DIGIA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Stable earnings machine available at a good price

We raise our target price to EUR 7.5 (was EUR 7.2) and recommendation to Buy (was Accumulate). Digia's past year, and particularly Q4, were good in terms of figures, especially considering the market headwinds. The company's guidance was slightly cautious, which is likely explained by front-loaded investments in the new strategy period. However, the company has executed its strategy robustly for 10 years, which increases confidence in the continuation of good execution. The stock's valuation (2026e P/E 10x and EV/EBIT 8x) is very attractive, especially considering the confidence in its earnings capacity, low risk profile, and a large share of recurring business.

Revenue grew driven by an acquisition, and profitability was strong in Q4

Digia's Q4 revenue grew by 8%, which was well in line with our expectations. Organically, revenue grew slightly (2%) and better than the sector (Q3: -2%). Digia's adjusted EBITA grew clearly to 8.1 MEUR, which was slightly below our estimate of 8.6 MEUR, raised two days ago. The adjusted EBITA rose to 13.4% from 10.7% in the comparison period. Profitability can be seen as very good in the current market situation, and it was supported by organic growth and implemented efficiency measures. Digia's Q4 and the full year can be considered successful and a top-tier performance in the sector. As expected, the company's Board of Directors proposed a dividend of EUR 0.19 per share for 2025, which is a one-cent increase from the previous year and represents 40% of earnings.

The new strategy period was an expected continuation of the previous one

During the 2026-2028 strategy period, the company aims to expand into a European trusted partner for intelligent business, both organically and through acquisitions. In the big picture, there are no major revisions to the strategy; it is an update to the previous one. AI has, of course, been brought more strongly into the strategy. The financial targets are otherwise the same (growth over 10% and EBITA% >12%), but the share of international business was raised as anticipated (to 30% of revenue). The new targets are achievable, but we believe the growth and internationalization targets require new acquisitions and support from a better market situation. The profitability target, in turn, still necessitates solid operational execution and success in productization and scalable solutions.

Good performance also in the coming years

The company remained cautious in its market comments. Digia commented that there are small glimmers of light in the private sector, but the public sector remains challenging. Digia's guidance is that revenue will grow and EBITA will be at the comparison period's level or grow in 2026, which is a bit cautious. We expect Digia's revenue to grow by around 4% in the current year and adjusted EBITA to be 23.2 MEUR, or 10.3% of revenue (2025 reported 21.3 and adj. 22.9 MEUR). In 2027-2028, we expect the company to grow organically by 3-4% and the EBITA margin to rise to 11%. Thus, the company is at a good level in the coming years as measured by the Rule of 20. In addition, Digia is very likely to accelerate the execution of its strategy and growth through acquisitions, which its healthy balance sheet and strong cash flow enable.

Steady earnings growth at an attractive price

Digia has strengthened its profile as an earnings growth company and has risen to become one of the sector's top performers, which supports the share valuation. Based on the valuation methods we use, the stock is priced at least attractively (2026e P/E 10x, EV/EBIT 8x and expected return >15%) or even very attractively from all perspectives. Considering our DCF calculation (EUR 8.6) and the relative valuation level (25% below peers), the share is very attractively priced. In addition, the company's risk profile is among the lowest in the sector. In summary, we see the fair value of the share in the range of EUR 7.2-8.8 per share.

Recommendation
Buy
(was Accumulate)

Target price:
EUR 7.50
(was EUR 7.20)

Share price:
EUR 6.34

Business risk

●●○○○

Valuation risk

●●○○○

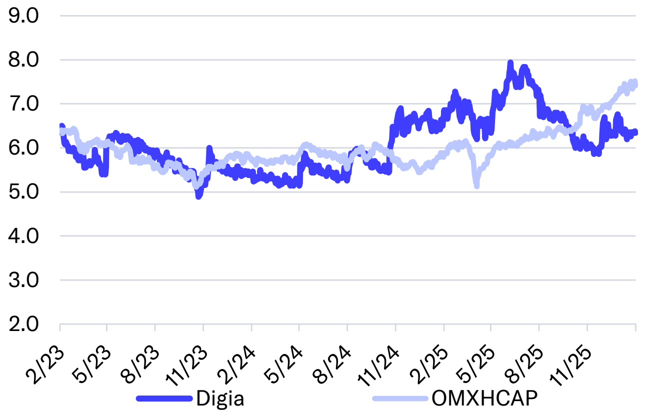
	2025	2026e	2027e	2028e
Revenue	217	226	232	242
growth-%	6%	4%	3%	4%
EBITA	21.3	23.2	25.2	26.6
EBITA-%	9.8 %	10.3 %	10.9 %	11.0 %
Net Income	12.8	15.1	17.4	18.9
EPS (adj.)	0.63	0.65	0.72	0.76
P/E (adj.)	10.5	9.7	8.8	8.3
P/B	1.9	1.6	1.5	1.3
Dividend yield-%	2.9 %	3.3 %	3.6 %	3.9 %
EV/EBIT (adj.)	8.8	7.9	6.7	5.8
EV/EBITDA	7.9	6.8	5.8	5.1
EV/S	0.9	0.8	0.7	0.6

Source: Inderes

Guidance (New guidance)

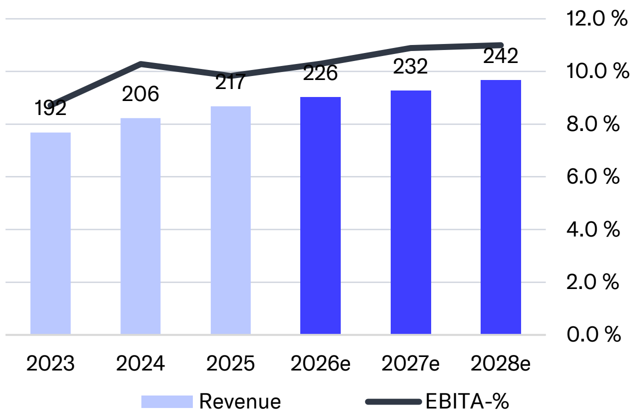
Digia's guidance is that revenue will grow and EBITA will be at the comparison period's level or grow in 2026.

Share price



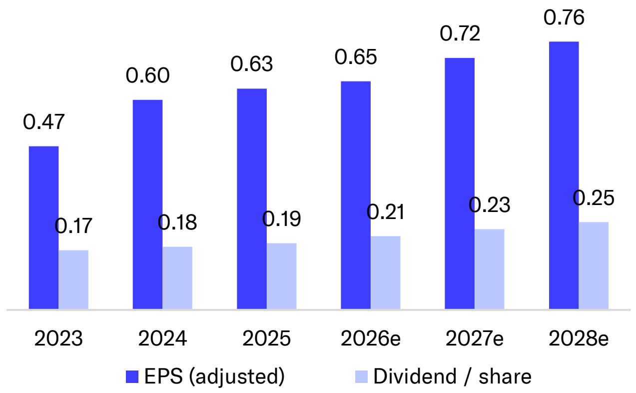
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Market trends are favorable for Digia's offering
- Still potential for improvement in profitability
- Increasing recurring services and scalable business
- Internationalization
- Acquisitions

Risk factors

- The disruptive threat of AI
- Competitiveness in the talent competition, wage inflation and employee turnover
- M&A integrations
- Return on investments
- Project risks of large projects and customers' bargaining power
- Positioning as a mid-sized player between large and small operators
- Failure in internationalization

Valuation	2026e	2027e	2028e
Share price	6.34	6.34	6.34
Number of shares, millions	26.8	26.8	26.8
Market cap	170	170	170
EV	183	169	155
P/E (adj.)	9.7	8.8	8.3
P/E	11.3	9.8	9.0
P/B	1.6	1.5	1.3
P/S	0.8	0.7	0.7
EV/Sales	0.8	0.7	0.6
EV/EBITDA	6.8	5.8	5.1
EV/EBIT (adj.)	7.9	6.7	5.8
Payout ratio (%)	37.4 %	35.5 %	35.5 %
Dividend yield-%	3.3 %	3.6 %	3.9 %

Source: Inderes

Q4 was strong

Revenue growth, driven by acquisitions, was in line with our expectations in Q4, and organic growth once again outperformed the sector

Digia's Q4 revenue increased by 8% to 49.3 MEUR, in line with our expectations. The growth came with the support of the Savangard acquisition. Organically, revenue grew slightly (2%) as expected and was better than the sector (Q3: -2%). Organic growth was driven by business process renewal and solutions related to information management and data utilization.

The share of international business doubled with the Savangard acquisition, reaching 20% of revenue in Q4 (Q4'24 11.1%). The share of service and maintenance business in revenue was 50% (Q4'24 48%).

The company remained cautious in its market comments. The company commented in the video that there are small glimmers of light in the private sector, but the public sector remains challenging.

The number of personnel decreased by 17, which improved billing rates. Many employees in Poland are technically freelancers for tax reasons, but they are practically employees of the company, which is reflected in the year-on-year increase in material and service costs. Digia's reported number of employees was 1,592 at the end of Q4 (Q4'24: 1,576).

For the full year, revenue grew by 6%, of which 1% was organic. This is a better level than the sector's forecast of -3% prior to the Q4 report.

Profitability was at a strong level in Q4

Digia's adjusted EBITA grew to 8.1 MEUR (Q4'24: 5.9 MEUR) and was slightly below our 8.6 MEUR estimate, which we raised two days ago. The company included a 0.4 MEUR change in incentive scheme provision, which we have adjusted, in its earnings. The company typically records similar items in the other direction as well, meaning these are not exceptional.

