INCAP

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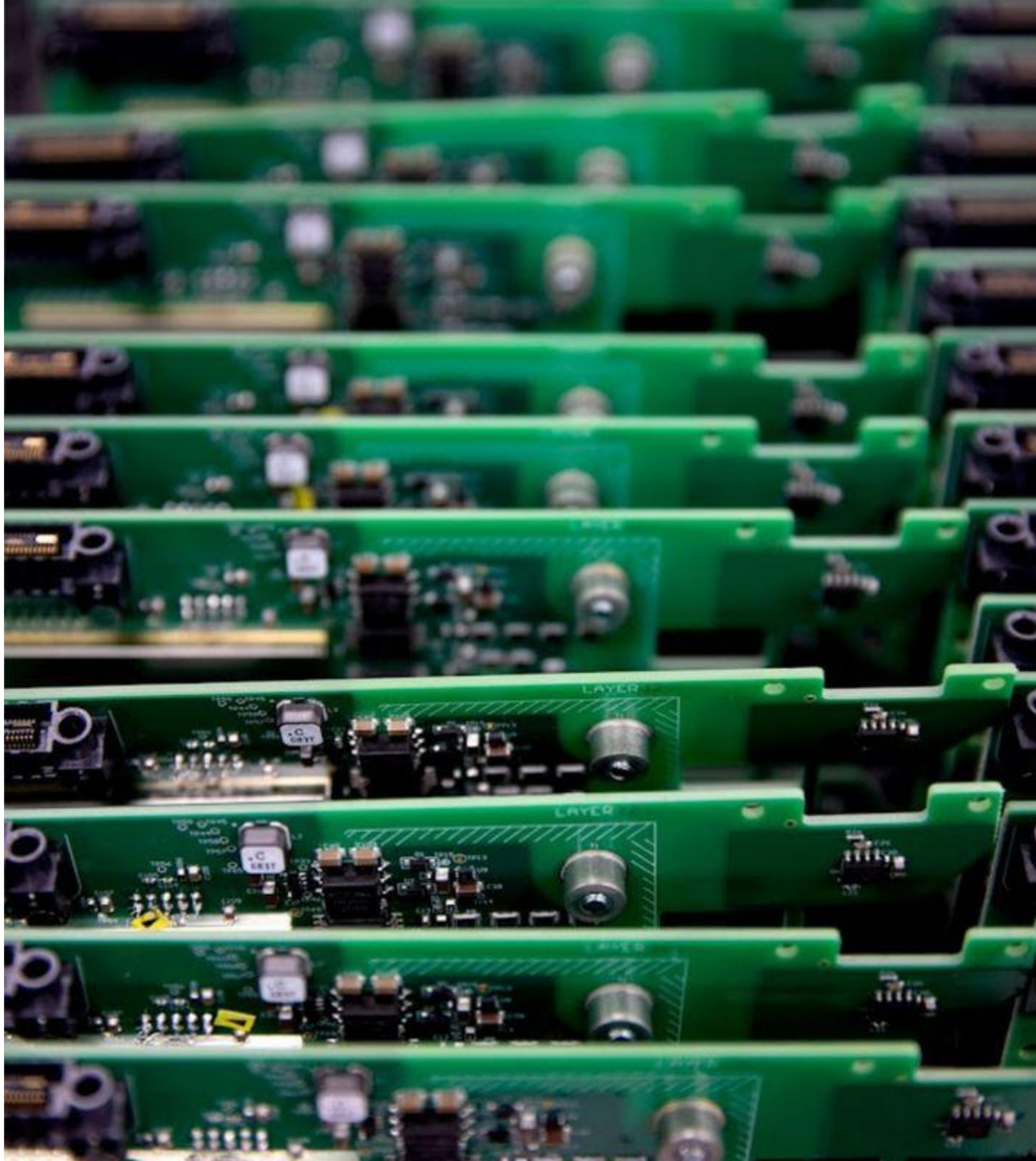
INDERES CORPORATE CUSTOMER

COMPANY REPORT



Competitive situation in India is shrinking the margin

Incap's Q2 was operationally in line with the estimates that had been lowered after last week's profit warning. The report also did not indicate that the margin pressure mentioned in the company's profit warning would be a temporary factor, as its root cause is likely increased competition in India. Following the Q2 report, we did not make changes to the company's operational estimates, which we lowered across the entire forecast horizon after the profit warning. We reiterate our EUR 9.00 target price and Accumulate recommendation for Incap, as the stock's valuation has been trampled down to a low level (EUR 2026: EV/S 0.7x, EV/EBIT 8x).

There were no longer any surprises in the Q2 figures

Incap's revenue grew by 34% in Q2 to 74 MEUR, which was well in line with our estimates. Most of the growth came inorganically through the Lacon acquisition, but organic growth also likely turned to 4% after several weak quarters, even though delivery delays due to material availability challenges continued in Q2. Incap adjusted EBITA (same as adj. EBIT) increased by 4% to 6.5 MEUR in Q2. The operating result was almost in line with our estimates, which decreased significantly after last week's profit warning. The modest profitability (Q2: adj. EBITA-% 8.8%) compared to Incap's accustomed baseline was explained by Lacon's lower profitability than Incap's and delays caused by component availability challenges. In addition, the company commented that competition in the Indian market has intensified, which revealed the source of the "margin pressure" mentioned in the profit warning. However, it was difficult to verify the margin pressure from the Q2 cost structure. In the lower lines, the tax rate rose to a high level, as the repatriation of the Indian company's profits to the parent company resulted in an additional 1 MEUR tax in Q2. In the comparison period, the corresponding tax entry was even larger, so Incap's EPS grew clearly to EUR 0.10 in Q2, but remained below our estimate, mainly due to taxes.

Margin pressure may not ease quickly

Incap naturally reiterated the guidance it downgraded last week, based on which its 2026 revenue is 270-290 MEUR (previously: clearly growing) and adjusted EBITA is 26-29 MEUR. Based on the comments on the earnings day, the margin pressure in India is not easing quickly, so we consider the structural cut in margin estimates we made in connection with our preview to be in the right direction, given the current information. Thus, we made no changes to our operational estimates in connection with this update, but we raised our tax estimates after Indian withholding taxes surprised negatively for the second year in a row.

We now expect Incap's revenue to grow by 31% this year to 280 MEUR and adjusted EBIT by 2% to 26.7 MEUR. Revenue growth is driven especially by the Lacon acquisition and organic growth turning slightly positive in H2. We estimate, however, that margin pressures and raw material availability will keep Incap's earnings in organic decline for the fourth consecutive year, as we believe Lacon's inorganic contribution to the operating result is somewhat positive. In the coming years, we estimate the company will be able to grow organically at a rate of around 6-10% due to a gradual economic recovery and certain customer wins. However, we now expect the company's adjusted EBITA margin to remain at around 10%, which is clearly a lower estimate than the company's profitability in previous years.

