GRK INFRA OYJ

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Strong profitability surprised, volume to follow

GRK published a very strong second-quarter result in terms of profitability. We also believe that revenue growth will strengthen in the second half of the year, and the record-high order book also supports our forecasts for next year. In addition to the current order book, market conditions in the company's operating countries remain largely positive, which is why we expect order intake to remain strong in the second half of the year. We believe the stock's valuation is still reasonable, and the dividend yield of some 3-4% makes the expected return attractive. Following the estimate revisions, we raise our target price to EUR 23.0 (was EUR 20.0). We maintain our Accumulate recommendation.

Exceptionally high profitability in Q2

GRK's revenue in the second quarter decreased to 210 MEUR (Q2'25: 232 MEUR), thus falling short of our 220 MEUR estimate. Overall, H1 revenue decreased significantly in Sweden due to lower volumes from the Stegra project. GRK's revenue developed slightly stronger than our forecasts in Finland during the quarter, while developments in Sweden and Estonia fell short of our expectations.

Despite the decline in revenue, GRK's profitability developed exceptionally strongly in the second quarter. Adjusted EBIT of 24.4 MEUR clearly exceeded our 15.1 MEUR estimate (Q2'25: 16.5 MEUR). At the same time, the adjusted EBIT margin improved significantly to 11.6%, whereas we had expected it to be 6.9%. According to the company, the excellent earnings performance was based on successful project selection, strong operational execution, and efficient project delivery. In addition, the company highlighted data center projects, which had a significant impact on the quarter's revenue and earnings. Driven by operational efficiency and higher financial income than we expected, the second quarter's EPS of EUR 0.46 significantly exceeded our expectation of EUR 0.28.

Order book provides support for this year and next year

GRK kept the guidance it issued in connection with the KSBR acquisition unchanged, as expected. The company expects revenue to be in the range of 820–1,020 MEUR and adjusted EBIT to be in the range of 70–95 MEUR. In our view, the strong earnings performance in the first half of the year, a record-high order book, and generally favorable outlooks in the company's operating countries provide good conditions for GRK to meet its guidance. Q2 profitability exceeded our expectations, and we also slightly raised our forecasts for the rest of the year. We now forecast revenue of approximately 944 MEUR and adjusted EBIT of 90 MEUR for the current year. In addition, we have further raised our forecasts for the coming years (adj. EBIT +13-15% 2026-2028e). We expect the company to continue winning project volumes during the remainder of the year, such that it enters 2026 with an order book clearly stronger than in the comparison period. We estimate the company's profitability to remain at a very good level next year, reflecting the current strong market and the profitability profile of its projects. Despite revenue growth, we expect margins to moderate in the coming years from what we believe is an exceptionally strong current level, although they will remain clearly above the company's target level in our forecasts (adj. EBIT margin >6% over time).

Expected return remains attractive

Despite the recent share price increase, we still see the stock's risk/reward as good. Based on our updated forecasts, GRK is valued at around 8x adjusted EV/EBIT and 11x P/E for 2026-2027 (fair value range 9-12x EV/EBIT, 11x-14x P/E). The expected return, formed by attractive valuation and a dividend yield of ~ 3-4%, still clearly exceeds our required return. The fair value derived from the DCF model (EUR ~23) also warrants a positive recommendation.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 23.00

(was EUR 20.00)

Share price:

EUR 20.70

Business risk

Valuation risk

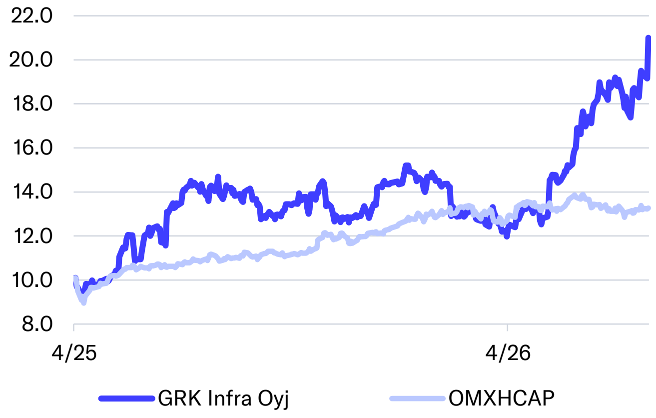
	2025	2026e	2027e	2028e
Revenue	872.3	944.5	1041.2	1088.2
growth-%	20%	8%	10%	5%
EBIT adj.	58.2	90.5	94.8	95.9
EBIT-% adj.	6.7 %	9.6 %	9.1 %	8.8 %
Net income	43.0	66.9	72.8	75.6
EPS (adj.)	1.17	1.81	1.84	1.86
P/E (adj.)	12.3	11.5	11.2	11.1
P/B	3.1	3.4	2.9	2.5
Dividend yield-%	3.7 %	3.1 %	3.4 %	3.6 %
EV/EBIT (adj.)	5.9	8.0	7.4	6.8
EV/EBITDA	4.7	6.8	6.3	5.8
EV/S	0.4	0.8	0.7	0.6

Source: Inderes

Guidance (Unchanged)

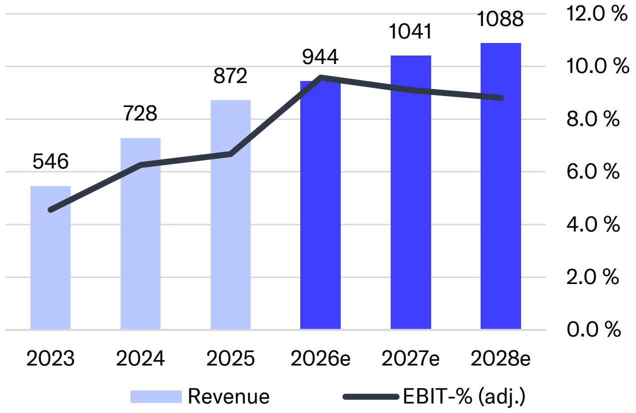
GRK estimates that its revenue in 2026 will be 820–1020 MEUR (2025: 872.3 MEUR) and adjusted EBIT 70-95 MEUR in 2026 (2025: 58.2 MEUR).

