KREATE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Still on board the earnings growth train

Kreate's Q2 results continued where the strong Q1 left off, and the company's profitability potential also began to emerge from beneath the strong top-line growth. Given the H1 performance, the current order book, and the still very positive outlook, our updated estimates are above the company's guidance range for the current year. In addition, Kreate's order book currently contains significant multi-year projects that will provide support for future years. With our updated estimates, the pricing still looks attractive, although the safety margin has narrowed significantly after the share price increase. We raise our target price to EUR 30.0 (was EUR 25.0). We maintain our Accumulate recommendation.

Earnings again ahead of our expectations

Kreate's Q2 revenue grew by a whopping 152% year-on-year to 185 MEUR, clearly exceeding our 155 MEUR (+111%) estimate. In Sweden, revenue developed roughly in line with our expectations (Q2'26: 15.6 MEUR vs. 16.2 MEUR forecast), so the revenue beat came entirely from Finland. The growth was driven by themes already highlighted in connection with the June guidance upgrade, although the growth materialized stronger than we expected already in Q2.

Although revenue growth exceeded our expectations, in our opinion, the most positive aspect of the report was the clear improvement in profitability compared to the previous period, as strong growth was now more clearly channeled to the bottom line. Kreate's Q2 EBITA was 9.3 MEUR, significantly exceeding our 5.4 MEUR estimate. Relative profitability (EBITA margin 5.0%) also clearly exceeded our 3.5% expectation. The only weakness in the report was the operating free cash flow, which declined clearly year-n-year (3.8 MEUR vs. 9.3 MEUR). However, the decrease is explained by the normalization of working capital from exceptionally strong levels at the turn of the year.

Strong H1, order book, and outlook challenge guidance

Kreate reiterated its earnings guidance, which it had raised in mid-June. Driven by a strong order intake during the quarter, the order book rose to a record high, as expected. However, the level at the end of the quarter exceeded our forecast, even though higher-than-anticipated revenue consumed the backlog faster than we expected. Kreate estimates that 336 MEUR of the order book will be realized during FY2026. When considering the H1 performance, revenue from the expected recognition of the current order book alone would bring it close to the midpoint of the guidance range (619 MEUR, guidance 600-650 MEUR).

In addition to the current order book, the market outlook also remains positive. Kreate estimates that the market situation in both Finland and Sweden is currently stronger than normal and expects the outlook to strengthen further. Our current year estimates increased significantly due to a stronger-than-expected Q2 result and moderate positive estimate revisions for the rest of the year. We now expect the company's revenue to grow to 662 MEUR and EBITA to 28 MEUR. Thus, our estimates include a third guidance raise for the current year. We predict that the order book has reached a temporary absolute peak, although we expect the company to start next year with an even stronger order book than in the comparison period, which will support revenue development next year as well.

Earnings growth justifies the share price increase

With our updated estimates, Kreate is valued at 10x EV/EBIT and 12x P/E multiples for 2026-27. We still find the valuation attractive. In addition, Kreate's share offers a dividend yield of ~4% for the coming years. The fair value derived from our DCF model (EUR 30.4) also supports our target price and continues to advocate a positive recommendation. However, due to a significant share price increase, we believe there is no longer a safety margin in this year's multiples if earnings fall to or below the mid-point of the guidance range.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 30.00

(was EUR 25.00)

Share price:

EUR 28.30

Business risk

Valuation risk

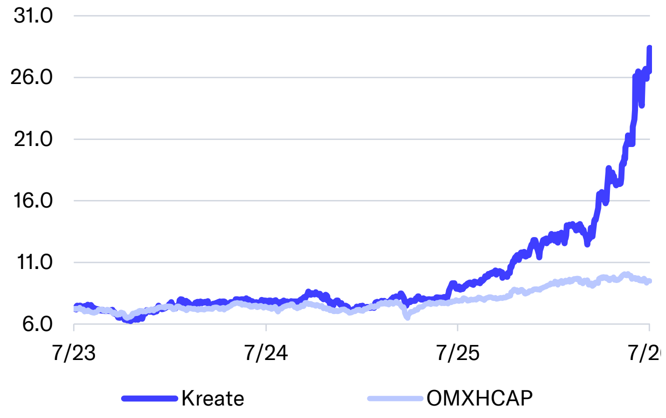
	2025	2026e	2027e	2028e
Revenue	315.2	662.0	700.4	705.4
growth-%	14%	110%	6%	1%
EBITA	10.2	28.4	32.7	32.2
EBITA-%	3.2 %	4.3 %	4.7 %	4.6 %
Net income	6.3	18.6	22.1	21.8
EPS (adj.)	0.71	2.10	2.48	2.45
P/E (adj.)	17.6	13.5	11.4	11.5
P/B	2.5	4.3	3.5	3.1
Dividend yield-%	4.8 %	3.7 %	4.4 %	4.6 %
EV/EBIT (adj.)	14.9	10.8	9.0	9.0
EV/EBITDA	8.3	7.4	6.2	6.4
EV/S	0.5	0.5	0.4	0.4

Source: Inderes

Guidance (Unchanged)

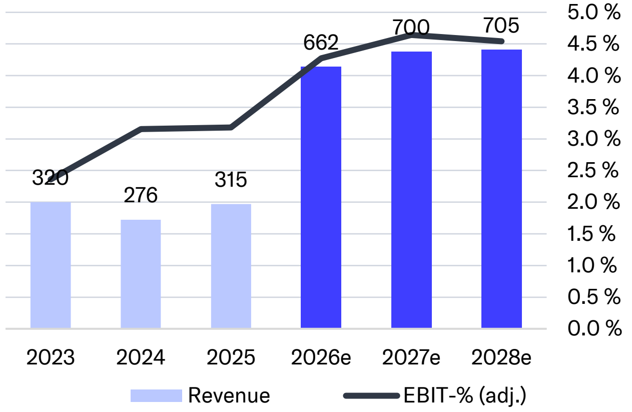
Kreate estimates that its revenue in 2026 will increase and be in the range of 600-650 MEUR (2025: 315 MEUR) and EBITA will increase and be in the range of 21-26 MEUR (2025: 10.2 MEUR).

