# TOKMANNI GROUP

**7/21/2025 2:45 pm EEST**

This is a translated version of " Tulosvaroitus oli mittaluokkaa suurempi" report, published on 7/21/2025

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# COMPANY REPORT

# Profit warning was of a greater magnitude

*Tokmanni issued a profit warning and lowered its guidance due to a weak Q2 performance and the outlook for a presumably challenging H2. We expected a profit warning, but it materialized deeper than anticipated, which led to downward revisions to estimates. As a result, we lower our target price to EUR 10.0 (was EUR 11.5). In our view, the share's expected return remains too limited given its neutral valuation. We reiterate our Reduce recommendation.*

### The profit warning was expected

Tokmanni issued a profit warning on Friday and lowered its guidance for the current financial year. The profit warning was expected, but it materialized stronger than our forecasts. The company expects 2025 revenue to be 1,700-1,790 MEUR and adjusted EBIT to settle between 85-105 MEUR. The midpoint of the new guidance points to around 4% revenue growth and profitability of just over 5%. Previously, the company expected revenue of 1,720-1,820 MEUR and EBIT of 100-130 MEUR. The drop was particularly steep on the earnings line, which underlines a weak Q2 and likely a challenging H2.

### The Q2 earnings drop was driven by the Tokmanni segment

At the same time, the company provided preliminary information for Q2. Revenue (443 MEUR) was broadly in line with our expectations, but earnings (21 MEUR) significantly missed both our (28 MEUR) and consensus (29 MEUR) estimates. In our view, the earnings decline is primarily due to the Tokmanni segment, whose seasonal business has suffered from weak summer sales due to the cold early summer in Finland. This has led to sluggish demand, which forced to actions to accelerate inventory turnover resulting in a negative impact on the bottom line. We estimate that the impact has also continued into Q3. In our view, clearance sales of the Dollarstore segment's discontinued assortment have also somewhat weakened the group's profitability.

### Forecast cuts and gross margin concerns

In connection with the update, we lowered our forecasts for the Tokmanni segment, specifically for both sales and margin, due to a weak Q2 and a likely challenging H2. Our new revenue forecast (1753 MEUR) is positioned at the mid-point of the guidance, while for earnings (91 MEUR) we are slightly below the mid-point. It is noteworthy that achieving even the new guidance requires the company to deliver at least approximately the comparison period's level of earnings in H2, given that H1's actual result is over 10 MEUR behind the previous year. In our view, the company's fluctuating performance has highlighted the impact of the tightened competitive environment, which in Tokmanni's case has hit comparable growth and profitability the hardest. We estimate the company will increase campaigning to regain customer trust, which will be reflected in weaker margin development over the coming years. For this reason, we also made downward revisions to our earnings estimates for future years.

### Risk/reward at a subdued level

We believe the stock's short-term valuation is elevated (2025e P/E 14x and IFRS-15-adj. EV/EBIT 13x), and our earnings growth forecast puts it at a fairly neutral level (2026e P/E 10x and IFRS-16-adj. EV/EBIT 10x). We especially examine EV multiples that take into account the leveraged balance sheet. This would leave the expected return on the share dependent on a dividend yield of just over 5%, but this alone is insufficient to compensate for the required return (10%). The share is priced at a discount to its peers, but this is justified by their superior return on capital. Limited upside is also signaled by the value indicated by the DCF model (EUR 10.7), which relies on our strong forecasted earnings growth (11% p.a. for 2024-27e) and cash flow generation. The stock's neutral valuation does not encourage taking on the risks associated with the competitiveness of the Tokmanni segment, the earnings potential of the Dollarstore concept, and consequently, the earnings growth driver. We remain on the sidelines regarding the company, as we currently see the share's risk/reward ratio as unattractive.

**Recommendation**
**Reduce**
(was Reduce)

**Target price:**
**EUR 10.00**
(was EUR 11.50)

**Share price:**
EUR 9.38

**Business risk**

●●●○○

**Valuation risk**

●●○○○

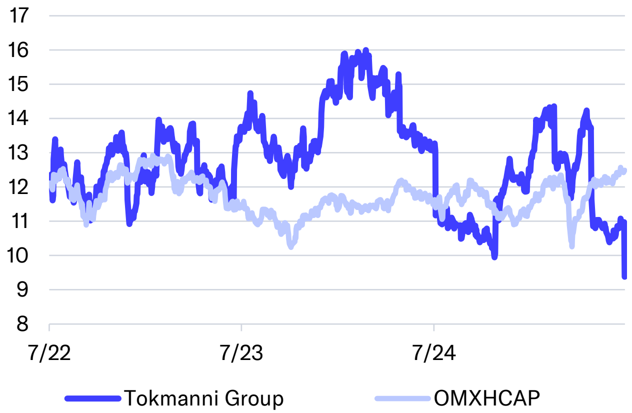
| | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| **Revenue** | 1674.9 | 1752.7 | 1858.8 | 1961.4 |
| **growth-%** | 20% | 5% | 6% | 6% |
| **EBIT adj.** | 102.3 | 90.7 | 108.9 | 125.8 |
| **EBIT-% adj.** | 6.1 % | 5.2 % | 5.9 % | 6.4 % |
| **Net Income** | 48.8 | 36.8 | 52.5 | 68.0 |
| **EPS (adj.)** | 0.87 | 0.68 | 0.94 | 1.21 |
| | | | | |
| **P/E (adj.)** | 13.9 | 13.9 | 9.9 | 7.8 |
| **P/B** | 2.7 | 2.1 | 2.0 | 1.8 |
| **Dividend yield-%** | 5.6 % | 5.3 % | 6.9 % | 8.5 % |
| **EV/EBIT (adj.)** | 14.9 | 15.5 | 12.7 | 10.9 |
| **EV/EBITDA** | 6.7 | 6.5 | 5.8 | 5.4 |
| **EV/S** | 0.9 | 0.8 | 0.7 | 0.7 |

Source: Inderes

**Guidance** (Downgraded)

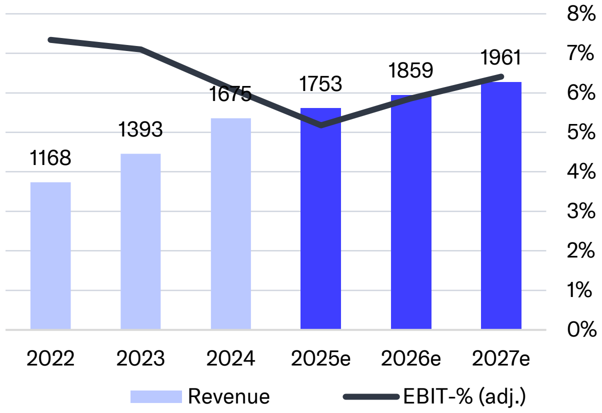
In 2025, Tokmanni expects its revenue to be 1,700-1,790 MEUR (2024: 1,670 MEUR) and comparable EBIT to be 85-105 MEUR (was 99.7 MEUR).

