REAKTOR GROUP

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Software Product business unwinds undervaluation

We reiterate our Accumulate recommendation and EUR 8.3 target price for Reaktor. Although Reaktor's Q3 revenue fell slightly short of our expectations, operational efficiency pushed adjusted EBIT well above our forecast. We made only marginal changes to our forecasts. We expect solid performance in the sector context during the strategy period, but our estimates are still below the company's targets. In our view, the stock's valuation (2026e P/E of 11x) is attractive, to say the least, and the Software Product business will need to continue showing strong progress for the undervaluation to be resolved. Our recently published extensive initiation of coverage report on Reaktor remains highly relevant and can be read here.

Revenue grew more slowly than expected in Q3

Organic revenue grew by 3% to 28 MEUR and was slightly below our estimate of 29 MEUR, but the growth outperformed the sector (Q2'26: -3%). At the segment level, the shortfall was driven by the Technology Solutions business, as well as a slower-than-expected development in revenue per employee, according to our calculations. Geographically, growth in Q3 came almost entirely from the United States. In the big picture, revenue development was moderate but not at the targeted level, reflecting, in our view, the still-demanding demand environment in the IT services market and the lack of license sales.

Operational efficiency still drove earnings above expectations

Adjusted EBIT was 2.5 MEUR (8.9% of revenue) and clearly exceeded our expectation of 2.0 MEUR, although it fell short of the strong comparison period. Without the non-recurring Business Finland item that we adjusted, adjusted EBIT would have been 3.2 MEUR (11.3%). At the segment level, stronger-than-expected operational efficiency in terms of costs in the Technology Solutions business drove the result above our expectations. As expected, meanwhile, the Software Product business was in an investment phase, which limited its profitability growth. Lower down, earnings from Reaktor Ecosystem associate companies fell slightly short of expectations, and finance expenses were slightly higher than we estimated. Thus, adjusted EPS were EUR 0.08, missing our forecast by one cent.

We forecast excellent performance in a sector context

Reaktor's Q3 was largely in line with our expectations (soft revenue and better earnings), and we made only minor estimate revisions. We estimate Reaktor to grow very strongly this year (13%) and its profitability to be among the top tier in the sector (adj. EBIT-% 13%). In the coming years, we expect growth to slow down slightly and profitability to remain strong. Thus, we expect the company to be at an excellent level of 20 in the sector context during the strategy period, as measured by our Rule of 20 (organic growth % + EBITA %). Following the IPO, the company raised funds, which combined with strong cash flow and debt leverage, enables "organic" investments and/or acquisitions representing a revenue level of over 100 MEUR during the strategy period. Reaktor's key risks are related to the dilution of its exceptional expertise and employer brand in one way or another, as well as the AI disruption risk.

We find the stock's valuation attractive at the least

In terms of its investment profile, Reaktor is an earnings grower. Based on the valuation methods we apply (2026e valuation multiples P/E 11x and EV/EBIT 7x, relative valuation ~30% below peers, sum of the parts EUR 8.9, DCF model EUR 9.4, and return expectation for the share ~15%), the fair value range for the share is EUR 8-9.5. Due to the large earnings impact of the Software Product business and still thin evidence of competitiveness, we apply the lower end of the range. In our view, the market is currently primarily pricing the largely stable and predictable Technology Solutions business and Ecosystem business, whereas the potential earnings of the Software Product business come at less than half the price of our base-case scenario at the current share price. Thus, according to our assessment, continued evidence of development in the Software Product business will help reverse this clear undervaluation, which should be sufficient with the continuation of the 2026e earnings level alone.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 8.30
(was EUR 8.30)

Share price:
EUR 6.90

Business risk



Valuation risk



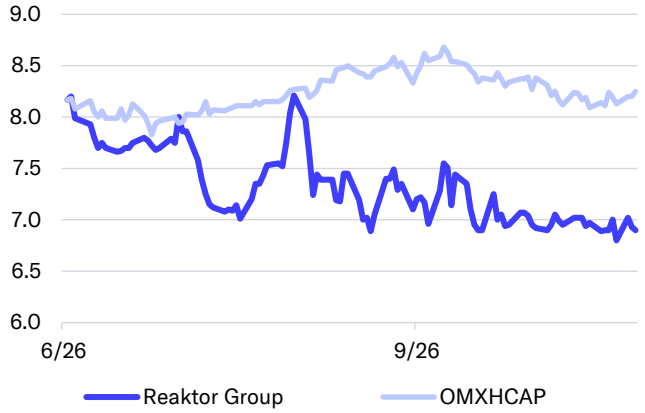
	2025	2026e	2027e	2028e
Revenue	117.7	132.4	146.0	154.0
growth-%	1%	13%	10%	5%
EBIT adj.	10.6	17.6	17.4	19.2
EBIT-% adj.	9.0 %	13.3 %	11.9 %	12.5 %
Net Income	7.8	-8.4	17.1	18.9
EPS (adj.)	0.47	0.63	0.67	0.74
P/E (adj.)		10.9	10.3	9.3
P/B		3.6	2.9	2.3
Dividend yield-%		2.6 %	2.9 %	3.2 %
EV/EBIT (adj.)		6.8	6.1	4.8
EV/EBITDA		neg.	5.0	4.0
EV/S		0.9	0.7	0.6

Source: Inderes

Guidance (Unchanged)

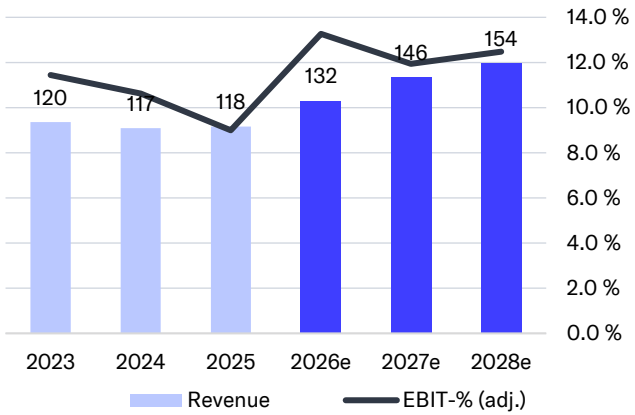
Reaktor is not officially providing guidance, but in connection with its IPO, the company projected that its revenue would grow in 2026. The company does not provide estimates on business profitability.

Share price



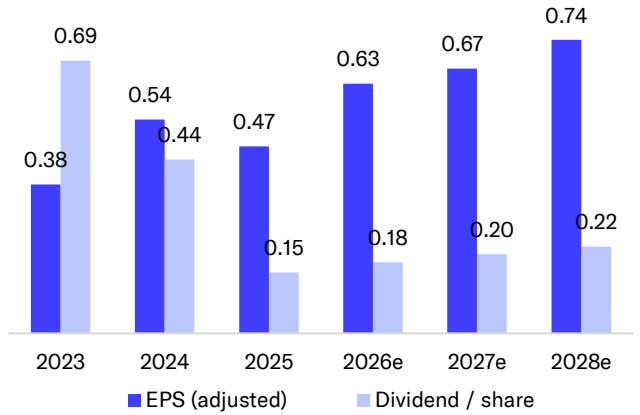
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Growth of the Software Product business and its scalability
- Expansion of the Reaktor Ecosystem venture business, particularly internationally
- Continued internationalization of the Technology Solutions business
- Value creation through organic growth and acquisitions
- Easing fears of AI disruption

Risk factors

- Deterioration of culture and employer brand
- The disruptive threat of AI
- Large customer risk
- Acquisitions (no history and risk in cultural integration)
- The limited liquidity of the stock, combined with the potential selling pressure from long-term owners
- Weakening market conditions, wage inflation, and attrition

Valuation	2026e	2027e	2028e
Share price	6.90	6.90	6.90
Number of shares, millions	25.5	25.5	25.5
Market cap	176	176	176
EV	119	107	93
P/E (adj.)	10.9	10.3	9.3
P/E	neg.	10.3	9.3
P/B	3.6	2.9	2.3
P/S	1.3	1.2	1.1
EV/Sales	0.9	0.7	0.6
EV/EBITDA	neg.	5.0	4.0
EV/EBIT (adj.)	6.8	6.1	4.8
Payout ratio (%)	neg.	29.8 %	29.6 %
Dividend yield-%	2.6 %	2.9 %	3.2 %

Source: Inderes

Revenue grew slower than expected, but earnings beat expectations in Q3

Still good growth in the sector context

Organic revenue grew by 3% to 28.0 MEUR and was slightly below our estimate of 29.1 MEUR (estimated growth 7%). However, this growth outperformed the sector (Q2'26: −3%). The Software Product business progressed as we expected, generating 1.7 MEUR in revenue, largely driven by recurring expert services (0.1 MEUR in licenses). Consequently, the deviation from our revenue estimate stemmed from the Technology Solutions business. According to the company, growth was supported by an increase in billable hours, though our calculations suggest that growth in revenue per employee (excluding materials and services) slowed significantly from H1'26. In the big picture, revenue development was moderate but not at the targeted level, reflecting, in our view, the still-demanding demand environment in the IT services market and the lack of license sales.

