

HARVIA

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Q3 cools off, buying opportunity heats up

Harvia's Q3 revenue grew as expected, but profitability clearly fell short of our expectations due to rising costs. We lowered our margin estimates for 2026-27, but we believe the company's long-term growth prospects remain unchanged. We lower our target price to EUR 46 (was EUR 47), but raise our recommendation to Buy (was Accumulate), as the upside of ~20% to the target price and strong earnings growth make the expected return attractive.

Revenue grew as expected, profitability clearly fell short

Harvia's revenue grew by 17% in Q3 to 53.9 MEUR, which was close to our estimate of 55.1 MEUR, taking into account an accounting adjustment that weighed on revenue by 0.7 MEUR. The growth was broad-based and entirely organic, supported as expected by the shift of around 4 MEUR in deliveries from Q2. Adjusted EBIT was 9.5 MEUR, which was clearly below our estimate of 11.8 MEUR and the consensus estimate of 12.1 MEUR. Even adjusted for the one-off adjustment (0.8 MEUR), EBIT would have been just over 10 MEUR. Earnings were depressed by a lower-than-expected material margin and the growth of personnel and other costs, reflecting the company's investments in growth. We consider the investments to be the right decision for Harvia's value creation, and we see no structural pressure on margins.

Net debt stood at just over 60 MEUR, and the ratio of net debt to adjusted EBITDA was 1.2x, while the company's target is below 2.5x. In our estimates, the gearing ratio will fall below 0.5x by 2028, which provides room for acquisitions or higher profit-sharing.

We lowered our margin estimates for 2026-27

The company's outlook remained positive, although it does not provide detailed comments on the future. We lowered our EBIT estimate for this year by 8% and for next year by 6%, driven by

the weak Q3 outcome and a reduction in our gross margin estimates to around 63-63.5% (was 64.5%). We expect the adjusted EBIT margin to be 18.7% this year and 20% next year.

In coming years, we expect progress to be in line with targets

Harvia's targets include annual sales growth of 10% (incl. acquisitions) and an EBIT margin of over 20%. We believe Harvia will reach these targets in the coming years through organic growth alone. In our estimates, growth is driven by non-European regions, particularly the US. We also believe that the growth of the APAC & MEA region will increasingly support the Group's overall growth as the region's share of revenue increases (11% in 2025). We expect Harvia's profitability to rise to the target level of 20-21% in 2027-2029. However, we estimate that continuous growth investments will be reflected in the margin, which, despite strong growth, will not scale up significantly in our forecasts.

Earnings growth offers a good expected return

The 2026 multiples (P/E 24x and EV/EBIT 18.5x) are high in absolute terms, but earnings growth is quickly pushing them lower. With our 2026 estimates, the P/E ratio is 19x and the EV/EBIT ratio is 15x. We estimate that adjusted EPS will grow by an average of around 15% per year in 2025-30, which, together with the dividend, offers an annual expected return of over 15%. We consider Harvia's return on capital and cash flow generation capacity excellent, and our DCF value (~EUR 46) supports the target price. Harvia's competitors Sauna 360 and Klafs have been bought by US companies in recent years, and we also believe that Harvia is a potential acquisition target for viable players of this type.

Recommendation

Buy
(was Accumulate)

Target price:

EUR 46.00
(was EUR 47.00)

Share price:
EUR 38.15

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	199	225	252	280
growth-%	14%	13%	12%	11%
EBIT adj.	39.1	42.1	50.5	57.3
EBIT-% adj.	19.7 %	18.7 %	20.0 %	20.4 %
Net Income	26.4	29.8	37.0	43.2
EPS (adj.)	1.46	1.61	1.97	2.30
P/E (adj.)	29.4	23.8	19.4	16.6
P/B	6.2	5.0	4.3	3.8
Dividend yield-%	1.8 %	2.1 %	2.6 %	3.7 %
EV/EBIT (adj.)	22.1	18.5	15.2	13.1
EV/EBITDA	18.9	15.5	12.8	11.2
EV/S	4.3	3.4	3.0	2.7

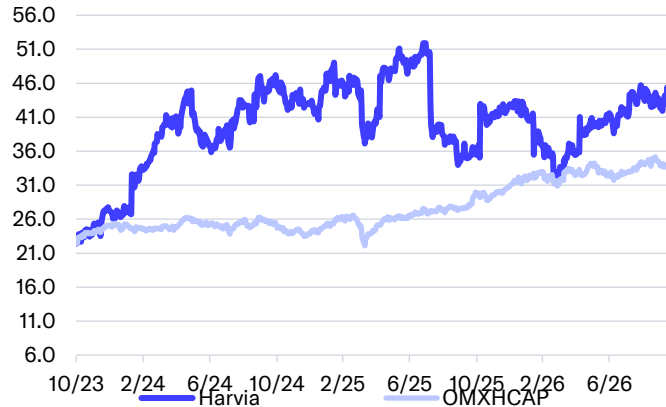
Source: Inderes

Guidance

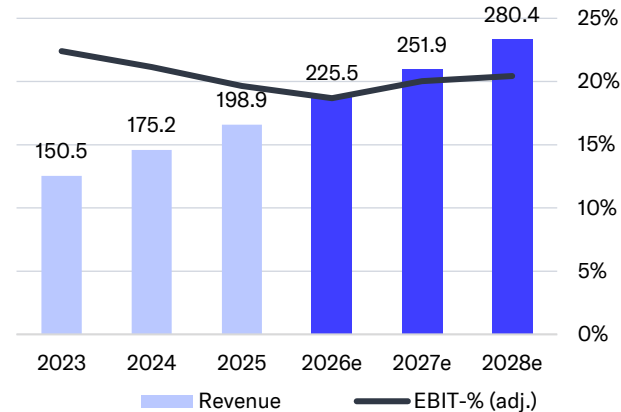
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Harvia does not publish a short-term outlook.

