ORTHEX

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Europe's growth story needs content for its boxes

Orthex's Q4 profitability was at a good level, but weak revenue development made the report disappointing. Weak revenue is partly explained by timing factors, but contracted sales outside the Nordics eroded the credibility of the European growth story. The situation in the Middle East increases forecast risk for Orthex, which is sensitive to the prices of oil-based raw materials. However, a moderate valuation (P/E 12x, EV/EBIT 10x on actualized figures) keeps us constructive on the stock. We reiterate our Accumulate recommendation but revise our target price to EUR 5.3 (previously EUR 5.5).

Revenue developed weakly, but profitability was strong

Orthex's Q4 revenue declined and clearly missed both our and consensus estimates. The weak revenue development was partly explained by the timing of deliveries, which particularly impacted performance in the Nordic countries. In the Nordic countries, it is difficult for the company to achieve growth significantly better than the general market due to its high market share. However, invoiced sales also contracted in the European growth markets; one larger customer reduced its campaign orders in the fourth quarter. Despite the disappointing revenue, EBIT slightly exceeded our expectations, supported by strict cost control. The Board's proposed dividend of EUR 0.23 per share corresponds to 60% of the previous year's net profit. This represents a one-cent increase, which is in line with the company's dividend policy of aiming for a steadily growing dividend over time. At the end of the quarter, the company's balance sheet was strong (net debt/EBITDA 1.1x, with a target of below 2.5x), which creates financial flexibility for growth investments and M&A. The earnings day did not provide visibility into larger capital allocation decisions.

Growth promises must be delivered on this year

In connection with the report, we have slightly lowered our revenue forecasts for the coming years based on the subdued Q4 performance, and thus our EBIT forecasts for 2026-2027 decreased by 5-8% from previous estimates. After the disappointments of recent years, it is critical that Orthex can demonstrate healthy growth to restore confidence in its European growth strategy. True to form, Orthex did not provide guidance for the current year but described its industry outlook as "cautiously positive." We expect revenue growth to accelerate to 3.5% this year, driven by recovering consumption in the Nordic countries and growth in Europe. In our forecasts, we have updated the gross margin for Q2 and Q3 to a more conservative stance due to the recent significant increase in oil prices. Our forecasts suggest slight pressure on the gross margin, so a larger wave of cost inflation would create downward pressure on our forecasts. We note, however, that Orthex has a strong balance sheet and the company weathered the 2022 inflation wave unscathed, which strengthens our confidence in the company's resilience to shocks in the operating environment.

Low valuation supports patience despite growth pains

Orthex's earnings-based valuation (2025e: EV/EBIT 10x, P/E: 12x) is at low levels, considering the weak performance of Nordic consumers last year. Forecast risks have increased in the short term, but looking beyond these risks, we see Orthex as having favorable conditions for earnings growth as Nordic consumption recovers. The low earnings-based valuation is complemented by a dividend yield of 5-6%, which together justify a positive view on the stock despite the growth challenges of recent years. As growth recovers, we even see the conditions for a re-rating of valuation multiples, but this requires restoring market confidence in the European growth story. Based on 2026-2027 EBIT, Orthex is priced at a 24-25% discount to its peers, which provides a slight safety margin in its valuation.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 5.30
(was EUR 5.50)

Share price:
EUR 4.66

Business risk
●●○○○

Valuation risk
●●○○○

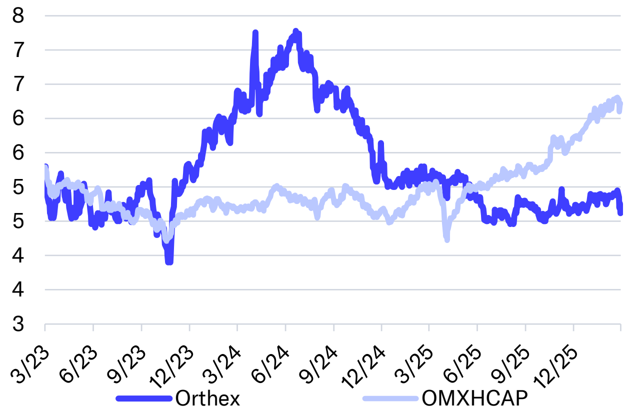
	2025	2026e	2027e	2028e
Revenue	87.2	90.3	95.1	98.5
growth-%	-3%	4%	5%	4%
EBIT adj.	9.8	10.2	11.3	11.7
EBIT-% adj.	11.2 %	11.3 %	11.9 %	11.9 %
Net Income	6.8	7.1	8.0	8.5
EPS (adj.)	0.38	0.40	0.45	0.48
P/E (adj.)	12.2	11.7	10.4	9.7
P/B	2.0	1.9	1.8	1.6
Dividend yield-%	4.9 %	5.4 %	6.0 %	6.4 %
EV/EBIT (adj.)	10.1	9.3	8.2	7.7
EV/EBITDA	6.8	6.3	5.8	5.5
EV/S	1.1	1.1	1.0	0.9

Source: Inderes

Guidance (Unchanged)

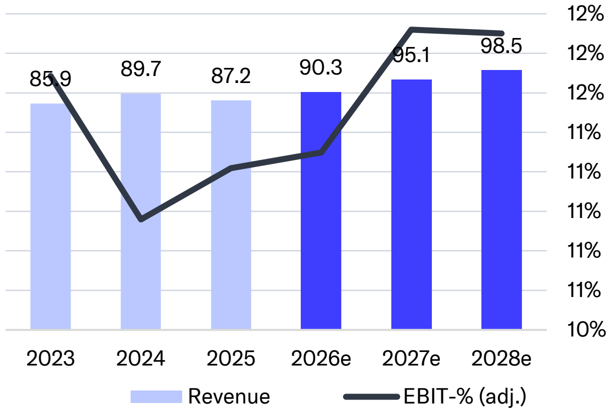
Orthex does not publish a short-term outlook. In the long term, the company targets average organic growth of over 5% and an adjusted EBITA margin of over 18%.

