

UNITED BANKERS

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Company is accelerating growth investments

The H2 report offered no major surprises. We remain positive about the company's long-term outlook and expect strong earnings growth from the company in the coming years. However, earnings will stagnate this year, and, at the current valuation, it is difficult to envision any upside to the stock price without earnings growth. Thus, we reiterate our EUR 18 target price as well as our Reduce recommendation.

No major surprises in H2 report

UB's H2 revenue was generally in line with our estimates and the comparison period. Performance fees declined significantly year-on-year (6.0 vs. 8.6 MEUR), which offset the moderate growth of other product lines. Growth in recurring fees remained modest due to weak spearhead fund sales. In terms of new sales, discretionary wealth management continued to develop strongly, and the successful recruiting of recent years, combined with a viable wealth management concept, are now reflected in strong growth. Spearhead fund sales were as sluggish as expected. Overall, UB's new sales in H2 were moderate but clearly below potential.

Operational EBIT was 7.9 MEUR, which was below our expectation of 9.2 MEUR. This earnings miss is due to a slight revenue deviation and higher-than-expected costs. The company has made significant growth investments during H2 (e.g., portfolio managers and private bankers), which explains the increase in costs. Although we consider the growth investments to be justified, the profitability of the company's Asset and Wealth Management, adjusted for performance fees, was again sluggish, which is an obvious blemish on the company's figures. The EUR 1.16 dividend was in line with our estimate of EUR 1.15, and the company has now increased its dividend eight times.

Guidance is cautious

The company's guidance for 2026 is that its operating profit will be close or grow compared to 2025. This guidance was more cautious than our expectations. During the earnings call, the company

emphasized its strong optimism about the wealth management market outlook and its desire to accelerate investments. In practice, this means front-loaded expenses during 2026. We consider these investments to be justified given that UB's position in the domestic asset management market has improved significantly in recent years. In addition, expanding the product and service offering remains necessary, as the sales outlook for the company's previous flagship products is rather subdued in the short term.

Forecasts revised downward, earnings growth outlook is positive

Our forecasts for the next few years have decreased by 8-10%. However, we believe the risk level associated with the estimates has decreased because earnings growth is less dependent on individual funds. We expect the company's new sales to gradually pick up in spearhead funds as well, and this, together with strong sales in wealth management, will significantly increase management fees. In 2026, the group's earnings will remain flat as a result of growth investments and gradually accelerating growth, but from 2027 onwards, the group should return to brisk earnings growth. Profitability based on recurring income will also finally begin to improve in the coming years as growth accelerates. The dividend is steadily growing in line with the company's dividend policy, and the company is on its way to becoming dividend royalty. The main risk in our forecasts relates to performance fees, which are significant and generated by only a few funds.

No hurry to convert to Buy yet

UB's valuation level is neutral for 2025-2026, in both absolute and relative terms. In the long term, we believe the expected return on the stock is highly attractive at current levels, but this requires the realization of our forecast earnings growth. In the short term, there are few drivers of share price growth in the absence of earnings growth. In the short term, the expected return is limited to a dividend yield of over 6%, which does not sufficiently compensate for bearing the forecast risks. We will continue to monitor the situation from the sidelines and wait for earnings growth to resume.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 18.00

(was EUR 18.00)

Share price:

EUR 18.70

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	57.2	60.7	67.0	75.4
growth-%	-8%	6%	10%	12%
EBIT adj.	16.6	17.4	20.9	26.6
EBIT-% adj.	29.1 %	28.6 %	31.2 %	35.3 %
Net Income	12.9	13.1	16.1	20.7
EPS (adj.)	1.18	1.19	1.46	1.87
P/E (adj.)	15.7	15.7	12.8	10.0
P/B	3.2	3.3	3.1	2.9
Dividend yield-%	6.3 %	6.4 %	6.7 %	7.2 %
EV/EBIT (adj.)	11.8	11.2	9.2	6.9
EV/EBITDA	10.0	9.6	8.0	6.1
EV/S	3.4	3.2	2.9	2.4

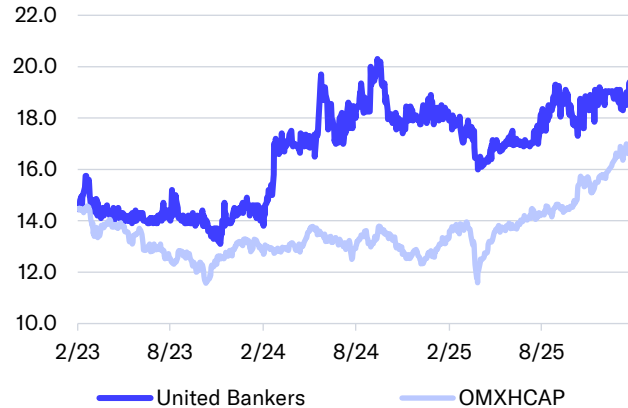
Source: Inderes

Guidance

(New guidance)

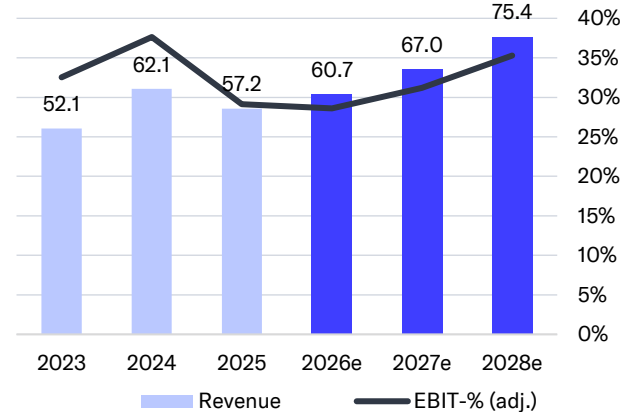
The company estimates its adjusted operating profit to be close or grow compared to 2025.

