SITOWISE

8/13/2026 12:46 pm EEST

This is a translated version of "Näkymä säilyy toistaiseksi kaksijakoisena" report, published on 8/13/2026

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COMPANY REPORT

Outlook remains mixed for the time being

Sitowise's Q2 was largely in line with our expectations, though profitability still fell slightly short of our estimates. The Infra business continued its solid performance, while Buildings and Digital Solutions continued to develop weakly as expected. Due to the slightly weaker-than-expected earnings outcome and updated outlook, we have lowered our estimates moderately. We consider the company's valuation to be neutral based on our forecasts for next year, though significant uncertainties remain regarding the earnings turnaround. We reiterate our Reduce recommendation for Sitowise and revise our target price to EUR 2.9 (was EUR 3.1).

Profitability was slightly softer than our expectations

Revenue from Sitowise's continuing operations increased by one percent year-on-year, virtually exactly matching our forecast of 43 MEUR. However, there was a deviation between business segments relative to our estimates, with Infra growing slightly faster than we expected. Correspondingly, revenue in the Buildings and Digital Solutions businesses decreased by 2% and 3%, respectively, although we had expected them to remain flat.

The company's adjusted EBITA for the quarter was at the level of the comparison period at 3.2 MEUR, falling short of our forecast of 3.5 MEUR. According to the company, profitability in Infra remained above the target, while in Buildings and Digital Solutions, it was still below the target (clearly below in Buildings and below in Digital Solutions). On a positive note, the Buildings business managed to become profitable again after two unprofitable quarters.

The net debt/EBITDA ratio decreased to 4.2x (Q2'25: 4.9x), though it remains high. If the result improves in line with our forecasts, the target level of 3x will be reached in 2027. The company still has plenty of time to deliver an earnings improvement, as the financing package is not due until summer 2028.

Outlook for Digital Solutions was decreased

The company's order book grew due to strong order intake, reaching 145 MEUR by the end of June, which is about 5% higher than the comparison period. Meanwhile, the number of full-time equivalent employees decreased by about 4% year-on-year. Thus, the balance between the number of employees and the workload appears to be improving further. However, the company noted softened demand for municipal infrastructure projects in its outlook. In addition, the market outlook for Digital Solutions was downgraded from stable to weak. The company reiterated its view that the broader construction market is experiencing a slow recovery, the timing of which remains uncertain.

We estimate a stable performance this year

We forecast that the reported revenue will decline by 9% this year and that its adjusted EBITA margin will rise to 7.0% (2025 4.7%). However, this change is largely technical, as both are due to the removal of loss-making Sweden from the figures. On a comparable basis, we expect revenue to grow by approximately 1% and the adjusted EBITA margin to end up at roughly last year's level of 7.7% (2025: 7.5%). Thus, our forecast does not include significant operational earnings improvement for the current year, and we have slightly lowered our forecasts for the remainder of the year for the Digital Solutions business unit due to updated outlooks. The turning point is expected to reach its peak in 2027, when we anticipate a moderate level adjustment in Digital Solutions alongside an improvement in the profitability of the Buildings business, driven in part by a pickup in renovation projects and support from data center projects.

Pricing remains neutral

Based on our current estimates, the 2026 EV/EBITDA multiple of 10x is elevated, and high financing expenses will erode net income, causing the P/E to rise even higher, above 100x. The earnings growth we forecast will make the multiples more attractive in the coming years, and based on our updated target price, the EV/EBITDA ratio will settle at around 8x next year, which we consider a fairly neutral level for the company.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 2.90
(was EUR 3.10)

Share price:
EUR 2.64

Business risk

Valuation risk

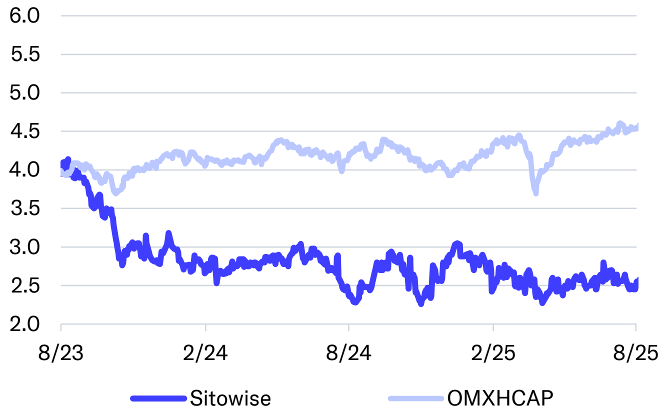
	2025	2026e	2027e	2028e
Revenue	188.7	172.3	177.0	183.5
growth-%	-2%	-9%	3%	4%
EBITA adj.	8.9	12.0	15.3	18.7
EBITA-% adj.	4.7 %	7.0 %	8.6 %	10.2 %
Net Income	-42.4	0.5	6.4	9.9
EPS (adj.)	-0.01	0.01	0.18	0.28
P/E (adj.)	neg.	>100	14.8	9.6
P/B	1.2	1.3	1.2	1.1
Dividend yield-%	0.0 %	0.8 %	1.9 %	3.0 %
EV/EBIT (adj.)	38.0	24.8	11.8	8.5
EV/EBITDA	11.4	9.8	7.5	6.0
EV/S	0.9	0.9	0.9	0.8

Source: Inderes

Guidance (Unchanged)