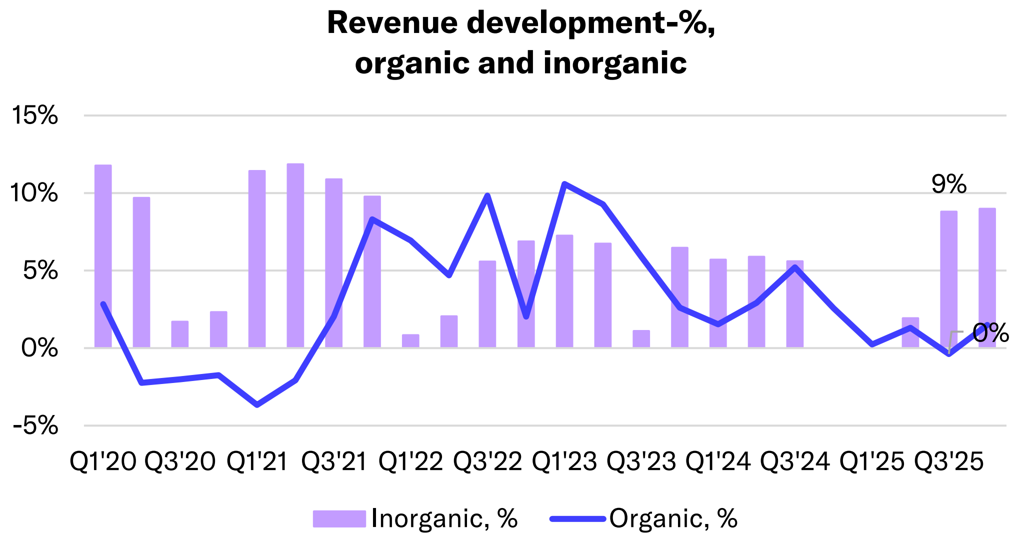
Including this, the company was in line with its full-year guidance. The adjusted EBITA margin was 13.4% and rose from 10.7% in the comparison period. Profitability can be seen as very good in the current market situation. Profitability was supported by organic growth and implemented efficiency measures (2.4 MEUR in annual savings).

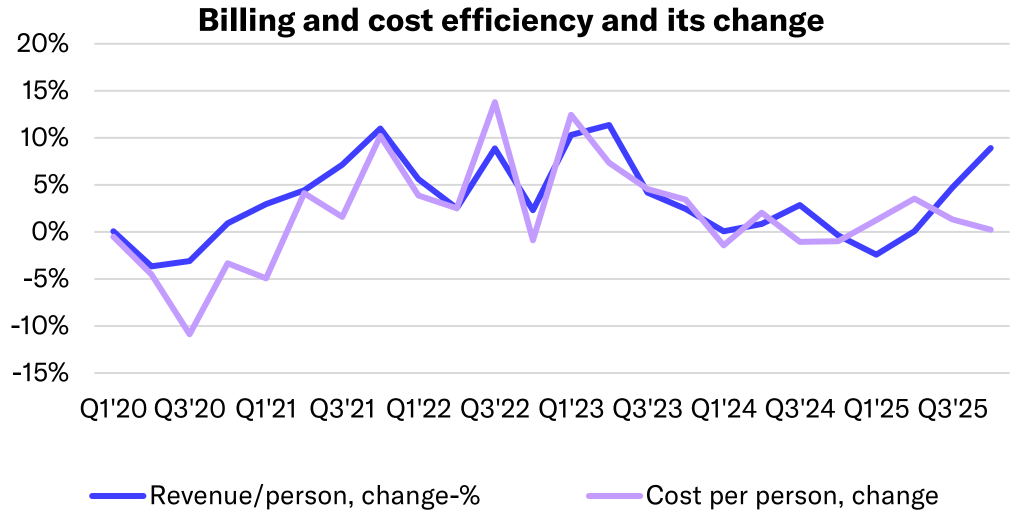
Earnings per share were EUR 0.20, and adjusted for PPA amortization and fair value changes, they were EUR 0.21 per share. The corresponding figures for the full year were EUR 0.48 and EUR 0.63 per share. The Board of Directors proposed a dividend of EUR 0.19 per share for the year 2025. The dividend corresponds to 40% of the earnings and is in line with the target (at least 30% of earnings).

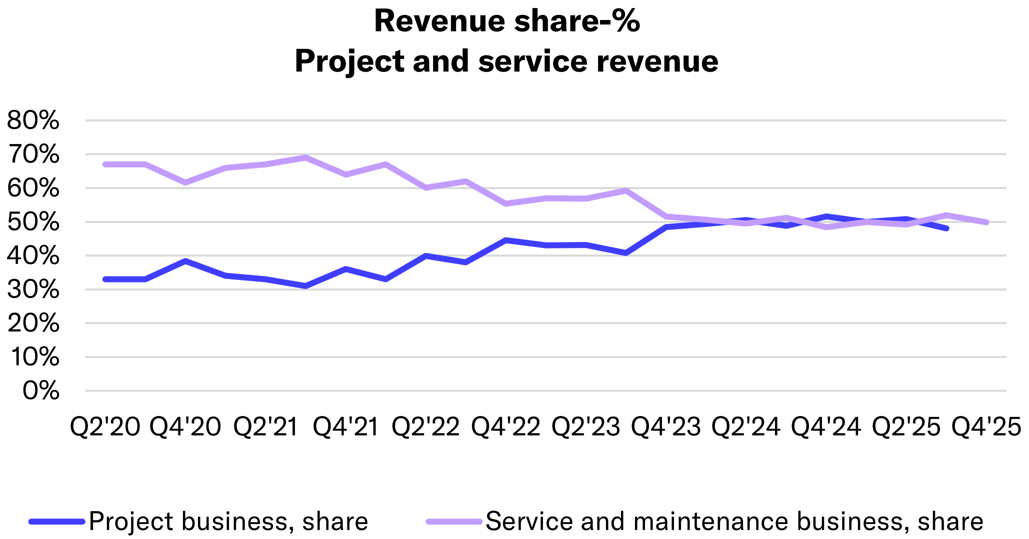
Estimates MEUR / EUR	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	54.5	60.2	59.5				1%	217
Organic growth-%	2.6 %	1.5 %	1.8 %				-0.3 pp	0.8 %
EBITA (adj.)	5.9	8.1	8.6				-6%	22.9
EBIT	5.2	7.7	7.7				0%	18.1
EPS (adj.)	0.17	0.21	0.24				-13%	0.63
EPS (reported)	0.15	0.20	0.22				-9%	
DPS	0.18	0.19	0.19				0%	0.19
Revenue growth-%	2.6 %	10.5 %	9.2 %				1.3 pp	5.5 %
EBITA-%	10.7 %	13.4 %	14.4 %				-1 pp	10.5 %

