

GRK INFRA OYJ

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Projects progressed faster than expected

GRK's Q3 result was better than expected, largely due to the order book being executed faster than anticipated. We did not see the need for any significant changes to our estimates. GRK's earnings growth will be limited in the near term, but the expected return from the valuation upside of the share and the dividend is still attractive. Therefore, we reiterate our Accumulate recommendation for GRK with a target price of EUR 14.50.

Order book translated into revenue more rapidly than expected

GRK's revenue grew stronger than we expected, reaching 257 MEUR (+15% y/y). This was due to the completion of several significant projects ahead of their original schedule. Consequently, the order book decreased more than estimated, despite the fact that new orders were fairly good. The 9.1% adjusted EBIT margin achieved in Q3 was also excellent, and the decrease from the strong level of over 10% in the comparison period is not a cause for concern. Thus, the projects have proceeded without major problems, and their rapid progress with a strong margin level underscores the success of GRK's project management. Q3 operating cash flow was significantly higher than the result, which was due to favorable working capital development. However, we estimate that the share of advance payments in the Stegra project, which ends next year, is significant, so we do not foresee similarly strong cash flow development in the coming years.

No material estimate changes emerged from the report

GRK naturally reiterated its recent guidance, according to which its revenue in 2025 will be 820-870 MEUR and adjusted EBIT will be 57-64 MEUR. We made no material changes to our estimates based on the Q3 report. Our 2025 estimate only increased slightly because, according to the company, several significant projects were completed ahead of schedule during Q3. Thus, to counterbalance the Q3 earnings beat, we lowered our expectations for Q4 accumulated earnings. Our estimates for 2026–2027 remained virtually unchanged because, although the

order book decreased slightly due to projects progressing faster than expected, the project pipeline is strong. Additionally, management's comments about the demand situation were quite positive, though increased competition may put pressure on GRK's excellent margins, in our view.

In terms of revenue, we expect 2025 to remain GRK's peak level, at least without new acquisitions, as it will be challenging to quickly compensate for the dip in Swedish revenue caused by the large Stegra project that will end next year. In Finland, we expect GRK to grow at the market's slow pace, whereas in Estonia, significant railway projects are driving more rapid growth than this. In our forecasts, the group's earnings will also decline in 2026–2027, after which the company should return to a growth path. The decline in earnings in our estimates is also influenced by the profitability margin normalizing slightly from the excellent levels of 2025 due to the decline in revenue. In 2028, however, we expect the company to exceed its revenue target of 750 MEUR and achieve the targeted adjusted EBIT margin of 6%. The main risks to our forecasts are project risks, individual large projects, intensifying competition, the additional financing needs of the largest customer Stegra, and the possible consequences of the Finnish competition investigation.

Moderate valuation offers a good expected return

Based on our forecasts, the P/E ratio for 2025 is around 11x, while the EV/EBIT multiple, considering the oversized cash position, is around 6x. At the company's normal earnings level, which our estimates for 2026–2027 better reflect, the share also trades at a moderate level, below the lower end of the range we consider justified (2026–2027e EV/EBIT around 8x vs. accepted level of 9–11x). Therefore, we see slight upside in the valuation, which, together with a 5% dividend yield, raises the expected return to an attractive level. Our view of a moderate upside for the stock is also supported by the DCF model (approximately EUR 15.0).

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 14.50

(was EUR 14.50)

Share price:

EUR 13.36

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	728.4	859.8	800.0	776.4
growth-%	33%	18%	-7%	-3%
EBIT adj.	45.6	61.9	51.9	46.6
EBIT-% adj.	6.3 %	7.2 %	6.5 %	6.0 %
Net Income	36.9	49.0	42.0	38.0
EPS (adj.)	0.93	1.24	1.03	0.93
P/E (adj.)	10.9	10.8	13.0	14.4
P/B	3.4	2.9	2.6	2.5
Dividend yield-%	2.0 %	4.6 %	4.9 %	5.2 %
EV/EBIT (adj.)	7.0	5.5	7.6	8.4
EV/EBITDA	5.2	4.5	5.7	6.2
EV/S	0.4	0.4	0.5	0.5

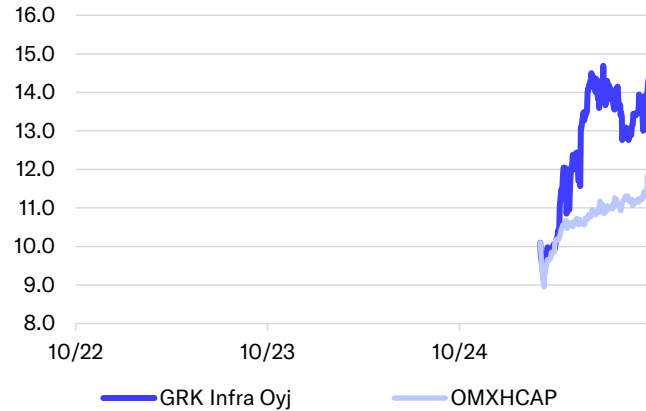
Source: Inderes

Guidance

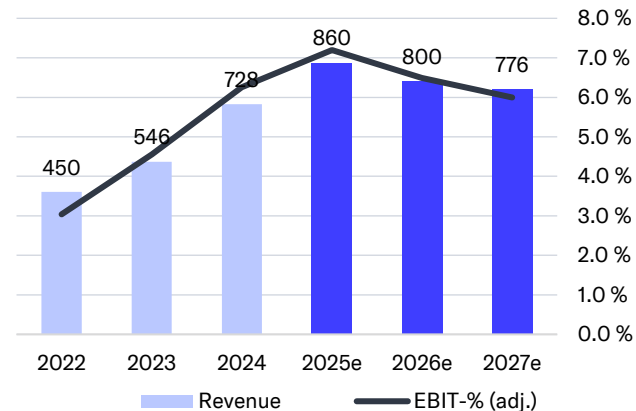
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GRK estimates that its revenue in 2025 will be 820–870 MEUR (2024: 728.6 MEUR) and adjusted EBIT 57-64 MEUR in 2025 (2024: 45.6 MEUR)

