

NORRHYDRO

2/20/2026 11:00 am EET

This is a translated version of "Tuloskäänteestä lisää näyttöjä"
report, published on 2/20/2026



Pauli Lohi
+35845 134 7790
pauli.lohi@inderes.fi

INDERES CORPORATE CUSTOMER
COMPANY REPORT



Further evidence of earnings turnaround

The Q4 report strengthened our confidence in the earnings turnaround and mitigated risks related to the balance sheet. We believe the key near-term share price drivers are primarily related to the profitable growth of the conventional cylinder business, which could strengthen if the forestry and construction segments were to recover more robustly. NorrDigi is also likely to see progress, although the business is likely to remain relatively small and unprofitable in the next two years. We reiterate our Accumulate recommendation and raise the target price to EUR 1.70 (was EUR 1.60).

Margin development was reflected in a stronger balance sheet

Overall, Q4 was a good quarter, with profitability improving significantly and exceeding our forecasts. Revenue grew by a rather strong 16%, driven by growth in high-activity customer segments such as mining equipment and, on the other hand, the halt in declining demand in lower-activity segments such as forest and construction machinery. The earnings lines were stronger than we expected, and the relative EBITDA was as high as 11.7%, beating our estimate by 1.1 percentage points and the comparison period's level by as much as 4.3 percentage points. Profitability was particularly supported by volume growth, but the material margin also improved due to increased production efficiency, while personnel costs grew less than expected. Net debt at the end of the period was also lower than we expected, at 9.1 MEUR, or 3.4x EBITDA (2024: 9.6 MEUR, 7.6x EBITDA). The Board proposes to continue the capital return authorization (EUR 0.04/share), which could be used if the 2026 result develops strongly. However, debt reduction remains the company's primary priority for the use of funds.

Profitable growth is expected to continue

The company's 2026 guidance is for revenue of 30-32 MEUR (growth of 5-11%) and EBITDA of 3-4 MEUR (2025: 2.65 MEUR). The guidance was in line with our estimates, which is why operational forecast changes remained moderate (2026e revenue

decreased by 2% and EBIT increased by 3%). Our current estimates (revenue of 31 MEUR and EBITDA of 3.4 MEUR) are close to the mid-points of the guidance ranges. We estimate that revenue growth will slow down (2025: 19%) because the comparison figures for 2025 are already more challenging to exceed in customer segments with healthy activity, and on the other hand, a clear turnaround is not yet in sight in industries experiencing a weaker economic cycle (e.g. forest industry and construction). The company described the market outlook as "slowly recovering." We also believe the company has gained market share and will increase investments in sales and new customer acquisition during 2026. We estimate that 2026 revenue will primarily be generated from conventional cylinders. The company's comments on the sales outlook for NorrDigi solutions were in line with our previous expectations. Revenue for electromechanical actuators (EMA) is expected to grow already this year, albeit from low levels. In MCC, testing of the excavator solution is still ongoing, and the start of sales has been delayed.

Earnings turnaround pushing valuation low

The ongoing earnings turnaround's progress is lowering valuation multiples and helping the company reduce the balance sheet risk caused by its relatively high indebtedness. We believe the 2026 earnings-based valuation of EV/EBIT 11x is reasonably attractive, considering the turnaround potential in the key forest and construction segments, as well as NorrDigi's development phase. Adjusted for NorrDigi's estimated earnings, EV/EBIT for 2026e would be 9x, so we estimate that the current share price could already be justified purely by the results of the conventional business, even if one does not believe in NorrDigi's breakthrough. Although the valuation appears attractive and we estimate the outlook to be on an upward trend, it is good to note the elevated risk level of the share, which is related to, among other things, the cyclical nature of the industry, dependence on certain customers, indebtedness, and the difficult forecastability of NorrDigi's breakthrough.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 1.70

(was EUR 1.60)

Share price:

EUR 1.49

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	28.7	31.0	34.1	38.0
growth-%	18%	8%	10%	12%
EBIT adj.	1.4	2.2	2.6	3.4
EBIT-% adj.	5.0 %	7.0 %	7.7 %	8.8 %
Net income	0.2	1.0	1.4	2.0
EPS (adj.)	0.03	0.10	0.13	0.19
Dividend	0.00	0.00	0.04	0.07

P/E (adj.)	41.7	15.0	11.5	7.9
P/B	1.6	1.8	1.6	1.4
Dividend yield-%	0.0 %	0.0 %	2.7 %	4.7 %
EV/EBIT (adj.)	15.6	11.3	8.8	6.5
EV/EBITDA	8.4	7.2	5.6	4.4
EV/S	0.8	0.8	0.7	0.6

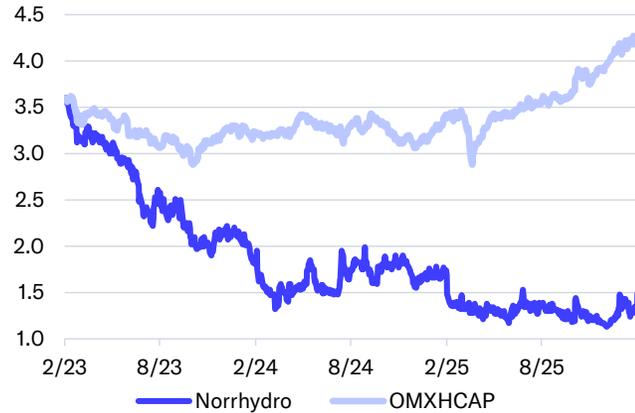
Source: Inderes

Guidance

(New)

