

# ELTEL

6/25/2026 07:30 am CEST



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INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# The easy money is made

We raise our target price for Eltel to SEK 13.8 (was SEK 11.2). The increase reflects updated long-term valuation assumptions, with a lower cost of capital and a slightly higher terminal EBIT margin, rather than changes to our near-term operational estimates, which we leave broadly unchanged. Following the strong post-Q1 share price surge, however, we believe the valuation has run too far, and the risk-adjusted return is no longer attractive at current levels. We therefore downgrade our recommendation to Reduce (was Accumulate). We continue to view the pending Vattenfall framework agreement for the Roslagen and Uppland electricity network as a clear positive that would, if formally signed, add upward pressure to our medium-term estimates. As it has not yet been signed, we make no estimate changes at this stage. We would stress, though, that the agreement itself, and incorporating these into our estimates, would not change our valuation view at current levels.

## The investment case relies on continued margin expansion and structural Power demand

In our view, Eltel's investment case rests on the continuation of its profitability turnaround toward the 5% adjusted EBITA target, underpinned by structurally long-term growth drivers, especially in Power (grid reinforcement, electrification, solar PV, data centers). With Eltel having now delivered eleven consecutive quarters of year-on-year margin improvement, we believe the company is structurally better positioned than in the past. In our view, this is supported by a healthier contract structure with broad indexation protection, a business-mix shift toward higher-margin Emerging services, and a more balanced capital structure. While we believe the margin trajectory remains the key positive driver, we think the burden of proof still rests on Eltel to demonstrate that the 5% target is achievable on management's 12-18 month timeline, and we view execution as the main near-term risk. A steady inflow of multi-year framework agreements (Caruna, E.ON, Elisa), coupled with further expansion in Emerging services, supports the revenue

base and, in our view, de-risks that path.

## Operational outlook unchanged, valuation assumptions refreshed

We leave our estimates broadly unchanged in this update. We continue to expect single-digit revenue growth (2026e: ~864 MEUR, +6%) alongside a gradual margin improvement, with adjusted EBITA rising from ~31 MEUR (3.6%) in 2026e to ~38 MEUR (4.2%) by 2028e as the profitability turnaround progresses. We have, however, re-evaluated the impact of lease liabilities on our cost of capital, which lowers our WACC to 8.5% (was 9.4%), while the cost of equity is unchanged at 10.2%. In addition, we have slightly raised our terminal EBIT margin assumption to 2.8% (was 2.7%), reflecting our growing conviction in the company's long-term profitability after eleven consecutive quarters of margin improvement and a continued mix shift toward Emerging Services. The pending Vattenfall framework agreement represents potential further upside to our estimates once/if formally signed.

## The risk-reward cools off after the strong post-Q1 rally

After the strong post-Q1 re-rating (+40%), Eltel's 2026 earnings-based valuation multiples (EV/EBITDA ~6x, EV/EBIT ~12x, P/E ~19x) sit above our acceptable range (EV/EBITDA 5-7x, EV/EBIT 8-11x, P/E 9-13x). We expect revenue growth and continued margin improvement to compress these multiples into 2027, but even then, the valuation looks at best neutral and towards the higher end of our range. The picture changes only if Eltel delivers on its 5% margin target next year; in that scenario, the stock would still look rather cheap at current levels. However, this is something we are not yet convinced of, as reflected in our more conservative estimates (2027-28e EBITA-%: 4-4.2%). Following the strong share price increase post-Q1, we find the risk/reward unattractive and see no reason to chase the stock at current levels. Our DCF model supports a value per share of SEK 13.8 (was SEK 11.2), in line with our target.

## Recommendation

**Reduce**  
(prev. Accumulate)

## Business risk



## Target price:

**SEK 13.80**  
(prev. SEK 11.20)

## Valuation risk



**Share price:**  
SEK 14.35

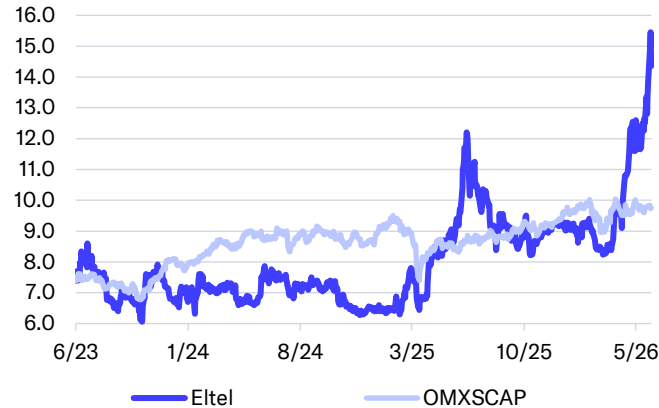
	2025	2026e	2027e	2028e
<b>Revenue</b>	817.8	863.7	882.7	903.3
<b>growth-%</b>	-1%	6%	2%	2%
<b>EBIT adj.</b>	20.7	30.7	35.2	38.0
<b>EBIT-% adj.</b>	2.5 %	3.6 %	4.0 %	4.2 %
<b>Net Income</b>	2.2	10.6	16.9	20.1
<b>EPS (adj.)</b>	0.01	0.07	0.11	0.13
<b>P/E (adj.)</b>	72.1	19.2	12.0	10.1
<b>P/B</b>	0.8	1.2	1.1	1.0
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	13.6	11.6	10.1	8.8
<b>EV/EBITDA</b>	5.7	5.9	5.4	4.8
<b>EV/S</b>	0.3	0.4	0.4	0.4

Source: Inderes

## Guidance

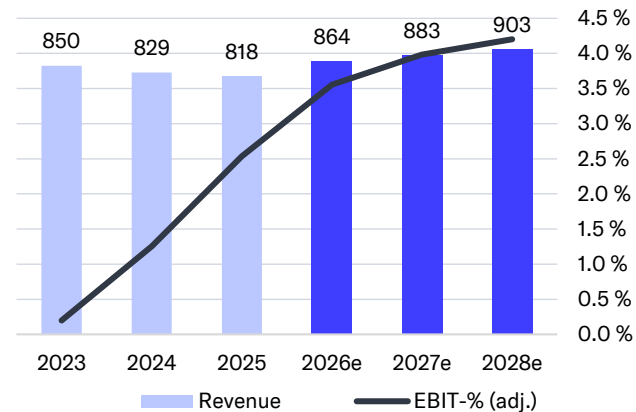
(Eltel provides no guidance)