Geographically, growth in Q3 came practically entirely from the United States, where revenue grew by 23% to 5.9 MEUR (Q3'25: 4.8 MEUR). Domestic revenue was consistent with the comparison period at 16.4 MEUR, reflecting, in our view, sluggish demand and intense price competition in the Finnish IT services market. Revenue in Other Europe, on the other hand, decreased by 8% to 4.6 MEUR (Q3'25: 5.0 MEUR), while revenue in other markets was 1.1 MEUR (+3%). The share of international markets in the group's revenue increased slightly to 41% (Q3'25: 40%). Looking at the year to date as a whole, international growth has clearly been stronger in Other Europe (+39%) and the United States (+37%), while growth in Finland has remained at 5%. The strong growth in Other Europe indicates NATO contract(s).

As expected, the company continued its investments, and the number of employees increased by 19 quarter-on-quarter to 716 at the end of Q3. This aligns with the growth investments in the strategy, reflects confidence in the future, and mitigates the risk associated with the listing regarding an increase in employee turnover.

Core business efficiency drove an earnings beat

Adjusted EBIT was 2.5 MEUR (8.9% of revenue) and clearly exceeded our expectation of 2.0 MEUR, although it fell short of the strong comparison period. Excluding the non-recurring Business Finland item, which we adjusted, the adjusted EBIT would have been 3.2 MEUR (11.3%), meaning the overperformance would have been even more pronounced. At the segment level, stronger-than-expected operational efficiency in the Technology Solutions business drove the result above our expectations, as adj. EBIT was 2.6 MEUR, or 10% of revenue (estimate 2.0 MEUR). An earnings beat was achieved, even though we adjusted away 0.7 MEUR of Business Finland support, which the company itself does not adjust for. Additionally, as anticipated, the Software Products business was in an investment phase, which limited profitability growth (−0.1 MEUR). Segment figures for the comparison period are unavailable because, in 2025, expert services related to software products were reported as part of the Technology Solutions business. Reported EBIT was broadly weighed down, as expected, by a non-recurring, non-cash item of 0.7 MEUR related to changes in the value of employee shares. Lower down, earnings from Reaktor Ecosystem associate companies fell slightly (0.4 MEUR) short of expectations, and finance expenses were slightly (0.2 MEUR) higher than we estimated. Thus, adjusted EPS were EUR 0.08, slightly missing our forecast of EUR 0.09.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	27.2	28.0	29.1				-4%	132
EBITDA	5.0	3.5	2.5				41%	-5.9
EBIT (adj.)	4.1	2.5	2.0				26%	17.6
EBIT	4.0	2.5	1.5				68%	-10.0
PTP	3.9	2.8	2.3				19%	-5.4
EPS (adj.)	0.15	0.08	0.09				-14%	0.63
EPS (reported)	0.14	0.08	0.07				9%	-0.33
Revenue growth-%	9.7 %	2.8 %	6.9 %				-4.1 pp	12.5 %
EBIT-% (adj.)	15.1 %	8.9 %	6.8 %				2.1 pp	13.3 %

Source: Inderes

Cash flow was weak due to timing reasons and the balance sheet remains strong

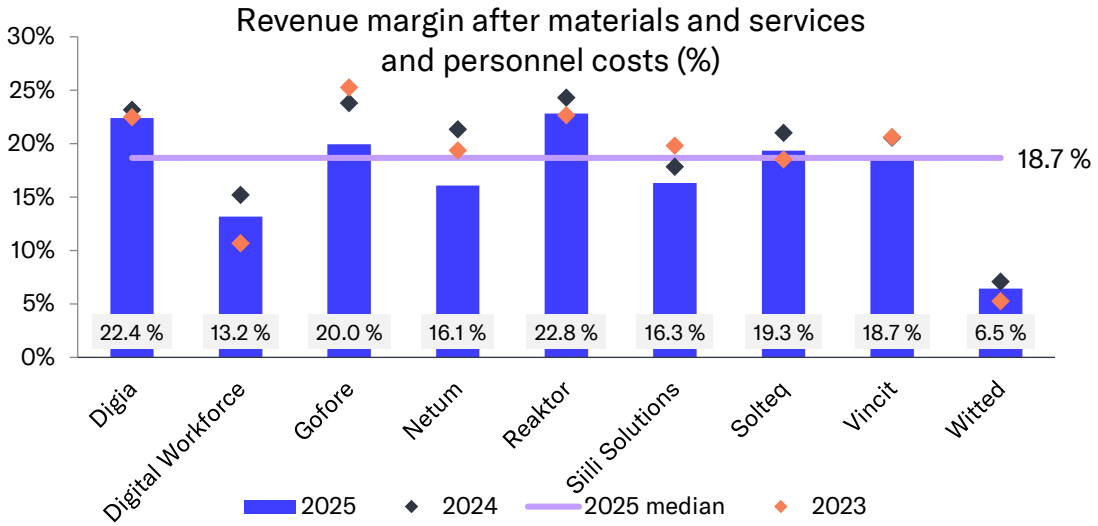
Cash flow was weighed down by the timing of IPO expenses in Q3

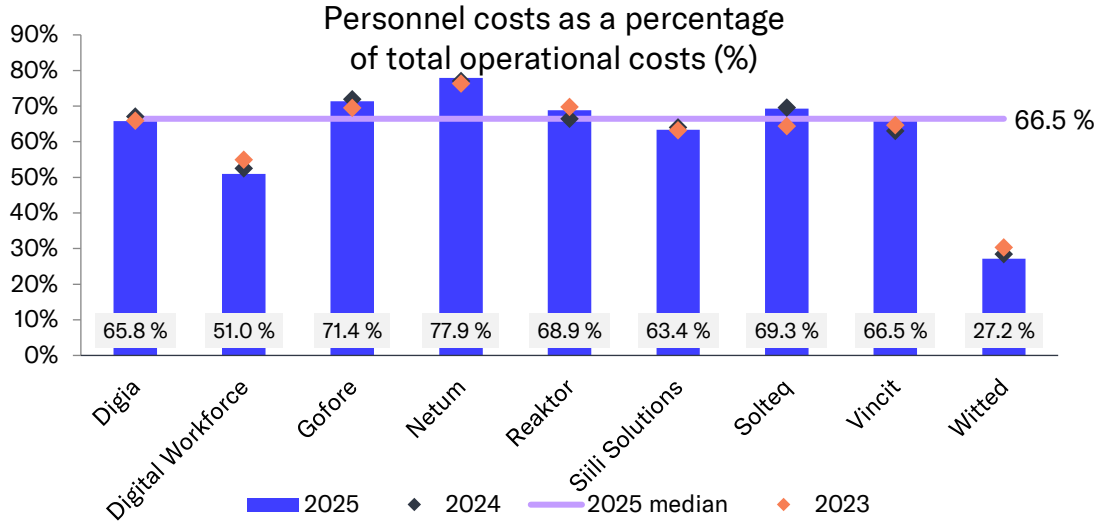
Cash flow from operations in Q3 was -1.1 MEUR (Q3'25: 3.0 MEUR), which the company stated was mainly due to the timing of significant IPO-related payments in Q3. Therefore, we consider the weak quarterly cash flow to be of a temporary nature. Cash flow from operating activities for Q1–Q3 was a robust 9.4 MEUR (2.7 MEUR) and cash conversion was 75%. Thanks to ~20 MEUR in IPO proceeds, the balance sheet is very strong with 25 MEUR in cash and cash equivalents at the end of September, a 19 MEUR net cash position (net gearing of -37%), and an equity ratio of 60.7% (67.8% adjusted for redemption liabilities). In our view, this strong balance sheet puts the company in a good position to finance its planned growth investments in the Software Product business, internationalization, and selected acquisitions.