Valuation keeps the stock on the buy side

Incap's 2026-2027 adjusted P/E ratios based on our estimates are 12x and 10x, and the corresponding EV/EBIT ratios are 8x and 6x. We consider the multiples cheap, although the EV/EBIT ratio is doomed to remain in single digits until the organic earnings growth trend of recent years reverses and prevailing uncertainties ease. The relative markdown of the share is significant, and the volume-based premium that traditionally guaranteed high margins for Incap has also melted away (2026e: EV/S 0.7x). The DCF value also supports a positive view on the stock.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 9.00
(was EUR 9.00)

Share price:
EUR 7.40

Business risk
●●●●○

Valuation risk
●●●○○

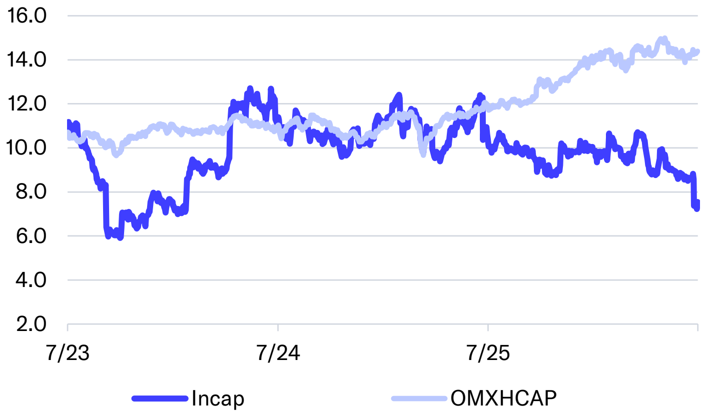
	2025	2026e	2027e	2028e
Revenue	215	281	328	348
growth-%	-7%	31%	17%	6%
EBIT adj.	26.1	26.7	32.1	35.4
EBIT-% adj.	12.2 %	9.5 %	9.8 %	10.2 %
Net Income	14.0	16.2	20.3	22.9
EPS (adj.)	0.49	0.61	0.73	0.82
P/E (adj.)	19.8	12.1	10.2	9.1
P/B	2.1	1.4	1.3	1.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	2.1 %
EV/EBIT (adj.)	9.0	7.7	6.0	4.9
EV/EBITDA	7.5	6.0	4.9	4.1
EV/S	1.1	0.7	0.6	0.5

Source: Inderes

Guidance (Unchanged)

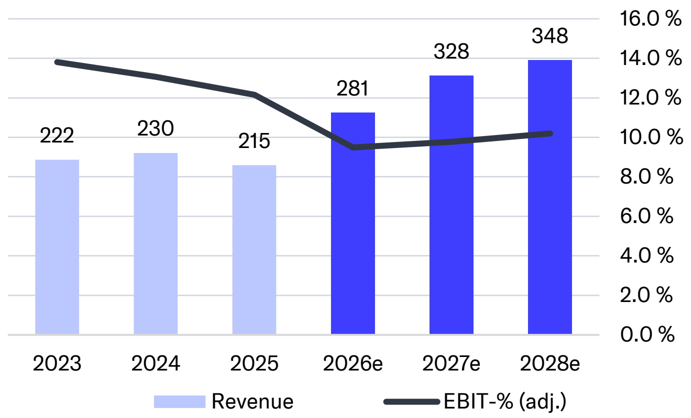
Incap still estimates that its revenue in 2026 will be significantly higher than in 2025, at 270-290 MEUR. Incap estimates that its comparable EBITA will be higher than in 2025 and will be 26–29 MEUR.

Share price



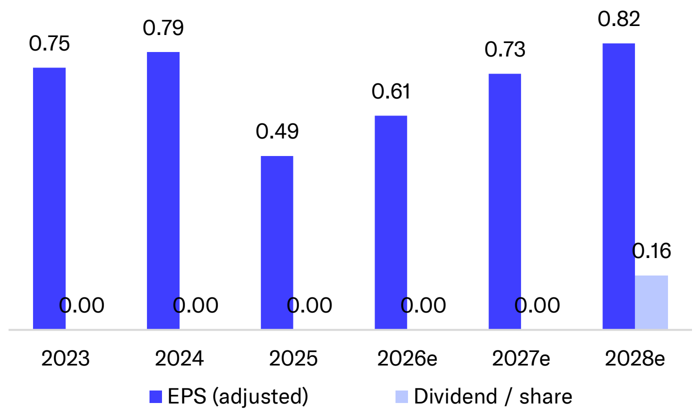
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Organic growth in the electronics market, supported by global megatrends and increased outsourcing rate
- Light organization and cost structure enable a high profitability level
- Quick decision-making supports new customer procurement
- Accelerating growth with acquisitions
- Cross-selling potential created by the Pennatronics acquisition

Risk factors

- Mutually challenging value chain position upholds a brutal competitive situation
- Cyclical or volatile nature of customer industries
- Tightening competitive situation
- Company's cost efficiency deteriorating
- Supply chain disruptions
- Risk related to individual customers still elevated

Valuation	2026e	2027e	2028e
Share price	7.40	7.40	7.40
Number of shares, millions	29.4	29.4	29.4
Market cap	218	218	218
EV	204	194	174
P/E (adj.)	12.1	10.2	9.1
P/E	13.5	10.7	9.5
P/B	1.4	1.3	1.1
P/S	0.8	0.7	0.6
EV/Sales	0.7	0.6	0.5
EV/EBITDA	6.0	4.9	4.1
EV/EBIT (adj.)	7.7	6.0	4.9
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	2.1 %

Source: Inderes

Growth brought little earnings growth in Q2

Earnings lagged significantly behind growth

Incap's revenue grew by 34% in Q2 to 74 MEUR, well in line with our estimate. Most of the growth came inorganically through the Lacon acquisition, but organic growth also likely turned to 4% after several weak quarters, even though delivery delays due to material availability challenges continued in Q2.

Adjusted EBITA (same as adj. EBIT) increased by 4% to 6.5 MEUR in Q2. EBIT was almost in line with our estimates, which decreased significantly after last week's profit warning. Q2's modest profitability (Q2: adj. EBITA-% 8.8%) compared to the typical baseline was explained by Lacon's lower profitability than Incap's and delays caused by component availability challenges. In addition, Incap commented that competition had intensified in India, which revealed the source of the "margin pressure" mentioned in the profit warning. In our view, the fact that the greater-than-normal margin pressure in the EMS business focused mostly or entirely in India was not a major surprise, as other Nordic peers have not reported margin pressures (peers have no production in India) However, it was difficult to verify margin pressure from Incap's Q2 cost structure, as we feel the company's inventory-adjusted gross margin was quite strong, but profitability was burdened by personnel costs, which grew significantly faster than revenue. The Lacon acquisition also significantly complicates interpretation, as it has changed Incap's structure, and we have no information on the levels of Lacon's various cost lines. In Lacon's German-focused operations, the gross margin percentage and personnel cost percentage are likely higher than in other Incap operations.

On the lower lines, the financial expenses were slightly elevated compared to our estimates, likely due to currency-based reasons. The tax rate rose to a high 45%, as repatriation of the Indian company's profits resulted in an additional 1 MEUR withholding tax for Q2. In the comparison period, the corresponding withholding tax was even higher, so Incap's EPS grew significantly to EUR 0.10 in Q2, but remained below our estimate, mainly due to taxes.

In terms of cash flow, the report was moderate, as we calculate cash flow from operating activities was 8.6 MEUR (Q2'25: 7.2 MEUR). Thus, the company was able to clearly improve its cash flow after a weak Q1. We expect cash flow to strengthen further towards the end of the year, reflecting the normal seasonality of the business, although the organic growth rate and the viability of the raw material market will affect the amount of capital tied up in inventory.