## Share price



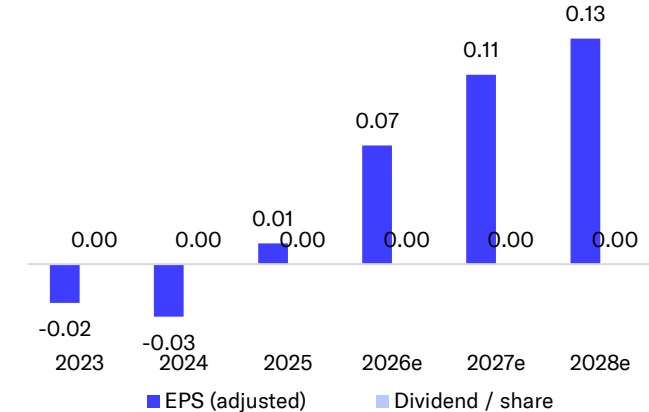
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Sustainable profitability improvement, which would also support the cash flow
- Long-term business growth drivers are healthy, especially in Power
- Expanding into new and adjacent markets and leveraging its geographical coverage
- Broadening the customer base

## Risk factors

- Failure in the profitability turnaround
- Pricing and project risks
- Tight competitive situation and low barriers to entry
- Dependency on investments
- Scarce labor market and, thus difficulties to find skilled workforce
- Loss of a major customer / challenges faced by the customer themselves

Valuation	2026e	2027e	2028e
<b>Share price (EUR)</b>	1.29	1.29	1.29
<b>Number of shares, millions</b>	156.7	156.7	156.7
<b>Market cap (MEUR)</b>	203	203	203
<b>EV (MEUR)</b>	357	354	333
<b>P/E (adj.)</b>	19.2	12.0	10.1
<b>P/E</b>	19.2	12.0	10.1
<b>P/B</b>	1.2	1.1	1.0
<b>P/S</b>	0.2	0.2	0.2
<b>EV/Sales</b>	0.4	0.4	0.4
<b>EV/EBITDA</b>	5.9	5.4	4.8
<b>EV/EBIT (adj.)</b>	11.6	10.1	8.8
<b>Payout ratio (%)</b>	0.0 %	0.0 %	0.0 %
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %

Source: Inderes

# Operational estimates intact, valuation assumptions revised

- We have made no changes to our short-term operational estimates in this update. While Eltel has been awarded the Vattenfall framework agreement covering service and maintenance of the electricity network in the Roslagen and Uppland areas, the contract has not yet been formally signed. We therefore refrain from incorporating the incremental volumes into our estimates at this stage; once signed, the agreement would add upward pressure to our medium-term Swedish forecasts.
- We have re-evaluated how lease liabilities are treated in our cost of capital. Under IFRS 16, capitalized leases sit on the balance sheet as interest-bearing liabilities, and factoring them in more fully gives a more representative picture of Eltel's underlying capital structure, one that carries a structurally higher share of debt than we had previously assumed. The main driver of the change is therefore the higher debt weighting in our target debt structure rather than a change in the cost of debt itself, because debt is a cheaper,

tax-deductible source of financing than equity, giving it a larger weight in the blended calculation pulls our derived WACC down. The net effect is a WACC of 8.5% (was 9.4%), while our cost of equity is unchanged at 10.2%. As the discount rate falls, future cash flows are discounted less heavily, which mechanically lifts our DCF value.

- We have also raised our terminal EBIT margin assumption to 2.8% (was 2.7%), reflecting our growing conviction in the company's long-term profitability after eleven consecutive quarters of margin improvement and a continued mix shift toward Emerging Services.
- In addition, we have updated our estimates related to the tax deferral repayments. During the pandemic, Eltel deferred part of its Swedish taxes under a temporary government scheme, and these amounts are now being repaid. Roughly half (~16 MEUR) was settled in Q1'26, with the remainder due around September 2027. We emphasize that this is a legacy, one-off item that does not affect our operating profit (EBITA)

estimates, although it does impact cash flows during the repayment period, as seen in Q1'26.

Estimate revisions MEUR / EUR	2026e			2027e			2028e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	864	864	0%	883	883	0%	903	903	0%
EBITDA	60.8	60.8	0%	65.8	65.8	0%	68.8	68.7	0%
EBIT (exc. NRIs)	30.7	30.7	0%	35.2	35.2	0%	38.0	38.0	0%
EBIT	30.7	30.7	0%	35.2	35.2	0%	38.0	38.0	0%
PTP	13.5	13.5	0%	21.3	21.2	0%	25.8	25.7	0%
EPS (excl. NRIs)	0.07	0.07	0%	0.11	0.11	0%	0.13	0.13	0%

Eltel Q1'26: Strong revenue growth



# Valuation 1/2

## Valuation methods

We approach the valuation of Eltel primarily with absolute valuation multiples. We also use a total expected return calculation for the coming years and a DCF to support the valuation.

We favor the EV-based multiples as they better capture Eltel's balance sheet structure, but we also look at the P/E ratio. We look at multiples in absolute terms and in relative terms compared to a peer group (in particular, to its closest peers Netel, Transtema, and Enersense). The focus of our valuation is primarily on 2026, but also increasingly on 2027, as we believe Eltel's operational visibility has improved following two years of consistent profitability gains.

## Absolute valuation

Based on our updated estimates, Eltel's EV/EBITDA multiple for 2026 is around 6x, while the corresponding EV/EBIT and P/E multiples stand at around 12x and 19x, respectively. Relative to our acceptable valuation range (EV/EBITDA 5x-7x, EV/EBIT 8x-11x, P/E 9x-13x), we view the overall earnings-based valuation for the current year to be stretched. Should our 2027 estimates of 4% revenue growth with an EBITA margin of 4% materialize, the valuation multiples look at best neutral, albeit on the higher side (EV/EBITDA 5x, EV/EBIT 10x, P/E 12x). On the flip side, and extending the time frame even further, Eltel's 2028e multiples are at more attractive levels (EV/EBITDA: 5x; EV/EBIT: 9x; and P/E: 10x); this showcases the sensitivity of the valuation to earnings, though it depends heavily on whether profitability continues to improve in line with our expectations.

While we feel Eltel's eleven consecutive quarters of y/y profitability improvements deserve credit and strengthen our confidence in the current turnaround trajectory, we think it is premature to rely on scenarios beyond 2027. In our view, Eltel has structurally improved its operational resilience over recent years through a more flexible cost structure, improved commercial terms and protection, a

broadened customer base, and a growing share of higher-margin Emerging services. That said, we feel Eltel's history of earnings volatility argues for caution when extrapolating recent positive margin development too far into the future.

