

SCANFIL

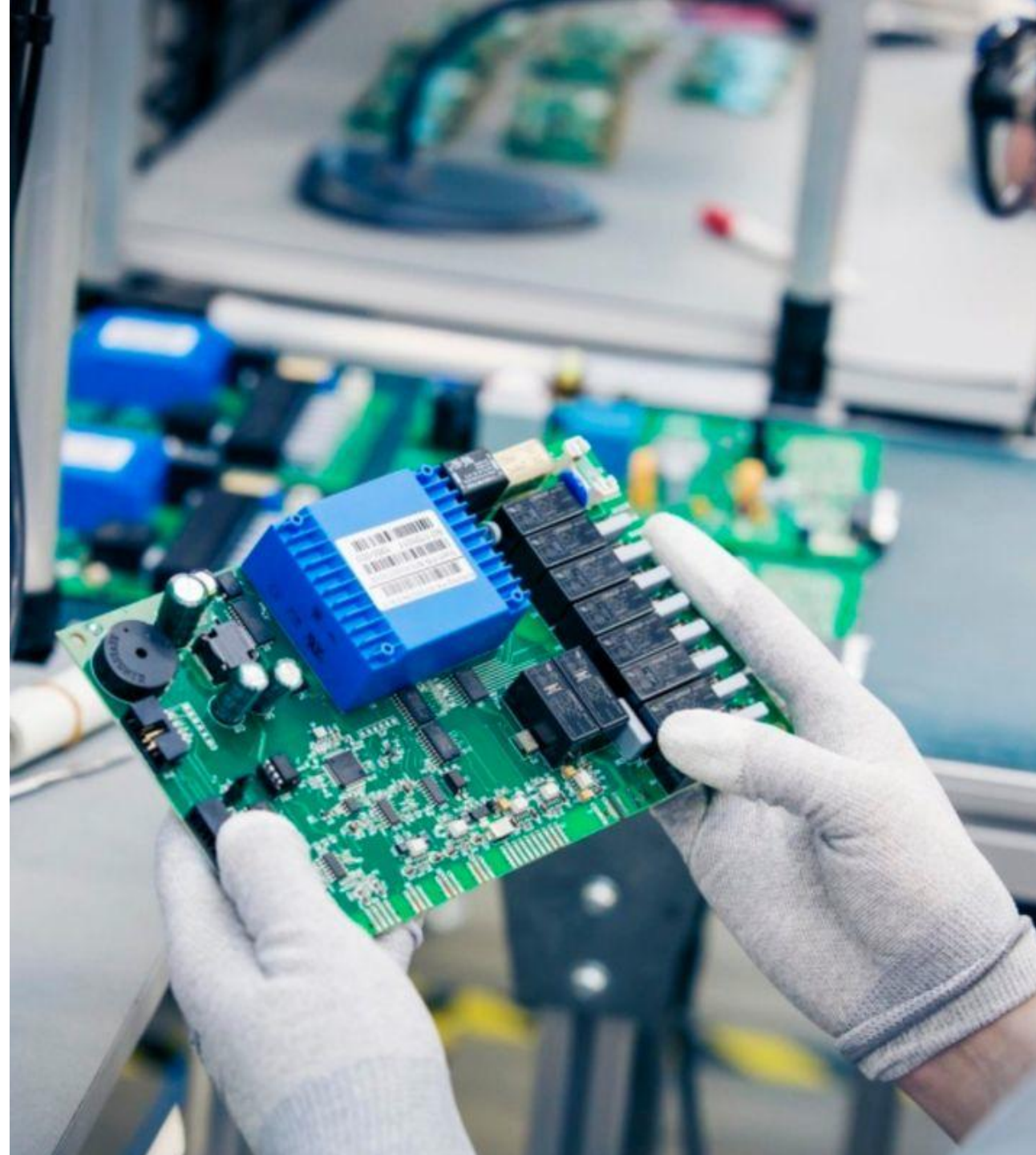
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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Acquisitions quickly tightened the valuation

We found the overall picture of Scanfil's Q2 report released yesterday to be fairly neutral. We added the ADCO and MB acquisitions, announced by the company in the summer, to our forecasts. Promising deals and putting the balance sheet to work raised our EPS estimates for the coming years by just over 10%. We nevertheless reiterate our Reduce recommendation for Scanfil, as the MB acquisition, in particular, boosted the share price this week and already pushed the valuation to fully priced (2026e: adj. EV/EBIT 11x). However, reflecting positive estimate revisions, we raise our target price to EUR 10.50 (was EUR 9.00).

There was no fuel for earnings growth yet in Q2

In Q2, Scanfil's revenue increased by 3% to 202 MEUR. Organically, we suspect revenue declined by some 1%, as the SRX acquisition supported revenue by some 4%, or 8.8 MEUR. In Q2, the adjusted EBITA decreased marginally to 14.2 MEUR. Profitability (adj. EBITA-%) was at Scanfil's baseline level of recent years, 7.0%. The improved earnings development from Q1 was slightly weaker than our somewhat overly optimistic expectations, but there was no major drama in the Q2 figures. The company managed to sell 42 MEUR of new projects in Q1, which was about 3% higher than in the comparison period. We commented on Scanfil's Q2 figures yesterday in more detail [here](#).

Acquisitions raised our estimates

Scanfil reiterated its guidance of 2025 of 780-920 MEUR revenue and 55-68 MEUR adjusted EBIT. The guidance was in line with our expectations. Despite macroeconomic uncertainties, the company commented positively on the H2 outlook (as did Kitron and Note in their reports earlier in July). This was at least partly due to the improved outlook of project-driven customers. The guidance does not yet include the ADCO and MB acquisitions announced in the summer, but due to the development in H1, the positive H2 outlook despite the uncertainties, and the acquisitions only materializing in H2, we expect the company to maintain its guidance range throughout the year.

We added the ADCO and MB acquisitions to Scanfil's forecasts starting from Q3 and Q4, but organically, we made no significant changes to the company's growth and profitability forecasts after a fairly neutral Q2 report. The promising acquisitions and putting the strong balance sheet to work increased our adjusted EPS estimates for Scanfil in the coming years by over 10%. We expect that Scanfil's adjusted EPS will grow at a rate of some 15% by 2028, driven by acquisitions and organic growth enabled by a gradually recovering economic situation. The main risks for our forecasts are related to external demand factors such as the global economy. Internally, we believe the company is in fairly good shape, although we suspect the integration of two nearly simultaneous acquisitions will slightly increase the risk level associated with the company's operations in the coming quarters.

