EXEL COMPOSITES

8/17/2026 12:45 noon EEST

This is a translated version of ”Strategia puree ja vauhti kiihtyy” report, published on 8/17/2026

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Strategy bites, momentum builds

Exel's Q2 figures exceeded our estimates by a comfortable margin. The implementation of the company's growth phase strategy has progressed faster than expected, and actions taken in recent years are bearing fruit. If our strong earnings growth forecast materializes, the share's valuation is not unreasonable, but after the recent sharp share price increase, the bar has also risen significantly. With the development that has increased our confidence, we are ready to lean more heavily on the potential of the coming years. We estimate the share's risk-adjusted return potential to still be sufficient and reiterate our Accumulate recommendation, but raise our target price to EUR 15.0 (was EUR 10.5).

Q2 figures wiped the floor with expectations

The company's Q2 revenue grew by a substantial 40% to 34.6 MEUR, significantly exceeding our estimate (29.5 MEUR). The development and beat were partly supported by customers' accelerated delivery requests related to conductor core orders, which, according to the company's comments, had an impact of ~4 MEUR. Exel's adjusted EBIT more than doubled to 2.5 MEUR, also clearly exceeding our forecast (1.4 MEUR). Despite timing-related tailwinds, the development strengthened our confidence in the effectiveness of the strategic measures taken (e.g. reorganization and optimization of the factory network) as volume growth materialized. The company's order intake (34.5 MEUR, +22% y/y) also continued its positive trend, although demand was somewhat supported by customers increasing their inventory levels due to the unstable geopolitical situation in the spring. Overall, the order book remained very strong (99 MEUR, +111% y/y), which provides good support for the future, along with a generally favorable market situation.

We raised our longer-term estimates

The company reiterated its guidance for the current year and expects its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.2 MEUR) to increase significantly. However, the company removed expectations of growth being more heavily weighted toward H2, in line with earlier deliveries. Reflecting this, we did not make significant changes to our H2 estimates and expect the development for the rest of the year to be largely similar to H1. Following the Q2 beat, we now forecast the company's revenue to reach 130 MEUR this year (was 125 MEUR) and adjusted EBIT to be 8.2 MEUR (was 7.7 MEUR). We did not make significant changes to our growth forecasts for next year, reflecting a positive but in general largely unchanged outlook. However, we expect strong growth to continue next year (2027e revenue: 153 MEUR) due to continued commercial volume growth at the Indian plant, among other factors. Following the report, which strengthened confidence in the strategy's execution, we raised our longer-term forecasts for both revenue and profitability. Our 2028 forecasts (2028e revenue: 171 MEUR, adj. EBIT %: 8.5%) are still below the company's ambitious target levels (2028 revenue 200 MEUR, adj. EBIT % > 10%).

Expected return sufficient, but required return has increased

We believe the stock's valuation for this year is high based on EV multiples (EV/EBIT 15x, EV/EBITDA 9x), despite significantly growing earnings. With developments that have increased confidence (including a decrease in the required rate of return), a strong order book, and a favorable market situation, we believe it is justified to look more strongly to next year for valuation. Based on our estimates, the valuation would become cautiously attractive next year (EV/EBIT 9x) compared to what we currently consider a neutral level (EV/EBIT 10x-12x). This, however, requires the materialization of our significant forecast earnings growth. However, with the strategy implementation progressing in line with the company's targets, we are ready to lean on the potential of the coming years. Our positive view is also supported by our DCF model, which is at the level of our target price.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 15.00
(was EUR 10.50)

Share price:
EUR 13.45

Business risk

Valuation risk

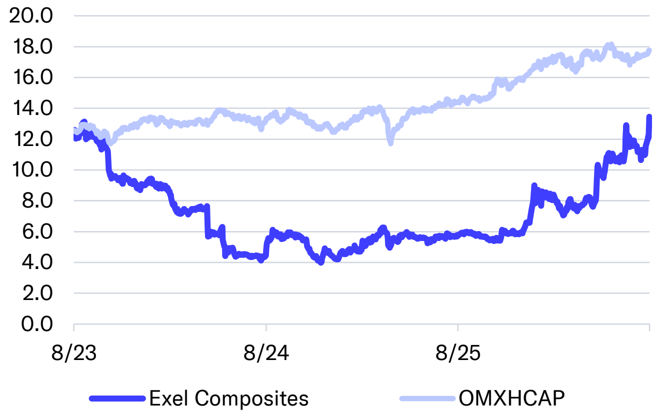
	2025	2026e	2027e	2028e
Revenue	103	130	153	171
growth-%	4%	26%	18%	12%
EBIT adj.	3.6	8.2	12.5	14.5
EBIT-% adj.	3.5 %	6.3 %	8.2 %	8.5 %
Net Income	-5.5	4.6	7.1	8.6
EPS (adj.)	-0.04	0.66	1.00	1.21
P/E (adj.)	neg.	20.4	13.5	11.1
P/B	1.7	2.9	2.4	2.0
Dividend yield-%	0.0 %	0.0 %	0.0 %	2.2 %
EV/EBIT (adj.)	19.5	14.7	9.5	7.8
EV/EBITDA	9.9	9.4	6.7	5.7
EV/S	0.7	0.9	0.8	0.7

Source: Inderes

Guidance (Unchanged)

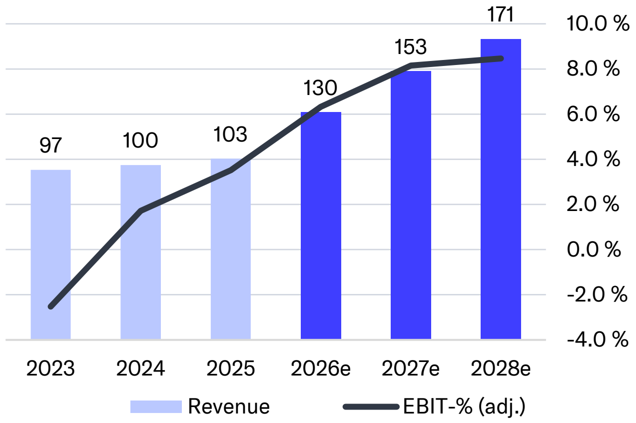
Exel Composites estimates that in 2026, its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.6 MEUR) will increase significantly compared to 2025.