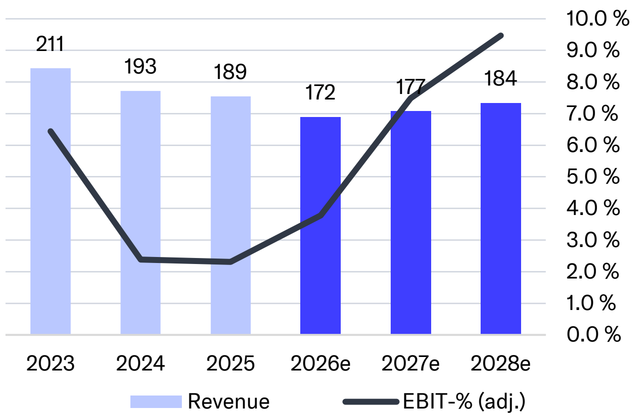
No guidance due to market uncertainty

Share price



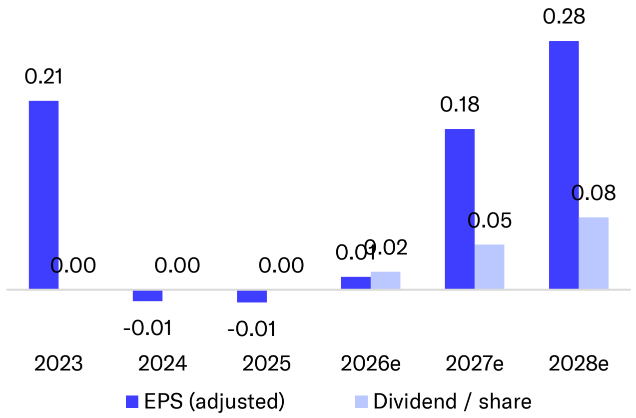
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in a recovering market
- Return to strong profitability
- Strong cash flow and low investment need in a normal market
- Efficient business model as well as digitalization expertise create competitive advantage
- Increasing share of consulting and design in the construction value chain driven by megatrends
- Opportunities created by sustainable development regulation

Risk factors

- Cyclicality of the underlying construction market
- Uncertainty related to the normal profitability level
- A clear and prolonged market downturn after good years
- Failure in acquisitions
- Leverage and growth financing

Valuation	2026e	2027e	2028e
Share price	2.64	2.64	2.64
Number of shares, millions	35.8	35.8	35.8
Market cap	95	95	95
EV	161	156	149
P/E (adj.)	>100	14.8	9.6
P/B	1.3	1.2	1.1
EV/Sales	0.9	0.9	0.8
EV/EBITDA	9.8	7.5	6.0
EV/EBIT (adj.)	24.8	11.8	8.5
Payout ratio (%)	neg.	28.1 %	29.1 %
Dividend yield-%	0.8 %	1.9 %	3.0 %

Source: Inderes

Profitability was slightly below our expectations

Group-level revenue development was in line with our expectations

Sitowise's revenue from continuing operations increased by 1.2% to 43.1 MEUR (Q2'25 42.6 MEUR), which aligned with our estimate of 43.2 MEUR. The figures and the comparison period have been revised following the sale of the Swedish technical consulting business, which occurred at the end of July. Revenue was thus essentially in line with our forecast, but the breakdown by segment differed from our expectations. Infra business revenue grew by 5% and was again slightly stronger than our estimate. Growth was supported by continued steady demand, successful project sales, tramway projects won in previous years, and infrastructure projects won in early 2026.

The market environment for Digital Solutions remained challenging, and revenue decreased by 3%, whereas we had expected it to remain at the comparison period level. This was due especially to lower project volumes and subdued demand for consulting services. ARR growth slowed to 3.9% amid delayed municipal investment decisions and a maturing market for the largest product, though growth-phase products still rose by over 15%. SaaS products remained responsible for about one-third of the segment's revenue.

Revenue from the Buildings business decreased by 2%. Demand was supported by data center projects and a faster-than-usual pace of renovation work, but the historically low level of new builds continued to limit the segment's volumes.

Profitability was more moderate than we expected

Sitowise's adjusted EBITA was 3.2 MEUR (Q2'25 3.2 MEUR), or 7.4% of revenue, while our estimate was 3.5 MEUR. Although the project write-downs from the first quarter did not recur and operational development stabilized, no actual improvement in earnings was seen. The slight shortfall compared to our forecast is likely mainly due to Digital Solutions, whose profitability significantly fell short of the comparison period. In contrast, Infra remained above the targeted level, and Buildings' adjusted EBITA improved significantly year-on-year. Profitability was supported by a 4% decrease in employees, though the utilization rate declined slightly to 74.2% (Q2'25: 74.7%). The pricing environment remained tight, especially in the Buildings business and public sector tenders, hindering earnings improvement.

Sales of technical consulting in Sweden were the main news of the quarter

The sale of the Swedish technical consulting business to Sweco was finalized on July 31, 2026, and the business will be reported as a discontinued operation starting from the second quarter. The transaction was completed at an enterprise value of approximately 3 MEUR, or a revenue multiple of about 0.1x, so we see the value of the arrangement primarily in the elimination of the loss. According to our calculations, Sweden posted an adjusted EBITA loss of approximately 3.2 MEUR on revenue of 26.3 MEUR in 2025, and the turnaround was not achieved before the divestiture. The adjusted EBITA margin for 2025 will accordingly rise from the reported 4.7% to 7.5%.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Difference (%) Act. vs. inderes	2026 Inderes
Revenue	42.6	43.1	43.2	0%	172.3
EBITA (adj.)	3.2	3.2	3.5	-9%	12.0
EBIT	2.0	1.2	2.7	-56%	6.5
EPS (reported)	0.01	-0.01	-0.49	98%	-0.14
Revenue growth-%	-2.1 %	1.2 %	1.4 %	-0.2 pp	-8.7 %
EBITA-% (adj.)	5.1 %	7.4 %	8.1 %	-0.7 pp	7.0 %

Source: Inderes

Forecast changes remained moderate

Outlook for Digital Solutions downgraded

Sitowise still did not provide numerical guidance for 2026 due to uncertainty regarding the timing of the construction market recovery. In its business-specific outlook, however, the company downgraded the market outlook for Digital Solutions from stable to weak, while maintaining a stable outlook for Infra and a weak but improving outlook for Buildings.