Valuation has tightened clearly since the MB acquisition

Scanfil's share price has risen by over 20% since the MB acquisition published last Sunday. We believe the share price rally was driven by the increased weight of the defense sector, which has strong prospects and has grown due to acquisitions, and positive comments on the outlook from Nordic peers. Although the outlook for the defense sector is strong and its opening to Scanfil is positive, we do not yet see a need to drastically change the stock's valuation multiples. The defense sector will be Scanfil's smallest customer segment in the near term with a revenue share of just under 10%. Based on our estimates for 2025 and 2026, Scanfil's adjusted P/E ratios are 16x and 13x, and the corresponding EV/EBITA ratios are 14x and 11x. In our opinion, the multiples for next year, which depend on the market situation picking up, are also neutral, considering the acquisitions, so in the short term, we believe the valuation of the stock has tightened. Correspondingly, the expected annual return, consisting of earnings growth, the downside in the multiples, and a 2-3% dividend yield, remains modest. Also, when viewed against the DCF value, the upside in the share has been exhausted.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 10.50

(was EUR 9.00)

Share price:

EUR 11.32

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	780	844	1006	1076
growth-%	-13%	8%	19%	7%
EBIT adj.	54.9	60.9	75.7	83.0
EBIT-% adj.	7.0 %	7.2 %	7.5 %	7.7 %
Net Income	38.9	42.4	51.3	57.2
EPS (adj.)	0.62	0.70	0.85	0.94

P/E (adj.)	13.3	16.3	13.4	12.1
P/B	1.9	2.3	2.1	1.9
Dividend yield-%	2.9 %	2.3 %	2.5 %	2.7 %
EV/EBIT (adj.)	10.2	13.8	11.0	9.8
EV/EBITDA	7.6	10.4	8.2	7.4
EV/S	0.7	1.0	0.8	0.8

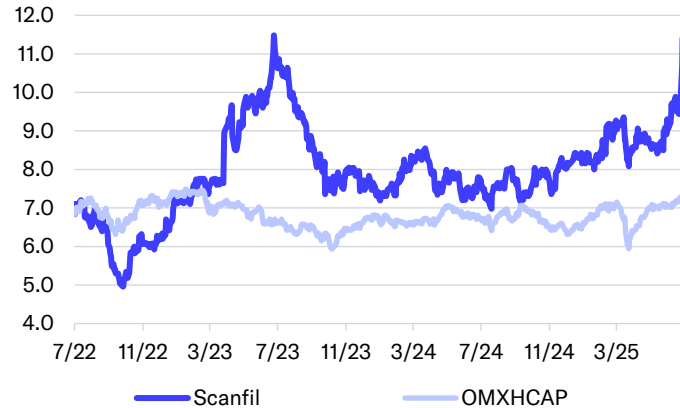
Source: Inderes

Guidance

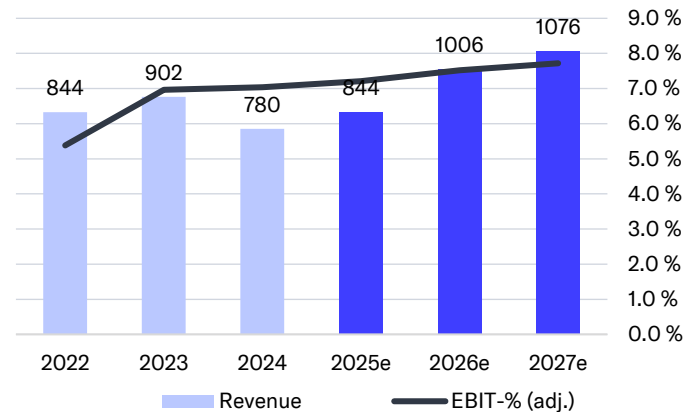
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Scanfil estimates that in 2025, its revenue is 780-920 MEUR and adjusted EBITA 55-68 MEUR

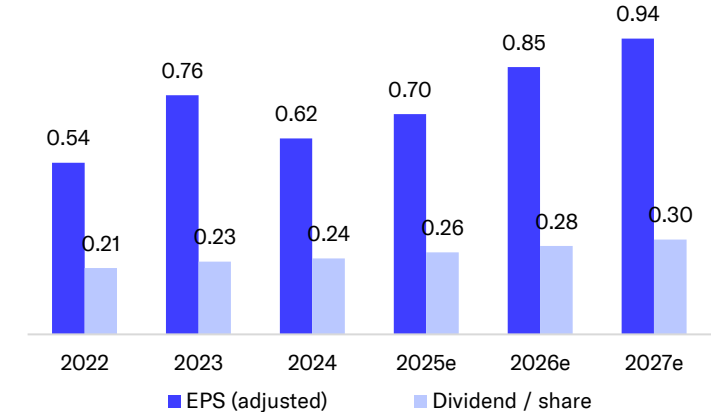
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Organic growth with the market and key customers
- Benefiting from the green trend
- Accelerating growth through M&A
- Strong financial track record
- Increase in acceptable valuation

Risk factors

- Demand comes partly from somewhat cyclical sectors
- Demand is investment-driven and therefore somewhat sensitive to interest rates
- Tightening competition and changes in the competitive field
- Limited pricing power
- Inflation

Valuation	2025e	2026e	2027e
Share price	11.3	11.3	11.3
Number of shares, millions	65.3	65.3	65.3
Market cap	740	740	740
EV	838	831	813
P/E (adj.)	16.3	13.4	12.1
P/E	17.5	14.4	12.9
P/B	2.3	2.1	1.9
P/S	0.9	0.7	0.7
EV/Sales	1.0	0.8	0.8
EV/EBITDA	10.4	8.2	7.4
EV/EBIT (adj.)	13.8	11.0	9.8
Payout ratio (%)	40.1 %	35.7 %	34.3 %
Dividend yield-%	2.3 %	2.5 %	2.7 %

Source: Inderes

Earnings growth still lacked momentum in Q2

Revenue grew moderately supported by the SRX acquisition in Q2

In Q2, Scanfil's revenue increased by 3% to 202 MEUR from a modest comparison level. Organically, we suspect revenue declined further by some 1%, as the SRX acquisition supported revenue by some 4%, or 8.8 MEUR. In Q2, revenue development was more subdued than we expected, especially in terms of organic growth. The Americas, which continued its strong growth of over 30%, exceeded expectations, but especially in Central European factories dependent on cleantech projects, revenue was lower than our forecast. For APAC and Northern Europe, deviations from our forecasts were smaller.

The operating result remained at the comparison period level in Q2

Scanfil's adjusted EBITA shrunk by 4% to 14.2 MEUR in Q2, which fell short of our overly optimistic forecast as revenue remained below our expectations. Profitability (adj. EBITA-

%) settled at 7.0%, similar to Scanfil's baseline in recent years. In terms of profitability, the Americas' result and profitability fell short of our forecasts despite strong growth due to a weaker product mix, while APAC achieved a stronger-than-expected and quite good margin. In Central and Northern Europe, profitability met our expectations, but earnings fell short of our estimates due to revenue-related reasons.

In the lower lines, Scanfil reported unsurprisingly small 0.3 MEUR one-off costs (not in forecasts) related to the ADCO acquisition in Q2, while financial expenses likely turned positive due to currency-based reasons, and the tax rate fell slightly below our estimate. Thus, the Q2 EPS of EUR 0.16 was one cent below the comparison figure and our estimate. In terms of cash flow, Scanfil's Q2 was decent, although cash flow from operating activities decreased by nearly 40% to 23 MEUR year-on-year, supported by an exceptionally strong release of working capital.

Balance sheet remains solid even after the acquisitions

Scanfil's net debt to EBITDA ratio was 0.4x (cf. target below 1.5x). The combined debt-free price of the ADCO and MB acquisitions, reasonably financed with debt, is 95 MEUR, excluding the earn-out for the MB acquisition. This will change the company's balance sheet structure significantly during H2, but we estimate that the net debt/pro forma EBITDA ratio will remain in the range of 1x-1.5x also in H2 when the acquisitions are completed. The company also has or will have contingent considerations from the SRX and MB acquisitions totaling approximately 60 MEUR, but this will not affect net debt until the earn-out is fully or partially realized. Most of the earn-outs may also materialize only in 2026-2027, once the scale of the MB transaction's earn-out has been determined. However, we do not expect the company to make acquisitions in the short term, but the need to integrate ADCO and MB into Scanfil before further moves is a greater reason for our view than balance sheet constraints.

