



4/25/2025 11:40 am EEST

This is a translated version of "Vuoden vahvin neljännes takanapäin" report, published on 4/25/2025



Joni Grönqvist  
+358 40 515 3113  
joni.gronqvist@inderes.fi

# COMPANY REPORT



# Strongest quarter of the year behind

We raise our target price on Telia to SEK 34.0 (was SEK 32.0) to reflect the forecast changes. We reiterate our Reduce recommendation. Telia's Q1 report was overall positive and exceeded our expectations. However, Q1 looks like the strongest quarter of the year in terms of earnings growth. We expect the company to grow in line with guidance, which is a good level by historical standards. The valuation picture of the stock (2025e P/E 16x and EV/EBIT 15x) remains neutral given the already tight earnings growth expectations.

## Positive surprises through the Q1 profit and loss account

Telia's revenue in the first quarter increased by 3.5% to 20,035 MSEK, and excluding currency effects and M&A, revenue increased by 3.3%. Revenue exceeded both our and consensus forecasts. Comparable service revenue growth accelerated slightly to 1.8% (Q4: 0.6%), which is positive as it puts profit growth on a firmer footing. Adjusted EBITDA increased by 7% to 7,803 MSEK and beat our forecast, but landing in line with consensus expectations. The result was supported by a major cost-saving program implemented in Q4 last year. In addition, several cost lines (one-off costs, depreciation, financing costs) were exceptionally a positive surprise. Generally, Telia's earnings beats have been few and far between and we think it is also positive that the beat was achieved in a structural and sustainable way.

## The benefits of a clearer structure and thus a lower risk level are beginning to be reaped

Over the past 10 years, Telia has more often disappointed than positively surprised in terms of results. However, at the same time, the structure has been simplified practically all the time and has moved in a direction where the operator business in the Nordic countries is at the center. This is also much easier to manage, and thus the risk of negative surprises is reduced. The structure will apparently continue to be simplified as a general

direction. In terms of M&A, this means that the company is more of a net seller, so major acquisitions are unlikely to be seen in the coming years.

## Strong profit growth in 2025 due to cost savings

In 2025, the company expects comparable service revenue to grow by 2% (below 2% in H1'25 and above in H2), comparable EBITDA to grow by at least 5% (lower in Q2-Q3 and higher in Q4), investments of less than 14 BNSEK and free cash flow of 7.5 BNSEK. In our view, this year's guidance is realistic and in line with our forecasts (revenue +2% and EBITDA +6%). Revenue growth is supported by the growth in service revenue, while profitability is driven by the substantial cost savings of 2.6 billion to be implemented in Q4 and the continuous annual cost savings of around 1 billion. In our view, it is now important for the company to continue to grow earnings and further improve cash flow in order to restore confidence in its sustainable business and reduce risk levels. Q1 was a good indication of this.

## The valuation is cautiously attractive, but the rather high risk level of the earnings level still calls for caution

We forecast Telia's adjusted P/E and EV/EBIT multiples for 2025e to be 16x and 15x, respectively. The multiples are a good 10% below the Nordic peers and below the entire peer group. In our view, the valuation is even cautiously attractive in absolute and relative terms but considering the improved earnings level in the current year's forecasts (where Q1 was the best quarter), previous numerous disappointments, and the level of risk associated with earnings growth in the coming years, the overall picture is still neutral. The dividend yield (6%) partially limits the stock's downside, but it is not yet sustainable and thus does not act as a safety cushion. A positive view on Telia would require better evidence of sustained performance growth without further setbacks.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**SEK 34.00**

(was SEK 32.00)

## Share price:

SEK 35.44

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	80965	82678	83977	85620
growth-%	-9%	2%	2%	2%
EBITDA (adj.)	30892	32583	32837	33665
EBITDA-% (adj.)	38.2 %	39.4 %	39.1 %	39.3 %
Net income	4219	8415	8087	8512
EPS (adj.)	1.48	2.22	2.29	2.42
P/E (adj.)	20.7	15.9	15.5	14.6
P/B	2.6	3.0	3.0	3.0
Dividend yield-%	6.5 %	5.6 %	5.8 %	5.9 %
EV/EBIT (adj.)	17.3	15.2	15.2	14.4
EV/EBITDA	7.3	7.0	7.1	6.9
EV/S	2.6	2.7	2.7	2.6

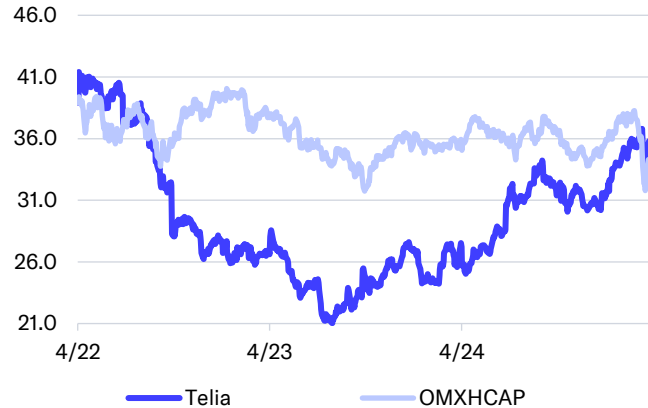
Source: Inderes

## Guidance

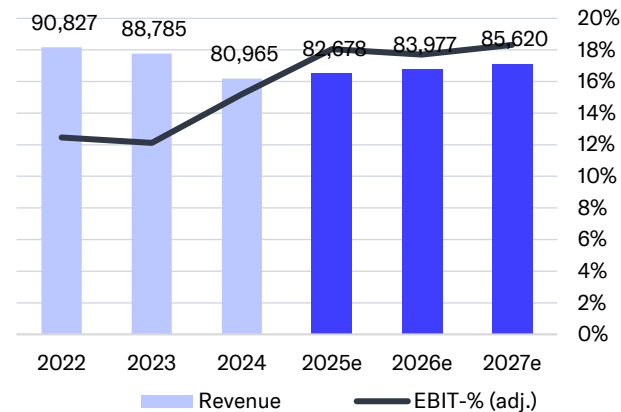
(Unchanged)

In 2025, the company expects comparable service revenue growth of 2%, comparable EBITDA growth of at least 5%, capital expenditure below 14 BNSEK and free cash flow of approximately 8 BNSEK.