Share price



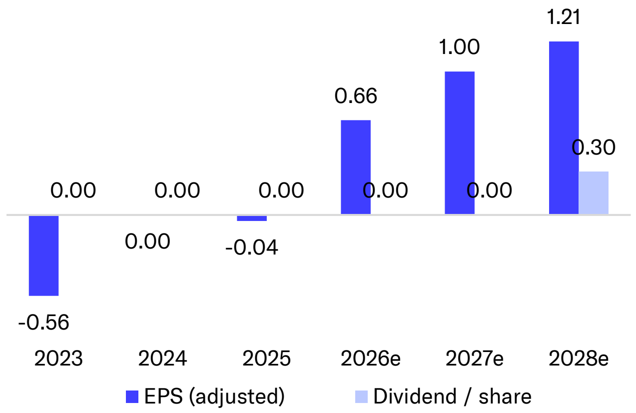
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growing composite market creates a good base for organic growth
- Upside in profitability relative to full potential (incl. reduction in fixed costs)
- Materializing the global structure of production and relative economies of scale in a new, more focused strategy

Risk factors

- Failure in the implementation of the strategy
- Somewhat cyclical and volatile demand
- Partially due to the chronically short absolute order book, business opportunities can deteriorate relatively quickly, even though new framework agreements have lengthened the order book structure
- The somewhat fixed nature of the cost structure creates sensitivity to changes in demand
- Customer portfolio is concentrated

Valuation	2026e	2027e	2028e
Share price	13.5	13.5	13.5
Number of shares, millions	7.12	7.12	7.12
Market cap	96	96	96
EV	120	118	113
P/E (adj.)	20.4	13.5	11.1
P/E	20.8	13.5	11.1
P/B	2.9	2.4	2.0
P/S	0.7	0.6	0.6
EV/Sales	0.9	0.8	0.7
EV/EBITDA	9.4	6.7	5.7
EV/EBIT (adj.)	14.7	9.5	7.8
Payout ratio (%)	0.0 %	0.0 %	24.9 %
Dividend yield-%	0.0 %	0.0 %	2.2 %

Source: Inderes

Estimates smashed

Revenue grew significantly and exceeded our estimate

Exel's Q2 revenue grew by a whopping 40% to 34.6 MEUR, clearly exceeding our and consensus estimates. According to comments, the development was supported by customers' expedited delivery requests related to conductor core orders, coupled with strong execution. Based on the earnings call, the impact of early delivery requests was approximately 4 MEUR compared to the company's original estimate. Growth was also driven by increased volumes at the Indian factory.

Among customer industries, Energy's revenue more than doubled from the comparison period. Other (+53% y/y) grew strongly, driven by the defense industry, and Buildings and infrastructure (+32% y/y) also grew at a brisk pace. Transportation's growth (+8% y/y) was more moderate, while Industry (-16% y/y) was the only segment in decline. Quarterly fluctuations within customer industries are typical. Of the business units, Engineered Solutions grew by 30% and Industrial Solutions by as much as 82%, in line with developments in India.

Exel's order intake (34.5 MEUR, +22% y/y) also saw strong growth. Order intake continued its positive trend and remained at a good level, considering that no announced orders were placed with the company in the early part of the year. Reflecting this, the company's order book remained very strong (99 MEUR, +111% y/y), providing solid support for the future.

Earnings also landed clearly above forecasts

The company's adjusted EBIT more than doubled to 2.5 MEUR, exceeding estimates by a clear margin. According to the company, the development was supported by larger deliveries and higher utilization rates. In addition, it had reacted quickly to cost pressures and continued cost discipline. Relative to our forecasts, the earnings performance in the first half was supported by a material margin that was clearly higher than our expectations and also high compared to historical levels (Q1'26-Q2'26: 63.5–63.7% vs. 2021–2025: 53–61%), while the cost structure was slightly higher than our forecasts in other respects. We estimate this was driven by a favorable sales mix and, in some parts, higher-than-usual pricing power due to strong demand. Overall, the development still strengthened our confidence in the effectiveness of the strategic measures taken as volume growth materialized. In the lower lines, net financial expenses were clearly lower than we expected due to currencies, while taxes were higher, in line with the stronger result.

Cash flow from operating activities strengthened significantly

In H1, Exel's net operating cash flow (incl. payment of lease liabilities) strengthened significantly year-on-year, rising to 5.6 MEUR (H1'25: -4.6 MEUR). Despite strong growth, the development was supported by the release of working capital, which was very positive. However, we will continue to monitor the sustainability of this as strong growth continues. However, due to investments made in the Indian factory, among others, free cash flow remained lean (0.6 MEUR). The company's net debt at the end of Q2 was 21.9 MEUR, and its ratio to the adjusted EBITDA for the previous 12 months was 2.1x. Thus, we believe the company's financial position was within its comfort zone.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus			Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low		High	Act. vs. inderes	Inderes
Revenue	24.8	34.6	29.5	29.2	0.0	-	0.0	17%	130
EBIT (adj.)	1.1	2.5	1.4	-	0.0	-	0.0	79%	8.2
EBIT	0.8	2.4	1.4	1.6	0.0	-	0.0	70%	8.1
PTP	-2.9	2.2	0.6	0.9	0.0	-	0.0	286%	6.8
EPS (reported)	-0.03	0.21	0.06	0.09	0.00	-	0.00	248%	0.66
Revenue growth-%	-6.7 %	39.7 %	19.0 %	17.8 %	-100.0 %	-	-100.0 %	20.7 pp	25.7 %
EBIT-% (adj.)	4.5 %	7.3 %	4.8 %			-		2.5 pp	6.3 %

Source: Inderes & Bloomberg (3 forecsts, 8/5%2026) (consensus)

We raised our long-term forecasts

Guidance unchanged, but the underlying assumption was removed

Exel reiterated its guidance for the current year and expects its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.2 MEUR) to increase significantly from last year. However, the company removed expectations of growth being more heavily weighted towards H2, in line with earlier delivery requests. We also raised this possibility in connection with our pre-commentary. There is uncertainty regarding the underlying assumptions of the verbal guidance, but based on historical data, we estimate that significant revenue growth indicates at least double-digit annual growth (the exact lower limit is unknown). In terms of earnings guidance, significant growth has historically been considered at least over 40% earnings growth (2019: +43%).