Balance sheet is still healthy

Incap's net gearing rose to 4% due to the Lacon acquisition completed in Q1 and working capital commitment in H1 (Q2'25: -27%). Thus, the company's financial position remains strong, and the balance sheet would also enable new acquisitions. However, we primarily expect the company to digest and integrate its Lacon acquisition in the coming quarters, unless exceptionally attractive M&A opportunities arise. We also believe that the current valuation level of the stock poses certain challenges for carrying out value-creating acquisitions right now.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	55.3	74.2	74.3				0%	281
EBIT (adj.)	6.3	6.5	6.7				-3%	26.7
EBIT	6.0	5.8	6.1				-6%	24.3
PTP	4.4	5.1	5.6				-9%	23.0
EPS (reported)	0.03	0.10	0.14				-29%	0.55
Revenue growth-%	-4.1 %	34.1 %	34.4 %				-0.2 pp	31.1 %
EBIT-% (adj.)	11.5 %	8.8 %	9.0 %				-0.2 pp	9.5 %

Source: Inderes

Incap Q2'26: Margins and raw material availability as challenges

We made no further estimate changes, with the exception of taxes

Competitive pressure may not ease quickly

Incap naturally reiterated the guidance it provided in the profit warning earlier this week, according to which the company's revenue for this year is 270-290 MEUR and EBIT 26-29 MEUR. Based on the comments on the earnings day, margin pressure in India is not easing immediately, as the attractive features of contract manufacturing in the country have attracted investments to the region. From Incap's perspective, price competition is likely to be intense, especially with new customers, but existing customers may also have opportunities to leverage contract manufacturers' margins slightly thinner. We believe Incap is well-prepared to respond to the competitive situation due to its good margin levels and established reputation, but increased competition will likely affect the margin levels of the Indian factory for some time. In other markets, the company had not seen stronger than normal competitive or margin pressures, which we consider a credible comment given the Q2 reports of other Nordic contract manufacturers. Regarding demand, the market situation seemed to develop favorably, as Incap commented positively on H1's order intake and believed H2 would be better than H1. Demand in the defense industry and data segments (indirect), which are likely still relatively small for Incap, appeared strong, while demand for more traditional electronic products seemed more stable.

We made no changes to our growth and margin estimates after the preview cuts

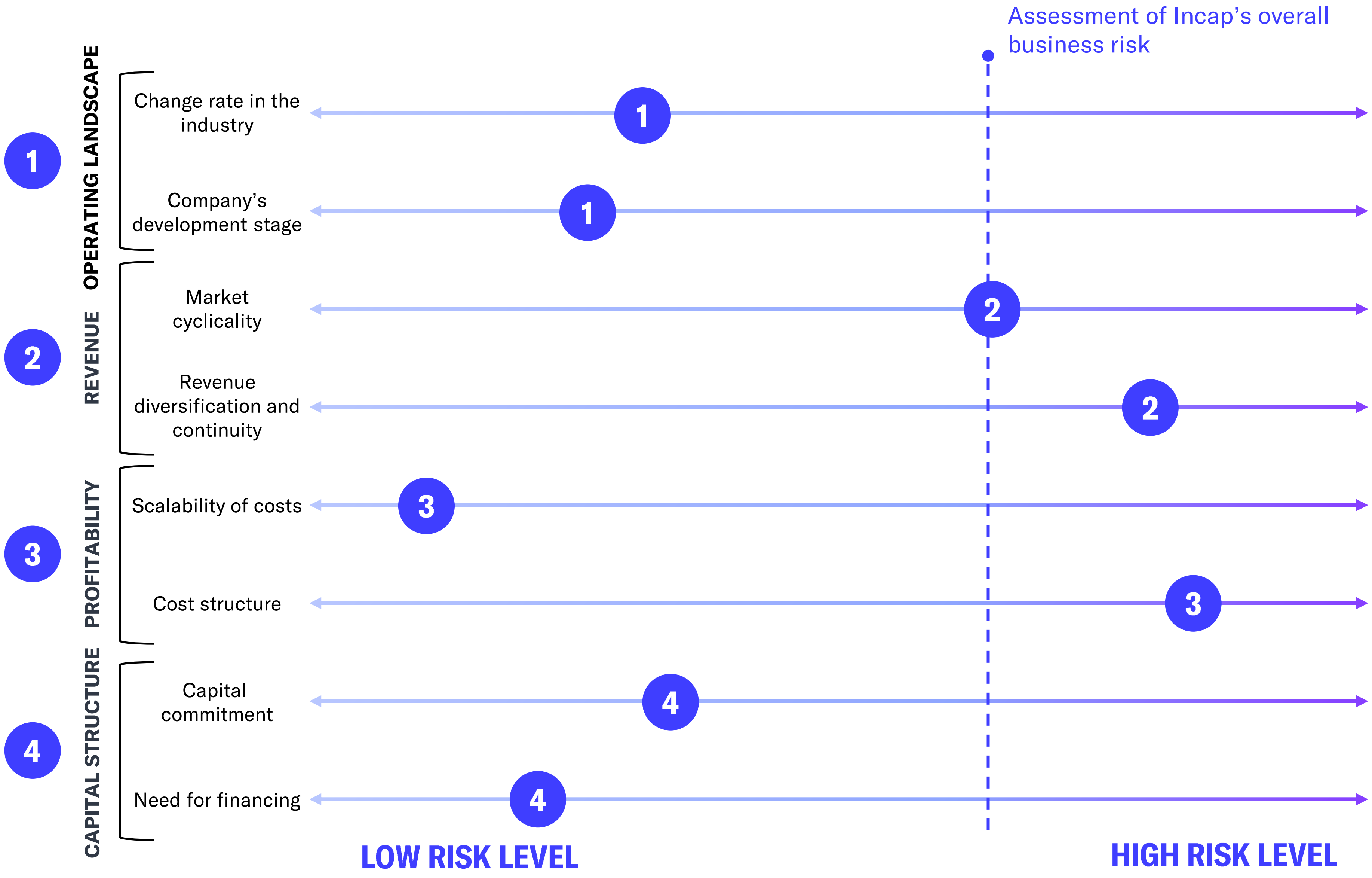
With additional information on the competitive situation and the reasons for margin pressure, we consider the structural cut of around 1 percentage point in the group's margin estimates, which we made in connection with our preview, to be in the right direction. Thus, in connection with this update, we made no changes to our operational estimates, but we slightly raised our tax estimates due to a negative surprise from Indian withholding taxes for the second consecutive year. The increase in tax estimates weighed on our near-term EPS estimates by approximately 5-6%.

We now expect Incap's revenue to grow by 31% this year to 280 MEUR and adjusted EBIT by 2% to 26.7 MEUR. Revenue growth is driven especially by the Lacon acquisition and organic growth turning slightly positive in H2. In practice, we believe that margin pressures and raw material availability will keep Incap's earnings in organic decline for the fourth consecutive year, as we believe Lacon's inorganic contribution to the operating result is somewhat positive. In the coming years, we estimate the company will be able to grow organically at a rate of around 6-10% due to a gradual economic recovery and certain customer wins. However, we now expect the company's adjusted EBITA % to remain at around 10% due to increased competition in India, which is clearly lower than the company's profitability in previous years and only slightly higher than the best peers.

