

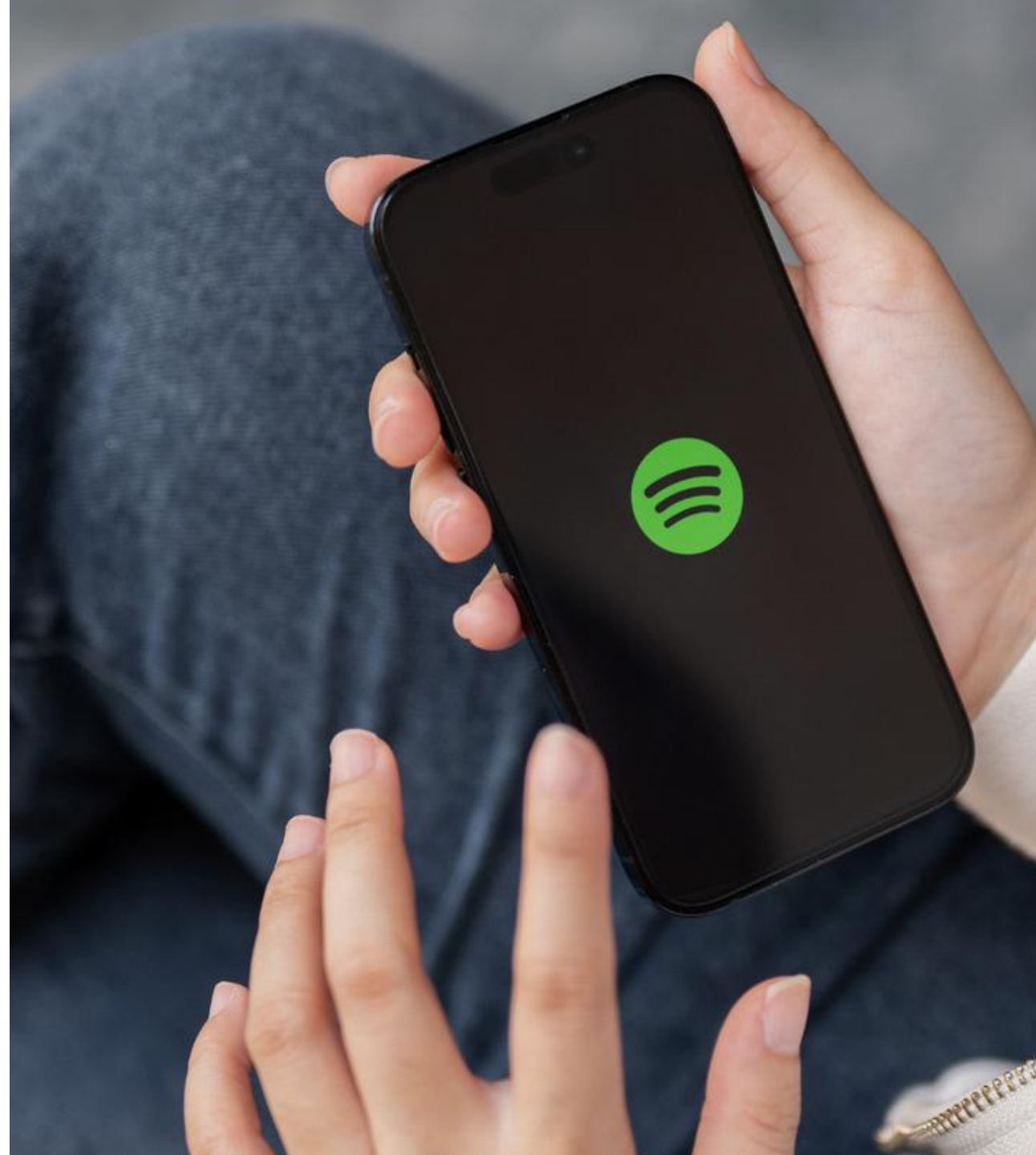
SPOTIFY

1/22/2026 12:15 PM CET



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COMPANY REPORT



Time to press play

Spotify reports Q4 earnings on Tuesday, February 10, before the market opens. *We don't expect any major surprises on top line and user metrics in the print. However, we expect EBIT to beat guidance, driven by lower social charges following the share price weakness during Q4. With recent price increase in the U.S. and prior hikes internationally, we expect investor focus to center on management's commentary around churn, subscriber momentum, and the broader pricing strategy heading into 2026. In our view, recent share price weakness has materially improved the valuation picture, with Spotify now trading below our acceptable valuation ranges (EV/FCFF 26': 23x, EV/EBIT: 28x, EV/GP: 12x). Given our view that the fundamentals are intact, we are now more positive on the stock and see attractive risk-adjusted upside from current levels. We therefore raise our recommendation to Accumulate (was Reduce) but lower our target price to USD 590 (was USD 655) to reflect what we feel are lower warranted multiples due to peer multiple contraction.*

We expect a solid finish to an eventful year

During Q4, the company continued to expand its platform and feature set (e.g. launching music videos in the U.S. and Canada, widening audiobook access, and extending the Spotify Partner Program), thereby adding value to users and creators alike. Turning to the quarterly outlook, we estimate Q4 MAU/subs of 745m/289m (guidance/Street: 745m/289m), representing q/q net additions of 32m/8m (Q4'24: 35m/11m). We slightly raise our Q4 ARPU forecast, anticipating a smaller FX drag than the management assumption of ~620 bps. Nevertheless, FX remains a notable y/y growth constraint in Q4. On this basis, we expect revenue to land 4.55 BEUR (+7% y/y), and we reiterate our Q4 gross margin estimate of 32.9% (in line with guidance). We are, however, increasing our EBIT estimate to 659 MEUR (was 621 MEUR, +6%) due to lower social charges as a result of the share price weakness in Q4.

U.S. price increase puts pricing power to the test

In early January, Spotify announced a long-anticipated third price

hike in the U.S., bumping the individual premium plan by USD 1 from February 1. This will leave Spotify in a position where the company is USD 2/month more expensive than key competitors. While we maintain our view that Spotify retains untapped pricing power, the widening gap now puts this thesis to the test. We'll be watching closely for any commentary on churn or subscription momentum in the upcoming print. Taken together with the earlier international hikes during Q3, the U.S. move reinforces our view that pricing will become a key growth lever in 2026. On the other side of the equation, royalty costs are set to rise, following new direct licensing agreements signed with all major music publishers in 2025. At the same time, these deals enable the rollout of higher-value offerings, such as the long-awaited "superfan" tier, which unlocks incremental monetization potential and deepens user loyalty for Spotify.

Time to start building a position

Since initiating coverage, we have repeatedly expressed our liking of Spotify's strong fundamentals. In particular, we view its scale as a key advantage, enabling superior data-driven personalization, stronger unit economics, and leverage that competitors struggle to match. Combined with improved monetization focus and untapped pricing power, we see a long runway for growth and margin expansion. However, the valuation has been our primary concern, where we have viewed Spotify's long-term potential as fully priced in, often with stretched premiums. The company's reliance on licensed content, gross margins in the low 30s, and limited track record of price increases versus peers like Netflix weighed on our acceptable multiples. That picture has now changed. Recent sustained share price weakness (Q4'25: -15%, YTD: -14%) has brought the valuation, in our view, to attractive levels. With only minor estimate revisions ahead of Q4, Spotify now trades at appealing multiples (EV/FCFF 26-27': 23x-19x, EV/EBIT: 28x-22x, EV/GP: 12x-10x), all below our acceptable ranges. As such, we see the risk/reward has shifted favorably, with strong 12-month upside potential, warranting a more positive view.

