

# HARVIA

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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# US growth rate estimates slightly lowered

The US is Harvia's largest market and growth driver. The US tariffs and the slowdown in consumer confidence and possibly demand will affect the company in many ways. We have lowered our forecasts by 3-5% for the next few years and our target price to EUR 40 (was EUR 46). We reiterate our Reduce recommendation.

## US tariffs have multiple effects

The North America segment is forecast to account for almost 40% of Harvia's revenue this year, with the majority coming from the US. Developments in the US therefore play a crucial role in Harvia's performance and especially in its growth. Harvia's main product in the US is complete saunas, which it manufactures locally. Similarly, the steam products acquired last year are manufactured locally. Wood raw material is also imported from Canada, and any tariffs on these will affect raw material prices. The company does not have a sauna stove manufacturing facility in the US but imports them either from China or Finland. With the high tariffs for China, we believe that the stoves will in practice come from Finland. We believe that Harvia will be able to offset the impact of moderate increases in tariffs and raw material prices by raising sales prices. However, price increases may have a slightly negative impact on demand for products.

However, in comparison to its competitors, Harvia has more local manufacturing, so Harvia might gain a comparative advantage over its competitors. We believe that the current tariffs will hit the infrared sauna segment in particular, where Harvia is not very active, as many players have imported their products from China. Rising prices and/or reduced availability of infrared saunas due to tariffs could support demand for Harvia's products. On the other hand, a weakening of overall consumer confidence, and possibly of purchasing power in the US, would probably also have a negative impact on demand for sauna products. However, we do not currently believe that the trend of structural growth in the US will end, but that growth will possibly

slow down somewhat.

## We lowered our forecasts for the US

In this report, we have made changes only for the North America segment, which is effectively the US. If the effects of the trade war weaken the broader economy, forecasts for other segments will also come under downward pressure. We have slightly lowered our volume forecasts for the current year as consumer confidence and general economic sentiment have weakened. However, with the impact of higher customs duties and raw material costs, we expect Harvia to raise prices somewhat, which will support revenue development. The main driver of the forecast changes is the weakening of the US dollar, which is roughly 10% weaker against the euro compared to our previous update. At Group level, we lowered our forecasts by 3-5% for the coming years.

## High valuation is deserved, but also exposes to risks

We believe that Harvia's valuation level (e.g. EV/EBIT 2025 18x, P/E 24x) is highish, although we consider the company's return on capital employed and its ability to allocate and generate cash flow excellent and that multiples will, therefore, moderate in the coming years. However, we note that there is currently more downside risk in the forecasts. We believe that Harvia's capital allocation will continue to be value-creating, and thus channeling cash either to acquisitions and/or larger dividends would support the investor's expected return. We also see Harvia as a potential acquisition target, but with the current valuation, we find it quite expensive for the buyer. On the other hand, should growth in the US falter, we believe the stock's high valuation exposes it to a share price decline, which has already been partly reflected in the stock following the tariff news. With the tariffs and the rise in uncertainty related to economic development, we raised our required return, which together with the decline in forecasts lowered our DCF value and target price.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 40.00**

(was EUR 46.00)

## Share price:

EUR 38.70

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	175	198	217	236
growth-%	16%	13%	9%	9%
EBIT adj.	37.1	42.8	49.4	56.7
EBIT-% adj.	21.2 %	21.6 %	22.8 %	24.0 %
Net income	24.2	29.9	36.0	42.3
EPS (adj.)	1.38	1.63	1.94	2.27

P/E (adj.)	33.4	23.8	19.9	17.1
P/B	7.0	5.2	4.5	4.0
Dividend yield-%	1.6 %	2.2 %	2.6 %	3.1 %
EV/EBIT (adj.)	25.0	18.0	15.2	12.9
EV/EBITDA	21.8	15.4	13.1	11.3
EV/S	5.3	3.9	3.5	3.1

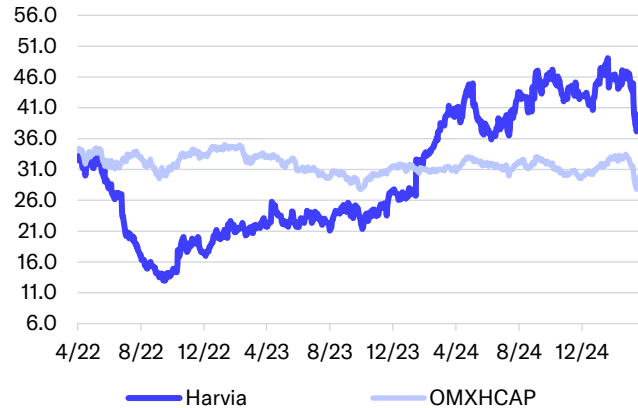
Source: Inderes

## Guidance

(Unchanged)

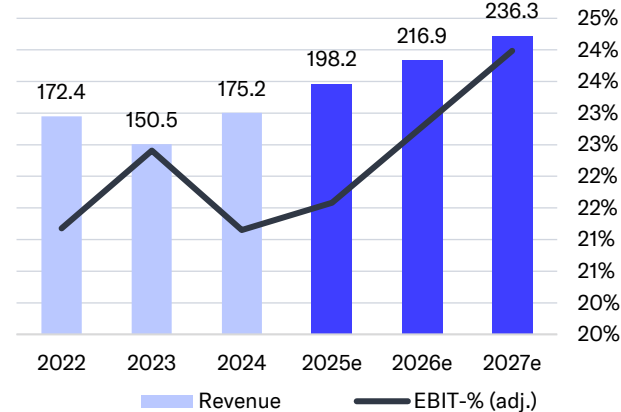
Harvia does not publish a short-term outlook.