Share price



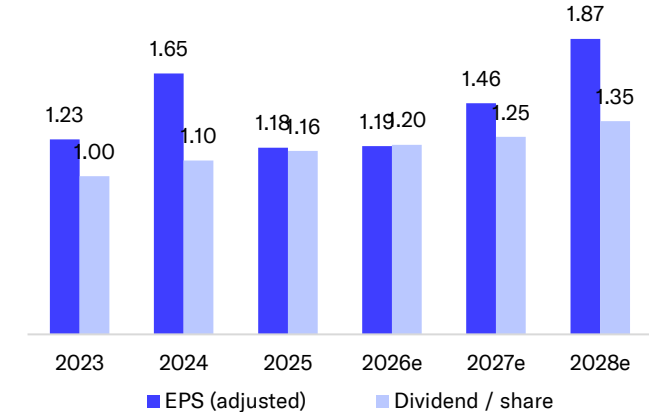
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- New product launches
- Increase in the size of existing products
- Further improvement potential in cost efficiency
- M&A transactions and consolidation of the industry

Risk factors

- Deterioration of the market situation
- The share of non-recurring revenue is still significant
- Profitability still relatively weak without performance fees

	2026e	2027e	2028e
Share price	18.7	18.7	18.7
Number of shares, millions	11.0	11.0	11.1
Market cap	206	206	207
EV	191	188	180
P/E (adj.)	15.7	12.8	10.0
P/E	15.7	12.8	10.0
P/B	3.3	3.1	2.9
P/S	3.4	3.1	2.8
EV/Sales	3.1	2.8	2.4
EV/EBITDA	9.4	7.8	6.0
EV/EBIT (adj.)	11.0	9.0	6.8
Payout ratio (%)	100.7 %	85.5 %	72.2 %
Dividend yield-%	6.4 %	6.7 %	7.2 %

Source: Inderes

No major surprises expected for the rest of the year

H2 earnings slightly below expectations

United Bankers' revenue in the second half of 2025 was 28.0 MEUR, which was in line with our estimate of 28.9 MEUR. Performance fees declined significantly from the comparison period (6.0 vs. 8.6 MEUR), which offset the moderate growth of other product lines. Performance fees exceeded our estimates, while recurring fees were on par with our projections. Growth in recurring fees remains modest due to weak sales of spearhead funds.

Regarding new sales, discretionary wealth management continued to develop strongly, and the successful recruiting of recent years, combined with a viable wealth management concept, is now reflected in strong growth. Sales of spearhead funds were as subdued as expected, and the moderate sales of traditional funds were already known in advance. Assets under management reached the next billion, standing at 5.2 BEUR by the end of the review period. Overall, UB's new sales performance in H2 was moderate but clearly below potential.

Operational EBIT was 7.9 MEUR, which was below our expectation of 9.2 MEUR. This earnings miss is due to a slight revenue deviation and higher-than-expected costs. The company has made growth investments during H2 (e.g., portfolio managers and private bankers), which explains the increase in costs. Although we consider the growth investments to be reasonable, the profitability of the company's Asset and Wealth Management, adjusted for performance fees, was again sluggish, which is an obvious blemish on the company's figures.

The board of directors proposes a total dividend of EUR 1.16 per share, to be paid in two installments. This proposal was in line with our estimate of EUR 1.15 and reflects the company's strong balance sheet and commitment to increasing profit distribution.

Guidance is cautious

United Bankers issued guidance for 2026, in which the company estimates its adjusted operating profit to be close or grow compared to 2025. Considering the slight earnings miss in H2'25, the guidance is more cautious than we expected. During the earnings call, the company emphasized its strong optimism about the wealth management market outlook and its desire to accelerate investments now. In practice, this means front-loaded costs during 2026, which will temporarily weaken the margin.

We consider these investments to be justified given that UB's position in the domestic asset management market has improved significantly in recent years. In addition, expanding the product and service offering remains necessary, as the sales outlook for the company's previous flagship products is rather subdued in the short term.

Estimates	H2'24	H2'25	H2'25e	H2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	29.1	28.1	28.9			-3%	57.2
EBIT (adj.)	9.9	7.8	9.2			-15%	16.6
EPS (adj.)	0.70	0.56	0.63			-12%	1.18
DPS	1.10	1.16	1.15			1%	1.16
Revenue growth-%	6.2 %	-3.6 %	-0.7 %			-2.8 pp	-8.0 %
EBIT-% (adj.)	33.9 %	27.9 %	31.8 %			-3.9 pp	29.1 %