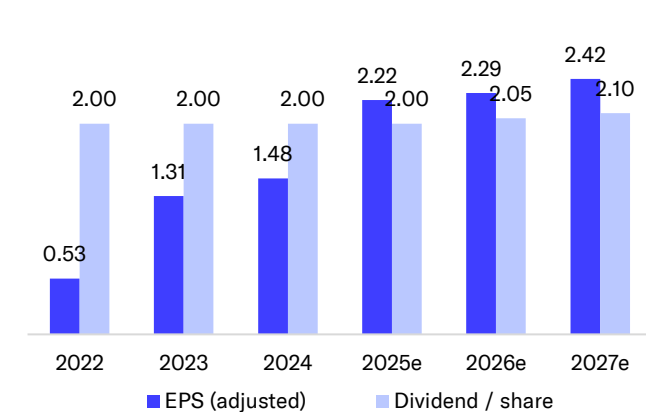
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Continuing the turnaround in Sweden and a turnaround in Finland and Norway
- Earnings growth through top-line growth and profitability improvement
- 5G opportunities
- Strong cash flow
- Acquisitions
- Divestment of non-strategic businesses

## Risk factors

- Upward pressure on the interest market
- Inflation continuing and increasing
- Intensified competition
- Realization of cost savings
- Delay or failure in the implementation of the new strategy
- Sweden's high ownership in Telia and the restriction of consolidation
- Structural changes in the industry

Valuation	2025e	2026e	2027e
<b>Share price</b>	35.4	35.4	35.4
<b>Number of shares, millions</b>	3923	3923	3923
<b>Market cap</b>	139035	139035	139035
<b>EV</b>	227111	226586	226047
<b>P/E (adj.)</b>	15.9	15.5	14.6
<b>P/E</b>	16.5	17.2	16.3
<b>P/B</b>	3.0	3.0	3.0
<b>P/S</b>	1.7	1.7	1.6
<b>EV/Sales</b>	2.7	2.7	2.6
<b>EV/EBITDA</b>	7.0	7.1	6.9
<b>EV/EBIT (adj.)</b>	15.2	15.2	14.4
<b>Payout ratio (%)</b>	93.2 %	99.4 %	96.8 %
<b>Dividend yield-%</b>	5.6 %	5.8 %	5.9 %

Source: Inderes

# Positive surprises through the Q1 profit and loss account

## Revenue grew better than our forecasts in Q1

Telia's Q1 revenue grew by 3.5% to 20,035 MSEK, and excluding currency effects and M&A, revenue grew by 3.3%. Revenue exceeded both our and consensus forecasts. Comparable service revenue growth accelerated slightly to 1.8% (Q4: 0.6%), which is positive as it puts profit growth on a firmer footing. Geographically, all markets were well in line with our forecasts, and practically the entire beat came from other operations. The TV and Media business is reported in discontinued operations, but it performed apparently well in Q1.

## Earnings rows exceptionally exceeded our expectations in Q1

Adjusted EBITDA increased by 7% to 7,803 MSEK and beat our forecast, in line with consensus expectations. The result was supported by a major cost-saving program implemented in Q4 last year. The adjusted EBITDA margin

was 38.9% and in line with our and consensus expectations. This time there were no one-off expenses, but there were one-off revenues of over 100 MSEK. Lower down, both depreciation and financing expenses were lower than expected. Consequently, earnings per share from continuing operations were EUR 0.53, clearly above our and the market's expectations (EUR 0.35 and EUR 0.42). Thus, several cost lines exceptionally contained positive surprises. Generally, Telia's earnings beats have been few and far between and we think it is also positive that the beat was achieved in a structural and sustainable way.

Estimates MSEK	Q1'24 Comparison	Q1'25 Actualized	Q1'25e Inderes	Q1'25e Consensus	Consensus		Difference (%)		2025e Inderes
					Low	High	Act. vs. Inderes		
Revenue	19360	20035	19554	19784	19388	- 20029	2%		82678
EBITDA (adj.)	7312	7803	7570	7734	7522	- 7852	3%		32922
EBIT (incl. associates)	2642	3602	2817	3066	2468	- 3422	28%		14611
PTP	1420	2833	1917	2249	1606	- 2526	48%		11224
EPS (continuous operations)	0.24	0.53	0.35	0.42	0.24	- 0.47	51%		2.20
Revenue growth-%	31.0 %	3.5 %	1.0 %	2.2 %	0.1 %	- 3.5 %	2.5 pp		2.1 %
EBITDA (adj. -%)	37.8 %	38.9 %	38.7 %	39.1 %	38.8 %	- 39.2 %	0.2 pp		39.8 %

Source: Inderes & Telia  
Company, 12-16 forecasts  
(consensus)

# We have slightly raised our estimates

## Estimate revisions

- The majority of the changes in 2025 were due to a better-than-expected Q1. Forecasts for the next few years increased due to lower-than-expected depreciation and financing costs.

## Guidance for 2025 and our expectations

- In 2025, the company expects comparable service revenue to grow by 2% (below 2% in H1'25 and above in H2), comparable EBITDA to grow by at least 5% (lower in Q2-Q3 and higher in Q4), investments of less than 14 BNSEK and free cash flow of 7.5 BNSEK.
- We forecast revenue to grow by 2% and adjusted EBITDA by 6% in 2025. In 2026-2027, we expect revenue to grow by 2% and profitability to remain at the 2025 level.