Estimate revisions MEUR / EUR	2026e Old	2026e Actualized	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	281	281	0%	328	328	0%	348	348	0%
EBITDA	33.8	33.9	0%	39.6	39.6	0%	42.9	42.9	0%
EBIT	24.6	24.3	-1%	30.6	30.6	0%	33.9	33.9	0%
PTP	23.5	23.0	-2%	29.1	29.1	0%	32.8	32.7	0%
EPS (excl. NRIs)	0.65	0.61	-6%	0.77	0.73	-5%	0.86	0.82	-5%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risk profile of the business model



The industry is mature and there is no indication for a fast technology revolution

Incap has achieved very good efficiency and profitability levels, which has enabled investments

A majority of revenue comes from investment-driven sectors, but the drivers of customer segments may differ

The overall customer portfolio is still concentrated and the hard order backlog is short, but customer relationships are strategic and long-lasting

The cost structure is light, limiting the scaling of growth, but providing flexibility points against demand changes, base profitability is high.

Challenging value chain position limits direct pricing power on both sides

Overall capital commitment is moderate at normal growth rates, although growth ties up working capital and requires moderate investment

The balance sheet gives the company plenty of room to maneuver for M&A, but the company will likely want to keep its balance sheet strong

Valuation is low from all angles

Earnings valuation is still rather low...

Incap's adjusted P/E ratios for 2026-2027 based on our estimates are 12x and 10x, while the corresponding EV/EBIT ratios, which better reflect the strong balance sheet even after the Lacon acquisition, are around 8x and 6x. This year's multiples are below Incap's 5-year medians, while for next year, the difference to historical valuation widens. In our extensive report, we outlined Incap's acceptable valuation as an adjusted P/E of 12x-15x and EV/EBIT of 9x-12x, but due to the increased uncertainty following the recent profit warning, these now need to be adjusted downwards (i.e., the required return increased after the profit warning). In addition, the tax rate, elevated by Indian withholding taxes, decreases the acceptable EV-based valuation by a notch. Even with these revisions, the current multiples are still at the lower end of the acceptable ranges for the company, and we see the stock's valuation as cautiously attractive.

...and the expected return is good if earnings growth materializes

With the actualized result, we believe Incap's valuation is moderate (Q2'26 LTM EV/EBITDA 9x), while earnings are turning to slight growth in H2. If earnings growth materializes even in line with our estimates, there could be slight upside in valuation multiples over a one-year horizon. We do not expect dividend yield to support the expected return, as we predict that Incap will (justifiably) save its capital for growth. Overall, we still consider the expected return, particularly from earnings growth, to be cautiously attractive at the current valuation in both the short and medium term. We emphasize, however, that without earnings growth, we do not believe there is any upside in the share. Following the profit warning, risks in this regard are elevated, as the margin of error for forecasts related to the scale and duration of margin pressure in India, in particular, is high.

Peer valuation and DCF tell the same story

Compared to a peer group of global contract manufacturers, Incap's earnings-based valuation is clearly discounted. We believe this is a moderate starting point, even though at least a temporary weakening of the margin weighs on the acceptable valuation. However, the relative valuation supports our view of the share's attractive valuation level. Our DCF value for Incap is slightly above our target price, even though we raised our model's required return by about 1 percentage point in the update following the profit warning, due to the structural margin risk highlighted by the profit warning. In this update, we made no changes to our required return. Thus, the DCF, which also considers the longer term, indicates that the share is quite cheap.

Volume-based valuation should already provide support

Incap's volume and balance sheet-based valuation have decreased to the lowest level in the company's recent history due to the share price decline in recent years, as the company's current year EV/S multiple is 0.7x and P/B ratio is 1.4x While this is partly warranted due to weakening profitability, we believe the prevailing EV/S and P/B levels are moderate, provided that profitability does not significantly decline from the 2026 guidance level. EV/S has also fallen below peers, whereas Incap has traditionally been valued higher than its peers on a volume basis due to its better margin. At the prevailing EV/S valuation, we believe Incap could be a potential acquisition target for a larger player in the consolidating industry, although a premium would naturally have to be paid for the company in a takeover bid.

Valuation	2026e	2027e	2028e
Share price	7.40	7.40	7.40
Number of shares, millions	29.4	29.4	29.4
Market cap	218	218	218
EV	204	194	174
P/E (adj.)	12.1	10.2	9.1
P/E	13.5	10.7	9.5
P/B	1.4	1.3	1.1
P/S	0.8	0.7	0.6
EV/Sales	0.7	0.6	0.5
EV/EBITDA	6.0	4.9	4.1
EV/EBIT (adj.)	7.7	6.0	4.9
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	2.1 %

Source: Inderes

Total Shareholder Return drivers Q2’26 ACT-2028e

Organic revenue growth and the Lacon acquisition

Profitability is under pressure, at least in the short term

Stable financial costs and highish tax rate

Earnings growth

EPS grows, but growth lags

The balance sheet is strong even after the Lacon acquisition

The organic and inorganic implementation of the growth strategy requires capital

Healthy EBITDA

Dividend yield

The annual dividend yield is mainly zero

With the actualized earnings the valuation is moderate (Q2’26 ACT EV/EBITA 9x)

Relative valuation is at a discount

DCF value above the current share price

Valuation multiple

There is upside in the valuation, provided that the earnings trend reverses

Expected return

The expected return for the coming years is higher than the elevated required return