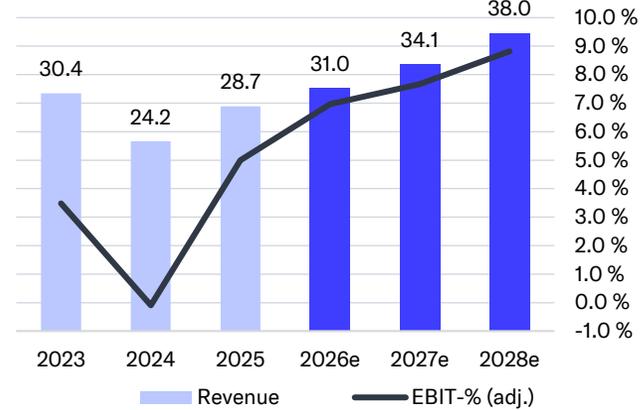
Revenue for 2026 is estimated to be 30-32 MEUR and EBITDA 3-4 MEUR.

Share price



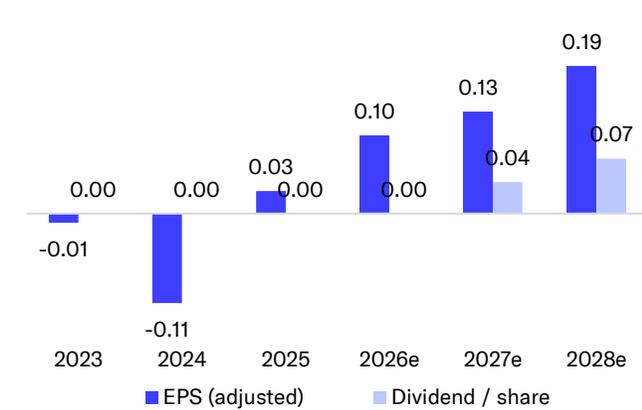
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth potential in basic cylinders through market recovery and market share gains
- The modern factory's scalability supports profitability
- NorrDigi's growth opportunity in higher technology products
- Impressive customer list and close, long-term customer relationships

Risk factors

- Cyclical nature of key customer industries
- Concentration of customer base
- Failure to commercialize NorrDigi
- The balance sheet is indebted and contains significant capitalized development costs

Valuation	2026e	2027e	2028e
Share price	1.49	1.49	1.49
Number of shares, millions	11.0	11.0	11.0
Market cap	16	16	16
EV	24	23	22
P/E (adj.)	15.0	11.5	7.9
P/E	16.2	12.2	8.2
P/B	1.8	1.6	1.4
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.7	0.6
EV/EBITDA	7.2	5.6	4.4
EV/EBIT (adj.)	11.3	8.8	6.5
Payout ratio (%)	0.0 %	32.6 %	38.7 %
Dividend yield-%	0.0 %	2.7 %	4.7 %

Source: Inderes

Q4'25: Profitability and cash flow stronger than expected

Revenue grew significantly at the end of the year

Q4 revenue was 7.7 MEUR, an increase of 16% from the comparison period. Revenue was thus slightly (3%) below our estimate. The company reports that demand from the mining industry has grown significantly, and demand for lifting equipment and the recycling sector has also increased, driven particularly by new customers. Demand from the marine industry remained at a good level. In terms of demand, volumes in weaker segments such as the forest and construction industries have at least stopped declining significantly.

Profitability developed strongly

The earnings lines developed slightly stronger than our forecasts, and significantly stronger relative to revenue. The earnings improvement was primarily due to the scalability of volumes but also influenced by efficiency measures implemented in recent years. Q4 EBITDA was

0.91 MEUR (we estimated 0.84 MEUR) and EBIT was 0.58 MEUR (we estimated 0.52 MEUR). EBITDA nearly doubled year-on-year (Q4'24 EBITDA: 0.49 MEUR), and the relative EBITDA margin improved to 11.7% (Q4'24: 7.4%). The result was supported by a strong gross margin and lower personnel costs than estimated. The material margin improved to 49.9% from a weak comparison period level (we estimated 49.5%, Q4'24: 44.0%). Financing costs were also slightly lower than our forecasts, which supported the net result (Q4'25 net result: 0.31 MEUR).

Cash flow slightly above forecast, authorization for capital return to be continued

The company's net debt at year-end was 9.1 MEUR, slightly lower than our forecast (9.4 MEUR), and decreased year-on-year (2024: 9.6 MEUR). With the decrease in debt and growth in EBITDA, the net debt to EBITDA ratio decreased to 3.4x (2024: 7.6x).

The Board proposes an authorization for a capital return of EUR 0.04 per share at the Board's discretion. A corresponding authorization has been in effect since the previous Annual General Meeting. We interpreted that the authorization could be used at the end of the year, provided that strong earnings development allows it, in addition to debt reduction.