## Operational earnings drivers:

- Service revenue growth driven by 5G and faster subscription sales.
- Low attrition and price increases across the sector are supporting revenue and especially profitability.
- Extensive cost savings of 2.6 BNSEK implemented in 2024 and continuous annual efficiency measures of around 1 BNSEK.

## Telia's financial targets for 2025-27 are:

- Comparable service revenue growth of 2% per year on average
- Comparable annual average EBITDA growth of 4%
- Investments excluding licenses and spectrum fees under 14 BNSEK per year
- Free cash flow of at least 10 BNSEK in 2027

Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK	Old	New	%	Old	New	%	Old	New	%
Revenue	81693	82678	1%	82844	83977	1%	84397	85620	1%
EBITDA	31268	32272	3%	32182	32837	2%	33045	33665	2%
EBIT (exc. NRIs)	13730	14922	9%	14323	14862	4%	15156	15686	3%
EBIT	13080	14611	12%	13423	13962	4%	14156	14686	4%
PTP	9696	11224	16%	10455	11037	6%	10996	11590	5%
EPS (continuous operations)	1.97	2.20	11%	2.18	2.29	5%	2.31	2.42	5%
DPS	2.00	2.00	0%	2.05	2.05	0%	2.10	2.10	0%

Source: Inderes



# Valuation still argues for caution

## Valuation multiples

Historically, it has been difficult to compare Telia with competitors with earnings multiples, because e.g., Telia's EBITDA does not show the income from minority holdings (they are reported in EBIT) and discontinued operations are only reflected in net income. In addition, Telia has a significant number of negative and positive one-off items each year, which must be adjusted to ensure comparability. These items have gradually decreased, but they continue to occur every year. There is also a constant need for restructuring, which amounts to 500-1,000 MSEK per year, or a few percent of EBITDA.

In the big picture, Telia's risk profile compared to the general stock market is still moderate, although the company's previous disappointments still partly keep us cautious. The operator business has performed better than in the past between 2022 and 2024, with the exception of a small dip last year. Telia's risk profile clearly differs from that of its competitor Elisa, for example, which has been able to reduce macroeconomic pressures much more effectively and has developed solidly and predictably in operational terms through systematic energy and, in particular, interest rate hedging.

With our estimates, Telia's adjusted P/E and EV/EBIT ratios for 2025 are 16x and 15x. The multiples are a good 10% below the Nordic peers and also below the entire peer group. In absolute and relative terms, we believe the valuation is even cautiously attractive. However, considering the improved earnings level in the current year's forecasts (and that the best quarter is behind us), the numerous previous disappointments, and the level of risk associated with earnings growth in the coming years, we believe the overall picture is neutral. The multiples are below the company's own five-year average (19x and 18x). Given the rising expected returns, the valuation is also neutral from this perspective.

## Expected return is not quite enough yet

The expected return on Telia's share mainly consists of the dividend yield (6%), the sustainability of which is still questionable. We forecast earnings growth of around 3% in the coming years, with a high level of risk. We consider the valuation to be neutral. The expected rate of return just exceeds the expected return on equity. However, this alone is not sufficient to justify a positive view.

## DCF calculation

The DCF calculation supports our view on the share (SEK 32). The last five years or so have been a rollercoaster ride for Telia, with many disappointments. In addition, the overall business mix has changed significantly (Eurasia and masts divested, Danish operations sold and TV & Media acquired and will be sold now). These factors continue to undermine the predictability and comparability of long-term cash flows, even though most quarters in recent years have been relatively good.

Our DCF model indicates a value of SEK 34.1 per share for Telia. The model assumes that the company's revenue growth will be about 2% in the medium term and 2.0% in the terminal (was 1.7%). We forecast an EBIT margin of around 16-19% between 2024 and 2030 and 19% in the terminal period. The forecasts are relatively ambitious, which is also reflected in the high terminal weight in the valuation (59%).

With a predictable and stable business relative to the general market, we continue to use a low (7.4%) discount rate (WACC) compared to the general market. We slightly increased the WACC (was 7.0%) due to the increased general market risk. The weighting of the DCF still relies heavily on the terminal value, but it serves as one of the approaches for Telia's valuation and reflects the fact that the stock is fully priced.

