ADMICOM

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Towards accelerating growth

We reiterate our Buy recommendation and EUR 55.0 target price for Admicom. Admicom has established its foundation for growth during the recent years of a weak construction cycle, and we believe that the company's organization and product portfolio are now well-positioned to accelerate growth as the market situation improves. In the short term, the weak market is still impeding development, but we anticipate favorable conditions for accelerated growth beginning in H2'26. Considering this anticipated rapid growth for the coming years, we believe that the stock's valuation picture is attractive.

Comprehensive SaaS software provider for construction industry SMEs

The Ultima ERP system designed especially for SMEs and complementing accounting and other value-added services are at the heart of Admicom's solution offering. The core idea of a solution offered as a scalable SaaS software is the advance automation and a comprehensive solution that considers the special characteristics of the construction industry. The acquisitions made by Admicom over the past five years have expanded the product portfolio, e.g., into cost accounting, project management and documentation. At the same time, the enlarged customer base (>3400 customers) offers additional and cross-selling potential when the Finnish construction market picks up. With the acquisition of the Estonian company Bauhub at the end of 2024, Admicom also made its first credible foray into international markets. International expansion will be further accelerated in the coming years through new acquisitions.

High-quality company that has undergone change in a difficult market

Admicom's investment profile combines strong long-term growth potential, excellent profitability and cash flow with good continuity, scalability and predictability of the business model. The company's revenue has grown by an average of 25% between 2015 and 2024, and the company's guidance for 2025 is an adjusted EBITDA margin of 31-33%. In recent years, however, organic growth has slowed due to a major organizational change and a weakening of the construction cycle. At the same time, increased investments in the next phase of growth and internationalization have pushed the company's profitability from historically high levels. However, the investments have now largely been made and, as the company has demonstrated in the past, future growth should be reflected more strongly in earnings. Admicom's strong market position and competitive product offering in Finland put the company in a good position to return to an accelerated growth path when the market situation improves. In addition, international expansion has the potential to multiply the market potential. The degree of digitalization in construction is well below other industries and, in coming decades, the digitalization of the industry will offer huge growth opportunities for companies working in this area.

Valuation is attractive relative to accelerating growth in the coming years

Admicom's organic growth will still be modest in 2025, as the construction market will remain weak. Due to the recent decline in the share price, the valuation (2025e EV/EBIT 17x) is not particularly demanding, even with this result. However, we believe the company is well-positioned to accelerate growth in the coming years, with gradually improving profitability as market conditions improve. In relation to this, the valuation for next year (EV/EBIT 15x) is already moderate, and as earnings growth accelerates, the valuation (2027-2028e EV/EBIT 12x-10x) will become very attractive in the medium term. Depending on Admicom's earnings growth outlook, we estimate the neutral multiple range in the medium term to be around 15x–20x, and with a double-digit organic growth outlook, the valuation could be even somewhat higher.

Recommendation

Buy
(was Buy)

Target price:

EUR 55.00
(was EUR 55.00)

Share price:

EUR 42.15

Business risk

●●○○○

Valuation risk

●●●○○

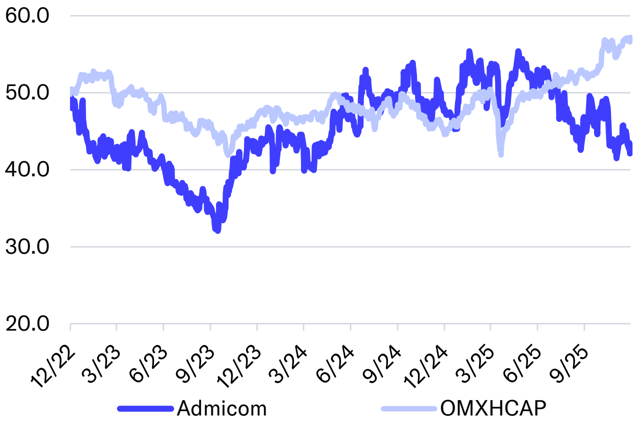
	2024	2025e	2026e	2027e
Revenue	35.6	37.6	40.3	44.4
growth-%	4%	6%	7%	10%
EBIT adj.	12.2	11.6	13.1	15.0
EBIT-% adj.	34.3 %	30.7 %	32.5 %	33.7 %
Net Income	5.9	5.0	6.5	8.1
EPS (adj.)	1.97	1.87	2.16	2.46
P/E (adj.)	24.1	22.5	19.5	17.1
P/B	7.3	6.2	5.6	5.0
Dividend yield-%	1.4 %	1.4 %	1.5 %	1.8 %
EV/EBIT (adj.)	19.0	17.4	14.8	12.4
EV/EBITDA	19.3	17.1	14.2	11.8
EV/S	6.5	5.4	4.8	4.2

Source: Inderes

Guidance (Unchanged)

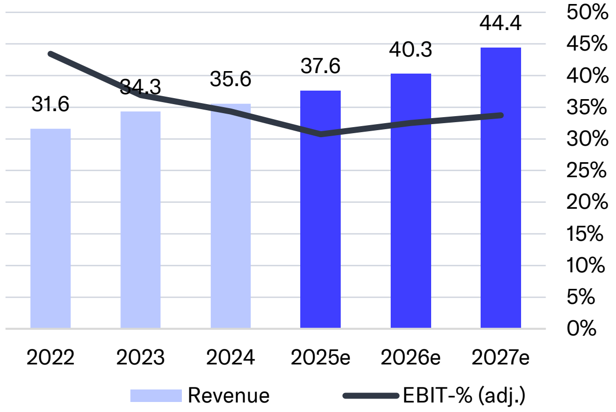
Annual recurring revenue (ARR) is expected to grow by 6-10% in 2025 (2024: 35.7 MEUR). Total revenue is expected to grow by 5-8%. Adjusted EBITDA is estimated to be 31-33% of revenue.

Share price



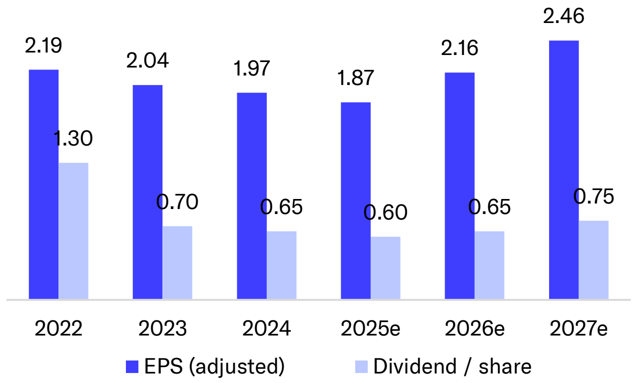
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong market position in Finland and competitive product portfolio
- Internationalization through project management solutions and new acquisitions
- Scalable business model based on recurring invoicing
- Strong profitability and cash flow despite growth investments
- Accelerating earnings growth through successful acquisitions

Risk factors

- Weak construction sector casts a shadow on organic growth outlook
- Increased growth investments and their success
- Risks related to acquisitions
- Success in internationalization is important for long-term growth
- Tightening competitive situation

Valuation	2025e	2026e	2027e
Share price	42.2	42.2	42.2
Number of shares, millions	5.02	5.02	5.02
Market cap	211	211	211
EV	202	194	185
P/E (adj.)	22.5	19.5	17.1
P/E	42.2	32.4	26.2
P/B	6.2	5.6	5.0
P/S	5.6	5.3	4.8
EV/Sales	5.4	4.8	4.2
EV/EBITDA	17.1	14.2	11.8
EV/EBIT (adj.)	17.4	14.8	12.4
Payout ratio (%)	60.1 %	50.0 %	46.7 %
Dividend yield-%	1.4 %	1.5 %	1.8 %

Source: Inderes

Contents

Admicom in brief

Admicom is a Finnish comprehensive construction software provider operating with a SaaS model.

2004
Year of establishment

2018
IPO

35.6 MEUR (+3.6% vs. 2023)
Revenue 2024

36.7 MEUR (+8%)
Annual recurring revenue (ARR) at the end of Q3'25

12.4 MEUR (27.3% of revenue)
adj. EBITDA 2024

315
Headcount at the end of Q3'25

-2010

No significant revenue

- Product development and commercial piloting
- Focus on development of SaaS software and advanced automation

2010-2012

+61% Revenue growth / year

- Increasing sales and marketing efforts
- Focus on SMEs in technical building services

2013-2016

+36% Revenue growth / year

- Scaling the business
- Expansion to include SMEs in the construction industry

2017-2020

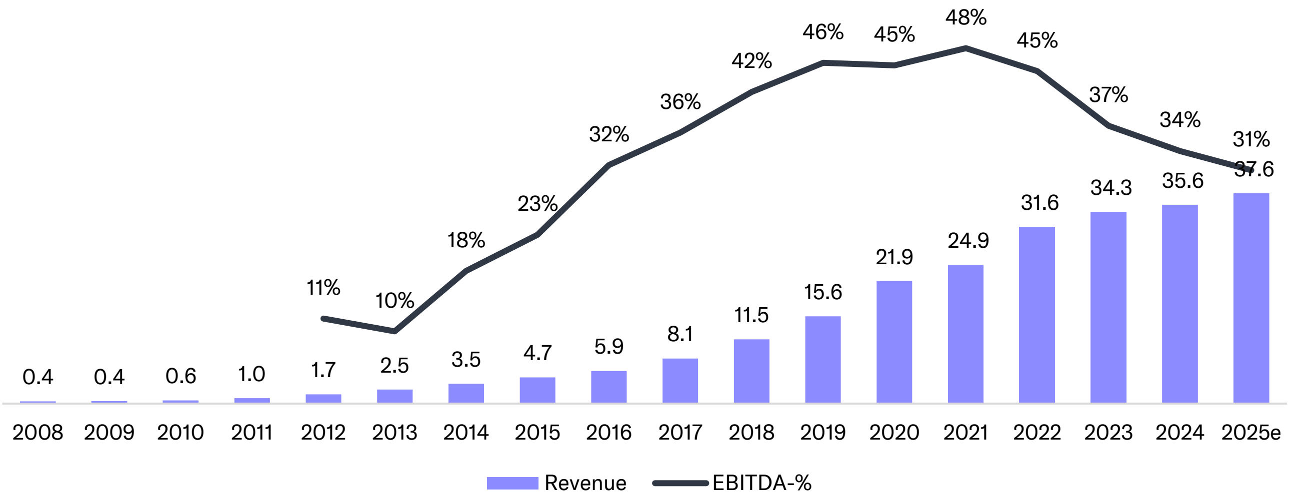
+39% Revenue growth / year

- IPO 2/2018
- Expansion to include industrial SMEs
- Adminet Lite for small technical building services and construction companies
- 3/2020 Tocoman acquisition

2021-2025

+11% Revenue growth / year

- Organic growth slows down with internal changes and the weakening economic outlook
- Strategy focuses on being a comprehensive construction software provider
- Strategic acquisitions (Lakeus, Aitio Finland, Hillava, Planman, Kotopro, Trackinno, Bauhub)



Source: Admicom / Inderes

Company description and business model 1/5

Admicom's background and history

Admicom is a SaaS software provider for the construction industry, founded in 2004. The original development team of the ERP system developed by the company (formerly Adminet, now Ultima) built a successful earlier generation ERP software (Liinos) which was sold to Visma in 2002. In 2004, the team started building a new generation solution that was right away planned as a scalable cloud service. This was a key strategic decision, as the popularity of cloud software later took off. Admicom's success factors also include strong industry expertise and advanced automation.

Admicom's R&D phase lasted for as much as 6 years with a team of about 10 people. The company did not rush into commercializing the product but patiently developed it to a sufficiently mature stage that enables strong scalability with the help of a few customers. In 2010, the company's focus shifted to commercialization, which begun with a solution aimed at the specific needs of SMEs in technical building services. Admicom quickly started to win market shares from previous generation software and solutions based on various software. In 2013, Admicom expanded from technical building services to construction and in 2017 to industrial solutions.

Since its IPO in 2018, Admicom has continued to grow and has already achieved a strong market position in its core target group. The company's acquisitions in recent years, focused on the construction industry, have also broadened the company's product offering. At the end of 2022, Admicom focused in particular on becoming a software provider for the construction sector.

Admicom today

Admicom has been very successful in commercializing its software and in expanding its product portfolio through M&A in recent years, as evidenced by a compound annual revenue growth rate of 25% from 2015 to 2024. Over the past five years, however, organic growth has slowed due to a major organizational change and a weakening of the construction cycle. Thanks to Admicom's scalable business model, the company has been highly profitable for a long time. Despite a significant increase in growth investments in 2023-2024, the company is expecting an adjusted EBITDA margin of 31-33% for 2025 and is generating free cash flow at a high rate. Admicom's headcount has grown strongly in recent years, and the company employed 315 people at the end of Q3'25. However, headcount growth slowed significantly in 2025.

Admicom's core target group is SMEs in technical building services and construction industries (revenue 1-5 MEUR). This target group has a clear need for comprehensive ERP solutions and does not require advanced customization. In this way, highly scalable, modular, standardized and automated software solutions can be offered to the target group. Admicom aims to focus its software on serving customers during the construction phase of projects, in particular.

Admicom currently has a total of just over 3,400 customers in Finland and Estonia. Of these, approximately 1,500 use the company's Ultima ERP system and just over 1,500 use other software solutions. The remaining nearly 400 customers came from the Bauhub acquisition in December 2024.

admicom

- Comprehensive software and service offering to meet the needs of the construction industry
- The goal is to significantly increase the productivity and operational quality of construction contractors through software.
- Automate manual processes
- Real-time visibility into the development of results, projects and cash flows, and quick reporting

Revenue development

Source: Inderes

Company description and business model 2/5

Product offering and business idea

The cloud-based ERP system Ultima is Admicom's core product. The basic idea of Ultima is based on 1) SaaS software that enables scalability, up-to-dateness and location independence, 2) advanced automation of routine work, 3) a modular turnkey solution, and 4) real-time business data and reporting.

As a cloud service, Ultima enables fast and cost-effective deployment and maintenance, continuous updates and location independence. Ultima's features are very comprehensive, and it offers a turnkey solution including all ERP applications without the need to integrate several systems and transfer data from one system to another. According to Admicom, it can also replace up to dozens of separate systems for the customer.

The system is also based on completely paperless administration, accounting and reporting. These characteristics bring significant efficiency to SMEs. This way the need for office workers who run administration can even be completely removed and the administrative workload of the management decreases significantly. According to Admicom, the efficiency increase generated by the software has been several man-years for many customers. Ultima's advantage is also the continuous and real-time visibility into the company's operations, which improves management and operational efficiency and speeds up compliance with regulatory requirements. Thanks to the system's automated calculation operational accounting and accounting records are consistently matched, increasing transparency and reducing errors.

Functionalities included in Ultima include, e.g., offer calculation, production management, project management, cost control, reporting, product information management, accounting, invoicing, project accounting, document management and payroll. The software also includes ready-made integrations with bank connections, notifications to authorities, e-invoice operators, and interfaces containing construction product price data, as well as interfaces for BI systems and invoicing and working capital financing services offered by partners. A lighter Lite version of the solution is also available for micro-enterprises.

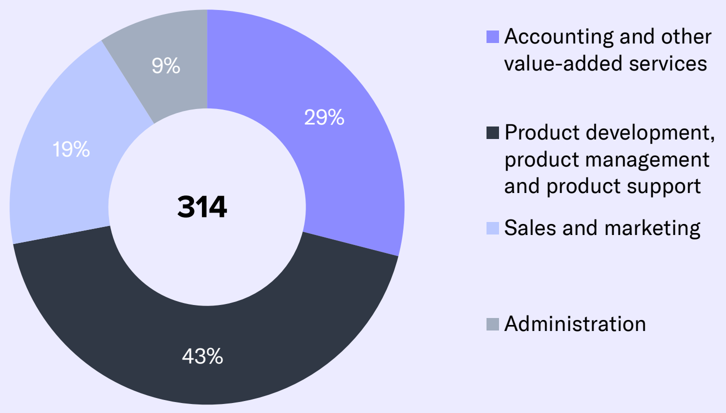
In recent years, Admicom has expanded from a pure ERP vendor to a more comprehensive software company through M&A and internal product development. With the brand renewal in early 2024, product names were changed to reflect the unified Admicom product family. The first AI-assisted tool, "Site Operations," was launched for customers in 2025.

Today, Admicom's product portfolio also includes Admicom Flex, a precision solution for mobile work control, and Admicom Vision, a documentation and data management software. Trackinno, acquired in early 2024, added a fleet management and maintenance solution to the product portfolio.

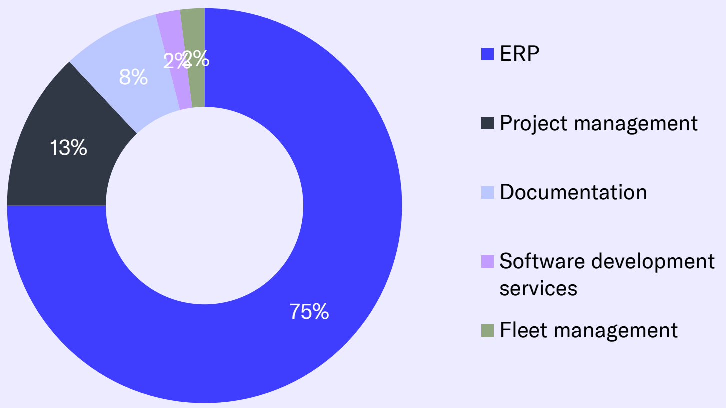
Admicom's project management division offers solutions for quantity takeoff and cost accounting (Estima, Estima Pro and Quantima), cost reporting (Insite), scheduling (Tempo and Planner), as well as BIM3 solutions for using data models.

At the end of 2024, Admicom acquired Bauhub, an Estonian project management software for the construction industry. Following integration, Bauhub will solidify Admicom's project management solutions into an even stronger, unified total solution that rivals traditional project banks.

Personnel distribution at the end of 10/2025

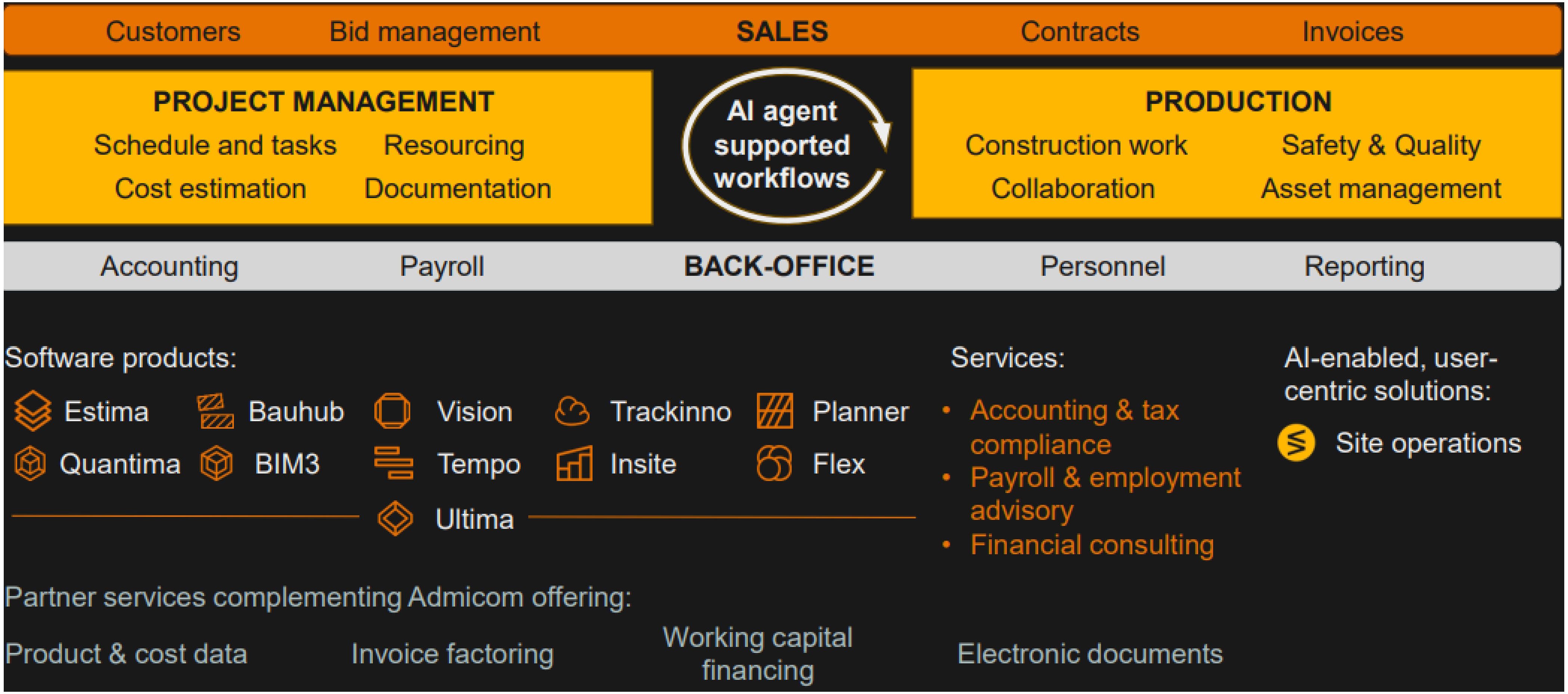


Revenue distribution by business area 2024



Source: Inderes

Description of Admicom's software platform



Source: Admicom, Inderes

Company description and business model 3/5

Services related to the solution

Admicom is a pure product company, but the solution involves certain essential and value-added services. The software implementation project and training are provided as a service because successful implementation is a key priority in achieving its benefits. Training and consulting services accounted for approximately 4% of revenue in 2024, which also includes external software development (approximately 2%). Standard customer support is provided as part of the monthly software SaaS payments.