## Share price



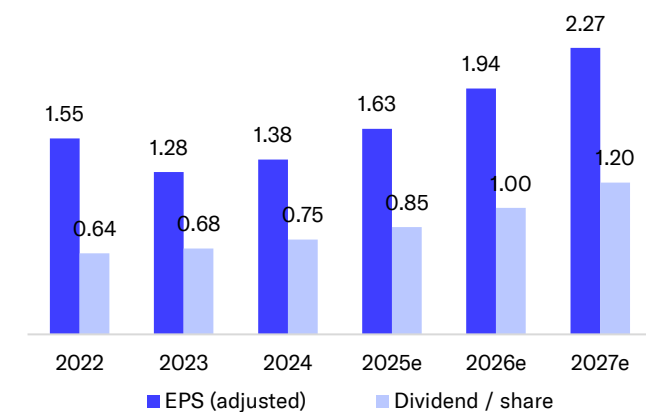
Source: Millistream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Stably growing sauna and spa market in the longer term
- Leading market position and best profitability in the sector
- Strong cash flow and low investment need
- Revenue growth through complementing acquisitions and expansion of the reseller network

## Risk factors

- Dependence on the Muurame plant
- Changes in the competitive field or position
- Economic fluctuations and fluctuations on the construction market may slow down growth
- Successful integration of acquisitions
- Weakening global demand trend for saunas

Valuation	2025e	2026e	2027e
Share price	38.7	38.7	38.7
Number of shares, millions	18.7	18.7	18.7
Market cap	722	722	722
EV	770	750	730
P/E (adj.)	23.8	19.9	17.1
P/E	24.2	20.1	17.1
P/B	5.2	4.5	4.0
P/S	3.6	3.3	3.1
EV/Sales	3.9	3.5	3.1
EV/EBITDA	15.4	13.1	11.3
EV/EBIT (adj.)	18.0	15.2	12.9
Payout ratio (%)	53.1 %	51.9 %	53.0 %
Dividend yield-%	2.2 %	2.6 %	3.1 %

Source: Inderes

# Q1 is expected to be a solid quarter

## Strong growth partly supported by the ThermaSol deal

We expect Harvia to continue its strong growth in Q1. We forecast revenue growth of 25%, of which 16% is organic and the rest is due to the ThermaSol deal made last summer. We do not expect exchange rates (mainly USD) to have a significant impact on Q1, and we have not changed our Q1 forecasts in this report. Growth will be driven by the North America segment, where we expect reported growth of around 50%. In Q1, we expect clear growth figures for Europe for the first time in a long time, with 10% growth in both the Northern and Continental Europe segments. However, this is partly due to a weak comparison period, which was weighed down by the Finnish port strikes.

We expect the material margin to deteriorate somewhat year-on-year and to be 62.5% (Q1'24: 64.6%). However, the margin improves from below 60% in Q4, which was weighed down by campaign deliveries and higher wood prices. We expect the same factors to continue to weigh on

the Q1 margin. The company has significantly increased fixed costs to support growth, which we expect to be reflected in Q1. Thus, the weakening of the material margin is also reflected in our forecasts in the form of a decline in the adjusted EBIT percentage to 22.6% from 23.8% in the comparison period. In absolute terms, however, the result will increase significantly and profitability will remain strong and in line with targets.

## We believe the outlook for the company remains positive

Harvia does not provide guidance, but we believe the company is repeating the message of the significant growth potential of the sauna market, especially outside Europe. The company is also likely to emphasize its local manufacturing in the US, which can provide a comparative advantage, as we mentioned on the front page. Of particular interest, of course, would be the most recent (April) demand trend, but that may not be commented on very precisely.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low    High	Inderes
Revenue	42.4		52.9	52.2		198
EBITDA	11.5		13.6	-		49.9
EBIT (adj.)	10.1		11.9	-		42.8
EBIT	9.9		11.7	11.2		42.3
EPS (reported)	0.40		0.45	0.44		1.60
Revenue growth-%	2.5 %		24.7 %	23.1 %		13.1 %
EBIT-% (adj.)	23.8 %		22.6 %			21.6 %

Source: Inderes & Bloomberg, 4-5 analysts (consensus)

# North American forecasts down

## Forecasts lowered, particularly on the back of a weaker USD

In this report, we have made changes only for the North America segment, which is effectively the US. We have slightly lowered our volume forecasts for the current year as consumer confidence and general economic sentiment in the US have weakened. However, with the impact of higher customs duties and raw material costs, we expect Harvia to raise prices somewhat, which will naturally also increase revenue. Harvia has proven its production efficiency and flexibility in recent years, so we believe that a small change in volume will not have a significant impact on margins.

Thus, the main driver of the forecast changes is the weakening of the US dollar, which is roughly 10% weaker against the euro compared to our previous update. At Harvia, most of the expenses corresponding to the US revenue are in the local currency, so we believe that the

currency effect is mainly a so-called translation effect, i.e., the reported figures converted into euros are smaller as the USD weakens. Due to currency translation effects and lower volume forecasts, we have cut our estimates by 3-4% for the coming years. For 2026, we also slightly raised our fixed cost estimate, which is why the forecast decline for that year is 5%.

## Forecasts still show brisk growth

Despite small forecast cuts, our forecasts expect Harvia to grow organically at about 9% annually in the coming years, driven by growth in the North America and APAC & MEA segments, with European growth at 3-5% per year.