Source: Inderes

Start of earnings growth postponed by one year

Estimate revisions

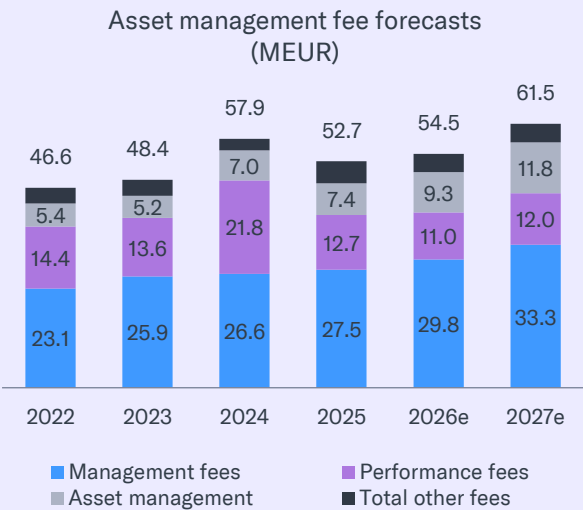
- Our forecasts for the next few years have decreased by 8-10%. A key factor has been increased costs due to the company's investments in growth. In our revenue forecasts, we have postponed the launch of the FIGG2 fund to 2028 and expect an open-ended PE fund in H1'26 and a closed-ended PE fund in H2'26. We are also expecting a new closed-end housing fund in 2026. Additionally, we have raised our wealth management forecasts significantly. In contrast, forecasts for alternative spearhead funds have mostly declined. We have also added the Fourton [acquisition](#) to our forecasts.
- Although our revenue forecasts have not risen in line with our cost forecasts, the risk level of our estimates has decreased. The core of revenue growth is less dependent on individual spearhead funds than before, and discretionary wealth management is becoming increasingly important. In our opinion, discretionary wealth management growth naturally involves significantly less uncertainty than the turnaround of real estate funds or the success of the FIGG2 fund, for example. We have discussed the outlook for different product groups in more detail in our previous [report](#).
- Regarding forest funds, we remain significantly more cautious than the company in the short term. We are particularly concerned about a scenario in which an open-ended forest fund would have to postpone redemptions, resulting in a media frenzy similar to that seen with open-ended real estate funds. In this scenario, we find it difficult to see how negative publicity would not affect UB's fund as well, as has been the case in the real estate sector.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	57.3	57.2	0%	61.5	60.7	-1%	67.9	67.0	-1%
EBIT (exc. NRIs)	17.7	16.6	-6%	19.2	17.4	-10%	22.6	20.9	-8%
EBIT	17.7	16.6	-6%	19.2	17.4	-10%	22.6	20.9	-8%
EPS (excl. NRIs)	1.22	1.18	-3%	1.30	1.19	-9%	1.58	1.46	-8%
DPS	1.15	1.16	1%	1.20	1.20	0%	1.25	1.25	0%

Source: Inderes

Operational earnings drivers

- In our estimates, we expect new sales of spearhead funds to gradually pick up during 2026 and accelerate significantly starting in 2027. PE funds are a very welcome addition that bring much-needed breadth to the product offering. The second pillar of growth is wealth management, where we expect continued strong development. As a result of strong new sales, we forecast management fees and wealth management fees to increase by an annual average of 14% in 2025-2029.
- Performance-linked fees pose a key risk and are a variable in our forecasts. Since performance fees come from only a few funds, their predictability is poor. We expect continued strong performance fees in the coming years, although their relative share will decline. We acknowledge that performance fees still account for a significant portion of the group's total earnings and that improving profitability adjusted for performance fees is of paramount importance to the company. Due to growth investments, profitability is unlikely to improve significantly in 2026, but the conditions for improvement should be favorable from 2027 onwards. The company certainly has an opportunity to prove itself here, as improvements have been long overdue for years.
- Overall, we expect the company's earnings to remain flat in 2026 but to start growing rapidly in 2027, as new sales accelerate and cost efficiency improves. We forecast average EPS growth of around 18% for the period 2025–2029.



Group earnings estimates

MEUR	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Fee and commission income	48.3	49.4	58.7	54.1	57.6	64.6	73.3	80.1
Funds	39.0	40.8	49.6	41.8	42.5	47.0	53.7	58.6
Management fees	23.1	25.9	26.6	27.5	29.8	33.3	38.7	43.5
Performance fees	14.4	13.6	21.8	12.7	11.0	12.0	13.0	13.0
Subscription and redemption	1.5	1.3	1.3	1.6	1.6	1.7	2.0	2.1
Wealth management	5.4	5.2	7.0	7.4	9.3	11.8	13.7	15.7
Structured investment	2.2	2.5	1.3	3.5	2.7	2.7	2.7	2.7
Capital markets services	1.7	1.0	0.7	1.4	3.2	3.2	3.2	3.2
Other income	0.3	2.7	3.5	2.9	2.7	2.4	2.2	2.2
Income from investment services	48.6	52.2	62.1	57.1	60.3	67.0	75.5	82.3
Fee and commission expenses	-5.1	-4.8	-5.2	-5.1	-5.5	-6.1	-6.7	-7.1
Net fee and commission income	43.4	47.3	56.9	52.0	54.9	60.9	68.8	75.2
Personnel expenses	-17.5	-19.0	-21.0	-22.2	-24.2	-25.9	-27.7	-29.5
Other expenses	-9.4	-11.4	-12.5	-13.2	-13.3	-14.1	-14.5	-13.9
Operating profit	16.5	17.0	23.4	16.6	17.4	20.9	26.6	31.8
NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comparable EBIT-%	33.9 %	32.6 %	37.6 %	29.2 %	28.8 %	31.2 %	35.2 %	38.6 %
Personnel expenses/employee (tEUR)	-118	-119	-130	-135	-143	-149	-155	-160
Personnel (FTE)	148	160	161	165	169	174	179	184
Assets under management (MEUR)	4411	4585	4787	5158	5774	6364	6999	7634
Private equity funds	1254	1409	1326	1352	1543	1808	2118	2428
Traditional funds	718	845	1070	1046	1296	1446	1596	1746
Other fund capital	630	635	564	640	640	640	640	640
Asset management	441	367	529	724	899	1074	1249	1424
Other assets under management	1367	1330	1298	1396	1396	1396	1396	1396
Funds' fee income / fund AUM (%)	1.50%	1.41%	1.68%	1.38%	1.22%	1.21%	1.23%	1.22%
Management fees / fund AUM (%)	0.89%	0.90%	0.90%	0.91%	0.86%	0.86%	0.89%	0.90%
Share of recurring income*	59%	63%	57%	64%	68%	70%	72%	74%
Share of non-recurring income	41%	37%	43%	36%	32%	30%	28%	26%