Recommendation

Accumulate

(prev. Reduce)

Target price:

USD 590

(prev. USD 655)

Share price:

USD 502

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue (MEUR)	15,673	17,211	19,859	22,988
growth-%	18%	10%	15%	16%
EBIT adj. (MEUR)	1,365	2,156	2,844	3,542
EBIT-% adj.	8.7 %	12.5 %	14.3 %	15.4 %
Net Income (MEUR)	1,138	1,949	2,913	3,422
EPS (adj.) (EUR)	5.6	9.4	13.8	15.9

P/E (adj.)	77.4	45.7	31.2	27.1
P/B	15.9	11.9	8.8	6.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	60.5	37.7	28.0	21.9
EV/EBITDA	54.0	35.8	27.0	21.3
EV/S	5.3	4.7	4.0	3.4

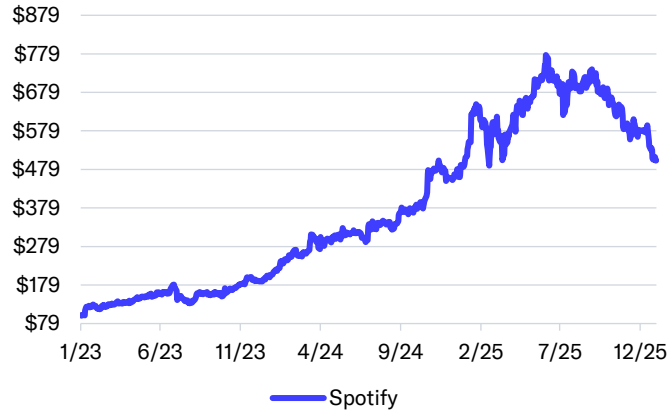
Source: Inderes

Guidance

(Unchanged)

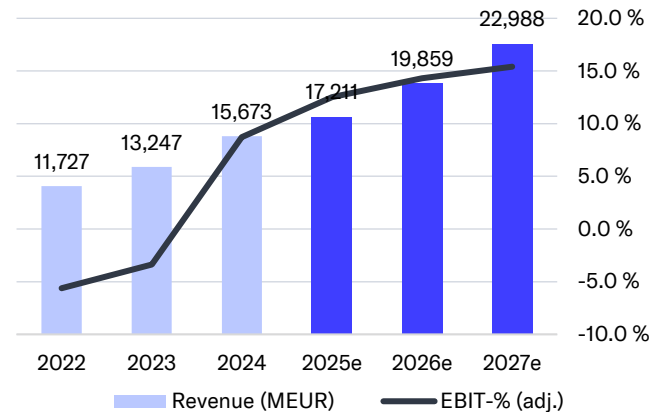
For Q4'25, Spotify expects:
MAU: 745m (+32m q/q)
Premium subscribers: 289m (+8m q/q)
Revenue: 4.5 BNEUR (+7% y/y)
Gross margin: 32.9%
Operating income: 620 MEUR

Share price



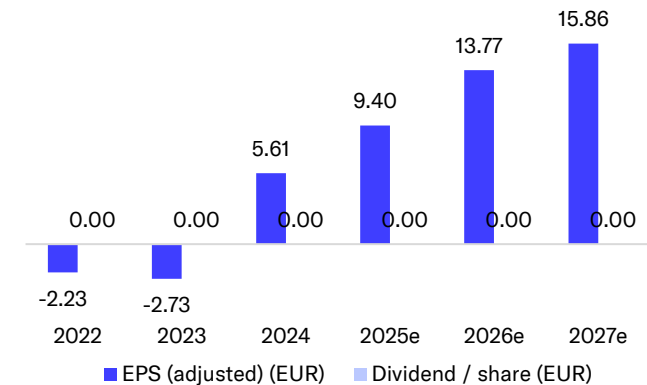
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Top-of-mind brand in audio with a market-leading position
- On track to reach one billion users by 2030
- With the most loyal and engaged customers in the space, Spotify has an untapped potential in its advertising business
- The shift to podcast profitability and ramping up Marketplace contribution enable incremental leverage and margin expansion
- Potential to grow in emerging markets and increase market share
- Expanding into new emerging verticals while improving monetization enable ARPU and margin expansion

Risk factors

- Worsening relationships with the music industry could pose operational challenges
- The competition in the audio industry is fierce and contains financially stronger companies
- Challenges in executing emerging verticals may put pressure on the balance sheet
- A deceleration in subscriber growth could drive significant volatility in the share price
- While offering opportunities for Spotify, AI advancements could enable competitors to narrow the gap in personalization capabilities

Valuation	2025e	2026e	2027e
Share price (EUR)	429.9	429.9	429.9
Number of shares, millions	207.4	211.6	215.8
Market cap (MEUR)	89,177	90,960	92,779
EV (MEUR)	81,281	79,749	77,610
P/E (adj.)	45.7	31.2	27.1
P/E	45.7	31.2	27.1
P/FCF	31.6	29.3	24.9
P/B	11.9	8.8	6.7
P/S	5.2	4.6	4.0
EV/Sales	4.7	4.0	3.4
EV/EBITDA	35.8	27.0	21.3
EV/EBIT (adj.)	37.7	28.0	21.9
EV/FCFF	28.7	22.9	18.7

We expect a solid finish to an eventful year

Price increases to drive ARPU despite FX headwinds

We expect a solid finish to the year despite lingering FX headwinds, in what is typically the seasonally strongest quarter. For Q4, we estimate net MAU additions of +32m (q/q), bringing total MAUs to 745m, in line with company guidance and Street’s estimate. We have slightly trimmed our subscriber growth estimate from 290m to 289m (Q3’25: 281m), to account for modest churn following Q3’s price increases in several markets, while simultaneously increasing our ad-supporting user estimate by 1m to 470m (Q3’25: 446m).

Similarly, the price increases across multiple international markets (e.g. Europe, Latin America, and the Middle East, excluding the U.S.), is expected to drive a q/q Premium ARPU uplift of ~3% to EUR 4.70 (was EUR 4.69). Our slight upward revision reflects expectations of a more favorable FX impact than management’s guided 620 bps headwind, based on Q4 currency developments. That said, continued strong subscriber growth in lower-ARPU emerging markets remains a structural headwind, limiting the

near-term uplift from pricing actions.

FX has been a notable drag on reported ARPU throughout 2025, but as those effects begin to fade, we expect underlying FX-neutral ARPU gains to become more visible in 2026. Combined with the U.S. price increase that will take effect in early Q1’2026, this should support our forecast for top-line growth going forward.

Our advertising revenue estimate remains unchanged at 535 MEUR, implying flat growth (y/y). Revenue in the advertising segment has underperformed in 2025, which management has characterized as a transition year. Based on recent management commentary, expanded partnerships, and product updates, we expect advertising revenue to accelerate more meaningfully in H2’26, supported by new DSP partnerships that should boost programmatic ad revenue. Our minor revisions (-1m subs, +1m ad-supported user, lower FX headwinds) had no material impact on our Q4 revenue forecast of 4.55 BEUR (+7% y/y), which remains slightly above guidance (4.5 BEUR). For Q1’26, we reiterate our 4.6 BEUR revenue forecast (9% y/y).

Social charge benefits expected to drive Q4 EBIT beat

Our gross margin estimate remains at 32.9% for Q4 (Q4’24: 32.2%), in line with guidance and reflecting continued strength in the ad-supported segment’s profitability as well as benefits from recent price increases. Looking ahead, we expect Q1 gross margin guidance of 32.1%, reflecting normal seasonal patterns and higher royalty costs from signed licensing agreements throughout 2025.

On operating income (EBIT), we expect cost benefits from lower social charges relative to the company’s 17 MEUR guidance, driven by the negative share price performance during the quarter (-15%). We estimate this will reduce costs by ~40 MEUR, based on historical sensitivities disclosed by the company. Accordingly, we have raised our Q4 EBIT estimate to 659 MEUR (from 621 MEUR), implying a 14.5% margin, above company guidance of 620 MEUR and Street consensus of 638 MEUR. For Q1’26, we expect the company to guide for EBIT of ~620 MEUR (13.5% margin) versus Street expectations of 640 MEUR (14.0% margin).

