# PUUILO OYJ

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**INDERES CORPORATE CUSTOMER**

# COMPANY REPORT

# Steady, strong development

*Puuilo reported the main points of its Q2 results and raised its guidance already last week. The print was strong as expected with all drivers developing in a positive direction. We marginally raised our estimates and the target price to EUR 18 (was EUR 17.5). We reiterate our Accumulate recommendation, supported by a strong earnings growth outlook and a good dividend yield.*

### Q2 was in line with previous data, and the gross margin remained strong

Puuilo's Q2 revenue grew by 13% year-on-year to 153 MEUR, as previously announced. Revenue growth was supported by the expansion of the store network and 6% growth in like-for-like stores. Adj. EBITA rose to 34 MEUR (Q2'25: 28 MEUR), corresponding to 22% of revenue, whereas our pre-upgrade forecasts expected 33 MEUR and a margin of just over 21%. The earnings improvement was supported in particular by the strengthening of the sales margin, as the margin improved by exactly one percentage point to 39.2%. This level was also better than our estimate (38.4%). According to management, the gross margin was supported in particular by the increased share of private label products in sales. Fixed costs grew more slowly than revenue and were in line with our expectations. This once again demonstrated the effectiveness of the company's scalability. We commented on the result in more detail here.

### Last week's guidance raise was expected, forecasts only up marginally

Puuilo raised its full-year outlook in a positive earnings revision already published on September 1. It forecasts the revenue for the financial year 2026 to be 495–515 MEUR and the adjusted EBITA to be 87–97 MEUR. We raised our forecasts for this year and the coming years by 1% in this report. We now forecast revenue to land at 510 MEUR and adj. EBITA at 94 MEUR, which is slightly above the midpoints of the guidance ranges.

Regarding store openings, the company reiterated its target for Finland to open eight stores this year, plus one in Sweden, as announced in the summer.

### We expect the company's growth to continue largely in line with its targets

Puuilo targets average annual growth of 10% and revenue of over 800 MEUR by the end of 2030. In addition, it targets an adj. EBITA of over 17%. Our forecasts are practically in line with the company's targets, even though the expansion into Sweden will dilute profitability in our forecasts over the next few years. The majority of growth during the strategy period will continue to come from new stores in Finland and like-for-like store growth. The company's growth is extremely capital-light and returns on capital are good. As such, the company's growth is clearly value-creating.

### Strong earnings growth drives the expected return to a sufficient level

The company's earnings multiples for the current year are rather high in absolute terms (e.g., P/E 21x). However, this is justified as we expect the company to deliver strong earnings growth in the coming years, which will drop the multiples to levels that are attractive for a growth company (2027-28e P/E 16-18x and IFRS 16 adj. EV/EBIT 13-14x). Taking into account our earnings growth forecasts of about 15%, valuation multiples that are slightly elevated on actual earnings, and a 5% dividend yield, the expected total return on the stock is around over 10%. We find this level sufficient, and it exceeds our required return. The EUR 18 per share implied by our cash flow model also suggests small upside and justifies a positive view on the stock. We see Puuilo as one of the highest quality companies in the sector, with a concept that has proven its competitiveness in both favorable and challenging markets.

**Recommendation**
**Accumulate**
(was Accumulate)

**Target price:**
**EUR 18.00**
(was EUR 17.50)

**Share price:**
EUR 16.82

**Business risk** ●●○○○

**Valuation risk** ●●●●○

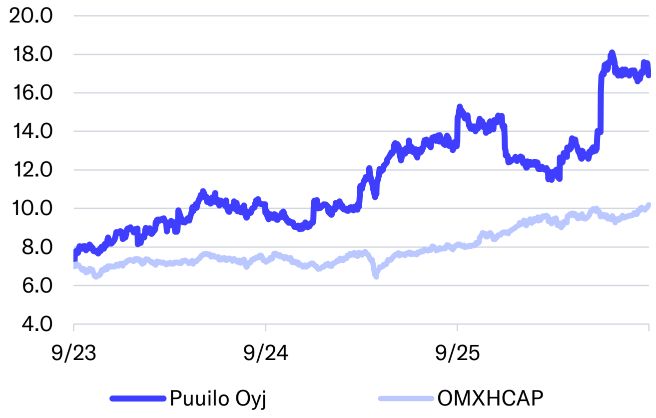
| | 2025 | 2026e | 2027e | 2028e |
|---|---|---|---|---|
| **Revenue** | 442.3 | 509.0 | 585.4 | 659.3 |
| growth-% | 15% | 15% | 15% | 13% |
| **EBIT adj.** | 75.4 | 92.9 | 102.9 | 114.4 |
| **EBIT-% adj.** | 17.0 % | 18.3 % | 17.6 % | 17.4 % |
| **Net Income** | 56.0 | 68.9 | 78.9 | 87.9 |
| **EPS (adj.)** | 0.66 | 0.82 | 0.93 | 1.04 |
| | | | | |
| **P/E (adj.)** | 18.6 | 20.6 | 18.1 | 16.2 |
| **P/B** | 10.6 | 12.7 | 11.2 | 9.4 |
| **Dividend yield-%** | 5.4 % | 4.5 % | 4.5 % | 5.1 % |
| **EV/EBIT (adj.)** | 15.6 | 16.9 | 15.4 | 13.9 |
| **EV/EBITDA** | 12.1 | 13.4 | 12.1 | 10.9 |
| **EV/S** | 2.7 | 3.1 | 2.7 | 2.4 |

Source: Inderes

**Guidance** (Upgraded)

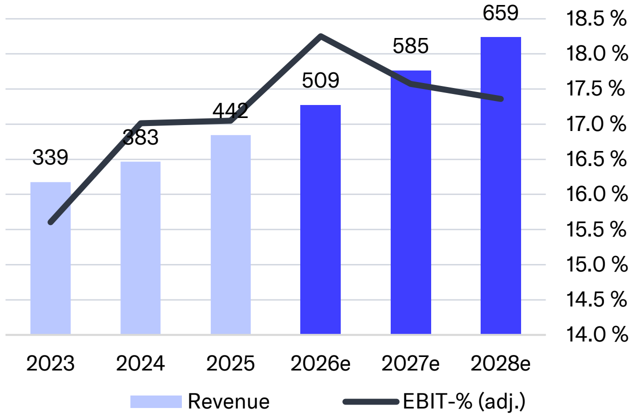
The company forecasts the revenue for the financial year 2026 to be 495–515 MEUR and the adjusted EBITA to be 87–97 MEUR.

