

TOKMANNI GROUP

3/9/2026 11:25 am EET

This is a translated version of "Dollarstoren käänne kestääkin pidempään" report, published on 3/9/2026



Arttu Heikura
358400828098
arttu.heikura@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT



Dollarstore turnaround is taking longer than expected

Tokmanni's Q4 report was somewhat subdued overall, even though the company managed to improve its earnings. The turnaround of Dollarstore, key expected return driver for Tokmanni, is taking longer than anticipated. Considering the stock's neutral valuation and the uncertainty related to the earnings turnaround, we believe Tokmanni's risk/reward ratio is weak. Thus, we lower our recommendation to Reduce (previously Accumulate). At the same time, the target price falls to EUR 7.5 (was EUR 9.0) in line with the lowered forecasts.

The Group's result improved slightly

Tokmanni's revenue grew by 3% due to the expansion of Dollarstore's store network. Customer traffic across the Group was sluggish in comparable stores, which also negatively impacted their sales. In our view, this was a negative driver for the Group's profitability, especially for the Dollarstore segment. The company managed to turn the profitability of the Tokmanni segment upwards due to strict cost control. Overall, the Group's adjusted EBIT increased by 2% to 48 MEUR, which was slower than revenue growth. The company proposed a dividend of EUR 0.34 per share, in line with the comparison period, with the distribution of the second half conditional on a separate board decision. Overall, the size of the profit distribution indicates uncertainty related to the 2026 earnings development.

Guidance implies earnings growth

Tokmanni expects its revenue to be 1,780-1,860 MEUR (2025: 1,728 MEUR) and adjusted EBIT to be 85-105 MEUR (2025: 85 MEUR) in 2026. According to the company, the key drivers for earnings growth are Dollarstore's turnaround, the Tokmanni segment's strong H1 performance (easy comparables), and the assumption of improving domestic consumption. We made negative forecast revisions based on the Q4 report, as our previous interpretation of Dollarstore's Q4 turnaround proved incorrect. Currently, we expect Dollarstore's earnings to increase slightly in 2026 (easier comparables) and improve significantly in

2027 (turnaround). Therefore, our adjusted EBIT estimate (91 MEUR excluding PPA amortizations) is below the midpoint of the guidance. We emphasize that the uncertainty related to the earnings turnaround is high, which is also a significant risk factor for our earnings growth forecast.

We consider valuation to be neutral; limits expected return

From a P/E ratio perspective (2026e 11x), the stock appears cheap, but the EV/EBIT multiple (2026e 14x and 12x when adjusted for IFRS 16 items), which accounts for the balance sheet, is at best neutral or slightly elevated. The discrepancy in the multiples is explained by Tokmanni's elevated net debt and, in particular, large lease liabilities. We do not expect a significant change in net debt, as the free cash flow generated by the company is partly used to finance growth, i.e., working capital, and also for dividend distribution. For this reason, we believe the P/E ratio should be low in absolute terms. We believe Tokmanni's valuation multiples are neutral compared to its key Finnish peers, which limits the stock's return potential. The limited upside of the DCF value of EUR 7.7 also reflects a neutral valuation and that Dollarstore's medium-term earnings turnaround is already priced into the current share price. For an investor who believes in a rapid turnaround for Dollarstore, the share price decline could offer a good buying opportunity, but we see the associated risks as elevated, which limits the stock's short-term positive price drivers. This is highlighted by the fact that Dollarstore's turnaround is still ongoing (management would have mentioned this in connection with the Q4 results, and the 2025 dividend proposal would likely have been higher), meaning that a continued decline in comparable store customer numbers in H1 cannot be ruled out. Without the stabilization of customer numbers in mature stores, it is likely that Dollarstore's profitability will continue to decline, even though the comparable figures for 2026 are "easier." So far, the evidence suggests a slower turnaround for Dollarstore, which is why we believe that investors can join the story later with a more attractive risk/reward ratio.

Recommendation

Reduce

(was Accumulate)

Target price:

EUR 7.50

(was EUR 9.00)

Share price:

EUR 7.09

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	1728.5	1807.2	1894.0	1961.5
growth-%	3%	5%	5%	4%
EBIT adj.	84.1	91.0	101.2	110.1
EBIT-% adj.	4.9 %	5.0 %	5.3 %	5.6 %
Net Income	36.3	36.3	44.4	51.5
EPS (adj.)	0.63	0.67	0.81	0.93
P/E (adj.)	12.3	10.5	8.7	7.6
P/B	1.6	1.4	1.3	1.2
Dividend yield-%	4.4 %	5.6 %	7.1 %	8.5 %
EV/EBIT (adj.)	15.9	14.2	12.8	11.8
EV/EBITDA	6.2	5.8	5.4	5.2
EV/S	0.8	0.7	0.7	0.7

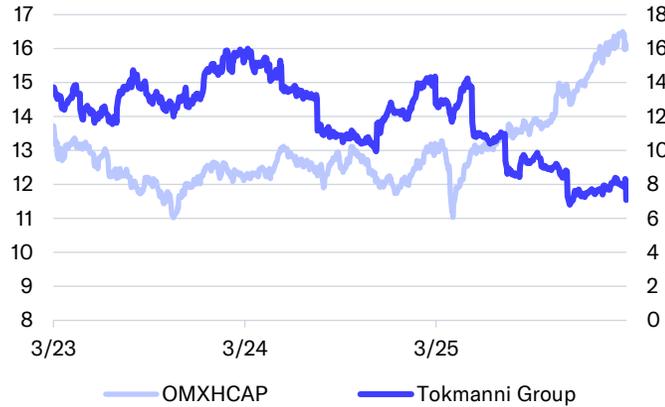
Source: Inderes

Guidance

(New guidance)

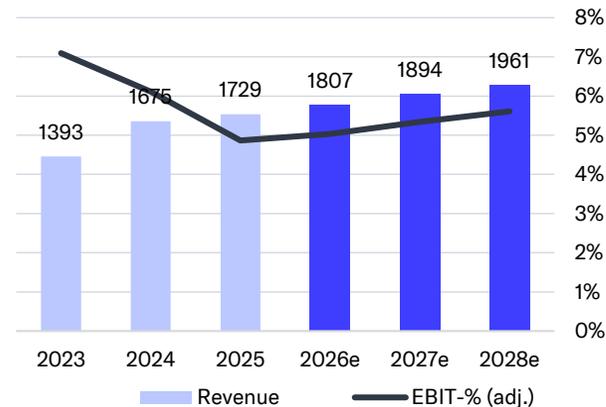
In 2025, Tokmanni expects its revenue to be 1,780-1,860 MEUR (2025: 1,728 MEUR) and comparable EBIT to be 85-105 MEUR (2025: 85 MEUR).

