TELESTE

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This is a translated version of ”Odotettu tulos, arvostus edelleen hyvin maltillinen” report, published on 8/17/2026

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Expected result, valuation still very moderate

We reiterate our Accumulate recommendation and EUR 4.2 target price for Teleste. The company's Q2 figures were fully in line with our expectations in terms of key figures, and we have only made minor adjustments to our forecasts. In our opinion, Teleste has good prerequisites to continue earnings growth in both of its businesses in the coming years, in light of which the stock's valuation (2026e P/E 10x) is very moderate. Our extensive report published in July can be read here.

Revenue developed in line with our expectations

Teleste's Q2 revenue decreased by 3% to 34.7 MEUR, which was in line with our expectations. Networks segment revenue declined by 13.5% to 19.6 MEUR (our forecast -7%), reflecting delayed orders due to the ongoing merger of Cox and Charter. In Europe, DOCSIS 4.0 orders developed strongly, which was reflected in the growth of received orders (25.6 MEUR, +8%) from an already strong comparison period. Public Safety and Mobility's revenue grew by 14% to 15.1 MEUR, while our estimate expected 5% growth. However, the segment's received orders decreased by 32% year-on-year to 10.8 MEUR, and the order book (86.5 MEUR) declined by 10% year-on-year. However, quarterly fluctuations in revenue and orders are explained by factors related to project timing. Teleste expects several significant new projects from its existing customer base during H2, leading to a clearly strengthening order intake.

Earnings met our expectations

Teleste's adjusted EBIT landed at 1.9 MEUR in Q2 (Q2'25: 2.2 MEUR) and was fully in line with our estimates. The Networks segment's adjusted operating profit (10.4% vs. Q2'25: 12.5%) weakened from a strong comparison period, reflecting lower volumes and investments made. Public Safety and Mobility's profitability (8.1% vs. Q2'25: 4.0%), on the other hand, improved significantly from a soft comparison period. Teleste's efficiency measures implemented in recent years are now clearly showing results as volumes increase. The company believes there is still room for improvement in profitability in the coming years.

Earnings expectations are particularly weighted towards Q4

As expected, Teleste reiterated its outlook and guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. Regarding the outlook, the company clarified that earnings are still expected to be weighted particularly towards Q4. This is due to the merger of Cox and Charter, as well as the timing of deliveries to the largest customer (Alstom) in Public Safety and Mobility. The merger of Cox and Charter appears to be nearing completion, and with it, orders could be expected to normalize towards the end of the year. At the same time, Teleste also expects another major customer (Rogers) to complete its destocking, with order flow to Teleste increasing towards the end of the year. The strengthened development in Europe also seems to compensate well for the softer short-term development in North America. We only made slight adjustments to our estimates based on the Q2 report. We now expect revenue of 143 MEUR and adjusted EBIT of 8.9 MEUR for this year.

Moderate valuation and continued earnings growth make risk/reward attractive

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. With improved earnings performance, the stock's valuation already receives support from the 2025 realized earnings (EV/EBIT 11x). With our 2026 estimates, Teleste's adjusted P/E ratio is 10x and a corresponding EV/EBIT ratio is 8.7x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. The value of our DCF model (EUR 4.7) also indicates an upside, and our estimates are still below the company's targeted level.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 4.20
(was EUR 4.20)

Share price:
EUR 3.50

Business risk
●●●○○

Valuation risk
●●●○○

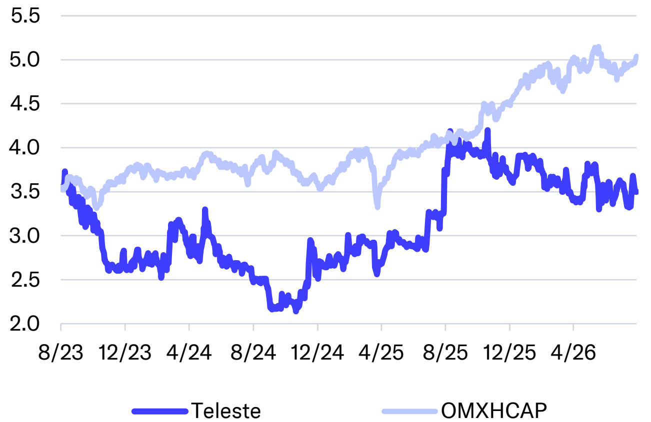
	2025	2026e	2027e	2028e
Revenue	139	143	156	162
growth-%	4.6 %	3.3 %	8.6 %	3.8 %
EBIT adj.	7.1	8.9	10.4	11.3
EBIT-% adj.	5.1 %	6.2 %	6.7 %	7.0 %
Net Income	2.8	6.4	7.5	8.3
EPS (adj.)	0.17	0.35	0.41	0.45
P/E (adj.)	22.3	9.9	8.6	7.7
P/B	1.2	1.0	0.9	0.9
Dividend yield-%	2.1 %	2.9 %	3.4 %	4.0 %
EV/EBIT (adj.)	12.4	8.7	7.1	6.1
EV/EBITDA	7.5	5.6	4.8	4.1
EV/S	0.6	0.5	0.5	0.4

Source: Inderes

Guidance (Unchanged)

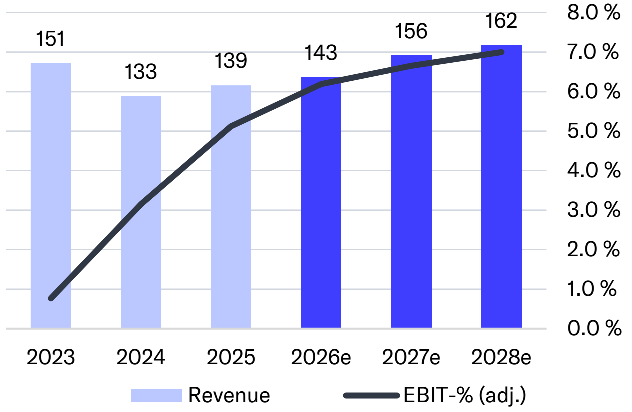
Teleste estimates that revenue in 2026 will amount to 140-160 MEUR and that the adjusted operating result in 2026 will be 7-10 MEUR.

Share price



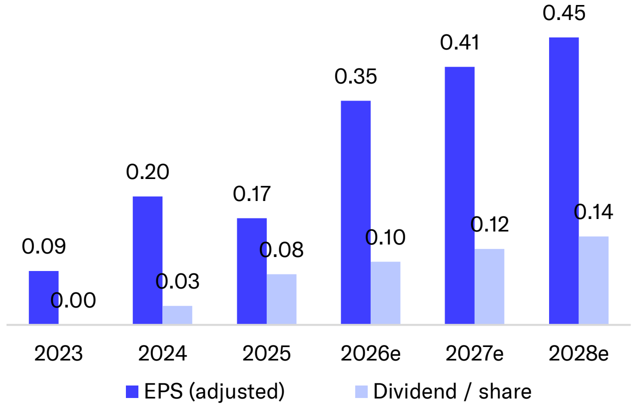
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Start of volume deliveries of distributed architecture and DOCSIS 4.0 products in particular
- Expansion to North American market
- Growth driven by a streamlined cost structure will support profitability in the coming years
- Strong market position in Europe in network equipment
- Profitable growth in Public Safety and Mobility, where the market is steadily growing and Teleste has a strong market position

Risk factors

- Operator investments are cyclical, and in the short term, the merger of Cox and Charter creates uncertainty for orders
- Long-term structural decline in the European market for the Networks segment
- Risks related to component availability and supply chains
- Competitive market pressure and limited pricing power in the face of large operators

Valuation	2026e	2027e	2028e
Share price	3.50	3.50	3.50
Number of shares, millions	18.3	18.3	18.3
Market cap	64	64	64
EV	77	73	69
P/E (adj.)	9.9	8.6	7.7
P/E	10.1	8.6	7.7
P/B	1.0	0.9	0.9
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.6	4.8	4.1
EV/EBIT (adj.)	8.7	7.1	6.1
Payout ratio (%)	28.8 %	29.4 %	30.8 %
Dividend yield-%	2.9 %	3.4 %	4.0 %

Source: Inderes

Key figures as expected in Q2

Revenue developed in line with our expectations

Teleste's Q2 revenue decreased by 3% to 34.7 MEUR, which was in line with our expectations, although the segment-level development deviated from our expectations. Networks segment revenue decreased by 13.5% to 19.6 MEUR, while our forecast expected a 7% decline. This reflects the ongoing merger of Teleste's largest North American customer, Cox, with Charter, which has caused a shift in orders. Regulatory approvals for the merger have just been received, and the transaction is expected to close in the near future. After this, Teleste expects orders to start normalizing again towards the end of the year. In Europe, DOCSIS 4.0 orders developed strongly, which was reflected in the growth of orders received (25.6 MEUR, +8%), even though the situation with Cox simultaneously created headwinds The comparison period was good anyway, so the performance was solid. According to Teleste, the European market recovery has continued, and orders have been received broadly from several customers in various countries. In the weak market of recent years, Teleste has also increased its market share, which is now bearing fruit as the market picks up. Europe is expected to support Networks' development in the coming quarters as well.