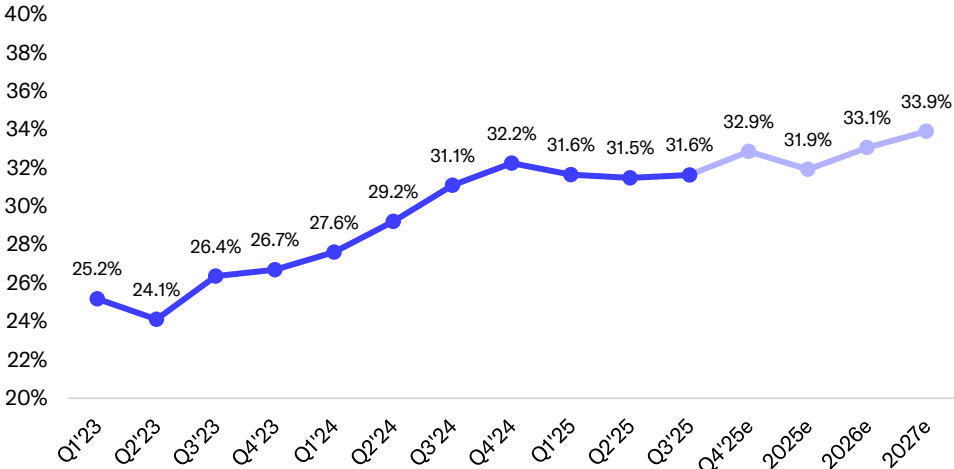
Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	4,242		4,556	4,521	4,460	- 4,595	17,211
EBITDA	532		686	685	645	- 751	2,267
EBIT	477		659	638	618	- 692	2,156
PTP	499		911	687	469	- 1029	2,114
EPS (adj.)	1.81		4.23	2.75	1.53	- 4.21	9.40
Revenue growth-%	15.6 %		7.4 %	6.6 %	5.1 %	- 8.3 %	9.8 %
EBIT-% (adj.)	11.2 %		14.5 %	14.1 %	9.3 %	- 11.4 %	12.5 %

Source: Inderes & Bloomberg (consensus)

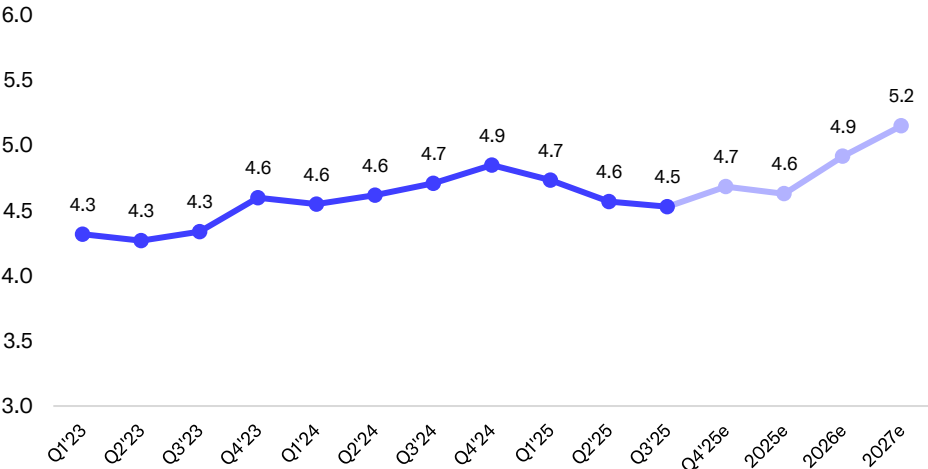
Key KPI's



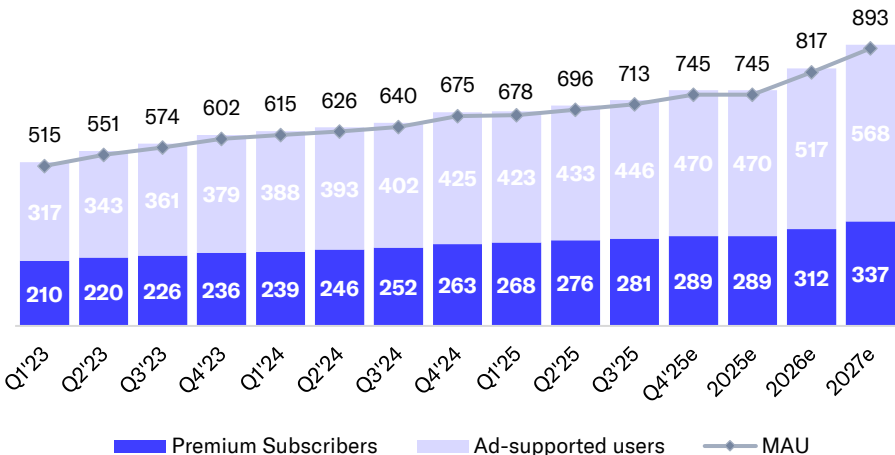
Gross margin trajectory (est.)



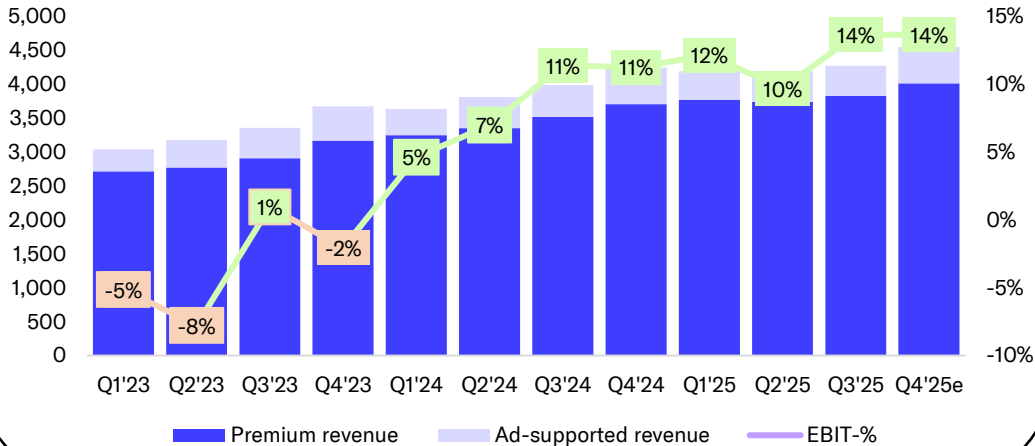
Monthly Premium ARPU trajectory (est.)



User growth trajectory (est.)



Revenue and EBIT-% (est.)



Estimate revisions

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	17,203	17,211	0%	19,857	19,859	0%	23,061	22,988	0%
EBITDA	2,230	2,267	2%	2,952	2,951	0%	3,654	3,642	0%
EBIT (exc. NRIs)	2,119	2,156	2%	2,844	2,844	0%	3,555	3,542	0%
EBIT	2,119	2,156	2%	2,844	2,844	0%	3,555	3,542	0%
PTP	2,077	2,114	2%	3,066	3,066	0%	3,815	3,803	0%
EPS (excl. NRIs)	9.22	9.40	2%	13.76	13.77	0%	15.91	15.86	0%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Time to press play 1/2

Valuation summary – Accumulate

We forecast strong earnings growth for Spotify in 2026-2028 (EBIT CAGR 26-28e: 27%) as the company continues to diligently balance growth with profitability, while utilizing several monetization levers to drive ARPU growth (e.g. launching a super-fan tier, tapping into higher ARPU segments, price hikes, etc.).

Since our initial coverage, our primary concern has been valuation, as we believed much of Spotify's long-term potential was already priced into the shares. While we recognize that Spotify's market-leading position, scale advantages, brand strength, and deep data capabilities warrant a premium valuation, we previously viewed the valuation as stretched beyond our comfort zone. The company's heavy reliance on licensed content, gross margins in the low 30s, and a limited historical track record of successfully implementing price increases, in contrast to peers like Netflix, had weighed on our view of what multiples we find justified.

That said, we believe Spotify's pricing power remains underutilized and that building a consistent track record of monetization improvements takes time. Recent price increases, along with evidence of user retention and limited churn, are, in our view, encouraging signs that Spotify is beginning to demonstrate sustainable pricing leverage.

Following the recent share price weakness and largely unchanged outlook, we feel that Spotify, based on our estimated valuation multiples in 2026-2027, have fallen to attractive levels. As such, we see the risk/reward has significantly improved and that there is attractive upside potential on a 12-month horizon, warranting a more positive view on the stock. Hence, we raise our recommendation to Accumulate (was Reduce), while lowering our target price to USD 590 (was USD 655).

