LEMONSOFT

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

AI fears seem overblown

We raise our recommendation for Lemonsoft to Buy (was Accumulate) and revise our target price to EUR 6.5 (was EUR 7.1) The company's Q4 earnings were in line with our expectations, and the outlook for this year anticipates continued earnings growth, as we expected. In our view, the sell-off in SaaS companies and AI fears have pushed Lemonsoft's valuation (2026e EV/EBIT 11x) to an attractive level. We currently consider the AI threat of ERP providers for SMEs to be quite low, and, thus, we see the current panic as an entry point.

Q4 earnings met our expectations

Lemonsoft's Q4 revenue decreased by 3.5% to 7.4 MEUR, which slightly exceeded our estimate of 7.2 MEUR. SaaS revenue, which is most important for strategy and value creation, (Q4'25: 5.6 MEUR) grew by 2% when we expected stable development. Transaction income (Q4'25: 0.75 MEUR, -12 %) and consulting revenue (Q4'25: 1.1 MEUR, -20%) decreased slightly less than we expected. Adjusted EBIT was 1.5 MEUR in Q4 (Q4'24: 1.5 MEUR), and fully met our expectations. Due to cost savings, the adjusted EBIT margin (20.6%) improved slightly year-on-year (19.6%) despite the decline in revenue Lemonsoft's cash flow from operating activities (Q4'25: 3.1 MEUR) was strong and full-year free cash flow (7.4 MEUR) was excellent.

No surprises in the 2026 outlook

Lemonsoft is guiding for revenue growth of 5-13% for this year, and for adjusted EBIT to be 23-29% of revenue. According to the company, the market situation remains uncertain, but small signs of recovery are already visible. We estimate that the Jakamo acquisition will bring around 6% inorganic growth this year. Overall, the outlook was largely in line with our expectations. We added the acquisition to our estimates and, at the same time, slightly revised our organic earnings growth expectations downwards. Overall, revenue estimates for the next few years rose by 7%, and earnings estimates (+-2%)

remained almost unchanged. We now estimate 7% revenue growth and an adjusted EBIT of 26.6% for this year.

The threat of AI currently seems overblown

We are not particularly concerned about the threats posed by AI to Lemonsoft at the moment, as the SaaS transformation in the SME ERP market has taken a very long time. Existing SaaS providers can also leverage new AI tools to develop new value-added features based on customer data. At best, this can only improve customer retention. Entering the SME ERP market is also expensive for new players, as the average billing per customer is quite low, while sales cycles can be relatively long and require significant investment. Lemonsoft stated in its earnings call that competition will certainly intensify at some point due to AI, but no new players are yet visible in the market. There is also a risk of price pressure in the long run. This can be partly addressed by significantly accelerating product development cycles, allowing new value-adding features to be delivered to customers faster than before.

Valuation has fallen to a low level

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 11x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If the market starts to pick up and the earnings growth that we forecast materializes, the valuation looks very low for the coming years (2027e-2028e EV/EBIT 9.6x-8.5x). A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS stocks. If the company can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation will return to a higher level than at present.

Recommendation
Buy
(was Accumulate)

Target price:
EUR 6.50
(was EUR 7.10)

Share price:
EUR 5.04

Business risk

Valuation risk

|	2025	2026e	2027e	2028e
Revenue	29.5	31.5	33.4	35.0
growth-%	2%	7%	6%	5%
EBIT adj.	6.9	8.4	9.5	10.3
EBIT-% adj.	23.6 %	26.6 %	28.4 %	29.3 %
Net Income	4.5	5.4	6.5	7.1
EPS (adj.)	0.24	0.36	0.42	0.46
P/E (adj.)	25.0	14.0	11.9	11.0
P/B	3.3	3.7	2.8	2.5
Dividend yield-%	2.3 %	2.8 %	3.0 %	3.2 %
EV/EBIT (adj.)	16.3	11.2	9.5	8.3
EV/EBITDA	12.2	10.2	8.9	7.9
EV/S	3.9	3.0	2.7	2.4

Source: Inderes
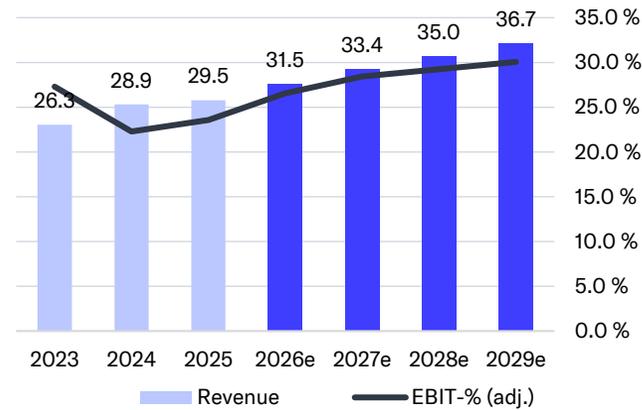
Guidance   (New guidance)

"Lemonsoft estimates that the net sales for the financial year 2026 will increase by 5-13% and that adjusted EBIT will be 23-29% of net sales."
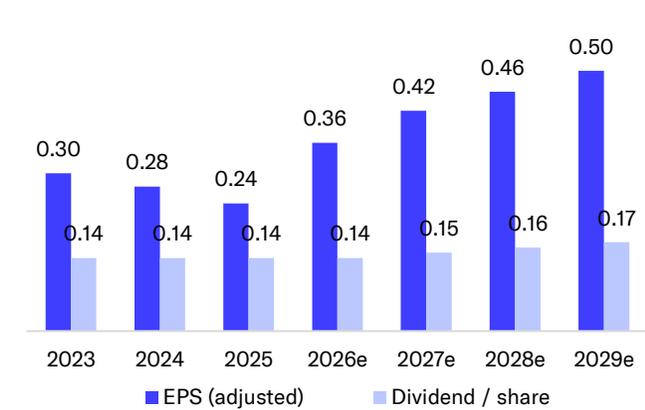
Share price
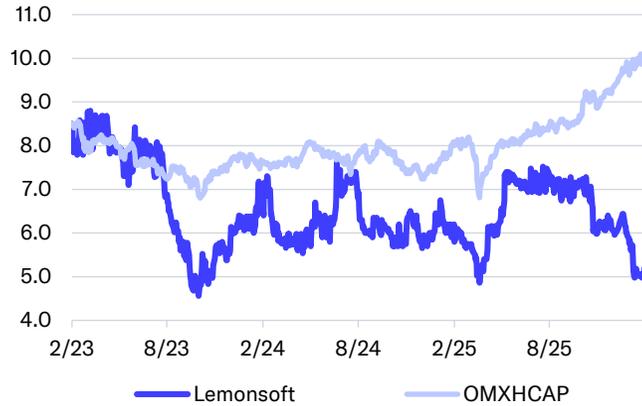
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)

Source: Inderes

EPS and dividend

Source: Inderes

Value drivers

o Growth in current industries by expanding within existing customers and acquiring new customers

o Accelerating growth and value creation through M&A

o Profitability scaling potential with growth

o High customer retention (system is business-critical for customers)

Risk factors

o Weak economic environment creates uncertainty over the organic revenue growth outlook

o Acquisitions and their integration

o Excessive diversification of the product portfolio and loss of focus

o Tightening competition

o Technology and cybersecurity risks

Valuation	2026e	2027e	2028e
Share price	5.04	5.04	5.04
Number of shares, millions	17.8	17.8	17.8
Market cap	90	90	90
EV	94	90	85
P/E (adj.)	14.0	11.9	11.0
P/E	16.7	13.9	12.6
P/B	3.7	2.8	2.5
P/S	2.8	2.7	2.6
EV/Sales	3.0	2.7	2.4
EV/EBITDA	10.2	8.9	7.9
EV/EBIT (adj.)	11.2	9.5	8.3
Payout ratio (%)	46.3 %	41.3 %	40.0 %
Dividend yield-%	2.8 %	3.0 %	3.2 %

Source: Inderes

Q4 results in line with our expectations 1/2

Revenue declined slightly less than we expected

Lemonsoft's Q4 revenue decreased by 3.5% to 7.4 MEUR, which slightly exceeded our estimate of 7.2 MEUR. SaaS revenue, which is most important for strategy and value creation (Q4'25: 5.6 MEUR) grew by 2% when we expected stable development.

Transaction income (Q4'25: 0.75 MEUR, -12%) decreased roughly in line with our expectations due to reduced invoice financing volumes. This was influenced by the payment difficulties of a single large Finvoicer customer in Q1, and the resulting decrease in volumes. Overall, recurring revenue (SaaS+transactions) development was positive at 0.1% for the quarter.

Consulting revenue (Q4'25: 1.1 MEUR, -20%) decreased slightly less than we expected in the quarter. The somewhat weak development is partly due to the limited number of implementation projects, as new sales were quite soft last year. Lemonsoft's strategy has also shifted more towards recurring revenue streams, which has already been reflected in the decrease in Consulting revenue.