## Share price



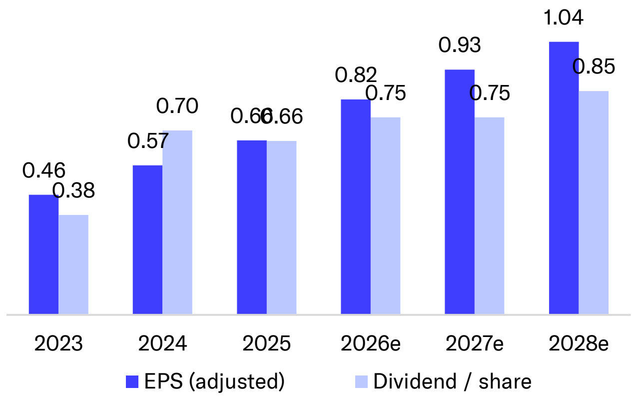

Source: Millistream Market Data AB

## Revenue and EBIT % (adj.)




Source: Inderes

## EPS and dividend




Source: Inderes

## Value drivers

- Increasing the number of stores to over 90
- Internationalization
- Significant growth potential remaining in ramping up existing stores
- Growth in private label
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

## Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment
- Professionalization of construction and urbanization

| Valuation | 2026e | 2027e | 2028e |
|---|---|---|---|
| **Share price** | 16.8 | 16.8 | 16.8 |
| **Number of shares, millions** | 84.8 | 84.8 | 84.8 |
| **Market cap** | 1426 | 1426 | 1426 |
| **EV** | 1568 | 1583 | 1588 |
| **P/E (adj.)** | 20.6 | 18.1 | 16.2 |
| **P/E** | 20.7 | 18.1 | 16.2 |
| **P/B** | 12.7 | 11.2 | 9.4 |
| **P/S** | 2.8 | 2.4 | 2.2 |
| **EV/Sales** | 3.1 | 2.7 | 2.4 |
| **EV/EBITDA** | 13.4 | 12.1 | 10.9 |
| **EV/EBIT (adj.)** | 16.9 | 15.4 | 13.9 |
| **Payout ratio (%)** | 92.3 % | 80.5 % | 82.0 % |
| **Dividend yield-%** | 4.5 % | 4.5 % | 5.1 % |

Source: Inderes

# Q2 earnings was in line with pre-announced figures and expectations

### Like-for-like sales growth remained solid

Puuilo's Q2 revenue grew by 13% year-on-year to 153 MEUR as previously announced, which was slightly below our forecast of 155 MEUR. Revenue growth was supported by the expansion of the store network, which is progressing as planned, and the company opened one new store during Q2. Like-for-like store revenue continued its strong 6% growth, with customer count growth accounting for 5% and the average purchase increasing slightly. Online store revenue also grew strongly (14%).

### Strong performance of private labels was once again reflected in profitability

Adj. EBITA rose to 34 MEUR (Q2'25: 28 MEUR), corresponding to 22% of revenue, whereas our pre-upgrade forecasts expected 33 MEUR and a margin of just over 21%. The earnings improvement was supported in particular by the strengthening of the sales margin, as the margin improved by exactly one percentage point to 39.2%. This level was also better than our estimate (38.4%). According to management, the gross margin was supported in particular by the increased share of private label products in sales. Fixed costs grew more slowly than revenue and were in line with our expectations. This once again demonstrated the effectiveness of the company's scalability. Financial expenses and taxes were also largely in line with our estimates, meaning that earnings per share also slightly exceeded our forecast. The company continued to keep start-up costs related to internationalization at a moderate level and estimates that they will settle at approximately 1 MEUR for the full year, in line with previous plans.

### Cash flow improved and the balance sheet remained strong

Puuilo's operating cash flow improved alongside the result and stood at 43 MEUR in Q2 (38 MEUR). The company's balance sheet improved slightly year-on-year, and net debt/adj. EBITDA was 1.1x, which is clearly below the company's 2.5x target. The balance sheet thus easily accommodates the company's target of an 80% dividend payout ratio, and in our view, also enables additional dividends and/or share buybacks.

| Estimates | Q2'25 | Q2'26 | Q2'26e | Q2'26e | Consensus | | Difference (%) | 2026e |
|---|---|---|---|---|---|---|---|---|
| MEUR / EUR | Comparison | Actualized | Inderes | Consensus | Low | High | Act. vs. inderes | Inderes |
| Revenue | 136 | 153 | 155 | | | | -1% | 509 |
| EBITA (adj.) | 28.2 | 33.8 | 33.0 | | | | 2% | 93.5 |
| EBIT | 27.5 | 33.1 | 32.6 | | | | 2% | 92.5 |
| EPS (reported) | 0.25 | 0.30 | 0.29 | | | | 2% | 0.82 |
| | | | | | | | | |
| Revenue growth-% | 13.2 % | 12.8 % | 14.2 % | | | | -1.4 pp | 15.1 % |
| EBITA-% (adj.) | 20.8 % | 22.1 % | 21.3 % | - | | | 0.8 pp | 18.4 % |

Source: Inderes

# Changes in forecasts remained marginal

### Guidance was already raised last week

Puuilo raised its full-year outlook in a positive earnings revision already published on September 1. It forecasts the revenue for the financial year 2026 to be 495–515 MEUR and the adjusted EBITA to be 87–97 MEUR. Previously, the company guided full-year revenue to be between 480-510 MEUR and adjusted EBITA between 80-90 MEUR. The upgrade was not a surprise to us, as we had already considered the previous guidance quite cautious following the previous quarter. We now forecast revenue to land at 510 MEUR and adj. EBITA at 94 MEUR, slightly above the midpoints of the guidance ranges.

Regarding store openings, the company reiterated its target for Finland to open eight stores this year, plus one in Sweden, as announced in the summer. The company expects the improved economic outlook and consumer confidence to have a positive impact on its business, although management pointed out that the company has performed well even in a weaker economic environment.

### We raised our estimates marginally

We slightly raised our growth and thereby earnings forecasts for the coming years as well. However, in the big picture, our expectations remain unchanged. The store openings announced by the company in the summer are in line with our forecasts.

### Concrete steps toward the expansion into Sweden

In the summer, Puuilo announced the openings of its first stores in Sweden, with the first one opening as early as this year and the second in 2027. The stores in Sweden support the company's sales development and our long-term forecasts, but in our view, the expansion will weaken the company's cost efficiency for the first few years. The cost pressures are driven by marketing investments as well as lower sales and earnings per store compared to Finland. Therefore, we forecast a declining EBITA margin (2026: 18.6% → 2028: 17.6%). This is still in line with the company's target (over 17%), which naturally takes into account the impact of the expansion into Sweden in the coming years. At the group level, we forecast Puuilo's store network to reach 100 stores by the end of the strategy period in 2030, with revenue reaching 794 MEUR, slightly below the company's target (over 800 MEUR).