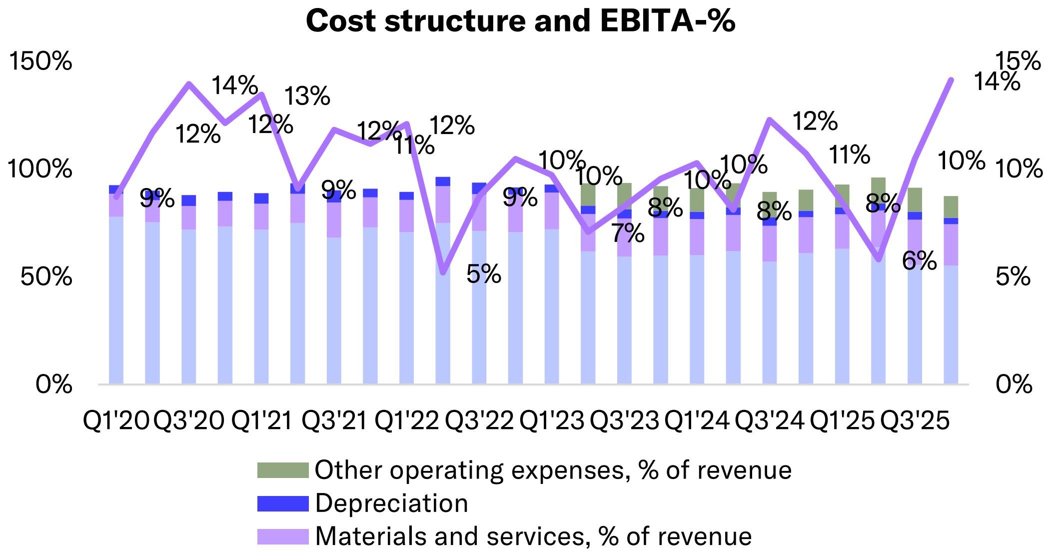
Source: Inderes

Digia’s key figures



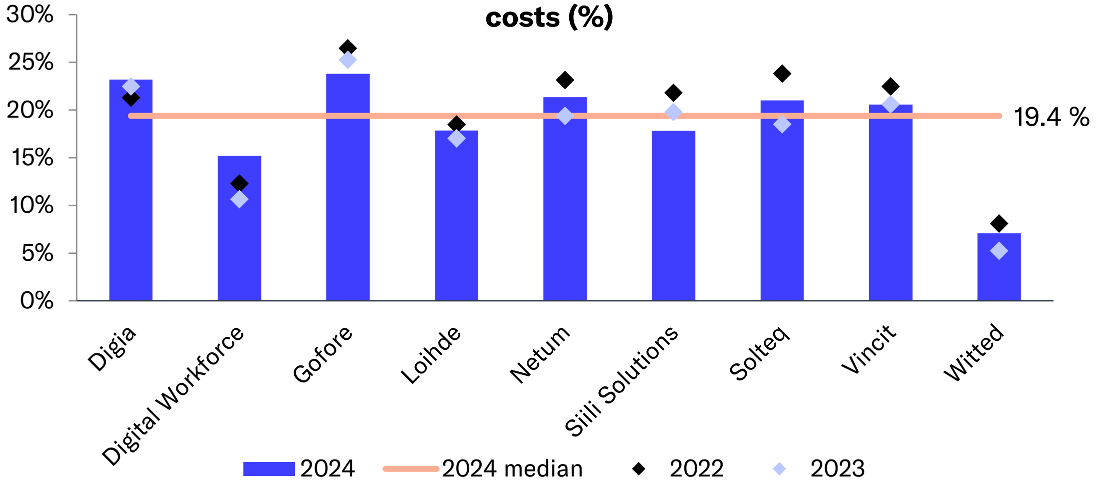




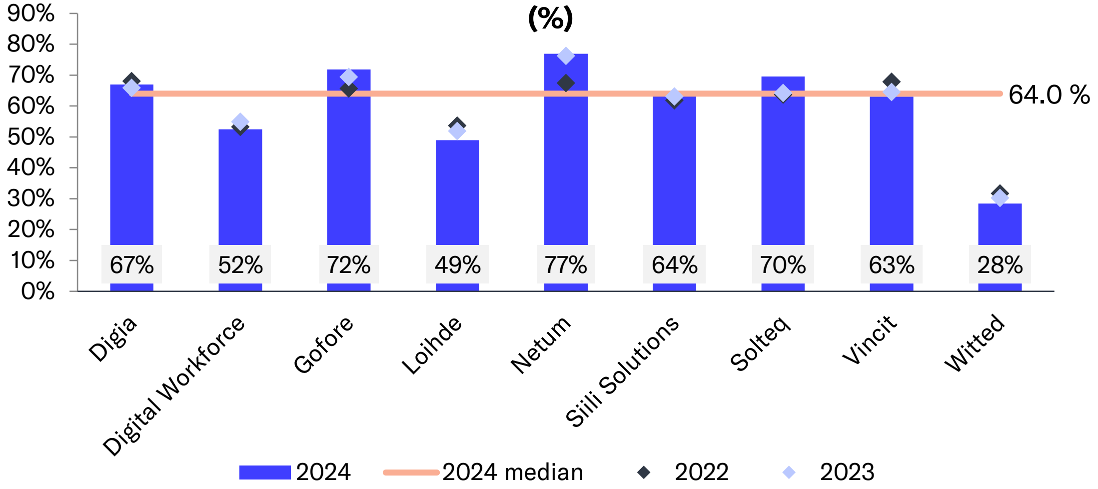


Relevant indicators for the Finnish listed IT service sector 1/2

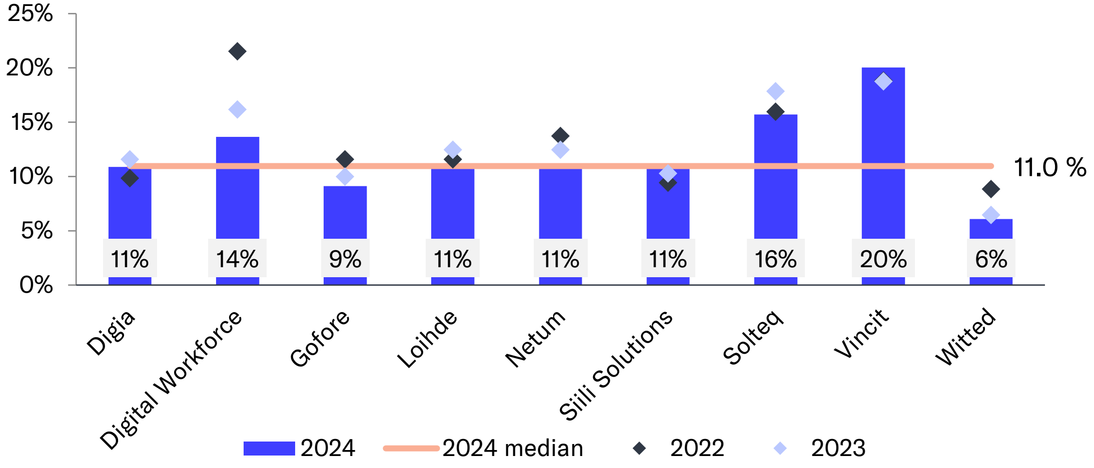
Revenue margin after materials and services and personnel costs (%)



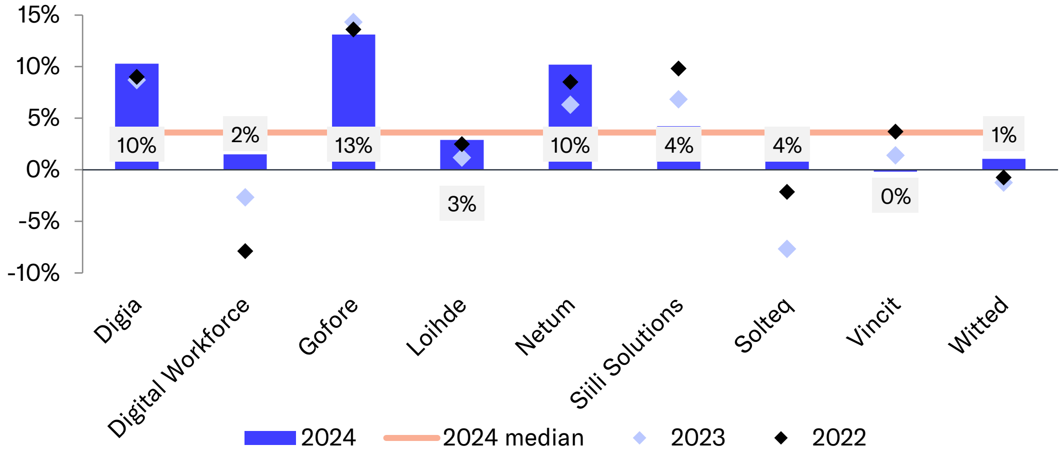
Personnel costs as a percentage of total operational costs (%)



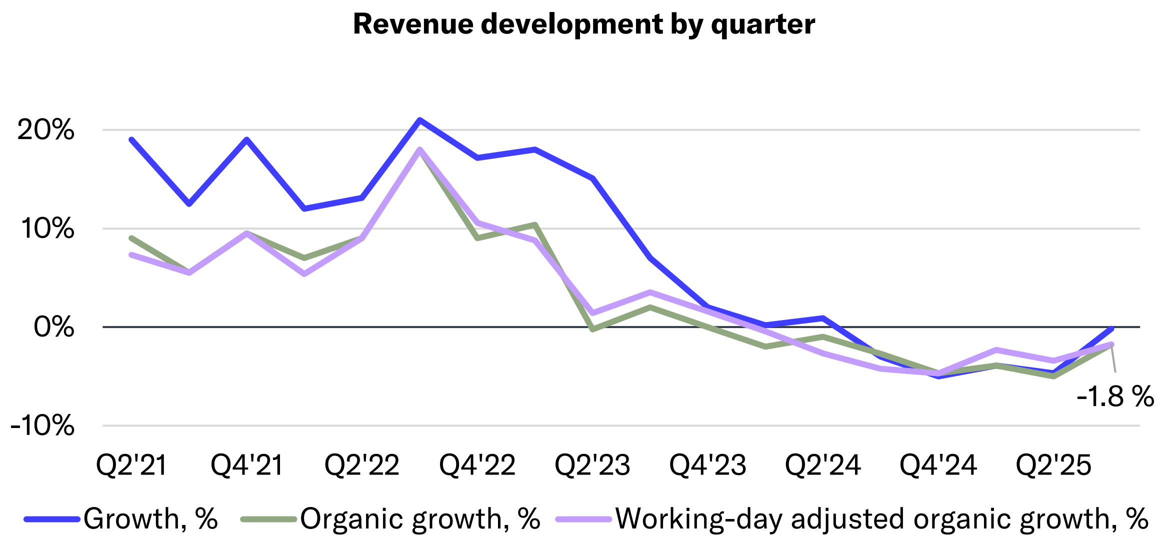
Other costs relative to revenue (%)

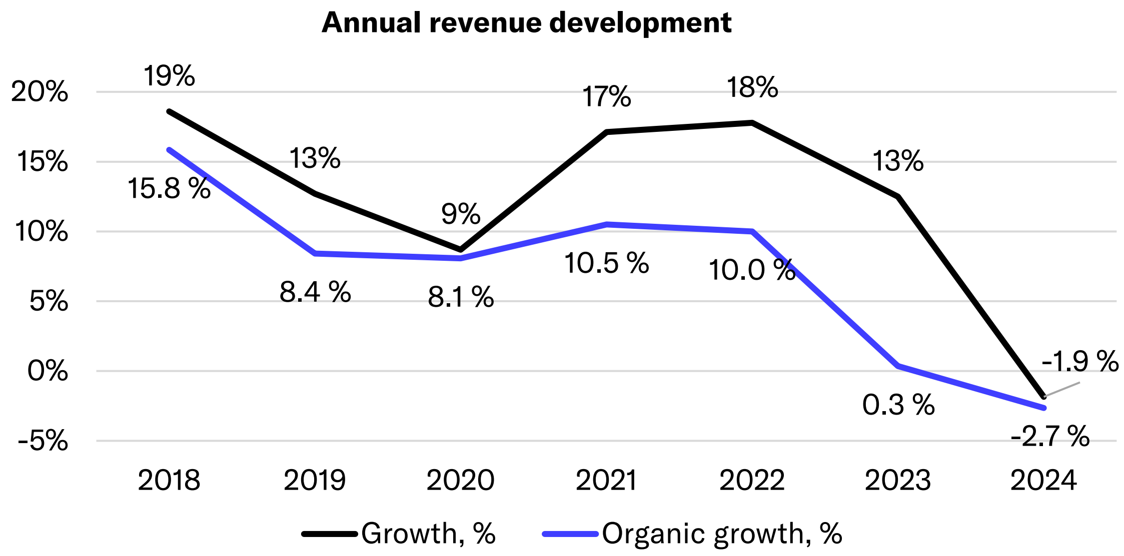


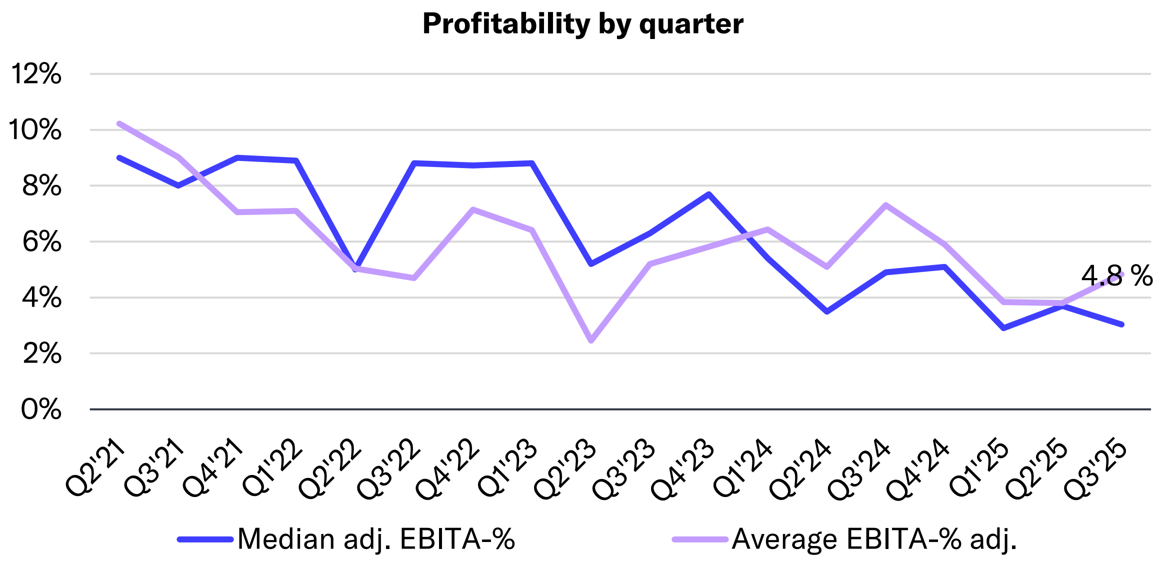
EBITA margin (%)