Admicom also offers its customers accounting service (2024: 20% of revenue). The role of the product-affiliated services is to support the automation of the customer's statutory reporting, develop more productive construction with financial management services, and improve the customer's comprehensive operational overview for decision-making purposes. The customer can use Admicom’s software themselves utilizing their own accounting firm or use Admicom’s accounting firm. Admicom cannot compete directly in accounting services but offers the Ultima software as part of the whole as a tool for the accounting firm and corporate customer. However, the ability to offer both software and accounting services together is a competitive advantage that increases customer retention. Just over a third of Admicom's SaaS customers use the company's accounting services. Thanks to highly automated processes, accounting services are very efficient (2023-2024: revenue/employee estimated at around EUR 85,000-90,000) and we estimate that profitability is at a very good level. In the coming years, Admicom also aims to expand its value-added services, for example, in the areas of financial consulting and HR services.

Target groups

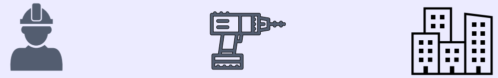
Admicom's solutions focus on a customer size class (revenue 1-5 MEUR) and profile, where the product can be standardized and automated as far as possible. Admicom considers customer-specific customization needs when new features can be replicated extensively to benefit the customers.

Admicom is well-positioned to serve construction companies of various sizes depending on the product. Improved open interfaces and a broader product portfolio enable it to support customers more extensively, with a primary focus on companies with revenues of <100 MEUR. Project management and documentation solutions are used by larger enterprises as well. Admicom also has a lighter solution (Ultima Lite) for companies with revenue of under 1 MEUR. Versions of cost accounting and scheduling software have also been developed for smaller companies.

Admicom’s software is developed based on the needs of construction companies. For example, in technical building services, the software considers the special features of HVAC, electrical and other building technology sectors. In construction, in turn, the special features of the industry such as project accounting and partial revenue recognition, equipment management, cost accounting and reporting obligation are considered. The mobile solution enables real-time data transfer between the site and the office.

Admicom has traditionally focused on the Finnish market, as the strength of the company's ERP solution is a package that takes into account the specifics of the domestic market. With the current strategy and new software solutions, internationalization is playing an increasing role in the company's growth objectives. The company had several international clients in the areas of documentation and project management even before the Bauhub acquisition.

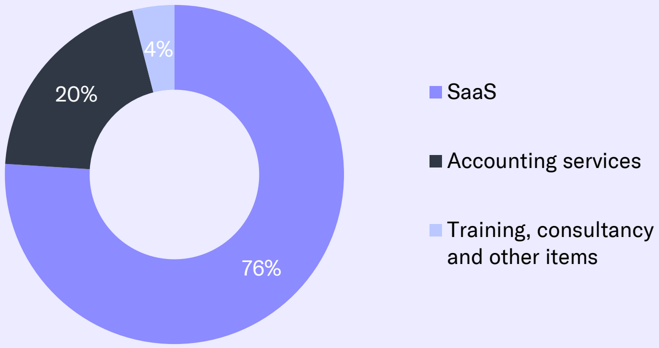
Customer segments



Construction | Technical building services | Real estate services

- Core target group is SMEs with 10-50 employees
- Lighter solutions for e.g. ERP and scheduling also for micro companies
- Larger customers through in particular project management and documentation

Revenue distribution 2024



Source: Inderes

Company description and business model 4/5

Sales organization and process

In 10/2025, around 19% of Admicom's personnel were employed in sales and marketing. About half of the salespeople focus on acquiring new customers, and the other half focus on additional and cross-selling to existing customers. Currently, only about 20% of Admicom's customers use more than one of the company's products.

Ultima is well-standardized for its target groups, and it is quick to take into use. As a result, the sales process is relatively short for an ERP system and does not require highly paid experts or extensive consulting. The sales cycle of the product is typically a few months, and the purchaser is the CEO and the administration of the target company. ERP sales are consultative sales, which is why Admicom mainly carries out sales within its own organization. For some of the newer solutions (e.g., documentation and project management), the company also has the ability to develop product-driven sales, where, for example, the product can be tested free of charge for a period of time before the actual purchase decision is made. Product-driven sales are also promoted to advance internationalization.

Once the Ultima agreements are in place, Admicom's in-house project team implements a deployment project for the customer, including training and setup specifications. Admicom charges for the implementation mainly by cost with project values of some thousands of euros. The customer can typically be taken to production within a few months. When the customer is in production, the SaaS payments start to generate revenue. After the transition to production, the customer will continue to be supported by the project team for a few months before transitioning to regular customer support.

Product development

In 10/2025, approximately 43% of Admicom's employees worked in product development, product management, and product support. A major product development project a few years ago was the modernization of the outdated economic engine of entire Ultima. This allows ecosystem partners to interface with the system and more easily integrate new solutions.

In 2024, major customer-facing improvements included a more unified user experience with a single Admicom username and single sign-on implementations. Each product has undergone its own development, such as Ultima's customizable overall views but, in particular, integrations between products have expanded. Otherwise, Ultima is at a mature stage, and the role of product development is currently to automate manual processes, build interfaces to other systems, and update the software according to regulatory changes, among other things. In addition, the usability and mobile features of the service will be continuously improved.

A new area of product development is artificial intelligence, where the first applications have already been launched for customer use. In 2025, Admicom began a project related to the research and development of AI solutions. The project's total size is around 2.4 MEUR, and Business Finland's grant covers 40% of it. This development project aims to create AI-powered solutions that will improve productivity and generate new products and features. A concrete example of an AI solution already in use is the automatic data collection and reporting in documentation. For example, AI can identify water damage based on a photo taken at a construction site, create a finished inspection report and translate it into multiple languages simultaneously.

In the big picture, AI offers a wealth of opportunities to boost productivity in the construction sector in a variety of ways, which is likely to accelerate the digitization of the industry in the longer term. Admicom's development work aims to significantly increase the productivity of customers using the company's products.

SaaS income and pricing model

76% (2024) of Admicom's revenue is based on recurring SaaS income. This is currently based on open-ended contracts which are invoiced monthly. We estimate that the average Ultima customer generates about EUR 1,000-2,000 in SaaS income per month, which is a rather high amount compared to, e.g., only accounting software. The value received by the customer for the cost can be compared to the fact that an average customer saves one man-year in administration work with the software whose annual cost would be manifold.

Admicom does not have long-term contracts, customer churn is limited by the fact that ERP is a business-critical system for the customer. Admicom is strongly connected to the customer's core processes and replacing the system is a laborious project. Thus, customer churn mainly comes through bankruptcies and M&A transactions that are typical for the construction industry. In 2025, Admicom's customer churn (Q3'25 6.7%) has been high, reflecting the weak economic conditions in the industry. In the long term, the company aims for a churn rate of less than 6%. The need for software and the number of users in project management and documentation can vary depending on the development phase of the projects.

Company description and business model 5/5

In the case of Bauhub, a project-specific pricing model is used, so invoices for individual customers may vary depending on the number of projects and their life cycle.

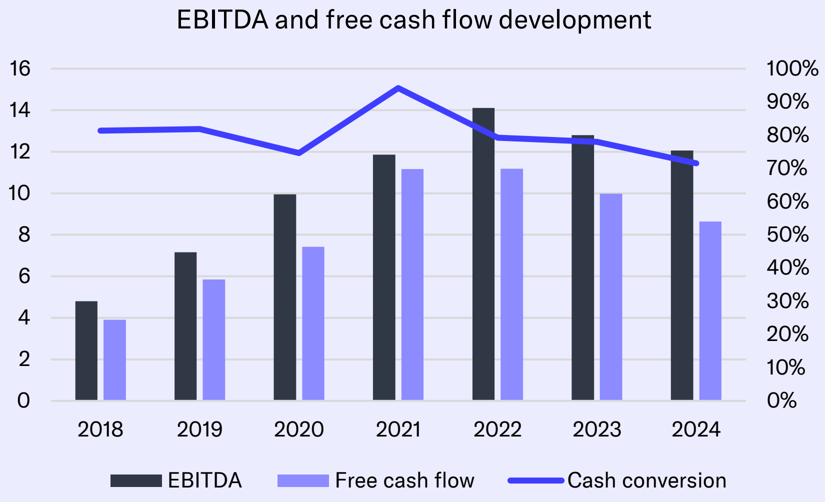
Admicom does not use transaction-based pricing for Ultima, which is based on a single monthly fee. The monthly price has historically been adjusted based on the customer's monthly user volumes and revenue annually. In essence, Admicom's software billing is linked to the customer's revenue growth in certain respects. This means that the balancing invoice Admicom sends to the customers can be higher for a growing company and lower in a shrinking company based on the customer's annual contract. The balancing invoice has been issued five months after the end of the customer's fiscal year. For other software solutions, the pricing models are linked to the number of users. In 2023, balancing invoices reached a record level of 2.3 MEUR, contributing 2.4 percentage points to growth. As the construction cycle has slowed, the change in balancing invoicing has nevertheless been a negative driver, and it is estimated to be around 0.8–1.0 MEUR in 2025.

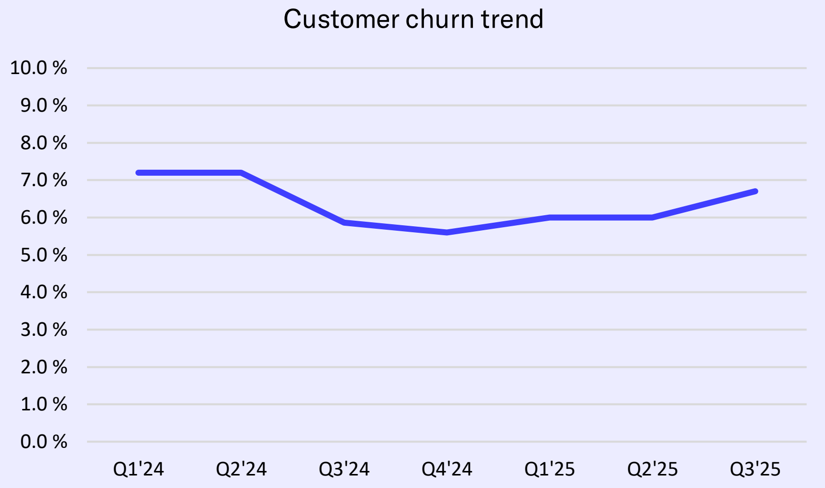
With the change in the billing model announced in 2025, balancing invoicing will gradually be introduced into Ultima customers' monthly payments based on historical revenue. The annual balancing invoice will thus be phased out gradually. Admicom will transition its current customers to the new billing model gradually, starting in Q4'25. The first approximately 1/3 are to be transferred to the new model in Q4, with the remaining customers following within the next 12 months. This change will support Admicom's development of annual recurring revenue in Q4. The extent of the impact depends partly on whether larger customers switch to the new model in Q4 or next year. Changing the Ultima pricing model will also facilitate bundling the product with the rest of the portfolio in the future, as the pricing models will be more consistent.

Scalable and sustained business model

From the outset, Admicom's business model has been built with a strong focus on replicability, scalability and continuity. Recurring revenue accounted for about 97% of the company's revenue in Q3'25. In 2024, EBITDA was at a very good level (35%). However, historically high earnings margins (EBITDA 45-48%) have been significantly eroded in recent years as the company has invested in virtually every function of the organization to build a sustainable foundation for long-term growth and internationalization.

After a period of historically rapid growth, the company has grown to a size where the next leap in growth and internationalization would not have been possible with the old organizational structure. The last few years have therefore been a period of great renewal for the company, with significant changes in the Board of Directors, the management team and the employees. The period of change is now coming to an end, and we believe the foundation for growth in the coming years is solid. This puts the company in a very strong position to accelerate growth as the market recovers.





Source: Inderes

Market 1/2

Still room for growth in current target markets

According to Admicom's latest estimate, the company's target market for software in Finland and Estonia is around 400 MEUR. A total of approximately 75,000 construction companies operate in this market, and around 6,000 of them have revenues exceeding 1 MEUR. These companies are the most interesting to Admicom, and about 30% of them are the company's customers. Accelerating additional and cross-selling, as well as winning new customers, is key to future growth, and Admicom's product portfolio, developed and harmonized in recent years, provides a solid foundation for this. Admicom's market share in its current target markets is approximately 9%, so there is still plenty of potential for growth.

The size of the target market can be multiplied through internationalization

Admicom's strategy also involves seeking growth abroad, and the company aims to triple its market potential by 2028 through international expansion. This requires expansion into one large market (e.g., Germany or the United Kingdom) or, alternatively, into a few smaller European countries. Currently, the future target markets have not yet been finalized as they depend partly on identifying suitable acquisition targets. The company is mapping potential acquisition targets in markets where the degree of digitalization is already medium to high.

Industry’s growth outlook and drivers

We estimate that Admicom’s target markets are growing in the long term based on research, the industry and the revenue development of companies in the target market, as well as market drivers.

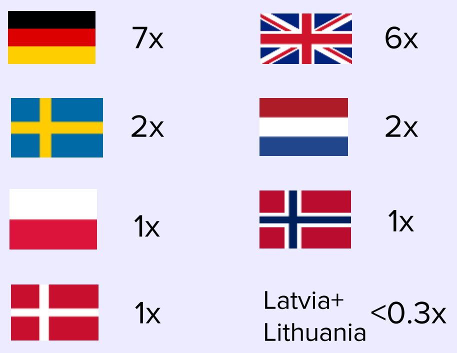
One of the main growth drivers for the industry is that productivity development in the construction industry has historically been very weak and, at the same time, construction companies are suffering from resource shortages. Construction industry's level of digitalization is clearly behind that of other industries, and construction companies' IT investments are significantly smaller than those in other sectors. In the coming decades, the industry's digitalization will offer huge growth opportunities for companies working in this field. Various AI applications will further accelerate this development.

With the need for efficiency and digitalization, there is a growing interest in adopting new software, automation and digital services. The latest digital survey conducted in 2024 shows that 31% of companies in the sector expect to invest more in digitalization and 32% expect to maintain at least the current level of investment. According to Statistics Finland, approximately 64% of Finnish construction enterprises had an ERP system in use in 2024, while the corresponding figure in 2021 was 38%.

Construction companies are also still using legacy software to some extent, and the transition to cloud computing is still underway in some areas. However, according to Admicom, the cloud transformation itself is no longer a significant growth driver or differentiating factor as most software suppliers in the industry have moved to a SaaS model. With the increase in the importance of digitalization in general, however, the need for software that improves efficiency is growing strongly in the construction industry.

Size of Admicom’s target markets

Estimated size on target market in selected European markets in relation to the Finnish and Estonian markets:



Source: Admicom, Inderes

Market 2/2

Cyclicality of the construction industry is a risk

The construction industry is a much more cyclical sector than average. This will have a significant impact on Admicom's target market and thus on the company's near-term growth prospects. In 2022, the outlook for the construction sector began to cool, and in 2023-2024, the sector's revenue fell drastically. In 2025, the market situation has remained difficult, though revenue figures have occasionally shown low single-digit growth percentages. With absolute volumes at rock bottom, any talk of a market recovery would require growth rates clearly in the double digits. Hopes for a market recovery have shifted to 2026, when factors such as decreased interest rates and an incipient economic turnaround are anticipated to lead to a recovery also in the construction sector after several challenging years. Currently, however, expectations for 2026 are still for very moderate growth (~3.5%).

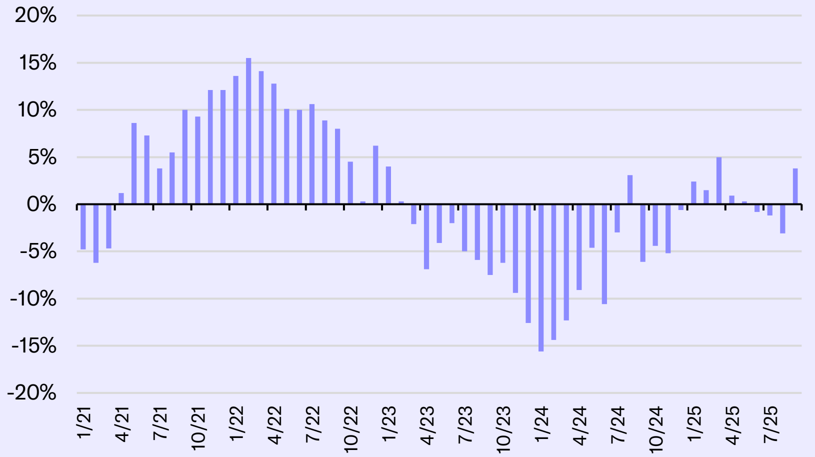
The slowdown in construction volumes has negatively impacted new ERP software sales and significantly increased the natural churn of construction companies (bankruptcies, acquisitions). These factors began to be reflected in Admicom's figures starting in 2023 in the form of slower growth. However, even in the current crisis, new sales have not come to a complete standstill, with software and tools that help businesses operate more efficiently also acting as selling points.

There are also many areas of construction (e.g. infrastructure and renovation) where the cyclicality is much more moderate than in new construction. The impact of a weak construction cycle will therefore affect the company's customer base in very different ways.

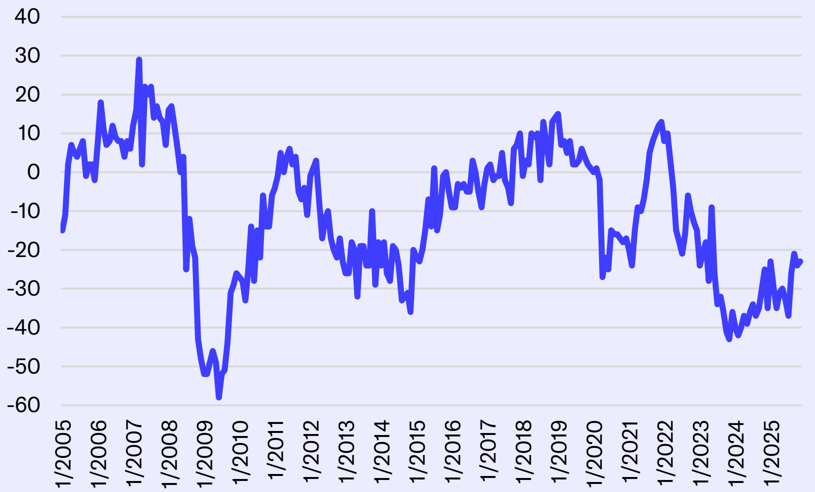
Some customers in this market are also growing and increasing their software purchases, while some companies associated with new construction are struggling to survive. Admicom's customer base is widely dispersed, and new construction does not play a particularly large role. In our opinion, the company's customer base is relatively more concentrated in the more stable areas of construction rather than in new construction compared to the distribution of construction companies in Finland as a whole.

