

DIGITAL WORKFORCE

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Turnaround progressing a bit slower than we expected

We reiterate our Accumulate recommendation for the share and lower our target price to EUR 3.7 (was EUR 4.30) reflecting our estimate cuts. Digital Workforce's Q3 was slightly softer than our expectations. The earnings turnaround has encountered some bumps this year and progressed slower than we expected. However, we expect the company to grow organically better than the IT services market in the coming years and for this growth to scale into profitability. We find the share's valuation (2026e EV/EBIT 11x, SOTP EUR 4.6) attractive.

Growth was disappointing, but there was no particular drama behind it

Digital Workforce's revenue was at the comparison period's level of 6.6 MEUR in Q3, slightly below our forecast. We estimate that growth is somewhat better than the overall IT services sector (Q2 - 4%), but slower than last year and the big picture potential. The decline came from "more valuable" Continuous Services, which decreased by 3% against our forecast of 5% growth. The disappointment is somewhat mitigated by the company's comment that the decline was due to a decrease in sales of less strategic licenses, as well as normal seasonal variations.

Profitability improved year-on-year but fell short of forecasts

Q3 EBITDA, adjusted for non-recurring items, was quite close (0.44 MEUR or 6.7%) to our forecast. However, the company did not specify what these adjustment items consisted of, but we estimate that around 0.1 MEUR was related to the e18 acquisition, which we adjust from the result. The improvement in profitability was driven by several cost-saving measures and a shift in business focus towards more scalable operations. The company's key gross margin rose to 37% (Q3'24: 33%) of revenue, almost in line with our expectations, which is a good level considering that Continuous Services declined somewhat. This creates the conditions for future profitability improvement.

Guidance remained unchanged, although the company is behind schedule for the beginning of the year

Digital Workforce maintained its guidance and estimates that revenue will be higher and adjusted EBITDA will improve in 2025 from the comparison period. For the first nine months, the company is behind guidance in terms of revenue (-0.5%) and more clearly in terms of adjusted EBITDA (-0.2 MEUR or -27%). However, we estimate Q4 to be clearly better than last year, which suggests the company will achieve its guidance. Based on the company's comments, the improved development is supported by a good order book and sales pipeline, but especially by the e18 acquisition. We lowered our revenue forecasts for the coming years, driven by a slightly slower-than-expected start to projects and a decline in recurring revenue. At the same time, we raised our profitability expectations, driven by a better revenue structure. We expect the company's revenue to grow by 6% and adjusted EBITDA to grow to 1.5 MEUR in 2025 (2024 adj. EBITDA: 1.0 MEUR).

Valuation picture is attractive

In terms of investment profile, Digital Workforce is still a turnaround company whose turnaround in profitable growth progressed well last year. This year, performance has been more volatile, and there is still clear evidence to be provided of profitable growth. Following the acquisition, it is justified to primarily consider next year's multiples, which account for the full impact of the acquisition. Next year's profitability estimates are only partially scaled (EBITDA: 8%), making the valuation picture (2026e EV/EBIT 11x, P/E 13x) attractive. If growth continues and scales into profitability, the 2027 multiples (EV/EBIT 6x, P/E 9x) are already very attractive, but in our view, it is still too early to rely on this, given the strong earnings growth forecasts. Based on the valuation multiples, the sum of parts of EUR 4.4, and the DCF calculation (EUR 4.5), we estimate the fair value range of the share to be EUR 3.5-4.6 per share. However, the upper end requires a clearly better outlook and execution.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 3.70

(was EUR 4.30)

Share price:

EUR 3.19

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	27.3	28.8	34.5	38.7
growth-%	9%	6%	20%	12%
EBIT adj.	0.8	1.1	2.7	4.1
EBIT-% adj.	2.9 %	3.8 %	7.8 %	10.6 %
Net income	0.6	0.0	2.7	4.0
EPS (adj.)	0.09	0.09	0.25	0.35
P/E (adj.)	43.2	35.7	12.9	9.0
P/B	3.1	2.5	2.2	1.8
Dividend yield-%	2.2 %	1.3 %	2.8 %	3.4 %
EV/EBIT (adj.)	42.2	29.2	10.7	6.3
EV/EBITDA	51.9	74.9	10.0	6.0
EV/S	1.22	1.11	0.84	0.67

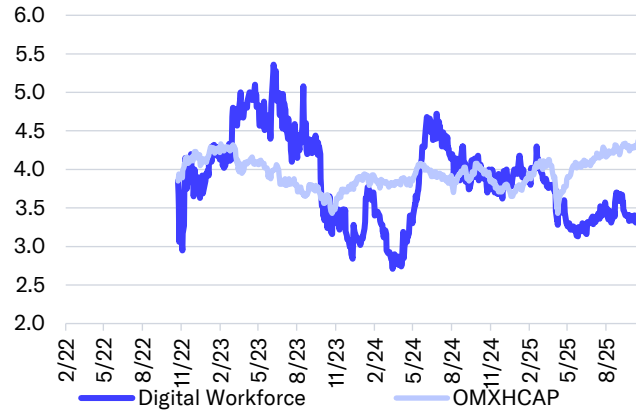
Source: Inderes

Guidance

(Unchanged)