## Relative valuation to closest peers

On our updated estimates, Eltel currently trades broadly neutral on EV-based earnings multiples relative to its closest peers. The peer group's average EV/EBITDA, EV/EBIT, and P/E multiples for 2026 and 2027 stand at approximately 6x-5x, 11x, and 12x-8x, respectively. Given Eltel's stronger expected revenue growth (CAGR 26-28': 3% vs. 1%) as well as comparable EBIT growth (CAGR 26-28': 22%), along with relatively lower leverage and a similar margin profile, we believe a small valuation premium is justified. We also note that recent weak profitability development in peers such as Netel and Transtema has resulted in rather thin earnings, which therefore inflate the earnings multiples and expected earnings growth figures.

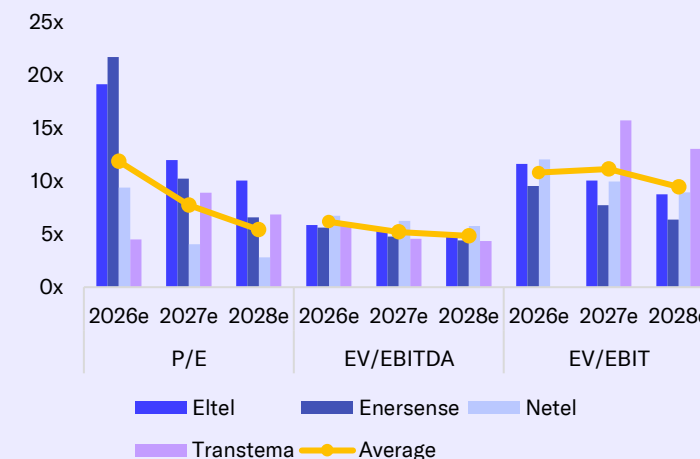
## The valuation is sensitive to margin assumptions

Given that the valuation rests heavily on continued margin improvement, we illustrate on the next page how sensitive the forward multiples are to our EBIT margin estimates (assuming unchanged revenue estimates). Our base case of 3.6% in 2026 and 4% in 2027 translates into EV/EBIT multiples of 12x and 10x, respectively, with the former above our acceptable valuation range and the latter within the upper end. The sensitivity cuts both ways, where we note 2026 is tighter. A 50 bps margin miss would push the multiple to ~14x and therefore well above our range, while 50 bps of upside would bring it to a relatively neutral level of 10x. In 2027, a 50 bps miss would keep the multiple (12x) above our range, while a 50 bps beat would result in a reasonable 9x multiple. While we are not modelling for this, it is worth highlighting that if Eltel reaches its 5% EBITA target by 2027 at the earliest, the stock would be quite cheap at current levels (EV/EBIT: 8x).

Valuation	2026e	2027e	2028e
Share price (EUR)	1.29	1.29	1.29
Number of shares, millions	156.7	156.7	156.7
Market cap (MEUR)	203	203	203
EV (MEUR)	357	354	333
P/E (adj.)	19.2	12.0	10.1
P/E	19.2	12.0	10.1
P/B	1.2	1.1	1.0
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	5.9	5.4	4.8
EV/EBIT (adj.)	11.6	10.1	8.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Eltel vs closest peers (2026-2028)



# Valuation 2/2

We acknowledge that the margin path depends not only on execution but also on external factors. The US-Iran conflict, which dominated the first half of the year, introduces near-term uncertainty even as it appears to move toward a resolution. This uncertainty stems directly from increased fuel and input costs, and indirectly from potential customer project deferrals that could weigh on utilization. On balance, we believe margin execution remains the central valuation driver, and 2026 leaves less room for disappointment than 2027. Despite Eltel's demonstrated resilience and strong execution on profitability in recent years, we no longer find the risk/reward attractive at current levels amid the recent surge in the share price.

## Expected return in the coming years

We have also looked at an investor's expected return over the next few years by simplifying the acceptable valuation and our 2028 earnings estimates. In our view, Eltel could be valued at 9x-10x EV/EBIT and around 11x-12x P/E at the end of 2028 based on our current estimates, if the profitability improvement remains intact and there are no major changes in the company's growth outlook. The multiples would be broadly in line with the peer group's current valuation. Given this and our current estimates, we believe that Eltel could be valued at roughly SEK 15.6-17.7 per share at the end of 2028 (at the current EUR/SEK FX rate). At the current share price of SEK 14.35, we estimate that the expected annual return would be around 3-9%. We don't expect investors to receive any base return from dividends in the medium term. Thus, in this scenario, the total annual expected return would, on average (6%), be below the cost of equity that we use. However, the expected return is back-loaded and depends on an EV-based valuation, which adds further uncertainty, e.g., regarding the capital structure, which is difficult to forecast over a longer period.

## DCF model

As mentioned in our updated extensive report from 2025/10, we place slightly more weight on the DCF model in the valuation, given Eltel's gradual and steady improvement in profitability in recent

years. We note that the model is very sensitive to terminal period variables, but we believe we have used sufficiently conservative estimates for these compared to the industry context.

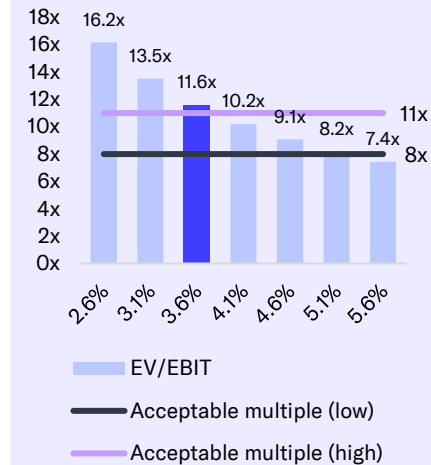
We expect low single-digit growth (CAGR: 2.9%) and continued small margin expansion between 2026 and 2030, after which top-line growth gradually tapers toward a terminal growth rate of 2%. In the terminal period, we expect the EBIT margin to stabilize at around 2.8% (was 2.7%), reflecting our increased conviction in the company's margin trajectory. Discounting at a WACC of 8.5% (was 9.4%, following our re-evaluation of the impact of lease liabilities on the cost of capital), the terminal value accounts for the majority (52%) of the total DCF value, which we consider a reasonable level given the business profile. Our DCF model indicates a value of EUR 1.24 per share (SEK 13.8), which is below the current share price and supports our view.