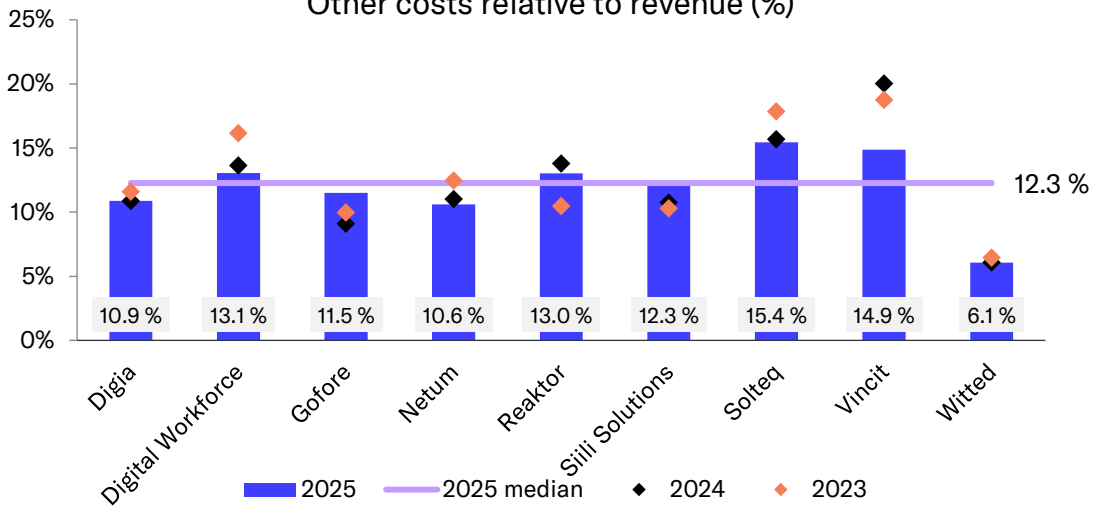
Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	27.2	28.0	29.1				-4%	132
EBITDA	5.0	3.5	2.5				41%	-5.9
EBIT (adj.)	4.1	2.5	2.0				26%	17.6
EBIT	4.0	2.5	1.5				68%	-10.0
PTP	3.9	2.8	2.3				19%	-5.4
EPS (adj.)	0.15	0.08	0.09				-14%	0.63
EPS (reported)	0.14	0.08	0.07				9%	-0.33
Revenue growth-%	9.7 %	2.8 %	6.9 %				-4.1 pp	12.5 %
EBIT-% (adj.)	15.1 %	8.9 %	6.8 %				2.1 pp	13.3 %

