

TOKMANNI GROUP

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Concrete signs of earnings turnaround remained scarce

Overall, we found Tokmanni's Q1 report to be lackluster, with Dollarstore dragging down the group's earnings. Short-term earnings improvement hinges on Dollarstore's turnaround, which we view as carrying significant risk, given the company's recent performance. We consider the expected return on the share to be too narrow, which is why we reiterate our Reduce recommendation. At the same time, the target price decreases to EUR 6.7 (was EUR 7.5), in line with the downward revisions.

Challenges abroad continued

The group's earnings development in Q1 was very mixed. Strong sales development in Finland and strict cost control enabled a slight improvement in the Tokmanni segment's earnings. Abroad, however, the result continued to decline due to Dollarstore's concept changes and related costs. Ultimately, the group's operating loss increased by around 2 MEUR year-on-year to -13.7 MEUR, which also fell short of expectations.

Pressure to boost earnings concentrated towards year-end

Tokmanni reiterated its 2026 guidance, which expects revenue to be 1,780–1,860 MEUR (2025: 1,728 MEUR), while adj. EBIT is expected to be 85–105 MEUR (2025: 85 MEUR). Achieving this guidance requires an earnings improvement and Dollarstore turnaround, the timing of which is uncertain. Consequently, the risk of a negative profit warning remains elevated this year as well. We lowered our earnings estimates for the coming years by a little over 10%. The decline in the forecast was largely due to Dollarstore's weak progress and the year-long process of renewing its product assortment, which we believe will maintain a high cost structure. Despite sluggish earnings growth and downward revisions to forecasts, we expect the company to reach the lower end of its guidance range. We emphasize that our forecast (2026e adj. EBIT 87 MEUR and 89 MEUR adjusted for PPA depreciation) assumes Dollarstore's earnings performance will improve in H2. However, there is a risk associated with this considering the recent negative developments. We expect the

company's earnings performance to improve starting in 2027–28, when the additional costs associated with Dollarstore's renewal program will diminish and the wider product range in stores will boost the segment's comparable growth. Nevertheless, this assumes that Dollarstore's like-for-like customer visits will not continue their current sharp decline. Overall, we forecast that the group's EPS will rise by approximately 9% per year.

Expected return too narrow relative to risks

From a P/E ratio perspective (2026e 10x), the stock appears cheap, but the EV/EBIT multiple (2026e 14x and 11x when adjusted for IFRS 16 items), which accounts for the balance sheet, is at best neutral or slightly elevated in our view. The discrepancy in the multiples is explained by Tokmanni's elevated net debt and, in particular, large lease liabilities. We do not expect a significant change in net debt, as the free cash flow generated by the company is partly used to finance growth, i.e., working capital, and also for dividend distribution. For this reason, we believe the P/E ratio should be low in absolute terms. Peer analysis likewise supports a weak expected return on the share. The limited upside of the DCF value (EUR 6.9) indicates that Dollarstore's medium-term earnings turnaround is already priced into the current share price and thus does not serve as a significant driver of expected returns. However, for an investor who believes in a rapid turnaround for Dollarstore, the share price decline could offer a good buying opportunity, though we see the associated risks as elevated, which limits the stock's short-term positive price drivers. This is emphasized by the fact that Dollarstore's turnaround is still ongoing, meaning a continued decrease in comparable store customer numbers cannot be ruled out. Without the stabilization of customer numbers in mature stores, it is likely that Dollarstore's profitability will continue to decline, even though the comparable figures for 2026 are "easier." So far, the evidence suggests a slower turnaround for Dollarstore, which is why we believe that investors can join the story later with more attractive risk/reward.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 6.70

(was EUR 7.80)

Share price:

EUR 6.44

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	1728.5	1822.6	1907.3	1974.9
growth-%	3%	5%	5%	4%
EBIT adj.	84.1	89.3	96.2	102.3
EBIT-% adj.	4.9 %	4.9 %	5.0 %	5.2 %
Net Income	36.3	35.5	41.2	46.1
EPS (adj.)	0.63	0.63	0.74	0.83
P/E (adj.)	12.3	10.2	8.7	7.8
P/B	1.6	1.3	1.2	1.1
Dividend yield-%	4.4 %	6.2 %	7.8 %	9.3 %
EV/EBIT (adj.)	15.9	14.0	13.0	12.3
EV/EBITDA	6.2	5.5	5.3	5.1
EV/S	0.8	0.7	0.7	0.6

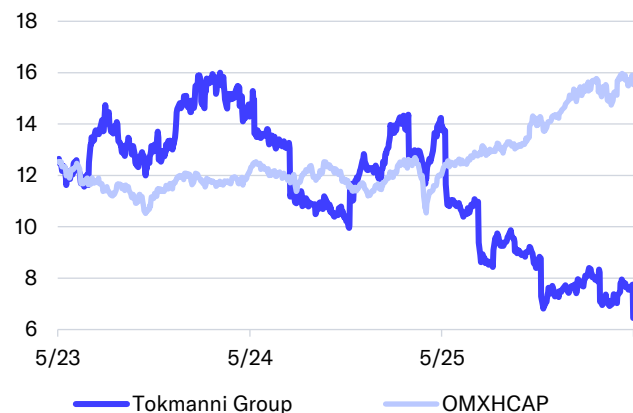
Source: Inderes

Guidance

(Unchanged)

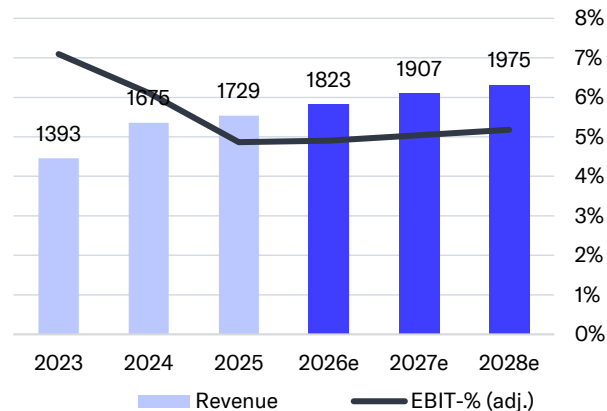
In 2026, Tokmanni expects its revenue to be 1,780-1,860 MEUR (2025: 1,728 MEUR) and comparable EBIT to be 85-105 MEUR (2025 85 MEUR).