## Share price



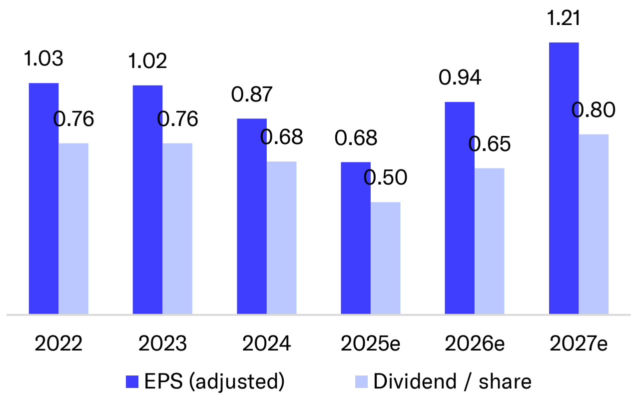

Source: Millistream Market Data AB

## Revenue and EBIT-% (adj.)




Source: Inderes

## EPS and dividend




Source: Inderes

## Value drivers

- Dollarstore and internationalization
- New store openings
- Increase in private label share
- Smart buying becoming more popular
- Economies of scale through volumes, e.g., in purchasing and negotiating lease terms
- Exploiting own online store as a potential platform for third party products

## Risk factors

- Tighter competition and new international challengers
- Failure in acquisitions or international expansion
- Dependence on central stocks
- Reputation and price impression risks
- Disruptions in product availability and sector's dependence on manufacturing in the Far East
- Escalation of the trade war could slow economic growth and increase inflation

| Valuation | 2025e | 2026e | 2027e |
|---|---|---|---|
| **Share price** | 9.38 | 9.38 | 9.38 |
| **Number of shares, millions** | 58.8 | 58.8 | 58.8 |
| **Market cap** | 552 | 552 | 552 |
| **EV** | 1407 | 1385 | 1376 |
| **P/E (adj.)** | 13.9 | 9.9 | 7.8 |
| **P/E** | 15.0 | 10.5 | 8.1 |
| **P/B** | 2.1 | 2.0 | 1.8 |
| **P/S** | 0.3 | 0.3 | 0.3 |
| **EV/Sales** | 0.8 | 0.7 | 0.7 |
| **EV/EBITDA** | 6.5 | 5.8 | 5.4 |
| **EV/EBIT (adj.)** | 15.5 | 12.7 | 10.9 |
| **Payout ratio (%)** | 80.0 % | 72.8 % | 69.2 % |
| **Dividend yield-%** | 5.3 % | 6.9 % | 8.5 % |

Source: Inderes

# The profit warning was more severe than expected

## A profit warning was expected

In our last update, we had noted an earnings warning risk related to the then-current guidance, which materialized on Friday. According to its new guidance, Tokmanni expects 2025 revenue to be 1,700-1,790 MEUR and adjusted EBIT to be between 85-105 MEUR. The midpoint of the new guidance points to around 4% revenue growth and profitability of just over 5%. Previously, the company expected revenue of 1,720-1,820 MEUR and EBIT of 100-130 MEUR. Thus, the drop was particularly dramatic on the profit line, which underlines a weak Q2 and likely a challenging H2.

## The Q2 earnings decline was primarily driven by the Tokmanni segment

In connection with the profit warning, the company provided preliminary information on its Q2 results. Revenue (443 MEUR) was broadly in line with our expectations, but earnings (21 MEUR) significantly missed both our (28 MEUR) and consensus (29 MEUR) estimates. We estimate the earnings decline was driven by the Tokmanni segment, as the business is highly seasonal. Several retailers have already reported that the spring and early summer seasons have been weak, which is largely due to the cool domestic weather. Due to a weak season, we believe the company's sales have been sluggish, and consequently, it has likely had to accelerate inventory turnover by lowering product prices, which has negatively impacted the earnings line. This also suggests that seasonal inventory is too large for the current time, making it likely that accelerating measures will continue into Q3. As a result, Q3 earnings might be weaker than the comparison period, even if sales recover somewhat.

However, it is worth noting that the Dollarstore segment had clearance sales underway in the first quarter due to a phasing out of the assortment, and these are likely to continue into the second quarter. Clearance sales are detrimental to profitability due to their poor margin structure. For this reason, we estimate that the Dollarstore segment's earnings also remained below the comparison period's level in Q2.

| Estimates | Q2'24 | Q2'25 | Q2'25e | Q2'25e | Consensus | | Difference (%) | 2025e |
|---|---|---|---|---|---|---|---|---|
| MEUR / EUR | Comparison | Actualized | Inderes | Consensus | Low | High | Act. vs. inderes | Inderes |
| Revenue | 423 | 443 | 446 | 444 | - | | -1% | 1753 |
| EBIT (adj.) | 27.9 | 21.4 | 28.2 | 29.4 | - | | -24% | 90.7 |
| PTP | 18.0 | - | 17.2 | 20.0 | - | | | 48.1 |
| EPS (reported) | 0.25 | - | 0.25 | 0.27 | - | | | 0.63 |
| | | | | | | | | |
| Revenue growth-% | 32.5 % | 4.8 % | 5.5 % | 5.0 % | - | | -0.7 pp | 4.6 % |
| EBIT-% (adj.) | 6.6 % | 4.8 % | 6.3 % | 6.6 % | - | | -1.5 pp | 5.2 % |

Source: Inderes & Bloomberg (consensus, 8 forecasts)

# Weak Q2 and a challenging H2 outlook led to downward revisions to estimates

## Estimate revisions

- We specifically lowered our estimates for the Tokmanni segment, for both sales and margin, due to a weak Q2 performance and a likely challenging H2.
- Our new revenue forecast (1753 MEUR) is positioned at the mid-point of the guidance, while for earnings (91 MEUR) we are slightly below the mid-point.
- At the same time, we lowered our 2026-2027 estimates due to the company's uncertain growth and earnings outlook.
- Despite a strong market position, the Tokmanni segment seems to have lost its image of low prices. We attribute this to increased competition in the industry, particularly from fast-growing discount players (e.g., Rusta, Puuilo, Normal). In addition, grocery chains' price competition measures and expanded general merchandise selections are likely to erode the Tokmanni segment's position as the cheapest alternative in customers' eyes. Therefore, we believe the company will have to invest in pricing, i.e., by offering discounts, to regain customer trust, which will be reflected as weaker margin development in the coming years.