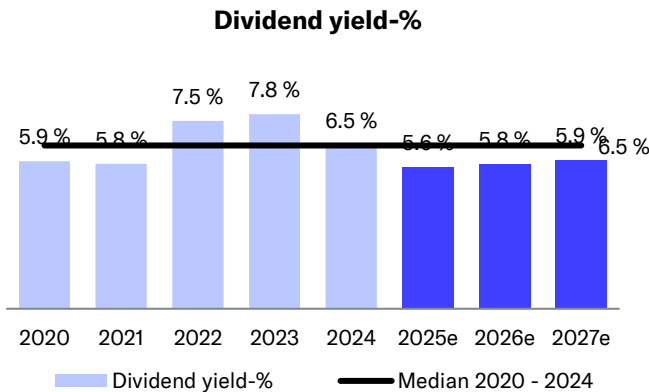
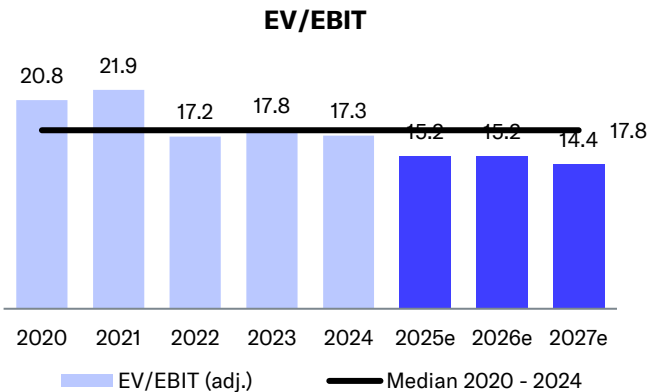
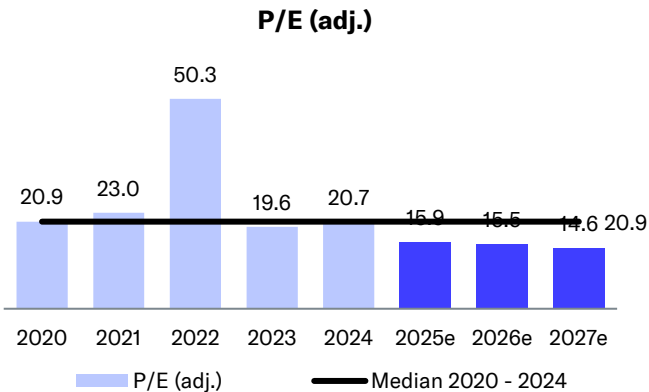
Valuation	2025e	2026e	2027e
Share price	35.4	35.4	35.4
Number of shares, millions	3923	3923	3923
Market cap	139035	139035	139035
EV	227111	226586	226047
P/E (adj.)	15.9	15.5	14.6
P/E	16.5	17.2	16.3
P/B	3.0	3.0	3.0
P/S	1.7	1.7	1.6
EV/Sales	2.7	2.7	2.6
EV/EBITDA	7.0	7.1	6.9
EV/EBIT (adj.)	15.2	15.2	14.4
Payout ratio (%)	93.2 %	99.4 %	96.8 %
Dividend yield-%	5.6 %	5.8 %	5.9 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	34.0	35.4	26.7	25.7	30.7	35.4	35.4	35.4	35.4
Number of shares, millions	4090	4090	4035	4035	3923	3923	3923	3923	3923
Market cap	138884	144793	104830	101173	120322	138878	138878	138878	138878
EV	223553	217034	194448	191731	212721	226954	226429	225890	225109
P/E (adj.)	20.9	23.0	50.3	19.6	20.7	15.9	15.5	14.6	13.9
P/E	neg.	12.6	neg.	neg.	28.5	16.5	17.2	16.3	15.6
P/B	2.6	2.1	1.9	2.3	2.6	3.0	3.0	3.0	2.9
P/S	1.6	1.6	1.2	1.1	1.5	1.7	1.7	1.6	1.6
EV/Sales	2.5	2.5	2.1	2.2	2.6	2.7	2.7	2.6	2.6
EV/EBITDA	7.4	6.2	6.6	6.8	7.3	7.0	7.1	6.9	6.7
EV/EBIT (adj.)	20.8	21.9	17.2	17.8	17.3	15.2	15.2	14.4	17.8
Payout ratio (%)	neg.	73%	neg.	neg.	186%	93%	99%	97%	95%
Dividend yield-%	5.9 %	5.8 %	7.5 %	7.8 %	6.5 %	5.6 %	5.8 %	5.9 %	6.1 %