The market situation is mostly good

According to the company, the market situation remained good, in line with order intake. Based on management's comments, Q2 orders may have been slightly supported by customers increasing their inventories due to the unstable geopolitical situation in the spring. However, it was still difficult to draw far-reaching conclusions on this matter. Overall, the market situation appears to be good, especially in the Energy sector and in applications related to the defense industry. The company also seemed confident about its sales pipeline and the gradually increasing volumes from the Indian factory.

We raised our longer-term estimates

Based on the realized development and the revised guidance, we did not make any material changes to our H2 estimates. We expect H2 to be largely similar to H1. However, based on the comments, it appeared that the accelerated deliveries originated from the end of the year, which led us to balance the seasonality of H2 between the quarters. However, we estimate that final delivery requests may still fluctuate. We did not make any material changes to our growth forecasts for next year, reflecting a positive but overall fairly unchanged outlook.

We expect commercial deliveries from the Indian factory to continue their upward trend. In our view, a significant leap would require an increase in the company's wallet share among key wind power customers (see CEO interview). In our view, the company should still be well-positioned for a gradual strengthening of this, reflecting the successful ramp-up of the Indian factory. However, we estimate that this will only be reflected in the figures next year. We made revisions to our assumptions regarding the cost structure, and we estimate that the material margin will remain high in H2 but will decrease in the coming years as the Indian factory's share of revenue grows.

Following the report, which strengthened confidence in the strategy's execution, we raised our longer-term forecasts for both revenue and profitability. However, we do not expect the company to reach its ambitious target levels yet (2028 revenue 200 MEUR, adj. EBIT-% > 10%).

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	125	130	4%	151	153	1%	165	171	4%
EBITDA	12.5	12.8	2%	17.4	17.7	2%	19.0	19.9	5%
EBIT (exc. NRIs)	7.7	8.2	6%	12.1	12.5	3%	13.6	14.5	7%
EBIT	7.7	8.1	5%	12.1	12.5	3%	13.6	14.5	7%
PTP	5.4	6.8	25%	9.2	10.3	12%	11.1	12.5	13%
EPS (excl. NRIs)	0.52	0.66	28%	0.88	1.00	14%	1.06	1.21	14%
DPS	0.00	0.00		0.00	0.00		0.30	0.30	0%

Source: Inderes

Expected return sufficient, yet demand level has increased

Earnings growth sets the pace

We believe that Exel should be valued primarily on the basis of earnings-based multiples. In our view, the most useful multiples are the P/E ratio and the EV/EBITDA and EV/EBIT multiples, which take into account the balance sheet structure. It should be noted, however, that the ownership structure of the Indian factory and its still uncertain future earnings contribution (incl. the value of the minority interest) somewhat limit the usefulness of EV multiples, at least for now. On the other hand, short-term P/E ratios are significantly affected by internal non-cash flow related exchange rate changes, which the company does not separate in its continuous reporting.

In our opinion, an acceptable valuation for the stock is generally 10x-14x P/E, 8x-12x EV/EBIT, and 5x-8x EV/EBITDA. In our view, the currently acceptable valuation is supported by H1, which clearly strengthened confidence in the company's potential (including a decrease in the required rate of return), a strong order book, and a generally favorable market situation. Considering these factors and our forecast for strong earnings growth, we believe it is justified to value the stock between the midpoint and upper end of the ranges in the short term. Despite promising signs, we believe that the rise in absolute valuation multiples is still limited by the early and uncertain growth phase (incl. the stronger commercial ramp-up of the Indian factory). We also note that we expect the company's cash flow to remain below earnings in the coming years as strong growth ties up working capital, albeit more moderately than before. Instead, as evidence of growth and profitability (incl. return on capital) accumulates, there could be slight gradual upside within acceptable ranges. However, this would still require longer-term evidence of a sustained increase in the earnings level.

The stock's valuation picture is high for this year based on EV multiples (EV/EBIT 15x, EV/EBITDA 9x) despite strengthening earnings. With a strong order book, a progressing earnings turnaround, and the resulting strengthened earnings growth prospects, we believe it is justified to look more strongly at next year for valuation. On the other hand, we believe forecast risks remain elevated due to the growth rate of the Indian factory's volumes (e.g., wallet share), profitability development, and the timing of framework agreement deliveries. With our expectations, the valuation would still turn cautiously attractive when looking at next year (EV/EBIT 9x, EV/EBITDA 7x). This naturally requires the significant earnings growth we forecast to materialize, but given the strategy implementation has progressed in line with the company's targets so far, we are ready to lean on the potential of the coming years. Thus, we believe the stock's risk-adjusted expected return is sufficient, which is also indicated by the fact that at a target price of EUR 15, next year's EV/EBIT multiple would be around 10x.

DCF model at around target price level

Our view of the company's longer-term potential is also supported by the DCF calculation, which indicates a share value of around EUR 15.0 and supports our view of the stock's upside potential. As previously stated, we raised our long-term assumptions and slightly lowered our required rate of return. Despite this, the assumptions are still moderate compared to the company's ambitious targets (2028 revenue 200 MEUR, adj. EBIT-% > 10%). Despite the strong start to earnings growth, we believe Exel still has much to prove in achieving these targets. On the other hand, against this backdrop, the stock would still have significant additional potential if the company achieves its targets, but given the evidence to date (including a longer history), we believe this should currently be viewed as an optimistic target scenario.