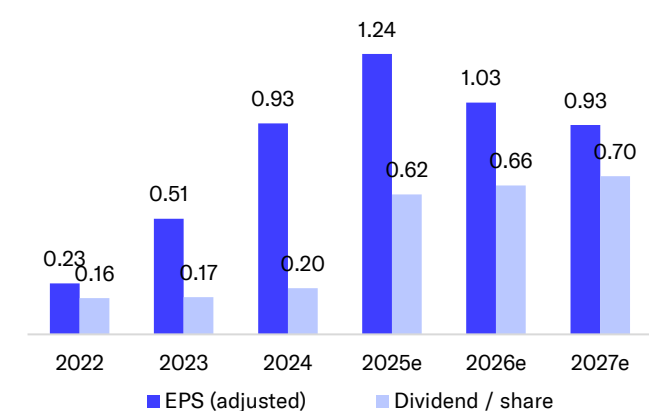
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Organic growth supported by strengths
- Inorganic expansion into Southern Sweden and new infrastructure construction segments
- Capital-light business model and industry-leading profitability enabled by soft strengths
- Fairly predictable and partly counter-cyclical demand driven by the public sector

Risk factors

- Profitability risks associated with projects
- Intensified competition
- High weight of individual customers and projects
- Consequences of the ongoing competition restriction investigation in Finland

Valuation	2025e	2026e	2027e
Share price	13.4	13.4	13.4
Number of shares, millions	41.0	41.0	41.0
Market cap	547	547	547
EV	340	392	393
P/E (adj.)	10.8	13.0	14.4
P/E	11.2	13.0	14.4
P/B	2.9	2.6	2.5
P/S	0.6	0.7	0.7
EV/Sales	0.4	0.5	0.5
EV/EBITDA	4.5	5.7	6.2
EV/EBIT (adj.)	5.5	7.6	8.4
Payout ratio (%)	51.9 %	64.3 %	75.5 %
Dividend yield-%	4.6 %	4.9 %	5.2 %

Source: Inderes

Order book translated into revenue more rapidly than expected

Revenue and results once again exceeded our estimates

GRK's revenue grew by 15% to 257 MEUR, as the company continued the swift execution of its strong order book during Q3. Revenue was notably higher than we anticipated, particularly in Finland, where projects advanced swiftly.

GRK's adjusted EBIT was flat year-on-year in Q3 despite a clear increase in revenue. However, the achieved margin of 9.1% is excellent, and there is no reason to be alarmed by the decline from the comparison period's level of over 10%. The margin decline was also in our forecasts, and the operating result clearly surpassed our expectations thanks to strong growth. In terms of profitability, it is also worth noting that Q3 is typically the seasonally strongest quarter for GRK. Earnings accumulation and profitability in Q3 were especially supported by the high revenue level, but based on the margin, projects have continued to proceed without major problems. In our view, profitability development,

driven by revenue growth, has been favorable in all the company's operating countries, even though the report does not disclose country-specific profitabilities.

Financing expenses were again positive, thanks to, among other things, interest income from a strong cash position, while the tax rate was slightly lower than the usual level. Thus, GRK's Q3 EPS of EUR 0.47 exceeded our forecast by an even greater margin than EBIT.

Cash flow was even stronger than the result

Working capital also developed favorably in Q3, resulting in cash flow that clearly exceeded accumulated earnings. GRK's cash flow from operating activities increased almost twentyfold to 68 MEUR in Q3. Due to the nature of GRK's project business, significant seasonal cash flow fluctuations are typical, and the development of earnings and cash flow can be significantly divergent on a quarterly basis. Typically, working capital levels decline from their summer

peaks toward Q1. However, we estimate that progress on the Stegra project will decrease significantly increased advance payments on the balance sheet, which should reflect negatively on next year's cash flow.

Similarly, we assess the risks related to the Stegra project as moderate for GRK, as advance payments decrease the risk of credit losses. GRK commented that project implementation is progressing as expected, although Stegra still requires nearly one billion euros in new funding to complete its steel and hydrogen plant project (incl. also project expansion). Nevertheless, Stegra's ongoing financial difficulties could, in the worst-case scenario, impact GRK's order book, consequently affecting its revenue and result. Stegra's share of GRK's order book will, of course, decrease steadily as the project progresses, thus diminishing the risk in this regard.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	225	257	231			11%	860
EBITDA	28.1	26.9	23.2			16%	76.1
EBIT (adj.)	23.4	23.4	19.2			22%	61.9
EBIT	23.4	22.8	19.2			19%	60.0
PTP	23.4	23.2	19.2			21%	60.4
EPS (adj.)	0.47	0.47	0.38			24%	1.24
Revenue growth-%	-	14.7 %	2.9 %			11.8 pp	18.0 %
EBIT-% (adj.)	-	9.1 %	8.3 %			0.8 pp	7.2 %

Source: Inderes

New orders at a good level

Sales were quite good

According to our calculations, GRK received new orders of around 150 MEUR in Q3, corresponding to an order-to-billing ratio of 0.6x, similar to the previous quarter. Overall, we consider the order intake in Q3 to be quite good, as no major projects fell within this period. We also estimate that Q3 is quieter in terms of sales due to the summer holiday season. For example, the company has already accumulated new orders worth 78 MEUR after the review period in October.