| Estimate revisions<br>MEUR / EUR | 2026e<br>Old | 2026<br>New | Change<br>% | 2027e<br>Old | 2027e<br>New | Change<br>% | 2028e<br>Old | 2028e<br>New | Change<br>% |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 509 | 509 | 0% | 577 | 585 | 1% | 650 | 659 | 2% |
| EBIT (exc. NRIs) | 91.7 | 92.9 | 1% | 102 | 103 | 1% | 114 | 114 | 1% |
| EBIT | 91.5 | 92.5 | 1% | 102 | 103 | 1% | 114 | 114 | 1% |
| PTP | 85.5 | 86.0 | 1% | 95.3 | 96.3 | 1% | 107 | 107 | 0% |
| EPS (excl. NRIs) | 0.81 | 0.82 | 1% | 0.92 | 0.93 | 1% | 1.03 | 1.04 | 1% |

Source: Inderes

Puuilo, Webcast, Q2'26

# Value-creating growth justifies rather high valuation

### Valuation becomes attractive, supported by earnings growth

In our view, Puuilo's 2026 P/E ratio (21x) is rather high in absolute terms. However, our estimated earnings growth (~ 15% p.a.) will lower the valuation multiples to moderate levels in the medium term. In our view, the 2028e 16x P/E and 13x EV/EBITA multiples (IFRS 16 adj.) are attractive for a high-quality, growing company. Thus, earnings growth acts as an essential driver of the expected return and share price. We emphasize that the combination of high backward-looking multiples and a potential earnings disappointment would lead to a rather sharp share price decline.

### Premium is justified

When gauging the relative valuation, we give main weight to the P/E ratio. The comparability of EV-based multiples is impaired by differences in IFRS 16 lease terms between companies, which affects net debt.

Examined with the P/E ratio, the company is priced at a premium to its peers. Peers trade at a 2026e P/E ratio of around 15x and Puuilo at 21x. We see the premium as justified due to Puuilo's strong earnings growth outlook and better return on capital than its peers.

### Excellent return on capital justifies high balance-sheet-based pricing

Puuilo trades significantly above its book value, with 2026 P/B and EV/IC multiples of 13x and 6x, respectively, based on its balance sheet. However, this is justified given the company's high return on capital. In the recent past, return on equity has exceeded 50%, while the corresponding return on capital employed has been around 30%. We anticipate this strong value creation will continue thanks to earnings growth and a capital-efficient business model, which, in turn, will support a valuation clearly above book value going forward as well.

### Cash flow model supports upside

We consider the DCF model a reliable valuation method due to Puuilo's strong and fairly predictable cash flow profile. Our DCF model indicates that the stock's fair value is just over EUR 18. This is above the stock price, indicating upside and supporting our positive view. Our long-term estimates include an assumption of moderate expansion in Sweden (2+ stores per year starting from 2030). If the pilot model proves viable, store openings will be significantly higher than we expect. On the other hand, if internationalization fails completely, our long-term estimates are too optimistic, which slightly increases forecast risks.

### Overall expected return attractive

Based on the realized earnings, the share's valuation is high, which, in our view, acts as a negative driver for the expected return. However, the earnings growth we predict more than offsets the negative impact of the multiples. In addition, expected returns are supported by the reasonably solid foundation of a 5% dividend yield. Overall, the share's expected return exceeds the required return, meaning we characterize the risk/reward ratio of the share as solid.

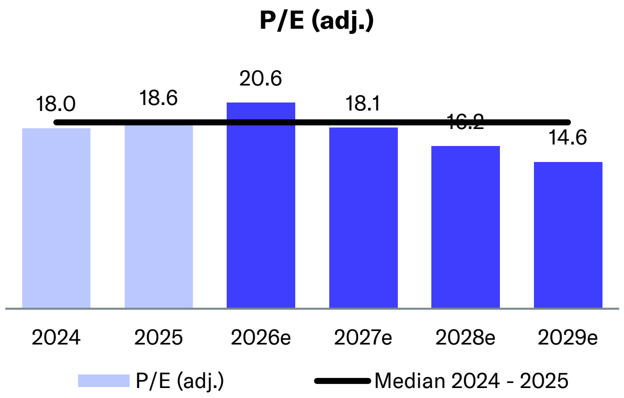
| Valuation | 2026e | 2027e | 2028e |
|---|---|---|---|
| **Share price** | 16.8 | 16.8 | 16.8 |
| **Number of shares, millions** | 84.8 | 84.8 | 84.8 |
| **Market cap** | 1426 | 1426 | 1426 |
| **EV** | 1568 | 1583 | 1588 |
| **P/E (adj.)** | 20.6 | 18.1 | 16.2 |
| **P/E** | 20.7 | 18.1 | 16.2 |
| **P/B** | 12.7 | 11.2 | 9.4 |
| **P/S** | 2.8 | 2.4 | 2.2 |
| **EV/Sales** | 3.1 | 2.7 | 2.4 |
| **EV/EBITDA** | 13.4 | 12.1 | 10.9 |
| **EV/EBIT (adj.)** | 16.9 | 15.4 | 13.9 |
| **Payout ratio (%)** | 92.3 % | 80.5 % | 82.0 % |
| **Dividend yield-%** | 4.5 % | 4.5 % | 5.1 % |