Share price



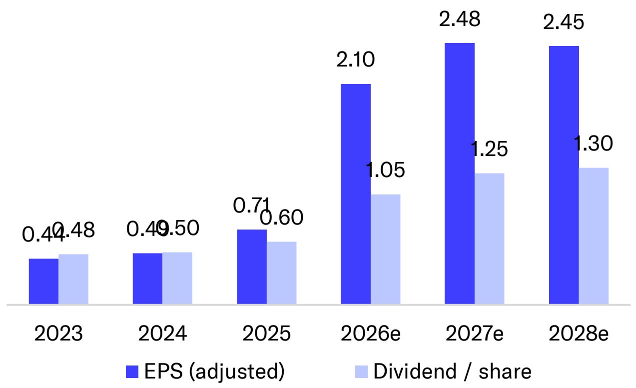
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Stronger growth than the market in the medium term
- Clear room for improvement in profitability
- Strong return on capital potential
- Competitive advantage through specialized expertise in demanding projects
- Growth potential of the Swedish business

Risk factors

- The industry is partly dependent on economic cycles, especially in the private sector
- Drying up of public investments
- Managing growth, especially in Sweden
- Successful acquisitions

Valuation	2026e	2027e	2028e
Share price	28.3	28.3	28.3
Market cap	252	252	252
EV	305	291	287
P/E (adj.)	13.5	11.4	11.5
P/B	4.3	3.5	3.1
EV/Sales	0.5	0.4	0.4
EV/EBITDA	7.4	6.2	6.4
EV/EBIT (adj.)	10.8	9.0	9.0
Payout ratio (%)	50.1 %	50.3 %	53.0 %
Dividend yield-%	3.7 %	4.4 %	4.6 %

Source: Inderes

Not many weak spots in the report

Growth rate keeps on surprising

Kreate's Q2 revenue grew by a whopping 152% year-on-year to 185 MEUR, clearly exceeding our 155 MEUR (+111%) estimate. The company's Finnish revenue grew to ~170 MEUR, thus already exceeding our forecast for the group's total revenue. Revenue in Sweden also doubled from the comparison period to 15.6 MEUR, which was in line with our forecasts. Kreate commented that significant multi-year projects have moved into the implementation phase as planned. According to the company, rapidly progressing private sector projects have also supported volumes. We believe this refers to data center projects, among others, of which the company currently has eight underway. Relative to the total number of data centers under construction in Finland, the company's market share in the segment is very strong. Data center projects also typically generate revenue quickly due to tight schedules. This dynamic partly explains why the order book was recognized as revenue faster than we had estimated in early 2024. Revenue was also supported by the consolidation of KFS Finland and the SRV Infra acquisition completed at the end of last year.

The order book grew as expected from the end of Q1, although it ended up slightly higher than we forecast, reaching a record level of 886 MEUR. New major projects that supplemented the order book included the second phase of the Vantaa tramway works (79 MEUR), the Junatie metro bridge project (60 MEUR), and the largest contract in Sweden's history, the renovation of the Lundby tunnel (~30 MEUR). The order book was also supported by 124 MEUR of orders whose value has not been published (i.e., projects subject to non-disclosure agreements, projects below the disclosure threshold, and, for example, additional and alteration works for ongoing contracts).

Growth is starting to show in profitability

In our view, the quarter's profitability was clearly the most positive takeaway from the report. Kreate's Q2 EBITA was 9.3 MEUR, significantly exceeding our 5.4 MEUR estimate. Relative profitability (EBITA margin 5.0%) also clearly exceeded our 3.5% expectation. The company communicated that the integration costs of SRV Infra (now Kreate Rock) and front-loaded growth investments weighed on profitability in the first half of the year. We estimate that the negative impact was concentrated in Q1, and the company was able to utilize its strengthened organization more fully in Q2. This is also indicated by lower personnel costs relative to revenue than we expected.

Cash flow was the only area to show weakness, yet we wouldn’t give this too much weight

Kreate's operating free cash flow was 3.8 MEUR (Q2/25: 9.3 MEUR). The weakness was due to the normalization of working capital. At the turn of the year, net working capital was exceptionally low at -23 MEUR, and the company itself estimated that this level was not sustainable. In Kreate's project-driven business model, cash flow naturally fluctuates between quarters, and far-reaching conclusions should not be drawn from a single quarter's figures.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Difference (%) Act. vs. inderes	2026 Inderes
Revenue	73.5	185	155	19%	662
EBITDA	4.0	12.4	8.5	46%	28.3
EBITA	2.2	9.3	5.4	72%	28.4
EBIT	2.2	9.3	5.4	72%	28.3
PTP	1.4	8.3	4.8	73%	25.3
EPS (adj.)	0.14	0.64	0.41	56%	1.05
EPS (reported)	0.14	0.64	0.41	56%	2.10
Revenue growth-%	8.1 %	152.3 %	111.2 %	41.1 pp	110.0 %
EBITA-%	3.0 %	5.0 %	3.5 %	1.5 pp	4.3 %

Source: Inderes

We expect guidance upgrade later in the year

Estimate revisions

- Kreate raised its guidance in June, estimating that its revenue in 2026 will increase and be in the range of 600-650 MEUR (2025: 315 MEUR) and EBITA will increase and be in the range of 21-26 MEUR (2025: 10.2 MEUR).
- In addition to a stronger-than-expected Q2, we slightly raised our H2 expectations, supported by the outlook and a slightly higher order book at the end of Q2. We still expect profitability to improve from the comparison period in the remainder of the year, as the front-loaded growth investments that burdened the beginning of the year are mostly behind us.
- We forecast revenue of 662 MEUR and EBITA profitability of 28.3 MEUR for the current year. Our current estimates are above the company's guidance range, and we therefore expect the company to raise its earnings guidance later this year.
- Due to the rapid revenue recognition, we expect the order book to have peaked in Q2. In our forecasts, Kreate will still enter next year with a higher order book than in the comparison period. In addition, we believe new project wins will replace rapidly recognized private sector projects.
- We have raised our dividend estimates in line with our increased earnings estimates. Kreate targets a dividend payout ratio of at least 50%, and we believe the company is well-positioned to achieve this, despite the acquisition completed at the end of last year.

