

TELESTE

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Well-progressing North America conquest supports valuation

We reiterate our Accumulate recommendation for Teleste and revise our target price to EUR 4.2 (was EUR 4.1). Teleste's Q4 earnings were in line with our expectations, and the outlook for this year anticipates continued earnings growth as expected. The company's track record in conquering North America is constantly strengthening, and with a significantly expanded customer base last year, future growth also rests on broader shoulders than before. With a strengthening earnings trend and moderate valuation, we find the stock's risk-reward ratio attractive.

North America's growth was strong last year

Teleste's Q4 revenue (36.1 MEUR, -1%) fell short of our 37.9 MEUR estimate, but adjusted EBIT of 1.2 MEUR was still slightly better than our estimate (1.0 MEUR). However, the result was supported by proceeds from the sale of a single property at the end of the year, so the operational development was slightly softer than our estimates. This was affected by the deceleration by North America's largest customer (Cox) in network investments due to the ongoing Charter merger. Broadband Networks' order intake (20.6 MEUR) decreased by 20% from a strong comparison period but increased significantly quarter-on-quarter (14.1 MEUR). Teleste's well-advanced expansion to North America is reflected in the fact that the region already accounted for 31% of Broadband Networks' revenue last year. Thus, according to our calculations, North American revenue grew by around 105% last year to 25.6 MEUR.

Public Safety and Mobility's revenue decreased by 2% to 16.2 MEUR, and our estimate also expected a roughly stable development. Teleste had several project deliveries underway at the end of the year, and according to the company, these have been very successful. The segment's order intake grew by 4%, and the order book (89.7 MEUR) is at a good level.

Earnings growth continues this year as expected

Teleste guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. Our estimate was already within the

given guidance range, and after minor adjustments, we now estimate revenue of 150 MEUR and EBIT of 8.8 MEUR for this year. Uncertainty in short-term development is introduced by the merger of Cox and Charter, which is expected to be completed by mid-year. However, Teleste already has over 20 operator customers in North America, so orders are continuously accumulating from a wider range of customers, diversifying the risk associated with the main customer. Particularly positive news in the Q4 report was that Rogers, Canada's largest operator, has chosen Teleste's intelligent amplifiers as part of its network solutions. In connection with this, the first orders were received already in December, and deliveries are expected to last for several years. Thus, this customer relationship appears to be developing into another very significant large customer alongside Cox. In addition, DOCSIS 4.0. deliveries will continue in Europe this year, although the investment wave is clearly smaller than in North America. The expanded customer base of Public Safety and Mobility and the implemented efficiency measures also strengthen the preconditions for continued profitable growth.

Valuation is moderate when reflecting the earnings growth outlook for the coming years

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. With improved earnings performance, the stock's valuation already receives some support from the 2025 realized earnings (EV/EBIT 12x). With our 2026 estimates, Teleste's P/E ratio is 11x and a corresponding EV/EBIT ratio is 9.5x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. The value implied by our DCF model (EUR 4.6) also indicates an upside, and our estimates are still below the company's targeted level.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 4.20

(was EUR 4.20)

Share price:

EUR 3.78

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	139	150	160	165
growth-%	4.6 %	8.3 %	6.5 %	3.3 %
EBIT adj.	7.1	8.8	10.1	11.3
EBIT-% adj.	5.1 %	5.9 %	6.3 %	6.8 %
Net Income	2.8	6.0	7.2	8.3
EPS (adj.)	0.17	0.33	0.39	0.45
P/E (adj.)	22.3	11.4	9.6	8.3
P/B	1.2	1.1	1.0	0.9
Dividend yield-%	2.1 %	2.6 %	3.2 %	3.7 %
EV/EBIT (adj.)	12.4	9.5	7.9	6.6
EV/EBITDA	7.5	6.1	5.3	4.5
EV/S	0.6	0.6	0.5	0.5

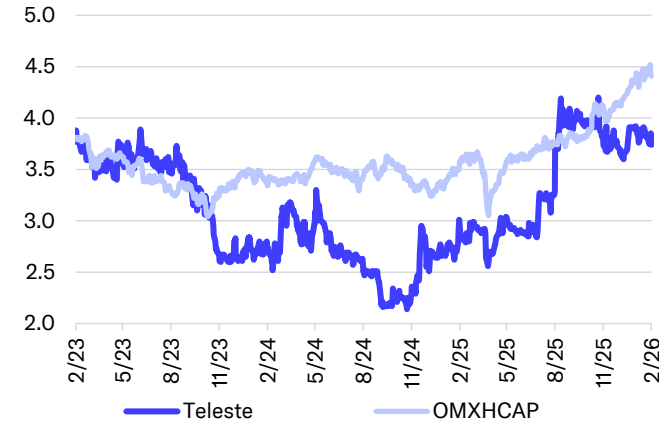
Source: Inderes

Guidance

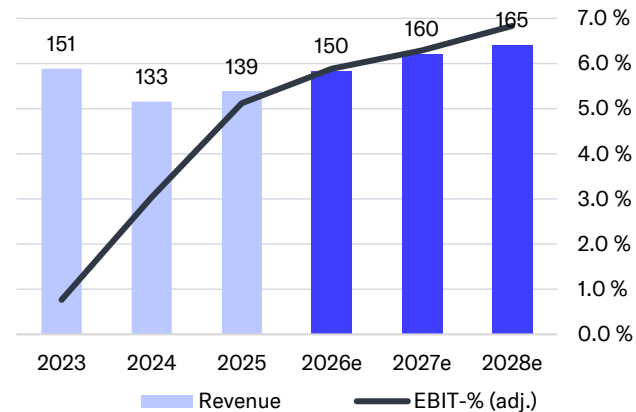
(New guidance)

Teleste estimates that revenue in 2026 will amount to 140-160 MEUR and that the adjusted operating result in 2025 will be 7-10 MEUR.

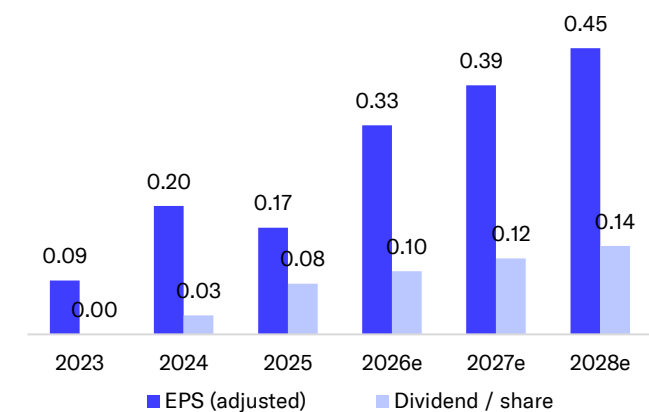
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Start of volume deliveries of distributed architecture and DOCSIS 4.0 products in particular
- Expansion to North American market
- Growth driven by a streamlined cost structure will support profitability in the coming years
- Strong market position in Europe in network equipment
- Profitable growth in Public Safety and Mobility