According to Lemonsoft, sales improved in Q4 after a quiet summer season. The renewed sales organization and other measures are also slowly starting to move things in a better direction. Uncertainty has continued in the company's key customer sectors (industry and wholesale), but slight signs of improvement are already visible in the industrial sector.

Annual recurring revenue (ARR) was 22.3 MEUR at the end of Q4, indicating stable quarter-on-quarter development. For 2025, net revenue retention (NRR) improved slightly (98.2% vs. 97.6%). Customer churn (6.3% vs. 4.4%) was however elevated last year. According to the company, the most significant portion of the churn came from certain old products that are outside the current strategy, which focuses on industry and wholesale. According to the company, last year's significant revisions in the organization and technology platform resulted in surprisingly little customer churn. Regarding churn, the positive aspect was that its trend turned downwards during H2.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Toteutunut
Revenue	7.7	7.4	7.2		3%	29.5
EBIT (adj.)	1.5	1.5	1.5		-1%	6.9
EBIT	1.3	1.3	1.3		-2%	7.0
EPS (adj.)	0.07	0.07	0.07		8%	0.24
EPS (reported)	0.05	0.06	0.05		18%	0.25
DPS	0.14	0.14	0.14		0%	0.14
Revenue growth-%	3.2 %	-3.5 %	-6.1 %		2.7 pp	1.9 %
EBIT-% (adj.)	19.6 %	20.6 %	21.5 %		-0.9 pp	23.6 %

Source: Inderes

Q4 results in line with our expectations 2/2

Adjust EBIT was in line with our expectations

Adjusted EBIT was 1.5 MEUR in Q4 (Q4'24: 1.5 MEUR), and fully met our expectations. The adjusted EBIT margin (20.6%) improved slightly from the comparison period (19.6%) despite the decrease in revenue. This reflects the cost savings Lemonsoft made in Q2. The number of personnel at the end of Q4 was 193 (Q4'24: 228).

The technology platform transition continued to weigh on the gross margin in the latter part of the year (Q4'25: 82.6% vs. Q4'24: 86.1%), but the company believes the situation will gradually improve in the coming quarters. Overall, Lemonsoft's current cost structure provides a good foundation for earnings growth in the coming years, provided that sales efforts are successful.

Cash flow from business operations (Q4'25: 3.1 MEUR) was strong in the quarter considering the result. The full-year cash flow (8.5 MEUR) was also very strong, reflecting Finvoicer's decreased invoice financing volumes, which freed up capital According to our calculations, free cash flow last year was 7.4 MEUR, which corresponds to an excellent 107% conversion from adjusted EBIT. We believe this is already a clearly better level than Lemonsoft's "normalized" cash conversion. However, the company's cash flow has made a huge leap from its previously low level in the last two years, which is very positive.

Lemonsoft's Board of Directors proposes a dividend of EUR 0.14 per share, in line with our expectations. This corresponds to a payout ratio of around 55% of reported EPS.

Balance sheet is in good condition

The balance sheet is in good shape, with 4.0 MEUR net debt at the end of Q4. The net debt/EBITDA ratio for the last 12 months is therefore a low 0.4x. The company's cash assets were 6.6 MEUR at the end of Q4'24.

Lemonsoft recently announced the Jakamo acquisition, in which the company will acquire a 76% stake in the target for a purchase price of 3.9 MEUR. As a result, balance sheet indebtedness will increase somewhat in the short term. Dividend distribution (2.5 MEUR) also weakens the balance sheet in the short term. However, with continuing cash flow, the balance sheet will start to strengthen again towards the end of the year. Overall, the company is well-positioned to continue its M&A activity this year, thanks to its balance sheet.

Components of ARR growth
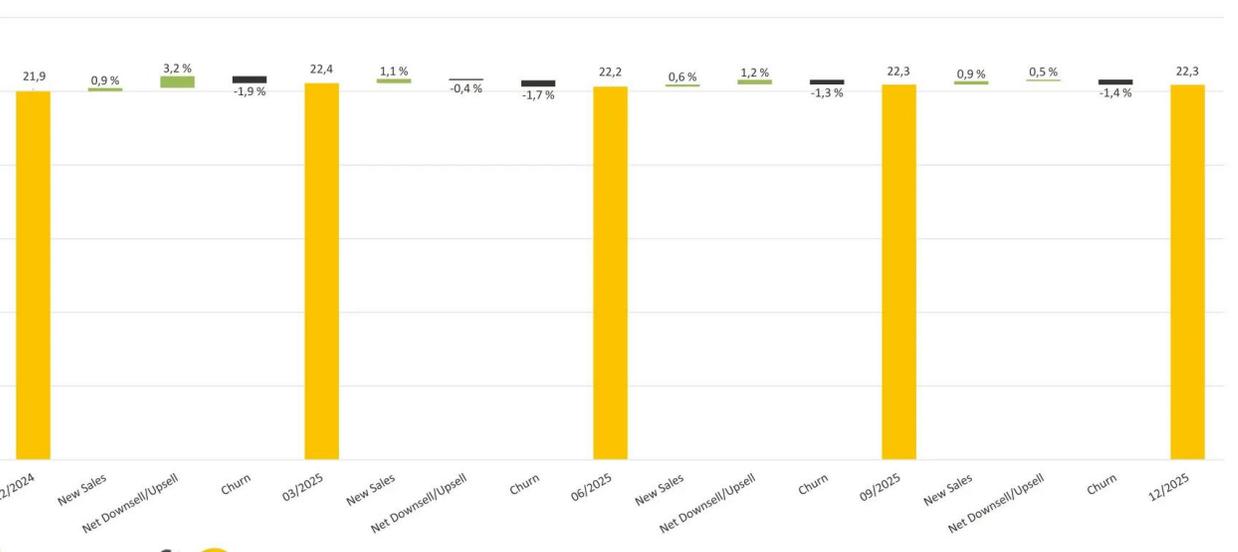
ARR development

Source: Lemonsoft
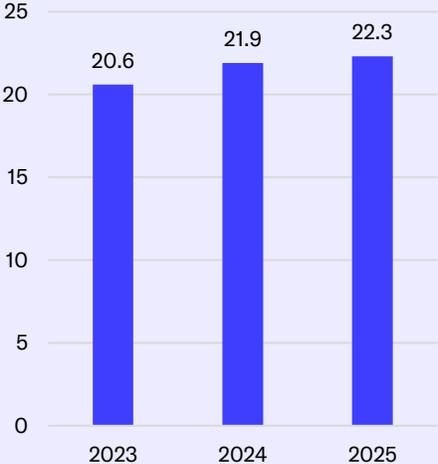
Development of key figures 1/2

Quarterly organic growth development
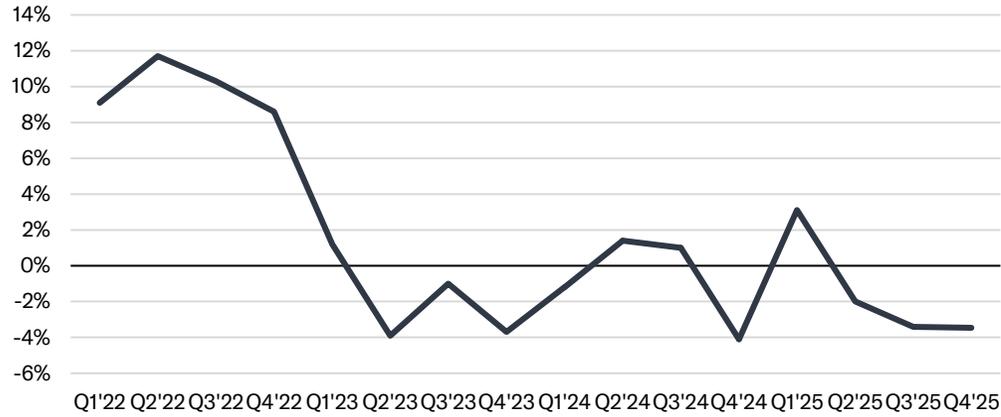
Quarterly gross margin development

— Gross margin
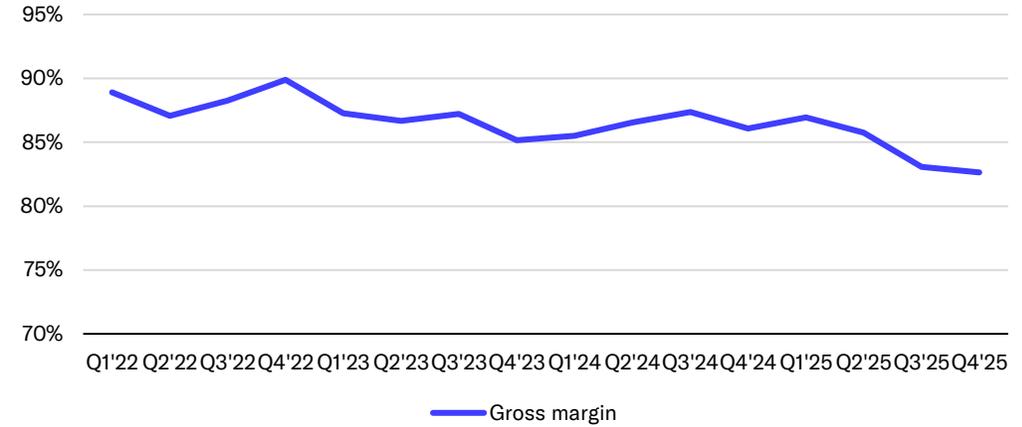
Quarterly revenue development (MEUR)