Operational earnings drivers 2026-2028

- Large and multi-year projects provide a stable foundation for the order book for several years
- The infrastructure market continues to grow in both Finland and Sweden. In addition, growth in the company's focus areas, large structural engineering projects, is stronger than the general market growth
- The company is well-positioned in high-growth market areas, such as data center construction
- Moderation of personnel cost pressures, especially from 2027 onwards
- Earnings leverage from increased volumes
- Realization of growth investments in Sweden and expansion into new types of construction
- Competitive pressure easing as other new construction gradually recovers; on the other hand, the recovery of other markets could negatively impact the company's cost level and the availability of labor

Estimate revisions MEUR / EUR	2026 Old	2026 New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	624	662	6%	645	700	9%	612	705	15%
EBITA	23.6	28.4	20%	26.3	32.7	24%	25.7	32.2	26%
EBIT (exc. NRIs)	23.5	28.3	21%	26.1	32.5	24%	25.5	32.0	26%
EBIT	23.5	28.3	21%	26.1	32.5	24%	25.5	32.0	26%
PTP	20.9	25.3	22%	23.6	29.9	27%	23.2	29.7	28%
EPS (excl. NRIs)	1.84	2.10	14%	2.06	2.48	21%	2.02	2.45	22%
DPS	0.90	1.05	17%	1.00	1.25	25%	1.05	1.30	24%

Source: Inderes

Kreate Q2'26

Valuation remains attractive on our estimates

Valuation becomes attractive through earnings growth

With our updated forecasts, the company's profitability will clearly improve this year, both in absolute and relative terms. Despite the strong earnings improvement, the valuation multiples for the current year are at a neutral level (26e EV/EBIT 11x, P/E 13x) due to the share price increase, relative to our accepted valuation range (EV/EBIT 10–12x, P/E 10–13x). Looking to 2027, the valuation falls to a more attractive level (EV/EBIT 9x, P/E 11x), as the profitability improvement comes through more strongly in our forecasts.

The ~4% dividend yield, enabled by the business model's normally strong cash flow and low investment needs, also supports the stock's expected return in the coming years. Kreate has expressed its intention to pay an increasing dividend, and we believe the company has the potential to do so. The dividend/earnings percentage will soon rise to ~50%, which is in line with the company's dividend policy. Additionally, the company has financing capacity for growth investments, though we don't expect it to make significant acquisitions in the near future.

Still valued at a discount compared to peers

A viable peer group of Nordic listed companies in the industry is available for Kreate. Based on current-year estimates, Kreate's peers are valued at 11x EV/EBIT and 15x P/E multiples. Compared to its peers, Kreate trades at a discount of around 5-10%. In our view, considering Kreate's return on capital and forecast earnings growth, the discount is not justified, and we are currently accepting a valuation for Kreate at the peer group level. However, due to clear differences in the companies' business models, we do not give significant weight to relative valuation in the overall valuation.

The DCF model supports our target price

We also consider the discounted cash flow (DCF) model in our valuation. In our model, the company's revenue growth stabilizes at 2.0% in the terminal period after stronger medium-term growth, and the EBIT margin is 4.0% of revenue (was 3.8%). This is below the company's target EBITA margin of over 5%. We do not consider it justified to raise the forecast level to the target level before there is further evidence of profitability that is higher than recently and in line with the targets.

The value of Kreate's share according to the DCF model is around EUR 30.4, supporting our recommendation. In the cash flow model, the cost of capital (WACC) we use is 8.8% and the cost of equity is 10.1%. We previously slightly lowered Kreate's cost of capital, and it now roughly corresponds to the level we apply to its direct peer GRK. We believe this is justified because the companies' business profiles are very similar.

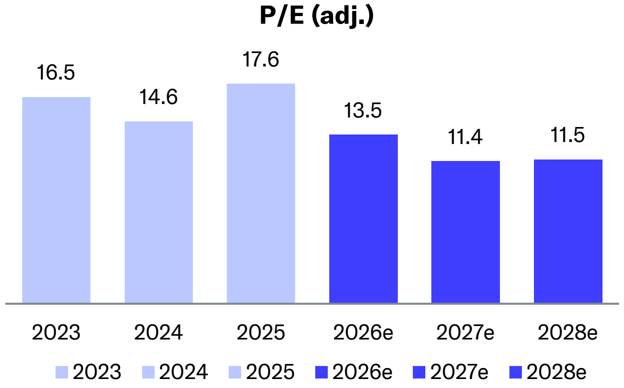
Valuation	2026e	2027e	2028e
Share price	28.3	28.3	28.3
Market cap	252	252	252
EV	305	291	287
P/E (adj.)	13.5	11.4	11.5
P/B	4.3	3.5	3.1
EV/Sales	0.5	0.4	0.4
EV/EBITDA	7.4	6.2	6.4
EV/EBIT (adj.)	10.8	9.0	9.0
Payout ratio (%)	50.1 %	50.3 %	53.0 %
Dividend yield-%	3.7 %	4.4 %	4.6 %

