POSTI GROUP

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Slight temporary headwinds

Posti's Q1 earnings performance was weaker than expected, although some of the underlying drivers were, in our view, temporary. We believe the company's earnings trend will improve towards the end of the year, with earnings returning to growth in 2027. In light of this and the generous dividend yield, we consider the stock's expected return attractive. We reiterate our Accumulate recommendation, but lower the target price to EUR 9.5 (EUR 10.0) due to changes in our estimates.

Subdued earnings development

Posti's Q1 revenue decreased by 1%. Sales increased in both eCommerce and Delivery Services and Warehousing and Logistics Services. In the parcel business, strong growth in consumer-to-consumer trade drove volume growth, while in the warehousing business, the company had won new, smaller customers. Postal Services revenue declined as expected due to both structural decline and the accelerated digital transition of official mail. The company's adjusted EBIT for Q1 weakened to 6.5 MEUR (Q1'25: 10.5 MEUR), corresponding to a profitability of ~2%. Reported EBIT (9.2 MEUR) was boosted by, among other things, sales gains from the sale of investment properties (12 MEUR), which also supported the company's financial position and, according to our thesis, future profit distribution. Adjusted earnings declined in all service segments, which we view as negative in relation to the increased volume of growing businesses.

Guidance unchanged, we made slight downward revisions to our estimates

Posti reiterated its guidance for 2026, which indicates revenue of 1,400–1,500 MEUR (2025: 1,448 MEUR) and an adjusted EBIT of 63–79 MEUR (2025: 69 MEUR). In practice, the guidance implies a development for the rest of the year that is roughly in line with the comparison period. We lowered our near-term adjusted EBIT forecasts by roughly 5%. The forecast calculations were largely a result of a weaker Q1 than we anticipated. Our 2026 EBIT estimate (65 MEUR) is now near the lower end of the guidance range. We expect Posti's EBIT to decline from the comparison period, driven by volume pressure in Postal Services and inflated Group costs.

Earnings trend improving

We believe the Group's earnings will return to growth in 2027. A key driver behind the earnings growth is increased sales in growing segments. In addition to growth, efficiency gains will come from the combined delivery network of Postal Services and eCommerce and Delivery Services, which we believe will improve the Group's profitability. In addition, Posti has introduced a self-service delivery model, which we believe will moderate the direct costs associated with currently lower-margin C2C parcels already by the end of the year. Overall, we expect the Group's adjusted EBIT to increase by ~4% annually over the next three years. A key risk to our forecast is the prolonged conflict in the Middle East, which could weaken economic fundamentals and thus impact the transport and logistics sector.

Risk/reward remains attractive

We believe Posti is valued neutrally based on LTM earnings. In our view, the valuation multiples for the coming years (2027e P/E 8x and IFRS 16 adj. EV/EBIT 8x) decline to attractive levels for a company generating a good return on capital (ROCE ~13%). In our view, Posti's significant discount relative to its key peers supports a moderate valuation. In our view, the expected return on the share consists of ~5% earnings growth and a 10% dividend yield. In this case, the total expected return (~15% p.a.) exceeds our required return, making the stock's risk/reward ratio attractive, in our view. Our sum-of-the-parts and DCF calculations show that the fair value of the share (>EUR 10) is above the current price, which indicates upside potential and supports our positive view.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 9.50
(was EUR 10.00)

Share price:
EUR 8.48

Business risk ●●●○○

Valuation risk ●●○○○

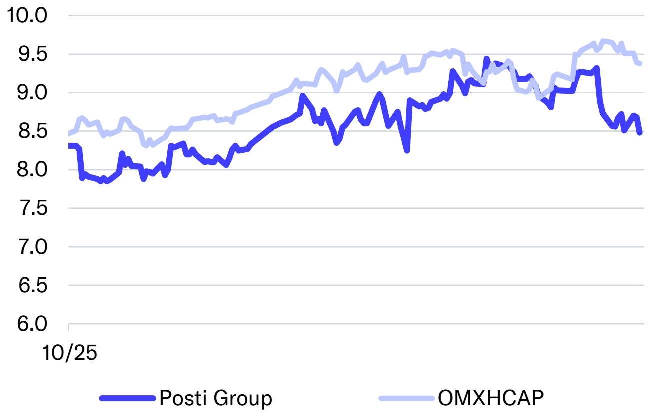
	2025	2026e	2027e	2028e
Revenue	1447.5	1439.2	1492.2	1521.8
growth-%	-5%	-1%	4%	2%
EBIT adj.	69.4	64.8	71.8	75.7
EBIT-% adj.	4.8 %	4.5 %	4.8 %	5.0 %
Net income	23.5	40.8	43.5	46.8
EPS (adj.)	1.00	0.82	1.08	1.15
P/E (adj.)	8.6	10.3	7.9	7.3
P/B	1.3	1.2	1.2	1.1
Dividend yield-%	9.8 %	10.0 %	11.2 %	11.8 %
EV/EBIT (adj.)	12.4	13.3	11.6	10.9
EV/EBITDA	4.8	4.3	4.2	4.0
EV/S	0.6	0.6	0.6	0.5

Source: Inderes

Guidance (Unchanged)

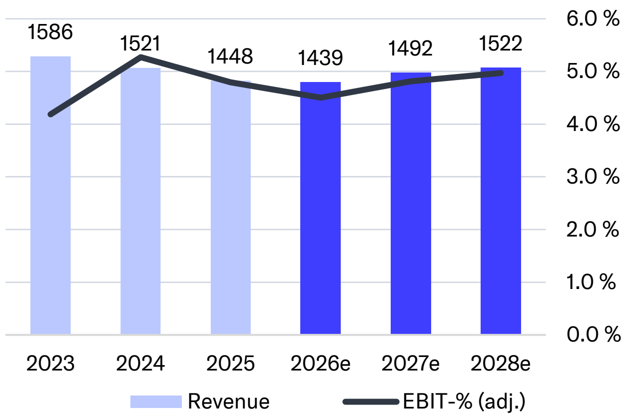
Posti estimates its revenue to be 1,400-1,500 MEUR (2025: 1,448 MEUR) and adjusted EBIT 63-79 MEUR (2025: 69.3 MEUR) in 2026.