■ SaaS ■ Consulting and other ■ Transactions
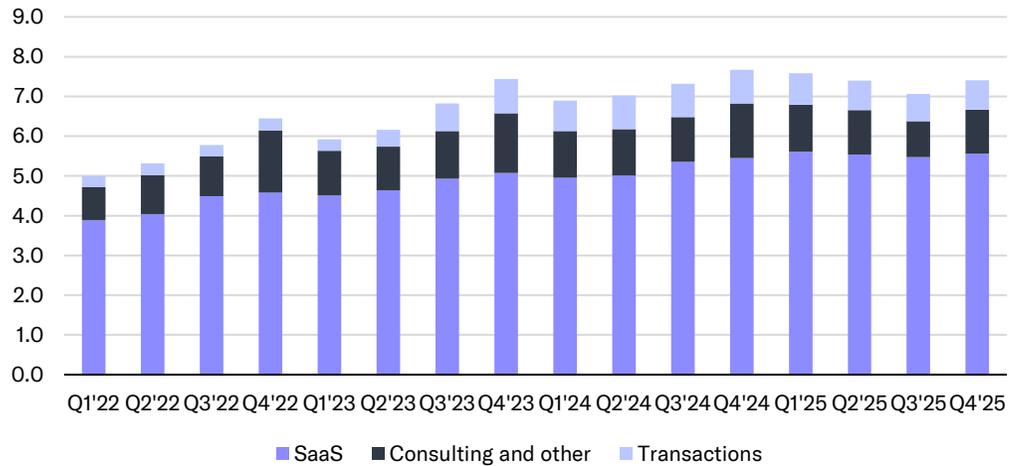
Quarterly profitability development

— EBIT-% (adj.) — EBITDA % (adj.)
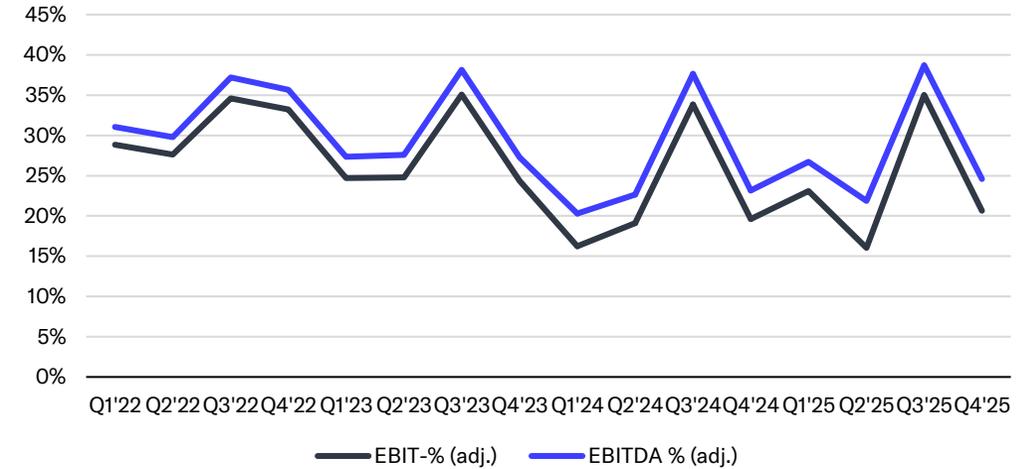
Development of key figures 2/2

Development of customer churn

- 2018: 3.4 %
- 2019: 2.3 %
- 2020: 3.4 %
- 2021: 3.1 %
- 2022: 3.5 %
- 2023: 5.4 %
- 2024: 4.4 %
- 2025: 6.3 %

Net revenue retention (NRR)

- 2020: 108%
- 2021: 108%
- 2022: 103%
- 2023: 101%
- 2024: 98%
- 2025: 98%

Cash flow development

Legend: EBIT (adj.), Cash flow from operating activities, Free cash flow, Cash flow conversion
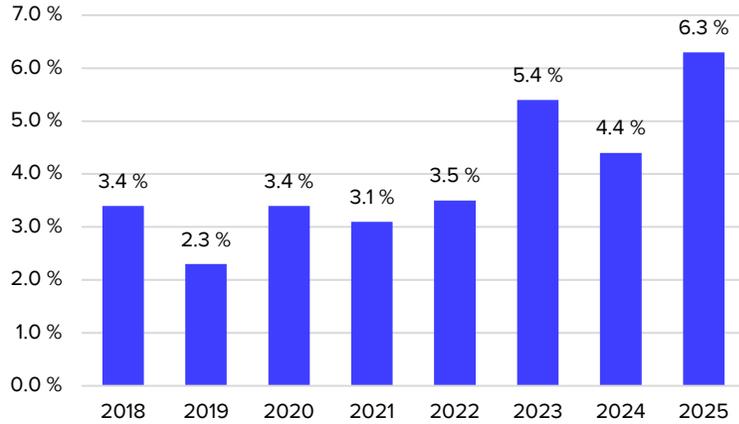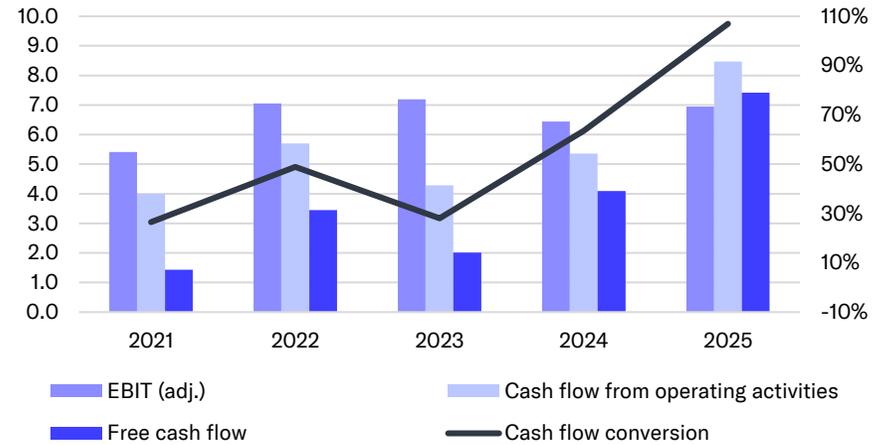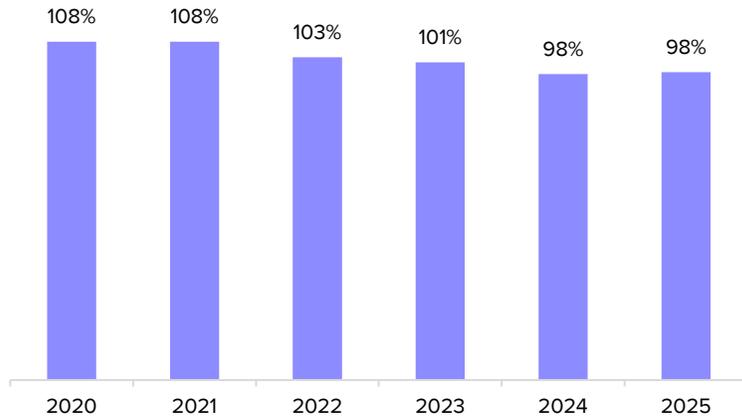
Revenue development (rolling 12 months)

Legend: SaaS, Consulting and other, Transactions, Growth-%
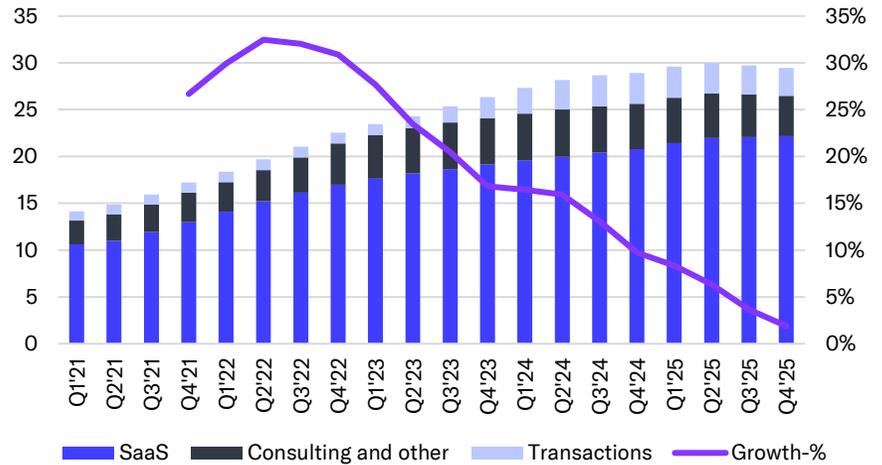
The Jakamo acquisition supports this year's growth outlook