Public Safety and Mobility's revenue grew by 14% to 15.1 MEUR, while our estimate expected 5% growth. However, the segment's received orders decreased by 32% year-on-year to 10.8 MEUR, and the order book (86.5 MEUR) declined by 10% year-on-year. However, quarterly fluctuations in revenue and orders are explained by factors related to project timing. Teleste expects several significant new projects from its existing customer base during H2, leading to a clearly strengthening order intake.

Earnings met our expectations

Teleste's adjusted EBIT landed at 1.9 MEUR in Q2 (Q2'25: 2.2 MEUR) and was fully in line with our estimates. Teleste once again managed to defend its gross margin slightly better than we expected, partly supported by a favorable revenue mix. At the same time, the company's cost structure was otherwise slightly higher than our forecasts, thus leveling the operating profit development to be in line with our expectations. The EBIT margin (5.5% vs. 6.0%) decreased slightly from the strong comparison period.

The Networks segment's adjusted operating profit (10.4% vs. Q2'25: 12.5%) weakened from a strong comparison period, reflecting lower volumes and investments made.

Public Safety and Mobility's profitability (8.1% vs. Q2'25: 4.0%), on the other hand, improved significantly from a soft comparison period. Teleste's efficiency measures implemented in recent years are now clearly showing results as volumes increase. The company believes there is still room for improvement in profitability in the coming years.

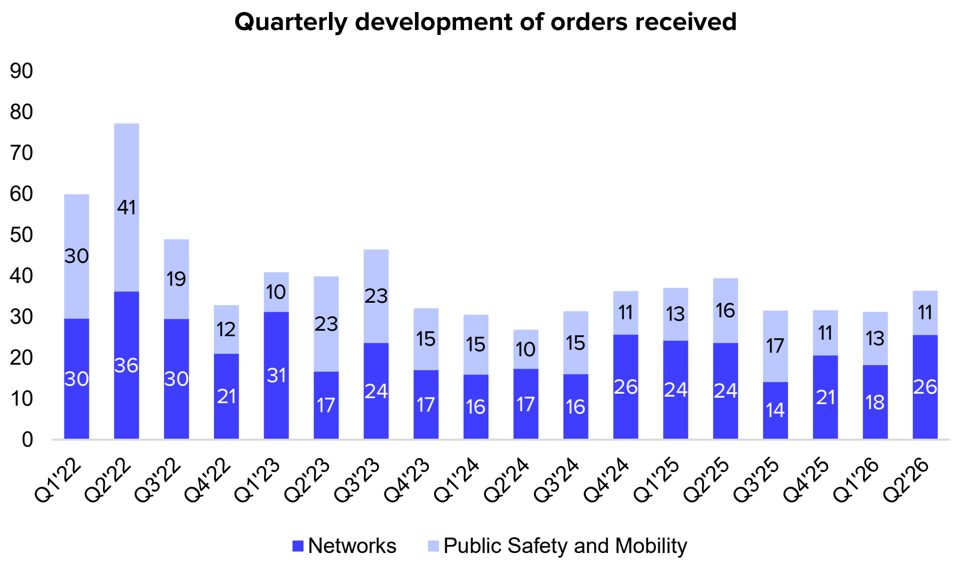
Teleste's operating cash flow (0.8 MEUR) is quite subdued after H1, reflecting an increase in inventories. Due to AI investments, component availability has deteriorated this year, and the company has proactively prepared for larger deliveries in the latter part of the year. So far, component-related risks do not appear to have become a major problem.

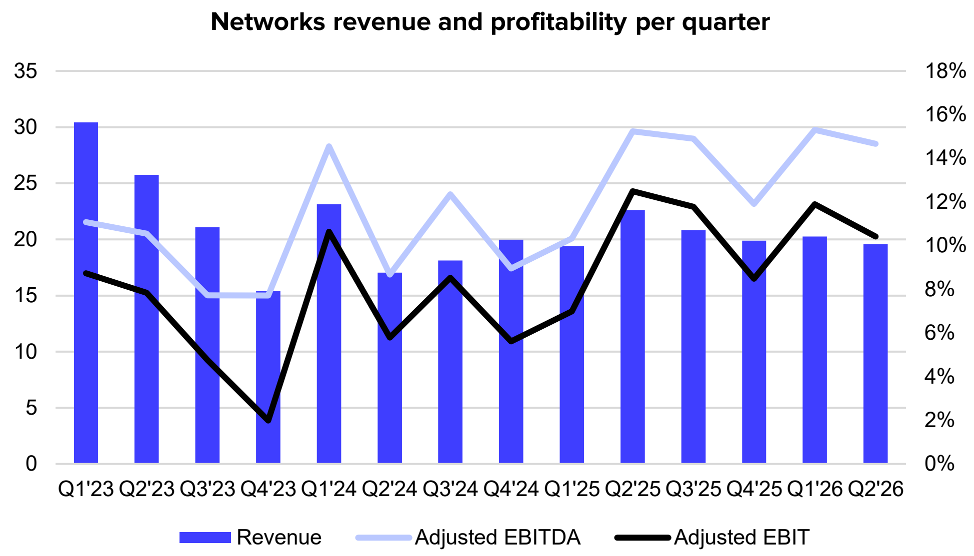
Net debt to EBITDA was 1.9x at the end of Q2. Indebtedness is thus at a reasonable level due to improved profitability and reduced debt in recent years.

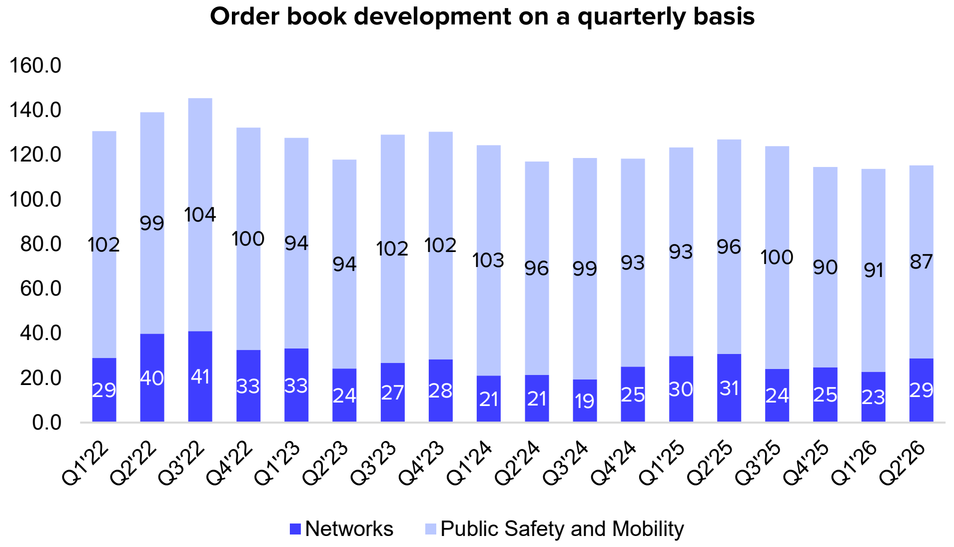
Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Liikevaihto	35.9	34.7	34.9		-1%	143
Liikevoitto (oik.)	2.2	1.9	1.9		-1%	8.9
Liikevoitto	2.0	1.9	1.9		-1%	8.7
EPS (adj.)	0.03	0.07	0.07		7%	0.35
EPS (raportoitu)	0.02	0.07	0.07		7%	0.35
Revenue growth-%	21.5 %	-3.3 %	-2.6 %		-0.7 pp	3.3 %
EBIT-% (adj.)	6.0 %	5.5 %	5.5 %		0 pp	6.2 %