Share price



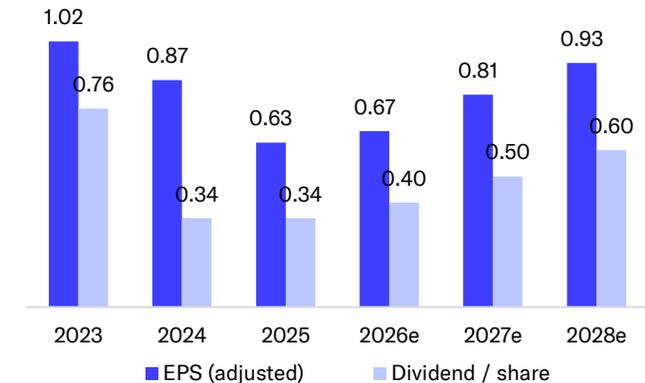
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Dollarstore and internationalization
- New store openings
- Increase in private label share
- Smart buying becoming more popular
- Economies of scale through volumes, e.g., in purchasing and negotiating lease terms
- Exploiting own online store as a potential platform for third party products

Risk factors

- Tighter competition and new international challengers
- Failure in acquisitions or international expansion
- Dependence on central stocks
- Reputation and price impression risks
- Disruptions in product availability and sector's dependence on manufacturing in the Far East
- Escalation of the trade war could slow economic growth and increase inflation

Valuation	2026e	2027e	2028e
Share price	7.09	7.09	7.09
Number of shares, millions	58.5	58.5	58.5
Market cap	415	415	415
EV	1291	1292	1296
P/E (adj.)	10.5	8.7	7.6
P/E	11.4	9.3	8.1
P/B	1.4	1.3	1.2
P/S	0.2	0.2	0.2
EV/Sales	0.7	0.7	0.7
EV/EBITDA	5.8	5.4	5.2
EV/EBIT (adj.)	14.2	12.8	11.8
Payout ratio (%)	64.6 %	65.9 %	68.2 %
Dividend yield-%	5.6 %	7.1 %	8.5 %

Source: Inderes

Our interpretation of Dollarstore's turnaround proved to be wrong

Growth driven by new stores

Tokmanni Group's Q4 revenue grew by 3% to 511 MEUR. In Finland, sales in the Tokmanni segment remained at the comparison period's level, while comparable store revenue decreased by two percent. Like-for-like customer numbers remained unchanged, meaning the negative revenue development is explained by a decrease in the average purchase. In our view, the average purchase amount has decreased due to consumer uncertainty and a tight competitive environment. Dollarstore segment sales, on the other hand, grew by 12%. Sales growth was boosted by new store openings and the strengthening of the Swedish krona. Negative developments for Dollarstore included a decline in comparable store revenue (-1%) and a decrease in customer numbers (-4%), which continued from the previous quarter. In our view, this indicates that the company's customers have not yet adopted Dollarstore's changed concept.

The earnings improvement remained very marginal

The Group's Q4 adjusted EBIT improved marginally to 48.2 MEUR (Q4'24: 47.5 MEUR). The Tokmanni segment's result improved in line with our expectations. The segment's strong earnings performance was supported by an improved gross margin and lower fixed costs due to cost-saving measures. The Dollarstore segment's result, in turn, weakened (Q4'25 8 MEUR vs. Q4'24 11 MEUR), which was a disappointment for us (Inderes Q4'25e 13 MEUR). The trend remained unchanged from the previous quarter; despite strong revenue growth and positive gross margin development, high fixed costs weighed on earnings. We estimate that high fixed costs are due to both new store openings and the weak performance of like-for-like stores. According to the company, the concept change process has also had a negative impact on costs. To turn around the Dollarstore segment's earnings performance, it would be crucial to get customer numbers in comparable stores

back to growth, which would strongly scale to the bottom line.

The balance sheet position improved in a seasonally strong quarter

Driven by a reasonable earnings performance, Tokmanni's cash flow improved to 140 MEUR (2024: 89 MEUR), of which free cash flow amounted to 8 MEUR (2024: -46 MEUR) in 2025. In the comparison period, free cash flow development was weighed down by significantly increased inventory levels due to seasonal preparations. The Group's balance sheet position improved slightly (IFRS 16 adj. net debt/EBITDA 2.7x vs. Q3'25: 3.6x), but still remained above the company's own target level (2.25x). However, we want to point out to investors that Q4 is always the strongest quarter of the year in terms of cash flow, and Q1 is the weakest. We estimate that indebtedness may take a step backward in Q1, even if the rolling development is moving in the right direction.

Estimates MEUR / EUR	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Difference (%)	2025
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	497	511	524	519	-	-	-3%	1728
EBIT (adj.)	47.5	48.2	52.4	49.4	-	-	-8%	84.8
PTP	36.7	38.2	41.4	39.2	-	-	-8%	45.5
EPS (reported)	0.50	0.52	0.56	0.50	-	-	-8%	0.62
DPS	0.34	0.34	0.40	0.33	-	-	-15%	0.34
Revenue growth-%	5.5 %	2.8 %	5.5 %	4.5 %	-	-	-2.7 pp	3.2 %
EBIT-% (adj.)	9.6 %	9.4 %	10.0 %	9.5 %	-	-	-0.6 pp	4.9 %

Source: Inderes & Bloomberg (consensus, 8 forecasts)

We expect Dollarstore to achieve a clear turnaround next year

The guidance indicates stable or growing earnings

Tokmanni expects its revenue to be 1,780-1,860 MEUR (2025: 1,728 MEUR) and adjusted EBIT to be 85-105 MEUR (2025: 85 MEUR) in 2026. According to the company, the key drivers for earnings growth are Dollarstore's turnaround, the Tokmanni segment's strong H1 performance, and the assumption that Finnish consumption will increase.