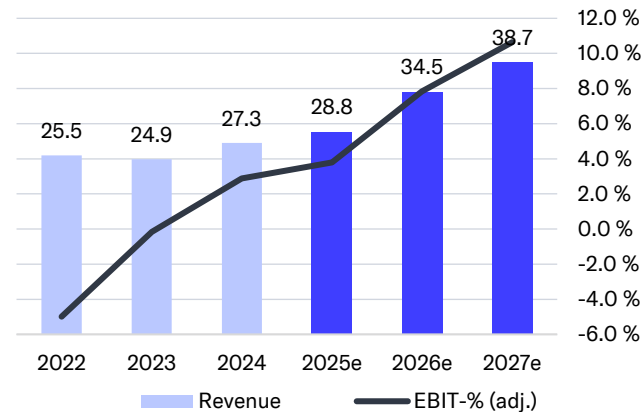
Digital Workforce expects revenue and adjusted EBITDA to grow in 2025.

Share price



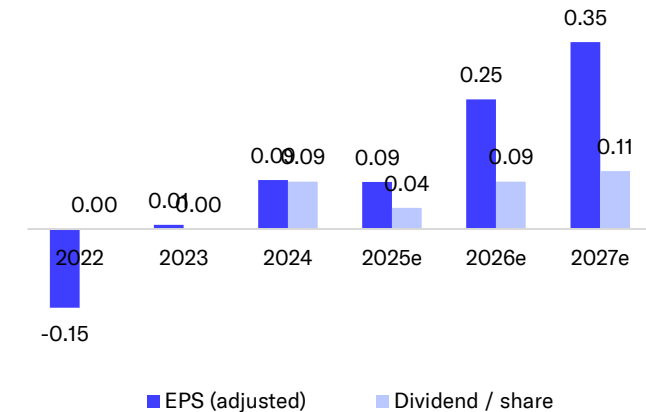
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Success in new markets (US, UK and Ireland) and accelerating growth
- The Outsmart platform should strengthen the competitive advantage, accelerate growth and improve scalability
- Increasing the revenue share of Continuous services with better margins drives earnings growth and makes the investor profile more attractive
- Growth potential of business based on AI agent solutions
- Improving scalability
- Acquisitions

Risk factors

- Dependence on large customers
- Developing large RPA technologies and their expansion to maintenance
- Success of the growth strategy especially internationally
- Successful commercialization of the Outsmart platform
- Productivity of investments
- RPA expertise becoming bulk work and increasing in-house teams for clients.
- Acquisitions

Valuation	2025e	2026e	2027e
Share price	3.19	3.19	3.19
Number of shares, millions	11.7	11.8	11.9
Market cap	37	38	38
EV	32	29	26
P/E (adj.)	35.7	12.9	9.0
P/E	neg.	13.9	9.4
P/FCF	neg.	12.2	9.6
P/B	2.5	2.2	1.8
P/S	1.3	1.1	1.0
EV/Sales	1.1	0.8	0.7
EV/EBITDA	74.9	10.0	6.0
EV/EBIT (adj.)	29.2	10.7	6.3
Payout ratio (%)	neg.	39.2 %	32.5 %
Dividend yield-%	1.3 %	2.8 %	3.4 %

Source: Inderes

A somewhat subdued quarter

Growth was disappointing, but there was no particular drama behind it

Digital Workforce's revenue was at the comparison period's level of 6.6 MEUR in Q3, falling short of our 6.9 MEUR estimate. We estimate that growth is somewhat better than the overall IT services sector (Q2 -4%), but slower than last year and the big picture potential. The decline came from "more valuable" Continuous Services, which decreased by 3% against our forecast of 5% growth. The disappointment is somewhat mitigated by the company's comment that the decline was due to a decrease in sales of less strategic licenses for the company, as well as normal seasonal variations. Professional Services, on the other hand, grew by 7% and performed slightly better than expected. Growth came particularly from automation services implemented as total outsourcing and healthcare projects. These projects are important fuel for Continuous Services in the future. The company commented that general market uncertainty is still reflected in customers' willingness to launch new projects in both the Nordic countries and the United States,

but the UK government's investments in healthcare digitalization and automation are generating good demand. The Professional Services business, which aims to implement AI agent-based solutions and is very important for the future, grew significantly, but in our view, it is still an absolutely small business. The company commented that its Agent Workforce solution creates good and scalable growth opportunities for the first half of 2026.

