	215	208	267	276	287

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-6.7 %	34.7 %	12.5 %	5.0 %	6.0 %	4.0 %	4.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-% (adj.)	11.8 %	8.9 %	9.3 %	9.8 %	10.0 %	10.5 %	10.5 %	10.3 %	10.0 %	10.0 %	10.0 %	10.0 %
EBIT (operating profit)	25.3	25.8	30.2	33.5	36.4	39.5	41.1	41.5	41.5	42.8	43.6	
+ Depreciation	6.0	10.2	9.1	8.8	8.7	8.9	8.9	9.0	8.9	8.1	8.3	
- Paid taxes	-7.7	-6.9	-8.3	-9.4	-10.5	-11.5	-12.1	-12.2	-12.2	-12.5	-12.8	
- Tax, financial expenses	-1.5	-0.1	-0.8	-0.7	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
+ Tax, financial income	0.4	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
- Change in working capital	8.8	-26.1	-5.1	-3.6	-4.5	-3.2	-3.3	-2.6	-2.7	-2.7	-1.9	
Operating cash flow	31.3	2.9	25.2	28.7	29.7	33.4	34.4	35.5	35.3	35.3	37.0	
+ Change in other long-term liabilities	-0.7	3.8	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.0	-51.0	-5.0	-7.5	-8.0	-8.4	-8.8	-9.2	-9.2	-9.2	-8.9	
Free operating cash flow	25.6	-44.3	17.1	21.2	21.6	25.0	25.6	26.3	26.1	26.1	28.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	25.6	-44.3	17.1	21.2	21.6	25.0	25.6	26.3	26.1	26.1	28.1	390
Discounted FCFF		-43.7	15.4	17.5	16.3	17.2	16.1	15.1	13.7	12.6	12.4	172
Sum of FCFF present value		265	309	293	276	259	242	226	211	197	185	172
Enterprise value DCF		265										
- Interest bearing debt		-27.5										
+ Cash and cash equivalents		80.8										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		318										
Equity value DCF per share		11.0										

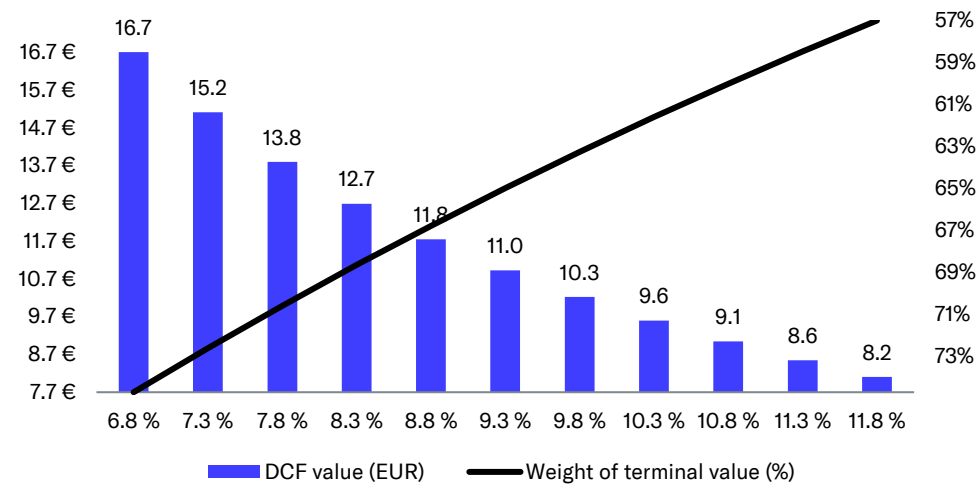
WACC	
Tax-% (WACC)	30%
Target debt ratio (D/(D+E))	15%
Cost of debt	5.0 %
Equity Beta	1.6
Market risk premium	4.75%
Liquidity premium	0.0 %
Risk free interest rate	3.0 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.3 %