No major surprises in the outlook

Lemonsoft is guiding for revenue growth of 5-13% for this year, and for adjusted EBIT to be 23-29% of revenue. We estimate that the Jakamo acquisition will contribute around 6 pp of inorganic growth this year, so the growth guidance was well in line with our previous estimate (+1%), which did not yet account for the recent acquisition. According to Lemonsoft, the market situation remains uncertain, but small signs of recovery are already visible in the company's customer industries. After last year's major changes, the company's organization is now ready to accelerate growth, and we believe that improved sales and reduced customer churn later in the year lay the groundwork for improved performance this year. Following the technology platform transition, the company can now accelerate the pace of product development and focus on developing features that add value for customers. According to the company, new AI tools have already improved the productivity of

product development, and the goal is to achieve significantly more benefits. We also expect the gross margin to gradually increase in the coming years as more normal daily routines are restored with the new platform.

No major changes in earnings estimates

We added the Jakamo acquisition to our estimates and, at the same time, slightly revised our organic earnings growth expectations downwards. Overall, revenue estimates for the next few years rose by 7%, and earnings estimates (+- 2%) remained almost unchanged.

We estimate Lemonsoft's revenue to grow by 7% this year, with organic growth of around 1%. In our estimates, growth is driven by SaaS revenue, while we expect Consulting revenue and transactions to develop fairly steadily. We estimate the adjusted EBIT margin to rise to 26.6%, which is around the midpoint of the guidance range.

In our forecast, last year's rather sluggish sales are reflected in Lemonsoft's slow organic growth in H1'26. We expect the situation to begin to improve slightly in H2'26, when we forecast 3.5-4.5% growth. The implemented cost savings and the elimination of technology platform transition costs that burdened last year's earnings support this year's earnings improvement at the adjusted EBIT level.

For 2027-2028, we estimate Lemonsoft's organic growth to pick up to 5% and adjusted EBIT to improve to 28-29%. We expect growth to come particularly from SaaS revenue and transactions, while Consulting continues its slight decline. Lemonsoft will very likely accelerate its growth in the coming years with new acquisitions, which the company is actively exploring.

Estimate revisions MEUR/EUR	2025 Inderes	2025 Realized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	29.3	29.5	1%	29.5	31.5	7%	30.9	33.4	8%
EBITDA	9.3	9.3	0%	9.3	9.2	-1%	10.1	10.1	0%
EBIT excluding NRIs	7.0	6.9	0%	8.5	8.4	-2%	9.3	9.5	2%
EBIT	7.1	7.0	0%	7.5	7.3	-3%	8.3	8.5	1%
Profit before tax	5.4	5.5	2%	7.1	6.8	-4%	8.0	8.1	0%
EPS (excl. NRIs)	0.23	0.24	5%	0.37	0.36	-3%	0.42	0.42	0%
Dividend per share	0.14	0.14	0%	0.15	0.14	-7%	0.16	0.15	-6%

Source: Inderes

Lemonsoft, Webcast, Q4'25

Valuation 1/2

Lemonsoft's investment profile includes factors that support its valuation

There are many factors in Lemonsoft's business model and investment profile that support a relatively high valuation for the share. The company has a good track record of profitable growth and, consequently, shareholder value creation. Thanks to the economies of scale, the company's profitability is already at a good level, but there is still potential for improvement. The cash flow profile of the business is also good, enabling a steady annual dividend stream and share repurchases, depending on how aggressively the company allocates its capital to acquisitions. In addition, Lemonsoft's long-term growth outlook remains good, and the overall risk profile is moderate. The company's business is mostly recurring, many of its solutions are business-critical for customers, and it offers a broad and competitive product portfolio for its target industries.

We currently consider the AI threat to be relatively low from the perspective of ERP providers for SMEs

Since 2023, Lemonsoft's organic growth rate has turned out modest, partly due to the weak market situation. However, to turn the situation around, the company must also improve its own operations, and with the new CEO, several corrective measures and revisions have now been implemented over the past year. In our view, weak organic growth has been one of the key reasons weighing on the acceptable valuation of the share, but the keys to accelerating momentum are in the company's hands. In addition, at some point, the market situation will also improve.

A challenge for Lemonsoft's short-term valuation is the sentiment for SaaS software companies, which has recently weakened significantly. In our view, investors' fears regarding the disruption and competitive threat posed by AI have already driven down the valuations of many software companies to very low levels. Globally decreased valuation levels inevitably weigh on Lemonsoft's acceptable valuation level, as there are currently plenty of moderately priced software companies available on the stock exchanges

We are not particularly concerned about the threats posed by AI for Lemonsoft at the moment, as the SaaS transformation in the SME ERP market has already taken a very long time, and some players still use traditional legacy systems. Existing SaaS providers can also leverage new AI tools to develop new value-added features based on customer data. At best, this can only improve customer retention. Entering the SME ERP market is also expensive for new players, as the average billing per customer is quite low, while sales cycles can be relatively long and require significant investment.

Lemonsoft stated in its earnings call that competition will certainly intensify at some point due to AI, but no new players are yet visible in the market. There is also a risk of price pressure in the long run. This can be partly addressed by significantly accelerating product development cycles, enabling the introduction of new value-adding features to customers. Regarding its ERP solution, the company did not seem particularly concerned about a potential disruption threat, but the risk is higher for certain financial administration add-on tools in the product portfolio.

Valuation	2026e	2027e	2028e
Share price	5.04	5.04	5.04
Number of shares, millions	17.8	17.8	17.8
Market cap	90	90	90
EV	94	90	85
P/E (adj.)	14.0	11.9	11.0
P/E	16.7	13.9	12.6
P/B	3.7	2.8	2.5
P/S	2.8	2.7	2.6
EV/Sales	3.0	2.7	2.4
EV/EBITDA	10.2	8.9	7.9
EV/EBIT (adj.)	11.2	9.5	8.3
Payout ratio (%)	46.3 %	41.3 %	40.0 %
Dividend yield-%	2.8 %	3.0 %	3.2 %

Source: Inderes

Valuation 2/2

Lemonsoft's valuation has fallen to a low level

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 11x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If the market starts to pick up and the earnings growth that we forecast materializes, the valuation looks very low for the coming years (2027e-2028e EV/EBIT 9.x-8.3x). Thus, the share has considerable potential from current levels if earnings growth continues. There is potential to accelerate earnings growth going forward through successful acquisitions. For 2026-2027, our target price corresponds to EV/EBIT ratios of around 14x-12x.

A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS shares. However, we currently consider AI fears to be exaggerated from the perspective of ERP providers for SMEs. If Lemonsoft can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation level will return to a higher level than at present.

Nordic SaaS companies are now on sale

Relative to its closest peers, Lemonsoft trades at roughly the same EV/EBIT multiples as Admicom (2026e-2027e: 11.4x-9.4x). With the sell-off in SaaS companies, Admicom's valuation has, in our view, fallen to a very attractive level. Admicom's organic growth profile is currently somewhat better than Lemonsoft's, which is a good thing to consider when comparing multiples. At the moment, we believe both companies are on sale.

The valuation of Norwegian Smartcraft has also plummeted recently. Now, even Smartcraft's multiples (18x-14x) appear moderate, although they are still at a clear premium compared to Finnish companies. The company's estimated earnings growth rate for the coming years is stronger than Lemonsoft's, which in itself justifies higher multiples for the company. Overall, the entire Nordic trio currently trades significantly below their historical levels.