Profitability improved relatively clearly year-on-year but remained somewhat below our expectations

Q3 earnings improved clearly from last year but were slightly below our expectations. EBITDA was 0.28 MEUR or 4.3% (Q3'24: 0.18 MEUR) of revenue, falling short of our 0.48 MEUR and 7.0% forecast. Adjusted one-offs, EBITDA was quite close (0.44 MEUR or 6.7%) to our estimate. However, the company did not specify what these adjustment items consisted of, but we estimate that around 0.1 MEUR was related to the e18 acquisition, which we adjust from the result. The improvement in profitability compared to last year is supported by several cost-saving measures and a shift in business focus towards more

scalable operations. However, in the big picture, profitability is still constrained by strategic investments and, in our assessment, still low billing rates in Professional Services. In general, the earnings level and profitability at Digital Workforce are sensitive on a quarterly basis, as the scale is still small, and thus the start and end of individual larger projects and the timing of investments can clearly affect the profitability level of a single quarter. The company's key gross margin rose to 37% (Q3'24: 33%) of revenue, almost in line with our expectations, which is a good level considering that Continuous Services declined somewhat. This creates the conditions for future profitability improvement. The company does not report a detailed income statement in Q3, but other income statement lines did not seem to hold any major surprises, and thus EPS was at the comparison period's level of EUR 0.02 (unadjusted), falling short of our EUR 0.04 forecast. The effects of the e18 acquisition will start to be visible from Q4'25 onwards, including the expected one-off costs of the acquisition.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	6.6	6.6	6.9			-5%	28.8
EBITDA (adj.)	0.14	0.38	0.48			-20%	1.7
EBITDA	0.14	0.28	0.48			-41%	0.4
EBIT	0.04	0.19	0.38			-50%	0.0
EPS (reported)	0.02	0.02	0.04			-46%	0.00
Revenue growth-%	10.0 %	0.4 %	5.3 %			-4.9 pp	5.8 %
EBITDA-%	2.1 %	4.3 %	7.0 %			-2.7 pp	1.5 %

Source: Inderes

We slightly lowered our estimates

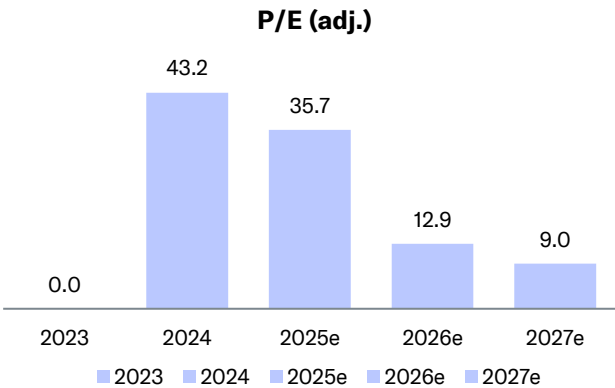
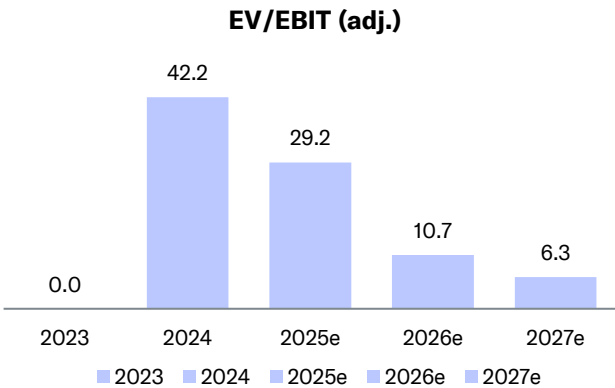
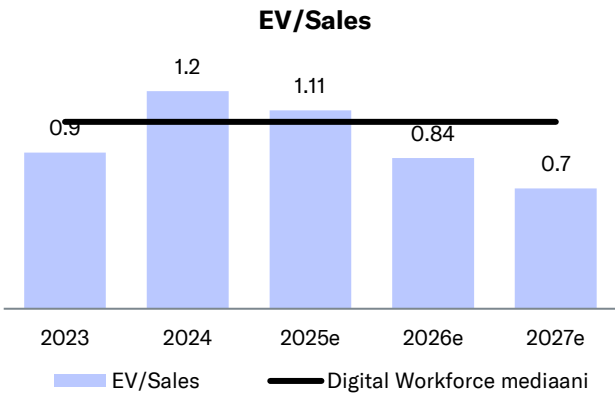
Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	29.3	28.8	-2%	36.6	34.5	-6%	41.2	38.7	-6%
EBITDA	0.9	0.4	-51%	3.0	2.9	-4%	4.7	4.4	-6%
EBIT (exc. NRIs)	1.5	1.1	-28%	2.8	2.7	-4%	4.4	4.1	-7%
EBIT	0.5	0.0	-91%	2.6	2.5	-5%	4.2	3.9	-7%
PTP	0.6	0.1	-81%	2.7	2.7	0%	4.3	4.0	-7%
EPS (excl. NRIs)	0.14	0.09	-37%	0.25	0.25	-1%	0.38	0.35	-7%
DPS	0.06	0.04	-33%	0.09	0.09	0%	0.00	0.11	