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Tele2	8680	11441	19.0	17.4	10.1	9.7	4.2	4.1	21.5	18.2	5.1	6.3	4.4
Elisa	7644	9061	17.3	16.4	11.1	10.7	4.0	3.9	18.8	17.6	5.3	5.6	5.7
Telenor	17098	25163	15.4	14.4	8.3	8.0	3.7	3.6	17.4	14.9	6.5	6.6	2.8
BT	19469	43872	11.4	11.3	4.6	4.6	1.8	1.9	9.3	9.3	4.7	5.0	1.3
Proximus	2239	6658	10.0	10.2	3.4	3.4	1.0	1.0	5.7	5.7	8.5	8.8	0.6
Orange Belgium	1021	3104	19.7	20.3	5.6	5.7	1.5	1.5	19.4	15.2			1.3
Swisscom AG	29565	46339	20.3	19.2	7.3	7.1	3.0	3.0	19.3	18.2	4.5	4.6	2.2
Telekom Austria AG	5781	8003	8.3	7.8	3.9	3.7	1.5	1.4	9.3	8.6	5.1	5.4	1.1
<b>Telia (Inderes) MSEK</b>	<b>138878</b>	<b>226954</b>	<b>15.2</b>	<b>15.2</b>	<b>7.0</b>	<b>7.1</b>	<b>2.7</b>	<b>2.7</b>	<b>15.9</b>	<b>15.5</b>	<b>5.6</b>	<b>5.8</b>	<b>2.5</b>
Average			15.2	14.6	6.8	6.6	2.6	2.5	15.1	13.4	5.7	6.0	2.4
<b>Median</b>			<b>16.4</b>	<b>15.4</b>	<b>6.5</b>	<b>6.4</b>	<b>2.4</b>	<b>2.4</b>	<b>18.1</b>	<b>15.0</b>	<b>5.1</b>	<b>5.6</b>	<b>1.8</b>
<b>Diff-% to median</b>			<b>-7%</b>	<b>-1%</b>	<b>9%</b>	<b>11%</b>	<b>14%</b>	<b>11%</b>	<b>-12%</b>	<b>3%</b>	<b>12%</b>	<b>4%</b>	<b>40%</b>
<b>Median (Nordic)</b>			<b>17.3</b>	<b>16.4</b>	<b>10.1</b>	<b>9.7</b>	<b>4.0</b>	<b>3.9</b>	<b>18.8</b>	<b>17.6</b>	<b>5.3</b>	<b>6.3</b>	<b>4.4</b>
<b>Diff-% to median (Nordic)</b>			<b>-12%</b>	<b>-7%</b>	<b>-30%</b>	<b>-27%</b>	<b>-31%</b>	<b>-30%</b>	<b>-15%</b>	<b>-12%</b>	<b>6%</b>	<b>-9%</b>	<b>-44%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	90827	88785	19360	20182	20003	21419	80965	20035	20479	20303	21861	82678	83977	85620	87450
Sweden	35112	35869	8707	8813	8585	9286	35392	8894	8980	8783	9519	36176	36936	37674	38428
Finland	15190	16545	3753	3901	3770	4084	15507	3756	3940	3826	4165	15688	15923	16241	16647
Norway	15022	15114	3512	3564	3665	3566	14307	3415	3457	3482	3387	13742	13879	14087	14369
Lithuania	4784	5516	1331	1383	1388	1516	5618	1366	1424	1430	1577	5797	5913	6090	6273
Estonia	3637	4145	981	1019	1019	1076	4095	1025	1070	1080	1152	4327	4370	4501	4636
Other operations	13032	13410	1077	1502	1576	1891	6046	1579	1607	1702	2061	6949	6956	7026	7096
EBITDA	29417	28392	6925	7498	8239	6641	29303	7942	7932	8478	7921	32272	31937	32665	33370
EBITDA (adj.)	30328	30254	7312	7738	8250	7593	30892	7803	8082	8628	8071	32583	32837	33665	34470
Depreciation	-38936.0	-23517	-4321	-4497	-4397	-5375	-18589	-4365	-4450	-4422	-4423	-17661	-17975	-17979	-18002
EBIT (excl. NRI)	11310	10758	2991	3241	3853	2218	12303	3438	3632	4206	3647	14922	14862	15686	16468
EBIT	-9518.7	4875	2605	3001	3842	1266	10714	3577	3482	4056	3497	14611	13962	14686	15368
Share in profit of associates	0.0	105	37	19	9	55	120	25	29	29	29	112	130	130	130
Net financial items	-3366.0	-3875	-1221	-899	-714	-1765	-4600	-900	-880	-870	-850	-3500	-3055	-3226	-3392
PTP	-12783	1105	1420	2121	3137	-444	6234	2702	2631	3215	2676	11224	11037	11590	12105
Taxes	-1381.0	-1099	-308	-398	-669	63	-1313	-540	-526	-643	-535	-2245	-2258	-2372	-2479
Minority interest	-474.0	-594	-160	-168	-187	-187	-702	-165	-165	-165	-165	-661	-692	-706	-720
Net earnings	-14638	-588	952	1555	2281	-568	4219	1997	1939	2406	1976	8318	8087	8512	8906
EPS (continuous operations)	-3.63	-0.15	0.24	0.40	0.58	-0.14	1.08	0.51	0.49	0.61	0.50	2.12	2.06	2.17	2.27

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	2.8 %	-2.2 %	-11.0 %	-8.0 %	-9.1 %	-7.3 %	-8.8 %	3.5 %	1.5 %	1.5 %	2.1 %	2.1 %	1.6 %	2.0 %	2.1 %
Adjusted EBIT growth-%		-4.9 %	29.2 %	30.7 %	6.5 %	-5.4 %	14.4 %	14.9 %	12.1 %	9.2 %	64.4 %	21.3 %	-0.4 %	5.5 %	5.0 %
EBITDA-% (adj.)	32.4 %	34.1 %	37.8 %	38.3 %	41.2 %	35.4 %	38.2 %	38.9 %	39.5 %	42.5 %	36.9 %	39.4 %	39.1 %	39.3 %	39.4 %
Adjusted EBIT-%	12.5 %	12.1 %	15.5 %	16.1 %	19.3 %	10.4 %	15.2 %	17.2 %	17.7 %	20.7 %	16.7 %	18.0 %	17.7 %	18.3 %	18.8 %
Net earnings-%	-16.1 %	-0.7 %	4.9 %	7.7 %	11.4 %	-2.7 %	5.2 %	10.0 %	9.5 %	11.9 %	9.0 %	10.1 %	9.6 %	9.9 %	10.2 %

Source: Inderes, Note: 2024 figures updated to reflect the new structure, excluding TV&Media operations and Nordic masts

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>172878</b>	<b>170878</b>	<b>166567</b>	<b>166587</b>	<b>166692</b>
Goodwill	66020	65442	65442	65442	65442
Intangible assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	87004	86014	81703	81723	81828
Associated companies	6742	10964	10964	10964	10964
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	11929	7383	7383	7383	7383
Deferred tax assets	1183	1075	1075	1075	1075
<b>Current assets</b>	<b>53590</b>	<b>33394</b>	<b>27986</b>	<b>28227</b>	<b>28741</b>
Inventories	2307	1869	1909	1939	1976
Other current assets	2851	1935	1935	1935	1935
Receivables	28476	19778	18355	18475	18836
Cash and equivalents	19956	9812	5787	5878	5993
<b>Balance sheet total</b>	<b>226468</b>	<b>204272</b>	<b>194553</b>	<b>194814</b>	<b>195434</b>