Estimates MEUR / EUR	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Difference (%) Act. vs. inderes	2025 Toteutunut
Revenue	6.65	7.7	8.0		-3%	28.7
EBITDA	0.49	0.91	0.84		7%	2.7
EBIT	0.15	0.58	0.52		12%	1.4
PTP	-0.17	0.31	0.19		67%	0.2
EPS (reported)	0.025	0.028	0.017		65%	0.02
Revenue growth-%	-	16.2 %	19.7 %		-3.5 pp	18%
EBIT-%	2.3 %	7.5 %	6.5 %		1 pp	4.7 %

Source: Inderes

Earnings growth is expected to continue

No significant surprises in the company's outlook

- The company expects profitable growth to continue in 2026 and guides for revenue of 30-32 MEUR and EBITDA of 3-4 MEUR.
- The guidance was in line with our estimates, which is why our forecast changes remained moderate. Our 2026 revenue forecast decreased by 2%. The most significant change in the income statement lines concerned financial expenses, which we expect to decrease as a result of reduced debt (2026e EPS increased by 18%).
- In conventional cylinders, the company described demand as gradually recovering, but a more significant turnaround in the forest and construction sectors is not yet in sight. The weakness in the forest sector, in particular, may weigh on the early part of the year's figures. However, new customer acquisition supports growth in conventional cylinders.
- There were no significant changes in the outlook for NorrDigi. Revenue from electromechanical actuators (EMA) is expected to grow from low levels, the outlook for NorrDigi solutions is in line with expectations, and testing of the MCC excavator solution is still ongoing, delaying the start of sales.
- We interpret that the company is not significantly increasing fixed costs during 2026. Investments have been made in sales, but on the other hand, the departure of NorrDigi's director balances out the costs. The company has been working to achieve production cost savings, so we estimate that the margin level will remain strong, as indicated by H2. We estimate that material margin will improve to 49.4% in 2026 (2025: 48.8%).

Estimate revisions	2025	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	28.9	28.7	-1%	31.6	31.0	-2%	34.9	34.1	-2%
EBITDA	2.6	2.7	2%	3.5	3.4	-3%	4.2	4.1	-1%
EBIT (exc. NRIs)	1.4	1.4	5%	2.1	2.2	3%	2.7	2.6	-2%
EBIT	1.3	1.4	5%	2.0	2.1	3%	2.6	2.5	-2%
PTP	0.1	0.2	118%	0.9	1.1	19%	1.6	1.6	-3%
EPS (excl. NRIs)	0.02	0.03	69%	0.08	0.10	18%	0.13	0.13	-3%

Source: Inderes

Norrhydro, Earnings Webcast 2025 (in Finnish)



Earnings turnaround also made the valuation favorable

Investment profile: Two different elements

Norrhydro's equity story consists of two very different elements. Forecasting the long-term earnings level of the conventional cylinder business is relatively straightforward and reliable due to its long history and mature industry. On the other hand, there is not yet a strong understanding of the earnings potential of the new NorrDigi technologies. NorrDigi's operations are currently unprofitable due to a lack of significant revenue, but if successful, it offers potential to strengthen the margin and value creation profile in the long term.

The company's financial performance has been weak recently due to costs associated with the ramp-up of the new factory, the development of NorrDigi technologies, and weak demand in key customer segments. This has also increased the balance sheet's indebtedness (one covenant condition was breached at the end of 2025). However, the earnings turnaround seen during 2025 has put the balance sheet's high indebtedness on a clear downward trend, thereby reducing the risk level associated with the financial position. Nevertheless, indebtedness is still at a high level, and in our view, the balance sheet cannot withstand major disappointments in earnings development or, for example, write-downs of intangible assets if NorrDigi's growth were to fail.

Earnings-based valuation has decreased, and we see further earnings growth potential

The turnaround in earnings has significantly lowered the stock's earnings-based valuation. In our view, a fair valuation level of EV/EBIT 9-12x could be applied in the long term to a company operating as a subcontractor in the capital goods sector that generates a reasonable return on capital.

Based on our 2026 forecasts, the EV/EBIT would be only 11x,

which we believe is a rather favorable level for Norrhydro Group, considering the company's relatively strong long-term growth profile (5% realized annual growth over a 10-year period), the early development stage of NorrDigi, and the current, partly unfavorable business cycle in customer industries.

If the forest and construction segments recover to normal levels, there would be an estimated upside in EBIT to 2.8 MEUR, which would result in an EV/EBIT of only 9x under "normalized demand conditions." The unprofitability of the NorrDigi business is estimated to have a roughly similar impact on earnings, and with this impact corrected (or earnings turning neutral with growth), EV/EBIT would also be only 9x. If both of the above materialize, the share could have significant upside. The balance sheet's debt leverage, in turn, amplifies the impact of the earnings outlook on the share price.

Valuing NorrDigi is challenging

There is considerable uncertainty regarding the realization of NorrDigi's growth, and our medium-term forecasts are relatively demanding. However, we do not believe that the share price reflects significant successes for NorrDigi. We consider it likely that as the commercialization of the solutions progresses, investors would begin to front-load value to NorrDigi's growth. However, this would require concrete successes and the solutions to reach commercial use in significant volumes. We have estimated that in NorrDigi's breakthrough scenario (based on 2030 forecasts), the discounted standalone value of the business could be around EUR 1.4 per share (see the extensive report), which would double the share price from the current level. On the other hand, as long as there is no evidence of the business's commercial success, the unprofitability of the operations will weigh down the company's valuation.