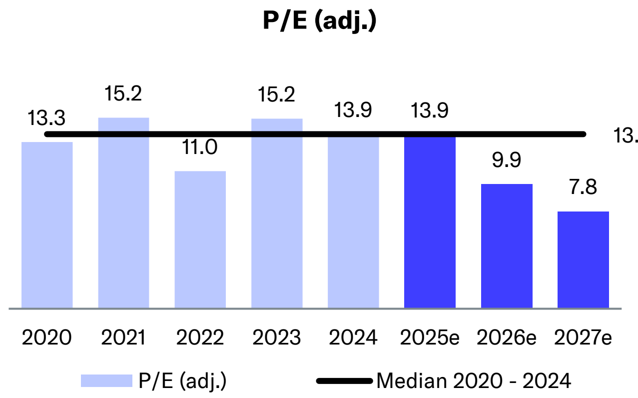
| Estimate revisions | 2025e | 2025e | Change | 2026e | 2026e | Change | 2027e | 2027e | Change |
|---|---|---|---|---|---|---|---|---|---|
| MEUR / EUR | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 1754 | 1753 | 0% | 1861 | 1859 | 0% | 1963 | 1961 | 0% |
| EBIT (exc. NRIs) | 101 | 91 | -10% | 116 | 109 | -6% | 132 | 126 | -4% |
| EBIT | 98 | 88 | -10% | 113 | 106 | -6% | 129 | 123 | -5% |
| PTP | 58 | 48 | -17% | 72 | 66 | -9% | 89 | 83 | -7% |
| EPS (excl. NRIs) | 0.81 | 0.68 | -16% | 1.04 | 0.94 | -9% | 1.29 | 1.21 | -6% |
| DPS | 0.55 | 0.50 | -9% | 0.70 | 0.65 | -7% | 0.85 | 0.80 | -6% |

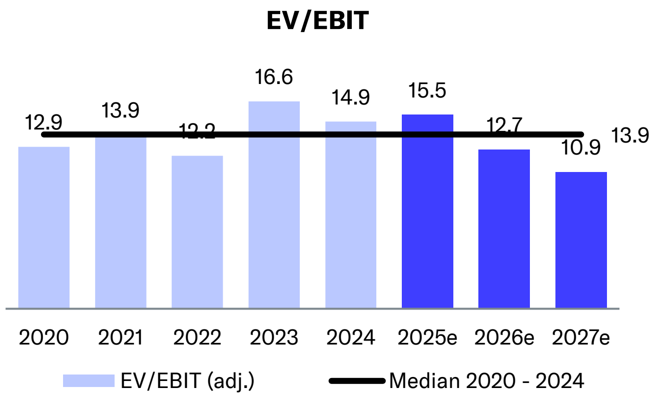
Source: Inderes

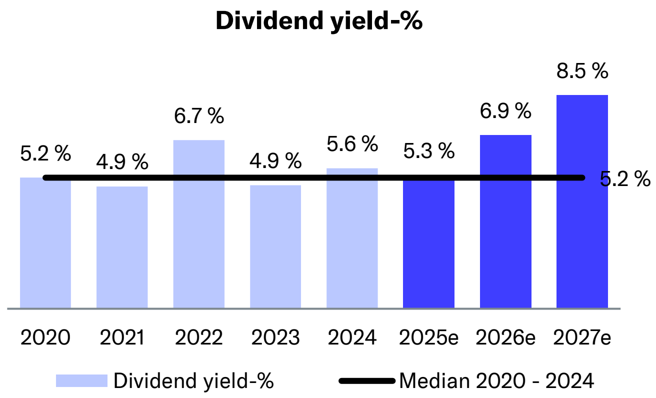
# Valuation table

| Valuation | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|---|---|---|---|
| Share price | 16.2 | 19.7 | 11.3 | 15.4 | 12.1 | **9.38** | **9.38** | **9.38** | **9.38** |
| Number of shares, millions | 58.8 | 58.9 | 58.9 | 58.8 | 58.8 | **58.8** | **58.8** | **58.8** | **58.8** |
| Market cap | 956 | 1157 | 665 | 907 | 713 | **552** | **552** | **552** | **552** |
| EV | 1288 | 1471 | 1048 | 1638 | 1529 | **1407** | **1385** | **1376** | **1367** |
| P/E (adj.) | 13.3 | 15.2 | 11.0 | 15.2 | 13.9 | **13.9** | **9.9** | **7.8** | **6.8** |
| P/E | 13.4 | 14.8 | 11.3 | 16.8 | 14.6 | **15.0** | **10.5** | **8.1** | **7.1** |
| P/B | 4.4 | 4.7 | 2.7 | 3.4 | 2.7 | **2.1** | **2.0** | **1.8** | **1.6** |
| P/S | 0.9 | 1.0 | 0.6 | 0.7 | 0.4 | **0.3** | **0.3** | **0.3** | **0.3** |
| EV/Sales | 1.2 | 1.3 | 0.9 | 1.2 | 0.9 | **0.8** | **0.7** | **0.7** | **0.7** |
| EV/EBITDA | 7.9 | 8.4 | 6.7 | 8.6 | 6.7 | **6.5** | **5.8** | **5.4** | **5.1** |
| EV/EBIT (adj.) | 12.9 | 13.9 | 12.2 | 16.6 | 14.9 | **15.5** | **12.7** | **10.9** | **10.0** |
| Payout ratio (%) | 70.2 % | 72.5 % | 76.1 % | 82.8 % | 82.1 % | **80.0 %** | **72.8 %** | **69.2 %** | **75.0 %** |
| Dividend yield-% | 5.2 % | 4.9 % | 6.7 % | 4.9 % | 5.6 % | **5.3 %** | **6.9 %** | **8.5 %** | **10.6 %** |