Source: Inderes

Valuation table

Valuation	2023	2024	2025e	2026e	2027e	2028e	2029e
Share price	3.02	4.02	3.19	3.19	3.19	3.19	3.19
Number of shares, millions	11.3	11.3	11.7	11.8	11.9	11.9	11.9
Market cap	34	45	37	38	38	38	38
EV	22	33	32	29	26	22	19
P/E (adj.)	>100	43.2	35.7	12.9	9.0	7.4	8.6
P/E	neg.	76.9	neg.	13.9	9.4	7.7	8.6
P/FCF	neg.	>100	neg.	12.2	9.6	7.8	8.8
P/B	2.3	3.1	2.5	2.2	1.8	1.6	1.4
P/S	1.4	1.7	1.3	1.1	1.0	0.9	0.8
EV/Sales	0.9	1.2	1.11	0.84	0.7		
EV/EBITDA	neg.	51.9	74.9	10.0	6.0	4.2	3.3
EV/EBIT (adj.)	neg.	42.2	29.2	10.7	6.3	4.5	3.6
Payout ratio (%)	0.0 %	172.1 %	neg.	39.2 %	32.5 %	31.3 %	40.4 %
Dividend yield-%	0.0 %	2.2 %	1.3 %	2.8 %	3.4 %	4.1 %	4.7 %

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Admicom*	242	232	20.1	17.2	19.7	16.5	6.2	5.6	25.8	22.4	1.4	1.6	6.5
Leaddesk*	41	50	18.3	15.2	7.9	6.5	1.3	1.2	24.4	20.5			2.8
Qt Group*	1000	1098	21.5	16.8	19.6	14.8	5.2	4.2	24.7	21.0			4.2
Lime Technologies AB	428	441	32.4	25.4	21.0	17.7	6.5	5.7	40.9	32.1	1.3	1.7	12.5
Upsales Technology AB	50	48	17.3	14.8	12.3	11.0	3.1	2.6	21.5	18.9	4.7	4.7	21.5
Carasent	165	152	207.5	32.6	23.7	14.8	4.8	4.2	276.1	44.4			2.1
FormPipe Software AB	129	127	39.5	21.3	16.5	12.9	3.4	3.1	52.0	24.8	2.3	3.1	2.7
Digia*	160	185	8.1	6.8	7.4	5.9	0.9	0.7	9.4	8.6	3.2	3.5	1.5
Gofore*	232	228	13.5	8.7	11.3	7.2	1.2	1.0	16.2	12.1	3.4	3.5	2.0
Loihde*	64	72	15.9	10.8	7.0	5.1	0.5	0.5	20.8	13.3	4.5	6.1	0.8
Innofactor*	61	66	11.7	9.4	7.6	6.4	0.8	0.7	14.5	11.9	5.3	5.9	2.1
Netum Group*	15	21	8.7	8.5	10.2	7.8	0.5	0.6	27.9	20.1	3.3	5.0	2.2
Siili Solutions*	39	41	8.6	6.3	7.5	4.0	0.4	0.3	10.1	8.9	1.7	3.1	0.9
Solteq*	11	32	20.1	9.5	10.0	7.1	0.7	0.7		30.7			0.7
Tietoevry*	2159	2775	11.5	11.1	18.1	9.6	1.5	1.5	11.3	11.9	7.2	7.3	2.1
Vincit*	23	27	64.0	8.7	7.6	3.7	0.4	0.4		10.6	7.3	8.0	0.7
Witted Megacorp*	21	15	18.2	9.9	37.8	9.5	0.3	0.2	38.2	18.2	1.4	1.4	1.6
Bouvet	595	632	14.8	13.7	12.3	11.4	1.9	1.7	18.1	16.8	5.4	5.7	15.8
CombinedX	61	65	10.5	7.3	5.8	4.5	0.7	0.7	13.2	8.6			
Avensia AB	34	35	8.3	7.1	6.1	5.4	0.9	0.8	10.4	8.6	5.0		5.8
Knowit	259	318	25.3	15.3	7.4	6.3	0.6	0.6	34.1	18.6	1.8	3.2	0.7
Netcompany Group	1809	2115	18.6	14.3	12.9	10.4	2.1	1.9	22.0	16.1		0.1	3.5
Digital Workforce (Inderes)	37	32	29.2	10.7	74.9	10.0	1.1	0.8	35.7	12.9	1.3	2.8	2.5
Average			27.9	13.2	13.2	9.0	2.0	1.8	35.6	18.1	3.7	4.0	4.4
Median (all)			17.8	10.9	10.8	7.5	1.0	0.9	21.7	17.5	3.4	3.5	2.1
Diff-% to median			<i>n.a.</i>	-2%	<i>n.a.</i>	33%	8%	-7%	<i>n.a.</i>	-26%	<i>n.a.</i>	<i>n.a.</i>	18%
Median (software companies)			20.8	17.0	18.0	13.9	4.1	3.6	25.2	21.7	2.3	3.1	3.5
Diff-% to median			<i>n.a.</i>	-37%	<i>n.a.</i>	-28%	-73%	-77%	<i>n.a.</i>	-40%	<i>n.a.</i>	<i>n.a.</i>	-28%
Median (IT service companies)			14.1	9.4	8.8	6.8	0.7	0.7	17.1	12.7	4.5	5.0	2.0
Diff-% to median			<i>n.a.</i>	14%	<i>n.a.</i>	48%	56%	26%	<i>n.a.</i>	2%	<i>n.a.</i>	<i>n.a.</i>	26%