## We lower our recommendation to Reduce

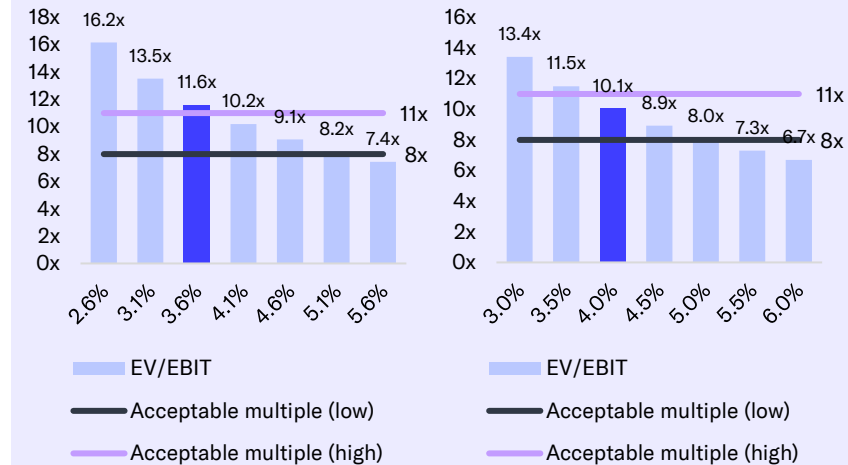
Reflecting this overall picture and the strong share price increase following the Q1 report, we see the risk-adjusted expected return over the next 12 months to be insufficient at the current share price. We therefore lower our recommendation to Reduce (was Accumulate), while raising our target price to SEK 13.8 (was SEK 11.2) on a lower WACC and a slightly higher terminal EBIT margin assumption.

While we view a potential final signing of the Vattenfall contract positively, it would only start on February 1, 2027, leaving our 2026e estimates (the primary valuation anchor) unaffected and the stretched current-year multiples intact. Based on our estimates, the incremental volume (~34 MEUR once mature, ~2% of group revenue) would lift our 2027-28e revenue and EBITA by around 2% and add similarly little to our DCF value. As such, while the agreement would be a clear operational positive, we believe the recent re-rating already largely reflects its potential, and incorporating it would not change our conclusion that the risk/reward is unattractive at current levels.

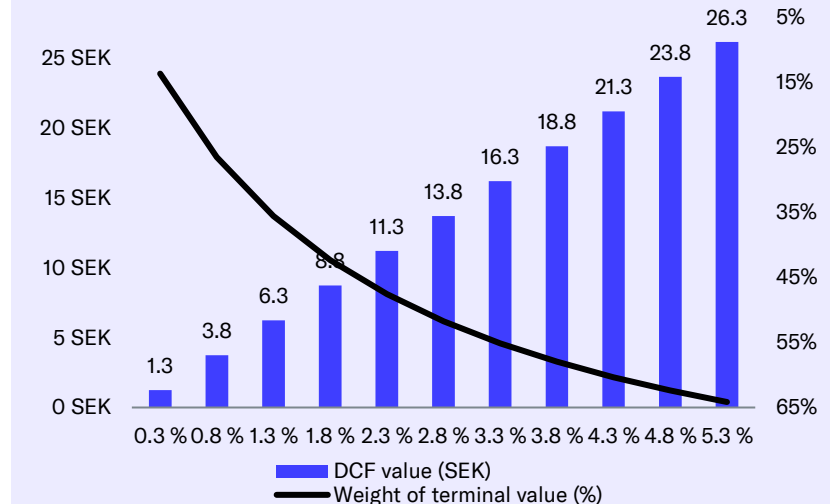
**EV/EBIT at different margin levels in 2026**  
vs acceptable multiples



**EV/EBIT at different margin levels in 2027**  
vs acceptable multiples



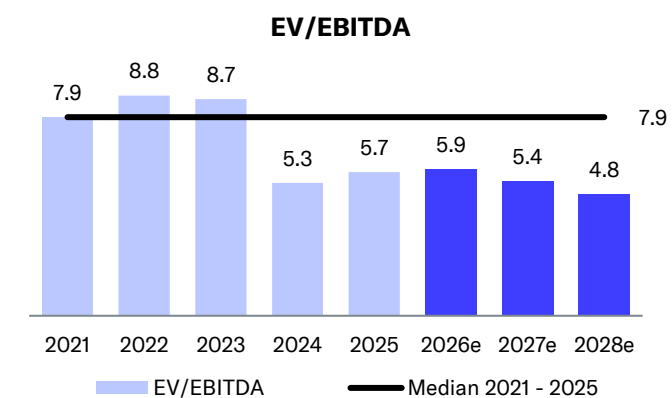
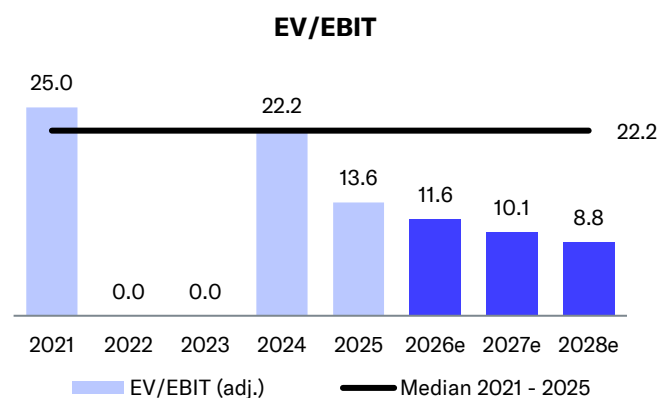
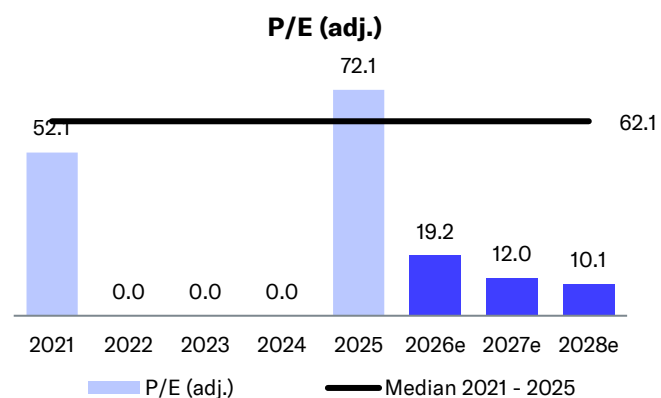
**Sensitivity of DCF to changes in the terminal EBIT margin**



# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.53	0.74	0.55	0.56	0.85	<b>1.29</b>	<b>1.29</b>	<b>1.29</b>	<b>1.29</b>
Number of shares, millions	156.6	156.7	156.7	156.7	156.7	<b>156.7</b>	<b>156.7</b>	<b>156.7</b>	<b>156.7</b>
Market cap (MEUR)	239	115	86	88	133	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>
EV (MEUR)	369	245	214	231	282	<b>357</b>	<b>354</b>	<b>333</b>	<b>310</b>
P/E (adj.)	52.1	neg.	neg.	neg.	72.1	<b>19.2</b>	<b>12.0</b>	<b>10.1</b>	<b>9.7</b>
P/E	55.7	neg.	neg.	neg.	>100	<b>19.2</b>	<b>12.0</b>	<b>10.1</b>	<b>9.7</b>
P/B	1.1	0.6	0.5	0.6	0.8	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>
P/S	0.3	0.1	0.1	0.1	0.2	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
EV/Sales	0.5	0.3	0.3	0.3	0.3	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
EV/EBITDA	7.9	8.8	8.7	5.3	5.7	<b>5.9</b>	<b>5.4</b>	<b>4.8</b>	<b>4.6</b>
EV/EBIT (adj.)	25.0	neg.	>100	22.2	13.6	<b>11.6</b>	<b>10.1</b>	<b>8.8</b>	<b>8.4</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Bravida Holding	2324	2551	15.1	13.7	11.3	10.4	1.0	0.9	18.5	16.5	3.2	3.4	2.7
Enersense International	61	108	9.6	7.7	5.6	4.8	0.3	0.3	21.7	10.3		0.8	1.7
Instalco	978	1323	15.4	12.9	10.0	8.9	1.0	0.9	16.4	13.0	1.9	2.4	2.9
Netel Holding	14	107	12.1	10.0	6.8	6.3	0.4	0.4	9.4	4.1			0.2
Spie SA	8570	10372	13.3	12.1	9.1	8.4	0.9	0.9	16.8	14.8	2.5	2.7	3.6
Transtema	21	68		15.8	6.2	4.6	0.3	0.3	4.5	8.9			0.3
Vinci Energies	75639	98101	10.0	9.6	7.0	6.7	1.3	1.2	14.0	12.7	4.1	4.6	2.3
<b>Eltel (Inderes)</b>	<b>203</b>	<b>357</b>	<b>11.6</b>	<b>10.1</b>	<b>5.9</b>	<b>5.4</b>	<b>0.4</b>	<b>0.4</b>	<b>19.2</b>	<b>12.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>
<b>Average</b>			<b>12.6</b>	<b>11.7</b>	<b>8.0</b>	<b>7.1</b>	<b>0.8</b>	<b>0.7</b>	<b>14.5</b>	<b>11.5</b>	<b>2.9</b>	<b>2.8</b>	<b>1.9</b>
<b>Median</b>			<b>12.7</b>	<b>12.1</b>	<b>7.0</b>	<b>6.7</b>	<b>0.9</b>	<b>0.9</b>	<b>16.4</b>	<b>12.7</b>	<b>2.8</b>	<b>2.7</b>	<b>2.3</b>
<b>Diff-% to median</b>			<b>-8%</b>	<b>-17%</b>	<b>-16%</b>	<b>-20%</b>	<b>-56%</b>	<b>-54%</b>	<b>17%</b>	<b>-5%</b>	<b>-100%</b>	<b>-100%</b>	<b>-47%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>829</b>	<b>170</b>	<b>201</b>	<b>208</b>	<b>239</b>	<b>818</b>	<b>191</b>	<b>212</b>	<b>217</b>	<b>244</b>	<b>864</b>	<b>883</b>	<b>903</b>	<b>923</b>
Finland	358	62.1	85.0	102	102	351	80.1	94.5	105	105	385	391	399	408
Sweden	212	53.1	58.3	53.0	74.8	239	54.3	57.7	56.6	74.8	243	249	256	261
Norway	115	23.3	25.8	24.4	26.5	100.0	23.8	26.3	25.2	27.3	103	107	109	112
Denmark & Germany	130	30.5	31.4	28.7	35.0	126	32.2	32.7	29.4	36.1	130	134	138	141
Other business	24.3	1.9	2.4	2.4	2.6	9.3	1.9	2.5	2.4	2.6	9.4	9.2	9.0	9.2
Eliminations	-9.7	-1.3	-1.9	-1.9	-2.3	-7.4	-1.0	-2.0	-2.0	-2.3	-7.4	-8.0	-8.0	-8.2
<b>EBITDA</b>	<b>16.6</b>	<b>7.2</b>	<b>9.7</b>	<b>16.2</b>	<b>16.0</b>	<b>49.1</b>	<b>10.3</b>	<b>12.7</b>	<b>19.4</b>	<b>18.5</b>	<b>60.8</b>	<b>65.8</b>	<b>68.7</b>	<b>67.2</b>
Depreciation	-34.7	-6.9	-7.7	-7.4	-7.7	-29.7	-7.2	-7.6	-7.6	-7.6	-30.1	-30.6	-30.8	-30.3
<b>EBIT (excl. NRI)</b>	<b>10.4</b>	<b>0.9</b>	<b>2.5</b>	<b>9.1</b>	<b>8.3</b>	<b>20.7</b>	<b>3.1</b>	<b>5.0</b>	<b>11.7</b>	<b>10.9</b>	<b>30.7</b>	<b>35.2</b>	<b>38.0</b>	<b>36.9</b>
<b>EBIT</b>	<b>-18.1</b>	<b>0.3</b>	<b>2.0</b>	<b>8.8</b>	<b>8.3</b>	<b>19.4</b>	<b>3.1</b>	<b>5.0</b>	<b>11.7</b>	<b>10.9</b>	<b>30.7</b>	<b>35.2</b>	<b>38.0</b>	<b>36.9</b>
Finland	15.7	1.7	3.4	8.8	6.4	20.3	2.7	4.5	9.6	6.9	23.7	25.0	25.9	16.3
Sweden	6.1	1.5	1.3	1.0	3.9	7.7	1.8	1.8	2.2	4.2	10.0	11.0	12.0	10.5
Norway	-5.7	-1.8	-0.4	0.4	0.0	-1.8	0.3	0.5	0.9	1.0	2.7	4.2	4.4	4.5
Denmark & Germany	6.5	2.4	1.5	1.1	0.9	5.9	1.1	1.3	1.3	1.7	5.3	7.0	7.2	5.7
Other business	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	0.4
Group functions	-12.2	-2.9	-3.3	-2.3	-2.9	-11.4	-2.8	-3.1	-2.3	-2.8	-11.0	-12.0	-11.6	0.0
Items affecting comparability	-28.5	-0.6	-0.5	-0.2	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition-related amortization	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 financial items	-12.7	-2.4	-2.7	-4.9	-4.2	-14.1	-4.6	-4.2	-4.2	-4.2	-17.2	-13.9	-12.3	-10.2
<b>PTP</b>	<b>-30.8</b>	<b>-2.1</b>	<b>-0.7</b>	<b>3.9</b>	<b>4.1</b>	<b>5.3</b>	<b>-1.5</b>	<b>0.8</b>	<b>7.5</b>	<b>6.7</b>	<b>13.5</b>	<b>21.2</b>	<b>25.7</b>	<b>26.7</b>
Taxes	1.6	-0.6	-0.2	-0.9	-0.4	-2.1	-0.4	-0.1	-1.1	-0.9	-2.5	-3.9	-5.1	-5.3
Minority interest	-0.6	-0.1	-0.2	-0.4	-0.3	-1.0	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4	-0.4
<b>Net earnings</b>	<b>-29.8</b>	<b>-2.8</b>	<b>-1.0</b>	<b>2.6</b>	<b>3.4</b>	<b>2.2</b>	<b>-2.0</b>	<b>0.6</b>	<b>6.4</b>	<b>5.6</b>	<b>10.6</b>	<b>16.9</b>	<b>20.1</b>	<b>21.0</b>
<b>EPS (adj.)</b>	<b>-0.03</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.04</b>	<b>0.04</b>	<b>0.07</b>	<b>0.11</b>	<b>0.13</b>	<b>0.13</b>
<b>EPS (rep.)</b>	<b>-0.21</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.04</b>	<b>0.04</b>	<b>0.07</b>	<b>0.11</b>	<b>0.13</b>	<b>0.13</b>
<b>Key figures</b>	<b>2024</b>	<b>Q1'25</b>	<b>Q2'25</b>	<b>Q3'25</b>	<b>Q4'25</b>	<b>2025</b>	<b>Q1'26</b>	<b>Q2'26e</b>	<b>Q3'26e</b>	<b>Q4'26e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>	<b>2029e</b>
<b>Revenue growth-%</b>	-2.5 %	-3.8 %	-6.9 %	-1.0 %	5.7 %	-1.3 %	12.8 %	5.3 %	4.1 %	2.1 %	5.6 %	2.2 %	2.3 %	2.2 %
<b>Adjusted EBIT growth-%</b>	519.0 %	122.7 %	455.6 %	10.4 %	44.9 %	99.4 %	244.4 %	100.2 %	29.6 %	31.0 %	48.0 %	14.6 %	7.9 %	-2.7 %
<b>EBITDA-%</b>	2.0 %	4.2 %	4.8 %	7.8 %	6.7 %	6.0 %	5.4 %	6.0 %	8.9 %	7.6 %	7.0 %	7.4 %	7.6 %	7.3 %
<b>Adjusted EBIT-%</b>	1.3 %	0.5 %	1.2 %	4.3 %	3.5 %	2.5 %	1.6 %	2.4 %	5.4 %	4.5 %	3.6 %	4.0 %	4.2 %	4.0 %
<b>Net earnings-%</b>	-3.6 %	-1.6 %	-0.5 %	1.2 %	1.4 %	0.3 %	-1.0 %	0.3 %	2.9 %	2.3 %	1.2 %	1.9 %	2.2 %	2.3 %