EV/EBIT of Lemonsoft and nearest peers

	2026e	2027e
Lemonsoft	11.2	9.5
Smartcraft	18.4	14.0
Admicom	11.4	9.4

Revenue-based valuation compared to the peers

Peer group valuation relative to a combination of growth and profitability (Rule of 40)
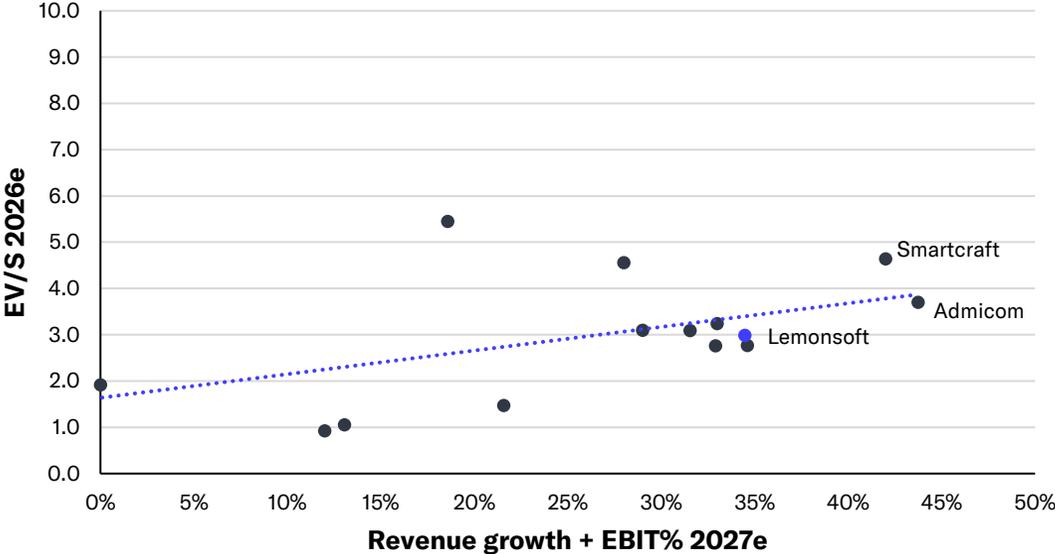
Peer group valuation relative to a combination of growth and profitability (Rule of X)
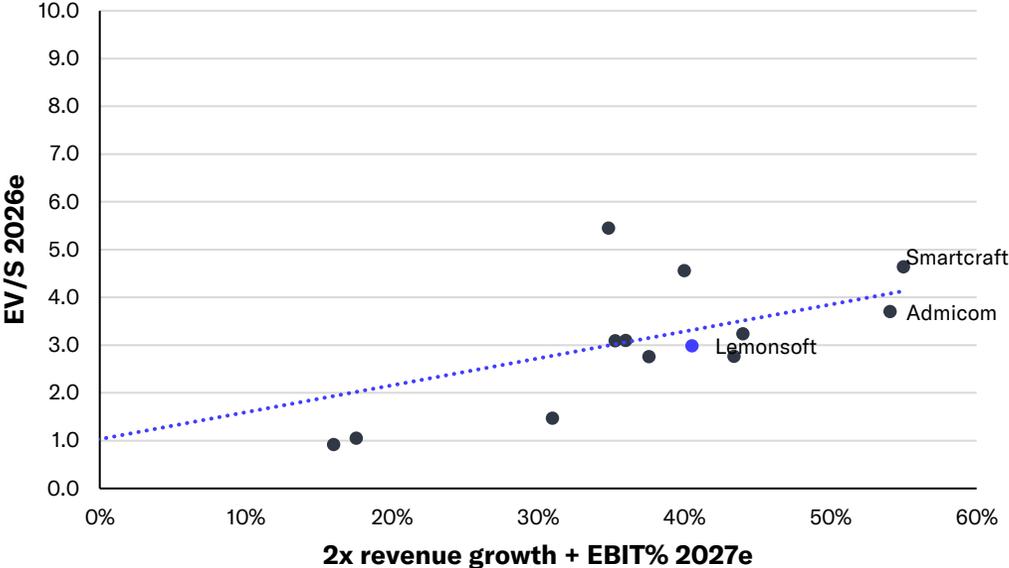
Key figures of Lemonsoft and peers

Revenue growth-%

Smartcraft, Lemonsoft, Admicom

EBITDA-% (adj.)

Smartcraft, Lemonsoft, Admicom

Organic revenue growth-%

Smartcraft, Lemonsoft, Admicom
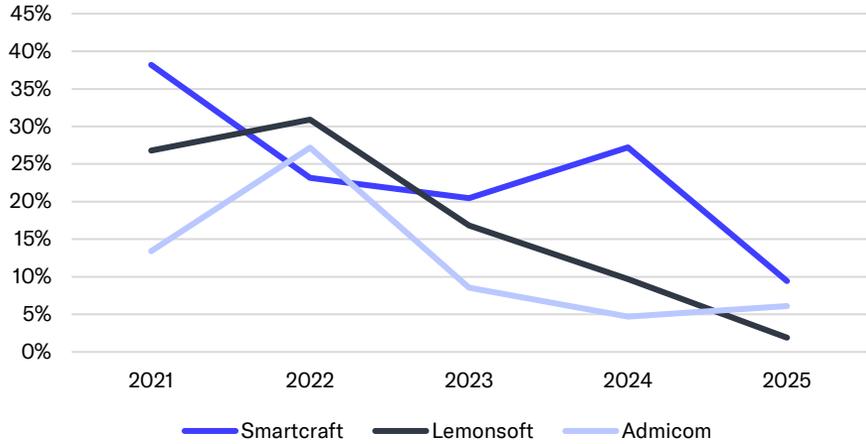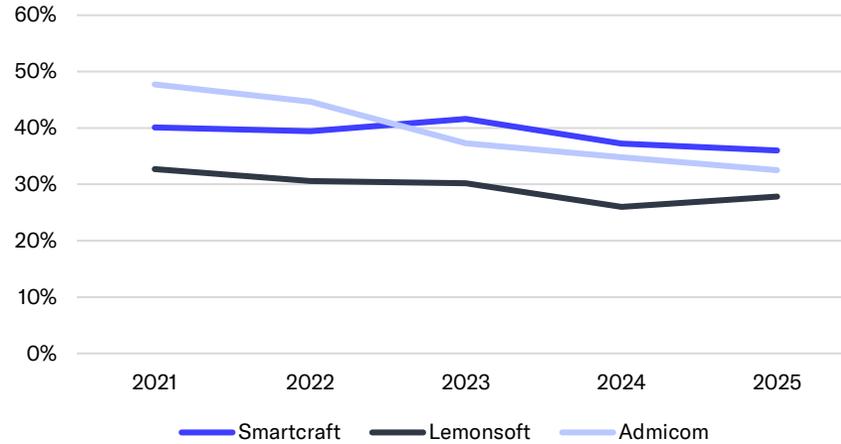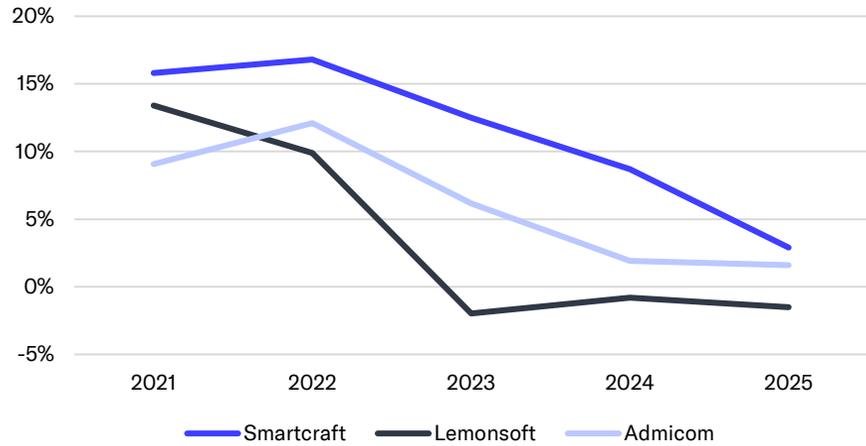
Cash conversion (FCF / adj. EBITDA)

Smartcraft, Lemonsoft, Admicom
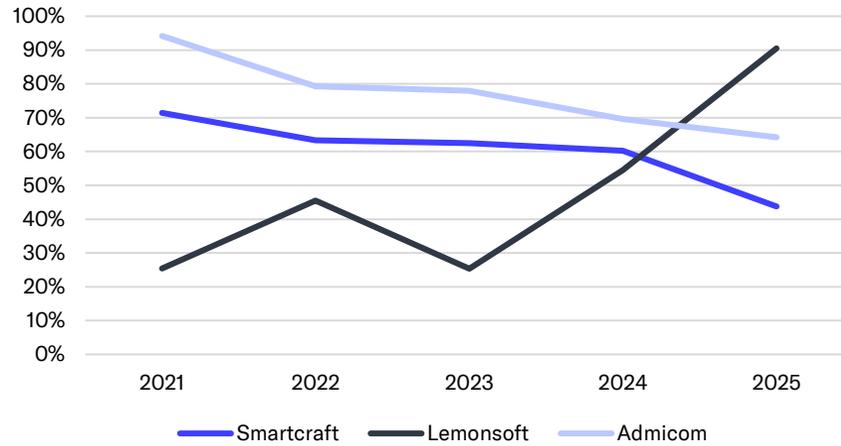
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Share price	7.96	6.02	5.70	6.12	5.04	5.04	5.04	5.04	5.04
Number of shares, millions	18.3	18.6	18.6	18.1	17.8	17.8	17.8	17.8	17.8
Market cap	146	112	106	109	90	90	90	90	90
EV	138	114	109	113	94	90	85	80	74
P/E (adj.)	26.6	19.9	20.6	25.0	14.0	11.9	11.0	10.1	9.3
P/E	29.0	21.1	25.6	24.5	16.7	13.9	12.6	11.5	10.4
P/B	15.0	5.6	3.7	3.3	3.7	2.8	2.5	2.2	2.0
P/S	6.5	4.2	3.7	3.7	2.8	2.7	2.6	2.4	2.3
EV/Sales	6.1	4.3	3.8	3.9	3.0	2.7	2.4	2.2	1.9
EV/EBITDA	18.9	13.9	14.9	12.2	10.2	8.9	7.9	6.9	6.0
EV/EBIT (adj.)	19.6	15.8	16.9	16.3	11.2	9.5	8.3	7.3	6.2
Payout ratio (%)	51.2 %	49.0 %	63.0 %	55.2 %	46.3 %	41.3 %	40.0 %	38.7 %	37.2 %
Dividend yield-%	1.8 %	2.3 %	2.5 %	2.3 %	2.8 %	3.0 %	3.2 %	3.4 %	3.6 %