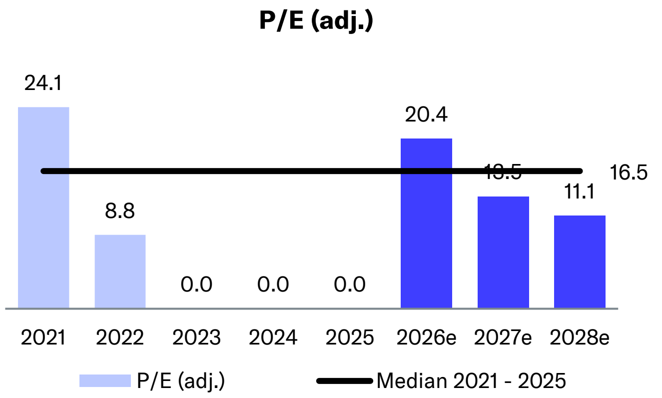
Valuation	2026e	2027e	2028e
Share price	13.5	13.5	13.5
Number of shares, millions	7.12	7.12	7.12
Market cap	96	96	96
EV	120	118	113
P/E (adj.)	20.4	13.5	11.1
P/E	20.8	13.5	11.1
P/B	2.9	2.4	2.0
P/S	0.7	0.6	0.6
EV/Sales	0.9	0.8	0.7
EV/EBITDA	9.4	6.7	5.7
EV/EBIT (adj.)	14.7	9.5	7.8
Payout ratio (%)	0.0 %	0.0 %	24.9 %
Dividend yield-%	0.0 %	0.0 %	2.2 %

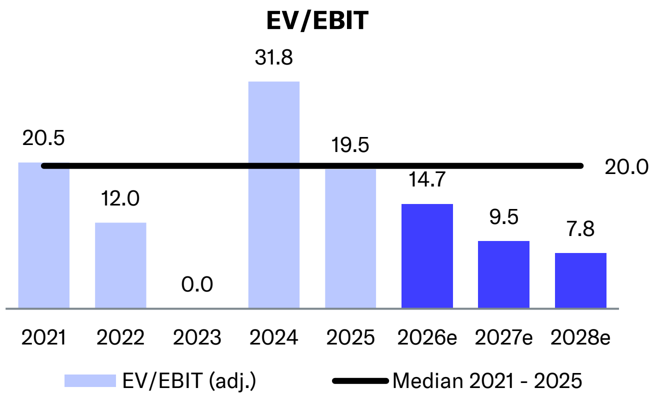
Source: Inderes

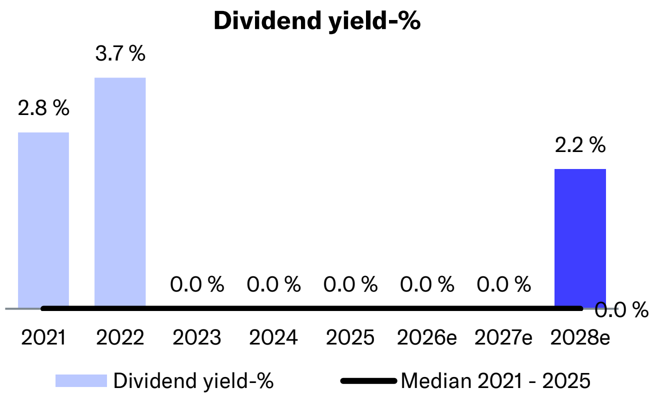
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.10	5.42	2.54	0.32	0.45	13.5	13.5	13.5	13.5
Number of shares, millions	11.9	11.9	11.9	106.7	106.7	7.12	7.12	7.12	7.12
Market cap	84	64	30	34	48	96	96	96	96
EV	124	97	63	54	71	120	118	113	108
P/E (adj.)	24.1	8.8	neg.	neg.	neg.	20.4	13.5	11.1	10.1
P/E	50.9	28.1	neg.	neg.	neg.	20.8	13.5	11.1	10.1
P/B	2.8	2.2	1.7	1.1	1.7	2.9	2.4	2.0	1.7
P/S	0.6	0.5	0.3	0.3	0.5	0.7	0.6	0.6	0.5
EV/Sales	0.9	0.7	0.7	0.5	0.7	0.9	0.8	0.7	0.6
EV/EBITDA	10.3	6.7	15.6	12.7	9.9	9.4	6.7	5.7	5.1
EV/EBIT (adj.)	20.5	12.0	neg.	31.8	19.5	14.7	9.5	7.8	6.8
Payout ratio (%)	143.3 %	103.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	24.9 %	33.9 %
Dividend yield-%	2.8 %	3.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.2 %	3.3 %

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.