Share price



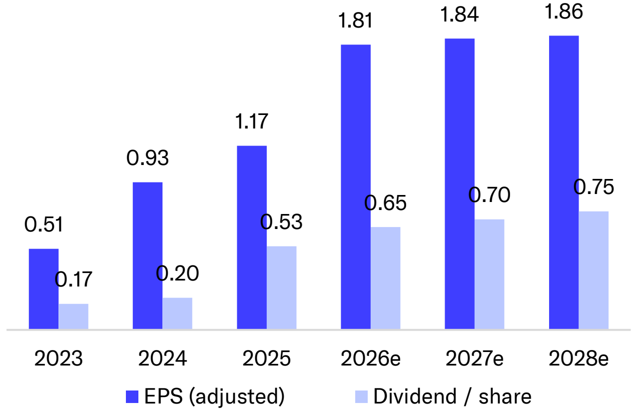
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Organic growth supported by strengths
- Inorganic expansion into Southern Sweden and new infrastructure construction segments
- Capital-light business model and industry-leading profitability enabled by soft strengths
- Fairly predictable and partly counter-cyclical demand driven by the public sector

Risk factors

- Profitability risks associated with projects
- Intensified competition
- High weight of individual customers and projects
- Consequences of the ongoing competition restriction investigation in Finland

Valuation	2026e	2027e	2028e
Share price	20.7	20.7	20.7
Number of shares, millions	42.8	42.8	42.8
Market cap	885	885	885
EV	723	698	654
P/E (adj.)	11.5	11.2	11.1
P/E	13.2	12.2	11.7
P/B	3.4	2.9	2.5
P/S	0.9	0.9	0.8
EV/Sales	0.8	0.7	0.6
EV/EBITDA	6.8	6.3	5.8
EV/EBIT (adj.)	8.0	7.4	6.8
Payout ratio (%)	41.6 %	41.1 %	42.4 %
Dividend yield-%	3.1 %	3.4 %	3.6 %

Source: Inderes

Profitability clearly ahead of our expectations

Revenue developed more slowly than our forecasts

GRK's revenue in the second quarter decreased by 9% year-on-year to 210 MEUR, falling short of our forecast of ~220 MEUR. The difference is entirely explained by Sweden and Estonia, as the actual figure in Finland significantly exceeded our estimate. In Finland, revenue grew by 7% year-on-year to ~130 MEUR (forecast 119 MEUR). In Sweden, revenue decreased by 26% to ~68 MEUR (forecast 83 MEUR). According to the company, the decline was due to substantially lower volumes from the Stegra project, which was in line with our expectations, but we had estimated that replacement projects would start more rapidly than they did. In Estonia, revenue decreased by 33% to ~14 MEUR (forecast 20 MEUR), with the company attributing the decline to seasonality and a comparison period boosted by exceptionally mild weather. Overall, the geographical distribution of revenue was thus clearly more weighted towards Finland than anticipated.

GRK's order book reached a record 1,170 MEUR at the end of Q2 (Q2/25: 789 MEUR), representing a 48% year-on-year increase and 32% from Q1. Part of the increase came from the order book transferred with the KSBR acquisition, the amount of which the company did not report separately. By country, the order book in Finland grew both year-on-year and quarter-on-quarter, driven by a good organic order intake and the KSBR acquisition. In Sweden, the order book grew year-on-year but decreased from the Q1 level, and in Estonia, it decreased both year-on-year and from the Q1 level. On the other hand, we believe the Rail Baltica project, which is about to start in Estonia, will bring workload in the coming years.

Profitability was at a very high level

Despite lower revenue, we believe GRK's profitability in the second quarter was excellent. Adjusted EBIT rose to 24.4 MEUR, exceeding our 15.1 MEUR estimate by 9.3 MEUR, or over 60%. Growth also accumulated by 48% (Q2/25 16.5 MEUR) year-on-year, even though revenue simultaneously decreased by 9%. The adjusted EBIT margin rose to 11.6%, while our forecast was 6.9% and the comparison period's level was 7.1%. According to the company, profitability was supported by successful project selection, strong operational execution, and efficient project delivery, as well as a reduction in certain project risks. The resulting adjustments to project forecasts are also retroactively recorded for work already completed and can significantly impact a single quarter's results.

Working capital was committed during the quarter

GRK's operating free cash flow was -24 MEUR for the quarter (Q2/25: -25 MEUR), which is practically at the same level as the comparison period. Due to seasonality, we expect cash flow to strengthen in the second half of the year. Net working capital increased from -152 MEUR at the turn of the year to -107 MEUR. Due to the nature of GRK's project business, significant seasonal cash flow fluctuations are typical, and the development of earnings and cash flow can be significantly divergent on a quarterly basis. Cash assets were also reduced during the quarter by the 25 MEUR net effect of the KSBR acquisition (i.e. a 57 MEUR cash consideration less 32 MEUR in acquired cash and cash equivalents) and a 22 MEUR dividend payment. Overall, cash and cash equivalents decreased by 69 MEUR during the quarter, and net cash at the end of the review period was 162 MEUR.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Difference (%) Act. vs. inderes	2026 Inderes
Revenue	232	210	210	214	0%	944
EBITDA	19.7	26.7	26.7	19.4	0%	106
EBIT (adj.)	16.5	24.4	24.4	14.5	0%	90.5
EBIT	15.7	22.1	24.4	14.5	-9%	80.2
PTP	17.1	23.9	24.0	14.5	0%	83.4
EPS (adj.)	0.35	0.46	0.51	0.28	-10%	1.81
EPS (reported)	0.33	0.5	0.51	0.28	-10%	
Revenue growth-%	27.2 %	-9.4 %	-9.4 %	-9.4 %	0 pp	8.3 %
EBIT-% (adj.)	7.1 %	11.6 %	11.6 %	6.0 %	0 pp	9.6 %

Source: Inderes & Modular Finance
(3) (consensus)

KSBR acquisition was main news in the quarter

KSBR acquisition completed at the end of the quarter

The basic purchase price for the KSBR (Keski-Suomen Betonirakenne) acquisition was 85.5 MEUR, consisting of a 58.7 MEUR cash component and 1.7 million consideration shares valued at 16 euros each. The additional purchase price is approximately 12 MEUR, divided into a portion tied to KSBR Group's operating profit and a portion tied to the returns of a specific development project. The maximum price is thus ~97.6 MEUR, which includes over 20 MEUR in net cash. The debt-free price would then be roughly 65 MEUR with the basic purchase price and 78 MEUR with the full additional purchase price, which corresponds to an EV/EBIT multiple of around 6–7x relative to KSBR's 2025 EBIT. We consider the pricing moderate, although comparability is weakened by the fact that the comparison figure has been prepared according to FAS regulations. The share issues carried out in connection with the transaction increased the number of shares to ~42.8 million, so the dilution effect remained at around four percent.