Share price



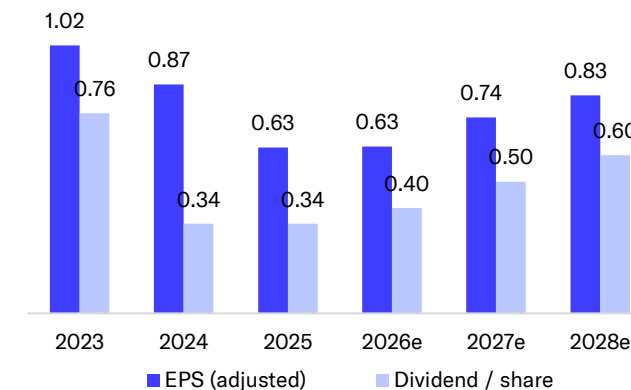
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Dollarstore and internationalization
- New store openings
- Increase in private label share
- Smart buying becoming more popular
- Economies of scale through volumes, e.g., in purchasing and negotiating lease terms
- Exploiting own online store as a potential platform for third party products

Risk factors

- Tighter competition and new international challengers
- Failure in acquisitions or international expansion
- Dependence on central stocks
- Reputation and price impression risks
- Disruptions in product availability and sector's dependence on manufacturing in the Far East
- Escalation of the trade war could slow economic growth and increase inflation

Valuation	2026e	2027e	2028e
Share price	6.44	6.44	6.44
Number of shares, millions	58.5	58.5	58.5
Market cap	377	377	377
EV	1252	1253	1260
P/E (adj.)	10.2	8.7	7.8
P/E	10.6	9.2	8.2
P/B	1.3	1.2	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.7	0.7	0.6
EV/EBITDA	5.5	5.3	5.1
EV/EBIT (adj.)	14.0	13.0	12.3
Payout ratio (%)	65.9 %	71.1 %	76.3 %
Dividend yield-%	6.2 %	7.8 %	9.3 %

Source: Inderes

Weak international development weighed on group's earnings

Laudable progress in Finland

Tokmanni Group's Q1 revenue grew by 6% to 364 MEUR. In Finland, Tokmanni segment sales increased by 7%, while like-for-like store revenue and customer numbers were on an excellent growth trajectory of 5%. According to our assessment, favorable market trends (~5%) and increased promotional activity were the key drivers of strong sales growth. Dollarstore segment sales also grew by 7%. Sales growth was driven by new store openings and changes in exchange rates (3% growth in local currencies). Negative Dollarstore developments included a decline in comparable store revenue (-4%) and a reduction in customer numbers (-7%), which continued from the previous few quarters. A key factor hindering the development of the company's like-for-like stores is the changes made to the concept that have not been embraced by the company's core customer base. The challenges facing Dollarstore are underscored by the positive like-for-like store development of other big players.

Earnings development was negative

The group's Q1 adjusted EBIT weakened year-on-year to -13.7 MEUR (Q1'25: -11.2 MEUR). The Tokmanni segment's positive earnings development was driven by sales growth and favorable fixed cost developments due to implemented savings measures. Earnings in the Dollarstore segment declined in line with the recent trend, i.e., despite revenue growth and a positive evolution in the gross margin percentage, earnings were weighed down by high fixed costs. Costs have risen due to the expansion of the store network and organizational changes, which are expected to continue in the coming quarters.

Balance sheet under control, but key figures are outside comfort zone

The group's balance sheet position improved slightly from the comparison period (IFRS 16 adj. net debt/EBITDA 3.2x vs. Q1'25: 3.6x) but still remained above the company's own target level (2.25x). This key figure highlights the working

capital commitment typical of Q1, particularly when compared to the previous quarter (Q4'25: 2.7x). However, the company managed to improve working capital efficiency year-on-year, which increased operating cash flow (-14 MEUR vs. -75 MEUR) despite the weaker result. We estimate that free cash flow for the reporting period was approximately -40 MEUR (Q1'25: approx. -100 MEUR), considering that no lease payments were reported for Q1. Negative cash flow is typical for Q1 due to the unprofitable result and committed working capital.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	342	364	362	360	-	-	0%	1823
EBIT (adj.)	-11.6	-13.7	-9.1	-9.2	-	-	-51%	89.3
PTP	-21.1	-23.7	-19.9	-18.6	-	-	-19%	44.4
EPS (adj.)	-0.30	-0.32	-0.26	-0.25	-	-	-24%	0.63
EPS (reported)	-0.32	-0.32	-0.27	-0.25	-	-	-18%	0.61
Revenue growth-%	0.8 %	6.3 %	5.9 %	5.1 %	-	-	0.5 pp	5.4 %
EBIT-% (adj.)	-3.4 %	-3.8 %	-2.5 %	-2.6 %	-	-	-1.3 pp	4.9 %

Source: Inderes & Bloomberg
(consensus, 8 estimates)

2026 is shaping up to be a gap year

Short-term focus on developing Dollarstore

Tokmanni has piloted a new assortment in two new Dollarstore stores (Erikslund and Kållered), where, according to the company, sales development and earnings have been at the top of the network. As a result, the new concept will be expanded to all Dollarstore locations from 2026 to 2027. The changes will be implemented by product category, increasing the number of product titles in each store's assortment from approximately 15,000 to about 20,000, as we understand it.

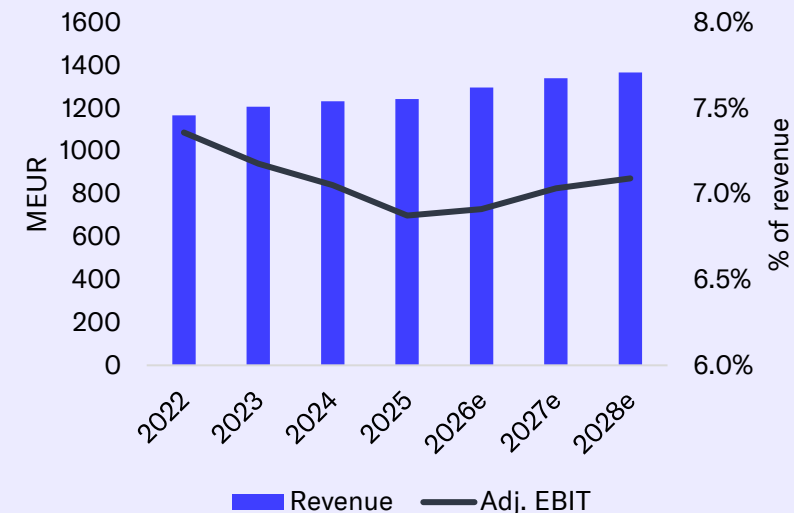
For now, we are cautious about renewing the concept in the company's older stores, as some core customers have already reduced their visits there due to previous changes made by Tokmanni. We believe the main reason for the decline in customer numbers was the reduction in the selection of affordable products favored by core customers. While we anticipate Dollarstore's growth to strengthen toward the end of the year as its product range expands and marketing efforts increase, earnings growth will be limited by the additional costs associated with the concept change, as well as the integration costs between Tokmanni and Dollarstore. We estimate that it will take several more years for Dollarstore to realize its true earnings potential in that case.