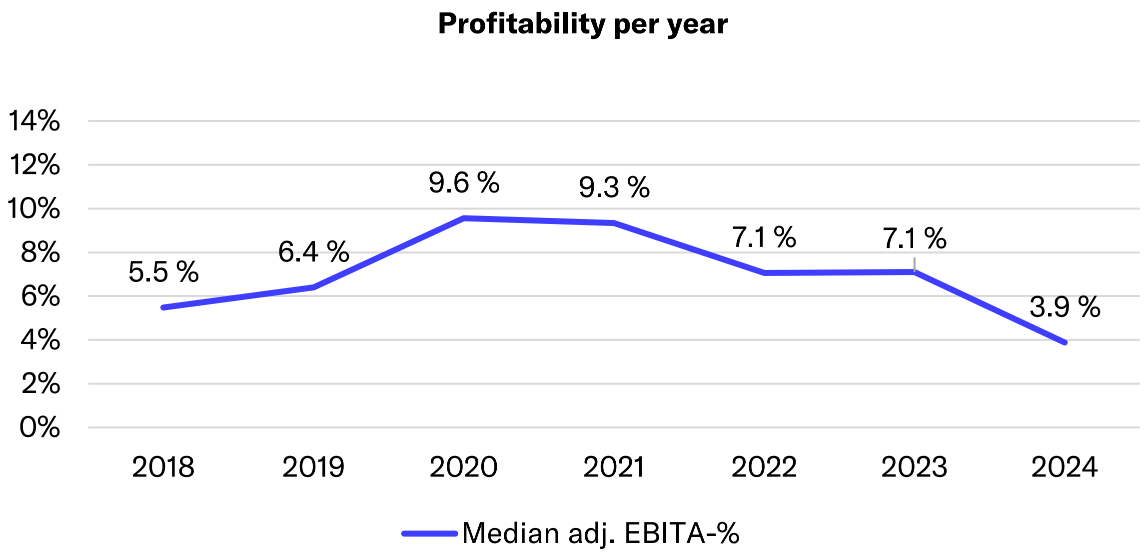


Relevant indicators for the Finnish listed IT service sector 2/2









Source: Inderes

Themes and financial targets for the 2026-28 strategy period 1/2

Strategy period 2026-2028

During the 2026-2028 strategy period, the company aims to expand into a European trusted partner for intelligent business, both organically and through acquisitions. In the big picture, there are no major revisions to the strategy; it is an update to the previous one. Naturally, AI has been more strongly integrated **into** the strategy.

The company's four specialized service areas remain unchanged: 1) Digital Solutions, 2) Business Platforms, 3) Financial Platforms, and 4) Managed Solutions.

The core of startegy implementation is:

- **Competence:** Renew in accordance with market demand and the requirements of intelligent business. Historically, the company has also pursued this aggressively through acquisitions.
- **Scalable services and solutions**: Productize smart, scalable solutions and services. This, and particularly the productization of services, is in line with the strategy updates of other leading companies (e.g. Netcompany).
- **AI solutions and autonomous services**: Implement smart solutions and services for customers, utilizing automation and AI. This is at the heart of the strategy, an important market trend to succeed in, and a clear growth driver for the company.
- **International expansion**: Growing into a European pioneer in intelligent business by leveraging the resources of the entire group. Regarding the breadth of the service offering, there are naturally good opportunities on paper, but it still requires proof. However, the Savangard acquisition, which is quite large for Digia, has initially shown good proof of synergies through stronger competitiveness.

The company's competitiveness continues to be based on 1) strong expertise, 2) deep customer relationships and a continuous business model, and 3) a broad service offering, which we subscribe to. In addition, a stable financial position and good cash flow continuously provide good opportunities to invest and implement the growth strategy. The company has proven to be a strategic partner for its customers through business continuity, strong performance in a difficult market, and good NPS scores (most recently 62). Achieving the role of a strategic partner clearly facilitates business, as it brings continuity and reduces the need for more challenging new sales. However, the company must now prove its strength in the IT service market, which is still being shaped by AI. In our view, the company has good opportunities and initial evidence to do so.

The main phases of strategy implementation are: **2026 – Renew, 2027 – Grow, 2028 – Scale**. At the beginning of the strategy period, the focus is on service and productization investments, as well as the renewal of the company's own operations, which is also indicated by the cautious guidance for 2026. The following years will then be a period of growth and scalable business. The company is very likely to accelerate strategy execution and growth through acquisitions, as it has done over the past 10 years.

Financial targets

- **Revenue growth: over 10% annually,** including organic and inorganic growth (2023-25 average growth of 8% with an organic share of around half)
- **EBITA: over 12% of revenue** at the end of the strategy period (2023-25, EBITA% was 9-10% annually)

Expansion of international business

- Over 30% of revenue at the end of the strategy period (Q4'25 20%).

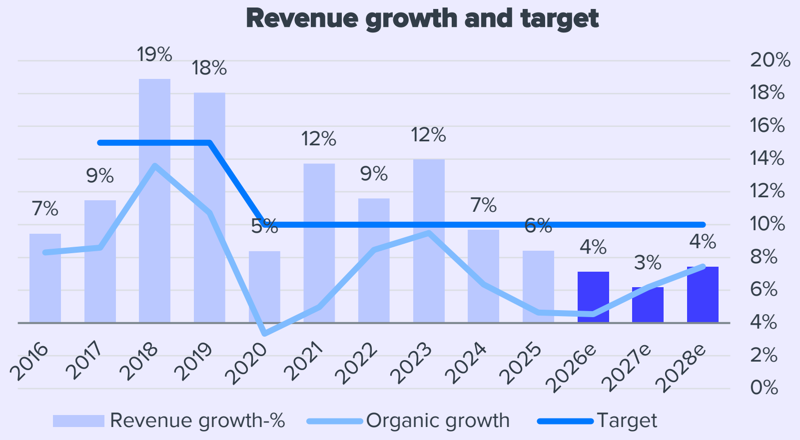
Themes and financial targets for the 2026-28 strategy period 2/2

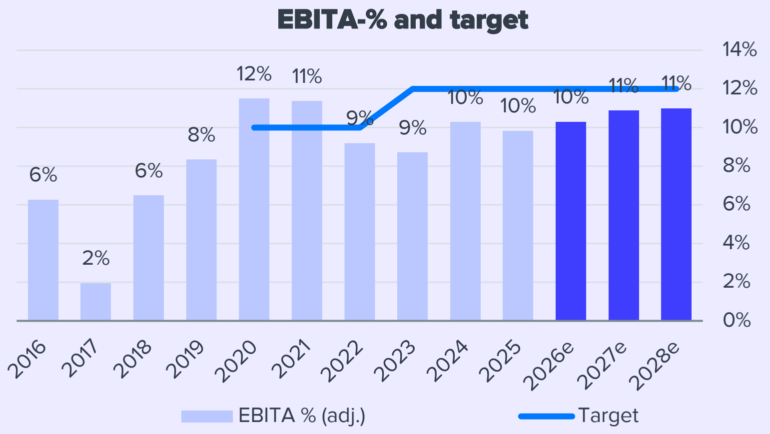
Financial targets are largely the same as in the previous period

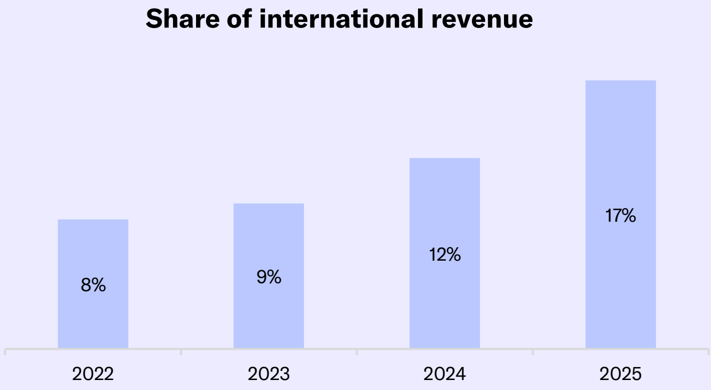
During the strategy period, Digia aims for annual revenue growth of over 10%, including organic and inorganic growth. The target is realistic but requires new acquisitions, as we estimate organic growth to be 1-4% during the strategy period, limited by a challenging market. During the previous strategy period, Digia grew by an average of 8% annually (organically, according to our calculations, just under 4%).

In terms of profitability, the company aims for an EBITA margin of over 12% of revenue at the end of the strategy period. The target is a level above the sector average (EBITA% of ~6-8%). The company already reached an EBITA margin of approximately 11.5% in 2020-21, partly supported by COVID-related savings. In the last strategy period, annual profitability was 9-10%. On the other hand, the company is also continuously investing in the business and scalable solutions through the income statement. In addition, the company had to streamline its operations, which resulted in relatively significant non-recurring costs. The company is also investing in 2026, which limits profitability. Overall, we consider the profitability target achievable by the end of the strategy period, but the current market weakness and the disruptive threat of AI create headwinds. Historically, although the company did not quite reach its profitability target, it was still clearly better than for the sector.

In terms of international business, the company is aiming for a share of more than 30% of revenue at the end of the strategy period. In 2022, the share of international revenue was around 8%. After the Top of Minds acquisition, the share of international business rose to around 12% of revenue in 2024 (9% in 2023). With the latest Savangard acquisition, the company took a leap in its strategy period targets, and after the transaction, the share of international revenue will be around 20% at the end of the 2025 strategy period The company's raised target of 30% indicates annual growth of around 20% for its international business. In our view, this requires a clear focus on international acquisitions.







We lowered earnings estimates slightly

Estimate revisions

- We slightly lowered our estimates for the next few years, as the company will invest more clearly in 2026 and then focus on growth and scaling.

Estimates 2026e-2028e

- We estimate 4% revenue growth in 2026, driven by the Savangard acquisition. Organically, we estimate revenue to grow by 1%, supported by a competitive, comprehensive offering. We expect the adjusted EBITA% to decrease slightly in 2026 to 10.3% (2025: 10.5%). Our calculation differs from the company's, as Digia does not adjust for one-off costs from change negotiations or fair value changes. In our view, however, adjusted EBIT provides a better picture of operational performance. In our estimates, reported EBITA increases by almost 2 MEUR, while adjusted EBITA increases by only 0.2 MEUR. In 2026, earnings will be supported by the cost-saving measures implemented last year, but will also be constrained by higher investments than last year (all made through the income statement).
- In 202-2028, we estimate organic revenue growth of 3-4%. The estimates rely on a gradual improvement in the market. If the company succeeds in its international strategy, there is upside in our estimates. We estimate that profitability will rise to around 11% in 2027-28 as investments decrease and scalability improves. On the other hand, there is still wage inflation and tight customer pricing, for which the sector is currently seeking a solution in new pricing models. Thus, we expect profitability in the coming years to be slightly below the 12% financial target, but still clearly better than in the sector.