Positive driver

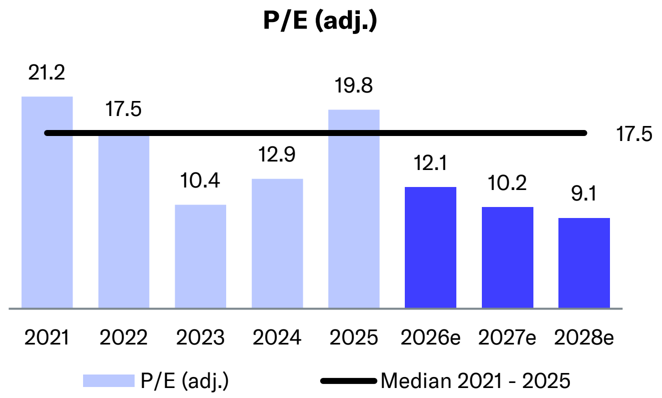
Neutral driver

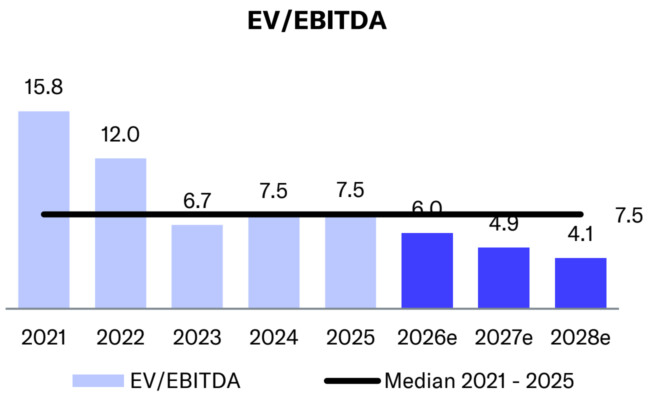
Negative driver

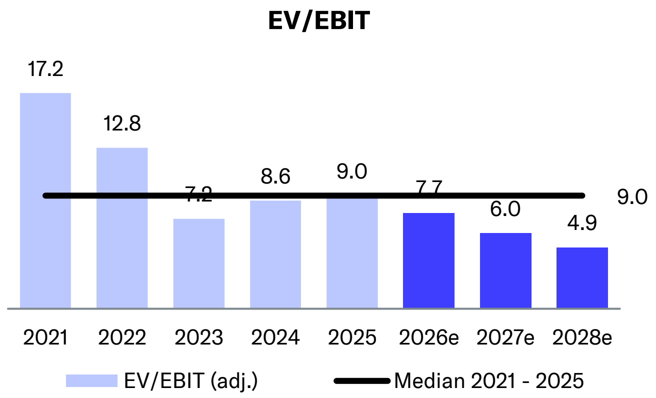
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	15.70	17.10	7.75	10.24	9.82	**7.40**	**7.40**	**7.40**	**7.40**
Number of shares, millions	29.2	29.3	29.3	29.4	29.4	**29.4**	**29.4**	**29.4**	**29.4**
Market cap	459	500	228	301	289	**218**	**218**	**218**	**218**
EV	461	514	220	260	236	**204**	**194**	**174**	**156**
P/E (adj.)	21.2	17.5	10.4	12.9	19.8	**12.1**	**10.2**	**9.1**	**8.2**
P/E	21.8	18.1	11.5	13.2	20.7	**13.5**	**10.7**	**9.5**	**8.5**
P/B	7.3	5.7	2.1	2.3	2.1	**1.4**	**1.3**	**1.1**	**1.0**
P/S	2.7	1.9	1.0	1.3	1.3	**0.8**	**0.7**	**0.6**	**0.6**
EV/Sales	2.7	1.9	1.0	1.1	1.1	**0.7**	**0.6**	**0.5**	**0.4**
EV/EBITDA	15.8	12.0	6.7	7.5	7.5	**6.0**	**4.9**	**4.1**	**3.4**
EV/EBIT (adj.)	17.2	12.8	7.2	8.6	9.0	**7.7**	**6.0**	**4.9**	**4.0**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**20.0 %**	**40.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**2.1 %**	**4.7 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Cicor Technologies	588	677	14.3	10.3	8.9	7.2	0.9	0.8	17.0	12.2			2.8
Data Modul	97	101	22.8	14.2	8.1	6.7	0.5	0.4	55.6	27.0	0.4	0.4	0.7
Hanza	766	942	6.5	5.3	5.8	4.9	0.6	0.6	10.8	9.7	1.3	2.0	2.1
Kitron	1711	1742	12.6	9.0	5.0	4.3	0.4	0.4	20.6	17.1	1.5	1.9	1.1
Lacroix Group SA	86	151	6.5	5.2	4.1	3.6	0.3	0.3	6.5	4.7	3.1	7.5	
Jabil	26436	28257	16.1	12.7	11.6	9.6	0.9	0.8	22.5	17.2	0.1	0.1	19.7
Note AB	370	518	13.2	10.5	9.5	7.9	1.2	1.1	14.0	10.6			2.1
Scanfil	736	876	13.0	11.6	9.0	8.4	0.9	0.8	15.7	13.6	2.4	2.5	2.1
Fabrinet	13049	12207	28.3	22.5	24.7	19.6	3.0	2.5	30.1	24.2			6.3
Hana Microelectronics	863	559	25.2	16.7	9.1	7.4	1.0	0.9	36.8	24.6	1.9	2.5	1.2
TT Electronics	267	340	8.5	7.0	6.0	5.3	0.6	0.6	14.7	9.2	2.5	2.6	1.1
AQ Group AB	1651	1615	18.7	16.6	13.7	12.2	1.8	1.6	24.0	21.3	1.0	1.2	3.4
Celestica	33080	33324	22.6	13.5	20.3	11.9	1.9	1.1	29.3	17.1			11.1
Incap (Inderes)	**218**	**204**	**7.7**	**6.0**	**6.0**	**4.9**	**0.7**	**0.6**	**12.1**	**10.2**	**0.0**	**0.0**	**1.4**
Average			**16.0**	**11.9**	**10.4**	**8.4**	**1.1**	**0.9**	**22.9**	**16.0**	**1.6**	**2.3**	**4.5**
Median			**14.3**	**11.6**	**9.0**	**7.7**	**0.9**	**0.8**	**20.6**	**17.1**	**1.5**	**2.0**	**2.1**
Diff-% to median			***-46%***	***-48%***	***-33%***	***-37%***	***-18%***	***-27%***	***-41%***	***-40%***	***-100%***	***-100%***	***-32%***

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	**230**	**52.2**	**55.3**	**51.8**	**55.3**	**215**	**56.0**	**74.2**	**72.9**	**78.2**	**281**	**328**	**348**	**369**
Incap	230	52.2	55.3	51.8	55.3	215	56.0	74.2	72.9	78.2	281	328	348	369
EBITDA	**34.9**	**7.2**	**7.4**	**8.2**	**8.5**	**31.3**	**6.7**	**8.5**	**8.8**	**9.8**	**33.9**	**39.6**	**42.9**	**46.6**
Depreciation	-5.6	-1.5	-1.4	-1.6	-1.5	-6.0	-2.0	-2.8	-2.4	-2.4	-9.6	-9.0	-8.9	-9.1
EBIT (excl. NRI)	**30.1**	**5.9**	**6.3**	**5.9**	**8.0**	**26.1**	**5.2**	**6.5**	**7.0**	**8.0**	**26.7**	**32.1**	**35.4**	**39.0**
EBIT	**29.2**	**5.7**	**6.0**	**6.7**	**6.9**	**25.3**	**4.8**	**5.8**	**6.4**	**7.4**	**24.3**	**30.6**	**33.9**	**37.5**
Kertaerät	-0.8	-0.1	-0.5	0.9	-1.1	-0.8	-0.4	-0.8	-0.6	-0.6	-2.4	-1.5	-1.5	-1.5
Net financial items	0.9	-0.7	-1.6	-0.7	0.1	-3.0	0.4	-0.6	-0.5	-0.5	-1.3	-1.5	-1.2	-1.1
PTP	**30.1**	**5.0**	**4.4**	**5.9**	**7.0**	**22.3**	**5.1**	**5.1**	**5.9**	**6.9**	**23.0**	**29.1**	**32.7**	**36.4**
Taxes	-7.4	-1.2	-3.5	-1.7	-1.9	-8.3	-1.3	-2.3	-1.5	-1.8	-6.8	-8.7	-9.8	-10.9
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	**22.7**	**3.8**	**0.9**	**4.2**	**5.1**	**14.0**	**3.9**	**2.9**	**4.4**	**5.1**	**16.2**	**20.3**	**22.9**	**25.5**
EPS (adj.)	**0.80**	**0.13**	**0.04**	**0.12**	**0.20**	**0.49**	**0.14**	**0.12**	**0.16**	**0.19**	**0.61**	**0.73**	**0.82**	**0.90**
EPS (rep.)	**0.77**	**0.13**	**0.03**	**0.14**	**0.17**	**0.47**	**0.13**	**0.10**	**0.15**	**0.17**	**0.55**	**0.69**	**0.78**	**0.87**