KSBR has grown profitably this year

KSBR was consolidated into the Group only on the reporting date, so it is reflected in the balance sheet but not at all in the income statement for January-June. However, KSBR's performance for the first half of the year can be derived from the calculation presented by the company. The calculated revenue would have been 388.9 MEUR and adjusted EBIT 40.2 MEUR, which implies ~66.9 MEUR in revenue and 9.7 MEUR in adjusted EBIT for KSBR, or a 14.5% margin. The revenue for the first half of the year represents more than half of last year's total of 124 MEUR, indicating continued strong growth supported by an order book of 110 MEUR at the turn of the year.

We deem purchase price to be reasonable

Considering GRK's strong net cash position, we view the acquisition as an expected move and consistent with the company's previously communicated growth strategy. We also consider the price paid for KSBR to be moderate overall. KSBR strengthens GRK's position in industrial and energy construction and increases the private sector's share of the customer base, which reduces dependence on public sector procurement cycles. The acquisition also strengthens GRK's position in data center projects, where KSBR, to our understanding, already has a proven track record. The key risk, in our view, is the acquired company's historically volatile revenue and earnings, which we believe is due to a business model reliant on private infrastructure projects.

Order book provides support for this year and next year

Estimate revisions

- As expected, GRK maintained its guidance range unchanged after the KSBR acquisition was completed. The company expects revenue to be in the range of 820–1,020 MEUR and adjusted EBIT to be in the range of 70–95 MEUR.
- Of GRK's 1,170 MEUR order book, the company expects around half (~600 MEUR) to be recognized as revenue during the remainder of the year. With the expected realization of the current order book, the company would roughly reach the midpoint of its guidance range. In line with the strong order book, we have further raised our forecasts and expect revenue to reach 944 MEUR. Accordingly, we expect the adjusted EBIT to be around 90 MEUR, with an adjusted EBIT margin of 9.6%.
- GRK expects ~35% or slightly over 400 MEUR of the current order book to be realized next year. This provides exceptionally good visibility for next year. Reflecting the order book and continued positive outlook, we expect revenue to continue growing next year, despite the Stegra project concluding in our estimates during the current year.
- We raised our PPA depreciation forecasts, especially for the current and next year, as the depreciation schedule proved to be even more front-loaded than we had previously assumed.

Operational earnings drivers 2026-2028

- In all of the company's operating countries (Finland, Sweden, Estonia), infrastructure projects are expected to drive construction development in the coming years, thanks to both public and private projects, which support the industry's growth outlook. In addition, GRK's growth is supported by the company's good competitiveness and the opportunity afforded by its size to participate in a wide range of projects. On the negative side, the competition for projects is tight, which limits the possibilities for profitable growth for an individual player.
- With positive market outlooks, a strong order intake, and inorganic growth, we expect revenue to continue growing next year. The work on the significant Stegra project in Sweden, which is scheduled to conclude this year, will leave a revenue gap that will be challenging to fill in the short term. However, the company has been exceptionally successful in winning replacement projects, and the Swedish order book remains near record levels.
- In our forecasts, the adjusted EBIT margin averages approximately 8% for 2026-2028, which exceeds both the typical industry level and the company's long-term target (adjusted EBIT margin over 6% over time). We expect the margin to normalize closer to 6% in the long term. Additionally, we expect the company to achieve revenue of over 950 MEUR next year, a target it aims to reach by 2028.

Estimate revisions	2026	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	915	944	3%	1005	1041	4%	1044	1088	4%
EBITDA	97.0	106	9%	100	111	11%	101	113	11%
EBIT (exc. NRIs)	79.9	90.5	13%	82.2	94.8	15%	83.3	95.9	15%
EBIT	76.9	80.2	4%	78.2	88.8	14%	80.3	91.9	14%
PTP	78.1	83.4	7%	78.0	88.8	14%	80.3	92.2	15%
EPS (excl. NRIs)	1.55	1.81	16%	1.59	1.84	16%	1.61	1.86	16%
DPS	0.65	0.65	0%	0.70	0.70	0%	0.75	0.75	0%

Source: Inderes

GRK Infra Oyj, Webcast, Q2'26

Expected return remains attractive

Share is still cheap

We raise our target price fro GRK to EUR 23.0 (was EUR 20.0). We maintain our Accumulate recommendation. As a whole, we still consider GRK's stock to be moderately priced. Although the share price has developed positively this year, our earnings estimates have increased even more. We believe the upside potential of the multiples and a good dividend yield together form a very attractive total expected return. Following Stegra's successful funding round, the short-term risk level of the share has also decreased.

We believe the main forecast risks relate to the expansion in Sweden and margin development. In a positive scenario, the expansion would be more successful than we expect, which would raise our earnings forecasts and support a share value significantly higher than our current estimate. On the other hand, increased competition, especially in the company's new areas in Sweden, could depress margins and thus limit earnings growth potential.

In our view, a key factor for GRK's value development is successful capital allocation. The company already has capital for stronger inorganic growth than we have forecast, so successful M&A would raise our earnings estimates and justified valuation level above our current estimate. Similarly, overpriced or poorly integrated acquisitions would depress the return on capital and thus the share's value development. Conversely, risks with a unilateral negative impact include project risks associated with individual large projects, the company's ability to maintain its soft strengths as it grows, and the potential consequences of the antitrust investigation.

Earnings multiples

The acceptable valuation level for GRK's stock is approximately 11x-14x in terms of P/E ratio and 9x-12x in terms of EV/EBIT ratio. These levels roughly correspond to the 10-year averages of the company's construction sector peers and the longer-term medians of Nasdaq Helsinki. In our multiple analysis, we emphasize the EV/EBIT ratio due to the strong cash position following the listing and the very strong cash flow development in 2025.

Based on our GRK forecasts, the P/E ratios for 2026-2027 are around 11x. The EV/EBIT multiples, accounting for the oversized cash position, are around 7x, even though we have modeled a significant working capital tie-up for the company in 2026. Thus, we believe the valuation is very attractive, especially on an EV basis, as the valuation multiples for both years are below our estimated ranges. GRK is also relatively undervalued when examined with EV multiples. P/E ratios are also within our ranges even without adjusting for the excessive cash balance. We thus see upside potential in GRK's valuation multiples, which, together with a dividend yield of around 3-4%, raises the expected return clearly above our applied required return of just under 10%.