Operational earnings drivers

Growth drivers:

- Scalable services and solutions
- Internationalization
- Expanding into new service areas within customer accounts (cross-selling)
- M&A

Profitability drivers:

- Product growth
- Productivity of scalable solutions and AI investments
- Headwinds from wage inflation and increased subcontracting
- Finding new pricing models

Balance sheet

- Equity ratio 49%, net gearing 25%, net debt 24 MEUR at the end of Q4’25, including 24 MEUR in cash. The company has a large cash position, partly because it cannot repatriate it from outside Finland and partly to prepare for acquisitions. The company has used debt for acquisitions and generally repays debt efficiently.
- Good cash flow continuously strengthens the balance sheet and thus provides leeway for new acquisitions in the future.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	216	217	0%	228	226	-1%	239	232	-3%
EBITDA	25.2	25.3	0%	27.8	26.8	-4%	30.3	29.0	-4%
EBIT (exc. NRIs)	23.4	22.9	-2%	24.2	23.2	-4%	26.5	25.2	-5%
EBIT	18.2	18.1	0%	21.2	20.2	-5%	24.2	22.9	-5%
PTP	16.6	16.4	-1%	19.8	18.8	-5%	23.1	21.7	-6%
EPS (excl. NRIs)	0.66	0.63	-4%	0.68	0.65	-5%	0.76	0.72	-6%
DPS	0.19	0.19	0%	0.21	0.21	0%	0.23	0.23	0%

Source: Inderes

Valuation 1/2

Investment perspective – multiple value drivers

Digia has strengthened its profile as an earnings growth company and has risen to become one of the sector's top performers, which supports the share valuation. In the short term, however, market weakness is limiting the IT services sector. Despite market weakness, Digia only accelerated its growth in 2023 (organic growth 9%) and continued to outperform the sector in 2024-25 (organic 3% and +1%).

Digia's risk profile is low compared to the sector due to the company's broad offering and customer base, the large share of recurring revenue and, consequently, the stable business. The company's profile, compared to IT service companies that have grown in the digital age, is distinguished by a more comprehensive offering, a large share of recurring revenue and a relatively large share of proprietary products. In our view, Digia is currently one of the top performers in the sector in terms of growth and profitability profile (Rule of 20), which supports a higher valuation than the IT services sector.

Value creation is driven by revenue growth and moderately improved profitability. There is still more potential in profitability than in our forecasts, but this requires evidence of the productivity of investments and support from a better market situation. In the long term, we believe that Digia's value creation will stem from success in organic growth, synergies in service areas, improved efficiency, growth in scalable business and overall competitiveness, which together determine the key driver of earnings growth. The company has generally also succeeded in acquisitions, thereby accelerating growth. In the long term, we also consider Digia a potential takeover target as the active consolidation of the IT market continues.

The key risks relate to customer demand and price pressure, the disruptive threat of AI, investment productivity, projects, acquisitions, and internationalization.

Multiple-based valuation

Digia's valuation can currently be monitored well through all earnings-based valuation multiples. The valuation multiples we primarily use in the sector and for Digia are adjusted P/E and EV/EBIT multiples. Historically, Digia has made very few cash flow-related adjustments. Adjustments are particularly justified when comparing the company to its peers.

Based on our estimates, Digia's 2026 EV/EBIT and adjusted P/E ratios are 8x and 10x, which we believe is at least an attractive level. Relative to the good and stable earnings growth outlook and the large share of recurring services and maintenance (~50%), the valuation can even be described as very attractive. Our target price corresponds to P/E and EV/EBITA multiples of 9x and 11x for 2026e.

In general, the valuation level of the IT services sector has been under pressure for the past couple of years due to geopolitical risks, rising interest rates and the general weak economic situation. The weak market situation has been reflected in the sector's earnings levels, which has also weighed on the sector's valuation levels. We believe the sector will be more clearly divided into winners and losers, which will be reflected in operational development and differences in valuation. The AI revolution is largely driving this development.

Valuation	2026e	2027e	2028e
Share price	6.34	6.34	6.34
Number of shares, millions	26.8	26.8	26.8
Market cap	170	170	170
EV	183	169	155
P/E (adj.)	9.7	8.8	8.3
P/E	11.3	9.8	9.0
P/B	1.6	1.5	1.3
P/S	0.8	0.7	0.7
EV/Sales	0.8	0.7	0.6
EV/EBITDA	6.8	5.8	5.1
EV/EBIT (adj.)	7.9	6.7	5.8
Payout ratio (%)	37.4 %	35.5 %	35.5 %
Dividend yield-%	3.3 %	3.6 %	3.9 %

Source: Inderes

Valuation 2/2

Peer group

In our view, Digia should be positioned among the Nordic IT service companies as an established player with a broad offering, its own products, and around half is recurring business. We believe that a good Nordic peer group can be found for Digia, against which the valuation can be mirrored and supported. In the peer group, we have used Inderes' estimates for the companies we cover, which considers goodwill amortization and improves comparability of Finnish companies. A similar peer for Digia emerged when Vincit and Bilot merged, even though Vincit is currently undergoing a very strong transformation and facing operational challenges. In addition, Netum shares several characteristics with Digia, but on the other hand, like Vincit, it is a clear turnaround company.

In our view, Digia's share can be assigned a higher valuation level than the Finnish sector in a normal business environment, due to its stable business operations and performance, good prospects, and the increasing scalability of the business.

Digia is valued at around 25% below Finnish peers with 2026 EV/EBIT and P/E ratios. Thus, the company is relatively very attractively valued. The company's earnings level can be considered relatively stable in the sector context, as a large part of the company's revenue is recurring (the share of service and maintenance business was 50% in Q4'25).

Components of the expected return for the share

We look at the expected return on the Digia share in terms of earnings growth, dividend yield and accepted valuation multiples. We estimate that the company has the potential for ~7% annual adjusted earnings growth (CAGR 2027-2028) in the coming years, driven by revenue growth and improved profitability. With our dividend forecasts at the lower end of the guidance (at least 30% of profits) at ~37% of profits, the dividend yield is at the 3.5% level. The strong cash flow provides a good basis for a relatively high dividend payout, but we estimate that the company will repay debt and continue to pursue inorganic growth, which is why our dividend forecasts are low.

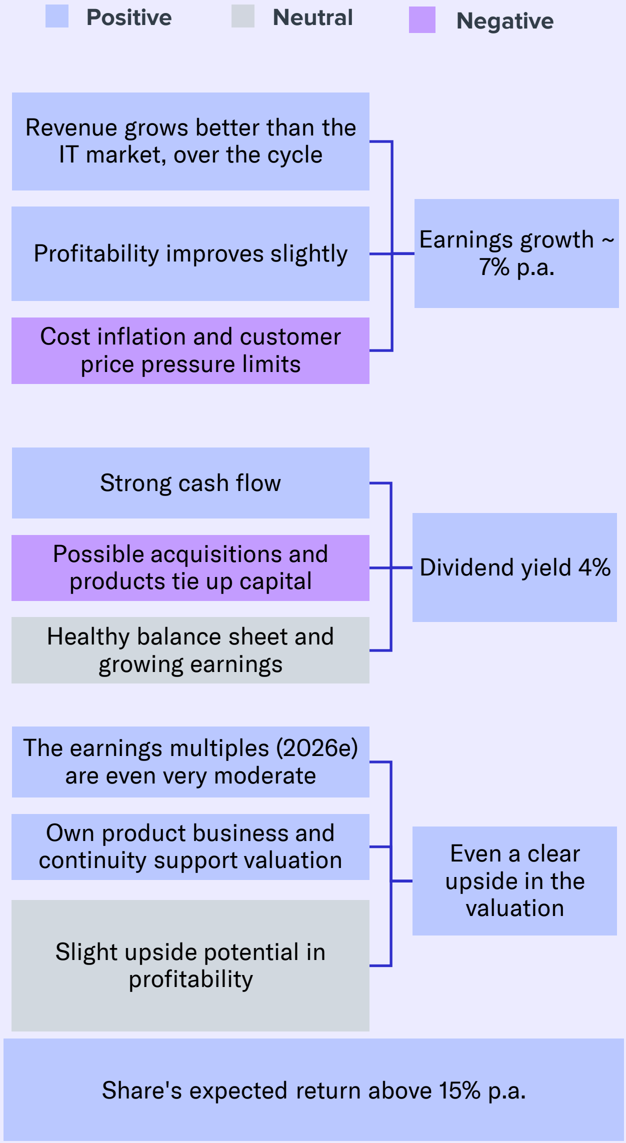
We see the 2026 multiples as very moderate. Consequently, the return expectation, which currently consists of the share's dividend yield, earnings growth and moderate upside potential in valuation multiples, rises to over 15% per annum. The expected return clearly exceeds the cost of equity.

DCF analysis

In our valuation, we still give more weight to valuation multiples than to the cash flow model, even though the company's business development is stable and improves the reliability of the cash flow model. Our DCF model indicates a value of EUR 8.6 per Digia share. In our estimate model, which is even relatively conservative, Digia will grow at an average rate of 4% in 2026-2033 and 1.5% in the long term. In addition, the EBITA margin is 10-11% until 2029, after which it will decrease to 8.5% in the terminal, which reflects only slightly better profitability than the sector average and a weaker level than in recent years for the company. In the model, the weight of the terminal assumption is relatively small (48%), which improves the reliability of the model. The weighted average cost of capital (WACC) we use in the cash flow model is 8.7%.

The cash flow calculation thus clearly indicates a higher level than the current one, which supports a strong positive view on the stock.