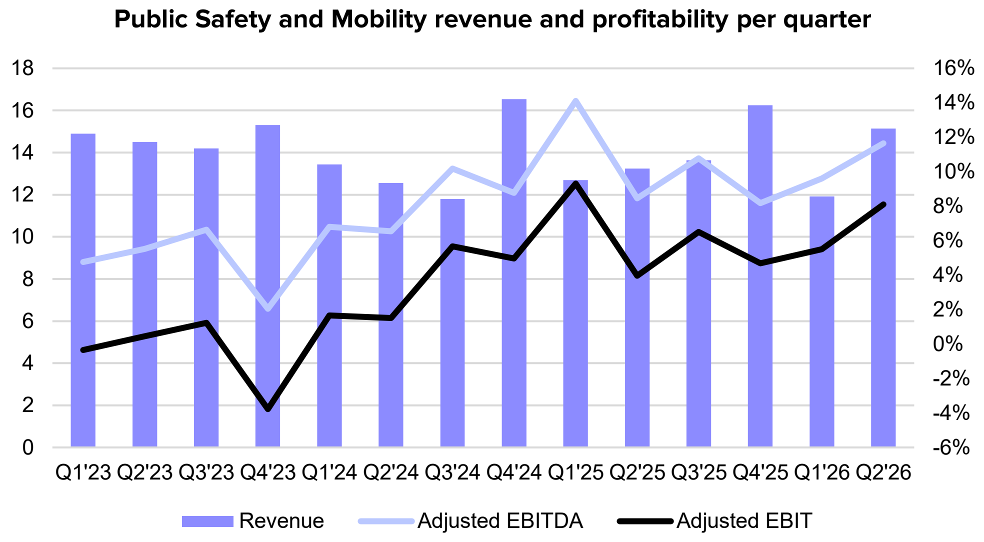
Source: Inderes

Development of key figures









Only minor revisions to estimates

Outlook unchanged as expected

As expected, Teleste reiterated its outlook and guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. Regarding the outlook, the company clarified that earnings are still expected to be weighted particularly towards Q4. This is due to the merger of Cox and Charter, as well as the timing of deliveries to the largest customer (Alstom) in Public Safety and Mobility. We only made slight adjustments to our estimates based on the Q2 report. We now expect revenue of 143 MEUR and adjusted EBIT of 8.9 MEUR for this year.

The merger of Cox and Charter appears to be nearing completion, and with it, orders could be expected to normalize towards the end of the year. At the same time, Teleste also expects another major customer (Rogers) to complete its destocking, with order flow to Teleste increasing towards the end of the year. The strengthened development in Europe also seems to compensate well for the softer short-term development in North America. The European market outlook has been improving since the end of last year, and the trend has been even slightly better than Teleste's own expectations. The recovery in Europe supports Teleste's development in the coming years, as the company's market position there is very strong. Teleste's North American growth outlook also remains very good in the slightly longer term, as the company already has over 20 customers on the continent. Rogers also appears to be becoming another significant customer for Teleste in the coming years, alongside Cox. After the Cox merger, the company may have opportunities to win a share from Charter.

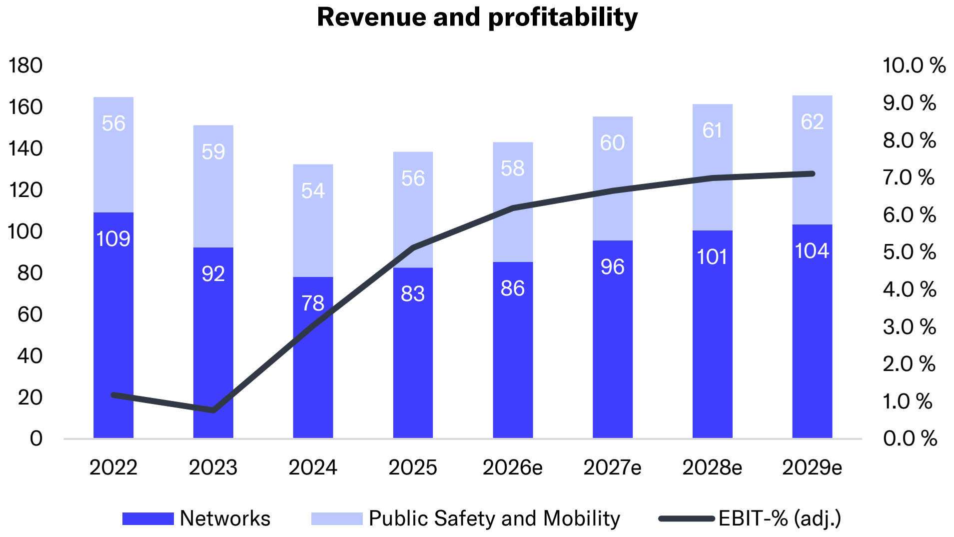
Public Safety and Mobility's expanded customer base and the business efficiency measures taken create a good foundation for continued profitable growth. Teleste won frame agreements with both the French and Belgian state railways earlier this year, under which station displays and systems will be supplied on a large scale. The company may announce new orders in the near future, as it expects a strong order flow during H2. New orders are expected from both rolling stock manufacturers and public transport operators, where Teleste has successfully strengthened its position.

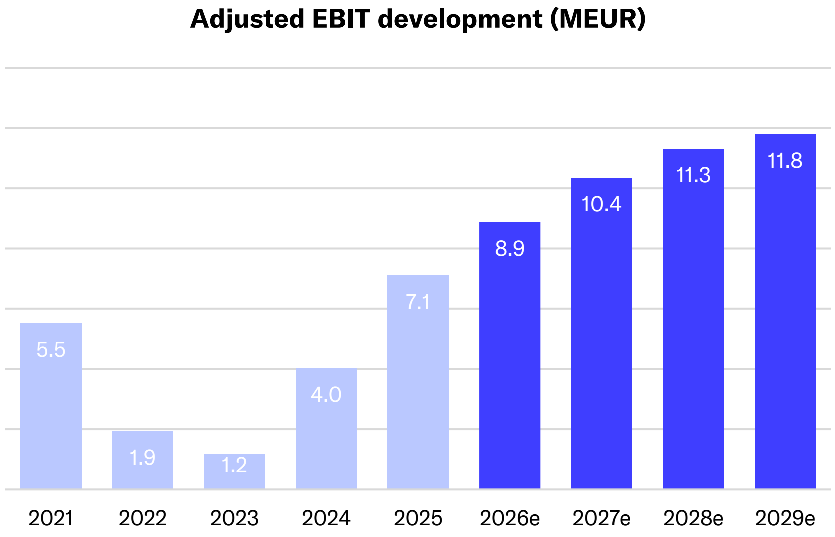
Challenges related to component availability and prices create some uncertainty for Teleste's outlook. Due to AI investments, there are shortages in the availability of certain semiconductors and memory chips, and high demand has driven up their prices. Despite this, Teleste has successfully protected its margins in the early part of the year, and the company has proactively acquired components for its inventory. The company now also has the option to raise prices in Public Safety and Mobility under the terms of its contracts, as fixed-price contracts posed a challenge amid the post-COVID component shortage. From the perspective of working capital optimization, deliveries through a contract manufacturer in Mexico offer new opportunities towards the end of the year.