Risk factors

- Slowdown in operator investments in the short term
- Potential import tariffs in the US
- Structural decline in the European market for Broadband Networks
- Risks related to component availability and supply chains
- Competitive market pressure and limited pricing power in the face of large operators

Valuation	2026e	2027e	2028e
Share price	3.78	3.78	3.78
Number of shares, millions	18.2	18.2	18.2
Market cap	69	69	69
EV	84	80	75
P/E (adj.)	11.4	9.6	8.3
P/E	11.4	9.6	8.3
P/B	1.1	1.0	0.9
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	5.3	4.5
EV/EBIT (adj.)	9.5	7.9	6.6
Payout ratio (%)	30.3 %	30.5 %	30.9 %
Dividend yield-%	2.6 %	3.2 %	3.7 %

Source: Inderes

Revenue was below, but EBIT slightly above our expectations

Revenue was stable in Q4, while we still expected slight growth

Teleste's Q4 revenue decreased by 1% to 36.1 MEUR, below our estimate of 37.9 MEUR. Broadband Networks' revenue (Q4'25: 19.9 MEUR) remained stable, while our expectation was 7% growth. Revenue was as expected supported by North American DOCSIS 4.0. deliveries, while traditional networks and the UK services business saw a decrease, according to the company. Last year, North America already accounted for 31% of Broadband Networks' revenue, reflecting Teleste's well-progressing expansion there. Overall, North American revenue grew last year by around 105% to 25.6 MEUR.

Broadband Networks' order intake (20.6 MEUR) decreased by 20% from a strong comparison period but increased significantly quarter-on-quarter (14.1 MEUR). The ongoing merger of Cox and Charter affected Cox's investment decisions at the end of the year, as the balance sheet was

optimized for the acquisition. All in all, last year, customer orders were weighted towards the beginning of the year, and for the full year, the unit's orders grew by 10%.

Public Safety and Mobility's revenue decreased by 2% to 16.2 MEUR, and our estimate also expected a roughly stable development. Teleste had several project deliveries underway at the end of the year, and according to the company, these have been very successful. The segment's order intake grew by 4% year-on-year, and the order book of 89.7 MEUR is at a good level.

Q4 earnings development was slightly better than we expected, although not due to operational performance

Teleste's adjusted EBIT was 1.2 MEUR in Q4 (Q4'24: 0.8 MEUR), slightly exceeding our forecast of 1.0 MEUR. The full-year result received some support from higher-than-expected other operating income, which reflects the proceeds from the sale of a single property. Against this backdrop, operational development would have been slightly softer than we expected. The full-year adjusted

EBIT of 7.1 MEUR was thus slightly above the guidance range (4-7 MEUR). Compared to a strong start to the year, relative profitability (EBIT 3.3%) declined, but it showed a slight improvement year-on-year.

Broadband Networks' EBIT (8.5% vs. Q4'24: 5.6%) improved from the comparison period. Profitability in Public Safety and Mobility (4,7 % vs. Q4'24: 5.0%) was slightly lower than in the comparison period.

Teleste's cash flow from operating activities (12.9 MEUR) was good last year, similar to the previous year, and as a result, the balance sheet's indebtedness continued to decrease throughout the year. Reduced debt and improved earnings are also reflected in the significant improvement of the net debt/EBITDA ratio (Q4'25: 1.7 vs. Q4'24: (2.8).

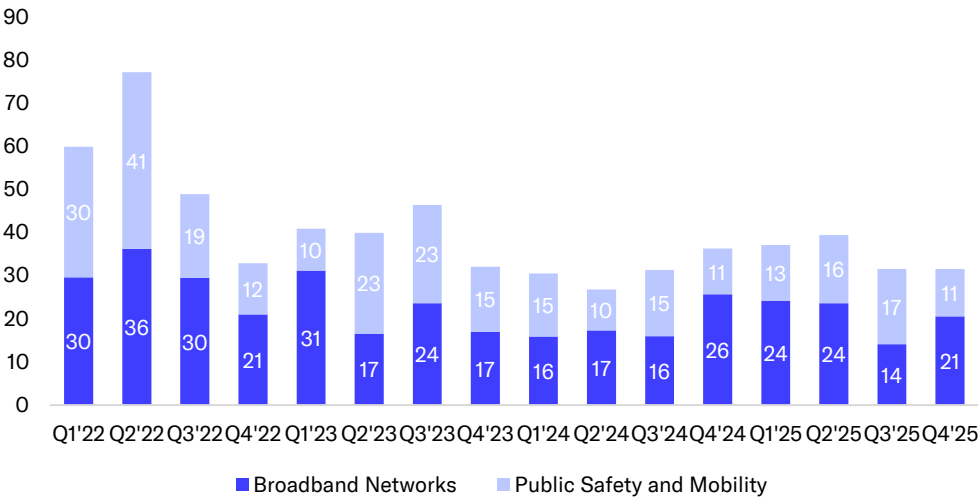
Teleste's Board proposes a small dividend of EUR 0.08 per share, while our estimate was EUR 0.10. The dividend still grows by EUR 0.05 from the previous year.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. Inderes	Actualized
Revenue	36.5	36.1	37.9		-5%	139
EBIT (adj.)	0.8	1.2	1.0		23%	7.1
EBIT	-5.7	1.2	1.0		21%	6.8
EPS (adj.)	0.08	0.02	0.02		-3%	0.17
EPS (rep.)	-0.27	0.02	0.02		-1%	0.15
DPS	0.03	0.08	0.10		-20%	0.08
Revenue growth-%	19.1 %	-1.0 %	3.8 %		-4.9 pp	4.6 %
EBIT-% (adj.)	2.3 %	3.3 %	2.6 %		0.8 pp	5.1 %