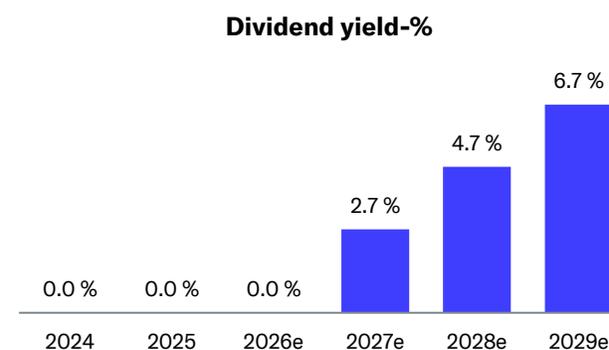
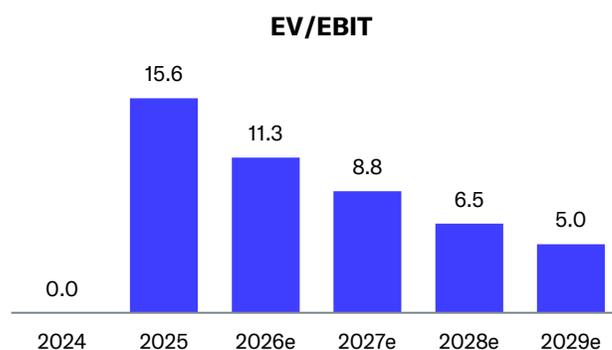
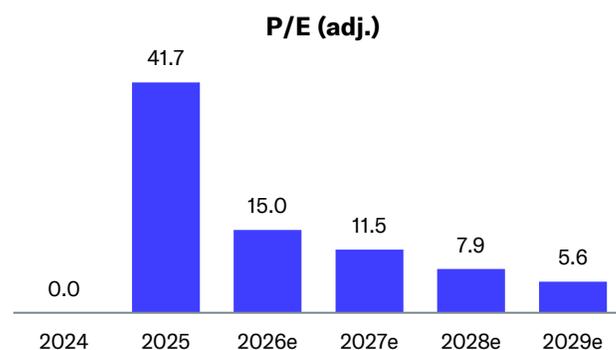
Valuation	2026e	2027e	2028e
Share price	1.49	1.49	1.49
Number of shares, millions	11.0	11.0	11.0
Market cap	16	16	16
EV	24	23	22
P/E (adj.)	15.0	11.5	7.9
P/E	16.2	12.2	8.2
P/B	1.8	1.6	1.4
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.7	0.6
EV/EBITDA	7.2	5.6	4.4
EV/EBIT (adj.)	11.3	8.8	6.5
Payout ratio (%)	0.0 %	32.6 %	38.7 %
Dividend yield-%	0.0 %	2.7 %	4.7 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	4.32	3.13	2.07	1.62	1.20	1.49	1.49	1.49	1.49
Number of shares, millions	8.46	10.9	10.9	11.0	11.0	11.0	11.0	11.0	11.0
Market cap	47	34	23	18	13	16	16	16	16
EV	47	42	32	27	22	24	23	22	20
P/E (adj.)	23.2	21.5	neg.	neg.	41.7	15.0	11.5	7.9	5.6
P/E	>100	>100	neg.	neg.	56.5	16.2	12.2	8.2	5.6
P/B	4.2	3.2	2.5	2.3	1.6	1.8	1.6	1.4	1.2
P/S	1.9	1.1	0.7	0.7	0.5	0.5	0.5	0.4	0.4
EV/Sales	1.9	1.4	1.1	1.1	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	15.9	19.7	29.4	21.8	8.4	7.2	5.6	4.4	3.5
EV/EBIT (adj.)	21.8	17.8	30.5	neg.	15.6	11.3	8.8	6.5	5.0
Payout ratio (%)	185.1 %	1521.2 %	0.0 %	0.0 %	0.0 %	0.0 %	32.6 %	38.7 %	37.8 %
Dividend yield-%	1.4 %	1.9 %	0.0 %	0.0 %	0.0 %	0.0 %	2.7 %	4.7 %	6.7 %

Source: Inderes



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	
Kesla Oyj	9	21	10.3		6.9		0.5	0.6	7.8		4.5		0.7
Robit Plc	24	42	20.9	20.9	7.0	7.0	0.5	0.5			4.3		0.5
Ponsse Oyj	720	750	21.3	18.0	10.8	9.8	1.0	1.0	77.9	23.2	1.8	2.5	2.2
Kalmar	3169	3175	16.1	14.9	11.8	11.7	1.9	1.9	21.1	19.5	2.2	2.3	4.4
Hiab	3138	2925	10.6	13.6	8.6	11.4	1.2	1.9	14.6	19.7	3.5	2.7	2.6
Metso Corp	13724	14806	19.6	19.4	16.4	15.8	3.1	2.9	26.7	26.7	2.1	2.2	5.3
Sandvik AB	44837	48206	24.7	24.0	18.2	18.0	4.2	4.3	33.6	30.7	1.5	1.6	5.2
Kongsberg Gruppen ASA	31095	30006	51.9	40.8	41.4	33.4	6.9	5.8	67.7	47.2	0.7	1.5	18.6
Enerpac Tool Group Corp	1883	1924	17.9	17.0	15.2	14.8	3.9	3.7	24.1	23.4			4.5
Interpump Group SpA	4407	4710	13.1	13.8	10.0	10.0	2.3	2.3	18.5	19.3	0.8	0.8	2.3
Parker-Hannifin Corp	106499	114494	32.2	29.2	27.7	26.1	6.8	6.9	40.2	37.3	0.6	0.7	10.6
Donaldson Company Inc	10530	10927	23.7	22.0	19.8	18.7	3.6	3.5	32.0	29.4	0.9	1.0	8.1
SMC Corp	24955	21298	15.9	13.6	16.1	16.8	5.0	4.9	26.0	29.3	1.3	1.4	2.5
Norrhydro (Inderes)	16	24	11.3	8.8	7.2	5.6	0.8	0.7	15.0	11.5	0.0	2.7	1.8
Average			21.0	20.1	16.1	16.2	3.3	3.2	32.0	27.9	2.0	1.6	5.0
Median			18.7	18.0	15.6	15.8	3.3	3.2	26.0	28.0	1.5	1.5	3.5
Diff-% to median			-40%	-51%	-54%	-65%	-76%	-79%	-42%	-59%	-100%	75%	-49%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	H1'25	H2'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	30.4	24.2	14.9	13.8	28.7	7.8	8.3	6.4	8.6	31.0	34.1	38.0	42.7
EBITDA	1.1	1.3	1.23	1.42	2.65	0.69	1.00	0.53	1.14	3.36	4.15	4.98	5.75
Depreciation	-1.4	-1.3	-0.65	-0.65	-1.30	-0.32	-0.32	-0.32	-0.33	-1.29	-1.62	-1.70	-1.72
EBIT (excl. NRI)	1.1	0.0	0.61	0.82	1.44	0.39	0.70	0.23	0.83	2.16	2.61	3.35	4.02
EBIT	-0.3	-0.1	0.57	0.78	1.35	0.37	0.68	0.21	0.81	2.08	2.53	3.27	4.02
Net financial items	-1.2	-1.2	-0.57	-0.55	-1.12	-0.26	-0.26	-0.25	-0.25	-1.01	-0.94	-0.81	-0.43
PTP	-1.4	-1.3	0.01	0.23	0.23	0.11	0.43	-0.04	0.57	1.07	1.59	2.46	3.60
Taxes	0.0	0.0	0.00	0.00	0.00	-0.01	-0.02	0.00	-0.03	-0.05	-0.24	-0.47	-0.68
Net earnings	-1.4	-1.3	0.01	0.23	0.23	0.11	0.41	-0.04	0.54	1.01	1.35	1.99	2.91
EPS (adj.)	-0.01	-0.11	0.00	0.02	0.03	0.01	0.04	0.00	0.05	0.10	0.13	0.19	0.26
EPS (rep.)	-0.13	-0.12	0.00	0.02	0.02	0.01	0.04	0.00	0.05	0.09	0.12	0.18	0.26