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	196	202	213			-5%	844
EBITA (adj.)	14.3	14.2	15.4			-8%	60.9
EBIT	13.9	13.3	14.8			-10%	56.8
PTP	14.0	13.5	14.4			-6%	54.6
EPS (reported)	0.17	0.16	0.17			-7%	0.65
Revenue growth-%	-19.6 %	3.3 %	9.0 %			-5.6 pp	8.2 %
EBITA-% (adj.)	7.3 %	7.0 %	7.2 %			-0.2 pp	7.2 %

Source: Inderes

We included the ADCO and MB deals, to be completed in H2, in our estimates

The reiterated guidance was in line with our expectations

Scanfil reiterated its guidance for 2025 in its Q2 report of 780-920 MEUR revenue and 55-68 MEUR adjusted EBIT. The reiterated guidance was in line with our expectations. Despite the macro uncertainties, the company commented positively on H2's outlook. In July, Kitron and Note did the same in their reports. The optimism was at least partly driven by the improved outlook of project-driven customers, to which the company should have reasonable visibility. In addition, only a small portion of the annualized 187 MEUR revenue from projects won last year has materialized in H1 due to normal start-up and ramp-up delays, and these deals will be more clearly reflected in the company's revenue in H2. Scanfil did not comment that the trade war had significantly affected the forecasts received from its customers, despite the prevailing uncertainties. However, we note that the risks in this respect are not yet over, but the entry into force of new significant tariffs could alter the outlook even abruptly. Without an escalation of tariff risks, we believe that the economic outlook and Scanfil's

investment-driven demand have the potential to develop positively in the coming years.

The guidance does not contain the ADCO and MB acquisitions announced in the summer. Given the H1 development trending more towards the lower end of the guidance range, the positive outlook despite H2 uncertainties, and the acquisitions only materializing in H2, we expect the company to maintain its guidance unchanged in H2 as well.

Promising acquisitions significantly raised our forecasts

We have added the ADCO and MB acquisitions to Scanfil's forecasts starting from Q3 and Q4, but organically, after a fairly neutral Q2 report (incl. the Q2 forecast miss and positive comments on recent demand trends), we made no material changes to the company's growth and profitability forecasts. We expect Scanfil's revenue to turn to organic growth from H2 onwards, driven by project wins and a gradual recovery in the market situation.

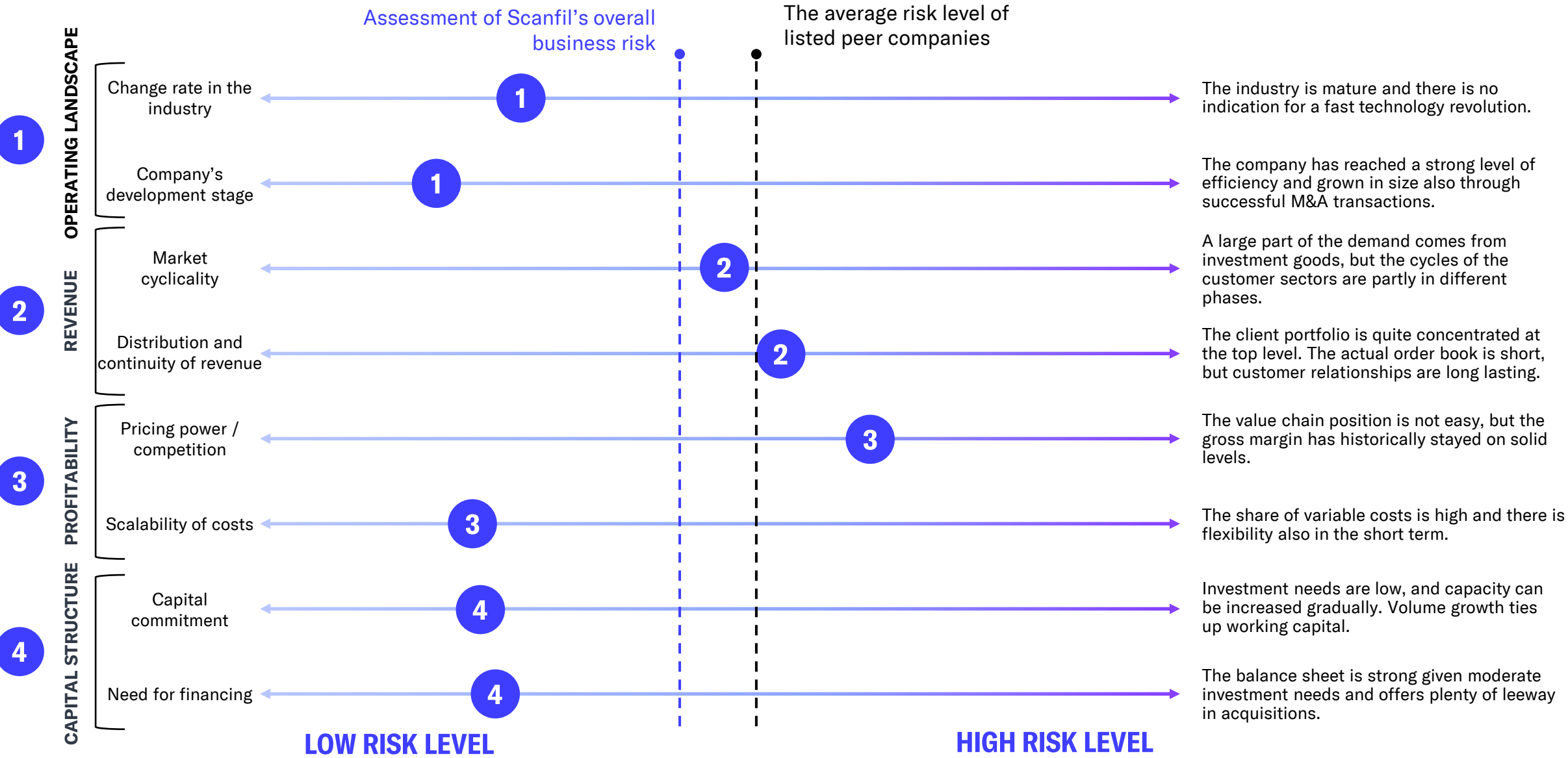
The promising profiles of the ADCO and MB acquisitions and putting the strong balance sheet to work increased our revenue and adjusted EBITA estimates for Scanfil in the coming years by approximately 15%. We have cut our adjusted EPS estimates by over 10%, as debt-financed acquisitions increased financial expenses, and the company also retains a small minority stake from the ADCO transaction. PPA amortizations are also likely to increase due to the acquisitions, but we still treat them as adjustments like non-recurring items. We expect about half of the earn-outs of MB and SRX to materialize in 2026-2027. This is a rough estimate that will be specified later.