Source: Refinitiv and *adjusted Inderes estimate / Inderes. Note: The market value used by Inderes does not take into consideration treasury shares held by the company.

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	25.5	24.9	6.7	7.0	6.6	7.0	27.3	6.5	7.1	6.6	8.7	28.8	34.5	38.7	43.4
Professional Services	10.5	9.7	2.7	2.6	2.2	2.5	10.0	2.0	2.6	2.3	3.2	10.1	12.1	12.5	13.0
Continuous Services	15.0	15.2	4.0	4.3	4.4	4.6	17.3	4.5	4.5	4.2	5.6	18.8	22.4	26.2	30.4
EBITDA	-1.7	-0.6	0.3	0.2	0.1	0.0	0.6	-1.2	0.4	0.3	0.9	0.4	2.9	4.4	5.3
Depreciation	-0.9	-0.2	-0.1	-0.1	-0.1	-0.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4	-0.5
EBIT (excl. NRI)	-1.3	0.0	0.2	0.2	0.1	0.3	0.8	-0.4	0.3	0.3	0.9	1.1	2.7	4.1	5.0
EBIT	-2.6	-0.8	0.2	0.1	0.0	-0.1	0.3	-1.3	0.3	0.2	0.8	0.0	2.5	3.9	4.8
Net financial items	-0.4	0.1	0.0	0.0	0.1	0.2	0.3	0.0	0.0		0.1	0.1	0.2	0.1	0.1
PTP	-3.0	-0.7	0.2	0.1	0.1	0.1	0.6	-1.3	0.3		0.9	0.1	2.7	4.0	4.9
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1		0.0	-0.1	0.0	0.0	0.0
Net earnings	-3.0	-0.7	0.2	0.1	0.1	0.2	0.6	-1.3	0.2	0.2	0.9	0.0	2.7	4.0	4.9
EPS (adj.)	-0.15	0.01	0.02	0.01	0.02	0.04	0.09	-0.04	0.02	0.02	0.08	0.09	0.25	0.35	0.43
EPS (rep.)	-0.27	-0.06	0.02	0.01	0.01	0.01	0.05	-0.11	0.02	0.02	0.08	0.00	0.23	0.34	0.42

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	13.9 %	-2.2 %	3.0 %	14.4 %	10.0 %	10.5 %	9.4 %	-3.7 %	1.6 %	0.4 %	24.1 %	5.8 %	19.7 %	12.1 %	12.1 %
EBITDA-%	-6.7 %	-2.6 %	4.2 %	3.0 %	2.1 %	0.1 %	2.3 %	-18.5 %	5.5 %	4.4 %	10.7 %	1.5 %	8.4 %	11.3 %	12.2 %
Adjusted EBIT-%	-5.0 %	-0.2 %	3.5 %	2.2 %	2.0 %	3.8 %	2.9 %	-6.1 %	4.8 %	4.0 %	10.2 %	3.8 %	7.8 %	10.6 %	11.5 %
Net earnings-%	-11.8 %	-2.8 %	2.7 %	2.0 %	1.5 %	2.4 %	2.2 %	-20.3 %	3.1 %	3.1 %	10.2 %	0.0 %	7.8 %	10.4 %	11.4 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	2.1	2.3	12.1	12.1	12.1
Goodwill	0.0	0.0	9.2	9.2	9.2
Intangible assets	2.1	2.3	2.9	2.9	2.9
Tangible assets	0.0	0.0	0.0	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	21.3	22.0	16.7	20.0	24.7
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	8.1	9.1	10.4	11.4	12.8
Cash and equivalents	13.2	13.0	6.4	8.6	12.0
Balance sheet total	23.4	24.3	28.8	32.1	36.8