Absolute multiples in 2026-2028

Based on our 2026-2027 estimates, Spotify is trading at 28-22x EV/EBIT, 23-19x EV/FCFF, and 12-10x EV/GP. Relative to our acceptable valuation ranges (EV/GP: 13-17x, EV/EBIT: 33-36x, EV/FCFF: 25-30x), current valuation suggests upside in the multiples. However, recent peer multiple contraction weigh on the multiples we view as justified at this point. While overall business momentum is strong, both in the broader user base growth and in margins and FCFF, we acknowledge that the ARPU trend has been modest throughout 2025, partly due to FX headwinds and partly due to relatively stronger subscriber growth in lower-ARPU regions. Improved monetization of the user base is a critical element to our top- and bottom-line estimates in the coming years. Our thesis holds that Spotify has underutilized pricing power and that recent price hikes will support ARPU going forward. However, we feel the recent ARPU trend, slowing subscriber growth in mature markets like the U.S., and the widened price gap versus competitors introduce some uncertainty around the timing of the ARPU trajectory we forecast. While Spotify has demonstrated early evidence of pricing power, its track record remains less mature than peers like Netflix, who have successfully implemented price increases over many years. Given these considerations, we believe a valuation around the midpoint of our acceptable ranges is currently warranted.

Valuation compared to the peer group

To provide some flavor on Spotify's valuation, we have compiled several sets of peers in different segments that either share similarities to Spotify's business model, engage large user bases, monetize users through ads, or participate in the broader music/audio industry. For more details on the peer setup and background to our preferred peer group, we refer to our [Initiation of coverage report](#).

Valuation	2025e	2026e	2027e
Share price (EUR)	429.9	429.9	429.9
Number of shares, millions	207.4	211.6	215.8
Market cap (MEUR)	89,177	90,960	92,779
EV (MEUR)	81,281	79,749	77,610
P/E (adj.)	45.7	31.2	27.1
P/E	45.7	31.2	27.1
P/FCF	31.6	29.3	24.9
P/B	11.9	8.8	6.7
P/S	5.2	4.6	4.0
EV/Sales	4.7	4.0	3.4
EV/EBITDA	35.8	27.0	21.3
EV/EBIT (adj.)	37.7	28.0	21.9
EV/FCFF	28.7	22.9	18.7

Selection of peers in each group

Big tech (BT)



Subscription services (SS)



Media & Entertainment (ME)



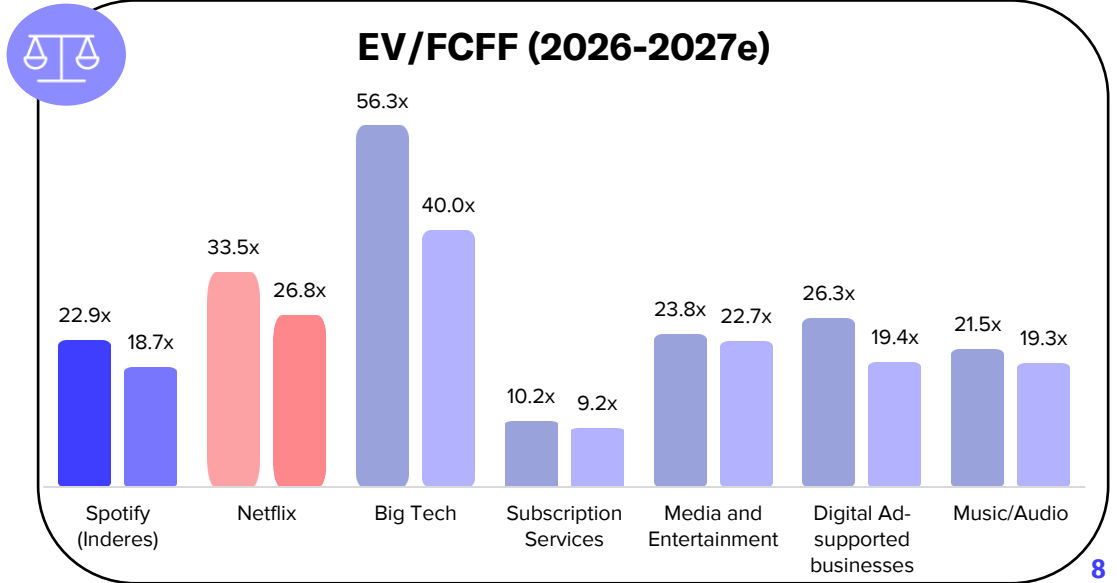
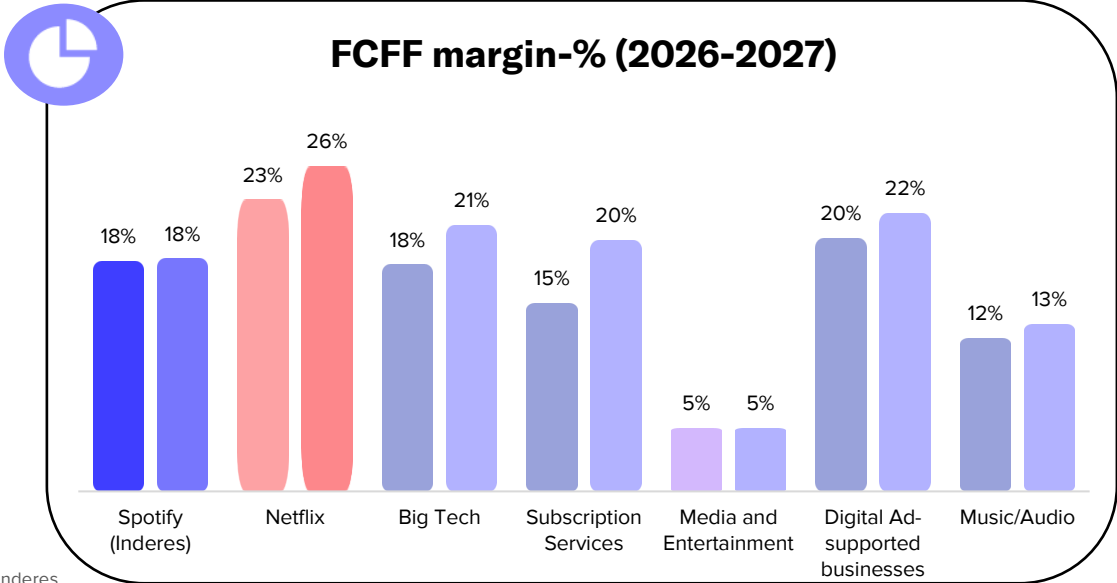
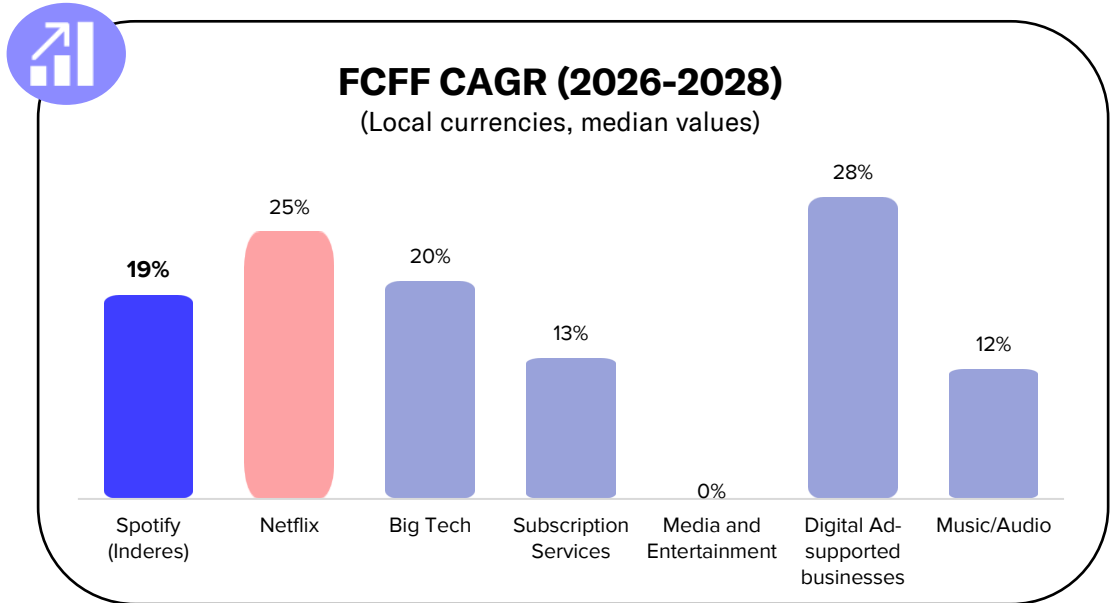
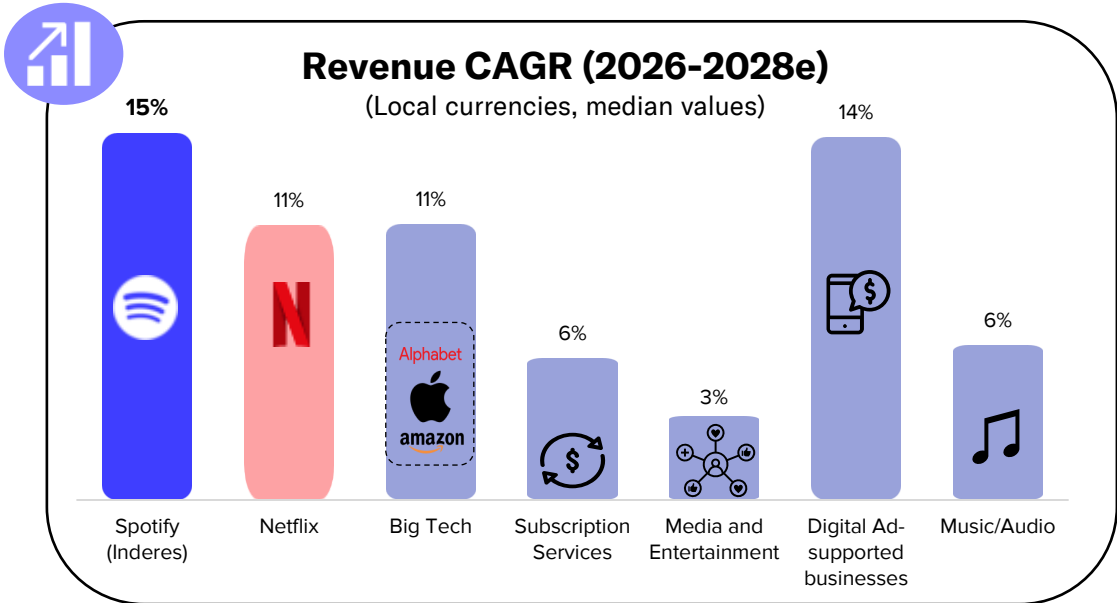
Digital ad-supported (DAS)