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 | | P/E | | Dividend yield-% | | P/B |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **MEUR** | **MEUR** | **2025e** | **2026e** | **2025e** | **2026e** | **2025e** | **2026e** | **2025e** | **2026e** | **2025e** | **2026e** | **2025e** |
| Europris ASA | 1369 | 1818 | 15.9 | 13.3 | 9.1 | 8.1 | 1.5 | 1.4 | 18.5 | 14.8 | 3.6 | 4.0 | 3.7 |
| Byggmax Group AB | 296 | 489 | 19.0 | 14.7 | 5.8 | 5.5 | 0.9 | 0.8 | 21.0 | 13.7 | 2.0 | 3.2 | 1.3 |
| Clas Ohlson AB | 1920 | 1981 | 19.3 | 16.8 | 11.5 | 10.6 | 1.9 | 1.8 | 24.2 | 21.0 | 2.4 | 2.4 | 8.2 |
| Axfood AB | 5526 | 6892 | 20.7 | 18.2 | 9.9 | 9.2 | 0.9 | 0.8 | 24.9 | 20.9 | 3.2 | 3.3 | 8.7 |
| Dollar General Corp | 20801 | 25003 | 15.2 | 15.2 | 10.2 | 9.9 | 0.7 | 0.7 | 19.2 | 19.2 | 2.2 | 2.2 | 3.2 |
| Kesko Oyj | 8097 | 11524 | 17.0 | 15.4 | 9.0 | 8.4 | 0.9 | 0.9 | 18.0 | 15.9 | 4.6 | 5.0 | 3.0 |
| Musti Group Oyj | 681 | 869 | 16.1 | 14.0 | 9.1 | 8.4 | 1.8 | 1.7 | 17.2 | 15.2 | 3.9 | 4.4 | 3.3 |
| B&M European Value Retail | 2742 | 5278 | 8.0 | 8.0 | 5.6 | 5.4 | 0.8 | 0.8 | 7.0 | 7.2 | 10.4 | 8.7 | 3.7 |
| Puuilo Oyj | 1126 | 1240 | 19.4 | 16.2 | 14.9 | 12.6 | 3.2 | 2.8 | 23.7 | 19.6 | 3.4 | 4.1 | 11.2 |
| Verkkokauppa.com Oyj | 151 | 175 | 13.8 | 13.6 | 9.2 | 8.9 | 0.4 | 0.3 | 20.5 | 16.8 | 2.7 | 3.4 | 4.1 |
| Kamux Oyj | 81 | 137 | 14.9 | 10.0 | 5.6 | 4.6 | 0.1 | 0.1 | 25.4 | 9.7 | 2.3 | 4.6 | 0.7 |
| Rusta | 1059 | 1552 | 20.0 | 16.5 | 9.5 | 8.3 | 1.5 | 1.4 | 23.2 | 17.8 | 1.8 | 2.5 | 5.2 |
| **Tokmanni Group (Inderes)** | **552** | **1407** | **15.5** | **12.7** | **6.5** | **5.8** | **0.8** | **0.7** | **13.9** | **9.9** | **5.3** | **6.9** | **2.1** |
| **Average** | | | **16.6** | **14.3** | **9.1** | **8.3** | **1.2** | **1.1** | **20.2** | **16.0** | **3.5** | **4.0** | **4.7** |
| **Median** | | | **16.5** | **15.0** | **9.2** | **8.4** | **0.9** | **0.9** | **20.7** | **16.3** | **2.9** | **3.7** | **3.7** |
| **Diff-% to median** | | | **-6%** | **-15%** | **-30%** | **-30%** | **-10%** | **-13%** | **-33%** | **-39%** | **81%** | **87%** | **-42%** |

Source: Refinitiv / Inderes

# Income statement

| Income statement | 2023 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | 2024 | Q1'25e | Q2'25e | Q3'25e | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **1393** | **339** | **423** | **416** | **497** | **1675** | **342** | **443** | **442** | **526** | **1753** | **1859** | **1961** | **2052** |
| Group | -0.1 | -0.1 | -0.2 | 0.0 | -0.9 | -1.2 | 0.0 | 0.0 | -0.1 | -0.1 | -0.3 | -0.3 | -0.3 | -0.3 |
| Tokmanni | 1209 | 248 | 316 | 304 | 366 | 1234 | 243 | 323 | 317 | 373 | 1255 | 1318 | 1378 | 1427 |
| Dollarstore | 184 | 91.1 | 107 | 112 | 132 | 442 | 99.2 | 120 | 126 | 153 | 498 | 541 | 584 | 625 |
| **EBITDA** | **190** | **27.0** | **59.5** | **60.8** | **80.3** | **228** | **20.5** | **53.9** | **61.7** | **82.0** | **218** | **237** | **255** | **269** |
| Depreciation | -96.8 | -31.9 | -31.7 | -31.9 | -32.2 | -127.7 | -32.9 | -32.5 | -32.5 | -32.5 | -130.4 | -131.1 | -132.7 | -134.7 |
| **EBIT (excl. NRI)** | **98.8** | **-4.3** | **28.5** | **30.3** | **47.8** | **102** | **-11.6** | **22.1** | **30.0** | **50.2** | **90.7** | **109** | **126** | **137** |
| **EBIT** | **93.0** | **-4.9** | **27.8** | **28.9** | **48.1** | **99.9** | **-12.4** | **21.4** | **29.2** | **49.5** | **87.7** | **106** | **123** | **134** |
| Group | -0.6 | -0.4 | -0.8 | -0.8 | -1.1 | -3.1 | -0.9 | -0.7 | -0.7 | -0.7 | -3.0 | -3.0 | -3.0 | -3.0 |
| Tokmanni | 83.8 | -1.7 | 26.5 | 25.2 | 37.8 | 87.8 | -3.7 | 20.3 | 24.3 | 36.8 | 77.7 | 88.2 | 96.2 | 101 |
| Dollarstore | 9.8 | -2.8 | 2.1 | 5.1 | 10.4 | 14.8 | -7.8 | 1.7 | 5.6 | 13.4 | 13.0 | 20.7 | 29.6 | 35.9 |
| Net financial items | -24.7 | -9.1 | -9.8 | -8.5 | -11.4 | -38.8 | -8.7 | -10.3 | -10.3 | -10.3 | -39.6 | -40.2 | -39.4 | -38.6 |
| **PTP** | **68.4** | **-14.0** | **18.0** | **20.4** | **36.7** | **61.1** | **-21.1** | **11.0** | **18.9** | **39.2** | **48.1** | **65.7** | **83.3** | **96** |
| Taxes | -14.3 | 2.1 | -3.3 | -3.9 | -7.3 | -12.3 | 2.5 | -2.2 | -3.8 | -7.8 | -11.3 | -13.1 | -15.3 | -17.6 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net earnings** | **54.0** | **-12.0** | **14.8** | **16.6** | **29.4** | **48.8** | **-18.6** | **8.8** | **15.1** | **31.4** | **36.8** | **52.5** | **68.0** | **78.0** |
| **EPS (adj.)** | **1.02** | **-0.19** | **0.26** | **0.31** | **0.49** | **0.87** | **-0.30** | **0.16** | **0.27** | **0.54** | **0.68** | **0.94** | **1.21** | **1.38** |
| **EPS (rep.)** | **0.92** | **-0.20** | **0.25** | **0.28** | **0.50** | **0.83** | **-0.32** | **0.15** | **0.26** | **0.53** | **0.63** | **0.89** | **1.16** | **1.33** |