Share price



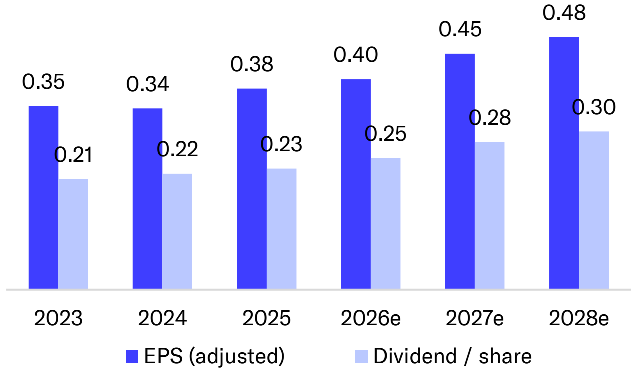
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Large and defensive target market
- Favorable megatrends drive product demand growth
- Leading position in the Nordic countries and the possibility of expanding to Europe through key customers
- Fragmented industry offers opportunities for acquisitions
- Known consumer brands
- Strong relations with retail chains
- Efficient and automated production with short delivery times

Risk factors

- Fluctuations in raw material prices and disruptions in availability
- Dependence on the operation of own production facilities
- Production capacity limits growth
- Success on export markets
- M&A risks
- Plastics have a bad reputation as a raw material

Valuation	2026e	2027e	2028e
Share price	4.66	4.66	4.66
Number of shares, millions	17.8	17.8	17.8
Market cap	83	83	83
EV	95	93	90
P/E (adj.)	11.7	10.4	9.7
P/E	11.7	10.4	9.7
P/B	1.9	1.8	1.6
P/S	0.9	0.9	0.8
EV/Sales	1.1	1.0	0.9
EV/EBITDA	6.3	5.8	5.5
EV/EBIT (adj.)	9.3	8.2	7.7
Payout ratio (%)	62.6 %	62.5 %	62.5 %
Dividend yield-%	5.4 %	6.0 %	6.4 %

Source: Inderes

Growth pains

Revenue was a disappointment...

Revenue development was a clear weak point in Orthex's Q4 report and for the entire past year. In Q4, revenue decreased by 7% to 22.3 MEUR, which was clearly below our forecast of 24.3 MEUR. Revenue development was supported by a stronger Swedish krona, and currency-neutral revenue declined by 9% year-on-year. In the Nordic countries, the company's invoiced sales decreased. According to the company, the decrease was mainly due to large deliveries at the end of Q3 and fewer advance deliveries for early 2026 campaigns at year-end.

More concerning than the development of invoiced sales in the Nordic countries was sales in the Rest of Europe, which is central to the growth strategy and contracted by 5% year-on-year. According to the company, growth was strong in a few strategic markets, but one larger customer reduced its campaign orders in the fourth quarter. Weak consumer confidence and retailers' cautious inventory management understandably complicate sales development in the current business environment. Outside the Nordic countries, however, Orthex's market share is very small, and the development of the total market does not pose the same growth constraints as in the Nordic countries. From this perspective, the contraction in the Rest of Europe was a significant disappointment for us, as the company aims for over 10% annual revenue growth in that region. The decline in revenue was concentrated in the Storage category, which serves as the spearhead of growth, with invoiced sales contracting by 7% in Q4

...but profitability held its ground

Despite weaker-than-expected revenue and gross margin, Orthex's EBIT of 3.0 MEUR slightly exceeded our forecast of 2.9 MEUR. The company maintained strict cost control last year, and lower-than-expected sales, marketing, and administrative expenses enabled an earnings beat. EPS of EUR 0.12 also slightly exceeded our forecast of EUR 0.11 and was in line with consensus expectations. For the full year, EPS was EUR 0.38. The company's Board of Directors proposes a dividend of EUR 0.23 per share, which is a one-cent increase from the previous year and corresponds to a 60% dividend payout ratio. With its strong balance sheet, Orthex would be able to distribute more generous profits, but as the company is looking for acquisition targets, we understand the decision to strengthen the balance sheet.

At the end of the review period, the company's net debt was 16.6 MEUR and the net debt to adjusted EBITDA ratio was 1.1x (1.4x), with a target level of below 2.5x. The company's strong balance sheet creates the conditions to execute a moderately sized M&A transaction or a larger organic growth investment to bring production capacity closer to strategically important European growth markets.

Estimates MEUR / EUR	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Consensus Low - High	Difference (%) Act. vs. inderes	Toteutunut 2025
Revenue	23.9	22.3	24.3	24.7	24.3 - 25.2	-8%	87.2
Gross margin	6.8	6.7	6.9	7.3	- - -	-2%	25.0
EBIT (adj.)	2.7	3.0	2.9	-	- - -	5%	9.8
EBIT	2.7	3.0	2.9	3.1	2.9 - 3.5	5%	9.8
EPS (reported)	0.10	0.12	0.11	0.12	0.11 - 0.14	9%	0.38
DPS	0.22	0.23	0.24	0.23	0.22 - 0.24	-4%	0.23
Revenue growth-%	2.0 %	-6.6 %	1.8 %	3.4 %	1.7 % - 5.5 %	-8.4 pp	-2.8 %
EBIT-% (adj.)	11.4 %	13.5 %	11.8 %		-	1.7 pp	11.2 %

Source: Inderes & Bloomberg, 3 analysts (consensus)

Orthex Q4'25: Good profitability despite top-line decrease (in Finnish)

Growth forecasts down due to Q4 disappointment

Success in the European export markets determines the growth story

True to form, Orthex did not provide guidance for the current year. However, the company described its industry outlook as "cautiously positive." According to the company, future growth will be supported by targeted consumer campaigns, disciplined cost management, and stable raw material prices. However, geopolitical tensions are causing disruptions to global supply chains and are contributing to the overall economic situation, consumer purchasing power, and behavior. Orthex's Q4 revenue development was disappointing, leading us to lower our growth forecasts for the coming years. Nevertheless, we still expect the company's revenue to return to growth this year, increasing by 4% from the previous year, which is below the company's 5% growth target. Historically, management's comments on the timing of campaigns and deliveries have been accurate, so we do not place too much emphasis on the weak Q4 performance. However, we believe it is critical that after the disappointments of recent years, the company earns back market confidence in its European growth story through its actions.