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**99.6**	**25.3**	**24.8**	**24.1**	**29.0**	**103**	**30.2**	**34.6**	**32.4**	**32.4**	**130**	**153**	**171**	**182**
Konserni	99.6	25.3	24.8	24.1	29.0	103	30.2	34.6	32.4	32.4	130	153	171	182
EBITDA	**4.2**	**1.5**	**2.0**	**1.6**	**2.0**	**7.1**	**2.6**	**3.6**	**3.4**	**3.2**	**12.8**	**17.7**	**19.9**	**21.3**
Depreciation	-7.1	-1.3	-1.2	-1.2	-1.2	-4.9	-1.1	-1.2	-1.2	-1.2	-4.7	-5.2	-5.4	-5.6
EBIT (excl. NRI)	**1.7**	**0.7**	**1.1**	**0.9**	**0.9**	**3.6**	**1.5**	**2.5**	**2.2**	**2.0**	**8.2**	**12.5**	**14.5**	**15.7**
EBIT	**-2.9**	**0.1**	**0.8**	**0.4**	**0.9**	**2.2**	**1.5**	**2.4**	**2.2**	**2.0**	**8.1**	**12.5**	**14.5**	**15.7**
Net financial items	-0.9	-2.4	-3.7	-0.9	-1.0	-7.9	0.3	-0.2	-0.7	-0.7	-1.3	-2.2	-2.0	-1.8
PTP	**-3.8**	**-2.2**	**-2.9**	**-0.4**	**-0.1**	**-5.7**	**1.8**	**2.2**	**1.6**	**1.3**	**6.8**	**10.3**	**12.5**	**13.9**
Taxes	-1.2	0.0	0.0	-0.1	-0.3	-0.3	-0.6	-0.7	-0.4	-0.3	-2.0	-2.6	-3.1	-3.5
Minority interest	0.4	0.2	0.2	0.2	0.1	0.6	0.1	0.0	-0.1	-0.2	-0.2	-0.6	-0.8	-1.0
Net earnings	**-4.7**	**-2.1**	**-2.7**	**-0.3**	**-0.4**	**-5.5**	**1.3**	**1.5**	**1.1**	**0.8**	**4.6**	**7.1**	**8.6**	**9.5**
EPS (adj.)	**0.00**	**-0.02**	**-0.02**	**0.00**	**0.00**	**-0.04**	**0.18**	**0.22**	**0.15**	**0.11**	**0.66**	**1.00**	**1.21**	**1.33**
EPS (rep.)	**-0.04**	**-0.02**	**-0.03**	**0.00**	**0.00**	**-0.05**	**0.18**	**0.21**	**0.15**	**0.11**	**0.65**	**1.00**	**1.21**	**1.33**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.9 %	8.2 %	-6.7 %	-2.0 %	15.7 %	3.6 %	19.4 %	39.7 %	34.5 %	11.8 %	25.7 %	18.0 %	12.0 %	6.0 %
Adjusted EBIT growth-%	169.7 %	222.9 %	-17.9 %	31.3 %	399.4 %	112.9 %	122.3 %	124.1 %	137.5 %	119.5 %	126.1 %	52.0 %	16.3 %	8.4 %
EBITDA-%	4.3 %	5.7 %	8.1 %	6.7 %	7.0 %	6.9 %	8.8 %	10.3 %	10.5 %	9.8 %	9.9 %	11.6 %	11.6 %	11.7 %
Adjusted EBIT-%	1.7 %	2.7 %	4.5 %	3.9 %	3.1 %	3.5 %	5.0 %	7.3 %	6.8 %	6.0 %	6.3 %	8.2 %	8.5 %	8.7 %
Net earnings-%	-4.7 %	-8.2 %	-11.0 %	-1.4 %	-1.3 %	-5.3 %	4.2 %	4.3 %	3.3 %	2.4 %	3.5 %	4.6 %	5.0 %	5.2 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**40.9**	**36.9**	**39.7**	**40.1**	**40.6**
Goodwill	12.5	11.6	11.6	11.6	11.6
Intangible assets	1.1	0.8	0.8	0.9	0.9
Tangible assets	26.6	24.3	27.0	27.4	27.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.5	0.0	0.0	0.0	0.0
Deferred tax assets	0.2	0.2	0.2	0.2	0.2
Current assets	**48.0**	**52.3**	**63.5**	**74.2**	**83.1**
Inventories	17.3	18.0	23.3	27.5	30.8
Other current assets	0.6	0.0	0.0	0.0	0.0
Receivables	19.2	22.4	27.2	31.4	35.1
Cash and equivalents	10.9	11.9	13.0	15.3	17.1
Balance sheet total	**89.0**	**89.2**	**103**	**114**	**124**

Source: Inderes

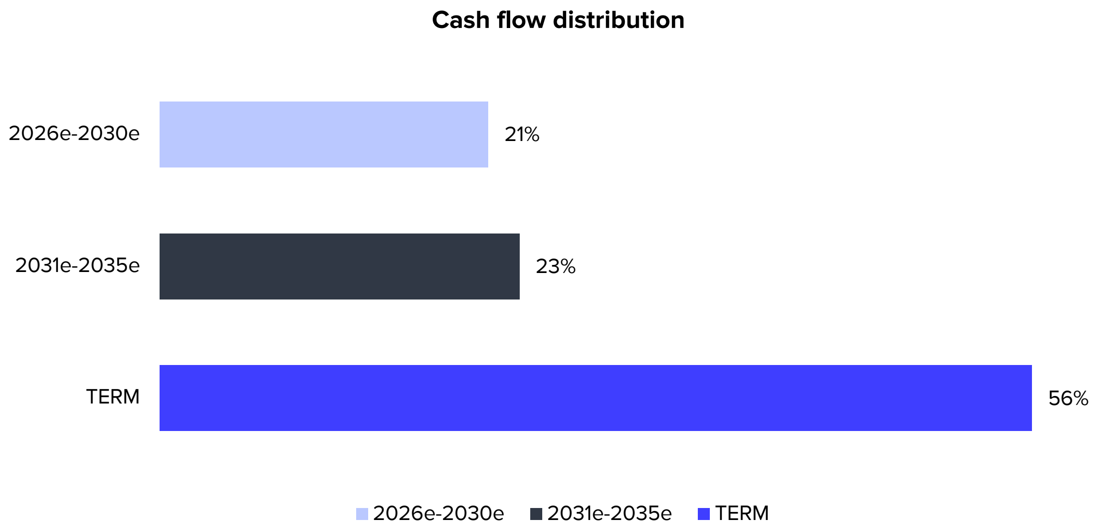
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32.3**	**28.1**	**32.7**	**39.8**	**48.4**
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	4.7	-0.7	3.9	11.0	19.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	24.6	26.5	26.5	26.5	26.5
Minorities	0.8	0.1	0.1	0.1	0.1
Non-current liabilities	**10.3**	**9.7**	**17.6**	**17.4**	**15.8**
Deferred tax liabilities	0.3	0.2	0.2	0.2	0.2
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	8.8	8.2	16.2	16.0	14.4
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	1.2	1.2	1.2	1.2	1.2
Current liabilities	**46.4**	**51.5**	**53.0**	**57.2**	**59.5**
Interest bearing debt	21.6	26.1	19.3	18.9	16.6
Payables	24.8	25.4	33.7	38.3	42.8
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**89.0**	**89.2**	**103**	**114**	**124**