GRK's order book stood at 683 MEUR at the end of Q3, which was 5% below the comparison period. While the amount of new orders was roughly in line with our expectations, the faster-than-estimated delivery of existing order book items decreased the order book at the end of Q3 slightly below our expectations. This decrease in the order book came from the company's Finnish operations, which does not cause us much concern as significant

alliance projects that have already been won (including the Vantaa tramway, for example) progress toward the implementation phase.

The company did comment positively on the demand situation in all regions, and in addition to ongoing tenders, it has about 500 MEUR of projects already won but still in the development phase outside its order book. Most of these projects are in Finland and Estonia. The Q3 order book also does not include the projects won in October. Consequently, we believe GRK's order outlook appears healthy, although intensified competition, as highlighted by the company, may limit the margins of new projects.

Guidance indicates a quieter end to the year

GRK reiterated its recently updated guidance, according to which its revenue is 820-870 MEUR and adjusted EBIT is 57-64 MEUR in 2025. This was fully expected after the company raised its guidance only a few weeks ago. At the

same time, it should be noted that, after a strong Q3, reaching the upper end of the ranges “only” requires a year-on-year decrease in earnings and revenue in Q4. Q4'24 was indeed very strong for GRK.

In the earnings report, the company noted that several significant projects were completed more rapidly than anticipated in Q3, suggesting that this year's earnings will be more heavily weighted toward the first three quarters than usual. This was also supported by the company's management comments. Meanwhile, the faster-than-expected implementation indicates that project management is performing exceptionally well, which bodes well for the share's overall outlook. However, the equation formed by tightening comparison figures and a decreasing order book means that achieving earnings growth will be challenging for the company in the near future.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus		Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	225	257	231				11%	860
EBITDA	28.1	26.9	23.2				16%	76.1
EBIT (adj.)	23.4	23.4	19.2				22%	61.9
EBIT	23.4	22.8	19.2				19%	60.0
PTP	23.4	23.2	19.2				21%	60.4
EPS (adj.)	0.47	0.47	0.38				24%	1.24
Revenue growth-%	-	14.7 %	2.9 %				11.8 pp	18.0 %
EBIT-% (adj.)	-	9.1 %	8.3 %				0.8 pp	7.2 %

Source: Inderes

No material estimate changes emerged from Q3 report

Estimate revisions

- Our 2025 revenue estimate only increased slightly because, according to the company, several significant projects were completed ahead of schedule during Q3. Thus, to counterbalance the Q3 earnings beat, we lowered our expectations for Q4 accumulated earnings. Our updated estimate is closer to the upper end of the guidance range.
- Our estimates for 2026–2027 remained virtually unchanged as well because, although the order book decreased due to projects progressing faster than expected, the project pipeline is strong. The company has already won a good number of projects in the development phase, which are only recorded in the order book once they move to the implementation phase. In our view, new projects also have a healthy margin structure despite competition, so our profitability forecasts remained largely unchanged, too.
- We did not change our dividend forecasts based on Q3 developments. GRK's current policy is to pay at least 40% of its net profit as dividends, but we estimate the dividend payout ratio to be higher than the lower limit (55-80%) due to the very strong cash position.

Operational earnings drivers

- In all of the company's operating countries (Finland, Sweden, Estonia), infrastructure projects are expected to drive construction development in the coming years, thanks to both public and private projects, which support the industry's growth outlook. In addition, GRK's growth is supported by the company's good competitiveness and the opportunity afforded by its size to participate in a wide range of projects. On the negative side, the competition for projects is tight, which limits the possibilities for profitable growth for an individual player.
- Due to solid fundamentals, we expect GRK to achieve stable single-digit growth in Finland, while in Estonia, the faster market growth and GRK's strong position in railway projects lead to clearly higher growth figures in our forecasts. In Sweden, on the other hand, we estimate that this year will be the peak in terms of revenue for the time being, as it will be challenging to quickly fill the gap left by the large Stegra project ending next year. Stegra's exit also leads to a decline in group-level revenue in our forecasts for 2026-2027. After that, the company should, however, return to the growth path.
- In our forecasts, the average EBIT margin in the coming years is 6%, in line with the company's targets, which is clearly better than the industry average. We believe this is justifiable by the company's strong track record, including in pricing and project management. At the same time, intensifying competition will likely make it difficult to maintain our forecast of over 7% for the current year.
- A strong cash position also enables growth through acquisitions, which are a key use of proceeds from the IPO. GRK could use acquisitions e.g., to enable geographical expansion in Sweden or strengthen the group's expertise and service offering.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	853	860	1%	799	800	0%	773	776	0%
EBITDA	74.9	76.1	2%	68.2	68.5	0%	62.5	63.4	1%
EBIT (exc. NRIs)	60.5	61.9	2%	51.6	51.9	1%	45.7	46.6	2%
EBIT	59.2	60.0	1%	51.6	51.9	1%	45.7	46.6	2%
PTP	59.1	60.4	2%	51.1	51.9	2%	45.2	46.3	2%
EPS (excl. NRIs)	1.19	1.24	4%	1.01	1.03	2%	0.91	0.93	2%
DPS	0.62	0.62	0%	0.66	0.66	0%	0.70	0.70	0%

Source: Inderes

Moderate valuation offers a good expected return

Share is still cheap

As a whole, we consider GRK's stock to be moderately priced. Although the share price has developed positively this year, our earnings estimates have increased even more. Moderate upside combined with dividend yield keeps the expected return attractive. In the short term, the key driver for the share is the development of the order book, and, considering the existing project portfolio, we estimate that the news flow will remain positive in this regard.