Orders received during the quarter rose to 50.8 MEUR (Q2'25 33.4 MEUR), representing a 52% year-on-year increase and a 35% quarter-on-quarter increase. Order intake thus clearly exceeded revenue for the period, causing the order book to grow to 145.3 MEUR (Q2'25 138.5 MEUR). Notably, data centers already accounted for a significant portion of new sales in the Buildings business and were reflected in diverse assignments within Infra as well, which we expect will support revenue development going forward.

The overall picture of the order book across different business operations remained unchanged. Order books were at a good level in the Infra and Digital Solutions businesses, while in the Buildings business, they remained low. Regarding Digital Solutions, it is noteworthy that this good level relied significantly on the contract extension with Trafikverket secured at the end of June, without which the order book would have decreased significantly, according to the company. In Buildings, on the other hand, the order book improved significantly year-on-year relative to the number of employees. In Q2, the number of full-time equivalent employees decreased by 4% to 1,516 from the previous year, with the decrease almost entirely attributable to the Buildings business unit (-17%), while Infra increased its resources by 7%. The impact on personnel of the adjustment measures for Digital Solutions, determined in June, will not be evident until the third quarter. The size of the workforce and the order book thus appear to be in a better position than before, which forms a basis for our expectations of improved earnings.

Moderate negative estimate changes

Given the slightly more negative outlook than we had expected, we have made quite moderate adjustments to our forecasts.

We forecast that the reported revenue will decline by 8% this year and that its adjusted EBITA margin will rise to 7.0% (2025 4.7%). However, this change is largely technical, as both are due to the removal of loss-making Sweden from the figures. On a comparable basis, we expect revenue to grow by approximately 1% and the adjusted EBITA margin to end up at roughly last year's level of 7.7% (2025: 7.5%).

Estimate revisions	2026	2026	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	174	172	-1%	178	177	-1%	185	184	-1%
EBITA (adj.)	12.5	12.0	-3%	15.6	15.3	-2%	18.8	18.7	-1%
EBIT	8.1	6.5	-20%	13.5	13.2	-2%	17.6	17.4	-1%
PTP	1.9	0.6	-70%	8.2	8.0	-3%	12.6	12.3	-2%
EPS (excl. NRIs)	0.03	0.01	-53%	0.18	0.18	-3%	0.28	0.28	-2%
DPS	0.02	0.02	0%	0.05	0.05	0%	0.08	0.08	0%

Sitowise, Q2, webcast

Multiples for next year at a neutral level

The earnings growth we estimate will shrink multiples in 2027-28

Sitowise's 2026e valuation is still rising to a high level due to subdued performance (2026e EV/EBITDA: 10x). During 2027, Sitowise's performance should gradually improve towards the company's normal profit level. Therefore, we believe that the 2027 valuation (EV/EBITDA: 7x, P/E: 15x) and the one for 2028 (EV/EBITDA: 6x, P/E: 10x) better reflect Sitowise's valuation in relation to the company's normalized earnings.

The key question for the investment case and the expected return on the share is thus the company's normal margin level. There is more uncertainty than usual associated with this because we believe the Buildings market, which is important to the company, will remain lower than in its peak years for a long time to come. Additionally, questions remain about the return to profitability of the Digital Solutions business, particularly the services sector. We also note that the company's debt sustainability and, at the same time, the level of risk associated with the debt depend on normalized earnings and cash flow.

Pricing still at a clear premium compared to peers

Based on the 2026e and 2027e EV/EBITDA multiples, Sitowise is valued approximately 30% and 10% above its peers. The company's valuation rises further to a clearer premium when measured by P/E ratios, as financial expenses consume a large portion of the operating result. However, the longer-term earnings improvement potential on the bottom line is greater than that of its competitors due to a weak starting point and Sitowise having suffered more from the weak Buildings market than its peers.

If the earnings recovery and market upturn materialize in line with our estimates, valuation multiples will decrease to more attractive levels than peers in the long term, and overall, we believe current premiums are moderately neutral at the EV/EBITDA level.

Cash flow model offers slight upside

Our DCF calculation now indicates a share value of EUR 3.1, offering a small upside in the stock. We normally consider the DCF model to be well suited to Sitowise's valuation. In a good market, the company's business generates healthy, predictable cash flow and requires little investment. However, at the bottom of the Buildings cycle and with current performance, cash flow is being absorbed by financial expenses. An essential question, from the perspective of the value provided by the DCF calculation as well, is at what rate the market and Sitowise's results will begin to recover. We have lowered the cost of capital to 8.4% (previously WACC 9.4%), as the exit from Sweden decreases risk levels.

In our model, the company's revenue growth (adjusted for the exit from Sweden) stabilizes at 1% in the terminal period after stronger growth (~5%) during a period marked by market recovery (2027-2029), and the EBIT margin gradually rises to 10% in the coming years and is at 9% in the terminal period.

Our long-term growth estimates are moderate, as Sitowise cannot grow faster than the market indefinitely, nor can construction consulting grow faster than construction itself. Our profitability expectations, on the other hand, are optimistic compared to current performance but, in our opinion, realistic given the company's history and potential.