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	3.6 %	25.7 %	18.0 %	12.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.0 %	2.0 %
EBIT-%	2.1 %	6.2 %	8.2 %	8.5 %	8.7 %	8.6 %	8.5 %	8.3 %	8.0 %	7.0 %	7.0 %	7.0 %
EBIT (operating profit)	**2.2**	**8.1**	**12.5**	**14.5**	**15.7**	**16.4**	**17.0**	**17.2**	**17.2**	**15.5**	**15.8**	
+ Depreciation	4.9	4.7	5.2	5.4	5.6	6.1	6.2	6.4	6.6	6.8	6.8	
- Paid taxes	-0.5	-2.0	-2.6	-3.1	-3.5	-3.8	-4.0	-4.1	-4.1	-3.8	-3.9	
- Tax, financial expenses	0.5	-0.4	-0.6	-0.5	-0.5	-0.3	-0.3	-0.2	-0.2	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.6	-1.8	-3.8	-2.5	-0.5	-1.2	-1.2	-1.0	-0.8	-0.7	-0.6	
Operating cash flow	**4.4**	**8.5**	**10.8**	**13.8**	**16.9**	**17.2**	**17.8**	**18.3**	**18.7**	**17.7**	**18.1**	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.9	-7.6	-5.7	-5.9	-6.1	-6.3	-6.5	-6.7	-6.9	-7.1	-7.0	
Free operating cash flow	**3.6**	**1.0**	**5.1**	**8.0**	**10.8**	**10.9**	**11.3**	**11.6**	**11.8**	**10.6**	**11.1**	
+/- Other	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	1.2	1.0	5.1	8.0	10.8	10.9	11.3	11.6	11.8	10.6	11.1	164
Discounted FCFF		**1.0**	**4.6**	**6.5**	**8.1**	**7.5**	**7.1**	**6.7**	**6.3**	**5.2**	**5.0**	**73.4**
Sum of FCFF present value		131	130	126	119	111	104	96.6	89.8	83.6	78.4	73.4
Enterprise value DCF		**131**										
- Interest bearing debt		-34.4										
+ Cash and cash equivalents		11.9										
+ Associated companies		0.0										
-Minorities		-2.0										
-Dividend/capital return		0.0										
Equity value DCF		**107**										
Equity value DCF per share		**15.0**										

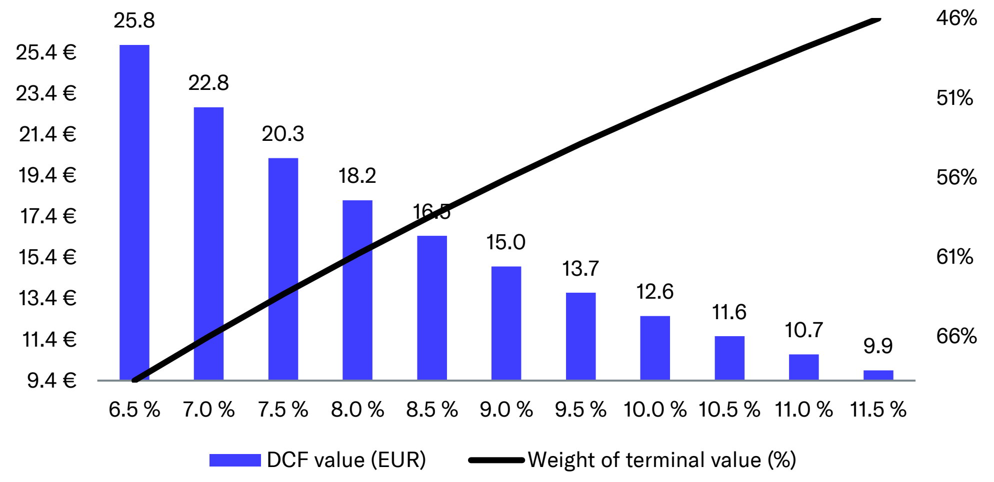
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	25.0 %
Cost of debt	6.0 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	1.30%
Risk free interest rate	2.5 %
Cost of equity	**10.5 %**
Weighted average cost of capital (WACC)	**9.0 %**