For North America, the organic growth forecast is still over 15% for this year and about 15% for the next few years, despite the aforementioned effects and risks. This year, growth in the US will also be boosted by the ThermaSol

acquisition made last summer.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	Tot.	%	Old	New	%	Old	New	%
Revenue	203	198	-2%	223	217	-3%	243	236	-3%
EBITDA	51.4	49.9	-3%	59.7	57.1	-4%	66.6	64.8	-3%
EBIT (exc. NRIs)	44.3	42.8	-3%	52.1	49.4	-5%	58.5	56.7	-3%
EBIT	43.8	42.3	-4%	51.8	49.1	-5%	58.5	56.7	-3%
EPS (excl. NRIs)	1.69	1.63	-4%	2.05	1.94	-5%	2.34	2.27	-3%
DPS	0.85	0.85	0%	1.00	1.00	0%	1.20	1.20	0%

Source: Inderes



# Valuation

## Valuation summary

We expect Harvia to grow significantly starting from this year, long into the 2030s, and the company has proven its quality even during the difficult years of 2022-23. Although we find Harvia's multiples high for the next few years, we note that we expect the company's earnings growth and good cash flow to push multiples down over the years. The current cash flow level and strong earnings growth offer an expected return of over 10% for years to come. However, the high valuation limits it, especially on a 12-month horizon.

## Growth creates value and weighs on multiples over time

From a valuation perspective, we think our projected P/E of ~25x and EV/EBIT of 18x for 2025 are relatively high. On the other hand, thanks to its strong return on capital and growth profile, Harvia is clearly capable of value-creating growth. P/E for 2027 is 17x and EV/EBIT is down to 13x. The multiples are also well above the average levels of the peer group, although we do not consider the peer group to be directly comparable with Harvia and feel the valuation premium is deserved.

Harvia's competitors Sauna 360 and Klafs have been bought by large US companies in recent years. We think Harvia could be a potential acquisition target for this type of player, but the current valuation already sets a fairly high price for a possible takeover bid.

## The expected return looks reasonable through earnings growth and cash flow

Outlined in terms of earnings growth and dividend (i.e., assuming the current valuation is maintained), we arrive at an expected return of 10-15%. It is also worth noting that our projections keep Harvia's net debt/EBITDA low (below 1.5x),

while the target is below 2.5x. This will allow the company to either distribute more profits or make acquisitions, which we believe will support expected returns. Harvia will likely seek to make acquisitions in the future. According to our estimate, free cash flow yield is approximately 4% based on this year's figures. In 2025-30, we estimate that the net profit will grow on average by more than 10%, so also from this perspective, the expected return is around 15%. In our opinion, however, the valuation should decrease from current levels, which limits the expected return compared to these calculations.

## DCF model

With a stable industry, steady profitability and a fairly predictable business, we believe that the DCF model is a relevant valuation method for Harvia. As we mentioned earlier, we expect growth to remain close to 10% until 2033. Our growth assumption in the terminal period is 2.5%. In the medium term, we expect profitability to rise to 24% in terms of the EBIT margin, which is also our terminal assumption. In this report, we have raised our required return to 8.8% (was 8.2%) due to increased tariffs and general economic uncertainty. Our DCF value is approximately EUR 40.5, which is close to our target price.

We expect the level of investment to remain moderate, as Harvia has made significant investments in 2021 that will allow the company to grow. However, growth investments will be needed in the near future, especially in the US. The company's capital requirement is generally low and the return on capital is high, which enables strong cash flow and growth. Our medium-term assumption for the company's capex/revenue ratio is around 3%, which also allows for growth, with maintenance capex closer to 2% in our view.