We expect the adjusted EPS to grow at a rate of some 15% by 2028, driven by acquisitions and a gradually recovering economic situation. The main forecast risks are related to external demand factors such as the global economy. Internally, we believe the company is in fairly good shape, although we suspect the integration of two nearly simultaneous acquisitions will slightly increase the risk level associated with the company's operations in the near term.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	831	844	2%	876	1006	15%	937	1076	15%
EBIT (exc. NRIs)	59.8	60.9	2%	63.8	75.7	19%	69.9	83.0	19%
EBIT	57.3	56.8	-1%	61.0	70.6	16%	67.1	77.9	16%
PTP	55.1	54.6	-1%	59.9	66.1	10%	66.5	73.7	11%
EPS (excl. NRIs)	0.69	0.70	1%	0.75	0.85	13%	0.83	0.94	13%
DPS	0.25	0.26	4%	0.27	0.28	4%	0.29	0.30	3%

Source: Inderes

Risk profile of the business model



Fully priced on a 12 month perspective

Next year's multiples are already neutral

Scanfil's share price has risen by more than 20% since the MB acquisition published last Sunday. We believe the share price rally has been driven by the increased weight of the defense sector with favorable prospects as a result of acquisitions, as well as Note's and Kitron's positive comments on the H2 outlook. Although the outlook for the defense sector is good and its opening to Scanfil is positive, we do not yet see a need to drastically change the stock's valuation multiples, as the defense sector is likely to be Scanfil's smallest customer segment in the near future, with a revenue share of just under 10%. We believe that Scanfil's adjusted P/E multiple of 12x-15x and adjusted EV/EBITA multiple of 10x-12x are still acceptable based on Scanfil's growth and return on capital potential, the stock's risk level, and its largely strong historical track record.

In our estimate, Scanfil's P/E ratios for 2025 and 2026 are around 16x and 13x, while the corresponding EV/EBITA ratios are some 14x and 11x. We expect dividend yields to settle at a level of 2-3% in the coming years. The earnings-based valuation is above Scanfil's historical medians with 2025 multiples. For next year, the multiples are on par with medium-term median levels. Therefore, in our view, the stock's valuation has become more demanding following the recent share price surge, especially considering that the realization of our 2026 forecasts, which fully account for the acquisitions, also requires a sustainable improvement in the operating environment. Thus, we consider the stock to be fully priced in the short term. We find the expected return, consisting of earnings growth, a dividend yield of around 3% and the downside in the multiples (Q2'25 LTM ACT P/E 19x) modest.

Peer group valuation and especially DCF reflect full valuation

Compared to a peer group of global contract manufacturers, Scanfil's earnings-based valuation is rather neutral. We believe Scanfil deserves a small premium due to its long-term track record and positioning in industrial electronics with better margin potential, but we feel the peer group is already quite expensive in the short term (2025e: P/E 17x, EV/EBIT 15x). Therefore, we do not find the relative valuation of the share too attractive. Among the Nordic peers, Kitron and Note are valued clearly higher than Scanfil. In our opinion, the valuation of core peers already entails more risks than potential, which is why we do not base our view on the assumption that Scanfil's stock would be priced more strongly through peers.

Our DCF model for Scanfil is also above the price at around EUR 10.5 per share. Thus, also in light of the DCF, the stock is fully valued, even though we also slightly raised our long-term forecasts due to the acquisitions. The model's average profitability corresponds to Scanfil's realized margin level (and is slightly below the target level of 7-8%). We also slightly lowered our model's required return (CoE) to 9.2% due to the opening of the defense sector and the containment of trade war risks (cf. we raised our cost of equity in April when the trade war flared up). Considering these factors and Scanfil's reasonable long-term predictability, we also give a reasonable weight to the DCF signals in Scanfil despite the chronic inaccuracy of the method.

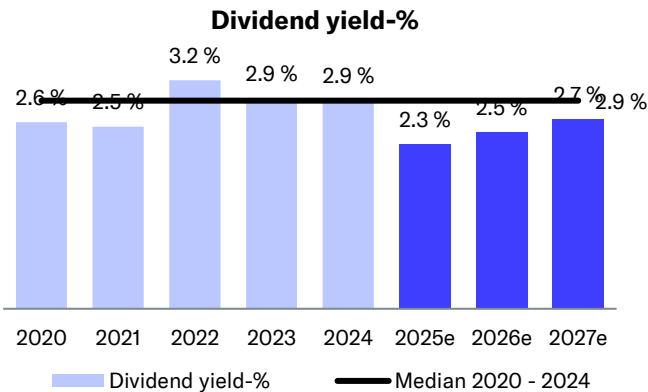
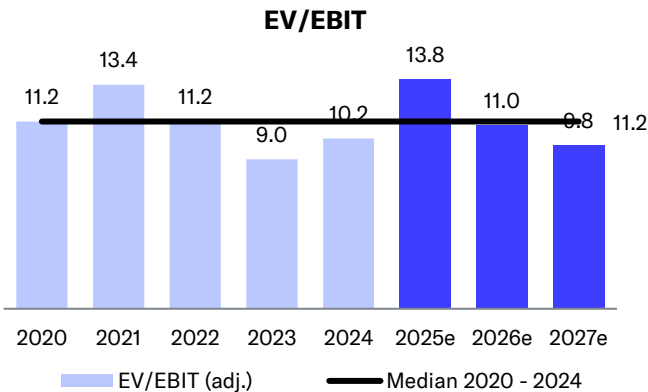
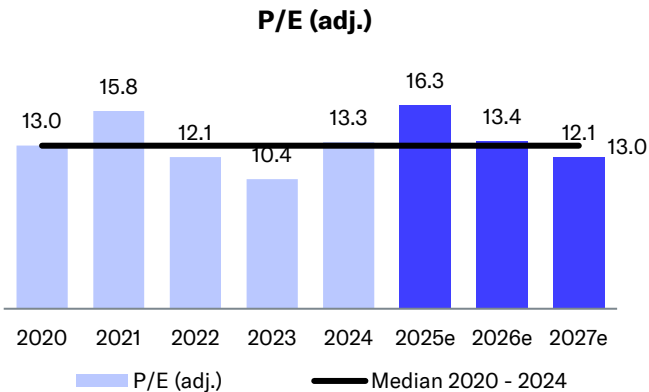
Valuation	2025e	2026e	2027e
Share price	11.3	11.3	11.3
Number of shares, millions	65.3	65.3	65.3
Market cap	740	740	740
EV	838	831	813
P/E (adj.)	16.3	13.4	12.1
P/E	17.5	14.4	12.9
P/B	2.3	2.1	1.9
P/S	0.9	0.7	0.7
EV/Sales	1.0	0.8	0.8
EV/EBITDA	10.4	8.2	7.4
EV/EBIT (adj.)	13.8	11.0	9.8
Payout ratio (%)	40.1 %	35.7 %	34.3 %
Dividend yield-%	2.3 %	2.5 %	2.7 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	6.52	7.46	6.58	7.83	8.25	11.3	11.3	11.3	11.3
Number of shares, millions	64.5	64.5	64.5	65.3	65.3	65.3	65.3	65.3	65.3
Market cap	420	481	424	511	538	740	740	740	740
EV	439	541	510	563	560	838	831	813	774
P/E (adj.)	13.0	15.8	12.1	10.4	13.3	16.3	13.4	12.1	11.5
P/E	11.4	16.2	12.1	10.6	13.8	17.5	14.4	12.9	12.2
P/B	2.3	2.3	1.9	1.9	1.9	2.3	2.1	1.9	1.7
P/S	0.7	0.7	1.9	0.6	0.7	0.9	0.7	0.7	0.7
EV/Sales	0.7	0.8	0.5	0.6	0.7	1.0	0.8	0.8	0.7
EV/EBITDA	7.2	9.8	8.1	7.0	7.6	10.4	8.2	7.4	6.8
EV/EBIT (adj.)	11.2	13.4	11.2	9.0	10.2	13.8	11.0	9.8	8.9
Payout ratio (%)	29.7 %	41.1 %	38.7 %	31.1 %	40.2 %	40.1 %	35.7 %	34.3 %	34.5 %
Dividend yield-%	2.6 %	2.5 %	3.2 %	2.9 %	2.9 %	2.3 %	2.5 %	2.7 %	2.8 %