Source: Inderes

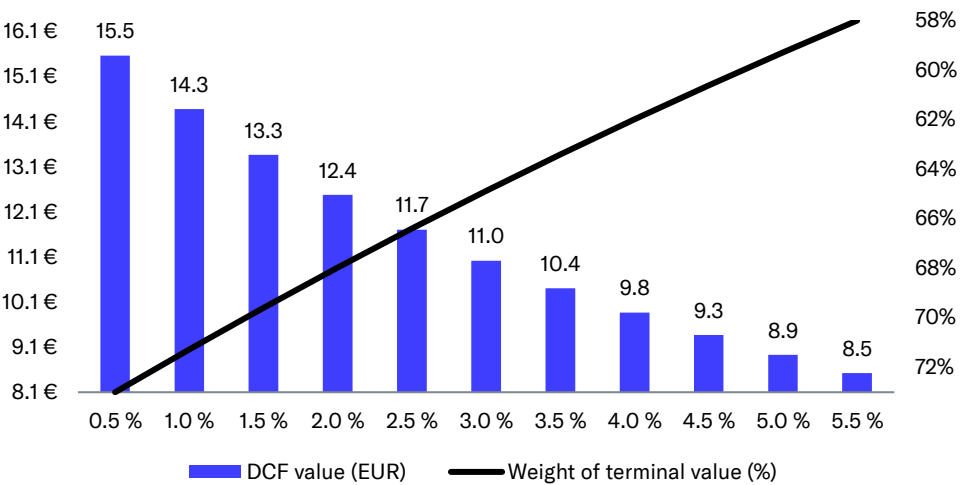


DCF sensitivity calculations and key assumptions in graphs

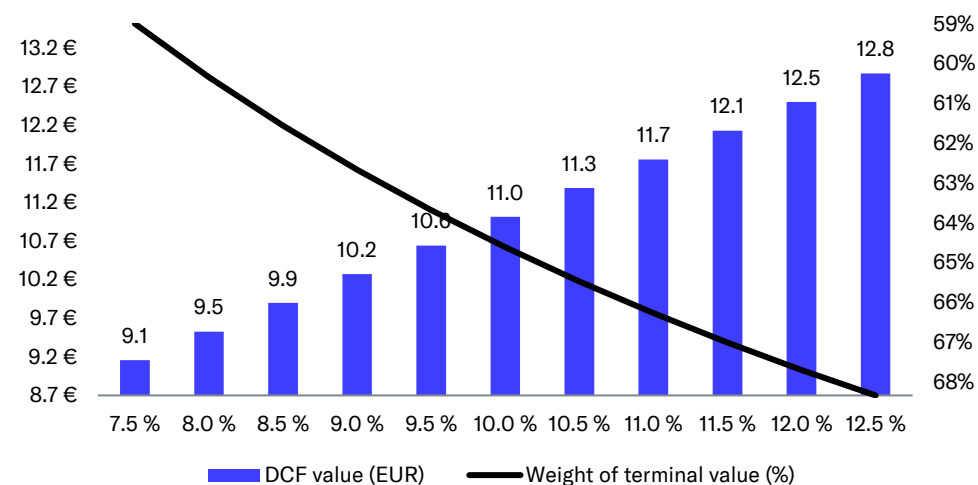
Sensitivity of DCF to changes in the WACC-%



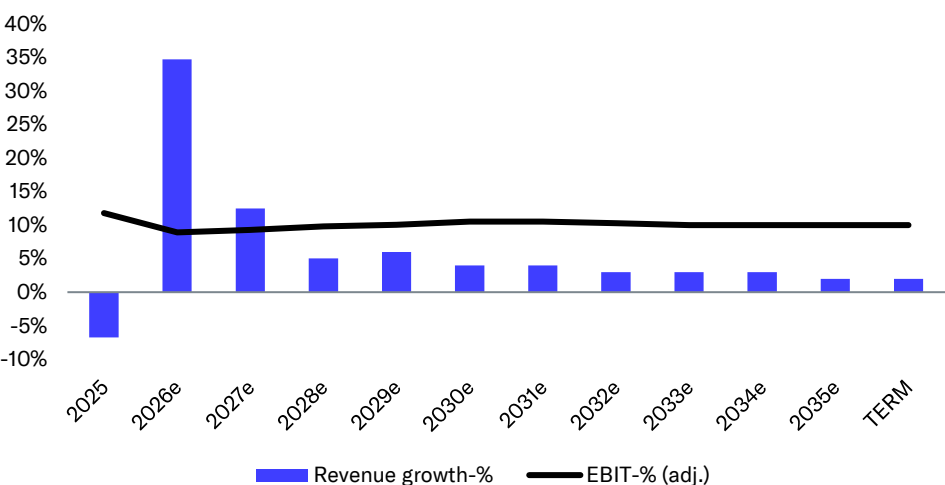
Sensitivity of DCF to changes in the risk-free rate