Share price



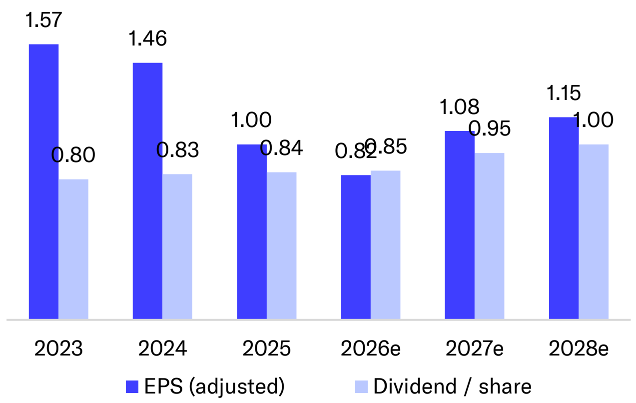
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Digital services are replacing the declining demand for postal delivery
- Earnings improvement in warehousing services
- Strong growth in target markets in the Baltics
- Well-positioned for industry growth trends
- Increased efficiency through automation in all businesses
- Divestment of the real estate portfolio releases significant capital
- Acquisitions

Risk factors

- Demand for traditional postal services is declining, which may weigh on utilization rates
- Digital transition of official communications
- Failure in the commercialization of OmaPosti Continued weak economic development in Finland
- Prolonged earnings problems in warehousing services
- Tightening price competition in parcel delivery services
- Failure in acquisitions

Valuation	2026e	2027e	2028e
Share price	8.48	8.48	8.48
Number of shares, millions	40.5	40.5	40.5
Market cap	343	343	343
EV	859	837	822
P/E (adj.)	10.3	7.9	7.3
P/E	8.4	7.9	7.3
P/B	1.2	1.2	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.6	0.6	0.5
EV/EBITDA	4.3	4.2	4.0
EV/EBIT (adj.)	13.3	11.6	10.9
Payout ratio (%)	84.4 %	88.4 %	86.6 %
Dividend yield-%	10.0 %	11.2 %	11.8 %

Source: Inderes

More subdued earnings development in Q1 than expected

Top-line development was in line with our expectations

Posti's Q1 revenue decreased by 1% to 353 MEUR. eCommerce and Delivery Services revenue increased by 3%, driven by volume growth. Volumes grew particularly strongly in consumer-to-consumer (C2C) parcels. Cyclical B2B parcel volumes, in turn, continued their decline largely due to the general economic slowdown. In Warehousing and Logistics Services, revenue also increased (2%), driven by both operating countries. Here, we believe the company had won new customers, which contributed to the revenue increase. On the other hand, this positive development was partly overshadowed by the loss of a significant customer. The decline in Postal Services volumes (24%) remained steep, but successful price increases kept the revenue decline relatively moderate (8%). The sharp decline in Postal Services volumes compared to historical levels (around 3%) was driven by the digital transition of official communications.

Somewhat muted Q1 earnings

Posti's adjusted EBIT for Q1 weakened significantly to 6.5 MEUR (Q1'25: 10.5 MEUR), corresponding to a profitability of ~2%. Reported EBIT (9.2 MEUR) was boosted by sales gains from the divestment of investment properties (12 MEUR). Adjusted earnings declined in all of the company's service segments, which we view negatively given the increased volume in growing businesses. The negative earnings trend in eCommerce and Delivery Services was driven by a weakened sales mix, as revenue growth is currently weighted towards lower-margin C2C parcels. However, the company is taking measures (e.g. self-service parcels) to mitigate the direct costs associated with the process. In Warehousing and Logistics Services, weaker earnings development compared to the comparison period was driven by decreased utilization rates due to the loss of a single large customer. In Postal Services, the company's result deteriorated, but Posti managed to mitigate the impact of the strong volume decline on costs through, e.g., price increases.

Cash flow development was positive, balance sheet position is stable

Posti's Q1 operating cash flow improved year-on-year to 38 MEUR (Q1'25: 18 MEUR) due to positive working capital development. Free cash flow amounted to ~9 MEUR (Q1'25: -25 MEUR) due to improved operating cash flow and lower investments. Posti also expects investments to moderate going forward, as the company has invested in logistics centers, among other things, in recent years. Free cash flow for the last 12 months was around -28 MEUR, compared to -39 MEUR in the prior-year period. The negative development of free cash flow was mitigated by more moderate investments than in the comparison period. Posti's balance sheet remained stable, with net debt roughly equal to the LTM EBITDA (excl. IFRS 16 items).

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	355	353	354				-1%	1439
EBIT (adj.)	10.5	6.5	7.4				-12%	64.8
EBIT	5.0	13.9	7.4				89%	72.2
PTP	1.4	9.2	3.0				209%	53.4
EPS (adj.)	0.13	-0.03	0.06				-147%	0.82
Revenue growth-%	0.0 %	-0.8 %	-0.3 %				-0.5 pp	-0.6 %
EBIT-% (adj.)	3.0 %	1.8 %	2.1 %				-0.2 pp	4.5 %

Source: Inderes

We expect the earnings trend to improve towards the end of the year

Reiterated guidance calls for measures to reverse the earnings trend

Posti reiterated its guidance for 2026, which indicates revenue of 1,400–1,500 MEUR (2025: 1,448 MEUR) and an adjusted EBIT of 63–79 MEUR (2025: 69 MEUR). In practice, the guidance requires development for the rest of the year to be roughly in line with the comparison period (with a margin of -2 MEUR to the lower end), considering the actual development in Q1. The company has several efficiency-enhancing initiatives (more below) currently underway, in addition to which the company has raised and is likely to continue raising its prices, especially in Postal Services. For this reason, we still consider the guidance somewhat current, although the weakening general economic development (i.e. lower growth than current forecasts) could jeopardize this.

Estimate revisions largely driven by Q1

We lowered our near-term adjusted EBIT forecasts by roughly 5%. The forecast cuts were largely a result of a weaker Q1 than our previous estimate. Our 2026 EBIT estimate (65 MEUR) is now near the lower end of the guidance range. We expect Posti's EBIT to decline year-on-year, weighed down by Postal Services and Group costs.