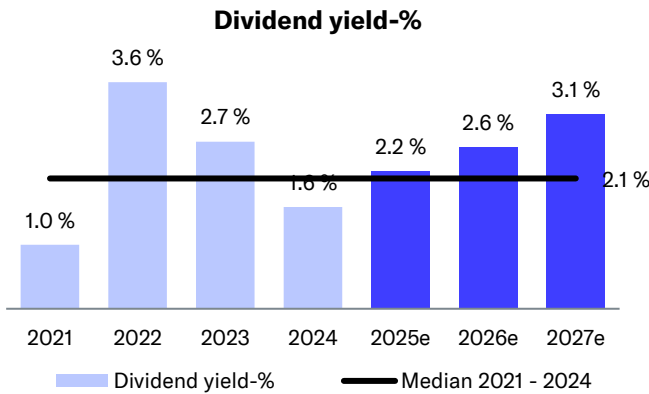
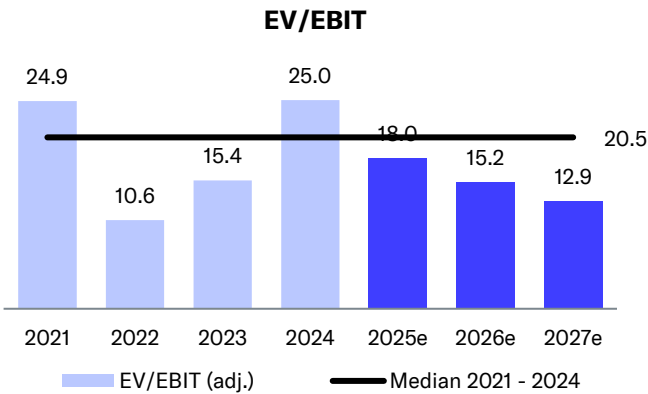
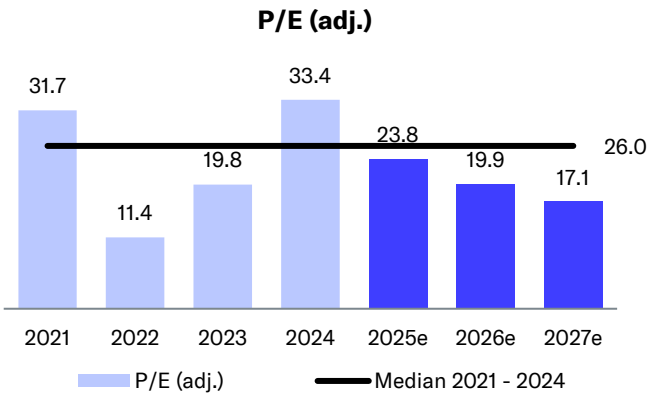
Valuation	2025e	2026e	2027e
Share price	38.7	38.7	38.7
Number of shares, millions	18.7	18.7	18.7
Market cap	722	722	722
EV	770	750	730
P/E (adj.)	23.8	19.9	17.1
P/E	24.2	20.1	17.1
P/B	5.2	4.5	4.0
P/S	3.6	3.3	3.1
EV/Sales	3.9	3.5	3.1
EV/EBITDA	15.4	13.1	11.3
EV/EBIT (adj.)	18.0	15.2	12.9
Payout ratio (%)	53.1 %	51.9 %	53.0 %
Dividend yield-%	2.2 %	2.6 %	3.1 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	24.5	58.7	17.7	25.5	46.1	38.7	38.7	38.7	38.7
Number of shares, millions	18.6	18.6	18.7	18.7	18.7	18.7	18.7	18.7	18.7
Market cap	457	1091	330	476	860	722	722	722	722
EV	503	1181	388	518	926	770	750	730	710
P/E (adj.)	26.0	31.7	11.4	19.8	33.4	23.8	19.9	17.1	15.3
P/E	29.5	32.4	12.2	20.4	35.6	24.2	20.1	17.1	15.3
P/B	6.9	13.5	3.4	4.4	7.0	5.2	4.5	4.0	3.5
P/S	4.2	6.1	1.9	3.2	4.9	3.6	3.3	3.1	2.8
EV/Sales	4.6	6.6	2.3	3.4	5.3	3.9	3.5	3.1	2.8
EV/EBITDA	18.8	22.5	9.2	13.2	21.8	15.4	13.1	11.3	10.0
EV/EBIT (adj.)	20.5	24.9	10.6	15.4	25.0	18.0	15.2	12.9	11.4
Payout ratio (%)	61%	33%	44%	55%	58%	53%	52%	53%	60%
Dividend yield-%	2.1 %	1.0 %	3.6 %	2.7 %	1.6 %	2.2 %	2.6 %	3.1 %	3.9 %

Source: Inderes



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

# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Thule Group AB	2600	2963	15.6	14.0	13.5	12.2	2.9	2.8	18.4	16.3	4.0	4.4	3.2
Nobia AB	224	653	23.5	13.1	6.7	5.3	0.7	0.7	27.9	9.7			0.6
Dometic Group AB	1030	2256	11.6	9.0	7.2	6.1	1.1	1.0	10.2	7.0	3.8	5.2	0.4
Nokian Tyres plc	943	1552	18.6	12.4	6.7	5.6	1.1	1.0	18.3	10.4	5.2	5.6	0.7
Rapala VMC Oyj	53	145	15.3	11.2	6.6	5.9	0.6	0.6		34.0	1.5	1.5	0.3
Husqvarna AB	2498	3612	10.3	8.6	5.8	5.2	0.8	0.8	11.5	9.1	4.6	5.7	1.0
Inwido AB	1039	1116	12.1	10.8	8.9	8.1	1.3	1.2	16.2	14.3	3.2	3.6	1.9
Nibe Industrier AB	7041	8759	21.3	18.2	14.7	13.1	2.3	2.1	27.1	21.7	1.3	1.5	2.2
Technogym SpA	2265	2113	15.2	13.5	10.7	9.8	2.2	2.0	21.6	19.4	3.4	3.3	6.5
Rockwool A/S	8182	7902	12.0	11.6	8.5	8.2	2.0	1.9	15.9	15.3	2.1	2.2	2.4
Kingspan Group PLC	13181	15291	16.0	14.1	12.3	11.1	1.6	1.5	18.1	15.8	0.8	0.9	2.7
Electrolux AB	1879	4337	10.2	7.9	4.4	3.9	0.4	0.3	8.3	6.1	4.6	7.4	1.7
De' Longhi SpA	3961	3542	7.8	7.3	6.1	5.7	1.0	0.9	12.0	11.2	4.0	4.0	1.9
Tulikivi	29	40	20.0	13.4	8.0	8.0	1.2	1.1	16.3	12.2	2.1	4.1	1.5
Harvia (Inderes)	722	770	18.0	15.2	15.4	13.1	3.9	3.5	23.8	19.9	2.2	2.6	5.2
Average			15.0	11.8	8.6	7.7	1.4	1.3	17.1	14.5	3.1	3.8	1.9
Median			15.2	12.0	7.6	7.1	1.2	1.1	16.3	13.3	3.4	4.0	1.8
Diff-% to median			18%	27%	103%	86%	238%	219%	46%	50%	-35%	-36%	193%