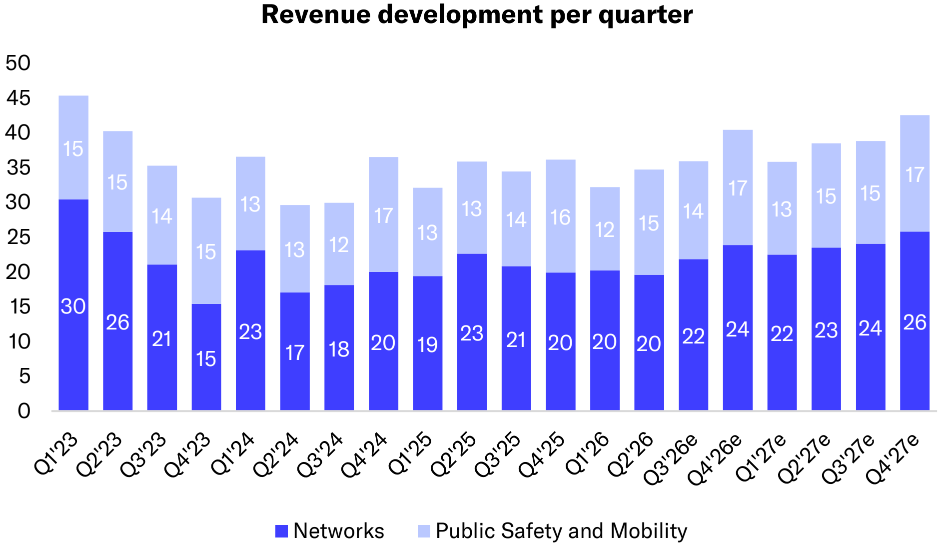
Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	145	143	-1%	157	156	-1%	163	162	-1%
EBITDA	14.0	13.9	-1%	15.5	15.4	-1%	16.7	16.6	-1%
EBIT (exc. NRIs)	9.2	8.9	-4%	10.4	10.4	0%	11.4	11.3	-1%
EBIT	9.1	8.7	-4%	10.4	10.4	0%	11.4	11.3	-1%
PTP	8.1	7.8	-3%	9.6	9.6	0%	10.7	10.7	0%
EPS (excl. NRIs)	0.36	0.35	-2%	0.41	0.41	0%	0.46	0.45	0%
DPS	0.10	0.10	0%	0.12	0.12	0%	0.14	0.14	0%

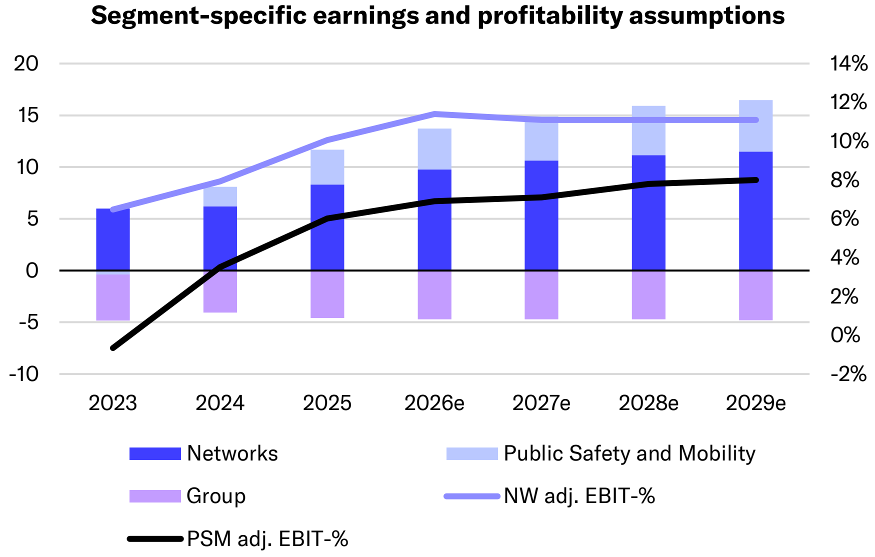
Lähde: Inderes

Summary of estimates









Valuation

Valuation is modest relative to the near-term earnings growth outlook

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. At the same time, the long-term efforts to improve profitability in Public Safety and Mobility have started to bear fruit. With improved earnings performance, the stock's valuation already receives support from 2025 realized earnings (EV/EBIT 11x), although this multiple is still quite neutral. The company's track record in conquering North America is constantly strengthening, and with a significantly expanded customer base last year, future growth also rests on broader shoulders than before. The recovery of the European market also supports this development. With the strengthening earnings trend and the moderate valuation for the coming years, we find the stock's risk/reward ratio attractive.

With our 2026 estimates, Teleste's adjusted P/E ratio is 10x and a corresponding EV/EBIT ratio is 8.7x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. If the earnings growth we forecast continues, the share's valuation multiples (P/E 8.6x and EV/EBIT 7x) will become very moderate in 2027.

In a positive scenario, Teleste would have the potential to perform well above our current forecasts, provided the company makes excellent progress with its expansion in North America. The company's financial targets (CAGR growth 25-30: 10% and adj. EBIT 7-12%) also clearly aim for stronger growth and better profitability development than our current estimates. The earnings growth would also allow the company to significantly increase its dividend, which would support the expected return. The current dividend yield of around 3-4% for the coming years is already reasonable.

Overall, we see that Teleste could be priced at around 10x-13x P/E and 9x-11x EV/EBIT in the longer term, depending on the earnings growth outlook and financial structure. The cyclical nature of the business, the pressure on profitability from large customers, the ongoing need for investments, and we believe the business model that ties up working capital justify a somewhat lower valuation than the Helsinki Stock Exchange average. However, at the current pace, the company is continuously improving its business profile as profitability improves in both businesses.

Valuation is attractive through several methods

Our DCF model indicates a value of EUR 4.7 per Teleste share. Based on our sum-of-the-parts model, the value of Teleste's share in a neutral scenario is EUR 4.5.

In light of the scenarios extending to 2029, the stock's expected return is also very good, assuming continued earnings growth.

In the light of scenarios extending to 2029, the share return expectation is also very good as earnings growth continues. We have discussed these methods in more detail in the extensive report published in July. A summary of the sum-of-the-parts and scenario calculations can be found on the next page.

Valuation	2026e	2027e	2028e
Share price	3.50	3.50	3.50
Number of shares, millions	18.3	18.3	18.3
Market cap	64	64	64
EV	77	73	69
P/E (adj.)	9.9	8.6	7.7
P/E	10.1	8.6	7.7
P/B	1.0	0.9	0.9
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.6	4.8	4.1
EV/EBIT (adj.)	8.7	7.1	6.1
Payout ratio (%)	28.8 %	29.4 %	30.8 %
Dividend yield-%	2.9 %	3.4 %	4.0 %

Source: Inderes

Sum of the parts and scenarios until 2029

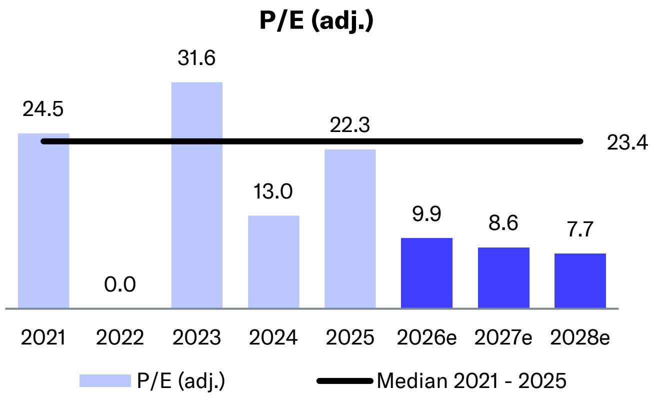
Sum of the parts	Lower end	Neutral	Upper end
Networks			
EBIT (adj.)	9.8	9.8	9.8
X valuation multiple	10x	11x	12x
Enterprise value (MEUR)	**98**	**107**	**117**
Public Safety and Mobility			
EBIT (adj.)	4.0	4.0	4.0
X valuation multiple	8x	9x	10x
Enterprise value (MEUR)	**32**	**36**	**40**
Group expenses (NPV, MEUR)	**-47**	**-47**	**-47**
Total enterprise value	**82**	**96**	**110**
Net liabilities 2026e	-13	-13	-13
Value of entire stock	**69**	**83**	**97**
Per share	*3.8*	*4.5*	*5.3*