We slashed our estimates

We lowered our earnings forecasts due to several reasons, including weaker-than-expected Q4 results and guidance. However, the forecast reduction is primarily due to our incorrect interpretation of Dollarstore's improved profitability in Q4. There was no improvement in earnings, and the Dollarstore segment's customer traffic continued to decline. Nor did we find confirmation that a turn for the better had yet occurred, meaning it is likely still a work in progress. We believe there is significant risk associated with the

turnaround, and we do not expect the company to significantly improve Dollarstore's results during 2026. For the reasons mentioned above, we lowered our EPS estimates for the coming years by ~20%.

We expect Dollarstore to turn around in 2027

Our starting point for our 2026 forecasts is that Tokmanni will succeed in turning its earnings to a slight increase, especially domestically. We expect the Tokmanni segment's result to increase, driven by slight revenue growth and cost-saving measures. For the Dollarstore segment, we still expect a weak H1, driven primarily by our forecast of declining customer numbers. We expect development to improve in H2, which is why we estimate the Dollarstore segment's earnings to increase slightly from 2025. Our estimates see earnings growth continuing in 2027 and accelerating in 2028. Our 2027-28 forecasts are based on assumptions of a turnaround in Dollarstore's older stores and an improving operating environment in Finland.

Evidence argues against a rapid turnaround

A key risk to our forecasts is the earnings improvement we project for Dollarstore. Customer flows have recently been negative due to changes made to the selection. We believe that such changes are not easy for customer satisfaction, and we estimate that their implementation could take several years. Thus, we cannot guarantee that Dollarstore's earnings will turn to clearer growth even in 2027.

In addition, geopolitical tensions and the threat of inflation are key risks to consumer confidence. The recovery of Finnish consumption, in particular, currently appears to hinge on consumer confidence, which the aforementioned factors may impede.

If Tokmanni manages to turn Dollarstore around already this year, there would be clear upward pressure on our forecasts, meaning there are also upside risks to our estimates.

Estimate revisions	2025	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	1742	1729	-1%	1835	1807	-2%	1937	1894	-2%
EBIT (exc. NRIs)	89	84	-5%	101	91	-10%	115	101	-12%
EBIT	88	84	-5%	98	88	-11%	112	98	-12%
PTP	49	46	-7%	56	45	-19%	71	54	-23%
EPS (excl. NRIs)	0.68	0.63	-8%	0.81	0.67	-17%	1.03	0.81	-21%
DPS	0.40	0.34	-15%	0.53	0.40	-25%	0.69	0.50	-27%

Source: Inderes

We consider the valuation to be neutral

The overall valuation is neutral

From a P/E ratio perspective (2026e 11x), the stock appears reasonably cheap, but the EV/EBIT ratio (2026e 14x), which accounts for the balance sheet, is slightly elevated. The EV/EBIT multiple, adjusted for IFRS 16 items, decreases to about 12x, which we believe still leaves no upside for the stock. The EV/EBIT multiple only falls to attractive levels with 2027-2028 earnings, which include Dollarstore's earnings turnaround in our forecasts.

The EV-based valuation reflects Tokmanni's high net debt, both in absolute terms (2025: 890 MEUR or 250 MEUR excluding IFRS 16 items) and relative terms (2025 net debt/EBITDA: 4.1x or 2.7x excluding IFRS 16 items), which we believe will limit the upside potential of the P/E multiple. In our opinion, the P/E ratio should be absolutely low at the moment, especially considering the company's business value creation potential, which has significantly weakened due to an inflated balance sheet and weakened earnings, based on the return on capital figures. If the company's net debt were to decrease significantly, it would be a positive driver for the share price. In practice, a larger share of the existing enterprise value would then belong to the shareholders. However, we do not expect Tokmanni's net debt to decrease significantly, as lease liabilities will continue to grow due to the expanding store network. A reduction in net debt would require significant repayment of interest-bearing debt or a more robust cash position, which we believe the company's cash flow generation capacity will not achieve in the coming years. This is because part of the cash goes to financing working capital and paying dividends. Any potential share price increase will therefore depend on operational earnings improvement, as an

increase in valuation multiples does not support the return expectation, at least in the short term, due to uncertainty related to the earnings turnaround.

Share is correctly priced relative to peers

The peer group of retail companies is valued at around 16-15x P/E and 16-14x EV/EBIT (2026-27e). Tokmanni is priced at a discount to its peers (P/E ~40% and EV/EBIT ~10% discount). It should be noted that when comparing EV/EBIT multiples, it is best to consider IFRS 16 adjustments. Due to data source limitations, we only have these multiples for the companies we cover. For example, Puuilo's (12x), Kesko's (16x), and Verkkokauppa.com's (9x) adjusted 2026e EV/EBIT ratios are in the same range as Tokmanni's (12x). For example, we see no reason why Tokmanni should be valued at a higher multiple than Puuilo, as we believe Puuilo's growth outlook is better and involves less uncertainty. In addition, Puuilo's capital returns are clearly higher than Tokmanni's. For these reasons, we consider Tokmanni's valuation relative to key peers to be rather neutral, which reinforces our overall view of the stock's neutral pricing.

DCF reflects loaded share price expectations

Our DCF model indicates a value of approximately 453 MEUR for the company's shares, or EUR 7.7 per share. This is slightly above the share price, but the upside is limited, which in our view reflects a neutral valuation for the stock. The DCF model includes an assumption of Dollarstore's turnaround and the Group's profitability recovering to 7% in the long term (2025: 4.9%). For comparison, Tokmanni last achieved a profitability of over 7% in 2022, when Dollarstore was not yet part of the Group.