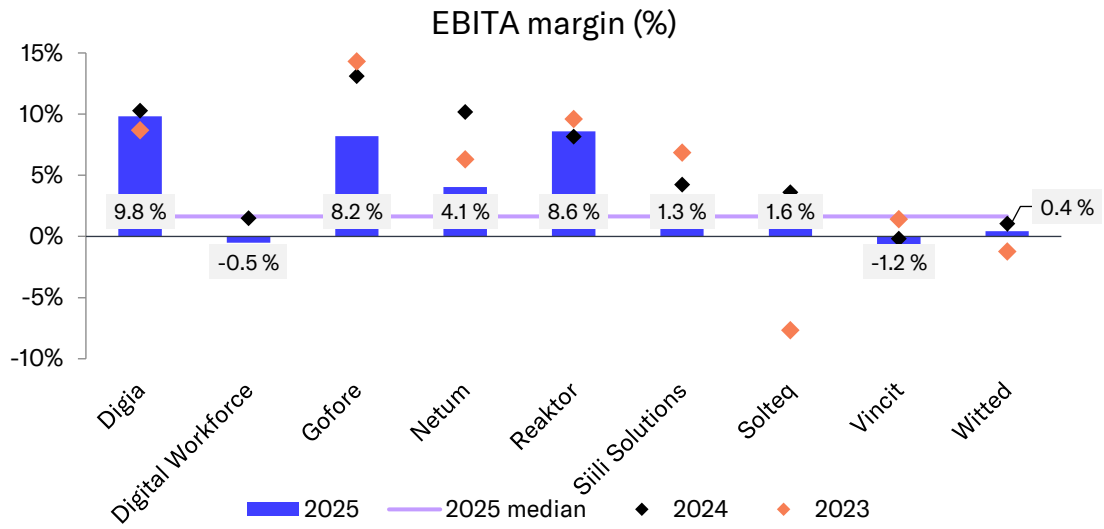
Source: Inderes

Relevant reported indicators for the sector 1/2



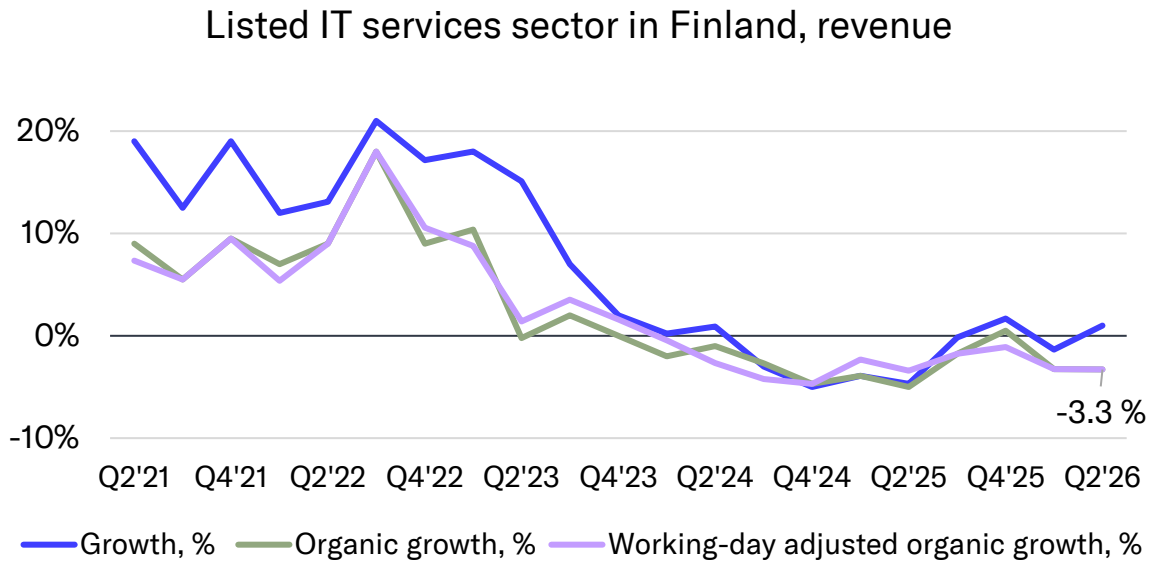


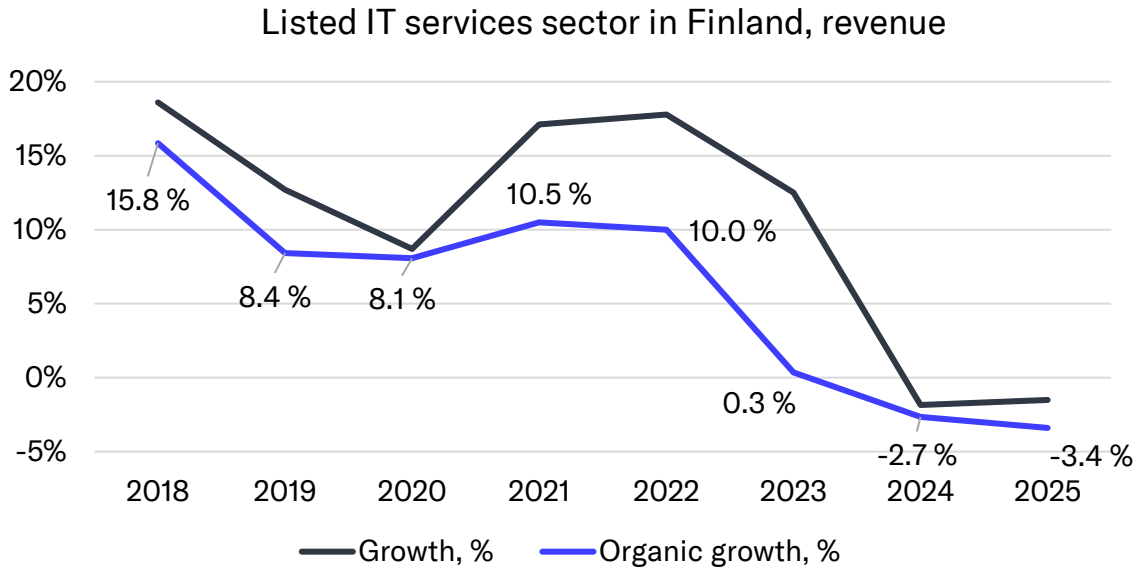


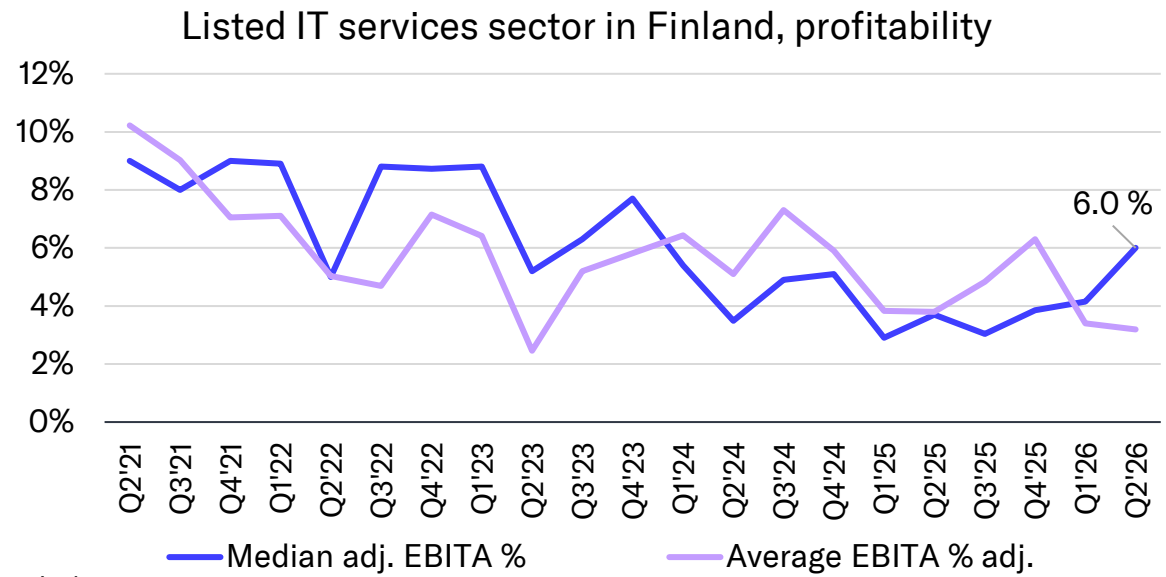


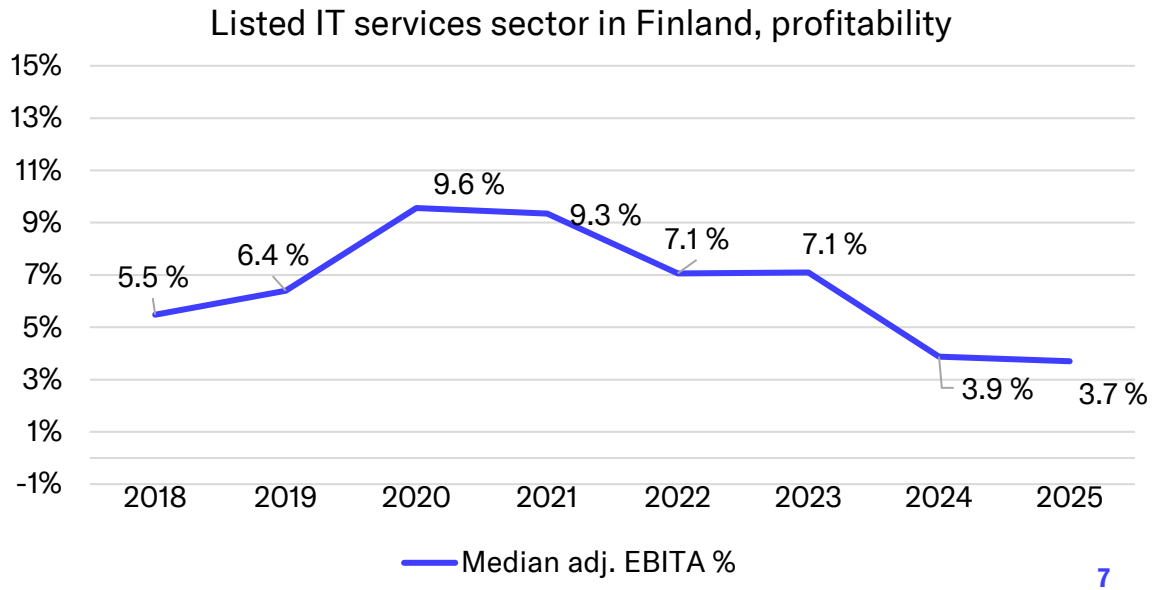
Source: Inderes and the companies

Relevant reported indicators for the sector 2/2









Source: Inderes

Only marginal changes to our estimates

Revenue forecast declined, but earnings forecast rose

We lowered our revenue forecast for 2026 by 2% to 132 MEUR. The revision was partly due to a more sluggish Q3 than we anticipated, but we also reduced our Q4 estimate (33.1 MEUR, prev. 34.4 MEUR) due to slower-than-expected revenue per employee development. In turn, our adjusted EBIT estimate for 2026 increased by 2% to 17.6 MEUR, mainly thanks to a strong Q3. Our estimates for 2027–2028 remained largely unchanged overall.

Software Product business drives next year's growth

We estimate that Reaktor's revenue will grow by 12.5% this year, but excluding the license revenue of the Software Product business (7.7 MEUR), the growth is 6%. We estimate adjusted EBIT to be 17.6 MEUR (13.3% of revenue), and excluding licenses, around 12 MEUR (~10% of revenue).

The company still has significant potential for improvement in efficiency, as other operating expenses will account for approximately 15% of revenue in 2026, whereas the sector's best performers achieve a level of around 10%. Including license revenue, the company should theoretically also have the opportunity to achieve a level below 10%. However, we estimate that the company intends to continue investing more heavily in employee well-being than other companies do, which makes a level just above 10% very possible in the long term.

We estimate that the group's revenue will grow by around 10% in 2027. At the segment level, we expect the Technology Solutions business to grow 6% and the Software Product business 46%, reaching 21 MEUR. In the Software Product business, we estimate service revenue to grow by 34% to 9 MEUR and license revenue by 56% to 12 MEUR. License revenue consists of large individual deals, so it should not be examined quarterly but rather annually.

We estimate that adjusted EBIT for 2027 will be 17.4 MEUR (12% of revenue), with Technology Solutions accounting for 8.8 MEUR and Software Products accounting for 8.7 MEUR. Excluding licenses, adjusted EBIT would be 9.0 MEUR. On the lower lines, we forecast that the share of earnings from associated companies will be 3.0 MEUR (2026e: 4.3 MEUR, including a gain on sale of approximately 2.2 MEUR). Earnings from associated companies can vary significantly from quarter to quarter and should therefore also be examined on an annual basis.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	135	132	-2%	146	146	0%	156	154	-1%
EBITDA	-6.8	-5.9	14%	21.6	21.4	-1%	23.7	23.5	-1%
EBIT (exc. NRIs)	17.2	17.6	2%	17.4	17.4	0%	19.3	19.2	-1%
EBIT	-10.9	-10.0	8%	17.4	17.4	0%	19.3	19.2	-1%
PTP	-5.7	-5.4	6%	20.3	20.8	3%	22.5	22.4	-1%
EPS (excl. NRIs)	0.64	0.63	-2%	0.66	0.67	1%	0.73	0.74	2%
DPS	0.18	0.18	0%	0.20	0.20	0%	0.22	0.22	0%

Source: Inderes

Investment profile

1. An interesting combination of 1) high-quality, growing and profitable IT services business of excellent quality...
2. ... 2) early-stage and highly scalable Software Product business...
3. ... 3) VC fund-type Ecosystem business, which offers strong value creation potential and synergies
4. Strong cash assets, cash flow, and debt leverage provide ample leeway for organic investments and acquisitions
5. Good medium- and long-term growth fundamentals in the market

Potential

- Nicely growing markets in the medium and long term
- Success in the software product business and its scalability
- Expanding the Reaktor Ecosystem venture business and its value creation
- Leveraging strong expertise and an attractive company culture
- Continued internationalization
- Value creation through organic growth and acquisitions
- Easing AI fears

Risks

- Maintaining culture and the employer image as the company is public and its structure changes. In addition, the strong desire to grow inevitably brings new cultures, and the risk is related to how they are approached.
- Failure in the Software Product business
- The limited liquidity of the stock, combined with the potential selling pressure from long-term owners
- The disruptive threat of AI
- Risks related to large clients
- Acquisitions (no history and risks in cultural integration)
- Weakening market conditions, wage inflation and attrition

Valuation 1/2

Multiple-based valuation

In Reaktor’s multiple-based valuation, we apply the P/E and EV/EBIT ratios. When interpreting the multiples, a few things should be considered. The market cap also includes the value of the associated company holding. Investors pay for it as part of the stock price. Revenue and EBIT do not include associated companies, as their result is recorded below operating profit. Therefore, the value of the associated companies (Inderes 34 MEUR) is once again deducted from the EV, a calculation we reviewed in more detail in our recently published initiation of coverage report, which can be read here.