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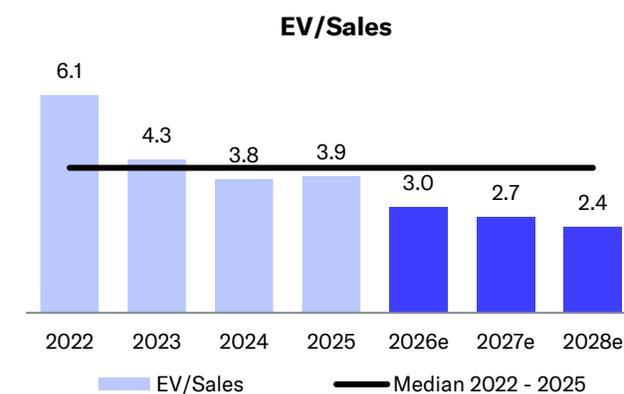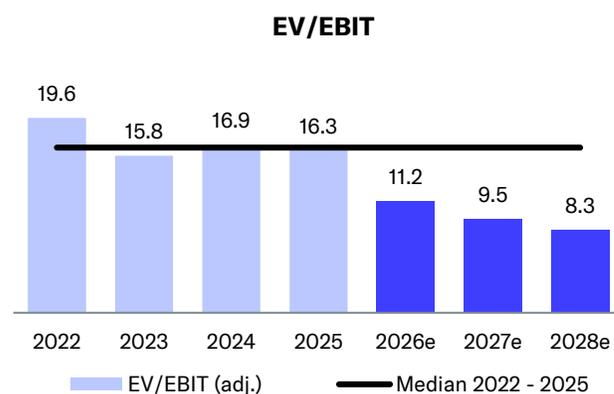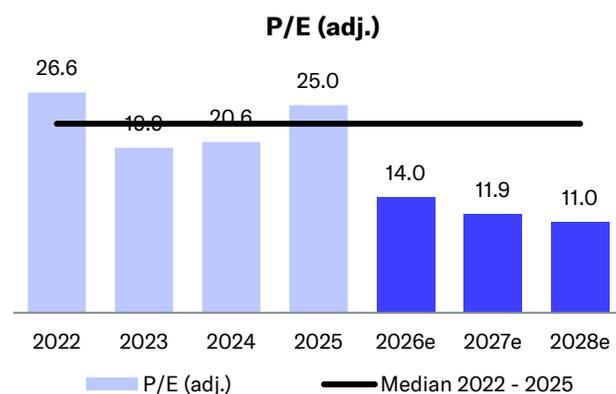
The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

| Peer group valuation | Market cap | EV | EV/EBIT | | EV/EBITDA | | EV/S | | Lv:n kasvu-% | | EBIT-% | | Rule of 40 |
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2027e
Admicom	168	149	11.4	9.4	11.0	8.8	3.7	3.1	7%	10%	32%	33%	44%
Smartcraft	265	255	18.4	14.0	12.2	10.1	4.6	4.1	12%	13%	25%	29%	42%
LeadDesk	35	43	13.3	11.1	5.7	5.1	1.1	1.0	4%	5%	8%	9%	13%
Talenom	107	202	14.0	11.0	5.1	4.6	1.5	1.3	5%	9%	11%	12%	22%
Qt Group	639	696	12.1	9.1	10.6	8.2	2.8	2.4	18%	9%	23%	26%	35%
F-Secure	290	422	10.6	8.8	8.6	7.3	2.8	2.5	5%	5%	26%	28%	33%
Enento	349	489	11.4	10.6	9.4	8.8	3.1	2.9	4%	4%	27%	28%	32%
QPR Software	12	12			22.4	25.8	1.9	1.9	8%	0%	-2%	-2%	-3%
SSH	138	133		196.6	58.1	47.0	5.5	4.6	13%	16%	-3%	2%	19%
Lime Technologies	231	244	15.5	13.1	10.4	9.1	3.2	2.9	9%	11%	21%	22%	33%
Upsales Technology	38	36	11.0		8.2		1.9		18%		18%		
FormPipe Software	114	112	34.9	25.0	23.8	18.7	4.6	4.1	-19%	12%	13%	16%	28%
Vitec Software	888	1136	14.8	13.2	8.0	7.3	3.1	2.9	8%	7%	21%	22%	29%
Sinch	1737	2335	15.2	11.6	7.1	6.6	0.9	0.9	-2%	4%	6%	8%	12%
Lemonsoft (Inderes)	**90**	**94**	**11.2**	**9.5**	**10.2**	**8.9**	**3.0**	**2.7**	**7%**	**6%**	**27%**	**28%**	**34%**
Average			**14.8**	**26.3**	**13.8**	**12.4**	**2.8**	**2.6**	**6%**	**8%**	**16%**	**18%**	
Median			**13.3**	**11.1**	**9.4**	**8.5**	**2.8**	**2.7**	**8%**	**8%**	**18%**	**19%**	
Diff-% to median			***-16%***	***-15%***	***8%***	***5%***	***8%***	***0%***					

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**28.9**	**7.6**	**7.4**	**7.1**	**7.4**	**29.5**	**7.5**	**7.9**	**7.8**	**8.3**	**31.5**	**33.4**	**35.0**	**36.7**
Saas	20.8	5.6	5.5	5.5	5.6	22.2	5.7	6.1	6.2	6.4	24.4	26.3	27.9	29.5
Consulting and other	4.8	1.2	1.1	0.9	1.1	4.3	1.1	1.1	0.9	1.1	4.2	4.1	4.0	3.8
Transactions	3.3	0.8	0.7	0.7	0.7	3.0	0.8	0.8	0.7	0.8	3.0	3.1	3.2	3.3
EBITDA	**7.3**	**2.9**	**1.6**	**2.9**	**1.8**	**9.3**	**1.8**	**2.2**	**2.8**	**2.4**	**9.2**	**10.1**	**10.8**	**11.6**
Depreciation	-1.9	-0.5	-0.7	-0.5	-0.5	-2.2	-0.5	-0.5	-0.5	-0.5	-1.9	-1.6	-1.6	-1.6
EBIT (excl. NRI)	**6.4**	**1.8**	**1.2**	**2.5**	**1.5**	**6.9**	**1.6**	**2.0**	**2.6**	**2.1**	**8.4**	**9.5**	**10.3**	**11.0**
EBIT	**5.4**	**2.4**	**0.9**	**2.4**	**1.3**	**7.0**	**1.3**	**1.7**	**2.4**	**1.9**	**7.3**	**8.5**	**9.2**	**10.0**
Net financial items	-0.5	-1.2	-0.2	-0.1	-0.1	-1.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.4	-0.4	-0.3
PTP	**4.9**	**1.3**	**0.7**	**2.3**	**1.2**	**5.5**	**1.2**	**1.6**	**2.2**	**1.8**	**6.8**	**8.1**	**8.9**	**9.7**
Taxes	-0.9	-0.3	-0.2	-0.4	-0.2	-1.1	-0.3	-0.3	-0.5	-0.4	-1.4	-1.5	-1.7	-1.9
Minority interest	0.11	0.03	0.03	0.05	0.07	0.2	0.02	0.01	-0.02	-0.02	0.0	-0.1	-0.1	-0.1
Net earnings	**4.1**	**1.0**	**0.5**	**1.9**	**1.1**	**4.5**	**1.0**	**1.3**	**1.8**	**1.4**	**5.4**	**6.5**	**7.1**	**7.8**
EPS (adj.)	**0.28**	**0.02**	**0.04**	**0.11**	**0.07**	**0.24**	**0.07**	**0.09**	**0.11**	**0.09**	**0.36**	**0.42**	**0.46**	**0.50**
EPS (rep.)	**0.22**	**0.05**	**0.03**	**0.11**	**0.06**	**0.25**	**0.05**	**0.07**	**0.10**	**0.08**	**0.30**	**0.36**	**0.40**	**0.44**