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	151	42.4	43.2	38.7	50.9	175	52.9	48.3	43.6	53.5	198	217	236	258
Northern Europe	0.0	11.7	11.6	9.6	10.9	43.8	12.9	11.4	10.2	11.0	45.4	47.3	48.7	50.1
Continental Europe	0.0	13.6	12.7	11.5	14.9	52.7	15.0	12.7	12.0	15.5	55.1	57.3	59.6	62.0
North America	43.5	13.7	14.7	13.5	20.1	62.0	20.6	19.5	16.5	21.2	77.8	89.5	103	118
APAC & MEA	11.0	3.4	4.2	4.1	5.0	16.7	4.4	4.8	4.9	5.8	19.9	22.8	25.1	27.6
EBITDA	39.3	11.5	10.5	10.1	10.4	42.4	13.6	12.4	10.1	13.8	49.9	57.1	64.8	70.7
Depreciation	-6.3	-1.6	-1.6	-1.8	-2.0	-7.0	-1.9	-1.9	-1.9	-1.9	-7.6	-8.0	-8.1	-8.4
EBIT (excl. NRI)	33.7	10.1	9.4	8.9	8.7	37.1	11.9	10.8	8.2	11.9	42.8	49.4	56.7	62.3
EBIT	33.0	9.9	8.9	8.3	8.4	35.5	11.7	10.5	8.2	11.9	42.3	49.1	56.7	62.3
Net financial items	-3.5	-0.1	-1.0	-1.5	-1.0	-3.6	-1.0	-1.0	-1.0	-1.0	-4.0	-3.0	-2.5	-2.0
PTP	29.5	9.8	7.9	6.8	7.4	31.8	10.7	9.5	7.2	10.9	38.3	46.1	54.2	60.3
Taxes	-6.3	-2.3	-2.0	-1.3	-2.0	-7.6	-2.4	-2.1	-1.6	-2.4	-8.4	-10.1	-11.9	-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	23.3	7.5	5.8	5.5	5.4	24.2	8.4	7.4	5.6	8.5	29.9	36.0	42.3	47.1
EPS (adj.)	1.28	0.41	0.34	0.32	0.31	1.38	0.46	0.41	0.30	0.46	1.63	1.94	2.27	2.52
EPS (rep.)	1.25	0.40	0.31	0.29	0.29	1.30	0.45	0.40	0.30	0.46	1.60	1.93	2.27	2.52

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-12.7 %	2.5 %	20.6 %	14.0 %	29.2 %	16.4 %	24.7 %	11.8 %	12.6 %	5.0 %	13.1 %	9.4 %	9.0 %	9.2 %
Adjusted EBIT growth-%	-7.6 %	8.4 %	18.0 %	29.5 %	-9.4 %	9.9 %	18.3 %	14.7 %	-7.9 %	36.6 %	15.4 %	15.5 %	14.7 %	10.0 %
EBITDA-%	26.1 %	27.1 %	24.2 %	26.0 %	20.4 %	24.2 %	25.8 %	25.6 %	23.1 %	25.8 %	25.2 %	26.3 %	27.4 %	27.4 %
Adjusted EBIT-%	22.4 %	23.8 %	21.8 %	22.9 %	17.1 %	21.2 %	22.6 %	22.3 %	18.7 %	22.2 %	21.6 %	22.8 %	24.0 %	24.1 %
Net earnings-%	15.5 %	17.7 %	13.5 %	14.1 %	10.6 %	13.8 %	15.9 %	15.3 %	12.8 %	15.9 %	15.1 %	16.6 %	17.9 %	18.2 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>115</b>	<b>146</b>	<b>145</b>	<b>144</b>	<b>144</b>
Goodwill	73.4	91.1	91.1	91.1	91.1
Intangible assets	8.7	16.9	17.1	17.3	17.5
Tangible assets	29.4	36.3	34.7	33.8	33.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.4	1.0	1.0	1.0	1.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.0	0.8	0.8	0.8	0.8
<b>Current assets</b>	<b>99.4</b>	<b>119</b>	<b>93.8</b>	<b>100</b>	<b>109</b>
Inventories	35.5	49.2	49.6	52.1	56.7
Other current assets	4.6	0.6	0.6	0.6	0.6
Receivables	18.7	22.3	25.8	28.2	30.7
Cash and equivalents	40.6	46.4	17.8	19.5	21.3
<b>Balance sheet total</b>	<b>214</b>	<b>265</b>	<b>238</b>	<b>244</b>	<b>253</b>