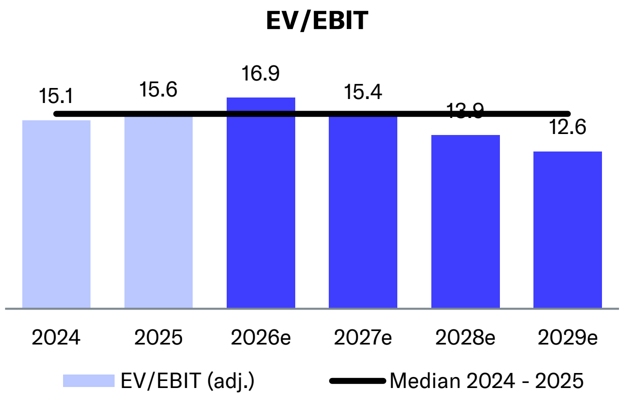
Source: Inderes

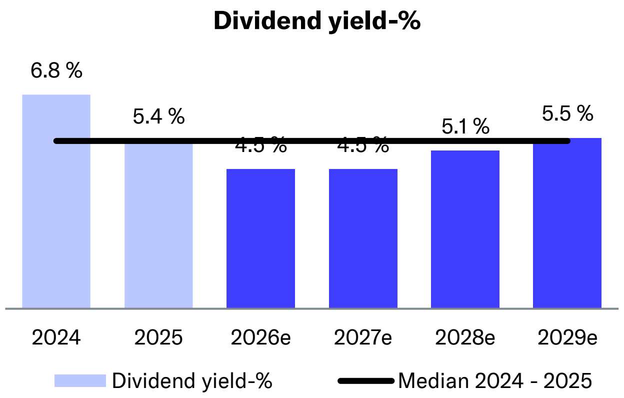
# Valuation table

| Valuation | 2021 | 2022 | 2023 | 2024 | 2025 | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|
| Share price | 7.99 | 6.32 | 9.26 | 10.2 | 12.3 | 16.8 | 16.8 | 16.8 | 16.8 |
| Number of shares, millions | 84.8 | 84.8 | 84.8 | 84.8 | 84.8 | 84.8 | 84.8 | 84.8 | 84.8 |
| Market cap | 677 | 536 | 785 | 867 | 1044 | 1426 | 1426 | 1426 | 1426 |
| EV | 775 | 630 | 886 | 982 | 1174 | 1568 | 1583 | 1588 | 1590 |
| P/E (adj.) | 19.4 | 15.0 | 20.3 | 18.0 | 18.6 | 20.6 | 18.1 | 16.2 | 14.6 |
| P/E | 21.2 | 15.3 | 20.3 | 18.0 | 18.6 | 20.7 | 18.1 | 16.2 | 14.6 |
| P/B | 10.0 | 7.0 | 9.2 | 8.5 | 10.6 | 12.7 | 11.2 | 9.4 | 8.1 |
| P/S | 2.5 | 1.8 | 2.3 | 2.3 | 2.4 | 2.8 | 2.4 | 2.2 | 2.0 |
| EV/Sales | 2.9 | 2.1 | 2.6 | 2.6 | 2.7 | 3.1 | 2.7 | 2.4 | 2.2 |
| EV/EBITDA | 13.9 | 10.4 | 13.1 | 11.7 | 12.1 | 13.4 | 12.1 | 10.9 | 9.8 |
| EV/EBIT (adj.) | 16.4 | 13.2 | 16.8 | 15.1 | 15.6 | 16.9 | 15.4 | 13.9 | 12.6 |
| Payout ratio (%) | 80.0 % | 82.9 % | 83.3 % | 123.3 % | 99.9 % | 92.3 % | 80.5 % | 82.0 % | 80.0 % |
| Dividend yield-% | 3.8 % | 5.4 % | 4.1 % | 6.8 % | 5.4 % | 4.5 % | 4.5 % | 5.1 % | 5.5 % |

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<br>Company | Market cap<br>MEUR | EV<br>MEUR | EV/EBIT<br>2026e | <br>2027e | EV/EBITDA<br>2026e | <br>2027e | EV/S<br>2026e | <br>2027e | P/E<br>2026e | <br>2027e | Dividend yield-%<br>2026e | <br>2027e | P/B<br>2026e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Europris ASA | 1348 | 1827 | 13.6 | 11.4 | 7.7 | 6.9 | 1.3 | 1.2 | 15.8 | 12.6 | 4.5 | 4.8 | 3.1 |
| Byggmax Group AB | 273 | 444 | 13.2 | 12.1 | 5.0 | 4.9 | 0.8 | 0.8 | 12.2 | 10.9 | 4.1 | 4.6 | 1.1 |
| Clas Ohlson AB | 2472 | 2442 | 17.2 | 14.6 | 13.2 | 10.1 | 2.1 | 1.9 | 22.1 | 18.5 | 2.3 | 2.9 | 8.0 |
| Axfood AB | 4635 | 6057 | 17.8 | 16.3 | 8.6 | 8.0 | 0.7 | 0.7 | 20.7 | 18.4 | 3.9 | 4.1 | 6.9 |
| Dollar General Corp | 23596 | 26156 | 14.4 | 12.3 | 9.7 | 8.4 | 0.7 | 0.7 | 19.1 | 15.8 | 1.9 | 1.9 | 3.2 |
| Kesko Oyj | 8910 | 12565 | 18.0 | 15.6 | 9.5 | 8.5 | 1.0 | 0.9 | 19.3 | 17.2 | 4.3 | 4.7 | 3.0 |
| Musti Group Oyj | 503 | 739 | 11.9 | 12.5 | 7.1 | 6.5 | 1.4 | 1.3 | 11.2 | | 6.0 | | 2.0 |
| Verkkokauppa.com Oyj | 158 | 170 | 11.2 | 9.8 | 7.7 | 6.9 | 0.3 | 0.3 | 14.5 | 12.2 | 5.3 | 5.7 | 3.9 |
| Tokmanni Oyj | 424 | 1323 | 18.3 | 13.9 | 6.0 | 5.5 | 0.7 | 0.7 | 11.4 | 9.1 | 4.9 | 6.1 | 1.6 |
| Rusta | 1094 | 1566 | 17.7 | 14.6 | 7.7 | 7.6 | 1.4 | 1.2 | 20.4 | 15.9 | 3.2 | 3.0 | 4.6 |
| Tractor Supply | 15211 | 16907 | 14.4 | 13.7 | 10.4 | 10.0 | 1.2 | 1.2 | 17.5 | 16.6 | 2.8 | 3.0 | 6.3 |
| Hornbach Holding | 1344 | 2650 | 10.3 | 10.1 | 5.2 | 5.1 | 0.4 | 0.4 | 9.6 | 9.4 | 2.9 | 2.9 | 0.7 |
| B&M European Value Retail | 2717 | 5152 | 10.8 | 10.8 | 6.3 | 6.2 | 0.8 | 0.7 | 11.5 | 10.8 | 4.2 | 4.3 | 2.9 |
| Kingfisher | 5574 | 7758 | 10.1 | 9.8 | 5.1 | 4.9 | 0.5 | 0.5 | 12.6 | 11.4 | 4.3 | 4.3 | 0.8 |
| **Puuilo Oyj (Inderes)** | **1426** | **1568** | **16.9** | **15.4** | **13.4** | **12.1** | **3.1** | **2.7** | **20.6** | **18.1** | **4.5** | **4.5** | **12.7** |
| **Average** | | | **14.2** | **12.7** | **7.8** | **7.1** | **1.0** | **0.9** | **15.6** | **13.7** | **3.9** | **4.0** | **3.4** |
| **Median** | | | **14.0** | **12.4** | **7.7** | **6.9** | **0.8** | **0.8** | **15.2** | **12.6** | **4.1** | **4.3** | **3.1** |
| **Diff-% to median** | | | **21%** | **24%** | **75%** | **75%** | **295%** | **261%** | **36%** | **43%** | **8%** | **4%** | **318%** |