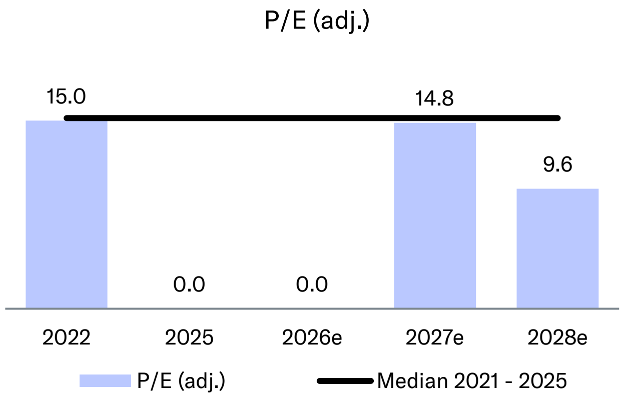
Valuation	2026e	2027e	2028e
Share price	2.64	2.64	2.64
Number of shares, millions	35.8	35.8	35.8
Market cap	95	95	95
EV	161	156	149
P/E (adj.)	>100	14.8	9.6
P/B	1.3	1.2	1.1
EV/Sales	0.9	0.9	0.8
EV/EBITDA	9.8	7.5	6.0
EV/EBIT (adj.)	24.8	11.8	8.5
Payout ratio (%)	neg.	28.1 %	29.1 %
Dividend yield-%	0.8 %	1.9 %	3.0 %

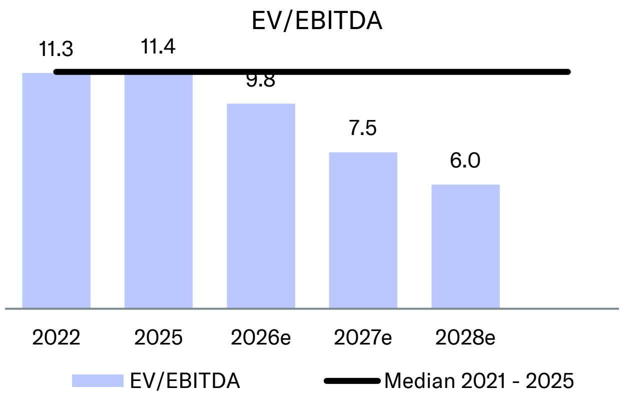
Source: Inderes

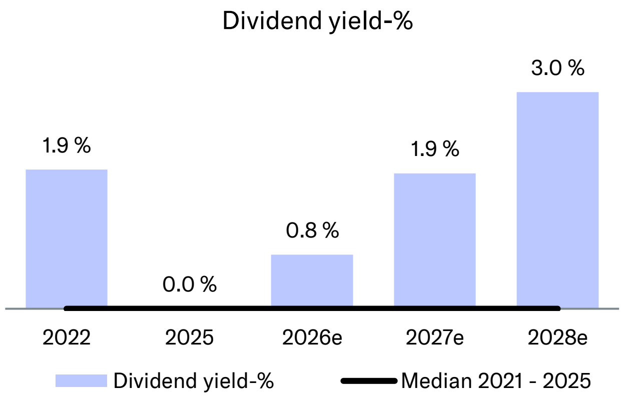
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.14	3.18	3.05	2.59	2.64	2.64	2.64	2.64
Number of shares, millions	35.5	35.6	35.8	35.8	35.8	35.8	35.8	35.8
Market cap	182	113	109	93	95	95	95	95
EV	268	197	186	165	161	156	149	141
P/E (adj.)	15.0	15.2	neg.	neg.	>100	14.8	9.6	8.8
P/B	1.6	0.9	0.9	1.2	1.3	1.2	1.1	1.0
EV/Sales	1.3	0.9	1.0	0.9	0.9	0.9	0.8	0.7
EV/EBITDA	11.3	8.2	11.9	11.4	9.8	7.5	6.0	5.4
EV/EBIT (adj.)	15.4	14.5	40.6	38.0	24.8	11.8	8.5	7.7
Payout ratio (%)	45.2 %	0.0 %	0.0 %	0.0 %	neg.	28.1 %	29.1 %	50.0 %
Dividend yield-%	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %	1.9 %	3.0 %	5.7 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sweco AB	4309	4900	15.5	14.0	12.0	10.9	1.6	1.5	18.1	16.5	3.0	3.2	3.5
Afry AB	1091	1647	11.2	9.1	7.4	6.3	0.7	0.7	11.3	8.8	5.6	6.3	0.9
Rejlers AB	329	425	13.1	10.6	8.1	7.1	0.9	0.9	14.0	11.1	3.6	3.8	1.6
Solwers Oyj	16	46	30.9	12.5	7.6	5.8	0.6	0.5		11.8		3.0	0.4
Etteplan Oyj	202	275	14.4	10.7	7.4	6.2	0.8	0.7	17.1	11.7	2.9	4.3	1.6
Norconsult ASA	1110	1246	14.1	11.3	8.7	7.6	1.2	1.1	16.0	13.0	4.4	5.2	3.8
Sitowise (Inderes)	95	161	24.8	11.8	9.8	7.5	0.9	0.9	183.7	14.8	0.8	1.9	1.3
Average			15.8	11.2	8.4	7.2	0.9	0.9	14.8	11.9	4.1	4.6	2.1
Median			14.1	10.7	7.6	6.7	0.9	0.9	15.0	11.7	4.0	4.3	1.6
Diff-% to median			76%	10%	29%	13%	3%	4%	1123%	27%	-81%	-56%	-23%