Source: Inderes

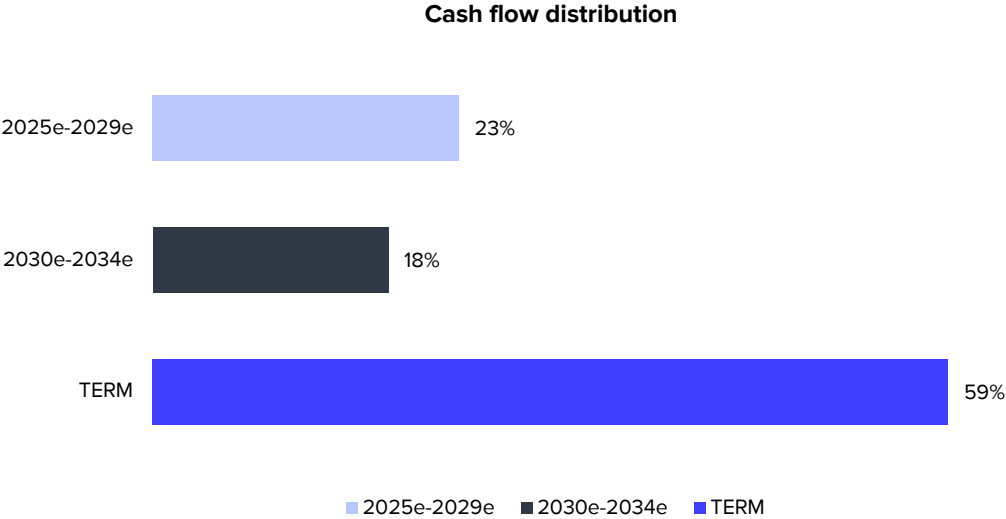
Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>56994</b>	<b>59357</b>	<b>60063</b>	<b>60303</b>	<b>50811</b>
Share capital	14961	14961	14961	14961	14961
Retained earnings	28545	30516	31222	31462	31932
Hybrid bonds	9962	9962	9962	9962	0
Revaluation reserve	0	0	0	0	0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	3526	3918	3918	3918	3918
<b>Non-current liabilities</b>	<b>115316</b>	<b>103792</b>	<b>98300</b>	<b>98881</b>	<b>106988</b>
Deferred tax liabilities	9013	9079	9079	9079	9079
Provisions	5710	5697	5697	5697	5697
Interest bearing debt	86657	81923	76431	77012	85119
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	13936	7093	7093	7093	7093
<b>Current liabilities</b>	<b>54158</b>	<b>41123</b>	<b>36190</b>	<b>35629</b>	<b>37635</b>
Interest bearing debt	14069	10108	7253	6237	7668
Payables	35920	31015	28937	29392	29967
Other current liabilities	4169	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>226468</b>	<b>204272</b>	<b>194553</b>	<b>194814</b>	<b>195434</b>