Music/Audio (MA)



Valuation graphs: Spotify vs. various peer groups



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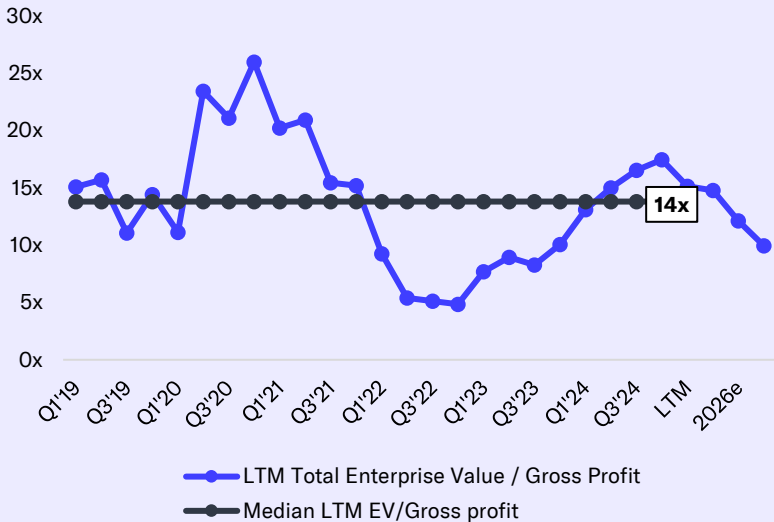
On a relative basis, Spotify trades at a premium to the Subscription Services (“SS”) peer group on both EV/FCFF and EV/EBIT for 2026e (SPOT: 23x/20x vs SS: 10x & 10x). Relative to this peer group as a whole, we believe Spotify deserves a premium valuation given relatively stronger expected earnings/FCFF growth.

At the same time, Spotify trades at a discount to Netflix (26-27x) on a FCFF basis, but at a premium on an EBIT basis (NTFL: 24-21x). We argue this dynamic (on a FCFF basis) is justified due to lower underlying profitability, higher dependency on licensed content, more limited track record of increasing prices in established markets.

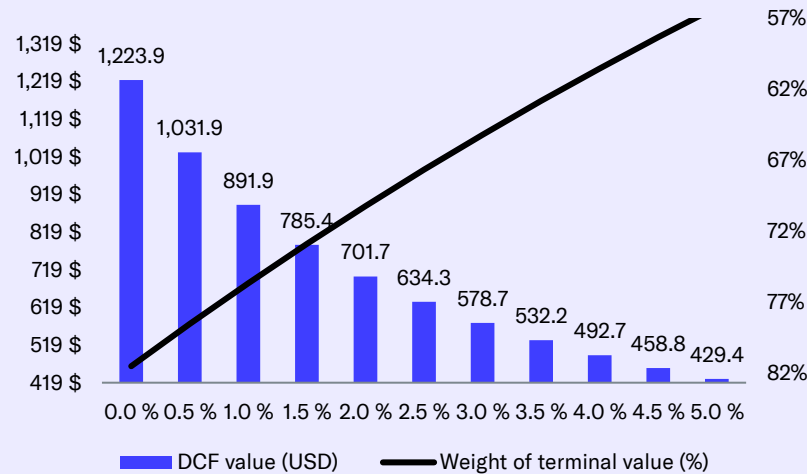
DCF suggests upside in the share price

We expect solid double-digit growth (CAGR: 12%) and continued margin expansion between 2026 and 2030, after which the top-line growth gradually tapers towards 3%, which we use as the terminal growth rate. In the terminal period, we expect the EBIT margin to stabilize at around 21%. We estimate Spotify’s cost of equity and WACC (due to no traditional financial debt) at 8.2% (was 8%), which is fairly low but supported by its strong and wide market presence, the majority of revenue streams are through subscriptions, superior global brand, robust balance sheet, and an improved profitability profile. With these assumptions, our DCF model arrives at an equity value of around 135 BUSD (was 136 BUSD), which translates to around USD 634 per share (was USD 655). The decrease in DCF value relative to our previous update primarily reflects a slightly higher WACC, consistent with the broader tech and peer multiple contraction. In summary, we believe recent share price weakness presents an attractive upside, on a risk-adjusted basis, at the current valuation.