Source: Inderes



The market cap and EV in the table consider the forecast 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
Incap	353	322	10.9	9.6	9.1	8.2	1.4	1.2	16.0	13.9			2.3
Kitron	1108	1203	19.7	16.0	15.2	12.7	1.7	1.5	27.0	20.8	1.3	1.9	4.7
Hanza	383	525	14.5	12.0	8.7	7.5	1.0	0.9	17.7	13.4	1.2	1.9	2.3
Pegatron	6324	5755	12.3	10.3	6.1	5.4	0.2	0.2	12.5	11.8	5.5	5.6	1.0
Celestica	15813	16389	24.7	20.8	21.0	17.9	1.7	1.5	31.7	26.6			9.4
Flextronics	16709	17973	14.6	13.2	10.8	9.8	0.8	0.8	19.9	17.6			4.1
Foxconn	66262	65070	9.7	8.2	6.7	5.9	0.3	0.2	12.2	10.8	4.1	4.7	1.3
Jabil	20202	21448	16.0	14.4	10.8	9.9	0.9	0.8	23.4	20.2	0.2	0.2	15.1
Hana Microelectronics	495	233	6.2	5.2	2.9	2.6	0.4	0.4	14.4	12.3	3.9	4.9	0.7
TT Electronics	217	328	9.9	7.7	6.0	5.2	0.6	0.6	10.6	7.8	3.3	4.1	0.9
Fabrinet	9191	8360	27.6	24.1	23.7	20.6	2.9	2.5	29.3	25.6			5.4
Universal Scientific	3779	3151	14.2	10.8	8.5	6.9	0.4	0.4	18.2	14.1	2.1	2.5	1.4
Venture Corporation	2395	1535	9.2	8.8	8.0	7.7	0.9	0.8	15.4	14.8	6.1	6.1	1.2
Plexus	3203	3116	15.4	13.7	11.4	10.4	0.9	0.8	19.6	18.0			2.7
Note	488	497	14.5	13.0	10.9	9.8	1.4	1.3	19.1	16.7	2.5	1.0	3.2
Katek	309	394	7.5	7.7	5.1	5.2	0.4	0.4	9.4	9.8			1.6
Lacroix	39	146	19.7	5.8	5.9	3.7	0.3	0.3	4.8	3.0		6.6	
Scanfil (Inderes)	740	838	13.8	11.0	10.4	8.2	1.0	0.8	16.3	13.4	2.3	2.5	2.3
Average			14.5	11.8	10.0	8.8	0.9	0.9	17.7	15.1	3.0	3.6	3.6
Median			14.5	10.8	8.7	7.7	0.9	0.8	17.7	14.1	2.9	4.1	2.3
Diff-% to median			-5%	2%	19%	6%	17%	2%	-8%	-5%	-21%	-40%	1%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	902	199	196	173	212	780	193	202	200	249	844	1006	1076	1127
Americas	37.5	8.6	8.8	9.7	10.9	38.0	11.7	11.8	13.1	18.9	55.5	76.5	79.6	83.6
APAC	184	40.1	45.5	42.7	61.0	189	52.2	59.5	61.9	63.5	237	254	272	285
Central Europe	390	84.6	76.1	65.4	77.2	303	69.5	67.5	68.7	100.0	306	419	452	475
Northern Europe	309	69.1	67.2	56.5	64.6	257	60.6	65.6	58.2	67.9	252	262	278	289
Eliminations / NRIs	-19.3	-3.5	-2.1	-1.0	-1.5	-8.1	-1.4	-2.2	-1.5	-1.5	-6.6	-6.0	-6.0	-6.0
EBITDA	80.4	17.7	19.0	17.5	19.8	74.0	17.6	19.1	19.6	24.3	80.7	102	109	113
Depreciation	-19.1	-5.0	-5.1	-5.1	-5.9	-21.1	-5.7	-5.9	-5.9	-6.4	-23.9	-31.0	-31.4	-31.4
EBIT (excl. NRI)	62.8	13.1	14.3	12.8	14.7	54.9	12.6	14.2	14.9	19.1	60.9	75.7	83.0	86.9
EBIT	61.3	12.7	13.9	12.4	13.9	52.9	11.9	13.3	13.7	17.9	56.8	70.6	77.9	81.8
Americas	2.7	0.5	0.8	0.8	1.1	3.2	0.8	0.6	1.0	2.0	4.4	6.0	6.7	7.2
APAC	10.7	3.0	4.4	3.9	3.9	15.2	3.6	5.1	5.3	5.4	19.3	20.3	21.7	22.7
Central Europe	31.6	6.9	5.1	4.4	6.2	22.6	5.2	4.9	5.1	7.6	22.8	33.8	37.6	39.3
Northern Europe	18.1	2.8	4.0	3.7	3.9	14.4	3.1	3.7	3.6	4.1	14.5	15.6	17.1	17.6
Eliminations / NRIs	-1.5	-0.4	-0.4	-0.4	-0.7	-1.9	-0.7	-1.0	-1.2	-1.2	-4.1	-5.1	-5.1	-5.1
Net financial items	0.3	0.2	0.0	-0.2	-1.5	-1.5	-1.2	0.2	-0.4	-0.8	-2.2	-4.4	-4.2	-3.7
PTP	61.7	12.9	14.0	12.2	12.4	51.4	10.7	13.5	13.3	17.1	54.6	66.1	73.7	78.1
Taxes	-13.4	-3.1	-3.2	-3.1	-3.1	-12.5	-2.4	-3.0	-2.9	-3.8	-12.1	-14.5	-16.2	-17.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.3	-0.3	-0.4
Net earnings	48.3	9.8	10.8	9.1	9.3	38.9	8.3	10.5	10.4	13.3	42.4	51.3	57.2	60.6
Net earnings	48.2	9.8	10.8	9.1	9.3	38.9	8.3	10.5	10.4	13.3	42.4	51.3	57.2	60.6
EPS (adj.)	0.76	0.15	0.17	0.14	0.15	0.62	0.14	0.17	0.17	0.22	0.70	0.85	0.94	0.99
EPS (rep.)	0.74	0.15	0.17	0.14	0.14	0.60	0.13	0.16	0.16	0.20	0.65	0.78	0.88	0.93
Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	6.9 %	-11.4 %	-19.6 %	-18.6 %	-3.9 %	-13.5 %	-3.2 %	3.4 %	15.6 %	17.3 %	8.2 %	19.2 %	6.9 %	4.8 %
Adjusted EBIT growth-%	38.3 %	-15.5 %	-20.1 %	-17.9 %	6.4 %	-12.6 %	-3.8 %	-0.7 %	16.7 %	30.3 %	10.9 %	24.3 %	9.7 %	4.7 %
EBITDA-%	8.9 %	8.9 %	9.7 %	10.1 %	9.3 %	9.5 %	9.2 %	9.5 %	9.8 %	9.8 %	9.6 %	10.1 %	10.2 %	10.0 %
Adjusted EBIT-%	7.0 %	6.6 %	7.3 %	7.4 %	6.9 %	7.0 %	6.5 %	7.0 %	7.5 %	7.7 %	7.2 %	7.5 %	7.7 %	7.7 %
Net earnings-%	5.3 %	4.9 %	5.5 %	5.2 %	4.4 %	5.0 %	4.3 %	5.2 %	5.2 %	5.3 %	5.0 %	5.1 %	5.3 %	5.4 %