Source: Inderes

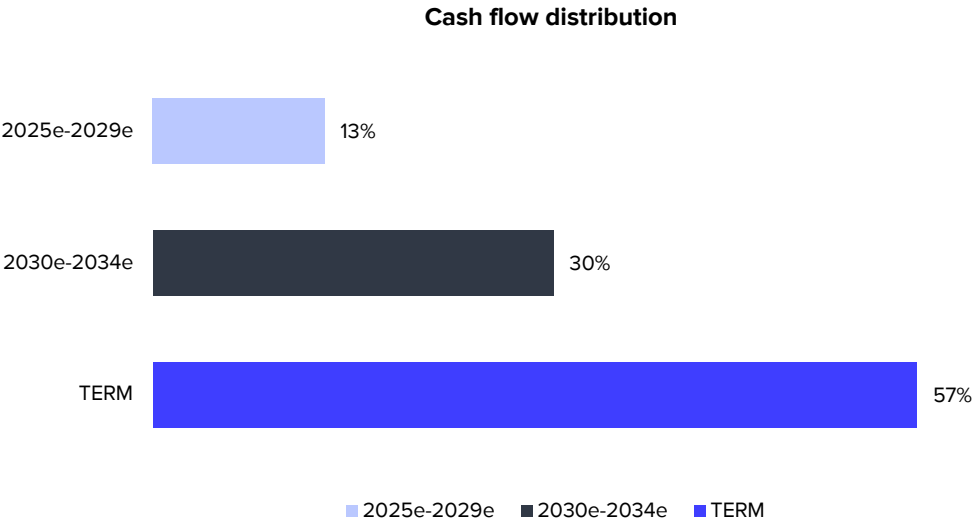
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	14.7	14.9	14.8	17.5	20.8
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-13.3	-12.8	-13.9	-11.6	-8.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	28.0	27.6	28.6	29.0	29.4
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.8	0.6	2.6	1.6	1.6
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.8	0.6	1.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	1.6	1.6	1.6
Current liabilities	7.9	8.9	11.4	13.0	14.4
Interest bearing debt	0.2	0.2	0.0	0.0	0.0
Payables	5.1	8.7	9.8	11.4	12.8
Other current liabilities	2.6	0.0	1.6	1.6	1.6
Balance sheet total	23.4	24.3	28.8	32.1	36.8