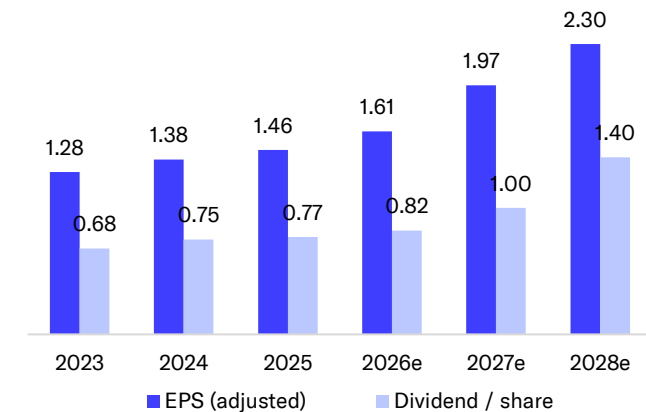
Share price



Revenue and EBIT-% (adj.)



EPS and DPS



Value drivers

- Stably growing sauna and spa market in the longer term
- Leading market position and best profitability in the sector
- Strong cash flow and moderate investment need
- Revenue growth through complementing acquisitions and expansion of the reseller network

Risk factors

- Dependence on the Muurame plant
- Changes in the competitive field or position
- Economic fluctuations and fluctuations on the construction market may slow down growth
- Successful integration of acquisitions
- Weakening global demand trend for saunas

Valuation	2026e	2027e	2028e
Share price	38.2	38.2	38.2
Number of shares, millions	18.8	18.8	18.8
Market cap	717	717	717
EV	778	766	753
P/E (adj.)	23.8	19.4	16.6
P/E	24.0	19.4	16.6
P/B	5.0	4.3	3.8
P/S	3.2	2.8	2.6
EV/Sales	3.4	3.0	2.7
EV/EBITDA	15.5	12.8	11.2
EV/EBIT (adj.)	18.5	15.2	13.1
Payout ratio (%)	51.7 %	50.7 %	61.0 %
Dividend yield-%	2.1 %	2.6 %	3.7 %

Source: Inderes

Result clearly below expectations

Revenue grew as expected, growth was broad-based

Revenue grew 17% to 53.9 MEUR. The figure included a 0.7 MEUR adjustment in North America related to the H1 figures, without which growth would have been 19%. This was close to our 55.1 MEUR estimate, although slightly below consensus (56.2 MEUR). Growth was fully organic. Growth was supported, as anticipated, by an around 4 MEUR shift in deliveries from Q2 due to the IT and process transformation project in Muurame, and according to the company, delivery capacity has returned to normal.

Geographically, revenue grew by 18% in North America (22% excluding the accounting adjustment), 23% in Northern Europe, 12% in Continental Europe, and 12% in the APAC & MEA region. Regionally, too, the development was largely in line with our expectations. Growth in steam products continued to be slower than in other product categories, though still positive, and market demand was more subdued. Conflicts in the Middle East continued to weigh on demand in the APAC & MEA region.

Profitability clearly missed expectations due to cost growth and adjustments

Adjusted EBIT was 9.5 MEUR, which was clearly below our estimate of 11.8 MEUR and the consensus estimate of 12.1 MEUR. Even when adjusted for the accounting correction, the result would have been just over 10 MEUR – still clearly weaker than expected – but in that case, the margin would have been on par with the comparison period.

The company's material margin of just under 63% was weaker than our estimate (64.5%), but in line with the comparison period and the past five quarters or so. Other operating expenses were also higher than our estimate. The company explains the margin decline by personnel expenses and other operating expenses, which reflect investments in marketing, portfolio management, and strategic focus areas, growing faster than revenue. In recent years, the company has heavily invested in expanding its organization and supporting growth, and has communicated that this will continue for years to come.

The Q3 earnings surprise stemmed mainly from the fact that the "extra" sales carried over from Q2 generated no operational leverage at all, contrary to our expectations. Overall, however, we see investments in growth as the right decision for Harvia's value creation, and, therefore, we are not particularly concerned about slightly weaker margin levels in individual quarters. The company's earnings and margin are at a good level in any case, and we see no structural pressure on margins.

Cash flow seasonally weak, balance sheet strong

Q3 operational free cash flow was at zero, similar to the comparison period, which the company explains by seasonality, as net working capital is systematically built up ahead of the winter season. Cash flow in January-September was 15 MEUR (13 MEUR). Net debt was roughly at the level of the comparison period (a little over 60 MEUR) and net gearing relative to adjusted. EBITDA was 1.2x, meaning the balance sheet continues to provide a solid foundation for acquisitions.