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-%	9.7 %	10.0 %	5.3 %	-3.4 %	-3.5 %	1.9 %	-1.2 %	7.1 %	10.9 %	11.7 %	7.0 %	6.1 %	4.8 %	4.7 %
Adjusted EBIT growth-%	-10.5 %	56.3 %	-11.5 %	0.1 %	1.4 %	7.7 %	-9.5 %	69.4 %	6.1 %	40.7 %	20.6 %	13.5 %	7.9 %	7.6 %
EBITDA-%	25.3 %	38.8 %	21.9 %	41.1 %	24.6 %	31.5 %	23.9 %	28.0 %	36.2 %	28.5 %	29.2 %	30.2 %	30.9 %	31.6 %
Adjusted EBIT-%	22.3 %	23.1 %	16.0 %	35.1 %	20.6 %	23.6 %	21.1 %	25.4 %	33.5 %	26.0 %	26.6 %	28.4 %	29.3 %	30.1 %
Net earnings-%	14.3 %	13.0 %	7.3 %	27.2 %	14.6 %	15.4 %	12.8 %	16.3 %	22.4 %	16.6 %	17.1 %	19.4 %	20.3 %	21.4 %

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	**39.4**	**38.3**	**41.3**	**41.0**	**40.9**
Goodwill	28.1	28.1	31.6	31.6	31.6
Intangible assets	8.1	7.2	6.7	6.4	6.2
Tangible assets	1.0	0.8	0.9	0.9	1.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.2	2.2	2.2	2.2	2.2
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**14.5**	**9.8**	**10.5**	**11.4**	**10.9**
Inventories	0.1	0.1	0.1	0.1	0.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.7	3.2	4.7	5.4	5.6
Cash and equivalents	7.7	6.6	5.7	6.0	5.3
Balance sheet total	**53.9**	**48.1**	**51.8**	**52.5**	**51.9**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32.5**	**29.5**	**32.4**	**36.4**	**40.8**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	13.8	13.4	16.3	20.3	24.7
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	18.4	15.9	15.9	15.9	15.9
Minorities	0.2	0.1	0.1	0.1	0.1
Non-current liabilities	**9.3**	**9.0**	**9.2**	**6.2**	**1.7**
Deferred tax liabilities	1.4	1.3	1.3	1.3	1.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	7.9	7.8	7.9	4.9	0.4
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	**12.0**	**9.6**	**10.2**	**9.9**	**9.3**
Interest bearing debt	2.5	2.8	2.0	1.2	0.2
Payables	9.2	6.4	7.9	8.4	8.8
Other current liabilities	0.4	0.3	0.3	0.3	0.4
Balance sheet total	**53.9**	**48.1**	**51.8**	**52.5**	**51.9**

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.9 %	7.0 %	6.1 %	4.8 %	4.7 %	4.8 %	4.5 %	4.0 %	3.5 %	3.5 %	2.5 %	2.5 %
EBIT-%	23.9 %	23.2 %	25.3 %	26.3 %	27.2 %	28.3 %	28.5 %	28.8 %	29.0 %	29.2 %	29.5 %	29.5 %
EBIT (operating profit)	**7.0**	**7.3**	**8.5**	**9.2**	**10.0**	**10.9**	**11.5**	**12.0**	**12.5**	**13.1**	**13.5**	
+ Depreciation	2.2	1.9	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	
- Paid taxes	-1.3	-1.4	-1.5	-1.7	-1.9	-2.0	-2.1	-2.2	-2.3	-2.3	-2.4	
- Tax, financial expenses	-0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	0.8	-0.1	-0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	
Operating cash flow	**8.5**	**7.6**	**8.4**	**9.2**	**9.8**	**10.5**	**11.1**	**11.6**	**12.0**	**12.4**	**12.8**	
+ 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	-1.1	-4.9	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	
Free operating cash flow	**7.3**	**2.7**	**7.0**	**7.7**	**8.3**	**9.0**	**9.5**	**10.0**	**10.4**	**10.8**	**11.1**	
+/- Other	0.0	-0.7	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.3	2.0	6.0	7.7	8.3	9.0	9.5	10.0	10.4	10.8	11.1	177
Discounted FCFF		**1.9**	**5.1**	**6.1**	**6.0**	**6.0**	**5.8**	**5.6**	**5.3**	**5.1**	**4.8**	**76.4**
Sum of FCFF present value		128	126	121	115	109	103	97.2	91.6	86.3	81.2	76.4
Enterprise value DCF		**128**										
- Interest bearing debt		-10.6										
+ Cash and cash equivalents		6.6										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**124**										
Equity value DCF per share		**7.0**										

WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	2.30%
Risk free interest rate	2.5 %
Cost of equity	**9.6 %**
Weighted average cost of capital (WACC)	**8.9 %**

Cash flow distribution

2026e-2030e	20%
2031e-2035e	21%
TERM	60%

■ 2026e-2030e ■ 2031e-2035e ■ TERM

Source: Inderes
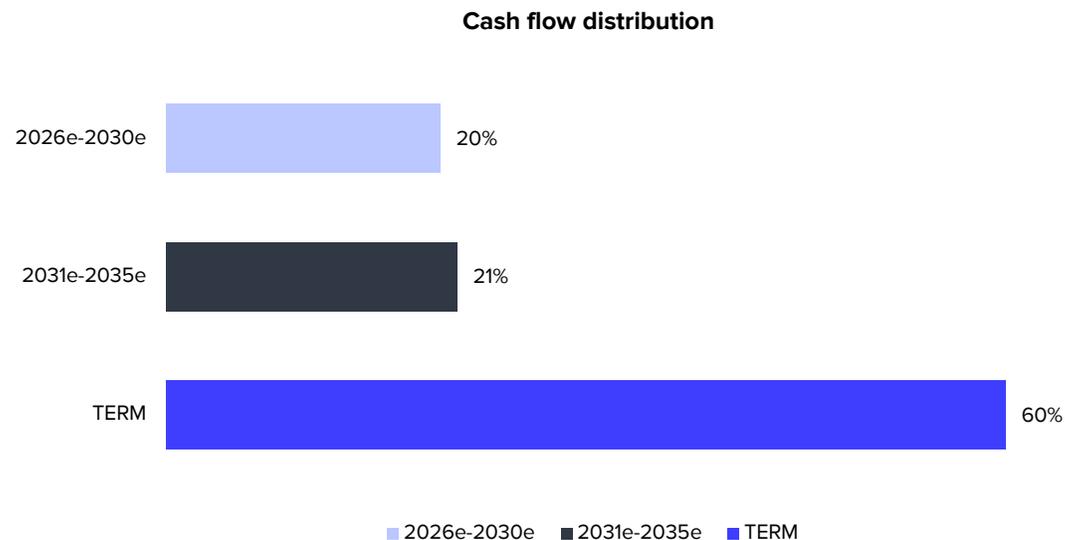
DCF sensitivity calculations and key assumptions in graphs

Sensitivity of DCF to changes in the WACC-%

Legend: DCF value (EUR) | Weight of terminal value (%)
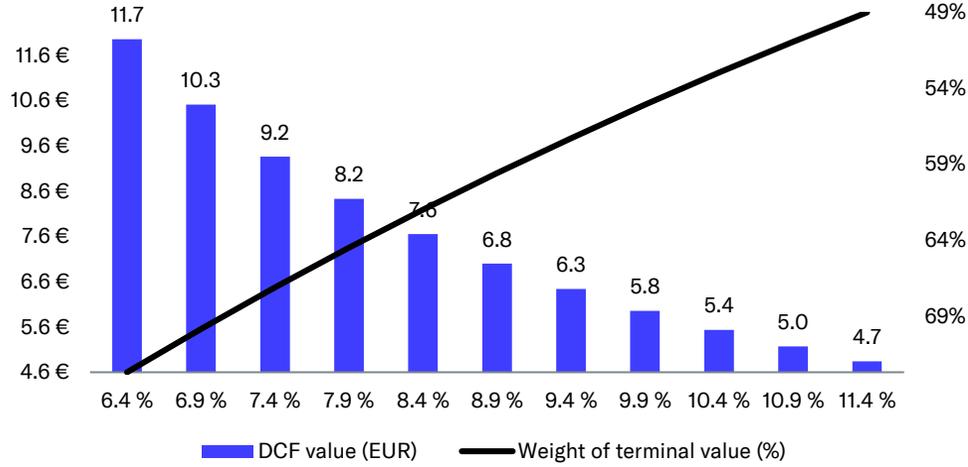
Sensitivity of DCF to changes in the risk-free rate