Source: Refinitiv / Inderes

# Income statement

| Income statement | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26 | Q2'26 | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **383** | **89.3** | **136** | **116** | **101** | **442** | **104** | **153** | **135** | **117** | **509** | **585** | **659** | **728** |
| **EBITDA** | **84.0** | **15.8** | **32.8** | **27.0** | **21.7** | **97.3** | **21.5** | **39.3** | **31.1** | **25.0** | **117** | **131** | **146** | **162** |
| Depreciation | -18.7 | -5.4 | -5.3 | -5.6 | -5.7 | -22.0 | -5.8 | -6.1 | -6.2 | -6.3 | -24.4 | -28.0 | -31.7 | -35.3 |
| **EBIT (excl. NRI)** | **65.2** | **10.4** | **27.5** | **21.4** | **16.1** | **75.4** | **15.9** | **33.4** | **24.9** | **18.7** | **92.9** | **103** | **114** | **126** |
| **EBIT** | **65.2** | **10.4** | **27.5** | **21.4** | **16.0** | **75.3** | **15.7** | **33.2** | **24.9** | **18.7** | **92.5** | **103** | **114** | **126** |
| Net financial items | -5.1 | -1.4 | -1.4 | -1.4 | -1.2 | -5.5 | -1.5 | -1.7 | -1.6 | -1.7 | -6.5 | -6.6 | -7.2 | -7.7 |
| **PTP** | **60.1** | **9.0** | **26.0** | **20.0** | **14.8** | **69.8** | **14.2** | **31.5** | **23.3** | **17.0** | **86.0** | **96.3** | **107** | **119** |
| Taxes | -12.0 | -1.8 | -5.2 | -3.9 | -2.9 | -13.8 | -2.8 | -6.2 | -4.7 | -3.4 | -17.1 | -17.3 | -19.3 | -21.4 |
| 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** | **48.1** | **7.2** | **20.8** | **16.1** | **11.9** | **56.0** | **11.4** | **25.3** | **18.7** | **13.6** | **68.9** | **78.9** | **87.9** | **97.4** |
| **EPS (adj.)** | **0.57** | **0.09** | **0.25** | **0.19** | **0.14** | **0.66** | **0.14** | **0.30** | **0.22** | **0.16** | **0.82** | **0.93** | **1.04** | **1.15** |
| **EPS (rep.)** | **0.57** | **0.09** | **0.25** | **0.19** | **0.14** | **0.66** | **0.13** | **0.30** | **0.22** | **0.16** | **0.81** | **0.93** | **1.04** | **1.15** |

| Key figures | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26 | Q2'26 | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue growth-%** | 13.3 % | 18.4 % | 13.2 % | 13.7 % | 17.7 % | 15.4 % | 16.2 % | 12.8 % | 15.9 % | 16.2 % | 15.1 % | 15.0 % | 12.6 % | 10.4 % |
| **Adjusted EBIT growth-%** | 23.5 % | 37.6 % | 12.5 % | 11.1 % | 15.4 % | 15.6 % | 52.3 % | 21.4 % | 16.2 % | 16.7 % | 23.2 % | 10.7 % | 11.2 % | 10.5 % |
| **EBITDA-%** | 21.9 % | 17.7 % | 24.1 % | 23.3 % | 21.4 % | 22.0 % | 20.7 % | 25.6 % | 23.1 % | 21.3 % | 23.0 % | 22.4 % | 22.2 % | 22.2 % |
| **Adjusted EBIT-%** | 17.0 % | 11.7 % | 20.2 % | 18.5 % | 15.9 % | 17.0 % | 15.3 % | 21.8 % | 18.5 % | 16.0 % | 18.3 % | 17.6 % | 17.4 % | 17.4 % |
| **Net earnings-%** | 12.6 % | 8.1 % | 15.3 % | 13.9 % | 11.7 % | 12.7 % | 11.0 % | 16.5 % | 13.9 % | 11.6 % | 13.5 % | 13.5 % | 13.3 % | 13.4 % |

Source: Inderes

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

# Balance sheet

| Assets | 2024 | 2025 | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|
| **Non-current assets** | **139** | **149** | **163** | **180** | **196** |
| Goodwill | 33.5 | 33.5 | 33.5 | 33.5 | 33.5 |
| Intangible assets | 16.0 | 13.7 | 13.6 | 13.5 | 13.5 |
| Tangible assets | 88.0 | 100.0 | 115 | 131 | 147 |
| 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 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | 1.3 | 1.6 | 1.6 | 1.8 | 2.0 |
| **Current assets** | **142** | **168** | **193** | **221** | **256** |
| Inventories | 116 | 123 | 142 | 163 | 184 |
| Other current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables | 8.2 | 11.6 | 12.7 | 14.6 | 16.5 |
| Cash and equivalents | 18.3 | 33.0 | 38.0 | 43.7 | 56.0 |
| **Balance sheet total** | **281** | **317** | **356** | **401** | **452** |

Source: Inderes

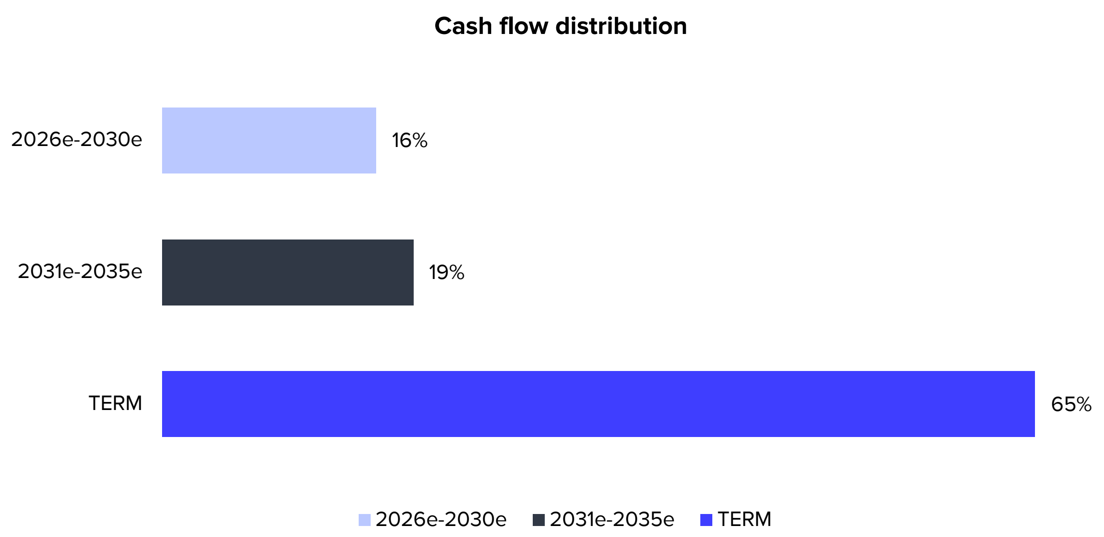
| Liabilities & equity | 2024 | 2025 | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|
| **Equity** | **102** | **98.9** | **112** | **127** | **152** |
| Share capital | 29.1 | 29.0 | 29.0 | 29.0 | 29.0 |
| Retained earnings | 72.7 | 69.9 | 82.9 | 98.2 | 123 |
| Hybrid bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Non-current liabilities** | **122** | **151** | **182** | **203** | **221** |
| Deferred tax liabilities | 2.5 | 2.3 | 2.3 | 2.3 | 2.3 |
| Provisions | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Interest bearing debt | 118 | 147 | 179 | 199 | 218 |
| Convertibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long-term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Current liabilities** | **57.4** | **67.2** | **61.6** | **71.7** | **79.1** |
| Interest bearing debt | 15.0 | 16.2 | 0.6 | 1.4 | 0.0 |
| Payables | 42.4 | 51.0 | 61.1 | 70.2 | 79.1 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Balance sheet total** | **281** | **317** | **356** | **401** | **452** |