When applying multiples, we feel the best year is 2026, as it already incorporates the completed license deals. The estimates for next year include a similar number of license deals, but these are subject to clear estimate uncertainty.

Reaktor's P/E ratios for 2026-2027 are 10–11x, and the EV/EBIT ratios are 6-7x, which also indicates that earnings growth expectations for 2027 are moderate. Due to Reaktor's recent listing, there are no historical multiples available against which the valuation could be mirrored. The median P/E ratio for Nasdaq Helsinki, based on Inderes' estimates, is 13.5x for 2026. Reflecting the valuation of Nasdaq Helsinki and Reaktor's relative earnings growth potential, we find the company's valuation attractive, to say the least. However, the sustainability of the earnings level relies heavily on license deals in the Software Product business, which are subject to clear uncertainty. For Reaktor, we accept a 2026 P/E multiple of 12-14x, which corresponds to a value of approximately EUR 7.6-8.8 per share.

Peer group

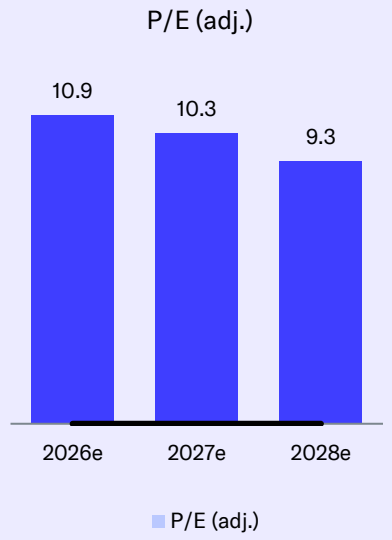
We use IT service companies listed in Finland and the Nordic countries, as well as global IT service companies, as Reaktor's peer group. Reaktor's Ecosystem associate company Witted is also in the peer group itself. We believe Reaktor's competitive differentiators compared to the peer group are related to the business structure (Ecosystem business) as well as the business and delivery models (Software Product business). Compared to Finnish companies, a relatively large share of Reaktor's revenue is generated internationally.

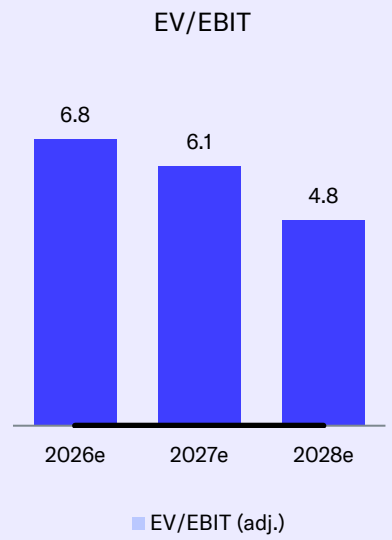
At 2026e P/E and EV/EBIT multiples, Reaktor is valued at ~30% below the entire peer group as well as international and Finnish peers. However, it is worth noting here that Reaktor's earnings level is close to a "peak", while a large part of the peer group is under varying degrees of earnings pressure, which weakens comparability. On corresponding 2027 multiples, the valuation gap is slightly narrower, yet still clear (just under 30%). Overall, the company's relative valuation can also be considered attractive, at the very least.

In a "normal" earnings environment for the peer group, we believe a clear premium over Finnish peers is justified from a growth and profitability perspective that are "generally" better than the sector's. Using the median multiples of Finnish peers, Reaktor's share value would be EUR 7.5-9.5.

Valuation	2026e	2027e	2028e
Share price	6.90	6.90	6.90
Number of shares, millions	25.5	25.5	25.5
Market cap	176	176	176
EV	119	107	93
P/E (adj.)	10.9	10.3	9.3
P/E	neg.	10.3	9.3
P/B	3.6	2.9	2.3
P/S	1.3	1.2	1.1
EV/Sales	0.9	0.7	0.6
EV/EBITDA	neg.	5.0	4.0
EV/EBIT (adj.)	6.8	6.1	4.8
Payout ratio (%)	neg.	29.8 %	29.6 %
Dividend yield-%	2.6 %	2.9 %	3.2 %

Source: Inderes





Valuation 2/2

DCF calculation

In the cash flow model, associated companies are taken into account through the cash flows we estimate they will generate and the discounting of these flows. In addition, the 2026 cash flow includes one-off elements of 45 MEUR related to a non-cash adjustment item (25 MEUR) and the share issue (20 MEUR).

We estimate organic growth of 7-9% in 2026-30, with growth then gradually decreasing towards a terminal growth rate of 1.5%. In addition, we assume the EBIT margin to average just under 13% in 2027-2030, before gradually decreasing to 11% in the terminal. We have used a WACC of 11.3%, with a return on equity of 12.1%. In our view, the relatively high required return is warranted due to the uncertainty in the Software Product business estimates. The terminal period's share of value is again low (41%), which is largely due to low growth and profitability assumptions in the terminal period. Overall, our DCF model gives the share a value of EUR 9.4, indicating that the stock is even very attractively priced in the long term.

Components of the expected return for the share

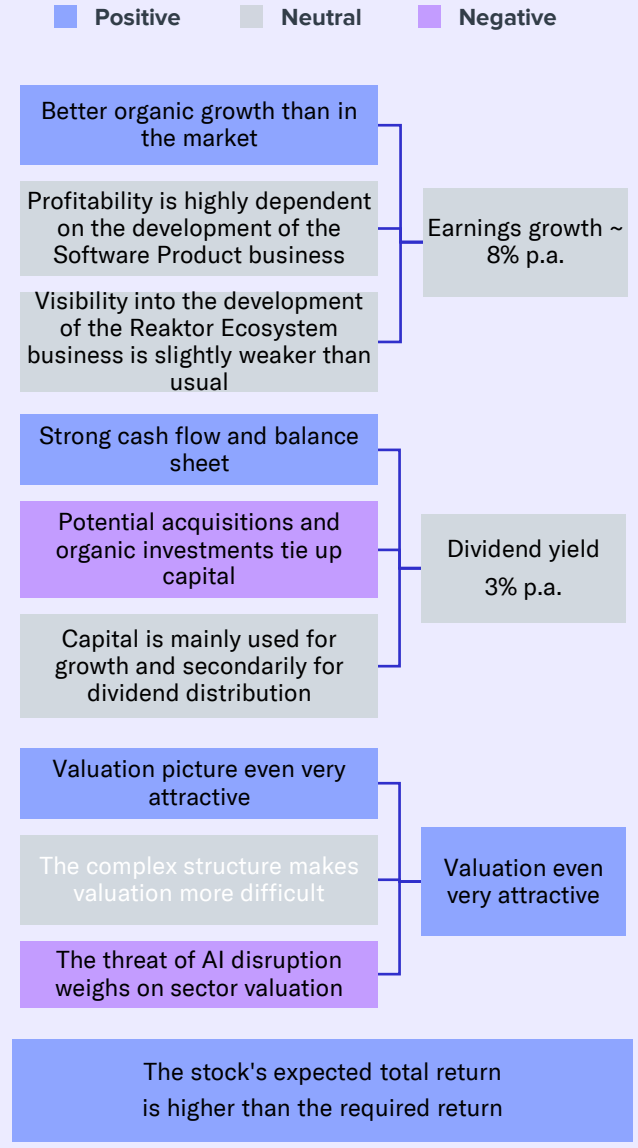
We examine the expected return for Reaktor's stock based on earnings growth, dividend yield, and the accepted valuation multiples. We believe the company has the potential for ~8% annual earnings growth in the coming years (relative to the 2026e level), supported by revenue growth and profitability. With our dividend estimates, which are ~30% of EPS, the dividend yield is ~3%. The company's strong cash flow provides good preconditions for a relatively high distribution of profits, but the company targets a relatively low (20-40%) dividend payout ratio and invests organically and through acquisitions. In addition, we find the stock's valuation level (2026e) at the very least attractive. Thus, the annual expected return (~15%) consisting of expected earnings growth, dividend, and upside in multiples, exceeds the required return on equity.