Source: Refinitiv / Inderes

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	192.9	48.1	49.8	40.5	50.3	188.7	49.0	43.1	36.0	44.2	172.3	177.0	183.5	189.0
Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infra	68.4	17.6	19.2	16.1	20.2	73.1	18.8	20.2	16.6	20.8	76.4	78.7	80.3	82.7
Buildings	57.4	14.2	14.1	11.3	13.3	52.9	13.2	13.8	11.3	13.8	52.1	59.4	62.4	64.3
Digital Solutions	33.6	9.3	9.4	8.3	9.4	36.4	9.3	9.1	8.1	9.6	36.1	38.9	40.8	42.1
Sweden	33.6	7.0	7.2	4.8	7.4	26.4	7.7	0.0	0.0	0.0	7.7	0.0	0.0	0.0
EBITDA	15.6	2.8	4.1	3.5	4.1	14.5	2.8	3.3	4.7	5.6	16.4	20.8	24.9	26.0
Depreciation	-13.2	-3.1	-3.0	-3.0	-42.9	-52.0	-2.8	-2.1	-2.5	-2.5	-9.9	-7.6	-7.6	-7.6
EBIT	2.5	-0.3	1.0	0.5	-38.8	-37.5	0.0	1.2	2.2	3.1	6.5	13.2	17.4	18.4
EBITA (adj.)	9.6	2.4	2.5	1.7	2.2	8.9	1.9	3.2	3.0	3.9	12.0	15.3	18.7	19.2
Net financial items	-5.8	-1.6	-1.6	-1.5	-1.5	-6.1	-1.7	-1.4	-1.4	-1.4	-5.9	-5.3	-5.0	-5.0
PTP	-3.4	-1.8	-0.6	-1.0	-40.3	-43.7	-1.7	-0.2	0.8	1.7	0.6	8.0	12.3	13.4
Taxes	0.7	0.4	0.1	0.3	0.2	1.1	0.4	0.0	-0.2	-0.3	-0.1	-1.6	-2.5	-2.7
Minority interest	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-0.1	0.0	0.0	0.0	-1.1	-1.2	0.0	-0.1	-0.1	0.0	-0.1	0.2	0.3	0.3
Net earnings	-2.6	-1.4	-0.4	-0.7	-39.9	-42.4	-1.3	-1.8	-3.3	1.4	-5.1	6.4	9.9	10.7
EPS (adj.)	-0.01	0.01	-0.01	-0.02	0.00	-0.01	-0.04	-0.01	0.02	0.04	0.01	0.18	0.28	0.30
EPS (rep.)	-0.07	-0.04	-0.01	-0.02	-1.11	-1.18	-0.04	-0.05	-0.09	0.04	-0.14	0.18	0.28	0.30

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-%	-8.5 %	-6.6 %	-2.2 %	-3.1 %	3.3 %	-2.2 %	1.9 %	-13.5 %	-11.1 %	-12.1 %	-8.7 %	2.7 %	3.7 %	3.0 %
Adjusted EBITA growth-%	-52.9 %	-48.2 %	-57.4 %	-65.3 %	-60.4 %	-7.4 %	-22.2 %	26.4 %	77.3 %	77.5 %	35.5 %	26.9 %	22.5 %	2.8 %
EBITDA-%	8.1 %	5.9 %	8.2 %	8.6 %	8.2 %	7.7 %	5.7 %	7.5 %	13.1 %	12.8 %	9.5 %	11.8 %	13.6 %	13.8 %
Adjusted EBITA-%	5.0 %	5.1 %	5.1 %	4.2 %	4.4 %	4.7 %	3.9 %	7.4 %	8.4 %	8.9 %	7.0 %	8.6 %	10.2 %	10.2 %

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	198	158	149	149	150
Goodwill	159	121	121	121	121
Intangible assets	11.6	9.1	6.0	4.0	2.6
Tangible assets	25.3	26.4	21.5	24.1	26.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	0.3	0.3	0.3	0.3
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.8	1.8	0.2	0.2	0.2
Current assets	68.8	71.5	65.5	67.2	73.7
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.6	0.9	0.9	0.9	0.9
Receivables	50.7	48.1	43.9	45.1	46.8
Cash and equivalents	17.5	22.6	20.6	21.2	26.1
Balance sheet total	267	230	214	216	224

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	115	76.9	74.6	80.3	88.4
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	23.3	-17.1	-22.1	-16.5	-8.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-0.1	-3.5	-0.6	-0.6	-0.6
Other equity	92.0	97.3	97.3	97.3	97.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	87.5	87.4	80.7	75.7	75.7
Deferred tax liabilities	1.0	0.6	0.6	0.6	0.6
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	86.2	86.7	80.0	75.0	75.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.1	0.1	0.1	0.1
Current liabilities	64.3	65.5	58.8	60.5	59.7
Interest bearing debt	8.4	8.5	7.4	7.7	5.0
Payables	55.5	55.5	50.0	51.3	53.2
Other current liabilities	0.4	1.5	1.5	1.5	1.5
Balance sheet total	267	230	214	216	224