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-%	3.8 %	1.6 %	-4.1 %	-16.2 %	-6.7 %	-6.7 %	7.3 %	34.1 %	40.8 %	41.3 %	31.1 %	16.6 %	6.0 %	6.0 %
Adjusted EBIT growth-%	-1.8 %	-4.9 %	-9.5 %	-27.7 %	-8.5 %	-13.2 %	-11.8 %	3.0 %	20.0 %	-1.0 %	2.3 %	20.1 %	10.5 %	10.2 %
EBITDA-%	15.2 %	13.8 %	13.4 %	15.9 %	15.3 %	14.6 %	12.0 %	11.5 %	12.1 %	12.5 %	12.0 %	12.1 %	12.3 %	12.7 %
Adjusted EBIT-%	13.1 %	11.2 %	11.5 %	11.3 %	14.5 %	12.2 %	9.2 %	8.8 %	9.6 %	10.2 %	9.5 %	9.8 %	10.2 %	10.6 %
Net earnings-%	9.9 %	7.3 %	1.6 %	8.1 %	9.2 %	6.5 %	6.9 %	3.9 %	6.0 %	6.5 %	5.8 %	6.2 %	6.6 %	6.9 %

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	**41**	**45**	**87**	**84**	**83**
Goodwill	9	8	31	29	29
Intangible assets	0	5	15	13	11
Tangible assets	31	31	40	41	42
Associated companies	0	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	0	0	0	0	0
Deferred tax assets	1	1	1	1	1
Current assets	**168**	**162**	**185**	**209**	**231**
Inventories	61	52	73	82	87
Other current assets	1	2	1	1	1
Receivables	34	28	42	52	56
Cash and equivalents	72	81	69	73	87
Balance sheet total	**215**	**208**	**272**	**293**	**313**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**133**	**135**	**151**	**172**	**195**
Share capital	1	1	1	1	1
Retained earnings	113	127	143	164	187
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	19	7	7	7	7
Minorities	0	0	0	0	0
Non-current liabilities	**32**	**28**	**59**	**50**	**45**
Deferred tax liabilities	2	2	2	2	2
Provisions	0	0	0	0	0
Interest bearing debt	27	23	50	45	40
Convertibles	0	0	0	0	0
Other long term liabilities	3	2	7	3	3
Current liabilities	**50**	**44**	**61**	**71**	**74**
Interest bearing debt	4	4	5	4	3
Payables	45	39	55	66	70
Other current liabilities	1	1	1	1	1
Balance sheet total	**215**	**208**	**272**	**293**	**313**

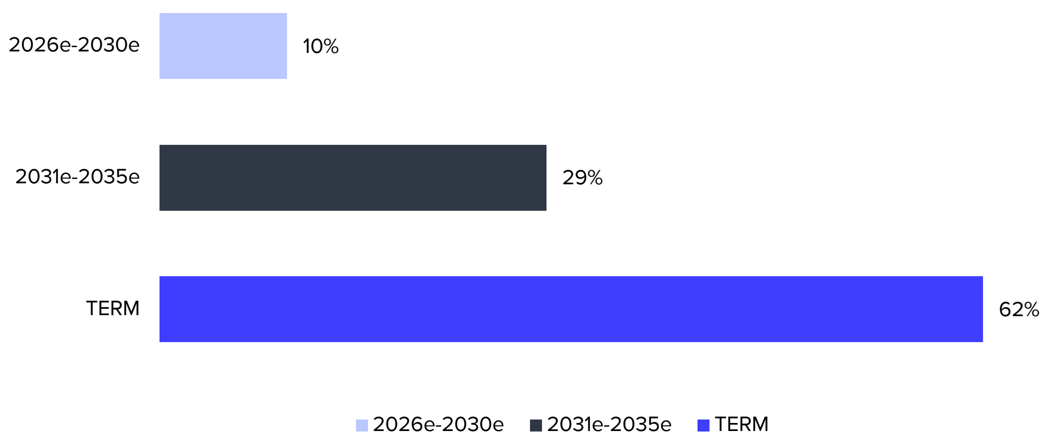
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-6.7 %	31.1 %	16.6 %	6.0 %	6.0 %	4.0 %	4.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-% (adj.)	11.8 %	8.6 %	9.3 %	9.8 %	10.2 %	10.5 %	10.5 %	10.3 %	10.0 %	10.0 %	10.0 %	10.0 %
EBIT (operating profit)	**25.3**	**24.3**	**30.6**	**33.9**	**37.5**	**40.3**	**41.9**	**42.3**	**42.3**	**43.6**	**44.4**	
+ Depreciation	6.0	9.6	9.0	8.9	9.1	9.2	9.3	9.3	9.1	8.3	8.4	
- Paid taxes	-7.7	-6.8	-8.7	-9.8	-10.9	-11.9	-12.4	-12.6	-12.6	-13.0	-13.3	
- Tax, financial expenses	-1.5	-0.6	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
+ Tax, financial income	0.4	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	
- Change in working capital	8.8	-19.4	-8.4	-4.1	-4.4	-3.1	-3.2	-2.5	-2.6	-2.7	-1.8	
Operating cash flow	**31.3**	**7.3**	**22.0**	**28.5**	**31.0**	**34.3**	**35.4**	**36.4**	**36.1**	**36.1**	**37.7**	
+ Change in other long-term liabilities	-0.7	5.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.0	-51.0	-6.0	-8.0	-8.0	-9.0	-9.0	-9.0	-9.0	-9.0	-8.6	
Free operating cash flow	**25.6**	**-38.8**	**11.7**	**20.5**	**23.0**	**25.3**	**26.4**	**27.4**	**27.1**	**27.1**	**29.0**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	25.6	-38.8	11.7	20.5	23.0	25.3	26.4	27.4	27.1	27.1	29.0	357
Discounted FCFF		**-37.2**	**10.1**	**16.2**	**16.4**	**16.4**	**15.5**	**14.6**	**13.1**	**11.9**	**11.5**	**142**
Sum of FCFF present value		230	268	257	241	225	208	193	178	165	153	142
Enterprise value DCF		**230**										
- Interest bearing debt		-27.5										
+ Cash and cash equivalents		80.8										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**284**										
Equity value DCF per share		**9.6**										