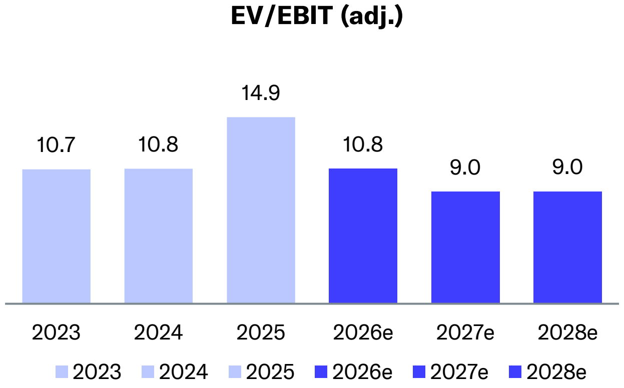
Source: Inderes

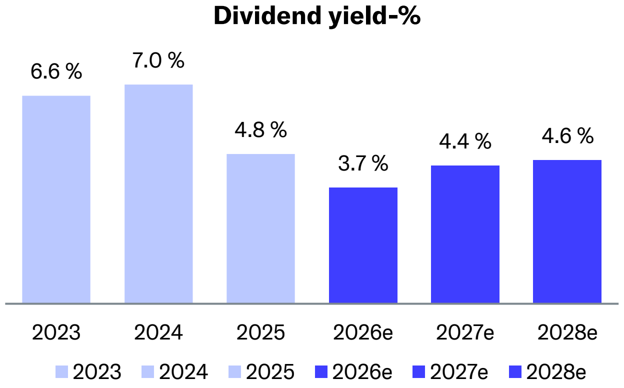
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.4	8.09	7.22	7.14	12.6	**28.3**	**28.3**	**28.3**	**28.3**
Market cap	99	73	64	64	112	**252**	**252**	**252**	**252**
EV	120	106	81	94	149	**305**	**291**	**287**	**279**
P/E (adj.)	12.6	12.7	16.5	14.6	17.6	**13.5**	**11.4**	**11.5**	**11.5**
P/B	2.4	1.7	1.5	1.5	2.5	**4.3**	**3.5**	**3.1**	**2.7**
EV/Sales	0.5	0.4	0.3	0.3	0.5	**0.5**	**0.4**	**0.4**	**0.4**
EV/EBITDA	8.4	7.8	5.8	6.1	8.3	**7.4**	**6.2**	**6.4**	**6.2**
EV/EBIT (adj.)	11.6	12.3	10.7	10.8	14.9	**10.8**	**9.0**	**9.0**	**8.7**
Payout ratio (%)	56.4 %	72.4 %	109.7 %	102.0 %	84.1 %	**50.1 %**	**50.3 %**	**53.0 %**	**60.0 %**
Dividend yield-%	4.0 %	5.7 %	6.6 %	7.0 %	4.8 %	**3.7 %**	**4.4 %**	**4.6 %**	**5.2 %**

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/Liikevaihto		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
YIT Oyj	574	1316	19.3	12.6	14.2	10.3	0.7	0.7	65.1	15.7		0.4	0.8
NRC Group ASA	130	211	11.6	9.3	6.0	5.3	0.3	0.3	15.5	10.6		4.7	0.8
Veidekke ASA	2278	1894	10.6	10.0	6.8	6.5	0.5	0.4	16.4	15.2	6.0	6.3	6.9
Ncc AB	1648	1928	10.4	9.3	6.6	6.1	0.4	0.4	11.0	9.7	5.8	6.3	2.0
Peab AB	2340	3229	11.9	11.1	7.8	7.4	0.6	0.6	11.1	10.3	4.6	5.1	1.4
Skanska AB	9603	8504	11.3	10.3	8.7	8.1	0.5	0.5	14.6	13.8	4.1	4.4	1.6
SRV Yhtiot Oyj	91	228	20.5	11.4	14.0	8.8	0.3	0.3	53.8	10.6		3.0	0.8
GRK Infra	743	509	8.2	7.6	6.3	5.8	0.6	0.5	14.5	14.3	3.0	3.2	3.2
Consti Oyj	91	93	9.7	7.4	6.9	5.6	0.3	0.3	12.3	9.3	6.5	6.6	1.9
Kreate (Inderes)	**252**	**305**	**10.8**	**9.0**	**7.4**	**6.2**	**0.5**	**0.4**	**13.5**	**11.4**	**3.7**	**4.4**	**4.3**
Average			**12.6**	**9.9**	**8.6**	**7.1**	**0.5**	**0.4**	**23.8**	**12.1**	**5.0**	**4.4**	**2.2**
Median			**11.3**	**10.0**	**6.9**	**6.5**	**0.5**	**0.4**	**14.6**	**10.6**	**5.2**	**4.7**	**1.6**
Diff-% to median			**-4%**	**-10%**	**9%**	**-5%**	**0%**	**-5%**	**-8%**	**8%**	**-29%**	**-5%**	**165%**