Recurring income = fund management fees + wealth management fees

Asset and Wealth Management earnings forecasts

Asset and Wealth Management (MEUR)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Fund Management	39.0	40.8	49.6	41.8	42.5	47.0	53.7	58.6
Management fees	23.1	25.9	26.6	27.5	29.8	33.3	38.7	43.5
Performance fees	14.4	13.6	21.8	12.7	11.0	12.0	13.0	13.0
Subscription and redemption	1.5	1.3	1.3	1.6	1.6	1.7	2.0	2.1
Wealth management	5.4	5.2	7.0	7.4	9.3	11.8	13.7	15.7
Structured investment	2.2	2.5	1.3	3.5	2.7	2.7	2.7	2.7
Total revenue	46.8	50.6	60.6	54.5	56.3	63.0	71.4	78.3
Revenue growth-%	16%	8%	20%	-10%	3%	12%	13%	10%
Fee and commission expenses	-5.2	-4.8	-5.2	-5.1	-5.4	-6.0	-6.6	-7.0
Total other expenses	-22.1	-24.6	-26.8	-28.8	-30.8	-32.5	-34.5	-36.4
EBITDA	19.5	20.0	27.2	20.1	19.6	24.0	30.0	34.5
EBITDA-%	41.6 %	39.5 %	44.9 %	36.9 %	34.7 %	38.1 %	42.0 %	44.1 %
EBITDA excl. performance fees	3.5	5.1	4.2	5.8	7.0	10.4	15.0	19.4
EBITDA-% excl. performance fees	7.5 %	10.0 %	6.9 %	10.6 %	12.3 %	16.5 %	21.1 %	24.8 %
Assets under management	4411	4585	4787	5158	5774	6364	6999	7634
Private equity funds	1254	1409	1326	1352	1543	1808	2118	2428
Traditional funds	718	845	1070	1046	1296	1446	1596	1746
Other fund capital	630	635	564	640	640	640	640	640
Asset management	441	367	529	724	899	1074	1249	1424
Other assets under management	1367	1330	1298	1396	1396	1396	1396	1396
AUM growth y/y	-8%	4%	4%	8%	12%	10%	10%	9%
Funds' fee income / fund AUM (%)	1.50%	1.41%	1.68%	1.38%	1.22%	1.21%	1.23%	1.22%
Management fees / fund AUM (%)	0.89%	0.90%	0.90%	0.91%	0.86%	0.86%	0.89%	0.90%
Management fees of fund management & wealth management growth-%	10%	9%	8%	4%	12%	15%	16%	13%

Traditional funds = UB management company AUM excl. UB Forest, UB Finnish Property and UB Nordic Property funds

Equity funds = NFF funds, Lending Fund and UB Metsä, UB Suomi Property, UB Nordic Commercial Property, UB Renewable Energy and FIG

Earnings growth drives share price

We have examined the valuation of UB using a cash flow model (DCF) and valuation multiples. Our key valuation metrics suggest that the stock is, at best, neutrally valued in the short term. In the long term, we believe the expected return on the stock is highly attractive at current levels, but this requires the realization of our forecast earnings growth. In the short term, there are few share price drivers, as earnings growth is not picking up. We reiterate our EUR 18.0 target price and Reduce recommendation and will await signs of a return to earnings growth.

Without earnings growth, expected return remains modest

Based on our 2025-2026 earnings estimates, UB's earnings-based valuation is around 15-16x, which is a rather high level for UB, given its weak earnings mix. Over the past five years, UB has traded at an average P/E of 14x. The company's positive earnings growth outlook and clear operational improvements over the past 5 years would justify even higher valuations, but the emphasis on performance fees in the earnings mix clearly lowers the acceptable valuation level for the company. In our opinion, it is clear that there is no upside in the current multiples, and shareholder returns must come from earnings growth. Once earnings growth begins, the multiples will quickly become very attractive, and, if our estimates materialize, we believe the share's +3-year expected return will be very good. However, in the short term, drivers of the share are scarce as earnings growth is still pending, and, at the same time, investors bear the obvious risk associated with realization of performance fees.

The expected near-term return relies largely on a strong dividend yield of +6%. Relative to its peers, UB is priced roughly in line with them. We believe this is justified and cannot think of reasons why UB would deserve higher or lower valuation multiples than its peers. This also supports our view that the stock is correctly priced.

Cash flow model reflects long-term potential

According to our DCF model, the value for UB is around EUR 23 (was EUR 21.7). We note that the model relies on the expectation of strong earnings growth in 2027-2029, with earnings remaining at record levels. We believe that the DCF model gives a true picture of the company's potential once the short-term uncertainty is resolved. We apply a 10% ROE requirement to UB, which is moderately in line with the company's main peers. With UB, the required return is increased in particular by the forecast risks associated with performance fees. Consequently, a lower level than the current one would also be justified if UB could improve its fee mix and increase its profitability based on recurring fees.