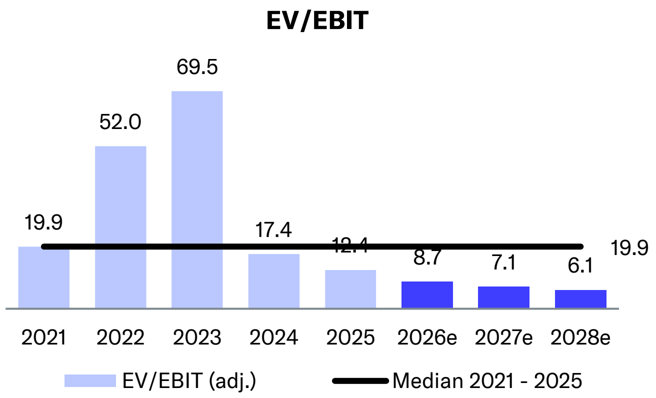
Scenarios unti 2029	Poor	Baseline	Strong
Revenue (MEUR)	150	166	*195*
Growth-% (CAGR 25-29)	*3%*	*6%*	*10%*
EBIT (adj.)	8.3	11.8	17.2
EBIT-%	*5.5%*	*7.1%*	8.8%
EV/EBIT multiple	8.0x	8.5x	9.0x
EV	**66**	**100**	**154**
Net debt/cash 2029e + dividends	-2	8	14
Market cap 2029e	**64**	**108**	**168**
Share price	*3.5*	*5.9*	*9.2*
Return potential	0%	69%	163%
Annual expected return	0%	17%	33%
P/E in 2029	10.5x	12.2x	12.9x
Financial expenses	-0.4	-0.4	-0.4
PTP	**7.8**	**11.4**	**16.7**
Net profit	**6.1**	**8.9**	**13.1**
EPS	0.33	0.48	0.71

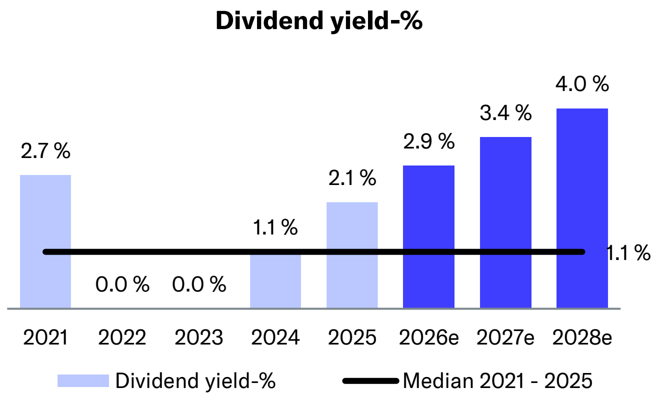
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.24	3.54	2.70	2.64	3.76	**3.50**	**3.50**	**3.50**	**3.50**
Number of shares, millions	18.2	18.2	18.2	18.2	18.2	**18.3**	**18.3**	**18.3**	**18.3**
Market cap	95	65	49	48	69	**64**	**64**	**64**	**64**
EV	109	101	80	73	88	**77**	**73**	**69**	**63**
P/E (adj.)	24.5	neg.	31.6	13.0	22.3	**9.9**	**8.6**	**7.7**	**7.2**
P/E	13.4	neg.	neg.	neg.	24.7	**10.1**	**8.6**	**7.7**	**7.2**
P/B	1.4	1.1	0.8	0.9	1.2	**1.0**	**0.9**	**0.9**	**0.8**
P/S	0.7	0.4	0.3	0.4	0.5	**0.4**	**0.4**	**0.4**	**0.4**
EV/Sales	0.8	0.6	0.5	0.6	0.6	**0.5**	**0.5**	**0.4**	**0.4**
EV/EBITDA	6.7	13.0	14.4	11.6	7.5	**5.6**	**4.8**	**4.1**	**3.5**
EV/EBIT (adj.)	19.9	52.0	69.5	17.4	12.4	**8.7**	**7.1**	**6.1**	**5.3**
Payout ratio (%)	35.9 %	0.0 %	0.0 %	neg.	52.5 %	**28.8 %**	**29.4 %**	**30.8 %**	**33.1 %**
Dividend yield-%	2.7 %	0.0 %	0.0 %	1.1 %	2.1 %	**2.9 %**	**3.4 %**	**4.0 %**	**4.6 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Nokia	51665	49298	20.6	17.0	22.2	15.4	2.4	2.2	26.6	23.9	1.7	2.0	2.3
Ericsson	29924	28663	10.5	10.2	8.7	8.4	1.4	1.4	15.3	13.9	3.2	3.3	2.9
Cisco	380101	391858	21.0	17.9	18.9	16.6	7.2	6.3	26.1	22.1	1.5	1.5	8.8
ZTE	20163	25121	31.6	27.2	17.9	16.5	1.3	1.1	24.9	20.5	1.8	2.1	2.1
Harmonic	1310	1313	14.6	12.4	13.8	11.5	3.0	2.6	20.0	17.3			
Motorola	66667	73868	21.0	19.6	19.1	18.1	6.6	6.2	26.4	24.5	1.0	1.1	23.3
Viavi Solutions	9277	9782	37.5	24.1	33.1	22.1	7.5	6.1	46.4	26.5			11.0
Vistance Networks	2296	3287	17.5	21.0	17.4	11.6	2.1	2.6	9.5	16.5			1.0
Ciena	52410	52698	50.5	34.4	45.1	31.4	9.6	7.6	65.6	44.7			19.5
Fiberhome	7115	9036	42.6	38.6	33.3	31.9	2.4	2.1	28.4	20.4	0.6	0.6	2.9
Adtran	591	996	20.9	12.3	6.9	5.7	1.0	0.9	29.1	14.2			6.0
Calix	2150	1982	16.2	11.8	14.4	10.5	1.9	1.7	23.0	16.7			3.4
Vecima Networks	197	234	20.3	8.2	7.6	4.9	1.3	1.0	47.3	10.8			
Teleste (Inderes)	**64**	**77**	**8.7**	**7.1**	**5.6**	**4.8**	**0.5**	**0.5**	**9.9**	**8.6**	**2.9**	**3.4**	**1.0**
Average	**47990**	**49857**	**25.0**	**19.6**	**19.9**	**15.7**	**3.7**	**3.2**	**29.9**	**20.9**	**1.6**	**1.8**	**7.6**
Median	**9277**	**9782**	**20.9**	**17.9**	**17.9**	**15.4**	**2.4**	**2.2**	**26.4**	**20.4**	**1.6**	**1.7**	**3.4**
Diff-% to median			**-58%**	**-60%**	**-69%**	**-69%**	**-77%**	**-79%**	**-63%**	**-58%**	**78%**	**98%**	**-70%**