Source: Inderes

Full-year EPS are calculated using the year-end number of shares.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	112	152	251	253	223
Goodwill	7.7	29.1	99.1	99.1	69.1
Intangible assets	10.4	20.0	20.1	20.2	20.3
Tangible assets	85.3	94.9	123	125	125
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	7.7	7.7	7.7	7.7	7.7
Current assets	406	387	414	457	487
Inventories	209	168	190	211	224
Other current assets	2.7	4.9	4.9	4.9	4.9
Receivables	174	165	186	201	215
Cash and equivalents	21.2	48.5	33.8	40.2	43.0
Balance sheet total	518	539	697	737	731

Source: Inderes

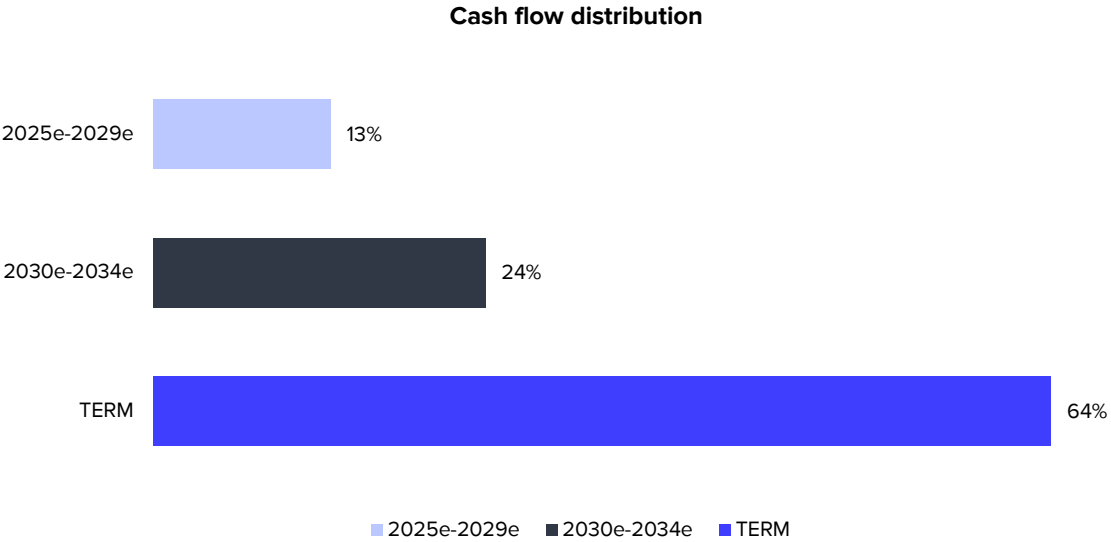
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	266	291	321	356	395
Share capital	2.0	2.0	2.0	2.0	2.0
Retained earnings	230	256	282	317	355
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	33.8	33.4	34.1	34.1	34.1
Minorities	0.0	0.0	3.0	3.0	3.0
Non-current liabilities	25.4	63.7	157	142	88.8
Deferred tax liabilities	5.7	9.7	9.7	9.7	9.7
Provisions	1.1	1.8	1.8	1.8	1.8
Interest bearing debt	18.6	41.9	86.5	86.6	77.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	10.3	59.0	44.0	0.0
Current liabilities	227	184	218	239	248
Interest bearing debt	54.3	27.8	38.2	38.2	32.8
Payables	167	154	177	198	212
Other current liabilities	5.5	2.8	2.8	2.8	2.8
Balance sheet total	518	539	697	737	731