Source: Inderes

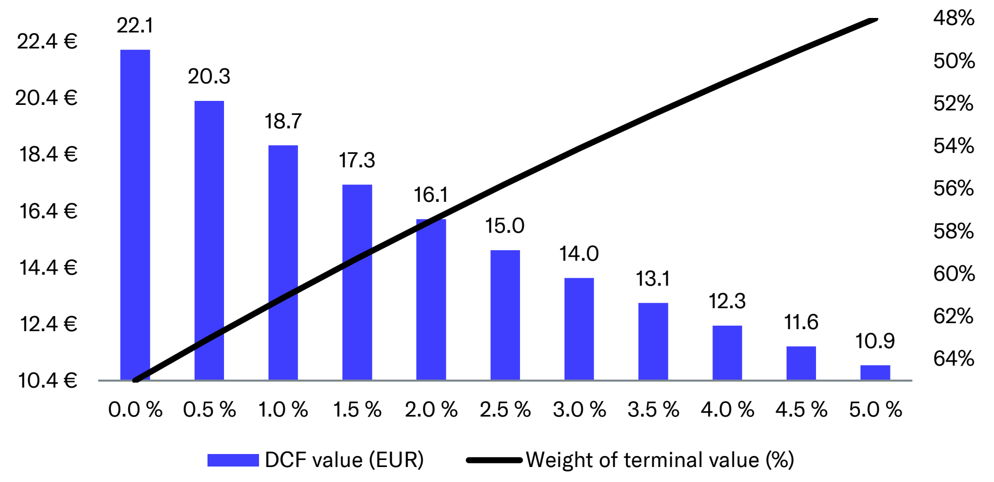


DCF sensitivity calculations and key assumptions in graphs

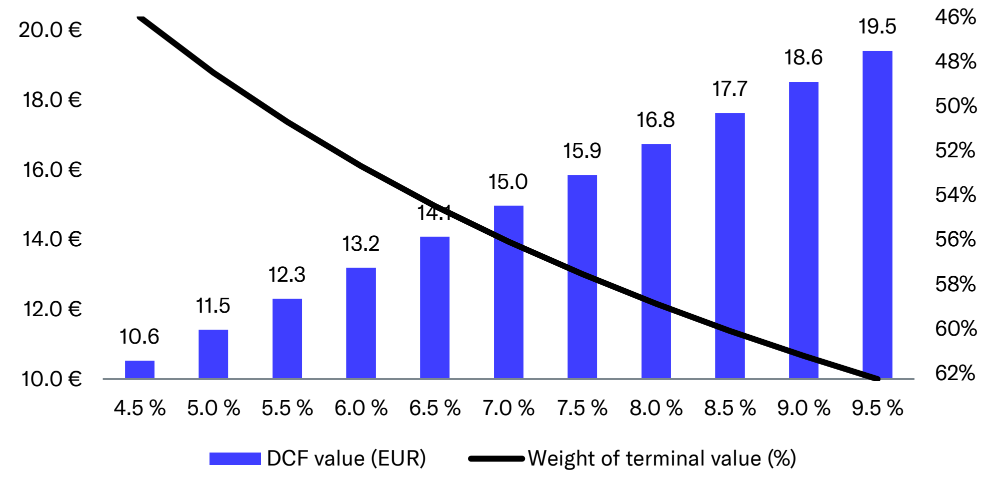
Sensitivity of DCF to changes in the WACC-%