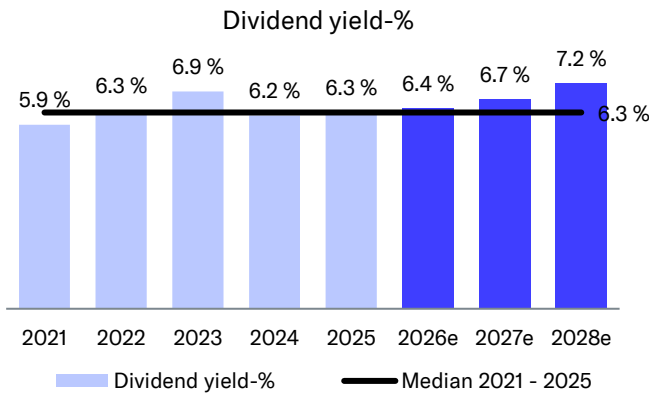
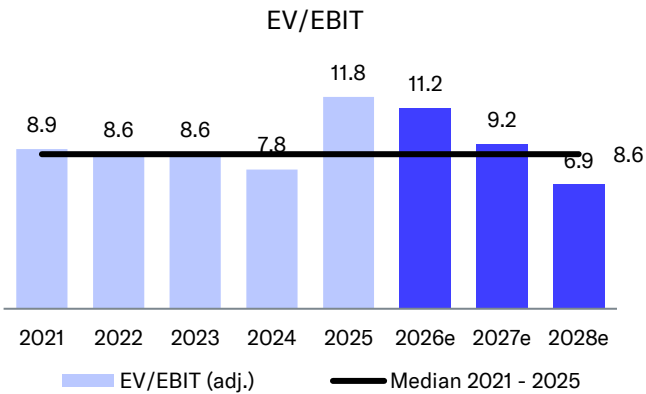
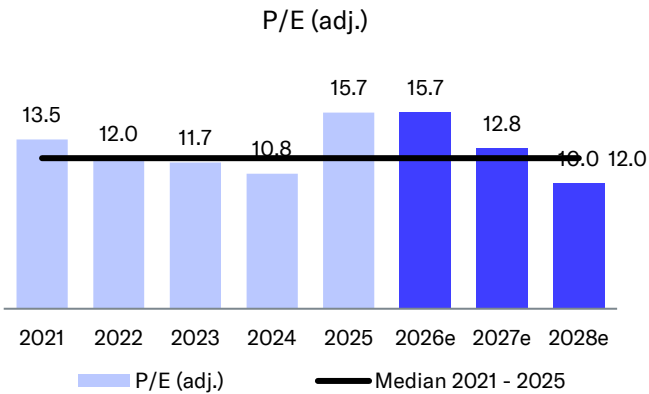
	2026e	2027e	2028e
Share price	18.7	18.7	18.7
Number of shares, millions	11.0	11.0	11.1
Market cap	206	206	207
EV	191	188	180
P/E (adj.)	15.7	12.8	10.0
P/E	15.7	12.8	10.0
P/B	3.3	3.1	2.9
P/S	3.4	3.1	2.8
EV/Sales	3.1	2.8	2.4
EV/EBITDA	9.4	7.8	6.0
EV/EBIT (adj.)	11.0	9.0	6.8
Payout ratio (%)	100.7 %	85.5 %	72.2 %
Dividend yield-%	6.4 %	6.7 %	7.2 %

Source: Inderes

Valuation table

	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	13.6	14.2	14.4	17.8	18.5	18.7	18.7	18.7	18.7
Number of shares, millions	10.4	10.6	10.8	10.9	10.9	11.0	11.0	11.1	11.1
Market cap	141	151	155	195	202	206	206	207	208
EV	129	142	147	182	193	191	188	180	170
P/E (adj.)	13.5	12.0	11.7	10.8	15.7	15.7	12.8	10.0	8.3
P/E	13.7	12.0	11.7	10.8	15.7	15.7	12.8	10.0	8.3
P/B	3.2	3.2	3.0	3.2	3.2	3.3	3.1	2.9	2.5
P/S	3.2	3.1	3.0	3.1	3.5	3.4	3.1	2.8	2.5
EV/Sales	2.9	2.9	2.8	2.9	3.4	3.1	2.8	2.4	2.1
EV/EBITDA	8.1	7.7	7.6	7.0	9.8	9.4	7.8	6.0	4.8
EV/EBIT (adj.)	8.9	8.6	8.6	7.8	11.6	11.0	9.0	6.8	5.3
Payout ratio (%)	80.3 %	76.4 %	81.1 %	66.7 %	98.1 %	100.7 %	85.5 %	72.2 %	85.0 %
Dividend yield-%	5.9 %	6.3 %	6.9 %	6.2 %	6.3 %	6.4 %	6.7 %	7.2 %	10.2 %

Source: Inderes



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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Alexandria	128	119	9.0	8.2	7.8	7.0	2.2	2.0	13.1	11.9	7.4	8.1	3.5
Aktia	897								10.9	10.1	6.7	7.4	1.3
CapMan	324	362	9.0	7.2	8.8	7.0	4.8	4.1	12.1	10.4	8.8	9.3	1.7
eQ	478	449	13.1	12.5	12.7	12.1	6.5	6.1	17.7	16.7	5.7	6.2	6.3
Evli	656	626	11.1	10.2	10.5	9.8	4.9	4.6	16.2	14.7	5.3	5.7	3.8
Taaleri	210	164	5.0	4.9	4.9	4.8	2.7	2.4	9.3	8.8	5.4	6.0	0.9
Titanium	76	65	11.3	14.2	10.3	12.5	3.2	3.3	16.3	19.5	6.0	5.0	5.0
Mandatum	3415	3351	18.3	18.9	18.3	18.9	18.4	18.1	23.3	22.2	10.5	8.4	4.0
United Bankers (Inderes)	206	188	11.0	9.0	9.4	7.8	3.1	2.8	15.7	12.8	6.4	6.7	3.3
Average			11.0	10.9	10.4	10.3	6.1	5.8	14.8	14.3	7.0	7.0	3.3
Median			11.1	10.2	10.3	9.8	4.8	4.1	14.6	13.3	6.3	6.8	3.7
Diff-% to median			-1 %	-12 %	-9 %	-20 %	-34 %	-32 %	7 %	-4 %	1 %	-1 %	-10 %

Source: Refinitiv / Inderes

Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
Revenue	62.1	29.1	28.1	57.2	29.4	31.3	60.7	67.0	75.4	82.2
EBITDA	26.1	10.3	9.3	19.6	9.5	10.9	20.4	24.1	30.1	35.5
Depreciation	-2.7	-1.5	-1.5	-3.0	-1.5	-1.5	-3.0	-3.2	-3.5	-3.7
EBIT (excl. NRI)	23.4	8.8	7.8	16.6	8.0	9.4	17.4	20.9	26.6	31.8
EBIT	23.4	8.8	7.8	16.6	8.0	9.4	17.4	20.9	26.6	31.8
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTP	23.4	8.8	7.8	16.6	8.0	9.4	17.4	20.9	26.6	31.8
Taxes	-4.9	-1.8	-1.7	-3.5	-1.6	-1.9	-3.5	-4.0	-5.1	-6.0
Minority interest	-0.4	-0.2	0.0	-0.2	-0.4	-0.4	-0.8	-0.8	-0.8	-0.8
Net earnings	18.0	6.8	6.1	12.9	6.0	7.1	13.1	16.1	20.7	25.0
EPS (adj.)	1.64	0.62	0.56	1.18	0.55	0.64	1.19	1.46	1.87	2.24
EPS (rep.)	1.65	0.62	0.56	1.18	0.55	0.64	1.19	1.46	1.87	2.24