EV/Gross profit development

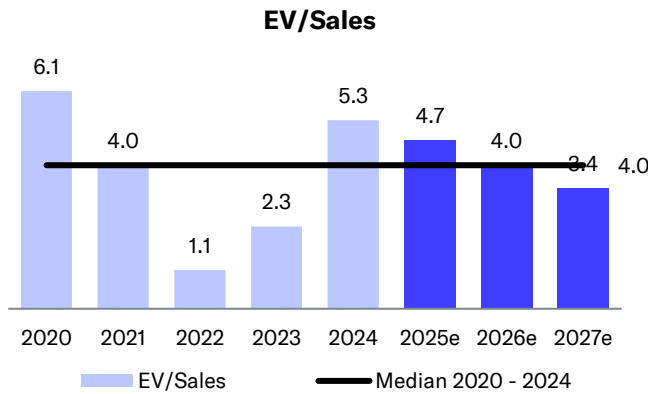
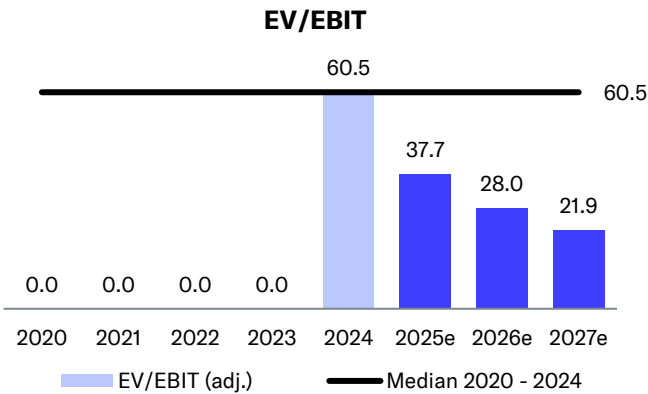
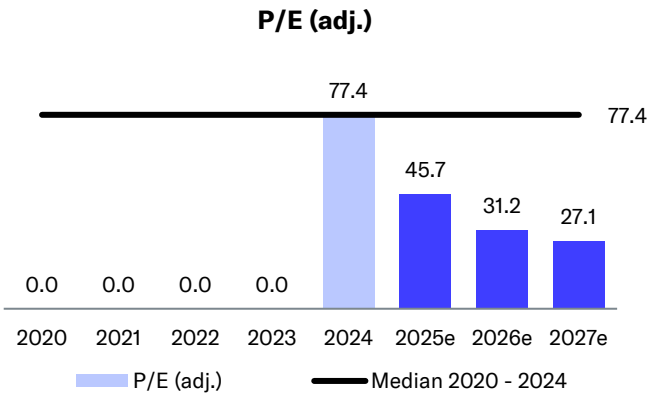


Sensitivity of DCF to changes in the risk-free rate



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price (EUR)	261.9	211.7	74.2	169.1	434.0	429.9	429.9	429.9	429.9
Number of shares, millions	187.6	191.3	192.9	194.7	202.9	207.4	211.6	215.8	220.1
Market cap (MEUR)	49,122	40,507	14,318	32,933	88,062	89,177	90,960	92,779	94,635
EV (MEUR)	47,952	38,788	12,650	30,415	82,615	81,281	79,749	77,610	74,956
P/E (adj.)	neg.	neg.	neg.	neg.	77.4	45.7	31.2	27.1	23.1
P/E	neg.	neg.	neg.	neg.	77.4	45.7	31.2	27.1	23.1
P/FCF	neg.	37.6	neg.	>100	43.6	31.6	29.3	24.9	22.2
P/B	17.5	19.1	6.0	13.1	15.9	11.9	8.8	6.7	5.3
P/S	6.2	4.2	1.2	2.5	5.6	5.2	4.6	4.0	3.6
EV/Sales	6.1	4.0	1.1	2.3	5.3	4.7	4.0	3.4	2.9
EV/EBITDA	neg.	>100	neg.	neg.	54.0	35.8	27.0	21.3	16.6
EV/EBIT (adj.)	neg.	>100	neg.	neg.	60.5	37.7	28.0	21.9	17.0
EV/FCFF	262.0	124.3	197.7	40.9	35.1	28.7	22.9	18.7	15.8



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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Big Tech													
Apple	3,110,511	3,149,128	27.9	25.6	25.7	23.4	8.9	8.2	33.6	30.0	0.4	0.4	58.0
Amazon.com	2,113,091	2,095,749	30.8	24.3	14.7	12.0	3.4	3.1	32.4	29.1			6.6
Alphabet	3,386,203	3,324,243	29.8	25.1	22.0	18.3	9.7	8.6	31.0	29.4	0.2	0.3	9.9
Subscription businesses													
Netflix	333,319	337,934	29.6	24.2	28.5	23.3	8.8	7.7	33.5	26.9			11.9
Match Group	6,257	8,811	11.8	9.8	8.4	7.6	3.0	2.9	13.9	11.3	2.4	2.7	
Bumble	346	586		3.8	2.3	2.9	0.7	0.8		4.1			0.4
Chegg	71	42		3.7	0.7	0.9	0.1	0.2		76.3			0.7
Roku	13,164	11,230		97.2	33.1	22.8	2.8	2.5	315.9	84.1			5.7
Media/Entertainment													
Warner Bros. Discovery	60,424	85,400	97.9	41.5	11.7	11.6	2.7	2.7	77.1	1426.5			1.9
The Walt Disney Company	172,685	207,926	14.2	12.8	12.0	10.8	2.6	2.4	19.3	17.1	0.9	1.3	1.9
Paramount Skydance Corporation	10,623	19,485	16.5	10.5	7.5	6.5	0.8	0.8	17.3	11.7	1.7	1.7	0.8
Digital Ad-supported businesses													
Snap	10,829	11,294			21.0	12.9	2.2	2.0	23.0	15.2			5.5
Meta Platforms	1,320,453	1,306,989	18.5	17.7	13.0	11.3	7.7	6.5	25.0	20.5	0.4	0.4	7.1
Reddit	34,190	32,292	98.9	48.9	47.1	30.1	17.6	12.7	92.2	56.5			14.4
Pinterest	14,427	12,144	42.9	27.7	11.2	9.5	3.4	2.9	15.1	12.9			3.3
Music/Audio													
iHeartMedia	484	4,695	269.9	10.6	7.9	6.4	1.4	1.4		7.0			
Sirius XM Holdings	5,907	14,451	9.5	9.1	6.5	6.6	2.0	2.0	7.4	6.7	5.3	5.6	0.8
Deezer	128	94				8.5	0.2	0.2					
Tencent Music Entertainment Group	21,629	19,411	12.8	13.3	12.9	12.3	4.9	4.3	18.6	16.5	1.1	1.3	2.4
Warner Music Group Corp.	13,328	16,698	22.9	17.1	14.0	12.1	3.0	2.8	35.6	21.8	2.4	2.6	23.3
Universal Music Group	37,784	40,994	18.8	16.4	15.1	13.5	3.3	3.1	20.4	18.7	2.7	2.9	7.1
Live Nation Entertainment	27,723	28,231	24.8	21.2	14.1	12.7	1.3	1.2		59.3			66.2
Spotify (Inderes)	89,177	81,281	37.7	28.0	35.8	27.0	4.7	4.0	45.7	31.2	0.0	0.0	11.9
Average			45.7	23.0	15.7	12.5	4.1	3.6	47.7	94.4	1.8	1.9	12.0
Median			24.8	17.4	13.0	11.8	2.9	2.7	25.0	20.5	1.4	1.5	5.7
Diff-% to median			52%	61%	176%	128%	64%	46%	83%	52%	-100%	-100%	111%

Source: Refinitiv / Inderes

Income statement

Income statement (MEUR)	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	13247	3636	3807	3988	4242	15,673	4,190	4,193	4,272	4,556	17,211	19,859	22,988	25,928
Premium revenue	11566	3247	3351	3516	3705	13,819	3,771	3,740	3,826	4,021	15,358	17,707	20,059	22,365
Ad-supported revenue	1681	389	456	472	537	1,854	419	453	446	535	1,853	2,152	2,929	3,563
EBITDA	-165.0	203	310	484	532	1,529	538	432	611	686	2,267	2,951	3,642	4,509
Depreciation	-281.0	-35.0	-44.0	-30.0	-55.0	-164	-29	-26	-29	-27	-111	-108	-100	-107
EBIT (excl. NRI)	-446.0	168	266	454	477	1,365	509	406	582	659	2,156	2,844	3,542	4,403
EBIT	-446.0	168	266	454	477	1,365	509	406	582	659	2,156	2,844	3,542	4,403
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
Net financial items	-59.0	6.0	4.0	-56.0	22.0	-24	-181	-358	245	252	-42	222	261	283
PTP	-505.0	174	270	398	499	1,341	328	48	827	911	2,114	3,066	3,803	4,686
Taxes	-27.0	23.0	4.0	-98.0	-132.0	-203	-103	-134	72	0	-165	-153	-380	-586
Minority interest	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
Net earnings	-532.0	197	274	300	367	1,138	225	-86	899	911	1,949	2,913	3,422	4,100
Net earnings	-532.0	197	274	300	367	1,138	225	-86	899	911	1,949	2,913	3,422	4,100
EPS (adj.) (EUR)	-2.73	0.97	1.35	1.48	1.81	5.61	1.08	-0.41	4.34	4.39	9.40	13.77	15.86	18.62
EPS (rep.) (EUR)	-2.73	0.97	1.35	1.48	1.81	5.61	1.08	-0.41	4.34	4.39	9.40	13.77	15.86	18.62