# DCF calculation

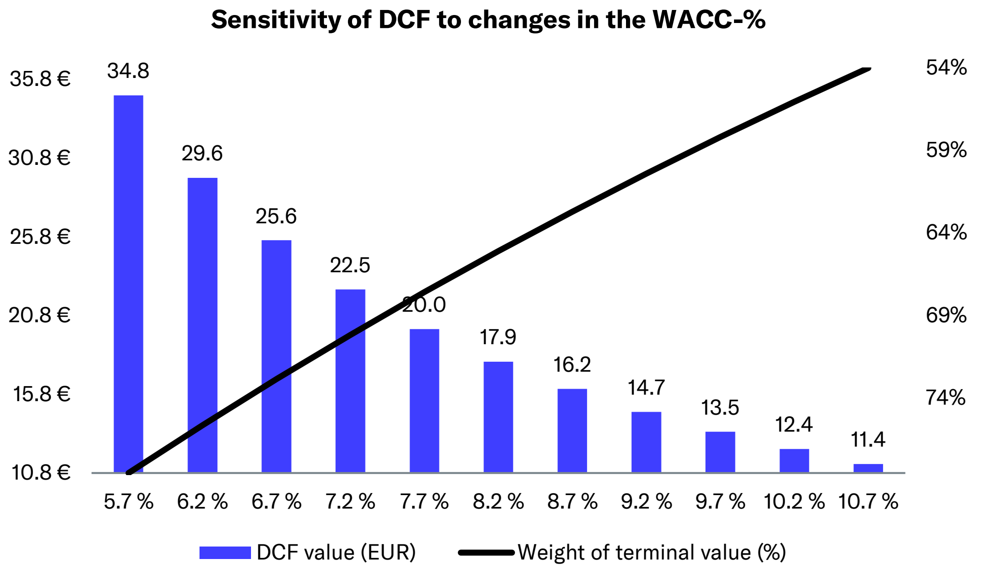
| DCF model | 2025 | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | 2035e | TERM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue growth-% | 15.4 % | 15.1 % | 15.0 % | 12.6 % | 10.4 % | 9.1 % | 7.7 % | 5.8 % | 5.0 % | 5.1 % | 2.5 % | 2.5 % |
| EBIT-% | 17.0 % | 18.2 % | 17.6 % | 17.4 % | 17.4 % | 17.5 % | 17.5 % | 17.5 % | 17.5 % | 16.5 % | 16.5 % | 16.5 % |
| **EBIT (operating profit)** | **75.3** | **92.5** | **103** | **114** | **126** | **139** | **150** | **158** | **166** | **165** | **169** | |
| + Depreciation | 22.0 | 24.6 | 28.0 | 31.7 | 35.3 | 38.6 | 41.6 | 44.3 | 46.9 | 49.4 | 51.5 | |
| - Paid taxes | -14.3 | -17.1 | -17.5 | -19.5 | -21.6 | -23.7 | -25.4 | -26.8 | -28.2 | -27.8 | -29.6 | |
| - Tax, financial expenses | -1.1 | -1.3 | -1.2 | -1.3 | -1.4 | -1.5 | -1.8 | -1.9 | -2.0 | -2.1 | -2.2 | |
| + Tax, financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | |
| - Change in working capital | -2.6 | -9.6 | -14.0 | -13.6 | -12.6 | -12.2 | -11.3 | -9.1 | -8.4 | -9.0 | -4.6 | |
| **Operating cash flow** | **79.3** | **89.2** | **98.1** | **112** | **126** | **140** | **153** | **165** | **175** | **175** | **185** | |
| + Change in other long-term liabilities | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Gross CAPEX | -31.7 | -39.3 | -44.3 | -47.3 | -49.8 | -51.8 | -53.8 | -55.8 | -57.8 | -58.8 | -57.2 | |
| **Free operating cash flow** | **47.7** | **49.9** | **53.8** | **64.5** | **76.4** | **88.3** | **99.0** | **109** | **117** | **117** | **128** | |
| +/- Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 47.7 | 49.9 | 53.8 | 64.5 | 76.4 | 88.3 | 99.0 | 109 | 117 | 117 | 128 | 2313 |
| **Discounted FCFF** | | **48.7** | **48.5** | **53.8** | **59.0** | **63.0** | **65.3** | **66.5** | **65.9** | **60.7** | **61.7** | **1113** |
| Sum of FCFF present value | | 1706 | 1657 | 1609 | 1555 | 1496 | 1433 | 1368 | 1301 | 1235 | 1175 | 1113 |
| **Enterprise value DCF** | | **1706** | | | | | | | | | | |
| - Interest bearing debt | | -163.4 | | | | | | | | | | |
| + Cash and cash equivalents | | 33.0 | | | | | | | | | | |
| + Associated companies | | 0.0 | | | | | | | | | | |
| -Minorities | | 0.0 | | | | | | | | | | |
| -Dividend/capital return | | -28.0 | | | | | | | | | | |
| **Equity value DCF** | | **1547** | | | | | | | | | | |
| **Equity value DCF per share** | | **18.3** | | | | | | | | | | |

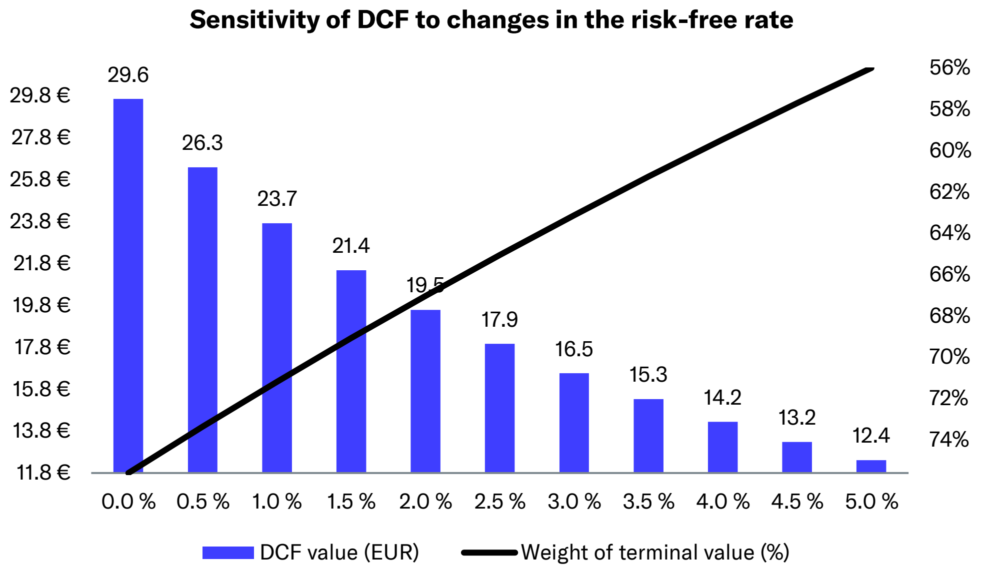
| WACC | |
|---|---|
| Tax-% (WACC) | 18.0 % |
| Target debt ratio (D/(D+E) | 20.0 % |
| Cost of debt | 5.0 % |
| Equity Beta | 1.20 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.00% |
| Risk free interest rate | 2.5 % |
| **Cost of equity** | **9.2 %** |
| **Weighted average cost of capital (WACC)** | **8.2 %** |