Efficiency measures are starting to bear fruit in H2

Posti launched a renewal program in March, through which it seeks to achieve savings of 40 MEUR during 2026-29. Through the ongoing change negotiations, the company intends to integrate the delivery networks of eCommerce and Delivery Services and Postal Services. In our view, some synergy benefits can already be expected by the end of the year, but a clearer impact will be seen from 2027 onwards. In addition, Posti has responded to the change in the sales mix of eCommerce and Delivery Services, where lower-priced and lower-margin C2C parcels are growing strongly, but the development of profitable B2B parcels is at least sluggish. With the new self-service model, the direct costs of C2C shipments can be significantly reduced, which we believe will moderately improve operational efficiency already by the end of the year. We believe these factors, along with price increases, will improve Posti's earnings trend towards the end of the year and return EBIT to growth in 2027. However, positive earnings development requires sales development in the group's growth areas to be at least in line with our forecasts. Overall, we expect the Group's adjusted EBIT to increase by ~4% annually over the next three years. A key risk to our earnings growth forecast is the prolonged conflict in the Middle East, which could weaken the fundamentals of general economic development, to which, in our view, the transport and logistics sector would not be immune.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	1431	1439	1%	1466	1492	2%	1491	1522	2%
EBIT (exc. NRIs)	67.3	64.8	-4%	73.8	71.8	-3%	78.1	75.7	-3%
EBIT	67.3	72.2	7%	73.8	71.8	-3%	78.1	75.7	-3%
PTP	49.8	53.4	7%	56.4	54.4	-4%	61.1	58.5	-4%
EPS (excl. NRIs)	0.96	0.82	-14%	1.11	1.08	-4%	1.21	1.15	-4%

Source: Inderes

Posti Group Oyj, Q1'26

Overall valuation picture is moderate

Moderate valuation when considering earnings growth

Based on LTM earnings, Posti's stock trades at P/E multiples of around 10x and EV/EBIT multiples of 13x. In our view, Posti's significant IFRS 16 items distort the EV/EBIT multiple. If we remove the IFRS 16 impact from enterprise value and earnings, the EV/EBIT multiple decreases to around 10x. From this perspective, we believe the realized multiples appear quite neutral.

We believe our estimated earnings growth (~5% p.a.) will bring Posti's multiples to rather attractive levels in the medium term. We expect the company's earnings to decrease in 2026, but, e.g., with the 2027 earnings, we believe the company will achieve higher earnings than in 2025. In this case, Posti's P/E and EV/EBIT ratios are 8x and 12x, respectively (IFRS 16 adj. 9x). We believe the forward-looking valuation multiples are attractive, and there would be upside if earnings growth materializes. In other words, earnings growth acts as an essential driver of share price development.

Peer discount isn't fully warranted

In our view, a reasonable peer group can be formed for Posti consisting of transport and logistics companies. The peer group trades at 16x P/E and 15x EV/EBIT based on 2026e earnings. These are clearly higher than Posti's pricing multiples. With the EV/EBIT ratio, the discount is around 10%, while with the P/E ratio, the discount rises to 40%. The discount is deserved to a certain extent, as we believe that the largest players in the market should trade at high multiples due to their quality, size, and track record. However, the discount on the P/E multiple seems quite large, even relative to medium-sized European peers (PostNL 16x, Bpost 6x, Öster Post 17x, and Poste Italiane 12x), which, if earnings growth materializes, would warrant a slight upside in Posti's multiples.

The dividend itself is sufficient for a good expected return

At the current share price, Posti's stock offers an annual dividend yield of around 10%. We believe the return is at a good level, reflecting the company's generous profit-sharing policy and, on the other hand, a moderate valuation. Support for profit-sharing comes from the liquidation of the real estate portfolio over the next 3-4 years. In our view, the dividend yield offers a very solid basis for the stock's total expected return, and it alone would be enough to cover an attractive risk/reward ratio for the next five years. In the long term, however, Posti's free cash flow yield will fall below 10% (2026-30e ~10%), which suggests that a dividend distribution similar to recent years is not sustainable after 2030 without stronger earnings growth than we estimate.

We find the expected return attractive

We consider Posti's valuation multiples to be neutral based on the realized result. Thus, the expected return of the stock will be based on our earnings growth and dividend yield forecasts. We forecast Posti's adjusted EBIT and EPS to increase by 4% p.a. Including the dividend (10% p.a.), the total expected return for Posti's share rises to ~15% p.a., which exceeds our required rate of return (CoE 10%). Thus, we find the risk/reward ratio of the stock to be attractive, which warrants a positive investment view. We note that if the earnings growth engine sputters, we do not believe there will be significant positive drivers for the share price.

Valuation	2026e	2027e	2028e
Share price	8.48	8.48	8.48
Number of shares, millions	40.5	40.5	40.5
Market cap	343	343	343
EV	859	837	822
P/E (adj.)	10.3	7.9	7.3
P/E	8.4	7.9	7.3
P/B	1.2	1.2	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.6	0.6	0.5
EV/EBITDA	4.3	4.2	4.0
EV/EBIT (adj.)	13.3	11.6	10.9
Payout ratio (%)	84.4 %	88.4 %	86.6 %
Dividend yield-%	10.0 %	11.2 %	11.8 %

Source: Inderes

Posti has long-term potential

Cash flow model indicates an upside

We also consider a DCF model based on our cash flow estimates in Posti's valuation. The strong cash flow generation capability of Postal Services warrants the usefulness of the cash flow model, but on the other hand, the company's cash flow has fluctuated quite strongly in recent history due to high investments, among other factors. Now, investments are normalizing and stabilizing at around 120 MEUR, which warrants the model's improved usability in the future. We have accounted for the liquidation of the real estate portfolio in our cash flow model under the investment line (decreasing the amount of investments), which will be lower than normalized levels in the coming years. Our DCF model gives Posti a debt-free value (EV) of 960 MEUR and an equity value of about 410 MEUR. The per-share value of the stock (EUR ~10) exceeds the current price by a margin of almost 20%. Thus, the cash flow model reflects the stock's upside potential and supports our positive investment view.