Our target price for GRK remains unchanged at EUR 14.50 per share. Any higher share price would require more a favorable development than our current expectations in long-term fundamentals, i.e., in practice, an increase in earnings estimates for 2026 and beyond. This is possible if the expansion in Sweden is highly successful, though we believe the pressure on margins caused by increased competition will subsequently limit growth potential.

GRK's value development will also be significantly affected by how the company succeeds in capital allocation, as the company already has capital to expand inorganically for even stronger growth than we have predicted. The main risks to GRK's share are individual large projects and project risks, the success of capital allocation, maintaining the company's soft strengths in the future, and the possible consequences of the competition investigation.

Earnings multiples

The acceptable valuation level for GRK's stock is approximately 11x-14x in terms of P/E ratio and 9x-12x in terms of EV/EBIT ratio. These levels roughly correspond to the 10-year averages of the company's construction sector

peers and the longer-term medians of Nasdaq Helsinki. We have discussed the factors affecting GRK's earnings multiples in more detail in our recently published [extensive report](#). In our multiple analysis, we emphasize the enterprise value-based EV/EBIT ratio due to the strong cash position following the listing.

Based on our GRK forecasts, the P/E ratio for 2025 is around 11x, while the EV/EBIT multiple, considering the oversized cash position, is around 6x. We expect dividend yields for the next few years to be around 5%. Based on this year's multiples, the valuation therefore appears very attractive, but this cannot be relied upon as earnings will decline next year in our base scenario. However, the valuation picture does not change much, even in the slightly longer term, as at the company's normal earnings level, which our 2026-2027 forecasts better reflect, the stock is priced below the lower end of our accepted range (2026-2027e EV/EBIT ~8x). We thus see upside potential in valuation multiples, which, together with dividend yield, raises the expected return above the roughly 10% required return we apply.

Cash flow model (DCF)

In the valuation, we also give reasonable weight to the cash flow model (DCF), as the business is mature and the company's demand and margin profiles are reasonably predictable even in the longer term. Thus, we feel the long-term DCF model provides a fairly good picture of GRK's fair value. Our DCF model indicates a share value of EUR 15.0 (was EUR 14.6), which supports the moderate upside in the share price depicted by the earnings multiples. The slight increase from our previous update is due to changes in working capital forecasts.

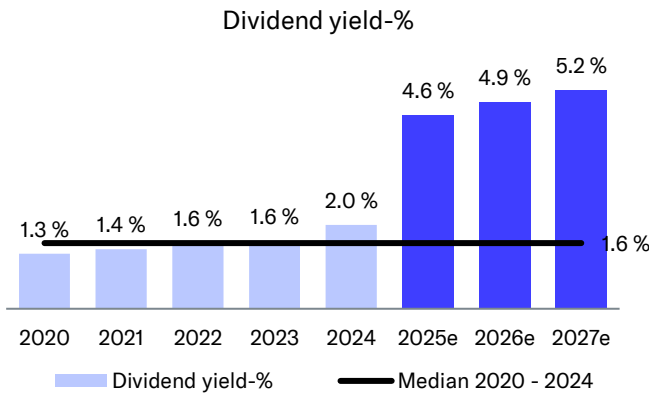
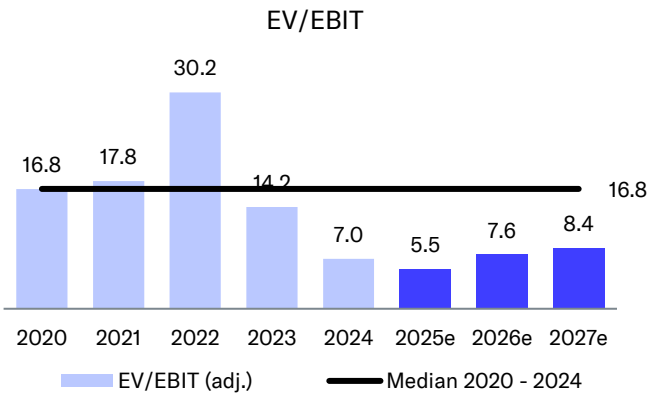
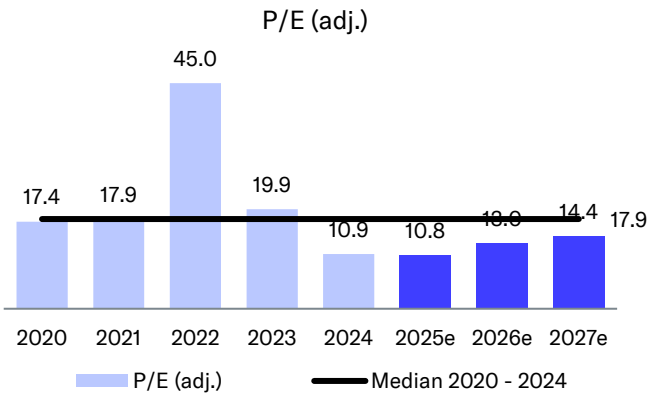
Valuation	2025e	2026e	2027e
Share price	13.4	13.4	13.4
Number of shares, millions	41.0	41.0	41.0
Market cap	547	547	547
EV	340	392	393
P/E (adj.)	10.8	13.0	14.4
P/E	11.2	13.0	14.4
P/B	2.9	2.6	2.5
P/S	0.6	0.7	0.7
EV/Sales	0.4	0.5	0.5
EV/EBITDA	4.5	5.7	6.2
EV/EBIT (adj.)	5.5	7.6	8.4
Payout ratio (%)	51.9 %	64.3 %	75.5 %
Dividend yield-%	4.6 %	4.9 %	5.2 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.2	10.2	10.2	10.2	10.2	13.4	13.4	13.4	13.4
Number of shares, millions	39.2	39.8	41.2	40.7	39.9	41.0	41.0	41.0	41.0
Market cap	399	405	419	414	406	547	547	547	547
EV	384	403	414	354	317	340	392	393	383
P/E (adj.)	17.4	17.9	45.0	19.9	10.9	10.8	13.0	14.4	13.6
P/E	18.4	19.5	60.0	20.6	11.0	11.2	13.0	14.4	13.6
P/B	6.3	5.3	5.4	4.7	3.4	2.9	2.6	2.5	2.4
P/S	1.0	0.9	0.9	0.8	0.6	0.6	0.7	0.7	0.7
EV/Sales	1.0	0.9	0.9	0.6	0.4	0.4	0.5	0.5	0.5
EV/EBITDA	17.7	19.5	17.0	9.4	5.2	4.5	5.7	6.2	5.8
EV/EBIT (adj.)	16.8	17.8	30.2	14.2	7.0	5.5	7.6	8.4	7.8
Payout ratio (%)	24.2 %	27.9 %	94.4 %	33.3 %	22.1 %	51.9 %	64.3 %	75.5 %	76.5 %
Dividend yield-%	1.3 %	1.4 %	1.6 %	1.6 %	2.0 %	4.6 %	4.9 %	5.2 %	5.6 %