Key figures	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
Revenue growth-%	19.2 %	-12.0 %	-3.6 %	-8.0 %	1.1 %	11.6 %	6.3 %	10.3 %	12.4 %	9.1 %
Adjusted EBIT growth-%	37.8 %	-34.8 %	-20.6 %	-28.8 %	-8.9 %	19.4 %	4.4 %	20.4 %	27.1 %	19.6 %
EBITDA-%	42.0 %	35.5 %	33.2 %	34.4 %	32.4 %	34.6 %	33.5 %	36.0 %	39.9 %	43.2 %
Adjusted EBIT-%	37.6 %	30.3 %	27.9 %	29.1 %	27.3 %	29.8 %	28.6 %	31.2 %	35.3 %	38.7 %
Net earnings-%	29.0 %	23.5 %	21.7 %	22.6 %	20.5 %	22.6 %	21.6 %	24.1 %	27.5 %	30.4 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	47.0	47.6	52.5	53.3	53.9
Goodwill	15.6	15.6	19.6	19.6	19.6
Intangible assets	6.6	7.3	8.2	8.8	9.3
Tangible assets	2.1	1.9	2.0	2.2	2.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	22.8	22.8	22.8	22.8	22.8
Other non-current assets	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	41.5	33.4	38.5	42.7	51.5
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	26.3	21.3	21.3	21.3	21.3
Receivables	1.8	1.7	1.8	2.0	2.3
Cash and equivalents	13.3	10.3	15.3	19.3	27.9
Balance sheet total	88.5	81.0	91.0	96.0	105

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	61.4	63.2	64.4	68.2	75.9
Share capital	5.5	5.5	5.5	5.5	5.5
Retained earnings	35.3	36.7	37.1	40.0	47.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	20.3	20.3	20.3	20.3	20.3
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.3	0.8	1.6	2.4	3.2
Non-current liabilities	1.8	1.8	1.8	1.8	1.8
Deferred tax liabilities	1.8	1.8	1.8	1.8	1.8
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.0	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	25.2	24.1	24.7	26.0	27.6
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	12.6	11.5	12.1	13.4	15.1
Other current liabilities	12.6	12.6	12.6	12.6	12.6
Balance sheet total	88.4	89.1	91.0	96.0	105

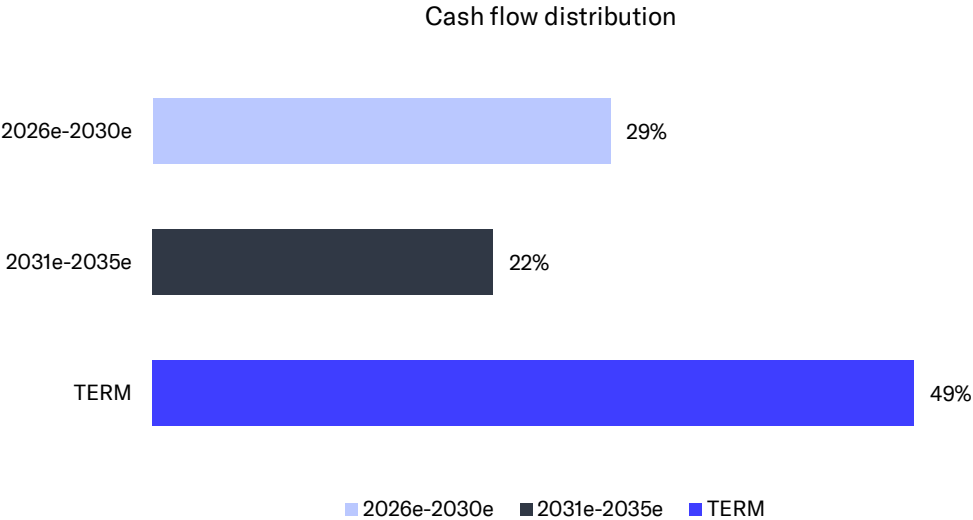
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-8.0 %	6.3 %	10.3 %	12.4 %	9.1 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	29.1 %	28.6 %	31.2 %	35.3 %	38.7 %	33.0 %	32.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
EBIT (operating profit)	16.6	17.4	20.9	26.6	31.8	28.0	27.9	27.0	27.8	28.6	29.3	
+ Depreciation	3.0	3.0	3.2	3.5	3.7	3.9	4.0	4.1	4.2	4.3	4.4	
- Paid taxes	-3.5	-3.5	-4.0	-5.1	-6.0	-5.3	-5.3	-5.1	-5.3	-5.4	-5.6	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	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	4.0	0.6	1.1	1.4	1.2	0.4	0.4	0.4	0.5	0.5	0.4	
Operating cash flow	20.1	17.4	21.2	26.5	30.6	26.9	27.1	26.4	27.2	27.9	28.5	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.6	-7.9	-4.1	-4.1	-4.3	-4.3	-4.4	-4.4	-4.5	-4.5	-5.9	
Free operating cash flow	16.6	9.5	17.2	22.3	26.4	22.6	22.7	22.0	22.7	23.4	22.6	
+/- Other	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	10.6	9.5	17.2	22.3	26.4	22.6	22.7	22.0	22.7	23.4	22.6	309
Discounted FCFF		8.8	14.4	17.0	18.2	14.2	13.0	11.4	10.7	10.0	8.8	121
Sum of FCFF present value		247	238	224	207	189	175	162	150	139	129	121
Enterprise value DCF		247										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		10.3										
-Minorities		-5.0										
-Dividend/capital return		0.0										
Equity value DCF		252										
Equity value DCF per share		23.0										