Valuation	2026e	2027e	2028e
Share price	7.09	7.09	7.09
Number of shares, millions	58.5	58.5	58.5
Market cap	415	415	415
EV	1291	1292	1296
P/E (adj.)	10.5	8.7	7.6
P/E	11.4	9.3	8.1
P/B	1.4	1.3	1.2
P/S	0.2	0.2	0.2
EV/Sales	0.7	0.7	0.7
EV/EBITDA	5.8	5.4	5.2
EV/EBIT (adj.)	14.2	12.8	11.8
Payout ratio (%)	64.6 %	65.9 %	68.2 %
Dividend yield-%	5.6 %	7.1 %	8.5 %

Source: Inderes

Opportunity for good returns for risk-takers

Pricing is approaching book value

The stock's P/B ratio has decreased over the years from 5x during the COVID-19 period to 1.6x for 2025. With our earnings growth expectations, the valuation will decrease to around 1.3x in the coming years, thus approaching the book value. However, it is important to note the company's weakened capital efficiency in the metrics. In 2021, return on equity was 35%, from which it has decreased to 13% in 2025. The return on equity has thus declined to around the required return (10.4%), which in our view justifies a lower P/B ratio. Thus, we do not see grounds for an increase in the P/B ratio until the company demonstrates Dollarstore's true earnings power and a sustainable increase in customer numbers. It is also essential to note that the goodwill allocated to the Dollarstore business is approximately 80 MEUR, and continued weak performance of the concept could increase the risk of goodwill write-downs. Currently, the price paid for Dollarstore (2025 EV/EBIT >100x) appears very high, which the stock market seems to have partially written down already.

Share price offers potential, but there is still significant uncertainty regarding a sustainable earnings level

We recognize that the stock has significant upside potential in the long term if the company can achieve an earnings turnaround. This is illustrated by the EV/S multiple, which is around 0.7x, and which we believe would have upside potential if the earnings turnaround materializes. If the company can raise its profitability to a 7% level, we believe an EV/S multiple of around 1x would be a fair valuation multiple. The pricing, which is also around the book value, suggests that the bottom is approaching. However, we

estimate that the upside would require an improvement in capital returns (i.e., rapid earnings growth) and no write-downs in Dollarstore's balance sheet value.

We estimate that 2026 will be spent addressing Dollarstore's key issues. In addition, the change in management during the summer introduces a discontinuity, which may cause delays in resolving earnings issues and uncertainty regarding Tokmanni's (especially the Dollarstore segment's) future vision. Although pilot stores under the new concept (i.e., those opened in new locations) have performed well according to management, we believe the continued decline in customer traffic at Dollarstore's like-for-like stores is a significant warning sign. In our opinion, without an increase in customer numbers at mature stores, the business's earnings potential will remain weak, as long-term efficiency improvements in the retail sector are achieved through revenue growth in the existing network. If this negative scenario materializes, we believe there would still be downside in the current share price.

In our view, the situation could present a good buying opportunity for a risk-tolerant investor who believes in Tokmanni's internationalization story. In our opinion, the risks related to Dollarstore's earnings turnaround are significant, especially in the short term, and it is possible that earnings may need to find a bottom at levels even lower than our forecasts. For this reason, we will wait for signs of a sustainable earnings turnaround at Dollarstore before taking a stronger view on the stock.