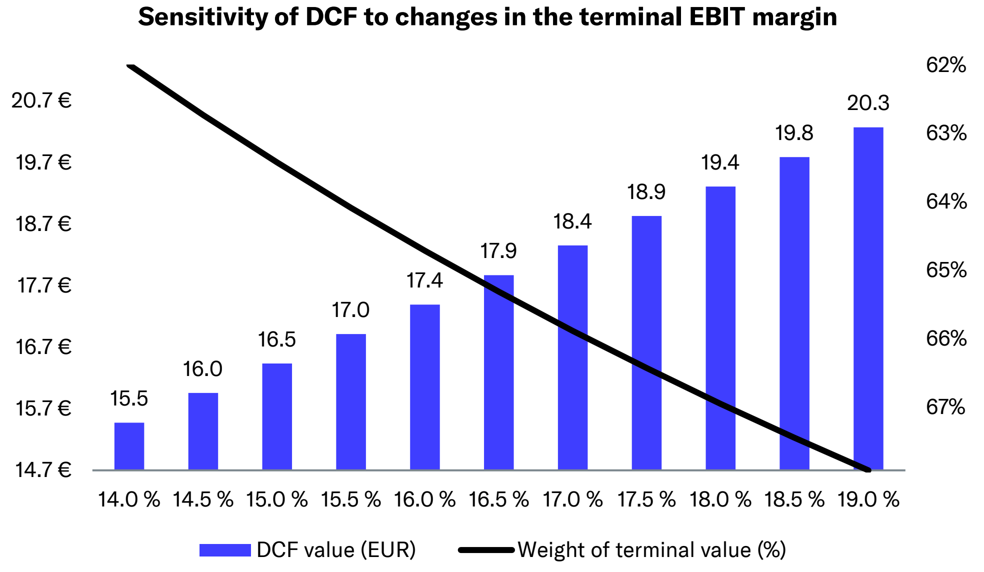
Source: Inderes

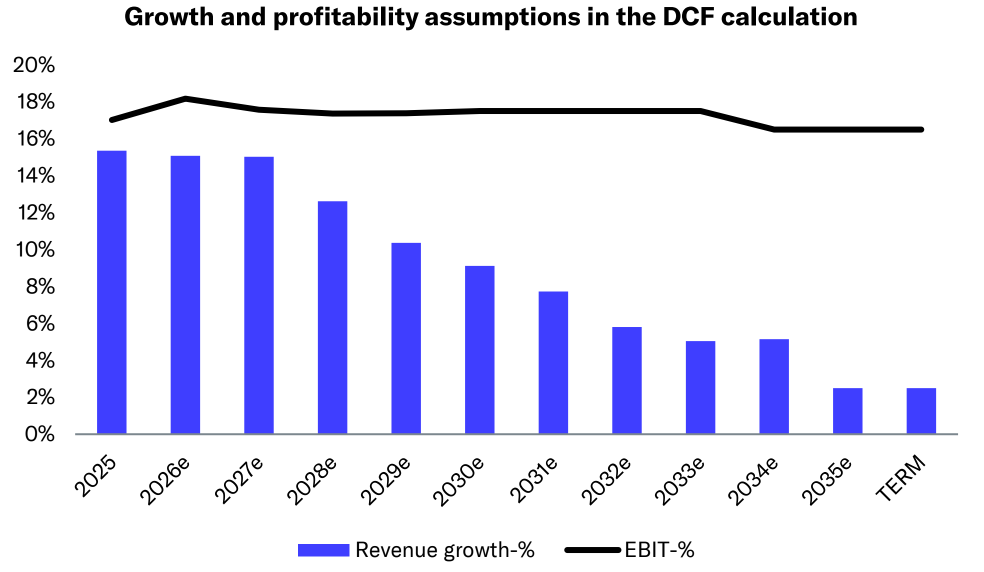


# DCF sensitivity calculations and key assumptions in graphs




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

# Summary

| Income statement | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| Revenue | 383.4 | 442.3 | **509.0** | **585.4** |
| EBITDA | 84.0 | 97.3 | **117.1** | **130.8** |
| EBIT | 65.2 | 75.3 | **92.5** | **102.9** |
| PTP | 60.1 | 69.8 | **86.0** | **96.3** |
| Net Income | 48.1 | 56.0 | **68.9** | **78.9** |
| Extraordinary items | 0.0 | -0.1 | **-0.4** | **0.0** |

| Balance sheet | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| Balance sheet total | 280.8 | 316.7 | **356.0** | **401.5** |
| Equity capital | 101.8 | 98.9 | **111.9** | **127.2** |
| Goodwill | 33.5 | 33.5 | **33.5** | **33.5** |
| Net debt | 114.8 | 130.4 | **141.7** | **156.9** |

| Cash flow | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| EBITDA | 84.0 | 97.3 | **117.1** | **130.8** |
| Change in working capital | -18.2 | -2.6 | **-9.6** | **-14.0** |
| Operating cash flow | 52.3 | 79.3 | **89.2** | **98.1** |
| CAPEX | -30.5 | -31.7 | **-39.3** | **-44.3** |
| Free cash flow | 21.9 | 47.7 | **49.9** | **53.8** |

| Valuation multiples | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| EV/S | 2.6 | 2.7 | **3.1** | **2.7** |
| EV/EBITDA | 11.7 | 12.1 | **13.4** | **12.1** |
| EV/EBIT (adj.) | 15.1 | 15.6 | **16.9** | **15.4** |
| P/E (adj.) | 18.0 | 18.6 | **20.6** | **18.1** |
| P/B | 8.5 | 10.6 | **12.7** | **11.2** |
| Dividend-% | 6.8 % | 5.4 % | **4.5 %** | **4.5 %** |