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**320.0**	**275.5**	**52.4**	**73.5**	**94.7**	**94.6**	**315.2**	**97.6**	**185**	**201**	**178**	**662.0**	**700.4**	**705.4**	**712.4**
Finland	298	243	44.9	64.5	79.1	76.4	264.9	82.1	170	174	151	577.1	600.2	600.2	606.2
Sweden	22.5	32.9	7.5	9.0	15.6	18.2	50.3	15.5	15.6	26.5	27.3	84.9	100	105	106
EBITDA	**14.0**	**15.3**	**1.7**	**4.0**	**6.0**	**6.3**	**17.9**	**3.9**	**12.4**	**13.5**	**11.1**	**41.0**	**46.7**	**45.1**	**44.9**
Depreciation	-6.4	-6.6	-1.7	-1.8	-2.0	-2.4	-7.9	-2.4	-3.2	-3.8	-3.3	-12.7	-14.2	-13.1	-12.8
EBITA	**8.8**	**7.8**	**0.1**	**2.2**	**4.0**	**3.9**	**10.2**	**1.5**	**9.3**	**9.8**	**7.8**	**28.4**	**32.7**	**32.2**	**32.3**
EBIT (excl. NRI)	**7.6**	**8.7**	**0.0**	**2.2**	**4.0**	**3.9**	**10.0**	**1.5**	**9.3**	**9.7**	**7.8**	**28.3**	**32.5**	**32.0**	**32.1**
EBIT	**7.6**	**8.7**	**0.0**	**2.2**	**4.0**	**3.9**	**10.0**	**1.5**	**9.3**	**9.7**	**7.8**	**28.3**	**32.5**	**32.0**	**32.1**
Net financial items	-2.9	-2.8	0.0	-0.8	-0.4	-0.4	-1.6	-0.6	-0.9	-0.7	-0.7	-2.9	-2.6	-2.4	-2.2
PTP	**4.7**	**5.9**	**0.0**	**1.4**	**3.5**	**3.5**	**8.4**	**0.9**	**8.3**	**9.0**	**7.1**	**25.3**	**29.9**	**29.7**	**29.9**
Taxes	-0.7	-1.3	0.2	-0.4	-0.6	-0.9	-1.7	0.1	-1.6	-1.8	-1.4	-4.8	-5.6	-5.6	-5.6
Minority interest	-0.2	-0.2	-0.1	0.2	-0.2	-0.2	-0.4	-0.2	-0.9	-0.6	-0.2	-1.9	-2.2	-2.3	-2.3
Net earnings	**3.8**	**4.4**	**0.1**	**1.2**	**2.7**	**2.4**	**6.3**	**0.8**	**5.7**	**6.6**	**5.5**	**18.6**	**22.1**	**21.8**	**21.9**
EPS (adj.)	**0.44**	**0.49**	**0.01**	**0.14**	**0.30**	**0.26**	**0.71**	**0.09**	**0.64**	**0.74**	**0.62**	**2.10**	**2.48**	**2.45**	**2.47**
EPS (rep.)	**0.44**	**0.49**	**0.01**	**0.14**	**0.30**	**0.26**	**0.71**	**0.09**	**0.64**	**0.74**	**0.62**	**2.10**	**2.48**	**2.45**	**2.47**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	16.8 %	-13.9 %	-3.7 %	8.1 %	22.0 %	25.3 %	14.4 %	86.3 %	152.2 %	112.1 %	88.3 %	110.0 %	5.8 %	0.7 %	1.0 %
Oikaistun EBITA:n kasvu-%	-16.9 %	-10.5 %	-90.9 %	-7.6 %	35.0 %	69.6 %	30.4 %	1420.0 %	320.5 %	143.7 %	101.2 %	178.1 %	15.2 %	-1.5 %	0.1 %
Oikaistu EBITA-%	2.7 %	2.8 %	0.2 %	3.0 %	4.2 %	4.1 %	3.2 %	1.6 %	5.0 %	4.9 %	4.4 %	4.3 %	4.7 %	4.6 %	4.5 %
Adjusted EBIT-%	2.4 %	3.2 %	0.0 %	3.0 %	4.2 %	4.1 %	3.2 %	1.6 %	5.0 %	4.8 %	4.4 %	4.3 %	4.6 %	4.5 %	4.5 %

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	**75.8**	**110**	**128**	**124**	**122**
Goodwill	40.4	63.3	72.0	72.0	72.0
Intangible assets	0.3	0.2	0.1	0.0	-0.1
Tangible assets	23.5	34.1	54.7	50.4	49.4
Associated companies	10.5	11.4	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.2	0.3	0.3	0.3	0.3
Deferred tax assets	0.9	0.9	0.9	0.9	0.9
Current assets	**55.6**	**77.4**	**131**	**140**	**145**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.7	0.3	0.3	0.3	0.3
Receivables	44.1	58.4	104	112	116
Cash and equivalents	10.8	18.7	26.5	28.0	28.2
Balance sheet total	**131**	**188**	**259**	**264**	**267**

Source: Inderes

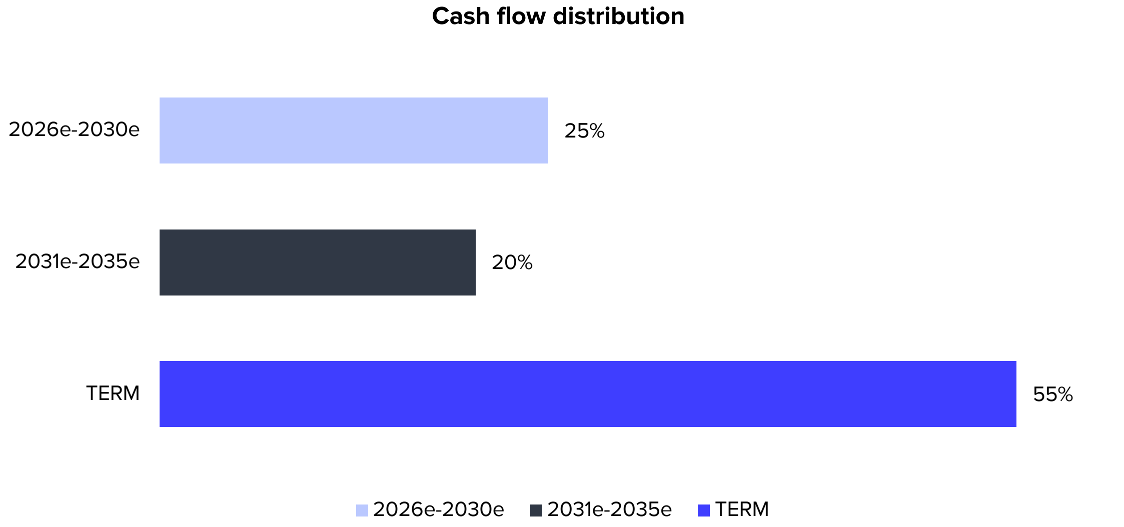
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**43.6**	**45.6**	**63.2**	**75.9**	**86.7**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	25.2	27.1	40.4	53.1	63.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	18.0	17.7	17.7	17.7	17.7
Minorities	0.3	0.7	5.0	5.0	5.0
Non-current liabilities	**34.5**	**48.8**	**51.7**	**44.7**	**43.7**
Deferred tax liabilities	1.4	1.6	1.6	1.6	1.6
Provisions	3.3	3.3	3.3	3.3	3.3
Interest bearing debt	29.8	43.9	46.8	39.9	38.9
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	**53.3**	**93.3**	**144**	**143**	**137**
Interest bearing debt	10.9	10.7	11.7	10.0	9.7
Payables	42.1	82.3	132	133	127
Other current liabilities	0.3	0.3	0.3	0.3	0.3
Balance sheet total	**131**	**188**	**259**	**264**	**267**