The price development of plastic raw materials is now very difficult to predict

Orthex uses oil-based raw materials in its production, the price of which typically correlates with the price of oil with a delay. Due to the escalating situation in the Middle East, oil futures prices have recently risen by over 20%, which, if the situation continues, could also lead to delayed increases in contract prices for Orthex's key raw materials. We have slightly lowered the gross margin in our Q2 and Q3 forecasts in connection with the update, but we are not yet modeling a significant price spike. Orthex weathered the significant cost inflation peak of 2022 with minimal damage (EBIT margin declined to 6%). Overall, the company's strong balance sheet makes it more resilient than many competitors and could open up interesting M&A opportunities. In any case, a larger wave of cost inflation would put downward pressure on our forecasts and make it more difficult to advance the growth strategy.

Estimate revisions MEUR / EUR	2025e Inderes	Toteutunut Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	89.2	87.2	-2%	93.7	90.3	-4%	98.2	95.1	-3%
EBITDA	14.5	14.7	1%	15.7	15.2	-3%	16.5	16.0	-3%
EBIT (exc. NRIs)	9.7	9.8	1%	11.1	10.2	-8%	11.9	11.3	-5%
EBIT	9.7	9.8	1%	11.1	10.2	-8%	11.9	11.3	-5%
PTP	8.3	8.6	3%	9.6	8.9	-7%	10.6	10.0	-5%
EPS (excl. NRIs)	0.37	0.38	3%	0.43	0.40	-7%	0.47	0.45	-5%
DPS	0.24	0.23	-4%	0.28	0.25	-11%	0.30	0.28	-7%

Source: Inderes

Orthex, Webcast, Q4'25

Valuation supports patience

The multiples appear low

Based on the realized 2025 figures, Orthex's earnings-based valuation is at P/E 12x and EV/EBIT 10x, which we consider a low level given the weak consumption in the Nordic countries. Based on our updated estimates, adjusted P/E ratios for 2026 and 2027 are 12x and 10x, while the corresponding EV/EBIT ratios are 9x and 8x. The levels are low, although due to the increased uncertainty and volatile nature of raw material price developments, we consider it risky to rely on a single year's earnings level. Overall, the stock's valuation appears attractive to us, but achieving a high expected return requires a recovery in revenue growth. We have assumed that the company's gross margin will normalize roughly around the historical average of 29% in the coming years.

In our forecasts, Orthex's normalized EBIT margin over the cycle is around 12%. This is a good level compared to history, but significantly below the company's own targeted level. In our view, relying on Orthex’s targeted 18% EBITA margin is unwarranted at this stage of the investment story and with the current track record.

DCF model argues for upside

Our DCF model indicates a value of EUR 6.6 per share for Orthex. Our DCF model assumes an EBIT margin of around 11-12% and revenue growth of around 2-5%. We consider the assumptions realistic, but due to Orthex's short history as a listed company, its track record of cycle-normalized performance is still limited.

We suspect that bulking of the storage solution product group is a key risk for maintaining the company's longer-term profitability. However, in our view, the desire (and pressure) of retailers to move their supply chains closer to their customers is one factor limiting the intensification of competition.

The consolidator is also a potential takeover target

In connection with the IPO, Orthex stated that the plastic industry is suitable for consolidation and it intends to actively monitor the acquisition targets. So far, M&A transactions have remained at the level of talk in the public investment case. However, the company has experience in M&A, and the management was involved in acquiring and integrating Sveico and Hammarplast into Orthex in the early 2010s. The growing balance sheet provides the company with more leeway, and we estimate that with debt financing alone, the company would have firepower worth nearly 30 MEUR for M&A.

However, at current valuation levels, we believe Orthex itself could be an attractive target for an industrial buyer. With our 2025-2026 EBIT estimates, Orthex is priced at a discount of over 20% compared to its peers. In our view, the discount pricing relative to peers provides limited support for the valuation given the risk of prolonged growth challenges.

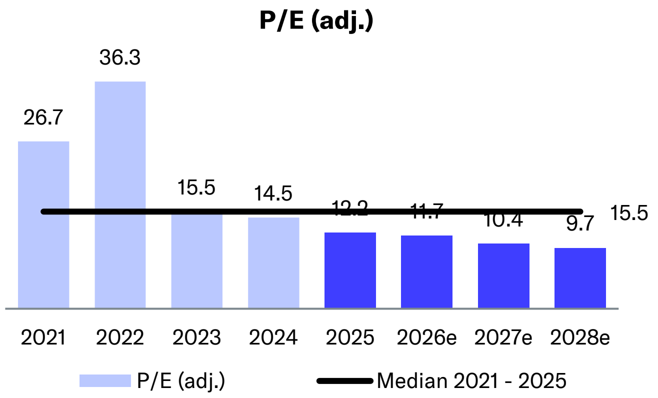
Valuation	2026e	2027e	2028e
Share price	4.66	4.66	4.66
Number of shares, millions	17.8	17.8	17.8
Market cap	83	83	83
EV	95	93	90
P/E (adj.)	11.7	10.4	9.7
P/E	11.7	10.4	9.7
P/B	1.9	1.8	1.6
P/S	0.9	0.9	0.8
EV/Sales	1.1	1.0	0.9
EV/EBITDA	6.3	5.8	5.5
EV/EBIT (adj.)	9.3	8.2	7.7
Payout ratio (%)	62.6 %	62.5 %	62.5 %
Dividend yield-%	5.4 %	6.0 %	6.4 %