# DCF-calculation

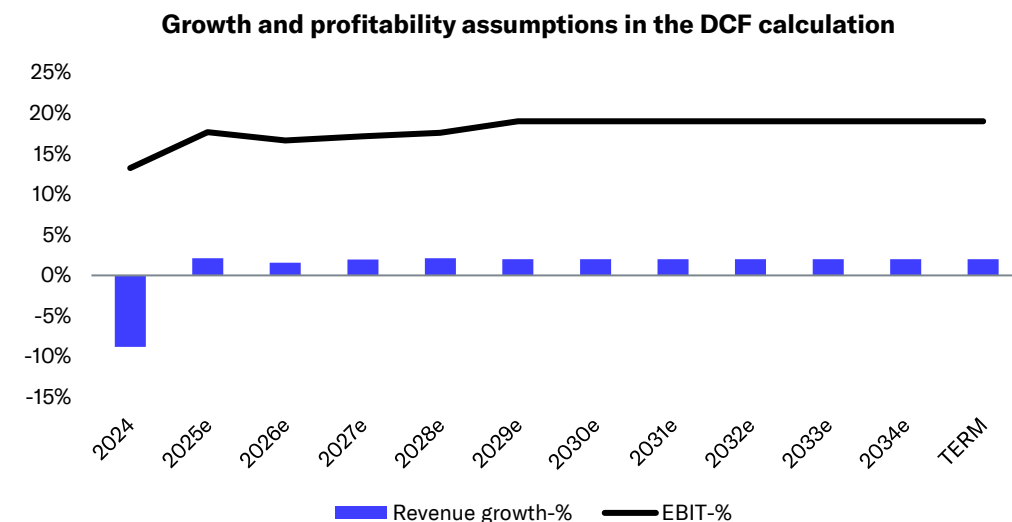
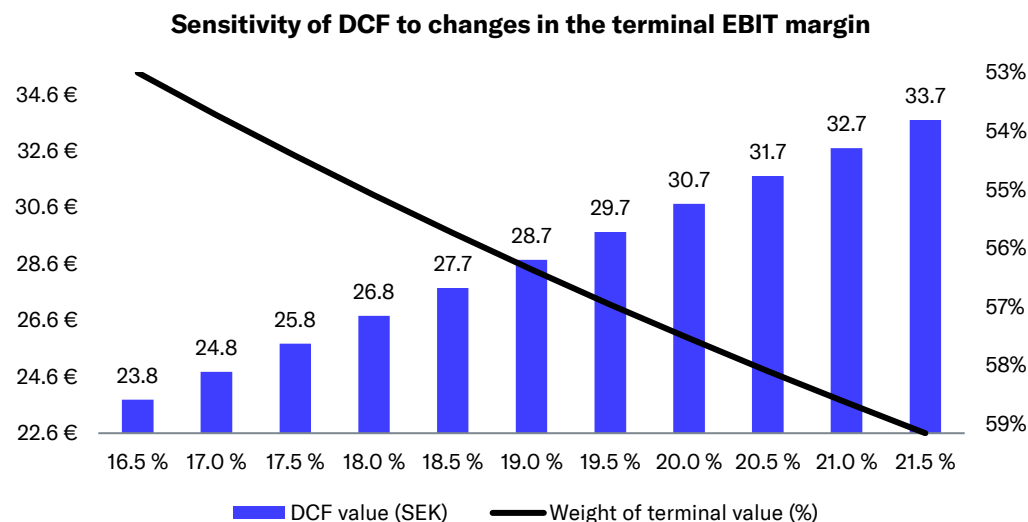
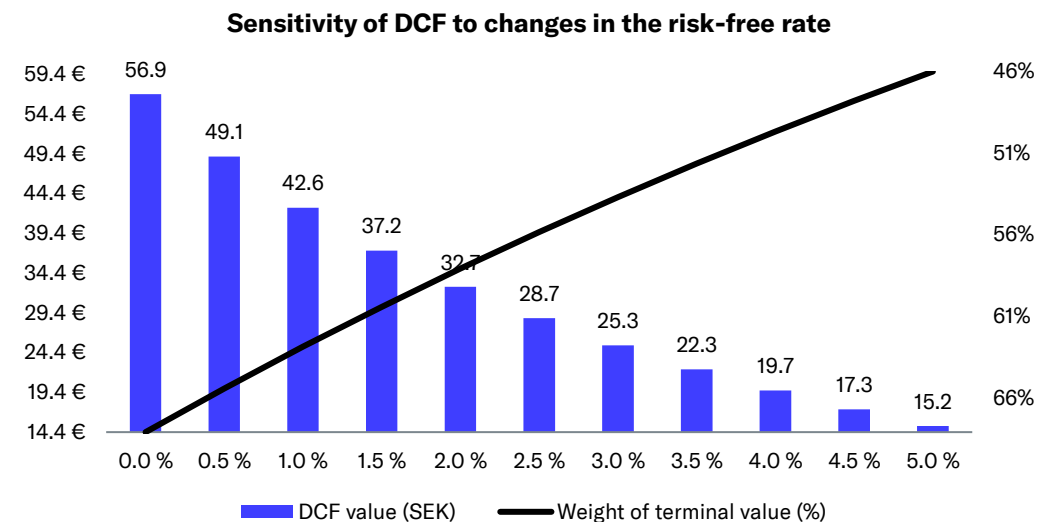
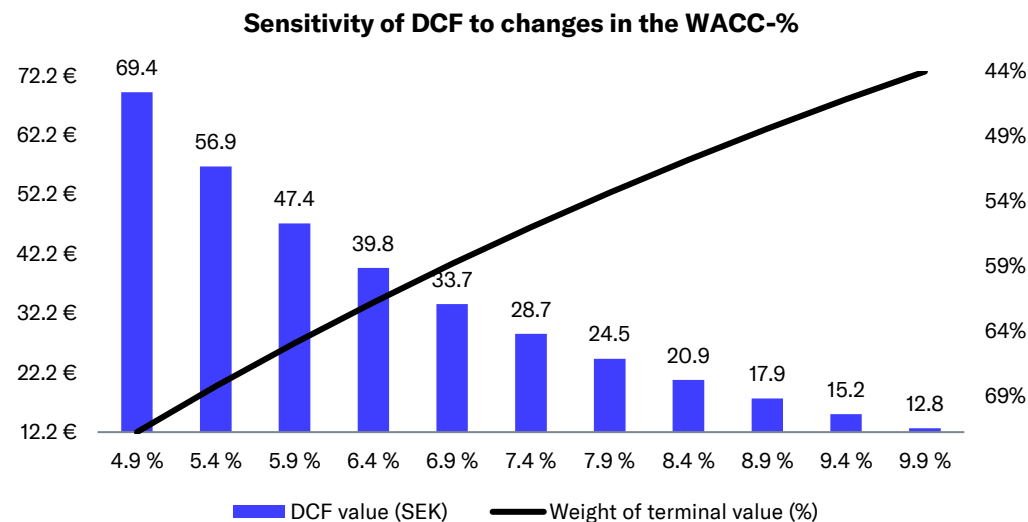
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.8 %	2.1 %	1.6 %	2.0 %	2.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	13.2 %	17.7 %	16.6 %	17.2 %	17.6 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %
<b>EBIT (operating profit)</b>	<b>10714</b>	<b>14611</b>	<b>13962</b>	<b>14686</b>	<b>15368</b>	<b>16948</b>	<b>17287</b>	<b>17632</b>	<b>17985</b>	<b>18345</b>	<b>18712</b>	
+ Depreciation	18589	17661	17975	17979	18002	18020	18034	18065	18109	18164	18227	
- Paid taxes	-1139	-2261	-2258	-2372	-2479	-2816	-2896	-3030	-3109	-3189	-3270	
- Tax, financial expenses	-1044	-709	-657	-692	-727	-718	-708	-647	-641	-636	-632	
+ Tax, financial income	56	31	24	25	25	26	26	27	27	28	28	
- Change in working capital	978	-694	304	176	196	187	191	195	198	202	206	
<b>Operating cash flow</b>	<b>28156</b>	<b>28640</b>	<b>29351</b>	<b>29801</b>	<b>30384</b>	<b>31647</b>	<b>31934</b>	<b>32242</b>	<b>32570</b>	<b>32914</b>	<b>33271</b>	
+ Change in other long-term liabilities	-6856	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-12475	-13350	-17995	-18084	-18084	-18084	-18175	-18266	-18357	-18449	-18596	
<b>Free operating cash flow</b>	<b>8824</b>	<b>15290</b>	<b>11356</b>	<b>11716</b>	<b>12300</b>	<b>13562</b>	<b>13759</b>	<b>13977</b>	<b>14213</b>	<b>14465</b>	<b>14675</b>	
+/- Other	2859	137	0	0	0	0	0	0	0	0	0	
FCFF	11683	15427	11356	11716	12300	13562	13759	13977	14213	14465	14675	277718
<b>Discounted FCFF</b>		<b>14692</b>	<b>10071</b>	<b>9676</b>	<b>9459</b>	<b>9712</b>	<b>9174</b>	<b>8678</b>	<b>8218</b>	<b>7788</b>	<b>7358</b>	<b>139233</b>
Sum of FCFF present value		234058	219366	209294	199619	190160	180448	171274	162596	154378	146590	139233
<b>Enterprise value DCF</b>		<b>234058</b>										
- Interest bearing debt		-101993										
+ Cash and cash equivalents		9812										
-Minorities		-3918										
-Dividend/capital return		-7846										
<b>Equity value DCF</b>		<b>133813</b>										
<b>Equity value DCF per share</b>		<b>34.1</b>										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>7.4 %</b>