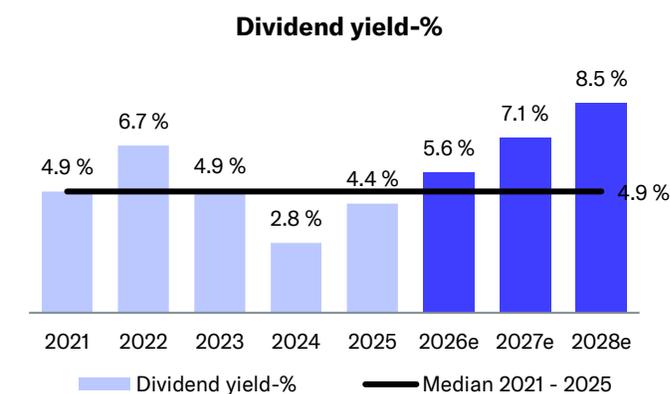
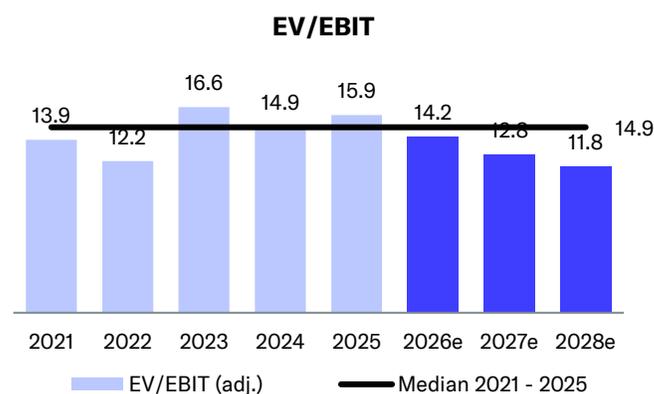
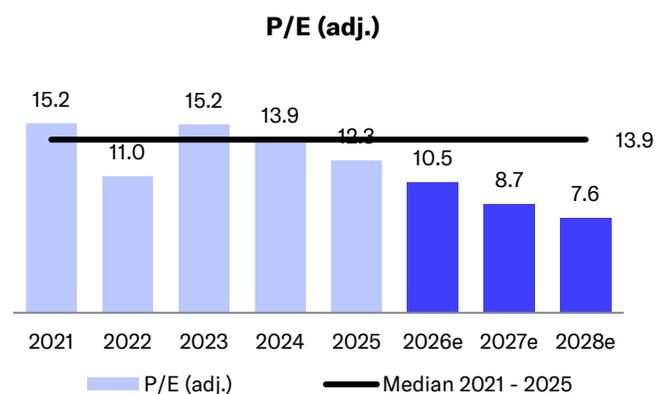
Valuation	2026e	2027e	2028e
Share price	7.09	7.09	7.09
Number of shares, millions	58.5	58.5	58.5
Market cap	415	415	415
EV	1291	1292	1296
P/E (adj.)	10.5	8.7	7.6
P/E	11.4	9.3	8.1
P/B	1.4	1.3	1.2
P/S	0.2	0.2	0.2
EV/Sales	0.7	0.7	0.7
EV/EBITDA	5.8	5.4	5.2
EV/EBIT (adj.)	14.2	12.8	11.8
Payout ratio (%)	64.6 %	65.9 %	68.2 %
Dividend yield-%	5.6 %	7.1 %	8.5 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	19.7	11.3	15.4	12.1	7.73	7.09	7.09	7.09	7.09
Number of shares, millions	58.9	58.9	58.8	58.8	58.5	58.5	58.5	58.5	58.5
Market cap	1157	665	907	713	453	415	415	415	415
EV	1471	1048	1638	1529	1339	1291	1292	1296	1297
P/E (adj.)	15.2	11.0	15.2	13.9	12.3	10.5	8.7	7.6	6.7
P/E	14.8	11.3	16.8	14.6	12.5	11.4	9.3	8.1	7.0
P/B	4.7	2.7	3.4	2.7	1.6	1.4	1.3	1.2	1.1
P/S	1.0	0.6	0.7	0.4	0.3	0.2	0.2	0.2	0.2
EV/Sales	1.3	0.9	1.2	0.9	0.8	0.7	0.7	0.7	0.6
EV/EBITDA	8.4	6.7	8.6	6.7	6.2	5.8	5.4	5.2	4.9
EV/EBIT (adj.)	13.9	12.2	16.6	14.9	15.9	14.2	12.8	11.8	10.9
Payout ratio (%)	72.5 %	76.1 %	82.8 %	41.0 %	54.8 %	64.6 %	65.9 %	68.2 %	70.0 %
Dividend yield-%	4.9 %	6.7 %	4.9 %	2.8 %	4.4 %	5.6 %	7.1 %	8.5 %	4.9 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Europris ASA	1337	1727	12.7	10.6	7.3	6.5	1.2	1.2	14.7	12.0	4.6	5.0	3.1
Bygghmax Group AB	332	520	14.8	13.3	5.6	5.4	0.9	0.8	14.6	12.6	3.5	4.0	1.3
Clas Ohlson AB	2196	2275	16.4	14.9	11.0	10.1	2.0	1.8	20.3	18.5	2.5	2.7	7.9
Axfood AB	6525	7897	20.1	18.6	10.1	9.4	0.9	0.9	24.2	22.0	3.0	3.1	8.2
Dollar General Corp	27815	31178	17.0	15.8	11.4	10.7	0.9	0.8	22.4	20.4	1.6	1.7	3.8
Kesko Oyj	8017	11452	16.3	15.0	8.7	8.1	0.9	0.9	17.1	15.3	4.8	5.3	2.8
Musti Group Oyj	606	812	13.1	13.8	7.8	7.2	1.6	1.4	13.5		5.0		2.4
B&M European Value Retail	2087	4748	10.1	9.4	5.7	5.4	0.7	0.7	9.0	8.1	5.2	6.1	2.2
Puulo Oyj	993	1100	19.8	12.9	11.3	10.1	2.5	2.2	17.5	15.8	4.7	5.3	10.0
Verkkokauppa.com Oyj	159	153	9.1	8.2	6.5	5.9	0.3	0.3	13.3	11.6	5.5	6.2	3.7
Kamux Oyj	69	103	10.5	7.8	3.9	3.6	0.1	0.1	13.3	8.7	3.5	5.0	0.6
Rusta	1120	1633	17.8	15.6	8.8	7.9	1.4	1.3	20.2	16.5	2.5	3.0	4.6
Tokmanni Group (Inderes)	415	1291	14.2	12.8	5.8	5.4	0.7	0.7	10.5	8.7	5.6	7.1	1.4
Average			14.8	13.0	8.2	7.5	1.1	1.0	16.7	14.7	3.9	4.3	4.2
Median			15.5	13.5	8.2	7.6	0.9	0.9	15.9	15.3	4.0	5.0	3.4
Diff-% to median			-9%	-6%	-30%	-28%	-20%	-20%	-34%	-43%	41%	42%	-60%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1675	342	443	433	511	1729	356	457	459	535	1807	1894	1961	2032
Group	-1.2	0.0	-0.3	-0.9	-1.8	-3.0	0.0	-0.5	-1.0	-1.8	-3.3	-3.8	-4.3	-4.8
Tokmanni	1234	243	322	315	364	1244	249	329	325	374	1276	1316	1343	1370
Dollarstore	442	99.2	121	119	149	488	107	129	135	164	534	582	623	667
EBITDA	228	20.5	53.5	60.7	82.4	217	22.7	57.8	61.1	82.3	224	238	251	265
Depreciation	-127.7	-32.9	-33.2	-33.2	-34.3	-133.6	-34.0	-34.0	-34.0	-34.0	-136.0	-140.2	-144.6	-148.4
EBIT (excl. NRI)	102	-11.6	21.4	26.0	48.3	84.1	-10.5	24.6	27.9	49.1	91.0	101	110	119
EBIT	99.9	-12.4	20.3	27.5	48.1	83.5	-11.3	23.8	27.1	48.3	87.8	98.0	107	116
Group	-3.1	-0.9	-1.1	-1.1	-1.0	-4.1	-1.0	-1.1	-1.1	-1.0	-4.2	-4.3	-4.4	-4.5
Tokmanni	87.8	-3.7	20.1	27.2	40.9	84.5	-1.9	23.7	26.4	39.7	87.9	92.4	97.9	103
Dollarstore	14.8	-7.8	1.3	1.4	8.2	3.1	-8.4	1.2	1.7	9.6	4.1	9.9	13.4	17.7
Net financial items	-38.8	-8.7	-9.8	-9.6	-9.9	-38.0	-10.0	-10.5	-11.0	-11.0	-42.5	-43.5	-43.7	-43.9
PTP	61.1	-21.1	10.5	17.9	38.2	45.5	-21.3	13.3	16.1	37.3	45.3	54.4	63.1	72
Taxes	-12.3	2.5	-0.3	-3.6	-7.9	-9.2	4.3	-2.7	-3.2	-7.5	-9.1	-10.0	-11.6	-13.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	48.8	-18.6	10.2	14.3	30.3	36.3	-17.1	10.7	12.8	29.8	36.3	44.4	51.5	59.0
EPS (adj.)	0.87	-0.30	0.19	0.22	0.52	0.63	-0.28	0.20	0.23	0.52	0.67	0.81	0.93	1.06
EPS (rep.)	0.83	-0.32	0.17	0.24	0.52	0.62	-0.29	0.18	0.22	0.51	0.62	0.76	0.88	1.01