Cash flow model (DCF)

In the valuation of GRK, we also give reasonable weight to the cash flow model (DCF), as the business is mature and the company's demand and margin profiles are reasonably predictable even in the longer term. Thus, we feel the long-term DCF model provides a fairly good picture of GRK's fair value. Our DCF model gives the stock a value of around EUR 23.0 per share, which supports the picture painted by the earnings multiples of the stock's upside potential.

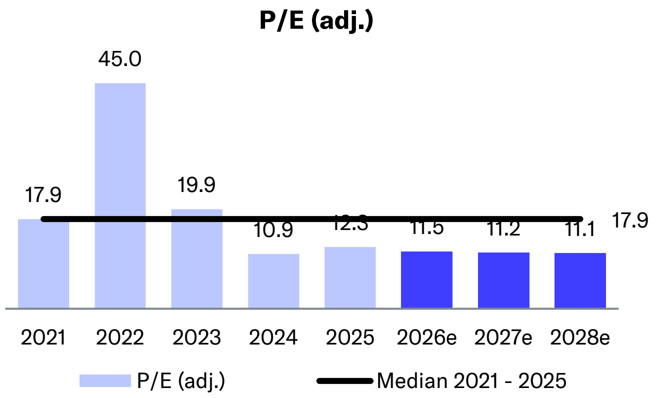
Valuation	2026e	2027e	2028e
Share price	20.7	20.7	20.7
Number of shares, millions	42.8	42.8	42.8
Market cap	885	885	885
EV	723	698	654
P/E (adj.)	11.5	11.2	11.1
P/E	13.2	12.2	11.7
P/B	3.4	2.9	2.5
P/S	0.9	0.9	0.8
EV/Sales	0.8	0.7	0.6
EV/EBITDA	6.8	6.3	5.8
EV/EBIT (adj.)	8.0	7.4	6.8
Payout ratio (%)	41.6 %	41.1 %	42.4 %
Dividend yield-%	3.1 %	3.4 %	3.6 %

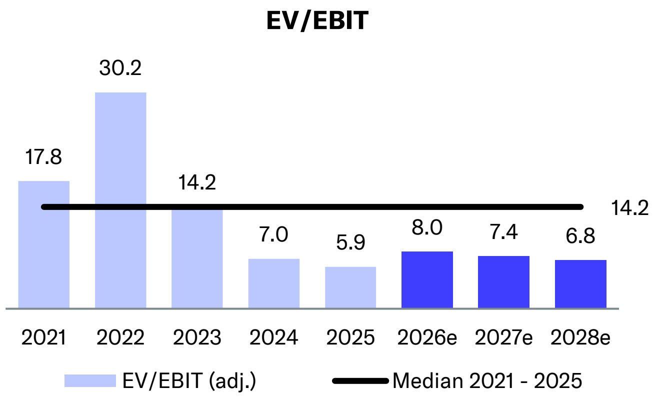
Source: Inderes

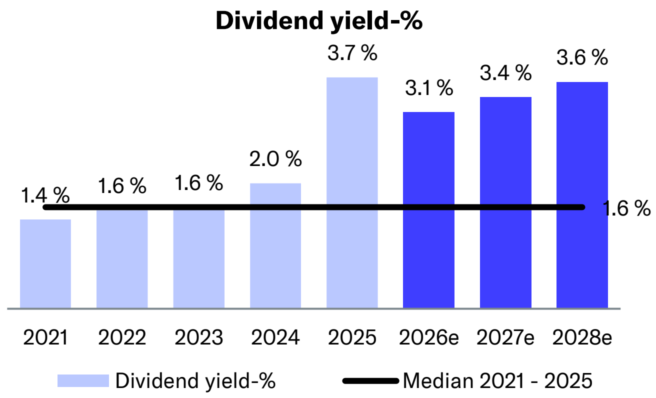
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	10.2	10.2	10.2	10.2	14.3	**20.7**	**20.7**	**20.7**	**20.7**
Number of shares, millions	39.8	41.2	40.7	39.9	41.0	**42.8**	**42.8**	**42.8**	**42.8**
Market cap	405	419	414	406	587	**885**	**885**	**885**	**885**
EV	403	414	354	317	341	**723**	**698**	**654**	**623**
P/E (adj.)	17.9	45.0	19.9	10.9	12.3	**11.5**	**11.2**	**11.1**	**12.8**
P/E	19.5	60.0	20.6	11.0	13.7	**13.2**	**12.2**	**11.7**	**13.3**
P/B	5.3	5.4	4.7	3.4	3.1	**3.4**	**2.9**	**2.5**	**2.3**
P/S	0.9	0.9	0.8	0.6	0.7	**0.9**	**0.9**	**0.8**	**0.8**
EV/Sales	0.9	0.9	0.6	0.4	0.4	**0.8**	**0.7**	**0.6**	**0.6**
EV/EBITDA	19.5	17.0	9.4	5.2	4.7	**6.8**	**6.3**	**5.8**	**6.0**
EV/EBIT (adj.)	17.8	30.2	14.2	7.0	5.9	**8.0**	**7.4**	**6.8**	**7.4**
Payout ratio (%)	27.9 %	94.4 %	33.3 %	22.1 %	50.5 %	**41.6 %**	**41.1 %**	**42.4 %**	**50.0 %**
Dividend yield-%	1.4 %	1.6 %	1.6 %	2.0 %	3.7 %	**3.1 %**	**3.4 %**	**3.6 %**	**3.8 %**