Estimates MEUR / EUR	Q3'25 Comparison	Q3'26 Actualized	Q3'26e Inderes	Q3'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	46.0	53.9	55.1	56.2	-2%	225
EBITDA	10.2	11.7	13.8	-	-16%	50.2
EBIT (adj.)	8.5	9.5	11.8	12.1	-20%	42.1
EBIT	8.4	9.4	11.8	12.1	-21%	41.8
EPS (reported)	0.33	0.37	0.46	0.47	-19%	1.59
Revenue growth-%	18.9 %	17.1 %	19.8 %	22.2 %	-2.7 pp	13.4 %
EBIT-% (adj.)	18.5 %	17.6 %	21.5 %	21.5 %	-3.9 pp	18.7 %

Source: Inderes & Modular Finance, 7 analysts (consensus)

Lower margin estimates for 2026–27

Outlook remained good, although the company does not provide guidance

Harvia does not provide a short-term outlook, and the long-term targets (10% growth, adj. EBIT margin of over 20%) remained unchanged. The report reiterated that the long-term outlook for the sauna market is favorable despite geopolitical uncertainty. The company provided little comment on the Q4 outlook, although it did note that it has increased inventories in the US for Q4 promotional sales.

We lowered our margin estimates for this and next year

Our earnings estimates for this year decreased relatively clearly, driven by both the significantly weaker-than-expected Q3 outcome and a lower margin estimate for Q4. We now expect the company's full-year adjusted EBIT margin to weaken from the comparison period and land at 18.7%, which is roughly the level reported for January-September. This would mean that the margin remains

below the company's target level of 20% for the second consecutive year. This year, however, falling short of the target is partly explained by the production outage in Muurame during Q2, when the company's costs continued to run at almost normal levels while revenue failed to materialize. The company's management has also emphasized that prioritizing growth is the primary objective, and although a 20% margin is targeted, we believe the company will accept a slightly lower margin in individual years.

We also lowered our margin expectation for next year, which is now exactly 20%. We believe this level is achievable relatively easily if growth remains strong and there are no negative surprises, as Harvia can, to some extent, regulate the growth of its fixed costs .

For 2028-29, our margin estimate is only slightly above 20%, and for 2030, at 21.5%, meaning we believe the company's profitability will remain close to the targeted

level as the company also continues to invest in growth. The single largest change in our forecasts was the decrease in the material margin estimates to 63-63.5% for the coming years, whereas we previously expected growth from international markets to pull it up to 64.5%. In connection with Q3, the company commented that the level of ~63% reported during the last five quarters is currently quite normal.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	227	225	-1%	250	252	1%	275	280	2%
EBITDA	53.5	50.2	-6%	61.6	59.7	-3%	68.1	67.5	-1%
EBIT	45.5	41.8	-8%	53.4	50.5	-6%	58.1	57.3	-1%
PTP	41.9	38.3	-9%	50.5	47.5	-6%	56.2	55.3	-1%
EPS (excl. NRIs)	1.74	1.61	-8%	2.09	1.97	-6%	2.33	2.30	-1%
DPS	0.82	0.82	0%	1.00	1.00	0%	1.40	1.40	0%

Source: Inderes

Harvia Plc, Webcast, Q3'26



Expected return improved with share price drop

Valuation summary

We expect Harvia to grow significantly starting from this year, long into the 2030s, and the company has proven its quality, for example, even during the difficult years of 2022-23. Although we find Harvia's multiples relatively high for the next few years, we expect the company's earnings growth and good cash flow to push multiples down over the years.

Growth creates value and weighs on multiples over time

For 2026, our projected P/E is ~24x and EV/EBIT is ~18.5x, which are relatively high in absolute terms. Thanks to its strong return on capital and growth profile, Harvia is clearly capable of value-creating growth, which is why we consider the multiples justified. P/E for 2027 is of around 19x and EV/EBIT 15x. The multiples are clearly above the average of the peer group, although we do not consider the peer group to be directly comparable with Harvia. Harvia's valuation is currently among the highest in its peer group, alongside, e.g., Nibe. We believe the premium valuation is well deserved compared to the entire peer group, given Harvia's excellent return on capital and growth outlook.

Harvia's competitors Sauna 360 and Klafs have been bought by large US companies in recent years. We also believe that Harvia is a potential acquisition target for viable players of this type. The current valuation already sets the price quite high for a potential bid, as a tender offer would also require a premium to the current price.

Annual expected return of approximately 20%

Outlined in terms of earnings growth and dividend (i.e., assuming the current valuation is maintained), we arrive at

an expected return of close to 20% over the next three years. It is also worth noting that our projections keep Harvia's net debt/EBITDA low (around 1.1x this year and below 0.5x in 2028), while the target is below 2.5x. This will allow the company to either distribute more profits or make acquisitions, which we believe will support expected returns. Harvia will likely seek to make acquisitions in the future, in which the company has a strong track record (more on this in our [extensive report](#)). According to our estimate, free cash flow yield is approximately 2.8% based on this year's figures. In 2025-30, we estimate that the net profit will grow on average by around 16%, so also from this perspective, the expected return is almost 20%. We currently consider the valuation multiples to be fairly neutral overall, meaning the total expected return is similarly driven by earnings growth and dividend yield to a level of nearly 20%.

The DCF model value decreased to EUR 46

With a stable industry, steady profitability and a fairly predictable business, we believe that the DCF model is a relevant valuation method for Harvia. We expect growth to remain at 10% until 2034. Our growth assumption in the terminal period is 3.0%. In the medium term, we expect profitability to rise to 22.5% in terms of the EBIT margin. Our required return is 9.1% and our DCF value is about EUR 46 (was EUR 47), which is in line with our target price. The company's capital requirement is generally low, and the return on capital is high, which enables strong cash flow and growth.