DCF-calculation

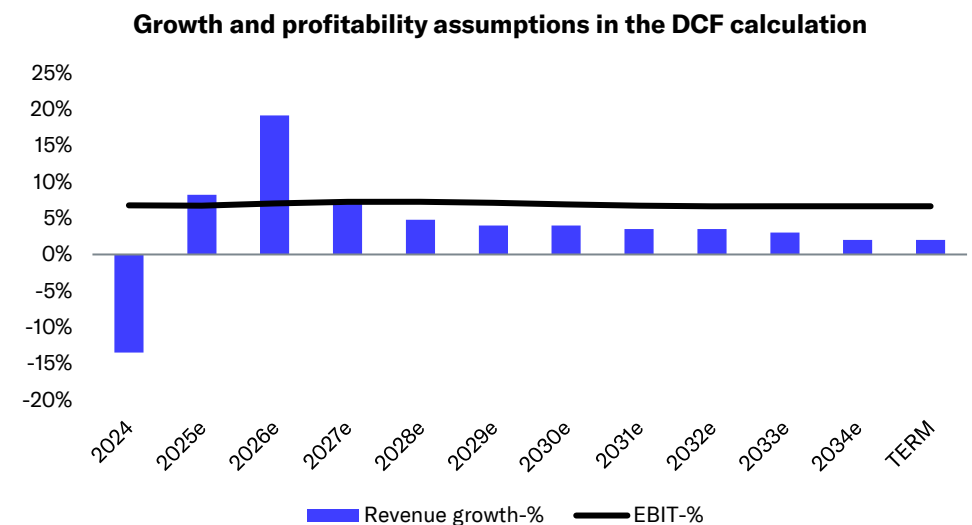
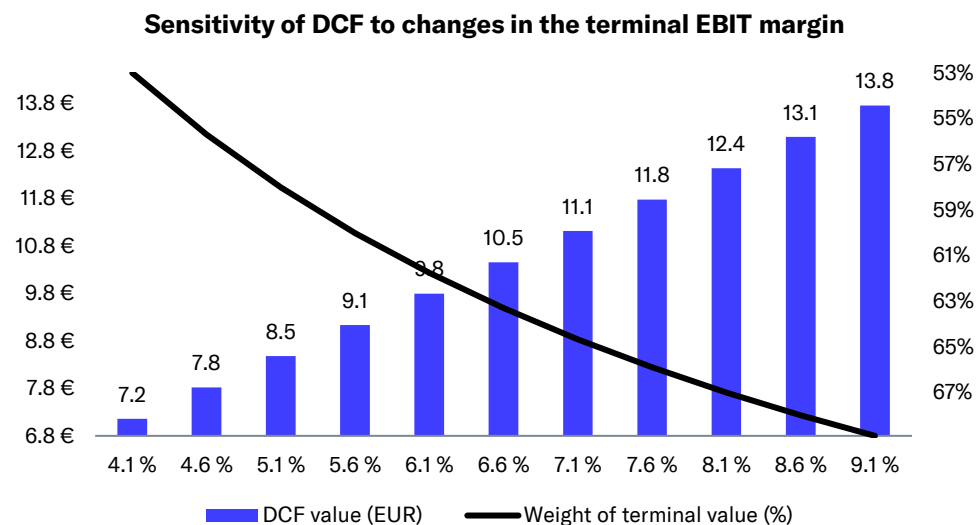
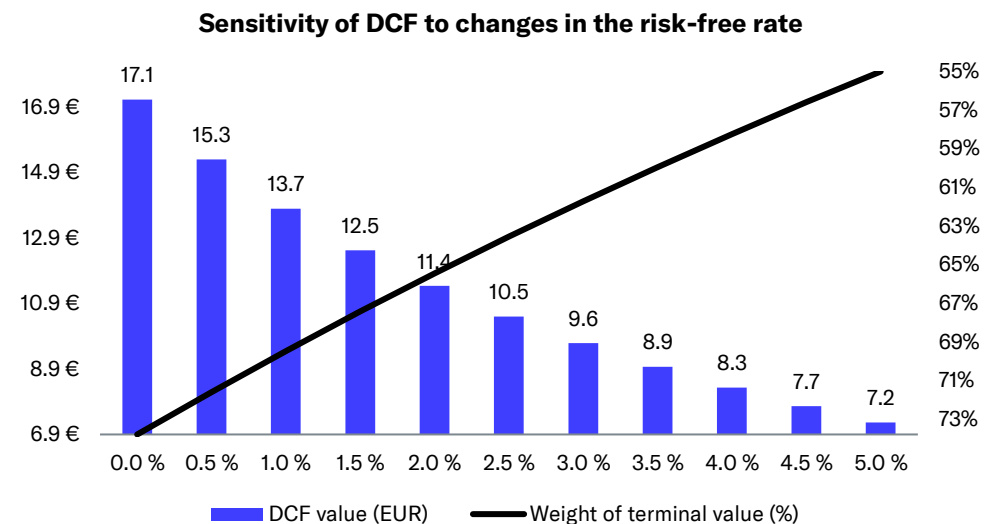
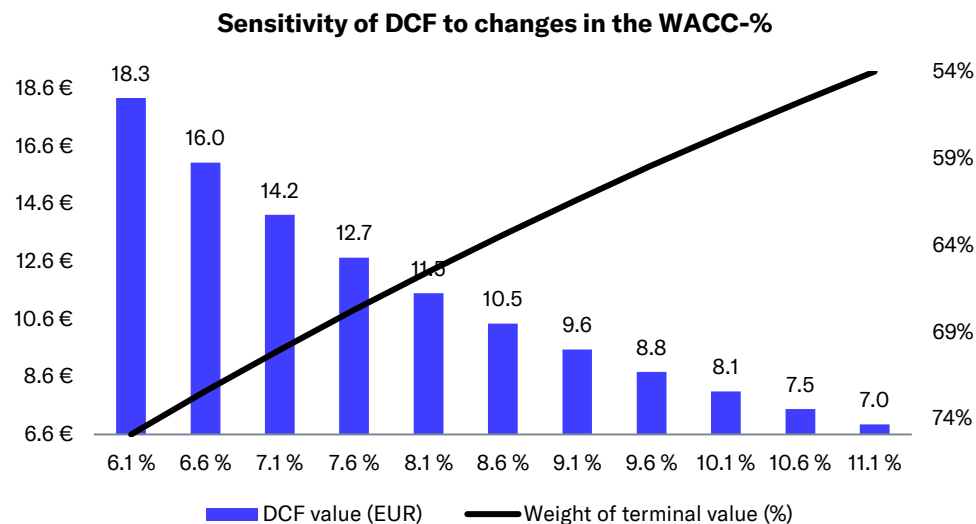
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.5 %	8.2 %	19.2 %	6.9 %	4.8 %	4.0 %	4.0 %	3.5 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	6.8 %	6.7 %	7.0 %	7.2 %	7.3 %	7.1 %	6.9 %	6.7 %	6.7 %	6.6 %	6.6 %	6.6 %
EBIT (operating profit)	52.9	56.8	70.6	77.9	81.8	83.2	84.1	84.5	86.8	89.3	91.1	
+ Depreciation	21.1	23.9	31.0	31.4	31.4	31.6	30.8	30.2	30.2	27.7	26.8	
- Paid taxes	-8.5	-12.1	-14.5	-16.2	-17.2	-17.9	-18.3	-18.5	-19.0	-19.6	-20.1	
- Tax, financial expenses	-0.5	-0.6	-1.1	-1.0	-0.9	-0.5	-0.4	-0.3	-0.3	-0.3	-0.3	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.4	
- Change in working capital	31.1	-18.6	-15.9	-12.7	-8.6	-7.1	-7.3	-6.2	-9.0	-8.0	-5.5	
Operating cash flow	96.3	49.5	70.2	79.5	86.6	89.4	89.2	89.9	89.0	89.4	92.4	
+ Change in other long-term liabilities	11.0	48.7	-15.0	-44.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-61.7	-154.1	-28.1	3.9	-26.1	-26.1	-26.1	-27.1	-27.1	-27.1	-27.2	
Free operating cash flow	45.6	-55.9	27.1	39.4	60.5	63.3	63.1	62.8	61.9	62.3	65.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	45.6	-55.9	27.1	39.4	60.5	63.3	63.1	62.8	61.9	62.3	65.2	1010
Discounted FCFF		-53.8	24.0	32.2	45.5	43.9	40.2	36.9	33.5	31.0	29.9	464
Sum of FCFF present value		727	781	757	725	679	635	595	558	525	494	464
Enterprise value DCF		727										
- Interest bearing debt		-69.7										
+ Cash and cash equivalents		48.5										
-Minorities		-7.0										
-Dividend/capital return		-15.7										
Equity value DCF		683										
Equity value DCF per share		10.5										

WACC	
Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.5 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.6 %

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



Spource: Inderes. NBI, The terminal value weight (%) is presented on a reverse scale for clarity

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	844	902	780	844	1006	EPS (reported)	0.54	0.74	0.60	0.65	0.78
EBITDA	62.9	80.4	74.0	80.7	101.6	EPS (adj.)	0.54	0.76	0.62	0.70	0.85
EBIT	45.4	61.3	52.9	56.8	70.6	OCF / share	0.24	1.02	1.48	0.76	1.07
PTP	41.7	61.7	51.4	54.6	66.1	FCF / share	-0.10	0.65	0.70	-0.85	0.41
Net Income	35.0	48.2	38.9	42.4	51.3	Book value / share	3.51	4.08	4.46	4.87	5.40
Extraordinary items	0.0	-1.5	-1.9	-4.1	-5.1	Dividend / share	0.21	0.23	0.24	0.26	0.28
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	526	518	539	697	737	Revenue growth-%	21%	7%	-13%	8%	19%
Equity capital	227	266	291	321	356	EBITDA growth-%	14%	28%	-8%	9%	26%
Goodwill	7.7	7.7	29.1	99.1	99.1	EBIT (adj.) growth-%	13%	38%	-13%	11%	24%
Net debt	85.5	51.7	21.2	90.9	84.6	EPS (adj.) growth-%	15%	39%	-18%	12%	21%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	7.5 %	8.9 %	9.5 %	9.6 %	10.1 %
EBITDA	62.9	80.4	74.0	80.7	101.6	EBIT (adj.)-%	5.4 %	7.0 %	7.0 %	7.2 %	7.5 %
Change in working capital	-39.9	-2.0	31.1	-18.6	-15.9	EBIT-%	5.4 %	6.8 %	6.8 %	6.7 %	7.0 %
Operating cash flow	15.7	66.3	96.3	49.5	70.2	ROE-%	16.1 %	19.6 %	14.0 %	13.9 %	15.3 %
CAPEX	-22.6	-24.3	-61.7	-154.1	-28.1	ROI-%	14.5 %	18.3 %	15.3 %	14.2 %	15.4 %
Free cash flow	-6.7	42.3	45.6	-55.9	27.1	Equity ratio	43.1 %	51.3 %	54.0 %	46.1 %	48.3 %
						Gearing	37.7 %	19.4 %	7.3 %	28.3 %	23.8 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.6	0.6	0.7	1.0	0.8						
EV/EBITDA	8.1	7.0	7.6	10.4	8.2						
EV/EBIT (adj.)	11.2	9.0	10.2	13.8	11.0						
P/E (adj.)	12.1	10.4	13.3	16.3	13.4						
P/B	1.9	1.9	1.9	2.3	2.1						
Dividend-%	3.2 %	2.9 %	2.9 %	2.3 %	2.5 %						

Source: Inderes

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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

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.