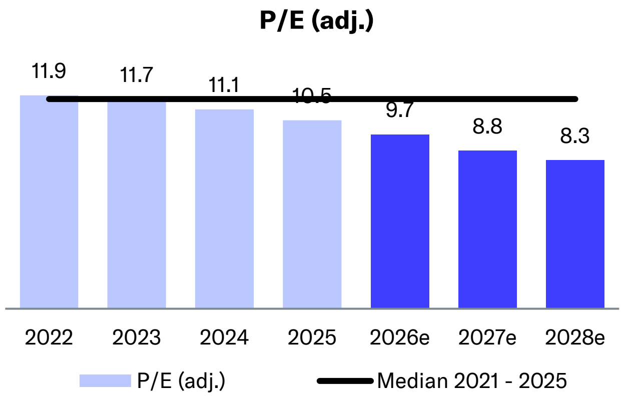
Total shareholder return drivers 2026-2028

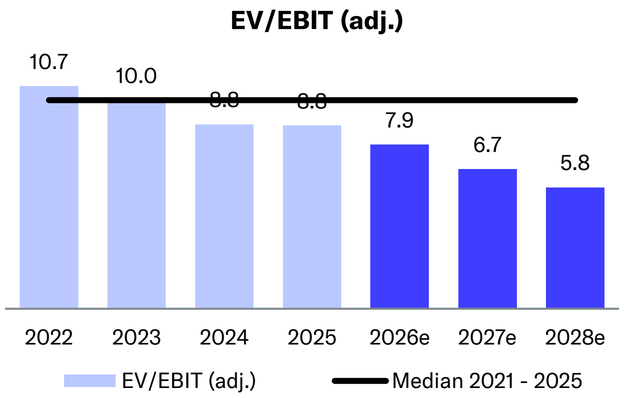


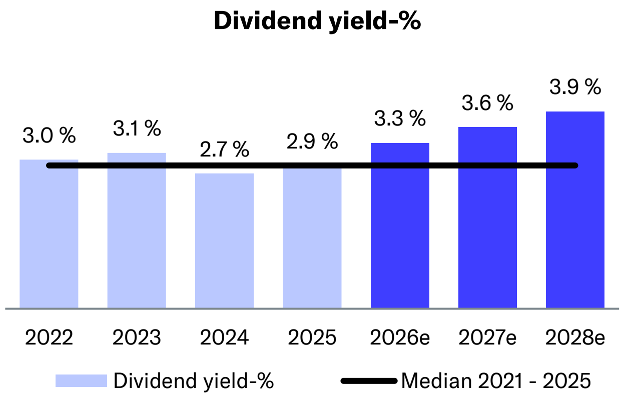
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.71	5.46	6.66	6.64	**6.34**	**6.34**	**6.34**	**6.34**
Number of shares, millions	26.7	26.8	26.8	26.7	**26.8**	**26.8**	**26.8**	**26.8**
Market cap	152	146	179	177	**170**	**170**	**170**	**170**
EV	170	171	190	201	**183**	**169**	**155**	**139**
P/E (adj.)	11.9	11.7	11.1	10.5	**9.7**	**8.8**	**8.3**	**7.8**
P/E	15.9	14.8	13.4	13.8	**11.3**	**9.8**	**9.0**	**8.2**
P/B	2.1	1.9	2.1	1.9	**1.6**	**1.5**	**1.3**	**1.2**
P/S	0.9	0.8	0.9	0.8	**0.8**	**0.7**	**0.7**	**0.7**
EV/Sales	1.0	0.9	0.9	0.9	**0.8**	**0.7**	**0.6**	**0.6**
EV/EBITDA	8.6	8.1	7.5	7.9	**6.8**	**5.8**	**5.1**	**4.3**
EV/EBIT (adj.)	10.7	10.0	8.8	8.8	**7.9**	**6.7**	**5.8**	**5.0**
Payout ratio (%)	47.4 %	46.2 %	36.3 %	39.5 %	**37.4 %**	**35.5 %**	**35.5 %**	**35.1 %**
Dividend yield-%	3.0 %	3.1 %	2.7 %	2.9 %	**3.3 %**	**3.6 %**	**3.9 %**	**4.3 %**

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 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e
Digital Workforce*	30	24	9.0	6.2	8.4	6.0	0.7	0.6	11.6	8.7	3.6	4.4
Gofore*	201	209	9.1	8.1	7.4	6.7	1.0	0.9	11.6	10.9	4.1	4.2
Loihde*	65	72	12.7	9.7	5.5	4.7	0.5	0.5	15.7	12.2	6.0	6.2
Netum Group*	13	19	8.8	7.6	8.0	7.2	0.5	0.5	25.0	13.9	3.8	5.7
Siili Solutions*	36	35	6.3	4.9	3.9	3.2	0.3	0.3	8.7	7.3	3.4	4.1
Solteq*	8	31	11.2	9.0	8.0	6.8	0.7	0.6		15.4		
Tietoevry	2075	2546	10.4	9.7	8.9	8.7	1.4	1.4	11.9	10.9	5.2	5.7
Vincit*	21	23	10.7	7.1	3.6	3.0	0.4	0.3	13.7	8.8	5.7	7.3
Witted Megacorp*	20	14	8.6	5.9	8.3	5.8	0.2	0.2	15.5	11.9	1.4	1.4
Avensia AB	28	29	6.2	5.8	4.8	4.5	0.7	0.7	7.6	7.0		
Bouvet	507	541	12.0	11.1	10.0	9.3	1.5	1.4	14.9	13.5	6.5	7.0
CombinedX	69	76	7.9	6.9	5.0	4.6	0.7	0.7	9.1	7.9		
Exsitec	164	194	15.7	13.6	10.1	9.1	2.2	2.0	18.9	16.4	1.8	1.9
Knowit	289	346	15.8	11.1	6.7	5.7	0.6	0.5	19.9	13.4	3.0	4.4
Netcompany Group	2103	2552	15.6	13.3	11.9	10.4	2.1	1.9	17.2	13.8	0.1	0.1
NNIT	149	201	11.4	8.8	8.4	6.8	0.8	0.8	12.8	9.1	1.0	1.5
Webstep	45	45	6.9	5.9	5.6	4.9	0.6	0.5	8.3	7.1	8.8	10.2
Digia (Inderes)	**170**	**183**	**7.9**	**6.7**	**6.8**	**5.8**	**0.8**	**0.7**	**9.7**	**8.8**	**3.3**	**3.6**
Average			**10.4**	**8.5**	**7.3**	**6.3**	**0.9**	**0.8**	**13.8**	**11.0**	**4.0**	**4.7**
Median all			**9.9**	**8.1**	**7.7**	**5.9**	**0.7**	**0.7**	**12.8**	**10.9**	**3.8**	**4.4**
Diff.-% cf. median al			*-20 %*	*-17 %*	*-12 %*	*-1 %*	*14 %*	*11 %*	*-24 %*	*-19 %*	*-12 %*	*-18 %*
Median Finnish			***9.3***	***7.8***	***7.7***	***5.9***	***0.6***	***0.5***	***11.9***	***10.9***	***4.1***	***5.7***
Diff.-% cf. median Finnish			*-15 %*	*-15 %*	*-12 %*	*-1 %*	*36 %*	*34 %*	*-18 %*	*-19 %*	*-19 %*	*-36 %*

Source: Refinitiv / *Inderes' adjusted estimate. NB! The market cap used by Inderes does not take into consideration treasury shares.

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	**206**	**53.8**	**53.7**	**49.3**	**60.2**	**217**	**57.8**	**56.7**	**49.5**	**61.5**	**226**	**232**	**242**	**253**
EBITDA	**25.4**	**5.6**	**4.0**	**6.2**	**9.5**	**25.3**	**6.0**	**6.0**	**6.0**	**8.9**	**26.8**	**29.0**	**30.5**	**32.1**
Depreciation	-7.2	-1.7	-1.8	-1.9	-1.8	-7.2	-1.8	-1.7	-1.6	-1.6	-6.6	-6.1	-5.9	-5.6
EBITA (adj.)	**21.5**	**4.8**	**4.4**	**5.6**	**8.1**	**22.9**	**5.1**	**5.1**	**5.1**	**8.0**	**23.2**	**25.2**	**26.6**	**28.1**
EBIT	**18.2**	**3.9**	**2.2**	**4.3**	**7.7**	**18.1**	**4.2**	**4.3**	**4.4**	**7.3**	**20.2**	**22.9**	**24.6**	**26.5**
Net financial items	-1.3	-0.5	-0.3	-0.4	-0.6	-1.7	-0.4	-0.4	-0.4	-0.3	-1.4	-1.2	-1.0	-0.7
PTP	**16.9**	**3.4**	**2.0**	**3.9**	**7.1**	**16.4**	**3.8**	**3.9**	**4.1**	**7.0**	**18.8**	**21.7**	**23.6**	**25.8**
Taxes	-3.6	-0.7	-0.5	-0.7	-1.7	-3.5	-0.8	-0.8	-0.8	-1.4	-3.8	-4.3	-4.7	-5.2
Net earnings	**13.3**	**2.7**	**1.5**	**3.2**	**5.4**	**12.8**	**3.1**	**3.1**	**3.2**	**5.6**	**15.1**	**17.4**	**18.9**	**20.6**
EPS (adj.)	**0.60**	**0.13**	**0.13**	**0.16**	**0.21**	**0.63**	**0.14**	**0.14**	**0.14**	**0.23**	**0.65**	**0.72**	**0.76**	**0.82**
EPS (rep.)	**0.50**	**0.10**	**0.06**	**0.12**	**0.20**	**0.48**	**0.11**	**0.12**	**0.12**	**0.21**	**0.56**	**0.65**	**0.70**	**0.77**

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-%	7.1 %	0.2 %	3.2 %	8.5 %	10.5 %	5.5 %	7.6 %	5.5 %	0.4 %	2.1 %	3.9 %	2.7 %	4.3 %	4.5 %
EBITA (adj.) growth	25.8 %	-12%	-4%	-2%	39%	6%	5%	16%	-8%	-1%	1.5 %	8.6 %	5.4 %	5.6 %
EBITA-% (adj.)	10.5 %	9.0 %	8.1 %	11.3 %	13.5 %	10.5 %	8.8 %	8.9 %	10.3 %	13.0 %	10.3 %	10.9 %	11.0 %	11.1 %
EBIT-%	8.9 %	7.2 %	4.1 %	8.8 %	12.7 %	8.4 %	7.3 %	7.5 %	8.9 %	11.9 %	9.0 %	9.9 %	10.2 %	10.5 %
Net earnings-%	6.5 %	5.1 %	2.8 %	6.6 %	8.9 %	5.9 %	5.3 %	5.5 %	6.6 %	9.2 %	6.7 %	7.5 %	7.8 %	8.2 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**97.6**	**114**	**114**	**115**	**115**
Goodwill	92.8	106	106	106	106
Intangible assets	0.0	0.0	0.2	0.4	0.6
Tangible assets	3.6	6.6	6.9	7.1	7.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.7	0.7	0.7	0.7
Other non-current assets	0.5	0.7	0.7	0.7	0.7
Deferred tax assets	0.3	0.2	0.2	0.2	0.2
Current assets	**56.2**	**73.3**	**76.8**	**84.4**	**96.1**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	38.0	49.1	51.9	53.3	55.6
Cash and equivalents	18.2	24.2	24.9	31.1	40.6
Balance sheet total	**163**	**197**	**198**	**204**	**214**