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
YIT	641	1540	30.3	19.3	22.0	15.0	0.9	0.8		44.6		0.4	0.9
Veidekke	1852	1777	12.0	10.9	7.3	6.8	0.5	0.5	16.0	14.7	6.1	6.4	5.5
NCC	2027	2330	14.0	12.7	8.4	7.9	0.4	0.4	15.7	13.6	4.0	4.3	2.5
Peab	2121	3112	13.7	11.8	8.4	7.6	0.6	0.6	17.5	10.6	4.3	4.8	1.3
Skanska	10128	9296	13.1	11.2	9.9	8.9	0.6	0.5	16.2	14.3	3.5	3.9	1.7
SRV	87	220	54.9	20.9	22.0	15.2	0.3	0.3		13.2			0.8
Strabag	8157	6135	6.4	6.1	3.9	3.7	0.3	0.3	11.7	11.3	3.6	3.7	1.5
Koninklijke Heijmans N.V.	1716	1756	10.0	8.9	7.3	6.6	0.6	0.6	11.9	10.3	3.9	4.3	2.9
NRC Group	115	185	13.4	9.5	5.9	5.0	0.3	0.3	22.9	11.2			0.7
Kreate	99	120	11.8	8.3	6.9	5.7	0.4	0.3	15.0	11.1	4.7	5.0	2.2
NYAB	434	444	13.3	11.0	11.4	9.6	0.8	0.7	15.2	15.2	1.6	2.5	2.1
GRK Infra Oyj (Inderes)	547	340	5.5	7.6	4.5	5.7	0.4	0.5	10.8	13.0	4.6	4.9	2.9
Average			17.5	11.9	10.3	8.4	0.5	0.5	15.8	15.4	3.9	3.9	2.0
Median			13.3	11.0	8.4	7.6	0.5	0.5	15.7	13.2	3.9	4.3	1.7
Diff-% to median			-59%	-31%	-47%	-25%	-18%	9%	-31%	-1%	18%	15%	67%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	546	728	174	232	257	196	860	800	776	824
Finland	0.0	395	78.5	122	142	109	451	456	469	492
Sweden	0.0	274	82.1	91.8	91.0	62.7	328	227	170	187
Estonia	0.0	72.1	16.3	21.6	30.6	27.4	96.0	130	149	156
Other operations and eliminations	0.0	-12.4	-2.6	-3.2	-6.5	-2.9	-15.2	-12.0	-12.0	-12.0
Group (adjusted EBIT)	546	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	37.7	60.9	11.9	19.7	26.9	17.6	76.1	68.5	63.4	66.1
Depreciation	-13.5	-15.7	-3.8	-4.0	-4.2	-4.2	-16.1	-16.6	-16.8	-17.0
EBIT (excl. NRI)	24.9	45.6	8.7	16.5	23.4	13.4	61.9	51.9	46.6	49.1
EBIT	24.2	45.2	8.1	15.7	22.8	13.4	60.0	51.9	46.6	49.1
Group (adjusted EBIT)	24.9	45.6	8.7	16.5	23.4	13.4	61.9	52.2	46.9	49.4
Adjustment items	-0.7	-0.4	-0.6	-0.7	-0.6	0.0	-1.9	-0.3	-0.3	-0.3
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.1	0.6	-1.3	1.4	0.4	-0.1	0.4	0.0	-0.2	-0.2
PTP	24.3	45.8	6.7	17.1	23.2	13.3	60.4	51.9	46.3	49.0
Taxes	-4.1	-8.9	-1.3	-3.7	-3.9	-2.5	-11.4	-9.9	-8.3	-8.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	20.2	36.9	5.4	13.4	19.3	10.8	49.0	42.0	38.0	40.2
EPS (adj.)	0.51	0.93	0.15	0.35	0.49	0.26	1.24	1.03	0.93	0.98
EPS (rep.)	0.49	0.93	0.13	0.33	0.47	0.26	1.20	1.03	0.93	0.98