Key figures	2023	2024	H1'25	H2'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	-20.2 %	13.5 %	24.3 %	18.5 %	0.0 %	-44.4 %	0.0 %	-38.0 %	8.0 %	9.9 %	11.7 %	12.2 %
Adjusted EBIT growth-%										50.6 %	21.0 %	28.4 %	19.9 %
EBITDA-%	3.6 %	5.2 %	8.2 %	10.3 %	9.2 %	8.9 %	12.1 %	8.3 %	13.3 %	10.9 %	12.2 %	13.1 %	13.5 %
Adjusted EBIT-%	3.5 %	-0.1 %	4.1 %	5.9 %	5.0 %	5.1 %	8.5 %	3.6 %	9.7 %	7.0 %	7.7 %	8.8 %	9.4 %
Net earnings-%	-4.8 %	-5.5 %	0.1 %	1.6 %	0.8 %	1.4 %	4.9 %	-0.6 %	6.3 %	3.3 %	4.0 %	5.2 %	6.8 %

Source: Inderes

Balance sheet

Assets	2025	2026e	2027e	2028e	2029e
Non-current assets	14.0	13.5	13.3	13.2	13.4
Goodwill	0.3	0.3	0.3	0.3	0.3
Intangible assets	8.5	8.5	8.4	8.4	8.5
Tangible assets	5.3	4.7	4.6	4.5	4.5
Other investments	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	9.6	10.4	11.4	12.6	14.0
Inventories	8.2	8.9	9.7	10.7	11.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.1	1.2	1.3	1.5	1.7
Cash and equivalents	0.3	0.3	0.3	0.4	0.4
Balance sheet total	23.6	24.0	24.7	25.8	27.3

Source: Inderes

Liabilities & equity	2025	2026e	2027e	2028e	2029e
Equity	8.2	9.2	10.5	12.1	14.2
Share capital	4.3	4.3	4.3	4.3	4.3
Retained earnings	-6.5	-5.4	-4.1	-2.5	-0.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Other equity	10.4	10.4	10.4	10.4	10.4
Non-current liabilities	5.9	0.0	0.0	0.0	0.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.9	0.0	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	9.5	14.8	14.2	13.7	13.1
Interest bearing debt	3.4	8.2	6.9	5.7	4.0
Payables	6.1	6.6	7.2	8.1	9.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	23.6	24.0	24.7	25.8	27.3