DCF calculation

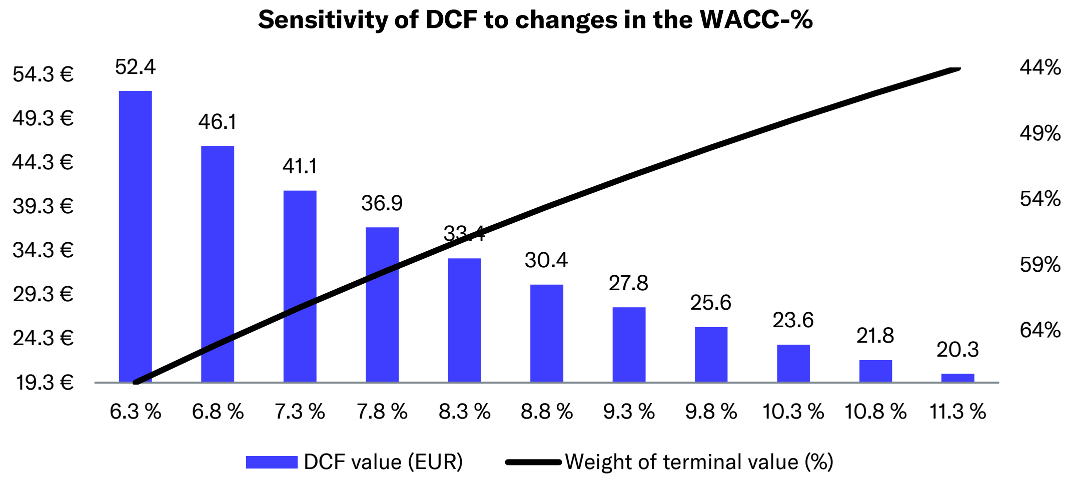
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	14.4 %	110.0 %	5.8 %	0.7 %	1.0 %	2.5 %	2.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.2 %	4.3 %	4.6 %	4.5 %	4.5 %	4.2 %	4.2 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	**10.0**	**28.3**	**32.5**	**32.0**	**32.1**	**30.7**	**31.3**	**30.4**	**31.1**	**31.7**	**32.3**	
+ Depreciation	7.9	12.7	14.2	13.1	12.8	13.0	13.3	13.1	13.1	12.9	13.0	
- Paid taxes	-1.5	-4.8	-5.6	-5.6	-5.6	-5.4	-5.6	-5.5	-5.6	-5.7	-5.8	
- Tax, financial expenses	-0.3	-0.6	-0.5	-0.4	-0.4	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	
+ 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	26.3	4.0	-6.9	-10.4	-3.5	0.2	-3.6	0.1	0.1	0.1	0.1	
Operating cash flow	**42.4**	**39.7**	**33.7**	**28.7**	**35.4**	**38.1**	**35.2**	**37.9**	**38.4**	**38.7**	**39.3**	
+ 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	-41.4	-41.9	-9.8	-12.0	-13.2	-14.1	-12.4	-12.9	-12.4	-13.2	-12.4	
Free operating cash flow	**1.0**	**-2.2**	**23.9**	**16.7**	**22.2**	**23.9**	**22.7**	**25.0**	**25.9**	**25.5**	**27.0**	
+/- Other	3.6	18.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.6	15.8	23.9	16.7	22.2	23.9	22.7	25.0	25.9	25.5	27.0	406
Discounted FCFF		**15.2**	**21.1**	**13.6**	**16.6**	**16.4**	**14.3**	**14.5**	**13.8**	**12.5**	**12.2**	**183**
Sum of FCFF present value		333	318	297	283	267	250	236	221	208	195	183
Enterprise value DCF		**333**										
- Interest bearing debt		-54.6										
+ Cash and cash equivalents		18.7										
+ Associated companies		0.0										
-Minorities		-21.6										
-Dividend/capital return		-5.3										
Equity value DCF		**270**										
Equity value DCF per share		**30.4**										

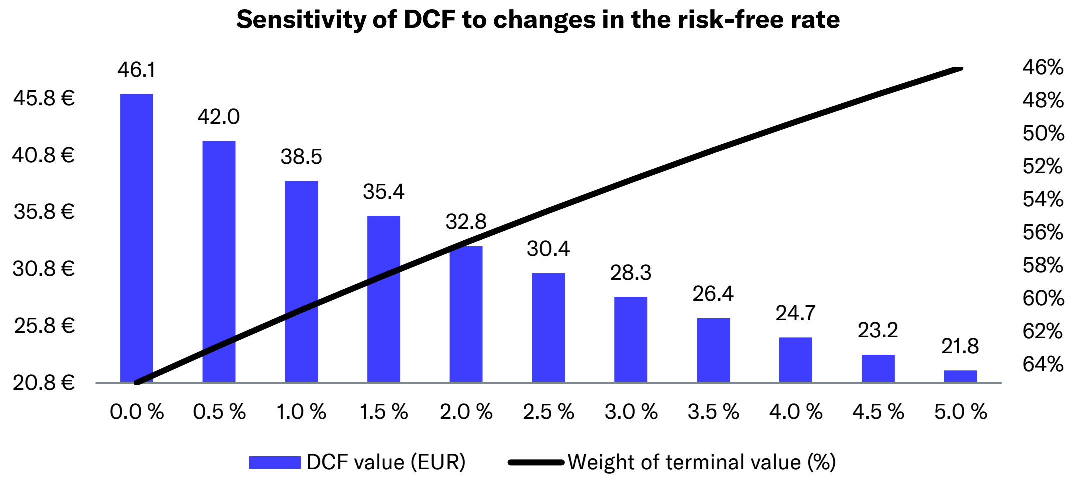
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.5 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	**10.1 %**
Weighted average cost of capital (WACC)	**8.8 %**