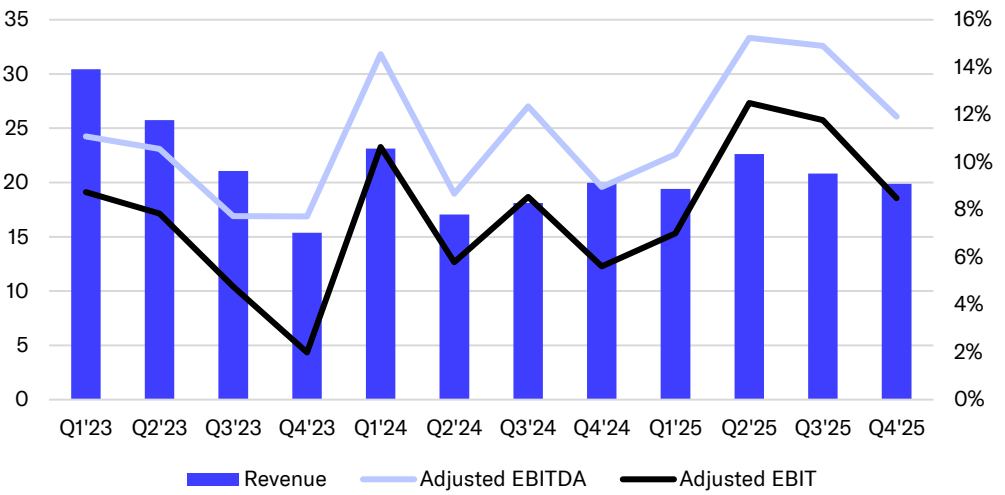
Source: Inderes

Development of key figures

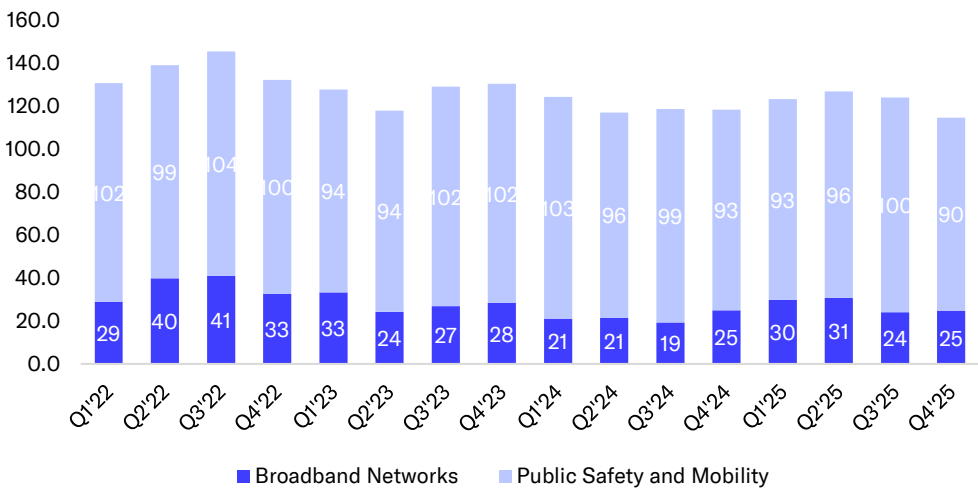
Quarterly development of orders received



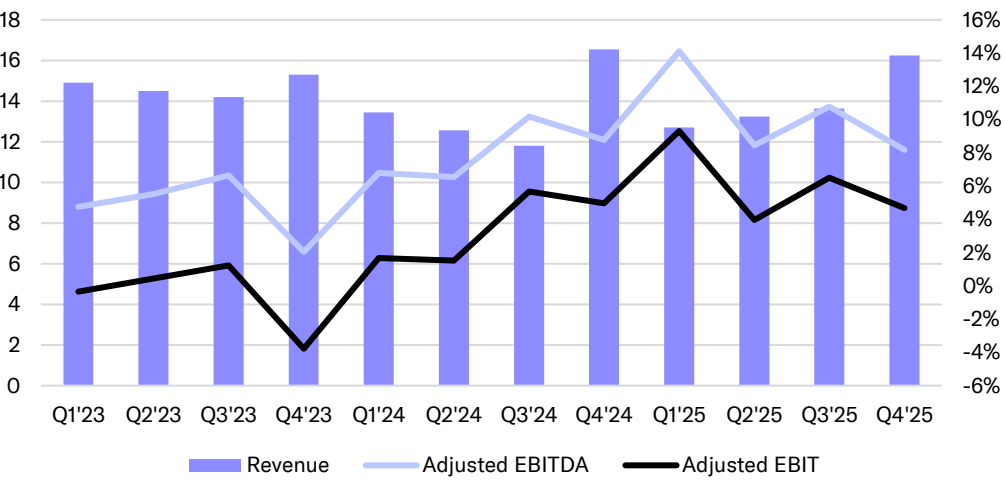
Broadband Networks revenue and profitability per quarter



Order book development on a quarterly basis



Public Safety and Mobility revenue and profitability per quarter



No major changes in earnings estimates for the coming years

Earnings growth continues this year as expected

Teleste guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. Our estimate was already within the given guidance range, and after minor adjustments, we now estimate revenue of 150 MEUR and EBIT of 8.8 MEUR for this year. Teleste expects earnings to be weighted towards H2, which has also been our assumption previously. In the short term, the merger between Teleste's largest North American customer, Cox Communications, and Charter has impacted Cox's network investments. The merger is expected to be completed by mid-year, after which the situation could be assumed to normalize again. In the short term, however, there is uncertainty regarding Cox's investment level, which may cause quarterly figures to fluctuate. However, Teleste already has over 20 operator customers in North America, so orders are continuously accumulating from a wider range of customers, diversifying the risk associated with the main customer. Particularly positive news in the Q4

report was that Rogers, Canada's largest operator, has chosen Teleste's intelligent amplifiers as part of its network solutions. In connection with this, the first orders were received already in December, and deliveries are expected to last for several years. Thus, this customer relationship appears to be developing into another very significant large customer alongside Cox. In addition, DOCSIS 4.0 deliveries will continue in Europe this year, although the investment wave is clearly smaller than in North America.

The expanded customer base of Public Safety and Mobility and the implemented efficiency measures also strengthen the preconditions for continued profitable growth. Earlier this year, Teleste won framework agreements with both the French and Belgian national railways, under which station displays and systems will be supplied on a large scale. According to the company, these agreements have significant potential, but they are not directly reflected in the order book.

Teleste highlighted challenges related to component availability as a new risk for this year. Due to AI investments, certain semiconductors and memory chips have become scarce, and high demand is also driving up their prices. However, we are still far from the atmosphere of the post-COVID component shortage. From the perspective of working capital optimization, the network equipment deliveries starting this year through a contract manufacturer in Mexico will bring new opportunities.