Legend: DCF value (EUR) | Weight of terminal value (%)
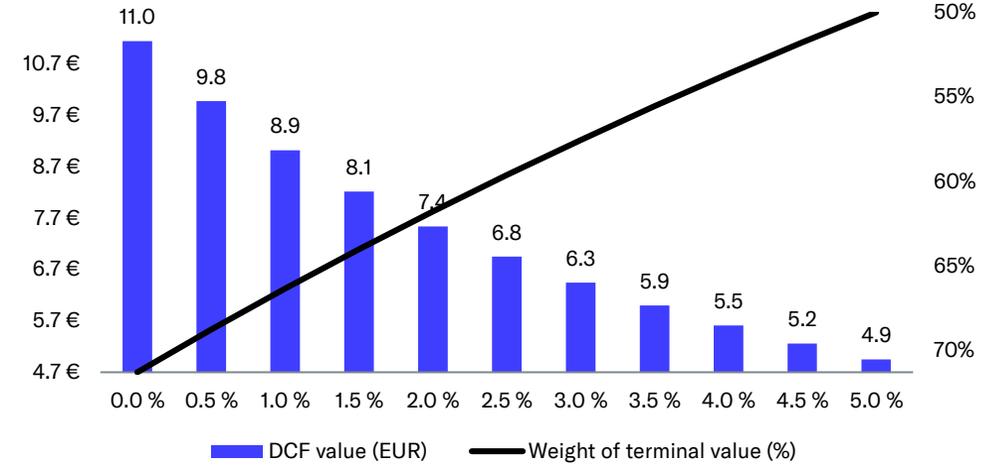
Sensitivity of DCF to changes in the terminal EBIT margin

Legend: DCF value (EUR) | Weight of terminal value (%)
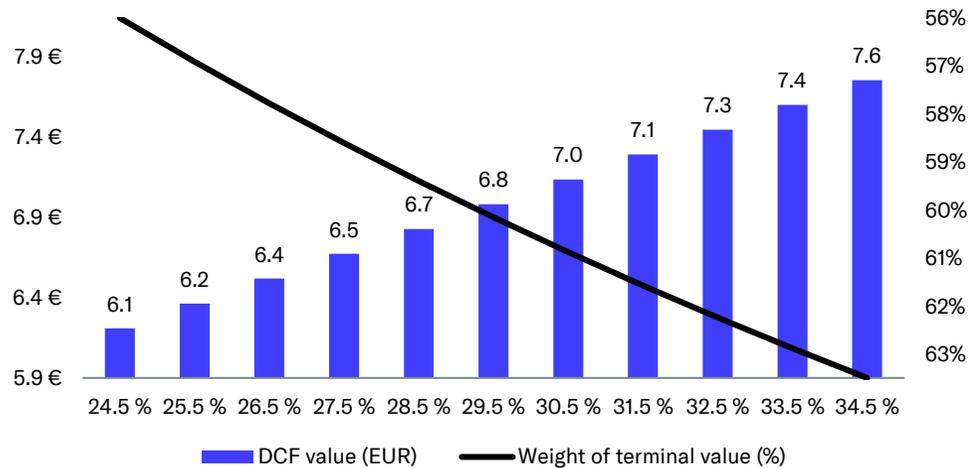
Growth and profitability assumptions in the DCF calculation
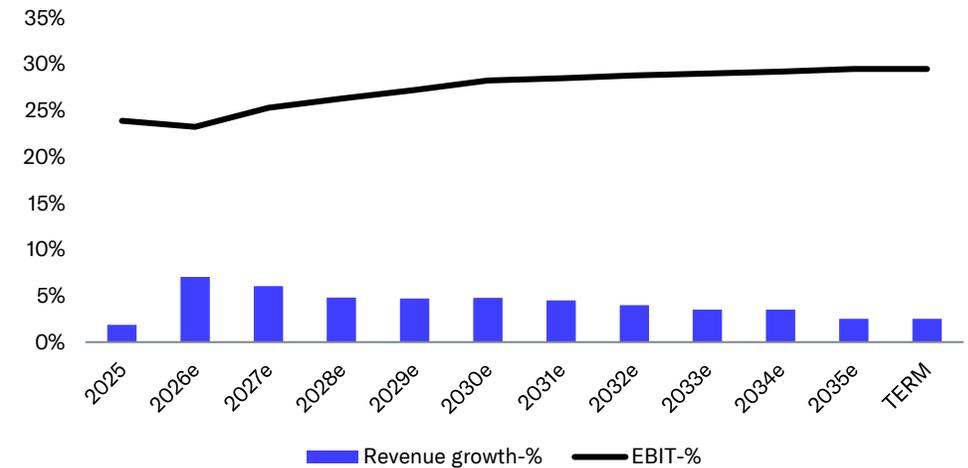
Legend: Revenue growth-% | EBIT-%

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Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	26.3	28.9	29.5	31.5	33.4
EBITDA	8.2	7.3	9.3	9.2	10.1
EBIT	6.9	5.4	7.0	7.3	8.5
PTP	6.7	4.9	5.5	6.8	8.1
Net Income	5.3	4.1	4.5	5.4	6.5
Extraordinary items	-0.3	-1.0	0.1	-1.0	-1.0

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.29	0.22	0.25	0.30	0.36
EPS (adj.)	0.30	0.28	0.24	0.36	0.42
OCF / share	0.27	0.34	0.47	0.43	0.47
FCF / share	-0.45	0.03	0.40	0.11	0.33
Book value / share	1.62	1.74	1.62	1.81	2.03
Dividend / share	0.14	0.14	0.14	0.14	0.15

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	48.9	53.9	48.1	51.8	52.5
Equity capital	30.4	32.5	29.5	32.4	36.4
Goodwill	23.1	28.1	28.1	31.6	31.6
Net debt	1.0	2.8	4.0	4.2	0.1

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	17%	10%	2%	7%	6%
EBITDA growth-%	12%	-11%	27%	-1%	10%
EBIT (adj.) growth-%	2%	-10%	8%	21%	14%
EPS (adj.) growth-%	1%	-8%	-12%	48%	17%
EBITDA-%	31.2 %	25.3 %	31.5 %	29.2 %	30.2 %
EBIT (adj.)-%	27.3 %	22.3 %	23.6 %	26.6 %	28.4 %
EBIT-%	26.2 %	18.7 %	23.9 %	23.2 %	25.3 %
ROE-%	18.8 %	13.3 %	14.7 %	17.5 %	18.9 %
ROI-%	20.2 %	13.2 %	17.0 %	17.8 %	19.9 %
Equity ratio	62.4 %	60.4 %	61.4 %	63.0 %	69.8 %
Gearing	3.3 %	8.5 %	13.6 %	13.0 %	0.4 %

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8.2	7.3	9.3	9.2	10.1
Change in working capital	-2.3	-0.2	0.8	-0.1	-0.1
Operating cash flow	5.0	6.3	8.5	7.6	8.4
CAPEX	-13.3	-5.7	-1.1	-4.9	-1.4
Free cash flow	-8.3	0.6	7.3	2.0	6.0

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.3	3.8	3.9	3.0	2.7
EV/EBITDA	13.9	14.9	12.2	10.2	8.9
EV/EBIT (adj.)	15.8	16.9	16.3	11.2	9.5
P/E (adj.)	19.9	20.6	25.0	14.0	11.9
P/B	3.7	3.3	3.7	2.8	2.5
Dividend-%	2.3 %	2.5 %	2.3 %	2.8 %	3.0 %

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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Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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

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Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
12/27/2021	Sell	15.00 €	17.85 €
1/18/2022	Reduce	14.50 €	14.50 €
2/17/2022	Reduce	13.00 €	13.25 €
4/28/2022	Reduce	13.00 €	13.26 €
5/9/2022	Reduce	12.50 €	11.70 €
7/25/2022	Reduce	11.80 €	13.14 €
10/31/2022	Reduce	9.70 €	11.48 €
12/14/2022	Accumulate	8.80 €	7.83 €
2/20/2023	Reduce	8.80 €	8.93 €
3/3/2023	Accumulate	8.80 €	7.79 €
4/24/2023	Accumulate	8.80 €	8.28 €
5/2/2023	Reduce	7.70 €	8.54 €
6/2/2023	Reduce	7.70 €	7.56 €
8/14/2023	Reduce	7.50 €	7.82 €
9/28/2023	Accumulate	6.40 €	5.50 €
10/27/2023	Accumulate	6.40 €	5.16 €
2/16/2024	Reduce	6.40 €	6.82 €
4/26/2024	Reduce	6.00 €	5.66 €
7/17/2024	Reduce	6.40 €	6.95 €
8/9/2024	Reduce	6.40 €	7.20 €
10/29/2024	Accumulate	6.50 €	5.90 €
11/6/2024	Accumulate	6.50 €	5.90 €
12/12/2024	Accumulate	6.70 €	6.20 €
2/21/2025	Accumulate	6.50 €	5.80 €
4/28/2025	Accumulate	6.70 €	6.14 €
6/12/2025	Reduce	7.00 €	7.34 €
8/15/2025	Reduce	7.00 €	7.28 €
11/3/2025	Reduce	7.10 €	7.00 €
11/17/2025	Accumulate	7.10 €	6.06 €
1/21/2026	Accumulate	7.10 €	5.76 €
2/20/2026	Buy	6.50 €	5.04 €

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