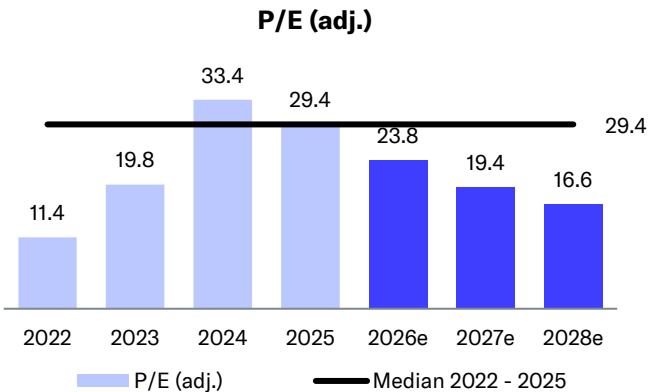
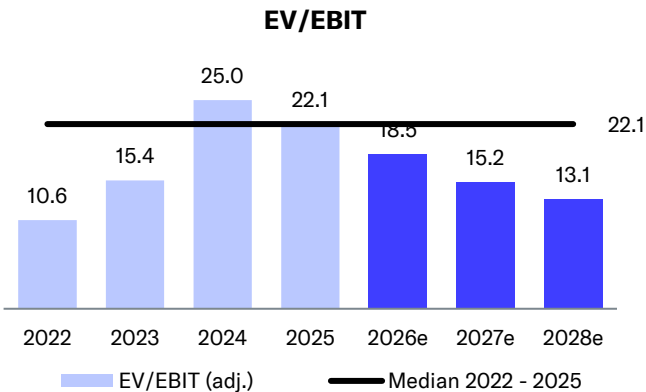
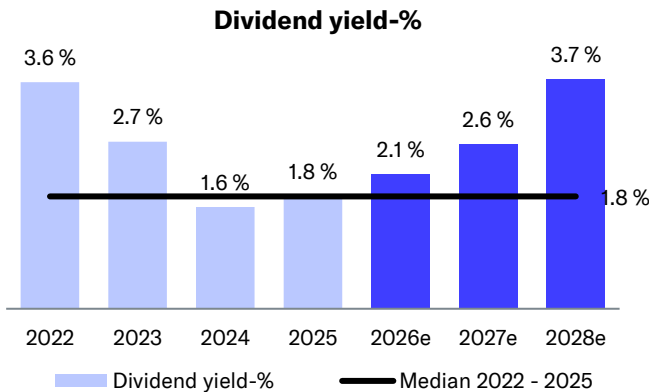
Valuation	2026e	2027e	2028e
Share price	38.2	38.2	38.2
Number of shares, millions	18.8	18.8	18.8
Market cap	717	717	717
EV	778	766	753
P/E (adj.)	23.8	19.4	16.6
P/E	24.0	19.4	16.6
P/B	5.0	4.3	3.8
P/S	3.2	2.8	2.6
EV/Sales	3.4	3.0	2.7
EV/EBITDA	15.5	12.8	11.2
EV/EBIT (adj.)	18.5	15.2	13.1
Payout ratio (%)	51.7 %	50.7 %	61.0 %
Dividend yield-%	2.1 %	2.6 %	3.7 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.7	17.7	25.5	46.1	42.9	38.2	38.2	38.2	38.2
Number of shares, millions	18.6	18.7	18.7	18.7	18.7	18.8	18.8	18.8	18.8
Market cap	1091	330	476	860	801	717	717	717	717
EV	1181	388	518	926	865	778	766	753	744
P/E (adj.)	31.7	11.4	19.8	33.4	29.4	23.8	19.4	16.6	15.3
P/E	32.4	12.2	20.4	35.6	30.3	24.0	19.4	16.6	15.3
P/B	13.5	3.4	4.4	7.0	6.2	5.0	4.3	3.8	3.4
P/S	6.1	1.9	3.2	4.9	4.0	3.2	2.8	2.6	2.3
EV/Sales	6.6	2.3	3.4	5.3	4.3	3.4	3.0	2.7	2.4
EV/EBITDA	22.5	9.2	13.2	21.8	18.9	15.5	12.8	11.2	10.1
EV/EBIT (adj.)	24.9	10.6	15.4	25.0	22.1	18.5	15.2	13.1	11.8
Payout ratio (%)	33%	44%	55%	58%	54%	52%	51%	61%	60%
Dividend yield-%	1.0 %	3.6 %	2.7 %	1.6 %	1.8 %	2.1 %	2.6 %	3.7 %	3.9 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Thule Group AB	1889	2204	13.5	12.3	11.3	10.4	2.3	2.2	16.5	14.9	4.6	5.2	2.7
Nobia AB	183	473	15.7	10.6	7.2	5.6	0.9	0.9	22.8	7.6			0.9
Dometic Group AB	603	1610	10.9	8.6	6.4	5.5	0.9	0.8	8.6	5.8	3.3	6.0	0.4
Nokian Tyres plc	1898	2799	22.2	15.9	10.7	8.8	1.9	1.8	24.1	15.3	2.3	3.1	1.5
Rapala VMC Oyj	67	153	9.6	10.5	5.9	5.9	0.6	0.6	17.2	15.0		0.6	0.6
Husqvarna AB	1652	2315	11.1	8.3	4.7	4.2	0.6	0.6	19.6	10.9	2.4	4.8	0.7
Inwido AB	1006	1272	13.9	11.9	9.7	8.6	1.4	1.3	17.3	14.2	3.2	3.4	1.9
Nibe Industrier AB	8321	9951	21.6	19.0	14.9	13.4	2.5	2.3	27.8	22.9	1.1	1.3	2.8
Technogym SpA	2762	2675	15.9	14.0	11.8	10.5	2.4	2.3	22.2	19.5	3.0	3.3	7.2
Rockwool A/S	5584	5752	11.4	10.3	7.1	6.5	1.5	1.4	14.5	13.2	2.2	2.4	1.8
Electrolux AB	2011	3940	13.3	8.3	5.2	4.1	0.3	0.3	16.2	8.3		3.3	1.1
De' Longhi SpA	6478	5999	11.0	10.3	8.8	8.3	1.5	1.4	17.1	15.7	2.8	2.6	3.0
Tulikivi	29	36		18.1	18.1	9.1	1.3	1.2		24.5		4.1	1.8
Harvia (Inderes)	717	778	18.5	15.2	15.5	12.8	3.4	3.0	23.8	19.4	2.1	2.6	5.0
Average			14.2	12.2	9.4	7.8	1.4	1.3	18.6	14.4	2.7	3.3	2.0
Median			13.4	10.6	8.8	8.3	1.4	1.3	17.2	14.9	2.8	3.3	1.8
Diff-% to median			38%	44%	76%	54%	156%	143%	38%	30%	-22%	-21%	174%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	175	52.0	47.2	46.0	53.7	199	58.6	52.8	53.8	60.2	225	252	280	309
Northern Europe	43.8	11.9	11.5	11.1	12.1	46.6	13.9	11.3	13.7	12.7	51.6	53.5	55.1	56.8
Continental Europe	52.7	14.5	12.7	12.6	15.8	55.6	15.3	12.4	14.1	16.5	58.4	61.1	64.2	67.4
North America	62.0	21.8	16.6	16.6	20.8	75.8	24.4	23.0	19.7	24.8	91.9	111	130	150
APAC & MEA	16.7	3.8	6.4	5.7	5.1	21.0	4.9	6.1	6.4	6.1	23.5	26.7	30.7	35.3
EBITDA	42.4	13.8	9.4	10.2	12.4	45.8	14.8	10.4	11.7	13.3	50.2	59.7	67.5	73.7
Depreciation	-7.0	-1.9	-1.8	-1.8	-2.0	-7.5	-2.0	-2.0	-2.2	-2.2	-8.4	-9.2	-10.2	-10.9
EBIT (excl. NRI)	37.1	11.9	8.2	8.5	10.5	39.1	12.9	8.6	9.5	11.1	42.1	50.5	57.3	62.9
EBIT	35.5	11.9	7.6	8.4	10.4	38.3	12.8	8.4	9.4	11.1	41.8	50.5	57.3	62.9
Net financial items	-3.6	-1.4	-2.2	-0.5	-1.1	-5.1	-0.7	-1.3	-0.7	-0.8	-3.5	-3.0	-2.0	-2.8
PTP	31.8	10.5	5.4	8.0	9.3	33.2	12.1	7.1	8.7	10.3	38.3	47.5	55.3	60.1
Taxes	-7.6	-2.1	-1.1	-1.9	-1.7	-6.8	-2.8	-1.5	-1.8	-2.3	-8.3	-10.4	-12.2	-13.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Net earnings	24.2	8.4	4.4	6.1	7.6	26.4	9.3	5.6	7.0	8.1	29.9	37.0	43.2	46.8
EPS (adj.)	1.38	0.45	0.27	0.33	0.41	1.46	0.50	0.31	0.38	0.43	1.61	1.97	2.30	2.49
EPS (rep.)	1.30	0.45	0.23	0.33	0.41	1.42	0.49	0.30	0.37	0.43	1.59	1.97	2.30	2.49