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	**133**	**32.2**	**35.9**	**34.5**	**36.1**	**139**	**32.2**	**34.7**	**35.9**	**40.4**	**143**	**156**	**162**	**166**
Networks	78.2	19.4	22.6	20.8	19.9	82.8	20.2	19.6	21.9	23.9	85.5	95.8	101	104
Public Safety and Mobility	54.3	12.7	13.2	13.6	16.2	55.8	11.9	15.1	14.0	16.6	57.7	59.8	61.0	62.2
EBITDA	**6.3**	**2.7**	**3.2**	**3.4**	**2.4**	**11.8**	**2.9**	**3.3**	**3.4**	**4.3**	**13.9**	**15.4**	**16.6**	**17.9**
Depreciation	-11.7	-1.3	-1.2	-1.2	-1.3	-5.0	-1.2	-1.4	-1.3	-1.3	-5.1	-5.0	-5.3	-6.1
EBIT (adj.)	**4.2**	**1.5**	**2.2**	**2.3**	**1.2**	**7.1**	**1.9**	**1.9**	**2.1**	**3.0**	**8.9**	**10.4**	**11.3**	**11.8**
EBIT	**-5.4**	**1.5**	**2.0**	**2.2**	**1.2**	**6.8**	**1.8**	**1.9**	**2.1**	**3.0**	**8.7**	**10.4**	**11.3**	**11.8**
Net financial items	-1.7	-0.9	-1.9	-0.6	-0.4	-3.8	-0.3	-0.2	-0.2	-0.2	-0.9	-0.8	-0.6	-0.4
PTP	**-7.1**	**0.6**	**0.1**	**1.6**	**0.8**	**3.0**	**1.5**	**1.7**	**1.9**	**2.8**	**7.8**	**9.6**	**10.7**	**11.4**
Taxes	1.0	0.0	0.2	-0.3	-0.3	-0.4	-0.1	-0.3	-0.4	-0.6	-1.5	-2.1	-2.4	-2.5
Minority interest	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**-5.9**	**0.6**	**0.4**	**1.3**	**0.4**	**2.8**	**1.4**	**1.4**	**1.5**	**2.2**	**6.4**	**7.5**	**8.3**	**8.9**
EPS (adj.)	**0.20**	**0.03**	**0.03**	**0.08**	**0.03**	**0.17**	**0.08**	**0.07**	**0.08**	**0.12**	**0.35**	**0.41**	**0.45**	**0.48**
EPS (rep.)	**-0.32**	**0.03**	**0.02**	**0.07**	**0.02**	**0.15**	**0.07**	**0.07**	**0.08**	**0.12**	**0.35**	**0.41**	**0.45**	**0.48**

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-%	-12.4 %	-12%	21%	15%	-1%	4.6 %	0%	-3%	4%	12%	3.3 %	8.6 %	3.8 %	2.6 %
Adjusted EBIT growth-%	261%	-6%	384%	73%	39%	70%	29%	-12%	-7%	147%	25%	17%	9%	4%
EBITDA-%	4.7 %	8.4 %	9.0 %	9.8 %	6.7 %	8.5 %	9.1 %	9.4 %	9.5 %	10.6 %	9.7 %	9.9 %	10.3 %	10.8 %
Adjusted EBIT-%	3.2 %	4.5 %	6.0 %	6.6 %	3.3 %	5.1 %	5.8 %	5.5 %	5.9 %	7.4 %	6.2 %	6.7 %	7.0 %	7.1 %
Net earnings-%	-4.4 %	2.0 %	1.1 %	3.7 %	1.2 %	2.0 %	4.3 %	3.9 %	4.1 %	5.4 %	4.4 %	4.8 %	5.2 %	5.3 %

Lähde: 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	**53.7**	**54.7**	**55.2**	**56.1**	**56.8**
Goodwill	30.1	30.1	30.1	30.1	30.1
Intangible assets	8.8	11.3	12.7	14.4	15.8
Tangible assets	11.5	10.1	9.2	8.4	7.7
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	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	3.2	3.1	3.1	3.1	3.1
Current assets	**67.4**	**68.0**	**66.6**	**71.2**	**73.6**
Inventories	24.9	26.9	26.2	28.0	29.1
Other current assets	1.0	1.2	1.2	1.2	1.2
Receivables	32.7	30.9	30.7	32.7	33.6
Cash and equivalents	8.8	9.1	8.6	9.3	9.7
Balance sheet total	**121**	**123**	**122**	**127**	**130**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**54.8**	**57.9**	**62.8**	**68.5**	**74.6**
Share capital	7.0	7.0	7.0	7.0	7.0
Retained earnings	46.2	48.4	53.3	59.0	65.1
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	2.3	2.5	2.5	2.5	2.5
Minorities	-0.7	0.0	0.0	0.0	0.0
Non-current liabilities	**26.7**	**23.3**	**19.8**	**17.3**	**13.7**
Deferred tax liabilities	0.1	0.0	0.0	0.0	0.0
Provisions	2.0	2.3	2.3	2.3	2.3
Interest bearing debt	24.7	20.9	17.4	14.9	11.3
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	**39.6**	**41.5**	**39.2**	**41.6**	**42.1**
Interest bearing debt	9.6	7.8	4.4	3.7	2.8
Payables	29.9	33.6	34.8	37.8	39.2
Other current liabilities	0.1	0.1	0.1	0.1	0.1
Balance sheet total	**121**	**123**	**122**	**127**	**130**

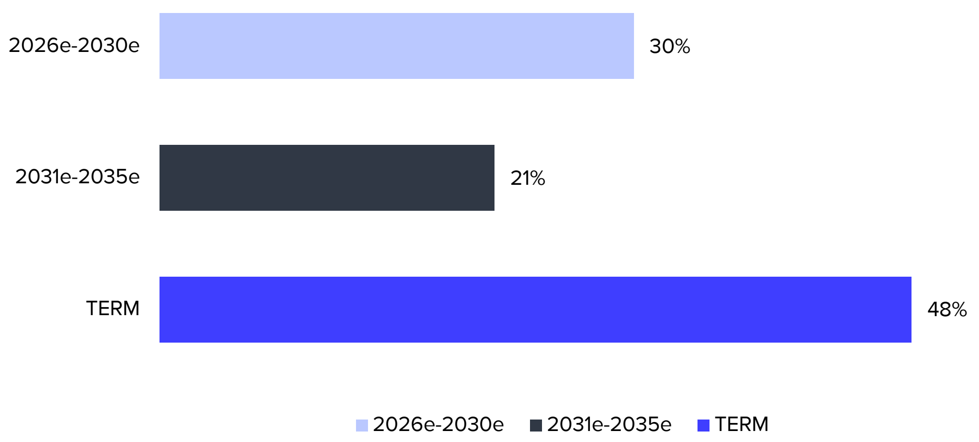
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	4.6 %	3.3 %	8.6 %	3.8 %	2.6 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	4.9 %	6.1 %	6.7 %	7.0 %	7.1 %	6.6 %	6.5 %	6.4 %	6.3 %	6.2 %	6.0 %	6.0 %
EBIT (operating profit)	**6.8**	**8.7**	**10.4**	**11.3**	**11.8**	**11.2**	**11.2**	**11.3**	**11.3**	**11.4**	**11.2**	
+ Depreciation	5.0	5.1	5.0	5.3	6.1	6.1	6.0	6.0	6.0	6.0	6.0	
- Paid taxes	-0.4	-1.5	-2.1	-2.4	-2.5	-2.4	-2.5	-2.5	-2.5	-2.5	-2.5	
- Tax, financial expenses	-0.5	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	3.3	2.0	-0.8	-0.6	-0.4	-0.1	0.0	-0.1	-0.1	-0.5	-0.4	
Operating cash flow	**14.1**	**14.3**	**12.3**	**13.6**	**14.9**	**14.6**	**14.8**	**14.6**	**14.7**	**14.3**	**14.3**	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.9	-5.7	-5.9	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	
Free operating cash flow	**8.5**	**8.6**	**6.4**	**7.6**	**8.9**	**8.6**	**8.8**	**8.6**	**8.7**	**8.3**	**8.3**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	8.5	8.6	6.4	7.6	8.9	8.6	8.8	8.6	8.7	8.3	8.3	115
Discounted FCFF		**8.3**	**5.7**	**6.2**	**6.7**	**6.0**	**5.6**	**5.0**	**4.7**	**4.1**	**3.8**	**52.0**
Sum of FCFF present value		108	99.6	94.0	87.8	81.1	75.2	69.6	64.5	59.9	55.8	52.0
Enterprise value DCF		**108**										
- Interest bearing debt		-28.7										
+ Cash and cash equivalents		9.1										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-1.5										
Equity value DCF		**86.9**										
Equity value DCF per share		**4.7**										