Source: Inderes

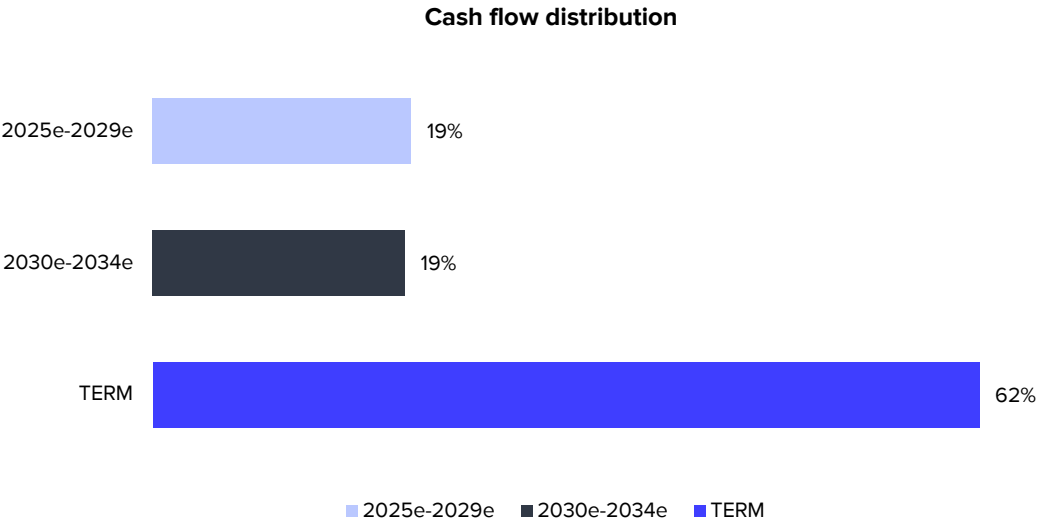
Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>109</b>	<b>124</b>	<b>140</b>	<b>160</b>	<b>184</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	75.1	86.8	103	123	146
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	32.4	35.9	35.9	35.9	35.9
Minorities	1.1	1.2	1.2	1.2	1.2
<b>Non-current liabilities</b>	<b>80.8</b>	<b>111</b>	<b>65.3</b>	<b>49.4</b>	<b>27.9</b>
Deferred tax liabilities	1.2	2.7	2.7	2.7	2.7
Provisions	2.0	2.8	2.8	2.8	2.8
Interest bearing debt	77.4	103	56.8	41.0	19.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	3.0	3.0	3.0	3.0
<b>Current liabilities</b>	<b>24.7</b>	<b>29.3</b>	<b>33.4</b>	<b>35.0</b>	<b>41.7</b>
Interest bearing debt	0.8	1.0	2.3	1.1	4.9
Payables	18.0	26.4	29.7	32.5	35.4
Other current liabilities	5.9	1.9	1.4	1.4	1.4
<b>Balance sheet total</b>	<b>214</b>	<b>264</b>	<b>238</b>	<b>244</b>	<b>253</b>