DCF calculation

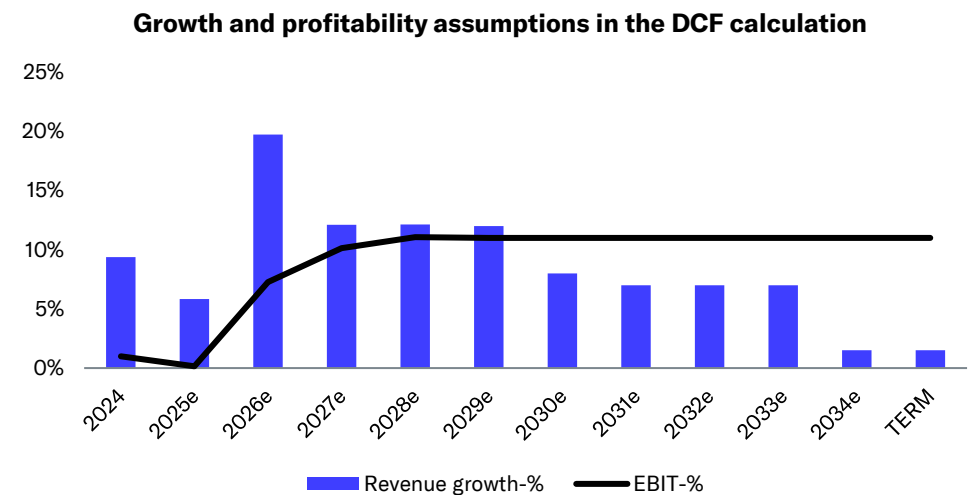
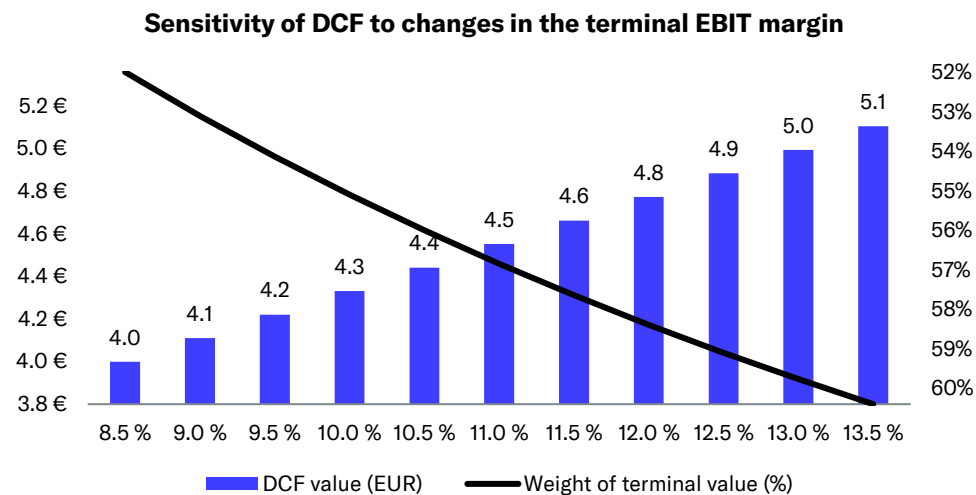
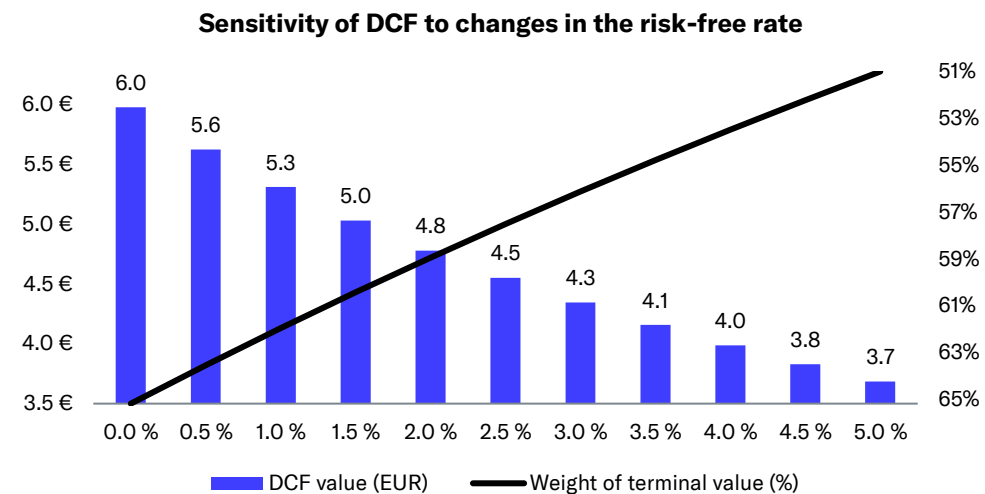
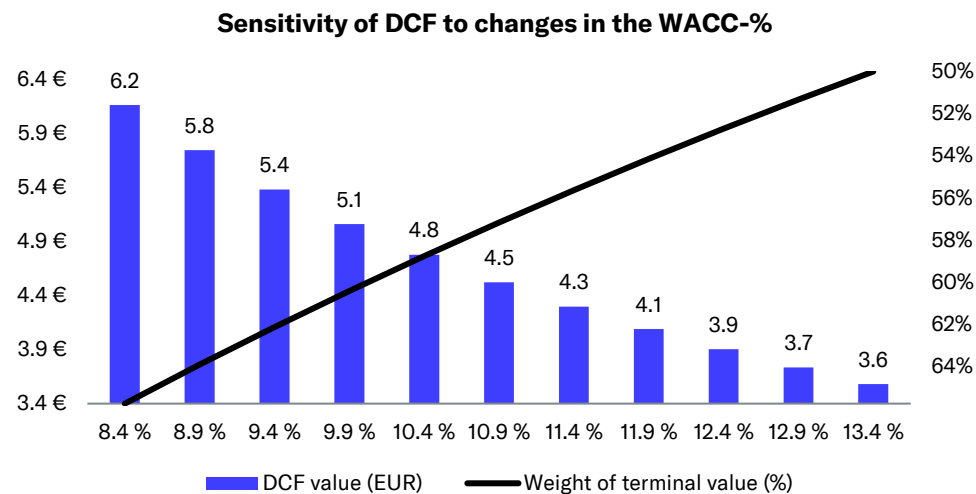
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	9.4 %	5.8 %	19.7 %	12.1 %	12.1 %	12.0 %	8.0 %	7.0 %	7.0 %	7.0 %	1.5 %	1.5 %
EBIT-%	1.0 %	0.2 %	7.3 %	10.1 %	11.1 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %
EBIT (operating profit)	0.3	0.0	2.5	3.9	4.8	5.3	5.8	6.2	6.6	7.1	7.2	
+ Depreciation	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	
- Paid taxes	0.0	-0.1	0.0	0.0	0.0	-1.1	-1.2	-1.3	-1.4	-1.5	-1.5	
- Tax, financial expenses	0.0	0.0	0.0	0.0	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	0.1	0.1	0.1	
- Change in working capital	0.0	1.4	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	0.7	1.7	3.5	4.4	5.3	4.8	5.2	5.5	5.9	6.2	6.3	
+ Change in other long-term liabilities	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.6	-10.2	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
Free operating cash flow	0.1	-6.9	3.1	3.9	4.8	4.3	4.7	5.0	5.4	5.7	5.8	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	0.1	-6.9	3.1	3.9	4.8	4.3	4.7	5.0	5.4	5.7	5.8	62.1
Discounted FCFF		-6.7	2.7	3.1	3.5	2.8	2.7	2.6	2.5	2.4	2.2	23.9
Sum of FCFF present value		41.9	48.6	45.9	42.8	39.3	36.5	33.8	31.1	28.6	26.2	23.9
Enterprise value DCF		41.9										
- Interest bearing debt		-0.8										
+ Cash and cash equivalents		13.0										
-Minorities		0.0										
-Dividend/capital return		-1.0										
Equity value DCF		53.1										
Equity value DCF per share		4.5										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	11.6 %
Weighted average cost of capital (WACC)	10.9 %