Source: Inderes

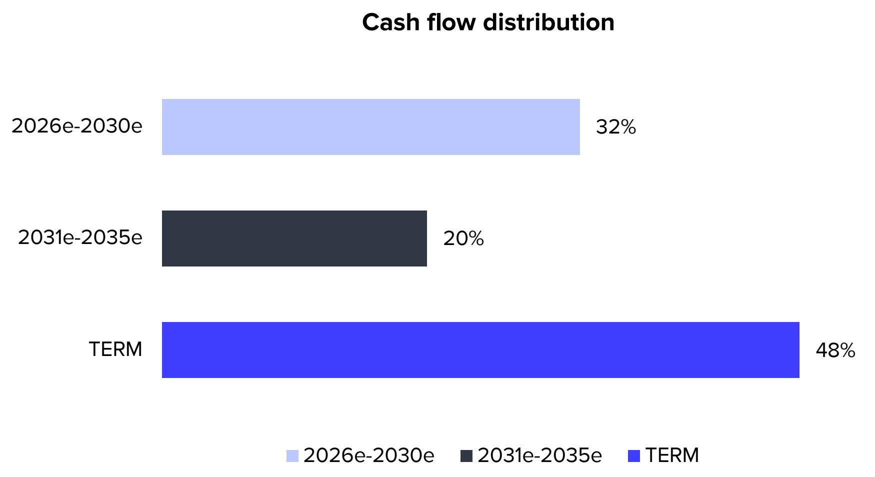
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**83.7**	**93.5**	**103**	**115**	**128**
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	39.6	49.3	59.3	71.1	83.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	42.1	42.1	42.1	42.1	42.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.0**	**42.2**	**32.9**	**28.8**	**24.9**
Deferred tax liabilities	2.0	2.4	2.0	2.0	2.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	15.0	35.5	26.6	22.5	18.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	4.3	4.3	4.3	4.3
Current liabilities	**62.7**	**61.3**	**61.6**	**59.7**	**61.0**
Interest bearing debt	14.8	12.4	10.8	7.5	6.5
Payables	47.9	48.9	50.8	52.2	54.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**163**	**197**	**198**	**204**	**214**

DCF-calculation

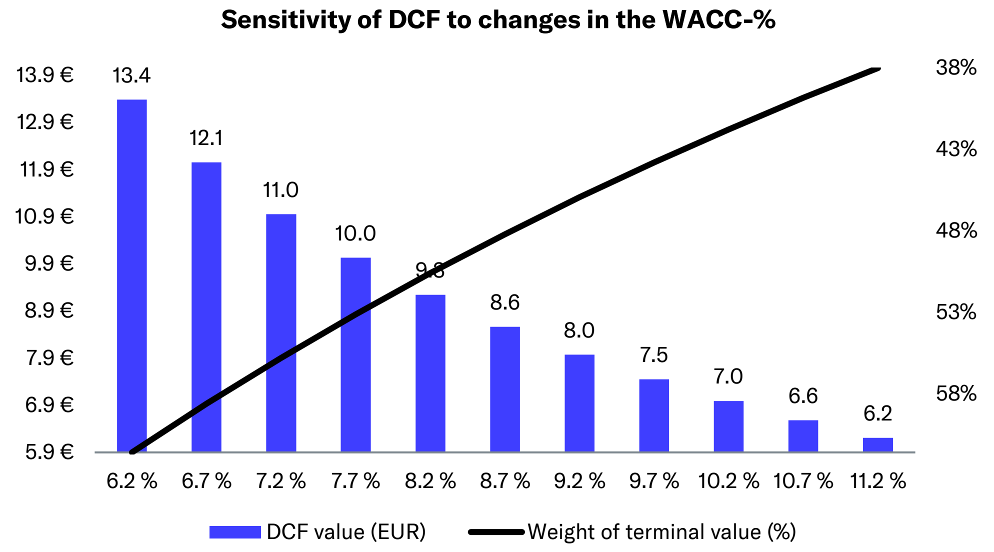
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.5 %	3.9 %	2.7 %	4.3 %	4.5 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	8.4 %	9.0 %	9.9 %	10.2 %	10.5 %	10.0 %	9.5 %	9.0 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	**18.1**	**20.2**	**22.9**	**24.6**	**26.5**	**26.0**	**25.5**	**24.8**	**24.2**	**24.9**	**25.3**	
+ Depreciation	7.2	6.6	6.1	5.9	5.6	4.8	4.1	4.1	4.1	4.1	4.2	
- Paid taxes	-3.1	-4.2	-4.3	-4.7	-5.2	-5.1	-5.0	-4.9	-4.7	-4.9	-4.9	
- Tax, financial expenses	-0.4	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	-10.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	**11.8**	**21.5**	**24.4**	**25.5**	**26.7**	**25.6**	**24.5**	**24.0**	**23.4**	**24.0**	**24.4**	
+ Change in other long-term liabilities	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-23.7	-4.1	-4.2	-4.3	-4.3	-4.4	-4.5	-4.5	-4.5	-4.6	-4.5	
Free operating cash flow	**-7.6**	**17.4**	**20.2**	**21.3**	**22.4**	**21.2**	**20.0**	**19.5**	**18.9**	**19.4**	**19.8**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.6	17.4	20.2	21.3	22.4	21.2	20.0	19.5	18.9	19.4	19.8	280
Discounted FCFF		**16.1**	**17.3**	**16.7**	**16.2**	**14.1**	**12.2**	**10.9**	**9.8**	**9.2**	**8.7**	**122**
Sum of FCFF present value		254	238	220	204	187	173	161	150	140	131	122
Enterprise value DCF		**254**										
- Interest bearing debt		-47.9										
+ Cash and cash equivalents		24.2										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**230**										
Equity value DCF per share		**8.6**										

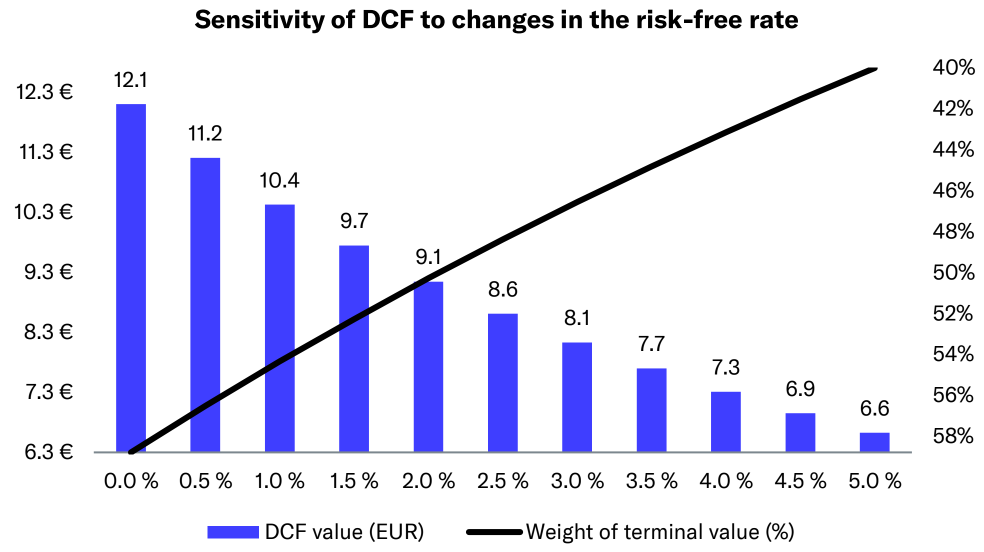
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	6.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.7 %**
Weighted average cost of capital (WACC)	**8.7 %**