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	21.3 %	33.4 %	61.2 %	-314.3 %	0.0 %	-73.1 %	18.0 %	-6.9 %	-2.9 %	6.1 %
Adjusted EBIT growth-%	81.9 %	83.0 %				-70.6 %	35.8 %	-16.1 %	-10.3 %	5.5 %
EBITDA-%	6.9 %	8.4 %	6.8 %	8.5 %	10.5 %	9.0 %	8.8 %	8.6 %	8.2 %	8.0 %
Adjusted EBIT-%	4.6 %	6.3 %	5.0 %	7.1 %	9.1 %	6.8 %	7.2 %	6.5 %	6.0 %	6.0 %
Net earnings-%	3.7 %	5.1 %	3.1 %	5.8 %	7.5 %	5.5 %	5.7 %	5.3 %	4.9 %	4.9 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	86.3	91.9	104	108	113
Goodwill	0.7	0.7	0.7	0.7	0.7
Intangible assets	0.5	0.5	0.6	0.7	0.7
Tangible assets	78.8	84.5	96.5	100	106
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.4	0.0	0.0	0.0	0.0
Other non-current assets	4.0	4.7	4.7	4.7	4.7
Deferred tax assets	1.8	1.4	1.4	1.4	1.4
Current assets	194	243	387	332	330
Inventories	5.1	6.7	8.6	8.0	7.8
Other current assets	37.7	47.2	47.2	47.2	47.2
Receivables	53.5	62.0	86.0	81.6	79.2
Cash and equivalents	97.6	127	245	195	196
Balance sheet total	280	334	491	440	443

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	88.9	119	190	207	218
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	50.1	81.0	122	138	149
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	38.7	38.2	68.2	68.2	68.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	33.0	30.5	32.9	34.9	34.9
Deferred tax liabilities	2.2	3.0	3.0	3.0	3.0
Provisions	3.6	2.4	2.4	2.4	2.4
Interest bearing debt	26.8	24.6	27.0	29.0	29.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.6	0.6	0.6	0.6
Current liabilities	158	185	268	198	191
Interest bearing debt	11.0	14.0	11.0	11.0	12.0
Payables	84.9	108	172	128	124
Other current liabilities	62.6	62.4	85.0	59.4	54.4
Balance sheet total	280	334	491	440	443

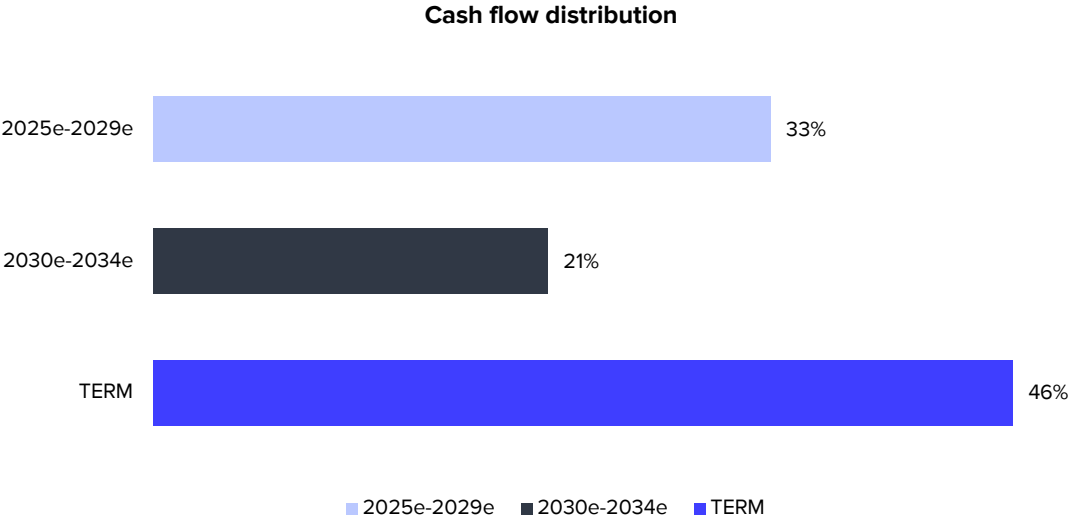
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	33.4 %	18.0 %	-6.9 %	-2.9 %	6.1 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	6.2 %	7.0 %	6.5 %	6.0 %	6.0 %	6.0 %	6.0 %	5.9 %	5.5 %	5.0 %	5.0 %	5.0 %
EBIT (operating profit)	45.2	60.0	51.9	46.6	49.1	51.4	53.0	53.6	51.5	48.2	49.2	
+ Depreciation	15.7	16.1	16.6	16.8	17.0	18.0	20.5	21.4	22.7	23.7	23.8	
- Paid taxes	-7.8	-11.4	-9.9	-8.3	-8.8	-9.0	-9.3	-9.5	-9.1	-8.5	-8.7	
- Tax, financial expenses	0.1	0.1	-0.4	-0.4	-0.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
+ Tax, financial income	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
- Change in working capital	3.6	60.4	-64.6	-6.0	4.3	3.1	2.8	2.9	3.0	2.5	0.9	
Operating cash flow	56.9	125	-6.0	48.9	61.5	63.3	66.8	68.3	67.9	65.7	65.1	
+ Change in other long-term liabilities	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-21.7	-28.3	-20.3	-22.3	-23.3	-23.4	-24.4	-24.4	-24.4	-24.4	-26.1	
Free operating cash flow	34.1	96.9	-26.3	26.6	38.2	39.9	42.4	43.9	43.5	41.3	39.0	
+/- Other	0.0	27.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	34.1	124	-26.3	26.6	38.2	39.9	42.4	43.9	43.5	41.3	39.0	552
Discounted FCFF		122	-23.7	22.0	28.9	27.6	26.9	25.5	23.1	20.1	17.4	246
Sum of FCFF present value		536	414	438	416	387	359	332	307	284	263	246
Enterprise value DCF		536										
- Interest bearing debt		-38.7										
+ Cash and cash equivalents		127										
-Minorities		0.0										
-Dividend/capital return		-8.1										
Equity value DCF		616										
Equity value DCF per share		15.0										