Source: Inderes

\*EBIT (excl. NRI) refers to EBITA

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

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>380</b>	<b>387</b>	<b>388</b>	<b>388</b>	<b>389</b>
Goodwill	249	254	254	254	254
Intangible assets	30.3	31.6	31.7	31.8	31.9
Tangible assets	59.4	59.1	60.0	60.4	60.6
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	13.4	15.3	15.3	15.3	15.3
Deferred tax assets	27.2	27.3	27.3	27.3	27.3
<b>Current assets</b>	<b>206</b>	<b>269</b>	<b>267</b>	<b>271</b>	<b>295</b>
Inventories	19.3	38.3	28.5	25.6	23.5
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	165	187	193	197	203
Cash and equivalents	21.3	43.8	46.3	48.3	68.6
<b>Balance sheet total</b>	<b>585</b>	<b>656</b>	<b>655</b>	<b>659</b>	<b>684</b>

Source: Inderes

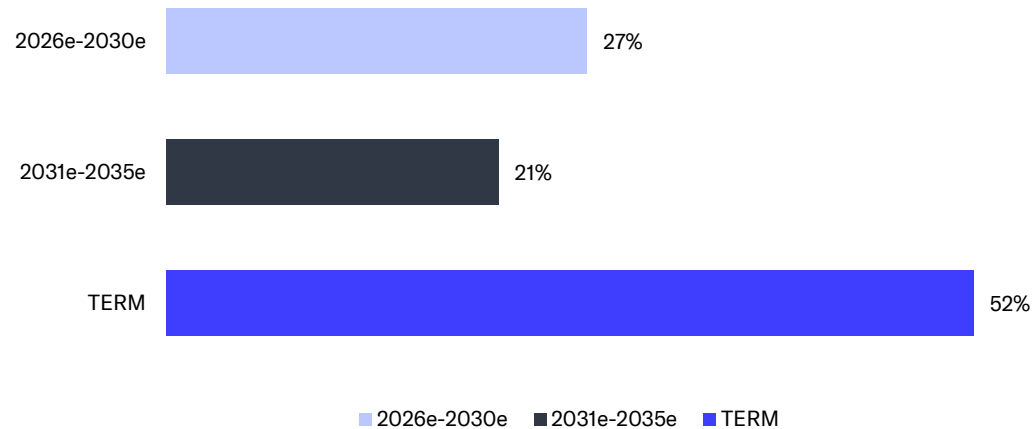
Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>189</b>	<b>169</b>	<b>179</b>	<b>196</b>	<b>217</b>
Share capital	162	1.6	1.6	1.6	1.6
Retained earnings	-423.7	-426.4	-415.8	-398.9	-378.8
Hybrid bonds	25.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	418	585	585	585	585
Minorities	8.0	8.5	8.5	8.5	8.5
<b>Non-current liabilities</b>	<b>106</b>	<b>203</b>	<b>206</b>	<b>192</b>	<b>192</b>
Deferred tax liabilities	10.7	12.0	10.7	10.7	10.7
Provisions	5.2	5.9	5.9	5.9	5.9
Interest bearing debt	51.8	161	165	165	165
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	37.9	24.2	24.2	10.2	10.2
<b>Current liabilities</b>	<b>290</b>	<b>283</b>	<b>270</b>	<b>271</b>	<b>276</b>
Interest bearing debt	83.2	24.7	25.0	25.0	25.0
Payables	203	256	242	243	247
Other current liabilities	3.8	3.1	3.1	3.1	3.1
<b>Balance sheet total</b>	<b>585</b>	<b>656</b>	<b>655</b>	<b>659</b>	<b>684</b>

# DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-1.3 %	5.6 %	2.2 %	2.3 %	2.2 %	2.2 %	2.2 %	2.2 %	2.2 %	2.2 %	2.0 %	2.0 %
EBIT-%	2.4 %	3.6 %	4.0 %	4.2 %	4.0 %	4.0 %	3.7 %	3.4 %	3.3 %	2.8 %	2.8 %	2.8 %
<b>EBIT (operating profit)</b>	<b>19.4</b>	<b>30.7</b>	<b>35.2</b>	<b>38.0</b>	<b>36.9</b>	<b>37.7</b>	<b>35.7</b>	<b>33.5</b>	<b>33.2</b>	<b>28.8</b>	<b>29.4</b>	
+ Depreciation	29.7	30.1	30.6	30.8	30.3	30.6	30.8	31.2	31.5	31.2	31.1	
- Paid taxes	-0.8	-3.8	-3.9	-5.1	-5.3	-5.7	-5.3	-4.9	-4.9	-4.0	-4.1	
- Tax, financial expenses	-2.8	-3.3	-2.7	-2.6	-2.2	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	
+ Tax, financial income	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	
- Change in working capital	11.2	-10.0	-0.4	0.5	1.4	1.4	2.4	1.6	0.6	0.6	0.6	
<b>Operating cash flow</b>	<b>56.6</b>	<b>43.9</b>	<b>58.8</b>	<b>61.6</b>	<b>61.2</b>	<b>62.3</b>	<b>61.8</b>	<b>59.5</b>	<b>58.7</b>	<b>54.9</b>	<b>55.2</b>	
+ Change in other long-term liabilities	-13.0	0.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-36.9	-31.1	-31.1	-31.1	-31.1	-31.1	-31.6	-31.9	-31.1	-31.1	-31.1	
<b>Free operating cash flow</b>	<b>6.7</b>	<b>12.8</b>	<b>13.7</b>	<b>30.5</b>	<b>30.1</b>	<b>31.2</b>	<b>30.2</b>	<b>27.6</b>	<b>27.6</b>	<b>23.8</b>	<b>24.1</b>	
+/- Other	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.6	12.8	13.7	30.5	30.1	31.2	30.2	27.6	27.6	23.8	24.1	387
<b>Discounted FCFF</b>		<b>12.2</b>	<b>12.1</b>	<b>24.9</b>	<b>22.7</b>	<b>21.6</b>	<b>19.4</b>	<b>16.3</b>	<b>15.0</b>	<b>12.0</b>	<b>11.2</b>	<b>179</b>
Sum of FCFF present value		347	335	323	298	275	253	234	218	203	191	179
<b>Enterprise value DCF</b>		<b>347</b>										
- Interest bearing debt		-185.8										
+ Cash and cash equivalents		43.8										
+ Associated companies		0.0										
-Minorities		-10.1										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>195</b>										
<b>Equity value DCF per share</b>		<b>1.24</b>										
<b>Equity value DCF per share (SEK)</b>		<b>13.8</b>										

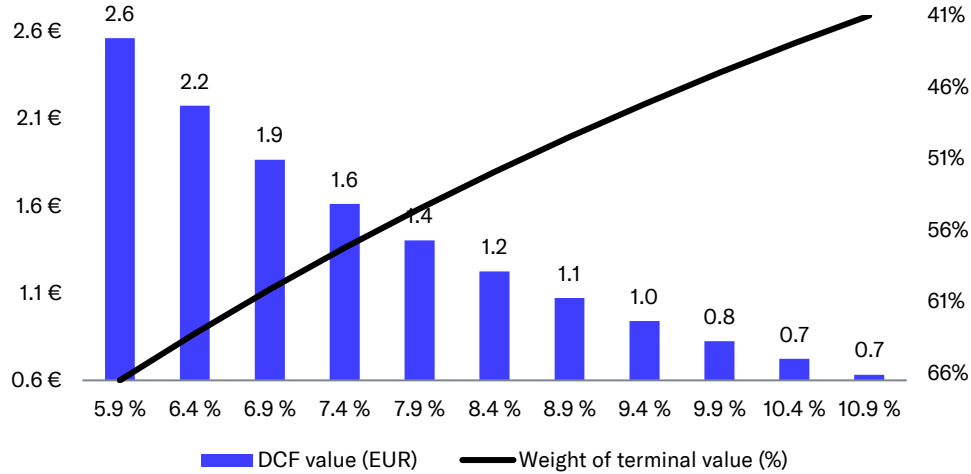
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	45.0 %
Cost of debt	7.8 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.2 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.4 %</b>

## Cash flow distribution

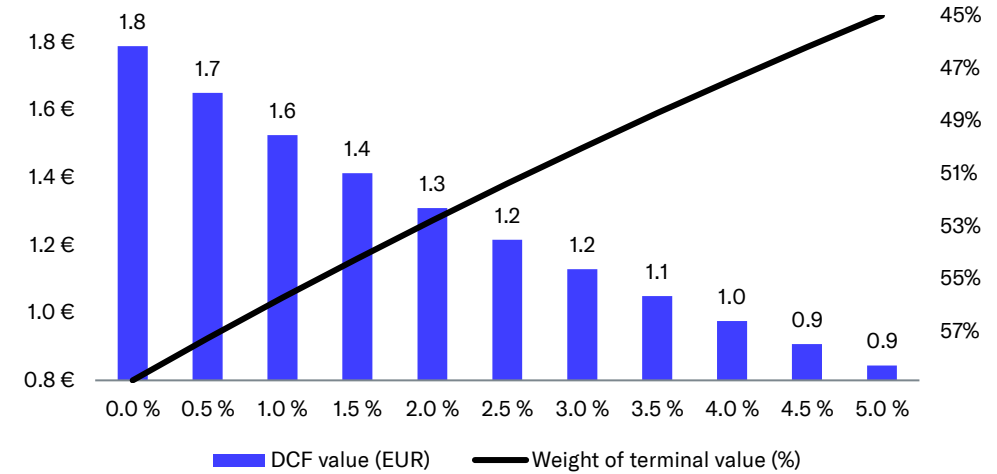


# DCF sensitivity calculations and key assumptions in graphs

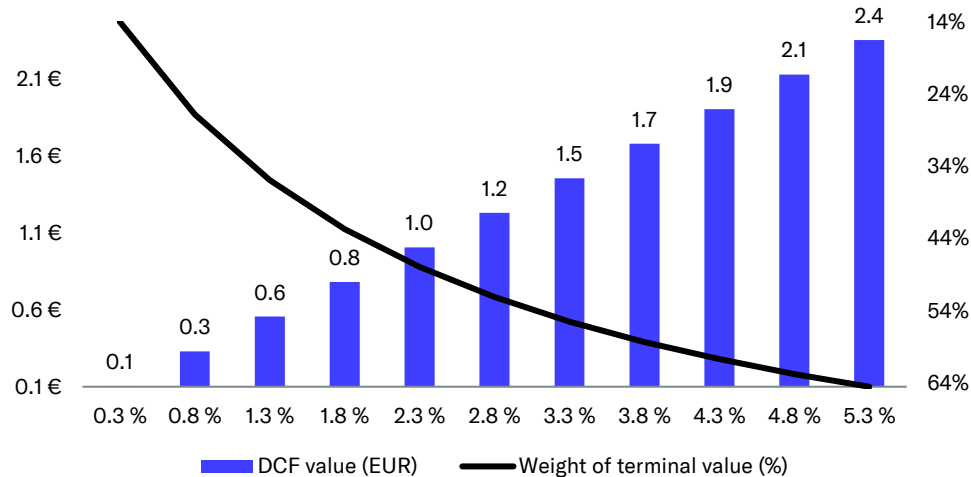
Sensitivity of DCF to changes in the WACC-%