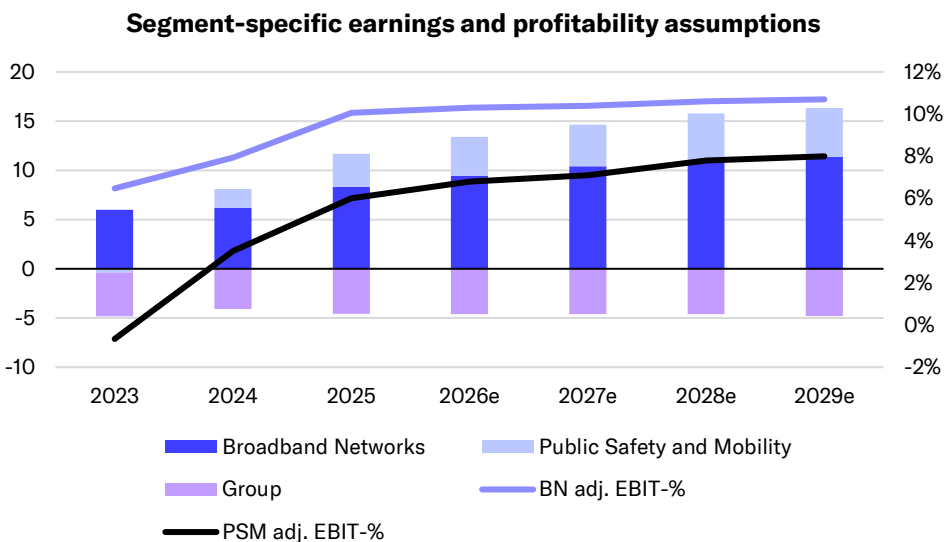
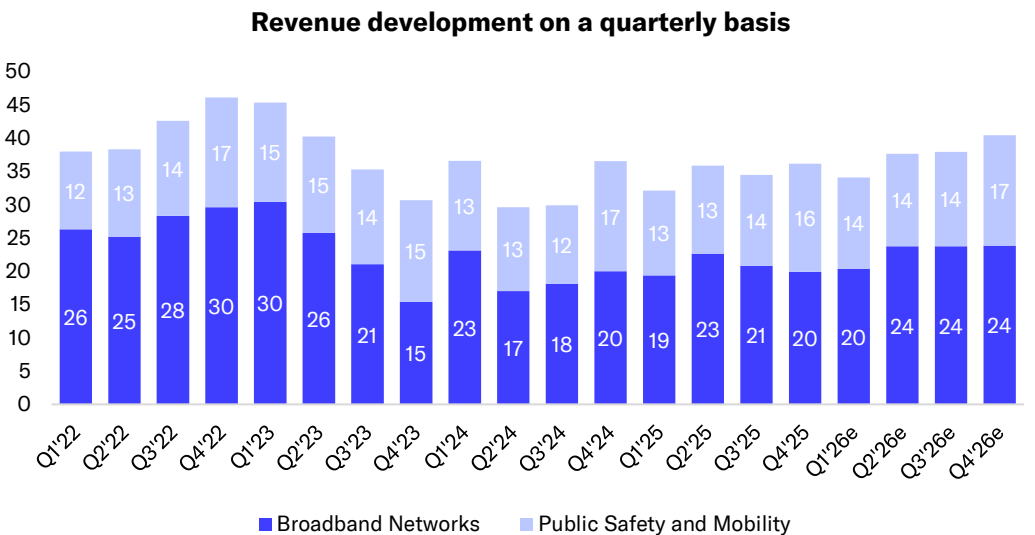
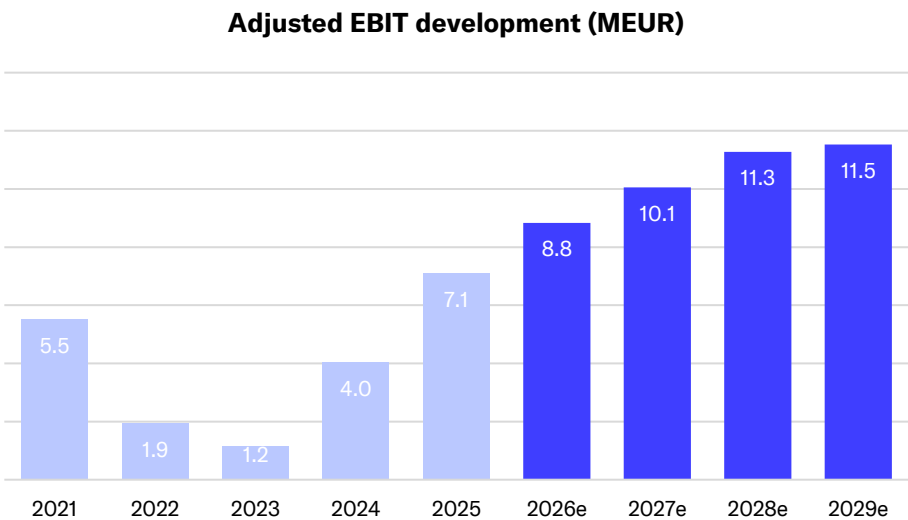
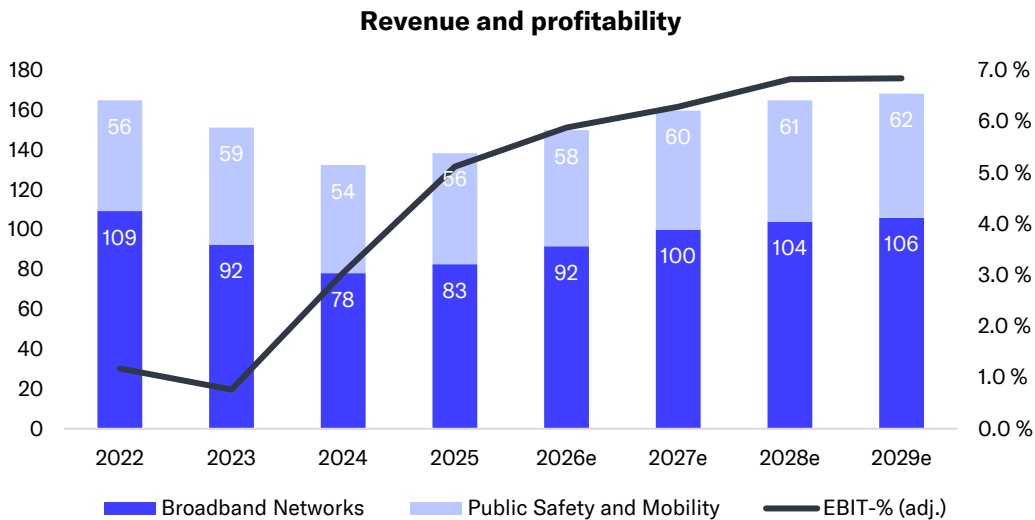
Long-term profitability estimates slightly up

Following Teleste's well-progressed earnings performance last year, we slightly revised our long-term profitability assumptions upward. We now expect the company's EBIT margin to be between 6-6.8% in the medium and long term, which is already quite close to the lower end of the company's target range (7-12%). Thus, if the positive development continues, there is still room for upside in our estimates. At the same time, we slightly revised our dividend estimates for the coming years downwards, reflecting the most recent dividend decision.

Estimate revisions	2025	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	140	139	-1%	155	150	-3%	165	160	-3%
EBITDA	11.5	11.8	2%	13.9	13.8	-1%	14.9	15.1	1%
EBIT (exc. NRIs)	6.9	7.1	4%	9.0	8.8	-1%	9.9	10.1	1%
EBIT	6.6	6.8	3%	9.0	8.8	-1%	9.9	10.1	1%
PTP	2.8	3.0	8%	7.9	7.7	-2%	8.8	9.2	4%
EPS (excl. NRIs)	0.16	0.17	7%	0.34	0.33	-2%	0.38	0.39	4%
DPS	0.10	0.08	-20%	0.12	0.10	-17%	0.14	0.12	-14%

Lähde: Inderes

Development of key figures



Valuation

Valuation is moderate when reflecting the earnings growth outlook for the coming years

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. With improved earnings performance, the stock's valuation already receives some support from the 2025 realized earnings (EV/EBIT 12x). The company's track record in conquering North America is constantly strengthening, and with a significantly expanded customer base last year, future growth is also on broader shoulders than before. With a strengthening earnings trend and moderate valuation, we find the stock's risk-reward ratio attractive.