While the construction market remains gloomy in 2025, Admicom has already seen early signs of improvement in software sales. Although uncertainty regarding short-term developments remains high, the worst appears to be over. A market turnaround may still offer a good window of opportunity for software sales, when contractors don't have their hands full yet, but as the outlook for the future brightens, the willingness to invest increases. Thus, the software market may already pick up before the rest of the construction news flow shows any real signs of improvement.

Monthly change in construction revenue in Finland



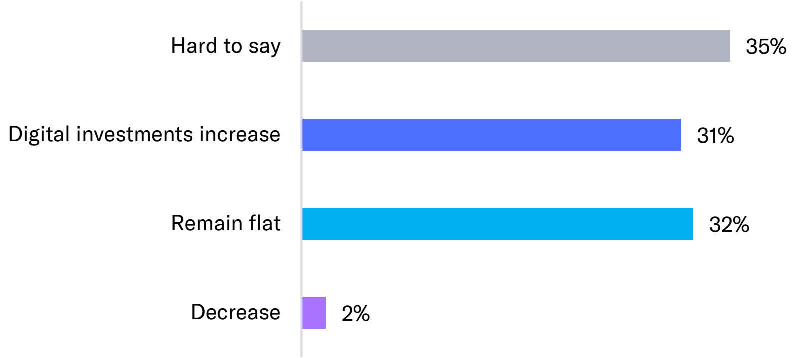
Construction industry confidence indicator



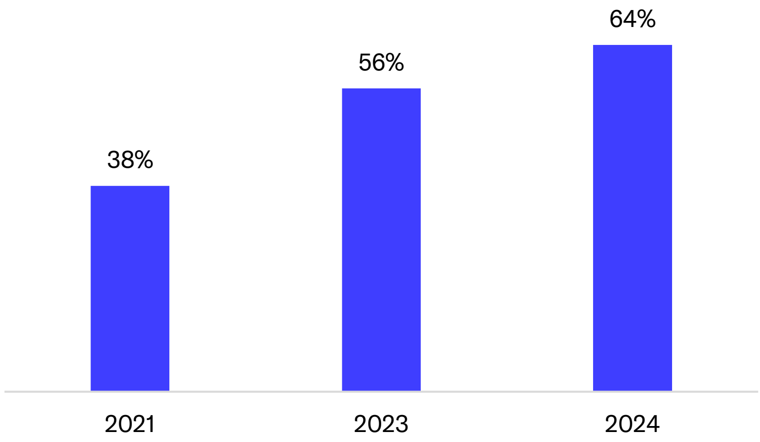
Source: Statistics Finland, EK, Inderes

Market outlook and trends

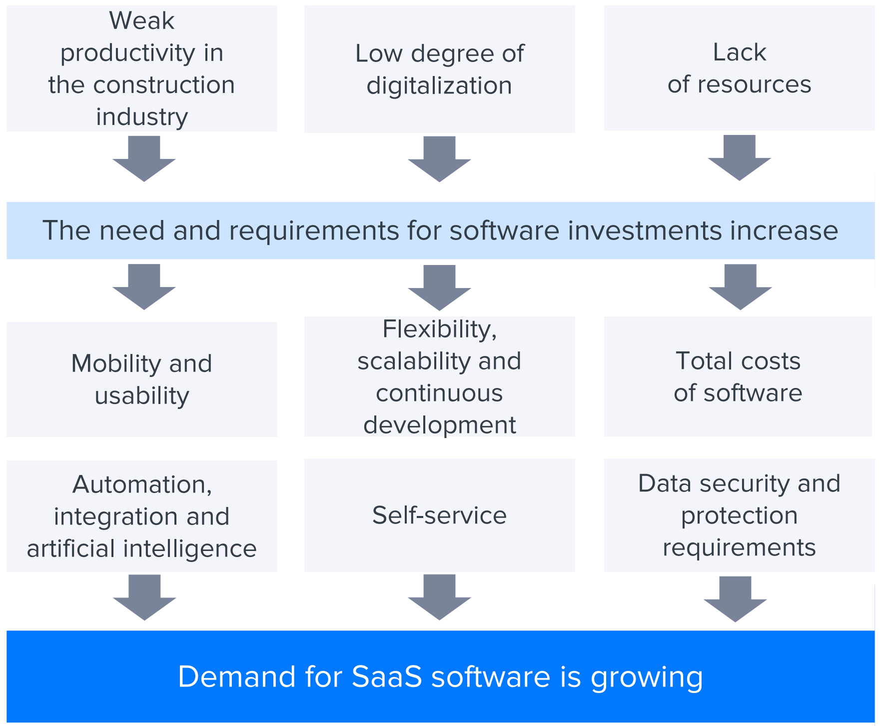
Digital survey of Confederation of Finnish Construction Industries RT (2024)



Finnish companies with ERP in use (%)



Market trends



Source: Inderes, Statistics Finland

Competitive landscape 1/3

Competitive factors in the market

The target groups of the market for ERP software can roughly be divided into three categories, depending on the extent required and hence the size of the customer. The biggest companies often need solutions tailored to their own operating practices, while the smallest micro companies are satisfied with the basic features of generic software (e.g. Office, accounting software). Admicom is positioned in between these where customers have a clear need for a comprehensive system, but the service can be provided as a highly replicable and automated solution (no customer-specific customization).

We estimate that large system deliveries represent the largest segment in the ERP software market. This is, however, essentially an uninteresting market for medium-sized and specialized software companies like Admicom. This is because the segment's customers already typically use ERP systems that are highly customized to customer-specific operating models and processes, as well as other tailor-made solutions.

The largest customer volume from Admicom's and its competitors' point of view is in the middle and small parts of the market, which includes SMEs. In this case, customer needs are often quite extensive and mission-critical, but resources, ability and willingness to invest in business development and systems are limited. In this target group, the need to increase operational efficiency and automate operations is constantly increasing with growth and digitalization, but customers' needs can be met with a well-standardized software offering with a wide range of functionalities.

There is also a need for ERP systems or parts thereof in micro companies, but for companies like Admicom that primarily offer extensive software solutions these are not often the primary target group. It is often essential for this group that ERP-related issues are carried out as simply and cost-effectively as possible. This can be achieved either with standard "off the shelf" generic software, such as spreadsheet software, and utilizing general accounting and administrative services, or with software solutions with significantly reduced functionalities (e.g. Ultima Lite).

Admicom's competitive field

Depending on the customer segment, Admicom's competitive field consists of 1) smallish software companies specialized in the industry, 2) companies providing general-purpose ERP software, and 3) small and medium-sized software companies providing tailor-made solutions for customers.

Solutions offered by accounting firms are not direct competitors to the company, as they always need to be accompanied by industry-specific special software. Moreover, companies offering sub-solutions are not strong competitors, as they need to be accompanied by a financial management system. In practice, Admicom's main competitors include ERP systems with integrated, industry-specific solutions that include partial or full financial management solutions. The biggest competitors in Finland are found in companies that focus on the same target groups as Admicom and offer industry-specific solutions. Players that have been involved in Finland for a longer time include Ecom, Pajadata and EG Jydacom. Credible newer competitors include, for example, Easoft, Fondion and Evelia.

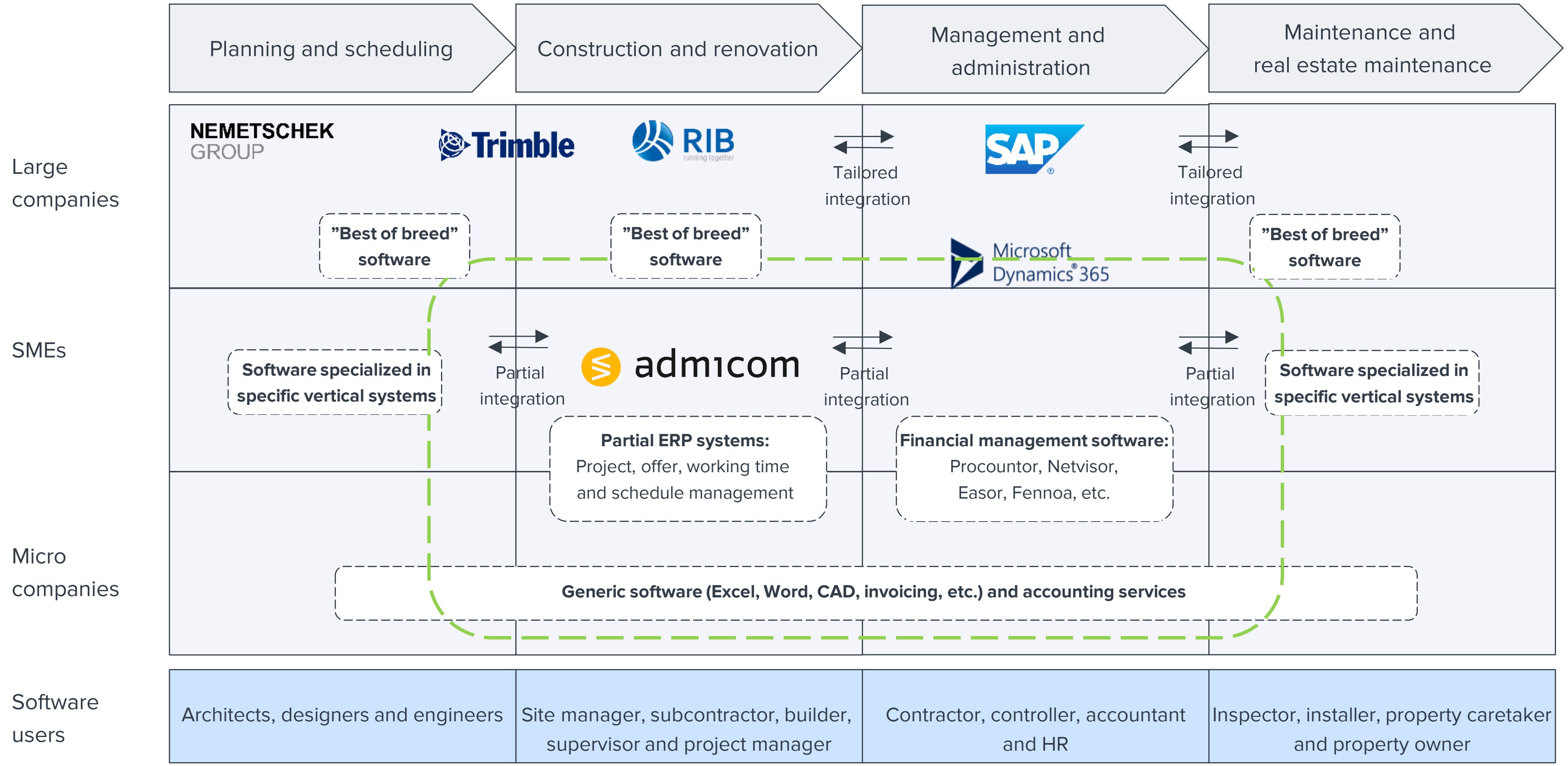
Internationally, a myriad of companies of varying sizes offer construction software, and the industry as a whole is still very fragmented. The low degree of digitalization in the construction industry continues to attract a lot of new competitors and technological development has also, in some respects, lowered the barrier to entry.

Admicom's market position

In Finland, Admicom is the market leader in the technical building services core target group (SMEs), where the company has the longest operating history. With the acquisitions in recent years, Admicom's market position is also strong in other construction areas. Admicom estimates that the company is the leading supplier of comprehensive SaaS software solutions for the technical building services and construction sectors in the Finnish market. Admicom also offers the most comprehensive range of functionalities on the market.

According to Admicom, the products and services of many established competitors are mainly based on conventional software solutions with limited remote access, automation and flexibility. However, simply offering cloud software is no longer a selling point, but rather the continuous evolution of the software, the user interface and the excellent customer experience are the key competitive factors.

Admicom's positioning in construction software market



Source: Admicom, Inderes

Competitive landscape 2/3

Admicom's competitive advantages

We estimate Admicom's main competitive advantages are:

- Strong market position in Finland
- Extensive software solution based on a SaaS model, with the most extensive functionalities on the market
- High level of system automation and highly integrated industry-specific features
- Strong resources for investing in product development and new AI features
- Own financial management services

Due to the industry transformation, all previous generation product providers have so far not been able to successfully convert to the SaaS model, which has, especially in the past, created a competitive advantage for a clean-cut SaaS company like Admicom. SaaS software offers features such as remote access, data management, real-time, development, and flexibility that are superior to legacy software. However, there are so many SaaS players in the market today that SaaS software alone is not enough to differentiate them.

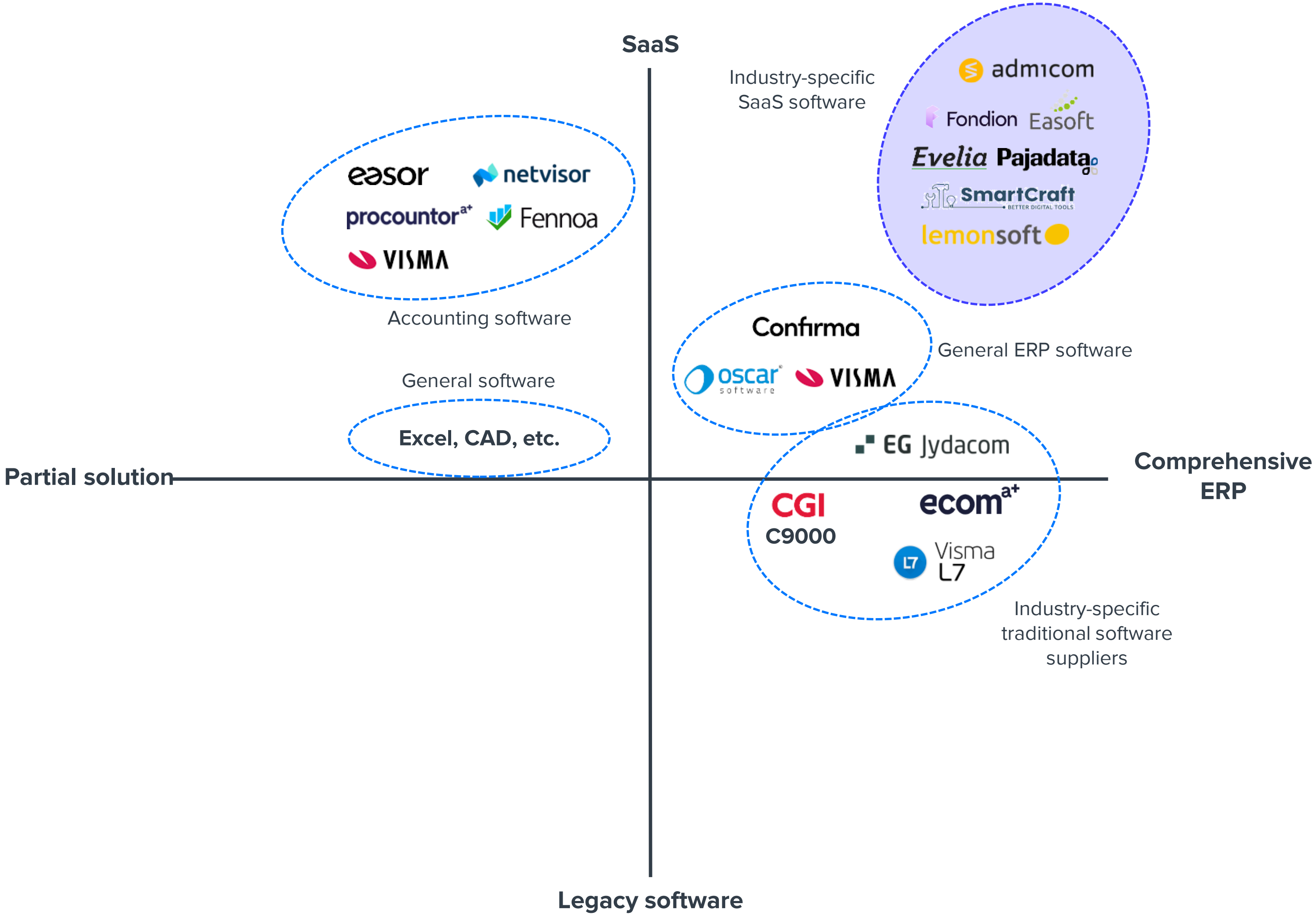
According to Admicom, automation in the company's ERP system has been taken beyond what many competitors have. This saves customers considerable time and resources by seamlessly transferring data from one phase to another within one system. Admicom's system has also largely automated third-party reporting.

In its product development, Admicom has invested in considering the specific features of technical building services and construction industries and the modular structure, giving it a competitive advantage over companies producing non-industry-specific general-purpose software and special software. Admicom's industry-specific capabilities, developed over a long history, bring benefits to the customer's business that most other competitors cannot offer. Admicom's strong resources also put it in a better position than many competitors to invest in product development and new AI features.

We believe one of the important competitive factors of Admicom is the strong position it has achieved in Finland. Over the years, the company has been able to develop a software solution with the most extensive functionalities on the market. Bringing a new and equally comprehensive software product to the competitive field would require long development. The threshold for international competitors is also high, as the Finnish sector-specific ERP market requires not only a strong product but also a lot of localization and the market is relatively small on a global scale. A strong market position is also important because customers are typically reluctant to switch their ERP software, and the first company to establish a successful customer relationship often gains a long-term market share advantage.

In addition, Admicom's own training, support and accounting services also provide a competitive advantage as they increase the benefits for the customer and commitment of the customer to the service and provide an important source of product development ideas and automation growth.

Admicom's ERP software positioning in the Finnish market



Source: Inderes, NB! The graph only shows examples of companies operating in the market, not an exhaustive list of players in each category.

Competitive landscape 3/3

Consolidation of the industry is underway

In recent years, M&A transactions in Admicom's target markets have increased, and in addition, Admicom is actively involved in the consolidation of the sector as a buyer. At the European level, we believe that the market has a large number of small and medium-sized software companies focusing on the construction industry, which offers many opportunities for Admicom in terms of international expansion. Several other companies and venture capitalists are also interested in the opportunities offered by digitalization in the construction sector.

Today, Admicom also faces some competition from Nordic operators that have entered the Finnish market through acquisitions. For example, Smartcraft (2024 revenue: 44 MEUR), a Norwegian-listed provider of software solutions for the construction industry, has been active on the M&A front in recent years. However, the company's revenue from Finland (2024: ~4.3 MEUR) is still relatively small.

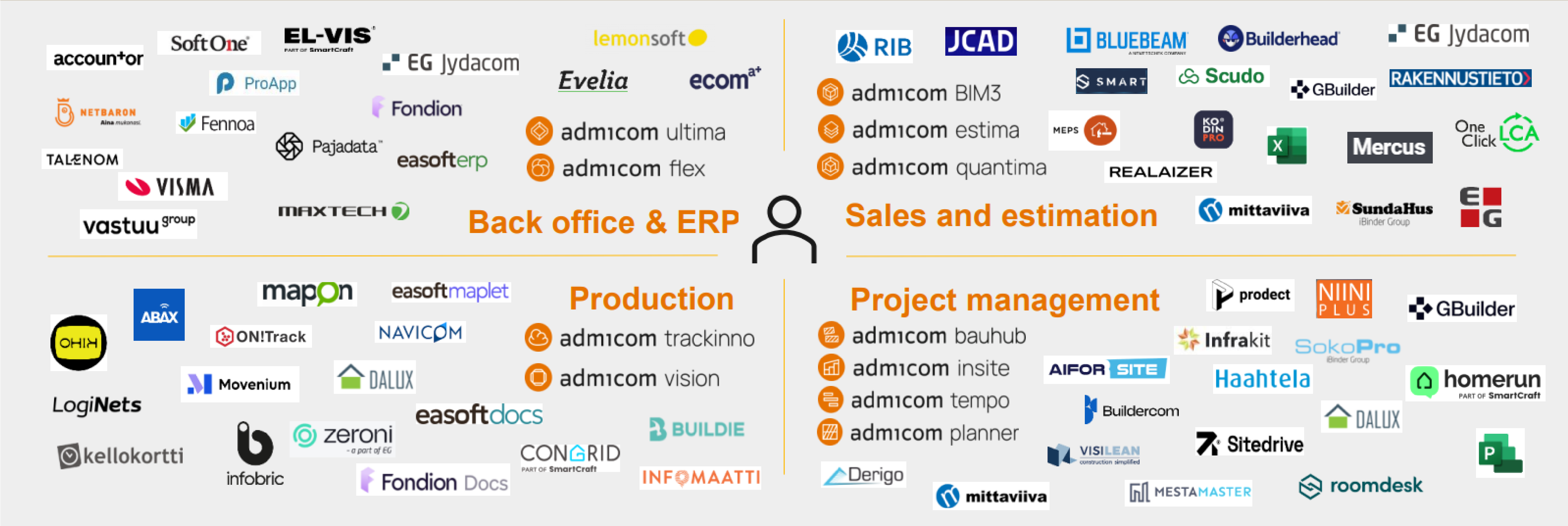
In 2021, the Danish software company EG acquired the construction ERP software Jydacom (then with revenue of around 8 MEUR) from TietoEVRY. EG with a venture capitalist background has also made several acquisitions in the Nordic countries since then. In Finland, the company made a total of 7 acquisitions in the construction sector. The most significant acquisition was Easoft, one of Admicom's main competitors, announced at the end of 2024. In total, EG now employs over 300 people in Finland.