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	13.0 %	19.5 %	19.8 %	18.8 %	15.6 %	18.3 %	15.2 %	10.1 %	7.1 %	7.4 %	9.8 %	15.4 %	15.8 %	12.8 %
Adjusted EBIT growth-%	-32.3 %	-207.7 %	-207.7 %	1318.8 %	-735.9 %	-406.0 %	202.9 %	52.7 %	28.3 %	38.2 %	58.0 %	31.9 %	24.6 %	24.3 %
EBITDA-%	-1.2 %	5.6 %	8.1 %	12.1 %	12.5 %	9.8 %	12.8 %	10.3 %	14.3 %	15.1 %	13.2 %	14.9 %	15.8 %	17.4 %
Adjusted EBIT-%	-3.4 %	4.6 %	7.0 %	11.4 %	11.2 %	8.7 %	12.1 %	9.7 %	13.6 %	14.5 %	12.5 %	14.3 %	15.4 %	17.0 %
Net earnings-%	-4.0 %	5.4 %	7.2 %	7.5 %	8.7 %	7.3 %	5.4 %	-2.0 %	21.1 %	20.0 %	11.3 %	14.7 %	14.9 %	15.8 %

Source: Inderes

Balance sheet

Assets (MEUR)	2023	2024	2025e	2026e	2027e
Non-current assets	3,086	3,626	3,605	3,631	3,667
Goodwill	1,137	1,201	1,194	1,194	1,194
Intangible assets	84	48	23	2	2
Tangible assets	547	414	476	523	559
Associated companies	0	0	0	0	0
Other investments	1,215	1,635	1,635	1,635	1,635
Other non-current assets	75	142	142	142	142
Deferred tax assets	28	186	135	135	135
Current assets	5,260	8,379	10,647	12,824	17,094
Inventories	0	0	0	0	0
Other current assets	188	160	160	160	160
Receivables	858	771	792	953	1,264
Cash and equivalents	4,214	7,448	9,695	11,711	15,669
Balance sheet total	8,346	12,005	14,252	16,455	20,761

Source: Inderes

Liabilities & equity (MEUR)	2023	2024	2025e	2026e	2027e
Equity	2,523	5,525	7,474	10,387	13,809
Share capital	0	0	0	0	0
Retained earnings	-4,182	-3,044	-1,095	1,818	5,240
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	6,705	8,569	8,569	8,569	8,569
Minorities	0	0	0	0	0
Non-current liabilities	1,754	2,055	554	554	554
Deferred tax liabilities	8	21	21	21	21
Provisions	24	28	28	28	28
Interest bearing debt	1,696	2,001	500	500	500
Convertibles	0	0	0	0	0
Other long term liabilities	26	5	5	5	5
Current liabilities	4,069	4,425	6,224	5,514	6,398
Interest bearing debt	0	0	1,300	0	0
Payables	4,040	4,372	4,871	5,461	6,345
Other current liabilities	29	53	53	53	53
Balance sheet total	8,346	12,005	14,252	16,455	20,761

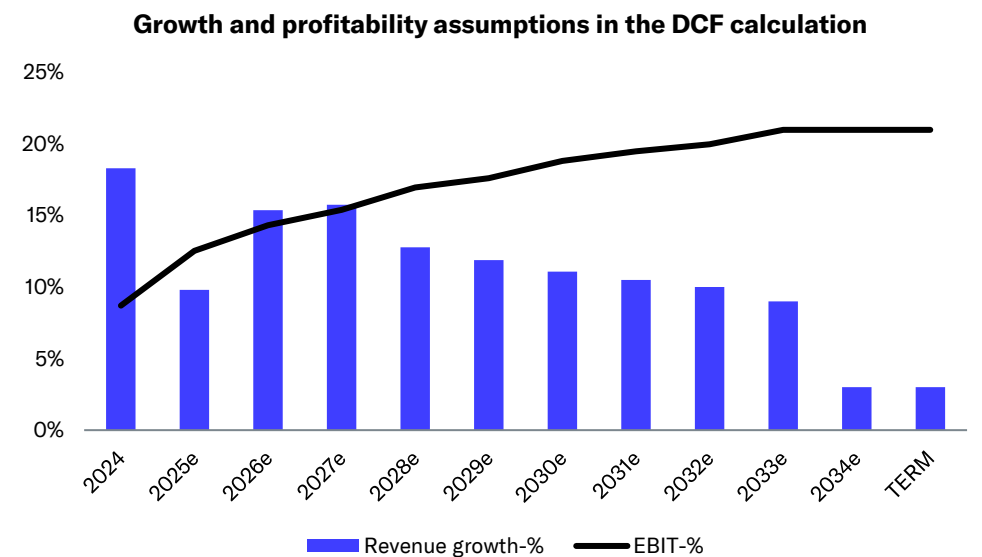
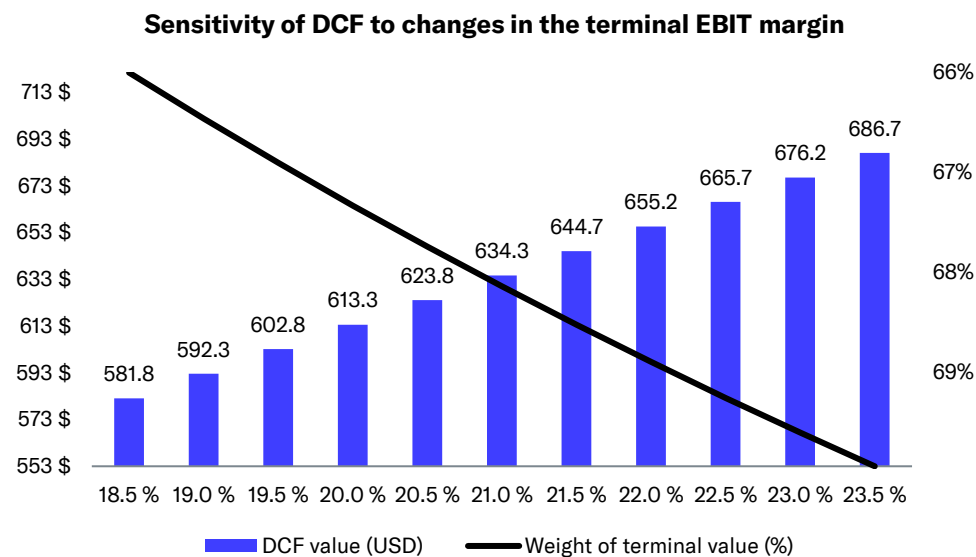
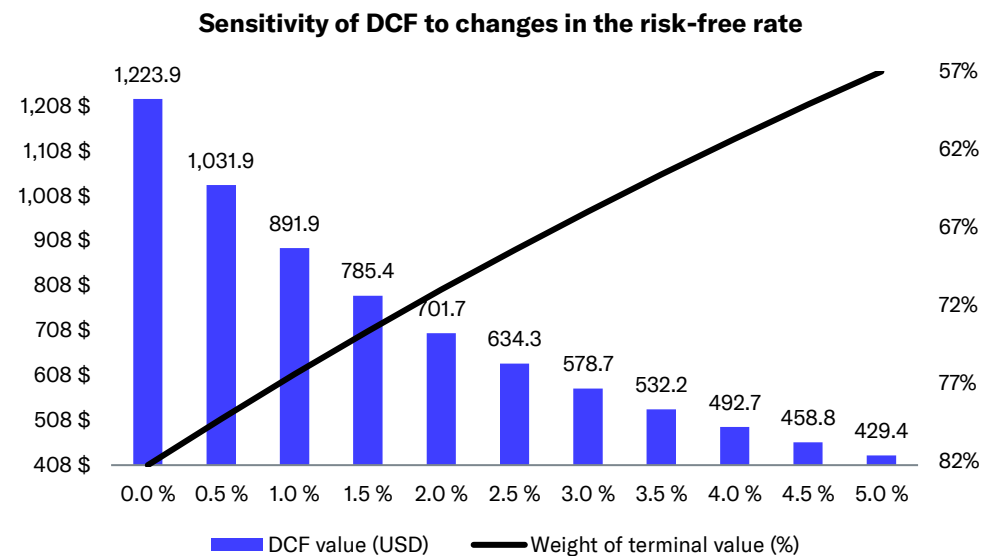
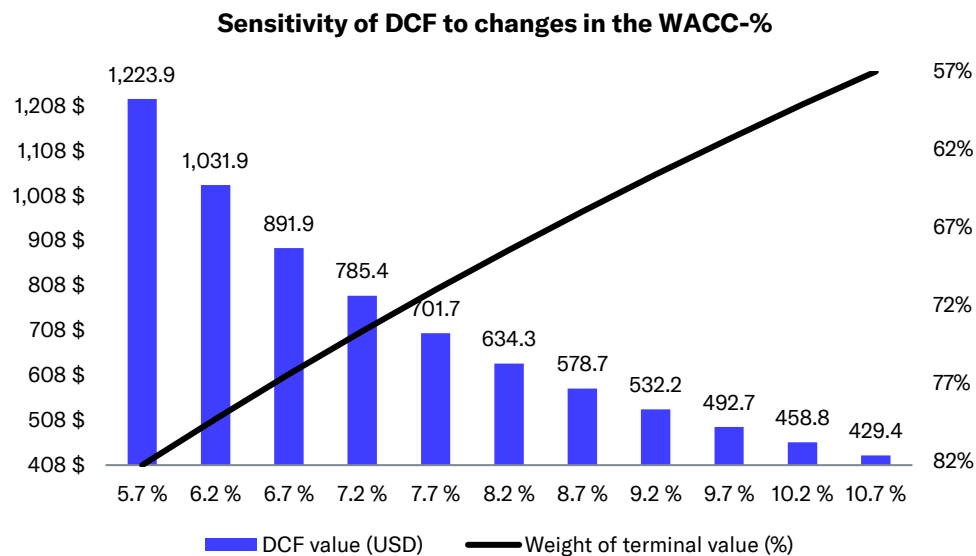
DCF-calculation