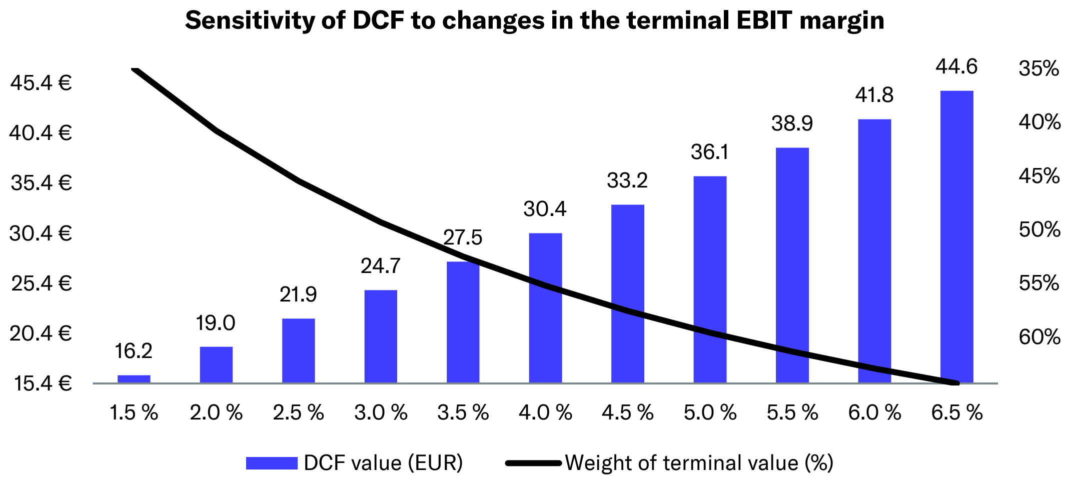
Source: Inderes

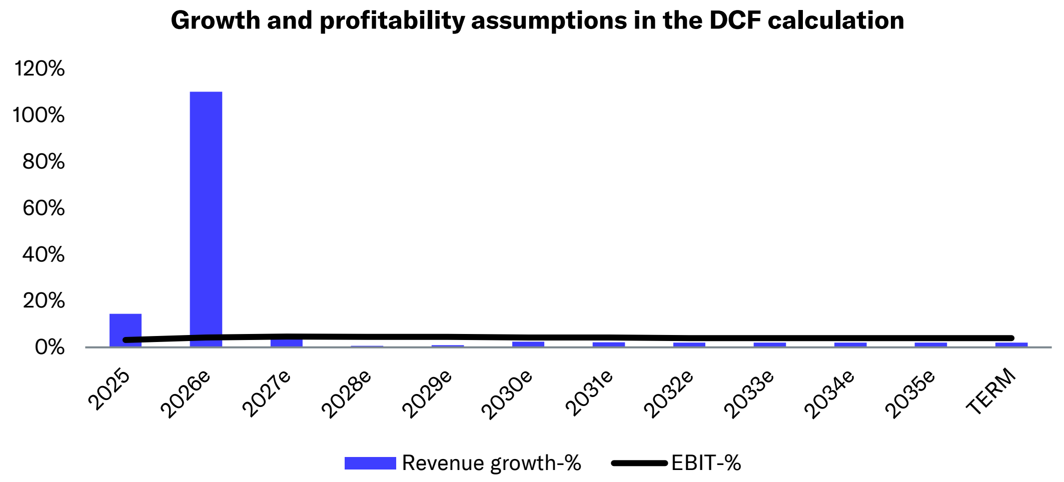


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2024	2025	2026e	2027e
Revenue	275.5	315.2	**662.0**	**700.4**
EBITDA	15.3	17.9	**41.0**	**46.7**
EBIT	8.7	10.0	**28.3**	**32.5**
PTP	5.9	8.4	**25.3**	**29.9**
Net Income	4.4	6.3	**18.6**	**22.1**
Extraordinary items	0.0	0.0	**0.0**	**0.0**

Balance sheet	2024	2025	2026e	2027e
Balance sheet total	131.4	187.6	**259.2**	**264.0**
Equity capital	43.6	45.6	**63.2**	**75.9**
Goodwill	40.4	63.3	**72.0**	**72.0**
Net debt	29.9	35.9	**32.0**	**21.8**

Cash flow	2024	2025	2026e	2027e
EBITDA	15.3	17.9	**41.0**	**46.7**
Change in working capital	-13.9	26.3	**4.0**	**-6.9**
Operating cash flow	-0.6	42.4	**39.7**	**33.7**
CAPEX	-6.9	-41.4	**-41.9**	**-9.8**
Free cash flow	-7.3	4.6	**15.8**	**23.9**

Valuation multiples	2024	2025	2026e	2027e
EV/S	0.3	0.5	**0.5**	**0.4**
EV/EBITDA	6.1	8.3	**7.4**	**6.2**
EV/EBIT (adj.)	10.8	14.9	**10.8**	**9.0**
P/E (adj.)	14.6	17.6	**13.5**	**11.4**
P/B	1.5	2.5	**4.3**	**3.5**
Dividend-%	7.0 %	4.8 %	**3.7 %**	**4.4 %**

Source: Inderes

Per share data	2024	2025	2026e	2027e
EPS (reported)	0.49	0.71	**2.10**	**2.48**
EPS (adj.)	0.49	0.71	**2.10**	**2.48**
OCF / share	-0.07	4.77	**4.47**	**3.79**
OFCF / share	-0.82	0.52	**1.78**	**2.68**
Book value / share	4.87	5.05	**6.54**	**7.98**
Dividend / share	0.50	0.60	**1.05**	**1.25**

Growth and profitability	2024	2025	2026e	2027e
Revenue growth-%	-14%	14%	**110%**	**6%**
EBITDA growth-%	9%	17%	**129%**	**14%**
EBIT (adj.) growth-%	15%	15%	**182%**	**15%**
EPS (adj.) growth-%	12%	46%	**194%**	**18%**
EBITDA-%	5.5 %	5.7 %	**6.2 %**	**6.7 %**
EBIT (adj.)-%	3.2 %	3.2 %	**4.3 %**	**4.6 %**
EBIT-%	3.2 %	3.2 %	**4.3 %**	**4.6 %**
ROE-%	10.1 %	14.4 %	**36.2 %**	**34.2 %**
ROI-%	10.4 %	10.9 %	**25.5 %**	**26.3 %**
Equity ratio	33.2 %	24.3 %	**24.4 %**	**28.8 %**
Gearing	68.6 %	78.8 %	**50.7 %**	**28.7 %**
Net debt/EBITDA	2.0	2.0	**0.8**	**0.5**
EBITDA/net financials	5.5	11.1	**13.9**	**18.0**