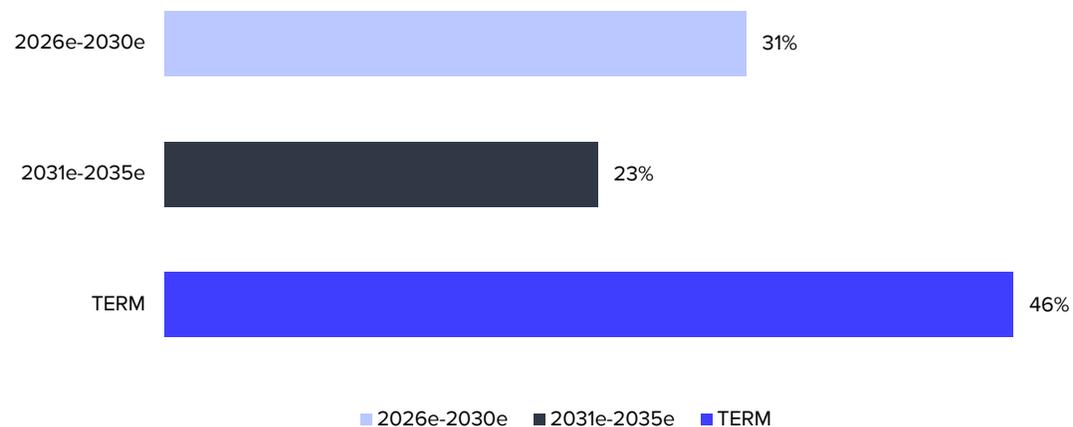
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	18.5 %	8.0 %	9.9 %	11.7 %	12.2 %	12.9 %	11.4 %	8.4 %	10.0 %	10.0 %	2.5 %	2.5 %
EBIT-%	4.7 %	6.7 %	7.4 %	8.6 %	9.4 %	9.8 %	9.8 %	9.8 %	8.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	1.4	2.1	2.5	3.3	4.0	4.7	5.3	5.7	5.1	5.6	5.8	
+ Depreciation	1.3	1.3	1.6	1.7	1.7	1.7	1.8	1.9	2.1	2.1	2.2	
- Paid taxes	0.0	-0.1	-0.2	-0.5	-0.7	-0.8	-0.9	-1.0	-1.0	-1.1	-1.1	
- Tax, financial expenses	0.0	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
- Change in working capital	-0.5	-0.3	-0.3	-0.3	-0.3	-0.4	-0.6	-0.5	-0.6	-0.6	-0.2	
Operating cash flow	2.1	3.0	3.5	4.0	4.6	5.2	5.5	6.1	5.6	6.0	6.6	
- Gross CAPEX	-0.5	-0.8	-1.4	-1.6	-1.9	-2.1	-2.4	-2.8	-2.6	-2.6	-2.5	
Free operating cash flow	1.6	2.2	2.1	2.4	2.8	3.1	3.1	3.3	2.9	3.4	4.1	
FCFF	1.6	2.2	2.1	2.4	2.8	3.1	3.1	3.3	2.9	3.4	4.1	41.7
Discounted FCFF		2.0	1.7	1.7	1.8	1.7	1.5	1.4	1.2	1.2	1.3	12.9
Sum of FCFF present value		28.3	26.3	24.7	22.9	21.2	19.5	17.9	16.5	15.3	14.2	12.9
Enterprise value DCF		28.3										
- Interest bearing debt		-9.4										
+ Cash and cash equivalents		0.3										
-Dividend/capital return		0.0										
Equity value DCF		19.2										
Equity value DCF per share		1.74										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.4 %
Equity Beta	2.30
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	14.9 %
Weighted average cost of capital (WACC)	12.6 %