At the end of 2023, the Swedish construction software landscape underwent a major restructuring when HVD Group (Hantverksdata) and Next merged, with private equity investor EQT joining as an investor. The combined company had revenue of over 65 MEUR and more than 400 employees at the time, making it a major player in Sweden. Now known as Aceve, the company has continued its acquisitions in Europe.

In 2024, private equity investor KKR acquired a majority stake in Accountor Software, a provider of cloud-based financial and HR software to over 130,000 customers in the Nordics. At the time of the acquisition, the company generated revenue of over 130 MEUR. Among its offerings is Finago Ecom, a direct competitor to Admicom. KKR has continued to consolidate the Nordic software sector since then, acquiring Heeros from Finland and 24SevenOffice from Sweden through public tender offers.

Among the major players, Visma, which generates around 2.8 BEUR in recurring revenue, is also making rapid acquisitions, some of which also target markets that overlap with Admicom's to some extent.

Competitive landscape for construction software in Finland



Source: Admicom, NB! The graph only shows examples of companies operating in the market, not an exhaustive list of players in each category.

Strategy 1/2

Updated strategy aims to get back to stronger growth track

Admicom announced its updated strategy for 2026-2028 in November 2025. Overall, the focus areas of the strategy were not surprising, and we see them more as a continuation of the company's work in recent years. With the new strategy, by end of 2028 Admicom's aims to:

- Get back on a strong growth track of >15 % annual organic growth rate
- Achieve over 40% adjusted EBITDA for current operations
- Offer the most comprehensive and customer-centric platform for productive construction
- Triple the size of its total addressable market
- Build one winning team

To reach these ambitions, Admicom has defined five execution streams to focus on:

1. Customer-centric platform
2. Go-to-market transformation
3. International expansion
4. Business Services, and
5. Future-proof operations

Admicom therefore wants to continue being a growth company, and the company's goal is to get back to a strong growth track after being weighed down for years by a weak construction cycle. Admicom sees that the opportunity in helping construction sector customers improve their productivity with digital solutions is massive. To capture it, the company must become more customer-centric and focus on understanding and solving the customers' daily challenges that hinder productivity. This is why the company has further sharpened its focus on construction industry customers and construction-project-related contractors. In addition, the company is transitioning towards a modular, AI-enabled platform that supports users' workflows throughout a construction project.

Admicom already has a wide customer base in Finland and Estonia, which provides a solid foundation for growth as well as additional sales and cross-selling opportunities. The company will also continue its international expansion. Admicom will gradually strengthen its internal capabilities for international operations, while at the same time looking for opportunities to enter new markets with M&A.

Financial targets

Admicom's updated mid-term financial targets, which are to be achieved by 2028, are as follows:

- Organic Annual Recurring Revenue (ARR) growth exceeds 15%
- Net Revenue Retention (NRR) is over 106%
- Customer churn is less than 6%
- Adjusted EBITDA for current operations is over 40% of revenue
- Net debt in relation to adjusted EBITDA is less than 2.5

Admicom's objective is to reach minimum 60 MEUR ARR by end of the strategy period. Reaching 100 MEUR ARR remains to be Admicom's long-term ambition but without a defined year.

According to our projections, the 60 MEUR target set for 2028 requires an average growth rate of approximately 17% over the next 3 years. The company plans to achieve the target with 15-20 MEUR of organic growth in Finland, and acquisitions and organic international expansion will contribute an additional 7-12 MEUR. Of this, acquisitions will account for 5-10 MEUR.

By the end of 2028, the company aims to reach an organic growth rate of over 15%. Growth is expected to gradually accelerate towards the target level, as the weak construction market will inevitably continue to hinder progress in 2026. If the market picks up as expected, we consider the conditions for achieving double-digit organic growth realistic. In a growing market, acquiring new customers and expanding customer bases is typically easier when customer churn is reduced simultaneously. Additionally, pricing components linked to revenue are driving growth. Maintaining double-digit organic growth in the longer term will require highly successful international expansion, for which visibility is naturally poor at this point.

Strategy 2/2

The company's updated profitability target also seems realistic, though our current estimates indicate that the company will only achieve 40% EBITDA in 2029. The company has invested significantly in areas such as R&D and product management in recent years, and similar investments will not be necessary in the coming years. Thus, future growth should scale well to the earnings lines. Along the way, acquisitions will most likely affect Admicom's relative profitability, as few acquisition targets are as profitable.

Dividend policy changed toward that of a growth company

Admicom's new dividend policy is as follows:

"Admicom has a growth strategy, and our priority is to maintain a strong financial position to invest in growth. When our cash flow and investment needs allow, we aim to allocate approximately 30% of annual profits to returning capital via dividends or share buybacks or combination of those."

Previously, the company aimed to distribute more than half of its earnings as dividends to its owners, without endangering the growth targets defined in the strategy nor other financial objectives. Even the old policy left the door open for stronger capital allocation to acquisitions, but the new policy makes this even clearer. Overall, we consider allocating capital to acquisitions to be a sensible approach to Admicom's value creation, provided that the acquisition targets are strategically compatible and the prices paid in the deals are moderate. Share buybacks have now also been raised as an alternative to dividends, which we consider a welcome update.

Acquisitions central to internationalization

The acquisition of Bauhub was Admicom's first concrete step toward internationalization, and M&A will continue to play a central role in this journey. Admicom has clear criteria for making acquisitions. The main objective of acquisitions is to either open up a new market and acquire customers or complement the product portfolio with new products.

Admicom primarily seeks targets with annual recurring revenue of around 1-10 MEUR and a healthy business. Typically, this means a proven product with preferably hundreds of customers already. Furthermore, the company is not prepared to spend unlimited amounts on acquisitions and, for example, has not participated in auctions seen in the sometimes very heated M&A market in recent years. Although strict criteria may limit the number of potential acquisitions, the company claims there are countless potential targets in Europe. The company believes it will find entrepreneurs who want to take their business to the next level as part of a larger entity. Admicom plans to integrate future acquisitions, enabling synergies to be realized. The transactions will be financed mainly with cash and debt, for which the company's strong balance sheet and cash-generating business provide ample room for maneuver. Based on the company's gearing target (net debt/EBITDA <2.5x), we have estimated that Admicom will be able to take on more than 40 MEUR in new debt in the coming years, should it wish to do so.

Admicom is also promoting international expansion organically and naturally sees growth potential in Estonia through Bauhub. In addition, the company has around 20 international customers (including a large construction company from Sweden), so expansion abroad is being promoted organically through these customers as well. Admicom's existing customers attest to the competitiveness of its software even outside of Finland. International growth is also pursued through product-led growth, which, if successful, would be highly scalable, though often difficult to implement in practice, in our view.

Organically, for example, localizing the entire Ultima ERP software to fit the practices and legislation of another country would be a huge undertaking. Thus, the conquest of international markets will start through point solutions, which are easier to adapt to the requirements of each country.

Of Admicom's other products, the documentation and data management software Vision and the fleet management solution Trackinno appear to be solutions with potential for internationalization. Project management solutions also have internationalization potential, as evidenced by the major Swedish customer won in 2024. As far as the individual markets are concerned, we therefore believe that Sweden is a natural expansion target for Admicom. Sweden, like Finland, has a good level of digital infrastructure, automation, e-invoicing, government connections and operating models. On the other hand, these factors have already drawn a lot of competition, and from this point of view, entering the market is not so attractive. In the big picture, the construction software market is still so fragmented in virtually every country that there is room for more players to grow well into the future.

Financial targets

The financial targets are to be achieved by the end of 2028:

Growth

- Organic Annual Recurring Revenue (ARR) growth exceeds 15%
- Net Revenue Retention (NRR) is over 106%
- Customer churn is less than 6%
- Reaching a minimum of 60 MEUR ARR by the end of 2028
- Achieving over 100 MEUR in ARR in the long term

Inderes: According to our projections, the 60 MEUR target set for 2028 requires an average growth rate of approximately 17% over the next 3 years, so meeting this goal will also require relatively large acquisitions. We see conditions for achieving double-digit organic growth with good strategy execution, provided that the Finnish construction market recovers simultaneously.

Profitability

- Adjusted EBITDA for current operations is over 40% of revenue

Inderes: The profitability target appears realistic. Along the way, acquisitions will most likely affect Admicom's relative profitability, as few acquisition targets are as profitable.

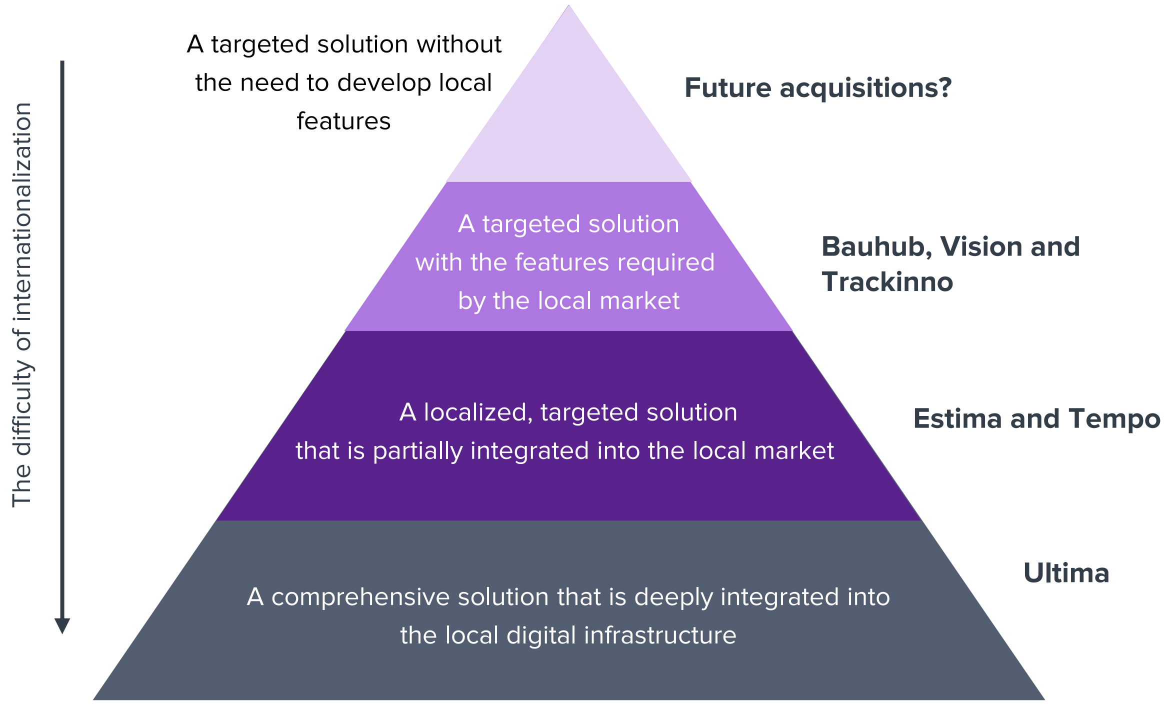
Gearing

- Net debt in relation to adjusted EBITDA is less than 2.5x

Inderes: Given the company's gearing target and our EBITDA estimates for the coming years, the company would have the capacity to take on over 40 MEUR in new debt, providing ample firepower for acquisitions.

Source: Inderes, Admicom

Internationalization options



Organic growth:

- Growth in Estonia and through existing international customers
- Strengthening internal capabilities and product-driven sales
- Developing the internationalization readiness of products and mapping international sales partners

Inorganic growth:

- Expansion to the market with the acquisition of a targeted solution
- Technology-driven M&A transaction
- Ideal targets in the 1-10 MEUR revenue range
- Targets mapped from markets with medium-high to high digital maturity

Source: Inderes, Admicom

Acquisition strategy

Admicom's acquisitions

3/2020 TOCOMAN	• Revenue 3.5 MEUR • 90% SaaS revenue • EV/S 3x
7/2021 Lakeus (business acquisition)	• Revenue 0.6 MEUR • Service revenue • EV/EBITDA 3.8x
12/2021 Aitio	• Revenue 2.0 MEUR • Consulting revenue • EV/S 2.5x
12/2021 HILLAVA	• Revenue 0.7 MEUR • 60% SaaS revenue • EV/S 3.8x
5/2022 Planman	• Revenue 0.8 MEUR • 100% SaaS revenue • EV/S 5.5x, EV/EBITDA 7.3x
6/2022 KOTOPRO	• Revenue 2.1 MEUR • 100% SaaS revenue • EV/S 5.5x
1/2024 trackinno	• Revenue 0.5 MEUR • 87% SaaS revenue • EV/S 2.2x-3.0x
12/2024 bauhub	• ARR 1.5 MEUR • 99% SaaS revenue • EV/ARR 4x

Objectives of completed acquisitions

Strengthening expertise and competitive advantages

- Tocoman, Kotopro, Aitio Finland, Lakeus, Trackinno, Bauhub

Strengthening and expanding current market position

- Tocoman, Kotopro, Hillava, Bauhub

Supporting scalable growth

- Tocoman, Kotopro, Planman, Hillava, Trackinno, Bauhub

Ensuring continuity and development of product development

- Planman and Aitio Finland

Enabling internationalization

- Kotopro, Trackinno, Bauhub

Objectives of future acquisitions

1. Entering a new market or acquiring an existing customer base
2. Acquisitions complementing the product portfolio

Source: Inderes, Admicom

Financial position 1/2

Growth rate slowed in recent years due to market headwinds

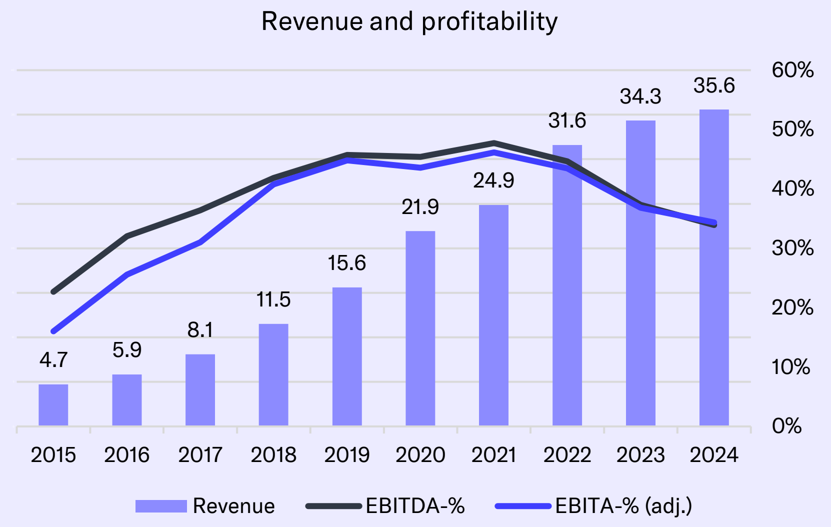
Admicom's revenue has grown strongly after the company moved its product into the commercialization phase in the early 2010s after a long development phase. Revenue has increased from 1.7 MEUR in 2012 to 35.6 MEUR in 2024, with a CAGR of 29%. Growth has been driven especially by strong growth in new SaaS sales in the technical building services and construction industries, but growth in services has also been strong. In addition, balancing invoicing based on increased customer revenue has been a positive driver. Growth has mainly been organic, although acquisitions have played an increasing role over the past 5 years.

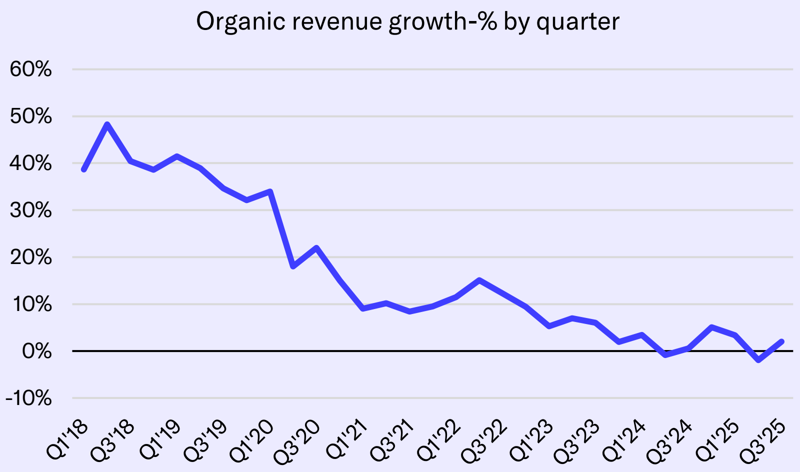
Since the onset of the COVID pandemic, Admicom's organic growth rate has slowed from historical levels due to both internal issues and difficult market conditions. In addition to new sales being hampered by the pandemic and increased customer attrition, there were significant changes in the Admicom organization that resulted in the departure of long-time sales and product development personnel. At that point, following a period of rapid growth, we believe that investments in organizational structures had also been neglected. This investment backlog has since been cleared, laying the foundation for the next phase of growth and internationalization. Since 2021, investments in product development, sales and customer experience, and organizational structures have increased significantly. All in all, Admicom has gone through a massive renewal over the past 5 years, and new personnel have joined the company both through recruitment and acquisitions. At the same time, the weakened construction cycle has slowed organic growth and continues to create uncertainty about near-term growth. However, given the circumstances, we think Admicom has done quite well and organic growth has remained slightly positive. With the investments already made, we believe the company is well positioned to accelerate growth as the market recovery drives sales and reduces churn.

Building a growth platform has eaten into profitability in recent years

Admicom has a very convincing history of scalable growth, and between 2019 and 2022, the company's EBITDA ranged between a whopping 45-48%. Admicom's EBITDA continues to reflect the cash flow generated by the business quite well because, unlike many software companies, the company's investments in product development were directly reflected in the income statement for a long time, and even now, capitalization is done in moderation.

In recent years, laying the foundation for growth in line with the strategy has been reflected in a declining EBITDA margin (2023-2024: 37-34%), and the downward trend continues in 2025 (guidance 31–33%) as well. However, the major investments have now been made and we expect profitability to gradually improve in line with the company's targets over the next few years. Nevertheless, this requires a return to a stronger growth trajectory.





Source: Inderes

Financial position 2/2

Cost structure

Admicom sells and produces its services through its own personnel, so the company's materials and services cost item has been relatively low in recent years, around 4-6% of revenue. We estimate that most of the costs in the expense item are generated from server costs, external services, transaction fees and equipment sales costs.

A majority of the company's cost structure consists of personnel costs, as is typical for a software and service company. In 2024, personnel costs corresponded to around 47% of revenue. Historically, personnel expenses have generally grown at a slower rate than revenue, but growth investments and acquisitions in recent years have increased costs significantly faster than revenue.

Other operating expenses are Admicom's second-largest expense item, hovering around 11-12% of revenue, but increased investments will be reflected in the 2023-2024 figures (15%). These expenses are somewhat linked to the increase in the number of employees and revenue. We expect other costs to remain elevated in the coming years, followed by some scaling potential in the longer term. Admicom's personnel and offices are largely located outside the greater Helsinki region, which has explained the historically moderate cost level.