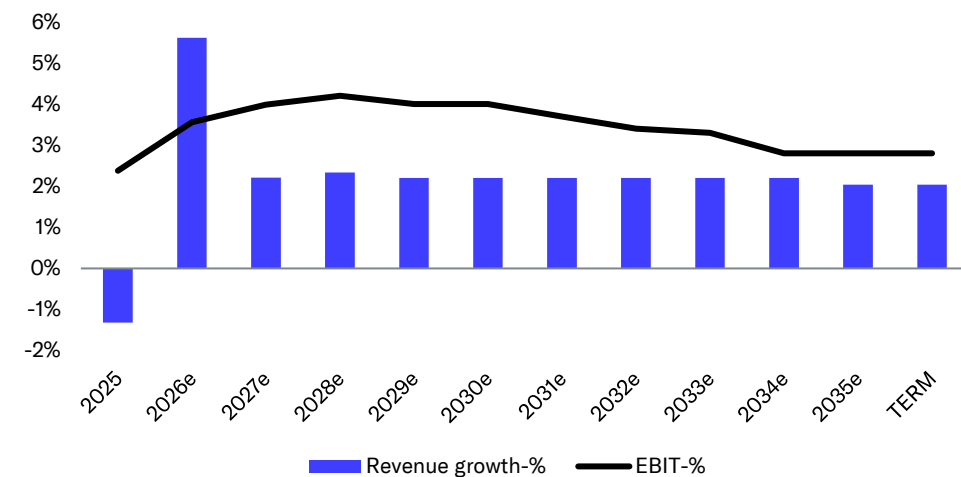
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	850.1	828.7	817.8	<b>863.7</b>	<b>882.7</b>	EPS (reported)	-0.07	-0.21	0.00	<b>0.07</b>	<b>0.11</b>
EBITDA	24.8	16.6	49.1	<b>60.8</b>	<b>65.8</b>	EPS (adj.)	-0.02	-0.03	0.01	<b>0.07</b>	<b>0.11</b>
EBIT	-5.3	-18.1	19.4	<b>30.7</b>	<b>35.2</b>	OCF / share	0.30	-0.01	0.36	<b>0.28</b>	<b>0.38</b>
PTP	-18.0	-30.8	5.3	<b>13.5</b>	<b>21.2</b>	OFCF / share	0.10	0.02	0.02	<b>0.08</b>	<b>0.09</b>
Net Income	-8.0	-29.8	2.2	<b>10.6</b>	<b>16.9</b>	Book value / share	1.38	1.16	1.02	<b>1.09</b>	<b>1.20</b>
Extraordinary items	-7.0	-28.5	-1.3	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	624.2	585.4	655.5	<b>655.2</b>	<b>659.0</b>	Revenue growth-%	3%	-3%	-1%	<b>6%</b>	<b>2%</b>
Equity capital	223.6	189.4	168.9	<b>179.5</b>	<b>196.4</b>	EBITDA growth-%	-11%	-33%	196%	<b>24%</b>	<b>8%</b>
Goodwill	253.6	249.3	253.7	<b>253.7</b>	<b>253.7</b>	EBIT (adj.) growth-%	191%	519%	99%	<b>48%</b>	<b>15%</b>
Net debt	100.2	113.7	142.0	<b>143.7</b>	<b>141.7</b>	EPS (adj.) growth-%	77%	-36%	139%	<b>475%</b>	<b>60%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	2.9 %	2.0 %	6.0 %	<b>7.0 %</b>	<b>7.4 %</b>
EBITDA	24.8	16.6	49.1	<b>60.8</b>	<b>65.8</b>	EBIT (adj.)-%	0.2 %	1.3 %	2.5 %	<b>3.6 %</b>	<b>4.0 %</b>
Change in working capital	25.8	-19.3	11.2	<b>-10.0</b>	<b>-0.4</b>	EBIT-%	-0.6 %	-2.2 %	2.4 %	<b>3.6 %</b>	<b>4.0 %</b>
Operating cash flow	47.7	-1.6	56.6	<b>43.9</b>	<b>58.8</b>	ROE-%	-3.8 %	-15.0 %	1.3 %	<b>6.4 %</b>	<b>9.4 %</b>
CAPEX	-33.2	-28.4	-36.9	<b>-31.1</b>	<b>-31.1</b>	ROI-%	-1.4 %	-5.4 %	5.7 %	<b>8.6 %</b>	<b>9.5 %</b>
Free cash flow	15.0	3.5	3.6	<b>12.8</b>	<b>13.7</b>	Equity ratio	39.6 %	35.5 %	28.0 %	<b>29.7 %</b>	<b>32.3 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	44.8 %	60.0 %	84.1 %	<b>80.0 %</b>	<b>72.1 %</b>
EV/S	0.3	0.3	0.3	<b>0.4</b>	<b>0.4</b>	Net debt/EBITDA	4.0	6.8	2.9	<b>2.4</b>	<b>2.2</b>
EV/EBITDA	8.7	5.3	5.7	<b>5.9</b>	<b>5.4</b>	EBITDA/net financials	2.0	1.3	3.5	<b>3.5</b>	<b>4.7</b>
EV/EBIT (adj.)	>100	22.2	13.6	<b>11.6</b>	<b>10.1</b>						
P/E (adj.)	neg.	neg.	72.1	<b>19.2</b>	<b>12.0</b>						
P/B	0.5	0.6	0.8	<b>1.2</b>	<b>1.1</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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

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

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/30/2024	Reduce	SEK 7.20	SEK 6.60
7/26/2024	Reduce	SEK 7.20	SEK 7.50
11/1/2024	Reduce	SEK 7.20	SEK 7.38
2/17/2025	Reduce	SEK 7.20	SEK 6.48
5/2/2025	Accumulate	SEK 9.00	SEK 7.88
7/25/2025	Reduce	SEK 9.70	SEK 10.45
10/16/2025	Accumulate	SEK 9.70	SEK 8.52
10/31/2025	Accumulate	SEK 9.90	SEK 8.90
2/16/2026	Accumulate	SEK 10.20	SEK 9.20
5/4/2026	Accumulate	SEK 11.20	SEK 9.74
6/25/2026	Reduce	SEK 13.80	SEK 14.35



# CONNECTING INVESTORS AND COMPANIES.

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

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