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	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	221.6	230.1	214.6	289.1	325.2	EPS (reported)	0.68	0.77	0.47	0.64	0.69
EBITDA	32.8	34.9	31.3	36.0	39.3	EPS (adj.)	0.75	0.79	0.49	0.69	0.73
EBIT	28.2	29.2	25.3	25.8	30.2	OCF / share	1.37	1.18	1.06	0.10	0.89
PTP	26.4	30.1	22.3	25.6	27.8	OFCF / share	0.81	0.97	0.87	-1.52	0.60
Net Income	19.8	22.7	14.0	18.7	19.5	Book value / share	3.64	4.52	4.59	5.05	5.62
Extraordinary items	-2.4	-0.8	-0.8	-2.5	-1.5	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	182.3	214.8	207.6	266.8	275.9	Revenue growth-%	-16%	4%	-7%	35%	12%
Equity capital	106.8	133.0	135.2	147.6	159.0	EBITDA growth-%	-23%	6%	-10%	15%	9%
Goodwill	8.2	8.6	8.2	30.8	28.8	EBIT (adj.) growth-%	-24%	-2%	-13%	8%	12%
Net debt	-8.5	-41.2	-53.3	-2.5	-9.8	EPS (adj.) growth-%	-23%	6%	-37%	40%	5%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	15%	15%	15%	12%	12%
EBITDA	32.8	34.9	31.3	36.0	39.3	EBIT (adj.)-%	14%	13%	12%	10%	10%
Change in working capital	14.4	6.5	8.8	-26.1	-5.1	EBIT-%	13%	13%	12%	9%	9%
Operating cash flow	40.2	34.6	31.3	2.9	25.2	ROE-%	20%	19%	10%	13%	13%
CAPEX	-16.3	-7.2	-5.0	-51.0	-5.0	ROI-%	23%	20%	16%	14%	15%
Free cash flow	23.9	28.6	25.6	-44.3	17.1	Equity ratio	61%	64%	67%	57%	60%
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-8%	-31%	-39%	-2%	-6%
EV/S	1.0	1.1	1.1	0.9	0.8	Net debt/EBITDA	-0.3	-1.2	-1.7	-0.1	-0.2
EV/EBITDA	6.7	7.5	7.5	7.6	6.5	EBITDA/net financials	18.3	-39.1	10.5	179.8	16.4
EV/EBIT (adj.)	7.2	8.6	9.0	9.7	8.1						
P/E (adj.)	10.4	12.9	19.8	13.7	13.1						
P/B	2.1	2.3	2.1	1.9	1.7						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/28/2022	Accumulate	16.00 €	14.66 €
10/19/2022	Accumulate	17.00 €	15.08 €
10/28/2022	Reduce	17.00 €	16.06 €
11/18/2022	Reduce	17.00 €	16.18 €
2/23/2023	Reduce	17.00 €	18.04 €
4/19/2023	Accumulate	12.00 €	10.92 €
4/27/2023	Accumulate	12.00 €	10.36 €
6/15/2023	Accumulate	12.00 €	9.96 €
7/4/2023	Accumulate	12.00 €	10.76 €
7/31/2023	Accumulate	12.00 €	10.72 €
10/9/2023	Accumulate	8.00 €	6.40 €
10/26/2023	Accumulate	8.00 €	6.19 €
2/23/2024	Accumulate	9.00 €	7.94 €
5/10/2024	Accumulate	12.50 €	10.92 €
6/24/2024	Accumulate	13.50 €	12.12 €
7/29/2024	Accumulate	13.50 €	11.29 €
10/25/2024	Buy	13.00 €	10.85 €
3/3/2025	Buy	13.00 €	11.14 €
4/28/2025	Accumulate	12.00 €	9.95 €
6/23/2025	Vähennä	12.00 €	11.12 €
7/27/2025	Accumulate	12.00 €	10.82 €
10/27/2025	Buy	11.00 €	8.91 €
1/7/2026	Buy	12.00 €	9.80 €
2/28/2026	Buy	13.00 €	10.66 €
5/5/2026	Accumulate	12.00 €	10.06 €
7/27/2026	Accumulate	9.00 €	7.37 €
7/31/2026	Accumulate	9.00 €	7.40 €
9/14/2026	Accumulate	9.50 €	8.28 €
10/30/2026	Accumulate	11.00 €	9.50 €



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