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 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
YIT	692	1434	21.5	13.2	15.9	10.9	0.8	0.7	78.4	18.9		0.4	1.0
Veidekke	2287	1897	10.5	9.9	6.7	6.5	0.5	0.4	16.2	15.0	6.1	6.4	6.8
NCC	1528	1939	11.0	9.6	6.8	6.2	0.4	0.4	11.0	9.4	6.3	6.8	1.9
Peab	2451	3513	12.8	11.9	8.4	8.0	0.6	0.6	11.6	10.7	4.4	4.8	1.5
Skanska	10026	8742	11.6	10.5	8.8	8.2	0.5	0.5	15.4	14.1	4.0	4.2	1.7
SRV	91	228	20.4	11.4	14.0	8.8	0.3	0.3	53.6	10.5		3.0	0.8
Strabag	9688	6135	5.3	4.8	3.4	3.2	0.3	0.3	11.6	10.5	3.5	3.7	1.5
Koninklijke Heijmans N.V.	2560	2502	11.5	10.1	8.7	7.8	0.8	0.8	15.2	13.4	3.3	3.7	3.9
NRC Group	126	208	11.3	9.0	5.8	5.1	0.3	0.3	14.7	10.1		4.9	0.8
Kreate	246	292	10.6	9.7	7.3	6.8	0.5	0.4	13.0	11.7	4.1	4.3	4.1
NYAB	390	369	10.0	8.8	8.4	7.6	0.6	0.6	13.7	11.0	2.7	3.7	1.8
GRK Infra Oyj (Inderes)	**885**	**723**	**8.0**	**7.4**	**6.8**	**6.3**	**0.8**	**0.7**	**11.5**	**11.2**	**3.1**	**3.4**	**3.4**
Average			**12.4**	**9.9**	**8.6**	**7.2**	**0.5**	**0.5**	**23.1**	**12.3**	**4.3**	**4.2**	**2.3**
Median			**11.3**	**9.9**	**8.4**	**7.6**	**0.5**	**0.4**	**14.7**	**11.0**	**4.0**	**4.2**	**1.7**
Diff-% to median			**-29%**	**-25%**	**-19%**	**-17%**	**70%**	**52%**	**-22%**	**3%**	**-22%**	**-19%**	**105%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**728**	**174**	**232**	**257**	**209**	**872**	**112**	**210**	**327**	**296**	**944**	**1041**	**1088**	**1121**
Finland	395	78.5	122	142	101	444	74.0	130	163	139	507	587	610	629
Sweden	274	82.1	91.8	91.0	81.2	346	27.0	67.6	131	115	340	354	372	383
Estonia	72.1	16.3	21.6	30.6	32.6	101	12.7	14.5	37.6	46.2	111	117	122	126
Other operations and eliminations	-12.4	-2.6	-3.2	-6.5	-6.2	-18.4	-1.8	-2.2	-4.9	-4.4	-13.3	-16.0	-16.0	-16.5
Group (adjusted EBIT)	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
Adjustment items	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
EBITDA	**60.9**	**11.9**	**19.7**	**26.9**	**13.9**	**72.4**	**10.5**	**26.7**	**39.2**	**29.4**	**106**	**111**	**113**	**104**
Depreciation	-15.7	-3.8	-4.0	-4.2	-7.0	-18.9	-4.6	-4.6	-8.2	-8.2	-25.6	-22.0	-21.0	-22.3
EBIT (excl. NRI)	**45.6**	**8.7**	**16.5**	**23.4**	**9.7**	**58.2**	**5.9**	**24.4**	**35.0**	**25.2**	**90.5**	**94.8**	**95.9**	**84.4**
EBIT	**45.2**	**8.1**	**15.7**	**22.8**	**6.9**	**53.5**	**5.9**	**22.1**	**31.0**	**21.2**	**80.2**	**88.8**	**91.9**	**81.8**
Share of profits in assoc. compan.	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 financial items	0.6	-1.3	1.4	0.4	-1.2	-0.8	1.6	1.9	-0.1	-0.1	3.2	0.0	0.3	-0.4
PTP	**45.8**	**6.7**	**17.1**	**23.2**	**5.7**	**52.7**	**7.5**	**24.0**	**30.9**	**21.0**	**83.4**	**88.8**	**92.2**	**81.4**
Taxes	-8.9	-1.3	-3.7	-3.9	-0.8	-9.7	-1.4	-5.2	-5.9	-4.0	-16.5	-16.0	-16.6	-14.7
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	**36.9**	**5.4**	**13.4**	**19.3**	**4.9**	**43.0**	**6.1**	**18.7**	**25.0**	**17.0**	**66.9**	**72.8**	**75.6**	**66.8**
EPS (adj.)	**0.93**	**0.15**	**0.35**	**0.49**	**0.19**	**1.17**	**0.15**	**0.51**	**0.68**	**0.49**	**1.81**	**1.84**	**1.86**	**1.62**
EPS (rep.)	**0.93**	**0.13**	**0.33**	**0.47**	**0.12**	**1.05**	**0.15**	**0.46**	**0.59**	**0.40**	**1.56**	**1.70**	**1.77**	**1.56**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	33.4 %					19.8 %	-35.9 %	-9.4 %	26.9 %	41.8 %	8.3 %	10.2 %	4.5 %	3.0 %
Adjusted EBIT growth-%	83.0 %					27.7 %	-31.9 %	48.0 %	50.0 %	158.8 %	55.5 %	4.8 %	1.1 %	-12.0 %
EBITDA-%	8.4 %	6.8 %	8.5 %	10.5 %	6.7 %	8.3 %	9.4 %	12.7 %	12.0 %	9.9 %	11.2 %	10.6 %	10.4 %	9.3 %
Adjusted EBIT-%	6.3 %	5.0 %	7.1 %	9.1 %	4.7 %	6.7 %	5.3 %	11.6 %	10.7 %	8.5 %	9.6 %	9.1 %	8.8 %	7.5 %
Net earnings-%	5.1 %	3.1 %	5.8 %	7.5 %	2.3 %	4.9 %	5.5 %	8.9 %	7.7 %	5.8 %	7.1 %	7.0 %	7.0 %	6.0 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**91.9**	**102**	**181**	**188**	**197**
Goodwill	0.7	1.3	47.5	47.5	47.5
Intangible assets	0.5	1.2	21.2	18.4	16.6
Tangible assets	84.5	95.5	108	118	129
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	4.7	1.5	1.5	1.5	1.5
Deferred tax assets	1.4	2.7	2.7	2.7	2.7
Current assets	**243**	**419**	**315**	**364**	**417**
Inventories	6.7	8.7	9.4	10.4	10.9
Other current assets	47.2	0.2	0.2	0.2	0.2
Receivables	62.0	126	104	125	131
Cash and equivalents	127	284	202	228	275
Balance sheet total	**334**	**521**	**496**	**552**	**614**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**119**	**190**	**257**	**302**	**347**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	81.0	116	162	207	252
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	38.2	73.7	95.0	95.0	95.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**30.5**	**32.4**	**37.8**	**37.8**	**39.8**
Deferred tax liabilities	3.0	5.0	5.0	5.0	5.0
Provisions	2.4	2.4	2.4	2.4	2.4
Interest bearing debt	24.6	23.6	29.0	29.0	31.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.6	1.4	1.4	1.4	1.4
Current liabilities	**185**	**298**	**202**	**212**	**227**
Interest bearing debt	14.0	14.1	11.0	12.0	13.0
Payables	108	99.4	118	130	141
Other current liabilities	62.4	185	72.7	70.3	72.3
Balance sheet total	**334**	**521**	**496**	**552**	**614**