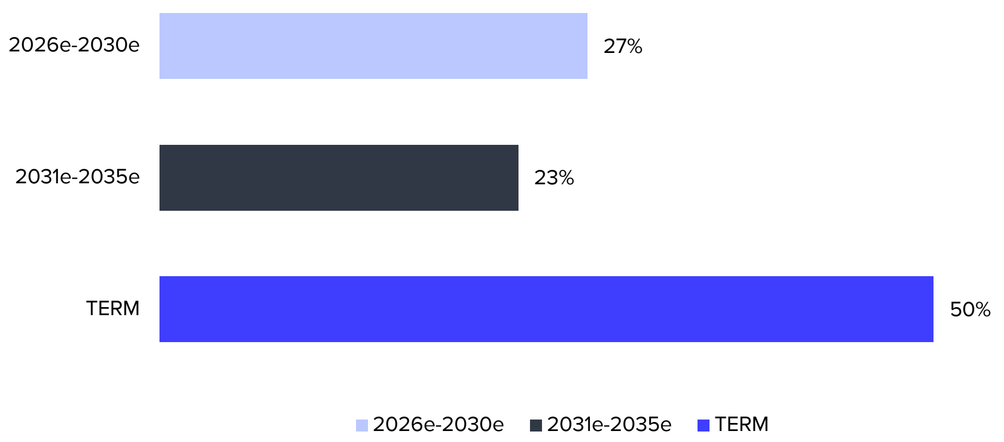
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.2 %	-8.7 %	2.7 %	3.7 %	3.0 %	2.5 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	-19.9 %	3.8 %	7.5 %	9.5 %	9.7 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	9.0 %	9.0 %
EBIT (operating profit)	-37.5	6.5	13.2	17.4	18.4	19.4	19.8	20.0	20.2	20.4	18.5	
+ Depreciation	52.0	9.9	7.6	7.6	7.6	7.8	8.0	8.2	8.4	8.6	8.8	
- Paid taxes	-0.4	1.6	-1.6	-2.5	-2.7	-2.9	-3.0	-3.0	-3.0	-3.1	-2.7	
- Tax, financial expenses	-1.8	-0.5	-1.1	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
+ 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	3.5	-1.5	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	
Operating cash flow	15.8	16.0	18.3	21.7	22.5	23.5	23.9	24.2	24.6	24.9	23.6	
+ Change in other long-term liabilities	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-11.0	-7.0	-8.2	-8.3	-8.5	-8.7	-8.8	-9.0	-9.2	-9.4	-9.6	
Free operating cash flow	4.6	9.0	10.2	13.4	14.0	14.8	15.1	15.2	15.4	15.5	14.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.6	9.0	10.2	13.4	14.0	14.8	15.1	15.2	15.4	15.5	14.1	192
Discounted FCFF		8.7	9.1	11.0	10.7	10.4	9.8	9.1	8.5	7.9	6.6	90.3
Sum of FCFF present value		182	173	164	153	143	132	122	113	105	96.9	90.3
Enterprise value DCF		182										
- Interest bearing debt		-95.2										
+ Cash and cash equivalents		22.6										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		109										
Equity value DCF per share		3.1										

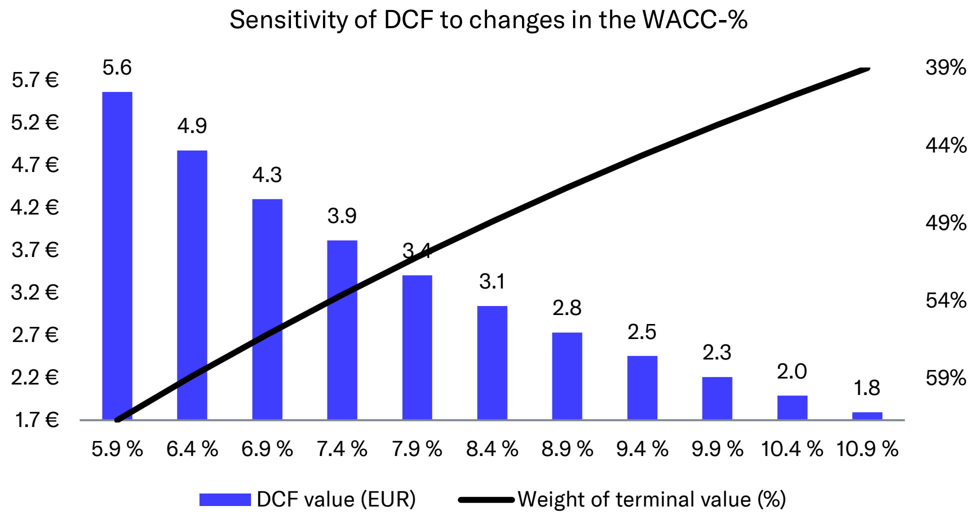
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	5.5 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.4 %
Weighted average cost of capital (WACC)	8.4 %