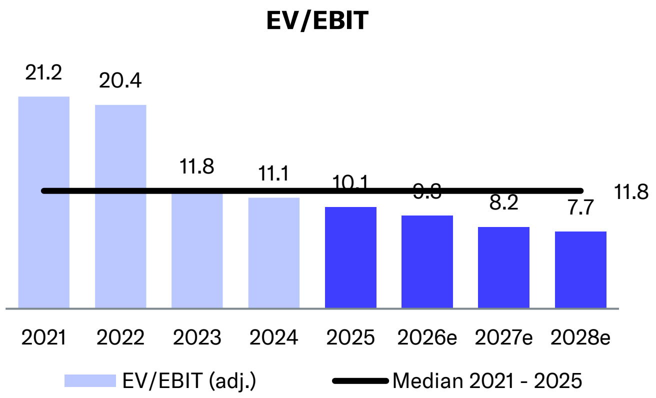
Source: Inderes

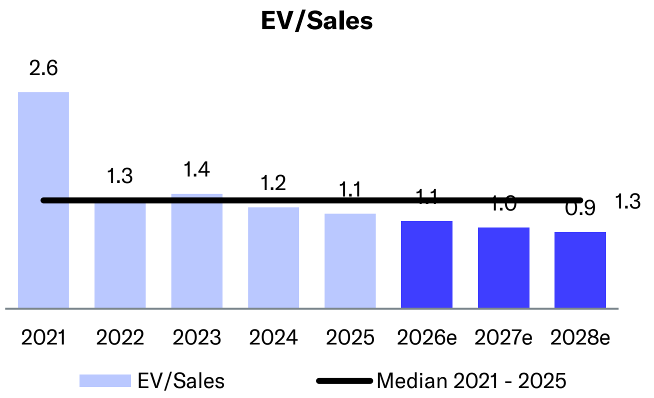
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.5	4.68	5.40	5.00	4.65	**4.66**	**4.66**	**4.66**	**4.66**
Number of shares, millions	17.8	17.8	17.8	17.8	17.8	**17.8**	**17.8**	**17.8**	**17.8**
Market cap	204	83	96	89	83	**83**	**83**	**83**	**83**
EV	230	109	118	109	99	**95**	**93**	**90**	**87**
P/E (adj.)	26.7	36.3	15.5	14.5	12.2	**11.7**	**10.4**	**9.7**	**9.3**
P/E	33.8	39.2	13.9	14.5	12.2	**11.7**	**10.4**	**9.7**	**9.3**
P/B	6.4	2.8	2.8	2.5	2.0	**1.9**	**1.8**	**1.6**	**1.5**
P/S	2.3	1.0	1.1	1.0	0.9	**0.9**	**0.9**	**0.8**	**0.8**
EV/Sales	2.6	1.3	1.4	1.2	1.1	**1.1**	**1.0**	**0.9**	**0.9**
EV/EBITDA	17.4	11.8	7.9	7.7	6.8	**6.3**	**5.8**	**5.5**	**5.2**
EV/EBIT (adj.)	21.2	20.4	11.8	11.1	10.1	**9.3**	**8.2**	**7.7**	**7.2**
Payout ratio (%)	53.0 %	92.2 %	54.1 %	63.9 %	60.3 %	**62.6 %**	**62.5 %**	**62.5 %**	**63.8 %**
Dividend yield-%	1.6 %	2.4 %	3.9 %	4.4 %	4.9 %	**5.4 %**	**6.0 %**	**6.4 %**	**6.9 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Duni AB	420	617	11.3	9.6	7.4	6.6	0.9	0.8	12.4	10.4	5.9	6.3	1.3
Fiskars Oyj Abp	1019	1537	15.6	12.7	8.9	7.8	1.3	1.3	17.5	13.3	6.2	6.4	1.5
Harvia Oyj	669	728	16.2	14.2	13.7	12.2	3.3	3.1	20.5	17.7	2.3	2.6	4.5
Leifheit AG	137	109	7.7	6.6	4.6	4.2	0.5	0.4	15.0	12.6	7.3	8.1	1.5
Marimekko Oyj	442	435	12.5	11.3	9.7	9.0	2.2	2.1	16.2	14.8	4.8	4.7	5.2
Rapala VMC Corp	48	137	12.8	10.3	6.4	5.6	0.6	0.6	41.0	12.3		2.4	0.4
Thule Group AB	2187	2566	14.8	13.3	12.4	11.2	2.6	2.4	18.0	16.0	4.3	4.8	3.0
Nokian Tyres plc	1411	2075	18.6	13.0	8.0	6.6	1.4	1.3	22.2	13.2	2.9	3.7	1.1
Assa Abloy AB	38986	44986	18.3	16.8	15.1	13.9	3.1	2.9	23.6	21.1	1.8	2.0	3.7
Newell Brands Inc	1635	5476	9.9	9.2	6.9	6.5	0.9	0.9	8.0	6.7	6.3	6.3	0.8
DOMETIC Group	1070	2159	10.3	10.8	7.0	6.6	1.1	1.1	9.2	7.5	4.0	4.8	0.5
Raisio Oyj	436	360	11.8	11.0	8.9	8.4	1.6	1.5	16.8	15.9	5.6	5.8	1.7
Husqvarna AB	2224	3203	11.0	9.5	5.6	5.2	0.8	0.7	13.1	10.6	3.3	4.1	1.0
Helen of Troy Ltd	334	1077	9.7	7.6	6.7	6.4	0.7	0.7	4.9	5.0			0.5
Orthex (Inderes)	**83**	**95**	**9.3**	**8.2**	**6.3**	**5.8**	**1.1**	**1.0**	**11.7**	**10.4**	**5.4**	**6.0**	**1.9**
Average			**12.9**	**11.1**	**8.7**	**7.9**	**1.5**	**1.4**	**17.0**	**12.6**	**4.6**	**4.8**	**1.9**
Median			**12.2**	**10.9**	**7.7**	**6.6**	**1.2**	**1.2**	**16.5**	**12.9**	**4.5**	**4.8**	**1.4**
Diff-% to median			**-24%**	**-25%**	**-18%**	**-12%**	**-14%**	**-16%**	**-29%**	**-19%**	**18%**	**25%**	**39%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**85.9**	**89.7**	**21.0**	**20.5**	**23.4**	**22.3**	**87.2**	**21.4**	**21.3**	**24.2**	**23.5**	**90.3**	**95.1**	**98.5**	**102**
Nordics	68.7	71.1	17.3	15.9	18.3	17.4	68.9	17.3	16.4	18.5	17.9	70.1	72.2	74.0	75.5
Rest of Europe	18.5	20.3	4.3	5.1	5.3	5.4	20.1	4.7	5.4	6.0	6.0	22.1	24.3	26.0	27.9
Rest of World	0.8	0.9	0.1	0.2	0.1	0.1	0.5	0.1	0.2	0.1	0.1	0.5	0.5	0.5	0.5
Discounts and refunds	-2.0	-2.6	-0.7	-0.7	-0.3	-0.6	-2.3	-0.8	-0.7	-0.4	-0.6	-2.4	-1.9	-2.0	-2.1
EBITDA	**14.9**	**14.3**	**2.9**	**2.9**	**4.5**	**4.3**	**14.7**	**3.2**	**2.9**	**4.8**	**4.3**	**15.2**	**16.0**	**16.3**	**16.7**
Depreciation	-4.1	-4.4	-1.2	-1.2	-1.2	-1.3	-4.9	-1.2	-1.2	-1.2	-1.2	-5.0	-4.7	-4.6	-4.6
EBIT (excl. NRI)	**10.0**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**1.9**	**1.6**	**3.5**	**3.1**	**10.2**	**11.3**	**11.7**	**12.1**
EBIT	**10.8**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**1.9**	**1.6**	**3.5**	**3.1**	**10.2**	**11.3**	**11.7**	**12.1**
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	0.0	0.0	0.0	0.0	0.0
Net financial items	-2.2	-2.1	-0.1	-0.6	-0.2	-0.3	-1.2	-0.3	-0.3	-0.3	-0.3	-1.3	-1.3	-1.0	-0.9
PTP	**8.5**	**7.8**	**1.6**	**1.2**	**3.1**	**2.7**	**8.6**	**1.6**	**1.3**	**3.2**	**2.8**	**8.9**	**10.0**	**10.7**	**11.2**
Taxes	-1.6	-1.7	-0.3	-0.3	-0.7	-0.6	-1.8	-0.3	-0.3	-0.7	-0.6	-1.8	-2.1	-2.2	-2.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**6.9**	**6.1**	**1.3**	**0.9**	**2.4**	**2.2**	**6.8**	**1.3**	**1.0**	**2.6**	**2.2**	**7.1**	**8.0**	**8.5**	**8.9**
EPS (adj.)	**0.35**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.07**	**0.06**	**0.14**	**0.12**	**0.40**	**0.45**	**0.48**	**0.50**
EPS (rep.)	**0.39**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.07**	**0.06**	**0.14**	**0.12**	**0.40**	**0.45**	**0.48**	**0.50**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	4.4 %	-4.7 %	-2.3 %	2.5 %	-6.6 %	-2.8 %	1.8 %	3.6 %	3.5 %	5.2 %	3.5 %	5.3 %	3.6 %	3.3 %
Adjusted EBIT growth-%	85.2 %	-2.1 %	-37.8 %	11.0 %	19.5 %	10.2 %	-0.5 %	13.2 %	-4.8 %	5.5 %	3.1 %	4.3 %	11.1 %	3.5 %	3.3 %
EBITDA-%	17.3 %	15.9 %	14.0 %	14.2 %	19.4 %	19.2 %	16.8 %	14.9 %	13.5 %	19.7 %	18.5 %	16.8 %	16.9 %	16.6 %	16.4 %
Adjusted EBIT-%	11.7 %	11.0 %	8.2 %	8.4 %	14.3 %	13.5 %	11.2 %	9.1 %	7.7 %	14.6 %	13.2 %	11.3 %	11.9 %	11.9 %	11.9 %
Net earnings-%	8.0 %	6.8 %	6.2 %	4.4 %	10.4 %	9.7 %	7.8 %	6.0 %	4.9 %	10.5 %	9.4 %	7.9 %	8.4 %	8.6 %	8.8 %