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	20.3 %	0.8 %	4.8 %	4.0 %	2.8 %	3.2 %	4.1 %	3.2 %	5.9 %	4.8 %	4.6 %	4.8 %	3.6 %	3.6 %
Adjusted EBIT growth-%	3.6 %	170%	-24.9 %	-14.2 %	1.0 %	-17.8 %	-9.1 %	15.1 %	7.1 %	1.6 %	8.2 %	11.2 %	8.8 %	8.5 %
EBITDA-%	13.6 %	6.0 %	12.1 %	14.0 %	16.1 %	12.6 %	6.4 %	12.6 %	13.3 %	15.4 %	12.4 %	12.6 %	12.8 %	13.0 %
Adjusted EBIT-%	6.1 %	-3.4 %	4.8 %	6.0 %	9.5 %	4.9 %	-3.0 %	5.4 %	6.1 %	9.2 %	5.0 %	5.3 %	5.6 %	5.9 %
Net earnings-%	2.9 %	-5.4 %	2.3 %	3.3 %	5.9 %	2.1 %	-4.8 %	2.3 %	2.8 %	5.6 %	2.0 %	2.3 %	2.6 %	2.9 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	901	962	983	1004	1023
Goodwill	217	221	221	221	221
Intangible assets	42.4	42.2	39.0	36.1	33.5
Tangible assets	639	697	721	745	767
Associated companies	0.3	0.4	0.4	0.4	0.4
Other investments	0.2	0.0	0.0	0.0	0.0
Other non-current assets	1.7	1.8	1.8	1.8	1.8
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	476	534	571	601	594
Inventories	428	425	434	455	471
Other current assets	2.4	0.0	0.0	0.0	0.0
Receivables	29.1	39.8	36.1	37.9	39.2
Cash and equivalents	15.9	69.4	102	108	84.1
Balance sheet total	1376	1496	1554	1605	1617

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	263	286	302	323	345
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	151	168	184	205	227
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	112	118	118	118	118
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	717	825	892	899	879
Deferred tax liabilities	10.3	8.7	8.7	8.7	8.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	703	813	880	887	867
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	3.8	3.3	3.3	3.3	3.3
Current liabilities	397	385	360	383	393
Interest bearing debt	130	143	97.8	98.5	98.5
Payables	267	242	262	284	294
Other current liabilities	0.3	0.0	0.0	0.0	0.0
Balance sheet total	1376	1496	1554	1605	1617

DCF calculation

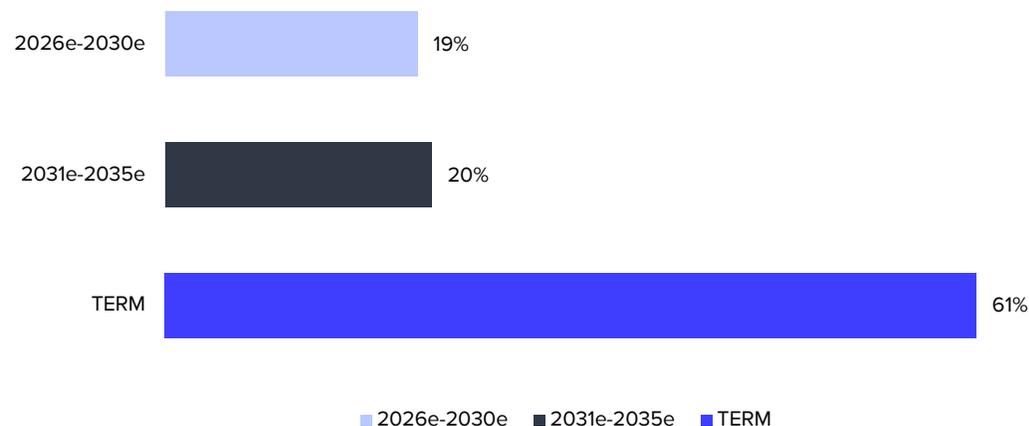
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	3.2 %	4.6 %	4.8 %	3.6 %	3.6 %	3.5 %	3.5 %	3.5 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	4.8 %	4.9 %	5.2 %	5.4 %	5.7 %	6.0 %	7.0 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %
EBIT (operating profit)	83.5	87.8	98.0	107	116	126	152	158	162	156	160	
+ Depreciation	134	136	140	145	148	144	149	153	156	159	162	
- Paid taxes	-10.8	-9.1	-10.0	-11.6	-13.3	-15.1	-19.9	-20.9	-21.8	-20.6	-21.3	
- Tax, financial expenses	-7.7	-8.5	-8.0	-8.0	-8.1	-8.1	-8.1	-8.1	-8.1	-8.1	-8.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-29.5	14.7	-0.5	-7.4	-7.7	-7.8	-8.1	-8.4	-7.4	-7.7	-6.7	
Operating cash flow	169	221	220	224	235	240	265	273	281	279	287	
+ Change in other long-term liabilities	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-195	-157	-162	-164	-166	-168	-170	-172	-174	-176	-163	
Free operating cash flow	-26.3	64.1	58.2	60.8	70.0	72.1	95.5	101	108	104	123	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-26.3	64.1	58.2	60.8	70.0	72.1	95.5	101	108	104	123	1923
Discounted FCFF		59.7	49.7	47.6	50.2	47.4	57.5	56.0	54.5	48.1	52.4	817
Sum of FCFF present value		1340	1280	1231	1183	1133	1086	1028	972	918	869	817
Enterprise value DCF		1340										
- Interest bearing debt		-955.9										
+ Cash and cash equivalents		69.4										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		454										
Equity value DCF per share		7.7										