Valuation summary

Based on the valuation methods we applied (valuation multiples 2026e P/E 11x and EV/EBIT 7x, relative valuation ~30% below peers, sum-of-the-parts EUR 8.9, cash flow calculation EUR 9.4, expected return ~15%, and EUR 8 based on the EV/S multiple and the Rule of 20), the fair value range of the share is EUR 8-9.5. The more detailed logic behind the sum-of-the-parts calculation can be read in our recently published initiation of coverage report here. Due to the large earnings impact of the Software Product business and still thin evidence of competitiveness, we apply the lower end of the range. We reiterate our Accumulate recommendation and EUR 8.3 target price for Reaktor.

In our view, the market is currently pricing mainly the Technology Solutions business and the Ecosystem business, while the potential earnings of the Software Product business are valued at less than half of our base case at the current share price (when deducting the Ecosystem and Technology Solutions businesses and cash assets from the market cap). In our view, continued evidence of the development of the Software Product business will act as a clear catalyst for unwinding this undervaluation. In principle, an earnings level matching that of the current year alone is sufficient to prove the continuity of the Software Product business and that the current valuation is very attractive.

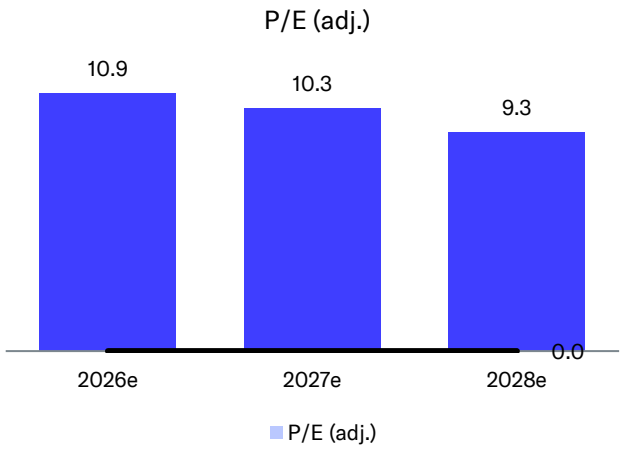
Total shareholder return drivers 2026e–2028e

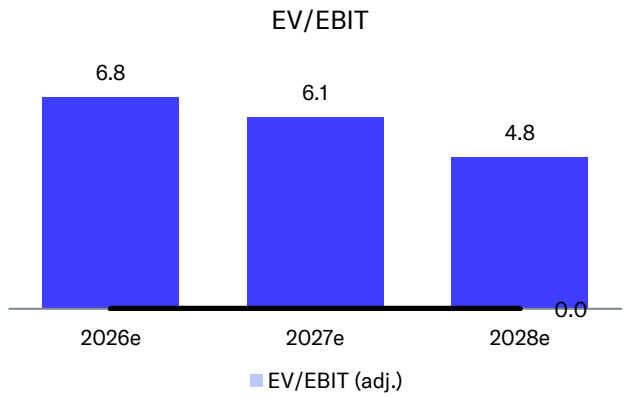


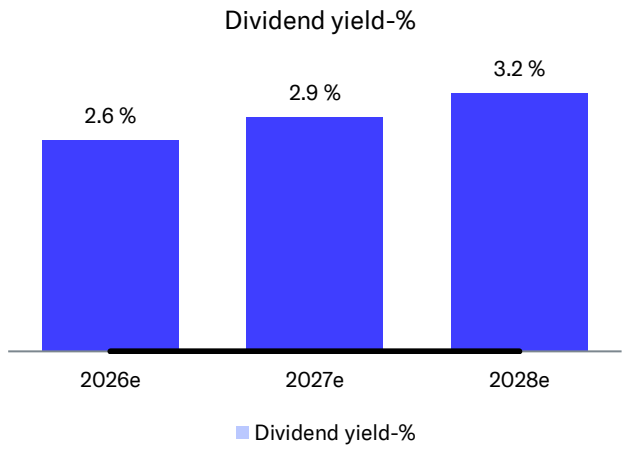
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price						6.90	6.90	6.90	6.90
Number of shares, millions						25.5	25.5	25.5	25.5
Market cap						176	176	176	176
EV						119	107	93	77
P/E (adj.)						10.9	10.3	9.3	7.9
P/E						neg.	10.3	9.3	7.9
P/B						3.6	2.9	2.3	1.9
P/S						1.3	1.2	1.1	1.0
EV/Sales						0.9	0.7	0.6	0.5
EV/EBITDA						neg.	5.0	4.0	2.8
EV/EBIT (adj.)						6.8	6.1	4.8	3.3
Payout ratio (%)						neg.	29.8 %	29.6 %	27.6 %
Dividend yield-%						2.6 %	2.9 %	3.2 %	3.5 %

Source: Inderes







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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e
Digia*	136	151	7.5	6.3	6.5	5.3	0.7	0.6	8.9	8.1	4.2	4.6
Digital Workforce*	28	32	19.5	9.9	17.5	8.3	1.0	0.8	26.5	9.0	3.8	4.7
Gofore*	194	203	10.5	8.3	8.1	6.7	0.9	0.8	13.7	11.5	4.2	4.3
Netum Group*	9	19		26.0		15.3	0.6	0.7		50.9		
Siili Solutions*	21	29	14.0	8.4	7.4	4.5	0.3	0.3	25.1	9.3	1.5	2.3
Solteq*	5	32	13.5	11.8	12.1	8.5	0.7	0.7		313.1		
Tieto	1980	2456	9.1	9.5	7.5	7.6	1.5	1.4	10.6	10.6	5.3	5.6
Vincit*	13	15		6.9	4.8	2.2	0.2	0.2		10.3		5.2
Witted Megacorp*	22	16	7.6	6.1	7.8	6.0	0.3	0.3	13.2	11.1	3.4	4.7
Bouvet	493	502	11.9	10.5	9.7	8.7	1.4	1.3	15.4	13.5	6.9	6.9
CombinedX	44	19	1.1	4.8	0.9	2.6	0.3	0.4	2.7	13.8		
Knowit	289	336	27.6	15.3	7.6	6.3	0.7	0.6	30.9	18.6	2.0	2.7
Netcompany Group	2119	2736	18.8	14.1	13.6	11.2	2.1	2.0	19.4	14.6		
Epam Systems Inc	7505	6662	8.4	8.1	7.5	7.4	1.3	1.3	12.4	11.5		
Endava PLC	81	307		4.8		3.1	0.4	0.4	2.7	2.0		
Kainos Group PLC	1493	1397	19.9	14.9	17.8	13.7	2.8	2.2	27.3	20.4	2.7	2.9
Globant SA	1889	2251	7.3	7.0	5.6	5.2	1.0	1.0	8.3	7.9		
Accenture PLC	136912	135924	13.1	12.3	10.8	10.2	2.1	2.0	18.7	17.6	2.5	2.6
IBM	207095	254407	19.4	17.5	14.0	13.1	4.0	3.9	19.7	18.4	2.8	2.8
CGI Inc	15252	17587	10.3	9.9	8.3	8.1	1.7	1.6	13.1	12.0	0.6	0.6
Wipro Ltd	18782	16733	11.7	10.9	9.8	9.1	1.9	1.8	15.7	15.1	5.4	4.4
Reaktor Group (Inderes)	176	119	6.8	6.1	-20.1	5.0	0.9	0.7	10.9	10.3	2.6	2.9
Median			11.4	9.9	8.3	7.7	1.0	1.0	15.4	13.5	2.8	3.6
Diff-% to median			-41%	-38%	-343%	-35%	-13%	-28%	-29%	-24%	-5%	-19%
Median Finnish companies			10.5	8.4	7.7	6.7	0.7	0.7	13.5	10.6	4.0	4.7
Diff-% to median			-35%	-27%	-363%	-26%	30%	13%	-19%	-3%	-34%	-38%
Median International companies			11.7	10.5	9.2	8.3	1.5	1.4	15.6	14.5	2.5	2.7
Diff-% to median			-42%	-42%	-318%	-40%	-40%	-48%	-30%	-29%	4%	7%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	120	117	29.9	29.0	27.2	31.6	118	39.1	32.3	28.0	33.1	132	146	154	167
EBITDA	15.0	13.5	2.7	1.8	5.0	2.7	12.2	10.1	-22.9	3.5	3.4	-5.9	21.4	23.5	27.3
Depreciation	-4.4	-4.1	-1.0	-1.0	-1.0	-1.0	-4.0	-1.0	-1.0	-1.0	-1.0	-4.0	-4.0	-4.3	-4.3
EBIT (excl. NRI)	13.8	12.4	2.2	1.0	4.1	3.3	10.6	10.4	2.3	2.5	2.4	17.6	17.4	19.2	22.9
EBIT	10.6	9.4	1.7	0.8	4.0	1.7	8.1	9.1	-24.0	2.5	2.4	-10.0	17.4	19.2	22.9
Share of profits in assoc. compan.	-5.5	-1.9	0.6	0.1	-0.1	0.7	1.3	0.2	3.0	0.3	0.7	4.3	3.0	3.1	3.3
Net financial items	-0.3	-0.1	-0.3	-0.2	-0.1	0.0	-0.5	0.1	0.1	-0.1	0.1	0.2	0.4	0.1	0.1
PTP	4.8	7.4	2.0	0.7	3.9	2.4	8.9	9.4	-20.8	2.8	3.3	-5.4	20.8	22.4	26.3
Taxes	-1.9	-1.8	-0.3	0.0	-0.7	-0.1	-1.1	-2.0	0.3	-0.6	-0.7	-3.0	-3.8	-3.5	-4.1
Net earnings	2.9	5.6	1.7	0.7	3.1	2.2	7.8	7.4	-20.5	2.1	2.6	-8.4	17.1	18.9	22.2
EPS (adj.)	0.38	0.54	0.10	0.04	0.15	0.18	0.47	0.34	0.10	0.08	0.10	0.63	0.67	0.74	0.87
EPS (rep.)	0.18	0.35	0.08	0.03	0.14	0.10	0.36	0.29	-0.81	0.08	0.10	-0.33	0.67	0.74	0.87