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	16.4 %	22.6 %	9.3 %	18.9 %	5.5 %	13.5 %	12.8 %	11.9 %	17.0 %	12.1 %	13.4 %	11.7 %	11.3 %	10.4 %
Adjusted EBIT growth-%	9.9 %	17.8 %	-12.7 %	-3.8 %	20.3 %	5.5 %	8.4 %	4.3 %	11.9 %	6.3 %	7.7 %	19.8 %	13.6 %	9.7 %
EBITDA-%	24.2 %	26.5 %	19.9 %	22.2 %	23.0 %	23.0 %	25.2 %	19.7 %	21.7 %	22.1 %	22.3 %	23.7 %	24.1 %	23.8 %
Adjusted EBIT-%	21.2 %	22.9 %	17.4 %	18.5 %	19.5 %	19.7 %	22.0 %	16.2 %	17.7 %	18.5 %	18.7 %	20.0 %	20.4 %	20.3 %
Net earnings-%	13.8 %	16.1 %	9.2 %	13.2 %	14.2 %	13.3 %	15.8 %	10.6 %	13.0 %	13.4 %	13.3 %	14.7 %	15.4 %	15.1 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	146	149	154	160	165
Goodwill	91.1	89.3	89.3	89.3	89.3
Intangible assets	16.9	19.2	19.3	19.5	19.6
Tangible assets	36.3	38.8	44.3	49.8	54.6
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.8	1.4	1.4	1.4	1.4
Current assets	119	123	133	122	135
Inventories	49.2	52.1	57.5	63.0	70.1
Other current assets	0.6	0.8	0.8	0.8	0.8
Receivables	22.3	24.6	29.3	32.7	36.5
Cash and equivalents	46.4	45.2	45.1	25.2	28.0
Balance sheet total	265	271	287	282	300