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	90827	88785	80965	82678	83977	EPS (reported)	-3.63	-0.15	1.08	2.14	2.06
EBITDA	29417	28392	29303	32272	31937	EPS (adj.)	0.53	1.31	1.48	2.22	2.29
EBIT	-9519	4875	10714	14611	13962	OCF / share	6.08	5.64	7.18	7.30	7.48
PTP	-12783	1105	6234	11355	11037	OFCF / share	-2.06	3.05	2.98	3.93	2.89
Net Income	-14638	303	7079	8552	8087	Book value / share	15.92	13.25	14.13	14.31	14.37
Extraordinary items	-20829	-5883	-1589	-311	-900	Dividend / share	2.00	2.00	2.00	2.00	2.05
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	222793	226468	204272	194553	194814	Revenue growth-%	3%	-2%	-9%	2%	2%
Equity capital	67673	56994	59357	60063	60303	EBITDA growth-%	1%	0%	2%	5%	1%
Goodwill	74547	66020	65442	65442	65442	EBIT (adj.) growth-%	14%	-5%	14%	21%	0%
Net debt	79922	80770	82219	77896	77371	EPS (adj.) growth-%	-66%	147%	13%	50%	3%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	33.4 %	34.1 %	38.2 %	39.4 %	39.1 %
EBITDA	29417	28392	29303	32272	31937	EBIT (adj.)-%	12.5 %	12.1 %	15.2 %	18.0 %	17.7 %
Change in working capital	-4416	-2145	978	-694	304	EBIT-%	-10.5 %	5.5 %	13.2 %	17.7 %	16.6 %
Operating cash flow	24541	22760	28156	28640	29351	ROE-%	-20.2 %	-1.0 %	7.7 %	15.1 %	14.4 %
CAPEX	-25955	-12622	-12475	-13350	-17995	ROI-%	-5.8 %	3.3 %	7.2 %	10.1 %	9.9 %
Free cash flow	-8306	12293	11683	15427	11356	Equity ratio	30.4 %	25.2 %	29.1 %	30.9 %	31.0 %
						Gearing	118.1 %	141.7 %	138.5 %	129.7 %	128.3 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	2.1	2.2	2.6	2.7	2.7						
EV/EBITDA	6.6	6.8	7.3	7.0	7.1						
EV/EBIT (adj.)	17.2	17.8	17.3	15.2	15.2						
P/E (adj.)	50.3	19.6	20.7	15.9	15.5						
P/B	1.9	2.3	2.6	3.0	3.0						
Dividend-%	7.5 %	7.8 %	6.5 %	5.6 %	5.8 %						

Source: Inderes

# Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendation recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at [www.inderes.fi/research-disclaimer](http://www.inderes.fi/research-disclaimer).

## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/23/2018	Accumulate	44.0 SEK	39.1 SEK
10/22/2018	Accumulate	45.0 SEK	40.3 SEK
1/28/2019	Accumulate	44.0 SEK	39.8 SEK
3/27/2019	Accumulate	44.0 SEK	41.4 SEK
4/26/2019	Accumulate	44.0 SEK	40.8 SEK
7/18/2019	Reduce	44.0 SEK	42.9 SEK
10/18/2019	Reduce	42.0 SEK	41.7 SEK
1/14/2020	Reduce	42.0 SEK	40.6 SEK
1/30/2020	Reduce	42.0 SEK	41.8 SEK
3/19/2020	Accumulate	39.0 SEK	34.0 SEK
3/27/2020	Accumulate	38.0 SEK	35.0 SEK
4/23/2020	Accumulate	38.0 SEK	34.1 SEK
7/20/2020	Accumulate	38.0 SEK	36.3 SEK
10/22/2020	Accumulate	38.0 SEK	37.2 SEK
1/27/2021	Accumulate	38.0 SEK	36.6 SEK
2/1/2021	Accumulate	40.0 SEK	36.7 SEK
4/26/2021	Accumulate	40.0 SEK	35.1 SEK
7/22/2021	Accumulate	40.0 SEK	38.1 SEK
10/22/2021	Accumulate	39.0 SEK	35.6 SEK
1/31/2022	Accumulate	39.0 SEK	36.3 SEK
4/28/2022	Reduce	41.0 SEK	41.4 SEK
7/21/2022	Accumulate	41.0 SEK	37.2 SEK
10/24/2022	Reduce	29.0 SEK	28.3 SEK
1/27/2023	Reduce	29.0 SEK	26.7 SEK
4/27/2023	Reduce	29.0 SEK	28.0 SEK
7/21/2023	Reduce	25.0 SEK	24.5 SEK
10/5/2023	Reduce	24.0 SEK	22.6 SEK
10/20/2023	Reduce	26.0 SEK	25.4 SEK
1/29/2024	Reduce	26.0 SEK	26.9 SEK
4/26/2024	Reduce	26.0 SEK	25.9 SEK
7/19/2024	Reduce	29.0 SEK	30.6 SEK
9/27/2024	Reduce	32.0 SEK	33.8 SEK
10/25/2024	Reduce	32.0 SEK	31.9 SEK
1/31/2025	Reduce	32.0 SEK	31.7 SEK
4/17/2025	Reduce	32.0 SEK	35.8 SEK
4/25/2025	Reduce	34.0 SEK	35.4 SEK





# CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

**[inderes.se](https://inderes.se)**

**[inderes.fi](https://inderes.fi)**