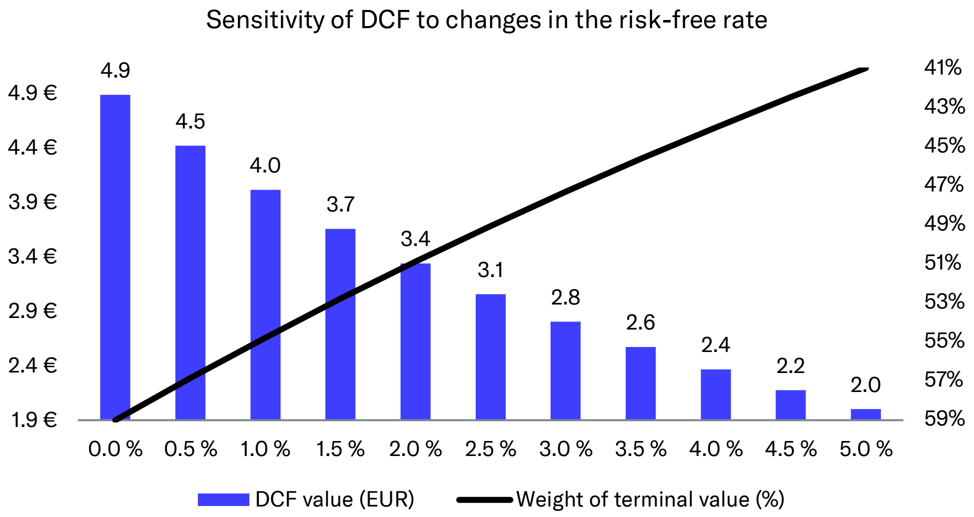
Source: Inderes

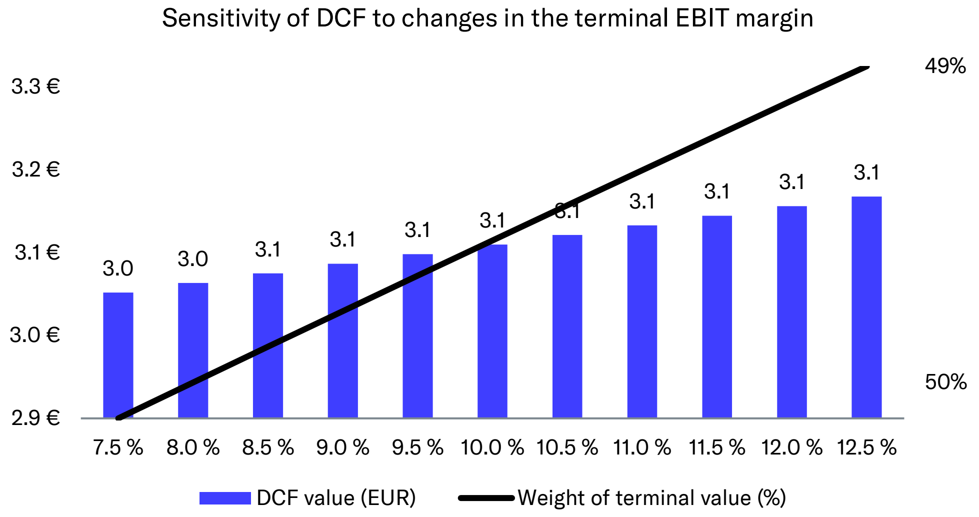
Cash flow distribution

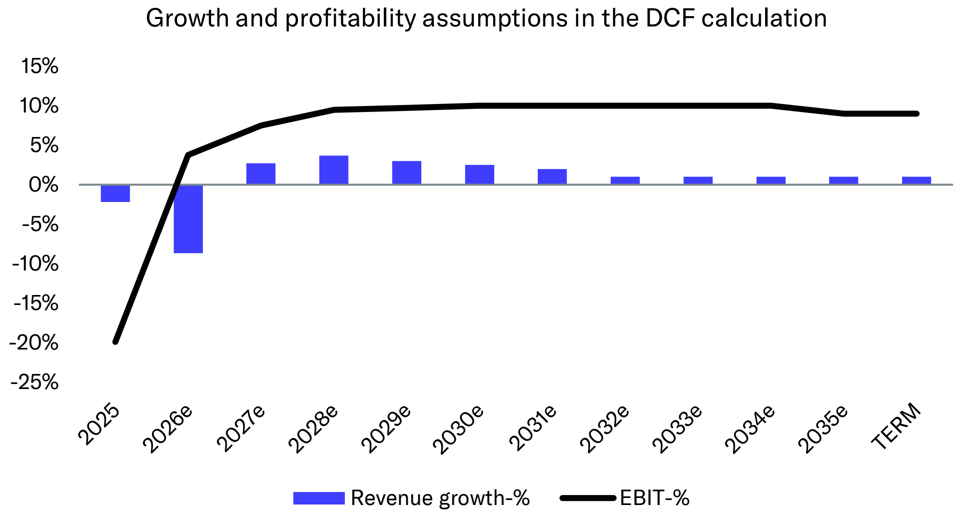


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	210.9	192.9	188.7	172.3	177.0
EBITDA	23.2	15.6	14.5	16.4	20.8
EBIT	11.7	2.5	-37.5	6.5	13.2
PTP	7.1	-3.4	-43.7	0.6	8.0
Net Income	5.6	-2.6	-42.4	-5.1	6.4
Extraordinary items	-1.9	-2.1	-41.9	0.0	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	278.4	267.1	229.8	214.2	216.5
Equity capital	119.6	115.3	76.9	74.6	80.3
Goodwill	158.0	158.6	120.7	120.7	120.7
Net debt	83.1	77.1	72.6	66.7	61.5

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	23.2	15.6	14.5	16.4	20.8
Change in working capital	-0.7	6.9	3.5	-1.5	0.2
Operating cash flow	20.1	21.4	15.8	16.0	18.3
CAPEX	-11.1	-9.6	-11.0	-7.0	-8.2
Free cash flow	9.0	11.7	4.6	9.0	10.2

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	1.0	0.9	0.9	0.9
EV/EBITDA	8.2	11.9	11.4	9.8	7.5
EV/EBIT (adj.)	14.5	40.6	38.0	24.8	11.8
P/E (adj.)	15.2	neg.	neg.	>100	14.8
P/B	0.9	0.9	1.2	1.3	1.2
Dividend-%	0.0 %	0.0 %	0.0 %	0.8 %	1.9 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.16	-0.07	-1.18	-0.14	0.18
EPS (adj.)	0.21	-0.01	-0.01	0.01	0.18
OCF / share	0.56	0.60	0.44	0.45	0.51
OFCF / share	0.25	0.33	0.13	0.25	0.28
Book value / share	3.35	3.22	2.14	2.08	2.24
Dividend / share	0.00	0.00	0.00	0.02	0.05

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	3%	-9%	-2%	-9%	3%
EBITDA growth-%	-2%	-33%	-7%	13%	27%
EBIT (adj.) growth-%	-22%	-66%	-5%	49%	104%
EPS (adj.) growth-%	-39%	-106%	-12%	201%	1139%
EBITDA-%	11.0 %	8.1 %	7.7 %	9.5 %	11.8 %
EBIT (adj.)-%	6.4 %	2.4 %	2.3 %	3.8 %	7.5 %
EBIT-%	5.5 %	1.3 %	-19.9 %	3.8 %	7.5 %
ROE-%	4.7 %	-2.2 %	-44.1 %	-6.7 %	8.2 %
ROI-%	5.4 %	1.2 %	-19.7 %	3.9 %	8.2 %
Equity ratio	42.9 %	43.2 %	33.4 %	34.9 %	37.1 %
Gearing	69.5 %	66.9 %	94.4 %	89.4 %	76.6 %
Net debt/EBITDA	3.6	4.9	5.0	4.1	3.0
EBITDA/net financials	5.1	2.7	2.4	2.8	4.0