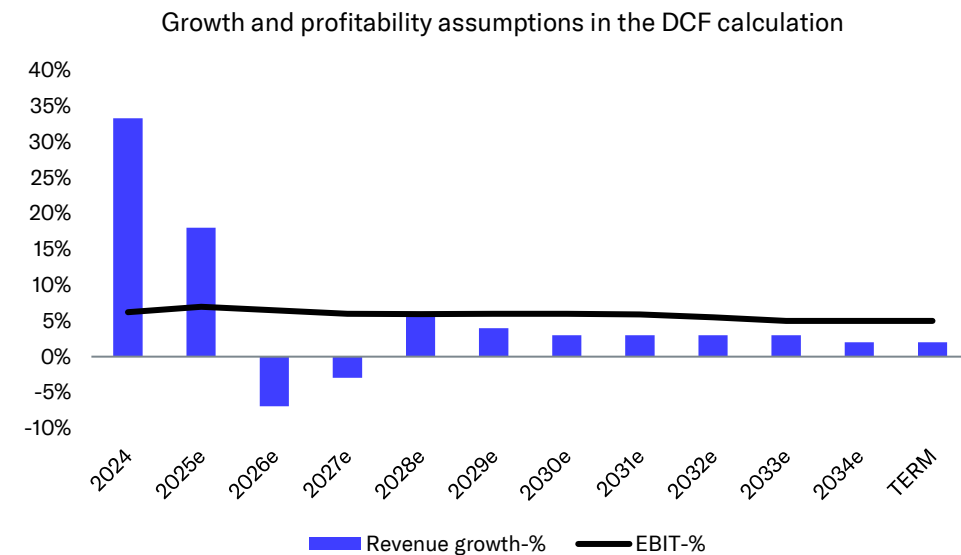
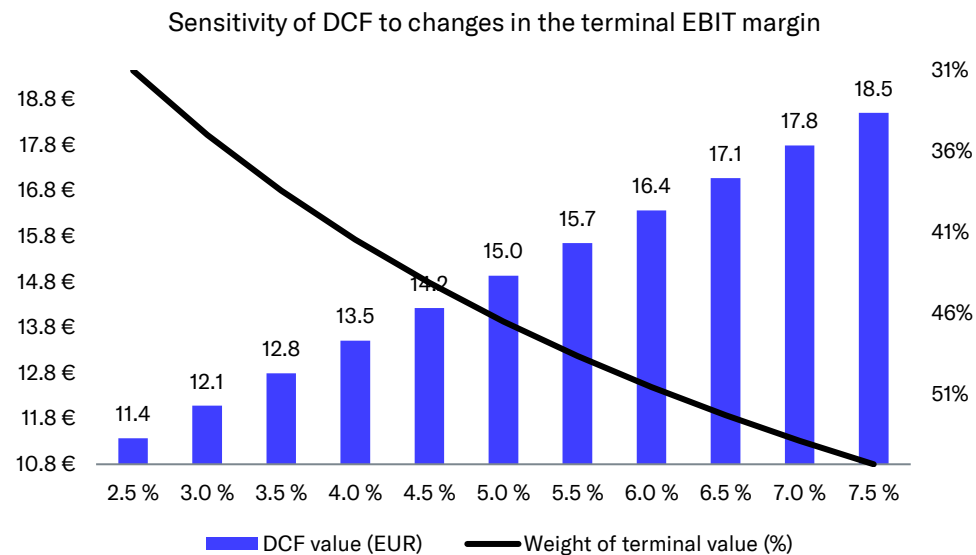
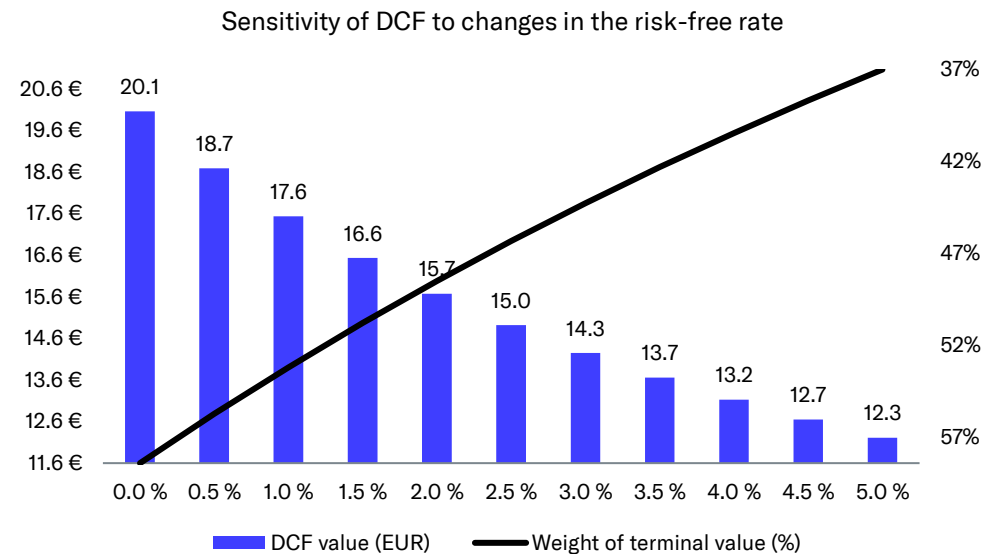
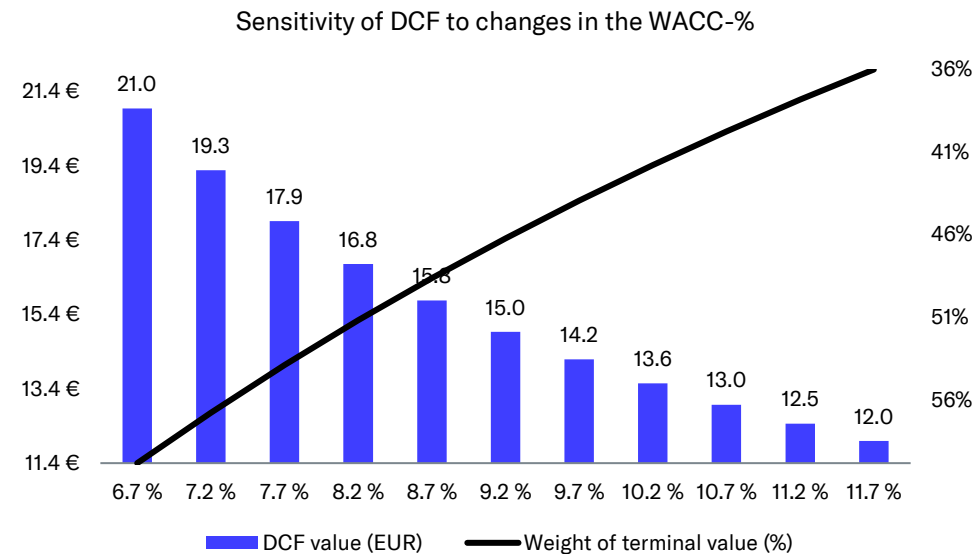
WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	9.2 %