| Key figures | 2023 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | 2024 | Q1'25e | Q2'25e | Q3'25e | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue growth-%** | 19.2 % | 42.4 % | 32.5 % | 14.3 % | 5.5 % | 20.3 % | 0.8 % | 4.8 % | 6.3 % | 5.8 % | 4.6 % | 6.1 % | 5.5 % | 4.6 % |
| **Adjusted EBIT growth-%** | 15.2 % | 92% | 0.2 % | 11.6 % | 5.2 % | 3.6 % | 169.8 % | -22.6 % | -0.8 % | 5.0 % | -11.3 % | 20.0 % | 15.5 % | 9.1 % |
| **EBITDA-%** | 13.6 % | 8.0 % | 14.1 % | 14.6 % | 16.2 % | 13.6 % | 6.0 % | 12.2 % | 14.0 % | 15.6 % | 12.4 % | 12.8 % | 13.0 % | 13.1 % |
| **Adjusted EBIT-%** | 7.1 % | -1.3 % | 6.7 % | 7.3 % | 9.6 % | 6.1 % | -3.4 % | 5.0 % | 6.8 % | 9.6 % | 5.2 % | 5.9 % | 6.4 % | 6.7 % |
| **Net earnings-%** | 3.9 % | -3.5 % | 3.5 % | 4.0 % | 5.9 % | 2.9 % | -5.4 % | 2.0 % | 3.4 % | 6.0 % | 2.1 % | 2.8 % | 3.5 % | 3.8 % |

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

# Balance sheet

| Assets | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|
| **Non-current assets** | **900** | **901** | **901** | **907** | **916** |
| Goodwill | 218 | 217 | 217 | 217 | 217 |
| Intangible assets | 45.8 | 42.4 | 40.2 | 38.2 | 36.4 |
| Tangible assets | 633 | 639 | 643 | 651 | 662 |
| Associated companies | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Other investments | 0.6 | 0.2 | 0.2 | 0.2 | 0.2 |
| Other non-current assets | 2.3 | 1.7 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Current assets** | **510** | **476** | **524** | **537** | **576** |
| Inventories | 343 | 428 | 464 | 474 | 500 |
| Other current assets | 2.6 | 2.4 | 2.4 | 2.4 | 2.4 |
| Receivables | 31.0 | 29.1 | 30.5 | 32.3 | 34.1 |
| Cash and equivalents | 134 | 15.9 | 26.3 | 27.9 | 39.2 |
| **Balance sheet total** | **1410** | **1376** | **1424** | **1444** | **1492** |

Source: Inderes

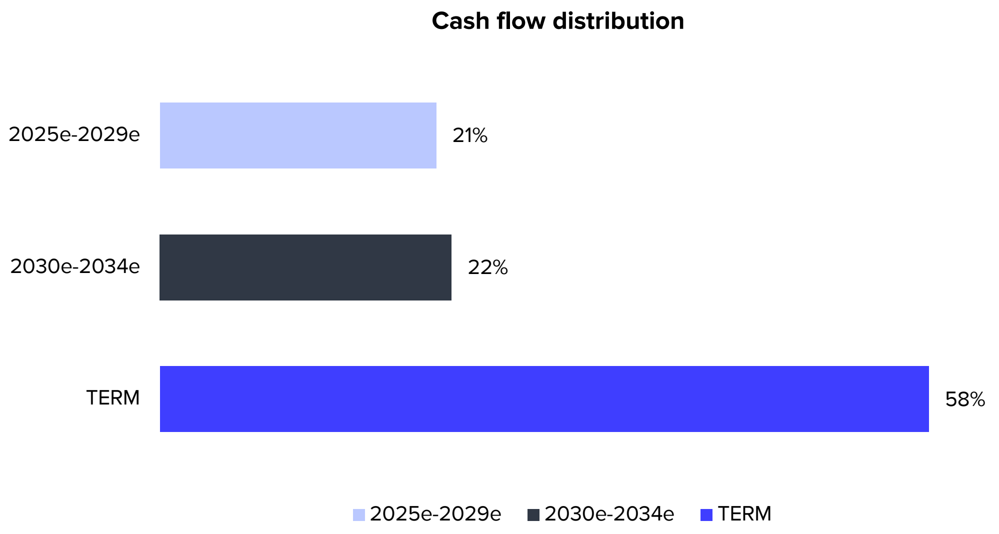
| Liabilities & equity | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|
| **Equity** | **265** | **263** | **260** | **283** | **313** |
| Share capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Retained earnings | 147 | 151 | 148 | 171 | 201 |
| Hybrid bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation reserve | -0.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other equity | 119 | 112 | 112 | 112 | 112 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Non-current liabilities** | **743** | **717** | **797** | **779** | **781** |
| Deferred tax liabilities | 12.9 | 10.3 | 0.0 | 0.0 | 0.0 |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest bearing debt | 726 | 703 | 793 | 775 | 777 |
| Convertibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long term liabilities | 4.3 | 3.8 | 3.8 | 3.8 | 3.8 |
| **Current liabilities** | **402** | **397** | **367** | **382** | **399** |
| Interest bearing debt | 138 | 130 | 88.1 | 86.1 | 86.3 |
| Payables | 260 | 267 | 279 | 296 | 312 |
| Other current liabilities | 3.6 | 0.3 | 0.3 | 0.3 | 0.3 |
| **Balance sheet total** | **1410** | **1376** | **1424** | **1444** | **1492** |