With our 2026 estimates Teleste's P/E ratio is 11x and a corresponding EV/EBIT ratio is 9.5x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. If the earnings growth we forecast continues, the share's valuation multiples (P/E 9.6x and EV/EBIT 8x) will become very moderate in 2027.

In a positive scenario, Teleste would have the potential to perform well above our current forecasts, provided the company makes excellent progress with its expansion in North America. The company's financial targets also clearly aim for stronger growth and better profitability development by 2030 than our current estimates. The earnings growth would also allow the company to significantly increase its dividend, which would support the expected return. The current dividend yield of just over 2% does not yet materially support the valuation.

Overall, we see that Teleste could be priced at around 10x-13x P/E and 9x-11x EV/EBIT in the longer term, depending on the earnings growth outlook and financial structure. The cyclical nature of the business, the pressure on profitability from large customers, the ongoing need for investments, and we believe the business model that ties up working capital justify a somewhat lower valuation than the Helsinki Stock Exchange average. However, at its current pace, the company is also continuously improving its business profile.

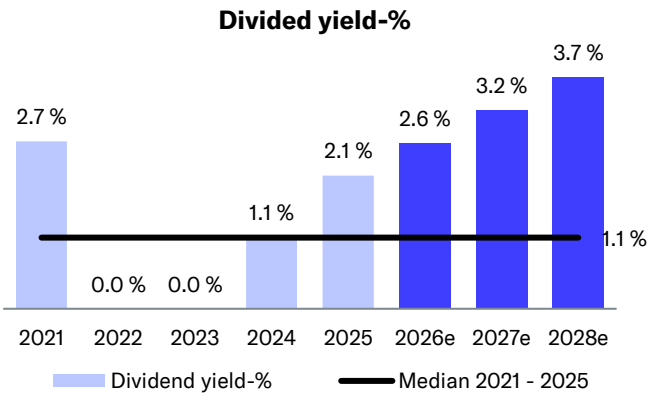
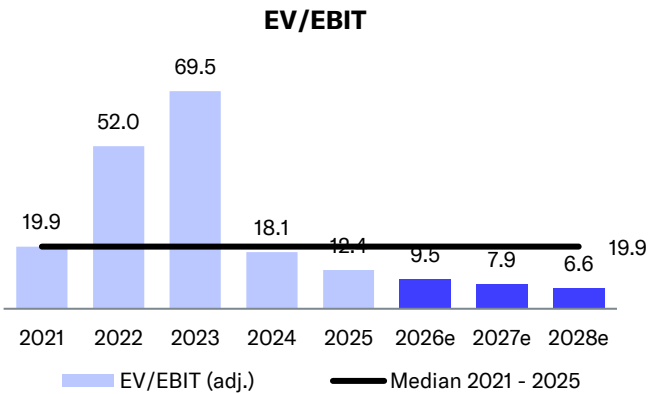
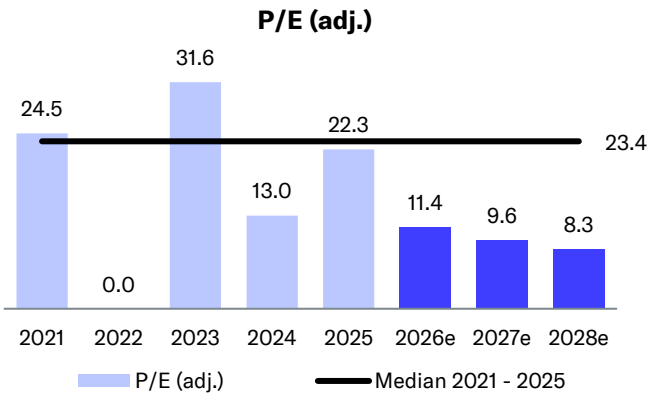
Valuation	2026e	2027e	2028e
Share price	3.78	3.78	3.78
Number of shares, millions	18.2	18.2	18.2
Market cap	69	69	69
EV	84	80	75
P/E (adj.)	11.4	9.6	8.3
P/E	11.4	9.6	8.3
P/B	1.1	1.0	0.9
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	5.3	4.5
EV/EBIT (adj.)	9.5	7.9	6.6
Payout ratio (%)	30.3 %	30.5 %	30.9 %
Dividend yield-%	2.6 %	3.2 %	3.7 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.24	3.54	2.70	2.64	3.76	3.78	3.78	3.78	3.78
Number of shares, millions	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Market cap	95	65	49	48	69	69	69	69	69
EV	109	101	80	73	88	84	80	75	69
P/E (adj.)	24.5	neg.	31.6	13.0	22.3	11.4	9.6	8.3	8.0
P/E	13.4	neg.	neg.	neg.	24.7	11.4	9.6	8.3	8.0
P/B	1.4	1.1	0.8	0.9	1.2	1.1	1.0	0.9	0.9
P/S	0.7	0.4	0.3	0.4	0.5	0.5	0.4	0.4	0.4
EV/Sales	0.8	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4
EV/EBITDA	6.7	13.0	14.4	11.9	7.5	6.1	5.3	4.5	3.9
EV/EBIT (adj.)	19.9	52.0	69.5	18.1	12.4	9.5	7.9	6.6	6.0
Payout ratio (%)	35.9 %	0.0 %	0.0 %	neg.	52.5 %	30.3 %	30.5 %	30.9 %	33.9 %
Dividend yield-%	2.7 %	0.0 %	0.0 %	1.1 %	2.1 %	2.6 %	3.2 %	3.7 %	4.2 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Nokia	32942	30315	13.8	11.9	12.5	10.6	1.5	1.4	19.6	17.4	2.7	3.1	1.5
Ericsson	31030	29548	10.5	10.1	8.2	8.0	1.4	1.3	14.1	13.3	3.2	3.3	2.8
Cisco	249335	261375	14.8	13.9	13.6	12.8	5.1	4.8	18.1	16.7	2.2	2.3	6.0
ZTE	20671	23998	22.3	21.5	14.4	12.6	1.3	1.1	20.8	17.8	2.2	2.6	2.1
Harmonic	959	958	10.3	7.3	9.2	5.4	1.7	1.5	13.9	9.4			
Motorola	63203	69946	21.6	20.1	19.4	18.1	6.6	6.2	27.2	25.0	1.1	1.1	21.4
Viavi Solutions	5159	5594	24.0	19.6	21.0	17.4	4.5	4.1	31.7	26.3			7.3
Ciena	34720	34946	41.7	32.7	36.9	29.5	7.0	6.0	54.9	43.2			13.6
Fiberhome	7181	8740	43.3	39.2	33.8	32.4	2.4	2.3	54.9	50.4	0.6	0.6	3.4
Adtran	670	768	11.4	9.2	5.4	5.2	0.8	0.7	20.6	15.5			15.3
Calix	2901	2615	20.6	14.9	17.7	12.7	2.7	2.4	28.9	21.5			3.6
Vecima Networks	153	190	20.8	7.9	6.6	4.9	1.0	0.9	28.2	11.7			
Teleste (Inderes)	69	84	9.5	7.9	6.1	5.3	0.6	0.5	11.4	9.6	2.6	3.2	1.1
Average	37410	39083	21.3	17.3	16.6	14.1	3.0	2.7	27.7	22.4	2.0	2.2	7.7
Median	13926	16369	20.7	14.4	14.0	12.7	2.1	1.9	24.0	17.6	2.2	2.4	4.8
Diff-% to median			-54%	-45%	-56%	-58%	-73%	-74%	-52%	-45%	21%	32%	-77%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	133	32.2	35.9	34.5	36.1	139	34.1	37.7	37.9	40.4	150	160	165	168
Broadband Networks	78.2	19.4	22.6	20.9	19.9	82.8	20.4	23.8	23.7	23.9	91.7	100.0	104	106
Public Safety and Mobility	54.3	12.7	13.3	13.6	16.2	55.8	13.7	13.9	14.2	16.6	58.4	59.8	61.0	62.3
EBITDA	6.1	2.7	3.2	3.4	2.4	11.8	2.6	3.5	4.0	3.6	13.8	15.1	16.6	17.7
Depreciation	-11.7	-1.3	-1.2	-1.2	-1.3	-5.0	-1.2	-1.2	-1.2	-1.2	-4.9	-5.1	-5.3	-6.1
Liikevoitto (oik.)	4.0	1.5	2.2	2.3	1.2	7.1	1.4	2.3	2.8	2.4	8.8	10.1	11.3	11.5
Liikevoitto	-5.5	1.5	2.0	2.2	1.2	6.8	1.4	2.3	2.8	2.4	8.8	10.1	11.3	11.5
Net financial items	-1.5	-0.9	-1.9	-0.6	-0.4	-3.8	-0.4	-0.3	-0.3	-0.2	-1.1	-0.8	-0.7	-0.5
PTP	-7.1	0.6	0.1	1.6	0.8	3.0	1.0	2.0	2.5	2.2	7.7	9.2	10.6	11.0
Taxes	1.0	0.0	0.2	-0.3	-0.3	-0.4	-0.2	-0.4	-0.6	-0.5	-1.7	-2.0	-2.3	-2.4
Minority interest	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-5.9	0.6	0.4	1.3	0.4	2.8	0.8	1.5	2.0	1.7	6.0	7.2	8.3	8.6
EPS (adj.)	0.20	0.04	0.03	0.08	0.03	0.17	0.04	0.08	0.11	0.09	0.33	0.39	0.45	0.47
EPS (rep.)	-0.32	0.04	0.02	0.07	0.02	0.15	0.04	0.08	0.11	0.09	0.33	0.39	0.45	0.47