Source: Inderes

| Per share data | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| EPS (reported) | 0.57 | 0.66 | **0.81** | **0.93** |
| EPS (adj.) | 0.57 | 0.66 | **0.82** | **0.93** |
| OCF / share | 0.62 | 0.94 | **1.05** | **1.16** |
| OFCF / share | 0.26 | 0.56 | **0.59** | **0.63** |
| Book value / share | 1.20 | 1.17 | **1.32** | **1.50** |
| Dividend / share | 0.70 | 0.66 | **0.75** | **0.75** |

| Growth and profitability | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|
| Revenue growth-% | 13% | 15% | **15%** | **15%** |
| EBITDA growth-% | 24% | 16% | **20%** | **12%** |
| EBIT (adj.) growth-% | 24% | 16% | **23%** | **11%** |
| EPS (adj.) growth-% | 24% | 17% | **24%** | **14%** |
| EBITDA-% | 21.9 % | 22.0 % | **23.0 %** | **22.4 %** |
| EBIT (adj.)-% | 17.0 % | 17.0 % | **18.3 %** | **17.6 %** |
| EBIT-% | 17.0 % | 17.0 % | **18.2 %** | **17.6 %** |
| ROE-% | 51.5 % | 55.8 % | **65.4 %** | **66.0 %** |
| ROI-% | 29.5 % | 30.3 % | **33.4 %** | **33.2 %** |
| Equity ratio | 36.3 % | 31.2 % | **31.4 %** | **31.7 %** |
| Gearing | 112.8 % | 131.9 % | **126.7 %** | **123.3 %** |
| Net debt/EBITDA | 1.4 | 1.3 | **1.2** | **1.2** |
| EBITDA/net financials | 16.5 | 17.7 | **18.0** | **19.8** |

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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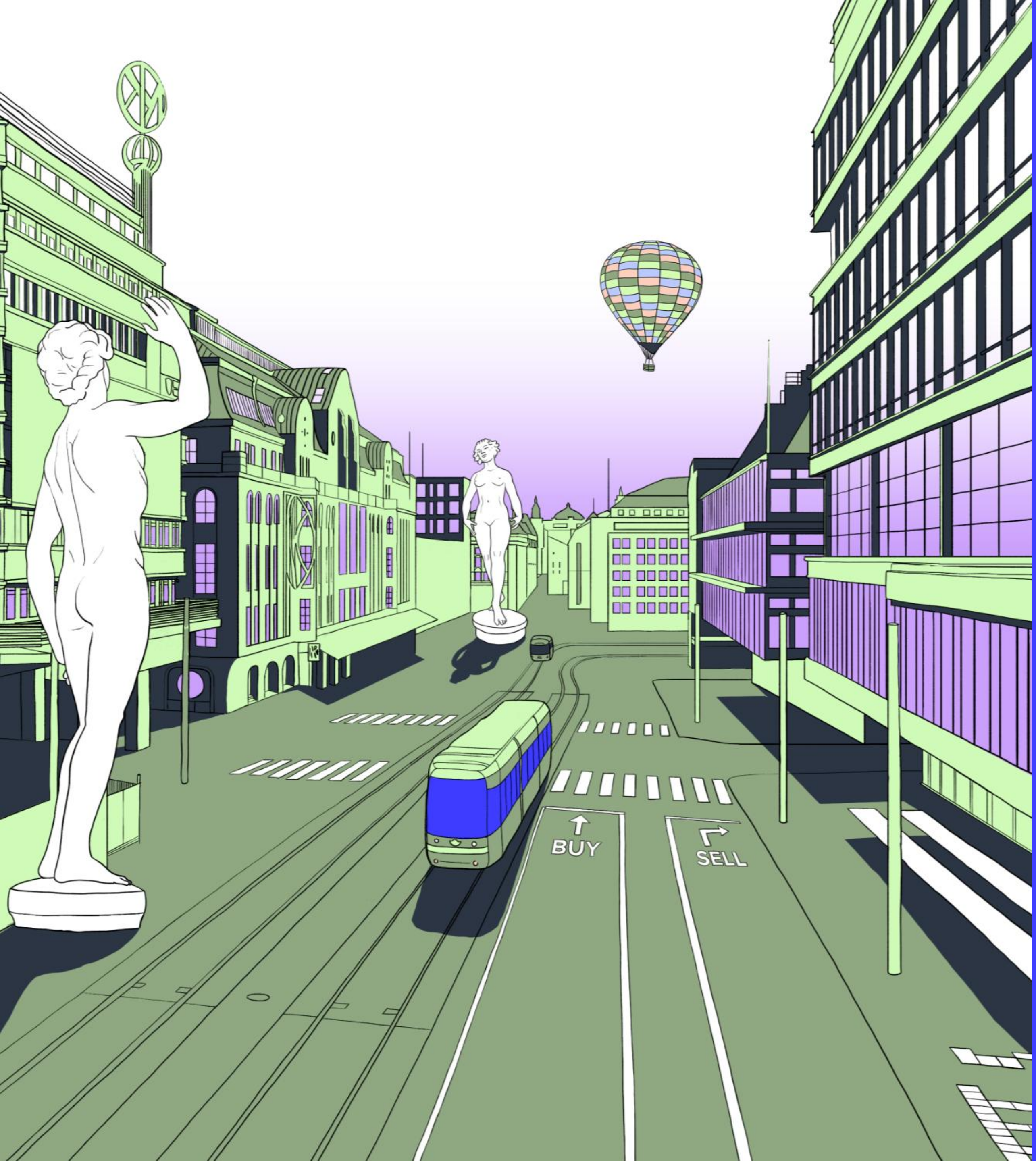
### Recommendation history (>12 mo)

| Date | Recommendation | Target | Share price |
|---|---|---|---|
| | *Analyst changed* | | |
| 9/13/2023 | Accumulate | 8.50 € | 7.63 € |
| 9/25/2023 | Accumulate | 9.00 € | 7.93 € |
| 12/14/2023 | Accumulate | 9.00 € | 8.41 € |
| 3/21/2024 | Reduce | 9.00 € | 9.26 € |
| 3/28/2024 | Accumulate | 10.00 € | 9.18 € |
| 4/24/2024 | Accumulate | 11.00 € | 9.99 € |
| 6/13/2024 | Accumulate | 11.50 € | 10.31 € |
| 9/13/2024 | Accumulate | 11.00 € | 9.84 € |
| 12/12/2024 | Accumulate | 11.50 € | 10.07 € |
| 12/30/2024 | Accumulate | 11.50 € | 10.14 € |
| 3/10/2025 | Accumulate | 12.00 € | 11.16 € |
| 3/28/2025 | Reduce | 12.00 € | 12.09 € |
| 6/11/2025 | Reduce | 13.50 € | 13.52 € |
| 9/12/2025 | Reduce | 14.50 € | 14.72 € |
| 12/11/2025 | Accumulate | 14.50 € | 13.15 € |
| 3/18/2026 | Buy | 14.00 € | 11.90 € |
| 3/26/2026 | Accumulate | 14.00 € | 12.65 € |
| 6/12/2026 | Accumulate | 17.50 € | 16.04 € |
| 9/11/2026 | Accumulate | 18.00 € | 16.82 € |

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