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	**44.6**	**46.4**	**44.2**	**43.8**	**43.7**
Goodwill	21.7	22.7	22.7	22.7	22.7
Intangible assets	0.0	0.0	0.2	0.2	0.2
Tangible assets	21.9	22.2	21.3	20.9	20.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	0.9	1.4	0.0	0.0	0.0
Current assets	**40.9**	**39.9**	**39.7**	**41.8**	**43.4**
Inventories	12.5	12.1	12.6	13.3	13.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.0	16.0	16.3	17.1	17.7
Cash and equivalents	10.5	11.8	10.8	11.4	11.8
Balance sheet total	**85.6**	**86.3**	**84.0**	**85.7**	**87.1**

Source: Inderes

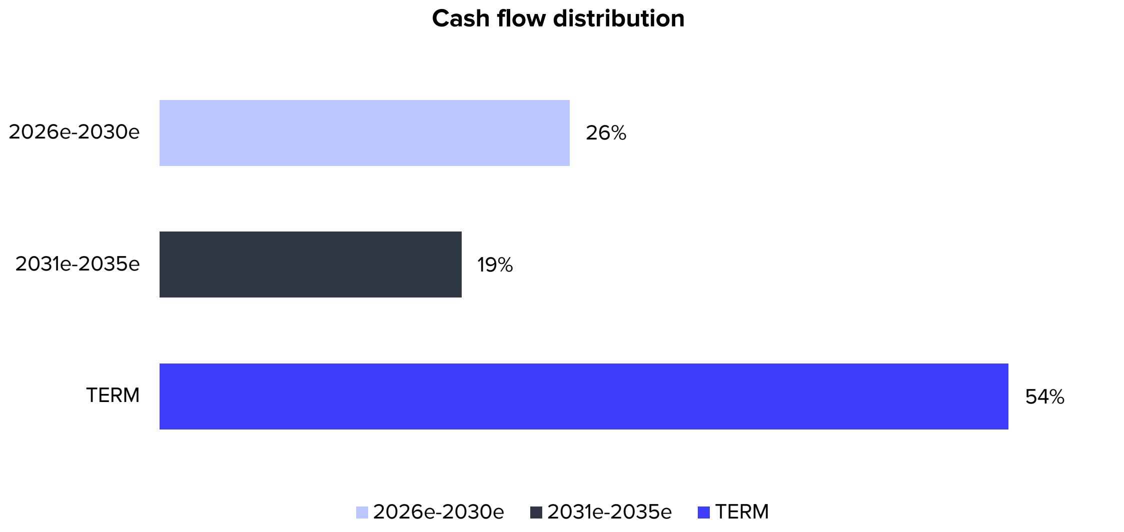
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**35.8**	**40.4**	**43.4**	**46.9**	**50.5**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	29.3	32.2	35.2	38.7	42.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.4	0.3	0.3	0.3	0.3
Other equity	7.9	7.9	7.9	7.9	7.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**27.1**	**24.3**	**21.4**	**19.9**	**18.3**
Deferred tax liabilities	0.8	0.7	0.7	0.7	0.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	26.3	23.5	20.7	19.2	17.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**22.6**	**21.7**	**19.2**	**18.9**	**18.3**
Interest bearing debt	4.5	4.9	2.3	2.1	2.0
Payables	17.4	15.2	15.4	15.2	14.8
Other current liabilities	0.8	1.6	1.6	1.6	1.6
Balance sheet total	**85.6**	**86.3**	**84.0**	**85.7**	**87.1**