Sum of the parts: Real estate portfolio as a deal sweetener

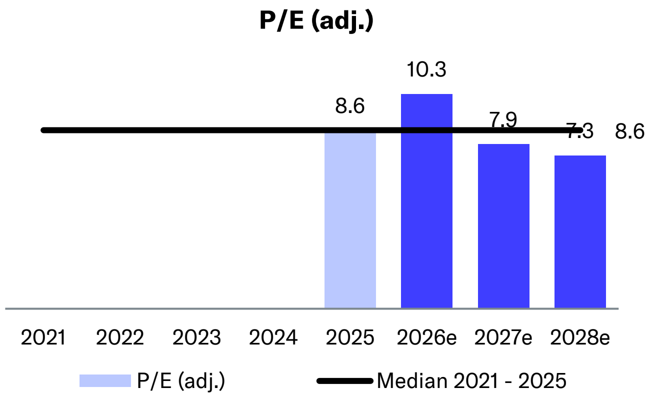
We have also approached Posti's valuation through a sum-of-the-parts calculation, as in addition to its core business, the company holds significant property and land assets. These assets (fair value according to a third party 98 MEUR) are intended for sale, and are not essential for Posti's operational activities. We have applied a 5% discount to the fair value of the real estate portfolio, as the liquidation of the portfolio will take several years. Thus, the fair value of the real estate portfolio reported by the third party in our sum-of-the-parts calculation is slightly over 90 MEUR. By applying different valuation multiples to Posti's business segments (depending on the value creation and earnings growth potential of the businesses), we arrive at an enterprise value for the Group of around 940 MEUR based on 2027 earnings. In our view, the multiples of Postal Services are supported by the company's strong track record of high capital returns and cost structure adjustments. However, the business is declining by nature, so we have applied an 8-10x EV/EBIT multiple for Postal Services, which is lower than the multiples for other segments. We believe that eCommerce and Delivery Services has the highest growth potential among Posti's businesses. At the same time, Posti has shown that it is capable of achieving industry-standard profitability and return on capital. Therefore, we apply a 10-12x valuation multiple to the segment. For Warehousing and Logistics Services, we have applied an EV/S multiple of 0.4-0.6x due to the segment's negative earnings. This pricing multiple is slightly lower than that of publicly listed peers (mid-sized contract logistics peers 0.5-1x and large peers >1x), reflecting the uncertainty regarding the segment's earnings improvement and sustainable earnings level. Based on the calculation, the debt-free value of the core businesses is approximately 850 MEUR. At the current share price, the investor gets the cash flow released from the company's investment portfolio almost as a bonus. Including the investment portfolio, the equity value of the sum-of-the-parts is 450 MEUR, or around EUR 11 per share. This is clearly above the share price, which reflects the upside potential of the share price as the liquidation of the real estate portfolio progresses.

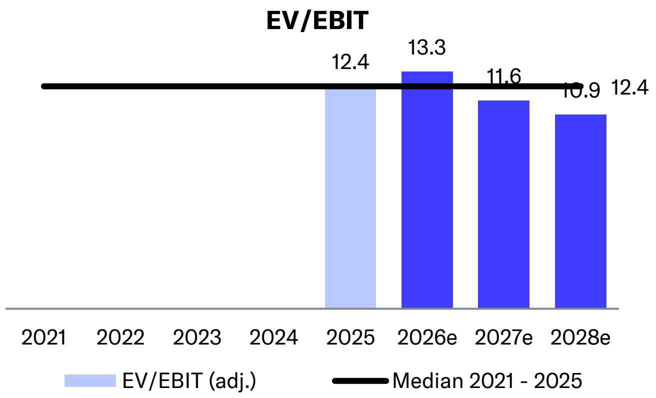
Sum of the parts	**2027e**		
eCommerce and Delivery Services	**Lower**	**Upper**	**On average**
Adj. EBIT	26	26	
Pricing multiple	10x	12x	
EV	259	311	285
Warehousing and Logistics Services			
Revenue	327	327	16
Pricing multiple	0.4x	0.6x	
EV	131	196	164
Postal services			
Adj. EBIT	62	62	
Pricing multiple	8x	10x	
EV	499	624	562
Other items (excl. net income from real estate portfolio)			
Adj. EBIT	-15	-15	
Pricing multiple	10x	12x	
EV	-144	-182	-163
Enterprise value of the core business	**745**	**949**	**847**
Real estate portfolio (discounted)	94	94	94
Net debt	-493	-493	-493
Value of entire stock	**346**	**550**	**448**
Per share	8.5	13.6	11.1

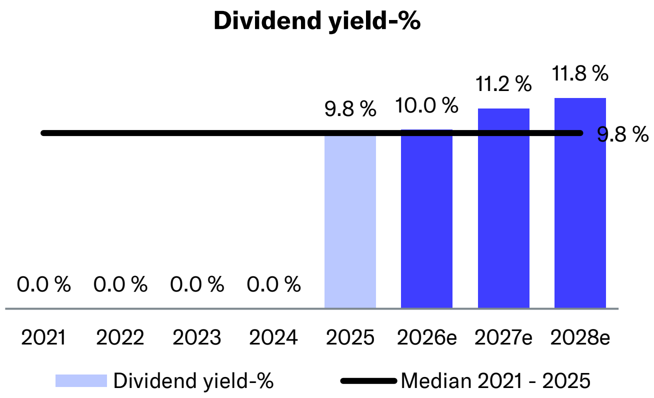
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price					8.55	**8.48**	**8.48**	**8.48**	**8.48**
Number of shares, millions					40.5	**40.5**	**40.5**	**40.5**	**40.5**
Market cap					346	**343**	**343**	**343**	**343**
EV					863	**859**	**837**	**822**	**807**
P/E (adj.)					8.6	**10.3**	**7.9**	**7.3**	**7.1**
P/E					14.7	**8.4**	**7.9**	**7.3**	**7.1**
P/B					1.3	**1.2**	**1.2**	**1.1**	**1.1**
P/S					0.2	**0.2**	**0.2**	**0.2**	**0.2**
EV/Sales					0.6	**0.6**	**0.6**	**0.5**	**0.5**
EV/EBITDA					4.8	**4.3**	**4.2**	**4.0**	**3.9**
EV/EBIT (adj.)					12.4	**13.3**	**11.6**	**10.9**	**10.5**
Payout ratio (%)					144.8 %	**84.4 %**	**88.4 %**	**86.6 %**	**85.0 %**
Dividend yield-%					9.8 %	**10.0 %**	**11.2 %**	**11.8 %**	**11.9 %**