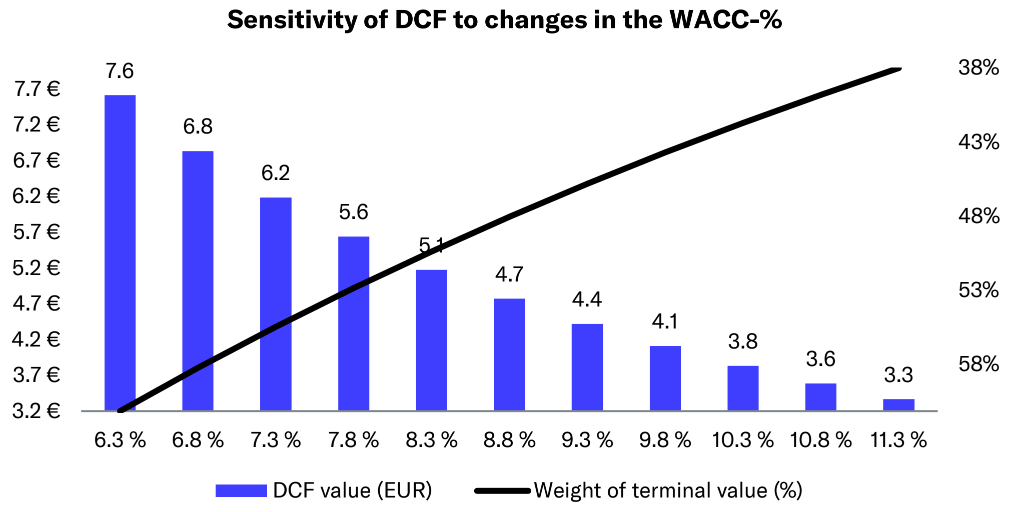
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.10%
Risk free interest rate	2.5 %
Cost of equity	**10.1 %**
Weighted average cost of capital (WACC)	**8.8 %**