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-12.4 %	-12%	21%	15%	-1%	4.6 %	6%	5%	10%	12%	8.3 %	6.5 %	3.3 %	2.0 %
Adjusted EBIT growth-%	248%	-6%	1034%	55%	47%	76%	-6%	5%	22%	99%	24%	14%	12%	2%
EBITDA-%	4.6 %	8.4 %	9.0 %	9.8 %	6.7 %	8.5 %	7.6 %	9.3 %	10.6 %	9.0 %	9.2 %	9.5 %	10.1 %	10.5 %
Adjusted EBIT-%	3.0 %	4.5 %	6.0 %	6.6 %	3.3 %	5.1 %	4.0 %	6.0 %	7.4 %	5.9 %	5.9 %	6.3 %	6.8 %	6.8 %
Net earnings-%	-4.4 %	2.0 %	1.1 %	3.7 %	1.2 %	2.0 %	2.3 %	4.1 %	5.2 %	4.2 %	4.0 %	4.5 %	5.0 %	5.1 %

Lähde: 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	53.7	54.7	55.4	56.3	56.9
Goodwill	30.1	30.1	30.1	30.1	30.1
Intangible assets	8.8	11.3	13.1	14.7	16.0
Tangible assets	11.5	10.1	9.1	8.3	7.6
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	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	3.2	3.1	3.1	3.1	3.1
Current assets	67.4	68.0	69.8	73.1	75.1
Inventories	24.9	26.9	27.5	28.8	29.7
Other current assets	1.0	1.2	1.2	1.2	1.2
Receivables	32.7	30.9	32.1	33.6	34.3
Cash and equivalents	8.8	9.1	9.0	9.6	9.9
Balance sheet total	121	123	125	129	132

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	54.8	57.9	62.5	67.8	73.9
Share capital	7.0	7.0	7.0	7.0	7.0
Retained earnings	44.4	48.4	53.0	58.4	64.4
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	4.1	2.5	2.5	2.5	2.5
Minorities	-0.7	0.0	0.0	0.0	0.0
Non-current liabilities	26.7	23.3	21.5	18.6	14.9
Deferred tax liabilities	0.1	0.0	0.0	0.0	0.0
Provisions	2.0	2.3	2.3	2.3	2.3
Interest bearing debt	24.7	20.9	19.1	16.2	12.5
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	39.6	41.5	41.3	42.9	43.2
Interest bearing debt	9.6	7.8	4.8	4.1	3.1
Payables	29.9	33.6	36.4	38.8	40.0
Other current liabilities	0.1	0.1	0.1	0.1	0.1
Balance sheet total	121	123	125	129	132