WACC

Tax-% (WACC)	18.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.1 %

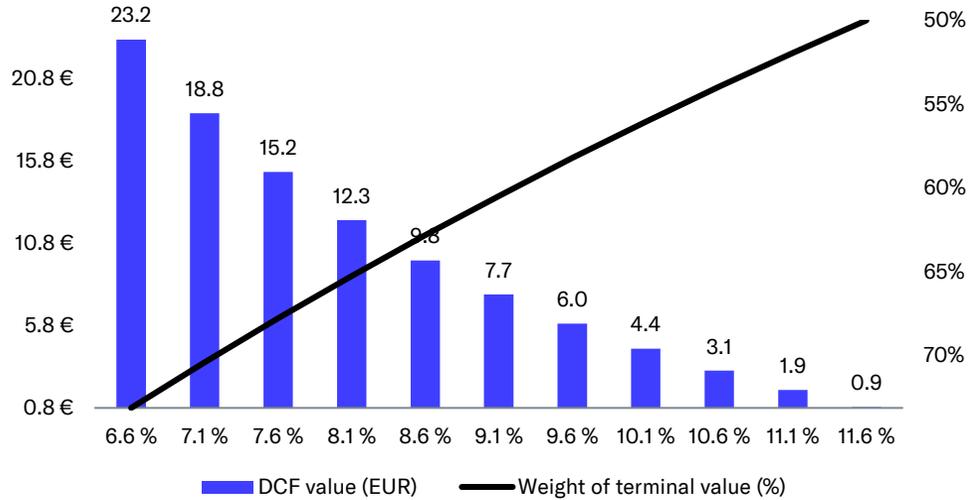
Source: Inderes

Cash flow distribution

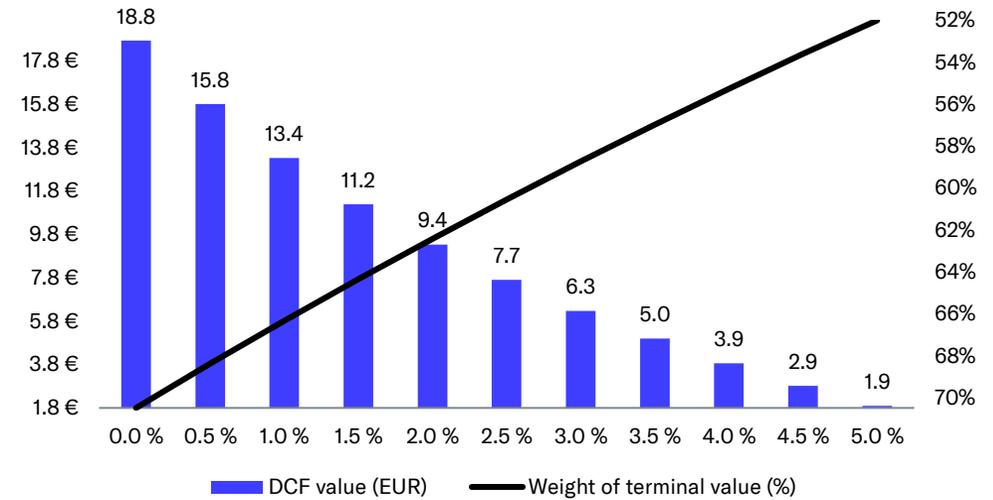


DCF sensitivity calculations and key assumptions in graphs

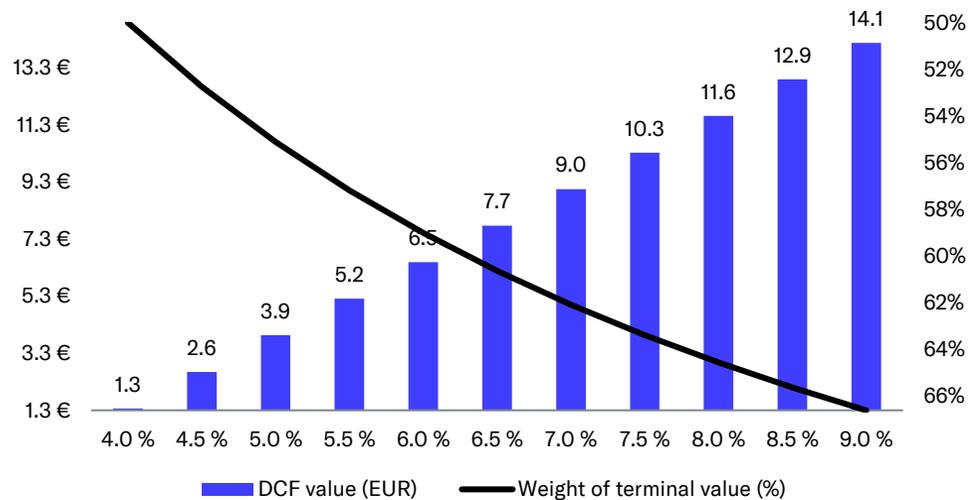
Sensitivity of DCF to changes in the WACC-%