# DCF calculation

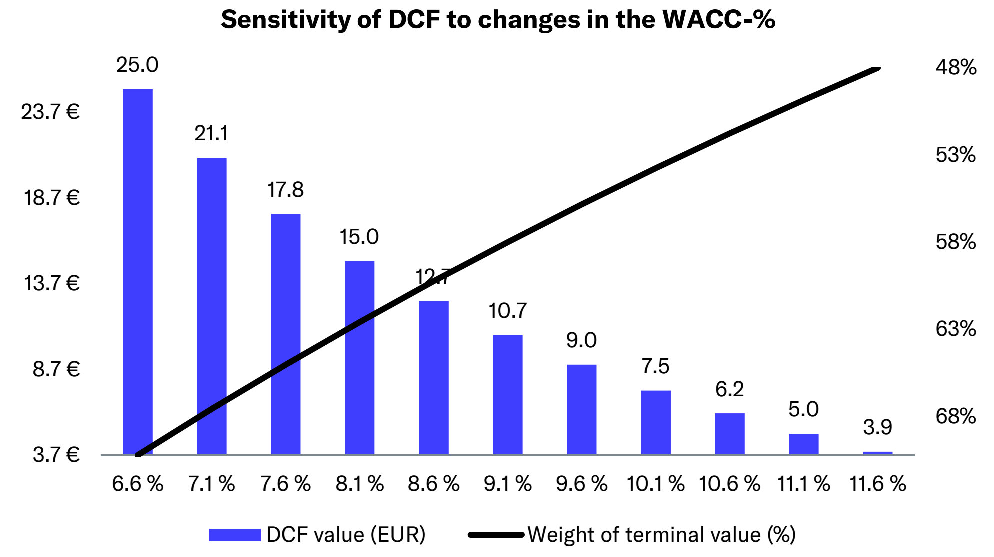
| DCF model | 2024 | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | TERM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue growth-% | 20.3 % | 4.6 % | 6.1 % | 5.5 % | 4.6 % | 4.0 % | 4.0 % | 3.5 % | 3.5 % | 3.0 % | 2.0 % | 2.0 % |
| EBIT-% | 6.0 % | 5.0 % | 5.7 % | 6.3 % | 6.5 % | 7.0 % | 7.5 % | 7.5 % | 7.5 % | 7.0 % | 7.0 % | 7.0 % |
| **EBIT (operating profit)** | **99.9** | **87.7** | **106** | **123** | **134** | **149** | **166** | **172** | **178** | **171** | **175** | |
| + Depreciation | 128 | 130 | 131 | 133 | 135 | 137 | 140 | 144 | 147 | 150 | 152 | |
| - Paid taxes | -14.9 | -21.6 | -13.1 | -15.3 | -17.6 | -19.9 | -23.1 | -24.3 | -25.4 | -24.2 | -25.0 | |
| - Tax, financial expenses | -7.8 | -9.3 | -8.0 | -7.3 | -7.1 | -7.5 | -7.5 | -7.4 | -7.4 | -7.3 | -7.2 | |
| + 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 | -80.0 | -25.0 | 5.5 | -11.6 | -10.2 | -9.3 | -9.7 | -8.8 | -9.1 | -8.1 | -5.5 | |
| **Operating cash flow** | **125** | **162** | **221** | **221** | **234** | **250** | **267** | **275** | **283** | **281** | **289** | |
| + Change in other long-term liabilities | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Gross CAPEX | -128 | -131 | -138 | -142 | -147 | -152 | -156 | -160 | -160 | -160 | -157 | |
| **Free operating cash flow** | **-3.5** | **31.1** | **83.9** | **79.5** | **87.2** | **98.2** | **111** | **116** | **124** | **122** | **132** | |
| +/- Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | -3.5 | 31.1 | 83.9 | 79.5 | 87.2 | 98.2 | 111 | 116 | 124 | 122 | 132 | 1897 |
| **Discounted FCFF** | | **29.9** | **73.9** | **64.2** | **64.6** | **66.6** | **68.9** | **65.9** | **64.6** | **58.3** | **58.1** | **832** |
| Sum of FCFF present value | | 1447 | 1417 | 1344 | 1279 | 1215 | 1148 | 1079 | 1013 | 949 | 890 | 832 |
| **Enterprise value DCF** | | **1447** | | | | | | | | | | |
| - Interest bearing debt | | -832.2 | | | | | | | | | | |
| + Cash and cash equivalents | | 15.9 | | | | | | | | | | |
| -Minorities | | 0.0 | | | | | | | | | | |
| -Dividend/capital return | | 0.0 | | | | | | | | | | |
| **Equity value DCF** | | **631** | | | | | | | | | | |
| **Equity value DCF per share** | | **10.7** | | | | | | | | | | |

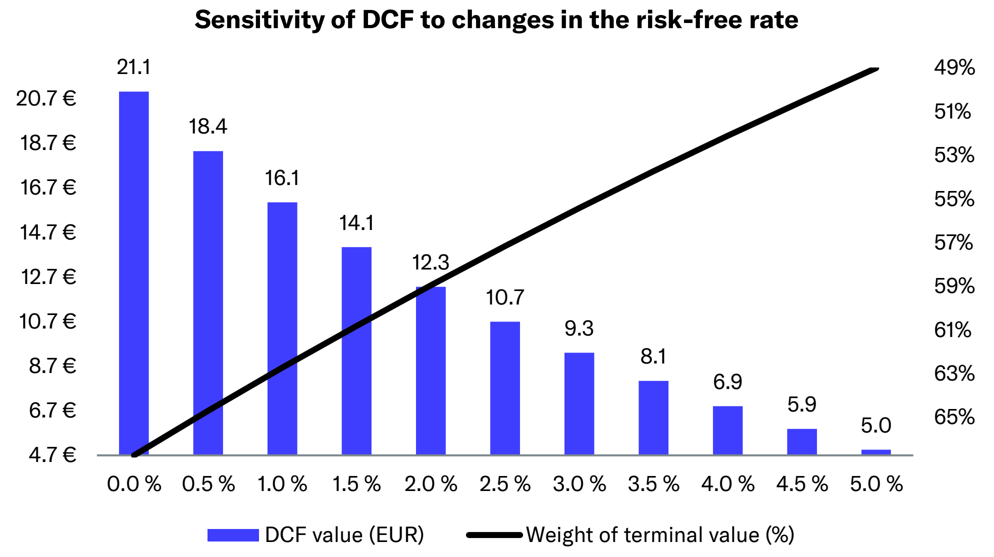
| WACC | |
|---|---|
| Tax-% (WACC) | 18.5 % |
| Target debt ratio (D/(D+E) | 20.0 % |
| Cost of debt | 5.0 % |
| Equity Beta | 1.30 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.70% |
| Risk free interest rate | 2.5 % |
| **Cost of equity** | **10.4 %** |
| **Weighted average cost of capital (WACC)** | **9.1 %** |