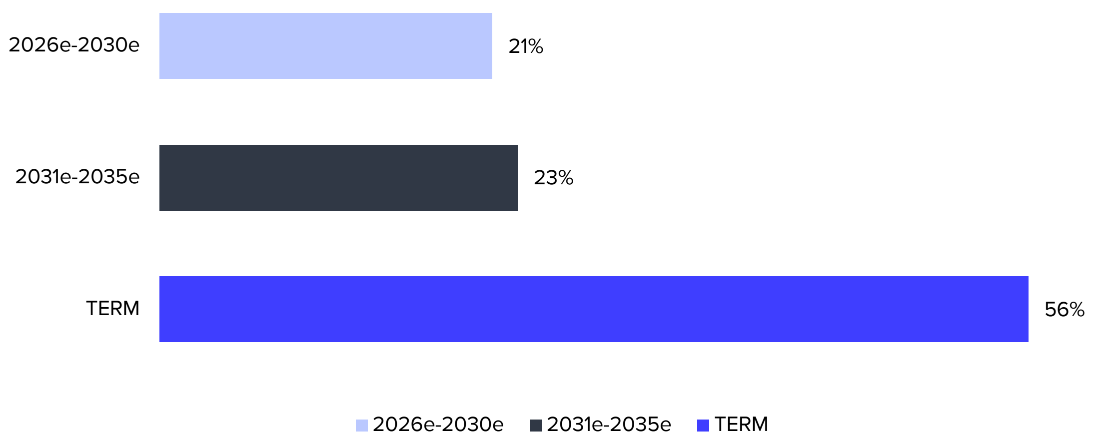
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	19.8 %	8.3 %	10.2 %	4.5 %	3.0 %	4.0 %	3.0 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %
EBIT-%	6.1 %	8.5 %	8.5 %	8.4 %	7.3 %	7.0 %	6.5 %	6.3 %	6.2 %	6.0 %	6.0 %	6.0 %
EBIT (operating profit)	**53.5**	**80.2**	**88.8**	**91.9**	**81.8**	**81.6**	**78.0**	**77.3**	**78.6**	**77.6**	**79.1**	
+ Depreciation	18.9	25.6	22.0	21.0	22.3	25.7	25.7	25.3	24.9	25.4	25.0	
- Paid taxes	-8.9	-16.5	-16.0	-16.6	-14.7	-14.7	-14.1	-14.0	-14.2	-14.1	-14.3	
- Tax, financial expenses	-0.1	0.2	-0.4	-0.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
+ Tax, financial income	0.0	0.5	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	
- Change in working capital	94.6	-72.1	-12.3	7.2	2.7	2.1	2.2	1.9	1.5	1.6	0.0	
Operating cash flow	**158**	**17.8**	**82.5**	**104**	**92.1**	**94.7**	**91.9**	**90.6**	**90.9**	**90.6**	**89.9**	
+ Change in other long-term liabilities	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-28.0	-104.2	-29.2	-30.3	-28.3	-25.4	-25.5	-25.0	-25.6	-25.7	-24.8	
Free operating cash flow	**131**	**-86.4**	**53.3**	**73.3**	**63.7**	**69.3**	**66.4**	**65.5**	**65.2**	**64.9**	**65.2**	
+/- Other	27.0	45.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	158	-41.3	53.3	73.3	63.7	69.3	66.4	65.5	65.2	64.9	65.2	951
Discounted FCFF		**-39.8**	**47.2**	**59.5**	**47.5**	**47.4**	**41.6**	**37.7**	**34.4**	**31.4**	**28.9**	**422**
Sum of FCFF present value		758	798	751	691	644	597	555	517	483	451	422
Enterprise value DCF		**758**										
- Interest bearing debt		-37.6										
+ Cash and cash equivalents		284										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-21.7										
Equity value DCF		**983**										
Equity value DCF per share		**23.0**										

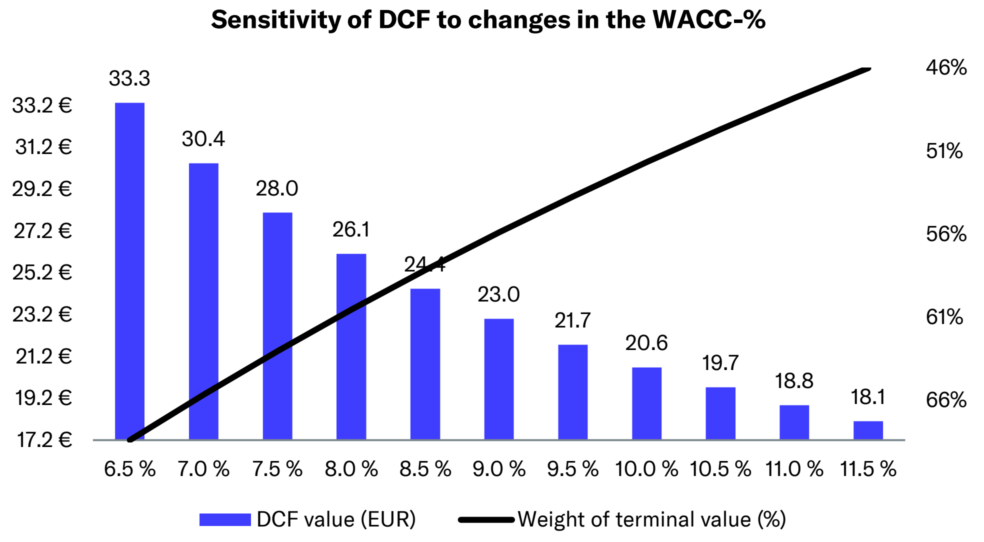
WACC	
Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**9.6 %**
Weighted average cost of capital (WACC)	**9.0 %**