DCF calculation

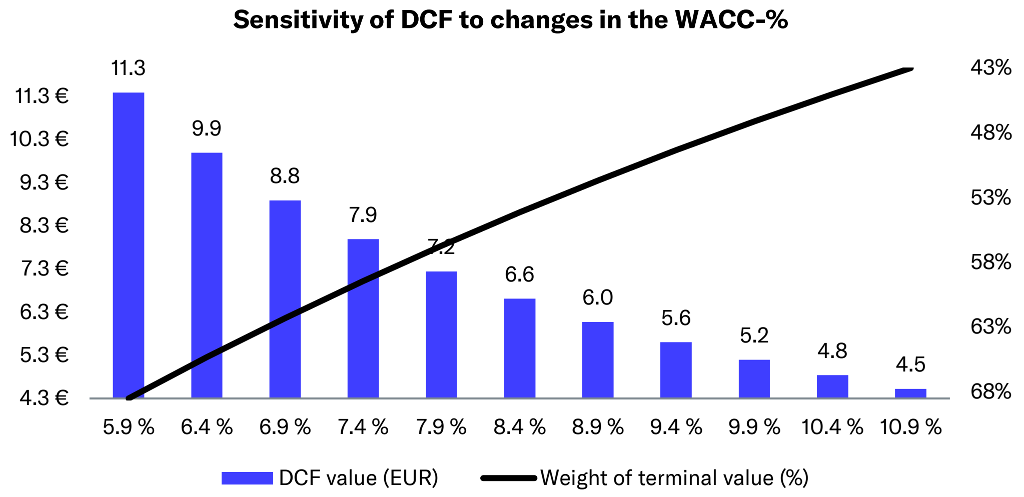
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.8 %	3.5 %	5.3 %	3.6 %	3.3 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	11.2 %	11.3 %	11.9 %	11.9 %	11.9 %	12.0 %	12.0 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	**9.8**	**10.2**	**11.3**	**11.7**	**12.1**	**12.6**	**12.9**	**12.6**	**12.9**	**13.1**	**13.4**	
+ Depreciation	4.9	5.0	4.7	4.6	4.6	4.6	4.6	4.7	4.7	4.8	4.9	
- Paid taxes	-2.4	-0.4	-2.1	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.6	-2.7	
- Tax, financial expenses	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	1.0	-0.7	-1.7	-1.5	-0.6	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	
Operating cash flow	**13.0**	**13.8**	**12.0**	**12.4**	**13.7**	**14.1**	**14.4**	**14.3**	**14.6**	**14.8**	**15.1**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-6.1	-4.2	-4.3	-4.5	-4.6	-4.7	-4.9	-5.0	-5.1	-5.2	-5.2	
Free operating cash flow	**6.8**	**9.6**	**7.7**	**7.9**	**9.0**	**9.3**	**9.6**	**9.4**	**9.5**	**9.7**	**10.0**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.8	9.6	7.7	7.9	9.0	9.3	9.6	9.4	9.5	9.7	10.0	160
Discounted FCFF		**9.0**	**6.7**	**6.3**	**6.7**	**6.3**	**6.0**	**5.4**	**5.1**	**4.8**	**4.5**	**72.4**
Sum of FCFF present value		133	124	118	111	105	98.2	92.2	86.8	81.7	77.0	72.4
Enterprise value DCF		**133**										
- Interest bearing debt		-28.5										
+ Cash and cash equivalents		11.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**117**										
Equity value DCF per share		**6.6**										

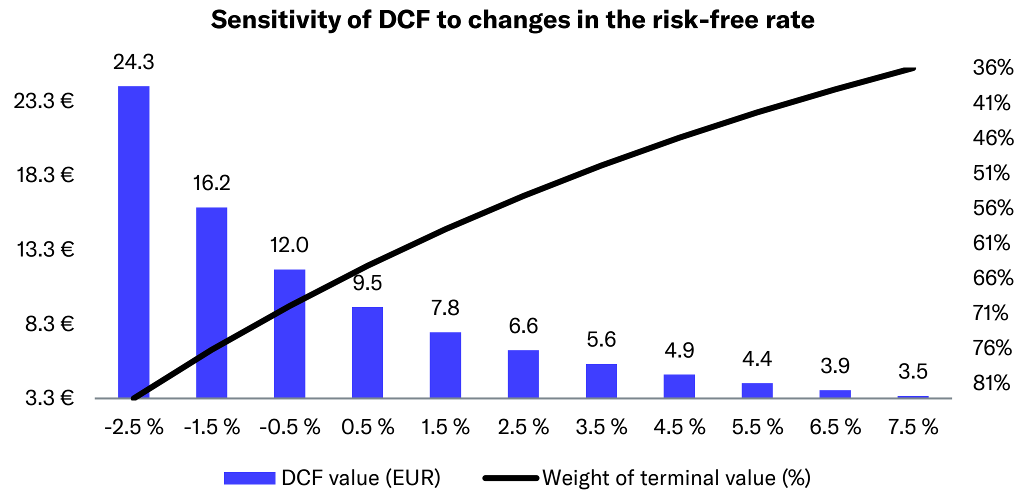
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.5 %
Equity Beta	1.10
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**8.7 %**
Weighted average cost of capital (WACC)	**8.4 %**