Source: Inderes

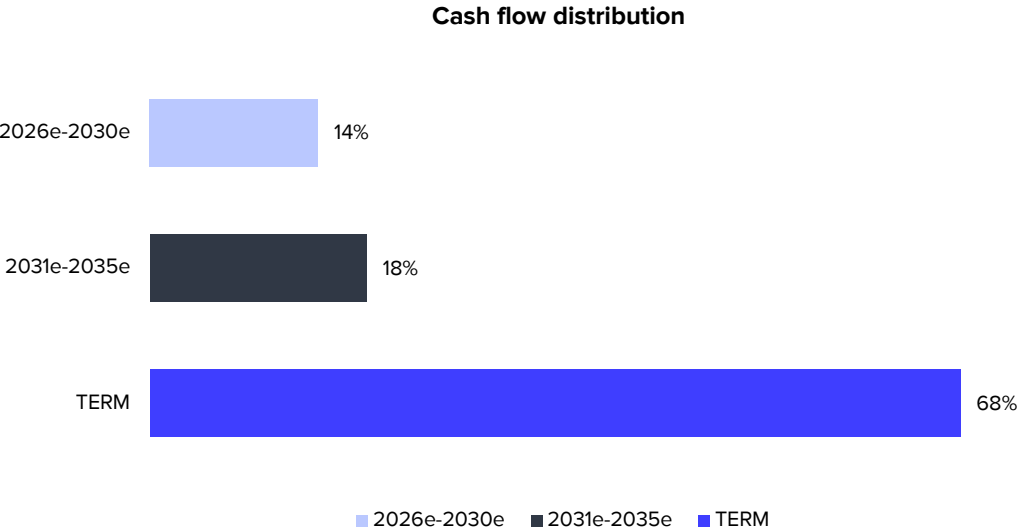
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	124	130	146	168	192
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	86.8	99.1	115	136	161
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	35.9	30.2	30.2	30.2	30.2
Minorities	1.2	1.1	1.1	1.1	1.1
Non-current liabilities	111	107	105	68.3	53.4
Deferred tax liabilities	2.7	2.2	2.2	2.2	2.2
Provisions	2.8	2.4	2.4	2.4	2.4
Interest bearing debt	103	102	99.6	62.8	47.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.0	0.9	0.9	0.9	0.9
Current liabilities	29.3	33.5	35.8	45.9	54.9
Interest bearing debt	1.0	1.3	0.6	7.0	12.0
Payables	26.4	28.6	31.6	35.3	39.3
Other current liabilities	1.9	3.6	3.6	3.6	3.6
Balance sheet total	264	271	287	282	300