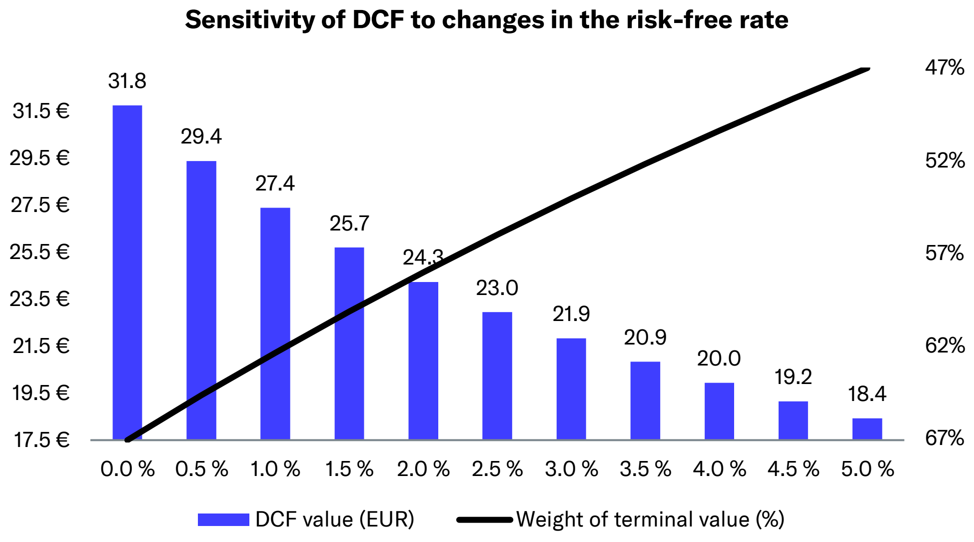
Source: Inderes

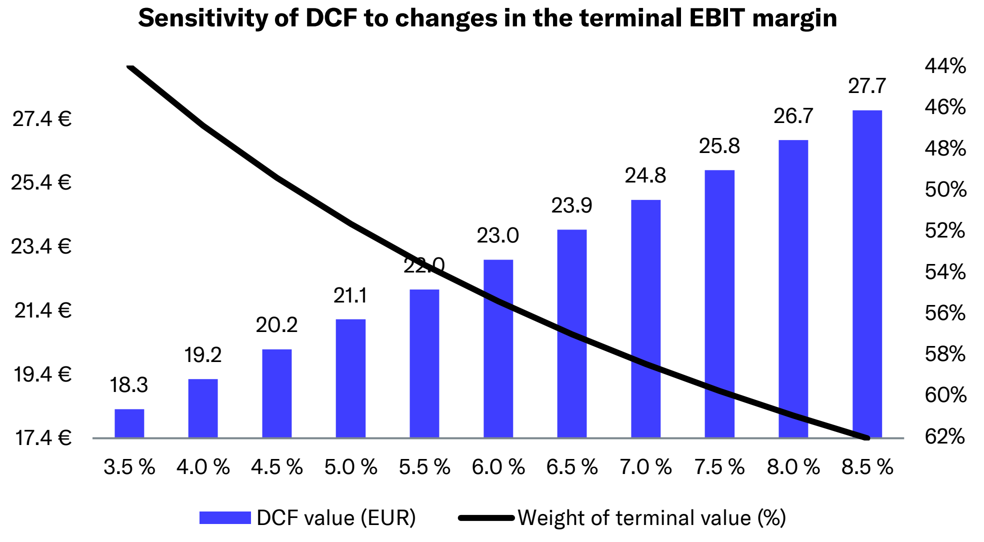
Cash flow distribution

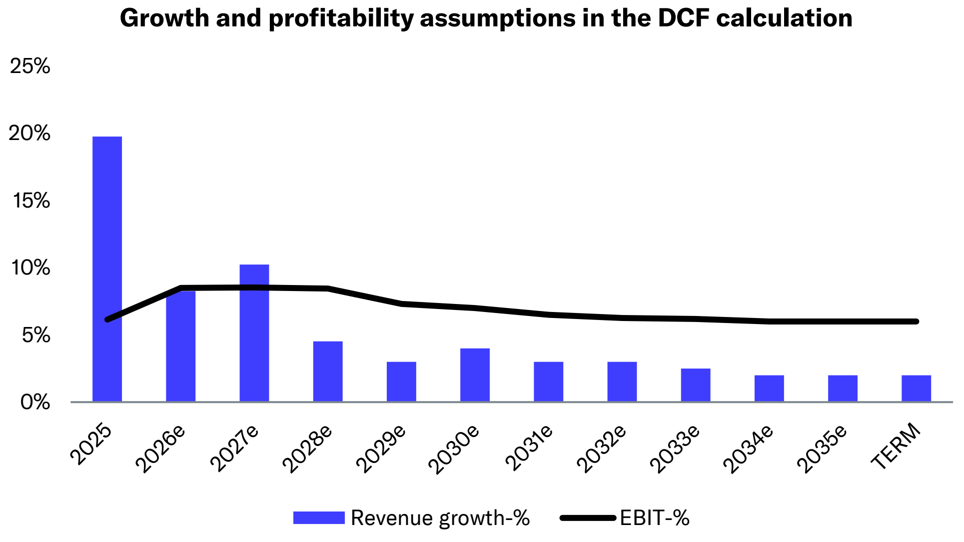


DCF sensitivity calculations and key assumptions in graphs









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
Revenue	546.2	728.4	872.3	**944.5**	**1041.2**
EBITDA	37.7	60.9	72.4	**105.8**	**110.8**
EBIT	24.2	45.2	53.5	**80.2**	**88.8**
PTP	24.3	45.8	52.7	**83.4**	**88.8**
Net Income	20.2	36.9	43.0	**66.9**	**72.8**
Extraordinary items	-0.7	-0.4	-4.7	**-10.3**	**-6.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	280.3	334.5	520.8	**496.2**	**551.9**
Equity capital	88.9	119.3	190.1	**256.6**	**301.6**
Goodwill	0.7	0.7	1.3	**47.5**	**47.5**
Net debt	-59.9	-88.0	-246.1	**-161.9**	**-187.4**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	37.7	60.9	72.4	**105.8**	**110.8**
Change in working capital	45.9	3.6	94.6	**-72.1**	**-12.3**
Operating cash flow	79.5	56.9	158.0	**17.8**	**82.5**
CAPEX	-17.0	-21.7	-28.0	**-104.2**	**-29.2**
Free cash flow	63.3	34.1	157.8	**-41.3**	**53.3**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.6	0.4	0.4	**0.8**	**0.7**
EV/EBITDA	9.4	5.2	4.7	**6.8**	**6.3**
EV/EBIT (adj.)	14.2	7.0	5.9	**8.0**	**7.4**
P/E (adj.)	19.9	10.9	12.3	**11.5**	**11.2**
P/B	4.7	3.4	3.1	**3.4**	**2.9**
Dividend-%	1.6 %	2.0 %	3.7 %	**3.1 %**	**3.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.49	0.93	1.05	**1.56**	**1.70**
EPS (adj.)	0.51	0.93	1.17	**1.81**	**1.84**
OCF / share	1.95	1.43	3.86	**0.42**	**1.93**