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**
DSV	53589	64968	19.6	16.2	13.9	11.9	1.7	1.6	24.9	19.1	0.5	0.6	3.1
UPS	75643	91254	12.5	11.2	8.7	8.0	1.2	1.2	14.7	13.1	6.3	6.3	5.7
PostNL	511	1007	18.5	12.2	3.7	3.3	0.3	0.3	16.2	12.1	4.2	5.4	2.2
Bpost	366	2140	11.2	10.0	3.8	3.6	0.5	0.5	6.2	4.9	7.5	8.3	0.4
DHL	55050	75550	11.9	11.0	6.7	6.3	0.9	0.9	14.6	13.3	4.1	4.2	2.3
Öster Post	2239	2568	13.0	12.8	6.2	6.1	0.8	0.8	17.0	16.9	5.5	5.6	3.1
GXO Logistics	5584	7501	16.0	14.7	9.2	8.5	0.6	0.6	18.9	16.5			2.1
Universal Logistics Holdings	548	1198	17.7	15.2	5.7	5.3	0.9	0.8	23.0	17.0			1.2
Logista	4418	2779	8.0	7.9	5.6	5.7	1.5	1.5	14.5	14.1	6.2	6.2	7.0
Poste Italiane	29387	68517	20.4	19.3	15.8	15.1	5.1	5.0	11.9	11.4	5.9	6.2	2.0
Posti Group (Inderes)	**343**	**859**	**13.3**	**11.6**	**4.3**	**4.2**	**0.6**	**0.6**	**10.3**	**7.9**	**10.0**	**11.2**	**1.2**
Average			**14.9**	**13.1**	**7.9**	**7.4**	**1.3**	**1.3**	**16.2**	**13.8**	**5.0**	**5.3**	**2.9**
Median			**14.5**	**12.5**	**6.5**	**6.2**	**0.9**	**0.8**	**15.5**	**13.7**	**5.7**	**5.9**	**2.3**
Diff-% to median			**-9%**	**-7%**	**-34%**	**-33%**	**-32%**	**-34%**	**-34%**	**-43%**	**76%**	**91%**	**-46%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**1521**	**355**	**356**	**344**	**392**	**1448**	**353**	**352**	**342**	**393**	**1439**	**1492**	**1522**	**1570**
eCommerce and Delivery	641	151	160	159	171	641	157	166	166	182	671	724	768	815
Warehousing and Logistics	303	72.5	74.6	73.7	80.9	302	73.9	76.8	75.9	83.9	311	327	347	367
Postal Services	603	137	128	118	147	530	127	114	106	133	481	464	430	412
Other	-25.4	-5.9	-5.9	-6.2	-6.6	-24.6	-5.3	-6.0	-6.0	-6.0	-23.3	-23.5	-23.5	-23.5
EBITDA	**197**	**37.2**	**41.0**	**43.0**	**58.1**	**179**	**45.9**	**39.8**	**48.0**	**66.5**	**200**	**200**	**205**	**208**
Depreciation	-128.6	-32.2	-31.6	-31.2	-31.9	-126.9	-32.0	-32.0	-32.0	-32.0	-128.0	-128.6	-129.6	-131.1
EBIT (excl. NRI)	**80.2**	**10.5**	**10.6**	**16.9**	**31.4**	**69.4**	**6.5**	**7.8**	**16.0**	**34.5**	**64.8**	**71.8**	**75.7**	**77.0**
EBIT	**68.0**	**5.0**	**9.4**	**11.8**	**26.2**	**52.4**	**13.9**	**7.8**	**16.0**	**34.5**	**72.2**	**71.8**	**75.7**	**77.0**
eCommerce and Delivery	25.1	1.4	4.9	7.3	8.5	22.1	-2.6	3.5	6.9	11.8	19.5	25.9	30.6	32.7
Warehousing and Logistics	-5.6	-6.0	-3.0	-0.8	0.0	-9.8	-4.4	-2.6	2.0	0.5	-4.5	-1.5	-1.0	-0.1
Postal Services	64.1	15.6	11.4	9.1	25.6	61.7	14.3	10.0	11.1	26.1	61.6	62.4	61.1	59.3
Other	-15.6	-6.0	-3.9	-3.8	-7.9	-21.6	6.7	-3.0	-4.0	-4.0	-4.3	-15.0	-15.0	-15.0
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-9.0	-3.6	-4.4	-4.1	-4.6	-16.7	-4.7	-4.7	-4.7	-4.7	-18.8	-17.4	-17.2	-16.9
PTP	**59.0**	**1.4**	**5.0**	**7.7**	**21.6**	**35.7**	**9.2**	**3.1**	**11.3**	**29.8**	**53.4**	**54.4**	**58.5**	**60.1**
Taxes	-15.1	-1.6	-2.4	-2.7	-5.5	-12.2	-2.9	-0.7	-2.5	-6.6	-12.6	-10.9	-11.7	-12.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**43.9**	**-0.2**	**2.6**	**5.0**	**16.1**	**23.5**	**6.3**	**2.4**	**8.8**	**23.2**	**40.8**	**43.5**	**46.8**	**48.0**
EPS (adj.)	**1.46**	**0.13**	**0.09**	**0.25**	**0.53**	**1.00**	**-0.03**	**0.06**	**0.22**	**0.57**	**0.82**	**1.08**	**1.15**	**1.19**
EPS (rep.)	**1.10**	**0.00**	**0.07**	**0.12**	**0.40**	**0.58**	**0.16**	**0.06**	**0.22**	**0.57**	**1.01**	**1.08**	**1.15**	**1.19**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-4.1 %	0.0 %	0.0 %	0.0 %	-74.2 %	-4.9 %	-0.8 %	-1.3 %	-0.5 %	0.3 %	-0.6 %	3.7 %	2.0 %	3.2 %
Adjusted EBIT growth-%	20.8 %				-60.8 %	-13.5 %	-38.1 %	-26.3 %	-5.2 %	9.8 %	-6.6 %	10.9 %	5.3 %	1.8 %
EBITDA-%	12.9 %	10.5 %	11.5 %	12.5 %	14.8 %	12.4 %	13.0 %	11.3 %	14.0 %	16.9 %	13.9 %	13.4 %	13.5 %	13.3 %
Adjusted EBIT-%	5.3 %	3.0 %	3.0 %	4.9 %	8.0 %	4.8 %	1.8 %	2.2 %	4.7 %	8.8 %	4.5 %	4.8 %	5.0 %	4.9 %
Net earnings-%	2.9 %	-0.1 %	0.7 %	1.4 %	4.1 %	1.6 %	1.8 %	0.7 %	2.6 %	5.9 %	2.8 %	2.9 %	3.1 %	3.1 %