Under FAS accounting, Admicom's depreciation consists primarily of the amortization of goodwill from the company's acquisitions in recent years (around 4.3 MEUR/year). Otherwise, the company's depreciation level is very low. Admicom has not capitalized significant amounts of product development costs in recent years (development costs in the balance sheet for Q3'25: 2.0 MEUR), and goodwill amortization has no impact on cash flow. As a result, Admicom's EBITDA is a good indicator of the cash flow generated by the company's operations before financial charges and taxes.

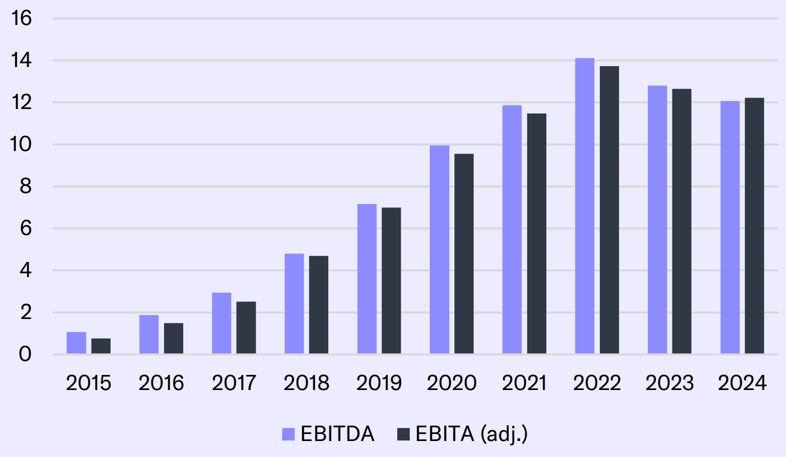
Balance sheet and financial position

Thanks to its strong cash flow, Admicom's balance sheet remains strong despite its acquisitions and the rather hefty dividends paid out in recent years. The equity ratio at the end of Q3'25 was 84% and gearing -21%.

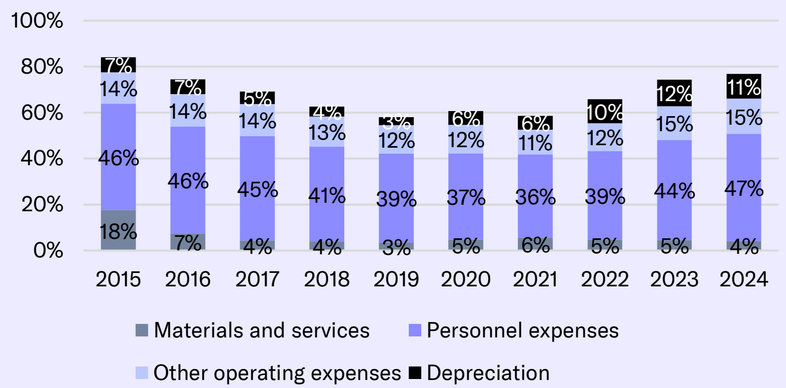
The balance sheet structure is also very simple. The balance sheet total at the end of Q3'25 was 40.2 MEUR. The assets of the balance sheet consisted mainly of goodwill arising from acquisitions (28.1 MEUR), cash and cash equivalents (7.3 MEUR) and short-term receivables (2.3 MEUR). On the liabilities side, Admicom had 33.7 MEUR in equity and virtually no interest-bearing debt. Non-interest-bearing liabilities, consisting mainly of accrued expenses and deferred revenue, amounted to 5.9 MEUR.

We estimate that Admicom has good preconditions of organic growth and carrying out acquisitions supported by a strong balance sheet. With a strong cash flow profile, we also believe it makes sense to use debt to finance acquisitions. If the company were to take on debt of 2.5x net debt/EBITDA, the company would have the potential to increase the amount of debt on its balance sheet by as much as more than 40 MEUR in the coming years.

EBITDA and EBITA (MEUR)

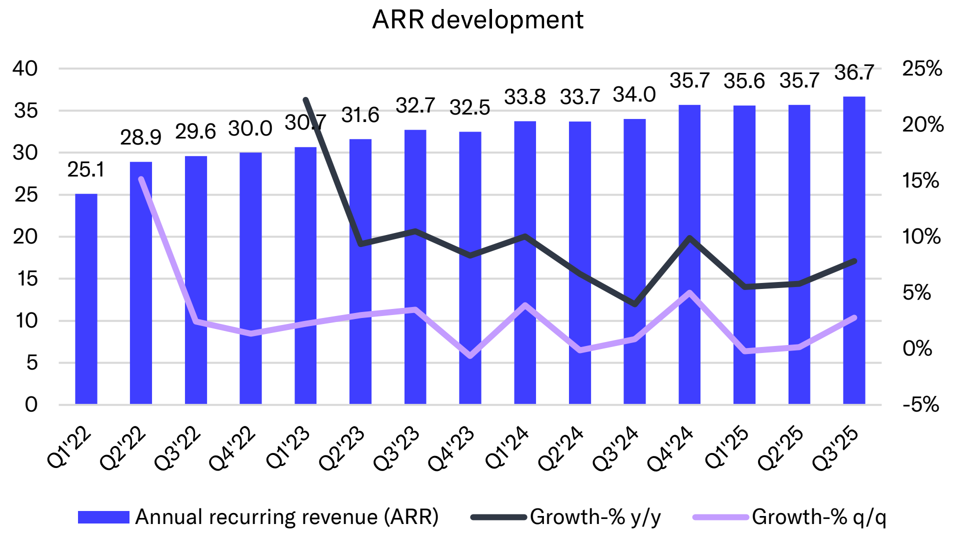


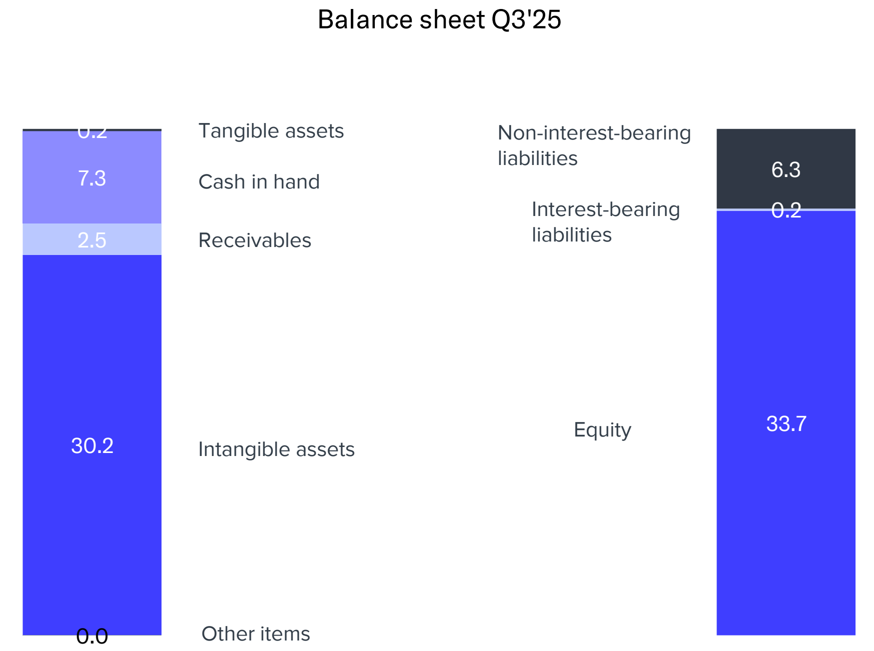
Cost structure, % of revenue

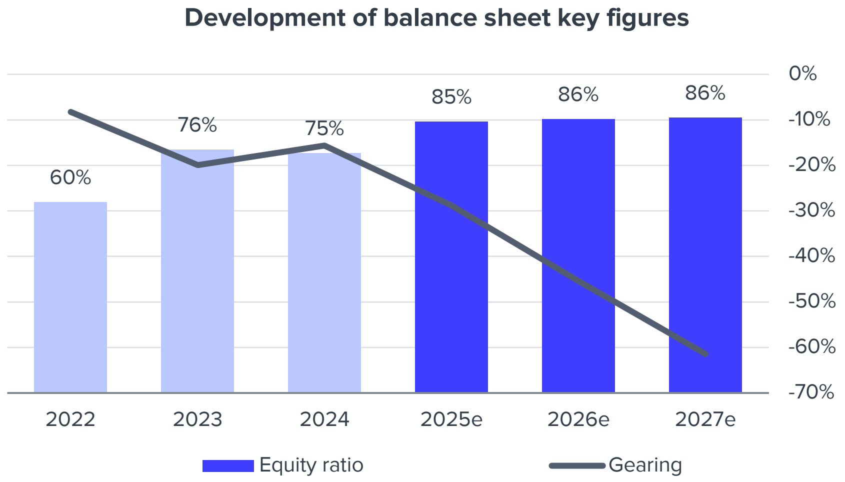


Source: Inderes

Financial position







Source: Inderes, Admicom

Estimates 1/3

Basis for the estimates

We assess the development of Admicom's revenue mainly through three revenue items:

- SaaS services
- Accounting services
- Training, consultancy and other items

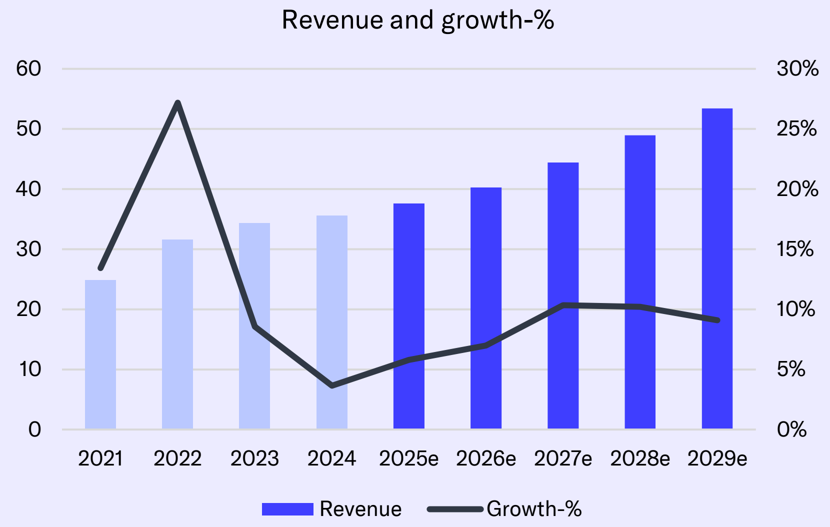
The most important both in terms of Admicom's value creation and business model is sales development of SaaS services because without a software service agreement the company does not sell accounting, training or consulting services either.

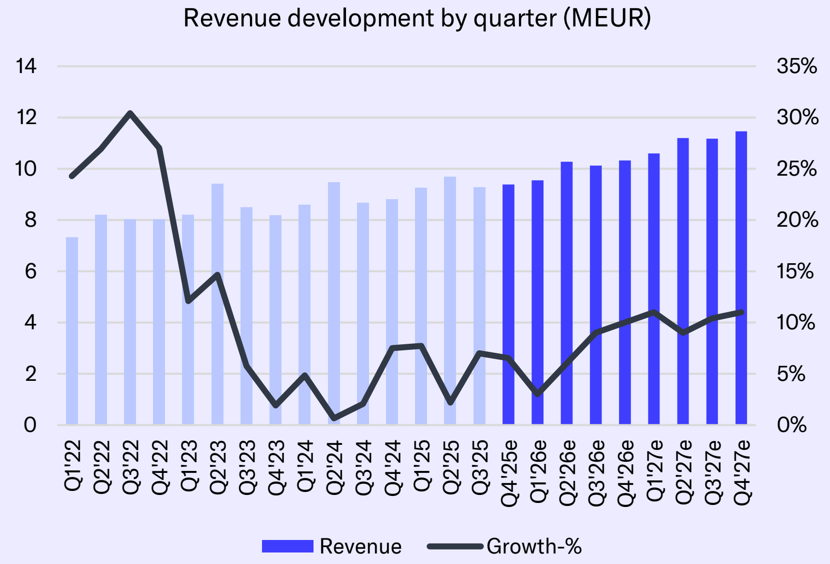
Our estimates are based solely on organic growth, because modeling future acquisitions without information on their size or purchase price is not meaningful. However, acquisitions are likely to be made also in the future, which is worth bearing in mind when looking at estimates. In terms of organic growth, we expect revenue in the medium term to come from the current target markets, and the role of international growth will only become emphasized in the longer term. As part of this report, we have only revised our dividend estimates to reflect Admicom's updated dividend policy.

In practice, Admicom's profitability is determined by the gross margin and level of fixed costs (OPEX %). In our model, we estimate that Admicom will be able to maintain the sales margin at around 96% with the current business model. Otherwise, operating expenses will increase relative to revenue in the short term as the company's strategy has focused on strengthening its growth base and enabling international growth. Nevertheless, the largest investments are already included in the cost structure, and we expect profitability to start improving gradually in the coming years, in line with growth. The company already has a strong track record in this area.

In general, the visibility of Admicom's revenue and profitability development is relatively good in the short and medium term, as over 95% of revenue is based on recurring SaaS service income and associated accounting services. In the short term, however, the continuing weakness in the construction industry creates uncertainty about the organic growth rate as it inhibits new sales, reduces the use of software by certain customers, and increases churn due to bankruptcies. As the construction market recovers, organic growth should be well-positioned to accelerate through a pick-up in new sales and additional and cross-selling opportunities from an expanded product portfolio. In a growing market, Admicom's revenue is also supported by revenue-related elements included in software billing. Additionally, a stronger market will increase the number of software users. With Bauhub, Admicom also benefits from project-based billing, meaning the growing number of projects will naturally be reflected in increased revenue.

Long-term estimates are weakened by the visibility into the success of Admicom's sales investments and the development of its competitive position. At the same time, cyclical fluctuations in the construction sector also create variance in the longer term, although the next move is very likely to be upward. Long-term growth prospects are supported by the low level of digitalization in the construction industry, and the use of software to improve operational efficiency is certain to increase in the future.





Source: Inderes

Estimates 2/3

Estimates for 2025

Admicom lowered its outlook in October, before its Q3 report. For 2025, the company expects the annual recurring revenue (ARR) to increase by 6-10% (previously 8-14%) and total revenue to increase by 5-8% (previously 6-11%). The adjusted EBITDA margin is estimated to be 31-33% of revenue (previously 31-36%). In addition to the prolonged weak market situation, organizational changes made by the company in 2025 have caused slowdowns in sales development. Furthermore, the change in the billing model for Ultima and accounting services will not yet have a significant impact on ARR accumulation by the end of the year, even if migration proceeds according to plan. The first 400 of approximately 1,500 Ultima customers transitioned to the new model in October, and the rest will follow within the next 12 months.

We forecast Admicom's revenue to grow by 5.8% to 37.6 MEUR in 2025, with an impact of 4.4 percentage points from Bauhub. We forecast the adjusted EBITDA margin to settle at 31.5%. To reach this forecast, Q4 must generate 9.4 MEUR in revenue (+6.5%) and an EBITDA margin of 29%, both of which should be well within reach.

Estimates for 2026

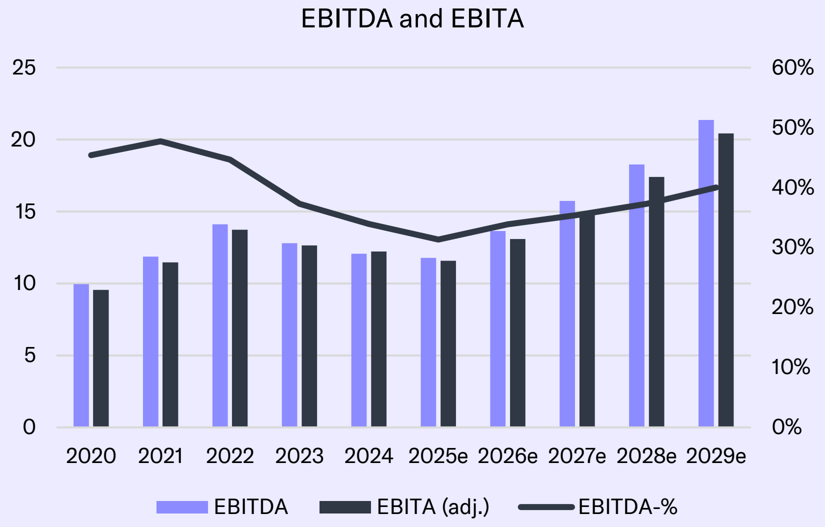
Based on the current outlook, the construction market is expected to remain sluggish in 2026, though slight improvement in development is anticipated. Throughout history, Admicom's customers have grown faster than the market, so the company's revenue from its customer base will likely grow faster than the current market forecast (2026e 3.5%). Following the renewal of the billing model for Ultima and accounting services, balancing invoices that were previously billed once a year are to be gradually introduced into customers' monthly payments based on historical revenue. According to our estimates, this should support growth figures for 2026 to some extent. In addition, the company implemented price increases for certain products in Q3'25, with the remaining increases planned for Q4. We estimate the target increase to be around 5%, though the actual figure will be somewhat lower. Nevertheless, price increases will contribute to growth in 2026, in addition to gradually increasing new sales. Changes to the sales team and harmonization of the product portfolio will also create more opportunities for additional and cross-selling in the coming years. The ingredients for gradually accelerating growth are therefore in place, provided the market situation gradually improves at the same time.

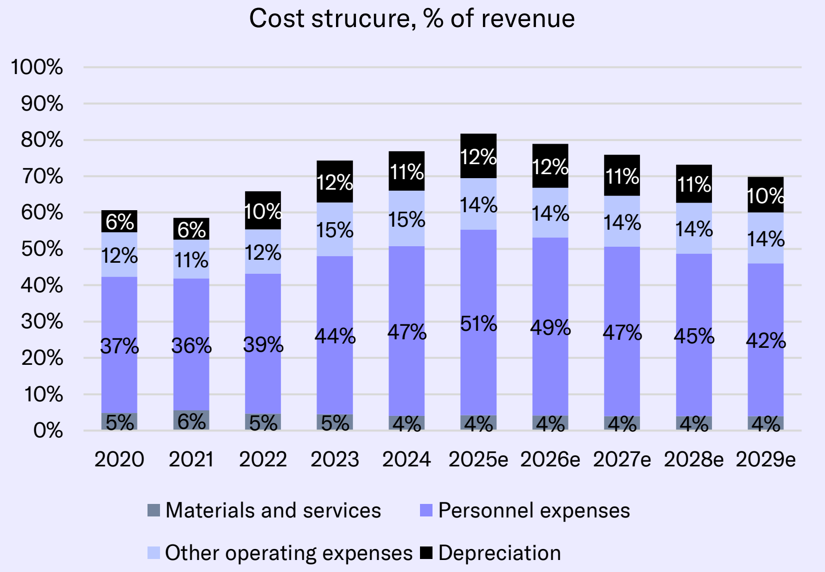
For 2026, we forecast 7% growth, concentrated in the second half of the year (Q3-Q4: 9-10%), contingent on a market recovery. The development of Admicom's cost structure appears to have stabilized as well, so profitability should gradually improve in line with growth. We therefore forecast that EBITDA will improve to 33.9% of revenue.

Estimates for 2027-2028

In 2027-2028, we expect the market situation to improve again and Admicom's growth investments to be reflected in accelerating growth and gradually improving profitability. At that time, we estimate an annual growth rate of about 10% and a 35-37% EBITDA.

As a whole, we expect Admicom's adjusted EPS to decrease by about 5% in 2025 and then to increase by about 15% per year in 2026-2028. We estimate that the company will distribute dividends at a payout ratio of around 30% of the adjusted result. Thanks to the strong cash flow of Admicom's business, we expect the company's net cash to grow rapidly in the coming years, which the company will most likely use for acquisitions.