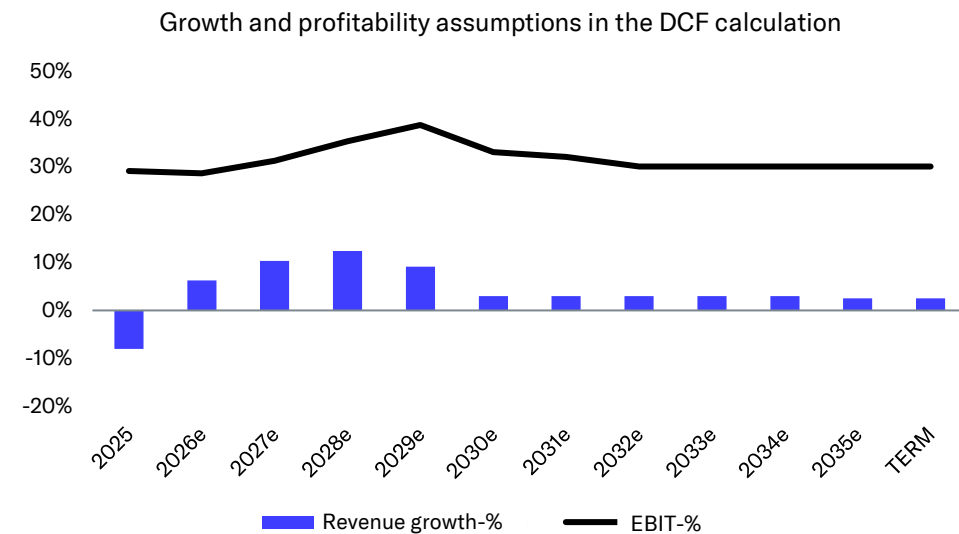
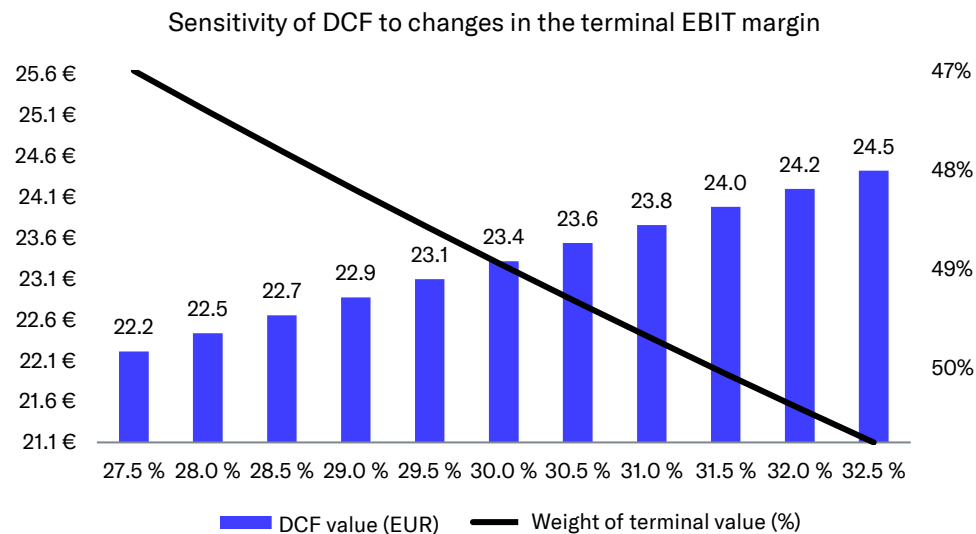
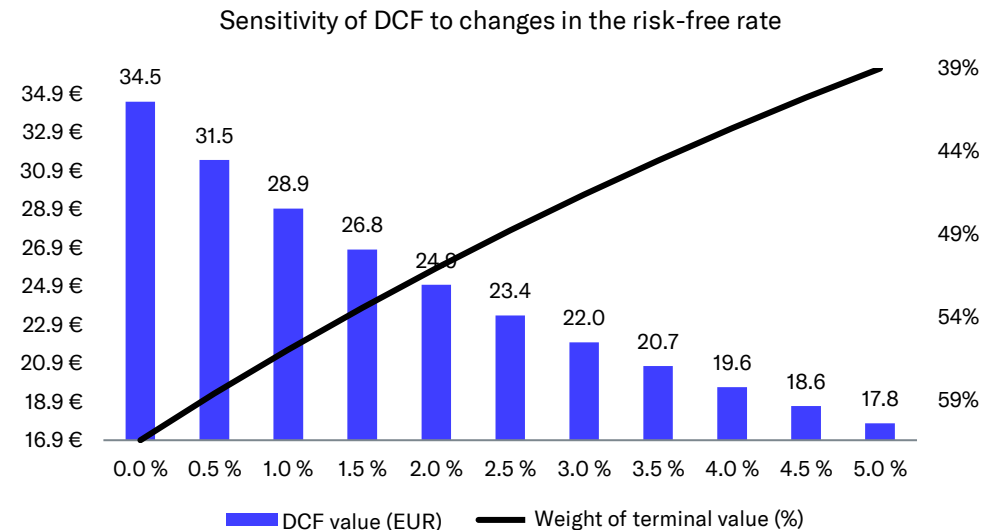
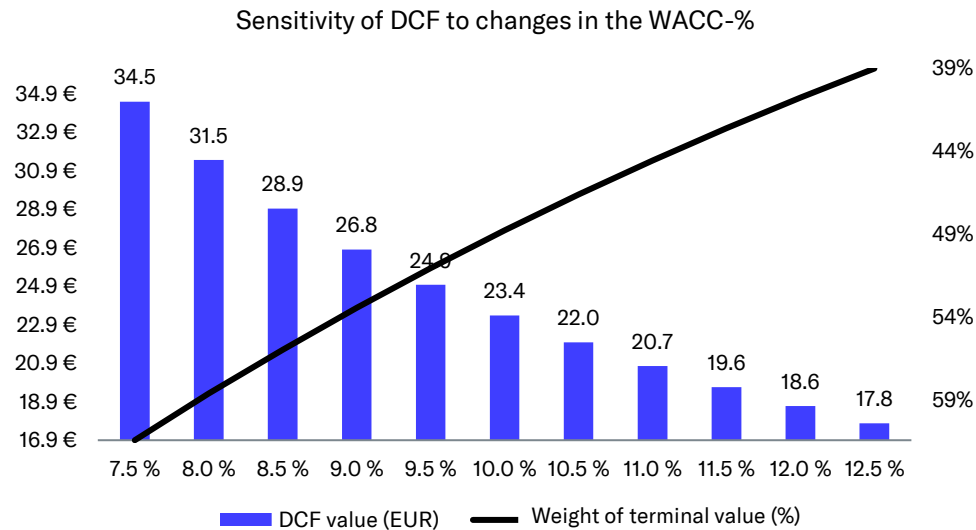
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.80%
Risk free interest rate	2.5 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	10.0 %