Outlook appears at least reasonable in Finland

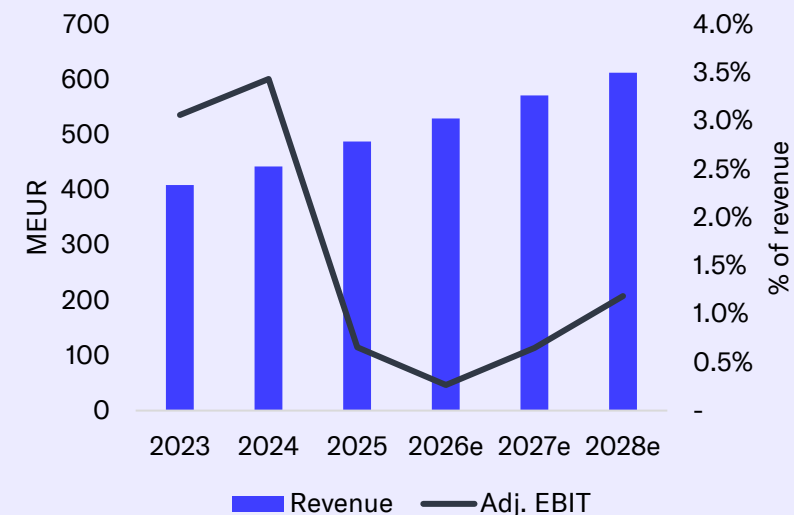
In recent years, the Tokmanni segment's development has fluctuated quite significantly from quarter to quarter. Over the past two quarters, the earnings trend for the Finnish business has been positive, and in Q1, Tokmanni's entire store network managed to grow slightly faster than the market. We see the Tokmanni segment's business as

stabilized, enabling a gradual improvement in domestic earnings. It should be noted, however, that future revenue growth will increasingly depend on the successful conversion of SPAR stores and the opening of new stores. For this reason, we believe it is essential to recognize that improving margins in the domestic market will become even more challenging as growth comes from low-margin groceries. The inventory turnover rate for these items is actually considerably faster than that of durable goods, which supports the return on capital. Therefore, we believe that Finnish business operations will generate strong cash flow for Tokmanni and deliver gradually improving earnings over the coming years. In the bigger picture, however, the investment story behind Tokmanni's stock hinges on a sustained turnaround in Dollarstore's earnings, which we believe will stretch into the coming years.

Tokmanni segment development



Dollarstore segment development



Earnings growth to pick up in the coming years

Company believes in earnings growth

Tokmanni reiterated its 2026 guidance, which expects revenue to be 1,780–1,860 MEUR (2025: 1,728 MEUR), while adj. EBIT is expected to be 85–105 MEUR (2025: 85 MEUR). The midpoint of the earnings guidance is 95 MEUR, which suggests that EBIT will turn to growth. The key assumptions behind this earnings growth are an improvement in earnings for the Tokmanni segment, particularly in H1, and a turnaround for Dollarstore (DS). To achieve the guidance, earnings must improve, as performance consistent with the comparison period in Q2–Q4 would lead to a profit warning.

Weak earnings led to downward revisions

We lowered our earnings estimates for the coming years by a little over 10%. The decline in the forecast was largely due to Dollarstore's weak progress and the year-long impact of the product assortment renewal process, which we believe will maintain a high cost structure. We expect the Tokmanni

segment's earnings to improve by around 4 MEUR, while we forecast Dollarstore's earnings to decline by 2 MEUR. We predict that Dollarstore's concept changes (like-for-like sales growth driven by a broader product assortment), lower costs associated with organizational changes, and weak comparison figures will support the company's earnings development starting in Q3. However, this will not be enough to offset disappointing earnings for the year, which got off to a slow start. We estimate the adjusted EBIT for 2026 to be slightly above the lower end of the guidance range (87 MEUR and 89 MEUR adjusted for PPA depreciations), corresponding to a 6% year-on-year increase.

We expect EPS growth to strengthen in 2027 →

We expect Tokmanni's earnings to improve gradually over the coming years. We forecast the group's EPS to increase at an annual rate of around 9% in 2025-28e. Our earnings growth estimate partly relies on Dollarstore's improving performance, but this carries risks due to its past negative

trend and numerous missed forecasts. Other key risks to our estimates include the impact of the situation in the Middle East on the company's end demand and cost structure. Although consumer confidence has weakened, it has not directly impacted end demand. However, fuel costs have risen significantly, in addition to which, prices of certain oil-related products are expected to rise in H2. According to the company, however, the price increases are moderate (2–3%), so they should not themselves be a significant factor in driving demand. As the general demand situation weakens, Tokmanni, as a discount retailer, is better positioned than specialty stores, but if private consumption decreases, we expect this to be reflected in Tokmanni's sales as well.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1816	1823	0%	1904	1907	0%	1971	1975	0%
EBIT (exc. NRIs)	94	89	-5%	104	96	-8%	113	102	-9%
EBIT	90	88	-3%	101	94	-7%	110	100	-9%
PTP	48	44	-7%	57	50	-12%	66	56	-14%
EPS (excl. NRIs)	0.71	0.63	-11%	0.85	0.74	-13%	0.97	0.83	-15%

Source: Inderes

Expected return remains too narrow relative to risks

Neutral valuation when considering earnings growth

From a P/E ratio perspective (2026e 10x), the stock appears cheap, but the EV/EBIT ratio (2026e 14x), which accounts for the balance sheet, is elevated. The EV/EBIT multiple, adjusted for IFRS 16 items, decreases to about 11x, which we believe still leaves no upside for the stock. The EV/EBIT multiple only falls to attractive levels with 2027-2028 earnings, which include Dollarstore's earnings turnaround in our forecasts. The EV-based valuation reflects Tokmanni's high net debt, both in absolute terms (Q1'26: 908 MEUR or 279 MEUR excluding IFRS 16 items) and relative terms (Q1'26: net debt/EBITDA: 4.2x or 3.2x excluding IFRS 16 items), which we believe will limit the upside potential of the P/E multiple. In our opinion, the P/E ratio should be absolutely low at the moment, especially considering the company's business value creation potential, which has significantly weakened due to an inflated balance sheet and weakened earnings, based on the return on capital figures. If the company's net debt were to decrease significantly, it would be a positive driver for the share price. In practice, a larger share of the existing enterprise value would then belong to the shareholders. However, we do not believe that net debt will contract significantly, as lease liabilities will continue to grow with the expanding store network. A reduction in net debt would require significant repayment of interest-bearing debt or a more robust cash position, which we believe the company's cash flow generation capacity will not achieve in the coming years. This is because part of the cash goes to financing working capital and paying dividends. Any potential share price increase will therefore depend on operational earnings improvement, in our view, as an increase in valuation multiples does not support the

return expectation, at least in the short term, due to the uncertainty related to the earnings turnaround, as well as the risk of a profit warning.