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	25.5	24.9	27.3	28.8	34.5	EPS (reported)	-0.27	-0.06	0.05	0.00	0.23
EBITDA	-1.7	-0.6	0.6	0.4	2.9	EPS (adj.)	-0.15	0.01	0.09	0.09	0.25
EBIT	-2.6	-0.8	0.3	0.0	2.5	OCF / share	-0.07	-0.24	0.06	0.14	0.30
PTP	-3.0	-0.7	0.6	0.1	2.7	OFCF / share	-0.22	-0.31	0.01	-0.59	0.26
Net Income	-3.0	-0.7	0.6	0.0	2.7	Book value / share	1.38	1.31	1.32	1.27	1.48
Extraordinary items	-1.3	-0.8	-0.5	-1.1	-0.2	Dividend / share	0.00	0.00	0.09	0.04	0.09
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	27.9	23.4	24.3	28.8	32.1	Revenue growth-%	14%	-2%	9%	6%	20%
Equity capital	15.4	14.7	14.9	14.8	17.5	EBITDA growth-%	79%	-62%	-198%	-33%	581%
Goodwill	0.0	0.0	0.0	9.2	9.2	EBIT (adj.) growth-%	50%	-97%	-2063%	39%	147%
Net debt	-15.6	-12.2	-12.2	-5.4	-8.6	EPS (adj.) growth-%	-41%	-105%	1057%	-4%	176%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	-6.7 %	-2.6 %	2.3 %	1.5 %	8.4 %
EBITDA	-1.7	-0.6	0.6	0.4	2.9	EBIT (adj.)-%	-5.0 %	-0.2 %	2.9 %	3.8 %	7.8 %
Change in working capital	1.0	-2.1	0.0	1.4	0.6	EBIT-%	-10.2 %	-3.4 %	1.0 %	0.2 %	7.3 %
Operating cash flow	-0.7	-2.7	0.7	1.7	3.5	ROE-%	-17.8 %	-4.6 %	4.0 %	0.0 %	16.8 %
CAPEX	-1.7	-0.8	-0.6	-10.2	-0.4	ROI-%	-13.8 %	-5.0 %	3.3 %	1.5 %	15.5 %
Free cash flow	-2.4	-3.5	0.1	-6.9	3.1	Equity ratio	55.4 %	70.8 %	61.0 %	51.4 %	54.5 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-101.2 %	-83.1 %	-82.2 %	-36.1 %	-49.1 %
EV/S	1.1	0.9	1.2	1.1	0.8						
EV/EBITDA	neg.	neg.	51.9	74.9	10.0						
EV/EBIT (adj.)	neg.	neg.	42.2	29.2	10.7						
P/E (adj.)	neg.	>100	43.2	35.7	12.9						
P/B	2.9	2.3	3.1	2.5	2.2						
Dividend-%	0.0 %	0.0 %	2.2 %	1.3 %	2.8 %						

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
5/14/2022	Accumulate	4.50 €	3.85 €
8/19/2022	Accumulate	4.50 €	4.03 €
11/4/2022	Buy	4.50 €	2.95 €
3/1/2023	Buy	5.50 €	4.26 €
8/18/2023	Accumulate	5.50 €	4.75 €
8/24/2023	Accumulate	5.00 €	4.35 €
11/27/2023	Accumulate	3.80 €	3.20 €
2/29/2024	Vähennä	3.40 €	3.16 €
4/11/2024	Accumulate	3.40 €	2.85 €
5/6/2024	Accumulate	4.00 €	3.45 €
8/26/2024	Accumulate	4.70 €	4.16 €
11/4/2024	Accumulate	4.70 €	3.98 €
2/6/2025	Accumulate	4.70 €	4.02 €
2/20/2025	Accumulate	4.70 €	4.14 €
4/28/2025	Accumulate	4.10 €	3.44 €
7/20/2025	Accumulate	4.30 €	3.52 €
10/24/2025	Accumulate	3.70 €	3.19 €



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