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	**805**	**854**	**854**	**841**	**835**
Goodwill	170	170	170	170	170
Intangible assets	63.3	61.3	57.7	52.9	49.7
Tangible assets	521	551	560	572	585
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	41.9	64.4	58.4	38.4	23.4
Other non-current assets	3.5	2.8	2.8	2.8	2.8
Deferred tax assets	5.5	4.3	4.0	4.0	4.0
Current assets	**333**	**286**	**298**	**321**	**327**
Inventories	3.6	4.1	2.9	3.0	3.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	226	232	230	239	243
Cash and equivalents	104	49.4	65.1	79.6	80.5
Balance sheet total	**1138**	**1140**	**1152**	**1162**	**1162**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**282**	**277**	**284**	**293**	**301**
Share capital	70.0	70.0	70.0	70.0	70.0
Retained earnings	76.6	67.8	74.6	83.7	92.0
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	136	139	139	139	139
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**344**	**446**	**493**	**486**	**475**
Deferred tax liabilities	9.6	12.4	12.0	12.0	12.0
Provisions	19.1	9.9	6.0	6.0	6.0
Interest bearing debt	292	409	465	458	447
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	23.0	14.7	10.0	10.0	10.0
Current liabilities	**512**	**417**	**375**	**383**	**386**
Interest bearing debt	68.6	157	116	115	112
Payables	443	260	259	269	274
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**1138**	**1140**	**1152**	**1162**	**1162**

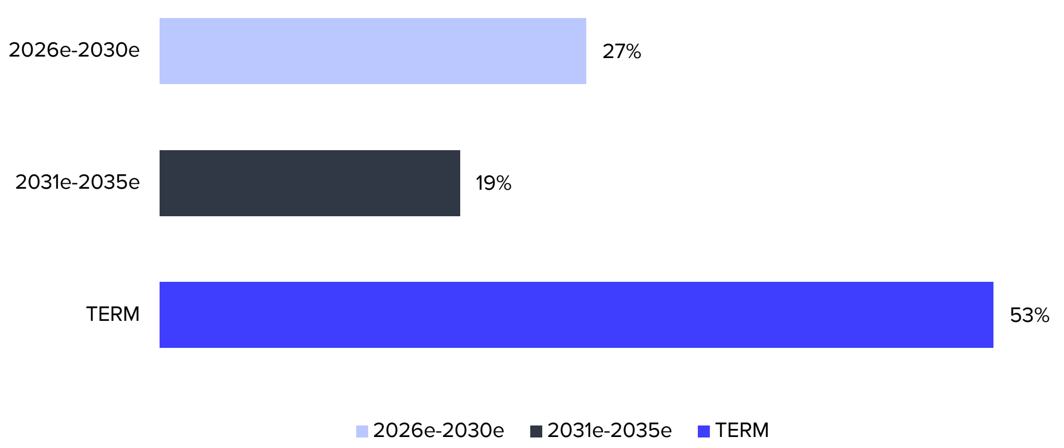
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-4.9 %	-0.6 %	3.7 %	2.0 %	3.2 %	2.8 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	3.6 %	5.0 %	4.8 %	5.0 %	4.9 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
EBIT (operating profit)	**52.4**	**72.2**	**71.8**	**75.7**	**77.0**	**79.9**	**82.3**	**83.9**	**85.6**	**87.3**	**88.6**	
+ Depreciation	127	128	129	130	131	133	132	133	133	133	133	
- Paid taxes	-8.2	-12.7	-10.9	-11.7	-12.0	-12.7	-13.3	-13.8	-14.3	-14.8	-15.3	
- Tax, financial expenses	-3.3	-4.4	-3.5	-3.4	-3.4	-3.3	-3.2	-3.0	-2.8	-2.6	-2.4	
+ 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	-190.4	2.3	1.0	0.5	0.9	0.8	0.6	0.6	0.6	0.6	0.5	
Operating cash flow	**-22.6**	**185**	**187**	**191**	**194**	**198**	**199**	**200**	**202**	**204**	**205**	
+ Change in other long-term liabilities	-17.5	-8.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-177.1	-127.5	-115.8	-123.5	-124.9	-130.0	-135.0	-135.0	-135.0	-135.0	-134.6	
Free operating cash flow	**-217.2**	**49.2**	**71.2**	**67.1**	**68.6**	**67.9**	**63.7**	**65.3**	**67.0**	**68.6**	**70.2**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-217.2	49.2	71.2	67.1	68.6	67.9	63.7	65.3	67.0	68.6	70.2	1087
Discounted FCFF		**46.7**	**62.5**	**54.6**	**51.6**	**47.3**	**41.0**	**38.9**	**37.0**	**35.1**	**33.2**	**514**
Sum of FCFF present value		962	915	853	798	746	699	658	619	582	547	514
Enterprise value DCF		**962**										
- Interest bearing debt		-566.3										
+ Cash and cash equivalents		49.4										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-34.0										
Equity value DCF		**411**										
Equity value DCF per share		**10.1**										

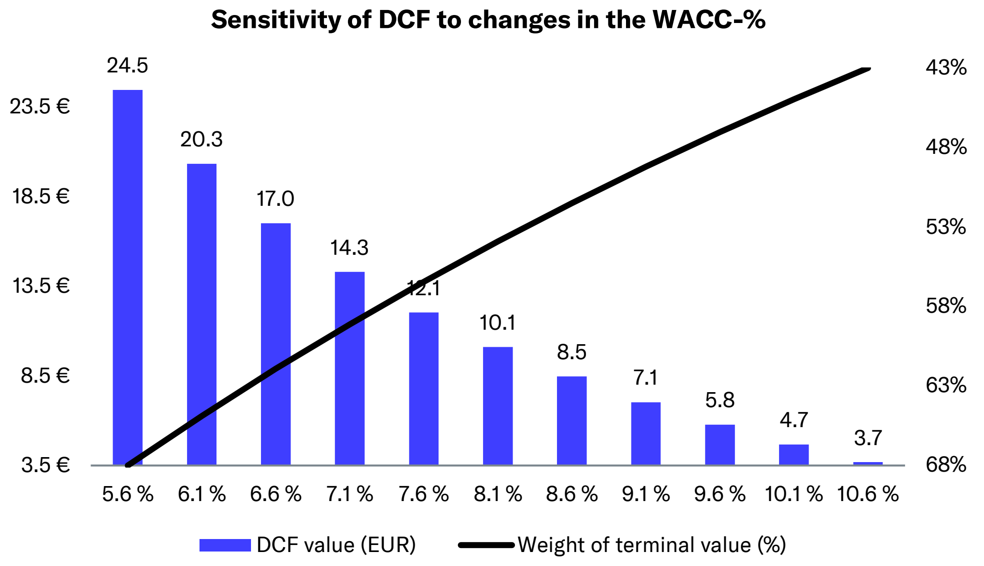
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	25.0 %
Cost of debt	4.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.7 %**
Weighted average cost of capital (WACC)	**8.1 %**