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

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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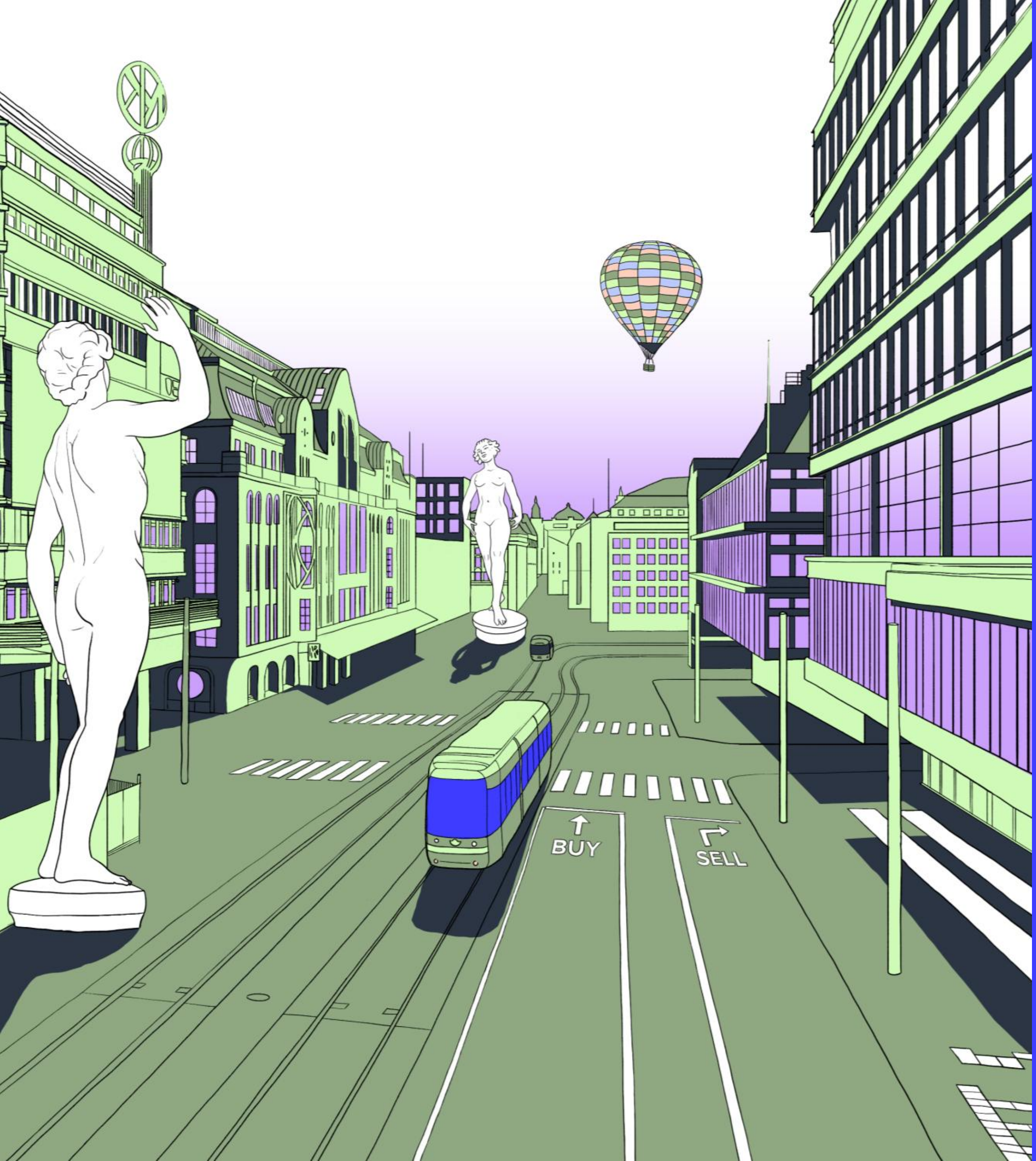
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/29/2021	Reduce	8.60 €	8.50 €
5/20/2021	Accumulate	9.30 €	8.78 €
8/26/2021	Accumulate	9.30 €	8.27 €
11/11/2021	Accumulate	9.30 €	8.33 €
3/3/2022	Accumulate	7.60 €	6.50 €
5/4/2022	Accumulate	7.20 €	6.05 €
5/19/2022	Buy	7.20 €	5.74 €
8/18/2022	Accumulate	6.50 €	5.50 €
10/27/2022	Buy	5.50 €	3.90 €
11/2/2022	Buy	5.50 €	4.15 €
11/29/2022	Accumulate	5.50 €	4.75 €
3/1/2023	Accumulate	5.40 €	4.89 €
5/10/2023	Accumulate	5.10 €	4.40 €
8/17/2023	Buy	5.00 €	4.00 €
9/5/2023	Buy	5.00 €	3.99 €
10/20/2023	Accumulate	4.00 €	3.38 €
11/3/2023	Accumulate	3.30 €	2.88 €
2/28/2024	Accumulate	3.00 €	2.65 €
5/10/2024	Accumulate	3.20 €	2.88 €
7/15/2024	Reduce	2.90 €	2.80 €
8/1/2024	Reduce	2.70 €	2.89 €
8/14/2024	Reduce	2.50 €	2.42 €
11/8/2024	Reduce	2.50 €	2.41 €
1/24/2025	Reduce	2.70 €	2.85 €
2/13/2025	Reduce	2.50 €	2.42 €
5/14/2025	Reduce	2.40 €	2.37 €
8/14/2025	Reduce	2.30 €	2.45 €
Analyst changed			
11/7/2025	Reduce	2.20 €	2.38 €
1/13/2026	Reduce	2.20 €	2.35 €
2/12/2026	Accumulate	2.60 €	2.34 €
5/7/2026	Accumulate	2.60 €	2.39 €
6/10/2026	Reduce	3.10 €	2.94 €
Analyst changed			
8/13/2026	Reduce	2.90 €	2.64 €



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