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



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

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	450.5	546.2	728.4	859.8	800.0	EPS (reported)	0.17	0.49	0.93	1.20	1.03
EBITDA	24.4	37.7	60.9	76.1	68.5	EPS (adj.)	0.23	0.51	0.93	1.24	1.03
EBIT	11.4	24.2	45.2	60.0	51.9	OCF / share	0.53	1.95	1.43	3.06	-0.15
PTP	10.0	24.3	45.8	60.4	51.9	OFCF / share	0.01	1.55	0.86	3.02	-0.64
Net Income	7.0	20.2	36.9	49.0	42.0	Book value / share	1.87	2.18	2.99	4.64	5.05
Extraordinary items	-2.3	-0.7	-0.4	-1.9	0.0	Dividend / share	0.16	0.17	0.20	0.62	0.66
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	215.1	280.3	334.5	491.0	440.0	Revenue growth-%	5%	21%	33%	18%	-7%
Equity capital	77.0	88.9	119.3	190.1	206.7	EBITDA growth-%	18%	55%	61%	25%	-10%
Goodwill	0.7	0.7	0.7	0.7	0.7	EBIT (adj.) growth-%	-39%	82%	83%	36%	-16%
Net debt	-4.9	-59.9	-88.0	-207.1	-155.4	EPS (adj.) growth-%	-60%	127%	82%	33%	-17%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	5.4 %	6.9 %	8.4 %	8.8 %	8.6 %
EBITDA	24.4	37.7	60.9	76.1	68.5	EBIT (adj.)-%	3.0 %	4.6 %	6.3 %	7.2 %	6.5 %
Change in working capital	0.7	45.9	3.6	60.4	-64.6	EBIT-%	2.5 %	4.4 %	6.2 %	7.0 %	6.5 %
Operating cash flow	21.8	79.5	56.9	125.2	-6.0	ROE-%	9.1 %	24.3 %	35.4 %	31.7 %	21.2 %
CAPEX	-21.2	-17.0	-21.7	-28.3	-20.3	ROI-%	10.0 %	20.0 %	31.8 %	31.1 %	22.8 %
Free cash flow	0.4	63.3	34.1	123.9	-26.3	Equity ratio	41.9 %	39.9 %	42.9 %	46.3 %	53.6 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-6.3 %	-67.4 %	-73.8 %	-109.0 %	-75.2 %
EV/S	0.9	0.6	0.4	0.4	0.5						
EV/EBITDA	17.0	9.4	5.2	4.5	5.7						
EV/EBIT (adj.)	30.2	14.2	7.0	5.5	7.6						
P/E (adj.)	45.0	19.9	10.9	10.8	13.0						
P/B	5.4	4.7	3.4	2.9	2.6						
Dividend-%	1.6 %	1.6 %	2.0 %	4.6 %	4.9 %						

Source: Inderes

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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
5/28/2025	Accumulate	13.00 €	10.95 €
8/1/2025	Reduce	14.00 €	14.69 €
9/11/2025	Accumulate	14.00 €	12.93 €
10/22/2025	Accumulate	14.50 €	13.64 €
10/31/2025	Accumulate	14.50 €	13.36 €



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