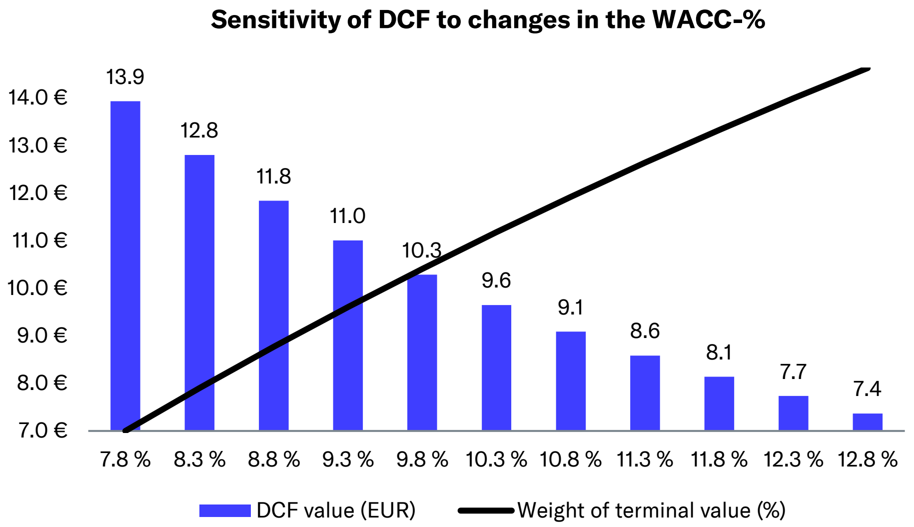
WACC	
Tax-% (WACC)	30%
Target debt ratio (D/(D+E))	10%
Cost of debt	5.0 %
Equity Beta	1.8
Market risk premium	4.75%
Liquidity premium	0.0 %
Risk free interest rate	2.5 %
Cost of equity	**11.1 %**
Weighted average cost of capital (WACC)	**10.3 %**