DCF-calculation

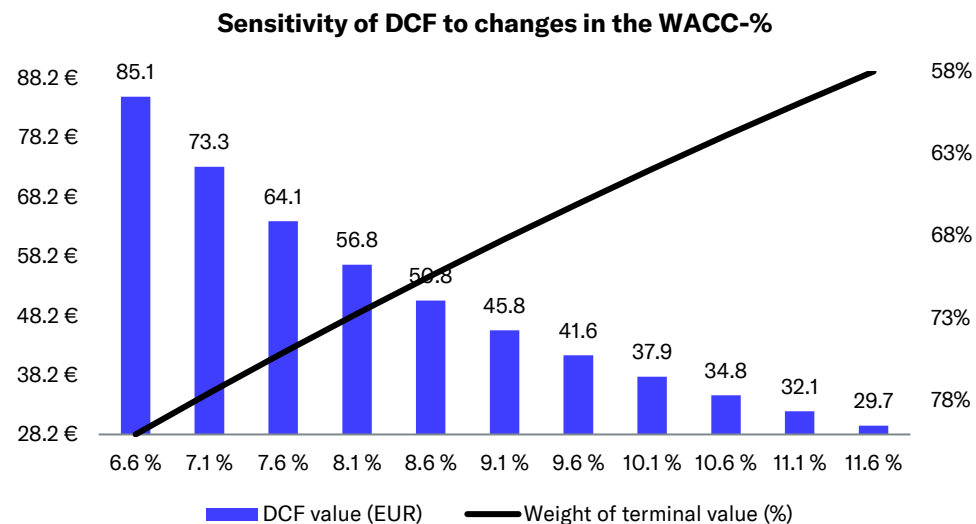
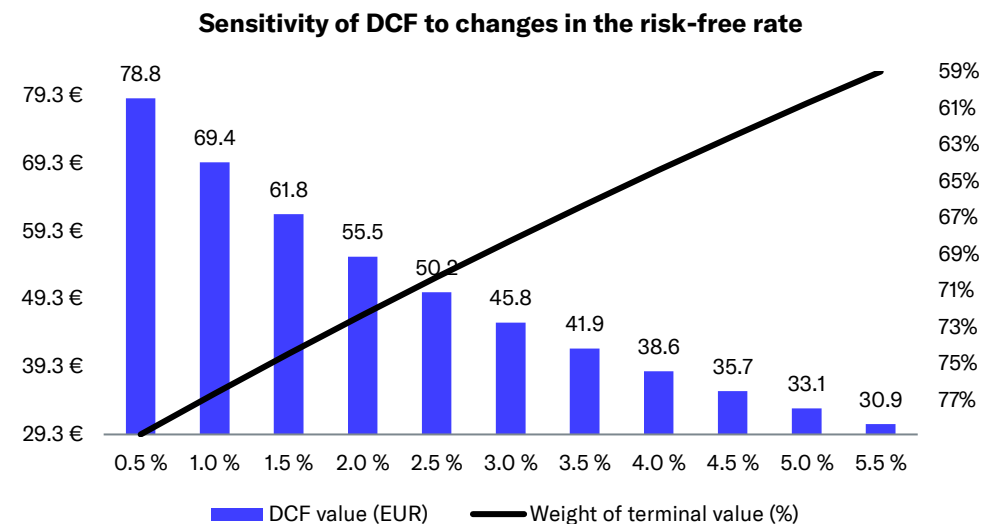
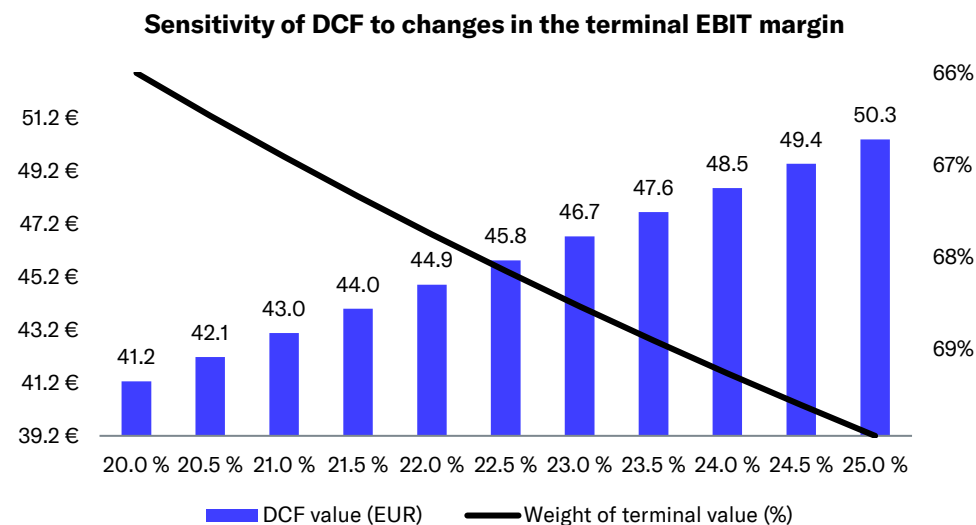
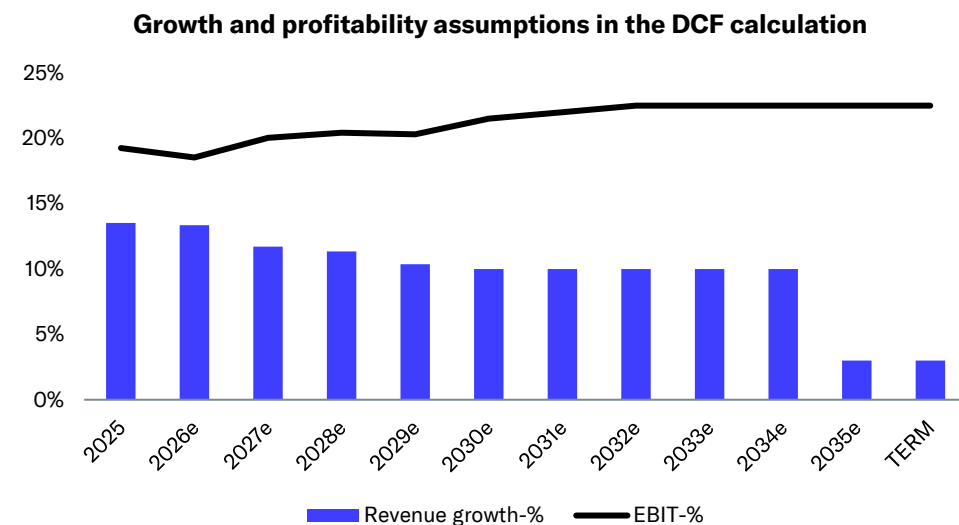
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	13.5 %	13.4 %	11.7 %	11.3 %	10.4 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	19.3 %	18.5 %	20.0 %	20.4 %	20.3 %	21.5 %	22.0 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %
EBIT (operating profit)	38.3	41.8	50.5	57.3	62.9	73.2	82.4	92.7	102	112	116	
+ Depreciation	7.5	8.4	9.2	10.2	10.9	11.5	12.3	13.1	14.1	15.1	16.2	
- Paid taxes	-7.9	-8.3	-10.4	-12.2	-13.2	-15.6	-17.7	-20.1	-22.4	-24.7	-25.4	
- Tax, financial expenses	-1.1	-0.8	-0.7	-0.4	-0.6	-0.5	-0.4	-0.3	-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	-1.4	-7.1	-5.2	-6.9	-7.0	-7.4	-8.2	-9.0	-9.9	-10.9	-3.6	
Operating cash flow	35.4	34.0	43.4	48.0	52.9	61.2	68.4	76.4	83.7	91.7	103	
+ Change in other long-term liabilities	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.4	-14.0	-15.0	-15.0	-15.5	-16.7	-18.1	-19.6	-21.2	-22.7	-19.5	
Free operating cash flow	23.6	20.0	28.4	33.0	37.5	44.5	50.3	56.9	62.5	69.0	83.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	23.6	20.0	28.4	33.0	37.5	44.5	50.3	56.9	62.5	69.0	83.2	1410
Discounted FCFF		19.7	25.6	27.3	28.4	31.0	32.1	33.3	33.5	33.9	37.5	636
Sum of FCFF present value		938	918	893	865	837	806	774	741	707	673	636
Enterprise value DCF		938										
- Interest bearing debt		-103										
+ Cash and cash equivalents		45										
+ Associated companies		0										
-Minorities		-5										
-Dividend/capital return		-14										
Equity value DCF		860										
Equity value DCF per share		45.8										

WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.4
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	3.0 %
Cost of equity	9.7 %
Weighted average cost of capital (WACC)	9.1 %

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	Per share data	2023	2024	2025	2026e	2027e
Revenue	150.5	175.2	198.9	225.5	251.9	EPS (reported)	1.25	1.30	1.42	1.59	1.97
EBITDA	39.3	42.4	45.8	50.2	59.7	EPS (adj.)	1.28	1.38	1.46	1.61	1.97
EBIT	33.0	35.5	38.3	41.8	50.5	OCF / share	2.09	1.43	1.90	1.81	2.31
PTP	29.5	31.8	33.2	38.3	47.5	OFCF / share	1.74	-0.44	1.26	1.06	1.51
Net Income	23.3	24.2	26.4	29.8	37.0	Book value / share	5.76	6.58	6.93	7.70	8.86
Extraordinary items	-0.7	-1.6	-0.8	-0.3	0.0	Dividend / share	0.68	0.75	0.77	0.82	1.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	214.3	264.6	271.3	286.9	281.7	Revenue growth-%	-13%	16%	14%	13%	12%
Equity capital	108.7	124.0	130.5	146.0	167.6	EBITDA growth-%	-7%	8%	8%	10%	19%
Goodwill	73.4	91.1	89.3	89.3	89.3	EBIT (adj.) growth-%	-8%	10%	6%	8%	20%
Net debt	37.6	57.3	57.7	55.2	44.5	EPS (adj.) growth-%	-17%	8%	5%	10%	23%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	26.1 %	24.2 %	23.0 %	22.3 %	23.7 %
EBITDA	39.3	42.4	45.8	50.2	59.7	EBIT (adj.)-%	22.4 %	21.2 %	19.7 %	18.7 %	20.0 %
Change in working capital	6.9	-8.9	-1.4	-7.1	-5.2	EBIT-%	21.9 %	20.2 %	19.3 %	18.5 %	20.0 %
Operating cash flow	39.1	26.7	35.4	34.0	43.4	ROE-%	22.7 %	21.0 %	20.9 %	21.8 %	23.8 %
CAPEX	-3.2	-38.4	-9.4	-14.0	-15.0	ROI-%	18.1 %	17.1 %	16.6 %	17.4 %	20.9 %
Free cash flow	32.5	-8.1	23.6	20.0	28.4	Equity ratio	50.7 %	46.9 %	48.1 %	50.9 %	59.5 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	34.6 %	46.2 %	44.2 %	37.8 %	26.6 %
EV/S	3.4	5.3	4.3	3.4	3.0	Net debt/EBITDA	1.0	1.4	1.3	1.1	0.7
EV/EBITDA	13.2	21.8	18.9	15.5	12.8	EBITDA/net financials	11.2	11.7	9.0	14.3	20.1
EV/EBIT (adj.)	15.4	25.0	22.1	18.5	15.2						
P/E (adj.)	19.8	33.4	29.4	23.8	19.4						
P/B	4.4	7.0	6.2	5.0	4.3						
Dividend-%	2.7 %	1.6 %	1.8 %	2.1 %	2.6 %						

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2022	Accumulate	22.00 €	19.93 €
9/9/2022	Buy	20.00 €	15.23 €
11/4/2022	Buy	20.00 €	15.46 €
12/19/2022	Accumulate	21.00 €	18.33 €
2/10/2023	Reduce	22.00 €	22.10 €
5/5/2023	Reduce	24.00 €	25.06 €
5/29/2023	Accumulate	24.00 €	22.14 €
8/11/2023	Accumulate	24.00 €	22.00 €
9/13/2023	Accumulate	25.50 €	24.00 €
11/3/2023	Accumulate	25.00 €	23.50 €
12/11/2023	Reduce	25.00 €	25.48 €
2/9/2024	Sell	28.00 €	32.60 €
5/6/2024	Sell	30.00 €	38.60 €
8/6/2024	Sell	32.00 €	36.50 €
8/9/2024	Sell	35.00 €	40.40 €
9/24/2024	Sell	37.00 €	42.45 €
11/8/2024	Sell	40.00 €	46.10 €
2/14/2025	Reduce	46.00 €	47.10 €
4/24/2025	Reduce	40.00 €	38.70 €
5/8/2025	Reduce	43.00 €	47.10 €
8/8/2025	Reduce	41.00 €	43.05 €
10/8/2025	Accumulate	40.00 €	35.15 €
11/7/2025	Reduce	43.00 €	42.95 €
2/13/2026	Buy	44.00 €	35.50 €
4/14/2026	Buy	44.00 €	34.95 €
5/8/2026	Accumulate	44.00 €	41.05 €
8/7/2026	Accumulate	47.00 €	44.35 €
10/6/2026	Accumulate	47.00 €	41.95 €
10/30/2026	Buy	46.00 €	38.15 €



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