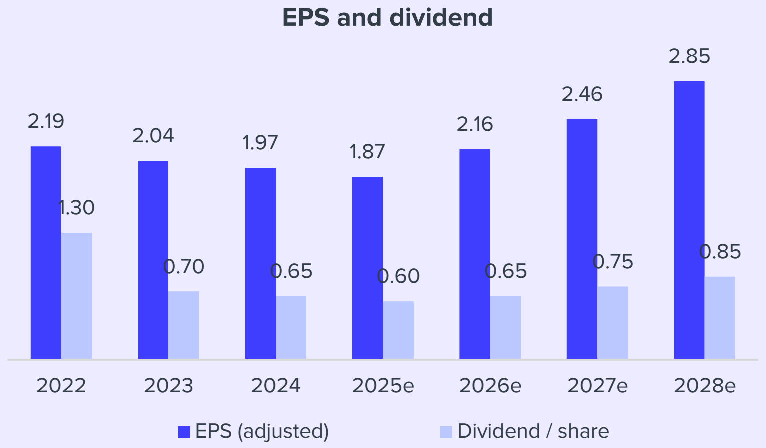


Source: Inderes

Estimates 3/3

Long-term estimates

In our forecast model, revenue growth gradually slows to about 9-6% between 2029 and 2032, and then to 5-3% between 2033 and 2035. Our terminal growth assumption is 2.7% from 2036 onwards. Our long-term growth forecasts are well below the company's target level, leaving significant upside potential if the strategy is well executed. We expect profitability to continue on a gradual upward trajectory, with an EBITDA-% of around 40-41% by the end of the decade, after which we expect it to level off. In the terminal assumption, we have set the EBIT margin at 37.5%, which corresponds to an EBITDA of approximately 39%.



Source: Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	34.3	8.6	9.5	8.7	8.8	35.6	9.3	9.7	9.3	9.4	37.6	40.3	44.4	49.0
EBITDA	12.8	2.6	3.6	3.6	2.3	12.1	2.3	3.1	3.7	2.7	11.8	13.6	15.7	18.3
Depreciation	-4.0	-0.9	-1.0	-1.0	-1.0	-3.8	-1.1	-1.2	-1.2	-1.2	-4.6	-4.8	-5.0	-5.1
EBITA (adj.)	12.7	2.6	3.6	3.6	2.5	12.2	2.3	3.0	3.6	2.7	11.6	13.1	15.0	17.4
EBIT	8.8	1.6	2.7	2.6	1.3	8.2	1.1	1.9	2.5	1.6	7.2	8.8	10.7	13.1
Net financial items	-0.2	0.0	0.0	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
PTP	8.6	1.6	2.6	2.6	1.3	8.2	1.1	1.9	2.5	1.6	7.1	8.8	10.7	13.1
Taxes	-2.3	-0.5	-0.7	-0.7	-0.3	-2.3	-0.4	-0.6	-0.6	-0.4	-2.1	-2.2	-2.6	-3.1
Minority interest	-0.1	0.0	0.0	0.0	0.0	-0.02	0.0	0.0	0.0	0.0	-0.01	0.0	0.0	0.0
Net earnings	6.3	1.1	1.9	1.9	1.0	5.9	0.7	1.3	1.9	1.2	5.0	6.5	8.1	10.0
EPS (adj.)	2.04	0.40	0.57	0.57	0.44	1.97	0.37	0.48	0.59	0.45	1.87	2.16	2.46	2.85
EPS (rep.)	1.27	0.21	0.38	0.38	0.20	1.18	0.13	0.26	0.37	0.23	1.00	1.30	1.61	2.00

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-%	8.6 %	4.8 %	0.7 %	2.1 %	7.5 %	3.6 %	7.7 %	2.2 %	7.0 %	6.5 %	5.8 %	7.0 %	10.3 %	10.2 %
Adjusted EBIT growth-%	-7.7 %	-14.4 %	1.0 %	-4.7 %	4.7 %	-3.6 %	-9.7 %	-15.8 %	0.9 %	5.3 %	-5.3 %	13.2 %	14.4 %	16.2 %
EBITDA-%	37.3 %	29.9 %	38.4 %	41.4 %	25.6 %	33.9 %	24.5 %	31.9 %	39.6 %	29.3 %	31.3 %	33.9 %	35.4 %	37.3 %
EBITA-% (adj.)	36.9 %	29.7 %	37.9 %	40.9 %	28.6 %	34.3 %	24.9 %	31.2 %	38.6 %	28.3 %	30.7 %	32.5 %	33.7 %	35.6 %
Net earnings-%	18.4 %	12.4 %	20.2 %	22.0 %	11.0 %	16.5 %	7.3 %	13.3 %	20.2 %	12.4 %	13.3 %	16.2 %	18.1 %	20.5 %

Estimate revisions MEUR / EUR	2025e Old	2025e Uusi	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	37.6	37.6	0%	40.3	40.3	0%	44.4	44.4	0%
EBITDA	11.8	11.8	0%	13.6	13.6	0%	15.7	15.7	0%
EBIT (exc. NRIs)	11.6	11.6	0%	13.1	13.1	0%	15.0	15.0	0%
EBIT	7.2	7.2	0%	8.8	8.8	0%	10.7	10.7	0%
PTP	7.1	7.1	0%	8.8	8.8	0%	10.7	10.7	0%
EPS (excl. NRIs)	1.87	1.87	0%	2.16	2.16	0%	2.46	2.46	0%
DPS	0.65	0.60	-8%	0.75	0.65	-13%	0.90	0.75	-17%

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	27.4	32.4	28.8	25.1	21.3
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	27.3	32.0	28.4	24.7	20.9
Tangible assets	0.1	0.1	0.1	0.2	0.2
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	0.0	0.2	0.2	0.2	0.2
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	11.2	11.1	11.8	19.2	28.4
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.3	1.8	1.9	2.0	2.2
Cash and equivalents	9.9	9.3	9.9	17.2	26.2
Balance sheet total	38.7	43.5	40.6	44.3	49.7

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	29.3	32.6	34.3	37.8	42.6
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	13.8	16.2	18.0	21.5	26.3
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	15.3	16.2	16.2	16.2	16.2
Minorities	0.1	0.1	0.1	0.1	0.1
Non-current liabilities	4.6	0.6	0.3	0.1	0.1
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	4.1	0.2	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.5	0.4	0.3	0.1	0.1
Current liabilities	4.8	10.3	6.0	6.3	6.9
Interest bearing debt	0.0	4.1	0.0	0.0	0.0
Payables	4.8	6.3	6.0	6.3	6.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	38.7	43.5	40.6	44.3	49.7

Investment profile

1. Lots of growth potential, both organically and through acquisitions

2. Scalable business model based on recurring invoicing

3. Competitive product portfolio and strong market position in Finland

4. Strong balance sheet and excellent cash flow provide leeway for acquisitions

5. Low level of digitalization in construction helps drive long-term growth

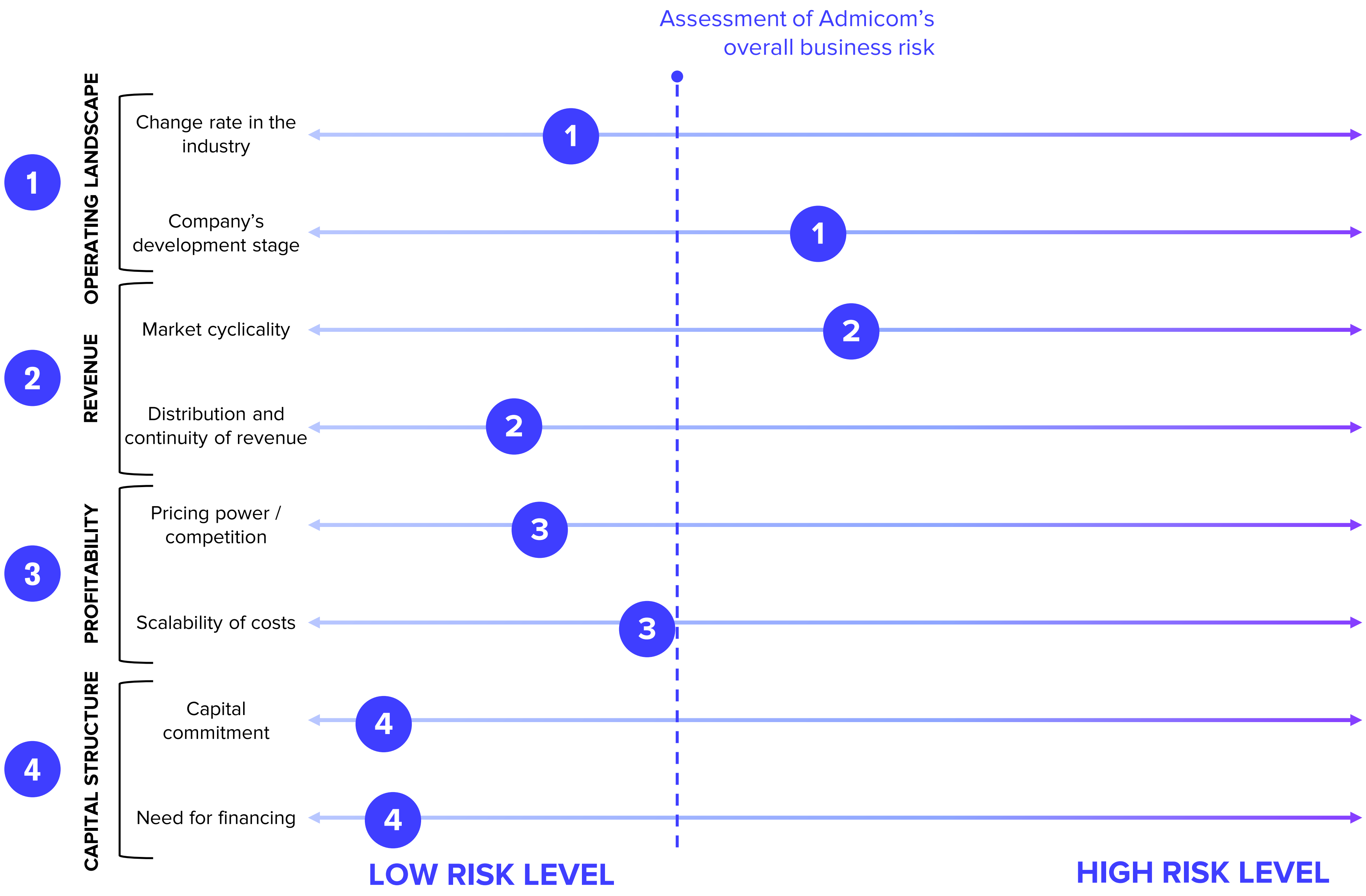
Potential

- Solidifying an already strong market position in Finland
- Exploiting additional and cross-selling opportunities
- Strong profitability despite growth investments, with room for improvement in the coming years
- Expansion into new operating countries through acquisitions
- Turning point for growth of the Finnish construction market in the coming years

Risks

- Weak construction sector casts a shadow on short-term organic growth outlook
- Increased growth investments and their success
- Acquisitions and their integration
- Success in internationalization is important for long-term growth
- Tightening competitive situation
- Technology, data security and key personnel risks

Risk profile of the business



Industry changing rapidly due to technological development, which, however, supports Admicom's growth. M&A transactions are shaping the competitive field.

Admicom has a proven and mature technology and its competitiveness is good. Internationalization raises the risk level.

Demand in itself is not cyclical, but natural customer churn increases and growth in new sales slows down in economic uncertainty.

Fragmented customer base, over 95% recurring revenue

The company's competitiveness and pricing power for software solutions is very good.

With increased investment in growth in recent years, future growth should start to translate more strongly into improved profitability, and there is strong historical evidence of this

Operations tie a little capital and working capital is clearly negative.

Operational cash flow is very sufficient for growth investments. Strong balance sheet, excellent cash flow and use of own shares provide leeway for acquisitions.

Valuation 1/4

Valuation methods

Given the stable and mature phase of Admicom's business, we prefer earnings-based valuation multiples in our valuation analysis, such as EV/EBIT adjusted for goodwill amortizations. Due to stable and predictable cash flows, the big picture shows that the DCF model is also a useful valuation method.

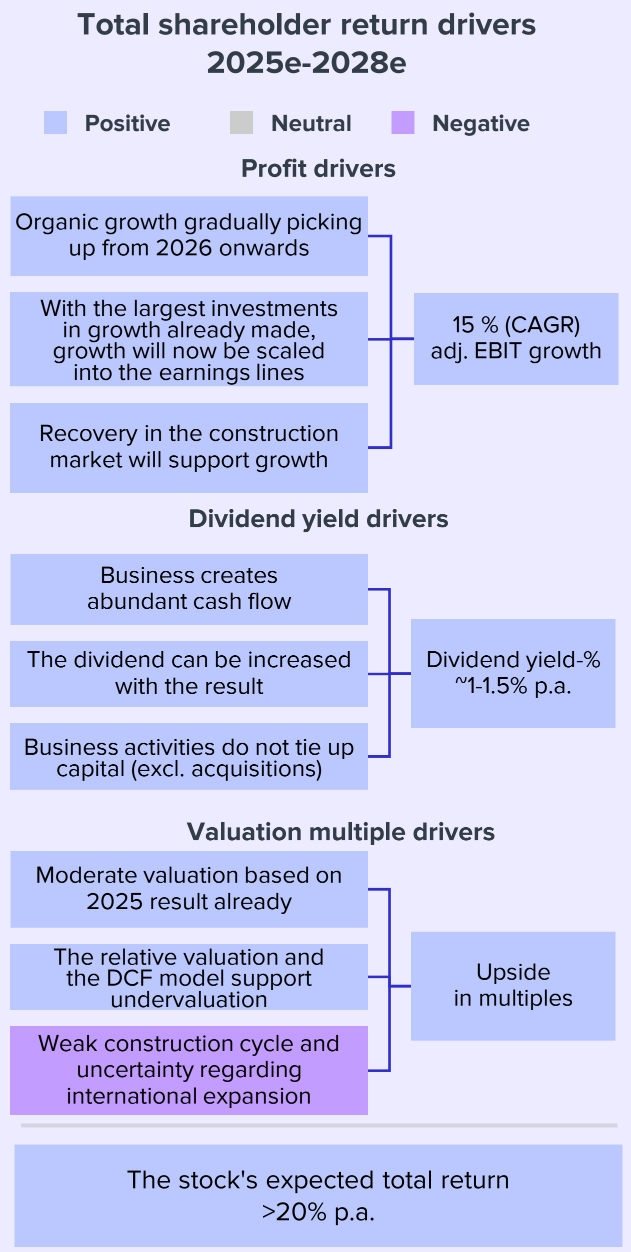
Valuation looks attractive in light of accelerating growth in the coming years

There are many factors in Admicom's business model and investment profile that we believe support the stock's relatively high valuation. Historically, Admicom has a strong track record of growth and creating shareholder value. Despite the growth investments made, the company's profitability is at a very good level and the business generates ample cash flow. In addition, Admicom's long-term growth outlook remains good and the overall risk profile is moderate. The company's revenue is almost entirely recurring, its solutions are mostly business critical for its customers, and it has clear competitive advantages in its area of specialization. In addition, Admicom's growth does not tie capital, so the company can allocate the cash flow generated by its business to acquisitions and pay relatively large dividends if it so wishes.

Admicom's organic growth will still be modest in 2025, as the construction market will remain weak. Due to the recent decline in the share price, the valuation (2025e EV/EBIT 17x) is not particularly demanding, even with this result. However, growth will gradually pick up, and we expect it to accelerate in the medium term as the construction cycle recovers. In relation to this, the valuation for next year (EV/EBIT 15x) is already moderate, and as earnings growth accelerates, the valuation (2027-2028e EV/EBIT 12x-10x) will become very attractive in the medium term. The company's own goals are even more ambitious than our estimates.

Depending on Admicom's earnings growth outlook, we estimate the neutral multiple range in the medium term to be around 15x–20x, and with a double-digit organic growth outlook, the valuation could be even somewhat higher. At our target price, the share would be valued at an EV/EBIT multiple of around 20x for 2026.

With its acquisitions and increased growth investments in recent years, Admicom has sown several seeds of growth, the potential of which has yet to be fully realized in a weak market. As a result, the company has the potential to sustain strong earnings growth over the long term as it executes its strategy, which offers long-term value creation potential. We believe the key risks relate to acquisitions and future stronger internationalization investments, in addition to the cyclical risks in the construction industry.



Source: Inderes, baseline 2025e

Valuation 2/4

Peer group valuation

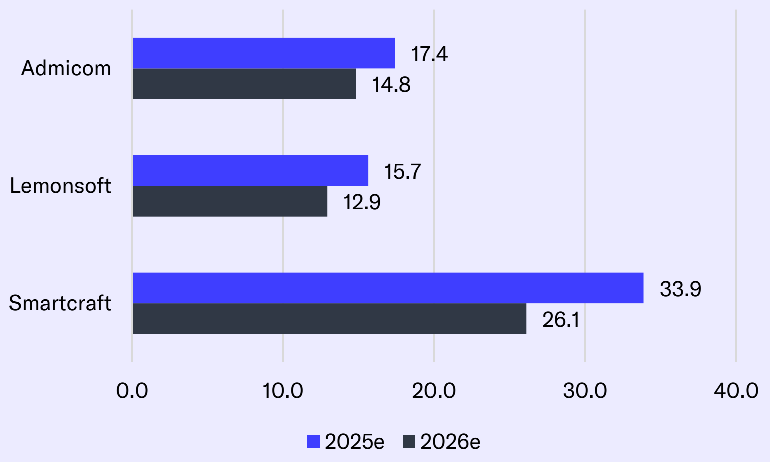
We compare Admicom's relative valuation to a peer group consisting of Nordic software companies. We especially compare the company's valuation to its closest SaaS peers, Lemonsoft and Smartcraft, which are also the company's competitors in construction industry software. In addition, the companies' size, growth and profitability profiles are quite similar to Admicom.

Relative to its closest peers on a 2025 EV/EBIT multiple, Admicom's valuation is at a slight premium to the moderately priced Lemonsoft (16x). However, Admicom's adjusted EBIT has converted to cash flow at a much higher rate than Lemonsoft's in recent years, which is a good thing to consider when comparing multiples. Admicom's organic growth profile is also slightly better at the moment. Compared to Smartcraft (2025e-2026e 34x-26x), which operates in the Nordic countries and trades at high multiples, Admicom's valuation is at a significant discount. Smartcraft's organic growth rate is currently faster than Admicom's, and the company has expanded its market potential through several international acquisitions, which also warrants higher multiples. In terms of cash flow, the quality of Admicom's earnings is in turn better than Smartcraft's. Overall, we believe that Admicom's stock valuation looks moderate compared to its peers.

Among the software companies focused on the construction industry, US-based Procore is also one of Admicom's competitors. However, in terms of revenue (2025e 1.3 BUSD), the company is on a completely different scale. In addition, the company has a history of investing heavily in growth at the expense of profitability, though EBITDA is expected to grow moderately by 21-25% over the next few years. At this earnings level, Procore's earnings multiples (2025e EV/EBITDA of 38x) are still very high, but we estimate the profitability of the mature phase is even higher than this. Procore is expected to grow at an annual rate of approximately 13% over the medium term.