DCF-calculation

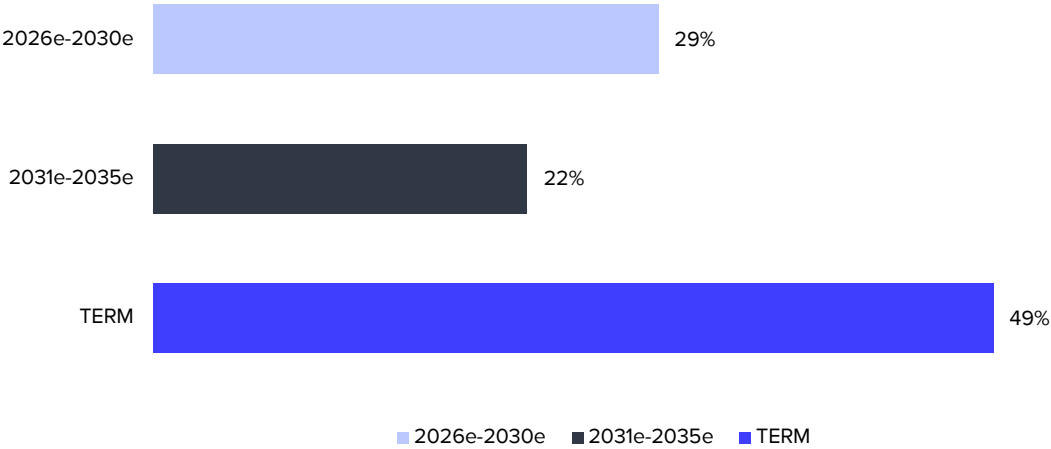
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	4.6 %	8.3 %	6.5 %	3.3 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	4.9 %	5.9 %	6.3 %	6.8 %	6.8 %	6.6 %	6.5 %	6.4 %	6.3 %	6.2 %	6.0 %	6.0 %
EBIT (operating profit)	6.8	8.8	10.1	11.3	11.5	11.3	11.4	11.4	11.5	11.5	11.3	
+ Depreciation	5.0	4.9	5.1	5.3	6.1	6.1	6.0	6.0	6.0	6.0	6.0	
- Paid taxes	-0.4	-1.7	-2.0	-2.3	-2.4	-2.4	-2.5	-2.5	-2.5	-2.5	-2.5	
- Tax, financial expenses	-0.5	-0.2	-0.2	-0.1	-0.1	-0.1	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	3.3	1.0	-0.4	-0.4	-0.3	-0.1	0.0	-0.1	-0.1	-0.5	-0.4	
Operating cash flow	14.1	12.8	12.6	13.7	14.8	14.8	14.9	14.8	14.8	14.5	14.4	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.9	-5.7	-5.9	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	
Free operating cash flow	8.5	7.1	6.7	7.7	8.8	8.8	8.9	8.8	8.8	8.5	8.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	8.5	7.1	6.7	7.7	8.8	8.8	8.9	8.8	8.8	8.5	8.4	117
Discounted FCFF		6.6	5.7	6.0	6.4	5.8	5.4	4.9	4.5	4.0	3.7	50.6
Sum of FCFF present value		104	97.1	91.4	85.3	79.0	73.2	67.7	62.8	58.3	54.3	50.6
Enterprise value DCF		104										
- Interest bearing debt		-28.7										
+ Cash and cash equivalents		9.1										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		84.0										
Equity value DCF per share		4.6										

WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.10%
Risk free interest rate	2.5 %
Cost of equity	10.1 %
Weighted average cost of capital (WACC)	8.8 %

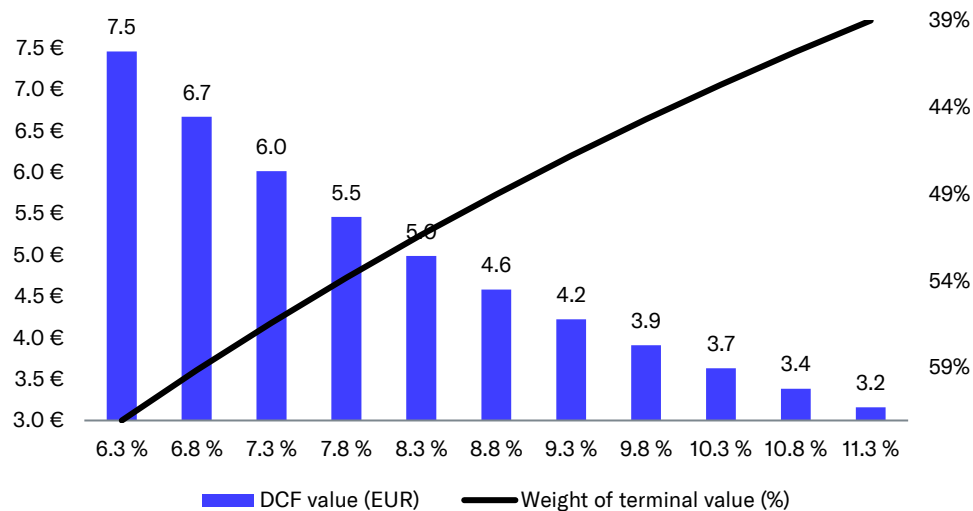
Source: Inderes

Cash flow distribution

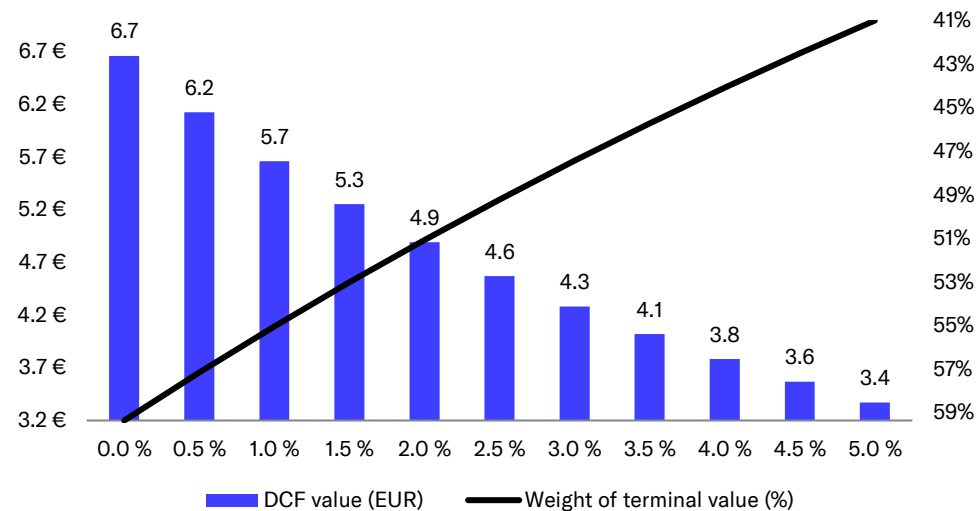


DCF sensitivity calculations and key assumptions in graphs

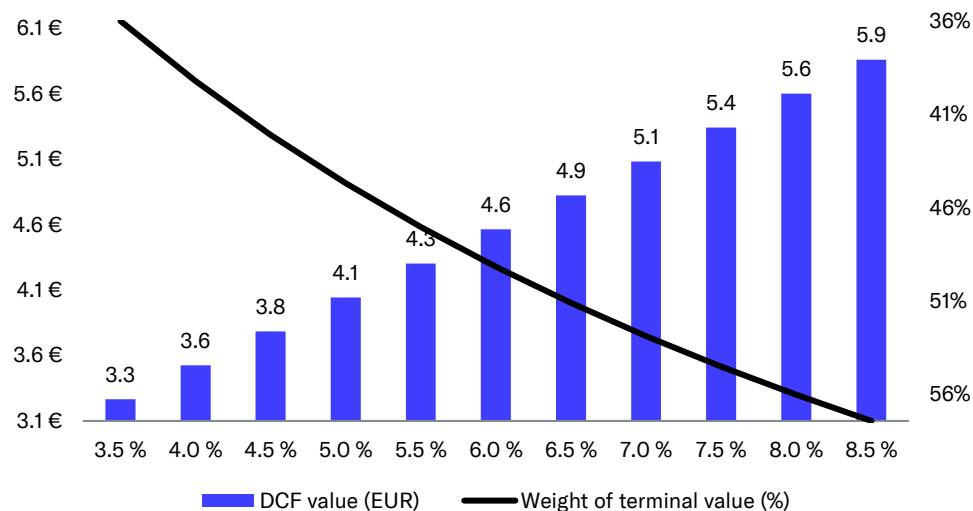
Sensitivity of DCF to changes in the WACC-%