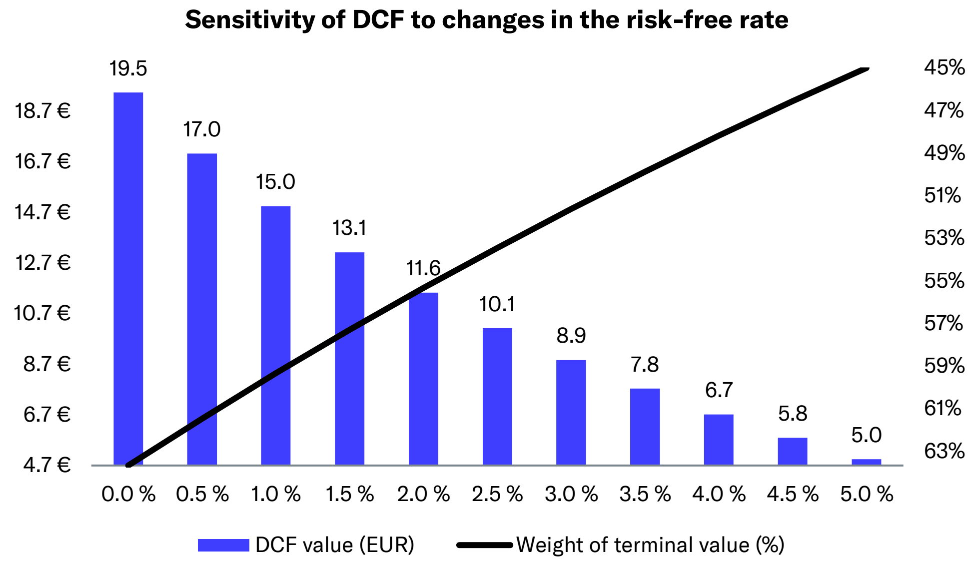
Source: Inderes

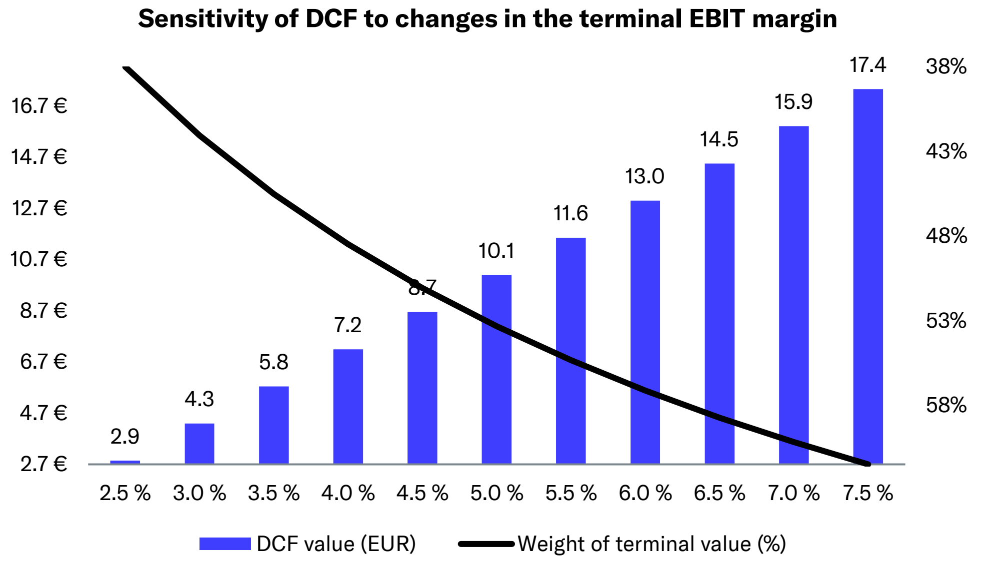
Cash flow distribution

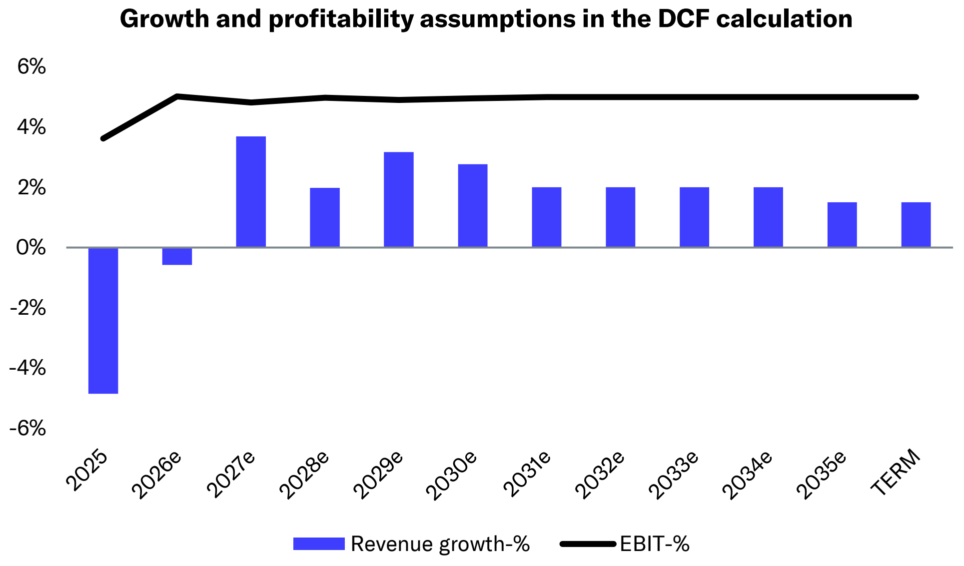


DCF sensitivity calculations and key assumptions in graphs









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	1586.1	1521.4	1447.5	**1439.2**	**1492.2**
EBITDA	188.5	196.6	179.3	**200.2**	**200.4**
EBIT	-7.1	68.0	52.4	**72.2**	**71.8**
PTP	-14.3	59.0	35.7	**53.4**	**54.4**
Net Income	-25.4	43.9	23.5	**40.8**	**43.5**
Extraordinary items	-73.5	-12.2	-17.0	**7.4**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	1183.6	1138.0	1139.8	**1151.7**	**1162.2**
Equity capital	420.6	282.1	276.9	**283.7**	**292.8**
Goodwill	169.1	170.1	170.2	**170.2**	**170.2**
Net debt	239.0	257.4	516.9	**516.0**	**493.1**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	188.5	196.6	179.3	**200.2**	**200.4**
Change in working capital	-24.9	144.3	-190.4	**2.3**	**1.0**
Operating cash flow	156.9	323.8	-22.6	**185.3**	**187.0**
CAPEX	-160.3	-155.2	-177.1	**-127.5**	**-115.8**
Free cash flow	9.3	170.6	-217.2	**49.2**	**71.2**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.0	0.0	0.6	**0.6**	**0.6**
EV/EBITDA	0.0	0.0	4.8	**4.3**	**4.2**
EV/EBIT (adj.)	0.0	0.0	12.4	**13.3**	**11.6**
P/E (adj.)	0.0	0.0	8.6	**10.3**	**7.9**
P/B	0.0	0.0	1.3	**1.2**	**1.2**