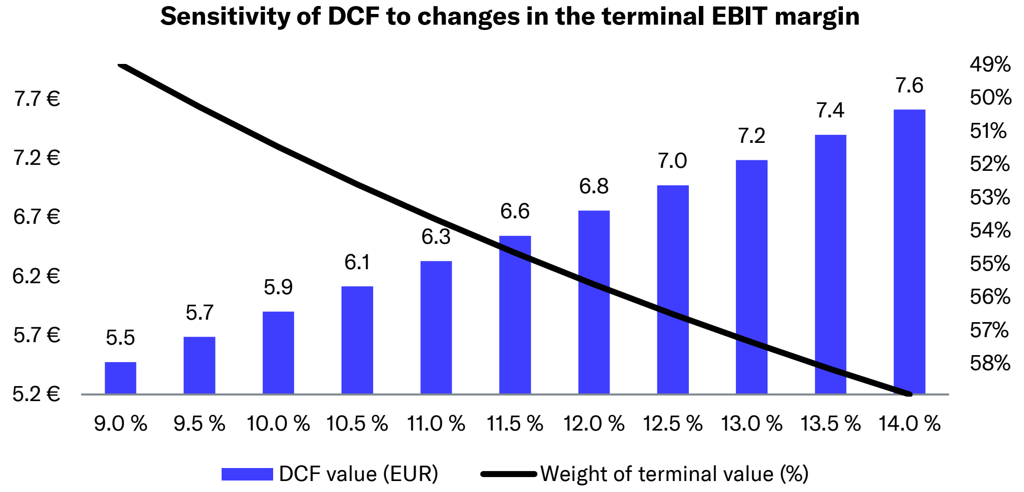
Source: Inderes

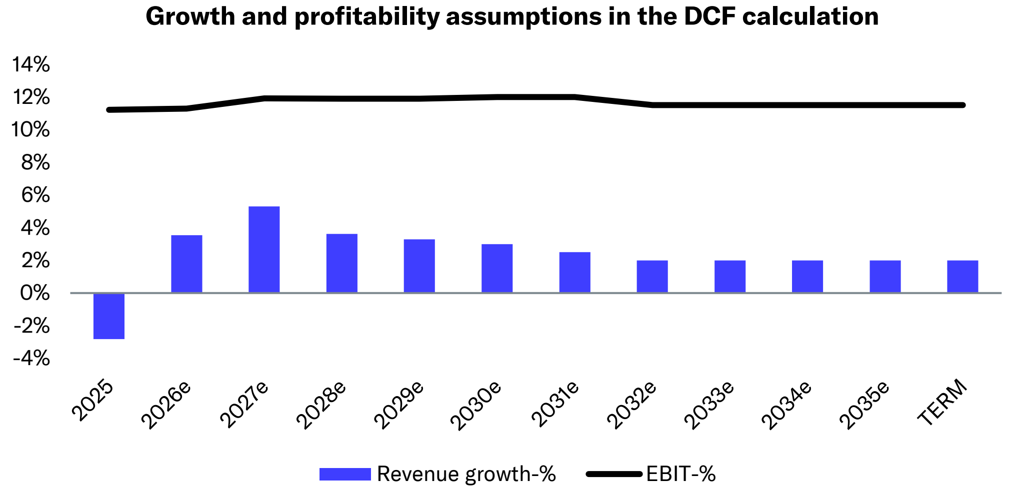


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	85.9	89.7	87.2	**90.3**	**95.1**
EBITDA	14.9	14.3	14.7	**15.2**	**16.0**
EBIT	10.8	9.8	9.8	**10.2**	**11.3**
PTP	8.5	7.8	8.6	**8.9**	**10.0**
Net Income	6.9	6.1	6.8	**7.1**	**8.0**
Extraordinary items	0.7	0.0	0.0	**0.0**	**0.0**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.39	0.34	0.38	**0.40**	**0.45**
EPS (adj.)	0.35	0.34	0.38	**0.40**	**0.45**
OCF / share	0.68	0.74	0.73	**0.78**	**0.68**
OFCF / share	0.43	0.47	0.39	**0.54**	**0.44**
Book value / share	1.94	2.02	2.27	**2.44**	**2.64**
Dividend / share	0.21	0.22	0.23	**0.25**	**0.28**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	85.6	85.6	86.3	**84.0**	**85.7**
Equity capital	34.4	35.8	40.4	**43.4**	**46.9**
Goodwill	22.3	21.7	22.7	**22.7**	**22.7**
Net debt	22.3	20.3	16.6	**12.1**	**9.9**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	2%	4%	-3%	**4%**	**5%**
EBITDA growth-%	61%	-4%	3%	**3%**	**6%**
EBIT (adj.) growth-%	87%	-2%	-1%	**4%**	**11%**
EPS (adj.) growth-%	170%	-1%	11%	**5%**	**12%**
EBITDA-%	17.3 %	15.9 %	16.8 %	**16.8 %**	**16.9 %**
EBIT (adj.)-%	11.7 %	11.0 %	11.2 %	**11.3 %**	**11.9 %**
EBIT-%	12.5 %	11.0 %	11.2 %	**11.3 %**	**11.9 %**
ROE-%	21.5 %	17.4 %	17.8 %	**16.9 %**	**17.6 %**
ROI-%	16.0 %	14.6 %	14.5 %	**15.1 %**	**16.9 %**
Equity ratio	40.3 %	41.9 %	46.8 %	**51.7 %**	**54.7 %**
Gearing	64.8 %	56.8 %	41.2 %	**27.9 %**	**21.1 %**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	14.9	14.3	14.7	**15.2**	**16.0**
Change in working capital	-0.8	1.2	1.0	**-0.7**	**-1.7**
Operating cash flow	12.1	13.2	13.0	**13.8**	**12.0**
CAPEX	-4.4	-4.8	-6.1	**-4.2**	**-4.3**
Free cash flow	7.7	8.4	6.8	**9.6**	**7.7**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.4	1.2	1.1	**1.1**	**1.0**
EV/EBITDA	7.9	7.7	6.8	**6.3**	**5.8**
EV/EBIT (adj.)	11.8	11.1	10.1	**9.3**	**8.2**
P/E (adj.)	15.5	14.5	12.2	**11.7**	**10.4**
P/B	2.8	2.5	2.0	**1.9**	**1.8**
Dividend-%	3.9 %	4.4 %	4.9 %	**5.4 %**	**6.0 %**