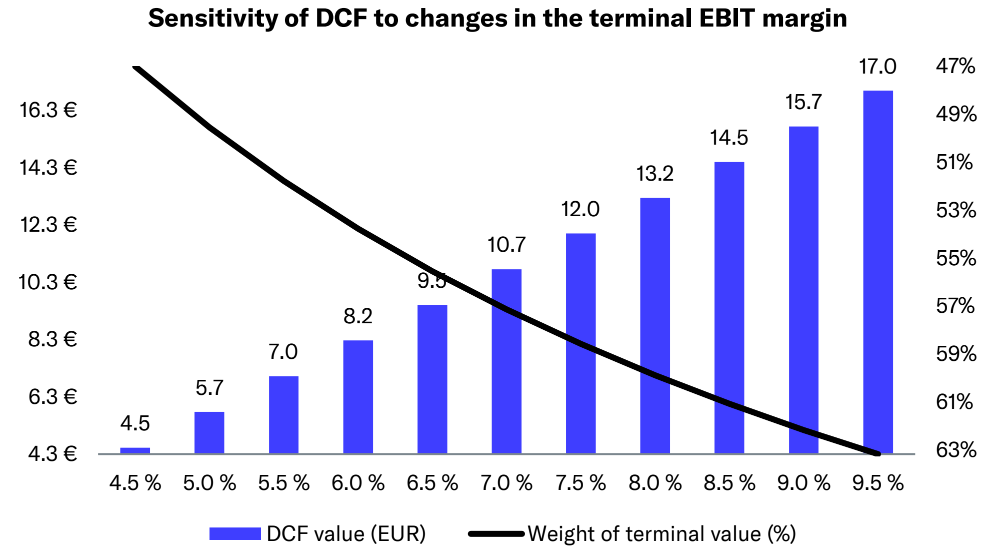
Source: Inderes

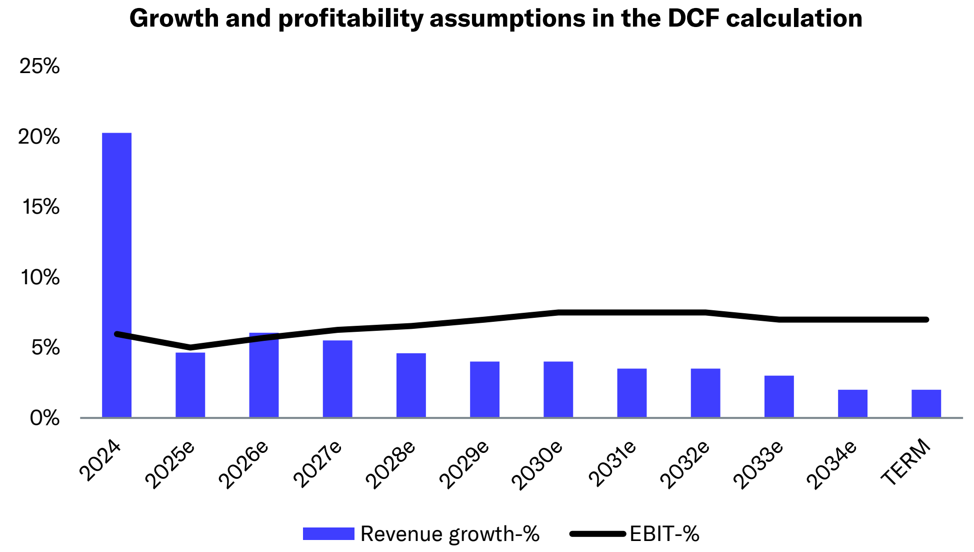


# DCF sensitivity calculations and key assumptions in graphs




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

# Summary

| Income statement | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| Revenue | 1168.0 | 1392.6 | 1674.9 | **1752.7** | **1858.8** |
| EBITDA | 157.2 | 189.8 | 227.6 | **218.1** | **237.0** |
| EBIT | 84.0 | 93.0 | 99.9 | **87.7** | **105.9** |
| PTP | 73.3 | 68.4 | 61.1 | **48.1** | **65.7** |
| Net Income | 58.8 | 54.0 | 48.8 | **36.8** | **52.5** |
| Extraordinary items | -1.7 | -5.8 | -2.4 | **-3.0** | **-3.0** |

| Balance sheet | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| Balance sheet total | 793.8 | 1410.3 | 1376.3 | **1424.4** | **1443.8** |
| Equity capital | 247.0 | 265.4 | 263.1 | **259.9** | **283.0** |
| Goodwill | 136.2 | 218.1 | 217.3 | **217.3** | **217.3** |
| Net debt | 383.3 | 730.5 | 816.3 | **855.2** | **833.0** |

| Cash flow | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| EBITDA | 157.2 | 189.8 | 227.6 | **218.1** | **237.0** |
| Change in working capital | -44.9 | 47.6 | -80.0 | **-25.0** | **5.5** |
| Operating cash flow | 95.4 | 232.4 | 124.8 | **162.1** | **221.4** |
| CAPEX | -98.8 | -524.3 | -127.8 | **-131.0** | **-137.5** |
| Free cash flow | -3.9 | -292.3 | -3.5 | **31.1** | **83.9** |

| Valuation multiples | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| EV/S | 0.9 | 1.2 | 0.9 | **0.8** | **0.7** |
| EV/EBITDA | 6.7 | 8.6 | 6.7 | **6.5** | **5.8** |
| EV/EBIT (adj.) | 12.2 | 16.6 | 14.9 | **15.5** | **12.7** |
| P/E (adj.) | 11.0 | 15.2 | 13.9 | **13.9** | **9.9** |
| P/B | 2.7 | 3.4 | 2.7 | **2.1** | **2.0** |
| Dividend-% | 6.7 % | 4.9 % | 5.6 % | **5.3 %** | **6.9 %** |

Source: Inderes

| Per share data | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| EPS (reported) | 1.00 | 0.92 | 0.83 | **0.63** | **0.89** |
| EPS (adj.) | 1.03 | 1.02 | 0.87 | **0.68** | **0.94** |
| OCF / share | 1.62 | 3.95 | 2.12 | **2.76** | **3.76** |
| OFCF / share | -0.07 | -4.97 | -0.06 | **0.53** | **1.42** |
| Book value / share | 4.20 | 4.51 | 4.47 | **4.42** | **4.81** |
| Dividend / share | 0.76 | 0.76 | 0.68 | **0.50** | **0.65** |

| Growth and profitability | 2022 | 2023 | 2024 | 2025e | 2026e |
|---|---|---|---|---|---|
| Revenue growth-% | 2% | 19% | 20% | **5%** | **6%** |
| EBITDA growth-% | -10% | 21% | 20% | **-4%** | **9%** |
| EBIT (adj.) growth-% | -19% | 15% | 4% | **-11%** | **20%** |
| EPS (adj.) growth-% | -20% | -1% | -15% | **-22%** | **40%** |
| EBITDA-% | 13.5 % | 13.6 % | 13.6 % | **12.4 %** | **12.8 %** |
| EBIT (adj.)-% | 7.3 % | 7.1 % | 6.1 % | **5.2 %** | **5.9 %** |
| EBIT-% | 7.2 % | 6.7 % | 6.0 % | **5.0 %** | **5.7 %** |
| ROE-% | 23.9 % | 21.1 % | 18.4 % | **14.1 %** | **19.4 %** |
| ROI-% | 13.1 % | 10.5 % | 9.0 % | **7.8 %** | **9.3 %** |
| Equity ratio | 31.1 % | 18.8 % | 19.1 % | **18.2 %** | **19.6 %** |
| Gearing | 155.2 % | 275.3 % | 310.3 % | **329.1 %** | **294.4 %** |