Dividend-%			9.8 %	**10.0 %**	**11.2 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.64	1.10	0.58	**1.01**	**1.08**
EPS (adj.)	1.57	1.46	1.00	**0.82**	**1.08**
OCF / share	3.92	8.09	-0.56	**4.58**	**4.62**
OFCF / share	0.23	4.26	-5.36	**1.22**	**1.76**
Book value / share	10.52	7.05	6.84	**7.00**	**7.23**
Dividend / share	0.80	0.83	0.84	**0.85**	**0.95**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-4%	-4%	-5%	**-1%**	**4%**
EBITDA growth-%	6%	4%	-9%	**12%**	**0%**
EBIT (adj.) growth-%	13%	21%	-13%	**-7%**	**11%**
EPS (adj.) growth-%	52%	-7%	-32%	**-18%**	**30%**
EBITDA-%	11.9 %	12.9 %	12.4 %	**13.9 %**	**13.4 %**
EBIT (adj.)-%	4.2 %	5.3 %	4.8 %	**4.5 %**	**4.8 %**
EBIT-%	-0.4 %	4.5 %	3.6 %	**5.0 %**	**4.8 %**
ROE-%	-5.6 %	12.5 %	8.4 %	**14.6 %**	**15.1 %**
ROI-%	-0.9 %	9.6 %	7.1 %	**8.5 %**	**8.3 %**
Equity ratio	35.5 %	24.8 %	24.3 %	**24.6 %**	**25.2 %**
Gearing	56.8 %	91.2 %	186.7 %	**181.9 %**	**168.4 %**
Net debt/EBITDA	1.3	1.3	2.9	**2.6**	**2.5**
EBITDA/net financials	26.2	21.8	10.7	**10.6**	**11.5**

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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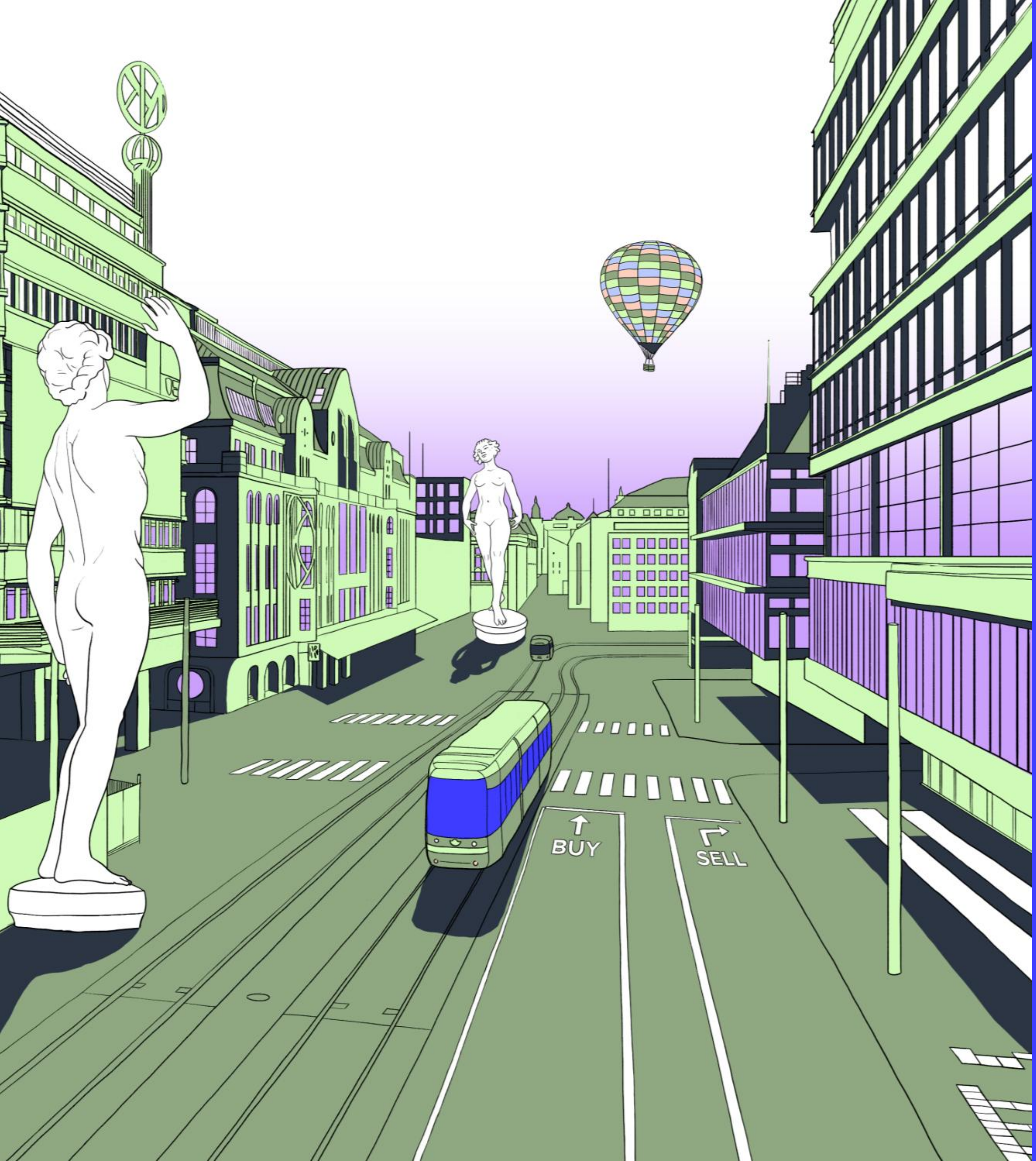
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/24/2026	Accumulate	10.00 €	8.51 €
4/30/2026	Accumulate	9.50 €	8.48 €



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