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	-2.8 %	-6.4 %	-6.0 %	9.7 %	8.0 %	0.7 %	30.6 %	11.4 %	2.8 %	4.8 %	12.5 %	10.2 %	5.5 %	8.6 %
Adjusted EBIT growth-%		-9.9 %				-73.5 %	-14.7 %	371.4 %	135.8 %	-39.8 %	-26.5 %	65.9 %	-0.7 %	10.1 %	19.3 %
EBITDA-%	12.5 %	11.5 %	8.9 %	6.1 %	18.5 %	8.6 %	10.3 %	25.8 %	-71.1 %	12.5 %	10.3 %	-4.5 %	14.7 %	15.3 %	16.3 %
Adjusted EBIT-%	11.4 %	10.6 %	7.4 %	3.3 %	15.2 %	10.4 %	9.0 %	26.6 %	7.0 %	8.9 %	7.3 %	13.3 %	11.9 %	12.5 %	13.7 %
Net earnings-%	2.4 %	4.8 %	5.7 %	2.5 %	11.5 %	7.0 %	6.6 %	18.9 %	-63.6 %	7.6 %	7.9 %	-6.3 %	11.7 %	12.3 %	13.3 %

Source: Inderes.

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	28.2	30.2	31.0	31.2	31.3
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.5	0.6	0.5	0.5	0.6
Tangible assets	8.9	6.3	6.4	6.6	6.5
Associated companies	12.2	13.0	12.6	12.6	12.6
Other investments	6.4	10.3	11.5	11.5	11.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.1	0.1	0.1	0.1	0.1
Current assets	28.7	29.4	57.0	70.0	85.4
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	20.9	25.1	27.8	30.7	32.4
Cash and equivalents	7.8	4.3	29.1	39.3	53.1
Balance sheet total	56.9	59.6	88.0	101	117

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	5.1	7.2	48.9	61.4	75.2
Share capital	0.0	0.0	0.0	0.0	0.0
Retained earnings	5.1	7.1	30.3	42.7	56.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	18.6	18.6	18.6
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	6.0	3.2	3.0	3.0	3.0
Deferred tax liabilities	0.7	0.5	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.3	2.7	3.0	3.0	3.0
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	45.8	49.2	36.1	36.9	38.5
Interest bearing debt	3.4	3.8	3.4	1.5	1.5
Payables	17.0	18.6	26.5	29.2	30.8
Other current liabilities	25.4	26.8	6.2	6.2	6.2
Balance sheet total	56.9	59.6	88.0	101	117

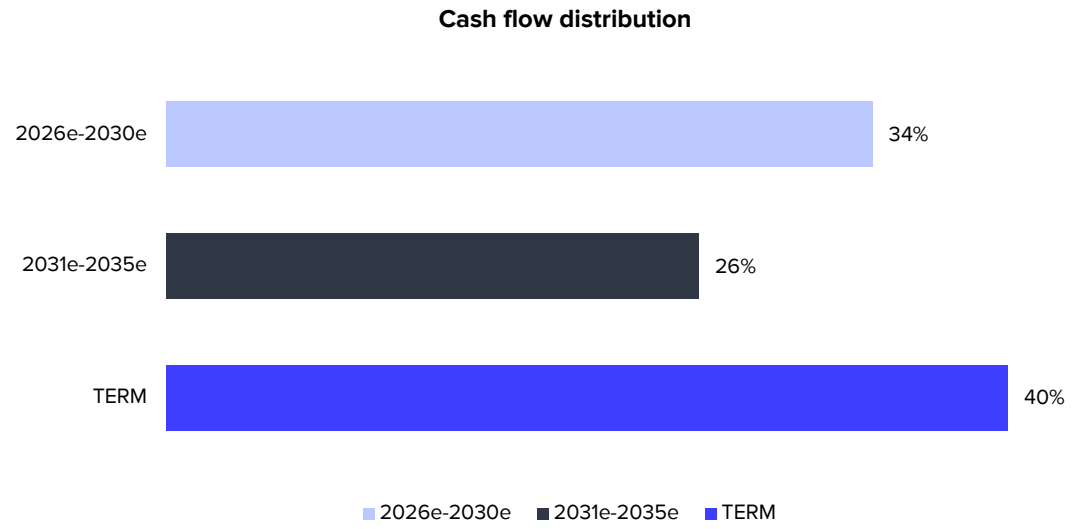
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	0.7 %	12.5 %	10.2 %	5.5 %	8.6 %	7.0 %	6.0 %	5.0 %	5.0 %	4.0 %	1.5 %	1.5 %
EBIT-%	6.9 %	-7.5 %	11.9 %	12.5 %	13.7 %	13.0 %	13.0 %	13.0 %	13.0 %	12.0 %	11.0 %	11.0 %
EBIT (operating profit)	8.1	-10.0	17.4	19.2	22.9	23.3	24.7	25.9	27.2	26.1	24.3	
+ Depreciation	4.0	4.0	4.0	4.3	4.3	4.5	4.6	4.7	4.7	4.8	5.0	
- Paid taxes	-1.3	-3.6	-3.8	-3.5	-4.1	-4.2	-4.5	-4.7	-5.0	-4.8	-4.5	
- Tax, financial expenses	-0.1	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	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	-2.6	5.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	
Operating cash flow	8.2	-4.3	17.6	20.0	23.0	23.4	24.7	25.8	26.9	26.1	24.9	
+ 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	-1.3	-5.3	-4.2	-4.3	-4.5	-4.6	-4.7	-4.9	-5.0	-5.1	-5.1	
Free operating cash flow	6.9	-9.6	13.4	15.7	18.5	18.8	20.0	21.0	21.9	21.0	19.8	
+/- Other	0.0	45.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.9	35.5	13.4	15.7	18.5	18.8	20.0	21.0	21.9	21.0	19.8	205
Discounted FCFF		35.0	11.9	12.5	13.3	12.1	11.5	10.9	10.2	8.8	7.5	77.1
Sum of FCFF present value		211	176	164	151	138	126	114	104	93.3	84.6	77.1

Enterprise value DCF	211
- Interest bearing debt	-6.4
+ Cash and cash equivalents	4.3
+ Associated companies	34.0
-Minorities	0.0
-Dividend/capital return	-3.5
Equity value DCF	239
Equity value DCF per share	9.4