Pricing slightly inconsistent with peers

The peer group of retail companies is valued at around 17-16x P/E and 14-13x EV/EBIT (2026-27e). In our view, Tokmanni's discount to its peers based on P/E is substantial, yet the company trades in line with its peers based on EV/EBIT. We see no reason why Tokmanni should currently trade at the same level as its peers given its weakened return on capital and its volatile, poorly predictable earnings trend. Differences in IFRS 16 accounting methods among companies reduce the comparability of EV multiples, but, in general, the peer analysis supports, at most, a neutral or even slightly challenging valuation picture for Tokmanni's share. This reinforces our overall view of the share's weak expected return.

DCF reflects loaded share price expectations

Our DCF model indicates a value of about 400 MEUR for the company's shares, or EUR 6.9 per share. This is slightly above the share price, but the upside is limited, which in our view reflects a neutral valuation for the stock and subdued expected return. The DCF model includes an assumption of Dollarstore's turnaround and the group's profitability recovering to 7% in the long term (2025: 4.9%). For comparison, the group last achieved a profitability of over 7% in 2022, when Dollarstore was not yet part of it.

Valuation	2026e	2027e	2028e
Share price	6.44	6.44	6.44
Number of shares, millions	58.5	58.5	58.5
Market cap	377	377	377
EV	1252	1253	1260
P/E (adj.)	10.2	8.7	7.8
P/E	10.6	9.2	8.2
P/B	1.3	1.2	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.7	0.7	0.6
EV/EBITDA	5.5	5.3	5.1
EV/EBIT (adj.)	14.0	13.0	12.3
Payout ratio (%)	65.9 %	71.1 %	76.3 %
Dividend yield-%	6.2 %	7.8 %	9.3 %

Source: Inderes

Opportunity for good returns for risk-takers

Pricing is approaching book value

The stock's P/B ratio has decreased over the years from 5x during the COVID-19 period to 1.6x for 2025. With our earnings growth expectations, the valuation will decrease to around 1.3x in the coming years, thus approaching the book value. However, it is important to note the company's weakened capital efficiency in the metrics. In 2021, return on equity was 35%, from which it has decreased to 13% in 2025. The return on equity has thus declined to around the required return (10.4%), which in our view justifies a lower P/B ratio. Thus, we do not see grounds for an increase in the P/B ratio until the company demonstrates Dollarstore's true earnings power and a sustainable increase in customer numbers. It is also essential to note that the goodwill allocated to the Dollarstore business is approximately 80 MEUR, and continued weak performance of the concept could increase the risk of goodwill write-downs. Currently, the price paid for Dollarstore (2025 EV/EBIT >100x) appears very high, which the stock market seems to have partially written down already.

Share price offers potential, but there is still significant uncertainty regarding a sustainable earnings level

We find that the stock has long-term upside potential if the company achieves an earnings turnaround and continues to expand its store network abroad profitably (+ SPAR in Finland). The pricing, which is also around the book value, suggests that the bottom is approaching. However, we estimate that the upside would require an improvement in capital returns (i.e., rapid earnings growth) and no write-downs in DollarStore's balance sheet value.

We estimate that 2026 will be spent addressing Dollarstore's key issues. In addition, the change in management during the summer introduces a discontinuity, which may cause delays in resolving earnings issues and uncertainty regarding Tokmanni's (especially the Dollarstore segment's) future vision. Although pilot stores under the new concept (i.e., those opened in new locations) have performed well according to management, we believe the continued decline in customer traffic at Dollarstore's like-for-like stores is a significant warning sign. In our opinion, without an increase in customer numbers at mature stores, the business's earnings potential will remain weak, as long-term efficiency improvements in the retail sector are achieved through revenue growth in the existing network. If this negative scenario materializes, we believe there would still be downside in the current share price.

In our view, the situation could present a good buying opportunity for a risk-tolerant investor who believes in Tokmanni's internationalization story. In our opinion, the risks related to Dollarstore's earnings turnaround are significant, especially in the short term, and it is possible that earnings may need to find a bottom at levels even lower than our forecasts. For this reason, we will wait for signs of a sustainable earnings turnaround at Dollarstore before taking a more positive view of the stock.

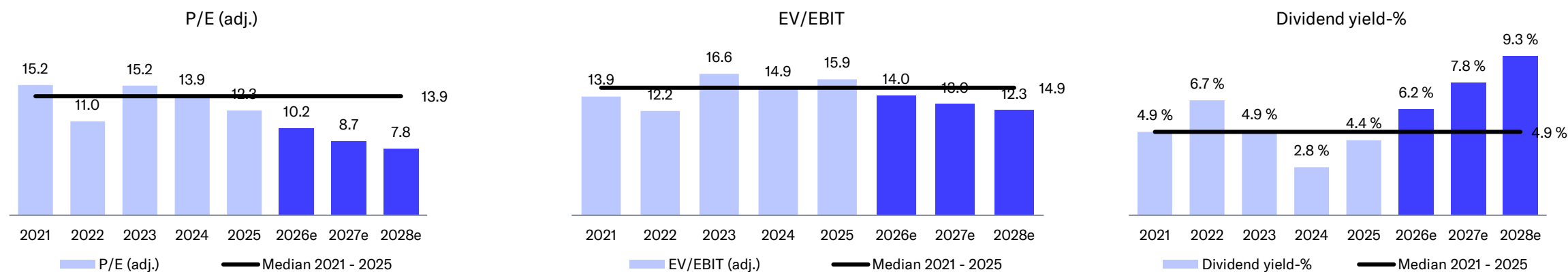
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Payout ratio (%)	65.9 %	71.1 %	76.3 %
Dividend yield-%	6.2 %	7.8 %	9.3 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	19.7	11.3	15.4	12.1	7.73	6.44	6.44	6.44	6.44
Number of shares, millions	58.9	58.9	58.8	58.8	58.5	58.5	58.5	58.5	58.5
Market cap	1157	665	907	713	453	377	377	377	377
EV	1471	1048	1638	1529	1339	1252	1253	1260	1268
P/E (adj.)	15.2	11.0	15.2	13.9	12.3	10.2	8.7	7.8	7.3
P/E	14.8	11.3	16.8	14.6	12.5	10.6	9.2	8.2	7.7
P/B	4.7	2.7	3.4	2.7	1.6	1.3	1.2	1.1	1.1
P/S	1.0	0.6	0.7	0.4	0.3	0.2	0.2	0.2	0.2
EV/Sales	1.3	0.9	1.2	0.9	0.8	0.7	0.7	0.6	0.6
EV/EBITDA	8.4	6.7	8.6	6.7	6.2	5.5	5.3	5.1	5.0
EV/EBIT (adj.)	13.9	12.2	16.6	14.9	15.9	14.0	13.0	12.3	11.9
Payout ratio (%)	72.5 %	76.1 %	82.8 %	41.0 %	54.8 %	65.9 %	71.1 %	76.3 %	70.0 %
Dividend yield-%	4.9 %	6.7 %	4.9 %	2.8 %	4.4 %	6.2 %	7.8 %	9.3 %	9.1 %