# DCF-calculation

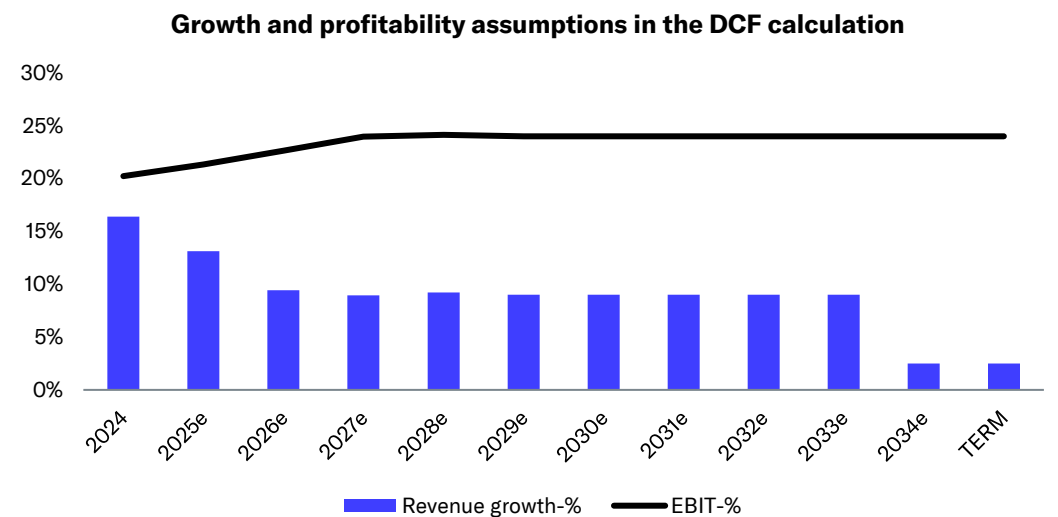
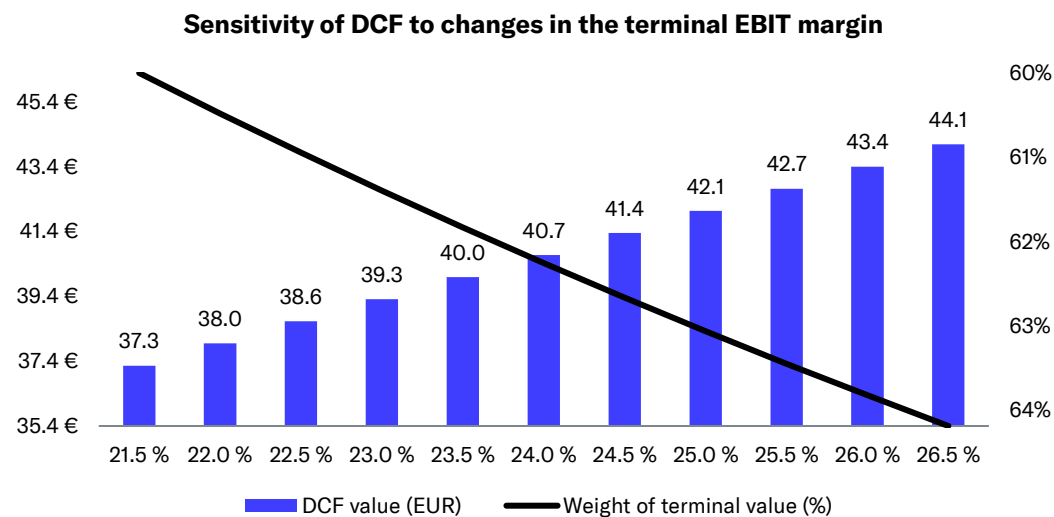
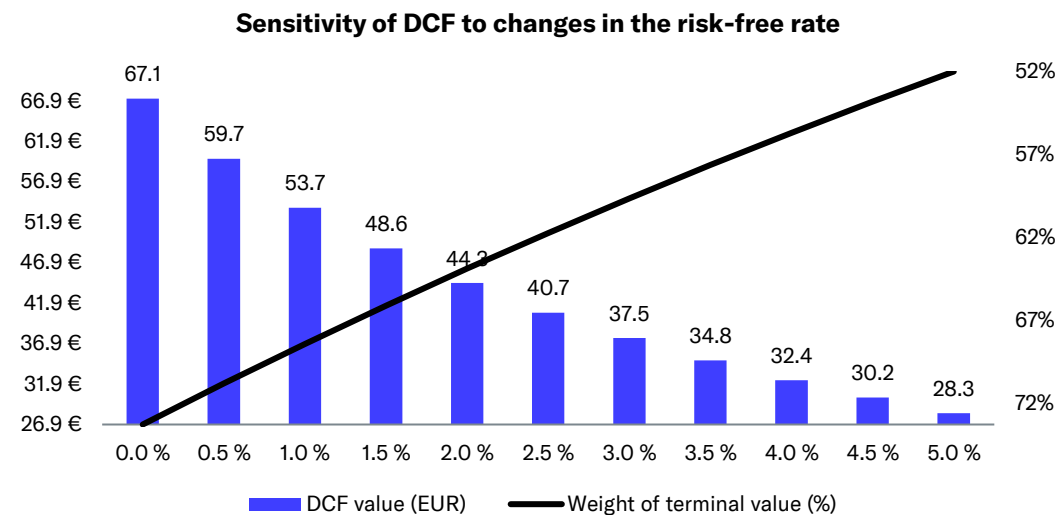
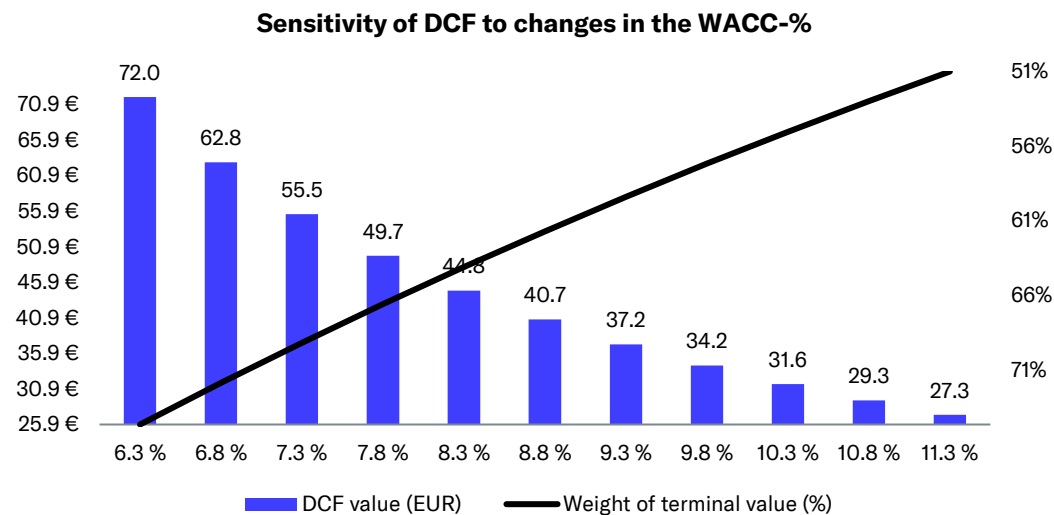
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	16.4 %	13.1 %	9.4 %	9.0 %	9.2 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	2.5 %	2.5 %
EBIT-%	20.2 %	21.3 %	22.6 %	24.0 %	24.1 %	24.0 %	24.0 %	24.0 %	24.0 %	24.0 %	24.0 %	24.0 %
<b>EBIT (operating profit)</b>	<b>35.5</b>	<b>42.3</b>	<b>49.1</b>	<b>56.7</b>	<b>62.3</b>	<b>67.5</b>	<b>73.6</b>	<b>80.2</b>	<b>87.4</b>	<b>95.3</b>	<b>97.7</b>	
+ Depreciation	7.0	7.6	8.0	8.1	8.4	8.4	8.4	8.6	8.2	8.9	9.6	
- Paid taxes	-5.9	-8.4	-10.1	-11.9	-13.3	-14.8	-16.2	-17.7	-19.3	-21.0	-21.5	
- Tax, financial expenses	-0.9	-0.9	-0.7	-0.6	-0.4	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	
- Change in working capital	-8.9	-1.0	-2.1	-4.3	-4.8	-5.1	-5.6	-6.1	-6.6	-7.2	-2.2	
<b>Operating cash flow</b>	<b>26.7</b>	<b>39.6</b>	<b>44.2</b>	<b>48.1</b>	<b>52.2</b>	<b>55.9</b>	<b>60.2</b>	<b>65.1</b>	<b>69.8</b>	<b>76.0</b>	<b>83.6</b>	
+ Change in other long-term liabilities	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-38.4	-6.2	-7.3	-7.9	-8.6	-8.6	-9.4	-10.2	-11.1	-12.1	-12.1	
<b>Free operating cash flow</b>	<b>-8.1</b>	<b>33.4</b>	<b>36.8</b>	<b>40.1</b>	<b>43.5</b>	<b>47.3</b>	<b>50.8</b>	<b>54.9</b>	<b>58.7</b>	<b>63.9</b>	<b>71.5</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-8.1	33.4	36.8	40.1	43.5	47.3	50.8	54.9	58.7	63.9	71.5	1156
<b>Discounted FCFF</b>		<b>31.5</b>	<b>31.9</b>	<b>32.0</b>	<b>31.9</b>	<b>31.8</b>	<b>31.4</b>	<b>31.1</b>	<b>30.6</b>	<b>30.6</b>	<b>31.5</b>	<b>509</b>
Sum of FCFF present value		823	792	760	728	696	664	633	601	571	540	509
<b>Enterprise value DCF</b>		<b>823</b>										
- Interest bearing debt		-104										
+ Cash and cash equivalents		46										
-Minorities		-6										
-Dividend/capital return		0										
<b>Equity value DCF</b>		<b>759</b>										
<b>Equity value DCF per share</b>		<b>40.7</b>										

WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.5
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.8 %</b>

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



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

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	172.4	150.5	175.2	198.2	216.9	EPS (reported)	1.45	1.25	1.30	1.60	1.93
EBITDA	42.2	39.3	42.4	49.9	57.1	EPS (adj.)	1.55	1.28	1.38	1.63	1.94
EBIT	34.7	33.0	35.5	42.3	49.1	OCF / share	1.39	2.09	1.43	2.12	2.37
PTP	36.8	29.5	31.8	38.3	46.1	OFCF / share	-0.32	1.74	-0.44	1.79	1.97
Net Income	27.1	23.3	24.2	29.9	36.0	Book value / share	5.21	5.76	6.58	7.43	8.51
Extraordinary items	-1.8	-0.7	-1.6	-0.5	-0.3	Dividend / share	0.64	0.68	0.75	0.85	1.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	208.7	214.3	264.6	238.5	244.4	Revenue growth-%	-4%	-13%	16%	13%	9%
Equity capital	98.4	108.7	124.0	139.8	160.0	EBITDA growth-%	-20%	-7%	8%	18%	14%
Goodwill	73.4	73.4	91.1	91.1	91.1	EBIT (adj.) growth-%	-23%	-8%	10%	15%	16%
Net debt	54.6	37.6	57.3	41.2	22.6	EPS (adj.) growth-%	-16%	-17%	8%	18%	20%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	24.5 %	26.1 %	24.2 %	25.2 %	26.3 %
EBITDA	42.2	39.3	42.4	49.9	57.1	EBIT (adj.)-%	21.2 %	22.4 %	21.2 %	21.6 %	22.8 %
Change in working capital	-7.5	6.9	-8.9	-1.0	-2.1	EBIT-%	20.1 %	21.9 %	20.2 %	21.3 %	22.6 %
Operating cash flow	26.0	39.1	26.7	39.6	44.2	ROE-%	30.5 %	22.7 %	21.0 %	22.8 %	24.2 %
CAPEX	-7.4	-3.2	-38.4	-6.2	-7.3	ROI-%	21.8 %	18.1 %	17.1 %	19.8 %	24.5 %
Free cash flow	-6.0	32.5	-8.1	33.4	36.8	Equity ratio	47.1 %	50.7 %	46.9 %	58.6 %	65.4 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	55.5 %	34.6 %	46.2 %	29.5 %	14.1 %
EV/S	2.3	3.4	5.3	3.9	3.5						
EV/EBITDA	9.2	13.2	21.8	15.4	13.1						
EV/EBIT (adj.)	10.6	15.4	25.0	18.0	15.2						
P/E (adj.)	11.4	19.8	33.4	23.8	19.9						
P/B	3.4	4.4	7.0	5.2	4.5						
Dividend-%	3.6 %	2.7 %	1.6 %	2.2 %	2.6 %						

Source: Inderes

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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
11/26/2020	Buy	22.00 €	19.10 €
2/12/2021	Accumulate	33.00 €	30.00 €
4/18/2021	Buy	45.00 €	33.65 €
5/6/2021	Accumulate	47.00 €	42.25 €
5/31/2021	Accumulate	52.00 €	46.05 €
7/17/2021	Accumulate	62.00 €	58.20 €
8/12/2021	Accumulate	64.00 €	59.00 €
9/2/2021	Buy	64.00 €	53.30 €
11/5/2021	Accumulate	65.00 €	60.00 €
Analyst changed			
1/27/2022	Buy	57.00 €	44.20 €
2/10/2022	Buy	51.00 €	39.20 €
3/11/2022	Buy	42.00 €	34.15 €
5/5/2022	Buy	42.00 €	32.22 €
7/20/2022	Accumulate	27.00 €	24.00 €
Analyst changed			
8/12/2022	Accumulate	22.00 €	19.93 €
9/9/2022	Buy	20.00 €	15.23 €
11/4/2022	Buy	20.00 €	15.46 €
12/19/2022	Accumulate	21.00 €	18.33 €
2/10/2023	Reduce	22.00 €	22.10 €
5/5/2023	Reduce	24.00 €	25.06 €
5/29/2023	Accumulate	24.00 €	22.14 €
8/11/2023	Accumulate	24.00 €	22.00 €
9/13/2023	Accumulate	25.50 €	24.00 €
11/3/2023	Accumulate	25.00 €	23.50 €
12/11/2023	Reduce	25.00 €	25.48 €
2/9/2024	Sell	28.00 €	32.60 €
5/6/2024	Sell	30.00 €	38.60 €
8/6/2024	Sell	32.00 €	36.50 €
8/9/2024	Sell	35.00 €	40.40 €
9/24/2024	Sell	37.00 €	42.45 €
11/8/2024	Sell	40.00 €	46.10 €
2/14/2025	Reduce	46.00 €	47.10 €
4/24/2025	Reduce	40.00 €	38.70 €





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