OFCF / share	1.55	0.86	3.85	**-0.96**	**1.25**
Book value / share	2.18	2.99	4.64	**6.00**	**7.05**
Dividend / share	0.17	0.20	0.53	**0.65**	**0.70**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	21%	33%	20%	**8%**	**10%**
EBITDA growth-%	55%	61%	19%	**46%**	**5%**
EBIT (adj.) growth-%	82%	83%	28%	**55%**	**5%**
EPS (adj.) growth-%	127%	82%	25%	**55%**	**2%**
EBITDA-%	6.9 %	8.4 %	8.3 %	**11.2 %**	**10.6 %**
EBIT (adj.)-%	4.6 %	6.3 %	6.7 %	**9.6 %**	**9.1 %**
EBIT-%	4.4 %	6.2 %	6.1 %	**8.5 %**	**8.5 %**
ROE-%	24.3 %	35.4 %	27.8 %	**29.9 %**	**26.1 %**
ROI-%	20.0 %	31.8 %	27.7 %	**31.5 %**	**28.5 %**
Equity ratio	39.9 %	42.9 %	55.0 %	**59.9 %**	**62.0 %**
Gearing	-67.4 %	-73.8 %	-129.4 %	**-63.1 %**	**-62.1 %**
Net debt/EBITDA	-1.6	-1.4	-3.4	**-1.5**	**-1.7**
EBITDA/net financials	-554.9	-97.5	95.4	**-32.7**	**2290.6**

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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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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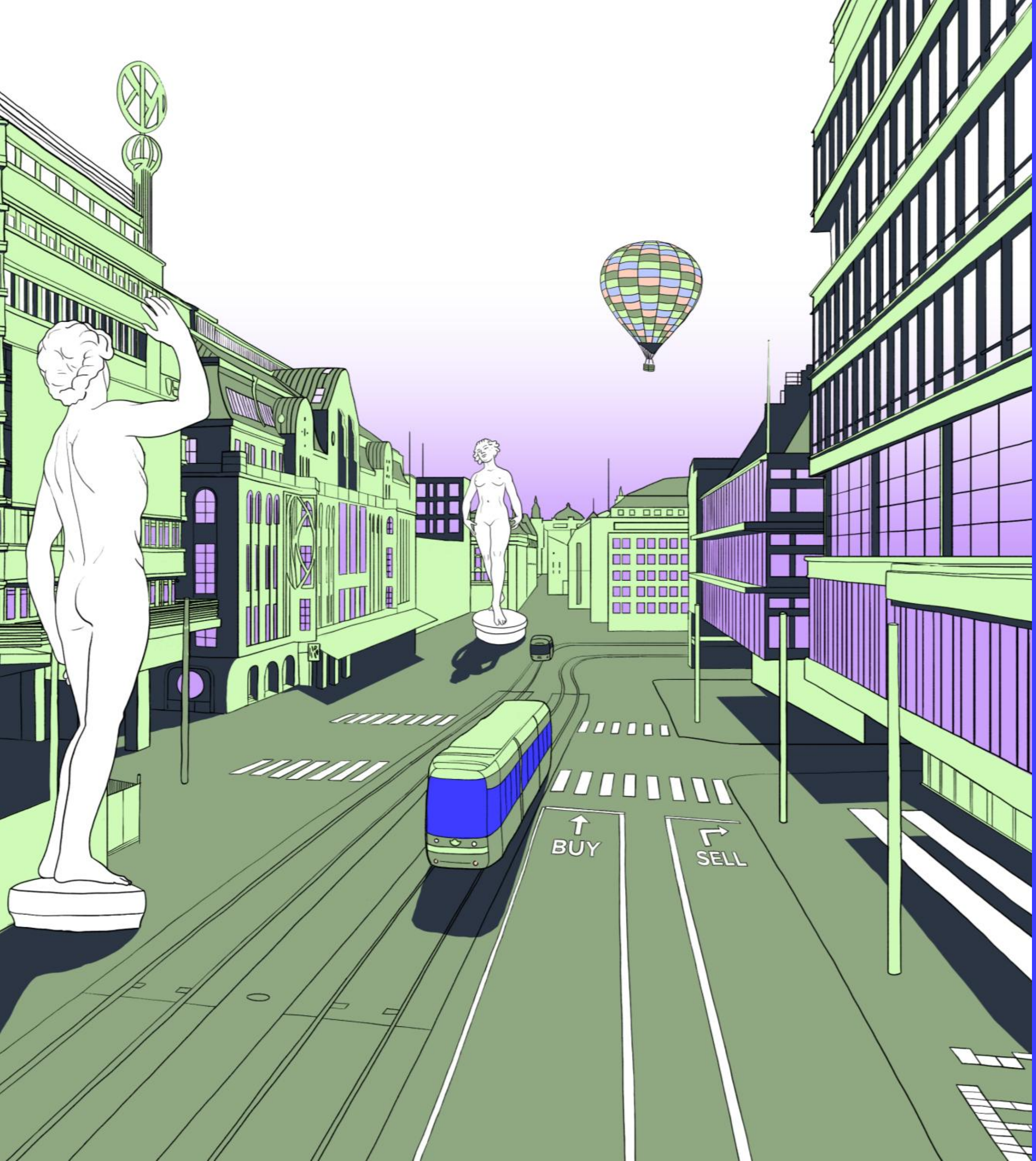
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/28/2025	Accumulate	13.00 €	10.95 €
8/1/2025	Reduce	14.00 €	14.69 €
9/11/2025	Accumulate	14.00 €	12.93 €
10/22/2025	Accumulate	14.50 €	13.64 €
10/31/2025	Accumulate	14.50 €	13.36 €
2/13/2026	Accumulate	14.50 €	12.91 €
5/5/2026	Buy	15.00 €	13.14 €
5/19/2026	Accumulate	16.00 €	14.80 €
7/14/2026	Accumulate	20.00 €	17.44 €
7/29/2026	Accumulate	23.00 €	20.70 €



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