DCF model (MEUR)	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	18.3 %	9.8 %	15.4 %	15.8 %	12.8 %	11.9 %	11.1 %	10.5 %	10.0 %	9.0 %	3.0 %	3.0 %
EBIT-%	8.7 %	12.5 %	14.3 %	15.4 %	17.0 %	17.6 %	18.8 %	19.5 %	20.0 %	21.0 %	21.0 %	21.0 %
EBIT (operating profit)	1,365	2,156	2,844	3,542	4,403	5,111	6,063	6,943	7,833	8,965	9,234	
+ Depreciation	164	111	108	100	107	113	118	123	128	136	139	
- Paid taxes	-348	-114	-153	-380	-586	-809	-1,124	-1,477	-1,674	-1,920	-1,847	
- Tax, financial expenses	-52	-26	-2	-4	-5	-6	-7	-8	-8	-8	0	
+ Tax, financial income	48	23	13	30	40	49	70	96	115	135	0	
- Change in working capital	471	478	429	572	442	570	578	558	644	154	241	
Operating cash flow	1,648	2,628	3,238	3,860	4,401	5,027	5,699	6,236	7,039	7,462	7,767	
+ Change in other long-term liabilities	-17	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-546	-141	-134	-136	-139	-142	-145	-148	-151	-151	-139	
Free operating cash flow	1,085	2,487	3,104	3,723	4,262	4,885	5,554	6,088	6,889	7,311	7,629	
+/- Other	933	335	0	0	0	0	0	0	0	0	0	
FCFF	2,018	2,822	3,104	3,723	4,262	4,885	5,554	6,088	6,889	7,311	7,629	151,104
Discounted FCFF		2,836	2,883	3,196	3,381	3,581	3,763	3,813	3,987	3,911	3,771	74,699
Sum of FCFF present value		109,821	106,985	104,102	100,907	97,525	93,944	90,181	86,368	82,381	78,471	74,699
Enterprise value DCF		109,821										
- Interest bearing debt		-2,001										
+ Cash and cash equivalents		7,448										
-Minorities		0										
-Dividend/capital return		0										
Equity value DCF (MEUR)		115,268										
Equity value DCF per share (EUR)		556										
Equity value DCF per share (USD)		634										
WACC												
Tax-% (WACC)		21.0 %										
Target debt ratio (D/(D+E))		0.0 %										
Cost of debt		0.0 %										
Equity Beta		1.20										
Market risk premium		4.75%										
Liquidity premium		0.00%										
Risk free interest rate		2.5 %										
Cost of equity		8.2 %										
Weighted average cost of capital (WACC)		8.2 %										

Cash flow distribution

Period	Percentage
2025e-2029e	14%
2030e-2034e	18%
TERM	68%

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 (MEUR)	2022	2023	2024	2025e	2026e	Per share data (EUR)	2022	2023	2024	2025e	2026e
Revenue	11,727	13,247	15,673	17,211	19,859	EPS (reported)	-2.23	-2.73	5.61	9.40	13.77
EBITDA	-488	-165	1,529	2,267	2,951	EPS (adj.)	-2.23	-2.73	5.61	9.40	13.77
EBIT	-659	-446	1,365	2,156	2,844	OCF / share	-2.22	1.70	8.12	12.67	15.30
PTP	-370	-505	1,341	2,114	3,066	OFCF / share	-5.70	1.34	9.95	13.60	14.67
Net Income	-430	-532	1,138	1,949	2,913	Book value / share	12.44	12.96	27.23	36.03	49.09
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet (MEUR)	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	7,636	8,346	12,005	14,252	16,455	Revenue growth-%	21%	13%	18%	10%	15%
Equity capital	2,401	2,523	5,525	7,474	10,387	EBITDA growth-%	-321%	-66%	-1027%	48%	30%
Goodwill	1,168	1,137	1,201	1,194	1,194	EBIT (adj.) growth-%	-801%	-32%	-406%	58%	32%
Net debt	-1,668	-2,518	-5,447	-7,895	-11,211	EPS (adj.) growth-%	1154%	23%	-305%	68%	46%
Cash flow (MEUR)	2022	2023	2024	2025e	2026e	EBITDA-%	-4.2 %	-1.2 %	9.8 %	13.2 %	14.9 %
EBITDA	-488	-165	1,529	2,267	2,951	EBIT (adj.)-%	-5.6 %	-3.4 %	8.7 %	12.5 %	14.3 %
Change in working capital	156	535	471	478	429	EBIT-%	-5.6 %	-3.4 %	8.7 %	12.5 %	14.3 %
Operating cash flow	-429	330	1,648	2,628	3,238	ROE-%	-19.0 %	-21.6 %	28.3 %	30.0 %	32.6 %
CAPEX	-662	-63	-546	-141	-134	ROI-%	-6.0 %	-6.9 %	28.8 %	29.2 %	30.8 %
Free cash flow	-1,100	260	2,018	2,822	3,104	Equity ratio	31.4 %	30.2 %	46.0 %	52.4 %	63.1 %
						Gearing	-69.5 %	-99.8 %	-98.6 %	-105.6 %	-107.9 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.1	2.3	5.3	4.7	4.0						
EV/EBITDA	neg.	neg.	54.0	35.8	27.0						
EV/EBIT (adj.)	neg.	neg.	60.5	37.7	28.0						
P/E (adj.)	neg.	neg.	77.4	45.7	31.2						
P/B	6.0	13.1	15.9	11.9	8.8						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2024-12-13	Reduce	\$ 470	\$ 480
2025-02-05	Reduce	\$ 535	\$ 622
2025-04-30	Reduce	\$ 570	\$ 582
2025-07-22	Reduce	\$ 650	\$ 707
2025-07-30	Reduce	\$ 625	\$ 620
2025-10-31	Reduce	\$ 645	\$ 657
2025-11-05	Reduce	\$ 655	\$ 630
2025-01-22	Accumulate	\$ 590	\$ 502



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