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	
Europris ASA	1428	1875	13.3	11.1	7.8	6.9	1.3	1.2	15.4	12.3	4.4	4.8	3.3
Bygghmax Group AB	253	455	13.5	12.2	5.1	4.9	0.8	0.8	11.3	10.1	4.4	4.9	1.0
Clas Ohlson AB	4760	4743	32.4	29.6	24.9	20.4	4.0	3.8	21.7	19.8	2.4	2.6	7.8
Axfood AB	5549	7026	19.0	17.2	9.3	8.7	0.8	0.8	21.8	19.6	3.5	3.7	7.8
Dollar General Corp	21188	24111	13.4	12.1	9.0	8.2	0.7	0.6	17.4	15.6	2.1	2.1	2.9
Kesko Oyj	8196	11935	17.0	15.6	9.0	8.5	0.9	0.9	17.7	15.7	4.7	5.2	2.9
Musti Group Oyj	568	775	12.5	13.1	7.5	6.9	1.5	1.4	12.7		5.3		2.3
B&M European Value Retail	2022	4691	9.9	9.3	5.8	5.5	0.7	0.7	8.6	7.8	5.6	6.3	2.1
Puulo Oyj	1083	1214	15.7	14.5	12.1	11.2	2.7	2.4	18.8	17.3	4.8	5.1	10.9
Verkkokauppa.com Oyj	103	117	8.6	7.4	5.7	5.1	0.2	0.2	10.7	8.9	7.4	8.2	2.6
Kamux Oyj	67	100	12.5	9.4	4.2	3.9	0.1	0.1	16.6	10.4	3.6	5.1	0.6
Rusta	1390	1840	20.3	17.5	10.0	8.9	1.6	1.4	25.2	20.3	2.0	2.5	5.8
Tokmanni Group (Inderes)	377	1252	14.0	13.0	5.5	5.3	0.7	0.7	10.2	8.7	6.2	7.8	1.3
Average			15.7	14.1	9.2	8.2	1.3	1.2	16.5	14.3	4.2	4.6	4.2
Median			13.4	12.7	8.4	7.5	0.9	0.8	17.0	15.6	4.4	4.9	2.9
Diff-% to median			4%	3%	-34%	-30%	-21%	-21%	-40%	-44%	42%	59%	-57%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1675	342	443	433	511	1729	364	469	456	534	1823	1907	1975	2039
Group	-1.2	0.0	-0.3	-0.9	-1.8	-3.0	-1.2	-0.5	-1.0	-1.8	-4.5	-5.0	-5.5	-6.0
Tokmanni	1234	243	322	315	364	1244	258	339	325	376	1297	1341	1368	1396
Dollarstore	442	99.2	121	119	149	488	106	130	132	161	530	572	613	649
EBITDA	228	20.5	53.5	60.7	82.4	217	21.9	59.6	62.4	83.6	228	237	247	254
Depreciation	-127.7	-32.9	-33.2	-33.2	-34.3	-133.6	-34.8	-35.0	-35.0	-35.0	-139.8	-143.4	-147.2	-150.6
EBIT (excl. NRI)	102	-11.6	21.4	26.0	48.3	84.1	-13.7	25.4	28.2	49.4	89.3	96.2	102	106
EBIT	99.9	-12.4	20.3	27.5	48.1	83.5	-12.9	24.6	27.4	48.6	87.7	93.8	99.9	104
Group	-3.1	-0.9	-1.1	-1.1	-1.0	-4.1	-0.9	-1.1	-1.1	-1.0	-4.1	-4.2	-4.3	-4.4
Tokmanni	87.8	-3.7	20.1	27.2	40.9	84.5	-1.8	24.2	27.0	40.7	90.1	94.3	97.0	99.3
Dollarstore	14.8	-7.8	1.3	1.4	8.2	3.1	-10.1	1.5	1.5	8.9	1.8	3.7	7.3	9.0
Net financial items	-38.8	-8.7	-9.8	-9.6	-9.9	-38.0	-10.8	-10.5	-11.0	-11.0	-43.3	-43.3	-43.5	-43.7
PTP	61.1	-21.1	10.5	17.9	38.2	45.5	-23.7	14.1	16.4	37.6	44.4	50.5	56.4	60
Taxes	-12.3	2.5	-0.3	-3.6	-7.9	-9.2	4.7	-2.8	-3.3	-7.5	-8.9	-9.3	-10.4	-11.1
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	48.8	-18.6	10.2	14.3	30.3	36.3	-19.0	11.3	13.1	30.1	35.5	41.2	46.1	49.1
EPS (adj.)	0.87	-0.30	0.19	0.22	0.52	0.63	-0.34	0.21	0.24	0.53	0.63	0.74	0.83	0.88
EPS (rep.)	0.83	-0.32	0.17	0.24	0.52	0.62	-0.32	0.19	0.22	0.51	0.61	0.70	0.79	0.84

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	20.3 %	0.8 %	4.8 %	4.0 %	2.8 %	3.2 %	6.3 %	5.8 %	5.4 %	4.6 %	5.4 %	4.6 %	3.5 %	3.2 %
Adjusted EBIT growth-%	3.6 %	-170%	-24.9 %	-14.2 %	1.0 %	-17.8 %	-17.9 %	18.9 %	8.4 %	2.3 %	6.2 %	7.6 %	6.4 %	3.8 %
EBITDA-%	13.6 %	6.0 %	12.1 %	14.0 %	16.1 %	12.6 %	6.0 %	12.7 %	13.7 %	15.6 %	12.5 %	12.4 %	12.5 %	12.5 %
Adjusted EBIT-%	6.1 %	-3.4 %	4.8 %	6.0 %	9.5 %	4.9 %	-3.8 %	5.4 %	6.2 %	9.2 %	4.9 %	5.0 %	5.2 %	5.2 %
Net earnings-%	2.9 %	-5.4 %	2.3 %	3.3 %	5.9 %	2.1 %	-5.2 %	2.4 %	2.9 %	5.6 %	1.9 %	2.2 %	2.3 %	2.4 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	901	962	979	997	1014
Goodwill	217	221	221	221	221
Intangible assets	42.4	42.2	39.8	37.6	35.7
Tangible assets	639	697	716	737	755
Associated companies	0.3	0.4	0.4	0.4	0.4
Other investments	0.2	0.0	0.0	0.0	0.0
Other non-current assets	1.7	1.8	1.8	1.8	1.8
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	476	534	571	600	591
Inventories	428	425	437	458	474
Other current assets	2.4	0.0	0.0	0.0	0.0
Receivables	29.1	39.8	36.5	38.1	39.5
Cash and equivalents	15.9	69.4	97.2	104	77.1
Balance sheet total	1376	1496	1550	1597	1604