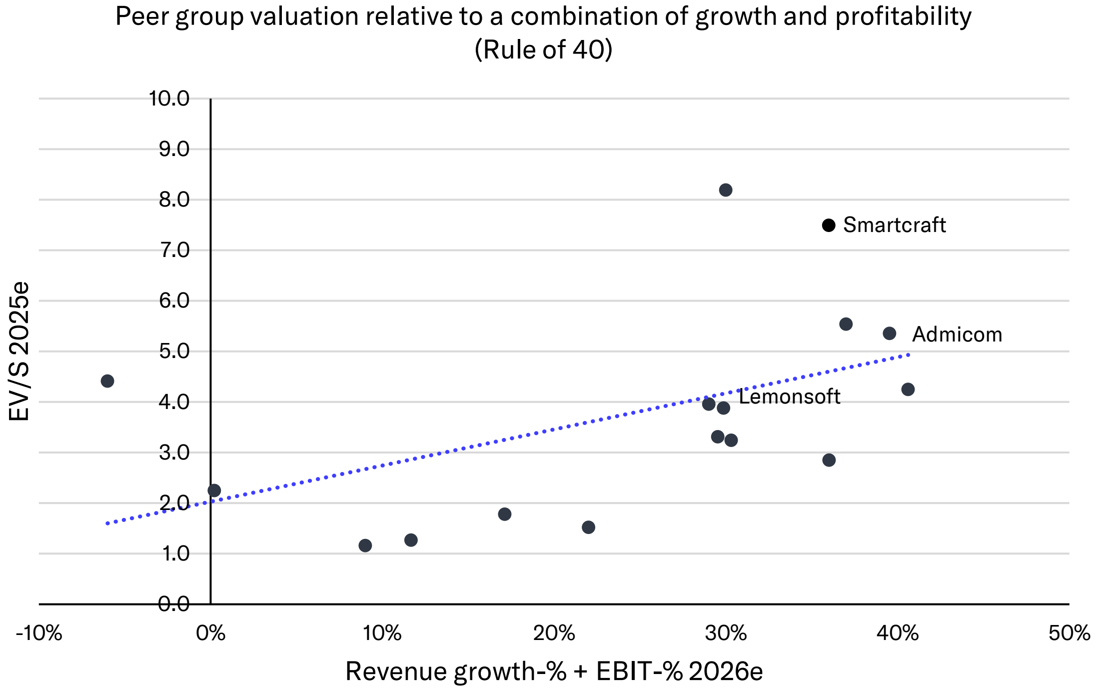
On an EV/Sales basis, Admicom (2025e 5.4x) is trading at a premium to Lemonsoft (3.9x) and at a clear discount to Smartcraft (7.5x). We believe that the differences in revenue multiples are largely explained by the same factors that we just discussed when looking at earnings multiples. Procore's EV/Sales (8.2x) is also clearly higher than Admicom's.

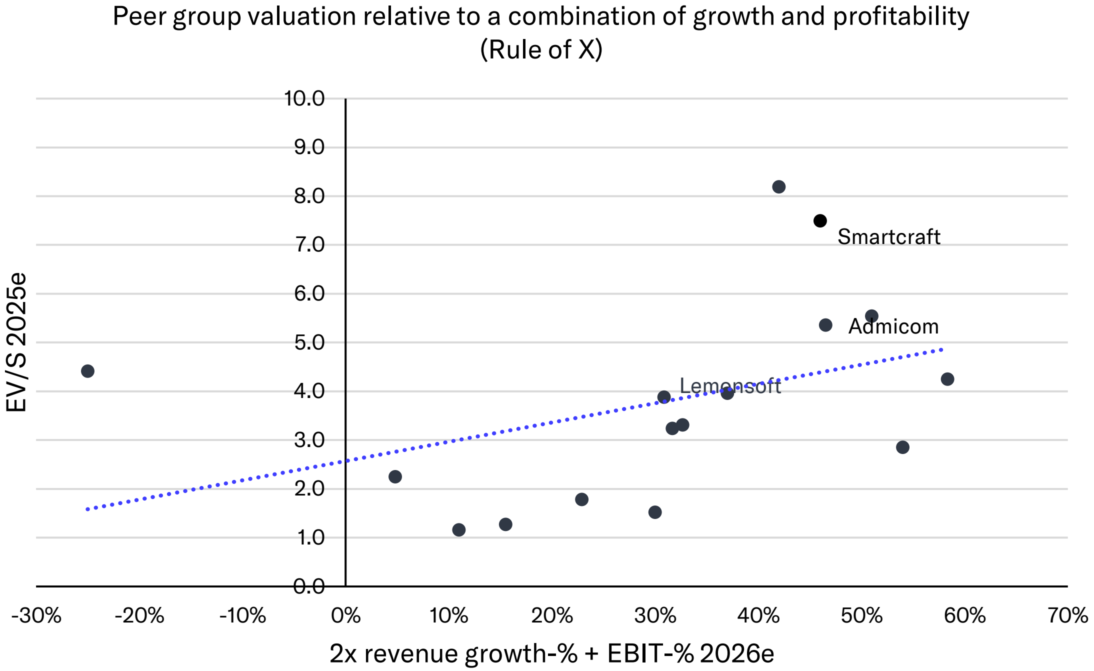
EV/EBIT of Admicom and nearest peers



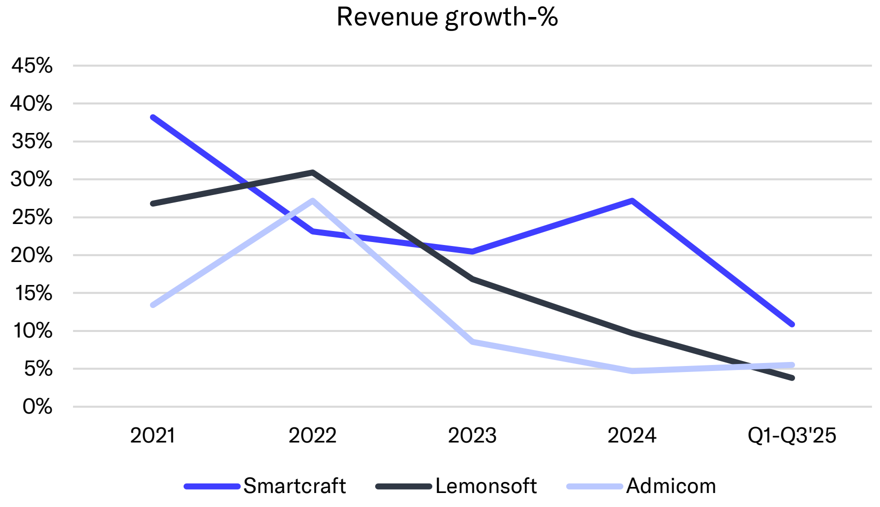
Source: Inderes, Refinitv

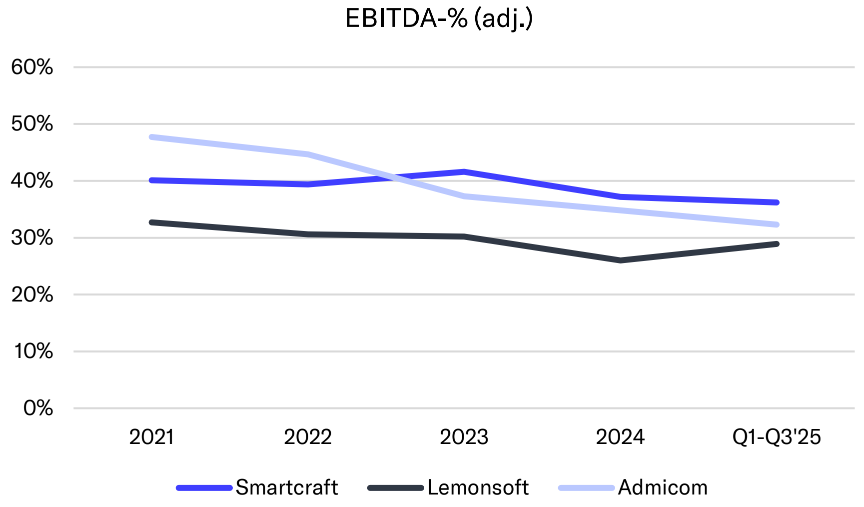
Revenue-based valuation compared to the peers

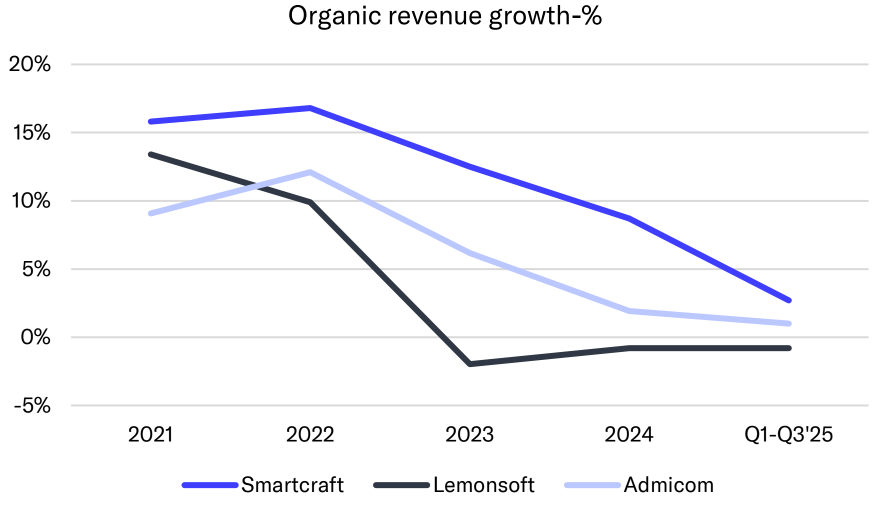


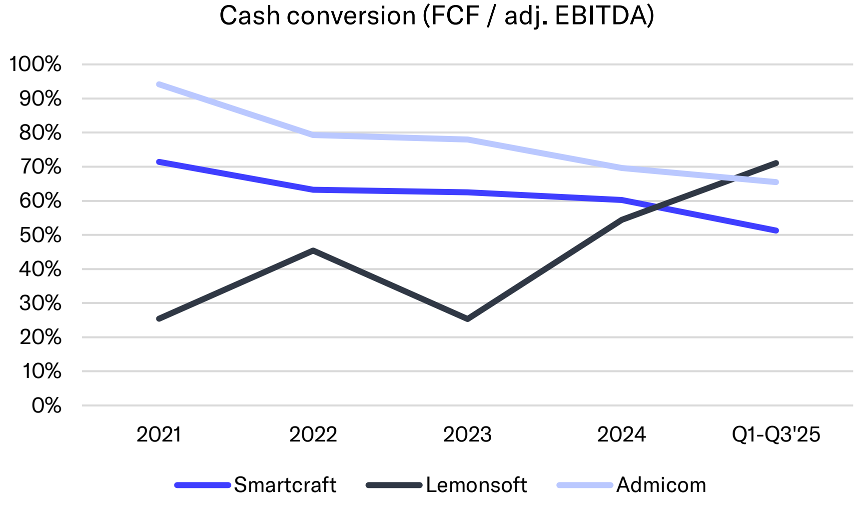


Key figures of Admicom and peers









Source: Inderes

Valuation 3/4

Scenarios by 2028

We examine the expected returns for Admicom’s share in three different scenarios based on different assumptions of the company’s growth rate and business scalability looking into 2028.

With our current estimates, we expect Admicom's revenue to grow by an average of about 8% and profitability (adjusted EBIT %) to improve to 36% by 2028. We expect companies to trade at an EV/EBIT multiple of 17.5x at the end of 2027/beginning of 2028, based on a one-year forward projection. As Admicom's strategy progresses, the company's growth prospects should remain strong at that point, so relatively high valuation multiples would still be well justified. The enterprise value of Admicom calculated through our forecasts would be 305 MEUR under these assumptions. By adding the estimated 2027 net cash to this, as well as the 2026-2027 dividends, the value of the entire stock is some 341 MEUR or EUR 68 per share. This would mean some 26% annual expected earnings with the current share price. We believe that this scenario reflects well the medium-term potential of Admicom's stock if the company is able to accelerate its growth towards double-digit levels in the coming years.

In the pessimistic scenario, we expect annual revenue growth to remain at 3% and profitability to improve only slightly to 32%. In this scenario, the value of the entire stock with the assumed 15x EV/EBIT multiple is 221 MEUR or EUR 44 per share, which would mean the share price would stagnate in the coming years. In our view, the pessimistic scenario partly reflects the relatively modest growth expectations currently priced into the stock, as the expected return would still not be significantly negative, even with a weak performance, provided the acceptable valuation level does not fall significantly as the growth rate slows.

In the optimistic scenario, we assume that Admicom’s revenue will grow by 13% p.a. and the adjusted EBIT margin rises to 40%. In the light of the stronger growth and profitability profile, we apply a 20x EV/EBIT ratio. With these assumptions the value of the entire stock is 498 MEUR or EUR 99 per share, which would mean annual expected earnings of 52%. This scenario would require excellent success in the next few years in the company's strategy and a significant acceleration in organic growth from the current level. In this scenario, the expected return would also be very good.

Scenarios by 2028	Pessimistic	Current estimates	Optimistic
Revenue	40.0	49.0	57.0
Revenue growth-% (CAGR 25-28)	*3%*	*8%*	*13%*
EBIT-% (adj.)	32%	36%	40%
EBIT (adj.)	12.8	17.4	22.8
x valuation multiple (EV/EBIT)	15.0	17.5	20.0
= EV 2028e (MEUR)	**192**	**305**	**456**
Net cash + dividends 2026-2027	29	36	42
= Value of share capital (MEUR)	**221**	**341**	**498**
Per share (EUR)	*44*	*68*	*99*
Potential	*4%*	*61%*	*135%*
Annual expected return	*2%*	*26%*	*52%*

Valuation 4/4

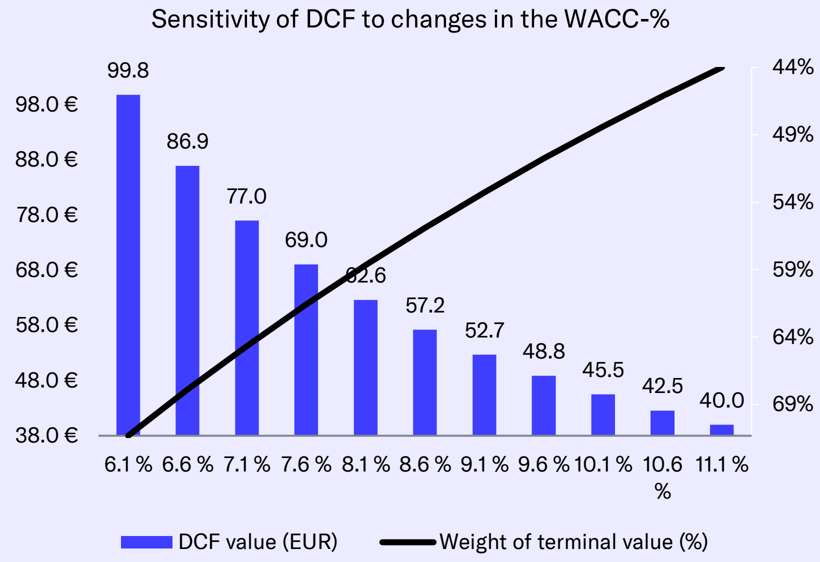
DCF model

Our DCF calculation gives Admicom's share a value of around EUR 57 with our moderate assumptions compared to the company's targets. We have set the terminal (2036-) growth rate to 2.7% and the EBIT margin to 37.5%. The weight of the terminal period in the DCF calculation is 56%, which is a fairly moderate level.

In the calculation, we have used an 8.6% required return as the average cost of equity (WACC), which based on the assumed debt leverage means a 9.2% return on equity. We believe the level of required return is reasonable and well justified in the current interest rate environment by the low risk profile of Admicom's business. There may still be some downside to the required rate of return if the accelerating growth that Admicom's strategy seeks is evident over the next few years. The adjacent graph illustrates the sensitivity of the DCF model to changes in the required return.

Fair value

Based on the valuation methodologies discussed above, we estimate that the fair value of Admicom is currently in the range of EUR 43-57. This is also broadly in line with our estimate of an acceptable 15x-20x multiple range applied to 2026 adjusted EBIT estimate. In the medium term, we see fair value upside potential once the company returns to an upward growth trajectory. The scenarios discussed on the previous page help to illustrate this.

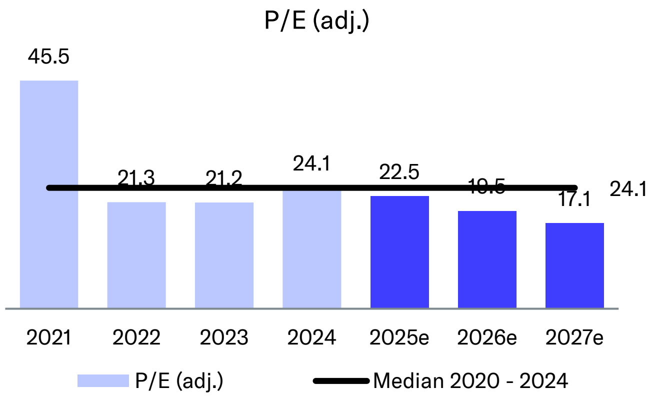


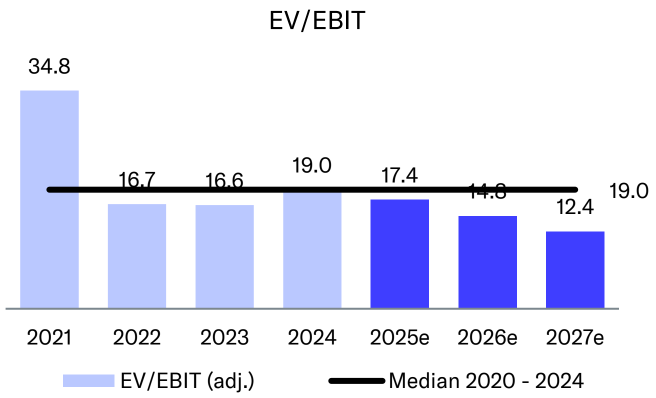
Source: Inderes

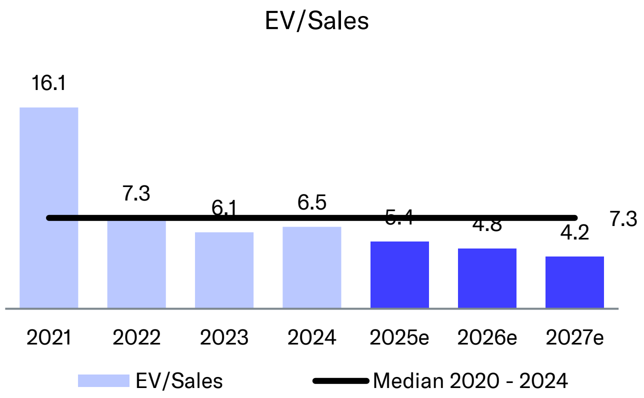
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	135.0	84.5	46.5	43.3	47.5	42.2	42.2	42.2	42.2
Number of shares, millions	4.92	4.93	4.99	4.99	4.99	5.02	5.02	5.02	5.02
Market cap	665	416	232	216	238	211	211	211	211
EV	651	400	229	210	232	202	194	185	175
P/E (adj.)	87.1	45.5	21.3	21.2	24.1	22.5	19.5	17.1	14.8
P/E	>100	51.7	29.1	34.1	40.3	42.2	32.4	26.2	21.1
P/B	29.5	13.3	7.9	7.4	7.3	6.2	5.6	5.0	4.3
P/S	30.3	16.7	7.3	6.3	6.7	5.6	5.3	4.8	4.3
EV/Sales	29.7	16.1	7.3	6.1	6.5	5.4	4.8	4.2	3.6
EV/EBITDA	65.4	33.7	16.3	16.4	19.3	17.1	14.2	11.8	9.6
EV/EBIT (adj.)	68.2	34.8	16.7	16.6	19.0	17.4	14.8	12.4	10.0
Payout ratio (%)	66.9 %	122.3 %	81.3 %	55.3 %	55.4 %	60.1 %	50.0 %	46.7 %	42.6 %
Dividend yield-%	0.7 %	2.4 %	2.8 %	1.6 %	1.4 %	1.4 %	1.5 %	1.8 %	2.0 %

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		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2026e
Lemonsoft	108	114	15.7	12.9	11.9	11.9	3.9	3.7	1%	1%	25%	29%	30%
Smartcraft	360	350	33.9	26.1	20.9	17.5	7.5	6.8	9%	10%	22%	26%	36%
LeadDesk	40	50	18.6	15.0	7.9	6.4	1.3	1.2	25%	4%	7%	8%	12%
Talenom	140	232	19.6	14.8	6.4	5.6	1.8	1.7	3%	6%	9%	11%	17%
Qt Group	806	908	19.6	15.0	17.7	13.1	4.3	3.4	2%	18%	22%	23%	41%
F-Secure	327	475	11.1	10.6	9.3	8.7	3.2	3.1	0%	1%	29%	29%	30%
Enento	360	506	12.8	12.0	11.3	10.0	3.3	3.2	2%	3%	26%	26%	30%
QPR Software	15	14			52.9	38.6	2.3	2.2	-6%	5%	-10%	-4%	0%
Lime Technologies	365	378	27.5	21.6	17.9	15.0	5.5	4.9	8%	14%	20%	23%	37%
FormPipe Software	132	130	62.9	41.6	32.9	28.3	4.4	5.4	-39%	-19%	7%	13%	-6%
Vitec Software Group	1105	1310	20.4	17.4	10.6	9.6	4.0	3.7	11%	8%	19%	21%	29%
Sinch	2390	2915	31.7	17.0	9.2	8.7	1.2	1.1	-4%	2%	4%	7%	9%
Upsales Technology	46	44	16.0	13.8	11.5	10.2	2.9	2.4	11%	18%	18%	18%	36%
Procore Technologies	9709	9152	58.4	41.7	38.5	30.0	8.2	7.3	15%	12%	14%	18%	30%
Zalaris	164	189	11.8	10.3	7.9	7.0	1.5	1.4	13%	8%	13%	14%	22%
Admicom (Inderes)	211	202	17.4	14.8	17.1	14.2	5.4	4.8	6%	7%	31%	33%	40%
Average			25.7	19.3	17.8	14.7	3.7	3.4	3%	6%	15%	17%	
Median			19.6	15.0	11.5	10.2	3.3	3.2	3%	6%	18%	18%	
Diff-% to median			-11%	-1%	49%	39%	62%	52%					