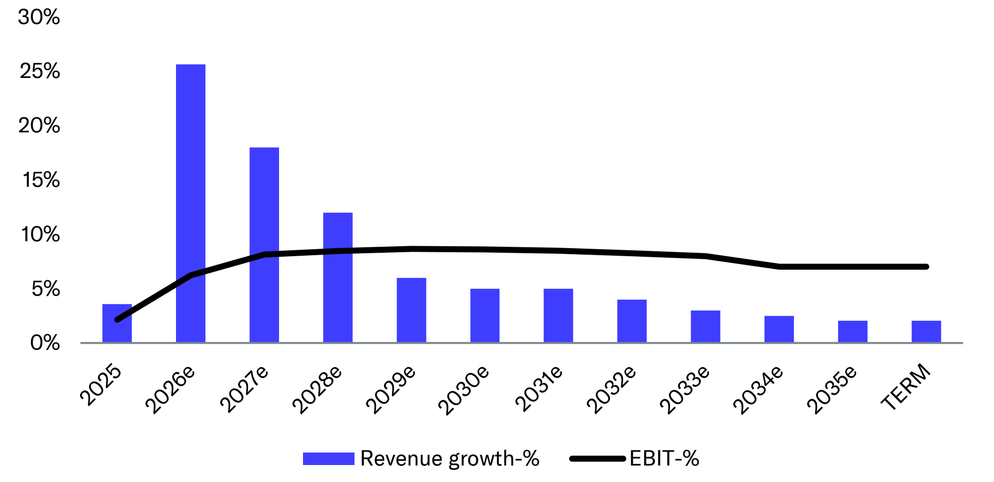
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	96.8	99.6	103.2	**129.7**	**153.0**
EBITDA	3.8	4.2	7.1	**12.8**	**17.7**
EBIT	-4.9	-2.9	2.2	**8.1**	**12.5**
PTP	-8.3	-3.8	-5.7	**6.8**	**10.3**
Net Income	-9.1	-4.7	-5.5	**4.6**	**7.1**
Extraordinary items	-2.4	-4.6	-1.4	**-0.1**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	85.0	89.0	89.2	**103.3**	**114.4**
Equity capital	17.7	32.3	28.1	**32.7**	**39.8**
Goodwill	12.6	12.5	11.6	**11.6**	**11.6**
Net debt	32.8	19.5	22.4	**22.5**	**19.6**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	3.8	4.2	7.1	**12.8**	**17.7**
Change in working capital	2.9	0.1	-2.6	**-1.8**	**-3.8**
Operating cash flow	7.0	3.9	4.4	**8.5**	**10.8**
CAPEX	-1.6	-8.8	-0.9	**-7.6**	**-5.7**
Free cash flow	5.5	-5.1	1.2	**1.0**	**5.1**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.7	0.5	0.7	**0.9**	**0.8**
EV/EBITDA	15.6	12.7	9.9	**9.4**	**6.7**
EV/EBIT (adj.)	neg.	31.8	19.5	**14.7**	**9.5**
P/E (adj.)	neg.	neg.	neg.	**20.4**	**13.5**
P/B	1.7	1.1	1.7	**2.9**	**2.4**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.77	-0.04	-0.05	**0.65**	**1.00**
EPS (adj.)	-0.56	0.00	-0.04	**0.66**	**1.00**
OCF / share	0.59	0.04	0.04	**1.20**	**1.51**
OFCF / share	0.46	-0.05	0.01	**0.14**	**0.72**
Book value / share	1.47	0.30	0.26	**4.57**	**5.57**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-29%	3%	4%	**26%**	**18%**
EBITDA growth-%	-62%	11%	68%	**79%**	**38%**
EBIT (adj.) growth-%	-130%	170%	113%	**126%**	**52%**
EPS (adj.) growth-%	-192%	100%	-5824%	**1665%**	**51%**
EBITDA-%	4.0 %	4.3 %	6.9 %	**9.9 %**	**11.6 %**
EBIT (adj.)-%	-2.5 %	1.7 %	3.5 %	**6.3 %**	**8.2 %**
EBIT-%	-5.0 %	-2.9 %	2.1 %	**6.2 %**	**8.2 %**
ROE-%	-38.5 %	-19.0 %	-18.5 %	**15.2 %**	**19.7 %**
ROI-%	-6.9 %	-4.6 %	3.6 %	**12.4 %**	**17.5 %**
Equity ratio	20.9 %	36.4 %	31.5 %	**31.7 %**	**34.8 %**
Gearing	185.7 %	60.3 %	79.8 %	**68.8 %**	**49.2 %**
Net debt/EBITDA	8.6	4.6	3.1	**1.8**	**1.1**
EBITDA/net financials	1.1	4.6	0.9	**10.1**	**8.1**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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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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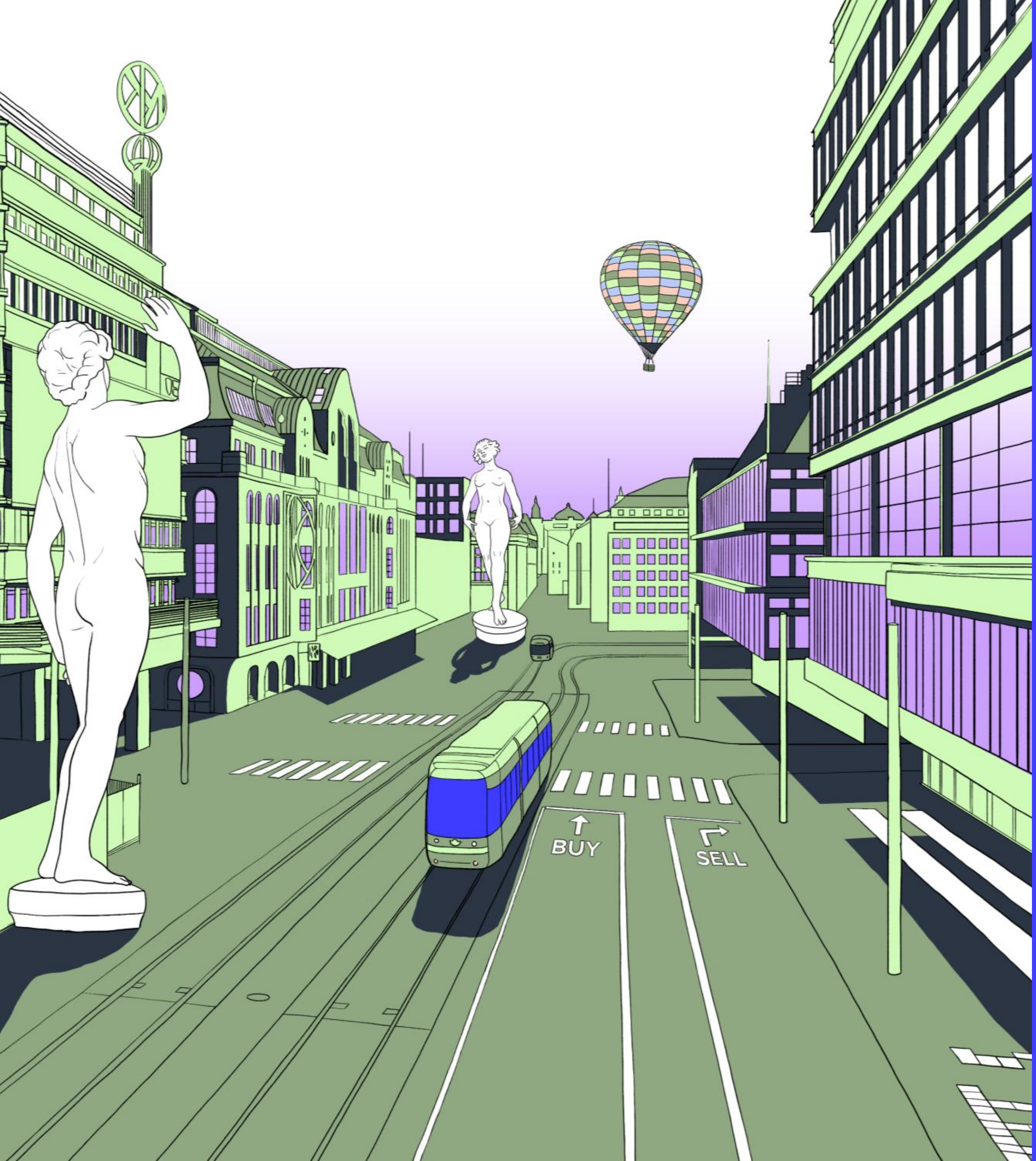
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/19/2021	Accumulate	9.20 €	8.76 €
5/2/2021	Accumulate	11.50 €	10.88 €
7/21/2021	Accumulate	11.50 €	10.32 €
9/2/2021	Accumulate	11.50 €	9.95 €
9/17/2021	Accumulate	9.50 €	8.59 €
11/5/2021	Accumulate	8.40 €	7.52 €
2/16/2022	Reduce	7.50 €	7.15 €
5/2/2022	Accumulate	7.00 €	6.30 €
Analyst changed			
7/21/2022	Accumulate	7.00 €	6.58 €
9/28/2022	Accumulate	6.00 €	5.30 €
11/4/2022	Accumulate	6.00 €	5.20 €
2/15/2023	Accumulate	6.00 €	5.32 €
2/20/2023	Accumulate	6.00 €	5.10 €
5/3/2023	Accumulate	4.50 €	4.05 €
8/21/2023	Reduce	3.50 €	3.38 €
10/19/2023	Sell	2.50 €	3.04 €
11/6/2023	Reduce	2.50 €	2.67 €
2/19/2024	Reduce	2.20 €	2.29 €
4/26/2024	Reduce	1.60 €	1.74 €
5/20/2024	Reduce	0.38 €	1.62 €
6/12/2024	Accumulate	0.38 €	0.33 €
8/16/2024	Accumulate	0.38 €	0.32 €
10/8/2024	Reduce	0.38 €	0.39 €
11/1/2024	Reduce	0.35 €	0.35 €
2/7/2025	Reduce	0.35 €	0.32 €
2/14/2025	Reduce	0.35 €	0.36 €
5/9/2025	Reduce	0.38 €	0.40 €
8/12/2025	Accumulate	0.43 €	0.38 €
11/4/2025	Accumulate	0.43 €	0.36 €
11/7/2025	Accumulate	0.45 €	0.40 €
2/9/2026	Reduce	0.55 €	0.56 €
2/16/2026	Reduce	0.55 €	0.56 €
Reverse split 15:1			
5/7/2026	Accumulate	10.50 €	9.26 €
8/17/2026	Accumulate	15.00 €	13.45 €



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