Source: Inderes



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	Per share data	2023	2024	2025	2026e	2027e
Revenue	52.1	62.1	57.2	60.7	67.0	EPS (reported)	1.23	1.65	1.18	1.19	1.46
EBITDA	19.2	26.1	19.6	20.4	24.1	EPS (adj.)	1.23	1.65	1.18	1.19	1.46
EBIT	17.0	23.4	16.6	17.4	20.9	OCF / share	1.22	2.69	1.84	1.59	1.92
PTP	17.0	23.4	16.6	17.4	20.9	OFCF / share	0.94	1.14	0.97	0.87	1.56
Net Income	13.3	18.0	12.9	13.1	16.1	Book value / share	4.75	5.59	5.71	5.72	5.96
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	1.00	1.10	1.16	1.20	1.25
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	76.1	88.5	81.0	91.0	96.0	Revenue growth-%	7%	19%	-8%	6%	10%
Equity capital	51.6	61.4	63.2	64.4	68.2	EBITDA growth-%	4%	36%	-25%	4%	19%
Goodwill	15.6	15.6	15.6	19.6	19.6	EBIT (adj.) growth-%	3%	38%	-29%	4%	20%
Net debt	-9.4	-13.3	-10.3	-15.3	-19.3	EPS (adj.) growth-%	4%	34%	-28%	1%	23%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	36.8 %	42.0 %	34.4 %	33.5 %	36.0 %
EBITDA	19.2	26.1	19.6	20.4	24.1	EBIT (adj.)-%	32.5 %	37.6 %	29.1 %	28.6 %	31.2 %
Change in working capital	-3.4	9.4	4.0	0.6	1.1	EBIT-%	32.5 %	37.6 %	29.1 %	28.6 %	31.2 %
Operating cash flow	13.2	29.4	20.1	17.4	21.2	ROE-%	26.9 %	32.1 %	20.9 %	20.9 %	25.1 %
CAPEX	-3.0	-16.9	-3.6	-7.9	-4.1	ROI-%	34.1 %	41.4 %	26.7 %	27.2 %	31.5 %
Free cash flow	10.2	12.4	10.6	9.5	17.2	Equity ratio	67.8 %	69.4 %	78.1 %	70.8 %	71.1 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-18.1 %	-21.6 %	-16.4 %	-23.8 %	-28.3 %
EV/S	2.8	2.9	3.4	3.2	2.9						
EV/EBITDA	7.6	7.0	10.0	9.6	8.0						
EV/EBIT (adj.)	8.6	7.8	11.8	11.2	9.2						
P/E (adj.)	11.7	10.8	15.7	15.7	12.8						
P/B	3.0	3.2	3.2	3.3	3.1						
Dividend-%	6.9 %	6.2 %	6.3 %	6.4 %	6.7 %						

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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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/23/2019	Reduce	7.50 €	7.40 €
12/16/2019	Sell	8.20 €	9.35 €
12/20/2019	Sell	8.20 €	8.95 €
2/7/2020	Reduce	9.00 €	9.45 €
3/3/2020	Reduce	9.00 €	8.90 €
3/23/2020	Reduce	6.40 €	6.90 €
5/14/2020	Reduce	7.50 €	7.75 €
6/8/2020	Reduce	8.00 €	7.95 €
8/27/2020	Reduce	8.80 €	9.00 €
10/26/2020	Reduce	9.00 €	9.30 €
2/22/2021	Reduce	11.00 €	12.80 €
5/26/2021	Reduce	13.00 €	13.15 €
8/27/2021	Reduce	12.50 €	14.30 €
9/24/2021	Reduce	14.00 €	13.60 €
2/21/2022	Reduce	14.00 €	13.95 €
4/11/2022	Reduce	14.00 €	13.70 €
8/29/2022	Reduce	14.00 €	13.85 €
2/6/2023	Accumulate	16.00 €	14.30 €
2/20/2023	Accumulate	16.00 €	14.80 €
8/25/2023	Accumulate	16.00 €	14.80 €
2/19/2024	Accumulate	17.00 €	14.60 €
3/7/2024	Accumulate	19.00 €	17.00 €
6/26/2024	Reduce	19.00 €	18.55 €
8/26/2024	Reduce	19.00 €	19.35 €
2/14/2025	Reduce	18.00 €	17.90 €
5/19/2025	Reduce	17.00 €	17.15 €
8/22/2025	Reduce	18.00 €	17.50 €
12/2/2025	Reduce	18.00 €	18.50 €
2/13/2026	Reduce	18.00 €	18.70 €



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