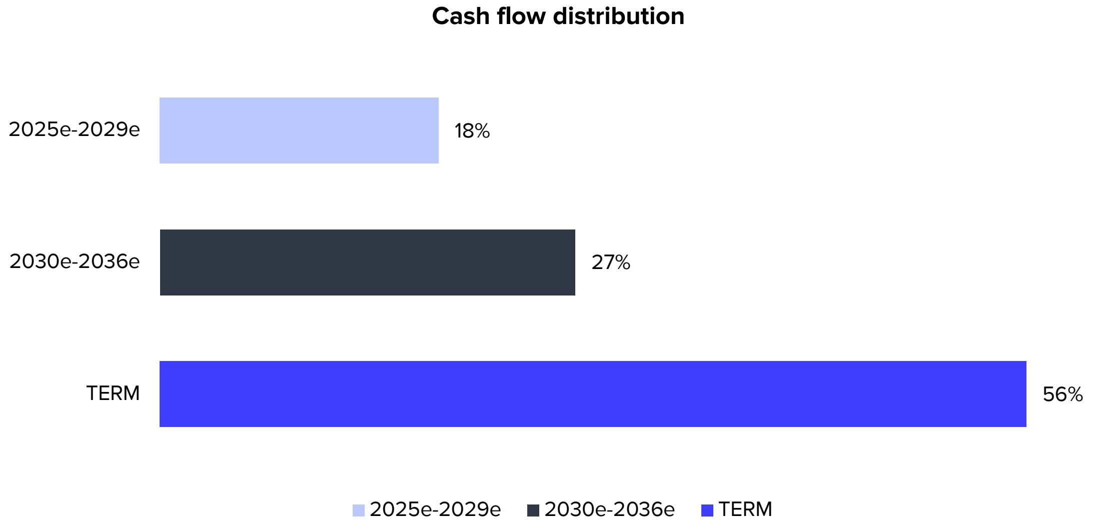
Source: Refinitiv / Inderes

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	TERM
Revenue growth-%	3.6 %	5.8 %	7.0 %	10.3 %	10.2 %	9.1 %	8.2 %	7.5 %	6.3 %	5.1 %	5.0 %	3.0 %	2.7 %	2.7 %
EBIT-%	23.2 %	19.1 %	21.9 %	24.1 %	26.8 %	30.2 %	35.5 %	35.8 %	36.1 %	36.4 %	36.7 %	37.0 %	37.5 %	37.5 %
EBIT (operating profit)	8.2	7.2	8.8	10.7	13.1	16.1	20.5	22.2	23.8	25.3	26.7	27.8	28.9	
+ Depreciation	3.8	4.6	4.8	5.0	5.1	5.2	3.3	3.4	3.5	2.0	2.0	2.3	1.4	
- Paid taxes	-2.3	-2.1	-2.2	-2.6	-3.1	-3.7	-4.5	-4.7	-5.0	-5.3	-5.6	-5.8	-6.1	
- Tax, financial expenses	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	
+ 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	0.0	0.0	
- Change in working capital	1.1	-0.4	0.2	0.4	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	
Operating cash flow	10.8	9.3	11.6	13.5	15.5	18.0	19.6	21.2	22.5	22.2	23.5	24.4	24.5	
+ Change in other long-term liabilities	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-8.8	-1.1	-1.1	-1.2	-1.2	-1.3	-1.4	-1.4	-1.5	-1.5	-1.5	-1.5	-1.6	
Free operating cash flow	2.0	8.1	10.3	12.3	14.3	16.7	18.2	19.8	21.0	20.7	21.9	22.9	22.8	
+/- Other	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	
FCFF	2.0	8.1	10.3	12.3	14.3	16.7	18.2	19.8	21.0	20.7	21.9	22.9	22.8	
Discounted FCFF		8.1	9.5	10.4	11.1	11.9	12.0	12.0	11.7	10.6	10.4	10.0	9.2	158
Sum of FCFF present value		285	277	268	257	246	234	222	210	199	188	178	168	158

Enterprise value DCF	285
- Interest bearing debt	-4.3
+ Cash and cash equivalents	9.3
-Minorities	0.0
-Dividend/capital return	-3.3
Equity value DCF	287
Equity value DCF per share	57.2

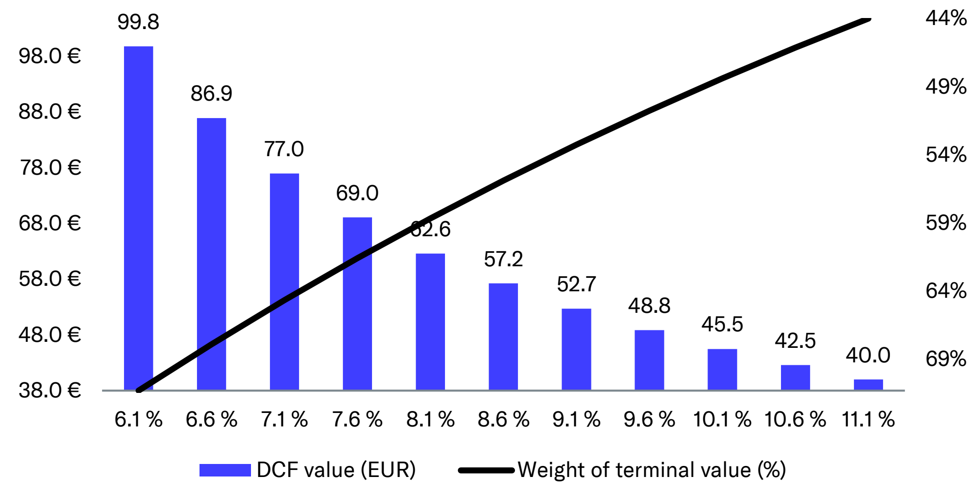
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	1.90%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.6 %



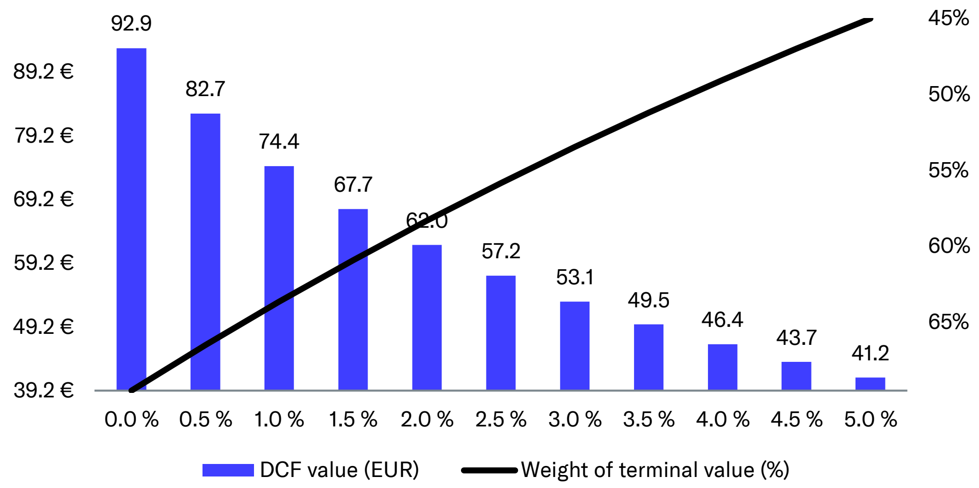
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

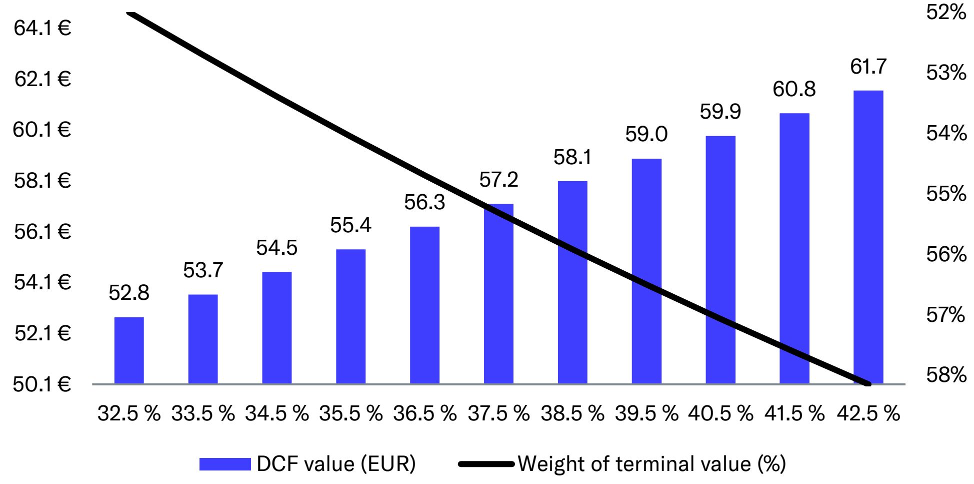
Sensitivity of DCF to changes in the WACC-%



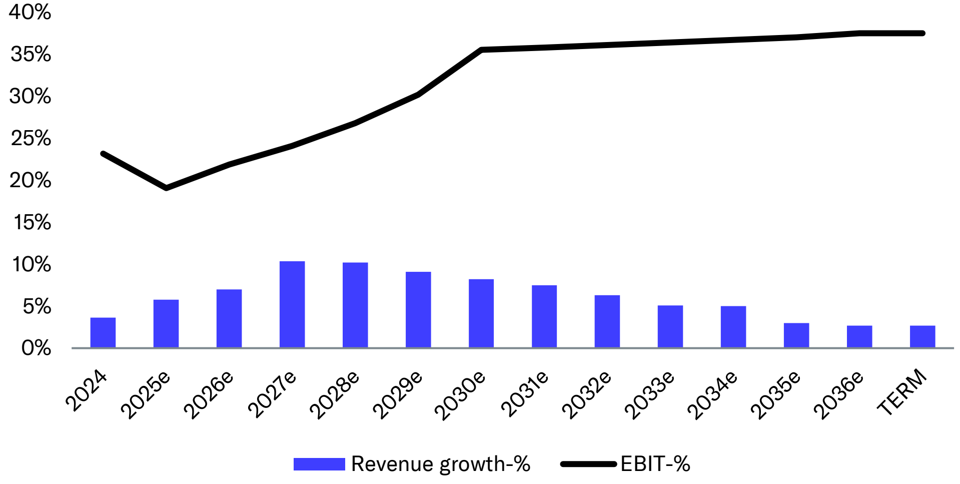
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e
Revenue	31.6	34.3	35.6	37.6	40.3
EBITDA	14.1	12.8	12.1	11.8	13.6
EBIT	10.8	8.8	8.2	7.2	8.8
PTP	10.6	8.6	8.2	7.1	8.8
Net Income	8.0	6.3	5.9	5.0	6.5
Extraordinary items	-2.9	-3.9	-4.0	-4.4	-4.3

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	49.6	38.7	43.5	40.6	44.3
Equity capital	29.5	29.3	32.6	34.3	37.8
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	-2.4	-5.8	-5.1	-9.9	-17.2

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	14.1	12.8	12.1	11.8	13.6
Change in working capital	-0.2	0.0	1.1	-0.4	0.2
Operating cash flow	11.3	10.5	10.8	9.3	11.6
CAPEX	-17.3	-0.4	-8.8	-1.1	-1.1
Free cash flow	-5.5	10.1	2.0	8.1	10.3

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	7.3	6.1	6.5	5.4	4.8
EV/EBITDA	16.3	16.4	19.3	17.1	14.2
EV/EBIT (adj.)	16.7	16.6	19.0	17.4	14.8
P/E (adj.)	21.3	21.2	24.1	22.5	19.5
P/B	7.9	7.4	7.3	6.2	5.6
Dividend-%	2.8 %	1.6 %	1.4 %	1.4 %	1.5 %

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	1.60	1.27	1.18	1.00	1.30
EPS (adj.)	2.19	2.04	1.97	1.87	2.16
OCF / share	2.27	2.11	2.17	1.86	2.31
OFCF / share	-1.10	2.03	0.39	1.62	2.06
Book value / share	5.90	5.86	6.52	6.83	7.53
Dividend / share	1.30	0.70	0.65	0.60	0.65

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	27%	9%	4%	6%	7%
EBITDA growth-%	19%	-9%	-6%	-2%	16%
EBIT (adj.) growth-%	20%	-8%	-4%	-5%	13%
EPS (adj.) growth-%	18%	-7%	-4%	-5%	15%
EBITDA-%	44.6 %	37.3 %	33.9 %	31.3 %	33.9 %
EBIT (adj.)-%	43.4 %	36.9 %	34.3 %	30.7 %	32.5 %
EBIT-%	34.2 %	25.7 %	23.2 %	19.1 %	21.9 %
ROE-%	26.2 %	21.5 %	19.0 %	15.0 %	18.1 %
ROI-%	29.2 %	23.2 %	23.5 %	20.2 %	24.4 %
Equity ratio	59.9 %	76.3 %	75.3 %	85.0 %	85.9 %
Gearing	-8.3 %	-19.9 %	-15.6 %	-28.8 %	-45.4 %

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

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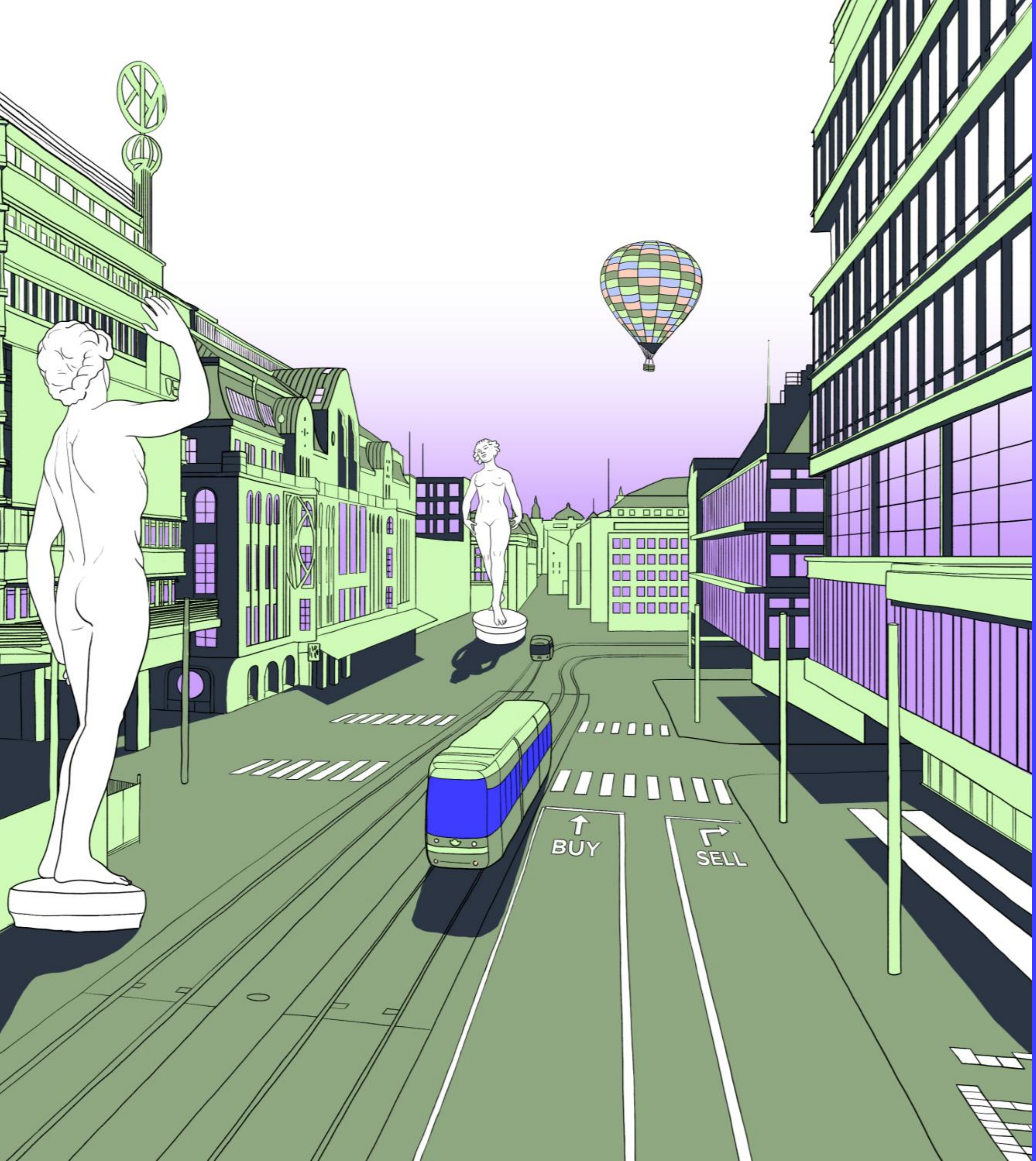
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/2/2020	Reduce	83.00 €	85.20 €
9/10/2020	Reduce	82.00 €	79.00 €
10/5/2020	Accumulate	100.00 €	91.40 €
11/23/2020	Reduce	120.00 €	126.00 €
1/18/2021	Reduce	110.00 €	118.50 €
3/22/2021	Accumulate	100.00 €	91.00 €
4/6/2021	Reduce	95.00 €	97.00 €
7/5/2021	Reduce	95.00 €	92.50 €
8/4/2021	Reduce	95.00 €	92.80 €
10/5/2021	Reduce	95.00 €	95.40 €
12/1/2021	Accumulate	87.00 €	78.50 €
1/24/2022	Accumulate	80.00 €	70.90 €
4/5/2022	Accumulate	77.00 €	65.20 €
6/22/2022	Buy	63.00 €	49.70 €
7/7/2022	Buy	65.00 €	53.90 €
9/5/2022	Accumulate	65.00 €	58.60 €
10/4/2022	Accumulate	55.00 €	47.00 €
1/16/2023	Accumulate	52.00 €	46.60 €
1/31/2023	Buy	52.00 €	43.10 €
3/17/2023	Buy	52.00 €	42.35 €
4/6/2023	Buy	52.00 €	40.25 €
7/6/2023	Buy	52.00 €	40.05 €
9/28/2023	Buy	45.00 €	33.00 €
10/6/2023	Buy	45.00 €	33.40 €
12/14/2023	Accumulate	48.00 €	43.65 €
1/22/2024	Accumulate	45.00 €	39.80 €
4/11/2024	Accumulate	48.00 €	43.05 €
6/4/2024	Accumulate	52.00 €	47.00 €
6/18/2024	Accumulate	52.00 €	46.65 €
7/10/2024	Accumulate	55.00 €	49.05 €
10/10/2024	Accumulate	58.00 €	53.00 €
12/4/2024	Accumulate	60.00 €	48.30 €
1/24/2025	Accumulate	60.00 €	51.60 €
4/10/2025	Accumulate	55.00 €	46.35 €
7/9/2025	Reduce	55.00 €	53.40 €
8/5/2025	Accumulate	55.00 €	46.95 €
10/10/2025	Accumulate	55.00 €	45.95 €
11/25/2025	Buy	55.00 €	42.85 €
12/19/2025	Buy	55.00 €	42.15 €



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