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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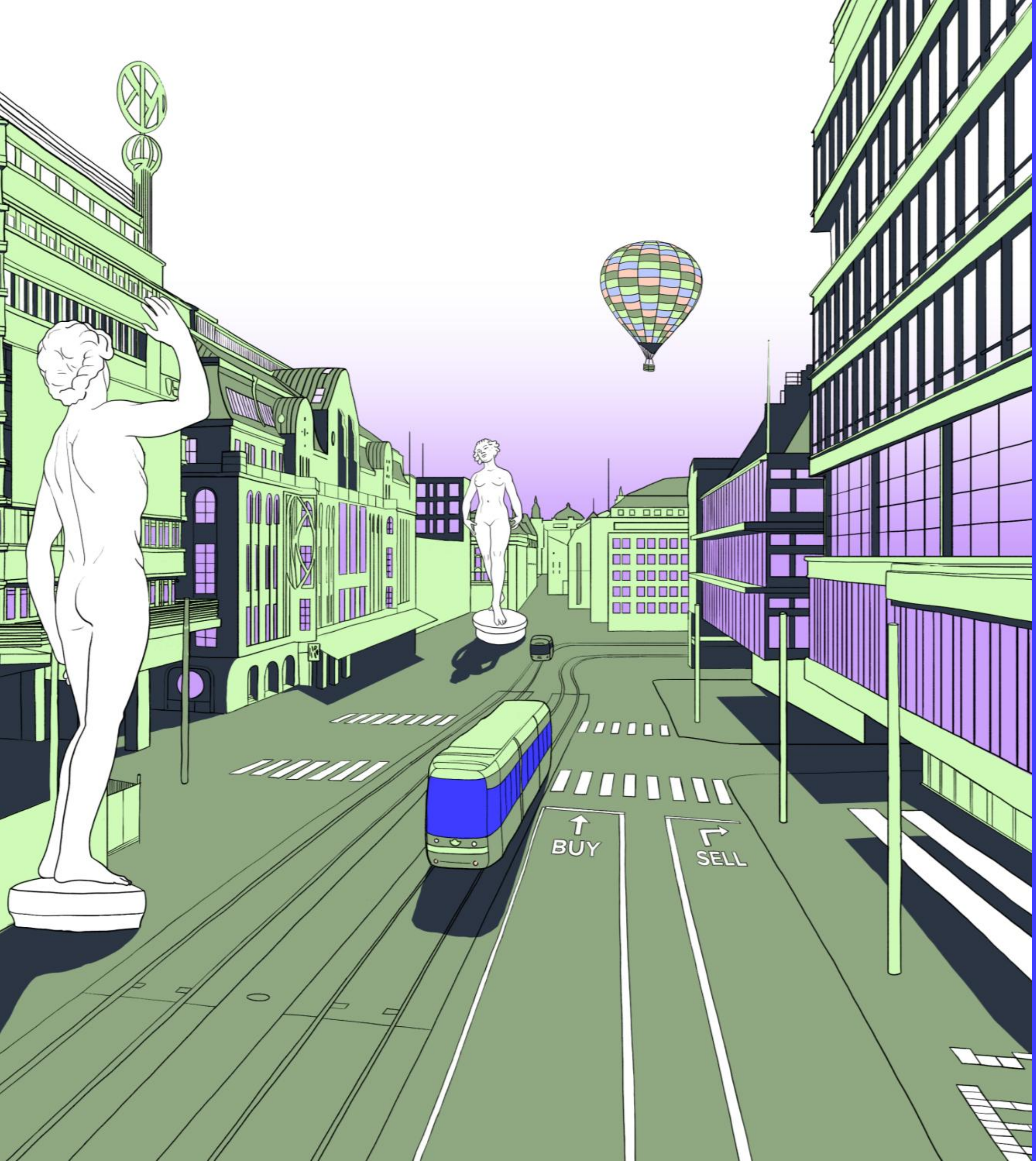
## Recommendation history (>12 mo)

| Date | Recommendation | Target | Share price |
|---|---|---|---|
| 5/8/2021 | Buy | 25.00 € | 21.68 € |
| 7/29/2021 | Accumulate | 27.00 € | 24.66 € |
| 10/31/2021 | Buy | 25.00 € | 19.68 € |
| *Analyst changed* | | | |
| 2/14/2022 | Buy | 20.00 € | 17.90 € |
| 4/27/2022 | Buy | 17.00 € | 14.78 € |
| 5/2/2022 | Buy | 15.00 € | 12.40 € |
| 5/27/2022 | Accumulate | 13.50 € | 12.17 € |
| 8/1/2022 | Accumulate | 14.00 € | 12.82 € |
| 9/30/2022 | Accumulate | 12.50 € | 11.04 € |
| 10/31/2022 | Accumulate | 12.50 € | 11.83 € |
| 12/19/2022 | Accumulate | 12.50 € | 11.63 € |
| 2/13/2023 | Accumulate | 14.00 € | 12.98 € |
| 4/13/2023 | Accumulate | 14.20 € | 13.20 € |
| 5/2/2023 | Accumulate | 13.50 € | 12.41 € |
| 8/7/2023 | Accumulate | 14.50 € | 13.73 € |
| *Analyst changed* | | | |
| 11/20/2023 | Accumulate | 14.00 € | 12.61 € |
| 2/14/2024 | Reduce | 15.50 € | 15.42 € |
| 3/25/2024 | Accumulate | 16.00 € | 14.96 € |
| 5/20/2024 | Accumulate | 15.00 € | 13.63 € |
| 6/13/2024 | Accumulate | 15.00 € | 13.35 € |
| 8/8/2024 | Accumulate | 13.00 € | 11.16 € |
| 8/19/2024 | Accumulate | 13.00 € | 10.80 € |
| 11/18/2024 | Buy | 14.00 € | 11.60 € |
| 3/3/2025 | Accumulate | 15.50 € | 13.76 € |
| 3/10/2025 | Accumulate | 14.50 € | 12.73 € |
| 5/19/2025 | Reduce | 11.50 € | 11.65 € |
| 7/21/2025 | Reduce | 10.00 € | 9.38 € |

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