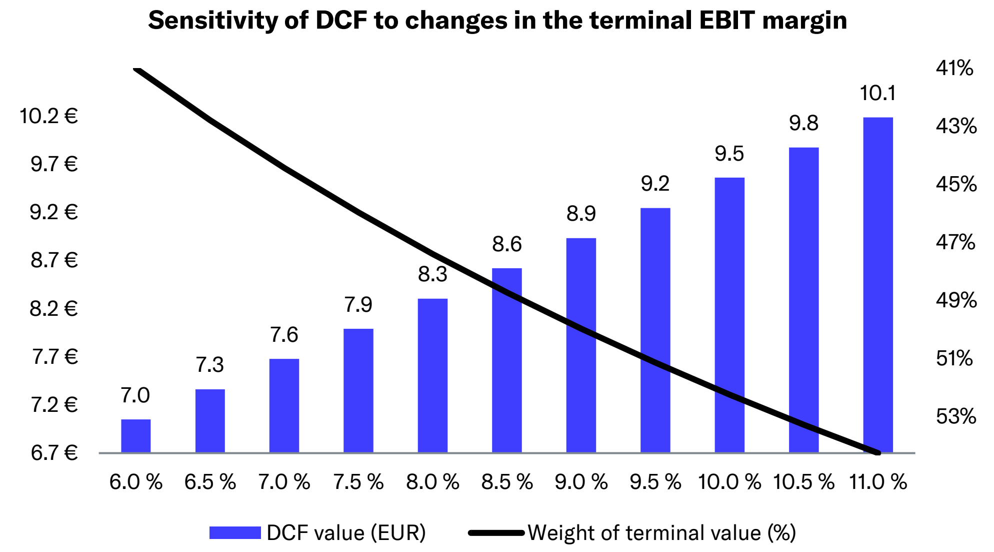
Source: Inderes

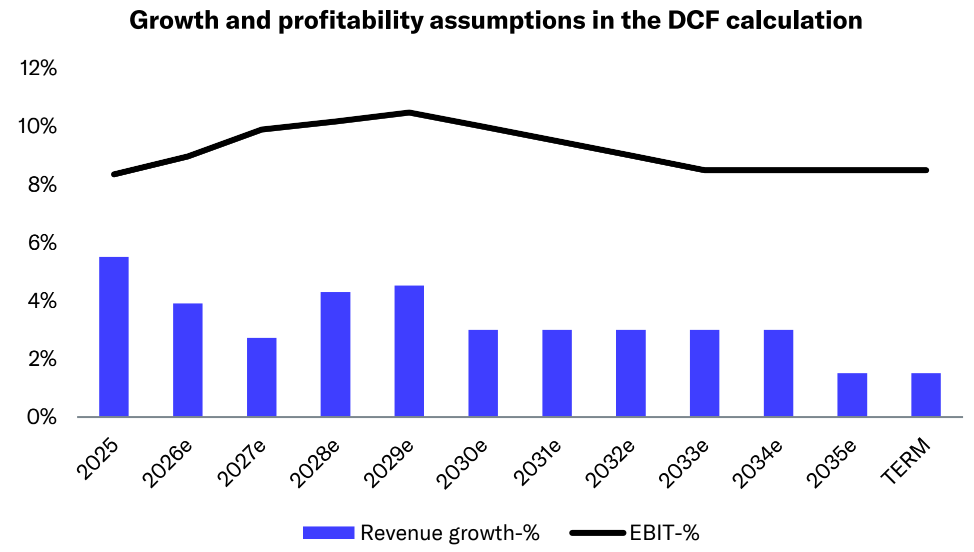


DCF sensitivity calculations and key assumptions in graphs









Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	192.0	205.7	217.0	**225.5**	**231.7**
EBITDA	21.1	25.4	25.3	**26.8**	**29.0**
EBIT	13.8	18.2	18.1	**20.2**	**22.9**
PTP	12.4	16.9	16.4	**18.8**	**21.7**
Net Income	9.9	13.3	12.8	**15.1**	**17.4**
Extraordinary items	-3.3	-3.3	-4.8	**-3.0**	**-2.3**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.37	0.50	0.48	**0.56**	**0.65**
EPS (adj.)	0.47	0.60	0.63	**0.65**	**0.72**
OCF / share	0.52	0.89	0.44	**0.80**	**0.91**
FCF / share	-0.02	0.71	-0.29	**0.65**	**0.75**
Book value / share	2.81	3.12	3.50	**3.86**	**4.30**
Dividend / share	0.17	0.18	0.19	**0.21**	**0.23**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	168.2	163.5	197.0	**198.0**	**203.7**
Equity capital	75.4	83.7	93.5	**103.5**	**115.2**
Goodwill	93.3	92.8	105.5	**105.5**	**105.5**
Net debt	24.8	11.6	23.7	**12.5**	**-1.1**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	12%	7%	6%	**4%**	**3%**
EBITDA growth-%	7%	20%	0%	**6%**	**8%**
EBIT (adj.) growth-%	7%	26%	1%	**9%**	**9%**
EPS (adj.) growth-%	-3%	28%	5%	**3%**	**10%**
EBITDA-%	11.0 %	12.4 %	11.7 %	**11.9 %**	**12.5 %**
EBIT (adj.)-%	8.7 %	10.3 %	9.8 %	**10.3 %**	**10.9 %**
EBIT-%	7.2 %	8.9 %	8.4 %	**9.0 %**	**9.9 %**
ROE-%	13.5 %	16.7 %	14.5 %	**15.3 %**	**15.9 %**
ROI-%	12.8 %	16.1 %	14.2 %	**14.3 %**	**16.0 %**
Equity ratio	44.9 %	51.2 %	47.4 %	**52.3 %**	**56.6 %**
Gearing	32.8 %	13.9 %	25.4 %	**12.1 %**	**-1.0 %**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	21.1	25.4	25.3	**26.8**	**29.0**
Change in working capital	-4.5	3.0	-10.0	**-0.9**	**0.0**
Operating cash flow	13.8	23.9	11.8	**21.5**	**24.4**
CAPEX	-12.5	-1.3	-23.7	**-4.1**	**-4.2**
Free cash flow	-0.5	19.1	-7.6	**17.4**	**20.2**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	0.9	0.9	**0.8**	**0.7**
EV/EBITDA	8.1	7.5	7.9	**6.8**	**5.8**
EV/EBIT (adj.)	10.0	8.8	8.8	**7.9**	**6.7**
P/E (adj.)	11.7	11.1	10.5	**9.7**	**8.8**
P/B	1.9	2.1	1.9	**1.6**	**1.5**
Dividend-%	3.1 %	2.7 %	2.9 %	**3.3 %**	**3.6 %**

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

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

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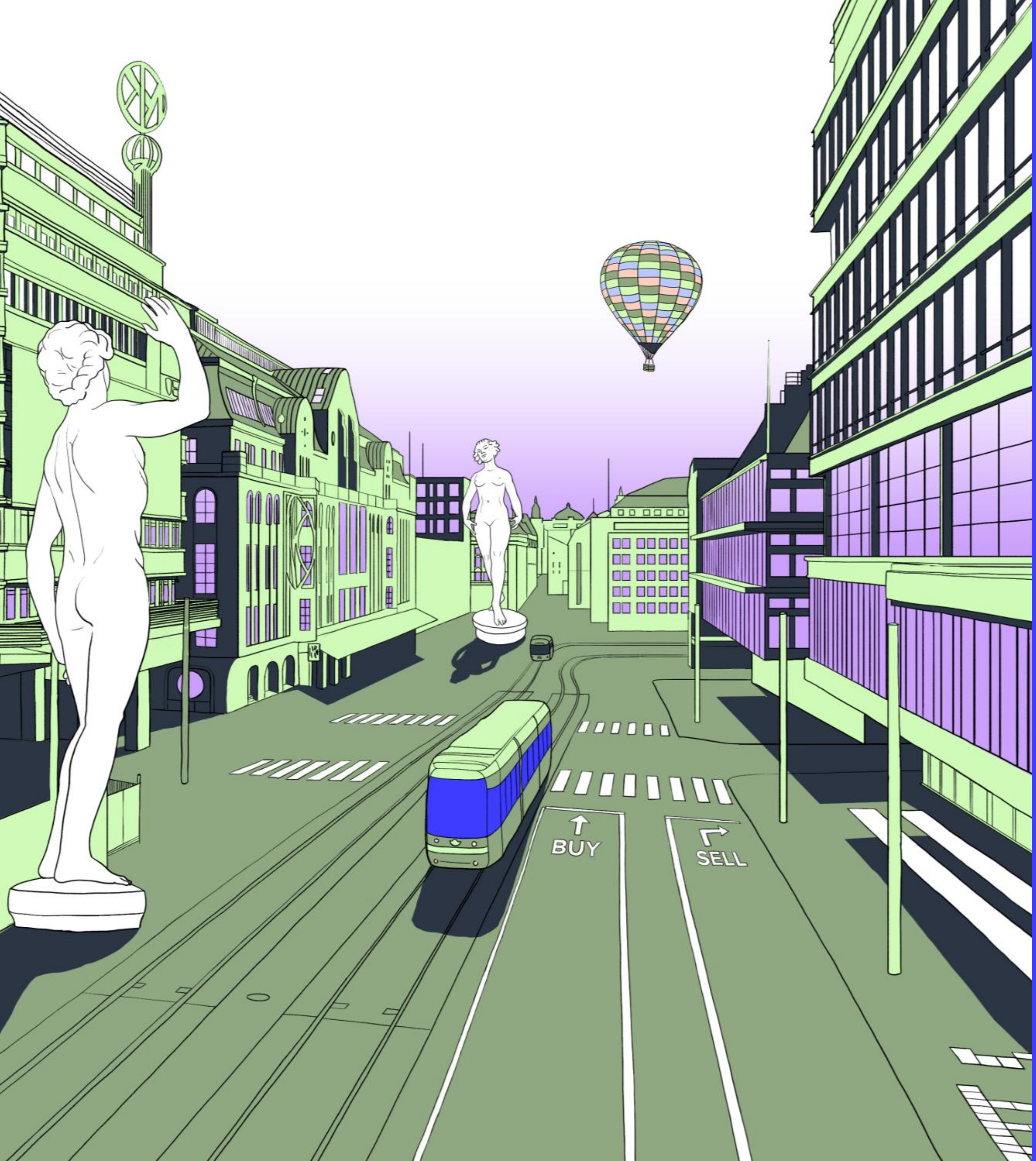
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2019	Buy	4.00 €	3.48 €
9/9/2019	Reduce	4.00 €	4.02 €
10/29/2019	Accumulate	4.00 €	3.72 €
11/1/2019	Accumulate	4.00 €	3.82 €
2/10/2020	Accumulate	5.20 €	4.90 €
5/8/2020	Accumulate	5.70 €	5.24 €
6/15/2020	Accumulate	5.70 €	4.99 €
8/12/2020	Accumulate	6.40 €	6.00 €
11/2/2020	Reduce	6.90 €	6.84 €
12/16/2020	Accumulate	7.20 €	6.34 €
2/10/2021	Reduce	8.40 €	8.56 €
3/16/2021	Accumulate	8.40 €	7.28 €
5/5/2021	Reduce	8.60 €	8.40 €
7/8/2021	Accumulate	8.60 €	7.61 €
8/9/2021	Accumulate	8.40 €	7.68 €
9/2/2021	Accumulate	8.40 €	7.53 €
10/19/2021	Accumulate	8.10 €	7.02 €
11/1/2021	Accumulate	8.10 €	6.90 €
2/9/2022	Accumulate	8.10 €	7.45 €
5/5/2022	Accumulate	8.40 €	7.25 €
8/10/2022	Accumulate	8.00 €	7.10 €
10/31/2022	Reduce	6.50 €	6.24 €
2/13/2023	Reduce	6.50 €	6.48 €
5/5/2023	Buy	6.80 €	5.56 €
8/4/2023	Accumulate	6.80 €	5.76 €
8/11/2023	Accumulate	6.60 €	5.88 €
9/27/2023	Accumulate	6.60 €	5.58 €
10/30/2023	Accumulate	5.80 €	4.89 €
11/16/2023	Accumulate	6.20 €	5.52 €
2/12/2024	Accumulate	6.20 €	5.24 €
5/10/2024	Accumulate	6.40 €	5.62 €
8/12/2024	Accumulate	6.40 €	5.58 €
10/28/2024	Buy	7.30 €	5.92 €
2/26/2025	Accumulate	7.80 €	6.96 €
4/28/2025	Buy	7.80 €	6.22 €
5/9/2025	Buy	8.30 €	6.54 €
6/5/2025	Accumulate	8.30 €	7.34 €
8/8/2025	Accumulate	8.00 €	6.72 €
10/24/2025	Accumulate	7.20 €	5.98 €
2/4/2026	Accumulate	7.20 €	6.36 €
2/6/2026	Buy	7.50 €	6.34 €



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