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	263	286	301	319	336
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	151	168	183	201	218
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	112	118	118	118	118
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	717	825	887	894	874
Deferred tax liabilities	10.3	8.7	8.7	8.7	8.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	703	813	875	882	862
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.8	3.3	3.3	3.3	3.3
Current liabilities	397	385	362	384	394
Interest bearing debt	130	143	97.2	98.0	98.0
Payables	267	242	264	286	296
Other current liabilities	0.3	0.0	0.0	0.0	0.0
Balance sheet total	1376	1496	1550	1597	1604

DCF-calculation

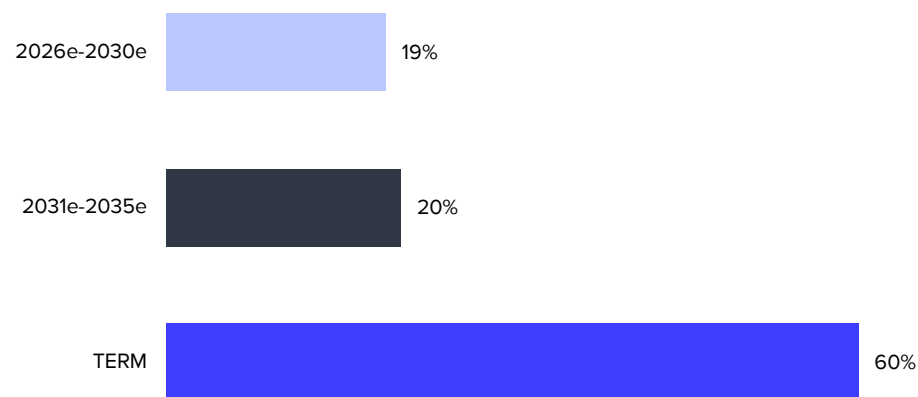
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	3.2 %	5.4 %	4.6 %	3.5 %	3.2 %	3.5 %	3.5 %	3.5 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	4.8 %	4.8 %	4.9 %	5.1 %	5.1 %	6.0 %	7.0 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %
EBIT (operating profit)	83.5	87.7	93.8	99.9	104	127	153	158	163	157	161	
+ Depreciation	134	140	143	147	151	142	147	151	155	158	162	
- Paid taxes	-10.8	-8.9	-9.3	-10.4	-11.1	-15.2	-20.1	-21.0	-21.9	-20.8	-21.3	
- Tax, financial expenses	-7.7	-8.7	-8.0	-8.0	-8.0	-8.1	-8.1	-8.1	-8.1	-8.1	-8.3	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-29.5	12.9	-0.2	-7.4	-7.1	-7.9	-8.1	-8.4	-7.5	-7.7	-6.7	
Operating cash flow	169	223	220	221	228	238	264	272	280	279	286	
+ Change in other long-term liabilities	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-195	-157	-162	-164	-166	-168	-170	-172	-174	-176	-169	
Free operating cash flow	-26.3	65.8	58.1	57.7	62.6	70.1	93.9	100	107	103	118	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-26.3	65.8	58.1	57.7	62.6	70.1	93.9	100	107	103	118	1834
Discounted FCFF		62.3	50.3	45.8	45.6	46.7	57.4	56.1	54.8	48.5	50.7	791
Sum of FCFF present value		1309	1247	1196	1150	1105	1059	1001	945	890	841	791
Enterprise value DCF		1309										
- Interest bearing debt		-955.9										
+ Cash and cash equivalents		69.4										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-19.9										
Equity value DCF		402										
Equity value DCF per share		6.9										