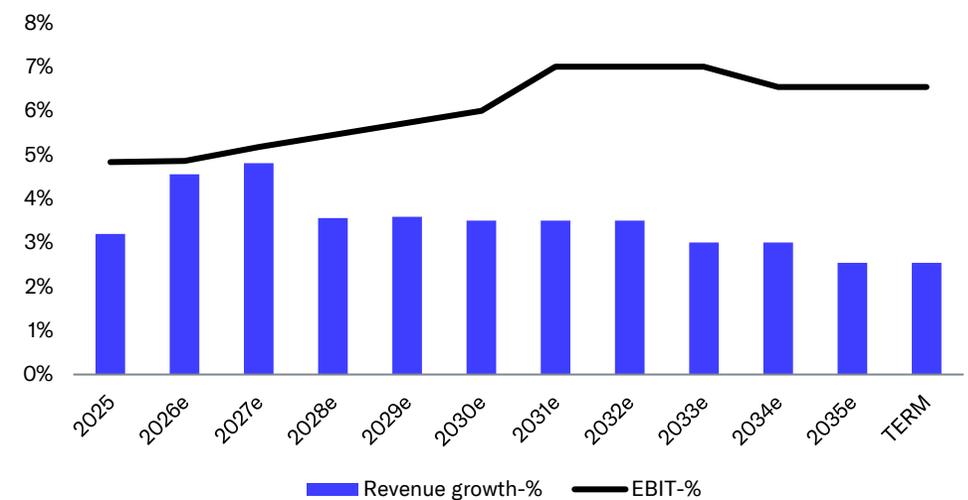
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	1392.6	1674.9	1728.5	1807.2	1894.0	EPS (reported)	0.92	0.83	0.62	0.62	0.76
EBITDA	189.8	227.6	217.1	223.8	238.2	EPS (adj.)	1.02	0.87	0.63	0.67	0.81
EBIT	93.0	99.9	83.5	87.8	98.0	OCF / share	3.95	2.12	2.89	3.77	3.75
PTP	68.4	61.1	45.5	45.3	54.4	OFCF / share	-4.97	-0.06	-0.45	1.10	0.99
Net Income	54.0	48.8	36.3	36.3	44.4	Book value / share	4.51	4.47	4.88	5.16	5.52
Extraordinary items	-5.8	-2.4	-0.6	-3.2	-3.2	Dividend / share	0.76	0.34	0.34	0.40	0.50
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	1410.3	1376.3	1495.9	1554.1	1604.7	Revenue growth-%	19%	20%	3%	5%	5%
Equity capital	265.4	263.1	285.9	302.2	323.2	EBITDA growth-%	21%	20%	-5%	3%	6%
Goodwill	218.1	217.3	220.6	220.6	220.6	EBIT (adj.) growth-%	15%	4%	-18%	8%	11%
Net debt	730.5	816.3	886.5	876.3	877.1	EPS (adj.) growth-%	-1%	-15%	-27%	7%	21%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	13.6 %	13.6 %	12.6 %	12.4 %	12.6 %
EBITDA	189.8	227.6	217.1	223.8	238.2	EBIT (adj.)-%	7.1 %	6.1 %	4.9 %	5.0 %	5.3 %
Change in working capital	47.6	-80.0	-29.5	14.7	-0.5	EBIT-%	6.7 %	6.0 %	4.8 %	4.9 %	5.2 %
Operating cash flow	232.4	124.8	169.1	220.9	219.7	ROE-%	21.1 %	18.4 %	13.2 %	12.3 %	14.2 %
CAPEX	-524.3	-127.8	-194.9	-156.8	-161.5	ROI-%	10.5 %	9.0 %	7.1 %	7.0 %	7.6 %
Free cash flow	-292.3	-3.5	-26.3	64.1	58.2	Equity ratio	18.8 %	19.1 %	19.1 %	19.4 %	20.1 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	275.3 %	310.3 %	310.1 %	289.9 %	271.3 %
EV/S	1.2	0.9	0.8	0.7	0.7						
EV/EBITDA	8.6	6.7	6.2	5.8	5.4						
EV/EBIT (adj.)	16.6	14.9	15.9	14.2	12.8						
P/E (adj.)	15.2	13.9	12.3	10.5	8.7						
P/B	3.4	2.7	1.6	1.4	1.3						
Dividend-%	4.9 %	2.8 %	4.4 %	5.6 %	7.1 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/8/2021	Buy	25.00 €	21.68 €
7/29/2021	Accumulate	27.00 €	24.66 €
10/31/2021	Buy	25.00 €	19.68 €
<i>Analyst changed</i>			
2/14/2022	Buy	20.00 €	17.90 €
4/27/2022	Buy	17.00 €	14.78 €
5/2/2022	Buy	15.00 €	12.40 €
5/27/2022	Accumulate	13.50 €	12.17 €
8/1/2022	Accumulate	14.00 €	12.82 €
9/30/2022	Accumulate	12.50 €	11.04 €
10/31/2022	Accumulate	12.50 €	11.83 €
12/19/2022	Accumulate	12.50 €	11.63 €
2/13/2023	Accumulate	14.00 €	12.98 €
4/13/2023	Accumulate	14.20 €	13.20 €
5/2/2023	Accumulate	13.50 €	12.41 €
8/7/2023	Accumulate	14.50 €	13.73 €
<i>Analyst changed</i>			
11/20/2023	Accumulate	14.00 €	12.61 €
2/14/2024	Reduce	15.50 €	15.42 €
3/25/2024	Accumulate	16.00 €	14.96 €
5/20/2024	Accumulate	15.00 €	13.63 €
6/13/2024	Accumulate	15.00 €	13.35 €
8/8/2024	Accumulate	13.00 €	11.16 €
8/19/2024	Accumulate	13.00 €	10.80 €
11/18/2024	Buy	14.00 €	11.60 €
3/3/2025	Accumulate	15.50 €	13.76 €
3/10/2025	Accumulate	14.50 €	12.73 €
5/19/2025	Reduce	11.50 €	11.65 €
7/21/2025	Reduce	10.00 €	9.38 €
8/18/2025	Reduce	10.00 €	9.08 €
11/15/2025	Reduce	7.70 €	7.29 €
12/15/2025	Reduce	7.70 €	7.42 €
3/3/2026	Accumulate	9.00 €	7.87 €
3/9/2026	Reduce	7.50 €	7.09 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab

Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

**inde
res.**