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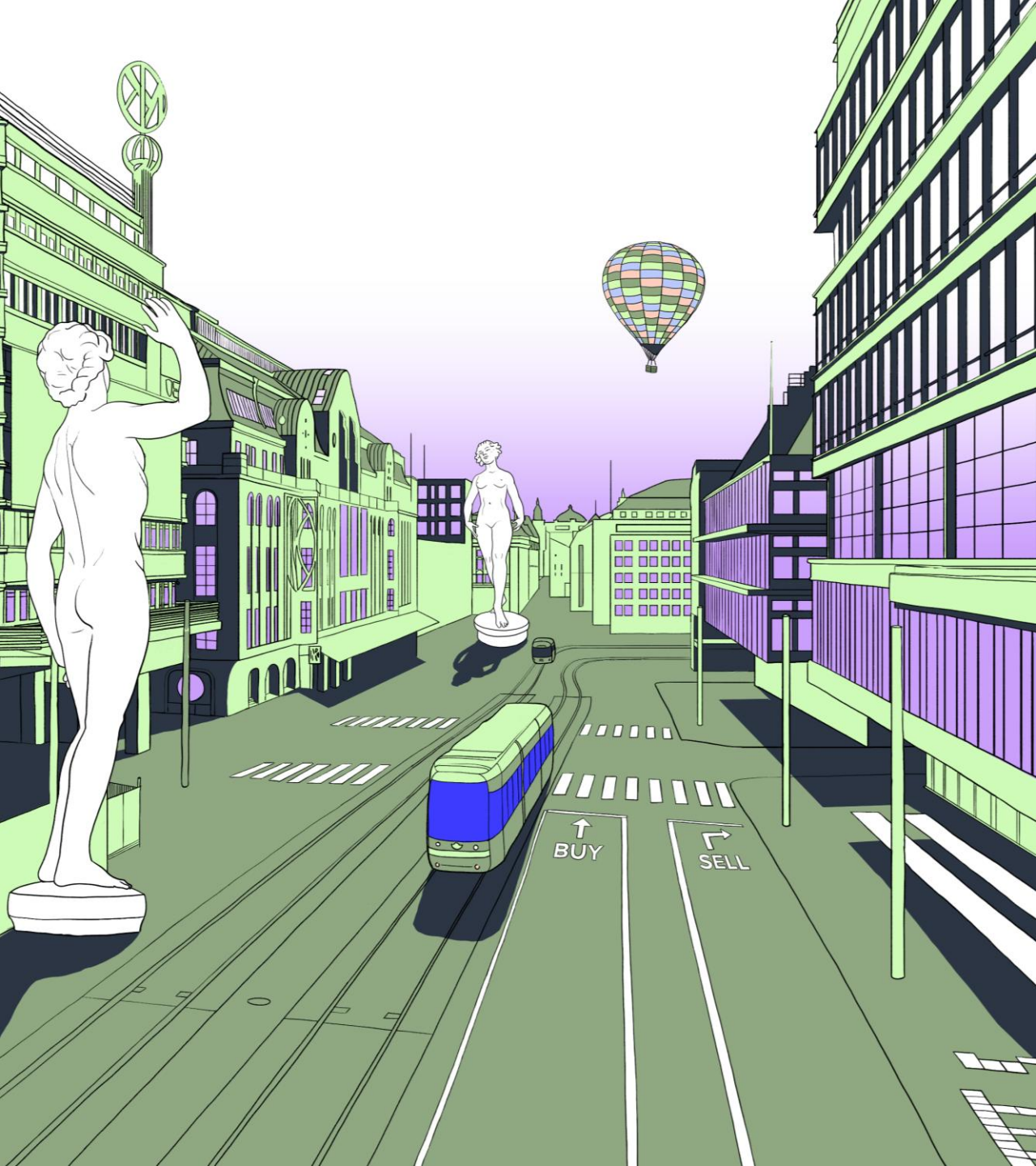
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/26/2019	Accumulate	4.50 €	4.20 €
8/12/2019	Accumulate	4.50 €	4.04 €
10/28/2019	Accumulate	4.75 €	4.35 €
1/17/2020	Accumulate	5.25 €	4.94 €
2/20/2020	Accumulate	5.60 €	5.20 €
3/23/2020	Accumulate	4.25 €	3.73 €
4/25/2020	Accumulate	5.00 €	4.48 €
8/5/2020	Accumulate	5.50 €	5.18 €
8/10/2020	Accumulate	6.00 €	5.56 €
10/28/2020	Buy	6.00 €	5.14 €
12/15/2020	Accumulate	6.30 €	5.96 €
3/19/2021	Accumulate	7.30 €	6.90 €
4/9/2021	Accumulate	8.00 €	7.56 €
4/26/2021	Accumulate	8.60 €	8.08 €
6/14/2021	Accumulate	8.60 €	8.06 €
8/8/2021	Accumulate	8.75 €	8.30 €
10/14/2021	Accumulate	8.75 €	7.94 €
10/27/2021	Accumulate	8.75 €	7.78 €
12/13/2021	Reduce	8.30 €	7.96 €
2/16/2022	Accumulate	8.00 €	7.08 €
2/23/2022	Accumulate	8.00 €	6.84 €
4/19/2022	Accumulate	8.00 €	7.04 €
6/1/2022	Accumulate	7.60 €	6.66 €
7/14/2022	Accumulate	7.60 €	6.98 €
8/8/2022	Accumulate	7.60 €	6.76 €
10/27/2022	Buy	7.25 €	5.84 €
2/22/2023	Accumulate	8.25 €	7.74 €
4/23/2023	Reduce	9.00 €	9.13 €
4/26/2023	Reduce	9.00 €	9.67 €
7/6/2023	Reduce	9.50 €	10.38 €
7/31/2023	Reduce	10.00 €	10.56 €
8/7/2023	Reduce	10.00 €	10.64 €
9/14/2023	Accumulate	10.00 €	8.51 €
10/16/2023	Accumulate	9.00 €	7.64 €
10/30/2023	Accumulate	9.00 €	7.38 €
2/25/2024	Accumulate	9.00 €	7.71 €
4/25/2024	Accumulate	9.00 €	7.78 €
6/11/2024	Accumulate	9.00 €	7.48 €
8/7/2024	Accumulate	9.00 €	7.35 €
10/7/2024	Accumulate	9.00 €	7.38 €
10/28/2024	Accumulate	8.70 €	7.87 €
2/24/2025	Accumulate	9.40 €	8.76 €
4/9/2025	Accumulate	9.00 €	8.08 €
4/25/2025	Reduce	9.00 €	8.76 €
7/17/2025	Reduce	10.50 €	11.32 €



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