WACC

Tax-% (WACC)	18.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.1 %

Source: Inderes

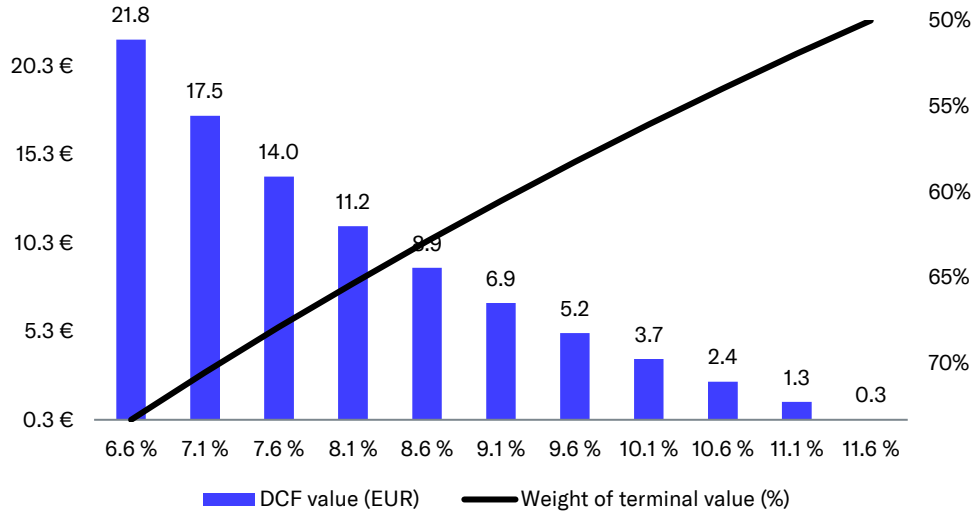
Cash flow distribution



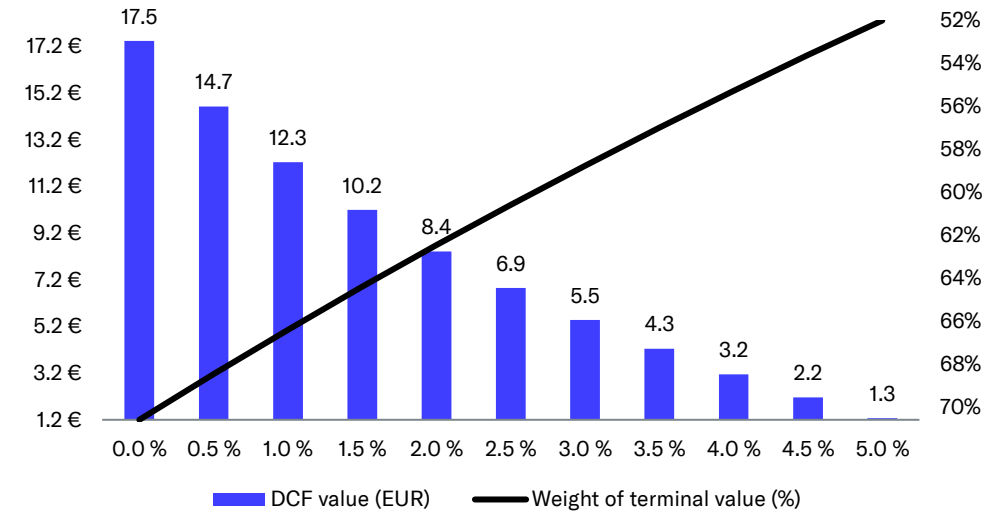
■ 2026e-2030e ■ 2031e-2035e ■ TERM

DCF sensitivity calculations and key assumptions in graphs

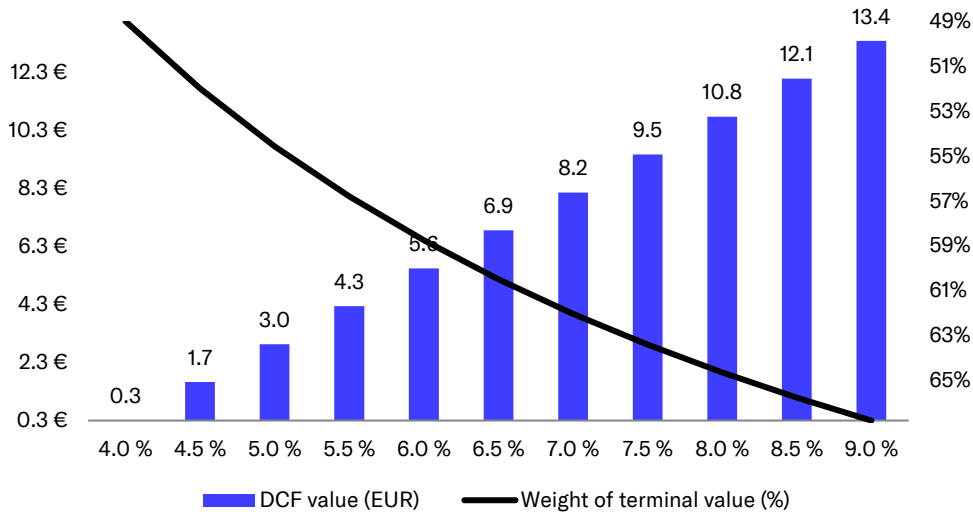
Sensitivity of DCF to changes in the WACC-%



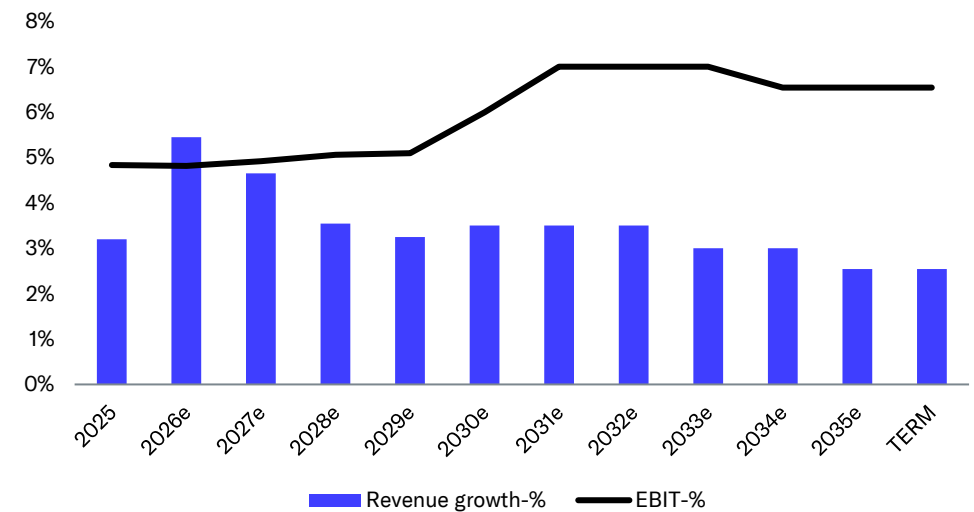
Sensitivity of DCF to changes in the risk-free rate



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	1392.6	1674.9	1728.5	1822.6	1907.3	EPS (reported)	0.92	0.83	0.62	0.61	0.70
EBITDA	189.8	227.6	217.1	227.5	237.2	EPS (adj.)	1.02	0.87	0.63	0.63	0.74
EBIT	93.0	99.9	83.5	87.7	93.8	OCF / share	3.95	2.12	2.89	3.81	3.75
PTP	68.4	61.1	45.5	44.4	50.5	OFCE / share	-4.97	-0.06	-0.45	1.12	0.99
Net Income	54.0	48.8	36.3	35.5	41.2	Book value / share	4.51	4.47	4.88	5.15	5.45
Extraordinary items	-5.8	-2.4	-0.6	-1.6	-2.4	Dividend / share	0.76	0.34	0.34	0.40	0.50
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	1410.3	1376.3	1495.9	1550.2	1597.3	Revenue growth-%	19%	20%	3%	5%	5%
Equity capital	265.4	263.1	285.9	301.5	319.2	EBITDA growth-%	21%	20%	-5%	5%	4%
Goodwill	218.1	217.3	220.6	220.6	220.6	EBIT (adj.) growth-%	15%	4%	-18%	6%	8%
Net debt	730.5	816.3	886.5	875.2	875.8	EPS (adj.) growth-%	-1%	-15%	-27%	1%	17%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	13.6 %	13.6 %	12.6 %	12.5 %	12.4 %
EBITDA	189.8	227.6	217.1	227.5	237.2	EBIT (adj.)-%	7.1 %	6.1 %	4.9 %	4.9 %	5.0 %
Change in working capital	47.6	-80.0	-29.5	12.9	-0.2	EBIT-%	6.7 %	6.0 %	4.8 %	4.8 %	4.9 %
Operating cash flow	232.4	124.8	169.1	222.8	219.7	ROE-%	21.1 %	18.4 %	13.2 %	12.1 %	13.3 %
CAPEX	-524.3	-127.8	-194.9	-157.0	-161.6	ROI-%	10.5 %	9.0 %	7.1 %	7.0 %	7.3 %
Free cash flow	-292.3	-3.5	-26.3	65.8	58.1	Equity ratio	18.8 %	19.1 %	19.1 %	19.4 %	20.0 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	275.3 %	310.3 %	310.1 %	290.3 %	274.3 %
EV/S	1.2	0.9	0.8	0.7	0.7	Net debt/EBITDA	3.8	3.6	4.1	3.8	3.7
EV/EBITDA	8.6	6.7	6.2	5.5	5.3	EBITDA/net financials	7.7	5.9	5.7	5.3	5.5
EV/EBIT (adj.)	16.6	14.9	15.9	14.0	13.0						
P/E (adj.)	15.2	13.9	12.3	10.2	8.7						
P/B	3.4	2.7	1.6	1.3	1.2						
Dividend-%	4.9 %	2.8 %	4.4 %	6.2 %	7.8 %						