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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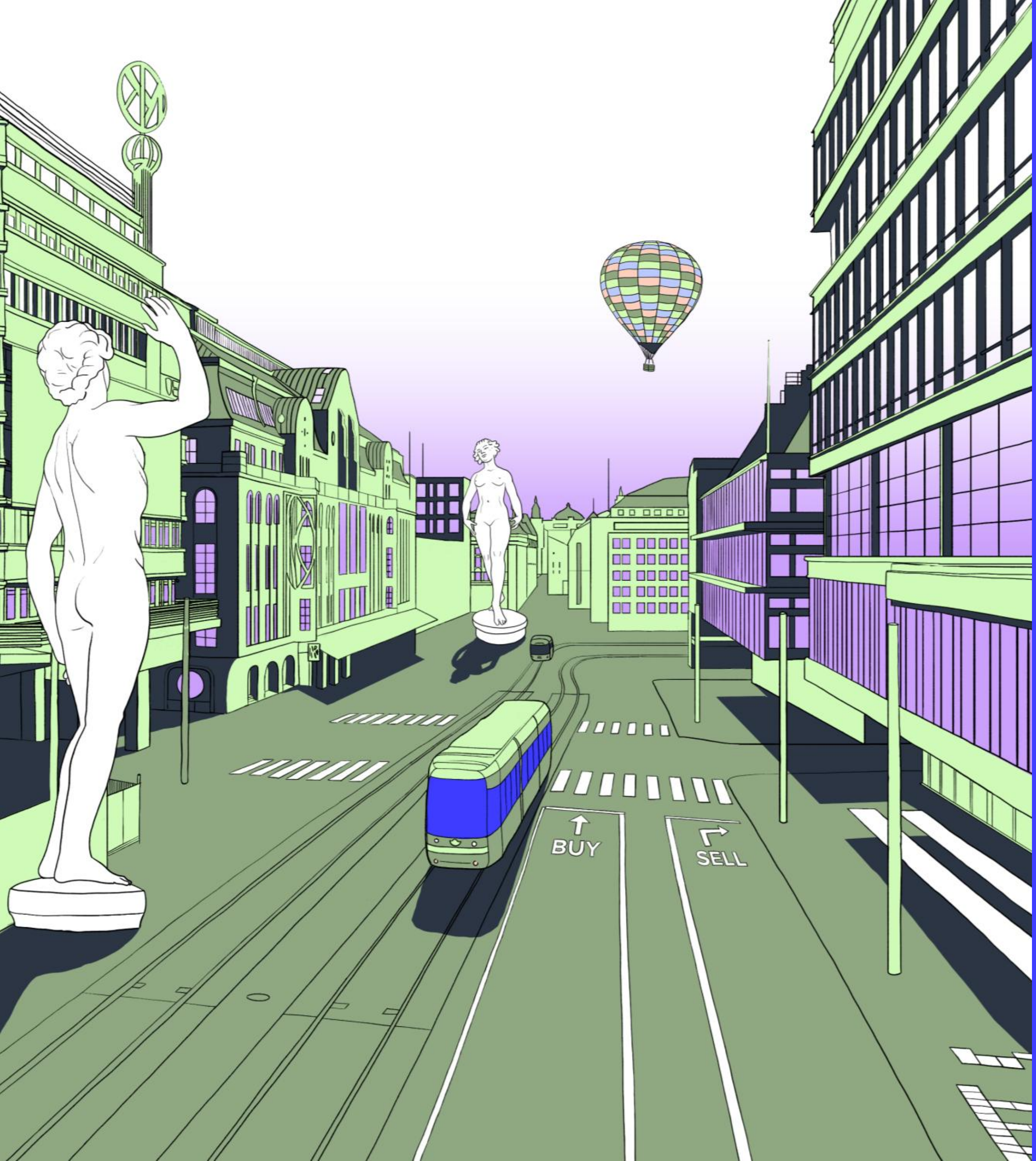
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/26/2021	Accumulate	8.50 €	7.42 €
5/12/2021	Accumulate	11.00 €	10.15 €
8/26/2021	Accumulate	13.00 €	11.48 €
9/20/2021	Buy	13.00 €	10.50 €
11/11/2021	Accumulate	12.50 €	11.63 €
Analyst changed			
1/13/2022	Accumulate	11.50 €	10.44 €
3/10/2022	Accumulate	8.00 €	7.14 €
5/11/2022	Reduce	7.00 €	6.68 €
8/26/2022	Reduce	5.00 €	5.42 €
10/11/2022	Accumulate	4.40 €	3.93 €
11/14/2022	Accumulate	5.80 €	5.27 €
3/9/2023	Accumulate	5.60 €	5.05 €
5/18/2023	Accumulate	5.60 €	4.99 €
8/25/2023	Accumulate	5.40 €	4.64 €
11/8/2023	Buy	6.00 €	4.95 €
3/6/2024	Accumulate	7.00 €	6.39 €
3/22/2024	Accumulate	7.00 €	6.26 €
5/16/2024	Accumulate	7.20 €	6.74 €
8/23/2024	Accumulate	7.00 €	6.34 €
11/17/2024	Buy	6.50 €	5.54 €
2/26/2025	Accumulate	6.00 €	5.22 €
3/13/2025	Accumulate	6.00 €	5.24 €
5/16/2025	Accumulate	5.50 €	4.87 €
8/22/2025	Accumulate	5.50 €	4.82 €
11/14/2025	Accumulate	5.50 €	4.97 €
3/6/2026	Accumulate	5.30 €	4.66 €



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