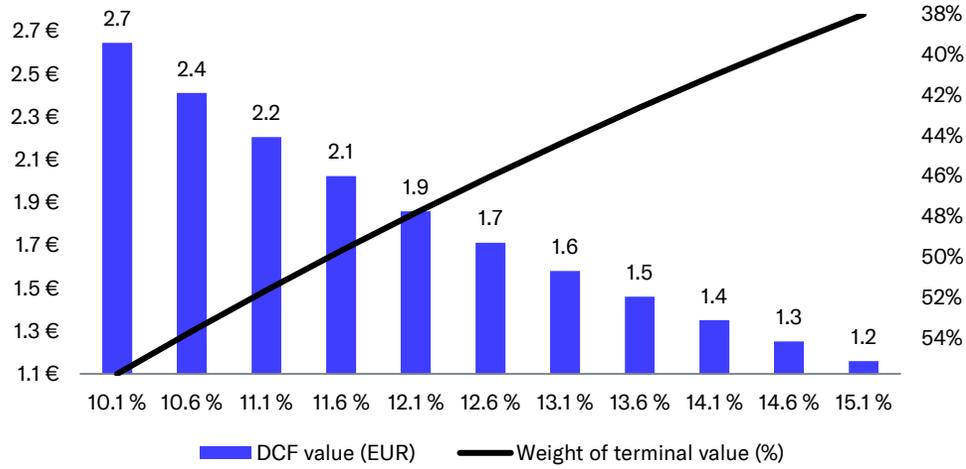
Source: Inderes

Cash flow distribution

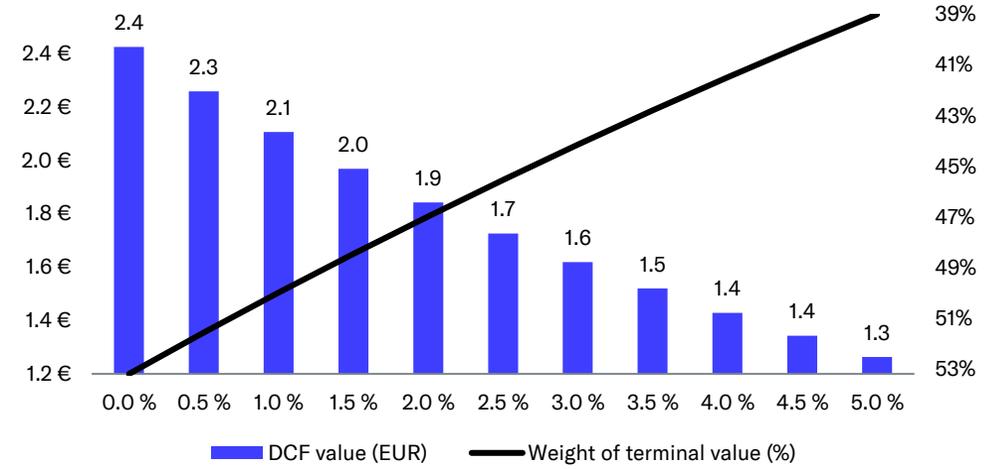


DCF sensitivity calculations and key assumptions in graphs

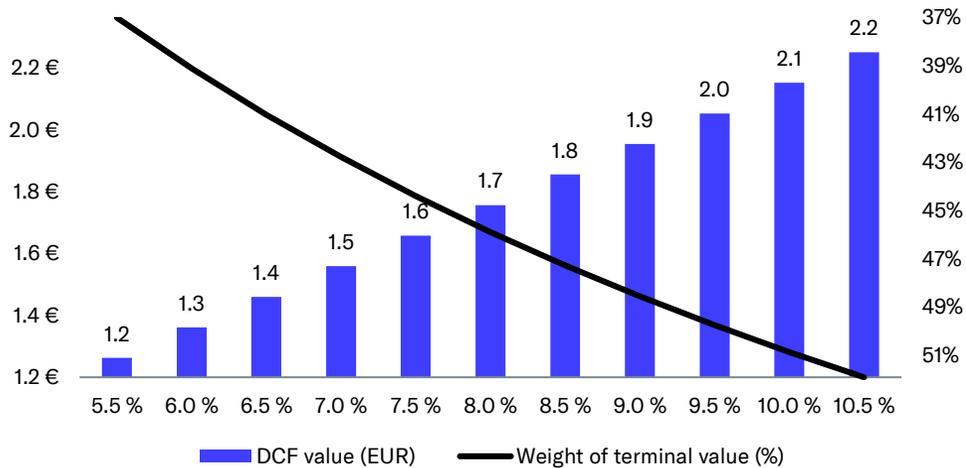
Sensitivity of DCF to changes in the WACC-%



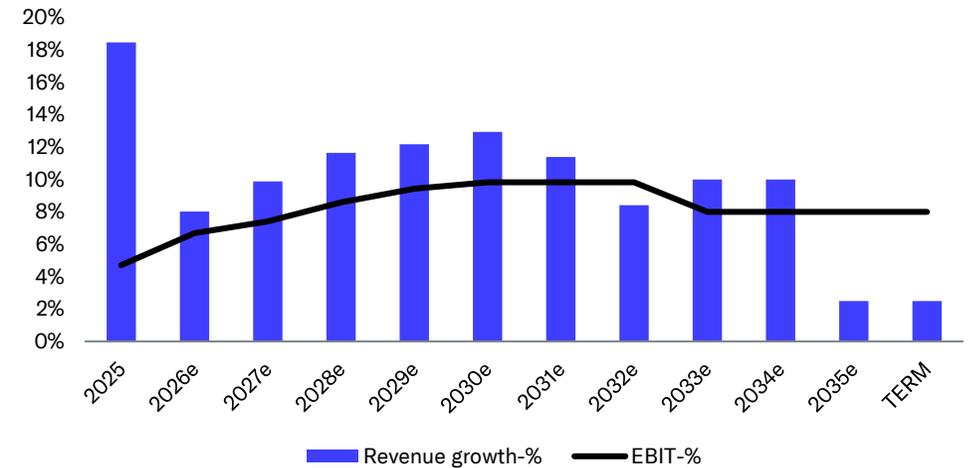
Sensitivity of DCF to changes in the risk-free rate



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	30.4	24.2	28.7	31.0	34.1	EPS (reported)	-0.13	-0.12	0.02	0.09	0.12
EBITDA	1.1	1.3	2.7	3.4	4.1	EPS (adj.)	-0.01	-0.11	0.03	0.10	0.13
EBIT	-0.3	-0.1	1.4	2.1	2.5	OCF / share	0.13	0.20	0.19	0.27	0.32
PTP	-1.4	-1.3	0.2	1.1	1.6	OFCF / share	-0.01	0.08	0.15	0.20	0.19
Net Income	-1.4	-1.3	0.2	1.0	1.4	Book value / share	0.81	0.72	0.74	0.83	0.96
Extraordinary items	-1.3	-0.1	-0.1	-0.1	-0.1	Dividend / share	0.00	0.00	0.00	0.00	0.04
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	25.4	24.0	23.6	24.0	24.7	Revenue growth-%	2%	-20%	18%	8%	10%
Equity capital	8.9	7.9	8.2	9.2	10.5	EBITDA growth-%	-35%	15%	111%	27%	23%
Goodwill	0.3	0.3	0.3	0.3	0.3	EBIT (adj.) growth-%	-55%	-102%	-6391%	51%	21%
Net debt	9.6	9.6	9.1	7.9	6.6	EPS (adj.) growth-%	-108%	874%	-125%	246%	31%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	3.6 %	5.2 %	9.2 %	10.9 %	12.2 %
EBITDA	1.1	1.3	2.7	3.4	4.1	EBIT (adj.)-%	3.5 %	-0.1 %	5.0 %	7.0 %	7.7 %
Change in working capital	0.3	0.9	-0.5	-0.3	-0.3	EBIT-%	-0.8 %	-0.3 %	4.7 %	6.7 %	7.4 %
Operating cash flow	1.4	2.2	2.1	3.0	3.5	ROE-%	-14.8 %	-15.7 %	2.9 %	11.7 %	13.7 %
CAPEX	-1.5	-1.3	-0.5	-0.8	-1.4	ROI-%	-1.2 %	-0.3 %	7.7 %	12.0 %	14.6 %
Free cash flow	-0.1	0.9	1.6	2.2	2.1	Equity ratio	35.0 %	33.1 %	34.5 %	38.3 %	42.6 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	108.6 %	120.9 %	111.3 %	85.8 %	62.6 %
EV/S		1.1	0.8	0.8	0.7						
EV/EBITDA		21.8	8.4	7.2	5.6						
EV/EBIT (adj.)		neg.	15.6	11.3	8.8						
P/E (adj.)		neg.	41.7	15.0	11.5						
P/B	2.5	2.3	1.6	1.8	1.6						
Dividend-%		0.0 %	0.0 %	0.0 %	2.7 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