Source: Inderes

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

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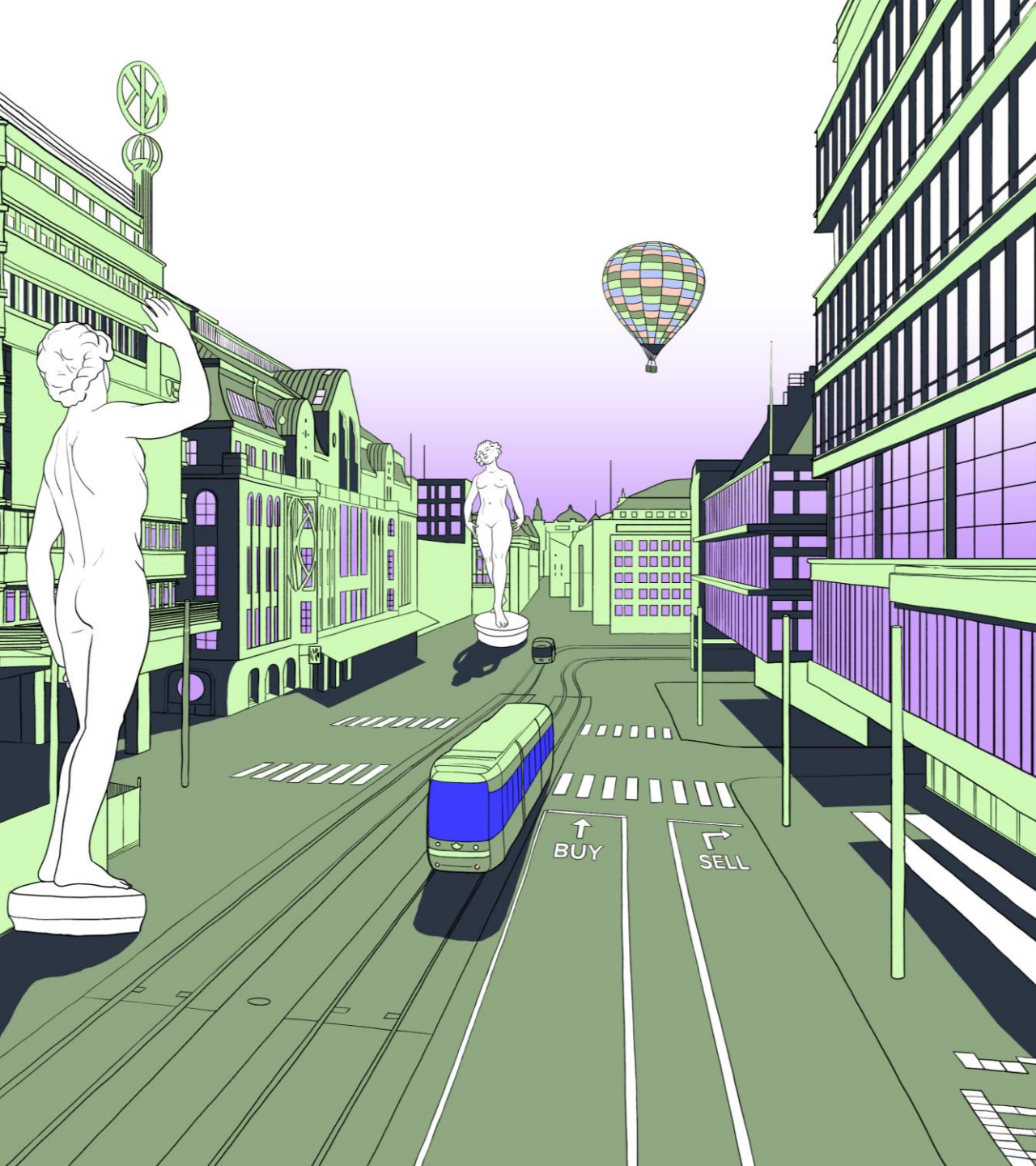
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/8/2021	Buy	25.00 €	21.68 €
7/29/2021	Accumulate	27.00 €	24.66 €
10/31/2021	Buy	25.00 €	19.68 €
<i>Analyst changed</i>			
2/14/2022	Buy	20.00 €	17.90 €
4/27/2022	Buy	17.00 €	14.78 €
5/2/2022	Buy	15.00 €	12.40 €
5/27/2022	Accumulate	13.50 €	12.17 €
8/1/2022	Accumulate	14.00 €	12.82 €
9/30/2022	Accumulate	12.50 €	11.04 €
10/31/2022	Accumulate	12.50 €	11.83 €
12/19/2022	Accumulate	12.50 €	11.63 €
2/13/2023	Accumulate	14.00 €	12.98 €
4/13/2023	Accumulate	14.20 €	13.20 €
5/2/2023	Accumulate	13.50 €	12.41 €
8/7/2023	Accumulate	14.50 €	13.73 €
<i>Analyst changed</i>			
11/20/2023	Accumulate	14.00 €	12.61 €
2/14/2024	Reduce	15.50 €	15.42 €
3/25/2024	Accumulate	16.00 €	14.96 €
5/20/2024	Accumulate	15.00 €	13.63 €
6/13/2024	Accumulate	15.00 €	13.35 €
8/8/2024	Accumulate	13.00 €	11.16 €
8/19/2024	Accumulate	13.00 €	10.80 €
11/18/2024	Buy	14.00 €	11.60 €
3/3/2025	Accumulate	15.50 €	13.76 €
3/10/2025	Accumulate	14.50 €	12.73 €
5/19/2025	Reduce	11.50 €	11.65 €
7/21/2025	Reduce	10.00 €	9.38 €
8/18/2025	Reduce	10.00 €	9.08 €
11/15/2025	Reduce	7.70 €	7.29 €
12/15/2025	Reduce	7.70 €	7.42 €
3/3/2026	Accumulate	9.00 €	7.87 €
3/9/2026	Reduce	7.50 €	7.09 €
5/5/2026	Reduce	7.80 €	7.58 €
5/9/2026	Reduce	6.70 €	6.44 €



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