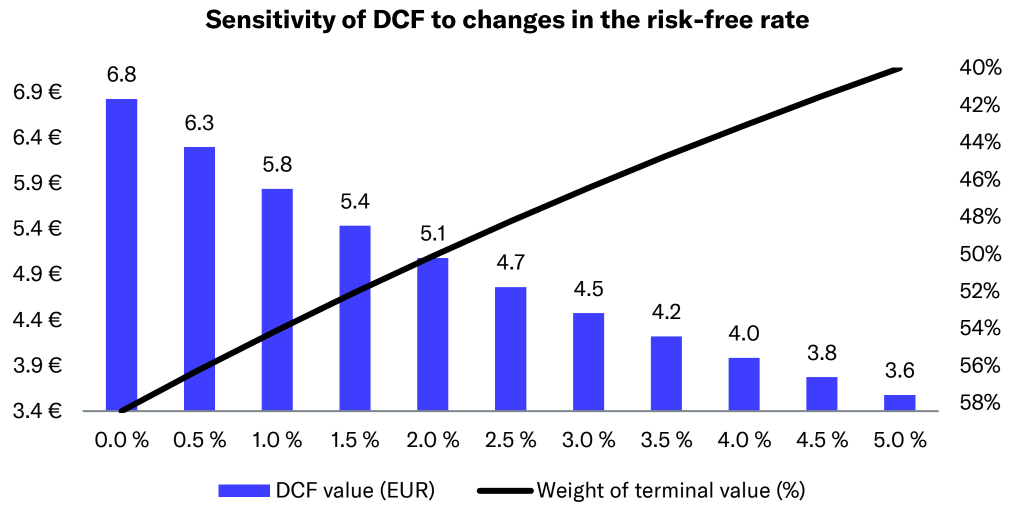
Source: Inderes

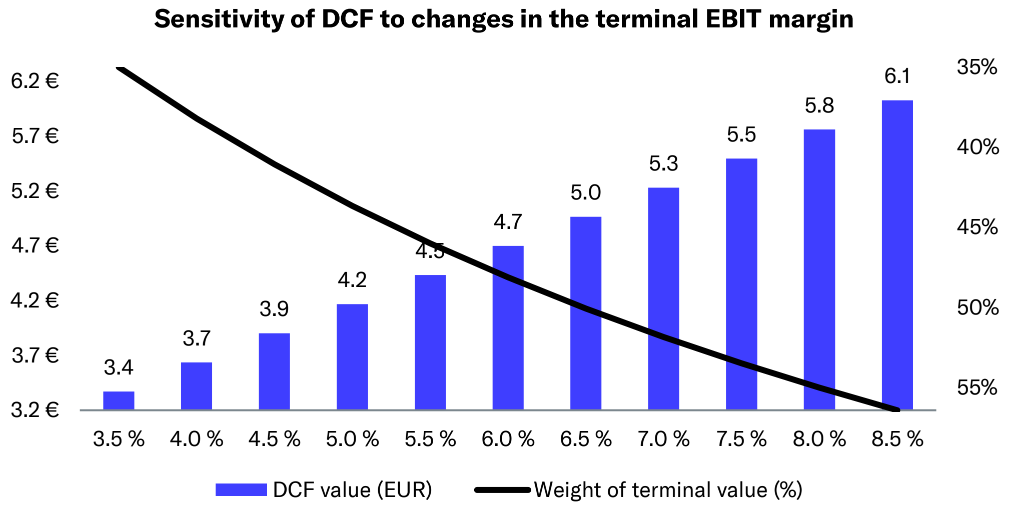
Cash flow distribution

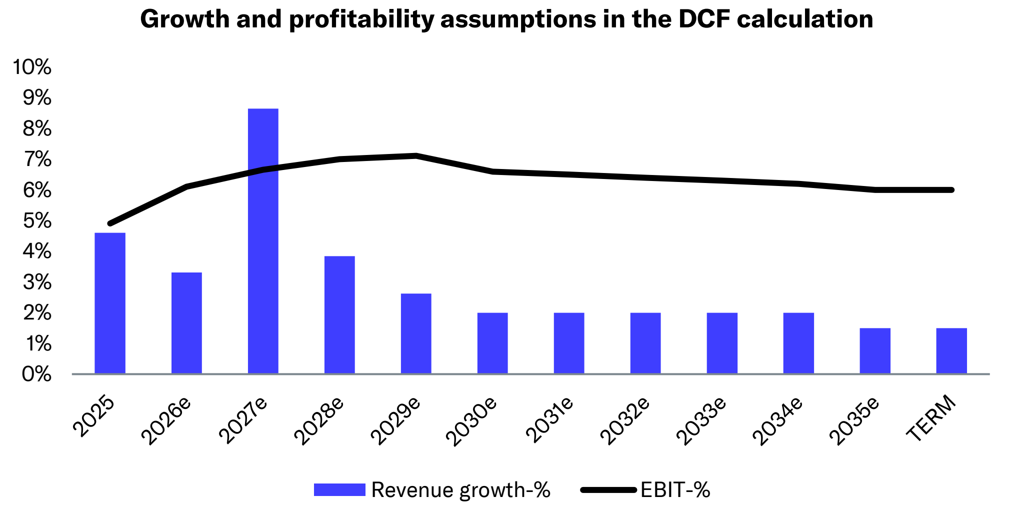


DCF sensitivity calculations and key assumptions in graphs









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	151.3	132.5	138.6	**143.2**	**155.6**
EBITDA	5.6	6.3	11.8	**13.9**	**15.4**
EBIT	-0.5	-5.4	6.8	**8.7**	**10.4**
PTP	-2.4	-7.1	3.0	**7.8**	**9.6**
Net Income	-0.1	-5.9	2.8	**6.4**	**7.5**
Extraordinary items	-1.6	-9.6	-0.3	**-0.1**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	132.2	121.2	122.7	**121.8**	**127.3**
Equity capital	60.9	54.8	57.9	**62.8**	**68.5**
Goodwill	30.1	30.1	30.1	**30.1**	**30.1**
Net debt	31.6	25.4	19.6	**13.2**	**9.3**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	5.6	6.3	11.8	**13.9**	**15.4**
Change in working capital	9.0	6.8	3.3	**2.0**	**-0.8**
Operating cash flow	15.8	12.5	14.1	**14.3**	**12.3**
CAPEX	-7.4	-5.7	-5.9	**-5.7**	**-5.9**
Free cash flow	5.9	7.6	8.5	**8.6**	**6.4**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.5	0.6	0.6	**0.5**	**0.5**
EV/EBITDA	14.4	11.6	7.5	**5.6**	**4.8**
EV/EBIT (adj.)	69.5	17.4	12.4	**8.7**	**7.1**
P/E (adj.)	31.6	13.0	22.3	**9.9**	**8.6**
P/B	0.8	0.9	1.2	**1.0**	**0.9**
Dividend-%	0.0 %	1.1 %	2.1 %	**2.9 %**	**3.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.00	-0.32	0.15	**0.35**	**0.41**
EPS (adj.)	0.09	0.20	0.17	**0.35**	**0.41**
OCF / share	0.86	0.68	0.77	**0.78**	**0.67**
OFCF / share	0.32	0.42	0.47	**0.47**	**0.35**
Book value / share	3.36	3.04	3.17	**3.43**	**3.73**
Dividend / share	0.00	0.03	0.08	**0.10**	**0.12**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-8%	-12%	5%	**3%**	**9%**
EBITDA growth-%	-28%	13%	87%	**18%**	**11%**
EBIT (adj.) growth-%	-41%	261%	70%	**25%**	**17%**
EPS (adj.) growth-%	1724%	138%	-17%	**110%**	**15%**
EBITDA-%	3.7 %	4.7 %	8.5 %	**9.7 %**	**9.9 %**
EBIT (adj.)-%	0.8 %	3.2 %	5.1 %	**6.2 %**	**6.7 %**
EBIT-%	-0.3 %	-4.1 %	4.9 %	**6.1 %**	**6.7 %**
ROE-%	-0.1 %	-10.0 %	4.9 %	**10.6 %**	**11.4 %**
ROI-%	-0.5 %	-5.7 %	7.7 %	**10.2 %**	**12.1 %**
Equity ratio	46.3 %	45.5 %	47.5 %	**51.8 %**	**54.1 %**
Gearing	51.9 %	46.3 %	33.9 %	**21.0 %**	**13.5 %**
Net debt/EBITDA	5.7	4.0	1.7	**1.0**	**0.6**
EBITDA/net financials	2.9	3.7	3.1	**15.1**	**20.0**

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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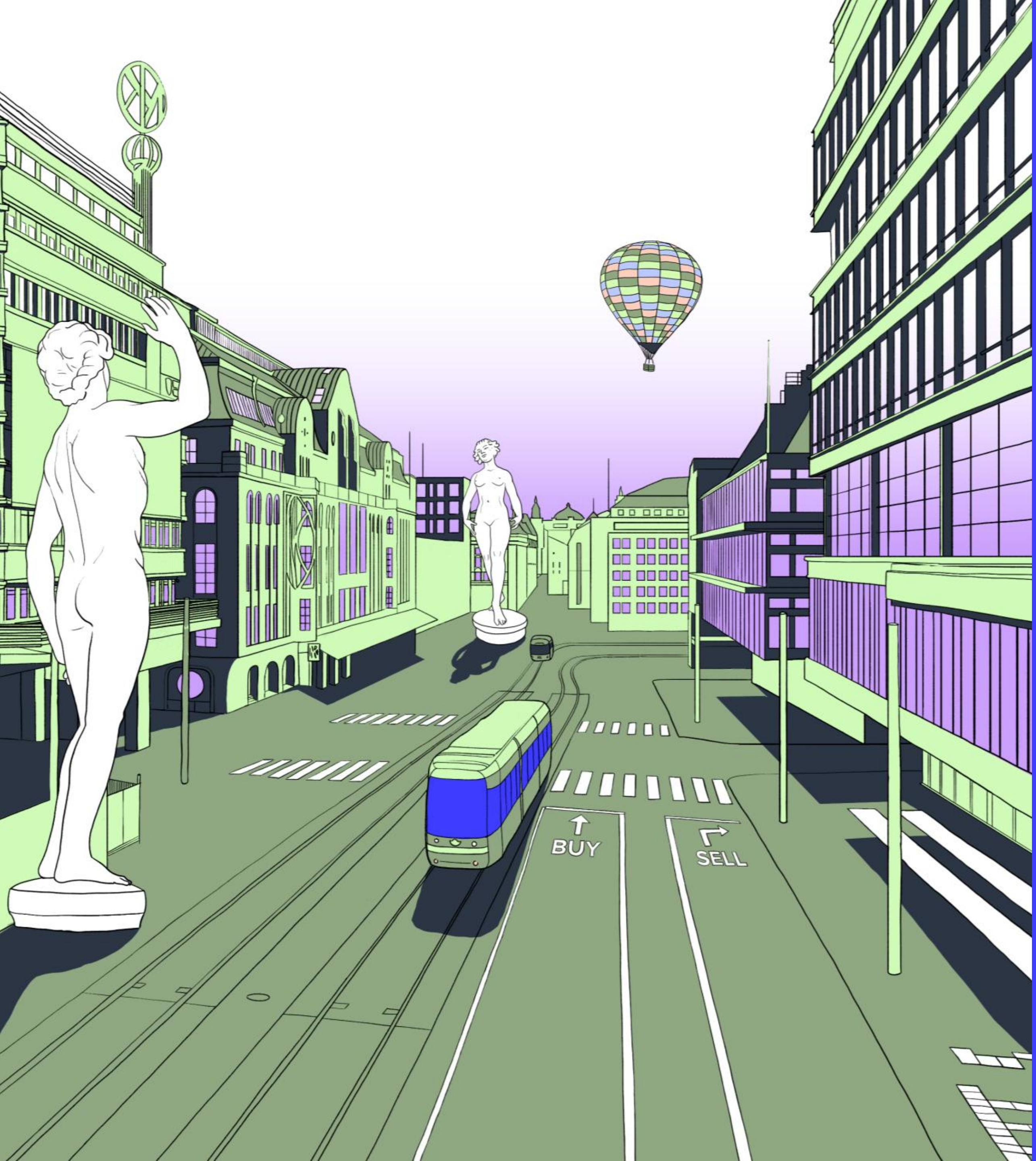
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/12/2021	Accumulate	5.50 €	4.99 €
5/7/2021	Accumulate	6.10 €	5.76 €
8/13/2021	Reduce	6.10 €	6.16 €
9/21/2021	Accumulate	6.00 €	5.00 €
11/5/2021	Reduce	5.50 €	5.20 €
2/10/2022	Reduce	5.00 €	5.16 €
5/6/2022	Reduce	4.30 €	4.20 €
6/21/2022	Reduce	3.90 €	4.10 €
8/11/2022	Reduce	3.90 €	3.95 €
11/4/2022	Reduce	3.70 €	3.39 €
12/9/2022	Reduce	3.70 €	3.85 €
2/10/2023	Reduce	3.70 €	3.96 €
5/5/2023	Accumulate	4.10 €	3.68 €
8/11/2023	Accumulate	3.90 €	3.47 €
11/3/2023	Reduce	3.00 €	2.95 €
12/17/2023	Reduce	2.60 €	2.64 €
1/17/2024	Reduce	2.60 €	2.70 €
2/12/2024	Reduce	2.60 €	2.77 €
5/6/2024	Reduce	2.60 €	2.88 €
8/15/2024	Reduce	2.60 €	2.50 €
9/17/2024	Reduce	2.30 €	2.26 €
11/7/2024	Reduce	2.40 €	2.27 €
2/12/2025	Accumulate	3.20 €	2.89 €
3/4/2025	Accumulate	3.20 €	2.80 €
5/8/2025	Accumulate	3.30 €	2.96 €
8/15/2025	Accumulate	4.00 €	3.75 €
11/6/2025	Reduce	4.10 €	4.04 €
11/24/2025	Accumulate	4.10 €	3.67 €
2/6/2026	Accumulate	4.10 €	3.82 €
2/16/2026	Accumulate	4.20 €	3.78 €
5/11/2026	Accumulate	4.20 €	3.68 €
7/7/2026	Accumulate	4.20 €	3.47 €
8/17/2026	Accumulate	4.20 €	3.50 €



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.

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