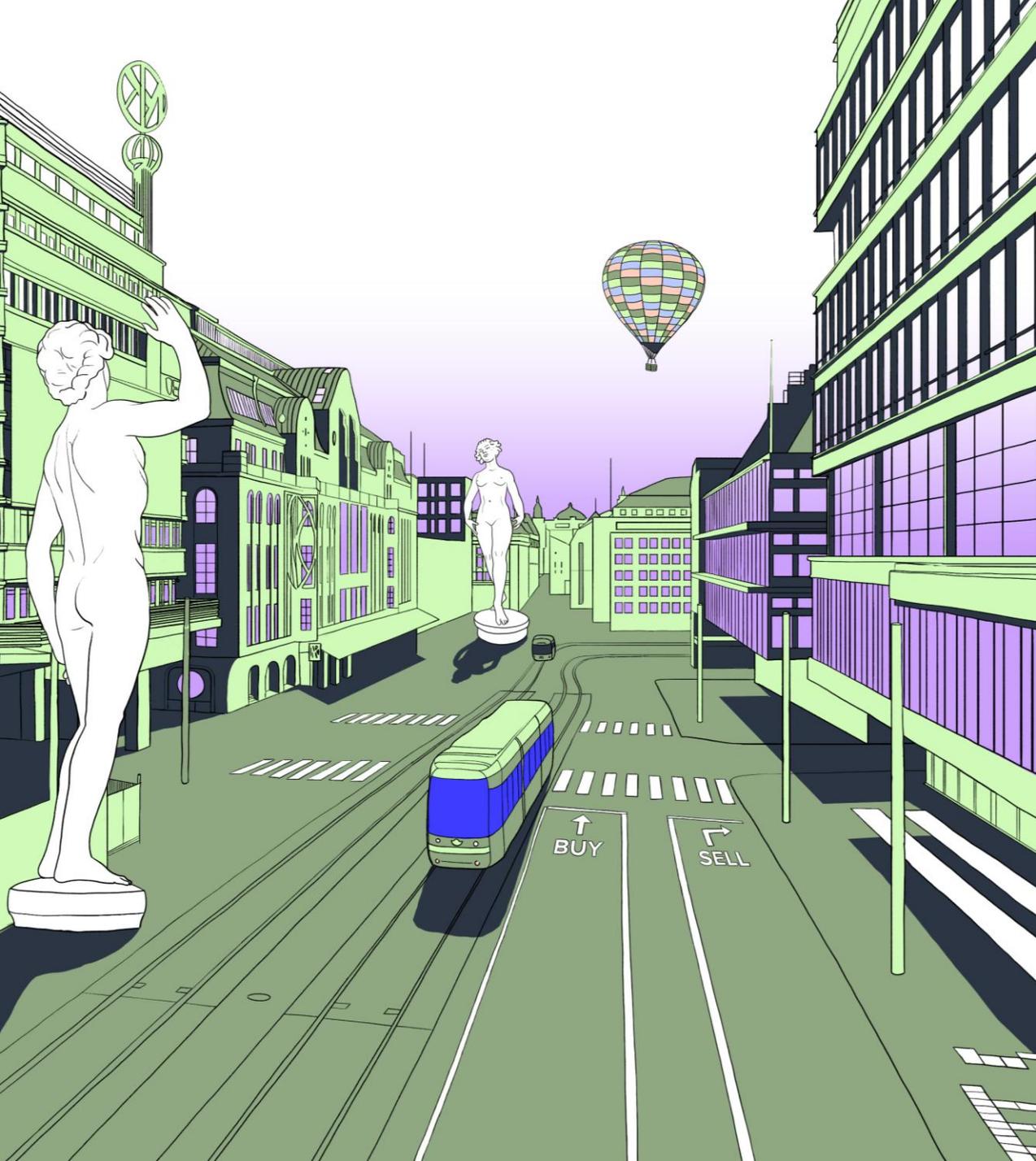
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
12/2/2021	Sell	3.60 €	4.14 €
12/16/2021	Reduce	3.60 €	3.58 €
12/23/2021	Reduce	3.85 €	4.20 €
2/14/2022	Reduce	4.00 €	3.76 €
4/21/2022	Reduce	4.10 €	3.77 €
8/19/2022	Reduce	4.10 €	3.85 €
11/14/2022	Accumulate	3.70 €	3.19 €
2/20/2022	Accumulate	3.90 €	3.49 €
5/31/2023	Reduce	3.20 €	3.02 €
8/8/2023	Accumulate	2.60 €	2.22 €
8/14/2023	Accumulate	2.80 €	2.53 €
1/10/2024	Accumulate	2.50 €	2.20 €
2/25/2024	Reduce	1.80 €	1.75 €
7/30/2024	Reduce	1.60 €	1.55 €
8/2/2024	Accumulate	2.10 €	1.80 €
10/18/2024	Accumulate	2.10 €	1.74 €
2/20/2025	Reduce	1.50 €	1.48 €
6/18/2025	Accumulate	1.40 €	1.17 €
7/15/2025	Reduce	1.40 €	1.53 €
10/24/2025	Accumulate	1.60 €	1.41 €
12/2/2025	Accumulate	1.60 €	1.22 €
2/20/2026	Accumulate	1.70 €	1.49 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab

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

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

**inde
res.**