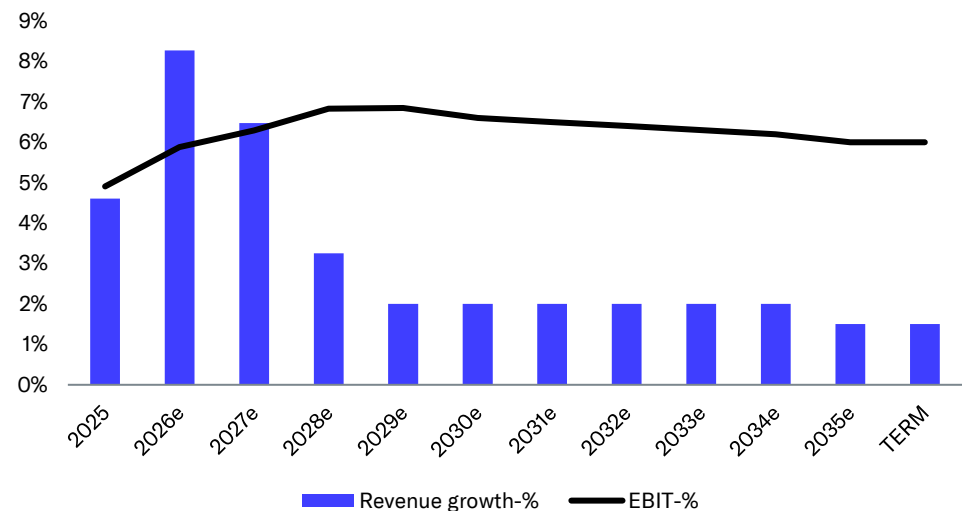
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	151.3	132.5	138.6	150.1	159.8	EPS (reported)	0.00	-0.32	0.15	0.33	0.39
EBITDA	5.6	6.1	11.8	13.8	15.1	EPS (adj.)	0.09	0.20	0.17	0.33	0.39
EBIT	-0.5	-5.5	6.8	8.8	10.1	OCF / share	0.86	0.68	0.77	0.70	0.69
PTP	-2.4	-7.1	3.0	7.7	9.2	FCF / share	0.32	0.41	0.47	0.39	0.36
Net Income	-0.1	-5.9	2.8	6.0	7.2	Book value / share	3.36	3.04	3.17	3.42	3.72
Extraordinary items	-1.6	-9.6	-0.3	0.0	0.0	Dividend / share	0.00	0.03	0.08	0.10	0.12
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	132.2	121.2	122.7	125.2	129.4	Revenue growth-%	-8%	-12%	5%	8%	6%
Equity capital	60.9	54.8	57.9	62.5	67.8	EBITDA growth-%	-28%	10%	91%	17%	10%
Goodwill	30.1	30.1	30.1	30.1	30.1	EBIT (adj.) growth-%	-41%	248%	76%	24%	14%
Net debt	31.6	25.4	19.6	14.8	10.7	EPS (adj.) growth-%	-1724%	138%	-17%	96%	19%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	3.7 %	4.6 %	8.5 %	9.2 %	9.5 %
EBITDA	5.6	6.1	11.8	13.8	15.1	EBIT (adj.)-%	0.8 %	3.0 %	5.1 %	5.9 %	6.3 %
Change in working capital	9.0	6.8	3.3	1.0	-0.4	EBIT-%	-0.3 %	-4.2 %	4.9 %	5.9 %	6.3 %
Operating cash flow	15.8	12.4	14.1	12.8	12.6	ROE-%	-0.1 %	-10.0 %	4.9 %	10.0 %	11.0 %
CAPEX	-7.4	-5.7	-5.9	-5.7	-5.9	ROI-%	-0.5 %	-5.9 %	7.7 %	10.2 %	11.5 %
Free cash flow	5.9	7.5	8.5	7.1	6.7	Equity ratio	46.3 %	45.5 %	47.5 %	50.2 %	52.7 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	51.9 %	46.3 %	33.9 %	23.8 %	15.7 %
EV/S	0.5	0.6	0.6	0.6	0.5						
EV/EBITDA	14.4	11.9	7.5	6.1	5.3						
EV/EBIT (adj.)	69.5	18.1	12.4	9.5	7.9						
P/E (adj.)	31.6	13.0	22.3	11.4	9.6						
P/B	0.8	0.9	1.2	1.1	1.0						
Dividend-%	0.0 %	1.1 %	2.1 %	2.6 %	3.2 %						

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. Per-share figures are calculated using the number of shares at year-end.

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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
2/12/2021	Accumulate	5.50 €	4.99 €
5/7/2021	Accumulate	6.10 €	5.76 €
8/13/2021	Reduce	6.10 €	6.16 €
9/21/2021	Accumulate	6.00 €	5.00 €
11/5/2021	Reduce	5.50 €	5.20 €
2/10/2022	Reduce	5.00 €	5.16 €
5/6/2022	Reduce	4.30 €	4.20 €
6/21/2022	Reduce	3.90 €	4.10 €
8/11/2022	Reduce	3.90 €	3.95 €
11/4/2022	Reduce	3.70 €	3.39 €
12/9/2022	Reduce	3.70 €	3.85 €
2/10/2023	Reduce	3.70 €	3.96 €
5/5/2023	Accumulate	4.10 €	3.68 €
8/11/2023	Accumulate	3.90 €	3.47 €
11/3/2023	Reduce	3.00 €	2.95 €
12/17/2023	Reduce	2.60 €	2.64 €
1/17/2024	Reduce	2.60 €	2.70 €
2/12/2024	Reduce	2.60 €	2.77 €
5/6/2024	Reduce	2.60 €	2.88 €
8/15/2024	Reduce	2.60 €	2.50 €
9/17/2024	Reduce	2.30 €	2.26 €
11/7/2024	Reduce	2.40 €	2.27 €
2/12/2025	Accumulate	3.20 €	2.89 €
3/4/2025	Accumulate	3.20 €	2.80 €
5/8/2025	Accumulate	3.30 €	2.96 €
8/15/2025	Accumulate	4.00 €	3.75 €
11/6/2025	Reduce	4.10 €	4.04 €
11/24/2025	Accumulate	4.10 €	3.67 €
2/6/2026	Accumulate	4.10 €	3.82 €
2/16/2026	Accumulate	4.20 €	3.78 €



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