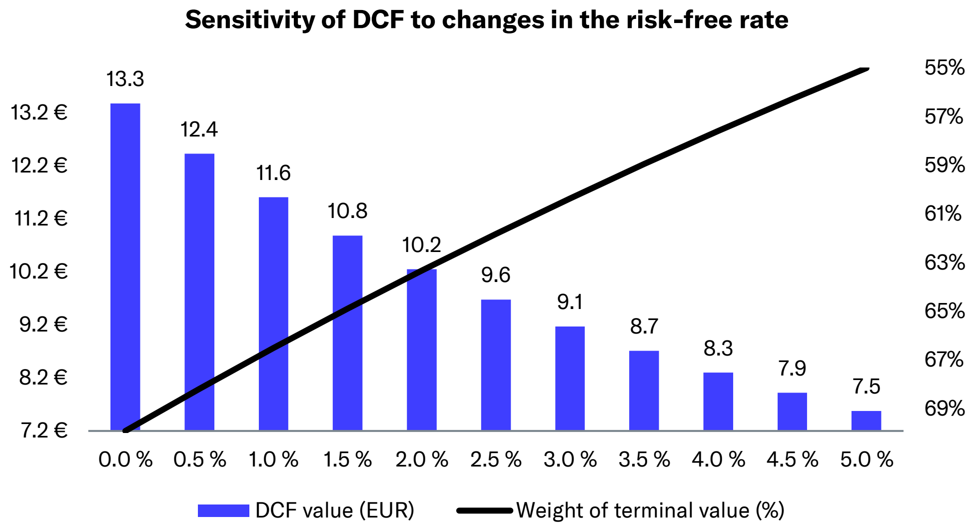
Source: Inderes

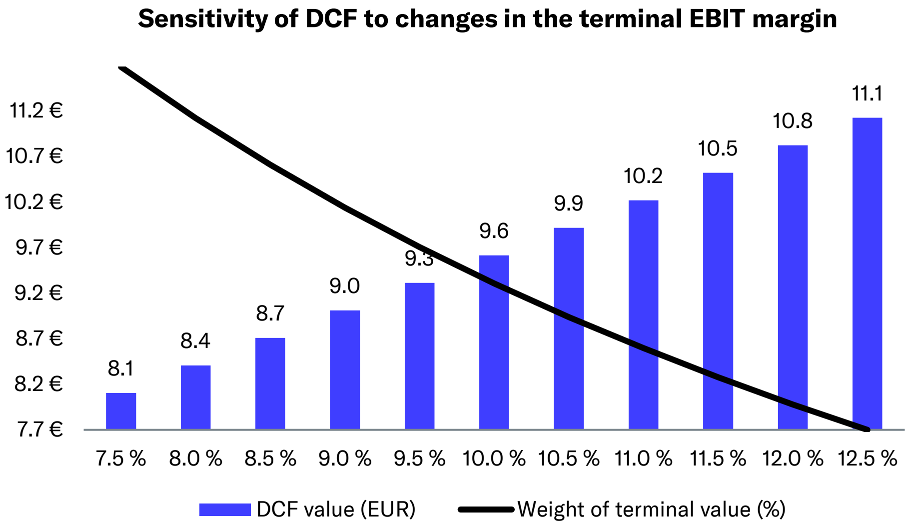
Cash flow distribution

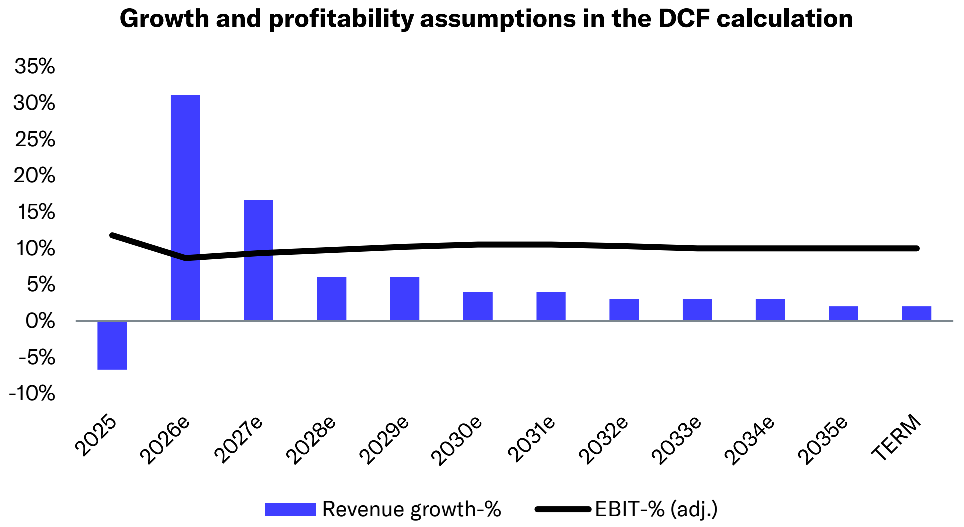


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	221.6	230.1	214.6	**281.3**	**328.0**
EBITDA	32.8	34.9	31.3	**33.9**	**39.6**
EBIT	28.2	29.2	25.3	**24.3**	**30.6**
PTP	26.4	30.1	22.3	**23.0**	**29.1**
Net Income	19.8	22.7	14.0	**16.2**	**20.3**
Extraordinary items	-2.4	-0.8	-0.8	**-2.4**	**-1.5**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	182.3	214.8	207.6	**271.7**	**292.6**
Equity capital	106.8	133.0	135.2	**151.4**	**171.8**
Goodwill	8.2	8.6	8.2	**30.8**	**28.8**
Net debt	-8.5	-41.2	-53.3	**-13.6**	**-24.2**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	32.8	34.9	31.3	**33.9**	**39.6**
Change in working capital	14.4	6.5	8.8	**-19.4**	**-8.4**
Operating cash flow	40.2	34.6	31.3	**7.3**	**22.0**
CAPEX	-16.3	-7.2	-5.0	**-51.0**	**-6.0**
Free cash flow	23.9	28.6	25.6	**-38.8**	**11.7**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.0	1.1	1.1	**0.7**	**0.6**
EV/EBITDA	6.7	7.5	7.5	**6.0**	**4.9**
EV/EBIT (adj.)	7.2	8.6	9.0	**7.7**	**6.0**
P/E (adj.)	10.4	12.9	19.8	**12.1**	**10.2**
P/B	2.1	2.3	2.1	**1.4**	**1.3**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.68	0.77	0.47	**0.55**	**0.69**
EPS (adj.)	0.75	0.79	0.49	**0.61**	**0.73**
OCF / share	1.37	1.18	1.06	**0.25**	**0.75**
OFCF / share	0.81	0.97	0.87	**-1.32**	**0.40**
Book value / share	3.64	4.52	4.59	**5.14**	**5.83**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-16%	4%	-7%	**31%**	**17%**
EBITDA growth-%	-23%	6%	-10%	**8%**	**17%**
EBIT (adj.) growth-%	-24%	-2%	-13%	**2%**	**20%**
EPS (adj.) growth-%	-23%	6%	-37%	**23%**	**19%**
EBITDA-%	15%	15%	15%	**12%**	**12%**
EBIT (adj.)-%	14%	13%	12%	**9%**	**10%**
EBIT-%	13%	13%	12%	**9%**	**9%**
ROE-%	20%	19%	10%	**11%**	**13%**
ROI-%	23%	20%	16%	**14%**	**15%**
Equity ratio	61%	64%	67%	**57%**	**61%**
Gearing	-8%	-31%	-39%	**-9%**	**-14%**
Net debt/EBITDA	-0.3	-1.2	-1.7	**-0.4**	**-0.6**
EBITDA/net financials	18.3	-39.1	10.5	**26.6**	**26.5**

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

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

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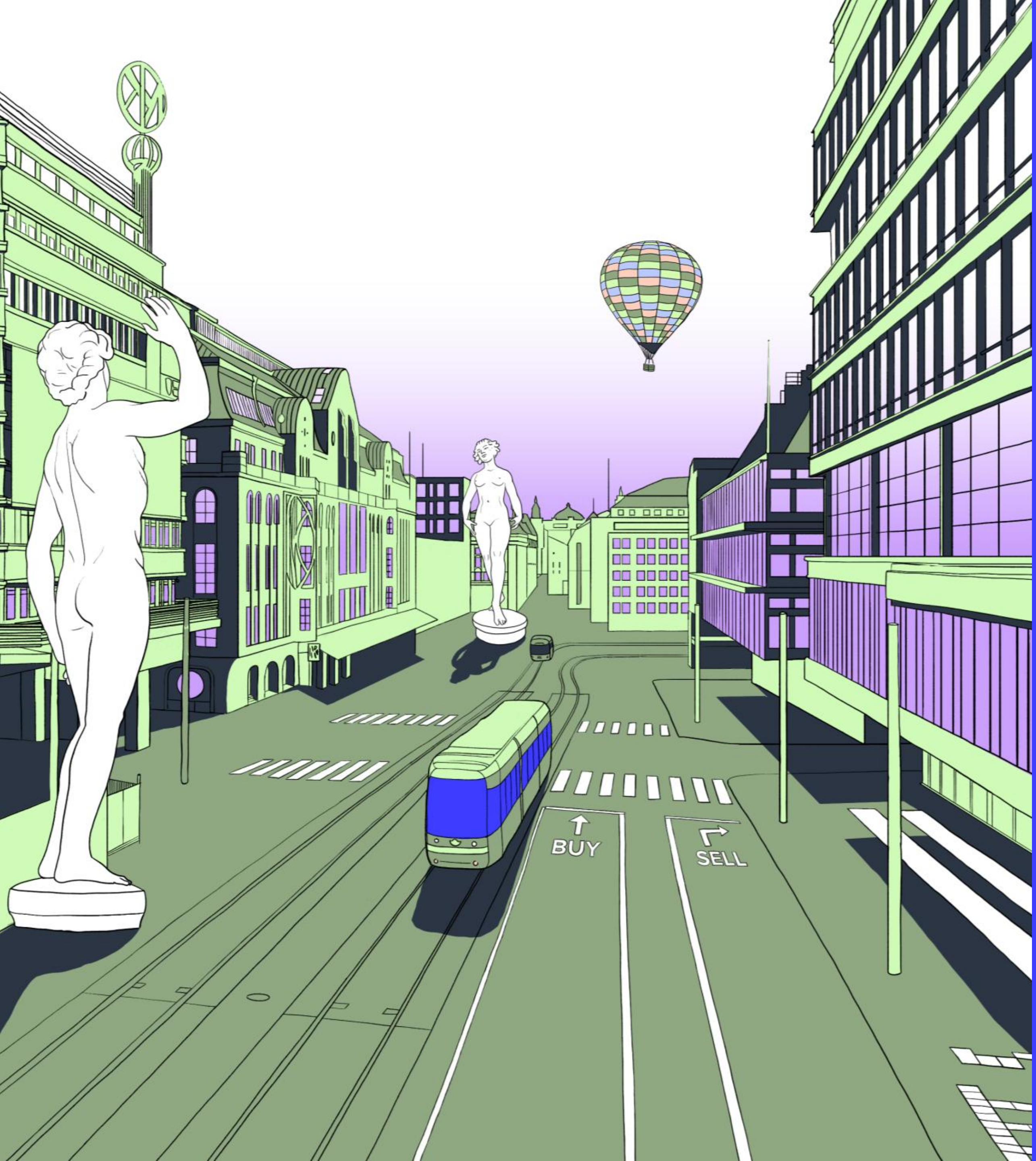
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/28/2022	Accumulate	16.00 €	14.66 €
10/19/2022	Accumulate	17.00 €	15.08 €
10/28/2022	Reduce	17.00 €	16.06 €
11/18/2022	Reduce	17.00 €	16.18 €
2/23/2023	Reduce	17.00 €	18.04 €
4/19/2023	Accumulate	12.00 €	10.92 €
4/27/2023	Accumulate	12.00 €	10.36 €
6/15/2023	Accumulate	12.00 €	9.96 €
7/4/2023	Accumulate	12.00 €	10.76 €
7/31/2023	Accumulate	12.00 €	10.72 €
10/9/2023	Accumulate	8.00 €	6.40 €
10/26/2023	Accumulate	8.00 €	6.19 €
2/23/2024	Accumulate	9.00 €	7.94 €
5/10/2024	Accumulate	12.50 €	10.92 €
6/24/2024	Accumulate	13.50 €	12.12 €
7/29/2024	Accumulate	13.50 €	11.29 €
10/25/2024	Buy	13.00 €	10.85 €
3/3/2025	Buy	13.00 €	11.14 €
4/28/2025	Accumulate	12.00 €	9.95 €
6/23/2025	Reduce	12.00 €	11.12 €
7/27/2025	Accumulate	12.00 €	10.82 €
10/27/2025	Buy	11.00 €	8.91 €
1/7/2026	Buy	12.00 €	9.80 €
2/28/2026	Buy	13.00 €	10.66 €
5/5/2026	Accumulate	12.00 €	10.06 €
7/27/2026	Accumulate	9.00 €	7.37 €
7/31/2026	Accumulate	9.00 €	7.40 €



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