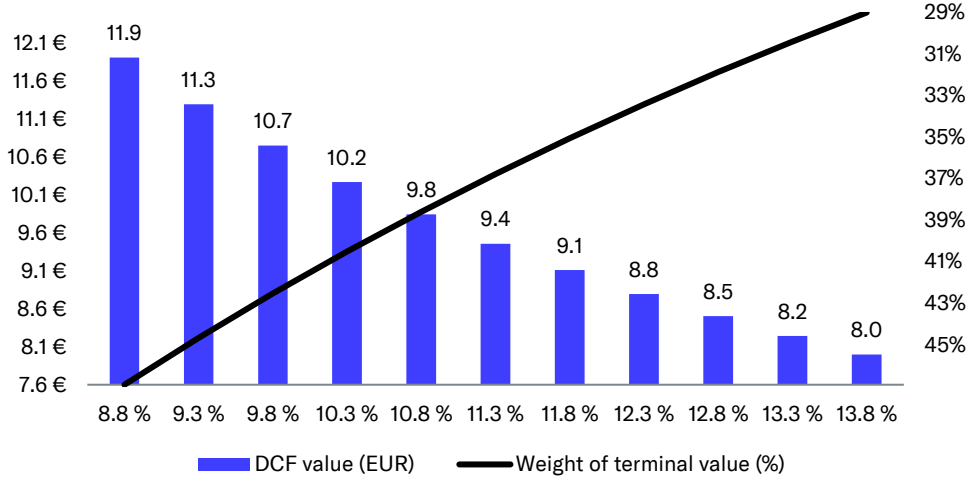
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	3.0 %
Cost of equity	12.1 %
Weighted average cost of capital (WACC)	11.3 %

Source: Inderes

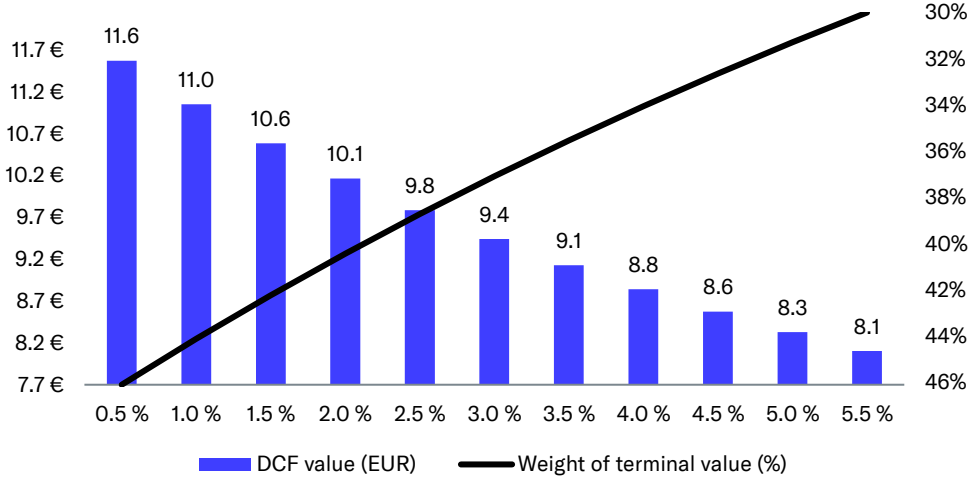


DCF sensitivity calculations and key assumptions in graphs

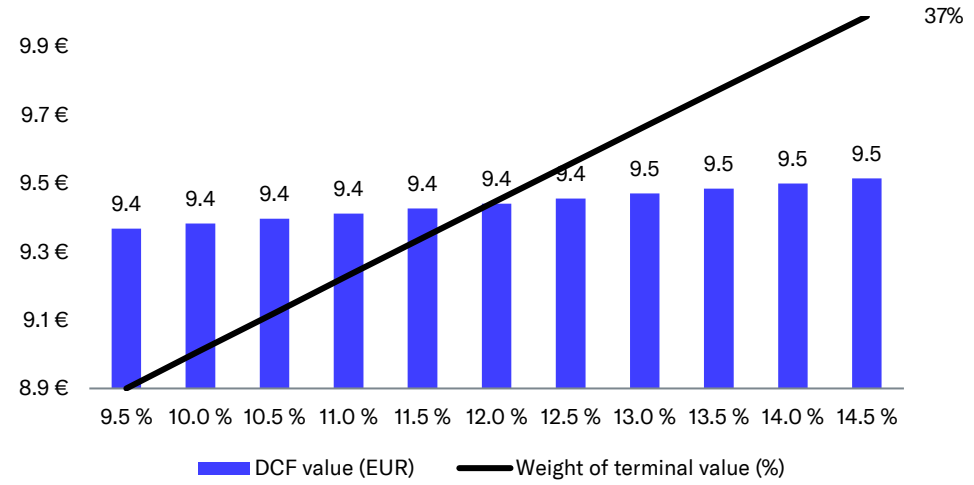
Sensitivity of DCF to changes in the WACC-%



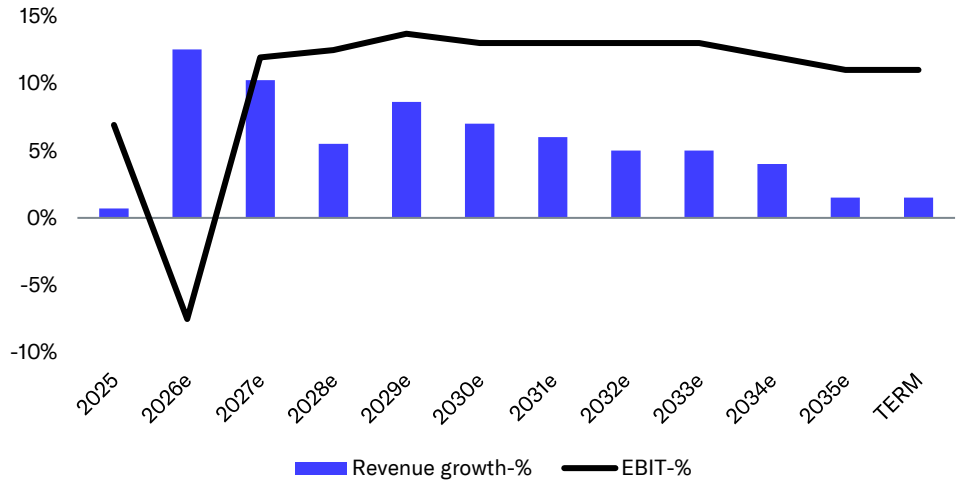
Sensitivity of DCF to changes in the risk-free rate



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
Revenue	120.3	116.9	117.7	132.4	146.0
EBITDA	15.0	13.5	12.2	-5.9	21.4
EBIT	10.6	9.4	8.1	-10.0	17.4
PTP	4.8	7.4	8.9	-5.4	20.8
Net Income	2.9	5.6	7.8	-8.4	17.1
Extraordinary items	-3.2	-3.1	-2.5	-27.5	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	72.2	56.9	59.6	88.0	101.3
Equity capital	19.0	5.1	7.2	48.9	61.4
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	-3.1	0.9	2.1	-22.7	-34.8

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	15.0	13.5	12.2	-5.9	21.4
Change in working capital				5.1	-0.1
Operating cash flow				-4.3	17.6
CAPEX				-5.3	-4.2
Free cash flow				35.5	13.4

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S				0.9	0.7
EV/EBITDA				neg.	5.0
EV/EBIT (adj.)				6.8	6.1
P/E (adj.)				10.9	10.3
P/B				3.6	2.9
Dividend-%				2.6 %	2.9 %

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.18	0.35	0.36	-0.33	0.67
EPS (adj.)	0.38	0.54	0.47	0.63	0.67
OCF / share				-0.17	0.69
OFCF / share				1.40	0.53
Book value / share				1.92	2.41
Dividend / share	0.69	0.44	0.15	0.18	0.20

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	3%	-3%	1%	13%	10%
EBITDA growth-%	15%	-10%	-10%	-149%	462%
EBIT (adj.) growth-%	12%	-10%	-15%	66%	-1%
EPS (adj.) growth-%		44%	-13%	34%	6%
EBITDA-%	12.5 %	11.5 %	10.3 %	-4.5 %	14.7 %
EBIT (adj.)-%	11.4 %	10.6 %	9.0 %	13.3 %	11.9 %
EBIT-%	8.8 %	8.0 %	6.9 %	-7.5 %	11.9 %
ROE-%	15.1 %	46.3 %	126.8 %	-30.0 %	31.0 %
ROI-%	20.3 %	33.7 %	68.9 %	-16.1 %	34.0 %
Equity ratio	26.4 %	9.0 %	12.0 %	55.5 %	60.6 %
Gearing	-16.3 %	16.9 %	29.9 %	-46.5 %	-56.8 %
Net debt/EBITDA	-0.2	0.1	0.2	3.8	-1.6
EBITDA/net financials	46.9	259.4	23.8	24.1	-53.6

Source: Inderes

*2023-2025 osakemäärä on laimennettu ja korjattu osakesplitin mukaisesti

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
10/26/2026	Accumulate	8.30 €	6.95 €
11/12/2026	Accumulate	8.30 €	6.90 €



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