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

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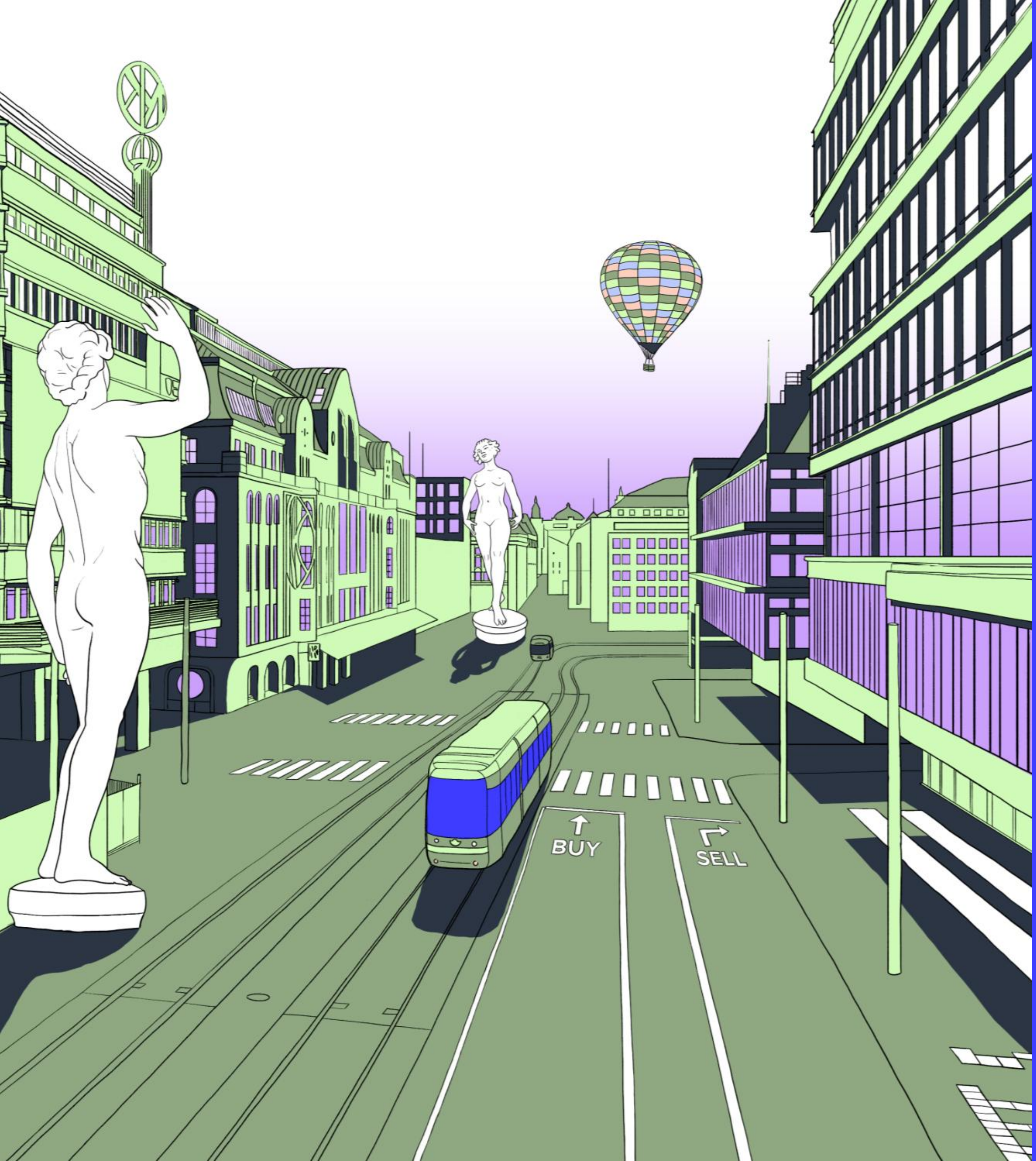
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
11/22/2021	Buy	13.00 €	10.75 €
11/24/2021	Buy	13.00 €	11.45 €
1/27/2022	Accumulate	13.00 €	11.75 €
4/27/2022	Buy	12.00 €	9.00 €
7/28/2022	Buy	12.00 €	8.80 €
10/4/2022	Buy	11.00 €	8.02 €
10/27/2022	Buy	11.00 €	8.45 €
11/21/2022	Accumulate	10.50 €	8.92 €
1/12/2023	Accumulate	10.50 €	9.05 €
2/1/2023	Accumulate	10.50 €	9.30 €
5/2/2023	Accumulate	9.00 €	7.94 €
7/12/2023	Reduce	7.90 €	7.58 €
7/20/2023	Accumulate	7.90 €	7.44 €
10/26/2023	Accumulate	7.00 €	6.32 €
11/28/2023	Accumulate	7.30 €	6.84 €
2/1/2024	Accumulate	8.50 €	7.94 €
4/29/2024	Accumulate	8.50 €	7.80 €
7/17/2024	Accumulate	8.50 €	7.82 €
10/1/2024	Accumulate	9.00 €	8.36 €
10/28/2024	Reduce	8.80 €	8.36 €
1/13/2025	Accumulate	8.00 €	7.30 €
2/6/2025	Accumulate	8.00 €	7.50 €
4/25/2025	Accumulate	8.60 €	7.92 €
7/15/2025	Accumulate	9.20 €	8.78 €
10/6/2025	Reduce	9.40 €	10.20 €
Analyst changed			
10/23/2025	Reduce	10.50 €	10.65 €
10/29/2025	Reduce	11.00 €	11.05 €
1/9/2026	Reduce	12.50 €	13.30 €
2/8/2026	Accumulate	15.00 €	14.00 €
3/31/2026	Accumulate	16.00 €	14.20 €
4/28/2026	Accumulate	20.00 €	18.65 €
6/17/2026	Accumulate	25.00 €	23.40 €
7/15/2026	Accumulate	30.00 €	28.30 €



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